

A significant operator in the infrastructure sector

ANNUAL AND SUSTAINABILITY REPORT 2024



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Cover photo: Finnish Transport Infrastructure Agency

● GRK IN BRIEF

Behind everything is infrastructure



- GRK IN BRIEF

A significant operator in the infrastructure sector

GRK designs, repairs, maintains and builds roads, highways, tracks and bridges to make everyday life run smoothly, get people to meet each other and make the future more sustainable. GRK's expertise also includes environmental technology.

We have approximately 1,100 professionals in Finland, Sweden and Estonia. Our revenue in 2024 amounted to approximately EUR 729 million.

We are a forerunner in sustainable construction, we find the most innovative and functional infrastructure solutions and carry out our projects so that our customers do not have to worry about anything. The more versatile the project, the better it suits us.



- VALUES

01 We take responsibility.

02 We are not afraid.

03 We do not waste time.

04 We do not just go to work.

05 We succeed together.




● GRK IN BRIEF

Our services


GRK's core competencies include the implementation of diverse infrastructure construction projects, project management of large projects and extensive track expertise.

GRK offers services from design to construction and maintenance. Our customers include the state administration, municipalities, cities and the private sector. GRK cooperates with other companies on many projects.

● OUR SERVICES

 **Civil engineering, road construction and paving**

 **Rail business**

 **Environmental technology**

● ECONOMIC REVIEW

A year of a strong improvement and profitability

GRK had a very strong year in terms of all financial indicators. Our strong growth continued, with our revenue increasing by approximately 33% to EUR 728.6 million. We have successfully increased our revenue in Finland, Sweden and Estonia.

Due to the mild winter weather, many of our construction projects could be continued until the end of the year. The good weather conditions had a positive impact on GRK's revenue and profit performance. Although our revenue grew, it did not come at the expense of profitability, as our operating profit also increased significantly and reached EUR 45.2 million. All of our country companies have managed to improve their profitability.

● GRK GROUP'S KEY FIGURES:

| GRK Group | 1-12/2024 | 1-12/2023 | 1-12/2022 |
|--|-----------|-----------|-----------|
| Revenue (EUR million) | 728.6 | 546.2 | 450.5 |
| EBITDA (EUR million) | 60.9 | 37.7 | 24.4 |
| EBITDA % | 8.4 % | 6.9 % | 5.4 % |
| Adjusted EBITDA (EUR million) | 61.3 | 38.0 | 26.3 |
| Adjusted EBITDA % | 8.4 % | 7.0 % | 5.8 % |
| Operating profit (EUR million) | 45.2 | 24.2 | 11.4 |
| Operating profit margin, % | 6.2 % | 4.4 % | 2.5 % |
| Adjusted operating profit (EUR million) | 45.6 | 24.9 | 13.7 |
| Adjusted operating profit margin, % | 6.3 % | 4.6 % | 3.0 % |
| Profit for the financial period (EUR million) | 36.9 | 20.1 | 7.0 |
| Equity (EUR million) | 119.3 | 88.9 | 77.0 |
| Return on equity % | 150.1 % | 47.8 % | 16.6 % |
| Equity ratio, % | 42.9% | 39.9 % | 41.9 % |
| Order backlog at the end of the year (EUR million) | 845.6 | 568.3 | 381.0 |
| Average number of personnel | 1,098 | 1,012 | 946 |

Revenue, M€

728.6

Operating profit, M€

45.2

Order backlog, M€

845.6

Personnel

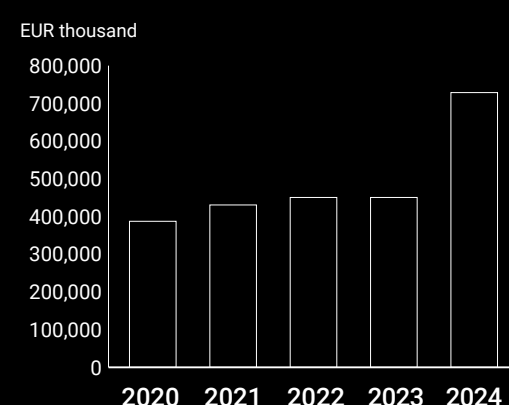
1,098

● GRK IN BRIEF

Key figures

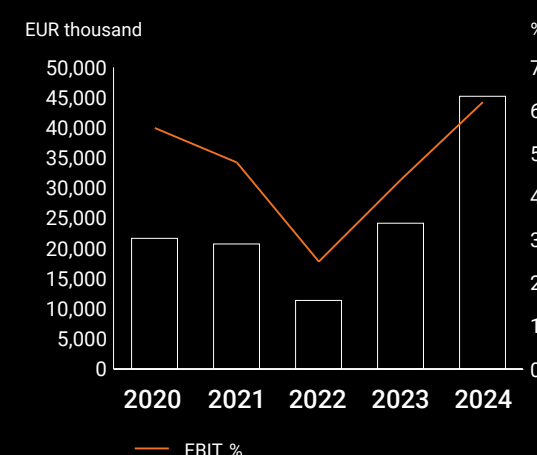
Revenue

729



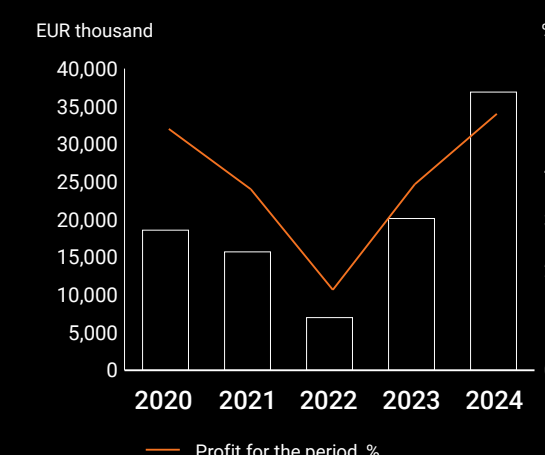
Operating profit (EBIT)

45.2



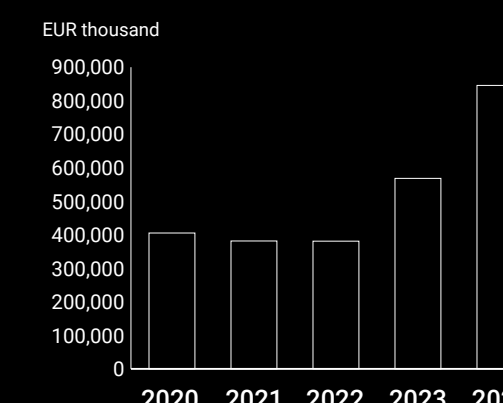
Profit for the financial period

36.9



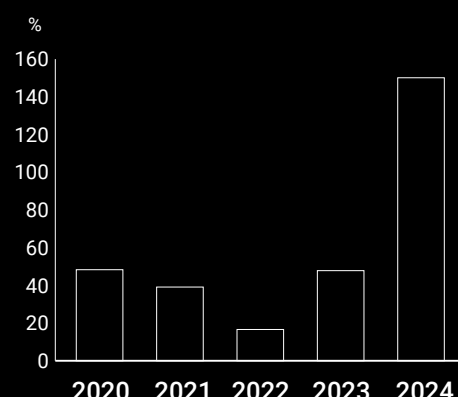
Order backlog at end of the period

845



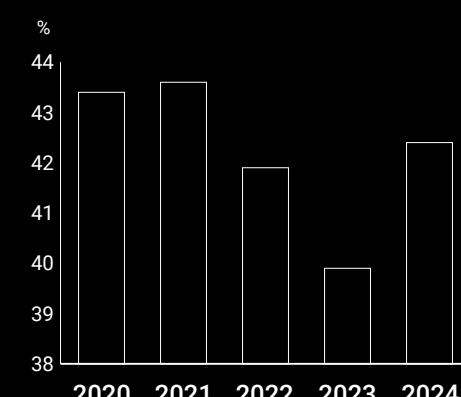
Return on capital employed, % (ROCE-%)

150.1



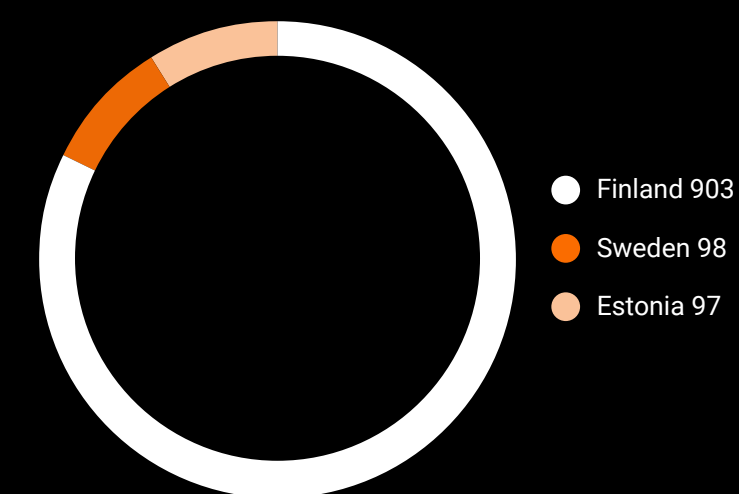
Equity ratio, %

42.9



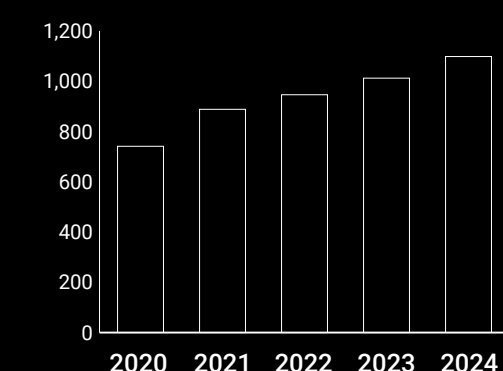
Average number of personnel for the countries

1,098



Average number of personnel

1,098



● GRK IN BRIEF

Highlights of 2024

Excellent customer satisfaction

GRK's customer promise of constructing infrastructure to the highest quality and right first time was implemented successfully: the customer satisfaction increased to an average of 4.3/5.*

*The figure reflects the customer satisfaction of GRK Suomi Oy.

[+ Read more](#)



[+ Read more](#)

Job satisfaction has improved

In 2024, GRK Group's overall satisfaction increased from previous years to an eNPS of 37 (29), which is a fine achievement. In addition, the eNPS figure for summer trainees in Finland was 64, which we consider to be a great success. Some 89% of the trainees felt that the work met or exceeded their expectations.



GRK has the best reputation in the construction sector

T-Media's annual Trust & Reputation survey on the construction sector once again surveyed Finns' perceptions and views. GRK took first place.

[+ Read more](#)

Targets set for biodiversity

We created a nature and climate roadmap for GRK, which includes our targets for promoting biodiversity. The starting points for the roadmap included the development of new business opportunities, increasing customer value and ensuring resilience.

[+ Read more](#)

GRK joined the Circular Economy Green Deal

GRK is committed to the voluntary Circular Economy Green Deal. Organisations that commit to the Green Deal set targets for reducing their use of natural resources and promoting a low-carbon circular economy. GRK aims to triple its annual use of recycled materials to 1.5 million tonnes by 2035.

Growth in the number of professionals

Profitable growth has enabled recruitment. The number of GRK's personnel continued to grow. At the end of the year, we had 1,099 employees.



GRK is currently in good shape.

● CEO's Review

A financially strong year: revenue increased significantly, operating profit almost doubled

GRK had a successful year in terms of all financial indicators. Our strong growth continued, with our revenue increasing by approximately 33% to EUR 728.6 million.

We have successfully increased our revenue in Finland, Sweden and Estonia.

Due to favourable weather conditions, we were able to continue many projects efficiently until the end of the year, which had a positive impact on GRK's revenue and profit performance.

Our operating profit increased significantly and reached EUR 45.2 million. All of our country companies have managed to improve their profitability.

Our cash position was strong, our return on capital employed was very good, and our equity ratio improved.

The strongest growth and profit performance were achieved in Sweden. The most notable project was the earthworks and foundation reinforcement contract at the Stegra AB plant site and the concrete foundation contracts we have won in addition to the previously announced contract.

At the end of December, our order backlog stood at a record high EUR 845.6 million. We had the opportunity to start a number of significant new projects in 2024. Exam-

ples of these include the construction of the Hailuoto causeway, the Espoo City Rail Link contracts, the improvement of national road 9, and earthworks for Finngrid's main grid cable connection in Helsinki. In Estonia, we won a new railway electrification project and also one significant earthworks contract related to the Rail Baltica railway project.

Work well done and new projects

We have received excellent feedback from clients on several of our projects. One great demonstration of the quality of work that GRK's employees do is our track maintenance professionals, who contribute to keeping the railway network fit for traffic. GRK has been responsible for the maintenance of the superstructure and safety equipment of the Uusimaa railway for four years. Thanks to the extension option, we can now continue maintenance in the busy Uusimaa region until early 2027.

While we have several large projects in our order backlog, we also have many smaller projects that represent a significant share of our revenue.

Last autumn, we completed our part of the Kalasatama–Pasila tramway project. This meant that one

successful project has now been completed, but there are more to come. We are currently involved in tramway projects in Turku and Vantaa. Both of the projects are currently still in the development phase, and will be fully included in our order backlog once the implementation phase begins.

The market situation remains uncertain. Although there have been unfortunate news concerning the construction sector, from our perspective the situation is favourable. Forecasts point to slight growth in the infrastructure construction market in all of our operating countries.

We updated our strategy in the latter part of the year, and I am confident that there will continue to be interesting business opportunities in infrastructure construction. The green transition, urbanisation, the maintenance backlog and defence investments will support the infrastructure construction market. We intend to seize these opportunities.

Sustainability has progressed towards objectives

GRK's sustainability goals are outlined in the Group's strategy, with the strategic intent of leading the way in sustainable construction. The performance indicators include safety, customer satisfaction, commitment to the Circular Economy Green Deal, the growth of the environmental technology business, zero adverse environmental incidents, and net zero emissions from GRK's own operations by 2035.

GRK made a commitment to the voluntary Circular Economy Green Deal in 2024. The signatories to the Green Deal set targets for reducing the consumption of natural

resources and promoting a low-carbon circular economy. GRK's targets include tripling the company's annual use of recycled materials to 1.5 million tonnes by 2035.

The sustainability rating agency EcoVadis assessed GRK's operations for the first time in 2024. GRK received a score of 54/100 in the overall assessment. Based on the EcoVadis assessment, we currently rank in the middle of our industry. The aim is to improve our position by developing responsible sourcing, among other measures.

Safety and health are the most important

Unfortunately, there were also dark moments in a year that was marked by financial success.

The most devastating incident happened in the autumn, when a fatal occupational accident occurred at our rail construction site in Tikkurila. Although the accident was caused by human error, it does not diminish the sorrow it has caused. GRK has a long-standing focus on the prevention of occupational accidents, but the fatal incident further underscores the importance of safety.

A big thank you to everyone

The new year will be my last as CEO of GRK.

In early January 2025, we announced that a planned change of leadership is under way at GRK. Mika Mäenpää, the CEO of our Swedish country company, has been selected as my successor. He will take up his post by the end of September at the latest. I will support Mika in the transfer of duties, and as necessary, until the end of the year.

I wish Mika every success in his new position when he takes over as CEO. In any case, GRK is in strong shape, and we have plenty of great projects in our order backlog. Above all, the credit for this belongs to our customers and our personnel.

Juha Toimela,
Chief Executive Officer



● STRATEGY

Profitable growth



● MARKET SITUATION

The market situation presents opportunities

The economy is starting to recover from the recession, while inflation and interest rates continue to decrease slowly. Nevertheless, the market situation remains uncertain.

Public infrastructure construction is growing slightly in Finland, Sweden and Estonia. In Finland, growth is boosted by the Finnish Government's three-billion-euro support package. In Finland and Sweden, business opportunities and growth potential are seen in the projects of large cities, the green transition of the private sector, and defence administration and border security. In Estonia, investments are heavily focused on Rail Baltica and the electrification of the Estonian railway network.

The macroeconomic situation is inevitably also reflected in the construction industry, but it is expected that there will be demand for infrastructure construction. In the coming years, it is projected to grow slightly in all of our operating countries, but especially in Sweden due to new infrastructure investments.

Finland

The economic downturn has had an impact on construction over the past two years. Based on forecasts (RT economic survey, autumn 2024), a slow recovery is expected from 2025 onwards, which is likely to accelerate the growth of infrastructure as well.

In Finland, civil engineering, which is important for GRK,

is expected to turn to growth in 2025, driven by geopolitics and the energy transition. The infrastructure sector is expected to be boosted by central government spending on road investments and maintenance, as well as investments in the energy transition. Investments related to renewable energy, electrification, the security of supply and safety are growing. Infrastructure construction plays a significant role in this transition. There are currently tramway projects in the development phase in Turku and Vantaa, and further tramway projects are being planned in other major cities in Finland.

The public budget has been tight due to the recent cost-saving measures by the Finnish Government. A temporary investment programme of EUR 3 billion is expected to ease the tightening budget.

The value of the planned green transition projects in Finland is expected to exceed EUR 100 billion by 2030, but the timing and realisation of these projects remain uncertain. However, all green transition projects include a significant infrastructure construction component. If the projects are realised, they will bring growth to the infrastructure sector.

Sweden

In Sweden, construction investments are expected to increase and there is positive development in investments in the infrastructure sector. According to the forecast,



The infrastructure construction market has been stable.

construction investments will grow significantly faster than the rest of the economy, mainly due to the recovery of housing construction and increasing investments in the energy sector and infrastructure.

