Annual Review 2024

Contents

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YIT in brief

Better living environments sustainably

We build and develop sustainable living environments: functional and attractive homes, future-proof public and commercial buildings, infrastructure to support the green transition as well as industrial, production, and energy facilities to support our customers' processes.

YIT's vision is to be the expert partner in developing sustainable homes, spaces and cities – for a good life. There are approximately 4,100 professionals in our team and our revenue in 2024 was EUR 1.8 billion. YIT Corporation's shares are listed on Nasdaq Helsinki.

- Read more about our business **here**
- We published our new strategy and financial targets in November 2024. Get to know our **strategy**
- Watch the **video that presents our vision**

REVENUE

1,820

EUR million
(2023: EUR 2,163 million)

ADJUSTED OPERATING PROFIT

32

EUR million
(2023: EUR 41 million)

OPERATING CASH FLOW AFTER INVESTMENTS

110

EUR million
(2023: EUR -137 million)

PERSONNEL

4,121

(2023: 4,711)

CUSTOMER NET PROMOTER SCORE

57

(2023: 52)

Highlights of the year 2024

Successes in industrial construction

In 2024, we further developed our industrial construction expertise both in the development phase and in construction partnering with our international customers.

We are building the tallest building in Finland for the manufacture of submarine cables in Kirkkonummi, as well as factory extensions for our customer Prysmian Group.

In Oulu, we are building a campus property for Nokia, which will include the company's new office, laboratory and production facilities combining high technology and responsibility.

We started an extensive data center project in Kajaani with XTX Markets and agreed on the construction of a new production and technology center for Hitachi in Mustasaari.

Railway projects progressed

2024 continued to be a strong year in rail construction in Finland. During 2024, we completed the second section of the Tampere Tramway Alliance and started construction work with our alliance partners on the new Pirkkala-Linnainmaa section.

In Helsinki, we are involved in an extensive development phase of the Programme Alliance with our partners. The Alliance focuses on rail transport and urban development.

At the beginning of the year, we started work on the construction of the Espoo City Railway area contract 2 and the excavation contract.

At the end of the year, Turku Tramway Alliance selected YIT as partner for the development phase of the tramway depot and electricity supply stations.

Circular economy utilized in projects

Circular economy solutions took steps forward in our projects. We renovated the property located at Aleksanterinkatu 13 in Helsinki for Ilmarinen Mutual Pension Insurance Company to modern business, office and meeting premises. The project focused on circular economy solutions – more than 80% of the demolition materials were recycled or reused on site.

In the Circular Economy Block for Lifelong Learning project, we developed a circular economy brick with our partners, which was recognized with the Responsibility Act of the Year award by the Finland Chamber of Commerce. The building material is made of 40% recycled materials, such as sanitary porcelain and recycled glass.

Home buyers recommend YIT

Customer satisfaction among YIT's apartment buyers has developed positively over the last three years. In 2024, we achieved an excellent Net Promoter Score of 65 in Finnish consumer projects. In particular, we have succeeded in good customer service, paid apartment alterations, user guidance and floor plans.

We have also exported our housing customer expertise in the Czech Republic by expanding our operations with our partner to the country's second largest city, Brno. The first housing area project consisting of 750 apartments next to the city center of Brno will start in the spring of 2025.

YIT the most attractive construction industry employer

Again in 2024, YIT was the most attractive construction industry employer for both university-educated professionals and students in the field of engineering.

For the fifth year in a row, YIT was chosen as the most attractive employer in the Universum Professionals survey by university-educated professionals in the field of engineering, while engineering students chose YIT as the most attractive employer in the Universum Student Survey for the sixth year in a row.

With a focus on understanding customer needs and offering professional growth opportunities, our goal-oriented culture creates a foundation for shared successes and inspiring career paths.

Our services

Homes

We build highly functional and sustainable homes and living environments in growing cities. We provide the framework for easy and convenient housing that is aligned with the principles of sustainable development.

Read more

Buildings

We build, renovate and develop commercial and public buildings such as industrial facilities, business premises, and educational institutions ensuring customer orientation and optimal usability throughout their life cycles.

Read more

Infrastructure

We build train tracks, railways, roads, bridges, tunnels, halls and industrial facilities in challenging environments. We also maintain roads and streets to make it smoother for people, businesses and society to live a sustainable life.

Read more

CEO's review: We improved our financial position in a challenging market environment

Our adjusted operating profit for 2024 was EUR 32 million, and operating profit for the year weakened to EUR -55 million. Despite our achievements last year, we cannot be satisfied that the result for the full year remained negative. During the year, we continued measures to execute our transformation program including closing down our operations in Sweden and Norway, which burdened our operating profit heavily. However, these measures have been critical in building YIT's long-term competitiveness.

In 2024, the Finnish residential construction market remained weak as a result of low consumer confidence. Despite this, our consumer sales in Finland increased by more than 40% during the year and we sold nearly 600 consumer apartments in Finland. The stock of unsold completed apartments continues to decline and is expected to reach normal levels during 2025. Towards the end of the year, we started four new projects in selected cities in Finland, supported by regional market demand. However, overall low production volumes and the low number of apartment completions will limit the Residential Finland segment's capability to generate profit in 2025.

Our residential business operations in the Baltic and CEE countries continued on a solid track in 2024. Both our apartment sales and revenue grew substantially throughout the year as market conditions improved. We have increased production, and apartment starts increased altogether by over 50% during the year. This forms a solid foundation for achieving our strategic objectives in the coming years.

In the infrastructure business, key indicators showed positive trends in 2024. Over the year, the Finnish operations increased their revenue, adjusted operating profit and order book, along with a reduction in capital employed to negative, in alignment with the strategic goals. With a strong order book, the Infrastructure segment begins 2025 from a solid position.

> **"With the new strategy, our key target is to strengthen YIT's resilience, so that we can succeed in all market situations.**

The Building Construction segment is renewing its business model and refocusing on selected customer segments. The segment's operational performance improved in 2024, while balance sheet items burdened the profitability. The segment's operational performance is expected to continue improving.

Supported by the transformation program towards a new strategy period

Our team has rigorously executed the transformation program that was launched two years ago and developed operations on many fronts. We reached the program goals ahead of time. We streamlined our cost structure, restructured our funding and improved our financial position.

VESI Hostivař, Prague, Czech Republic

The financing arrangement we implemented in March 2024 gave us room to maneuver and ensured our ability to react especially to changes in the Finnish housing market. The net debt decreased by EUR 115 million compared to the end of the previous year. However, we still have work to do to lighten the balance sheet in the coming years and we will continue to release capital according to the market situation.

In November, we presented our new strategy for 2025–2029. With the new strategy, our key target is to strengthen YIT's resilience, so that we can succeed in all market situations. We have worked hard to ensure that YIT has excellent capabilities to succeed when the Finnish housing market begins to turn. Equally, we develop our operations so that we can succeed even when we inevitably encounter new cycles in our different countries of operation.

Customer at the heart of strategy

Megatrends support YIT's business in many ways. Urbanization and demographic changes increase the demand for sustainable and vibrant living environments. Climate change and the energy transition place demands on sustainable construction and green infrastructure in Europe. Digitalization and artificial intelligence require investments in data centers, and global security issues have emerged in all of our countries of operation. We are developing our capabilities to better support our customers' business.

This situation opens up opportunities for all construction companies. In order to differentiate ourselves from our competitors and be able to implement new projects, we need to respond better to customer needs. We have made good progress in this area as our customer satisfaction improved clearly in 2024 with our NPS increasing from 52 to 57. We are committed to further improving the customer experience by continuously listening to our customers' needs. Our goal is to be involved in projects in as early phase as possible, so that we can ensure the best way to implement it cost-effectively and in a way that is optimal for the customer's business.

> “ Megatrends support YIT’s business in many ways.

Committed and motivated team is our company's most important asset. Our employee satisfaction, measured by eNPS, improved from 20 to 30 compared to previous year. YIT remained the number one employer for students and professionals in the construction industry in Finland. We are building our success on our versatile and skilled professionals. We will invest in developing our leaders’ and employees’ capabilities.

We are committed to building a better future and sustainable cities for urban residents. YIT was the first Finnish construction company to set science-based targets for emission reductions, and our goal is to continue being a leader in construction industry sustainability. This is also what our customers expect from us.

We have set an ambitious safety target for the strategy period. We aim to halve the number of accidents relative to working hours and achieve a combined lost time injury frequency (cLTIF) of less than 5. We are committed to the well-being and safety of our employees and partners. It is of utmost importance that each of us can work in safe conditions.

Looking ahead

We remain realistic about Finnish residential market recovery. Market indicators are showing more positive trends, and we have initiated new residential projects to meet the demand in selected cities. Nonetheless, there are no definitive signs of a strong recovery in the Finnish residential construction market in 2025.

I thank our owners, customers, partners and employees for their trust in YIT. Our vision is to be the expert partner in developing sustainable homes, spaces and cities – for a good life. This is what we strive for in our everyday work.

Heikki Vuorenmaa
President and CEO

Report of the Board of Directors

Aleksanterinkatu 13 renovation, Helsinki, Finland

Strategy and vision

YIT'S VISION

YIT's vision is to be the expert partner in developing sustainable homes, spaces and cities – for a good life. The vision offers YIT a clear, shared goal and looks beyond the current day-to-day into the future. It is an important tool that allows the company to ensure that the actions it takes are guiding it in the right direction.

YIT's success builds on nurturing and attracting professionals with diverse expertise. YIT wants to find and employ the best professionals so that it can offer its customers a broad range of expertise, with technical, technological, social, economic, and societal understanding and insights. In an increasingly digitalized world, YIT wants to ensure that it has the most competent people.

Sustainability guides all operations at YIT; it doesn't only follow trends and standards but also strives to be one step ahead in development. The company works closely with its customers, aiming to understand their needs, with the aim to be the expert partnet.

For a good life – also from the viewpoint of YIT's employees. YIT wants to offer a safe working environment and the opportunity to learn, develop, and grow together with the company.

YIT'S STRATEGY 2025–2029

YIT published a new strategy for 2025–2029 in November 2024. The efforts of the previous strategy to focus operations and the benefits of the transformation program completed in 2024 set the basis for the new strategy period. With the new strategy, YIT improves its resilience over the next five years and provides value creation to all its stakeholders.

YIT's strategic priorities for the strategy period 2025–2029 are:

- to deliver industry-leading productivity and financial performance,
- to generate targeted growth and resilience, and
- to elevate customer and employee experience.

Industry-leading productivity and financial performance will be delivered by focusing on solid project and cost management, construction lead-time reductions on projects, dynamic pricing models for consumers and developing YIT towards more data, technology and process-led organization. Moreover, significant benefits are expected to be materialized from the efficiency actions already implemented or initiated as a part of the transformation program completed in 2024.

YIT aims to generate targeted growth and resilience from its current business portfolio by targeting a more balanced geographical revenue distribution and focusing on businesses providing the greatest potential for profitable, capital-efficient growth.

To elevate customer and employee experience, YIT aims to build strong differentiation through delivering projects with industry-leading total customer value. In addition, to complement the strategic priority to become more data, technology and process-led organization, YIT will focus on fostering its company culture, strategic capabilities and attracting the best talent. Moreover, the company is aiming to take a step change in work safety to demonstrate YIT's uncompromising commitment to continuous improvement in this focus area.

All YIT businesses and selected focus areas will be strongly supported by the key global megatrends, such as urbanization and demographic changes, climate change and energy transition, digitalization, and rising focus on global security.

FINANCIAL TARGETS

YIT will assess the success of its strategy with the following group financial targets to be reached by the end of 2029.

- Adjusted operating profit margin at least 7%
- Return on capital employed at least 15%
- Net sales growth of at least 5%, with the compound annual growth rate (CAGR) based on year 2024.

In addition, YIT will introduce a financial framework and non-financial targets for the strategy period.

Financial framework:

- Dividend payout ratio at least 50%, subject to fulfillment of certain conditions in current financial agreements
- Net debt to equity (gearing) in the range of 30–70% over the cycle.

Non-financial targets:

- Maintain high customer NPS level of over 50 across the operations
- Employee NPS at least 50
- Combined Lost Time Injury Frequency (cLTIF) below 5 in all operations
- SBTi commitment implemented by 2030 (Scope 1 & 2 CO2 -90% and Scope 3 -30%).

The targets set for the strategy period include an assumption of the Finnish residential market recovering to a historical average level during the period. YIT's view of 2010–2020 average self-developed multi-family residential starts in Finland is approximately 16,000 apartments per year.

> **” With the new strategy, YIT improves its resilience over the next five years and provides value creation to all its stakeholders.**

NEW SEGMENT STRUCTURE

With the new strategy, YIT changed its segment structure from the beginning of 2025 to ensure and support the creation of targeted growth and resilience. From the beginning of 2025, YIT has four operating segments. The new segments and their financial targets to be achieved by the end of 2029 are:

Residential Finland, focusing on residential development and construction in Finnish growth centers for consumers and investors. In the strategy period, the segment continues to seek operational efficiencies and build readiness to capture market share when market recovery in the Finnish housing market starts.

- Target is to gain market share, achieve at least 10% adjusted operating margin, and at least 20% return on capital employed.

Residential CEE, focusing on residential development and construction for consumers and investors in growth areas in CEE countries (Poland, Slovakia, Czech Republic, Estonia, Lithuania and Latvia) where the plan is to achieve significant growth during the strategy period.

- Target is to achieve at least 15% annual growth, at least 15% adjusted operating margin, and at least 25% return on capital employed.

Building Construction, focusing on contracting and selective development of commercial premises in Finland and in CEE countries for public sector and investor clients. In the strategy period, the segment will target growing industry sector investments, growing its own capabilities in building technology and focusing on growth in CEE countries.

- Target is to achieve at least 2% annual growth, at least 6% adjusted operating profit margin and to continuously operate with negative capital employed.

Infrastructure focusing on infrastructure construction in Finland for public sector and private industrial clients. In the strategy period, growth in the segment will be mainly driven by energy and industrial construction, rail infrastructure and defense sector.

- Target is to achieve at least 5% annual growth, at least 6% adjusted operating margin and to continuously operate with negative capital employed.

COMMITMENT TO SUSTAINABILITY

One of key enablers of the new strategy continues to be sustainability. In line with the vision, sustainability is an integral part of good life and considered a key competitive advantage for the company.

In terms of environmental criteria, YIT is committed to the Science Based Targets (SBTi) initiative to limit global warming to 1.5 degrees Celsius in line with the Paris Climate Agreement. In November 2021, YIT became the first Finnish construction company to commit to the Science Based Targets (SBTi). The Science Based Targets (SBTi) validated YIT's emission targets in June 2023. With this commitment, the company is strengthening its climate work and aiming to reduce both its own and the customers' emissions.

In terms of social criteria, YIT will continue the work to improve society and build a better living environment. It aims to halve the accident frequency by the end of the strategy period and will invest in strengthening well-being at work and personal growth.

On governance criteria, YIT continues its rigorous approach to the gray economy. The company does not tolerate corruption, labor exploitation or discrimination.

YIT promotes its sustainability objectives throughout our supply chain. It holds its suppliers to the same environmental, social and governance standards that it has set itself.

Operating environment

Geopolitical tensions and security threats continued to cloud the overall operating environment in 2024. However, during the year, inflation moved closer to central banks' target levels and market interest rates fell significantly from the peak levels, bringing relief to households and businesses. Decreased interest rates and increased consumer purchasing power are expected to have a positive impact on future demand.

RESIDENTIAL MARKET

The Finnish residential market remained challenging throughout 2024. High interest rates continued during the first half of the year and had a strong impact on both consumer and investor demand, and overall consumer confidence remained weak. Construction costs remained stable despite the low market volume. The availability of both project and customer financing decreased. During the end of the year, interest rates fell significantly, increasing demand primarily on the secondary residential market.

In the Baltic and Central Eastern European countries, the increase in costs and the inflation rate slowed down during the year. Demand improved in the Baltics and continued to be good in Central Eastern Europe, despite the inflation and interest rate environment being similar to Finland.

BUILDING CONSTRUCTION MARKET

The Finnish building construction market was supported by public sector demand in 2024. In the private sector the amount of projects decreased. In the renovation construction market the high interest rates slowed down the starting decisions of housing company renovation projects. The defense sector invested more than before and the amount of data center projects increased.

Demand in the Baltic and Central Eastern European countries remained moderate. Investments in industrial production continued at a good level especially in the Baltic countries.

Demand on the investor side was weak in all operating countries due to the high costs and low availability of financing.

INFRASTRUCTURE MARKET

In 2024, public sector demand for infrastructure construction remained at a moderate level in Finland, and public sector investments remained stable. The general slowdown in construction in Finland was seen in the infrastructure market especially in the ground engineering and foundation construction market.

Private sector investments in renewable energy and industry have supported the infrastructure market, which was visible in the increase in energy and industry construction demand especially in the second half of the year. Defense sector investments have also increased the demand for infrastructure construction. The competitive situation in the market remained unchanged.

Financial development

REVENUE

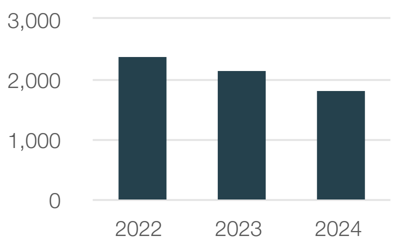
YIT's revenue decreased to EUR 1,820 million (2,163). Revenue decreased in all segments. In Housing, revenue decreased in Finland and increased in the Baltic and CEE countries. In Business Premises the comparison period was supported by the sale of the Maistraatinportti office property. In Infrastructure, revenue increased in Finland but declined overall due to a decrease in revenue from businesses that are being closed down.

RESULT

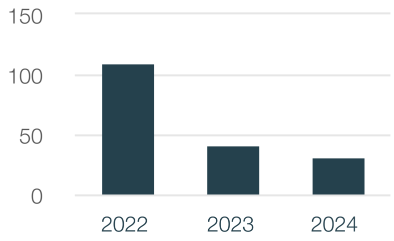
YIT´s adjusted operating profit decreased to EUR 32 million (41), and the adjusted operating profit margin was 1.7% (1.9). In Housing, adjusted operating profit decreased mainly attributable to the decrease in adjusted operating profit in Housing Finland. In Business Premises and Infrastructure adjusted operating profit increased.

YIT's operating profit was EUR -55 million (51). Adjusting items amounted to EUR 86 million (-10). Adjusting items were mainly related to the costs of transformation program and operating profit from operations to be closed down, offset by the gain on sale of the equipment services business YIT Kalusto Oy. Net finance costs amounted to EUR 64 million (56). The result for the period amounted to EUR -112 million (3), impacted by EUR 45 (17) million costs from closing down the operations in Norway and Sweden and by EUR 54 (19) million pre-tax costs from the transformation program in 2024. Earnings per share was EUR -0.51 (-0.01),

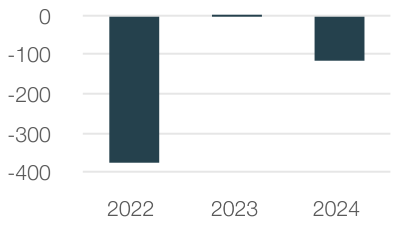
REVENUE (EURm)



ADJUSTED OPERATING PROFIT (EURm)



RESULT FOR THE PERIOD INCLUDING DISCONTINUED OPERATIONS (EURm)



Tiistilä school and daycare center, Espoo, Finland

CASH FLOW AND FINANCIAL POSITION

YIT's operating cash flow after investments amounted to EUR 110 million (-137). The cash flow was supported by positive operational cash flow in the Housing segment, improved net working capital efficiency and the divestment of the equipment services business YIT Kalusto Oy. The comparison period was burdened by capital tied to Housing segment's residential construction in Finland. Cash flow from plot investments was EUR -60 million (-65).

At the end of the period, interest-bearing debt amounted to EUR 893 million (998) and net interest-bearing debt to EUR 680 million (795).

Net interest-bearing debt included IFRS 16 lease liabilities of EUR 276 million (256), as well as housing company loans of EUR 178 million (260) related to unsold apartments.

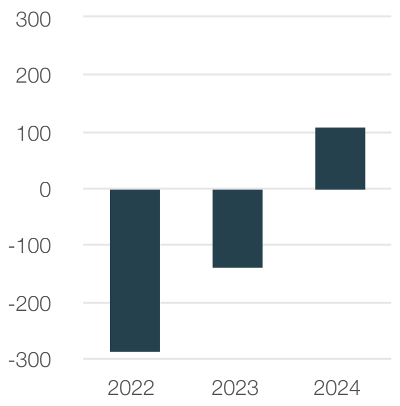
The gearing ratio was 88% (94), and the equity ratio 34% (33). Equity decreased to EUR 770 million (845). The net debt/adjusted EBITDA ratio was 13.4 (11.7), and the interest cover ratio 0.8.

Cash and cash equivalents increased to EUR 137 million (128), and YIT had undrawn overdraft facilities amounting to EUR 13 million (20). YIT also had a EUR 249 million (300) committed revolving credit facility, of which EUR 189 million (220) was unused and available at the end of the fourth quarter.

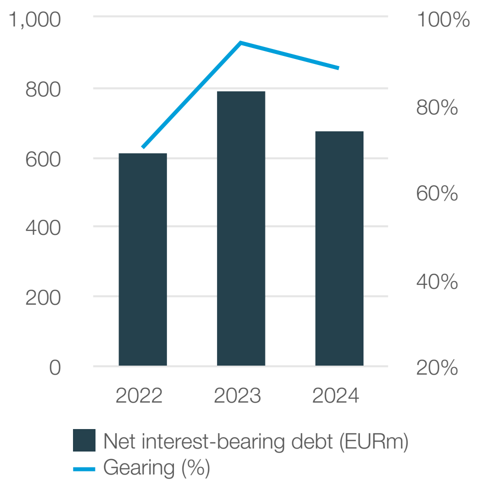
Unutilised and committed housing company loan limits associated with apartment projects decreased to EUR 27 million (49), as a result of the lower number of consumer apartments under construction in Finland.

Capital employed decreased to EUR 1,401 million (1,618) at the end of the financial year. Capital employed was supported by the successful capital release measures.

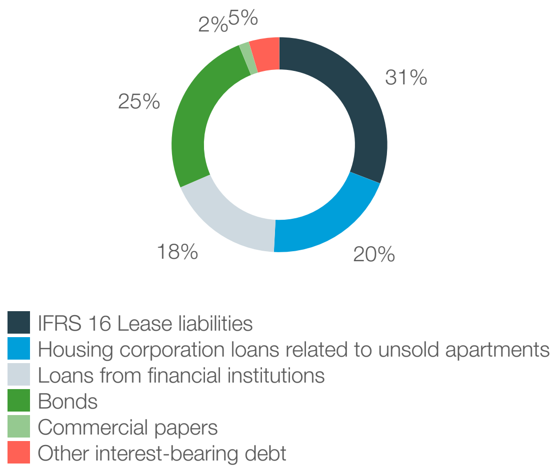
OPERATING CASH FLOW AFTER INVESTMENTS (EURm)



NET INTEREST-BEARING DEBT AND GEARING



INTEREST-BEARING DEBT PORTFOLIO



PLOT INVESTMENTS

Investments in plots were EUR 18 million (56) and investments in leased plots, excluding sale and leaseback transactions, were EUR 9 million (3). The total plot reserve at the end of the period amounted to EUR 793 million (813).

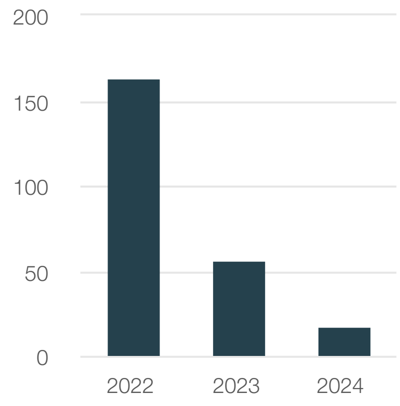
ORDER BOOK

Order book at the end of the period was EUR 2,941 million (3,157). At the end of the period, 79% (74%) of the order book was sold.

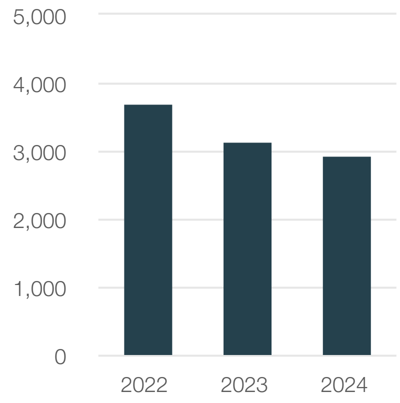
Numerous projects were added to YIT's order book during the year, the most significant of which were:

- agreement on building the Meilahti pharmacy, central kitchen and parking facility in Helsinki
- seven state road maintenance contracts for the years 2024–2029
- contract with Prysmian Group Finland Oy for the construction and expansion of warehouse facilities in the company's Kirkkonummi production site for submarine cables
- contract for the construction of an indoor sports hall suitable for sports and events for the city of Lappeenranta
- a contract on the renovation and alteration of the K2 city block located in the center of Helsinki which houses government activities
- a project management contract with Hitachi Energy for the construction of a new production and technology center in Vikby's industrial area in Mustasaari, Finland
- alliance agreement for the first phase Pirkkala-Linnainmaa tramway implementation
- partnership agreement for the development phase of the Helsinki Urban Development and Tramway Program Alliance, and
- an agreement to construct a new large-scale data center for XTX Markets in Kajaani, Finland.

INVESTMENTS IN PLOTS (EURm)



ORDER BOOK (EURm)



Crown Bridges alliance, Helsinki, Finland

Businesses

YIT's business segments in 2024 were Housing, Business Premises and Infrastructure. In accordance with the new strategy, YIT changed its segment structure from the beginning of 2025 to ensure and support the creation of targeted growth and resilience. From the beginning of 2025, YIT has four operating segments, which are Residential Finland, Residential CEE, Building Construction (previously Business Premises) and Infrastructure.

HOUSING

Revenue decreased to EUR 731 million (912). Revenue in Finland amounted EUR 427 million (628). The revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT's joint venture's rental housing portfolio and by sale and leaseback transactions for 11 plots in the second quarter of 2023. Revenue in the Baltic and CEE countries increased to EUR 304 million (285).

Adjusted operating profit decreased to EUR 17 million (32), Adjusted operating profit in Finland amounted to EUR -20 million (-10). Adjusted operating profit in the Baltic and CEE countries amounted to EUR 37 million (42).

Consumer apartment sales increased in both Finland and the Baltic and CEE countries in 2024. In Finland, consumer apartment sales increased to 589 (419) apartments and in the Baltic and CEE countries to 986 (767) apartments. Consumer apartment starts in 2024 increased to 943 (863), of which 160 (91) were in Finland, and 783 (772) in the Baltic and CEE countries.

BUSINESS PREMISES

Revenue decreased to EUR 734 million (843). Comparison period was supported by the sale of the Maistraatinportti office property. Adjusted operating profit increased to EUR 3 million (0), burdened by a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.

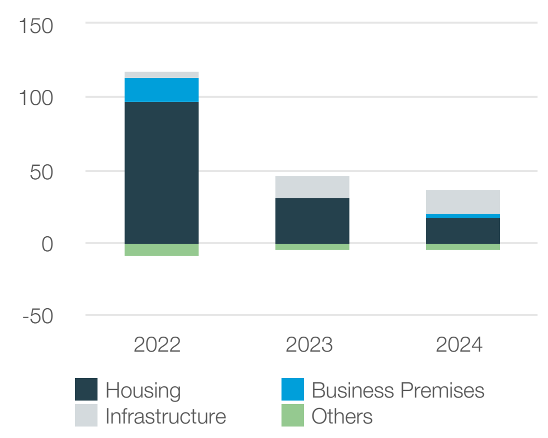
The total change in the fair value of the segment's equity investments amounted to EUR -8 million (-1). Change in the fair value of the segment's equity investments excluding equity distributions amounted to EUR -4 million (-1).

INFRASTRUCTURE

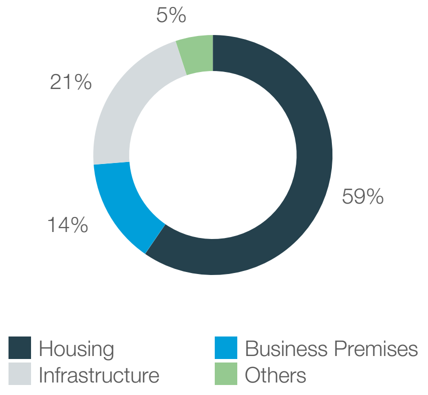
Revenue decreased to EUR 393 million (437). Revenue in Finland increased to EUR 369 million (357). The comparison figure includes revenue from YIT Kalusto Oy, divested in the first quarter of 2024. Revenue in businesses to be closed down decreased to EUR 25 million (81). Adjusted operating profit increased to EUR 17 million (14), supported by the steady performance of the projects in Finland.

The operating profit adjustments included EUR 45 (17) million costs from closing down the operations in Sweden and Norway in 2024. The closing down of operations in Sweden and Norway proceeded according to plan in 2024. In Sweden, several projects were completed, including all projects in Northern Sweden. Finalizing the ongoing projects in Central Sweden will continue in 2025. All remaining projects in Norway were finalized during 2024.

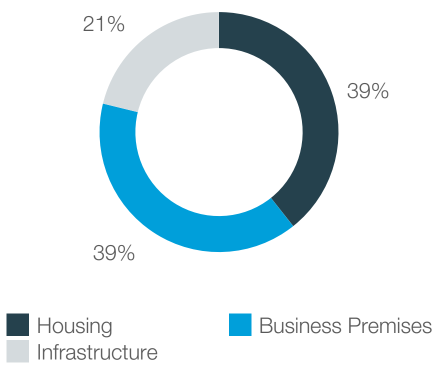
ADJUSTED OPERATING PROFIT BY SEGMENT (EURm)



PERSONNEL BY SEGMENT



REVENUE BY SEGMENT



Research and development

YIT´s research and development activities were implemented in 2024 with the guidance of YIT's strategic priorities. The Group's research and development costs amounted to EUR 15 million (11), which corresponds to 0.8% (0.5) of revenue. The costs include internal resource allocation and consulting as well as technology investments.

DEVELOPMENT OPERATING MODEL

YIT´s development activities were guided by our strategic priorities (Customer, Productivity and Sustainability). The development operating model is based on cooperation between business segments and support functions. The model was refined to be even more transparent and supportive of business targets, taking into account the strategic priorities. YIT's transformation program was strongly connected to the refinement. Our operating model covers planning, budgeting, resourcing, project management, change management, and result evaluation. We extensively trained our personnel to systematic change management, where we utilize the ADKAR-framework.

CUSTOMER

As part of focusing on core business activities and promoting supporting development projects, we invested in improving sales and customer experience. Customer experience work aims to improve our competitiveness, and in connection we developed our customer service, product and digital solutions for the customer interface. To develop our sales operations, we renewed our B2C customer and product management system and launched a similar renewal project for B2B customer work. In order to respond to market changes and ensure the success of sales operations, we have increasingly invested in sales and marketing concepts in both our B2C and B2B businesses.

PRODUCTIVITY

Project and risk management capability improvements included forecasting, reporting and follow-up procedure developments. Industrial construction methods such as prefabrication, procurement, takt time scheduling and site logistics were further developed based on the experiences from on-going construction projects. Going forward, the industrial construction method will be YIT's standardized operating model in all projects.

We developed the monitoring of construction sites using data and analytics and introduced AI tools to make work more efficient, both in the office and in the field.

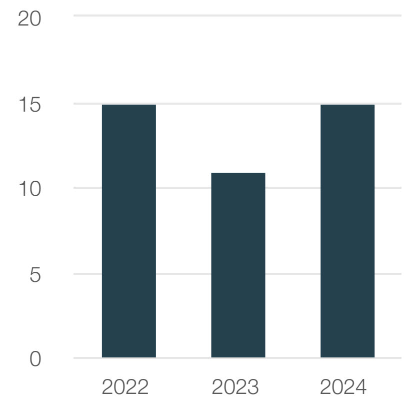
SUSTAINABILITY

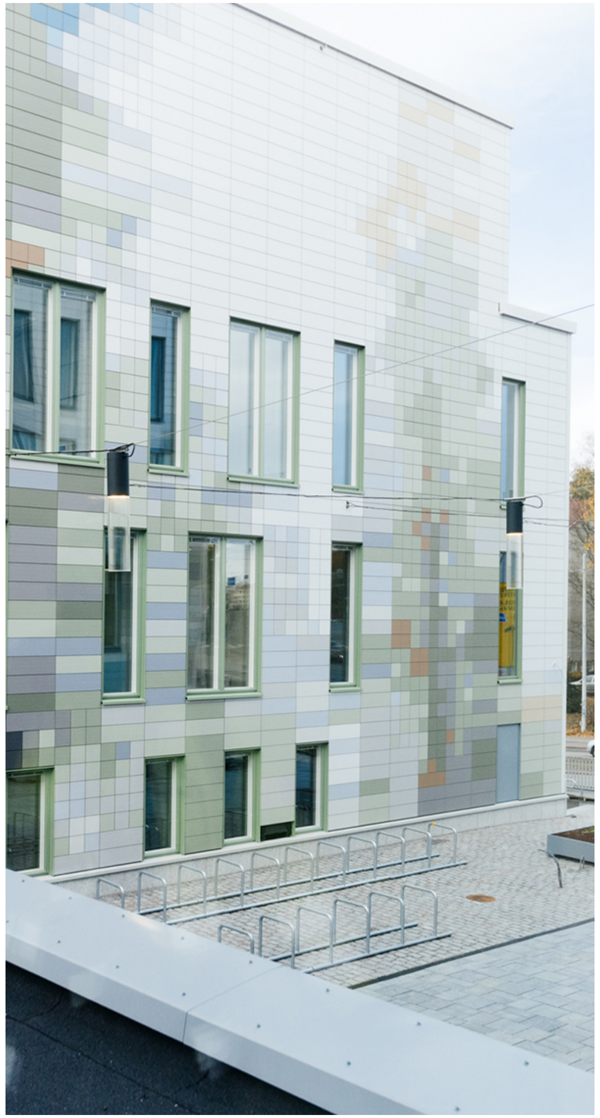
We continued towards low carbon future guided by our carbon road map and climate targets. In November 2021, YIT became the first Finnish construction company to commit to set emissions reduction targets through the Science Based Targets initiative (SBTi). In 2023 the SBTi validated these targets, confirming that targets are in line with the Paris Agreement and contribute to limiting global warming to 1.5 degrees. ESG reporting, emission calculation, and project planning capabilities were advanced, including the development of the EU taxonomy reporting process and system, CSRD (Corporate Sustainability Reporting Directive) prerequisites, and incorporating ESG criteria into YIT´s updated design guidelines. More emphasis were put to sustainability communication, both internal and external.

OTHER RESEARCH AND DEVELOPMENT ACTIVITIES

The development of YIT's master data and the processes based on it, as well as data driven management capabilities, continued. The financial management system development and process harmonization work were also supported. YIT also decided to invest strongly in utilizing artificial intelligence in daily work by training and making tools widely available to our personnel.

RESEARCH AND DEVELOPMENT COSTS (EURm)





Oak Hospital, Helsinki, Finland

Corporate governance

YIT's operations are based on sustainability, ethics and adherence to good corporate governance. Detailed information about the company's corporate governance and remuneration can be found **Corporate Governance Statement** and the **Remuneration Report.**

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting on March 14, 2024, adopted the financial statements for 2023 and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting decided on the payment of dividend and, the composition and fees of the Board of Directors. It also authorized the Board of Directors to decide on the repurchase of company shares and share issues.

DIVIDEND PAYMENT

It was decided to approve Board of Directors' proposal that the dividend not be distributed.

REMUNERATION REPORT FOR THE COMPANY'S GOVERNING BODIES AND REMUNERATION POLICY

A Remuneration Report for the governing bodies of YIT Corporation for the 2023 financial year and Remuneration Policy for 2024–2027 were presented to the Annual General Meeting. The Annual General Meeting approved the Remuneration Report for the governing bodies and supported the presented Remuneration Policy. Both decisions were advisory in nature.

COMPOSITION OF THE BOARD OF DIRECTORS AND THEIR FEES

It was decided that a Chair, Vice Chair and four ordinary members would be elected to the Board of Directors for a term ending at the close of the next Annual General Meeting. Jyri Luomakoski was elected as Chair, and Casimir Lindholm as Vice Chair, Sami Laine and Kerttu Tuomas were re-elected as members, Leena Vainiomäki and Anders Dahlblom were elected as new members.

It was decided that the members of the Board of Directors would be paid the following fixed annual fees for the term ending at the conclusion of the next Annual General Meeting:

- EUR 105,000 to the Chair of the Board of Directors
- EUR 73,500 to the Vice Chair and the Chairs of the permanent committees, except if the same person was also the Chair or vice Chair of the Board of Directors, and
- EUR 52,500 to the members.

It was also decided based on a decision of the Annual General Meeting that, 40% of the fixed annual fee would be paid in the form of YIT Corporation shares to be acquired on behalf of the Board members at a price determined by public trading on the Helsinki Stock Exchange (Nasdaq Helsinki Ltd). The shares were purchased within two weeks of the publication of the interim report for the period from January 1 to March 31, 2024, or on the first possible date under applicable law. The company bore the costs arising from the purchase of the shares.

Members of the Board and its permanent and temporary committees were paid a meeting fee of EUR 800 for each meeting for members resident in Finland and EUR 2,000 for members resident elsewhere in Europe, including meetings of the Board or its committees held remotely electronically or by telephone.

A fee of EUR 1,600 per meeting was paid to the Chair of the Board and the Chairs of the permanent and temporary committees. A daily allowance was paid for trips in Finland and abroad in accordance with the Group's Travel Policy and the guidelines of the Finnish Tax Administration.

Members of the Shareholders' Nomination Board, including the expert member, were paid a meeting fee of EUR 800 per meeting, and the Chair of the Nomination Board was paid EUR 1,600 per meeting.

APPOINTMENT AND FEE OF THE AUDITOR

The election and remuneration of the Company's auditor for the 2024 financial year had already been resolved at the previous Annual General Meeting, held on March 16, 2023. Ernst & Young Oy, Authorized Public Accountants, was then elected as the auditor for the 2024 financial year, with Mikko Rytilahti, APA, serving as the chief auditor. It was also resolved that the auditor's fee would be paid according to their invoice approved by the company.

REPURCHASE OF THE COMPANY'S OWN SHARES

The Annual General Meeting authorized the Board of Directors to decide on the purchase of company shares in accordance with the Board's proposal. The authorization granted to the Board of Directors covered the purchasing of a maximum of 21,000,000 company shares, with assets included in the company's unrestricted equity. The authorization reversed an authorization to purchase the company's own shares granted by the Annual General Meeting on March 16, 2023. The authorization is valid until June 30, 2025.

SHARE ISSUES

The Annual General Meeting authorized the Board of Directors to decide on share issues in accordance with the Board's proposal. The authorization may be used in full or in part by issuing shares in the company in one or more tranches so that the maximum number of shares issued is 21,000,000. The Board of Directors is authorized to decide on all the terms and conditions of a share issue. The authorization reversed an authorization on share issues granted by the Annual General Meeting on March 16, 2023. The authorization is valid until June 30, 2025.

ORGANIZATION OF THE BOARD OF DIRECTORS

The organizing meeting of the YIT Corporation Board of Directors took place on March 14, 2024. The meeting decided on the composition of the Board of Director's Personnel Committee, Audit Committee, and Investment and Project Committee.

At its organizing meeting following the Annual General Meeting, the Board of Directors elected from among its members Kerttu Tuomas as Chair of the Personnel Committee, and Jyri Luomakoski and Leena Vainiomäki as members of the committee.

The task of the Personnel Committee is to assist the Board of Directors in matters related to the appointing and rewarding key personnel. Its duties include preparing proposals for the development of the corporate culture and personnel policy and in terms of remuneration and incentive schemes, as well as the performance bonus rules and performance bonuses for the management. The committee oversees the talent identification process, key personnel development, and succession planning for the management, in addition to preparing the remuneration policy and the remuneration report for governing bodies.

The Board of Directors elected from amongst its members Jyri Luomakoski as Chair of the Audit Committee, and Sami Laine, Leena Vainiomäki and Anders Dahlblom as members of the committee.

The Audit Committee assists the Board of Directors in the supervision of the Group's reporting and accounting processes. Its duties include overseeing the financial reporting process of the company and the effectiveness of internal control, internal audit and risk management systems, in addition to monitoring and the assessing the audit. The committee participates in the preparation of the Group's financing policy, financing plan and financing arrangements. In addition, the committee reviews the financial statements, interim and half-year reports, assesses compliance with laws and regulations, and monitors the audit and the Group's financial situation.

The Board of Directors elected Casimir Lindholm from amongst its members as Chair of the Investment and Project Committee, and Sami Laine and Anders Dahlblom as members of the committee.

The Investment and Project Committee discusses and prepares for the Board of Directors significant contract tenders, property development projects, plot and area project investments and divestments, acquisitions, disposals and equity investments. It also monitors related portfolios, financial reporting and risk management. In addition, the committee discusses the investment policy to be submitted to the Board of Directors for approval.

SHARE-BASED INCENTIVE PLAN

YIT has a long-term share-based incentive plan decided by the Board of Directors 16 March 2020. The purpose of the long-term incentve plan (LTIP) is to engage the key employees, promote the strategy execution and increase shareholder returns. The earning periods of the incentive plan are set for three years. Potential rewards are determined based on the key performance indicators and their targets decided annually by the Board of Directors of YIT Corporation for each earning period.

The third earning period was agreed for the three-year period 2022–2024. Absolute total shareholder return (TSR) was selected as main KPI for the earning period. Sustainability (Science Based Target initiative Scopes 1 and 2 emissions reduction) is the second earning period KPI. The Board of Directors also decided on the approximately 150 key persons to be included in the incentive plan for this earning period from different YIT operating countries. A maximum of 2,326,000 gross shares can be distributed as awards. On December 31, 2024 there are 99 active participants, with a maximum earning potential of 1,211,531 gross shares.

The fourth earning period was agreed for the three-year period 2023–2025. Absolute total shareholder return (TSR) was selected as main KPI for the earning period. Sustainability (Science Based Target initiative Scopes 1 and 2 emissions reduction) is the second earning period KPI. The Board of Directors also decided on the approximately 150 key persons to be included in the incentive plan for this earning period from different YIT operating countries. A maximum of 2,184,000 gross shares can be distributed as awards. On December 31, 2024 there are 108 active participants, with a maximum earning potential of 1,780,031 gross shares.

The fifth earning period was agreed for the three-year period 2024–2026. Absolute total shareholder return (TSR) was selected as main KPI for the earning period. Sustainability (Science Based Target initiative Scopes 1, 2 and 3 emissions reduction) is the second earning period KPI. The Board of Directors also decided on the approximately 135 key persons to be included in the incentive plan for this earning period from different YIT operating countries. A maximum of 1,999,000 gross shares can be distributed as awards. On December 31, 2024 there are 108 active participants, with a maximum earning potential of 1,981,032 gross shares.

Furthermore, the Board of Directors recommends that along with the long-term incentive program, the President and CEO aims to hold YIT shares with a value equivalent to his annual salary, while a Group Management Team member aims to hold shares with the value of half of their annual salary as long as they are a member of the Group Management Team. After the three-year earning period and the confirmation of the annual report, the earned shares are transferred to key persons employed by the company. In all circumstances, the Board of Directors has the right to amend the bonuses in a reasonable manner.
The aim of the Remuneration Policy is to promote YIT's competitiveness, long-term financial success and sustainable shareholder value creation by attracting, retaining and motivating top talent to drive YIT's strategy.

CHANGES IN COMPANY MANAGEMENT

Antti Inkilä, EVP, Housing segment, left the company on December 31, 2024. President and CEO Heikki Vuorenmaa was appointed as interim leader of the Residential Finland segment and CFO Tuomas Mäkipeska as interim leader of the Residential CEE segment as well as Deputy to the President and CEO of YIT Oyj as of January 1, 2025.

INFORMATION CONTAINED IN THE NOTES TO THE FINANCIAL STATEMENTS

Related party transactions are disclosed in the note 33.

Risks and risk management

The purpose of YIT's risk management is to ensure the achievement of the objectives set for YIT's operations and secure the continuity of operations.

Risk management at YIT is governed by a risk management policy approved by the Board of Directors. The risk management policy describes YIT's main risk management principles, the risk management model and key risk management processes. The Board of Directors guides and supervises the planning and execution of risk management and approves the company's risk-taking capacity and risk appetite. The Group's President and CEO carries the overall responsibility for risk management. The President and CEO is responsible for the organization, monitoring and implementation of risk management, as well as the development of the risk management strategy. The business and support functions are responsible for risk management practices in their areas of responsibility.

Risk management is incorporated into all of the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

YIT has categorized the risks that are significant to its operations into strategic, operational, project-related, financial and event risks.

YIT's business is project-based, meaning that uncertainty related to project portfolios and individual projects is essential for risk management. Project portfolio risk management is implemented in connection with, for example, annual planning, project selection and business reviews. A gate model is utilized in the risk management of individual projects; the processing of each gate includes a risk assessment. Furthermore, risks at the implementation and maintenance phases are managed with the aid of standardized project risk management principles and tools.

The main characteristics of the internal control and risk management systems related to the financial reporting process are presented in the **Corporate Governance Statement.**

MOST SIGNIFICANT SHORT TERM BUSINESS RISKS

Strategic risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Market risks	• General economic development, the performance of the financial markets and the political environment in YIT's countries of operation affect the company's business operations. • Domestic and foreign policy tensions in the EU, countries close to the EU, the USA and Russia, or other international tensions, affect the demand for construction and create business complications. • Russia's continued hostilities in Ukraine and the increased threat of an escalation have a negative impact on our operating environment, customers' willingness to invest and the company's business operations at large. • The unrest in the Middle East and the threat of an escalation increase the uncertainty in terms of both demand and the financial markets. • A decrease in the prices of properties to be sold or held, as well as a slower-than-expected decrease in interest rates and investors' continuously high return requirements, if materialized, pose a risk to the company's profitability and the valuation of assets. • Supply chain disruptions caused by events such as bankruptcies or other performance issues arising from the general economic situation affect the performance of subcontracts and the availability of materials, increasing the risk of delays in project completion. • Changes in customer preferences and in the competitors' offerings reduce the demand for the company's products and services. • New competitors, business models and products may pose risks related to demand for the company's products and services. • Higher prices and interest rates, increased supply of rental housing or reduced demand for business premises or homes among tenants, and better yields of alternative investments may lead to a decrease in investor demand. • An excessively high level of capital committed to finished but unsold products complicates the financial situation of the company and the projects, jeopardizing the launch of new projects and increasing financing costs.	• Continuous monitoring and analysis of market developments and the operating environment. • Realization of financing and project model solutions with partners. • Continuous monitoring of yield requirement levels, the tender portfolio and the sales situation. The Group reacts to changes in the market situation by refraining from exceeding the risk limits associated with production, completed projects and capital. • Exploiting YIT's extensive business portfolio and market reach by shifting the focus of business operations to lower-risk business opportunities. • Contract structures, practices and a diverse supplier network that make it possible to reduce the negative impacts of changes in prices and availability. • Ensuring competitive products and services that correspond to customer demand. • Alternative investors and users are assessed for projects, starting from the design phase. Designing projects as flexible as possible so that the spatial solutions can serve different customer and user groups. • Using adequate but reasonable measures to limit the number of unsold completed projects.
Climate change	• Climate change may present physical, legislative, technical, financial, market and reputation risks to the company's business. • Extreme weather conditions, such as considerably higher annual rainfall or extended periods of hot weather, may lead to increased costs, changes in planning processes or delays in production. • Costs related to CO_2 emissions or emission reductions may create pressure with regard to the supply chain or the development of new solutions as the construction industry transitions to alternative building materials and seeks more effective ways to reduce emissions. • Increasing sustainability-related requirements among customers, investors and other stakeholders may be reflected in the company's customer demand, financing conditions and attractiveness as an investment or a development partner. • Failure to reach the emissions targets may affect the availability or cost of financing. • Climate change mitigation and adaptation may lead to rapid and significant legislative constraints and requirements.	• Regular assessment of climate risks and opportunities based on climate scenarios. • Project-specific climate risk assessments for climate change adaptation. • Setting ambitious goals to guide operations and operational development. • Incorporating sustainability criteria into investment and tendering processes. • Developing employee competence. • Active cooperation and dialogue with value chain actors to develop alternative construction materials and solutions. • Proactive project and product development, piloting new solutions, and active cooperation throughout the value chain. • Active and proactive monitoring of legislation and impact assessment and interaction with stakeholders. • Proactive monitoring of legislation and impact assessment.
Risks related to sustainability legislation	• Changes to regulations concerning sustainability, or changes in the interpretation of the regulations, may lead to declining investor and consumer demand, a lower availability or higher cost of financing, or otherwise weaken the company's operating conditions. • The measures required by sustainability legislation may also result in additional costs.	• Detailed evaluation of legislative requirements and related impact assessment. • Accurate and transparent sustainability reporting.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Changes in legislation and requirements	• Changes in legislation and the authorities' permit processes may slow down the progress of projects, increase net debt, increase the need for equity or debt financing or prevent additional funding from being realized. • In individual projects, zoning, building permits and approvals and interpretations by the authorities, among other factors, can increase risks and, for example, postpone orders, revenue or cash flow from one quarter or year to another.	• Continuous monitoring of changes in legislation and regulations. Active participation in zoning and planning to support risk management. Comprehensive identification and assessment of risks that affect projects and the project portfolio before making tender or start-up decisions. • Active dialogue with stakeholders and the authorities throughout the project life cycle. Using proactive project risk management to ensure that last-minute decisions or changes will not have a significant impact on the start or completion of projects and consequently on financial indicators.
Country risks	**Finland** • Finland accounts for a significant share of YIT's business, which underscores the significance of Finland's economic development for the company's business operations. • Slowing growth in the Finnish economy, inflation, high interest rates, migration and increasing public sector debt may weaken consumers' purchasing power and general confidence, which may have a negative impact on the demand for apartments and business premises. An increase in public sector debt can make it more difficult to finance infrastructure investments, especially in the municipal sector. • Recession, negative development in purchasing power. • Increased supply, slower population growth or strong local migration loss may have a negative impact on housing demand locally. • In Finland, disruptions or significant changes in project financing and housing company loans can affect the company's ability to finance construction-time costs and have indirect impacts on customer demand. **Central Eastern Europe** • There are uncertainty factors related to the operations of the authorities, as well as permit processes and their efficiency, which may result in significant delays in project development. • Regulatory processes and unforeseen delays in acceptance inspections for construction projects may affect quarterly revenue recognition for self-developed sites. • Increasing political risks may affect demand or otherwise complicate business operations. • There is an increased risk related to labor and migration from outside the EU, for example. • The possible end of the war in Ukraine and the reconstruction of Ukraine may cause production bottlenecks and price inflation, as well as problems in the availability of labor and materials.	**Finland** • Continuously monitoring the economic development and public sector investments in Finland. • Engaging in risk management related to project financing and the availability of housing company loans by managing working capital and financial reserves through efficient allocation and use of capital, by reducing lead times and by ensuring sufficient financing capacity. • Developing project funding models and cooperation with partners. **Central Eastern Europe** • Continuously monitoring the economic development and public sector investments. • Close cooperation with the authorities to ensure handovers and the processing of permits. • Housing production is a relatively low-risk business in terms of political risks. • Sales risk management through dynamic sales price changes and sales tracking. • Monitoring has been increased in the company's production and procurement operations with respect to the terms of employment and human rights issues. • Linking subcontracts and key materials in offer calculation and during the golden time frame, as well as avoiding long fixed-price contracts or using indexing. • Reducing lead times has the potential to reduce delays in project revenue recognition caused by delays in regulatory processes.
Corporate governance	• The industry's special characteristics, the geographical dispersion of the company's operations, the large number of contracts and the fixed-term nature of projects may lead to risks related to matters such as corruption, bribery, the grey economy and labor exploitation. • Lack of commitment among suppliers to the YIT Code of Conduct can pose risks to human rights or reputational risks to the company.	• YIT is committed to good corporate governance through compliance with laws and regulations. • YIT trains its personnel to act responsibly. • YIT has updated its sustainability strategy. YIT continues its zero-tolerance policy towards the grey economy, corruption, labour exploitation and discrimination. YIT is also undertaking purposeful action to promote sustainability throughout its supply chain. Going forward, YIT will require its suppliers to make the same commitments to environmental, social and governance criteria as YIT has set for itself.
Reputation risks	• Topics discussed in the public debate concerning the construction industry or the company's operations may, either justifiably or unjustifiably, reduce trust in the company and have a negative impact on its reputation. Such topics include the grey economy, unethical activities and quality problems in construction.	• Continuous development of the Group's governance model, preventive risk management and monitoring practices in connection with sustainability issues, for example. • Communicating with stakeholders quickly, reliably and openly. • Providing training and guidelines for the personnel and partners; using a monitoring system. • Developing crisis communication practices and ensuring the communication capabilities of key personnel.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Investments & divestments, mergers and acquisitions	• The company's investments, divestments, mergers or acquisitions may prove to be contrary to the strategy or fall short of the set objectives.	• Applying the gate model and the gate-specific approval practices and criteria stipulated by the model to the preparation of investments and divestments and the related decision-making. Ensuring that individual investments and divestments are in line with the investment policy and satisfy the criteria of the gate model, including a risk assessment prior to approval. • Ensuring that the start of an acquisition or divestment process for a business of material significance and decision-making on the final transaction are always subject to approval by the Group's President and CEO, the Group Investment Board, the Investment and Project Committee of the Board of Directors and YIT Corporation's Board of Directors. • Conducting the processing and decision-making related to acquisitions and divestments, i.e. the acquisition or sale of a legal entity (share transaction) or business (asset deal) where the purpose of the transaction is to acquire or divest a business, in accordance with YIT's gate model for acquisitions and divestments and the relevant gate-specific approval practices and criteria. • In processing and decision-making concerning associated companies and joint ventures, YIT applies the gate model of the company in question and the relevant gate-specific approval practices and criteria. • Investing in a joint venture or associated company, or establishing such a company or divesting YIT's holding in such a company and exiting a joint venture structure is always subject to approval by the Group's President and CEO and the Group Investment Board. The aforementioned decision-making and control measures are intended to ensure the fulfilment of objectives in line with YIT's strategy and investment policy criteria.
Strategic development projects and strategy implementation	• The Group may not be able to implement or adjust its strategy in its operating environment, or the chosen strategy may prove to be incorrect, which may have adverse impacts on YIT's financial performance.	• YIT has published a new strategy for 2025–2029, and has updated its financial targets. • The financial targets will be achieved by focusing on three strategic priorities: 1) achieving industry-leading productivity and financial performance; 2) creating targeted growth and resilience; and 3) further improving the customer experience and the employee experience. • More detailed measures and targets will be defined under each priority. • The company ensures the implementation of its strategy by regularly monitoring the progress of more detailed measures and the achievement of targets, and by actively updating them if this is required to ensure the implementation of the strategy.

Operational risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Resources and personnel	• Failure to hold on the commitment of skilled staff in a challenging market situation.	• Management and key personnel have been provided with change management coaching based on inspiring gamification methods, and human-centric change management models have been introduced as part of the company's development projects. • Supervisors have been trained to conduct high-quality development discussions (Focus on People) and give feedback that supports growth and development (FeedForward). We have created the YIT Leadership TALK Keynote series, which is open to anyone interested in leadership development. We have strengthened our feedback culture by introducing a digital tool called Compliment a Colleague. • We have enabled temporarily laid-off experts to become instructors through coaching, and we have also provided temporarily laid-off employees with other types of coaching on general competencies such as leadership. • Supervisors are encouraged to keep in touch with temporarily laid-off employees.
Risks related to occupational safety, inappropriate treatment and human rights	• Occupational safety risks, typically various accidents and hazardous situations that primarily lead to injury or material damage. The majority of accidents at work are related to mobility, such as trips, falls and slips, and to using manual tools on construction sites. Hazardous situations arise in relation to falling materials during lifting or when employees work above or below other workers. • There are risks related to human rights throughout the supply chain, including labor exploitation, working conditions, harassment, racism, discrimination and other unethical conduct. The chaining of contracts typically makes it more difficult to retain transparency in the construction industry. If these risks materialize, it will affect the company's reputation as a responsible operator.	• Engaging in preventive occupational safety measures such as safety planning, management walks, safety observations, weekly onsite meetings and safety briefings, orientation and training. Investigating accidents and hazardous situations, internal communications. • Supplier requirements and audits related to labor and human rights. • We have updated and further specified our guidelines on preventing and managing harassment and inappropriate behavior. • We have included a question concerning sexual harassment in our YIT Voice personnel survey, in addition to a previous question about bullying and inappropriate treatment. • We have coached supervisors to prevent and address harassment and inappropriate treatment, and have provided tools for creating common rules for teams.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Procurement risks	• The high level of subcontracting in the construction industry and the specialization of areas of expertise may involve risks related to the management of contracting chains. The fact that light entrepreneurship has become more common has increased the risk of the grey economy on construction sites. • Foreign workforce can involve risks pertaining to labor and human rights, for example. Mobility of labor within the EU has increased, and the number of workers from non-EU countries is significant. • Availability and delivery disruptions can delay the implementation of projects and involve additional costs. • Procurement-related sustainability issues and international operations may increase the risks and significant adverse reputational impacts related to the realization of labor rights and human rights, as well as the challenges associated with the management of chained contracts. • The delivery times, availability and prices of construction materials may vary as a result of global supply chain challenges. • Challenging market conditions may lead to bankruptcies of subcontractors, which cause significant scheduling and cost challenges on construction sites. • Circumvention of sanctions and materials originating in undesirable countries.	• The efficiency risk of the procurement function is managed as part of project management, in addition to which the use of standard solutions will be increased. Reducing supply chain risks through effectively managed lean construction. • Proactive risk management in the planning phase of projects and the selection of partners. Use of annual contracts and forecasting purchases. YIT is able to prevent access to construction sites for subcontractors that do not meet the criteria set for suppliers. • YIT aims to develop mutually beneficial long-term relationships with its partners. Continuously developing sustainability-related matters in procurement; for example, ensuring compliance with obligations throughout the supply chain. Ensuring suppliers' commitment to the Supplier Code of Conduct. Continuous monitoring of projects and the supply chains and partners involved in projects by means of information systems and audits. • Transition to category procurement, as well as developing a new procurement system that manages supplier information, will ensure better supplier risk management in the future and, for example, the use of only permitted suppliers that meet the criteria defined by YIT and the category. • Developing the monitoring of the working conditions of foreign workers. Using supplier requirements related to labor and human rights. Requiring a residence permit issued by the Finnish authorities and the related right to work for posted workers from outside the EU, EEA or Switzerland. Using site access control systems to identify workers from non-EU countries. Regularly conducting anonymous surveys of foreign workers with a focus on working conditions, housing conditions and labor exploitation.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Acquisition risks related to plots of land and properties	• Land use planning and the general market development may be reflected in the availability, risks and economic feasibility associated with plots of land and building rights. • External uncertainties such as changes in legislation and regulations, construction-related requirements and interpretations by the public authorities, and the replacement of decision-makers may present risks that have a financial impact. Complaints related to zoning and building permits may cause delays and additional costs. • The efficiency of YIT's own land acquisition and the sufficiency of building rights may pose risks. Deficiencies in initial data or incorrect project calculations may lead to incorrect pricing of plots. • Delays in starting projects may tie up more capital than planned and lead to higher financing costs.	• Continuously monitoring the sufficiency of the plot reserve to ensure continuity of the business and the economy of operations. Continuous monitoring of land acquisitions and commitments to ensure capital efficiency and manage financial risks. • Acquisitions or sales of plots of land are subject to the approval of the Group's President and CEO and the Group Investment Board and, depending on the size of the transaction, the approval of the Board of Directors' Investment and Project Committee and the Board of Directors. • For individual plot acquisitions, managing uncertainty through participation in area development and zoning, for example. Using due diligence, risk transfer and plot acquisition structuring practices to mitigate and manage risks.
Project and property risks	• Risks related to diversity, planning management, the quality of the tender and planning documentation, and the suitability of the contracting form, as well as project lifecycle risks.	• Breaking down projects into appropriate implementation packages and choosing the right method of implementation, particularly in self-developed projects. Proactively identifying the risks and opportunities and preparing a project risk management plan before the start of the planning phase. Dividing the risks between the project participants. • Managing planning and changes to plans and designs. Designing projects to be flexible and adaptable where possible. Ensuring the economic feasibility of projects during the management of planning. • Completing the planning process before the start of the implementation phase and taking advantage of the golden time frame in production planning when the plans have been completed. • Efficiently managing procurement and ensuring active participation of the procurement function in the management of planning.

Project risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Changes in the operating environment, and hybrid operations	• Political, macroeconomic and social changes, as well as changes related to technological development and the regulatory operating environment. • The escalation of geopolitical risks that are reflected in general uncertainty and demand. Risks related to the availability and price of energy have a direct and indirect negative impact on the company's business operations through construction materials. Geopolitical risks may affect the actions of central banks and the market interest rates, which will in turn affect the valuation of assets on the balance sheet. • Hybrid operations may affect the availability of information systems or data connections used by the company. • Hybrid operations targeted at critical infrastructure projects or intelligence operations may have a negative impact on the company's business operations.	• Continuous monitoring of market and area price development, each area's image and the zoning situation. • Comprehensive risk identification, risk assessment and action planning as part of decision-making pertaining to plot acquisition, planning, bidding and the start of construction. Appropriately pricing the risks, especially in long-term projects. • Monitoring market reactions and taking targeted adjustment measures. • Increasing the personnel's vigilance and awareness of hybrid operations. Active participation in stakeholder cooperation. • Increasing the company's resilience and planning for business continuity in different event scenarios.
Project portfolio risks	• Efficiency risks and financial risks if the company is unsuccessful in site selection, tendering, contract negotiations or project management. • The project requirements do not correspond to YIT's competencies, resources or profitability targets. • The risks associated with individual large projects may jeopardize the Group's financial performance.	• Managing the project portfolio so that the set targets can be achieved within the planned risk thresholds. Focusing on the implementation of projects in accordance with the targets set in the strategy and annual planning. • Ensuring and planning key resources and competencies before making the final commitment to a project in the tendering and/or project development phase. • Using the decision-making authorizations defined in the YIT investment policy with risk ratings to determine the decision-making level and profitability target of the project. • Focusing on the pre-selection of large projects by using gate review practices before the project development phase. Risk and project management in large projects involves more frequent monitoring and review practices than normal projects during the implementation phase in addition to financial reporting reviews.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Environmental risks	• Operational risks related to the environment may be locally significant in the event of a fuel leak or soil contamination, for example. • The most significant acute environmental risks are related to the handling of hazardous materials. • Due to their location or the construction methods used, construction projects may give rise to risks related to the loss of biodiversity. • Risk of the loss of biodiversity. Raw material is not available at all or not available in sufficient quantities, or the production or processing of the raw material may have negative impacts on biodiversity. • The use of water and the risk of wastewater discharges affect freshwater and marine ecosystems.	• Using construction site operating instructions to ensure the identification of risks and their prevention and management. • Conducting an environmental risk assessment during the planning phase of the largest projects. • Planning measures to protect biodiversity on a project-specific basis during the planning phase. Calculation of the nature footprint and consideration of nature impacts in procurement. • Reducing or avoiding the use of chemicals, and purifying or neutralizing wastewater.
Efficient use of resources	• Inefficient or wasteful use of materials, energy and water. • Continued use of materials based on primary raw materials because of a lack of availability of secondary raw materials or a lack of the knowledge and skills necessary to use secondary raw materials. • Increase in material costs when purchasing materials containing more expensive secondary raw materials. • The availability of materials containing secondary raw materials may decrease as the demand for these materials grows.	• Material-efficient design and worksite guidance. • Developing supplier cooperation, highlighting sustainability criteria in supplier selections, and supplier evaluations. • Emphasizing environmental and sustainability criteria and building demand for environmentally friendly solutions.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Customer and end user risks	• The implementation of self-developed projects includes a sales risk due to changing economic cycles. • In the case of contracting projects and investor sales, the fixed price implementation form in particular poses a profitability risk as inflation related to material costs continues. • In contracting projects, the requirements of the client organization, the quality of the plans and the risks related to the effectiveness of cooperation. Additional work and alterations during the project in proportion to the original project package are a risk, especially in the case of target price or price ceiling contracts. • The implementation and completion of projects, as well as the warranty and maintenance period, may involve risks that can reduce project profitability.	• In self-developed projects, the management of a sufficient sales or lease rate through market-based pricing, as well as the regular monitoring of stock under construction and completed stock and the implementation of sales promotion measures, if necessary. • Preparing for cost increases through sufficient provisions and aiming to tie the costs of key materials to indices where possible, especially in projects lasting more than 12 months. Tying of key procurement categories as early as the project development phase. • Through active cooperation with the client and the designers, seeking collaborative implementation models to mitigate risks related to the implementation phase and improve the management of additional work and alterations. • Customer communication and managing customer insight. Managing contracting forms and contract structures. Use of legal expertise in the drafting of contracts. Compliance with the general contractual terms.
Risks related to project implementation and liability period	• Project management challenges in individual projects may jeopardize the achievement of the financial targets, particularly in the case of large projects. • The project implementation phase includes various risks involving factors such as the following: construction feasibility; unexpected changes in project scope, yield or costs; partners; performance of the construction site and contractors; schedules; the environment; occupational health and safety; quality deviations; complaints; liability repairs; and service-level deviations. Impact of the aforementioned risks on the project's financial performance and financial reporting.	• Project deviations and their impact on project performance are monitored as part of YIT's monthly reporting and monthly reviews. Significant deviations are highlighted in monthly reviews or gate reviews, with corrective measures and follow-up actions planned. • Preparation of a risk management plan as early as the development phase of the project and continuous maintenance of the plan and assessment of the financial impacts as part of project management and reporting. Risk gate reviews and escalation of deviations. Discussing the risks in monthly financial reports. • Continuous maintenance and development of the project personnel's risk management skills through regular training. • In the case of large projects, conducting reviews more frequently in the implementation phase and ensuring that not only project management but also group- and segment-level management attend the reviews.

Financial risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Reporting risks	• Changes in accounting standards and their interpretations may lead to changes in YIT's accounting policies and consequently affect YIT's financial indicators. • The actual figures and forecasts related to customer projects constitute a significant part of YIT's financial reporting. Risks such as project implementation and liability period risks may have an unexpected impact and may therefore affect YIT's financial performance.	• Managing risks related to financial reporting with the aid of the Group's accounting principles, financing and tax policy, investment guideline, acquisition instructions, control environment and internal control. • Actively monitoring the development of accounting standards and assessing their impact. • Maintaining and consistently complying with the defined accounting principles. • Continuously monitoring business forecasts, training personnel and developing the reporting and ERP system.
Financial risks	• The most significant financial risks are related to the availability of financing (acquisition of new loans and refinancing), liquidity, interest rates and the development of foreign exchange rates. • The company has regular financing needs and an extensive portfolio of financial instruments. Depending on the prevailing situation in the financial markets and the development of the company's profitability and/or financial position, the availability of financing may decline, or the price of financing may increase. Some of the company's financing agreements and credit limits are subject to compliance with certain financial covenants. • The desire of banks and investors to limit their own risk exposure in the construction sector, which may lead to a reduction in the availability of financing or other credit facilities, making it more difficult to start or participate in new projects. • The Group's most significant exchange rate risks are related to investments made in currencies other than the euro in Group companies located outside the euro area, such as zloty-denominated investments in Poland. • Higher interest rates in euros and the Group's other operating currencies increase the financing costs.	• Ensuring that sufficient credit facilities and a sufficient number of sources of financing are available and actively manage financing agreements. • Aiming to safeguard the sufficiency of financing so that the liquidity available to the Group matches the Group's overall liquidity requirement at all times. • The Group's foreign exchange risk is managed through foreign exchange forward contracts, used for hedging debt investments in Group companies, among other measures. Managing the translation risks arising from equity investments by optimizing the capital structure of Group companies. • Interest rate risk is managed by striving to set the average interest rate fixing period of the Group's liabilities close to the interest rate sensitivity level of the Group's business. The average interest rate fixing period of liabilities and the ratio between fixed rate and floating rate liabilities are monitored. Sensitivity analyses are also conducted for the Group's interest rate risk. Interest derivatives are used for hedging against interest rate risk. • More detailed information on financial risks and their management is provided in Note 30 to the consolidated financial statements.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Capital efficiency	• Excessive growth of capital if YIT fails to manage the capital employed. This would lead to increased financing costs and the risk of non-compliance with key financial covenants. A reduction in the company's strategic leeway. • YIT's measures to increase capital efficiency may result in write-downs or expenses that may have a negative or positive financial impact.	• Continuously assessing the use of the capital employed and its allocation to the business functions, and taking the necessary action to improve capital efficiency.

Event risks

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Information systems, data security and data protection	• The cybersecurity incident risk could jeopardize the continuity of business. • Prolonged disruptions in supply chains can slow down service provision. • The rapid development of artificial intelligence may involve risks related to compliance and the confidentiality of information. • A repair backlog and the development needs of systems supporting the business processes will slow down business growth.	• Developing controls as a continuous process, ensuring detection and resolution capabilities. Ensuring continuity of critical services. • Identifying critical actors related to services and ensuring exceptional arrangements for service provision. • Controlling development through a common model, limiting technical threats. • Developing information systems to support the business through a shared development plan.
Pandemics	• Epidemics or pandemics may have direct or indirect impacts on the Group's operations and risks, such as the availability of personnel, sickness rate, administrative decisions and the availability and price of materials and financing. These can lead to the temporary closure of construction sites or slower progress and delays in completion, and consequently financial risks and risks associated with financial reporting. • Epidemics or pandemics can have an impact on the occupancy rates of properties owned and sold and, consequently, their values. • A prolonged pandemic can affect consumers' and investors' purchasing decisions and their timing.	• Active monitoring of weak signals to enable timely preparedness if necessary. • Ensuring the continuity of construction sites and procurement through analyses, substitution arrangements, the scheduling of work and breaks, appropriate hygiene standards and active communication. • Active dialogue with various stakeholders and the authorities.
Violations of sanctions	• The networked nature of construction projects and their long subcontracting chains may lead to violations of sanctions imposed under the applicable legislation, leading to negative impacts on the company's business operations and financing.	• Supervision of sanctions and sanction lists and testing of contractual partners on a risk basis and in selected projects concerning all contractual partners and subcontractors in the contract chain. • Commitment of partners to ethical principles. • We provide the procurement organization and other key personnel with training and guidance on sanctions.

RISK	RISK DESCRIPTION AND IMPACT	RISK MANAGEMENT
Criminal offences, misconduct and other serious non-conformities	• YIT's business operations are local and project-oriented. Criminal offences and incidents of misconduct are typically related to construction site functions or procurement. The networked and chained operating principles in the construction industry and the relatively low barrier to entry may create conflicts of interest or risks involving the grey economy. In particular, foreign workers in subcontracting chains may be at risk of occupational exploitation. • Climate change, economic uncertainty, geopolitical escalation and political activity may increase the probability of incident risks.	• In recent years, the construction industry has developed risk management concerning the grey economy. Examples of this include the VAT reverse charge, reporting in compliance with the Act on the Contractor's Obligations and Liability when Work is Contracted Out, the use of the Valtti card, and monthly company- and employee-level reporting to the Finnish Tax Administration. • YIT's risk management is based on the Group's values, leadership principles, Code of Conduct and Supplier Code of Conduct. • Decision-making authorizations have been defined at the Group level and separately in each business segment. In addition to the Group's investment management teams, the segments have their own investment management teams that operate within their own decision-making powers. • Detecting and addressing serious non-conformities through an escalation procedure. • For risks that are insured against, the Group decides on and acquires Group insurance and supports the business units in insurance-related matters. • Proactively managing the risks, typical examples being conducting risk assessments for contractual partners and acquired properties before making any commitments and managing corporate security risks on construction sites with the aid of access control and CCTV systems. • Investigating serious non-conformities in accordance with the agreed process, minimizing damage, and continuous development based on the lessons learned. • Code of Conduct and regular Code of Conduct training for the personnel. The Group's WhistleBlowing channel. • Stressing the importance of alertness regarding incidents in business operations and on the company's sites.

Shares and shareholders

YIT Corporation's shares are listed on Nasdaq Helsinki Ltd. The company has one series of shares. Each share carries one vote and confers an equal right to a dividend.

SHARE CAPITAL AND NUMBER OF SHARES

YIT Corporation's share capital remained unchanged during the reporting period. A total of 20,960,000 new shares subscribed for in YIT Corporation's directed share issue were registered in the Finnish Trade Register on March 12, 2024. After the registration of the new shares, the company has 232,059,853 shares in total.

At the end of 2024, YIT's share capital was EUR 149,716,748.22 (149,716,748.22) and the number of shares outstanding at the end of the reporting period December 31, 2024 was 230,574,104 (209,547,734).

TREASURY SHARES AND AUTHORIZATIONS OF THE BOARD OF DIRECTORS

On 31 December 2024, YIT Corporation held 1,485,749 (1,552,119) treasury shares.

The Annual General Meeting held on March 14, 2024, authorized the Board of Directors to decide on the purchase of company shares as proposed by the Board of Directors. The authorization covers the purchasing of a maximum of 21,000,000 company shares using the company's unrestricted equity. The authorization is valid until June 30, 2025.

The Annual General Meeting also authorized the Board of Directors to decide on share issues as proposed by the Board of Directors. The authorization can be used in full or partially by issuing shares in the company in one or more tranches so that the maximum number of shares issued is a total of 21,000,000. The Board of Directors has the right to decide on all terms and conditions of issuing shares. The authorization is valid until June 30, 2025.

On April 29, 2024, the Board of Directors decided on a directed share issue for the reward payment from the 2021–2023 earning period under YIT Group's Incentive Program 2020–2024. In the share issue on May 6, 2024, a total 66,370 YIT Corporation shares were issued and conveyed without consideration to the key persons participating in the incentive program according to the terms and conditions of the Incentive Program 2020–2024.

