

# SENSE OF INFRASTRUCTURE



ANNUAL REPORT

2021

**DESTIA**

A COLAS COMPANY

# DESTIA

A COLAS COMPANY



Photo: Highway 3 Hämeenkyrönväylä

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# FINLAND'S BIGGEST INFRASTRUCTURE SERVICE COMPANY

REVENUE

**574.8**

€ million

COMPARABLE OPERATING PROFIT

**21.5**

€ million

CUSTOMER SATISFACTION

**56**

Net Promoter Score

PROJECTS

over **1000**

per year

PERSONNEL

**1586**

Destia employees (31 December 2021)

EMPLOYEE SATISFACTION

**30**

eNPS average in 2021

OCCUPATIONAL SAFETY

**6.5**

accidents per million working hours

Photo: Forest Line transmission line



## PRESIDENT AND CEO'S REVIEW

# SUCCESSFULLY TOGETHER

The year 2021 was a time of changes for Destia and the whole world. The second year of the COVID-19 pandemic challenged the resources of individuals, businesses and society. I am grateful and proud of the commitment and actions of Destia's personnel during the year. Together we faced challenges, solved problems, met our customers' needs and took care of each other. Together, we renewed Destia and laid the foundations for an even more successful future.

### NEW OWNER

We successfully developed Destia for seven years under Ahlström Capital's ownership. On 1 December 2021, the global Colas Group became the owner of our company. Colas is a world leader in the construction and maintenance of transport infrastructure. For Colas, the acquisition of Destia is a significant strategic step in its expansion into Northern Europe.

Destia's strong expertise in areas such as the digital transformation of construction and road maintenance also creates added value for Colas internationally. With the support of its new industrial owner, Destia will be able to develop its business, for example, in its growth area of railway construction.

### GROWTH FROM ENERGY

To strengthen our energy and telematics businesses, we acquired Oulun Energia Urakointi Oy in March 2021. The acquired company was successfully merged into Destia during the year.

Our focus on the energy business is reflected in our projects. We built area-wide infrastructure for Vestas at Finland's largest wind farm in Mutkalampi. The 400 kV Forest Line transmission line we implemented for Fingrid, in turn, will be used in the transmission of electricity produced from renewable energy sources to the growth centres in the south. A substation under construction for Caruna in Espoo's Sinimäki district is a response to the future needs of electricity transmission in Espoo.

Our electric charging business has also got off to a good start. These and many other projects are indicative of Destia's extensive role as an enabler of the energy transformation.

### BETTER PROFITABILITY BY DEVELOPING PROJECT MANAGEMENT

Our Kaisantunneli bicycle and pedestrian tunnel construction site at Helsinki's central railway station was recognised as the best large excavation site of the year in a competition organised by the City of Helsinki.

Traffic flow on national road 4 improved in the Jyväskylä region when the Kirri-Tikkakoski motorway section of our project was opened to traffic eight months ahead of schedule thanks to our highly competent personnel.

The alliance contract for the tram line in Helsinki's Kalasatama district moved from the development phase to implementation. Our alliance expertise was also put to use in the above-ground infrastructure contract for Laakso Joint Hospital, which again gives us the opportunity to demonstrate our urban construction capabilities in Helsinki.

Challenges to projects were caused by the exceptionally sharp rise in the prices of construction materials during the year.

Thanks to well-managed projects, we achieved the best result in the history of the company under the challenging circumstances. This puts us in a good position to achieve even greater success in the future.

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### RESOLUTELY COMBATING CLIMATE CHANGE

Combating climate change and protecting biodiversity is everyone's responsibility. Infrastructure enables society's development, economic growth and employment. At the same time, infrastructure construction and particu-

larly the transport activities it enables have a significant adverse impact on the environment. With this in mind, we published the most ambitious carbon neutrality targets in the construction sector in Finland. We are committed to achieving carbon neutrality in terms of our own emissions by 2030 and being climate positive by 2035.

### EYES ON THE FUTURE

Highly functional infrastructure is crucial in a sparsely built country. It creates competitiveness and connects us to the rest of the world. Urban development also depends on highly functional infrastructure. This means that our work matters. We work sustainably together with our customers and partners, and I want to take this opportunity to thank them for their constructive cooperation.

Our performance in 2021 and our new owner provide us with a good foundation for strengthening Destia's role as an enabler of highly functional Finnish society and a company that connects Northern life in 2022.

**Tero Kiviniemi**  
President and CEO



## DESTIA IN BRIEF

We are the biggest service company in the infrastructure sector in Finland and part of the global Colas Group. We design, build and maintain infrastructure that is essential for the functioning of society, such as electricity networks, bridges, roads and railways. We play a significant role regarding the security of supply in Finland. We develop cities, telematics and lighting solutions, and offer comprehensive services for electric and smart traffic and infrastructure management.

## SENSE OF INFRASTRUCTURE

At Destia, we have a unique sense of infrastructure. It emerges from each Destia employee's special expertise, skills, attitude and mindset as well as their ability to utilise and understand the benefits of digitalisation for customers and society.

We provide reliable and sustainable solutions to our customers' needs. Our customer base comprises industrial enterprises and businesses, municipalities and government organisations.

## SUSTAINABILITY

As the largest infrastructure company in Finland, we play a significant role in ensuring the functionality and safety of traffic and industrial environments as well as creating complete living environments. Our operations have a significant impact on society, the environment and our stakeholders.

The built environment and its maintenance have a significant carbon footprint. As a sustainable company, we set the most ambitious climate targets in the infrastructure sector in Finland in 2021 to combat climate change.

Our aim is to be a sustainable leader that creates sustainably profitable business, is a safe, inspiring and

successful workplace, and is a sustainable construction industry operator and a developer of corporate responsibility.

As part of our sustainability efforts, we are committed to the UN's Sustainable Development Goals. Through our operations, we are also committed to promoting principles concerning human rights, labour, the environment and anti-corruption.

Sustainability and quality are integral aspects at all levels of our operations: our values, objectives, strategies, leadership and day-to-day work on individual projects.