Increased geopolitical uncertainty is expected to have a positive impact on defence-related infrastructure investments, for example. Many projects related to the green transition have started in recent years, and they require extensive investments in the surrounding infrastructure. This includes, for example, the development and construction of ports and the improvement of other infrastructure, such as railways. Construction in Norrbotten, which is an important region for GRK, is expected to grow due to significant industrial investments.

Estonia

In Estonia, the volume of the infrastructure construction market has grown at an average annual rate of approximately 6.7% from 2010 to 2023, compared to an average annual growth rate of 6.4% for residential construction over the same period.

The green transition and energy-related investments are on the rise in Estonia. Several projects with a combined value of over EUR 2 billion are under preparation for 2025–2031.

Infrastructure construction in Estonia is maintained by Rail Baltica projects and the electrification of the Estonian railway network, among other developments. Several competitive tendering processes are currently under way in the Rail Baltica project. The estimated investments in the first phase of Rail Baltica in Estonia have increased from just over EUR 1 billion to over EUR 3 billion.

● GROWTH DRIVERS



Green transition

- Industrial investments in large green transition projects
- Investments in electricity networks



Urbanisation

- Growing metropolitan areas increase investments in urban infrastructure, including several tramway projects
- Significant rail projects are in the planning phase in Sweden and the Baltic countries



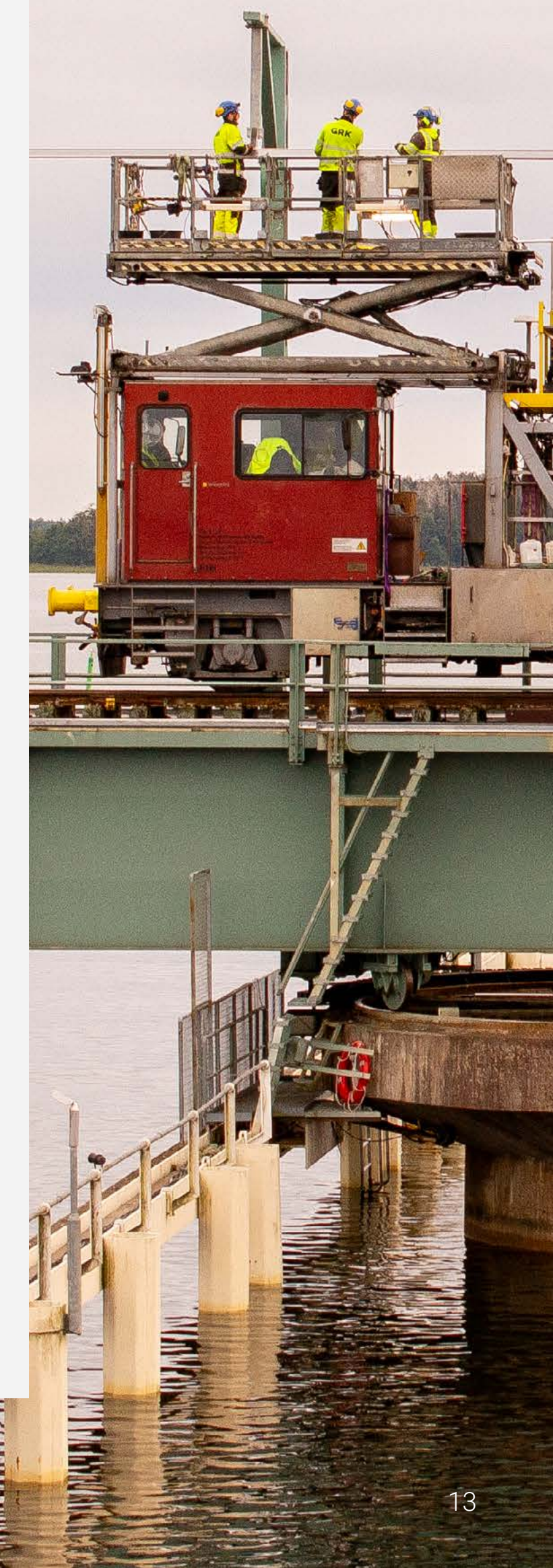
Defence and critical infrastructure

- Investments to strengthen critical infrastructure, border logistics, the security of supply and defence-related infrastructure



Maintenance backlog

- Significant infrastructure maintenance backlog in Finland, Sweden and Estonia
- Major projects funded by municipalities, central governments and the EU in GRK's core business areas



● STRATEGY

ONE GRK – now and in the future

The strategic intent is that, in 2028, GRK will grow profitably, be a forerunner in sustainable construction and have the most competitive team.

In late 2024 GRK's Board of Directors confirmed the company's updated strategy for the period 2025-2028. There were no major changes to the previous strategy, but it was refined in many respects.

The strategy was updated mainly due to geopolitical changes and the economic outlook, but megatrends were also examined. GRK recognised that geopolitics, the security of supply and the need to safeguard critical infrastructure are key factors in state-level decisions on infrastructure investments. With this in mind, one of the selected strategic priorities is for GRK to be successful in projects related to critical infrastructure and defence.

At the same time, projects related to the sustainable transition of industry and the construction of energy infrastructure are accelerating infrastructure construction. Energy efficiency, the circular economy, low emissions and halting biodiversity loss are at the heart of sustainable infrastructure construction. Accordingly, GRK wants to strengthen its share of green transition projects.

GRK operates in Finland, Estonia and Sweden. Following the update to the strategy, the aim is to expand into new areas of infrastructure construction and new geographic regions, especially in Sweden, as GRK's projects have thus far been focused on northern Sweden.

The availability of skilled and motivated personnel is a challenge in the construction industry. GRK's aim is to attract and retain the best multi-skilled professionals. GRK

wants to be an operator that develops its own experts for current and future projects. GRK's success has been driven by the company's entrepreneurial culture, and this will not change.

Fostering cooperation and coherence between different operating countries and business areas is also a strategic priority. Our professionals move flexibly between operating countries and businesses.

Digitalisation, data security risks and hybrid risks pose requirements for the development of working methods and the way organisations operate.

Leading the way in sustainable construction is a key element of GRK's strategy. GRK's sustainability targets are discussed in more detail in the sustainability section of the report, starting on page 23.

Financial targets have been updated along with the new strategy. The core idea is to ensure healthy profitability in all operations. We seek growth in accordance with our strategy both organically and through potential acquisitions.

● FINANCIAL TARGETS

GRK measures the success of its strategy by means of the Group's financial targets, which GRK intends to achieve by the end of 2028:

- Revenue in **excess of EUR 750 million** by 2028
- An adjusted operating profit margin **of more than 6%** over time
- A healthy capital structure in which the ratio of net debt to adjusted EBITDA (rolling 12 months) is **lower than 1.5x over time**
- A return on invested capital of **more than 20%** over time
- The aim is to distribute growing dividends that represent **at least 40%** of the annual net profit over time

● SUSTAINABILITY TARGETS

- Employee satisfaction (**eNPS**) > 40
- Intern satisfaction **eNPS** > 40
- Sickness absence < **2.5 %**
- We commit to the principles of fair operations **100 %**
- Safety (**accident frequency rate**) < 5
- Customer satisfaction > **4.5/5**
- Net zero regarding carbon emissions from own operations in **2035**
- No environmental damage

We are committed to the circular economy Green Deal

All sustainability targets and related metrics are discussed in more detail on page 32.

● STRATEGY

Strategy



MEGATRENDS AND GEOPOLITICAL CHANGES

| | | | | |
|---|---|---|---|---|
| Geopolitics, security of supply, and the need to safeguard critical infrastructure are guiding states' infrastructure investments | Industrial sustainable transition projects and energy infrastructure construction are accelerating infrastructure development | The availability of skilled and motivated labor is a challenge in the construction industry | Energy efficiency, circular economy, low emissions, and halting biodiversity loss are at the core of sustainable infrastructure construction. | Digitalization and information and hybrid risks impose requirements on the development of working methods and the operations of organizations |
|---|---|---|---|---|

• SERVICES

Smooth day-to-day life relies on functional infrastructure



● OPERATING COUNTRIES AND SERVICES

Finland

Revenue: EUR 376.3 (335.2) million

Share of revenue in 2024: Approx. 52 (61%)

The average number of personnel: 903

Services:

- Civil engineering and road construction
- Paving
- Rail construction
- Environmental technology

Customers: The public sector, such as the Finnish Transport Infrastructure Agency, Ely Centres, cities and municipalities
Private customers, such as businesses and households.

● PROJECTS IN 2024



The first regional contract of the Espoo City Rail Link

GRK implements the first regional contract of the Espoo City Rail Link. For GRK, the value of the contract is approximately EUR 100 million. In the Espoo City Rail Link project, two additional tracks will be constructed next to the existing tracks between Leppävaara and Kauklahti to improve the flow of local and long-distance train traffic. The Espoo City Rail Link project has been divided into several regional contracts. GRK is responsible of the construction work between Leppävaara and Kera. At the same time, we also carry out construction at separate sites in Espoo. Construction work in Espoo began in early 2024 and the project will last until the first half of 2028.



The Helsinki Postipuisto groundworks contract

GRK is currently carrying out a groundworks contract in the Eteläinen Postipuisto residential area in Helsinki. The contract includes street structures, bridge work, municipal technology, foundation reinforcements, excavations and mass replacement in the area along with soil replacement on a former landfill site. The client is the City of Helsinki. The project started in October 2024 and is expected to conclude in December 2028. The value of the contract for GRK is approximately EUR 42 million.



Construction of the Hailuoto causeway

GRK is responsible for construction in the project to build a causeway connecting Riutunkari in Oulu with Huikku in Hailuoto to replace the current ferry service. The causeway will be approximately 8.4 kilometres long, and it will consist of a road running on top of an embankment and long bridges at Huikku and Riutunkari. The project is implemented under the alliance model. The Hailuoto causeway alliance consists of the Finnish Transport Infrastructure Agency, GRK Finland as the developer and AFRY Finland Oy and A-Insinöörit Suunnittelu Oy as the designers. The value of the alliance contract is approximately EUR 105.4 million, including the development phase and the implementation phase. GRK's share of the project's value is approximately 90%. Construction began in spring 2024 and the aim is for the Hailuoto causeway to be operational in late 2026.



Maintenance

GRK is responsible for track maintenance in Uusimaa and Southwest Finland and electric track and high-current system maintenance in Western Finland. Alliance comprised of GRK Suomi Oy, the Finnish Transport Infrastructure Agency and Finrail Oy is responsible for track and safety equipment maintenance in Uusimaa and Southwest Finland until at least March 2027. The maintenance contract's value in Uusimaa is approximately EUR 155 million. The value of the maintenance services in Southwest Finland is approximately EUR 55 million.

● OPERATING COUNTRIES AND SERVICES

Sweden

Revenue: EUR 274.1 (165.9) million

Share of revenue in 2024: Approx. 38 (30) %

Number of personnel: 98

Services:

- Civil engineering and road construction
- Paving
- Rail construction

Customers: Public sector, e.g. Swedish Transport Administration (Trafikverket), cities and municipalities Private customers, such as businesses (Stegra, SSAB)

● PROJECTS IN 2024



Stegra, Boden

GRK Infra AB carries out the foundation and earthworks of H2 Green Steel's new hydrogen and steel plant. The value of the original contract exceeds SEK 2 billion, or close to EUR 200 million. GRK and H2 Green Steel signed a contract on the project in May 2022, on the basis of which it was agreed to carry out preparatory work. The actual contract was signed in January 2023, but GRK has been awarded new additional contracts thereafter. The project is expected to continue until the early part of 2026. This is GRK's largest contract to date, and it includes piling, soil cutting and soil transfer, among other operations.



Hitachi (Haparanda)

GRK installed a new version of Hitachi's train control and monitoring system for the Haparandabana test track project between Boden and Haparanda. The project included the installation of new signal box equipment in Boden and the installation of distribution cabinets in existing kiosks/technical buildings along the track. The system will be tested and approved for further use in other ERTMS projects. It is a Europe-wide rail traffic management and control system. Its objective is to harmonise railway systems in different countries, improve safety and increase the efficiency of rail traffic.



Tornio river bridge

The existing bridge over the Tornio river in Autio, in the municipality of Pajala, needs to be replaced due to its poor condition. The Swedish Transport Administration selected GRK as the main contractor for the project to build a completely new bridge at the site. GRK is first building a temporary bridge and bypass at the site. The existing bridge will then be demolished and replaced by a new composite girder bridge. The construction work began in summer 2024 and will be completed in August 2027.



Diverse expertise put to use in Sundsvall

In Sweden, GRK is implementing a contract worth approximately SEK 325 million that concerns the renewal of road section 562 (old E4) between Sundsvall and Nolby. In the project, GRK is converting a 12-kilometre stretch of the old E4 road into a local road with a parallel pedestrian and bicycle path. The change will improve the flow of traffic. The project includes diverse infrastructure and track construction work. The track work includes the demolition of the old industrial railway from Rosenborgskaj to Kubal, the relocation of the line and the construction of a new railway. As the new track passes under road 562, a road bridge is also being built as part of the project. In addition, the project includes the improvement of pedestrian and bicycle paths, water supply systems and sewer systems, as well as the construction of new roundabouts, junctions, bus stops and lighting.

● OPERATING COUNTRIES AND SERVICES

Estonia

Revenue: EUR 78.1 (42.1) million

Share of revenue in 2024: Approx. 11 (8) %

Number of personnel: 97

Services:

- Civil engineering and road construction
- Paving
- Rail construction

Customers: Public sector, e.g. Eesti Raudtee, cities and municipalities, Rail Baltica project

● PROJECTS IN 2024



Ülemiste railway station area in Tallinn

Rail Baltic Estonia OÜ has selected GRK to construct the new Ülemiste railway station area and its surroundings in Tallinn. The construction work is being carried out for the future Rail Baltica railway and passenger terminal. The value of the project is approximately EUR 27 million. The construction work began in spring 2023, and the project will last until autumn 2026.



Track electrification in Estonia

In Estonia, the goal is to electrify most of the country's rail network by the end of 2028. GRK is currently electrifying two sections, namely the section from Tapa to Narva and the main track that goes from Aaegviidu via Tapa to Tartu. During the project, GRK is responsible for the planning and construction of the electrification system. Also included in the project is the maintenance contract, according to which GRK will be responsible for the fault repair and maintenance of the electrified tracks for a minimum of five years (2025–2030) after the construction.



Rail Baltica railway embankment

Rail Baltica has been characterised as one of Europe's largest infrastructure projects. During the Rail Baltica project, a new, approximately 870 kilometre-long railway connection from Estonia to Poland will be constructed. In Estonia, the Rail Baltica railway will be approximately 213 kilometres long. The track runs from Tallinn via Pärnu, Riga and Panevėžys to Poland.

The construction of the Rail Baltica project has been divided into several different projects that will be carried out at the same time. Rail Baltic Estonia, the client in Estonia, tendered part of the projects related to the construction of the railway embankment in the summer of 2024. GRK and Merko Ehitus Eesti won a tender for the construction of a railway embankment for Rail Baltica over a distance of approximately 10.5 kilometres. The project also includes other components, such as noise barriers, three railway bridges, a green bridge, a pedestrian tunnel and access and maintenance roads near the track.

- SERVICES

Civil engineering, road construction and paving

GRK builds roads, streets and civil engineering infrastructure and improves existing transport infrastructure. We specialise in demanding bridge construction work, such as waterway and railway bridges. Our services cover area construction related to road construction, as well as concrete, steel and composite structures, foundations, industrial construction, bridge and tunnel construction and repair, as well as excavation, shoring and quarrying. Civil engineering and road construction services also include civil engineering and paving.

- EXAMPLES OF OUR SERVICES

Construction



Civil engineering



Concrete, steel and composite structures



Foundations



Industrial construction



Paving



- SERVICES

Rail construction

GRK's diverse rail construction services cover the entire life cycle of rail construction in Finland. In addition, GRK provides rail construction services in Sweden and Estonia. In Finland, GRK offers a comprehensive range of services from design to construction and maintenance. The areas of expertise in rail construction cover systems and structures for railways, metro lines and trams. Our services cover track engineering, track electrification, safety equipment and demanding structural engineering projects from foundations to telecom tower structures. GRK is responsible for the maintenance of tracks in several regions.

- EXAMPLES OF OUR SERVICES

Design



Construction



Maintenance



Metro



Tramway



Railway



Safety equipment and electrification



- SERVICES

Environmental technology

GRK has systematically built up its environmental technology business in recent years and continues to develop it further. The environmental technology business is divided into three parts: circular economy, bioproducts and environmental construction.

Circular economy

GRK offers circular economy services to various industries and waste producers. The circular economy business includes the reception, processing and utilisation of several waste materials and side streams from industry. GRK currently has 14 reception sites with environmental permits in Finland. Geographically, they are located between Helsinki and Kemi. The extensive network of locations enables logistically efficient operations in Finland.

Bioproducts

The bioproduct business covers GRK's production and sales of biochar and pellets. We produce biochar at our own plant in Utajärvi. Our target capacity is 3,000 tonnes of biochar per year. We also produce pellets in Utajärvi. Pellets are suitable for fuelling large power plants as well as heating various types of properties and single-family homes. Pellets can also be used as litter at horse farms, for example. The production capacity in Utajärvi will be approximately 10,000 tonnes of pellets per year. GRK mainly sells pellets to companies, but consumer sales options are being investigated.

Environmental construction

We build sports facilities, such as shooting ranges, parking areas and noise barriers, using 100% recycled materials. We are responsible for project implementation from start to finish, i.e. design, environmental permits, the procurement of materials, and construction. Environmental construction projects are a particularly good opportunity to include measures related to the restoration of nature in the implementation.

