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Tarmetec Sustainability report

2025

WWW.METECGROUP.EU

Our vision & mission

COST EFFICIENCY

A well-thought-out design and the right decisions in the choice of technology prove to be especially important for medium and smaller production volumes.

QUALITY

We constantly monitor the quality of production inputs and processes, both our own and our suppliers' or sub-contractors'.

SPEED

We are fast in both product development and manufacturing, while regarding the high requirements set for product quality and complexity.

VERSATILITY

We own the majority of metalworking technology and can procure other components from anywhere in the world when necessary.

Our production facilities are modern.
We only invest in new and innovative technologies.

Our risks are well managed
We deal with problem prevention on a daily basis to ensure that we keep our promises to customers.

Our work develops us
When we aim to create more complex products with greater added value, we ourselves become smarter and earn more.

We are digital
We actively use IT opportunities to improve processes both in production areas and in the office.

We grow sustainably
Fast sales growth and higher profits cannot come at the expense of overburdening our people and the environment.

Our product development process is fast
We have smart engineers, technologists and tooling capabilities.

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Our core values in sustainability

RECYCLING



We sort all the waste generated as a result of our activities and direct it to recycling.

PREVENTING ACCIDENTS AT WORK



All of our employees are trained in occupational safety. We regularly carry out risk assessment in our workplaces and improve workplace ergonomics.

MINIMISING THE RISK OF POLLUTION



We assess the environmental risks related to our processes and plan preventive actions to minimise environmental damage in case of accidents.

INCREASING ENERGY EFFICIENCY



We are guided in our actions by energy-efficient work methods and appropriate use of residual energy generated in the production processes. Energy efficiency is also assessed and monitored for the adoption of new technology or constructing additional buildings.

VALUING THE PHYSICAL AND MENTAL HEALTH OF OUR EMPLOYEES



We guarantee a pleasant and safe working environment for our employees and support them in their personal goals with bonuses. We are open to help the employee achieve a balance between work and family matters.

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Tarmetec in figures



Sales turnover 30mEUR



Export share 95%



Countries served 26



Employees total - 300
Engineers - 30



Production area total - 64,000 m2
Covers - 30,000 m2



Tarmetec since 1993

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CUSTOMERS
SOCIETY
LOCAL COMMUNITIES
OWNERS
OUR STAKEHOLDERS
EMPLOYEES
PARTNERS
SUPPLIERS
PUBLIC OFFICES

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Our contribution towards sustainable development goals

We actively work towards UN Sustainable Development Goals to achieve climate neutrality by 2050 as a united Europe.

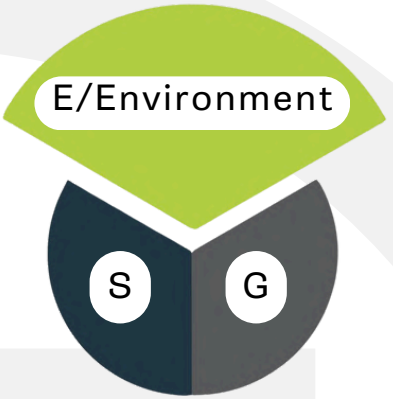


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Environment

The whole world is contributing increasingly towards the transition to a more sustainable management. As we now have relevant legislation enacted in the field of sustainability, the companies are thereby expected to map and improve the results regarding sustainable management.



We are proud to say that Tarmetec has had the ISO14001 certificate for environmental management systems since 2010, meaning that describing environmental aspects and evaluating their impact is not something new for us. Futhermore, we are bound by various legal requirements and are also obliged to report on packaging, air and water quality. In addition, the company has separately described environmental guiding principles and shares a position that environmental conservation is not an additional cost for the company. We believe that with increasingly accurate impact mapping, we can shift the focus onto topics which would benefit us financially and help us preserve the environment.

