

A photograph of three people in conversation. On the left, a woman with blonde hair and glasses is partially visible, wearing an orange top. In the center, a man with short blonde hair and glasses, wearing a dark blue suit jacket over a patterned shirt, has his hands clasped and is looking towards the woman on the right. On the right, a woman with long dark hair, wearing a black leather jacket and a patterned skirt, is smiling and gesturing with her hands. The background is a large, circular, textured structure, possibly a building facade, with a blue circular element. A blue rectangular box is overlaid on the center of the image, containing the text 'ANNUAL REPORT 2021' in white.

**ANNUAL REPORT
2021**

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From the managing director



80 years of public procurement

The year 2021 was successful. This was despite the prolonged coronavirus pandemic, which was challenging to us as well. Hansel celebrated an anniversary: The state procurement centre was established in 1941, which was the inception of the now 80-year journey of the agency and later limited liability company. Our long and multiphase journey to our current situation, being a joint procurement unit that serves all the public administration, has been interesting. Unfortunately, we could not invite our cooperation partners and celebrate our story together due to the coronavirus. However, you can read about some of our history in the interview with Merja Leppänen in this annual report. Thank you Merja for 40 years with us!

I am particularly glad that we achieved our growth targets despite the pandemic, which shook many sectors. The use of joint procurement grew by 135 million euros. Our customers also used Hansel's competitive tendering service and procurement development service more than before. These are a direct result of good cooperation with our customers and suppliers alike. Our committed and competent personnel have done great work, most of which was done from home in the last year.

We're expecting even more growth in the upcoming year, and we give a warm welcome to new customers. One of the highlights in the coming year is that the new health and social services counties could start using Hansel's services alongside our current customers. We will be a strong joint procurement unit for all the public administration in future as well.

The significance of corporation responsibility and the related reporting needs are unprecedentedly high for all our customers. The first national public procurement strategy, published a few years ago, has certainly had its impact on this. It is great to work with public procurement now that a large group of us are moving towards the goals we have set together.

As a large procurement unit, I consider our activity in the area of developing public procurement particularly important, because our practical procurement experience has a very solid base. Targets are easy to set, but it is important to think about the kind of targets for public procurement and their competitive tendering it is possible and sensible to reach.

We are working every day to have better practices for public procurement. For a few years, our work has been greatly focused on developing digital tools. It concerns many values such as public procurement that is as effective and responsible as possible, having reduced the need for paperwork. We have built tools for tendering, and hansel.fi, which contains our entire service range, has been revamped to ensure even better user experience. We hope you can use our online service even more easily than before.

The differently themed webinars hosted by Hansel have been a hit, so we will continue to organise them. Even if virtual encounters are easy and effective, I look forward to meeting people in person as well. We are hopeful, and we're planning a tour of events in different locations around Finland next autumn. See you soon!

Key indicators

| | |
|---|---|
| <p>Involvement in procurement amounting to</p> <p>€2,000,000,000</p> | <p>Joint procurement TOP3</p> |
| <p>Joint procurement</p> <p>€1,050 million</p> | <p> Resale of MS licences</p> <p>€109 million</p> |
| <p>Customer-specific tendering</p> <p>€980 million</p> | <p> IT consulting</p> <p>€85 million</p> |
| | <p> Food and non-food products</p> <p>€80 million</p> |

| | | |
|---|---|--|
| <p>Joint procurement</p> | | |
| <p>872</p> <p>contractual suppliers</p> | <p>1,859</p> <p>joined customers</p> | <p>2019 0.96%</p> <p>2020 0.95%</p> <p>2021 0.88%</p> <p>average service fee</p> |
| <p></p> <p>2,500</p> <p>days of tendering for customers</p> | <p></p> <p>124</p> <p>specialists</p> | <p></p> <p>840</p> <p>days of developing customers' procurement</p> |

Hansel – a central purchasing body for the public administration



Hansel is a non-profit limited liability company, whose purpose is to generate savings for public administration through efficient procurement operations. Hansel's customers include ministries and their subordinate departments, municipalities, joint municipal authorities, hospital districts, Keva, parishes and all public law bodies governed by the state or a municipality. In 2021, we also started preparing to have health and social services counties as our customers. Parliament will process the amendment that will allow it in the spring of 2022.

Hansel's owners are the State of Finland (65%) and the Association of Finnish Local and Regional Authorities (35%). The company's role and duties as a joint procurement body are specified in the Act on Public Contracts, the Act on a Limited Liability Company Called Hansel Oy and the State Procurement Strategy.

The company operates under the ownership steering of the Ministry of Finance.

Hansel's operations are funded by service fees for joint procurement and the sales of expert services. The service fees are based on purchases made by the customers. The maximum fee is 1.50% of the contract value. The average service fee in 2021 was 0.88% (0.95% in 2020).

In 2021, Hansel's own procurement totalled €5.0 million. Hansel makes use of joint procurement in our procurement activities whenever possible. If a suitable framework agreement or dynamic purchasing system is not available, Hansel performs the procurement in accordance with processes determined by the company.

Tax footprint

| | 2021 | 2020 | 2019 | 2018 |
|-------------------------------------|--------|--------|--------|--------|
| Net sales, thousand euros | 12,273 | 11,465 | 11,148 | 10,922 |
| Profit, thousand euros | -1,268 | -1,756 | -864 | -686 |
| Balance sheet total, thousand euros | 26,655 | 13,044 | 14,688 | 18,711 |
| Taxes to be paid, thousand euros | 4,698 | 4,330 | 4,111 | 3,589 |
| Investments, thousand euros | 0 | 0 | 34 | 175 |

Organisation

Hansel's organisation consists of its personnel of 124 experts. The Board of Directors is named by the annual general meeting and chaired by **Anna-Maija Karjalainen**. The Board also contains four other members: **Timo Reina**, Deputy Managing Director, Association of Finnish Local and Regional Authorities (vice chairperson); **Antti Laakso**, Head of Procurement, Aalto University; **Johanna Luukkonen**, Mayor, the City of Hyvinkää; and **Antti Koivula**, Director General, Finnish Institute of Occupational Health. **Minna Isoherranen**, a personnel representative also attends the Board's meetings. They have the right to be present and speak at the meetings. Members of the Board cannot be members of the company's operational management.

Hansel's Executive Committee is nominated by the Board based on a proposal by the managing director. In 2021, the Executive Committee consisted of seven people, including Anssi Pihkala, Managing Director (b. 1963), Raili Hilakari, Deputy Managing Director (b.1953), Kirsi Koivusaari, Director of Finance (b. 1966), Eija Kontuniemi, Head of Legal Affairs (b. 1966), Maritta Mäkelä, Account Manager (b. 1965), Susanna Närvänen, Chief Category Officer (b. 1963), and Mikko Saavalainen, Director of Digital Business (b. 1979).

The members of the Board and the Executive Committee are appointed in accordance with the Government's ownership steering principles, which are used to ensure equality, among other things. Decisions are made in compliance with the Finnish Limited Liability Companies Act and Hansel's articles of association. The company's head office is in Postitalo in Helsinki. They also used a meeting room in Kuntatalo. Hansel has no international activity.

Ethics and compliance of operations

The compliance function is responsible for the currency of ethical instructions and business principles, as well as the instructions related to ethical operations. It supports personnel with questions related to ethical operations, arranges training, and handles whistleblowing reports.

In 2021, an informative event on government employee ethics and the prevention of corruption was organised for the personnel. The ethical principles and hospitality instructions for government employees were updated in the spring of 2021. Hansel's instructions were found to be harmonious with the corresponding instructions of our owners, the state

and the Association of Finnish Local and Regional Authorities.

In December, the members of the compliance team appeared with an expert from the State Treasury in a webinar directed at customers. The webinar handled public procurement from the perspective of compliance, the content of the whistleblower directive, and the reporting channel for agencies provided by the State Treasury. Two blogs related to ethical perspectives on public procurement were published in Hansel's online service and customer letters. A text on Hansel's compliance function was published in the guest writer section of the Public Procurement Advisory Unit and customer letter. Hansel's compliance team also offered guidance and support in ethical questions for the personnel. In 2021, the team consisted of **Eija Kontuniemi**, Head of Legal Affairs, **Kirsi Kunnas-Leinonen**, Senior Legal Counsel, **Minna Hälvä**, HR Manager, and **Jani Mäkinen**, Category Manager.

Hansel's whistleblowing channel received one report in 2021. The report did not concern a Hansel employee. The report was handled with the parties involved.

Data security

Hansel has a data security group that answers for matters related to data protection. The group members are experts in different sectors, and Hansel's data security manager leads the group. In 2021, security-related development focused on the data protection of procurement. Data security audits were performed for both Hansel's own systems and the tools offered to customers, such as the Vehicle Service and Procurement Radar.

Business operations

Hansel's business operations are divided into three segments: joint procurement, tendering services and procurement development services. Through responsibly run operations, the joint procurement unit promotes profitable public administration, high-quality public procurement and equal, non-discriminatory treatment of suppliers. Hansel's objective is to organise tendering processes in a manner that fosters efficient market operations and promotes competition.

Risks related to the company's operations are regularly surveyed with an external expert, using a risk matrix. The risks were investigated in 2021.



Hansel business areas

Joint procurement

Joint procurement refers to framework agreements and dynamic purchasing systems through which Hansel's customers can purchase products and services. The purpose of joint procurement agreements is to establish the general terms governing procurement contracts, such as the object of procurement, prices, and responsibilities and obligations of the contracting parties. By using Hansel's agreements, customers can ensure that their procurement processes are compliant with applicable laws and the contractual terms secure their position, as well as facilitate the management of agreements and suppliers. During joint procurement, Hansel verifies the eligibility of suppliers. In addition, Hansel monitors that the suppliers meet their contractual and solvency obligations and social requirements during the agreement period.

Savings are generated when sufficiently large volumes of products and services are put out to tender, and the requirements of the maximum number of customers are met. Joint procurement generates considerable savings for public administration, through both procurement process costs and pricing.

Tendering services

Tendering services are needed when a joint procurement agreement is not available for a product or service to be acquired. Hansel's tendering consultants and lawyers have specific experience and knowledge of public procurement, tendering and contract law. By using our expert services, customers can ensure that their acquisitions are put out to tender in accordance with the valid rules, with the best contractual terms possible and by considering price, quality and responsibility aspects. This frees the customer's time for other duties, reduces the contracting authority's risks and promotes the distribution of best practices.

Procurement development

Our development service aims to boost the effectiveness of our customers' procurement operations and improve their profitability. Development managers have a key role in customer assignments, but Hansel's entire expertise is at the customers' disposal. The development service can involve a specific problem in the customer's procurement operations, or the service can consist of a comprehensive analysis of procurement control, the procurement organisation or the implementation of procurement processes, change management and personnel training. The content of a development assignment is always customised on a case-by-case basis in accordance with the customer's wishes, and the assignment is realised in close cooperation with the customer.

The implementation of the integration strategy has progressed well



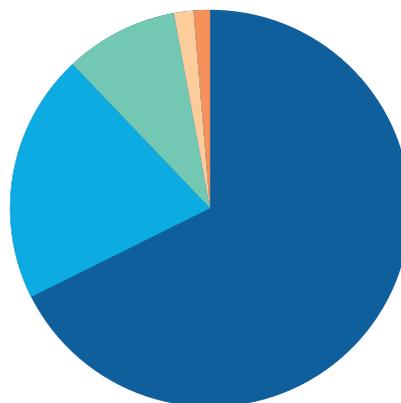
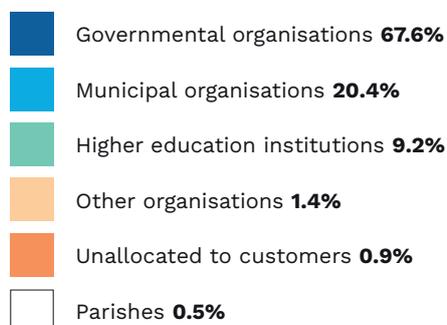
For over two years, we have been the purchasing entity for all of public administration, and we are combining the Finnish public procurement power in accordance with the vision of the integration strategy. Our aim is to offer an excellent service experience for our customers – we are focusing on the digital customer and supplier experience. We have an extensive range of services, and sustainability is at the core of our business. We also set an example through our actions, we have high ethical standards, and we are conformant with requirements. We want to be the most valued public procurement expert and an attractive employer.

In the first two years, we concluded a significant number of framework agreements and dynamic purchasing systems for the whole clientele. Now the numbers are starting to speak for themselves, and the use of agreements is growing, particularly

among the new clientele. In 2021, the use of agreements exceeded the billion-euro limit for the first time, reaching 1,052 million euros (previous year, €916 million). In 2021, the use of joint procurement contracts looked like this:

One of the indicators that we monitor is how many have joined the framework arrangements. We have been monitoring it accurately since 1 September 2019. At that time, the legal practices changed so that advance access became mandatory for framework arrangements. Those who have acceded since already total 3.5 billion euros. However, these figures are spread over several years. The longest term of validity for framework arrangements is until 2029. In relation to dynamic purchasing systems, advance access is not mandatory, meaning that parties can accede at any point during the system's validity.

Use of agreements 2021 (January–December)



Stakeholders confirm: we are a capable and responsible partner



Customers are satisfied with Hansel's services

The Executive Committee and personnel information event went through the results of the 2021 customer satisfaction survey. The results will be used in the planning of development initiatives with the employees.

The overall customer satisfaction remained high despite the coronavirus pandemic. As in 2020, customer cooperation continued nearly completely online, when the recommendation to work remotely was in place for most of the year. We held many webinars, which gathered a good number of participants. Similarly to last year, customers highlight Hansel's knowledge of the Act on Public Procurement and Concession Contracts as well as tendering competence, service attitude, and operations of the contact persons as their strengths.

Our customers named the benefits and functionality of joint procurement, as well as knowing the needs of our customers as development targets. Their development has already been going in the right direction in recent years. We promise to continue improving it actively in future.

A total of 414 customers who did business with Hansel during the year replied to the customer satisfaction survey.

- The average score was 4.06 (4.08 in 2020)
- An overall score of 3.50 or better was given by 85% of the respondents (84%)
- 6% of the respondents gave their customer experience an overall score of 2.99 or less (6%)

The performance bonus paid to Hansel employees is linked to the received customer satisfaction feedback.



Good supplier satisfaction – even excellent in parts

The Executive Committee and the weekly meeting of category management went through the results of the 2021 supplier satisfaction survey. The results are used in planning development measures for supplier cooperation with the category managers.

The overall supplier satisfaction remained good despite the busy year of competition and the coronavirus pandemic. As in 2020, supplier cooperation continued nearly completely online, when the recommendation to work remotely was in place for most of the year. In 2021, we organised many joint procurement tendering processes and supplier information events on the implementation of agreements.

The results of the supplier satisfaction survey reveal that similarly to last year, suppliers think that our knowledge of public procurement legislation,

procurement competence, and the operation of agreement contact persons are our strengths. Knowledge of the procurement target and the fluency of tendering processes were named as development targets in supplier cooperation.

A total of 174 suppliers who did business with Hansel during the year responded to the supplier satisfaction survey.

- The average score was 3.90 (3.97 in 2020)
- An overall score of 3.50 or better was given by 75.1% of the respondents (82.4%)
- 9.2% of the respondents gave their customer experience an overall score of 2.99 or less (7.6%)

The results of the supplier satisfaction survey have an impact on the incentives paid to the category managers.

Exchange of ideas in customer forums



Our customer forum gathered three times in 2021. The events were held in Teams.

The first forum of the year, organised on 5 February 2021, discussed three topics: how does Hansel take care of its customers, how can influence be measured in tendering projects, and what kind of control businesses does Hansel have in Europe. **Maritta Mäkelä**, Account Manager, **Ilkka Sihvola**, Head of Tendering Unit, and **Anssi Pihkala**, Managing Director, contributed to the discussions.

At the meeting on 4 June 2021, **Jussi Kiiski**, Head of Materials Management at the National Police Board, spoke about the procurement of the safety authorities, and **Jorma Lamminmäki**, Procurement Director of the City of Helsinki, spoke about the creation process of Helsinki's procurement strategy. The strategy work also involved Hansel's procurement development unit.

The meeting on 15 October 2021 reviewed the preparations of health and social services counties by the persons in charge of the preparation organisations of Central Finland, Pirkanmaa, Satakunta and the City of Helsinki. **Jan Finne**, CGO of the City of Vaasa, and **Pekka Liukkonen**, Head of Procurement of the City of Vaasa, presented the city of Vaasa as a contractor now and in future.

The customer forum involved ten members from government organisations inside and outside the scope of budget economy as well as 13 members from different municipal organisations. As a summary for the year, we can state that the forum earned its place as a common information exchange and sparring channel between the customers and Hansel.

The supply of joint procurement expanded



Coronavirus pandemic also affected procurement in 2021. Travel was still rare, and meetings were remote. Some industries still have production issues. There were problems in the availability of components and a shortage of freight containers. This was naturally apparent in our joint procurement, but thanks to strong cooperation with the customers and suppliers, we managed to solve the difficult situations.

The year 2021 was busy for Hansel's joint procurement. A total of 44 new joint procurement projects were launched for our broad range of customers: 20 framework arrangements and 24 dynamic purchasing systems.

As new joint procurement, our customers in the municipal sector could choose

- accommodation and meeting services
- charter flight services
- car procurement
- gases and fuels
- office supplies
- mobile and multifunction devices
- car leasing and insurance policies.

