

# INFRASTRUCTURE FOR PEOPLE

**DESTIA**

A COLAS COMPANY

ANNUAL REPORT  
**2023**



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# FINLAND'S BIGGEST INFRASTRUCTURE SERVICE COMPANY

REVENUE

640.6

€ million

COMPARABLE  
OPERATING PROFIT

23.6

€ million

CUSTOMER  
SATISFACTION

61

Net Promoter Score

PROJECTS

~1200

per year

PERSONNEL

1700

Destia employees  
(31 December 2023)

EMPLOYEE  
SATISFACTION

44

eNPS average  
in 2023

OCCUPATIONAL  
SAFETY

6.3

accidents per million  
working hours



# HIGHLIGHTS IN 2023

New road maintenance contracts →



We reduced our emissions →



Satisfied customers →



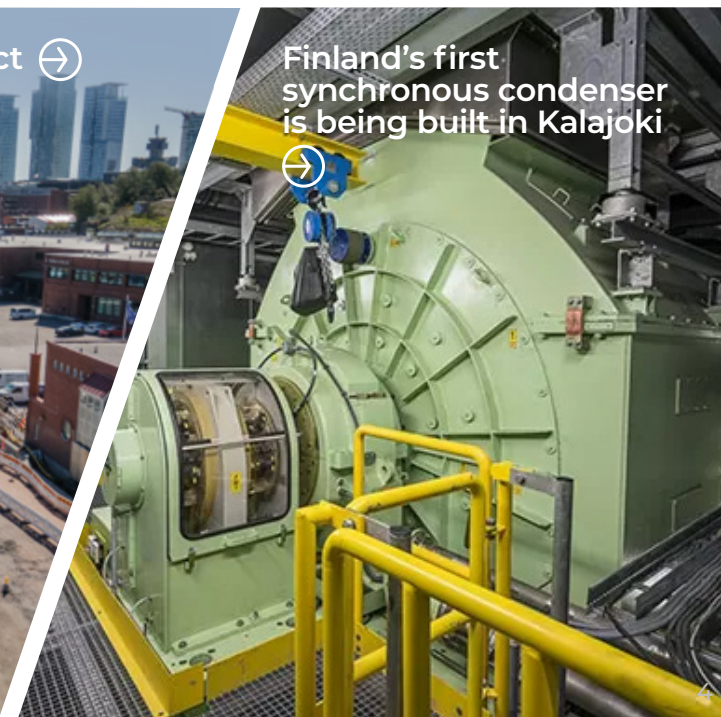
Our employees are committed →



Carbon-neutral infrastructure project →



Finland's first  
synchronous condenser  
is being built in Kalajoki →





Wind power in Niinimäki ➔



We implemented a major project in  
the centre of Tampere ➔



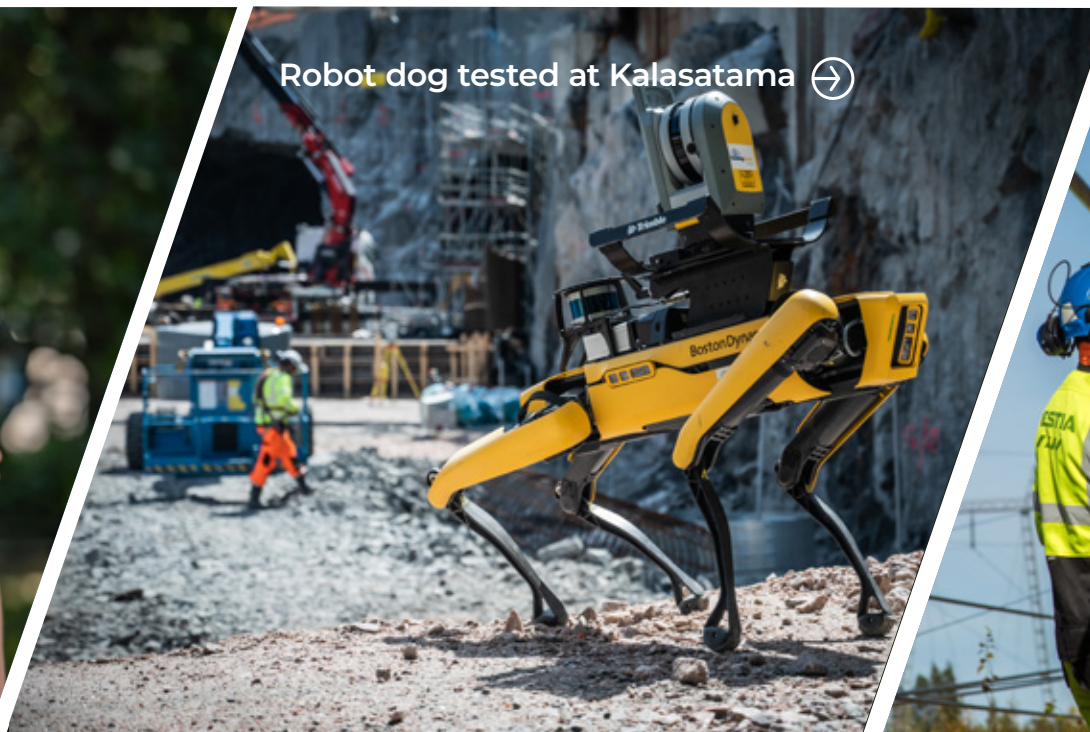
Road measurements in Finland,  
Sweden and France ➔



Perspectives on social themes ➔



Robot dog tested at Kalasatama ➔



Construction of 82 km  
of new power line for the Järvinlinja line ➔





## PRESIDENT AND CEO'S REVIEW

# PRESIDENT AND CEO'S REVIEW OF THE YEAR 2023

Year 2023 was successful for Destia. Our revenue and comparable operating profit reached record levels again. We designed, built and maintained transport and energy infrastructure critical to society by implementing about 1,200 projects. Our success is based in particular on our motivated personnel, our strong corporate culture and the meaningfulness of our work. These elements are reflected in the satisfaction of our customers and personnel.

The Net Promoter Score (NPS) rose to an excellent level of 61 and the Employee Net Promoter Score (eNPS) was strong at 44\*. We also once again ranked first in Oikotie's Responsible Workplace survey in the category of organisations with more than 1,000 employees.

I would like to thank our customers for excellent cooperation and all of our personnel for their commitment and well executed projects. Together and sustainably, we build infrastructure for people.

## Sustainable growth

We grew our energy business in line with our strategy; for example, for Fingrid we are building Finland's first synchronous condenser in Kalajoki as well as 82 kilometres of the Järvininja (Lake Line) power line for the main grid.

For OX2, we are building the Niinimäki wind farm in Pieksämäki.

In addition to building energy infrastructure that secures Finland's ability to sustainably meet the growing demand for electricity, we are continuously developing our own operations in a more sustainable direction together with our owner, Colas.

Our goal is to be carbon-neutral in terms of our own emissions by 2030. Last year, we reduced our own direct emissions by 32% compared to 2020 levels. The reduction in emissions was particularly attributable to the increasing use of renewable electricity and fuel. We also acted as pioneers in testing electricity generation with a hydrogen generator for worksite needs.

