



# Essential impact

WE ARE ETTEPLAN



# The essential impact

Nearly every industry around the world is working hard to find a solution to the complex equation of sustainable growth. To ensure a prosperous future and a viable planet for future generations, we need to be smarter and more efficient starting today.

This is easier said than done.

At Etteplan, we know that change is possible. We have seen it with our own eyes – many times and in many industries. When collaborative innovations and solutions are adopted on an industrial scale, genuine impact begins to come into effect. Lower emissions. Less waste. More efficient production lines. Safe jobs.

And, ultimately, a better life.

As a global engineering company, our role is to be a provider of solutions for our customers and the planet as a whole. We work every day to help our customers achieve their goals and accelerate the change toward a better tomorrow.

That is what driving the industrial change is ultimately about.



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# Engineering with a difference



# Etteplan in brief

Etteplan is a rapidly growing and developing expert company that specializes in software and embedded solutions, industrial equipment and plant engineering solutions as well as 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 world's leading companies in the manufacturing industry. Etteplan was established in Finland in 1983. The Etteplan's shares have been listed on Nasdaq Helsinki Ltd since 2000.

Hundreds

of eco-efficient solutions for machinery and equipment manufacturers each year

~3,300

industry professionals

~75

offices in 8 countries - global impact

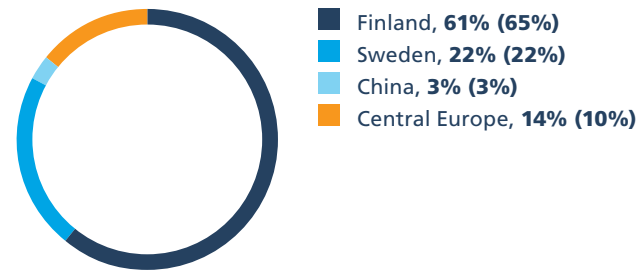
EUR 260 million  
in Revenue in 2020

10.1%

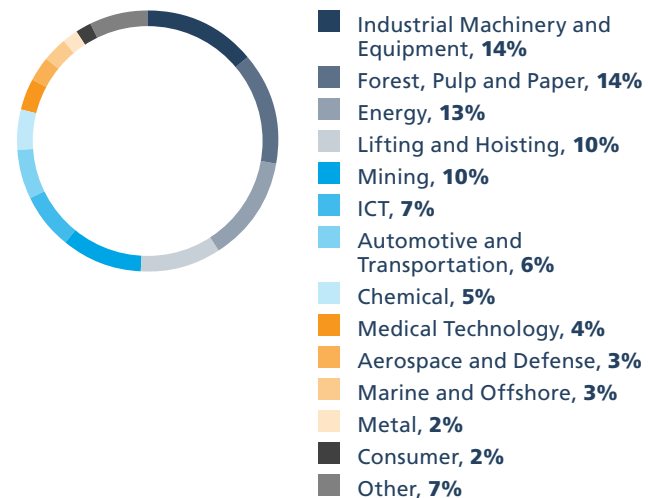
operating profit (EBITA)  
of Revenue in 2020

Targeting  
EUR 500 million  
in Revenue in 2024

Revenue by geographical area 2020 (2019)



Revenue by customer segment 2020



# Highlights of the year

What were the highlights of the year?  
We gave the word to the Etteplan people.



"Etteplan's global service offering and software capabilities combined with Tegema's production solutions and assembly knowledge offers us many new opportunities to develop new type of offering to our customers and to generate growth potential."

- **Pierre van Lamsweerde**, Director responsible for the Tegema operations



"As a direct consequence from the pandemic, almost all physical meetings such as fairs, exhibitions and customer events were cancelled. We rapidly adapted our way to communicate and interact with customers and partners and accelerated the usage of digital virtual events. During the year, we organized 30 webinars with over 1,000 participants altogether!"

- **Yanick Meunier**, Etteplan Marketing Director



"It gives us great honor that Kalmar trusted us with outsourcing part of its crane engineering operations to Etteplan. This expanded our footprint in China, brought us new skilled colleagues and lead also to the opening of our ninth office in Taicang, China."

- **Frank Zhu**, General Manager, Etteplan China operations



"Our FuturETTE engagement survey results show that regardless of an exceptional year, we managed to take care of our people. By working together and supporting each other, we are able to create a better workplace to all of us and keep going to the right direction."

- **Josef Brandi**, Director responsible for the EMP Etteplan operations



"Etteplan has worked long-term in the field of 3D printing, which is why we wanted to be involved in founding the Finnish Additive Manufacturing ecosystem (FAME) together with other pioneering companies. The role of FAME is to lead and facilitate the development of the industry."

- **Tero Hämeenaho**, Department Manager, Etteplan AMO (Additive Manufacturing & Optimization); Chairman of the management board at FAME



"With our EtteplanGO! sport challenge, we were able to strengthen both togetherness and health without the need to exercise physically together. We attacked the uncertainty caused by the pandemic by promoting team spirit, belonging and wellness at work."

- **Petra Fridberg**, HR Business Partner, Etteplan Sweden



CEO's review

# Good performance in an exceptional year

The year 2020 was characterized by the global COVID-19 pandemic. Nevertheless, we were successful in defending our market position and, thanks to good operational efficiency, we achieved excellent results in all three of our service areas.

The year was exceptional and visibility was fuzzy at times. In spite of this, we were successful in our business operations by making timely decisions, and we achieved good results. In terms of results, the fourth quarter of 2020 was the best in the Group's history, and our full-year operating profit and cash flow also hit new records in spite of the significant impacts of the pandemic.

In terms of projects, the first quarter of 2020 got off to a slow start in Europe, and turbulence in the labor market in Finland affected demand. In the first quarter, demand nevertheless picked up substantially throughout Europe until the impacts of the pandemic on demand and our business in Europe began to be visible in late March.

In China, the pandemic had a significant effect on demand in the first quarter and on our business. Due to the measures imposed by the authorities, our business was at a virtual standstill after Chinese New Year and throughout February. In March, our employees were able to gradually return to work, demand quickly returned to a good level, and our business in China began to normalize in the spring.

In the second quarter, the effects of the pandemic were clearly reflected in demand. In Europe, our customers implemented various adaptation and cost-saving measures, which led to temporary suspensions and cancellations of assignments. We had to adopt a defensive approach after being on the offense for a long time. Our revenue decreased year-on-year for the first time



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**In terms of results, the final quarter of the year was the best in the Group's history, and our full-year operating profit and cash flow also hit new records.**

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**Our investments** in the development of our business ensure that Etteplan will return to the path of profitable growth. In his work, Juha is inspired by searching and implementing new opportunities for the benefit of both us and our customers. He is fascinated by the possibility to be part of the development of many different industries, customer companies and technologies.

**An acquisition in the Netherlands and expansion to Denmark strengthen future growth.**

since the second quarter of 2014. Demand in the Chinese market returned to a good level in the second quarter and the number of hours sold in the Chinese market returned to growth again.

### SUCCESSFUL DEFENSE

As demand weakened in the second quarter, we focused on sales and finding new opportunities in the changing circumstances. However, we were forced to implement adaptation measures and seek savings in operating costs throughout our organization. We also temporarily suspended some of our development programs. The timely measures enabled us to maintain good operating efficiency and our profitability was at an excellent level considering the circumstances.

The start of the second wave of the pandemic after the summer increased uncertainty in the markets, which was reflected in a slow start to projects and new investments in the third quarter. In the uncertain demand situation, we continued to implement the defensive approach that we were forced to adopt in the spring. This approach was again successful and our profitability was excellent for the third quarter considering the circumstances, in spite of a decrease in revenue.

As the fourth quarter of the year began, our operating environment varied from one country to the next. The Chinese market was active and there were small signs of a recovery in the Central European and Swedish markets, but demand in Finland was at a low level. Toward the end of the year, however, the demand situation clearly improved thanks to the positive news about vaccines and the start of vaccinations. Investment decisions in product development and production were made, which creates confidence in the future development of the market.

The unpredictability of 2020 is also illustrated by the changes in financial guidance. The financial impact of the first wave of the pandemic on our company was impossible to estimate, which is why we withdrew our financial guidance at the end of March. Based on the results for the first half of the year and the outlook for the fall, we were among the first companies to issue financial guidance to the markets in August. In December 2020, we issued a positive profit warning when demand in the latter part of the year was higher than anticipated.

