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HAAPAVESI

Plant expansion and adoption of solar energy

KEMPOWER

has quickly become a significant customer for Darekon

STOCKHOLM

The new property provides Darekon with space to grow in Sweden

ESG

affects every unit of Darekon



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Kempower / Tommi Mattila

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Cover: The latest expansion of the Haapavesi plant includes 260 solar panels on the roof.

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Preparing for the future

Contract manufacturers in Europe are seeing new opportunities as market conditions change. Production that was once moved to Asia is being relocated back to Europe because our customers want to gain better control over their supply chains due to various disruptions and sustainability requirements.

It feels like the COVID years were ages ago, but the impacts are still visible. Lead times for electronic components and materials have shortened, and customers are reducing their inventories, which temporarily lowers demand. Contract manufacturers face a similar situation with their own inventories and are working to reduce them.

Darekon continues to invest in sustainability. Our ESG reporting is improving, and at the beginning of the year, we appointed a group ESG manager. A solar power plant was commissioned in Haapavesi and the use of geothermal heating was increased. Environmental impacts are being considered even more in our machine investments, and cybersecurity is also one of our focus areas.

We have grouped our customers into five segments: MedTech, CleanTech, Aerospace and Defence, Advanced Industrials, and HighTech. Traditionally, MedTech has been the largest segment, but CleanTech and Aerospace and Defence are experiencing the strongest growth.

The past year has been focused on working capital management and the development of internal reporting, both of which have progressed according to the plan. In April, our Stockholm facility moved to new, larger, and better facilities, and in May, we commissioned the expansion of the Haapavesi facility. We are increasing our readiness to meet our customers' growing needs.

In this issue, we feature Kempower in our customer showcase. It's a great company with a commendable mission. The article is worth reading.

Darekon aims to continue growing, as it has done for 39 years. We see ourselves as a responsible Northern European contract manufacturer capable of offering full-service contract manufacturing to our customers. We have excellent customers, and we want to keep them satisfied in the future and help them achieve their goals.

A big thank you to all darekonians, our customers, and other stakeholders for the past year!

Kai Orpo



We have excellent customers, and we want to keep them satisfied also in the future.”

Economically customised cabinets from Klaukkala

Customised, high-quality cabinets for indoor and outdoor use – tailored precisely to the customer’s needs – and affordably: this is the simple recipe for the success of Klaukkala’s sheet metal production. However, a lot of work has gone into this recipe.

“We have made numerous large and small innovations that simplify and speed up the production of our cabinets,” says **Pekka Antikainen**, the plant manager at Klaukkala. “This makes the enclosures and cabinets

more affordable. The overall process is too lengthy to explain here, but feel free to contact us and come see for yourself.”

Dimensions and materials as needed

Darekon’s range of enclosures and cabinets is extensive, but the basic structure is always the same. The material can be regular steel sheet, stainless steel, acid-resistant steel, or aluminium. The dimensions can be almost anything, and the surface treatment can be adjusted as needed. If a seal is required, an extruded silicone seal is the best available on the market.

“Our design engineer, **Marko Pirinen**, has fine-tuned our design program to such an extent that we can usually deliver the first design version the day after the customer’s

inquiry,” continues Antikainen. “Hinges, wind latches, and catches can often be made from sheet metal, saving costs. The corners of the enclosure cover do not need to be welded when using our designed structural solution. This saves labor and grinding, ensuring a good appearance for the unpainted enclosure. Of course, the corners of cabinets with seals are welded.”

According to Pirinen, welding and grinding have been systematically reduced through design and method development, making, for example, stainless steel enclosures top-notch in terms of quality. Most work phases, such as bending, fastener installation, welding, grinding, and sealing, have been robotised, ensuring efficient production and consistent quality. ■



Pekka Antikainen (left) and Marko Pirinen present the enclosure for a railway signal, which is based on the same basic structure as ordinary rectangular enclosures.



Marko Pirinen demonstrates in design software how hinges and latches can often be made from sheet metal. The highly optimised software enables the production of the first design very quickly.

Darekon opens sales office in Tampere

Darekon opened a sales office in Hervanta, Tampere last spring. The office serves as a base for Darekon’s personnel when visiting customers in the Tampere area.

“We have many customers in the Tampere region, and having a local presence makes it easier for us to work with them,” says **Petri Kettonen**, sales director at Darekon Oy. “Premec also has customers in the area, and our personnel use the office flexibly as needed.

“The Tampere office is not permanently staffed at the moment, but if we find a suitable sales representative from the Tampere area, the office could become their permanent workstation in the future.”

Hervanta was chosen as the office location because it has good transport connections yet is away from downtown traffic congestion. The area is also home to many high-tech companies, which are either current or potential customers of Darekon. ■



Darekon’s new sales office is located in Hervanta, Tampere, close to several major customers.

Full-time HR partner to develop workplace well-being

Henna Takalo, who holds a Master of Business Administration (MBA), was appointed last spring as the joint HR partner for Darekon Oy's Haapavesi plant and Premec Oy's Ylivieska plant. Takalo, who has worked for 20 years as a supervisor in the Finnish retail company S Group – which boasts some 40,000 staff – is familiar with the entirety of HR management and systems.