\* The Net Promoter Score (NPS) and the Employee Net Promoter Score (eNPS) are assessed on a scale of -100 to 100.







### Towards carbon neutrality, together

Achieving our goals requires seamless cooperation with our customers and partners. Our mutually developed carbon neutral infrastructure concept covers the calculations and reporting of the carbon footprint, active mitigation measures such as low-emission energy sources and low-carbon construction products, and the compensation of the remaining carbon footprint.

In 2023, we tested the concept in our Kalasatama–Pasila tramline alliance project, where, among other things, we introduced a solution to reduce emissions while providing reliable data on the use of fuel on construction sites. Our other customers were also interested in the concept and we sold it to some projects across Finland to be taken into use in 2024.

### Our success relies on our comprehensive service offering

Rail transport also supports the mitigation of climate change and has a positive impact on the development of society and the economy. Investments by the state and cities in rail transport are a key part of our strategy.

In 2023, we started work on the Kupittaa–Turku double track project that will improve the capacity of rail traffic and the safety of the area. We also maintain approximately 3,600 kilometres of the state railway network.

However, we are still best known for road maintenance, where we have a market share of 44%. In road construction,

we implemented, for example, the Lapintie roundabout in the centre of Tampere and the improvement of Rongankatu.

We design, build and maintain infrastructure that brings people together and keeps the wheels of industry turning. Our diverse range of services and excellent level of preparedness help us navigate even in an uncertain operating environment. Although the geopolitical and economic situation is challenging, infrastructure construction remains stable.

**We design, build and maintain infrastructure that brings people together and keeps the wheels of industry turning.**

The year 2023 once again demonstrated our ability to operate profitably and sustainably while doing meaningful work. I would like to see us continue on this path in the future.

**Tero Kiviniemi**  
**President and CEO**



## DESTIA IN BRIEF

# WE BUILD INFRASTRUCTURE FOR PEOPLE

We are the largest service company in the infrastructure sector in Finland and part of the global Colas Group, owned by a diversified services group Bouygues.

**W**e design, build and maintain essential infrastructure, such as electricity networks, bridges, roads and railways. We play a significant role regarding the security of supply in Finland. Our customer base comprises industrial enterprises and businesses, municipalities and government organisations.

We are actively involved in the strategic development of the Finnish traffic system. We provide decision-makers with information that is important from the point of view of the functioning of society, competitiveness of business and sustainable development. Together with our customers, we assess and envision future alternatives and review system changes in road, rail, water and air traffic and how they are reflected in different industries and society. We engage in close cooperation with business associations, industry and commerce, as well as national and regional authorities.

## Infrastructure for people with a 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 use our sense of infrastructure to build and maintain infrastructure for people. Every park bench, road, bridge, crossing, stop and station can improve people's quality of life. The choices and decisions we make in designing and

building infrastructure have a direct impact on the quality of life of people in Finland. These hundreds of decisions are not made in a vacuum. They are always focused on people. We use our sense of infrastructure to assess the impacts that all of our calculations, solutions, plans and projects have on people. We solve our customers' needs reliably and sustainably.





OUR OWNER COLAS

OUR OWNER COLAS

Colas is a world leader in the construction and maintenance of transport infrastructure. It develops sustainable solutions to future mobility needs.

Colas is part of the Bouygues Group, which operates in the energy, media and telecommunications businesses in addition to the construction business.

For Destia, Colas brings versatile experience in large projects, strengthens the competitiveness of our business and improves our opportunities to expand our operations in the Nordic countries. In addition, it gives our employees opportunities to build international careers. Destia, in turn, provides Colas with strong expertise in the northern market.

Bouygues Group supports the growth of Destia's energy business, especially in solar power construction.



Colas operates in more than

50 countries

Colas employs

65 000 people

Colas' revenue in 2023

16 € billion



## TRENDS AND STRATEGY

# MEGA TRENDS THAT GUIDE OUR STRATEGY

The year 2023 was marked by geopolitical tensions. Finland was targeted with hybrid influence. Even though the inflation rate eased, increased costs affected our business, which was shadowed by increasing threats of bankruptcy of clients and suppliers.

**W**e research the mega trends to see farther into the future, adapt and prepare for changes and exploit new opportunities. This way, Destia can obtain a joint understanding of the big picture of the changes in the long term.

The particular trends that guide our strategy include urbanisation, digitalisation, climate change and the depletion of natural resources. Extreme weather phenomena will become more common and nature's carrying capacity is eroding. The population is ageing, becoming more diverse and focusing on growth centres. Geopolitical power struggle is challenging the rule-based world order and globalisation. Technology and data are increasingly embedded in people's day-to-day lives and data is increasingly collected and used.







In Finland, the infrastructure construction market as a whole was on a decline in 2023, similarly to the previous year. A key reason for the decline was decreasing road and railway construction activity. Street construction declined slightly. Railway construction decreased in the capital region in particular as major projects ended. With the decrease in residential construction, foundation work of house-building construction decreased significantly. The decisions made in the autumn budget session were encouraging from the point of view of infrastructure construction. The Finnish Government intends to accelerate the launch of its traffic investment programme amounting to almost three billion euros and double the transport network funding from the EU Military Mobility fund.

### Connecting northern life

Our objective is "Connecting northern life" and our strategy is to ensure the competitiveness of our core business, to grow in new services in cooperation with partners and to grow internationally in our selected strategic areas.

We are part of the global Colas Group, owned by a diversi-

fied services group Bouygues. As a world leader in the infrastructure sector, Colas brings added strength and expertise to the development and implementation of our business operations. The cornerstones of Colas' strategy include international growth in developed and low-risk countries, the development and implementation of low carbon solutions and industrial solutions, and leveraging the digital transformation to drive the development of quality, competitiveness and new services. Colas and Destia have aligned strategic objectives, and Destia implements its strategy described above.

### A broader role in the value chain

Our objective is to ensure the competitiveness of our business and improve the added value for our customers in design, construction and maintenance projects requiring special competence in our home markets in Finland. We see particular growth markets and opportunities in railway construction, urban construction and energy and industrial services. In the energy sector, there are significant opportunities in areas such as renewable energy construction

and in solutions related to the transmission and storage of electricity.

We seek to take on an even broader role in the sector's value chain by providing our customers with services of higher added value.

We are also surveying business opportunities in Scandinavia.

### We implement our strategy with our 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 advantage. In 2023, we continued to develop our corporate culture and value-based leadership. Our strategic development is structured into three development programmes: Forerunner in productivity, Sustainable leader and Growth builder.



## OUR BUSINESS DIVISIONS

# BUSINESS DIVISIONS AND HIGHLIGHTS IN 2023



## Maintenance

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. We started the following new five-year road maintenance contracts in 2023: Huittinen, Jämsä, Vaasa, Hämeenlinna, Suonenjoki, Kittilä and Pihtipudas. Our market share of all road maintenance contracts is 44%. In addition to road maintenance, we started a five-year maintenance contracts for the City of Espoo in the Espoonlahti and Finnoo districts.

## Road and Consulting Services

In 2023, we merged our road and consulting services into a single business division to promote our strategic focus areas. 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.

