

SUSTAINABILITY REPORT

2022

Foamit

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Foamit Group Year 2022

Foamit Group is a circular economy company that recycles waste glass from business and consumer activities for reuse in Finland, Sweden, Denmark and Norway. Its most important product is foam glass cullet, a 100% recycled product made from collected glass.

Foam glass is used as a lightweight and insulating material in infrastructure and building construction and its life-cycle environmental impact has been verified by a verified EPD. The Foamit Group consists of the Finnish unit Uusioaines Oy, the Swedish subsidiary Hasopor Ab and the Norwegian subsidiary Glasopor AS. The main owners of the Foamit Group are Partnera Oyj and Finnish Industry Investment Ltd (Tesi).

- Revenue increased by 49% to EUR 45.7 (30.6) million.
- EBITDA remained at the previous year's level of EUR 6.5 (6.6) million.
- The Norwegian company Glasopor, acquired in September 2021, was smoothly integrated into our operations.
- Expansion of the customer base in the foam business.

- Slight increase in the volume of recycled glass received.
- High energy prices were reflected in the demand for recycled glass, but also in Foamit's production and transport costs.
- Efficiency measures implemented in Norway and Sweden.
- A new Life Cycle Assessment (LCA) commissioned during the year covers the environmental impacts of foam glass products and processes in all market areas. This resulted in the publication of a verified Environmental Product Declaration (EPD).



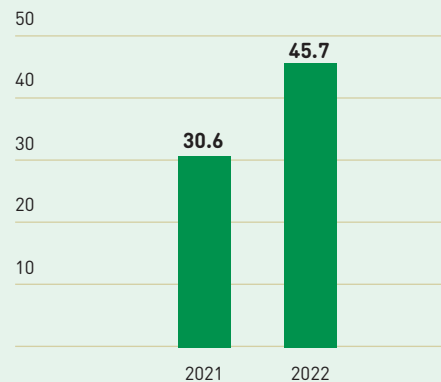
Foamit Group

www.foamit.fi

- Head office: Forssa, Finland
- Subsidiaries: Uusioaines Oy, Hasopor Ab, Glasopor AS and the affiliate Reiling Green Tech ApS^{*)}
- Countries of operation: Finland, Sweden, Norway and Denmark
- Net sales 2022: EUR 45.7 million
- Number of employees at the end of 2022: 97
- Partnera's stake: 63% (Finnish Industry Investment 32%)
- Co-owned by Partnera since 2018

^{*)} Outside the reporting

Revenue
MILLION EUR



EBIT
MILLION EUR

6.5 MILLION EUR
EBIT 2022

6.6 MILLION EUR
EBIT 2021

Dear reader

Foamit Group is a pioneer in the circular economy: we recycle waste glass from businesses and consumers into new products and back into useful use. Using recycled glass as a raw material for products saves natural resources and the foam glass produced from glass waste is an excellent lightweight and insulating material. Sustainability is therefore at the heart of our operations and we promote it in all our activities.

In this report, we describe the main themes of our sustainability efforts and the commitments we have made, as well as the most significant practical actions and achievements in 2022. Through this reporting, we aim to inspire all our stakeholders to get involved in the sustainability agenda. We present the information we have gathered in an open way, because we can only conclude that much remains to be done. Our planet needs a change of direction from us and we can only achieve this through good cooperation. I hope you will join us in supporting our work for sustainable development.

Enjoy your reading!

Kalle Härkönen
Managing Director

“Foamit Group plans to expand its factory in Norway and also electrification of the kilns. The investment includes two new, efficient and environmentally friendly electric production lines and the modernisation of the existing production lines to be electrically powered. A final investment decision will be taken after the investment plan is completed in the first half of 2023.”





Foamit Group's approach to sustainability

Foamit Group offers a circular economy solution by receiving, and processing recycled glass to produce glass cullet for packaging industry and foam glass as a lightening and insulating material. While providing a circular alternative which reduces the need for virgin raw material, Foamit Group works to make their operations more responsible and sustainable every year.

Foamit Group set a goal in 2023 to have all its subsidiaries certified according to the ISO 9001 quality management system standard, ISO 14001 environmental management system standard and ISO 45001 occupational health and safety management system standard. Foamit Group is also committed to promoting the United Nations Sustainable Development Goals and has set targets, actions and KPIs to work towards the goals. Foamit Group plans to renew its materiality assessment in 2023 or 2024 to identify actual and potential impacts as well as get the stakeholder perspective rooted more strongly in the sustainability strategy.

Material topics

Foamit Group's most recent materiality analysis was conducted in 2021, and the company also adopted the UN Sustainable Development goals as part of their targets.

The materiality assessment was carried out by listening to Foamit Group's internal and external stakeholders to identify actual and potential sustainability impacts to the business. The stakeholder groups included employees, suppliers, customers, financiers, neighbors to Foamit Group production site in Finland, other representatives from the supply chain and other representatives from the energy sector.

The material topics identified were:

- To minimize own carbon footprint and become carbon neutral
- To focus on environmental factors that affect the immediate surrounding environment including dust and noise

- To develop the skills of employees and ensure proper information and retraining of all
- The development of new solutions to ensure circular economy in both own and stakeholders' operations.