“Here, human resources management is well-established and built on clear guidelines. I have greatly enjoyed the ‘honeymoon period,’” says Takalo, who was interviewed in the summer. “My previous role was somewhat similar to that of the production managers here. I can relate to their daily lives and check in on how they are doing.

“My intention is to lighten the load of the plant managers at Haapavesi and Ylivieska concerning HR matters.”

Takalo considers her experience as a supervisor and her ability to listen as her most valuable contributions. Her goal is for everyone to feel content – both the office staff and the production workers – as well as the plant managers, known as the ‘captains’.

“Nowadays, people need to be taken into account,” continues Takalo. “Numbers cannot be forgotten, but people must be remembered. We all sometimes face external pressures – a person is the sum of many factors.” ■



New premises and a new laser welding machine for Premec

The assembly plant located near Premec's main facility is moving to new, more functional, and spacious premises closer to the centre of Ylivieska. Investment in production equipment includes, among others, a FANUCI 4.0 PRO GenX laser welding machine. This machine is the most powerful in its series, a 3,000-watt model.

“In our previous rented space, we had a lot of Kempower production. Now it is being entirely transferred to the main facility,” says **Juha Männistö**, CEO of Premec Oy. “Now we can offer the best possible service to our customers, as parts of the cabinets can be moved directly from the paint shop to assembly.

“The new space is larger and has a much better yard area, which also includes a lot of outdoor storage space. We are moving our own production there and items such as large-sized products that do not need to be painted.”

According to Männistö, Premec has been producing for Kempower for about 20 years – even designing and manufacturing power supply cabinets for the CERN Large Hadron Collider in the past. The current production of electric vehicle charging cabinets has significantly expanded this relationship.

Welding almost anything with laser

“The main reason for the investment is to improve welding quality,” says Männistö. “Very little heat is transferred to the welded piece from the laser, making it excellent for welding thin stainless steel sheets, for example. The sheet does not warp during welding, and the seam is very clean. Additionally, the seam can be cleaned with the same device – just by changing the nozzle and adjusting the power.”

According to Männistö, certain products that have been very difficult to weld using other methods were also crucial in the investment decision. The laser can weld aluminium and copper, for example, and join different materials together. It is also suitable for removing rust, replacing sandblasting.

A light-proof workspace has been built for laser welding because the radiation is very dangerous to the eyes. ■



Kempower power unit cabinets ready for delivery to the customer. Each cabinet can house 1-4 power modules, each with a power output of 50kW.



The facility has samples of each charging point version. Tuomas Laitila (left) shows Petri Kettunen the differences between the versions.

KEMPOWER SUCCEEDS WITH DYNAMIC CHARGING SYSTEMS

The name Kemppi is well-known to anyone familiar with the welding industry, as the Kemppi family business has been around for 70 years. Kempower is a listed growth company focusing on fast-charging solutions for electric vehicles, with the vision of creating the most desirable charging solutions for everyone, everywhere.



Kempower / Sakari Rõyskö



Dynamic charging system recognises the vehicle's ability to receive power."

Kempower's roots date back to 1997 when it was founded as a subsidiary of Kemppi Oy to develop direct current (DC) power supplies unrelated to welding. In the early 2000s, the company supplied most of the power sources for CERN's Large Hadron Collider. Darekon's subsidiary, Premec, was also involved in the project, providing the power supply cabinets.

In 2009, Kempower's business was put on hold, and the company's development team continued as Kemppi Oy's R&D unit, working on electric vehicle charging, among other things. In 2017, Kempower Oy was relaunched, and the company has been growing ever since.

Heavy-duty vehicles as a rising trend

Electric vehicle charging can be divided into three categories:

- Slow charging solutions (1-22kW, AC)
- Fast charging solutions (22-100kW, DC)
- High-power charging solutions (>100kW, DC)

Kempower focuses on fast and high-power charging, which is where the company's expertise in high-power technology truly shines. Kempower is the market leader in the Nordics, is experiencing

strong growth across Europe, and has recently opened its own production facility in the United States. The market for electric passenger vehicles developed first, with electric cars making up about four per cent of all vehicles. Charging systems' peak powers are in the range of 200-300 kilowatts (kW), and the CCS (Combined Charging System) plug is becoming the standard.

The electrification rate for local public transport buses is already significantly higher than for passenger cars. Local buses have relatively short routes and can be recharged at every terminal stop. The total cost of ownership (TCO) for electric buses is already noticeably lower than for diesel buses. The rule of thumb is that the purchase price of an electric bus is double that of a diesel bus, but the operating cost is half.

For trucks, the share of electric vehicles is still only a fraction of a per cent, primarily focused on urban delivery trucks and similar vehicles. Kempower sees its greatest opportunities here, as ultimately, TCO will determine the market, and the first provider of charging technologies has the best chance of capturing a significant share.

Dynamic charging solution as a pioneer

Tuomas Laitila, procurement manager at Kempower Oyj, joined the company three years ago when there were 100 employees; now there are over 800.

“We currently have a very strong market share in passenger cars, but competition is also toughest in this segment,” says Laitila. “Heavy-duty vehicles are a rising trend in electrification, and we believe the future will shift in that direction. In urban transport, heavy-duty vehicles are already a significant area.”

