

Essential impact

WE ARE ETTEPLAN



ESSENTIAL IMPACT

The past year demonstrated the considerable extent of changes in the world around us.

The need to build a more sustainable future is guiding investor decisions, national legislation and the actions of companies in an unprecedented manner. While the need for major changes concerns every sector, the industrial sector, in particular, has the opportunity to take a decisive role in mitigating climate change and rebuilding sustainable growth.

The products and services created by industrial operators are needed every day, all over the world. They have a tremendous impact on the environment, people and societies. Consequently, every solution brought to the industrial scale that promotes energy efficiency and the circular economy, reduces pollution and supports the green transition, is a step in the right direction for world.

As a global Technology Service company, our mission is to accelerate this change together with our customers. With the help of our technology, capabilities and networks, we develop targeted and smart solutions for our customers to allow them to reduce their climate footprint and create value for their customers.

Together, we are creating a sustainable foundation for growth and building a better life around us.

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ENGINEERING WITH A DIFFERENCE

is our brand promise which describes our way of working. It is also a promise to our employees and to all of our stakeholders.

Etteplan's corporate culture is characterized by a strong spirit of entrepreneurship and development as well as caring and taking responsibility. We are working towards positive change every day.

Etteplan in brief

We are a rapidly growing Technology Service company specializing in software and embedded solutions, engineering solutions, and technical documentation solutions. We are a forerunner in the engineering industry and we differentiate ourselves by the wide-ranging competence of our experts. Our customers include the world's leading companies in the manufacturing industry. We help them to create a better world through engineering, innovation and digitalization.

Etteplan's shares are listed on Nasdaq Helsinki Ltd under the ETTE ticker.



>3,800

INDUSTRY
PROFESSIONALS

>80

OFFICES IN 8
COUNTRIES

EUR 300 million
IN REVENUE

LEADING
THE WAY IN
ENGINEERING
SINCE 1983.

Revenue by geographical area 2021 (2020)



- Finland 57% (61%)
- Scandinavia 23% (22%)
- Central Europe 16% (14%)
- China 4% (3%)

Revenue by customer segment 2021



- Industrial Machinery and Equipment 16%
- Energy 13%
- Forest, Pulp and Paper 13%
- Lifting and Hoisting 10%
- Mining 10%
- Automotive and Transportation 7%
- ICT 7%
- Medical Technology 6%
- Other 6%
- Chemical 4%
- Aerospace and Defense 2%
- Consumer 2%
- Marine and Offshore 2%
- Metal 2%

Highlights of 2021

"E-LEAD development programs have been a key success factor in developing ways to deal with completely new and difficult situations during the pandemic. During the year, I had the privilege to discuss leadership with managers and the opportunity to meet many talented and committed colleagues. The future looks bright with you!"

Sixten Folke, Technical Documentation Solutions

"I was tasked with creating a video on the implementation of Etteplan HowTo, a cloud-based solution for technical documentation. I was pleased to be part of this project because filming and photography is a hobby of mine and I got the opportunity to work with professionals. I am happy with the outcome and will continue to make videos at work."

Alexandra Arts, Technical Documentation Solutions



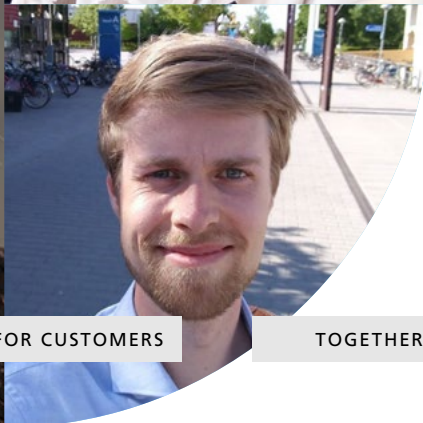
"Additive manufacturing has had very interesting customers, in addition to which we have entered into strategic partnerships with Digital Metal and Freemelt. Working with these two companies allows us to hone our design expertise in two metal additive manufacturing technologies."

Erin Komi, Engineering Solutions



"Our expertise and interest based group for service design, which covers all sorts of experts through the organization, has been the most effective in sharing knowledge and learning new about innovation and customer experiences. Thank you, my great colleagues!"

Hanna Remula, Software and Embedded Solutions



"The Counter-Strike: Global Offensive match between Sweden and Finland, streamed by Kanaliiga, was an exciting event. Finland narrowly took the win, but a rematch is already being planned for. Perhaps there will even be a World Cup event so that all our offices have the opportunity to form their own teams."

Jacob Bergvall, Software and Embedded Solutions

CEO's review

Etteplan had a year of strong performance in 2021. Our growth and ability to develop in volatile market conditions were our biggest successes. As a Technology Service company, Etteplan's ability to create value depends largely on the company's personnel.

Etteplan is a growth company known for its strong performance and the desire to drive the entire industry forward. Our performance in 2021 provided the evidence of our ability to continuously improve our results and develop our capabilities in various market conditions. Our determined efforts enabled us to take our full-year revenue and profitability to a new level: our revenue exceeded EUR 300 million and operating profit (EBITA) exceeded EUR 30 million for the first time.

All three of our service areas performed well. In Engineering Solutions, we managed to smooth out fluctuations in demand by strengthening our operational efficiency. The excellent market situation and successful acquisitions helped our Software and Embedded Solutions service area achieve strong growth of more than 25 percent. Technical Documentation Solutions had the highest profitability among our service areas, with operating profit (EBITA) exceeding 12 percent in two quarters during the year.



Our determined efforts enabled us to lift our full-year revenue and profitability to a new level.

Our active efforts helped smooth out market fluctuations

The past year was, in many ways, characterized by market fluctuations. The first half of the year was a period of intense activity and success for Etteplan even though we began the year at a disadvantage due to the third wave of the COVID-19 pandemic and an uncertain demand situation. As vaccination coverage improved, activity among our customers grew and investments increased substantially, which was reflected in brisk demand.



After a busy first half to the year, the start of the third quarter was slower than expected. Project starts were delayed and the global shortage of components began to be reflected in the demand for engineering services in particular. Pandemic-related closures were also a factor in the fall. As the market slowed down, we sought to get projects started through our own actions, which proved to be an effective solution.

Our customers' activity and ability to invest were again strengthened toward the end of the year.

Excellent work in difficult circumstances

In accordance with its strategy, Etteplan is a growth company. Our target is to achieve revenue of EUR 500 million in 2024 through organic growth and acquisitions. While the pandemic has presented an additional challenge to achieving that target, we nevertheless made progress towards it by completing altogether five acquisitions in Germany, Denmark, Poland and Finland. The aim of the acquisitions was to expand our competence capital as well as the geographical scope of our operations.

Our good profit performance also enabled us, according to our strategy, to invest strongly in the renewal of our business by, for example, establishing new teams and developing our technology and service offering.

Our strategy is based on the value we create for the customer through service solutions that support and accelerate our customers' business operations, industrial transformation and green transition. By taking advantage of new technology, we can together engineer solutions that improve the efficiency, sustainability and safety of our customers' operations while simultaneously promoting the global goals of sustainable development.

In the current strategy period, our target has been to increase the share of revenue represented by Managed Services. This calls for investments in competence as well as researching and leveraging new technologies as part of our service solutions. These investments have enabled us to make tremendous progress in our ability to create value for customers. I am pleased by the excellent work done by everyone at Etteplan under difficult circumstances.

We create value with the help of our experts

Etteplan's future outlook is shaped, in the short term as well as the long term, by megatrends such as digitalization and accelerating technological development. They are also closely connected with global goals such as the green transition, with industrial operators playing a key role in the achievement of these goals.

The need for sustainable solutions will increasingly influence demand and investment decisions in the future, although this is not



The need for sustainable solutions will increasingly influence demand and investment decisions in the future.



a new phenomenon in itself – energy efficiency and circular economy solutions, for example, have been on our customers’ agenda for several years now. Etteplan’s strategy guides us to continuously study our customers’ business operations and changing needs, and to use that insight to apply the latest technology in our service solutions. In their work, our experts make choices that help our customers achieve their business objectives and sustainability targets.

As a Technology Service company, Etteplan’s ability to create value depends entirely on the company’s personnel. In 2021, we developed our recruitment processes and improved our internal tools and management practices. In line with our strategy, we will continue to invest in people and competence development in the new year, as we value our experts and want to hold on to them. Indeed, we are pleased that our employee satisfaction has continued to develop favorably throughout the pandemic.

We will continue our investments in organic and inorganic growth and our progress towards our goals in 2022. We made two acquisitions to start the year: we acquired Cognitas, a German company that specializes in technical information solutions, and Syncore, a Swedish company that specializes in embedded systems.

We entered 2022 in a good position and the market situation looked fairly good. It appeared that industrial operators had, to a large extent, learned to live with the pandemic that has shaken up the world. Just as the pandemic seemed ready to pass, we faced a new crisis. We are closely following the effects of the Russian attack on Ukraine, our customers and the operating environment. Our sympathies are on Ukraine’s and its people’s side, and we support those suffering from the war both as a company and individually.

I have now worked for Etteplan for 16 years, the last 10 as CEO. It has been a privilege to see our company evolve over that time. We have grown from a traditional engineering firm to an international Technology Service company that delivers world-class solutions to customers.

