



SUSTAINABILITY AND RESPONSIBILITY

UTU GROUP

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UTU Group



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Lyhenteet

HSEQ = Health, Safety, Environment, Quality = Terveys, Turvallisuus, Ympäristö, Laatu

ISO = International Organization for Standardization – Kansainvälinen standardisoimisjärjestö



1. UTU NOW AND IN THE FUTURE

The aim of UTU Oy is to promote and take responsibility for the sustainable development of society and stakeholders. For our part, we contribute to this work by offering advanced solutions to the needs of different stakeholders. For UTU employees, sustainable development means responsibility in all our operations.

We take environmental aspects into account in product development, manufacturing and operations. Our goal is to contribute to the sustainable development of society through sustainable and innovative products and services.

We are a responsible operator and manage our business ethically. We respect good ethical principles and pass on this activity to our stakeholders.

1.1 Values and objectives

Customer understanding

We want to be genuine partners for our customers and
We are honest and open in everything we do.
We have a deep understanding of our customers' business and
develop our products and services to meet our customers'
current and future needs.



Renewal

We have an open-minded attitude and a strong desire to
develop our ways of working both as a community and on a
personal level. We do not turn a blind eye to risks, but we look
at things through possibilities.
If we fail, we react quickly and learn from it.



Cooperation

Our operations are based on the appreciation of our colleagues.
By sharing our own expertise, we create a good working
atmosphere and an opportunity to learn from others. The
diversity of people is a source of wealth, not an obstacle to
working together.



Strong performance

We demand the best possible performance from ourselves and
our colleagues. We dare to set challenging goals for our
operations. Active feedback guides our development towards
strong performance



1.2 Mission, Vision and Strategy

UTU implements sustainable development by bringing together global and local partners in the electrical and automation sectors. UTU's vision is to be a sought-after growth partner and employer in the electrical and automation sector in the Nordic and Baltic countries. UTU supports sustainable development and acts as a responsible member of society based on sustainable and fair principles.

Honesty and integrity in our operations are self-evident to us. UTU is known as a reliable business and partner. We think globally and act locally. We believe in strong business ownership. The long-term development of the family business has lasted for a hundred years – and the next century will follow.



We are agile and systematic at the same time – ensuring our competitive position against global and local competitors. We grow both by developing our current business and by creating new business.

1.3 HSE & Quality Policy at UTU

UTU Oy's business idea is to develop, manufacture and bring to market high-quality products, solutions and services for the needs of the electricity and energy sectors. We want to gain a deep understanding of trends in the electricity and energy sector and the needs of our customer base now and in the future, and develop UTU's products and services to meet them in the best possible way.

UTU's competitive advantage consists of a high-quality and comprehensive range of products and services, in-depth customer understanding, and reliable and flexible operations. Responsibility and sustainability are central to both our products and the way we think and work.

Our strategic goal is stronger growth than market growth, a strong competitive position and active utilisation of new business opportunities. These goals require continuous improvement of current operations, high operational quality and the utilisation of new business opportunities. Employee dedication and customer satisfaction are prerequisites for long-term business development and success.

UTU Oy is committed to continuous development in terms of quality, environmental protection and safety, and we comply with the requirements of ISO 9001, ISO 14001 and ISO 45001

standards, which are part of our management system. We manage our operations responsibly through action plans and development activities. Management and supervisors set an example through their own actions and are committed to involving personnel. We also communicate and involve our stakeholders in this activity.

In accordance with our customer promise, we know how and do. Our staff is our most important asset. UTU employees are committed to meeting legal and stakeholder requirements, reducing safety and health risks, continuous improvement, company development and company values; Customer understanding, cooperation, renewal and strong performance.

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2. SUSTAINABILITY AND SUSTAINABILITY REPORTING

Responsibility management at UTU Oy is based on the company's values, strategy and operating



principles. We are committed to this and want to communicate these advances to our stakeholders as well.

In this reporting, we describe progress and things that have already happened, as well as goals and plans for the future. The report is intended for UTU Oy's internal and external stakeholders.

