

DEN
GROUP OY

SUSTAINABILITY REPORT

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DEN handles its customers biggest acquisitions in a responsible and sustainable way

DEN is a Finnish company that has its roots in building one-family houses going back more than 30 years. We are guided by the values that we chose together: appreciation, courage, sustainability and happiness. Over 500 professionals work at our group. In 2021, our turnover was €209 million.

DEN consists of the following companies: Desigtalo, a pioneer in the sector of ready-to-move-in detached houses; Finnlamelli, a natural selection for the best log houses; Ainoakoti, a collaborative catalogue done in cooperation with K-Rauta; Talliosake, a company providing facilities for hobbies and storage and also business premises; DEN Tekniikka, a top professional in doing planning and installations in the sector of building services engineering. Talliosake and Finnlamelli also invest in international markets.



Appreciation



Courage



Sustainability



Happiness

A reliable calculation of the carbon footprint helps us to do impressive sustainability work

With the help of the right information, we can decide on what measures to use and look for areas of development in a data-driven manner. Based on last year's figures, we have begun taking multiple measures in order to reduce the carbon footprint of materials and raw materials together with our suppliers. We can already be proud of the efficiency of our production process.

The traceability of the materials is important to us. For example, the timber we use comes from PEFC-certificated Finnish spruces. As a building material, wood is also an exceptionally low-emission material and it stores carbon in the structures of the house for generations to come.

Regular safety walks are organised at our factories, allowing us to track the health and safety of the workplace by means of active observation. The prevention of harms that arise in the long term is also part of the workplace health and safety. For example, the harms caused by dust at our factories are minimised by keeping the air humidity at a level where it binds into the dust.

By gathering information the right way and taking preventive measures, we strive for transparency and continuous improvements in terms of sustainability.

Maria Mroue

Director of Marketing, Communications and ESG

Environment, safety, healthiness and good governance as the key points of our sustainability work

Environment



In its sustainability work, DEN emphasises going towards carbon neutral houses and premises. Customers can already purchase any Desigtalo house with the EKO2 package. With this package, each house is designed to be especially energy efficient and its carbon footprint is compensated.

Safety and healthiness



Workplace health and safety is an important issue in the whole sector. We track health and safety in real time. In recent years, we have especially invested in gathering precautionary security observations and we have managed to grow the amount of these observations. In this way, any possible dangerous situations can be prevented thanks to preventive measures.

Good governance



A good governance consists of, for example, having a set of ethical guidelines that every new employee of DEN reads through and signs when they first come to work for us. DEN also has their own set of ethical guidelines for their supplier partners.



Make life better one space at a time

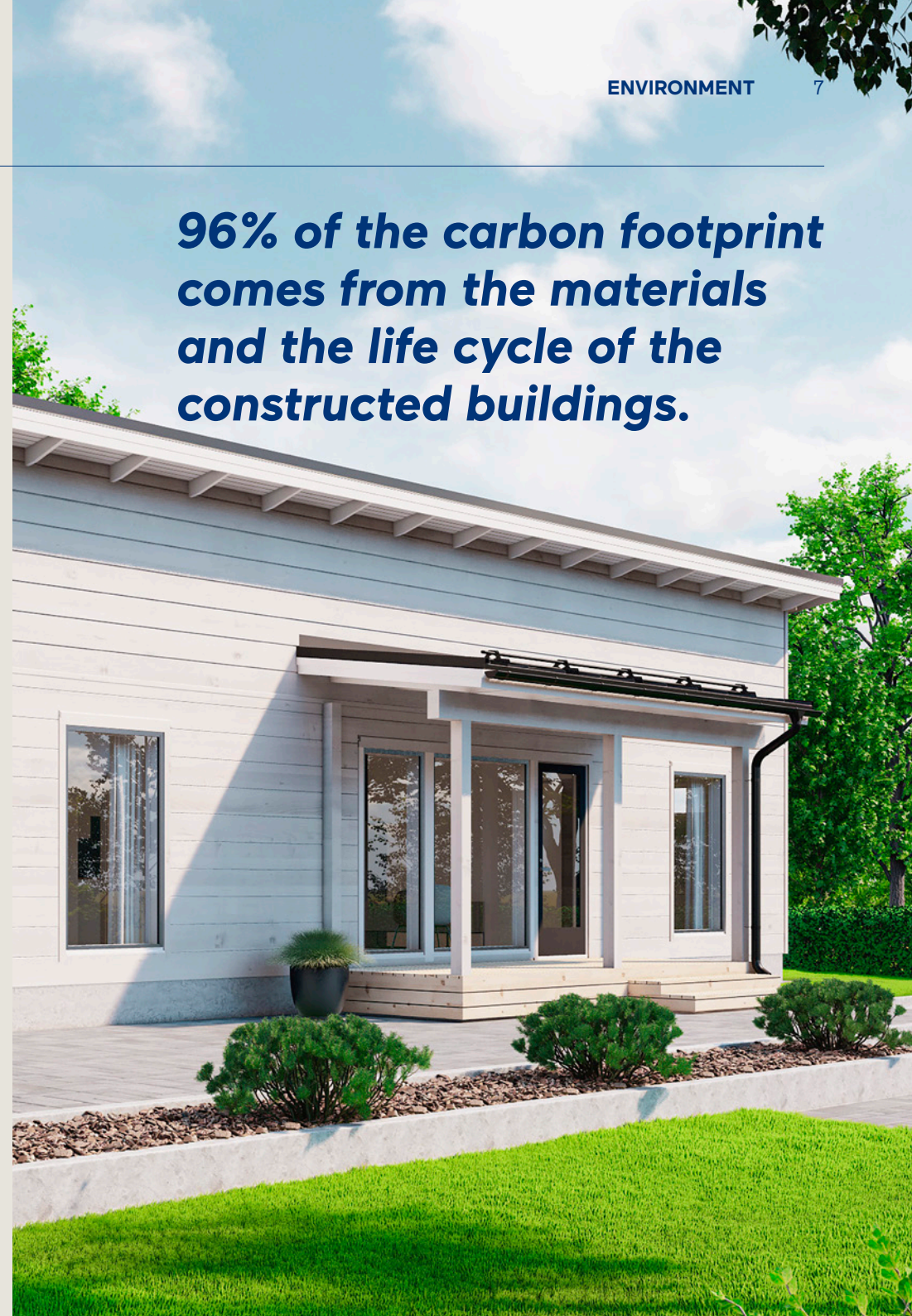
The production process at DEN has been perfected