- EXAMPLES OF OUR SERVICES

Circular economy services



Sports facility construction



Pellets



Biochar



● SUSTAINABILITY

A pioneer in sustainable construction



● SUSTAINABILITY

Sustainability as part of GRK's strategy

GRK's operations are based on financial profitability, the principles of sustainable construction and compliance with ethical rules. Our goal is to minimise the environmental impacts of our operations and continuously improve the quality of our work and our impact on society. We work in close cooperation with our stakeholders, taking their goals and expectations into account. We want to develop sustainable construction solutions and share our expertise across the industry, while simultaneously strengthening our position as a forerunner in sustainable construction.

Sustainability plays a significant role in the execution of GRK's strategy and the achievement of the Group's objectives. Combining our strategy and responsibility is central to our long-term success and sustainability. Our three strategic goals – the most competitive team, profitable growth and being a forerunner in sustainable construction – all require strong performance with regard to responsibility.

Success in sustainability improves our competitiveness and risk management while strengthening our stakeholders' trust in GRK. We also seek new business opportunities related to sustainability that stem from social and environmental challenges. By integrating our sustainability strategy, we create long-term value for GRK and our stakeholders, while ensuring sustainable financial performance and positive impacts on the environment and society.

The regulatory background

The EU's Corporate Sustainability Reporting Directive (CSRD) lays down strict requirements for sustainability reporting by companies. The aim of the CSRD is to improve the comparability and transparency of sustainability information in the EU. The CSRD requires large enterprises to report their environmental, social and governance (ESG) disclosures in a standardised format. At the heart of the CSRD is a double materiality assessment that evaluates both the company's impact on the environment and society and the impact of environmental and social changes on the company.

GRK reports in compliance with the CSRD from the beginning of 2025. As part of our preparations for CSRD-compliant reporting, we have carried out a double materiality assessment in collaboration with the Upright Project (Upright). The analysis conducted by Upright on the basis of data and interview material provided by GRK



Next year, we will report in accordance with the CSRD directive.





Strategic goals

3

Our three strategic goals – the most competitive team, profitable growth and being a forerunner in sustainable construction – all require strong performance with regard to responsibility.

highlights GRK's material sustainability themes at both the product and the company level. We have worked extensively on these themes internally, and we have also engaged our personnel in assessing their materiality. Upright has developed its analysis on the basis of CSRD regulations. The method takes into account impact materiality and financial materiality. The materiality criteria used in the analysis take into account the likelihood, scale, scope and irremediability of the impact. Financial materiality is assessed on the basis of risks and opportunities and their impacts and dependencies. The assessment takes into account all parts of the value chain in the short, medium and long term.

For GRK, CSRD-compliant reporting is a tool with which we implement our strategy work, manage risks, look after our professionals, serve stakeholders, ensure our competitiveness and the financing of our investments, and plan for the future. The statements describing our operations are largely verified on the basis of operational data. In the future, this data will need to be verified. CSRD-compliant reporting therefore enables us to communicate our operational success in a high-quality manner.



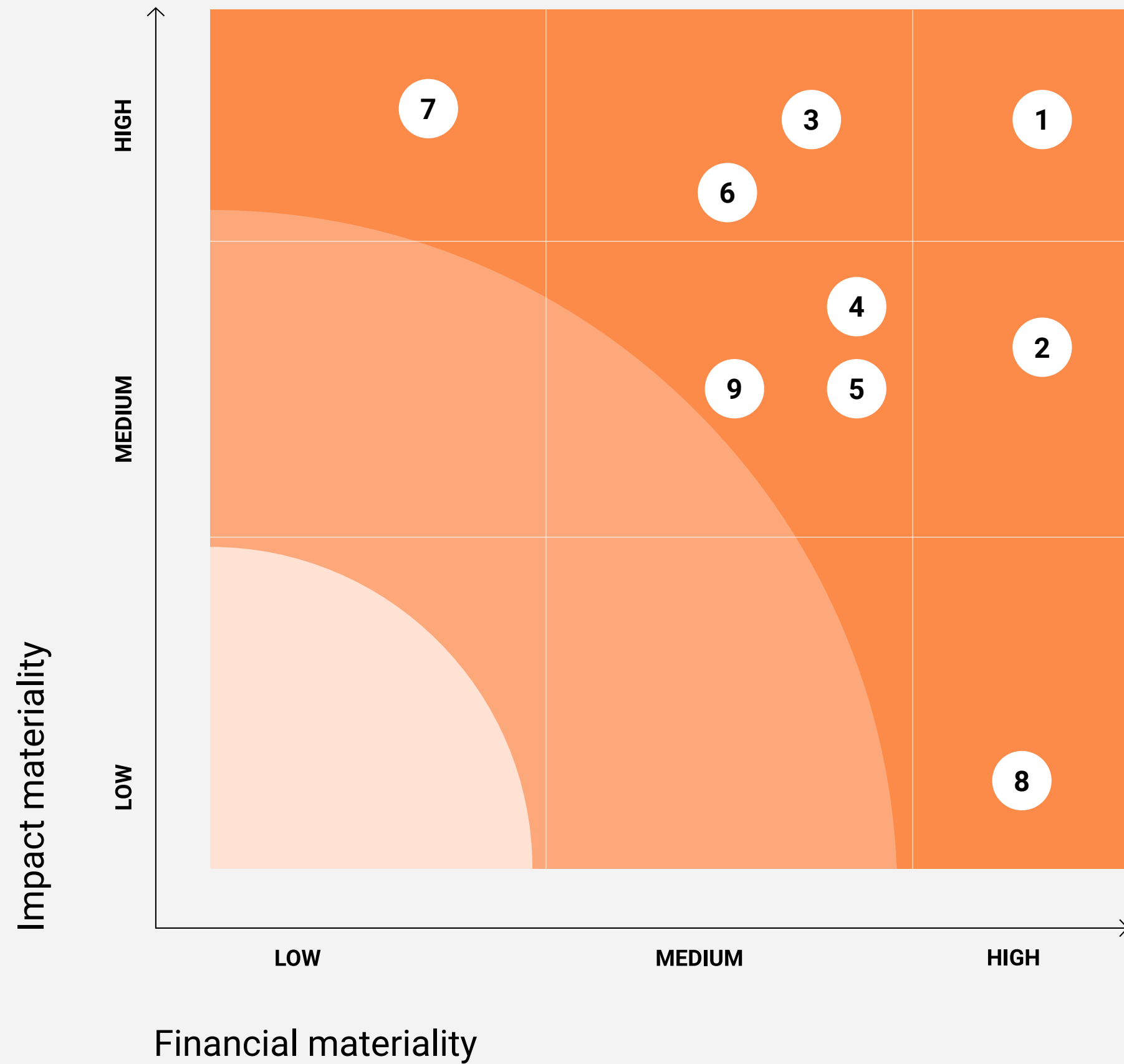
For GRK, CSRD-compliant reporting is a tool with which we implement our strategy work, manage risks, look after our professionals, serve stakeholders, ensure our competitiveness and the financing of our investments, and plan for the future.

Double materiality assessment

GRK's double materiality assessment has been drawn up in collaboration with Upright. The assessment helps us identify and report on key sustainability themes that have a significant impact on our financial performance or environmental and social impacts. The model highlights material topics to be reported on and helps us to focus on the issues that have the greatest impact.

The key topics identified in the materiality assessment are presented in the next Figure . We have used the identified topics to specify metrics for GRK's operations that will be monitored on a regular basis. We will also build our CSRD-compliant reporting around the identified topics. The key metrics and outcomes for our operations in 2024 are presented in page 32 of the report. The sustainability metrics illustrate the quality of GRK's operational activities.

● **KEY SUSTAINABILITY TOPICS HIGHLIGHTED IN THE MATERIALITY ANALYSIS**



List of **material sustainability topics**:

1. Climate change mitigation and energy
2. Circular economy and resource use
3. Societal infrastructure
4. Working conditions (own workforce and workers in the value chain)
5. Equal treatment and opportunities for all (own workforce)
6. Direct impact drivers of biodiversity loss
7. Pollution of air
8. Climate change adaptation
9. Corruption and bribery

Topics highlighted in the materiality analysis are based on data from Upright. The summary presented reflects GRK's view of the key topics.

CASE

BREEAM INFRASTRUCTURE CERTIFICATION FOR THE KALASATAMA–PASILA PROJECT

The Kalasatama–Pasila tramway project was completed in 2024, and service on the line began in August. In the project, a tramway was built between Kalasatama and Pasila, as well as related street areas, green lanes, pedestrian and cycling routes and municipal technology. The track section is approximately 4.5 kilometres long. The project was completed by two alliances. GRK was part of the Karaatti alliance together with Afry Finland Oy.

The Kalasatama–Pasila project achieved a significant environmental accomplishment by becoming the first Finnish tramway project to have been awarded a BREEAM Infrastructure environmental rating.

The certification was achieved by taking sustainable solutions, such as the use of recyclable materials and creating an ecologically diverse environment, into consideration in the project. The BRE Academy awarded the project the second-highest environmental rating of "Excellent".

Over 90% of the materials used in the Kalasatama–Pasila project were recyclable. For example, kerb stones, boulders, growing media, topsoil, old structural layers and concrete structures demolished from the areas were reused in the project.

The realisation of the circular economy played a key role, and the recycling and reuse of materials were taken into account from start to finish. Ensuring the quality of recyclable and recycled materials was also important. All materials were inspected for harmful substances and, for example, recycled growing media was also inspected for the potential presence of invasive species.

Biodiversity alongside smooth traffic flows

The area was designed to facilitate smooth traffic flows while also being a high-quality and attractive urban environment that makes use of sustainable solutions. For example, the green areas of the tramway have been built using green runestone

tracks whenever possible. Biochar was used in the vegetation around the tracks. It retains water and nutrients, helping plants to grow quickly and creating a diverse and drought-resistant environment that also dampens noise.

Green areas have also been added on top of some tram stop shelters and vines grow on some of the barriers. Taking biodiversity into account also meant that the green environment differs from conventional street vegetation and was planned in collaboration with a biologist. A survey was carried out to identify plants needing to be protected and develop solutions to increase biodiversity.



● SUSTAINABILITY

GRK's net impact

What impacts does GRK and its activities have on the environment and society? To answer this question, GRK's net impacts have been determined by using an external model.

GRK has used the Upright assessment model for several years now. The Upright approach indicates what kind of value companies create. Impacts can be either negative, neutral or positive. The model takes into account global impacts, and it is comparable between companies.

GRK has assessed its societal impact using the Upright net impact model, also for 2024. The analysis is based on GRK's business, i.e. the products and services offered, and takes into account the entire value chain of the products. The Upright model focuses not only on the construction phase but also the more extensive impacts of the environment built by GRK on society. The profile has been calculated using the Upright Project's net impact quantification model, which uses machine learning and data obtained from millions of scientific articles.

Based on Upright's analysis, GRK is a net positive company: the net impact ratio is +29%. In 2023, GRK's result was net neutral (+3%), which meant that our positive and negative impacts were balanced. The significant change in the net impact ratio between 2023 and 2024 is due to changes in GRK's business and the Upright assessment model.

The change is attributable to GRK's projects that promote the green transition, as well as GRK's business growth. As a company grows, its positive and negative impacts also grow in absolute terms. Due to GRK's strong

revenue growth, the company's positive impact has increased across all categories. For example, the monetary value of the positive impact of social infrastructure has increased.

GRK has an impact on people's lives through the infrastructure it builds

The Upright model measures and benchmarks the positive and negative net impacts of companies' core operations in the framework of four dimensions: the environment, health, society and knowledge.

In practice, the net impact quantifies the benefits and negative impacts caused by the company and assesses whether the company creates more value than it uses resources. GRK has impacts on society in all of the four categories. GRK's impacts are broadly distributed across all of the impact categories. GRK's largest positive impacts are on society, the environment and health. The environment is a key resource in GRK's operations.

Society

Like all companies, GRK has a positive impact on society by creating jobs and paying taxes, thereby promoting society's shared resources. GRK employs approximately 1,100 people and generates tax revenue.

Our net impact

+ 29 %

Every day, GRK has an impact on people's lives through the infrastructure it builds.

Through its operations, GRK makes it possible for the infrastructure needed by the modern society to be built and kept in order. Thanks to roads, fairways, tracks, bridges and paving, people can travel from one place to another, and logistics runs on rubber wheels or tracks. GRK's track maintenance operations are also an important part of our positive impacts.

Environment

Construction requires raw materials and other materials, which require handling and transportation. Construction also requires a significant amount of energy due to the fuel consumption of machinery, for example. The raw materials, other materials and energy used in construction cause emissions and waste. At the same time, the construction of the road network and railways has an impact on biodiversity through the fragmentation of eco-systems, for example.

GRK also strives to improve the state of the environment by implementing projects related to the green transition, for instance. One of the most significant contracts in 2024 was a very large project in Sweden, where GRK is carrying out the foundation and earthworks for a new hydrogen and steel plant for its customer Stegra. In addition, a significant proportion of GRK's revenue is generated by rail construction, and rail transport is a more eco-friendly mode of transport than driving or flying.

Our environmental technology business supports our positive impacts as we increase the use of recycled materials and introduce new, low-emission or even carbon-negative products to the market.

The Upright model focuses not only on the construction phase but also the more extensive impacts of the environment built by GRK on society. For example, streets and roads are taken into use by society after the work carried out by GRK. For this reason, GRK's environmental impacts also reflect the emissions of road transport, which is still primarily dependent on fossil fuels. This means that the electrification of road transport will also improve GRK's environmental impacts.

Health

The environments GRK builds have an impact on human health.

GRK builds and maintains important civil engineering infrastructure, such as water supply systems, which has a positive impact on people's health by improving hygiene and ensuring the availability of clean water.

Networks of pedestrian and cycling paths facilitate active lifestyles and have a positive impact on people's health.

On the other hand, the construction of roads and motorways facilitates the use of motor vehicles, which in turn has a negative impact on human health due to traffic accidents and pollution.

Knowledge

The rail construction planning services that GRK offers produce new information that enables rail construction and improves the safety of infrastructure that is critical for our society.

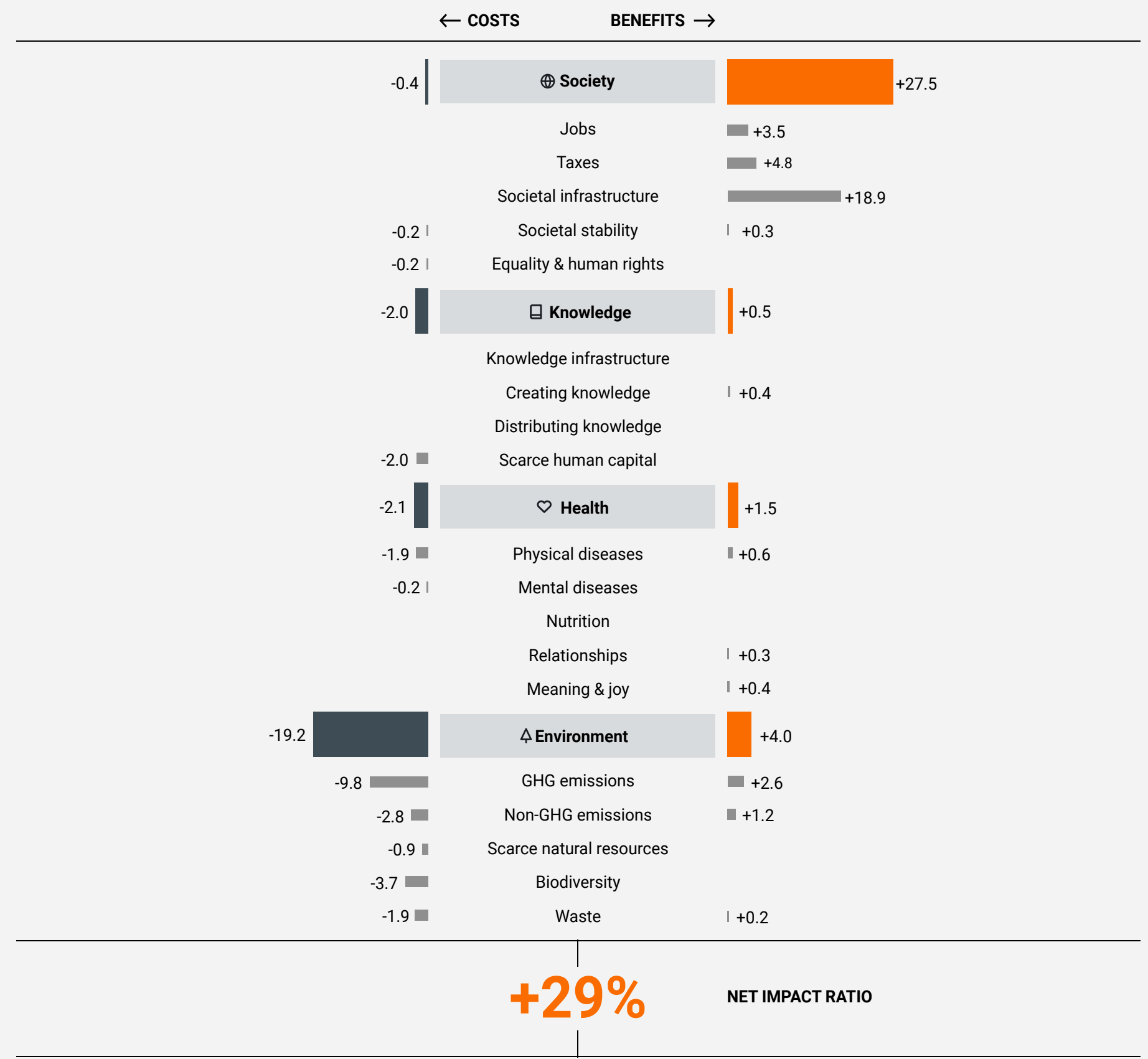


Infrastructure, such as roads and railways, support the operations of the rest of society.