2.1 Development of operations in 2021 and 2022

We updated our HSE & Quality Policy in early 2022. In our policy, we also highlighted the themes and solutions of responsibility and sustainable development emphasised in the updated strategy. We have identified the carbon footprint of our operations, and related development activities have also been added to the HSEQ action plan. In our responsibility activities, we have gone through the different forms of responsibility in our operations and how we proceed with these with different action plans and development measures.



UTU Oy has actively developed its leadership, operating principles and practices in responsibility, environmental protection, safety and well-being. In its operations, UTU Oy complies with the requirements of international management system standards, which have been certified by the external SGS Fimko (ISO 9001: Quality Management System, ISO 14001: Environmental Management System and ISO 45001: Occupational Health and Safety Management System).

In the following chapters, we will go through the development of operations during 2021 and 2020 in more detail.



3. ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

UTU Oy offers advanced products and solutions to enable the sustainable development of society as a whole. For UTU employees, sustainable development means responsibility in all our operations. We take into account environmental aspects and the needs of our stakeholders in product selection, development and operations all the way to the end of the product's life cycle.

3.1 Environmental aspects

In the environmental assessment, we have identified different aspects of our business operations and operations. Life cycle thinking has been taken into account in the assessment. UTU Oy does not have its own component manufacturing, which is why most of the environmental impacts arise in the supplier field. We aim to influence this through active stakeholder influencing. It is noteworthy that the majority of the product structure is recyclable and thus reusable.

As part of the development of management systems, we have identified environmental aspects that we will develop further. UTU Oy's products are manufactured in their own production facilities in Ulvila. The assembly of products is not energy-intensive, which is why the environmental impact of manufacturing is limited. However, as an active player, we have identified areas for development and achieved important development steps. These are described in the following paragraphs.

3.2 Recycling

The recycling process of UTU Oy's production facilities has been reviewed. Already earlier in 2020, we took as a development project the different fractions of recycling, the correctness of recycling and the competence of our personnel. UTU has actively recycled different waste types in accordance with the requirements. The results of that development project have still remained. However, there was a slight increase in recycling fractions during 2021. When reviewing these, it was possible to conclude that small increases were natural as turnover and the number of personnel increased. In addition, global suppliers' raw material and supply problems caused by the coronavirus pandemic played a role in the background, which is why UTU had to prepare for the procurement of additional spare components in its business continuity and risk management plans in order to ensure customer deliveries.

UTU's recyclable fractions have included: paper and cardboard, plastic film, energy, various metal fractions, wood recycling fractions, mixed waste and, of course, certain hazardous waste requiring separate treatment. There was a slight increase in the amount of hazardous waste in 2021, which was, however, explained by the mill's 5S development project, when unnecessary chemicals were removed from the premises. However, the amount of hazardous substances themselves in the company's activities is very low.



At the beginning of the development project, we held recycling training for the personnel and confirmed the communication of recycling instructions. We have continued these communications by reviewing our recycling meters and reminding them of the correct recycling guidelines. We have been able to permanently reduce the amount of mixed waste by ensuring that other fractions are sorted correctly. However, small changes can be observed in this as production facility development projects have been carried out. Our carbon footprint from recycling has decreased by about 20% compared to two years ago. When compared to three years ago, the carbon footprint has decreased by a third. At the same time, our recycling rate has increased.

In addition, we have reviewed both the use of paper in our operations and printing practices. We identified areas for development in these and have started to reduce printing. Financial and HR administration has already previously developed operations so that the systems mainly operate electronically. Offer calculation moved to paperless practices during 2020, and the reduction of printing in design was developed during 2021. For 2022, we have selected the review of the electrification of customer documentation and the possibilities to reduce logistics and production printouts. So there is still potential for development.



3.3 Energy use

Although we have concluded in our environmental assessment that the manufacture of UTU products itself does not require significant energy, we have not allowed this to hinder our development. Already in 2019, we carried out the renovation of the property's office premises, in connection with which we renewed the property systems. At the turn of 2020, we replaced LED luminaires throughout the property and reviewed factors related to heating and energy use. As a result of these development measures, we were able to significantly reduce our electricity consumption in the property. Compared with 2019, energy use has decreased by over one-third. This is a significant achievement and we have been able to maintain this level.

