



Terra Patris

**SUSTAINABILITY REPORT**  
**2022-2024**





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## TERRA PATRIS OY



### Terra Patris – Multisectoral industrial group

Terra Patris is a Finnish family-owned business with roots firmly planted in Finnish industry. Our main business areas are boat building, contract manufacturing and the earthmoving and firewood processor industries. Our group's subsidiaries are Finnmaster Boats Oy, Movax, TP Silva Oy and Metalpower Oy.

We at Terra Patris believe that our strong proprietary products, continuous product development and expert staff enable profitable business now and in the future. All of our subsidiaries have strong growth potential and the capabilities for international success, which is why international growth is at the core of our operations.

Our company currently employs almost 500 people. We believe that together we can build Terra Patris into an even more prominent and international industrial group and continue to create jobs and economic growth in Finland. We are committed to the sustainable development of our business operations.

This is Terra Patris' first sustainability report for 2022–2024. It highlights the starting points and main themes of our sustainability efforts: a health and safe work community as a resource, responsible and growing business from a customer-specific perspective and environmentally conscious solutions. We have set separate goals for every sustainability theme, which we use to develop our operations towards increased sustainability.



## STARTING POINTS FOR SUSTAINABILITY

### Operating environment

Terra Patris is a multisectoral group in the manufacturing industry. We focus on meaningful products and brands that have a growing international demand.

We pay special attention to ensuring a safe environment for our own operations and the use of our products. It is also important to us that our operations are socially responsible and meet the high standards that we set for them in Finland and abroad.

As a product manufacturer, many questions related to energy and the environment are very important to us, and we want to be among the leading manufacturers of sustainable and responsible products.

We have defined the most important sustainability perspectives by analysing how essential they are and have identified the impacts of our operations in terms of their environmental, social and corporate governance (ESG) aspects. Our sustainability efforts are built around these viewpoints that have been identified at various stages of our value chain.

### PRODUCT DEVELOPMENT

First-rate **product safety** is at the core of our product development. **Material and energy solutions to reduce emissions** are also important in this phase of the value chain. Through high-quality material and component choices, we can ensure a long life for our products.

### TRANSPORT AND SALES

Fair business operations and their documentation are most important in this phase of our value chain. Achieving **financial profit and paying taxes** is an operational prerequisite for every business. We register every deal we make in detail and ensure the clarity of our documentation and communications. Efficient and optimised logistics affect **the environmental impacts directly caused by the supply chain**.



### PROCUREMENT

We primarily conduct procurement in the EU area. By purchasing our materials from locations that are as near as possible, we **reduce the environmental impacts of our supply chain**. Through **fair and financially sound business operations**, we also support our subsidiaries. Moreover, by **increasing sustainability data**, we can influence the sustainability of the entire supply chain.

### PRODUCTION

In the production phase we emphasize local operations as well as **occupational health and safety**. In the future, we will pay closer attention to occupational safety on an international scale. **Employee satisfaction** and equal opportunities for everyone to **develop their competence** are important to us, as are the employment-increasing impacts of our activities. **Environmental energy solutions** and **the circular economy** are other important aspects in our production.

### CUSTOMERS

**Customer satisfaction and the customer benefit provided by our services** are important to us, which is evident in our product development, for example. We adhere to our corporate customers' ethical codes of conduct and ensure the **high quality and safety of our products**. Our customers rely on our delivery reliability and **the openness and clarity of our communications**.





## STARTING POINTS FOR SUSTAINABILITY

Megatrends affecting the operations

Social developments over long spans of time can be assessed by means of global forces of change, i.e. megatrends. Even though the impacts of megatrends on our operations are difficult to fully predict, it is wise to try to anticipate them.

Terra Patris strives to ready itself for future challenges by preparing for the megatrends related to our operations. We have identified digitalisation, climate change and the increased regulation resulting from globalisation and sustainability as such megatrends. As a product manufacturer that requires a high level of expertise, our operations are also strongly linked to urbanisation and the increased emphasis of well-being and safety.



### Digitalisation:

Digitalisation and technological development are key forces of change impacting product manufacturing, since products are becoming more intelligent and the need for service business is increasing. This is also changing the nature of work and competence.