We will continue to move ahead with the same enthusiasm and forward-looking approach. I want to thank our customers, employees and all of our partners for being part of our journey!

Juha Näkki
President and CEO

“ As a Technology Service company, Etteplan’s ability to create value depends entirely on the company’s personnel.

SERVICE AREA

Engineering Solutions



What are engineering solutions?

We innovate and engineer machines, equipment and plants.

What type of challenges do we solve?

Our customers typically use our services for product development, plant engineering or engineering-to-order projects, involving product customizations in accordance with end-customer requirements and applicable law.

Engineering Solutions in 2021

56% OF ETTTEPLAN REVENUE

REVENUE
EUR 167.4 million

9.9% OPERATING PROFIT (EBITA) OF REVENUE

64% SHARE OF MANAGED SERVICES OF REVENUE

PERSONNEL
2,062

Our success in 2021

- We made many new contracts as our outsourcing business developed well.
- We strengthened our engineering capabilities in Germany with the acquisition of BST, which specializes in software development, process automatization, and hardware engineering.
- We made cooperation agreements with Freemelt and Digital Metal on 3D printing related development work.



What are software and embedded solutions?

We provide product development services as well as software and technology solutions that enable the digitalization of our customers' business processes along with the intelligence and connectivity of machinery and equipment.

What type of challenges do we solve?

Our customers often need to increase the efficiency of business processes or manufacturing or create new products. Through system integration, we can ensure better customer service, cost-efficiency, or the creation of new income streams through digitalization.

SERVICE AREA

Software and Embedded Solutions

Software and Embedded Solutions in 2021

27% OF ETTEPLAN REVENUE

REVENUE
EUR 80.1 million

10.4% OPERATING PROFIT (EBITA) OF REVENUE

47% SHARE OF MANAGED SERVICES OF REVENUE

PERSONNEL
771

Our success in 2021

- We expanded our business to Denmark through the acquisition of TekPartner.
- We acquired Skyrise.tech in Poland and significantly strengthened our capability to deliver applications and cloud software solutions.
- We appointed Tero Leppänen, M.Sc. (Computer Science) to SVP, Software and Embedded Solutions, and as a member of Etteplan Management Group (January 3, 2022).

SERVICE AREA

Technical Documentation Solutions



What are technical documentation solutions?

We produce user manuals for individual products or the documentation and information management of the technical attributes of production facilities, such as plants. The service also covers content production and distribution in print and digital form.

What type of challenges do we solve?

For an industrial customer, good technical documentation can increase the value of their products and ensure that their products are used in the right way. We provide our customers ways to improve cost efficiency and lead times, increase quality, and decrease the environmental footprint.

Technical Documentation Solutions in 2021

17% OF ETTEPLAN REVENUE

REVENUE
EUR 51.6 million

11.4% OPERATING PROFIT (EBITA) OF REVENUE

82% SHARE OF MANAGED SERVICES OF REVENUE

PERSONNEL
669

Our success in 2021

- We introduced a cloud-based Etteplan HowTo service for managing, storing and distributing digital technical information.
- We strengthened our position in the German technical documentation markets through the acquisition of F.I.T.
- We strengthened our know-how in technical documentation of software and strategic consultancy by acquiring Adina Solutions from Finland.

Strong growth in international markets

Customer demand and projects are becoming increasingly global.

We operate in eight countries on three continents. Through our global corporate customers, our business has a global impact.

We built global teams by combining our competences across borders.

We operate in Finland, Sweden, the Netherlands, Germany, Poland, Denmark and China. In addition, we have a small operation, and customer projects, in the USA.

We aim to provide our full service offering in all of our current markets.



In technical documentation we are a leading company in the Netherlands and Germany.

We are the market leader in engineering in Finland and one of the leading operators in our field in Sweden.

We reached a milestone in China when we opened our tenth office.

We strengthened our position through acquisitions in Denmark, Germany, and Poland.

We are a growth company seeking to grow our revenue on all our current markets, especially in Central Europe and Asia.

43%
OF REVENUE
ORIGINATES OUTSIDE
FINLAND IN 2021

Our aim is to grow the share of revenue accumulated outside Finland to
>50%
IN 2024



The key objective of our
INCREASING VALUE FOR CUSTOMERS strategy is to create added value for our customers and to support them in the industrial transformation.

Every day, we challenge ourselves by suggesting new valuable solutions for our customers. Our customers' success is our success.

OPERATING ENVIRONMENT

New technologies accelerate sustainable development

Phenomena that have an impact on all industries – such as digitalization and the green transition – are significantly reshaping the operating environments of Etteplan and its customers.

The world around us is changing rapidly. While our operating environment is affected by several megatrends, the key drivers of change are related to digitalization and sustainable development. These phenomena are becoming intertwined and, together, they are accelerating a positive change.

For both companies and individuals, the digital era and the Internet of Things promise to deliver solutions that open up new opportunities, produce new knowledge and make geographical boundaries irrelevant. Indeed, the need for capabilities related to new technologies and engineering are continuously growing in our operating environment as industrial operators seek solutions to address issues such as energy consumption and managing material flows.

Accelerating technological development makes it possible for industry to take advantage of automation and robotics in many stages of operations. They help companies improve product quality, make work less strenuous, enhance safety and reduce costs. At the same

time, connected devices and systems provide companies with data that they can use to make their production processes even smarter. At its best, digitality means significant new solutions, business models and, ultimately, major improvements in efficiency and productivity, which will have a significant multiplicative effect in a world characterized by urbanization and population growth.

Technology also offers solutions to challenges related to climate change and the Earth's ecological carrying capacity. Growing sustainability expectations among individuals, investors and financiers and a growing understanding of the limited nature of resources are also significantly reshaping the operating conditions of industrial companies. To remain competitive and ensure the long-term continuity, companies in all industries must find ways to reduce their climate footprint and solve sustainability challenges both internally and in the supply chain.

Etteplan's entire strategy is based on an in-depth understanding of the drivers of change in the operating environment. At the core of what we do is our ability to research and apply state-of-the-art technology to benefit our customers and the Earth as a whole. We have adopted technologies such as the Internet of Things, robotics, artificial intelligence, machine learning and digital twin solutions, and we have the capacity to bring these to the industrial scale. Our capabilities and



intelligent technology enable us to optimize manufacturing processes and help our customers refine their practices and services, making them more efficient, resource-wise and safe.

The impacts of our work are reflected in every industry and, ultimately, in people's daily lives. In cooperation with our customers, we harness the opportunities presented by the digital era and turn them into practical competitive advantages and business operations that take the goals of sustainable development into account.

Trends shaping the engineering industry

1 DIGITALIZATION The digital transformation of industry and society as a whole is continuing and picking up speed. Intelligent and connected production processes increase efficiency and change the way industry operates, enabling new business models and a redefinition of the value network.

2 ACCELERATING TECHNOLOGICAL DEVELOPMENT Technological development is accelerating due to the creation and application of new technologies and manufacturing methods. New digital technologies and manufacturing methods create opportunities for new applications and technological innovations.

3 LACK OF ENGINEERING RESOURCES The need for engineering and design services is growing globally while digitalization and the general development of technology are changing more and more aspects of society. Creating new innovations calls for broad understanding across experts in different areas of technology.

THE CONSOLIDATION OF THE ENGINEERING INDUSTRY

Customer companies in the engineering industry are focusing on their core business and outsourcing other functions, reducing the number of partners they work with and engaging in closer cooperation with their selected partners. The competitive landscape in engineering consists of a large number of players of various sizes and different competences. Engineering companies are looking to offer as wide a range of expertise as possible to their customers which leads to consolidation in the industry.

STRATEGY

Increasing value for customers

We are a growth company. Our target is to reach a revenue of EUR 500 million by 2024. In 2021, our revenue exceeded EUR 300 million for the first time.

We seek growth organically and, in a consolidating market, also through acquisitions. Our organic growth is based not only on the key elements of our strategy but also our broad service offering and expertise as well as our strong market position. In 2021, we made several investments in organic growth.

By making acquisitions, we aim to increase our competence capital as well as grow our presence and service offering. In 2021, we made five acquisitions that support international growth. Etteplan's goal is to also grow internationally, provide solutions from all our service areas in all our market areas and increase the share of revenue accumulated outside Finland to 50 percent by 2024.



Progress in 2021

REVENUE GROWTH

15.6%

ORGANIC GROWTH

8.9%

REVENUE
OUTSIDE FINLAND

43%

OUR KEY GROWTH AREAS

Constant development of Service Solutions

We incorporate technology solutions into our Service Solutions and take advantage of digital technologies and software solutions.

Digitalization

We develop digital services, enhance our software development capabilities and support our customers in digitalization.

International growth

We expand our full service offering in all of our current markets. We seek growth in Central Europe and Asia, especially in China.

THE KEY ELEMENTS OF OUR STRATEGY

1 Customer value

Our goal is to further increase customer value. By understanding the customer's business and utilizing our wide expertise, new innovations and technologies, we create value-creating Service Solutions and help our customers improve their business.

We challenge ourselves and our customers every day and actively suggest new ideas and solutions to create value. This is the essence of our brand promise, Engineering with a difference. Our customers' success is our success.

