

Quality, Environment and Health & Safety in Vaisala

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Revision History

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PURPOSE

Purpose of QEHS management is to ensure safety of people, customer satisfaction, environmental performance, to drive continual improvement and achievement of business results.

This document is a description of the Vaisala QEHS Management System. It defines the intention of Vaisala Top Management for effective QEHS management, key principles and approach for implementation.

SCOPE

The scope of our QEHS management system is the design, development, production, sales and service of instruments, systems, solutions and information for environmental and industrial measurement applications.

Procedures described in this document are applicable for all Vaisala processes, functions and locations, whether they are certified or not.

This procedure covers following management systems:

- Quality Management System (based on ISO9001:2015)
- Environmental Management System (based on ISO14001:2015)
- Health & Safety Management System (based on ISO45001:2018)

TERMS AND DEFINITIONS

AQAP=Allied Quality Assurance Publications (NATO standards for quality assurance)

CI=Continual Improvement

DQ=Director of Quality

EHS=Environment, Health and Safety

KPI=Key Performance Indicator

MR=Management Review

MS=Management System

OHS=Occupational Health and Safety

PDCA=Plan Do Check Act

QEHS=Quality, Environment and Health & Safety

Vintra=Vaisala intranet system

VMG=Vaisala Management Group, meaning Top Management

1 ORGANIZATIONAL CONTEXT

Our mission, vision and values are presented on our website and in the Vaisala intranet “Vintra”.. They are defined, reviewed, updated and approved by the VMG as needed.

Context of the organization is reviewed annually as part of strategic planning. Our most significant interested parties are:

- Customers
- Our own staff and other persons working for us
- Suppliers and other external providers
- Society & Environment
- Investors
- Authorities and officials setting applicable requirements

Their needs and expectations are considered in strategic planning, annual execution planning, project planning, surveys, analysis of feedback, compliance evaluation and other relevant forums. Information and related issues are reviewed in Management Review and other managerial forums.

1.1 The QEHS Management System and its processes

Vaisala QEHS Management System is part of overall Vaisala management system. Operational activities are based on process approach and good QEHS practices are embedded in our processes. Quality, Environment and Health & Safety management systems have been integrated into one QEHS Management System. It is built on Plan-Do-Check-Act logic by utilizing following elements:

- Process approach and flow efficiency
- Integration of operational QEHS activities into processes
- Designing safety, quality and environmentally friendly features into our products and services as early as possible
- Fact based analysis
- Continual improvement

Processes and their interactions are defined in Vaisala Process Portal. Process owners and functional managers are responsible for efficiency of operations, compliance and continual improvement in their respective areas. Additional procedures and work instructions are documented and available in our document management system.

2 LEADERSHIP

2.1 Leadership, commitment and customer focus

The members of Vaisala Management Group (VMG) form the top management of the company. They are accountable for the effectiveness of the QEHS Management System and for ensuring that customer focus and customer satisfaction is maintained.

The Vaisala Director of Quality assists the VMG in defining and deploying the QEHS management system. Director of Quality or nominated substitute presents reports about system performance to the VMG in Management Reviews.

Dedicated roles of Quality Managers and Environmental Manager and Health & Safety Manager within the QEHS team provide proper competence and focus for QEHS matters.

2.2 QEHS Policy

Our QEHS Policy is defined, approved and annually reviewed by the VMG to ensure it's continual suitability and validity. It is available on Vintra and the Vaisala website to provide easy access for every employee and interested parties. Process owners and line managers are responsible for activities that effectively implement QEHS policy into practice, including communication.

The policy is:

We deliver to our customers value adding, reliable and safe solutions, which increase operational efficiency and improve environmental performance. Our business is conducted in a sustainable, high quality manner and we require our suppliers and partners to apply the same principles. Ultimately, our success is measured by customers' actual experience.

We are committed to continual improvement and we expect all our people to participate in improvement activities. Quality, Environmental and Health & Safety (QEHS) management standards provide framework for this approach. We emphasize collaborative way of working across all functions and layers, with leaders and managers setting QEHS goals and organizing continual improvement across interfaces.

We provide safe working conditions for our people, with a goal of zero injuries and occupational diseases, and we consult and collaborate with our employees in all health and safety aspects.

We are net positive. Environmental impacts are considered throughout the life cycle of our solutions and business activities. We comply with the applicable Occupational Health and Safety and Environmental legislation and requirements and we report transparently our performance.

2.3 Organizational roles, responsibilities and authorities

Our organizational structure is documented in organizational charts. Process flow-charts, procedures, work instructions and role/job descriptions define the roles and responsibilities of various key roles.

Operational responsibility for quality, environment and health & safety in processes and projects is integrated in the management role at all levels. Every Vaisala manager is responsible for process performance and continual improvement in his/her own area.

