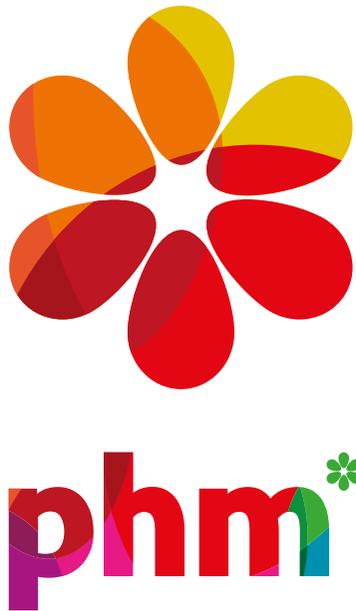


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PHM Group Holding Oyj
Annual Report 2023





All-stars in local property service.

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PHM Group 2023

CEO's review

PHM Group in brief

Strengths

Highlights of the year 2023

Key figures



CEO'S REVIEW

We responded to customer expectations in a challenging situation

PHM Group had another year of significant growth in 2023. Our performance in challenging market conditions was good, although the global situation remained uncertain and unpredictable.

Businesses, organisations and private individuals are all grappling with economic challenges. Our customers expect us to deliver services that are not only high in quality but also cost-efficient. That is not always an easy equation, but we have managed to respond to the expectations quite well. The active management of customer relationships has enabled us to develop our operations in spite of the general uncertainty.

Our M&A activity remained high

We increased our revenue both organically and by making significant acquisitions. The primary drivers of our organic growth were good quality and customer service. Everyone at PHM deserves a great deal of credit for their strong contribution.

In the residential properties segment, which is our core business, the challenges to organic growth included the general development of housing costs, the significant rise in interest rates and the uncertain global situation. Nevertheless, I am pleased to note that we increased our contract invoicing and thereby strengthened our position in the residential properties segment as well.

We maintained a high level of acquisition activity throughout the year. We conducted two strategic acquisitions, Bredablick in Sweden and Sefbo in Norway. Bredablick strengthened our position as a national operator in Sweden, while Sefbo strengthened our range of services and geographical presence in Norway. Bredablick and Sefbo are both strong players in the residential properties segment, which meant that we increased our market share as a service provider for residential properties in Sweden and Norway.



Due to the large number of acquisitions we make, it is important for us to ensure the smooth integration of new companies that join the Group. With this in mind, we focused on enhancing the integration process in all of our operating countries during the year.

The Group's revenue developed favourably, and profitability was slightly better than in the previous year on a like-for-like basis.

Strategic projects progressed according to plan

We executed our strategy as planned in 2023. We launched PHM Digital as the outcome of our most significant Group-level development project. The new service streamlines the administration and maintenance of housing companies and properties, as well as the management and monitoring of activities at residential properties. PHM Digital is excellent proof of our ability to develop our services with a customer-driven approach and with a keen ear for customer needs. The use of PHM Digital will be expanded to new customers in 2024.

Developing good governance and corporate responsibility is one of the cornerstones of PHM Group's strategy. Our efforts in our three focus areas of corporate responsibility – good governance, a safe and diverse workplace, and the climate and the environment – continued in the form of the extensive implementation of our Code of Conduct, for example. We incorporated the development of good

governance more closely into our integration process for new companies and expanded our training on the Code of Conduct and Group policies to Sweden, Norway and Denmark in addition to Finland.

We also expanded the geographical coverage of our Group Management Team by bringing in two new members: Kasper Bygholm as the Country Director for Denmark and Tommy Fredriksen as the Country Director for Norway.

In addition, we strengthened our M&A team in all of our operating countries to enable the effective execution of our growth strategy. Comprised of experts in business management, the M&A team ensures the smooth progress of acquisitions from negotiations to signing the deal.

I would like to extend my warmest thanks to the personnel of PHM Group for their valuable efforts and strong commitment in 2023. Our employees work with dedication throughout the year to ensure that our customers' daily life is smooth, comfortable and safe. I also want to thank our customers, investors and other stakeholders for their trust and constructive cooperation. I look to the future with confidence as we continue to execute our strategy. We will purposefully carry out our mission: we look after people by looking after their living environment.

Ville Rantala

Group CEO
PHM Group





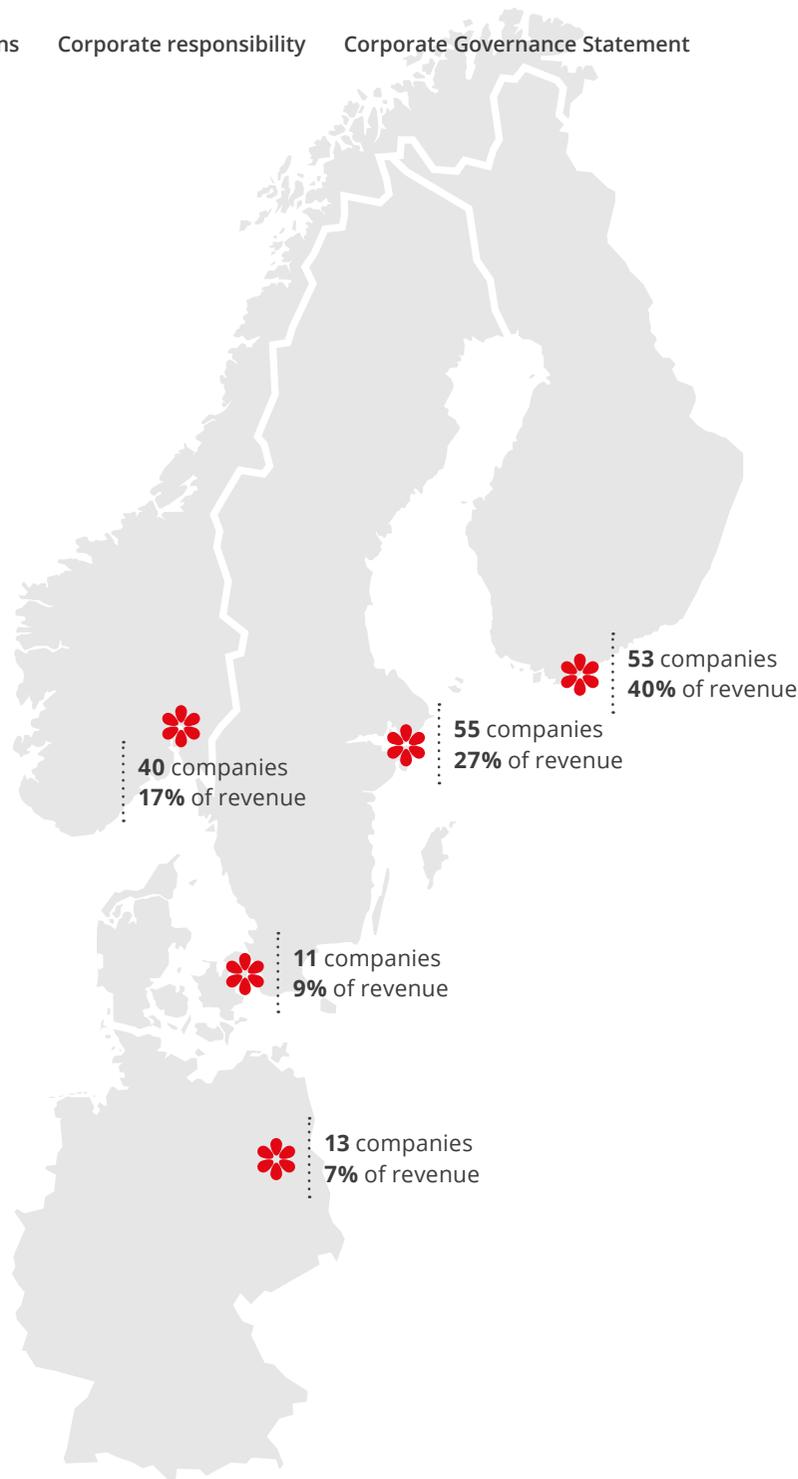
PHM Group in brief

PHM Group is a property services provider that operates in the Nordic countries and Germany. We care for people by caring for their surroundings.

PHM Group consists of the best local enterprises which share the same values: entrepreneurship, fairness and responsibility. We believe that the only thing better than local service is local service with big resources. With PHM, the customer does not need to choose between a familiar local entrepreneur or a large group of companies as its service partner. We offer the best of both worlds.

We currently operate in Finland, Sweden, Norway, Denmark and Germany. We had approximately 9,800 employees at the end of 2023. We are a growth company and are constantly expanding into new areas.

PHM Group is owned by funds managed by Norvestor and an Intera fund, together with the company's senior management and key personnel.



Group revenue (LFL)
EUR 759M

Number of personnel
~ 9,800

Number of local companies
172

Number of contract customers
~ 42,000



Strengths



PHM Group is a property services group that is made up of strong local companies and Group-level and country-level expert units. We always operate locally close to the customer, supported by the resources of a large group of companies.



We serve our broad customer base by providing the market's most diverse range of property maintenance services, management services and technical services locally in Finland, Sweden, Norway, Denmark and Germany.



We have a clear growth strategy that provides us with opportunities to grow faster than the market, driven by organic growth, acquisitions and synergies.



Stable local property services markets provide us with opportunities for success even in times of general economic uncertainty. Our operating cash flow has remained stable, and our diversified customer base means low risks for our business operations.



The fragmented markets in which we operate present us with plenty of opportunities to take advantage of our low-risk acquisition strategy. We combine local expertise to create added value for our customers and synergies in our operations.





Highlights of the year 2023



Organic growth and profitability

We increased our contract invoicing in the residential properties segment and strengthened our position. Our profitability developed favourably in spite of the global economic uncertainty. We focused on ensuring the quality of our operations and improving the customer experience, and we believe this has supported the Group's financial performance in a time of global challenges.



Introduction of a new digital service

We launched PHM Digital, a new digital service for housing companies, in Finland and Sweden during the year. PHM Digital streamlines the administration and maintenance of housing companies and properties, as well as the management and monitoring of activities at residential properties. The use of the service will be expanded in 2024. PHM Digital is a significant strategic development project for PHM Group.



Acquisitions

Acquisitions again accelerated our growth in 2023. We made 29 acquisitions: ten in Finland, nine in Sweden, four in Norway, four in Denmark and two in Germany. We conducted two strategic acquisitions, Bredablick in Sweden and Sefbo in Norway. The acquisitions were in line with our strategy, and they strengthened our service offering and geographical presence in different markets.



Integration

We developed our operating practices relating to the integration of local companies. We adopted a new three-step integration plan and improved the Group-level coordination of integration. Due to the large number of acquisitions we make, it is important for us to ensure the smooth integration of new companies that join the Group.



Development

We executed our strategy as planned in 2023. For example, we developed our digital services in Finland and Sweden with a customer-driven approach and with a keen ear for customer needs. In 2023, we also developed Aski, a common service concept for our local companies in Finland for the cleaning of residential properties. The service will be launched for our customers in 2024. To support the achievement of our growth targets, we strengthened our international M&A team in several countries during the year.



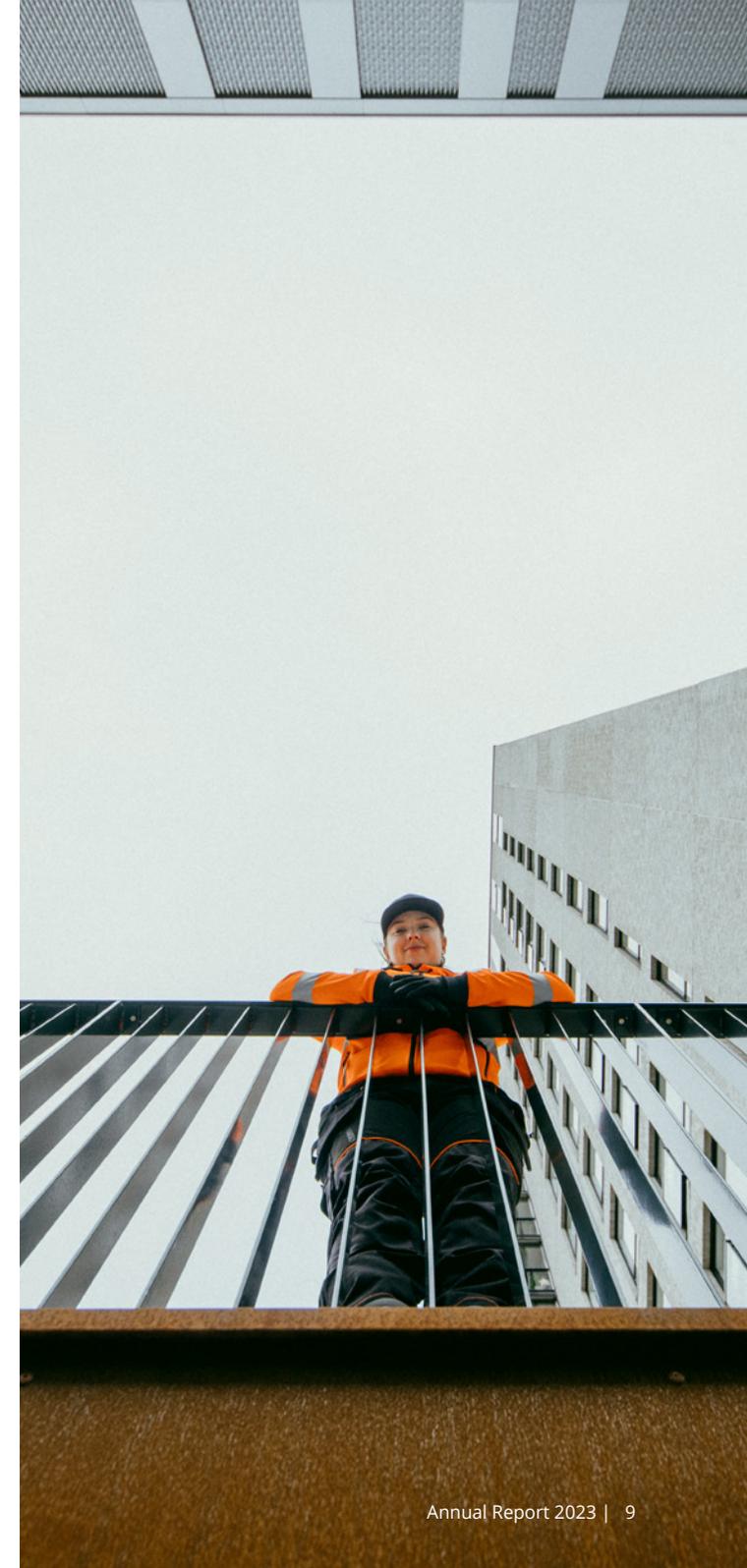
Customer and employee satisfaction

Our employee satisfaction and customer satisfaction both improved from the previous year. The active management of customer relationships and regular dialogue with customers have enabled us to develop our operations. The positive development of employee satisfaction is attributable to our efforts to improve cooperation and leadership skills, as well as our focus on recovery from work and the management of work.