2 Service solutions

We research and understand new technologies and actively incorporate them into our Service Solutions. Our Service Solutions combine technologies, efficient processes, our versatile expertise, world-class engineering tools and methods.

We work with an open mind, experimenting with and seeking new ideas and methods. Our expertise and experience enable us to help our customers solve complex challenges.

Our innovative solutions make us a forerunner in the engineering industry and an attractive partner for our customers as well as an attractive place to work for our personnel. Our Service Solutions also differentiate us from our competitors and strengthen our market share.

3 Success with people

We want to maintain, develop and attract talented employees with whom we will succeed in executing our strategy in collaboration with our customers and partners.

Everything comes down to people – each one of us. We infuse our experience, skills and expertise into our work. We work with passion and commitment to achieve results that matter. We believe in cooperation, continuous development and fresh multidisciplinary thinking. This enables us to develop ourselves as professionals and lead the development of our industry.

HOW WE WIN

OUR PURPOSE

We help our customers to create a better world through engineering, innovation and digitalization.

STRATEGY

Increasing value for customers

KEY ELEMENTS

Customer value

We aim to promote continuous development and we proactively propose new solutions that improve our customers' business.

Service solutions

We combine our expertise and new technologies to increase value for our customers.

Success with people

We are a highly competent team. We work with passion and commitment to achieve results that matter.

DEVELOPMENT PROGRAMS

Value centric solution sales • Rapid innovation • Engage employees and work together

OUR OBJECTIVES

The key objective of the strategy is to create even higher value for our customers and support them in industrial transformation. Our customers' success is our success.

FINANCIAL TARGETS

	TARGET 2024	METHODS	PROGRESS 2019–2021
Growth	>500 Revenue, EUR million	<ul style="list-style-type: none"> Continuous development of service solutions Digitalization International growth Acquisitions 	Revenue and revenue growth, %
International growth	>50% Share of Revenue coming from outside of Finland more than 50 percent	<ul style="list-style-type: none"> Expanding our full service offering to all our current markets 	Share of revenue coming from outside Finland, %
Managed Services	75% The share of Revenue represented by Managed Services (Managed Services Index, MSI) 75 percent	<ul style="list-style-type: none"> Service solutions Technology solutions Project business 	Revenue and Managed Services, %
Profitability	10% Operating profit (EBITA) 10 percent of Revenue	<ul style="list-style-type: none"> Shifting the business model towards Managed Services Market leadership 	Revenue and operating profit (EBITA), %



JUHA NÄKKI, President and CEO

CASE /// Ask from the management

President and CEO Juha Näkki answers questions from our personnel

1. In which areas do you see the most opportunities for growth?

There is tremendous potential in our operations. When we leverage our strengths and capabilities in the best possible way, all of our business areas have potential for growth. One example I would like to highlight is the Software and Embedded Solutions service area. It is growing rapidly, driven by digitalization and technological development. In every industry and every area of society, there is a need for software to help move our digitalizing world forward.

2. You have been at Etteplan for 16 years now, with the last 10 as President and CEO. In your view, what are the most significant reasons for coming to work at Etteplan?

We provide people with a unique opportunity to develop their competence by being involved in diverse and changing projects. The changes in projects and the required capabilities mean that our employees accumulate valuable experience from working in different industries and teams. Our global customer base also makes international careers possible.

Over the years Etteplan has developed and renewed itself in a way which has allowed me to continue to find new things to experience and

learn. Another important aspect for me is having great colleagues and genuinely fun at work!

3. What is the significance of sustainability for Etteplan?

Sustainability is always present in our work. Our biggest impact on people, the environment and society comes from the work we do with our customers. We develop more efficient, ecological and reliable solutions for our customers. Our customers are interested in the solutions we can offer to help them develop their sustainability. This means that everyone at Etteplan can make sustainable choices at work every day.

The well-being of people – including our employees, customers and partners – is high on our sustainability agenda. We want people to feel that they can be themselves, be part of a team, develop themselves and learn new things.

We continuously develop ways to measure our direct and indirect impacts. We already know the emissions of our business travel and the energy consumption of our offices. In addition to these, we want to identify genuinely impactful indicators on the effect we have through our work with customers.

How we create value

Our starting point for value creation

Megatrends

- Sustainability
- Digitalization
- Accelerating technological development
- Resource efficiency
- Population growth
- Urbanization

We help our customers to create a better world through engineering, innovation and digitalization.

Our drivers

Our values

Customer oriented

Our customers' success is our success

Proactive

We actively propose new ways to do things and new service solutions to our customers

Attractive

The results of our work and our expertise make us attractive

Our assets

- World-class experts working globally close to customers
- Service Solutions and Managed Services
- Wide and multidisciplinary technology competences and know-how
- Long-term collaboration and an agile way of working with our customers and partners

Our impact

Customers

- Improved efficiency and competitiveness
- Sustainable and future-proof solutions
- R&D and utilization of the latest technologies
- Supporting the customer in industrial change
- Availability and supply chain flexibility
- Promoting occupational safety

Our people

- Continuous learning
- Development opportunities
- "Engineering with a difference" -mindset and way of working
- Well-being at work
- Financial security

Society

- Better quality of life
- Innovative solutions for industry challenges
- Promoting technological know-how in the industry
- Taxation, employment and reduction of global inequality
- Promoting well-being through health technologies

Environment

- Energy efficiency
- Resource wisdom and waste reduction
- Optimization of energy use
- Material innovations
- Life cycle thinking in product development

TOGETHER FOR THE FUTURE

part of this report is our Sustainability report. Our operations have an impact on our personnel, environment, customers and society as a whole.

As an expert company our most significant impact relates to our own personnel. In addition our operations have significant economic impacts on many different stakeholders. We can have a positive impact on the environment through the professional competence of our experts and the work we do for our customers.



We solve global challenges through our work with customers.

Highlights

- The results of our personnel survey continued to show a positive trend.
- A favorable development of customer satisfaction and successful introduction of hybrid work practices to customer work.
- Successful recruitments and turning the number of personnel into a growth path.
- Profitable growth continued.

Responsibility at Etteplan

Etteplan has a positive impact on solving global challenges, both through its own operations and through its work with customers. We provide various industries with solutions that enable our customers to pursue sustainable and future-proof growth.

Our operations have an impact on our personnel, environment, customers and society as a whole.

The professional competence of our experts is Etteplan's most important asset. The competition for highly competent employees is intense, so we need to be a genuinely attractive and responsible employer. It is only through the efforts of our committed and motivated professionals that we grow profitably and have a positive impact on our customers and society.

Our most significant environmental and social impacts happen through our work with customers. We promote sustainable development every day as we create more eco-friendly, efficient and energy-saving solutions for our customers and help them achieve success.



Development areas

- Drafting a sustainability program
- Updating the career model
- Developing diversity and inclusion

We continuously develop our sustainability

Our operations are guided by our Code of Conduct, values and stakeholder engagement. We also have our own quality, environment, health and safety (QEHS) policy in place. We take the special characteristics of our operating countries into account in our work.

At Etteplan, we see sustainability as a theme that spans the entire value chain. We also take sustainability into account when choosing partners.

We continuously develop our sustainability efforts at the Group level and at the country level. The overall responsibility for Etteplan's corporate responsibility lies with the Senior Vice President, Marketing and Communications, who is also a member of the Management Group. Members of the Management Group are each, for their part, responsible for ensuring that sustainability is included in everything we do. We base our sustainability reporting on the international Global Reporting Initiative (GRI) reporting framework. Specifically, we report in accordance with the GRI Core option.

Employees and external stakeholders alike can anonymously report suspected ethical violations through our First Whistle whistleblowing channel. It is available in all of our operating countries. In 2021, we were informed of one suspected incident of unethical conduct, which was handled in accordance with our process. The suspicion proved to be valid and led to corrective action.



Sustainability is a strategic priority and a source of competitive advantage for us.

Sustainability is already an integral aspect of the studies of engineering students but, as an employer, we have an obligation to also support more experienced professionals in developing their competences to match today's sustainability requirements.

We aim to engage in increasingly purposeful sustainability efforts

Sustainability is a strategic priority and a source of competitive advantage to Etteplan. As a company, we have a long track record of promoting sustainability, and we have identified our material aspects of it.

In 2022, we will take another step forward by starting an even more systematic effort to develop Etteplan's sustainability agenda. The goal is to define genuinely impactful performance indicators for our sustainability and establish our sustainability practices at all levels of our organization. Sustainability is more than just individual actions. It is a way of thinking that guides everything we do. It is the foundation for our choices and decisions.

The implementation of our Code of Conduct has been delayed due to the COVID-19 pandemic. However, in February 2022, we have started our virtual training program that is mandatory for all Etteplan employees and will familiarize them with our Code of Conduct and test their knowledge of it. The training program and the certificate awarded for it will be renewed on a regular basis going forward.

The growing significance of sustainability is also reflected in the expectations of our stakeholders, for example: customers want transparent data on the impacts of our operations, and more and more employees consider sustainability to be an important criterion in choosing where to work. Interest in sustainability themes has also increased among investors and analysts. Our stakeholder engagement is summarized on page 41.