Dynamic purchasing systems were also established for

- cleaning and security services
- security technology
- computers
- consulting services
- and day-care and school furniture.

Modern supply

Hansel reacted quickly to the expansion of compulsory education by opening a competition for a framework arrangement for upper secondary study materials. The new supply was also represented by personnel leasing of social and health care professionals, which was implemented as a dynamic purchasing system. Public procurement pays more attention to data security and protection. Hansel created dynamic purchasing systems for its customers related to expert services of information management and digital security, as well as assessment services of data security's assessment bodies. We also tested a new dynamic purchasing system for cloud services.

Six new agreements were also added to small-scale procurement:

- protective equipment
- communications and marketing services
- solar power plants
- internal audit
- accounts' audit
- management and development consulting.

At the end of 2021, Hansel was able to offer 77 framework arrangements and 45 dynamic purchasing systems for its customers. There were 10 small-scale procurement services.

The easiness of using joint procurement was improved by arranging small competition information events and webinars for customers. Hansel also organised a webinar for suppliers on the national procurement strategy and the operation of Procurement Finland.

Joint procurement in numbers

Joint procurement by category

| Thousand euros | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-----------|---------|---------|---------|---------|
| Category | | | | | |
| Vehicle and logistics services | 97,471 | 102,520 | 97,113 | 93,457 | 78,745 |
| Specialist services | 127,634 | 143,459 | 135,006 | 106,406 | 86,519 |
| Food and restaurant services | 86,308 | 76,128 | 25,779 | 25,199 | 21,461 |
| Energy | 107,122 | 63,107 | 82,381 | 87,199 | 99,528 |
| Personnel and healthcare services | 90,690 | 73,435 | 78,008 | 73,560 | 72,891 |
| IT hardware | 90,937 | 89,826 | 76,275 | 87,409 | 84,259 |
| Furniture and office services | 84,006 | 60,214 | 44,944 | 60,414 | 67,039 |
| Data centre services and hardware | 45,361 | 60,997 | 60,279 | 58,522 | 50,685 |
| Travel and meeting services | 20,477 | 25,313 | 97,917 | 87,324 | 81,674 |
| Software | 115,136 | 62,084 | 53,450 | 44,871 | 37,660 |
| Cleaning services and supplies | 52,079 | 46,323 | 39,232 | 36,132 | 31,350 |
| Financial services | 66,398 | 56,880 | 52,105 | 64,224 | 55,522 |
| Data communications | 34,811 | 25,714 | 32,156 | 45,732 | 39,954 |
| Security technology and security services | 33,112 | 29,969 | 25,028 | 24,764 | 19,193 |
| Total | 1,051,541 | 915,970 | 899,673 | 895,213 | 826,482 |

The joint procurement category system was changed due to the organisational change in the autumn of 2019. There are now 14 categories instead of 17. In reporting, data has been moved to the new categories in arrears.

Framework agreements top 15

| Thousand euros | 2021 |
|-----------------------------------|-----------|
| Resale of MS licences | 108,978 |
| IT consulting | 84,877 |
| Food and non-food products | 79,536 |
| Occupational healthcare services | 68,785 |
| Electricity | 55,676 |
| Hardware leasing services | 54,900 |
| Computers | 51,823 |
| Textbooks | 37,210 |
| Data centre and capacity services | 36,972 |
| Fuels | 36,891 |
| Cleaning services | 34,926 |
| Vehicles | 32,743 |
| Heavy vehicles | 27,805 |
| Office furniture | 21,156 |
| Management consulting services | 19,812 |
| Others total | 299,451 |
| Total | 1,051,541 |

Discussion of values excited personnel

Personnel perspective is one of the five main themes of our integration strategy in which we wish to be the most valued public procurement expert and an attractive employer. We ensure competence with continuous training and high-quality operations in the world of public procurement. We want to create a strong value base for Hansel, as well as an open and inclusive culture that promotes cooperation between people and units.

At the start of 2021, we discussed corporate culture and values with the Barret method regarding the current state of corporate culture and the desired target, as well as the personal values of our employees. The survey attracted great interest, and we received 112 responses, which is more than 90% of our employees.

The supervisors held a workshop on the results and thought about ways to achieve the target. Corporate culture is not achieved by the management's decision, but with numerous acts realised in everyday life. In the spring, we continued the

process with a survey on values and culture, and all employees participated in workshops. This was done quite successfully over Teams due to the coronavirus pandemic. Discussion was active and fruitful. There were a lot of ideas, as well as a good analysis of ourselves.

In the summer, we established a workgroup for developing internal communications, had open discussions in different units, and formed a values workgroup consisting of volunteers. The task of this group of nine was to draft new values for Hansel. We organised a poll on values for the whole personnel based on the workgroup's suggestions.

Following the workgroup's proposal, the Executive Committee accepted the new values in October. The work did not stop there, as the values are continuously kept on display. In November, we made public value promises, and in December, we created an internal "Arvokkaat ajatukset" (valuable thoughts) channel that makes gratitude and other positive feedback visible.

Our values are:



An appreciative and inspiring work community

Genuinely excited about our work. The spark of excitement catches on amongst ourselves and our customers and cooperation partners alike.

Motivated experts are our resource. We value and respect one another and our work. Respect is shown in support, attentiveness, and equal treatment. Experience in working together is important to us.

Interest is sparked by meaningful work and shared goals.

Capable and responsible partner

We deepen our versatile expertise continuously and learn from each other. We participate strongly in the development of the procurement industry – we share our talent with our partners.

We promote national and international sustainability goals with long-term commitment. We challenge ourselves as a pathfinder of social responsibility. We support our customers and encourage our suppliers to be responsible.

We act reliably and compliantly. We want to be our customers' best partner in public procurement.

Our stakeholders were interested in the webinars



In 2021, we were looking forward to the comeback of live events and face-to-face encounters with our stakeholders. However, the pandemic persisted, and we continued on the virtual event path. Luckily, they reached our stakeholders very well.

Extensive customer webinars

We started 2021 off with an ICT day in which we discussed topics such as artificial intelligence, robotics, procurement competence, and legislation. The webinar attracted more than 500 customers interested in ICT procurement.

Later in the spring, our webinars handled the tendering of expert services and development of procurement. In the autumn webinars, we discussed dynamic purchasing systems, focused more on the development of procurement, learned about the sustainability and impact of procurement, and considered the ethical perspectives of public procurement.

During the year, nearly a thousand of our customers from 300 different customer organisations attended our webinars.

Information events for suppliers

Hansel's suppliers were also invited to participate in virtual information sharing. The national procurement strategy was the event's topic. The topic attracted more than 200 suppliers. November's information event for suppliers marked the beginning of a series of webinars that will be organised four times a year. Our experts will share useful information on sales reporting, development of sustainability, small-scale acquisitions, and marketing of joint procurement in the webinars.

Virtual events are here to stay

We received a lot of positive feedback about the webinars, and many wished us to continue organising them alongside live events after in-person encounters are possible again. We are glad to respond to this wish. Hansel serves all Finland's public administration, and with the aid of the virtual events, we can reach our stakeholders around Finland. In addition to webinars, we will continue organising information events for customers, mini-competition clinics, and other information sharing on various joint procurements.

Hansel webinars 2021

| | |
|------------|---|
| 28.1.2021 | ICT day |
| 15.4.2021 | Tendering expert services – keys to success |
| 17.6.2021 | From sections to the bigger picture – strategic development and management of procurement |
| 14.10.2021 | Information for suppliers: national procurement strategy |
| 4.11.2021 | Dynamic purchasing system (DPS) |
| 18.11.2021 | Managing with knowledge |
| 25.11.2021 | Corporate responsibility and impact |
| 9.12.2021 | Compliance – views on ethical and conformant operation |



Operations of the joint procurement unit



This year was the second whole year that Hansel offered its services to all of Finland's public administration, and the first that the use of the agreements exceeded a billion euros. The implementation of the integration strategy that started after the reorganisation of the company and its ownership in the autumn of 2019 is progressing well as an increasing number of municipal customers have found Hansel's services.

The tasks and role of a central purchasing body are defined in legislation on public procurement and the Act on a Limited Liability Company Called Hansel Oy. The company's customers are also specified in the Act on a Limited Liability Company Called Hansel Oy. They include ministries and their agencies, certain other government agencies, universities and universities of applied sciences, Keva, municipalities, joint municipal authorities, parishes and other purchasing bodies in the regional administration. Hansel is owned by the State of

Finland (65%) and the Association of Finnish Local and Regional Authorities (35%).

Hansel's aim is to create savings for society by tendering and maintaining the joint procurement agreements for services and products that bring significant benefits in the form of prices, quality and process costs. Hansel also offers procurement tendering and development services.

As a joint procurement unit, Hansel's operation promotes high-quality procurement, fair treatment of suppliers and competition by organising tendering to ensure the markets work effectively.

Hansel's operations are funded by service fees for joint procurement charged from the contractual suppliers and the sales of expert services. The service fee is based on the purchases made, and it can be a maximum of 1.50 per cent, depending on the procured target. The average service fee in 2021 was 0.88% (0.95% in 2020).

Hansel's memberships in organisations



- Helsinki Region Chamber of Commerce
- Finnish Association of Communications Professionals (ProCom)
- Information Society Development Centre (TIEKE)
- Service Sector Employers (PALTA)
- The Institute of Internal Auditors Finland
- Oy Nooan Arkki AB (Green Office environmental programme)
- Finnish Business & Society (FIBS)
- Association of Public Procurement

Financial position and key figures



In 2021, acquisitions under Hansel's joint procurement agreements totalled €1,052 million (€916 million in 2020). Joint procurements returned to a growth path, although Covid-19 continues to have a negative impact on some of the categories such as travel and meeting services.

The company's net sales in 2021 totalled €12.3 million (€11.5 million in 2020). The net sales consisted of service fees for joint procurement totalling €9.2 million (€8.7 million in 2020), sales of expert services totalling €2.6 million (€2.4 million in 2020), and other service fees and revenue totalling €489,000 (€365,000 in 2020).

The loss for the 2021 accounting period was €1,252,000 (loss of €1,723,000 in 2020). The loss was planned and mostly a result of the costs of the reorganisation of the company and its ownership resulting from the merger on 2 September 2019, but significant profit will be accrued with a delay. The agreements tendered by Hansel before the merger could not be opened for new customers. The financial items of 2021 contain financial income from the change of the investment strategy, €293,000 in total.

In 2006–2017, Hansel made a profit. In accordance with its articles of association, Hansel is a non-profit limited liability company. The financial position of the company is good.

Key financial figures

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-----------|---------|---------|---------|---------|
| Joint procurement, thousand euros | 1,051,541 | 915,970 | 899,673 | 895,213 | 826,482 |
| Net sales, thousand euros | 12,273 | 11,465 | 11,148 | 10,922 | 10,435 |
| Operating profit, thousand euros | -1,544 | -1,756 | -838 | -686 | 203 |
| and its share of the net sales, % | -12.6 | -15.3 | -7.5 | -6.3 | 1.9 |
| Result for the financial period, thousand euros | -1,252 | -1,723 | -770 | -672 | 184 |
| Balance sheet total, thousand euros* | 26,670 | 13,009 | 14,688 | 18,711 | 19,252 |
| Equity, thousand euros | 6,828 | 8,106 | 9,829 | 15,570 | 16,241 |
| Equity ratio, %* | 25.6 | 62.3 | 66.9 | 83.2 | 84.4 |
| Personnel at the end of the financial period, active input (person-years) | 116 | 112 | 113 | 92 | 90 |

*On 31 December 2021, the balance sheet total contains €15,116,000 under the electricity derivatives trading of the electricity agreement that are pass-through items for the company.

Services



Joint procurement

At the end of 2021, Hansel had 77 framework agreements, 45 dynamic purchasing systems and 10 small-scale procurement services (at the end of 2020, 83 framework agreements, 21 dynamic purchasing systems and 4 small-scale procurement services). There were 872 contractual suppliers at the end of the year (642 in the previous year).

The distribution services of Microsoft access rights were Hansel's largest joint procurement entity in 2021: the procurements totalled €109 million (€57 million in 2020). IT consulting was the second largest, with €85 million (€101 million in 2020), and food and non-food products the third largest, with €80 million (€68 million in 2020).

Measured in euros, the largest government customers were the Government ICT Centre Valtori, the Finnish Defence Forces, and Senate Group. Of municipal customers, the cities of Helsinki, Jyväskylä and Vantaa were the largest, and of higher education institutions, Aalto University, Tampere Universities, and the University of Helsinki.

Government electricity procurement is handled centrally through Hansel's framework agreement and involves derivatives that hedge against changes in electricity prices, in accordance with the government's electricity hedging strategy. Hansel is responsible for the management of this portfolio and

is the counterparty to the derivative agreements on behalf of its customers. For Hansel, electricity derivatives trading is a pass-through item, and all the related expenses and income are charged for in full from Hansel's portfolio customers (see Note 5.2).

Tendering services

The total value of tendering services sales in 2021 was €2.2 million (€2.0 million in 2020). There were 182 chargeable tendering projects in 2021 (183 in 2020), with a total value of approximately €930 million. Tendering services were provided especially in IT projects, device purchases, and different service procurements. In 2021, the goals of impact were set with customers in 58 tendering projects, and the final assessment of impact was performed in 52 projects.

Procurement development services

The value of procurement development services was €402,000 (€417,000 in 2020). Most of the development assignments involved control and organisation of procurement, analyses of key indicators and current status, planning, contractual management, development of supplier cooperation and responsibility. The unit was also actively involved in the operations of the Competence Centre for Sustainable and Innovative Public Procurement (KEINO). In 2021, related income amounting to €304,000 was recorded in Hansel's other business profit (€162,000 in 2020).

Review of events in 2021



In accordance with the integration strategy, Hansel's vision is to unite Finland's public procurement power. The cornerstones of the strategy include an excellent service experience and a comprehensive service portfolio, as well as acting as a trailblazer in responsible and effective procurement. Exemplary operations, strong values and an inclusive work culture are expected to make Hansel the most valued public procurement expert and therefore an attractive employer.

2021 was the second year marked by the coronavirus pandemic. Personnel continued working mostly remotely, and customer and supplier meetings were also organised remotely. Hansel's eight webinars gathered a thousand listeners and received good feedback. Their topics were ICT procurement, competitive tendering of expert services, dynamic purchasing system, responsibility and impact, and compliance. The customer forum consisting of Hansel's government and municipal customers has earned its place as a customer channel for exchanging information and conversation. In 2021, the customer forum convened three times. The thematic meetings concerned measuring impact, the security authorities' procurements, the procurement strategy, and preparation of health and social services counties.

Customer and supplier satisfaction is monitored regularly. A customer satisfaction survey is performed annually and a supplier satisfaction survey every other year. The 2021 surveys were conducted in January 2022. The average customer satisfaction score on a scale of 1–5 was 4.06 (4.08

in the previous year), and the average supplier satisfaction score was 3.90 (3.97 previously). The average customer satisfaction score for project-specific tendering services was 4.67 in 2021 (4.65 in the previous year), and the corresponding average score for procurement development services was 4.54 (4.85 in the previous year).

The amendment to the act on procurement entered into force on 1 July 2021. The provisions for framework agreements were specified so that an offer request concerning a framework agreement must include the total number or value of purchases of the procurement units using the framework agreement. The regulation made framework agreement tendering and use during an agreement period somewhat easier. The amendment also contained some more technical changes to procurement regulation.

In the autumn of 2021, Parliament received a government proposal on amendments to several acts in relation to the establishment of health and social services counties. The legislative pack also contains a proposal to change the Act on a Limited Liability Company Called Hansel Oy so that the health and social services counties could be Hansel's customers. The amendment is expected to enter into force in the spring of 2022.

Over the year, Hansel was involved in several projects such as Procurement Finland (Hankinta-Suomi), an operational programme of the Ministry of Finance and the Association of Finnish Local and Regional Authorities, a project on the Competence

Centre for Sustainable and Innovative Public Procurement (KEINO) by the Ministry of Economic Affairs and Employment, and the State Treasury's Tietokiri project.

Hansel continued to develop the new public procurement notice channel (Hilma), launched on 2 January 2020, in an assignment from the Ministry of Finance. The Ministry of Finance is funding the project, and its related invoicing in other business profits was €1,386,000 in 2021 (€1,477,000 in 2020). The company has worked on several other development projects such as website development, constructing mini-competition functions, and renewing the technical platform of the tutkihankintoja.fi service. In 2021, the responsibility analysis process and responsibility monitoring mechanisms were further developed. Hansel's Corporate Responsibility Team ordered a report on the responsibility audits concerning suppliers. The carbon footprint of Hansel's own operations was measured in more detail than before.

At the end of 2021, Hansel had one pending claim in the Market Court. The company received five decisions in the Market Court in 2021. Three cases dismissed the claims, and in two cases, the claims were not processed, because they were dropped. In 2021, Hansel received two judgements of the Supreme Administrative Court on the same service concept. In these cases, there was no need to comment on the presented requirements, because the claims were dropped. Hansel has estimated that the probability of there being any financial consequences from the pending legal proceedings is low.

Hansel follows the processing of public procurement matters in the European Union. Hansel is a member of a cooperation group for key central purchasing bodies in the EU. In addition to Hansel, this group includes several European joint procurement units such as SKI (Denmark), Kammarkollegiet and Adda (Sweden), BBG (Austria), Consip (Italy) and ANCP (Portugal).

