

VEHO

VEHO GROUP
SUSTAINABILITY
REPORT 2023



CEO'S FOREWORD

As we reflect on the events of 2023, it's evident that our commitment to sustainable mobility remains unwavering. At Veho, sustainability is deeply ingrained in our values and shapes every decision we make. As we navigate through global challenges and strive for excellence, our dedication to leaving a positive impact on both our company and the planet continues to guide us forward.

RESPONDING TO GLOBAL TRENDS

The past year brought significant challenges, from the lingering effects of the pandemic to geopolitical tensions and economic uncertainties. Despite these obstacles, we remained firm in our pursuit of sustainable solutions. We recognize the urgency of global megatrends like climate change, digitalization, and cybersecurity, and we're committed to addressing them head-on. By partnering closely with Mercedes-Benz and Daimler Truck, we're driving towards low-emission solutions and shaping the future of mobility.

PROGRESS TOWARDS CARBON NEUTRALITY

In 2023, we made significant strides towards our goal of carbon neutrality for own operations. Despite market challenges and supply chain disruptions, we remained committed to reducing our carbon footprint. Our efforts to transition to electric vehicles were bolstered by the expansion of charging infrastructure and the introduction of new mobility services. By prioritizing sustainability in our fleet management, we're paving the way for a more sustainable future in the automotive industry.

PARTNERSHIP FOR ENVIRONMENTAL PRESERVATION

In line with our commitment to sustainability, Veho entered into a

three-year partnership with the John Nurminen Foundation to save the Baltic Sea and its heritage for future generations. This partnership underscores our dedication to responsible business practices and environmental stewardship. By supporting the Foundation's mission, we're taking concrete actions to protect our planet and preserve its natural resources for generations to come.



As we look at our journey ahead, I am confident that our commitment to sustainability will continue to drive our success. By embracing innovation, collaboration, and responsibility, we can overcome any challenge and create a brighter future for all. I extend my heartfelt gratitude to our personnel, partners, customers, and stakeholders for their support and dedication throughout the year.

Together, we will continue to lead the way towards a more sustainable and prosperous future.

Warm regards,

Juha Ruotsalainen
CEO



VEHO IN BRIEF

Turnover 2023 M€

1953

Personnel 2023

2218

Carbon neutral

2025



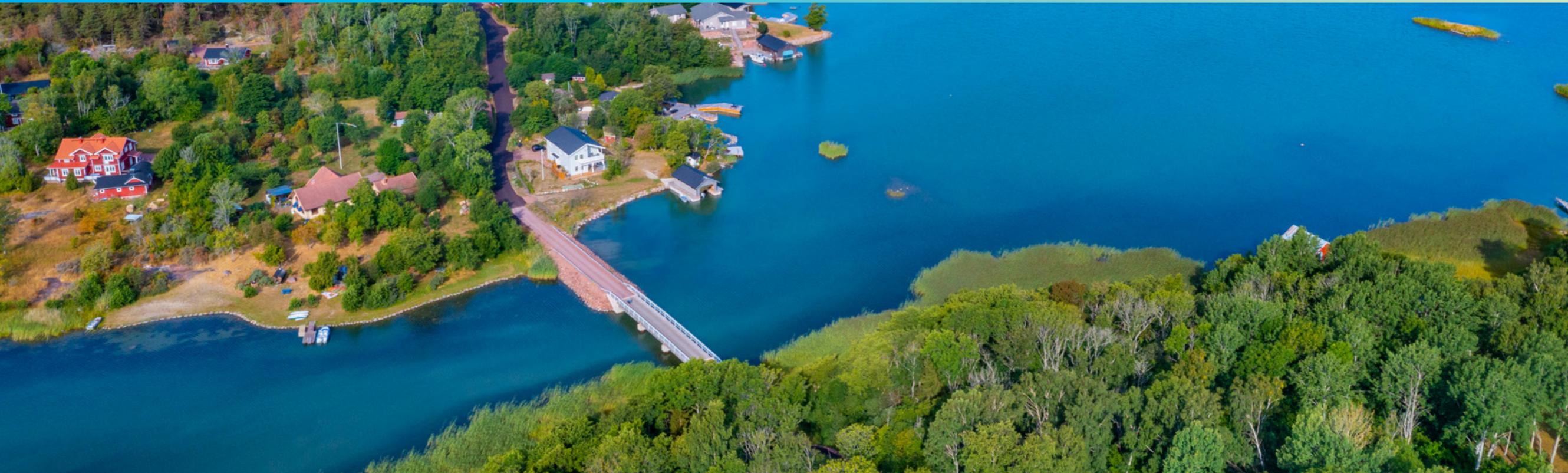
Market area



Åland archipelago near Järsö in Finland



SUSTAINABILITY HIGHLIGHTS 2023



SUSTAINABILITY HIGHLIGHTS 2023

Our goal is to be carbon neutral in our own operations* on a group level during 2025. Veho Finland aimed for this already 2023 .

Continuously keeping our to Great Place to Work and employee engagement, we have received Great Place to Work certificates in Finland, Latvia, Lithuania, and Sweden.



SUSTAINABILITY HIGHLIGHTS 2023 IN OUR 5 MARKETS

In the line of our group's vision, our dedication to sustainability spans across all our markets, reflecting our commitment to environmental responsibility and employee welfare. For instance,



*SCOPE 1&2

in **Estonia**, our transition to 100% green electricity in 85% of our buildings, coupled with significant reductions in gas and electricity consumption, highlights our efforts to minimize our environmental impact.

Similarly, in **Lithuania**, our focus on safe working conditions, ethical practices, and attractive reward systems underscores our commitment to employee well-being and growth.



Additionally, in **Latvia**, initiatives such as health check-ups, professional training opportunities, and supportive workplace policies demonstrate our commitment to fostering a positive and inclusive work environment.



Moreover, in **Sweden**, our emphasis on expanding charging infrastructure for electric vehicles and implementing energy-efficient practices, along with leadership development programs and employee recognition schemes, further reinforces our commitment to sustainability and employee well-being.

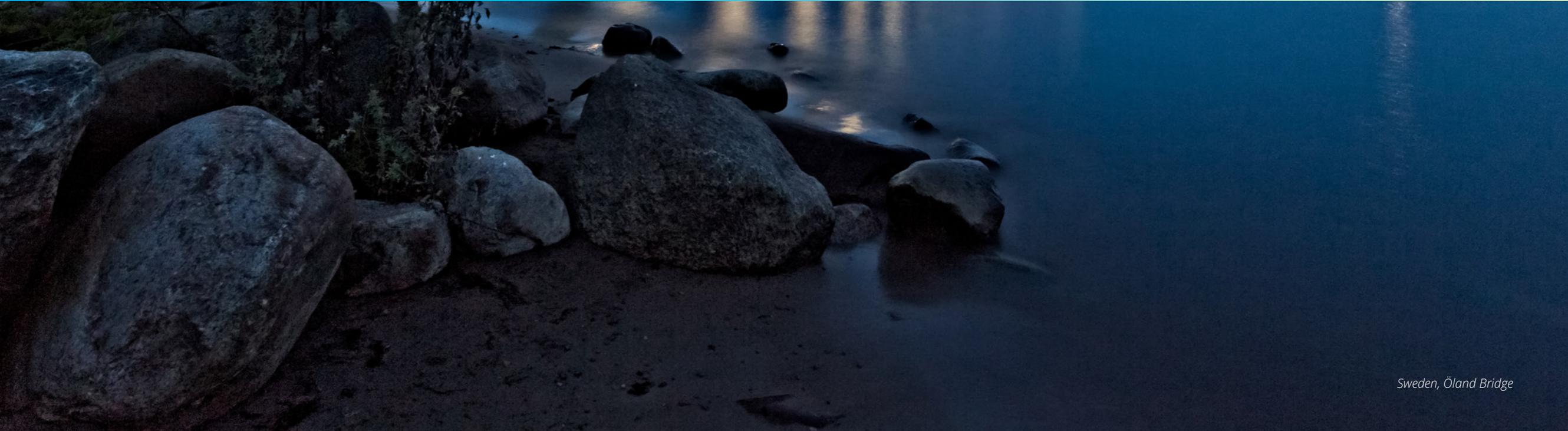


In **Finland**, our initiatives to focus on electrifying our company cars, emphasizing hybrid charging, and utilizing renewable diesel are driving the change. Upgrading lighting to LED in most locations, optimizing heating systems for energy efficiency, and investing in leadership development and employee recognition programs exemplify our proactive approach to environmental sustainability and fostering a supportive workplace culture. Together, these efforts showcase our ongoing commitment to making a meaningful and lasting impact on our communities and the planet.

Demand for electric passenger cars - both fully electric and plug-in hybrids - continued to grow strongly in 2023. The share of ordered Mercedes-Benz electrified passenger cars was 74 % for all Veho markets together.



INTRODUCTION



INTRODUCTION

VEHO GROUP IN BRIEF

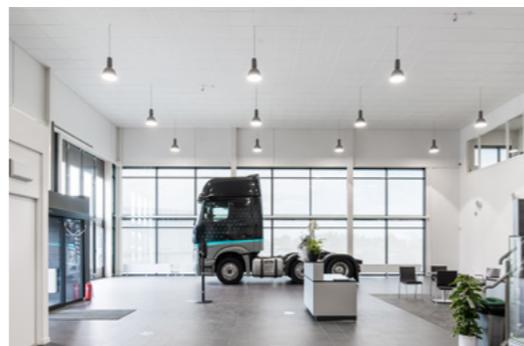
Veho is an automotive distributor in Finland, Sweden, Estonia, Latvia, and Lithuania, focusing on passenger cars and commercial vehicles manufactured by Mercedes-Benz Group AG and Daimler Truck AG. In addition to vehicles, spare parts, and accessories, the company provides a wide range of services to meet the needs and expectations in the premium segment of the car market and among quality-conscious commercial vehicle customers.



Veho is divided into three main business areas: Veho Cars (GD), Veho Commercial Vehicles, and Veho Cars and Vans Sweden.

Veho Cars manages the distribution and retail sales of Mercedes-Benz cars and private vans in Finland, Estonia, Latvia, and Lithuania. Veho Cars and Vans Sweden includes retail sales activities managed by Veho Bil Sverige AB*.

Veho Commercial Vehicles encompasses the distribution of Mercedes-Benz Trucks and retail sales of Mercedes-Benz trucks and commercial vans in Finland, Estonia, Latvia, and Lithuania. In Sweden, this strategic business unit includes the Mercedes-Benz distribution company Veho Import AB and the truck dealerships within Veho Bil Sverige AB.



Veho Cars operates car and private van dealerships in Finland in the Helsinki Metropolitan Area, Tampere, and Raisio. Other areas are served by independent dealers. The customers are offered a wide range of value-added services, including mobility services. The business also includes Vaihtoplius, a separate dealership chain for used cars of all brands. Veho Cars operates cars and private vans dealerships in Estonia in the Tallinn metropolitan area, Pärnu, Rakvere, and Tartu, in Latvia in Riga, and in Lithuania in Vilnius, Kaunas, and Klaipėda. In Sweden, Veho is an agent for Mercedes-Benz cars and dealer for vans in Stockholm, Karlstad, and Örebro.