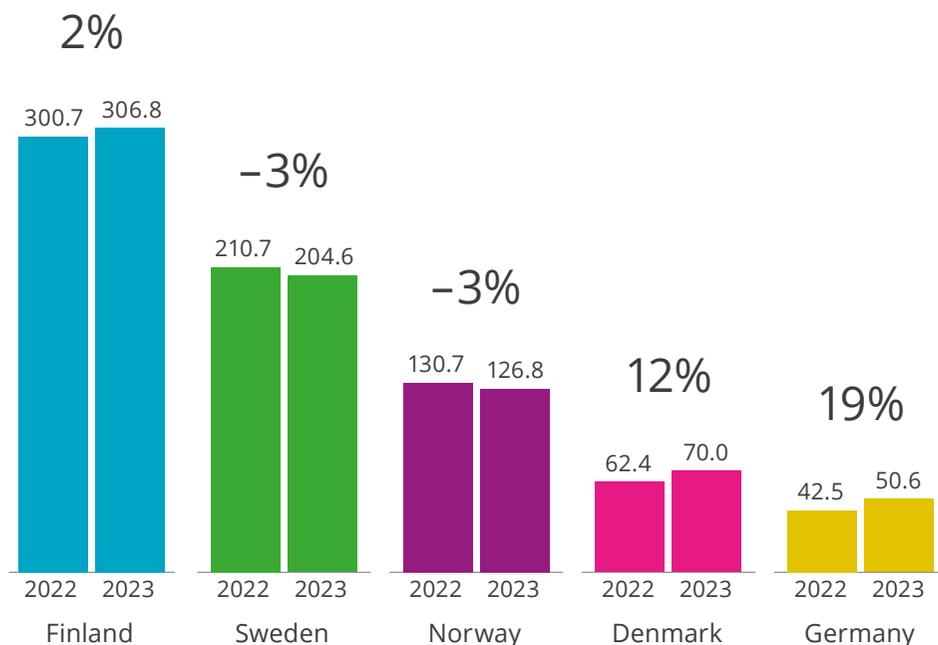
Key figures

EUR million, unless otherwise specified	2023	2022
Reported		
Revenue	624.9	483.3
EBITDA	86.2	71.9
Adjusted EBITDA	93.7	77.2
Adjusted EBITDA margin -%	15.0%	16.0%
Adjusted EBITA	65.0	56.0
Adjusted EBITA margin -%	10.4%	11.6%
Profit for the period	-2.3	14.2
Like-for-like (LFL)		
LFL Revenue	758.9	747.0
LFL EBITDA	108.4	106.4
LFL adjusted EBITDA	115.8	112.2
LFL adjusted EBITDA -%	15.3%	15.0%
LFL adjusted EBITA	80.8	78.8
LFL adjusted EBITA -%	10.6%	10.5%
Balance sheet		
Equity ratio, %	19.0%	20.6%
Net interest-bearing debt (NIBD)	647.8	421.2
Leverage, x	5.36x	4.81x
Interest coverage ratio, x	1.77x	2.66x
Operating cash flow before acquisitions	68.9	52.7
Cash conversion, %	79.9%	73.4%
Other		
Average number of employees, LFL	9,817	-
Average number of employees, reported	8,389	5,615





LFL Revenue by country (EUR million) and growth y-o-y (%)



Organic LFL revenue growth

1.6%

Organic LFL EBITDA growth

3.3%

Operating cash flow

EUR 69.9M

The effect of acquisitions on like-for-like adjusted EBITDA

EUR 29.9M

The effect of acquisitions on like-for-like revenue

EUR 207.0M



Strategy and business operations



PHM's mission, vision and
strategic cornerstones

Business operations

Finland

Sweden

Norway

Denmark

Germany

Personnel



PHM's mission, vision and strategic cornerstones

Our job is to take care of people by taking care of their living environment. This is our mission. We serve our customers by providing a broad range of property maintenance services, management services and technical services locally in Finland, Sweden, Norway, Denmark and Germany.

Our vision is to grow into a leading local property services partner in all of our operating countries. The large but fragmented property services market provides a good starting point for our company's expansion both organically and through acquisitions. Our objectives for growth are also supported by megatrends, including urbanisation, the ageing of the building stock and the increasing use of service outsourcing.

VISION

We will be a market leader across all our markets. Town by town.

Mission

We care about people by taking care of their surroundings.

Values

Entrepreneurial
Fair
Responsible

Strategic cornerstones

Organic growth
Efficiency of operations
Acquisitions
Employee experience
Responsibility and good governance



Our way: Always local. **Never alone.**
Our promise: Big or local? **Why not both.**



To achieve our objective, we have defined five key cornerstones for our strategy. They represent the areas in which we aim to succeed.



Organic growth

We will grow nationally by leveraging our extensive local expertise. We know our customers. Familiar local contact persons provide flexible and quick service to our customers. They are backed by the service offering and resources of a large corporation. This enables us to deliver an unrivalled customer experience. We systematically develop our sales efforts and take advantage of cross-selling across our broad range of services. Our one-stop shop principle allows our customers to benefit from our extensive service selection that meets the various needs of their properties.



Efficiency of operations

Competitive and efficient operations and continuous development make us the most profitable service company in the market. We have set high quality criteria for our operations – we are professional and we do what we promise. We simultaneously take advantage of the economies of scale of a large company and the agility of local operators. Our centralised support functions and management model enable the sharing of resources and best practices in response to local needs. The advantages of digitalisation are part of our efficiency and agility.



Acquisitions

We grow and create value by actively making acquisitions to expand our business geographically and in terms of our range of services. We ensure that the acquired businesses are smoothly integrated and managed through our efficient integration process. We provide centralised resources and procurement expertise to all PHM Group companies. We maintain the entrepreneur-led character of acquired companies and ensure the continuity of local operations by engaging key personnel in the company.



Employee experience

Excellent leadership, smooth daily life and a safe and inspiring workplace environment make us the best employer in our industry. We offer the career opportunities and stability of a large corporation combined with the local organisational culture of a small company. We value an entrepreneurial approach to work, which provides diverse and independent job descriptions as well as freedom and responsibility.



Responsibility and good governance

We are a responsible and reliable company that operates in accordance with ethical business principles. We do not compromise on compliance with laws and shared rules. We provide our customers with services that promote sustainable development. We take a transparent and serious approach to our responsibility for people and our shared environment. The support and optimised resources of a large corporation ensure the reliability and efficiency of operations from both the sustainability perspective and the business perspective.



Business operations

We produce property services in Finland, Sweden, Norway, Denmark and Germany. The PHM Group consists of companies that serve locally.

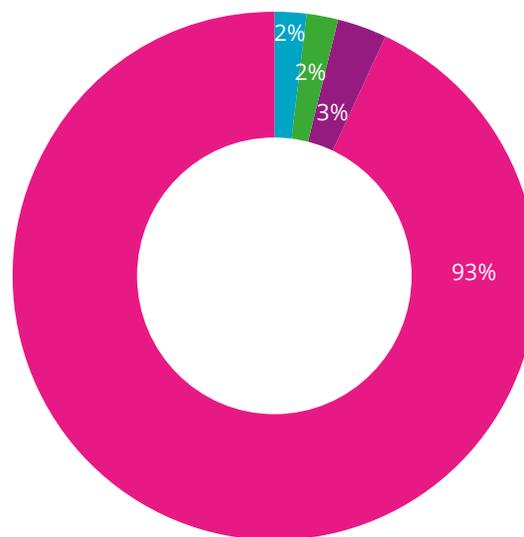
We mainly serve residential properties in five different markets. We also serve customers in retail, office and industrial property environments in various sectors. In 2023, we had 42,014 contract customers and the average annual invoicing per contract amounted to EUR 9,100.

PHM Group is a leading provider of local property services. We offer the following services in our operating countries:

- Property maintenance
- Cleaning services
- Maintenance of outdoor areas
- Snow removal and transport
- Property management
- Repair and renovation services
- Electricity, plumbing and ventilation work
- Landscaping
- Transport services and sewer maintenance

Our goals are always the safety of our customers, ensuring that properties are comfortable for their residents and users, as well as preserving the value of the properties and extending their technical life-cycle.

Customer concentration*



- Top 5 customers
- Top 5-10 customers
- Top 10-20 customers
- Other customers

* per cent of the total revenue



Average annual contract invoicing (thousand euros)

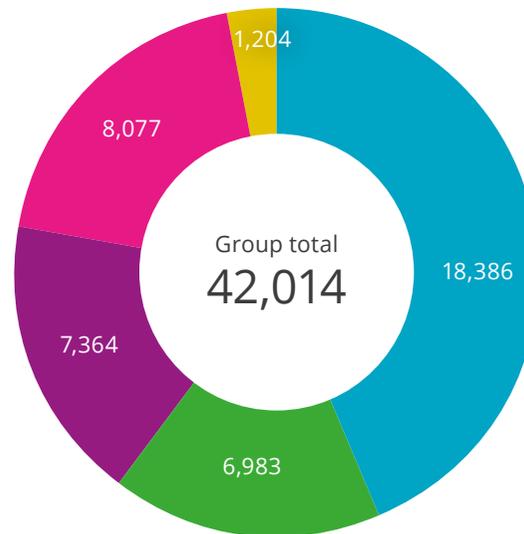
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Acquisition-driven growth is a key aspect of PHM Group's strategy. The competitive field in the property services market is fragmented, which is why the number of acquisitions made by PHM is typically high. In 2023, PHM made acquisitions in all of its operating countries: ten in Finland, nine in Sweden, four in Norway, four in Denmark and two in Germany. The most significant acquisitions were Bredablick, which strengthened PHM's position as a national operator in Sweden, and Sefbo, which strengthened PHM's business operations, range of services and geographical presence in Norway.

At PHM Group, we continuously develop the efficiency of our operations to enable profitable growth, the reliable delivery of services to customers, and strong cash flow for investors. We improve the efficiency of our operations by sharing best practices between the Group's units, by optimising our personnel and fleet resources, and by developing the efficiency of our units in accordance with the Group's common practices and operating models. The operations of the local units are also supported by the Group's centralised expert support functions, as well as digital solutions that support the local business operations.

Number of contract customers by country



- Finland
- Sweden
- Norway
- Denmark
- Germany





Acquisitions promote the transformation of the industry

Oliver Bond leads PHM Group's acquisition team from his office in Stockholm. His role is to drive growth in accordance with PHM's strategy by supporting our M&A specialists in our various operating countries and promoting our acquisition processes.

"The property services market is highly fragmented, local and homogeneous. Many of the companies that interest us are entrepreneur-led, and the entrepreneurs have built their business from the ground up. This means that the market, particularly in the residential properties segment, presents good opportunities for the modernisation and digitalisation of operations," Oliver says.

PHM Group is particularly interested in successful local market leaders led by entrepreneurs who genuinely care about their customers and employees, and have a desire to develop their business.

"Each acquisition is aimed at long-term success through PHM's proven integration and governance model, as well as cross-selling between units."

There are various reasons for entrepreneurs to be willing to sell their life's work. In some cases, the decision stems from the limitations on growth created by old operating models, or because they want a partner to accelerate growth. In other cases, they view entrepreneurship as a strenuous or lonely endeavour, or find themselves approaching retirement without having identified a successor for the business.



My work is rewarding because every company we acquire brings something unique to PHM Group, and the entrepreneur often stays on to lead their unit as part of PHM. I also feel like I am playing a part in the transformation of the entire industry in Europe, which is something that I find very fascinating.

Oliver Bond
M&A Director
PHM Group





PHM GROUP IN FINLAND

New services for customers

In 2023, we achieved strong organic growth in Finland in spite of the difficult market situation, and we were able to adapt our operations with a customer-oriented approach.

PHM Group's operating model combines the resources of a large group with local entrepreneurial service, and this has proved to be an effective model even in economically challenging times. Local operations and local customer relationships are always at the heart of what we do, but our comprehensive network of companies also enables us to take on customer accounts at the national scale.

Our M&A activity increased in Finland towards the end of the year, and we made a total of ten acquisitions in 2023. Going forward, we will continue to execute PHM Group's strategy by bringing in local companies that create added value for our customers and strengthen our service offering or geographical presence in Finland.

Our employee satisfaction and customer satisfaction both improved from the previous year, which speaks to the success of the development measures we have taken to enhance our management and the customer experience. We provided training to supervisors on topics pertaining to the planning and management of work. The development of the customer experience is driven primarily by high-quality service production and excellent customer service. We took major steps forward in service development in the property maintenance business and cleaning services.