### Increased emphasis of well-being and safety:

The sustainability efforts of Terra Patris extend through its entire procurement chain. More and more attention is being paid to occupational and product safety, even in developing countries. With the emphasis on well-being, employers must distinguish themselves from the rest through positive action as the competition for proficient labour increases.



### Climate change:

In the manufacturing industry, climate change particularly impacts the material flows and the energy sources used. As the percentage of clean energy increases, efforts are being made to improve material circulation and the resource efficiency of products.



### Globalisation and sustainability:

Tightening environmental requirements and their regulation are evident in global markets. Companies are expected to provide sustainability commitments that extend to the procurement chain and reporting.



### Urbanisation:

Urbanisation is affecting production lines through construction and recreational needs, for example. In addition to this, it will impact the availability of labour outside cities.








STARTING POINTS FOR SUSTAINABILITY

Interest group cooperation



The expectations of our interest groups are a basis for our sustainability efforts. By examining and identifying the expectations of our important interest groups, we can guide our sustainability efforts in the right direction. We develop this work through open conversation.

We have identified five interest groups, which are corporate and private customers, staff, partners, financiers and authorities. These interest groups impact our operations widely from raw material acquisition all the way to the use of the end products.

 CUSTOMERS	 STAFF	 FINANCIERS	 AUTHORITIES	 PARTNERS
Our customers expect us to be able to provide safe high-quality products, as well as reliable and consistent deliveries. For our corporate customers we must also account for environmental sustainability and our customers' own code of conduct agreements.	The staff expect Terra Patris to be a reliable employer that ensures the financial security of its employees. The employer is expected to ensure occupational well-being and clear work distribution among the staff, and to treat every employee equally.	The company's financiers expect Terra Patris to provide them with reliable, accurate and transparent financial information. Moreover, business activities are expected to be ethical even in the foreign markets where regulation is not as strong as in Finland. Financiers expect responsible business activities and relevant communications, as well as strong risk management.	Authorities expect companies to ensure occupational safety and adherence to regulations and statutes. In the context of international business, there may be regional differences in the expectations of authorities. Depending on the country, a variety of product certificates may be required, for example.	The partners of Terra Patris include suppliers and subcontractors. The most important aspects for them are the company's solvency and responsible acquisitions. The cooperation is also expected to be meaningful and to increase the partners' appreciation in the field.





## SUSTAINABILITY PROGRAMME

Essential sustainability themes

By identifying our company's operating environment, the expectations of our interest groups and the global megatrends related to our operations, we have been able to determine the key elements of our sustainability programme.

Our sustainability efforts are built around three important sustainability themes, which we will monitor in the future.

We have defined a sustainability promise related to each theme for the year 2030. Through our more immediate sustainability goals for 2022–2024, we will be working towards the longer-term promises. The goals in question serve to crystallise our sustainability efforts, helping us to monitor our performance and develop our operations in the desired direction.

### A HEALTHY AND SAFE WORK COMMUNITY AS A RESOURCE

We want to promote a safe, equal and open work culture that provides everyone with the opportunity to develop their expertise. Employees that are well and healthy are an important resource that positively impacts other aspects of our operations as well. By taking care of our staff and the safety of our work environment, we ensure the ability to secure competent labour in the future and continue employment-creating impacts in society.

### RESPONSIBLE AND GROWING BUSINESS IN A CUSTOMER-ORIENTED MANNER

The core of our operations is formed by customer satisfaction, which is ensured by the safe high-quality products we manufacture. Through innovative development efforts, we maintain high customer benefits, and by investing in the sustainability of our supply chain, we ensure the correct development direction of our company in years to come. We provide transparent communications about the ethics and risk management of our operations as well as related developments.

### ENVIRONMENTALLY CONSCIOUS SOLUTIONS

As a product manufacturer, we have significant potential to promote energy and material conscious solutions in industry. Environmental sustainability must be integrated into the entire supply chain, and product quality must never be compromised. Most of all, we see energy efficiency and the circular economy as opportunities to respond to future challenges and tightening environmental requirements well in advance.