QEHS Team is responsible for two main goals: Driving continual improvement and ensuring that proper control and compliance are in place. These goals are achieved via expert advice, training, internal auditing and hands-on support to people at every level of the organization.

2.4 Consultation and participation of workers

On all Vaisala sites of more than 25 employees, an OHS committee has been established to ensure collaboration in matters of health and safety. Committees meet at least quarterly.

Workers at all levels participate in the risk assessment of their work and/or working environment as well as incident investigations. Findings of both risk assessment and incident investigation, are communicated to all workers it may concern, including third party contractors, hired labor and part time employees. Employees at all levels are encouraged to practice pro-active reporting and suggest H&S improvements through EHS issue and PDCA processes.

Employees have the right to refuse to do work that can harm their own or another person's health.

2.5 Planning

Purpose of Planning is to ensure that we can achieve intended results and prevent, or reduce, undesired effects. This is the PLAN-phase of our PDCA cycle.

2.6 Actions to address risk and opportunities

Vaisala risk management policy is approved by the Board of Directors. It covers Company's strategic risks, operational risks, financial risks, business continuity plans and insurance management. Vaisala Risk Management Officer is responsible for this corporate level risk management.

Risks and opportunities are considered also as part of the Strategy and annual planning process and in Portfolio Management. Risk management is in-built to operative processes by means of reviews, controls and specific risk analysis, such as FMEA. Environmental aspects and Health & Safety risks are identified via dedicated procedures.

Vaisala monitors global environmental and health & safety regulations actively and determines actions necessary to maintain compliance. Documented information of the compliance obligations and evaluation results is maintained.

2.7 Setting QEHS Objectives

QEHS objectives are set as part of annual execution planning process. Managers and process owners deploy execution plans top-down in functions/processes, all the way to team and individual level as appropriate, supported by use of metrics. Progress is monitored bottom-up in relevant managerial meetings and corrective actions are taken as needed.

3 SUPPORT

3.1 Resources and Competence

VMG approves the resources needed to maintain and improve the QEHS management system and to continually improve its effectiveness.

Supervisors identify via annual professional development reviews the competencies needed by their team members and define actions to ensure that their competence is at the appropriate level.

New Vaisala employees are inducted into the company through an orientation program. Employees who move from one job or unit to another within the company are re-inducted as needed. During the orientation period, training is given in QEHS and emergency procedures as well as job specific safety aspects.

Vaisala supervisors, process owners and QEHS representatives provide Vaisala employees with training in the specific elements of the QEHS system, such as quality planning and appropriate control methods. Specific training is in addition given to people in H&S critical jobs such as working at height, hot work, high and low voltage electrical installation etc.

4 AWARENESS, COMMUNICATION AND DOCUMENTED INFORMATION

An essential part of driving improvement is promoting employee awareness of QEHS matters and providing communication channels, both from top-down and bottom-up, as well as externally.

The Vaisala Annual Report and website are the main communication channels regarding our QEHS management to external stakeholders. We disclose our environmental performance also through CDP (formerly the Carbon Disclosure Project).

Vaisala Intranet QEHS sites are available to everyone at Vaisala as a portal and internal communication media. Management-led communication takes place in relation to Strategy, Resource Planning and Action Plans as well as in relation to various work activities in all business and support processes. Several group-wide communication tools enable extensive communication.

Communication regarding the effectiveness of the QEHS management system is formally done in the Management Review.

Examples of other important internal communication methods are development discussions, staff surveys, team briefings, e-mail, websites, and organization meetings.

Management of documented information is defined in a separate procedure.

5 QEHS ACTIVITIES IN PROCESSES

Operational activities in Vaisala processes turn our plans into actions. This is the DO-phase of PDCA-cycle.

We aim to integrate QEHS activities into operational processes. Controls of processes are defined in individual processes and lower level procedures. Purpose of these controls is to ensure that processes are carried out as planned, to ensure conformity of products and services and to detect any non-conformities or deviations.

Identification, verification and validation of requirements for products and services offered to customers is managed via Requirements Engineering Process. This includes specifying, reviewing and managing changes of requirements as well as proper customer communication.

Vaisala uses Product Process to develop new system products, customized products and services for customers. This process covers all phases of product life cycle from technology pre-study to ramp down phase. The process includes necessary steps for design and development planning, controls, input and output management and control of changes. In this way we ensure proper configuration management. Design of safety, quality and environmentally friendly features in our products and services are considered as early as possible.

Our products and services are produced under controlled conditions, with the appropriate degree of traceability. All changes are done in a controlled way to ensure continual conformity. Dedicated processes are in place to handle customer feedback and support requests.

Release of products and services requires verification activities to ensure their conformity. Verification may include several steps during the delivery, e.g., Incoming Quality Control, In-Process control and testing, Outgoing Quality Control and FIT (Factory Inspection Test) and FAT (Factory Acceptance test).