Etteplan's material sustainability themes

- Sustainable financial growth
- Personnel development
- Personnel commitment
- Innovation
- Compliance and anti-corruption
- Environmentally friendly products and services
- Diversity and equal opportunity
- Corporate citizenship
- Occupational health and safety
- Management systems and policies
- Supply chain
- Energy efficiency

Find out more at
www.etteplan.com



Personnel

Etteplan has continued to consistently invest in its personnel throughout the COVID-19 pandemic. According to a personnel survey, results have improved in all areas, which is exceptional in the midst of a global pandemic.

Etteplan's value for customers comes from having highly competent and committed employees with a high level of well-being and who want to work for our customers' success. The employees also play a key role with regard to Etteplan's impacts on the environment and society. People are our most important asset, and they are the focus of our human resource management. Our customer promise, "Engineering with a difference", is also a promise to our personnel.

Etteplan's corporate culture is characterized by a strong spirit of entrepreneurship and development as well as caring and taking responsibility. The same spirit is present in our values: customer oriented, proactive and attractive.

At Etteplan, we have a passion for development and progress. We want to make the world – and the lives of our customers – better. Being solution-oriented supports our development as an organization. Only by taking action do we make things happen and gain new knowledge. Our built-in capacity and willingness to identify development opportunities also benefits our customers.

We are proud of our employees' commitment to other people, namely their colleagues and our customers, and their willingness to take on responsibility is reflected in their day-to-day work. These characteristics are mirrored in our personnel surveys and customer feedback: we have a flat hierarchy, a strong culture of dialog, and we know how to ask for, offer and accept help. We can sincerely say that we genuinely care about each other, and, which has supported our success during the COVID-19 pandemic.

Etteplan's culture enables individual growth and provides space for innovation, idea generation and putting ideas into action. It also contributes to employee motivation and well-being.

Improved results in all areas of our personnel survey

We have systematically invested in development in spite of the continued COVID-19 pandemic. The results of our FuturETTE personnel survey, which measures job satisfaction and well-being, have improved in every area for two consecutive years. This positive trend is a source of great satisfaction for us and it indicates that we have chosen the right focus areas. In the midst of a prolonged pandemic, we do not take this positive development for granted. Our next focus area will be to strengthen the personnel's understanding of the company's strategy and direction, and to ensure that everyone at Etteplan feels welcome and a part of our workplace community.



We can sincerely say that we genuinely care about each other.

In addition to the annual FuturETTE personnel survey, we have conducted focused surveys on topics such as remote work. We want to establish a comprehensive understanding of our employees' wishes, coping with work and well-being, while also identifying development themes that are perceived as significant and target our development efforts accordingly.

Based on the results, the areas that have improved the most are Etteplan employees' perception of being encouraged to pursue professional development, caring and feedback on the part of supervisors and the opportunity to influence one's work and the content of work. The favorable development of the latter areas is particularly excellent, as remote work can weaken employees' connection to their supervisor and team and make them feel like they have less influence over their work.

The significance of supervisors is emphasized as the pandemic continues

In 2020, we started the E-LEAD development program for supervisors and key personnel. We continued to implement this program throughout 2021. Approximately 200 Etteplan employees have received training as part of the virtual training program. The program is a significant investment in the leadership competence of our key personnel and its impacts are seen in the aforementioned results of our personnel survey and the employee experience.

Supervisory roles at Etteplan are highly valued positions, and our supervisors want to be good at their job. Generally, our supervisors recognize that their impact, responsibilities and caring is reflected in their work: Etteplan employees feel that their supervisors trust them and that they can discuss things openly with their supervisor.

According to our personnel survey, our biggest strengths related to supervisors are the perception of a physically and psychologically safe work environment, trust in the supervisor's support and trust in what has been agreed with the supervisor.

We have continued our proven practices by supporting supervisors with challenges related to the COVID-19 pandemic and hybrid work. We have placed particular emphasis on supporting our ability to cope with the demands of work. This has been achieved in cooperation with the occupational health care provider. For example, various coaching activities, discussions and peer support sessions have been held in high regard. The opportunity to discuss issues and ask questions has been perceived as meaningful and it has increased the sense that we will succeed together.

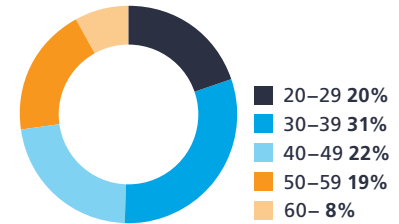
Locally implemented, globally managed

The Senior Vice President, Human Resources, who is also a member of the Management Group, is in charge of human resource management at Etteplan, including setting the overall direction and strategy. The HR managers in Etteplan's countries of operation are in charge of human resource management in their country and country-specific practices. HR specialists work together to develop global processes, practices

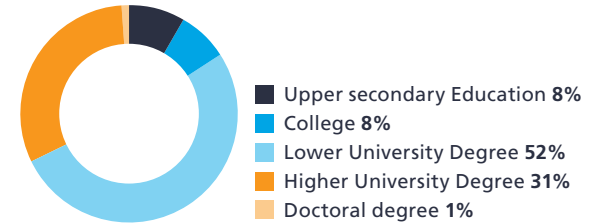


In the midst of a prolonged pandemic, we do not take our positive development for granted.

Age distribution 2021



Educational background 2021



Employees by geographical area Dec 31, 2021





We want to be a workplace community where everyone feels welcome, including professionals with different backgrounds.

and operating methods to build Etteplan's employee experience. All of our supervisors are ultimately responsible for ensuring adherence to Etteplan's general policies and guidelines.

Etteplan's human resource policy and key management principles are the same in all operating countries and they are based on our values. The cornerstones are the development of Etteplan employees' competence and leadership, providing career opportunities and the equal treatment of employees. Local legislation and culture are always taken into consideration in operations.

This sustainability report covers Etteplan's direct employees. We have increased the use of subcontractors. In our Software and Embedded Solutions service area, for example, we now have more than 250 subcontractors.

Etteplan had 3,629 employees at the end of the year. Of these, 55 percent worked in Finland, 18 percent in Scandinavia, 15 percent in Central Europe and 12 percent in China. Collective labor agreements cover 100 percent of the personnel in Finland and Sweden. Collective labor agreements are not in use in Etteplan's other operating countries.

Human resource management at Etteplan is evaluated by means of personnel surveys and supervisor surveys as well as by monitoring

employees' experiences in different stages of employment, including entry and exit interviews. We take the feedback into account in the development of our HR activities.

The number of personnel is growing

Etteplan is growing rapidly, both organically and through acquisitions. As a growing company, it is essential for us to ensure the availability of highly competent and motivated personnel. In 2021, our number of personnel showed a clear growth trend following recruitment and acquisitions.

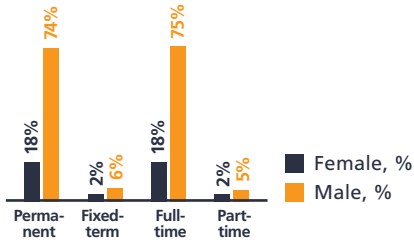
Through good introductory training, we want to make new personnel feel at home as part of Etteplan. We use a systematic digital introductory training program that is supported by means of eLearning and active monitoring. We engage in monitoring to ensure that supervisors carry out introductory training in accordance with the agreed-upon process.

We want to be a workplace community where everyone feels welcome, including professionals with different backgrounds. In spite of our growth, Etteplan has the atmosphere of a small company, and we want to foster that feeling.

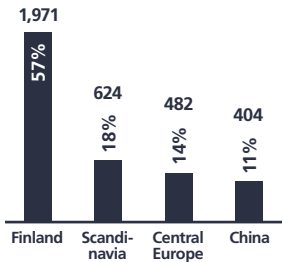
In 2021, we acquired altogether five companies in Germany, Poland, Finland and Denmark. When we evaluate acquisition targets, we pay special attention to their operating model, values and culture. These are important factors in the success of integration, and they help identify important issues in the integration process.

It is important for us to maintain a positive team spirit and a culture of collaboration with our customers and partners as well.

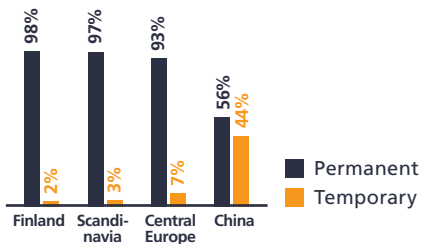
Number of employees by gender 2021



Geographical distribution and number of personnel on average 2021



Type of employment contracts by geographical area 2021



Etteplan employees often work at customers' premises and as part of customers' teams, which creates overlap between different workplace communities.

The rapid changes in work are not an excuse to leave tasks undone

Etteplan employees have adapted to remote and hybrid work as the COVID-19 pandemic has been prolonged. Based on feedback, we have coped well with the exceptional year. We have adapted our work and leadership to keep our employees coping with work at a good level. Even before COVID-19, we had adopted solutions such as IT tools that enable remote work, so we have been able to focus on the effective use of these tools and the development of our operating practices.

The quick transition to remote and hybrid work was a major change. In spite of this challenge, Etteplan's solution-oriented culture was reflected in how people did not use remote work as an excuse for not getting things done. Instead, the personnel have shown an even stronger desire to organize work in a way that enables smooth cooperation, even when the collaborators are not in the same physical space.