Environmental factors



- Energy Management
- Waste and Hazardous Materials Management
- GHG Emissions
- Air Quality
- Water and Wastewater Management
- Resource Use and Circular Economy/ Energy Management
- Resource Use and Circular Economy

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GHG Emissions

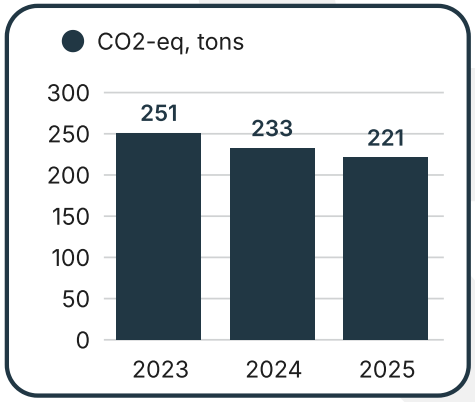


In order to achieve the SDG goals, all organisations must contribute to reducing the greenhouse gas footprint and thereby mitigating climate impacts. That is why we are actively contributing towards the 13th SDG goal – taking climate action.

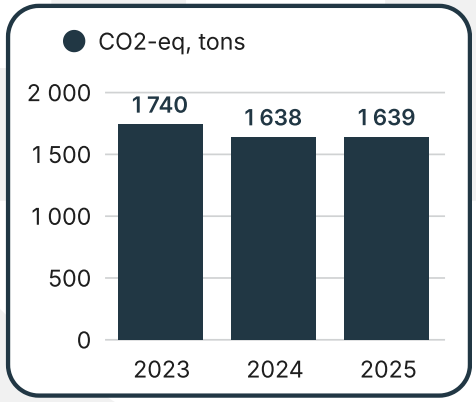
Given EU changes easing sustainability reporting requirements, we are not collecting Scope 3 data at this time. Instead, we prioritise the accuracy and reliability of our Scope 1 and Scope 2 measurements.

2023–2024 restated: natural gas is now included in Scope 1, a unit error in heat energy was corrected and electricity uses Elering's latest residual mix factor (0.612 kg CO2/kWh).

Scope 1: direct emissions – vehicles, forklifts, natural gas



Scope 2: indirect emissions – electric energy, heat energy



In 2025 Scope 1 emissions fell by 5%, mainly because forklifts moved from gas to electricity. Scope 2 stayed level: electricity use fell by 2% while heat use rose by 16%.

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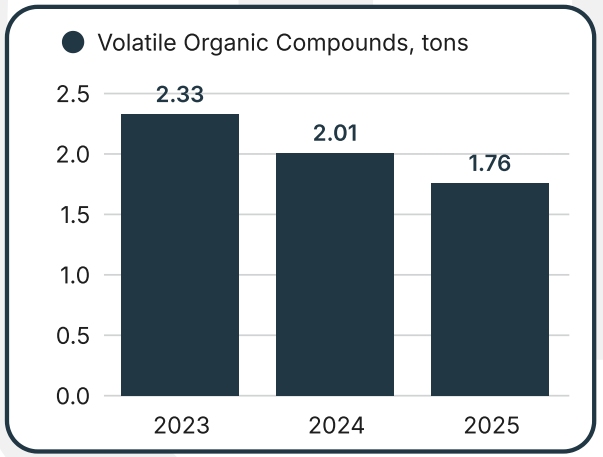
Air quality



The metal industry (including metal processing) is under strong supervision due to the air polluting nature of the field. We carry out regular environmental measurements and report the results accordingly – not only to comply with the law but also because we understand the impact that air quality has on society.

To comply with the permitted emissions of pollutants, the company has implemented the Permissible Emissions Project: all chemicals, as well as the processes they are used in, have been mapped.

To prevent the emission of volatile organic compounds (VOCs) released in certain processes, we invest in filtering systems in the production areas affected and report the amount of VOCs to the Environmental Board. In 2026 we will phase out liquid paints in production.



Actions in 2026

- Continue improving ventilation and filtering systems.
- Map VOC-emitting processes and phase out liquid paints.
- Monitor emissions quarterly.
- Renew our air pollution permit.