5.1 Identification and traceability

All Vaisala's products, as well as the material, parts, assemblies, manufacturing instructions and test criteria used in their assembly, can be identified with item and document codes throughout the manufacturing process, and after the delivery. All materials and parts are either visually tagged or physically segregated in the production. All assemblies and products have a visible product code.

Product specific traceability requirements are defined, and tracing is implemented during product development. Critical materials, parts and assemblies are traced, and unique identification is implemented where necessary. When serial numbers are assigned, they are printed into product labels and recorded, along with the test and calibration records defined for that unit.

Process specific traceability is arranged through process specific documentation.

5.2 Externally provided processes, products and services and contractors

Vaisala has set global requirements for its suppliers to ensure the quality and consistency of purchased goods and services. These requirements, as well as our Supplier Code of Conduct, are available on our website.

Vaisala hires contractors and service partners for long and short term assignments.

Long-term assignments include for instance janitorial services, facility maintenance and off-site services. Long-term contractor employees receive information about the hazards and risks related to their work in Vaisala and are trained in Vaisala emergency and safety procedures.

Short-term, upon request assignments are mostly related to construction work in an installation project or another task where specialized expertise is required. Short-term contractors are informed of hazards and risks, safety procedures etc. related to the assignment. Training is provided as deemed necessary.

All contractors are required to follow Vaisala instructions and safety procedures provided, and report any incidents to their contact person in Vaisala.

5.3 Emergency Preparedness and Response

Each Vaisala location has a site-specific emergency plan describing the procedures and responsibilities in case of e.g. injury, fire, chemical spill, power outage etc. Emergency plans are regularly tested and updated in case of changes.

Site security management is part of the generic Risk management.

6 PERFORMANCE EVALUATION

Purpose of performance evaluation is to provide unbiased data and fact based analysis to support decision making and enable effective actions. This is the CHECK-phase of our PDCA cycle.

Company and Business Area level KPIs and QEHS indicators are deployed through the organization. They are monitored and analysed by responsible managers and reported also to the top management in Management Reviews. KPIs are reported publicly in the annual report. The Global Reporting Initiative's (GRI) reporting guidelines are applied in sustainability reporting.

Internal audits are conducted to ensure that our management system complies with the requirements of the applicable international standards and our own requirements, and to drive continual improvement. The audit programme is prepared by Audit Process Owner and reviewed and authorized by DQ and VMG.

VMG reviews the QEHS management system according to the annual plan to ensure its continuing suitability, adequacy and effectiveness. Local MRs are possible but not mandatory due to global process

approach and matrix style management. MRs are done over the year as an integral part of other VMG/managerial meetings. DQ facilitates the conduct of VMG MR.

7 CONTINUAL IMPROVEMENT

Purpose of Continual Improvement is to continually improve our performance and capability, to reduce risks and to engage the capacity of our people to the full extent. This is the ACT-phase of our PDCA-cycle. In addition to Continual Improvement, this Act-part also includes the management of corrective actions and non-conformities.

7.1 Continual Improvement (CI)

CI is applied at every level of the organization. The annual strategy planning process is the highest level of CI activity and it keeps us aligned with changing customer needs and other key drivers in our business environment. With the strategy process we also follow changing legislation and standards, as well as the development of technology. Via this activity Business Areas and functions set their goals and targets for improvement, including QEHS targets. The targets are deployed down to individual level using 3P model for employee performance and development. Progress towards the targets is monitored with help of performance evaluation methods in appropriate meetings and reported to next higher level as needed. In this way the CI system enables top-down target deployment and down-up follow up.

7.2 Managing Corrective Actions and Non-conformities

When a quality, environmental or health and safety issue is discovered, action is taken to contain the problem and make correction and corrective action so that it does not disrupt the safety of people, environment, our internal activities or customer activities. Systematic problem solving methods are applied (e.g. PDCA, 8D, Six Sigma) and corrective actions are intended to eliminate root causes for good.

Key processes for handling corrective actions include the Complaint Handling Process, Sustain Process and Supplier Corrective Action process. Non-conforming products are handled as part of the Corrective Action Management process. This process ensures that no non-conforming products are delivered to customers and containment actions and corrections and corrective actions are taken and documented.

Vaisala has also implemented a process for reporting, investigation and communication of environmental or health and safety related incidents. An employee involved in or witnessing an incident, near miss or unsafe condition immediately needs to report about that as defined (if working offsite, client supervisor notification may also be required). Managers and supervisors ensure that the incident receives a detailed and timely investigation, lead the initial investigation of incidents that involve people, property, or equipment for which they are responsible of and participate in the root cause determination.

Supervisors and managers are responsible for monitoring the progress of the corrective action(s) status and ensure the completion of open action items.

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