



Sustainability at Bittium in 2022

Bittium

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Sustainability Highlights in 2022

77%



Employee Survey
Response Rate

50.0



Customer Survey
NPS

55.6



Customer Project Survey
NPS

Competence Development
Days of training



5.1

days / employee / year

99.8%



Waste Recycling Ratio



-10.6%

Electricity Consumption
from last year



13%

Share of Solar Power
As high as 5% of the energy requirements of the Oulu office on a monthly basis



707 tCO₂e

Total Carbon Footprint
1,119 kg CO₂e / person / year



The CEO's Statement on Sustainability

The past year was the first year of Bittium's sustainability program for 2022–2025. In accordance with the updated sustainability program, our sustainability work focuses on the three key themes: Bittium employees, customers and information security, and the environment. Ethical principles and sustainable business practices create the foundation for trust, which we maintain by putting our values into action.

Sustainability is part of Bittium's everyday operations, and it is based on our strategy and values. In our operations, we take into account the environmental impacts and effects on people and good governance. We continuously strive to improve our operations and create through our actions added value that has a positive effect on society that we are part of.

Our customers and other stakeholders must be able to trust us, our product quality and us continuously developing our operations to increase sustainability – ensuring this is vitally important to us. We also want to strengthen sustainable business practices throughout our value chain. We take active measures in order to have our partners and suppliers commit to Bittium's Code of Conduct through agreements.

In a world where everything is connected and the future seems more uncertain than ever, we need solutions that create security. Bittium is there for its customers. Our mission is to enable secure operations for our customers in both the defense industry and the health care sector. We continuously strengthen our competence in detecting information security threats and participate actively, for example, in information security development projects in the EU.

Competition over the best talents in the industry is fierce. Therefore, we take care of the well-being and competence of our employees, but we also do our share to introduce the technology industry to young people – the future employees. We consider it important to promote diversity, inclusion, equality and equal treatment in our work community. Thus, we have a strong work community where people enjoy spending time together even outside the working hours in various hobby clubs, which we now gladly see resuming their activities after a few quiet years.

Last year, one of the key measures related to environmental sustainability was that we investigated the energy efficiency of our own premises to see where we can actually make improvements to our operations. With re-

gard to our products, we enhanced the way ecodesign principles are taken into account in product design. The most notable environmental impacts of our products occur during the last stage of the life cycle, that is, recycling, where we have very limited possibilities to make a difference. Extending the service life of our products is one practical means and so is the serviceability of the products we manufacture. As individuals, we can all affect our personal carbon footprint and, as a result, the sustainability of society outside our workplaces. Last year, we focused especially on employee communication related to energy efficiency and electricity consumption.

In the past year, we reached several sustainability targets, for example, with regard to the employee commitment index (3.7 on a scale of 1–5) and severe quality defects, which we were able to avoid. We were also able to increase the use of sustainable energy sources through our geothermal heat and solar energy projects.

Sustainable growth requires new technology and skills. Bittium, for its part, strives to ensure the green transition, for example, by innovating more environmentally sustainable solutions and by increasing the energy efficiency of our own operations.

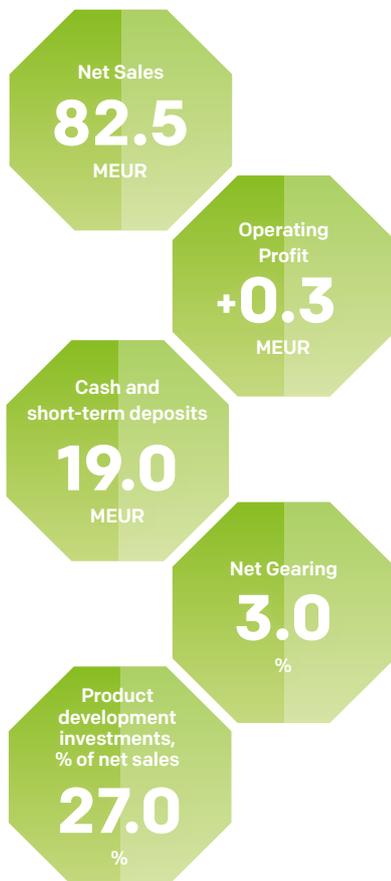


Hannu Huttunen
CEO

Bittium in Brief

Description of Operations

Bittium is a Finnish technology company specializing in the development of reliable, secure communications and connectivity solutions and the development of products and services for measuring and monitoring biosignals outside of hospitals. Bittium has an over 35-year legacy of deep expertise in various technologies. Bittium provides its customers with innovative products and services, customized solutions based on its product platforms, and product development services.



Sustainability is present in Bittium's operations throughout the life cycle of our products, in our procurement chains, and in the way we create value for the surrounding society.

Strategy in a Nutshell

Bittium aims to be a significant global provider of secure and safe communications solutions in the defense and public safety markets and a leading provider of connectivity solutions and R&D services for different industries, as well as a significant provider of remote measuring and diagnostics solutions for measuring and analyzing biosignals.

Bittium's business is divided into three business areas: Defense & Security, Connectivity Solutions, and Medical Technologies.

The **Medical Technologies** business unit consists of three business areas, which are measuring and analyzing the electrical activity (ECG) of the heart (Cardiac), measuring and analyzing the electrical activity of the brain (EEG) (Neuro), and measuring and analyzing sleep apnea at home (Sleep). In the coming years, alongside the product business, the company will invest in diversifying the software business and increasing the net sales it generates. In the Medical Technologies business, the focus will be on increasing the international customer base and market shares.

In the **Defense & Security** business unit, the company offers secure communication solutions for the authority, defense, and other professional user markets. The business consists of tactical communication solutions targeted to the defense market and high-security communication solutions

targeted to the authorities. Over the past years, the company has made significant investments to expand its product portfolio. The products and systems are now internationally at a very competitive level in terms of coverage and technical features. In the next phase, the company will utilize the previously made product development investments and invest strongly in international sales and marketing. The company's goal is to significantly grow the international product business and achieve an internationally significant position as a provider of tactical communication and high-security communication solutions.

In the **Connectivity Solutions** business unit, the company offers its customers product development services and wireless connectivity solutions for the development of new innovative products in a secure and developing wireless environment. In the coming years, the company will focus on growing its international customer base in the Telecom, Industrial IoT, and MedTech market segments.

Bittium has made significant product development investments in its own products and solutions between 2018 and 2022. These product development investments have been completed, and the company is moving from product development-focused product portfolio expansion to international business expansion and growth. Bittium is aiming for international growth in the product business in both tactical communication solutions and medical technology products and services in the coming years.

Bittium continues to explore inorganic growth opportunities and is ready to invest in acquisitions that support the company's growth strategy.



Our Value Creation Model

Our Key Resources

People

- Over 600 specialists
- Investments in employee well-being and competence development

Customer Relationships

- A wide customer base in the public and private sector

R&D and materials

- A corporate culture that supports innovation
- Investments in product development
- IPR management
- Sustainable materials purchasing

Profitable and Responsible Business

- Strong balance sheet
- Investments
- Sustainable approach to business
- Comprehensive quality, environment and safety systems
- Sustainable use of natural resources (energy and water)
- Compliance processes

Stakeholders

- R&D cooperation
- Cooperation with stakeholders and the authorities
- Trust-based partnerships

Our Mission

We adapt our deep knowledge to deliver superior technology innovations to enhance connectivity, bring safety and improve health in society.



Our product and service areas deliver solutions that enable our customers to respond to the changes and opportunities created in the operating environment by new technologies.



Outputs and Impacts

Customers, Products, and Services

- Customer relationships based on trust
- Long-term partnerships
- Secure products with long life cycles featuring state-of-the-art technology
- Secure communication and connectivity solutions
- Reliable and advanced solutions for remote monitoring in healthcare
- Minimizing product life cycle impacts
- Quality, productivity, and information security

Society and the Environment

- Taxes, salaries, and wages
- Active role in the partner network
- Added value created by R&D
- High-end technology solutions to meet the growing needs of society
- Optimizing energy and water consumption in our operations and in all stages of the life cycle of our products
- Enabling cost savings in healthcare through technology solutions

Innovative Experts

- Innovative experts with a high level of well-being
- Continuous competence development
- Meaningful work and a supportive working environment

Investors

- A profitable and stable investment

Megatrends Affecting Bittium's Business

One megatrend that has a huge effect on Bittium's operations is digitalization, which has affected all areas for several years already and the different manifestations of which create both business threats and business opportunities. The digital transformation in society will continue, with increased investments in networks formed by smart devices, people, and processes. Digitalization increases efficiency and enables better allocation of resources.

