

KOIVISTON AUTO



SUSTAINABILITY REPORT 2023





Table of contents

Sustainability at Koiviston Auto	2
Koiviston Auto Group company introduction	3
Electrified fleet	4
Our environmental impact	5
Waste and water	6
Towards the best workplace in the transport industry	7
Employees as a strength	8
Our employees	9
Safety belongs to everyone	10
CASE: Support for Ukrainians	11
Sustainable governance	12

SUSTAINABILITY AT KOIVISTON AUTO

For us at Koiviston Auto, sustainability has been a natural part of our operations for decades, even though there was no sign of the current ESG framework or circular economy as a concept back then. This is evidenced by the GRESB sustainability reporting, which we participated in for the first time in 2022, getting an excellent result 82/100 on the first try. Participation also served as a starting point for our systematic sustainability work, where we integrate the different aspects of sustainability even more concretely into our processes and our daily activities.

I am particularly proud of our performance in two areas of sustainability: environment and social. About a third of our bus fleet consists of low-consumption light construction vehicles, and 10 % of the fleet is already electrified. For the year 2024, we will increase our electric bus fleet with more than 100 electric buses, which will increase the share of electric buses to about a fifth. In addition, we have already made investment decisions regarding the electric buses to be delivered in 2025. We have invested significantly in improving the safety and energy efficiency of our depots and have stopped using the animal leather in OnniBus' new, more environmentally friendly double-decker buses.



The geopolitical tensions that have increased around the world are also felt here in Europe. At the turn of the year 2022/2023, we supported Ukraine by donating 15 buses to transport children and young people to schools. For our part, we have also supported the integration and livelihood of Ukrainian refugees and organized driver recruitment training with language courses for Ukrainians. As the long-distance bus transport market leader in Finland, we have a great responsibility for maintaining the transportation opportunities of our society. By offering a service with accessible double-decker buses, we also enable smooth connections between cities for people with physical disabilities.

For us, sustainability means concrete actions in our everyday work, after all, choosing public transport is a sustainable act. As the largest operator in the field, we want to act as a trendsetter also in terms of sustainability.

Henrik Mikkola
Group CEO

KOIVISTON AUTO

– PART OF DAILY LIFE IN CITIES FOR NEARLY 100 YEARS

Koiviston Auto Group Oy is almost a hundred-year-old company and the company's history originates the city of Koivisto in Karelia. The first route of the company was operating between the cities Koivisto and Vyborg and the business was operated at first with only 2 cars. Within ten years, the business grew to nine buses. Until the 1960s, operations were small-scale, but the company expanded through several acquisitions in the late 60s. Kabus Oy was founded in 1977, which started to manufacture buses to the use of the company. Bus manufacturing by Kabus Oy ended in 2015.

In almost a hundred years, the small family business has grown to become the largest bus operator in Finland. Today, Koiviston Auto Group consists of nine bus operating companies, that operate local-, region- and long-distance transportation in both contract- and market-based traffic. The nine Koiviston Auto Group's companies are Koiviston Auto Helsinki Oy, Koiviston Auto Porvoo Oy, Koiviston Auto Lahti Oy, Koiviston Auto Kuopio Oy, Koiviston Auto Jyväskylä Oy, Koiviston Auto Tampere Oy, Satakunnan Liikenne Oy, Koiviston Auto Oulu Oy and Onnibus.com Oy. In addition, Kabus Oy is functioning as Group's central repair shop and central warehouse.



KOIVISTON AUTO IS PART OF CITIZENS AND CITIES' DAILY LIFE AND A FUNCTIONING SOCIETY. OUR 11 COMPANIES EMPLOY TOGETHER OVER 2500 EMPLOYEES.



over **1100** buses





ELECTRIFIED FLEET

AS PART OF EVEN MORE ENVIRONMENTALLY FRIENDLY PUBLIC TRANSPORT

In 2023, Koiviston Auto Group invested in electrified fleet and brought more than 20 electric buses into use. Electric buses are one of the cornerstones in building more environmentally friendly public transport. Our electric buses are in use all over Finland and we will continue to electrify our fleet in the future. We aim for significant emission reductions by 2028, increasing the number of electric bus fleet to 500 buses.

