

# TEKNIKUM

## SUSTAINABILITY REPORT

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# About Teknikum Group

Teknikum Group Ltd operates in polymer technology sector in the Nordic countries. Its sustainable and safe solutions serve European industrial customers. The company has operated under the current name since 1989, when the majority of Nokia Group's technical rubber business was transferred under private holding. At the end of 2022, the Group employed nearly 600 people, and its turnover was approximately EUR 70 million. Teknikum Group Ltd is the parent company of Teknikum Group, which consists of wholly owned subsidiaries Teknikum Ltd in Finland, Teknikum GmbH in Germany Ltd and Teknikum Kft in Hungary. Please visit [www.teknikum.com](http://www.teknikum.com) for more information.

Teknikum products include high quality industrial hoses, moulded products of rubber, plastic and technical foam, rubber lining and services, polyurethane and liquid silicone products, as well as rubber compounds, mats and sheets. Our areas of know-how comprise solutions for wear and corrosion protection, industrial hoses and hose assemblies for handling liquids and other materials, and customer-specific manufacturing of polymer products. Teknikum's values are safety, sustainability and sincerity.

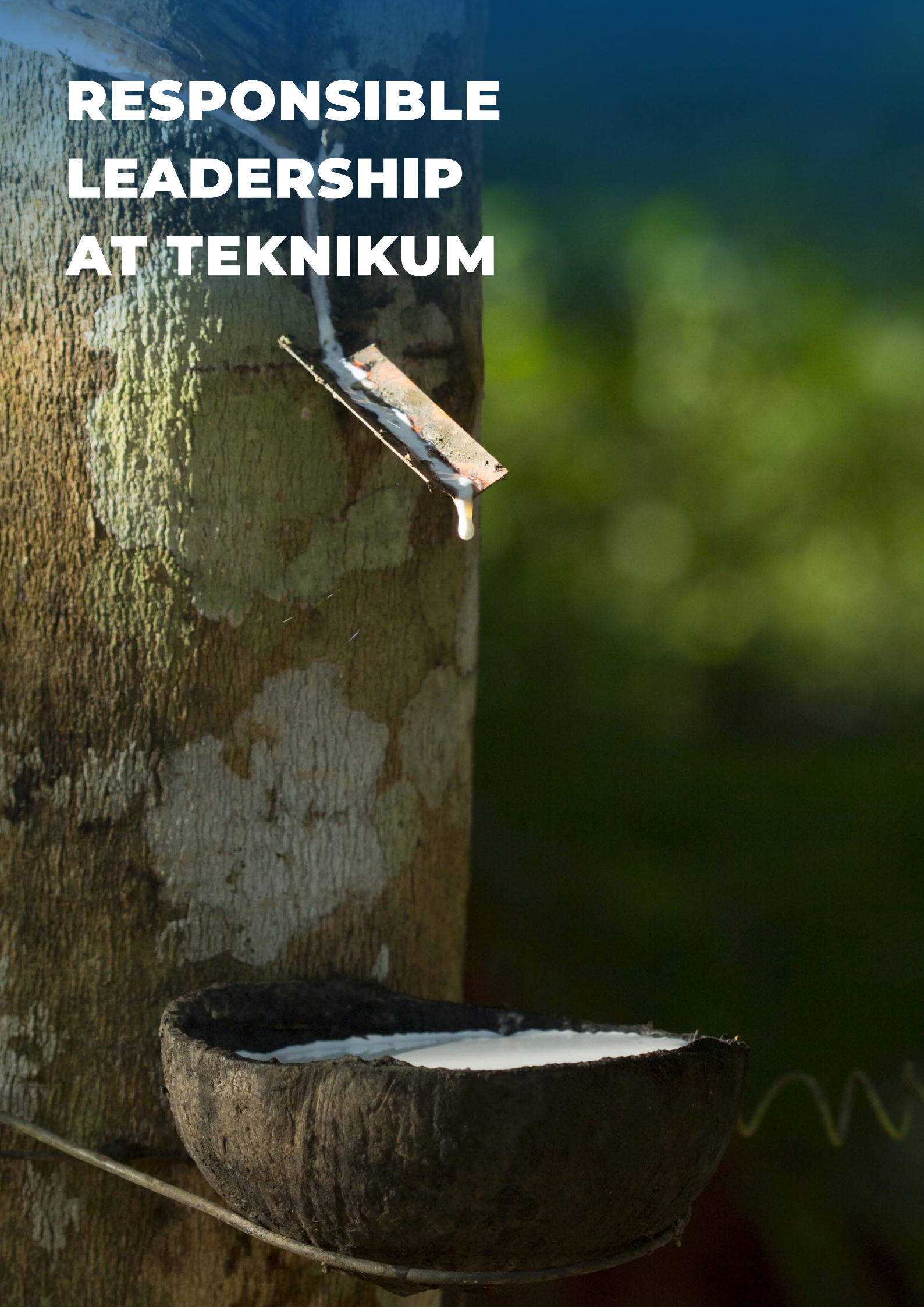
Our own mould design, compound development, and future-proof product and technique development guarantee advanced polymer solutions that meet the demanding customer requirements in various industries.