Accelerating technological development

The rise of embedded software, the management of complex systems, and the rapid development of technology create opportunities for creating added value. To maintain our competitive edge, we must continue intensifying our in-house technological development.

The Internet of Things (IoT)

The growing importance of IoT requires the integration of operating processes and secure IoT solutions to achieve efficiency advantages. The tools and approaches we use in developing our operations include robotic processes and testing automation as well as data visualization. The company develops challenging IoT solutions with high information security requirements for its customers.

Digitalization and the ageing population

The ageing of the population and population growth make the digitalization of health care crucial for maintaining the productivity and coverage of services. Remote monitoring, wireless solutions, new home-based care methods as well as faster and more efficient health data analysis are among the technological solutions Bittium has developed for its customers.

Information security

The progress of digitalization and technologies brings with it an increase in information security threats. Cyber security breaches are among the most significant threats associated with digitalization. Stricter information security and regulatory requirements are reflected in the operations of the company and its customers. The requirements are also expanding to cover new sectors and applications and the importance of information security certification is growing. Bittium recognizes these rapidly increasing sector-specific requirements and keeps itself on the leading edge of the industry in responding to them.

Sustainability Management

Sustainability Organization and Risk Management

Bittium has a separate sustainability working group, which develops, monitors, and assesses sustainability-related issues. The working group is tasked with the management and scanning of sustainability risks as well as sustainability reporting in the company.

The working group has six (6) members: CEO; Chief Legal Officer; Vice President, Corporate Communications; Director, Human

Resources; CFO; and Head of Quality, the Environment, and Technology Management. The sustainability working group holds quarterly meetings and prepares the sustainability report. The Bittium management and the Board of Directors review the sustainability report on an annual basis (so-called management review).

Bittium's Management Group discusses sustainability issues, monitors the effectiveness of sustainability measures, and sets sustainability targets in its twice-yearly management review. The Management Group is also responsible for implementing sustainability plans and actions in day-to-day operations.

The Audit Committee of Bittium Corporation's Board of Directors discusses sustainability issues on a regular basis and as needed. The Board of Directors of Bittium Corporation discusses sustainability issues on the basis of the Management Group's proposals and approves the company's annual sustainability report.

The sustainability report describes the applicable methods that guarantee a sufficient level of diligence. The management of risks related to the company's operations and the operating environment as well as the relevant processes are described in Bittium's Corporate Governance Statement.

Sustainability Management at Bittium



Bittium's Ethical Principles and Code of Conduct

Bittium's ethical principles comprise the following areas of sustainability:

1) Anti-corruption measures

The nature of Bittium's market area and business sector makes corruption one of the main risks related to social sustainability and human rights. Bittium does not condone any forms of bribery or corruption in its operations or those of its partners. Bittium updated its internal and external anti-corruption guidelines in 2017. The employees receive training on the guidelines.

Bittium expects its partners to comply with these guidelines. The company uses a monitoring tool for detecting corruption and other irregularities in the operations of its partners.

The company's external and internal stakeholders have access to a channel for reporting violations of anti-corruption rules. There were no cases of corruption reported to Bittium in 2022.

2) Information security and protection

Bittium's information security and data protection policies specify the methods employed in the classification, storage and disclosure of information.

3) Fair business, advertising and competition

Bittium follows the rules on fair business, advertising and competition. The company has access to different methods of securing our customers' information in accordance with information security procedures.

4) Corporate citizenship

The company supports community involvement in order to promote social and economic development.

5) Protection of intellectual property rights

Bittium respects intellectual property rights and applies its IPR strategy and guidelines to all of its operations.

Sustainable purchasing is also an essential part of our sustainable business operations. The principles of sustainable purchasing have been described in greater detail in 'Confidential customer relationships and secure products.

Stakeholder Cooperation

Bittium's operations affect a wide range of stakeholders. Understanding their views and expectations is important for the company's operations and success. Open dialogue with the stakeholders helps to develop Bittium's operations, products and solutions as well as a goal-driven approach to finding solutions to social challenges.

Bittium works in cooperation with national as well as international stakeholders. The major stakeholders include Bittium's employees, customers, various suppliers, cooperation partners, authorities and other parties regulating the operations, shareholders and investors, students and educational institutions as well as various communities. The company's stakeholder-related activities are guided by good governance and the Code of Conduct.

In 2022, it was again possible to organize meetings with the various stakeholders as the pandemic subsided and restrictions were lifted, which significantly affected the quality of cooperation and the amount of contacts.

Personnel

Bittium arranges several different staff events each year where employees get the opportunity to ask questions and give feedback. The opportunity to have open dialog and present questions directly to the management has formed a key part of communication. During the COVID-19 pandemic, all staff events were held online to safeguard the employees' health and business continuity. In these events, the dialog between the management and employees was even more active than in on-site events, and the possibility to participate regardless of location significantly increased the number of participants. This is why it was decided that the events will be online events even after the COVID-19 pandemic subdued.

In addition to staff events, Bittium's employees can give feedback through the annual anonymous employee survey. Equal treatment and open interaction are important to our employees. Employees expect us to offer interesting and meaningful work and opportunities for professional growth. In addition to the annual employee surveys, the company obtains information on the well-being of employees through quarterly pulse surveys, which allows for any issues to be addressed more rapidly. The results of all surveys are available to the employees in the company intranet.

Customers

Customers feedback is received on a continuous basis, primarily by means of frequent communication and through various annual surveys. In 2022, surveys were conducted as online surveys. In 2023, surveys will also include the interviews of selected customers.

The Scrum and Agile methods we use and the supporting online systems (as real-time as possible) allow ongoing monitoring and open dialog. This enables us to quickly react to potential problems.

Our customers value competitive and reliable products and services as well as our sustainable and real-time approach to our operations. Our major customers are leading international companies, which is why the lifting of the COVID-19-related travel restrictions in 2022 resulted in customer communication becoming significantly easier, which promoted, among other things, product and project inspections and approvals, which are easier to carry out face-to-face.

Suppliers and partners

When it comes to our suppliers and other partners, we have often worked with them in close cooperation for a long time following established rules and ways of working. Constant communication enables open dialog. Suppliers and partners expect fair and sustainable operations and long-term cooperation from Bittium. For its part, Bittium expects that the business operations of its suppliers and partners are sustainable, and this is monitored on a regular basis.

Authorities

Bittium maintains a regular line of communication with the authorities, for example, with regard to export control and information security issues. The company regularly monitors compliance with laws and regulations. Applying them to the company's business operations requires open and ongoing interaction with the authorities.

Local cooperation

As part of sustainable corporate citizenship, Bittium actively cooperates with various communities. The expectations of different communities are met in a variety of ways. The company regularly supports educational institutions and schools to introduce young students to working life – and not forgetting the teachers. Thanks to this collaboration, Bittium is also able to recruit new and enthusiastic graduates. As the COVID-19 pandemic eased, introductions to working life and visits are again organized for students and educational institutions.

Research and development cooperation with companies and research institutions broadens Bittium's expertise and makes it possible to mutually promote development.

Shareholders and investors

Shareholders, investors and analysts expect that Bittium provides long-term value and acts in a sustainable manner. Analysts who follow the company are met on a regular basis, and the company participates in events organized for institutional investors.

The Annual General Meeting, which takes place once a year, provides the shareholders with the opportunity to meet and discuss with the company's management and Board of Directors. Because of the COVID-19 pandemic-related restrictions, the 2022 Annual General Meeting was again held online in place of a face-to-face meeting. However, investor and analyst meetings were held as face-to-face meetings.

In 2021, the company engaged in discussions taking place in a moderated discussion forum aimed at investors in order to increase and improve communication with investors. In 2022, this work was continued with the aim of improving understanding of the company's strategy and business through open and transparent discussion.



Sustainability at Bittium

Economic Impact

For Bittium, economic impact means ensuring the long-term profitability of the company's business. This creates added value for the company's various stakeholders and the surrounding society. Profitable operations create economic benefits for shareholders, employees, partners, subcontractors, distributors, customers, municipalities and the state.

Legal compliance is the basic premise of economic responsibility. However, in many respects, Bittium's sustainability and impact exceed the legal requirements.