OUR TARGET:

over 50%

of all our city
transportation fleet is
electric buses in 2028



Traffic emissions impair the air quality of cities, which affects the health of people. Electric buses do not cause exhaust gases when in traffic, and the buses are charged with emission-free renewable electricity. Traffic in urban conditions also causes harmful noise. Electric buses are quiet, which can be easily noticed while travelling by bus and along the route. Electric buses are a concrete means to make cities more comfortable and healthier for all of us.



OUR ENVIRONMENTAL IMPACT

Koiviston Auto Group has reported its 2022 direct scope 1 emissions and its scope 2 emissions caused by the production of energy needed by the company. In 2023, the reporting was expanded to cover indirect scope 3 emissions caused by the company's value chain. In addition, we report our nox emissions, i.e. the amount of nitrogen compounds released into the air.

In 2023, we increased the share of biodiesel and electricity as fuel for the fleet and reduced our scope 1 and 2 level emissions.

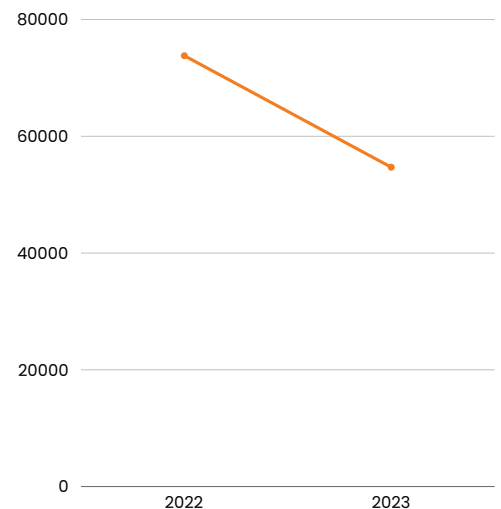
TOWARDS ZERO EMISSIONS

Koiviston Auto Group is one of portfolio companies of CapMan. CapMan has set an ambitious goal for reducing greenhouse gas emissions. CapMan's goal is to reduce the scope 1 and 2 emissions by 51% of all its portfolio companies by 2032. CapMan is committed to achieving zero emissions before the EU's target year of 2050.

Koiviston Auto Group's investments in electric buses fleet have accelerated the achievement of the goal, and due to the investments, we are ahead of the target schedule.

Emissions

	2023	2022
Scope 1 (tCO ₂ e)	54 700	73 800
Scope 2 (tCO ₂ e)	2 500	2 800
Scope 3 (tCO ₂ e)	51 000	n/a
Scope 1-3 tCO ₂ e / revenue (M€)	0,45	
Nox-emissions (tons)	262	



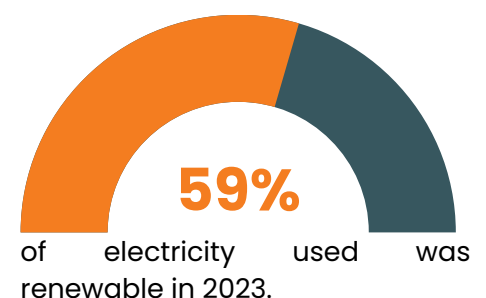
Scope 1 emissions 2022-2023.

Biodiesel

	2023	2022
Biodiesel share (%)	32	7
Biodiesel consumption (litres)	6 900	1 800

Electricity

	2023	2022
Total electricity consumption (MWh)	16 400	8 300
• Renewable electricity (MWh)	9 800	4 500
Share of kilometers driven by electric buses (%)	7,8	4,8



WASTE AND WATER

Choosing public transport is always a choice for the environment. However, this does not mean that our activities do not cause any burden on the environment. We recognize our share and impact and strive to develop our operations so that they harm the environment as little as possible. Waste is recycled at Koiviston Auto in accordance with all regulations and laws. Repair shops generate a wide variety of waste. Some of the waste is classified as dangerous for both the environment and people, and we consider it extremely important to take care of its proper handling. Hazardous waste includes, for example, batteries, paint, and oily waste. In addition, we take care of sorting the ordinary waste such as energy waste, cardboard, metals, and glass.

