



SMART production

# Sustainability report 2023



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## MANAGING DIRECTOR'S REVIEW

MTC Flextek has evolved into its present form over the past ten years, although our company's roots go back more than 100 years. As a member of a larger group of companies and a family-owned enterprise, our operations are driven by core values such as customer understanding, trust, and cooperation. We are dedicated to integrating sustainability into our strategy and operational frameworks. In recent years, we have started to pursue sustainability initiatives from our company's standpoint. Now, in spring 2024, we have reached a point where we are ready to release our first sustainability report.

### REVIEW OF 2023

Sustainability has gained increasing importance in the metal and plastic industries, where MTC Flextek is particularly active, and we expect this trend to become more pronounced in the coming years. The energy crisis that occurred just over a year ago emphasized the significance of energy consumption and its management. With this in mind, we have developed our offering, focusing on energy efficiency, ergonomics, occupational safety and usability.

In 2023, our efforts were concentrated on the basics in relation to the environment, social impacts and business sustainability. We paid attention to energy consumption at our premises, invested in the development of our personnel's skills, and established a code of conduct. Additionally, we dedicated human resources to drive sustainability matters forward in our company.

We will continue our sustainability work, by small but significant steps. Our goals for 2024 include adopting strategic sustainability targets, calculating emissions, and developing a roadmap for emission reduction. While our business activities rely heavily on our partners' sustainable research and development efforts, our internal focus is on embracing new digital opportunities and integrating sustainability into our business strategy. Over the coming years, we aim to strengthen our operations across all sustainability focus areas. We will use data from 2025 to prepare our first CSRD-compliant sustainability report in spring 2026.

Our personnel have been open-minded in welcoming a sustainability perspective on their work. They have begun taking the themes into account in many ways throughout the organization and have brought forward their thoughts and suggestions for improvements from the standpoint of their work. This is highly valuable and helps us implement corporate responsibility in our everyday activities.

**Tomi Tiitola**  
Managing Director  
MTC Flextek Oy Ab



## INTRODUCING MTC FLEXTEK

MTC Flextek is a leading solution provider specializing in metalworking and plastic injection-molding machines, machine accessories, robotic automation, and their integration into system entities. Our company also has service and maintenance businesses supporting these activities.

We specialize in industrial solutions and services that enable our customers to maintain and enhance their industrial production and business productivity. Our service quality is founded on our wealth of experience, continually evolving expertise, and the opportunities enabled by technology.

With over 60 experts serving customers across seven locations in Finland, we offer comprehensive services from project management and design to installation, training, and maintenance.

We represent global partners in Finland and have a longstanding history of cooperation with them. Our partners include Okuma (Japan), FANUC (Japan), Absolent (Sweden), Ibarma (Spain), Soraluce (Spain), Goodway (Taiwan), Hartford (Taiwan), Kasto (Germany), Ecoroll (Germany), and Breuning Irco (Germany).



## YEAR 2023

**EUR 18.2 million**  
net sales

**62**  
average number of employees

**30.3**  
total recordable injury frequency (TRIF)



**47**  
eNPS

**60**  
NPS deliveries

**88**  
NPS services



**53**  
projects delivered

**441**  
well-maintained machine tool and robot

## OUR VALUES



### TRUST

We deliver on our promises and joint pledges



### COOPERATION

Success comes from working together



### CUSTOMER UNDERSTANDING

Customer understanding that makes anything possible

## OUR SUSTAINABILITY REPORT

This is MTC Flextek's first sustainability report, marking the beginning of a new step on our sustainability journey. We aim to offer a transparent overview of our sustainability targets, plans and impacts. This report describes our sustainability achievements over the past year and outlines our future efforts. It also serves as a channel for communicating our sustainability progress and targets to our stakeholders.



### REPORTING FRAMEWORK

We are dedicated to advancing our sustainability reporting efforts. Our first sustainability publication under the Corporate Sustainability Reporting Directive (CSRD) is scheduled for 2026. Until then, we will work to bring our reporting in line with the CSRD's requirements.



### QUALITY ASSURANCE/AUDIT

The Board of Directors is responsible for reviewing and approving the sustainability report.



### MATERIALITY

We analyze the main impacts, risks and opportunities of our business based on a materiality assessment. We initiated the use of a double materiality assessment at the end of 2023.



## SUSTAINABILITY STRATEGY

### SUSTAINABILITY NOW AND IN THE FUTURE

Responsibility and sustainability are overarching themes in our business, guided by the sustainability principles passed down by our owners. We aim to identify the areas of corporate responsibility that are relevant to our business and make tangible and measurable improvements in them. While our sustainability journey is in its early stages, we have already begun taking action. This includes evaluating the current state of our ESG activities, defining the value chain from sustainability perspective and establishing a steering group to track our progress.