Yours Sincerely,

**Esko Mäntyharju**

Director HSQE, Teknikum Group

# **RESPONSIBLE LEADERSHIP AT TEKNIKUM**





## Strategy in brief

### Creating solutions together

Globally, Teknikum offers sustainable and eco-friendly polymer products and related services created together with customers and partners in cooperative product development projects.

We value long-term customer relationships and the systematic expansion of our customer base.

## Values

Teknikum Group's values are Safety, Sustainability and Sincerity.

## Mission

To drive sustainability in polymer technology.

## Vision

To be the first choice for our customers and employees.

## Leadership principles

We have defined the governance principles at Teknikum Group. We follow these principles on the board level and in our leadership team.

The main principles:

- Define the rights and responsibilities in relationships between shareholders, the board, the CEO and his direct subordinates.
- Describe the structure of the organization and the methods used to achieve the goals of the company/group.
- Ensure shareholder interests are respected in company and group operations.

The principles cover the decision-making process, practices and structures that help to achieve the set goals. The principles also describe the frameworks where rights and responsibilities are used. In practice, implementing the principles requires everyone working for the group being informed about their area of responsibility and the extent of their decision-making authority and acting accordingly.

The goal of the principles is to stress individual responsibility alongside the importance of acting in concert and quality leadership for a supportive working environment.

The group has convergent quality, environmental, procurement and safety policies as described in the following pages.





## Equal opportunity plan

### General

Employers will promote gender equality in working life in a purposeful and systematic manner. To promote equality in working life, employers will, while taking account of the resources available and other matters affecting the issue:

1. Ensure that both women and men are recruited for open positions
2. Promote the equal placement of women and men in different positions and create equal opportunities for their career development
3. Promote equality between women and men in employment conditions, particularly when it comes to wages
4. Create a suitable working environment for both women and men
5. Facilitate the work-life balance of women and men by paying attention to how work is organized in particular
6. Act to prevent gender-based discrimination

An annual separate review of equality issues is conducted in the leadership team. As a result, possible developmental measures are drawn up.

### Personnel planning and personnel recruitment

Personnel planning and recruitment are used to promote the development of greater equality in the organization. Personnel shall be guaranteed equal opportunities for career development regardless of gender. Personnel receive training to support them in developing their careers. Access to training is made equally available to male and female personnel. Responsibilities and job advertisements will consider how members of both sexes will be recruited for the position.

### Leading and developing personnel

Equality is a natural part of leadership. Company leadership supports and encourages personnel equally to accept responsibility, to develop their career, to seek training, to use comprehensive knowledge and skills, and to achieve great results. Leadership promotes equal opportunities among personnel to participate in planning operations, production and decision-making.

Training and development plans for personnel are designed to support the promotion of equality. When personnel return from family leave and from other long-term leaves, orientation and supplemental training are organized for them.

Supervisors ensure that gender-based harassment or intimidation does not occur at the workplace. There are separate guidelines for what to do should harassment or intimidation occur.

### Pay and how work is organized

When deemed necessary, pay and pay structures will be surveyed and possible factors for differences in pay between women and men for the same or equivalent work will be identified.

The pay system has been developed to promote gender equality by setting pay based on job requirements, the professional success of employees and their results.

When increasing work flexibility, attention must be paid to the effects of how work is organized on equality. Organizing working hours appropriately promotes performance and employee satisfaction. Taking personal needs into account when allocating working hours, improves opportunities for managing the work-life balance for both women and men.

### Personnel participation

Equality is a joint effort and it must be a natural part of all common operations. Ensuring the equal participation of personnel is a prerequisite for promoting equality in working life.

Women and men will have equal opportunities to participate in and influence production and decision-making at all levels. When possible, both women and men will be selected for planning and other similar working groups.

### Working conditions

The working environment will be developed to ensure comprehensive equality. As personnel age, attention will be paid to the wellbeing of personnel, particularly for those doing mental and physical work.

The working conditions of pregnant personnel receive attention.

Work and social spaces, equipment, jobs, uniforms and other provisions will not be barriers to achieving gender equality.