Some Etteplan employees have continued to work on the move and travel on global customer assignments. Ensuring health and safety has been a high priority in that context. Overall the changing circumstances have required continuous instruction and quick reactions.

As the use of remote work arrangements has been prolonged, personnel risks have increasingly been related to loneliness and the lack of social interaction and a sense of belonging. We closely monitor the results of personnel surveys and strive to balance remote work



By adapting our work and management practices, we coped well with the exceptional year.



The significant growth in the number of personnel last year shows that we are an attractive employer in the international job market.

with collaboration in the most effective manner in each circumstance.

Each operating country is responsible for the local hybrid work practices to make work as productive as possible while taking the local epidemiological situation into account. We want to ensure that our working methods are as flexible as possible, and teams are empowered to agree on them independently according to their needs.

We encourage growth and development

Personal growth and development as a specialist is a focus area in our human resource management. A significant proportion of learning takes place in customer teams and through projects. During the past year, we began to organize our operations by competence area to support competence development in a new way. This process is the furthest along in our software unit, where the organizational model was changed to be entirely competence-based.

In the fall, we launched a virtual mentoring pilot focused on the development of professional competence. We encourage our personnel

to pursue training opportunities. We offer internal training on various themes, such as sustainability and supervisory work. Systematic introductory training and a development plan related to development discussions are part of our personnel development processes.

We support Etteplan employees in the context of retirement and the termination of employment. Each situation is planned individually.

Focus on the career model and diversity in 2022

In 2021, we updated our global career model, which supports the career development and professional growth of our personnel. We aim to implement the updated career model extensively in 2022. Etteplan's growth has created entirely new roles, positions and competence needs, and we want to ensure that all Etteplan employees can find themselves on our career map. Our goal is for development discussions to also address the employee's professional growth and development – not just linear progress in their current role, but also through expanding their competences. We also aim to have a plan created for each new employee to support their growth, right from the moment they join the company. In 2021, some 95 percent of Etteplan's personnel participated in development discussions (2020: 98 percent). Development discussions are held at least once a year.

Our other significant development project concerns diversity and inclusion and it is already under way. Etteplan is committed to treating employees equally and promoting non-discrimination in accordance with its country-specific or business-specific equality and diversity

New employees by age group, gender and region 2021

AGE	NUMBER	%
20–29	370	44.1%
30–39	269	32.1%
40–49	106	12.6%
50–59	82	9.8%
60–	12	1.4%

GENDER	NUMBER	%
Female	174	20.7%
Male	665	79.3%

REGION	NUMBER	%
Finland	346	41.2%
Scandinavia	181	21.6%
Central Europe	97	11.6%
China	215	25.6%

Age and gender distribution by employees category 2021

AGE/GENDER	SUPERVISOR	EMPLOYEE
20–29	0.7%	21.3%
30–39	26.7%	31.1%
40–49	41.2%	20.6%
50–59	24.9%	18.7%
60–	6.5%	8.3%
Female	21.1%	20.5%
Male	78.9%	79.5%

Accidents, Finland and Sweden

	2021	2020	2019
Lost Workday Injury Frequency, LWIF (per million hours)	2.68	0.76	2.13
Lost Workday Injury Severity, LWIS (per million hours)	14.16	17.88	29.10

Lost Workday Injury Frequency (LWIF) describes the amount of work related injuries and Lost Workday Injury Severity (LWIS) the amount of absences caused by the injuries.

plans and Group-level management principles. However, it is essential for our future success to ensure that we employ people representing various backgrounds and competences, and that we improve Etteplan employees' sense of belonging to our community, being heard and being able to be themselves.

There were no reported incidents of discrimination in 2021. We take all incidents of perceived discrimination seriously and aim for early intervention when potential cases arise.

Our remuneration policy is based on fair wages, benefits and incentives. Etteplan has a long track record of monitoring the equality of overall pay through annual evaluations, and remuneration is the subject of continuous development.

We will also carry on with our continuous development efforts to promote employee well-being, further improve the introductory training provided to new Etteplan employees and support our company culture even more effectively.

We support individual well-being

Well-being is a significant aspect of human resource management. We use the support of partners, such as our occupational health care provider, in this respect.

Coping and well-being are important elements of our personnel survey and development discussions. An individual approach is important here as well – we encourage our supervisors to closely listen to their team members to find out what factors influence each employee's coping with work and what their wishes are regarding their employment relationship and job duties. By influencing the well-being of





Our evolution from an engineering office to a Technology Service company increases our attractiveness.

every Etteplan employee, we also influence the well-being of the people close to them, such as their children and spouse.

The number of sickness-related absences first decreased during the COVID-19 pandemic but, as society gradually reopened in 2021, sickness-related absences began to increase.

We continuously develop occupational health and safety. Etteplan employees can report occupational safety observations to the local occupational safety and health representatives, who are responsible for the appropriate assessment and processing of the observations. Our occupational health care is organized in different ways in different operating countries, in accordance with the local legislation and operating culture. In each country, we have a person responsible for occupational health and the necessary external partners.

Our employees work in various kinds of environments at our customers' premises. We provide training to our employees on themes related to physical and psychological occupational safety based on the type of environment they work in.

We continued the Etteplan GO! campaign, which encourages our employees to be physically active, either individually or in teams, and share their successes with others. Last year's sport campaign was the subject of much anticipation and the number of participants increased from the previous year despite the event being organized virtually due to the pandemic. Etteplan GO! combines many of our objectives and many characteristics of our culture: supporting well-being, building a

strong sense of community, getting to know each other and helping each other.

Strengthening Etteplan's attractiveness by developing the employer image

The availability and retention of highly competent professionals are among the major risks in Etteplan's operations. However, the growth in the number of personnel last year shows that we are an attractive employer in the international job market. The results of external surveys, such as Universum's employer image surveys of professionals and students, have also shown a favorable trend for Etteplan.

Our strategic transformation from an engineering office to a Technology Service company is also our advantage when it comes to recruitment. We believe the expansion of our services and our growth in areas such as the software business will interest professionals in many different fields.

At the core of our employer image is our existing employees' perception of their work and what they say about it to their friends and networks. We want to support this from the inside by, for example focusing on internal communications. Etteplan's strong brand and media visibility also strengthen the employer image.

CASE /// My work

Diverse team as the key to innovative solutions



Team Manager
STELLA LATIFI tells about her work in the Embedded systems team in Gothenburg, Sweden.

I work as a Team Manager for the newly established Embedded systems team in Gothenburg, Sweden and my job is to build and develop both plans and targets for this new team. In addition to Embedded systems engineering, I am working with people who have knowledge of the whole scale of digitalization from data science to cyber security.

I have been fortunate enough to hire a team of highly experienced and diverse engineers within a field of Embedded systems. In fact, diversity is exactly what makes my team unique. My talented co-workers share the passion for technology, but are all different when it comes to age, nationalities, gender or level of seniority. As a leader of a team, I think collaborating is the key to happiness – we always listen to and respect each other’s perspectives and views in discussions.

I know that both Etteplan and I value diversity. It brings us a unique and a different package of knowledge and experience which allows us to think outside the box and find innovative solutions to our customers. It is great to see our new ideas come to life in different projects and to realize how our digitalized solutions can help societies in making people’s lives easier and more sustainable.



As a leader of a team, I think collaborating is the key to happiness – we always listen to and respect each other’s perspectives and views in discussions.

Etteplan’s brand promise “Engineering with a difference” is present in our everyday work because I see us holding expertise in multiple areas, and constantly aiming at the next level.

I strongly believe in learning and sharing knowledge within the team because that makes it possible to offer cutting-edge solutions to the industry. With our different backgrounds and skill sets, there is always someone who can offer their support to others. Also, my previous knowledge and experience in this industry and as well as my great ambition, can contribute to the prosperity of both myself and my team at Etteplan. As a team leader, my focus is on the well-being of my team: when my team is happy our customers are happy.

In general, taking the challenge and being involved in the team pays off. We are always working hard, keeping our eyes on the results and there by creating the best outcome for all.

Environment

The environmental impacts of Etteplan's own operations are minor. Our best opportunity to make an impact comes through the knowledge of our experts and the work we do for our customers in helping them to conserve energy, reduce emissions and develop sustainable products and services.

Each year, we work on hundreds of projects that develop and increase the efficiency of our customers' operations, thereby promoting sustainability and a better future. Through this work, Etteplan has the opportunity to have an impact on the largest environmental challenges of our time.

The solutions we create for the world's leading machinery and equipment suppliers are eco-efficient with respect to their manufacturability, usability and recyclability. Our projects, which are typically aimed at developing and improving the efficiency of operations, lead to lower emissions, optimization of energy consumption and longer life cycles for equipment.

Environmental responsibility is often assessed in terms of direct impacts because they are the easiest to measure. How much emissions does a company produce? What environmental risks does it entail? When it comes to Etteplan's environmental impact, the greatest impact on the environment consists of the indirect impacts of customer projects, and our goal is to maximize the positive impacts.

Customers trust Etteplan's insight and are interested in our suggestions for how a project can be implemented more sustainably. While the final decisions are made by the customer, our role is to proactively propose more eco-friendly and energy-efficient solutions.