Veho Commercial Vehicles serves customers in Finland nationwide. It operates dealerships in the

Helsinki metropolitan area, Jyväskylä, Kokkola, Kouvolaa, Kuopio, Lahti, Lappeenranta, Lieto, Oulu, Pori, Raasepori, Rovaniemi, Salo, Seinäjoki, and Tampere. Commercial vehicle mobility services are offered in the form of Charterway car rental. Through a wide range of services and local warehousing of critical spare parts, Veho Commercial Vehicles helps commercial vehicle owners maximize their uptime.



Veho Commercial Vehicles serves customers in Estonia through dealerships in the Tallinn metropolitan area, in Pärnu, Rakvere, and Tartu, in Latvia in Riga, and in Lithuania in Vilnius, Kaunas, and Klaipėda. In Sweden, Veho Import AB distributes Mercedes-Benz trucks to retail partners. Among these, Veho Bil Sverige AB operates truck dealerships in Stockholm, Gävle, Karlstad, Malmö, Västerås, and Örebro.

In addition to Veho Cars and Veho Commercial Vehicles, the Veho Group includes Assistor Oy Ab, an independent subsidiary company specializing in warehousing services for automotive spare parts.



Scope of the report

This is Veho Group's third sustainability report. By reporting our sustainability goals, results, and achievements, we aim to report transparently on our sustainability performance to stakeholders and thereby strengthen our role as a forerunner in our industry. This report covers Veho Group's operations with all its subsidiaries including Veho Import AB, Veho Bil Sverige AB, and Assistor Oy Ab.

*VEHO BIL SVERIGE AB, 556721-5362

Megatrends – opportunities and risks for Veho

Major studies indicate that sustainability-related risks are increasing due to extreme weather, and failure to act on climate change is one of the top five significant short-term risks to the world. However, the five most menacing long-term risks are all environmental, including climate action failure, extreme weather, and biodiversity loss.

Trends impacting the automotive industry and mobility include electrification, digitalization, autonomous driving, and an increasing share of services. The customers are highlighting sustainable solutions in their decision making. Changes in the nature of work, an aging population, and a shifting workforce structure are also influencing our operating environment and increasing competition for talent.

As a result, the world of vehicles and mobility is changing rapidly, driven by technological advancement, disruptive new players, and shifting consumer behavior highlighting electrification of vehicles.

We are driving toward a sustainable transformation together with our partners Mercedes-Benz and Daimler Truck. For Veho, sustainable transformation means, above all, emissions-free mobility. Due to the diverse range of electric and hybrid vehicles provided by Mercedes-Benz and Daimler Truck, we are able to offer first-class sustainable solutions for our clients' mobility needs.



Åland archipelago near Järsö in Finland

SUSTAINABILITY STRATEGY



SUSTAINABILITY STRATEGY

SUSTAINABILITY AMBITION

Veho's goal is to be a sustainability forerunner in the automotive industry in our operating countries, especially in terms of the environment and people. Veho's strategy declares that sustainability guides our choices. This approach reflects the state of mind of the company's owners as well as their responsible business ownership philosophy: passing a better and more sustainable business on to future generations.

We set emission reduction targets for mobility already a decade ago, before climate change became a major driver of business and societal changes. We will achieve our environmental targets by following the principle of continuous improvement. Our offering, which includes the widest range of rechargeable cars on the market and is enabled by our partners Mercedes-Benz and Daimler Truck, plays a key role in reaching our emission reduction goals.

Mercedes-Benz's and Daimler's fulfilled electrification promises will speed up our electrification



Six years ago, at the Paris Motor Show, Mercedes-Benz made a public promise to introduce the first all-electric novelty to the market in 2019. A year later, that promise was specified by announcing that ten all-electric cars would be on the market by 2022.

Promises are made to be redeemed: in 2018, the first all-electric Mercedes-Benz eCitaro was presented and in 2019, the first all-electric passenger car of the new generation, the EQC, was presented. The following year, local emission-free alternatives were introduced to distribution traffic; eSprinter and eVito, and a little later the FUSO eCanter. Now, six years later, there are ten fully electric cars and vans in different size classes: EQC, EQA, eSprinter, eVito, EQV, EQS, EQB, EQE, EQS SUV and EQE SUV. At the same time, the third wave of electrification brings more options to the heavy vehicle segment in the form of eActros and eEconic trucks.

Within the same period, the proportion of cobalt and manganese needed in batteries has been cut in half. The new generation batteries use the NCM 811 composition, instead of the previous NCM 622 composition.

Emissions caused by logistics have been reduced by locating battery factories as close as possible to the car factories. All Mercedes-Benz-owned Deutsche Accumotive's production facilities are CO₂-neutral. All batteries are manufactured according to the principles of a circular economy and responsible processes. Mercedes-Benz AG is working closely with its 2,000 Tier1 subcontractors to make the entire production and supply chain completely CO₂-neutral by 2039. Between 2022 and 2026, Mercedes-Benz AG will invest an additional 60 billion euros in accelerating the green transition and developing software that controls car functions.

The Mercedes me Charge service mainly uses electricity produced with renewable energy. Mercedes-Benz AG compensates for charging events that do not use electricity produced with renewable energy by feeding a corresponding amount of environmentally responsible energy into the grid.

MERCEDES-BENZ RELEASED ITS AMBITION 2039 AGENDA IN 2021.

Key elements of the agenda are:

- Significant reduction of CO₂ emissions per vehicle and the continuous development of mobility services, including expanding the use of electric models.
- By 2030, electric passenger car models make up at least half of passenger car sales.
- Electrification of vans, trucks, and buses will continue.
- By 2039, a carbon-neutral passenger car fleet.
- Carbon neutral production in all European plants.

In 2023 Mercedes-Benz AG invested over 10 billion euros into R&D

You can read more about the Ambition 2039 Agenda on the [Mercedes-Benz website](#)

DAIMLER TRUCK IS STEADFAST IN ITS CLIMATE PROTECTION GOALS

Daimler Truck is steadfast in its commitment to the Paris Climate Protection Agreement, aiming to spearhead CO₂-neutral transport to combat climate change effectively. By 2050, the company envisions a future where CO₂-neutral transport is the norm, striving to achieve this milestone through a series of ambitious targets.

Starting in 2024, Daimler Truck plans to introduce battery-electric trucks and buses in key sales regions like Europe, the USA, and Japan, with further expansion into fuel cell trucks in the late 2020s. By 2039, the company aims to exclusively offer new vehicles with CO₂-neutral driving operations across Europe, North America, and Japan.

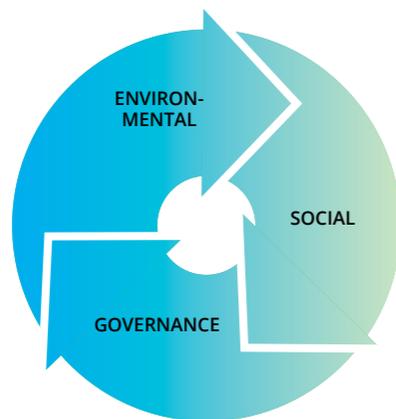
To achieve these goals, Daimler Truck is enhancing energy efficiency, embracing renewable energies, and implementing CO₂ carbon offsetting measures. The company is also committed to achieving

CO₂-neutral production globally by 2050. European operations already achieved this milestone in 2022, followed by plans for the USA, India, and Japan by 2025.

You can read more about the topic on [Daimler's official website](#)

OUR SUSTAINABILITY AREAS

We express our sustainability ambition through the Veho Group's Desired State 2025 framework. This framework has four dimensions: employees, customers, being the best partner for Mercedes-Benz and Daimler Truck, and profitability, which all contribute to a Sustainable Veho.



Our sustainability focus areas are grouped under three themes: environmental, social, and governance (ESG):

- **Environmental** is concerned with our impact on the environment and our ability to mitigate various risks that could harm the environment.
- **Social** examines our relationships with other businesses and communities and is concerned with personnel well-being, diversity, human rights, and consumer protection.
- **Governance** is primarily concerned with business ethics, integrity, and stakeholder management.

Our sustainability key performance indicators (KPIs), including specific targets and the measures to achieve these targets, are described in more detail in the coming chapters.

IDENTIFYING OUR SUSTAINABILITY FOCUS AREAS

Our sustainability focus areas reflect our customers' and stakeholders' sustainability expectations as well as the desires of our owners, all in the context of global trends and developments and concern for the state of our planet. We want to do our part in securing the future of our common home.

As a leading responsible actor in our industry, we can also influence the general development of the markets in our Nordic and Baltic operating countries. We believe that sustainability is the new norm in business.

The European context of corporate sustainability reporting is evolving as is, and during 2023 we have, along with many other European companies, started the preparations for the Corporate Sustainability Reporting Directive's (CSRD) expectations on our future sustainability reporting by doing our first double materiality assessment including a wide range of stakeholders.

<p>THOUGHT LEADER OF AUTOMOTIVE RETAIL</p>	<p>ESG HARMONIZED GROUP</p>	<p>INTERNATIONAL AND HIGH-PERFORMANCE WORKING ENVIRONMENT</p>
<p>VEHG-GROUP CO₂ NET ZERO BY 2025*</p>	<p>LOCAL PROVIDER OF SUSTAINABLE OPTIONS</p>	<p>WE ACT ETHICALLY ON ALL LEVELS</p>

*GHG Protocol scope 1 & 2

Sustainability management and corporate governance

Code of Conduct and ethical behavior

Veho Code of Conduct is a group-wide set of principles guiding our behavior and sustainability work. It is also the basis of our corporate culture. These have been updated to better serve the current business environment and all our Veho markets. All Veho employees are required to go through the Code of Conduct training. The ethical guidebook is a tool for every Veho employee, and it crystallizes Veho's ethical practices.

OUR CODE OF CONDUCT CONSISTS OF NINE PRINCIPLES:

1. We follow the law and good business practice
2. We are committed to fair competition
3. We respect human rights
4. We avoid conflicts of interests
5. We do not accept corruption and bribery
6. We act responsibly in the work community
7. We work sustainably
8. We protect your confidential information
9. We communicate responsibly

You can read more about our Code of Conduct [on our group website](#)

We require our suppliers to adhere to the same principles as ourselves. Our supplier requirements cover the following topics:

- Laws, regulations, and business integrity
- Ethical behavior
- Labor and human rights, including health and safety aspects
- Environmental impacts

MANAGING SUSTAINABILITY

Veho's owners and Board of Directors set the long-term ambition for Veho's corporate responsibility and sustainability. Our sustainability work is based on our values and the Code of Conduct and is integrated into the approved company strategy. The Board of Directors has approved the Code of Conduct.

The ultimate responsibility for Veho's sustainability and corporate responsibility lies with the CEO, who regularly reports to the Board of Directors on the topic. In practice, sustainability has at Veho been managed by the Development Director in tandem with the Head of Sustainability. Our Sustainability Steering Group is integrated into the sustainability governance structure at Veho.