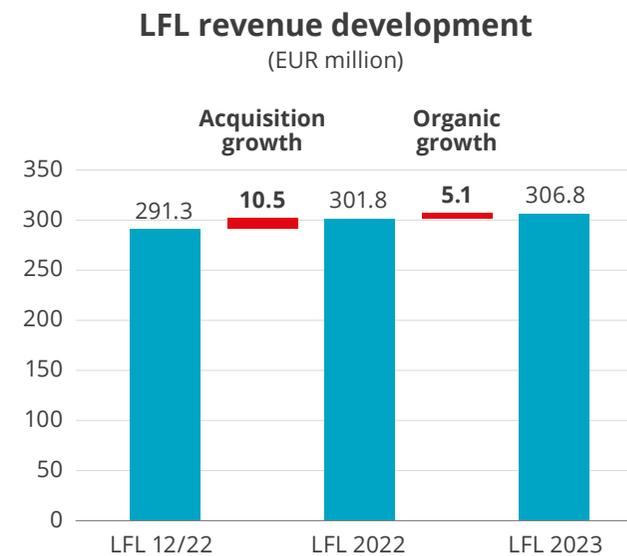
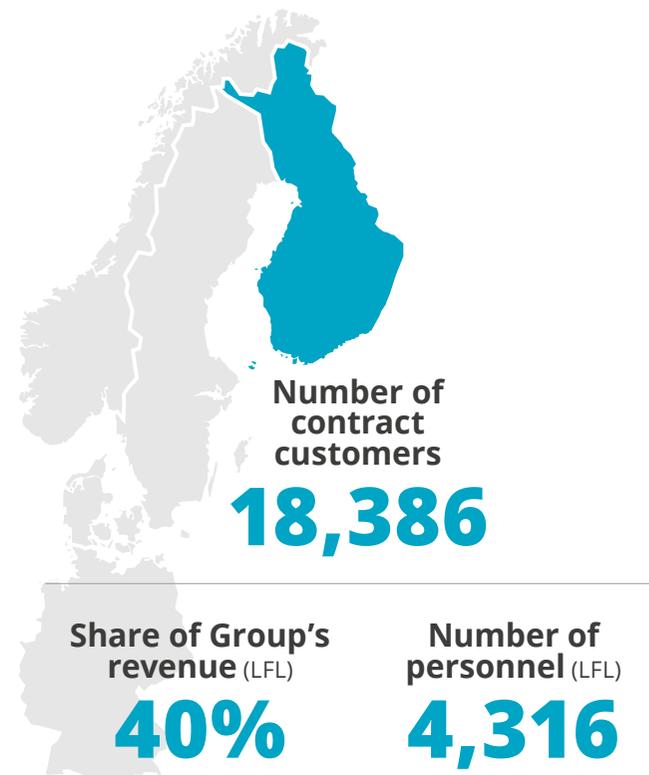
In the latter part of the year, we launched PHM Digital, a new digital service for housing companies. It increases transparency and efficiency for the boards of directors and property managers of housing companies, and provides new tools for housing companies' boards of directors and the monitoring of property maintenance. We will introduce PHM Digital to a broader range of users in 2024 with the aim of having thousands of new customers for the service in Finland.

We also developed the Aski service concept for the cleaning of residential properties in 2023. Aski is a common cleaning service concept for our local companies that supports the provision of consistent and sustainable cleaning services for residential properties. The service will be launched for our customers in 2024. The persons in charge of cleaning services in our units were actively involved in the development of the Aski concept. In the development effort, we took advantage of the strong cleaning services expertise of our local companies across Finland.

The integration of new companies progressed according to plan, and most of the new companies that joined PHM Group were successfully integrated and reached the highest level of our three-step integration model.



Toni Mannila
Country Director
Finland





Mutual trust is at the heart of cooperation

Local maintenance companies belonging to PHM Group provide property maintenance and outdoor area maintenance services for Avara's residential properties across Finland. Services are produced at 153 locations in over 20 municipalities in Finland. The high quality of the services is reflected in the direct customer feedback that the local maintenance companies have received from the residents, as well as the improved overall satisfaction of the residents.

"The cooperation commenced in the beginning of 2023 and has got off to a good start. From the outset, it has been important to us to establish open dialogue and strengthen the customer relationship by keeping our promises. Both parties can trust each other," says **Sakari Pietilä**, Director of Operations at PHM Finland.

The successful cooperation and improved satisfaction of residents are based on transparency and openness between all of the parties involved.

"Our partnership with Avara highlights the core of PHM Group's business operations: the customer enjoys the benefits of working with a large group and a local company at the same time. The customer has a designated contact person with whom they can conduct their business under the one-stop shop principle. The day-to-day work is performed with an entrepreneurial and local approach," Pietilä says.

The partnership between Avara and PHM Group has led to strong trust between the client and the supplier, as well as smooth cooperation between the local property maintenance provider and the building manager. Day-to-day issues are quickly resolved, and the customer has a low threshold for contacting the service provider to ensure that any issues are addressed in a timely manner.

"We value PHM Group as a service partner that offers the stability and operating practices of a large company but simultaneously operates locally close to the residents of the buildings. Our past positive experience of high-quality cooperation influenced our choice of service provider when we were making decisions and conducting negotiations in late 2022. We have established effective practices for developing the agreement and the cooperation. The feeling of trust is mutual," says **Viveca Seppänen**, Senior Asset Manager at Avara.

Avara Oy is Finland's leading residential real estate investment and asset management company, managing approximately EUR 1.2 billion of residential real estate assets nationwide. Avara's clients are the residents of Avara's residential homes and professional Finnish and international real estate investors.



Viveca Seppänen
Senior Asset Manager
Avara Oy
Finland



PHM GROUP IN SWEDEN

A year of growth and development

One of the highlights of the year was the acquisition of Bredablick, which significantly strengthened PHM Group’s position in the Swedish market. It was an important step that brought us more expertise, resources and customers, not to mention one of the most valuable brands available.

We also made a number of other significant acquisitions in Sweden, including MBA Fastighetservice, VänerFörvaltning, MARK Fastighet and several other smaller companies. The acquisitions expanded PHM Group’s service offering, geographical presence and market share in Sweden.

We continued the modernisation and integration of our IT systems across all of our local companies to improve transparency, efficiency and cooperation between our various local units. This is also a step towards enhancing the digital experience for the customers of our technical services, for whom we launched the PHM Digital service during the year.

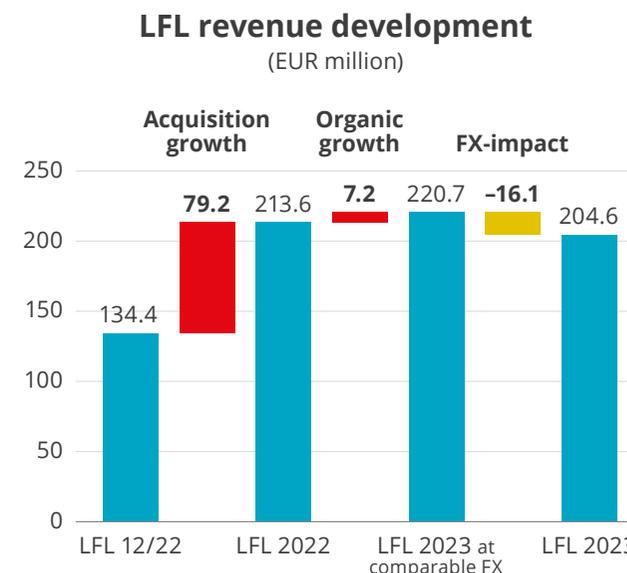
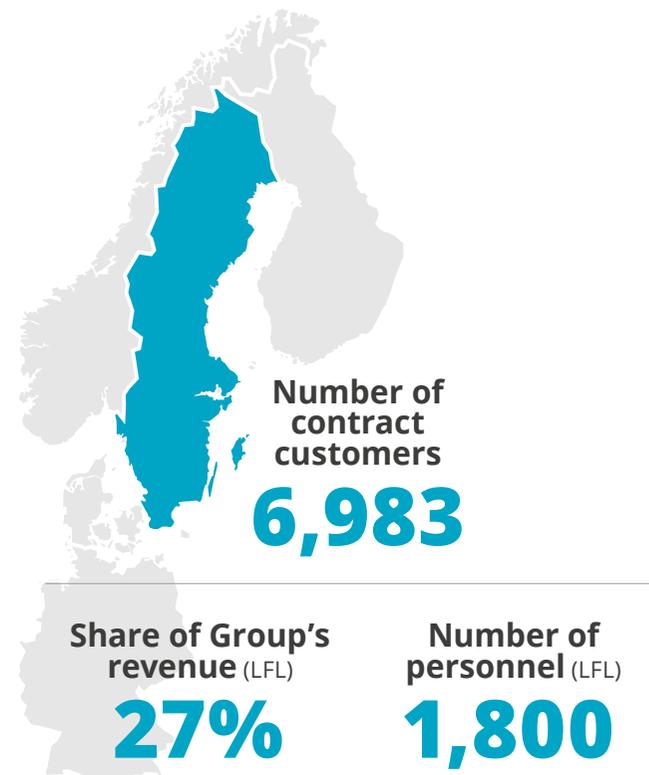
One of the key development projects was the selection and deployment of an HR and payroll system in all of the local companies, which improves the efficiency, consistency and quality of human resource management. We integrated the new companies into the Group and achieved synergies in support functions, such as financial management, HR, payroll management, IT and customer service.

One of the challenges during the year was the economic situation, which reduced our customers’ demand and purchasing power. Higher interest rate and general financial concerns among customers influence their willingness and ability to invest in their properties.

Our customers and employees are at the core of our business, and their satisfaction and well-being are vital to our success. We hope that our customers who own properties will continue to value the quality of our services in the future.



Andreas Westin
Country Director
Sweden





People are at the core of change

The Bredablick acquisition in Sweden was one of PHM Group's most significant events in 2023. The acquisition strengthened PHM's position in Sweden as a national operator with extensive expertise in the maintenance, technical management and financial management of residential properties.

A major change project to harmonise IT and financial management systems was launched in autumn 2023 and will continue in 2024. Bredablick successfully made its financial reporting practices compatible with the Group's reporting practices over a period of just three months.

Head of Financial Transformation **Niklas Norén** underscores the significance of people as a success factor in a change project. "It is easier to change systems than people's established working practices. In the change effort, we focused on engaging people's participation and inspiring insights. My job is to ask a lot of questions to which the people affected by the change find solutions on their own. This engages their commitment and makes them understand why the change is necessary."

In addition to changes to financial reporting, Bredablick began the harmonisation of its IT environment in 2023. Although PHM Group's local companies continue to operate independently, certain functions related to business operations are harmonised to improve reporting and

monitoring as well as the planning and management of work. "The harmonisation of the IT environment and various systems increases transparency and facilitates the planning, control and monitoring of operations, which ultimately benefits the customers and the owners," Niklas Norén says.

Niklas Norén describes Bredablick as an entrepreneurial and customer-oriented company. "Bredablick has taught us a lot about how to take a genuinely customer-driven approach to managing a company. The focus is always on the customer, even when the company's own operating practices and systems are being developed, for example. I see it as a key success factor, but it is not something that can be taken for granted."



It has been fascinating and rewarding to take a deep dive into Bredablick's corporate culture during this change project. Their culture combines the entrepreneurial spirit that is typical of all of PHM Group's local companies with Bredablick's ability to manage its operations in a customer-oriented manner.



Niklas Norén
Head of Financial Transformation
PHM Sweden



PHM GROUP IN NORWAY

We doubled our size in Norway

The most significant step we took in Norway in 2023 was to acquire Sefbo, which was PHM Group’s largest acquisition of the year. Sefbo focuses on providing services to residential properties. The acquisition strengthened our geographical presence and expanded our service offering in Norway.

In 2023, we focused on enhancing cooperation between units, as the Sefbo acquisition brought in a large number of new supervisors, for example. We reorganised responsibilities and developed our internal operating practices to enhance the flow of information. For example, we have monthly meetings where we not only review results but also discuss current issues and prepare for the priorities of the following month.

We centralised our customer service, which benefited our customers in the form of faster response times and more effective operations. At the same time, it enabled us to free up time for unit heads to manage customer relationships and personnel matters.

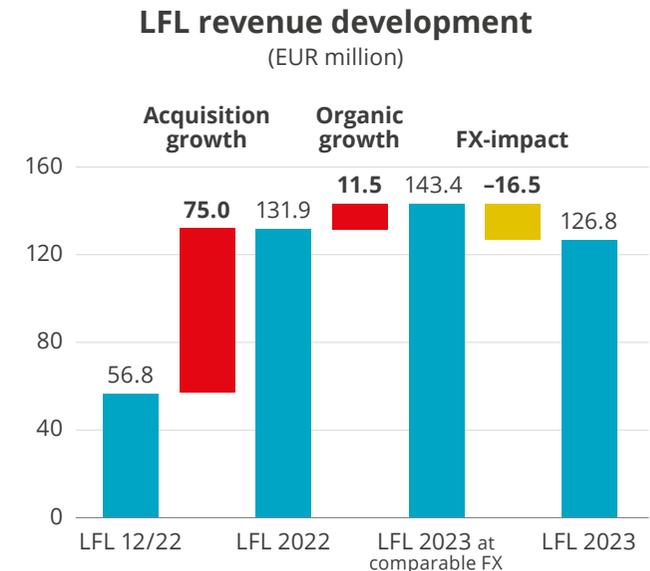
We saw concrete evidence of the leveraging of synergies between units in areas such as HR planning, equipment and fleet procurement, and projects. We achieved positive

results in these respects in 2023 and received good feedback from the personnel.

The development of sales was also one of our focus areas in 2023. In addition to focusing on new sales, we developed our operating practices concerning internal sales, as the new companies gave us more opportunities for cross-selling and offering services across unit boundaries. On the whole, we had a fairly good year in spite of increased costs and the development of interest rates. Our goal for the new year is to improve and stabilise profitability across all of our units.



Tommy Fredriksen
Country Director
Norway





A good reputation goes a long way

Ren Dunk is a PHM Group company that was established in Norway in 2017. The company specialises in the cleaning, maintenance and repair of waste collection containers. Ren Dunk was started by three childhood friends who wanted to do something fun and completely different to what they had done before.

Two of the founders, Christian Ø. Forsberg and Petter B. Arntzen, are now in charge of the unit's operations in the Oslo region. The company has developed and expanded its service offering over the years by modernising its fleet and investing in customer service, for example. Ren Dunk has been able to grow its business through good customer relationships and active cooperation.