Customer questions concerning Etteplan's environmental responsibility and related actions have increased significantly, and they are taken into account in requests for quotes and tendering processes. Customers are interested in environmental issues across the entire value chain, including our partners. According to our business principles, our partners and subcontractors are also required to take environmental issues into consideration in everything they do.

Everyone at Etteplan should understand the environmental impacts of their work

Etteplan is an expert organization. Consequently, our direct environmental impacts are mainly related to the energy consumption of our offices. Everyone at Etteplan can influence the energy consumption of office premises by, for example, turning off the lights and IT equipment when leaving the office and by reporting any issues they observe with the office's ventilation systems or indoor temperature. Choices of the means of transport used for business travel are another way to influence things.

Internally, we want to emphasize the idea that we all bear responsibility for the environment through our work. This means



Internally, we want to emphasize the idea that we all bear responsibility for the environment through our work.

being aware of environmental issues and understanding what they mean in each employee's unit and job.

We also familiarize Etteplan's employees with life cycle thinking. It is a guiding principle in our engineering activities: we take materials, the manufacturing method and location, efficiency, use, maintenance and end-stage recycling potential into account in our work. Life cycle thinking is part of our training activities and training materials related to the environmental system.

We increase understanding and awareness of environmental issues through training and in connection with internal audits.

One big transformation is the ongoing transition from fossil fuels to more eco-friendly alternatives. We are involved in several projects in which fossil-based, hard-to-recycle and energy consuming solutions are replaced by entirely new solutions. The mining industry, for example, is increasingly making use of solutions that reduce the carbon footprint, which affects the entire operating process: transitioning to electric machinery enables the improvement of ventilation in mines, the optimization of electricity consumption and more diverse use of renewable energy.

As regards climate change, we have already made a local commitment in Sweden to the emission reduction targets announced

by the digitalization consultancy industry, which aim for climate neutrality by 2040. We are carrying out a pilot in Sweden that involves training our personnel using eLearning materials produced by the industry association. The experience gained from the project will help us prepare to carry out corresponding training activities in our other operating countries.

Environmental themes have also been highlighted in our communications.

The recycling of IT hardware has a significant impact on emissions

We recycle the IT hardware we use, with 98 percent of the hardware forwarded to subsequent use. The recycling of IT hardware is significant, as the reuse of equipment has enabled us to reduce our CO₂ emissions in Finland by nearly 340 metric tons per year. Going forward, we will also recycle our IT hardware in Sweden, Denmark, Germany and the Netherlands.

Our head office moved to new premises in 2020, and we have continued the renewal of our offices in 2021. Hybrid work leads to a reduced need for space and decreased electricity consumption, and office premises are used for different purposes than before when employees use them to get together to collaborate. Consequently, we piloted the flexible use and adaptability of office premises in 2021. Based on the feedback received from our personnel, the renewal projects we have already carried out have been successful.

We assessed the origin of the electricity used at our 10 largest office properties for the first time. We found that 79 percent of the electricity used at the offices is produced from renewable energy

sources.

The leased vehicles we use are low in emissions and their life cycle continues after our lease term ends.

Consistent guidelines in all countries of operation

We comply with international and national environmental legislation as well as regional and local regulations. In addition, all Etteplan employees must comply with the applicable laws and regulations.

Our environmental management is based on the requirements of the ISO 14001 environmental standard. We strive to describe, understand and manage environment-related processes with the help of the standard. Etteplan's own policy focused on quality, the environment, health and safety and our Code of Conduct define the contents and direction of our environmental responsibility and set the objective of minimizing the negative environmental impacts of our own operations. Environmental management is the responsibility of the SVPs in charge of the business units and, at the Management Group level, the SVP responsible for the Operational Excellence function.

Of Etteplan's 75 offices, 38 are ISO 14001 certified. A more detailed specification is provided in the table "Certifications of Etteplan offices." The same main principles of environmental management are observed in all of our offices. In Finland, our environmental efforts are also guided by the Energy Efficiency Act and the energy reviews which it requires large enterprises to carry out at four-year intervals at a minimum. The energy reviews provide data on the energy consumption of offices. The most recent energy review was conducted in 2019. We plan our energy saving measures based on data from the reviews.

We have assessed the taxonomy eligibility of our services in accordance with the EU Directive. The next step is to calculate taxonomy alignment.

[Read more](#)



Etteplan's environmental targets and results

Etteplan's environmental responsibility targets and plans are set based on the ISO 14001 standard. The targets and results for 2021 are presented in the table below.

Etteplan's environmental targets

ENVIRONMENTAL TARGET	COUNTRY	MEASURES TAKEN AND RESULTS ACHIEVED 2021
Increasing environmental awareness	Finland, Sweden, Poland	Increasingly incorporating sustainability thinking into all activities. Environmental perspectives and references have been covered in internal audits. Bicycle benefit introduced for Etteplan's personnel in Finland.
Reducing electricity consumption at offices -3% vs 2020	All	Monitoring the development of electricity consumption at Etteplan's 10 largest offices. The pandemic had the effect of reducing electricity consumption in general. The utilization rate and electricity consumption of certain business premises increased. Total electricity consumption remained unchanged.
Reducing the CO2 level (g/km) of the company's leased cars -2 g/km vs 2020	Finland, Sweden	Prioritizing low-emission vehicles. Finland -2.2 g/km and Sweden -12.5 g/km.

Certifications of Etteplan offices, ISO 9001 ja ISO 14001

COUNTRY	NUMBER OF OFFICES 2021	CERTIFIED OFFICES 2021	NUMBER OF OFFICES 2020	CERTIFIED OFFICES 2020
Finland	26	26	30	29
Sweden	19	10	21	10
Poland	4	2	2	2
Germany	9	3*	6	6*
Netherlands	5	1*	5	1*
China	10	0	8	0
Denmark	2	0	0	0

*Germany and Netherlands are ISO 9001 certified.



Customer questions concerning Etteplan's environmental responsibility and related actions have increased significantly.

CASE /// I claim

When it comes to environmental impact, Etteplan punches above its weight



OUTI TORNIAINEN, SVP for Marketing and Communications is responsible for developing sustainability at Etteplan.

According to a report published at the Glasgow Climate Change Conference in the fall of 2021, the climate handprint of expert services is significantly larger than the industry's carbon footprint. This is also true for Etteplan. As our direct impacts are only minor, we can make the greatest difference for the environment by developing our customers' business operations.

We assessed the overall impact of our operations by means of the [Upright](#) net impact model, which is a tool quantifying a company's net impact on people, the planet, society and knowledge. Based on the assessment, Etteplan's net impact is highly positive.

Our most significant impact is our impact on society through the jobs we create and the taxes we pay. Through our customer work, we also participate in the development of critical functions in society, for example, in the transport and energy sectors.

We also have an impact by increasing knowledge through the work of our highly educated professionals in all of our service areas.



Our most significant climate impacts arise through our value chains and customer relationships.

Our climate impacts arise through our value chains and customer relationships. Our own emissions and climate impact are small but, in accordance with the net impact model, we also take on our customers' climate risks and impacts. Here, the industries our customers operate in are highly significant. A large proportion of our customers operate in sectors such as energy, transport and heavy industry. We engage in important work in these sectors by helping our customers reduce emissions through improving the efficiency of, and optimizing, their operations by, for example, developing services and processes related to renewable energy and resource efficiency. This means that our solutions and innovations can have a positive effect on our customers' climate impact.

Actions taken and solutions implemented in the engineering industry can have major positive impacts throughout the value chain. With this in mind, I claim that, when it comes to environmental impact, Etteplan punches above its weight.

Customers

Our goal is to be the number one choice for each of our customers. Our core mission is to provide our customers with service solutions that help them accomplish their objectives and achieve success in their business.

Our goal is to be the number one choice for each of our customers. Long-term and developing customer relationships are important for Etteplan and, customer orientation is deeply ingrained in our culture.

In 2021, we strengthened our position as our customers' global number one partner in delivery projects and continuous services as well as in our customers' non-core operations and we helped accelerate our customers' product development. We have also brought significant expertise and flexibility to customer cooperation and reduced our lead times with the help of the office network we have built across national boundaries and our nearshoring and offshoring services.

Thanks to our process development efforts in 2020–2021, we have been able to make flexible and efficient use of our professionals around the world. Our network of experts ensures that the right professional is found for each job, enabling us to assign the appropriate competences to projects and ensure quick and cost-effective delivery.

In order to remain our customers' number one choice going forward, we must continue to develop our insight into our customers'

industries, business operations, business process value chains, and strategic global objectives, including all the accompanying challenges.

Our customers expect us to come up with initiatives and innovations, take a proactive approach and make concrete suggestions to support the development of their operations. Taking advantage of the disruptive opportunities presented by new technology as part of our service solutions, we can find ways to do entirely new things or do old things in new ways. We are successful when we can, at our own initiative, suggest solutions to customers that they have not previously recognized or thought of.

Sustainable development is achieved through customer cooperation

A significant proportion of our customers are the world's leading machinery and equipment suppliers that have strong sustainability agendas of their own. Our customers' goals and expectations also set high standards for our sustainability efforts. Our ability to help our customers develop sustainable products and services is a significant competitive advantage and differentiating factor for Etteplan.