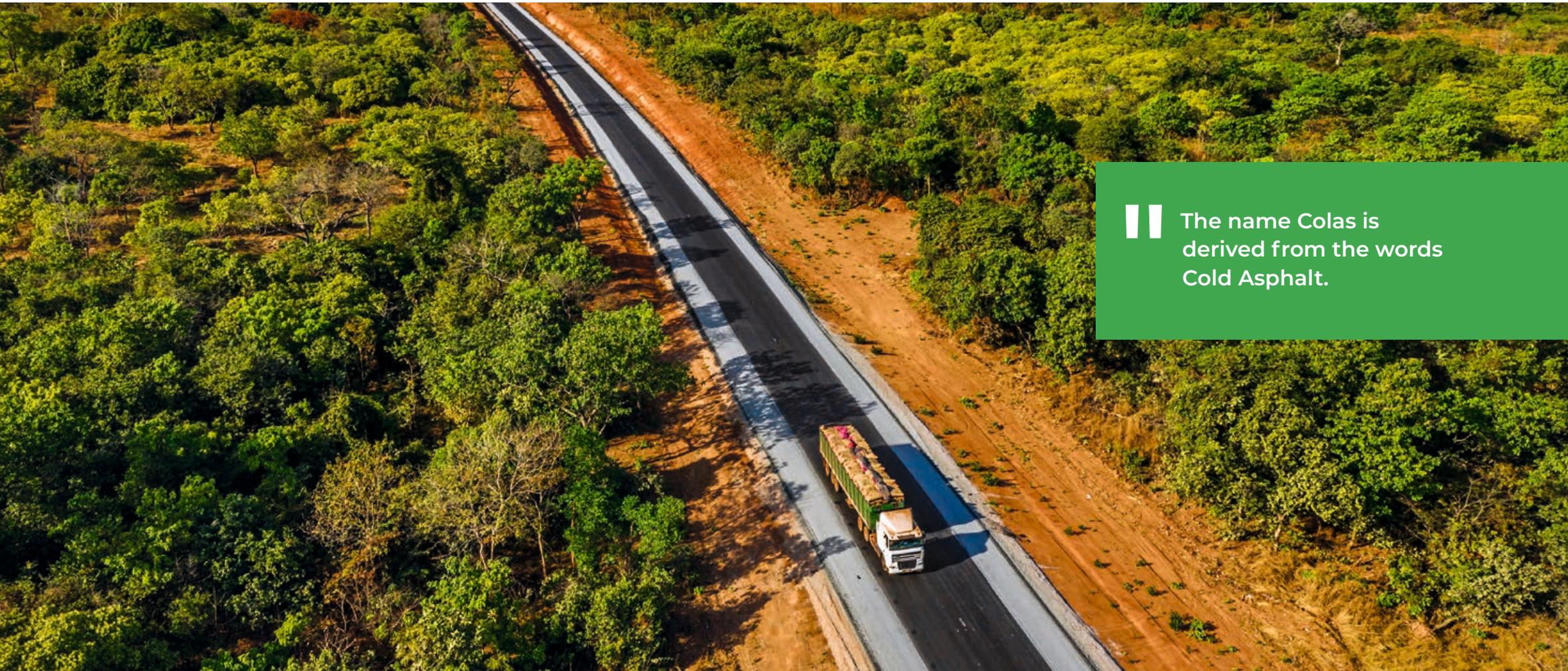
## CUSTOMER-ORIENTED PERSONNEL

We ensure high-quality solutions for our customers and build our success on our personnel and corporate culture. Our corporate culture is based on balanced values, inspiring leadership and happy people. Together we build the winning team.

We pursue development and renewal together with our customers. We have the willingness and ability to listen to our customers and solve their challenges in various projects. We serve our customers efficiently, economically, safely and with minimal environmental impact.



Photo: Isko interchange in Oulu



The name Colas is derived from the words Cold Asphalt.

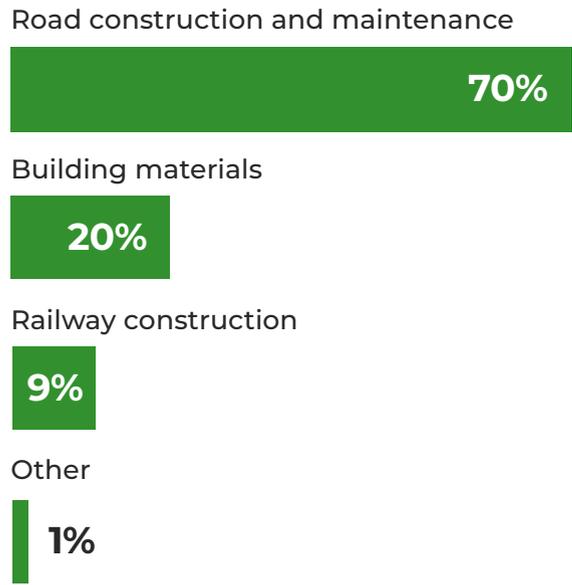
## OUR OWNER COLAS

Destia became part of the global Colas Group on 1 December 2021 when the transaction between Ahlström Capital and the Colas Group closed. Colas is a world leader in the construction and maintenance of transport infrastructure, opening the way to innovative and sustainable mobility.

Colas seeks growth in certain geographical regions, such as Northern Europe, so acquiring Destia presented Colas Group with a good opportunity to enter the Finnish market.

For Destia, Colas brings versatile experience in large projects, strengthens the competitiveness of our core business, improves our opportunities to expand our operations in the Nordic countries and gives our employees opportunities to build international careers.

**BREAKDOWN OF THE COLAS GROUP REVENUE BY BUSINESS SEGMENTS IN 2021**



**OPERATIONS IN APPROXIMATELY**

**50**  
countries

**COLAS GROUP EMPLOYS**

**57 000**  
people

**COLAS GROUP'S REVENUE 2021**

**13.2**  
€ billion  
(54% of the Colas Group's revenue comes from outside of France)

# TRENDS GUIDE OUR STRATEGY



Photo: Kaisantunneli site at the Helsinki Central Railway Station

In 2021, our operating environment was affected by the continued global COVID-19 pandemic, with its direct effects on Destia's business and projects nevertheless being relatively moderate.

Our operating environment changes and evolves constantly in accordance with megatrends. The trends guiding our strategy include urbanisation, digitalisation, climate change, the ageing of the population and the depletion of natural resources.

The overall infrastructure construction market in Finland continued to grow in 2021. This was due to factors such as government investments in fundamental road maintenance and investments in large cities and housing construction, which continued at a relatively active level despite the pandemic.

The decrease in large infrastructure projects creates downward pressure on volumes in the infrastructure market, and the continuation of good growth development would require additional economic stimulus, for example, through additional recovery funds from the EU.

The strong growth in the Swedish and Norwegian infrastructure construction markets is expected to continue.

# CONNECTING NORTHERN LIFE

Our objective is “Connecting Northern Life”. Our strategy for the coming years is to ensure the competitiveness of our core business, to grow in new services and urban development in cooperation with partners and to grow internationally in our selected strategic areas.

In 2021, Ahlström Capital sold Destia's entire share capital to the global Colas Group. As a world leader in the infrastructure sector, Colas brings added strength and expertise to the development and implementation of Destia's customer solutions. The starting point is that we will continue to execute our previously defined strategy under Colas Group's ownership.

## A BROADER ROLE IN THE VALUE CHAIN

Our objective is to ensure the competitiveness of our core business and improve the added value for our customers in design, construction and maintenance projects requiring special competence in our home markets in Finland. In our core business, we see particular growth markets and opportunities in railway construction, urban construction and energy services.

Our strategic objective is to continue to grow as an increasingly strong urban developer together with our partners and networks. We are aiming for a broader role in the sector's value chain by providing our customers with services of higher added value, such as in urban

and project development and in diverse solutions for construction and maintenance.

We are also investigating business opportunities in Sweden and Norway, particularly in the northern regions, although the progress of new international strategic initiatives has been moderate due to factors such as hindrances related to the pandemic.

## WE IMPLEMENT OUR STRATEGY THROUGH DEVELOPMENT PROGRAMMES

Our versatile expertise, strong values and harmonised, ethically sustainable and responsible way of doing business provide a firm foundation for the implementation of our strategy.

Customer orientation, sense of infrastructure, smart production and inspiring leadership are the factors that create our competitive advantages. In 2021, we continued to develop our corporate culture and value-based leadership and deepened our business group-specific business plans and their implementation.



We promote the achievement of our strategic objectives through company-level development programmes, which were updated in 2021.

The updated programmes are:

- Forerunner in productivity, which focuses on the development of the quality and standardisation of project management, smart production and procurement.
- Growth builder, which focuses on the development of Destia's sales and customer work as well as new services, creating conditions for business growth.
- Sustainable leader, which aims to reduce Destia's carbon footprint and achieve carbon neutrality by 2030.