By the end of 2023, we initiated a double materiality assessment to identify the main impacts of our operations, as well as the risks and opportunities embedded in them. Additionally, we commit to publishing an annual sustainability report to describe the progress of our sustainability actions.

As the public's focus on sustainability continues to grow, driven by legislative measures and various international agreements and frameworks, our goal is to effectively communicate and report on ESG matters in a comparable way. This entails providing stakeholders with important information they need.

### SUSTAINABILITY MANAGEMENT

Our owners' corporate responsibility principles provide a framework for our operations, and the Board of Directors specifies long-term targets accordingly. MTC Flextek's sustainability work is based on the company's values and the Code of Conduct approved by the Board of Directors. Progress on sustainability matters is reported to the Board of Directors.

The Managing Director and other members of the Management Team approve the key sustainability plans, decide on the action to take and monitor the progress of sustainability matters and the realization of targets.

A Corporate Responsibility Steering Group composed of key personnel was set up in 2023 to promote practical action on ESG matters. The steering group meets monthly and is responsible for planning, implementing and monitoring the corporate responsibility programme and communicating with the Management Team regularly.

### FOCUS AREAS

The environmental impact of our operations, our social responsibility, and ethical business are at the heart of our sustainability work.



ENVIRONMENT

Identifying the environmental impacts of our operations and mitigating the negative impacts



SOCIAL  
IMPACTS

Wellbeing, safety and rights of personnel



BUSINESS

Ethical business conduct

# SUSTAINABILITY STRATEGY

## VALUE CHAIN

We have analysed the environmental impacts and human rights risks of our operations throughout our value chain, from raw material sourcing to machine or system installation. The source data for this analysis was obtained from suppliers' sustainability publications, research and industry reports. In the future, we want to be able to verify that our supply chain and suppliers are responsible in as much detail as possible. We will continue with this analysis in 2024.



Chart 1: Description of the value chain.