In addition to improving our customers' competitiveness, our goals include developing sustainable solutions, accelerating our customers' progress through technological transformation, product development, and leveraging new technologies or ensuring their availability. Our



Our goal is to be the number one choice for each of our customers.





Our ability to help our customers develop sustainable products and services is a significant competitive advantage and differentiating factor for Etteplan.

solutions and the work we do have a significant impact on the life-cycle eco-friendliness, safety and user experience.

The amount and significance of digitalization and software are continuously increasing in our engineering work. They can substantially enhance energy efficiency, optimize raw material consumption and improve traceability. Automation can increase safety, improve the efficiency of operations and eliminate strenuous or difficult work stages. Increasing automation and the use of software also significantly increases the need for testing and information security.

Innovations based on customer industry insight

As part of the work, we do with our customers, we continuously innovate new solutions that strengthen our customers' competitiveness. Other companies in our industry do not possess similar service capabilities that comprise engineering competence, electronics and software expertise and technical documentation. We leverage this unique strength in our development efforts to benefit our customers.

Etteplan has a team of specialized experts who search for and innovate development projects in cooperation with customers with the aim of coming up with initiatives for new, long-term service product solutions.

Safety and the best user experience

In our work, we always consider the occupational safety and health impacts of our solutions and continuously develop our processes related to occupational safety. Occupational safety and health impacts are analyzed, assessed and managed as part of site-specific risk assessments. Our operations improve the safety of our customers' existing production

equipment and processes and enhance job satisfaction. We also ensure that the products and solutions we engineer are safe throughout their life cycle.

We always take end user-specific needs into account in our engineering and technical documentation activities. The solutions may have multiple end users whose user experience we take into account, whether the user is a Production Manager responsible for the efficiency of a production plant, an employee who operates a machine or a consumer who reads the instructions for a product.

By developing automation as well as machinery and production equipment that are safe and support job satisfaction and whose user comfort and ergonomics have been appropriately taken into consideration, we create a safe and pleasant work environment for everyone. This contributes to well-being at work while reducing sickness-related absences and employee turnover.

We closely monitor customer feedback

To be the number one partner to our customers, we also need to be an attractive employer for our professionals and potential new employees. By investing in the development of our employees and offering interesting customer assignments to them, we simultaneously build better employee satisfaction and customer satisfaction. We regularly monitor the development of customer feedback not only through customer surveys and feedback but also by surveying our employees' perceptions of our customer orientation. Do we genuinely listen? Do we challenge to an appropriate degree? Do we take responsibility? Do we deliver what we promise? Dialogue between Etteplan's personnel and our customers is a continuous and natural part of day-to-day cooperation.

Society

We have a concrete impact on society in the countries we operate in. The impact we have through the work we do with our customers is significantly larger. It takes the form of safe, eco-friendly, innovative, effective and efficient solutions and work environments for users around the world.

We keep a close eye on changes in the world around us and the impacts those changes have on the needs of our customers. For example, promoting technological competence and promoting well-being through health technology have positive impacts on society as a whole. As we help our customers to build a better world, we also create a better world ourselves.

Etteplan has ambitious growth targets. We want to grow profitably and thereby invest in developing our operations, our personnel, our competence and society as a whole. We closely monitor the development and profitability of our business in the countries we operate in. The sudden change in our operating environment caused by the COVID-19 pandemic showed that we have a strong capacity to quickly respond to changes and we have been able to look after our profitability as a leading company in our industry. We have increased our profitability, for example, by increasing the number of customer projects managed by Etteplan instead of the traditional approach based on consultant leasing.



We want to grow profitably and thereby invest in developing our operations, our personnel and society as a whole.

Our economic responsibility extends to all of our stakeholders

Our economic impacts extend to many stakeholders. We pay taxes, wages, dividends and financial expenses and we purchase products and services.

The distribution and development of Etteplan's economic value creation is presented in the table below.

Our financial performance has been strong for several years now. We returned to growth in 2021 after an initial slump caused by COVID-19, and our revenue amounted to EUR 300.1 million (259.7). Our operating profit (EBITA) improved to EUR 30.1 million (26.2).

We operate ethically

We currently operate in eight countries. We operate in full compliance with local, national and international laws and regulations in all of the countries in which we operate and provide our services.

We pay taxes on our profits in all of the countries in which we operate in. Etteplan does not have a separate tax strategy or tax policy, but the company's Code of Conduct includes the principle of legal compliance, which also applies to taxation. Tax-related matters at Etteplan are the responsibility of the Group CFO and the financial directors in each operating country. We engage in open cooperation with the tax authorities.

We do not condone any form of bribery or corruption in our operations or the operations of our customers or partners.

In Finland, we are a founding member of Technology Industry Employers of Finland and, consequently, we are committed to national collective labor agreements.

Economic value creation

EUR 1,000	2021	2020	2019
Direct taxes	4,838	4,003	4,553
Wages and salaries	197,596	177,301	172,520
Purchases	31,685	23,317	26,550
Dividends	10,033*	8,461	8,682
Financial Expenses	1,480	1,722	1,590

*The Board of Directors' proposal to the Annual General Meeting

Taxes paid by geographical area 2021

EUR 1,000	FINLAND	SCANDINAVIA	CENTRAL EUROPE	CHINA
Number of employees (year average)	1,971	624	482	404
Revenue from third parties	169,996	70,153	47,747	12,216
Revenues from intragroup transactions with other tax jurisdictions	1,644	4,028	1,745	859
Profit/loss before tax	20,073	4,489	2,719	1,911
Tangible assets	1,736	505	1,227	230
Corporate income tax paid on a cash basis	4,793	859	276	136
Corporate income tax accrued on profit/loss	4,158	846	493	210

Management Group

Etteplan Management Group consists of from left on top: Minna Tornikoski, Juha Näkki, Tero Leppänen, Veikko Lamminen, Per-Anders Gådin, Jukka Lahtinen.

From left below: Riku Riikonen, Helena Kukkonen, Petri Ikonen, Outi Torniainen and Mikael Vatn.

[Read more](#)



Open stakeholder engagement

STAKEHOLDER	HIGHLIGHTED ISSUES	ETTEPLAN'S RESPONSE	COMMUNICATION CHANNELS	
Employees	<ul style="list-style-type: none"> • The employment relationship and terms of employment • Competence development • Personnel's sustainability knowledge • Well-being and job satisfaction 	<ul style="list-style-type: none"> • Compliance with laws, regulations, Code of Conduct, policies, principles and instructions • Continuous development of human resource management • Development discussions and personnel surveys • Training and internal communication 	<ul style="list-style-type: none"> • Planned and systematic introductory training • Occupational health care and continuous development of well-being and safety at work • Supporting the work of supervisors • Developing projects to promote diversity and inclusion 	<ul style="list-style-type: none"> • Managerial communication • Meetings and events • Intranet and social media • eLearning
Customers	<ul style="list-style-type: none"> • Service offering and expertise • Service availability and cost-efficiency • Service quality • Solutions for sustainable development • Innovativeness, proactivity and concrete proposals for the development of activities • Accelerating technological change • Safety of production equipment and processes 	<ul style="list-style-type: none"> • Continuous development of the service offering • Quality assurance internally and by external auditing • Customer surveys • Communication • Continuous development of sustainability and its measurement and reporting 	<ul style="list-style-type: none"> • Leveraging of new technologies • Increasing digitization and automation • Ensuring operational safety and comfort • Streamlining, optimizing and anticipating customer operations • Networking of cross-border experts 	<ul style="list-style-type: none"> • Meetings and events • Webinars • Website • Social media • Media • Other communication • Customer satisfaction surveys
Partners	<ul style="list-style-type: none"> • Issues related to cooperation and the terms of cooperation • Equal treatment of partners • Responsibility of the partners 	<ul style="list-style-type: none"> • Adherence to agreements • Code of Conduct 	<ul style="list-style-type: none"> • Communication • Supporting partners in responsibility matters 	<ul style="list-style-type: none"> • Meetings and negotiations • Audits • Website
Shareholders and investors	<ul style="list-style-type: none"> • Financial performance • Responsible operations 	<ul style="list-style-type: none"> • Adherence to stated objectives and strategy • Code of Conduct • Investor relations • Continuous development of the sustainability work 		<ul style="list-style-type: none"> • Board meetings • General Meeting and other meetings • Website • Reports and other communication
Media	<ul style="list-style-type: none"> • Active provision of information • Responding to inquiries quickly and truthfully 	<ul style="list-style-type: none"> • Active communication • Website • Social media • Other communication 		<ul style="list-style-type: none"> • Active communication • Website • Social media • E-mail • Stock exchange and press releases
Students	<ul style="list-style-type: none"> • Trainee opportunities • Future jobs 	<ul style="list-style-type: none"> • Cooperation with universities and universities of applied sciences • Providing trainee positions • Communication 		<ul style="list-style-type: none"> • Events • Website • Social media • Other communication
Universities and universities of applied sciences	<ul style="list-style-type: none"> • Cooperation • Sharing knowledge 	<ul style="list-style-type: none"> • Joint projects and trainee positions • Reports • Lectures • Communication 		<ul style="list-style-type: none"> • Joint projects and working groups • Website • E-mail
Industry organizations	<ul style="list-style-type: none"> • Active participation • Sharing knowledge 	<ul style="list-style-type: none"> • Etteplan's representation in various working groups • Communication 		<ul style="list-style-type: none"> • Working groups • Other communication • Website
Authorities and other parties that guide operations	<ul style="list-style-type: none"> • Compliance with laws, regulations, guidelines and ethical guidelines • Adherence to quality systems and reporting systems • Communication 	<ul style="list-style-type: none"> • Compliance with laws, regulations, guidelines and Code of Conduct • Communication 		<ul style="list-style-type: none"> • Meetings • Website
Decision-makers	<ul style="list-style-type: none"> • Obtaining information • Opportunities to exercise influence 	<ul style="list-style-type: none"> • Website • Other communication 		<ul style="list-style-type: none"> • Meetings • Website
Non-governmental organizations	<ul style="list-style-type: none"> • Responsibility throughout the supply chain • Transparency • Sharing knowledge 	<ul style="list-style-type: none"> • Code of Conduct • Audits 	<ul style="list-style-type: none"> • Responding to inquiries • Other communication 	<ul style="list-style-type: none"> • Meetings • Website