### WE INVEST IN FUTURE GROWTH

Etteplan's strategy is largely based on service solutions that can be flexibly produced anywhere in the world. To implement this strategy we have made extensive investments in our information

systems and tools. As the pandemic escalated, these investments enabled a very quick transition to remote work, which is the safest and most efficient way of working for the time being. Our first priority was – and is – the health of our employees, and we are doing everything we can to ensure safe working conditions for our personnel. Approximately 85 per cent of our personnel have worked remotely.

The pandemic slowed down the implementation of our strategy and we were forced to temporarily suspend certain development programs. Nevertheless, we were able to continue our investments in the development of our service offering and thereby further strengthen our position in the market. The improved market situation and good financial development also enabled us to continue our investments in the development of our business in the second half of the year. We continued the development of our service offering and intend to launch new solutions on the market in 2021. We implemented our growth strategy and made two acquisitions during the pandemic: the Netherlands-based Tegema strengthens our offering in production solutions, while TekPartner from Denmark opens up a new market for us, creating new growth opportunities.

### BACK TO THE PATH OF PROFITABLE GROWTH

Although the market situation has improved, the pandemic is still with us as we begin a new year. It will undoubtedly influence the development of our business during the first half of 2021. In 2020, we demonstrated our ability to adapt to changes in demand, even in a difficult market situation, while maintaining good profitability. As vaccinations progress, we expect the pandemic situation to improve and the demand situation to develop favorably. We will continue to invest in growth and we will return to the path of profitable growth in 2021.

I want to take this opportunity to extend my warmest thanks to our personnel for their excellent performance during a year of exceptional circumstances and to our shareholders for their trust in us. I also wish to thank our customers for their successful cooperation.

**Juha Näkki**

President and CEO

Service area

# Engineering Solutions

## What are engineering solutions?

"We innovate and engineer the technical attributes of the customer's machinery and equipment for the purpose of product manufacturing or the customer's product development needs. Our projects include, for example, product development projects, plant engineering and technical calculation."

## What kinds of challenges do we solve?

"Our customers typically use our services for product development projects for a new product, plant engineering projects or Engineering-to-Order projects, involving the customization of the product in accordance with end customer requirements and legislation in the market area."

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**"With Etteplan's help, Valmet will continue to enable customers to meet environmental regulations, minimize operational costs of ships, and most importantly, lead a way for sustainable shipping."**

**Anssi Mäkelä, Valmet**

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[Read more](#) ▶



**Riku Riikonen** is the Senior Vice President in charge of the Engineering Solutions service area at Etteplan. Riku is inspired by the tremendous range of opportunities from which we build profitable business in cooperation with customers.

## ENGINEERING SOLUTIONS IN 2020

**57%** of Etteplan's Revenue

Revenue EUR **149** million

**9.9%** operating profit (EBITA) of Revenue

**59%** share of Revenue represented by Managed Services

## Our successes in 2020

"We acquired Tegema, which strengthens our expertise in production-related solutions. Combined with Etteplan's automation and software expertise, this acquisition makes us an even stronger Industry 4.0 operator."

## What kind of value do our solutions create?

"With our solutions, we create value not only for companies but also society as a whole. In 2020, we were especially proud of our long-lasting cooperation with Valmet, which saw us together develop a solution which helps them to lead a way for sustainable shipping."



Service area

# Software and Embedded Solutions

## 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 kinds of challenges do we solve?

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

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**"The demand for cost-efficient and ecological mobility services such as NF Sharing's car-sharing service is constantly growing. It has been a pleasure to build a modern service like this in cooperation with Etteplan, to shape the market and create opportunities for a stronger sense of community between people."**

**Nina Reinilehto, NF Sharing**

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[Read more >](#)



**Tom Leskinen** is the Senior Vice President in charge of the Software and Embedded Solutions service area at Etteplan. Tom is enthusiastic about the rapid progress of the software industry and he values open dialog with colleagues and customers.

## SOFTWARE AND EMBEDDED SOLUTIONS IN 2020

**25%** of Etteplan's Revenue

Revenue EUR **64** million

**11.1%** operating profit (EBITA) of Revenue

**51%** share of Revenue represented by Managed Services

## Our successes in 2020

"I joined Etteplan in August 2020. I have been impressed by the extensive expertise in new technologies and software among Etteplan employees as well as their professionalism. Combined with Etteplan's engineering and technical documentation capacities and our vast knowledge of multiple industries, it makes us a unique player in the field and enables us to create value for our customers and continue our growth journey."

## What kind of value do our solutions create?

"Digitalization is rapidly changing industry and the entire world. We have a great opportunity to help our customers leverage the opportunities of digitalization and make their products even better and faster. Various digital self-service and payment solutions are also making digitalization an increasingly integral aspect of daily life."

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 factories. The service also covers content production and distribution in print and digital form."

## What types 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."

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**"Etteplan's team did a fantastic job in helping us get our respiratory equipment to the hospitals in the shortest possible time."**

**Gerben van Oosterhout, Demcon**

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[Read more ▶](#)

**Mikael Vatn** is Senior Vice President responsible for Etteplan's Technical Documentation Solutions service area. In his work Mikael gets inspiration from the combination of talented people, challenging projects and a great team spirit. He is a people person who gets energy from cooperating with others and sharing his knowledge and experience with the Etteplan team.



## TECHNICAL DOCUMENTATION SOLUTIONS IN 2020

**18%** of Etteplan's Revenue

Revenue EUR **46.5** million

**9.8%** Operating profit (EBITA) of Revenue

**51%** share of Managed Services of Revenue

## Our successes in 2020?

"The year 2020 was unique, of course, and we had to put many of our development projects on hold. Despite the challenges in the market, we continued to develop new solutions and invest in new technology, and we will bring new value-adding solutions to the market in 2021.

We were also proud to help Demcon produce 500 new respiratory systems to meet the urgent need of Dutch hospitals in the fight against COVID-19."

## What kind of value do our solutions create?

"The prevailing situation has caused many companies to rethink their business models, which creates opportunities for new outsourcing agreements. Etteplan's service solution is based on predefined processes and efficient operating models allowing the customers the opportunity to concentrate on their core competences."



# Global Etteplan

Etteplan operates in eight different countries on three continents. The international impact of our operations is even broader, as the results of our work are reflected in the operations of our global corporate customers. We are the market leader in engineering in Finland and one of the leading operators in our field in Sweden. We are a growth company and seek to grow our revenue on all our current markets, especially in Central Europe and Asia.



**“We have learned from this and will find new, and even better ways forward.”**

**Anna Månsson**, a Regional Manager, Technical Documentation, reflects on how Etteplan managed to create value for its customers amidst the pandemic.



Story of a change

# Team work during an exceptional year - a story from Sweden

**JANUARY-MARCH** “The year started off with a good business climate. It was worrying, of course, to hear from our Chinese colleagues about how a mysterious disease, COVID-19, was spreading there. However, I would never have imagined what we were about to encounter during next months.

During March, when the pandemic started to spread in Sweden, we started to work remotely. The teams adapted quickly. Everyone was very helpful and worked hard to make sure our customer deliveries wouldn’t be affected by the new working conditions. To ensure operations and support well-being, our department managers implemented daily short meetings very quickly. It warmed my heart to see colleagues helping each other. For instance, Etteplaners voluntarily drove office equipment to those who didn’t own cars. Also, our coffee breaks at Teams became very popular.”

**APRIL-JUNE** “During the second quarter, we continued to work from home. At the same time, our business decreased and some customers delayed or terminated assignments. The Swedish government had introduced temporary layoffs, which we had to start implementing. Now we were facing a double crisis, dealing with both the disease itself and a very critical business situation.

When we left the office to work remotely, nobody knew how long it would last. But at this point we all had gotten used to it – whether we liked it or not. During this exceptional year, it has become very clear to me that we adapt and thrive very differently in a new situation. My conclusion is that in the future, we must take into account individual needs and characteristics and realize that one solution will not suit everyone.”

**JULY-SEPTEMBER** “Before summer, I had hoped we could return to a more normal everyday life –at least from a business point of view– by August. The first weeks of that month were anxious and there was extremely low activity on the market. As the weeks passed, we won business around the country. We could also leverage on our high MSI (Managed Services Index) to use resources from all over the country in various projects. The teams showed fantastic flexibility – despite challenges with several parallel multi-site projects, and without being able to meet in person, we delivered to our customers. The cooperation between different offices and countries has strengthened as a positive effect of this year.

During the autumn, I participated in E-LEAD, a program with a focus on remote leadership. Together with Etteplan managers all over the world, I gained insights and tools to be able to meet the partly new challenges that this year had given us. I appreciated the training a lot. In addition to the skills I gained, it was a great way to get to know more colleagues outside Sweden.”