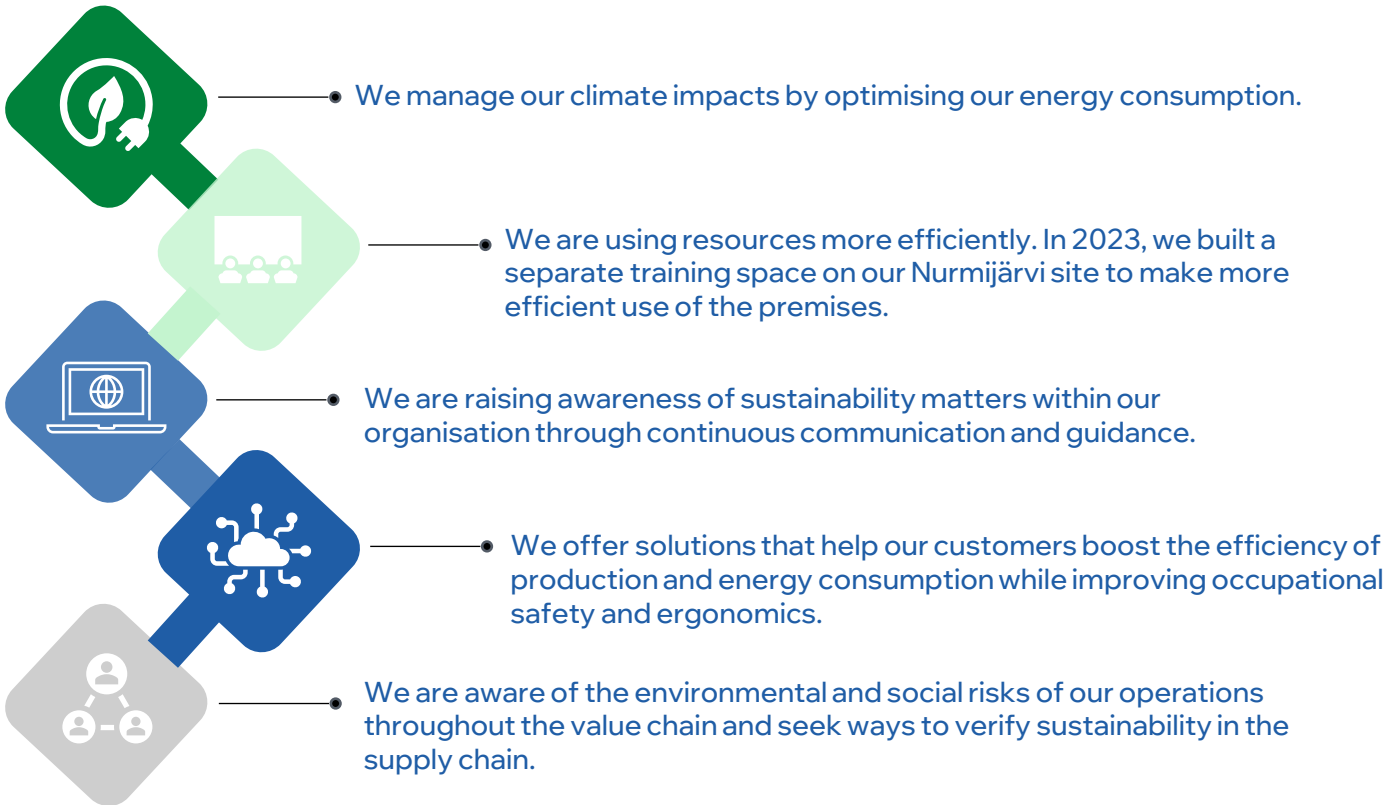
## OUR PARTNERS' RESPONSIBILITY

We collaborate closely with top equipment manufacturers globally, all of whom prioritize sustainable development. In 2023, we studied our partners' sustainability publications and plans, alongside Reliable Partner reports and data published by the companies. We want to understand the operations of our supply chain and ensure we share common corporate responsibility values. We are creating guidelines based on our value chain and ESG definitions that new suppliers must sign to confirm their cooperation.



## ENVIRONMENT

Ecological sustainability can only be achieved by knowing the environmental impacts of business. Our corporate responsibility measures are based on optimizing our energy consumption, drawing up a climate plan, and improving the efficiency of our waste management process. In spring 2024, we will calculate the direct emissions of our operations, following the GHG Protocol guidelines. These emissions, known as Scope 1 and Scope 2, are caused by the fuel consumption of our vehicles and the consumption of electricity and heating on our business premises. This evaluation is carried out under the Finland Chamber of Commerce's Climate Program and will enable us to calculate our carbon footprint and develop a roadmap to reduce emissions.





## ENVIRONMENT

### ENERGY

Our total energy consumption in 2023 was 190.5 MWh, consisting mainly of the electricity and heating consumed in our business premises. Nearly all of the electricity (98%) we directly purchase is from CO<sub>2</sub>-free sources, including nuclear power and renewable energy sources such as wind, hydro, and solar energy. The heating energy consists of district heating and renewable geothermal heat.

We have made active changes to regulate heat consumption and curb energy consumption. In 2023, we replaced the fluorescent tube lighting at our Nurmijärvi site with LED lights, which reduced electricity consumption by about 20%. We intend to further upgrade our lighting systems this year. Additionally, we optimized heating energy consumption by lowering the average temperature at our Nurmijärvi premises during evenings and weekends, leading to an overall reduction in energy usage.

### CIRCULAR ECONOMY

During 2023, the total waste generated amounted to just under 11,000 kg, with approximately 43% of it being recyclable material. The majority of the waste generated as a consequence of our operations is mixed waste and construction waste. Last year, more than 3,600 kg of such waste was generated when our workshops were cleaned. A large volume of scrap metal was also cleaned out and recycled, raising the company's overall recycling rate. Our goal going forward is to reduce mixed waste while increasing the proportion of reusable materials.

Recyclable materials mainly include cardboard, paper, and waste from electrical and electronic equipment. A considerable portion of the waste comes from packaging materials, which we aim to reuse whenever possible. We plan to reduce packaging waste through careful planning before ordering, to minimize waste generation. Additionally, we carry the producer's responsibility for the disposal and reuse of packaging materials and batteries.

Hazardous waste resulting from our operations includes various types of sludge and emulsion generated during maintenance and installation activities. However, the quantity of such waste generated on our premises is negligible.

Electricity and heating (MWh)