"We have purposefully built our customer relationships by listening to our customers. We rarely say no, and we keep our promises. It is important for us to maintain close relationships with our customers and partners. We continuously make observations at our customer locations and communicate those observations to the customers. That also creates new opportunities for us," Christian Ø. Forsberg says.

Ren Dunk's success is built on the active fostering of customer relationships and a good reputation. Word gets around among customers, and the company has an excellent reputation as a service provider that is reliable and has the ability to find solutions to its customers' service needs.

"Our customers trust us and know that they can always ask us for help when it comes to waste management and other services. This makes it easy for them to turn to us whenever they need our assistance," Forsberg explains.

Ren Dunk also engages in close cooperation with other PHM Group units in the region. Forsberg recognises that synergies, good relationships with other local companies and taking advantage of opportunities for additional sales are key elements for business continuity and success.

"Our employees play an important role in driving additional sales. During the course of their work, they make a lot of observations and communicate them to us, so that we can contact the customers and propose solutions concerning the maintenance of waste collection containers as well as other service needs."

Christian Ø. Forsberg and Petter B. Arntzen are pleased with and proud of the way Ren Dunk has developed over the years.



Having a strong reputation is vital for us, and we want to foster it. Having employees who are observant and active enables us to offer solutions to our customers and serve them in various aspects of property maintenance."



Christian Ø. Forsberg
Co-founder & Manager
Ren Dunk AS
Oslo



PHM GROUP IN DENMARK

Building a strong country organisation

We had a significant year of growth and development in Denmark in 2023. We built our local country organisation and strengthened our capabilities with regard to strategy execution, finance, IT and integration.

We achieved strong organic growth in cleaning services and property maintenance throughout the year. Our growth was also accelerated by strategically significant acquisitions, which nearly doubled our size during the year. We also expanded our service offering in the maintenance of outdoor areas and landscaping. Two of our local companies, Taurus and Ejendomsvirke, merged during the year. The merger created a new strong operator in the property services market with a broad service offering and extensive expertise.

We began the integration of systems and initiated measures related to the development of procurement activities. We also successfully implemented internal operating practices and a Group-wide whistleblowing channel, for example.

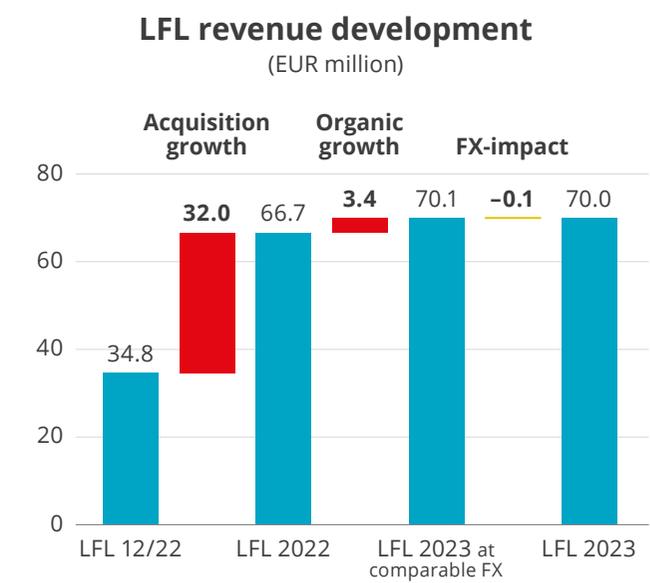
We have a high rate of customer retention, and our customers often choose a local company as their service

provider. This plays a key role for our continuity and success. We increased our presence particularly in Jutland and Funen, which has significantly strengthened our position.

I am also very proud of the development of our employee satisfaction during the year, reaching the highest level in PHM Group in 2023. Each of PHM's local companies will continue their active efforts to maintain the same high level.



Kasper Bygholm
Country Director
Denmark





At the core of customer insight

Taurus joined PHM Group in autumn 2023. Taurus Ejendomsadministration and another local company, Ejendomsvirke, joined forces in connection with the acquisition. Following the merger, the company operates under the name Taurus Ejendomsforvaltning.

In summer 2023, Taurus began a cooperation with PensionDanmark, which is one of the largest earnings-related pension insurance companies and property owners in Denmark.

“The customer got in touch with us and explored the different options available in the market. Together, we decided to start a pilot project by organising a series of workshops between the customer and Taurus’ relevant representatives to learn about each other’s operating practices and culture,” says **Thomas Windtberg**, CEO of Taurus. In the workshops, they discussed topics that are at the core of the customer’s business operations, including responsibility, tenant communications and sustainable development.

The workshops produced good results and led to the signing of an agreement at the end of the year. Under the agreement, Taurus is responsible for property maintenance

for a large residential property and services that include technical maintenance as well as legally required move-out inspections in Denmark.

“The cooperation has been very constructive and rewarding. It is important to us to know our customer and understand their business operations and service needs so that we can deliver the best possible service. That is why we greatly appreciate PensionDanmark’s approach to the partnership,” Thomas Windtberg notes. The agreement has got off to a good start, and Windtberg believes it will offer many opportunities for expanding and deepening the cooperation in the future.



It is very important to PensionDanmark that the process of a new collaboration starts with mutual understanding of which goals we both seek to achieve. In this case, the workshops showed us that we both wanted to go in the same direction and that a shared interest made it possible to provide an even stronger service to the tenants who live in PensionDanmark housing”.

Christoffer Bjørn Weile, Portfolio Manager, Residentials / Head of Residentials, at PensionDanmark



Thomas Windtberg
Taurus Ejendomsforvaltning ApS
CEO
Copenhagen



PHM GROUP IN GERMANY

Germany presents growth opportunities in Europe

We achieved excellent development in our business in Germany in 2023. PHM Group expanded its operations to Germany in 2022 by acquiring Schultz Gruppe, which mainly operates in the Hamburg region. The acquisition meant that the company expanded from the Nordic region to Germany. Established in 1904, Schultz Gruppe is a property services company with a rich history. The company continued to operate successfully in 2023.

The property services market in Germany holds plenty of growth potential, which presents good opportunities for executing our growth strategy more extensively in Europe. The customers in Germany are larger than in the Nordic countries on average, but the business itself is similar to our other operating countries.

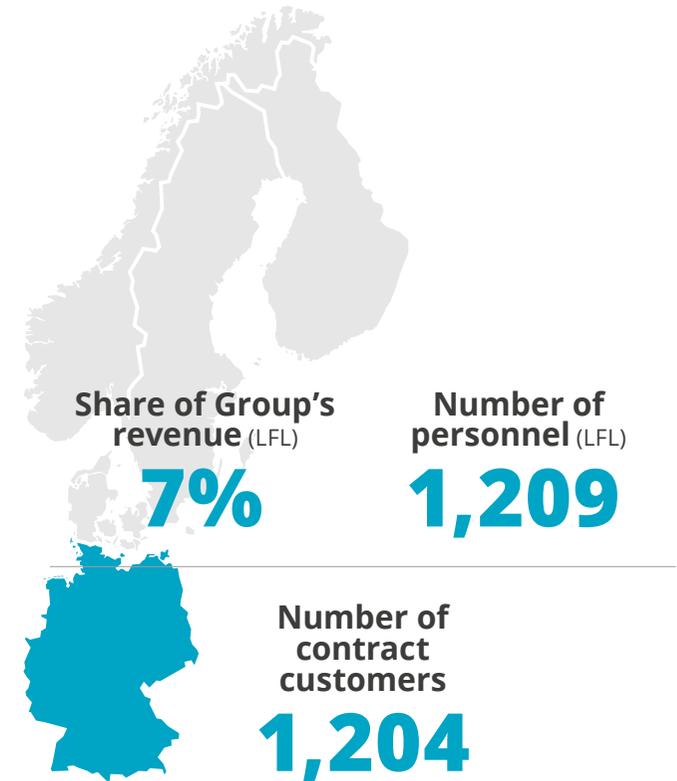
In 2023, we made two acquisitions in Germany in order to expand our operations to the Berlin region and the eastern part of the country. Marnach Hauswartung GmbH is a property services company that operates in Berlin and provides cleaning and property maintenance services as well as maintenance of outdoor areas. The other company acquired by PHM Group in the Berlin region in 2023 is MÜTRA Objektmanagement GmbH. It has built an established position as a comprehensive and high-quality service

provider in property maintenance, cleaning and outdoor maintenance. The company also operates in Frankfurt (Oder), Leipzig and Angermünde.

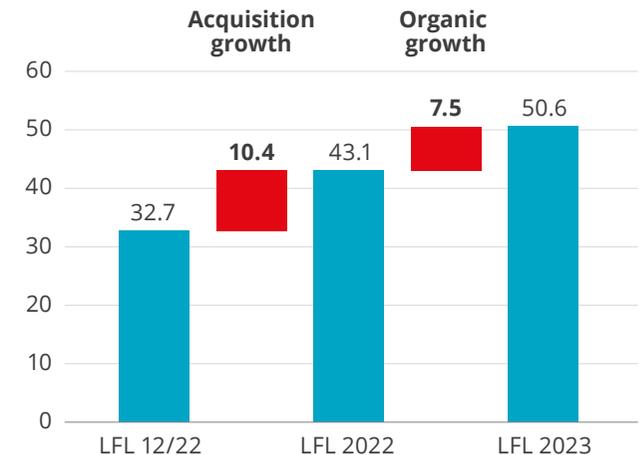
Germany provides us with an excellent platform for growing our business in Europe. In addition to accelerating acquisitions and organic growth, the next significant step in Germany will be to integrate the acquired companies into PHM Group more extensively. We expect to see good progress in this respect in 2024.



Ville Rantala
CEO
PHM Group



LFL revenue development (EUR million)



**PERSONNEL**

Developing personnel management in accordance with the life-cycle of the employment relationship

PHM Group employed approximately 9,800 property services professionals at the end of 2023. Our aim is to be the most attractive employer in our industry: we want to provide a safe and inspiring workplace environment as well as diverse opportunities for the most competent professionals in the industry.

Our aim is for every employee to be highly committed and to promote the company's growth and success through their actions. This requires a workplace environment that thrives on diversity, continuous learning and adaptability. Our role is to empower and cherish our people, as they are our organisation's most valuable asset. We are committed to supporting each individual and inspiring them to reach their full potential.

We aim to promote the organisation's success and culture of cooperation, and improve the general well-being of our employees by developing the Group's personnel management practices and engaging in close cooperation with our local units.

In 2023, our efforts to develop personnel management were focused particularly on strengthening the capabilities of supervisors, developing reporting and systems, and

building HR functions in our various operating countries. We continued the previously introduced supervisor training in our countries of operation. To further enhance supervisory skills, supervisors participated in training activities as well as briefings that were structured around the life-cycle of the employment relationship and covered topics ranging from work ability management to employment relationships, the development of the employer image, recruitment practices, induction training, the use of HR systems, and performance and career development reviews.

Integrated operating practices drive growth

As a growth company, we develop personnel management in accordance with the development stage of each operating country and the integration schedule of each new company. We want to create a consistent employee experience and ensure smooth work across all of our companies.





We provide the Group's 172 local companies with support, advice and tools for managing personnel- and employment-related issues.

In addition to strengthening the operating culture of the local companies, it is important for us to create integrated practices and operating models in areas such as recruitment, induction training, supervisory work, work ability management and reporting, for example. At the heart of the development of PHM's culture are shared values and integrated operating practices that support local expertise and activities.

To support personnel management, we have begun to develop HR functions in our operating countries to enable the implementation of integrated processes while keeping the local operating culture in mind. The local companies gain access to harmonised HR processes in accordance with PHM Group's integration plan.

The development of centralised personnel reporting and HR systems was one of our focus areas in 2023, and we are making progress in accordance with each country's stage of development and PHM Group's integration plan.

Positive development of personnel satisfaction throughout the Group

We carried out a comprehensive personnel survey in all of our operating countries in 2023. The topics covered in the

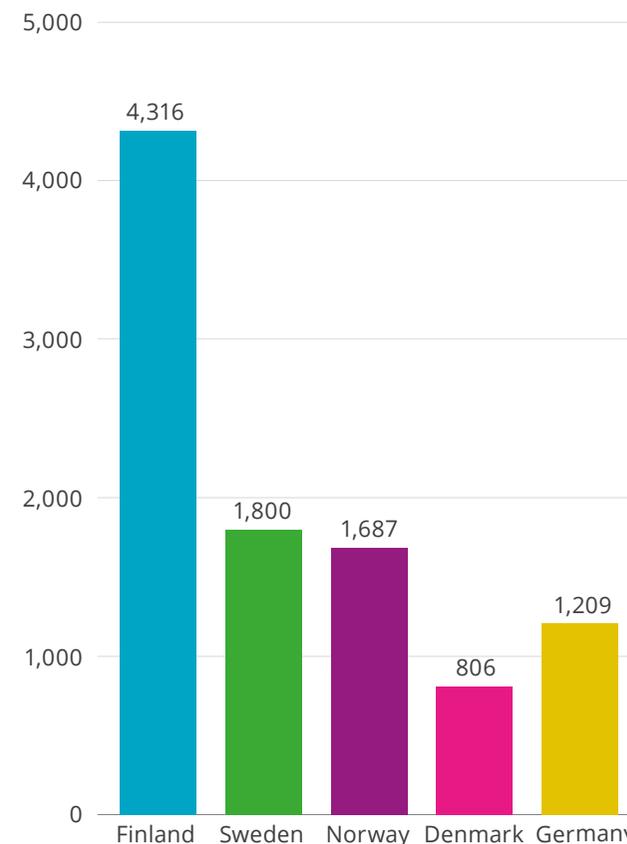
survey included the respondents' work, the effectiveness of the workplace community, the actions of supervisors, competence and renewal, functional capacity, and the use of resources.

In 2022, we identified our development areas as the improvement of cooperation and leadership skills, as well as focusing on recovery from work and the management of work. The results of the personnel survey showed a positive trend in each area throughout the Group. The overall average score improved from the previous year to 3.95 (2022: 3.79, scale 1-5).