## SUSTAINABILITY PROGRAMME

The United Nations Sustainable Development Goals

In 2015, the UN's member states committed to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDG). The goals aim to guide the realisation of sustainable development between 2016 and 2030.

Terra Patris is committed to supporting every SDG in relation to its own operations. In particular, our operations are linked to six goals that we can promote on a day-to-day level through our own actions.

3 TERVEYTTÄ JA HYVINVOINTIA



We promote health and well-being by ensuring a high level of product security and investing in the occupational safety of our staff.

5 SUKUPUOLTEN TASA-ARVO



Equality is a prevalent aspect in our work community, and we promote a transparent and fair work culture. Approximately 50% of our group-level employees are women.

8 IHMISARVOISTA TYÖTÄ JA TALOUSKASVUA



Through our operations, we also create jobs and financial growth in Finland. We offer permanent employment relationships and earnings and ensure a safe work environment.

9 KESTÄVÄÄ TEOLLISUUTTA, INNOVAATIOITA JA INFRASTRUKTUUREJA



Our operations are based on product development and the promotion of sustainable industry. Some of our products directly promote the use of renewable energy, while others open up new opportunities through the development of the relevant technology in a more sustainable direction.

13 ILMASTOTEKOJA



Our products promote the replacement of fossil fuels with bio-based alternatives. We use almost no non-renewable fuels in our own production.

17 YHTEISTYÖ JA KUMPPANUUS



Diverse cooperation is important in all of our company's business areas. We promote responsibility and sustainable solutions through international partnerships.



## SUSTAINABILITY PROGRAMME

### Sustainability principles

We have defined our company's own sustainability principles as part of our sustainability programme. The following nine principles guide our operations and their development in an even more sustainable direction.

We also expect our interest groups to respect these principles and act accordingly, where applicable.



We are committed to fair business activities



We adhere to the principles of good governance and ensure consistent solvency



We respect the environment



We promote environmentally friendly technology



We maintain zero tolerance with regard to money laundering and terrorism financing



We always act in a customer-oriented manner and ensure data security



We support initiatives that promote responsibility



Our HR management is transparent and fair



We invest in HSE (Health, Safety, Environment) culture



## SUSTAINABILITY PROGRAMME

### Sustainability goals



Sustainability theme	Sustainability promise 2030	Goals for 2022–2024
<b>A HEALTHY AND SAFE WORK COMMUNITY AS A RESOURCE</b>	Work well-being is a resource for us	<ul style="list-style-type: none"> <li>We measure and monitor the frequency of occupational accidents (the metric is the LTI rate). We systematically improve and develop our operating methods to prevent occupational accidents.</li> <li>We maintain an occupational health and safety team to develop relevant efforts.</li> <li>We monitor absences due to illness and work to reduce them by intensifying our cooperation with occupational health care and by developing supervisory work. We aim to reduce absences due to illness to 10 days/person/year on a group level.</li> <li>We improve the life cycle management of employment relationships and pay particular attention to supervisory work and competence development.</li> <li>We conduct a staff well-being survey each year and improve dialogue with our employees through quarterly pulse questionnaires.</li> </ul>
<b>RESPONSIBLE AND GROWING BUSINESS IN A CUSTOMER-ORIENTED MANNER</b>	We develop profitable business in an ethical manner	<ul style="list-style-type: none"> <li>We maintain the majority of our production in Finland, thereby helping to generate well-being within Finnish society.</li> <li>In addition to preparing interim reports and financial statements, we organise group-level briefing events on a quarterly basis.</li> <li>We maintain a set of anti-corruption rules for the group.</li> <li>We increase dialogue with our customers through an annual customer satisfaction survey.</li> </ul>
<b>ENVIRONMENTALLY CONSCIOUS SOLUTIONS</b>	Our production methods support the battle against the climate crisis	<ul style="list-style-type: none"> <li>We will transition to 100% renewable energy by 2025.</li> <li>We are initiating the ISO 14001 environmental certification of our factories to certify all of our factories by 2028.</li> <li>Over the course of 2022, we will initiate a group-level carbon footprint calculation to reduce our carbon footprint.</li> <li>We publish sustainability information regularly over the course of each year.</li> </ul>



## A HEALTHY AND SAFE WORK COMMUNITY AS A RESOURCE



### Safe work culture



As an industrial operator, occupational safety and health (OSH) is an element that is very important to us. We invest in occupational safety culture and, alongside sick leave numbers, examine the causes of absences to prevent them in the future. In addition to the operations of the statutory OSH committee, we promote occupational safety by paying attention to factory layouts and staff mobility in factory areas. Occupational safety is also supported through instructions, monitoring and reporting.