# DESTIA'S GOAL CONNECTING NORTHERN LIFE



# OUR BUSINESS AND HIGHLIGHTS IN 2021

*Photo: Tervala railway bridge in Jyväskylä*

## MAINTENANCE SERVICES

We are the largest road maintenance service provider in Finland. We offer a wide range of services for around-the-year maintenance of traffic routes, gravel roads, bridges and the traffic environment in general. We are experts in winter maintenance, with our operations supported by the weather and road condition forecasts provided by the Winter Maintenance Management Centre, a joint operation of Destia and the Finnish Meteorological Institute, and experienced employees utilising modern work methods and equipment.

The maintenance contracts extend over several years. Destia started the following new five-year road maintenance contracts in 2021: Nummi, Kangasala, Harjavalta, Pietarsaari, Ii and Ranua as well as a six-year contract for Imatra. Destia's market share of all road maintenance contracts is 47%.

## ROAD SERVICES

Our core competence lies in large road and street projects requiring special expertise as well as bridge construction, but we also implement smaller projects with expertise. We offer services from design to construction, utilising diverse data on the road network data.

In 2021, we were engaged in Finland's largest national road projects, such as Hämeenkyrönväylä. We completed the motorway section of the Kirri-Tikkakoski project from Kirri to Vehniä on national road 4, including its 30 bridges, eight months ahead of schedule. We also completed the largest street renovation project in Helsinki's entire history on Hämeentie.

## RAILWAY SERVICES

Our railway services cover rail construction and maintenance. We are Finland's leading company in the maintenance

of superstructures and safety equipment for railways. We have a modern and efficient railway fleet at our disposal. We also have a strong track record in metro and tramline construction. In addition, we offer our services for the maintenance and construction of private tracks.

Our most significant customer in 2021 was the Finnish Transport Infrastructure Agency, and we were responsible for the maintenance of regions 3, 6, 7 and 8 at the end of the year. We also prepared for the maintenance of region 5 starting in early 2022, which will see us maintain approximately 3,400 kilometres of the state railway network in total.

In 2021, we built a roundwood terminal in Akaa, improved the Ypykkävaara and Vartius operating points and the Turku-Kupittaa operating section, where we made extensive use of the latest digital solutions.

Photo: Mutkalampi wind park



Photo: Kaisantunneli

## ENERGY SERVICES

Our vision is to be a strong Nordic energy infrastructure builder. As we seek growth in the energy sector, particularly in wind power and electricity grid construction, we decided to rename our Construction Technology Services business as Energy Services as of the beginning of 2022.

We design, maintain and implement power lines, electricity networks, substations and wind power infrastructure. We also build and maintain road lighting. In power line construction we serve our customers in 110 kV and 400 kV projects.

In 2021, we further strengthened our construction expertise. In addition to conventional concrete construction, we can also offer house-building construction projects to our customers.

We strengthened our electricity network business by acquiring Oulun Energia Urakointi Oy in March 2021. At the beginning of 2021, we started work at Finland's largest wind park located in Mutkalampi, Ostrobothnia.

## URBAN DEVELOPMENT AND DESIGN SERVICES

We design roads, streets, bridges and entire areas. We offer traffic, environmental, geotechnical and rock construction planning services. We develop cities and construction projects. We offer measurement, survey and quality control services relating to traffic routes and traffic environments.

Our offering also includes telematics solutions, such as variable speed, warning and information signs, road weather stations and traffic monitoring cameras. The acquisition of Oulun Energia Urakointi Oy also strengthened our telematics offering.

We also build and maintain traffic lights and electric vehicle charging infrastructure. We continued our growth in electric charging services in 2021.

In design services, we made progress on the tramline project from Kalasatama to Pasila and won the design contract for the speed increase for the Seinäjoki–Vaasa railway project, for example.

## EARTH AND ROCK SERVICES

We offer services for demanding foundation engineering, such as building pits and support, concrete structure work, pile driving and base reinforcement as well as fortification and repair of foundations. We plan and construct tunnels and underground facilities, such as parking areas, goods and freight stations and civil defence shelters. Our foundation engineering unit also operates in Sweden and Norway.

Our services include open pit and underground mining, concrete structure work, reinforcement, compaction and rock facility fittings. We offer CE certified aggregates.

In 2021, we started construction on Kaisantunneli underneath Helsinki's central railway station, which will improve the conditions for cyclists and pedestrians in Helsinki's city centre. We started the implementation phase in the Kalasatama–Pasila tramline alliance. We were also selected to participate in the Laakso Joint Hospital alliance project as the company responsible for above-ground infrastructure development.



## NEW SERVICES

We are known for roads and road maintenance, but we offer comprehensive infrastructure services and develop new solutions to the changing needs of our customers and society. As our newest services, we offer electric charging, telematics and artificial intelligence services.



### **ELECTRIC CHARGING AS A SERVICE**

We implement electric charging solutions mainly for professional transport operators, the public sector and companies. Our comprehensive electric charging service consists of the electrical infrastructure, charging devices and their remote management as well as equipment maintenance. We create customised service packages to suit our customers' needs.

In 2021, we increased our brand awareness in the professional transport market for electric charging. We entered into customer relationships with bus operators,

logistics companies, vehicle manufacturers and taxi companies.

### **TELEMATICS FOR THE DEVELOPMENT OF THE TRAFFIC ENVIRONMENT**

We are one of the leading builders and maintainers of road telematics in Finland. Our position was further strengthened by the acquisition of Oulun Energia Urakointi Oy in 2021. Following the acquisition, we offer telematics maintenance and construction services for cities, Fintraffic and industrial operators.

The developing traffic environment increases the need for communication between road users and the parties responsible for road maintenance. We use telematics to ensure up-to-date traffic data and information about the prevailing conditions for all parties. Examples of telematics systems that generate data include variable speed, warning and information signs, road weather stations and traffic monitoring cameras. In 2021, Destia maintained approximately 300 traffic light intersections in the Northern Ostrobothnia, Kainuu and Vaasa regions.



The telematics business also includes the Liila device for counting the number of pedestrians and cyclists. The data helps maintain statistics on changes in the popularity of routes over the long term. It enables cities to make routes more attractive and to use data on road users in their decision-making as well as share information with road users. Liila traffic counter is in use in Oulu and Lahti.

**IMPROVING ROAD SAFETY WITH ARTIFICIAL INTELLIGENCE**

We use artificial intelligence to monitor the condition of roads and traffic safety in real time. We provide our

customers with services that enable the identification of even minor road damage and changes that need to be addressed. We have developed a damage detection system that detects, assesses and, using image interpretation, marks road surface damage and locations where gravel roads become difficult to traverse due to seasonal weather conditions.

We also offer the iLiitu service, which is Finland's best-known online traffic safety tool. It is a versatile accident analysis tool that is used to process and compile accident data across Finland.

We use the service to prepare reports and analyses

for our customers to facilitate local decision-making to improve traffic safety. The service also provides visual illustrations of traffic accidents over the long term. The data we collect in the service is sourced from the police authorities, rescue authorities and the Finnish Wildlife Agency. The data can be examined in broad overviews and filtered according to accident type, date or the time of day, for example.



## HIGH-QUALITY INFRASTRUCTURE FOR OUR CUSTOMERS' NEEDS

We aim to continuously develop high-quality solutions and services for our customers, so that they can achieve their objectives in a sustainable and competitive manner. We strive for satisfied customers and end users as well as for continuous improvement.