According to the results for 2023, PHM Group's employees feel that their work goes smoothly and they know what is expected of them. In the survey, the average score for the smoothness of work was 3.98 (scale 1-5). The employees feel that the quality of supervisory work is excellent, giving it a score of 4.07 (scale 1-5). The factors contributing to the good results include PHM Group's purposeful efforts in areas such as supervisor training, work ability management and competence-related themes.

In our evaluation of the survey results, we identified the development of cooperation and the workplace community as key development areas. Examples of these development efforts will include developing new operating practices, taking responsibility together, and ensuring that each employee is taken into consideration and heard in their workplace community.

Number of personnel 2023





Supervisors review the results together with their teams. Units and teams use the results to prepare their respective development plans and actions, which will be monitored during the new year. We also make use of the results in planning Group-level development measures.

Competence development continued as planned

It is important to us as an employer to identify the various competence needs amongst our employees in a wide range of positions. In Finland, for example, about 100 employees started or completed an apprenticeship or training aimed at vocational qualifications in 2023. The most typical vocational training programmes included further vocational qualifications for cleaners, immediate supervisors and caretakers. Employees also had opportunities to complete other types of supplementary training suitable to their job roles. A performance and career development review with the immediate supervisor provides employees with a good opportunity to identify competence needs relevant to their role and tasks, and agree on concrete development measures.

PHM Group's growth presents many development and career path opportunities for our personnel. The company's expansion and growth opens up new positions and responsibilities for the personnel. We engaged in cooperation with educational institutions both at the country level and locally with various education providers.

Online learning supports professional development

In 2023, we began the update of our Group-wide e-learning environment, which includes training modules aimed at all of the personnel as well as job-specific and service-specific training content. Our goal is to provide all of our personnel with accessible and easy-to-understand content to support induction training and ensure the consistency of operating practices, safety and corporate responsibility culture.



Our changing operating environment and the transformation of working life create increasing expectations for leadership and supervisory work. Supervisory skills hold a key role in supporting and developing the workplace community. We have strengthened our supervisors' capabilities to support employees throughout the life-cycle of the employment relationship, which has enabled us to develop the employee experience and our company culture.



Eva Tielinen
HR Director
PHM Group





Believe in yourself and you will get far in life

PHM Group's success relies on people who are driven by commitment and passion. One such individual is **Jennyfer Namazi**, CEO of Renew Service, a subsidiary of PHM Group. Prior to taking on her current role, she worked in business development at Renew Service and, before that, in sales and real estate agency, for example.

Above all, Jennyfer wants to be an inspiration to others. Passion and hard work have opened doors for Jennyfer during her career. Her life has also been shaped by being a single parent and having a strong connection to her parents' native country of Iran. Thanks to her background and experiences, Jennyfer understands that it can sometimes be difficult to find your place in life.

"I have always wanted to be a role model, especially for young women from different backgrounds or who may not have full belief in themselves. You must not doubt yourself. Through the example I set, I want to show that anything is possible. Of course, that means you need to prioritise the right things in life. Diversity is an asset, and I firmly believe in creating opportunities for everyone regardless of their background."

For Jennyfer Namazi, it is a personal priority to promote diversity and inclusion in working life. She strives to build a workplace environment where each individual can thrive.

"I want to help people become better versions of themselves. My aim is to motivate my colleagues to achieve their goals by always doing things a little better than before and developing themselves. I also try to listen to their wishes and I hope that provides added motivation for them."

For Jennyfer, it is important to not only serve as an example in working life but also make a contribution to the common good in a broader sense. She volunteered in Serbia during the refugee crisis of 2015.

"I want to do the best I can for others, and being able to help others has been one of my biggest sources of motivation."

Jennyfer encourages her colleagues and other people around her to be open-minded. In her career, she has benefited from having a curious mind, which gives her enthusiasm and the ability to embrace new things. Under Jennyfer's leadership, Renew Service has also achieved significant milestones, particularly in the form of robust growth.



I have always been eager to learn and develop myself. I have a lot of curiosity, which has made it quite easy for me to embrace various things.



Jennyfer Namazi
CEO
Renew Service
Stockholm



Corporate responsibility



Our approach to corporate responsibility

Good governance

A safe and diverse workplace

The climate and the environment

Reporting principles

GRI index



Our approach to corporate responsibility

Our basic mission has always been to look after our customers. We work every day to ensure that our customers' daily lives are safe, smooth and comfortable.

We provide a wide range of services in the field of property maintenance and cleaning. Our services include, for example, the maintenance and cleaning of indoor areas, the maintenance of icy yards in winter, snow clearing, lighting and visibility services, and services related to electrical, fire and chemical safety. We also provide services related to building technology, renovation and repair services, landscaping and earthworks, sewer maintenance and electrical installations. In some of our operating countries, we produce financial management services for housing companies. The outcome of our responsible work is a satisfied customer.

The cornerstones of corporate responsibility are created from consistent operating practices and rules. We have promoted these in our corporate responsibility strategy by focusing particularly on three areas: good governance, a safe and diverse workplace, and the climate and the environment.

UN Sustainable Development Goals

In our corporate responsibility strategy, we have identified the UN Sustainable Development Goals that are relevant to our business operations.

- Peace and justice: We want to be a well-managed, responsible and reliable corporate citizen.
- Good health and well-being & Decent work and economic growth: We want to provide our employees with a safe, engaging and inclusive workplace and take care of our customers by taking care of their surroundings.
- Climate action: We are on the path to carbon neutrality, and we help our customers do the same.

Key sustainability targets and projects

Focus area	Target	Key achievements in 2023	UN Sustainable Development Goals
Good governance	All PHM employees have completed training on the Code of Conduct.	<ul style="list-style-type: none"> • We launched online training on the Code of Conduct in Finland and prepared to expand the training to our other operating countries. • We continued the "Responsible Actor" training series for senior and middle management in Finland, and expanded it to Sweden, Norway and Denmark. • We introduced a Group-wide whistleblowing channel that is open to both internal and external stakeholders. • We further specified our good governance measures as part of the integration process of acquired companies. 	
A safe and diverse workplace	The number of occupational accidents will decrease by 50% each year, compared to the previous year.	<ul style="list-style-type: none"> • We continued to carry out internal safety audits in Finland. • We further specified our safety management measures and requirements as part of the integration process of acquired companies. • We continued to provide training related to anti-discrimination and the promotion of diversity for senior and middle management in Finland, and expanded it to Sweden, Norway and Denmark. 	
The climate and the environment	PHM will be climate-neutral by 2035.	<ul style="list-style-type: none"> • We drafted an emission reduction plan for our path towards climate neutrality. • In line with our emission reduction plan, we began to assess alternatives to production vehicles powered by internal combustion engines; for example, we launched development projects related to procurement, fleet management and reporting in various countries. • We updated our car benefit policy, according to which we prioritise electric or hybrid vehicles. • We decided to transition to electrically powered light machinery in Finland. 	



Corporate responsibility management at PHM Group

Developing good governance and corporate responsibility is one of PHM Group's strategic development projects. We monitor the progress of corporate responsibility in the Group Management Team on a monthly basis. In the Group Management Team, the Director of Corporate Responsibility and Communications is in charge of corporate responsibility. Corporate responsibility issues are also discussed by the country-level management teams. PHM Group's Board of Directors monitors the development of corporate responsibility at least once every six months.

Integration of corporate responsibility efforts across countries

PHM Group is an international growth company, and our different operating countries are at very different stages of development. We have prepared a plan for each operating country to guide the development of the country organisation's capabilities – pertaining to corporate responsibility, for example – over the coming years.

Due to our high level of acquisition activity, we continuously have units in different countries that have yet to be fully integrated into the Group. PHM Group has a three-step integration plan that is applied to each acquired unit in each country immediately after the acquisition. The integration plan includes actions related to reporting, HR matters, procurement, IT systems, corporate responsibility and many other topics.

In the first stage of the integration plan, we ensure that the management of the acquired unit understands

PHM Group's Code of Conduct and policies and operates accordingly. In the second stage, all of the unit's personnel complete training on the Code of Conduct, and we begin harmonising the management of occupational safety. At a later stage, we apply fleet-related guidelines and policies that are aimed at more environmentally efficient operations, among other things.

Strong acquisition-driven growth and the differences in development stages between our different operating countries also affect our ability to report on our corporate responsibility. More information is provided in the section [Reporting principles](#).

PHM Group's impact on society

We operate in Finland, Sweden, Norway, Denmark and Germany. PHM Group companies had, on average, a total of 9,817 employees (LFL) in the five operating countries in 2023 (6,794 in 2022). Adjusted for the periods of time the various companies were part of the Group, the average number of personnel was 8,389 (5,615). We are growing rapidly, both organically and through acquisitions. We carried out 29 acquisitions in 2023 (34 in 2022).

For us, economic responsibility means – among other things – responding to customer and shareholder expectations sustainably and creating economic well-being in society through our direct and indirect employment effect. We maintain our goal of profitable growth even in economically uncertain times.

PHM Group's key stakeholders include customers and employees, among others. We regularly conduct customer satisfaction surveys, and the Net Promoter Score (NPS) is

one key indicator of customer satisfaction. We also carry out an annual personnel survey to measure employee satisfaction and work ability. Employee satisfaction is also measured by means of other indicators on a unit-specific basis as necessary.

Economic value for stakeholders

Direct economic value generated and distributed, EUR million		2023	2022
Economic value generated			
Reported revenue	From customers	624.9	483.3
Economic value distributed			
To service providers and suppliers	Materials, services and other operating expenses	234.7	189.5
To employees	Wages, other remuneration and pension contributions	276.1	206.1
To the public sector	Income tax, social security contributions	33.2	19.9
To the financial sector	Financial items	45.4	22.7
Total economic value distributed		589.5	438.2



Good governance

In all our operations, PHM Group complies with the applicable legislation and regulations issued by the authorities, and we require the same from our employees, subcontractors and other partners. We are committed to operating with integrity.

Our operations are guided by the Group's Code of Conduct and key policies, such as the policy concerning compliance with competition law, guidelines for the prevention of corruption and bribery, our non-discrimination and workplace diversity policy, and our guidelines concerning charity, sponsorship and donations.

As in the previous year, we continued the implementation of the Code of Conduct and other policies by means of the "Responsible Actor" training series aimed at senior and middle management, among other activities. We continued the training activities in Finland and also expanded them to Sweden, Norway and Denmark. In 2023, the total number of individual participations in "Responsible Actor" training was 850. For example, as part of the "Responsible Actor" training series, a total of 175 representatives of senior management, middle management and support functions participated in anti-corruption and anti-bribery training in Finland, Sweden, Norway and Denmark.

In early 2023, we introduced an online training on the Code of Conduct for all our employees in Finland. The plan is to expand the online training on the Code of Conduct to our other operating countries in 2024.

PHM Group's Management Team monitors compliance with the company's Code of Conduct and policies. The primary responsibility for monitoring compliance lies with the Group General Counsel and the Director of Corporate Responsibility and Communications.

We comply with the law and our Code of Conduct

We respect human rights and workers' rights. We treat each other and job applicants with respect and equality and without discrimination. We do not condone any form of bullying, harassment or inappropriate conduct. We do not discriminate against anyone based on age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relations, health, disability, sexual orientation or other personal reasons.

We comply with labour law, collective agreements, occupational health and safety regulations, and other obligations. All our employees have a written contract of employment. Our employees enjoy freedom of association. We observe consistent HR practices, operating principles and policies. We use professional payroll calculation to ensure consistent wage payment practices.

We do not condone bribery of any form in our business operations. All PHM Group employees are required to act with integrity and transparency.

In 2023, PHM Group introduced a Group-wide whistleblowing channel for reporting suspected misconduct in the manner stipulated by the applicable legislation. The whistleblowing channel is available to both internal and external stakeholders on the Group's website.

We continued our development effort related to supply chain sustainability in 2023, particularly in Finland. We deployed a supplier portal in 2023 that enables us to more effectively manage the fulfilment of sustainability requirements and other contractual obligations, for example. We also identified blacklisted suppliers with whom we will no longer cooperate due to various sustainability-related reasons. We will continue the development of sustainable procurement in 2024, particularly in our operating countries outside Finland, by strengthening procurement capabilities.



The development of good governance is a process of continuous learning

PHM Group Holding Oyj has operated as a public limited liability company in accordance with the Finnish Limited Liability Companies Act since the early summer of 2022, when our first bond was listed on the Helsinki stock exchange. Prior to the listing of the bond, we took significant steps in the areas of good governance, reporting and communications, but our efforts did not end with the listing of the bond.

Among other development areas, we have focused heavily on the Group's risk management, adopted operating practices required by insider regulations, and enhanced various internal controls.

"Acquiring financing from the markets to drive the company towards its growth targets has also meant that we have had an ongoing focus on the development of good governance. The use of bond financing gives PHM Group an obligation to provide reliable and timely financial information to the markets in a transparent manner.

With this in mind, we have been developing the Group's reporting, governance and communications capabilities towards the level required from listed companies since 2022," says **Joni Paananen**, Group General Counsel at PHM Group.

We continued the development of good governance in various ways in 2023. We continued our extensive personnel training efforts on topics such as data protection, competition law, the Code of Conduct and anti-corruption. We expanded the use of our whistleblowing channel to include external stakeholders in addition to internal stakeholders.



In many respects, the year 2023 was characterised by the continued development of previously introduced operating practices based on the experiences we have gained. We are in a good position to move on to the new year.



Joni Paananen
Group General Counsel
PHM Group



A safe and diverse workplace

For us, social responsibility primarily means responsibility for our employees. PHM Group companies had a total of approximately 9,800 employees (LFL) in Finland, Sweden, Norway, Denmark and Germany in 2023. We are a significant employer and, as a growing service company, the number of people we employ will grow further in the future.

Satisfied and committed employees provide the best service to customers. We offer diverse duties, support the career development opportunities of our employees and look after their well-being. We provide our employees with healthy and safe working conditions.

Creating a foundation for the harmonisation of occupational safety

Our employees occasionally work in challenging conditions, and they regularly use various types of machines, vehicles and tools. We also handle various chemicals in our maintenance and cleaning operations. For these reasons, occupational safety is one of our highest priorities. We comply with the occupational safety and health legislation that applies to our operations.