Information about the assessment model

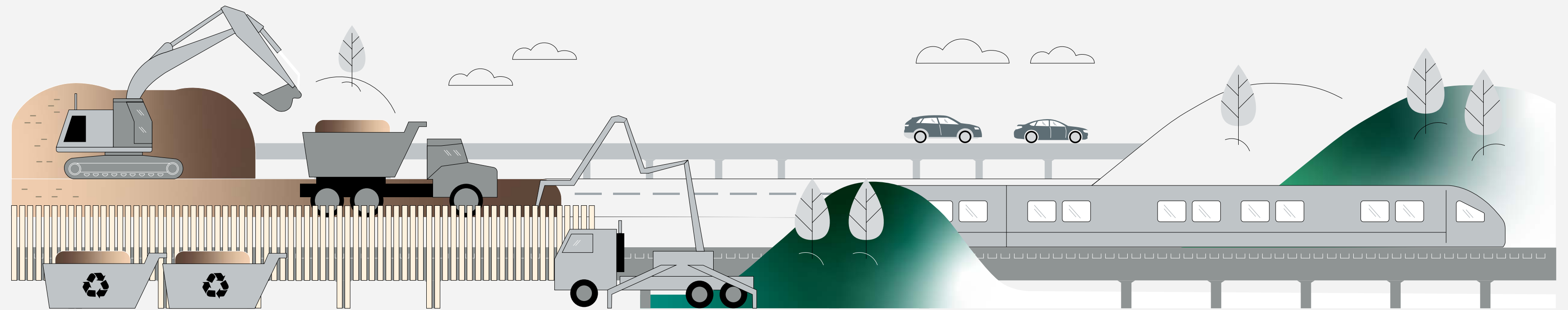
GRK's net impacts have been calculated by Upright, a technology and analytics company that models the net impact of companies. Upright's model is based on machine learning and science. The more detailed methodology is available on Upright's website. The results of previous years are not fully comparable to the assessment model due to a change made in 2024. In order to achieve comparability, the results should also be restated in accordance with the latest model for previous years.

● NET IMPACT PROFILE



● VALUE CREATION

Value creation model



THE MOST COMPETITIVE TEAM

Best expertise

- Engaged multi-skilled professionals
- Excellent project-specific expertise
- Well-functioning cooperation between business units and operating countries
- Efficient service development and advanced solutions
- Significant investment in environmental technology services

Responsibility-oriented company culture

- A bold entrepreneurial company culture
- Practices that align with the principles of fair operations
- The “right the first time” operating model

Thriving personnel

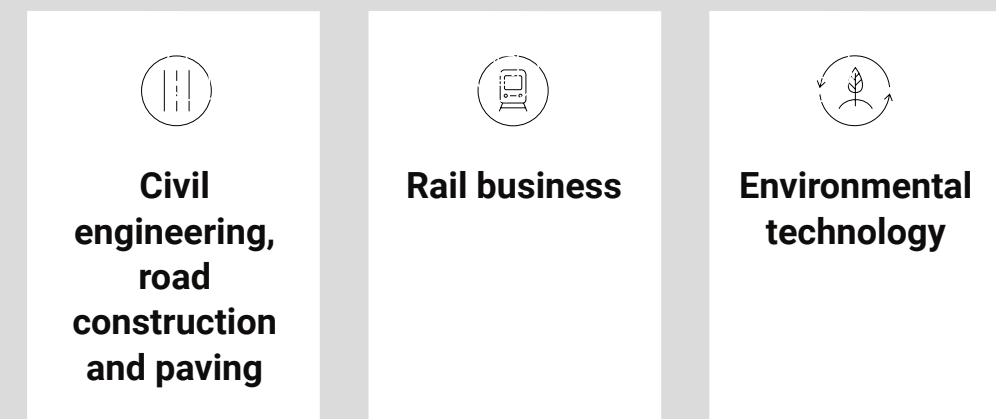
- High employee satisfaction: eNPS 37
- High trainee satisfaction: eNPS 64
- Safe working environment: accident frequency rate 7.9
- Motivating pay

Good networks

- Well functioning customer relationships
- Reliable network of high-quality partners
- Interactive approach to customers and partners

PROFITABLE GROWTH

Services



All infrastructure construction services

Stable financial position

- Equity ratio 42.9 %.
- Investments EUR 16.6 million

Being known as a trustworthy operator

- Well-known and reliable operator
- Desired partner for customers and partners
- A pioneer in sustainable infrastructure construction

A PIONEER IN SUSTAINABLE CONSTRUCTION

For personnel

- Salaries and remuneration including social security costs EUR 105.6 million
- Growing experience and expertise
- Thriving working environment

For partners

- Procurements EUR 530 million
- 14 locations receiving waste material in Finland

For society

- Significant employer: 1,098 employees
- Taxes: EUR 8.9 million
- Active cooperation in competency and service development in the sector

For the environment

- Zero adverse environmental incidents
- High rate of utilisation of recycled materials: 608,000 t
- Net zero as target for own carbon emissions by 2035
- Small carbon intensity decreased at 27.3% CO2 eq.

For owners and financiers

- Dividends: EUR 6.2 million
- Interest expenses: EUR 1.1 million

● VALUE CREATION

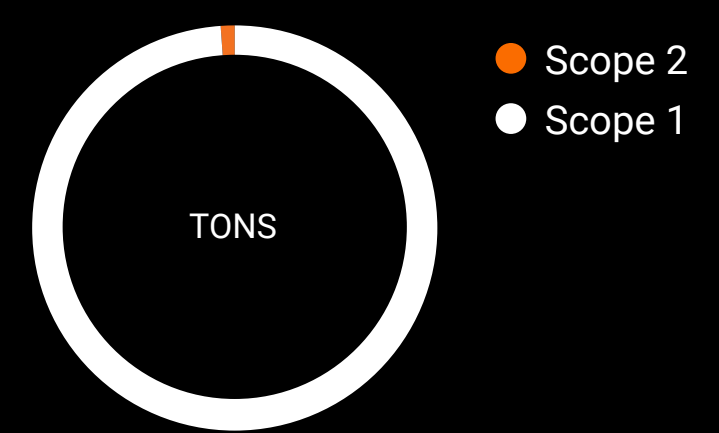
Sustainability targets and outcomes

| THEME | SUBJECT | Meter | RESULT FOR 2022 | RESULT FOR 2023 | RESULT FOR 2024 | TARGET 2025 |
|---|---------------------------------------|---|-----------------------|-----------------|-----------------|------------------------|
| THE MOST COMPETITIVE TEAM | Engaged employees | ENPS | 23 | 29 | 37 | >40 |
| | | Pulse | Not measured | Not measured | 8 | >8 |
| | | Sickness-related absences | 2.9 | 1.97 | 2.3 | <2.5 % |
| | The best place for an internship | Number of interns | 86 | 102 | 97 | >100 |
| | | Intern ENPS | Not measured | Not measured | 64 | > 40 |
| | Safety first | Accident frequency rate | 11.6 | 13.1 | 7.9 | <7 |
| | | Safety observations | 1,257 | 1,882 | 2,324 | >2,500 |
| | | Lost work days | 194 | 250 | 113 | 50 % less than in 2024 |
| | A PIONEER IN SUSTAINABLE CONSTRUCTION | Value for the customer | Customer satisfaction | 4.45 | 4.3 | 4.5 |
| Completed projects completed on schedule | | | Not measured | Not measured | 96 | 100 % |
| Environmental damage | | | 0 | 0 | 0 | 0 |
| Net zero regarding own operations in 2035 | | Share of renewable electricity % | 46 | 84 | 93 | >95% |
| | | Amount of recycled materials used, tonnes | 551,000 | 487,000 | 608,487 | >670,000 t |
| | | Own carbon footprint, t CO2 eq | 18,360 | 16,322 | 19,859 | t CO2 eq |
| | | Carbon intensity | | 29.9 | 27.3 | <25 |
| Corporate governance | | Cases of corruption | 0 | 0 | 0 | 0 |
| | | Bribery incidents | 0 | 0 | 0 | 0 |
| | | Cases of serious discrimination | 0 | 0 | 0 | 0 |
| | | Human rights abuses | 0 | 0 | 0 | 0 |
| | | Commitment to the principles of fair operations | Not measured | Not measured | Not measured | 100% |

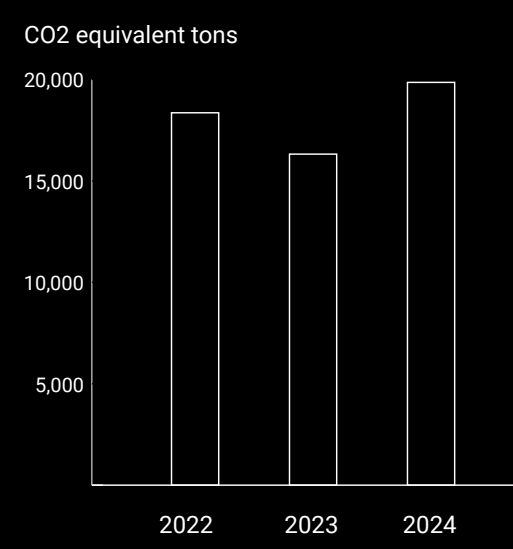
● SUSTAINABILITY

Environment

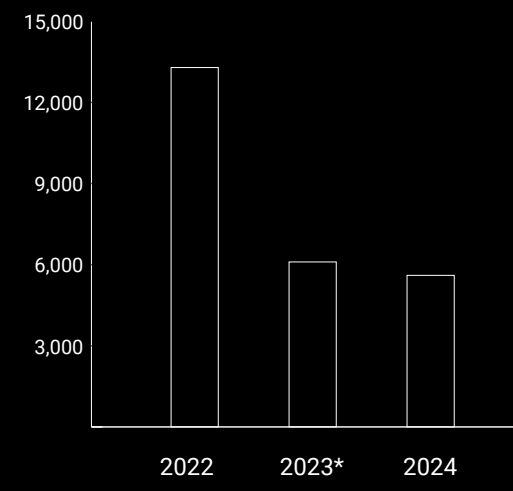
Carbon footprint (Scope 1 & 2)



Carbon footprint

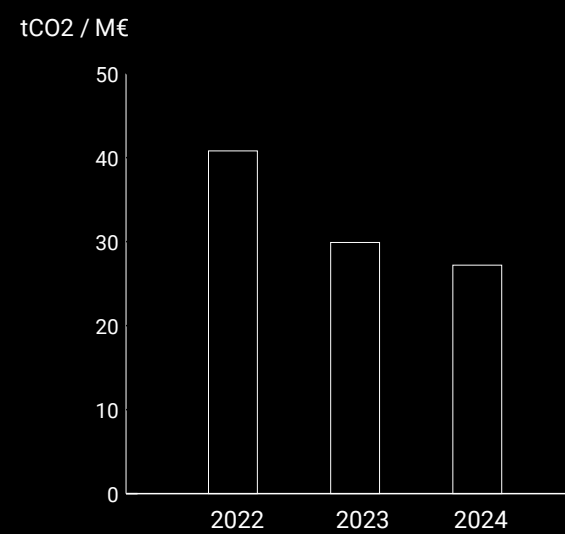


Carbon handprint

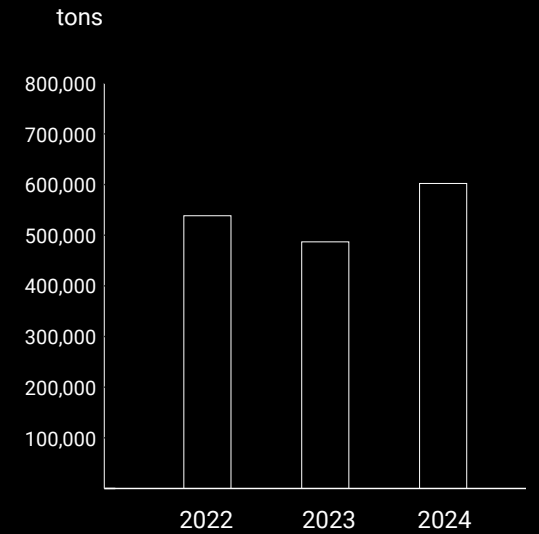


* the carbon footprint figures for 2023 have been updated, as emissions from the use of recycled materials have been included.

Carbon intensity, emissions in relation to revenue



Use of recycled materials



● SUSTAINABILITY

Environment

Waste

| Waste | 2022 | 2023 | 2024 |
|------------------|--------------|--------------|--------|
| Utilization rate | 86% | 98% | 99% |
| Recycling rate | 14% | 23% | 75% |
| Sorting rate | Not measured | Not measured | 98.80% |

Sorting rate = proportion of site waste delivered sorted

Recycling rate = proportion of recycled site waste

Utilization rate = share of recycled site waste (including incineration)

Environment

| Environment | 2022 | 2023 | 2024 |
|----------------------------|------|------|------|
| Environmental observations | 53* | 184 | 239 |
| Environmental deviations | 33* | 37 | 72 |
| Environmental accidents | 0* | 0 | 0 |

*The figures for 2022 include only the figures of GRK Suomi Oy and GRK Sverige AB

Environmental accidents= significant environmental event, causes permanent damage to the soil

Environmental deviations = an event that can be corrected and requires soil cleaning. E.g. a hose break, which leaks hydraulic oil to the ground, but the soil can be cleaned.

Environmental observations = observation, nothing has happened yet

Suppliers

| | 2022 | 2023 | 2024 |
|------------------|------|------|------|
| Supplier reviews | 50 | 120 | 67 |
| Supplier audits | 4 | 1 | 6 |

● SUSTAINABILITY

Responsibility for the environment

For a forerunner in sustainable construction, it is important to identify the impacts of our own operations, set related development targets and monitor their achievement on a regular basis. The key focus is on measures by which we improve our operations.

In infrastructure construction, responsibility for the environment particularly means reducing the climate emissions of operations and taking measures to strengthen biodiversity. The circular economy plays a key role in our pursuit of low-carbon infrastructure construction and nature positivity. As an infrastructure construction operator, we must keep in mind that the built environment plays a crucial role in combating climate change and biodiversity loss.

The carbon footprint guides the reduction of climate emissions from operations

In infrastructure construction, calculating the carbon footprint is important because it helps to identify the largest sources of emissions and find ways to reduce them. The carbon footprint refers to the total amount of greenhouse gas emissions over the life cycle of infrastructure construction. These GHG emissions are generated by the procurement of raw materials, the manufacture of materials, construction, transport and waste management, for example.

Scope 1 and 2 emissions

At GRK, we have been reducing the carbon footprint of our own operations since 2022. The carbon footprint of our own operations covers Scope 1 and Scope 2 emissions. At GRK, Scope 1 refers to emissions caused by the fuel consumption of our own machinery. Scope 2 consists of the emissions generated by GRK's purchased energy.

Our carbon footprint increased significantly from 2023, amounting to 19,859 tCO₂eq in 2024 (16,322 tCO₂eq). However, our carbon intensity, which takes into account revenue growth, decreased slightly. In 2023, our carbon intensity was 29.9 tCO₂eq/MEUR. In 2024, it was 27.3 tCO₂eq/MEUR. The decrease in carbon intensity is attributable to the increased use of LPG (2023: 1.9 million kg, 2024: 2.5 million kg). The carbon footprint of LPG used in paving is 15–20% lower than that of other fossil fuels. We have also significantly increased the use of renewable electricity. In 2024, 93% of the electricity used by GRK was renewable (84%). Our use of renewable fuels decreased slightly and came to approximately 770,000 litres in 2024 (950,000 litres). The decrease is partly attributable to problems with the availability of renewable fuels in the latter part of the year.

GRK has set a target of net zero for its own carbon dioxide emissions by 2035. This requires GRK to have a plan for reducing the carbon dioxide emissions of the fuels used for our own machinery. We are continuously



GRK has set a target of net zero for its own carbon dioxide emissions by 2035.

looking for new alternatives to fossil fuels, and we ensure the efficient use of machinery. The use of renewable electricity must also be increased. GRK's previous target was to achieve carbon neutrality by 2030, but it was replaced by a new target because the low-carbon requirement level and emission reduction technologies have not developed in the desired manner.

Scope 3 emissions

Scope 3 emissions describe the indirect emissions that are caused by GRK's operations but occur in our value chain. In 2024, GRK's purchasing totalled EUR 530 million, or approximately 73% of our revenue. Procurement is therefore a very significant aspect of our operations, and the most significant sources of emissions arise from the raw materials and other materials used, as well as their manufacture and transport.

GRK's key suppliers are the company's largest suppliers of steel, cement, aggregates, bitumen, aluminium, copper and wood. In 2024, we requested our 25 largest key suppliers to provide information on the CO₂ emissions of raw materials and other materials purchased by GRK. Based on the calculation of CO₂ emissions arising from raw materials, other materials and transport, our most significant Scope 3 emissions arise from the procurement of steel, bitumen and concrete products. In 2025, we will expand the calculation to include our 50 largest partners. Our goal is to have calculated the Scope 3 emissions of our key suppliers by 2027. Once that has been accomplished, we will be ready to apply for SBTi validation for our climate targets.

The carbon handprint provides information on the climate impacts of materials

The carbon handprint of infrastructure construction describes the opposite of the carbon footprint, i.e. the

positive climate impacts of construction. The carbon handprint calculation provides information on how the solutions provided by GRK can reduce the carbon footprint of our customers.

In 2024, GRK's carbon handprint was 5,605 tCO₂eq. This includes emissions avoided through the use of recycled materials. Our carbon handprint in 2023 was slightly higher at 6,101 tCO₂eq. This is due to our slag business, which was operational for part of 2023 and produced a significant amount of metal fractions for secondary use.