Kempower’s power unit usually consists of 1-3 standard-sized cabinets, each of which can be fitted with 1-4 power modules, each with a charging power of 50kW. Thus, the total power of three power units is 600kW. This power can be distributed dynamically among eight charging points, with each receiving at least 25kW and up to the maximum available power. Using liquid-cooled CCS plugs, this is up to 400kW, or 500 amperes (A) at 800 volts (V). Passenger cars, however, cannot currently accept such a high charging power.

“The advantage of dynamic charging over traditional charging is that the system recognises the vehicle and its ability to receive power,” Laitila continues. “Our dynamic system can distribute charging

power in 25kW increments to each vehicle being charged, ensuring each one receives the maximum power available and that the overall power of the charging system is used as efficiently as possible.

“Our power units are built using the latest technology, such as silicon carbide (SiC) semiconductors. They are fast and can withstand temperatures up to 170°C. Our smallest power unit operates on a 3x63A connection, delivering around 40kW, and the largest charging field can deliver several megawatts (MW) of power.”

Darekon: a flexible partner for years

Tuomas Laitila has a long history with Darekon, having collaborated with them for eight to nine years in previous roles.

“Our cooperation has worked and developed very well,” says Laitila. “It’s clear that our rapid development and related changes place high demands on contract manufacturers. Darekon has been very flexible and has adapted excellently.

“It is also significant that Darekon has been willing to make substantial independent investments that have enabled them to meet our new needs and adjust to capacity changes. Premec, in turn, makes the cabinets for our power units and has been able to adjust its produc-



Kempower / Tommi Mattila

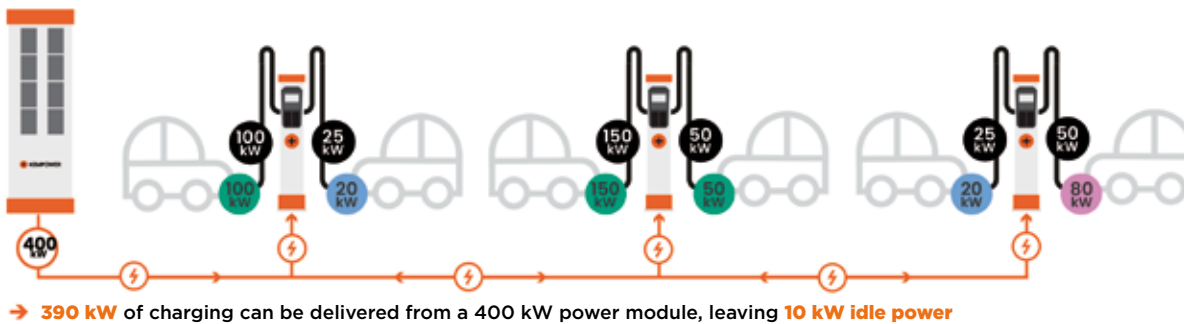


Kempower / Tommi Mattila

Power modules in production. The power unit can be equipped with one to four modules, each with a capacity of 50kW.

The advantages of a dynamic charging system compared to traditional DC charging.

Kempower Charging System: more power, less idle time, small grid connection



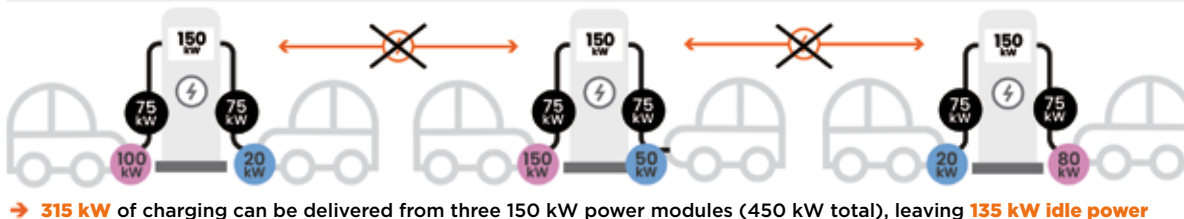
● EV's getting the max capacity of kW's

● EV's getting less kW's than max capacity

● EV's reserving more power than being able to use

Graphics: Kempower

Traditional charging system



tion and arrangements to meet our needs and requirements.”

Cooperation works excellently

“I believe our collaboration with Kempower deepens day by day,” says **Petri Kettunen**, sales director at Darekon Oy. “Production ramp-up was extremely fast; in 2022, only one prototype delivery was made. This was followed by many quick, small batches, some with only minor changes from the previous version. After this, volumes began to rise, and the challenges shifted to material management.”

Currently, production is continuous, with volume production forecast, but alongside this development must continue. New versions of products have to be developed alongside product-related development. In this context, Kettunen has high praise for the entire Darekon organisation, which has been able to respond to rapidly changing situations.

“This year has gone very well. There have been challenges and surely there will be more, but with the help of Kempower’s staff, we can overcome them. Kempower understands the operation of a contract manufacturer very well and has been willing, for example, to share in the costs incurred by the fast pace and the lead times of component manufacturers,” Kettunen acknowledges.

Kempower is a device manufacturer

According to Laitila, Darekon’s role in manufacturing the electronics for Kempower’s systems is significant. All the electronics for the devices come from contract manufacturers. Kempower does not install its devices, build its networks, or operate as a charging operator. Kempower’s core expertise lies in power supply design, system expertise, device assembly and testing.

A key part of system expertise is, of course, Kempower’s ChargeEye software, which manages the operation of the charging system. It allows charging operators and service providers to monitor and manage the daily operation of chargers. The software connects electric vehicle users, chargers and operators to create a comprehensive charging platform.