SHARE VALUE DEVELOPMENT AND TRADING

YIT's share price increased approximately 25% during the reporting period. The opening price of YIT's share was EUR 1.99 on the first trading day of 2024. The closing price of the share on the last trading day of 2024 was EUR 2.49. The highest closing price of the share during the reporting period was EUR 2.82, the lowest EUR 1.58 and the average price was EUR 2.22.

YIT Corporation's market capitalization at the end of the reporting period on 31 December 2024 was EUR 574 million (417). The market capitalization has been calculated excluding the shares held by the company.

The share turnover on the main market place Nasdaq Helsinki during the reporting period was approximately 70 million shares (83). The value of the share turnover was approximately EUR 149 million (186), source: Nasdaq Helsinki.

DIVIDEND

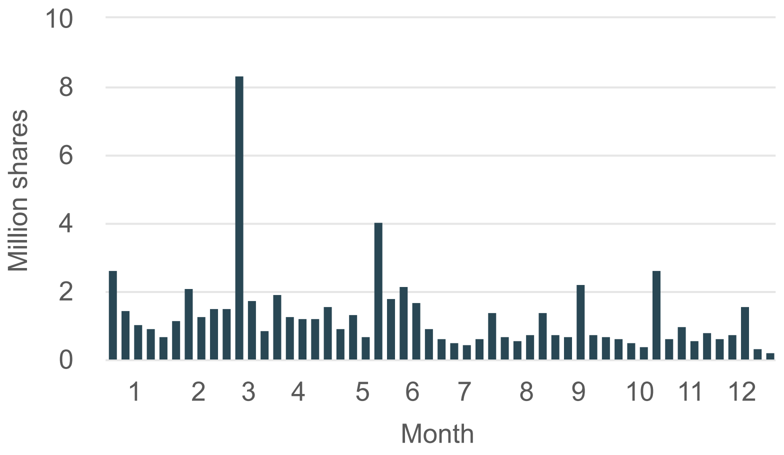
The Annual General Meeting of YIT Corporation held on March 14, 2024, decided to approve the proposal of the Board of Directors to not distribute dividend.

BASIC SHARE INFORMATION

Listed on: Nasdaq Helsinki Ltd
Trading code: YIT
ISIN code: FI009800643

Read more about **YIT as an investment**.

WEEKLY EXCHANGE OF SHARES IN NASDAQ HELSINKI IN 2024



SHARE PRICE DEVELOPMENT IN 2024

OWNERSHIP STRUCTURE AND OWNERS

At the end of 2024, the number of registered shareholders was 43,826 (45,308). A total of 29.99% (28.26%) of the shares were owned by nominee-registered and non-Finnish investors.

The information is based on the shareholder register on December 31, 2024, maintained by Euroclear Finland Ltd. Each nominee-registered shareholder is recorded in the share register as a single shareholder. The ownership of many investors can be managed through one nominee-registered shareholder.

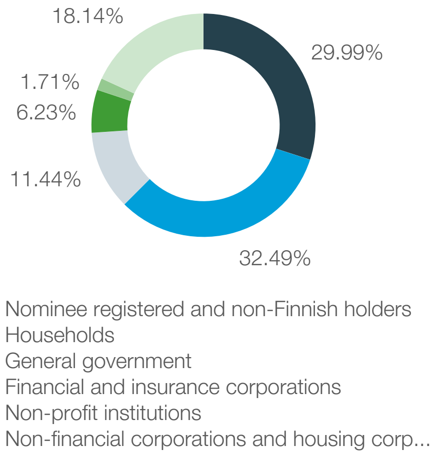
During the reporting period, YIT received the following shareholder flagging notifications in accordance with the Finnish Securities Markets Act:

- Virala Oy Ab's holding of the shares and votes of the company decreased below the threshold of 20 percent on August 30, 2024. According to the announcement, the total number of YIT Oyj's shares owned directly or through financial instruments by Virala Oy Ab and its chain of controlled undertakings was 19.65% of the company's shares and votes on August 30, 2024.

OWNERSHIP BY THE NUMBER OF SHARES HELD DECEMBER 31, 2024

Number of shares	Number of shareholders	%	Number of shares	%
1 - 100	12,717	29.02	626,326	0.27
101 - 500	15,077	34.40	4,211,058	1.82
501 - 1,000	6,312	14.40	5,022,143	2.16
1,001 - 5,000	7,566	17.26	17,330,417	7.47
5,001 - 10,000	1,213	2.77	8,817,898	3.80
10,001 - 50,000	787	1.80	15,307,960	6.60
50,001 - 100,000	77	0.18	5,458,204	2.35
100,001 - 500,000	50	0.11	10,478,291	4.52
500,001 -	27	0.06	164,807,556	71.02
Total	**43,826**	**100.00**	**232,059,853**	**100.00**

OWNERSHIP BY SECTOR DECEMBER 31, 2024



MAJOR SHAREHOLDERS DECEMBER 31, 2024

	Shareholder	Number of shares	% of shares and votes
1	Tercero Invest AB	43,000,000	18.53
2	PNT Group Oy	15,897,799	6.85
3	Varma Mutual Pension Insurance Company	13,195,975	5.69
4	Conficap Oy	10,776,302	4.64
5	Pentti Heikki Oskari Estate	8,091,215	3.49
6	Herlin Antti	8,015,750	3.45
7	Ilmarinen Mutual Pension Insurance Company	5,994,252	2.58
8	Forsten Noora Eva Johanna	5,085,529	2.19
9	Elo Mutual Pension Insurance Company	3,403,000	1.47
10	Pentti Lauri Olli Samuel	3,352,845	1.45
11	The State Pension Fund	2,937,674	1.27
12	Fideles Oy	2,827,134	1.22
13	Pentti-Kortman Eva Katarina	2,715,410	1.17
14	Pentti Timo Kaarle Kristian	2,303,575	0.99
15	Pentti-Von Walzel Anna Eva Kristina	2,184,259	0.94
	50 largest shareholders total	146,922,280	63.31
	Nominee registered total	26,185,192	11.28
	Other owners	58,952,381	25.40
	Total	**232,059,853**	**100.00**

Market environment

RESIDENTIAL MARKET

Despite the historically low cost of housing in relation to consumers' disposable income in Finland, consumer demand remained low. The primary apartment market sales volumes are expected to slightly increase during 2025. The decreased interest rates and increased consumer purchasing power are expected to have a positive effect on demand, but the overall market recovery is expected to be slow. In the investor market, the activity levels are low and the timing of the recovery remains uncertain.

In the Baltic and Central Eastern European countries, inflation has slowed down and the interest rates have continued to decrease. The overall market environment in the Baltic and Central Eastern European countries is normal and the market continues to improve.

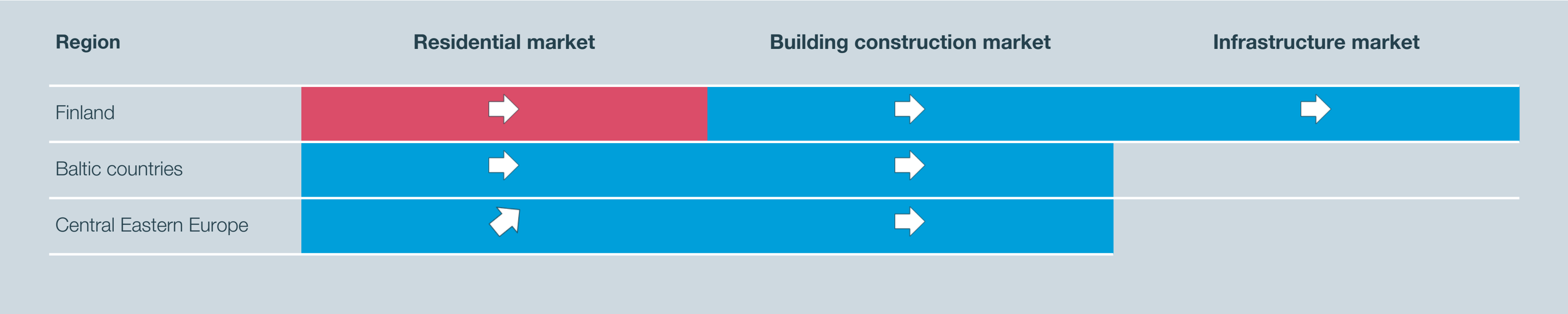
BUILDING CONSTRUCTION MARKET

In Finland, demand remained moderate but low market confidence in general is slowing down customers' decision making, especially in the private sector. Market activity in data centers and industrial projects is expected to increase in the coming years, driven by the green transition. Private renovation market has shown early signs of improvement driven by the energy efficiency demands. The competition for new projects is intense as a result of the overall decline in construction volumes. In the investor market, the low availability of financing and increased financing costs and yield requirements have decreased activity levels in transactions and new developments.

In the Baltic and Central Eastern European countries, overall demand and market activity remained stable, especially supported by private-sector demand for new industrial premises and defense sector investments in certain countries. New project starts are facing challenges due to the low availability of financing and increased financing costs and yield requirements.

INFRASTRUCTURE MARKET

In Finland, the public-sector demand in infrastructure is expected to remain at a relatively stable level, with many investments currently in the design phase including defense sector investments. Private-sector demand is driven by industrial construction and the transition to renewable energy. Lower construction volumes in residential construction are reflected in the demand for earthworks and foundation construction. However, the long-term outlook for the overall infrastructure market is positive. The development span of infrastructure projects is relatively long, and changes in the market environment may lead to postponements of upcoming projects.



Q4 market environment: Good Normal Weak

Short-term market outlook: Improving Stable Weakening

Guidance and outlook for 2025

GUIDANCE FOR 2025

YIT expects its Group adjusted operating profit for continuing operations to be EUR 20-60 million in 2025.

OUTLOOK FOR 2025

The residential market in the Baltic countries and Central Eastern Europe is expected to continue favorable, contributing positively to Residential CEE segment's capability to generate profit. Timing of the residential project completions may deviate from the original estimates leading to revenue and profit recognition shifting from one quarter or a year to another.

In Finland, the primary apartment market sales volumes are expected to slightly increase during 2025. In Residential Finland segment, low amount of completions during 2025 will limit the segment's capability to generate profit.

In Building Construction, the operational performance is expected to improve. Actions to release capital may have an impact on the segment’s profit.

In Infrastructure, the operational performance is expected to remain stable.

Changes in the macroeconomic environment, especially in interest rates, may impact the residential market demand and the fair value of investments. The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company’s financial position.

Board of Directors' proposal for profit distribution

The distributable funds of YIT Corporation on 31 December 2024 amounted to EUR 758 million, of which the profit for the period 2024 amounted to EUR -44 million.

YIT's Board of Directors proposes that no dividend will be distributed based on the balance sheet to be adopted for 2024.

Aleksanterinkatu 13 renovation of office premises, Helsinki, Finland

Key figures and definitions

SHARE-RELATED KEY FIGURES

		2024	2023	2022	2021	2020
Earnings per share	EUR	-0.51	-0.01	-1.82	0.00	0.13
Earnings per share, diluted	EUR	-0.51	-0.01	-1.82	0.00	0.13
Earnings per share, continuing operations	EUR	-0.51	-0.01	0.28	0.01	-0.04
Dividend per share	EUR	0.00*	0.00	0.18	0.16	0.14
Equity per share	EUR	3.34	4.03	4.21	4.86	4.40
Dividend/earnings	%	—	—	-9.9	5000.0	107.7
Effective dividend yield	%	—	—	7.32	3.71	2.84
Price/earnings multiple (P/E)	%	-4.9	-199.0	-1.4	1,346.9	37.9
Share price trend						
Average price	EUR	2.22	2.24	3.41	4.81	5.10
Low	EUR	1.58	1.65	2.38	4.21	3.58
High	EUR	2.82	2.93	4.79	5.68	7.12
Price at Dec 31	EUR	2.49	1.99	2.46	4.31	4.93
Market capitalisation at Dec 31	EUR million	574	417	515	901	1,031
Weighted average number of shares outstanding	1,000	226,474	209,536	209,379	209,107	208,966
Weighted average number of shares outstanding, diluted	1,000	242,547	209,593	209,406	209,546	209,536
Number of shares outstanding at Dec 31	1,000	230,574	209,548	209,511	209,119	209,084

*Board of Directors' proposal to the Annual General Meeting.

KEY FINANCIAL FIGURES

		2024	2023	2022	2021	2020
Revenue	EUR million	1,820	2,163	2,403	2,652	3,069
of which activities outside Finland	EUR million	511	555	572	559	824
Operating profit	EUR million	-55	51	102	56	35
% of revenue	%	-3	2	4	2	1
Result for the financial year	EUR million	-112	3	-375	4	27
% of revenue	%	-6	—	-16	—	1
Equity ratio[1,2]	%	34	33	35	40	33
Net interest-bearing debt[1,2]	EUR million	680	795	615	303	628
Net debt/adjusted EBITDA, rolling 12 months[1,2]		13.4	11.7	4.5	2.1	5.0
Interest cover ratio[3]		0.8	1.3	7.1	3.5	3.0
Gearing ratio[1,2]	%	88	94	70	30	68
Return on capital employed (ROCE, rolling 12 months)[3]	%	2	3	8	7	5
Order book on 31 December[3]	EUR million	2,941	3,157	3,702	3,847	3,528
of which activities outside Finland[3]	EUR million	607	722	732	779	988
Gross capital expenditures[2]	EUR million	13	24	19	32	31
% of revenue[2]	%	1	1	1	1	1
Operating cash flow after investments[4]	EUR million	110	-137	-285	288	336
Return on equity[2]	%	-14	0	-40	1	3
Number of employees at Dec 31[3, 5]		3,537	4,302	4,999	5,297	7,045

YIT restated financial information for comparative period 2021 reflecting the reporting of sold Russian businesses as discontinued operations. Balance sheet and cash flow statement for comparative periods were not restated.

[1] The comparability for 2022 is affected by the adjustment related to supplementary agreements in the scope of IFRS 16 leases.

[2] The comparability is affected by the sale of Russian businesses. Comparative periods' figures before 2022 have not been restated.

[3] The comparability is affected by the sale of Russian businesses. Comparative periods' figures before 2021 have not been restated.

[4] The comparability for 2022 is affected by the adjustment related to change in interest-bearing receivables. The change, previously presented in net cash used in financing activities, is presented in net cash used in investing activities from 2022 onwards.

[5] The number of persons present in employment relationships.

DEFINITIONS OF FINANCIAL KEY PERFORMANCE INDICATORS

Key figure	Definition	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax-related items.
Adjusted operating profit	Operating profit excluding adjusting items.	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations, thus improving comparability from period to period.
Adjusting items	Adjusting items are material items outside the ordinary course of business such as write-down of inventories, impairment of goodwill, fair value changes related to redemption liability of non-controlling interests, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, operating profit from businesses to be closed down, gains or losses arising from the divestments of a business or part of a business, items related to restructuring, efficiency and adaptation measures and other non-recurring costs arising from agreements with the Group management team, impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment, and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). YIT has clarified the definition of Adjusting items 1 January 1 2022 to include also other non-recurring costs arising from agreements with the Group management team in addition to restructuring, efficiency and adaptation measures related items.	

Key figure	Definition	Reason for use
Capital employed	Capital employed includes tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest bearing receivables total less provisions, advances received related to contract liabilities, other contract liabilities and other non-interest bearing debts excluding items related to taxes, finance items and profit distribution. Capital employed is calculated from the total capital employed of the segments.	Capital employed presents capital employed of segment's operating business.
Interest-bearing debt	Non-current and current interest-bearing liabilities including non-current and current lease liabilities.	Interest-bearing debt is a key figure for measuring YIT's total debt financing.
Adjusted interest-bearing debt	Non-current and current interest-bearing liabilities less Finnish housing company loans and other project loans related to self-development construction. (YIT has added the key figure in Q4/2024)	Adjusted interest-bearing debt describes the YIT's total debt financing excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects. The key figure provides useful information on the amount of YIT's financial debt.
Net interest-bearing debt	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables.	Net interest-bearing debt is an indicator for measuring YIT's net debt financing.
Adjusted net interest-bearing debt	Adjusted interest-bearing debt less cash and cash equivalents and interest-bearing receivables. (YIT has added the key figure in Q4/2024)	Adjusted net interest-bearing debt describes the YIT's net debt excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects. The key figure provides useful information on the amount of YIT 's financial net debt.
Equity ratio, %	Equity total/total assets less advances received related to contract liabilities and other contract liabilities.	Equity ratio is a key figure for measuring the relative proportion of equity used to finance YIT's assets.
Gearing ratio, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity.	Gearing ratio is one of YIT's key long-term financial targets. It helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
Gearing ratio, %, adjusted	Adjusted interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity. (YIT has added the key figure in Q4/2024)	The key figure provides useful information on the debt/equity ratio excluding lease liabilities, Finnish housing company loans and other project loans related to self-developed construction projects.
Return on equity, %	Result for the period, 12 months rolling/equity total average.	Key figure describes YIT's relative profitability.

Key figure	Definition	Reason for use
Return on capital employed, segments total (ROCE), %, rolling 12 months	Rolling 12 months adjusted operating profit/capital employed, segments total average. (YIT has changed the definition of return on capital employed on 1 January 2020 to include leases related entries.)	Return on capital employed, % is one of YIT's key long-term financial targets. Key figure describes segment's relative profitability, in other words, the profit received from capital employed.
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Gross capital expenditures	Investments in tangible and intangible assets. (YIT has changed the definition of gross capital expenditures on 1 January 2020 to include leases-related investments.)	
Equity per share	Equity total divided by number of outstanding shares at the end of the period.	
Net debt/adjusted EBITDA, rolling 12 months	Net interest-bearing debt/rolling 12 months adjusted operating profit before depreciations and amortisations added. (YIT has changed the definition of return on capital employed on 1 January 2020 to include leases-related entries and to exclude EBITDA from discontinued operations.)	Net debt to adjusted EBITDA gives investor information on ability to service debt.
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to unsold own developments.	Order book presents estimated transaction price for all projects.
Interest cover ratio	Adjusted operating profit before depreciations and amortisations/(net finance costs - net exchange currency differences), rolling 12 months.	Interest cover ratio gives investors information on YIT's ability to service debt.
Market capitalisation	(Number of shares - treasury shares) multiplied by share price on the closing date by share series.	
Average share price	EUR value of shares traded during period divided by number of shares traded during period.	
Earnings per share	Net profit for the period divided by weighted average number of shares outstanding during the period.	
Earnings per share, continuing operations	Net profit of the continuing operations for the period divided by weighted average number of shares outstanding during the period.	

Key figure	Definition	Reason for use
Earnings per share, diluted	Net profit for the period divided by diluted weighted average number of shares outstanding during the period.	
Dividend per earnings (%)	Dividend per share divided by earnings per share.	
Effective dividend yield (%)	Dividend per share divided by closing price of the share, 31 December.	
Price/earnings ratio (P/E-ratio)	Closing price of the share, 31 December divided by earnings per share.	

RECONCILIATION OF CERTAIN KEY FIGURES

RECONCILIATION OF ADJUSTED OPERATING PROFIT

EUR million	2024	2023
Operating profit (IFRS)	**-55**	**51**
Adjusting items		
Gains and losses on disposal of businesses	-16	-47
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	56	20
Operating profit from operations to be closed	45	17
Depreciation, amortisation and impairment from PPA[1]	1	1
Adjusting items, total	**86**	**-10**
Adjusted operating profit	**32**	**41**

[1]PPA refers to merger fair value adjustments.

RECONCILIATION OF ADJUSTED EBITDA, ROLLING 12 MONTHS

EUR million	2024	2023
Adjusted operating profit, rolling 12 months	32	41
Depreciation and amortisation	21	29
Depreciation, amortisation and impairment from PPA	-1	-1
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	—	-1
Adjusted EBITDA	**51**	**68**

RECONCILIATION OF ORDER BOOK

EUR million	2024	2023
Partially or fully unsatisfied performance obligations	2,318	2,345
Unsold self-developed projects	623	812
Order book	**2,941**	**3,157**

RECONCILIATION OF ADJUSTED INTEREST-BEARING DEBT

EUR million	2024	2023
Interest-bearing debt	**893**	**998**
Housing company loans (related to unsold apartments)	-178	-260
Lease liabilities	-276	-256
Adjusted interest-bearing debt	**439**	**482**

Sustainability statement

ESRS CONTENT INDEX

The following content index lists all of the ESRS disclosure requirements with which YIT complied in preparing the sustainability statement, following the outcome of the double materiality assessment.

The table can be used to navigate to information relating to a specific disclosure requirement in the Sustainability statement.

Environmental information		Section	Page number
ESRS E4	**Biodiversity and ecosystems**		
Disclosure Requirement			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Environmental information	92
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information	53
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	General information, Environmental information	68, 91
E4-2	Policies related to biodiversity and ecosystems	Environmental information	92
E4-3	Actions and resources related to biodiversity and ecosystems	Environmental information	92
E4-4	Targets related to biodiversity and ecosystems	Environmental information	92
E4-5	Impact metrics related to biodiversity and ecosystems change	Environmental information	93
Entity specific information	Environmental accidents	Environmental information	95
Environmental information			
ESRS E5	**Resource use and circular economy**		
Disclosure Requirement			
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General information, Environmental information	68, 97
E5-1	Policies related to resource use and circular economy	Environmental information	98
E5-2	Actions and resources related to resource use and circular economy	Environmental information	98
E5-3	Targets related to resource use and circular economy	Environmental information	98
E5-4	Resource inflows	Environmental information	99
E5-5	Resource outflows	Environmental information	99
Social information			
ESRS S1	**Own workforce**		
Disclosure Requirement			
ESRS 2, SBM-2	Interests and views of stakeholders	General information	50
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information	53
S1-1	Policies related to own workforce	Social information	102
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Social information	105
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Social information	106
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information	106
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information	102
S1-6	Characteristics of the undertaking's employees	Social information	109
S1-8	Collective bargaining coverage and social dialogue	Social information	110
S1-9	Diversity metrics	Social information	110
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S1-16	Compensation metrics (pay gap and total compensation)	Social information	110
S1-17	Incidents, complaints and severe human rights impacts	Social information	108

General information

REPORTING PRINCIPLES

BASIS FOR PREPARATION

YIT's sustainability statement has been prepared based on the EU Corporate Sustainability Reporting Directive (CSRD) in accordance with the European Sustainability Reporting Standards (ESRS). The sustainability topics and indicators reported are based on YIT's double materiality analysis.

The preparation and results of the double materiality analysis are described in more detail in sections **Material impacts, risks and opportunities and their interaction with strategy and business model** and **Management of material impacts, risks and opportunities**. The information is presented at the Group level, to the same extent as in the consolidated financial statements. The reporting period is the calendar year. The Sustainability statement covers the material sustainability aspects of the company's own operations as a whole, as well as information about the value chain to the extent that this has been deemed material based on the materiality assessment. The company has not excluded information related to intellectual property, know-how, innovation results, ongoing development or matters under negotiation.

The list of disclosure requirements is presented above. The list of datapoints for cross-cutting and topical standards derived from EU legislation (ESRS 2 Appendix B), can be found in the **appendices** to the Sustainability statement.

The sustainability information and the related claims have been externally assured (limited assurance) by Ernst & Young Oy, an independent third party. The assurance was carried out in accordance with the international assurance standards ISAE 3000 (Revised).

INCORPORATION OF INFORMATION BY REFERENCE

The following information includes references to the consolidated financial statements:

- Energy intensity based on revenue
- Greenhouse gas intensity based on revenue
- Total number of employees

RISK MANAGEMENT OVER SUSTAINABILITY REPORTING

Sustainability reporting follows YIT's Group-level principles and processes for statutory reporting, risk management and internal control. The internal control of sustainability reporting is based on the identification and analysis of risks and on targeting control at the most material identified risks. Sustainability reporting is subject to the operating method, framework and control responsibilities of YIT's general risk management system. YIT's sustainability reporting emphasizes YIT's values, its management's commitment to sustainability, a corporate culture that emphasizes ethics and sustainability, policies that support sustainability, a sustainability reporting manual, professional personnel, and transparency of operations.

Sustainability reporting is centralized in the Group's sustainability team. Sustainability reporting is carried out by people who are familiar with sustainability reporting and the related standards in particular.

YIT has a risk management model in place that includes the identification, assessment and prioritization of risks and the determination of risk management measures, as well as the division of responsibilities and the implementation of measures. In addition, the model includes the assessment and monitoring of the impacts of the measures taken. The risk prioritization method is based on the likelihood and impact of risks.

The main identified risks related to sustainability reporting are the completeness and availability of the data to be reported, the integrity and quality of the data, and the interpretation of sustainability standards. To mitigate these risks, YIT has introduced a number of control measures, such as pre-verification and verification of data, descriptions of reporting processes, personnel training, data entry in the sustainability information system, and clearly defined sustainability reporting roles and responsibilities.

The owners defined in the sustainability reporting processes are responsible for ensuring the necessary transparency of the information to be reported. YIT's business segments and Group functions are responsible for the completeness, availability, integrity and quality of the information and for providing the information to the sustainability team, in accordance with the responsibilities determined in the management system.

The results of risk identification, assessment and prioritization are integrated into the sustainability reporting processes, ensuring that all significant risks and their management measures are adequately addressed. The progress of sustainability reporting is reported to the Audit Committee on a quarterly basis.

GOVERNANCE

THE ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND THE INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THEM

BOARD OF DIRECTORS AND BOARD COMMITTEES

Board of Directors
The Board of Directors supervises and controls the management and operations of the company. The duty of the Board is to promote the interests of all shareholders and the Group by seeing to the governance and proper organization of operations.

Composition of the Board of Directors
The Board of Directors consists of the Chair, Vice Chair and 3–8 members elected by the Annual General Meeting for one year at a time. There are no special provisions on the appointment of Board members in the Articles of Association. The majority of the members must be independent of the company. In addition, at least two of these members must be independent of significant shareholders in the company. The President and CEO cannot be elected as the Chair of the Board. Both genders must be represented on the Board of Directors in accordance with the Board's diversity principles. The Board has no representation of employees or other personnel groups.

The Chair of the Board was Jyri Luomakoski, and the members were Casimir Lindholm, Anders Dahlblom, Sami Laine, Kerttu Tuomas and Leena Vainiomäki.
Of the Board members, 33.3% were women and 66.6% were men in accordance with the Board's diversity principles.
The number of Board members involved in business management was 0. The number of other Board members was 6.

Of the Board members, 100% were independent of the company and 83.3% were independent of its significant shareholders in accordance with the evaluation criteria of the Corporate Governance Code for listed companies.

Diversity of the Board of Directors
The diversity principles ratified by YIT Corporation's Board of Directors refer to the different backgrounds of the Board members, such as age, gender, international experience, education, expertise and competencies. The aim of the diversity of the Board of Directors is to ensure that the Board is broad-based, versatile, has customer insight and stakeholder insight, and is creative and future-oriented. A sufficiently diverse Board supports the company's business operations and its development, promotes open discussion and independent decision-making and is better equipped to support and challenge the executive management. The different backgrounds, experiences and views of the Board members support the achievement of YIT Corporation's strategic objectives. Each Board member is required to have the necessary qualifications that correspond to the company's business needs and development phase, as well as the competence requirements of the Board and its committees. Persons elected as members of the Board must have the capacity to allocate sufficient time to managing their duties. In terms of diversity, a long-term goal is that the process of selecting and evaluating candidates for Board membership involves representatives of both genders to facilitate a balanced gender distribution on the Board of Directors.

Key duties and responsibilities of the Board of Directors
Among other duties, the Board of Directors

- Ensures that the supervision of accounting and asset management is appropriately organized
- Reviews and approves the company's financial statements and the Board of Directors' report, as well as interim reports and half-year reports
- Supervises and controls the executive management
- Elects and dismisses the President and CEO and their deputy, decides on their salaries and fees, and agrees on the other terms of their employment
- Convenes the Annual General Meeting and makes proposals on matters to be included on the agenda
- Specifies the dividend policy and makes a proposal to the Annual General Meeting on the dividend to be paid annually
- Approves the Group's strategy, strategic goals and risk management principles
- Approves budgets and action plans and oversees their implementation
- Approves significant acquisitions and other investments
- Confirms the Group's functional structure
- Ensures the functioning of management systems
- Ratifies the Group's values and management principles
- Monitors and evaluates the Group's financial reporting system, as well as the effectiveness of internal control, internal auditing and risk management
- Monitors the Group's audit and assesses the auditor's independence and provision of non-audit services
- Prepares a proposal for the election of the auditor and sustainability assurance provider.

In accordance with the decision of the Annual General Meeting, the company's Board of Directors and its committees must have the best possible expertise for the company. This expertise covers the company's short-term and long-term needs, support for strategic goals and compliance with regulatory requirements.

Each member of the Board has long-term experience in business across various industries, in which they have, in addition to the training organized by the company, familiarized themselves with sustainability-related matters. The Board therefore has comprehensive expertise and know-how related to sustainability issues. In addition, the Board had access to external advisors if necessary.

Committees of the Board of Directors
The Board of Directors has three permanent committees: the Personnel Committee, the Audit Committee and the Investment and Project Committee. The Board elects the members and Chairs of the committees from among its members at its constitutional meeting following the Annual General Meeting. The committees have written rules of procedure ratified by the Board of Directors. The committees report to the Board on the matters processed by them and the required actions on a regular basis at the Board meeting following each committee meeting.

The task of the **Personnel Committee** is to assist the Board in matters related to appointing and rewarding key personnel. Its duties include preparing proposals for the development of corporate culture and personnel policy and in terms of remuneration and incentive schemes, as well as the performance bonus rules and performance bonuses for the management. The committee oversees the talent identification process, key personnel development, and succession planning for the management, in addition to preparing the remuneration policy and the remuneration report for governing bodies. The committee meets at the invitation of its Chair on a need basis. It consists of 3–5 members with experience in the Group's business operations, business segments, and personnel and remuneration matters. The majority of the members of the Personnel Committee must be independent of the company. The President and CEO and other members of the company's executive management cannot be members of the Personnel Committee. The Executive Vice President, Human Resources, serves as the secretary to the committee.

The Chair of the Personnel Committee was Kerttu Tuomas, and its members were Jyri Luomakoski and Leena Vainiomäki.

The **Audit Committee** assists the Board of Directors in the supervision of the Group's accounting and reporting processes. Its duties include overseeing the financial reporting process of the company and the effectiveness of internal control, internal audit and risk management systems, in addition to monitoring and assessing the audit. The committee participates in the preparing of the Group's financing policy, financing plan and financing arrangements. In addition, the committee reviews the financial statements and interim and half-year reports, assesses compliance with laws and regulations, and monitors the audit and the Group's financial situation. The committee convenes at least four times per year, and more frequently if necessary. The committee consists of 3–5 members, the majority of whom must be independent of the company, and at least one of the members must be independent of the major shareholders. Persons with extensive knowledge of the Group's business operations and business segments and who possess the qualifications required by the committee's sphere of duties are elected as members of the committee. The Corporate General Counsel serves as the secretary to the Audit Committee.

The Chair of the Audit Committee was Jyri Luomakoski, and the members were Sami Laine, Anders Dahlblom and Leena Vainiomäki.

In 2024, the business management regularly reported on sustainability matters related to its duties to the company's Audit Committee, which reported further to the Board of Directors. With the changing regulations, the monitoring, reporting and supervision procedures were reviewed during the period to meet the procedures required by future regulations for processing, reporting, monitoring and supervising sustainability matters.

The company's Board of Directors, Audit Committee and Management Team may, based on the information available to them at the time in question, decide jointly or separately whether the supervision of sustainability matters and appropriate competence and expertise should be developed. Development decisions can be addressed either by strengthening internal resources or by acquiring expert reports and external training.

Before and during the reporting period, the company has progressed in accordance with its approved CSRD roadmap and started work on implementing sustainability reporting. In the year preceding the reporting period, the company carried out a double materiality analysis based on previous materiality analyses, and started a gap analysis to identify the differences between the content of the current sustainability report and the requirements of the ESRS standards. It also identified the exact data sources and reporting systems before the start of the reporting period and further developed the annual reporting process, in addition to determining controls as part of the process.

The Audit Committee has discussed the progress of the implementation at its quarterly meetings and, if necessary, at additional working meetings. The company's Board of Directors and President and CEO are responsible for sustainability reporting and other financial reporting.

As part of the CSRD work, the company's management has regularly assessed and reported to the Audit Committee on the risks related to the implementation of the CSRD during the period. The Audit Committee has supervised and, if necessary, required the company's management to take measures to ensure the adequacy of internal resources, and to ensure that the company also has access to expert external advisors when necessary.

With the introduction of the CSRD, the role of the Audit Committee has been further specified. At the same time, the procedures to ensure the independence of the Audit Committee from the company's executive management have been assessed as well. The task of the Audit Committee has been to monitor that the party providing assurance is reliable and independent, and that it has previous experience in sustainability assurance. The Audit Committee has also identified the greenwashing risk in sustainability reporting, and sees assurance as one way to reduce this risk in general. In addition, the greenwashing risk has been one of the key themes in the implementation and preparatory work for CSRD reporting.

The company's Annual General Meeting in 2024 decided, on the proposal of the Audit Committee and the Board of Directors, that Ernst & Young Oy, elected as the company's audit firm for the 2024 financial year, would also serve as the company's sustainability reporting auditor for the 2024 financial year in accordance with the transitional provision under the Act on Amending the Limited Liability Companies Act (1252/2023).

The **Investment and Project Committee** discusses and prepares for the Board of Directors significant contract tenders, property development projects, plot and area project investments and divestments, acquisitions, disposals and equity investments. It also monitors the related portfolios, financial reporting and risk management. In addition, the committee discusses the investment policy to be submitted to the Board of Directors for approval. The committee convenes at least twice a year, and more frequently by separate invitation from the Chair if deemed necessary in view of the matters discussed by the committee. The committee consists of 3–5 members, the majority of whom must be independent of the company, and at least one of the members must be independent of significant shareholders in the company. Persons with extensive knowledge of the Group's business operations and business segments and who have the qualifications required by the committee's sphere of duties are elected as members of the committee. The Corporate General Counsel serves as the secretary to the Investment and Project Committee.

The Chair of the Investment and Project Committee was Casimir Lindholm, and the members were Sami Laine and Anders Dahlblom.

Shareholders' Nomination Board

The Shareholders' Nomination Board is a body comprised of the company's shareholders or their representatives, the task of which is to prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting and, where necessary, for an Extraordinary General Meeting. The primary purpose of the Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience in terms of the company's needs, and to prepare proposals, with justifications, on the election and remuneration of the members of the Board of Directors to the Annual General Meeting for this purpose. The duties of the Nomination Board include, in accordance with the Board's diversity principles, preparing and presenting to the Annual General Meeting a proposal on the remuneration of the members of the Board, in terms of their work on both the Board and its committees; preparing and presenting to the Annual General Meeting a proposal on the number of members of the Board; making a proposal on the composition of the Board; and looking for successor candidates for the members of the Board.

In making its proposals, the Nomination Board ensures through assessments that, in addition to the qualifications of the individual members of the Board, the proposed Board of Directors as a whole has the best possible competence for the company, taking into account the company's short-term and long-term goals, and that the composition of the Board of Directors, in addition to other regulations, also meets the requirements set for a listed company by the Corporate Governance Code.

Key Group policies adopted by the Board of Directors

As part of the proper organization, steering and supervision of the company's operations, the Board of Directors annually reviews and approves key Group-level policies, such as sustainability, risk management, investment and financing policies.

YIT's *Sustainability Policy* aims to ensure sustainability in all the company's operations. The *Sustainability Policy* focuses on environmental responsibility and social responsibility, and on promoting good governance. More detailed information about the *Sustainability Policy* is provided in this section under **Sustainability Policy**.

Risk management at YIT is governed by the *risk management policy* approved by the Board of Directors. The purpose of YIT's risk management is to promote the achievement of the targets set for YIT's operations and ensure the continuity of operations. The *risk management policy* describes the main principles of risk management, the risk management model and the key risk management processes at YIT. The Board of Directors guides and supervises the planning and execution of risk management and approves the company's risk-taking capacity and risk appetite. The Group's President and CEO has overall responsibility for risk management. The President and CEO is responsible for the organization, monitoring and implementation of risk management, as well as the development of the risk management strategy. Business and support functions are responsible for risk management practices for their own part.

Risk management is incorporated into all of the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

YIT has categorized the risks that are significant for its operations as strategic, operational, project, financial and incident risks.

YIT's business operations are project-based, meaning that uncertainty related to project portfolios and individual projects is essential for risk management. Project portfolio risk management is implemented in connection with annual planning, project selection and business reviews, for example. A gate model is applied to the risk management of individual projects, where the processing of each gate includes a risk assessment. Risks in the implementation and maintenance phases are also managed with the help of harmonized project risk management principles and tools.

YIT regularly assesses its impacts on people, the environment and society. Material impacts, risks and opportunities, as well as the setting of the related targets and progress toward the targets, are addressed in accordance with the existing risk management policy and process. In addition, the company may use its own internal audit and external expert audits for sustainability monitoring and procedure reviews.

The purpose of the *investment policy* is to ensure that the investments made at YIT and the allocation of capital are in line with the YIT Group's strategic goals and annual planning. The *investment policy* determines the principles, responsibilities, goals and limits for the Group's investing activities, investment management and decision-making process.

The *financing policy* determines the YIT Group's governance principles, responsibilities, goals and limits, as well as the necessary control environment for the Group's financing activities and the related risk management process.

GROUP CEO AND GROUP MANAGEMENT TEAM

The **President and CEO** attends to the day-to-day administration of the company in accordance with the instructions and regulations laid down by the Board of Directors. The Board appoints and discharges the President and CEO and supervises their activities. The Board also decides on the remuneration and other terms of employment of the President and CEO. The President and CEO ensures that the company's accounting is lawful, and that its asset management is organized reliably. YIT's President and CEO serves as Chair of the Group Management Team.

The President and CEO of YIT Corporation was Heikki Vuorenmaa, with Antti Inkilä as his deputy until December 31, 2024.

During 2024, the company introduced a new operating model, which determines more specific roles for regular sustainability reporting and monitoring in terms of the President and CEO, the Audit Committee and the Board of Directors. The starting point is that the President and CEO monitors the progress of the work regularly at the meetings of the Group Management Team and, if necessary, in other internal forums of the company.

YIT's **Group Management Team** is the highest operational decision-making body and is responsible for allocating resources to the business segments. The Management Team is also responsible for assessing the segments' performance. The President and CEO and other members appointed by the Board of Directors make up the Group Management Team. The President and CEO appoints the secretary of the Management Team. The Group Management Team, which meets on a regular basis, around once a month, assists the President and CEO in operational planning and management and prepares matters for the Board of Directors.

The key duties of the Management Team include preparing the Group's strategic planning and annual planning, monitoring the implementation of plans and financial reporting. The development of the Group's internal cooperation and the promotion of joint development projects are among the Group Management Team's key duties. The President and CEO is responsible for the decisions made by the Group Management Team. The task of the members of the Group Management Team is to implement the decisions in their respective areas of responsibility.

Each member of the Management Team has long-term business experience, through which they are familiar with sustainability matters by business operation, especially from an operational perspective. In addition, the Management Team, just as the Board of Directors, has the possibility to use external advisors, if necessary, to ensure their expertise related to sustainability matters.

Sustainability targets and operations are part of the company's strategy, which is the responsibility of the company's Management Team. The execution of plans and the achievement of targets are regularly followed and assessed in various managerial forums. Material impacts, risks and opportunities are addressed in accordance with the current risk management policy and process.

The targets of the SBTi are also part of the strategy, which the Board and the Management Team have discussed and will discuss regularly at their meetings. In addition, as part of other management reporting, the company's business segments discuss sustainability and SBTi targets. For example, occupational safety and health are discussed at the meetings of both the Board of Directors and the Management Team to the necessary extent, usually once a month.

Composition of the Management Team

The Management Team was chaired by President and CEO Heikki Vuorenmaa. Its members were Peter Forssell, EVP, Business Premises; Antti Inkilä, EVP, Housing; Juha Kostiainen, EVP, Urban Development & ESG; Aleksi Laine, EVP, Infrastructure; Tuomas Mäkipeska, CFO; and Jennie Haasmaa, EVP, Human Resources.

Antti Inkilä, EVP, Housing segment, left the company on December 31, 2024. President and CEO Heikki Vuorenmaa was appointed as interim leader of the Residential Finland segment and CFO Tuomas Mäkipeska as interim leader of the Residential CEE segment as well as Deputy to the President and CEO as of January 1, 2025.

Each member of the Management Team prepares the Group's strategic planning and annual planning and monitors the implementation of plans and financial reporting for their business area or function. The development of intra-Group cooperation and the promotion of joint development projects are also key duties of each member of the Management Team. Each member of the Management Team is responsible for implementing the decisions made in the Management Team under the responsibility of the President and CEO in their respective area of responsibility.

The President and CEO and each member of the Management Team have long-term experience in business, through which they are familiar with matters related to sustainability. The President and CEO and the members of the Management Team have, together and alone, comprehensive expertise and competence in sustainability matters. In addition, the President and CEO and the members of the Management Team have access to external advisors, if necessary.

Of the members of the Management Team, seven were involved in business management.

There are no representatives of employees under an employment contract or other employees on the Management Team.

Of the Management Team, 14,3% were women and 85,7% were men.

Key Group-level policies adopted by the Management Team

Key sustainability themes for YIT's operations are identified together with YIT's employees and external stakeholders. Adherence to good governance, the development of employees' well-being and competence, the improvement of occupational safety practices, the creation of sustainable and comfortable urban development, the reduction of environmental impacts, and responsible stakeholder cooperation lay the foundation for sustainable development and operations.

The Management Team annually confirms Group-level operating principles such as HR, quality, project management, occupational health and safety and corporate safety principles, as well as policies related to insurance, IPR, and representation and business trips, for example. In addition to these, policies have been determined for business partners.

YIT's *environmental principles* approved by the Management Team have been based on the company's *Sustainability Policy*, and were replaced by the *Sustainability Policy* approved by the Board of Directors as described above on November 1, 2024.

Human Resources principles provide guidelines for employee development, rewarding, management, and care for their occupational health and well-being, as well as occupational safety and employment matters.

The purpose of the *Quality Principles* is to guide operations by ensuring the management of quality, occupational safety, environmental and social obligations and the continuous improvement of operations in terms of the product/service life cycle. The goals of high quality and ethically sustainable operations also apply to partners and subcontractors.

In accordance with the *project management principles*, the company shares practices, continuously develops its operations and makes extensive use of peer and core group activities across segment, division, unit and project boundaries. The company analyzes both project successes and challenges and systematically introduces the lessons learned into its processes. The content of the *project management principles* is assessed and, if necessary, updated annually, and the principles are approved by the Group Management Team. Those responsible for the management systems of the business areas and functions, as well as the core groups, are responsible for incorporating policy guidelines into the management system.

The following policies and principles are related to *the project management principles*: *Sustainability Policy*, *Risk Management Policy* (including *corporate security risks*), *Quality Principles, Occupational Safety Principles and Human Resources Principles.*

In accordance with the *Supplier Code of Conduct*, YIT's ethical guideline for suppliers and subcontractors, YIT commits to responsible business conduct in all its operations, and requires the same from its partners. Supplier Code of Conduct covers, for example, legal compliance, ethical practices (anti-corruption and anti-bribery, conflicts of interest, fair competition, money laundering and compliance with sanctions, as well as provisions on data confidentiality and personal data protection.

YIT is committed to respecting the Universal Declaration of Human Rights and the fundamental rights confirmed in ILO's eight core conventions. The partners are also required to respect the same rights. Partners must comply with the following principles: freedom of association, non-discrimination, requirements concerning working time, salary and employment contracts, child and forced labor, and occupational health and safety.

YIT continuously seeks to reduce the environmental impacts of its operations, such as carbon dioxide emissions, and expects the same from its partners. Partners must comply with laws, guidelines and instructions related to environmental protection while also ensuring that they have the necessary permits and fulfil the conditions of the permits. Partners must use materials, raw materials, energy and natural resources efficiently. In addition, partners must continuously seek to minimize and monitor the environmental impacts of their operations, including the waste generated by their operations, while also ensuring the appropriate prevention of emissions such as noise, dust vibration and unpleasant odors. Partners must remediate and compensate for the environmental damage caused by their operations.

Partners and their employees have an obligation to notify YIT's representative of any violations of the *YIT Code of Conduct* that they have detected. YIT has an anonymous whistleblowing channel – the *YIT Ethics Channel* – that anyone can use to report any detected or suspected violations of safely and, when necessary, anonymously. YIT is committed to investigating all reports and will take action if a report is found to be legitimate.

Read more in section **S2 - Workers in the value chain, Policies**.

In accordance with the *Principles of Occupational Health and Safety,* occupational health and safety are an integral part of YIT's values and day-to-day operations. YIT's employees show their commitment, take responsibility and are proactive regardless of their task or role. The company aims to offer a safe and healthy working and living environment to its personnel, partners, customers and other stakeholders. YIT seeks to take occupational safety and health aspects better into account in its partner selection. The company believes that deviations are preventable, and that it can learn from them. In its operations, YIT places particular emphasis on proactive measures. The goal is that everyone cares about their own health, well-being and safety, as well as those of others.

Occupational safety targets and actions are part of YIT's strategy and annual plan, which are the responsibility of senior management. The company's Board of Directors and the management teams of the Group, segments and divisions monitor the implementation of plans and the achievement of targets regularly in different management forums. Regular management site visits are also part of systematic monitoring and a way to implement a strong safety mindset.

Read more in **S2 - Workers in the value chain, Policies**.

In accordance with the *principles of Corporate Security,* YIT is committed to good governance and responsible business principles. The company ensures good business practices throughout the supply chain and contributes to the sustainable and ethical development of the industry as a whole. YIT strives to ensure sustainable and profitable growth in the long term. This requires continuous development, transparency and excellence in our daily work.

Corporate security is part of YIT's risk management system. The management of corporate security risks is implemented as part of YIT's usual business activities and risk management. Corporate Security supports YIT's management and its organization in the development, resourcing and communication of corporate security. It also provides services in areas requiring special expertise in corporate security.

The goal of corporate security is to identify and manage security risks as early as possible. Corporate safety risk management must be risk-based, proactive, objective and fact-based.

Corporate safety risks are reported in accordance with YIT's general risk management practices.

The *YIT Code of Conduct* and the *Sustainability Policy* are policies and operating principles approved by YIT's management and Board of Directors that apply throughout the Group and essentially define sustainability work.

YIT CODE OF CONDUCT

YIT's *Code of Conduct* guides all its operations. The core content of the *YIT Code of Conduct* is based on YIT's values and management principles, which create a strong foundation for building a common corporate culture and adopting consistent operating practices. YIT's goal is to respect all stakeholders, engage in good cooperation and create value for different stakeholders such as customers, shareholders and personnel.

The *YIT Code of Conduct* guides YIT's relationships with customers, employees, shareholders, suppliers, subcontractors, competitors, society and the environment. Every individual employee is responsible for compliance with the *YIT Code of Conduct*. Supervisors must ensure that their subordinates adhere to YIT's *Code of Conduct* at all times and throughout YIT. We expect every YIT employee to report to their immediate supervisor if they suspect a violation of the *YIT Code of Conduct*. Reports can also be submitted through the *YIT Ethics Channel*. All reports received through the channel will be investigated. The investigation is overseen by YIT's Ethics Committee. For more information on the Ethics Committee can be found in the section **G1 - Business Conduct, Business conduct policies and corporate culture.**

YIT's Code of Conduct aims to reduce the environmental impacts of both its own and its suppliers' operations, such as greenhouse gas emissions, by reducing energy consumption and the amount of waste generated, for example. In addition, the aim is to reduce the negative impacts of YIT's operations on working conditions and to promote and guide positive impacts on equality work. Read more in section **Material impacts, risks and opportunities**.

The *YIT Code of Conduct* covers all YIT's operations throughout the Group. It applies to YIT's relationships with customers, employees, shareholders, suppliers, subcontractors, competitors, society and the environment. The *YIT Code of Conduct* has been translated into the main languages of YIT's countries of operation, and is applied in all of these countries. YIT's management and the Group Management Team are responsible for the implementation of the *YIT Code of Conduct*. The *YIT Code of Conduct* is updated as necessary.

YIT undertakes to comply with a number of third-party standards and initiatives in the implementation of its YIT *Code of Conduct*, such as the ISO 9001 quality standard, international human rights, local labor law and other local regulations. In addition, YIT complies with the recommendations of the Securities Market Association's Governance Code for listed companies.

When preparing the *YIT Code of Conduct*, key stakeholders' interests have been taken into account. YIT continuously seeks to develop new solutions to create more value to its customers and regularly collects feedback from its customers. In terms of employees, YIT adheres to international human rights legislation and provides a safe working environment, as well as opportunities for training and development.

YIT has made its *YIT Code of Conduct* available to those stakeholders who may be affected or are required to contribute to their implementation. The *YIT Code of Conduct* has been translated into the main languages of YIT's countries of operation, and is distributed to employees through training and communications. YIT's *Code of Conduct* is a public document available on the company's website.

SUSTAINABILITY POLICY

The aim of YIT's *Sustainability Policy* is to ensure sustainability in all the company's operations. The *Sustainability Policy* focuses on environmental responsibility and social responsibility, and on promoting good governance.

The *Sustainability Policy* defines the principles and guidelines on which the sustainability targets are based. It also serves as a guideline for the company's day-to-day operations, ensuring that all actions and decisions are in line with the sustainability targets set in the *Sustainability Policy*. YIT's sustainability targets help the company reduce its negative impacts and increase its positive impacts on the environment, society and good governance. The *Sustainability Policy* is committed to managing the most material impacts, risks and opportunities. YIT's most material impacts, risks and opportunities are described in section **Material impacts, risks and opportunities**.

Sustainability targets and operations are part of YIT's strategy, for which the company's Management Team is responsible. The execution of plans and the achievement of targets are regularly followed and assessed in various managerial forums.

The *Sustainability Policy* applies to all the Group's operations in all its countries of operation. It is public and available on the company's website. The *Sustainability Policy* is reviewed regularly. YIT's Board of Directors, Management Team and President and CEO have approved the *Sustainability Policy* and are responsible for its implementation.

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

YIT's Annual General Meeting approved YIT's *Remuneration Policy* for 2024–2027 on 14 March 2024. The *Remuneration Policy* determines the decision-making order for remuneration. The remuneration of the Board of Directors is decided on by the Annual General Meeting. In 2024, the members of the Board of Directors were not covered by YIT's incentive or remuneration schemes.

In accordance with the decision-making order for remuneration, YIT's Board of Directors decides on incentive and remuneration schemes for the Group's President and CEO and Management Team based on a proposal prepared by the Board's Personnel Committee.

In addition to a basic salary, benefits and supplementary pension, the remuneration of the President and CEO and other members of the Group Management Team consists of a short-term incentive scheme and a long-term share-based incentive scheme. In addition, the Board of Directors has decided on a fixed-term incentive plan related to the company's strategic transformation program for 2024.

The earning period in the short-term incentive scheme is the calendar year. The Board of Directors determines the performance indicators and targets of the program at the beginning of the earning period, and the results are confirmed after the end of the earning period.

In addition to the achievement of the set targets, the reward payment is subject to a valid employment relationship at the time of the reward payment, and the fact that YIT as a group reaches the threshold for financial or other indicators set by the Board of Directors. In addition, the person must act in accordance with YIT's values, rules and policies, complete online training on YIT's *Code of Conduct*, and act in accordance with YIT's performance management process guidelines.

In 2024, the President and CEO's earning potential under the short-term incentive scheme was 45% of their total salary (salary including benefits) at the target level and 90% at the maximum level. The other members of the Management Team had an earning potential of 25% of their total salary (salary including benefits) at the target level and 50% at the maximum level. In addition to the Group Management Team, all YIT's employees, with the exception of trainees, are covered by the short-term incentive scheme.

The short-term incentive scheme includes one sustainability indicator, combined accident frequency, the weight of which is 10% for both the President and CEO and the other members of the Management Team. In determining the target and measuring the result, both YIT's own and its subcontractors' employees are taken into account.
In addition to this occupational safety performance indicator related to the incentive scheme, YIT uses the following occupational safety indicators as performance indicators at the Group level.

- Number of site visits by management
- Number of occupational safety observations
- Number of near misses
- Sickness absence rate.

The occupational safety indicator is also part of the short-term performance-based bonus for YIT's white-collar employees. The most typical indicator used is the number of occupational safety observations. Since 2022, YIT has also instructed new projects to take environmental responsibility into account in their performance-based remuneration. The most typical indicators used are the recycling rate and the reduction of mixed waste.

In 2024, YIT Group did not achieve a positive net profit, which was a condition for payment in the short-term incentive scheme. No rewards will therefore be paid to the President and CEO or other members of the Group Management Team based on the incentive scheme.

YIT has a long-term incentive scheme in place to support strategic change and long-term financial profitability and to engage key personnel. In 2020, YIT's Board of Directors decided on a share-based long-term incentive plan. The earning periods of the plan last for three years, and a new earning period begins each year. The rewards are paid at the end of the earning period and do not involve a separate commitment period. The third earning period (three calendar years) of the plan runs from January 1, 2022, to December 31, 2024, the fourth from January 1, 2023, to December 31, 2025, and the fifth from January 1, 2024, to December 31, 2026.

The rewards earned for the 2021–2023 earning period were paid in 2024. The rewards earned for the 2022–2024 earning period will be paid in 2025, any rewards earned for the 2023–2025 earning period in 2026, and any rewards earned for the 2024–2026 earning period in 2027.

In addition to achieving the set targets, the reward payment is conditional on the employment relationship being in force at the time of the reward payment. The person must also act in accordance with YIT's values, rules and operating principles.

The earning potential for the 2024–2026 earning period is a maximum of 280,000 shares for the President and CEO, and a maximum of 84,000 for the other members of the Management Team. In total, it is possible for the President and CEO to earn a total of 700,000 shares for the ongoing earning periods 2022–2024, 2023–2025 and 2024–2026. The other members of the Management Team can earn a total of 1,607,750 shares for the same earning periods.

Long-term incentive plan metrics and results

Plan and earning period	KPI	Weight (%)	Result (%)	Performance (%)
YIT LTIP 2024-2026	**Absolute TSR**	**90**		**Results can be assessed and disclosed after the earning period end**
	Science Based Targets Initiative, Scope 1, 2 and 3	**10**		
YIT LTIP 2023-2025	**Absolute TSR**	**90**		
	Science Based Targets Initiative, Scope 1, 2 and 3	**10**		
YIT LTIP 2022-2024	**Absolute TSR**	**90**	**0**	
	Science Based Targets Initiative, Scope 1, 2 and 3	**10**	**100**	**10**

For the ongoing earning periods, the long-term incentive scheme includes one sustainability indicator, with a 10% weighting. For the 2022–2024 earning period of the long-term incentive scheme, a reward of 10% of the maximum reward will be paid, based on the environmental responsibility indicator. For the entire Management Team, the total reward is 32,658 YIT shares before taxes and other fees.

SUSTAINABILITY DUE DILIGENCE PROCESS

A review of the due diligence process information provided in the Sustainability statement can be found in the **appendices** of the Sustainability statement.

STRATEGY

STRATEGY, BUSINESS MODEL, AND VALUE CHAIN

STRATEGY

During the reporting year, YIT published a new strategy for 2025–2029. YIT's strategic focus areas for the 2025–2029 strategy period include achieving industry-leading productivity and financial performance, creating targeted growth and resilience, and further improving the customer and employee experience. In the strategy, sustainability and quality are key in all YIT's operations. The non-financial targets set in YIT's strategy apply to the whole of the Group.

In terms of the environmental criteria, YIT continues its commitment to the Science Based Targets initiative (SBTi) to limit global warming to 1.5 degrees Celsius in accordance with the Paris Agreement on climate change. In November 2021, YIT was the first construction company in Finland to commit to science-based emissions reduction targets. The SBTi approved the emissions reduction targets set by YIT in June 2023. YIT undertakes to reduce its absolute Scope 1 and 2 emissions by 90% and absolute Scope 3 emissions by 30% by 2030 compared with the 2019 baseline. With this commitment, YIT strengthens its climate work and aims to reduce both its own and its customers' emissions.

In terms of the social criteria, the work to develop society and build a better living environment continues. There will be more investment in occupational safety and employees' well-being, and the targets will be tightened. The goals are to reduce the combined accident frequency rate below 5 in all operations (a reduction of 50%) during the strategy period, and to raise the employee NPS to at least 50.

In terms of the governance criteria, YIT continues to pursue a strict approach to the grey economy. YIT does not accept corruption, labor exploitation or discrimination. YIT also promotes its ESG targets throughout its supply chain. YIT requires its suppliers to comply with the same standards concerning the environment, society and governance as it does.

In addition to the above-mentioned strategic sustainability targets, YIT has set more detailed targets, which are described in more detail in the related standards. The most significant products related to climate targets are the buildings that the company constructs. Of YIT's climate emissions, more than 90% consist of its Scope 3 emissions, and of these around 60% consist of the life-cycle energy consumption of buildings. The energy efficiency of buildings and the use of renewable energy are therefore the most significant factors in achieving climate targets. In terms of the emissions of the company's own operations (Scope 1 and Scope 2), the most significant impacts consist of the fuel consumption of the Infrastructure business. In terms of preventing accidents at work, all YIT's construction sites and site management play an important role, as the creation of a safe working environment is based on continuous improvement and the establishment of an occupational safety culture. YIT's *Code of Conduct* lays the foundation for the prevention of corruption, bribery and the grey economy. All YIT's employees are required to comply with its *YIT Code of Conduct.* This is supported by the risk management and corporate security organization and the procurement function, which monitors subcontractors' and the supply chain's compliance with human rights in cooperation with the Group's sustainability unit.

In the construction sector in general, and also at YIT, the most significant challenges ahead are related to climate change mitigation, resource use, biodiversity, occupational safety and working conditions, in addition to combating the grey economy. Responding to these requires improved energy efficiency, the use of renewable energy and increased use of low-carbon materials. Adopting the principles of the circular economy, minimizing the use of materials and extending the life cycle contribute to resource wisdom and the prevention of biodiversity loss. Improving occupational safety and working conditions and combating the grey economy are key factors in promoting social responsibility.

BUSINESS MODEL

YIT is a major project developer and construction company that strives to create better living environments sustainably. YIT designs, builds and develops housing, office and infrastructure solutions in cooperation with its customers. It creates homes and living environments in growing cities and towns and develops and builds commercial and public facilities and social properties. In addition, YIT builds, renovates and maintains schools, day-care centers and multipurpose facilities. The company builds railroads, bridges, tunnels and structural solutions in demanding environments to make it easier for people, the economy and society to live sustainably. YIT operates as an active developer and constructor to create better living environments while seeking to offer its customers low-emission solutions for a smooth and sustainable everyday life. Until 31.12.2024 YIT had three reporting segments: Housing, Business Premises and Infrastructure. YIT employs 4,121 (31 Dec 2024) professionals in eight countries: 2,964 people in Finland, 74 in Sweden, 57 in Estonia, 36 in Latvia, 611 in Lithuania, 81 in the Czech Republic, 222 in Slovakia and 76 in Poland. Its revenue comes from the construction sector and was EUR 1.8 billion in 2024.

Segment business model descriptions

At the beginning of 2025, YIT changed its segment structure. The Housing segment will be divided into two separate business segments to focus operations, increase transparency, and accelerate strategy implementation. The new names of the segments are Residential Finland and Residential CEE. The Business Premises segment will be renamed to Building Construction to better describe the segment's functions.

As of January 1, 2025, YIT will have four business segments: Residential Finland, Residential CEE, Building Construction, and Infrastructure

The **Housing segment**'s business operations consisted of project development and construction of apartments, residential areas and holiday homes. To increase their customer focus and productivity, the company developed various housing concepts. Housing construction projects are mainly self-developed and turnkey projects, which usually are new construction, but the segment also engaged in tender-based contracting. In a normal market situation, about two-thirds of the customers are private consumers, and the remaining third are investors. The Housing segment served as a partner for cities and municipalities, creating excellent living environments and apartments for both consumers and investors, or for institutional investors to create cash flow, with rental housing becoming an increasingly popular housing solution. Private consumers purchase an apartment in a residential development project to use as their own home or for investment purposes, while investors purchase multiple apartments, an entire residential building or a residential project portfolio. The segment's geographical markets were Finland, the Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania.

The **Business Premises segment** engaged in project development, construction and life-cycle services, as well as residential renovation projects. Business premises projects included new construction and renovation projects for office, commercial, sports, hotel, business, logistics and industrial buildings, as well as public buildings such as hospitals, health and wellness centers, day-care centers, schools and multipurpose buildings. Its customers included investors, owner-occupiers and private and public clients. Public-sector buildings and customers were the largest project type and customer group. The Business Premises segment was a reliable implementer of new construction and renovation projects, providing its customers high-quality business premises projects ranging from project development to construction and life-cycle services using the latest technology. Most of the projects were cooperative project management contracts, design-build contracts, alliances, or life-cycle or PPP (Public Private Partnership) projects, which included both new construction and renovation projects. The segment was responsible for the usability, energy efficiency and property management of the life-cycle sites in accordance with the agreement. The Business Premises segment also developed and carried out hybrid projects. Renovation construction services range from small-scale surface renovation to the comprehensive refurbishment of entire buildings. The Business Premises segment also carried out pipe renovation projects for housing companies. The segment also had self-developed business premises projects; that is, projects developed by the company itself. Most of the segment's business was in Finland, but the segment also operated in Estonia, Lithuania and Slovakia. In Slovakia, the segment operated as a property developer. In Estonia and Lithuania, it also operated as a contractor in both business premises and infrastructure construction projects. In Lithuania, the segment also operated in the paving business.

The **Infrastructure segment** developed and built roads, urban and industrial sites and other infrastructure for its customers with the aim of promoting the green transition. The segment's services included the construction and maintenance of tramways, railroads and roads and the construction and renovation of bridges, as well as industrial and urban construction. The services also included a diverse range of special infrastructure construction work, such as earthworks and foundation engineering, waterworks and shoreline construction, and underground construction such as excavation and construction engineering. The customer is often the public sector, but infrastructure was also built for a wide range of companies in the manufacturing and energy industries, for example. YIT offered infrastructure construction expertise in several projects as early as in the design and development phases of the project, which also are the best phases to affect sustainability matters related to the solutions. Infrastructure construction sites were often part of more extensive urban development (e.g. extensive tramway and bridge projects), in which case taking the stakeholders' needs into account is a key part of project planning and implementation. However, the greatest benefit is materialized when projects are implemented in a high-quality manner and in accordance with the targets and schedule. The majority of projects were alliances, project management contracts, design-build contracts and road maintenance contracts. The segment operated in Finland and Sweden.

VALUE CHAIN

YIT's value chain consists of the acquisition, zoning and project development of plots, design, the acquisition of resources for construction, construction, as well as use, maintenance, renovation and the end of the life cycle. YIT is a key operator in this value chain, connecting the different phases of the value chain and stakeholders. It serves as a link between raw material procurement, design, construction and property management and maintenance.

Land acquisition

In the construction of new properties, the acquisition of building rights is the first stage in the value chain, preceded by a careful preliminary study based on a customer-oriented (including e.g. demographic forecasts) land acquisition strategy and an economic review of building rights with risk assessments.

Zoning and project development

Zoning and project development are critical phases during which the plot is turned into a buildable area. Cooperation with city and municipal authorities, planners and investors ensures that zoning plans are sustainable and meet the needs and expectations of all parties.

Design

The design phase includes architecture, structural design and building systems design. YIT works closely with its design partners to ensure that the plans are of a high technical quality and meet the wishes of customers and stakeholders. Cooperation is key to creating sustainable, functional and innovative solutions.

Construction

The transition from design to construction requires the acquisition, processing and manufacturing of raw materials into building materials and their assembly. All these phases are connected by a logistics network that moves materials from soil or forests around the world to their final destinations in buildings or other infrastructure. Construction is the most visible stage in YIT's value chain, where plans are converted into actual buildings. YIT's own personnel, materials suppliers and other partners together ensure that construction progresses on schedule and within the budget. In Central and Eastern European countries, the main contracts are purchased from external operators.

Warranty and liability repair

After the completion of the buildings, responsibility is transferred to the property management, warranty and liability repair phase. The aim is to ensure that the buildings remain in good condition, and that any repair needs are addressed quickly and efficiently.

Property management

In terms of property management services, the company orders and manages maintenance services to ensure the life-cycle functionality of facilities in schools, for example. Customer satisfaction and long-term partnerships are key priorities.

Renovation projects

Renovation construction is a separate business area of YIT, which focuses on the renovation and modernization of existing buildings. This phase requires careful planning and effective cooperation with design partners, materials suppliers and customers.

Procurement processes

YIT purchases most of its materials from local operators, which promotes the local economy and reduces transport emissions. In Finland, around 8% of the procurement volume comes from abroad. YIT aims for long-term partnerships with its procurement operating model, seeking to achieve savings by relying on the expertise of both YIT and partners. Partnerships and long-term agreements are one of the key ways to ensure the timely availability of materials, the required quality and sustainability. YIT conducts supplier audits and background checks to ensure sustainability and compliance with ethical principles.

Key production inputs in the value chain are earthworks and foundation engineering, frame construction and technical building systems. Concrete, steel, HVACE systems and earthworks contracting with its materials make up a significant part (50%) of the procurement volume in Finland. These product categories are mainly purchased from external operators. YIT selects its partners and approved operators in line with its supplier criteria. YIT's 100 largest suppliers cover 45–85% of its procurement volume, depending on the country of operation. YIT requires all its partners to comply with its principles on environmental protection, human rights, corruption, bribery and the grey economy. These principles are documented in YIT's Supplier Code of Conduct, which applies to the whole of the supply chain. In addition, the procurement categories determine their own sustainability requirements in accordance with YIT's ESG goals. Procurement development work is carried out in cooperation with partners, through cooperation with educational institutions, segment business organizations and market monitoring.

INTEREST AND VIEWS OF STAKEHOLDERS

YIT seeks to engage in varied dialogue with stakeholder representatives. Stakeholders' views are taken into account, for example, when determining material sustainability themes and as part of strategy work. Dialogue also takes place at various events and through several communication channels by means of participation in and the implementation of surveys, for example.

YIT revised its strategy during the reporting year. Based on vision and strategy work, taking the customer and employee experience to a new level is highlighted as a key element of the strategy. Sustainability is a key element of YIT's strategy, which is reflected in the company's commitment to the Science Based Targets initiative. Key stakeholders such as customers, employees, investors and communities have been involved in the materiality assessment process, which has identified the main sustainability themes. Customers expect environmentally friendly and sustainable solutions from YIT that lower the carbon footprint and promote the circular economy. Employees value a safe and healthy working environment, as well as opportunities for professional development and well-being. Investors are looking for long-term value and sustainable business that takes into account environmental, social and governance (ESG) criteria. Communities hope that YIT will promote local well-being and sustainable urban development.

YIT's materiality assessment process has helped the company identify and analyze these stakeholder views, which has enabled the setting of strategic targets and the planning of measures to promote responsibility. Through the *YIT Ethics Channel*, employees can anonymously report any grievances or violations they have detected. The reporting channel is open to all stakeholders. If it is necessary based on the significance of the violation under investigation, the Ethics Committee will report the case to YIT's President and CEO and Board of Directors at a regular meeting or, if the situation so requires, immediately. The impacts related to own workforce are discussed at the Personnel Committee's meetings, and occupational safety and health are discussed at the meetings of both the Board of Directors and the Management Team to the necessary extent, usually once a month. Stakeholders' views on sustainability are also discussed on a case-by-case basis as part of projects' decision-making processes.

OWN WORKFORCE

YIT's own workforce is a key affected stakeholder, whose interests, views and rights are comprehensively taken into account in YIT's strategy. One YIT's strategic priorities is to improve the employee experience. The goal is to halve the accident frequency during the strategy period and invest in well-being at work and personal growth. YIT collects information about the views and interests of its own workforce through cooperation and an annual personnel survey. More information is provided in section **S1 - Own workforce, Engagement with own workers and workers' representatives about impacts**.

WORKERS IN THE VALUE CHAIN

YIT serves as a key operator that connects different actors and stakeholders in the value chain. YIT's business operations involve a large number of workers in the value chain, such as subcontractors and employees of materials suppliers. Workers in the value chain are a key affected stakeholder, which is why YIT's strategy also takes into account the rights of workers in the value chain. YIT is committed to respecting human rights in all its operations and expects the same from its partners. YIT does not tolerate corruption, labor exploitation or discrimination. In addition, YIT promotes its sustainability targets throughout its supply chain, by demanding the same environmental, social and governance standards from its suppliers as from itself. The goal of YIT's strategy is to halve the accident frequency. The target also applies to workers in the value chain. YIT does not systematically collect information about the interests and views of workers in the value chain, but surveys of foreign workforce are carried out occasionally. Read more in section **S2 - Workers in the value chain, Actions**.

CONSUMERS AND END-USERS

YIT's line of thinking and business process are based on understanding the customer, and customer value creation guides decision-making. YIT develops business operations in cooperation with customers.

YIT's strategic priority is to take the customer experience to a new level by the following means:

- Business development in cooperation with customers
- Strengthening trust and customer focus by consistently fulfilling YIT's brand promise
- Building customer loyalty by exceeding customer expectations
- Creating customer value through industry-leading sustainability actions and solutions
- Developing a strong corporate culture based on defined cultural cornerstones.

In addition, YIT aims to maintain a high customer NPS score (over 50) in all its operations. Read more in section **S4 - Consumers and end-users**.

Stakeholder engagement

Stakeholder	Purpose of engagemen	Description of engagement
Customers and end-users	The most important goal of YIT's business operations is to meet the needs of its customers profitably and create value for them. YIT works to be a reliable partner and the first choice for its customers. YIT works to understand its customers and end-users, whether they are companies, public-sector operators or city residents who live in homes built by YIT, move around in cities and work in YIT's facilities.	• In-person meetings and contacts • Newsletters and websites • Marketing communications • Customer satisfaction surveys and feedback • Calls for tenders and contracts • Trade fairs and other events
Employees	Employees are a key factor in YIT's success, and we treat them accordingly. YIT works to be the most desirable employer in its sector.	• Daily work and communication • Performance and development reviews • Annual personnel survey • Internal training programs and orientation events • Personnel magazine, intranet and internal newsletters
Shareholders and investors	YIT pursues good financial results in a legal and honest manner and provides shareholders with timely, relevant and truthful information about its operations.	• Shareholder, investor and analyst meetings • Profit announcement events • Annual General Meeting • Stock exchange and press releases • Investor websites • Reporting
Suppliers, subcontractors and other business partners	YIT aims at long-term and mutually satisfactory relationships with its business partners. YIT works to ensure good business practices throughout the supply chain and supports the development of the industry as a whole in an increasingly sustainable and ethical direction. YIT does not tolerate any form of bribery or other illegal payments in its relationships with suppliers, subcontractors and other business partners.	• Meetings and direct contacts • Supplier audits
Competitors	YIT supports open and fair competition in all markets and complies with the applicable competition laws in all its operations. YIT avoids situations in which there is a risk of violation of the competition regulations.	
Society	Good relationships with the surrounding society are of paramount importance for YIT's business operations in all countries of operation. YIT complies with local laws and regulations in each of countries operation.	• External communications • Reporting • Direct contacts • Seminars and events • External communications • Social media • Discussion events

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

YIT has identified material sustainability impacts, risks and opportunities based on double materiality for the first time in 2024. YIT has had a strong sustainability focus in its strategy since 2022, and sustainability remains a key factor in In YIT's new strategy for the years 2025-2029, published in 2024. The framework for sustainability management during the reporting year was created in line with YIT's eight material sustainability themes, for which targets were set and measures were planned to achieve the targets for the 2022–2025 strategy period. These themes are:

- Enabling a sustainable lifestyle for our customers
- Reducing the environmental impacts of YIT's own operations
- Occupational safety
- Good corporate governance and the prevention of corruption and the grey economy
- Safeguarding biodiversity
- Developing employee competence
- Implementing human rights
- Responsible subcontracting and procurement.

YIT's operations are guided by strategic planning and annual planning. The purpose of strategic planning and steering is to set the long-term direction of the company and its business operations based on a shared vision for the future, specify the required actions to achieve the strategic targets, and monitor and supervise the implementation of strategic plans. The purpose of the annual planning process is to ensure that concrete action plans, budgets, roadmaps, targets and performance indicators are created for each organizational level based on strategies for the upcoming calendar year. In line with this process, many sustainability matters identified as material have affected the company's strategy, business model, decision-making and value chain. An example of the impact on the strategy is the decision to commit to the SBTi targets in 2021, as a result of which the strategic focus was set on achieving the emissions reduction targets. To achieve this goal, YIT made a decision at the beginning of 2023 to build all new apartment buildings in energy class A in Finland. YIT has also developed *Biodiversity principles* for the Group, which have since been incorporated into the *Sustainability Policy.*

YIT's material impacts are related to its business model. YIT's business operations have a significant and long-lasting impact on the surrounding society. The company's most significant impact on society is through the end products it produces, such as homes, business premises, properties and infrastructure, and through more extensive urban development projects. The built environment lasts for decades, which means that sustainable design and implementation play a key role in the impact of YIT's operations, particularly in the context of climate change. The development of sustainable mobility, such as the construction of tramways, is also part of YIT's positive environmental impact that contributes to sustainable development. On the other hand, YIT's operations have negative environmental impacts in the form of the use of raw materials and land, energy consumption and the related greenhouse gas emissions, as well as temporary impacts during construction and demolition. In addition, waste is generated as a by-product of the company's operations.

YIT's operations also have a direct and indirect impact on employment. In normal market conditions, thousands of people work on its sites every day, including subcontractors' employees. The construction industry and YIT also employ a significant number of foreign workers. Long supply chains can have negative impacts on people through the sourcing of materials and subcontracting. All impacts covered by the Sustainability statement, except for environmental accidents, are covered by the ESRS standards.