Foamit Group supports all seventeen SDGs, and the goals 8, 9, 13 and 17 have been identified as the ones where Foamit Group has the largest impact through their operations and products. For these goals and the company's approach for the near future has been defined:

SDG 8 Decent work and economic growth

Foamit Group: employee training and well-being. Safe place to work.

- Active dialogue with all employees regarding well-being at work and occupational health and safety
- Active mapping of best practices to identify and reduce or eliminate risks factors at our plants

SDG 9 Industry, innovation and infrastructure

Foamit Group: development of new circular economy solutions

- Innovations promoting the circular economy are a significant part of our business. We measure and report projects that are completed with a significant sustainable innovation outcome. Our target is to have three (3) such projects per year
- Exploring new opportunities for utilizing glass, including e.g. new foam glass products for industrial projects

SDG 13 Climate action

Foamit Group: minimizing our carbon footprint and becoming carbon neutral

- Updating our carbon footprint calculations and the verification of the EPD reports
- Creating a roadmap to reduce emissions. The roadmap will help us to monitor and reduce our carbon footprint and increase our carbon handprint
- Analyzing emissions of our supply chain. Target to have a thorough understanding by 2025
- Creating responsible sourcing principles for our entire supply chain and monitoring their implementation

SDG 17 Partnerships for the goals

Foamit Group: cooperation with institutions and policy makers to promote the circular economy

1. Actively searching for partners with whom we can find new circular economy products, services and production methods, as well as digital solutions to promote the circular economy
2. Exploring new opportunities to obtain sustainability certifications and commitments
3. Raising the profile of the circular economy. For example, we cooperate with schools and educational institutions and with clusters enhancing circularity. In Sweden, we continue the cooperation with the Research Institutes of Sweden (RISE)

Commitments, targets and achievements 2022

Foamit group short- and medium-term ESG commitments

MATERIAL TOPIC	TARGET SET IN 2021	UPDATED / NEW TARGET	ACHIEVEMENTS IN 2022	PROGRESS
Employee training and well-being. Safe place to work.	2022: Employee engagement surveys are conducted, and their results develop positively. A digital survey is in use.		Digital survey is in use. Work continues in 2023 to achieve positive results.	Not achieved
Employee training and well-being. Safe place to work.	2023: Each employee is entitled to 3 days of training of their choice annually.		No action yet.	Not started
Employee training and well-being. Safe place to work.	2030: The concentration of dust in the ambient indoor air at the production plants is below the statutory limits.	Target no longer valid.	Target removed from the public commitments list as the matter is prioritized in daily operations.	
Employee training and well-being. Safe place to work.		Zero major accidents. Safety observations are reported in all countries and their amount develop positively.	Harmonization of the accident, incident and observation reporting within Foamit Group subsidiaries. This work will continue in 2023. 2022: Three lost time accidents in FG.	In progress
Management system certifications		All Foamit Group sites are ISO 9001, 14001 and 45001 certified by the end of 2023.	2022: Harmonization of the management systems. Norway already has these certifications. In 2022, Finland expanded the scope to cover also occupational health and safety (ISO 45001). Target in 2023 is to prepare the certified management systems also in Sweden.	In progress
Global Sustainability Ratings- EcoVadis		New target 2023: Foamit Group site Uusioaines Oy is conducting EcoVadis Assessment 2023. Goal is to achieve minimum Bronze-level. Target is to expand the scope to cover other Group countries in the future.	No action yet, new target 2023.	
Circular economy	2030: We are an active player in promoting the circular economy and removing its barriers both nationally and internationally.	Target no longer valid due to overlapping and similar targets. For circular economy targets see below.		
Circular economy	2050: We are known as one of the key players in the circular economy.	Target no longer valid due to overlapping and similar targets. For circular economy targets see below.		

MATERIAL TOPIC	TARGET SET IN 2021	UPDATED / NEW TARGET	ACHIEVEMENTS IN 2022	PROGRESS
Circular economy	2022: We will set a measurable target for the development of new circular economy solutions.	Target no longer valid as such. See below for circular economy targets.		
Circular Economy	2025: We can demonstrate the effectiveness of our operations by measuring the share of new business in net sales (2025).	2023: We can demonstrate the effectiveness of our operations by measuring the share of new business in net sales.		In progress
Circular Economy		Zero production raw material waste (glass waste, powder waste and foam glass waste) in foam glass production plants	New target, project will start in 2023. The objective is to eliminate the storage and potential deposits of glass waste, powder waste and foam glass waste by limiting the creation of waste, reusing it and/or making products out of it.	Not started
Circular Economy	We are well-known player in our industry, who shares information and expertise regarding the circular economy as well as innovation throughout the supply chain and our stakeholders. We measure and report started and finished innovation projects.	Target no longer valid due to overlapping and similar targets. For relevant circular economy target see below.		
Circular Economy	2030: We are playing an active role in finding new circular economy solutions that can be proved effective.		Our focus in 2022 was on being an active member in national and international associations promoting the circular economy.	In progress
Minimizing our carbon footprint and becoming carbon neutral	2022: Short term: Update of our carbon footprint calculations (Scope 1 and 2) and verification of the Environmental Product Declaration (EPD) at Group level.	2023: Target is to define business goals for scope 3, review reporting principles, identify scope 3 activities and set the scope 3 boundary	Scope 1 and 2 calculations were calculated for 2022 as part of this reporting project. A group-wide EPD was issued to cover all Foamit Group operating countries and foam glass plants.	Achieved
Minimizing our carbon footprint and becoming carbon neutral	2023: Reduce overall net energy consumption by 5% per produced cubic meter of foam glass compared to consumption levels in 2022.		New target, work starts in 2023	Not started
Minimizing our carbon footprint and becoming carbon neutral	2050: We achieve carbon neutrality.	2035: We achieve carbon neutrality in our own operations.	Carbon footprint and handprint calculations form the basis for GHG emissions reduction roadmap and the work is ongoing. Target revised to reflect Partnera Corporation's carbon neutrality target.	In progress