Our harmonised operating methods and the nationwide scope of our operations enable us to deliver uniformly high quality in all of our projects throughout Finland. We ensure customer satisfaction through project management methods, through cost-effective and high quality project implementation and by choosing the best method of execution with respect to safety and the environment. We ensure quality through our integrated management system and the safety management system applied in the railway business.

### WE ENSURE AND DEVELOP OUR OPERATIONS IN VARIOUS WAYS

Our project personnel working in accordance with our values is the core of our quality implementation. They are responsible for quality assurance planning, implementation and timely reporting. We ensure our ability to provide high-quality projects by investing in employee competence development and systematic development of skills.

External and internal audits enable us to ensure unified methods that comply with our integrated management system and they also help ensure that the requirements related to management system certificates are met. We monitor project implementation through self-evaluation and, for example, through weekly site inspections as well as civil engineering and railway construction measurements. We engage in active cooperation with the public authorities relevant to our business.

We use a single system to document non-conformity reports and safety, quality and environmental observations. We use the data entered in the system for both project-specific and more extensive operational development. All Destia employees are responsible for

making observations on our operations, and everyone has access to the entries.

Our top management reviews and develops the functionality of our quality management system through management reviews that are implemented as continuous activities throughout the year. Monitoring and anticipating changes in our operating environment and the utilisation of the latest technology ensure our leading position in quality management in the upcoming years as well.

### IDENTIFYING THE NEEDS OF CUSTOMERS AND END USERS

High-quality implementation and end results are created by identifying the needs of customers, stakeholders and end users and through fair cooperation. In service development, it is essential that we understand these needs, engage the various parties and provide the best possible package that creates value.

### KEY CERTIFICATIONS OF DESTIA'S OPERATIONS

- **Scope of the ISO 9001 quality system and 14001 environmental management system certificates in Destia Oy:**
  - Destia Oy: infrastructure construction, care, maintenance and specialist services, aggregate services and design and implementation services for energy networks.
  - Destia Rail Oy: infrastructure construction, maintenance and care services.
- **Scope of the ISO 45001 occupational health and safety system certificate (Det Norske Veritas) in Destia Oy:**
  - In the Urban Development and Design Services business division and the Energy Services business division: infrastructure construction, maintenance and expert services and energy network design and implementation services.
  - In our other business divisions, we observe operating practices in accordance with the ISO 45001 standard and aim to certify their operations in 2022.
- **Destia Rail Oy:**
  - Welding quality certification in accordance with the SFS-EN ISO 3834-2 standard (Det Norske Veritas)
  - Railway operator's safety certificate – issued by Traficom.
  - Traficom-approved training institute for providing supplementary training to railway drivers.
- **Destia Oy: our aggregates are CE certified (Inspecta Certification).**
- **Destia has several certificates of competence in the infrastructure industry issued by RALA and special certificates of competence related to bridge contracting.**

# DESTIA'S CONTINUOUS IMPROVEMENT MODEL

Continuous improvement is an integral part of our operating model and we commit to it also in our policies. Project managers are responsible for continuous improvement at projects with all personnel participating actively. We systematically analyse and measure our operations to gather information for improvement. In case we detect deficiencies, we map out implementation options, redesign our operations and monitor implementation. Continuous improvement is part of the systematic development of our operating culture through learning.

## CONTINUOUS IMPROVEMENT

- Development ideas and inventions
- Customer feedback
- Audit observations
- Deviation reports

We regularly evaluate process performance and efficiency. We take corrective and preventative measures based on assessments.

Production of services.

We document observations and deviations on projects and functions.

The division management addresses the business-specific observations and deviations and decides on follow-up actions.

Decisions are made at company level in Destia's management team. Destia's Occupational Safety Committee is responsible for decision-making at company level on occupational safety issues.

## QUALITY POLICY

Our customer-driven approach produces high-quality services.

- Our goal is to deliver a successful customer experience and produce solutions to the customer's needs.
- We identify the requirements associated with our customers, regulations, the public authorities and our key stakeholders and commit to meeting those requirements.
- We continuously develop our operating practices and engage our employees' participation in continuous improvement.
- We bear social responsibility and use responsible partners.
- We require our partners to operate in accordance with Destia's values and ethical guidelines.

Everyone at Destia is committed to operating in accordance with our jointly agreed practices.



## TOP-LEVEL RESEARCH AND DEVELOPMENT

We invest in our operations to ensure that we use state-of-the-art technology and contribute to the renewal of the methods used in the infrastructure industry in cooperation with our customers and other industry players. We continuously develop work methods and ways of working to ensure that they meet the challenges of a rapidly changing world, particularly through using the means of digitalisation. Digitalisation plays a significant role in reducing carbon dioxide emissions in construction, for example.

We actively develop our operations, technologies and working methods. This also contributes to the execution of our strategy. We carry out development activities with a practical approach as part of service delivery, but structured as projects and managed centrally. All of our business divisions have dedicated development managers and service development teams.

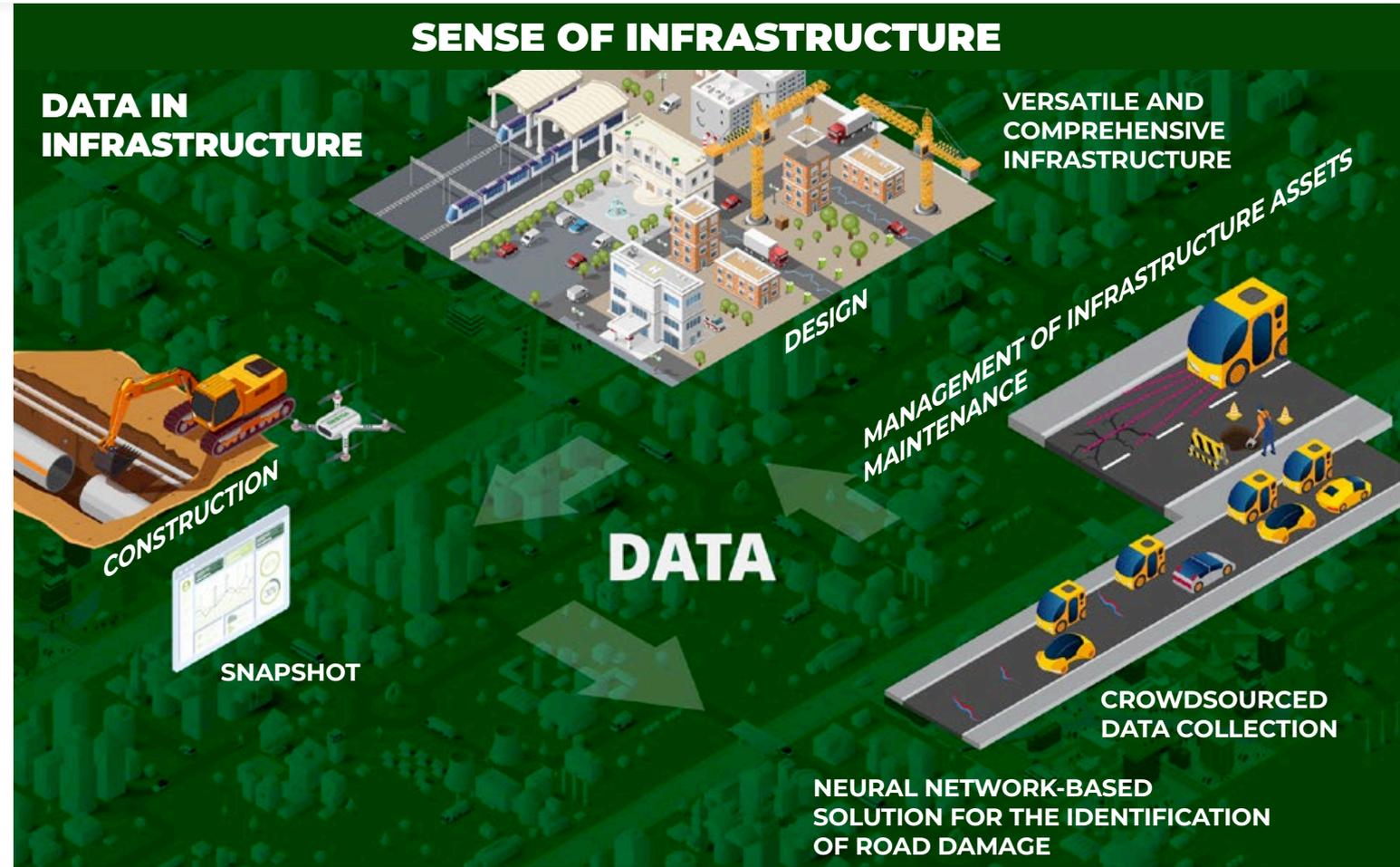
We actively participate in the development work in the industry, such as in the activities of the cooperation forum buildingSMART Finland and the development work for General Modelling Requirements (YIV). In addition, we fund and steer the digital professorship for infrastructure at Tampere University.