Reporting principles and GRI Index

Etteplan is reporting for the fifth time on its corporate responsibility using the Global Reporting Initiative (GRI) reporting framework. The report contains basic information on the GRI Standards (Core level). The reporting period is January 1–December 31, 2021. The 2020 report was published on March 16, 2021. Etteplan reports on corporate responsibility annually. The Company's reporting is based on a materiality analysis on sustainability (2015). For more information on Etteplan's responsibility, please contact SVP, Marketing and Communications, Outi Torniainen, tel. +358 10 307 3302.

GRI STANDARD	CONTENTS	LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	COMMENTS
GENERAL DISCLOSURE			
GRI 102: Organizational profile			
102-1	Name of the organization	Front cover	
102-2	Activities, brands, products, and services	Etteplan in brief, p. 4	
102-3	Location of headquarters	Back cover FR, p. 15	
102-4	Location of operations	Strong growth in international markets, p. 12	
102-5	Ownership and legal form	Etteplan in brief, p. 4 FR, p. 15	
102-6	Markets served	Etteplan in brief, p. 4 , Strong growth in international markets, p. 12	
102-7	Scale of the organization	Etteplan in brief, p. 4 , Service Area: Engineering Solutions, p. 9 , Software and Embedded Solutions p. 10 , Technical Documentation Solutions, p. 11	
102-8	Information on employees and other workers	Responsibility for personnel, p. 25-29	No significant portion of the organization's activities is performed by workers who are not employees. No significant seasonal variations in employee numbers. Information derived from the HR system Sympa.
102-9	Supply chain	GRI Index	Etteplan is an expert organization that acts as a supplier to industry. Etteplan's own material purchases are minimal.
102-10	Significant changes to the organization and its supply chain	FR, p. 28-29	No significant changes in the share capital structure or supply chain.
102-11	Precautionary Principle or approach	CGS p. 16-18	
102-12	External initiatives	Environmental responsibility, p. 33-34	ISO 9001 and ISO 14001
102-13	Membership of associations	Society, p. 39 , GRI Index	Member of the Federation of Finnish Technology Industries and the Swedish Federation of Consulting Engineers and Architects and SVEAT.

GRI STANDARD	CONTENTS	LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	COMMENTS
GRI 102: Strategy			
102-14	Statement from senior decision-maker	CEO's review, p. 6-8	
102-15	Key impacts, risks, and opportunities	Operating environment, p. 14 , Responsibility at Etteplan, p. 22-23 , and CGS p. 12, 16-18	
GRI 102: Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Strategy, p. 17-18 , How we create value, p. 20 and Responsibility at Etteplan, p. 23	
102-17	Mechanisms for advice and concerns about ethics	Responsibility at Etteplan, p. 23	
GRI 102: Governance structure			
102-18	Governance structure	CGS p. 3	
102-20	Executive-level responsibility for economic, environmental, and social topics	Responsibility at Etteplan, p. 23 , CGS p. 5-11	
102-22	Composition of the highest governance body and its committees	CGS p. 5-9	
102-23	Chair of the highest governance body	CGS p. 5-7	
102-24	Nominating and selecting the highest governance body	CGS p. 5	
102-26	Role of highest governance body in setting purpose, values, and strategy	CGS p. 5	
102-28	Evaluating the highest governance body's performance	CGS p. 8	
102-30	Effectiveness of risk management processes	CGS p. 10, 12-14	
102-31	Review of economic, environmental, and social topics	CGS p. 12	
102-32	Highest governance body's role in sustainability reporting	GRI Index	Board of Directors approves the Statement of non-financial information. CEO approves the responsibility section of the Annual Review.
102-33	Communicating critical concerns	Responsibility at Etteplan, p. 23	
102-35	Remuneration policies	Remuneration report	
102-36	Process for determining remuneration	Remuneration report	
102-37	Stakeholders' involvement in remuneration	Remuneration report	
GRI 102: Stakeholder engagement			
102-40	List of stakeholder groups	Open stakeholder engagement, p. 41	
102-41	Collective bargaining agreements	Responsibility for personnel, p. 26	
102-42	Identifying and selecting stakeholders		
102-43	Approach to stakeholder engagement	Responsibility at Etteplan, p. 23	
102-44	Key topics and concerns raised	Open stakeholder engagement, p. 41	

GRI STANDARD	CONTENTS	LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	COMMENTS
GRI 102: Reporting practice			
102-45	Entities included in the consolidated financial statements	FR, p. 46	
102-46	Defining report content and topic Boundaries	Reporting principles, p. 42	
102-47	List of material topics	Responsibility at Etteplan, p. 22-23	
102-48	Restatements of information	GRI Index	No significant changes.
102-49	Changes in reporting	GRI Index	No significant changes.
102-50	Reporting period	Reporting principles, p. 42	
102-51	Date of most recent report	Reporting principles, p. 42	16.3.2021
102-52	Reporting cycle	Reporting principles, p. 42	
102-53	Contact point for questions regarding the report	Reporting principles, p. 42	
102-54	Claims of reporting in accordance with the GRI Standards	Reporting principles, p. 42	
102-55	GRI content index	GRI Index	
102-56	External assurance	GRI Index	The report has not been externally assured.
GRI 103: Management approach			
103-1	Explanation of the material topic and its Boundary	How we create value, p. 20 , Responsibility at Etteplan, p. 23 , GRI Index	
103-2	The management approach and its components	Responsibility at Etteplan, p. 23 , Responsibility for personnel, p. 25 , Environmental responsibility, p. 33	
103-3	Evaluation of the management approach	Responsibility at Etteplan, p. 23 , Responsibility for personnel, p. 27	Reported partly.
ECONOMIC STANDARDS			
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	Etteplan in brief, p. 4 , Service Area: Engineering Solutions, p. 9 , Software and Embedded Solutions p. 10 , Technical Documentation Solutions, p. 11 , Society, p. 39 , FR, p. 3-5	
GRI 203: Indirect economic impacts			
203-2	Significant indirect economic impacts	How we create value, p. 20	
GRI 205: Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	GRI Index	No cases in 2021.

GRI STANDARD	CONTENTS	LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	COMMENTS
GRI 207: Tax			
207-1	Approach to tax	Society, p. 39	
207-2	Tax governance, control, and risk management	Society, p. 39	
207-3	Stakeholder engagement and management of concerns related to tax	Society, p. 39	
207-4	Country-by-country reporting	Society, p. 39	
ENVIRONMENTAL STANDARDS			
GRI 302: Energy			
302-4	Reduction of energy consumption	Environmental responsibility, p. 34	Reported partly.
GRI 307: Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	GRI Index	No violations in 2021.
SOCIAL STANDARDS			
GRI 401: Employment			
401-1	New employee hires and employee turnover	Responsibility for personnel, p. 26 , 28	
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	Responsibility for personnel, p. 25-26	
403-2	Hazard identification, risk assessment, and incident investigation	Responsibility for personnel, p. 27-30	Reported partly.
403-3	Occupational health services	Responsibility for personnel, p. 29-30	Reported partly.
403-4	Worker participation, consultation, and communication on occupational health and safety	Responsibility for personnel, p. 24-25 , 29-30	
403-5	Worker training on occupational health and safety	Responsibility for personnel, p. 29-30	Reported partly.
403-6	Promotion of worker health	Responsibility for personnel, p. 28-29	Reported partly.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsibility for personnel, p. 27 , 29-30	
403-9	Work-related injuries	Responsibility for personnel, p. 29-30	Reported partly.
GRI 404: Training and education			
404-2	Programs for upgrading employee skills and transition assistance programs	Responsibility for personnel, p. 28	
404-3	Percentage of employees receiving regular performance and career development reviews	Responsibility for personnel, p. 28	

GRI STANDARD	CONTENTS	LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	COMMENTS
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Responsibility for personnel, p. 28-29 , CGS p. 6	
405-2	Ratio of basic salary and remuneration of women to men	Responsibility for personnel, p. 24-25	Equality in pay is monitored regularly. No figures were reported.
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Responsibility for personnel, p. 28-29	
GRI 419: Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	GRI index	No violations in 2021.



Etteplan Oyj
Tekniikantie 4 D
02150 Espoo, Finland
Tel. +358 10 3070
www.etteplan.com