In 2021, materials and raw materials counted for 72% of DEN's carbon footprint, and 24% came from the life cycle of finished buildings. Only a very small portion of the carbon footprint is generated from the production process itself. The efficiency and the smoothness of the process have been emphasised a lot.

The carbon footprint of DEN was calculated in cooperation with Gaia using an international Greenhouse Gas Protocol Standard. Using this standard, the direct and indirect emissions generated from our operations can be comprehensively included in the carbon footprint calculations. In our case, this also includes the carbon emissions that come from the life cycle of the buildings we have handed out to our customers.

Reliable calculation of the carbon footprint helps us do impressive sustainability work. With the right information, we can decide on what measures to use and look for development areas in a data-driven way. Based on the numbers, we have taken multiple measures in order to reduce the carbon footprint of materials together with our suppliers.

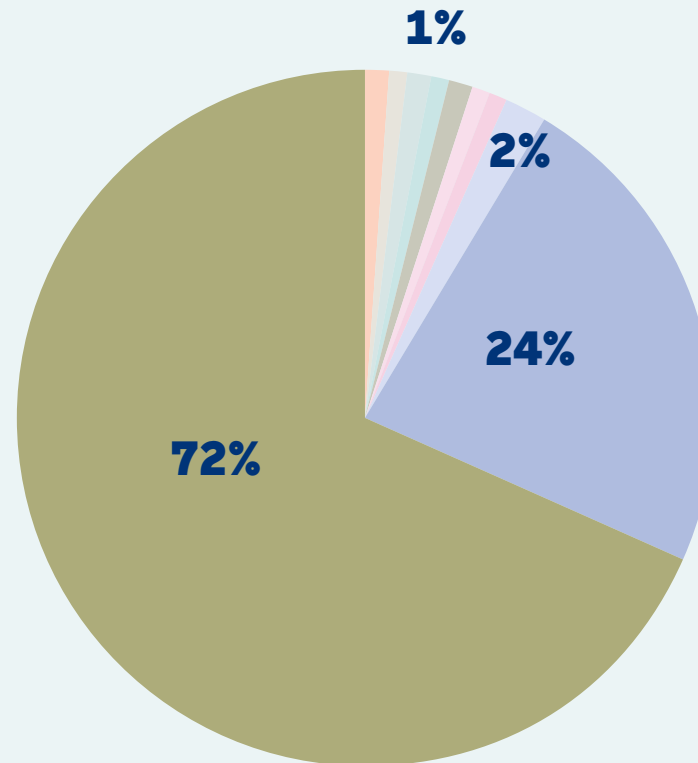
96% of the carbon footprint comes from the materials and the life cycle of the constructed buildings.



Carbon footprint at DEN in 2021

The fossil carbon footprint at DEN in 2021 is **228,999 t CO₂e¹**.

- 72% of the emissions consists of bought products and services (scope 3, category 1)
- 24% of the emissions consists of using the sold products (scope 3, category 11)
- 2% of the emissions consists of taking the sold products out of use (scope 3, category 12)
- 1% of the emissions consists of the upstream transportation and distribution (scope 3, category 4)
- The other emission categories count for less than 1% of the carbon footprint



- Scope 1: Vehicles and heat generation
- Scope 2: Electricity and heat
- Scope 3:
 - Category 1: Bought products and services
 - Category 3: Fuel production and losses in energy transmission
 - Category 4: Transportation and distribution (Upstream)
 - Category 5: Waste
 - Category 6: Business trips
 - Category 7: Travelling to work
 - Category 11: Use of sold products
 - Category 12: Taking sold products out of use

¹CO₂e is an abbreviation for the word carbon dioxide equivalent. It portrays the combined effect that the different greenhouse gases have on global warming.