FINANCIAL EFFECTS

Risks related to business operations may affect the valuation of inventories, the profitability of contracts with customers or other book values.

The development period of self-developed housing and property projects varies considerably for reasons such as the development of the area, zoning and building permits. If the development of a plot requires a longer period of time, the project under development may have sustainability impacts arising from legislation or the requirements set by the authorities, customers and the market. Changes may affect the usability of the plot or the size of the project, or set other specific requirements for the site to be built.

Ongoing self-developed projects, properties built for sale and construction contracts are based on the existing building permit and the legislation in force at the time of construction, meaning that they are subject to a lower risk related to sustainability matters. Sustainability factors are therefore not expected to have a material impact on YIT's financial performance in the short term.

During the financial year, there were no material financial impacts on the Group's income statement, balance sheet or cash flows that would have been caused by significant sustainability risks. YIT has not identified any significant sustainability risks that could result in material adjustments to book values during the next financial year.

YIT has identified energy efficiency, climate adaptation, training and skills development as opportunities. By focusing on these, YIT is better able to meet its customers' needs, and believes that it can achieve a competitive advantage in the long and medium term, but they are not expected to have a significant impact on YIT's financial statements in the short term.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

YIT's strategy emphasizes the importance of sustainability as part of the company's operations and long-term vision. The company's vision is to be the expert partner in developing sustainable homes, spaces and cities – for a good life. By incorporating sustainability into its strategy, YIT ensures that its business practices are aligned with environmental, social and governance considerations, which improves its ability to adapt to changing market conditions and regulatory requirements.

The resilience analysis was carried out as workshop work in November 2024. It covered YIT Group's business operations in all its countries of operation. The resilience analysis focused on the most significant climate risks and opportunities identified based on climate scenarios, in addition to assessing the risks associated with biodiversity loss. The workshop also discussed the company's ability to address the most material identified social responsibility risks and opportunities.

In the analysis, YIT's ability to adapt to transition events and physical risks was examined from two perspectives. Firstly, it was assessed how YIT's strategy and business model enable it to respond to risks and opportunities. Secondly, it was identified what YIT's capabilities are to implement measures related to these. In addition, the following aspects were reviewed: the extent to which high-risk assets and business operations have been taken into account in defining the strategy, in investment decisions, and in defining emissions reduction measures and identifying impacts on the availability of financing at a reasonable cost of capital. The resilience analysis examined the long term until 2030, which is the same time frame as in the assessment of climate risks and opportunities. This time frame was chosen for both climate risk assessment and resilience analysis, as the target year for YIT's emissions reduction targets is 2030, and YIT's strategy extends to 2029.

The resilience analysis deepened the understanding of the effectiveness and timing of risks and opportunities related to climate change and biodiversity loss. In addition, the analysis helped the company identify areas that YIT will need to assess more systematically in the future, and that will require expertise and resources. The conclusion of the analysis was that, for example, through its partnerships, YIT is well positioned to adopt low-carbon products and materials as they develop, and to use renewable energy technologies. In addition, the resilience analysis identified that biodiversity loss involves significant risks affecting YIT's business, which, however, mainly affect the time after the strategy period. In the future, YIT must develop its ability to identify, assess and prepare for the deterioration of ecosystem services and the risks related to the financial impacts of nature loss. As a conclusion of the analysis, resource needs related to leveraging circular economy opportunities and increasing the transparency of supply chains were also identified for the strategy period.

YIT has identified the complexity and length of the supply chain as a challenge in terms of sustainability-related resilience. Although the category procurement operating model enables a process for managing these, managing a large supply chain remains a significant challenge. The company's strategy supports sustainability measures, but resources, understanding and processes need to be increased, especially to manage social responsibility challenges in the supply chain. YIT has identified the need to strengthen its resources and expertise in different areas of sustainability. This includes, for example, the improvement of training programs and the development of strong processes to manage sustainability risks and opportunities throughout the supply chain.

Climate change

YIT has assessed climate-related physical and transition risks from the perspective of the entire Group, and has also carried out a more detailed analysis of physical risks in terms of its Finnish and Baltic business operations. These analyses have identified changes in temperature, water volumes, wind and land masses that may need to be taken into account in business operations in the future.

As part of the assessment of transition risks, failure to meet sustainability requirements and targets was identified as one of the strategic risks. The likelihood of strategic risks materializing is assessed, and related actions are monitored as part of strategic risk management. During the investment planning for infrastructure business equipment, transaction risks associated with the equipment have also been evaluated.

In investment decisions concerning plots and buildings, the objectives of project management are assessed, including the KPI targets set for the efficiency of the plan, which also guide the energy efficiency goals. Investment decisions also take into account and assess the site's environmental and climate risks and opportunities, environmental requirements and environmental certificates as part of the assessment of the project as a whole.

In planning emissions reduction measures, the company's direct and indirect emissions have been taken into account. Non-strategic assets or business operations that may jeopardize the achievement of the emissions reduction targets have also been identified in the planning.

YIT has prepared a green finance framework to support investments that promote the transition toward a carbon-neutral circular economy. With the help of the green finance framework, YIT can issue green bonds and other green financial instruments to finance projects that meet the requirements of the framework. With the transition to a climate-resilient economy, financial institutions and investors are increasingly interested in low-carbon and environmentally friendly projects. They also assess climate risks and their impacts on investments more closely. Regulatory frameworks for sustainable finance in the EU and other regions, such as the EU taxonomy, can steer financial flows toward more climate-efficient investments. YIT sees that it has the prerequisites to meet this demand, and sees this as an opportunity to increase investors' interest in its projects.

The critical assumptions summarized and simplified below were used in the resilience analysis:

- The green transition and urbanization support stable growth in energy infrastructure, industrial construction and transport infrastructure.
- Energy consumption will increase by 2030, but the pace of growth will slow down thanks to energy efficiency and cleaner energy sources.
- Finland's electricity production and consumption are growing significantly. The demand for coal, oil and natural gas will peak before 2030, and the share of renewable energy in global electricity generation will increase to nearly 50%, with solar power being the largest renewable energy source.
- Solar and wind power capacity will increase significantly, green hydrogen production technologies will develop and become more common, and in 2030, the majority of heavy-duty vehicles will continue to use diesel.
- The use of CCS technologies is becoming more common in industry.

Material physical or transition risks have not been excluded from the analysis.

A total of 33 risks and 18 opportunities were included in the risk assessment carried out in 2024 based on climate scenarios, covering YIT's own operations and the upstream and downstream value chain. In this work, climate scenarios prepared by the Intergovernmental Panel on Climate Change (IPCC) were used to assess both physical and transition risks. The likelihood and financial impact of each risk and opportunity were assessed in two different scenarios. Based on the risk assessment, the following table describes YIT's most significant risks and opportunities related to climate change:

Transition risks	Physical chronic risks	Physical acute risks	Opportunities
Increase in emission prices	Temperature changes (air, fresh water, seawater)	Heatwave	Utilization of low-emission energy sources
Increase in raw material costs	Temperature variations in CEE countries	Heavy rain (rain, hail, snow or freezing rain)	Circular economy solutions
Replacement of existing products	Thermal load		New technologies
Increase in mandatory certification and limits	Variation in precipitation		More energy-efficient buildings

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OTHER SUSTAINABILITY MATTERS AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Biodiversity and ecosystems

YIT has assessed the actual and potential impacts of its construction projects and plots on biodiversity based on the natural values of their locations. A list of plots where YIT has identified actual or potential impacts can be found in section E4 - Biodiversity and ecosystems. When building on previously unbuilt land, there will inevitably be land degradation. Construction may have local impacts on endangered species. If such impacts are detected, the aim is to minimize them. Impacts on natural values are assessed, for example, in connection with zoning and as part of the environmental impact assessment (EIA) procedure. The goal of a nature impact assessment based on a nature inventory is to find a design solution that completely avoids or minimizes the adverse impacts on nature. In addition to the reports required by the authorities, YIT conducts more detailed nature surveys on a case-by-case basis.

Own workforce

YIT's own workforce includes employees with an employment contract and temporary labor. YIT has its own personnel in Finland, Sweden, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. As a rule, employees are divided into three types: permanent white-collar employees, changing white-collar employees (employees working on construction sites) and blue-collar employees working on construction sites. YIT employees generally work under permanent and full-time employment contracts. Temporary contracts are mainly used with trainees. Part-time employment contracts are made in situations such as parental leave or reduced work capacity.

YIT's strategy emphasizes employees' well-being and employees' rights and safety, which is central to the company's success. This is reflected in measures to promote good working conditions and occupational health, which improve the well-being and working capacity of the personnel. Potential negative impacts related to the nature of work in the construction sector are taken into account by means of comprehensive occupational health and safety measures aimed at preventing negative impacts.

Through its practices, YIT aims to improve the availability of workforce and its competence, and to strengthen the commitment and well-being of its personnel through various measures. YIT seeks to ensure equal treatment in personnel matters, recruitment and remuneration.

The terms and benefits of employment relationships are transparent and comply with regulations. YIT is a member the Confederation of Finnish Construction Industries RT, which represents construction sector employers in Finland. YIT sees collective bargaining as a financial opportunity. Good and competitive terms of employment increase the attractiveness of the construction industry, which can help attract skilled and productive employees to the sector and improve the engagement of the company's own workforce. In terms of YIT's success, the availability and competence of the workforce play an important role. On the other hand, negotiations may also involve risks, such as cost impacts as personnel costs increase. Collective bargaining also involves the risk of work stoppages and strikes during the negotiation phase. The risks associated with collective bargaining apply especially to the personnel covered by the collective agreement. Of YIT's own workforce, senior salaried employees are not covered by the collective agreement. However, the risk indirectly affects all YIT's own personnel, because although the collective agreement is not directly applied to senior salaried employees, YIT has decided to apply the collective agreement to this group as well, where applicable.

Learning and career development opportunities are important in terms of job satisfaction and commitment. YIT offers training and career development programs that help employees develop and advance in their careers. The development of skills can improve the availability of labor and increase skills, which increases productivity.

YIT does not tolerate harassment or inappropriate treatment and is committed to creating a safe and respectful working environment.

The impacts, risks and opportunities mainly concern all personnel groups. YIT has formed an understanding of the risk faced by certain groups of employees based on a human rights assessment carried out in 2022, and on systematically collected personnel data and expert information. The negative occupational safety and health impacts on YIT's personnel only concern people working on construction sites. As a rule, all personnel are affected by the positive impacts. Of the material negative impacts, occupational safety is a systemic impact. YIT therefore takes special measures to improve occupational safety. Other negative effects are one-time in nature.

Training and skills development have been identified as a financial opportunity. Collective bargaining negotiations have been identified as both a financial risk and a financial opportunity. Both topics also generate positive impacts. Consequently, these risks and opportunities are closely linked to the impacts on the company's own personnel. The material risks and opportunities concern the company's entire workforce. The same measures used to enhance positive impacts are applied to promote opportunities. These measures are described in section **S1 - Own workforce, Actions**.

Workers in the value chain

YIT's operations affect workers in the value chain who work for YIT's partners either in the materials supply chain or on YIT's construction sites. In 2024, in terms of workers in the value chain, YIT will only report on Tier 1 suppliers' employees, and also downstream the value chain for a few key partners based on the responses to a survey submitted to suppliers. In the coming years, reporting will be extended to cover workers in the upstream value chain. In addition, workers in the value chain include personnel of consortia and joint ventures, and self-employed persons i.e., sole proprietors. In practice, workers further downstream are mainly end-users, so they are covered in section **S4 - Consumers and end-users**.

In the construction sector, workers in the value chain are subject to certain common negative impacts typical of the sector. These are related to labor exploitation and occupational safety in particular. The negative impacts of the sector arise, for example, from the fact that construction contracts are typically chained, meaning that the share of subcontractors is significant, the sector entry threshold is low, and the transparency of the materials supply chain is still developing. Among vulnerable groups, foreign labor in particular is in a vulnerable position, and their share in the sector is significant.

To minimize the impacts on the workers in the value chain, YIT has invested in combating the grey economy and labor exploitation through supervision and contractual practices, among other means. Every YIT employee must regularly complete the Code of Conduct training and commit to compliance with the *YIT Code of Conduct,* and in procurement contracts, the partners are required to commit to the corresponding operating principles. In design, implementation and procurement practices related to contracts, YIT seeks to operate in such a way that adequate wages can be paid to workers in the value chain, and other terms of employment are fulfilled as well. In addition, occupational safety is an essential part of YIT's operations and strategy. In its Group-level *Sustainability Policy,* YIT is committed to respecting human rights and acting ethically. As a significant operator, YIT has the opportunity to affect the development of industry practices and create jobs through its own business operations.

YIT's positive impact on the well-being of workers in the value chain is reflected in improved employment security, working conditions, and health and safety. YIT is a significant employer, providing employment for thousands of employees in its value chain. YIT's *Supplier Code of Conduct* requires that its partners ensure that their employees are aware of the content and terms of the employment relationship and comply with local laws. In addition, YIT can create standards in its value chain that guide suppliers' operations and create positive impacts. YIT's requirements and control mechanisms, such as labor exploitation prevention processes and contractual practices, can improve the conditions of workers in the value chain. More information about the Supplier Code of Conduct can be found in section **S2 - Workers in the value chain, Policies**. More information about the processes and contractual practices to prevent labor exploitation is provided in section **S2 - Workers in the value chain, Actions**.

Measures to promote occupational health and safety, such as YIT's occupational health and safety principles, safety planning, management site visits, safety observations, weekly site meetings and safety briefings, as well as induction and training, have a positive impact on employees' well-being, working capacity and health. More information about measures to promote occupational health and safety can be found in section **S2 - Workers in the value chain, Actions**.

YIT carried out a human rights risk and impact assessment in 2022. The assessment identified that there may be risks in the materials supply chain in terms of certain materials. A more extensive review of country risks in terms of child and forced labor, among other issues, and work to improve the transparency of the supply chain is planned to be started in 2025. In connection with this, a better understanding will be gained of the human rights risks in the materials supply chain and whether the potential negative impacts are widespread or systemic.

YIT's identified material impacts are related to value chain workers in the materials supply chain and on construction sites. YIT has formed an understanding of the impacts on certain groups of employees based on a human rights assessment carried out in 2022 and the data collected by the procurement organization.

Consumers and end-users

YIT's customer and user base is very extensive. In housing sales, the most common customer and buyer is a private person, who is also the user of the apartment. Apartments are also sold to investors, who usually rent out the apartments. In such cases, the tenant is the user of the apartment, and the investor is its owner. Business premises and infrastructure construction is almost always an acquisition in which the customer and buyer is a commercial company, a community or a public entity. Users include, for example, employees of companies in office buildings, customers in shopping centers, and road users in infrastructure construction.

Consumers and end-users who purchase or use products manufactured by YIT are included in this disclosure requirement. The disclosure requirement does not include upstream parties in the value chain, such as subcontractors and suppliers, or other parties involved in construction, such as designers and consultants. In terms of health, understanding, privacy, age and financial status, YIT's consumers and end-users represent all kinds of people, companies and communities.

The user base of YIT's products is extensive, and YIT has not formed a specific idea of the characteristics of different types of user groups. This is because the construction sector, including the consideration of different user groups (e.g. health and safety, materials, children, people with reduced mobility), is highly regulated by the authorities. YIT trusts that official guidelines and regulations have been drawn up in such a way that the needs of different consumer groups have been taken into account.

Since the quality and safety of construction and products manufactured by YIT affect all groups of people equally, YIT has not specified which material risks and opportunities impact certain consumer groups. The impacts on consumers and end-users are common to all construction companies. Sustainable, safe and functional building materials and design solutions enable positive customer experiences in all subsectors of construction. Opportunities are identified through active interaction with all customers and stakeholders, and by applying the latest advances in technology.

Customers play a key role in YIT's strategy and business model. YIT's line of thinking and business process are based on understanding the customer, and customer value creation guides decision-making. YIT develops business operations in cooperation with customers, in addition to which YIT's strategic priority is to take the customer experience to a new level.

YIT takes measures that have positive impacts on all YIT's consumers and end-users. These measures include a customer relationship management plan in Finland and an indicative plan in other countries of operation. Before the site is handed over and residents move in, YIT provides customers with instructions on waste sorting and energy saving, for example. In addition, customers can inspect the site and make repair requests. The company will take care of the repair duties and, if necessary, provide temporary facilities.

In the consumer trade, YIT organizes resident evenings and events to ensure that future residents have the opportunity to get to know each other and bring up any issues. In the B2B trade, customer work consists of customer encounters and measures along the path to purchase. YIT processes customer feedback not only at the project level but also at various other levels and during management reviews, and based on this feedback, selects areas for development. YIT offers customers the opportunity to visit the site and corrects any defects for which it is responsible based on feedback. YIT investigates and corrects complaints in cooperation with subcontractors and suppliers.

In Finland, YIT measures the customer experience using the EPSI Rating survey, based on which development measures are carried out. In B2B sales, YIT operates in accordance with ISO-certified management systems, reporting deviations and reacting to them. The goal of YIT's customer management system renewal is to gain a broader picture of the different areas of the customer relationship and to improve data protection processes. In Finland, YIT is running the Elements of a Good Home project, which aims at better apartments and an improved customer experience.

More information about these measures is provided in section **S4 - Consumers and end-users, Actions.**

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The following tables list the identified and estimated material impacts, risks and opportunities resulting from the double materiality analysis process related to YIT's sustainability.

Material impacts, risks and opportunities related to climate change

own operations | value chain | environment | people

Impact, risk or opportunity	Description	Management	Influence
Climate change mitigation – Carbon dioxide emissions			
Negative impact	Construction has a very large carbon footprint. Construction accounts around for 40% of global energy consumption, and buildings and construction account for around a third of Finland's greenhouse gas emissions. Greenhouse gases caused by YIT's own operations and value chain have a negative impact on both people and the environment, as they cause global warming, which weakens the living conditions of both people and nature.	YIT regularly assesses its impacts and opportunities in terms of climate change mitigation, calculates its greenhouse gas emissions, and monitors the implementation of its emissions reduction targets. YIT has science-based emissions reduction targets approved by the SBTi and a carbon roadmap that includes measures to achieve these targets. By implementing the measures determined in its carbon roadmap, YIT mitigates negative impacts on the climate.	own operations, value chain, environment, people
Transition risks	If YIT does not achieve its emission reduction targets, it may have a negative impact on YIT's reputation, chances to win in competition and meet customers' requirements, as well as the cost and availability of financing. The prices and availability of low-carbon building materials may involve negative financial impacts. The transition risk concerns both YIT's own operations and the value chain.	Progress toward the emissions reduction targets and the implementation of the measures planned in the carbon roadmap are monitored regularly. Risks related to climate change classified as strategic risks in terms of impact are assessed as part of the strategic risk assessment.	own operations, value chain, people
Opportunity	Climate change mitigation can create new business opportunities for YIT. Climate change mitigation will increase the number of business premises and infrastructure projects related to the green transition.	At the company level, various climate change opportunities have been assessed as part of a risk assessment based on climate scenarios. Business opportunities are assessed as part of strategy and annual planning. In its new strategy, YIT has also taken into account the opportunities related to climate change.	own operations
Climate change adaptation			
Physical risks	Physical risks such as global warming caused by climate change and extreme weather conditions such as rains and floods affect living conditions and construction work. Humidity and changes in the weather put a strain on structures. Heat waves, winds and heavy rains can negatively affect the comfort of urban environments and buildings. Climate change also increases threats related to occupational safety and mobility. These physical risks related to climate change concern both YIT's own operations and the upstream and downstream value chain.	Building and infrastructure design that takes climate change adaptation into account can prevent threats caused by climate change in the built environment. Project-specific climate risk assessments are carried out for selected projects. At the company level, various chronic and acute physical threats related to climate change have been assessed individually as part of a risk analysis based on climate scenarios.	own operations, value chain, environment, people
Opportunity	Climate change adaptation can create new business opportunities for YIT for example, in renovation projects and infrastructure construction.	At the company level, opportunities related to climate change have been assessed as part of a risk and opportunity assessment based on climate scenarios. Business opportunities are assessed as part of strategy and annual planning. In its new strategy, YIT has also taken into account the opportunities related to climate change.	own operations
Energy			
Positive impact	YIT's operations have positive impacts on people and the environment, especially in the downstream value chain, as the buildings and infrastructure built by YIT can reduce the greenhouse gas emissions caused by YIT's customers and their customers. Scope 3 Category 11 (Use of Sold Products) accounts for 63% of all emissions in 2024.	In accordance with its carbon roadmap, YIT seeks to make the sites it builds even more energy efficient. Designing and building more energy-efficient and low-emission buildings and infrastructure can have an impact on customers' energy use. Similarly, new innovations such as smarter building systems increase the energy efficiency of new buildings.	value chain, environment, people
Opportunity	Improving the energy efficiency of the existing building stock and new technologies to improve energy efficiency create opportunities for new projects for YIT.	In accordance with its carbon roadmap, YIT invests in low-emission energy solutions and Smart Building development.	own operations

Material impacts, risks and opportunities related to water and marine resources

own operations environment

Impact, risk or opportunity		Description	Management	Influence
Water				
Negative impact	Water withdrawal	Large water withdrawal burdens the environment, especially in water-stressed areas.	Use of water fixtures and working methods with low water consumption.	own operations, environment

Material impacts, risks and opportunities related to biodiversity and ecosystems

own operations value chain environment

Impact, risk or opportunity		Description	Management	Influence
Direct impact drivers of biodiversity loss				
Negative impact	Land-use change	Land-use changes during construction cause harm to habitats. All YIT's business units cause land-use changes during construction. The most significant impacts come from the Infrastructure segment's operations, as Housing and Business Premises operate for the most part in an already built environment. The majority of land-use changes in YIT's own operations take place in Finland.	In accordance with YIT's *Sustainability Policy*, YIT avoids building in areas of high nature value. YIT seeks to preserve existing natural values and support local biodiversity. During the zoning phase, nature inventories are carried out and the built environment is restored on a project-by-project basis.	
Negative impact	Climate change	Construction has a large carbon footprint, and climate change is one of the direct impact drivers of biodiversity loss. Based on the nature footprint calculations, the most significant impact on biodiversity through YIT's operations comes from the carbon emissions caused by our value chain.	YIT has science-based emissions reduction targets and a carbon roadmap that includes measures to achieve these targets. By implementing these measures, YIT believes that it will achieve its emissions reductions targets.	
Impacts on the state of species				
Negative impact	Species population size, habitat fragmentation	Land-use changes and noise, dust and any emissions to soil or air can affect the sizes of populations. Construction projects can divide habitats into smaller, isolated sections. This fragmentation hampers the movement and reproduction of species, which can impair genetic diversity and the vitality of populations. The production of YIT's most significant materials, concrete and steel, requires extensive excavation and mining areas, which can cause habitats to become fragmented and weaken local populations.	Design and design control. For example, the biodiversity yard concept, nature inventories and the monitoring of biodiversity measures have been integrated into the project management system. Optimization of material quantities, use of recycled materials and ESG plans for procurement categories.	

Entity Specific information

Material impacts, risks and opportunities related to environmental accidents

own operations environmental

Impact, risk or opportunity		Description	Management	Influence
Environmental accidents				
Negative impact	Pollution of air, water and soil	Reputational impact. Emissions to air can cause health damage to nature, employees and external parties. Emissions to water can cause serious damage to the water system or even destroy it. Emissions to soil can cause contamination of organisms, soil and even groundwater. As a result of the above, damage is caused to nature and people. The incident and its consequences are reported in the media, which subjects YIT to negative publicity. Cost impact. Emissions cause cleaning costs and/or health hazards to people, for which YIT will be liable. In addition, the incident may be an environmental offense, which will lead to fines.	Reputation management: YIT's management system contains instructions for the use and storage of hazardous substances, which must be followed. Possible accidents and incidents are investigated and communicated, and preventive measures are considered. The use of hazardous substances is reduced. On construction sites, an environmental and dust management plan is often drawn up, which takes these issues into account. Cost management: YIT's management system contains instructions for the use and storage of hazardous substances, which must be followed. Possible accidents and incidents are investigated and communicated, and preventive measures are considered. The use of hazardous substances is reduced. On construction sites, an environmental and dust management plan is often drawn up, which takes these issues into account. The work machines are kept in good condition and inspected sufficiently regularly.	own operations, environmental

Material impacts, risks and opportunities related to resource use and circular economy

own operations value chain environmental

Impact, risk or opportunity		Description	Management	Influence
Resource inflows				
Risk	Resource inflows (material waste)	Some of the procured material forms unused surplus material that does not end up in the final product and, in the worst case, must be transported away from the construction site as waste. Material waste increases the costs of construction and weakens the sufficiency of natural resources and environmental sustainability overall.	Continuous investment in integrating the design phase building information models to material procurement plans and material orders and deliveries to manage appropriate amounts of material.	
Risk	Resource inflows (materials based on primary raw materials)	Continued use of materials based on primary raw materials because of the lack of availability of secondary raw materials or the lack of expertise of secondary raw materials. Increase in material costs when procurement is targeted at materials containing more expensive secondary raw materials. The availability of materials containing secondary raw materials may decrease as the demand for these materials increases.	Developing supplier cooperation, highlighting sustainability criteria in supplier selections, and supplier evaluations. Emphasis on environmental and sustainability criteria in communication and marketing, and creating demand for circular economy solutions. Developing longer-term framework agreements for materials containing secondary raw materials.	
Resource outflows				
Risk	Outflows of resources (cost increase)	The increase in design costs of buildings and infrastructures, as well as their components, when adaptability, flexibility, and dismantlability requirements are included in the design process. Waste sorting process does not work in the best possible way because of incomplete instructions, inadequate collection equipment or other shortcomings. Incorrectly sorted waste ends up as mixed waste at the lowest levels of the waste hierarchy instead of being recycled, thereby increasing the waste management costs of the construction site.	Definition, implementation, and continuous improvement of ready-made design and material libraries. The construction site's waste management plan takes into account the set targets and the entire life cycle of the construction site, and the waste management plan is implemented in cooperation with the supplier of waste management services for the construction site. Continuous monitoring of the sorting rate and the amount of mixed waste at the construction site.	
Negative Impact	Resource outflows (inefficient recycling)	Waste sorted on a construction site does not end up being recycled in the best possible way in waste treatment centers. Sorted waste is not processed in the best possible way in terms of the sufficiency of natural resources and environmental sustainability overall. There is no cost-effective recycling option for an individual waste fraction, in which case the waste ends up in energy use instead of recycling.	Selection of waste management services supplier. Monitoring the sorting and recycling rate of the construction site.	

Material impacts, risks and opportunities related to own workforce

own operations | people

Impact, risk or opportunity		Description	Management	Influence
All impacts reported in this table concern people, not the environment. The impacts, risks and opportunities arise from all YIT's business operations.				
Working conditions				
Positive impact	Working conditions	Measures to promote working conditions have a positive impact on employee satisfaction and well-being at work.	YIT has a YIT Code of Conduct in place and provides related training. Remote work practices enable remote work, depending on the nature of the work. Flextime is also used in office tasks (only in Finland).	own operations, people
Negative impact	Working conditions	Measures that weaken working conditions have a negative impact on employees' job satisfaction and well-being at work.		
Negative impact	Health and safety	Measures that weaken occupational health and safety have a negative impact on employees' well-being at work, working capacity and health.	YIT has occupational health and safety principles in place, as well as a number of measures to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	own operations, people
Positive impact	Health	Measures that maintain and promote occupational health have a positive impact on employees' well-being at work, working capacity and health.	YIT has occupational health and safety principles in place, and it provides occupational healthcare in accordance with the legislation and practices of each country of operation. In Finland, occupational health is also guided by the occupational health action plan. YIT has an early support model for maintaining working capacity, a substance abuse program, and operating models focusing on mental well-being, with country-specific measures.	own operations, people
Positive impact	Safety	Measures that maintain and promote occupational safety have a positive impact on employees' well-being at work, working capacity and health.	YIT has a number of measures in place to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	own operations, people
Positive impact	Secure employment and collective bargaining	The terms and benefits of employment relationships are transparent and in accordance with regulations. Every YIT employee has the opportunity to belong or not to belong to the union.	YIT complies with local legislation and collective agreements. In addition, YIT has a local agreement on cooperation and employee representation (Finland). A written employment contract is made with each employee. YIT uses a common HR system, to which all employees are added.	
Opportunity	Collective bargaining	Good and competitive terms of employment increase the attractiveness of the construction industry, which can help to attract skilled and productive employees to the sector and improve the engagement of the company's own workforce.	YIT is a member of the Confederation of Finnish Construction Industries RT (CFCI), which represents construction sector employers in Finland and is responsible for collective bargaining.	own operations, people
Risk	Collective bargaining	From YIT's point of view, collective bargaining involves financial risks in the form of strikes or work stoppages and rising personnel costs.		
Equal treatment and opportunities for all				
Positive impact	Gender equality, equal pay for work of equal value and diversity	Equal treatment of personnel and equal treatment in recruitment and remuneration improve well-being at work and the level of commitment. YIT is perceived as an inclusive workplace with a strong sense of community.	YIT is committed to compliance with international human rights. YIT's Code of Conduct, personnel policies and recruitment and resourcing principles guide its equality work. In addition, YIT has drawn up a non-discrimination, equality and diversity plan in cooperation with its personnel (in Finland). Each YIT employee has the opportunity to anonymously report any grievances they detect through the YIT Ethics Channel. In addition, a Voice personnel survey is carried out annually.	own operations, people
Positive impact	Training and skills development	Employees' learning opportunities and opportunities for career development and rotation may improve.	Target-setting and development discussions are held for employees to discuss competence development.	own operations, people
Opportunity	Training and skills development	In terms of YIT's success, the availability and competence of the workforce play an important role. Competence development can improve the availability of workforce and increase skills and knowledge, which improves productivity.	Human and financial resources have been allocated to competence development, and skills and knowledge are systematically monitored and developed.	own operations
Negative impact	Violence and harassment	YIT does not tolerate harassment or inappropriate treatment. A harassment experience occurs when a person subjected to negative behavior feels that they are defenseless or cannot control the situation.	YIT is committed to respecting international human rights. YIT has a policy in place for the prevention and control of harassment and inappropriate behavior, as well as a guideline for addressing harassment situations.	own operations, people

Material impacts, risks and opportunities related to workers in the value chain

value chain people

Impact, risk or opportunity		Description	Management	Influence
All impacts reported in this table concern people, not the environment. Only the upstream value chain is reported under S2, and the downstream impacts are reported under S4. The impacts, risks and opportunities arise from all YIT's business operations that involve the procurement of materials or construction.				
Working conditions				
Positive impact	Secure employment	YIT is a significant employer, providing work and livelihoods for thousands of employees in its value chain.	YIT's *Supplier Code of Conduct* requires its partners to ensure that their employees understand the content and terms of their employment. Furthermore, compliance with all local laws is mandatory, which sets minimum requirements for the duration of employment and determines, for example, grounds for dismissal. Adherence to the *Supplier Code of Conduc*t is monitored through audits and contractor liability reviews. In addition, any suspected misconduct and reported violations are investigated.	
Negative impact	Secure employment	Due to the nature of construction projects, employment relationships can be fixed-term or insecure.	Processes to prevent labor exploitation—such as site access control, audits, and surveys—aim to identify, prevent, and eliminate misconduct. If misconduct occurs, it is addressed, and any harm caused is remedied.	
Negative impact	Working hours	If workers in the value chain had to work too long hours, it could lead to health problems, reduce well-being, and disturb their work-life balance.		
Negative impact	Adequate pay	There is a significant risk of labor exploitation in the value chain. If workers in the value chain were not paid adequate wages, inequality would increase. The remuneration and terms of employment of workers in the value chain may be lower than those of YIT's own employees, which can lead to dissatisfaction and financial difficulties.	YIT's *Supplier Code of Conduct* requires partners to pay their employees at least the minimum wage mandated by law or the applicable collective agreement, and to provide mandatory benefits such as social security. However, YIT also requires its partners to pay a living wage.	
Positive impact	Working conditions	As a major operator, YIT can create standards in its value chain that guide suppliers' operations. YIT's requirements and control mechanisms, such as labor exploitation prevention processes, can have a positive impact on the working conditions of the workers in the value chain.	Contractual practices, such as the *Supplier Code of Conduct*, can help improve working conditions for partners and prevent labor exploitation. YIT has *Occupational Health and Safety Principles* and numerous measures in place to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	
Negative impact	Health and safety	Work on construction sites involves occupational safety risks, which the workers in the value chain are exposed to and which can lead to personal injury. Even comprehensive occupational safety measures cannot completely eliminate all risks. The material supply chain is also subject to similar risks.		
Positive impact	Health and safety	Measures that maintain and promote occupational health and safety have a positive impact on employees' well-being at work, working capacity and health.		
Other work-related rights				
Negative impact	Child labor	The material supply chain is not thoroughly known, so it is possible that YIT's value chain also covers countries of operation where there is a risk of child labor.	In 2024, YIT introduced a human rights due diligence process, as part of which it began systematically assessing human rights risks. Monitoring related to terms of employment and human rights in YIT's production and procurement operations has been stepped up. All workers coming from outside the EU, EEA, or Switzerland must hold a valid residence permit and associated work authorization. YIT uses site access control to identify non-EU workers. In addition, YIT regularly conducts anonymous surveys among foreign workers that cover working and living conditions as well as labor exploitation.YIT has a labor exploitation prevention model in place, which includes supplier requirements related to labor and human rights, as well as regular audits. In addition, separate studies are carried out on the chaining of contracts. Multiple channels are available for reporting suspected labor and human rights violations, including YIT's *Ethics Channel*, which investigates all reports.	
Negative impact	Forced labor	Long and non-transparent supply chains in the construction sector, as well as the chaining of contracts, a low sector entry threshold, a significant proportion of non-EU labor in the sector, cost competition and increasingly international procurement, also expose vulnerable workers to work-related abuse and human rights violations in YIT's value chain.		

Material impacts, risks and opportunities related to consumers and end-users

own operations people

Impact, risk or opportunity		Description	Management	Influence
Consumer and/or end-user safety				
Positive impact	Health and safety	If YIT's products are safe and healthy, it increases the desirability of the products, which increases sales.	Good health and safety properties are ensured through good design and construction and by avoiding hazardous substances in products.	

Material impacts, risks and opportunities related to business conduct

own operations value chain people

Impact, risk or opportunity		Description	Management	Influence
Corporate culture				
Risk	Non-compliance with common policies	A prerequisite for the success of YIT's business operations is that the company acts in accordance with its values and respect all its stakeholders, engages in good cooperation and creates value for various stakeholders. Non-compliance with our common policies may damage the company's reputation and have negative impacts on both employees and customers.	YIT has a *YIT Code of Conduct* in place and provides related training. Values, management principles, the GRIP management system and training help all YIT employees act in accordance with our values.	own operations, people
Good governance and prevention of the grey economy				
Positive impact	Prevention of corruption and bribery	It is meaningful to work with a reliable partner. YIT strives to increase stakeholders' confidence that the company operates reliably and systematically to prevent the grey economy, both in its own operations and when working with subcontractors. This promotes the company's own reputation and also supports the efforts of companies in the subcontracting chain to prevent the grey economy.	YIT has a YIT Code of Conduct in place and provides related training. YIT requires all its partners to commit to its Supplier Code of Conduct. Through the YIT Ethics Channel, all YIT stakeholders can anonymously report any grievances or violations they have detected. The company carries out audits of companies in its supply chain and conducts background checks. YIT has a labor exploitation prevention model in place.	own operations, value chain, people
Positive impact	Prevention of the grey economy			

MANAGEMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

DOUBLE MATERIALITY ANALYSIS

PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment process at YIT included several steps to comprehensively identify and assess sustainability impacts, risks and opportunities related to the company's operations and value chain in terms of the environment, society and governance. This iterative approach ensured that all material sustainability aspects were identified and reported in accordance with the ESRS standards. The double materiality assessment was carried out between June 2023 and July 2024 and was supported by an external expert.

The risks and opportunities related to sustainability are identified and assessed in accordance with the *risk management policy* approved by YIT's Board of Directors, which applies to all YIT's countries of operation. The process determines procedures to identify and manage risks and opportunities and addresses sustainability-related risks in the same manner as other risks. Project risk management follows risk management principles compliant with the ISO 31000 standard and is implemented through five process phases: risk identification, gross assessment, planning of management measures, net assessment, and monitoring and control. Project-level risk management measures are always planned on a project-by-project basis, and changes in them are monitored monthly. The *risk management policy* also guides the identification and assessment of operational and strategic environmental risks as part of the strategy process and annual planning. The identification and management of sustainability-related risks is developed in cooperation with the YIT Group's risk management team and sustainability team. In YIT's operations, actual and potential impacts are directly linked to risks, and the company has identified sustainability-related risks from material impacts.

During the double materiality process, YIT used its previous materiality assessments and the Group's risk management process. Previous materiality assessments were carried out in 2018 and 2022, assessing both the significance for stakeholders (external impacts) and for YIT (impacts on our business operations) and the special characteristics of the construction sector. The results of these previous materiality assessments were formalized into eight material sustainability themes. These were used as a basis for analyzing materiality from the perspective of double materiality.

COLLECTION OF BACKGROUND INFORMATION

The process began with data collection, using YIT's existing documentation and assessments, stakeholder interviews and a literature review. This study covered different reporting frameworks, industry reports and megatrends. Interviews involved both internal and external stakeholders to identify potential impacts, risks and opportunities.

The external analysis included:

- Review of reporting standards and best practices
- Review of key industry comparisons
- Media analysis
- Regulatory analysis
- Feedback from analysts, investors and other sources.

The internal analysis used YIT's previous assessments, such as a human rights impact assessment and previous materiality assessments, as well as the results of stakeholder surveys conducted over the years.

As a result of the data collection process, YIT identified 111 potentially relevant sustainability matters, which were discussed and scored in a series of workshops.

STAKEHOLDER ENGAGEMENT

YIT surveyed the views of its stakeholders through interviews conducted in 2023 and materiality assessments conducted over the years to ensure a comprehensive understanding of their concerns and expectations.

Interviews were conducted with stakeholders such as employees, customers, investors, community representatives and industry associations. These interviews helped YIT to identify the most significant sustainability matters from different perspectives.

WORKSHOPS AND SCORING

Several workshops were organized to summarize the potentially relevant sustainability themes into the most material sustainability matters. The initial three workshops were facilitated by an external sustainability expert, and were attended by YIT's sustainability team and relevant internal experts from the Group. The workshops assessed the impacts on YIT's entire value chain and covered all countries of operation. The value chain assessments were mainly based on internal knowledge, and mainly focused on Tier 1 suppliers and on the interest of key customer groups and main business relationships. These workshops included:

Long list workshop

The purpose of this workshop was to ensure the coverage of the long list of sustainability matters and to identify any non-material matters that could be excluded.

Impact materiality workshop

In this workshop, potentially material sustainability matters were scored based on severity and likelihood. The score was used to identify the most relevant impacts, risks and opportunities for YIT.

Financial materiality workshop

This workshop focused on scoring potentially financially material impacts based on severity and likelihood in order to identify YIT's financially material risks and opportunities.

Consolidation workshops and finalization

The original scores and results from the workshops were compiled and discussed with the core team. The scores were adjusted to provide a comprehensive view of the results. During the process, the interdependencies and relationships between the material sustainability matters were also taken into account as YIT gained more information during the reporting process.

A series of final stage workshops were organized to review the results of the scoring process, comprehensively assess the material aspects and finalize the list of material aspects after EFRAG (European Financial Reporting Advisory Group) published its implementation guidance in May 2024. The member of the Group Management Team responsible for urban development and ESG participated in the workshops and has confirmed the results. In addition, the processing of material sustainability matters has been continued extensively within the company, together with experts and the owners of operational topics.

During the double materiality assessment process, YIT assesses both sustainability-related matters specified by the ESRS and sustainability-related topics from other sources. YIT has assessed environmental accidents as a entity-specific material sustainability aspect.

SCORING METHOD

In determining the material sustainability topics, YIT used a scoring method based on its risk matrix, which uses a five-step scale, as described below:

- Scale and scope of the impact: low, limited, moderate, significant, extremely high
- Remediability: fully reversible, remediable, partly remediable, difficult to remediate, irreversible
- Likelihood: very unlikely, unlikely, possible, probable, very likely
- Measures to reduce the risk or increase opportunities: low, limited, moderate, considerable, significant.

Both actual and potential impacts were taken into account in the scoring, and thresholds were set to determine materiality. Scoring aims to distinguish between the materiality of actual and potential impacts, as well as financially material risks and opportunities. The scoring method is described below:

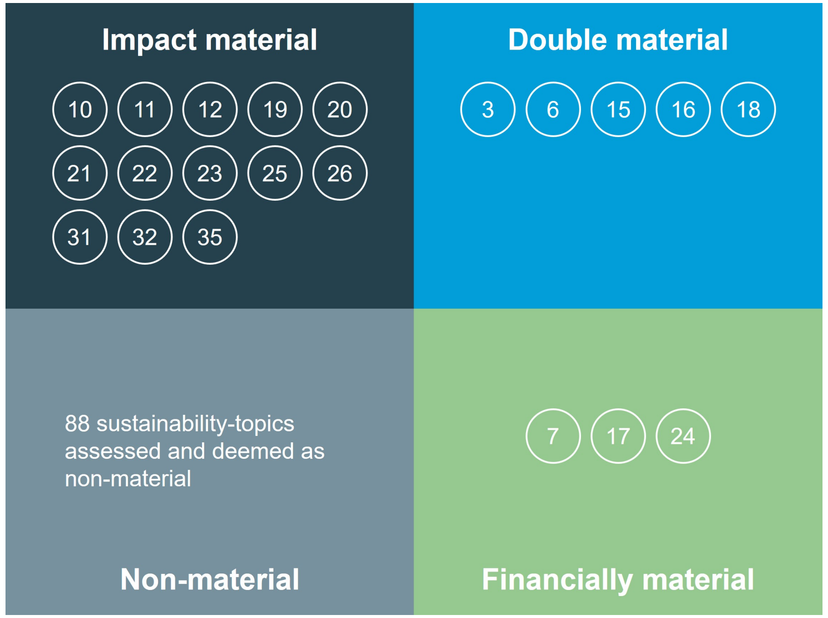
Materiality of the actual impacts = (Scale of the impact 33% + Scope of the impact 33% + Remediability 33%) + (Likelihood (5) 100%).

Materiality of potential impacts = (Scale of the impact 33% + Scope of the impact 33% + Remediability 33%) + (Likelihood 50% + Measures to reduce the potential negative impact or increase the positive impact 50%).

Financial Materiality = (Magnitude of the potential economic impact 100%) + (Likelihood 50% + Measures to reduce the risk or increase the positive impact 50%).

In terms of actual impacts, all sustainability matters that scored more than 8 points were determined to be material. In terms of potential impacts, risks and opportunities, all aspects that scored more than 7 points were determined to be material. In identifying material impacts, YIT has adopted an approach in which severity takes precedence over likelihood. Factors that may include potential or actual negative impacts related to human rights have therefore been considered material. YIT has not decided when the double materiality analysis will be updated.

The result of double materiality analysis



E1 Climate change
3 Climate change (GHG emissions)
6 Energy
17 Climate change adaptation
E3 Water and marine resources
10 Water withdrawal
E4 Biodiversity and ecosystems
11 Direct impact drivers of biodiversity
12 Impacts on the state of species
Entity specific disclosures
7 Environmental accidents
E5 Circular economy
15 Resources inflows, including resource use
16 Resource outflows related to product use (waste)
S1 Own workforce
18 Training and skills development
19 Secure employment
20 Gender equality and equal pay for work of equal value
21 Measures against violence and harassment at the workplace
22 Diversity
23 Working time and adequate wages
24 Collective bargaining
25 Health and safety
S2 Workers in the value chain
19 Secure employment
25 Health and safety
26 Child and forced labor
S4 Consumers and end-users
31 Product quality and safety
G1 Business conduct
32 Corporate culture
35 Good governance, preventing grey economy

DESCRIPTION OF THE PROCESS TO IDENTITY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

CLIMATE CHANGE

YIT's operations cause negative and positive impacts related to climate change, as well as risks and opportunities. Climate-related risks can be either transition risks or physical risks. The impacts, risks and opportunities identified in the double materiality assessment process, as well as the means of managing them, are presented in the table of **the table of material impacts, risks and opportunities related to climate change**. These impacts arise from YIT's business model, which is highly material-intensive and requires the use of heavy equipment. The impacts are long-lasting, as greenhouse gases remain in the atmosphere for a long time. In addition, buildings have a calculated service life of at least 50 years, and infrastructure of at least 100 years, and these typically remain part of the built environment for much longer. Material impacts arise both in YIT's own operations during construction and through YIT's business relationships in the manufacture of products, materials and services procured by YIT, as well as in greenhouse gas emissions caused during the use of sold buildings and infrastructure.

YIT has identified significant impacts, risks and opportunities related to climate change and assessed their impacts on its business model, value chain, strategy and decision-making. YIT has carried out risk and opportunity assessments related to climate change and climate change adaptation, in both the reporting year and previous years. Impacts, physical and transition risks and opportunities related to climate change are taken into account in decision-making, for example, when selecting partners and building materials, and when deciding on design solutions. In addition, YIT has taken into account the opportunities related to climate change in its new strategy. Compatibility with YIT's business model and strategy has also been assessed for some of the most significant risks and opportunities.

YIT identifies and assesses its impacts on climate change by calculating and reporting the direct and indirect greenhouse gas emissions generated in its operations, as well as the emissions reductions already achieved and planned through emissions reduction measures. YIT's gross and total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are reported in the table **GHG emissions**.

PHYSICAL RISKS IN OWN OPERATIONS AND THE UPSTREAM AND DOWNSTREAM VALUE CHAIN

In assessing physical risks, both chronic and acute climate-related threats in terms of temperature, wind, water, land masses and soil have been analyzed. In 2022, a physical risk assessment focusing on building and infrastructure construction in Finland analyzed how YIT's business operations may be exposed to climate-related hazards. In 2024, similar assessments of climate-related physical threats have been carried out for YIT's business operations in other countries. The assessments have been carried out on a country-by-country basis and have assessed the hazards to buildings, structures and soil. Risks to individual assets have also been assessed on a case-by-case basis based on precise geographical location. The physical risk assessment also identified risks related to temperature, wind, water, land masses and soil that must be taken into account in the design of buildings and infrastructure.

Examples of physical chronic risks caused by climate change include changes in temperature and in precipitation conditions and types that affect the durability of building materials and increase the maintenance costs of buildings. Depending on the location, heat stress and the urban heat island effect pose a moderate risk in building construction. Changes in land masses and soil, such as solifluction and erosion, can also affect the implementation and sustainability of construction projects. Floods caused by increasing rainfall and heavy rains, as well as challenges related to stormwater management, have been identified as a significant acute physical risk. In YIT's operations, heat waves also pose a significant acute physical risk. Heat waves increase the need for occasional cooling and air quality improvement. Long heat waves can also affect infrastructure.

In 2024, the risk assessment based on climate scenarios involved a total of 19 physical risks and covered YIT's own operations and the upstream and downstream value chain. The work was based on climate scenarios prepared by the Intergovernmental Panel on Climate Change (IPCC). After identifying the risks and opportunities, each of them was assessed from the perspective of two different climate scenarios. The climate scenarios are the RCP 2.6 scenario, in which the global temperature increases by less than 2°C by 2100, and the high emissions RCP 8.5 scenario, where emissions continue to increase by 2100. These scenarios were chosen because they differ significantly from each other, and to more clearly identify possible changes in the operating environment. The likelihood and economic impact of each risk and opportunity were assessed in both scenarios. When assessing the physical risks associated with climate change, the short term covers one year, the medium term one to five years, and the long term more than five years. In 2024, risks were assessed in the long term until 2030. This period was chosen because YIT's emissions reduction targets have been set for 2030 and YIT's new strategy period lasts until 2029. The time frame is therefore also consistent with strategic planning and capital allocation planning. The expected life cycle of the assets may last longer than this. The assessment of the material impacts, risks and opportunities in 2024 was carried out more comprehensively than in previous years, so it is not yet possible to assess changes from the previous reporting period.

TRANSITION RISKS AND OPPORTUNITIES IN OWN OPERATIONS AND THE UPSTREAM AND DOWNSTREAM VALUE CHAIN

The same time frames and scenarios are used for the assessment of transition risks as for the assessment of physical risks. YIT has identified transition events in the long term until 2030 based on two separate climate scenarios. In the scenario of warming of less than two degrees in 2030, the transition is controlled, while in the high emissions scenario of four degrees, the transition is disorganized. YIT has identified a total of 14 different transition events. In the identification, YIT used the TCFD (Task Force on Climate-related Financial Disclosures) framework, which divides climate-related transition events into four categories: politics and legislation, technology, markets, and reputation.

In the climate risk assessment based on the 2024 climate scenarios, YIT's most significant transition risks were estimated to be an increase in carbon pricing, an increase in raw material costs, the substitution of products, as well as mandatory certifications and requirements for products. Transition events have an impact on YIT's business operations and the upstream and downstream value chain. For example, climate-related transition events may cause additional costs for YIT through higher product and material costs and increased product-related regulations. YIT has identified both transition risks and opportunities related to lower-emission products. Transition events may also affect YIT's assets. For example, increased certifications and emissions pricing may increase the costs related to properties owned by YIT. A separate assessment of the impacts of transition events based on the exact locations of the properties has not been carried out. Increasing low-carbon technologies can also increase procurement costs. Changes in customer expectations and low-carbon technologies can both increase and decrease YIT's revenue. Inadequate measures to mitigate climate change may affect YIT's reputation and thus increase costs and reduce YIT's revenue and customer base. Transition events that increase costs in design and construction processes may include mandatory certifications, carbon pricing and an increase in the related regulation, low-carbon technologies, changes in customers' or partners' expectations, and reputational damage caused by inadequate climate action.

Risks related to climate change are described in note 1 of the consolidated financial statements. The critical climate-related assumptions presented in the financial statements, such as increased precipitation, floods and extended heat waves, are consistent with the scenario analysis. Physical risks can cause delays in projects and increase costs. As with the scenario-based climate risk assessment, the financial statements also estimate that the transition to low carbon can cause technical, financial, market and reputational risks for YIT. The assets recognized in YIT's inventories mainly include the plot reserve related to the housing business, sites under construction, and completed apartments and properties. The impacts of transition events on individual inventory items have not been assessed.

POLLUTION

YIT has identified and assessed that environmental accidents, i.e., accidents occurring at construction sites, usually involves small local contaminations that can be easily cleaned up and rarely have a broader impact on the environment. The company has not screened the locations of its sites and its business to identify actual and potential impacts, risks, and opportunities related to contamination. YIT conducts site-specific risk analyses for contamination at almost all construction sites, resulting in site-specific safety measures. It complies with all regulatory requirements, and no emissions from its operations into the environment are accepted. The company has not conducted specific consultations with the communities affected by the impacts.

WATER AND MARINE RESOURCES

YIT has identified and assessed that its own operations have negative impacts on water-stressed areas due to water extraction. However, in the construction sector, including YIT, water use in own operations is relatively low compared with other sectors. Therefore, YIT has not assessed its assets and operations to identify impacts, risks, and opportunities related to water and marine resources. Furthermore, the company has not conducted specific consultations with the communities affected by the impacts.

BIODIVERSITY AND ECOSYSTEMS

The process by which YIT identifies its impacts on biodiversity relies on both official requirements and the company's own investigation processes. Through the company's own operations, the most visible impacts come from land-use changes when building in previously unbuilt areas. The actual construction is preceded by planning and permit processes. Impacts on natural values are assessed, for example, in connection with zoning and as part of the environmental impact assessment (EIA) procedure. The goal of a nature impact assessment based on a nature inventory is to find a design solution that completely avoids or minimizes adverse impacts on nature. In addition to the reports required by the authorities, in accordance with YIT's management system, each of the Housing segment's new construction projects in Finland must ensure that the project has a sufficiently detailed nature inventory available to confirm that the nature values of the project area have been studied. YIT has also determined, based on the location information of all its plots, whether the plot is located less than 500 meters from nature-sensitive areas or protected areas, in order to take this information into account at the earliest possible stage.

The study shows that YIT has sites located in or near biodiversity-sensitive areas. Activities at these sites lead to the degradation of habitats and ecosystems. Operations have a negative impact on these areas primarily by disrupting the connectivity and movement of species between sensitive and other regions. The impact of noise, light and reflective surfaces has also increased in these areas. Only construction on very few plots has a direct negative impact on organisms and ecosystems, as very few plots are located in an unbuilt area. Operations in these plots may disturb species for which a protected area has been designated. Mitigation measures are carried out in connection with the planning and permit process prior to the actual construction on a case-by-case basis.

YIT has assessed dependencies and impacts on biodiversity in phases. In 2023, YIT examined its own dependencies and impacts on biodiversity using the ENCORE tool (Exploring Natural Capital Opportunities, Risks, and Exposure), to which the Biodiversity Risk Filter and SBTN (Science Based Targets for Nature) Sectoral Materiality Tool were added. The report showed that YIT has dependencies on 12 ecosystem services, with significant dependencies on climate regulation and protection against floods and storms. The report also showed that YIT's impacts are greatest on terrestrial and aquatic ecosystems.

In the autumn of 2024, YIT determined and calculated its nature footprint using the LC impact methodology based on its own direct impacts and the environmental impacts caused through procurement in Finland. The aim of the nature footprint calculation was to obtain measurable and comparable information about which parts of the company's own operations and procurement cause the greatest environmental impacts. The results of the dependency and impact study and the nature footprint calculation have been taken into account in the biodiversity resilience analysis. Based on these, the resilience analysis has assessed the most significant physical risks, transition risks and systemic risks. YIT's direct impacts on biodiversity, which may have negative impacts on local communities, are based on the impacts on nature on the construction site during construction.

In connection with individual construction projects, YIT consults local communities as part of the EIA and zoning process and, if necessary, at informal events. In the Group-wide materiality assessment process, YIT has not separately consulted these communities.

RESOURCES USE AND CIRCULAR ECONOMY

YIT has identified and assessed the impacts, risks, and opportunities related to resource use and circular economy. The process revealed risks and negative impacts such as material waste, material availability and costs, and inefficiencies in recycling. YIT systematically works on managing and controlling these issues. YIT continuously evaluates the suitability, cost-effectiveness, and sustainability of construction materials, aiming to keep materials and products in circulation for as long as possible.

Materials are a critical factor in YIT's operations. Materials management has direct impacts on the cost-effectiveness of construction projects, schedules, quality, and the amounts of material and other waste. The price level and availability of recycled materials supporting the circular economy, as well as more climate-friendly low-carbon materials, may differ significantly from those of the most traditional materials.

The principles of the circular economy are increasingly included in the design phase of construction, alongside waste management, which has been part of the core operations for years. In such a case, during the design phase, the content of the construction plans in particular is enriched with features that improve the flexibility and expandability of the site and enable the repairability or dismantling of smaller subassemblies. Waste management is guided by the aim to operate only at the top levels of the waste hierarchy as an active part of the entire waste management value chain.

In YIT's construction projects, the circular economy has also been a guiding theme at planning meetings between the project parties and in preparations. The parties have wanted to include construction projects in larger circular economy development programs or pilots. Examples of these are the Jätkäsaari circular economy block and Aleksanterinkatu 13, where the principles of the circular economy have served as key drivers as early as in the project planning phase.

BUSINESS CONDUCT

YIT identifies and assesses sustainability-related risks and opportunities in accordance with the *risk management policy* approved by the Board of Directors, which covers all countries of operation. The process follows the ISO 31000 standard and includes five phases: risk identification, gross assessment, planning of management measures, net assessment, and monitoring and control. Project-specific risk management measures are planned and monitored monthly. The *risk management policy* also guides the identification and assessment of environmental risks as part of the strategy process and annual planning.

In YIT's operations, actual and potential impacts are directly linked to risks, and the company has identified sustainability-related risks from material impacts. YIT assesses impacts and risks in different locations, taking into account local environmental conditions, legislation, and community needs. The company examines the specific characteristics of various operations, such as construction, real estate development, and infrastructure construction, and analyzes trends, market conditions, and competition in the construction and real estate sectors. Additionally, YIT evaluates the structures of business transactions, such as the scope of projects and partnerships, to identify related risks and opportunities. Read more in the part **Process to identify and assess of material impacts, risks, and opportunities.**

Environmental Information

E1 – CLIMATE CHANGE

Material impacts, risks and opportunities related to climate change

own operations value chain environment people

Impact, risk or opportunity	Description	Management	Influence
Climate change mitigation – Carbon dioxide emissions			
Negative impact	Construction has a very large carbon footprint. Construction accounts around for 40% of global energy consumption, and buildings and construction account for around a third of Finland's greenhouse gas emissions. Greenhouse gases caused by YIT's own operations and value chain have a negative impact on both people and the environment, as they cause global warming, which weakens the living conditions of both people and nature.	YIT regularly assesses its impacts and opportunities in terms of climate change mitigation, calculates its greenhouse gas emissions, and monitors the implementation of its emissions reduction targets. YIT has science-based emissions reduction targets approved by the SBTi and a carbon roadmap that includes measures to achieve these targets. By implementing the measures determined in its carbon roadmap, YIT mitigates negative impacts on the climate.	
Transition risks	If YIT does not achieve its emission reduction targets, it may have a negative impact on YIT's reputation, chances to win in competition and meet customers' requirements, as well as the cost and availability of financing. The prices and availability of low-carbon building materials may involve negative financial impacts. The transition risk concerns both YIT's own operations and the value chain.	Progress toward the emissions reduction targets and the implementation of the measures planned in the carbon roadmap are monitored regularly. Risks related to climate change classified as strategic risks in terms of impact are assessed as part of the strategic risk assessment.	
Opportunity	Climate change mitigation can create new business opportunities for YIT. Climate change mitigation will increase the number of business premises and infrastructure projects related to the green transition.	At the company level, opportunities related to climate change have been assessed as part of a risk and opportunity assessment based on climate scenarios. In addition, business opportunities are assessed as part of strategy and annual planning. In its new strategy, YIT has also taken into account the opportunities related to climate change.	
Climate change adaptation			
Physical risks	Physical risks such as global warming caused by climate change and extreme weather conditions such as rains and floods affect living conditions and construction work. Humidity and changes in the weather put a strain on structures. Heat waves, winds and heavy rains can negatively affect the comfort of urban environments and buildings. Climate change also increases threats related to occupational safety and mobility. These physical risks related to climate change concern both YIT's own operations and the upstream and downstream value chain.	Building and infrastructure design that takes climate change adaptation into account can prevent threats caused by climate change in the built environment. Project-specific climate risk assessments are carried out for selected projects. At the company level, various chronic and acute physical threats related to climate change have been assessed individually as part of a risk analysis based on climate scenarios.	
Opportunity	Climate change adaptation can create new business opportunities for YIT for example, in renovation projects and infrastructure construction.	At the company level, opportunities related to climate change have been assessed as part of a risk and opportunity assessment based on climate scenarios. Business opportunities are assessed as part of strategy and annual planning. In its new strategy, YIT has also taken into account the opportunities related to climate change.	
Energy			
Positive impact	YIT's operations have positive impacts on people and the environment, especially in the downstream value chain, as the buildings and infrastructure built by YIT can reduce the greenhouse gas emissions caused by YIT's customers and their customers. Scope 3 Category 11 (Use of Sold Products) accounts for 63% of all emissions in 2024.	In accordance with its carbon roadmap, YIT seeks to make the sites it builds even more energy efficient. Designing and building more energy-efficient and low-emission buildings and infrastructure can have an impact on customers' energy use. Similarly, new innovations such as smarter building systems increase the energy efficiency of new buildings.	
Opportunity	Improving the energy efficiency of the existing building stock and new technologies to improve energy efficiency create opportunities for new projects for YIT.	In accordance with its carbon roadmap, YIT invests in low-emission energy solutions and Smart Building development.	

TARGETS

In November 2021, YIT made a commitment to science-based emissions reduction targets. The Science Based Targets initiative (SBTi) approved YIT's targets in June 2023. YIT's target is to reduce its absolute Scope 1 and Scope 2 emissions by 90% and Scope 3 emissions by 30% by 2030 from a 2019 base year. The target boundary includes biogenic emissions and removals from bioenergy feedstocks. SBTi has established criteria according to which the targets are validated as science-based. YIT's emission reduction targets have been assessed based on the criteria of SBTi's cross-sectoral emission development pathway version 5.0 to be compatible with limiting global warming to 1.5 1.5 °C.

When setting its emissions reduction targets, YIT carried out an inventory for all Scope 3 categories to identify the most material emission sources on which the emissions reduction targets and decarbonization levers should focus. The emissions reduction targets cover the following greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbon (HFC), perfluorocarbon (PFC), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Climate scenarios are used in determining science-based emissions reduction targets approved by the SBTi. YIT's emissions reduction targets are absolute reduction targets, meaning that the volume of construction has a significant impact on the target value. Emissions reductions must be achieved regardless of changes in the volume of construction. In the emissions reduction target for own operations, Scope 2 greenhouse gas emissions are calculated using a market-based method, and the shares of Scope 1 and Scope 2 are not specified. Emissions reduction targets are gross targets. YIT has not used GHG removals, carbon credits or avoided emissions in the calculation of the achievement of its GHG reduction targets.

In selecting the base year, YIT has followed the guidelines and recommendations of the Greenhouse Gas protocol and the SBTi. According to the GHG Protocol Corporate Standard, companies should select the earliest year for which reliable data is available as the base year for emissions calculation purposes. In addition, YIT has followed the SBTi's recommendation that the base year should be the same for all short-term targets. Based on YIT's analysis, 2019 is the earliest year for which YIT was able to carry out a reliable Scope 3 inventory. In addition, according to YIT's view, 2019 is a representative comparison year, as it does not represent the peak of the economic cycle in terms of the volume of construction in Finland.

YIT has not yet prepared an approved transition plan for climate change mitigation. However, YIT has created prerequisites for preparing a transition plan by setting science-based emissions reduction targets that are compatible with the Paris Agreement and by drawing up a carbon roadmap that lists emissions reduction measures and guides their implementation. YIT is planning to implement the transition plan as whole in 2026 at the latest. YIT has defined the decarbonization levers for its carbon roadmap in connection with setting its emissions reduction targets. In connection with setting emissions reduction targets and planning YIT's carbon roadmap, it has been identified that the development of new low-emission and zero-emission technologies is a prerequisite for achieving the emissions reduction targets both in own operations and the value chain.

In Scope 1, the key decarbonization levers are the replacement of fossil fuels with renewable energy and the use of zero-emission equipment, and in Scope 2, the procurement of carbon-neutral electricity, heating and cooling. In reducing Scope 3 emissions, the most important measures focus on purchased materials and services, in addition to reducing emissions during the use of buildings. YIT aims to build more sustainable and energy-efficient buildings for its customers and to increase the number of environmentally certified buildings. YIT's cooperation with architects, designers and suppliers and increasing the weight of sustainability criteria in partner selection are key in emissions reduction measures. Partners in the supply chain are challenged to participate in achieving concrete emissions reductions. Decarbonization levers are specified in more detail in **YIT's carbon roadmap**.

Climate-related aspects have been factored into the remuneration of the members of the administrative, management and supervisory bodies, and their performance is assessed against the GHG reduction targets. Of the remuneration recognized for the current period, 10% is related to the achievement of emissions reduction targets. More detailed information about remuneration and incentive schemes is provided in the part **Integration of sustainability-related performance in incentive schemes**.

POLICIES

YIT's *Sustainability Policy* defines the operating principles for YIT Group's climate work. It covers topics related to climate change such as climate change mitigation, climate change adaptation, energy efficiency, the use of renewable energy, and the assessment of impacts, risks and opportunities related to climate change mitigation and adaptation. In its *Sustainability Policy*, YIT has outlined that measures will be taken, to both mitigate and adapt to climate change. The most important principle related to climate change mitigation in order to prevent YIT's negative impacts is the reduction of carbon dioxide emissions, in both its own operations and the value chain, in accordance with the science-based emissions reduction targets. Value chain emissions cover both direct and indirect emissions that occur in the upstream value chain, such as in procurement and transportation, and the downstream value chain in the energy consumption of finished products. In YIT's operations, energy is associated with positive impacts and opportunities, especially in the downstream value chain. In the *Sustainability Policy*, the policy principle related to improving energy efficiency applies to both YIT's own operations and finished products. The carbon roadmap is also part of the principles determined in YIT's *Sustainability Policy*. Its planned energy-related measures include replacing the use of fossil energy sources with renewable energy sources and improving energy efficiency. In accordance with the *Sustainability Policy*, YIT's policy principle is to regularly assess the impacts, risks and opportunities related to climate change mitigation and adaptation. Read more in the part **Sustainability Policy.**

The *YIT Code of Conduct* document describes how YIT's employees act in accordance with shared values and rules. Compliance with the policies defined in the *YIT Code of Conduct* is expected from all employees in all situations. In accordance with its *YIT Code of Conduct*, YIT aims to mitigate greenhouse gas emissions from its operations and products by reducing energy consumption and the amount of waste generated, for example. In addition, the *YIT Code of Conduct* policies include communicating about environmental matters and measures honestly and ensuring that the matters to be communicated are weighted appropriately. The policies also include ensuring that the presented environmental indicators are carefully calculated so that they provide a correct picture of YIT's operations. More information is provided in the part **YIT Code of Conduct**.

YIT's *Supplier Code of Conduct* describes the requirements for partners based on YIT's values and policies. Partners are required to strive to continuously reduce their carbon dioxide emissions. In procurement, YIT is committed to prefer energy-efficient alternatives and also expects it's partners to use energy efficiently. More information is provided in **Supplier Code of Conduct** and **S2 - Workers in the value chain, Policies**.

ACTIONS

Compared with the base year 2019, YIT has reduced its Scope 1 and Scope 2 emissions by 63%. The reductions have been achieved by increasing the amount of green electricity, lower-emission district heating and biofuels, and by replacing fossil-fuelled company cars with electric cars. The most significant factor, which led to emission reductions in Scope 1 and Scope 2 in 2024 is the decrease in the volume of construction. A key emissions reduction measure for Scope 3 has been the construction of buildings that use geothermal heat and the construction of energy class A buildings. By the end of 2024, Scope 3 emissions have decreased by 33% compared with the base year 2019.

The decarbonization levers are listed in **YIT's carbon roadmap**, which guides YIT Group's climate change mitigation work. There are four sets of actions in the carbon roadmap: 1) sustainable living environments and products, 2) carbon-neutrality in own operations, 3) design management and supply chain engagement, and 4) sustainable ways of working. For each action, a period of time is determined within which the action is planned to be implemented. The Sustainable living environments and products section focuses on the downstream value chain and the opportunities related to the products manufactured by YIT. The Carbon-neutrality in own operations section lists emissions reduction measures that have an impact especially on YIT's construction sites. Design management and supply chain engagement focuses on upstream value chain activities aimed at mitigating climate change, managing risks related to climate change, and exploiting opportunities associated with climate change. The actions under the heading Sustainable ways of working aim to strengthen YIT's future capabilities to prevent impacts related to climate change and manage risks and opportunities associated with climate change.

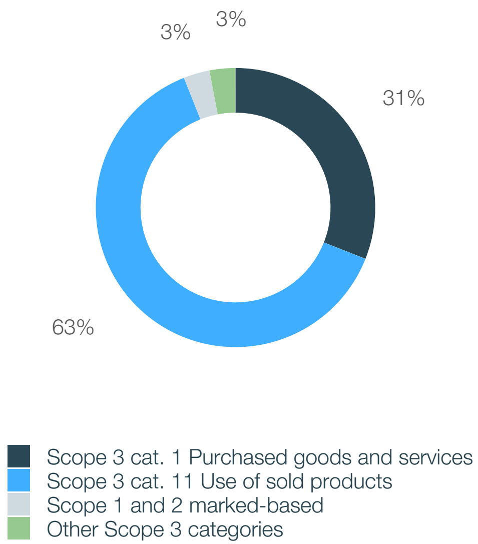
Partially implemented actions of the carbon roadmap include increasing the share of biofuels, transition to a zero-emission fleet and low-carbon energy solutions. Key actions planned for the future, toward the end of the strategy period, include circular economy solutions, optimized use of materials, and the use of low-carbon materials even in smaller procurement categories. In YIT's emissions reporting, it is not possible to distinguish between the expected results of the activities carried out during the reporting year and those planned for the future. Emissions reductions in the value chain also require the development and adoption of new technologies in the supply chain. YIT does not report the funds allocated to climate change mitigation and adaptation, as decisions on the emissions reductions achieved through design solutions are mainly made on a project-by-project basis, and the emissions reductions achieved as a result of these measures cannot be specified in the reporting.

During the reporting year, YIT focused on creating favorable conditions for emissions reductions in the value chain. One of the measures specified in the carbon roadmap is the development of supplier management and partnerships. In 2024, YIT engaged in active dialogue with suppliers, especially in the concrete and steel categories, to explore its potential for lower-carbon material options. During the reporting year, YIT also entered into design partnerships to create better conditions for reducing its carbon footprint. To reduce emissions in the coming years, YIT also made a decision to increase the share of biofuels in infrastructure construction projects and drew up *Biodiversity principles* and guidelines for its housing business.

To adapt to climate change, YIT carried out climate risk assessments for selected projects and decided to include climate risk assessments in all new residential projects going forward. In construction projects, climate change adaptation is taken into account in the design of stormwater systems and cooling, for example. Risks and opportunities related to climate change adaptation were also assessed in the climate risk and opportunity assessment carried out based on climate scenarios in the reporting year.

YIT's ability to implement measures that mitigate climate change and reduce energy consumption is not dependent on the availability and allocation of funding. Emission reduction measures do not involve significant investments in research and development in YIT's own operations. The implemented and planned operating costs necessary for climate change mitigation measures are an integral part of the financial planning and management of the projects and have not been separately recognized in the items of or notes to the financial statements. YIT has not incurred material capital expenses as a result of climate change mitigation measures. The key performance indicators required by Commission Delegated Regulation (EU) 2021/2178 are presented in this Sustainability statement in the **EU Taxonomy tables**. YIT does not have a CapEx plan in accordance with Commission Delegated Regulation (EU) 2021/2178, as the capital expenses are not material for YIT.

YIT'S CARBON FOOTPRINT IN 2024



YIT – ROADMAP TOWARDS CARBON NEUTRAL CONSTRUCTION 2022–2030

2022 | 2023 | 2024 | 2025 | 2026-2030

			Roadmap	Objective 2030
1	Sustainable living environments and products	The buildings we construct become more sustainable and increasingly energy efficient. We increase the EU taxonomy alignment in our project portfolio.	LEED Gold or equivalent in self-developed projects Design management tools Low-carbon energy solutions and Smart Building development Biodiversity guidance Sustainable business and product concepts	Product portfolio meeting customer expectations
2	Carbon neutrality in own operations	We purchase only certified green electricity, replace fossil fuels with renewable energy and transition gradually to fully electric equipment fleet. We improve on material and energy efficiency, and recycling in operations.	100% green electricity Replace fossil fuels with biofuels Zero emission fleet Carbon neutral heating and cooling of own buildings Material efficiency, construction waste recycling Circular solutions	Carbon neutral in own operations
3	Design management & supply chain engagement	We will gradually transition to low-carbon building materials, starting from concrete and steel categories. We collaborate with architects, designers and providers, and increase the weight of sustainability criteria in selecting partners.	Low-carbon concrete products New technologies Low-carbon steel New technologies Material use optimisation Supplier management and partnerships Other low-carbon materials Updated sustainability criteria	Value chain emissions -30% vs. 2019
4	Sustainable ways of working	We develop our personnel's environmental competences and increase the weight of sustainability criteria in remuneration and project selection. We improve the quality of environmental data, reporting and tools.	Environmental competence development of personnel Update remuneration criteria Sustainability criteria in project selection Emission data dev. Emission accounting and reporting development	Sustainability integrated into business processes

GHG EMISSIONS

	Retrospective				Milestones and target years			
	Base year 2019	**2023**	**2024**	**Change from 2023, %**	**2025**	**2030**	**(2050)**	**Annual % target / Base year**
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO2eq)	28,000	19,400	18,300	-6%		2,800		-8%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%					
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	27,800[1]	10,100	6,900	-32%				
Gross market-based Scope 2 GHG emissions (tCO_2eq)	37,400	7,800	5,800	-26%		3,700		-8%
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	1,310,100	779,200[2]	883,700	13%		916,000		-3%
1 Purchased goods and services	350,000	214,700	285,700	33%		245,000		-3%
[Optional sub-category: Cloud computing and data centre services								
2 Capital goods								
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)								
4 Upstream transportation and distribution	25,200	19,200	19,900	4%		17,700		-3%
5 Waste generated in operations	9,100	3,600	5,200	44%		6,400		-3%
6 Business travel	1,600	250	1,000	300%				
7 Employee commuting								
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products	924,100	541,500	571,900	6%		646,900		-3%
12 End-of-life treatment of sold products								
13 Downstream leased assets								
14 Franchises								
15 Investments								
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	1,366,000	808,700	908,900	12%				
Total GHG emissions (market-based) (tCO_2eq)	1,375,500	806,500	907,800	13%		922,500		-3%

[1] The location-based Scope 2 emissions figure for the year 2019 has been revised.

[2] Scope 3 emissions for the year 2023 have been recalculated due to improved data quality.

BIOGENIC EMISSIONS

tCO_2e	Base year 2019	2023	2024	Change from 2023, %
Biogenic emissions				
Scope 1	700	1,500	6,000	300 %
Scope 2		2,500	3,200	28%
Scope 3	27,800	16,300	14,300	-12 %
Total	**28,500**	**20,300**	**23,400**	**15%**

GHG INTENSITY

	2023	2024	Change from 2023, %
GHG intensity per revenue			
Total GHG emissions (location-based) per revenue (tCO_2eq/EUR Million)	373.90	499.40	34%
Total GHG emissions (market-based) per revenue (tCO_2eq/EUR Million)	372.85	498.78	34%

Total revenue of YIT group amounted to EUR 1,820 million in 2024 (2,163).