Hansel's compliance function, established in 2019, is responsible for the currency of ethical instructions and business principles, as well as the instructions related to ethical operations. It supports personnel with questions related to ethical operations, arranges training, and handles whistleblowing reports. The function reports to the company's Board annually. The ethical principles and hospitality instructions for government employees were updated in the spring of 2021. Hansel's instructions were found to be harmonious with the corresponding instructions of our owners, the state and the Association of Finnish Local and Regional Authorities.

Key events after the closing of the financial year

The coronavirus pandemic continues to have a negative impact on Hansel's business. It has been acknowledged in the company's financial planning, but the pandemic has increased the number of risk factors.

The Russian attack on Ukraine that began on 24 February 2022 has introduced more risk factors. This affects especially Hansel's energy category.

Otherwise, the business operations have remained essentially unchanged since the closing of the financial year.

Risks and risk management



Hansel's risks involve tendering related to joint procurement and contractual management. Hansel reduces risks related to tendering by ensuring good knowledge of procurement legislation and by following the company's tendering process. The company employs internal guidelines and a quality assurance system for competitive tendering. A special risk connected with the Government's electricity framework agreement applies to the Government's electrical derivatives, which are in Hansel's name (see Note 5.2), even though the results of derivatives trading are charged to customers as such.

Each contractual supplier's financial, technical and professional ability to provide the procured products or services is assessed during the tendering stage. The contractual suppliers are monitored throughout the agreement period. The company regularly performs a project to identify the key risks with a risk management expert. The risk survey of 2021 identified 34 risks, of which three were classified as significant. The risk survey is discussed by the company's Board, and the progress of the risks is monitored throughout the year.

Personnel and organisation



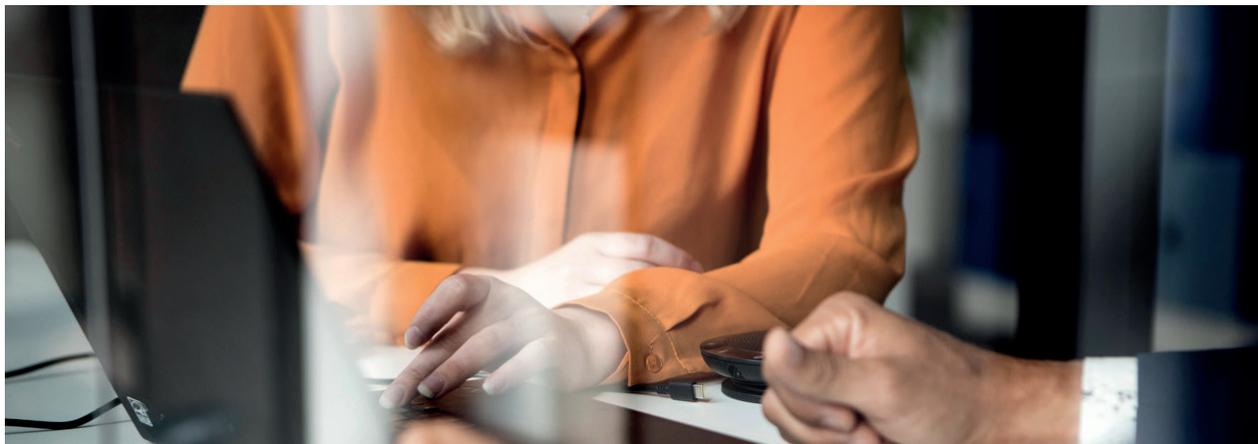
On 31 December 2021, Hansel employed 124 people (118 on 31 December 2020 and 116 on 31 December 2019). The average work input of the employees in 2021 was 116 (111 in 2020, 101 in 2019). At the end of 2021, women accounted for 59% of all personnel and 71% of Executive Committee members. The average age of employees was 43. At the end of the accounting period, 99% of the employment contracts were permanent (97% in 2020 and 99% in 2019).

Hansel's employees are highly educated. Of the employees, 2% had a doctoral degree, 57% had a higher academic degree from a university, and 5% had a higher academic degree from a university of applied sciences. 10% had a lower academic degree from a university, 14% had a lower academic degree from a university of applied sciences, 10% had an upper secondary degree, and 2% had no vocational qualification. The company's incentive system covers all permanent employees. Hansel adheres to the guidelines on management and key employee rewards and incentives issued by the Cabinet Committee on Economic Policy.

In 2021, 12 new employees were hired, one of them for a fixed-term employment contract. Seven employees left the company during the year. Five of them resigned, one retired, and one fixed-term employment contract ended. An exit interview is carried out with employees who leave the company, to receive feedback.

The employees' well-being and capacity for work is surveyed regularly, approximately every two years. The survey was not conducted in 2021. The previous survey is from 2020, when the average response was 3.87 on a scale of 1–5. Hansel encourages its employees to develop their competence. In 2021, Hansel employees participated in an average of four training days. Training and discussion sessions are regularly arranged for supervisors in connection with their supervisory tasks. A discussion of values and corporate culture involving the entire personnel was held in 2021, and in October, the Executive Committee approved the new values following the proposal of the company's values workgroup: an appreciative and inspiring work community and a capable and responsible partner.

Outlook for 2022



The company will continue with the implementation of the integration strategy. The adoption of new customers and a related major increase in the joint procurement volume are important parts of the strategy. We are expecting growth, especially in the municipal sector. The development of the business is expected to be favourable, although the company is expected to remain unprofitable until 2022. New strategy work will begin soon, and the aim is for the Board to accept it at the end of 2022.

Sustainable development, environmental matters and the black economy

Within public procurement, themes relating to corporate responsibility and combating the black economy are playing an increasingly important role. In its activities, Hansel adheres to the principles of corporate responsibility, in line with the Government policies. Corporate responsibility reporting is integrated with the company's annual reporting practices and provides detailed coverage of all measures related to responsibility.

Board of Directors' proposal for the distribution of profit



The loss for the financial period totalled €1,251,791.88. The Board of Directors proposes that no dividend be paid, and that the loss for the financial period be recognised as equity capital and entered into the accounts as a result for previous financial periods.

Board of Directors and auditors

At the Annual General Meeting of Hansel Ltd on 22/04/2021, the following members of the Board of Directors were elected:

- **Anna-Maija Karjalainen**, Master of Science in Engineering, chairperson
- **Timo Reina**, Deputy Managing Director, Association of Finnish Local and Regional Authorities, vice chairperson
- **Antti Koivula**, Director General, Finnish Institute of Occupational Health, member
- **Antti Laakso**, Head of Procurement, Aalto University, member
- **Johanna Luukkonen**, Mayor, City of Hyvinkää, member

A representative elected by the personnel, **Minna Isoherranen**, Category Manager, will also attend all Board meetings. She has the right to attend and speak at the meetings, but she is not a Board member. The Board assembled eight times in 2021. KPMG Oy Ab, Authorised Public Accountants, is the auditor, with **Mikko Luoma**, Authorised Public Accountant, Chartered Public Finance Auditor, the principal auditor. Hansel's Managing Director is **Anssi Pihkala**, LL.M., and the Deputy Managing Director is **Raili Hilakari**, LL.M.

Profit and loss statement

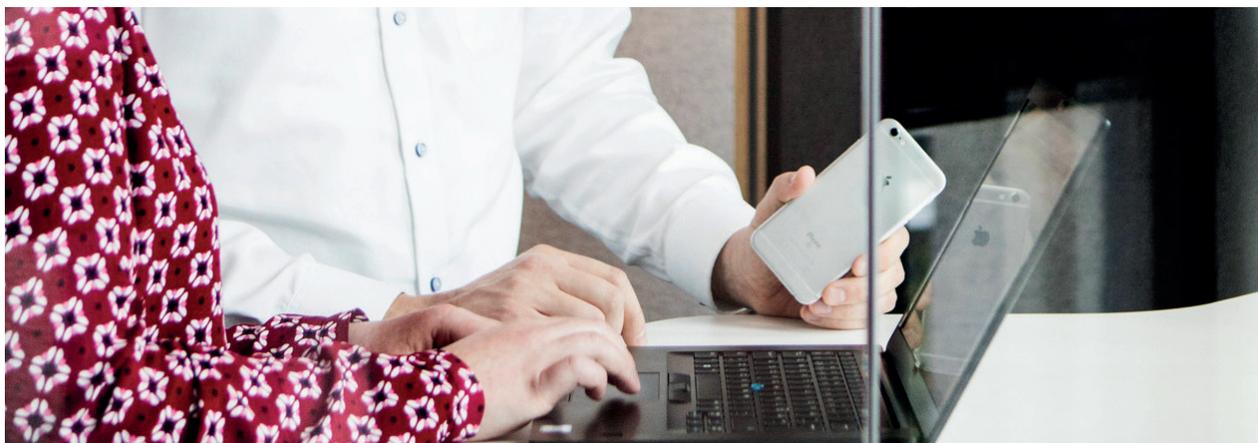


| | 1 January – 31 December 2021 | 1 January – 31 December 2020 |
|--|------------------------------|------------------------------|
| Net sales | 12,273,051.38 | 11,465,261.82 |
| Other income from business operations | 1,880,962.94 | 1,666,379.25 |
| Personnel expenses | | |
| Salaries and fees | 8,841,352.64 | 8,485,343.55 |
| Indirect personnel expenses | | |
| Pension expenses | 1,507,084.29 | 1,321,911.97 |
| Other indirect personnel expenses | 299,919.14 | 289,796.14 |
| Personnel expenses total | 10,648,356.07 | 10,097,051.66 |
| Depreciation, amortisation and impairment losses | | |
| Depreciation according to plan | 41,883.98 | 64,928.10 |
| Other operating expenses | 5,007,828.36 | 4,725,373.76 |
| Operating profit (loss) | -1,544,054.09 | -1,755,712.45 |
| Financial income and expenses | | |
| Other interest and financial income | | |
| From others | 296,289.13 | 33,387.20 |
| Interest expenses and other financial expenses | | |
| To others | -4,026.92 | -892.02 |
| Financial income and expenses total | 292,262.21 | 32,495.18 |
| Profit (loss) before appropriations and taxes | -1,251,791.88 | -1,723,217.27 |
| Income taxes | | |
| Taxes for the financial period | 0.00 | 0.00 |
| Profit (loss) for the financial period | -1,251,791.88 | -1,723,217.27 |

Balance sheet

| ASSETS | 31 December 2021 | 31 December 2020 |
|--|----------------------|----------------------|
| Non-current assets | | |
| Intangible assets | | |
| Intangible rights | 14,595.96 | 24,417.78 |
| | 14,595.96 | 24,417.78 |
| Tangible assets | | |
| Machinery and equipment | 96,187.34 | 128,249.50 |
| | 96,187.34 | 128,249.50 |
| Non-current assets total | 110,783.30 | 152,667.28 |
| Current assets | | |
| Receivables | | |
| Short-term receivables | | |
| Accounts receivable | 2,363,355.33 | 3,152,890.52 |
| Other receivables | 4,672.61 | 7,418.71 |
| Prepayments and accrued income | 11,679,746.20 | 655,330.07 |
| | 14,047,774.14 | 3,815,639.30 |
| Investments | | |
| Other shares and similar rights of ownership | 3,035,864.00 | 2,759,050.13 |
| | 3,035,864.00 | 2,759,050.13 |
| Cash and cash equivalents | 9,476,052.00 | 6,281,927.03 |
| Current assets total | 26,559,690.14 | 12,856,616.46 |
| ASSETS TOTAL | 26,670,473.44 | 13,009,283.74 |
| EQUITY AND LIABILITIES | 31/12/2021 | 31/12/2020 |
| Shareholders' equity | | |
| Share capital | 5,000,000.00 | 5,000,000.00 |
| Unrestricted equity | | |
| Unrestricted equity reserve | 2,968,128.27 | 2,968,128.27 |
| Retained earnings | 111,202.31 | 1,861,094.91 |
| Profit (loss) for the financial period | -1,251,791.88 | -1,723,217.27 |
| Equity total | 6,827,538.70 | 8,106,005.91 |
| Reserve for contingencies | | |
| Other reserve for contingencies | 523,574.00 | 477,452.00 |
| Liabilities | | |
| Current liabilities | | |
| Advance payments received | 0.00 | 15,209.10 |
| Accounts payable | 776,642.85 | 1,290,056.05 |
| Other liabilities | 743,117.58 | 655,880.04 |
| Accruals and deferred income | 17,799,600.31 | 2,464,680.64 |
| | 19,319,360.74 | 4,425,825.83 |
| Liabilities total | 19,319,360.74 | 4,425,825.83 |
| EQUITY AND LIABILITIES TOTAL | 26,670,473.44 | 13,009,283.74 |

Cash flow statement



| | 1 January – 31 December 2021 | 1 January – 31 December 2020 |
|--|------------------------------|------------------------------|
| Cash flow from business operations: | | |
| Profit (loss) before extraordinary items (+/-) | -1,251,791.88 | -1,723,217.27 |
| Adjustments to operating profit (+/-): | | |
| Depreciation according to plan | 41,883.98 | 64,928.10 |
| Financial income and expenses | -292,262.21 | -32,495.18 |
| Other adjustments | 19,446.67 | 39,004.00 |
| Operating cash flow before change in working capital | -1,482,723.44 | -1,651,780.35 |
| Change in working capital: | | |
| Increase/decrease in interest-free short-term receivables | -10,197,866.99 | -778,536.19 |
| Increase/decrease in interest-free short-term liabilities | 14,859,267.06 | 5,825.84 |
| Cash flow from operating activities before financial items and taxes | 3,178,676.63 | -2,424,490.70 |
| Interest and other financial expenses paid for operating activities | -4,026.92 | -892.02 |
| Interest received from operating activities | 296,289.13 | 33,387.20 |
| Direct taxes paid (-) | 0.00 | 0.00 |
| Cash flow from business operations (A) | 3,470,938.84 | -2,391,995.52 |
| Cash flow from investments: | | |
| Investments in tangible and intangible assets (-) | 0.00 | 0.00 |
| Cash flow from investments (B) | 0.00 | 0.00 |
| Cash flow from financing activities: | | |
| Dividends paid and other distribution of profits (-) | 0.00 | 0.00 |
| Cash flow from financing activities (C) | 0.00 | 0.00 |
| Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-) | 3,470,938.84 | -2,391,995.52 |
| Cash and cash equivalents at the beginning of period | 9,040,977.16 | 11,432,972.68 |
| Cash and cash equivalents at the end of period | 12,511,916.00 | 9,040,977.16 |
| | 3,470,938.84 | -2,391,995.52 |

Notes to the financial statements



1 Basis of preparation for the financial statements

1.1 Income recognition principles

Hansel's net sales consist of service fees for joint procurement and sales of expert services. The service fees are charged in arrears based on the sales reports of contractual suppliers so that the supplier reports their sales from the previous period to Hansel at the start of the new one. The reporting period is usually a month, but it can also be a quarter. Expert services are mainly charged in arrears based on the realised workhours on a monthly basis.

1.2 Valuation principles

Fixed assets are entered on the balance sheet at cost less planned depreciation. Reducing balance

depreciation of 25% is applied to machinery and equipment. Software licences are amortised on a straight-line basis over five years. Other long-term expenses are amortised on a straight-line basis over five years.

Foreign currency items

Foreign currency denominated assets and liabilities are recognised at the European Central Bank average exchange rate on the closing date of the financial period.

1.3 Comparability of accounts

The accounting principles that were applied in 2020 were also applied in 2021.