Creating Added Value for Stakeholders

With respect to Bittium's economic impact, the local dimension is what matters most. Local added value is generated especially through Bittium's direct and indirect employment impact. On a larger scale, Bittium's impact extends via tax payments,

dividends and business impacts into the countries in which the company operates around the world.

Bittium is present in Europe, the Americas and Asia. The majority of the company's employees work in Finland, more than half of them in the city of Oulu.

Ensuring added value means securing long-term growth and financial stability, comprehensive risk management and a long-term commitment to the development of society and local communities. In addition to financial risks, risk management must take into consideration other risks related to the valuation of the company, such as reputational risks.

Bittium's business must respond to the changes in the operating environment to maintain profitability and future competitiveness. The technological transformation and the resulting technology solutions create both opportunities and threats for the company – changes that must be taken into account already during the product development stage.

Tax Footprint

Taxes are part of Bittium's business process, and tax management supports the company's strategy. Bittium is present in five countries and its business profits and the resulting taxes are generated locally.

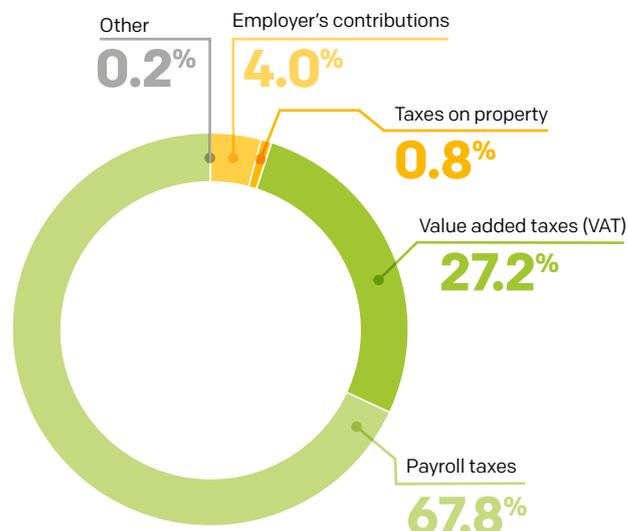
Bittium's tax strategy is to support business decisions and ensure their proper execution also from the perspective of taxes. Tax planning supports business efficiency and productivity, creating added value for shareholders and ensuring regulatory compliance. Bittium's tax planning is not aggressive and it is always based on actual business needs, instead of artificial arrangements.

Bittium's tax strategy aims at making sure that the company calculates, reports and pays taxes correctly to the authorities, in compliance with the regulations in effect. Bittium is committed to complying with the laws of its operating countries as well as lower-level regulations, such as the OECD transfer pricing guidelines. Good corporate

Tax Footprint in 2022

MEUR

Taxes collected	2022	2021
Value added taxes (VAT)	-4.0	-2.4
Payroll taxes	-10.0	-10.0
Total	-14.1	-12.4
Taxes borne		
Employer's contributions	-0.6	-0.6
Taxes on property	-0.1	-0.1
Total	-0.7	-0.8
Taxes total	-14.8	-13.2



citizenship is part of Bittium's values. Accordingly, the quality of the company's tax processes is an important cornerstone of Bittium's tax strategy. The company's guiding principle is to be open and transparent with the tax authorities in all the countries in which it is present. In Finland, Bittium works in close cooperation with the Tax Administration.

R&D Investments

Bittium operates in a sector that creates products and services for the future through continuous development, innovations and cross-sector cooperation. The company plays an important role at the leading edge of technological development, and active cooperation with academic researchers increases understanding of significant new technologies and promotes the digitalization of society. Bittium has a close and long-established cooperation relationship with the University of Oulu.

In 2022, Bittium was involved in the role of funding provider and research partner in several EU cooperation projects (for example, ITEA4, Horizon2020 and EDIDP) and national projects financed by Business Finland.

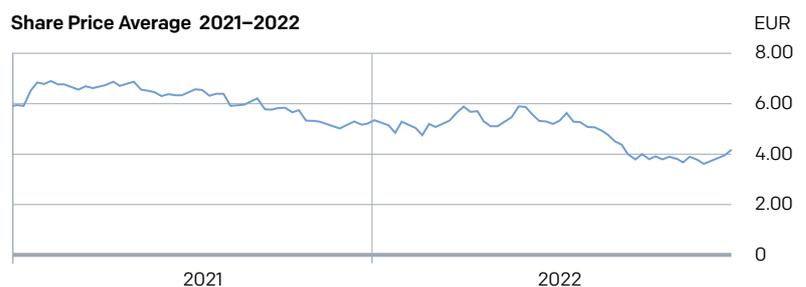
The focus areas of these cooperation projects included technologies that are highly relevant to Bittium's future product and service business, such as various communications solutions for the defense industry and authorities, information security solutions related to products and the Factory of the Future, the development of AI and machine learning methods in fields such as health care, and methods and operating practices related to regulatory software development.

In 2022, research and development expenses represented 27.0 percent of net sales (2021: 22.8%). They were mainly allocated to the development of medical technology products, a tactical communications system and related products targeted at the defense industry, the development of various devices and special terminal products for the authorities, including related security software.

Stakeholders and Economic Impact in 2022



Share Price Average 2021-2022



Sustainability Program 2022–2025

In accordance with the new sustainability program for 2022–2025, Bittium has four focus areas: innovative and developing people; confidential customer relationships and secure products; corporate citizenship and sustainable business practices; and environmental sustainability.

Bittium monitors the progress of each focus area using selected indicators in accordance with its sustainability program and continuously develops its operations and performance.

The most important resources of Bittium’s business are highly competent people, a diverse work community free of discrimination, and taking care of employee well-being and competence. Bittium provides its employees with challenging and motivating jobs and is committed to supporting their development and investing in their well-being.

Bittium is a reliable operator for all of its stakeholders. Stakeholder engagement is guided by good corporate governance as well as the company’s ethical principles and Code of Conduct. In customer relationships, sustainability is reflected in the way of working, the quality of products and the trust that characterizes the company’s customer relationships. Trust is the starting point for Bittium’s operations.

Sustainable business practices are a cornerstone of Bittium’s operations. It provides a solid foundation for risk management and represents a core value as well as a competitive advantage. Sustainability helps the company with long-term value creation.

Responsibility for the environment, the mitigation of climate change and resource-efficient solutions are key aspects of Bittium’s operations and their development. By maximizing the service life and recyclability of products, their total life cycle impact can be influenced. The company also strives to minimize the environmental impacts of its operations. The company’s performance is monitored through the environmental program.



Materiality Analysis

Bittium conducted a materiality analysis on sustainability in 2019. The aim of the analysis was to establish an understanding of the stakeholders’ views regarding the previously selected focus areas in sustainability. To support the materiality analysis, we carried out a stakeholder survey in the form of an online questionnaire for customers, partners, investors, employees, the management, and other stakeholders. A total of 125 people completed the survey.

The survey assessed the significance of Bittium selected sustainability focus areas for the company’s business and evaluated the content of each focus area to assess the company’s performance in taking each focus area into consideration. In addition, it was assessed whether there were any other areas of sustainability that were previously not included in Bittium’s selected focus areas, and that the company should take into consideration in its operations.

To increase the understanding of the stakeholders’ perceptions of Bittium’s sustainability, the respondents were asked to compare Bittium with other companies from the perspective of sustainability. Bittium’s average score was 8.3 on a scale of 1–10.

The participants were also asked to indicate their willingness to recommend Bittium as a sustainable company (Net Promoter Score (NPS)). The stakeholders gave Bittium’s sustainability an NPS of 37, which can be considered to be a good score. NPS scores range from -100 to +100, and all scores above 0 are considered good.

After establishing the priorities of the identified material aspects, the final outcome of the analysis was a materiality matrix confirmed by the Management Group and the Board of Directors. The matrix summarizes the views of the company's internal and external stakeholders regarding Bittium's material aspects of sustainability as well as the company's impacts and areas of development. After the priorities had been determined, the materiality matrix was approved in discussions held between Bittium's Board of Directors and the Board's Audit Committee.

The materiality analysis was also utilized in the update of the 2022–2025 sustainability program. A new materiality analysis is planned to be carried out in 2024 to support the new upcoming sustainability program.

