Parmaco Group Sustainability Report 2025

Environmental, social and governance performance and progress



PARMACO

A message from our CEO

Change is a constant in the communities we serve. Populations grow and decline, businesses evolve, and public services adapt as new needs emerge. Yet the buildings created to support them have traditionally been designed to stay the same.

At Parmaco, we believe the built environment should be able to change too.

For more than 60 years, we have developed essential social infrastructure that responds to changing needs. We call this dynamic architecture: high-quality buildings designed to evolve throughout their lifecycle. Combined with our rental model, this allows buildings to serve communities where they are needed, for as long as they are needed.

That thinking also shapes our approach to ESG. We aim to use resources more efficiently, reduce environmental impact and strengthen responsible practices across our business.

This report brings together Parmaco Group's environmental, social and governance performance. It provides a transparent view of where we stand today, from climate impact and circularity to health and safety, our people and responsible business practices – as well as the areas where we still have work to do.

We are continuing to strengthen our data, processes and ambitions. This report is therefore both an account of our progress and a foundation for what comes next.

Jukka Joutsenkoski
CEO, Parmaco Group



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01

About Parmaco and this report

Built for one need.
Ready for the next.



Parmaco at a glance | 2025





400+
dynamic rental buildings

100+
public-sector customers

€94m
turnover

>90%
of total revenue from rental operations

366,000 m²
total rental space

273
employees

Owned by
Partners Group



Parmaco operations

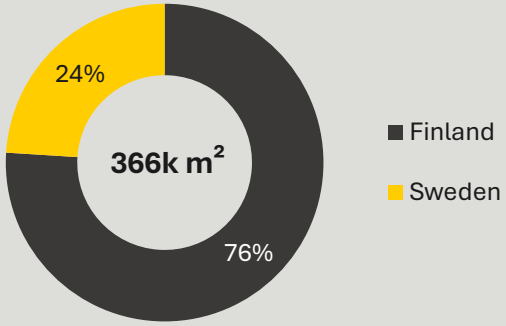
Principal markets are Finland and Sweden, with partner operations in Denmark and Germany.

- Headquarters
- Offices/Sales representation
- Pre-assembly facilities & warehouses
- Third-party partners

Skellefteå
Pyhäjoki
Leppävirta
Tampere
Hämeenlinna
Helsinki (Espoo)
Vedyxa
Västerås
Stockholm
Pre-assembly (3rd party)
Traryd
Malmö
Copenhagen
Hamburg (GmbH)

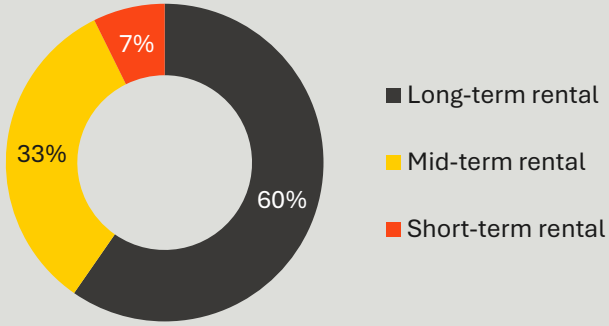
#1 in modular rental in Finland, supported by growth in Sweden

Rented space by market, 2025



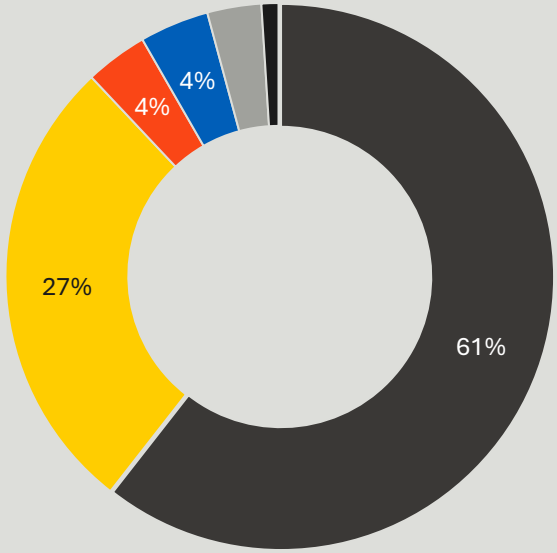
Permanent building quality and flexibility for long-term needs

Rented space by business type[1], 2025



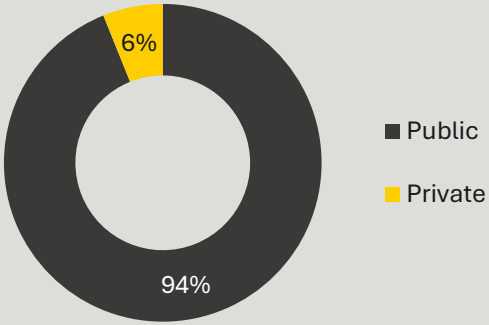
Enabling essential services with non-cyclical demand

Rented space by segment, 2025



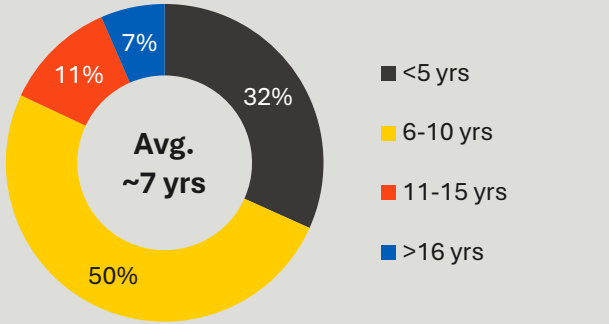
Strong exposure to public-sector customers

Turnover by customer type, 2025



A young module fleet with long-term potential

Module fleet by age, 2025



[1] Business type categorization is based on forecast total rental contract length: long-term rental (≥10 years), mid-term rental (5–10 years), and short-term rental (≤5 years). Source: Parmaco analysis

Business model and strategy

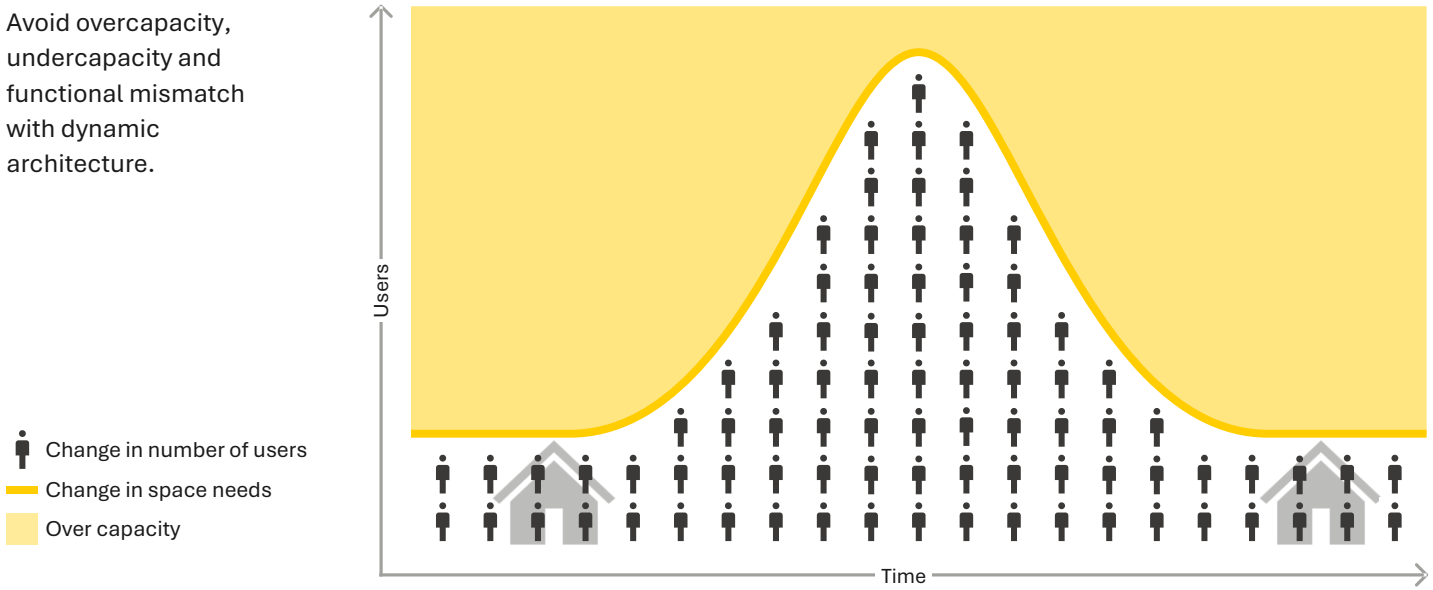
Parmaco is a pioneer of dynamic architecture, designing, building, owning and renting high-quality buildings for medium- to long-term social infrastructure needs.

With roots in Finland dating back to the 1960s, our buildings serve education, daycare, healthcare, office, residential and other community needs across our European markets.

More than 94% of the portfolio is rented to AA+-rated public-sector customers.



Avoid overcapacity, undercapacity and functional mismatch with dynamic architecture.