The satellites are assembled in stands designed by Kempower.



Liquid-cooled satellites are assembled in another part of the plant.



The finished satellites are packed in sturdy plywood boxes.



Petri Kettunen and Tuomas Laitila, with a liquid-cooled satellite on the left and a regular one on the right. In the middle is the power unit.

ChargeEye is intended for managing charging stations, so its primary users are retail businesses maintaining charging stations, charging station operators, and managers of electric vehicle fleets and depots. The software users include maintenance and service personnel, customer service representatives and transport managers.

Even greater power in the future

As noted earlier, the maximum power transfer capacity of a CCS plug is 400kW, which is significant but not sufficient for the future.

Only a few local buses currently accept charging powers above 500kW. In this context, a pantograph refers to a current collector mounted on the roof of the vehicle, which can be raised to contact the power supply. In locomotives and trams, this contact is made with the overhead line, and in buses, usually with the power supply at the terminal stop while the bus is stationary. The maximum power of bus pantographs is usually in the range of 400-500kW.

The upcoming MCS (Megawatt Charging System) standard for charging plugs is expected to enable the use of currents up to 3,000A and voltages of 1,250V, allowing for nearly 4MW of power. Truck drivers are unlikely to change their habits easily; they drive for four and a half hours and then take the legally required break. During the break, the batteries need to be charged, which means MCS charging and at least a megawatt of charging power.

The total market for passenger car chargers in Europe and North America in 2022 was 1.2 billion euros, while chargers for commercial traffic amounted to 0.2 billion euros. Kempower estimates that the charger market will grow tenfold by 2030, with passenger car chargers accounting for 4.9 billion euros and heavy-duty vehicles for 9.1 billion euros. The latter includes trucks, buses, work machines, and watercraft.

The future is, of course, difficult to predict, but Darekon hopes that this development will materialise and is doing everything possible to support Kempower’s strong growth. ■



KEMPOWER BELIEVES IN THE ELECTRIFICATION OF HEAVY TRANSPORT

Kempower launched its scheme to sustainably electrify heavy transport in May. At the heart of its heavy electric traffic ecosystem (HETE) project is Kempower's innovative DC and MCS charging technology. HETE aims to advance the industry through well-managed collaboration.

Electric vehicles are already a common sight on the roads. A significant portion of city buses run on electricity but in heavy freight transport there is no significant move to cleaner technologies.

Electrifying heavy transport in collaboration

"Our mission is to electrify heavy transport sustainably," said Kempower's **Paula Savonen**, v-p of communications, as she opened the event in May. "The electrification of heavy-duty vehicles is only just beginning. The task is huge and global. We cannot do it alone. We need collaboration, networking and ideas on how to move forward."

Trucks produce 27 per cent of traffic-related CO₂ emissions in the EU alone. Reducing these emissions requires a practical and scalable charging infrastructure. It requires players from all sectors to bring together the necessary innovations and changes. This led to the need for HETE.

Efficiency and total costs are key

"In the electrification of heavy transport, we see three steps," said Kempower's

Antti Vuola, the firm's director of market segments. "Local transport is already well underway and the electrification of medium-distance freight transport is starting. Long-distance road transport is still emerging. Its share of charging demand may only be about 10 per cent, but a lot of power is required."

According to Vuola, the different stages of heavy transport electrification will happen faster than expected and the market will multiply by 2030. There will be a need for both AC and DC chargers and charging infrastructure.

The question of energy efficiency is critical. The efficiency of diesel when measured tank-to-wheel is only 13 per cent compared to the efficiency of renewable energy, which is 77 per cent. Prices of heavy electric vehicles are dropping and already the total cost of ownership (TCO) is lower than that of diesel vehicles.

A young company developing future solutions

"Kempower is a young company — only six years old," said Kempower's **Mikko Veikkolainen**, v-p of research and innovations. "We started with bus charging

solutions, followed by passenger cars, which provides a good foundation for heavy truck transport. Currently, our 600kW power unit is our most popular product, but it won't be enough in the future.

"We need to develop various solutions for future needs. We already offer the 1.2MW Mega Satellite Charging solution and our Kempower ChargeEye software manages the entire charging site."

Five-Year HETE development project

Kempower leads the ecosystem's development, partially funded by Business Finland's Veturi program. The goal is to bring together the brightest minds, benefit all partners and build a competitive edge.

"No one knows what the future looks like," said Kempower's research manager, **Tommi Rissanen**. "We have questions but not answers yet. The opportunities are enormous. We aim to create new innovations in all areas of future charging technology to serve our customers and their end customers. And we want to find the answers together with our partners." ■



Antti Järviluoma and warehouse team leader Sari Syrjä showcase the new, bright storage area. The warehouse team is very pleased with the new space, which was needed due to the increase in goods.

THE LATEST EXPANSION IN HAAPAVESI IS UP AND RUNNING ALONGSIDE NUMEROUS MACHINE INVESTMENTS

The latest expansion of Darekon's Haapavesi plant has been completed and the space is now in use. Several investments in production machinery, such as SMT placement and soldering technology, were also made during the spring and summer.

The Haapavesi manufacturing facility has managed well throughout the summer and fall, despite a high workload. The component warehouse has been mostly moved to the new extension, production has been reorganised and the arrangement of machines has been optimised for the changed production flow.