**SEPTEMBER-DECEMBER** “The volumes with our big, old customers increased again and we had also gained new customers during the year. We will probably not return to a pre-pandemic climate any time soon, but on the other hand we have learned from this and will find new, and even better ways forward.”



# Increasing value for customers



Operating environment

# The change in the operating environment impacts industry and everyday life

We are in the midst of a major transformation in which smart technology is revolutionizing traditional manufacturing, industrial practices and service use. The development will have far-reaching effects on every industry and people's daily lives.

The world around us will change drastically in the decades to come as a result of the fourth industrial revolution. Technological development is accelerating while the degree of digitalization and automation in industry is growing. In the end, nearly everything will be connected.

The Internet of Things – and making use of it – will be a key enabler of the fourth industrial revolution. Connected devices will transmit data generated by various measurement devices and sensors. Data on production processes and products will create the conditions for developing new business models, solutions and applications.

## MORE SUSTAINABLE SOLUTIONS THROUGH AUTOMATION

Ideally, the new digital era promises to bring significant productivity gains and new kinds of business models. But how can this change be achieved in a way that results in sustainable solutions, more sustainable growth and well-being? How can technology be used to respond to the challenges presented by the megatrends that affect all of society, such as climate change and resource efficiency?

The answers are not simple, but they are related to increasing automation, higher efficiency, new technologies and technology solutions as well as new data generated by digitalization. These also enable the creation and development of more sustainable solutions.

Modern technologies are often more efficient than their predecessors. Solutions based on new technologies make it possible to take energy consumption and material flows into account in product engineering and throughout the product life cycle. The ability to efficiently obtain data on production processes, in turn, enables the monitoring and optimization of operations and processes based on criteria related to efficiency and sustainability.

## A GROWING NEED FOR EXPERTISE IN NEW TECHNOLOGIES AND ENGINEERING SERVICES

For the opportunities presented by digitalization to become reality, new technologies and intelligent solutions must be deployed on an industrial scale. This increases the need for more intelligent production solutions, engineering services and new kinds of technological expertise.

At Etteplan, we have adopted technologies such as the Internet of Things, robotics, artificial intelligence, machine learning and digital twin solutions. In the field of energy technology, for example, we seek new solutions related to battery technology. Digital production plants and additive manufacturing revolutionize manufacturing and related technologies, while digital self-service revolutionizes the production and use of services.

The rapid technological development of recent times makes automation and robotics a sensible alternative for a growing number of companies and work stages. Automation not only saves costs, it also improves quality and reduces the physical stress of work as well as accidents. Robots increasingly work in cooperation with people and other aspects of the process, bringing flexibility and efficiency to production.

A close-up, slightly blurred photograph of a person's hands working on a circuit board. The person is using a soldering iron to connect components. The background shows a computer monitor and other desk items, suggesting a technical or engineering workspace.

The digital era promises massive productivity gains in a more sustainable manner.





Trends

# Trends shape the engineering industry

Digitalization, accelerating technological development and the lack of engineering resources are the key trends shaping the operating environment in engineering. The consolidation of the industry is also continuing.

## DIGITALIZATION

The digital transformation of industry and society as a whole is continuing and picking up speed. At the same time, investments in the Internet of Things – the combination of intelligent machines, equipment, people and processes – are growing rapidly. Intelligent and connected production processes increase efficiency and change the way industry operates, enabling new business models and a redefinition of the value network. Machinery and equipment manufacturers, for example, may find new paths to growth in service-based business based on leveraging data accumulated from machinery and equipment.

## ACCELERATING TECHNOLOGICAL DEVELOPMENT

Technological development is accelerating due to the creation and application of new technologies and manufacturing methods. For example, new digital technologies such as artificial intelligence and manufacturing methods such as 3D printing are revolutionizing industrial production processes and creating opportunities for new kinds of applications and technological innovations.

## 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. The lack of skilled employees may present an obstacle to the growth of companies. The workforce is becoming more international and engineering companies are looking for experts also outside their home markets. As technology develops, employees need a broad understanding of areas outside their specialty and must engage in effective cooperation across 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 competencies. The industry has been characterized by a trend of consolidation for a long time now, with engineering companies looking to offer as wide a range of expertise as possible to their customers. At the same time, the competitive situation has become even more global than before, and customer projects have become broader and more complex.

**Technological development is accelerating due to the creation and application of new technologies and manufacturing methods.**





**~15% annual Revenue growth**

**>500 million euro in Revenue by 2024**

**Growing organically and by acquisitions**



## Strategy

# Increasing value for customers

We are a forerunner in the engineering industry due to our broad technology expertise and advanced service offering. The key objective of our strategy is to create even higher value for our customers. We want to support our customers in the industrial transformation as well as grow and experiment new solutions together with them.

We are an international growth company. Our target is to grow by approximately 15 per cent per year, which would lead to revenue of more than EUR 500 million in 2024. 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. By making acquisitions, we aim to increase our competence capital as well as grow our presence and service offering.





## We research and understand new technologies

### 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.

[Read more on page 19](#)

### 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 and 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

### Growth

>500

Revenue, EUR million

### International growth

>50%

Share of Revenue coming from outside of Finland more than 50 per cent

### Managed Services

75%

The share of Revenue represented by Managed Services (Managed Services Index, MSI) 75 per cent

### Profitability

10%

Operating profit (EBITA) 10 per cent of Revenue

## METHODS

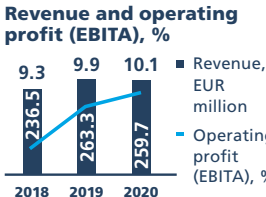
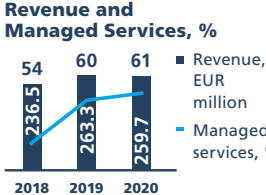
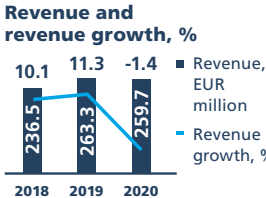
- Continuous development of service solutions
- Digitalization
- International growth
- Acquisitions

- Expanding our full service offering to all our current markets

- Service solutions
- Technology solutions
- Project business

- Shifting the business model towards Managed Services
- Market leadership

## PROGRESS 2018–2020



# Steps toward the future in 2020

## The year of COVID-19 pandemic was characterized by uncertainty

The impacts of the pandemic on the demand situation began in China in the first quarter and continued in Europe throughout the year. We reacted quickly and adjusted our operations to enable a quick resumption of the implementation of the growth strategy. The demand situation improved in the latter part of the year as news of vaccines and the start of the vaccinations reduced uncertainty in the market and boosted investments in product development and production.

## Continuous development of Service Solutions

- We developed a roundbreaking tool for estimating 3D printing costs.
- We completed the first implementation of its new cloud solution for the creation and distribution of digital technical information.

85%

of our personnel switched to remote work in March.

## Digitalization

- Etteplan's private LTE network is a service that enables the smart factory of the future at Danfoss.
- We support digitalization at Posti and Neste through various digital self-service solutions.

Our ninth office in China was opened in Taicang.

## International growth

- We strengthened our expertise in production solutions by acquiring the Dutch company Tegema.
- Kalmar outsourced part of its crane engineering operations in China to Etteplan.
- At the beginning of 2021, we entered Denmark and acquired TekPartner, a company that specializes in electronics and software.



# How we create value

## Our starting point for value creation

### MEGATRENDS

SUSTAINABILITY / DIGITALIZATION /  
ACCELERATING TECHNOLOGICAL  
DEVELOPMENT / RESOURCE EFFICIENCY /  
POPULATION GROWTH / URBANIZATION

## Our purpose

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
- Efficient utilization of the latest technologies

### Society and environment

- Energy efficiency
- Sustainable use of materials
- Better quality of life

### Our people

- Continuous learning
- Development opportunities
- "Engineering with a difference" -mindset and way of working

### Industry

- Innovative solutions for industry challenges
- Breakthrough R&D
- Industry scale impact



**“This modelling also allows us to offer our customers solutions that are as bespoke as possible.”**

**Petri Ikonen**, Etteplan’s SVP, Solutions&Technologies, explains how understanding customers’ value chains helps Etteplan to provide the best possible solutions for its customers.



I claim

# Identifying value chains: the key to the best solutions for our customers

“The megatrends of our time, including globalization, digitalization, automation and technology merging with everything, are constantly changing and complicating companies’ operating logic. This means that the business of several of our customers is in disruption. One example is how companies that previously sold nothing but machines are now providing lifecycle care supported by digital tools and processes.