The heating of UTU Oy's property is carried out with district heat. We are pleased to confirm that district heating will be carried out at a nearby power plant using domestic and renewable raw materials, which is why the environmental impact of this is minimal. As with heating in general, the average winter temperature and frosts have the greatest impact on consumption. However, this development target has also been studied as part of the monitoring of environmental targets, and we have been able to identify development targets and influence consumption.



3.4 Sustainable development

We develop our operations sustainably. The sustainable products and solutions we produce for the needs of the electricity and energy sectors contribute to environmental protection. We take into account the impacts of our own operations and strive to promote the sustainable development of society.

As environmental impacts, we have taken into account water consumption, climate impacts, protection of ecological diversity and emissions impacts. Water consumption in actual logistics and

assembly operations is very low, mainly in the personnel's social facilities. However, we recognize that component manufacturing and various transport operations also have impacts on waterways. We can promote this together as a social actor by complying with requirements and international agreements and by communicating this responsibility to our stakeholders.

We have identified emissions from our operations and we can say that in many respects these are minor and developing positively. In the production operations themselves, emissions are limited. Assembly work is not a significant source of emissions. In our logistics operations, we mainly use electric forklifts, only one outdoor machine currently runs on fuel. We have also gone through this renewal, and in the future we will use an alternative that causes less or zero emissions.

We have also reviewed travel emissions as part of the carbon footprint study. The personnel working in the premises mainly come from the local area, and we encourage commuting exercise. We have renewed our remote working model and increased remote work opportunities. We have tried to reduce travel between different locations by developing remote working practices and remote meetings.

In addition, we have renewed our car policy, and in the future we will also encourage low-carbon alternatives and electric cars to be used by our personnel and during working hours. In addition, we have promoted customer communication through various electronic channels. We still want to serve our customers in the best possible way, and we will do this both remotely and face-to-face, how it best supports the customer's operations.

When assessing emissions from logistics operations and the entire order-supply chain, we have identified factors affecting emissions and how we can influence them in a constructive way. When planning transports, we always strive to maximize the fullest possible transports. This is a cost-effective and at the same time environmentally friendly choice. We mainly use sea and land freight transport from neighbouring areas and Europe, which can be considered a more environmentally friendly alternative compared to, for example, sea freight transport. air cargo.

When developing logistics operations, we also take into account the packaging of components and products. In packaging operations, the aim is to minimise packaging materials. Where possible, we also reuse packaging. In packaging, we recycle and reuse pallets, pallet collars, coils and other packaging units. The amount of packaging has been optimised to ensure that the packaging is safe and protective, while still using as few materials as possible. Packaging materials circulate and are also reused or recycled by suppliers, partners and customers.

3.5 Life cycle thinking & product development

UTU Oy develops, manufactures and launches high-quality products, solutions and services for the needs of the electricity and energy sector. We want to gain a deep understanding of trends in the electricity and energy sector and the needs of our customer base now and in the future, and develop UTU's products and services to meet them in the best possible way.

In the electricity and energy sectors, long product lifetimes are the best proof of sustainability. UTU Oy's products are designed to last for decades. The half-century-old center can still function efficiently and flawlessly. We are part of a supply chain that electrifies society and offers solutions to promote digitalisation and infrastructure.

UTU Oy's product family includes medium-voltage products and transformer substations for the development of society's electricity distribution and infrastructure. So we are involved in that supply chain, ensuring reliable and storm-proof electricity distribution to businesses and consumers when electricity distribution is cabled underground. In this way, the land use of areas, fields and forests can also be replanned and implemented, taking better account of environmental aspects.

Sustainable and long-lasting central solutions provide reliable and safe electricity for both private homes and large property complexes. Our centers meet the most demanding industry standards and are designed with special attention paid to installability. The diverse selection guarantees the selection of a centre that is just right for the intended use, which also contributes to sustainable development. The interchangeability of the components of the switchboards has been ensured with various standard component solutions and joining techniques.