MATERIAL TOPIC	TARGET SET IN 2021	UPDATED / NEW TARGET	ACHIEVEMENTS IN 2022	PROGRESS
Minimizing our carbon footprint and becoming carbon neutral	2050: Foam glass kilns run on renewable electricity or biogas, or both.	2035: Foam glass kilns run on renewable electricity or biogas, or both.	At Hammar plant in Sweden both mills and all kilns have been run by certified renewable electricity since 2020. This is also the case for the Skjåk plant in Norway. Other plants will follow this progress. In 2022, the investment decision regarding factory expansion and electric conversion of kilns in Onsøy, Norway was made. The investment includes two new, efficient and environmentally friendly electric production lines, as well as the modernization of existing production lines to be electrically driven. The final investment decision will be made after the completion of the investment plan in the first half of 2023. The target was revised from 2050 to 2035 in line with Partnera's climate neutrality target.	In progress
Minimizing our carbon footprint and becoming carbon neutral	2023: The preparation of an emissions reduction road map to monitor and reduce our carbon footprint and increase our carbon handprint.	Target no longer valid due to revised carbon neutrality target and 2023 climate action target.		
Minimizing our carbon footprint and becoming carbon neutral	2050: We achieve energy self-sufficiency.	Target no longer valid due to revised carbon neutrality target.		
Responsible sourcing	2022: The preparation of responsible sourcing principles for our entire supply chain and monitoring their implementation.		In late 2022 we started the implementation of the Corporate level Supplier Code of Conduct.	In progress
Responsible sourcing	90% of our main suppliers will have signed the supplier code of conduct by 2025		New target, work started in 2022.	In progress

CASE

Towards an integrated ISO 9001, 14001 and 45001 system at Foamit Group

Certified management systems are a good way of demonstrating responsibility to an impartial third party. The Foamit Group set a target for 2022 that all its subsidiaries will achieve certification for ISO 9001 quality management system, ISO 14001 environmental management system and ISO 45001 health and safety management system. At the same time, we wanted to ensure that our management is systematic, and, in a spirit of continuous improvement, we use our resources wisely and learn from each other.

In 2022, we started a major project to harmonise our HSEQ processes and tools. We started the work in Finland, the result of which was the introduction of a new

SharePoint-based HSEQ tool ("HSEQ Toolkit") and the achievement of the new ISO 45001 certification. The new tool includes risk management, compliance, regulatory monitoring, safety and environmental observations, deviations, corrective and preventive actions and documentation. Its modern reporting module enables up-to-date reporting of HSEQ metrics and monitoring of the implementation of required measures.

We also started an HSEQ development project in Norway. Glaspor had already been operating under certified management systems, but the tools and processes needed to be updated. In Norway, a unified HSEQ Toolkit is under construction and will be laun-

ched in early 2023. Next year, the aim is to build HSEQ processes and tools also in Sweden, where they have not been used before. In 2023, the aim is also to develop a mobile tool for reporting safety observations, for example, in all countries.

Once the HSEQ development project is completed, we will be able to certify that all Foamit Group subsidiaries are operating responsibly and transparently, and we will be better able to develop our HSEQ activities in cooperation between countries.

Foamit Group's management systems and certifications

TOPIC	CERTIFICATION	UUSIOAINES OY	HASOPOR AB	GLASOPOR AS
Quality	ISO 9001	X		X
Environment	ISO 14001	X		X
Occupational Health and Safety	ISO 45001	X		X
Energy efficiency	ISO 50001			X



Foamit Group's approach to environmental responsibility

Knowing your environmental impact in detail is the first step when improving the company's strategic environmental performance. Although all four Foamit Group plants produce foam glass, each plant uses slightly different production processes and technologies. Consequently, Foamit Group carried out a life cycle assessment (LCA) of the foam glass product manufactured at the four plants.

The LCA shows which of the product's raw materials and processes have the greatest impact on the environment, and thereby allows us to better identify which production processes and raw materials have the greatest environmental impact and allows us to allocate process improvement and development actions to the most relevant processes and raw materials.