We design roads, streets, bridges and entire areas. We also offer traffic, environmental, geotechnical and rock construction planning services, as well as asset management services for traffic routes and environments.

During the year, we implemented several significant projects. We completed the Kirri-Tikkakoski design and execute project on national road 4 between Jyväskylä and Laukaa. We improved road 900 in Kainuu and realised new traffic arrangements on road 816 between Eteläsuomentie and Ollilantie in Northern Ostrobothnia. We also started up the improvement project of national road 4 north of Äänekoski.

We have strong expertise in urban contracts as well, and in 2023, our projects included the Lapintie roundabout and improvement of Rongankatu in the centre of Tampere. During the year, we also carried out several road measurement contracts, some as far away as France. In consulting services, we advanced the Kalasatama-Pasila tramline project and implemented hundreds of road, street and railway design projects from preliminary surveys to construction plans.

Our Strategic Transport Systems unit takes part in the strategic development of the Finnish traffic system by providing decision-makers with information that is important from the point of view of the functioning of society, competitiveness of business and sustainable development. We review system changes in road, rail, water and air traffic and how they are reflected in different industries and society. We engage in close cooperation with business associations, industry and commerce, as well as national and regional authorities.





## Rail and Urban Services

We are Finland's leading company in the maintenance of superstructures and signalling equipment for railways. In 2023, we completed the Iisalmi wye project and started the work on the Kupittaa-Turku double track project, for example.

We maintain approximately 3 600 kilometres of the state railway network. At the end of 2023, we were responsible for the maintenance of regions 3, 5, 6, 7 and 8. In addition to operating in partnership with the Finnish Transport Infrastructure Agency, we also offer our services for the maintenance and construction of private tracks.

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. Our Foundation Engineering unit also operates in Sweden and Norway. We plan and construct underground facilities, such as parking areas, goods and freight stations and civil defence shelters. Our services include open pit and underground mining, concrete structure work, reinforcement, compaction and rock facility

fittings. We offer CE-certified aggregates and, starting from 2023, also low-carbon aggregates.

We were involved in a number of significant projects in 2023. We continued construction on Kaisantunneli underneath Helsinki's central railway station, which will improve the conditions for cyclists and pedestrians in Helsinki's city centre. We also implemented above-ground infrastructure construction on the Laakso Joint Hospital and continued to work on foundation engineering and track installation on the Kalasatama-Pasila tramline project.

## Energy and Industrial Services

Our vision is to be a strong Nordic energy infrastructure builder. In order to respond to the opportunities provided by the green transition, we expanded the services of our Energy Services business division to also cover solar power and industrial construction in 2023.

We design, maintain and implement power lines, electricity networks, substations and wind and solar power infrastructure. We are supported by the Bouygues Group, which has experience in extensive solar power projects.

We build and maintain road lighting. In power line and substation construction and maintenance, we serve our customers from distribution networks to 400 kV projects. Our offering includes telematics solutions, such as variable speed, warning and information signs, road weather stations and traffic monitoring cameras. We build and maintain traffic lights and electric vehicle charging infrastructure.

During 2023, we started and implemented several significant projects. We are building Finland's first synchronous condenser for Fingrid in Kalajoki. We continued our growth in electric vehicle charging and implemented, among others, 150 EV charging stations in Helsinki and a bus charging system for Savonlinja in Savonlinna. We are building new power line connections as part of Fingrid's Järvinlinja project and from Vuonnekoski, Tornio, to Viitajärvi in Keminmaa. In Pieksamäki, we designed and constructed infrastructure for OX2's Niinimäki wind farm. We also won several traffic light and lighting maintenance projects, for example in Vaasa and the Southwest and Southeast Finland regions.





## RESEARCH AND DEVELOPMENT

## 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 and robotisation. Digitalisation and robotisation play a significant role in reducing carbon dioxide emissions in both construction and maintenance.

We pursue active and wide-ranging development of our operations, technologies and working methods. This also contributes to the execution of our strategy. We carry out development work with a practical approach in conjunction with service delivery, but they are structured as projects with centralised management. We actively participate in

## Destia's focus areas in research and development

### Data model-based design and production

- We use digital data models in construction transparently while collecting as-built data.

### Smart production management

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

### Digitalisation of maintenance

- We analyse the condition of roads automatically and use the data in work supervision.



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. In 2023, we also shared best practices related to our advanced digitalisation with the Colas Group's other country companies.