Large components for wave soldering

Darekon's production has seen a significant influx of circuit boards that use physically large and relatively heavy components, such as coils and large capacitors.

"We're currently making many boards with large axial and radial components," says **Antti Järviluoma**, the plant manager of the Haapavesi manufacturing facility. "To accommodate this, we've invested in a production line that combines manual placement with a new Ersä Powerflow wave soldering machine. In the same space, there's also a separate Ersä Versaflow selective soldering machine in its own island.

"At the same time, we acquired a new nitrogen generator and compressor. Both soldering processes are closed 100 per cent nitrogen processes, which results in better solder qual-

ity and saves approximately 100,000 euros annually in tin waste. Naturally, this also has a significant environmental impact."

Increased SMT placement capacity

An even larger investment was made to increase the surface-mount technology (SMT) placement capacity. A third placement machine was added to one of the existing lines, which increases the line's production capacity and allows for even more component-dense circuit boards to be placed in a single run.

"One placement machine can only accommodate a certain number of components in



Satu Leiviskä performs visual inspection and manual placement. In the background is the new wave soldering machine, where the line sends the placed circuit boards.

a ‘setup,’ although the number is quite large,” continues Järviluoma. “The third placement machine increases the overall line capacity by about 50 per cent, distributes the workload more evenly among the placement machines, and also significantly increases production speed.”

The new placement machine — like the previous ones — can handle components as small as 01005, which means external dimensions of 0.2 x 0.4mm. The setup accuracy is as high as ±22 micrometers. The machine’s placement speed is tens of thousands of components per hour, raising the entire line’s capacity to around one hundred thousand components.

The facility’s newest expansion is in use

The latest expansion of the Haapavesi facility, completed in the spring, has added about 1,200 square meters (m²) of space to the existing 4,400m². For Darekon, which initially operated in a 1,000m² facility, this is the fourth or fifth expansion in Haapavesi.

The new section is located on the southern side of the existing building and comprises nearly 1,000m² of production space. In addition, the new section includes a cafeteria, as well as office and meeting rooms. The warehouse has mostly moved to the new section, and the expanding production area has taken over the freed-up space.



A look inside the selective soldering machine. During operation, the covers are closed and nitrogen gas prevents tin oxidation.

As part of the expansion, Darekon has also improved its energy self-sufficiency. In addition to new geothermal wells, 280 solar panels with a nominal total capacity of 120 kilowatts have been installed on the roof of the new section. The power plant produces about one hundred thousand kilowatt-hours of electricity annually, equivalent to the annual electricity consumption of around ten single-family homes.

More personnel and more people taking responsibility

Vesa Laine, the production planner responsible for the facility expansion and related internal matters, has been appointed production manager. Laine, along with production manager **Pasi Leiviskä**, coordinated the relocation of production machines and operations to the new facilities during the summer and autumn.

Over the past 2-3 years about 60 new employees have joined the Haapavesi facility. The current staff number, excluding summer replacements, is about 165. Last spring, **Henna Takalo** was appointed as the joint HR partner for Premec Oy and Darekon’s Haapavesi plant.

“There are about 300 people working in Haapavesi and Ylivieska combined, so a full-time HR partner was necessary,” says Järviluoma. “We need someone who has the time and ability to develop the areas deemed necessary — such as employee well-being. I’m pleased that we have Henna Takalo on board to develop our HR processes and support our supervisors.” ■



The new warehouse has plenty of space to operate, and items are well organised.



ESG HELPS GUIDE PEOPLE AND COMPANIES TOWARDS A BETTER FUTURE

ESG (environmental, social, governance) is a comprehensive framework used to assess the performance and responsibility of companies and organisations across three key areas: environmental impact, social issues and governance practices. ESG criteria have become increasingly important for both investors and companies striving to operate sustainably and responsibly.

Legislation based on an EU directive requires large companies to report on their corporate social responsibility. Starting with the fiscal year beginning in 2024, this obligation applies to large listed companies, credit institutions and insurance companies. In the next phase, for the fiscal year 2025, reporting will also be required for companies that meet two of the following criteria: 250 employees, a balance sheet total of

€20m, or a turnover of €40m. Darekon falls into this category.

Darekon has been doing the right things

Darekon has implemented an environmental management system in accordance with the ISO 14001 standard at all of its factories for over ten years. The original certification was granted on February 14, 2012. However, ESG encompasses much more than

this, including environmental responsibility, social responsibility and governance practices.

“ESG reporting is a big deal and holds significant weight in our operations across all three areas. Individuals from all our factories are involved in developing our ESG activities and reporting,” says **Kai Orpo**, CEO of Darekon Oy.

“The carbon footprint is a major component of our environmental management

system. It includes all three scopes: direct emissions from production and used materials, emissions from energy use, and also the company's external environmental impacts, including supplier emissions and product end-use. The overall scope is vast."

According to Orpo, Darekon has consistently made the right decisions over the years and has done so in a timely manner. The company's management system has included the ISO 9001 quality management system since 2000, along with the ISO 13485 quality management system and the ISO 14001 environmental management system as they became available.

"We want to do things well — the planet must be preserved. Our demanding customers have always required a high level of quality in our operations. We have made many right decisions, always taking good care of our personnel, and ESG reporting now allows us to measure all aspects of our operations to demonstrate their high quality," Orpo notes.