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Water and wastewater



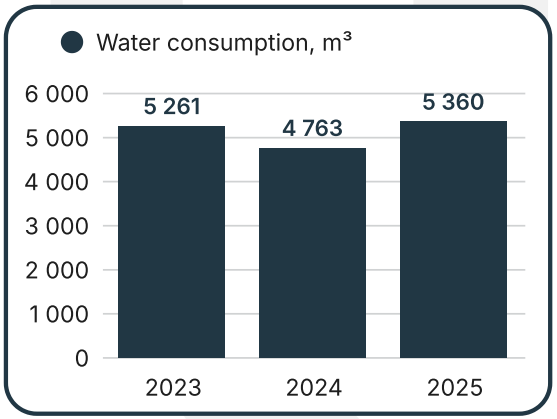
Wastewater affects both the community around us and our employees. We take measures to ensure clean drinking water and sanitation and thereby support the 6th SDG goal.

Tarmetec uses water from Tartu Veevärk for both domestic and technological purposes. Technological water is mainly consumed in electropolishing, powder coating and washing, making up about 14% of total water consumption. In 2026 our new paint line will cut rinse water consumption by almost 50%.

The water pollution group assigned to us yearly is an important indicator for us, and we wish to keep it at a good level.

Pollution groups through 2023–2025

2023	2024	2025
3	3	3



Actions in 2026

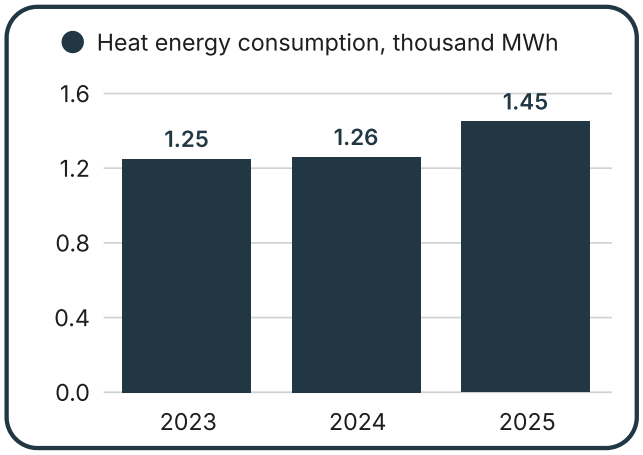
Regular cleaning of sediment pits.

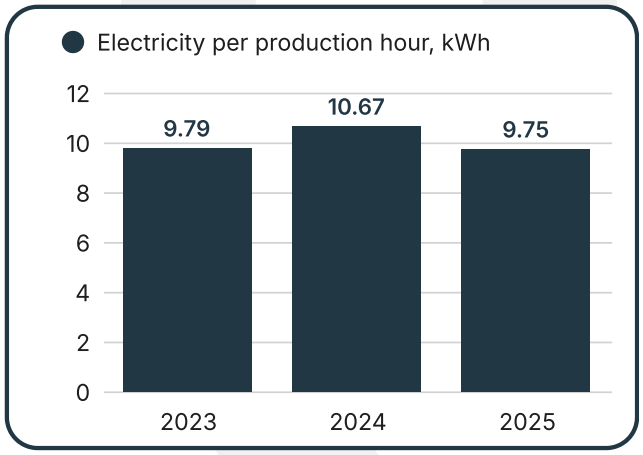
Energy management

Saving energy is a goal for us at the highest management level. We monitor our use of electricity, heat and natural gas during working hours. In addition to cost savings, we pay more and more attention to the origin of energy so that the supplied energy is sustainable.

Tarmetec continuously reduces energy consumption in-house. In production areas we control ventilation wisely and have gradually switched to LEDs. In 2025 electricity use per production hour fell by 9%.

As the use of heat energy largely depends on outdoor temperatures, we do not set a target for it. In 2025 heat use rose by 16%. We are moving towards controlling our heating systems as smartly as possible.





Actions in 2026

- Complete the switch to LED lighting in our warehouses.
- Further develop the building automation system to optimise the regulation of thermal energy.
- Install sub-meters by production area to follow electricity and gas use per process.