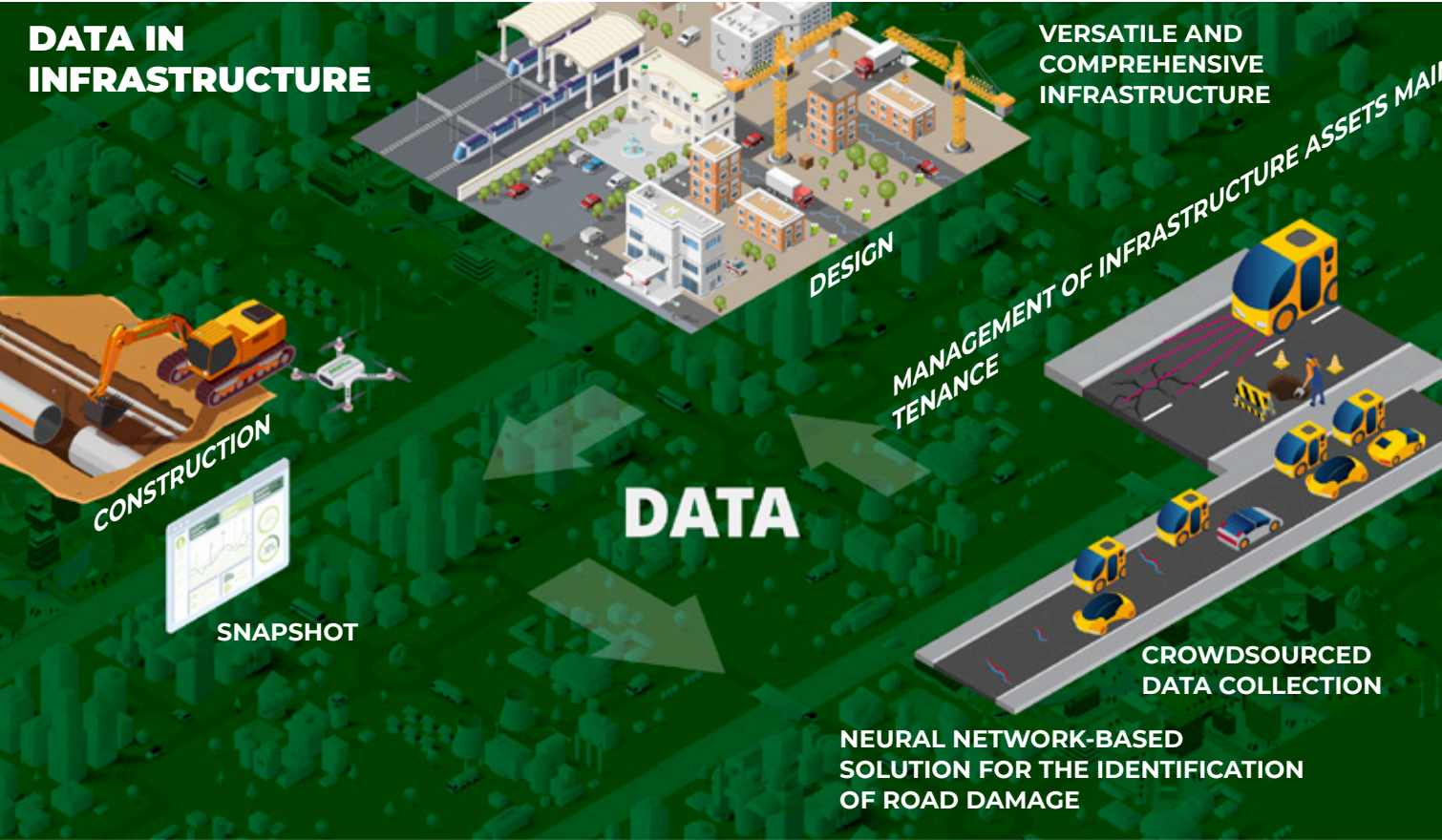
Digitalisation as an enabler

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. In our field, we are a pioneer and forerunner in model-based construction production. Digital operating models produce data that we utilise in the various stages of design, construction and maintenance, and to reduce carbon dioxide emissions from both construction and maintenance. Digital operating models are the foundation of future AI solutions and robotisation.

Destia's emissions accounting using automated production data is based on knowledge of the current situation, based on which we develop low-emission operating models. The data-based systems we use also allow us to monitor project execution and quality assurance in almost real time.

With model-based production, digital handover material is created in projects, and this material can then later be used for the management and maintenance of infrastructure assets. With digitalisation, we also produce real-time data on maintenance measures as part of our work for both roads and railways. In addition to utilising a number of innovations relating to methods and equipment, our road and rail maintenance services also take advantage of information collection and reporting systems that have been customised for use by Destia.

Smart technology enhances the survey of infrastructure assets, i.e. the condition of roads. By using advanced



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

technology in our measurement contracts, we can quickly, accurately and cost-efficiently identify damage, which also provides the customers with the best return on their investments.

Colas has developed a proprietary smart technology-based road network damage identification method, InfraCare. In 2023, we used it to identify road network damage in the Koillismaa region. With InfraCare, road owners can optimise their budgeting and thereby increase the efficiency of road maintenance.





SUSTAINABILITY

SUSTAINABILITY

Our aim is to be a trailblazer in constructing sustainable and responsible infrastructure. The EU's Corporate Sustainability Reporting Directive will also apply to Destia in 2025, and we are preparing to align our comprehensive reporting practices with it.

The foundation of our operations is in the UN principles of sustainable development, in addition to which we are committed to the comprehensive development of sustainability through our ACT programme. The ACT programme comprises eight sustainability commitments, covering all of our operations. ACT is short for Act and Commit Together. We also implement our social responsibility as part of the unique Ahlström Collective Impact (ACI) initiative, which aims to focus strategic investments on selected UN Sustain-

able Development Goals through cooperation with UNICEF Finland. In addition to economic support, the network aims to involve the more than 14 000 employees of the participating companies in promoting children's rights globally; we, too, have a few employee ambassadors involved in this. In 2023, we signed a new three-year agreement with UNICEF concerning Ahlström Collective Impact. On the pages below, we will showcase our sustainability measures linked with the ACT commitments.





# Our sustainability commitments



- 1

We offer our customers and users solutions that meet the challenges of sustainable development in local communities
- 2

We roll out a low carbon and biodiversity strategy to preserve the planet
- 3

We promote circular economy solutions to preserve natural resources
- 4

We reduce the impact of our activities to bolster acceptability
- 5

We attract, develop and retain talent through managerial excellence
- 6

We foster a stronger health and safety culture to protect lives
- 7

We build a responsible supply chain rooted in sustainable performance
- 8

We shape an exemplary culture of ethics and compliance



We offer our customers and users solutions that meet the challenges of sustainable development in local communities

## ACT COMMITMENT



## Sustainable services

In order to provide our customers with an opportunity to promote their carbon neutrality targets, we provide various sustainable services and solutions, such as low-carbon site services and emissions accounting. We use low-carbon materials in our projects, such as low-carbon aggregate, and lower-emission energy solutions, such as renewable fuel and electric equipment.

We make the deployment of new methods more efficient through proactive and innovative planning. In order to ensure smooth operation also with electric equipment, in 2023 we developed and implemented an electric charging system that can be used at both offices and sites. We also tested electricity generation with a hydrogen generator for the first time at a Finnish construction site.

### Carbon-neutral infrastructure project

We provide our customers with an opportunity to be at the frontline of promoting the transformation of the construction industry towards carbon neutrality. In order to achieve

this, we have created the carbon-neutral infrastructure project concept, in which we and our partners offer comprehensive services to achieve carbon neutrality at our projects. Our concept includes carbon footprint accounting and reporting, active reduction measures and the offsetting of the remaining carbon footprint. Read more about the sub-areas of the concept on the next pages.

In 2023, we piloted the carbon-neutral infrastructure project concept in the Kalasatama-Pasila tramline project, for example, by using emissions accounting, planning optimisation, low-carbon materials, circular solutions and electric equipment, among others.





## Accounting for climate emissions

The biggest emissions from infrastructure construction are emissions from work machines. Construction materials, site functions and transports also cause significant emissions.

We annually calculate and report the climate emissions from our operations as required by legislation. We account for climate emissions at the project level to allocate our emissions reduction measures as efficiently as possible and to be able to plan future construction projects to be as low-emission as possible. We have been using a model-based production process and data collection for climate emissions accounting since 2022.

In our model-based production projects, we monitor emissions from work machines and material transports within the project. In 2023, we continued the development of project-level emissions accounting and aim to extend the accounting to also cover actualized material and service purchases.

## Renewable fuel

Fuels are one of the most significant sources of carbon dioxide emissions in the construction industry. By using renewable fuel instead of fossil fuels, we can reduce the carbon footprint of our machinery by up to 90%. In cooperation with Neste, we have developed a solution that reduces emissions and provides reliable data on fuel use at sites.

In the centralised fuel tank solution, the site is provided with a tank of Neste MY Renewable fuel. Thanks to the tank having two sections, it is possible to refuel both heavy machinery and vehicles. RFID authentication allows monthly fuel reports, which show the work machine-specific fill-ups. This also makes emissions accounting and benchmarking easier.

## Most significant low-carbon materials

In our projects, we reduce our carbon footprint with various low-carbon materials. Together with our partners, we have

developed and deployed high-quality alternatives with significantly lower carbon dioxide emissions than conventional materials. These include low-carbon concrete, steel, plastic and aggregate.

## Low-carbon concrete

Carbon dioxide emissions from the production of concrete are significant. Cement production causes approximately 600–900 kg of carbon dioxide emissions per tonne of cement, which translates into some 200–400 kg of carbon dioxide emissions per cubic metre of concrete. Low-carbon concrete reduces the carbon footprint of concrete construction by up to 50%.

Together with concrete suppliers, we offer and design applications for a lower-carbon alternative within the limits of cement and adhesive standards.