2 Notes to the profit and loss statement

2.1 Personnel expenses and average number of personnel

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| Salaries | -8,519,422.23 | -8,157,688.55 |
| Fees and remuneration of the Managing Director and the Board of Directors | -321,930.41 | -327,655.00 |
| Pension expenses | -1,507,084.29 | -1,321,911.97 |
| Other indirect personnel expenses | -299,919.14 | -289,796.14 |
| Personnel expenses total | -10,648,356.07 | -10,097,051.66 |
| Total monetary value of fringe benefits | -62,320.47 | -65,473.67 |
| Number of employees | | |
| At the end of the financial period | 124 | 118 |
| On average during the financial period | 116 | 111 |

| | | |
|---|----------------------|----------------------|
| 2.2 Depreciation | | |
| Depreciation according to plan during the financial period | | |
| Intangible assets | | |
| Software licenses | -9,821.82 | -22,178.47 |
| Tangible assets | | |
| Machinery and equipment | -32,062.16 | -42,749.63 |
| Depreciation during the financial period total | -41,883.98 | -64,928.10 |
| 2.3 Other operating expenses | | |
| Subsidies received | 320,468.57 | 376,062.03 |
| Other operating expenses | 1,560,494.37 | 1,290,317.22 |
| | 1,880,962.94 | 1,666,379.25 |
| 2.4 Financial expenses | | |
| Administration expenses | -3,307,571.32 | -3,028,853.27 |
| Expenses from facilities | -699,428.91 | -716,491.29 |
| Telephone, data communications and office expenses | -716,224.20 | -784,196.28 |
| Marketing expenses | -150,423.49 | -43,366.73 |
| Travel expenses | -36,211.76 | -55,331.71 |
| PR expenses | -368.35 | -1,677.66 |
| Other operating expenses | -97,600.33 | -95,456.82 |
| Other operating expenses total | -5,007,828.36 | -4,725,373.76 |
| 2.5 Financial income and expenses | | |
| Financial income | | |
| Interest income | 163.49 | 1,335.49 |
| Exchange rate gains | 0.00 | 0.00 |
| Other income from securities | 296,125.64 | 32,051.71 |
| Financial income total | 296,289.13 | 33,387.20 |
| Financial expenses | | |
| Interest expenses | -982.59 | -547.56 |
| Exchange rate losses | -68.26 | -344.46 |
| Other expenses from securities | -2,976.07 | 0.00 |
| Financial expenses total | -4,026.92 | -892.02 |
| 2.5 Auditors' fees | | |
| Audit fees | -14,113.82 | -19,507.32 |
| Other fees | -16,223.84 | -16,709.34 |
| Auditors' fees total | -30,337.66 | -36,216.66 |
| 3 Notes to assets on the balance sheet | 2021 | 2020 |
| 3.1 Changes in non-current assets | | |
| Intangible assets | | |
| Acquisition cost 1 Jan | 498,302.58 | 498,302.58 |
| Procured during financial period | 0.00 | 0.00 |
| Acquisition cost 31 Dec | 498,302.58 | 498,302.58 |
| Accumulated depreciation 1 Jan | -473,884.80 | -451,706.33 |
| Depreciation during the financial period | -9,821.82 | -22,178.47 |
| Accumulated depreciation 31 Dec | -483,706.62 | -473,884.80 |
| Balance sheet value 31 Dec | 14,595.96 | 24,417.78 |

| | | |
|--|----------------------|---------------------|
| Tangible assets | | |
| Acquisition cost 1 Jan | 1,082,945.15 | 1,082,945.15 |
| Procured during financial period | 0.00 | 0.00 |
| Financial period's deductions | 0.00 | 0.00 |
| Acquisition cost 31 Dec | 1,082,945.15 | 1,082,945.15 |
| Accumulated depreciation 1 Jan | -954,695.66 | -911,946.02 |
| Depreciation during the financial period | -32,062.20 | -42,749.64 |
| Accumulated depreciation 31 Dec | -986,757.86 | -954,695.66 |
| Balance sheet value 31 Dec | 96,187.29 | 128,249.49 |
| The company does not have any depreciation difference. | | |
| 3.3 Receivables | | |
| Travel advances | 4,672.61 | 7,418.71 |
| Other receivables total | 4,672.61 | 7,418.71 |
| 3.4 Prepayments and accrued income | | |
| Deferred expenses | 11,679,746.20 | 655,330.07 |
| Deferred expenses total | 11,679,746.20 | 655,330.07 |
| 3.5 Financial securities | | |
| | Book value | Book value |
| Other shares and similar rights of ownership | | |
| Fund units | 2,206,864.00 | 2,203,374.80 |
| | 2,206,864.00 | 2,203,374.80 |
| | Market value | Market value |
| | 2,241,020.04 | 2,513,467.72 |
| | 2,241,020.04 | 2,513,467.72 |
| | Book value | Book value |
| Pension investments | 529,000.00 | 555,675.33 |
| | 529,000.00 | 555,675.33 |
| | Market value | Market value |
| | 585,821.52 | 555,675.33 |
| | 585,821.52 | 555,675.33 |
| | Book value | Book value |
| Capital redemption policy | 300,000.00 | 0.00 |
| | 300,000.00 | 0.00 |
| | Market value | Market value |
| | 310,126.58 | 0.00 |
| | 310,126.58 | 0.00 |
| Financial securities total book value | 3,035,864.00 | 2,759,050.13 |
| 4 Notes to equity and balance sheet liabilities | 2021 | 2020 |
| 4.1 Equity | | |
| Restricted equity | | |
| Share capital 1 Jan | 5,000,000.00 | 5,000,000.00 |
| Reduction of share capital | 0.00 | 0.00 |
| Share capital 31 Dec | 5,000,000.00 | 5,000,000.00 |

| | | |
|---|----------------------|---------------------|
| Restricted equity total | 5,000,000.00 | 5,000,000.00 |
| Unrestricted equity | | |
| Unrestricted equity reserve 1 Jan | 2,968,128.27 | 2,968,128.27 |
| Deduction from unrestricted equity reserve | 0.00 | 0.00 |
| Unrestricted equity reserve 31 Dec | 2,968,128.27 | 2,968,128.27 |
| Retained profit/loss 1 Jan | 137,877.64 | 1,861,094.91 |
| Pension investment correction in the 2020 financial period | -26,675.33 | 0.00 |
| Retained profit/loss 31 Dec | 111,202.31 | 1,861,094.91 |
| Profit/loss for the financial period | -1,251,791.88 | -1,723,217.27 |
| Unrestricted equity total | 1,827,538.70 | 3,106,005.91 |
| Equity total 31 Dec | 6,827,538.70 | 8,106,005.91 |
| Calculated distributable assets 31 Dec | | |
| Unrestricted equity reserve | 2,968,128.27 | 2,968,128.27 |
| Profit from previous financial periods | 111,202.31 | 1,834,419.58 |
| Loss for the financial period | -1,251,791.88 | -1,723,217.27 |
| Distributable assets | 1,827,538.70 | 3,079,330.58 |
| Reserve for contingencies | | |
| Pension liabilities carried forward | 523,574.00 | 477,452.00 |
| 4.3 Current liabilities | | |
| Accruals and deferred income | | |
| Annual holiday pay and related social security contributions | 1,199,550.50 | 1,156,710.13 |
| Salary liabilities and related social security contributions | 232,832.85 | 209,145.03 |
| Mandatory employer's insurance payments | 310.23 | 0.00 |
| Other accrued expenses | 16,366,906.73 | 1,098,825.48 |
| Accruals and deferred income total | 17,799,600.31 | 2,464,680.64 |
| 5 Notes on collateral and contingent liabilities | | |
| 5.1 Transactions by related parties | | |
| Of the company's net sales, EUR 2,561,273.61 (20.9 %) comes from the sales of expert services to the government and regional government, or organisations outside the government/regional government, but tied to them. | | |
| 5.2 Commitments and liabilities | | |
| Other own commitments | | |
| Rental liabilities, less than one year | 815,753.76 | 795,137.22 |
| Rental liabilities, more than one year | 840,226.37 | 1,654,476.28 |
| Leasing liabilities, less than one year | 79,989.67 | 75,076.75 |
| Leasing liabilities, more than one year | 132,869.43 | 196,076.89 |
| Commitments and liabilities total | 1,868,839.23 | 2,720,767.14 |
| Electricity derivatives | | |
| Market value | 45,198,267.10 | 3,446,239.94 |
| Value of hedged volume (underlying security) | 65,869,911.00 | 73,141,788.48 |

Government electricity procurement is handled centrally through Hansel's framework agreement and involves derivatives that hedge against changes in electricity prices, in accordance with the government's electricity hedging strategy. Hansel is responsible for the management of this portfolio and is the counterparty to the derivative agreements on behalf of its customers. The counterparties used by Hansel are large operators in the field, and to reduce risks, Hansel distributes the portfolio between various counterparties. At present, there are six potential counterparties. For Hansel, electricity derivatives trading is a pass-through item, and the related expenses and income are charged for in full from the Hansel portfolio customers. The market values of derivatives are not recorded on the balance sheet.

A monitoring group for electricity procurement, set up by Hansel, supervises government electricity procurement and proposes improvements if necessary. Hansel's category manager summons the monitoring group. Hansel's representatives meet the representatives of the Ministry of Finance regularly about electricity procurement.

The Ministry of Finance decides on the government's hedging strategy for electricity procurement. According to this strategy, a portfolio manager chosen by Hansel through tendering decides on individual hedges and their scheduling. Hedges have been made accordingly until 2026.

5.3 Pending legal proceedings

At the end of 2021, Hansel had one pending claim in the Market Court. The company received five decisions in the Market Court in 2021. Three cases dismissed the claims, and in two cases, the claims were not processed, because they were dropped. In 2021, Hansel received two judgements of the Supreme Administrative Court on the same service concept. In these cases, there was no need to comment on the presented requirements, because the claims were dropped.

5.4 Key events after the financial year

The coronavirus pandemic continues to have a negative impact on Hansel's business. It has been acknowledged in the company's financial planning, but the pandemic has increased the number of risk factors. The Russian attack on Ukraine that began on 24 February 2022 has introduced more risk factors. This affects especially Hansel's energy category.

Public procurement is developed together



In the action plan of Procurement Finland, all eight thematic groups began their operation in 2021, and the implementation of the over 30 first-stage actions mentioned in the strategy began. In addition to promoting the realisation of the national strategy for public procurement with our joint procurement, Hansel has participated in the implementation of several actions.

Our category strategies ensure that the goals of the national strategy for public procurement are acknowledged where applicable in our joint procurement projects. We are also continuously developing our competence to promote financial, ecological, and social sustainability and renewal in joint procurement. Hansel employees actively participate in the operation of the network-like Competence Centre for Sustainable and Innovative Public (KEINO) as well as the Vaikuttavat hankkijat network (influential suppliers) of Procurement Finland, which consists of pioneering procurement units.

Hansel is represented in each thematic group of Procurement Finland. Maria Röykkä has been the leader of the thematic group for strategic management, and several Hansel employees were involved in the work as key persons or members of the thematic groups. Anssi Pihkala, Managing Director, is in the steering group of Procurement Finland.

We have been particularly involved in the following first steps of the national strategy for public procurement:

- Continuous development of the Hilma system
- Development of the Tutkihankintoja.fi service and promoting the publication of data on purchase invoices
- Developing the Procurement Pilot tool that helps monitor how well the strategic management and strategy are realised
- The code of conduct for minimum requirements for responsibility
- The guide on promoting the division of procurement

Strong role in the KEINO Competence Centre for Sustainable and Innovative Public Procurement

With the other organisations of the KEINO Competence Centre for Sustainable and Innovative Public Procurement, we have provided national information on the strategic significance of procurement and its management, launched a development programme for low-carbon procurement to scale trials, and supported the work of the accounting offices of ministries and administrative branches in devising their action plans under the Toimi project in relation to the implementation of the national strategy for public procurement.

At the KEINO Competence Centre for Sustainable and Innovative Public Procurement, we have organised a development programme for the management of the effectiveness of procurement with the other KEINO organisations for the third time and been in charge of the advanced development programmes related to deployable, innovative and socially sustainable new procurements (thematic academies). We have also participated in planning the thematic academies on low-carbon procurement and the circular economy that will start in 2022.

To monitor how the targets set by Procurement Finland are met, KEINO launched a pilot in the autumn on the analysis of mass data on procurement. The experts of Hansel, VTT and SYKE got down to work. In the framework of the pilot, an algorithm-based method was constructed that processed data on procurement automatically into up-to-date and usable information. The pilot proved the solution effective, and it will be further developed. The aim is to create a continuously developing iterative monitoring model. The vision is to have a solution that produces a valuable and up-to-date understanding of the status of procurement at the monitoring level of the nation, procurement unit, and individual tendering.

Speed for innovations

The innovation work at Procurement Finland and the competence of the KEINO network come together in the Innovation Broker operation led by Business Finland. The goal of Innovation Broker, funded by the Ministry of Finance, is to accelerate and support the implementation of innovative procurement by improving the information flow between procurement units and suppliers and by bringing the companies producing innovations closer to the buyers and their needs.

The operations model gathers the innovation needs of public procurement units and invites companies to join in developing and producing solutions for them. In 2021, we participated in implementing a pilot concerning the Innovation Broker operations model. In connection with the pilot, we studied how well the model worked in public administration within the fields of property and construction, as well as social care and healthcare, with external development partners. The work used opportunities provided by an analysis of product launches and company websites.

Hilma has become a meeting platform



In two years, the “new Hilma” that was launched at the start of 2020 has evolved from a publishing platform for procurement notifications to a common meeting platform for buyers and suppliers. The service is free and open for all. Hilma is a service owned by the Ministry of Finance and maintained by Hansel.

In Hilma, the buyers can publish procurement notifications and invitations to tender from small-scale procurement to procurement that exceeds the EU’s threshold value. In Hilma, suppliers can see the notifications that buyers have posted on upcoming procurements, and they can respond to invitations to tender and make offers electronically. Hilma offers buyers an opportunity to survey the markets before publishing the official procurement notification. Buyers can also announce the start of a design competition and its results for the whole EU.

In 2021, a total of 19,000 different types of notifications were published on Hilma that concerned approximately 16,000 different procurements. The number grew by some 9% from the previous year.

The first steps towards a structural invitation to tender have been taken

The first steps towards a structural invitation to tender were taken in the autumn of 2021, when a function opened in Hilma that allowed the buyer to define simple requirements for the invitation to tender. These requirements can be numeric demands, yes/no demands, or have different options. The requirements can also be set as mandatory.

With the new function, an offer can be made not only as an attached document, but in a partly structural form. The structural invitation to tender is particularly suitable for simple tendering.

Hilma’s development continues

Hilma’s development will continue with the agile scrum method in the coming years, with a customer focus and as part of the operational programme of Procurement Finland. The developed features will further improve the usability of Hilma. In 2022, the development focused on improving the tendering features and the functionalities of the tendering calendar, as well as the development work required by the EU-level eForms reform related to procurement notifications.

New electronic tools make tendering easier



Two completely new systems were introduced in 2021 to make procurement easier. The tendering and order system for cars was introduced at the start of the year, and it is already used a lot. The mini-tendering assistant for tendering under dynamic purchasing systems was completed in the summer in connection with the small-scale acquisition service. It will be implemented in stages during the autumn and winter.

Because the mini-tendering assistant is intended for customers for whom the deployment and use of a full-scale tendering system would be too big in relation to the number or size of tendering, the aim was to make the service as easy to use as possible for those who arranged tendering only occasionally. The mini-tendering assistant helps find the right templates for tendering, offers directions for publishing the invitation to tender to the right suppliers and the tools for choosing the most suitable offer, and sends automated procurement and exclusion decisions to the right recipients.

The offer process for cars is running smoothly

The tendering process for cars has also been made as easy as possible, both for the customer and the supplier. The customer mainly arranges the tendering using the form for invitations to tender, and they can click on the requirements and tools they want. After checking the offers, the winning one is chosen, and the procurement and exclusion decisions are formed automatically based on the customer's selections.

The order is placed based on the information of the winning offer with a few simple clicks. For the suppliers, the system filters out the car models that best suit the invitation to tender, and it makes retrieving the additional information to make an offer as easy as possible by suggesting the chosen car model's accessories and starting prices, for example.

All Hansel's electronic procurement systems are developed continuously following customer wishes.

Procurement development interests the Parliamentary Office



In the KEINO Academy, the procurement units study together how public procurement should be managed to make it even more effective. In the midst of study and discussions, the procurement services of the Parliamentary Office's service centre got excited about developing procurement roughly a year and a half ago. They have since taken big leaps in it.

"We started off with electronic tools, Procurement Radar and Procurement Pulse. They told us what the starting level of our procurement and purchasing was," recalls **Anri Rantala**, Legal Counsel from the Parliamentary Office.

The procurement Radar is a tool for assessing the maturity of procurement, and the Procurement Pulse displays information on purchases made. These provide a preliminary overall picture of the status of the management of procurement.

"The eagerness to develop and the ideas of our procurement team who participated in the KEINO Academy were acknowledged in our organisation as well, and the Secretary-General of Parliament launched a procurement development project in February 2021," Rantala reviews the start. Hansel's project manager **Tuula Risikko** and development manager Ville Hietanen joined the project to conduct a further analysis of the current situation, based on which they also gave proposals for development.

Proposal ideas from interviews

The employees of the Parliamentary Office were strongly involved in the procurement development project. They gathered information on the status of procurement and the related thoughts of those preparing them in 47 interviews. Some of these were group discussions; some were individual interviews. The thorough survey brought out opinions and ideas, and it was used to find a common direction for development.

The fast-paced project, which was implemented in April–June, resulted in a 26-page final report to which the Parliament's people added a significant number of attachments such as results from the Procurement Radar and the Procurement Pulse.

"We were truly surprised by how quickly and how much we managed to get things done together. We gained nearly 40 actual development proposals, which Hansel employees presented to the project's steering group," Anri Rantala says describing the progress.

There were many proposals, and their prioritisation was the next step.

Strategic targets help procurement managers

"Some of the proposals were easy to introduce immediately; others need more time. Some proposals led to the reorganisation of the Office's procurement," says Rantala.

To help define the strategic targets, the Parliamentary Office launched the third electronic tool, the Procurement Pilot. “The Procurement Pilot is based on the national strategy for procurement, and it was a great help in devising our own procurement strategy. With the tool, a large group of us got to assess which targets were key to our procurement specifically,” says Rantala.

For now, the procurement unit’s project culminated in February 2022 with the Office Commission’s

approval of a new procurement strategy for the Office for 2022–2025. At the same time, the Office’s procurement rules were updated and renewed. Next, the procurement strategy will be introduced to different departments of the Office, and the Office will thus continue to develop its procurement systematically and purposefully.

“A large ship turns slowly but surely,” Rantala sums it up.

Current status analysis



Procurement development starts with surveying the current status, and it is the most popular of Hansel’s procurement development services. The analysis describes the current status of procurement and identifies the development targets and strengths. Hansel’s report is an external and independent view of the procurement’s current status, which is why it is a good starting point for development. The analysis acknowledges all perspectives and stages related to procurement.