The Sustainability Steering Group is a strategic body that promotes sustainability and corporate responsibility at Veho according to Veho's Sustainability Desired State 2025. It seeks to improve the dialogue on sustainability topics between the Group's businesses, functions, and markets. It leads and monitors sustainability-related development, training, and communications. The members of the Steering Group are the Chief Financial Officer, Head of Sustainability, Head of Communications, People and Culture Director, and country retail representatives from the management team. The Steering Group meets quarterly.



Our ESG framework covers the whole Group, and we have during the past year continued to develop our management system and corporate governance so that sustainability is integrated into all our business areas and markets. The efforts begin to yield results and sustainability is seen in all Veho markets as an even clearer part of every Vehovian's everyday life. Especially in the Baltics, sustainability awareness has grown a lot. Sustainability targets are also integrated into our short-term incentive schemes.

Engaging with our stakeholders

The sustainability expectations of our stakeholders are constantly growing. The sustainability agendas of our corporate customers are reflected in their expectations towards Veho. Our employees expect us to be ambitious and goal-oriented in our sustainability work.

The stakeholder view is important to Veho. We need to understand how our actions affect them and what information they need to make decisions. As we prepared for the CSRD double materiality analysis in autumn 2023, we involved all our stakeholders via a wide survey and some interviews. This helped us gain a deeper and more specific understanding of their perspectives and expectations regarding the company's sustainability efforts.

The effort yielded interesting results:

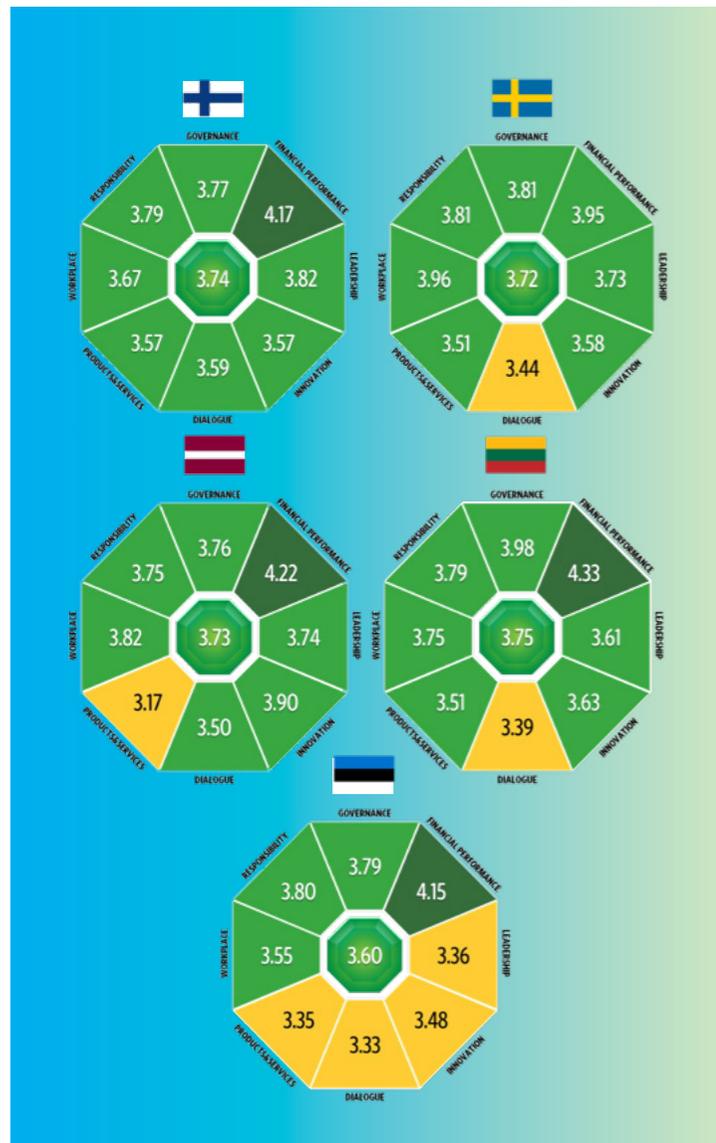
- The respondents emphasize the importance of considering multiple factors related to sustainability, with a particular emphasis on climate change.
- The organization is perceived as responsible, with a culture and operations that have evolved over time to reflect sustainability values. The respondents however highlight that there is still room for improvement.
- Actions to promote responsibility are evident, especially in Finland.
- The various aspects of responsibility, such as environmental considerations, employee safety, employee well-being, and commitment, are highlighted as crucial focus areas.

STAKEHOLDER	EXPECTATIONS	OUR RESPONSE
EMPLOYEES	Labour rights, training opportunities, way of working	Compliance with law and regulations, ethical guidelines incl. Code of Conduct, labour policies, principles and instructions, training, communications and dialogue
CUSTOMERS	Product categories, availability and price of products and services, product safety, sustainability and quality, responsibility of sourcing	Efficient business model, wide range of products for all transportation needs, ensuring quality and safety, audited operations, communication, marketing and dialogue
OWNERS	Financial performance, responsible business conduct, sustainability	Performance according to strategy
AUTHORITIES	Compliance with regulations	Compliance with laws and regulations, ethical guidelines, meetings
INDUSTRY ASSOCIATIONS	Active participation in operations, distribution of information	Veho employees in different working groups, joint statements
SUPPLIERS	Sourcing and supplier requirements, fair treatment	Contracts, communications, dialogue, meetings
MEDIA	Obtaining information, responsiveness of communications	Social media, websites, media relations and prompt responses to queries
NON-GOVERNMENTAL ORGANISATIONS	Responsibility in the entire value chain, transparency, distribution of information	Ethical guidelines, supplier requirements, business audits, meetings, replies to inquiries
ACADEMIA	Cooperation, obtaining information	Recruitment, internships and other joint projects, contribution to research, lectures
GENERAL PUBLIC	Sustainable transportation solutions, information sharing	Reliable, up to date information, the widest collection of electric cars and hybrids

Dialogue with stakeholders: methods and channels

VEHO'S REPUTATION STRONG IN ALL MARKETS

Market specific reputation results 2023



Source Reputation&Trust survey, T-Media 2023

We monitor our reputation among our customers with the Reputation&Trust survey, conducted annually by T-Media. The survey examines our customers' views on Veho's reputation, tracks changes, and identifies the most impactful ways to increase stakeholder support. In Finland, the survey has been conducted annually since 2017, and in 2022, the indicator was expanded to cover Estonia, Lithuania, and Sweden. The survey was conducted in Latvia for the first time in 2023.

In Finland, the level of trust reached excellent for the first time. The surveyed customers ranked Veho higher than before for giving a great shopping experience and being easily approachable. According to the study, Veho's products meet the customers' needs, and the products were ranked at an excellent level.

In Sweden, Estonia, and Lithuania, the customers' trust in Veho also increased compared to the previous year. Of the five Veho countries, Latvia participated in the study for the first time this year. Also here, customer ratings reached a good and partly excellent level.

Social responsibility among Veho's strengths

The level of responsibility is examined in several sections of the survey, where respondents assess, among other things, the company's societal and environmental responsibility, social responsibility, good governance, and transparency.

"The ratings given by our customers for our responsibility increased positively compared to last year. In the assessments of the general public, Veho's social responsibility work was emphasized.

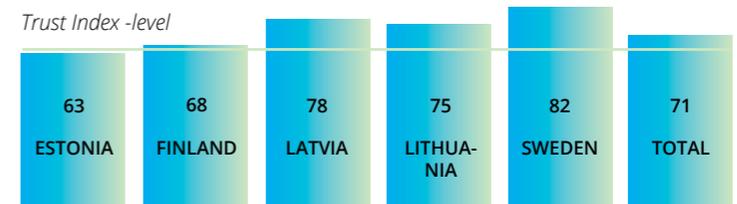
"In the case of Finland, the survey monitors perceptions of corporate responsibility broadly among customers and the general public. Veho performs significantly better than the average of companies in Finland. Taking care of employees is particularly highlighted in the evaluations. The results are strong in other Veho countries as well, where respondents view Veho as a responsible company

that takes care of its employees," comments Harri Leinikka, CEO at T-Media, the company behind the survey.

GREAT PLACE TO WORK

We measure our personnel's satisfaction and wellbeing by utilizing The Great Place to Work survey. The survey analyzes five focus areas of a good workplace: credibility, respect, fairness, pride, and camaraderie. The Trust Index™ study contains sixty statements and is the percentage of positive survey answers. In order to be GPTW certified, the Trust index must be 65 or above in Finland and the Baltic countries and 70 or above in Sweden.

In 2023, our results were as follows:

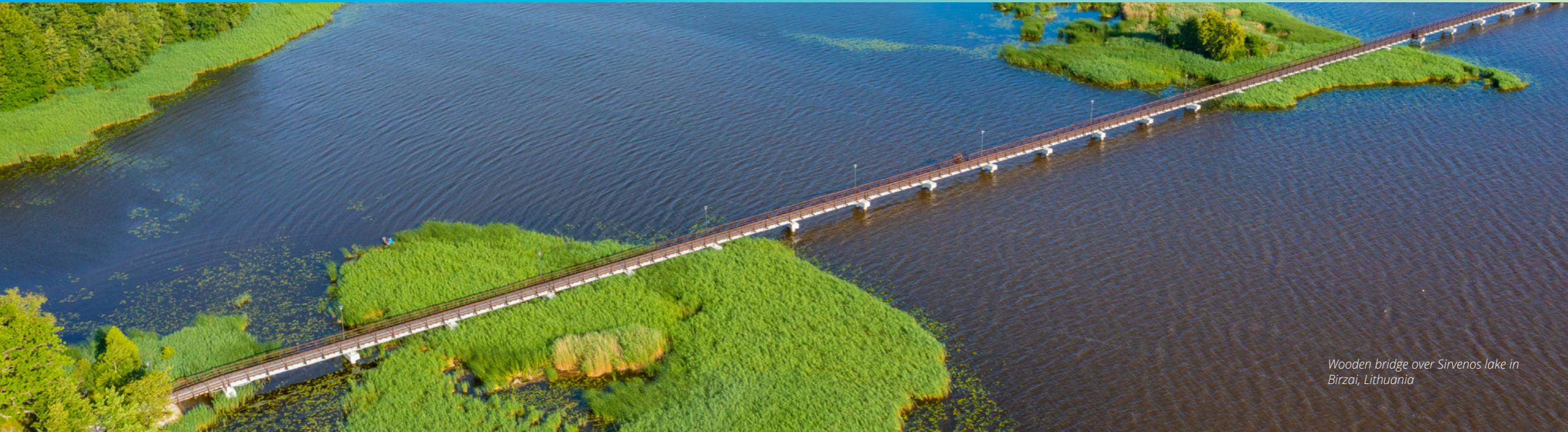


We explore the results in more detail in the section Social Responsibility.