The carbon dioxide emissions from the production of the adhesives used in the product are up to 70% lower than those of conventional cements. The reduction of emissions is based on the circular economy and the use of side streams from the steel industry as concrete components.

Low-carbon concrete is suited for massive cast-in-situ concrete structures, for example, because the heat release from its hydration is low. Even though the product's strength development is initially slower than that of ordinary concrete, the final strengths achieved with it are very good. Low-carbon concrete meets the requirements of the BY low-carbon classification, which is a method created by Finnish Concrete Association to reduce the carbon dioxide emissions from concrete. With the method, the client can choose a lower-carbon concrete for their structure without restricting competition.



## Low-carbon steel

We provide our customers with the possibility of choosing a low-carbon alternative to steel. We cooperate with Celsa Steel Service, the biggest converter and distributor of reinforcement elements in Finland. Its products are manufactured with minimum carbon dioxide emissions using hydropower. The climate impact of Celsa Steel Service's products from its Norwegian plant is 421 kg carbon dioxide per tonne, while other European manufacturers' products have a climate impact of 639 kg carbon dioxide per tonne on average. Therefore, the products offer a savings potential of approximately 40% compared to conventional steel products.

## Low-carbon plastic

We offer our customers the possibility of using Uponor's Blue products in pipe structures. They are the first plastic products in the market to reduce the carbon footprint by up to 70%. Their production is based on the mass balance model, and more than 50% of their raw material is recycled.

Mass balance is a method used widely in various industries, the best-known probably being green electricity. When the customer buys green electricity, a corresponding amount of electricity is produced to the market from renewable sources. The more demand there is for renewable energy production, the more it is produced, thereby reducing the carbon footprint of the overall production of electricity. The mass balance in Blue products works exactly the same way.

The ISCC certificate given with the Blue product certifies the renewable content of the value chain and the carbon dioxide reductions of the products.

## Low-carbon aggregate

We offer solutions to meet all aggregate requirements as well as for the recycling of construction materials and the reception of clean land. With our circular economy services, we can help with meeting the environmental targets of different types of construction projects. You can read more about our circular economy services on page 24.

During 2023, we began to produce low-carbon aggregate whose production, i.e. quarrying, crushing, processing and



transport, is carried out using renewable fuels and energy. We collected the emissions data of low-carbon aggregate and will compare it to the emissions data of the conventional production model, but we already know that the product offers a reduction potential of 90% in comparison to the conventional alternative.

In the future, we will facilitate carbon-neutral or low-carbon aggregate production all around Finland, so that the products can be produced locally with low emissions.

## Electric equipment

As part of our carbon neutrality goal, we are rapidly electrifying our fleet. Going forward, the focus of vehicle purchases will increasingly be on electric passenger cars and vans. Half of our production vehicles will be electric by 2027. In addition, we have used electric tamping machines and battery power sources at our sites with positive experiences, and we believe that electrification will also rapidly spread to lightweight civil engineering machines.

While we have been electrifying our fleet, we have also been developing our own electric charging concept to ensure that the charging infrastructure will not become a bottleneck in our business.

In 2023, we tested electricity generation for site needs using a hydrogen generator, a first at a Finnish construction site.

## Offsetting

Above, we discussed several ways of reducing emissions from construction projects. However, they alone are not enough to reach carbon neutrality. Therefore, together with NGS Finland, we offer an opportunity to survey the remaining emissions from a construction project, and a chance to neutralise the climate impact of the project in a reliable and transparent manner by using domestic offsetting. The offsetting project is extending the life-cycle of forests in Finland, offering an emissions reduction potential of 100%.



We roll out a low carbon and biodiversity strategy to preserve the planet

ACT COMMITMENT



## 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 consider practical plans, measures and follow-up. All 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, for example in connection with landscaping aggregate areas.

Our operating principles, practices and goals also apply to all of our partners and subcontractors, and we monitor success at the project level.

Destia's most significant environmental aspects are related to the infrastructure construction and maintenance services. The 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 responsibility

Environmental responsibility is one of the components of our sustainability efforts. It is divided into three sub-projects: low-carbon, circular economy and biodiversity. In the field of low-carbon, we developed, for example, our carbon calculation practices and piloted low-carbon and carbon-neutral construction projects in 2023. In the circular economy project, we improved mass coordination and the recycling of mineral materials, and promoted the reuse and recycling of construction materials.

We are committed to achieving carbon neutrality in terms of our own emissions by 2030 and being climate positive by 2035.

We actively work to reach the carbon neutrality goals. Our reduction in emissions in 2023, compared to 2020, was 32% for Destia's own direct emissions. We clearly exceeded our emissions reduction target of 25%.

During the year, we made a number of successful changes to achieve our sustainability objectives. We invested in the

use of renewable energy, incorporated automated carbon dioxide calculations into the tender calculation of construction projects, developed emissions monitoring tools and continued the electrification of our fleet. We engaged in diverse cooperation with various parties to identify and adopt lower-emission alternatives for fuels as well as construction materials. We are also developing new solutions to reduce our indirect emissions.

To reach the carbon neutrality goal, we shifted to using electricity from completely renewable sources in 2021. We have also begun a gradual transition to fossil-free fuels, which will be complete 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.

## Environmental policy

Sustainability is part of 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 lifecycle 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.



# DESTIA'S ENERGY CONSUMPTION IN 2023

REDUCTION IN EMISSIONS  
(SCOPE 1-2)

32 %

baseline 2020

ENVIRONMENTAL OBSERVATIONS

2398

(2022: 2080 )

Destia's own  
electricity consumption  
(megawatt-hours)

3 435

MWh  
(2022: 2579)

Renewable  
energy sources

100 %

(2022: 100)

Destia has chosen  
Finnish wind power  
for all consumption.

The origin of the electricity has been verified with RES-E-compliant Guarantees of Origin (GoO). The guarantees of origin have been issued in accordance with the EECS standard (European Energy Certificate System).

7500

planted  
pines

Destia's  
energy intensity

272.64

gigajoules/revenue (EUR million)  
(2022: 279.8)

Destia's own  
fuel consumption

4.8

million litres  
(2022: 4.7)

Direct greenhouse gas emissions from  
Destia's own energy consumption (scope 1-2)

10 800

tonnes  
(2022: 11 531)



We promote circular economy solutions to preserve natural resources

ACT COMMITMENT

3



## Circular economy products to reduce environmental impact

The circular economy provides new business opportunities and reduces the environmental impact of construction. It is a key area of our environmental responsibility. In 2023, we improved mass coordination and the recycling of mineral materials, and promoted the reuse and recycling of construction materials.

Aggregates are the world's most used construction material, and the annual consumption of aggregates in Finland amounts to approximately 100 million tonnes, which, according to statistics, are increasingly sourced recycled from sites, i.e. through construction waste.

We, too, receive clean soil to dump, and blasted rock and concrete to store and crush, in circular economy areas in Pirkanmaa and Uusimaa.

### Innovative solutions

Innovative solutions can promote the sustainable and responsible sourcing and use of aggregates and materials to replace them. Recycled materials cannot fully replace

natural aggregates due to high quality requirements, among other reasons, but developing sustainable and responsible products and solutions can minimise the consumption of non-renewable natural resources.