Free-of-charge tools for analysing and developing procurement

Procurement Pulse

Procurement Pulse indicates the pulse of procurement. It is a tool for viewing past procurements. The data concerning procurement are displayed graphically and in a form that can be used easily.

Procurement Radar

The Procurement Radar uses sets of questions to scan the current status and maturity of procurement. It also helps identify development targets. In addition to procurement professionals, it can be used by other experts and the organisational management.

Procurement Pilot

Targets are often set for public procurement, but they are not always easy to seize. Procurement Pilot is a tool that helps you control procurement – it makes public procurement more effective and responsible. You can find the Procurement Pilot in Hilma.

Procurement Pilot hits targets



At the end of 2021, Hansel launched the Procurement Pilot tool – a free-of-charge tool that supports the strategic management of procurement and the realisation of the implementation of the strategy. With the Procurement Pilot, you can define, schedule, and monitor the targets set for an organisation's procurement unit.

The targets can focus on the strategic management of procurement, management with knowledge, or procurement competence, for example. You can also set procurement-specific targets such as the preservation of biodiversity, the use of innovations to solve challenges, or improving the functionality of markets.

The tool is built to support organisations in achieving their targets as part of the operational programme of Procurement Finland. As basic information, the Procurement Pilot contains the targets set in the national strategy for public procurement that promote the effectiveness of procurement. You can choose the targets that are meaningful for your organisation, and you can bring your organisation's own targets to the tool.

Developed together, used together

The Procurement Pilot was piloted in 2021 with Hansel's customers, who had an acute need to think of their organisation's goals. We arranged workshops with the customer organisations in which the Hansel development manager set targets with the persons responsible for the organisation's procurement and those working in purchasing. This

work provided important feedback on the tool, and the Procurement Pilot was developed further on its basis during the autumn.

The Procurement Pilot is not only a management tool. It can also be used by all those involved in making purchases. With the inclusive and strategic tool, the targets that were thought up, chosen and scheduled by the management and those responsible for procurement are easier to comprehend and introduce in practice as procurement-specific tasks. Their achievement is assessed and monitored throughout the procurement's life cycle.

When the persons responsible for procurement participate in setting the targets and in thinking of actions with which the chosen targets can be promoted in procurement, it becomes easier to acquire knowledge and thus achieve them in procurement.

Manage procurement with a single tool

With the Procurement Pilot, you can use the same tool to conceptualise, set, and schedule targets. These are also performed at many levels, in the whole procurement unit and individual procurements. There are also procurement-specific tasks to hit the targets, their achievement is monitored, and an overall picture is formed.

The Procurement Pilot has been developed with the tool's technical supplier for approximately two years, and it is still being developed to support the procurement unit even better in defining and achieving the targets for procurement.

Materiality assessment



The importance of responsibility is great in public procurement, and we wish to acknowledge responsibility extensively in our operation. Hansel's materiality matrix includes nine points, and it was last updated in the autumn of 2019 after the reorganisation of the company and its ownership,

when Hansel's services were opened for the entire Finnish public administration. In 2020, it was linked to the UN's sustainable development goals (SDG). In 2021, there was no need to make changes to the materiality matrix.

Hansel's materiality matrix



Materiality assessment

Corporate responsibility management approach

| Materiality theme | Material aspects | Limitations and impact | Management approach | Performance assessment |
|--|---|--|---|--|
| Efficient procurement in the entire public sector | Efficient use of public funds; price and process savings | Joint procurement volume benefit strongly influences the finances of internal customers | Category management carries the main responsibility, extensive internal instructions | Price and volume monitoring, savings calculations |
| Ethical policies | Compliance is absolutely necessary because of the nature of our operations | The actions of all the employees have direct impact | Compliance function established and compliance officer named | Compliance monitoring and reporting; event and gift list |
| Climate- and eco-friendly procurement | Procurement can have a positive impact on climate and environmental matters | Impact comes through the requirements specified for suppliers' products and services | Corporate responsibility management and responsibility processes; new tool: responsibility analysis | Ecolabel; considering climate and the environment as comprehensively as possible in tendering; environmental matters considered, % |
| Openness and transparency of public procurement | Public funds must be used transparently | Systematic collection of joint procurement data; cooperation with customers to obtain their procurement data | Development of analytics services | Volume of procurement data; expansion of the tutkihankintoja.fi service |
| Socially responsible procurement | High effectiveness of joint procurement and taking into account subcontracting chains in procurement | The effects can be seen in the operations of the contractual suppliers and their subcontractors | Code of Conduct appended to joint procurement agreements | Social responsibility label, % |
| Prevention of the black economy | Public funds are used through our agreements, which is why the prevention of the black economy is important | Hansel monitors the operations of its contractual suppliers | Financial responsibility processes and their monitoring | Financial responsibility label, % |
| Operation of the market and good tendering practices | Public procurement should be realised in accordance with the existing competitive conditions | Hansel's goal is to obtain several offers in each tendering process | Compliance with processes when preparing procurement | Number of offers/tendering; number of contractual suppliers and subcontractors; share of SMEs among suppliers |
| Providing support and guidance to customers and suppliers, and ensuring their commitment | Development of public procurement | Direct impact on the sharing of good practices and operating models | Extensive internal instructions | Customer and supplier satisfaction; number of participants in different events |
| Competent work community where people feel well | Strategic goal: becoming the most valued public procurement expert and an attractive employer | The company's operations and management method have a direct impact | HR processes | HR indicators, personnel satisfaction |

Our stakeholders



Analysis of major stakeholders with whom Hansel regularly works

Analysis of major stakeholders with whom Hansel regularly works

| Stakeholder | Expectations and requirements towards Hansel | Impact on Hansel's business | Cooperation and business strategy | Responsible party |
|--|--|--|---|--|
| Customer relations | | | | |
| Procurement units | Affordable and high-quality acquisitions in terms of contractual terms and prices. Support for competitive tendering of both framework agreements and own procurement. Minimising risks related to purchasing and procurement. Making procurement easier for the organisation, the need for support with the development of procurement has increased. | Very high | Operations are based on a customer relations plan, which is drawn up annually and wherein areas of focus and major customer relationship development activities are identified. | Customer relations team |
| Customer forum | Opportunities to influence Hansel's operations | Important | Regular meetings | Managing Director and Deputy Managing Director |
| Customer networks of the categories | Opportunities to influence Hansel's operations | Important | Regular meetings | Category Manager |
| Government service providers | | | | |
| Cooperation forum for government service providers | Synergies in other operations | Mutual exchange of experiences in different subareas | Management forum, communication and marketing cooperation, such as ValtioExpo | Managing Director |
| Senate Properties | Support through successful acquisitions and the development of procurement | Cooperation has become deeper and more systematic | Close and regular cooperation, development services | Cooperation Development Manager, customer relations team |
| Government ICT Centre Valtori | Support through successful acquisitions and the development of procurement | High impact, important to maintain interest, key partner in the ICT sector | Expert services and cooperation in accordance with the government procurement strategy: tendering expertise from Hansel, concepts for ICT services from Valtori | Customer relations team, category management, ICT team |
| HAUS Kehittämiskeskus Oy | Cooperation on training provided to Hansel's customers. Hansel employees as instructors on procurement services. | Development of the expertise of Hansel employees | Planning of training | Supervisors |
| Government development group of corporate actors | Active development of the government's procurement | Important | Regular meetings and co-development projects | Chief Category Officer |
| Government Shared Services Centre for Finance and HR Palkeet | Support with business through successful acquisitions and the development of procurement | Continuous cooperation | Cooperation projects, Handi system and the central government's AI network | Director of Finance, Chief Category Officer |
| State Treasury | Support through successful acquisitions and the development of procurement | Increased impact. A significant operator in the development of the government's financial and HR administration. | Cooperation projects, such as #Tietokiri | Director of Finance, Chief Category Officer |

| Supplier relations | | | | |
|--|---|---|--|--|
| Contractual suppliers | Profitable commercial activities with public administration organisations. Professional tendering processes coupled with non-discriminatory and fair treatment. Possibilities for additional sales. | Extremely significant impact as a provider of high-quality, responsible products. | Preparation of an action plan, coordination of cooperation with suppliers | Category management |
| Other suppliers | Desire for additional sales. Fair and non-discriminatory treatment, and verification of such treatment. | Minor impact | Communication on selection criteria, marketing of tendering processes | Category management, customer relations team |
| Employee relations and Board of Directors | | | | |
| Employees | A good employer, balance between work and leisure | Very high | Continuous measures for enhancing wellbeing at work | Managing Director |
| Hansel's Board of Directors | Well-managed, successful company | High | Cooperation with the Board of Directors in accordance with the Limited Liability Companies Act | Managing Director, employee representative |
| Hansel's senior salaried employees (Hyry) | Smooth cooperation between employees and the employer | Very high | Regular meetings | Managing Director |
| Federation of Professional and Managerial Staff (YTN) | An active interpreter and developer of the collective agreement on the employee side | Low impact and interest | Employee representative's participation in training events and active contacts with the employee representative | Employee representative, HR manager |
| Service Sector Employers (PALTA) | An active interpreter and developer of the collective agreement on the employer side | Low impact and interest | Monitoring the situation and maintaining contact as necessary | Managing Director |
| Ownership steering and legislation | | | | |
| Ministry of Finance/owner | A well-managed, responsible and innovative company that generates savings for public administration procurement | High | Cooperation projects, such as data security executive committee VAHTI, active expressing of views on possibilities for development and savings in procurement services | Managing Director, Director of Digital Business |
| Association of Finnish Local and Regional Authorities/owner | A well-managed, responsible and innovative company that generates savings for public administration procurement | High | Cooperation projects, active interaction | Managing Director, Deputy Managing Director |
| Ministry of Finance's Public Governance Department, Corporate Services Policy Unit | Management responsibility and participation in cooperation projects, views of a procurement expert | Very high impact | Cooperation projects, such as Hilma, amendments to the Act on a Limited Liability Company Called Hansel Oy | Managing Director, Head of Legal Affairs, Director of Digital Business |
| Ministry of Economic Affairs and Employment | Presenting the procurement perspective in support of legislative development | Very high | Participation in working groups, discussion and information events | Head of Legal Affairs, Category Manager |
| Business, organisations and corporate responsibility | | | | |
| Industry organisations | Dialogue to support the development of contractual terms. Wants to ensure reasonable contractual terms in the industry | Moderate impact | Maintenance of cooperation (through regular meetings and representatives' inclusion in tendering processes) | Category management |
| Non-governmental organisations | Experiences and practical examples related to their industries | Increasing significance as corporate responsibility is emphasised to an increasing extent | Cooperation projects | Corporate Responsibility Team |
| Confederation of Finnish Industries EK | Impact on contractual terms, increasing members' awareness of public procurement | Moderate impact | Maintenance of cooperation, meetings as necessary | Managing Director |
| Federation of Finnish Enterprises | Want to especially promote the position of SMEs in Hansel's tendering processes | Moderate impact | Closer cooperation | Managing Director, Deputy Managing Director, Category Manager |
| Association of Public Procurement | Contacts and exchange of experiences with a network of industry experts | The role is being developed | Seeking an active role and close cooperation | Head of Legal Affairs |
| Ministry of the Environment | A trailblazer of sustainable procurement | High impact, varying interest (legislation, EU) | Continuing with the cooperation | Corporate Responsibility Team |
| Finnish Environment Institute SYKE | Partner and expert in procurement; customer | Moderate impact | Continuing with the cooperation | Corporate Responsibility Team |
| Motiva | Exchange of information to promote sustainable procurement | Moderate impact | Continuing with the cooperation | Corporate Responsibility Team |

| | | | | |
|--|---|-------------------------|--|---|
| Finnwatch | Partner and expert in responsibility matters, exchange of information to promote sustainable procurement | Moderate impact | Continuing with the cooperation | Category management, Corporate Responsibility Team |
| WWF | Partner and expert in responsibility matters, exchange of information to promote sustainable procurement | Moderate significance | Continuing with the cooperation | Corporate Responsibility Team |
| LOGY | Network for operators in the field of procurement, promotion of public purchases | Moderate significance | Public Procurement Team and Corporate Responsibility Team | Category Manager, Corporate Responsibility Team |
| Open Knowledge Finland | Partner and expert in the promotion of open information | Moderate significance | Cooperation as needed, such as the Tutkihankintoja.fi service and the availability of procurement information as open data | Director of Finance, Director of Digital Business |
| Operators in the municipal sector | | | | |
| KL-Kuntahankinnat Oy | A significant cooperation partner in accordance with the partnership of the reorganisation of the company and its ownership | Important | Cooperation continues as agreed | Managing Director |
| Regional joint procurement bodies | Regular communication and representation of shared interests | Increasing significance | Continuing with the cooperation | Managing Director |
| Other stakeholders | | | | |
| Procurement Finland (Hankinta-Suomi) | Implementation of the national procurement strategy in Hansel's services | Important | Regular meetings and working in a steering group and thematic groups | Managing Director, persons in charge of thematic groups |
| Procurement units in other EU member states | Closer cooperation and best practices, development ideas | Important | Continuing with the cooperation | Managing Director |
| European Commission | Development of public procurement | Increasing significance | Working groups, such as eCertis and EXEP | Managing Director |
| OECD | Development of public procurement | Moderate impact | Participation in networks | Managing Director |
| Finnish Competition and Consumer Authority (KKV) | Oversight of public procurement and compliance with the Competition Act, as well as cooperation in legal matters concerning tendering | Increasing significance | Regular meetings | Head of Legal Affairs |
| Media | Access to information related to public contracts | Moderate impact | Active service: offering stories and materials | Communications Manager |
| Aalto University School of Business | Partner and expert in public procurement | Moderate impact | Research projects and participation in networks | Director of Finance |
| Competence Centre for Sustainable and Innovative Public Procurement (KEINO) | Important operator in the network | Important | Regular meetings | Managing Director |
| HITKO, coordination group for data administration in the Ministry of Finance's administrative branch | Exchange of information, cooperation | Moderate impact | Regular meetings | Director of Digital Business |
| Cooperation network of security authorities | Acknowledging the requirements of security authorities in Hansel services | Important | Regular meetings | Customer relations team |

Corporate responsibility management



Responsibility is evident in every Hansel employee's work, but it is the special responsibility of our corporate responsibility team, which currently has eight members from different parts of the organisation. The responsibility group is chaired by the director of finance, who also answers for it in the Executive Committee. The task of the corporate responsibility group is to improve the processes related to responsibility, monitor the legislation related to responsibility, offer training and share information about responsibility. In November 2021, the responsibility group had a development day, which focused on responsibility audits and emissions calculation.

Responsibility is handled regularly in Hansel's Board of Directors. At the end of the year, the Board made a summary of their responsibility competence which was delivered to the Ministry of Finance.

Visible responsibility goals

Hansel has developed a tool for assessing the responsibility of the company's joint procurement, a responsibility analysis, which has been in use since the end of 2019. It is done in all joint procurements. Based on the analysis, two members of the responsibility group will assess whether to grant any responsibility labels for the joint procurement. In 2021, the responsibility analysis was performed in 50 joint procurements (23 joint procurements in 2020). The customer is informed of the joint

procurement's responsibility and granted labels through the responsibility tab on the hansel.fi online service, and they can use the information in their own responsibility reporting, for example.

The aim of the responsibility analysis process is to assist the category manager and the entire tendering team in considering areas of responsibility extensively in connection with the tendering. The analysis assesses the responsibility of the joint procurement in relation to the predefined responsibility goals. The analysis should take a stand on the responsibility goals and assess whether the matter concerns the procurement in question, and what the procurement's harmful effect or identified risk is. The team must consider how to create a positive impact and what is the action required by Hansel to reduce a negative impact and achieve the positive target. The representatives of the responsibility group support this work.

Joint procurement acknowledges responsibility

In 2021, the responsibility analysis process was developed so that the XRM system would have a note on each joint procurement about which responsibility goals handled in the responsibility analysis it fulfilled. In relation to the environmental label, these goals include a reduction of greenhouse gases, energy efficiency, a reduction of the use of harmful substances, and the circular economy.

For social sustainability, the goals include adherence to work and human rights, employment through procurement, acknowledgement of equality or accessibility, and introducing the Code of Conduct requirement as part of an agreement.

Financial sustainability goals include ensuring sufficient financial performance, cost-effectiveness, or the promotion of security of supply.

The strict monitoring of the responsibility goals enables better reporting.