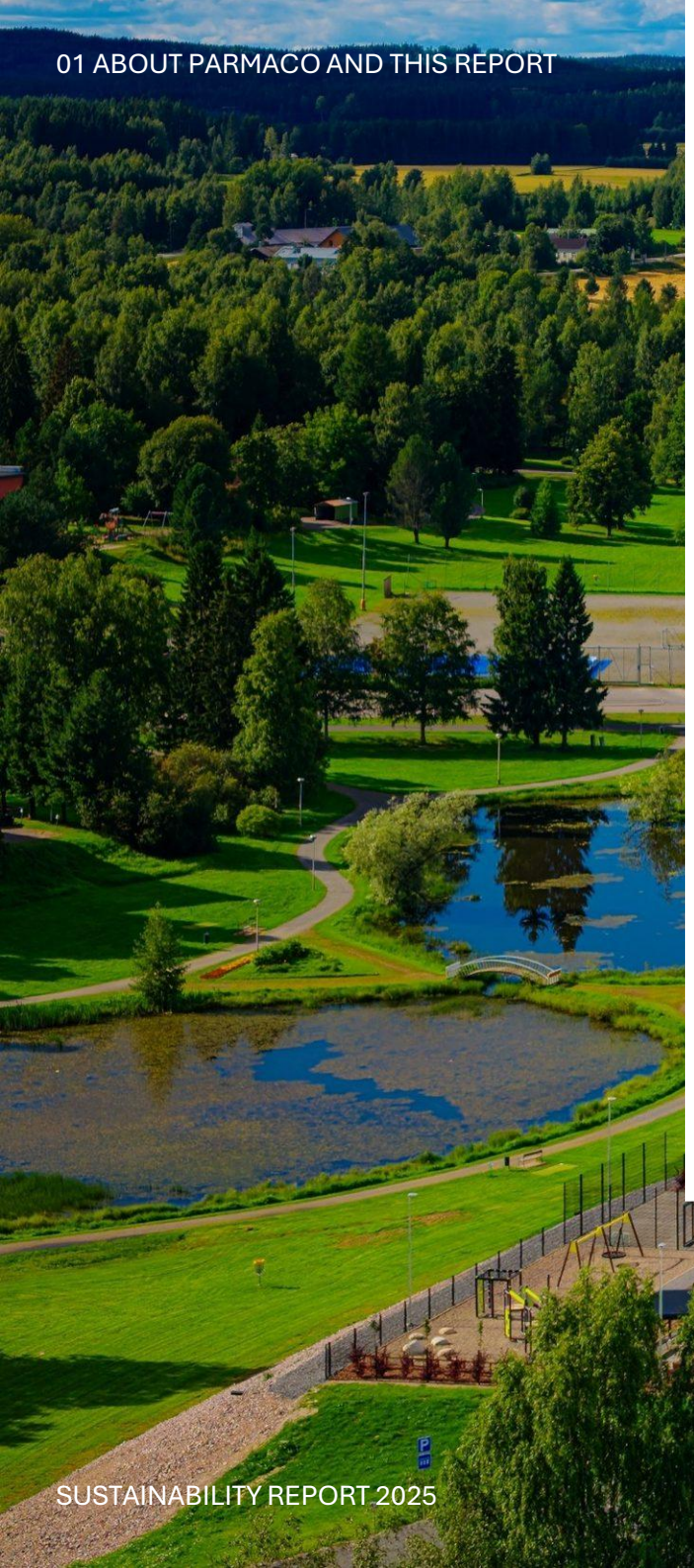
Dynamic architecture

Dynamic architecture is designed around changing needs rather than one fixed use, place or point in time. Parmaco buildings can be resized, reconfigured, repurposed and relocated, allowing the same building or its modules to serve new purposes over time.

This adaptability addresses two fundamental challenges in the built environment: inefficient space utilization and the environmental impact of new construction. In Finland, average occupancy in government office premises was reported at just 28% in 2023[1], while the buildings and construction sector accounts for approximately 37% of global CO_2 emissions[2].

By enabling buildings to evolve with changing demand, Parmaco helps optimize the use of existing building resources, extend their useful life and reduce the need for new construction.

[1] Senate Properties, as reported by Yle News, June 8, 2023. Government to sell off under-used office space.
[2] UN Environment Programme (UNEP), 2026. Global Status Report for Buildings and Construction 2025–2026, published with the Global Alliance for Buildings and Construction (GlobalABC).



Rental and ownership model

Parmaco's business is primarily based on long-term rental. In total, 93% of our rented floor area is covered by mid- to long-term rental contracts, with rental operations accounting for approximately 90% of total company turnover. These agreements are primarily with government backed public-sector counterparties and enable the provision of legally required essential welfare system services in healthy spaces in all geographic locations, beyond the reach of traditional real estate. A strong track record of renewals, combined with inflation-linked rent adjustments, provides a resilient and predictable revenue base.

Across Finland and Sweden, we serve more than 100 public-sector customers, with public-sector comprising 94% of Parmaco's total turnover.

Retaining ownership of the rental portfolio is fundamental to our space-as-a-service business model. It gives us a long-term interest in the quality, durability and flexibility of each building, while enabling buildings to be resized, reconfigured, relocated and reused as customer needs change.

Integrated operating model

Parmaco manages more than 400 dynamic rental buildings with a total rented floor area of approximately 366,000 m^2. Our principal markets are Finland and Sweden, with partner operations in Denmark and Germany.

Our vertically integrated operating model spans sales, design, project delivery, building management and modular pre-assembly. Timber and steel modules are pre-assembled primarily at Parmaco facilities in Finland, complemented by outsourced facility partners for flexibility and geographic reach.

This integrated approach gives us oversight and control across key stages of the building lifecycle, supporting consistent management of quality, resource use and long-term asset performance. It also enables continuous product development and innovation, while creating opportunities to improve operational efficiency across the business.



Circularity by design

Circularity is built into the way we design and manage our buildings. Rather than following a linear model in which a building is created for one use and eventually replaced, buildings and components are designed to remain in circulation across different locations and purposes.

This helps preserve the value of materials already in use, extend building lifecycles and reduce demand for new construction resources. It does not remove the environmental impact of construction, but it creates opportunities to use materials more efficiently and support repeated rental cycles over time.

Parmaco's modular buildings are designed for extended technical lifespans, with timber structures designed to last more than 50 years and steel structures up to 100 years. With an average module age of around seven years, the current portfolio remains relatively young in relation to its potential technical lifespan, providing a strong foundation for continued use across multiple rental cycles.

Parmaco's third-party validated Life Cycle Assessment shows how dynamic architecture can reduce greenhouse gas emissions across a building's lifecycle.

Up to 25%

lower GHG emissions

Through the use of lower-impact construction materials and a more energy-efficient construction process, a Parmaco building can achieve up to 25% lower GHG emissions compared with conventional construction.

Up to 29%

lower GHG emissions through right-sizing

The reduction can increase to 29% when a building is scaled up or down as needs change, helping to avoid the emissions associated with maintaining underutilized space.[1]

Up to 72%

lower GHG emissions through relocation and reuse

When a building is relocated three times to meet changing needs, emissions can be reduced by up to 72% compared with constructing new static buildings for each need. This is enabled by Parmaco's fleet of flexible, dynamic buildings, designed for asset lives of up to 100 years.[2]

[1] Parmaco LCA calculation by Sweco (Gaia), 2023, using OneClickLCA. Comparison against a conventional concrete school with a 50-year lifetime.
[2] Parmaco LCA calculation by Sweco (Gaia), 2023, using OneClickLCA. Scenario compares one Parmaco school relocated three times over 50 years with four conventional buildings constructed for separate needs.

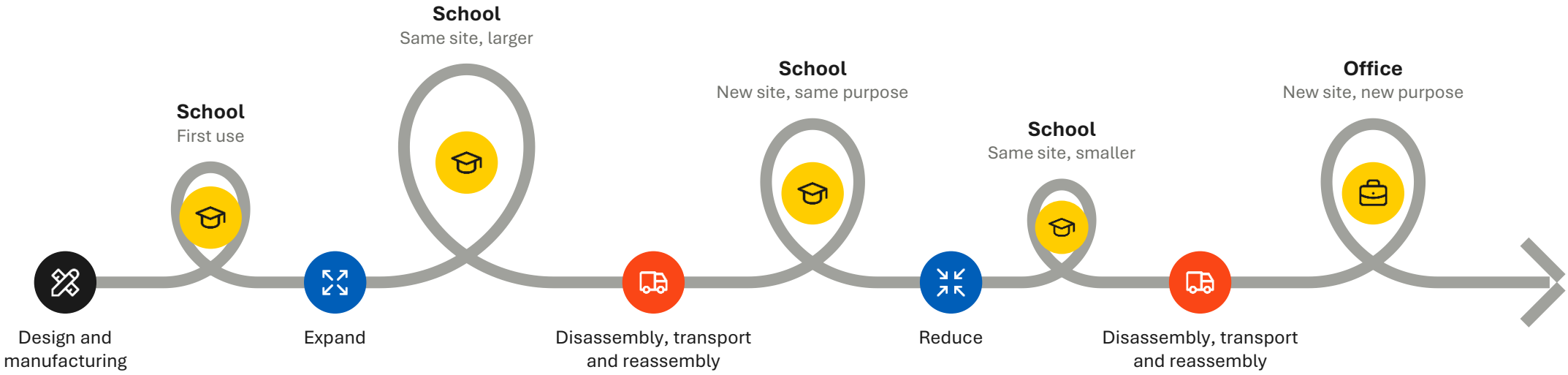




One building, many lives

Parmaco's rental model enables buildings to remain in use as needs change. By retaining ownership, Parmaco can resize, reconfigure and relocate buildings across different locations and purposes, extending their useful life and preserving the value of materials already in circulation.

→ The full lifecycle of a Parmaco building, p. 35



Our ESG approach

Parmaco's ESG priorities are closely connected to the way our business operates and the impacts we create across our own operations and value chain.

Our approach focuses on understanding where those impacts are most significant, identifying the risks and opportunities they create, and using this insight to guide how we develop our buildings, manage our operations and work with customers, employees, suppliers and partners.

Ambition

Leading the market shift toward circular buildings to create positive impact for people, communities and the planet.

Priorities

- Creating value for customers through lower-impact building solutions
- Reducing emissions in our own operations and value chain
- Enhancing circular economy through product design and our business model



Parmaco ESG framework

VISION

WHAT ARE WE AIMING TO ACHIEVE WITH SUSTAINABILITY

PARMACO SUSTAINABILITY AMBITION

By leading the market shift toward circular buildings, we aim to create a positive impact for people, communities and the planet.