Etteplan wants to offer its customers the highest possible value. To succeed in this, we have to be able to understand our customers’ business and processes as profoundly as possible. To help us do that, we have developed a model that our solutions teams use to systematically identify the value chains our customers operate in and what is relevant for them. We try to systematically understand our customer’s ecosystem, that is what our customers do, what kind of roles they have, who their customers are and the kind of challenges they face at various stages of their work.

Value chains help us suggest improvement to customer processes. This modelling also allows us to offer our customers solutions that are tailored and as value adding as possible, which generate measurable financial benefit, and which combine Etteplan’s multidisciplinary expertise in engineering, software and technical documentation solutions.

Increasing our customer understanding has helped us develop our offering more broadly. We can better identify the customer’s business processes to which Etteplan’s offering and service solutions can respond. Our solutions innovatively combine for example industrial digitalization and our software and maintenance capabilities. We believe that this will bring us towards new, broader and more global customer relationships.”



# Together for the future





# Responsibility at Etteplan

Etteplan wants to leave a positive mark on society - corporate responsibility thinking is always present in our engineering work. In 2020, our responsibility efforts were particularly shaped by the pandemic. We also published our revised Code of Conduct internally.

## Material aspects of Etteplan's corporate responsibility

- 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

Read more [www.etteplan.com](http://www.etteplan.com)

Etteplan wants to create positive impacts on the environment and the society around us. Corporate responsibility efforts are also important because the competition for experts is intense and we want to ensure that Etteplan is known as a reputable and responsible employer.

Responsibility thinking is a constant element of our engineering work: the solutions we produce for our customers take into account emissions, the use of materials and energy consumption, and we strive to engineer products that consume as little energy as possible or use renewable energy. We also take responsibility into consideration in our interaction with customers and partners. We choose our partners carefully and proactively think about how to resolve potential problems.

## ETTEPLAN ENGAGES IN ACTIVE RESPONSIBILITY EFFORTS

The guiding principles of Etteplan's operations include the Company's Code of Conduct, values and active stakeholder engagement. We carry out our responsibility efforts proactively and listen closely to our stakeholders. We take the special characteristics of our operating countries into consideration in our work. The cornerstones of our responsibility include employee well-being, creating economic value for our stakeholders and providing environmentally friendly and sustainable solutions to customers.

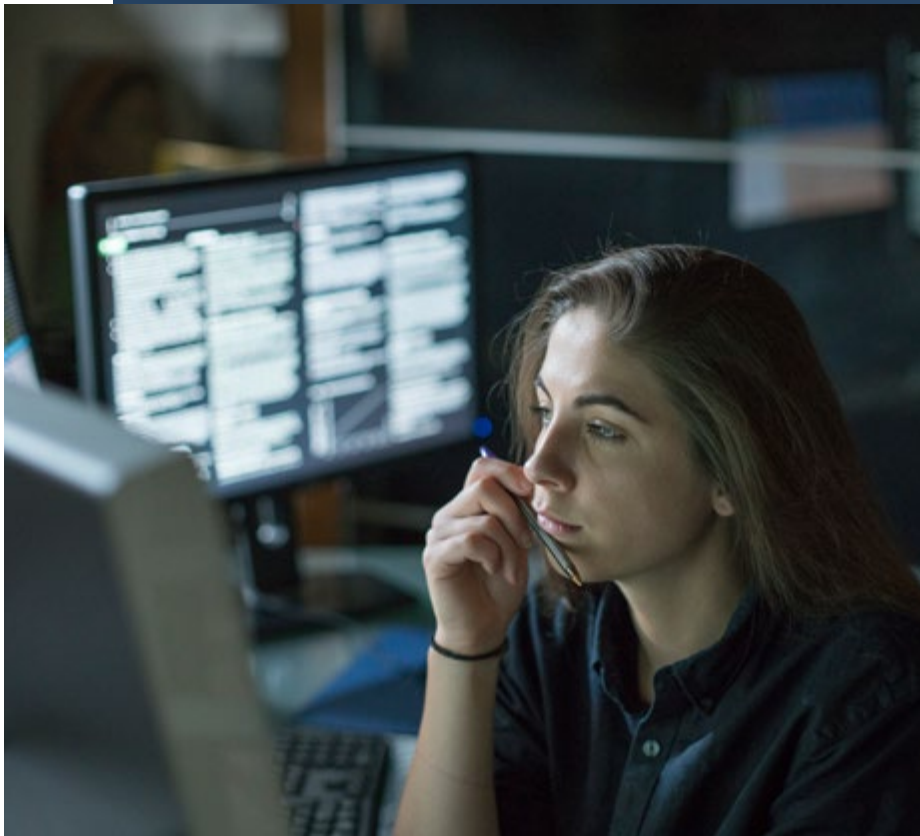
We continuously develop our corporate responsibility at the Group level and at the country level. The members of our Management Group are responsible for incorporating responsibility into everything we do, and the Senior Vice President, Marketing and Communications, who is a member of the Management Group, is in charge of the development of corporate responsibility. Our sustainability reporting is based on the international GRI reporting framework. We report in accordance with the GRI Core level.

## WE TAKE CARE OF OUR EMPLOYEES' WELL-BEING

Our responsibility efforts were characterized by the pandemic that began in 2020, and ensuring employee well-being was our highest priority. The pandemic saw Etteplan employees quickly move to remote work - the transition was smooth, remote work has been perceived as sensible and the level of employee well-being has been good. We have also developed the leadership skills of our supervisors during the pandemic. The shift to remote work has not hindered Etteplan's engineering work. The insights gained are likely to influence our working methods going forward.

We published our revised Code of Conduct in 2020. The Code of Conduct introduces Etteplan's values and business principles and covers topics related to, for example, ethics and legal compliance, quality and the environment, the working environment as well as equality and diversity. The new Code of Conduct also addresses our partners. We will organize online training on the new Code of Conduct for Etteplan employees in 2021.

Etteplan has an anonymous hotline in all of its countries of operation for employees and external stakeholders to report suspected ethical violations. In 2020, we were informed of one suspected incident of unethical conduct, which was handled in accordance with our process. The suspicion turned out to be unfounded.



## HIGHLIGHTS

- Personnel survey produced very good results.
- The shift to remote work went extremely well and 85 per cent of us are working remotely.
- We published our revised Code of Conduct.
- We started to utilize our eLearning platform to boost remote learning.

## DEVELOPMENT AREAS

- The implementation of the Code of Conduct throughout the organization will continue next year.
- Etteplan is preparing to update its equality plan. The work will continue in 2021. Development efforts related to pay equality and diversity are continuing.

# Open stakeholder engagement

Stakeholders are groups or individuals who are affected by Etteplan's operations or in turn affect Etteplan's operations.

During the pandemic, the engagement with the most important stakeholders changed quickly. We started to use many different remote tools such as eLearning, webinars as well as remote meeting and training platforms.