Alignment with the UN's Sustainable Development Goals

Bittium has evaluated the themes associated with the focus areas of its sustainability program with the UN Sustainable Development Goals and identified the goals that it has already taken into consideration and promotes in its operations. Based on the selected focus areas of sustainability, the following UN SDGs are of particular relevance to the company:

- 3** Good health and well-being
- 8** Decent work and economic growth
- 9** Industry, innovation, and infrastructure
- 12** Responsible consumption and production
- 16** Peace, justice, and strong institutions
- 17** Partnerships for the goals



The Focus Areas in Sustainability at Bittium are

#1 Innovative and developing people

- We promote an open, equal, and diverse working culture
- We take care of the well-being of our employees
- We invest in the development of competencies and leadership skills

#2 Confidential customer relationships and secure products

- We meet the special sector-specific and technological requirements of our customers (quality and security)
- We invest in innovative and agile product development
- We ensure the sustainability of our procurement chain

#3 Corporate citizenship and sustainable business practices

- We engage in open dialogue with our stakeholders and support the local communities in which we operate
- We conform to sustainable business practices
- We create added value for our stakeholders through profitable and sustainable business operations

#4 Environmental sustainability

- In accordance with the objectives set out in our environmental program, we strive to minimize the environmental impacts of our operations.
- We aim to optimize the service life and recyclability of our products.



FOCUS AREA #1

Innovative and Developing People

Bittium's operations are based on a deep trust in people and technology. Bittium employees build better connections between people as well as between people and machines. Innovative people are the company's most valuable resource, with the well-being of employees being the foundation of its success. At Bittium, we invest in the development of competence, supervisory skills, and employer image. Every day, we strive to act in accordance with our values – trust, courage, and innovation.

The most important resources of Bittium’s business are highly competent people, a diverse work community free of discrimination, and ensuring employee well-being and competence. Bittium provides its employees with challenging and motivating jobs and is committed to supporting their development and investing in their well-being. Strengthening the employer image plays an important role, as there is fierce competition over the best talent in the industry.

In terms of employees, the key measures in 2022 included the shift to a hybrid work model and the Bittium Leader trainings. During the year, Bittium also wanted to increase the sense of community among its employees and help the employees’ children better understand what Bittium does and what types of professions there are. In the BitStock’22 summer party, employees were again able to enjoy spending time together after the COVID-19 pandemic years. At Oulu office Bittium participated once again in the Take Your Child to Work day, which was a success. About 60 children of various ages were able to try product testing and familiarize themselves with the basics of coding or the operation of a robot.

Objectives and Sustainable Development 2022

In the Innovative and developing people focus area, Bittium’s major objectives are monitored with the help of annual measures and key performance indicators. The new sustainability program specified four important aspects and objectives that are relevant to the focus area instead of the three that were monitored previously. Going forward, Bittium measures its development with regard to the following objectives: the employee commitment index, maintenance of employee competence and ensuring special competence, strong employer image and diversity, inclusivity, equality and equal treatment.

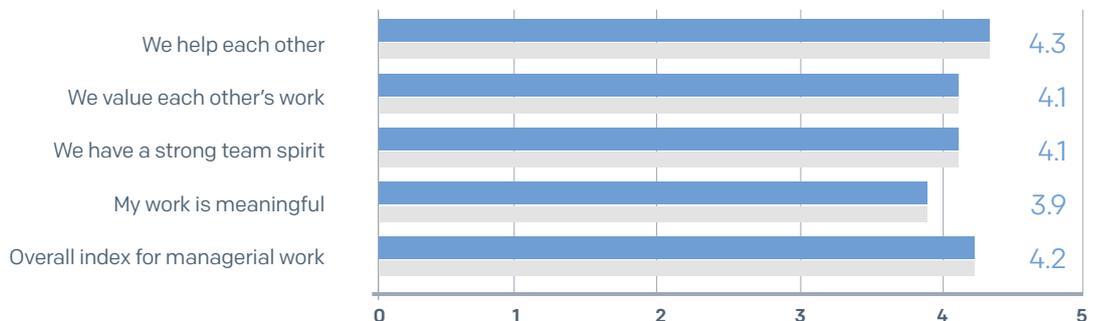
Employee Well-being and Engagement

In its new sustainability program, Bittium set 3.7 (scale 1–5) as the target for the employee commitment index, and this target was reached. The 2023–2025 target figure for the employee commitment index

is 4. Overall, the Bittium Employee Survey (BES) scores indicate a positive vibe. The organization change that was implemented during the year resulted in rearrangements in teams, and many employees were assigned a new manager as a result of the reorganization. Despite these changes, supervisory work was given a high score (4.16) in the employee survey, even though it declined a little compared to the previous year. Remote work has increased the employees’ expectations regarding high-quality managerial work and leadership. Of the employees, 77 percent responded to the employee survey (2021: 73%).

The hybrid work model was adopted as the recommendations for remote work ended in the beginning of 2022. The model was created already earlier in close cooperation with the staff by involving the employees, and in the fall, the practices were refined with a recommendation on common office days for the teams. In practice, the employees work at the office two days a week, with teams themselves deciding on which days work takes place at the office. Due to the nature of the work, some employees cannot work remotely at all. This includes people working in production and laboratories as well as employees whose job requires working in security-classified areas.

Bittium Employee Survey 2022: highlights related to sustainability



Response rate: 77%. Scale: 1=poor, 5=excellent. ■ 2022 ■ 2021

In addition to the employee survey, four more compact Pulse surveys were conducted in 2022, which were also used for canvassing observations related to the hybrid work model, workload, and recovery. The purpose of the Pulse survey is to obtain up-to-date information on the employees’ work-related mood and job satisfaction.

Personnel Development and Training

Bittium's objective is to maintain the competence of its employees and ensure special competence. Bittium's position as a pioneer of the technology requires that the personnel actively maintain and develop their own expertise, both in terms of basic skills and the related common ways of doing things, as well as the latest technologies, tools, legislation and other regulations of the rapidly changing operating environment, and that they have a vision of the trends in the development of technology and the operating environment. In the development of skills, the goal is continuous development and learning while working.

The Bittium Leader training, which was started in 2021, continued during 2022 as planned, with two new groups starting the training program promoting coaching. The participants include managers, project managers and team leaders. A total of 110 Bittium employees participated in the training.

Online trainings are an important part of the maintenance of the group's common basic skills, and online trainings targeted at all employees are available in relation to processes, methods of operation, systems and tools, among other things.

The company also deployed the Pluralsight learning platform, where employees can participate, for example, in high-quality mini webinars. In the development of skills, current themes are, for example, topics related to information security, quality systems, programming languages, working in a cloud environment, and embedded systems.

In 2022, the average number of training days was 5.1 per employee. This includes both internal and external training as well as

orientation training and independent study. Internal training may also involve on-the-job learning and the sharing of expertise, and external training may involve independent study. A total 80% of personnel have participated in training in 2022.

Bittium as an Employer

Early in 2022, Bittium carried out a survey on its external employer image, with approximately 300 respondents. The results indicate that Bittium is seen as a reliable Finnish company, which is known especially for its cooperation with the defense forces. Awareness of the company's health care technology business has improved, and the company is seen as a competent specialist company in this sector. Awareness, which is still poor in some respects, is recognized as a challenge, which is why the company will continue its long-term communication work related to the employer image especially outside the Oulu economic area. The company updated recruiting materials and renewed the visual look.

Bittium canvasses the satisfaction of new employees regarding the orientation training and company image before and after the start of work through surveys. This year, the image score before start of employment was 7.6, but the image improved to 8.1 after employment started. The score accurately reflects the fact that employees find the work community and workplace atmosphere to be good.

Diversity, Inclusivity, Equality and Equal Treatment

Bittium wants to provide its employees with equal working conditions regardless of backgrounds, ethnicity, gender, age, and

other factors. In addition, Bittium maintains and promotes an interactive and participative working culture.

All employees and job applicants are treated equally regardless of their gender, age, ethnic background, political views, or other background factors. Bittium's equality plan is based on the Finnish Non-discrimination Act and the Act on Equality Between Men and Women. An update to the equality plan is planned for 2023. The actual situation concerning equality at work is assessed in employee surveys from the perspectives of pay, career development and recruitment. The implementation of the equality survey planned for 2022 was shifted to 2023.

At Bittium, non-discrimination means equal treatment and ensuring a working culture that is free of discrimination. The company respects its employees' right to organize and it has zero tolerance of discrimination or harassment in any form. No discrimination cases emerged in 2022.