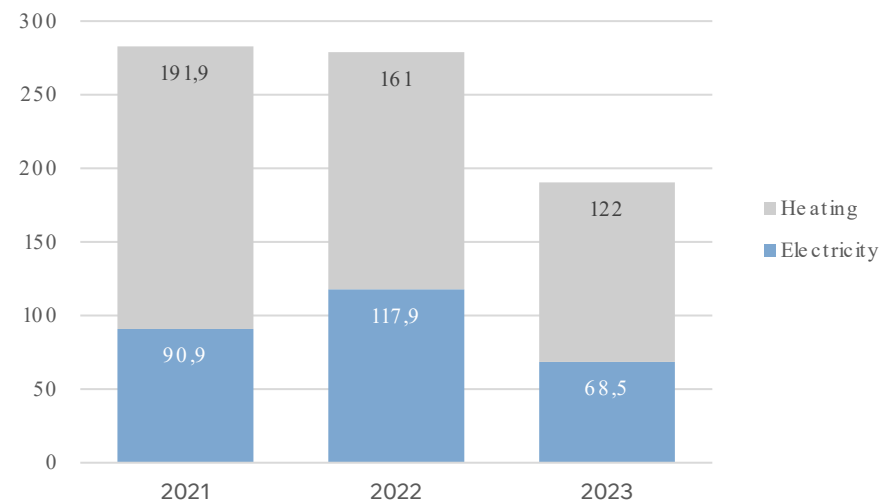


Chart 2: Energy consumed by electricity and heating. We have analysed the electricity and heat consumption of all our business premises.

Waste treatment (kg)

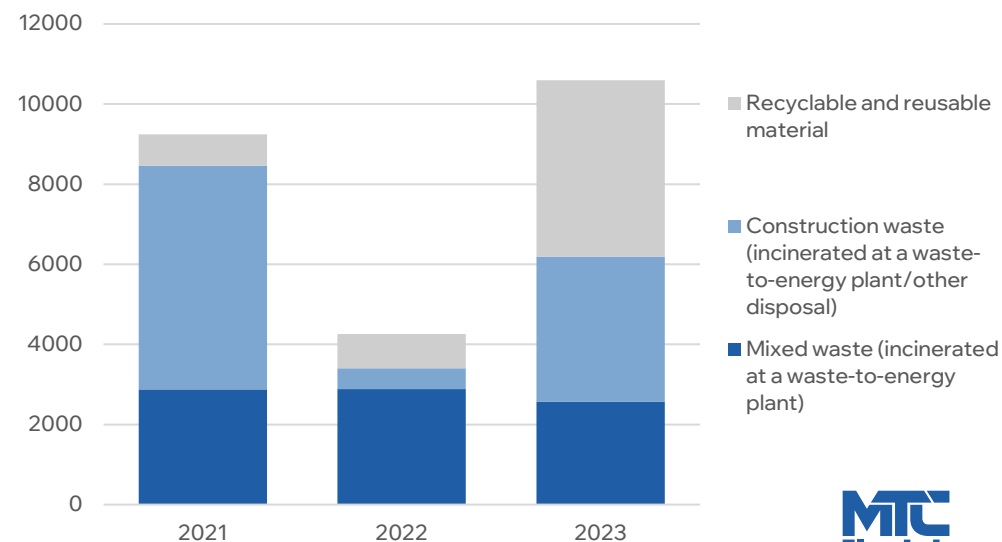
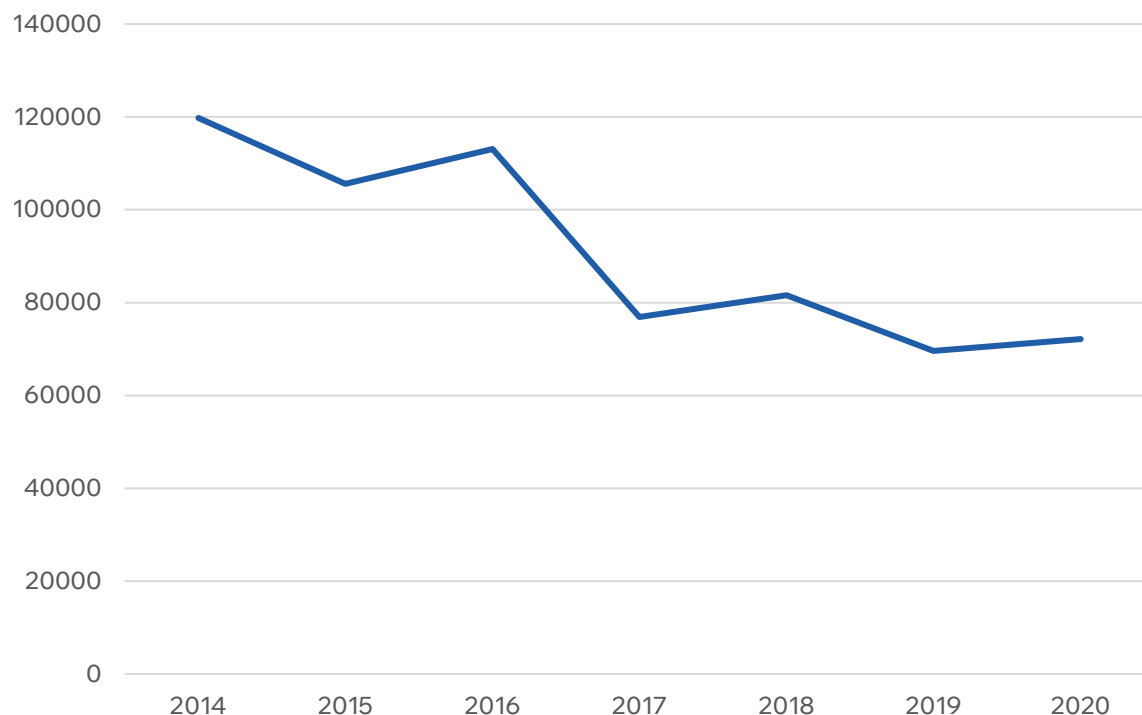