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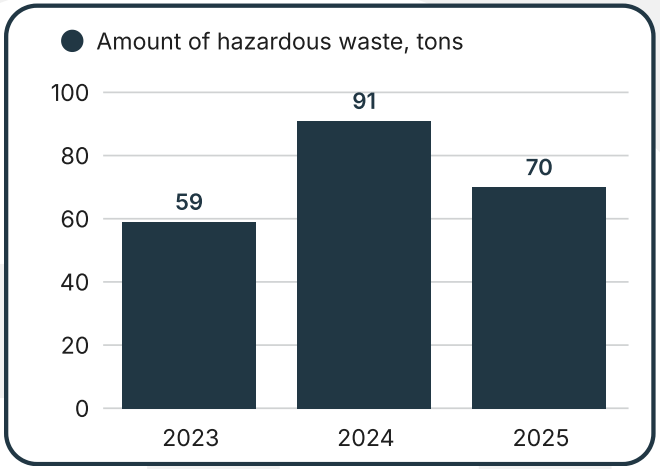
Waste and hazardous materials management

The waste management in our buildings is controlled. Our internal procedures regulate the types of waste and their sorting in the production area. We are obliged by law to carry out packaging reporting.

Metal waste is sent into circulation: it goes to a collection point where it is processed and resold. About 70% of the purchased material is made from re-alloys of scrap metal.

To manage hazardous waste, we have a specific accounting procedure and monitor the annual disposal amount. In 2025 the amount fell by almost a quarter.

Since 2017 digital terminals at each workstation have removed the need to print work orders or route maps. We replaced single-use plastic cups with a refillable water bottle for every new employee.



Actions in 2026

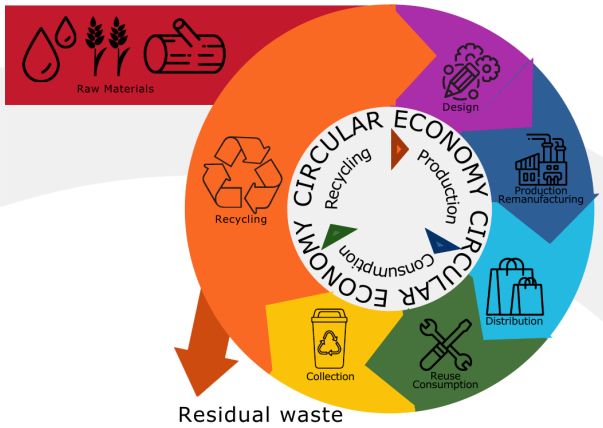
- We ensure the safe handling of hazardous waste through contractual partners.
- We replace our paint line with a newer and better one. This reduces chemical consumption and cuts rinse water use by almost 50%.

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Resource use and circular economy

Our goal is that our products meet the customers' expectations and that their design follows sustainable principles. The basis of the design of our product line is the circular model. We have a separate procedure for material optimisation already in the raw material selection phase. We constantly monitor material consumption norms and aim at their continuous reduction. When choosing packaging, we prefer solutions already in use and avoid special solutions that need more packaging material.

Our road maintenance products have a CE mark to prove that product development complies with the environmental protection, health and safety requirements of the European Economic Area (EEA). All our own products come with installation and maintenance manuals.



Product design and life cycle management
Sheet material gross-net ratio, %

2023	2024	2025
11.3	15.4	9.6



Social responsibility

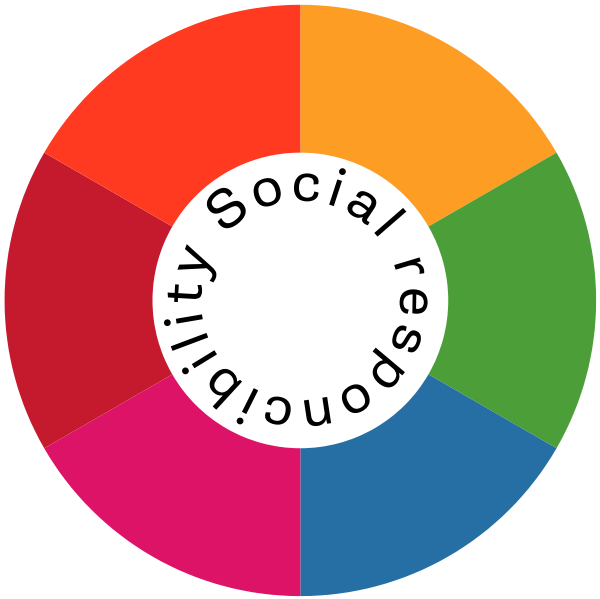
Recent global challenges and economic uncertainty have shifted societal values and personal priorities. In this evolving landscape, employees are increasingly looking for more than just financial compensation; they want a sense of safety, purpose, and fulfillment in their work.