The principles concerning the diversity of Bittium's Board of Directors are defined in the Corporate Governance Statement.

Bittium also wants to present the technology industry as an attractive option for women, who are still under-represented in this field, and to non-binary persons. This is advanced by the measures taken during the year, such as active cooperation with schools and student organizations. An example of cooperation with schools during this year is the Shaking up tech event, where Bittium's female employees talked to young people in general upper secondary education about their work as a product developer, test engineer or UI/UX designer. The participation in the event supported Bittium's objective to stay in the minds of young people as an interesting employer and to increase awareness of the diverse nature of the technology industry.

Managerial Work and Performance Reviews

With the transfer to remote work, monthly sessions for managers, Leadership coffee breaks, were started at Bittium. These sessions have been continued as one method to support managerial work. In these sessions, the HR and managers have the opportunity to discuss topical issues, which supports the maintenance of Bittium's interactive corporate culture.

In accordance with the performance review model, the employee and manager have an informal quarterly discussion (Quarter Chat). A key objective of the switch to more frequent, regular discussions has been to take into consideration individuality, support well-being at work and build trust in the relationships between managers and employees. The employees can also agree to have separate longer conversations, especially with regard to a long-term competence development plan. This actual performance review is held at a time that effectively supports competence development.

Well-being and Occupational Safety

At Bittium, the majority of work involves R&D and product (software) development. Therefore, the most significant disability risks include musculoskeletal diseases, coping at work and mental well-being. Project-based work is prevalent, and the schedules and workload may vary greatly depending on the situation. The need for occupational health care services at Bittium was higher than normal in the first six months of the year. There were fewer short sick leaves, whereas the number of longer sick leaves

was somewhat higher. The number of sickness absences followed the general trend and reached a level higher than before the pandemic.

The model for early support was explained to both employees and managers as part of the Bittium Leader training. The model is considered to involve the entire work community, and it helps increase openness. From the perspective of work-related stress, it is important that one is allowed and able to talk about coping, as this enables a change towards a healthier corporate culture. Coping, the role of the work community in well-being at work and psychological safety are some examples of the discussion topics for the HR coffee breaks during the year. There were a total of ten sessions, and they were met with huge interest from the employees: an average of 200 Bittium employees participated in each event.

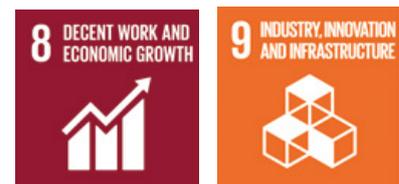
Based on the workplace surveys carried out by the Occupational Health Service, Bittium is a good, healthy company. Matters to be discussed in the report include e.g. occupational safety and occupational well-being. Based on the results, attention was paid to, among other things, work ergonomics, especially in remote work, and the rules of the game for working in an open office.

Employee well-being is supported by occupational health care services, which are more extensive than required by law, as well as by other employee benefits. The occupational health care services also include a digital clinic and the opportunities for remote consultations. Employees also have access to the services of an occupational physiotherapist and the Cuckoo Workout application. Bittium supports its employees' community spirit and activities also outside working hours in the form of various clubs, physical exercise and activities.

All Bittium offices have appropriate safety plans in place. Some of the employees perform duties in which it is of particular importance to ensure electrical safety. The risks associated with manufacturing and manual work are a relatively small concern. The Close Call reporting channel in Bittium's intranet enables employees to report potential safety and 'close call' concerns. No such concerns were reported in 2022.

Bittium's HR management and OHS function analyze occupational accidents at regular intervals and whenever particular risks emerge. In 2022, a total of 5 occupational accident reports were submitted in Bittium's companies in Finland, from which 3 were classified as a work accident. None of these accidents led to disability to work.

Relevant Sustainable Development Goals by the UN



The measures related to the occupational well-being and promotion of the work ability of Bittium's employees, safety and equality plans, and the offered employee benefits promote sustainable development goal no. 8 (decent work and economic growth). The company's investments in R&D activities and the competence development of its employees promote sustainable development goal no. 9 (industry, innovation and infrastructure).



Personnel in 2022

At the end of 2022, Bittium had 625 employees in Finland, the United States, Mexico, Singapore and Germany. Of the employees, 99 percent work in Finland. Most of the employees are R&D engineers.

625

at the end of the year

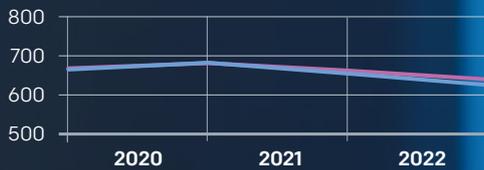
641

on average

533

engineers

persons



AVERAGE AGE

44

YEARS AT BITTIUM

9.8

RETIRED

3

WOMEN

14%

total

16%

as supervisors

11%

in the Management Group

20%

on the Board of Directors

TRAINING

84.5%

Master's degree/
Bachelor's degree

2.2%

Licentiate/
PhD

DAYS OF TRAINING

3,679

total

5.1

/employee



FOCUS AREA #2

Confidential Customer Relationships and Secure Products

Bittium helps its customers prevent threats related to information and national security and use technology to create added value in relation to existing products or the development of new products. Bittium also helps its customers in the healthcare sector by providing them with remote measurement solutions in response to the cost pressure and efficiency requirements that the healthcare sector is currently facing. It all starts with trust – trust in the safety and quality of our work and products and trust in our advanced technology and information security competence. These are the culmination of our competitiveness and our way of creating value in society.

Confidentiality and ensuring information security are part of Bittium's sustainability. Trust is one of Bittium's values and a necessary condition for the company's business. It is an essential element of Bittium's customer relationships, products, services, and working methods. Bittium's working methods are characterized by a strong focus on information security and ensuring the confidentiality of the customers' data. The products are designed to be secure, always taking the customers' needs into account. Bittium's Code of Conduct is also an integral element of the company's secure and responsible way of working with customers and other stakeholders.

Trust and information security are key dimensions of Bittium's ability to produce reliable and secure communications and connectivity solutions as well as mobile information security solutions and provide health technology products and solutions for the company's customers.

Bittium responds to the constantly growing and changing information security requirements by monitoring global information security threats in real-time, by training employees, and by participating in Finnish, European, and international information security development projects.

Bittium's method of ensuring the sustainability of product materials and the supply chain is described in the **Corporate citizenship and sustainable business practices** section.

Information Security Management

Ensuring information security constitutes such an integral part of Bittium's business that the company has developed a specific management system, including a management group, for this purpose. Information security objectives and responsibilities as well as the resourcing of operations are defined in the system.

The management system covers information security-related policies, guidelines, and templates pursuant to the standards and requirements (ISO 27001, Katakri 2015,

and FSC) as well as the requirements set by the customers and law. In practice, they completely cover the information security of the company's operations and also the information security of the physical premises and employees.

Bittium has a real-time monitoring system for information security threats and the employees have also been trained to take responsibility for information security and report any information security threats they observe. Employees also receive training on the use of working methods and procedures that help maintain a high level of information security.

Product and life cycle risks are systematically assessed as part of the product development process. With respect to products, Bittium takes into account the safety and information security of materials and components as well as compliance with product liability regulations in the company's target markets.

Objectives and Sustainable Development 2022

In terms of customer relationships, the key points related to Bittium's sustainability theme **Confidential customer relationships, and secure products** concern cooperation, customer understanding, and project management and, from a new viewpoint, product, and service quality, for which the key metrics are the number of severe quality defects. Customer and project satisfaction is measured through annual surveys, with separate objectives set for each area. In regard to information security threats, the principle of continuous development is applied to products and operations, but the more detailed objectives are the following four points, each of which is measured separately. The objectives are:

1. Maintenance and development of information security certifications on the basis of audits.
2. Detecting information security incidents and ensure quick reactions and fixes.

3. Continuous monitoring of principles and policies related to information security practices and providing training for employees.
4. Improving the information security of own products and development of new technology.

The role of information security as a competitive factor is included in the new sustainability program for 2022–2025. In this area, Bittium aims to strengthen the company's role in the recognition of information security threats and the utilization of information together with stakeholders, and the company also aims to participate in information security development projects and key forums at the EU level and otherwise.

Customer and Project Satisfaction

Bittium measures both customer and project satisfaction on an annual basis by using NPS, that is Net Promotor Score. This year, the targets were NPS 49 for customer satisfaction and 48 for project satisfaction. In the annual customer satisfaction survey, the NPS increased to 50, and in the project satisfaction survey to 56.