ENERGY INTENSITY

	2023	2024	Change from 2023, %
Energy intensity per revenue			
Total energy consumption from activities per revenue (MWh/EUR Million)	85	85	0%

Total revenue of YIT group amounted to EUR 1,820 million in 2024 (2,163).

ENERGY CONSUMPTION AND MIX

	2023	2024
Energy consumption and mix		
(1) Fuel consumption from coal and coal products (MWh)		
(2) Fuel consumption from crude oil and petroleum products (MWh)	62,400	54,500
(3) Fuel consumption from natural gas (MWh)	16,400	18,100
(4) Fuel consumption from other fossil sources (MWh)		
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	38,400	33,600
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**117,100**	**106,200**
Share of fossil sources in total energy consumption (%)	**63%**	**69%**
(7) Consumption from nuclear sources (MWh)		
Share of consumption from nuclear sources in total energy consumption (%)	**0%**	**0%**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	7,100	6,200
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	60,300	42,500
(10) The consumption of self-generated non-fuel renewable energy (MWh)		
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**67,400**	**48,700**
Share of renewable sources in total energy consumption (%)	**37%**	**31%**
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**184,500**	**154,800**

REPORTING PRINCIPLES FOR METRICS

In calculating greenhouse gas emissions, YIT complies with the Greenhouse Gas Protocol guidelines and its operational control approach. YIT has not carried out GHG removals and GHG mitigation projects financed through carbon credits, and does not apply internal carbon pricing systems. Both market-based and location-based Scope 2 emissions are reported. Biogenic emissions are reported separately. In terms of Scope 3, YIT has carried out a greenhouse gas inventory for all Scope 3 categories and reports the categories that are significant in YIT's operations. Scope 1 and Scope 2 calculation volume data are collected from suppliers and purchase invoices. For energy and emissions calculation, the missing as-built data is estimated after the end of the reporting period. Emission factors are based on publicly available sources such as the AIB residual mix emission factors 2023, IEA (2022), DEFRA (2023) and CO2data.fi. In its emissions calculation, YIT seeks to use the most up-to-date emission factors in accordance with the latest updates, as well as product-specific emission factors, if available from suppliers. Where possible, product-specific emission factors are used to calculate the life cycle emissions of buildings.

YIT's emissions calculation includes the Group's direct and indirect greenhouse gas emissions, including the parent company and its subsidiaries. Indirect Scope 3 greenhouse gas emissions from associated companies, joint ventures whose operational activities YIT is able to control have also been taken into account. Scope 1, Scope 2 and Scope 3 greenhouse gas emissions from associated companies, joint ventures and joint arrangements in which YIT has no operational control, are also taken into account in YIT's emission inventory and are substantially included in YIT's emissions calculation.

Of Scope 3 emissions 1% have been calculated using primary data directly from suppliers. The Scope 3 calculation mainly uses secondary industry average emission values, which are applied to YIT's building types and construction methods. In addition, YIT has used the results of life cycle assessments of construction projects in the calculation. Emissions are estimated for infrastructure projects for which no emission data is available. Activity data, such as the number of heated square meters in a building and the energy consumption data for each building, are collected from the energy certificates of the building in question.

YIT's annually reported emissions calculation includes Scope 3 categories 1. Purchased goods and services, 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travel and 11. Use of sold products. YIT's greenhouse gas reporting does not include the following Scope 3 categories: 2. Capital goods, 3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2 emissions), 7. Employee commuting, 8. Upstream leased assets, 9. Downstream transportation, 10. Processing of sold products, 12. End-of-life treatment of sold products, 13. Downstream leased assets, 14. Franchises, and 15. Investments. Scope 3 categories 2, 3, 7, 8, 9 and 12 have been excluded from the annual GHG emissions reporting because, according to the GHG inventory the share of these categories in the total Scope 3 emissions is very small. Scope 3 categories 10 and 14 were excluded because they do not occur in YIT's operations.

EU TAXONOMY

The EU has set a target of carbon neutrality by 2050. This goal is supported by the classification system for sustainable economic activities, known as the EU taxonomy. It turns the EU's climate and environmental objectives into criteria for determining the sustainability of business activities. The current classification system for sustainable economic activities covers the sectors that are significant with regard to climate change in terms of representing over 80% of Europe's CO2 emissions and having the greatest potential to enable the EU's green transition towards carbon neutrality. In 2024, 78% of YIT's business operations (revenue performance indicator table, A. taxonomy-eligible activities) were within the scope of the classification system of the EU taxonomy. In 2023, the corresponding share was 82%.

In 2023, the EU set technical criteria to assess sustainable business operations for four environmental objectives (Taxo4) in addition to the climate change objectives (mitigation of climate change and significant contribution to the adaptation to climate change). The environmental objectives concern the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems. In addition, Do No Significant Harm (DNSH) criteria have been published for each of the six environmental objectives.

In 2021, YIT reported its taxonomy-eligible revenue, operating expenditure and capital expenditure in accordance with the requirements stipulated by Commission Delegated Regulation (EU) 2021/2139 and the Taxonomy Regulation (EU) 2020/852. Starting from the financial year 2022, YIT's reporting was expanded to be activity-specific and to cover taxonomy alignment. In 2022, YIT conducted an analysis, focusing on its major business operations and the extent to which YIT's operations meet the technical screening criteria regarding substantial contribution to climate change mitigation and adaptation while causing no significant harm to any of the other environmental objectives. In addition, YIT confirmed that the minimum level of social safeguards described in the taxonomy was met in terms of human rights, corruption, taxation and fair competition. In the 2023 financial period, the reporting was extended to include the taxonomy eligibility of the four environmental criteria in line with the Environmental Delegated Act. Changes to the Delegated Regulation on climate have also been taken into account.

YIT began preparation for the EU taxonomy in 2021 by analyzing compliance with the technical screening criteria in pilot projects with the aim of determining the extent to which the criteria of the EU taxonomy criteria have been met in YIT's projects. In 2022, YIT developed a taxonomy analysis methodology, key interpretations, and a taxonomy analysis and reporting tool. This work was continued in 2023, taking the new environmental criteria into account. Reporting requirements related to the environmental criteria were added to the analysis process and the reporting tool. In addition, the technical criteria for the climate change objectives were integrated into the business segments' control system in late 2023. In 2024, YIT continued the analysis on the same principle as in 2023.

ASSESSMENT OF TAXONOMY ELIGIBILITY AND ALIGNMENT

YIT has assessed the technical requirements of the taxonomy on a project-specific basis to establish an accurate picture of the fulfilment of the technical screening criteria. YIT's economic activities were defined only for customer agreements that generate external revenue for the Group, i.e. projects, to avoid double counting. In terms of taxonomy eligibility, the approach to the analysis was the same as in the 2023 reporting, and focused on the largest business operations, including all operations in Finland and Sweden, as well as the Housing segment's business across the entire group.

In examining taxonomy-aligned (A.1) activities, the projects started in the 2024 financial year were selected based on the materiality of each individual project's revenue in terms of the Group's business operations in Finland and Sweden. The projects were analyzed, and the technical information was compared to the criteria for making a substantial contribution. Following the analysis, it was ensured that a project that meets the criteria for making a substantial contribution does no significant harm to the five other environmental objectives, and that the minimum social safeguards are met at the company level. In 2023, the status of projects reported as taxonomy-aligned was also updated.

Based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, YIT has reviewed the guidelines and procedures related to various stages of the human rights due diligence process and interpreted that the minimum safeguards are met. However, in YIT's view, the Final Report on Minimum Safeguards published by the EU Platform on Sustainable Finance in October 2022 is open to interpretation concerning the basis on which the human rights due diligence process can be considered sufficient.

YIT continues to seek to enhance its human rights work to reduce potential negative impacts. In 2024, YIT's Management Team approved the human rights due diligence process, which partly systematizes YIT's human rights work both on construction sites and in the material supply chain.

YIT is committed to respecting the ILO's principles and the UN Universal Declaration of Human Rights, and expects the same from its partners in its Supplier Code of Conduct document, which is a standard appendix to all procurement contracts. In addition, YIT has a Group-wide Sustainability Policy and YIT Code of Conduct, which outline YIT's commitment to respecting human rights. In 2022, YIT carried out a human rights impact assessment to identify the most material risks. As part of sustainability management in the supply chain, procurement personnel conduct audits of partners, which also cover the state of human rights work. Any identified grievances are addressed, and among other measures, YIT has decided to impose strict rules on construction sites to prevent work-related abuse, and has provided information about the identification of themes associated with work-related abuse. YIT has an Ethics Channel in place for all its own employees and its partners' employees. All reports received through the channel are investigated in accordance with YIT's process.

YIT reports on its human rights work as part of the Sustainability statement. The actions and principles included in the due diligence process are described in more detail in this statement in sections **S1**, **S2** and in the **appendix due diligence table**.

During the course of the taxonomy analysis, YIT made a few key interpretations with regard to the technical screening criteria. In instances involving uncertainty regarding the interpretation of the technical screening criteria where compliance with the criteria could not be confirmed, YIT has reported the project in question in category A.2 as taxonomy eligible. With regard to climate change adaptation (DNSH 2 criterion), YIT has identified the material risks associated with its business operations in Finland, which may be significant at the individual project level. Risks were then assessed on a project-specific basis. The analysis was also utilized in project-specific climate risk assessments for operations in Sweden. With regard to the transition to a circular economy (DNSH 4 criterion), YIT's interpretation concerning the fulfillment of the "prepared for reuse, recycling and other material recovery" requirement is based on the proportion of YIT's waste that is sorted in YIT's operations and for which reuse, recycling and other material recovery can be ensured. In infrastructure construction projects where several different parties are responsible for different sections of the project, only the share for which YIT has business responsibility is reported for each project section for the criteria that are applicable on an operator-specific basis.

THE KEY PERFORMANCE INDICATORS AND THEIR CALCULATION PRINCIPLES

YIT's taxonomy-aligned (A.1 in the classification system) revenue for 2024 amounted to EUR 121 million (120), corresponding to 7% (6%) of the total revenue. No revenue, EUR 0 million (4) was derived from taxonomy category CCM 4.3. (Electricity generation from wind power) and EUR 90 million (114) was derived from taxonomy category CCM 6.14. (Infrastructure for rail transport), EUR 1 million (0) from taxonomy category CCM 7.1. (Construction of new buildings), EUR 30 million (0) from taxonomy category CCM 7.2. (Renovation of existing buildings), and EUR 0 million (1) from category CCM 6.16. (Infrastructure enabling low-carbon water transport). The taxonomy-aligned revenue is reported on a project-specific basis, meaning that all of the criteria for the taxonomy category in question are met for the project. YIT's infrastructure construction services cover, among others, the construction of railways and water supply infrastructure, as well as wind farm contracting. The revenue reported in taxonomy category CCM 4.3. is related to contracting for a wind farm developed and sold by YIT. Some of YIT's residential construction projects in taxonomy category CCM 7.1. (Construction of new buildings) meet the criteria for substantial contribution. However, certain technical DNSH criteria were not met for these projects, or the fulfillment of the criteria could not be confirmed due to ambiguities concerning interpretation, and they are consequently not reported in taxonomy-aligned revenue.

YIT's taxonomy-eligible (taxonomy-eligible activities A.2) revenue for 2024 amounted to EUR 1,306 million (1,653), corresponding to 72% of total revenue (76%). Most of this was derived from activities in category 7.1. (Construction of new buildings) and 7.2. (Renovation of existing buildings).

The impact of the environmental objectives on YIT's taxonomy-eligible revenue in 2024 was not significant. For the Infrastructure segment, a small amount of revenue was classified as taxonomy-eligible according to the environmental objectives. The most significant of these were category CE 3.5. (Use of concrete in civil engineering) and category CE 3.4. (Maintenance of roads and motorways) under the "transition to a circular economy" objective, and category WTR 2.2. (Urban waste water treatment) under the "sustainable use and protection of water and marine resources"

YIT's non-taxonomy-eligible share of revenue was EUR 393 million (390), corresponding to 22% (18%) of revenue. Non-taxonomy-eligible activities (B) include, for example, nearly all the Infrastructure segment's road-related activities, as taxonomy eligibility would require YIT to build road infrastructure where all the vehicles using it generated no carbon dioxide emissions. In road maintenance activities, taxonomy eligibility would require predefined and regular activity focused on pavement management. Most of the maintenance activity in the Infrastructure segment are weather-dependent and focus on road structures and environments other than pavements.

Maintenance activities concerning business premises implemented as life cycle projects are reported entirely as non-taxonomy-eligible activities. All business activities and projects excluded from the analysis of taxonomy eligibility are reported as non-eligible activities (B). Revenue is a central key performance indicator in assessing the sustainability of YIT's business operations from the perspective of the EU taxonomy. The definition of revenue in the EU taxonomy corresponds to the items presented under revenue in YIT's consolidated income statement, the accounting policies for which are described in more detail under "Customer contracts" in the notes to the consolidated financial statements. YIT has projects for which revenue is recognized over time, as well as projects for which revenue is recognized at a point in time. The projects for which revenue is recognized at a point in time are primarily self-developed projects in which construction has been completed at the time of revenue recognition, and the technical taxonomy analysis is therefore final. For projects for which revenue is recognized over time, the actual outcomes for all of the technical screening criteria are not yet final. Instead, they are based on the information available on the reporting date. Consequently, the estimates may change over the course of a given project. In the event of a change in an estimate, the taxonomy status of the project will be updated accordingly. No retrospective adjustments to previously reported figures are made in such cases.

In accordance with the EU taxonomy definition of capital expenditure, the items that YIT has included in total capital expenditure include additions in intangible and tangible assets, as well as additions in right-of-use assets, including potential additions to the items in question resulting from business combinations. YIT's total capital expenditure in accordance with the taxonomy definition of the capital expenditure indicator amounted to EUR 13 million in 2024 (24), of which more than 75% is attributable to leased and owned machinery and equipment. Of the total capital expenditure, EUR 3 million was directly related to taxonomy activity CCM 7.7. (Acquisition and ownership of buildings), which is reported only as taxonomy-eligible in category A.2. The remaining share of capital expenditure has been allocated to taxonomy-eligible and taxonomy-aligned proportions for different activities using a revenue-based method. The allocation has been made using the activity-specific proportions of the revenue indicator directly, as capital expenditure cannot be obtained on a project-specific basis. The capital expenditure according to the taxonomy definition is not material for YIT in terms of the euro amount and with regard to the nature of YIT's business. The reconciliation, with references to the notes to the consolidated financial statements, is presented below after the capital expenditure table.

In accordance with the EU taxonomy definition of operating expenditure, YIT's total operating expenditure consists of research and development expenditure recognized as expenses, direct expenses associated with building renovations and the day-to-day maintenance of tangible fixed assets, and expenses associated with short-term leases and leases for which the underlying asset is of low value. YIT's total operating expenditure in accordance with the taxonomy definition of the operating expenditure indicator amounted to EUR 56 million in 2024 (57). A significant proportion of the total operating expenditure is attributable to expenses associated with short-term leases and leases for which the underlying asset is of low value. The allocation into the taxonomy-eligible and taxonomy-aligned proportions has been made using the activity-specific shares of the revenue indicator directly, as operating expenditure on a project-specific basis cannot be derived. The operating expenditure according to the taxonomy definition are not material for YIT in terms of the euro amount and with regard to the nature of YIT's business. The item amounts cannot be directly derived from the notes to the consolidated financial statements because the taxonomy definition of operating expenditure does not fully correspond to specific items in the financial statements.

Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) revenue, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from wind power	CCM 4.3.	0	0%	Y							Y	Y		Y	Y	Y	0%		
Infrastructure for rail transport	CCM 6.14.	90	5%	Y							Y	Y	Y	Y	Y	Y	5%	E	
Infrastructure enabling low carbon water transport	CCM 6.16.	0	0%	Y							Y	Y	Y	Y	Y	Y	0%	E	
Construction of new buildings	CCM 7.1.	1	0%	Y							Y	Y	Y	Y	Y	Y			
Renovation of existing buildings	CCM 7.2.	30	2%	Y							Y	Y	Y	Y		Y			T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**121**	**7%**													**Y**	**6%**		
Of which enabling		**91**	**5%**														**5%**		
Of which transitional		**30**	**2%**																

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) revenue, 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		EUR million	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Urban waste water treatment	WTR 2.2.	7	0%			EL										Y	0%		
Construction of new buildings	CE 3.1 / CCM 7.1.	1,084	60%	EL				EL								Y	62%		
Renovation of existing buildings	CE 3.2 / CCM 7.2.	93	5%	EL				EL								Y	8%		
Maintenance of roads and motorways	CE 3.4.	14	1%					EL								Y	0%		
Use of concrete in civil engineering	CE 3.5.	8	0%					EL								Y	1%		
Manufacture of other low carbon technologies	CCM 3.6.	39	2%	EL												Y	1%		
Electricity generation from wind power	CCM 4.3.	0	0%	EL												Y	0%		
Transmission and distribution of electricity	CCM 4.9.	0	0%	EL												Y	0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	3	0%	EL												Y	0%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3.	34	2%	EL												Y	3%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	6	0%	EL												Y	0%		
Infrastructure for rail transport	CCM 6.14.	17	1%	EL												Y	0%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	2	0%	EL												Y	0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,306**	**72%**													**Y**	**76%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**1,427**	**78%**													**Y**	**82%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**393**	**22%**																
Total (A + B)		**1,820**	**100%**																

The total revenue reported in Total (A+B) row reconciles with the revenue line item in YIT's consolidated financial statements.

Proportion of turnover / Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	7%	77%
CCA	—%	—%
WTR	—%	0%
CE	—%	1%
PPC	—%	—%
BIO		

Capital Expenditure (CapEx)

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		EUR million	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from wind power	CCM 4.3.	0	0%	Y							Y	Y		Y	Y	Y	0%		
Infrastructure for rail transport	CCM 6.14.	0	4%	Y							Y	Y	Y	Y	Y	Y	3%	E	
Infrastructure enabling low carbon water transport	CCM 6.16.	0	0%	Y							Y	Y	Y	Y	Y	Y	0%	E	
Construction of new buildings	CCM 7.1.	0	0%	Y							Y	Y	Y	Y	Y	Y			
Renovation of existing buildings	CCM 7.2.	0	1%	Y							Y	Y	Y	Y		Y			T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1**	**5%**													**Y**	**3%**		
Of which enabling		**0**	**4%**														**3%**		
Of which transitional		**0**	**1%**																

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		EUR million	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	E	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Urban waste water treatment	WTR 2.2.	0	0%			EL										Y	0%		
Construction of new buildings	CE 3.1. / CCM 7.1.	6	44%	EL				EL								Y	37%		
Renovation of existing buildings	CE 3.2 / CCM 7.2.	0	4%	EL				EL								Y	5%		
Maintenance of roads and motorways	CE 3.4.	0	1%					EL								Y	0%		
Use of concrete in civil engineering	CE 3.5.	0	0%					EL								Y	0%		
Manufacture of other low carbon technologies	CCM 3.6.	0	2%	EL												Y	1%		
Electricity generation from wind power	CCM 4.3.	0	0%	EL												Y	0%		
Transmission and distribution of electricity	CCM 4.9.	0	0%	EL												Y	0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	0	0%	EL												Y	0%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3.	0	1%	EL												Y	2%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	0	0%	EL												Y	0%		
Infrastructure for rail transport	CCM 6.14.	0	1%	EL												Y	0%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	0	0%	EL												Y	0%		
Acquisition and ownership of buildings	CCM 7.7.	3	27%	EL												Y	41%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**10**	**79%**													**Y**	**87%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**11**	**84%**													**Y**	**90%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**2**	**16%**																
Total (A + B)		**13**	**100%**																

Proportion of CapEx / Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5 %	79 %
CCA	—%	—%
WTR	—%	0%
CE	—%	1%
PPC	—%	—%
BIO		

Reconciliation of total CapEx to consolidated financial statements

Item	EUR million	Reference
Additions to tangible assets	2	Note 14. Property, plant and equipment
Additions to intangible assets	—	Note 15. Other intangible assets and goodwill
Additions to right-of-use assets	11	Note 16. Leases
Total Capital Expenditure	**13**	

Operating Expenditure (OpEx)

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from wind power	CCM 4.3.	0	0%	Y							Y	Y		Y	Y	Y	0%		
Infrastructure for rail transport	CCM 6.14.	3	5%	Y							Y	Y	Y	Y	Y	Y	5%	E	
Infrastructure enabling low carbon water transport	CCM 6.16.	0	0%	Y							Y	Y	Y	Y	Y	Y	0%	E	
Construction of new buildings	CCM 7.1.	0	0%	Y							Y	Y	Y	Y	Y	Y			
Renovation of existing buildings	CCM 7.2.	1	2%	Y							Y	Y	Y	Y		Y			T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4**	**7%**													**Y**	**6%**		
Of which enabling		**3**	**5%**														**6%**		
Of which transitional		**1**	**2%**																

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Urban waste water treatment	WTR 2.2.	0	0%			EL										Y	0%		
Construction of new buildings	CE 3.1. / CCM 7.1.	33	60%	EL				EL								Y	62%		
Renovation of existing buildings	CE 3.2. / CCM 7.2.	3	5%	EL				EL								Y	8%		
Maintenance of roads and motorways	CE 3.4.	0	1%					EL								Y	0%		
Use of concrete in civil engineering	CE 3.5.	0	0%					EL								Y	1%		
Manufacture of other low carbon technologies	CCM 3.6.	1	2%	EL												Y	1%		
Electricity generation from wind power	CCM 4.3.	0	0%	EL												Y	0%		
Transmission and distribution of electricity	CCM 4.9.	0	0%	EL												Y	0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	0	0%	EL												Y	0%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3.	1	2%	EL												Y	3%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	0	0%	EL												Y	0%		
Infrastructure for rail transport	CCM 6.14.	1	1%	EL												Y	0%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	0	0%	EL												Y	0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**40**	**72%**													**Y**	**76%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**44**	**78%**													**Y**	**82%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**12**	**21%**																
Total (A + B)		**56**	**100%**																

Proportion of OpEx / Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	7 %	76 %
CCA	—%	—%
WTR	—%	0%
CE	—%	1%
PPC	—%	—%
BIO		

Nuclear and fossil gas related activities

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

E3 – WATER AND MARINE RESOURCES

Material impacts, risks and opportunities related to water and marine resources

own operations environment

Impact, risk or opportunity		Description	Management	Influence
Water				
Negative impact	Water withdrawal	Large water withdrawal burdens the environment, especially in water-stressed areas.	Use of water fixtures and working methods with low water consumption.	own operations, environment

In the construction sector, including YIT, water use in own operations is relatively low compared with other sectors. YIT has therefore not assessed its assets and operations to identify impacts, risks and opportunities related to water and marine resources. Furthermore, YIT has not conducted specific consultations with affected communities.

TARGETS

Water is not a capital good in YIT's own operations. In construction, water is mainly used for cleaning, post-installation work in concrete work and dust binding, and for rinsing boreholes in rock engineering, which is why YIT does not have targets for water consumption. In YIT's own operations, water is saved by using water fixtures and equipment with low water consumption and by avoiding unnecessary water use.

Only the total water withdrawal is calculated at YIT. YIT will calculate the total amount of water withdrawal for the first time in 2024. Therefore, the annual development of water withdrawal can only be evaluated in the coming years.

POLICIES

YIT's policy is that the water used in its own operations is taken from the municipal water supply network always when possible, and wastewater is discharged into the municipal sewer network. This means that there are practically no risks related to water withdrawal and wastewater treatment. Marine resources and water treatment are hardly used at all in own operations. On infrastructure construction sites, water may be used, for example, on road construction sites for dust binding. In this case the water is often taken from nearby water bodies (lake, sea, river). YIT does not store or reuse water. Water consumption during the operation of buildings can be reduced by good planning. Reducing water consumption during construction time is based on using water fixtures and equipment with low water consumption and avoiding unnecessary water use.

The operating methods are largely the same in water-risk areas, and are only applied in own operations throughout YIT and in all countries. Apart from the above, YIT has not adopted any specific policies or practices related to the sustainability of seas and oceans. YIT's Board of Directors, President and CEO and Group Management Team are the highest level responsible for the implementation of the policy.

In accordance with YIT's *Sustainability Policy*, YIT seeks to reduce water consumption in its own operations, especially in water-risk areas. The company also ensures that the wastewater it generates is treated appropriately. This voluntarily set principle is YIT's only water-related principle.

ACTIONS

As water is not a capital asset in YIT's own operations and water is mainly taken from the municipal water supply network, YIT has no separate actions related to water withdrawal in water-risk areas or elsewhere. Water use is reduced through economical water use and the use of end devices (such as taps, showers and toilet equipment) with low water consumption.

WATER CONSUMPTION

YIT calculates its water withdrawal. It is calculated for the first time for 2024. In its own operations, YIT does not consume water as referred to in the standard, as the water taken is returned to nature in the vicinity of the water withdrawal site. Furthermore, YIT does not discharge recycled water, nor does it reuse water. For this reason, YIT's water use (discharge) equals its water withdrawal, meaning that water consumption and water intensity are zero.

YIT Group, Water consumption in 2024

m^3	Water risk areas	Non water risk areas	Total
Water withdrawal	11,113	83,623	94,737
Reused water	0	0	0
Storaged water	0	0	0
Recycled water	0	0	0
Water discharges	11,113	83,623	94,737
Water consumption	0	0	0
Water intensity (m^3/milj. eur			0

	Measured	Estimated
Ratio (%)	63	37

REPORTING PRINCIPLES FOR METRICS

The water withdrawal quantities are based on the following:

- The amount of water taken from the water supply network at construction sites in Finland has been collected from water meter readings.
- The use of natural waters in Finland has been estimated. Only water that has clearly been brought to the construction site from outside the site or transported far from the site has been included. If the exact amount of water is not known, the estimate is based on an estimate of magnitude. For example, by calculating how many tanker trucks of water have been taken and then multiplying the amount taken by the volume of a single tanker truck.
- The data for the fixed offices in Finland has been collected primarily from water meter readings. If this is not possible, the data has been estimated by multiplying the average number of employees at the office by the average water intake per person at YIT's head office. It is assumed that the average water intake of an office in Finland is the same everywhere.
- The data for the element factory in Finland has been estimated. The annual estimate has been made by the Hämeen Seudun Vesi Oy water utility, which supplies water to the element factory. The estimate of water intake for the whole year is based partly on actual consumption measured by the water utility and partly on estimates by the water utility.
- YIT Talon Tekniikka Oy's data has been estimated. First, the total water intake of one conventional construction site has been calculated as accurately as possible, which has been divided by the construction time of the site. This has resulted in the average water intake per month of a conventional site (m3/month). Next, all YIT Talon Tekniikka's construction sites that were in progress during 2024 have been listed and the total number of months the construction sites have been in progress during 2024 has been calculated. Finally, the total time of the construction sites in months has been multiplied by the average water intake of the conventional site (m3/month) and this calculation has resulted in an estimate of the water intake of all construction sites. Since YIT Talon Tekniikka only carries out one type of construction, meaning line renovations, it is assumed that the average water intake is the same at all construction sites.
- Water intake in countries other than Finland has been estimated based on turnover. First, Finland's total water withdrawal has been calculated and the figure has been related to Finland's turnover, which gives Finland's water withdrawal per Finland's turnover (m3/EUR million). This ratio has been used to calculate foreign water withdrawal by multiplying the turnover of the country in question by Finland's ratio. It is assumed that construction is largely the same throughout Europe.
- The water-risk areas have been interpreted in accordance with the Aquadect Water Risk Atlas so that in the calculation, the water-risk areas refer to the areas marked High and Extremely High on the map. In YIT's operation countries, there are water-risk areas in Lithuania and Poland and to a small extent in Sweden.

All figures related to water are provided in cubic meters, and the quantities are shown in the table. The data has not been verified by an external party.

E4 – BIODIVERSITY AND ECOSYSTEMS

Material impacts, risks and opportunities related to biodiversity and ecosystems

own operations | value chain | environment

Impact, risk or opportunity		Description	Management	Influence
Direct impact drivers of biodiversity loss				
Negative impact	Land-use change	Land-use changes during construction cause harm to habitats. All YIT's business units cause land-use changes during construction. The most significant impacts come from the Infrastructure segment's operations, as Housing and Business Premises operate for the most part in an already built environment. The majority of land-use changes in YIT's own operations take place in Finland.	In accordance with YIT's *Sustainability Policy*, YIT avoids building in areas of high nature value. YIT seeks to preserve existing natural values and support local biodiversity. During the zoning phase, nature inventories are carried out and the built environment is restored on a project-by-project basis.	own operations, environment
Negative impact	Climate change	Construction has a large carbon footprint, and climate change is one of the direct impact drivers of biodiversity loss. Based on the nature footprint calculations, the most significant impact on biodiversity through YIT's operations comes from the carbon emissions caused by our value chain.	YIT has science-based emissions reduction targets and a carbon roadmap that includes measures to achieve these targets. By implementing these measures, YIT believes that it will achieve its emissions reductions targets.	own operations, value chain, environment
Impacts on the state of species				
Negative impact	Species population size, habitat fragmentation	Land-use changes and noise, dust and any emissions to soil or air can affect the sizes of populations. Construction projects can divide habitats into smaller, isolated sections. This fragmentation hampers the movement and reproduction of species, which can impair genetic diversity and the vitality of populations. The production of YIT's most significant materials, concrete and steel, requires extensive excavation and mining areas, which can cause habitats to become fragmented and weaken local populations.	Design and design control. For example, the biodiversity yard concept, nature inventories and the monitoring of biodiversity measures have been integrated into the project management system. Optimization of material quantities, use of recycled materials and ESG plans for procurement categories.	own operations, value chain, environment

The process by which YIT identifies its impacts on biodiversity relies on both official requirements and the company's own investigation processes. Through the company's own operations, the most visible impacts come from land-use changes when building in previously unbuilt areas. The actual construction is preceded by planning and permit processes. Impacts on natural values are assessed, for example, in connection with zoning and as part of the environmental impact assessment (EIA) procedure. The goal of a nature impact assessment based on a nature inventory is to find a design solution that completely avoids or minimizes adverse impacts on nature. In addition to the reports required by the authorities, in accordance with YIT's management system, each of the Housing segment's new construction projects in Finland must ensure that the project has a sufficiently detailed nature inventory available to confirm that the nature values of the project area have been studied. YIT has also determined, based on the location information of all its plots, whether the plot is located less than 500 meters from nature-sensitive areas or protected areas, so that it is possible to take this information into account at the earliest possible stage.

The study shows that YIT has sites located in or near biodiversity-sensitive areas. Activities at these sites lead to the degradation of habitats and ecosystems. Operations have a negative impact on these areas primarily by disrupting the connectivity and movement of species between sensitive and other regions. The impact of noise, light and reflective surfaces has also increased in these areas. Only construction on very few plots has a direct negative impact on organisms and ecosystems, as very few plots are located in an unbuilt area. Operations in these plots may disturb species for which a protected area has been designated. Mitigation measures are carried out in connection with the planning and permit process prior to the actual construction on a case-by-case basis.

YIT has assessed dependencies and impacts on biodiversity in phases. In 2023, YIT examined its own dependencies and impacts on biodiversity using the ENCORE tool, to which the Biodiversity Risk Filter and SBTN Sectoral Materiality Tool were added. The report showed that YIT has dependencies on 12 ecosystem services, two of which reached a significant level: climate regulation and protection from floods and storms. The report also showed that YIT's impacts are greatest on terrestrial and aquatic ecosystems.

In the autumn of 2024, YIT determined and calculated its nature footprint using the LC impact methodology based on its own direct impacts and the environmental impacts caused through procurement in Finland. The aim of the nature footprint calculation was to obtain measurable and comparable information about which parts of the company's own operations and procurement cause the greatest environmental impacts. The results of the dependency and impact study and the nature footprint calculation have been taken into account in the biodiversity resilience analysis. Based on these, the resilience analysis has assessed the most significant physical risks, transition risks and systemic risks. YIT's direct impacts on biodiversity, which may have negative impacts on local communities, are based on the impacts on nature on the construction site during construction.

In connection with individual construction projects, YIT consults local communities as part of the EIA and zoning process and, if necessary, at informal events. In the Group-wide materiality assessment process, YIT has not separately consulted these communities.

CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

YIT's strategy emphasizes the importance of sustainable development as part of the company's operations and long-term vision. The company's vision is to be the most competent partner in the development of sustainable homes, facilities and cities for a good life. This vision also supports the consideration of biodiversity in business operations. In late 2024, YIT carried out a resilience analysis, which assessed the resilience of the company's strategy and business model in relation to the risks related to biodiversity. The resilience analysis was carried out in the form of internal cooperation by the Group's functions and business segments, without the involvement of external stakeholders. From YIT's perspective, the physical risks related to biodiversity are consistent with the physical risks of climate change, of which floods, heat waves and heat stress in urban areas have been identified as being the most significant. YIT's strategic commitment to the Science Based Targets initiative guides its business operations to take these risks into account.

The transition risks identified by YIT include nature-based solutions becoming mandatory, stricter nature-related requirements in planning, mandatory biological compensation, and permit processes slowing down as a result of local communities' requirements. YIT does not foresee these challenges necessitating significant changes to its business model, and sees that its strategy already supports preparing for these risks. However, YIT recognizes that the rapid materialization of these risks can cause challenges.

In terms of systemic risks related to biodiversity, YIT sees disruptions in the supply chain (e.g. sand, gravel, limestone and wood) as the most material risks. The likelihood of these risks has been found to be low in the short and medium terms. More information about the resilience analysis can be found in the part **Material impacts, risks and opportunities and their interaction with strategy and business model**.

TARGETS

YIT adopted its *Biodiversity principles* at the end of 2023 and included biodiversity issues in its *Sustainability Policy* at the beginning of 2024. For this reason, YIT has not yet set measurable time-bound and outcome-oriented targets related to biodiversity. The company focuses on incorporating the practices mentioned in the policy into its operations and will set biodiversity targets once the policies have been implemented across the Group.

YIT monitors the achievement of the objectives of its *Biodiversity principles* through its management system's mandatory project-specific sustainability data collection form (ESG card), among other means. Each Housing and Business Premises project must complete this form before construction begins. The form is used to find out what measures are being planned and implemented to support biodiversity. In the Housing segment, the form also ensures that a biodiversity assessment of the area has been or will be conducted in connection with the zoning process for new construction. In the Business Premises segment, the ESG card guides to assess whether a biodiversity assessment has been completed, and guides projects aiming at taxonomy alignment to conduct a biodiversity assessment of the area. On this basis, the segments' sustainability experts monitor the planning and implementation of measures to support biodiversity.

POLICIES

YIT's operations related to biodiversity and ecosystems are guided by the *YIT Code of Conduct* and the *Sustainability Policy* approved by the Group's Board of Directors. The application of the *Sustainability Policy* and its general principles are described in more detail in the part **Sustainability Policy**.

In accordance with the *YIT Code of Conduct*, YIT strives to reduce the environmental impacts of its own and its subcontractors' activities. In line with the *Sustainability Policy*, YIT aims to minimize harmful impacts by following the mitigation hierarchy, avoiding harmful effects, and promoting restorative actions. This policy applies to all sites, regardless of their geographical location. The *Sustainability Policy* takes into account the biodiversity impacts of the value chain and promotes biodiversity within the production chain. Additionally, the *Sustainability Policy* avoids construction in areas of high natural value and preserves local biodiversity. In accordance with the *Sustainability Policy*, YIT focuses on material efficiency and circular economy, reducing waste and harmful compounds, and preventing the spread of invasive species.In addition, YIT operates in accordance with its carbon roadmap and climate targets to mitigate the impacts of climate change. Although the *Sustainability Policy* guides the company to take biodiversity into account and reduce negative impacts, it does not specifically guide addressing deforestation or product traceability, nor taking the social consequences of biodiversity impacts into account.

ACTIONS

During the reporting year, YIT has implemented guiding and information-increasing measures to promote biodiversity, as well as concrete measures on various construction sites.

Guiding and information-increasing measures included the inclusion of B*iodiversity principles* in the *Sustainability Policy*, the calculation of the nature footprint, and the renewal of the yard concept of the Housing segment to better take biodiversity into account. By adding *Biodiversity principles* to its *Sustainability Policy*, YIT aims to harmonize operating practices related to these issues on all construction sites, and to provide more detailed instructions for construction sites and all YIT employees to take biodiversity into account in their work. The measures presented in the *Sustainability Policy* concern both YIT's own operations and its operations in the value chain.

The nature footprint calculation describes the impacts of human activities on biodiversity. In YIT's case, the measured nature footprint covered the company's own operations in Finland, as well as the biodiversity impact of purchases. The calculation of the biodiversity impact included the use of the EXIOBASE database and the LC impact method. The nature footprint is presented in the unit PDF, which means the proportion of potentially extinct species. Based on the results of the calculation, YIT can compare the environmental impacts of different parts of its operations and identify the procurement categories that have the greatest impact on biodiversity, and thus focus its actions on areas that have the greatest impact. The results of the calculation will be used in procurement ESG strategies, for example.

The revamped yard concept provides more detailed instructions, which emphasize support for biodiversity, among other aspects. In addition, a vegetation catalog and a yard catalog have been created, containing recommendations for domestic, non-toxic and pollinator-friendly plants, as well as various yard solutions and sample yards. The aim of the concept is to support biodiversity in the yards of YIT's residential buildings. The concept has been piloted in Finland regarding RS projects. During 2024, more specific targets were also drawn up for the wider adoption of the concept in 2025.

Measures taken on construction sites to support biodiversity cover a wide range of measures that have reduced the negative impacts of land-use changes and increased biodiversity in project areas in 2024. These measures have included protecting or saving areas of significant natural values, avoiding the use of harmful substances, increasing biodiversity by building green roofs, meadows, insect hotels, birdhouses and similar, reusing building materials, removing invasive species, and other measures. Measures to support biodiversity have been implemented in all of YIT's countries of operation.

YIT has not used biodiversity credits.

IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

As indicators of changes in biodiversity and ecosystems, YIT uses the location and area data of the plots under its operational control and the projects taking place in connection with them. By combining this data with geographic data on protected areas and high nature value areas located in or near the area, YIT calculates the number and total area of plots located in or near biodiversity-sensitive areas. New construction in a previously unbuilt area cannot be carried out without causing substantial land-use change. For this reason, YIT calculates the total area of all projects started in 2024, located in greenfield areas and under its operational control in order to measure its land-use change.

Plots located less than 500 meters from nature-sensitive areas or protected areas

Activity	Impact	Biodiversity sensitive area	Region
Construction	Land use change	Protected area	Espoo, Finland
Construction	Land use change	Protected area	Helsinki, Finland
Construction	Species or ecosystem disturbance	Natura 2000 site	Hämeenlinna, Finland
Construction	Species or ecosystem disturbance	Protected area	Jyväskylä, Finland
Construction	Land use change	Key Biodiversity area	Kempele, Finland
Construction	Species or ecosystem disturbance	Natura 2000 site	Lohja, Finland
Construction	Land use change	Natura 200 site, protected area	Nurmijärvi, Finland
Construction	Land use change	Key Biodiversity area	Oulu, Finland
Construction	Species or ecosystem disturbance	Natura 2000 site	Oulu, Finland
Construction	Land use change	Key Biodiversity area	Oulunsalo, Finland
Construction	Species or ecosystem disturbance	Natura 2000 site	Raasepori, Finland
Construction	Land use change	Protected area	Raisio, Finland
Construction	Species or ecosystem disturbance	Natura 2000 site	Siuntio, Finland
Construction	Species or ecosystem disturbance	Protected area	Tampere, Finland
Construction	Land use change	Protected area	Turku, Finland
Construction	Species or ecosystem disturbance	Protected area	Tuusula, Finland
Construction	Land use change	Protected area	Vantaa, Finland
Construction	Land use change	Natura 2000 site	Bratislava, Slovakia
Construction	Land use change	UNESCO world heritage site buffer zone, species conservation area	Kaunas, Lithuania
Construction	Land use change	UNESCO world heritage site buffer zone, species conservation area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Riga, Latvia
Construction	Land use change	Other biodiversity sensitive area	Kracow, Poland
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Gdansk, Poland
Construction	Species or ecosystem disturbance	Other biodiversity sensitive area	Gdansk, Poland

The total area of plots located less than 500 meters from nature-sensitive areas or protected areas is 55 Ha.

Land use and land cover change: Greenfield plots under construction in 2024 is 8 Ha.

REPORTING PRINCIPLES FOR METRICS

Impact metrics are based on geographic data and information in YIT's master data system about the plots under its operational control. The address and plot identification data in the system, as well as plot area data, serve as input data. This information is linked to geographic data.

In the case of plots in Finland, the geographic data analysis has been carried out using open-source GIS software based on the location data of YIT's plots, as well as openly available information about nature value sites. Natura 2000 sites, protected areas and UNESCO World Heritage Sites have been retrieved through the open interface of the Finnish Environment Institute (SYKE). Key Biodiversity Areas (KBA) have been identified based on open data from the UN Biodiversity Lab. Based on this, all plots that are located less than 500 meters from one of the above-mentioned biodiversity sensitive areas have been listed. The biodiversity impacts have been assessed based on whether the area has previously been built or not, and whether there is built areas between the plot and the biodiversity sensitive area.

For other operating countries, the analysis was conducted on the same basis by reviewing all plots, but without the preliminary screening of distances using a geographic information system, utilizing country- and region-specific map data services for protected areas and other natural values, as well as project permit documents

When measuring land-use change, the OSM Landuse Landcover map information service has been used in Finland, where items other than "urban fabric", "industrial, commercial and transport units", and "mine, dump and construction sites" were extracted from the Landcover material. The analysis produced a hit if the category of pixel in the area was one of the following: arable land; forests; artificial, non-agricultural vegetated areas; pastures; permanent crops; water bodies; open spaces with little or no vegetation; shrubs and/or herbaceous vegetation associations; wetlands; or coastal wetlands. The land-use change is represented by the total area of the plots that produced a hit in the analysis. This approach overestimates the amount of land-use change, because when only part of the area of the plot falls on an area classified as non-built, the method includes the entire area of the plot. However, this approach has been found to be in line with the precautionary principle, and a more detailed analysis would be considerably arduous.

For other operating countries, the analysis of land-use change is based on the information from the above-mentioned map information services and a plot-specific analysis of weather the plot has undergone land-use change during the year.

Entity Specific information

ENVIRONMENTAL ACCIDENTS

Material impacts, risks and opportunities related to environmental accidents

own operations environmental

Impact, risk or opportunity		Description	Management	Influence
Environmental accidents				
Negative impact	Pollution of air, water and soil	Reputational impact. Emissions to air can cause health damage to nature, employees and external parties. Emissions to water can cause serious damage to the water system or even destroy it. Emissions to soil can cause contamination of organisms, soil and even groundwater. As a result of the above, damage is caused to nature and people. The incident and its consequences are reported in the media, which subjects YIT to negative publicity. Cost impact. Emissions cause cleaning costs and/or health hazards to people, for which YIT will be liable. In addition, the incident may be an environmental offense, which will lead to fines.	Reputation management: YIT's management system contains instructions for the use and storage of hazardous substances, which must be followed. Possible accidents and incidents are investigated and communicated, and preventive measures are considered. The use of hazardous substances is reduced. On construction sites, an environmental and dust management plan is often drawn up, which takes these issues into account. Cost management: YIT's management system contains instructions for the use and storage of hazardous substances, which must be followed. Possible accidents and incidents are investigated and communicated, and preventive measures are considered. The use of hazardous substances is reduced. On construction sites, an environmental and dust management plan is often drawn up, which takes these issues into account. The work machines are kept in good condition and inspected sufficiently regularly.	

POLICIES AND TARGET

In accordance with its *Sustainability Policy*, YIT's goal, with the exception of CO_2 emissions, is to achieve zero emissions in terms of water, soil and air. In other words, the goal is that no emissions to water, soil or the atmosphere are generated as a result of construction operations. This is an absolute goal, and it is measured in pieces.

Based on experience, it has been found that occasional oil and fuel emissions are common on construction sites, mainly caused by the breakdown of construction machinery. These are usually small local emissions that are easily cleaned and rarely have a wider environmental impact. Based on this experience, it has been decided that monitoring and measuring environmental accidents at YIT is the best way to monitor emissions. In addition, the ELY Centers (Centers for Economic Development, Transport and the Environment) in Finland require the reporting of all environmental damage. The target is not based on scientific evidence.

YIT's policy is to use environmental observations and damage related to water, soil and air to identify the risks related to pollution caused by its own operations, and to manage protection and preventive measures as well as possible. In addition, almost all construction sites carry out a site-specific risk assessment, based on which the necessary site-specific protection measures are implemented. Through these measures, YIT mitigates, prevents and limits the negative impacts related to pollution caused by its own operations. The policy and the target are applied in all YIT's own operations and in all countries. YIT's target and metric serve the goals of the policies well. YIT's Board of Directors, President and CEO and Group Management Team are responsible for the implementation of the policy and operating principles. More information is provided in the part **Sustainability Policy.**

Because of the above, YIT monitors the number of environmental incidents caused by its own operations and thereby also emissions to the atmosphere, water bodies or soil. The measurable target is not outcome-oriented or time-bound. This metric and target have been in use at YIT for almost ten years and will continue to be in use.

ACTIONS

Before the start of a construction site, a risk assessment is carried out on almost all construction sites, based on which the necessary site-specific protection measures are determined. In addition, YIT follows guidelines and models prepared by the authorities, industry associations and suppliers, for example. If environmental accident occurs, the damage caused is remediated. The above measures are in force at all times and apply to all YIT operations and in all countries.

YIT has Group-wide instructions on the measures to be taken on construction sites in the event of environmental accident. In addition, there are site-specific protection measures determined on the construction sites. In the event of environmental accident, YIT complies with the general operating instructions issued by the authorities. As a precaution, on construction sites, sufficient absorbent material (absorption peat, absorption mat) is usually reserved for liquid leaks, and machine acceptance and commissioning inspections are carried out to prevent damage and reduce the consequences. The costs of protection and cleaning operations are included in the normal project costs, and no separate financial resources are allocated.

YIT Group, environmental accidents in 2024

Pieces	Soil	Water	Air	Total
Environmental accidents	44	15	2	61

REPORTING PRINCIPLES FOR METRICS

The number of incidents and the related data have been obtained by asking different parties at YIT about environmental accident that has occurred. In addition to the time and place of the incident, information about the incident itself, the emissions generated and their impact (the atmosphere, water or soil) has been collected concerning the environmental accidents that occurred during 2024. The amount of emissions in kilograms or tonnes has not been calculated so far, because based on experience, the amounts are known to be small. However, starting in 2025, we will also monitor the amounts of emissions.

The total number of environmental accidents has been obtained by adding up the cases, and estimates have not been used. The figures have not been verified by an external party.

We have not deemed it necessary to set intermediate targets, a baseline value or a base year for the metric. As YIT has previously monitored environmental accident only at the unit level, there is currently no reliable annual time series covering the entire Group. Therefore, Group-level progress cannot be reliably assessed. The metric has remained unchanged for several years, but the zero target at the group level is being used for the first time in 2024. The metric and target are valid for the time being and have been set through YIT's own action without stakeholder involvement . In the future, the results will be reviewed with the management of the division or unit, after which management will decide on possible actions.

E5 – RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities related to resource use and circular economy

own operations | value chain | environmental

Impact, risk or opportunity		Description	Management	Influence
Resource inflows				
Risk	Resource inflows (material waste)	Some of the procured material forms unused surplus material that does not end up in the final product and, in the worst case, must be transported away from the construction site as waste. Material waste increases the costs of construction and weakens the sufficiency of natural resources and environmental sustainability overall.	Continuous investment in integrating the design phase building information models to material procurement plans and material orders and deliveries to manage appropriate amounts of material.	own operations, environmental
Risk	Resource inflows (materials based on primary raw materials)	Continued use of materials based on primary raw materials because of the lack of availability of secondary raw materials or the lack of expertise of secondary raw materials. Increase in material costs when procurement is targeted at materials containing more expensive secondary raw materials. The availability of materials containing secondary raw materials may decrease as the demand for these materials increases.	Developing supplier cooperation, highlighting sustainability criteria in supplier selections, and supplier evaluations. Emphasis on environmental and sustainability criteria in communication and marketing, and creating demand for circular economy solutions. Developing longer-term framework agreements for materials containing secondary raw materials.	own operations, value chain, environmental
Resource outflows				
Risk	Outflows of resources (cost increase)	The increase in design costs of buildings and infrastructures, as well as their components, when adaptability, flexibility, and dismantlability requirements are included in the design process. Waste sorting process does not work in the best possible way because of incomplete instructions, inadequate collection equipment or other shortcomings. Incorrectly sorted waste ends up as mixed waste at the lowest levels of the waste hierarchy instead of being recycled, thereby increasing the waste management costs of the construction site.	Definition, implementation, and continuous improvement of ready-made design and material libraries. The construction site's waste management plan takes into account the set targets and the entire life cycle of the construction site, and the waste management plan is implemented in cooperation with the supplier of waste management services for the construction site. Continuous monitoring of the sorting rate and the amount of mixed waste at the construction site.	own operations, value chain, environmental
Negative Impact	Resource outflows (inefficient recycling)	Waste sorted on a construction site does not end up being recycled in the best possible way in waste treatment centers. Sorted waste is not processed in the best possible way in terms of the sufficiency of natural resources and environmental sustainability overall. There is no cost-effective recycling option for an individual waste fraction, in which case the waste ends up in energy use instead of recycling.	Selection of waste management services supplier. Monitoring the sorting and recycling rate of the construction site.	value chain, environmental

Materials are a critical factor in YIT's operations. The management of materials has direct impacts on the cost-efficiency, schedules, and quality of construction projects, as well as the amounts of material waste and waste. The price level and availability of recycled materials supporting the circular economy and more climate-friendly low-carbon materials may differ significantly from more traditional materials.

The principles of the circular economy have been increasingly emphasized alongside waste management, which has been a core activity for years. According to the principles of the circular economy, during the design phase of construction, the contents of structural designs are enriched with features that improve the adaptability and expandability of the constructed site and enable the repair or dismantling of smaller sub-units. Waste management is guided by the aim to operate at the highest levels of the waste hierarchy as an active part of the entire waste management value chain.

In YIT's construction projects, the circular economy has also been a guiding theme in the design meetings and preparations held between the project's stakeholders. The parties have wanted to include construction projects as part of larger circular economy development programs or pilots. Examples of these are the Jätkäsaari Circular Economy Block and Aleksanterinkatu 13, where the principles of the circular economy have served as key drivers already in the design phase of the projects.

TARGETS

YIT's *Sustainability Policy* is committed to the principles of the circular economy, and the corresponding measures and targets have been defined in YIT's business segments. In addition, during 2024 YIT has continued to develop a Group-level procurement category model, through which targets for material procurement will be defined by procurement category in the future.

In terms of resource use and the circular economy, YIT has set targets for waste management through its business segments.

YIT targets for circular economy

Business segment	Targets			
	Source separation in unit of mass	**Construction waste recycling in unit of mass**	**Mixed construction waste amount in unit of mass**	**Plan for waste minimization or surplus material utilization or carbon emission reduction**
YIT Housing - Finland			< 15 %	
YIT Housing - CEE	> 70 %			
YIT Business Premises			< 15 %	
YIT Infra	> 90 %	> 70 %		Target setting based on project type

In addition to waste sorting and recycling targets, construction projects in the YIT Infrastructure business segment must determine alternative targets related to waste or carbon dioxide emissions. To prevent waste generation, construction projects must draw up plans and measures for the timely procurement and use of materials, as well as minimizing material waste. Regarding surplus materials, the plans should define measures for the reuse of usable materials to prevent them from becoming waste.

Waste generated in construction projects is sorted at the source by waste fractions for further processing. The further processing of sorted waste is monitored together with waste management partners. Mixed waste that falls outside of source separation is monitored as an individual waste fraction. By paying special attention to the amount of mixed waste, the efficiency of source separation and, consequently, recycling can be further improved.

Targets have been set for 2024. The source separation and recycling targets are based on the 70% sorting rate achieved in 2020, with targets refined annually. The targets set to minimize the amount of mixed waste are based on the 2023 outcome (24%) and lessons learned from sites with zero mixed waste. The achievement of the targets is regularly monitored at different levels of the organization, from individual construction projects to the level of the Group and its business segments.

YIT has developed a Group-level procurement category model over the past few years. In the future, the procurement category model will define targets on material category level for the environmental friendliness of materials and for increasing the amount of recycled materials in the short and long term.

The targets set in YIT's business segments address all levels of the waste hierarchy. Efforts are made to reduce waste through the pre-planning of material procurement and use. In the planning of surplus material utilization, the primary goal is the reuse of usable materials. The primary objective of source separation at construction sites is recycling. The secondary objective of sorting is other forms of waste utilization. The targets set for the amount of mixed waste aim to reduce the amount of waste ending up in final disposal.

The set waste sorting and recycling targets, as well as the maximum mixed waste targets, are based on the EU Waste Directive, which obliges member states and their operators to promote the circular economy and reduce the amount of waste ending up in final disposal. According to the Waste Directive, at least 70% (in unit of mass) of construction and demolition waste must be recycled.

POLICIES

YIT's *Sustainability Policy* covers key sustainability themes. In its *Sustainability Policy*, YIT undertakes to optimize the use of resources by means of the circular economy, so that natural resources and biodiversity are taken into account. In addition, YIT undertakes to reduce the amount of waste. Read more in the part **Sustainability Policy**.

YIT's common values and rules determine and guide the consideration and reduction of the environmental impacts of operations. In accordance with the values and rules, in construction work, special attention is paid to material efficiency and the selection of materials. Read more in the part **YIT Code of Conduct**.

The operating principles set by YIT for its partners define requirements for the efficient use of materials, energy, and natural resources for partners operating in the value chain.

Regarding waste, partners are required to take measures to minimize the amount of waste generated. More information is provided in **Supplier Code of Conduct.**

Efficient use of resources and materials reduces material waste and the amount of waste generated. This, in turn, lowers construction costs and improves the sufficiency of natural resources and environmental sustainability overall. The broader inclusion of circular economy principles in the design process and potential deficiencies in waste management on-site increase construction costs. The costs of construction and the intensity of waste generation are monitored as part of management processes. The transition to lower-carbon building materials is expected to reduce the use of primary raw materials in the future as expertise and the availability of recycled raw materials improve. The transition to lower-carbon building materials is monitored through the measures included in YIT's carbon roadmap.

In both its *Sustainability Policy* and its shared values and rules, YIT undertakes to optimize the use of resources, take natural resources and biodiversity into account, and continuously develop more environmentally friendly solutions. In practice, the use of resources, considering natural resources and biodiversity, requires a shift from materials containing primary raw materials to materials containing recycled raw materials. For example, the ESG targets in the procurement category for steel structures have set timelines for the transition towards a higher proportion of recycled material. For renewable natural resources, practically sawn timber, procurement is concentrated among a few main suppliers. The certified material procured through the main suppliers meets the requirements for preserving biodiversity, the renewability of natural resources, and social responsibility.

ACTIONS

Measures concerning the circular economy in construction are mainly determined in YIT's business segments, close to the core construction processes. At the Group level, definitions are made for all business segments, as well as the implementation of obligations arising from legislation. Examples of Group-level measures include the definition of the circular economy concept, the definition of the category procurement model, and the implementation of the the Waste Directive and Waste Act.

Key decisions regarding circular economy measures in construction are made during the design phase of the construction project. For example, in the YIT Housing business segment, a requirement for preparing a circular economy plan for projects built in Finland was introduced in 2024. Through circular economy plans, features that support the circular economy of buildings are considered already in the design phase. The circular economy plan addresses design solutions that reduce the amount and waste of materials, the adaptability and flexibility of the building during its lifecycle, and its dismantlability at the end of its lifecycle.

Waste management during construction has been a key part of YIT's site operations for years. The efficiency of waste handling is monitored monthly at various organizational levels, from individual construction sites to YIT business segment and Group levels. The efficiency of source separation is tracked by the amount of non-recyclable construction waste and the sorting rates of recyclable waste types. The efficiency of further processing of sorted waste by the waste management partner is measured by the recycling rate. The total amounts of waste generated are monitored with an indicator that relates the amounts of waste generated in the construction project to the volume of the building.

Waste management requires active action in cooperation with YIT's waste management partners. YIT has established steering group practices with key waste management partners to manage and continuously develop waste management.

YIT has developed a category procurement model during the past year. The procurement model includes practices related to the environment, social responsibility and good governance.

RESOURCE INFLOWS

YIT offers products for the needs of individuals and businesses, as well as solutions for the development of cities and society. The materials and quantities of materials used in construction projects vary depending on the construction site. The most common materials used in the construction industry are concrete, steel, wood, glass and window materials, various insulations, plastics, as well as stone and ceramic materials. Notoriously critical raw materials, such as copper, tungsten, and molybdenum, are found in steel and materials related to components used in heating, ventilation and air conditioning.

During recent years, YIT has developed a category procurement model. The total weight of materials used by YIT has been estimated through the three most significant procurement categories by tonnage. These procurement categories, precast concrete elements, cast-in-place structures, and steel structures, represent approximately 80% of the tonnage of materials used by YIT. The 80% share of these procurement categories in the total tonnage in 2024 is 309,109 tons, from which the total tonnage of all materials used by YIT is calculated to be 386,387 tons.

The biological materials used by YIT consist mainly of sawn timber. Sawn timber accounts for 1% of the total tonnage of materials. Sawn timber is produced in an ecologically, socially, and economically sustainable manner and is PEFC-certified.

In the three most significant procurement categories by weight, recycled steel raw materials are found in the procurement categories of cast-in-place structures and steel structures. The weight of recycled steel is 6,741 tons, accounting for 2% of the total tonnage of materials.

The total weight of materials used by YIT has been estimated through the three procurement categories with the highest tonnage. These procurement categories also include the most significant materials containing recycled raw materials when viewed in terms of weight. The total tonnage and the proportions of recycled materials have been determined using the tonnages of the three procurement categories. The quantities and proportions of biological materials have been calculated based on sawn timber procurement. There is uncertainty in the assessment of material weights due to the diversity of construction projects. The weights of two of the three most significant procurement categories by tonnage are accurate. The procurement category for concrete elements includes estimates for smaller suppliers outside the key suppliers.

RESOURCE OUTFLOWS

The principles, actions, and goals related to the circular economy are realized in individual construction projects. An example of this is Jätkäsaari Circular Economy Block, where the principles of the circular economy have been considered throughout the entire lifecycle of the building, from design to construction and usage. The building is designed for a long lifecycle. Adaptability ensures that the building can meet the needs of users in the future as well. The facade material of the building uses circular economy bricks containing recycled glass and sanitary porcelain.

The longevity, durability, and reparability of materials used in product manufacturing are essential characteristics for achieving long lifecycles of products and solutions. The Land Use and Building Act guides the sustainable use of natural resources, long-term durability and maintainability of buildings, and recyclability of materials according to building types. Alongside the Land Use and Building Act, the construction industry follows good building practices, which integrate construction principles with methods, materials, laws, environmental friendliness, sustainability, and safety. Various information services, such as the RT Card File, support good building practices.

The most significant waste streams in construction, demolition and renovation projects include brick and concrete materials, soil and rock aggregates, wood, metal and mixed construction waste. The total amount of hazardous waste is 320 tons. Construction, demolition and renovation projects do not generate radioactive waste.

The waste management of YIT's construction sites and fixed locations is based on waste management agreements made with waste management partners. At the corporate level, YIT has framework agreements for waste management with three main suppliers. With these partners, the construction sites agree on the planning and implementation of waste management. In addition to the three main suppliers, a construction site can enter into a waste management agreement with another waste management partner if a specific work phase, type of waste to be handled, logistics optimization, or other reason requires it. Construction sites and fixed locations operating outside Finland use local waste management partners.

YIT waste and waste further treatment in 2024

Total amount of waste	Amount (tons)
Total amount of waste	316,825

Waste diverted from disposal	Amount (tons)
Hazardous waste	
Preparation for reuse	0
Recycling	59
Other recovery options	193
Total	**251**
Non-Hazardous waste	**Amount (tons)**
Preparation for reuse	5,083
Recycling	193,345
Other recovery options	71,360
Total	**269,788**
Waste directed to disposal	**Amount (tons)**
Hazardous waste	
Incineration (without energy recovery)	1
Landfilling	2
Other disposal operations	63
Total	**66**
Non-Hazardous waste	**Amount (tons)**
Incineration (without energy recovery)	0
Landfilling	132
Other disposal operations	46,589
Total	**46,721**
Non-recycled waste	**Amount (tons)**
Total amount of non-recycled waste	**118,338**
Percentage of non-recycled waste	**37%**

REPORTING PRINCIPLES FOR METRICS

The reported waste data is based on YIT's waste reporting, including waste data from all YIT's operating countries. The reported information on further treatment of waste is based on data provided by YIT's four most significant waste management partners. These four waste management partners handle 80% of Finland's waste by tonnage (year 2023). Additionally, separate studies on further treatment of waste have been conducted for two construction sites that produced large amounts of waste in Finland and Sweden. Based on these studies, the total amounts of further treatment at the YIT level have been estimated.

Social Information

S1 – OWN WORKFORCE

Material impacts, risks and opportunities related to own workforce

own operations people

Impact, risk or opportunity		Description	Management	Influence
All impacts reported in this table concern people, not the environment. The impacts, risks and opportunities arise from all YIT's business operations.				
Working conditions				
Positive impact	Working conditions	Measures to promote working conditions have a positive impact on employee satisfaction and well-being at work.	YIT has a *YIT Code of Conduct* in place and provides related training. Remote work practices enable remote work, depending on the nature of the work. Flextime is also used in office tasks (only in Finland).	own operations, people
Negative impact	Working conditions	Measures that weaken working conditions have a negative impact on employees' job satisfaction and well-being at work.		
Negative impact	Health and safety	Measures that weaken occupational health and safety have a negative impact on employees' well-being at work, working capacity and health.	YIT has *occupational health and safety principles* in place, as well as a number of measures to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	own operations, people
Positive impact	Health	Measures that maintain and promote occupational health have a positive impact on employees' well-being at work, working capacity and health.	YIT has occupational health and safety principles in place, and it provides occupational healthcare in accordance with the legislation and practices of each country of operation. In Finland, occupational health is also guided by the occupational health action plan. YIT has an early support model for maintaining working capacity, a substance abuse program, and operating models focusing on mental well-being, with country-specific measures.	own operations, people
Positive impact	Safety	Measures that maintain and promote occupational safety have a positive impact on employees' well-being at work, working capacity and health.	YIT has a number of measures in place to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	own operations, people
Positive impact	Secure employment and collective bargaining	The terms and benefits of employment relationships are transparent and in accordance with regulations. Every YIT employee has the opportunity to belong or not to belong to the union.	YIT complies with local legislation and collective agreements. In addition, YIT has a local agreement on cooperation and employee representation (Finland). A written employment contract is made with each employee. YIT uses a common HR system, to which all employees are added.	own operations, people
Opportunity	Collective bargaining	Good and competitive terms of employment increase the attractiveness of the construction industry, which can help to attract skilled and productive employees to the sector and improve the engagement of the company's own workforce.	YIT is a member of the Confederation of Finnish Construction Industries RT (CFCI), which represents construction sector employers in Finland and is responsible for collective bargaining.	own operations, people
Risk	Collective bargaining	From YIT's point of view, collective bargaining involves financial risks in the form of strikes or work stoppages and rising personnel costs.		
Equal treatment and opportunities for all				
Positive impact	Gender equality, equal pay for work of equal value and diversity	Equal treatment of personnel and equal treatment in recruitment and remuneration improve well-being at work and the level of commitment. YIT is perceived as an inclusive workplace with a strong sense of community.	YIT is committed to compliance with international human rights. YIT's *Code of Conduct*, personnel policies and recruitment and resourcing principles guide its equality work. In addition, YIT has drawn up a non-discrimination, equality and diversity plan in cooperation with its personnel (in Finland). Each YIT employee has the opportunity to anonymously report any grievances they detect through the *YIT Ethics Channel*. In addition, a *Voice* personnel survey is carried out annually.	own operations, people
Positive impact	Training and skills development	Employees' learning opportunities and opportunities for career development and rotation may improve.	Target-setting and development discussions are held for employees to discuss competence development.	own operations, people
Opportunity	Training and skills development	In terms of YIT's success, the availability and competence of the workforce play an important role. Competence development can improve the availability of workforce and increase skills and knowledge, which improves productivity.	Human and financial resources have been allocated to competence development, and skills and knowledge are systematically monitored and developed.	own operations
Negative impact	Violence and harassment	YIT does not tolerate harassment or inappropriate treatment. A harassment experience occurs when a person subjected to negative behavior feels that they are defenseless or cannot control the situation.	YIT is committed to respecting international human rights. YIT has a policy in place for the prevention and control of harassment and inappropriate behavior, as well as a guideline for addressing harassment situations.	own operations, people

OWN WORKFORCE

YIT's own workforce includes employees with an employment contract and temporary labor. YIT has its own personnel in Finland, Sweden, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia and Poland. As a rule, employees are divided into three types: permanent white-collar employees, changing white-collar employees (employees working on construction sites) and blue-collar employees working on construction sites. YIT employees generally work under permanent and full-time employment contracts. Temporary contracts are mainly used with trainees. Part-time employment contracts are made in situations such as parental leave or reduced work capacity.

TARGETS

HEALTH AND SAFETY

Safety is one of YIT's core values, and the goal is for everyone to return home safe and healthy at the end of each working day. The aim is to create a safe working environment for everyone. YIT has set outcome-oriented and time-bound targets for occupational safety, which are measured by means of proactive and reactive indicators. These targets are absolute; that is, fixed and expressed in precise figures. They are valid throughout the Group and apply to both own workforce and partners.

No significant background assumptions have been made when preparing the metrics. The basics of preparing the metrics for own workforce are explained in more detail in this section under **Reporting principles for metrics**. The targets aim at continuous improvement and are reviewed annually in relation to the previous year. The base year is the year in which YIT has for the first time set a target that corresponds to the current targets in terms of the measurement method.

Occupational safety targets for 2024:

- Management Walks&Talks: 12 visits per manager per year, with a cumulative target of 682 visits in total.
    - Result 2024: 550 Management Walks&Talks
- Safety observations: 8 observations per person per year
    - Result 2024: 10,4 per person (76,511 pieces)
- Combined Near-Misses: 600 per year
    - Result 2024: 297
- Number of lost-time incidents in relation to hours worked (cLTIF): < 10.5
    - Result 2024: 9,6

Management Walks&Talks refer to regular visits by top management to construction sites, focusing on safety and discussions with employees. This is a concrete way to implement YIT's commitment to safety and a strong safety mindset on a practical level. The target was set for the first time in 2016, with the goal being one visit per executive per month. The target was based on the previous year's level, where the average was 6.4 visits per executive (total number of visits divided by the number of managers, including Russian operations).

The number of safety observations is a key proactive indicator that helps to identify and correct defects before they lead to accidents. A target corresponding to the current measurement method was set for the first time in 2021, with the goal of four safety observations per person per year (covering all countries of operation, own workforce, and subcontractors). The target was based on the 2020 level, which was 2.8 observations per person per year. At that time, however, only safety observations of YIT's own workforce in Finnish operations were measured.

Combined Near-Misses refer to incidents (near misses) caused to personnel by YIT and its partners or incidents caused by personnel's activities. YIT encourages an open flow of information and sets annual targets for incident reporting. A target in accordance with the current measurement method was set for the first time in 2020, with the goal being 400 reported incidents. At the end of 2019, the figure was 302 reported incidents.

The cLTIF target measures the number of accidents leading to at least one day of absence per million hours worked and helps to assess the realization of safety in practice. The cLTIF used by YIT includes its own workforce and partners' employees working on the site. A cLTIF target corresponding to the current measurement method was set for the first time in 2020, with the goal being <9. The target was based on the Group structure at the time, meaning it also included Russian operations. At the end of 2019, the figure was 11.5.

These targets support YIT's *Occupational Health and Safety Principles*, which emphasize that safety is an essential part of YIT's values and day-to-day operations. Systematic monitoring and continuous improvement ensure that safety is always a priority in all operations.

Because of the well-established nature of occupational safety targets, targets are set without significant involvement of employees or other stakeholders. The Occupational Safety Manager prepares a proposal for the target level, which is approved by the Group Management Team. Progress toward the targets is monitored quarterly at briefings for the personnel in connection with the publication of interim reports. Employees are involved in monitoring targets and reviewing observations in connection with safety briefings and safety observation reviews. This is described in more detail in this section in the part **Engagement with own workers and workers' representatives about impacts**. Of other stakeholders, subcontractors participate in monitoring and reviewing targets in connection with site meetings.

The economic situation in the construction industry in 2024 has affected the number of projects, which is reflected in the achievement of occupational safety results. The realization of occupational safety targets is influenced not only by the number of projects but also by the proportion of work performed as subcontracting. As the economic situation changes, it is expected that there will also be changes in the targets and achievements of occupational safety. YIT reviews its targets and results annually and strives for continuous improvement.

During the past strategy period, YIT did not set measurable, time-bound and outcome-oriented targets for other material themes than occupational safety. However, YIT is committed to promoting the well-being of its personnel and preventing negative impacts comprehensively through various policies, for example. These are discussed in more detail in this section in the part **Policies**. YIT operates in the EU area in countries where legislation also sets clear conditions for preventing negative impacts and strengthening positive impacts.

POLICIES

YIT has a clear set of principles to guide its actions in all HR matters such as recruitment, competence development, health and safety management, and people management.

All policies cover YIT's own personnel, unless otherwise specifically stated. The policies apply to temporary labor only to the extent applicable. The policies related to occupational safety, human rights policy commitments, the prohibition of harassment, and non-discrimination apply to temporary labor. Temporary labor are not subject to YIT's policies regarding remuneration, occupational health and competence development.

The policies are communicated to the personnel through supervisors during induction training, for example. In addition, information about the policies is available to everyone on YIT's intranet. Employee representatives have had the opportunity to share their views on the policies in accordance with the cooperation process.

YIT's key policies applicable to its own workforce in a cross-cutting manner are YIT's *Code of Conduct, Leadership Principles* and *Human Resources Principles*. Policies have also been created for material topics. These are presented in more detail under each sub-topic.

YIT CODE OF CONDUCT

YIT Code of Conduct guides work throughout the Group. Its purpose is to define how compliance with values, leadership principles, and rules applies when working with various stakeholders. Each YIT employee is expected to follow these principles in all situations. The guideline applies to all of YIT's business operations and establishes a common operating model for all employees.

All YIT employees participate in online training that reviews example situations and explains how to act in line with the *YIT Code of Conduct* in practice. Completing the training is mandatory, regardless of job, position, location, or country. Each employee is responsible for following these principles, and supervisors must ensure that their subordinates act according to the rules. YIT's management and the Group Management Team have instructed all business units to implement the *YIT Code of Conduct* and to monitor compliance.

YIT Code of Conduct aims to reduce the negative impacts of YIT's operations on working conditions and to promote and guide positive impacts on equality work. More information is provided in the section **YIT Code of Conduct**.

LEADERSHIP PRINCIPLES

YIT's *Leadership Principles* describe how YIT employees are expected to act and think in their work, in decision-making, or in reflecting on their ways of working. The goal is to maintain consistent practices throughout the Group. Adherence to these principles is monitored through personnel surveys and cooperation. The Group Management Team is responsible for implementing the principles.

YIT's *Leadership Principles* aim to increase YIT's positive impact on equality work.

HUMAN RESOURCES PRINCIPLES

YIT's *Human Resources Principles* guide how the company approaches personnel-related matters and form the foundation for fair and equal treatment of personnel across all YIT countries of operation. Their objective is to support business goals and to help business units comply with employment practices and legislation. The principles cover the entire Group, and their fulfillment is monitored through personnel surveys and cooperation. The EVP, People and Culture is responsible for implementing the principles.

YIT's *Human Resources Principles* aim to increase YIT's positive impact on equality work.

WORKING CONDITIONS

YIT is committed to compliance with local labor legislation and other local regulations in its countries of operation. In Finland, YIT complies with the collective agreements for the construction sector and the infrastructure sector and for white-collar employees in the construction sector. These documents cover a wide range of employees' rights and working conditions, with the aim of ensuring safe and fair working conditions for all employees.

A written employment contract is made with each employee. YIT pays all employees an adequate salary. In the CEE countries, the minimum wage determined by law is considered to be an adequate salary. In Finland and Sweden, the minimum wage in accordance with collective agreements is considered to be an adequate salary, both for employees covered by a collective agreement and for those not covered by one.

The EVP, People and Culture, is ultimately responsible for the working conditions.

Freedom of association and collective bargaining

YIT's employees have the freedom of association and to form trade unions, and to join them to safeguard their interests. All YIT employees have the right to belong—or not—to a trade union. *YIT Code of Conduct* prohibits discrimination based on trade union activity. In Finland, employees' representatives must be allowed sufficient time off to handle representative duties; protection against dismissal is defined in collective agreements and in the law.

Cooperation between personnel and employer has a long, solid tradition. While effective collaboration between supervisors and employees is essential, various cooperation groups have also been established to address, for example, resource-related matters, and to agree on topics requiring local agreements.

YIT has a local agreement on cooperation and employee representation, defining the main principles of cooperation and representation, along with the forums for cooperation and the frequency of meetings. The goal is to promote open collaboration, increase collective opportunities for influence, handle matters relating to occupational health and safety and employment relationships in a flexible and high-quality manner, ensure fairness, and foster well-being and competitiveness. The agreement covers YIT's operations in Finland, with fulfillment monitored through cooperation. The EVP, People and Culture is responsible for its implementation.

This local agreement on cooperation and employee representation at YIT increases the positive impacts on employment security and collective bargaining by enhancing transparency in employment relationships through joint agreements. In addition, YIT complies with local legislation and collective agreements, and a written employment contract is made for every employee.