MISSION

OUR FOCUS AREAS

- **Creating value for customers through lower-impact building solutions**
- **Reducing emissions in our own operations and value chain**
- **Enhancing circular economy through product design and business model**

VALUES

DEVELOPMENT THEMES

Creating value for customers through lower-impact building solutions

- Continuously improve energy efficiency in our buildings
- Influence energy efficiency criteria in public buildings
- Promote use of renewable energy in buildings during use stage
- Ensure maximum utilization rate of our building fleet

Reducing emissions in our own operations and value chain

- Measure our climate impact and the means to diminish it
- Improve transparency on emissions and climate strategy
- Secure access to carbon neutral raw materials

Enhancing circular economy through product design and business model

- Develop standardization and flexibility of modular building systems
- Ensure long life cycle of products
- Increase the use of recycled materials
- Ensure recyclability of materials at the end of product life cycle
- Enhance visibility for current circular economy practices

ESG PILLARS

Environmental

- Creating lower-impact building solutions
- Reducing emissions in our own operations and value chain
- Enhancing circular economy and maximum life-time utilization through product design and business model development
- Maintaining an environmental management system

Social

- Improving national reach, accessibility and cost of essential welfare system services with dynamic building rental
- Ensuring excellent indoor air quality in our buildings for added health, safety and quality benefits for the building users
- Improving health, safety and quality in our own operations

Governance

- Driving impact in ESG, Risk & Audit and People committees
- Active engagement with stakeholders and partners to identify and pertinent ESG initiatives
- Transparency of progress with climate and people roadmaps via continuous measurement (GHG, NPS, eNPS) and reporting



Double materiality assessment

In May 2024, Parmaco conducted a Double Materiality Assessment (DMA) to identify the environmental, social and governance topics with the most significant actual and potential impacts across the business and value chain, as well as those with the greatest potential financial relevance to Parmaco.

The assessment was carried out with reference to the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Its findings have since informed how Parmaco prioritizes and structures its ESG work.

How we identified our material topics

The DMA combined structured internal workshops with a review of existing internal and external information, including customer insights, employee feedback and ESG-related documentation.

Stakeholder perspectives were also gathered through semi-structured interviews with employees, owners and selected external partners. The results are used to define and periodically review Parmaco’s material ESG topics.



Our material ESG topics

Parmaco's Double Materiality Assessment identified the environmental, social and governance topics that are most significant to the business, its value chain and the people and communities affected by its operations.

Environmental

Climate change and circular economy were identified as material topics.

Parmaco's greenhouse gas emissions across the value chain represent a significant environmental impact. At the same time, energy efficiency, reuse and circular building solutions create opportunities to reduce emissions and make more efficient use of materials.

Circularity also presents both impacts and opportunities. The use of natural resources such as timber and steel creates environmental pressure, while reuse, recycling and adaptable building design can reduce demand for new materials and extend the value of resources already in use.

Social

Three social topics were identified as material:

- Health and safety in Parmaco's own workforce
- Health and safety for workers in the value chain
- Impacts on end users

Health and safety risks affect both Parmaco employees and workers across the value chain. Strong people practices, leadership and employee development can support workforce stability and productivity, while Parmaco's buildings can create positive impacts for end users through indoor air quality, inclusive design, functionality and flexibility.

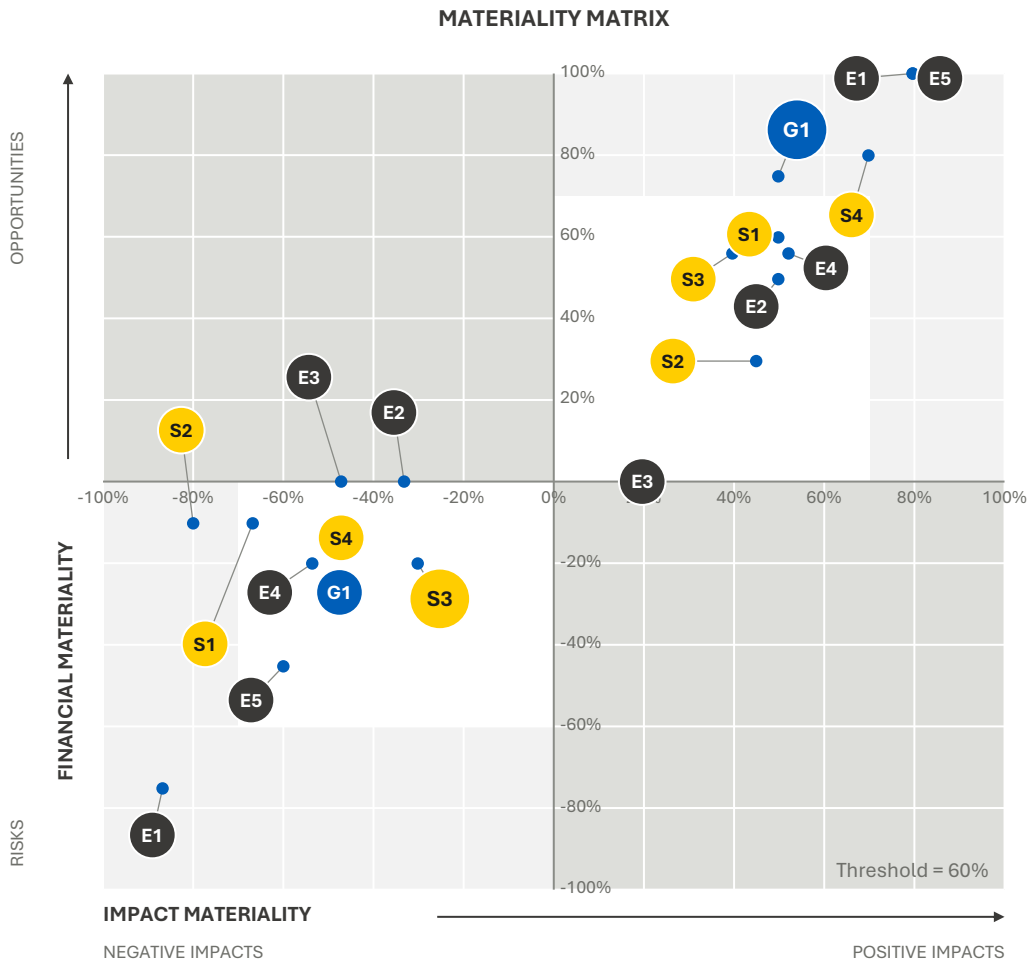
Governance

Responsible governance and value-chain compliance were identified as important to Parmaco's ability to meet customer, investor and regulatory expectations.

This includes maintaining strong compliance standards across the value chain, particularly in relation to human rights and environmental impacts, as public-sector procurement increasingly incorporates ESG criteria.

Double Materiality Assessment results

A materiality threshold of 3 (60%) was approved by management on April 22, 2024.



Material topics

	Topics	Impact materiality		Financial materiality	
E1	Climate change	+	–	+	–
E5	Circular economy	+	–	+	
S1	Own workforce		–	+	
S2	Workers in the value chain		–		
S4	Consumers and end-users	+		+	
G1	Business conduct			+	

Not material topics

- E2 Pollution
- E3 Water and marine resources
- E4 Biodiversity and ecosystems
- S3 Affected communities

How to read the results

Impact materiality – Parmaco's actual or potential positive (+) and negative (–) impacts on people and the environment, including across its value chain.

Financial materiality – Sustainability-related opportunities (+) and risks (–) that may affect Parmaco financially.



Our ESG development journey

Parmaco's ESG work has developed progressively over time, from foundational policies and emissions measurement to more structured climate, circularity, leadership and supply-chain programs. The timeline below highlights key milestones and planned next steps.

2022

- Parmaco sustainability strategy and ESG roadmap (2023-2026)
- First Greenhouse Gas (GHG) calculations

2023

- First LCA/CO2 Calculations
- Core policies and governance established, including:

  Environmental Policy, Equity & Diversity Policy, Code of Conduct, Whistleblowing Guideline

2024

- Green district heating in Leppävirta and Hämeenlinna pre-assembly sites
- Employee survey introduced
- Double Materiality Analysis
- BREEAM In-Use Outstanding certificate in Sweden
- Fossil-free steel partnership with SSAB
- Parmaco selected in top 30 European circular businesses by World Circular Economy Forum (WCEF)

2025

- Parmaco joins Finnish Green Building Council
- Climate change Risk- & Opportunity analysis
- Green electricity in Leppävirta pre-assembly site
- Systematization of Parmaco LCA calculations

2026

- Group-wide leadership development program
- ESG amendment launched for financing
- Climate and transformation roadmap (2026-2034)
- Safety maturity program
- First Parmaco Sustainability Report published
- Green district heating in Pyhäjoki pre-assembly site

2027

- Execution of Climate and transformation roadmap, incl. investments to move Leppävirta and Pyhäjoki pre-assembly sites to heat-pumps
- Sustainable supply chain program

2028

- Execution of Climate and transformation roadmap
- Biodiversity roadmap (Deforestation Act)
- Parmaco SBTi targets set[1]

2029

- Execution of Climate and transformation roadmap
- Parmaco SBTi target published[1]

2030

- GHG target follow up and reporting of outcomes
- Setting of the next target period
- Safety maturity program finishes

2040

[1] Subject to Board of Directors approval

ESG performance at a glance | 2025

Environment

1.34

Scope 1 and 2 emissions, kg CO_2e/m^2 of total fleet

–49% change year on year (2024: 2.62)

97%

Renewable electricity as a share of total electricity consumption (up from 66% in 2024)

48%

Recycled waste of total company waste, tonnes (up from 34% in 2024)

85%

total fleet time utilization

Governance

Annual monitoring of key climate and people indicators, including greenhouse gas emissions (Scopes 1–3), customer satisfaction (NPS) and employee engagement (eNPS).

ISO 45001-certified occupational health and safety management system.