Chart 3: Waste treatment

## How Absolent solutions affected the use of district heating

Heat consumption per year (kWh)



[Absolent solutions](#) →

[Lapinlahden koneistus](#) →

## CASE STUDY

# Lapinlahden koneistus: Absolent solutions lead to savings

Lapinlahden Koneistus is a family company that stands out among machining businesses thanks to its innovative operating methods and strong roots. The company focuses on understanding customer needs and offering smooth service and cost efficiency. They are committed to self-development, working with their customers and partners to become a significant expert in the machining industry. People are at the heart of the company's operations, and the community emphasises growth, competence and quality.

Five years ago, two Absolent A•mist 40TF emulsion mist filter systems were installed in the workshop to purify the exhaust air from the machining tools. In the past, the air polluted by machining work was directed out of the building, meaning that the heat generated by the machines was wasted. In late 2016, the company began harnessing this heat to warm up its premises, directing purified air into approximately 1,000 m<sup>2</sup> of premises for the first time. Since then, the heat has been used to warm the building in the winter. They have cut their annual district heating consumption by approximately 30 per cent compared with 2016.

Air purification also has other benefits, such as healthier indoor air and cleaner work spaces, as there are no more airborne dirt particles to settle on surfaces around the workshop.

## PEOPLE

At MTC Flextek, people are our top priority. Our objective is to build a workplace that is both desirable and respected. We aim to achieve this by promoting responsible management practices, ensuring a safe working environment and prioritizing the wellbeing and professional development of our personnel.

### PERSONNEL

MTC Flextek employed 62 individuals with an average age of 46. No major changes have occurred in our employee count in recent years. Our personnel are divided into sales, projects, administration, and service teams, and our operations are spread across seven locations in Finland.

Subcontracting is utilized in our business when necessary, particularly in electrical and automation engineering, which forms a standardized aspect of our project work. Annually, our Management Team approves the principles for using subcontractors.

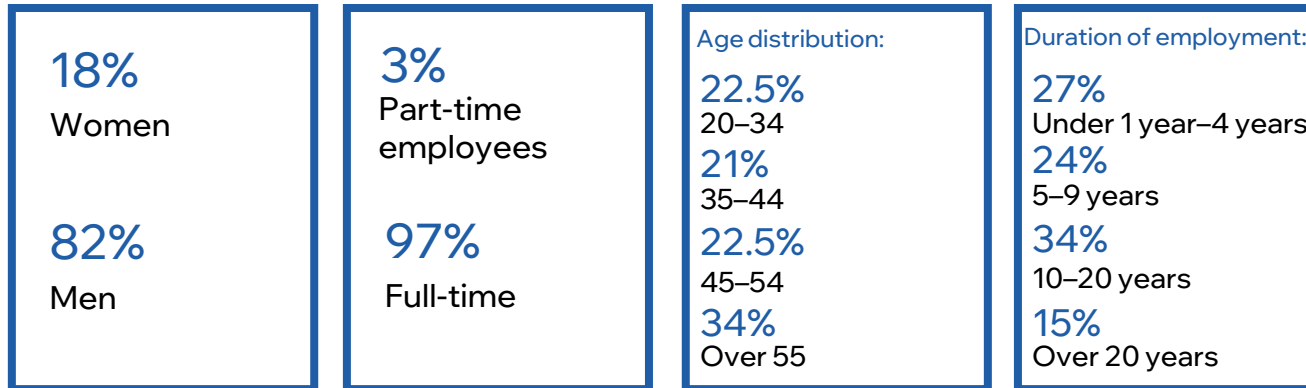


Chart 4: Key personnel figures



## PEOPLE

### OCCUPATIONAL SAFETY AND WELLBEING

We ensure a safe working environment through comprehensive instructions, effective training, and high-quality tools. Our occupational health and safety committee regularly meets to assess training needs, monitor hazards and review orientation practices, all of which are aspects of our occupational health and safety action plan. The primary occupational safety metric used is the total recordable injury frequency (TRIF), indicating the number of occupational accidents per million hours worked. In 2023, the TRIF stood at 30.3. Our ultimate goal is to prevent occupational accidents altogether.

