

# Statement of non-financial information 2018

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## Business model

Etteplan Oyj is a rapidly growing and developing expert company that specializes in engineering services, technical documentation and digitalization. The company serves the world's leading manufacturers. Etteplan operates in highly advanced technical fields in close cooperation with customers, improving the competitiveness of their products and engineering processes throughout their life cycles. Etteplan's key competence areas are machinery and equipment engineering, technical documentation and software and embedded systems.

### Engineering services

Engineering services refer to the innovation, engineering and calculations of the technical attributes of machinery or equipment for the purpose of product development and manufacturing. Assignments are typically product development projects for a new product, automation, electronic, mechanical or electricity engineering projects, plant engineering projects or Engineering-to-Order projects, involving the customization of the product in accordance with end customer requirements and the market area's legislation.

### Embedded systems and IoT

Embedded systems and IoT refer to product development services and software and technology solutions that allow the controlling of machines and equipment and enable their digital connectivity as part of the Internet of Things. A common challenge faced by customers is the need to develop a service based on a new busi-

ness model that takes advantage of the opportunities presented by digitalization.

### Technical documentation

Technical documentation refers to the documentation of a product's technical attributes, such as manuals, maintenance and service instructions for the users of a product, as well as related content management and distribution in print or digital form. For an industrial customer, technical documentation is typically a non-core operation that has a significant impact on the efficiency of the end customer's maintenance service operations.

### Etteplan in brief

Etteplan operates at over 60 offices in seven countries: Finland, Sweden, Germany, the Netherlands, Poland, China and the United States. The company has 3,055 employees (2017: 2,802). Etteplan's shares are listed on Nasdaq Helsinki Ltd. Digitalization is the most significant factor that is transforming Etteplan's business environment and the engineering industry while providing opportunities for growth and development for players like Etteplan.

### Creating economic value for different stakeholders

Etteplan's operations have significant economic impacts on many different stakeholders arising from the taxes, wages, dividends and financial expenses paid by the company.

#### Economic value creation: 1,000 EUR

	2018	2017	2016
Direct taxes	4,364	3,200	2,266
Wages and salaries	156,183	144,965	129,172
Dividends	7,489*	5,697	3,930
Financial expenses	1,580	1,277	1,245

\* The Board of Directors' dividend proposal, maximum

## Material aspects of Etteplan's corporate responsibility

Etteplan determined the material aspects of its corporate responsibility in 2015 by interviewing key external stakeholders and the company's own personnel. The management validated the results of the interviews to create the company's materiality matrix for responsibility, with the key themes being financial growth as well

as personnel development and commitment. Etteplan reports on its responsibility based on the Global Reporting Initiative (GRI), the world's most widely used framework for reporting on corporate responsibility. More information on Etteplan's corporate responsibility is provided in the Annual Report.

## Environmental management

The goals of the activities under Etteplan's environmental policy include minimizing the environmental impacts of the company's operations, training personnel to recognize the environmental aspects of their work and helping partners observe responsibility in environmental matters. The environmental responsibility of the entire Etteplan Group is guided by the company's Code of conduct.

At 28 of Etteplan's 33 offices in Finland, the day-to-day work of environmental management is based on the requirements specified in the ISO 14001 environmental standard. Six of Etteplan's 14 Swedish offices and both offices in Poland are also ISO 14001 certified. In Finland, Etteplan's environmental efforts are also guided by the Energy Efficiency Act and the energy reviews stipulated by it.

As an expert organization, the direct environmental impacts of Etteplan's own operations are moderate. In addition to the electricity consumption of Etteplan's offices, the environmental impacts arise primarily from travel, which has been significantly reduced thanks to electronic meeting technology.

### Targets

Etteplan sets targets for its environmental efforts in accordance with the ISO 14001 standard. The targets and results for 2018 are presented in the table below.

Target	Country	Measures taken and results achieved
Increasing environmental awareness	Finland, Sweden, Poland	Environmental topics have been covered in internal audits and communication channels.
Reducing electricity/energy consumption at offices by -3% compared to 2017	Finland, Sweden, Poland	The electricity consumption of the Group's 10 largest offices in terms of electricity consumption increased by 3 per cent. The higher consumption was due to factors including personnel growth and the high use of work spaces and equipment.
Reducing the CO <sub>2</sub> level (g/km) of company cars by -2 g/km compared to 2017	Finland, Sweden	Finland -2.6 g/km and Sweden +2.5 g/km. The CO <sub>2</sub> level of the Group's leased vehicles in Sweden is already so low that the majority of the new cars added to the fleet annually would have to be electric cars for the CO <sub>2</sub> level not to increase.

## Risks and their management

Etteplan conducts a uniform Group-wide risk management assessment annually. In risk management, the focus is particularly on monitoring changes in previously identified risks, identifying new business risks and developing proactive risk management. Proactive risk management aims to ensure that the company has sufficient and correct ways of working in order to be able to eliminate the identified risks.