ESG performance at a glance | 2025

Social

>40,000

pupils served in Parmaco daycare and school facilities

+63

project delivery NPS

+25

end-user NPS

95%

of end users satisfied with Parmaco buildings

73/100

employee satisfaction

10

accidents resulting in absence, zero resulting in long-term absence

Götafors School
A world-first

In 2024, Götafors School in Vaggeryd, Sweden, became the first school in the world to achieve an Outstanding rating under BREEAM In-Use International Version 6 – the highest possible rating – with a score of 88.2%.[1]

BREEAM In-Use is an internationally recognized third-party standard that assesses the sustainability performance of buildings in operation, including health and well-being, energy, water, resources, resilience and pollution.



★ ★ ★ ★ ★ ★

Outstanding

BREEAM In-Use International Version 6



“

We are enormously proud of our new school, which has given us everything we wished for in an optimal working and learning environment for both students and teachers. The premises are flexible, have good flow, and optimal sound and light levels, which is a dream to work and study in. We are already experiencing higher well-being, increased opportunities for good teaching and learning, and better results.

Maria Ekenskytt, Principal Götafors School

[1] BREEAM Projects, Götafors School, BREEAM In-Use International Version 6.

Dynamic and modular does not mean compromising on building quality.

Götafors School was recognized for strong performance in areas such as energy efficiency, water management, daylight and pollution prevention. The school is also designed around the everyday experience of its users, with good light, acoustics, indoor comfort and flexible spaces.

Completed in 2023, the 3,000m^2, two-storey school was delivered by Parmaco under a 10-year rental agreement and designed for up to 240 pupils.

The certification applies specifically to Götafors School and reflects both building- and site-specific criteria. Its significance goes further: it demonstrates that a dynamic, modular school can meet the highest level of performance under an internationally recognized building standard.







Valmet's new office

32 modules. A different purpose.



At Valmet's Hakkila factory campus in Vantaa, Finland, Parmaco transformed a modular building that had previously served as a school in Tuusula into a new 2,042 m^2 office building for Valmet, a global technology company serving the process industries and listed on Nasdaq Helsinki. Delivered under a 10-year rental agreement, the building replaced an older office on the campus that had reached the end of its lifecycle.

53%

lower carbon footprint during the production and construction phase



"The new office building at the Hakkila site is an exciting new step on this journey. By adopting circular construction solutions and minimizing the carbon footprint of new facilities, the Hakkila site is advancing toward becoming one of Valmet's net-zero locations.

Reetta Loponen, Vice President, Sustainability at Valmet

A building can genuinely move from one purpose to another, with materially less new construction.

The 32 existing modules were relocated from Tuusula to Hakkila, reassembled and reconfigured for their new use. Four new modules were added, meaning that 89% of the completed building's modules were reused. The former school was adapted to include meeting rooms, quiet workspaces, an occupational health reception, kitchen and staff restaurant, auditorium, gym and changing rooms. The project was delivered within six months of contract signing.

Based on Parmaco's project-specific carbon footprint calculation, reusing the existing modules resulted in a 53% lower carbon footprint during the production and construction phase than an equivalent building using 36 new Parmaco steel modules. The reduction was driven primarily by avoiding the production of new materials. Across the broader lifecycle calculation, including maintenance, energy use and end-of-life, the carbon footprint was 31% lower than for the equivalent new building.[1]

The project shows how an existing modular building can be relocated and reconfigured for an entirely different use, extending the life of existing structures and reducing the need for new construction materials.

And its useful life does not end here: the building can be expanded, reduced or relocated again as Valmet's needs change.



[1] Granlund project LCA, 2025, using OneClickLCA and project product lists.

Pihkapuisto Primary School & Kaunokki Daycare

Over 90% reused.
Built for a new purpose.

In 2025, Parmaco delivered a 4,300m^2, two-storey building for the City of Helsinki, bringing Pihkapuisto Primary School and Kaunokki Daycare together under one roof while their permanent premises undergo renovation and expansion. Delivered within nine months of contract signing, the building can accommodate more than 400 children and pupils.



Over 90%
of the building consists of reused modules



“With the movable folding walls, we can reduce the amount of open-plan space. They have given us the additional teaching spaces we needed.

Mervi Wihuri, Principal

“This is a dream. Hopefully, when the new permanent school is completed, it will be just as good.

Milja Collins, first-grade teacher

Existing modules, from different previous uses, can be recombined around a completely new need.

More than 90% of the building – approximately 4,000m^2 – consists of reused modules brought together from three previous buildings: two schools in Pirkkala and Tuusula and a daycare center in Tampere.

The modules had already served their previous locations for six to nine years before entering a new rental cycle, with approximately 12 months between uses. Some were transferred directly from their previous location to the new project, demonstrating how Parmaco's building stock can move from one mid- to long-term use to another as local needs change.

Only minor modifications were required before the modules were recombined and reconfigured to meet the needs of both a primary school and a daycare. Developed in close collaboration with the staff who use the building, the layout and flexible features were designed around the needs of both groups.

The City of Helsinki has rented the building for five years to serve two consecutive renovation projects. Pihkapuisto Primary School and Kaunokki Daycare will use it first, followed by Malminkartano Primary School.

This planned transition means the same building can support different local needs within a single rental period – a concrete example of dynamic architecture adapting as circumstances change.





Basis for preparation

This report covers Parmaco Group’s environmental, social and governance performance for the 2025 financial year and is Parmaco’s first Group-wide ESG report.

It has been prepared with reference to the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). Parmaco applies the Basic Module together with selected disclosures from the Comprehensive Module, including Climate Risks and Opportunities, Scope 3 greenhouse gas emissions and the Double Materiality Assessment.

Unless otherwise stated, the reporting scope covers Parmaco Group and its operations in Finland, Sweden and Germany. Further information on reporting boundaries, methodologies and assumptions is provided in the relevant sections of the report.

02

Environment

The longer a building stays useful, the less we need to replace.

This chapter sets out Parmaco’s environmental impacts, risks and opportunities across our own operations and value chain. It covers climate-related risks, energy and greenhouse gas emissions, circularity, resource use, waste, pollution, biodiversity and water.

Our environmental approach is closely linked to the design, use and reuse of our buildings. By extending building lifecycles, increasing utilization and reducing the need for new construction, dynamic architecture creates opportunities to use materials and resources more efficiently.



Climate risks and opportunities

As climate-related regulation and stakeholder expectations continue to evolve across Europe, understanding climate-related risks and opportunities is becoming increasingly important to Parmaco's long-term strategy and resilience.

During Q2–Q3 2025, Parmaco conducted a climate risk and opportunity assessment to identify the most material physical and transition-related impacts affecting the company, together with the commercial opportunities associated with circular construction and lower-impact building solutions.



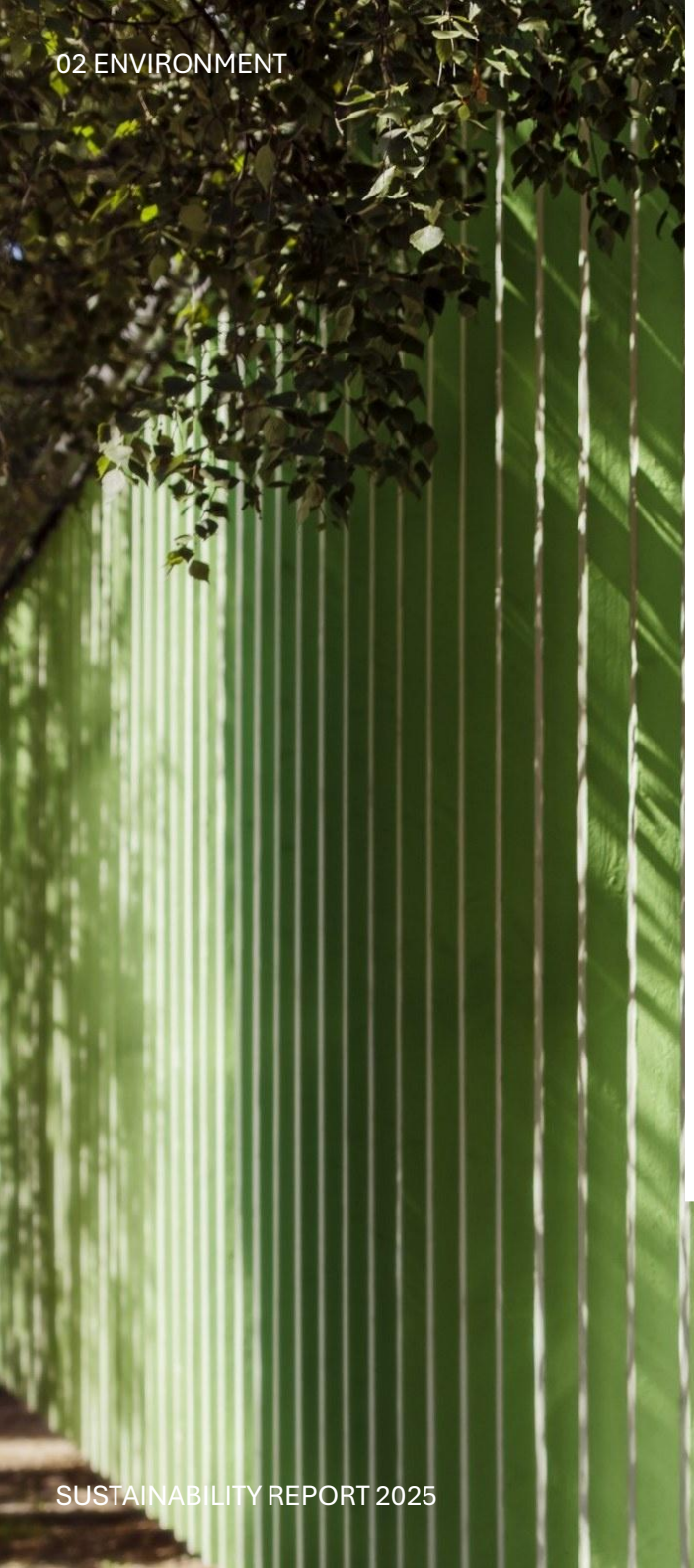
Opportunities in a lower-carbon transition

Based on Parmaco's climate risk and opportunity assessment, circularity as a business model has the potential to support revenue growth and material cost savings through more efficient use and reuse of materials, while also reducing exposure to supply-chain and regulatory risks.