The number of absences due to sick leave decreased in 2023, resulting in a sick leave absence rate of 1.31%. This marks a reduction from the corresponding rate of 1.8% in 2022. Our occupational health action plan is reviewed and updated annually, with a focus on preventing risks to employees' working capacity and enhancing the early support model.

To prioritize the health and wellbeing of our employees, we collaborate with occupational health partners, safety committee, supervisors and personnel. We use a Healthy Workplace model to manage the load factors identified in our work and boost the working capacity of individuals and the functional capacity of our community. This is accomplished through health checks, consideration of occupational safety and ergonomics, early identification of disability risks and management that enhances working capacity. We help our personnel cope with their work by providing occupational health services, using an early support model and offering cultural or wellbeing benefits to incentivize positive lifestyles and coping, both at work and in leisure time. One example of this is the bike benefit we launched in 2023 in response to requests from our personnel.

We help employees reconcile their working lives and private lives by offering flexible working solutions that take into account the varying life phases of our personnel. Where possible, personnel have access to flexible working hours and remote working opportunities. The personnel survey revealed that these are important factors for employees. If necessary, we have also adjusted employees' working hours to accommodate their wishes. For example, we have enabled working hours of 60–80% of the normal hours. We encourage employees to take family leave, and the use of such leave has risen slightly over the past few years.

We conduct an annual job satisfaction survey among our personnel. We use the results to decide what action to take to support our employees' wellbeing.

#### Job satisfaction in 2023:

- 47 eNPS
- 8.3 average on a scale from 1 to 10



Chart 5: Key figures for occupational accidents and absences due to illness

## PEOPLE

### SKILLS AND TRAINING

The personnel development plans and targets are examined in the work community development plan, which is updated annually. In 2021, we established our company's strategy and shared values. Subsequently, in 2022, we initiated a project to develop our company's strategic capabilities. As part of this project, we identified the expertise needed at MTC Flextek. We conduct personnel development appraisals twice a year to monitor progress towards the targets. The appraisals also include an employee-specific competence analysis.

We encourage our personnel to enhance their professional skills and competences. In 2023, we accrued a total of 84 full days of training, including online and contact training. Moving forward, we aim to further increase the amount of training days. We follow a 70-20-10 model, where 70% of learning is achieved through hands-on experience, 20% through knowledge sharing, and 10% through formal courses and training sessions. To ensure alignment with individual employee goals and our company's strategy, employees and supervisors collaborate on drafting a training plan for the upcoming year. This plan takes into account the employee's wishes and targets, as well as our company's strategy.

Changes in legislation and, for example, regulations and standards affecting product safety create a need for ongoing training. This type of training is distinct from the regular development plans focusing on strategic capabilities. At the same time, we have provided training to ensure we have a sufficient number and range of operating permits and certifications. An HR management system helps to keep these up to date, providing an alert when a permit is about to expire.

In our service and robotics businesses, electrical work permits are essential for customer projects. Our administrative team regularly assesses the necessity for training to address any changes in legislation affecting these permits.



## PEOPLE

### EQUALITY IN THE WORK COMMUNITY

We aim to be a workplace where every employee has equal opportunities to succeed and grow professionally, and where everyone treats each other with respect. The equality plans are reviewed and updated annually.

We prioritize equal treatment for all individuals in all aspects of our operations, regardless of gender, age, or any other personal characteristics. Our focus on equality extends across HR planning, management and development, as well as compensation, terms of employment and family leave. Through our twice-yearly competence analysis, each employee evaluates their actions concerning cooperation and equality.

At MTC Flextek, we have zero-tolerance policy towards discrimination and harassment of any kind. Any such incidents are promptly addressed and dealt with accordingly.

The work performed should be compensated fairly. Most of our employees are covered by national collective agreements, guaranteeing alignment of their compensation with these agreements. Regardless of gender, we conduct annual job-specific pay surveys to uphold fairness and our company's pay scales are determined based on the job requirement grade. All personnel members have equal access to fringe benefits, ensuring consistency across the organization.



## CASE STUDY

## Strategic capabilities

Hanken & SSE and MTC Flextek executed a project focusing on business-oriented competence management. The project introduced a common language and tangible management tools to build competitive advantage for the future.