Improving the atmosphere at work promotes the achievement of equality.

### Communication and monitoring

The equality plan is published for personnel through internal newsletters. It is also available from payroll points.

The implementation of the equality plan is monitored by the leadership team.



## Certificates

Our operations are based on different standards and guidelines for the operations system created on their basis. We monitor the effectiveness of our operations system with regular and scheduled internal audits.

We work in line with our documented and certified quality systems:

- The Teknikum plants in Finland have ISO 9001:2015, ISO 14001:2015 and ISO45001:2018 certificates. The certificates were provided by DNV.
- The Teknikum plant in Hungary has quality management system according to ISO 9001: 2015 and ISO14001:2015 and IATF 16949: 2016 standards. The certificates were provided by NQA.

Teknikum factories in Finland have environmental permits by Centre for Economic Development, Transport and the Environment.

## Stakeholders

Our most important stakeholders are customers, suppliers, personnel and shareholders.

Our customers are principally composed of representatives of different industrial sectors. These days, our biggest customer groups are in the mineral technology, railway industry, mechanical engineering and transportation industries, plus resellers in Finland and the rest of the world.

Teknikum Group is a privately-owned enterprise.

Our other stakeholders include investors, insurance firms, universities, the local community and authorities, and other organizations. Collaboration with our stakeholders makes our operations possible.

Teknikum Group is a member of relevant essential and supporting organizations and associations.



# **SUSTAINABILITY MEASURES AND OUTCOMES**





## Financial responsibility

The Teknikum Group follows all relevant national and international laws and regulations, international agreements, and generally accepted governance practices. The ethical principles of the company forbid receiving or offering bribes or being involved in corruption. The company also requires the same from its suppliers, customers, and partners.

## Social responsibility

Social responsibility is based on close and constructive collaboration with all stakeholders.

Social responsibility includes developing the wellbeing and expertise of personnel, respect for human rights, responsibility for products and sustainable operations in collaboration with stakeholders. Social responsibility also includes ensuring the wellbeing of personnel in our own production facilities and for our suppliers, including the absolute prohibition of child labor.

## Ensuring a sustainable delivery chain

In collaboration with our raw material suppliers, we perform risk analyses to, for example, find safe and environmentally friendly chemicals.

The rubber compounds and products produced by Teknikum Group do not contain heavy metals mentioned by the RoHS directive and are REACH compliant.

The rubber compounds do not contain SVCH (Substances of Very High Concern) materials that are on the XIV candidate list of the REACH directive.

We conduct audits of our suppliers. In addition, our basic principle is that we have two suppliers for every part. Suppliers must comply with labor legislation and ILO agreements.

We pack our products in packaging mutually agreed with customers.

We have a contract with The Environmental Register of Packaging PYR LTD with which we register the packaging we use annually. We have received the following statement from them: *The Company handles the recovery of the packaging it brings onto the market in accordance with EU directives, the Waste Act and the decisions and regulations of the Council of State.*

Teknikum takes ambitious climate action with the **Science Based Targets initiative (SBTi)** to reduce emissions according to Paris Agreement.

## Personnel

### Prevention of incidents

We monitor the number of incidents and perform the 5 whys- analysis on each event to determine its root causes. This allows us to improve our occupational safety.

We have also deployed a PRO24 system for registering near-miss events.

### Non-smoking policy

Smoking is not permitted in our factories. There are designated smoking areas outside the facilities. We encourage personnel to quit smoking by supporting the provision of different nicotine replacement therapies in collaboration with the occupation health authorities.

### Improvement suggestions

We have launched an improvement suggestions program that is open to all to collect ideas for developing our operations. This allows us to clearly determine the number of improvement suggestions. When it is open to all, then good practices can be deployed throughout the group.

### Development discussions

We conduct yearly development discussions with all employees.

### Training plan

We draw up a training plan every year. It contains the training needs of personnel stemming from either the company strategy or from feedback received in development discussions.

Guidance on how participating in training is considered in, for example, an employee's career development, is available within the company.

## Feedback channels

Teknikum want to promote an open, transparent operating culture.

### Whistleblow

As a part of ensuring open feedback, Teknikum have introduced a channel for reporting suspected abuse.

The introduction of this channel is based on the so-called EU Whistleblower Directive (EU 2019/1937), which applies to companies with more than 250 people from December 17 2021, and to companies with more than 50 persons from December 17 2023.

The notification channel for suspected abuse, called "First Whistle", is a safe system implemented by an external service provider that operates detached from our own systems. The report can be made electronically and anonymously. The whistleblowing channel provides our customers, employees and other stakeholders a confidential channel for bringing under internal investigation a suspicion of possible misconduct or breach of policy.