STAKEHOLDER	HIGHLIGHTED ISSUES	ETTEPLAN'S RESPONSE	COMMUNICATION CHANNELS
<b>Employees</b>	<ul style="list-style-type: none"> <li>• The employment relationship and terms of employment</li> <li>• Competence development</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws, regulations, Code of Conduct, policies, principles and instructions</li> <li>• Continuous development of human resource management</li> <li>• Development discussions and personnel surveys</li> <li>• Training and internal communication</li> </ul>	<ul style="list-style-type: none"> <li>• Managerial communication</li> <li>• Meetings and events</li> <li>• Intranet and social media</li> <li>• eLearning</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Service offering and expertise</li> <li>• Service availability and cost-efficiency</li> <li>• Service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous development of the service offering</li> <li>• Quality assurance internally and by external auditing</li> <li>• Customer surveys</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and events</li> <li>• Webinars</li> <li>• Website</li> <li>• Social media</li> <li>• Media</li> <li>• Other communication</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>• Issues related to cooperation and the terms of cooperation</li> <li>• Equal treatment of partners</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to agreements</li> <li>• Code of Conduct</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and negotiations</li> <li>• Audits</li> <li>• Website</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Responsible operations</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to stated objectives and strategy</li> <li>• Code of Conduct</li> <li>• Investor relations</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• General Meeting and other meetings</li> <li>• Website</li> <li>• Reports and other communication</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Active provision of information</li> <li>• Responding to inquiries quickly and truthfully</li> </ul>	<ul style="list-style-type: none"> <li>• Active communication</li> <li>• Website</li> <li>• Social media</li> <li>• Other communication</li> </ul>	<ul style="list-style-type: none"> <li>• Active communication</li> <li>• Website</li> <li>• Social media</li> <li>• E-mail</li> <li>• Stock exchange and press releases</li> </ul>
<b>Students</b>	<ul style="list-style-type: none"> <li>• Trainee opportunities</li> <li>• Future jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with universities and universities of applied sciences</li> <li>• Providing trainee positions</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Events</li> <li>• Website</li> <li>• Social media</li> <li>• Other communication</li> </ul>
<b>Universities and universities of applied sciences</b>	<ul style="list-style-type: none"> <li>• Cooperation</li> <li>• Sharing knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Joint projects and trainee positions</li> <li>• Reports</li> <li>• Lectures</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Joint projects and working groups</li> <li>• Website</li> <li>• E-mail</li> </ul>
<b>Industry organizations</b>	<ul style="list-style-type: none"> <li>• Active participation</li> <li>• Sharing knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Etteplan's representation in various working groups</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Working groups</li> <li>• Other communication</li> <li>• Website</li> </ul>
<b>Authorities and other parties that guide operations</b>	<ul style="list-style-type: none"> <li>• Compliance with laws, regulations, guidelines and ethical guidelines</li> <li>• Adherence to quality systems and reporting systems</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws, regulations, guidelines and Code of Conduct</li> <li>• Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Website</li> </ul>
<b>Decision-makers</b>	<ul style="list-style-type: none"> <li>• Obtaining information</li> <li>• Opportunities to exercise influence</li> </ul>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Other communication</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Website</li> </ul>
<b>Non-governmental organizations</b>	<ul style="list-style-type: none"> <li>• Responsibility throughout the supply chain</li> <li>• Transparency</li> <li>• Sharing knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Audits</li> <li>• Responding to inquiries</li> <li>• Other communication</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Website</li> </ul>



Senior Vice-President Human Resources  
Minna Tornikoski and Technology Director  
Jaakko Ala-Paavola of Etteplan talk about  
how innovation makes an impact.

**“In a single innovation we can combine our knowledge from different fields and apply the solution to many different sectors.”**



One on one

# Innovation: the interface of culture and technology

Etteplan innovates in cooperation with the customer. That is why we can create solutions that match our customers’ needs and move whole sectors forward.

**M** Minna Tornikoski    **J** Jaakko Ala-Paavola

**How do innovations happen, and what kind of culture do they need to support them?**

**J** “An innovation is any invention which solves an identified problem. It also needs to have commercial potential. Etteplan’s innovations often arise as part of our work with customers. We come across and solve companies’ challenges in our work and try to identify common, repetitive traits in them. We innovate solutions that meet several companies’ needs.”

**M** “Innovation requires a culture that facilitates experimentation and encounters between people. That culture should also support learning and tolerate errors. The drivers of innovation at Etteplan are teamwork, a desire to experiment and a passion for problem solving and testing new technologies. We often create solutions when working with a customer.”

**J** “Our strengths also include our industry expertise and design capabilities in several sectors. In a single innovation we can combine our knowledge from different fields and apply the solution to many different sectors.”

**Give us an example of an innovation created on the Etteplan drawing board**

**J** “One good example is our internal AVG development project, which we use to support machine manufacturers’ transition to autonomous operations. Our solutions which use things like artificial intelligence, machine learning and intelligent data transfer make existing machines smart in an easy and fast way.

The benefits are significant: for instance in mining environment workers can switch from the depths of mine tunnels to clean indoor work, and today even to remote work. This improves physical occupational safety and enables back-up arrangements for events like the pandemic.”

**What are innovation ecosystems and what are the benefits of them?**

**J** “Systems are becoming more and more complicated and interdependent. Nobody can manage whole systems alone any more: cooperation and ecosystems are vital. A good example here is 5G. Launching it required technology suppliers, operators and integrators, the latter of which was Etteplan’s role in this particular ecosystem.”

**M** “Innovations no longer occur in secret back rooms: they are created through open sharing. Trust is essential.”

**What kind of conditions do innovations require?**

**M** “The work itself is the best environment for innovation and development, and today’s technology means they can happen anywhere. That means we can build cross-sectoral teams with the best talent and find the best people for each project. When you combine remote work with good tools and a digital working culture, creating innovation is even faster.

That also means we must continue to learn throughout our lives and stay abreast of technological change. We want to bravely try new things and introduce new types of tools and ways of working to people’s daily work. With organization-wide training we can scale those lessons up faster.”

**J** “In many areas of engineering, lifelong learning is a necessity, not an empty phrase. In software, for example, many tools and platforms have changed in just five years. The courses we offer as an employer are one tool, but what is vitally important is a person’s own interest in self-development. We also try to support and encourage that.”

**M** “I’d add that finding capable, qualified employees is a challenge in many countries Etteplan operates in. Constantly keeping professional abilities up to date and a workforce that is less dependent on specific locations are solutions to this problem. Increasing diversity is also important in our sector, and this is a challenge for the whole society.”



**“Innovations no longer occur in secret back rooms: they are created through open sharing.”**

# Financial responsibility

Etteplan’s operations have significant economic impacts on many different stakeholders. We pay taxes, wages, dividends and financial expenses and we purchase products and services. The division and development of our economic impact is presented in the attached table.

Etteplan’s financial performance has been strong for several years now. In 2020 our revenue decreased due to the global pandemic and was EUR 260.0 million (263.3). Our operating profit (EBITA) improved and was EUR 26.2 million (26.0).

Etteplan currently operates in eight countries. We are committed to complying with all local, national and international laws and regulations in the countries where we do business and provide services. We pay taxes on our profits in all of the countries that we operate in.

Etteplan does not have a separate tax strategy or policy, but the Code of Conduct includes a requirement to follow law which is also applicable to tax topics. Etteplan’s CFO is responsible for the tax topics together with those responsible for Finance in the countries where we operate. We cooperate with the tax authorities.

## TAX PAID BY COUNTRY

EUR 1,000	Number of employees (year average)	Revenue from third parties	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
Finland	1,988	159,277	3,784	18,352	1,393	3,746	3,845
Sweden	609	57,523	3,360	3,657	425	1,122	572
China	337	7,201	574	237	91	3	10
Central Europe	386	35,705	1,112	989	1,106	139	207

## ECONOMIC VALUE CREATION

EUR 1,000	2020	2019	2018
Direct taxes	4,003	4,553	4,364
Wages and salaries	177,301	172,520	156,183
Purchases	23,317	26,550	21,822
Dividends	8,488*	8,682	7,454
Financial Expenses	1,722	1,590	1,580

\* The Board of Directors’ proposal to the Annual General Meeting



# Responsibility for personnel



Highly competent and committed employees with a high level of well-being are Etteplan's most important asset. They are a precondition for the creation of customer value, and thus for solutions that deliver broader value to society.

Etteplan's human resource management is based on the Company's values. The cornerstones of human resource management are the development of Etteplan employees' competence and leadership, providing career opportunities and equal treatment of employees. Etteplan is characterized by a strong culture of teamwork.

Human resource management at Etteplan is the responsibility of the global Senior Vice President, Human Resources, member of Etteplan Management Group, supported by HR teams in each country. The global SVP for Human Resources is in charge of setting the overall direction and strategy of HR, while the country-level HR directors and managers are responsible for human resource management in their country as well as country-specific practices. HR specialists, in turn, work together to develop global practices 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. Local legislation and culture are always taken into consideration in operations. This Sustainability report covers employees directly employed by Etteplan.

Etteplan had 3,267 employees at the end of the year. Of the Group's personnel, 59 per cent worked in Finland, 18 per cent in Sweden, 10 per cent in China and 13 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.

In 2020, Etteplan's acquisitions and outsourcing arrangements brought new employees to the organization in the Netherlands and China. The integration of the new teams was carefully prepared and corporate culture and management practices of the new unit were evaluated in the planning stages of acquisitions.

## COVID-19 LEFT ITS MARK ON MANAGEMENT AND WORK

The year 2020 was an exceptional one for Etteplan. The pandemic began to spread around the world early in the year, and Etteplan employees quickly switched to remote work. The transition was smooth, which was one of our biggest successes during the year. This can be attributed to the investments we had previously made in our IT systems, among other things. During the year, we trained our supervisors on the deployment of IT tools and conducted surveys related to remote work in all of our operating countries. The survey results indicate that our employees mostly enjoyed working remotely. Nevertheless, we strove to respond quickly to any development areas highlighted by the surveys.