Our new owner, Colas, considers Destia's advanced digitalisation capabilities to be of particular interest.

### DIGITALISATION AS AN ENABLER

The key focus area in terms of our operations is the development of digital models and production methods utilising them, which enables us to serve our customers in a more transparent and efficient manner. We are an industry pioneer in data model-based construction: digital model-based designs are wirelessly transferred for use in work machines and by the project management of various parties in nearly all of our projects. Digital operating models produce data that we utilise in the various stages of design, construction and maintenance.

The systems we use allow us to monitor project execution and quality assurance in almost real time. Regular and comprehensive drone footage of sites documents the situation in various phases and, above all,



it helps plan the work. With model-based production, digital handover material is created in projects, and this material can later be used for the management and maintenance of infrastructure assets.

Digitalisation also plays a significant role in road and rail maintenance. Real-time data on maintenance activities is produced as part of the operations. All of our

maintenance units use mobile data collection to generate up-to-date reports for customers and, to an increasing extent, road users. In addition to utilising a number of innovations relating to methods and equipment, road and rail maintenance services also take advantage of information collection and reporting systems that have been customised for use by Destia.

## SMART PRODUCTION

Our development strategy is based on the vision of smart production. It is based on data model-based production, which we enrich through the collection and analysis of unique, real-time production data. Data analytics enables us to automatically create a comprehensive overview of production for project management and at the company level. In 2021, we expanded the model-based production process and the collection of

production data to include special construction competencies.

In the digitalisation of road maintenance, we make extensive use of new digital solutions. Crowdsourced data collection enables the collection and analysis of an enormous amount of image and sensor data on the condition of road surfaces, which facilitates work supervision and the identification of road sections requiring

maintenance. Mobile work supervision helps supervisors, people carrying out the work and customers obtain a better overview of matters related to contract implementation, such as schedules and status reports.

In railway maintenance, we have taken significant steps in the utilisation of digitalisation and implemented new tools for managing situations and to support maintenance management.



## DESTIA'S FOCUS AREAS IN RESEARCH AND DEVELOPMENT

### DATA MODEL-BASED DESIGN AND PRODUCTION

Construction uses digital data models transparently while collecting information on the actual implementation.

### SMART PRODUCTION MANAGEMENT

We manage production with the help of real time snapshots and analytics.

### DIGITALISATION OF MAINTENANCE

The condition of roads is automatically analysed and the data is used in work supervision.

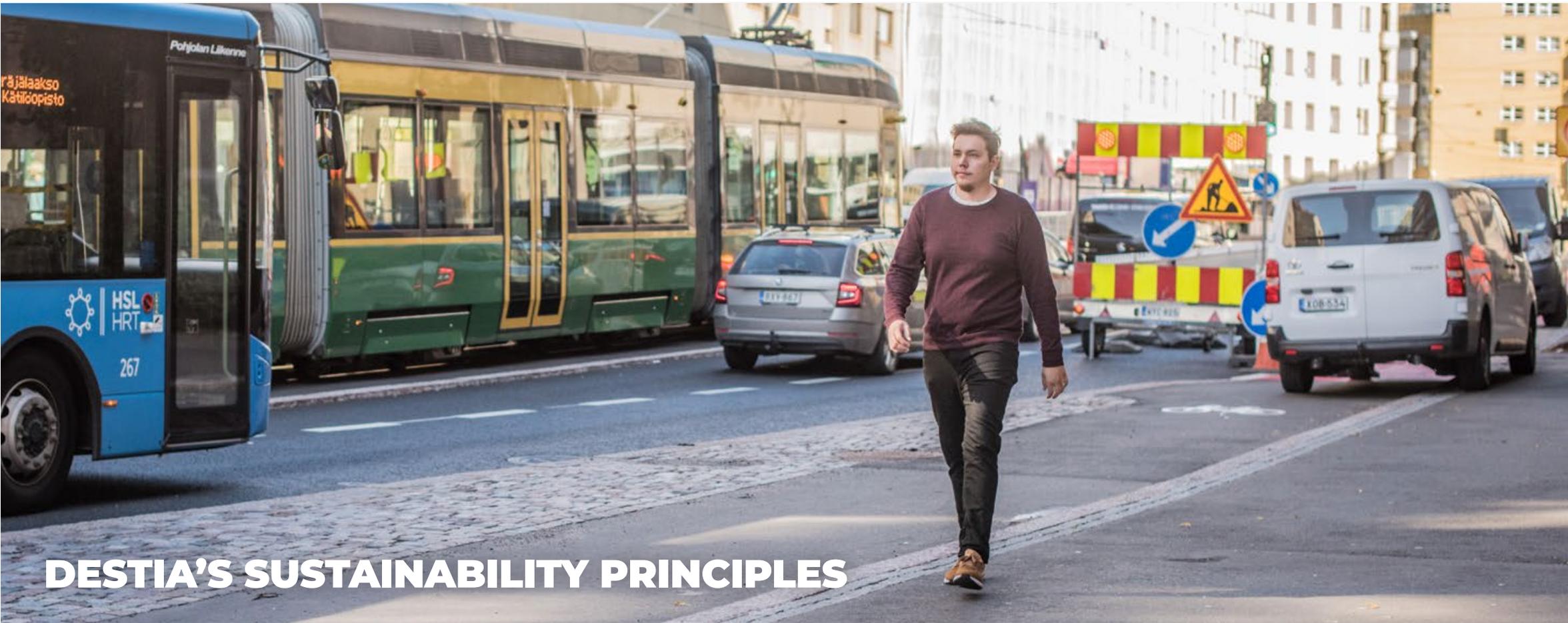


## SUSTAINABILITY

We have divided sustainability into three areas: environmental responsibility, social responsibility and corporate responsibility. We aim to be a sustainable leader that:

- Creates profitable business sustainably,
- Maintains a safe, inspiring and successful workplace and
- Is a sustainable construction industry operator and developer of corporate responsibility.