The use of recycled materials increased to approximately 608,000 tonnes in 2024. Recycled asphalt used in the paving business accounted for 113,000 tonnes of that total. Our annual use of recycled materials is presented on page 32. Our target for 2025 is to increase the use of recycled materials to 670,000 tonnes. This would keep us on the path to achieving our Circular Economy Green Deal target: using 1.5 million tonnes of recycled materials by 2035.

The growth of the use of recycled materials is made possible by our extensive network in the circular economy business and the active approach taken by sites when it comes to the use of recycled materials. GRK's network currently consists of 14 operating locations. At these locations, we receive, process and utilise surplus soil as well as various recycled materials such as concrete, ash, slag and tyres. The use of recycled materials replaces the use of virgin materials. This has a significant impact on biodiversity and the management of harmful climate emissions.

When looking at the numbers as a whole, it is important to note that GRK's carbon handprint has not been deducted from GRK's carbon footprint.



● SUSTAINABILITY

Nature and climate roadmap

GRK's nature and climate roadmap serves as a guide for combating biodiversity loss

The construction sector has a significant impact on biodiversity loss. The use of natural resources and land use in construction weaken endangered habitat types. The spread of invasive species and carbon dioxide emissions caused by the built environment, as well as the pollution of the environment, also have a negative impact on biodiversity. At GRK, we wanted to document our targets and actions for biodiversity restoration in a nature and climate roadmap. This provides us at GRK with a shared objective of taking action to promote biodiversity. Together with The Confederation of Finnish Construction Industries RT (CFCI) we want to challenge the entire construction sector to step up their actions towards a common goal: By 2030, nature will be visibly and measurably recovering!*

GRK's nature and climate roadmap was completed in December 2024. The starting points for the development of the roadmap were as follows:

- The development of new business opportunities
- Increasing customer value
- Reducing costs
- Risk management and ensuring resilience
- Understanding and managing environmental impacts

The roadmap was developed with consideration for five drivers of biodiversity loss: the use of land and water areas, climate change, the utilisation of natural resources, pollution and invasive species. GRK's measures related to the drivers of biodiversity loss were documented in accordance with the mitigation hierarchy. The mitigation hierarchy is a widely accepted principle in the protection of biodiversity, according to which the harm caused to nature by human actions must primarily be avoided, secondarily minimised and, lastly, either remedied on site or offset by means of ecological compensation. Ecological compensation refers to measures taken elsewhere to strengthen biodiversity.

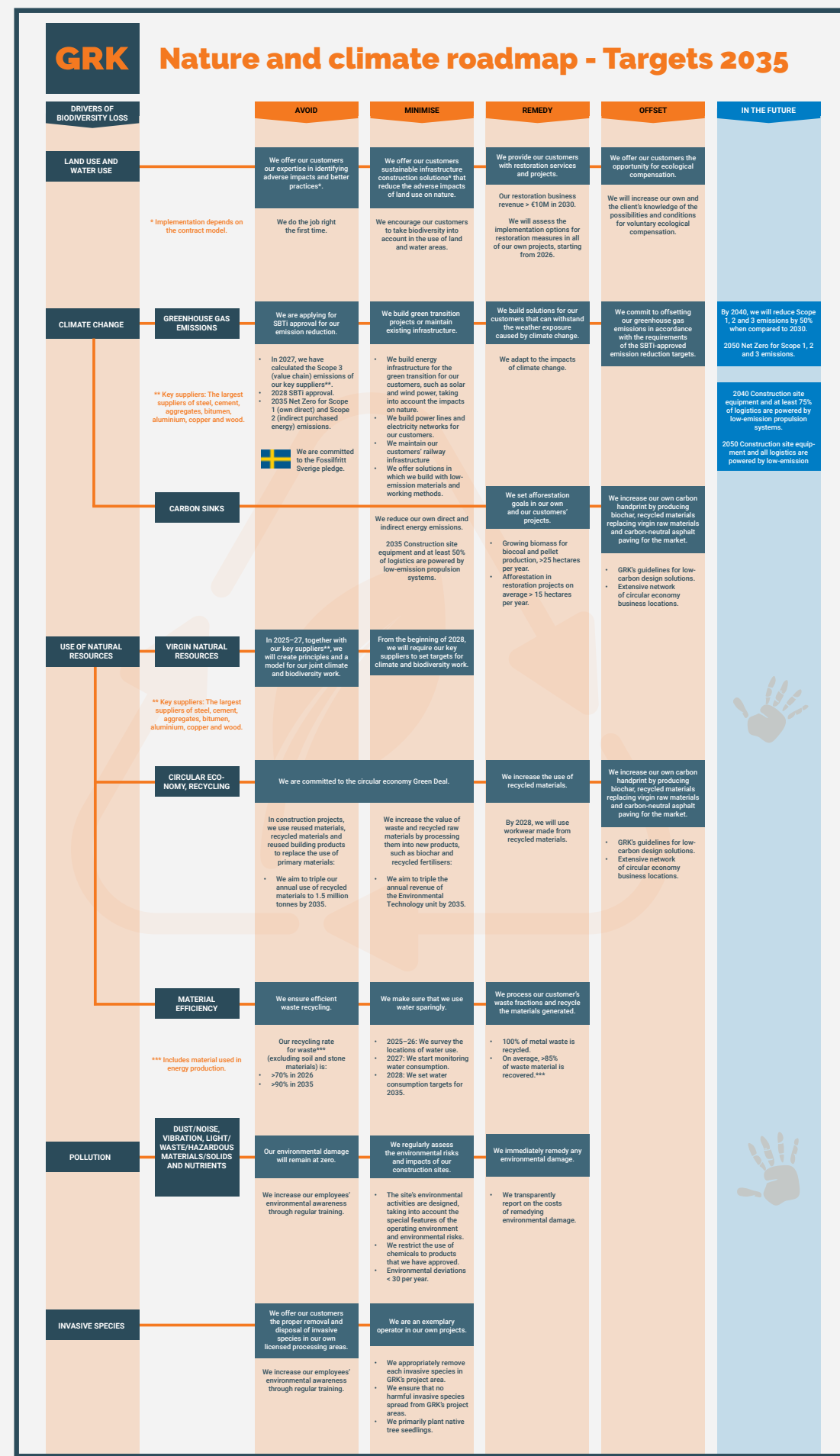
With regard to the use of land and water areas, we highlighted increasing customer value as a particular measure. We offer our customers our expertise through sustainable infrastructure construction solutions that reduce the negative nature impacts of land use. We will also develop our restoration business and aim for EUR 10 million in revenue from the restoration business by 2030.

To combat climate change, we will strengthen our share of green transition projects. We are also a strong operator in the construction and maintenance of railway networks. We provide our customers with construction solutions that utilise low-emission materials and working methods.

*This goal is based on the definition of nature positivity. Nature Positive initiative.



GRK's nature and climate roadmap is a tool that will be continuously updated. Our goal is to create new business in the construction industry to improve biodiversity as well as support climate change mitigation and adaptation.



In emissions accounting, we will focus on expanding our calculations to include Scope 3 emissions (generated by our value chains). Our goal is to have calculated the emissions of our key suppliers in 2027. Our key suppliers include our largest suppliers of steel, cement, aggregates, bitumen, aluminium, copper and wood. When the Scope 3 calculations concerning our key suppliers have been completed, we will seek validation for our emission reduction targets in line with the Science Based Targets initiative (SBTi). We are also committed to creating carbon sinks through afforestation projects and increasing our carbon handprint by producing biochar and recycled materials for the market.

We manage the use of natural resources together with our key suppliers. We will continue the work we started in 2024 with regard to emissions calculation and together create the principles and model for our joint climate and biodiversity efforts. In the Circular Economy Green Deal, we have set clear targets for the growth of our operations in line with circular economy principles in the coming years. More information on our commitment to the Circular Economy Green Deal is provided in this section's case.. We also want to develop our material efficiency, which is why we have set targets for our waste recycling rate and water use.

Training our personnel is key to the reduction of environmental pollution. We will limit the use of chemicals and also incorporate a review of environmental incidents into our activities. In the future, we will report transparently on the costs incurred from the remediation of any environmental damage.

We want to be an exemplary operator in preventing the spread of invasive species. We offer our customers the proper removal and disposal of invasive species at our processing sites, which have the required permits. The training of our personnel also plays a key role in the identification of invasive species. In landscaping, we choose native tree seedlings whenever possible.

GRK's nature and climate roadmap is a tool that will be continuously updated. Our goal is to create new business in the construction industry to improve biodiversity as well as support climate change mitigation and adaptation.

CASE

ECOVADIS HAS ASSESSED GRK'S CORPORATE RESPONSIBILITY

EcoVadis, the world's leading agency for rating the sustainability of businesses, assessed GRK's operations for the first time in 2024. The EcoVadis certification was initiated at the request of customers. The EcoVadis assessment enables our customers to compare operators and monitor the development of their supply chain with regard to sustainability matters.

The EcoVadis assessment is also a good way to objectively monitor GRK's operational performance. In addition to providing a numerical assessment, EcoVadis supports the development of sustainability for companies by providing insight into which areas have been implemented well and which areas have the most room for improvement.

EcoVadis' sustainability assessment is divided into four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

GRK received a score of 54/100 in the overall assessment. Among the four themes of the assessment, GRK scored the highest in environmental responsibility (60/100) and labour and human rights (60/100). The score for ethics was 40/100 and the score for sustainable procurement was 30/100.

EcoVadis' assessment is based on information provided by GRK and public information, amongst other data. EcoVadis also uses public sources to review news on the company being assessed.

We are in fairly good shape when it comes to the environment and labour and human rights. Our performance in terms of ethics and sustainable procurement requires further development and measures, particularly with regard to documenting the actions we take. The related development efforts began immediately after the completion of the EcoVadis assessment. GRK's target for 2025 is a Bronze medal in the EcoVadis assessment.



CASE

GRK IS COMMITTED TO THE VOLUNTARY CIRCULAR ECONOMY GREEN DEAL

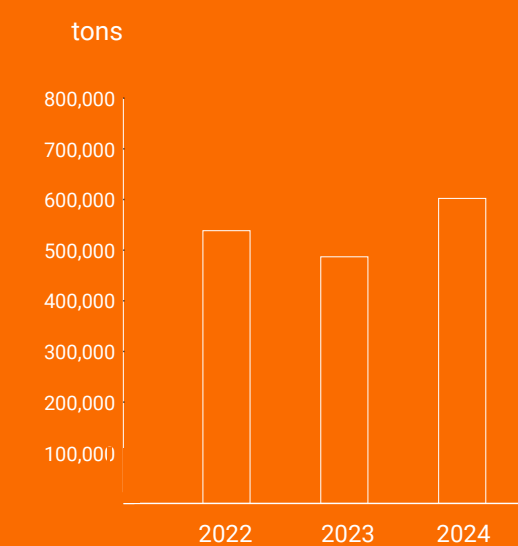
The signatories to the Green Deal set targets for reducing the consumption of natural resources and promoting a low-carbon circular economy.

The Circular Economy Green Deal is a voluntary strategic commitment made by companies, municipalities, regions, non-governmental organisations and the state. The aim is to turn the consumption of non-renewable natural resources to a decrease while doubling the circularity rate of resources and materials by 2035. On behalf of the central government, the Circular Economy Green Deal has been prepared by the Ministry of the Environment and the Ministry of Economic Affairs and Employment.

The use of materials plays a large role in GRK's environmental impacts, which is why we aim to triple the annual use of recycled materials to 1.5 million tonnes by 2035. We will also set targets for increasing recycled materials' share of the total consumption of natural stone.

GRK aims to increase the value derived from waste and recycled raw materials by processing them into new products, such as biochar and recycled fertilisers, which is reflected in the goal of tripling the annual revenue of the environmental technology unit.

Use of recycled materials



CASE

GRK HAS STARTED PELLET PRODUCTION

GRK started pellet production in Utajärvi in 2024. GRK produces bark-free, light-coloured wood pellets with a high calorific value. They are suitable for customers of all sizes, such as large thermal power stations and private customers. The production capacity in Utajärvi will be approximately 10,000 tonnes of premium-quality pellets per year. In Utajärvi, pellets are produced from clean by-products of the local mechanical forest industry, such as sawdust, cutter chips and dry wood chips.

The biochar pyrolysis process releases a large amount of usable surplus energy. We take advantage of this energy and use it to dry by-products from the surrounding area to make them suitable for the pellet production process. This represents energy-efficient production at its finest, and it helps replace pellets imported to Finland from abroad. GRK is responsible for the sale of pellets to companies. As an example, GRK has signed a cooperation agreement with the Rokua Spa.



GRK's pellets are produced using surplus energy.



CASE

CHANGES MADE AT THE MÄNTYMÄKI ASPHALT PLANT IN RESPONSE TO FEEDBACK FROM LOCAL RESIDENTS

GRK's services include the asphaltting of yards, streets and roads, as well as other paving work. For this reason, we also have in-house asphalt production. Our three fixed location asphalt plants are located in Nurmijärvi, Jyväskylä and Kajaani.

GRK's Nurmijärvi asphalt plant started its operations in Mäntymäki in 2021. Some local residents have submitted odour complaints to the Environment Centre of Central Uusimaa.

In June 2023, the Central Uusimaa Environmental Committee ordered the asphalt plant to apply for an environmental permit for its operations. GRK applied for the permit in autumn 2023 and in February 2025, the Regional State Administrative Agency for Southern Finland issued an environmental permit for the operations of the Mäntymäki asphalt plant. Limit values were set for exhaust gases discharged into the air from the asphalt plant and for odour impacts occurring in the residential area.

A number of measures to reduce odours has been implemented in the Nurmijärvi asphalt plant. One of the most significant measures was the construction of a new chimney, with a height of 50 metres,

to replace the previous chimney which had a height of 25 metres. The new chimney was built in 2024.

The odours emanating from the chimney has been measured regularly, and odour panels have been organised under the supervision of a measurement consultant. An odour panel involves putting together a group of people, consisting of both professionals and laypersons, to record their sensory perceptions of the actual impacts of the operations on the surrounding area. There is some natural variation in the measurement results, but the height of the new chimney significantly reduces the odour impacts on the surrounding environment when compared to the previous chimney. GRK uses an independent external expert in the monitoring and modelling of emissions.

In addition to the new chimney, the asphalt station previously installed a separate heating drum for recycled asphalt and enclosed the mass track of finished asphalt, which has reduced the local odour impacts. We will continue to implement various measures to reduce emissions as part of the continuous development of our operations going forward.



CASE

TRACK ELECTRIFICATION IN ESTONIA

Estonia's railway network consists of a total track length of approximately 1,200 kilometres, of which only the tracks in the Tallinn area are electrified. Electrifying the railway lines is a part of Estonia's green transition, making it possible for diesel locomotives to be replaced with more environmentally friendly ones.

In Estonia, the goal is to electrify most of the country's rail network.. Through competitive tendering processes, Eesti Raudtee has selected GRK for two significant projects involving the electrification of the main track.

In 2023, Eesti Raudtee selected GRK through competitive tendering to implement a project in which approximately 150 kilometres of the main track from Aegviidu to Tartu will be electrified. In December 2024, GRK also won a second project to electrify the main track from Tapa to Narva over a distance of approximately 150 kilometres.

During the project, GRK is responsible for the planning and construction of the electrification system. Also included in the project is the maintenance contract, according to which GRK is responsible for the fault repair and maintenance of the electrified tracks for at least five years after construction.

The project requires special know-how as well as special equipment and materials, and the construction phase will employ GRK professionals from Estonia and Finland.



The electrification of railways is part of Estonia's green transition.



● SUSTAINABILITY

People and society

Working at GRK

All of GRK's operations are based on highly competent and committed professionals and a bold and unified entrepreneurial culture. Looking after the personnel's well-being and occupational safety is part of our day-to-day work. As an employer, GRK wants to be a forerunner in the infrastructure sector, and employee satisfaction is of paramount importance to the Group.

GRK Group measures employee satisfaction annually by means of a pulse survey. The 2024 pulse survey was responded to by 721 employees for a response rate of 68%. The pulse score for the Group was 4.0 out of 5. The averages ranged from 3.97 to 4.2 out of 5 for different groups of respondents. The pulse score and the response rate were largely unchanged from 2023, when the pulse score was 3.9 out of 5 and the response rate was 70%.

GRK uses eNPS (Employee Net Promoter Score) as a strategic indicator of overall satisfaction. In 2024, GRK Group's overall satisfaction increased from previous years to an eNPS of 37 (29), which is a fine achievement. GRK Group's strategic eNPS target is an eNPS of over 40.

GRK introduced a regular pulse survey as a new indicator of personnel well-being in 2024. The aim is to correct quarterly data on the development of matters that are perceived to be relevant. The average response rate in the pulse survey was 37%, and the score for the development of the workplace community was 8 on a scale of 1–10.

GRK continuously promotes employee well-being and aspects that are perceived as relevant and meaningful.

Based on the information obtained, measures are planned and initiated to achieve even better well-being at work.

Safety first

GRK's employees work in a wide range of jobs, which means that the occupational health and safety risks vary. Safety is GRK's highest priority, and the company will not compromise on safety under any circumstances. The aim is to operate accident-free, and GRK systematically improves its operating models. Appropriate instructions, compliance with them, safe equipment and the use of protective equipment contribute to accident-free work. Compliance with safety requirements is monitored at GRK's sites, and the same requirements apply to the company's own employees and those of its partners. GRK has engaged in long-term safety efforts for several years, and risks related to information security and hybrid operations are also taken into account.