We offer Fortum Gravo® aggregate-like products produced from recycled bottom ash from waste incineration. They are suited for use in filtration and sub-base layers, and they can be used for the foundations of industrial and warehouse buildings and pedestrian and bicycle lanes.

In 2023, we used Fortum Gravo in the embankment structures of the pedestrian and bicycle lanes built in the area of the Kalasatama-Pasila project. Working the material on-site does not differ much from handling natural aggregates, but





it can help to reduce the environmental impact from construction.

Our range also includes OKTO® products made of the ferrochromium slag of Outokumpu factories in Tornio, which are suitable for the super- and substructures of infrastructure.

### Road aggregates are recycled using the gravel road remix method

Already in the early 2000s, we developed and deployed Soratie-Remix, the gravel road remix work method, which we have developed to be increasingly functional over the years. The method aims to replace the sourcing of the crushed aggregate of the wearing course from material extraction areas by using the existing aggregates of the road. The aggregates at the edge of the road that are to be reused are moved to the traffic lane, after which its surface structure is processed with rock wheels. The processing crushes the rocks that hinder the maintenance of the road surface condition and homogenises the structure of the surface courses of the road.

The method reduces the amount of soil to be transported away in connection with ditching. It also reduces carbon dioxide emissions by approximately 80% in comparison to crushed aggregate crushed at material extraction sites and transported to the road.

The total length of the Finnish road network is more than 450 000 km, of which the majority is gravel road. Of them, 35%, or 28 000 km, are public roads. Approximately one million tonnes of crushed aggregates are added to their wearing courses each year. The need for increasing the wearing course is due to the loss resulting from the combined effect of e.g. traffic load, environmental factors and road maintenance. Adding to the wearing course of gravel roads consumes non-renewable aggregate resources and is a significant cost item in the maintenance of gravel roads. In addition, the transport of aggregates causes a significant amount of carbon dioxide emissions. Gravel road remix helps to reduce these negative impacts.



We reduce the impact of our activities to bolster acceptability

ACT COMMITMENT

4



## Our consistent way of working is the cornerstone of sustainability

Our integrated management system guarantees a consistent way of working as well as satisfied customers and continuous improvement.

Our integrated management system – Our way of working – defines our consistent and jointly agreed way of working, managing and implementing our services. A consistent way of working guarantees the transparency of our operations, quick identification of best practices, issues and targets for development, as well as systematic processing and continuous improvement.

The requirements and expectations of our work are constantly changing, so we also develop our integrated management system in a systematic manner. Ensuring the way of

working aligned with our integrated management system and development of operations are not the responsibility of a single person or organisation. Instead, they concern every Destia employee and require the systematic management of the consistent way of working.



**In 2023, Destia employees made more than 14,000 observations relating to safety, quality or the environment.**

Audits are a key tool in the continuous improvement of Destia's ways of working and identifying targets of development and issues, successes and best practices. With the audits, we develop our operations instead of simply looking for errors. The high customer satisfaction and customers' appreciation of Destia are proof of the systematic development of our integrated management system over the years.

In 2023, our integrated management system again received the ISO 9001 quality management and ISO 14001 environmental management certificates, which we have held since 2008. In 2021, our operations received the ISO 45001 occupational health and safety management certificate, which will be re-certified in 2024. The certificates are an indication of the high quality and responsibility of our operations.





## Quality policy

Our customer-driven approach produces high-quality services.

- Our goal is to deliver a successful customer experience and provide 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 to participate in continuous improvement.
- We bear social responsibility and work with 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.



## Key certifications

Our integrated management system has been awarded the following certifications:

### ISO certificates (Det Norske Veritas)

cover all of Destia's operations

- ISO 9001 quality management system
- ISO 14001 environmental management system
- ISO 45001 occupational health and safety system

### Certificates of competence issued by RALA

- Destia has several certificates of competence in the infrastructure industry and special certificates of competence related to bridge contracting issued by RALA (visit [www.rala.fi](http://www.rala.fi) for more information)

### Certifications in the railway business

- Fusion 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

### Power lines and substations

- Qualification A issued by Fingrid

### CE marking

- Our aggregates are CE certified (Inspecta Certification)





We attract, develop and retain talent  
through managerial excellence

## ACT COMMITMENT

# 5



## People

People are at the core of our operations. It is important to us that our people are satisfied, develop and keep safe at work, and that their work-life balance is healthy. Our success is based on our corporate culture, which is built on our values: fairness, togetherness, renewal and success.

### Personnel surveys as indicators of the employee experience

We collect our employees' opinions and feedback by means of pulse surveys three times a year and a more extensive Dialogue personnel survey that is conducted once a year. In 2023, we conducted the Dialogue personnel survey covering the entire Colas Group for the first time. The survey replaced the previously used Spirit personnel survey.

Based on the Dialogue survey, Destia people are very dedicated (89%). As many as 91% of them would recommend our company as a good place to work and feel proud to work for us.

Another key indicator of the employee experience is the employee Net Promoter Score (eNPS) from the pulse surveys.

**As many as 91% of our employees would recommend our company as a good place to work and feel proud to work for us.**

It came to 44 in 2023, showing again a substantial improvement from 2022 (37). This is a very good level compared to the general Finnish norm of 23. Destia's eNPS has been developing steadily for the better. The good employee experience is also evident in the low personnel turnover. Voluntary turno-



Employee satisfaction

44

eNPS average in 2023  
(2022: 37)



IN

FINLAND'S MOST INSPIRING WORKPLACES

ver was 4.7% in 2023 (2022: 7.0%). Based on the pulse survey results, we were again recognised as one of Finland's most inspiring workplaces.

A culture of continuous learning and improvement

We support continuous learning among our personnel by means of annual career and competence development discussions that assess performance, competencies and career aspirations in the short and long term and where personal development goals are set. In 2023, we surveyed the willingness of our personnel to international mobility with the Colas Group. We also surveyed the coping at work and pension plans of those aged 58 and over and their willingness to act as mentors at the final stages of their careers.

According to the Dialogue survey, Destia people felt that

they can make use of their skills and talents (93% agreed or somewhat agreed) and that Destia offers good opportunities for personal development (83% agreed or somewhat agreed).

In 2023, we launched new groups in the License to Lead 1 and 2 leadership training programmes, organised training in sales and customer work, continued targeted language training in English, planned a new mentoring programme, and 11 Destia employees took part in Colas' international training programmes.

In addition, we organised a large number of webinars for supervisors and the entire personnel and updated our online training environment. We also developed our induction activities by, for example, adopting preliminary induction before the start of employment and starting joint induction events for all new Destia employees and separately for new supervisors.

Smooth human resources planning for the needs of projects

For reviewing personnel needs as part of strategic HR planning, we adopted Power BI reports and monthly People Forum meetings in projects, tender calculation and recruitment. This enables the agile mobility of our personnel between different business divisions and ensures the development of expertise.

Our goal is to strengthen business intelligence to support decision-making and create an understanding of the current state and expertise bottleneck of our personnel. Smooth human resources planning makes it possible to have the right number of the right kind of employees in the right projects with the right and needed skills.