Responsibility labels for joint procurement

| | 2021 | | | | 2020 | | | |
|--|---------|-----|-----|-----|-------|----|-----|-----|
| | EUR M | % | pcs | % | EUR M | % | pcs | % |
| Reported joint procurement in total | 1,051.5 | | 228 | | 916.0 | | 228 | |
| Financial responsibility label granted | 1,051.5 | 100 | 228 | 100 | 911.2 | 99 | 227 | 100 |
| Ecolabel granted | 621.6 | 59 | 180 | 79 | 600.5 | 66 | 135 | 59 |
| Social responsibility label granted | 191.2 | 18 | 55 | 24 | 127.0 | 14 | 10 | 4 |
| Innovativeness label granted | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 1 | 0 |

Responsibility labels by category

| Category | Joint procurement 2020, EUR M | Ecolabel, EUR M | Social responsibility label, EUR M | Financial responsibility label, EUR M | Ecolabel, % | Social responsibility label, % | Financial responsibility label, % |
|-----------------------------------|-------------------------------|-----------------|------------------------------------|---------------------------------------|-------------|--------------------------------|-----------------------------------|
| Vehicle and logistics services | 97.5 | 81.1 | 6.4 | 97.5 | 83 | 7 | 100 |
| Specialist services | 127.6 | 17.5 | 0 | 127.6 | 14 | 0 | 100 |
| Food and restaurant services | 86.3 | 86.3 | 77.6 | 86.3 | 100 | 90 | 100 |
| Energy | 107.1 | 73.8 | 3.5 | 107.1 | 69 | 3 | 100 |
| Personnel and healthcare services | 90.7 | 8.6 | 8.6 | 90.7 | 9 | 9 | 100 |
| IT hardware | 90.9 | 73.3 | 56.0 | 90.9 | 81 | 62 | 100 |
| Furniture and office services | 84.0 | 83.4 | 26.3 | 84.0 | 99 | 31 | 100 |
| Data centre services and hardware | 45.4 | 44.1 | 0 | 45.4 | 97 | 0 | 100 |
| Travel and meeting services | 20.5 | 20.3 | 10.9 | 20.5 | 99 | 53 | 100 |
| Software | 115.1 | 2.2 | 0 | 115.1 | 2 | 0 | 100 |
| Cleaning services and supplies | 52.1 | 52.1 | 0 | 52.1 | 100 | 0 | 100 |
| Financial services | 66.4 | 54.9 | 0 | 66.4 | 83 | 0 | 100 |
| Data communications | 34.8 | 4.0 | 2.0 | 34.8 | 11 | 6 | 100 |
| Security technology and | 33.1 | 20.0 | 0 | 33.1 | 60 | 0 | 100 |



Corporate responsibility reports at Hansel

The results of our corporate responsibility efforts are presented in the Corporate Responsibility Report, which is published annually in Finnish, Swedish, and English, integrated into the Annual Report. With regard to corporate responsibility, the Annual Report presents key information for 2021 and provides information about interesting events and achievements related to corporate responsibility. The corporate responsibility report relating to events in 2020 was published on 24/04/2021. Reports are prepared in accordance with the principles set forth in the GRI Standards. We report in accordance with the Core option. The standards complied with are from 2016.

The report includes a table presenting the content of the report sorted by materiality themes, the GRI Standards used, as well as instructions on where the information can be found in the report. If a piece of information is not available, it is mentioned in the table alongside an explanation for the omission. Some pieces of information are included in the financial statements.

The report has been put together by Hansel's communications department together with advertising agency SST. The entire Corporate Responsibility Team participates in the preparation of the report, and it is approved by the Executive Committee. The Responsibility Report is also submitted to the Board of Directors for information.

Photos:

Lasse Lecklin and Hansel communications. All photos in the Annual Report feature Hansel's experts.

For further information:

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Tel. +358 29 444 4289

Hansel's corporate responsibility report is available at vuosikertomus2021.hansel.fi (in Swedish arsberattelse2021.hansel.fi and in English annualreport2021.hansel.fi). This report is being published exclusively online for the ninth time. The report was verified by KPMG Oy Ab, Authorised Public Accountants.

We measured our emissions



For more than ten years, Hansel has had an environmental programme that measures emissions and sets targets for their reduction. This has already given us a fairly good image of the organisation's emissions. In the spring of 2021, we still decided to leave the WWF's Green Office environmental programme and concentrate more on emissions calculation with a tendered consultant.

The Procurement Pulse tool for customers contains a calculator that was developed with the Finnish Environment Institute. It describes the life-cycle emissions of organisations based on purchase invoices and average emission factors (ENVIMAT model). Nearly everything that creates emissions is bought, so Procurement Pulse's emissions calculator already provides a comprehensive picture of the emissions. However, the average emission factors do not differentiate between mixed and green electricity.

More reliable results with the GHG protocol

Emissions readings measured with the two mentioned methods differed significantly, so we at Hansel wanted to understand more about the

topic and get an external consultant to calculate our organisation's Greenhouse Gas (GHG protocol) carbon footprint that is used widely internationally.

In accordance with the standard, emissions are divided into three scopes. Scope 1 contains direct emissions from sources owned or managed by the company. These include emissions from the smokestacks of factories owned by the company and emissions from the exhaust pipes of vehicles the company manages. Hansel had no scope 1 emissions. Scope 2 contains indirect emissions from energy consumption, i.e. emissions from electricity and district heat. Scope 3 contains everything else, including device purchases, company cars, business travel, consequential emissions from energy consumption, waste management, and other purchases.

According to the GHG protocol, scopes 1 and 2 are mandatory, meaning they are always calculated. In addition, the organisation's carbon footprint calculation contains the main emissions sources from scope 3. We used the emission factors from Procurement Pulse and accounting materials in calculating scope 3 emissions.

Calculation result for 2021 and 2020

Our GHG protocol calculation result was zero emissions for scope 1 in both years. For scope 2, the number was 65 tCO₂e in 2021 (54 tCO₂e in 2020). We could report the mandatory reading from scopes 1 and 2 as Hansel's carbon footprint, which was 65 tonnes. However, we wanted the calculation of our emissions to be as comprehensive as possible, so we included nearly all of scope 3 as well. Our scope 3 emissions were 582 tonnes (713 tonnes in 2020) and 466 tonnes without the Hilma service (603 tonnes in 2020). We managed to calculate most of our scope 3 emissions with Procurement Pulse using general emission factors, and some in more detail with a consultant. Our total carbon footprint is 530 tonnes (657 tonnes in

2020) without the Hilma service. We thought for a long time about how we should allocate the carbon footprint of services as pass-through expenses. We decided that the emissions of Hilma belonged to the service users rather than Hansel.

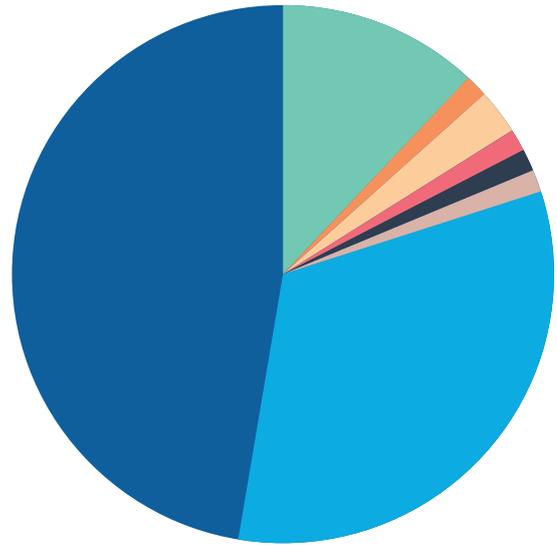
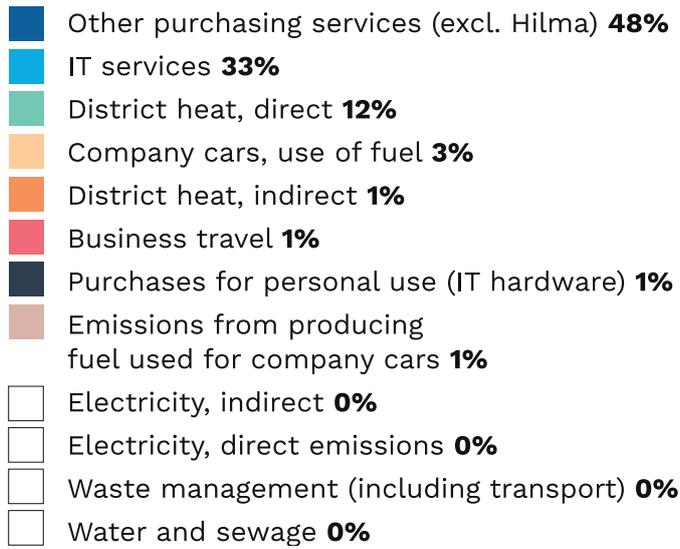
The limitations are very significant when calculating emissions. In addition to the Hilma service, we made another exception: we omitted the journeys between employees' homes and work from the calculation. We made this limitation because an estimated 90% of our employees worked remotely from home, so these journeys were not made. When calculating Hansel's emissions in the future, it is important to keep the same limitations so that we can compare the results from different years.

Emissions from Hansel's own operations

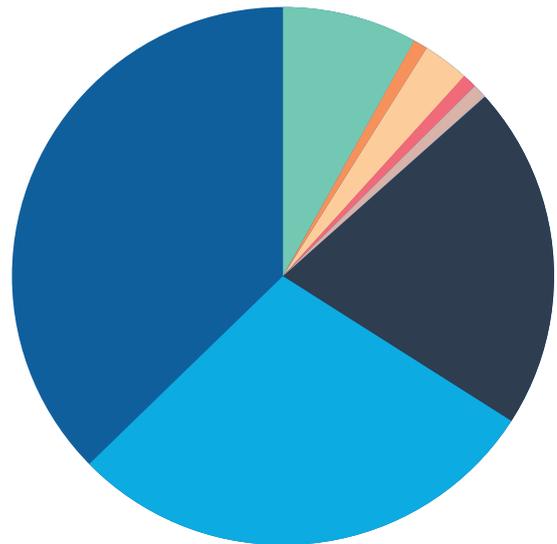
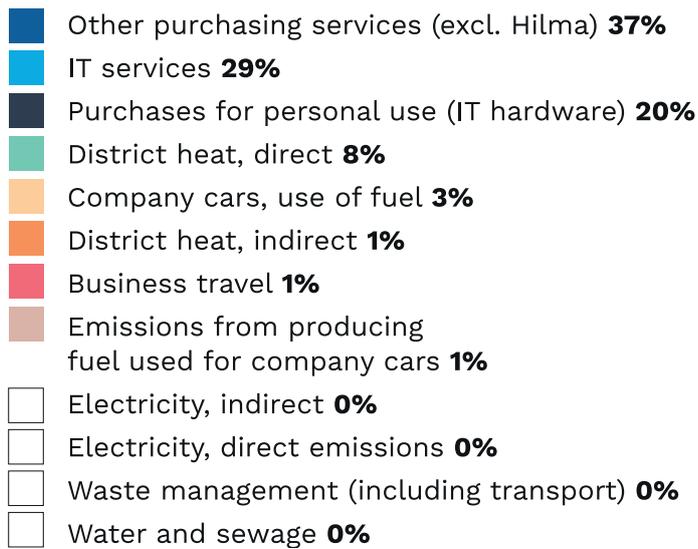
| | 2021 | 2020 | Change-% |
|---|-----------|-----------|----------|
| Total emissions (excl. Hilma), (Scope 1–3), tCO ₂ eq. | 530 (62*) | 657 (76*) | -19 |
| Total emissions (incl. Hilma), (Scope 1–3), tCO ₂ eq. | 646 (75*) | 767 (89*) | -16 |
| Scope 1, tCO ₂ eq. | 0 | 0 | 0 |
| Scope 2, tCO ₂ eq. | 65 | 54 | 20 |
| Scope 3 (excl. data from accounting/emission factors), tCO ₂ eq. | 37 | 170 | -78** |
| Scope 3 (excl. Hilma), tCO ₂ eq. | 466 | 603 | -23 |
| Scope 3 (incl. Hilma), tCO ₂ eq. | 582 | 713 | -23 |
| Emissions per employee, tCO ₂ eq. per person (person-year) (incl. accounting/Envimat) | 4.6 | 5.9 | -23 |
| Emissions per employee, tCO ₂ eq. per person (person-year) (excl. accounting/Envimat data) | 0.9 | 2.0 | -57 |

*The number inside the brackets indicates how many average Finn's annual emissions correspond to the total emissions.
**In 2021, we only made supplementary purchases of tools, which made the emissions reduction significant.
In 2020, we bought computers for the whole personnel.

Hansel's emissions in 2021



Hansel's emissions in 2020



Impressive tendering



In 2021, Hansel's experts participated in arranging nearly 180 customer-specific tendering projects. In this context, customer-specific tendering refers to tendering projects other than those related to Hansel's joint procurement that we have arranged with our customers during the year.

As part of the arrangement of customer-specific tendering, we have measured the impact gained from tendering since 2020. It is measured primarily in connection with each starting tendering by using the measuring impact model we have developed.

When new tendering begins, the project group sets and records verbal and numeric (scale of 0–2) targets for the tendering. When setting targets, five themes are to be observed from the impact perspective:

1. Responsibility
2. Innovativeness
3. Cost savings
4. Product or service quality
5. Increased expertise

The numeric and verbal targets describe the level of impact and the “ambition” the tendering pursues. Examples of moderate targets include contract clauses that increase responsibility to some extent. A slightly bolder target related to

increasing responsibility could be the prohibition of offering products or services that were formerly accepted (but are harmful to the environment) in future tendering. The target for reducing costs (for example, 30% of the current level) could be a significant target related to cost savings that is sought through the tendering.

The measurement (numeric or verbal assessment) is repeated after the project ends, after which the results can be compared with the targets set at the launch of the project.

In addition to individual projects, by gathering more material, our reporting starts to create a wider image of the kind of impact the customer-specific tendering has achieved. Statistically, the materials currently include 118 assessed tendering projects. Of these, 77 have ended during the monitoring period, in which case the information contains the targets and the impact assessment from the conclusion.

Impact starts to show

The material we have gathered until now displays individual tendering projects that are interesting from the different impact perspectives. By analysing all the materials, we can draw conclusions about the kind of impact customer-specific tendering usually creates. The information

is specified as we gain more materials, but we can already make the following observations:

- The most typical impact targets are related to increasing competence. Responsibility is a factor that is least noticeable in the targets of customer-specific projects when measured in this manner.
- After increasing competence, the second most mentioned topic (both in setting targets and when measuring the results) was the improvement of product or service quality.
- Of the assessed projects, 56 (roughly half) contained some elements related to innovations. Of these, 11 (approx. 9%) project groups consider targets related to innovations significant.

Examples of individual verbal project assessments



Innovativeness

- The procurement target and the service provided with it contain innovative elements from the customer's perspective that help change practices positively and improve wellbeing; the customer previously had the work done as employee hours. The practices changed after the equipment was acquired. The acquired equipment improves quality, provides reproducible results, and increases work efficiency.

Cost savings

- The tendering reduced service costs to approximately 60% of the current level. Savings in euros (also when compared with the budget) are several millions during the agreement period than in the current situation.
- The goals were exceeded. Tendering was announced at a time when the supplier had plenty of expert capacity to sell. After the tendering, the winning supplier's price levels were very affordable. The cheap person-day prices of the agile programme development project help achieve a successful final result. Compared to the cost estimate made before tendering, the winning tender was approximately 46% cheaper.

Increased expertise

- The system's procurement involved many matters that improved procurement skills, which the procurement unit can use in its four other procurement projects.

Product or service quality

- The quality of the procured product and the agreement terms add measurable value compared with the earlier situation; quality (repeatability of results) improves, because the device yields better results than the human eye.

Responsibility

- The procurement's target equipment is used to test lithium batteries and solar panels in teaching, research and development operations. The equipment is used to improve the quality of panels and batteries, which will reduce the environmental load of the procurement unit.

A good number of tenders



The year 2021 was busy in joint procurement. There were many tendering projects, new dynamic purchasing systems, and small-scale procurement services.

This was also reflected in the number of contracts. This year, we signed nearly 1,200 contracts with our suppliers. Of these, 900 were made for dynamic purchasing systems and suppliers that joined the small-scale procurement service, and nearly 250 with framework agreement suppliers.

The number of suppliers increased significantly in 2021, and at the end of the year, Hansel had 872 suppliers compared with the 624 at the end of the

previous year. SMEs' share of suppliers was 51%, which was 14% of joint procurement sales.

The number of divided joint procurements has stayed the same compared with the previous year. There were 85% divided joint procurements (86%). Separated by product and service group, 36% (38%), by customer group 27% (22%), and by region 2% (3%). The share of dynamic purchasing systems of joint procurement was 20% (23%). The shares were calculated from the realised sales of joint procurement. Because of the pandemic, there is still only a little travel, which reduces the share of divided joint procurement.

The possibility of auditing was discussed



One of the Corporate Responsibility Team significant reports in 2021 concerned the responsibility audits of suppliers. We hired a consultant to help, which proved a good choice, because the topic is extensive and difficult. The consultant's work finished in October, and it contained plenty of information on trends in legislation, auditing models and methods, and various certification and standardisation systems.

In December 2021, Hansel decided to launch two development projects for it. The first is on joint procurement risk assessment and responsibility monitoring. The risk assessment will be included in the preliminary survey process of joint

procurement projects, and it will be used to determine the responsibility monitoring of joint procurement during the agreement term. For the responsibility monitoring, Hansel will build a process, define responsibilities, and decide the monitoring methods.

In the other development project, we will get a third party to perform a responsibility audit for us as a pilot for the first time. The survey of responsibility audits exposed challenges, and the party that performed the survey recommended that we start audits with Finnish companies. Keeping the pilot in mind, we will start with the principles important to us, such as the equal treatment of suppliers.

Gypsum treatment of fields for the benefit of the Archipelago Sea



The Ministry of the Environment currently has a project in Southwest Finland called KIPSI, funded by the Water Protection Programme. Its aim is to treat 50,000–80,000 hectares of fields with gypsum in the Archipelago Sea catchment to mitigate its eutrophication. According to studies, gypsum treatment can reduce topsoil erosion and phosphorus and carbon runoff to waters from the fields. Hansel's experts were able to help tender for the €18.5 million procurement.