The project began in 2022 and has included two phases. The first phase involved defining the company's strategic capabilities, company-level action plans and responsibilities in the Management Team. The expertise that enables the capabilities was defined during workshops with supervisors and key personnel. Work was also done to create a vision of the type of management required to achieve the capabilities.

The second phase involved drafting processes to put the capabilities and expertise into practice. Tangible tools were used for this, including competence analyses based on capabilities and development plans for teams and individuals.

Discussing capabilities and competences has now become an ordinary part of every personnel event at MTC Flextek. The discussions begin with a reminder of the board in the room where the company's strategy, capabilities and values are combined with its pledge to customers. The personnel have welcomed the development work. The competence perspective has enabled a new type of discussion of the strategy, and the employees have found the individual competence analyses useful.

[Hankensse.fi](https://hankensse.fi)



## CORPORATE GOVERNANCE

Doing the right thing is at the heart of all our business. We are committed to operating in line with good business practice, with integrity and respect for others. We also hold our partners to the same expectations. Our commitment includes strict adherence to laws, regulations, and our Code of Conduct, which is based on our core values and company guidelines. The Code of Conduct binds all MTC Flextek personnel, managers, Board members and everyone else acting on our company's behalf.

### ADMINISTRATION

MTC Flextek's Board of Directors has four ordinary members, all of whom are men. In addition to the Board members, the Managing Director and Finance Director also attend Board meetings.

The Management Team consists of the Managing Director, Finance Director, Delivery Process Director and Service Manager. Three of them are men and one is a woman. The Management Team hold meetings monthly, with sustainability being a recurring item on the annual agenda. This enables monitoring of the progress towards ESG targets at the management level.

In 2023, nine persons worked in supervisory roles, of whom 33% were women and 66% were men.

### INTERNAL CONTROL AND RISK MANAGEMENT

The Machinery and Robotics project business carries the technical and commercial risks associated with normal deliveries. Risks of this type are managed using the company's internal audit process.

In addition, the company prepares a more detailed risk assessment of its entire business, including action plans. The risk assessment is approved by the Board of Directors and reviewed annually.

The company has built operating instructions and controls to protect itself against the identified risks. However, in 2024, the emphasis is on enhancing internal control measures even further.

## ORGANISATION 2023

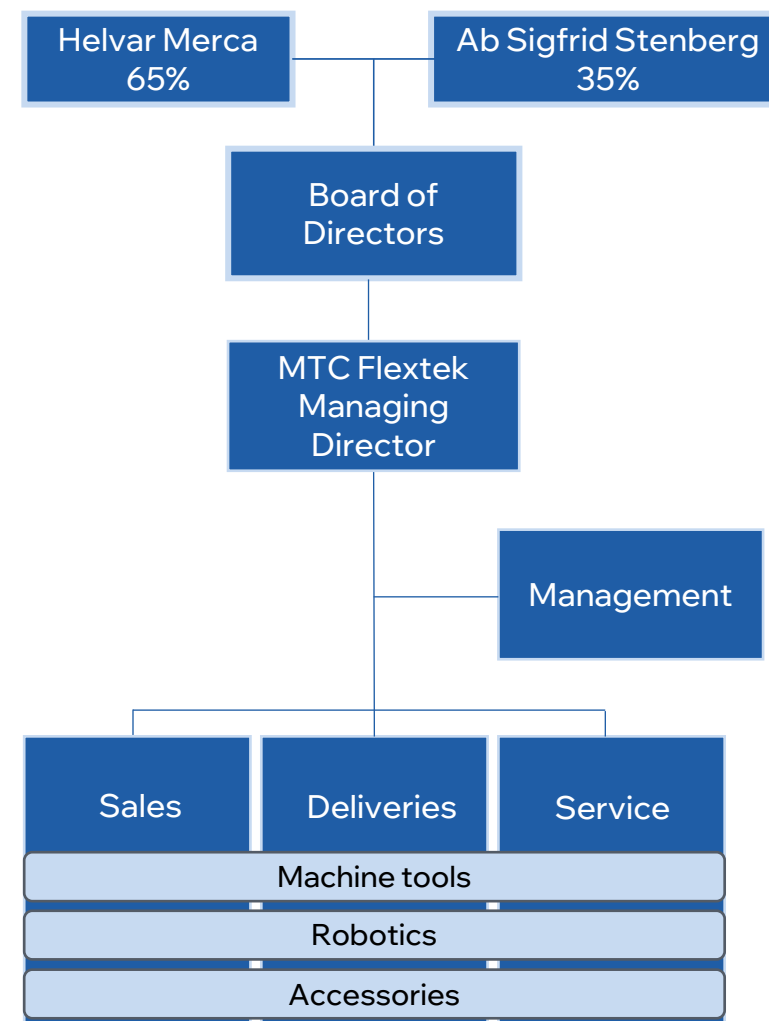


Chart 6: Organisational chart



## CORPORATE GOVERNANCE

### CODE OF CONDUCT

In 2023, we established MTC Flextek's Code of Conduct, which received approval from the Board of Directors. The Code of Conduct defines our commitment to conducting business ethically and sustainably and follow principles based on our values in our day-to-day work. The Code of Conduct was presented to our entire organization during a personnel day with a sustainability theme. The Code of Conduct can be found on our website.