A life cycle assessment of the foam glass product manufactured at the four production plants was carried out during the summer and fall of 2022. The LCA was then used as the basis for an Environmental Product Declaration (EPD) that is a widely used standardized and transparent way of presenting life cycle assessment (LCA) information in an easily accessible format that allows Foamit Group and its stakeholders to obtain a better understanding of the key environmental impacts related to the production of foam glass in each of the four production sites and to obtain transparent third-party verified data that allows comparison of the life-cycle environmental impacts of the foam glass product to other manufacturers' foam glass products as well as to other similar products.

Foamit Group's third-party verified Environmental Product Declaration (EPD) for foam glass aggregate was published online in November 2022. The EPD report considers the scope of 'cradle to gate up to the end of the product's life', covering the modules of extraction and processing of raw materials (A1), their transportation to the production plant (A2), the foam glass aggregate manufacturing process (A3), end of life (C1-C4) and potential benefits (and loads) from the reuse and recycling of the foam glass aggregate at the

end of life (D). For the sake of transparency and data completeness, Foamit Group's LCA and EPD includes oxidation of the silicon carbide foaming agent into carbon dioxide in the production process that is not taken into account in other publicly available EPDs of other foam glass products.

Our approach to energy and carbon

The two main raw materials of foam glass are glass and silicon carbide. Manufacturing of glass and silicon carbide are also among the most energy intensive industries and therefore, in accordance with the principles of circular economy and waste hierarchy, it is imperative to ensure that these materials are kept in use for as long as possible and to keep them at their highest value. Although the production of foam glass is also energy intensive, it enables recycling of reject waste glass and fine grained silicon carbide that would be otherwise landfilled. Technical lifespan of foam glass in construction and infrastructure applications is at least 50 years, and even after that foam glass can be utilized in less demanding applications, and possibly even as raw material in the production of foam glass. Long lifespan on foam glass products ensures that the resources used during the entire life span of foam glass and its raw materials are used as efficiently as possible.

The foaming process is the most energy intensive process in the production of foam glass. In the foaming process, glass and foaming agent mixture is heated in a kiln to a temperature where the glass

sintered (heating to a temperature below point of liquefaction) and the foaming agent reacts and forms a gas and causes the sintered glass to expand. Two of Foamit Group's kilns run on electricity and two on propane. In order to optimize energy consumption and use, a portion of the waste heat generated in the foaming process is used for drying of feedstock as well as for heating of the production area. Foamit Group is constantly assessing and evaluating options that allow energy to be used as efficiently as possible and to substitute fossil energy sources with renewable sources.

Climate risks and opportunities

Climate change mitigation as a theme provides opportunities also for Foamit Group. In general, the foam glass produced from fine waste glass fraction – which would otherwise end up at a landfill – can be utilized as an alternative to more carbon-intensive fill materials. To better understand the opportunities related to our product, an LCA was performed in 2022 followed by a publication of an EPD (Environmental Product Declaration) project during 2022. Comparing the results to available EPDs for alternative products, GHG impacts of Foamit Group's products in relation to a given amount of the final product are lower, indicating a positive outlook in cases where our customers value the GHG impact as a procurement metric.

The production processes for foam glass and alternative products are all currently quite energy-intensive due to process steps requiring heating of the raw materials – thus being able to utilize low-carbon energy during production is key to keeping the final

products' carbon footprint as low as possible. By committing ourselves to Partnera's shared goal of carbon neutrality in own operations by 2035 we are positioning ourselves also in the longer term as an enabler of low-carbon insulation solutions.

In 2022, Foamit Group's operations were not negatively affected by climate impacts. In the 2021 sustainability report we told about the flood event which occurred in 2018 and affected the entire industrial park. Discussions about liabilities and corrective actions continued in 2021. Decisions were made in 2022 and as a result the State authorities will construct a flood barrier in 2023. Foamit Group has no retained liability regarding the matter.

GHG emissions

Greenhouse gas (GHG) emissions are the most significant environmental aspect related to Foamit Group's operations, as the production process is energy intensive. Since 2021, we have reported our direct (Scope 1 and Scope 2) emissions. Our Scope 1 GHG emissions in 2022 were almost the same as in 2021 with minimal variation at a site level only. The most relevant factor affecting the Scope 1 emissions were the shift from LNG to LPG at the Hasopor plant in Sweden. and that we included the impact of the use of silicon carbide (SiC) in the calculations. We have assumed that all carbon is silicon carbide oxidizes into carbon dioxide during the foaming process. Our Scope 2 market based GHG emissions were 0 t CO₂ because all plants use renewable electricity and none of the plants use district heating. Scope 3 emissions were not calculated in 2022 but they will be in our focus in 2023.

Reducing GHG emissions from our own operations

The production of foam glass is energy-intensive, as the drying, grinding and foaming of raw materials requires energy. To achieve our carbon neutrality goal, we are looking for alternatives to fossil fuels as an energy source.

Glass is a 100% recycle product and therefore Foamit Group's core business is circular economy.

LPG kilns are the Foamit Group's main source of carbon dioxide emissions, accounting for around 85% of the Group's Scope 1 greenhouse gas emissions. The phase-out of fossil fuels in the kilns is planned to be phased out when the kilns reach the end of their useful life.