ENVIRONMENT



Wooden bridge over Sirvenos lake in Birzai, Lithuania

ENVIRONMENT

OVERVIEW

Veho's environmental sustainability work has two dimensions: (1) the products and services we offer and (2) our operations. Our products and services are based on the selection offered by Mercedes-Benz and Daimler Truck and Veho at a local level. This dimension of our environmental work is detailed in the strategy section of this report. In this section, we describe our environmental work in terms of our own operations, how it is managed, the goals we have set, and the results of our work.

For Veho, environmental sustainability is primarily about our impact on the environment and our ability to mitigate potential risks that our operations present to the environment. Energy-efficient operations, low-emissions electricity and heating, and material recycling are at the heart of our environmental work. We believe that investing in environmental initiatives can generate significant savings while simultaneously benefiting the planet. Caring for the environment should be a part of the everyday work of all Veho employees.

We measure the success of our environmental work with two key performance indicators (KPIs):

- 1. CARBON FOOTPRINT
- 2. RECYCLING RATE

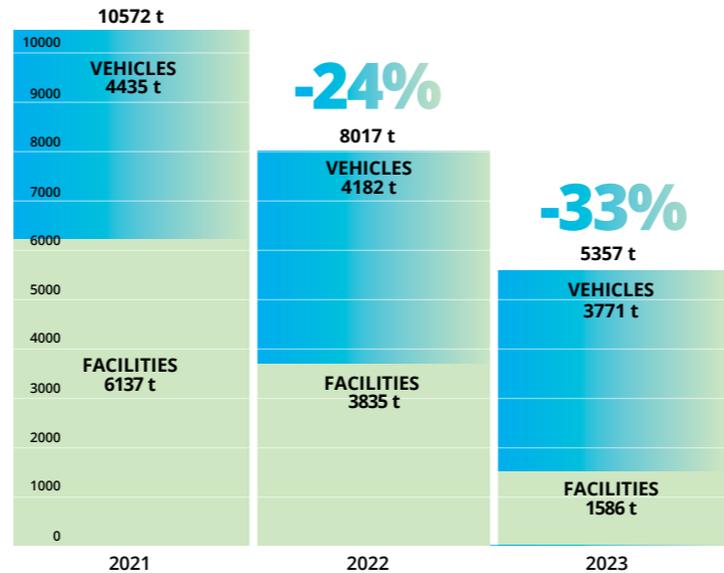
Climate and carbon

Climate work and reducing emissions are the focal points of our environmental work. **Veho Group has committed to be carbon neutral in our own operations (scope 1 & 2) by 2025.**

During the last few years, we have begun assessing our value chain footprint (scope 3). We now have the first high-level result for the Finnish market that has been our pilot in this project. As value chain emissions are much more complex, this work continues in the coming years as we prepare for upcoming CSRD reporting.

CARBON FOOTPRINT OF OWN OPERATIONS

The common target of the whole Veho Group is to be carbon neutral in all our own operations by 2025. We are tracking our carbon footprint by the norms of the GHG protocol for the fourth year in a row and are working hard to reach the neutrality goal next year.



Veho Group's own operations carbon footprint 2021-2023

We assess the carbon footprint of our own operations through two categories: (1) vehicle emissions and (2) energy use at facilities. Altogether, the Group's carbon emissions decreased by 33% in 2023 compared to 2022 based on the scope 1 and 2 emissions. We have strictly followed our roadmap which identifies the actions in both categories that have the greatest emissions reduction potential. Concrete actions to lower our emissions included switching to renewable electricity in all markets and transitioning to renewable district heating wherever available.

The development in facilities was very positive and the transi-

tion to renewable energy sources and energy efficiency continued in all Veho markets **resulting in a 59% decrease** in 2023 leaving us with 1586 tons of carbon dioxide equivalent for all our facilities together in five markets. Some concrete examples done during:

- All Latvian facilities changed to fully renewable electricity.
- Our Finnish locations in the Tampere area, Jyväskylä, and Vantaa switched to fully renewable district heating.

The development in our own vehicle fleet has been slower but the direction is the right one. The fleet is electrified more and more, and the carbon footprint decrease for our own vehicle park, including company cars, demo vehicles and service vehicles, **was 10% during 2023.**

Veho's carbon footprint 2023 by market

VEHICLES	FACILITIES	CARBON FOOTPRINT
<p>10% SINCE 2022</p> <p>3771</p> <ul style="list-style-type: none"> LV 155 LT 192 EST 328 SE 369 FIN 2727 	<p>59% SINCE 2022</p> <p>1586</p> <ul style="list-style-type: none"> SE 97 LT 366 LV 241 FIN 238 EST 644 	<p>33% SINCE 2022</p> <p>5357</p> <ul style="list-style-type: none"> SE 465 LV 397 LT 558 EST 972 FIN 2965

More specific data, methodology, and assumptions related to Veho's carbon footprint can be found in the Data section at the end of the report.

OUR PATHWAY TO CARBON NEUTRALITY

We have outlined a pathway to reach our carbon neutrality goal for our own operations some years ago, and it includes the following actions:

Use 100% renewable energy at our properties

All Finnish properties and facilities owned by Veho have operated on 100% renewable electricity since 1.1.2019, and we are working to reach this milestone in all Veho markets. In the facilities where we are tenants and unable to directly control what sort of electricity our operations consume, we work with the owners of the facilities to transition to more environmentally friendly options. In our own properties, we are investigating opportunities to expand our use of alternative and renewable heating sources.

Ensuring that the majority of our employee and demo cars are electric vehicles or plug-in hybrids Veho's vehicle policy strongly supports and incentivizes a shift to electric vehicles (EVs). We compensate our employees with company cars for their EV charging expenses and support them with purchases of home charging stations.

Move to renewable diesel for diesel-based commercial vehicles

In the current operating environment, a completely emissions-free Veho commercial fleet is not yet possible but by using renewable diesel we can reduce emissions from these vehicles by up to 90% compared to fossil fuel-based diesel.

GROUP CLIMATE GOAL

Our aim is to be carbon neutral in our own operations on the group level by 2025. All Veho markets have started from different situations, but we have identified ways for each market to reach common goals.



In Sweden and Finland, Veho is well ahead in reducing emissions from electricity and heating. In both markets, all electricity has been renewable already before 2023. In Finland, most of all district

heating has been 100% renewable all of 2023.

In the Baltic countries, renewable electricity is already available for Veho facilities, but they are largely heated with gas. However, several other reduction opportunities have been identified in the Baltic countries, which will make a significant impact.

Based on our earlier carbon footprint calculations, we have been able to identify the factors that had the most significant impact on our carbon footprint across our operations in Finland, Sweden, Latvia, Lithuania, and Estonia.

Actions we took that reduced our emissions successfully in 2023:

- Renewable heating used in facilities; Finland now uses almost exclusively renewable district heating.
- Renewable electricity used in all markets; Latvia is the last to transition to 100% renewable electricity starting from January onwards.
- Further energy savings campaign in all locations.
- Veho's own electric car park is growing steadily; all Finnish company cars were EVs or hybrids at the end of the year.
- High emphasis on using renewable diesel where possible.

Emissions-reducing actions we will assess more closely based on these findings:

- Migrating our source of heating from natural gas to lower-emission district heating.
- Increasing the use of renewable fuel in Veho's own vehicles.
- Further increasing the share of electric/hybrid vehicles among Veho's own vehicles.
- Reducing electricity consumption in facilities through energy efficiency projects (continuous).

VEHO FINLAND'S CLIMATE GOAL 2023

Last year, we reached our promise to be carbon neutral in our

own operations in Finland by 2023. We are the first company in the Finnish automotive retail industry to establish a roadmap towards carbon-neutral own operations.



We have monitored our own operations' carbon footprint for four years now and have actively taken action to reduce the footprint. In early 2022, we set the goal to reduce our emissions by 90% from the 2021 level by the end of 2023. While this could not be fully achieved, the change has been big, with a reduction of approximately 30% each year. The remaining emissions from our own operations have been compensated with a trustworthy, audited partner.

ENERGY EFFICIENCY



At our Finnish properties, we have invested for years in energy-saving building technologies such as fans, ventilators, pumps, and lighting. We use automation and optimization of, for example, doors and lighting to reduce our electricity use. With our building performance partner, we continually assess opportunities to improve energy efficiency. Our outlets in Vehkala and Raasepori facilities use geothermal heating to reduce emissions and increase efficiency. We continuously explore opportunities for transitioning from oil heating to heat pump technology. Finland is set to phase out oil heating entirely by the end of 2024.

In 2023, Veho increased its self-sufficiency in electricity production by 107% compared to the previous year.

The nominal capacity of the solar power plants in operation in Finland

THE NOMINAL CAPACITY OF THE SOLAR POWER PLANTS	
2022	2023
239 kWp	682 kWp

By the end of 2023, Veho had secured several solar power projects, with a combined nominal capacity of 1342 kWp, expected to produce approximately 1140 megawatt-hours of solar electricity annually.

FINNISH AUTOMOTIVE GREEN DEAL

In June 2019, Veho Finland committed to the Automobile Industry Green Deal (Sitoumus2050), which is a climate agreement between the Finnish automobile sector and the Finnish government. The agreement is valid until the end of 2025. Through this agreement, Veho supports Finland's national climate goals by reducing the impact of its own operations. Veho is committed to the following actions:

1) Sharing information to the customers about low emission vehicles, biofuels, and other alternative propulsion methods.

We ensure this by training our staff to communicate up-to-date and relevant information about the topic to our clients – both businesses and consumers – as well as developing our client-facing communications in general. We actively participate in industry events on the topic.

2) Installing electric car chargers at Veho properties and participating in establishing refueling points for alternative or renewable fuels.

When we committed to the Green Deal in 2019, we set a goal of installing 30 public or customer-facing EV charging stations. We also set a goal to install 100 charging stations for demo vehicles, replacement cars from maintenance, and employees' cars. We

started off with forty charging points in 2020. We achieved our goal spectacularly already during 2021 and have today over 300 charging points in our passenger car and commercial vehicle network for both our own operations and for our clients.

3) Informing consumers about the reception and recycling system for end-of-life vehicles

Veho is an active member of Suomen Autokierrätys Oy, informing our customers and taking part in the vehicle recycling campaigns arranged.

Responsible operator

MATERIAL MANAGEMENT AND RECYCLING

We measure our success in material management with the KPI Recycling rate. Veho Group's common target is to reach a recycling rate of 60% across our operations. In 2023, we reached this goal in Finland, with our recycling rate reaching 61,8%. The result is positive, but we still have a lot of development to be done to collect comparable data from all Veho countries and get the reporting in line with upcoming EU-wide regulations.