We continued to work in line with our safety strategy in 2023. We conducted an internal safety audit at 19 of our units in Finland (55 in 2022). Based on the audits, we recorded a total of 301 safety deviations, development areas and other observations. We began taking corrective actions in response to the observations in 2023, and this will continue in 2024.

We developed our safety management capabilities in our other operating countries by, for example, specifying

safety requirements at the country and unit levels and by identifying resource needs. The development of centralised safety management and reporting is part of PHM Group's integration plan and also depends on the development stage of each operating country.

We carry out occupational safety-related hazard identification and risk assessments at intervals of two or three years, as needed. Risk assessments were updated in Finland in 2023, and the work will continue in 2024.

In 2023, we deployed a new safety reporting tool in Finland. It enables the reporting and centralised processing of safety observations, near misses, threatening and violent incidents, and occupational accidents. During the year, we also assessed development needs related to safety reporting in our other operating countries. All safety reports are processed by the management of the local unit and, where necessary, with the support of the country organisation.

All of the PHM Group's functions and personnel in Finland are within the scope of the Group's safety management system. In our other operating countries, the harmonisation of safety management began in stages in 2023, and the basic development effort will continue in 2024.

Continued development of safety-related competencies and reporting

We continued the development of our safety training in 2023 by launching a new chemical safety training in Finland, for example. We also updated our induction training process and the related materials, with occupational safety as one of the key themes. In 2024, we will update our job-specific occupational safety training, which will be incorporated into induction training.

In addition, our company provides employees with various training opportunities as necessary and as required by their jobs. Examples of these include occupational safety card training, hot work certification training, first aid training and information security certification training.

PHM Group's lost time injury frequency (LTIF) in Finland was 19.2 in 2023 (26.5 in 2022). The most common types of accidents included slipping and tripping, knocks and impacts, and slashes and cuts.

As the harmonisation of accident reporting had not yet been completed in 2023, the indicator is not available for the other countries. We continuously develop the Group's occupational safety indicators and reporting capabilities.



The reporting capabilities vary between our operating countries due to the different countries being in different stages of development and integration, and due to our strong growth.

A diverse workplace community

We employ people who represent different cultures and age groups and have diverse educational backgrounds or previous career experience. To enable our growth, we have a continuous need to recruit competent professionals, which is why we aim to be a motivating and diverse workplace for professionals regardless of their background.

Diversity management is a key aspect of PHM Group's leadership principles and culture. In 2023, we continued our diversity, equity and inclusion (DEI) training activities in Finland and also expanded them to Sweden, Norway and Denmark.

We support our units in recruitment and induction training. We also encourage our units to develop cooperation with local educational institutions and experiment with participation in various employment projects.

In 2023, we continued to focus on the development of supervisory skills in Finland, particularly with regard to enhancing HR and employment-related competencies. More information is provided in the [Personnel](#) section of our Annual Report.

Employee diversity 2023¹

Age group	Management	White-collar workers	Employees	% of all employees
Under 30	0%	13%	26%	24%
30-50	90%	57%	44%	46%
Over 50	10%	29%	30%	30%
Not specified ²	0%	1%	1%	1%

Gender	Management	White-collar workers	Employees	% of all employees
Men	80%	50%	68%	66%
Women	20%	50%	32%	34%

¹ Data is only available for Finland and Norway. More information on the reporting principles and boundaries is provided in the section "Reporting principles".
² The "Not specified" group consists of employees of companies acquired in the latter part of the year, whose detailed personal information had not yet been entered in the HR system.



Our target is to reduce the number of occupational accidents by 50% each year, compared to the previous year.



Occupational safety at Meranti is based on continuous development

Meranti Siivouspalvelut Oy is a Finnish Oulu-based company that has operated in North Ostrobothnia since 1989, providing its customers with a wide range of services including business premises cleaning, property cleaning, construction cleaning, home cleaning and specialised cleaning. Meranti is known for its high-quality cleaning services and solution-driven attitude that enables it to operate successfully even in the most challenging operating locations.

“Safety is a key aspect of work performance. We always review the tools and methods necessary for work with all of our employees, as well as the safe use of the tools and methods,” says **Marianne Tuomainen**, Head of Unit at Meranti.

Marianne herself has extensive industry experience, having first joined Meranti in 1997.

“At Meranti, we have always been committed to developing our operations. For example, we participated in the PUTUSA research project, as a result of which we introduced air scrubbing at construction sites to make dust particles of various sizes settle. Cleaning work is healthier and safer when the respiratory air is cleaner.”

At Meranti, occupational safety is part of normal work planning and risk management, starting from the induction training of employees. Work clothing, personal protective equipment and the required training and qualifications are all covered,

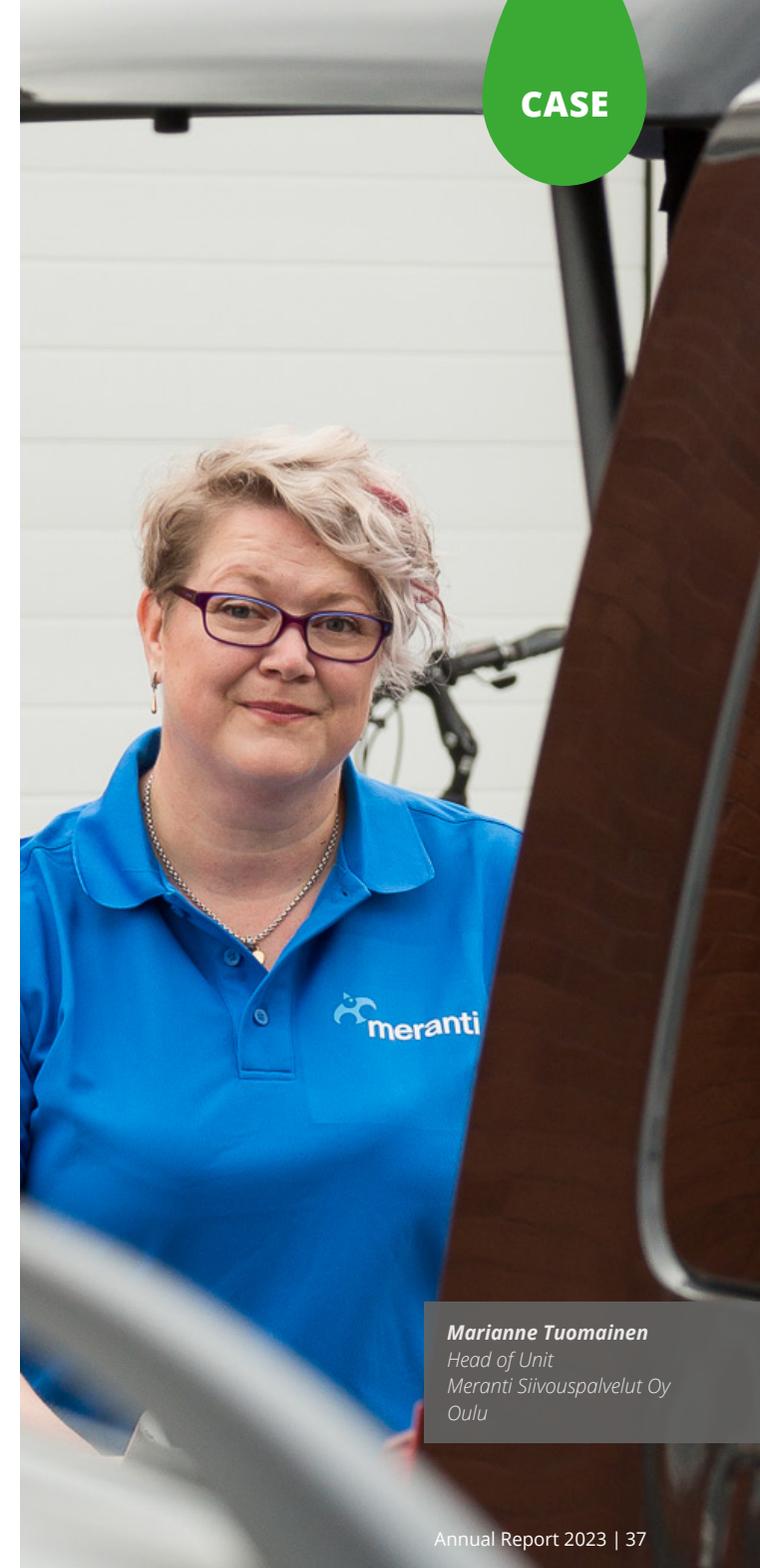
followed by on-site orientation. Employees use Meranti’s online learning environment to complete the required courses on workplace ergonomics, safety and environmental friendliness. Reviewing the safety data sheets of chemicals is part of induction training, as is the use of the correct doses to reduce the environmental load.

“Our ISO 9001 quality management certification and ISO 14001 environmental management certification guide our work to a significant extent, and we are committed to high quality. We also provide training both internally and externally through the Meranti Academy,” Marianne explains.

At Meranti, the starting point for occupational safety risk assessments is always understanding the content of the work, the nature of the cleaning work and the risks involved.



We continuously develop our operations and want to make the industry more highly valued in cooperation with various parties, such as educational institutions. Cleaning is a demanding profession, as cleaners look after the health, safety and comfort of living environments and people on a daily basis.



Marianne Tuomainen
Head of Unit
Meranti Siivouspalvelut Oy
Oulu



The climate and the environment

We operate locally, but we have the strength of a large group of companies. With this in mind, we are aware that our operations may have a significant impact on the environment. We comply with environmental legislation and the regulations issued by the authorities in all circumstances, and we require the same from our subcontractors.

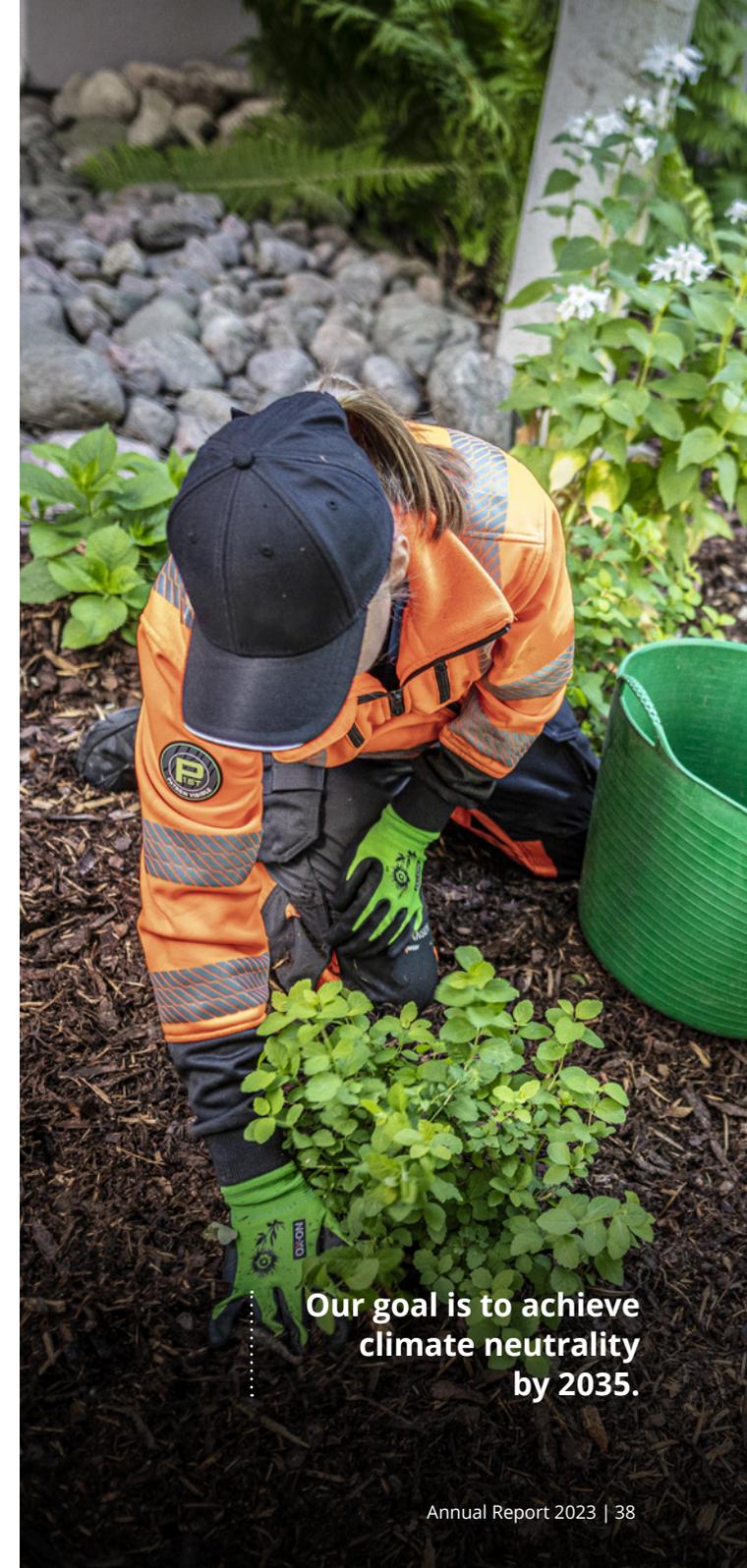
We have identified environmental impacts of our business and are steering our operations towards a less environmentally damaging direction. Reducing greenhouse gas emissions from fuel consumption is one of our main environmental challenges. With that in mind, we are committed to achieving climate neutrality in our own business by 2035. To support the achievement of this goal, we established a Nordic PHM Climate Working Group.

In line with our emission reduction plan, we began to assess alternatives to production vehicles powered by internal combustion engines in 2023. To enable a controlled and economical transition, we launched development projects related to procurement, fleet management and reporting in various countries in the latter part of the year as planned.