The procurement arranged by our tendering experts and the ELY centre for Southwest Finland was very special and sought a major impact. As with all other customer organisation procurements in which we are involved, this procurement also underwent an impact assessment, both at the start and end of the tendering.

“The impact assessment helped us set goals for the tendering, and it gave us many new ideas. At the end of the project, it was nice to see the concrete results

we achieved,” says a satisfied **Pekka Salminen**, Project Manager at the ELY centre.

The project, which is implemented as a tendering service, assesses five different impact perspectives: responsibility; innovativeness; cost savings; product or service quality; and increased expertise. The concrete targets are written down and assessed on a scale of 0–2.

Generating results

Gypsum created in an industrial side stream may contain harmful substances that may cause concern for some. The KIPSI project arranged competitive tendering of both clean gypsum and a comprehensive quality assurance for it so that farmers could trust it completely. Once the product's quality has been determined, the alternatives for the coordinating, resourcing and managing of the large logistics operation, which also influence how ecological the service is, are compared. In the large land improvement operation, environmental responsibility was

naturally the focus. It is also great from the perspectives of the circular economy and sustainable development targets that the status of waters can be improved with an industrial side stream product that has been chosen in tendering.

In five years, the aim of KIPSI is to reduce the phosphorus load of the Archipelago Sea quickly and cost-effectively by up to 44 tonnes a year, which is a significant part of the total annual requirement of 100 tonnes. During the project, which started in 2020, gypsum has been spread over 16,900 hectares of fields. Meriaura Oy, which won the tender, has transported the gypsum from Siilinjärvi to harbours, and its subcontractors have transported it from there to the fields.

The first tendering and project stage were successful, and the ELY Centre for Southwest Finland is currently preparing the next tender with Hansel.

“The help of Hansel employees, who know the whole tendering process, was invaluable. The chosen criteria were carefully thought out from all perspectives,” Pekka Salminen says gratefully.

The fight against eutrophication continues, and with the help of the EU, we will soon be able to spread gypsum in the entire coastal region.

Read more on the KIPSI project’s website (in Finnish).

Responsible cleaning services



All of Hansel's joint procurements go through the responsibility analysis that helps the tendering team think comprehensively about the different areas of responsibility. As in many other fields of business, the responsibility expectations have increased in cleaning services. The 2021–2025 DPS for cleaning services has acknowledged the promotion of environmental, social and economic responsibility. This is also evident in the responsibility labels granted for joint procurement.

In environmental responsibility, reducing the use of water, chemicals and energy is highlighted in cleaning, as are the promotion of mobility and logistics and the durability of the cleaning surfaces in a facility. Reporting on matters related to facility maintenance is also important – it should be easy for a cleaner to notice burnt-out lights, leaking taps, etc. in their work. From the perspective of financial responsibility, suppliers are required to have sufficient financial performance. Hansel checks reports in accordance with the Act on the Contractor's Obligations and Liability when Work is Contracted Out and monitors suppliers' performance during the agreement term.

The significance of social responsibility is increasing

The cleaning industry employs a large group of professionals full or part time. The availability of a competent and professional workforce is

a challenge in the industry. The industry needs more employees from work-related immigration in addition to the Finnish workforce. Employment perspectives highlight the significance of acknowledging social responsibility.

The purpose of social responsibility is to ensure that the supplier of a cleaning service observes and promotes occupational health and safety, legislation concerning working hours and conditions, and collective agreements. All these perspectives have already been acknowledged in Hansel's previous joint procurement of cleaning services. The new DPS for cleaning services also contains an employment clause tied to Hansel's contractual sales. Suppliers must employ at least one unemployed jobseeker when the contractual sales exceed €1,000,000, and another every time the contractual sales increase by €500,000 from the previous employment. Hansel monitors the growth of suppliers' contractual sales throughout the agreement term.

Eija Hirvonen, the category manager for cleaning services, says that customers can specify the conditions of social and environmental responsibility in their own tendering inside the DPS, i.e. their mini-competition:

“In their invitation to tender, the customer can set contractual conditions related to the promotion

of employment, such as a minimum number of employed people during an agreement term or the terms of the employed person's employment relationship. The customer can also determine minimum values for how many persons the service must employ, or how many work hours should be used for the service in a month. The customer can also specify terms related to environmental responsibility that support the customer's own environmental targets. These terms can concern the environmental label of products or the share of recycled plastic, the reduction of waste, or success in recycling. All these are monitored in the cooperation meetings between the customer and supplier."

From goals to implementation

Criteria have been set for the achievement of environmental, as well as social and financial responsibility, goals. The achievement of goals is monitored in the meetings between Hansel and the suppliers at least twice a year.

"Suppliers must be able to show how the carbon footprint or handprint have been realised in the customer's procurement – both to the customer and Hansel. The category manager monitors the achievement of responsibility goals at the joint procurement level. We make conclusions based on the monitoring and aim to improve the level of responsibility in joint procurement," says Eija Hirvonen.

Dynamic purchasing system (DPS)

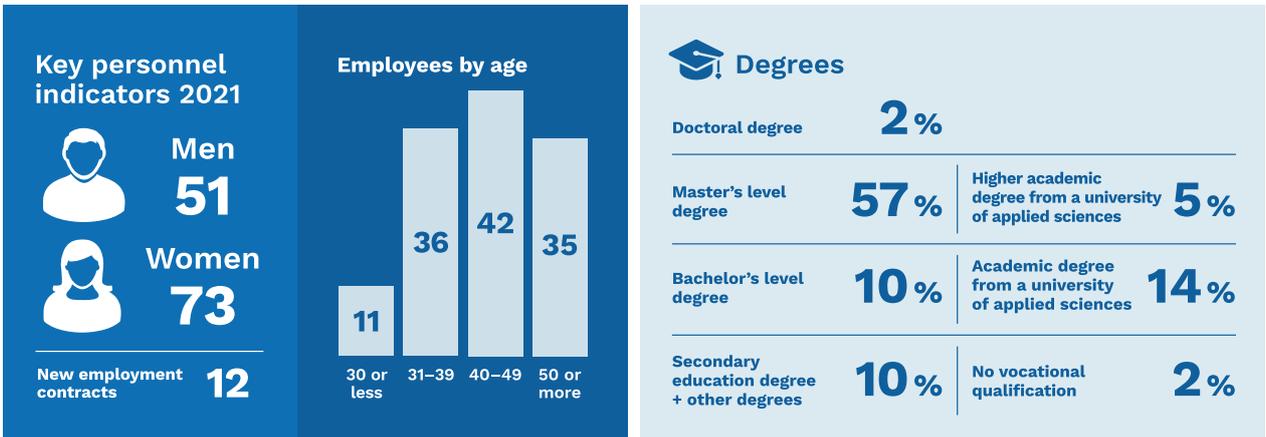
- Both customers and suppliers can join at any point during the agreement period
- Customers make the supplier selection through mini-competitions
- Hansel ensures the supplier's applicability, offers the customers a wide range of templates for mini-competitions, and supports the customer during the agreement period

Cleaning services 2021–2025 (DPS)

- Maintenance and basic cleaning, sanitary and hygiene products, replacement carpet services, management service for vending machines, and much more
- Agreement period valid until 31 December 2025



The number of personnel continued to increase



Number of personnel

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------|------|------|------|------|
| Number of people at the end of the accounting period (person-years) | 116 | 112 | 113 | 92 | 90 |
| Average number of people during the accounting period (person-years) | 116 | 111 | 101 | 90 | 83 |
| Valid employment contracts in total on 31 December | 124 | 118 | 116 | 95 | 94 |
| Valid permanent employment contracts on 31 December | 123 | 115 | 115 | 94 | 90 |
| Valid temporary employment contracts on 31 December | 1 | 3 | 1 | 1 | 4 |
| Full-time temporary employment contracts on 31 December | 1 | 2 | 1 | 0 | 3 |
| Part-time temporary employment contracts on 31 December | 0 | 1 | 0 | 1 | 1 |

Number of personnel

| | | | | | |
|---|------|------|------|------|------|
| Full-time employment contracts (temporary and permanent) on 31 December | 123 | 116 | 114 | 92 | 91 |
| On maternity or parental leave on average | 6 | 4 | 1 | 3 | 2 |
| Permanent employment contracts on 31 December, % | 99.2 | 97.5 | 99.1 | 98.9 | 95.7 |
| Temporary employment contracts on 31 December, % | 0.8 | 2.5 | 0.9 | 1.1 | 4.3 |

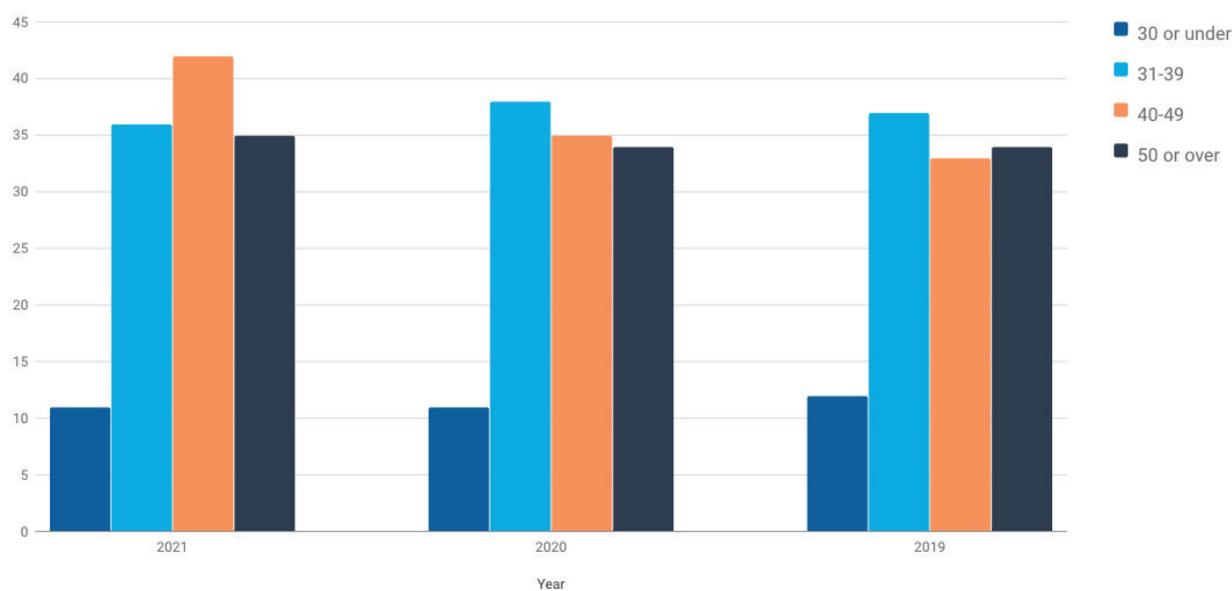
Employees by gender

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------|------|------|------|------|------|
| Male | 51 | 51 | 53 | 43 | 45 |
| Female | 73 | 67 | 63 | 52 | 49 |

Average duration of employment

| Person-years | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------|------|------|------|------|------|
| 40 or more | 3 | 2 | 1 | 2 | 2 |
| 30-39 | 0 | 2 | 3 | 3 | 3 |
| 20-29 | 0 | 0 | 0 | 0 | 0 |
| 10-19 | 31 | 27 | 28 | 23 | 21 |
| 4-9 | 43 | 29 | 30 | 25 | 26 |
| 1-3 | 35 | 47 | 43 | 33 | 15 |
| Less than a year | 12 | 11 | 11 | 9 | 27 |
| Employees in total | 124 | 118 | 116 | 95 | 94 |

Employees by age



Personnel turnover

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------|------|------|------|------|
| New employment contracts* | 12 | 12 | 33 | 12 | 28 |
| of which temporary employment | 1 | 3 | 3 | 3 | 5 |
| Ended employment contracts | 7 | 10 | 10 | 9 | 10 |
| of which retired | 1 | 2 | 2 | 0 | 1 |
| Temporary employment contract ended | 1 | 0 | 1 | 4 | 1 |
| Employment contract's termination on probation | 0 | 1 | 1 | 0 | 0 |
| Number of resigned employees | 5 | 6 | 6 | 5 | 8 |
| Number of dismissed employees | 0 | 1 | 0 | 0 | 0 |
| Average turnover, % | 7.7 | 9.3 | 18.5 | 11.1 | 20.2 |
| Exit turnover, % | 5.6 | 8.5 | 8.6 | 9.5 | 10.6 |
| Exit turnover, resigned employees, % | 4.0 | 5.1 | 5.2 | 5.3 | 8.5 |

*In 2019, new employment contracts include 16 former employees of KL-Kuntahankinnat who became Hansel's employees due to the merger on 2 September 2019.

New employees

| Men | Women | 30 years or less | 31–39 y | 40–49 y | 50–59 y | More than 60 years |
|------|-------|------------------|---------|---------|---------|--------------------|
| 33 % | 67% | 42% | 33% | 17% | 8% | 0% |

Sick leave and accidents

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|------|------|------|------|------|
| Number of accidents that led to absence in a year | 7 | 1 | 1 | 2 | 2 |
| Number of accidents at work in a year | 2 | 4 | 0 | 2 | 2 |
| Cases of death | 0 | 0 | 0 | 0 | 0 |
| Sick leaves, including caring for a sick child (days per person-year) | 3.6 | 3.0 | 4.3 | 2.2 | 3.5 |
| Sick leaves, excluding caring for a sick child (days per person-year) | 3.3 | 2.7 | 3.9 | 1.8 | 3.1 |
| Short-term sick leaves (1–3 days), excluding caring for a sick child (days per person-year) | 1.4 | 2.0 | 2.9 | 1.8 | 2.1 |
| Sick leaves total, excluding caring for a sick child (person-years) | 1.6 | 1.3 | 1.7 | 0.7 | 1.1 |
| Sick leave percentage, including caring for a sick child | 1.5 | 1.3 | 1.8 | 1.0 | 1.5 |
| Sick leave percentage, excluding caring for a sick child | 1.4 | 1.2 | 1.6 | 0.8 | 1.3 |
| Personnel healthcare expenses (€ per person per year) | 391 | 296 | 582 | 305 | 351 |
| Personnel recreational expenses (€ per person per year) | 208 | 99 | 296 | 407 | 260 |

Degrees

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------|------|------|------|------|
| Doctoral degree, % | 2 | 1 | 1 | 1 | 1 |
| Higher academic degree (university), % | 57 | 55 | 59 | 60 | 60 |
| Higher academic degree (university of applied sciences), % | 5 | 6 | 5 | 5 | 7 |
| Lower academic degree (university), % | 10 | 9 | 7 | 5 | 3 |
| Lower academic degree (university of applied sciences), % | 14 | 15 | 15 | 14 | 11 |
| Upper secondary degree + other degrees, % | 10 | 10 | 10 | 9 | 13 |
| No vocational qualification, % | 2 | 3 | 3 | 5 | 5 |

Training

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------|------|------|-------|-------|
| Training days (days per person per year) | 4 | 1 | 3 | 3 | 5 |
| Training days (days per person per year), supervisors | 5 | 2 | 3 | 5 | 8 |
| Training days (days per person per year), others | 4 | 1 | 3 | 3 | 4 |
| Training days (days per person per year), women | 4 | 1 | 2 | 3 | 5 |
| Training days (days per person per year), men | 4 | 2 | 3 | 3 | 4 |
| Training services purchased from third parties (€ per person per year) | 671 | 329 | 644 | 1,085 | 1,622 |

Paid incentives (excluding social insurance payments)

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------|------|------|------|------|------|
| EUR thousand | 812 | 509 | 722 | 660 | 511 |

Second year of remote work



The year 2021 began by working remotely again. We kept working and getting results, but at the beginning of the spring especially, personnel started showing signs of needing to meet in person. We did not dare to host a summer party for the whole personnel, but teams met each other outdoors, paying attention to health and safety. The teams posted pictures and captions of these encounters on Teams, encouraging others to get together.

Teams was also used to share tips for remote work ergonomics and taking a break. Within the company, a wide discussion of values also brought Hansel employees together to think about our desired corporate culture. More frequently organised peer meetings supported supervisors in how to manage remote work. They were also trained on topics such as the management of hybrid work and future management trends. The Executive Committee also assembled for their workplace communications training, which focused especially on the management of hybrid work.

New operations models for hybrid work

In the autumn, the pandemic seemed to be easing off, and the company started thinking of a new way of working at Hansel that would allow flexible and location-free work but also encourage people to meet others in person at the office. The operations model was built with HR, the communications team, supervisors, and the shop steward.

The personnel clearly stated that they wished to continue working partly remotely, so the company decided that employees could attend meetings both physically and through Teams in most cases. However, employees were encouraged to come to the

office to maintain a sense of community and allow extempore encounters. Hansel's internal development workshops should also be attended in person. Stakeholders decide on the form of meetings related to cooperation with them.

Meeting practices were also specified to make work more effective and allow breaks between Teams meetings.

New experts and learning new things – in person and remotely

Twelve new employees started at Hansel in 2021. They received training in the company's operation and the secrets of public procurement legislation and business processes.

Hansel has an encouraging approach to developing the skills of its personnel. In addition to deepening the knowledge of individual experts, the entire personnel were trained in how to use work tools more efficiently, write well, and use Swedish. There were also information blasts on sustainability and ethics, and we launched an informative series, Tutustu tarjontaamme (Learn about our supply), which provided information on a specific area of responsibility for other Hansel employees.