One of GRK's safety indicators is the accident frequency rate, which describes the number of accidents resulting in lost time per one million hours worked. GRK has achieved a positive turn in the general trend of the company's accident frequency. In 2024, the Group's accident frequency rate was 7.9 (13.1). There were 15 (24) accidents resulting in lost time among GRK's personnel in 2024. The accidents were mostly minor. Accidents leading to less than three days of sick leave accounted for 12% and accidents leading to less than 10 days of sick leave for 67% of the accidents. For 2024, the target was to have an accident frequency rate of less than 8, taking into

Our eNPS figures:

37

Employee Net Promoter Score indicates overall satisfaction, and the figure increased in 2024



We have managed to increase the number of safety observations.

account both in-house employees and the employees of subcontractors, but the combined target was not achieved. The total number of occupational accidents and the total amount of lost time in days both decreased when compared to 2023.

Unfortunately, in spite of the strong focus on safety, a fatal accident occurred at GRK in August 2024. The accident involved an employee working at a railway site. Based on the information obtained from the investigation of the occupational accident, the cause was human error and the plans, qualifications, orientation, work equipment and site conditions were in order. Crisis support was provided to all parties concerned in accordance with GRK's guidelines and operating models after the incident. The incident was very carefully investigated internally and immediate action was taken. A safe workplace is the highest priority, and GRK's duty as an employer is to ensure that every employee gets to go home healthy at the end of each day.

In the coming years, GRK will focus increasingly on strengthening the basics of safety. Safety is taken into account in all areas of operations, and the company will focus even more heavily on the training of personnel with regard to safety, quality and the environment.

Daily safety briefings before each shift ensure that all critical work stages and their most important safety observations, such as observations about traffic and changes, and other important observations, are addressed before starting work. Observations related to quality and the environment can also be reviewed at the same time. Construction manager training began at GRK in 2024. The company is also working on a safety campaign that will start in early 2025. In addition, the funds allocated to recognising employees on special occasions in 2024 were redirected in full to the development of safety.

One positive development is that the number of safety observations again increased from the previous year. The

observations have been of high quality and they have brought up good suggestions for improvement. A total of 2,324 (1,882) safety observations were made in 2024. GRK wants to further increase the number of observations. The target for 2025 is a total of 2,500 observations. A further goal is to reduce the accident frequency below 7, taking into account both GRK's own employees and the employees of subcontractors.

Information security as part of safety

Information security is an integral aspect of safety at GRK, and the company continuously monitors its implementation. In 2024, information security activities were developed further, and micro-training on information security, conducted in the e-mail environment, was launched in the Group. Practical training is the most effective way of ensuring security and maintaining competitiveness with regard to information security. The training ensures that GRK's policies are effective in practice and that the personnel can be provided with concrete ways to maintain security now and in the future.

Occupational health and work ability management

Taking care of employees is the foundation of GRK's operations. Employees have access to a comprehensive range of occupational health care services, as well as health insurance. GRK invests in well-being at work each year by supporting the employee's well-being and ability to cope with the demands of work in various ways. GRK's goal is to maintain and promote the work ability of the personnel and to prevent work-related health hazards as extensively as possible.

Many GRK employees engage in physically demanding and demanding work tasks that pose a risk to work ability. While the largest work ability risks are usually associated with physically demanding roles, mental health challenges are also increasingly proving to be a cause of sick leave.



Physically strenuous work can be a risk factor for musculoskeletal disorders in particular. These are prevented by providing the employees with modern equipment and information on ergonomics. A proactive approach is taken to both physical and mental health, and GRK encourages employees to talk about their situation at an early stage so that they can be provided with expert assistance.

GRK aims to reduce sickness-related absences and prevent prolonged absences through tailored work and an early intervention model. The tailored work model is applied particularly for the prevention of sickness-related absences caused by accidents and to prevent the effects of various work-related stress factors. In 2024, the sickness-related absence rate was 2,3 (1,97). GRK Group's strategic goal is to reduce sickness-related absences to less than 2.5% annually.

To support the development of work ability, supervisors receive training and encouragement with regard to early intervention. In 2024, a work ability management handbook was created to support supervisory work and provide tools for day-to-day work ability management. A proactive approach and work ability management ensure that the employees can perform even demanding tasks and sickness-related absences are minimised. GRK believes that achieving success together, in accordance with shared values, is also key when it comes to well-being at work. With this in mind, work ability management is, above all, a matter of cooperation with occupational health care, the HR function, the pension company and the insurance provider.

Competence development

GRK's success is based on the diverse skills of its staff and their continuous development. Complex infrastructure projects require managing their entire lifecycle, from tender calculation to resourcing and scheduling, management and implementation in a cost-effective way that meets customer requirements. The development of the infrastructure sector also requires the introduction of new ways of working and, in particular, more effective use of

new technologies and digitalisation.

Many jobs in the infrastructure sector require the management of various training courses and permits. In addition to legally required training, there are training needs that arise from GRK's internal factors, such as the company's strategy, vision, values and operating culture. Employee competence is ensured by enabling the training required for work for all those who need it and by investing in expanding, maintaining and developing the professional skills and work ability of all employees.

Training activities in 2024 were particularly focused on driver training for railway construction and maintenance personnel, as well as supervisor training covering the entire work site organisation. GRK's internal training includes training for supervisors engaged in recruitment activities. Introduced in 2024, the training ensures a uniform recruitment process.

In the infrastructure sector, the most important learning often takes place through practical training, which means that the transfer of knowledge and skills within GRK is considered invaluable. More experienced professionals share their knowledge and skills with their younger colleagues, and mentoring is encouraged annually by handing out awards to mentors and mentees among GRK's personnel. This operating culture stems from the "master and apprentice" approach, which has a long history and has proven its effectiveness. It supports change in work tasks and roles, increases productivity and enhances the transfer of tacit knowledge.

A well-known and highly sought-after workplace

Shortages of skilled labour are a challenge to infrastructure companies in Finland, Sweden and Estonia. Thanks in part to its reputation of being a good employer, GRK has been reasonably successful in retaining its personnel and recruiting skilled employees. Fair pay and motivating incentive systems give a competitive edge to GRK by strengthening the company's position as a sought-after workplace. GRK has an entrepreneurial way of working, which is reflected in the incentives the company uses to

reward its personnel for achieving both the company's performance targets and unit- and site-specific targets. The objective is to be the most competitive team in the infrastructure sector.

As GRK competes for the best and most skilled professionals in its industry, the company aims to continuously develop its operations and employer brand awareness. GRK's stable and reliable reputation in the infrastructure sector is one of its most significant competitive advantages. In T-Media's Trust & Reputation survey, GRK's reputation among the general public has increased from one year to the next. In the 2024 survey, GRK was ranked first in the construction sector.

Diversity and equity

The workplace community at GRK takes safety, well-being, diversity and equity into account in all areas. The company's efforts to promote diversity, equity and inclusion (DEI) continued in 2024. In a diverse and open work environment, every employee has the opportunity to thrive, which is why diversity has become a significant success factor. The more a workplace values diversity, the better the well-being of its employees and the more successful the company will be in creating a high-performing work environment..

At GRK, the realisation of human rights is guided by the Principles of Fair Operations, the safety, quality and environmental policy, the personnel policy, the anti-discrimination policy, the social requirements presented to GRK's partners and the equality and non-discrimination plan. The most important instrument, however, is the Group-wide human rights policy published last year. It lays down our commitment to respecting and promoting human rights in accordance with national and international legislation, standards, declarations and conventions. GRK does not tolerate forced labour, the use of child labour, human trafficking or discrimination in any form.

Contrary to what is typical of the industry, GRK encourages women to seek on-site jobs and men to seek jobs in internal services. This principle is taken into account in recruitment. Gender does not affect recruitment decisions or the terms of employment. All GRK employees are provided with equal opportunities to develop their professional skills, and issues related to equality are also taken into account in supervisor training. GRK strives to resolve any incidents related to inequality and discrimination immediately when they become known. Issues related to social responsibility have been increasingly incorporated into legislation and sustainability requirements.

The realisation of these commitments is ensured through training and efforts to increase awareness. Significant leaps were taken in these respects in 2024. The training began at the training day of the Finnish country company, and DEI training will be introduced throughout the Group during the new year. Building profitable growth in a diverse work environment that respects human rights is not merely a wish. Instead, it is an essential goal that GRK actively participates in and is committed to. At the same time, GRK looks after the well-being of over a thousand professionals and enables everyone to achieve success together.

GRK has an easy-to-use confidential whistleblowing channel that is accessible to the personnel and other stakeholders. It can be used to report concerns related to human rights or fair operations, for example. All reports submitted via the whistleblowing channel are processed confidentially and, if necessary, a more detailed investigation is initiated. No-one is punished for reporting concerns or problems.



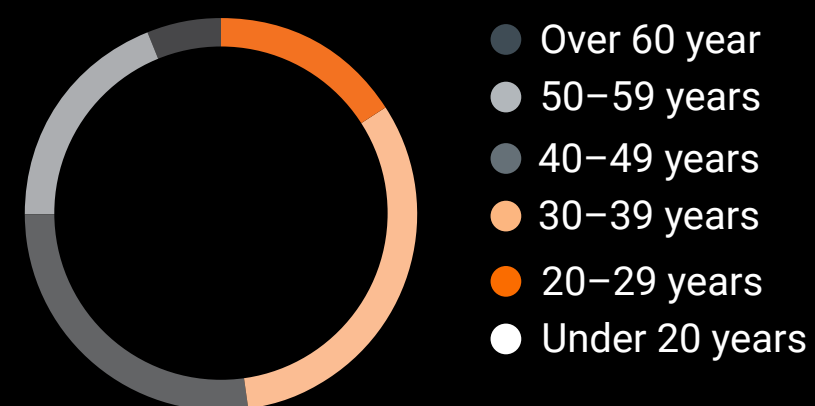
**Pulse surveys
are carried out
several times
per year.**



● SUSTAINABILITY

Personnel

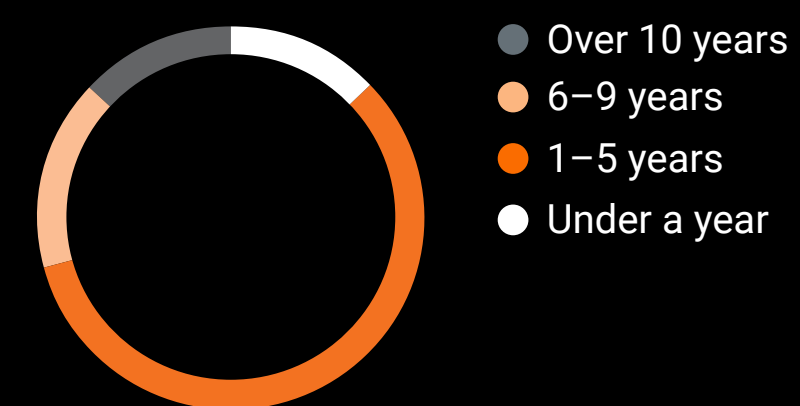
Age structure of the Group's personnel



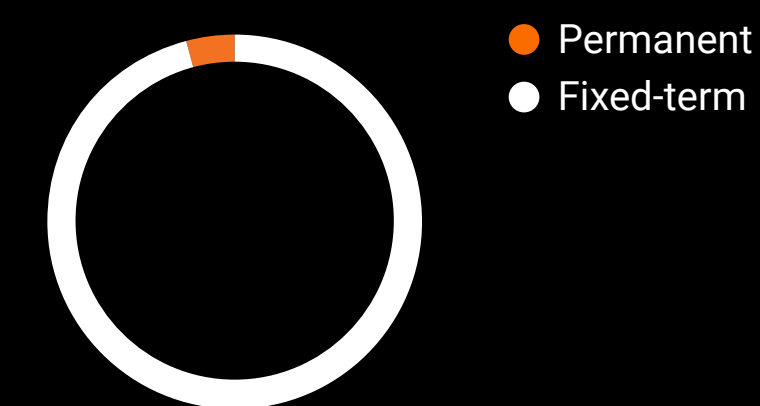
Gender distribution of the Group's personnel



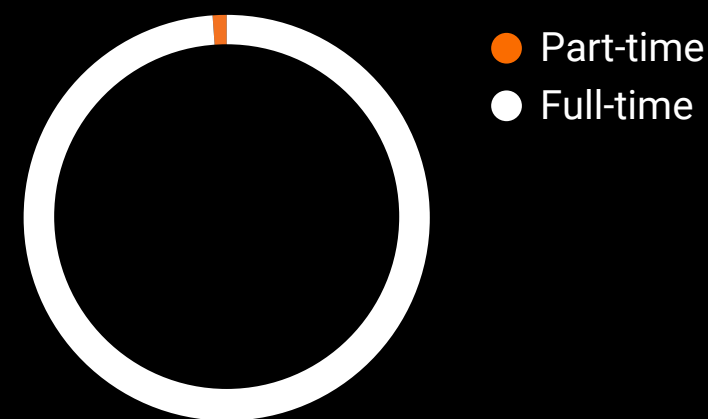
The length of employment tenure at GRK 31.12.2024



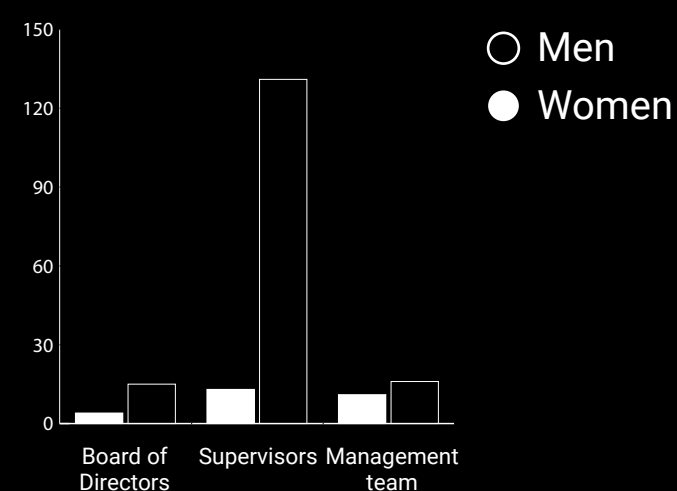
Form of employment of the Group's personnel



Nature of employment of the Group's personnel



Number of women and men in the Company's management



● SUSTAINABILITY

Personnel

The structure of the personnel 31 December 2024

| | 2024 |
|---------------------------|--------------|
| Finland | 877 |
| Blue-collar | 476 |
| White-collar workers | 336 |
| Senior salaried employees | 65 |
| Sweden | 96 |
| Blue-collar | 28 |
| White-collar workers | 68 |
| Senior salaried employees | 0 |
| Estonia | 109 |
| Blue-collar | 50 |
| White-collar workers | 59 |
| Senior salaried employees | 0 |
| Group, total | 1,099 |

Average number of personnel per country in 2024

| | 2024 | 2023 | 2022 |
|---------------------|--------------|--------------|------------|
| Finland | 903 | 854 | 819 |
| Sweden | 98 | 83 | 50 |
| Estonia | 97 | 76 | 76 |
| Group, total | 1,098 | 1,012 | 946 |

Geographical distribution of employment relationships 31 December 2024

| | Finland | Sweden | Estonia | Total |
|--------------|------------|-----------|------------|--------------|
| Full-time | 891 | 93 | 106 | 1,090 |
| Part-time | 3 | 3 | 3 | 9 |
| Total | 894 | 96 | 109 | 1,099 |
| Permanent | 883 | 74 | 96 | 1,053 |
| Fixed-term | 11 | 22 | 13 | 46 |
| Total | 894 | 96 | 109 | 1,099 |

Average training hours and coverage of performance appraisals (Finland)

| | 2024 |
|--|---------------|
| Training hours | |
| Blue-collar | 11.21 |
| White-collar workers | 14.49* |
| Senior salaried employees | 6.59 |
| Total | 32.29* |
| The personnel involved in regular development discussions and the development discussions held with them (%) | 34*% |

* The number includes only GRK Suomi Oy

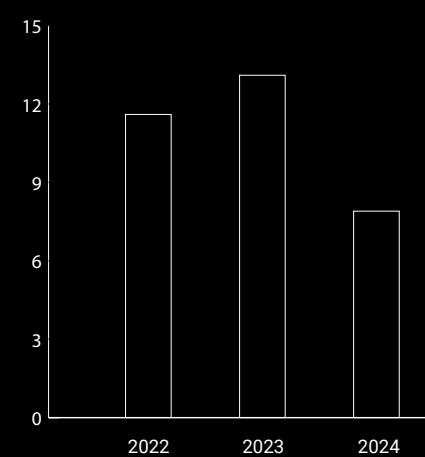
New employment relationships and terminated employment relationships by country

| | Permanent employment started in 2024 | All employment ended in 2024 |
|------------------------------------|--------------------------------------|------------------------------|
| Finland | 98 | 166 |
| Sweden | 6 | 40 |
| Estonia | 15 | 7 |
| Total | 119 | 213 |
| The turnover rate within the group | 6.00% | |