Health and safety

Health and safety are a central part of YIT's values and daily operations. Occupational health and safety goals and activities are included in YIT's strategy and annual plan, for which senior management is responsible. The aim of health and safety measures is to enhance and maintain employees' capacity to work, as well as their mental and physical health, prevent occupational diseases, health risks and hazards, and avoid workplace accidents.

Occupational safety and health at YIT are directed by YIT's values, the *YIT Code of Conduct*, and the *Occupational Health and Safety Principles*, under which YIT is committed to fostering a healthy and safe working and living environment. The goal of these Principles is to provide a safe and healthy working and living environment for personnel, partners, customers, and other stakeholders. The Principles apply throughout the Group and are used in all YIT countries of operation. YIT's senior management is responsible for their implementation.

The Board of Directors and the management of the Group, business segments, divisions, and units regularly monitor the implementation of occupational safety plans and the achievement of targets in various management forums. Regular management site visits are also part of systematic monitoring and serve as a means of promoting a strong safety mindset. The realization of the Principles is also monitored through personnel surveys and occupational health and safety cooperation.

YIT's *Occupational Health and Safety Principles* and numerous related measures—such as safety planning, management site visits, safety observations, weekly site meetings, safety briefings, and induction and training—are intended to manage the occupational safety risks associated with work on construction sites, which can affect the company's own employees and potentially lead to personal injury. However, it should be noted that even comprehensive occupational safety measures cannot entirely eliminate all negative impacts. Any accidents or incidents are investigated and communicated.

Occupational safety at YIT is guided by a Management System that integrates safety procedures and instructions into daily operations. This system ensures that everyone on site is aware of and follows the safety requirements. The Management System consists of *corporate security principles*, *Occupational Health and Safety Principles*, standards, processes, and work instructions. Occupational safety and health responsibilities and obligations for various roles are defined in the system.

In addition, general occupational safety requirements have been established for YIT's construction sites. Their purpose is to guarantee the conditions for accident-free, disruption-free work and to clarify the rules and regulations governing occupational safety and health. They include information on the occupational health and safety personnel at the site, working on the site, and personal protective equipment, as well as the required permits, qualifications, and the use of machinery and equipment.

Occupational health and safety are tracked through proactive and reactive indicators. Proactive indicators include safety observations and management site visits. Reactive indicators include cLTIF (Combined Lost Time Injury Frequency)—the total number of lost-time accidents among the company's own employees and subcontractors' employees in relation to hours worked—and incidents.

Prior to entering one of YIT's construction sites in Finland, everyone must complete YIT's online induction. Additionally, everyone is briefed on site-specific hazards and risks (site induction) before starting independent work.

Focus areas for health and well-being include increasing psychological safety, managing working capacity, and promoting both physical and mental well-being. YIT provides occupational healthcare in accordance with the legislation and practices of each country of operation. In Finland, occupational health is also guided by an Occupational Health Action Plan, outlining the goals, measures, and processes for occupational health for the current period. Occupational health activities build on workplace surveys and exposure-based occupational health monitoring, in addition to targeted and effective occupational health cooperation and customer satisfaction. Finland, Estonia, Latvia, Lithuania, and the Czech Republic hold certification under the ISO 450001 Occupational Health and Safety Management System standard.

The Board of Directors, along with the management of the Group, business segments, and divisions, regularly monitors how occupational health and safety plans are being carried out and whether their targets are being met in various management forums.

Young workers at YIT

Young workers represent the main vulnerable group of employees within YIT's own workforce. They are subject to stricter health and safety regulations than employees over 18. These regulations are designed to protect young workers from excessive work-related stress that might harm their development and from the risk of accidents. At YIT, the primary focus is always on ensuring that young workers receive enough guidance and induction, and that their work is competently guided and supervised so they avoid endangering themselves or others.

Their duties must not demand more effort or responsibility than is reasonable given their age and strength. Therefore, a separate work safety plan must be drawn up for each task involving young workers. When preparing this plan, special attention must be paid to examining the hazards involved in the work, bearing in mind that young workers may not yet fully recognize them. The main contractor must ensure these conditions are equally met for other contractors' young workers as well.

When considering regulations for young workers, three aspects must be examined: the work task, the young worker's age, and whether the young worker is studying in the field of work. All tasks on a construction site—or tasks comparable to construction work—are classified by law as hazardous work, which is always forbidden to those under 16 at YIT workplaces. In Finland, individuals under 18 are not permitted to work on YIT's construction sites.

Relevant human rights policy commitments

YIT is committed to respecting the UN Universal Declaration of Human Rights and the fundamental rights set out in the eight core conventions of the International Labour Organization (ILO). The policies related to human rights are described in the *YIT Code of Conduct* and the *Supplier Code of Conduct*. YIT's *Human Resources Principles* guide how the company approaches personnel matters, supports the *YIT Code of Conduct*, and forms the foundation for fair and equal treatment of YIT employees in all countries of operation. The *YIT Code of Conduct* prohibits the use of child labor and forced labor.

YIT is committed to supporting the UN Sustainable Development Goals. The documents prepared by YIT align with the aforementioned international agreements and explicitly reference the Universal Declaration of Human Rights and ILO's principles. While there is no explicit reference to the UN Guiding Principles, those principles are embedded in YIT's practices.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

The *YIT Code of Conduct* covers the prohibition of discrimination based on age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relations, health, disability, sexual orientation or any other personal reason. YIT is committed to treating its employees equally.

YIT's *Non-Discrimination, Equality and Diversity Plan* supports these principles. The plan contains targets, actions, and examples related to promoting non-discrimination, equality, and diversity in the company's operations. The aim is to advance these values throughout the organization. The plan covers YIT's operations in Finland, and its implementation is monitored via personnel surveys and cooperation. The EVP, People and Culture is responsible for implementing the plan.

YIT's *Non-Discrimination, Equality and Diversity Plan* seeks to increase the company's positive impact on equality efforts.

Gender equality and equal pay for work of equal value

YIT's goal is to ensure that gender equality is realized in all company operations, and to guarantee equal opportunities for competence development, career advancement, and remuneration, among other areas. YIT hires new employees solely on the basis of their competence and potential, and employees are entitled to equal pay for equal work in accordance with *YIT Code of Conduct*.

YIT's *Remuneration Policy* defines the main principles for remuneration and engagement, as well as the remuneration of governing bodies, including the decision-making process for approving, evaluating, and implementing the *Remuneration Policy*. The policy aims to enhance YIT's competitiveness, long-term financial performance, and sustainable shareholder value development by supporting the recruitment, engagement, and motivation of experts who help implement the strategy. The *Remuneration Policy* covers the entire Group. Management regularly reports on its implementation to the Board's Personnel Committee, and the implementation carried out during the calendar year is reported in the Remuneration Report published with the Annual Report. The EVP, People and Culture is responsible for implementing the policy.

Training and skills development

YIT offers employees opportunities for training in line with the requirements of their current and future tasks. YIT undertakes to promote the well-being and development of its employees over the long term and to maintain and increase their value in the labor market.

The Focus on People model for YIT's performance and competence management supports the goal-oriented and systematic work, development, and engagement of individuals and teams. The Focus on People model includes two short-term performance-based reward programs: project remuneration and annual remuneration. As a rule, employees working on projects fall under project remuneration, while those in other positions fall under annual remuneration.

Personal and team-specific goals are set, and progress is followed up in target-setting and development discussions. These discussions are particularly important for maintaining professional skills, developing competence, and ensuring well-being at work. For all employees within the scope of annual remuneration, the individual's competence relative to task requirements is assessed in target-setting and development discussions, and a personal development plan is created. The same applies to some projects, and later this practice will be expanded to all projects.

YIT provides summer jobs and internships, as well as other temporary positions. YIT also participates in developing training programs related to its fields. Cooperation with trainees is an important way to recruit and engage new individuals at the company.

Policies against violence and harassment in the workplace

Every employee is treated with respect, and no form of harassment, bullying, or inappropriate treatment is permitted on YIT's construction sites or other workplaces. YIT has a guideline, described in the Management System, aimed at recognizing and stopping harassment, bullying, and other inappropriate behavior. This guideline ensures that each supervisor, employee, and person working in YIT workplaces understands their rights and obligations, and knows how to act when encountering, observing, or becoming aware of harassment or other inappropriate conduct.

Diversity

YIT strives to offer equal opportunities to all employees. The goal is to employ the most qualified and suitable people, regardless of age, gender, origin, or nationality. YIT values diversity and believes that different backgrounds create a competitive advantage.

YIT's *Recruitment and Resourcing Principles* define the procedures for the various stages of both internal and external recruitment. The goal is to ensure that a suitable internal or external candidate is found for each open position and to support career development within YIT. These principles ensure that recruitment is based on a candidate's competence, experience, and qualifications for the role. Current vacancies, as well as available training and coaching opportunities for personnel, are published on the intranet.

The principles cover the entire Group, and their implementation is the responsibility of the EVP, People and Culture.

YIT's *Recruitment and Resourcing principles* aim to increase YIT's positive impacts on equality.

ENGAGEMENT WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Communication with personnel takes place primarily through employees' representatives, but also directly with the company's own workforce.

COOPERATION

Cooperation is carried out in accordance with the legislation and collective bargaining agreements of each country of operation.

In Finland, there is a comprehensive network of shop stewards and occupational health and safety representatives. Cooperation is based on a local agreement covering YIT's personnel in Finland. The local agreement establishes the system for employee representation, cooperation forums, the negotiation system, and the frequency of communication. Effective collaboration between supervisors and employees is also an important part of cooperation.

The objective of cooperation is to promote open collaboration; ensure high-quality and flexible handling of matters related to occupational safety, well-being at work, and employment relationships; guarantee unity and equity; increase common opportunities to exert influence; and promote well-being and competitiveness.

In Finland, the chief shop stewards, chief occupational health and safety representatives, Group management, and HR services representatives hold a cooperation meeting four times a year to discuss current personnel matters, topics raised by the representatives, and the Group's financial situation. In addition, a Cooperation Forum is held annually, where regional shop stewards and occupational health and safety representatives also participate. Meetings specific to each personnel group are held regularly between the employer and the employees' representatives. In Finland, governance representation is implemented via the division management team or a similar forum.

OCCUPATIONAL HEALTH AND SAFETY COOPERATION AND SAFETY BRIEFINGS

In Finland, YIT has an Occupational Safety Committee composed of occupational safety and well-being experts and management representatives acting on behalf of the employer, as well as representatives of all personnel groups (occupational health and safety representatives). The objective of occupational health and safety cooperation is to promote a safe, healthy, and comfortable working environment. This cooperative body serves as a channel of influence for personnel in occupational health and safety matters in its area, and makes proposals for measures to advance these matters.

The frequency of communication is outlined in the local cooperation agreement. Meetings are held regularly, two to four times a year.
Safety briefings on construction sites are part of statutory occupational health and safety cooperation. Safety briefings address current factors affecting safety and health on the construction site, and inform the site personnel about any upcoming events, changes, or measures that could affect health or safety—especially in the site environment. The supervisor in charge of the construction site is responsible for organizing these events. Approximately once a month, YIT's safety managers arrange joint safety briefings covering all YIT construction sites in Finland on topics related to well-being at work and occupational safety. The occupational health and safety manager is responsible for ensuring these safety briefings take place.

YIT conducts management site visits, which are a conceptualized but flexible way of promoting occupational safety, well-being, quality, and practical day-to-day operations on construction sites and in offices. The objective of these site visits is to engage and involve employees—as well as partners' employees—in a strong occupational safety culture. The aims are to communicate and foster a proactive safety mindset, increase interaction and trust, learn about day-to-day risks, identify and remove barriers to improving occupational safety, and share best practices among different projects. Management site visits at YIT are carried out by the Group Management Team, segment management teams, country managers, and heads of units.

PERSONNEL SURVEY

YIT conducts an annual personnel survey that measures job satisfaction. The survey provides feedback on themes important to YIT, such as commitment, team spirit, and satisfaction with supervisory work. The objective is to encourage dialogue to develop common practices.

HR services oversee the personnel survey. The results are reviewed at different levels within the organization and with shop stewards and occupational health and safety representatives. Management and supervisors are responsible for ensuring the results are processed and taken into account in decision-making, supported by HR services. Supervisors receive training on how to address the survey results, and HR services support supervisors and teams in processing the results and planning development measures.

REMEDIATION OF NEGATIVE IMPACTS AND CHANNELS TO RAISE CONCERNS

Any violations related to working conditions, health and safety, or other human rights are investigated carefully and processed in accordance with YIT's own processes.

Everyone has an obligation to intervene in any grievances they detect and, if necessary, bring them to the supervisor's attention. Grievances and suspicions concerning an employee's own employment relationship or immediate working environment can be discussed with a supervisor, HR, or an employees' representative.

YIT also provides the *YIT Ethics Channel,* through which YIT personnel can anonymously report detected grievances or violations. The reporting channel is open to all stakeholders. Reports can be submitted anonymously in 11 different languages via web-based devices or by telephone. The channel is maintained by an external service provider, which ensures that anonymous reports remain confidential and prevents confidential information from falling into the wrong hands. All reports are encrypted, and only individuals designated by YIT's Ethics Committee can decrypt them. Information about the reporting channel is shared through various platforms, such as the company intranet and during mandatory induction training for all employees. In addition, the company's website contains a link to the reporting channel.

All violations and suspected violations brought to the company's attention are investigated. YIT's Ethics Committee is responsible for overseeing the investigation. The committee ensures that the consequences of investigations are consistent in cases of similar severity and that corrective actions are sufficient, as described in YIT's *Code of Conduct* and in the principles governing the reporting and investigation of violations. Illegal activity is reported to the authorities. The individual involved or their supervisor never personally participates in the investigation of violations or suspected violations. If the seriousness of the investigated violation so requires, the Ethics Committee will report the matter to YIT's President and CEO and the Board of Directors at a regular meeting or, if necessary, immediately.

After the investigation, the necessary internal measures are taken and/or the matter is reported to the authorities. The person who submitted the report is notified of the resolution. The reporter may also anonymously contact the Ethics Committee throughout the investigation process and provide additional information if needed. The Ethics Committee monitors reported and addressed issues according to the nature of each case.

During the investigation, the need to provide support to the individual in restoring their position or to implement corrective measures is also assessed.

Reports are classified under communication, competitors, conflicts of interest, customers, privacy, environment, personnel, supply chain, shareholders, and society. Criminal activity and attempted criminal activity directed at the Group are also included in the total number of reports.

The changes required by the Whistleblowing Directive (EU 2019/1937) have been taken into account in YIT's countries of operation regarding the Ethics Channel, investigation of submitted reports, and whistleblower protection, in line with local legislation entering into force in EU countries. The company is committed to fairly investigating all reports submitted in good faith and taking the necessary measures based on the investigation and its outcome. It is also committed to protecting the rights and privacy of individuals who file reports in good faith. These commitments are confirmed in *YIT Code of Conduct*. A policy on the confidential handling of reports is in place and available on the reporting channel's website.

At present, the company does not systematically assess employees' awareness of or trust in the reporting channel beyond actual channel usage, but this has been identified as a development need. YIT also does not systematically evaluate the effectiveness of corrective measures taken, but in practice, the company aims in each case to ensure the identified grievance is remedied and does not recur.

SAFETY OBSERVATIONS

All individuals working on or visiting YIT's projects can report deficiencies and grievances they detect in occupational safety, as well as positive observations, by recording safety observations in the mobile system. These observations encourage people to monitor their operating environment, improve workplace safety, and prevent accidents. All reported grievances and deficiencies are corrected. Safety observations are discussed among site personnel at weekly meetings and safety briefings. They are recorded in the system and are continuously monitored and addressed within the line organization and as part of occupational health and safety cooperation. The most significant safety observations are shared across organizational boundaries.

ACTIONS

YIT has implemented numerous measures to manage impacts, risks, and opportunities. YIT evaluates necessary actions and monitors their effectiveness annually based on results from the *YIT Voice* personnel survey. In addition, YIT keeps track of any grievances brought to its attention via the *YIT Ethics Channel* and shop stewards, and seeks to manage material risks and opportunities.

YIT has allocated human resources to manage material impacts, risks, and opportunities. Material impacts, risks, and opportunities related to YIT's own personnel are the responsibility of YIT's People and Culture team and the Group's EVP, People and Culture. Furthermore, the work of managing impacts, risks, and opportunities takes place in practice in each YIT team and project under the leadership of supervisors. YIT provides supervisors with regular training. Most of the listed measures are continuous in nature; if otherwise, it is stated separately. The costs of these measures are included in YIT's annual fixed-cost budget and do not represent significant operating or capital expenditures.

WORKING CONDITIONS

Information on the work and employment relationships of all YIT employees has been added to the HR system shared by all YIT countries of operation, which reduces the risk of employment terms that violate laws or collective agreements.

Depending on the nature of the job, a hybrid work model may be used, enabling a flexible combination of on-site and remote work. In Finland, office employees have flextime, allowing them to plan their work and working hours flexibly using defined time bands.

Through these measures, YIT aims to ensure the creation of positive impacts related to employment relationships—such as job satisfaction and well-being at work—for its own workforce, and to prevent negative impacts. For more information, see **the table of material impacts, risks, and opportunities related to own workforce.**

Freedom of association and collective bargaining

YIT is committed to complying with local legislation and collective agreements. The company seeks to influence its industry through membership in employers' organizations within its sectors. All of YIT's blue-collar and white-collar employees in Finland are covered by collective agreements. In addition to labor law, senior salaried employees and management follow the company's current practices, which correspond to the applicable collective agreement.

Through these measures, YIT aims to ensure that freedom of association and collective bargaining have a positive impact on its own workforce, as well as to promote opportunities and manage any risks associated with collective bargaining. For more information, see **the table of material impacts, risks, and opportunities related to own workforce.**

Health and safety

YIT invests in creating a safe working environment, preventing accidents, and promoting an open safety culture. All construction sites follow the instructions and regulations concerning safety and health.

YIT's long-term goal is to build an accident-free work community. The safety of the working environment is systematically strengthened through proactive measures such as safety training, advance planning, management site visits, safety observations, and last-minute risk assessments. YIT continuously seeks to advance these proactive efforts to further develop safety management.

Safety observations are recorded in a system and reviewed within the line organization and occupational health and safety cooperation forums. Safety planning is implemented at every worksite according to common risk management practices. In addition, supervisors and employees must prepare a work phase safety plan for each new work phase or type of task at the site. Other training programs designed to enhance safety competence are carried out in collaboration with partners.

The company has established clear procedures to address occupational safety breaches. YIT has also developed the "What Good Looks Like" Operating Model, which uses three-image sequences to convey safe working methods in a simple, easily understandable way. Company management is required to conduct site visits to ensure open interaction, engage personnel, and strengthen a positive occupational safety culture and uncompromising approach to workplace safety.

As part of its Working Capacity Management Process, YIT employs an Early Support Operating Model. This model includes guidelines on how to proceed when concerns arise about employees' capacity for work or ability to cope on the job. The goal is to address factors undermining workplace well-being as early as possible. Supervisors receive support and training on promoting employee well-being and implementing early support as part of their everyday leadership.

Within the Working Capacity Management Process, YIT has outlined measures to help employees maintain performance if their capacity for their role has been temporarily or permanently reduced. If adapting work arrangements is insufficient to support an individual's working capacity, a rehabilitation process is initiated in cooperation with the pension insurance company.

YIT places particular emphasis on promoting mental well-being. Supervisors receive training to address mental health challenges in their teams, and YIT has identified operating models in the Working Capacity Management Process to facilitate recovery from these challenges. Low-threshold mental health services are available to Finnish personnel. An application is also in place to remind employees about break times and short exercise sessions.

Health examinations are a key part preventive occupational healthcare. Workers in the construction industry are exposed to a wide range of factors that can affect health, most typically noise, vibration and various chemicals. YIT carries out inspections based on exposure and health requirements in work involving a special disease risk or special health requirements. In addition, voluntary health examinations that promote health and working capacity are carried out. There may be country-specific differences in the organization of health examinations.

In Finland, a substance abuse program based on the early support model is in place to ensure that employees receive the necessary support and treatment.

Occupational health and safety measures are also part of YIT's broader "Intervention Is Caring" Operating Model, which encourages proactive intervention in potential issues to help resolve them more easily.

With these measures, YIT aims to ensure the creation of positive impacts related to increased occupational safety and health for its own workforce, and to prevent and mitigate negative impacts For more information, see **the table of material impacts, risks, and opportunities related to own workforce**

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Gender equality and equal pay for work of equal value

YIT has a *Non-Discrimination, Equality, and Diversity Plan* in place in Finland, which defines measures to promote equity and gender equality. The aim is to prepare a corresponding plan for all countries of operation, in addition to country-specific guidelines. More information about YIT's non-discrimination and equality efforts is provided in this section under the part **Policies**.

YIT uses a job difficulty classification system to guide remuneration and its level in different roles. YIT also follows the guidelines on remuneration specified in collective agreements. More information about remuneration is provided in this section under the part **Policies.**

With these measures, YIT aims to ensure the creation of positive impacts relating to gender equality for its own workforce. For more information, see **the table of material impacts, risks, and opportunities related to own workforce.**

Training and skills development

Training and skills development at YIT are monitored by the number of training days, training feedback, and personnel surveys. Target-setting and development discussions are held for employees, during which competence development is addressed.

In 2024, YIT developed operating models and processes that support the company's development as a learning organization. These measures anticipate and prepare for the projected increase in construction volume and the related competence and learning needs at YIT. YIT has built cultural cornerstones, identified strategic capabilities, conducted a study on the current state of training and coaching, and started to conceptualize the YIT Academy model, according to which the company will train personnel in key strategic capabilities in the future.

During the year, YIT developed its concept of leadership and supervisor coaching and introduced, among other things, the Leadership TALK training concept and change management coaching. Temporarily laid-off employees were trained in construction site project management, and a Train the Trainer concept was created. In addition, supervisor coaching was provided.

YIT's target-setting and development discussion process was reformed and digitized in 2024. A more active feedback system was developed, with the aim of increasing dialogue on competence development between supervisors and employees.
With these measures, YIT aims to ensure the creation of positive impacts related to training and skills development for its own workforce. For more information, see **the table of material impacts, risks, and opportunities related to own workforce.**
Training and skills development are monitored annually.

Measures against violence and harassment in the workplace

Everyone is obliged to intervene in any observed misconduct and, if necessary, inform their supervisor. All cases of harassment that come to the company's attention are investigated and addressed according to the guideline described in the management system. This guideline ensures that every supervisor, employee, and person working at YIT's sites knows their rights and obligations as well as how to act upon encountering, observing, or becoming aware of harassment or other inappropriate behavior. In 2024, the guideline was clarified and extended to cover all YIT's countries of operation.

In 2024, a section on perceived sexual harassment in the past year was added to the personnel survey. Supervisors were trained to facilitate team discussions and address harassment if sexual harassment had occurred in the team during the past year.

With these measures, YIT aims to prevent the creation of potential negative impacts on its own workforce. For more information, see **the table of material impacts, risks, and opportunities related to own workforce**

Diversity

YIT has a *Non-Discrimination, Equality, and Diversity Plan* in place in Finland, which specifies measures to promote equity and gender equality.

Diversity was not among the company's strategic priorities for personnel during the year, but some actions were taken to advance it. Diversity was addressed as part of the "human focus" aspect within YIT's Cultural Cornerstones.. In addition, questions on diversity were added to the personnel survey.

With these measures, YIT aims to ensure the creation of positive impacts related to diversity for its own workforce. For more information, see **the table of material impacts, risks, and opportunities related to own workforce.**

HUMAN RIGHTS INCIDENTS DURING THE REPORTING PERIOD

YIT reports serious human rights incidents that, in line with the standard, have either gained media attention or resulted in criminal proceedings. In 2024, there were no such human rights incidents concerning YIT's own workforce. No cases of child or forced labor have been identified in the company's operations. During 2024, YIT's Ethics Committee became aware of two cases of discrimination or harassment, which were investigated and addressed.

In total, 19 reports were made through the *YIT Ethics Channel* in 2024. YIT's Ethics Committee investigates all reports submitted through the channel or otherwise brought to the company's attention (e.g., via employee representatives). In 2024, these reports did not involve serious human rights incidents. During the reporting year, YIT was not subject to any financial liability related to human rights violations.

RISK MANAGEMENT RELATED TO OWN WORKFORCE

Management of material risks and opportunities is guided by the current *Risk Management Policy* approved by YIT's Board of Directors, which outlines the main principles of risk management, its steering model, and the key risk management processes. Risks and opportunities associated with the own workforce are identified, assessed, and managed in accordance with the *Group's Sustainability Policy* and risk management principles as part of general HR processes and practices, both at the project and Group level. In the operational and strategic risk management process, employee-related risks and opportunities are addressed on a risk-specific basis at the appropriate level, in line with YIT's current *Risk Management Policy*. In addition, any material changes in risks and the overall risk position are monitored and reported monthly and quarterly according to the Group's governance and reporting practices.

Number of Employees by Gender

Gender	Number of employees (headcount) 31 dec 2024
Male	3,241
Female	880
Other	—
Not reported	—
Total Employees	4,121

The average number of active employees during the financial year was 3,842 (4,717). The figure includes employees from operations in Norway.

Employees by Type of Employment Contract and Gender

31 dec 2024	Female	Male	other*	Not disclosed	Total
Number of employees (head count)	880	3,241			4,121
Number of permanent employees (head count)	800	3,113			3,913
Number of temporary employees (head count)	80	128			208
Number of non-guaranteed hours employees (head count)	26	84			110
Number of full-time employees (head count)	807	3,115			3,922
Number of part-time employees (head count)	47	42			89

* Gender as specified by the employees themselves.

Number of Employees by Country

Country	Number of employees (head count) 31 dec 2024
Finland*	2,964
Lithuania*	611
Slovakia	222
The Czech Republic	81
Poland	76
Sweden	74
Estonia	57
Latvia	36

*Finland and Lithuania are the only countries that fall under the ESRS disclosure requirement, all other countries are voluntarily disclosed.

Employees by Country and Type of Employment Contract

31 dec 2024	Finland	Lithuania	Total
Number of employees (head count)	2,964	611	3,575
Number of permanent employees (head count)	2,837	598	3,435
Number of temporary employees (head count)	127	13	140
Number of non-guaranteed hours employees (head count)	110	0	110
Number of full-time employees (head count)	2,816	600	3,416
Number of part-time employees (head count)	38	11	49

The table includes only countries at least 50 employees in employment relationships, whose share is at least 10% of the total number of employees in employment relationships.

Employee turnover

	2024
Employee turnover, %	17.81
Number of employees who have left the company	734

Coverage of collective bargaining negotiations and social dialogue among labor market parties

Coverage Rate	Collective Bargaining Coverage	Social dialogue
	Employees – EEA	**Workplace representation (EEA only)**
0-19%	Lithuania	Lithuania
20–39%		
40–59%		
60–79%		
80–100%	Finland	Finland

The table includes only countries with at least 50 employees in employment relationships, whose share is at least 10% of the total number of employees in employment relationships.

The proportion of employees with employment contracts covered by collective agreements is 62% of all employees with employment contracts.

YIT has 7 collective agreements in place.

Gender distribution at top management level

2024	Headcount	Headcount (%)
Top management, female	3	23.1
Top management, male	10	76.9
Top management, other	–	–
Top management, not reported	–	–

YIT defines its top management as the Board of Directors, Group Management Team and the CEO.

Age distribution of employees

31 dec 2024	Headcount	Headcount (%)
Under 30 years old	498	12.1
30-50 years old	2,258	54.8
Over 50 years old	1,365	33.1

Health and safety

2024	Own workforce
Proportion of employees covered by the management system, including health and safety management, %	100
Proportion of employees covered by the ISO 45001-compliant health and safety management system, %	91
Fatal occupational accident, number	0
Fatal occupational diseases, number	–
Occupational accidents (MTI), number*	85
Accident frequency (MTI)*	13.5
Occupational diseases, number	3

*Does not include accidents occurring during the commute between home and work, nor pain induced by work-related postures.

Total remuneration ratio of women and men and total remuneration

	2024
Total remuneration ratio of women and men, %	5
Ratio of the highest paid individual to the median annual remuneration for all employees (excluding the highest-paid individual)	16.3

REPORTING PRINCIPLES FOR METRICS

Figures related to own workforce include the entire YIT Group's employees in all operating countries unless otherwise stated. The calculations use the number of employees reported at the end of the reporting period (December 31, 2024). This number also includes inactive employees, such as those on parental leave. The number of employees is also reported as an average for the reporting period, as YIT employs seasonal workers, which provides a more accurate picture of YIT's workforce.

When calculating the employee turnover rate, the numerator is the number of employees who left YIT. The calculation includes the number of permanent employees whose employment ended during the reporting period—for example, those who left voluntarily, were dismissed, retired, or died while employed. The denominator is the number of employees in an employment relationship at the end of the reporting period.

The proportion of employees covered by collective agreements is calculated from all active employment contracts at the end of the reporting period. Collective agreement coverage is determined by the national practices of the operating countries. YIT does not operate outside the EEA.

YIT defines its top management as the Board of Directors, the Group Management Team, President and CEO.

The age distribution figures for employees with employment contracts are reported based on the number of employees at the end of the reporting period (December 31, 2024).

At YIT, a sufficient wage is considered to be the statutory minimum wage in CEE countries (Estonia, Latvia, Lithuania, Poland, the Czech Republic, and Slovakia). In Finland and Sweden, a sufficient wage follows the minimum wage specified in the collective agreements, applying equally to employees both covered and not covered by a collective agreement.

The health and safety figures include only employees, as information on non-employees was not available. The number of fatalities due to occupational diseases has not been available due to strict data protection laws, differences in statistical practices, and the complexity of diagnosis. YIT does not track the number of accidents that lead only to restricted work or transfers to other tasks. YIT reports the number of accidents (Medical Treatment Injuries) relative to working hours, and it is calculated per million working hours.

YIT's health and safety targets and related indicators (management's site visits, safety observations, combined near misses, and the number of accidents leading to absence) also apply to partners.

Remuneration reporting covers all employees with an employment contract as of December 31, 2024. The reporting does not differentiate between senior salaried employees, salaried employees, and hourly workers. When examining the equality of remuneration, employee groups are formed based on the job's level of responsibility and the operating country. The differences in total remuneration by country and level of responsibility are used to form a weighted average for the entire group between women and men. If a group by country and level of responsibility includes only women or men, this group is not considered in the overall group average. These company-specific total remuneration differences are used to form a weighted average for the entire group between women and men. All remuneration elements are considered in total remuneration, so differences arise between individuals, for example, due to paid overtime. The monetary value of employee benefits offered to the staff has not been defined and is not included in total remuneration.

The President and CEO's remuneration includes base salary, benefits, performance-based bonuses, and supplementary pension. When determining the median total remuneration, only those employees whose employment was valid from January 1, 2024, through December 31, 2024, are considered. Additionally, part-time employees and those whose leave or absence continued throughout the calendar year are excluded from the review.

YIT has defined a serious human rights case as one that receives media coverage ("exceeds the news threshold") or leads to criminal proceedings.

S2 – WORKERS IN THE VALUE CHAIN

Material impacts, risks and opportunities related to workers in the value chain

value chain people

Impact, risk or opportunity		Description	Management	Influence
All impacts reported in this table concern people, not the environment. Only the upstream value chain is reported under S2, and the downstream impacts are reported under S4. The impacts, risks and opportunities arise from all YIT's business operations that involve the procurement of materials or construction.				
Working conditions				
Positive impact	Secure employment	YIT is a significant employer, providing work and livelihoods for thousands of employees in its value chain.	YIT's *Supplier Code of Conduct* requires its partners to ensure that their employees understand the content and terms of their employment. Furthermore, compliance with all local laws is mandatory, which sets minimum requirements for the duration of employment and determines, for example, grounds for dismissal. Adherence to the *Supplier Code of Conduct* is monitored through audits and contractor liability reviews. In addition, any suspected misconduct and reported violations are investigated.	
Negative impact	Secure employment	Due to the nature of construction projects, employment relationships can be fixed-term or insecure.	Processes to prevent labor exploitation—such as site access control, audits, and surveys—aim to identify, prevent, and eliminate misconduct. If misconduct occurs, it is addressed, and any harm caused is remedied.	
Negative impact	Working hours	If workers in the value chain had to work too long hours, it could lead to health problems, reduce well-being, and disturb their work-life balance.		
Negative impact	Adequate pay	There is a significant risk of labor exploitation in the value chain. If workers in the value chain were not paid adequate wages, inequality would increase. The remuneration and terms of employment of workers in the value chain may be lower than those of YIT's own employees, which can lead to dissatisfaction and financial difficulties.	YIT's *Supplier Code of Conduct* requires partners to pay their employees at least the minimum wage mandated by law or the applicable collective agreement, and to provide mandatory benefits such as social security. However, YIT also requires its partners to pay a living wage.	
Positive impact	Working conditions	As a major operator, YIT can create standards in its value chain that guide suppliers' operations. YIT's requirements and control mechanisms, such as labor exploitation prevention processes, can have a positive impact on the working conditions of the workers in the value chain.	Contractual practices, such as the *Supplier Code of Conduct*, can help improve working conditions for partners and prevent labor exploitation. YIT has *Occupational Health and Safety Principles* and numerous measures in place to increase occupational safety, such as safety planning, management site visits, safety observations, weekly meeting and safety briefing practices on construction sites, and induction and training. Any accidents and incidents are investigated and communicated.	
Negative impact	Health and safety	Work on construction sites involves occupational safety risks, which the workers in the value chain are exposed to and which can lead to personal injury. Even comprehensive occupational safety measures cannot completely eliminate all risks. The material supply chain is also subject to similar risks.		
Positive impact	Health and safety	Measures that maintain and promote occupational health and safety have a positive impact on employees' well-being at work, working capacity and health.		
Other work-related rights				
Negative impact	Child labor	The material supply chain is not thoroughly known, so it is possible that YIT's value chain also covers countries of operation where there is a risk of child labor.	In 2024, YIT introduced a human rights due diligence process, as part of which it began systematically assessing human rights risks. Monitoring related to terms of employment and human rights in YIT's production and procurement operations has been stepped up. All workers coming from outside the EU, EEA, or Switzerland must hold a valid residence permit and associated work authorization. YIT uses site access control to identify non-EU workers. In addition, YIT regularly conducts anonymous surveys among foreign workers that cover working and living conditions as well as labor exploitation.YIT has a labor exploitation prevention model in place, which includes supplier requirements related to labor and human rights, as well as regular audits. In addition, separate studies are carried out on the chaining of contracts. Multiple channels are available for reporting suspected labor and human rights violations, including YIT's *Ethics Channel*, which investigates all reports.	
Negative impact	Forced labor	Long and non-transparent supply chains in the construction sector, as well as the chaining of contracts, a low sector entry threshold, a significant proportion of non-EU labor in the sector, cost competition and increasingly international procurement, also expose vulnerable workers to work-related abuse and human rights violations in YIT's value chain.		

WORKERS IN THE VALUE CHAIN

YIT's operations affect workers in the value chain who work for YIT's partners, either within the material supply chain or on YIT's construction sites. This year, YIT will report on value chain workers by focusing on employees of Tier 1 suppliers and, for a few key partners, also on upstream suppliers based on survey responses. In the coming years, reporting will expand to cover workers further upstream.

In addition, the value chain includes personnel of consortia and joint ventures, and self-employed individuals (i.e., sole proprietors). In practice, workers further downstream are mainly end-users, so they are covered in section S4 – Consumers and end-users.

TARGETS

YIT's strategy period ended in November 2024. During the previous strategy period, there were no measurable, time-bound, or outcome-oriented targets. However, progress relating to workers' rights in the value chain was monitored through metrics such as the number of audits and surveys.

In the fall of 2024, new targets were drawn up for the 2025–2029 strategy period, including goals related to human rights and sustainable procurement. Additionally, YIT's procurement strategy will be further developed in 2024–2025, taking ESG considerations into account across all categories. At the same time, a human rights due diligence process was introduced, under which YIT will, during 2025 and 2026, set more measurable and systematically monitored targets to oversee the sustainability of its supply chain.

Regarding the material supply chain, targets will be further specified during 2025. The overarching aim is to improve supply chain transparency and ensure that employees' rights in the value chain are respected.

YIT's occupational safety targets also apply to its partners' employees in addition to its own personnel. The goal is to provide a safe working environment for everyone, and this is closely monitored using various metrics. More information about these safety targets and metrics is available in section **S1 – Own workforce, Targets**. Furthermore, YIT's *Sustainability Policy* underscores the company's commitment to continuous improvement in occupational safety. YIT aims to offer a safe and healthy workplace and living environment for its employees, partners, customers, and other stakeholders.

At the Group level, YIT's *Sustainability Policy* confirms the company's commitment to the UN Universal Declaration of Human Rights and to honoring and promoting the fundamental rights defined in the eight ILO core conventions. YIT requires the same commitment from all its partners. Read more in the part **Sustainability Policy**.

YIT is committed to preventing labor exploitation and promoting responsible practices across all its business areas. The company strives to enhance its approach to workers' rights in the value chain, increase transparency in the value chain, and strengthen sustainable procurement.

YIT seeks to ensure that all its partners respect human rights, act ethically, and comply with local laws and regulations. The company focuses particularly on preventing work-related abuse at construction sites. Foreign labor is especially vulnerable to this risk. Therefore, YIT prohibits citizens from outside the EU, EEA, and Switzerland from working on its sites without a special permit. Light entrepreneurship without a Business ID is also prohibited throughout YIT's contract chain.

As part of preventing labor exploitation, YIT's primary objective is to raise awareness among workers in the value chain regarding their rights, as well as how to identify potential abuse and respond if it occurs. Awareness is promoted through various methods, including guidelines, informational posters, and training.

YIT seeks to ensure the realization of human rights in the value chain by carrying out human rights impact assessments and developing its operations and procurement based on these assessments. In addition, comments and reports received from stakeholders and through the Ethics Channel are investigated and, if necessary, action is taken.

So far, targets related to workers in the value chain have only been set by YIT's sustainability team and procurement function. The targets have been of a general and principled nature, and their progress has not been systematically monitored, but the need for measurable targets has been identified. With the due diligence process approved in 2024, the aim is to set measurable and monitorable targets and processes for human rights work throughout the value chain. Shop stewards will also be involved in setting targets, and progress will be monitored together.

From 2025 onward, YIT will set measurable targets for workers in the value chain in its strategy and as part of the due diligence process and the normal target-setting process. Setting targets arises from the level of ambition. In its *Sustainability Policy*, YIT is committed to respecting and promoting the UN Universal Declaration of Human Rights and the ILO fundamental rights. In addition, the information provided by risk and impact assessments and the views and experiences of stakeholders, such as employees' representatives, may affect the targets to be set and their content. A target can be created on the initiative of the company's management, ESG team, procurement team or HR team. The Group Management Team approves strategy-level targets. Team- and function-specific targets can also be set at the unit level by the decision of the head of the unit. The monitoring process in light of the targets will take shape in connection with target setting.

POLICIES

YIT's responsibility related to workers in the value chain is guided by the *Supplier Code of Conduct* approved by the Group Management Team, as well as YIT's *Occupational Health and Safety Principles* and the *Sustainability Policy* approved by the Group's Board of Directors.

SUPPLIER CODE OF CONDUCT

YIT manages its impacts on workers in the value chain through contracts, supplier collaboration, and audits. A key role is played by YIT's *Supplier Code of Conduct*, which applies to all subcontractors and suppliers. This Code sets out the conditions for cooperation, which are based on laws, regulations, and YIT's own *YIT Code of Conduct*. For more information about YIT's *Code of Conduct*, see **YIT Code of Conduct**.

YIT's partners—whether subcontractors, suppliers, or service providers—must comply with these principles. The *Supplier Code of Conduct* is valid across the entire Group and is used in all YIT countries of operation. Its implementation is monitored via audits and contractor's liability reviews. In addition, any suspected misconduct or submitted reports are investigated. Responsibility for the policies' implementation lies with YIT's Group Management Team.

The purpose of the *Supplier Code of Conduct* for Partners is to ensure good business practices throughout YIT's value chain. It promotes responsible business conduct, supports ethical standards, respects labor and human rights, safeguards the environment, and ensures compliance with procurement practices. Among other requirements, YIT expects its partners to comply with all applicable local and international laws and regulations and with human rights policy standards, ensure the fulfillment of labor rights and non-discrimination, pay special attention to occupational safety, and address environmental considerations in their operations.

YIT's *Supplier Code of Conduct* also aims to mitigate the uncertainties surrounding employment security that arise from the nature of construction projects. Partners must ensure that their employees understand the content and terms of their employment and comply with all local laws, which set minimum requirements for the duration of employment and, for example, define grounds for dismissal. In addition, partners must provide a safe and healthy working environment to prevent accidents, injuries, and illnesses, and ensure their employees are fully informed about—and trained on—the requirements of this Code.

OTHER WORK-RELATED RIGHTS

YIT's *Supplier Code of Conduct* guides partners in minimizing negative impacts on value chain workers. It aligns with internationally recognized instruments relevant to value chain workers. The document requires partners to comply with the following labor rights requirements:

- Internationally recognized human rights must be respected in accordance with the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Partners' employees must have freedom of association, the right to form and join trade unions for the protection of their interests, and the right to collective bargaining.
- All employees must have equal rights and opportunities. Partners must have a zero-tolerance policy for direct and indirect verbal and physical discrimination. Harassment, bullying and threatening in the workplace must be prohibited.
- Partners must comply with the requirements concerning working hours, remuneration and employment contracts. Employees must be aware of the content and terms of the employment relationship and receive their employment contract in a language they understand. Partners' employees must have written employment contracts.
- Partners must pay their employees at least a salary that is in accordance with the law or the applicable collective agreement while also ensuring the provision of mandatory benefits such as social security. Working hours must comply with the requirements of laws, applicable collective agreements or ILO conventions.
- The employer must ensure that employees have sufficient rest periods and breaks, as well as annual leave, sick leave and parental leave in accordance with the applicable laws. Partners must maintain clear records of their employees' working hours and salaries.
- Partners must comply with the applicable work permit policies and employee qualification requirements.
- The use of forced labor in any form is prohibited throughout the value chain. Employees must have the right to resign with reasonable notice. Employees must not be required to submit their identity or work permit documents into the employer's possession.
- Child labor is prohibited throughout the value chain. Partners must not employ children under the age of 15 and must not expose young people aged 15 to 17 to work that may damage their health or safety.
- YIT always requires its partners to maintain safe and healthy working conditions in their own operations, as well as predetermined practices for the prevention of accidents. Each employee must be provided with adequate training to perform their work safely, along with information about general safety instructions and guidelines. Employees must always wear appropriate protective equipment at work. Read more in this section under the part **Health and safety principles**.

The *Supplier Code of Conduct* document unequivocally prohibits the use of child labor throughout the value chain. The document does not expressly mention human trafficking or human smuggling, but the aforementioned requirements, such as the prohibition of forced labor, requirements concerning employees' rights and decent working conditions, terms of employment and working hours, as well as the commitment to ILO conventions, in practice prohibit the use of forced labor throughout the value chain. The *Sustainability Policy* approved by the Group Management Team prohibits both child and forced labor and human trafficking. More information about the *Sustainability Policy* is provided in the part **Sustainability Policy**.

The *Supplier Code of Conduct* document does not directly contain information about insecure employment relationships, but it requires that employees should be aware of the content and terms of their employment relationship. In addition, compliance with all local laws is required, which sets minimum requirements for the duration of employment relationships and determines the grounds for dismissal, for example.

ACTIONS TO ADDRESS HUMAN RIGHTS IMPACTS

YIT is committed to respecting the UN Universal Declaration of Human Rights and the fundamental rights confirmed in ILO's eight core conventions.
Its partners must also respect the same rights. The implementation of human rights is monitored through surveys, audits and whistleblowing. Detected suspicions of abuse are investigated and corrected.

In an assessment carried out in in 2022, YIT identified that its business operations may cause negative human rights impacts. The company has therefore taken a number of measures to prevent, correct and reduce these impacts.

YIT has several measures in place to prevent and mitigate identified negative human rights impacts. These measures include contractual practices that ensure respect for human rights throughout the value chain. Of these, the most significant contract is the *Supplier Code of Conduct*, which is a standard appendix to procurement contracts.

In 2024, YIT adopted a human rights due diligence obligation that will be fully implemented in the coming years. The due diligence obligation will set clear processes and targets for human rights work throughout the value chain, such as additional obligations for procurement contracts and human rights criteria for comparing procurement decisions, as well as enhanced risk assessments and action plans and training. Human rights work is systematically monitored and reported annually in connection with the Sustainability statement.

In addition, YIT has processes in place to prevent labor exploitation, such as an abuse investigation process, restrictions and work permit inspections concerning foreign labor, monitoring of access control data, surveys of foreign labor, a prohibition of light entrepreneurship, stakeholder cooperation, as well as increasing awareness of labor exploitation by means of information posters, for example. Supplier background checks, audits and supplier meetings are also part of the measures. YIT also works closely with shop stewards to prevent labor exploitation. In addition, YIT's occupational safety measures ensure that all employees work in safe conditions. More information about these measures is provided in this section under the part **Actions**.

HEALTH AND SAFETY PRINCIPLES

YIT requires its partners to comply with its *Occupational Health and Safety Principles*. The aim of these Principles is to provide a safe and healthy working and living environment for personnel, partners, customers, and other stakeholders. The purpose of YIT's *Occupational Health and Safety Principles* is to ensure that safety and health are an integral part of the company's values and daily operations. These Principles apply throughout the Group and are used in all of YIT's countries of operation.

The goals and activities of occupational health and safety form part of YIT's strategy and annual plan, which are the responsibility of senior management. The company's Board of Directors, together with the management of the Group, business segments, and divisions, regularly monitors the implementation of occupational safety plans and the achievement of targets in various management forums. Regular management site visits also contribute to systematic monitoring and to fostering a strong safety mindset.

YIT's *Occupational Health and Safety Principles* and numerous related measures—such as safety planning, management site visits, safety observations, weekly site meetings and safety briefings, along with induction and training—aim to control the occupational safety risks of construction-site work. These risks can affect workers in the value chain and may lead to personal injury. Even comprehensive occupational safety measures cannot eliminate all risks. Any accidents and incidents are investigated and communicated. More information about YIT's *Occupational Health and Safety Principles* is provided under section **S1 – Own Workforce, Policies, Working Conditions**.

Occupational safety at YIT is guided by a Management System that integrates safety practices and instructions into daily operations. This system ensures that everyone working on-site is aware of and strictly follows the safety requirements. More details about the Management System can be found under section **S1 – Own Workforce, Policies**.

In addition, all employees in Finland must comply with the *General Occupational Safety and Health Requirements at YIT Work Sites*. The aim of these requirements is to ensure accident-free and disruption-free work and to clarify the occupational safety and health guidelines followed on YIT's sites. They include information about the site's occupational safety personnel, site work and personal protective equipment, required permits and qualifications, and the operation of machinery and equipment. The General Preliminary Induction online training—covering hazards and risks in the working environment—is mandatory for anyone working on YIT's construction sites in Finland. Beyond the General Preliminary Induction, all employees working on construction sites in Finland must also complete a site-specific induction as required by law. YIT's other countries of operation have equivalent occupational safety requirements that account for local legislation and country-specific practices.

SUSTAINABILITY POLICY

Workers in the value chain play a key role in YIT's *Sustainability Policy*. YIT is committed to respecting internationally recognized human rights in accordance with the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. This commitment also applies to partners and their employees. The *Sustainability Policy* prohibits the use of child and forced labor and human trafficking in YIT's own operations and throughout the value chain. These prohibitions in the *Sustainability Policy* aim to prevent negative impacts of YIT's operations on the human rights of workers in the value chain. More information about the *Sustainability Policy* is provided in the part **Sustainability Policy**.

ENGAGEMENT WITH WORKERS IN THE VALUE CHAIN ABOUT IMPACTS

The need to interact directly with workers in the value chain—or their representatives—becomes more important when employees work in activities comparable to YIT's own operations, such as on construction sites. Otherwise, the views of workers in the value chain are indirectly conveyed through ordinary supplier management activities, such as cooperation meetings, audits, and supplier surveys.

Communication with suppliers takes place in various ways—by phone, electronically, and through meetings. Engagement with partner suppliers is regular, sometimes even weekly. In the procurement organization, the person responsible for the cooperation agreement is in charge of this engagement.

Supplier audits are conducted annually for the largest suppliers, while for others, audits are carried out on a risk basis. The procurement management determines audit needs. Primarily, the audits are carried out by procurement personnel, with site personnel participating if necessary. Procurement management is responsible for ensuring audits are carried out. For more information about audits, see this section under the part **Supplier Background Checks, Audits, and Supplier Meetings**.

In 2022, YIT conducted an anonymous survey, in the respondents' own language, of foreign workers on selected construction sites in Finland. The survey aimed to find out how foreign workers are treated. Based on the results, YIT has improved its knowledge of foreign workers' employment terms, occupational well-being, and awareness of their rights. YIT is preparing a new survey for 2025. An information poster has been introduced on each site to help identify and prevent labor exploitation. In addition, YIT has begun monitoring the working hours of foreign labor more closely and working closely with shop stewards to prevent labor exploitation. Read more in this section under the part **Practices to Ensure the Rights of Workers in the Value Chain**.

HEALTH AND SAFETY

On YIT's construction sites in Finland, safety briefings are held at least twice a month as part of statutory site (workplace) occupational health and safety cooperation. Therefore, these briefings also apply to partners' personnel. Safety briefings cover current safety and health-related factors on the construction site and inform site personnel of any upcoming events, changes, or measures that could affect health or safety in the near future—especially in the construction site environment. The site supervisor is responsible for organizing these sessions. About once a month, YIT's safety managers organize joint safety briefings for all YIT construction sites in Finland on topics related to occupational safety and well-being. The occupational safety manager is responsible for ensuring these briefings take place.

Management site visits are carried out at YIT, serving as a conceptual yet flexible approach to promote occupational safety, well-being, quality, and practical everyday work on construction sites and at offices. These visits aim to involve and engage employees—and partners' employees—in a strong safety culture. They aim to communicate and cultivate a safety mindset, increase interaction and trust, learn about day-to-day risks, identify and eliminate barriers to developing occupational safety, and share best practices across different projects. At YIT, management site visits are undertaken by the Group Management Team, segment management teams, country managers, and unit heads.

In Finland, kick-off meetings are held on construction sites with subcontractors to ensure all parties are aware of the project's requirements and expectations before starting work. In addition to work-phase safety plans, these meetings address issues like quality requirements, operational expectations, and the main content of the contract. Site management is responsible for organizing these kick-off meetings.

PROCESSES FOR REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

YIT ETHICS CHANNEL

Everyone working on one of YIT's construction sites has an obligation to intervene in any grievances they have detected and, if necessary, to bring them to their supervisor's attention. YIT's value chain workers have an obligation to notify YIT's representative of any policy violations they have detected.

Through the *YIT Ethics Channel,* employees can anonymously report any grievances or violations they have detected. The reporting channel is open to all stakeholders, including workers in the value chain, who are encouraged to report any breaches of the law that they have detected, as well as any ethical concerns. Reports can be submitted anonymously in 11 different languages using web-based devices and by telephone. The channel is maintained by an external service provider, which ensures that anonymous reports remain confidential and confidential information does not fall into the wrong hands. All reports are encrypted and can only be decrypted by persons designated by the YIT Ethics Committee.

In YIT's *Supplier Code of Conduct*, partners are instructed that their personnel can report any noncompliance through the reporting channel. In the *YIT Code of Conduct*, the partner commits to the process of resolving the case that has come to light. The *Supplier Code of Conduct* is attached to all subcontracts, and is referred to via a link in the order and procurement templates. In addition, information about the reporting channel is provided on YIT's website and during the mandatory preliminary induction for all employees.

All violations and suspected violations that have come to the company's attention will be investigated. YIT's Ethics Committee is responsible for steering the investigation. The committee is responsible for ensuring that the consequences for investigations are consistent in cases of similar severity, and that the corrective measures are sufficient as described in the company's *Code of Conduct* and the principles governing the reporting and investigation of violations. Illegal activities are reported to the authorities. The party concerned or their supervisor never personally participates in the investigation of violations or suspected violations. If it is necessary based on the significance of the violation under investigation, the Ethics Committee will report the case to YIT's President and CEO and Board of Directors at a regular meeting or, if the situation so requires, immediately.

After the investigation, the necessary internal measures are taken and/or the matter is reported to the authorities. The person who submitted the report will be notified of the resolution of the case. The person who submitted the report may contact the Ethics Committee anonymously throughout the investigation process and provide additional information if necessary. The Ethics Committee monitors the issues raised and addressed in accordance with the nature of the case. YIT ensures the effectiveness of the reporting channel by providing an easily accessible channel by means of web-based devices and by telephone. YIT regularly monitors and analyzes the reports submitted, which helps to identify problems and improve the effectiveness of the channel.

The reports are divided into the following categories: communication, competitors, conflicts of interest, privacy, the environment, personnel, supply chain, shareholders and society. Criminal activity and attempted criminal activity against the Group are also included in the total number of reports. The company is committed to investigating fairly all reports submitted in good faith and to taking the necessary measures based on the investigation and its outcome. The company is also committed to protecting the rights and privacy of persons who have submitted a report in good faith. In addition to the *Ethics Channel*, YIT's value chain workers have an obligation to notify YIT's representative of any policy violations they have detected. More information about whistleblower protection is provided under section **G1 - Business conduct, Business conduct policies and corporate culture.**

At the moment, the company does not systematically assess employees' awareness of and trust in the reporting channel in terms of aspects other than their use of the channel, but this has been identified as a development need.

PRACTICES TO ENSURE THE RIGHTS OF VALUE CHAIN WORKERS

Efforts are made to prevent and mitigate the negative impacts on workers in the value chain, including through background checks and audits of partners. More information about this is provided in this section under the part **Supplier Background Checks, Audits, and Supplier Meetings**. In addition, the following practices are in place: a process for investigating misconduct, work permit inspections, and restrictions concerning workers from outside the EU and EEA areas and Switzerland.

The process of investigating misconduct refers to investigations carried out by the supply chain management team after the team has become aware of misconduct. The measures include comprehensive information requests to clarify ambiguities (pay slips, working time records, bank payment receipts, employment contracts), and comparing these with access control data and invoicing.

YIT implements a work permit inspection process to ensure that employees coming to Finland from outside the EU, EEA and Switzerland have been granted the right to work and reside in Finland by the Finnish authorities. In exceptional cases, the procurement corporate responsibility team may grant a permit for short-term employment of a third-country national as a posted worker. In addition, the employee must complete YIT's preliminary induction and site-specific induction. Information about these and the necessary documents are stored in YIT's own secure electronic archive. However, the employee may need to be removed from the construction site because of ambiguities concerning their right of residence and right to work. In such situations, YIT guides both the person in question and their employer to apply for a residence permit that includes the right to work. YIT's supply chain management team monitors the validity of work permits through random checks in accordance with the risk. More information about these measures is provided in this section under **Actions.**

In Finland, an anonymous survey of foreign labor has been carried out on selected construction sites in the workers' own language, with the aim of finding out how foreign labor is treated. Through the survey, YIT has improved its knowledge of the working conditions of foreign workers, their well-being at work and whether people working on construction sites, regardless of the employer, are aware of their rights. YIT has introduced an information poster on each construction site in Finland to identify and prevent labor exploitation. YIT carries out more detailed monitoring of the working hours of foreign workers. YIT also works closely with shop stewards to prevent labor exploitation through site visits, for example.

Any violations related to working conditions, health and safety or other human rights are processed in accordance with YIT's own processes. The starting point is that partners are provided with an opportunity to correct their actions. If a partner is not willing or able to correct its actions, it will be removed from YIT's operations.

HEALTH AND SAFETY

Safety is continuously developed and monitored in cooperation with partners working on construction sites. Partners' employees are required to bring up development needs by reporting safety observations to the observation system. Observations are processed as part of day-to-day management. In addition to task planning, goal-oriented and proactive safety work is required from partners in the form of safety observations, for example.

In Finland in recent years, YIT has actively developed safety practices in cooperation with selected partners, identified risks and incidents at a more detailed level, and analyzed how different parties can improve their operations to further increase the safety of construction sites.

At YIT, incidents (near misses) are also recorded in the system, investigated and processed on the construction site and in the line organization, and the necessary corrective and development measures are taken. Reports can also be submitted anonymously through the Ethics Channel, for example. More information is provided under this section **YIT Ethics Channel** and section **S1 - Own workforce, Processes to remediate negative impacts and channels for own workforce to raise concerns.**

Accidents and incidents are thoroughly investigated in cooperation with the partner. The investigation increases understanding of the contributing factors and aims to prevent the recurrence of similar events. Based on the investigation, the operating methods or the management process are changed or developed as necessary. After the investigation has been completed, it is reviewed with the line management. The event and the lessons learned will be shared with the construction sites.

If there is something to be improved in a partner's occupational safety, the procedure is the same as for other grievances related to working conditions: the partner is primarily given the opportunity to correct the activities in question. If the supplier is not willing or able to correct its operations, cooperation with the supplier will be limited or terminated.

ACTIONS

All YIT's actions related to workers in the value chain are continuous and cover the entire Group, unless otherwise stated in the description of the action. YIT works to create an accident-free workplace, which is the expected outcome of occupational health and safety measures. Labor exploitation prevention processes aim to prevent labor exploitation, and this is the expected outcome of these actions. The costs of the actions are included in YIT's annual fixed costs budget and are not significant operating or capital expenses. The effectiveness of the actions in terms of occupational safety is monitored using occupational safety metrics. More information is provided in section **S1 - Own workforce, Targets**.

YIT continuously seeks to identify and assess the negative impacts on workers in the value chain through audits and risk assessments, for example. When the company becomes aware of negative impacts or risks thereof, a suitable course of action is determined on a case-by-case basis by a suitable function or business management. For example, when YIT identified through shop steward and stakeholder cooperation that subcontracting chains involve labor exploitation through light entrepreneurship arrangements, procurement management decided to prohibit light entrepreneurship without a Business ID throughout YIT's contract chain. This policy was included in all procurement contracts, and YIT started to carry out control as part of audits and supplier cooperation. If YIT becomes aware of negative impacts or human rights violations affecting workers in the value chain, efforts are always made to remedy the situation and prevent its recurrence. YIT does not systematically assess the effectiveness of the corrective measures taken, but in practice the company seeks to ensure that every identified grievance is corrected and cannot be repeated.

Among the measures, contractual practices, processes for preventing labor exploitation, audits and background checks, as well as supplier meetings, stakeholder cooperation, cooperation with shop stewards, assessments of human rights risks and impacts, occupational safety measures such as reporting and investigating incidents and investigating occupational accidents and incidents, and proactive occupational safety measures such as induction, occupational safety plans and training, as well as occupational safety observations, safety briefings and management site visits, mitigate the negative impacts caused by YIT.

YIT takes a number of measures to avoid causing or promoting significant negative impacts on workers in the value chain through its own practices. These include contract practices, restrictions on foreign labor and prohibition of light entrepreneurship as part of the labor exploitation prevention processes, monitoring of access control information, and work permit inspections. This category also includes audits, background checks and supplier meetings, as well as stakeholder cooperation and cooperation with shop stewards, assessments of human rights risks and impacts, occupational safety measures, and proactive occupational safety measures.

Corrective measures include YIT's Ethics Channel and the process of investigating misconduct, a survey of foreign labor, increasing awareness of labor exploitation, and cooperation with shop stewards.

CONTRACT PRACTICES

The *Supplier Code of Conduct* is a standardized appendix to procurement contracts, which the partners approve when they start cooperation with YIT. The appendix requires partners to make a commitment to respecting human rights and to ethical conduct. With this document, YIT seeks to ensure that its partners operate in a responsible and ethically sound manner. The *Supplier Code of Conduct* document informs suppliers about YIT's level of requirements and seeks to instruct and share information about how to act appropriately. The aim is to ensure ethical treatment and good working conditions for workers in the value chain. More information is provided this section **Policies**.

In addition, it is possible to include sanctions in agreements for violations of the *Suppliers Code of Conduct*. During 2024, YIT prepared ESG strategies for procurement categories, which will be introduced during 2025. With the introduction of the due diligence process, YIT will gradually increase the requirements for suppliers to set similar targets for their own suppliers, thus extending influence further along the chain.

With these measures, YIT aims to prevent labor exploitation and improve the working conditions of workers in the value chain. For more information, see **the table of material impacts, risks, and opportunities related to workers in the value chain**.

PROCESSES TO PREVENT LABOR EXPLOITATION

Misconduct investigation process

The misconduct investigation process refers to investigations conducted by the supply chain management team when it becomes aware of potential misconduct. The measures include extensive information requests to clarify ambiguities, such as the examination of pay slips, working time records, bank payment receipts and employment contracts, and comparing this information with access control data and invoicing.

Restrictions on foreign workforce, work permit inspections and prohibition of light entrepreneurship

To prevent labor exploitation and the grey economy, YIT requires workers from outside the EU, the EEA and Switzerland to have a right of employment and residence granted by the Finnish authorities when they come to work in Finland. For justified reasons in exceptional cases, the procurement corporate responsibility team may grant a permit for short-term employment of a third-country national as a posted worker.

In Finland, work permit inspections are carried out to check employees' employment contracts, work permits and other necessary documents, among other aspects. These are an important part of YIT's operations and ensure that employees have the appropriate permits and rights to work in Finland. Work permit inspections aim to prevent labor exploitation and ensure that employers comply with the terms of employment and labor regulations. In addition, YIT conducts studies to ensure that employees are paid appropriate salaries, and that their working conditions are safe and healthy.

Light entrepreneurship is not allowed on YIT's construction sites in Finland. Self-employed persons are required to have a Business ID. This policy ensures that all employees meet legal requirements, such as the requirements of the Act on the Contractor's Obligations and Liability when Work is Contracted Out.

Restrictions on foreign labor and the prohibition of light entrepreneurship are aimed at creating a situation where no work-related abuse occurs on YIT's construction sites. The foreign workforce is in a particularly vulnerable position, and there have been cases in which people have worked on construction sites without an appropriate work permit or in the role of a light entrepreneur without a Business ID. By restricting the use of labor from outside the EU and EEA countries and Switzerland, and by prohibiting light entrepreneurship without a Business ID, the aim is to ensure that employees' conditions are in accordance with the terms of employment.

Monitoring access control data

YIT's access control is based on the use of the Valtti card, which requires each employee to punch in and out personally. The access control system also helps to prevent work-related abuse by ensuring that all employees are appropriately registered, and that their working conditions meet the requirements of the law and YIT. YIT carries out more detailed monitoring of the working hours of foreign workers.

Surveys of foreign labor

In Finland, an anonymous survey of foreign labor has been carried out on selected construction sites in the workers' own language, with the aim of finding out how foreign labor is actually treated. Through the survey, YIT has improved its knowledge of the working conditions of foreign workers, their well-being at work and whether people working on construction sites, regardless of the employer, are aware of their rights.

Increasing awareness of labor exploitation

YIT actively provides information about the prevention of work-related abuse through induction and poster campaigns, for example. YIT has introduced an information poster on each construction site in Finland to identify and prevent work-related abuse. YIT carries out more detailed monitoring of the working hours of foreign workers. In the future, the aim is also to increase material suppliers' competence in terms of social responsibility.

The processes to prevent work-related abuse aim to improve the working conditions of workers in the value chain and prevent the use of forced and child labor. For more information, see **the table of material impacts, risks, and opportunities related to workers in the value chain**.

SUPPLIERS' BACKGROUND CHECKS AND AUDITS, AND SUPPLIER MEETINGS

Partners' backgrounds are always checked. Known human rights violations and any negative publicity associated with them are reviewed as part of this process. Partners' responsible conduct is ensured proactively by checking companies' backgrounds at the tendering stage.

YIT verifies the eligibility of suppliers and subcontractors as its contractual partners through audits. Audits are carried out throughout the Group. In addition to production or construction site operations and quality assurance, the audit examines occupational safety and social and environmental responsibility practices. During the audit, working conditions are observed and, if necessary, employees are interviewed. Supplier assessments and audits aim to ensure that partners have adequate means to identify and minimize impacts on their own employees' working conditions and other work-related rights. Audits may provide information about necessary additional measures.

Supplier audits are carried out on the largest suppliers annually. Otherwise, audits are carried out on a risk basis. As YIT's procurement becomes category-based, risk assessments related to the operators in the sector will be carried out based on the category and supplier in future. The category-specific risk assessment also takes into account risks in terms of the implementation of YIT's *Code of Conduct*, legislation and human rights violations, for example. Based on these risk assessments, decisions are made on the suppliers to be audited. Procurement management determines the audit needs, and the audits are primarily carried out by procurement personnel and, if necessary, the site personnel is also involved. Audits are carried out to monitor the implementation of policies and identify any grievances. If any grievances are detected, the supplier is asked to correct them. Procurement management is responsible for the implementation of audits.

Audits and background checks aim to verify the state of the partner's social responsibility and identify any grievances, so that they can be corrected and the realization of employees' rights can be improved. YIT seeks to assess all its suppliers. Audits are carried out to monitor compliance with prohibitions and guidelines, for example.

YIT's supplier meetings are opportunities to develop cooperation, share best practices, review topical issues, propose changes and ensure that the supplier's operations comply with human rights principles. YIT monitors and guides its partners' activities through audits and supplier meetings.

With these measures, YIT seeks to ensure compliance with legislation, prevent work-related abuse and ensure improved transparency in the supply chain.

STAKEHOLDER COOPERATION

YIT follows the general discussion and research in the sector. YIT also meets and consults expert bodies such as HEUNI, if necessary. YIT also operates in networks (e.g. FIBS, Confederation of Finnish Construction Industries RT), where it is also possible to share information about the human rights situation and the challenges that have arisen. This measure is intended to have positive impacts on workers in the value chain.

Through stakeholder cooperation, YIT seeks to ensure that its partners comply with all applicable laws and regulations, such as labor law, by engaging in a diverse dialogue with stakeholders' representatives.

COOPERATION WITH SHOP STEWARDS

YIT cooperates closely with shop stewards to prevent labor exploitation, and shop stewards visit construction sites, where they can discuss the working conditions and well-being directly with workers in the value chain and hear their concerns and suggestions for improvement. If necessary, value chain workers working on construction sites can also contact shop stewards, who will investigate the matter and promote it together with the procurement team to correct negative impacts.

In cooperation with shop stewards, YIT seeks to ensure that partners comply with human rights requirements through contractual practices and labor exploitation prevention processes, for example.

YIT ETHICS CHANNEL

Through the *YIT Ethics Channel*, employees can anonymously report any grievances or violations they have detected. The reporting channel is open to all stakeholders, including workers in the value chain, who are encouraged to report any breaches of the law that they have detected, as well as any ethical concerns. The Ethics Committee investigates any concerns raised through the *Ethics Channel*. If necessary, practices can be changed based on the reports received through the channel. Through the *Ethics Channel,* YIT seeks to identify grievances or violations in its own operations, such as suspicions of labor and human rights violations. More information about the *Ethics Channel* is provided in this section in the part **Processes to remediate negative impacts and channels for value chain workers to raise concerns.**

In YIT's *Supplier Code of Conduct*, partners are instructed that their personnel can report any noncompliance through the reporting channel. In the *YIT Code of Conduct*, the partner commits to the process of resolving the case that has come to light.

HUMAN RIGHTS IMPACT ASSESSMENT

Through a comprehensive human rights impact assessment, YIT has identified the key impacts of its operations in the value chain. In the future, human rights impact assessments will be carried out more regularly and will also be extended to the material supply chain.

OCCUPATIONAL HEALTH AND SAFETY MEASURES

Health and safety measures aim at an accident-free workplace where employees feel well. On construction sites, occupational safety measures and practices equally promote the occupational safety of the company's own workforce and workers in the value chain. These measures aim to mitigate occupational safety risks related to working on construction sites, which workers in the value chain are also exposed to and which can lead to personal injury. For more information, see **the table of material impacts, risks, and opportunities related to workers in the value chain**.

Proactive measures

The safety of the working environment is systematically promoted through proactive measures such as induction, safety planning, safety briefings, safety observations and management site visits. YIT continuously seeks to promote proactive measures to further develop safety management.

Induction, occupational safety plans and training

Before partners can work on YIT Finland's construction sites, they must complete preliminary induction and site-specific induction and ensure that they have the necessary work permits. YIT's occupational health and safety requirements and practices also apply to partners. This requires, among other aspects, that the partners' supervisors and employees jointly draw up a work phase safety plan for each new work phase or type of work. In addition, partners are required to draw up a work phase-specific dust management plan and comply with the general occupational safety requirements on YIT's construction sites. YIT provides occupational safety management training for white-collar employees on construction sites, for example. Safety planning is implemented at all worksites in accordance with common risk management practices.

Safety briefings

On YIT's construction sites in Finland, safety briefings are held at least twice a month. They are part of statutory site (workplace) occupational health and safety cooperation and thus also apply to partners' personnel. Safety briefings are held to discuss current factors affecting the safety and health of the construction site, and to inform the site personnel of any events, changes or measures affecting health or safety in the near future, particularly in the construction site environment. Around once a month, YIT's safety managers organize joint safety briefings concerning all YIT's construction sites on topics related to well-being at work and occupational safety.

Occupational safety observations

In YIT's projects, all employees and visitors have the opportunity to report deficiencies and grievances in occupational safety and positive observations through the mobile system. The purpose of safety observations is to encourage people to observe their operating environment, improve the safety of the working environment and prevent accidents. All reported grievances and deficiencies will be corrected. Safety observations are processed among the site personnel at weekly meetings and safety briefings. Safety observations are recorded in the system and are continuously monitored and discussed in the line organization and as part of occupational health and safety cooperation. The aim is to share the most significant safety observations across organizational boundaries.

Management site visits

At YIT, management site visits are a flexible way to promote occupational safety, well-being and quality on construction sites and in offices. The aim of these visits is to engage personnel and partners in a good occupational safety culture, increase interaction and trust, learn from everyday risks, remove obstacles to the development of occupational safety, and share best practices. The Group Management Team, segment management teams, country managers and heads of units are required to conduct site visits. The implementation of these visits is monitored regularly. Visits are also conducted by management members on their own initiative.

RECORDING, INVESTIGATING, REMEDIATING AND FOLLOWING UP ON INCIDENTS (NEAR MISSES)

For every occupational accident that occurs, a multiplicity of disruptions and incidents occur in the workplace. Investigating these and sharing the lessons learned is extremely important in accident prevention. At YIT, incidents are recorded, investigated and processed on the construction site and in the line organization, and the necessary corrective or development measures are also carried out.

RECORDING, INVESTIGATING, REMEDIATING AND FOLLOWING UP ON OCCUPATIONAL ACCIDENTS

Occupational accidents occurring in YIT's operations are registered in the same system as those of its own employees. Accidents are monitored continuously, and detected safety deviations are actively addressed. More information about measuring occupational accidents is provided in section S1 - Own workforce, Targets.

In Finland in recent years, YIT has actively developed safety practices in cooperation with selected partners, identified risks and incidents at a more detailed level, and analyzed how different parties can improve their operations to further increase the safety of construction sites. These actions are intended to have a positive impact on workers in the value chain.

OTHER WORK-RELATED RIGHTS

During 2024, YIT created a due diligence process to prevent and detect human rights violations in the supply chain. The process will be implemented during 2025. In 2022, YIT carried out a human rights impact assessment and took corrective measures based on it.

YIT reports the number of all misconduct investigations and reports related to human rights received through YIT's Ethics Channel.

In 2024, there were 20 misconduct investigations related to workers in the value chain These were related to underpayment, overtime, light entrepreneurship or lack of clarity in terms of employment. None of the investigations resulted in action under criminal law. Five of the resolved cases resulted in either the termination of the cooperation agreement or a ban on the use of the partner.

Other cases were resolved through cooperation, and corrective actions were successfully carried out.

RESOURCES

YIT has allocated human resources to the management of the rights of workers in the value chain. These resources consist of a total of three people in the sustainability team and the supply chain management team. In addition, the working time of other persons in the company is used to strengthen the rights of workers in the value chain.

RISK MANAGEMENT RELATED TO WORKERS IN THE VALUE CHAIN

The management of material risks and opportunities is guided by the current *risk management policy* approved by YIT's Board of Directors, which describes YIT's main risk management principles, steering model and key risk management processes. The identification, assessment and action planning of risks and opportunities related to workers in the value chain are carried out in line with the Group's *Sustainability Policy* and risk management principles as part of general human resources and procurement processes and practices at both the project level and the Group level. In the operational and strategic risk management process, risks and opportunities related to workers in the value chain are processed on a risk-specific basis at the appropriate level in accordance with YIT's current *risk management policy*. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

S4 – CONSUMERS AND END-USERS

Material impacts, risks and opportunities related to consumers and end-users

own operations people

Impact, risk or opportunity		Description	Management	Influence
Consumer and/or end-user safety				
Positive impact	Health and safety	If YIT's products are safe and healthy, it increases the desirability of the products, which increases sales.	Good health and safety properties are ensured through good design and construction and by avoiding hazardous substances in products.	own operations, people

CONSUMERS AND END-USERS

YIT's customer and user base is very extensive. In residential sales, the most common customer and buyer is a private person, who is also the user of the apartment. Apartments may also be sold to investors, who usually rent out the apartments. In such a case, the tenant is the user of the apartment, and the investor is its owner. Business premises and infrastructure construction is almost always an acquisition in which the customer and buyer is a commercial company, a community or a public entity. Users include, for example, employees of companies in office buildings, customers in shopping centers, and road users in infrastructure construction.

Only consumers and end-users who purchase or use products manufactured by YIT are included in this disclosure requirement. The disclosure requirement does not include upstream parties in the value chain, such as subcontractors and suppliers, or other parties involved in construction, such as designers and consultants.

TARGETS

YIT does not have targets in accordance with the ESRS. Instead, YIT monitors customer satisfaction in all countries and operations in many ways, the most important of which is the Net Promoter Score (NPS). Other customer satisfaction monitoring methods include feedback from various meetings, electronic contact channels, personal customer feedback discussions and customer satisfaction surveys.