VEHO FINLAND'S RECYCLING RATE

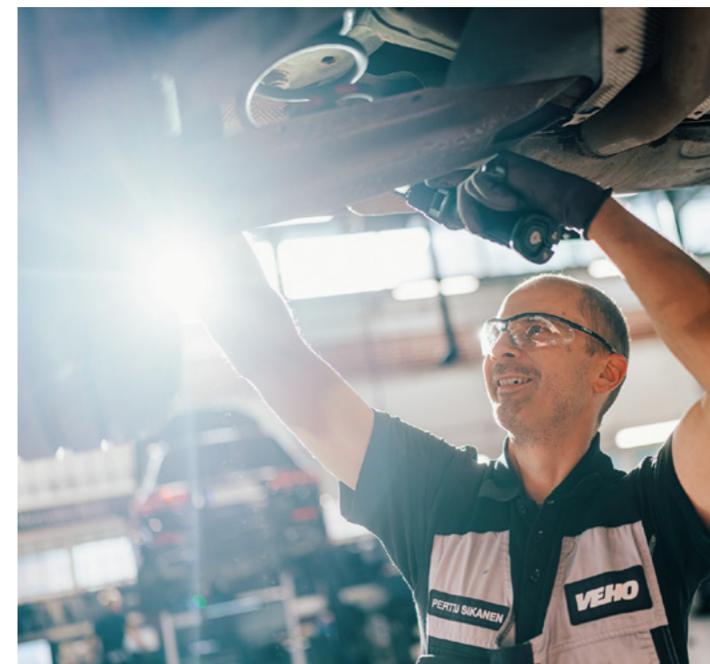
VEHO FINLAND'S RECYCLING RATE				
2019	2020	2021	2022	2023
52,9 %	54,0 %	56,0 %	59,9 %	61,8 %

Source: Remeo yearly customer data, Veho Finland

Efforts to improve waste recycling rates persist. By collaborating with local waste management partners, we seek methods to reduce the amount of waste going to incineration and enhance recycling rates. Our group-wide circularity strategy remains ongoing, encompassing monitoring and key performance indicators. This subject holds relevance across all operational countries, touching upon environmental, material, and waste management aspects, as well as value chain emissions. Processes and training for waste

sorting are being developed in all operating countries.

We are continually enhancing our chemical management system and investing in the handling and storage of hazardous waste. Currently, we are particularly focused on optimizing the reuse of waste oil. Changes in waste data file formats over the past year have affected the calculation of our recycling rate. We are aware of the material recovery rates for each waste stream, and in the future, we will report material utilization according to the CSRD reporting protocol.



ENVIRONMENTAL MEASURES AT VEHO FACILITIES

In our facilities, our environmental efforts primarily focus on renewable energy and energy efficiency, as they offer the most significant potential for emissions reduction. We employ a facility management system that includes real estate data, energy consumption data (electricity, water, heating), and waste data. Monitoring con-

sumption and efforts to reduce energy usage continue strongly in 2024, with a focus on transitioning towards automatic data transmission directly from suppliers.

The Veho qualitative approach includes quality standards which has been audited by our accreditors in 2023. All Veho operations in Estonia, Finland, Latvia, Lithuania, and Sweden are certified with at least the ISO 9001 standard. Our Veho Way of Working model is assessed annually through internal and external audit processes.

We have received the following certifications for our quality management systems:

COUNTRY CERTIFICATIONS

COUNTRY	CERTIFICATIONS
ESTONIA	ISO 9001, VALID UNTIL 17.8.2026.
FINLAND	ISO 9001, ISO 14001, ISO 45001 AND AQAP. ALL VALID UNTIL 27.1.2027.
LATVIA	ISO 9001, VALID UNTIL 26.6.2026, ISO 50001, VALID UNTIL 28.3.2027.
LITHUANIA	ISO 9001, ISO 14001, VALID UNTIL 24.11.2025.
SWEDEN	ISO 9001, VALID UNTIL 20.2.2026, ISO 14001, VALID UNTIL 11.3.2027.

RENEWABLE ENERGY

The majority of Veho's facilities in Finland and Sweden operate on renewable energy. Veho's Finnish properties and facilities have operated on 100% renewable electricity since 2019, and four of our markets have operated on 100% renewable electricity already longer. Last year, Latvia also followed this path. Renewable heating is the first option wherever possible to obtain.

We have ruled that when embarking on new real estate projects, we will consider the building's environmental footprint as well as renewable energy opportunities throughout the whole planning

and construction process. For example, our facility in Malmö, Sweden, has a silver-level Miljöbyggnad green building certificate from the Sweden Green Building Council. The facility scored especially well in the energy, material, and indoor environment indicators.

ENERGY-SAVING EFFORTS IN VEHO

At Veho, we actively look for new and effective ways to save energy. Continuous efforts are required to maintain overall energy usage at a moderate level by enhancing energy efficiency at the same time as charging at dealerships increase as vehicle electrifica-

tion increases. The role of maintenance and condition monitoring in building technical systems has proven significant for predicting energy consumption reliably.

Our ventilation systems undergo regular servicing and cleaning to ensure efficient operation, while heating systems are optimized and heat distribution networks are balanced. Annually, energy efficiency is evaluated through expert collaboration to decide on the next steps for implementing energy-saving measures.



Estonia, Kuressaare Castle



SOCIAL



SOCIAL

OVERVIEW

For us at Veho, social sustainability is about our relationship with our personnel, other organizations, and communities as well as our work for diversity, human rights, well-being, and safety. Our continued progress in these areas is critical to our long-term success. We measure our success in the social aspect of sustainability with two KPIs:

1. Employee satisfaction (Great Place to Work score)

2. Safety at work (Total recordable injury frequency, TRIF)

Personnel

Being a sustainable and responsible workplace is of key importance to all of us at Veho. In our outline of where we want to be in 2025 (Desired State 2025), one of our goals is for our employee satisfaction to be #1 among major automotive companies.

The Code of Conduct of Veho includes guidelines for each employee to follow when conducting their daily business operations. As laid out there, this includes for example that:

- We all take care of our well-being.
- We work together to create and maintain a good and diverse work atmosphere.
- We have zero tolerance for workplace bullying and work discrimination.

- No staff member shall be discriminated against on the basis of age, gender, religion, sexual orientation, disability, political opinion, or ethnic origin.
- We guarantee fair treatment to everyone.
- Every Veho employee has the right to good supervision and leadership.

As part of this work, we have placed additional emphasis on important sustainability aspects. We promote human rights and require the same from all our partners. We are committed to promoting and developing quality employment, a diverse and inclusive workplace, and improving society through sustainable actions.

At the end of December 2023, Veho employed a total of 2218 employees, over half of which were in Finland. Additional employee data can be found at the end of the report in the Data section.

LEADERSHIP AND MANAGEMENT

Veho invests in responsible leadership and management, because we believe that all our employees have the right to good management. We want our managers to be professionals, role models and highly valued leaders. Management team members have been empowered to drive the changes for a better and stronger company and culture.

As an international company, we face the question of differences between leadership and management procedures and customs in various offices and facilities. We are actively working to ensure the adaptation of common procedures and practices to ensure equal and fair treatment

for all employees. A strong common company culture is very important to us.

Leadership principles guide our managers

For the last few years, leadership development has been a specific development area on the group level. All leadership development actions are based on the key elements of Veho's good leadership principles. Veho's leadership principles were introduced in the beginning of 2022. Our leadership principles focus on accountability – we walk the talk; Veho community – we are ambitious and kind; quality – we drive renewal and efficiency.

As in previous years, a face-to-face event for leaders - Leadership Days – was organized also in 2023. The aim of Leadership Days is to bring people together, enhance cooperation and harmonization as well as focus on designing the common employee experience. At our Leadership Day events, we consider a variety of themes related to functionality of the organization, including different leadership and employee engagement topics. This year, among other topics, we focused on transformational leadership and building trust.

Leadership evaluation and development

In 2022, we integrated the evaluation of direct manager leadership to our annual employee engagement survey, thus enabling continuous assessment of leadership behaviors. In 2023, we extended the evaluation from six to fourteen topics. Employees across all Veho Group companies evaluated the leadership behaviors of their direct managers. The outcome of the evaluation

is presented as the percentage of positive survey answers to all questions about direct manager leadership. In 2023, our direct leadership score was 78, up 3 points from 2022.

We have identified the leadership features most valued by our employees. In 2023, the highest leadership behaviors, as evaluated by the employees, included trusting employees, delivering upon promises, acting based on their words, being competent in running the business, making expectations clear and listening to employees. We have also identified the leadership features that we will focus on strengthening.

In 2023, we launched Veho Leadership Academy with different training programs that include leading people through change, focusing on leadership foundation and enabling our experienced leaders to get even better. Managers from all Veho locations have the opportunity to join either local face-to-face programs or virtual programs where managers from different locations come together to discuss. We see leadership as a constant journey in becoming a better leader and thus our Leadership Academy continues in 2024. In addition to the Leadership Academy launch, the local leadership development programs that started in 2022 continued in 2023 in Sweden and Finland.

GREAT PLACE TO WORK

The Great Place to Work (GPTW) certificate is awarded to companies that provide a great employee experience based on the Great Place to Work Trust Index survey. In autumn 2023, the Great Place to Work Trust Index survey was con-

ducted in all our operating countries: Estonia, Finland, Lithuania, Latvia, and Sweden. The response rates were as following: Estonia 88%, Finland 81%, Latvia 97%, Lithuania 96%, and Sweden 99%.

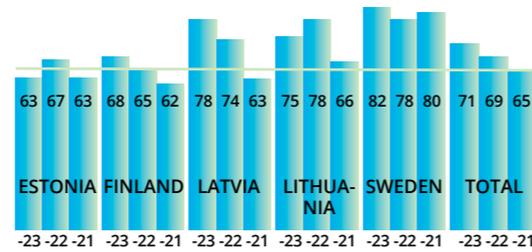
Veho employees believe it`s a great place to work

We are proud to report that in 2023, altogether 77% of employees agreed that, all things considered, Veho is a great place to work.



We chose the GPTW Trust Index score as one of the two indicators for measuring the success of our social sustainability work. This is because it is a scalable and recognized indicator, and closely tied with building a great company culture. The Trust Index scores the employee experience on a scale from 0-100 taking into consideration 60 statements. In order to be GPTW certified, The Trust index needs to be 65 or above in Finland and Baltic countries and 70 or above in Sweden. For the last years, our goal has been that the Veho employee experience is worthy of the certificate in all our operating countries.

In 2023, we reached our goal of being certified as Great Place to Work in four countries – Finland, Latvia, Lithuania and Sweden. Our work for increasing engagement and satisfaction does not stop at reaching the certification level, instead, we will focus on increasing the Trust Index score.



Graph: Trust Index score by countries by years

The GPTW Trust Index survey measures employee experience based on five dimensions: credibility, respect, fairness, pride, and camaraderie. Across all countries, Veho did especially well in the camaraderie and pride dimensions. Veho is looking to improve in all five areas, but especially in those that had lower scores (credibility, respect, fairness).

Taking actions to develop further

Veho has established a common development process which is based on the findings from GTPW. We have trained our managers to conduct workshops with their teams, where the aim is to review the survey results and agree on development actions together. The actions are planned and implemented based on the agreed schedule locally and followed up on the group level. By following the common process in all our locations, we ensure that employees are involved and have the same possibility to influence the improvement of their employee experience. We see it also as a good opportunity for managers to be empowered and gain new leadership skills.