We have set targets for our sustainability efforts and established performance indicators to monitor and enhance the progress of our sustainability efforts. Through our sustainability efforts, we are also committed to the UN Sustainable Development Goals.



# DESTIA'S SUSTAINABILITY PRINCIPLES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

## ENVIRONMENTAL RESPONSIBILITY

- Low carbon
- Circular economy
- Biodiversity

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

## SOCIAL RESPONSIBILITY

- Health and safety
- Continuous learning
- Diversity and inclusion

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

## CORPORATE SOCIAL RESPONSIBILITY

- Responsible delivery chain
- Good governance
- Business continuity



ENVIRONMENT

# THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

We build environmentally efficient infrastructure which serves the needs of citizens and businesses as effectively as possible. We take nature values into consideration in our operations and operate responsibly and sustainably. We engage in systematic efforts to improve our eco-efficiency, minimise the environmental impacts of our operations and conserve biodiversity.

We design, build and maintain the infrastructure environments needed by citizens, businesses and society as a whole. Their construction and maintenance are strictly guided by legislation, permit conditions and other regulations because they use up a substantial amount of natural resources during their life cycles.

Regulatory compliance is the foundation for our ecologically sustainable operations. We promote environmental efficiency through an ISO 14001-compliant environmental management system and through separate instructions related to quality and the environment, which take into account practical plans, measures and follow-up. All of our actions related to nature are aimed

at preventing environmental damage and minimising the impacts of our operations. Where possible, we also strive to improve the condition of natural environments.

Our operating principles, practices and goals also apply to all our partners and subcontractors. We monitor our performance at the project level as part of our customer work.

Destia's most significant environmental aspects are related to the infrastructure construction and maintenance services. A project's environmental considerations depend on the project. They are affected by factors such as customer requirements, the nature of the project and service, as well as the location.

## ENVIRONMENTAL POLICY

Sustainability is part our day-to-day work.

- We operate in compliance with the UN Sustainable Development Goals and act sustainably in cooperation with our stakeholders.
- Climate change and low-carbon activities guide our choices and operations throughout the life cycle of our services.
- We observe environmental legislation and regulations in our operations and participate in their development.
- We promote circular economy and the sustainable use of resources.
- We are committed to continuously improving the environmental management system and the level of environmental protection.
- We take biodiversity into account in our operations by actively maintaining and promoting it.

Everyone at Destia takes into consideration the environmental impacts of their actions and commits to protecting the environment.

## LOW-CARBON

- Development of carbon calculation and piloting of low carbon sites.

## CIRCULAR ECONOMY

- Recycling of mineral materials and use of recycled materials in construction.
- Making more precise use of, and potentially recycling, all construction materials, preventing material waste and the creation of waste.

## BIODIVERSITY

- Voluntary conservation of valuable animal and plant species.
- Effective post-use management of decommissioned soil and aggregate areas and other sites.
- Cooperation with stakeholders.



Photo: Drill piling of a ferry pier in Storstein, Norway

# ENVIRONMENTAL RESPONSIBILITY

Environmental responsibility is one of the components of our sustainability efforts. In 2021, our environmental responsibility was divided into three sub-projects: low-carbon, circular economy and biodiversity. In the low-carbon project, we developed our carbon calculation practices and piloted low-carbon and carbon-neutral construction projects, for example. In the circular economy project, we improved mass coordination and the recycling of mineral materials, and promoted the reuse and recycling of construction materials.

In 2021, we announced our commitment to achieving carbon neutrality in terms of our own emissions

by 2030 and being climate positive by 2035. To achieve the goal of carbon neutrality, we switched to electricity produced from renewable energy sources in 2021. We will also gradually transition to fossil-free fuels by 2030.

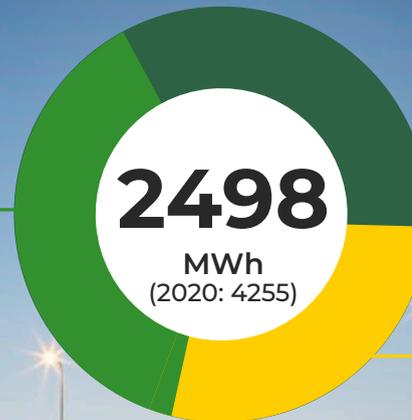
By 2030, we will also reduce indirect emissions from third parties by 30%, using 2020 as the baseline. These emissions include the greenhouse gas emissions arising from third parties' fuel consumption and the production of concrete, steel and asphalt.

In order to achieve the goal of climate positivity with respect to the company's own emissions, we will increase the number and size of carbon sinks to sequester more carbon dioxide than we release into the atmosphere. In addition, we will reduce the above-mentioned indirect emissions by 50% by 2035, using 2020 as the baseline.

# DESTIA'S ENERGY CONSUMPTION IN 2021

## DESTIA'S OWN ELECTRICITY CONSUMPTION (megawatt-hours)

Nuclear power  
**37.4 %**  
(2020: 40.4)



Renewable energy sources  
**33.1 %**  
(2020: 24.5)

Fossil energy sources  
**29.5 %**  
(2020: 35.2)

## DESTIA'S ENERGY INTENSITY

# 302.9

gigajoules/revenue (€ million)  
(2020: 335)

## DIRECT GREENHOUSE GAS EMISSIONS FROM DESTIA'S OWN ENERGY

# 12,720

tonnes  
(2020: 13,656)

## DESTIA'S DIRECT FUEL CONSUMPTION

# 4.8

million litres  
(2020: 5.2)

PEOPLE

# PEOPLE

The construction industry is characterised by labour shortages and intense competition for top professionals. With this in mind, it is essential for us to find and develop professionals and to ensure their job satisfaction. Our success is based on our corporate culture and people. Our goal is to have competent and committed employees with a high level of well-being. Our values – fairness, togetherness, renewal and success – and leadership promise guide our actions, decision-making and supervisory work in our day-to-day operations.

## SUCCESSFUL RENEWAL

We emphasised in particular our value "success" in 2021. Our goal was to make our employees understand what this value means in practice and establish it as a guiding principle in our day-to-day operations. We continued to engage in dialogue regarding our values for example in workshops and internal training programmes.

We are a constantly renewing company, where all employees can feel that they are engaged in meaningful work as part of a winning, professional team. In March, we strengthened our team by bringing in approximately 70 new energy infrastructure professionals through our acquisition of Oulun Energia Urakointi Oy. We organised a values workshop for these professionals to familiarise them with our culture and provide them with the opportunity to share their views.

## FEEDBACK SUPPORTS DEVELOPMENT EFFORTS

We monitor our employees' opinions and satisfaction by means of quarterly pulse surveys and a more exten-

sive personnel survey conducted every two years. The extensive personnel survey was not conducted in 2021.

The key performance indicators derived from the pulse survey include the employee Net Promoter Score (eNPS), which came to 30 in 2021 (2020: 27) and the PeoplePower rating, which was AA=Good in 2021 (2020: AA). Based on this rating, Destia was again recognised as one of the most inspiring workplaces in Finland.

## CONTINUOUS LEARNING AND CAREER PATHS

In accordance with our value of "renewal", we want to encourage our employees to maintain and develop their competence and professional skills. In particular, we invest in the development of leadership and project management through high-quality training programmes and briefings.