Even in the context of remote work, people had a significant need to meet each other, and we developed new opportunities for that. For example, EtteplanGo! - a community-oriented campaign promoting physical activity - was moved online. We engaged our personnel in various social activities and supervisors maintained active contact with their subordinates through digital channels. At the same time, interaction between teams moved online.

Due to the pandemic Etteplan's number of personnel did not grow. We also had to temporarily lay off our employees, particularly in Finland and Sweden. Lesser reductions in personnel were implemented in our other operating countries. A further challenge was the uneven distribution of work load between our employees depending on their location and ongoing projects.

## ENSURING EXCELLENCE IN MANAGEMENT THROUGH SUPERVISOR TRAINING

Etteplan invested in managerial training in 2020. We developed a fully global virtual E-LEAD training path for supervisors and other key personnel. The path enables us to provide our employees with equal development opportunities regardless of their location. Some 60 Etteplan employees participated in the training during the fall and the E-LEAD training will continue in the spring 2021. Our operating countries also organized their own training activities related to leadership, well-being and the use of remote tools. Our HR team is constantly creating new operating models to support the practical management activities of supervisors, such as recruitment and supporting career development.

We want to look after the well-being of our supervisors and we assess the situation regularly. In 2020, the themes highlighted by our supervisors in surveys included the management of remote work and building deeper trust. The supervisors also thought about how to be present and reachable over large physical distances. We will collectively implement development measures based on the feedback received from supervisors.

**INVESTMENTS IN DIGITAL LEARNING TOOLS**

Etteplan wants to provide its customers with solutions to technical challenges through new and innovative solution methods. For this to be achieved, the competence of our personnel must be up-to-date. We invest in ensuring continuous professional development and making career opportunities transparent. We also want to improve and accelerate learning on the job.

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 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. The topics of the development discussions include each employee’s position in the career path model and the career opportunities related to the model. In 2020, some 98 per cent of Etteplan’s personnel participated in development discussions (2019: 91).

We updated our online tools in 2020. We are currently moving many of our training activities online and, in the future, training will be organized fully or partially using virtual solutions. Introductory training is also implemented digitally - our goal is for our employees to become part of our workplace community as smoothly as possible. In our training, we use our e-Learning platform, which we deployed in 2019, before the pandemic began.

**EMPLOYEE WELL-BEING IS A HIGH PRIORITY FOR US**

Etteplan’s customer promise - Engineering with a difference - is also a promise to our personnel. Etteplan’s culture and operating approach enable individual growth: at Etteplan, everyone is allowed to innovate and come up with new ideas and put them into action. This represents a path not only to the personal growth of our experts but also to increasing motivation and well-being.

In addition to developing new ideas, we want to look after work-life balance and ensure a reasonable work load for employees: well-being, renewal and development go hand in hand. Workplace ergonomics and internal communication in the workplace community are also important themes for Etteplan. These were challenged and developed during the year of COVID-19.

In spring 2020, Etteplan’s head office moved to Espoo, closer to customers and the Aalto University ecosystem. The new head office was designed to be flexible and dynamic in line with Etteplan’s culture.



Working flexibly in different locations was already familiar to the Company before the pandemic: in Finland, for example, we have more than 30 offices across the country. In addition to our head office, we developed offices and office concepts globally.

Our occupational health care is organized in different ways in different operating countries, always in accordance with the local legislation and operating culture. Starting from 2020, all appointments with occupational health care have counted as working hours unless a suitable time outside office hours is available.

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

We also monitor workplace accidents, commuting accidents and days of sick leave. During the exceptional year, the days of sick leave reduced and there were 3 workplace accidents. Severe accidents did not occur at all.

**“We invest in ensuring continuous professional development and making career opportunities transparent.”**







**“Our strengths highlighted by the survey responses included the perception of collegial support, the work environment’s encouragement toward open communication as well as the equal and fair treatment of people.”**

We continuously develop occupational health and safety. We strive to harmonize our processes, tools and methods to ensure optimal working conditions for Etteplan employees working at our offices and at our customer companies. In addition, Etteplan employees can report work-related occupational safety findings to local occupational safety and health personnel, whose task is e.g. to evaluate and address the reported findings. If reports are received, they will be processed appropriately.

In the fall of 2020, we conducted the FuturETTE personnel survey among our employees. The results were excellent, which is something we are very proud of. The results have also improved from one year to the next. Our strengths highlighted by the survey responses included the perception of collegial support, the work environment’s encouragement toward open communication as well as the equal and fair treatment of people. Development areas highlighted by the survey results included the understanding of Etteplan’s strategy and uncertainty regarding the company’s direction, which may have been related to the exceptional circumstances during the year. Highlighted development areas were increasing the understanding of Etteplan’s strategy and discussing our values more. Next, teams will review their results and prepare their own action plans.

**DIVERSITY AS A KEY TO SUCCESS**

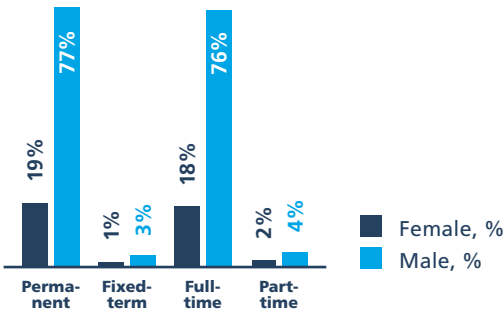
Etteplan is committed to treating employees equally and promoting non-discrimination in accordance with its equality and diversity plan and Group-level management principles. Diversity is one of the key factors behind Etteplan’s success. We promote it by encouraging supervisors to look across national borders in recruitment, among other things. Increasing the share of women among Etteplan’s personnel is also one of the Company’s objectives.

The FuturETTE survey we conducted during the year painted a positive picture of our equality efforts: Etteplan employees indicated that a significant leap forward had been taken in equal and fair treatment compared to the previous survey.

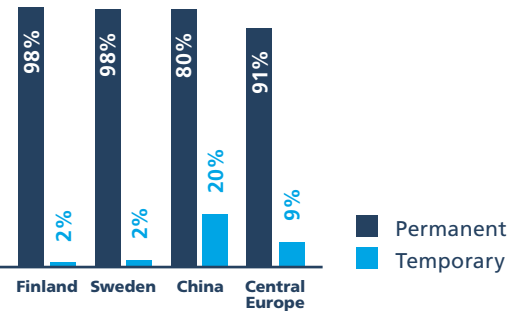
Etteplan’s remuneration policy is based on fair wages, benefits and incentives. Etteplan has a long track record of monitoring the equality of overall pay through annual evaluations, and remuneration is the subject of continuous development.

We also ensure equality through a reporting hotline used in all of our operating countries that employees and external stakeholders can use to anonymously report suspected ethical violations.

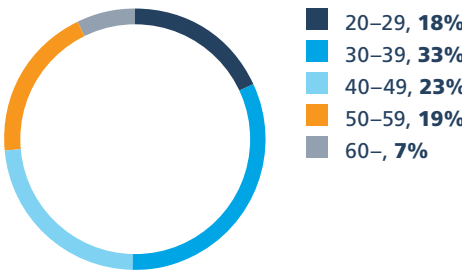
**Number of employees by gender 2020**



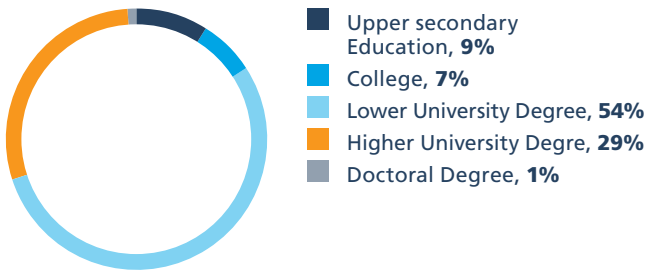
**Type of employment contracts by region 2020**



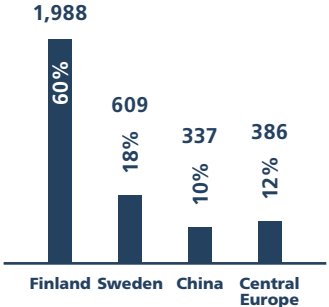
**Age distribution 2020**



**Educational background 2020**



**Geographical distribution and number of personnel on average 2020**



**Employees by geographical area 31 Dec 2020**





“We are currently among the 50 best-known employers in Finland”

NEW EMPLOYEES BY AGE GROUP, GENDER AND REGION 2020

AGE	NUMBER	%
20-29	116	41.6%
30-39	84	30.1%
40-49	39	14.0%
50-59	36	12.9%
60-	4	1.4%

PURPOSEFUL DEVELOPMENT OF THE EMPLOYER IMAGE

Etteplan’s business is based on the competence of the personnel, and we compete for the best talent in the international job market. Successful recruitment, meaning the availability of labor and the required competencies, as well as attrition, are among our most significant personnel-related risks. We want to recruit experts who are not only highly competent but also a good fit with our company culture.