Carbon footprint at DEN in 2021

Scope	Category	2021, tCO ₂ e	%
Scope 1	Vehicles	700.1	0.3
	Heat generation	95.3	0.0
Scope 2	Electricity	1054.3	0.5
	Heat	53.8	0.0
Scope 3	Category 1: Bought products and services	164.777,5	72.0
	Category 3: Fuel production and losses in energy transmission	472.2	0.2
	Category 4: Transportation and distribution (Upstream)	1963.7	0.9
	Category 5: Waste	133.1	0.1
	Category 6: Business trips	657.5	0.3
	Category 7: Travelling to work	344.6	0.2
	Category 11: Use of sold products	54905.7	24.0
	Category 12: Taking sold products out of use	3840.8	1.7

DEN knows the roots of your home

The traceability of the materials is important. For example, the timber we use comes from PEFC-certificated Finnish spruces. As a building material, wood is an exceptionally low-emission material and it stores carbon in the structures of the house for generations to come.

- Finnlamelli log houses are made of PEFC-certified spruce growing in Finnish forests.
- The wood we use comes from forests that are tended in a sustainable manner and its origin can be traced.
- Wood is an exceptionally low-emission building material. Spruce logs store the carbon from the trees in the structures of the house for centuries.
- The processing of the logs that happens at our factory in Alajärvi is energy-efficient thanks to the cutting-edge technology.

The carbon footprint of DEN buildings is smaller than average.





Minimising the waste of materials is based on planning

From the perspective of the environment, minimising the waste of materials is vital in building. By combining good planning and efficient production, many of the materials that are cut to size (e.g. timber, insulation materials) can be used in their entirety.

- By planning in the design phase, how to use all of the timber and the insulation materials that are cut-to-size, the amount of waste materials decreases.
- By avoiding building houses that have excess space, energy consumption can be reduced significantly.
- When designing interiors, careful planning helps to make sustainable choices and reduces the need for redecoration.
- Lighting based on LED technology saves energy and materials.
- Taking into account the energy rating of the home appliances is both an economic and an ecological choice.

Safety for the workers and clients by operating in a transparent and honest manner

DEN tracks health and safety in real time. In recent years, we have invested in gathering precautionary security observations and managed to grow the amount of these observations. In this way, any possible dangerous situations can be prevented thanks to preventive measures.

Regular safety walks are organised at the factories, allowing us to track the health and safety of the work environment by means of active observation. The prevention of harms that arise in the long term is also part of the workplace health and safety. For example, the harms caused by dust at our factories are minimised by keeping the air humidity at a level where it binds the dust. In this way, the amount of dust in the air is as low as possible.

The health and safety of our customers is something we pay a lot of attention to. The storage of the materials and the processing of the elements is done at our own weather-protected factories in Nivala and Alajärvi. The process of building a ready-to-move-in detached house is very fast. This means the damage caused by moisture due to the weather is minimised. The quality of the indoor air in log houses has been scientifically proven to be excellent from a health point of view. The quality of indoor air is ensured by high-quality materials.

Three things secure us having a sustainable partner network: mutual contracts with our suppliers, ethical guidelines and the obligation to report.



The three cornerstones of social responsibility at DEN:

- Workplace health and safety and working conditions
- Safe and healthy living
- A sustainable supply chain and the best partner experience

DEN aims to increase the amount of women in the construction sector which has traditionally been a male-dominated sector:

- At DEN, 33% of the leaders are women
- The portion of female workers (out of all the workers) is 23% (the average in the field is <10%)
- The portion of women in the board is 33%



Workplace health and safety as a priority:

- Continuous monitoring
- Regular safety walks at the factories
- Cleanliness at factories and construction sites
- Instructions, actions and safety equipment at construction sites
- Safety observations
- Long-term workplace health and safety, for example, binding dust with the right air humidity
- In 2021, there were 27 work-related accidents. Our goal is to constantly keep bringing that number down.
- Absences from work: 1.6% (of the total working time of all the workers)*

*ESG report, 2021

Ethical guidelines show the way for good governance

- Quality management
- Knowing and respecting the laws and the regulations, having your own ethical guidelines
- Practises that help to promote equality, diversity and inclusion and that help to prevent harassment and discrimination
- Transparent reporting and communication

The ethical guidelines come as an attachment in every new employment contract. They have to be read and signed when a new employee comes to work for us. Our partners have their own set of ethical guidelines, and we require all of our partners to follow them.



DEN is a pioneer in sustainable construction.



DEN

***We build
a better life,
unit by unit.***