For customer satisfaction, the assessed areas are the smoothness of cooperation, Bittium's ability to understand the customer and general satisfaction with the product quality, whereas for project satisfaction, the key areas are the success of project management, the functioning of technical solutions, quality, and the outcome of the project. Both surveys provide information on product and service quality, the measuring criteria of which is the number of severe defects in each business area.

No severe quality defects were observed in 2022. The COVID-19 pandemic caused global problems in the availability of electronic components, which had a significant effect on Bittium's ability to deliver products to its customers during the past year. In 2021–2022, the company took supply chain-related measures, which are described in more detail in the **Corporate citizenship and sustainable business practices** section.

Information Security Threats

Bittium has in place an information security management system based on the ISO 27001 standard, and the system was audited in 2022. In the audit, only one minor deviation was discovered, regarding which the necessary corrective actions have been taken. Bittium also updated the Statement of applicability policy, which is related to the ISO 27001 standard, with the policy specifying Bittium's information security principles. Furthermore, Traficom conducted audits during the year in relation to technical information security.

During the year, 114 information security incidents were discovered, which is 19% less than in 2021. The deviations were minor by their nature and had no significant effects on Bittium's operations.

In relation to information security, the employees were provided with self-study training related to the ISO 27001 standard and training that helps recognize phishing.

Vulnerability management was expanded during the year to new operational areas in connection with product development. In order to meet customer requirements, the number of vulnerability analyses that were carried out increased compared to previous years.

Information Security as a Competitive Factor

Bittium aims to strengthen its role in the recognition of information security threats and in the utilization of information together with the stakeholders, and the company also aims to participate in the information security development projects and key forums of the EU and other parties.

Each year, Bittium participates in many important Finnish, European and international research and development projects. Active participation in the industry's development projects has a positive effect on the building of sustainable society.

The iMUGS (integrated Modular Unmanned Ground System) project under the European Defence Industrial Development Programme (EDIDP), which started in 2020, develops new capabilities for the defense forces of European countries based on autonomous systems. In the project, Bittium is responsible for the execution of resilient and networked data transfer, including both tactical communications and data transfer over commercial 4G and 5G cellular networks. In the project, Bittium, as part of a consortium, demonstrated especially hybrid networking in the past year.

The CyberFactory #1 (CF #1) project, which ended in 2022, aimed to design, develop, integrate and demonstrate a set of key capabilities to promote the optimization and resilience of the Factory of the Future, Industry 4.0. The project involved pilot users and suppliers as well as research and academic organizations from seven countries. Bittium's role was to develop cyber security architecture and capabilities in its products and manufacturing support systems, such as in device management solutions. The project received the ITEA Innovation Award in September 2022.

The end of 2022 saw the launch of the 5G Compad project (EDF, European Defense Fund), the purpose of which is to enable secure tactical communication solutions in the integration of defense infrastructure and 5G networks. Bittium is responsible for the specification of the information security architecture in the project.

During the year, Bittium also participated in the activities of a group of Finnish companies that focuses on information security threats and in multiple events where the tackling of information security deviations or technical capabilities were practiced. The Tieto22 exercise and the NATO Edge event in Brussels, Belgium, are some examples of past events. Bittium was part of the team of Finnish companies that won the international cyber defense exercise, Locked Shields 2022. <https://ccdcoe.org/news/2022/finland-wins-cyber-defence-exercise-locked-shields-2022/>

Product Information Management

Bittium has continued the development of product information management that began in 2020 and the deployment of related tools. The project involves checking that all existing product information is up-to-date. The system was deployed for first products in 2022, but the work will continue in 2023.

Systems and Standards

Standards define the industry's common operating methods that make life easier for the authorities as well as the companies in the industry. Standardization also makes it easier to promote global exports.

Certified integrated management systems are an important tool with which Bittium can improve its efficiency and reliability, transparency and customer satisfaction. Customers increasingly expect Bittium's products and working methods to be standardized and certified.

Bittium had six certified systems in use at the end of 2022. All in all, more than 400 different standards, approximately 120 of them on a daily basis, are observed in Bittium’s operations. All of Bittium’s management systems are audited by an external party on an annual basis.

Bittium also applies product branch-specific product approval procedures, such as MDSAP (Medical Single Audit Program) in technology products intended for the medical field. The changes in procedures, products and approval processes arising from the EU Medical Device Regulation were taken into account in Bittium’s Medical Technologies business in 2022.

As proof of meeting the MDR requirements, Bittium Biosignals Oy was granted a quality system approval according to the MDR regulation by a classified institution in June 2022, and during the end of the year the first product approvals according to the MDR regulation. Bittium is well on schedule in implementing the earlier MDR regulation schedule (by May 2024) for Bittium’s prod-

ucts. However, it should be noted that the EU and national authorities have announced transition time extensions for the MDR regulation at the end of 2022, which will be confirmed around 2023.

The relevant industry standards are applied in the design of the electrical safety and performance features of Bittium’s products. Customer, country and market-specific requirements are also taken into account in hardware development.

The products are tested, verified and approved as part of the R&D process by both internal and external auditors. For example, in Europe, the products are required to carry the CE label and the related Declaration of Conformity (DoC).

Product development projects are also audited in accordance with the PSSL (Product Safety, Security and Liability) audit procedures as part of Bittium’s End Product Process (EPP) requirements. Employees receive PSSL product liability training.

Relevant Sustainable Development Goals by the UN



Bittium’s medical technology products, which improve modern healthcare and provide safety, efficiency, and cost savings, support sustainable development goal no. 3 (good health and well-being).

6

**CERTIFIED SYSTEMS
IN USE**

Quality Systems

- ISO 9001, ISO 13485 and AQAP 2110

Environmental systems

- ISO 14001, ISO 50001

Information security systems

- ISO 27001, Katacri auditing and various facility security approvals

397

**STANDARDS AND
DIRECTIVES OBSERVED**

Of which observed in sustainability efforts

- OHSAS 18001, SA8000, GRI G4, Electronics Industry Citizenship Coalition (EICC), Ethical Trade Directive (ETI), Conflict Mineral (USA, EU)
- SCIP, EU ROHS(I,II,III), Reach, WEEE, Regulation on Waste, ErP (Energy-related Product), EU Taxonomy Regulation, Battery Directive, Packaging Directives



FOCUS AREA #3

Corporate Citizenship and Sustainable Business Practices

Good governance and ethical business practices are the foundation of Bittium's operations and a prerequisite of business. It is vital for the company that its customers and other stakeholders trust in Bittium, its product quality, and sustainable development. Bittium aims to be a partner with which dialog is easy and solution-oriented.

Bittium has a wide network of partners and stakeholders. At Bittium, sustainable corporate citizenship means that sustainable business practices are strengthened throughout the value chain, with a positive impact created in society at both the local and global levels. Bittium is a reliable local partner and employer, which engages in active and open dialogue with its stakeholders, acts in accordance with its harmonized operating principles, creates added value for its shareholders, and seeks working methods and solutions that promote sustainable development. Bittium develops its stakeholder relationships in a fair and sustainable manner, with the aim of being transparent in all its communication. In 2022, Bittium participated in several significant research and development projects in the industry and developed its stakeholder dialog through active discussions with investors. Internal and external Compliance policies were strengthened by preparations related to the requirements of the upcoming Whistleblower Directive.

Compliance with Requirements, Good Governance and Anti-corruption Measures

Bittium's customers operate in multiple industries, in both the public and private sectors. The business environment involves constant changes in legislation and regulation, as well as increasing requirements from the stakeholders concerning sustainable operations and risk management. Bittium is committed to acting in accordance with legislation and regulations and adhering to ethical business practices in all its operations. Bittium has zero tolerance for bribery and corruption. The company aims to ensure ethical business practices and compliance with the corporate culture and increase awareness of sustainable business practices through training. Bittium's corpo-

rate culture is based on openness and commitment to common values. The culture of doing the right thing is deeply ingrained in the work community and promoted by the participative and uncomplicated discussion atmosphere.

The management of Bittium Corporation is governed by the Articles of Association, Finnish law, and Bittium's governance guidelines. Bittium publishes on an annual basis a corporate governance statement, as required by the Corporate Governance Code for listed companies published by the Securities Market Association. The statements and further information on the company's governance are available on Bittium's website.