At Hasopor, liquefied natural gas (LNG) was first used for drying, and later liquefied petroleum gas (LPG) was used for drying, and LPG is also used for the Onsøy and Uusioaines kilns. Diesel and light fuel oil are used in some vehicles. In Norway, the Skjåk plant does not use fossil fuels for production, as the plant uses an electric kiln and the raw material pre-dried at the Onsøy plant. Foamit Group has set the following short-term targets with regards to GHG emissions:

1. In order to minimize GHG emissions, Foamit Group's plants made the transition to green electricity prior to 2021.
2. In 2022, revising the carbon footprint calculations and verification of the Environmental Product Declarations (EPD) and
3. In 2023, defining business goals for scope 3, reviewing reporting principles, identifying scope 3 activities and setting the scope 3 boundary

Our approach to circular economy

Glass is a 100% recyclable product and therefore Foamit Group's core business is circular economy. Foamit Group can recycle everything that is made of glass and thus effectively minimize both the amount of landfill waste and the potential need for virgin glass material. Using recycled and cleaned glass cullet as a raw material in the glass industry has many advantages. Recycled glass has a lower melting point temperature compared to virgin glass and its usage saves energy and minimizes CO₂ emissions. At the same time, it reduces the need for a virgin raw material.

Purified and color-sorted glass cullet is sold to customers who utilize it in the production of different glass products: glass packages, glass wool and flat glass. The rest of the recycled glass material, which is typically the fine particles that cannot be re-used in packaging glass production without

reprocessing, goes to foam glass production. Foam glass production ensures that nothing is wasted or landfilled in a glass recycling process. Foam glass is made almost entirely from recycled glass material comprising shredded household glass, glass powder and silicon carbide (SiC) used as a foaming agent. Foam glass is a pure example of a circular economy product. Since the foam glass business started some decades ago, glass has been seen as a valuable resource that needs to be used efficiently and every fraction is to be reused.

Other emissions to air

Besides generating GHG emissions in the production process, Foamit Group's operations also result in some local air emissions. As foam glass aggregate is manufactured out of fine glass particles and glass dust, the operations generate dust during product storage, transport and loading at the plant. Additionally, dust is derived from waste glass processing. Dust emissions at Foamit Group plants are generally limited to the plant area. Foamit Group has implemented various dust minimization measures at all plants to date and continues to implement corrective actions in accordance with the authority-approved plans. Dust is frequently measured at the plants and in their immediate surroundings. Stormwater is also frequently monitored for suspended solids at production sites.

Waste

Although Foamit Group plants use almost exclusively waste based materials as raw materials, the operations of Foamit Group yield only a small

amount of mainly non-hazardous waste streams. Foamit Group is in regular contact with waste management companies that provide the glass waste streams to the foam glass production plants. Contractual agreements regulate the composition of incoming glass waste streams. The foam glass production process does not generate wastes except during process disruptions.

In general, the waste streams generated at Foamit Group's plants are related to packaging materials associate with incoming goods and waste streams generated in service and maintenance work. The only exception is Uusioaines glass treatment operations in Finland. As some of the waste streams originate from households and construction and demolition sites, there may be impurities in the incoming waste stream. Glass treatment process separates impurities from the glass waste stream to ensure that the reject glass stream used in the foam glass production process and the End-of-Waste cullet sold to customers meet the technical and quality criteria. Typical impurities include but are not limited to various metal impurities such as bottle caps, mainly packaging related plastics, wood waste such as window frames, and other energy waste streams such as pieces of labeling.

The process also separates unwanted glass streams of which some may be hazardous waste impurities such as lead glass and cathode ray tube (CRT). Almost all foam glass is dispatched to customers as bulk shipments without packaging. A small portion of the production is dispatched in big bags and in smaller packaging.

All plants source segregate their waste streams and collaborate with adequately permitted waste management companies that offer recycling options for as many waste streams as possible. In addition to emphasis on their recycling solutions, Foamit also reviewed waste management companies' compliance programs during the selection process. Almost all companies are among the largest waste management companies in their respective countries. Foamit Group is also initiating a project in the near future to eliminate formation of production related waste (glass waste, powder waste and foam glass waste).

In 2022, the amount non-hazardous waste generated in Foamit Group's plants increased by almost 85%. This is explained mainly by disposal of certain waste streams separated at Uusioaines' glass treatment plant's process such as wooden window frames and scrap metals including bottle caps. Due to storage area constraints the Skjåk site had to dispose of a portion of the off-spec foam glass in 2022.

Hazardous waste generated consists mostly of various oils and lubricants needed for the production machinery. All hazardous waste is systematically collected and disposed of by standard procedures by local waste management services, in accordance with local legislation.