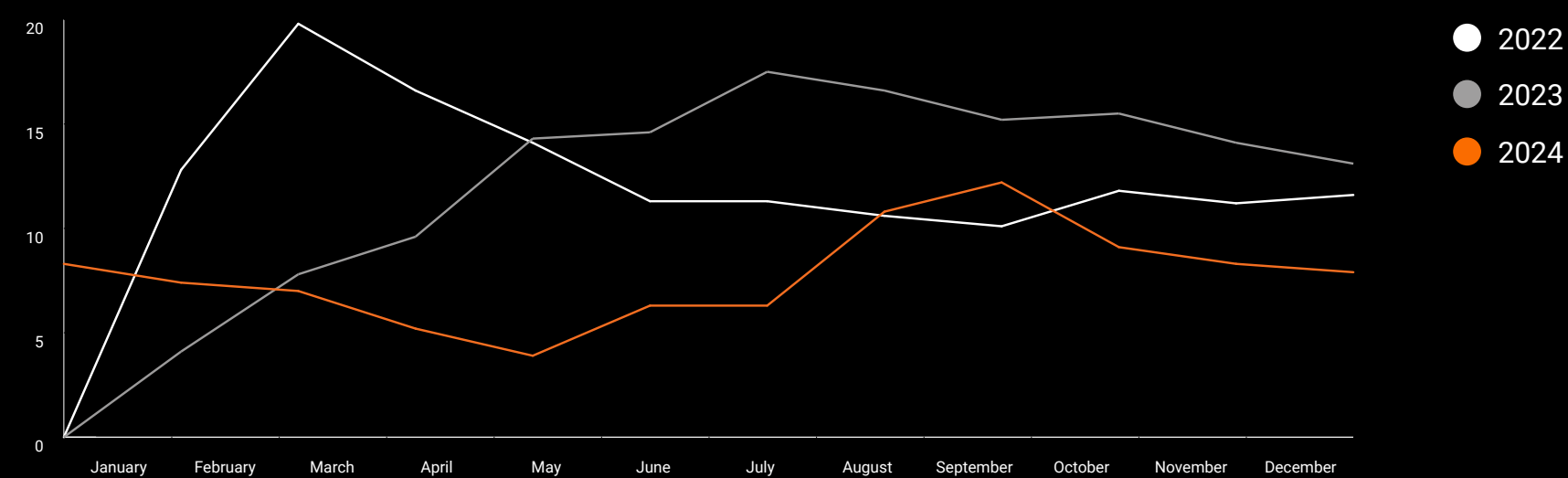
● SUSTAINABILITY

HSEQ

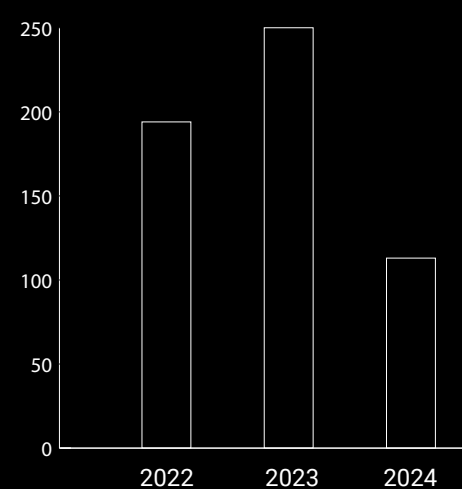
Accident frequency rate



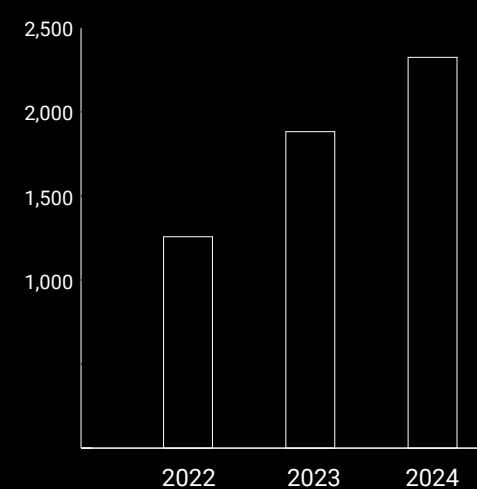
Accident frequency rate



Working days lost due to accidents



Safety observations



CASE

KNOWLEDGE SHARING AND FUTURE INFRASTRUCTURE PROFESSIONALS

At GRK, we want to make extensive use of the expertise of our professionals, and we have also been successful in sharing expertise between our country companies. For example, some of our Finnish and Estonian professionals work at the Stegra site in northern Sweden. The country companies have also engaged in successful cooperation in track electrification in Estonia, where employees from our Finnish country company are currently working on the construction of rail infrastructure.

In addition to sharing knowledge and skills and training our existing personnel, we have also been able to recruit new personnel on a continuous basis. Providing jobs in the current economy is socially responsible and a great achievement that we are proud of. We also want to emphasise diversity in our recruitment activities, and we continuously train our personnel to take diversity aspects into account right from the recruitment phase.

Through our actions, we aim to make the infrastructure sector more attractive and increase awareness of GRK as an employer by offering interesting and diverse internship opportunities to students in the field. We also focus on cooperation with educational institutions and, during the year under review, we again actively toured educational

institutions and recruitment events in order to provide information about the career opportunities we have to offer. We have been pleased to note that GRK is becoming an increasingly well-known and sought-after employer among trainees and other jobseekers. In 2024, we received approximately 756 trainee applications, and the number of applicants has increased year by year.

Our goal is for as many trainees as possible to return to work in our organisation and also recommend us as an employer to others. The satisfaction of our trainees is one of the most important indicators of our success and, in 2024, we conducted a job satisfaction survey for our summer trainees throughout the Group for the first time. In Finland, the eNPS for summer trainees was 64, which we consider a great success. In addition, 89% of the trainees felt that the work had met or exceeded their expectations, and the caring attitude of supervisors was highlighted as a particularly meaningful point. GRK's strategic goal is to increase the number of trainees to cover 10% of the personnel of the Group's businesses.



CASE

OPEN DISCUSSION AND CONCRETE OPERATING MODELS FOR IMPROVING SAFETY

Everyone working at GRK is required to complete comprehensive safety training as part of their initial orientation and subsequent annual training. We work continuously to improve safety, and one of the measures taken at GRK in 2024 was to launch safety training for construction managers. The new training covers construction managers, project managers, regional managers and business directors, but the main focus is on construction managers.

The aim of the training is to have a thorough discussion about GRK's current safety situation, its development and identified development needs. The training is also aimed at identifying concrete operating models and practical measures that are particularly well suited to safety improvement at GRK specifically. We strive for, and encourage, a culture of open dialogue, as we believe it is the key to safe and high-quality outcomes.

The speakers at the training activities included representatives of GRK's senior management as well as customer representatives, who spoke about the clients' expectations regarding safety. In addition, an external partner was used in the planning and implementation of group work.

Approximately 60 people have participated in the training, and two training events have been organised. The first training event was held in December 2024, and it was followed by a second one in January 2025. We collect feedback on our training activities and use it to plan the next steps to achieve an even better level of safety at GRK.

Accident frequency rate

| Accident frequency rate | 2022 | 2023 | 2024 |
|-------------------------|------|------|------|
| | 11.6 | 13.1 | 7.9 |





Efficient procurement is one prerequisite for success.

● SUSTAINABILITY

Partnerships

GRK builds and maintains infrastructure that is vital to our society and constitutes the foundation of its well-being. Accordingly, the most significant value we generate for society comes from the road, rail and utility networks we build, which have impacts on the day-to-day lives of thousands of people every day. We also work in densely built-up areas, close to people and communities. With this in mind, we foster good cooperation with all stakeholders and continuously strive to develop our operations by minimising disruptions and improving communication, for example.

We also create prosperity for society through tax revenue, jobs and growing competence. We participate in the activities of industry organisations and cooperate with various educational institutions. We also engage in sponsorship activities at the local and national levels, mainly by supporting the recreational activities of children and young people, as well as mental health work.

Procurement and partnerships are at the heart of operational success

Effective partnerships and efficient procurement are among GRK's key factors for operational success. We implement projects in collaboration with an extensive network of partners. Knowing our partners and ensuring transparency throughout the subcontracting chain is particularly important to GRK, as reliable and effective procurement is one of the cornerstones of project success.

All procurement activities are carried out in compliance with laws and regulations and GRK's internal guidelines.

GRK is committed to combatting the grey economy and only uses partners that take care of their legal obligations. The partner companies are required to commit to GRK's principles of fair operations or maintain their own codes of conduct with corresponding rules. Partners are also required to adhere to GRK's human rights policy.

GRK's partners are long-term, trustworthy and well-known. We always examine the background of new partners to ensure that we know them. This is achieved by applying sustainable procurement criteria. GRK also aims to continuously improve its risk management with regard to partnerships and procurement. In 2024, GRK began a survey on the Group's sustainable procurement chain. The survey is expected to be completed in 2025, and it will enable a more detailed assessment of the procurement chain.

Our commitment to quality and safety extends to our partners

GRK carries out audits and assessments of its partners to ensure quality. In the assessments, the site provides an assessment of the partner or supplier used in the contract. The assessment covers four categories and includes an option to add other comments about the supplier or partner.

In audits, the risk management unit conducts a more detailed audit of the supplier's key personnel. GRK's largest partners have externally verified quality systems. However, GRK's significant partners also include medium-sized and smaller enterprises whose quality is ensured by means of supplier audits. Supplier audits



Our goal is to

calculate

our key suppliers' CO2 emissions in cooperation with them.

assess the implementation of safety, quality and environmental issues, for example. A total of six supplier audits were carried out in 2024. The target set for audits was achieved. GRK also receives feedback on its own operations through external audits related to management system certificates (ISO 9001/14001/45001 and the RALA certificate), for example.

In accordance with its values, GRK also wants to be a sought-after partner for its partners. GRK believes that mutual appreciation and good cooperation are the key to success. The aim is to create the conditions for mutual success. GRK sticks to its promises, and GRK's word can always be trusted. If any problems arise, the aim is to always resolve them through negotiation.



In accordance with its values, GRK also wants to be a sought-after partner for its partners.

CASE

PROJECT COMPLETED EFFICIENTLY IN ESPOO

GRK's project to improve Mankkaanlaaksontie in Espoo was completed about six months ahead of schedule and under the customer's budget. As the main contractor in the project, GRK was successful in every stage of the contract, from the tendering process to project completion, in spite of the challenges and complex traffic arrangements associated with the site. The contract, which began in August 2023, included the reconstruction of Mankkaanlaaksontie between Ring II and Koivu-Mankkaantie. Raising the road above the flood line was a key part of the project. A new wide cycling and pedestrian path was also built as part of the contract.

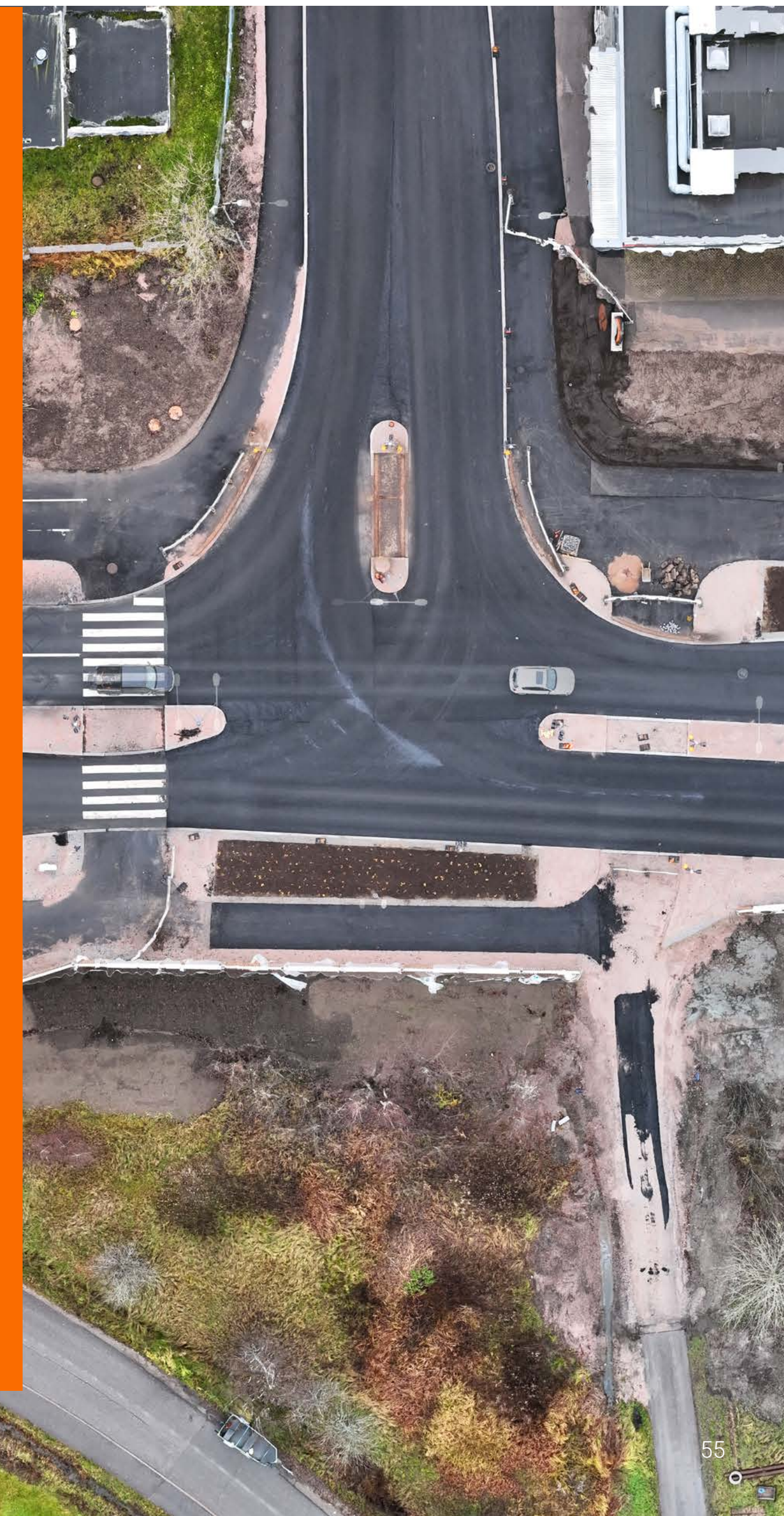
The project also included the renovation of Seiliniitty street and the construction of a new flood wall to alleviate flooding issues. In addition, the contract included the cleaning of the Gräsanoja ditch, the construction of the Gräsanoja bridge and the implementation of related structures and landscaping.

The contract was made more challenging by the site's location in an area that is prone to flooding. Water reached the site area on multiple occasions in the early stages of the project. An alternative solution for traffic arrangements was developed immediately at the start of the contract, which represented a deviation from the original plan.

The traffic arrangements also needed to be altered on several occasions over the course of the contract.

The changes to the arrangements also had an impact on safety considerations in the project. The contract was carried out in a busy and populated area, which meant that special attention was paid to the safety of outsiders. This paid off, as occupational safety was maintained at a good level throughout the project.

Projects like the Mankkaanlaaksontie contract are typical activities for GRK, and projects to repair the infrastructure in urban areas are very important to us. Urban construction in a densely built-up environment is one of GRK's key competencies, and it also provides new supervisors with opportunities to grow and build the capability to take on larger projects.



● SUSTAINABILITY

Ethical guidelines

We act with integrity

GRK's ethical guidelines are aggregated into the principles of fair operations, which include the Group's common code of conduct. The principles of fair operations are based on legislation, official regulations and the company's values, based on which concrete procedures have been built for GRK's management and employees for different scenarios. GRK's goal is also to commit our partners to the principles of fair operations and to ensure that they follow similar practices in their cooperation with GRK.

Combatting the grey economy and preventing bribery and corruption are part of GRK's principles of fair operations.

GRK has zero tolerance for bribery and corruption. GRK's anti-corruption principles were approved in late 2024. They summarise GRK's commitment to the prevention of corruption and bribery, and complement the principles of fair operations. The anti-corruption principles lay down principles and procedures for preventing bribery and corruption, provide examples of situations that may arise in day-to-day operations and include instructions on what to do in such situations.

GRK has an anonymous whistleblowing channel for anyone to report grievances or suspicions of fraud concerning the company. The whistleblowing channel can be used to report, for example, shortcomings in occupational safety and health, breaches of equality,

non-discrimination and equality, conflicts of interest, suspicions of the grey economy, money laundering or terrorist financing, as well as bribery and corruption. All reported violations are investigated appropriately and confidentially.

Training on the principles of fair operations must be completed once a year by everyone at GRK. The aim is to achieve 100% training coverage in the entire Group.



CASE

GRK'S VALUES WERE DISCUSSED DURING A "FAIR OPERATIONS" TOUR

Significant steps were taken in 2024 to put the principles of fair operation into action throughout the Group as we carried out a "principles of fair operations" site tour in Finland and Sweden. The site tour visited 17 sites or operating locations and reached approximately 430 people working at our sites, most of whom were GRK employees, and a small proportion were subcontractors' employees. GRK's values and fair operations are realised in day-to-day operations, which makes it important to discuss the principles in settings that are close to each employee's daily work.

According to the discussions that took place during the tour, fair operations are, above all, a question of transparency and the opportunity to stand behind one's own actions. Operating safely, looking after colleagues and maintaining high quality at work are also integral aspects of fair operations. In addition to providing opportunities to discuss the meaning of fair operations, the site tour also offered the participants the chance to highlight other issues related to work, the smoothness of operations and other issues perceived as important.

Based on the feedback survey, the tour was very successful. A lot of positive feedback was received on openness and the use of a low-threshold approach to stimulate discussion on a wide range of issues, including serious topics. We plan to continue the tour also in 2025.



The site tour reached approximately 430 people working at our sites.



CASE

PRINCIPLES OF FAIR OPERATION MATTER

In order for people to be able to do the right thing, the organisation must have clear common ground rules that are based on shared values. Documenting the ground rules in a Code of Conduct is a good practice.

GRK's Code of Conduct goes by the name "Principles of fair operations", and it lays down the organisation's business conduct principles and ethical rules.

Every organisation is vulnerable to misconduct, even if they have a set of common rules. That is why it is important that ethical rules are not just nice words on paper, but are lived out in day-to-day operations, decisions and actions.