We had to suspend our recruitment in the spring due to the pandemic, but we again looked to recruit new experts in the fall. When the exceptional circumstances have passed, we aim to return to our previous path of growth.

Recruiting the best talent requires awareness of Etteplan and we purposefully develop our employer image. We believe that our internal efforts - such as the development of working methods - will bear fruit. We also invest in visibility in the right recruitment channels. In Finland, we measure perceptions of Etteplan among students in our target group as well as people who are already in working life. Universum’s survey indicates that our awareness has increased significantly in both groups and we are currently among the 50 best-known employers in Finland. This suggests that we are perceived as an employer that is deserving of consideration. Our efforts have been successful.

Our next development project is to increase the visibility of our software business. Our goal is to communicate, for example, the inspiring solutions we have created together with our customers. At the same time, we will continue to develop the employee experience. We want our professionals to be satisfied and to have the opportunity to pursue continuous growth at work. We believe this is also reflected in our employer image.

AGE AND GENDER DISTRIBUTION BY EMPLOYEE CATEGORY 2020

AGE/GENDER	SUPERVISOR	EMPLOYEE
20-29	1.6%	19.3%
30-39	27.9%	32.8%
40-49	40.1%	21.5%
50-59	24.3%	18.8%
60-	6.1%	7.6%
Female	19.0%	20.2%
Male	81.0%	79.8%

GENDER	NUMBER	%
Female	62	22.2%
Male	217	77.8%
REGION	NUMBER	%
Finland	142	50.9%
Sweden	53	19.0%
China	66	23.7%
Central Europe	18	6.4%

My job: Saara Sassi

A problem-solver

In my work I improve software quality and secure critical functions

“Year 2019, I started as a Software Test Engineer at Etteplan and since then I’ve had the privilege of being involved in a number of exciting projects. The best part of my job is that I can use test automation in any system, irrespective of the field, and reduce the financial losses caused by software errors.

One of the most interesting projects I’ve been involved in was the testing of one extensive automation system. We carried out the test automation in a simulated test environment where virtual machines were programmed to behave like real machines. Test automation is practically the only way to secure the operations of systems like this, which have to function round the clock and recover from the disruptions without a break.

Our software team brings together gifted specialists united by an interest in the newest innovations of the sector. Our team’s trust, cooperation and technical expertise ensure that we can find high-quality solutions for even the most challenging problems. It’s great to get to work with the most experienced top professionals in our sector.”







## Environmental responsibility

Taking environmental responsibility into consideration is a natural element of Etteplan's operations. We comply with environmental legislation, the ISO 14001 environmental standard and the Company's environmental policy in our operations. We always take the full life cycle of the solution into consideration in our engineering work.

Etteplan takes environmental responsibility into consideration in all of its operations. 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. 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 72 offices, 41 are ISO 14001 certified. A more detailed division is outlined in the table on the next page. 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. Etteplan's most recent energy review was conducted in 2019. We plan our energy saving measures based on data.

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**"Our employees, customers and partners should take environmental issues into consideration in everything they do."**

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“Environmental impacts were further reduced in 2020 as the pandemic resulted in a shift to remote work and a sharp reduction in travel.”

Etteplan has also its own environmental policy. Approved by the senior management, the policy defines the content and direction of our environmental responsibility and sets an objective of minimizing the impacts arising from our own operations. We aim to train our employees to recognize the environmental aspects of their work. We help our partners operate responsibly with regard to the environment.

THE CODE OF CONDUCT AS A GUIDELINE FOR ENVIRONMENTAL RESPONSIBILITY

Etteplan’s environmental responsibility in practice is guided by the Group’s Code of Conduct, which includes perspectives related to environmental responsibility. In the 2020 update to the Code of Conduct, environmental responsibility was assigned an even larger role. According to our Code of Conduct, our employees, customers and partners must take environmental issues into consideration in everything they do. In the engineering of products and services, it is important to recognize life cycle thinking, and the selection of subcontractors should favor environmentally conscious operators.

Etteplan encourages its personnel to operate responsibly. In 2020, we intended to organize digital training for all of our employees on our Code of Conduct. The training was postponed to 2021 due to the pandemic.

THE ENVIRONMENTAL IMPACTS OF ETTEPLAN’S OWN OPERATIONS ARE MODERATE

The environmental impacts of Etteplan’s own operations mainly arise from travel and the energy consumption of offices. These environmental impacts were further reduced

in 2020 as the pandemic resulted in a shift to remote work and a sharp reduction in travel. The most significant environmental impacts of the unusual year were the over 80 per cent reduction in business travel and the around 25 per cent reduction in the energy consumption of Etteplan’s offices.

We also aim to manage our environmental impacts by recycling our IT hardware, with 98 per cent forwarded to subsequent use. This is significant from the perspective of environmental responsibility because the reuse of equipment has less of a negative environmental impact than decommissioning. We also favor low-emission leased vehicles whose life cycle continues after Etteplan’s lease period ends.

Our head office moved to new premises in Espoo in 2020. We also moved to new offices elsewhere in Finland as well as in Sweden. At the same time, we aim to improve the energy efficiency of our premises. We have also started a project to develop the flexible use of our offices and identify ways to reduce the floor area of offices without compromising on job satisfaction. We will pilot this project at a few of our offices in 2021.

ETTEPLAN’S ENVIRONMENTAL TARGETS AND RESULTS

Etteplan’s environmental responsibility targets and action plans are in line with the ISO 14001 standard. The targets and results for 2020 are presented in the table below.

CERTIFICATIONS OF ETTEPLAN OFFICES, ISO 9001 AND ISO 14001

COUNTRY	NUMBER OF OFFICES 2020	CERTIFIED OFFICES 2020	NUMBER OF OFFICES 2019	CERTIFIED OFFICES 2019
Finland	30	29	35	28
Sweden	21	10	22	11
Poland	2	2	2	2
Germany	6	6*	7	6*
Netherlands	5	1*	3	1*
China	8	0	8	0

\* Germany and Netherlands are ISO 9001 certified.

ETTEPLAN’S ENVIRONMENTAL TARGETS

ENVIRONMENTAL TARGET	COUNTRY	MEASURES TAKEN AND RESULTS ACHIEVED 2020
Increasing environmental awareness	Finland, Sweden, Poland	We have prepared new environmental training material which includes examples of environmental friendly references. We have also prepared new instructions for project managers to help identify and manage environmental aspects of their projects.
Reducing electricity consumption in offices by -3% compared to 2019	All	We follow the development of electricity consumption in the Group’s 10 largest offices. The pandemic affected the electricity consumption, which decreased by 25%.
Reducing the CO <sub>2</sub> level (g/km) of company cars by -2 g/km compared to 2019	Finland, Sweden	We favor low-emission cars. Finland -0.2 g/km and Sweden -1.5 g/km.



# Sustainable services and solutions



**“Each year, we produce hundreds of solutions that are eco-efficient for the world’s leading machinery and equipment suppliers.”**

Etteplan’s business has a strong foundation in the principles of sustainable development. The sustainable solutions we engineer for our customers generate the highest possible value.

Environmental, social and financial responsibility as well as sustainable development have emerged as key issues in the engineering industry. Many of Etteplan’s customers look to find solutions that increase safety while reducing energy consumption, use of materials and waste, for example. The sustainability, eco-friendliness and safety of products are also the cornerstones of Etteplan’s approach to engineering.

Each year, we produce hundreds of solutions that are eco-efficient with respect to their manufacturability, usability and recyclability for the world’s leading machinery and equipment suppliers and solution users. We develop environmentally friendly technologies and cleantech products, and contribute to the energy efficiency and safety of customers’ equipment, machinery and production facilities, among other things. In our work, we always consider the health and safety impacts of our solutions.

By making sustainable choices in the design and engineering stage we can significantly reduce the risk factors over the life cycle of the product. We take the full life cycle into consideration in the design and engineering of our solutions’ materials, manufacturing methods and location, efficiency, use, maintenance and end-stage recycling opportunities. Life cycle thinking is highlighted in our training materials and events related to the environmental management system. Etteplan is also ISO 9001 and ISO 14001 certified.