Environmental compliance

In 2022, Uusioaines applied for an amendment to the environmental permit to move the foam glass storage area to a better location with pavements that meet the authorities' requirements. In November 2022, the municipal environmental authority

inspected the Hasopor production area and found no non-compliance. Dust emissions from the process were measured in December 2022 and found to be below the environmental permit limit value of 5 mg/m³n (dry gas). There were no non-compliances or pending regulatory requests in 2022. In Norway, Glasopor's Onsøy plant was operating under an existing permit in 2022. In 2021, Glasopor initiated a permit renewal process due to the acquisition of Glasopor by Foamit Group. In early 2023, the Onsøy plant will apply for a new permit due to a planned expansion of the plant site. The Skjåk plant was operating in compliance with the permit requirements in 2022. The Skjåk plant is assessed to need a new permit as increased production volumes approach the permitted capacity.

CASE

Hasopor's building blocks

Hasopor, a subsidiary of the Foamit Group, has developed, together with its partner specialising in concrete, a way to use production waste (glass dust, glass powder, foam glass crushed and foam glass dust) as an ingredient in the production of concrete building blocks for own use.

The recycling of production waste results in high costs and negative environmental impacts. Therefore, its use in the production of precast concrete elements for the rehabilitation of the Hasopor plant will reduce both costs and environmental impact. Concrete building blocks,

used for the construction of industry standard solid barriers suitable for walls, pockets and compartments in warehouses for raw materials and finished products, weigh about 2 000 kg, of which 60-70% is production waste and the rest cement product.

Once Hasopor's own demand for the ingots is satisfied, we will consider manufacturing them for sale as a product on the market. The information and concept will of course also be shared within the group as a possible way of handling production waste, also in Finland and Norway.

CASE

Increasing energy efficiency

In 2022, Foamit Group explored new sources of waste glass and additives, as well as ways to further reduce energy consumption and emissions. An energy recovery system was introduced at the Skjåk plant in Norway, with the aim of saving up to 10% of total energy consumption. The plant is already fully powered by hydroelectricity. At the Forssa plant, the introduction of new foaming agents in production was started to reduce the consumption of additives by up to 40%. In 2023, this technology will also be transferred to our other production plants.

Foamit Group's Board of Directors approved plans to expand the capacity of the Onsøy plant and convert it to a fully electric plant, making it not only emission-free but also the most energy-efficient foam glass production facility seen so far. Plans include state-of-the-art electric

furnaces to optimise productivity and energy consumption, and the entire factory will use energy recovery and energy management systems that will surpass any existing foam glass factory.

We will continue to focus on finding new sources of raw materials for recycling. In 2022, we established relationships with new suppliers of recycled glass scrap in Europe, securing supplies and ensuring better use of fines and material that would otherwise end up in landfills. Foamit has also been working with our partners to explore new sources of waste glass, so that in the future even more waste glass can be turned into a unique recycled building material with outstanding properties.

Energy consumption in 2022 and comparison to 2021. All figures are reported as MWh.

COMPANY	FOAMIT GROUP 2022	FOAMIT GROUP 2021
DIRECT ENERGY CONSUMPTION: NON-RENEWABLE		
Natural gas (LNG)	1 082	1 232
Propane (LPG)	52 727	52 533
Diesel	3 184	2 557
Gasoline		
Light fuel oil (LFO)	1 483	1 404
DIRECT ENERGY CONSUMPTION: RENEWABLE		
Renewable electricity	42 889	44 356
INDIRECT ENERGY CONSUMPTION:		
District heating		
TOTAL ENERGY CONSUMPTION	101 364	102 082

Foamit group's GHG emissions in 2022 and compared to 2021

EMISSION TYPE	FOAMIT GROUP 2022	FOAMIT GROUP 2021
DIRECT EMISSIONS (SCOPE 1), METRIC TONS CO₂		
Fuel consumption and refrigerants	13 597	13 345
Other production emissions (SiC)	1 558	
SCOPE 1 TOTAL	15 155	13 345
INDIRECT EMISSIONS (SCOPE 2), METRIC TONS CO₂		
District heating	0	0
Electricity – Market-based	0	0
Electricity – Location-based	9 710	6 899
SCOPE 2 TOTAL (MARKET-BASED)	0	0

Non-hazardous waste generated in 2022 compared to 2021

WASTE FRACTION, TONS	FOAMIT GROUP 2022	FOAMIT GROUP 2021
Mixed waste	181	145
Combustible	462	393
Metal / scrap metal	453	310
Other recyclable		22
Paper and cardboard	4	
Wood	389	15
Food waste	6	
Off-spec foam glass	146	
Mineral wool waste	2	
WEEE	1	
Total	1,644	885

Hazardous waste generated in 2022 and in comparison to 2021

HAZARDOUS WASTE FRACTION, KG	EWCODE	FOAMIT GROUP 2022	FOAMIT GROUP 2021
Paint residues	080111	12	558
Wax and grease	120112	31	30
Hydraulic oils	130111	-	50
Lubricants and gear oils	130208/200101	890	1,462
Other oil containing hazardous waste	130899	370	1,248 ¹⁾
Packaging with non-halogenated solvents	150110	4	
Solid oil waste	150202	82	
Aerosol waste	151011	120	
WEEE, hazardous	160209/160213	735	
Discarded electrical and electronic equipment	160211	48	91
Gases in pressure vessels	160504	2	50
Chemical wastes	160508/200115	47	
Batteries	160601	155	62
Chemical concentrate	161003	3	
Solvent waste	200113	22	
Fluorescent tubes	200121	1,204	61
Waste oil	200126	525	
Total		4,250	3,612