In 2023, development activities were conducted throughout the year, with a total of 174 development actions taken. The majority of activities focused on improving communication and co-

operation. For example, regular information sessions were agreed, practices implemented and meetings with other teams organized. Activities in the fields of leadership, process and responsibilities, work environment and team building were agreed and conducted as well.

DEVELOPMENT AND TRAINING

High-quality training and employees with up-to-date skillsets ensure not only customer satisfaction, but also that our employees feel content and know that they have the opportunity to develop their professional skills at Veho. We believe that learning and development is an investment in our employees' well-being and the company itself. Our training department offers certification training in each area of business, giving our employees the opportunity to acquire specialist expertise in their professional field. We are continuously updating our training offering when new products, procedures and technologies evolve. Our training offering is firmly connected to the training requirements outlined in our import and distribution contracts. These commitments align with current skills needed by maintenance employees, technical staff, and sales professionals.

In 2023, we conducted a competence development process in all our locations. Over a period of six months, we analyzed the megatrends impacting Veho in the upcoming years, listed required competences and skills needed to enable successful operations, mapped the current status and compiled development plans. As our training department focuses on certification and training to maintenance employees, technical staff, sales and services professional, the aim of the competence development process was to cover employee development in areas such as leadership, customer relations, sales and services, business

development and digitalization.

In 2023, we also focused on increasing expertise in professional customer service by organizing face-to-face training sessions in different locations.

As an international company, we support cross-country collaboration and encourage networking within different Veho markets. Therefore, in recent years, we have offered English training to employees, either online learning opportunity or organized classroom type of courses in multiple locations.

We believe that diversity is enriching and provides opportunities to employees from different nationalities, backgrounds, and mother language to join Veho. Thus, it is important to support employees to interact with each other. For example, in Sweden we offer Swedish language trainings to employees who have challenges with Swedish language.

DIVERSITY, EQUALITY, AND INCLUSION

We strive to achieve a workplace culture characterized by inclusion and trust where the interests of the employees are in focus. Operating in five countries, we have a unique resource with different backgrounds to build on. We consider diversity, equality, and inclusion as intertwined with our operations and something that needs to be paid attention to in all our work. Our employees shall come to work knowing that they can be completely themselves.

We offer equal opportunities for everyone

We value diversity, equality and inclusion (DEI) and are committed to promoting these also in

the future. To advance gender equality, we want to ensure that all genders apply for open positions at Veho. **We offer equal opportunities for everyone to advance in their career, develop professionally, and extend their careers.** We are a family-friendly employer, and we offer equal opportunities for all our employees to combine family life and work life.

Our operating environment is increasingly diverse, and we are determined to continue to proactively support diversity, equality, and inclusion in all Veho workplaces. As part of this work, we established in 2023 a diversity, equity and inclusion core team. The first focus of the core team was to collect DEI related data and analyze the current situation. As we operate in different countries and cultures, our DEI focus areas also need to be different, considering the expectations from employees. In 2023, we trained our DEI core team as well our People and Culture team on diversity, equity, inclusion, and unconscious bias topics. "Inclusive Leadership" training was part of Leadership Academy already in 2023 and the training course on "Unconscious bias" is also available for managers. During process development we make sure that diversity, equity and inclusion is integrated in all processes connected to employee experience and lifecycle.

We promote a culture of open reporting on ethical issues and concerns. Any unethical or unlawful activity can be reported internally by utilizing an externally hosted Fair Play channel. All reports are reviewed and investigated, and corrective actions are taken as necessary.

Well-being, health, and safety

Veho's goal is a healthy and safe work community and work environment. We work towards a zero-injury workplace by seeking continuous improvement and developing our common occupational safety culture. Veho and our occupational health care providers together actively monitor the health of personnel and jointly develop well-being at work and workability management processes.

OCCUPATIONAL HEALTH AND SAFETY

A safe workplace that does not cause ill health is the basis of a sustainable workplace. Safety is an integral part of our operations, and we do everything we can to ensure our employees' safety. The second KPI we use to measure our success in social sustainability is Safety at Work, which we measure with TRIF (total recordable injury frequency).

Total Recordable Injury Frequency (TRIF) and number of injuries

MARKET	NUMBER OF INJURIES 2023	TRIF 2023
ESTONIA	0	0
FINLAND	90	41,8
LATVIA	0	0
LITHUANIA	1	2,6
SWEDEN	26	38,6

Safety at work (TRIF) in all Veho markets

TRIF was chosen as our second indicator specifically because it is concrete, scalable, and it is understood in the same way in each Veho country.

Our common goal is to have a TRIF of under 40 per year. Veho follows other health and safety indicators as well, such as absences and employee turnover, but TRIF has been selected to specifically measure our sustainability success.

The main element of our health and safety strategy is to work actively with our preventative measures to further strengthen our safety culture at work. As an employer, we need to continuously ensure that the work environment at the workplace meets the work environment requirements set by the law. Listening and embracing development potential from our own operations and working systematically is necessary for creating a safer working environment. Our goal is to have preventive occupational safety measures actively used by all personnel. According to the Veho Code of Conduct, all accidents at work, incidents and any dangerous conditions must be reported immediately so that the necessary measures can be taken to eliminate the risk and prevent injuries. Employee representatives also participate in the development, for example through local health and safety committees. Veho employees are provided with quality work clothes and personal protective equipment. We also organize mandatory health check-ups and make sure we have first aid trained personnel required by law. In Latvia, each employee receives health insurance as an additional security guarantee. As mentioned above, we have continued our development and are certified with the health and safety standard ISO45001 on the group level.

EMPLOYEE WELL-BEING

The well-being of our staff is of vital importance to us. We believe that healthy and motivated employees enable outstanding customer experiences and growth for the company. We want to be

able to offer all our employees the best possible working environment, both physically and mentally. We are constantly developing our employee well-being management and strive to invest in employee well-being through various benefits such as sports compensation, psychological support, and different health care services.

In 2023, we continued to carry out various activities within all Veho to raise the feeling of well-being at the workplace. We have, for example, improved the work environment and held various activities and theme days.

We consider a feeling of togetherness as a vital part of employee experience and well-being. In all countries we operate, our Veho colleagues celebrate together different occasions. Celebration events follow the occasions that are traditionally valued in the country, bringing also in new events to celebrate as part of Veho culture.

Partnerships and corporate citizenship

STUDENT COLLABORATION

Student collaboration is one of the most critical areas to invest in if a company wants to succeed now and in the future. Many companies face challenges with staffing and are competing for the same applicants. However, with productive and proactive cooperation with the schools, we can influence our employer image and make Veho better known also among the students. Student collaboration is beneficial to all parties: to the students, to the schools and especially to Veho. For



Environmental Support

Veho entered into a three-year partnership with the John Nurminen Foundation to save the Baltic Sea and its heritage for future generations. Main partnership with the Foundation is a demonstration of Veho's commitment to sustainability and responsible business practices, principles that guide Veho's daily operations.



Veho's goal is to be a sustainability forerunner in the automotive industry. Commitment to sustainability and responsible business means taking concrete actions for the environment and our planet.

The partnership between Veho and John Nurminen Foundation is an example of how organizations and foundations can unite for a bigger mission.

"This is a truly great collaboration. The Baltic Sea connects Veho's operating countries, and the state of the Baltic Sea affects the well-being of us and future generations. By supporting the Foundation, we are participating in this vital mission," summarizes **Juha Ruotsalainen**, Veho Group's CEO.

example, internships are a great opportunity to grow future Vehovians while still studying at the school.

The year 2023 was very active in student collaboration in Finland. For example, Veho offered numerous traineeships and apprenticeships in different workshops, participated in recruitment fairs, hosted student visits, and organized a teacher day.

In Latvia, Veho provided professional internships for 13 students. Three students continued to work the internship in the summer until studies resumed. In Latvia, we also have four colleagues with teaching capabilities who can formally train students on-the job. It is a valuable investment for the future.

In Sweden, Veho Bil continued the school collaboration by having internships in all the workshops. Line managers also visited different schools and presented Veho as an employer. In Estonia, school cooperation continues through Veho employees giving lectures at schools and internships offered in all locations.

CORPORATE CITIZENSHIP

We believe that helping those in need and supporting our community is what a responsible company like Veho does. In 2023, we donated to HelsinkiMissio. With this contribution, our aim was to provide impactful assistance to combat loneliness for more individuals in need.

We also believe that by collaborating with various

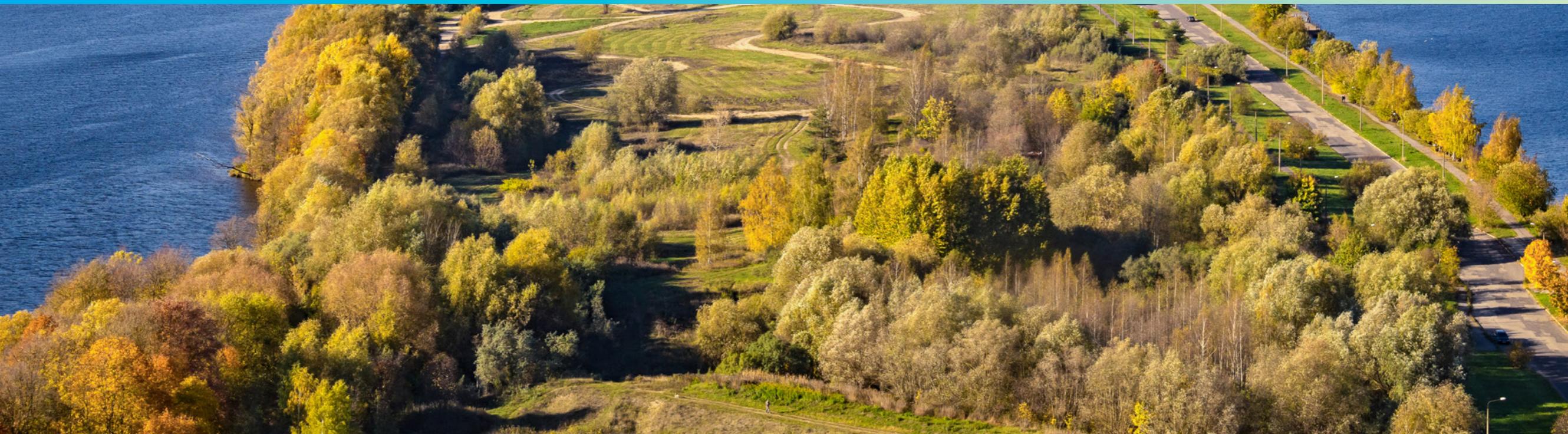
organizations we can ensure that charity is annually directed to the organizations where help is most needed. In Finland, we support the Finnish based charity organization Naisten Pankki (Women's Bank) which enables women's equal opportunities to work and gain financial independency in developing countries.

In Sweden, Veho supports cancer research through Breast Cancer Association and Moustache campaign. In addition to this, during Christmas time, Veho donated meals to homeless and elderly people affected by poverty. Veho's employees were also onsite helping to deliver these meal packages. In Estonia, we have established partnerships with nationally important cultural institutions as, for example, an official partner of Estonian Concert and other brand partnerships.