A good example of our environmentally friendly engineering is technical documentation and related solutions. They reduce the need for printed materials, as manuals and instructions can be distributed to maintenance and service personnel in digital format. Our use of additive manufacturing also has several positive environmental impacts - for instance, printing decreases the use of materials.

The environmentally friendly technologies we have developed for our customers include Valmet’s flue gas scrubbing systems, which significantly reduce the sulfur dioxide emissions of marine vessels. With Etteplan’s help, Valmet enabled its customers to meet environmental requirements, minimize the operating costs of vessels and, most importantly, chart a path toward more sustainable maritime transport.

Our engineering offering also includes the assessment and development of safety and health impacts. We ensure that the products we engineer are safe throughout their life cycle. We continuously develop our safety-related processes. Health and safety impacts are mapped, evaluated and controlled as part of the risk assessment.

In addition, cyber security and data protection issues must be taken into consideration in our solutions, the technologies we utilize and our entire digital operating environment. In 2020, we organized training for our employees on these topics and we aim to further increase awareness among our entire personnel in 2021.



# Reporting principles and GRI Index

Etteplan is reporting for the fourth 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, 2020. The 2019 report was published on March 10, 2020. Etteplan reports on corporate responsibility annually. The Company’s reporting is based on a materiality analysis on responsibility (2015). For more information on Etteplan’s responsibility, please contact SVP, Marketing and Communications, Outi Torniainen, tel. +358 10 307 3302.

		LOCATION		
		FR: FINANCIAL REVIEW		
		CGS: CORPORATE GOVERNANCE STATEMENT		
GRI STANDARD	CONTENTS		COMMENTS	
GENERAL DISCLOSURE				
GRI 102: Organizational profile				
102-1	Name of the organization	<a href="#">Front cover</a>		
102-2	Activities, brands, products, and services	<a href="#">Etteplan in brief, p. 4</a>		
102-3	Location of headquarters	<a href="#">Back cover</a>		
102-4	Location of operations	<a href="#">Global Etteplan, p. 11</a>		
102-5	Ownership and legal form	<a href="#">Etteplan in brief, p. 4</a>		
102-6	Markets served	<a href="#">Etteplan in brief, p. 4</a> , <a href="#">Global Etteplan, p. 11</a>		
102-7	Scale of the organization	<a href="#">Etteplan in brief, p. 4</a>		
102-8	Information on employees and other workers	Responsibility for personnel, p. <a href="#">27</a> and <a href="#">29</a>	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	<a href="#">GRI Index</a>	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	<a href="#">FR, p. 21</a>	No significant changes in the share capital structure or supply chain.	
102-11	Precautionary Principle or approach	<a href="#">CGS pp. 11-13</a>		
102-12	External initiatives	<a href="#">Environmental responsibility, p. 31</a> , <a href="#">Sustainable services and solutions, p. 33</a>	ISO 9001 and ISO 14001	
102-13	Membership of associations	<a href="#">GRI Index</a>	Member of the Federation of Finnish Technology Industries and the Swedish Federation of Consulting Engineers and Architects and SVEAT.	
GRI 102: Strategy				
102-14	Statement from senior decision-maker	<a href="#">CEO’s review, p. 6</a>		
102-15	Key impacts, risks, and opportunities	<a href="#">Responsibility at Etteplan, p. 23</a> , <a href="#">Sustainable services and solutions, p. 33</a> and <a href="#">CGS pp. 11-13</a>		





		LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	
GRI STANDARD	CONTENTS		COMMENTS
GRI 102: Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	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	CGS p. 8	
102-22	Composition of the highest governance body and its committees	CGS pp. 4-6	
102-23	Chair of the highest governance body	CGS p. 4	
102-24	Nominating and selecting the highest governance body	CGS p. 4	
102-26	Role of highest governance body in setting purpose, values, and strategy	CGS p. 4	
102-28	Evaluating the highest governance body’s performance	CGS p. 4	
102-30	Effectiveness of risk management processes	CGS pp. 8-9	
102-31	Review of economic, environmental, and social topics	CGS pp. 8-9	
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. 24	
102-41	Collective bargaining agreements	Responsibility for personnel, p. 27	
102-42	Identifying and selecting stakeholders	Open stakeholder engagement, p. 24	
102-43	Approach to stakeholder engagement	Open stakeholder engagement, p. 24	
102-44	Key topics and concerns raised	Open stakeholder engagement, p. 24	



		LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	
GRI STANDARD	CONTENTS		COMMENTS
GRI 102: Reporting practice			
102-45	Entities included in the consolidated financial statements	<a href="#">FR, p. 31</a>	
102-46	Defining report content and topic Boundaries	<a href="#">Reporting principles, p. 34</a>	
102-47	List of material topics	<a href="#">Responsibility at Etteplan, p. 23</a>	
102-48	Restatements of information	<a href="#">GRI Index</a>	No significant changes.
102-49	Changes in reporting	<a href="#">GRI Index</a>	No significant changes.
102-50	Reporting period	<a href="#">Reporting principles, p. 34</a>	
102-51	Date of most recent report	<a href="#">Reporting principles, p. 34</a>	March 10, 2020
102-52	Reporting cycle	<a href="#">Reporting principles, p. 34</a>	
102-53	Contact point for questions regarding the report	<a href="#">Reporting principles, p. 34</a>	
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">Reporting principles, p. 34</a>	
102-55	GRI content index	<a href="#">GRI Index</a>	
102-56	External assurance	<a href="#">GRI Index</a>	The report has not been externally assured.
GRI 103: Management approach			
103-1	Explanation of the material topic and its Boundary	<a href="#">GRI Index</a>	
103-2	Explanation of the material topic and its Boundary	<a href="#">Responsibility at Etteplan, p. 23</a> , <a href="#">Responsibility for personnel, p. 27</a> , <a href="#">Environmental responsibility, p. 31</a>	Reported partly.
103-3	Evaluation of the management approach	<a href="#">Responsibility at Etteplan, p. 23</a> , <a href="#">Responsibility for personnel, p. 27</a> , <a href="#">Environmental responsibility, p. 31</a>	Reported partly.
ECONOMIC STANDARDS			
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	<a href="#">FR, p. 3-4</a> , <a href="#">Financial Targets p. 18</a> , <a href="#">Financial responsibility, p. 26</a>	
GRI 203: Indirect economic impacts			
203-2	Significant indirect economic impacts	<a href="#">Financial responsibility, p. 26</a>	
GRI 205: Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	<a href="#">GRI Index</a>	No cases in 2020.
GRI 207: Tax			
207-1	Approach to tax	<a href="#">Financial responsibility, p. 26</a>	
207-2	Tax governance, control, and risk management	<a href="#">Financial responsibility, p. 26</a> , <a href="#">Responsibility at Etteplan, p. 23</a>	
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Financial responsibility, p. 26</a>	
207-4	Country-by-country reporting	<a href="#">Financial responsibility, p. 26</a>	





		LOCATION FR: FINANCIAL REVIEW CGS: CORPORATE GOVERNANCE STATEMENT	
GRI STANDARD	CONTENTS		COMMENTS
ENVIRONMENTAL STANDARDS			
GRI 302: Energy			
302-4	Reduction of energy consumption	<a href="#">Environmental responsibility, p. 31</a>	
ENVIRONMENTAL STANDARDS			
GRI 307: Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	<a href="#">GRI Index</a>	No violations in 2020.
SOCIAL STANDARDS			
GRI 401: Employment			
401-1	New employee hires and employee turnover	Responsibility for personnel, p. <a href="#">27</a> and <a href="#">30</a>	Due to the COVID-19-pandemic, exceptionally, Etteplan's number of employees did not increase. We also had to lay off our employees, especially in Finland and Sweden.
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-3	Occupational health services	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-5	Worker training on occupational health and safety	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-6	Promotion of worker health	<a href="#">Responsibility for personnel, p. 28–29</a>	In addition to statutory occupational health care, Etteplan personnel can take occupational healthcare providers digital coaching programs to support and encourage employees in lifestyle changes
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Responsibility for personnel, p. 28–29</a>	
403-9	Work-related injuries	<a href="#">Responsibility for personnel, p. 28–29</a>	
GRI 404: Training and education			
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Responsibility for personnel, p. 28–29</a>	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Responsibility for personnel, p. 28</a>	
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	<a href="#">Responsibility for personnel, p. 29, CGS, p. 6</a>	
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">Responsibility for personnel, pp. 29–30</a>	Equality in pay is monitored regularly. No figures were reported.
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	<a href="#">Responsibility for personnel, p. 29</a>	No cases in 2020.
GRI 419: Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">GRI Index</a>	No violations in 2020.



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