1) 1,100 tons of material recovery at Uusioaines



Social responsibility at Foamit Group

Our approach to social responsibility

Foamit Group invests in the wellbeing of their employees and wants to be an inclusive employer. One of Foamit Group's strategic targets it to have an active dialogue with all employees regarding well-being at work and occupational health and safety. In 2022, Foamit Group invited the employees to participate in the company's strategy execution to foster commitment to common goals. Foamit Group introduced an inclusive strategy execution method and tool in all countries. Our people, Foamit Group as a work community

Our people, Foamit Group as a work community

To ensure that employees are satisfied with their work, employee engagement surveys are conducted on a weekly basis. A digital survey is in use in all countries, results are monitored frequently, and action plans exist to get results to develop more positively.

In 2022, the number of employees within the Foamit Group was 98, compared to 100 in 2021. Out of all Foamit Group employees, 62% work in production and 19% belong to management. In 2022, we had 10 joiners and 15 leavers in Foamit Group and the staff turnover was 6.31%.

Learning and development

Foamit Group has set a target to provide each employee with three days' annual training of their choice, to be implemented no later than 2023. In 2022, an extensive key account management training was arranged for the sales team to develop the customer experience, develop customer communication skills and build trust in the customer relationships. The Human Resources, Health and Safety (HR&H&S) strategy that was put in place 2021 continued to be implemented during 2022. The strategy stresses the importance of professional competence and a commitment to support it. Training was provided in areas such as the use of production equipment, sales and first aid. Foamit Group also conducts annual development discussions with their employees each year to encourage and support career development.

Equal opportunities, diversity, and inclusion

The Finnish branch of Foamit Group, Uusioaines Oy, implemented an equality survey in September 2022 which covered all employees in Finland. The report was prepared primarily as background material for the equality plan, which was updated in 2022.

It was possible to answer the survey using both anonymous paper forms and an anonymous electronic questionnaire. In the survey, all grounds of discrimination named by The Occupational Safety and Health Administration in Finland were investigated, as well as a ground of discrimination

related to gender. No answers were received to the survey which Foamit Group interprets as the personnel feels that there is no discrimination at Uusioaines Oy.

Health and safety

In 2022, HSEQ processes and tools were unified and a new HSEQ toolkit was created. The first market to adopt the toolkit was Finland and the toolkit will be adopted by each Foamit Group subsidiary in all markets. The new tool contains e.g., risk management, compliance, legislation monitoring, safety and environmental observations, HSEQ deviations, control methods, reporting and documentation. In 2023, the goal is to implement the HSEQ toolkit and unify underlying processes in Sweden and Norway as well as develop a mobile tool for reporting safety and environmental observations in all countries.

Work safety has always been a key priority at Foamit Group. In 2022, occupational health and safety activities were further optimised to meet the requirements of ISO 45001 occupational health and safety standard. ISO 45001 certification was awarded at the beginning of 2023.

An indoor air quality measurement was carried out at the Hasopor plant in Sweden in late December 2021. The scope of the measurement included e.g. inhalable dust. The concentration of inhalable dust slightly exceeded the limit value. Identification and assessment of potential corrective actions, including follow-up measurements, related to the exceedance of the inhalable dust limit value are still ongoing.

There was an increase in LTIs from one to three and as a result the LTIF rose from 6.16 to 22%. The types of injuries included slips and cuts. All Foamit Group employees are covered by occupational health services.

Responsible sourcing

In 2022, Foamit Group started to map the key suppliers in each subsidiary's supply chain to ensure that they comply with the company's responsible sourcing guidelines and the Group-wide Supplier Code of Conduct. The Code includes requirements for environmental responsibility, social responsibility and good governance. The Supplier Code of Conduct was sent to a total of 162 key suppliers, of which 66 (41%) had signed the commitment by the end of the year. The target is to achieve 90% coverage by 2025.

CASE

Winningtemp adopted in Foamit Group

In autumn 2022, Foamit Group adopted Winningtemp as a system and method of employee engagement. The Group previously did not have a consistent way of engaging all employees on a consistent basis in the areas of employer net promoter score (eNPS), leadership, job satisfaction, meaningfulness, autonomy, job satisfaction, participation, personal development and team spirit.

Since September 2022, Foamit Group has been surveying employee satisfaction in an automated, systems-supported, measurable and scientific-

ly-based way on a weekly basis. The overall report for 2022 shows that Uusioaines Ltd has a very good response participation rate of 82%, but the resulting ratings and eNPS score are below the industry average. Winningtemp -eNPS results was -15 at the end of the year, when our target is at least +15. The main objective for 2023 is to improve the results in each category as well as the eNPS result. It is also important to encourage employees to provide written comments and responses to find the right ways to improve.