### Healthy and competent employees



We organise staff training related to ERP systems, production and marketing. In addition to internal courses, open training is available through a variety of communities. The courses are primarily aimed at salaried employees, but we support training throughout our staff. Information about available training courses is provided through the group's shared Intranet.



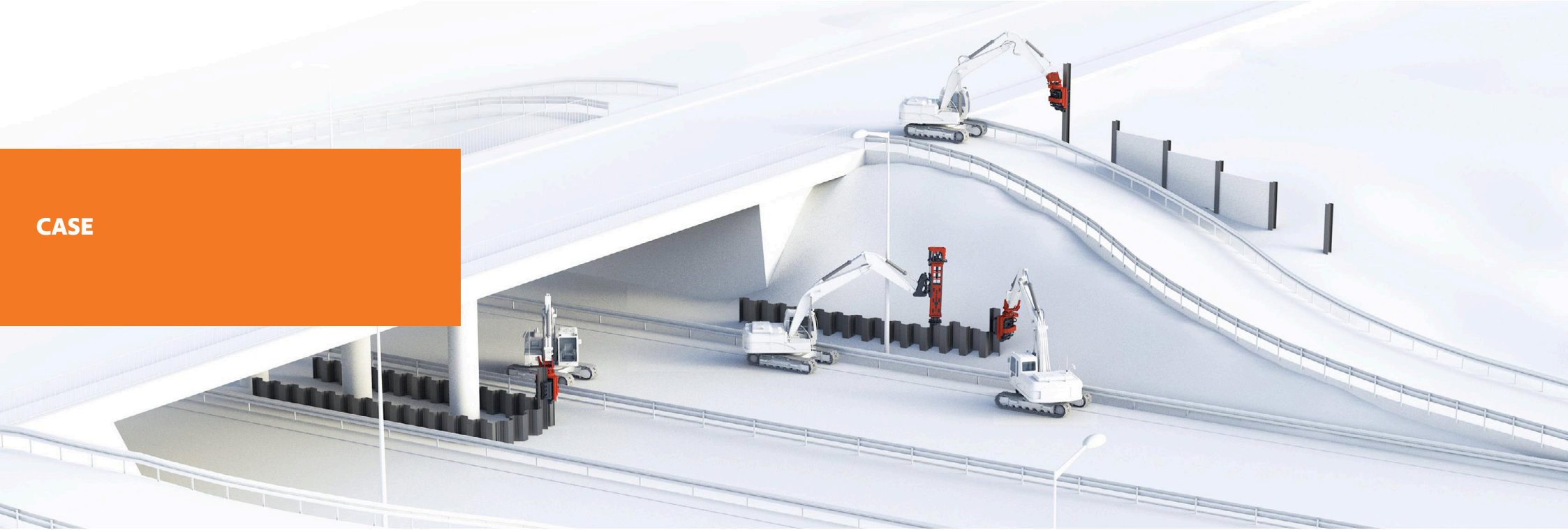
### Life-cycle management of employment relationships



Our staff and their well-being are very important to us. We will be harmonising our HR system to improve the life cycle management of our employment relationships. By developing group-level processes, we ensure employee equality across all our companies. Meaningful work is supported by providing opportunities to develop personal expertise, by supporting work recovery through sports and culture vouchers, and organising recreational events to maintain work capacity.



## CASE



### Metalpower's new EHS system

In 2021, we deployed a new digital tool, Eco-Online EHS Manager, for occupational safety management and monitoring. It provides each employee with access to up-to-date material safety datasheets on the chemicals used. The system also includes risk assessment software for HSE management and supervisors, which is used to prevent possible accidents. The tool is an essential part of the continuous improvement of occupational safety. It has created new operating methods and has enabled all staff members to take part in the efforts to develop occupational safety.