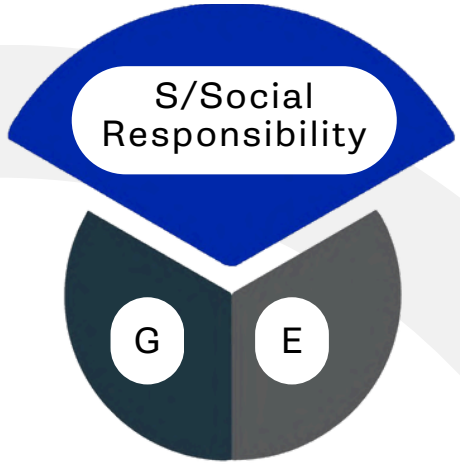


A positive employee experience, where individuals feel valued, supported, and engaged in achieving the company's broader goals, has become a key priority.

Employers are now expected to invest in their employees by offering opportunities for personal and professional growth. This includes regular performance reviews, clear development paths, and fostering a strong, transparent organizational culture. By focusing on these areas, companies can create an environment where employees feel secure, valued, and motivated, even in times of uncertainty.

Social factors







Employee health and safety



Training and education



Community, relations and human rights



Employee welfare, equality, discrimination



Employee Welfare, Equality, Discrimination



Product Quality and Safety

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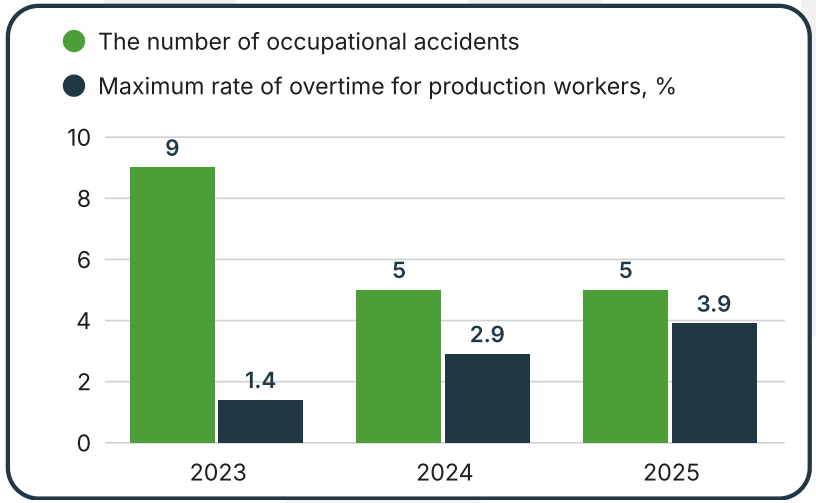
Employee health and safety



Employees are our biggest value. Tarmetec takes care of the physical and mental health of our employees. We guarantee a pleasant and safe working environment, good conditions for recovering during breaks and improve ergonomics at the workplace.

The company has mapped risks related to the working environment to prevent accidents. Every new employee receives introductory safety training and an overview of risks at the workplace.

Employee health and safety



The company offers health insurance and supports sports activities for employees.

Actions in 2026

Review and improve our occupational health and safety training. Target: fewer than 5 accidents.

Training and education



Today, lifelong learning has become a reality, and employers are expected to embrace this concept. Employees are more motivated when opportunities for retraining are available. A change of position within the organisation is welcomed, and educating employees also supports the development of the community.

Tarmetec contributes to the personal growth of our employees. We have developed various in-house training programmes and regularly send our people to external training. Our onboarding programme helps new employees feel guided and cared for.

The company is interested in long-term employment relationships. Regular performance reviews at all levels show whether employees have the skills their position needs and help align their long-term goals with the company's needs.

Every employee had approximately 15 hours of training in 2025 (2024: about 10 hours).