Riga city, Latvia, Island bridge and Zakusala



GOVERNANCE



GOVERNANCE

OVERVIEW

The principles of good governance constitute the foundation for Veho's management and control. Corporate governance describes the distribution of rights and responsibilities in accordance with the laws, regulations, and processes applicable between the company governance bodies. It also defines the company's decision-making systems, as well as direct and indirect corporate governance structures.

Veho's Board Charter describes the respective roles and ways of working of the Board of Directors, the Board's Committees, and the CEO. The Code of Conduct guides employees and our stakeholders, ensuring that they adhere to ethical values and legal obligations in their daily work and decision-making.

At Veho, the governance aspect of sustainability is all about the way we operate and our relationship with our stakeholders, including shareholders and employees. We measure our success in this category with four key performance indicators:

- Internal control & risk management: Maturity
- Cyber security and privacy: Maturity & Deviations
- Code of Conduct: Training level (%)
- Reputation: Score for "Responsibility" from customers, according to the Reputation&Trust survey (see results in the chapter Stakeholders)

Internal control and risk management

We measure our success in risk management through our internal control and risk management KPI, Maturity. Our common target is to reach a maturity level of 3 (scale 1-5) in all markets. We have specified internal descriptions of the sophistication required for

each level. Level 3 means that our internal control and risk management are standardized: Control activities are designed, in place, and adequately documented.

INTERNAL CONTROL

An annual clock governance model supports Veho's activities in Finland, Sweden, and the Baltics. Veho is currently in the middle of a transformation, and substantial changes are being carried out concerning the Group's operating and leadership model, structure, responsibilities, common tools, and processes. Our new strategy process enables all Veho markets to use the same governance structure.

RISK MANAGEMENT

Our risk management process follows a so-called annual clock and is also part of the annual strategy process. According to the current annual clock, risk assessments for occupational safety and the environment are conducted every spring from March to May. In August, the results of the risk assessments are considered in the strategy planning process. In addition, a sustainability review is on the Board of Directors' meeting agenda every six months.

The risk management processes are conducted at a strategic level (Board of Directors) and at an operative level through a variety of methods and procedures, such as risk assessments related to major investments, risk maps risk management processes are conducted at a strategic level (Board of Directors) and at an operative level through a variety of methods and procedures, such as risk assessments related to major investments, risk maps and red flags indicating negative risks and leading to actions. Veho's overall risk assessment summary measures risk probability and impact on a 1-5 scale.

Following Russia's invasion of Ukraine in February 2022, Veho's Board of Directors approved a group-wide sanctions policy in 2023. Sanction-related training as well as know-your-customer training has been conducted in the organization.

Ethical operations

CODE OF CONDUCT

The Veho Code of Conduct is the basis of all our operations and behavior. We measure how well the Code of Conduct has been implemented by monitoring the share of employees who have completed our Code of Conduct training. Our target for the whole group is 100 %.

COUNTRY	2021	2022	2023
ESTONIA	47%	98%	92%
FINLAND	91%	84%	64%
LITHUANIA	97%	92%	88%
SWEDEN	81%	78%	85%

Code of Conduct training level – share (%) of employees who have completed training

WHISTLEBLOWING

Adhering to our sustainability principles and Code of Conduct is everyone's responsibility. Each Veho employee and partner should report both detected and suspected breaches of our principles. The Fair Play whistleblowing channel gives all Veho's employees and stakeholders the opportunity to report activities that go against our principles, in confidence and anonymously. The Fair Play channel has been in use in Finland for years and in other Veho countries since December 2021. The channel is offered by an external partner, Whistle B.

Infractions of our principles that can be reported through the channel include:

- financial fraud allegations
- conflicts of interest

- corruption or bribery
- unfair competition and anti-trust
- non-compliance with laws and regulations
- breach of information security
- bullying or harassment
- discrimination or unequal opportunities
- workplace safety
- environmental issues
- other unethical behavior
- whistleblowing matters as stipulated by the National Whistleblower Protection Law

REPORTS RECEIVED THROUGH THE FAIR PLAY CHANNEL

We take reports that come through the Fair Play channel seriously, and we handle the reports with the help of a third party. We encourage our employees and partners to first discuss the matter with a manager or another Veho representative. If this is not possible, employees and other stakeholders can use the Fair Play channel to report any unethical or unlawful activity.

In 2023, there were 15 reports done groupwide through the Fair Play channel. A small increase in the number of reports made by the employees during 2023 also shows the process is working.

	2020*	2021*	2022	2023
NUMBER	1	6	12	15

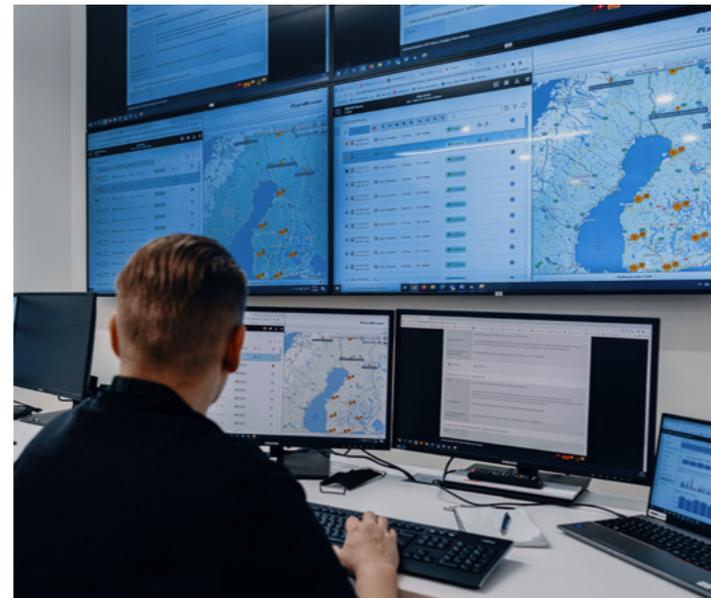
**data includes only Veho Finland*

Veho does not accept any retribution towards individuals who use the channel to report detected or suspected breaches and will not try to discourage or stop anyone from reporting information. The notification processing and follow-up process has been designed

to ensure a reliable and impartial settlement. Each incoming report is processed and cleared according to the same process.

Information security and data protection

In the information security area, Veho's goal is to protect the data of our customers and partners, as well as contribute to a generally secure business environment in all our operating countries. We have taken a risk-based approach, building simultaneous capabilities in all areas: govern, protect, detect, and respond.



We have released a group-wide constantly updated Information Security Policy that guides the organization on using technology in a secure way. In 2023, we conducted a mandatory group-wide information security training for all employees with a 100% participation rate. In the future, the training will be a mandatory part of new employees' onboarding process.

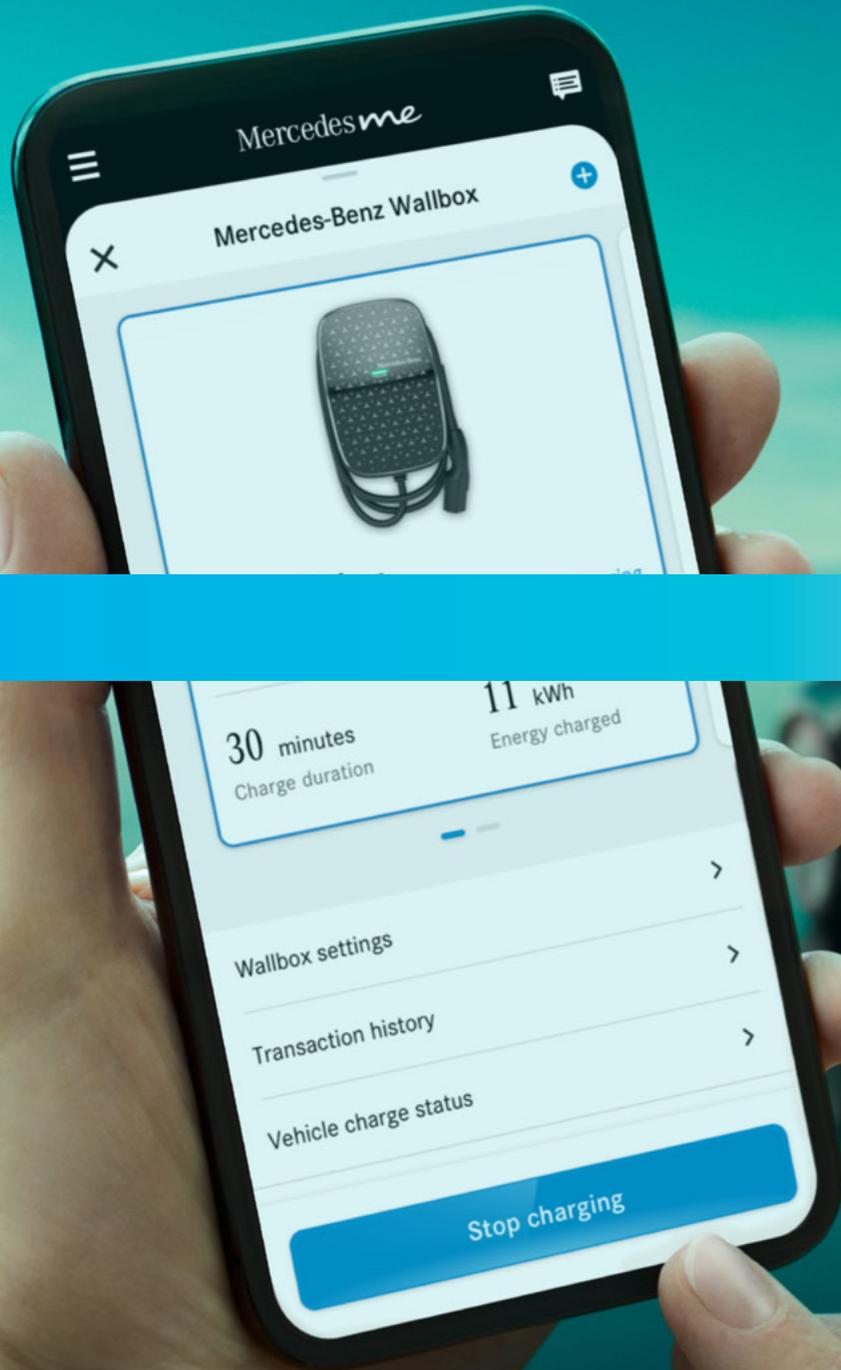
As required by the Group Enterprise Architecture Policy, we also conduct separate Enterprise Architecture Reviews for all new business initiatives, and we verify that new initiatives are in line with the information security requirements and company practices.

We measure our success in information security by monitoring our maturity and deviation levels. Our common target is to reach a maturity level of 3 (scale 1-5) and zero deviations. We have specified internal descriptions of the sophistication required for each level. Level 3 means that we have identified cybersecurity and privacy risks, and we have defined related policies and targets.