The utilization rate refers to the share of waste that ends up in circulation and can be utilized. In 2022, our utilization rate was at a very high level, and we reached up to 80% utilization rate. We continue the good and ambitious work to increase the number even further. Waste can be used, for example, as energy or raw materials. Our goal is to avoid waste ending up in landfills.

Our recycling rate is significantly improved by our central repair shop Kabus Oy, which enables us to recycle spare parts. The repair shop refurbishes a wide range of bus parts, from engines to gearboxes. At the central warehouse, all useful parts are recovered from buses at the end of their life cycle and are used to repair buses in use.

Water consumption increased slightly from 2022. Water consumption is directly affected by the number of buses being washed, washing frequency requirements and weather conditions due to which washing frequency must be increased. Our buses are washed with ecological detergents.

Waste	2023	2022
Utilization rate (%)	94	80

Water	2023	2022
Water consumption (m3)	32 733	32 729



Sorting and recycling at repair shops

Recycling and sorting are part of everyday life at all Koivisto Auto repair shops. Repair shop managers have the responsibility of repair shops' waste and the development of operations. Proper handling of waste is part of the orientation, and clear instructions have been drawn up for recycling. All valid regulations and guidelines concerning waste handling are followed.

TOWARDS THE BEST WORKPLACE IN THE TRANSPORT INDUSTRY

The journey to become the best workplace in the transport sector in Finland starts with employee satisfaction. At Koiviston Auto, employee satisfaction is measured regularly every year, supporting our strategic goal of becoming the best workplace in the transport sector in Finland. The goal is also supported by the people-oriented management culture of Koiviston Auto. We emphasize equality, consistency, and transparency in management so that everyone can flourish in their work.

To achieve our goals, Koiviston Auto invests not only in the satisfaction of the employees, but also in a diverse work community and occupational safety.



"Teamwork and problem solving"

Babar Lone works at Koiviston Auto Helsinki Oy as a traffic supervisor trainee. The task of the traffic supervisor is to manage the daily operational activities at the depot. One of the most important tasks is to help and support drivers when exceptional situations occur.

"Traffic supervisor helps drivers both in daily and in exceptional situations. The most important thing is to as a team and solve problems together. The work requires good problem-solving skills and the ability to listen to others. Emergency situations can be stressful for drivers, so it is important to listen to the driver and to be present. Sometimes the problem can be solved with just one phone call, when the traffic supervisor can advise the driver about a technical fault in the bus." Babar tells.

Babar Lone 01/24

EMPLOYEES AS A STRENGTH

Koiviston Auto has more than 2,500 employees working in various positions: as drivers, supervisors, mechanics at repair shops, payroll, accounting, and numerous other administrative tasks. Most of the employees are working full-time, but there are also part-time employees and trainees.

Diversity is seen as an asset at Koiviston Auto, and this is also reflected in company values updated during 2023. All employees are treated equally, regardless of age, gender, sexual orientation, religion, or nationality. With us, everyone can be themselves, and everyone is respected both as a customer and as a co-worker. We work for a more equal and diverse society.

Our employees at the end of the year

	2023	2022	2021
Number of employees	2582	2544	2192
Full-time employees	2398	2394	2046
Share of women (%)	8,5	10	11
Average age of the employees	48,8	49,4	49,5



share of full-time employees 2023.



Asko Nikkinen
Central warehouse in Lahti 01/2024

“Research and perseverance”

Asko Nikkinen works at Koiviston Auto with over 50 years of experience. Asko started as a summer worker in 1973.

“Mechanic's job requires research skills and perseverance. Sometimes the problems that occur in the buses require detective work. It is important to keep searching the problem and to never give up too easily.” Asko says.

Koiviston Auto has many employees of different ages. Employee knowledge is easily shared: young employees bring with them the latest lessons from school and field, while older employees have solid experience, which is a significant help for young employees, just starting their career.



OUR EMPLOYEES

EMPLOYEE SATISFACTION SURVEYS

Employee satisfaction is extremely important to our company; therefore, we measure employee satisfaction with annual surveys. In the 2023 our result clearly improved, and we are proud of the work we have been able to do so far. However, our journey is just at the beginning, and we will continue our work in the future, for example, by increasing employee training.