### Measures to improve working conditions at Movax

Any hazards in the work environment must be eliminated or minimised in such a way that the health and safety of employees is never compromised. We take occupational safety into account in the product development phase and continuously work to develop occupational safety by paying attention to working conditions. In addition to new LED lighting, we have reduced noise levels by investing in a parts washer, for example. We have also improved ventilation by installing a station-specific extraction system for the machining and welding areas. Thanks to our ISO 9001 quality system, we are constantly developing our operations with regard to occupational safety.





## RESPONSIBLE AND GROWING BUSINESS IN A CUSTOMER-ORIENTED MANNER



### Safe high-quality products



We always invest in quality and safety. Among our group companies, TP Silva, Metalpower and Movax have ISO 9001 certification. In our material choices, we always emphasise quality over price, which significantly increases the life span and safety of our products. In addition to this, safety is improved through a variety of solutions resulting from our active product development. Concrete product tests are another element of our operating methods.



### Satisfied customers and high customer benefits



Our operations are always customer-oriented. We listen to our customers' wishes and take them into account in our product development. We invest in product development on a wide scale in terms of the safety and efficiency of our products. It is important to us that our customers benefit from our services and can use our products to increase the efficiency of their operations and save both time and money.



### Responsible partner



Terra Patris and its subsidiaries have long-standing roots in their respective operating locations. In the future, too, we will maintain the majority of our production in Finland, thereby helping to generate well-being within Finnish society. We always operate in a lawful manner, and anti-corruption efforts are included in our sustainability principles. In addition to our own ethical activities, we also ensure that our subcontractors also fulfil their contractor responsibilities.





## CASE

### High customer satisfaction of the Hakki Pilke brand

Continuous improvement and understanding customer needs are core elements of the operations around the Hakki Pilke brand. We systematically conduct an annual customer satisfaction survey among our importers in order to develop our operations and services. Our customer satisfaction has been at a very good level for many years. In 2021, almost 95% of our customers were satisfied with the quality, development, price and various features of our products. On average, 98% of our customers have been very satisfied or satisfied with our service level across a variety of areas.

### TP Silva's diverse safety innovations

We are a pioneer in safe firewood processors. Our products meet all the latest safety regulations, and we have been involved in the development of the field's international safety standards for many years. We take product safety into account during the early design phase and test the safety solutions of our machines before the market phase. The effective protections do not hamper machine operation in any way. On the contrary, they have been integrated to provide a good user experience. The control logics of the machines also significantly improve their safety. Thanks to the continuous self-analysis of the machines, faults are less frequent and they can be more easily repaired, which helps avoid the majority of hazardous situations.



## ENVIRONMENTALLY CONSCIOUS SOLUTIONS



### **Carbon-wise measures**



Terra Patris strives to reduce the environmental impacts of its operations and develop its factories and production methods accordingly. We are increasing the proportion of renewable electricity and will begin a carbon footprint calculation over the course of 2022.



### **Sustainable production methods**



Our production is based on high-quality materials that extend the life span of our products and reduce emissions. In addition to this, we manufacture spare parts for wearable components, and some of our products have many uses, which reduces the need to purchase multiple devices. In our production, we only use materials with known origins and strive to find new more ecological alternatives for any harmful chemicals used in production.



### **Distribution of sustainability information**



Alongside responsible efforts, Terra Patris works to improve the availability of sustainability information. In addition to a responsible supply chain and production, the sustainable use of products is an essential part of the life cycle. By improving the knowledge of our interest groups, we steer the sector as a whole towards more sustainable operations.