In the residential business, the YIT Plus system serves as a continuous and primary feedback channel for customers. B2B business operations use the Pulse customer satisfaction survey (NPS) during construction. Customers are contacted by either YIT or an external operator.

Compliance with the official requirements, guidelines and good practices related to the quality and safety of construction is monitored through various site inspections, self-certifications and official inspections. Inspections are carried out by YIT's own personnel, subcontractors, suppliers, the authorities or the customer's representative, either on their own or as a group. Most audits are recorded in a memorandum or the monitoring data is stored in an electronic system.

Net Promoter Score and reporting principle

The higher the NPS score is, the more satisfied customers are with YIT's products, including aspects related to health and safety. Feedback surveys are submitted to all customers, and the Group's target for the NPS in 2024 is at least 52. This target is continuous and does not have a specific baseline value, base year or intermediate target. The data required for calculating the NPS is collected from customer feedback during the handover phase. In large projects, the feedback provided by customers on a quarterly basis also affects the NPS.

In the NPS method, customers are asked one question: How likely are you to recommend this company to a friend or colleague? This question predicts customers' willingness to buy again and recommend the company to others. Customers respond on a scale of 0 to 10. Responses are categorized as follows: detractors (0–6), passive (7–8) and promoters (9–10). The NPS score is calculated by subtracting the percentage of detractors (% of all respondents) from the percentage of promoters (% of all respondents).

In the project business, the Group's common measurement point is the time of handover. The survey is carried out by either an external operator or YIT. There are minor differences in the exact timing of the survey that arise from local practices. Estimates have not been used in the calculation, and the calculation has not been verified or validated by an external party.

YIT Group's weighted NPS result for 2021–2024 is presented in the table. The target value of the index is 52 and the base period is a year.

Net Promoter Score (NPS)

	2021	2022	2023	2024
YIT Group, NPS weighted	47.9	49.3	52,0	56,8

POLICIES

YIT's operations throughout the Group are guided by YIT's values, YIT's *leadership principles*, the *YIT Code of Conduct*, YIT's *Sustainability Policy* and the GDPR. The Group-level *Sustainability Policy* outlines YIT's commitment to the UN Universal Declaration of Human Rights and to the observance and promotion of the fundamental rights stated in the eight ILO Core Conventions. YIT's *Sustainability Policy* also involves a commitment to managing the most material impacts, risks and opportunities.

YIT has identified health and safety as key human rights aspects for end-users and a positive impact. In practice, this means that YIT's buildings and infrastructure sites must be constructed in a way that safeguards the end-users' right to a healthy and safe environment. Buildings must be sustainable and healthy for residents. This includes ventilation, accessibility and fire safety, for example. The laws in YIT's countries of operation set health, safety and quality requirements for new buildings. Accessibility is also taken into account in the design of YIT's buildings, so that persons with reduced mobility can use the buildings and live in them without undue inconvenience.

Compliance with the official requirements, guidelines and good practices related to the quality and safety of construction is monitored through various site inspections, self-certifications and official inspections. Inspections are carried out by YIT's own personnel, subcontractors, suppliers, the authorities or the customer's representative, either on their own or as a group. Most audits are recorded in a memorandum or the monitoring data is stored in an electronic system.

Buildings must comply with all necessary fire safety regulations and other safety-related norms, such as the durability of structures and a safe electric system. Building materials and structures must be safe and healthy for end-users. This means, for example, that no hazardous substances are used in construction materials that could cause health hazards (e.g. asbestos or toxic chemicals). For infrastructure and public buildings, it is ensured that they meet national and international safety standards that ensure the safety of users.

Product safety is realized through good project design and implementation, as well as compliance with requirements, guidelines and good practices. The policies cover all consumer and end-user groups.

Success in product safety work is primarily assessed based on feedback received from customers, the authorities and stakeholders. Feedback also includes product quality and product safety. Feedback is collected at YIT in projects during construction and at the segment level on a campaign basis. During the construction period, customer satisfaction and personnel and stakeholder surveys are carried out on all construction sites. Unit-level surveys are conducted at irregular intervals.

By addressing the issues raised in the feedback, YIT is taking measures to correct and improve its human rights impacts. The results are also reviewed with the division and/or unit management. After the review, based on the feedback, the management decides on possible measures. If necessary, the results are also reviewed with the feedback provider. The policy is applied in all YIT's operations and in all countries. YIT's Board of Directors, President and CEO and Management Team are the highest level responsible for the implementation of the policy.

YIT operates in accordance with all relevant regulations and guidelines concerning the construction industry, which set precise frameworks for health and safety work in the construction industry. During the reporting year, YIT was not aware of any cases of non-compliance with business or human rights principles related to consumers or end-users.

ENGAGEMENT WITH CONSUMERS AND END-USERS

YIT's main way of engaging with the authorities, customers, users and stakeholders is through various meetings, electronic contact channels and personal conversations. In addition, feedback is received through customer satisfaction surveys and channels. In general, contacts and customer work are carried out by YIT. In urgent situations, YIT may also resort to the help of partners.

In the residential business, YIT's primary channel for individual feedback is the YIT Plus system. In B2B business operations, feedback is collected at regular meetings with customers. Direct feedback is also received by phone, email or other means of communication.

YIT collects feedback in its various operations during different phases of the customer path and construction. These include the project sales phase, the handover of the project, the service period and the warranty repair phase. In B2B business operations, a survey is also carried out during the handover phase at the end of the project.

In terms of infrastructure and business premises, YIT's customers are mainly organizations. Therefore, a process for engaging directly with consumers and end-users has not been determined. Clients take care of communication in accordance with their own processes and are in contact with YIT if necessary.

As part of customer work, the B2B business operations regularly use the Pulse survey in addition to customer satisfaction surveys in the sales and handover phases. The Pulse survey is designed to improve customer satisfaction with projects during construction. The survey is conducted using a web form two to four times a year, with the aim of monitoring and improving customer satisfaction during construction.

Feedback is collected either by YIT or with the help of an external operator. The primary responsibility for requesting feedback lies with the project personnel. Project-specific surveys during construction and at the end of the project are mainly conducted by telephone, either by YIT or with the help of a partner.

Customer feedback is reported on YIT's portal, and the feedback received for different projects is available throughout YIT. Individual feedback or summaries are reviewed by the management teams of units, divisions and segments. Projects have an obligation to address significant exceptions in the results and develop business operations accordingly.

Poor feedback will be communicated to the person responsible for the main customers or other parties, who will process the feedback with the party in question.

The Board of Directors of YIT Corporation, the President and CEO and the Group Management Team have the highest operational responsibility for ensuring that communication takes place, and that the results are taken into account in the company's operating practices. YIT assesses the effectiveness of its communications with consumers and end-users through customer feedback. YIT has no specific actions in place to gain insight into the views of consumers who may be vulnerable to impacts.

PROCESSES AND CHANNELS FOR CONSUMERS AND END-USERS

Upon completion of the results of the feedback received and the customer satisfaction surveys, the project personnel of the site are invited to a joint feedback review meeting. The meeting analyzes the results, records the findings, decides on corrective measures and agrees on possible contacts with customers who have requested to be contacted. Sometimes the results are discussed more extensively with the customers who participated in the project.

YIT has the following channels in place to help consumers and end-users raise their concerns:

- The continuous feedback channel in the consumer trade is the YIT Plus system, which has been established and is maintained by YIT. The customer is provided with access to the YIT Plus electronic service channel and is guided to use it primarily. In YIT Plus, the customer receives contact information for YIT's local organization.
- In the B2B trade, feedback is collected through customer satisfaction surveys during the sales and handover phases, as well as Pulse surveys, which are described above.
- Feedback can also be provided by telephone, mail, email or other electronic media established and maintained by an external party. In addition, a general feedback form is available on YIT's website in Finland. In the Baltic countries and CEE countries, the website provides general contact information through which consumers can contact YIT's local organization.
- Reports related to ethics are submitted through the *YIT Ethics Channel*, or the WhistleB Whistleblowing Center, which can be found on most YIT websites. The program has been established and is maintained by an external party.

In the consumer and B2B trade, depending on the nature of the project, customers are informed at the time of purchase that they will be contacted for feedback mainly during three phases: sales, construction (B2B only), handover and warranty period.

Customer feedback is regularly monitored at each level of the organization, and the necessary corrective measures are initiated based on them. In addition, the project personnel has been instructed to encourage the customer to respond to the surveys by agreeing on discussion events after the survey has been implemented, for example. Sometimes the results are also reviewed with stakeholders.

Customers are informed about the feedback process, and they are offered an opportunity to be contacted by YIT based on the feedback. In other matters, customers may contact YIT through other feedback channels.

The policies concerning feedback are determined in YIT's management system and in the customer relationship management plan for each project. Based only on the response rates, YIT assesses consumers' and end-users' awareness of these processes. YIT is committed to protecting the rights and privacy of the persons who have submitted a report. More information about whistleblower protection can be found in section **G1 - Business conduct**.

ACTIONS

In Finland, customer relationship management includes the preparation of a customer relationship management plan for the project. It determines how the customer relationship with all its aspects will be managed within the project. In other countries, this plan is advisory. In addition, YIT has a customer service function in Slovakia, Poland and the Czech Republic. At the project level, action plans are made based on the feedback received. At the unit, division and segment levels, feedback is monitored as part of business review reporting practices, and actions are determined based on observations.

Before the handover and moving-in phases, YIT provides the buyer and the user with instructions on sorting waste and saving energy and water, among other aspects. In addition, the customer has the opportunity to inspect the site to be handed over and to submit requests for guidance and repair before moving in and for two years from the handover after moving in. The exact operating model is country-specific in accordance with legislation and established operating models.

If the product sold by YIT needs to be repaired, YIT will take care of the repair duties and, if necessary, provide the customer and user with the possibility of temporary premises.

In the consumer trade, YIT organizes resident events to ensure that future residents have the opportunity to get to know each other and bring up any issues. In the B2B business, customer work consists of meetings with customers and measures targeted at the customer along the customer's path to purchase.

Customer feedback is processed not only at the project level, but also at the unit, division and segment levels in an aggregated manner in connection with the management's review. Development needs are selected based on these, and their implementation is monitored. Based on customer feedback, individual development measures or more extensive development projects can be initiated, such as the "Elements of a Good Home" project of the Finnish housing business. These measures have a positive impact on customer quality.

The customer is offered the opportunity to visit the construction site both during the construction phase and before the handover. Based on the customer's feedback, any errors and deficiencies will be identified and corrected. In addition, part of the Group uses a self-certification operating model, in which the site is inspected by YIT's own people before it is handed over to the customer. Various inspections by the authorities, suppliers, subcontractors and consultants also ensure good quality.

Before the final transaction is made, all persons and companies that are consumer or corporate customers are checked to ensure that they are not banned from doing business based on a national or international sanctions list or suspected of money laundering, criminal activity, etc. If is, YIT refuses all interaction with the party.

Complaints and feedback from customers are investigated, and feedback is processed in cooperation with subcontractors and suppliers. All justified complaints will be addressed to avoid any damage to the customer. YIT does not have quantitative or qualitative data on the progress of actions or action plans reported in previous periods.

In addition, the Confederation of Finnish Construction Industries RT has organized a joint customer experience measurement in Finland using the EPSI Rating survey. It serves as a customer feedback channel for the entire industry in the consumer trade and as a basis for individual development activities or broader development projects to improve the customer experience and quality.

In B2B sales, YIT complies with the ISO 14001, ISO 9001 and ISO 45001 certified management systems. If a deviation is detected in the management system or its operations, it is reported. After this, the deviation is addressed, the necessary measures are assessed and, implemented and, if necessary, the management system components and data are updated.

Liability repair and warranty processes are key measures. A customer and user can file a complaint about a defect after commissioning, and the defect will be investigated and corrected. Finally, the correction is reviewed by the customer, or a party designated by the customer. Each project has its own scorecard, in which customer satisfaction is one of the points, which motivates the achievement of results.

The Elements of a 'Good Home' project was in progress in the YIT Housing business in Finland during 2024. It is aiming for better homes for consumers and a better customer experience, which improves the positive customer experience. The project is expected to be completed during 2025. After commissioning, its impacts will be monitored through customer feedback. YIT is also continuously developing its customer feedback process to better serve operational development.

In addition, YIT is currently renewing and replacing its customer management systems. One of the goals of the reform is to get a broader picture of the different areas of the customer relationship by including customer feedback in customer data, for example. One of the key objectives of the reform is to provide a broader view of dealings with the customer. At the same time, the data protection processes required by the GDPR have been further specified so that customer data is managed in accordance with the information security principles.

YIT has not been notified of any serious human rights issues related to consumers or end-users or cases related to human rights violations.

All blue-collar and white-collar employees belonging to YIT's organization carry out customer work either directly designated or indirectly through their job duties. Some business units also have a customer feedback manager, who ensures the appropriate collection, processing and review of customer feedback and the identification of development needs. Operating and capital expenses are not significant, and are included in YIT's annual budget for fixed costs.

Governance information

G1 – BUSINESS CONDUCT

Material impacts, risks and opportunities related to business conduct

own operations value chain people

Impact, risk or opportunity		Description	Management	Influence
Corporate culture				
Risk	Non-compliance with common policies	A prerequisite for the success of YIT's business operations is that the company acts in accordance with its values and respect all its stakeholders, engages in good cooperation and creates value for various stakeholders. Non-compliance with our common policies may damage the company's reputation and have negative impacts on both employees and customers.	YIT has a *YIT Code of Conduct* in place and provides related training. Values, management principles, the GRIP management system and training help all YIT employees act in accordance with our values.	own operations, people
Good governance and prevention of the grey economy				
Positive impact	Prevention of corruption and bribery	It is meaningful to work with a reliable partner. YIT strives to increase stakeholders' confidence that the company operates reliably and systematically to prevent the grey economy, both in its own operations and when working with subcontractors. This promotes the company's own reputation and also supports the efforts of companies in the subcontracting chain to prevent the grey economy.	YIT has a *YIT Code of Conduct* in place and provides related training. YIT requires all its partners to commit to its *Supplier Code of Conduct*. Through the *YIT Ethics Channe*l, all YIT stakeholders can anonymously report any grievances or violations they have detected. The company carries out audits of companies in its supply chain and conducts background checks. YIT has a labor exploitation prevention model in place.	own operations, value chain, people
Positive impact	Prevention of the grey economy			

ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The role of the administrative, management and supervisory bodies is to guide and supervise the company's management and operations. The role of the aforementioned bodies also includes monitoring and ensuring that the Code of Conduct is followed, and that the policies are kept up to date. The members of the company's administrative, management and supervisory bodies must have the best possible competence for the company. More information about the role of the administrative, management and supervisory bodies is provided in the part **The role of the administrative, management and supervisory bodies and the information provided to and the sustainability matters addressed by them.**

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Each member of YIT's personnel has an obligation to intervene in the grievances they have detected and, if necessary, to bring them to a supervisor's attention. An employee can discuss any grievances and suspicions related to their own employment relationship or local working environment with their supervisor, HR or a personnel representative.

Through the YIT Ethics Channel, all YIT's personnel can anonymously report any grievances or violations they have detected. The channel is open to all stakeholders. Reports can be submitted anonymously in 11 languages. The channel is maintained by an external service provider, who ensures that anonymous reports remain confidential, and that confidential information does not fall into the wrong hands. All reports are encrypted and can only be decrypted by persons appointed by YIT's Ethics Committee.

All violations and suspected violations that have come to the company's attention are investigated. YIT's Ethics Committee is responsible for steering the investigation. The committee is responsible for ensuring that the consequences for investigations are consistent in cases of similar severity, and that the corrective measures are sufficient as described in the company's Code of Conduct and the principles governing the reporting and investigation of violations. Illegal activities are reported to the authorities. The party concerned or their supervisor never personally participates in the investigation of violations or suspected violations. If it is necessary based on the significance of the violation under investigation, the Ethics Committee will report the case to YIT's President and CEO and Board of Directors at a regular meeting or, if the situation so requires, immediately.

After the investigation, the necessary internal measures are taken and/or the matter is reported to the authorities. The person who submitted the report will be notified of the resolution of the case. The person who submitted the report may contact the Ethics Committee anonymously throughout the investigation process and provide additional information if necessary. The Ethics Committee monitors the issues raised and addressed in accordance with the nature of the case.

The reports are divided into the following categories: communication, competitors, conflicts of interest, privacy, the environment, personnel, supply chain, shareholders and society. Criminal activity and attempted criminal activity against the Group are also included in the total number of reports. The changes required by the Whistleblowing Directive (EU 2019/1937) have been taken into account in YIT's countries of operation with regard to the *Ethics Channel*, the investigation of reports submitted and the protection of whistleblowers as local legislation in EU countries has entered into force. The company is committed to investigating fairly all reports submitted in good faith and to taking the necessary measures based on the investigation and its outcome. The company is also committed to protecting the rights and privacy of persons who have submitted a report in good faith. These commitments are confirmed in YIT's *Code of Conduct*. A policy for the confidential processing of reports is in place and is available on the reporting channel's website.

YIT fosters, creates, develops, promotes and assesses its Code of Conduct and corporate culture by following the *YIT Code of Conduct* policies approved by management. YIT's policies are based on the company's values and management principles, which guide operations toward adopting common practices and building a strong corporate culture. The key content of the policies emphasizes respect for all stakeholders and cooperation while creating value. The key objectives of the policy in terms of corporate culture, good governance and the prevention of the grey economy are to ensure that YIT complies with local laws and regulations, opposes corruption, bribery and the grey economy, avoids conflicts of interest and is politically neutral. In addition, YIT treats its suppliers, subcontractors, employees and other business partners equally, without discrimination, honestly and in accordance with the applicable laws and regulations. The policies serve as a guideline in the company's daily operations by ensuring that the decisions and actions taken are in line with the policies. More information is provided in the part **YIT Code of Conduct.**

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

YIT's values, its principles and cultural cornerstones of management are the starting point for all the company's operations and practices. They provide a strong foundation for building a common corporate culture and adopting common practices. The *YIT Code of Conduct* – a guide to acting in accordance with shared values and rules - clarifies what adherence to the company's values mean when working with different stakeholders. The *YIT Code of Conduct* contains the principles guiding the company's operations in relation to customers, employees, shareholders, business partners, competitors, society and the environment. The document also contains information related to compliance with the *YIT Code of Conduct* and reporting violations. All YIT employees are expected to act in accordance with the *YIT Code of Conduct* in all situations.

In the modern operating environment, mere compliance with the law is no longer enough. That is why YIT has jointly determined its values and management principles, which create the basis for all day-to-day work. YIT has also determined the *YIT Code of Conduct* policies, which help in making the right choices in day-to-day work. As a company, YIT has promised to abide by its policies, and everyone's input is needed to deliver on this promise.

YIT Code III is a common and consistent online training program for all YIT employees. It goes through concrete situations and provides support for value-based decision-making. Everyday situations are considered in light of YIT's values and *YIT Code of Conduct*: How to act? How should one act? What are the choices based on? Should something be done differently? The YIT Code III training program takes place online during working hours. The training takes about 20 minutes to complete and includes situation exercises and a final test. The exercises can be completed and the test questions can be answered several times, and the content is available online for future reference.

Every YIT employee must pass the online training program, regardless of their job, position or location. YIT estimates that its project operations may be the most susceptible to corruption or bribery. The Code of Conduct training program covers 100% of all YIT operations, including possible functions-at-risk. Completion of the Code of Conduct training program is mandatory regardless of job, position, location or country. Each employee is responsible for compliance with the policies, and supervisors must ensure that their subordinates act in accordance with the instructions. YIT's management and the Group Management Team have instructed all business units to implement the policies and monitor compliance with them. Code of Conduct training is available and, if necessary, provided to the members of the administrative, management and supervisory bodies as well. The management monitors completion of the training, and supervisors and HR receive information about the people who have completed the training. Individual answers or test results are not monitored. New YIT employees complete the YIT Code III training in connection with induction. The procedures for preventing, detecting and addressing any claims or cases of corruption or bribery are largely described in the company's *YIT Code of Conduct*. The *YIT Code of Conduct* is used to prevent, detect and address any claims or cases of corruption or bribery, and to prevent the potential negative impacts of the aforementioned issues on the company or its stakeholders.

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

There were no confirmed cases of corruption or bribery during the reporting period. Consequently, there was no need to take action to address breaches of anti-corruption and anti-bribery procedures and standards, and no need to make a list of key actions or their expected results. For the above reason, there is no need to list information about the scope of the key actions, the geographical area, the time horizons for carrying out the actions or the key corrective measures.

Appendices to the Sustainability statement

Appendix 1. LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure Requirement	Related datapoint	Description	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number of the Sustainability statement
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	43
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Material	43
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	Indicator number 10 Table #3 of Annex I				Material	132
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not Material	
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not Material	
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Material	
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Material	
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not material	

Disclosure Requirement	Related datapoint	Description	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number of the Sustainability statement
ESRS E1-4	Paragraph 34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	71
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Material	75
ESRS E1-5	Paragraph 37	Energy consumption and mix	Indicator number 5 Table #1 of Annex I				Material	75
ESRS E1-5	Paragraphs 40–43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex I				Material	75
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	74
ESRS E1-6	Paragraphs 53–55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	75
ESRS E1-7	Paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in, not disclosed in 2024	
ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in, not disclosed in 2024	
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical risk					Phased-in, not disclosed in 2024	
ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in, not disclosed in 2024	
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in, not disclosed in 2024	

Disclosure Requirement	Related datapoint	Description	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number of the Sustainability statement
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not material	
ESRS E3-1	Paragraph 9	Water and marine resources	Indicator number 7 Table #2 of Annex I				Material	89
ESRS E3-1	Paragraph 13	Dedicated policy	Indicator number 8 Table 2 of Annex I				Not material	
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I				Material	89
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex I				Material	89
ESRS E3-4	Paragraph 29	Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex I				Material	89
ESRS 2 – IRO-1 – E4	Paragraph 16 (a) i		Indicator number 7 Table #1 of Annex I				Material	53
ESRS 2 – IRO-1 – E4	Paragraph 16 (b)		Indicator number 10 Table #2 of Annex I				Material	53
ESRS 2 – IRO-1 – E4	Paragraph 16 (c)		Indicator number 14 Table #2 of Annex I				Material	53
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex I				Material	92
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex I				Material	100
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				Material	99
ESRS 2 – SBM-3 – S1	Paragraph 14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2 – SBM-3 – S1	Paragraph 14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1	Paragraph 20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	104
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Not material	

Disclosure Requirement	Related datapoint	Description	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number of the Sustainability statement
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				Material	103
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				Material	106
ESRS S1-14	Paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	110
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Phased-in, not disclosed in 2024	
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	110
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Material	110
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Material	108
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	108
ESRS 2 – SBM-3 – S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Material	54
ESRS S2-1	Paragraph 17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Material	114
ESRS S2-1	Paragraph 18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex I				Material	113
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex I				Material	119

Disclosure Requirement	Related datapoint	Description	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number of the Sustainability statement
ESRS S3-1	Paragraph 16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Not material	
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Not material	
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	121
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II DelegatedRegulation (EU)2020/1818, Art 12 (1)		Material	123
ESRS S4-4	Paragraph 35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Material	123
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	Indicator number 15 Table #3 of Annex I				Material	125
ESRS G1-1	Paragraph 10 (d)	Protection of whistle-blowers	Indicator number 6 Table #3 of Annex I				Not material	
ESRS G1-4	Paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	126
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex I				Material	125

Appendix 2. DUE DILIGENCE

Core elements of due diligence	Sections in the Sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2, GOV-1; GOV-2 The role of administrative, management and supervisory bodies and the information provided to and sustainability matters addressed by them ESRS 2, GOV-3 Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-1 Strategy, business model, and value chain ESRS 2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2, SBM-2 Interest and views of stakeholders ESRS 2 Sustainability Policy ESRS 2, MDR-P YIT Code of Conduct ESRS 2, IRO-1 Double materiality analysis ESRS 2 Supplier Code of Conduct S1 Engagement with own workers and workers' representatives about impacts S1 Remediation of negative impacts and channels to raise concerns S2 Engagement with workers in the value chain about impacts S2 Actions S4 Engagement with consumers and end-users; Processes and channels for consumers and end-users
Identifying and assessing adverse impacts	ESRS 2, SBM-3, Material impacts, risks and opportunities and their interaction with strategy and business model ESRS 2, IRO-1 Management of material impacts, risks and opportunities E1 Targets Environmental accidents Policies and target; Actions E4 Material impacts, risks and opportunities related to biodiversity and ecosystems -table E4 Impact metrics related to biodiversity and ecosystems change S1 Engagement with own workers and workers' representatives about impacts S2 Processes for remediate negative impacts and channels for value chain workers to raise concerns S2 Actions G1 Prevention and detection of corruption and bribery
Taking actions to address those adverse impacts	E1 Policies; Actions E3 Policies; Actions E4 Policies; Actions E5 Policies; Actions; Resource Inflows, Resource Outflows Environmental accidents Policies and target; Actions S1 Policies; Actions S2 Policies; Actions G1 Business conduct policies and corporate culture
Tracking the effectiveness of these efforts and communicating them	E1 Targets E3 Water consumption E4 Targets E5 Targets Environmental accidents Policies and target; Actions S1,Targets G1 Business conduct policies and corporate culture

Consolidated Financial Statements

Tammela Stadium, Finlandia Prize for Architecture 2024, Tampere, Finland
Picture: Roope Jakonen

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2024	2023
Revenue	3, 4	**1,820**	**2,163**
Other operating income	7	27	57
Change in inventories of finished goods and in work in progress		-200	-47
Materials and supplies		-271	-353
External services		-909	-1,234
Personnel expenses	9	-264	-310
Other operating expenses	8	-217	-207
Changes in fair value of financial assets	29	-10	-1
Share of results of associated companies and joint ventures	17	1	13
Depreciation, amortisation and impairment	14,15,16	-33	-29
Operating profit		**-55**	**51**
Finance income		7	5
Exchange rate differences (net)		-2	-5
Finance expenses		-68	-56
Finance income and expenses, total	11	-64	-56
Result before taxes		**-118**	**-5**
Income taxes	12	6	8
Result for the period		**-112**	**3**
Attributable to			
Owners of YIT Corporation		-112	3
Earnings per share, attributable to the equity holders of the parent company, EUR			
Basic	13	-0.51	-0.01
Diluted	13	-0.51	-0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2024	2023
Result for the period		-112	3
Items that may be reclassified to income statement			
Cash flow hedges, net of tax		-3	-3
Change in translation differences		—	4
Items that may be reclassified to income statement, total		**-3**	**2**
Items that will not be reclassified to income statement			
Change in fair value of defined benefit pensions, net of tax		1	—
Change in fair value of financial assets measured through other comprehensive income, net of tax		—	
Items that will not be reclassified to income statement, total		**1**	**—**
Other comprehensive income, total		**-2**	**2**
Total comprehensive income		**-114**	**5**
Attributable to			
Owners of YIT Corporation		-114	5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	14	19	22
Leased property, plant and equipment	16	41	60
Goodwill	15	248	248
Other intangible assets	15	2	3
Investments in associated companies and joint ventures	17	59	77
Equity Investments	18	213	214
Interest-bearing receivables	21	63	62
Trade and other receivables	21	34	73
Deferred tax assets	19	62	49
Non-current assets total		**741**	**807**
Current assets			
Inventories	20	1,185	1,417
Leased inventories	16. 20	218	192
Trade and other receivables	21	181	255
Interest-bearing receivables	21	12	12
Income tax receivables		2	2
Cash and cash equivalents	22	137	128
Current assets total		**1,735**	**2,006**
Assets classified as held for sale	6		**18**
Total assets		**2,475**	**2,832**

EUR million	Note	2024	2023
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent company	23		
Share capital		150	150
Unrestricted equity reserve		586	553
Treasury shares		-7	-8
Translation differences		5	5
Fair value reserve		-2	1
Retained earnings		-60	44
Equity attributable to owners of the parent company		**671**	**746**
Hybrid bond	23	99	99
Equity total		**770**	**845**
Non-current liabilities			
Deferred tax liabilities	19	1	4
Pension obligations	24	2	3
Provisions	25	78	87
Interest-bearing liabilities	26	403	328
Lease liabilities	2, 16, 26	258	240
Contract liabilities, advances received	4	5	5
Trade and other payables	27	28	29
Non-current liabilities total		**776**	**695**
Current liabilities			
Contract liabilities, advances received	4	199	248
Other contract liabilities	4	5	10
Trade and other payables	27	432	535
Income tax payables		4	5
Provisions	25	58	54
Interest-bearing liabilities	26	214	414
Lease liabilities	2, 16, 26	18	16
Current liabilities total		**929**	**1,282**
Liabilities directly associated with assets classified as held for sale	6		**11**
Liabilities total		**1,705**	**1,987**
Total equity and liabilities		**2,475**	**2,832**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	2024	2023
Cash flow from operating activities			
Result for the financial year		-112	3
Adjustments for			
Depreciation, amortisation and impairment loss	14,15,16	33	29
Other adjustments		3	—
Finance income and expenses	11	64	56
Gains on the sale of tangible and intangible assets		-17	-50
Taxes		-6	-8
Total adjustments		77	28
Change in working capital			
Change in trade and other receivables		95	17
Change in inventories		235	21
Change in current liabilities		-147	-121
Change in working capital, total		183	-83
Interest paid		-69	-57
Other financial items, net cash flow		-15	-13
Interest received		7	4
Dividends received		—	—
Taxes paid		-10	-21
Net Cash generated from operating activities		**60**	**-139**
Cash flow from investing activities			
Sale of subsidiaries, net of cash		44	10
Acquisition of associated companies and joint ventures		-3	-6
Proceeds from sale of associated companies and joint ventures		5	2
Purchases of tangible assets		-7	-4
Purchases of intangible assets		—	—
Proceeds from tangible assets		2	2
Proceeds from intangible assets		—	—
Purchase of other investments		—	—
Proceeds from sale of investments		—	11
Dividends received (from associated companies and joint ventures)		9	4
Increase in interest-bearing receivables	21	-22	-27
Decrease in interest-bearing receivables	21	22	11
Net cash used in investing activities		**50**	**2**
Operating cash flow after investments		**110**	**-137**

EUR million	Note	2024	2023
Cash flow from financing activities			
Proceeds from issue of shares		32	
Proceeds from non-current interest-bearing liabilities	26	257	360
Repayment of non-current interest-bearing liabilities	26	-268	-310
Proceeds from current interest-bearing liabiities	26	67	326
Repayment of current interest-bearing liabilities	26	-172	-260
Payments of lease liabilities	26	-18	-22
Dividends paid	23	—	-38
Net cash used in financing activities		**-102**	**57**
Net change in cash and cash equivalents		8	-81
Cash and cash equivalents at the beginning of the financial year		128	206
Foreign exchange differences		1	2
Cash and cash equivalents at end of the period	22	**137**	**128**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Unrestricted equity reserve	Translation differences	Fair value and other reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on January 1, 2024		**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**
Result for the period							-112	-112		-112
Cash flow hedges, net of tax					-3			-3		-3
Change in fair value of defined benefit pensions, net of tax							1	1		1
Change in translation differences				—				—		—
Change in fair value of financial assets measured through other comprehensive income, net of tax					—			—		—
Other comprehensive income for the period, total				**0**	**-3**		**1**	**-2**		**-2**
Comprehensive income for the period, total				**0**	**-3**		**-111**	**-114**		**-114**
Share issue	23		33					33		33
Share-based incentive schemes	9						1	1		1
Transfer of treasury shares	23					—		—		—
Convertible bond, equity instrument							6	6		6
Transactions with owners, total			**33**			**0**	**6**	**39**		**39**
Equity on December 31, 2024		**150**	**586**	**5**	**-2**	**-7**	**-60**	**671**	**99**	**770**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Unrestricted equity reserve	Translation differences	Fair value and other reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity Total
Equity on January 1, 2023		**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period							3	3		3
Cash flow hedges, net of tax					-3			-3		-3
Change in fair value of defined benefit pensions, net of tax							—	—		—
Change in translation differences				4				4		4
Translation differences reclassified to income statement				—				—		—
Other comprehensive income for the period, total				**4**	**-3**		**0**	**2**		**2**
Comprehensive income for the period, total				**4**	**-3**		**3**	**5**		**5**
Dividend distribution	23						-38	-38		-38
Share-based incentive schemes	9						1	1		1
Transfer of treasury shares	23					—		—		—
Transactions with owners, total						**0**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax							-6	-6		-6
Equity on December 31, 2023		**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL ACCOUNTING POLICIES

The overall general accounting policies of the financial statements are described in this section. To improve the readability and understandability of the financial statements, YIT presents the accounting policies in connection with the note to which the accounting policy refers to. The management judgement related to the accounting policies and key accounting estimates and assumptions are presented as part of the note it relates to.

GENERAL INFORMATION OF THE GROUP

YIT is the biggest Finnish construction service provider. YIT develops and builds apartments and living services, business premises and entire areas. YIT is also specialised in demanding infrastructure construction. The continuing operations' market areas are Finland, Estonia, Lithuania, Latvia, the Czech Republic, Slovakia and Poland. In January 2024, YIT announced the closing down of its operations in Sweden. On-going projects are estimated to be completed by 2027.

From the second quarter of 2023 onwards, YIT has three reportable segments: Housing, Business Premises and Infrastructure. Starting from 1 January 2025, YIT will have four reportable segments: Residential Finland (previously Housing Finland), Residential CEE (previously Housing CEE), Building Construction (previously Business Premises) and Infrastructure.

The Group's parent company is YIT Corporation. The parent company is domiciled in Helsinki (Finland), and its registered address is Panuntie 11, 00620 Helsinki, Finland. The parent company YIT Corporation's shares are listed on Nasdaq OMX Helsinki Oy, the Helsinki stock exchange.

YIT Corporation's Board of Directors approved these consolidated financial statements for publication in its meeting held on 7 March 2025. Copies of the consolidated financial statements will be available on the company's website from week 11 of 2025 onwards.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards approved for adoption in the European Union. IFRS Accounting Standards refer to accounting standards and their interpretations approved for adoption within the EU in accordance with the procedure enacted in EU regulation (EC) 1606/2002, included in the Finnish Accounting Act and regulations based on it. The notes to the consolidated financial statements are also in accordance with Finnish accounting and corporate legislation supplemental to the IFRS Accounting Standards. The notes are an integral part of these consolidated financial statements.The consolidated financial statements are presented in euros, which is the Group's functional and reporting currency. In the financial statements, the figures are presented in million euros, but the figures are presented in more detail if giving a true view requires it. The financial statements are based on original cost, except for the items presented hereinafter, which have been valued at fair value in accordance with the applicable standards.

MANAGEMENT JUDGEMENT RELATED TO APPLICATION OF ACCOUNTING POLICIES OF THE FINANCIAL STATEMENTS AND KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, the management has had to make accounting estimates and assumptions about the future, as well as judgement-based decisions on the application of accounting policies. These estimates and decisions may affect the reported amounts of assets, liabilities, income and expenses for the reporting period as well as the recognition of contingent items. The estimates and assumptions are based on historical knowledge, perception of the market situation and other justifiable assumptions which are considered to be reasonable at the time of preparing the financial statements. It is possible that actuals differ from the estimates and assumptions used in the financial statements due to the related uncertainty, even though they are based on best knowledge and up-to-date information.

The sections of the financial statements that involve an unusual amount of judgement or that include significant assumptions and estimates are described in the table below. The management judgement, estimates and assumptions have been described in more detail in the related note.

Area	
Consolidation	Assessment of power when making consolidation decisions
Customer contracts	Recognition and measurement of revenue, self-developed residential construction in Finland
Goodwill	Estimates and assumptions used in goodwill impairment testing
Disposals of businesses	Estimating the amount of variable consideration
Deferred tax assets and liabilities	Recoverability of deferred taxes
Lease agreements	Measurement and recognition of leases
Inventories	Valuation of inventories
Pension obligations	Assumptions used in measuring pension benefits
Equity investments	Valuation of equity investments
Provisions	Probability and amount of provisions

PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements cover the parent company YIT Corporation and all the subsidiaries in which the Group exercises control. The criteria for control are fulfilled when the Group owns more than 50% of voting shares in the company, either directly or indirectly, or when it has otherwise control. Control means that YIT is exposed, or has rights, to variable returns from its involvement with the investee and YIT has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated in the consolidated financial statements from the date when the Group obtains control, while subsidiaries divested are consolidated until the date when control ceases. Direct acquisition-related costs are expensed as incurred.

Intra-group transactions, internal margins, internal receivables and liabilities and dividend payments are eliminated in consolidation. The distribution of profit for the financial year to the shareholders of the parent company and to the non-controlling interests is presented in the income statement.

Associates and joint ventures

Associates are entities over which the Group has significant influence, but neither control nor joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Typically, significant influence is considered to exist when the Group holds 20% or more of the voting rights of the entity but does not have control. Also, YIT's business relationship (for example construction) with the investee can cause significant influence. If YIT has significant influence in the investee caused by a significant business relationship, the significant influence ends when YIT's business relationship (for example construction) with the investee ends.

An entity is classified as a joint venture when the company has joint control with another party or parties and when decisions about the relevant activities require the unanimous consent of all parties. When classifying the arrangement, the management estimates the arrangement's actual nature of decision making as well as contractual rights and obligations.

Associates and joint ventures are consolidated using the equity method. In the equity method, the Group's share of the results of associates and joint ventures corresponding to its ownership stake is included in the consolidated income statement. Correspondingly, the Group's share of the equity in the associate or joint venture, including the goodwill arising from its acquisition, is recorded as the value of the Group's holding in the entity on the consolidated statement of financial position. If the Group's share of the losses of an associate or joint venture exceeds the investment's carrying amount, the investment is assigned a value of zero on the statement of financial position and the excess is disregarded, unless the Group has obligations related to the associate or joint venture.

Internal gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's ownership and they are realised to income statement when control of the service or product is transferred outside the Group's influence, the investee is sold, or it is classified as an equity investment for example as a result of loss of significant influence.

Unrealised losses from transactions between the Group and its associates and joint ventures are not eliminated. Accounting policies of the associates and joint ventures have been changed where necessary to ensure consistency with the policies applied by the Group.

Joint operations

Construction consortia and consortia are typical joint operations for YIT. A construction consortium is not an independent legal entity, but the contracting parties are directly responsible for its operations and liabilities. A consortium is not a legal entity. Contractually, the parties have a joint responsibility towards the customer. Also mutual real estate companies of which YIT owns less than 100% are treated as joint operations. YIT includes in its consolidated financial statements its share of the income, expenses, assets and liabilities and cash flows of the joint operations.

MANAGEMENT JUDGEMENT AND ESTIMATES

ASSESSMENT OF POWER WHEN MAKING CONSOLIDATION DECISIONS

In addition to self-developed projects, YIT implements projects together with other parties via a consortium, company or some other joint arrangement. To define the accounting treatment of the arrangement (a subsidiary, joint venture, joint operation, associated company or equity investment), YIT's management uses its judgement to assess the key elements of power (such as the company's decision-making mechanisms, legal structure and financing of the arrangements) and their effect on the consolidation.

IMPACTS OF CLIMATE CHANGE

Background

Construction and the use of built environments have a major impact on the climate. The life cycle emissions of a building consist of the materials used in the building, the construction process, the operational phase of the building, repairs, and finally, the demolition or conversion of the building. According to YIT's estimate, energy consumption in the operational phase accounts for about 53% of the emissions during the entire life cycle of a residential building, while building materials account for 37%.

Commitments

In November 2021, YIT decided to commit to the Science Based Targets initiative (SBTi) to limit global warming to 1.5°C in line with the Paris Agreement. SBTi validated YIT's emission reduction targets in June 2023. YIT aims to reduce emissions from its own operations (Scopes 1 and 2) by 90% by 2030 and emissions from its value chain (Scope 3) by 30% compared to the 2019 reference year. YIT has published a carbon roadmap to guide its activities and identify the key measures to achieve the targets. No emission commitment provisions have been recorded, as the criteria for recognition are not met.

Risks

YIT has identified climate change as one of its strategic risks. Climate change can cause both physical and transition risks for YIT. Physical risks such as increased rainfall, flooding and prolonged heat waves can cause project delays and increase costs. Meanwhile, the transition to low-carbon construction may cause technical, financial, market and reputational risks for YIT. It is possible that legislation and customer requirements in construction change rapidly.

The risks and their management are described in more detail in Section Risks and risk management of the report of the Board of Directors.

Effects of the risks on the financial statements

If materialised, the above risks may have financial consequences. YIT has identified inventories, goodwill and project accounting as parts of the financial statements that could be affected. In addition, YIT has an equity investment in Tripla Mall Ky, which is the single most significant real estate investment on YIT's statement of financial position. In YIT's view, no physical or transitional risks are associated with the investment, as the Mall of Tripla is a LEED Platinum certified property in energy efficiency class B that was completed in 2019.

YIT's inventories consist mainly of a housing-related plot reserve, properties under construction, and completed apartments and real estate. The possible need for inventory write-downs is assessed regularly by comparing the cost of inventory with the net realisable value. YIT assesses the net realisable value of plots used for construction primarily as part of the construction projects. The net realisable value of construction projects can be affected by factors such as emission limitation requirements to obtain building permits, or flooding. These risks can affect the profitability of individual construction projects. No write-downs due to risks related to climate change were made at the reporting date.

Key assumptions used in the cash flow estimates in goodwill impairment testing are linked in particular to the abovementioned factors affecting the profitability of individual housing projects and YIT's own emissions reduction measures. The planning of self-developed residential construction projects takes into account on a project-basis measures of the carbon roadmap, such as low-carbon building materials and energy-efficient solutions.

YIT's business is project-natured, and project cost estimates are regularly updated to reflect the risks. Many of the risks associated with climate change are project-level risks that depend on factors such as the geographical characteristics of the region and the surrounding environment.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of transaction or valuation, where items are re-measured. Foreign exchange rate gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange differences relating to ordinary course of business are recognised in the corresponding line items above operating profit and foreign exchange differences resulting from financing transactions are presented in the income statement as a separate line item in finance income and expenses. Non-monetary items are mainly valued at the transaction date's foreign exchange rates.

Translation of the financial statements of foreign group companies

The income statements of foreign Group companies have been translated to euro using the average exchange rate quoted for the calendar months of the reporting period. The statement of financial positions have been translated using the rates on the closing date. The translation of the result for the period using different exchange rates in the income statement and statement of financial position results in a translation difference, which is entered in equity in the translation differences.

The financial statement items of each Group company are measured using the currency of its business environment (functional currency).

Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and items classified to be a part of net investments and the hedging result of these net investments are entered in equity in the translation differences. When a business is disposed of or sold, translation differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Currency exchange rates used in the consolidated financial statements

		Average rates		End Rates	
		1–12/24	1–12/23	12/24	12/23
1 EUR =	CZK	25.1171	24.0030	25.1850	24.7240
	PLN	4.3055	4.5406	4.2750	4.3395
	SEK	11.4279	11.4739	11.4590	11.0960
	NOK	11.6222	11.4260	11.7950	11.2405

APPLICATION OF NEW AND REVISED STANDARDS OR INTERPRETATIONS FROM JANUARY 1, 2024

The amendments effective as of January 1, 2024 did not have material impact on the consolidated financial statements.

2. ADJUSTMENTS CONCERNING PRIOR PERIODS

In 2024, YIT did not have any prior period adjustments.

3. SEGMENT INFORMATION

ACCOUNTING POLICY

YIT has three reportable segments: Housing, Business Premises and Infrastructure. YIT presents the segment information in a manner which is consistent with the internal reporting provided to the Group Management Team. The Group Management Team is YIT's chief operating decision-maker which is responsible for the allocation of resources to the segments and for the assessment of the business segments' performance. Starting from 1 January 2025, YIT will have four reportable segments according to its new strategy: Residential Finland (previously Housing Finland), Residential CEE (previously Housing CEE), Building Construction (previously Business Premises) and Infrastructure.

Group and segment reporting is prepared in accordance with the IFRS Accounting Standards. The segments' revenue, depreciation, amortization, impairment, operating profit and adjusted operating profit are reported regularly to the Group Management Team. In addition, the segment-specific capital employed is reported, which includes both tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest-bearing receivables, provisions, advances received related to contract liabilities, other contract liabilities and other non-interest-bearing liabilities excluding items related to taxes, distribution of profits and finance items.

SEGMENT DESCRIPTIONS

The Housing segment's business comprises the development and construction of apartments, entire residential areas and leisure-time residences. Residential construction projects are mainly residential development and turnkey projects which are mainly new development projects, but the segment also carries out competitive contracting. The customers are private consumers and investors. Private consumers purchase an apartment in a residential development project to use as their own home or for investment purposes, while investors purchase multiple apartments, an entire residential building or a residential project portfolio. The segment's geographical markets are Finland, the Czech Republic, Slovakia, Poland, Estonia, Latvia and Lithuania.

The Business Premises segment engages in contracting in business premises construction including both the construction of new buildings and the renovation of existing buildings. The segment is responsible for the availability, energy efficiency and maintenance of lifecycle buildings, as contracted. Business premises projects include new construction and renovation projects for industrial buildings, logistics, retail, sports, hotel, business and office projects as well as public buildings, such as hospitals, health and well-being centers, day care centers, schools, and multi-purpose buildings. The customers include investors, owner-occupiers, and public clients. Renovation constructing services range from the comprehensive refurbishment of entire buildings to small-scale surface renovation to pipe renovation projects and energy renovations for housing companies. Most of the projects are cooperative project management contracting, design and build projects, alliances, and PPP (Public Private Partnership) and life cycle projects. The Business Premises segment also develops and carries out hybrid projects. The Business Premises segment also has self-developed business premises projects. These are projects which have not necessarily been sold when construction starts. In these projects the segment can also act as a landlord. Most of the segment's business is in Finland. In Slovakia, the segment operates as a property developer. In Estonia and Lithuania, it also operates as a contractor in both business premises and infrastructure construction projects. In Lithuania, the segment also operates in the paving business.

The Infrastructure segment develops and builds transport infrastructure, industrial sites and other infrastructure projects for our customers with a goal to promote green transition. The segment's services include railway and traffic route construction and maintenance, energy and industrial construction, bridge building and repairing, foundation construction and other earthworks, shoreline and water works construction, underground construction such as excavation and structural engineering, water supply construction and implementing sport and parking facilities. Most of the projects are alliances, project management contracting, design and build projects and road maintenance projects. Infrastructure services are provided both to public sector customers and wide range of businesses, such as industry. The segment operates in Finland and in Sweden.

Other items include Group internal services, rental revenue from external customers, Group level unallocated costs and elimination of internal margins on transactions between Group's subsidiaries and its associates and joint ventures. If the ownership of an associate or a joint venture is reported in some other segment than the segment constructing the project, revenue and costs to the extent of YIT's ownership are eliminated in Other items segment. Year 2018 merger-related fair value allocations and goodwill have not been allocated to the segments' capital employed but are reported in the segment level in Other items.

CHANGES

Organisational structure change

As part of the transformation program launched in 2023, YIT simplified its organisational structure. The new organisation, effective from 1 April 2023, consists of three business segments: Housing, Business Premises, and Infrastructure. As part of the changes in the organisational structure, the operations in the former Property Development segment were allocated to the other segments and Group Functions.

ALTERNATIVE PERFORMANCE MEASURES IN SEGMENT REPORTING

YIT uses alternative performance measures in internal reporting of business performance and profitability to the chief operating decision-maker, i.e. the Group Management Team. These indicators should be examined together with the performance indicators based on IFRS financial statements. Further information on the definitions of the alternative performance measures and the reconciliation for the IFRS consolidated income statement and the balance sheet can be found in Report of the Board of Directors in section Key figures and definitions and in section Reconciliation of certain key figures.

SEGMENT FINANCIAL INFORMATION

2024

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Revenue	**731**	**734**	**393**	**-38**	**1,820**
Revenue from external customers	703	732	385	—	1,820
Revenue Group internal	28	2	8	-38	
Materials and supplies	-109	-96	-73	8	-271
External services	-256	-430	-222	—	-909
Depreciation, amortisation and impairment	-4	-3	-6	-20	-33
Share of results of associated companies and joint ventures	3	-2	—	—	1
Operating profit	**17**	**3**	**-13**	**-61**	**-55**
Operating profit margin, %	**2.3**	**0.4**	**-3.2**		**-3.0**
Adjusting items	—	0	30	56	86
Gains and losses on disposal of businesses			-16		-16
Restructurings, adaptation measures and other non-recurring costs related to group management team			1	55	56
Operating profit from operations to be closed		—	45	—	45
Depreciation, amortisation and impairment from PPA*				1	1
Adjusted operating profit	**17**	**3**	**17**	**-5**	**32**
Adjusted operating profit margin, %	**2.3**	**0.4**	**4.3**		**1.7**

*PPA refers to merger-related fair value adjustments.

2023

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Revenue	**912**	**843**	**437**	**-30**	**2,163**
Revenue from external customers	912	844	409	-3	2,163
Revenue Group internal	—	-1	28	-28	
Materials and supplies	-161	-119	-96	24	-353
External services	-483	-535	-215	-1	-1,234
Depreciation, amortisation and impairment	-4	-6	-10	-10	-29
Share of results of associated companies and joint ventures	14	-1	—	—	13
Operating profit	**32**	**-2**	**45**	**-24**	**51**
Operating profit margin, %	**3.5**	**-0.2**	**10.3**		**2.4**
Adjusting items	—	1	-31	20	-10
Gains and losses on disposal of businesses			-47		-47
Restructurings, adaptation measures and other non-recurring costs related to group management team		2		18	20
Operating profit from operations to be closed		—	17	—	17
Depreciation, amortisation and impairment from PPA*				1	1
Adjusted operating profit	**32**	**0**	**14**	**-5**	**41**
Adjusted operating profit margin, %	**3.5**	**0.0**	**3.3**		**1.9**

*PPA refers to merger-related fair value adjustments.

Capital employed by segments

EUR million	31 Dec 2024	31 Dec 2023
Housing	994	1,054
Business Premises	245	247
Infrastructure	-65	36
Other items	227	266
Segments, total	**1,401**	**1,603**
Reconciliation*		15
Capital employed total	**1,401**	**1,618**

*Reconciliation relates to assets and liabilities classified as held for sale, which are not part of capital employed items presented in the consolidated statement of financial position.

GEOGRAPHICAL INFORMATION

Revenue by market area is presented in the note Customer contracts. Non-current assets are presented by location of assets in the below table.

Non-current assets without non-current receivables and equity investments

EUR million	31 Dec 2024	31 Dec 2023
Finland	339	390
CEE		
Baltics	6	3
The Czech Republic, Slovakia and Poland	24	31
Scandinavia		
Sweden	1	1
Group total	**369**	**426**

4. CUSTOMER CONTRACTS

ACCOUNTING POLICY

Presentation and measurement of revenue

YIT presents revenues from contracts with customers less indirect taxes and discounts as revenue. The transaction price expected to be received from the customer, including variable amounts such as possible penalties and bonus payments based on performance, is determined at the contract inception. Some or all of the amount of the variable consideration estimated is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The estimated transaction price is updated at the end of each reporting period. All costs generated before the inception of a contract are expensed once incurred if they cannot be capitalised according to other standards. YIT capitalises costs to fulfil contracts that meet the criteria of capitalisation. Capitalised costs to fulfil contracts are amortised according to the measure of progress. For YIT, costs to fulfil contracts are typically costs related to plots of land in construction projects in which the plot and the construction service constitute one performance obligation. Costs to fulfil contracts are presented in the statement of financial position in the line item inventories. In some specific contracts with customers, there is a significant timing difference between the payment from the customer and the transfer of the promised goods or services to the customer. YIT applies a practical expedient and does not adjust the promised amount of consideration for the effects of a significant financing component, when the period between the payment from the customer and the transfer of the promised goods or services to the customer is expected to be one year or less. A significant financing component is accounted for if the 12 months financing position is exceeded and the annual average interest expense is significant with respect to the contract.

Performance obligations

When a contract contains more than one performance obligation, the transaction price is allocated based on stand-alone selling prices. Construction constitutes mainly delivering one integrated entirety. In these cases, the contract contains one performance obligation. Specific aspects regarding performance obligations are described hereinafter.

Warranties arising from legislation or general terms do not affect revenue recognition because they are assurance-type warranties which are accounted for as provisions. In a case where YIT has committed to warranty periods that are longer than what has been defined in legislation or in general terms and conditions, the excess warranty period is considered as a separate performance obligation and the transaction price allocated to it is recognised as revenue when the service is performed. Typical contract modifications are additional and change works which usually do not add distinct services and/or products and are therefore mainly accounted for as part of the original contract. If the additional and/or change work fulfilled the criteria for distinct, it is accounted for separately only if it is material based on YIT's materiality threshold.

Timing of revenue recognition and determining the measure of progress

Revenue is recognised separately for each performance obligation when or as the control of the promised good or service is transferred to the customer. YIT has revenues which are recognised over time and at a point in time. These are described in more detail hereinafter. The measure of progress is input based when recognising revenue over time. In some circumstances, for example in the early stages of a contract, YIT may not be able to reasonably measure the outcome of a performance obligation but expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, YIT recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. If it is probable that the total costs to complete a customer contract will exceed the transaction price to be received from the customer contract, the expected loss is expensed and recognised as a provision.

Contract assets and liabilities

At the end of the reporting period, if the project billing is less than the revenue recognised based on the measured progress of the project, the difference is presented in the statement of financial position as a contract asset in the line item Trade and other receivables. At the end of the reporting period, if the project billing exceeds the revenue recognised based on the measured progress of the project, the difference is presented in the statement of financial position under current liabilities in the line item Contract liabilities, advances received. The line item Other contract liabilities include housing company loans and plot lease liabilities related to sold but unrecognised Finnish self-developed projects.

Special aspects regarding revenue recognition

Self-developed residential construction in Finland

Residential development projects are projects developed by YIT which are not sold as construction begins and of which individual residential apartments are sold instead of entire buildings during construction. YIT constructs a residential building for the housing company it has established. YIT sells the apartments of the residential building it has constructed to the customer in the form of shares which give a right to control the apartment. The (Finnish) RS security system is applied in the self-developed residential construction with the intent of protecting the buyer's rights during the construction phase. The decisions linked to the construction phase of the self-developed housing company have been defined beforehand in the RS documents. The housing company is not engaged in commercial activities, and the decisions are made according to the previously mentioned documents. YIT recognises revenue from the sale of the shares in the housing company according to IFRS 15 standard. Applying IFRS 15 reflects best the economical substance of the transaction.

When the customer and YIT sign the sales contract, a binding contract according to IFRS 15 is formed. Even though the customer has a legal right to cancel the contract, YIT considers the compensation due to cancellation of the contract to be significant for the customer, and thus fulfilling the IFRS 15 criteria in regard to contractual commitment. YIT applies the five-step model of IFRS 15 to the customer contract.

Transaction price and timing of revenue recognition

In residential development projects, separate residential apartments are distinct performance obligations. YIT receives advance payments for apartments sold during construction. Some of the payments occur over 12 months prior to the hand-over of the residential building. YIT does not account for the time value of money for payments because management's judgement is that the financing component is not significant for the individual contract. Transaction prices in residential development projects include variable elements, such as delay penalties. In addition, the transaction price of a sold residential apartment includes the share of housing company loan allocated to the apartment. The buyer is responsible for the repayment of the loan allocated to the apartment. The construction cost of Finnish residential development projects are typically covered partially by housing company loans, which the housing company raises. Total sales prices, i.e. transaction prices, received from the sales of residential apartments by YIT contain both sales prices paid by customers and the housing company loan amounts related to the apartments. Housing company loans of unfinished residential development projects are presented in the consolidated statement of financial position either in interest-bearing liabilities (unsold apartments) or as other contract liability (sold apartments). At the time of the project's completion, the amounts presented as contract liabilities are recognised as revenue. The revenue from residential development construction is recognised at a point in time, on completion, when control of the apartment is transferred to the customer. The over time revenue recognition criteria are not met due to customer's right to cancel the contract based on Finnish Housing Transactions Act.

Self-developed residential construction in Baltic and CEE countries
Timing of revenue recognition

The revenue from self-developed residential projects is recognised at a point in time after obtaining permission from the authorities when YIT de facto considers having fulfilled its performance obligation.

Self-developed real estate construction
Determining performance obligations

The performance obligation is determined by the scope of the work. If a contract includes constructing more than one building, each building is a separate performance obligation. Contracts where YIT sells both the plot and the construction service are accounted for as one performance obligation because the output of the construction service, i.e. the building, is significantly integrated with the plot, the building cannot be separated from the plot later on, and the plot cannot be used for other purposes after the building is completed. Projects containing the obligation to lease the premises, i.e. lease liability commitments, forms one performance obligation together with the construction service. In these projects, YIT's promise to the customer is to deliver a building constructed or renovated and leased according to the agreed specifications, i.e. the management has determined that the overall promise to the customer is an agreed amount of cash flow in the form of rental income instead of a distinct construction service and leasing service.

Determining transaction price

The transaction prices of the contracts include variable elements like possible delay and quality penalties, performance bonuses and lease liability commitments related to commercial premises. A portion of sales price based on leased square metres and rents per square metres of commercial real estate construction is accounted for as a variable consideration in the transaction. The amount and probability of the lease liability commitments are estimated as the project is progressing.

Timing of revenue recognition and determining measure of progress

In real estate development projects, the criteria for recognising revenue over time are evaluated against the contract terms and conditions of each project. The revenue from real estate development contracts where the criteria for revenue recognition over time are not met, is recognised at a point in time when the control of the asset is transferred to the customer, i.e. the asset is completed and handed over to the customer.

YIT uses an input-based method for determining measure of progress. The measure of progress is determined in proportion of realised costs at time of reporting to estimated total costs.

Costs of fulfilling a contract

Costs to fulfil contracts are costs related to plots of land in construction projects in which the plot and the construction service constitute one performance obligation.

Contracting
Performance obligations and determining transaction price

The number of performance obligations depends on the contract and it is always analysed on a contract-by-contract basis. In most cases, YIT delivers an integrated entirety which forms one performance obligation. The transaction prices include variable elements such as possible delay penalties and bonuses. Especially bonuses in alliance projects might be significant.

Timing of revenue recognition and determining measure of progress

The criteria for revenue recognition over time are met in most customer contracts related to contracting because the work is usually done on customer's land area. In other words, the customer has control over the asset under construction. YIT uses an input-based method to measure the progress. The measure of progress is determined in proportion of realised costs at time of reporting to estimated total costs or stage.

Wind power projects
Performance obligations
Wind power projects' customer contracts, where YIT sells project rights and construction service to the customer, contain two separate performance obligations.

Timing of revenue recognition
The revenue from wind power projects' project rights is recognised as revenue once the customer obtains the legal title of the rights and therefore controls them. Revenue from the construction services are recognised over time.

Life cycle and PPP projects
In all life cycle projects, the basis for payment is usability or quality, hence there are no intangible rights in the statement of financial position.

All of the projects in which YIT is a direct contracting party to the customer are financed by the customer. In these projects, the revenue from construction or renovation phases and maintenance phases are recognised over time as separate performance obligations. YIT receives payments during the construction period based on the construction's progress. During the maintenance period, YIT receives payments on a monthly basis, corresponding to the provided services. Life cycle and PPP projects include usability deductions which are accounted for as variable considerations. The consideration of the construction phase is tied to the construction cost index, and the maintenance periods are tied to the maintenance index. The indices are reviewed on an annual basis. YIT has no material supplementary right of use to the infrastructure.

Projects in which the contractual party to the customer is a joint venture established by YIT and another party have been carried out using a model where the joint venture is responsible for the financing. YIT acts as the contractor and service provider for the joint venture, and YIT recognises revenue using the previously explained method.

YIT is also a party to consortia that act as a contracting party to the customer. In such projects, YIT is responsible for building the infrastructure. YIT receives payments during the construction phase based on progress of the construction and recognises revenue over time from the construction services.

MANAGEMENT JUDGEMENT AND ESTIMATES

RECOGNITION AND MEASUREMENT OF REVENUE

A major part of YIT's business is project related, and projects might extend across several years. Project revenue recognition over time is based on estimated revenue and costs as well as a reliable estimate of measure of progress. These estimates contain a considerable amount of management judgement which is described in more detail hereinafter. Significant management judgements related to recognition and measurement of revenue are related to the number of performance obligations, estimates regarding the contract's transaction price, i.e. realised revenues, determining measure of progress, timing of revenue recognition in self-developed residential construction as well as Finnish self-developed residential projects.

Number of performance obligations

When identifying performance obligations, YIT's management assesses, for example, the interrelations between the different tasks and services of construction services as well as whether the customer can separately benefit from them. The significant management judgement in identifying performance obligations is related to additional tasks performed in addition to construction service. Management has concluded to account for construction service and the transfer of the plot included in the customer contract as one performance obligation. This is because the output of the construction service, that is, the building, is significantly integrated with the plot, the building cannot be later separated from the plot and the plot can no longer be used for another purpose once the building is finished. Wind power projects' customer contracts, where YIT sells project rights and construction services to the customer, include two distinct performance obligations. YIT's management has concluded that the lease liability commitment in business premise projects', or the so-called lease liability commitments, creates one performance obligation together with the construction service. In projects like this, YIT's promise to the customer is to deliver a building constructed or renovated and leased as agreed. In other words, the management has determined that the overall promise to the customer is an agreed cash flow amount in the form of rental income instead of a distinct construction service or rental service.

Determining the transaction price

To determine revenue, management must assess the factors affecting the expected transaction price, including variable components, such as penalties or additional fees based on the work performances. In the transaction price YIT includes variable considerations, such as penalties or additional fees based on work performances, which are highly probable not to result in significant reversal of cumulative revenue recognised when the uncertainty associated with the variable consideration is subsequently resolved. YIT assesses the initial transaction price for each contract. YIT only enters into contracts that are highly likely, in YIT's estimate, to be implemented as agreed. As a result, in the initial transaction prices, penalties are typically estimated not to be realised. The variable considerations are reassessed contract-specifically at each reporting date.

Significant bonuses are primarily linked to infrastructure alliance projects, where all parties of the alliance affect the outcome of the bonuses. Because the outcome of the bonuses is not purely dependent on the success of YIT's performance, YIT limits the revenue recognition of the variable consideration and does not include bonuses in the transaction price based solely on its own performance. When assessing the probability of the bonus outcome the performances of all alliance parties are assessed as one entirety.

Significant variable considerations are linked to some customer contracts as lease liability commitments. In this case, the consideration received by YIT will vary on the basis of the success of the rental, that is, based on the realised occupancy rates and prices. In contracts like this, YIT limits the recognition of revenue from variable considerations and does not recognise variable consideration as revenue when such variable consideration is not highly probable to be realised. The management's estimate of the amount of variable consideration that is highly probable to be realised is based on historical and project-specific data on a project-by-project basis.

In some cases, YIT's claims to the customer might cause disagreements. The disagreements might be a result of additional and change works, defects in designs as well as disruptions to the project's time schedule. In these cases, YIT assesses its legal position and applies IFRS 15 guidance on contract modifications.

Determining the measure of progress

YIT uses an input-based method in measuring the progress of construction projects. YIT's management considers that realised costs, i.e. costs incurred from raw materials, labour input and other procedures performed in order to further the project towards completion, in proportion to estimated total costs, best depicts a construction project's progress towards completion. Similarly, costs not incurred in proportion to estimated total costs better depict performance not fulfilled, i.e. YIT's obligation to fulfil a partially transferred performance obligation.

A contract's estimated costs are determined and specified as accurately as possible to make a reliable estimate in determining the measure of progress with input-based methods. The calculation of the total profits of contracts includes estimates of the development of the total expenditure required to complete the contract. The total cost estimate might also include estimates related to subcontractors' costs in dispute. When assessing the impact of those costs on the total cost estimate, YIT's management estimates the situation of the disputes based on the best knowledge available at that point. Despite of the careful assessment by YIT's management, the outcome might differ from the estimate. Estimates related to contract revenue recognition are regularly and reliably updated.

If the estimates of the end result of a contract recognised as revenue over time change, the revenue and profit recognised are adjusted in the reporting period when the change first became known and could be estimated. If it is probable that the total expenditure required to complete a contract will exceed the total income from the contract, the expected loss is expensed immediately.

Timing of revenue recognition in self-developed residential projects
YIT's management is exercising country-specific judgement when assessing the timing of fulfilment of performance obligations. In making the judgement, the management analyses, among others, the local legislation and terms of customer contracts when assessing the criteria for transfer of control. The key aspects of the assessment are that YIT has fulfilled its contractual performance obligation, the authorities have approved the use of the building and YIT has a right to payment from the customer.

Finnish self-developed residential projects
In Finland, the sales of apartments is done by selling shares of the housing company which is acting as a corporate wrapper. The (Finnish) RS security system is applied in the self-developed residential construction with the intent of protecting the buyer's rights during the construction phase. The decisions linked to the construction phase of the self-developed housing company have been defined beforehand in the RS documents. The housing company is not engaged in commercial activities, and the decisions are made according to the previously mentioned documents. Based on the true substance of the transaction, the sale is accounted for according to IFRS 15.

DISAGGREGATION OF REVENUE

The Group's revenue consists of revenue from contracts with customers. The services and products provided by YIT are described in the note Segment information. For other types of income see note Other operating income.

2024

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Market area					
Finland	399	550	361	—	1,309
CEE	304	182	—	—	486
Baltics	82	173	—	—	256
The Czech Republic, Slovakia, Poland	222	9	—	—	231
Scandinavia	—	—	25	—	25
Sweden	—	—	31	—	31
Norway	—	—	-7	—	-7
Internal sales between segments	28	2	8	-38	—
Total	**731**	**734**	**393**	**-38**	**1,820**

2024

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Timing of revenue recognition					
Over time	192	711	385	—	1,287
At a point in time	511	21	—	—	533
Internal sales between segments	28	2	8	-38	—
Total	**731**	**734**	**393**	**-38**	**1,820**

2023

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Market area					
Finland*	628	669	328	-3	1,622
CEE	285	176	—	—	460
Baltics	75	171	—	—	246
The Czech Republic, Slovakia, Poland*	210	4	—	—	214
Scandinavia	—	—	81	—	81
Sweden	—	—	82	—	82
Norway	—	—	-1	—	-1
Internal sales between segments	—	-1	28	-28	—
Total	**912**	**843**	**437**	**-30**	**2,163**

*2023 figures for Housing segment have been adjusted

2023

EUR million	Housing	Business Premises	Infrastructure	Other items	Group
Timing of revenue recognition					
Over time	300	788	406	-3	1,490
At a point in time	613	56	3	—	672
Internal sales between segments	—	-1	28	-28	—
Total	**912**	**843**	**437**	**-30**	**2,163**

CONTRACT ASSETS AND LIABILITIES

EUR million	31 Dec 2024	31 Dec 2023
Contract assets	**50**	**76**
Contract liabilities, advances received		
Non-current contract liabilities, advances received	5	5
Current contract liabilities, advances received	199	248
Contract liabilities, advances received total	**204**	**252**
Other contract liabilities		
Housing company loans related to sold apartments	4	7
Lease liabilities related to leased plots for sold apartments	1	3
Other contract liabilities, total	**5**	**10**

Contract liabilities, advances received include payments from customers exceeding the work progress in over time recognised projects and customer payments related to sold but unrecognised self-developed projects. Current advances received will be recognised as revenue during the following year.

Warranty provision and 10-year liability commitments are presented in the note 25 Provisions.

PERFORMANCE OBLIGATIONS

Transaction price allocated to performance obligations that are partially or fully unsatisfied relates to sold projects.

EUR million	31 Dec 2024	31 Dec 2023
Unrecognised transaction price	**2,318**	**2,345**
To be recognised next year	1,170	1,266
To be recognised later	1,149	1,080

JOINT OPERATIONS

Construction consortia and consortia are typical joint operations for YIT. The consortia have been listed in the table for Life cycle and PPP projects. A construction consortium is not a separate legal person and it is incorporated only to execute one project after which it will be winded up. A construction consortium makes a joint offer and a contract of which the parties to the construction consortium will be jointly liable for against the customer and third parties.

The most significant construction consortia are listed in the table below.

Project	Segment	Contract date	Total value of the contract for the construction consortium, EUR million
Crown Bridges	Infrastructure	09/2021	126
Espoo City Rail, Area 2	Infrastructure	02/2024	36

LIFE CYCLE AND PPP PROJECTS

In life cycle and PPP projects (Public Private Partnership), the service provider designs and builds or renovates the infrastructure used for providing the services, such as a school or road network, and maintains it for the duration of the contract period. The maintenance contract period is typically long, 20–25 years. Life cycle and PPP projects are used in large public construction and renovation projects, and the customer is typically the public sector. YIT is engaged in projects in which YIT itself is responsible for all contractual obligations to the customer as well as projects that are carried out using a joint venture or a consortium together with another party.

Project	Contract date	Construction phase	Maintenance phase	Total value, EUR million*
Oulu, Kastelli community centre	06/2006	completed	ends 2039	86
Kuopio, schools and day-care centre	12/2009	completed	ends 2036	94
Jyväskylä, Huhtasuo schoolcentre	03/2012	completed	-**	26
Espoo, Lintuvaara school and day-care centre	01/2014	completed	-**	15
Pudasjärvi, school campus	03/2014	completed	ends 2041	41
Espoo, Päivänkehrä school	03/2015	completed	-**	14
Kokkola, Torkinmäki school	04/2015	completed	-**	9
Hollola, Heinsuo and Kalliola schools	06/2015	completed	ends 2037	49
E18 Hamina- Vaalimaa (PPP-project)	06/2015	completed	ends 2034	378
Pudasjärvi, care facility	11/2015	completed	ends 2036	12
Porvoo, schools and day-care centres	12/2015	completed	ends 2038	61
Kuopio, Jynkkä and Karttula schools	06/2016	completed	ends 2038	37
Hämeenlinna, Nummikeskus	06/2016	completed	-**	19
Parkano, school campus	03/2017	completed	ends 2039	25
Sodankylä Health centre	06/2017	completed	ends 2039	31
Kirsti school and day-care centre	10/2017	completed	-**	22
Kuopio, Hiltulanlahti school	12/2017	completed	ends 2039	26
Kuopio, Kuntolaakso	12/2017	completed	-**	18
Imatra, school campus	05/2018	completed	ends 2040	55
Juva, school campus	01/2019	completed	ends 2040	33
Helsinki, Vuosaari school	08/2019	completed	-**	20
Pudasjärvi, wellness centre	10/2019	completed	ends 2041	36
Lappeenranta, Lauritsala school	11/2019	completed	ends 2041	32
Viherlaakso schools	12/2016	completed	-**	27
Espoo, Tuomarila school	10/2019	completed	-**	16

Project	Contract date	Construction phase	Maintenance phase	Total value, EUR million*
Sodankylä, community centre	08/2020	completed	ends 2042	35
Extension of Rajala school	12/2020	completed	ends 2036	4
Extension of Hiltulanlahti school	12/2017	completed	ends 2039	2
Espoo, Laajalahti school	10/2019	completed	-**	16
Etelä-Nummela, school and day-care centre	04/2021	completed	ends 2043	37
Valkeala, community centre	06/2021	completed	ends 2043	38
Espoo, schools (PPP-project)	06/2020	completed	ends 2042	300
Vääksy school	02/2022	completed	ends 2044	28
Gesterby school	10/2022	ends 2026	ends 2045	64
Kuopio, extension of Jynkkä school	05/2023	completed	ends 2037	4
Siilinjärvi, Siilinlahti school	07/2023	ends 2025	ends 2045	24
Siilinjärvi, Ahmo school	07/2023	ends 2027	ends 2047	45
Melkinlaituri, elementary school and day-care centre	08/2024	ends 2027	ends 2047	44

*Based on estimate of the total value of the contract at contract inception. Regarding consortia, the value includes only YIT's share. The total value for PPP projects is the total value of the whole project

**The life cycle project carried out as a consortium (joint operation) where YIT is responsible for the construction phase and the other party of the consortium is responsible for the maintenance phase.

5. ACQUISITIONS AND DISPOSALS OF BUSINESSES

MANAGEMENT JUDGEMENT AND ESTIMATES

When selling a business, the transaction price may include both fixed and variable elements. The variable consideration may, for example, be linked to the profit of the business sold after the termination of YIT's control. Therefore, due to the nature of the variable consideration, it is possible that the estimated variable consideration recognised at the date when control ceases may change in subsequent periods. The estimate of the variable consideration is primarily based on information available from the market and from the buyer in relation to the business sold.

DISPOSALS OF BUSINESSES

On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of YIT Kalusto Oy, the company's subsidiary providing in-house equipment services, to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. In addition to the share transaction, YIT announced that it would sell the property used by YIT Kalusto Oy, located in Urjala, Finland, to Renta. Prior to the share transaction, the specialised equipment related to YIT's Infrastructure business and the personnel working with the business was transferred to YIT Infra Oy in an intra-group business transaction. The transaction was closed on 29 February 2024. YIT Kalusto Oy was classified as an asset held-for-sale at year-end 2023 because the sale was highly probable at year-end. YIT Kalusto Oy was part of the Infrastructure segment.

YIT recorded a gain on sale of EUR 19 million of the transaction. The enterprise value of the transaction was EUR 37 million in total, and the cash flow from the transaction amounted to EUR 34 million. As a condition precedent to the closing of the transaction, YIT redeemed the leased equipment to YIT Kalusto Oy, which resulted the total net cash inflow from the transaction to amount EUR 28 million.

During the financial year 2023, YIT sold its renewable energy business, YIT Energy Oy, to Eolus Vind AB in December 2023. The transaction price consists of a fixed and a variable consideration. YIT recorded a discounted total consideration of EUR 48 million and a gain on sale of EUR 47 million in 2023. The effect of discounting in the total consideration recorded amounts to EUR 4 million. Gain on sale is presented as part of the other operating income in the consolidated income statement. YIT Energy Oy was part of the Infrastructure segment.

ACQUISITIONS OF BUSINESSES

There were no business acquisitions during the financial year 2024 or 2023.