Specialists at Destia have a dedicated training programme called Shaping the Future. We use the programme to develop strategic thinking, customer focus, insight into corporate culture and coaching-style



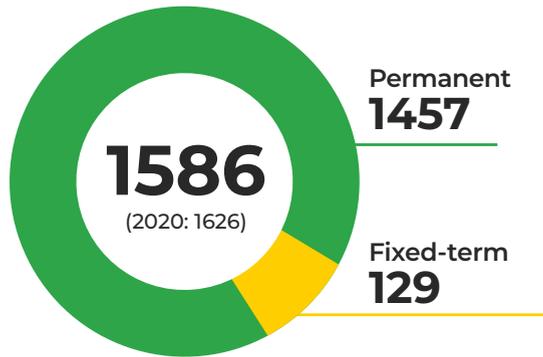
**IN** FINLAND'S MOST INSPIRING WORKPLACES

## EMPLOYEE SATISFACTION

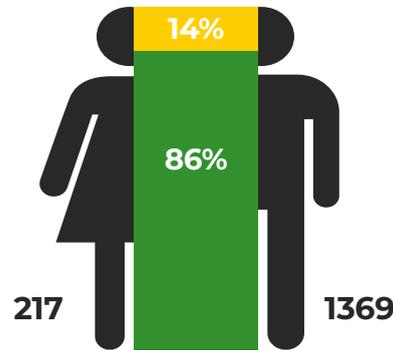
**30**

eNPS average  
in 2021

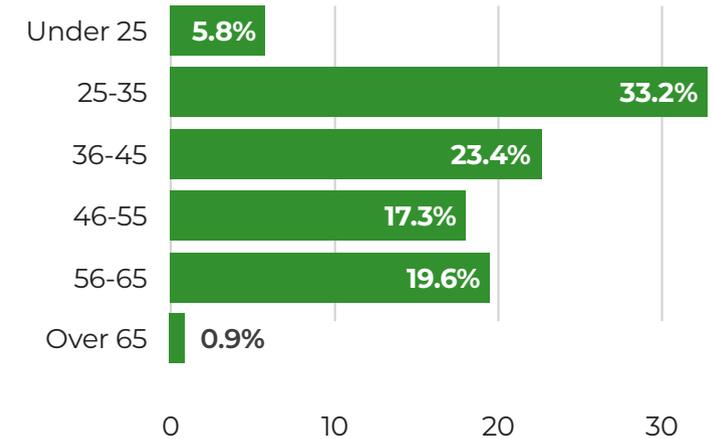
**NUMBER OF EMPLOYEES**  
31 December 2021



**WOMEN/MEN DISTRIBUTION**



**AGE DISTRIBUTION**



leadership among those who work in specialist roles. We aim to ensure that our employees and organisation have the capacity for continuous learning and innovation. We published Destia's continuous learning principles in November 2021. The document describes Destia's perspective on continuous learning and how it is supported as well as the roles and responsibilities of various parties in ensuring continuous learning.

**CAREER AND COMPETENCE DEVELOPMENT DISCUSSIONS**

We support continuous learning through, for example, annual career and competence development discussions that focus on development and career aspirations and include drawing up a development plan when necessary. We also conduct an annual Talent Review to identify and evaluate people in key positions and prepare succession and development plans for them. We aim

to improve the competence of key employees by providing them with appropriate new challenges and responsibilities as well as diverse duties. As a large organisation, we can offer diverse career paths. For example, large alliance projects provide opportunities for collaboration across boundaries between business divisions and companies.

**PERFORMANCE AND TARGET REVIEW DISCUSSIONS**

Destia has a deeply rooted performance-driven culture in line with the company's values. Strong financial performance alone is not enough. Continuous development, customer orientation and sustainability are also key indicators of our success. Performance and target review discussions are an essential element of effective human resource management. They clarify the employee's role and its significance to Destia as a whole. At the same time, the

discussions provide a good opportunity to discuss work-related hopes and goals with the supervisor. The discussions give everyone the chance to influence the content of their work and take responsibility. The goal of the discussions is that everyone has clear targets and knows what type of performance is expected from them. The discussions also provide the opportunity to receive and give feedback. The discussions help employees understand the importance of their work for achieving the goals of their team and their unit. Through their performance, employees can have a concrete impact on their remuneration. Remuneration at Destia is performance-based, which promotes the execution of the company's strategy and adherence to the company's values. A combination of intangible and tangible reward and recognition is used to create a differentiated and highly competitive total remuneration package.



## INDUCTION TRAINING

We updated our induction training by creating general induction training paths for salaried and hourly employees in our learning environment. In addition, our legal services unit organised webinars to build a stronger understanding of areas such as procurement, contract terms, data protection and occupational safety.

## TRAINEES

At Destia, many employees start their career paths as trainees and we engage in active cooperation with various educational institutions. A total of 266 trainees worked at Destia in 2021.

We launched the first Destia Studies pilot in collaboration with Metropolia University of Applied Sciences in 2021. The programme involves Destia's specialists giving lectures on the life cycle of infrastructure projects and related land survey and soil survey activities. The students were also invited to visit a construction site.

## A RESPONSIBLE EMPLOYER

Our objective is to be a sought-after employer among students and professionals in the field of infrastructure. We recruited a total of 134 new permanent professionals in 2021.

We participated in Oikotie's Responsible Employer survey for the first time. The survey assessed the extent to which the principles of responsible employment – such as non-discrimination and focusing on supervisory work – are realised at Destia from the perspective of employees.

We placed fourth in the survey in the category of large organisations of over 1,000 employees. The Responsible Employer campaign has had a positive impact on recruitment, the applicant experience and our employer image. Consequently, we will be one of the main partners of Oikotie's Responsible Employer and Responsible Summer Job campaigns in 2022.

In Universum's survey of the preferred employers

among students, Destia has improved its ranking over the years and students see Destia as an increasingly attractive employer.

## THE HYBRID WORK MODEL IN OFFICE WORK

We introduced a hybrid work model in office work in October 2021. The model is a flexible combination of remote work and in-office work. Teams agree on one to four in-office days per week. However, we decided to closely monitor changes in the COVID-19 situation and, if necessary, make a flexible transition to remote work for employees whose duties allow it. We subsequently returned to remote work in December 2021.

## JOINING THE INFRA CONTRACTORS ASSOCIATION IN FINLAND

We announced that we are joining INFRA – Infra Contractors Association in Finland, which is the most natural employer association for a private infrastructure company. As a full member of INFRA, we can better influence the development of the entire construction industry. As a result of this decision, our employer association changed on 1 January 2022 when we became a member of the Confederation of Finnish Construction Industries RT.

We negotiated new collective agreements in the autumn. The new agreements will enter into force in early 2022.

# DESTIA'S VALUES

## FAIRNESS

- We want to be the customer's most reliable partner
- We achieve good results through responsible methods
- We carry our responsibility for the living environment

## TOGETHERNESS

- We care for each other as well as for our customers and partners
- Our cooperation is based on openness
- The common interest is our highest priority

## RENEWAL

- We always work with the customer in focus
- Continuous improvement guides us every day
- We boldly develop our skills and our operating methods

## SUCCESS

- The customer's success is also our success
- Our goals are set high and we aim to exceed them
- A winning team is created as we exceed our goals together





## SAFETY AT WORK

We design, build and maintain infrastructure throughout the infrastructure life cycle. Each job and work environment has their unique risks and stress factors. We aim to guarantee a safe and thriving workplace for all our employees and subcontractors. We do everything in our power to ensure that our sites are also safe for other stakeholders, such as road users.