The Whistleblowing service used by Teknikum Group operates at <https://www.firstwhistle.fi/teknikum> and you can choose to use it in English, Finnish or Hungarian.

### PRO24

Teknikum have implemented PRO24 system for internal feedback channel. Every employee has opportunity to make observations in the PRO24 system.

### Development discussions

Additionally, every employee has development discussions in yearly basis.

## Absentee rate

We support the wellbeing of our personnel in different ways. For instance, we participate in the cost of leisure-time cultural and exercise opportunities. We have likewise negotiated discounts for personnel with, for example, our healthcare partners. We subsidize meals for our personnel in the factory canteens. In addition, we organize recreational events and personnel have a leisure-time summer cabin at their disposal.

## Marketing accountability

We have adopted new CRM system and our privacy policy is in accordance with Personal Data Act 523/1999 10 § and 24 § and EU General Data Protection Regulation.

Teknikum Group is responsible for processing personal data in Group-level business operations in line with the purposes and legal bases described in this policy, such as marketing, sales, procurement, financial and other

administration, customer and supplier relationship management, as well as the analysis and development of products, services and business operations.

Each Group company is responsible for the processing of personal data in its business operations in line with the purposes and legal bases described in this policy and may use personal data collected by the other Group companies for the same purposes, such as the implementation of agreements between the Group company and its customers and suppliers and the management of its customer and supplier relationships.

## Environmental accountability

Environmental program has been done every year. The environmental programs allow us to chart the different opportunities to improve on reaching our environmental goals.

We minimize the production of waste in production and separate out waste at all our factories. We are also continuously investigating other suitable methods for recycling waste.

### Science Based Target (SBTi)

Teknikum have aligned its climate mitigation targets with the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature: to reach net-zero global emissions by 2050 at the latest in order to limit global warming to 1.5°C.

By signing the commitment letter of Science Based Targets initiative (SBTi), Teknikum organization commits to target the highest level of ambition in the short and long-term: set science-based emissions reduction targets in line with 1.5°C emissions scenarios and the criteria and recommendations of the Science Based Targets initiative.

The SBTi provides us a science-based calculation tool to take our actions even further and a credible way to communicate our progress.

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments. Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change. So far, over 800 companies, representing more than US\$13 trillion in market cap, have responded to the open letter from global leaders, and signed the Business Ambition for 1.5°C commitment.



## Environmental Product Declaration (EPD)

Teknikum's TEKNICROSS® Rubber Level Crossing element system received Environmental Product Declaration (EPD) as First in the Industry.

An Environmental Product Declaration (EPD) is an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products in a credible way. The International EPD® System is a global programme for environmental declarations, rooted in the Nordics dealing with regional environmental challenges since 1998. As of today, +400 organisations from almost 50 countries publish their EPDs via the programme.

The International EPD System is owned and operated by EPD International AB. The program is operated in accordance with a.o. ISO 14025, ISO/TS14027, ISO 14040, ISO 14044 and ISO/TS14067. For construction products, EPD programme also complies with the European standard EN 15804 (A1 and A2) as well as ISO 21930.

## Energy consumption

We pay attention to reducing energy consumption. For example, lighting has been improved with modern LED lightning that use less electricity.

## Water consumption

We have been able to greatly reduce water consumption by building internal water circulation systems, for example in the Vammala factory.

## Responsibility in relation to the products

The rubber compounds used in our products come from our Kerava factory.

Teknikum have stressed the removal of harmful substances from rubber recipes in our product development. Teknikum avoids the usage of any SVCH substances on the XIV candidate list of the REACH directive. In addition, automobile industry customers, for example, have already created so-called black and gray lists with the names of banned and harmful substances for years. We work in line with these requirements and make continues improvement of our rubber compounds according to our company values (Safety, Sustainability, Sincerity).

We monitor the quality level of our products with different tests and documented guidance of operations system.

We regularly conduct product audits and random checks. Based on these results, we can plan corrective measures.

We plan our products and the materials we use in a responsible manner, considering the life cycle desired by our customers. We are also mindful about conserving materials in the entire life cycle of a product when designing it.





An aerial photograph showing a vast, dense forest of green trees. A large, calm lake or reservoir is situated in the upper half of the image, reflecting the sky and surrounding greenery. The forest extends to the edges of the water, with several small islands and peninsulas visible. The lighting suggests a bright, sunny day, with the sun low in the sky, creating a warm glow over the landscape.

Safety. Sustainability. Sincerity.

**TEKNIKUM**