An ESG system is the first step

Sustainable development is part of Darekon's natural progression. Finland's and the EU's sustainability goals also apply to Darekon. In the future, Darekon will publish a sustainability report along with its financial statements for customers and other partners, meeting the accuracy requirements of the financial report.

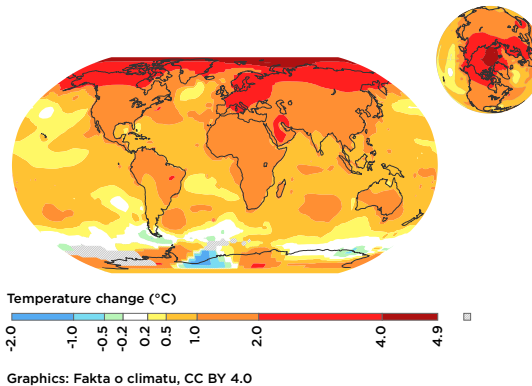
ESG reporting requires expertise and effort, which is why Darekon appointed a full-time sustainability manager (ESG manager) at the beginning of the current year.

"The Paris Agreement is an international, legally binding treaty on climate change," says ESG manager **Meeri Virkkala**. "We must comply with its requirements, with a strong focus on the carbon footprint, while not neglecting other ESG areas.

"Our most important task this year has been to build the ESG system. We need a platform where data can be processed and from which results can be extracted. In the system, the calculation rules for all areas are defined consistently and remain unchanged. This wouldn't be possible with, for example, spreadsheets. Input data for the system comes from all our facilities."

Alongside defining the system, Darekon is refining greenhouse gas (GHG) calcu-

Map of temperature changes 1961-2019



The Paris Agreement is an international, legally binding treaty on climate change."

What does ESG mean?

- **Environmental:** How does our company's operations impact the environment? This includes energy use, emissions, waste management and combating climate change.
- **Social:** How do we take care of our employees and communities? This covers employee rights, working conditions, equality and diversity and social responsibility.
- **Governance:** How is our company managed and governed? This includes ethical rules, transparency and anti-corruption measures.

lations and setting ESG goals, according to Virkkala. This process involves applying the double materiality assessment, which represents a significant shift in sustainability reporting and elevates corporate responsibility thinking to a new level.

One of the main benefits of this dual assessment is the ability to identify risks and opportunities related to sustainability issues, giving companies the ability to prepare for future challenges and opportunities.

Reaching for more results

EcoVadis is a globally recognised evaluation platform that assesses companies' sustainability across four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. Currently, evaluations have been conducted on well over 100,000 companies in nearly 200 countries.

Darekon joined the system a year ago. EcoVadis awards companies that complete the evaluation process with medals of varying levels, indicating that the company's management system meets sustainability criteria.

In the initial evaluation conducted upon joining, Darekon achieved a bronze medal, awarded to the top 35 per cent of companies that undergo the EcoVadis assessment. According to Virkkala, Darekon aims to achieve a silver medal by the end of this year, which is awarded to the top 15 per cent of evaluated companies.

Sustainability is on the rise

"Sustainability is really on the rise, and customers are demanding it," says **Petri Kettunen**, sales director at Darekon Oy. "Sustainability issues often come up in requests for quotations and certainly during negotiations. Fortunately, we are in a good position, and our sustainability program has been documented for a long time.

"ESG is only a positive thing for us, even though implementing the reporting requires a significant amount of work. Our strong resources, for example, have allowed us to appoint a full-time ESG manager, under whose leadership ESG matters can be further advanced.

"Sustainability work improves Darekon's reputation and trustworthiness. In the long term, it also brings financial benefits and ensures that we are ready to meet future challenges." ■



NEW PREMISES IN STOCKHOLM PROVIDE ROOM FOR GROWTH

Darekon AB moved to new premises in Stockholm last April. The new space, almost twice the size of the old one, has allowed the company to streamline operations, increase staff and take on new clients. The official opening was celebrated at the end of August.

The new premises are located just a couple of kilometres from the old place. The previous facilities were spread across multiple sections and were somewhat maze-like. The new, unified, bright and spacious hall allows for a smoother and more efficient production layout.

Two major challenges met

“The new premises mark the beginning of a new chapter in the development of Darekon AB,” says **Sven Blomberg**, CEO of the Stockholm unit. “From the start, it was clear that the company needed better facilities to grow and evolve. The second challenge was the implementation of the Monitor ERP system, which took place at the beginning of the year.”

According to Blomberg, relocating a business within the Stockholm area is not easy. Suitable and reasonably priced premises need to be found, with a layout that allows the business to fit into the space. Employee considerations are also crucial since the new location impacts commuting.

Darekon AB’s new premises were found so close to the previous place that relocation did not pose an issue. Only the distance to the train station increased slightly and none of the employees left the company due to the change. Logistically, the new location is excellent, as the property is immediately adjacent to the main road in the area, Huddingevägen, and right next to an interchange.

The transition to the new premises was also eased by the fact that they were found with the same landlord from whom the previous premises were rented.

A detailed plan and a good layout

“Darekon’s acquisition of the company gave a strong boost to our already growing operations,” continues Blomberg, who was

appointed CEO shortly after the acquisition. Darekon acquired the Swedish firm IHAAB Component Systems in 2021 and the name of the firm was changed to Darekon AB to fit into the group brand.