6. ASSETS HELD FOR SALE

ACCOUNTING POLICY

Non-current assets or a disposal group are classified as held for sale if their carrying amount will be recovered principally through the disposal of the assets and the sale is highly probable. If their carrying amount will be recovered principally through their disposal rather than through their continuing use, they are measured at the lower of carrying amount and fair value less costs to sell.

The assets and liabilities related to discontinued operations are presented as separate line items in the statement of financial position as assets held for sale until the sale. The result from discontinued operations is reported separately from income and expenses from continuing operations in the consolidated income statement. Intra-group revenues and expenses between continuing and discontinued operations have been eliminated, except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation.

ASSETS HELD FOR SALE

In January 2024 YIT announced that it has agreed on the sale of the entire share capital of YIT Kalusto Oy, YIT's subsidiary providing in-house equipment services, to Renta Oy, a company operating in the equipment rental business. YIT Kalusto Oy was classified as an asset held for sale at year-end 2023 because the sale was highly probable at year-end. The transaction was closed on 29 February 2024. At the end of financial year 2024, YIT had no assets held for sale.

Assets and liabilities classified as held for sale

EUR million	2023
Assets classified as held for sale	
Property, plant and equipment	12
Leased property, plant and equipment	5
Trade and other receivables	–
Deferred tax assets	1
Inventories	1
Assets classified as held for sale, total	**18**
Liabilities directly associated with assets classified as held for sale	
Deferred tax liabilities	3
Pension obligations	–
Lease liabilities	5
Trade and other payables	3
Income tax payables	–
Liabilities directly associated with assets classified as held for sale, total	**11**

7. OTHER OPERATING INCOME

ACCOUNTING POLICY

Income not related to ordinary course of business, such as rental income and gains on sales of tangible and intangible assets are typically presented in other operating income. Rental income relates mainly to subleased right-of-use assets. Accounting policies related to leases are described in more detail in note Lease agreements.

OTHER OPERATING INCOME

EUR million	2024	2023
Gain on sales of property, plant and equipment	2	2
Gain on sales of investments*	16	48
Rental income	3	3
Other income	6	5
Total	**27**	**57**

*In 2024, the amount includes the gain on sale of EUR 19 million from YIT Kalusto Oy, company's subsidiary providing in-house equipment services. In 2023 , the amount includes the gain on sale of EUR 47 million from renewable energy business, YIT Energy Oy. Effects of the sales are described in more detail in the note Acquisitions and disposals of businesses.

8. OTHER OPERATING EXPENSES

ACCOUNTING POLICY

Losses on sales of property, plant and equipment and intangible assets, expenses related to short-term leases and leases of low-value assets, IT expenses and other operating expenses, among others, are presented in other operating expenses. Expenditure related to research are expensed when incurred. Development costs are capitalized if the criteria in IAS 38 standard are fulfilled. So far, the development costs have not fulfilled the criteria.

OTHER OPERATING EXPENSES

EUR million	2024	2023
Losses on the sale of property, plant and equipment and intangible assets	-1	—
Expenses related to short-term leases and low-value assets	-43	-49
Voluntary indirect personnel expenses	-7	-9
Travel expenses	-12	-14
IT expenses	-26	-29
Maintenance costs of premises	-2	-2
Other costs from customer contracts	-57	-59
Other expenses	-68	-45
Total	**-217**	**-207**

Group's expensed research and development costs amounted to EUR 15 million (11).

Audit fees*

EUR million	2024	2023
Statutory audit	-1.3	-1.0
Engagements referred to in the Auditing Act, 1.1,2§	-0.1	—
Assurance of the sustainability statement	-0.1	—
Other engagements referred to in the abovementioned point of law	—	—
Tax services	—	—
Other services	-0.2	-0.3
Total	**-1.6**	**-1.3**

*Audit fees to member firms of Ernst & Young and PricewaterhouseCoopers networks in 2024 and 2023, respectively.

9. EMPLOYEE BENEFITS AND NUMBER OF PERSONNEL

ACCOUNTING POLICY

SHARE-BASED PAYMENTS

Depending on the settlement of the reward, the share-based incentive plans are recognised either as equity-settled or cash-settled share-based payment transactions. If the share-based payment transaction includes a net-settlement feature for withholding tax obligations, the transaction is classified fully as equity-settled. YIT's share-based incentive plans are fully equity-settled plans.

The fair value of the reward settled as equity is based on the market price of YIT Corporation's share at the grant date less the present value of expected dividends. Additionally, when determining the grant date fair value of the reward, the effect of market-based vesting conditions (Total Shareholder Return, TSR) is taken into account. The grant date fair value is determined using a probability weighted valuation model to reflect the probability of not achieving the market-based vesting condition. The expense is recognised irrespectively of whether the market-based vesting condition is satisfied. Non-market-based vesting conditions and the service condition are not included when determining the grant date fair value. Instead, the conditions are taken into account in the number of shares which are expected to vest at the end of the vesting period. The fair value of the equity-settled reward is recognised in personnel expenses and equity during the vesting period.

TERMINATION BENEFITS

Termination benefits are costs from which the company does not receive corresponding work performance. The Group recognises termination benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal. In addition, benefits that the Group has offered in connection with terminations to encourage voluntary redundancy are expensed. Other possible liabilities arising from the termination of employees in different legislations are assessed at the closing date and recognised as an expense and liability.

PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

EUR million	2024	2023
Wages and salaries	-219	-252
Pension costs, defined contribution plan	-30	-39
Pension costs, defined benefit plan	—	—
Share-based compensations	-2	-1
Other indirect employee costs	-13	-18
Total	**-264**	**-310**

The average number of employees during the financial year was 3,842 (4,717).

SHARE-BASED PAYMENTS

YIT has implemented a share-based long-term incentive plan to support the company's strategy of sustainable success and supplement the other elements of remuneration. The plan aims to engage employees in target-oriented mindset, reward excellent performance and support long-term commitment to the company. Members of YIT's Board of Directors are not included in this share-based incentive program.

Plans 2022–2024, 2023–2025 and 2024–2026

The Board of Directors of YIT Corporation decided on 16 March 2020 to launch a new long-term share-based incentive plan for key persons. The earning periods of the incentive plan are set for three years. A potential bonus will be determined on the basis of the performance indicators and their target levels decided annually by the Board of Directors of YIT Corporation for each earning period. For the 2022–2024, 2023–2025 and 2024–2026 earning periods indicators are absolute TSR (Total Shareholder Return) and sustainability. The sustainability metric for earning periods 2022-2204 and 2023-2025 is emissions reduction in alignment with Science Based Targets initiative's Scope 1 and Scope 2, for earning period 2024-2026 it is emissions reduction in alignment with Science Based Targets initiative's Scope 1, 2 and 3. The Board of Directors also decides on the approximately 135 key persons from YIT's operative countries to be included in the incentive plan for each new earning period.

After the three-year earning period and the confirmation of the annual report, the shares are transferred to key persons employed by the company. A maximum of 1,999,000 - 2,326,000 gross shares can be distributed each year. Furthermore, the Board of Directors recommends that the Group Management Team members aims to hold along with the long-term incentive plan YIT shares equalling half of the value of his/her annual salary as long as he/she is a member of the Group Management Team. The Board of Directors recommends that the President and CEO aims to hold YIT shares with an equal value to his annual salary. Under all circumstances, the Board of Directors has the right to revise the incentives.

Share-based plan information

Share-based plan information	Earning period 2024-2026	Earning period 2023-2025	Earning period 2022-2024	Earning period 2021-2023
Grant date	8 May 2024	2 May 2023	19 Apr 2022	22 Feb 2021
Maximum number of shares	1,999,000	2,184,000	2,326,000	2,100,000
Earning period start date	1 Jan 2024	1 Jan 2023	1 Jan 2022	1 Jan 2021
Earning period end date	31 Dec 2026	31 Dec 2025	31 Dec 2024	31 Dec 2023
Commitment period end date	31 May 2027	31 May 2026	31 May 2025	6 May 2024
Vesting conditions	Absolute total shareholder return (TSR), sustainability (emissions reduction) and continued employment	Absolute total shareholder return (TSR), sustainability (emissions reduction) and continued employment	Absolute total shareholder return (TSR), sustainability (emissions reduction) and continued employment	ROCE %, absolute total shareholder return (TSR) and continued employment
Payment method	Cash & equity	Cash & equity	Cash & equity	Cash & equity
Description of shares	Gross share*	Gross share*	Gross share*	Gross share
Number of persons in the arrangement at the end of reporting period	106	112	103	0

*The amount of gross shares in the marked period represents the number of shares granted before additional TSR boost opportunity. The total reward could be multiplied with 1,5 if the set TSR level is achieved.

Changes in number of shares

	Earning period 2024-2026	Earning period 2023-2025	Earning period 2022-2024	Earning period 2021-2023
Outstanding shares on 1 Jan 2024, pcs		1,945,666	1,411,916	1,143,556
Shares granted	2,017,032	4,365	1,032	0
Shares forfeited	27,000	139,000	172,417	34,000
Shares exercised	0	0	0	110,956
Shares expired	0	0	0	998,600
Outstanding shares on 31 Dec 2024, pcs	1,990,032	1,811,031	1,240,531	0

Information regarding fair value determination

The fair value of share based incentives have been determined at grant date and the fair value is expensed until vesting. The fair market value of the market-based criteria is calculated with Monte Carlo simulation. The fair value at reporting period end reflects the best available estimate on 31 December 2023 of the total IFRS 2 costs. The pricing of the share based incentives granted during the period was determined by the following inputs:

	2024	2023	2022
Grant date	May 8, 2024	May 2, 2023	April 19, 2022
Share price at grant date, EUR	2.01	2.22	3.63
Share price at the end of the reporting period, EUR	2.49	2.49	2.49
Expected dividends, EUR	0.2%**	0.30	0.56
Valuation model	Monte Carlo	Monte Carlo	Monte Carlo
Risk-free interest rate, %	3.0	0.0	0.5
Expected volatility, %*	34	31	0
Maturity, years	3.0	2.9	3.1
Fair value, EUR million on 31 Dec 2024	1	1	2

*Expected volatility was determined by calculating the historical volatility of the Group`s share using daily observations over corresponding maturity.
**Annual dividend yield

Effect of share-based incentive plans on profit and loss to statement of financial position

EUR million	2024	2023
Total expenses for the financial year regarding share-based payments	-1	-1
Total expenses for the financial year regarding equity-settled share-based payments	-1	-1
Liabilities arising from share-based payments	—	—

YIT estimates the amount of cash to be paid to the tax authorities in the future regarding share-based plans to be EUR 1 million. The actual amount may differ from the estimated amount.

10. SALARIES AND FEES TO THE MANAGEMENT

Members of the key management personnel comprise the Board of Directors, the President and CEO and the members of the Group Management Team. The aim of YIT's remuneration systems is to reward good performance, increase the personnel's motivation and commit the company's management and its employees to the company's objectives in the long-term.

DECISION-MAKING REGARDING REMUNERATION

YIT Corporation's Annual General Meeting decides on the fees for the Board of Directors. The Board of Directors decides on the salary and fees and other terms of employment of the CEO and other key Group employees, such as the members of the Group Management Team. In addition, the Board of Directors decides annually both short- and long-term indicators for management remuneration and the target values for the indicators which are designed to support the achievement of the strategic goals. On the basis of the President and CEO's proposal, the Board of Directors also decides on the amount of fees and whether the indicator-based goals have been reached.

The duties of the Personnel Committee include assisting the Board of Directors in matters related to the appointment and rewarding of the Group's key personnel. Among other things, the Personnel Committee prepares proposals on the development of the Group's corporate culture and HR Policy, remuneration and incentive schemes, the guidelines for performance-based incentive plans and the performance-based incentives paid to the management. In addition, identifying talents, the development of key personnel and succession planning fall under the preparation responsibility of the committee. The Committee prepares the Group's Remuneration Policy and the Remuneration Report.The Shareholders' Nomination Board prepares proposals concerning the election and remuneration of the members of the Board of Directors for the Annual General Meeting.

REMUNERATION OF BOARD MEMBERS

The Annual General Meeting 2024 decided that the Board of Directors are paid fixed annual remuneration for the term ending at the close of the next Annual General Meeting. The remuneration of the Chairman of the Board is EUR 105,000 per year (EUR 105,000), the remuneration of the Vice Chairman of the Board and the Chairman of the Audit Committee is EUR 73,500 per year (Vice Chairman of the Board EUR 73,500 and the Chairman of the Audit Committee EUR 73,500) and the remuneration of the other members of the Board is EUR 52,500 per year (EUR 52,500).

The award and payment of the fixed annual remuneration is contingent on the Board members committing to purchase directly, based on the resolution of the Annual General Meeting, YIT Corporation shares amounting to 40% of the fixed annual fee from a regulated market (Nasdaq Helsinki Ltd) at a price determined by public trading, and that the shares in question are purchased directly on behalf of the Board members. The shares have been purchased within two weeks of the publication of the interim report for the first quarter of 2024.

In addition, EUR 800 per meeting has been paid to members of the Board located in Finland, and EUR 2,000 per meeting to the members of the Board located in Europe outside Finland. The same fees have also been paid for the Board committee meetings for the committee members. As decided by the Annual General Meeting, same fees are paid also when meeting is held via electronic remote connections or by telephone. The chair of the Board and the chairs of the permanent committees have been paid a fee of EUR 1,600 per meeting.

Travel-related costs in the home country and abroad have been reimbursed, and daily allowances have been paid according to YIT's Travel Policy and rules set by the tax authorities. The members of the Shareholders' Nomination Board, including the expert members, have been paid a meeting fee of EUR 800 per Board meeting and the Chairman EUR 1,600 per Board meeting.

The remuneration of the Board of the Directors has been decided at the Annual General Meeting on 14 March 2024.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The President and CEO and members of the Group Management Team are paid for performance. Their remuneration consists of a fixed base salary, fringe benefits, other benefits, annual short-term incentive plan, fixed-term incentive plan related to the strategic transformation program as well as long-term share-based incentive plan and a supplementary defined contribution pension plan.

Costs related to remuneration of the President and CEO and the Group Management Team are presented in the table below. In 2024, the group booked social security costs of EUR 0.4 million (EUR 0.5 million) from key management personnel's salaries, fees and other employee benefits. Social security costs are not included in the figures shown in the table below. The figures presented in the table are calculated on an accrual basis and the performance and share-based rewards included in the figures are based on a year-end estimate.

EUR million	2024	2023
Short-term employee benefits	2.8	2.9
President and CEO	0.7	0.7
Key management personnel other than the President and CEO	2.1	2.2
Post-employment benefits	0.4	0.4
President and CEO	0.1	0.1
Key management personnel other than the President and CEO	0.3	0.3
Termination benefits	0.8	0.5
Key management personnel other than the President and CEO	0.8	0.5
Share-based payments	0.3	0.2
President and CEO	0.1	0.0
Key management personnel other than the President and CEO	0.2	0.2
Remuneration of Group Management Team, total	**4.2**	**4.1**

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits include a fixed basic salary which is determined by the requirements of the position as well as the performance and experience of the person holding the position. In addition, short-term employee benefits include the use of a car benefit, mobile phone benefit, meal benefit, insurance cover for leisure time accidents and life insurance.

Incentives paid are determined on the basis of individual performance, the Group's financial result, and the attainment of profitability, growth and development-related objectives of employee's own organization. Performance and development discussions are an essential part of the performance management system. In these discussions, employees and their managers agree on the key objectives and their relative weighting and review the fulfilment of the previously agreed objectives. The achievement of key objectives is monitored regularly by the Group Management Team. The maximum short-term incentive payable for the President and CEO was 90 per cent of the annual base salary (including fringe benefits) and 50 per cent for other members of the Group Management Team.

INCENTIVE PLAN RELATED TO STRATEGIC TRANSFORMATION PROGRAM

A fixed-term incentive plan related to the Group's strategic transformation program was established on 9 Feb 2023 and 19 Dec 2023 by the Board for 2023 and 2024. The plan covers the President and CEO, other members of the Group Management Team and key stakeholders contributing to the transformation program. The maximum payment from 2023 for the President and CEO was 50 per cent of the annual base salary (including fringe benefits) and 30 per cent for other members of the Group Management Team.

POST-EMPLOYMENT BENEFITS

The additional pension plan of the members of the Group Management Team is based on a cash basis and earning a paid-up policy. The amount of the payment is 20 per cent of the fixed annual salary. Members of the management are entitled to retire at the age of 63.

OTHER LONG-TERM BENEFITS

There are no other long-term benefits.

TERMINATION BENEFITS

The period of notice for the President and CEO is six months. If the company terminates the contract, the President and CEO shall also be paid separate compensation amounting to 6 months' salary. The period of notice for the other members of the Group Management Team is 6–12 months. Some members of the Group Management Team also have the contractual right to be paid separate compensation amounting to six months' salary if the company terminates their contract.

11. FINANCE INCOME AND EXPENSES

ACCOUNTING POLICY

Interest income and expenses are recognised using the effective interest rate method and dividend income when the right to dividend has materialised.

FINANCE INCOME AND EXPENSES

EUR million	2024	2023
Finance income		
Interest income on loans and other receivables	6	4
Other finance income*	1	1
Finance income total	**7**	**5**
Finance expenses		
Interest expenses on financial liabilities recognised at amortised cost	-48	-41
Interest expenses on lease liabilities	-15	-14
Interest income and expenses on interest rate derivatives	4	6
Other interest and finance expenses*	-13	-16
Interest expenses capitalised on qualifying assets**	4	9
Finance expenses total	**-68**	**-56**
Exchange rate differences, net	-2	-5
Finance income and expenses total	**-64**	**-56**
Exchange rate differences recognised in income statement		
Exchange rate differences in operating income and expenses	—	—
Exchange rate differences in financial items	-2	-5
Exchange rate differences total	**-2**	**-5**

*Other interest and finance expenses include change in fair value of interest derivatives EUR -2 (-5) million.

**The interest rate used to capitalise interest expenses has been between 4.2–6.6% (3.9–5.8%).

12. INCOME TAXES

ACCOUNTING POLICY

Taxes calculated based on the taxable profit or loss of Group companies for the accounting period, adjustments to taxes for earlier accounting periods, and change in the deferred tax liability and assets are recognised as income taxes on the consolidated income statement. The tax effect associated with items recognised directly in equity or other comprehensive income is recognised correspondingly in equity or in other comprehensive income. The current tax charge is calculated using the tax rate that is in force at the end of the reporting period for each country. YIT has applied the temporary exemption under IAS 12:88A for the treatment of deferred taxes, whereby the company does not record deferred taxes from temporary differences related to minimum tax regulations, nor does it present information about them in the financial statements.

INCOME TAXES IN THE CONSOLIDATED INCOME STATEMENT

EUR million	2024	2023
Income taxes for the financial year	-11	-12
Taxes for prior years	1	1
Deferred taxes	16	19
Total income taxes	**6**	**8**

DEFERRED TAXES IN THE OTHER COMPREHENSIVE INCOME

EUR million	2024	2023
Cash flow hedges	1	1
Change in fair value of defined benefit pensions	—	—
Change in fair value of financial assets measured through other comprehensive income	—	
Total deferred taxes in the other comprehensive income	**1**	**1**

DEFERRED TAXES IN THE EQUITY

EUR million	2024	2023
Convertible note	-1	
Share issue	—	
Hybrid bond interests and expenses		1
Total deferred taxes in the equity	**-1**	**1**

TAX RECONCILIATION

EUR million	2024	2023
Result before taxes	**-118**	**-5**
Income taxes at the tax rate in Finland 20%	24	1
Effect of different tax rates outside Finland	—	2
Tax exempt income and non-deductible expenses	—	8
Net results of associated companies and joint ventures	—	3
Unrecognised tax on loss for the period	-16	-5
Adjustments to previous year's deferred taxes	-2	—
Taxes for prior years	—	1
Effect of changes in tax rates	—	—
Income taxes in the income statement	**6**	**8**

Unrecognised deferred tax assets on losses for the period amounting to 16 EUR million relate to companies in Finland, Sweden and Norway.

PILLAR TWO MINIMUM TAXATION

In December 2021 OECD introduced the Global Anti-Base Erosion (GloBE) Rules, which set out global minimum tax rules designed to ensure that large multinational businesses with the group's annual revenue of EUR 750 million or more pay a minimum effective rate of tax of 15 % on profits in all their operating countries (referred as Pillar Two). The Pillar Two EU Directive had to be implemented into the EU Member States' national legislation by 31 December 2023. The countries may also implement their own domestic minimum tax regimes ("QDMTT", Qualified Domestic Minimum Tax). Pillar Two legislation is in force and applicable as of financial year 2024 in Finland where the Ultimate Parent Entity of YIT Group is located. To provide transitional relief for Pillar Two tax compliance and administrative burden OECD has introduced a Framework for Transitional Safe CbCR Safe Harbours applicable for transition period covering financial years 2024-2026.

YIT is in the scope of Pillar Two since YIT Group's annual revenue exceeds EUR 750 million. As a result, YIT has taken measures for assessing its potential exposure to Pillar Two minimum taxation. YIT has not recognized Top-up Taxes in the consolidated income statement's current tax expense for financial year 2024, because no substantial Top-up Taxes are expected to arise for the YIT Group in 2024. YIT is continuing to assess the impact of the Pillar Two legislation on its future financial performance. YIT will also continue to monitor the development of regulatory updates, as OECD is expected to publish additional guidance and details concerning e.g. permanent safe harbours and domestic minimum tax regimes.

13. EARNINGS PER SHARE

ACCOUNTING POLICY

Basic earnings per share is calculated by dividing result for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period. When calculating earnings per share, the result is adjusted with hybrid bond interests regardless of payment date and adjusted with tax effect. Diluted earnings per share is calculated by adjusting the number of shares to assume conversion of all diluting potential shares. In addition, when calculating the earnings per share, diluted earnings per share is calculated by adjusting the adjusted weighted average number of ordinary shares outstanding with the assumption that convertible instruments are converted. The profit or loss used in the calculation is adjusted for the interest expense related to the instrument and recognised in the period, net of tax. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

EARNINGS PER SHARE

	Basic		Diluted	
	2024	**2023**	**2024**	**2023**
Result attributable to the equity holders of the company, EUR million	-112	3	-112	3
Accumulated interest expenses on hybrid bond after taxes, EUR million	-5	-5	-5	-5
Result for the financial year used in the calculation of earnings per share, EUR million	**-117**	**-2**	**-115**	**-2**
Weighted outstanding basic number of shares during the period, million shares	226	210	226	210
Potentially dilutive shares of share based incentive plans during the period, million shares			0	0
Potentially dilutive shares of convertible bond, million shares			16	0
Weighted outstanding adjusted dilutive number of shares during the period, million shares			243	210
Earnings per share, EUR/ share	-0.51	-0.01	-0.51	-0.01

14. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

MEASUREMENT AND RECOGNITION

Tangible assets are measured at cost less depreciation and impairment. Tangible assets are depreciated over their estimated useful lives using a straight-line method starting from the date when the asset is ready for use. Land is not depreciated. The residual values and useful lives of assets are assessed at the end of the reporting period. If necessary, they are adjusted to reflect the changes in the expected economic benefits. Gains or losses on the sale and disposal of property, plant and equipment are included in other operating income or expenses. Normal maintenance and repair costs are expensed as incurred. Significant improvements or additional investments are capitalised as part of the cost of the corresponding asset and depreciated over the remaining useful life of the asset to which they pertain, if it is likely that YIT will derive future economic benefit from the investment. YIT expenses the interest costs of the acquisitions of property, plant and equipment, unless the asset meets the requirements for capitalisation of borrowing costs, in which case they are capitalised as part of the cost.

Estimated useful life

Land areas, no depreciation	
Buildings and constructions	10–40 years
Machinery and equipment	3–15 years
Other tangible assets	10–40 years

IMPAIRMENT

At the end of each reporting period, YIT evaluates whether there are indications of impairment in any asset item. If there are indications of impairment, the recoverable amount of said asset is estimated. The need for impairment is assessed at the level of cash-generating units. The recoverable amount is the fair value of the asset item less the higher of selling costs or the value in use. In the measurement of value in use, expected future cash flows are discounted to their present value with discount rates that reflect the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered immediately in the income statement. An impairment loss is reversed if the situation changes and the amount recoverable from the asset has improved since the date when the impairment loss was recorded. However, impairment losses are not reversed beyond the carrying amount of the asset excluding the impairment losses.

2024

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Historical cost on 1 January	6	13	52	15	0	85
Exchange rate differences	—	—	—	—	—	—
Increases	—	—	2	—	—	2
Decreases	—	-2	-23	—	—	-26
Reclassifications	—	—	—	—	—	—
Historical cost on 31 December	**6**	**11**	**30**	**15**	**0**	**61**
Accumulated depreciation and impairment on 1 January	-4	-8	-39	-12	0	-63
Exchange rate differences	—	—	—	—	—	—
Depreciation	—	-1	-3	-1	—	-4
Impairment		—	—	—	—	—
Accumulated depreciation of reclassifications and decreases	—	2	23	—	—	26
Accumulated depreciation and impairment on 31 December	**-4**	**-7**	**-19**	**-12**	**-0**	**-42**
Carrying value on 1 January	2	5	13	2	0	22
Carrying value on 31 December	**2**	**4**	**11**	**2**	**0**	**19**

2023

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Historical cost on 1 January	6	14	199	15	1	234
Exchange rate differences	—	—	—	—	—	—
Increases	—	—	5	—	—	5
Decreases	—	-1	-1	—	-1	-2
Reclassifications	—	-1	-1	—	—	-2
Transfers to assets classified as held for sale	—	—	-150	—	—	-150
Historical cost on 31 December	**6**	**13**	**52**	**15**	**0**	**85**
Accumulated depreciation and impairment on 1 January	-4	-9	-173	-11	0	-197
Exchange rate differences	—	—	—	—	—	—
Depreciation	—	-1	-6	-1	—	-8
Impairment		—	—	—	—	—
Accumulated depreciation of reclassifications and decreases	—	1	2	—	—	3
Transfers to assets classified as held for sale	—	—	138	—	—	138
Accumulated depreciation and impairment on 31 December	**-4**	**-8**	**-39**	**-12**	**0**	**-63**
Carrying value on 1 January	2	5	26	3	1	37
Carrying value on 31 December	**2**	**5**	**13**	**2**	**0**	**22**

15. OTHER INTANGIBLE ASSETS AND GOODWILL

ACCOUNTING POLICY

OTHER INTANGIBLE ASSETS

An intangible asset is initially entered on the statement of financial position at cost when the cost can be reliably determined, and the intangible asset is expected to yield economic benefit to the Group. Intangible assets with a known or estimated useful life are expensed in the income statement on a straight-line basis over their estimated useful lives. Amortisation begins when the asset is ready for use. Intangible assets with indefinite useful lives are not amortised but are instead subjected to an impairment test annually. Other intangible assets acquired in connection with business acquisitions are recognised in the statement of financial position if they fulfil the definition of intangible assets: the asset will yield future economic benefit, they can be specified or are based on agreements or legal rights. Other intangible assets recognised in connection with business acquisitions include, among others, brands and trademarks, customer agreements and customer relationships. Acquired software licenses are capitalised at cost. The costs incurred to take the software into use are assessed based on their materiality and the costs are capitalised if the capitalisation criteria are met. The cost is amortised on a straight-line basis over the estimated useful life.

Estimated useful life

Customer relations and contract bases	3–5 years
Trademarks	15 years
Computer software and other items	2–5 years
Unpatented technology	3–5 years

GOODWILL

Goodwill is the difference between the consideration paid including any non-controlling interest and the acquisition date fair value of identifiable net assets acquired. Goodwill is subjected to an annual impairment test. For that purpose, goodwill is allocated to cash-generating units. Goodwill is measured at the original acquisition cost less impairment. Impairment is expensed immediately in the income statement. An impairment loss recognised from goodwill is not reversed at a later reporting period. Gains and losses on the disposal of an entity or business include the carrying amount of goodwill relating to the entity sold.

IMPAIRMENT

At the end of each reporting period, YIT evaluates whether there are indications of impairment in any asset item. If there are indications of impairment, the recoverable amount of said asset is estimated. In addition, the recoverable amount is assessed annually for each of the following assets regardless of whether impairment is indicated: goodwill, intangible assets with an unlimited useful life and intangible assets in progress. The need for impairment is assessed at the level of cash-generating units. The recoverable amount is the fair value of the asset less the higher of selling costs or the value in use.

In the measurement of value in use, expected future cash flows are discounted to their present value with discount rates that reflect the time value of money and the risks specific to the asset. The Weighted Average Cost of Capital (WACC) is used as the discount factor. WACC takes into account the risk-free interest rate, the illiquidity premium, the expected market rate of return, the industry's beta value, country risk and the debt interest rate, including the interest rate margin. These components are weighted according to the revenue of the sector. If it is not possible to calculate the recoverable cash flows for an individual asset, the recoverable amount for the cash-generating unit to which the asset belongs is determined.

An impairment loss is recognised if the carrying amount of the asset item is higher than its recoverable amount. The impairment loss is entered immediately in the income statement and is initially allocated to the goodwill allocated to the cash-generating unit and thereafter equally to other assets.

MANAGEMENT JUDGEMENT AND ESTIMATES

ESTIMATES AND ASSUMPTIONS USED IN GOODWILL IMPAIRMENT TESTING

Goodwill is tested for potential impairment annually and whenever there are indications of impairment. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require a significant use of estimates and assumptions. The cash flow forecasts are based on financial plans approved by YIT's management for a certain period and on other justifiable estimates of the prospects for the business sector and the cash-generating unit. The key assumptions in value in use calculations are the discount rate and EBITDA margin.

OTHER INTANGIBLE ASSETS

EUR million	2024	2023
Historical cost on 1 January	39	43
Exchange rate differences	—	—
Increases	—	—
Decreases	—	-5
Historical cost on 31 December	**39**	**39**
Accumulated amortisation and impairment on 1 January	-35	-39
Exchange rate differences	—	—
Amortisation	-1	-1
Accumulated amortisation of reclassifications and decreases	—	5
Accumulated amortisation and impairment on 31 December	**-36**	**-35**
Carrying amount on 1 January	3	4
Carrying amount on 31 December	**2**	**3**

GOODWILL

EUR million	2024	2023
Carrying amount on 1 January	248	249
Decreases		-1
Carrying amount on 31 December	**248**	**248**

YIT has identified cash generating units at the the level of reported segments.

Allocation of goodwill to segments

Following the business structure change on 1 April 2023, Property Development segment's businesses were transferred to Business Premises and Infrastructure segments. As a result of the change, EUR 7 million goodwill, previously allocated to Property development segment, was reallocated to Business premises segment based on the new business structure. No goodwill was allocated to the business transferred to Infrastructure segment. Impairment test was performed for Property Development segment before the reallocation of goodwill.

EUR million	31 Dec 2024	Discount rate, % (WACC before taxes)	31 Dec 2023	Discount rate, % (WACC before taxes)
Housing	105	10.7	105	10.3
Business premises	87	10.5	87	11.6
Infrastructure	56	9.8	56	9.5
Goodwill, total	**248**		**248**	

Goodwill impairment tests

In the annual goodwill impairment tests, the recoverable amounts of cash generating units are determined based on value-in-use calculations. The cash flow forecasts used in calculations were prepared for a five-year planning period and they are based on groups' strategic and annual goals approved by the management. In the testing, YIT uses probability-weighted cash flow projections based on two different forecast scenarios, base and low scenario. Base-scenario is based on the existing forecast where the low-scenario takes particularly into account uncertainties related to demand. The forecast for the Housing segment is based on the gradual recovery of demand and business volume in the Finnish operations during the forecast period. It relies on the market outlook of the construction industry organization for future development and historical market information.

Cash flows beyond the forecasting period are calculated using the end value method. All cash generating units' forecasts are based on the assumption of 2.0% (2.0%) annual growth, which equals the European Central Bank's target inflation rate over the medium term. As a result of the annual impairment tests carried out in 2024 and 2023, no impairment was recognised on goodwill.

YIT prepares a sensitivity analysis for the cash-generating units annually if a reasonably possible change in the key assumptions used in the cash flow forecasts could have an impact on the asset's carrying value. Based on the impairment tests performed in 2024, reasonably possible change in the discount rate would result impairment in the Housing segment, if the discount rate increased over 0.8 percentage points (1.3) or EBITDA decreased by 10 percent in all forecast periods. The amount by which the aggregate recoverable amount exceeds aggregate of the carrying amount of Housing segment is EUR 144 million (233). Management estimates that there is no reasonably possible sensitivity in the other key assumptions used in the cash flow forecasts that could have an impact on the carrying value of the assets.

16. LEASES

ACCOUNTING POLICY

YIT AS LESSEE

The Group's most significant lease agreements include plot lease agreements related to self-developed construction in Finland and lease agreements related to buildings and structures, and machinery and equipment. If the agreement or part of the agreement is classified as a lease, the lease liability and right-of-use asset are recognised at the commencement date of an agreement. The commencement date is the date when the underlying asset is available for use by the lessee. The Group recognises lease payments related to short-term leases (lease term is 12 months or less) and leases for which the underlying asset is of low value on straight-line basis as an expense in the income statement.

Measurement and presentation of lease liability

Lease liabilities are measured by discounting expected future lease payments to present value. Lease payments comprise fixed lease payments (including in-substance fixed payments), expected amounts payable related to residual value guarantee and possible exercise price of purchase option, if the decision to use a purchase option is reasonably certain. If the Group is reasonably certain to exercise a termination option, the possible termination fee is included in the lease liability. The lease term is the non-cancellable period of the lease covered by options to terminate if the termination is not reasonably certain. Possible extension options are included in the lease term, if the Group is reasonably certain to exercise the options. Lease payments are discounted using the interest rate implicit in the lease, if the rate is readily determinable. If the interest rate implicit in the lease is not readily determined, the Group uses the incremental borrowing rate as a discount rate.

Lease liabilities are subsequently measured using the effective interest rate method and the Group remeasures the carrying amount to reflect any reassessments or lease modifications. A reassessment of the lease liability takes place, if the cash flow changes based on the original terms and conditions of the lease, for example, if the lease term changes or if the lease payments change based on an index or a variable rate. Many of the Group's significant lease agreements include lease payments, which are tied to an index. The lease liability is initially measured using the index at the commencement day of the lease agreement. Future changes in the index are considered in the measurement when there is a change in the cash flow. Reassessment of extension and termination options are done only when a significant event or change in circumstances occur, that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option. The discount rate used in the reassessment varies based on the nature of the reassessment. For example, the reassessment due to an index change is done based on the original discount rate and reassessments due to the changes in the lease term is done using revised discount rate. The lease liability is presented as a separate line item in the statement of financial position as non-current and current liability.

Measurement and presentation of right-of-use asset

Right-of-use assets are measured at cost based on the amount of the initial measurement of lease liability. Initial direct costs, restoration costs or any lease payments made at or before the commencement date less any lease incentives received are also included in the measurement of the right-of-use asset. The right-of-use assets, excluding plot lease agreements, are depreciated over the shorter of the lease term and the useful life of the asset, unless there is a transfer of ownership or a purchase option, which is reasonably certain to be exercised at the end of the lease term. Then the right-of-use asset is depreciated over the useful life of the underlying asset. In estimating the possible impairment of right-of-use assets excluding plot lease agreements, the same accounting principles are applied as those used to tangible assets. If the use of the right-of-use asset is fully or partially given up during lease period, the group will record a corresponding impairment.

Any remeasurements of the lease liability will be treated as a corresponding adjustment to the right-of-use asset. Right-of-use assets related to tangible assets are presented on a separate line item in the statement of financial position as leased property, plant and equipment. Right-of-use assets related to leased plots are presented on a separate line item in the statement of financial position as leased inventory.

Treatment of plot lease agreements related to self-developed construction

The Group has material plot lease agreements related to self-developed construction only in Finland. The plot lease agreements are presented in the statement of financial position and income statement in a similar manner as the Group's own plots in inventory. In Finland, the Group has self-developed construction projects, where typically residential buildings are built either on to an owned or a leased plot. The plot lease agreements in Finland are typically long-term agreements, usually between 20 to 50 years. The leased plots related to self-developed residential construction projects, as well as to the Group's own plots in inventory, form part of the performance obligation under the revenue recognition guidance to sell apartments to the customers. The leased plots related to self-developed residential construction projects are initially measured according to measurement requirements of IFRS 16.

In Finland, when the Group enters a plot lease agreement related to self-developed residential construction and the development project has not started, the right-of-use asset of the plot lease agreement is recognised in inventories and the lease liability in the statement of financial position. The plot lease agreement related to self-developed residential construction will be derecognised from inventories and the change in inventories is recognised in the income statement when the sale is recognised based on the revenue recognition policies of the Group. The lease liability of plot lease agreements related to incomplete self-developed residential construction projects in Finland is presented in the statement of financial position either as a lease liability or in the Other contract liabilities line item depending on the degree of sale. The portion of the lease liability related to unsold apartments in self-developed residential construction projects under construction is presented as a lease liability in the statement of financial position. The lease liability related to sold apartments in self-developed residential construction projects under construction is a liability transferred to the customer's responsibility. This liability is presented in Other contract liabilities line item, based on the substance of the transaction. When recognising revenue from the project, the lease liability of the sold apartments is recognised as revenue in the income statement. The lease liability of completed unsold apartments is presented as a lease liability in the statement of financial position.

Sale and leaseback

In sale and leaseback transactions YIT assesses first whether the IFRS 15 criteria, according to which the transfer is accounted for as a sale, are met. If the transfer of the asset is a sale, the right-of-use asset is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by YIT. As a gain or loss is presented only the amount of any gain or loss that relates to the rights transferred to the buyer. If the consideration from the sale of the asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the sale proceeds are adjusted. Any below-market terms are accounted for as a prepayment of lease payments and any above market terms are accounted for as a financial liability. If the IFRS 15 criteria are not fulfilled, the transferred asset is continued to recognise in the statement of financial position and the consideration is presented as a financial liability.

YIT AS LESSOR

The Group has subleased business premises it leases from third parties and these are treated as other lease agreements instead of finance leases. The classification is done with reference to the right-of-use asset of the original lease agreement. Rental income is recorded as income in the income statement during the lease period. The Group's activities as a lessor are not material.

MANAGEMENT JUDGEMENT AND ESTIMATES

MEASUREMENT AND RECOGNITION OF LEASES

The assessment of the lease term and the incremental borrowing rate have a significant impact on the measurement of lease liabilities and right-of-use assets. When assessing the lease term, YIT will include the periods covered by extension options and termination options whether it's reasonably certain to exercise or not to exercise such an option. The management considers, for example, contractual terms and conditions for optional periods or costs related to the termination of the lease and the signing of a new replacement. Overall, the management is always considering the importance of a certain asset to its operations. Typically, the plot lease agreements related to own building development are in the Group's possession only for a short period of time. Considering the Group's use of the of the plot lease agreements related to own building development, it can be assumed that YIT will not use possible termination, purchase or extension options. With office agreements the management is considering the significance of the leasehold improvements and possible relocation costs.

If the lease term is indefinite, the management assesses the period when the contract is enforceable to define what is the earliest point in time at which both parties (lessee and lessor) can leave the contract and its contractual obligations without no more than an insignificant penalty. As a significant penalty YIT considers not only direct penalty payments to lessor but also indirect or economic penalties for both parties. YIT considers the facts and circumstances mentioned above, including the nature of the leased asset in relation to the corresponding business plan, to assess when it will be reasonably certain to terminate the lease contract. The lease term is assessed accordingly. YIT's indefinite lease contracts are typically related to buildings and machinery and equipment.

If use of the right-of-use asset is fully or partially given up during the lease period, YIT will record a corresponding impairment. In estimating the amount of impairment, YIT assesses the amount and timing of utilization the asset during the lease period, considers possible options for shortening the lease period and possibilities for subleasing the asset.

In the definition of incremental borrowing rate, YIT has considered the nature of a leased asset, risk factors of the Group and geographical location, underlying currency and duration of the agreement.

YIT AS LESSEE

Description of lease agreements

Leased property, plant and equipment of YIT include among others properties, company cars and other equipment used in the business. The weighted average lease term for the leased property, plant and equipment is about 3 years, of which properties are typically longer than average and other leased property, plant and equipment typically shorter than average. Part of the lease agreements related to property, plant and equipment include index terms, which are typically tied to cost-of-living-index or consumer price index.

Leased inventories include leased plots, which are used in self-developed residential construction. Leased plots are long-term in their nature, lease agreements with a lease term with weighted average of 40 years. YIT transfers these mostly by selling apartments from self-developed residential projects. Plot lease agreements include typically index terms which are typically tied to cost-of-living-index in Finland. The lease payments for plots are considered to their full amount when assessing the lease liability. Short term and low value leases are typically equipment used at construction sites and ICT equipment.

RIGHT-OF-USE ASSETS

Leased property, plant and equipment

2024

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Total
Carrying value on 1 January	1	46	14	60
Exchange rate differences	—	—	—	—
Increases including the effect of index changes	—	3	7	11
Decreases	—	—	-2	-2
Depreciation and impairment	—	-21	-6	-27
Carrying value on 31 December	**1**	**28**	**13**	**41**

2023

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Total
Carrying value on 1 January	1	51	16	68
Exchange rate differences	—	—	—	—
Increases including the effect of index changes	—	10	9	19
Decreases	—	-4	-1	-5
Business disposals	—	—	—	—
Depreciation and impairment	—	-11	-6	-18
Transfer to assets classified as held for sale	—	-1	-4	-5
Carrying value on 31 December	**1**	**46**	**14**	**60**

Leased inventories

EUR million	2024 Plots	2023 Plots
Carrying value on 1 January	192	205
Exchange rate differences	—	—
Increases including the effect of index changes	59	38
Decreases	-33	-49
Business disposals		—
Impairment	-1	-1
Carrying value on 31 December	**218**	**192**

LEASE LIABILITIES

Maturity analysis of contractual undiscounted cash flows

EUR million	31 Dec 2024	31 Dec 2023
Less than one year	32	29
From one to three years	56	54
From three to five years	45	45
From five to ten years	83	76
Over ten years	403	336
Undiscounted lease liabilities, total	**619**	**540**

ITEMS RECOGNISED IN THE INCOME STATEMENT

EUR million	2024	2023
Change in inventories of finished goods and in work in progress	-20	-49
Expenses related to short-term leases and low-value assets	-43	-49
Depreciation and impairment	-28	-19
Interest on lease liabilities	-15	-14
Income from sale and leaseback agreements	—	—

Total cash outflow for leases amounted to EUR -77 million (-85).

YIT AS LESSOR

YIT has primarily subleased business premises it leases from others. The operating lease agreements of office facilities have a lease term of up to eight years. The index, renewal and other terms of the lease agreements of office premises vary. Most of the agreements include extension options after the initial expiry date. The minimum lease amount is calculated until the earliest possible date of termination.

The future minimum lease receivables under non-cancellable operating leases

EUR million	31 Dec 2024	31 Dec 2023
No later than 1 year	2	1
1–5 years	2	2
Over 5 years	—	1
Total	**4**	**4**

Rental income from subleasing the right-of-use assets amounted to EUR 3 million (3).

17. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

ACCOUNTING POLICY

The consolidation principles of associated companies and joint ventures have been described in note Consolidation principles.

INVESTMENTS IN ASSOCIATED COMPANIES

EUR million	Segment	Business	Domicile	Ownership 2024, %	Carrying amount 2024	Ownership 2023, %	Carrying amount 2023
Associated companies							
Ålandsbanken Lunastustontti I Ky	Housing	Real estate investing	Finland	20.00	11	20.00	12
Fidus Villa Ky*	Housing	Real estate investing	Finland			20.00	9
ÅB Kodit I Ky	Housing	Real estate investing	Finland	40.00	—	40.00	—
Nuuka Solutions Oy	Other items	Services	Finland	15.00	3	16.67	2
Associated companies total					**14**		**23**

This table does not include housing and real estate companies owned by associated companies nor housing and real estate construction project companies.

*Fidus Villa Ky was reclassified to equity investments in 2024 due to loss of significant influence.

INVESTMENTS IN JOINT VENTURES

EUR million	Segment	Business	Domicile	Ownership 2024, %	Carrying amount 2024	Ownership 2023, %	Carrying amount 2023
Joint ventures							
FinCap Asunnot Oy	Housing	Real estate investing	Finland	49.00	21	49.00	23
Nuppu Housing s.r.o.	Housing	Project development	Slovakia	50.00	2	50.00	4
Zwirn area s.r.o	Housing	Project development	Slovakia	50.00	5	50.00	10
Mlynárka Area s.r.o.	Housing	Project development	Slovakia	50.00	2	50.00	2
YR Holding s.r.o.	Housing	Project development	the Czech Republic	50.00	4	50.00	3
YR Holding Alfa	Housing	Project development	the Czech Republic	50.00	—		
YR Holding LT UAB	Housing	Project development	Lithuania	50.00	1		
YR Holding Latvia SIA	Housing	Project development	Latvia	50.00	—		
Regenero Oy	Business Premises	Project development	Finland	50.00	—	50.00	1
Campus Marian Kehitys Oy	Business Premises	Project development	Finland	50.00	—	50.00	1
Kumppanuuskoulut Oy	Business Premises	PPP Project company	Finland	20.00	—	20.00	—
Keilaniemen Kiinteistökehitys Strike Ky	Business Premises	Project development	Finland	33.33	7	33.33	8
Keilaniemen Kiinteistökehitys GP Oy	Business Premises	Project development	Finland	33.33	—	33.33	—
YIT Zwirn Office s.r.o.	Business Premises	Project development	Slovakia	50.00	1	50.00	1
Tieyhtiö Vaalimaa Oy*	Infrastructure	PPP Project company	Finland			20.00	—
Joint ventures total					**45**		**54**

This table does not include housing and real estate companies owned by joint ventures nor housing and real estate construction project companies.
*YIT sold its stake in Tieyhtiö Vaalimaa Oy on 14 May 2024.

CHANGES IN CARRYING AMOUNTS

EUR million	Associated companies	Joint ventures	Total 2024	Associated companies	Joint ventures	Total 2023
Carrying amount on 1 January	23	54	77	34	39	72
Exchange rate differences		—	—		—	—
Share of results	-1	2	1	-2	15	13
Increases	1	2	3	3	5	8
Decreases	-2	-4	-6	-1	-2	-3
Transfers to equity investments*	-7		-7	-10		-10
Dividend received during the financial year		-9	-9	—	-3	-4
Carrying amount on 31 December	**14**	**45**	**59**	**23**	**54**	**77**

*Includes the reclassification of Fidus Villa Ky in 2024 and the reclassification of SIA "LiveOn" in 2023 to equity investments due to loss of significant influence.

SUMMARY OF FINANCIAL INFORMATION FOR THE ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million	Associated companies	Joint ventures	Total 2024	Associated companies	Joint ventures	Total 2023
Condensed Statement of Financial Position						
Investment properties	—	186	186	138	193	332
Other non-current assets	108	266	374	113	399	512
Current assets	2	291	293	9	355	364
Non-current liabilities	52	529	581	151	712	863
Current liabilities	2	118	120	5	123	128
Net assets	**56**	**97**	**153**	**104**	**113**	**217**
Income Statement						
Revenue	6	173	179	8	181	189
Result for the period	2	2	4	-13	30	17
of which change in fair value of investment properties		-3	-3	-13	10	-4
Dividends received by YIT		**9**	**9**	**—**	**3**	**4**

COMMITMENTS

YIT has investment commitments, both equity and loan, concerning current and coming associated companies and joint ventures in total of EUR 107 million (82).

INVESTMENT PROPERTIES IN ASSOCIATED COMPANIES AND JOINT VENTURES

ACCOUNTING POLICY

INVESTMENT PROPERTIES

Investment properties are properties or land held by YIT to earn rentals or for capital appreciation or both and which are not held for use for YIT, use in the operations or sale in the ordinary course of business. Associated companies and joint ventures involved in real estate investing which are consolidated into YIT's consolidated financial statements using equity method have investment properties as defined in the IAS 40 Investment properties standard. Investment properties comprise rental apartments which are both under construction and completed. Neither the parent company of YIT or subsidiaries possess assets classified as investment properties. In YIT's consolidated financial statements, the investment properties are included in the statement of financial position as part of the line item Investments into associated companies and joint ventures.

Recognition and measurement principles

At initial recognition, investment properties are measured at cost, which includes transaction costs. Subsequently, investment properties are valued at fair value in accordance with IFRS 13 Fair value measurement. Gains and losses from changes in fair value are recognised in the income statement in the period in which it arises.

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. YIT classifies all investment properties on fair value hierarchy level 3. Items included in the hierarchy level 3 are measured using input data which is not based on observable market data.

Completed rental apartments are valued based on an income or market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets or a group of assets, such as a business. The income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts. Properties under construction are measured at fair value when the fair value can be reliably measured. Otherwise properties under construction are measured at cost. Associated company and joint venture use an external independent appraiser to define the fair value.

An investment property is derecognised from the statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in income statement. The amount of consideration to be included in the gain or loss arising from the derecognition of an investment property is determined in accordance with the requirements for determining the transaction price according to IFRS 15. Investment properties held for sale are measured at fair value. A property is transferred to, or from, investment property when there is a change in use.

The amounts presented in the tables below are presented as full amounts from the financial reporting of the associated company and the joint ventures.

Fair value of investment properties

EUR million	2024	2023
1 January	332	208
Acquisitions		157
Sales	-4	-2
Decreases*	-138	-28
Gains and losses from changes in fair value	-3	-4
31 December	**186**	**332**

*Decreases in 2024 relate mainly to the reclassification of Fidus Villa Ky from associated company to equity investments.

Investment properties based on valuation method

	31 Dec 2024			31 Dec 2023		
EUR million	**Investment properties under construction**	**Completed investment properties**	**Total**	**Investment properties under construction**	**Completed investment properties**	**Total**
Measured based on income			—		84	84
Measured based on market value		186	186		193	193
Measured based on cost			—	54		54
Total	**—**	**186**	**186**	**54**	**277**	**332**

18. EQUITY INVESTMENTS

ACCOUNTING POLICY

The accounting policies and management judgement and estimates are described in more detail in note Financial assets and liabilities by category.

EQUITY INVESTMENTS

EUR million	2024	2023
Carrying value on 1 January	214	218
Increases	7	10
Decreases	—	-11
Changes in fair value recognised in income statement	-9	-2
Carrying value on 31 December	**213**	**214**

The largest single equity investment is Tripla Mall Ky, with a valuation of EUR 184 million (192). More information related to fair valuation is provided in the note Financial assets and liabilities by category. In 2024, increases include the reclassification of Fidus Villa Ky from associated company to equity investments due to loss of significant influence. In 2023, increases include the reclassification of SIA “LiveOn” from an associated company to equity investments due to loss of significant influence, and decreases include the sale of SIA “LiveOn” on 4 October 2023.

19. DEFERRED TAX ASSETS AND LIABILITIES

ACCOUNTING POLICY

The deferred tax is calculated from the temporary differences between taxation and accounting, with either the tax rate in force on the reporting date or a known tax rate that will come into force at a later date. A deferred tax liability is not recognised in respect of a temporary difference that arises from the initial recognition of an asset or liability (other than from a business combination) and affects neither the result for the period in bookkeeping nor taxable profit at the time of the transaction. A deferred tax asset is recognised only to the extent that it is likely that there will be future taxable profit against which the temporary difference may be utilised.

Carry-forward tax losses are treated as a deferred tax asset to the extent that it is likely that YIT will be able to utilise them in the near future. A deferred tax liability is only recognised in respect of the undistributed profits of subsidiaries when payment of the tax is expected to be realised in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

MANAGEMENT JUDGEMENT AND ESTIMATES

RECOVERABILITY OF DEFERRED TAXES

Deferred tax assets recognised on tax losses contain uncertainty of their recoverability. Deferred tax assets from tax losses are recorded in the extent that management, based on its long-term forecasts, considers them to be recoverable in the future. The management's assessment does not take into account the years following the forecast period, even though the period for utilizing tax losses is 10 years. Additionally, management takes into consideration the expiration period of tax losses and the reason of occurrence of losses when estimating the probability of recurrence of losses. The recoverability of deferred tax assets is assessed regularly.

CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES

2024

EUR million	1 January	Exchange rate difference	Business disposals	Recognised in income statement	Recognised in comprehensive income/ equity	31 December
Deferred tax assets						
Provisions	29	—		-1		28
Tax losses carried forward	15	—		18		33
Pension benefits	1		—	—		0
Revenue recognition over time	1			-1		0
Inventories	16			-1		15
Lease contracts	52	—	—	3		55
Other items	5	—		-2	—	4
Offsetting of deferred taxes	-69			-5		-74
Total	**50**	**0**	**0**	**11**	**0**	**62**
Deferred tax liabilities						
Accumulated depreciation differences	2		-2	—		0
Revenue recognition over time	3	—		-3		0
Inventories	2	—		—		2
Lease contracts	50	—	—	1		51
Equity investments	15			-2		13
Other items	4	—	—	4	1	8
Offsetting of deferred taxes	-69			-5		-74
Total	**7**	**0**	**-2**	**-5**	**1**	**1**
Deferred taxes, net						**60**

Deferred tax assets amounting to EUR 35 million (21) have been left unrecognized from accumulated and partially unconfirmed losses in taxation. The unrecognised deferred tax assets consist partly of Finnish group companies amounting to EUR 6 million in addition to Norwegian and Swedish group companies EUR 29 million. Tax losses confirmed in Finland can be deducted from the taxable result during the next 10 tax years. In Norway and Sweden, tax losses can be carried forward indefinitely.

According to the Estonian and Latvian tax systems, the companies are not taxed until the profits are distributed out of the company. Thus, YIT is able to determine the reversal date of the temporary difference, and therefore, no deferred tax has been recognised related to those countries.

2023

EUR million	1 January	Exchange rate difference	Recognised in income statement	Recognised in comprehensive income/equity	31 December
Deferred tax assets					
Provisions	28	—	1		29
Tax losses carried forward	1	—	14		15
Pension benefits	1		—	—	1
Revenue recognition over time	0		1		1
Inventories	13		3		16
Lease contracts*	56	—	-3		52
Other items	4	—	—	1	5
Offsetting of deferred taxes*	-74		5		-69
Total	**30**	**0**	**19**	**1**	**50**
Assets classified as held for sale					-1
Deferred tax assets total					**49**
Deferred tax liabilities					
Accumulated depreciation differences	3		—		2
Revenue recognition over time	3	—	—		3
Inventories	1	—	1		2
Lease contracts*	54		-4		50
Equity investments	16		-2		15
Other items	5	—	-1	-1	4
Offsetting of deferred taxes*	-74		5		-69
Total	**9**	**0**	**0**	**-1**	**7**
Liabilities directly associated with assets classified as held for sale					-3
Deferred tax liabilities total					**4**
Deferred taxes, net					**45**

*Comparative period figures have been adjusted. In addition, the presentation of assets classified as held for sale has been changed.

20. INVENTORIES

ACCOUNTING POLICY

The cost of **materials and supplies** is determined using the FIFO method (first-in, first-out).

The plot reserve line item includes the original cost of purchase as well as the costs related to soil improvement, water and electricity connections and construction permits that raise the value of the plot. YIT acquires plots to develop them to be sold as apartments or real estate. The plot can be acquired directly or through the acquisition of the company in ownership of the plot. At the moment of starting the construction project, the plot possibly included in it will be transferred at its cost into Work in progress line item. YIT also sells unconstructed plots and companies in ownership of plots.

Work in progress line item includes, in addition to the possible cost of plot, the construction costs to the extent they have not been expensed. The construction costs include cost of raw material, planning costs improving the asset, direct costs of labour, other direct costs and the appropriate portion of the variable general costs of manufacture and fixed overhead. In self-developed construction projects lasting over 12 months where revenue is recognised at a point in time, the value of work in progress includes borrowing costs.

Unsold apartments and real estate in completed construction projects are presented in line item **Completed apartments and real estate**.

Advance payments line item primarily includes advances related to acquisition of plots.

Inventories are measured either at the lower of cost or net realisable value. The net realisable value is the estimated selling price in ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. When estimating the net realisable value of completed apartments and real estate, the information available from the market is taken into consideration as well. When estimating the net realisable value of plots, their intended use is taken into consideration. Plots used for construction are assessed as part of the construction projects. The value of plots is written down when apartments and real estate under construction are being assessed to be sold at a lower price than the book value of the plot. The net realisable value of plots other than those used for construction purposes is based on their market value.

YIT carries out construction projects also on leased plots which are presented as part of inventory, but which are measured according to the IFRS 16 standard. The accounting policy related to leased plots is described in more detail in the note Leases.

MANAGEMENT JUDGEMENT AND ESTIMATES

VALUATION OF INVENTORY

The possible need for inventory write-downs is assessed regularly by comparing the cost of inventory with the net realisable value. The net realisable value is an assessment of the management that is based on the most reliable information available. Making the assessment requires that management makes an assessment of the net realisable value in the market. A write-down is not recognised in case the finished products, which will include the assessed inventory items, are assessed to be sold at cost or at a higher price.

INVENTORIES

EUR million	31 Dec 2024	31 Dec 2023
Raw materials and consumables	5	7
Work in progress	196	370
Plot reserve	610	664
Completed apartments and real estate*	360	360
Advance payments	15	16
Other inventories	—	—
Inventories	**1,185**	**1,417**
Plot reserve	183	150
Plots, work in progress	1	12
Plots, completed apartments and real estate	34	30
Leased inventories	**218**	**192**

*Share of completed apartments and real estate in Finland EUR 294 million (288).

The specification of leased inventories can be found in the note Leases.

In 2024, YIT recognized inventory write-downs related to the Housing segment amounting to EUR 11 million (0) and Business Premises segment amounting to EUR 4 million (3).

21. TRADE AND OTHER RECEIVABLES

EUR million	31 Dec 2024	31 Dec 2023
Non-current receivables		
Trade receivables	12	36
Interest-bearing receivables	63	62
Other receivables*	21	29
Trade receivables, interest-bearing receivables and other receivables total	**96**	**127**
Loan receivables	—	6
Receivables from derivative agreements	1	2
Non-current receivables total	**97**	**135**
Current receivables		
Trade receivables	93	134
Interest-bearing receivables	12	12
Other receivables*	31	35
Trade receivables, interest-bearing receivables and other receivables total	**136**	**181**
Contract assets	50	76
Accrued income	6	8
Receivables from derivative agreements	—	1
Current receivables total	**193**	**267**
Non-current and current receivables total	**290**	**402**

*In 2024, non-current other receivables included EUR 21 million (28) and current other receivables EUR 5 million (10) consideration related to the sale of YIT's renewable energy business, YIT Energy Oy. Impacts of the sale are described in more detail in the note Acquisitions and disposals of business.

Information about expected credit losses is found in note Financial risk management.

22. CASH AND CASH EQUIVALENTS

EUR million	31 Dec 2024	31 Dec 2023
Cash in hand and in banks	137	128

Cash and cash equivalents include cash in hand and liquid deposits with solvent banks with original maturities of three months or less.

23. EQUITY

ACCOUNTING POLICY

Unrestricted equity reserve

The unrestricted equity reserve includes the subscription price of the shares to the extent that it is not explicitly recognised in the share capital.

Translation differences

Translation differences include foreign exchange rate differences arising from translation of the financial statements of foreign group companies in Group consolidation.

Fair value reserve

Fair value reserve includes movements in the fair value of the equity investments designated at fair value through other comprehensive income and the derivative instruments used for cash flow hedging.

Treasury shares

When the parent company of the Group, or any subsidiary, purchases the parent company's equity share capital (treasury shares), the consideration paid, including any transaction costs, is deducted from the equity attributable to the company's equity holders. Where such ordinary shares are subsequently sold or reissued, any consideration received is included in the equity attributable to the company's equity holders. No gain or loss is recognised in the income statement from purchasing, selling, issuance or cancellation of the company's equity instrument.

Hybrid bond

A hybrid bond is recognised in shareholders' equity after equity belonging to shareholders. Noteholders of the hybrid bond do not have any rights equivalent to ordinary shareholders, and the bond does not dilute shareholders' ownership in the company. YIT does not have a contractual obligation to repay the loan capital. YIT can also postpone interest payments if it does not distribute dividends or any other equity to its shareholders. The hybrid bond is initially recognised at fair value less transaction cost and subsequently the bond is measured at cost. Interest is recorded into retained earnings adjusted with tax effect upon payment or accrued Interest is recorded into retained earnings adjusted with tax effect and as an accrued interest liability when the commitment to payment arises.

Convertible bond

Convertible bonds are compound instruments with components of the bonds classified separately as financial liabilities and equity in accordance with the substance of the arrangement. The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair values of the full bond and the liability component. Transaction costs are allocated to the components in proportion to their initial carrying amounts. The fair value includes the value of conversion rights. Subsequently the liability component is measured at amortized cost with the effective interest method. At conversion or on expiry the equity component is reclassified within equity.

SHARE CAPITAL AND TREASURY SHARES

	Number of outstanding shares	Number of treasury shares	Share capital, EUR million	Treasury shares, EUR million
1 Jan 2023	209,511,146	1,588,707	150	-8
Transfer of treasury shares	36,588	-36,588		—
31 Dec 2023	**209,547,734**	**1,552,119**	**150**	**-8**
1 Jan 2024	209,547,734	1,552,119	150	-8
Share issue	20,960,000			
Transfer of treasury shares	66,370	-66,370		—
31 Dec 2024	**230,574,104**	**1,485,749**	**150**	**-7**

All issued and subscribed shares have been fully paid and the shares do not have a nominal value. The consideration paid for the treasury shares amounted to EUR 7 million and is disclosed as a separate reserve in equity. The consideration paid for treasury shares decreases the distributable funds of YIT Corporation. The shares are held by the company as treasury shares and have the right to be reissued in the future.

DIVIDENDS

Dividend paid and proposed	**2024**	**2023**
Dividend paid during the financial year		
Per share for the previous year, EUR	0.00	0.18
In total for the previous year, EUR million	0	38
Board of Directors' proposal for approval by the AGM		
Per share for the financial year, EUR	0.00	0.00
In total for the financial year, EUR million	0	0

24. PENSION OBLIGATIONS

ACCOUNTING POLICY

The Group's pension plans are mainly defined contribution pension plans. Contributions to defined contribution pension plans are entered in the income statement in the financial period during which the charge applies, after which the Group has no further obligations or payments.

The Group has also defined benefit pension plans in Finland. Independent actuaries calculate the obligations connected to the Group's defined benefit plans. The discount rate used in calculating the present value of the pension liability is the market rate of high-quality corporate bonds or the interest rate of treasury notes. The maturity of the reference rate substantially corresponds to the maturity of the calculated pension liability. The liability recognised on the statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Defined benefit pension plan expenses comprise service cost and net interest cost, which are recognised in personnel expenses. Actuarial gains are recognised in other comprehensive income and recorded as a change of defined benefit plan on the statement of financial position.

MANAGEMENT JUDGEMENT AND ESTIMATES

ASSUMPTIONS USED IN MEASURING PENSION BENEFITS

The present value of pension obligations depends on various actuarial factors and the discount rate used. Changes in the assumptions and discount rate impact the carrying amount of pension liabilities. The discount rate used is the market rate of high-quality corporate bonds or the interest rate of treasury notes for the currency in which the benefits will be realised. The maturity of the reference rate used corresponds substantially to the maturity of the calculated pension liability. Other assumptions are based on actuarial statistics and prevailing market conditions.

PENSION OBLIGATIONS

EUR million	2024	2023
Net defined benefit pension oblligations in the statement of financial position	2	3
Defined benefit pension costs in the income statement	—	—

In 2024 and 2023, the Group had defined benefit pension plans resulting from supplementary pension insurance in Finland. The pension liability has been calculated based on, among other things, the number of years employed and the salary level. The pension plans are managed by insurance companies, which are managed according to the local pension legislation.

DETERMINATION OF DEFINED BENEFIT PENSION OBLIGATIONS

EUR million	31 Dec 2024	31 Dec 2023
Present value of funded obligations	13	14
Fair value of plan assets	-11	-11
Pension liability, net	**2**	**3**

Changes in present value of the obligation

EUR million	2024	2023
Obligation on 1 January	14	14
Interest cost	—	—
Sale of subsidiary	—	
Actuarial gains/losses	—	—
Benefits paid	-1	-1
Obligation on 31 December	**13**	**14**

Fair value changes of plan assets

EUR million	2024	2023
Plan assets on 1 January	11	11
Expected return of plan assets	—	—
Sale of subsidiary	—	
Remeasurements	1	—
Employer contribution	—	—
Benefits paid	-1	-1
Plan assets on 31 December	**11**	**11**

Actuarial assumptions

	2024	2023
Discount rate	3.2%	3.7%
Rate of salary increase	2.2%	2.7%
Rate of pension increases	2.2%	2.7%

Future payments

The following table presents the future payments used as the basis of the pension obligation calculations.

EUR million	2024	2023
Due within one year	1	1
Due in 1–5 years	4	5
Due in 5–10 years	4	5
Due in 10–15 years	3	3
Due in 15–20 years	2	2
Due in 20–25 years	1	1
Due in 25–30 years	1	1
Due after more than 30 years	1	1
Total	**17**	**19**

Sensitivity analysis

The following table presents the effect of change in the discount rate on the defined benefit obligation.

EUR million	2024	2023
Interest increase by 0.5% points	-1	-1
Interest decrease by 0.5% points	1	1

25.PROVISIONS

ACCOUNTING POLICY

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event, the materialisation of the payment obligation is probable, and the size of the obligation can be reliably estimated. Provisions are valued at the present value of the costs required to cover the obligation. If compensation for a share of the obligation can be received from a third party, the compensation is recorded as a separate asset item when it is practically certain that said compensation will be received.

A provision is made for **onerous contracts** when the amount of expenditure required by the agreement to fulfil the obligations exceeds the benefits that may be derived from it. The required expenditure includes the costs arising from completing the contract or the lower costs resulting from the cancellation of the contract.

The **10-year liability provision** arising from Finnish residential and commercial construction is determined by considering the class of 10-year liabilities as a whole. In this case, the likelihood of future economic loss for one project may be small, although the entire class of these obligations is considered to cause an outflow of resources from the company.

Warranty provisions cover repair costs after completion arising from warranty obligations. Warranty provisions are calculated on the basis of the level of warranty expenses actually incurred in earlier accounting periods. If the Group will receive reimbursement from a subcontractor or material supplier on the basis of an agreement in respect of anticipated expenses, the future compensation is recognised when its receipt is considered secure. Warranty provisions are mainly used in one to two years.

Provisions for restructuring are recognised when the Group has made a detailed restructuring plan and initiated the implementation of the plan or has communicated about it.

YIT recognises a provision for **legal** proceedings and for potential disputes which lead to a legal proceeding when the company's management estimates that an outflow of financial resources is likely, and the amount of the outflow can be reliably estimated.

MANAGEMENT JUDGEMENT AND ESTIMATES

PROBABILITY AND AMOUNT OF PROVISIONS

The recognition of provisions involves probability and amount-related estimates. The estimate of the probability and amount of realised costs is based on previous similar events and experience-based knowledge.

The 10-year liability provision, primarily associated with YIT's own housing development in Finland, is determined as the discounted value based on the average annual realized repair costs of a single apartment. Average annual cost for a single apartment is multiplied by the number of apartments on a liability period, taking into account the remaining liability period.

EUR million	Warranty provision	10-year liability commitments*	Onerous contracts	Legal provisions	Other provisions	Total 2024	Total 2023
1 January	**37**	**83**	**17**	**1**	**3**	**141**	**139**
Exchange rate difference	—	—	—	—	—	-1	0
Additions	19	2	16	—	2	39	39
Used during the period	-11	—	-9	—	-3	-23	-37
Reversals of unused provisions	-8	-10	-1	—	—	-19	-2
Business disposals	—	—	—	—	—	0	0
31 December	**36**	**75**	**23**	**1**	**2**	**137**	**141**
Non-current	12	59	6	1	—	78	87
Current	24	16	17	—	1	58	54
Total	**36**	**75**	**23**	**1**	**2**	**137**	**141**

*The decrease in provision was mainly due to 10-year liability provision, as the number of apartments under a liability period decreased.

The effect of discounting on the total amount of provisions was EUR 6 million (8).

26. INTEREST-BEARING FINANCIAL LIABILITIES

NON-CURRENT FINANCIAL LIABILITIES

EUR million	31 Dec 2024	31 Dec 2023
Bonds	226	100
Loans from financial institutions	143	189
Other interest-bearing liabilities	34	39
Total	**403**	**328**

CURRENT FINANCIAL LIABILITIES

EUR million	31 Dec 2024	31 Dec 2023
Bonds	–	100
Loans from financial institutions	15	30
Commercial papers	14	22
Housing company loans	178	260
Other interest-bearing liabilities	7	3
Total	**214**	**414**

Loans from financial institutions on 31 December 2024, EUR 158 million (219), were loans taken from banks. Those loans include financial covenants related to gearing and liquidity. Loans from financial institutions are also covered by collateral. More information about the collateral given in note Contingent liabilities and assets and commitments. Housing company loans presented in financial liabilities relate to unsold sold apartments' share of housing company loans in residential development projects and the loans have a long maturity. Details of the bonds are shown on the next table.

Information about the bonds

31 Dec 2024

		Nominal amount, EUR million	Maturity date	Coupon interest, %	Covenants*
FI4000571278	senior, secured	100	6.18.2027	3kk Euribor + 7.5	Equity ratio
FI4000496302	senior, secured	100	1.15.2026	3.250	Equity ratio
FI4000570262	convertible, unsecured	36	3.19.2029	8.000	
Total		**236**			

Senior bonds are callable before the final maturity date. More information about the collateral given in note Contingent liabilities and assets and commitments.

The noteholders of the convertible bond will be entitled to convert the notes into shares in the company in accordance with the conditions of the notes. The subscription price is EUR 2.25 per share and is subject to certain potential adjustments. Should all the notes be converted into shares of the company at the initial subscription price, the shares to be issued by the company would represent approximately 6.5 per cent of all the company's shares immediately after the conversion of the notes. The notes were issued at 100 per cent of the nominal amount and, unless previously converted, redeemed or purchased and cancelled, will be redeemed at 100 per cent of the nominal amount on the maturity date.

31 Dec 2023

		Nominal amount, EUR million	Maturity date	Coupon interest, %	Covenants*
FI4000496294	senior, secured	100	3.31.2024	3kk Euribor + 3.100	Equity ratio
FI4000496302	senior, secured	100	1.15.2026	3.250	Equity ratio
Total		**200**			

*In addition to the equity ratio covenant, terms and conditions of the senior bonds include an incurrence based interest coverage covenant.

In addition, YIT has a hybrid bond which is recognised in equity. The details of the hybrid bond are described in the note Financial risk management.

Lease liabilities

EUR million	31 Dec 2024	31 Dec 2023
Non-current lease liabilities	258	240
Current lease liabilities	18	16
Lease liabilities total	**276**	**256**

Reconciliation of interest-bearing financial liabilities

2024

EUR million	Current	Non-current	Lease liabilities	Total
Interest-bearing financial liabilities on 1 Jan	**414**	**328**	**256**	**998**
Short-term part of the long-term liabilities at the beginning	-110	110		
Cash flows	21	-11	-2	8
Share of liabilities concerning sold apartments*	-127		-4	-131
Changes in lease liabilities			26	26
Other non-cash changes**		-8		-8
Short-term part of the long-term liabilities at the end	15	-15		
Interest-bearing financial liabilities on 31 Dec	**214**	**403**	**276**	**893**

2023

EUR million	Current	Non-current	Lease liabilities	Total
Interest-bearing financial liabilities on 1 Jan	**336**	**288**	**254**	**878**
Short-term part of the long-term liabilities at the beginning	-100	100		
Cash flows	252	50	-4	299
Share of liabilities concerning sold apartments*	-184		-18	-202
Changes in lease liabilities			24	24
Other non-cash changes**		—		0
Short-term part of the long-term liabilities at the end	110	-110		
Interest-bearing financial liabilities on 31 Dec	**414**	**328**	**256**	**998**

*Housing company loans and lease liabilities related to sold apartments of unfinished residential development projects are transferred to Other contract liabilities line item. Upon completion, the housing company loans and lease liabilities of sold apartments are transferred to revenue. These transfers are presented as repayments of current borrowings and lease liabilities in cash flow statement.

**Other non-cash changes also include foreign exchange rate differences and financial liabilities transferred to discontinued operations.

27. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

YIT has implemented certain supplier finance arrangements that are offered to some of YIT's suppliers across different operating countries. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement receive early payment on invoices from the external finance provider and they pay a fee to the finance provider. For the finance provider to pay the invoices, the invoices must be first approved by YIT. YIT then settles the original invoice by paying the finance provider according to the original invoice maturity date. Additionally, YIT has given parent company guarantees for some of these arrangements on behalf of the operating companies.

MANAGEMENT JUDGEMENT AND ESTIMATES

The terms of the trade payables subject to the supplier finance arrangements do not significantly differ from the other trade payables of YIT. All trade payables subject to the supplier finance arrangement are included in the trade and other payables in the consolidated statement of financial position.

EUR million	31 Dec 2024	31 Dec 2023
Non-current liabilities		
Trade payables	15	21
Other liabilities	9	7
Trade payables and other liabilities total	**24**	**28**
Liabilities of derivative agreements	4	1
Non-current liabilities total	**28**	**29**
Current liabilities		
Trade payables*	183	219
Other liabilities	50	64
Trade payables and other liabilities total	**233**	**283**
Other accrued expenses	96	114
Accrued expenses in projects	102	133
Liabilities of derivative agreements	1	3
Current liabilities total	**432**	**535**
Trade payables and other liabilities total	**459**	**564**

*Trade payables include EUR 17 million of invoices that are part of supplier finance arrangements and for which the suppliers have already received payment from the finance provider. The payment terms of the outstanding trade payables within the supplier finance arrangements ranged from 60 to 180 days, while the comparable range for other trade payables was mainly from 10 to 365 days.