Protecting the personal information of customers, employers and other stakeholders is very important to Veho. As a European company, we are committed to complying with the data protection regulations and guidelines including the General Data Protection Regulation (GDPR). We ensure that we safeguard personal information and maintain the highest standards of privacy and data protection. Upholding these principles is crucial to building trust with our customers and maintaining the integrity of our business. We provide our employees with information on privacy requirements and how to apply them to their everyday work through an online learning channel and face-to-face training. In addition, Veho's Code of Conduct training includes a data protection part that provides basic information on secure data.

To efficiently implement the GDPR principle of "Privacy by Design", the mandatory Enterprise Architecture Review (see above) has been complemented with a Data Protection Impact Analysis (DPIA), to verify that all new initiatives have included privacy requirements in their planning.

In 2023, our target is to harmonize the internal controls and practices in the information security and data protection areas, to have a transparent view of our performance and compliance group-wide.



DATA



DATA

All numbers apply to the whole Veho Group unless otherwise specified.

Environment

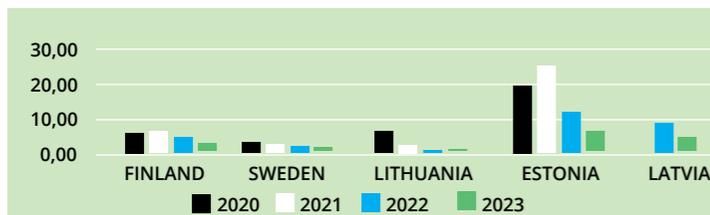
Scope 1 & 2 Carbon footprint (tCO2e)

	2021				2022				2023			
	VEHICLES	FACILITIES	TOTAL	CHANGE (%)	VEHICLES	FACILITIES	TOTAL	CHANGE (%)	VEHICLES	FACILITIES	TOTAL	
ESTONIA	485	2 503	2988	-34 %	446	1540	1986	-51 %	328	644	972	
FINLAND	3 339	2 849	6188	-31 %	2984	1325	4309	-31 %	2727	238	2965	
LATVIA	74	516	590	1 %	78	516	594	-33 %	155	241	397	
LITHUANIA	25	625	880	-24 %	307	368	675	-17 %	192	366	558	
SWEDEN	356	160	516	-12 %	367	86	453	3 %	369	97	465	
TOTAL	4 436	137	10572	-28 %	4182	3835	8017	-33 %	3771	1586	5357	

CO₂ intensity – carbon footprint per turnover (scope 1 & 2)

MARKET	2020	2021	2022	2023
ESTONIA	20,4	25,4	12,9	6,7
FINLAND	6,7	7,1	4,9	3,2
LATVIA	-	-	9,3	4,5
LITHUANIA	7,3	2,7	1,6	1,2
SWEDEN	3,4	3,2	2,4	1,7

CO₂ intensity – carbon footprint per turnover (scope 1 & 2)



Recycling rate (Veho Finland)

2019	2020	2021	2022	2023
52,9 %	54,0 %	56,0 %	59,9 %	61,8 %



When calculating an organization's carbon footprint, scope 1, 2, and 3 are used to categorize emission sources. The GHG Protocol, which has established global standardized frameworks to measure greenhouse gas (GHG) emissions, has defined the scopes in the following way:

SCOPE 1: DIRECT GHG EMISSIONS

From sources that are owned or controlled by the company. For example: emissions from the company's own energy generation and company vehicles.

SCOPE 2: INDIRECT GHG EMISSIONS

From the generation of purchased electricity consumed by the company.

SCOPE 3: VALUE CHAIN EMISSIONS

From sources not owned or controlled by the company but generated by the consequences of the company's activities. For example: extraction of materials purchased by the company and use of products and services the company has sold.

(ghgprotocol.org)

Share of emissions per energy type per country (2020-2023)

ESTONIA	2020	2021	2022	2023
ELECTRICITY	75 %	55 %	44 %	8 %
NATURAL GAS	21 %	28 %	33 %	57,71 %
DIESEL	3 %	10 %	13 %	21 %
GASOLINE	1 %	6 %	9 %	12,64 %
DISTRICT HEATING			1 %	0,54 %

LITHUANIA	2020	2021	2022	2023
NATURAL GAS	39.44 %	50.91 %	54.46 %	65,60 %
ELECTRICITY	23.42 %	20.48 %	0 %	0 %
DIESEL	29.01 %	16.89 %	27.27 %	20,41 %
GASOLINE	8.13 %	11.73 %	18.27 %	13,99 %

LATVIA	2021	2022	2023
ELECTRICITY	33.48 %	33.39 %	0 %
NATURAL GAS	36.90 %	40.47 %	60,81 %
DISTRICT HEATING	17.12 %	12.94 %	0 %
DIESEL	11.85 %	10.05 %	28,73 %
GASOLINE	0.66 %	3.14 %	10,46 %

SWEDEN	2020	2021	2022	2023
DIESEL	43.74 %	60.47 %	44.63 %	56,86 %
ELECTRICITY	36.72 %	12.58 %	0.62 %	0 %
DISTRICT HEATING	17.34 %	18.70 %	18.97 %	20,76 %
GASOLINE	2.19 %	8.25 %	35.78 %	22,37 %

FINLAND	2020	2021	2022	2023
DISTRICT HEATING	46 %	45 %	29 %	7,51 %
DIESEL	18 %	30 %	37 %	41,28 %
GASOLINE	36 %	24 %	32 %	50,56 %
HEATING OIL	0 %	1 %	1 %	0,12 %
ELECTRICITY	0 %	0 %	0 %	0,40 %

Governance

Code of Conduct training level*

COUNTRY	2021	2022	2023
ESTONIA	47 %	98 %	92 %
FINLAND	91 %	84 %	64 %
LITHUANIA	97 %	92 %	88 %
SWEDEN	81 %	78 %	85 %

*Data excluding Latvia and Veho Import

Reports received through the Fair Play channel

	2020*	2021*	2022	2023
NUMBER	1	6	12	15

*data includes only Veho Finland

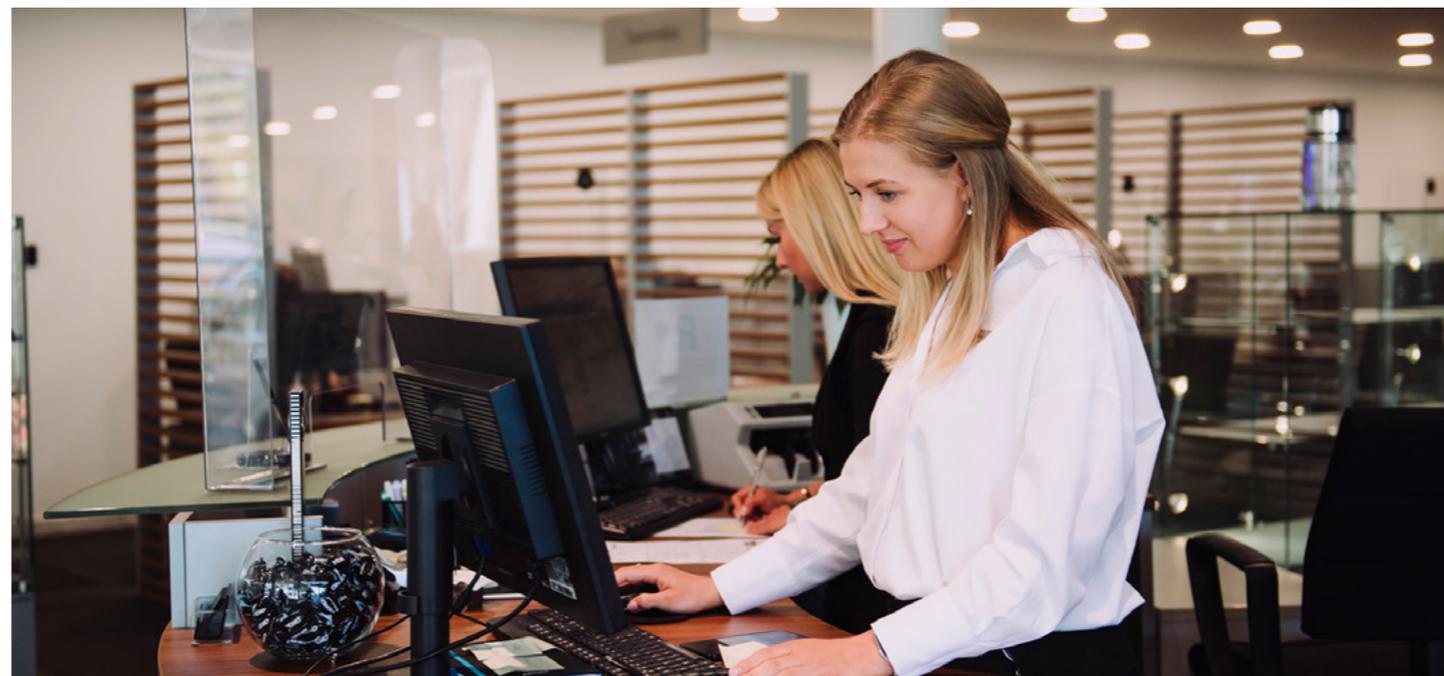
Number of personal data breaches

Number of low-risk cases in brackets, not included in the first value.

	2020	2021	2022	2023
BALTICS	1	0	0	0
FINLAND	2 (+1)	0 (+1)	0	5
SWEDEN	0	0	1	1
TOTAL	3 (+1)	0 (+1)	1	6

Complaints of data subjects to the data protection authority

	2020	2021	2022	2023
BALTICS	1	0	0	0
FINLAND	2 (+1)	0 (+1)	1	0
SWEDEN	0	0	0	1
TOTAL	3 (+1)	0 (+1)	1	1



Social

Number of employees/market

COUNTRY	2021	%	2022	%	2023	%
ESTONIA	274	14 %	274	12 %	258	12 %
FINLAND	1 245	64 %	1337	59 %	1293	58 %
LATVIA			134	6 %	133	6 %
LITHUANIA	181	9 %	190	8 %	200	9 %
SWEDEN	272	13 %	350	15 %	334	15 %
TOTAL	2 086	100 %	2285	100 %	2218	100 %

Gender split by country 31.12.2023

MARKET	FEMALE %	MALE %
ESTONIA	20 %	80 %
FINLAND	15 %	85 %
LATVIA	19 %	81 %
LITHUANIA	21 %	79 %
SWEDEN	14 %	86 %
ALL	16 %	84 %

Voluntary employee turnover rate 2023

MARKET	VOLUNTARILY LEFT	VOLUNTARY TURNOVER
ESTONIA	34	13 %
FINLAND	76	5 %
LATVIA	13	10 %
LITHUANIA	23	12 %
SWEDEN	25	7 %

Total Recordable Injury Frequency (TRIF) and number of injuries

MARKET	NUMBER OF INJURIES		TRIF		NUMBER OF INJURIES		TRIF	
	2021	2022	2021	2022	2021	2022	2023	2023
ESTONIA	0	0	0	0	0	0	0	0
FINLAND	142	119	64.8	53.4	90	41.8		
LATVIA	-	0	-	0	0	0		
LITHUANIA	0	1	0	3.0	1	2.6		
SWEDEN	20	4	38.6	4	26	38.6		





VEHO