In December 2023, we started training for supervisors. In 2024, training will cover all repair shop and traffic management supervisors. The training will cover topics such as developing well-being at work and solution-oriented management skills.

Employee satisfaction

	2023
Employees satisfied (%)	
• Work community	70
• Supervisor	73
• Team members	79

TRAINEES

Koiviston Auto has dozens of trainees every year. We offer a variety of internships throughout the organization, from driver and mechanic positions to administrative positions. All trainees are offered an orientation and a personal instructor from a team that guides and helps as the training progresses. Koiviston Auto also offers opportunities for diploma and thesis work in various projects.

Internships are important for both parties involved in the internship. Trainees are important for Koiviston Auto, because they always bring the latest information from their studies and a good attitude to the work community. We find it important that we can enable young people to have their first experiences in working life, or to act as a springboard for people who are changing profession and are at the start of a new career. If possible, trainees can be offered a job after completing the internship. From the trainee's point of view, the internship gives the opportunity to use the skills acquired in the education in working life and to gain valuable experience.

Combining internship and education

Financial administration trainee Tanja Nurmivirta started at Koiviston Auto in December 2023. The internship is part of the training of the Finnish Entrepreneurship Institute and TE services, where practical training at the workplace and financial management studies are combined during half a year education.

“The best thing is to be able to learn from more experienced colleagues and to constantly improve in tasks. Internships are exactly the places where you can use the skills learned at school”, says Tanja.

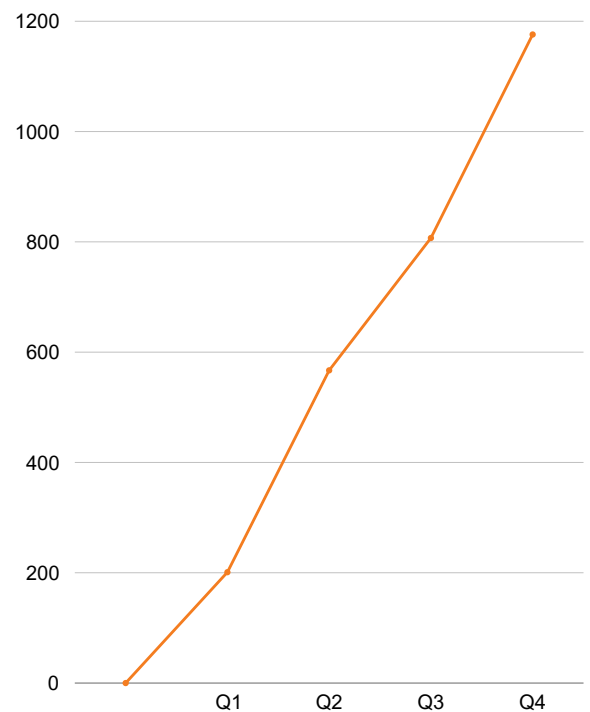
Tanja Nurmivirta 01/2024

SAFETY BELONGS TO EVERYONE

Safety is emphasized a top priority at Koiviston Auto. We take care of the passenger safety and want to make sure our every employee has a safe workplace. Considerable development steps were made in 2023 for occupational safety, which also supports our journey towards the best workplace in the industry. As one big investment, we offered friction-soled shoes to all our drivers that prevent accidents in winter conditions. In 2023, 4 occupational safety trainings, Hot Work Safety Card-trainings and data protection trainings were organized during the year.

During 2023, we introduced safety observations that highlight small and large safety issues and improve occupational safety.

Safety observations can also increase awareness within the company and transfer proven safety practices between companies and locations. Safety observations can also be made about positive things that encourage people to continue good work. Every safety observations is processed and actioned by a supervisor. The number of safety observations increased significantly during the year.



Safety observations in 2023.