## Unambiguous performance bonuses for good work

In addition to career and competence development discussions, we also conduct annual performance and target review discussions to ensure that each employee is aware of their targets, what those targets are related to, and what actions are expected of them regarding the targets. This provides everyone with the opportunity to have a concrete impact on their remuneration through their performance.

From the beginning of 2023, our employees have been able to deposit their performance and production bonuses in Destia's Bonus Fund, established by decision of the personnel on 20 December 2022. The bonus fund is a method of paying performance bonuses to the personnel facilitated and regulated by the Act on Personnel Funds (5.11.2010/934). Bonus funds are part of responsible HR policy, and they pro-

vide the personnel with a way of saving their bonuses and preparing for future needs.

## Trainees and cooperation with educational institutions

As the largest service provider in the infrastructure sector, we want to provide trainees with opportunities to apply the skills they have learned and develop into future professionals. In addition, we want to introduce young people to the infrastructure industry while they are still in school. Our annual target for the recruitment of trainees is 15% of the total number of personnel. We reached our target again with 295 trainees working at Destia during 2023. We also provide dozens of thesis writing opportunities to our trainees each year.

We have an extensive cooperation network with educational institutions and partnership agreements with several

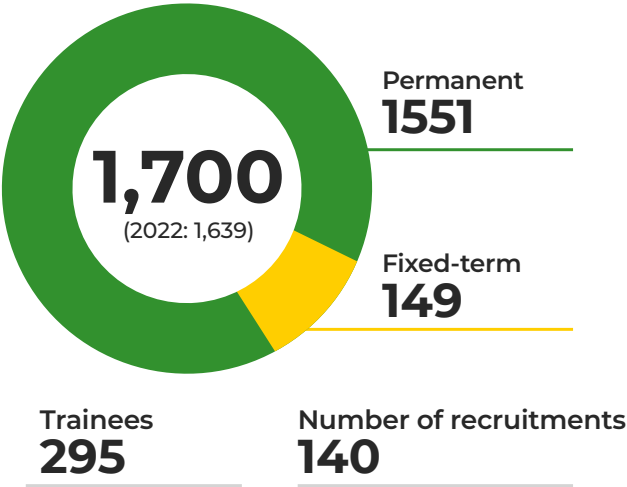
institutions. In 2023, we expanded the group of partner institutions with three new educational institutions.

For the first time, we invited teachers and customer account managers from the partner institutions to visit our head office in Helsinki, where we showcased our services and expertise and discussed matters such as reaching out to international talent and cross-border cooperation opportunities between educational institutions and businesses.

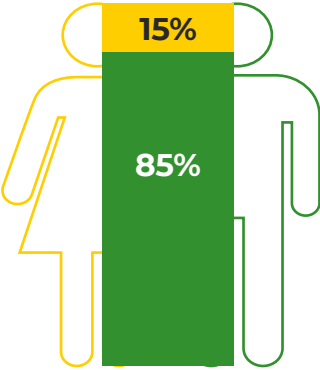
We cooperate with educational institutions in developing our in-house employees through conversion and supplementary training. In 2023, we planned and launched an online training module of 5 study credits on railway construction and maintenance with the Oulu University of Applied Sciences. We are also continuing cooperation with the Yrityskylä project.



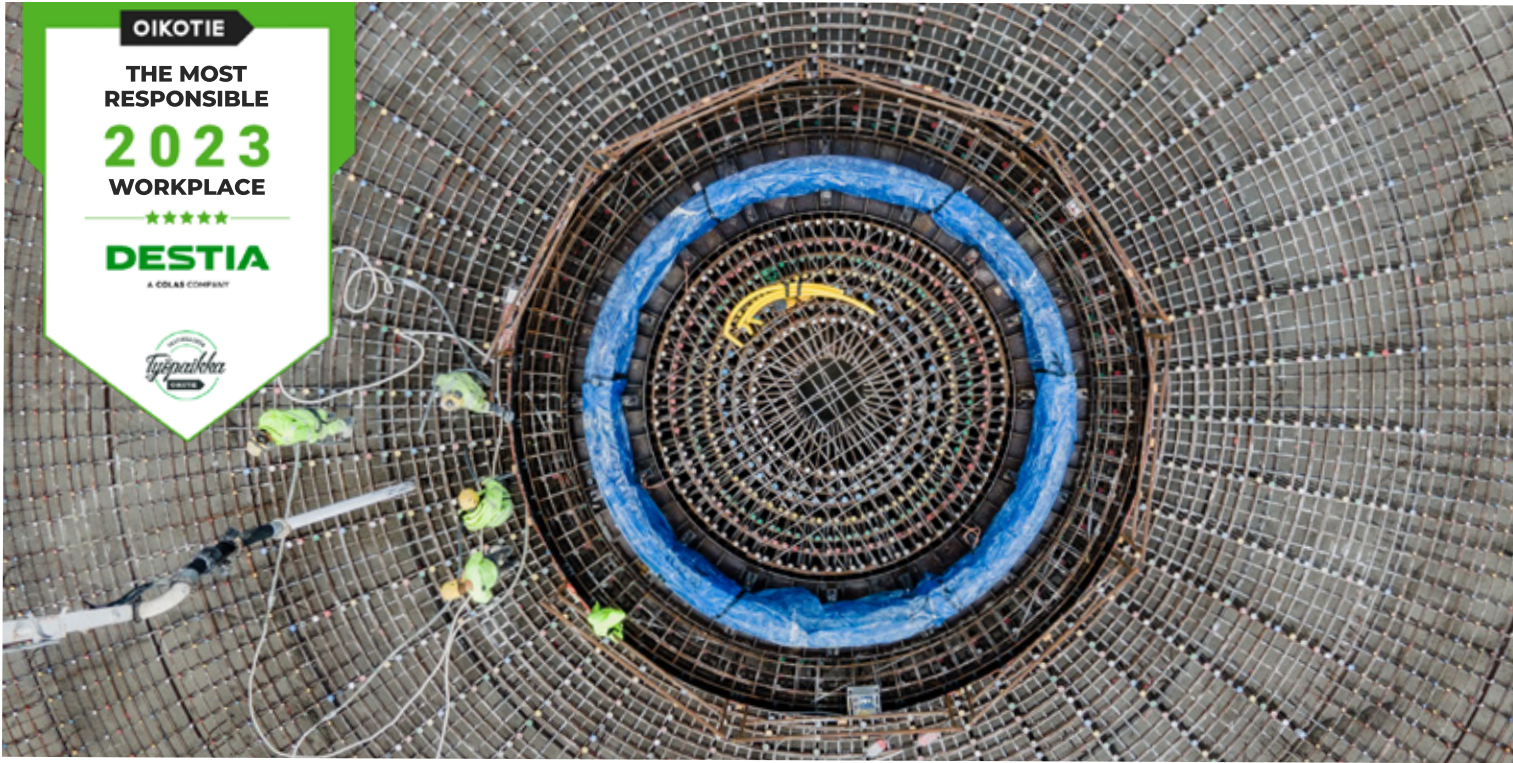
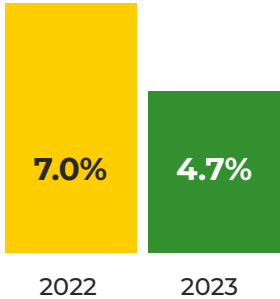
Number of employees  
31 December 2022



Gender distribution



Voluntary personnel turnover



The most responsible workplace

In February 2023, we conducted the Responsible Employer survey for the third time. The survey assesses 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. For the second consecutive year, we took first place in the category of organisations with over a thousand employees with a score of 4.03 (on a scale of 1 to 5).