We are always close to the customer, which minimises the distances travelled and reduces fuel consumption. Our fleet consists of thousands of vehicles, including vans, cars, lorries, snow removal vehicles and other mobile machines. We take ecological considerations into account in route planning and optimise the structure of our operating areas and units in accordance with potential changes in our contract portfolio. As a rule, we invest in low-emission vehicles and machines.

We updated the Group's car benefit policies in 2023. According to the updated policies, we will prioritise electric and hybrid vehicles as our company cars in the future. In Finland, we decided to switch to electrically powered light machinery, including leaf blowers, mowers, trimmers, saws and similar tools. The transition to electrically powered light machinery will continue in early 2024 in our other operating countries. These measures are aimed at reducing fuel consumption and improving the ergonomics of work.

Individual group companies in different countries have previously had their own environmental programmes and targets, and some of the units are further along in their environmental and climate efforts.



Our goal is to achieve climate neutrality by 2035.



Continued development of emission reporting

The development of our emission reporting is an ongoing effort. The company's strong growth creates a particular challenge with regard to the reporting of emissions. In 2023, we made 29 acquisitions (34 in 2022 and 33 in 2021), which is why our reported absolute greenhouse gas emissions increase sharply from one year to the next.

Over the past few years, we have focused on improving the quality of the data base and reporting related to emissions, and we will continue these efforts in the coming years. Improving our reporting helps us target our emission reduction measures more effectively.

In 2023, we developed our emission reporting particularly with regard to indirect (Scope 3) emissions. We are reporting the Group's Scope 3 emissions in this corporate responsibility report for the first time. The data we use for reporting Scope 3 emissions is still limited and, with the exception of our Finnish operations, based on estimates. As a result, the reporting of Scope 3 emissions involves uncertainty, but it nevertheless helps us establish a better overall picture of our climate impacts and develop our reporting.

More information on the reporting principles and boundaries is provided in the section [Reporting principles](#).

PHM Group's carbon footprint

	2023 ¹	2022	2021
Direct greenhouse gas emissions (Scope 1), tCO ₂ e ²	35,600	29,000	19,000
Energy indirect greenhouse gas emissions (Scope 2), tCO ₂ e ³	10,600	3,000	1,800
Other indirect greenhouse gas emissions (Scope 3), tCO ₂ e ⁴	54,100	44,400	N/A
Total emissions (Scope 1, 2 and 3), tCO ₂ e	100,300	76,400	N/A
Emission intensity (Scope 1 and 2 emissions relative to reported revenue)	74	66	N/A

¹ PHM Group made 25 acquisitions in 2023. The absolute growth in greenhouse gas emissions is therefore mainly attributable to the strong growth of business operations.

² In the calculation of greenhouse gas emissions for 2023, PHM Group's Scope 1 emission data is based on estimates for Denmark and Germany.

³ In the calculation of greenhouse gas emissions for 2023, PHM Group's Scope 2 emission data is based on estimates for Germany.

⁴ In the calculation of greenhouse gas emissions for 2023, PHM Group's Scope 3 emission data is based on estimates for Sweden, Norway, Denmark and Germany.





PHM's customer Lansa Fastigheter wants to be the most responsible company in its industry

Lansa Fastigheter is a long-term customer of FF Fastighetsservice, a unit of PHM Group located in Sweden. Lansa acquires, manages and develops modern rental properties in major Swedish cities and their vicinity, as well as other regional urban centres. The company's objective is to double the value of its property holdings by 2030 in a sustainable manner.

"Our goal is to be the most sustainable and environmentally friendly real estate company in the Swedish market. We take a long-term approach to our property investments, which is why the principles of sustainable development are present in our operations all the way from our strategy to our day-to-day decision-making," says **Anders Woodall**, Director of Property Management at Lansa.

Due to its ambitious environmental goals, Lansa also set strict requirements for its partners. PHM's subsidiary FF Fastighetsservice provides a wide range of services for Lansa's properties, from financial management to the maintenance of indoor and outdoor areas and cleaning. Headquartered in Norrköping, FF Fastighetsservice is a property services company with rich traditions. The company's roots can be traced back to the 1970s.

"We have the same expectations for our partners as we do for ourselves. We are on a shared journey with

FF Fastighetsservice towards lower environmental impacts, and we work together to reduce our climate emissions, among other things," Anders notes.

To support Lansa's environmental goals, FF Fastighetsservice uses electric vehicles and electrically powered tools in its service production, for example. The aim of the cooperation is to continuously reduce the use of fossil fuels. In addition, environmentally friendly products are used in cleaning services to reduce the environmental load.

Lansa Fastigheter has already made excellent progress in its environmental efforts, but the reduction of climate emissions is an ongoing effort. Like other companies, Lansa is now exploring ways to reduce the indirect emissions of its value chain. That can only be accomplished through cooperation with partners.



Our partnership with FF Fastighetsservice has been smooth and effective for a long time. We know each other well and I look forward to our continued cooperation.



Anders Woodall
Director of Property Management
Lansa Fastigheter
Gothenburg, Sweden



Reporting principles

PHM Group Holding Oyj's corporate responsibility report has been prepared with reference to the Global Reporting Initiative (GRI) framework. This report is PHM Group's second corporate responsibility report with reference to the GRI. The reporting period is 1 January 2023 – 31 December 2023. PHM Group publishes a corporate responsibility report once a year in connection with annual reporting. The annual report has been published in the week starting on 22 April 2024 (week 17).

As a rule, all of the companies that are within the scope of PHM Group's financial reporting are included in our corporate responsibility report, except where otherwise mentioned in connection with performance indicators, for example. Due to the high level of acquisition activity, PHM Group constantly has subsidiaries whose integration into the Group has not been completed yet. The operating countries are also at very different development stages, which is why comprehensive data may not be available for all of the countries. Finland is ahead of our other operating countries in the integration effort. In Sweden, Norway and Denmark, integration progressed according to plan compared to the previous year. In Germany, however, the integration effort did not yet fully begin in 2023. PHM Group's revenue in 2023 was distributed as follows: Finland 40%, Sweden 27%, Norway 17%, Denmark 9% and Germany 7%.

PHM Group's corporate responsibility reporting is based on the guidelines, principles and calculation methods specified by the GRI. Reporting boundaries are mentioned in connection with the reported performance indicators.

Due to the Group's strong acquisition-driven growth and the different development stages of the operating countries, at the time of reporting PHM Group is not able to report on the figures and information of all of its operating countries in a fully consistent manner. Incomplete integration processes, for example, have a material impact on PHM's current reporting capabilities. PHM Group strives to continuously develop its sustainability reporting.

In 2023, PHM Group began preparing for the effects of the EU's Corporate Sustainability Reporting Directive (CSRD) and the implementation of the European Sustainability Reporting Standards (ESRS) related to the CSRD. PHM Group's reporting will be aligned with the CSRD starting from the financial period 2024.

PHM Group's sustainability report has not been subject to external assurance. The sustainability report has been approved by the company's Board of Directors.

Identification of material topics of sustainability

PHM Group's corporate responsibility strategy comprises three key focus areas: good governance, a safe and diverse workplace, and the climate and the environment.

The identification of the material topics of corporate responsibility was based on internal interviews, analysis of sustainability trends, benchmarking and the UN Sustainable Development Goals. This assessment produced a list of themes that were prioritised and digested to form the three key focus areas depending on their significance to our business operations and PHM Group's long-term development.

The materiality assessment will be updated as necessary. We are open to feedback regarding the focus areas and results of our corporate responsibility efforts. The person in charge of the development of sustainability and corporate responsibility at PHM Group is the Director of Corporate Responsibility and Communications Hanna Haapakoski, hanna.haapakoski@phmgroupp.com.



GRI content index

GRI standard	GRI code	GRI content	Location
	General disclosures		
	2-1	Organisational details	PHM Group in brief
	2-2	Entities included in the organisation's sustainability reporting	Reporting principles
	2-3	Reporting period, frequency and contact point	Reporting principles
	2-5	External assurance	Reporting principles
	2-6	Activities, value chain and other business relationships	Business operations
	2-7	Employees	Personnel
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	<p>Good governance</p> <p>PHM Group has a whistleblowing channel for reporting suspected misconduct in the manner stipulated by the applicable legislation. The whistleblowing channel can be accessed via the Group's website, and the employees have been informed of the channel. The Group's whistleblowing committee processes the notifications submitted via the channel anonymously.</p> <p>In 2023, PHM Group received less than five notifications via the whistleblowing channel. The notifications mainly concerned the management of employment relationships and other HR-related issues. While PHM Group's interpretation is that these matters are not primarily within the scope of the whistleblowing channel, each case was appropriately investigated.</p> <p>In addition to using the whistleblowing channel, suspected misconduct can be reported to the supervisor, the supervisor's supervisor or the Management Team.</p>



GRI standard	GRI code	GRI content	Location
	General disclosures		
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	Our approach to corporate responsibility
	2-22	Statement on sustainable development strategy	CEO's review
	2-23	Policy commitments	Good governance , A safe and diverse workplace , The climate and the environment PHM Group's policies and guidelines are internal. The policies and guidelines are available to the personnel via the company's intranet. The employees are also provided with training to support the practical implementation of the policies. For suppliers and subcontractors, the Group's policies and operating practices are incorporated into purchase agreements.
	2-24	Embedding policy commitments	Good governance , A safe and diverse workplace , The climate and the environment
	2-26	Mechanisms for seeking advice and raising concerns	Good governance PHM Group has a whistleblowing channel for reporting suspected misconduct in the manner stipulated by the applicable legislation. The whistleblowing channel can be accessed via the Group's website, and the employees have been informed of the channel. The Group's whistleblowing committee processes the notifications submitted via the channel anonymously. In 2023, PHM Group received less than five notifications via the whistleblowing channel. The notifications mainly concerned the management of employment relationships and other HR-related issues. While PHM Group's interpretation is that these matters are not primarily within the scope of the whistleblowing channel, each case was appropriately investigated. In addition to using the whistleblowing channel, suspected misconduct can be reported to the supervisor, the supervisor's supervisor or the Management Team.
	2-27	Compliance with laws and regulations	Good governance , A safe and diverse workplace , The climate and the environment During the reporting period, a Finnish subsidiary of PHM Group Holding was the respondent in a legal case concerning occupational safety, which resulted in a corporate fine being imposed in 2023. The legal proceedings are still pending and the verdict is not legally binding.
	2-28	Membership associations	PHM Group is a member of the Finnish Business & Society network (FIBS) and the Taxpayers Association of Finland. Individual local companies may be members of organisations or associations in the Group's various operating countries.
	2-29	Approach to stakeholder engagement	Our approach to corporate responsibility , Reporting principles
	2-30	Collective bargaining agreements	As a rule, PHM Group's personnel are within the scope of universally binding collective agreements in accordance with the personnel category they belong to.



GRI standard	GRI code	GRI content	Location
Material Topics			
GRI 3: Material Topics 2021	3-3	Management of material topics	Our approach to corporate responsibility , Good governance , A safe and diverse workplace , The climate and the environment
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Our approach to corporate responsibility
Anti-corruption			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Good governance
Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	The climate and the environment
	305-2	Energy indirect (Scope 2) GHG emissions	The climate and the environment
	305-3	Other indirect greenhouse gas emissions (Scope 3)	The climate and the environment
	305-5	Reduction of GHG emissions	The climate and the environment
	205-2	Communication and training about anti-corruption policies and procedures	Good governance
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Good governance In 2023, PHM Group assessed suppliers and subcontractors on the basis of environmental criteria in connection with the Group's largest centralised purchases. PHM Group will develop supplier and subcontractor assessments and the setting of requirements in 2024.
	308-2	Negative social impacts in the supply chain and actions taken	The climate and the environment In 2023, PHM Group assessed suppliers and subcontractors on the basis of environmental criteria in connection with the Group's largest centralised purchases. PHM Group will develop supplier and subcontractor assessments and the setting of requirements in 2024. PHM Group was informed of isolated incidents of environmental violations or unlawful conduct in the supply chain in 2023. Cooperation with the suppliers and subcontractors in question was terminated in 2023.
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Personnel In 2023, the exit turnover in the Group companies (Finland) was 25.8%.



GRI standard	GRI code	GRI content	Location
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<u>A safe and diverse workplace</u>
	403-2	Hazard identification, risk assessment and incident investigation	<u>A safe and diverse workplace</u>
	403-3	Occupational health services	<u>Personnel</u>
	403-5	Worker training on occupational health and safety	<u>A safe and diverse workplace</u>
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>A safe and diverse workplace</u>
	403-8	Workers covered by an occupational health and safety management system	All PHM Group employees are covered by occupational health and safety activities.
	403-9	Work-related injuries	<u>A safe and diverse workplace</u> There were no fatal occupational accidents in the Group in 2023. There was one serious accident (Finland).
	403-10	Work-related ill health	<u>A safe and diverse workplace</u> PHM Group was not informed of any work-related illnesses or occupational diseases in 2023.
Training and Education			
GRI 404: Training and Education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	<u>Personnel</u>
	404-3	Percentage of employees receiving regular performance and career development reviews	All PHM Group employees are within the scope of performance and career development reviews.
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	<u>A safe and diverse workplace</u>



GRI standard	GRI code	GRI content	Location
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<u>Good governance</u> In 2023, PHM Group assessed suppliers and subcontractors on the basis of social impacts criteria in connection with the Group's largest centralised purchases. PHM Group will develop supplier and subcontractor assessments and the setting of requirements in 2024.
	414-2	Negative social impacts in the supply chain and actions taken	<u>Good governance</u> In 2023, PHM Group assessed suppliers and subcontractors on the basis of social impacts criteria in connection with the Group's largest centralised purchases. PHM Group will develop supplier and subcontractor assessments and the setting of requirements in 2024. PHM Group was informed of isolated violations or negative impacts in the supply chain in 2023. Cooperation with the suppliers and subcontractors in question was terminated in 2023.



Corporate Governance Statement



Corporate Governance Statement
Board of Directors
Group Management Team



PHM Group Holding Oyj – Corporate Governance Statement

PHM Group Holding Oyj (“**PHM**”) is a public limited liability company registered in Finland whose bond issue is subject to public trading on Nasdaq Helsinki Ltd. In its decision-making and governance, PHM observes the Finnish Limited Liability Companies Act (624/2006, including amendments), other applicable legislation and the rules and guidelines of Nasdaq Helsinki Ltd.