Safety

	2023	2022	2021
Employees experience (%)			
• Safety matters highly important	96	-	-
Number of fatal accidents	0	0	0
Number of safety observations	1176	-	-



Eike Ilves in Helsinki 01/2024

Eike Ilves became a bus driver after 7 months of education. As part of the education, she accomplished her internship in Helsingin Bussiliikenne (now-a-days Koiviston Auto Helsinki Oy). The internship went smoothly and after the internship ended, Eike was offered the opportunity for a full-time job.

The job of a driver requires good customer service skills and taking responsibility for one's own work. The driver is responsible for the passenger safety inside the bus and in traffic. Driving style is an important way of showing responsibility. A calm and safe way of driving reduces sudden braking and acceleration, which could lead into passengers falling or hurting themselves.

CASE: SUPPORT FOR UKRAINIANS

In December 2022, we donated buses to Ukraine, the last 10 buses left in early spring 2023. The buses were loaded with relief supplies. The need for buses was huge: according to the European Commission's estimate, when the project started, almost 3,000 schools had been destroyed or damaged, which is why children and young people traveled long distances to the remaining schools. We wanted to help in the situation and donating buses was a natural and concrete way for us to do so. Project was implemented together with the Ministry of the Interior of Finland, the Ministry of Transport and Communications, and the Ministry of Education of Ukraine. Project also involved Neste, who donated biodiesel for the buses, and Tallink Silja, who offered shipping.

Buses were driven to the Ukrainian border by the employees of Koiviston Auto. Koiviston Auto's employees got very involved in the project in a very short time: up to 230 employees volunteered. We feel great pride that Koiviston Auto employees wanted to help and be involved.

In the summer of 2023, we launched a project with the purpose of helping those who arrived in Finland from Ukraine to find employment. We started a training project with TE services and CAP Pro Academy, offering bus driver training for six months. Training included three months of Finnish language studies. Purpose of the language studies was to provide the skills to work in the profession and at the same time support the new everyday life in Finland. As a result, 22 new bus drivers graduated from the course. Each of the drivers got a personal mentor that helped in practicing routes and other tasks needed to start the new profession.

"Very inspiring and successful project that involves so many big things. We make it possible to find a new job, help with language learning, and a good work community that supports starting a new everyday life in a foreign country. The project also supports women's rights and an equal society by raising awareness that a woman can train to be a driver just as well as a man. This has of course been the case in Finland for decades, but unfortunately this is not the case all over the world. We are proud of the 22 graduating course participants and especially of the women who joined the training" Jari Syväoja Operations Manager Koiviston Auto Helsinki Oy.



SUSTAINABLE GOVERNANCE

ESG management and risk management

At Koiviston Auto, ESG management has been delegated to Group CEO by the board of directors. Group CEO has divided the areas of ESG to designated persons who are responsible for managing the area. During 2023, we updated our responsibility policy, which covers all three areas of responsibility: environment, social and good governance. At Koiviston Auto, we have implemented active risk management procedures that include risk identification and mitigation.

Certificates

Certificates ensure that our operations meet all the quality and environmental criteria that we require from our operations. We have two certificates in use: ISO 9001:2015 quality management certificate and ISO 14001 environmental management certificate. The certificates are valid for 3 years at a time, after which our operations are inspected by an external auditor. At the same time, the external auditor reviews the changes to the certificate and an action plan is defined for the possible audit observations.

Whistleblowing channel

We have implemented Whistleblowing channel, which allows employees and other stakeholders to report anonymously if they notice abuse within the company. Reasons for abuse can be, for example, suspicions of corruption or fraud. In 2023, there were no announcements through the channel that led to further actions.

Ethical conduct

We operate in accordance with Finnish laws and regulations. We participate in tenders for bus transport organized by the competent authorities.

We follow the principles of fair and ethical competition, to which we have committed in our Code of Conduct. We also require our suppliers to commit to our Supplier Code of Conduct. We pay 100% of our taxes to Finland.

GRESB sustainability report

Koiviston Auto uses GRESB sustainability reporting to assess its sustainability. We participated in the reporting for the first time in 2023, when the result of 2022 was evaluated. We achieved a result 82/100 of which we can be proud of. GRESB is implemented annually from April 1 to July 1, therefore we will report the results of 2023 as part of the 2024 reporting.