The use of lower-carbon steel and bio-based materials could further reduce the environmental impact of Parmaco's building solutions and strengthen the environmental performance of the portfolio. Greater transparency around climate targets and performance may also strengthen Parmaco's position with investors and lenders applying more stringent ESG criteria.

↓

Parmaco has developed an emissions reduction roadmap, supported by a cost-benefit assessment, to guide efforts to reduce emissions and improve resource efficiency.



Opportunities across our operations

Growing demand for circular economy solutions creates an opportunity for Parmaco to strengthen its position as an expert in a rapidly evolving market.

Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) provide credible, science-based evidence for climate communication, while improved methodologies for calculating the impact of reused and circular modules can strengthen both the sales proposition and the quality of information available to customers and investors.

More detailed, location-specific climate risk information can also support proactive design decisions and help protect asset values over time. Parmaco therefore aims to further strengthen its internal LCA and EPD capabilities and improve access to verifiable climate data.

Opportunities for our customers

As climate awareness and reporting requirements increase among public-sector decision-makers, Parmaco is well positioned to help customers assess building choices against their own environmental commitments and reporting obligations.

A key opportunity lies in demonstrating how circularity and reuse can contribute to customer climate goals alongside life-cycle cost and total cost of ownership (TCO) considerations. In Finland, Sweden and Denmark, national climate ambitions are in some cases developing faster than current tender requirements, creating an opportunity for Parmaco to stay ahead of future procurement expectations. In Germany, increasing focus on energy and environmental performance is also closely aligned with Parmaco's strengths.

Parmaco plans to further develop its existing lifecycle cost calculation tool to include avoided CO_2e emissions, helping customers quantify the climate impact of different building options and support their own climate targets and reporting.





Building resilience in our own operations

Climate-related physical risks include freeze-thaw cycles, drought, wildfires, heatwaves and flooding, as well as corrosion and moisture-related risks in timber components.

Parmaco's design team is responding by validating foundation ventilation solutions to minimize mold risk and strengthening storage and safety practices for more extreme weather conditions.

Parmaco designs its modules to meet the most demanding wind and snow load requirements applicable in Finland and Sweden. As a result, modules installed in milder regions are built to standards that may exceed local minimum requirements, providing an additional structural buffer as weather conditions become more extreme.

Managing climate risk across the value chain

Upstream, climate-related disruption and price volatility may affect the availability and cost of materials and components. Timber sourced from Finnish suppliers is one area of exposure, as warmer temperatures may increase forest pests and affect both supply and pricing. Electronics supply chains may also face greater disruption.

Downstream, rising temperatures and more frequent heatwaves may increase customer demand for cooling solutions, creating opportunities for additional works in both new and existing buildings. Cooling is already available for office modules on request, while Parmaco continues to assess appropriate solutions for other building types, including schools and daycares.

Customer-requested upgrades to existing buildings can be delivered as additional works under the relevant customer agreement. Parmaco is also assessing the use of glazing with a lower solar heat gain coefficient to help reduce thermal load and maintain comfortable indoor temperatures.

Parmaco procurement requires, by contract, that all timber materials are sourced from PEFC-certified forests, supporting responsible forest management and helping reduce risks associated with biodiversity loss and unsustainable sourcing.

Responding to transition risk

Evolving EU regulation, including the expanding EU ETS and EUDR, may increase costs for raw materials, logistics and components.

At the same time, environmental criteria and circularity are increasingly relevant in public procurement, while lenders and investors are applying more stringent ESG criteria. This is bringing customer, regulatory and investor expectations into closer alignment.

Parmaco is monitoring regulatory developments and assessing how these changes may affect sourcing, costs and customer requirements.



Energy and greenhouse gas emissions

Energy use

Energy is consumed primarily across Parmaco's three pre-assembly facilities in Finland, as well as warehouses and offices in all operating countries. This includes electricity, heating and fuels.

Parmaco monitors energy consumption as part of its broader work to understand and reduce the environmental impact of its operations.

Total energy consumption (MWh):

Year (MWh)	Renewable	Non-renewable	Total	% renewable
2025	6,510.82	209.95	6,720.77	**97%**
2024	3,719.98	1,893.49	5,613.48	**66%**

The share of renewable electricity increased from 66% in 2024 to 97% in 2025, following the switch of Parmaco's main electricity contract to renewable electricity.



54,027

tCO_2e — total reported greenhouse gas emissions in 2025

69.1%

of total emissions from purchased goods and services (Scope 3, Category 1)

Greenhouse gas emissions

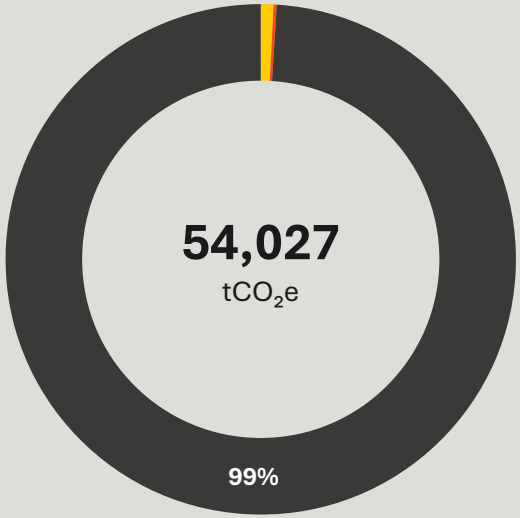
Parmaco has calculated its greenhouse gas emissions since 2022, which is used as the current base year. Since then, the scope and quality of emissions reporting have been progressively expanded.

In 2025, total reported greenhouse gas emissions were 54,027 tCO_2e.

As in previous years, the majority of emissions occurred in Scope 3. The largest source was purchased goods and services (Scope 3, Category 1), which accounted for 69.1% of total emissions in 2025.

Other significant sources included the use of sold products and energy consumption in leased premises (Scope 3, Categories 11 and 13), primarily reflecting energy use in spaces leased or sold by Parmaco.

The diagram represents distribution and the total amount of emissions 2025 (Scope 1-3)



- **1%** Scope 1 Direct emissions
- **<1%** Scope 2 Purchased energy
- **99%** Scope 3 Value chain emissions

The location-based Scope 2 carbon footprint was 408 tCO_2e. In accordance with the GHG Protocol, both location-based and market-based Scope 2 values are calculated and reported.

Greenhouse gas emissions by scope and category, 2022–2025

Scope or Category	GHG 2022 (tCO_2e)	GHG 2023 (tCO_2e)	GHG 2024 (tCO_2e)	GHG 2025 (tCO_2e)	Share (%)
Scope 1 Direct emissions	**263**	**206**	**161**	**459**	**0.8**
Scope 2 Purchased energy	**629**	**1,018**	**929**	**132**	**0.2**
Scope 3					
Category 1: Purchased goods and services	28,835	24,596	28,837	37,342	69.1
Category 2: Capital goods	554	901	419	472	0.9
Category 3: Fuel and energy related activities	274	238	255	266	0.5
Category 4 + 9: Logistics	657	536	631	405	0.7
Category 5 + 12: Waste & end-of-life of sold products	132	48	63	214	0.4
Category 6: Business travel	93	132	190	348	0.6
Category 7: Employee commuting	239	270	311	333	0.6
Category 11: Use of sold products	6,020	818	297	11,421[1]	21.1
Category 13: Downstream leased assets	7,297	3,191	2,953	2,635	4.9
Total	**44,993**	**31,954**	**35,046**	**54,027**	**100.0**

Parmaco has been calculating its GHG emissions since 2022 (base year) and has steadily improved the scope and quality of its reporting through 2025. Over this period, total emissions have fluctuated, reflecting both operational changes and expanded reporting boundaries. Similarly to previous years, most emissions arise in Scope 3.

In 2025, emissions from Parmaco's own operations (Scope 1 and 2) per sqm of total fleet fell by –49% (from 2.62 to 1.34 kg CO_2e/m^2 of total fleet) following committed actions and investments to reduce emissions in our own operations and value chain.

Scope 3 categories 8, 10, 14 and 15 were excluded as not applicable:

Category 8 – Upstream leased assets: Parmaco is the lessor, not the lessee, of its building assets.

Category 10 – Processing of sold products: buildings are delivered fully finished.

Category 14 – Franchises: Parmaco does not operate a franchise model.

Category 15 – Investments: Parmaco has no material financial investments within the scope of this category.

[1] In 2025 sold buildings in Germany with 50 year product life-cycle generated 8,739 tCO_2e of Scope 3 category 11: Use of sold products emissions. In accordance with the GHG Protocol, Scope 3 category 11 includes emissions resulting from the energy consumption of sold products over their entire life cycle.

GHG reduction roadmap and climate transition

Parmaco's climate roadmap sets out how greenhouse gas emissions could be reduced across the business over time, and where the greatest opportunities for action lie.

The roadmap is based on emissions reduction scenarios covering the period 2026–2034. These indicate that the most significant reduction opportunities are in the supply chain, energy efficiency, construction practices and circular reuse. The work has also highlighted areas where data quality, supplier engagement and annual follow-up need to be strengthened.



01

Near-term priorities

Continued actions to reduce emissions in our own operations and value chain:

Scope 1 and 2 priorities include updating vehicle and refrigerant policies, establishing continuous energy-efficiency monitoring, and expanding the use of certified green electricity and Guarantees of Origin to all pre-assembly units.