A significant proportion of the principles and norms governing PHM Group’s governance and operations are documented in the Group’s various operating policies and guidelines. Examples of these policies include the following:

- Code of Conduct
- Competition law policy
- Insider policy
- Disclosure policy
- Risk management policy
- Decision and approval thresholds
- Security and data protection policy

Group and ownership structure

PHM is the Group’s management company. Its business operations, which are carried out primarily through the Group’s operational subsidiaries, consist of property maintenance and management of residential properties and other real estate services.

On 31 December 2023, PHM had a total of 197 directly or indirectly wholly-owned subsidiaries in Finland, Sweden, Norway, Denmark and Germany. PHM is a wholly-owned subsidiary of PHM Group TopCo Oyj (“**TopCo**”). TopCo’s

three most significant shareholders in terms of shares and voting rights on 31 December 2023 were as follows: Norvestor Fund VIII SCSp, 51.4% of votes and 38.8% of shares; Intera Fund III Ky, 7.7% of votes and 9.69% of shares; and Mivi Capital Oy, 7.07% of votes and 8.90% of shares. The remaining shares and votes in TopCo are held by other investors and the key employees of PHM. TopCo’s shares and other securities are not subject to public trading. PHM’s controlling entity, as defined in Chapter 2, Section 4 of the Securities Markets Act (746/2012, as amended) is Norvestor Fund VIII SCSp, a fund managed by Norvestor Equity AS.

Annual General Meeting

The Annual General Meeting of Shareholders is the company’s supreme decision-making body. Shareholders participate in the company’s oversight and management through decisions made at the Annual General Meeting. As a rule, the Annual General Meeting is convened by the Board of Directors. Pursuant to the Finnish Limited Liability Companies Act, a General Meeting must also be convened if the company’s auditor, or shareholders representing at least one-tenth of all issued shares, so demand in writing.

According to the Finnish Limited Liability Companies Act and the company’s Articles of Association, the Annual General Meeting must be held annually within six (6) months of the end of each financial period.

The Finnish Limited Liability Companies Act and the company’s Articles of Association set out the matters to be discussed at the Annual General Meeting, including the adoption of the financial statements, the use of the profit shown on the balance sheet, the election and remuneration of the company’s Board of Directors and auditor, and other matters that, according to the Articles of Association, are to be decided by the Annual General Meeting.

PHM’s Annual General Meeting held on 10 May 2023 adopted the financial statements for the period 1 January–31 December 2022 and discharged the members of the Board of Directors and the CEO from liability. In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that the loss of EUR 430,736.63 shown on the company’s non-restricted shareholders’ equity be covered with subsequent earnings and that no separate measures to adjust the shareholders’ equity be taken. No dividend was distributed. The Annual General Meeting further decided to re-elect the



members of the Board of Directors and to re-elect the audit firm KPMG Oy Ab as the company's auditor, with Turo Koila, APA, acting as the responsible auditor named by KPMG Oy Ab. The Annual General Meeting resolved to pay annual remuneration of EUR 18,000 to Ståle Angel and Svein Olaf Stølen. No remuneration is paid to other members of the Board of Directors. In addition, the company compensates the travel expenses of the members of the Board of Directors in accordance with the company's applicable policies in effect at any given time. The Annual General Meeting resolved that the auditor will be paid remuneration against their invoice.

Board of Directors

According to PHM's Articles of Association, the Board of Directors has 1–6 members. The members are elected by the Annual General Meeting. A Board member's term starts from the Annual General Meeting at which they are elected, and ends at the conclusion of the next Annual General Meeting. The composition of the Board of Directors must take into account the requirements arising from the company's operations, the company's stage of development, and the applicable legislation.

The role of the Board of Directors is to promote the interests of the company and all of its shareholders. The Board of Directors has confirmed a written Charter that specifies the Board's duties, matters to be discussed, meeting practices and decision-making procedures. In accordance with the Charter, the Board of Directors discusses, and decides on, matters that are of financial significance or business significance, or significant in terms of principles. Group CFO Petri Pellonmaa acts as the secretary to the Board of Directors.

The Annual General Meeting re-elected Karl Svozilik, Marika af Enehjelm, Ståle Angel, Svein Olav Stølen and Tuomas Sarkola as members of the Board of Directors. Ståle Angel and Svein Olav Stølen were each paid EUR 18,000 per year for membership of the Board of Directors. No fees were paid to the other members of the Board of Directors.

The Chair of PHM's Board of Directors is Karl Svozilik. The Board of Directors has not established separate committees.

The principles concerning the diversity of the Board of Directors are taken into account in the election of the members of the Board of Directors. There are three different nationalities represented on the Board of Directors. Of the members of the Board of Directors, three are aged 30–50 and two are over 50 years of age. Various professional and academic backgrounds are represented in the Board of Directors. The Board of Directors has one female member and four male members.

CEO and Management Team

Ville Rantala is the CEO and Group CEO of PHM. The company's Board of Directors appoints the CEO and oversees their actions. The terms of the CEO's employment relationship are set out in a written service contract approved by the Board of Directors. The duties of PHM's CEO correspond to the provisions of the Limited Liability Companies Act.

The CEO is responsible for ensuring that the company's accounting complies with the law and that the management of the company's assets is appropriately organised. The CEO is in charge of the company's day-to-day operations in accordance with the strategic principles and objectives approved by the Board of Directors and the action plans and general principles confirmed by the Board (general authority to render decisions). The CEO is responsible for preparing decision proposals and matters for Board meetings and presenting them to the Board. The CEO submits a proposal on the members of the Management Team to the Board, exercises the shareholder's right to be heard and the right to vote in subsidiaries, and serves as the Chair of PHM Group Management Team.

On 31 December 2023, PHM Group's Management Team consisted of Group CEO Ville Rantala and the following members: Petri Pellonmaa (CFO); Toni Mannila (Country Director, Finland); Andreas Westin (Country Director, Sweden); Tommy Fredriksen (Country Director, Norway); Kasper Bygholm (Country Director, Denmark); Eeva Tielinen (HR Director);

Juha Allonen (CIO); Joni Paananen (Group General Counsel); and Hanna Haapakoski (Director, Corporate Responsibility and Communications).

Two of the ten members of PHM Group's Management Team are female. Of the members of the Management Team, nine are aged 30–50 and one is over 50 years of age. Various professional and academic backgrounds as well as four different nationalities are represented in the Management Team.

Insider issues

PHM Group Holding Oyj complies with the EU Market Abuse Regulation ((EU) 596/2014 as amended, "**MAR**") in insider issues and with the lower-lever regulation issued pursuant thereto as well as with the Finnish Securities Markets Act (746/2012 as amended, "**SMA**"), regulation and guidelines issued by the competent authorities, and the applicable rules for issuers of shares and the Guidelines for Insiders by Nasdaq Helsinki Ltd (the "**Stock Exchange**"). These are supplemented by the company's own Insider Policy, which is designed to provide clear instructions and rules for the management of insider issues, the disclosure of insider information, the maintenance of insider lists, and transactions by persons discharging managerial responsibilities and persons closely associated with them.

The company's insider manager is Group General Counsel. The company's insider manager is also responsible for maintaining the company's insider lists, for the management of trading restrictions and the obligation to notify and disclose transactions as well as for maintaining a list of the company's persons discharging managerial responsibilities and their related parties. Group CFO acts as the substitute for the insider manager.

Disclosure of inside information and delayed disclosure

The company discloses inside information at the earliest opportunity, unless a decision is made to delay disclosure



pursuant to the delaying of disclosure conditions laid down in MAR. Decisions on the disclosure of inside information are made by the company's Board of Directors. The company discloses inside information by means of stock exchange releases.

Trading restrictions

The company complies with the trading restrictions stipulated in MAR with regard to persons discharging managerial responsibilities (closed window). The closed window begins 30 days prior to the publication date of financial results. The company informs the persons discharging managerial responsibilities that they are subject to the closed window.

Notification of transactions

Persons discharging managerial responsibilities and persons closely associated with them must notify the Finnish Financial Supervisory Authority (FIN-FSA) of their transactions involving the company's financial instruments without delay, and no later than within three business days of the transaction (T+3). The notifications are made using the electronic form provided on the FIN-FSA website and submitted to the FIN-FSA in accordance with the instructions on the website.

For the company to be able to publish the received transaction notifications received within the required timeframe, the persons discharging managerial responsibilities and persons closely associated with them must notify the company of their transactions in connection with the notification to the FIN-FSA. These notifications are made by sending the form submitted to the FIN-FSA to the company. The company publishes the received transaction notifications in the form of a release without delay, and no later than within two business days of receiving the notification from persons discharging managerial responsibilities and persons closely associated with them. The company does not separately verify the accuracy of the notifications it receives.

Internal control and risk management

Internal control is part of PHM's governance and management. The responsibility for the organisation of the control function lies with PHM's Board of Directors and CEO. The chain of responsibility extends throughout the Group organisation, with every member of the organisation being responsible to their direct supervisor for carrying out the applicable control measures and presenting their observations. The most significant internal control observations are also discussed by PHM Group's Management Team and PHM's Board of Directors.

Risk management and PHM's operating principles and values are also integral aspects of PHM's governance. PHM's risks are categorised as follows:

- Risks related to business operations
- Risks related to the Group's financing
- Changes in the operating environment
- Risks related to regulatory compliance

Risk management at PHM is a process of assessment, planning, administration and control that relates to the Group's operating environment, business operations, personnel, and sustainability. Risk management at PHM is part of the Group's strategy work, decision-making, and day-to-day management and operations.

The objective of PHM's risk management is to prevent and minimise the impact of potential risks with regard to the achievement of PHM's targets and the implementation of the Group's strategy.

Risk management process and the implementation of risk management measures

PHM Group's Management Team carries out a risk management assessment at least once a year. The assessment is reviewed by the Board of Directors. The aim of the annual risk analysis is to identify high-level risks and draw up action plans to mitigate them. In addition, the Board of Directors confirms the risk management policy

and discusses PHM's most significant risks and uncertainties at its meetings as necessary.

Risk management measures are planned on the basis of the risk assessment, and they are continuously reviewed and updated by PHM Group's Management Team. The observations made regarding internal control are also taken into account in the risk management process.

Responsibility for the implementation of risk management lies with the management of the relevant business operations and PHM's Group-level functions. PHM's Group Management Team coordinates the risk management process and is responsible for risk reporting, as well as for identifying risks and determining risk management measures in cooperation with the businesses and the Group's support functions. All PHM employees are required to be aware of, and manage, the risks within their respective areas of responsibility.

Audit

The company's financial year is the calendar year. Pursuant to the Articles of Association, the company has one auditor, which must be an audit firm approved by the Finnish Patent and Registration Office.

According to the Articles of Association, the term of the auditor corresponds to the financial period. The term of the auditor ends at the conclusion of the Annual General Meeting following their election. In accordance with the applicable legislation, the auditor issues an auditor's report to the shareholders in connection with the company's financial statements and reports to the Board of Directors regularly on the auditor's observations. The Board of Directors is responsible for evaluating the auditor's independence and the auditor's non-audit services with regard to the company.

During the financial period 1 January–31 December 2023, PHM's auditor was the audit firm KPMG Oy Ab. The audit firm has designated Turo Koila, Authorised Public Accountant, as the auditor with principal responsibility.



Board of Directors



Karl Svozilik b. 1979

Chairman of the Board of Directors since 2020

Mr Svozilik is a Partner at Norvestor. He is also the Chairman of the Board of Directors of First Camp and Tyro Group, and a member of the Board of Directors of VENI Energy Group.



Ståle Angel b. 1960

Member of the Board of Directors since 2020

Mr Angel is a Partner at FAM Vekst and Ingvarda and also serves as a member of the Board of Directors of First Camp, BST and 4SERVICE.



Marika af Enehjelm b. 1974

Member of the Board of Directors since 2020

Ms af Enehjelm is a Partner at Norvestor. She also serves as the Chairman of the Board of Directors of Pinja and Rantalainen, and she is a member of the Board of Directors of FVCA and BST.



Tuomas Sarkola b. 1988

Member of the Board of Directors since 2020

Mr Sarkola is a Partner at Intera Partners and also serves as a member of the Board of Directors of HögforsGST and Cervi Talotekniikka.



Svein Olav Stølen b. 1959

Member of the Board of Directors since 2020

Mr Stølen is the CEO of Tyro Group. He is also the Chairman of the Board of Directors of Nomor Holding and PELIAS Skadedyrforvaltning.



Group Management Team



Ville Rantala b. 1971
Group CEO
Member of the Management Team since 4/2020



Toni Mannila b. 1977
Country Director, Finland
Member of the Management Team since 4/2021



Andreas Westin b. 1980
Country Director, Sweden
Member of the Management Team since 6/2022



Tommy Fredriksen b. 1974
Country Director, Norway
Member of the Management Team since 11/2023



Kasper Bygholm b. 1987
Country Director, Denmark
Member of the Management Team since 6/2023



Petri Pellonmaa b. 1980
Group CFO
Member of the Management Team since 4/2020



Eeva Tielinen b. 1978
HR Director
Member of the Management Team since 9/2020



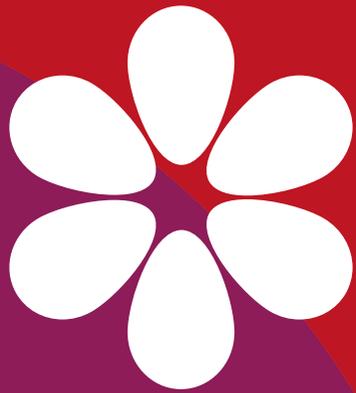
Juha Allonen b. 1981
CIO
Member of the Management Team since 9/2020



Hanna Haapakoski b. 1983
Director, Corporate Responsibility and Communications
Member of the Management Team since 5/2022



Joni Paananen b. 1979
Group General Counsel
Member of the Management Team since 9/2020



phm*

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