We also offer a comprehensive range of installation accessories, building management solutions and components. These solutions can be used to bring property users optimisation of operations, efficiency adjustment whenever needed, and savings while promoting sustainable development. Our systems related to the use of renewable energy offer opportunities for environmentally and climate-friendly solutions. Battery solutions, backup power systems and uninterruptible power supply solutions provide reliable and uninterruptible electricity.

UTU's product development has contributed to the development of a more comprehensive range of electric vehicle charging. Now our selection ranges from smaller AC charging stations to heavier DC charging stations. With our wide range, we can offer our customers the latest technology for

EV charging, including high-quality charging stations, advanced load management features and a charging management platform.



In addition to product development, we have also developed service solutions in accordance with the principles of sustainable development. UTU has developed a remote condition monitoring service for transformer substations, UTU Vahti, which is used to control the main components of the transformer substation, e.g. the substation. The technical condition of transformers, separators and cable terminals and the condition status of the transformer substation, such as temperature, humidity, bumps and access control, can be monitored remotely via the mobile portal. The condition monitoring data leaving the transformer substation can be sent to the network company's control room and/or to be monitored by UTU's maintenance personnel.

The UTU Guard service product monitors the technical condition of the transformer substation base and aims to detect the failure of a transformer substation component with the help of



abnormal signal values before the actual irreversible fault and the resulting outage and repair costs are realised.

In our product management, we take into account the entire product life cycle. We identify aspects from raw material to final product. An essential part of product development is to identify and develop product materials, their manufacture, components and the entity formed from them. We think about the customer and end user and look ahead to identify future needs and how to respond to them.

A large part of the raw materials and materials in our products contribute to sustainable development through recycling. Different metal fractions are recycled and reused over and over again. Electrical and electronic components are recycled in accordance with the requirements. In the use and development of materials, opportunities to optimize quantities and production methods are discussed. In addition, the products are mainly free of harmful substances or chemicals. Known ones are processed and recycled in accordance with the requirements.

We carry out this development work as one part of the supply chain and actively seek better practices also from our stakeholders. UTU Oy's main component suppliers are internationally renowned pioneers in the electrical industry and have actively developed their operations in a sustainable, environmentally protective and carbon footprint-reducing direction. The manufacturing efficiency, packaging and distribution of the components we use are actively developed while saving energy, climate and the environment.

Recyclable materials and production waste are utilised in the raw materials of the components to minimise the materials by further recycling. Operations have been automated, taking into account safety, the use of facilities and efficiency, and we also take inspiration from these examples for our own operations. Packaging materials and methods have been optimised and automated, and component distribution is planned to optimise efficiency and costs. At the same time, the environment will thank you.

UTU Oy's products can also be used to limit the effects of climate change. Our renewable energy system products for customers contribute to this development. We also offer a comprehensive range of products, such as charging stations for electric cars. We want to promote the transition to electric transport and thereby reduce emissions by offering solutions to society's needs.

4. CARBON FOOTPRINT AT UTU

As part of our HSE development activities, we have mapped UTU Oy's carbon footprint. These have already been partly reviewed as part of this report. The rationale behind mapping the carbon footprint was to identify more of the factors that we can further develop or influence. In the future, our goal is to further reduce our carbon footprint and, as a responsible operator, to participate in the development of society.

When mapping our carbon footprint, we have taken into account the energy use of our properties, emissions from our vehicles and transport services, and the travel of our personnel. In this way, we have reviewed the carbon footprint of our own operations and identified opportunities for its development. The immediate carbon footprint of UTU's operations can be estimated to be quite limited. The heating of the property is carried out with district heat, which is mainly renewable. Reducing emissions from the electricity use of properties is part of society's sustainable development.