Actions in 2026

- Record training hours per employee in our learning platform.
- Link the training plan to our competence matrix.
- Launch a leadership development programme and extend mentoring for new employees.

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Community relations and human rights



Tarmetec has been contributing to the development of culture and sports for many years. We support the activities of the Vanemuine Theatre and the University of Tartu Academic Sports Club. The company's goal is to improve the quality of life and to communicate the company’s values to the community.

The company contributes to improving the quality of local technical education: we participate in the formation and quality improvement of VOCO (Tartu Vocational College) curricula, and we are happy to offer diligent young people paid internships within our team.

We also promote metalwork and related positions through television, reaching audiences beyond our local community and enhancing our company's media presence.

We regularly support the Children's Fund.

We have set the goal of distributing approx. 2.5% of the business profit to charity.

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Employee welfare, equality, discrimination

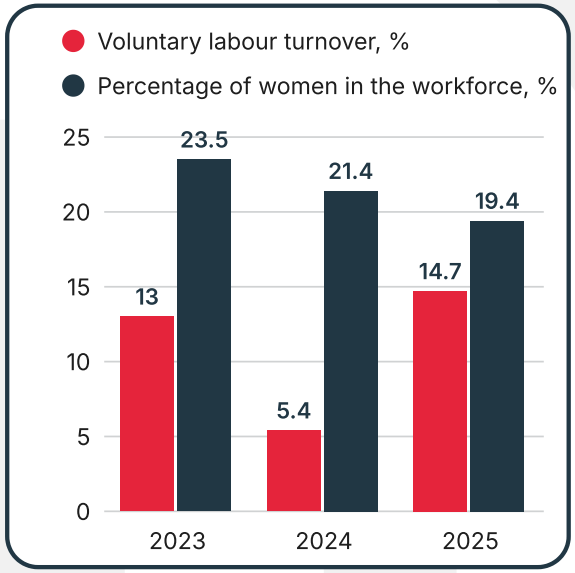
We remain committed to fostering equality, employee well-being and a respectful workplace. Our Code of Conduct strictly prohibits inequality, discrimination and harassment. We promote friendly and respectful interactions, and any form of insult, mockery or derogatory behaviour is unequivocally rejected.

To support the well-being of our employees, we offer access to Stebby for a healthy lifestyle, partial lunch compensation, grants for special events and health insurance.

We have a transparent conflict resolution process: employees can escalate issues to the second level or the HR manager. A clear procedure for improvement suggestions ensures every voice is heard.

Voluntary turnover rose to 14.7% in 2025 as the workforce grew. Our target for 2026 is below 12%.

Employee welfare, equality, discrimination issues



Product quality and safety

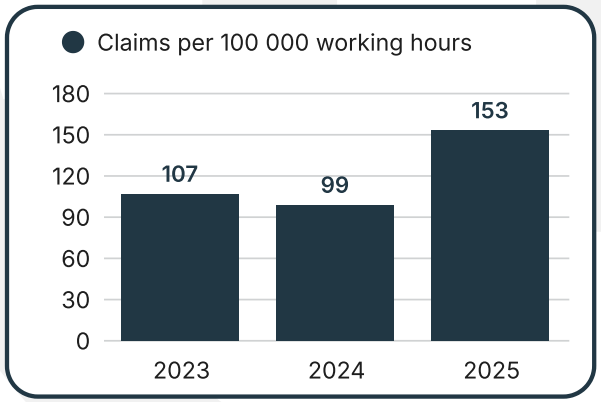


Product quality remains one of our highest priorities, and we continually strive to exceed our standards to deliver the best possible results to our customers.

We have developed an advanced IT system for handling product, procedural and purchase-related non-conformities. A well-defined process with designated responsibilities manages the registration and resolution of complaints.

We monitor product safety and customer feedback daily, always prioritising prevention. In 2025 claims per 100 000 working hours rose to 153. We take this seriously: our 2026 target is below 150 while we work to bring the figure back down.

Product quality and safety



Actions in 2026

Continuous quality innovation and improvement projects.