All shortcomings and suspected incidents of misconduct highlighted in the organisation should be taken seriously and addressed appropriately. Adherence to the principles of fair operations emerged an important issue in 2024. GRK conducted an internal investigation, which revealed that a small number of people working in the paving business had deviated from GRK's principles of fair operations. GRK does not tolerate any misconduct, which is why the employment relationships of the individuals involved in serious violations of the principles of fair operations were terminated.

The investigation revealed that GRK had delivered asphalt mass that did not meet the quality requirements of the customer in question. Following the internal investigation, GRK contacted the customer to agree on corrective action and how GRK will compensate the customer for the damage incurred.

In addition, changes were made to the paving business and organisation of GRK's country company in Finland.

The misconduct had negative consequences for the entire organisation. The actions that violated the company's operating practices were addressed, and measures were taken to prevent similar conduct. The case also demonstrates that GRK's governance and control system functioned as it should. The practical effectiveness of operating practices must be continuously monitored and developed.



CASE

GRK SUPPORTS THE RECREATIONAL ACTIVITIES OF CHILDREN AND YOUNG PEOPLE AND MENTAL HEALTH WORK

GRK Group wants to actively participate in the development of society and communities. We primarily supporting the recreational activities of children and young people, as well as mental health work. We have supported some sports clubs and associations. These include, among

other the Espoon Hiihtoseura, Vantaan Hiihtoseura and Mieli ry. In Sweden we participate in the My Dream Now programme. In addition to its other cooperation projects, GRK also supports the recreational activities of its employees' children in all of its operating countries every year. Each year, the beneficiaries include various associations and clubs, representing a variety of different recreational activities.

We require our partners to comply with principles of fair operation. You can apply for support via the form on our website. Applications are processed three times a year.



We want to direct support especially to children and young people.



● SUSTAINABILITY

Governance

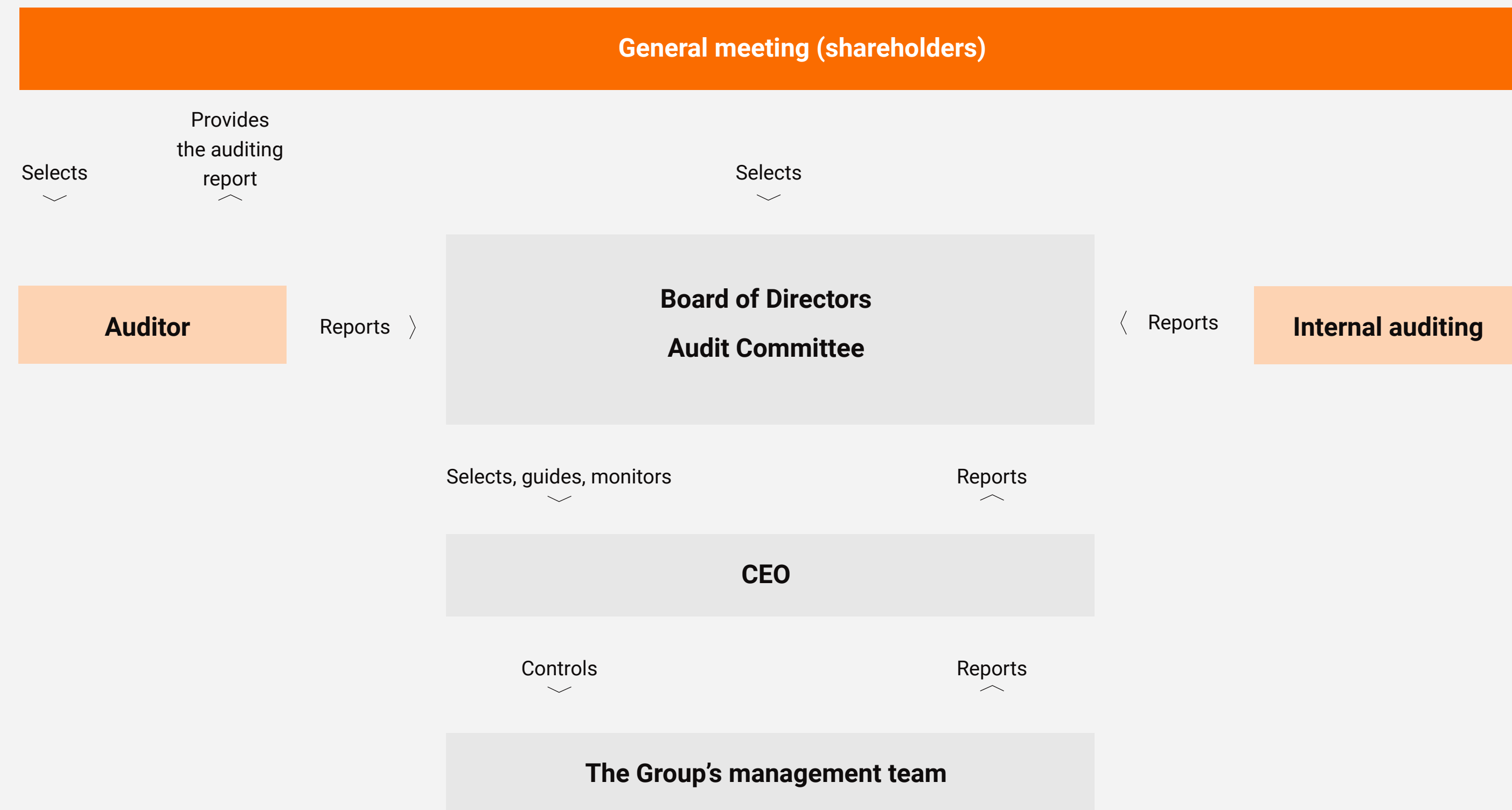
Governance

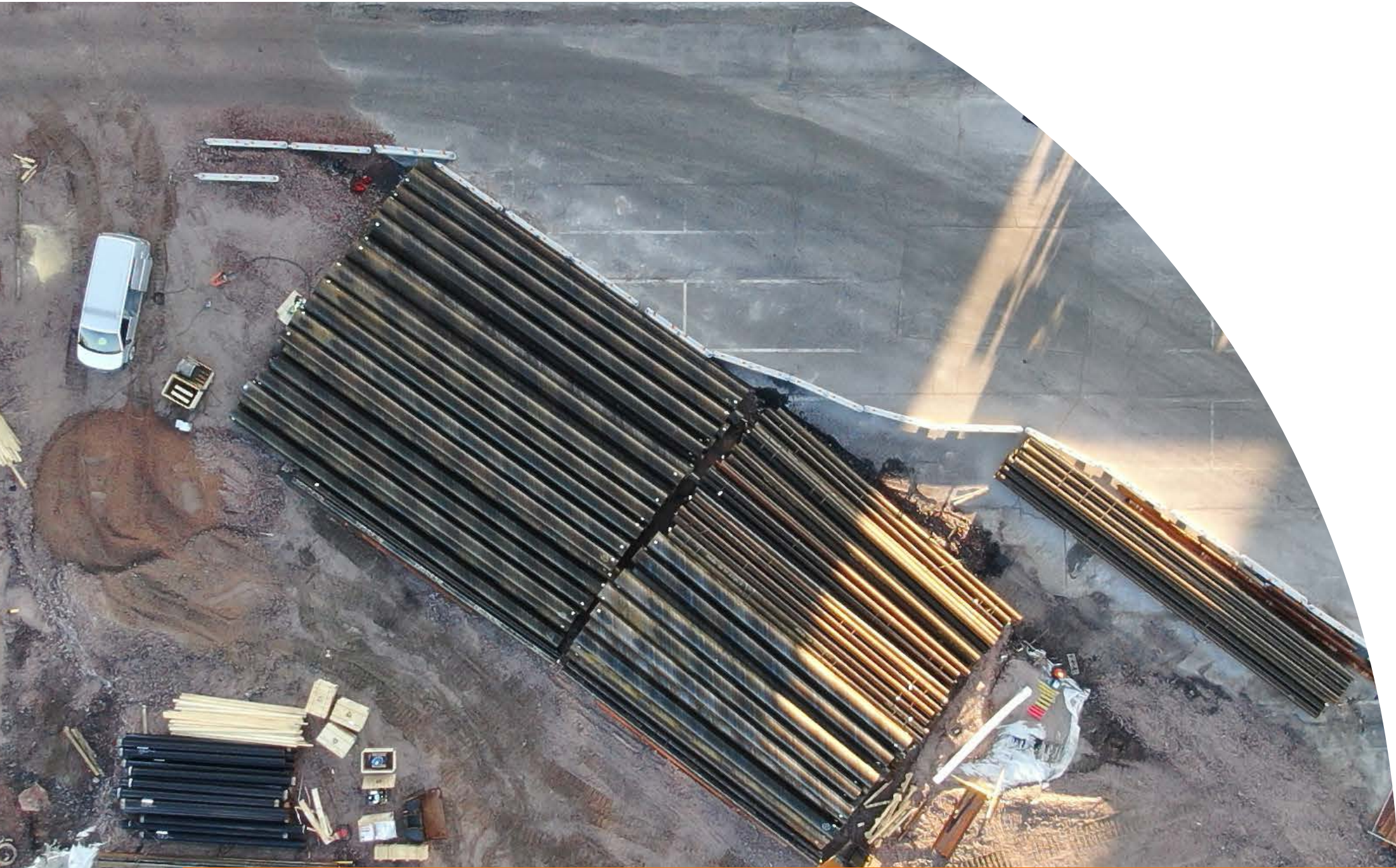
Good governance is the foundation of responsibility. At GRK, good governance is implemented through a clear-cut management system and operational control. GRK's governance is based on the company's values and principles of fair operations (Code of Conduct), compliance with applicable legislation, regulations and guidelines and the company's internal operating policies.

At GRK, the values are at the core, and the principles of fair operations are equally applicable to Board members, management, and all employees in all Group companies. GRK's values and principles of fair operations lay down the foundation for the Group's operations and determine GRK's way of working.

GRK's governance, management and supervision are divided between the Annual General Meeting, Board and CEO. The internal audit function, which operates under the supervision of the Board, is responsible for internal audit, while the auditors are responsible for external audit. Operational business operations are implemented by the CEO, supported by the Group Management Team. The company's operational management is described in the company's management system, which is part of GRK's certified operating system.

● GRK'S GOVERNANCE STRUCTURE





GRK's values and principles of fair operations lay down the foundation for the Group's operations and determine GRK's way of working.

General meeting of shareholders

GRK's highest decision-making company is the general meeting of shareholders in accordance with the Limited Liability Companies Act. The Annual General Meeting decides on the distribution of profits, adopts the financial statements and decides on discharging the Board members and CEO from liability. The general meeting of shareholders elects the members of the Board and decides on their remuneration. The Annual General Meeting also elects the company's auditor and decides on the auditor's fees. The general meeting also decides on other matters falling under its jurisdiction according to the Limited Liability Companies Act and the Articles of Association, as well as other decision proposals submitted to the Annual General Meeting.

In 2024, GRK had one general meeting of shareholders.

Board of Directors

The Board is responsible for the Company's governance and the arrangement of its operations. GRK's Board has prepared written rules of procedure defining the key tasks and operating principles of the Board and its Chair. The Board appoints and dismisses the CEO, supervises the CEO and decides on their remuneration and other terms and conditions of employment. The Board decides on significant matters pertaining to the company and the Group. For example, it decides on the company's strategy, significant investments, mergers and acquisitions, the management system and proposal concerning profits.

The Board prepares an annual calendar for its operations and meets in accordance with a pre-agreed schedule, as well as when necessary. The Board annually reviews its activities and ways of working and develops its operations based on the results.

In 2024, the members of GRK's Board were Kari Kauniskangas, Keijo Haavikko, Johanna Korhonen, Esa Lager,

Jukka Nikkanen and Tarja Pääkkönen. Kari Kauniskangas acted as Chair of the Board, and Keijo Haavikko was the Vice Chair of the Board.

The Board has established a Board Audit Committee for the company and ratified its written rules of procedure. The Committee was established primarily to prepare matters concerning the company's financial reporting and supervision and audit follow-up and preparing other audit-related matters. The Audit Committee also assists the Board in preparing matters related to financial reporting, financing, internal control, internal audit and risk management.

In 2024, the members of the Audit Committee were Jukka Nikkanen (Chair), Esa Lager and Kari Kauniskangas.

CEO and Management Team

The CEO manages, steers and supervises the day-to-day business operations of the company in accordance with the instructions and orders of the Board and the company's operating policies and other guidelines. The CEO is responsible for arranging the company's day-to-day administration and ensuring that the company's accounts are legal and that the management of the company's assets is reliably arranged. The CEO prepares matters to be decided on by the Board, develops the Group in accordance with the goals agreed with the Board and ensures the appropriate implementation of the Board's decisions. GRK's CEO is Juha Toimela.

The Group Management Team assists the CEO in the planning of operations, operational management and decision-making. The Group Management Team also prepares matters to be reviewed by the company's Board and assists the CEO in implementing the Board's decisions and the company's strategy. The Group Management Team reviews matters relating to business operations and the development and supervision of operations.



The Group Management Team comprises the CEO and members appointed by the Board at the proposal of the CEO. Each member of the Group Management Team has their own areas of responsibility in accordance with the company's management system. The Group Management Team convenes regularly according to an annual schedule agreed in advance. The members of the Group Management Team are presented on page 63-64.

Principles of internal control

Internal control contributes to ensuring that the objectives set for the Group's business operations are achieved. The purpose of internal control is to ensure that the company's operations are efficient, reliable and compliant and that the company's financial reporting is accurate and trustworthy. Internal control aims to ensure the continuity and uninterruptedness of operations and prevent deviations from the objectives or detect them so that corrective action can be taken.

The Board and CEO are responsible for the organisation of internal control. GRK's Board ensures that the Company has defined the operating principles of internal control. The Board Audit Committee monitors and assesses the effectiveness of internal control annually and reports its observations to the Board.

The CEO is responsible for the implementation of internal control. In addition, the management of each business function, Group company, unit and project is responsible for the development, implementation and maintenance of internal control in its respective area of responsibility.

At GRK, internal control is part of management, with the Board, management and personnel taking part in it. Besides the control process of business functions, the company's internal control system includes independent control functions that support business operations. Such independent functions include Group-wide systematic risk

management, compliance work and the HSEQ function. The internal audit function, independent of the business functions, assesses the Group's internal control.

The tools of internal control include GRK's policies and principles, guidelines, authorities and access rights, regular reporting and inspections, audits and self-assessments. The control measures are planned based on the business objectives and risks to them. Internal control is targeted in a risk-based manner so that the risks are under control.

It is the duty of everyone at GRK to comply with the principles of fair operations and GRK's policies, principles and work-related guidelines.

The principles of fair operations (ethical business principles) were drawn up in cooperation with the personnel in 2021. GRK Infra Oyj's Board of Directors has approved the principles of fair operations. Every GRK employee must commit to complying with the principles regardless of their position. GRK employees must familiarise themselves with the principles of fair operations and complete training on the principles annually. The online course on fair operations was updated in 2024. The principles of fair operations were also highlighted during site tours in Finland and Sweden. The principles of fair operations were also one of the main themes of the personnel day organised in Finland.

It is the duty of everyone at GRK to intervene in breaches of the principles of fair operations, and the company encourages everyone to report any abuse or improper treatment at a low threshold to either their supervisor or the CEO. GRK has an anonymous reporting channel through which violations of the principles can be reported. All reports and suspected violations are investigated appropriately and confidentially.



● BOARD OF DIRECTORS AND MANAGEMENT TEAM

GRK'S management

- BOARD OF DIRECTORS AND MANAGEMENT TEAM

Board of Directors



KARI KAUNISKANGAS

Chairperson of the Board,
Member of the Audit Committee



KEIJO HAAVIKKO

Vice Chairperson of the Board



JOHANNA KORHONEN

Member of the Board



ESA LAGER

Member of the Board,
Member of the Audit Committee



JUKKA NIKKANEN

Member of the Board,
Chairperson of the Audit Committee



TARJA PÄÄKKÖNEN

Member of the Board

- BOARD OF DIRECTORS AND MANAGEMENT TEAM

Management team



JUHA TOIMELA

CEO, GRK Infra Oyj and GRK Suomi Oy



JOHANNA KORHONEN

HR Director, Member of the Board



ANNELIINA KUPIAINEN

Business Director,
Environmental Technology



JOHANNA METSÄ-TOKILA

General Counsel



MIKA MÄENPÄÄ

Chief Executive Officer, GRK Sverige AB



JAAKKO MÄKELÄ

Liiketoimintajohtaja, taito- ja
väylärakentaminen sekä päällystys



MIKKO NYHÄ

Business Director, Civil Engineering,
Road Construction and Paving



MARKKU PUOLANNE

CFO



TIMO PINOMÄKI

Chief Risk Officer



RIINA RANTSI

Director Of Business Development



TIIT ROBEN

CEO, GRK Eesti AS

After the end of the period under review, it was announced that the current CEO of GRK (GRK Infra Oyj), Juha Toimela, will reach the retirement age specified in his employment contract in 2025. GRK's Board of Directors has decided to appoint Mika Mäenpää, CEO of GRK Sverige, as the company's future CEO. According to the current estimate, the change of CEO will take place by 30 September 2025 at the latest. Juha Toimela will provide Mika Mäenpää support in the transfer of duties until the end of the year, if necessary.

Until the change, Juha Toimela and Mika Mäenpää will continue to be responsible for their current duties. Announcing this planned change allows for a controlled transition as well as strengthening GRK's Swedish business and carrying out recruitment. Carl Andersson has been chosen as Mika Mäenpää's successor. Andersson will take over as CEO of GRK Sverige AB and join GRK's Group Management Team in connection with the change of CEO at GRK Infra Oyj.



GRK Infra Oyj

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