Scope 3 actions focus primarily on strengthening the systems needed to support future reductions in our value chain, in particular initiating a sustainable supply chain program, developing procurement criteria and preparing a transition toward lower-carbon steel.

02

From 2028 onwards

From 2028, the roadmap actions focus primarily on Scope 3 emissions:

We plan to scale the procurement of lower-carbon steel and systematically assess contractor climate readiness.

Scope 1 and 2 actions include increasing the use of certified green electricity and Guarantees of Origin also at building project sites.

03

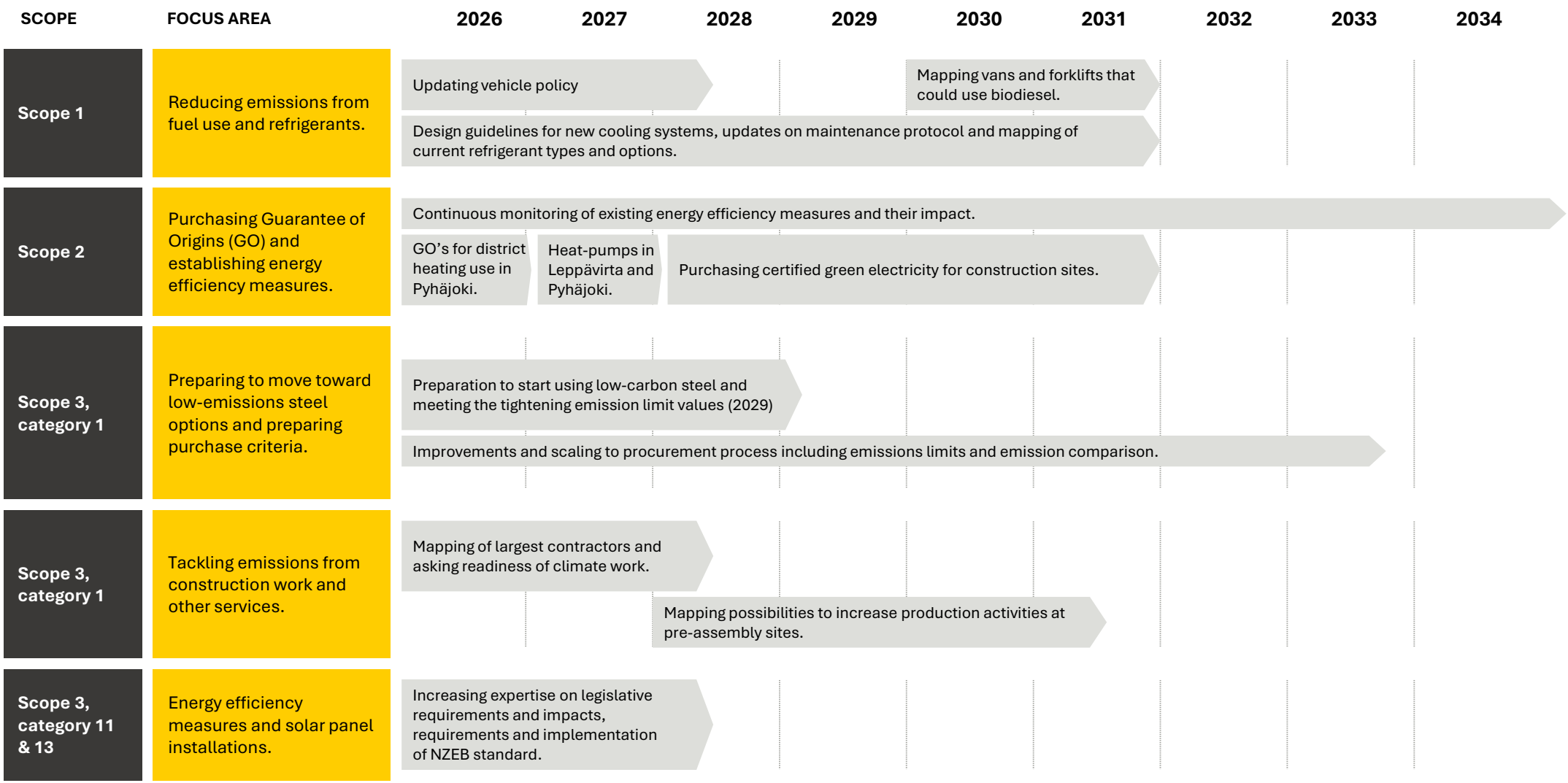
Longer-term actions

Over the longer term, Parmaco aims to increase off-site production, assess opportunities for solar panel installations, and align relevant buildings and operations with NZEB energy-performance requirements.

Together, these actions form the basis for a more structured approach to reducing emissions across Scope 1, Scope 2 and Scope 3.

See the full roadmap 2026–2034 on next page

Parmaco Climate Roadmap



Circularity in practice

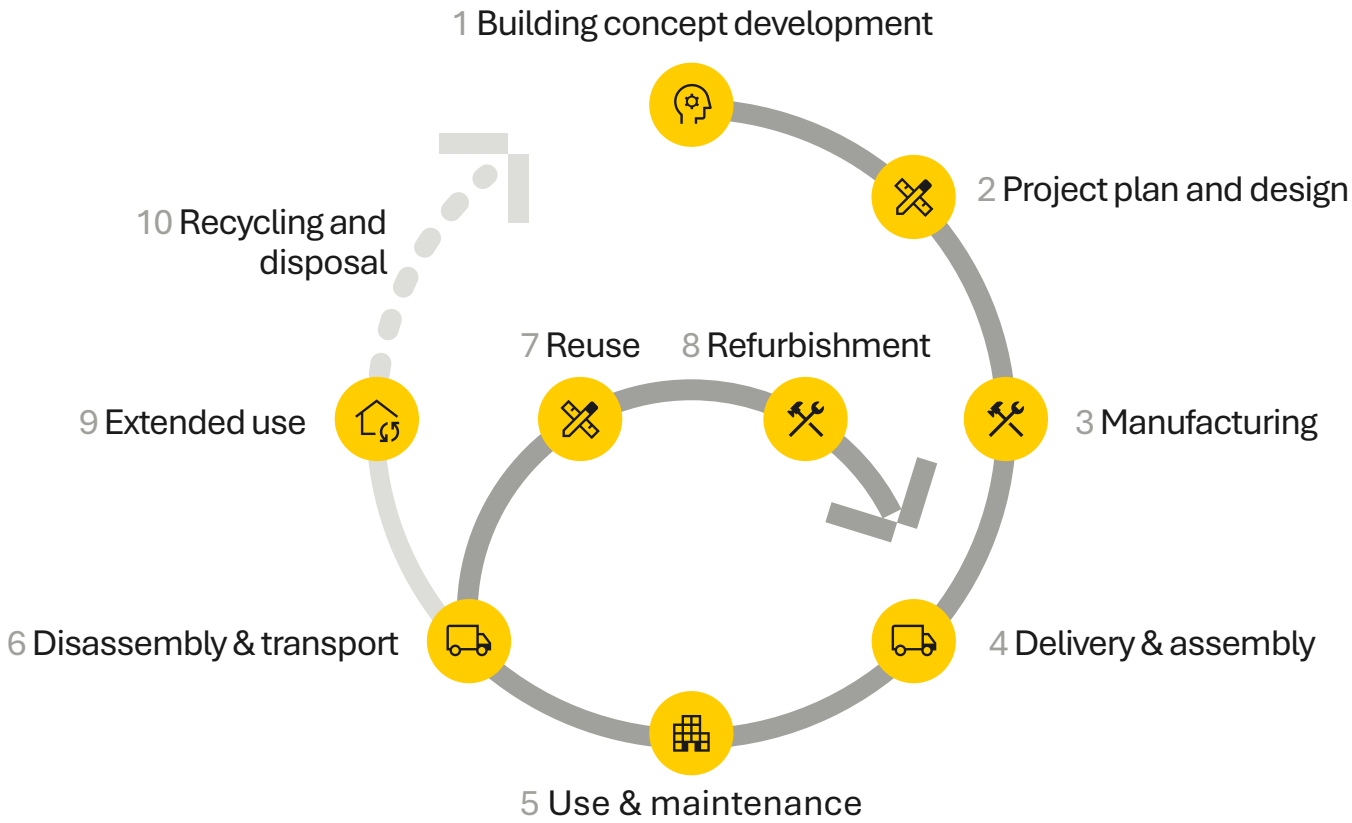
Circular economy

Circularity is embedded across Parmaco's building lifecycle – from concept development and design to assembly, use, relocation, refurbishment and reuse.

Rather than demolishing a building when customer needs change, Parmaco's modular system allows the same building, or its component modules, to be adapted and redeployed elsewhere. This helps extend useful life, reduce demand for new construction materials and preserve the value of resources already in use.

The circular model is supported by the way Parmaco designs, owns and manages its buildings. Modules are developed with long-term adaptability in mind, maintained during use, carefully disassembled when a rental period ends and, where appropriate, refurbished before entering a new lifecycle.

The value-chain model shows how this process works in practice, from initial concept development through multiple cycles of use and eventual recycling or disposal.



Our modular buildings are designed to prioritize reuse over replacement. By adapting to different locations and purposes over time, they can reduce emissions by up to 72% compared with constructing a new static building for each need.[1]

In 2024, Parmaco was recognized at the World Circular Economy Forum in Brussels as one of Europe's top 30 companies pioneering circular solutions.

[1] Parmaco LCA calculation by Sweco (Gaia), 2023, using OneClickLCA. Scenario compares one Parmaco school relocated three times over 50 years with four conventional buildings constructed for separate needs.

Resource use and waste

Parmaco manages waste in line with the waste hierarchy, prioritizing reduction, sorting, recycling and recovery wherever possible.