“Some of our clients also had requirements regarding security arrangements. We have now been able to take on more work and cater to the various needs of our clients,” added Blomberg.

After finding the new premises, Blomberg and his team meticulously planned the layout and the placement of different machines. For instance, the SMT assembly line was integrated from start to finish. Previously the equipment operated as separate islands. Investments were also made in selective soldering. It was a lot of work, and the staff was heavily involved in the move and practical arrangements.

“We want to grow efficiently,” Blomberg continues. “Previously, this was not possible, but now our development is only dependent on ourselves. Unified space is the best. It facilitates internal communication and offers ample room for final assembly, even for larger series. Much of our operations remain the same, but they are now organised differently. The change is significant and very positive.”

Darekon’s name recognised in Sweden

“The acquisition of the Swedish facility in 2021 was part of our planned strategy for international expansion,” says **Kai Orpo**, CEO of parent company Oy Darekon Ltd. “The new premises now enable us to better serve our customers and expand our operations in Sweden.

“The old premises were around 850m² and were spread over multiple sections, partially accessible by an elevator. Now, there is

1,500m² of unified space in a very accessible location. The number of employees has increased from 25 to 34, and we intend to further strengthen our organisation.”

According to Orpo, Darekon is doing well in Sweden. Sales have grown and are at a good level. This year’s revenue has increased by about 35 per cent compared to the previous year, and profitability is strong. Most of the clients are from the Greater Stockholm area, which hosts numerous companies in the medical and defense industries. Darekon’s name is now recognised in the Swedish electronics market, and the goal is to acquire more Swedish clients for the group.

“Darekon is a new player in the Swedish market, and we want to grow more aggressively than some of our competitors,” adds Blomberg. “Now is the time to consolidate our position, as some companies are seeking new partners. Our message to new clients is that we are growing and investing, especially in the medical field. There are many companies in this sector in Stockholm and Uppsala. Our equipment and operational environment have been updated, and we are ready for service.”

Fulfilling expansion plans

Darekon AB board member **Johan Warpe**, who was involved in the company’s acquisition process in 2021, was also present at the facility’s opening ceremony.

“My role in the company is quite hands-on,” says Warpe. “I participate in weekly meetings and handle matters that need attention. For example, personnel issues have ended up on my desk because Sven (Blomberg) may not always have the time to focus on them fully. It’s important for me to know what’s happening in the company and with my contacts, I can often help move things forward.”

When planning the acquisition of the Swedish company, Orpo contacted Warpe and asked for his confirmation of the acquisition process. According to Warpe, the IHAAB group was already a strong candidate in Orpo’s mind at that time, but Warpe still presented a couple of other possible options. However, the final decision aligned with Orpo’s original thoughts.

“It took a little longer than expected to fulfil all the initial decisions, but now everything is done: the new CEO Sven Blomberg, the new ERP system Monitor, and the new premises,” notes Warpe.

“Overall, it’s easy to associate Darekon with Orpo, and working with him is straightforward. Any issues can be brought up as needed. The working environment is easy, and Orpo is a pleasant person – even outside of work.”

Now, according to Warpe, Darekon AB has a good opportunity to take a significant step forward in Sweden. The company can do things that are not very easy for competitors and now the firm has an efficient and smoothly running facility. ■



< The SMT mounting line now operates fully automatically from start to finish.

< Visitors were able to tour the plant, where production continued as usual throughout the opening day.



> Upstairs there is ample space for the final assembly of even larger series.



< The tools are well organised in cable harness production.

< A Texas-style BBQ lunch was served to the entire staff, set up outside.



> Visual inspection is necessary at many stages of production.



A HEAD FOR READING AND ENTHUSIASM

MEERI VIRKKALA — A COMMITMENT TO RESPONSIBILITY

Meeri Virkkala, Darekon's ESG manager, has earned multiple degrees and has worked in both finance and technical fields. At Darekon, Meeri feels she has found a motivating and important role.

Originally from Oulainen in the central, western area of Finland and born in Raahe, Meeri has lived her entire adult life in Ylivieska. She moved there at the age of 18, and her parents still reside in Oulainen.

An aptitude and enthusiasm for learning

After finishing high school Meeri studied business administration, specialising in financial management and finance. Even before graduating, she found an inspiring job as a financial secretary at Vestia waste management company. After gaining a couple of years of experience in environmental and financial management, she began her career at Nordea Bank as a finance and investment advisor, where she worked happily for almost 10 years.

While working, Meeri studied industrial management and began actively seeking a new career path that would allow her to utilise both of her degrees and work again in line with the values of responsibility.

In 2017, Meeri joined M-Filter Group as quality and safety manager. The role also included responsibility for environmental matters and internal development projects.

Walking with dogs in the forest and keeping fit at the gym

This summer, Meeri celebrated her 40th birthday with her family. The celebration took place during a family vacation,

Meeri took a break on the rocks in the forest next to the Haapavesi facility during her interview this summer. However, the laptop almost always comes along.



Meeri enjoys taking long walks with her dogs. The three and five year-old Spanish water dogs are the family's first pets and are dear friends to Meeri.



Meeri's family vacation included a visit to Turku, where she is pictured posing with her sons in front of Turku castle.