Other accrued expenses

EUR million	31 Dec 2024	31 Dec 2023
Accrued employee-related expenses	54	62
Interest liabilities	5	12
Other accrued expenses	37	40
Total	**96**	**114**

28. DERIVATIVE CONTRACTS

ACCOUNTING POLICY

Derivatives are initially recognised at fair value on the statement of financial position on the date a derivative contract is entered into and subsequently re-measured at fair value on each reporting date.

YIT has applied hedge accounting under IFRS 9 for hedging against the change of the reference interest rate of specific floating rate loans (cash flow hedging), but YIT always estimates hedge accounting needs case by case. YIT documents the hedging relationship between the hedging instrument and hedged item, and risk management objective as well as the strategy applied. The effectiveness of hedging is evaluated at least on every reporting date.

Changes in the fair value of the effective part of derivative instruments meeting the criteria for cash flow hedging are entered in the fair value reserves in shareholders' equity, taking the tax impact into consideration. Gains and losses recognised in shareholders' equity are transferred to income statement within the same financial periods as the hedged items have an effect on income statement.

The fair value changes of derivatives that are not eligible for hedge accounting are recognised according to the nature of the derivative, either in other operating income and expenses or in the financial items.

	31 Dec 2024				31 Dec 2023			
EUR million	**Nominal amount**	**Fair value, positive**	**Fair value, negative**	**Fair value, net**	**Nominal amount**	**Fair value, positive**	**Fair value, negative**	**Fair value, net**
Foreign exchange derivatives	153	—	-1	-1	188	—	-3	-3
Interest rate derivatives (hedge accounting applied)	100	—	-3	-3	100	1	—	1
Interest rate derivatives (hedge accounting not applied)	200	1	-1	0	200	2	-1	1
Total	**453**	**1**	**-5**	**-4**	**488**	**4**	**-4**	**-1**

All derivative contracts are utilised for hedging purposes according to the Group's treasury policy, but hedge accounting, as defined in IFRS 9, is only applied to certain interest rate derivative contracts. The derivatives are used in order to reduce business risks, interest rate risks and to hedge balance sheet items denominated in foreign currencies.

In some cases, above mentioned financial derivatives are subject to master netting or similar arrangements which are enforceable in some circumstances. According to these arrangements, above mentioned derivative assets and liabilities could be settled on a net basis. Netting arrangements are enforceable according to typical negligence events or other events of default as the general terms for derivative transactions applies. Items, to which settlement on a net basis could be applied under certain conditions, are recognised on gross basis in the statement of financial position. Net figures would have been EUR 1 million (2) smaller than the gross figures presented above.

At the end of the reporting period (nor comparison period) YIT had no outstanding paid or received variation margin / margin call payments in relation to its derivative agreements.

29. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

ACCOUNTING POLICY

FINANCIAL ASSETS

YIT records financial assets at the current value of the trading day. YIT classifies financial assets on initial recognition into the following measurement categories: financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are derecognised once the Group has lost the contractual right to their cash flows or when it has substantially transferred their risks and rewards to a party outside the Group.

Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit or loss include all investments and derivative contracts acquired or held for trading purposes. These derivative contracts include interest rate and foreign exchange derivatives. Derivatives are carried at fair values based on market prices and generally accepted valuation models. Changes in the fair values are recognised according to the nature of the derivative, either in other operating income or expenses, or in financial items.

Financial assets measured at fair value through other comprehensive income

Financial equity assets measured at fair value through other comprehensive income are financial assets exclusive of derivative assets. In respect of such financial assets, the company has irrevocably decided in connection with the original recognition that changes that occur later in the fair value of an equity investment that is not made for trading purposes are recognised in other assets of the comprehensive income. At YIT, this includes certain investments in real property and apartment shares as well as other shares. Once the choice has been made, the amounts presented in the other assets of the comprehensive income will not be transferred to the income later. The dividends of such investments are recognised in income statement. The choice is made based on the investment-specific assessment.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are non-derivative financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest. This category includes cash and cash equivalents, trade receivables, interest-bearing receivables and other receivables on the statement of financial position. Financial assets of this category are initially recognised at fair value added with transaction costs, and they are subsequently measured at amortised cost using the effective interest rate method. A gain or loss on a financial asset measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Cash and cash equivalents comprise cash in hand, bank-account balances and liquid money-market investments with original maturities of three months or less.

FINANCIAL LIABILITIES

YIT records financial liabilities at the current value of the trading day deducted by the transaction costs. Subsequently, all financial liabilities except derivative instruments are measured at amortised cost using the effective interest rate method.

Financial liabilities measured at fair value through profit or loss include derivative contracts. These derivative contracts include interest rate and foreign exchange derivatives. Derivatives are carried at fair values based on market prices and generally accepted valuation models. Changes in the fair values are recognised according to the nature of the derivative, either in other operating income or expenses, or in financial items.

Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which they relate.The Group has both non-current and current financial liabilities, and they may be interest-bearing or non-interest bearing. Financial liabilities are derecognised once YIT's obligations in relation to liability are discharged, cancelled or expired.

FAIR VALUE MEASUREMENT

YIT categorises financial instruments recognised at fair value by using a three-level fair value hierarchy. Financial instruments recognised at fair value in the balance sheet are classified by fair value measurement hierarchy as follows:

Level 1

Level 1 of the fair value hierarchy is defined as all financial instruments for which there are quotes available in an active market. These quoted market prices are readily and regularly available from an exchange, broker, pricing service or regulatory agency. These prices are used without adjustment to measure fair value. YIT has no financial instruments classified in Level 1.

Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize other than Level 1 quoted market prices readily and regularly available from an exchange, broker, pricing service or regulatory agency.

YIT values OTC derivatives from a Level 2 Intermediary, pricing service or regulatory agency at fair value based on observable market inputs and generally accepted valuation methods.

Level 3

Fair values of financial instruments within Level 3 are not based on observable market quotations or market prices. YIT has classified investments at fair value on Level 3.

MANAGEMENT JUDGEMENT AND ESTIMATES

VALUATION OF EQUITY INVESTMENTS

YIT's most significant equity investment is Tripla Mall Ky whose fair value valuation is significantly based on the valuation of the property. The key inputs in the fair valuation of the property are the yield, vacancy rate as well as the compound annual growth rate of the net operating income. YIT's management has had to use its consideration and estimates to specify them. YIT's management follows constantly the indicators and their development relating to fair valuation of the equity investments.

31 Dec 2024

EUR million	Financial assets and liabilities recognised at amortised cost	Financial assets and liabilities recognised at fair value through profit and loss	Financial assets and liabilities recognised at fair value through other comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy	Note
Non-current financial assets							
Equity investments		211	2	213	213	Level 3	18
Trade receivables, interest-bearing receivables and other receivables*	47			47	43	Level 3	21
Loan receivables and interest-bearing receivables		50		50	50	Level 3	21
Derivative agreements		1		1	1	Level 2	28
Current financial assets							
Trade receivables, interest-bearing receivables and other receivables*	131			131	131		21
Other receivables		5		5	5	Level 3	21
Derivative agreements		—		—	—	Level 2	28
Cash and cash equivalents	137			137	137		22
Financial assets by category, total	**315**	**267**	**2**	**583**	**579**		
Non-current financial liabilities							
Interest bearing liabilities, bonds	226			226	231	Level 1	26
Interest bearing liabilities, other	177			177	170	Level 3	26
Trade payables and other liabilities*	24			24	21	Level 3	27
Derivative agreements		1	3	4	4	Level 2	28
Current financial liabilities							
Interest-bearing liabilities	214			214	214		26
Trade payables and other liabilities*	233			233	233		27
Derivative agreements		1		1	1	Level 2	28
Financial liabilities by category, total	**874**	**2**	**3**	**879**	**873**		

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting standards.

31 Dec 2023

EUR million	Financial assets and liabilities recognised at amortised cost	Financial assets and liabilities recognised at fair value through profit and loss	Financial assets and liabilities recognised at fair value through other comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy	Note
Non-current financial assets							
Equity investments		212	2	214	214	Level 3	18
Trade receivables, interest-bearing receivables and other receivables*	111			111	101	Level 3	21
Loan receivables and interest-bearing receivables		21		21	21	Level 3	21
Derivative agreements		2		2	2	Level 2	28
Current financial assets							
Trade receivables, interest-bearing receivables and other receivables*	181			181	181		21
Derivative agreements		—	1	1	1	Level 2	28
Cash and cash equivalents	128			128	128		22
Financial assets by category, total	**420**	**236**	**3**	**659**	**648**		
Non-current financial liabilities							
Interest bearing liabilities, bonds	100			100	85	Level 1	26
Interest bearing liabilities, other	228			228	207	Level 3	26
Trade payables and other liabilities*	28			28	26	Level 3	27
Derivative agreements		1		1	1	Level 2	28
Current financial liabilities							
Interest-bearing liabilities	414			414	414		26
Trade payables and other liabilities*	283			283	283		27
Derivative agreements		3		3	3	Level 2	28
Financial liabilities by category, total	**1,054**	**4**		**1,058**	**1,019**		

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting Standards.

The fair values of bonds issued are based on the market prices at the reporting date. The fair values of other non-current financial assets and liabilities are based on discounted cash flows. The discount rate is defined to be the rate YIT was to pay for equivalent external loans at the end of the reporting period. It consists of risk free market rate and company and maturity related risk premium of 4.08-6.96% (4.94-8.01%). The fair values of other current financial assets and liabilities are equal to their carrying amounts.

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

	Valuation technique	Significant unobservable inputs	Base value 2024	Base value 2023	Sensitivity of the input to fair value for YIT	Additional information regarding the input
Equity investments recognised at fair value through profit and loss, Tripla Mall Ky	Discounted Cash Flow (DCF) method, 10 year period	Compound annual growth rate (CAGR) of Net Operating Income (NOI) for the entire valuation period	4.31%	3.72%	1 percentage point increase (decrease) in the input value leads to a EUR 23 million increase (EUR 19 million decrease) in the fair value of the asset.	The change in the input value is estimated through a coefficient that increases/decreases the growth of all annual NOI cash flows identically, therefore depicting a scenario where the NOI of commercial facility and parking facility follows a higher/lower growth trajectory during the valuation period.
		Yield	6.00%	5.75%	5 percentage increase (decrease) in the input values leads to a EUR 12 million decrease (EUR 16 million increase) in the fair value of the asset.	
Equity investments recognised at fair value through profit and loss, OP Vuokrakoti Ky	Comparable transactions method and discounted cash flow method	Price per square meter	4,797 € / m^2	4,935 € / m^2	5 percentage increase (decrease) in the average square meter price leads to a EUR 2 million increase (decrease) in the fair value of the asset.	Both comparable transactions and discounted cash flow method are taken into account in the determination of average square meter price.
Equity investments recognised at fair value through profit and loss, Fidus Villa Ky	Comparable transactions method and discounted cash flow method	Price per square meter	4,031 € / m^2		5 percentage point increase (decrease) in the average square meter price leads to a EUR 1 million increase (decrease) in the fair value of the asset.	Both comparable transactions and discounted cash flow method are taken into account in the determination of average square meter price.
Other receivables recognised at fair value through profit and loss	Probability weighted cashflow	Average probability of projects to realize	30%	27%	5 percentage increase (decrease) in the probability of projects to succeed leads to EUR 1 million increase (decrease) in the fair value of the asset.	
Trade receivables recognised at fair value through profit and loss	Individual apartments' market value	Price per square meter	5,491 € / m2	5,621 € / m2	5 percentage increase (decrease) in the market value leads to a EUR 2,0 million increase (decrease) in the fair value of the asset.	Market vale based on valuation report prepared by a external valuation provider twice per year

Description of valuation techniques

Equity investments recognised at fair value through profit and loss

Tripla Mall Ky

The fair value of YIT's equity investment in Tripla Mall Ky is calculated as the fair value of the property, subtracting the net debt and the sum is multiplied with YIT's share of ownership. The value of the property is determined by using the income approach, taking 10-year discounted cash flows and the present value of the terminal value. An independent external appraiser (CBRE) has audited the valuation model used by YIT and assessed the relevant valuation assumptions and stated that it fulfils the requirements of IFRS and IVSC (International Valuation Standards Council). Separate calculations have been used for the shopping mall and the parking facility. In general, the discounted cash flow model uses contract rents until the lease expiry, after which the expected market rent rates are used. The valuation is made on a net rental basis and utilises a long-term vacancy rate for the net rental income. For both shopping mall and the parking facility, other operating income such as advertising have been added to the net rental income. Similarly, expenses such as maintenance expenses for vacant premises and administration expenses have been deducted from the net rental income. The discount rates used are based on reasonable market yields and projected average inflation for the 10-year cash flow valuation period. The market yields are derived from market data and the market knowledge of the independent external appraiser (CBRE).

The valuation of Tripla Mall Ky is performed in-line with YIT's quarterly reporting cycle by relevant business management. The valuation is validated by an independent external appraiser (CBRE) according to IVS (International Valuation Standards) standards and IFRS Accounting Standards. The valuation is approved by the Group's CEO based on an active quarterly discussion between the relevant business management preparing the valuation.

The value of the investment of YIT to Tripla Mall Ky is also affected by a separate profit-sharing agreement between the shareholders of Tripla Mall Ky. When an equity multiple that is calculated with fixed market parameters (inflation and exit yield) exceeds (or is below) an agreed target range, YIT is entitled to a larger (or smaller) share of the fair value of the investment, when the investment is sold or when the profit-sharing agreement has expired in 2026. If the equity multiple is in the agreed target range, YIT is entitled to its original share of the fair value of the investment. The equity multiple is defined as the ratio between the equity value, which is projected in the fair value model, and realised equity investments in Tripla Mall Ky. At the balance sheet date, the outcome of the modelling of the profit-sharing agreement does not have an impact on the value of the investment when compared to the carrying amount. If the equity multiple increased by 5 percent, it would not have an impact on the value of the investment when compared to the carrying amount. If the equity multiple decreased by 5 percent, it would lead to a EUR 6 million decrease in the fair value of the asset compared to the carrying amount Fair value changes resulting from the profit-sharing agreement are reported in consolidated income statement in the row Change in fair value of financial assets.

OP Vuokrakoti Ky and Fidus Villa Ky

The fair value of YIT's equity investments in OP Vuokrakoti Ky and Fidus Villa Ky is calculated as the fair value of the owned properties, subtracting the net debt and the sum is multiplied with YIT's share ownership. The fair values of the properties are based on valuation reports from an independent external appraiser (Finnish AKA report, following IVS). Valuation is made separately for each property. Both comparable transactions method and discounted cash flow method have been used in the valuation. Based on the judgement of the appraiser, the two valuation methods have been weighted in the final valuation.

Loan receivables, trade receivables and other receivables recognized at fair value through profit and loss

The fair value of loan receivables and other receivables for YIT has been calculated by discounting the expected cash flows considering the risk related to those cash flows with a specific discount rate. The discount rate is based on the average maturity, market interest rate for the maturity concerned and the risk premium for the loan or other receivable, if the risk has not been otherwise considered. Trade receivables are valued based on external appraiser's assessment of the market value of the apartments.

Level 3 reconciliation

EUR million	2024	2023
Fair value on 1 January	270	223
Additions*	3	59
Reclassifications	7	
Change in fair value from equity investments recognised in income statement	-5	-2
Change in fair value from loan receivables, interest-bearing receivables and other receivables recognised in income statement**	-2	1
Change in fair value from equity investments recognised in other comprehensive income	—	—
Settlements / realised fair value changes	-3	
Deductions	-8	-11
Fair value on 31 December	**262**	**270**

*Amount of additions in Q4/2023 has been adjusted

**EUR 0 million (0) recognised in changes in fair value of financial assets and EUR 1 million (1) in finance income.

30. FINANCIAL RISK MANAGEMENT

YIT is exposed to several financial risks in its business operations. The most significant financial risks are funding, liquidity, and credit risks and market risks like foreign exchange and interest rate risks. The aim of YIT's financial risk management is to reduce uncertainty concerning the possible impacts that changes in fair values on the financial markets could have on YIT's result, cash flow and value.

The management of financial risks is based on principles of the treasury policy approved by the Board of Directors. The treasury policy defines the principles and division of responsibilities with regard to financial activities and the management of financial risk. The policy is reviewed and if necessary updated at least annually.

Execution of the treasury policy is the responsibility of the Group Treasury, which is mainly responsible for the management of financial risks and handles the Group's treasury activities on a centralised basis. The Group's treasury policy defines the division of responsibilities between the Group Treasury and business units in each subarea. The Group companies are responsible for providing the Group Treasury with up-to-date and accurate information on treasury-related matters concerning their business operations. The Group Treasury serves as an internal bank and co-ordinates, directs and supports the group companies in treasury matters such that the Group's financial needs are met and its financial risks are managed effectively in line with the treasury policy.

LIQUIDITY RISK

YIT seeks to ensure the availability of funding, optimise the use of liquid assets in funding its business operations and to minimise interest and other finance costs. The Group Treasury is responsible for managing the Group's overall liquidity and ensuring that adequate credit lines and a sufficient number of different funding sources are available. It also ensures that the maturity profile of the Group's loans and credit facilities is spread sufficiently evenly over coming years as set out in the treasury policy.

The availability of funding depends on the prevailing situation in the financial markets and the construction sector as well as the development of the Group's profitability and financial position. The availability of funding could decrease and/or finance costs increase due to negative development of YIT's profitability and financial key figures. Also the desire of banks and investors to limit their own risk exposure in the construction sector could lead to a reduction in the availability of financing or uncommitted funding limits, making it more difficult to start or participate in new projects.

According to the treasury policy, the Group's liquidity shall at all times match the Group's total liquidity requirement. The funding requirements are based on cash flow forecasting. Funding and cash management are centralised to the Group Treasury. As the cash management is centralised to the Group Treasury, the use of liquid funds can be optimised between the different units of the Group.

YIT's liquidity consists of liquid funds, a commercial paper programme, bank overdraft facilities, and committed credit limits. The amount of YIT's liquid funds at the end of 2024 was EUR 137 million (128). The total amount of YIT's commercial paper programme is EUR 400 million (400), of which was unused EUR 386 million (378) at the end of reporting period. At the end of the reporting period, YIT had available committed credit facilities amounting to EUR 189 million (220) and overdraft limits amounting to EUR 13 million (20). Committed credit facility is available until January 2026. In addition, committed housing company and project loan limits related to apartment projects amounted to EUR 27 million (49) at the end of the reporting period. The Group's financing agreements include different kind of financial covenants related to equity, gearing, liquidity and interest coverage ratio. It is essential that YIT's key figures maintain at an adequate level to meet the covenants.

The housing company finances the construction works using a financing model where the housing company draws housing company loan according to measure of progress to finance the construction. Housing company loans presented in interest-bearing financial liabilities relate to unsold apartments' share of housing company loans in residential development projects amounted to EUR 178 million (260) at the end of the reporting period. Regarding unsold apartments, housing company loans will be paid with financial consideration for the apartments in questions during a long loan period.

The following table describes the contractual maturities of the financial liabilities and interest and other expenses related to those items. The amounts are undiscounted. The interest flows of floating-rate loans and interest rate derivative instruments are based on interest rates prevailing on 31 December 2024 (31 December 2023). Cash flows of foreign currency denominated liabilities are translated into euros at the foreign exchange rates prevailing at the reporting date. Cash flows of foreign exchange derivative contracts are translated into euros at forward rates.

Contractual cash flows of financial liabilities and derivative instruments

31 Dec 2024

EUR million	2025	2026	2027	2028	2029	2030-	Total
Interest-bearing liabilities	243*	293	105	—	—	—	641
Lease liabilities	32	29	27	24	21	486	619
Trade payables and other liabilities	233	17	2	2	2	1	257
Interest rate derivatives	-1	—	—	—	—	—	-2
Foreign exchange derivatives							
cash outflow	-152	—	—	—	—	—	-152
cash inflow	153	—	—	—	—	—	153
Guarantees given on behalf of others	—	—	—	—	—	—	—
Total	**508**	**339**	**134**	**25**	**23**	**487**	**1,516**

31 Dec 2023

EUR million	2024	2025	2026	2027	2028	2029-	Total
Interest-bearing liabilities	445*	190	145				780
Lease liabilities	29	29	26	24	21	412	540
Trade payables and other liabilities	284	21	6	1	2	1	314
Interest rate derivatives	-6	-3	-2	-1	—		-12
Foreign exchange derivatives							
cash outflow	-185						-185
cash inflow	188						188
Guarantees given on behalf of others	—		—				—
Total	**754**	**237**	**175**	**23**	**23**	**412**	**1,625**

*Includes housing company loans related to unsold apartments EUR 178 million (260).

INTEREST RATE RISK

The aim of YIT's interest rate risk management is to minimise changes affecting the result, cash flows and value of YIT due to interest rate fluctuations. The Group Treasury manages and monitors the interest rate position. YIT's interest rate risk primarily comprises fixed-rate and variable-rate borrowings, interest-bearing financial assets and interest rate derivatives. Interest rate changes have an effect on items in the income statement, consolidated statement of financial position and cash flow.

YIT's interest rate risk is managed by aligning the Group's average period of interest fixing term with the interest rate sensitivity of the business. The interest rate sensitivity of YIT's business is estimated to be about 2 years. Average interest rate fixing term and fixed/floating ratio of the debt portfolio is being followed by Group Treasury. In addition, sensitivity analysis on interest rate risk are being done.

YIT can have both variable- and fixed-rate long-term borrowings. The ratio of fixed- and variable-rate borrowings can be changed by using interest rate derivatives. YIT has used interest rate swaps for managing interest rate risks. Hedge accounting has been applied to certain derivative contracts and it has been effective. 83 per cent (70) of the interest rate portfolio which consist of interest-bearing financial liabilities, lease liabilities and interest rate derivatives was at fixed rate at the end of reporting period.

The below presented interest rate risk sensitivity analysis illustrates the effect of a change of one percentage point in market interest rates on net financial costs before taxes and other comprehensive income items taken on account the tax effect. Sensitivity analysis includes floating rate items of the year-end balance sheet net debt, and interest rate derivatives.

	31 Dec 2024		31 Dec 2023	
EUR million	**1% point increase in interest rates**	**1% point decrease in interest rates**	**1% point increase in interest rates**	**1% point decrease in interest rates**
Net finance expenses	1	-1	1	-1
Other comprehensive income	2	-2	0	0

Sensitivity analysis is based on prevailing market interest rates at the end of reporting period, like for example three month Euribor, which was 2.714% at the end of period (3.909%). Market interest rates rose during the year and the mentioned three month Euribor was 3.570% on average in the reporting period. In a strongly changing interest rate environment like this, the effect on net finance expenses comes with a delay, thus the result of the sensitivity analysis cannot be directly compared to the realised net finance expenses of the reporting period.

Changes in interest rates have effect on parameters used in a fair valuation of YIT's balance sheet items and may have effect on the demand for YIT's products and services..

CREDIT AND COUNTERPARTY RISK

YIT's credit risk is related to counterparties with open receivables or with long-term agreements. YIT is exposed to credit risk mainly through the Group's trade receivables, interest-bearing receivables, cash and cash equivalents and derivatives. The maximum amount of credit risk is the combined total values of the aforementioned items as presented in the consolidated statement of financial position.

Historically, the actual credit losses at YIT have been small. The most significant past due receivables relate to cases where YIT's different claims to the customer have caused disagreements. The disagreements might be a result of additional and change works, defects in designs as well as disruptions to the project's time schedule. In these cases, YIT assesses its legal position and applies IFRS 15 guidance on contract modifications. Therefore, the changes in the revenue recognition of the customer contract are not accounted for as a credit loss and it will not have an impact on the expected credit loss rate.

Operating units are responsible for the credit risk related to operating items, such as trade receivables. Operating units are responsible for the credit risk of loan receivables acquired in connection with business operations. Customers and the nature of the agreements differ between the Group's segments. Customer-specific credit risk management is carried out in the segments' finance departments in cooperation with the operating units. The Group manages credit risk related to operating items by holding the ownership of construction projects until payment is received; taking advance payments; accelerated payment programmes of projects; payment guarantees; site-specific mortgages; credit risk insurance policies; and careful examination of clients' background information. The background of the new customers and counterparties is examined thoroughly by, for example, acquiring credit information. In addition, selling of receivables to financial institutions is used in the management of the credit risk of operations. Trade receivables related to sales of office buildings which are paid only when the ownership is transferred, and the related risk of insolvency of the counterparty, are typically transferred to banks and financial institutions. These transfers meet the conditions set out in IFRS 9 for derecognition of financial assets. The Group does not have any significant concentrations of credit risk as the clientele is widespread and geographically divided into the countries in which the Group operates.The operating units are not expecting any unusual credit risk arising from loan receivables recognized at fair value, interest-bearing receivables acquired in connection with business operations, sales receivables or other receivables.

The Group Treasury is responsible for the management of the YIT's counterparty and credit risks related to cash and cash equivalents, derivative instruments and other financial transactions. The treasury policy specifies the approved counterparties and their criteria. No impairment has been recognised on the derivative instruments, the cash and cash equivalents or other financial transactions in the reporting period. At the end of the reporting period the counterparty risk of aforementioned items was considered to be low.

Expected credit losses

ACCOUNTING POLICY

IMPAIRMENT OF FINANCIAL ASSETS

The impairment model for financial assets is based on expected credit losses in accordance with IFRS 9. The expected credit losses affect the valuation of financial assets that have been classified in the amortised cost. On every reporting date, YIT assesses whether the credit risk pertaining to a financial asset has materially increased. If the credit risk is deemed to have materially increased, the amount recoverable from the financial asset, which is the fair value of the asset, is estimated and the impairment loss is recognised wherever the carrying amount exceeds the recoverable amount. Impairment losses are recognised in the income statement either in other operating expenses or in finance expenses based on the nature of the financial asset. When a debtor is in significant financial difficulties, any probable bankruptcy, delinquent payments, or payments that are more than 90 days overdue constitute evidence of possible neglect of the receivables.

Trade receivables and assets based on customer contracts

YIT applies the simplified model in accordance with IFRS 9 for trade receivables and contract assets. According to the model, the credit loss allowance is recognised based on the lifetime expected credit losses. Trade receivables and contract assets have been reviewed by country. YIT has specified expected credit loss rates for trade receivables of different maturities in accordance with the age distribution.

The amount of the expected credit loss is based on the management's best estimate of the expected credit losses. The credit loss model takes into account the customers' previous payment behaviour as well as the available future forecasts.

Interest-bearing receivables

The impairment of loan receivables is calculated on the basis of the credit loss that is expected to occur during a 12-month period, unless a significant credit risk increase has occurred since the original recognition, in which case the allowance is calculated on the basis of the expected credit loss of the asset's entire lifetime.

	2024			2023		
EUR million	**Carrying value**	**Expected credit loss**	**Expected credit loss rate, %**	**Carrying value**	**Expected credit loss**	**Expected credit loss rate, %**
Trade receivables						
Not past due	82	—	0.5	109	1	0.6
1-60 days	15	—	0.5	14	—	0.6
61-90 days	2	—	0.5	1	—	0.6
91-180 days	1	—	0.5	3	—	0.6
Over 181 days	7	—	2.2	45	1	2.0
Total	**106**	**1**		**172**	**2**	
Contract assets	**50**	**—**	**0.3**	**76**	**—**	**0.3**
Interest-bearing receivables	**75**			**74**		

FOREIGN EXCHANGE RATE RISK

The aim of foreign exchange rate risk management is to reduce uncertainty concerning the possible impacts that changes in exchange rates could have on the future values of cash flows, business receivables and liabilities, and other items in the statement of financial position. Exchange rate risk mainly consists of translation risk and transaction risk.

Translation risk consists of foreign exchange rate risk arising from the translation of the income statements and the statement of financial position of foreign group companies into the Group's functional currency. Exchange rate difference recorded in accounting is caused by equity investments in foreign entities and their retained earnings, the effects of which are recorded under translation differences in shareholders' equity. Translation risk is managed by optimising group companies' capital structure. By decision of the Board of Directors, the net investments in foreign operations are not hedged from the changes in foreign exchange rates. The change in foreign exchange rates decreased (increased) the value of YIT's net investments and the change in translation differences decreased (increased) Group's equity by EUR 0 million (4) compared to the end of the previous year. The change in translation differences of Polish zloty was EUR -1 million (7) and the total change in Group's translation differences amounted to EUR 0 million (4). A decrease or increase of ten percent in the euro exchange rate against Polish zloty, which possesses the biggest translation risk position, would have had an impact of EUR 10 million (8) on translation differences at the reporting date.

Transaction risk consists of foreign currency transactions from operational and financial activities. Business units' commercial contracts cause foreign exchange rate risk for YIT. However, the contracts are mainly made in the units' own functional currencies. YIT seeks to hedge business currency risks primarily by operative means. The remaining transaction risk is hedged by using for example foreign exchange derivatives. Business units are responsible for identifying, reporting, forecasting and hedging their transaction risk positions internally with Group Treasury. The Group Treasury is responsible for hedging the group's risk positions as external transactions in accordance with the treasury policy. During 2024 there were no significant open foreign exchange rate risks related to commercial contracts.

Loans taken by the centralised treasury function in parent company are mainly denominated in euro, but the intra-Group loans are primarily given in the functional currency of each subsidiary. The parent company hedges this foreign exchange rate risk by using, for example, foreign exchange derivatives. According to sensitivity analysis, weakening or strengthening of euro would not have had a material impact on the result of YIT. In the sensitivity analysis there are internal and external loans and receivables, and foreign exchange derivative contracts made to hedge these items against foreign exchange rate risk, which offset the impact of changes in foreign exchange rates.

YIT has not applied hedge accounting in currency hedging during the reporting period. Changes in the fair values of derivatives are recognised through profit and loss in accordance with the accounting policies.

COMMODITY PRICE RISK

Business units are responsible for identifying their commodity price risks. YIT can protect itself against the commodity price risks for example with price clauses in sales agreements, fixed purchase prices and derivatives.

MANAGEMENT OF CAPITAL AND THE CAPITAL STRUCTURE

Capital refers to the equity and interest-bearing liabilities shown on YIT Group's consolidated statement of financial position. YIT's capital management ensures cost-effectively that all of YIT's business sectors maintain their business viability at a competitive level in all cyclical conditions, that risk carrying capacity is adequate, for example, in construction contracts, and that the company is able to service its borrowings, pay a good dividend and increase the shareholder value.

In the capital-intensive business operations, such as residential development projects and real estate development projects, capital investments must be adjusted according to the market conditions by decreasing or increasing the number of plot investments and project start-ups. In addition, the objective is effective turnover of net working capital in all business areas. The amount and structure of capital is also controlled by adjusting the amount of dividend, acquiring the company's own shares, issuing new shares or selling assets in order to reduce debt. If the Group fails to manage the capital employed, it could lead to increased financing costs and the risk of non-compliance with key financial covenants.

The amount of YIT's interest-bearing liabilities is affected by factors such as scale of operations and cash flow, acquisitions, investments in or the sale of production equipment, buildings and land, and possible equity related arrangements. YIT's equity is also affected by changes in value from investments valued at fair value which may change due to various factors.

YIT continuously monitors especially the amount of debt, the ratio of net debt to EBITDA, gearing and the equity ratio. The company also follows the development of capital by means of the return on capital employed. YIT has determined its financial targets to be reached by the end of 2029 as follows: adjusted operating profit margin at least 7%, return on capital employed at least 15%, and net sales growth of at least 5% with the compound annual growth rate (CAGR) based on year 2024. In addition, YIT has defined a financial framework for the strategy period 2025-2029: dividend payout ratio at least 50%, subject to fulfilment of certain conditions in current financial agreements, and net debt to equity in the range of 30-70% over the cycle.

YIT may from time to time seek to repurchase its outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. YIT may decide to hold, cancel or sell such repurchased debt. Possible subsequent sales of repurchased debt may be made against cash or other compensation or in exchange for equity securities and such sales may be executed as open market offers, privately negotiated transactions or otherwise. Repurchases or exchanges of outstanding debt or subsequent sales or exchanges of repurchased debt, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors.

YIT has reorganised its debt portfolio and funding sources during the reporting period as follows:

In February 2024, YIT announced that the company's EUR 300 million committed revolving credit facility was acceeded in the security arrangement announced on November 21, 2023, and therefore the committed revolving credit facility and the previously executed EUR 140 million financing agreement were, in accordance with financial market practice, placed in the same collateral position.

In March 2024, YIT also announced a substantial financing arrangement, including new capital and enhancements to existing loan terms. The arrangement comprised of a directed share issue of EUR 33.5 million at market price, an issue of EUR 36 million convertible notes due

March 2029 with a coupon of 8% p.a. and a strike price of EUR 2.25 per share, and maturity extensions of the revolving credit facility (EUR 300 million) and the term loan (EUR 140 million) with other amendments to key loan terms including postponements of amortizations.

In June 2024, YIT issued a new EUR 100 million secured green notes and executed a written procedure to solicit consents to amend the terms and conditions of its EUR 100 million senior unsecured green notes due 2026, which the new notes might have required relating to, among others, the accession of the holders of the notes to the shared security pool also securing the EUR 300 million revolving credit facility and the EUR 140 million loan facility of YIT. The proposal was approved by a required majority of the holders of the notes participating in the written procedure.

Hybrid bond which is recorded as part of equity, bears a fixed interest rate of 5.75% per annum until 31 March 2026 (the “Reset Date”), and, from the Reset Date, a floating interest rate as defined in the terms and conditions of the hybrid bond. According to certain conditions, YIT can defer the interest payments. The hybrid bond does not have a maturity date, but the company is entitled to redeem it on the Reset Date, and subsequently, on each interest payment date.

There are quarterly or monthly monitored financial covenants included in YIT’s financial agreements. These covenants are equity ratio, gearing and liquidity. YIT has met its financial covenants. If YIT’s profitability and key figures develop unfavourably it may cause a risk that company’s covenants would not be met and lead to covenant restrictions to enter into force. This may lead to early maturity of the loans. In addition, there is also an incurrence based interest coverage covenant included in YIT’s senior bonds, which may restrict YIT’s ability to raise certain type of funding if covenant would not be met at the time of testing. In addition, certain restrictions on profit distributions based on financial metrics, are included in YIT’s financial agreements.

Financial indicators	31 Dec 2024	31 Dec 2023
Interest-bearing liabilities, EUR million	893	998
Interest-bearing receivables, EUR million	75	74
Cash and cash equivalents, EUR million	137	128
Net interest-bearing debt, EUR million	680	795
Equity, EUR million	770	845
Equity ratio, %	34	33
Gearing ratio, %	88	94

31. CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS

ACCOUNTING POLICY

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of an uncertain future event that is not within the control of the Group. In addition, a present obligation whose settlement is not likely to require an outflow of financial resources and an obligation whose amount cannot be measured with sufficient reliability are deemed contingent liabilities. No provision is made for contingent liability. Instead, it is presented in the notes to the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements, but they are presented in the notes of the financial statements.

CONTINGENT LIABILITIES AND ASSETS AND COMMITMENTS

EUR million	31 Dec 2024	31 Dec 2023
Guarantees given		
Guarantees on behalf of others	—	—
Guarantees on behalf of consortia	3	2
Guarantees on behalf of associated companies and joint ventures	—	—
Guarantees on behalf of parent and other Group companies	727	883
Collateral given		
Nominal amount of financial liabilities covered by collateral	359	140
Collateral related to financial liabilities above		
Plots and real estate properties in inventories	161	150
Equity investments	184	192
Interest-bearing receivables	4	
Subsidiary shares*	1481	
Subsidiary loan receivables*	223	
Other commitments		
Investment commitments	107	82
Purchase commitments	291	317

*Book values of subsidiary shares in the separate financial statements of the owning group company and subsidiary loan receivables in the lender's balance sheet.

Guarantees given are typical in construction industry including, for example, performance and warranty guarantees.

The collaterals given are mainly share, partnership interest or real estate pledges provided as collateral for YIT's financial liabilities. The terms of the pledges are conventional pledge terms in accordance with market practice.

As a result of the partial demerger registered on 30 June 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 1 million (5) on December 31, 2024.

Purchase commitments are mainly pre-contracts for plot acquisitions, the realization of which typically depends on the implementation of zoning. The value of the plot purchase commitments is an estimate which is subject to zoning, amount of building rights and changes in cost indexes. In addition, the amount presented in the notes is based on the estimated acquisition value of the land, despite a possible termination clause in the contract.

At the end of the reporting period, YIT had EUR 4 (0) million accrued interest on the hybrid bond which is not recognized in the statement of financial position.

32. SUBSIDIARIES

Name	Domicile	Ownership of the parent company, %	Ownership of the Group, %
YIT Housing Ltd	Finland	100	100
YIT Road Ltd	Finland	100	100
YIT Infra Ltd	Finland	100	100
YIT Business Premises Ltd	Finland	100	100
YIT Ventures Oy	Finland	100	100
UAB Lemcon Vilnius	Lithuania	100	100
Finn-Stroi Oy	Finland		100
Lemcon HR Oy	Finland		100
YIT International Oy	Finland		100
YIT Talon Tekniikka Oy	Finland		100
YIT Eesti AS	Estonia		100
YIT Infra Latvija SIA	Latvia		100
YIT Latvija SIA	Latvia		100
UAB "YIT Lietuva"	Lithuania		100
YIT Infra Norge AS	Norway		100
YIT Development SP. Z O.O.	Poland		100
YIT Sverige AB	Sweden		100
YIT Slovakia a.s.	Slovakia		100
YIT Stavo s.r.o	the Czech Republic		100

The table does not include housing and real estate companies or housing and real estate construction project companies.

33. RELATED PARTY TRANSACTIONS

The Group's related parties include associated companies, joint ventures and key executives with their closely associated persons. Key executives include the members of the Board of Directors, President and CEO and the Group Management Team.

EUR million	2024	2023
Sale of goods and services		
Key management personnel	0.36	0.01
Associated companies and joint ventures	105	269
Total	**105**	**269**
Purchases of goods and services		
Associated companies and joint ventures	–	1
Trade and other receivables		
Associated companies and joint ventures	28	19
Interest-bearing receivables		
Associated companies and joint ventures	37	35
Trade payables and other liabilities		
Associated companies and joint ventures	–	–
Interest-bearing liabilities		
Associated companies and joint ventures	7	3

YIT's related party transactions with key management personnel and Board members other than those shown in the table consisted of normal salaries and remuneration. All transactions with related parties are made at arm's length principle.

34. IFRS ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

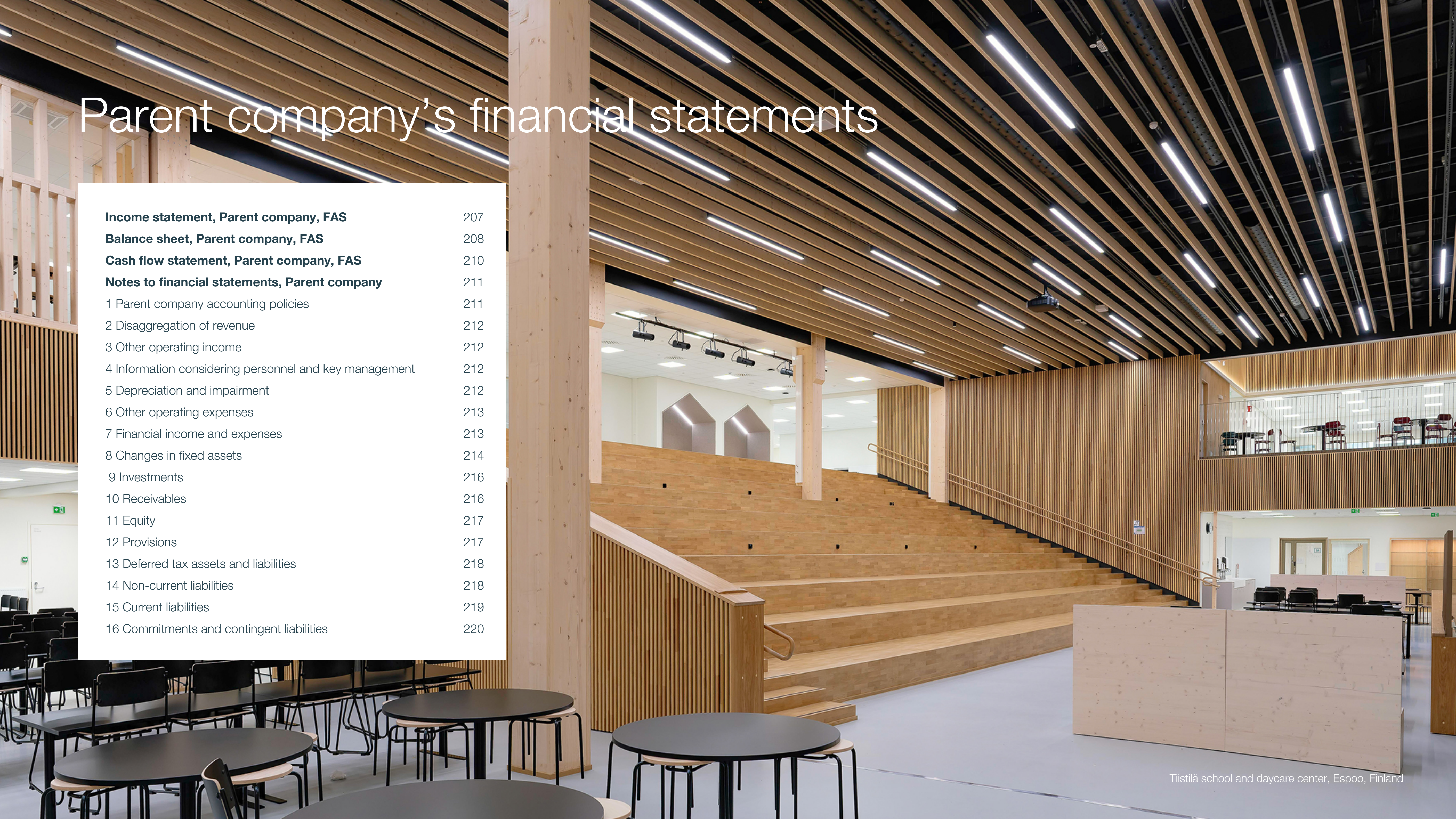
YIT has not applied any standards, amendments to standards or interpretations that will be effective after the annual reporting period beginning after 1 January 2024. IASB has published the following new or amended standards and interpretations, which group has not applied for or EU commission has not approved yet. YIT Group will adopt them in the financial statements for the year 2027 or later.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements, and it replaces the current standard IAS 1 Presentation of Financial Statements. IFRS 18 was issued in April 2024 by IASB and applies to an annual reporting period beginning on or after 1 January 2027 and it is required to be applied retrospectively. YIT is currently reviewing the impacts of the new standard on the presentation and disclosures of its financial statements.

YIT does not expect any significant impact on the financial statements from any other published, but not yet effective, IFRS Accounting standard, IFRIC interpretation, IFRS Accounting Standard annual improvement or change.

Parent company’s financial statements



Tiistilä school and daycare center, Espoo, Finland

INCOME STATEMENT, PARENT COMPANY, FAS

EUR thousand	Note	2024	2023
Revenue	2	**54,838**	**61,854**
Other operating income	3	2,463	1,332
Personnel expenses	4	-22,532	-25,492
Depreciation and impairment	5	-442	-754
Other operating expenses	6	-92,484	-58,094
Operating profit/loss		**-58,156**	**-21,155**
Financial income and expenses	7	14,487	32,222
Profit before appropriations and taxes		**-43,669**	**11,067**
Income taxes		—	-13
Profit for the financial year		**-43,669**	**11,054**

BALANCE SHEET, PARENT COMPANY, FAS

EUR thousand	Note	2024	2023
Assets			
Non-current assets			
Intangible assets	8		
Intangible rights		10	22
Other capitalised expenditure		976	1,259
Total intangible assets		986	1,281
Property, plant and equipment	8		
Land and water areas		873	984
Buildings and structures		158	385
Machinery and equipment		54	87
Other tangible assets		57	57
Total property, plant and equipment		1,142	1,513
Investments	9		
Shares in Group companies		1,430,320	1,207,490
Other shares and holdings		479	505
Total investments		1,430,799	1,207,995
Total non-current assets		**1,432,926**	**1,210,790**

EUR thousand	Note	2024	2023
Current assets			
Long-term receivables	10		
Receivables from Group companies		327,215	284,844
Other receivables*		20,878	28,169
Accrued income		1,137	2,892
Total long-term receivables		349,230	315,905
Short-term receivables	10		
Trade receivables		55	142
Receivables from Group companies		4,728	26,535
Other receivables*		6,972	12,527
Accrued income		9,318	6,594
Total short-term receivables		21,075	45,798
Cash and cash equivalents		98,401	99,678
Total current assets		**468,705**	**461,381**
Total assets		**1,901,631**	**1,672,171**

*Long term other receivables include receivables from the sale of YIT Energy Oy's shares in total EUR 20 878 (28 169) thousand and short term other receivables in total EUR 5 000 (9 709) thousand.

EUR thousand	Note	2024	2023
Equity and liabilities			
Equity	11		
Share capital		149,717	149,717
Fair value reserve		-2,578	1,114
Other reserves			
Non restricted equity reserve		596,491	563,092
Retained earnings		205,397	194,127
Profit/loss for the financial year		-43,669	11,054
Total equity		**905,358**	**919,103**
Provisions	12	**18,338**	**0**
Liabilities			
Non-current liabilities	14		
Bonds		300,000	200,000
Convertible bond		36,000	—
Loans from financial institutions		143,550	190,000
Non-current accrued liabilities		3,772	1,151
Total non-current liabilities		483,321	391,151
Current liabilities	15		
Bonds		—	100,000
Loans from financial institutions		15,000	30,000
Commercial paper		13,845	21,889
Trade payables		18,966	12,171
Current liabilities to group companies		430,902	176,607
Other current liabilities		506	1,632
Accrued expenses		15,393	19,618
Total current liabilities		494,613	361,917
Total liabilities		**977,935**	**753,068**
Total equity and liabilities		**1,901,631**	**1,672,171**

CASH FLOW STATEMENT, PARENT COMPANY, FAS

EUR thousand	2024	2023
Cash flow from operating activities		
Profit/loss before appropriations	-43,669	11,067
Adjustments for:		
Depreciations	442	754
Other non-cash transactions	-2	22
Change in provisions	18,338	—
Gains on the sale of tangible and intangible assets	-1,928	-294
Financial income and expenses	-14,487	-32,222
Cash flow before change in working capital	-41,307	-20,673
Change in working capital		
Change in trade and other receivables	4,442	-9,773
Change in current liabilities	4,978	-771
Net cash flow from operating activities before financial items and taxes	-31,887	-31,217
Interest paid and other finance expenses	-57,095	-54,003
Dividends received	—	21,000
Interest received and financial income	43,984	42,353
Taxes paid	-333	-5,218
Net cash generated from operating activities	**-45,331**	**-27,086**

EUR thousand	2024	2023
Cash flow from investing activities		
Purchases of tangible and intangible assets	-46	-11
Proceeds from sale of tangible and intangible assets	2,200	354
Increase in loan receivables	-174,305	-285,544
Decrease in loan receivables	131,706	148,629
Capitalisation of subsidiaries	-228,000	—
Capital refunds from subsidiary	—	16,500
Proceeds from sale of investments	43,432	9,774
Net cash used in investing activities	**-225,014**	**-110,298**
Cash flow from financing activities		
Change in IHB receivables and liabilities	269,145	-6,234
Proceeds from short-term borrowings	15,824	117,261
Repayment of short-term borrowings	-24,067	-119,472
Proceeds from long-term borrowings	307,000	360,000
Repayment of long-term borrowings	-332,450	-310,000
Dividends paid and other distribution of assets	—	-37,713
Group contributions received	—	54,510
Purchases/sales of treasury shares	33,616	61
Net cash used in financing activities	**269,067**	**58,413**
Net change in cash and cash equivalents	**-1,277**	**-78,971**
Cash and cash equivalents at the beginning of the financial year	99,678	178,649
Cash and cash equivalents at the end of the financial year	98,401	99,678

NOTES TO FINANCIAL STATEMENTS, PARENT COMPANY

1. PARENT COMPANY ACCOUNTING POLICIES

YIT Corporation's financial statements are prepared in accordance with the principles of Finnish accounting legislation. The financial statements are prepared for 12 months in the financial period from 1 January to 31 December 2024.

ITEMS DENOMINATED IN FOREIGN CURRENCIES

Foreign currency business transactions are recognised at the exchange rate of the transaction date. Receivables and liabilities denominated in foreign currencies open on the closing date are valued at the exchange rate of the closing date. Changes in the value of foreign currency denominated loans, deposits and other balance sheet items are recognized under financial income and expenses in the income statement.

DERIVATIVE INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management of YIT Corporation is centralised to Treasury department. The principles of financial risk management of the Group are presented in more detail in the consolidated financial statements in the note Financial risk management.

The derivatives are used in order to reduce business risks, interest rate risks and to hedge balance sheet items denominated in foreign currencies.

Foreign exchange derivatives are used to hedge against changes in forecasted foreign currency denominated cash flows and changes in value of receivables and liabilities in foreign currencies. The company has used foreign exchange forward contracts which are re-measured at the balance sheet date by using the foreign exchange forward rates prevailing on the balance sheet date.

Interest rate derivatives are used to hedge against changes affecting the result, balance sheet and cash flows due to interest rate fluctuations. The company has used interest rate swaps which are re-measured by discounting the contractual future cash flows to the present value.

All derivative instruments have been utilised for hedging purposes, but hedge accounting is applied to only some of the instruments. If hedge accounting is applied, the changes in the fair values are recognised in equity's fair value reserve. If hedge accounting is not applied the changes in the fair values are recognised according to the nature of the derivative, either in the financial items or in other operating income or expenses. Interest related to interest rate swaps are recognised under interest income and expenses in the income statement, and interest accrued is entered under accrued income and accrued expenses on the balance sheet.

NON-CURRENT ASSETS AND DEPRECIATION

Tangible and intangible assets are recognised on the balance sheet at historical cost less depreciation according to plan. Depreciation according to plan is calculated as straight-line depreciation on the basis of the estimated useful life of tangible and intangible assets.

Depreciation periods are as follows:

Intangible assets

IT programs 3–5 years

Other capitalised expenditure 5–10 years

Tangible assets

Buildings and structures 10-40 years
Machinery and equipment 4-10 years

Subsidiary shares and other shares and holdings included in investments under non-current assets are measured at historical cost or fair value, whichever is lower.

PROVISIONS

Provisions represent future expenses to the payment of which the parent company is committed, and which are not likely to generate corresponding income, or future losses the realisation of which must be considered evident.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank deposits that can be withdrawn on demand and other short-term liquid investments with original maturities of three months or less.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are recognised as an annual expense in the year they arise.

PENSIONS

The statutory pension security in the parent company is provided by an external pension insurance company. Pension expenditure is expensed in the year it accrues.

LEASING

Lease payments are recognised in other operating expenses. The remaining lease payments under lease agreements are recognised under liabilities in the notes. The terms and conditions of lease agreements do not differ from ordinary terms and conditions.

TAXES

The income tax row in the income statement includes taxes for previous periods. Deferred taxes have not been booked.

CHANGE IN ACCOUNTING POLICY

The company has changed the accounting treatment for share-based incentive schemes. Previously, the costs of share-based incentive schemes were recognised as an expense over the earning period, and the transfer of shares was recorded as an increase in equity at the time of payment. Starting from the 2024 financial year, the rewards payable in shares under the incentive plans will be recorded in equity as a reduction of own shares and retained earnings at the time the shares are transferred. The tax effect of the shares will be recognised in the income statement under personnel expenses at the time of payment. The change does not have a material impact on the financial result or financial position for the period.

2. DISAGGREGATION OF REVENUE

EUR thousand	2024	2023
Market area		
Finland	44,217	49,361
CEE		
Baltics	4,459	4,882
The Czech Republic, Slovakia, Poland	4,494	5,481
Scandinavia		
Sweden	1,667	2,130
Total	**54,838**	**61,854**

The revenue consists of service fee to Group companies EUR 47 921 thousand (53,966), service charges EUR 234 thousand (50) and rental income EUR 6 683 thousand (7,888). The service charges and the rental income are included in the revenue from Finland in total.

3. OTHER OPERATING INCOME

EUR thousand	2024	2023
Capital gains on disposals of fixed assets	1,928	294
Other	534	1,038
Total	**2,463**	**1,332**

4. INFORMATION CONCERNING PERSONNEL AND KEY MANAGEMENT

EUR thousand	2024	2023
Personnel expenses		
Wages, salaries and fees	18,181	19,535
Pension expenses	3,914	4,965
Other indirect personnel costs	437	992
Total	**22,532**	**25,492**
Salaries and fees to the management		
President and CEO	688	734
Members of the Board of Directors	549	651
Total	**1,237**	**1,385**

	2024	2023
Average personnel	208	241

5. DEPRECIATION AND IMPAIRMENT

EUR thousand	2024	2023
Depreciation on other capitalised expenditures	332	420
Depreciation on buildings and structures	72	117
Depreciation on machinery and equipment	38	217
Depreciation on other tangible assets	—	—
Total	**442**	**754**

6. OTHER OPERATING EXPENSES

EUR thousand	2024	2023
Rents	9,330	10,181
Cost of premises	4,060	4,741
IT cost	24,717	27,316
Consulting costs	20,147	8,185
Administration costs	6,799	4,957
Changes in provisions	18,338	—
Other	9,092	2,715
Total	**92,484**	**58,094**

AUDIT FEES

EUR thousand	2024	2023
Audit fee	312	410
Engagements referred to in the Auditing Act, 1.1,2§	76	—
Other services	75	234
Total	**463**	**643**

7. FINANCIAL INCOME AND EXPENSES

EUR thousand	2024	2023
Dividend income		
From Group companies	—	21,000
From others	—	—
Interest income from non-current receivables		
From Group companies	28,562	19,002
Financial income from investments held as non-current assets		
In Group companies**	26,261	28,745
From other investments	—	—
Other interest and financial income		
From Group companies*	6,549	6,048
Interest incomes from derivatives to others	4,345	5,737
From other companies*	1,970	1,231
Total	**67,687**	**81,762**

EUR thousand	2024	2023
Other interest and financial expenses		
Interest expenses to Group companies*	-2,009	-3,009
Write-downs on investments in non-current assets	-6	-1,475
Interest expenses to others	-39,564	-30,537
Other financial expenses to others*	-9,387	-9,642
Total	**-50,966**	**-44,663**
Foreign exchange rate gains and losses		
From Group companies	-192	26
From other companies	-2,042	-4,903
Total	**-2,234**	**-4,878**
Total financial income and expenses	**14,487**	**32,222**
Other financial income and expenses include e.g. following items		
Fair value change in currency derivatives*	1,843	-2,302
Fair value change in interest derivatives	-1,596	-4,520

*Comparative period figures have been adjusted.
**In 2024, the amount includes the gain on sale of EUR 28.6 million from YIT Kalusto Oy, company's subsidiary providing in-house equipment services. In 2023, the amount includes the gain on sale of EUR 28.7 million from renewable energy business, YIT Energy Oy.

8. CHANGES IN FIXED ASSETS

INTANGIBLE ASSETS

EUR thousand	2024	2023
Intangible rights		
Historical cost at Jan 1	11,281	16,032
Decreases	—	-4,751
Historical cost at Dec 31	11,281	11,281
Accumulated depreciation and impairment Jan 1	11,259	15,983
Depreciation for the period	12	27
Accumulated depreciation of decreases	—	-4,751
Accumulated depreciation and impairment Dec 31	11,271	11,259
Book value at December 31	**10**	**22**

EUR thousand	2024	2023
Other capitalized expenditures		
Historical cost at Jan 1	3,535	3,591
Increases	36	—
Decreases	—	-56
Historical cost at Dec 31	3,571	3,535
Accumulated depreciation and impairment Jan 1	2,275	1,939
Depreciation for the period	319	392
Accumulated depreciation of decreases	—	-56
Accumulated depreciation and impairment Dec 31	2,595	2,275
Book value at December 31	**976**	**1,259**
Total intangible assets	**986**	**1,281**

TANGIBLE ASSETS

EUR thousand	2024	2023
Land and water areas		
Historical cost at Jan 1	984	1,038
Decreases	-112	-54
Book value at December 31	**873**	**984**
Buildings and structures		
Historical cost at Jan 1	4,891	5,358
Decreases	-2,243	-466
Historical cost at Dec 31	2,649	4,891
Accumulated depreciation and impairment Jan 1	4,506	4,850
Depreciation for the period	72	117
Accumulated depreciation of decreases	-2,088	-460
Accumulated depreciation and impairment Dec 31	2,491	4,506
Book value at December 31	**158**	**385**
Machinery and equipment		
Historical cost at Jan 1	1,953	2,559
Increases	10	11
Decreases	-54	-617
Historical cost at Dec 31	1,910	1,953

EUR thousand	2024	2023
Accumulated depreciation and impairment Jan 1	1,867	2,266
Depreciation for the period	38	217
Accumulated depreciation of decreases	-48	-617
Accumulated depreciation and impairment Dec 31	1,856	1,867
Book value at December 31	**54**	**87**
Other tangible assets		
Historical cost at Jan 1	60	60
Historical cost at Dec 31	60	60
Accumulated depreciation and impairment Jan 1	3	3
Depreciation for the period	—	—
Accumulated depreciation and impairment Dec 31	3	3
Book value at December 31	**57**	**57**
Total tangible assets	**1,142**	**1,513**

9. INVESTMENTS

EUR thousand	2024	2023
Shares in Group companies		
Historical cost at Jan 1	1,207,490	1,244,372
Increases	228,000	—
Decreases	-5,170	-36,882
Historical cost at Dec 31	**1,430,320**	**1,207,490**
Other shares and holdings		
Historical cost at Jan 1	505	505
Decreases	-27	—
Historical cost at Dec 31	**479**	**505**
Total investments	**1,430,799**	**1,207,995**

10. RECEIVABLES

NON-CURRENT RECEIVABLES

EUR thousand	31 Dec 2024	31 Dec 2023
Receivables from Group companies		
Loan receivables	327,215	284,844
Total	**327,215**	**284,844**
Accrued receivables, group external		
Exchange rate derivatives	532	2,288
Accrued arrangement fees from financial agreements	605	605
Total	**1,137**	**2,892**

CURRENT RECEIVABLES

EUR thousand	31 Dec 2024	31 Dec 2023
Receivables from Group companies		
Trade receivables	392	7,247
Loan receivables	3,390	18,250
Accrued income	946	1,039
Total	**4,728**	**26,535**
Accrued receivables, intra-group		
Receivables from derivatives	1	227
Other receivables	945	812
Total	**946**	**1,039**
Accrued receivables, group external		
Prepaid expenses	2,306	2,175
Exchange rate derivatives	291	1,400
Accrued arrangement fees from financial agreements	5,844	2,496
Other receivables	877	523
Total	**9,318**	**6,594**

11. EQUITY

EUR thousand	2024	2023
Share capital		
Share capital Jan 1	149,717	149,717
Share capital Dec 31	**149,717**	**149,717**
Fair value reserve		
Fair value reserve 1.1.	1,114	4,443
Decreases	-3,692	-3,329
Fair value reserve 31.12	**-2,578**	1,114
Non restricted equity reserve		
Non restricted equity reserve Jan 1	563,092	563,214
Share issue	33,536	—
Sale of treasury shares	-137	-122
Non restricted equity reserve Dec 31	**596,491**	**563,092**
Retained earnings		
Retained earnings Jan 1	205,180	231,637
Dividends paid and other distribution of assets	—	-37,715
Share-based incentive schemes	-150	—
Treasury shares	367	205
Retained earnings Dec 31	**205,397**	**194,127**
Net profit/loss for the financial period	-43,669	11,054
Total retained earnings	**161,728**	**205,180**
Total equity	**905,358**	**919,103**

DISTRIBUTABLE FUNDS ON 31 DECEMBER

EUR thousand	2024	2023
Non restricted equity reserve	596,491	563,092
Retained earnings	205,397	194,127
Net profit/loss for the financial year	-43,669	11,054
Distributable funds from shareholders' equity	**758,220**	**768,272**

TREASURY SHARES OF YIT CORPORATION

	31 Dec 2024	31 Dec 2023
Amount	1,485,749	1,552.119
% of total shares	0.64%	0.74%
% of voting rights	0.64%	0.74%

12. PROVISIONS

EUR thousand	31 Dec 2024	31 Dec 2023
Provisions of unprofitable contracts	18,338	—
Total	**18,338**	**—**

13. DEFERRED TAX ASSETS AND LIABILITIES

DEFERRED TAX ASSETS*

EUR thousand	31 Dec 2024	31 Dec 2023
Postponed depreciation	181	199
Provisions	3,668	—
Unused tax losses	17,596	7,352
Cash flow hedges	516	—
Total	**21,960**	**7,553**

DEFERRED TAX LIABILITIES

EUR thousand	31 Dec 2024	31 Dec 2023
Cash flow hedges	—	223
Total	**–**	**223**

*Comparative period figures have been adjusted.

Deferred taxes are not booked in the parent company's financial statements.

14. NON-CURRENT LIABILITIES

EUR thousand	31 Dec 2024	31 Dec 2023
Bonds*,**	300,000	200,000
Convertible bond	36,000	—
Loans from financial institutions*	143,550	190,000
Accrued expenses	3,772	1,151
Total	**483,321**	**391,151**

ACCRUED EXPENSES, GROUP EXTERNAL

EUR thousand	31 Dec 2024	31 Dec 2023
Payables from derivatives	3,772	1,151
Total	**3,772**	**1,151**

*Current bonds and loans from financial institutions, which were originally classified as non-current financial liabilities, were EUR 15,000 thousand (110,000) at the end of the reporting period. More information about financial liabilities in the consolidated financial statements of YIT Group.
**Includes hybrid bond EUR 100,000 thousand (100,000).

15. CURRENT LIABILITIES

LIABILITIES TO GROUP COMPANIES

EUR thousand	31 Dec 2024	31 Dec 2023
Trade payables	252	46
Other liabilities	430,642	176,557
Accrued expenses	9	4
Total	**430,902**	**176,607**

ACCRUED EXPENSES, INTRA-GROUP

EUR thousand	31 Dec 2024	31 Dec 2023
Payables from derivatives	9	4
Total	**9**	**4**

ACCRUED EXPENSES, GROUP EXTERNAL

EUR thousand	31 Dec 2024	31 Dec 2023
Personnel expenses	5,357	6,188
Interest expenses	8,675	9,886
Payables from derivatives	1,219	3,334
Other expenses	142	211
Total	**15,393**	**19,618**

16. COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	31 Dec 2024	31 Dec 2023
Leasing commitments for premises		
Payable during the current financial year	6,321	6,363
Payable in subsequent years	21,463	27,612
Total	**27,784**	**33,975**
Operating leasing commitments		
Payable during the current financial year	1,346	1,370
Payable in subsequent years	1,204	1,402
Total	**2,550**	**2,772**
Other commitments		
Other commitments	1,620	2,122
Total	**1,620**	**2,122**
Guarantees		
On own behalf	10,551	10,533
On behalf of Group companies	716,074	872,952
On behalf of consortiums	3,243	2,095
On behalf of others	294	394
Total	**730,163**	**885,974**

Other group companies have given EUR 462 million collateral related to YIT Corporation's total of EUR 359 million loans. Collateral given includes plots, real estate properties and equity investments, subsidiary shares and interest-bearing receivables.

DERIVATIVE CONTRACTS

EUR thousand	31 Dec 2024	31 Dec 2023
External foreign currency derivatives (level 2)		
Fair value, positive	156	286
Fair value, negative	-1,130	-3,334
Value of underlying instruments	153,473	187,778
Internal foreign currency derivatives (level 2)		
Fair value, positive	1	227
Fair value, negative	-9	-4
Value of underlying instruments	2,438	6,051
External interest rate swaps derivatives (level 2)		
Fair value, positive	986	3,402
Fair value, negative	-4,023	-1,151
Value of underlying instruments	300,000	300,000

Derivative instruments are measured at fair value and categorised by using a three-level fair value hierarchy. Financial instruments within Level 1 are traded in active markets, hence prices are obtained directly from the efficient markets. Fair values of financial instruments within Level 2 are based on observable market inputs and generally accepted valuation methods. Fair values of financial instruments within Level 3 are not based on observable market data.

Signature of the Report of the Board of Directors and financial statements

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (group) and the financial statements of YIT Corporation have been prepared in accordance with the principles of Finnish accounting legislation. The financial statements provide a true and fair view of the assets, liabilities, financial position, and profit or loss of both YIT Corporation and the entities included in its consolidated financial statements. The report of the Board of Directors provides a true and fair view of the development and results of the business operations of YIT Corporation and the entities included in its consolidated financial statements, and it includes a description of the most significant risks, uncertainties, and other matters concerning the company. The sustainability statement included in the report of the Board of Directors has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

Helsinki 7 March 2025

Jyri Luomakoski
Chairman

Casimir Lindholm
Vice Chairman

Anders Dahlblom

Sami Laine

Kerttu Tuomas

Leena Vainiomäki

Heikki Vuorenmaa
President and CEO

The Auditor's Note
An auditor's report based on the audit performed has been issued on electronic signing date.

Ernst & Young Oy
Authorized Public Accountants

Mikko Rytilahti, Authorized Public Accountant (KHT)

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of YIT Corporation

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of YIT Oyj (business identity code 0112650-2) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter

Revenue recognition over time
We refer to the note 4. Customer contracts.
 	
In accordance with its accounting principles YIT applies the percentage-of-completion method for recognizing significant portion of its revenues.
 	
The recognition of revenue by applying percentage- of-completion method and the estimation of the outcome of projects require significant management judgment in estimating the cost-to-complete as well as total revenues. From the financial statement perspective, significant judgment is required especially when the project execution and the associated revenues extend over two or more financial years.
 	
The areas where significant judgment is required are more prone to the risk that the assumptions may be deliberately misappropriated. Based on above, revenue recognition was a key audit matter. This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).
	Our audit procedures to address the risk of material misstatement included:
	• Assessing of the Group's accounting policies over revenue recognition of projects.
	• Examination of the project documentation such as contracts, legal opinions and other written communication.
	• Analytical procedures and review of financial KPI's as well as development and overall situation of projects by
	  ◦ reviewing the changes in estimated total revenues, cost-to-complete and changes in reserves, and
	  ◦ discussing with the different levels of the organization including project, business segment and group management.
	• Analyzing key elements in management's estimates such as the estimated future costs-to- complete and the estimated time necessary to complete the project.
	• Evaluating the appropriateness of the Group's disclosures in respect of revenue recognition.

Valuation of goodwill *We refer to the note 15. Other intangible assets and goodwill.* Valuation of goodwill is a key audit matter because • the assessment process is judgmental, • it is based on assumptions relating to market or economic conditions extending to the future, and • because of the significance of the goodwill to the financial statements. As of balance sheet date 31 December 2024, the value of goodwill amounted to 248 million euro representing 10 % of the total assets and 32 % of the total equity. The valuation of goodwill is based on management's estimate about the value-in-use calculations of the cash generating units. There are number of underlying assumptions used to determine the value-in-use, including the revenue growth, EBITDA and discount rate applied on net cash-flows. Estimated value-in-use may vary significantly when the underlying assumptions are changed and the changes in above-mentioned individual assumptions may result in an impairment of goodwill.	Our audit procedures regarding the valuation of goodwill included involving EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in the impairment testing. In evaluation of methodologies, we compared the principles applied by the management in the impairment tests to the requirements set in IAS 36 Impairment of assets standard and ensured the mathematical accuracy of the impairment calculations. The key assumptions applied by the management in impairment tests were compared to • approved budgets and long-term forecasts, • information available in external sources, as well as • our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows. In addition, we compared the sum of discounted cash flows in impairment tests to YIT's market capitalization. We also assessed the sufficiency and appropriateness of the disclosures given in respect of goodwill and its sensitivity.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Equity investments - Tripla Mall Ky *We refer to the Notes 18. "Equity investments" and 29. "Financial assets and liabilities by category" of the consolidated financial statements.* Equity investments are recognised at fair value through profit and loss. The most significant individual equity investment is Tripla Mall Ky. Equity investment to Tripla Mall Ky is a key audit matter in our audit due to • the size of the investment and • the level of management judgement included in the valuation of the investment. As of balance sheet date 31 December 2024, the value of Tripla Mall Ky amounted to 182 million euros representing 7 % of the total assets. The fair value of the investment is calculated as the fair value of the property, subtracting the net debt and the sum is multiplied with YIT's share of ownership. The value of the property is determined by using the income approach; taking 10-year discounted cash flows and the present value of the terminal value. Determining the fair value requires estimates of the future cashflows and discount rates.	Our audit focused on assessing the appropriateness of management's judgment and estimates through the following procedures: • We assessed the appropriateness of the valuation model used and tested the mathematical accuracy of the model. • We assessed the accuracy of the input information used in the valuation model and assessed the appropriateness of the assumptions and estimates included in the model. • We discussed with management about the valuation model and the assumptions used in the valuation. • We read the report prepared by the external appraiser used by management concerning the valuation. • We discussed with the external appraiser regarding the report concerning the valuation of the property.
Completed apartments in Finland included in inventories *We refer to the Note 20. "Inventories" of the consolidated financial statements.* YIT's inventories consist mainly of plot reserve, work in progress, and completed apartments and real estate. Valuation of completed apartments is a key audit matter in our audit due to the size of these inventories in the balance sheet and due to the management judgement involved in valuation. The number of completed unsold apartments in Finland decreased to 760 during the financial year 2024. Inventories are measured either at the lower of cost or net realizable value. The net realizable value is an assessment of the management that is based on information available regarding actual sales prices of apartments. Making the assessment requires management judgement.	Our audit focused on assessing the appropriateness of management's judgment and estimates through the following procedures: • We discussed with the management about the most significant judgements used in the valuation of the completed apartments. • We tested the accuracy of the acquisition cost of the completed apartments. • We tested the documentation supporting the estimated net realizable value of the completed apartments and the reasonability of the estimates. • We analyzed management's estimates of sales margins and sales prices by comparing these to actual sales margins and sales prices of completed apartments. • We tested the mathematical accuracy of the calculations prepared by management.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on 16.3.2023 for the year ended 31 December 2024.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 7.3.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Rytilahti
Authorized Public Accountant

Independent Auditor's Report on the ESEF Consolidated Financial Statements of YIT Oyj (Translation of the Finnish Original)

To the Board of Directors of YIT Oyj

We have performed a reasonable assurance engagement on the financial statements 529900M13GM4VSTE6W80-2024-12-31-fi.zip of YIT Oyj (y-identifier: 0112650-2) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

AUDITOR'S RESPONSIBILITIES

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of YIT Oyj 529900M13GM4VSTE6W80-2024-12-31-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of YIT Oyj for the financial year ended 31.12.2024 has been expressed in our auditor's report 7.3.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 7.3.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Rytilahti
Authorized Public Accountant

Assurance report on the Sustainability statement (Translation of the Finnish Original)

To the Annual General Meeting of YIT Corporation

We have performed a limited assurance engagement on the group sustainability statement of YIT plc (0112650-2) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

OPINION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which YIT plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

BASIS FOR OPINION

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Group Sustainability Auditor section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

We draw attention to the fact that the group sustainability statement of YIT plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

GROUP SUSTAINABILITY AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director of YIT plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS IN THE PREPARATION OF A SUSTAINABILITY STATEMENT

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

RESPONSIBILITIES OF THE GROUP SUSTAINABILITY AUDITOR

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DESCRIPTION OF THE PROCEDURES THAT HAVE BEEN PERFORMED

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related Inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
  - We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Helsinki 7.3.2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Mikko Rytilahti
Authorized Sustainability Auditor

Information for shareholders

INVESTOR RELATIONS

The aim of YIT investor relations is to support the appropriate valuation of the YIT share by providing information relevant to value creation in a continuous, transparent, and consistent manner to all essential market parties in an equitable manner. Investor relations also aims to increase the interest in the company of both equity and debt investors and analysts, to improve the loyalty of existing shareholders and to reach new investors and analysts interested in the company.

YIT investor relations is responsible on the production of Interim reports, the Financial Statements Bulletin and Stock Exchange Releases, creating investor presentations and the planning and implementation of all investor communications. YIT also regularly arranges a Capital Markets Day for analysts and investors. In addition, the investor relations function maintains an ongoing dialogue with market parties.

INVESTORS WEBSITE AND SOCIAL MEDIA

The **YIT investors website** contains information about the share and YIT as an investment, financial information and outlook, information about major shareholders, corporate governance policies, investor calendar and events, as well as financial reports, presentation materials and recordings. By registering on the investor website, you can subscribe to the company's releases. All published releases can be found on our **website**.

YIT's social media channel for investors is **@YITInvestors** in X, where we publish the latest news, financial information and events of our investor communications.

Subscribe YIT news:
www.yitgroup.com/en/media

FINANCIAL REPORTING AND SILENT PERIODS IN 2025

Financial Statements Bulletin 2024	February 7, 2025
Interim Report January-March 2025	April 29, 2025
Half-year Report January-June 2025	July 25, 2025
Interim Report January-September 2025	October 30, 2025

Prior to results publications, YIT follows a so-called silent period that will begin on January 1, April 1, July 1 and October 1 and that will last until the respective announcement of results. During a silent period, YIT's representatives will not comment on the company's financial position or meet capital market representatives.

ANNUAL GENERAL MEETING 2025

YIT Corporation's Annual General Meeting 2025 will be held on Thursday, April 3, 2025. The notice of the Annual General Meeting, which contains the Board of Directors´ proposals to the Annual General Meeting, will be published in its entirely as a separate Stock Exchange Release.

CONTACT INFORMATION

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We build and develop sustainable living environments: functional and attractive homes, future-proof public and commercial buildings, infrastructure to support the green transition as well as industrial, production, and energy facilities to support our customers' processes. YIT's vision is to be the expert partner in developing sustainable homes, spaces and cities - for a good life. There are approximately 4,100 professionals in our team and our revenue in 2024 was EUR 1.8 billion. YIT Corporation's shares are listed on Nasdaq Helsinki.

Read more: www.yitgroup.com

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