## ZERO ACCIDENTS

We always aim for zero accidents at our sites. Through cooperation and the responsible actions of all employees, we aim to guarantee a safe and healthy working environment for everyone who works at Destia sites. Everyone at Destia is responsible for performing their duties safely and looking after their coworkers' safety. Destia's management sets an example in safety-related matters. We address safety issues without delay.

We comply with legislation and permit conditions and operate in accordance with Destia's ethical guidelines. The management of occupational safety is part of day-to-day management. We maintain awareness of occupational safety management methods in our projects through regular safety briefings that subcontractors can also participate in. We require that our subcontractors commit to the same strict safety standards as we do.

## RISK IDENTIFICATION

Risk identification and assessment starts from the planning phase. We ensure safe work performance

through induction training and supervision. With work stage specific risk assessments, we aim to obtain first-hand information from the employees who have the most practical experience in performing similar work stages. Clearly managed operations ensure a safe framework for the construction and maintenance of infrastructure.

Creating a safe working environment is the sum of many parts. Everything starts with cooperation. Our safety organisation actively visits work sites to discuss occupational safety and provide guidance regarding problem areas. The safety organisation's broad perspective on safety management at Destia's sites helps distribute information on best practices and the occupational safety risks associated with upcoming work stages.

We organised safety workshops in our projects in 2021. The idea was to stop for a moment to think about the risks present in different work stages and how the various parties involved can mitigate them. The management's participation in the workshops also demonstrated to the employees the organisation's

commitment to occupational safety. The most important outcome of the workshops was the sharing of best practices for improving safety.

## SAFETY OBSERVATIONS AND THE TTT INDEX

Safety observations provide us with extensive information on safety hazards and risk factors in our projects. The systematic analysis of safety data enables us to address identified risks to prevent accidents.

The number of safety observations is at a satisfactory level relative to the size of our organisation. A total of 7,775 safety observations were made in 2021. Every safety observation is important.

As a new safety tool, we started using the TTT index. The TTT index is an occupational safety and health index for evaluating underlying factors that influence on-site safety, such as being in a hurry, safety risk identification practices, leading by example and taking a systematic approach to work. By taking such background factors into account, we can influence and prevent the occurrence of accidents and close calls.



### ISO 45001

Destia's safety management is based on the ISO 45001 standard. In 2021, two business divisions – Construction Technology Services (Energy Services as of 1 January 2022) and Urban Development and Design Services – were awarded ISO 45001 certificates. In our other business divisions, we observe operating practices in accordance with the ISO 45001 standard and aim to certify their operations in 2022.

Crisis drills are part of ISO 45001 compliance. In 2021, we organized a crisis communications exercise for Destia's management at a major construction site. The lessons learned will be put into use at all of our sites.

### EMPLOYEE WELL-BEING

We monitor the work ability and well-being of our personnel systematically and take measures in accordance with our annual plans. In 2021, we focused on mental well-being and carried out early and productive inter-

vention to address sickness absences caused by mental health issues.

To prevent musculoskeletal disorders, we started a Get Well pilot in the Railway Services business, implemented by our occupational health care provider.

We continued the comprehensive development of well-being by organising activities such as well-being webinars on the theme of self-management. When we returned from remote work, we created an operating model for hybrid work that took the wishes of our personnel into account.

Through purposeful work ability management, we have created a Destia organisation with a high level of well-being. This is reflected in our employees as well as the data collected by our occupational health care provider and pension insurance company. Our performance indicators related to sickness absences and disability are excellent compared to our industry as a whole.

## OCCUPATIONAL HEALTH AND SAFETY POLICY

A safe and healthy work environment is a shared priority for us.

- We identify and anticipate risks. We manage the risks systematically by taking timely action.
- We take into account individual working methods and the factors arising from the various operating practices in our organisation and our cooperation network (human factors and organisational factors).
- We commit to the goals we set. We develop procedures and tools that enable the achievement of our goals.
- We address problems actively and without delay.
- We operate responsibly in accordance with our values. We expect the same from our stakeholders.

Everyone at Destia is committed to operating safely and in a manner that promotes collective well-being, taking into account the expectations, requirements and needs of internal and external stakeholders.



Photo: Mutkalampi wind park

## CORPORATE RESPONSIBILITY

# WE OPERATE ACCORDING TO A SET OF ETHICAL GUIDELINES

Our operations are based on our values and the ethical principles that are documented in our ethical guidelines. Our ethical guidelines provide a consistent foundation for our decision-making and operations. All of our employees are responsible for compliance with the ethical guidelines and they are required to complete general compliance training once every calendar year.

We have a Whistleblowing channel that enables an-

yone to report violations of Destia's ethical guidelines, either in their name or anonymously. The ethical guidelines apply to our common operating practices, laws and regulations as well as the agreements that are binding on Destia.

We comply with laws and agreements in our operations, and we constantly monitor changes in our operating environment.

In addition, all of our contractual partners are required to commit to Destia's ethical guidelines for contractual partners. The guidelines aim to ensure that our contractual partners comply with laws (e.g. competition and labour law), ensure fair and equal terms of employment for their employees as well as a safe working environment, and operate in accordance with the principles of sustainable development.

# SUSTAINABLE PROCUREMENT

Destia has over one thousand active projects each year. In most of these projects, we work together with reliable and highly competent subcontractors and high-quality suppliers of materials.

We systematically develop our procurement processes with the aim of improving quality and competitiveness, from our perspective as well as that of our partners. By engaging in long-term and development-oriented cooperation, we position ourselves as a preferred partner for competent and responsible subcontractors as well as high-quality suppliers of materials. Our win-win approach helps us ensure the success of the projects and our entire supply chain, all the way to customers and end-users.

## RESPONSIBLE SUPPLIER BASE

It is important for us to know who we cooperate with and to ensure that all our partners operate responsibly. All our procurement activities are guided by our values and ethical guidelines as well as the principles of fair, competitive tendering. In addition to compliance with Finnish legislation and regulations, we also require all of our partners to observe international human rights as well as to adhere to Destia's safety and environmental policies, and we do not compromise on these principles under any circumstances.

In our operations, we observe the Act on the Contractor's Obligations and Liability when work is contracted out, by which we endeavour to combat the grey economy and promote compliance with the terms and conditions of employment, among other things. We also require our subcontractors and suppliers of materials to

be registered in the Reliable Partner system maintained by Vastuu Group.

Each year, we purchase a substantial quantity of construction materials, supplies and other products from Finland and abroad. The aggregate assets we own help ensure our competitiveness and our service production capacity. Examples of significant procurement items and categories include various concrete and steel construction products and road salt.

When procuring materials, we ensure in accordance with our procurement process that the materials meet the customer's requirements and the quality and safety requirements laid down in legislation and decrees.

## THE POWER OF COOPERATION

We aim to continuously develop our operations together with our network of partners. Cooperation with our subcontractors, material suppliers and other cooperation partners is steered by a partnership approach. It aims to supplement our own expertise, create new innovation and improve project lead times.

We strive to provide our partners with continuity of work as well as opportunities for development and new innovation. We are the largest infrastructure service company in Finland and, together with our partners, we employ a considerable number of infrastructure industry professionals across Finland.



In 2021, our total volume of procurement from service providers and suppliers was

# 418.2

€ million  
(2020: 427.6)

An aerial photograph of a city, likely Vantaa, Finland, showing a dense urban landscape with numerous multi-story residential buildings. A river flows through the city, and a large stadium is visible in the background. The sky is clear and blue.

# DESTIA

A COLAS COMPANY

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