In addition, we have identified emissions in the value chain related to the use of our products and processes related to the manufacture of materials and components. However, an important factor here is to take into account the long service life and post-life recycling of the entire product, through which the majority of materials can still be recycled. Reducing the carbon footprint can be solved through the operations of our customers, suppliers and partners and, more broadly, through influencing society as a whole. As part of responsible business operations, UTU Oy is involved in this development work.

We have identified factors affecting our own carbon footprint and formed targets and follow-ups to monitor their development. We are actively developing these and will continue to reduce the carbon footprint of society as a whole with our products.

5. RESPONSIBILITY AND STAKEHOLDERS

For UTU Oy, responsibility and responsibility are part of our operating principles. We are ethical, and responsibility and sustainability are key terms both in our products and in the way we think and work. We take care of our employees and their development. UTU's operations are developed in accordance with the principles of sustainable development in a customer-oriented, active and determined manner. The goal is to be a pioneer in the entire industry.

We have reviewed the entire theme of responsibility and taken into account the different aspects of responsibility. Financial responsibility is self-evident for the company. We comply with legislation and good accounting practices. Social and ethical responsibility is linked to many things and different stakeholders in our operations. Naturally, UTU has development activities related to personnel. We are a responsible employer for our personnel. We collect employee feedback and develop our operations through dedication activities. During 2021, positive developments emerged from engagement surveys.

We develop our personnel and learn from each other together. We demand the best possible performance from ourselves and our colleagues, and we are committed to developing our entire operations together. We also develop our operations through various working groups and trainings. During 2021, we have developed internal reviews and involvement of production team leaders in production planning and operations. We have also continued the development of

managerial work that has already begun. During 2021, we also introduced a new HR system to support personnel management and development. We also take care of the well-being of our personnel and support this in many ways. In well-being, we have supported our personnel by, for example, commissioning well-being analyses so that everyone can identify their own coping and find ways to develop it.

We have further developed the emphasis on occupational safety and well-being in all our operations. This development work was carried out as part of the certification of HSE management systems, and the deepening of the culture continues. We monitor and guide our operations through indicators, and we also actively communicate their progress in regular personnel briefings.

In addition to social responsibility, we have reviewed our product responsibility. UTU's products are durable and of high quality and meet the requirements of standards. In this development work, we have not stood still, but will continue to ensure that changes in electrical industry standards are implemented and that new products comply with the requirements. We carry out development work by testing and verifying the functionality of our products.

We have activated occupational safety and health activities and renewed our action plan to support our development goals. We communicate regularly through various communication channels about safety and well-being and involve our personnel in our operations.



In the employee satisfaction survey, we have achieved a good and above-average level in relation to the benchmark index, i.e. similar companies. In the operational programme for employee engagement, we actively monitor the progress of development targets. We are committed to the goal of 0 accidents and are moving towards that goal. Compared to the industrial sector, our accident frequency monitoring is clearly better, but there is still work to be done on.

At the beginning of 2022, we also made our locations smoke-free areas. For this part of the personnel, even in the difficult well-being goal, we have supported the personnel in cooperation with occupational health care. We also require non-smoking in the areas of our properties from our stakeholders and visitors.

We also adhere to the highest ethical principles in cooperation with various stakeholders. Good governance, social activity and participation are important to UTU. We are active in various organisations and thus also support sustainable development and responsibility in companies and society. For example, we are involved in the Happy Old Age project, through which we support the elderly and young people in society through employment, cooperation and partnership. We have also involved our personnel in charity work through brainstorming.

Suppliers, principals and subcontractors are important partners for us, and we are committed to developing our operations together. As part of the development of HSE management systems, we have reviewed these principles in cooperation with our service providers and committed them to their operations. During 2021, we strengthened the communication of UTU Oy's ethical principles and stakeholder engagement through obligation communications. We will continue this work.

In accordance with UTU's customer promise, we Can & Will – this is also realised in responsibility. We want to be genuine partners for our customers and we are honest and open in everything we do. As a responsible partner, we want to have a deep understanding of the development of the industry and act as a pioneer. We work together to develop our products and services to meet our customers' current and future needs. In this way, we also promote the sustainable development and responsibility of society as a whole.

 **Can and will.**