The key objectives and requirements related to sustainable business practices, good governance, internal control, and risk management are specified in the operating principles and the Internal Control Framework, which includes instructions, guidelines, and principles for internal control and risk management, which are separately approved by the Board of Directors. Compliance processes are in place at every organizational level in order to ensure compliance with the applicable laws, regulations, internal guidelines, ethical values, and sustainable business practices. The company's management and businesses are responsible for monitoring the legislation and other regulation in their own areas and for communicating any changes to the organization. The members of the Management Group are responsible for arranging appropriate control and compliance training in their units. The company's Chief Legal Officer coordinates the compliance processes in terms of adequacy and compliance. Bittium's employees and external stakeholders have access to feedback and reporting channels and a whistleblowing channel for any misconduct they observe. Instructions on the use of such channels have been provided to the employees in Bittium's intranet and orientation training.

Sustainable Purchasing

Bittium's products contain a range of electronic and mechanical components. The sustainability of the purchasing chain is ensured, for instance, through material and component supplier requirements and material assessments. Bittium maintains a database in which it records all the materials and substances contained in components.

The company's service and product suppliers are required to undertake to ensure sustainable business practices and they must comply with Bittium's Code of Conduct as well as the Bittium Supplier Requirements. The guidelines are available on Bittium's website and suppliers are always expected to comply with the latest version of the guidelines. The guidelines include the key policies, practices and requirements for Bittium's supply chain. The requirements are related, among other things, to business practices, anti-corruption measures, environmental issues, occupational safety and human rights, including material-specific requirements. Compliance with the guidelines was assessed in 2022 through supplier self-evaluation and audits of critical suppliers.

Ensuring that all employees are committed to the principles of sustainable purchasing is an important part of ensuring the sustainability of the supply chain. Sustainable purchasing is a part of Bittium's mandatory environmental training, which employees complete through self-study.

The vast majority of Bittium's employees work in countries with progressive human rights legislation. The company's approach to human rights issues is described in the Bittium Supplier Requirements. During the year, no violations or significant non-conformities related to the use of child labor, forced labor, inappropriate disciplinary action, physical punishment, or health-related discriminatory practices were observed in Bittium's or its subcontractors' operations.

Suppliers are audited according to pre-defined criteria. Audits are carried out either as a self-assessment based on the Bittium Supplier Requirements or as an audit conducted by Bittium. In 2022, Bittium focused on auditing its critical manufacturing partners and, where appropriate, component suppliers, which were carried out on-site in supplier premises. Audits carried out as self-assessments continued with new suppliers. As regards international suppliers, local partners have been used for audits. This approach has enabled on-site audits in China regardless of travelling restrictions. During the year, development measures related to supplier management included among others supplier management tool development and deployment.

In 2021, Bittium started a development project entitled Marimin with the aim of finding more Finnish and European suppliers of critical components. As part of this project, Bittium evaluated a large number of suppliers and investigated its possibilities to transfer the manufacturing of mechanics-related parts to Finland. The project ended in 2022 and yielded concrete results: the new supplier potential that was evaluated and found enabled some of the manufacturing of parts related to mechanics being permanently transferred to Finland and European supply chains.

The global problems with the availability of electronic components resulted in rapid changes in the company's business environment and significantly weakened the product delivery capability. In order to improve the situation caused by the availability issues, Bittium extended the visibility to material purchases during the year and ordered critical components to secure deliveries in 2023 and 2024. Furthermore, product changes were made in order to enable the use of alternative components in our products. The company will continue to monitor the situation and aims to actively ensure the availability of components needed for product deliveries.

Identifying the Origin of Minerals

Bittium's products are made using minerals that may also come from countries that violate human rights or cause environmental destruction by mining such minerals. Bittium urges its suppliers to comply with the legislation on conflict minerals and the relevant recommended reporting practices. In this way, it can be ensured that the minerals used in Bittium's products do not originate from conflict or risk zones.

In practice, the legislation requires sustainable purchasing and transparent supply chains with respect to certain minerals, such as tin, tantalum, wolfram, and gold from conflict areas. These minerals are typically used in household goods and their electronic components, such as mobile devices and computers.

Bittium continuously monitors any non-conformities related to conflict minerals with the help of updated requirements, external databases, and the product information management system. In 2022, Bittium did not receive any reports on suspicions concerning minerals from conflict areas.

Avoiding Counterfeit Materials

Counterfeit materials are any materials whose origin, age, composition, configuration, certification status, or other feature is presented falsely and with misleading markings on the material, packaging, or container.

Bittium is aware of the risks associated with counterfeit materials, both when purchasing materials as ready-to-use components and when using the previously mentioned raw

materials. Bittium is committed to conducting the necessary assessments to avoid using counterfeit materials in its products. The purpose of efficient supplier reporting systems is to avoid the use of counterfeit materials. Supplier reporting methods focus on monitoring the various purchase process phases starting from the initial supplier selection. Bittium's employees are trained to identify counterfeit materials. Regarding counterfeit materials, Bittium's customers also expect that information is managed in real-time to the maximum extent possible. By combining the data obtained through product information management and material information databases, Bittium is able to ensure for its customers up-to-date and appropriate information management. No counterfeit materials were found in Bittium's products in 2022.

Objectives and Sustainable Development 2022

Bittium's objectives for the past year in the focus area of sustainable corporate citizenship and good business practices included topics related to a sustainable supply chain, development of stakeholder cooperation, aspects of sustainable corporate citizenship, and anti-corruption measures. With the update to the sustainability program, the objectives and metrics for the focus area were further specified, with annual lower-level targets set for the various themes. The sustainability program for 2022–2025 focuses on the monitoring of development in relation to the key objectives for promoting Bittium's ethical business practices: reducing the risk of unethical business practices, partner and supplier commitment to the Code of Conduct through agreements, preventing corruption and developing an increasingly open dialog with the various stakeholders. The objectives set for 2022 and the related outcomes are described below.

Sustainable Corporate Citizenship

The objectives for sustainable corporate citizenship included measures ranging from the monitoring of legislation and regulations to export control and developing local business operations and supporting schools and educational institutions. The changes that took place in the past year regarding regulations and requirements that are relevant to Bittium's operations were, above all, related to environmental issues and sustainability.

For Bittium, preparing for the requirements of the EU's regulation on taxonomy and ecological design, which is part of the EU's Green Deal promoting a green transition has meant, for example, specifying the operations referred to in the taxonomy in 2021 and 2022 and development work related to product information management. In its current form, the EU taxonomy comprises the most essential economic activities in terms of the significant promotion of the EU's climate goals. Bittium's more detailed taxonomy reporting is presented in the Board of Director's Report 2022. The EU taxonomy is still unfinished and Bittium's review may change when new taxonomy sets are completed.

Bittium also participated, together with the Finnish energy authority, in the specification work for life cycle standards complying with the Ecodesign regulation, which will be published in the near future.

Export control promotes the sustainable export of Finnish products and technology, while for Bittium's customers it constitutes an important part of operations. Effective export control is a precondition for successful cooperation with the authorities as well as customers. Bittium is one of the first companies in its size category to incorporate a comprehensive export control system into its management system. Compliance with the international provisions concerning export control and sanctions, which restrict the export of some products and technologies

or prohibit it altogether, is a crucial part of a sustainable internationalization. Bittium promotes the sustainable export of Finnish technology by closely monitoring the changing legislation in the various market areas and by complying with legal provisions. At Bittium, the number of export license applications has increased after the COVID-19 pandemic. In 2022, Bittium continued its development work related to the export control system and procedures, which increased the efficiency of license application processing.

Bittium sees that it is important to support the work of schools and educational institutions and future competence development. In the past year, Bittium was able to continue visits by educational institutions, which it considers important. Two visits to Bittium's head office in Oulu were arranged.

Developing Stakeholder Cooperation

Bittium's operations affect multiple stakeholders, with the company's key stakeholders being shareholders, customers, employees, partners and other suppliers as well as the public sector. Developing even more open dialog between stakeholders supports the development of Bittium's operations, products and solutions, while it helps find solutions for societal challenges. In the past year, Bittium, among other things, continued its active dialog with investors in the Inderes discussion forum in order to increase and improve its investor communication. The aim is that open and transparent discussion provides answers to the investors' questions and thus increases the understanding of the company's business. More information on stakeholder cooperation is provided under 'Sustainability management'.