In the service design training, organised with HAUS development centre, the procurement development unit created a portfolio that described their service supply. Media training, which was long-awaited by the category managers, was also organised in the autumn of 2021: two groups trained at the office, and two with remote connections. Both forms of training were very successful.

Merja knows 40 years of Hansel's history



In the golden 1980s, young people starting their careers often began at the lower steps of the employing business. **Merja Leppänen**, who currently works in Hansel's financial unit, started her career as an office assistant, that is, an internal courier, at Government Purchasing Center (VHK), which was typical of the time. The task was a good start to a long career, first at the VHK, then at Trading House Hansel Ltd, and now at today's Hansel.

In her own words, Merja has not stopped thinking about the passage of time, as the changing job description has kept her work motivation high and the work interesting over the years. The next step from being a courier was to be promoted to a post handler, which meant preparing the mailing of announcements. One mailing might have included even 10,000 customer announcements! The content of the announcements was very similar to Hansel's current communication: information on what kind of contracts Hansel has signed with suppliers, and which products and services are available. Back then, at the start of the 1980s, VHK also had its own printing office, where Merja worked as a substitute from time to time. One detail of the printing office's operation is deeply etched in Merja's memory:

"There was a rule against using the copier for more than 20 copies. Any bigger printing work was done with the in-house offset printing press. Fridays were the cleaning days for these bulky machines, which was physically draining due to lifting the rollers."

Customer work groups have been an important part of our customer cooperation for several decades. For example, until the 1990s, VHK delivered new parents' maternity packages, which were acquired through Kela's competitive tendering. As is customary these days, a customer work group was established at the start of the competition process for designing and testing suitable products to include in the procurement. The customer work group clearly chose good and high-quality products, as Merja says she brought up both her children with the same maternity package.

International winds of change in the 1990s

Merja began working as an invoice clerk in the early 1990s, having worked as an invoice handler for a few years. She would have been interested in working as an invoice clerk sooner, but she did not meet one of the requirements for an invoice clerk back then. It was not about a degree in financial administration, but something completely different.

"The touch-type system was considered an essential skill for invoice clerks, because the work supposedly contained so much typing, such as the product name and the customer's street address," Merja reminisces with a twinkle in her eye.

However, the handling of purchase invoices was soon added to the invoice clerk's tasks. Merja had suitable experience, and she began her career in the invoicing department. She was also involved in a

work group that was designing an invoicing system for Hansel. When working as an invoice clerk for the trading department, Merja also gained experience of the twists and turns of international trade, as Trading House Hansel Ltd took care of the procurement of development aid products, including their export to the target countries. Merja completed a degree as an export assistant while working, which was helpful when working at the global customer and supplier interface. For example, Merja got to present how the delivery process of Finland's food aid worked to the representatives of the World Food Programme (WFP).

"I gave the presentation in English – me, who can't speak English," Merja laughs modestly.

A tight grasp of customer hierarchy

When working in customer relations, Merja oversaw the managing of Hansel's entire customer register and hierarchy.

"Customer hierarchy is the basis for all our business. The sales are based on having correct and up-to-date customer data," Merja emphasises.

Her work as the customer register's administrator continues. Merja's other tasks in the financial unit

include invoicing and the monitoring of supplier responsibility. A few years ago, Hansel established a new reporting system. Merja was closely involved with commenting on its development work.

According to Merja, development work should first focus on finding out why the current model is laborious or otherwise fails to give the desired results, and then on designing a feasible solution that can give the desired results with as light a process as possible.

In the last couple of years, the number of Hansel's joint purchases has increased significantly, particularly after the numerous purchases performed with dynamic purchasing systems (DPS).

"The number of individual joint procurement contracts has at least doubled, so it would be simply impossible to handle reports manually," Merja says.

For Merja, the best part of working at Hansel is having amazing co-workers. As well as her colleagues, Merja praises Anssi Pihkala, the Managing Director, whose example of an open working culture guides the entire work community.

Unparalleled work experience

Merja's vast experience first at Government Purchasing Center, then at Trading House Hansel Ltd, and now the current Hansel is second to none.

She has worked as

- a courier
- a post handler (including temporary duplication work)
- an invoice handler
- an invoice clerk
- an exports assistant in the trading unit
- a back-office support in customer relations and
- an administrator of customer hierarchy and supplier information.



Encounters in events as well



After a year-long break, our wellbeing and recreational club, Hansel Club, managed to organise long-awaited personnel events with due care to health and safety: autumn day and Christmas party. The events, which have become established dates in our calendar, were filled with much-anticipated encounters, the hum of conversation, and a large serving of genuine smiles and the joy of activity.

We spent the autumn day in the fresh air playing solution-focused games. In small teams, we tried our skills at bedsheet volleyball, tying knots, and memory games. In addition to the company and games, we enjoyed good food and sauna. The most memorable part of the day was the happy chatter, which also kept us warm against the chilly wind.



At the Christmas party, we continued doing our own thing. We snatched a suitably challenging secret mission from the Christmas tree, and threw ourselves into everything during the evening. We were also entertained by the performances of our colleagues, the relaxed dinner, music and the atmosphere.

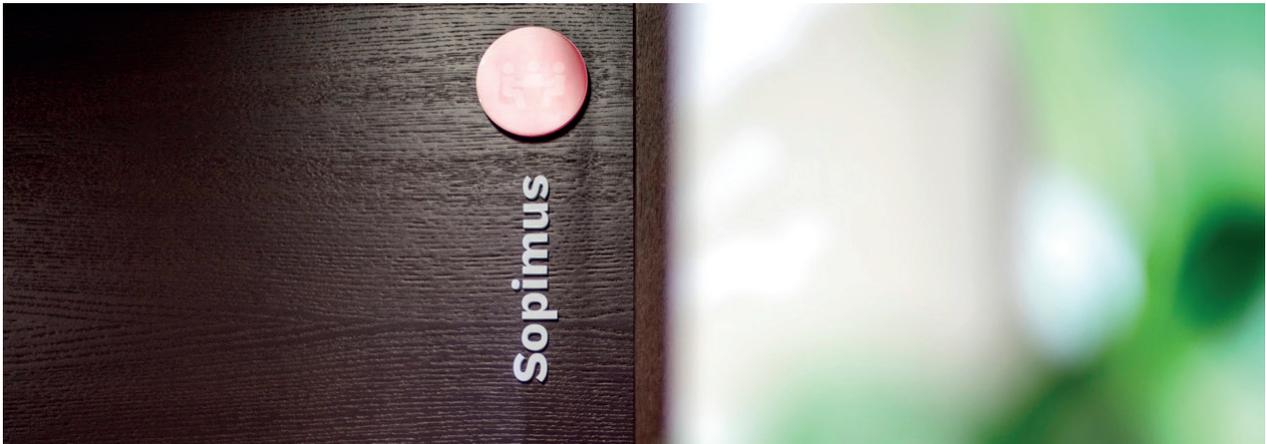
Both events highlighted the significance of meeting your colleagues in person and spending time



together. As is often the case in life in general, we can say you learn to value something only when it is taken from you. We are a commendably colourful group of experts, and our colours shine best when we stand together.

Hopefully, we will see each other again at more events in future.

GRI index



Hansel's Corporate Responsibility Report has been prepared in accordance with the Core option of the GRI Standards. The standards complied with are from 2016.

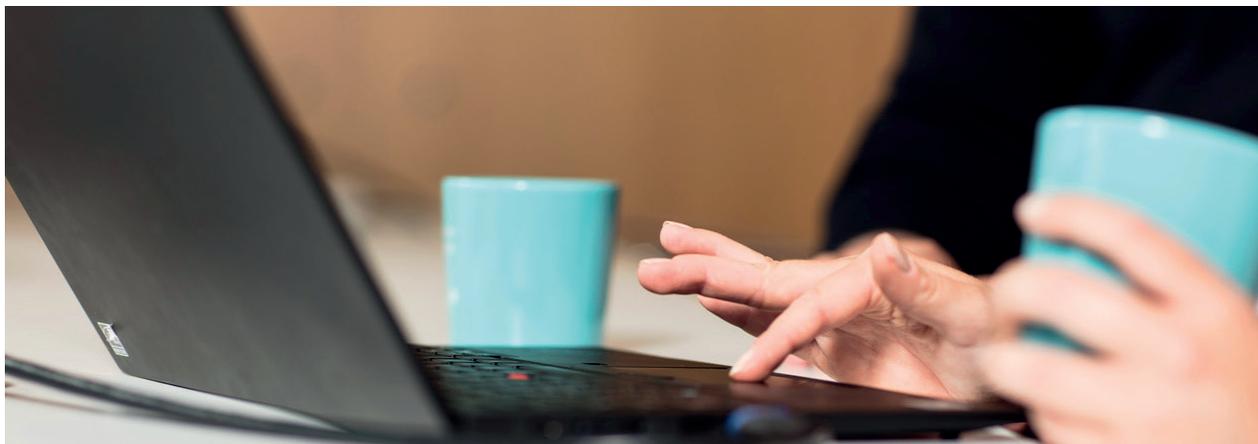
| Background description of the organisation | | | |
|--|---|---|--|
| GRI indicator | GRI definition | Links | Hansel's materiality theme/ <i>Deficiencies in reporting</i> |
| 102-1 | Name of reporting organisation | Hansel – a central purchasing body for the public administration | |
| 102-2 | Primary activities, brands, products and services | Hansel – a central purchasing body for the public administration | |
| 102-3 | Location of the company's headquarters | Hansel – a central purchasing body for the public administration | |
| 102-4 | Location of functions | Hansel – a central purchasing body for the public administration | |
| 102-5 | Ownership and legal form | Hansel – a central purchasing body for the public administration | |
| 102-6 | Markets served | Hansel – a central purchasing body for the public administration A good number of tenders | |
| 102-7 | Scale of the organisation | The number of personnel continued to increase Financial position and key figures Personnel and organisation | |

| | | | |
|------------------------|--|---|--|
| 102-8 | Information on employees and other workers | The number of personnel continued to increase | <i>The indicator is not applicable for points a and c: The gender distribution is specified for the total number of personnel only, because it is relatively low, and a more specific itemisation would be inappropriate.</i> |
| 102-9 | Supply chain | Hansel – a central purchasing body for the public administration | |
| 102-10 | Significant changes to the organisation and its supply chain | A good number of tenders | <i>The indicator is not completely applicable: There were no changes in the organisation in 2021.</i> |
| 102-11 | Precautionary principle or approach | Corporate responsibility management | <i>The indicator is not applicable: Hansel's operations do not have any direct environmental impact, because the company does not have any production operations. The responsibility analysis only deals with indirect impact.</i> |
| 102-12 | External initiatives | Public procurement is developed together | |
| 102-13 | Memberships in associations and advocacy organisations | Operations of the joint procurement unit | |
| Strategy | | | |
| 102-14 | Managing Director's review | From the Managing Director Review of events in 2021 | |
| 102-15 | Key effects, risks and opportunities | Risks and risk management | |
| Business ethics | | | |
| 102-16 | Values and business principles | The implementation of the integration strategy has progressed well The discussion of values enthused the personnel Business principles on our website | Openness and transparency of public procurement Prevention of the black economy |
| 102-17 | Mechanisms for advice and concerns about ethics | Hansel – a central purchasing body for the public administration Review of events in 2021 | Openness and transparency of public procurement Prevention of the black economy |
| Administration | | | |
| 102-18 | Governance structure and management of corporate responsibility | Hansel – a central purchasing body for the public administration Corporate responsibility management | |
| 102-19 | Delegating authority | Corporate responsibility management | |
| 102-20 | Corporate responsibility contact persons and reporting relations | Corporate responsibility management | |

| | | | |
|--------------------------------|---|--|---|
| 102-24 | Nominating and selecting the Board of Directors and the Executive Committee | Hansel – a central purchasing body for the public administration | <i>The indicator is not applicable (b): Hansel does not have a separate operating procedure for nominations. Instead, we follow the government's ownership steering principles.</i> |
| 102-32 | Approval of the corporate responsibility report | Corporate responsibility management | |
| Stakeholder interaction | | | |
| 102-40 | List of stakeholders | Our stakeholders | |
| 102-41 | Collective bargaining agreements | Personnel and organisation | <i>Hansel has its own collective agreement concerning salaried employees. It applies to all employees except the Managing Director.</i> |
| 102-42 | Identifying and selecting stakeholders | Our stakeholders | |
| 102-43 | Stakeholder activities | Our stakeholders were interested in the webinars | Providing support and guidance for our customers and suppliers, and ensuring their commitment |
| 102-44 | Key topics and concerns raised through stakeholder engagement | From the Managing Director Public procurement is developed together | |
| Reporting practices | | | |
| 102-45 | Entities included in consolidated financial statements | | <i>The company's financial statements cover all the operations. Hansel is not a group of companies.</i> |
| 102-46 | Defining report content and topic boundaries | Materiality assessment | |
| 102-47 | List of material topics | Materiality assessment | |
| 102-48 | Restatements of information | Corporate responsibility management | |
| 102-49 | Changes in reporting | Corporate responsibility management We measured our emissions | <i>The company resigned from the Green Office environmental programme in 2021.</i> |
| 102-50 | Reporting period | Corporate responsibility management | |
| 102-51 | Date of most recent report | Corporate responsibility management | |
| 102-52 | Reporting cycle | Corporate responsibility management | |
| 102-53 | Contact point for request for additional information | Corporate responsibility management | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Corporate responsibility management | |
| 102-55 | GRI content index | GRI index | |
| 102-56 | External assurance | Independent assurance report | |
| Management approach | | | |
| 103-1 | Materiality topics and topic boundaries | Materiality assessment | |
| 103-2 | Management approach and its sectors | Corporate responsibility management Materiality assessment | |

| | | | |
|--|---|--|--|
| 103-3 | Management approach performance assessment | Corporate responsibility management Materiality assessment | |
| Economic impact | | | |
| 201-1 | Direct economic value generated and distributed | The supply of joint procurement expanded Financial position and key figures The implementation of the integration strategy has progressed well | Efficient procurement in the entire public sector <i>Hansel boosts the performance of general government finances by opening up public procurement to competition through joint procurement agreements, as well as by assisting its customers in arranging their own tendering processes and in developing their procurement management.</i> |
| Indirect economic impact | | | |
| 203-2 | Significant indirect economic impact | The implementation of the integration strategy has progressed well A good number of tenders | Efficient procurement in the entire public sector Functionality of the market and good tendering practices |
| Anti-bribery and anti-corruption operations | | | |
| 205-2 | Anti-corruption and anti-bribery training | Hansel – a central purchasing body for the public administration | Openness and transparency of public procurement Prevention of the black economy <i>Training is continuous and directed at the entire personnel, which is why there are no specified indicators. In 2021, we organised training on government employee ethics. The recording has been saved permanently for personnel.</i> |
| Suppliers' environmental assessments | | | |
| Hansel 1 | Percentage of joint procurement granted with a responsibility label | Corporate responsibility management | Climate- and eco-friendly procurement <i>Hansel grants a responsibility label for a joint procurement project if specific criteria are met. We measure the share of joint procurement projects with labels in all joint procurement projects.</i> |
| 308-2 | Negative environmental impact in the supply chain and actions taken | Corporate responsibility management | Climate- and eco-friendly procurement <i>Hansel's responsibility analysis assesses the positive environmental impact of procurement, the negative environmental impact of procurement, and the ways to reduce these problems or achieve the targets. At the end of 2021, Hansel had more than 800 contractual suppliers, a number that varies. At Hansel, the ecolabel is granted to the joint procurement, not a supplier.</i> |
| Training | | | |
| 404-1 | Training days | The number of personnel continued to increase | Competent work community where people feel well |

Independent Assurance Report to the Management of Hansel Oy



This document is an English translation of the Finnish report.

We have been engaged by the Management of Hansel Oy (hereafter “Hansel”) to provide limited assurance on selected corporate responsibility indicators presented in Hansel’s Annual Report 2021 (hereafter “Selected Corporate Responsibility Information”) for the year ended 31 Dec 2021.

The Selected Corporate Responsibility Information consists of the indicators presented in the following sections of Hansel’s Annual Report 2021:

- Operations 2021
- Renewing procurement
- Responsible procurement
- Hansel as an employer
- GRI

Management’s responsibilities

The Management of Hansel is responsible for the preparation and presentation of the Selected Corporate Responsibility Information in accordance with the reporting criteria, i.e. *GRI Sustainability Reporting Standards*, and the information and assertions contained within it. The Management is also responsible for determining Hansel’s objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance manage-

ment and internal control systems from which the reported performance information is derived.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Selected Corporate Responsibility Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Corporate Responsibility Information is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of

integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on Selected Corporate Responsibility Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Corporate Responsibility Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed the members of Hansel's senior management and relevant staff responsible for providing the Selected Corporate Responsibility Information;
- Assessed the application of the *GRI Sustainability Reporting Standards* reporting principles in the presentation of the Selected Corporate Responsibility Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Corporate Responsibility Information;
- Reviewed the presented Selected Corporate Responsibility Information and assessed its quality and reporting boundary definitions and;
- Assessed of the Selected Corporate Responsibility Information's data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is

substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with the *GRI Sustainability Reporting Standards*.

Helsinki, 26. April 2022
KPMG Oy Ab

Harri Leppiniemi
Partner, CIA, Advisory

Tomas Otterström
Partner, Advisory

HANSEL 