Risks related to Etteplan Group's business operations are divided into six categories, and the risks are monitored according to this classification. Etteplan's business risks include both internal and external risks. 1. Strategic risks 2. Operational risks 3. Personnel risks 4. IT & security risks 5. Financial risks 6. Risks related to EU regulations. Due to the nature of Etteplan's operations, there are no significant risks related to environmental issues.

## Management of social and personnel-related matters

The number of personnel at Etteplan grew to exceed 3,000 in 2018 as a result of recruitment and acquisitions. At the end of the year, Etteplan had 3,055 (2,802) employees. Of the Group's personnel, 65 per cent work in Finland, 16 per cent in Sweden, 12 per cent in China and 7 per cent in Central Europe. Collective labor agreements cover 100 per cent of the personnel in Finland and Sweden. The Group's personnel in other countries of operation are not covered by collective agreements.

### Human resource management at Etteplan

Personnel and leadership development, providing career opportunities and treating employees equally are at the core of Etteplan's human resource management. Etteplan's Code of Conduct is the foundation of the company's human resource management. At Etteplan, we are committed to treating our employees equally and promoting non-discrimination. Our remuneration policy is based on fair wages, benefits and incentives.

The career path model is at the core of monitoring the professional development of Etteplan's employees. The aim of the model is to make career possibilities and their requirements visible to the personnel. For supervisors, the model offers a tool for career planning, systematic personnel development, the planning of personnel structure and the specification of recruitment needs.

Etteplan provides general practitioner level occupational health care services for its personnel in Finland. In addition, Etteplan's

personnel in Finland belong to an employee benefit fund, which largely covers the use of specialist doctors and medicine. The early intervention model applied in Finland is aimed at earlier identification of the potential loss of work ability.

Human resource management at Etteplan is led by the Senior Vice President of HR, assisted by a global HR team. Etteplan has works councils in all of its operating countries to deal with personnel-related matters locally. As the use of local agreements increases, the works councils play a central and active role.

### Achievements

The EtteCoach training program for supervisors continued in 2018. A total of 57 people participated in the training. Etteplan Leadership Impact training for directors and regional managers was also organized in 2018 after a short break. The development of employees in managerial roles is measured annually by means of feedback received from the personnel.

We measure job satisfaction by an annual employee survey. The survey results showed a continued positive trend in 2018, with improved scores for almost every indicator compared to the previous year. Some 68 per cent of the employees completed the survey (69%). Etteplan monitors workplace accidents, commuting accidents and days of sick leave. The number of days lost to sick leave is low.

Accidents*, Finland and Sweden	2018	2017	2016
Number of accidents that caused at least one day of absence	6	5	8
Total days of absence	223	174	87
Lost workday injury frequency, LWIF (per million hours worked)	1.53	1.39	2.5

\* Include both work place and commuting accidents

### Risks and risk management

In Etteplan's annual risk management assessment, personnel risks are identified as one of the six risk categories as follows:

- Examples of personnel risks: Competence management, management and organization, attrition, recruitment, the staffing of assignments, occupational health and well-being related risks.
- Examples of preventive actions: Use of a competence management system, employee surveys, internal training, HR management, introduction process and compliance with the Code of Conduct.
- Responsible party: Human resources function, business management, entire personnel.

## Respecting human rights

Etteplan's business operations are guided by the company's Code of Conduct, which includes a commitment to respecting human rights. One of the main sections of the Code of Conduct concerns equality and diversity, including a commitment to not discriminate against anyone based on gender, ethnicity, religious beliefs, nationality, age or physical characteristics.

In addition to the Code of Conduct and relevant legislation, respect for human rights is guided by the company's equality and diversity plan.

Etteplan has an anonymous hotline for employees and external stakeholders to report suspected ethical violations. In 2018, the company was not informed of any human rights violations via the reporting hotline or other channels.

### Risks and risk management

No risks related to human rights have been identified in Etteplan's risk management assessment.

## Anti-corruption and bribery

Etteplan's Code of Conduct includes a commitment to promote fair competition in accordance with applicable legislation and legal compliance in all operations, while also emphasizing that legal compliance is viewed only as the minimum level of ethicality in operations.

The Code of Conduct stipulates that conflicts of interest must be avoided and personal gifts and hospitality offered by stakeholders or other parties must be refused except for gifts of low value that are given in the ordinary course of business and are not linked to any contracts or promises involving benefits related to the ex-

change of gifts. The Code of Conduct also prohibits the payment of bribes or other illegal payments to any party with the aim of taking advantage of business opportunities.

In 2018, the company was not informed of any corruption or bribery-related violations via its reporting hotline or other channels.

### Risks and risk management

No significant risks related to corruption and bribery have been identified in Etteplan's risk management assessment.

**Vantaa, February 7, 2019**

Robert Ingman  
Chairman of the Board of Directors

Cristina Andersson

Patrick von Essen

Matti Huttunen

Leena Saarinen

Mikko Tepponen