We continuously work to make sure that Destia people get to work at a company where everyone is treated and managed well. We performed particularly well compared to other companies in questions relating to equality and non-discrimination.

We invest in age management, for example, through using the know-how and expertise of ageing employees and

supporting their well-being on an individual basis.

We encourage women to enter the industry to increase diversity through cooperation with educational institutions, for example. In order to promote diversity, we also conducted a survey among women in supervisory positions with the aim of investigating obstacles to career development. The majority of the respondents were satisfied with their career development and did not consider that they had faced any barriers because of gender. However, the responses did indicate some gender-related prejudice, and in 2024, we aim to draft a diversity and inclusion strategy describing how diversity is considered in different processes. In addition, we will define indicators for monitoring diversity. Women account for 15.3% of our personnel, which is roughly equal to the level in 2022.



## Values

### Fairness

- We care about each other's safety and wellbeing
- We are open and honest
- We act sustainably and responsibly

### Togetherness

- We strengthen our sense of belonging and diversity
- We share common interests and work towards them
- We work in internal and external networks

### Renewal

- We create new together with our customers and partners
- We ensure continuous learning and development
- We are daring and continuously develop new services

### Success

- We know our operating environment and are agile
- We set our goals high and aim to exceed them
- We ensure the continuity of our operations



We foster a stronger health and safety culture to protect lives

ACT COMMITMENT

6



# 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 of 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 our sites.

In 2023, the accident frequency (accidents/million working hours) was 6.3. There was only one occupational accident resulting in a long sickness absence during the year. A person who took a shortcut tripped, injuring their arm. The other accidents were significantly less severe compared to the previous year, with the average sickness absence being under a week. Everyone at Destia is responsible for performing their duties safely and looking after their coworkers' safety.

## Occupational safety 2023

6.3

accidents

per million working hours





We address safety issues without delay. Destia's management sets an example in safety-related matters.

We comply with legislation and permit conditions and operate in accordance with our Code of Ethics.

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. In risk assessments specific to work stages, 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.

Our safety organisation actively visits work sites to discuss occupational safety and provide guidance regarding problem areas. In 2023, we aimed to actively increase employees' ability to observe their working environment and independently identify related risks. During the year, 58% of employees recorded their observations in the TLY observation application (2022: 34%). The observation frequency also increased by approximately 25% during the year.

### Development of the safety culture

In 2023, we updated Destia's observation application to support the day-to-day safety management routines of

the Colas Group. We trained all operational supervisors in conducting safety discussions and safety briefings. We set objectives for the above-mentioned routines and will monitor them going forward in all operational units.

### We invest in employee well-being

Social responsibility is emphasised in our operations. It is evident in the form of the high-quality personnel benefits and extensive occupational health care services we provide, among others.

In 2023, we invested in preventive activities. The success is demonstrated by the costs of preventive activities clearly exceeding the costs of medical care. We also conducted workplace surveys, and will allocate them to more exposed duties, such as railway maintenance and supervisory tasks in urban construction sites.



We developed a proprietary mental health programme for Destia and described the care pathways for both mental health support and musculoskeletal diseases. Sickness absences due to these factors decreased significantly in 2023.

### Expert and timely work ability management provides significant savings

Our long-term work in work ability management is yielding results. We actively monitor our employee's work ability and respond to changes. Close cooperation with occupational health care and employment pension company profes-

sionals has raised work ability management to a level we can take pride in. We have supported early support activities by supervisors, and proactively arrange occupational health discussions.

We actively seek alternative solutions for those with partial work ability, even though it can be challenging due to the industry. Only a few permanent disability pensions were granted in 2023. We have used vocational rehabilitation with a success rate of more than 80%. Combined with a lower incidence of disability pensions than the industry average, it has provided significant savings in disability pension premiums.

## 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.
- We see to the work ability and well-being of our employees through regular monitoring and active development measures.

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..





We build a responsible supply chain rooted in sustainable performance

## ACT COMMITMENT



## We succeed together with our subcontractors

We carry out the majority of the work in the projects together with a high-quality subcontracting network. To complete the agreed work, the entire supplier chain is responsible for operations. In projects, every one of us is responsible for a high-quality work performance and all companies complying with the joint agreements and Destia's values.

In 2023, we made major changes in our procurement. We implemented an organisational change at the beginning of the year and categorised part of our procurement. Destia's top experts work as category managers, responsible for supplier cooperation, market monitoring and site support.

We organised Destia's first supplier day and invited more than 50 of our key partners to hear about our business, procedures, such as occupational safety and responsibility, and our owner Colas.

### Competitiveness through being international

We launched regular cooperation with the international procurement organisation of Bouygues. We now have access to procurement units in Europe, Turkey and China. With the global network, we can find the best suppliers in the market and can supervise suppliers' responsibility even more efficiently. We always ensure that every supplier complies with laws and regulations, international human rights, and safety and environmental regulations.



## A strong and reliable local operator

Each year, we procure a considerable amount of subcontracting and materials from the domestic market. We are a financially strong and reliable partner and demand the same from all of our subcontractors.

Our most significant procurement categories are asphalt, concrete and steel. With reliable partners, we ensure the responsible operations and owners of subcontractors. In material procurement, we ensure quality through audits and quality monitoring in our projects. We only use high-quality materials that meet customer requirements as well as regulatory standards.

## We renew together with our subcontractors

The will to continuously renew is strongly present in our procurement organisation. We have now renewed ourselves internally, which is visible in our employees' strong commitment to Destia and high work motivation. We encourage our partners to continuously find new and more efficient ways of implementing projects and improving the productivity of work. We treat all our partners equally and respect each other's work.



Our total volume of procurement  
from subcontractors in 2023

442

€ million  
(2022: 429)



We consolidate an exemplary culture of ethics and compliance

ACT COMMITMENT

8



## Focus on ethics and compliance

Our operations are based on our values, ethical guidelines and compliance rules. They provide a consistent foundation for our decision-making and operations. Our compliance rules cover topics including anti-corruption, conflicts of interest and competition law.

Adherence to our shared rules is everyone's responsibility. To this end, our organisation offers training activities on compliance themes, for example. We also require our contracting partners to adhere to corresponding ethical operating practices.

We have Destia's and Colas' whistleblowing channels for reporting violations of our compliance rules and other misconduct. Persons submitting whistleblowing reports can choose to identify themselves or remain anonymous. We use the whistleblowing channels to increase transparency and openness in our organisation.

We update our shared rules and operating practices in accordance with legislation and societal development. We also regularly assess our compliance processes, the risks concerning our organisation and operations, and the measures required to address those risks.





# DESTIA

A COLAS COMPANY

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