Waste is generated primarily at pre-assembly facilities in Finland and during building assembly and deployment. Parmaco works with specialist waste-management partners, including Ragn-Sells in Sweden and Verdis and Lassila & Tikanoja in Finland, to support consistent collection, sorting and reporting across operations.

This provides a basis for monitoring waste volumes and recovery rates and identifying opportunities to improve sorting and increase the share of materials directed to recycling and recovery rather than landfill.

Waste recycling (tonnes):

Year (tonnes)	Recycled waste	Non-recycled waste	Total	% recycled
2025	1,047	1,138	2,185	**48%**
2024	531	1,042	1,573	**34%**

The share of recycled waste increased from 34% in 2024 to 48% in 2025 after introducing a new way to recycle wood base waste.



Nature and environmental responsibility

Pollution

Parmaco's operations can generate environmental impacts through construction, renovation and production activities. These include solid waste from packaging and residual building materials, as well as the use of substances such as paints, adhesives and surface treatments.

Non-GHG air pollutants, including particulate matter and volatile organic compounds, are also relevant considerations because of their potential effects on human health and the surrounding environment.

Parmaco is working to improve how these impacts are identified and managed across its operations and value chain. Responsible material selection, chemical management and waste-handling practices are key areas of focus.

Biodiversity

Parmaco's environmental footprint is linked in part to the extraction and use of raw materials such as timber and steel, as well as to the local impacts associated with construction activity.

At the same time, the circular nature of Parmaco's business model can help reduce pressure on natural resources by extending building lifecycles, reusing modules and reducing demand for new materials.

Timber is a particularly important resource for Parmaco, making healthy and resilient forest ecosystems relevant to the company's long-term supply chain.

Parmaco is currently developing a biodiversity handbook to define how biodiversity considerations can be integrated more systematically into operations and decision-making.

Water

Water use within Parmaco's own operations is not considered a significant environmental impact.

However, water remains relevant across the wider value chain. The production of materials such as timber and steel involves water use, while changes in watershed health or water quality may affect the availability and quality of key resources over time.

Healthy forest and soil ecosystems also play an important role in regulating water flows, preventing erosion and maintaining water quality.

Parmaco intends to integrate water-related considerations further into its broader approach to nature, resource use and supply-chain resilience.



03

Social

Buildings exist to serve people. So do the systems behind them.

Parmaco's social impact is shaped by the people who work in our business, the partners in our value chain, and the communities and end users who use our buildings every day.

Our priorities include providing a safe, fair and supportive workplace, developing skills and leadership, protecting human rights across the value chain, and creating healthy, functional environments that support the people who use them.

This chapter covers our workforce, health and safety, remuneration, collective bargaining, training and development, as well as the policies and practices that support responsible employment and stakeholder engagement.



Our workforce and people practices

Workforce size and composition

As of December 31, 2025, Parmaco employed 273 people.

The workforce was predominantly male, with 225 male and 48 female employees, broadly reflecting the demographic profile of the construction and modular building sector.

At year-end, 97.4% of employees were on permanent contracts. By country of employment, 89.7% of employees were based in Finland and 10.3% in Sweden. Employee turnover during the reporting period was 15%.



273

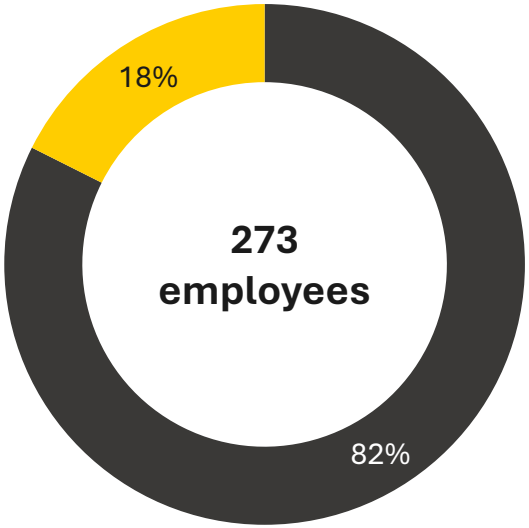
employees as of December 31, 2025

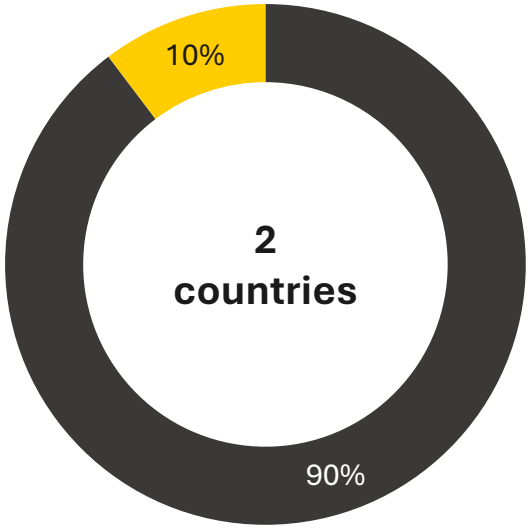
97.4%

of employees on permanent contracts

15%

annual employee turnover





Training and development

Parmaco's approach to employee development is based on the 70–20–10 model, recognizing that most learning takes place through on-the-job experience, supported by peer learning and formal training.

Development needs are identified through regular discussions and leadership processes, with training activities planned and tracked through HR systems and locally where required. From 2026, these discussions are being extended to production employees.

Leadership and employee experience are also established priorities for Parmaco. The company is strengthening shared leadership practices, with a focus on role clarity, regular dialogue, fairness and supportive people management to help employees succeed and contribute effectively to common goals.

Training is delivered through Parmaco Academy, as well as mandatory and role-specific programs, including first aid, digital onboarding and cybersecurity. In production environments, particular emphasis is placed on statutory and risk-based competencies such as hot-work permits, safety certification, chemical and isocyanate handling, and the operation of lifting equipment, hoists and forklifts.

Structured onboarding and site-level certificate tracking help ensure that required competencies remain current across the organization.

70–20–10

model for employee development: on-the-job experience, peer learning and formal training





Human rights and labor practices

Parmaco is committed to the principles of the Universal Declaration of Human Rights and expects suppliers and business partners to uphold the same standards.

The company's Code of Conduct and supplier requirements set expectations for lawful, responsible and ethical conduct. Background checks and supplier-monitoring processes are used to help manage risks relating to labor exploitation and compliance across the supply chain.

Diversity and respectful workplace

Parmaco promotes a diverse, inclusive and respectful workplace and does not tolerate discrimination, harassment or bullying.

The company's pay-grade system, Diversity Policy and Code of Conduct support fair treatment, equal opportunity and respectful conduct. Employment decisions are expected to be based on objective, role-relevant criteria.

All employees are expected to contribute to a working environment characterized by dignity, respect and mutual trust, free from harassment, intimidation and exploitation.

Supply-chain safeguards

Parmaco requires suppliers, subcontractors and service providers to sign and comply with its Supplier Code of Conduct.

Business partners are monitored through Vastuu Group Valvoja in Finland, a third-party service that tracks compliance with contractor-obligation requirements, including tax obligations, pension contributions and sanctions exposure.

In Sweden, Parmaco uses ID06 Bolagsdeklaration to monitor subcontractors and suppliers, including tax compliance, employer contributions and financial status.

Both services provide alerts when a supplier's status changes, enabling Parmaco to identify potential compliance issues and take corrective action where required.

Stakeholder engagement

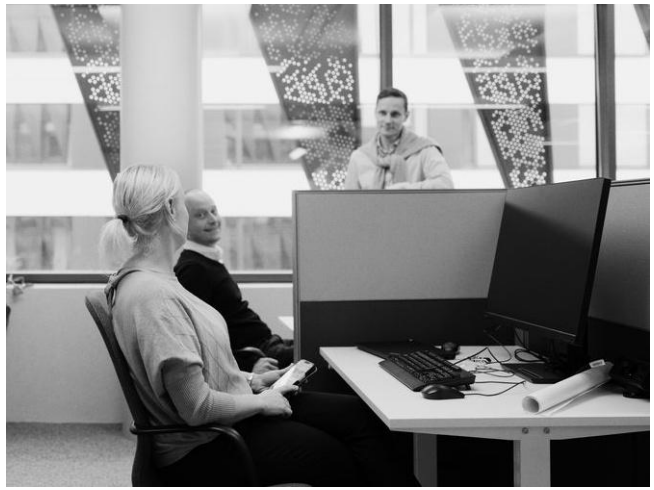
Parmaco engages with a broad range of stakeholders, including customers, investors, employees, suppliers and local communities.

Customers are primarily public-sector organizations such as municipalities, and satisfaction is monitored through regular NPS surveys. Where building projects affect local communities or neighboring areas, Parmaco may engage through information meetings and open Q&A sessions to support transparency and address concerns.

Investor engagement takes place through regular reporting and meetings on financial and ESG performance.

Employees and suppliers are engaged through workplace dialogue, people processes and procurement practices. As Parmaco’s ESG reporting develops, the company aims to further formalize stakeholder engagement and strengthen how stakeholder insights inform material priorities.







Health, safety and well-being

Health and safety approach

The safety and well-being of Parmaco's employees is a core priority. Our occupational health and safety approach is supported by a management system certified to ISO 45001:2018 (SFS-EN ISO 45001:2023), covering Parmaco Group Oy and its subsidiaries.

Health and safety governance is structured around clearly defined roles, worker consultation, risk assessments, occupational health cooperation, internal audits and management review. Legal and other applicable requirements are monitored as part of the management system.

Hazard identification and risk assessment form the basis of prevention work, supported by practical measures across operations, including safety walks, site-level safety measurements, use of personal protective equipment, clear safety signage and regular training.

Parmaco also operates a digital reporting channel for safety observations, near misses and incidents. Reported cases are investigated and corrective actions are tracked through to completion.

ISO 45001

certified occupational health and safety management system





Safety performance

Parmaco monitors both lagging indicators, including Lost Time Injury Frequency (LTIF) and Total Recordable Injury Frequency (TRIF), and leading indicators such as safety observations and near-miss reporting.