In 2023, no cases of unlawful activity, corruption or bribery emerged at MTC Flextek in 2023.

[Code of Conduct](#)



### REPORTING CONCERNS

In order for us to do the right thing, it's crucial we do not hesitate to voice any concerns we may have. This allows us to take appropriate action. For this purpose, we use a whistleblowing channel that makes it easy for suspected misconduct or concerns to be reported anonymously. All reports submitted in the whistleblowing channel are processed thoroughly, and the related correspondence is confidential whenever possible. All violations of the Code of Conduct are investigated thoroughly and could lead to internal disciplinary measures or even dismissal. Instances of illegal activity are reported to the authorities without exception.

In 2023, no violations of the Code of Conduct were reported via our whistleblowing channel.

## ETHICAL GUIDELINES – CODE OF CONDUCT

### Laws and regulations



We comply with laws and the Code of Conduct



We are committed to fair competition and we are fair



We comply with international sanctions

### Integrity



We do not accept corruption or bribery



We avoid conflicts of interest



We respect confidentiality and privacy

### Responsibility and people



We treat everyone equally



We promote occupational health and safety



We operate sustainably



## CASE STUDY

# Sustainability in practice

## Information security and data management at MTC Flextek

Responsible information management is an integral part of the business, and its importance is increasing as digitalisation progresses. At MTC Flextek, we continuously invest in maintaining and developing information security. This ensures the security of our partners' data and our processes. Our activities are based on the EU General Data Protection Regulation (GDPR) requirements, comprehensive technical information security and risk management based on a diverse range of protections. All cyber attack threats and significant incidents are reported and processed in accordance with our information security strategy.

We have an information security guide covering our entire organization and including the latest information. The guide specifies our joint policies and basic guidelines for using technology securely, identifying information security threats, and using software. Since 2021, we have used a Kyberoppi online training course to develop the company's information security expertise. Every employee completes Kyberoppi modules, which are published regularly. The training will continue in 2024.

In summer 2023, we completed our transition to the SharePoint platform, which enables more efficient and secure information management thanks to detailed user group definitions. In 2024, we will introduce a new information management system (IMS) to centralise document management and describe internal processes. The IMS will harmonise the guidelines and document circulation, strengthening the process for keeping them up to date and more effective controls. It will also lay the foundation for building an environmental and quality management system.

## DATA

Content to be reported	Location in report	Additional information
<b>General</b>		
Sustainability management	Sustainability management, p. 6	
Strategy	Sustainability now and in the future, p. 6	
Materiality	Sustainability now and in the future, p. 6	<i>The materiality assessment will be completed in spring 2024</i>
Value chain	Value chain, p. 7	Chart 1: Description of the value chain, p. 7
<b>Environment</b>		
Energy consumption	Energy, p. 9	Chart 2: Energy consumed by electricity and heating, p. 9
Waste treatment and recycling	Circular economy, p. 9	Chart 3: Waste treatment, p. 9
<b>Personnel</b>		
Equality among personnel and management	Personnel, p. 11; Equality in the work community, p. 14	Chart 4: Key personnel figures, p. 11
Occupational health and coping at work	Wellbeing and occupational safety, p. 12	Chart 5: Key figures for occupational accidents and absences due to illness
Occupational safety and accidents	Wellbeing and occupational safety, p. 12	Chart 5: Key figures for occupational accidents and absences due to illness
Work/life balance	Wellbeing and occupational safety, p. 12	
Training and development	Skills and training, p. 13	
<b>Business</b>		
Organisational structure and governance	Administration, p. 16	Chart 6: Organisational chart
Corporate culture and business practices	Code of Conduct; reporting concerns, p. 17	<i>The Board of Directors approved the Code of Conduct in 2023</i>
Confirmed cases of corruption and bribery	Reporting concerns, p. 17	<i>No reported cases of corruption or bribery in 2023</i>



“Success is built on trust, customer understanding and cooperation.”

We keep you in business!



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