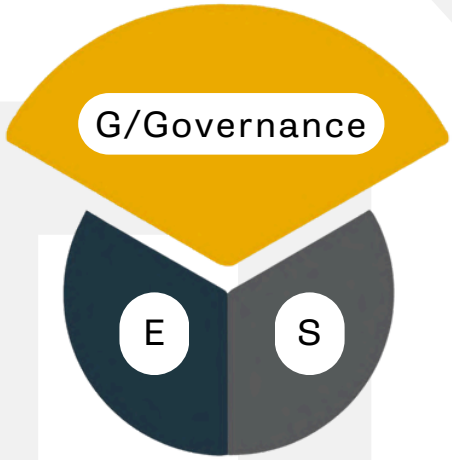
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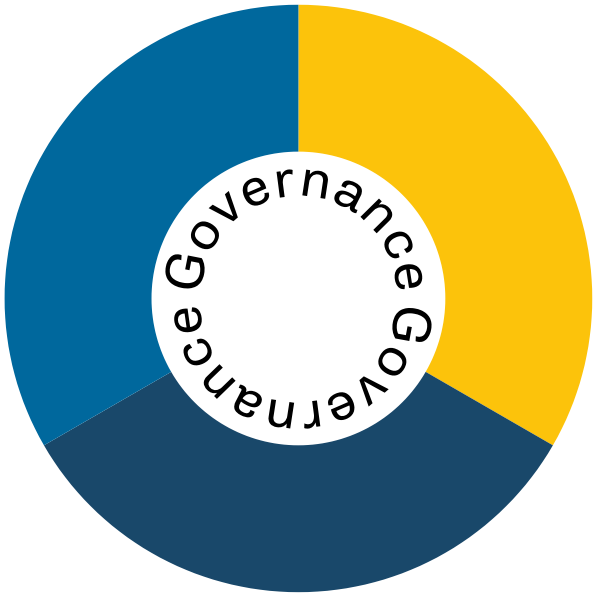
Governance

At Tarmetec, ESG management influence factors are evaluated and managed at the highest management level.

The functions and competence of our shareholders' general meeting are determined by the EV Commercial Code and the company's statute. The general meeting of shareholders determines the company's strategic development directions for 3-5 years. When making decisions, the general meeting takes into account the strategic vision of the owners, the needs and demands of customers, the activities of competitors and the current legislative framework.



Governance factors





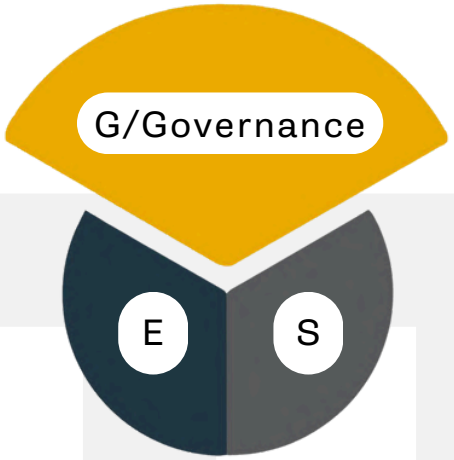
Business ethics and transparency



Business ethics and transparency



Supply chain management



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Management of the legal and regulatory environment and business ethics



The company cooperates with various regulatory authorities daily and is subject to all laws and regulations established by the Republic of Estonia. Today, the company has been attributed various ISO certificates (ISO 9001:2015, ISO 14001:2015, EN ISO 3834- 2:2021, EN 15085-2:2007) and a credit rating, which prove compliance with the requirements.

We are a responsible company whose accounting processes are regularly audited by a third party. Our financial results are publicly available in the Business Register.

We keep our Quality Management System open to customers, who can access the production processes regarding their ordered products. We disapprove of corruption, extortion and bribery.

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Supply chain management



We evaluate our suppliers and examine their activities in the field of ESG before signing contracts.

Background transparency, operating within the framework of effective legislation and ensuring that the guiding principles are not contradictory to ours are all important factors when considering potential suppliers.

It is still important to note that as of today we do not refuse cooperation if the supplier does not (yet) have an ESG strategy.

TARMETEC LLC.
RINGTEE 6, 50105
TARTU, ESTONIA

PHONE: +372 7 385 000
E-MAIL: INFO@METEC.EE

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