Parmaco considers all workplace accidents preventable and uses incident data to identify patterns, strengthen controls and support continuous improvement.

Current reported figures cover Parmaco's own personnel. The company is expanding the scope of safety reporting to include subcontractors and a broader range of operations, including construction sites and activities in Sweden.

During the reporting period:

22

total accidents

10

accidents resulting in absence

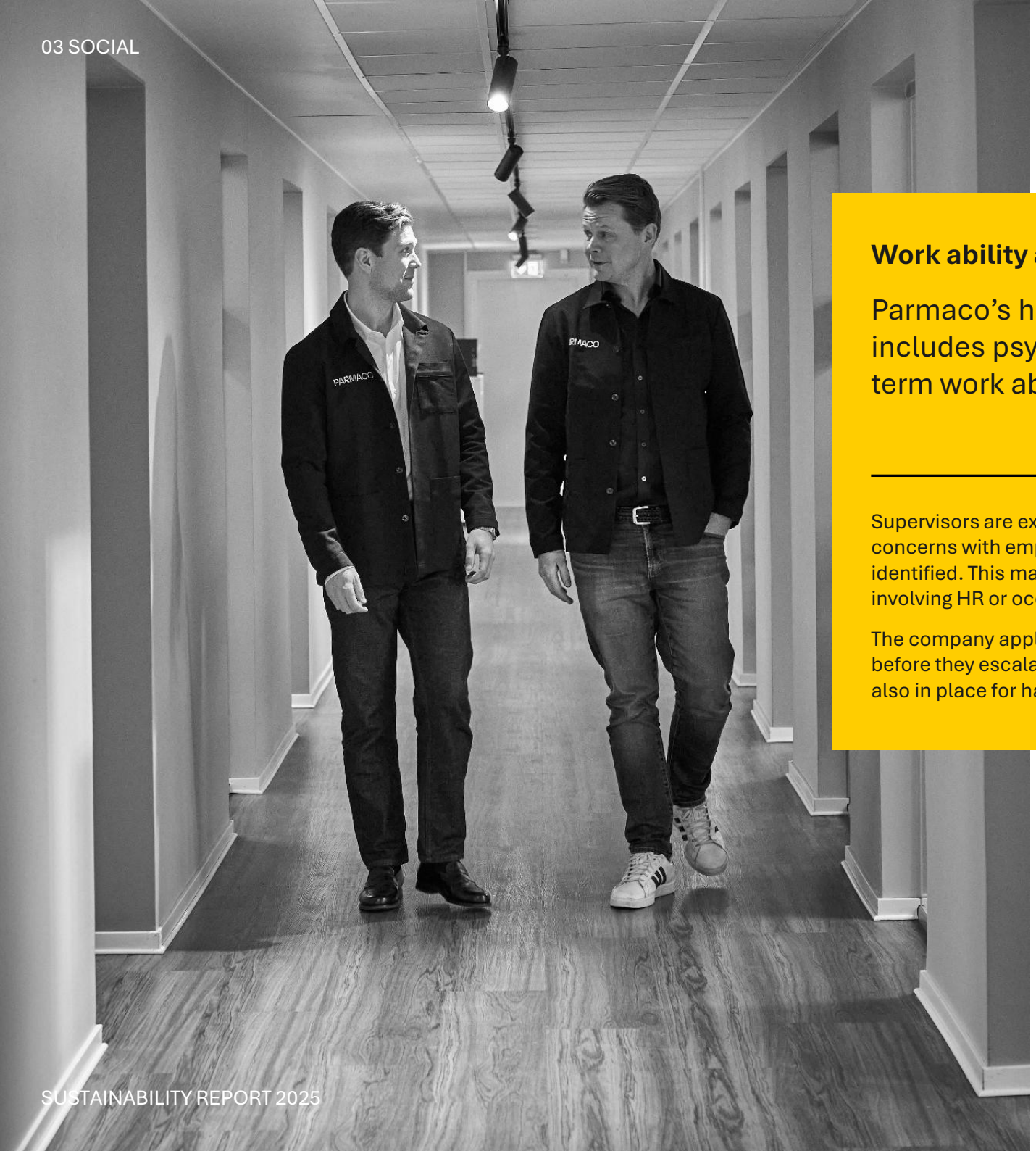
115

days of absence

0

fatalities





Work ability and psychosocial well-being

Parmaco’s health and safety approach also includes psychosocial well-being and long-term work ability.

Supervisors are expected to monitor workload, discuss emerging concerns with employees and take action where harmful strain is identified. This may include adjusting priorities or resources and involving HR or occupational health services where needed.

The company applies an Early Support model to address challenges before they escalate. A zero-tolerance policy and structured process are also in place for harassment and inappropriate treatment.

Pay, representation and development

Minimum wage compliance

All Parmaco employees receive pay at or above the applicable minimum wage in their country of employment.

In Finland, remuneration meets at least the minimum level set by the relevant collective agreement or, where no collective agreement applies, the statutory requirement for customary and reasonable pay.

In Sweden, wages meet or exceed the levels set by applicable collective agreements.

Gender pay gap



In 2025, average hourly pay was €28 for male employees and €33 for female employees, resulting in a reported gender pay gap of -17.9%.

The difference reflects the current distribution of men and women across occupational groups. Men make up the majority of employees in blue-collar production roles, while women are more strongly represented in white-collar and managerial roles, influencing the overall average hourly pay by gender.

Parmaco monitors pay equity as part of its people processes.

−17.9%

Reported gender pay gap

Negative value indicates higher average hourly pay for females.





Collective bargaining

57.7%

of employees covered by collective bargaining agreements

As of the reporting period, 57.7% of Parmaco employees were covered by collective bargaining agreements.

The coverage rate reflects the applicability of collective agreements across Parmaco’s lines of business and the entities included within the reporting scope.

Training hours

8 hours

average training per employee

Parmaco invests in the continuous development of its employees. During the reporting period, employees completed an average of 8 hours of training.



Average training hours were 8.1 hours for male employees and 8.0 hours for female employees, indicating a broadly consistent level of formal training across genders.

Customer and end-user experience

Parmaco buildings support the provision of essential public services in healthy spaces in all geographic locations. More than 40,000 pupils use Parmaco daycare and school facilities daily, while our social and healthcare facilities, offices, and security spaces enable functioning welfare systems in wider communities.

In 2025, project-delivery customer satisfaction was NPS +63 and end-user satisfaction was NPS +25. In the related end-user survey, 95% of respondents said they were satisfied with Parmaco buildings.

Parmaco engages with customers, employees, investors, suppliers and local communities through surveys, meetings, workplace dialogue, procurement processes and project-specific information sessions. We aim to make stakeholder input more systematic as our reporting and sustainability management mature.



>40,000

pupils use Parmaco daycare and school facilities

+63

project-delivery customer satisfaction (NPS)

+25

end-user satisfaction (NPS)

95%

of end-user survey respondents satisfied with Parmaco buildings

04

Governance

Flexibility works best with firm foundations.

Parmaco’s governance approach is built around clear accountability, responsible business practices and compliance across our own operations and value chain.

ESG development is led by the Head of Sustainability, who is responsible for ESG strategy, coordination of related initiatives, stakeholder dialogue, regulatory monitoring, reporting, assurance and data collection. Strategic oversight is provided by the ESG Committee, which meets three times a year. This helps ensure that ESG topics are considered at both operational and strategic level, with clear accountability within the organization.



Business ethics and anti-corruption

Parmaco maintains a zero-tolerance approach to corruption, bribery and money laundering.

The Code of Conduct applies to all employees, directors and subsidiaries and prohibits improper payments, kickbacks, facilitation payments and unmanaged conflicts of interest, whether directly or through third parties. Policies governing gifts and entertainment are intended to ensure that business hospitality does not create undue influence or a sense of obligation.

Employees, subcontractors, business partners and other stakeholders can report suspected breaches through management channels or anonymously through Parmaco's whistleblowing channel. Reports made in good faith are investigated, and retaliation against anyone raising a concern is prohibited.

Suppliers and subcontractors are required to comply with Parmaco's Supplier Code of Conduct, with non-compliance subject to corrective action and, where necessary, termination of the business relationship.

During the reporting period, Parmaco recorded no convictions and no fines for violations of anti-corruption or anti-bribery laws.

0

convictions and fines for violations of anti-corruption or anti-bribery laws



Sector exclusions

Revenues from certain sectors and exclusion from EU reference benchmarks: This disclosure is not applicable to Parmaco.

The company does not conduct activities in the sectors of controversial weapons, tobacco, fossil fuels or agrochemicals.

Board diversity

During the reporting period, Parmaco's Board of Directors comprised five members: four men and one woman. This represents a gender distribution of 80% men and 20% women.

Parmaco recognizes the importance of broader diversity in governance and considers greater board-level gender balance as a long-term objective.

5

board members: four men and one woman

Legal compliance

During the reporting period, Parmaco was not subject to any fines, sanctions, legal proceedings or administrative penalties relating to non-compliance with applicable laws or regulations.

No material incidents of non-compliance were recorded in environmental, labor, data protection or competition law.

0

fines, sanctions, legal proceedings or administrative penalties



05

Looking ahead

The only constant is change.
We’re building for it.



The transition to a lower-impact built environment will require more than improving the performance of individual buildings. It will also require us to rethink how space is planned, how long buildings remain useful and how resources stay in use as needs change.

For Parmaco, this is closely connected to dynamic architecture. Designing buildings to be adapted, relocated and reused allows us to extend their useful life and make better use of the materials and investment already embedded in them.

Our priorities now are to reduce emissions across the value chain, strengthen health and safety, improve the quality and consistency of ESG data, and continue developing responsible sourcing and governance practices.

We will continue to improve both the performance of our buildings and the way we work across our value chain.

When society changes, the built environment needs to be able to change with it.



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