CASE

Employees implement the strategy

The Foamit Group wanted to make its strategy and objectives transparent to all, while ensuring commitment to common goals. During 2022, Foamit Group introduced a common strategy execution methodology and tool. The methodology used is the Hoshi Kanri methodology, familiar from the world of Lean. The Hoshin Kanri management model provides a clear prioritisation of objectives and actions to maintain focus on achieving common goals. At the same time, we also introduced the "Amplon" tool that supports the methodology, an easy-to-use and clear browser-based application that promotes collaboration across the organisation. The strategy is structured to clarify actions at each level of the organisation. This enables efficient progress towards common goals. Amplon provides a real-time overview, enabling the

organisation to be managed coherently and effectively. The method provides particularly good support for projects that are common to several Foamit Group companies. Common projects are visible and easy to update. Nevertheless, each country company also has its own individual target matrix (X-matrix). The review of the long-term objectives and the setting of new objectives is carried out in accordance with the annual management calendar in the context of the extended management team workshops, which are attended by the management teams of all country companies. The country targets are agreed accordingly in the extended management teams and workshops of the country companies.

Total amount of own employees and share of female employees on 31.12.2022

*Foamit Group consists of Foamit Group Oy and its subsidiaries Uusioaines Oy, Hasopor Ab and Glasopor As

	PERSONNEL 2022	NUMBER OF WOMEN 2022	PERSONNEL 2021	NUMBER OF WOMEN 2021
Foamit Group	98	9	100	12

Employees by group on 31.12.2022

	2022			2021		
	MANAGEMENT	OFFICE WORK	MANUFACTURING	MANAGEMENT	OFFICE WORK	MANUFACTURING
Foamit Group	19	18	61	21	16	65

9% of Foamit Group's and its subsidiaries employees are women.

Employees by age group 31.12.2022

	2022					2021				
	18-29	30-39	40-49	50-59	60+	18-29	30-39	40-49	50-59	60+
Foamit Group	7	30	26	28	7	9	31	25	28	7

	LEADERSHIP TEAM	BOARD OF DIRECTORS
Foamit Group	5 members, 4 men 1 woman. Age groups: 2 men 50-60 yrs, 1 man 30-40 yrs, 1 woman & one man 40-50 yrs	4 members, all men (0 women), 3 members 50-60, one between 30-40 yrs

Injuries, lost time injuries and lost time injury frequency rate in 2022 (and 2021)

	NUMBER OF RECORDABLE INJURIES	NUMBER OF LOST TIME INJURIES	LOST TIME INJURY FREQUENCY RATE ¹⁾ , LTIF, %
FOAMIT GROUP TOTAL	5 (4)	3 (1)	22 (6.16)

1) Lost time injuries per one million hours worked.

Economic responsibility at Foamit Group

The Foamit Group is pursuing profitable growth through actions in line with its strategy. It aims to grow and share its value fairly with all its stakeholders and to ensure continuity of its operations in all circumstances through careful management and risk management.

The Foamit Group is pursuing profitable growth through actions in line with its strategy. In 2022, overall revenue and profitability developed well and the strategy was successfully advanced in all key areas. Foamit Group's revenue increased by 49% year-on-year to EUR 45.7 million, driven by the acquisition of the Norwegian company Glasopor, which was completed in September 2021. Revenue also grew organically by around 23%, in particular due to the successful expansion of the customer base. EBITDA was 14% of turnover (2021: 21%).

The year got off to a challenging start as the war in Ukraine resulted in an acceleration of the general price increase, weakening the Foamit Group's operating environment. The war had a negative impact on the profitability of the foam glass business, especially in the Finnish market where the cyclical nature of infrastructure construction has halted and postponed projects. The real estate construction market grew in Finland and Norway. In Sweden, the foam business developed steadily compared to the previous year.

The lifting of pandemic restrictions was reflected in a slight increase in the volume of recycled glass received in the glass business. Sales of cleaned recycled glass increased by around 35% compared to the previous year as high energy prices increased demand for recycled glass.

Towards the end of the year, cost increases were partly passed on in prices and the company implemented various efficiency measures to improve profitability, which are still ongoing. In Norway and Sweden, the Foamit Group implemented and continues

to implement efficiency measures focusing on improving sales profitability, production efficiency, energy savings and reducing fixed costs.

In the spring, Foamit Group received a major order to supply foam glass for a hospital construction project in Drammen, Norway, during 2022-2023. Foam glass was selected as the lightweight material for the hospital's foundations due to its technical and environmental properties.

A major strategic step forward was the decision to finalise the planning for the investment in the Norwegian factory. If realised, the investment will double Foamit Group's manufacturing capacity at the Onsoy plant. At the same time, fossil fuels will be replaced by renewable electricity and production will be virtually emission-free.

Sustainable sourcing

Foamit Group has set targets for sustainable supply chain

- 2022: The preparation of responsible sourcing principles for our entire supply chain and monitoring their implementation.
- 90% of our main suppliers will have signed the Supplier Code of Conduct by 2025.

In late 2022 Foamit Group started the implementation of the Corporate level Supplier Code of Conduct, which states that the company works with responsible companies. Further efforts will be made to extend the use of the guidelines to all main suppliers during 2023.



FOAMIT GROUP - PL 120, FI-30101 FORSSA - WWW.FOAMIT.FI