“

I see my everyday life as a whole.”

with her husband and sons along for the trip. The children are already quite grown, aged 10 and 13. The family's two dogs stayed at a care facility for the holiday.

“I often take long walks in the forest with my dogs,” Meeri says. “I keep fit at the gym and also enjoy dancing and other group exercises. I read a lot, especially at our summer cottage by lake Keitele. While the rest of the family mainly focuses on fishing at the cottage, we are all keen swimmers — even the dogs!

“Being in nature helps me recharge and puts things into perspective. I often find inspiration and motivation for learning new things on the walking trail.”

Meeri believes it is important to find things you are passionate about. Personal interests can also help career development, even though luck often plays a larger role than personal plans. The most important thing, according to Meeri, is that your actions align with your values.

“Realistic world-saving is a good thing,” says Meeri. “Too rigid principles often polarise. It's important to keep things in perspective.”

An opportunity at Darekon

In the spring of 2023, it was time for Meeri to leave M-Filter Group for new challenges. She reached out to Premec Oy, a significant player in her hometown of Ylivieska and a subsidiary of Darekon. This contact quickly led to discussions with Darekon's CEO, **Kai Orpo**. Darekon was looking for a project manager with versatile skills.

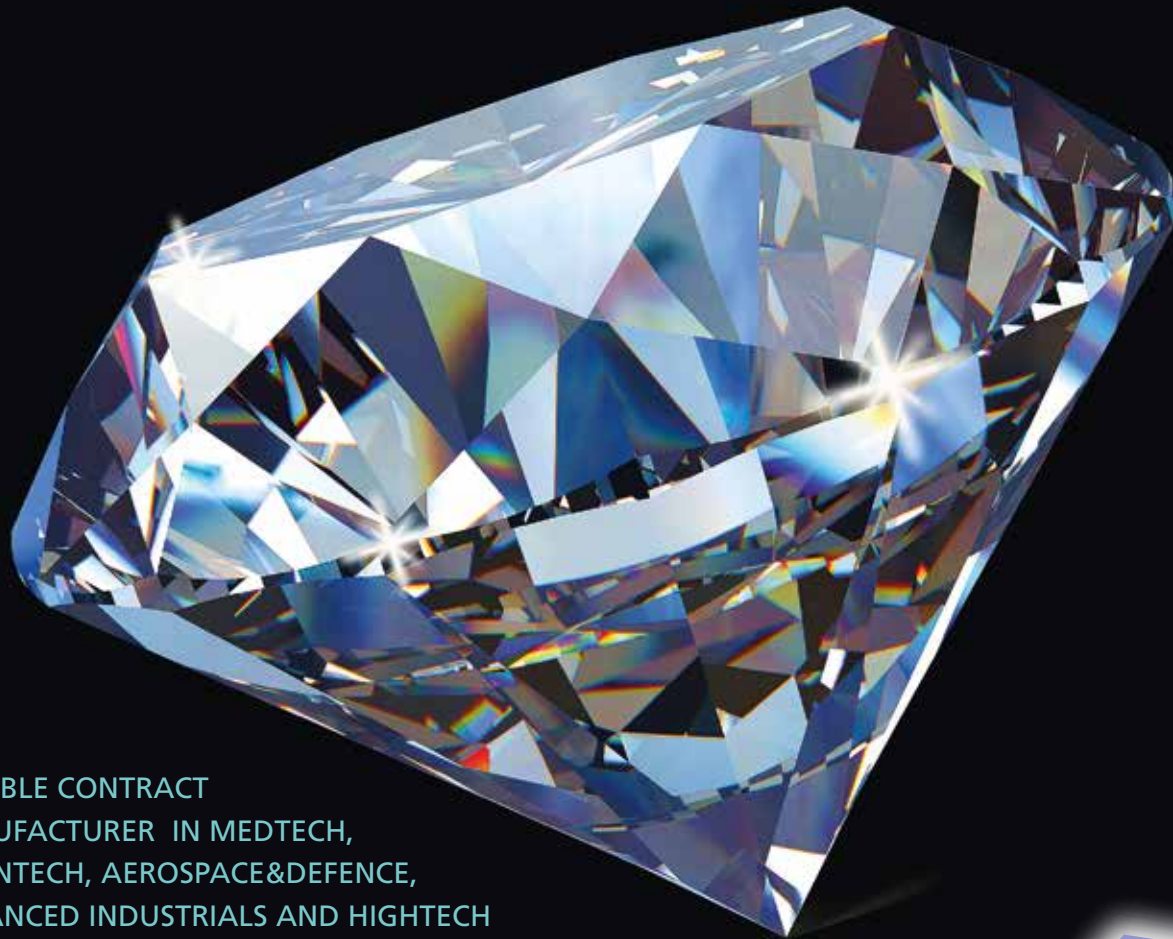
The work began smoothly and by the end of the year, Meeri was selected for the role of ESG manager. She started in the new position in December 2023 and is now able to focus again on familiar areas aligned with her values: sustainability and internal development.

For Meeri, life is a whole

Meeri wears many hats, both at work and at home. However, her priorities are clear, and she possesses versatile skills and a passion for her work.

“I see my everyday life as a whole,” Meeri reflects. “The division between work and leisure time is often artificial. As an expert, you also think at home and sometimes the best ideas come during a morning walk, on the treadmill, or while commuting.” ■

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