## CASE



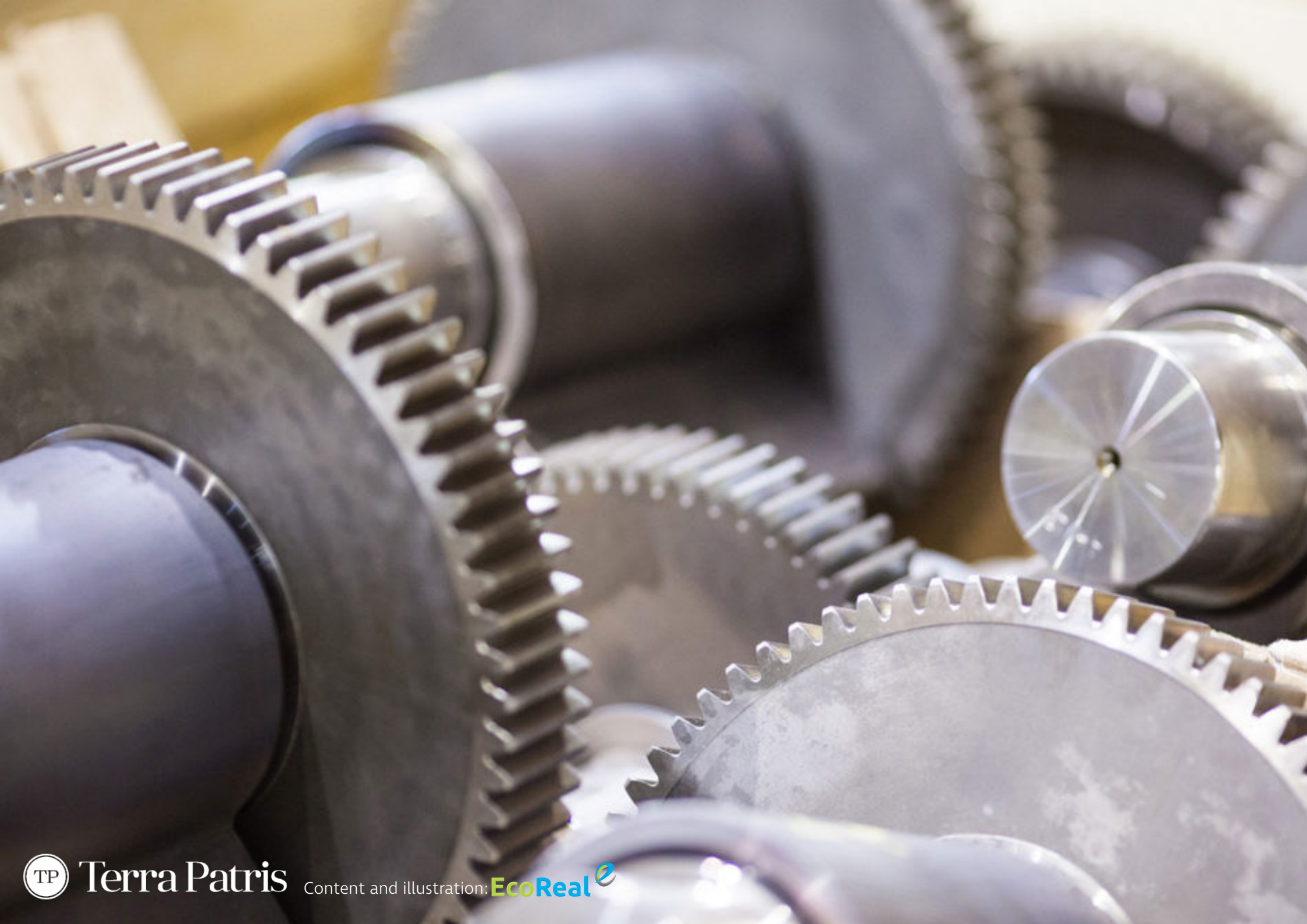
### Metalpower's recyclable packaging materials

We have been using renewable and recyclable packaging materials for years. Products are primarily delivered on wooden pallets equipped with collars and plywood covers. The packaging cardboard of incoming components is either recycled or shredded for use as extra filling for packaging more fragile products. We use plastic for packaging only if the customer specifically demands it. Thanks to long-term customer relationships, the majority of packaging materials are returned to our factory for reuse.

### Energy efficiency through ecological LED lights

We have improved energy efficiency by replacing light fixtures with ecological LED alternatives at the Finnmaster Boats and TP Silva factories. The new LED lighting solutions have helped us reduce energy consumption by more than 50%, which has made our factories more environmentally friendly. The brighter LED lighting also improves occupational safety and staff comfort. We will continue to systematically improve energy efficiency by also updating lighting solutions at our other factories.





Terra Patris

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