For Bittium, year 2022 also involved planning and preparation work related to development projects concerning stakeholder cooperation. In 2023, Bittium will launch a partner program for increasing and strengthening the dialog with partners. Another aim of the partner program is to increase the partners'

commitment so that they are even more integrated into Bittium's product distribution chain.

Anti-corruption Measures

Bittium expects that its employees and partners are committed to the company's anti-corruption policy. Mandatory training on anti-corruption measures is provided for employees as part of the orientation training, all new employees completed the related online self-study module in 2022. The Anti-Corruption training package will be revamped in 2023. No irregularities were observed and no corruption cases were confirmed during the year.

During 2022, Bittium developed its notification channel procedures by establishing its own whistleblowing channel, through which employees and stakeholders outside the company can report their well-founded suspicions about abuses concerning the company's operations. The channel will be put into use in 2023. The company has precise processes for monitoring and processing notifications, and notifications are investigated urgently and confidentially, protecting the identity of the person making the notification.

Sustainable Supply Chain

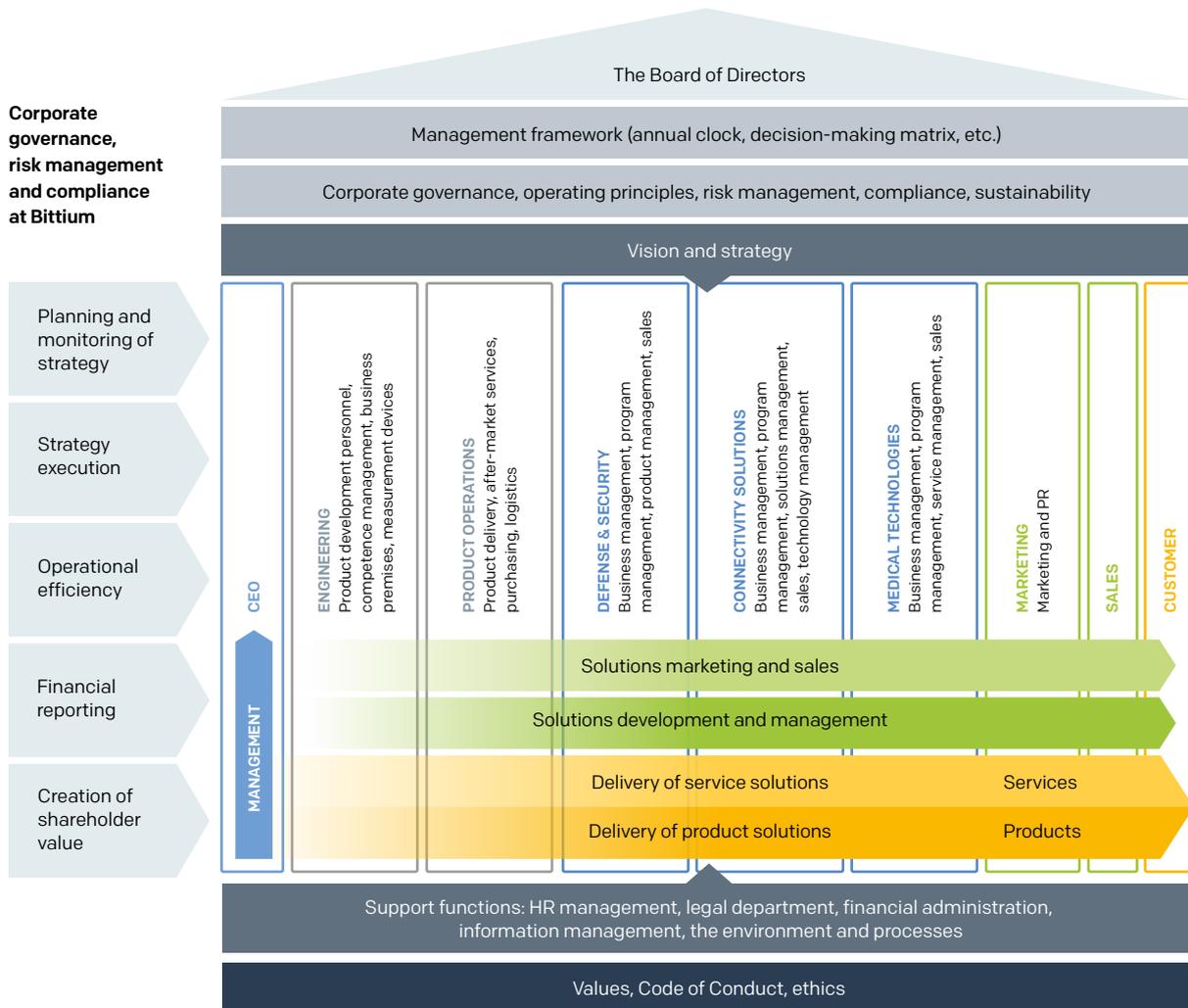
In the upcoming years, Bittium aims to have all its partners and suppliers commit to the Code of Conduct through agreements. In order to reach the target, Bittium specified during the year the critical suppliers for health care technology products and services that are subject to specific supplier requirements, among other things, with regard to components and manufacturing. Bittium will continue to review its suppliers and partners in 2023 and the company aims to include the Code of Conduct in new agreements and renewed frame agreements by the end of 2025.

Relevant Sustainable Development Goals by the UN



Bittium’s actions related to sustainable corporate citizenship, good governance, and anti-corruption measures promote, in particular, the sustainable development goals no. 8 (economic growth and employment), no. 12 (responsible consumption), no. 16 (peace and justice) and no. 17 (partnership). Sustainable purchasing, avoiding minerals from conflict areas, and counterfeit materials support goal no. 8 (economic growth and employment). Reporting on the planning, implementation, and results of sustainability actions in the annual sustainability report and the systematic planning of sustainability work and reliable reporting support the objective to ensure the sustainability of consumption and production methods.

Bittium is committed to the prevention of corruption in accordance with the company’s anti-corruption statement and it reports corruption incidents as part of its sustainability reporting, which supports the objective to establish efficient and sustainable institutions. Cooperation and partnerships are an important part of Bittium’s sustainability work, and dialog with customers and partners regarding the developed solutions helps produce appropriate and resource-efficient products that benefit the customers and society while reducing waste.







FOCUS AREA #4

Environment

Environmental sustainability is reflected in Bittium's small and big decisions in product planning and assembly and on the company's premises. In its environmental actions, Bittium focuses on improving the efficiency of its operations and on using lower-emission energy sources. Bittium's footprint is reduced by the longer useful life of products and the development of recycling as well as improvements in resource efficiency.

Environmental sustainability is a key focus area in Bittium's corporate sustainability program, which is guided by the company's environmental policy, legislation on environmental protection and sustainable development and various international principles as well as customer requirements. The most notable environmental impacts of Bittium's products occur during the last stage of the life cycle, that is, recycling. However, all stages of the value chain have effects on the environment, and Bittium actively strives to reduce the environmental effects of its value chain.

At Bittium, environmentally sustainable operations mean responsibility for curbing the climate change and the development of resource-efficient solutions. In 2022, Bittium investigated, in particular, its possibilities to improve the energy efficiency of its premises and the company enhanced the way ecodesign principles are taken into account in product design.

Management of Environmental Sustainability at Bittium

Bittium has a certified environmental management system, which applies the most recent ISO 14 001 standard. The environmental management system enables Bittium to improve the management of its environmental impacts and the level of environmental work. The following viewpoints are the core of the management of environmental work and environmental sustainability at Bittium:

- Monitoring and observing amendments to the laws and regulations concerning environmental protection and sustainable development. The use of energy-efficient solutions in R&D (ecological design) and at business premises is also included.
- Minimizing the environmental impacts of the production, use and disposal of products. The development of instructions and practices related to ecological design supports these principles.
- Encouraging suppliers and partners to implement environmental management systems. This practice supports the realization of the principles aimed at limiting the use of hazardous substances.
- Developing energy efficiency through continuous improvement. Two energy auditors approved by the Energy Authority conduct annual on-site audits.

Bittium operates in a strongly regulated business environment. The company regularly monitors the international environmental requirements that govern its products as well as the local regulations derived from these, with major suppliers also required to comply with them. The provisions of the ROHS directives (I, II and III), the REACH regulation (on hazardous substances) as well as the WEEE (recycling of waste electronic and electrical equipment) directive have been applied in Bittium's product design since 2002.

The EU's proposed regulation on ecological design for sustainable products was published in early 2022. The provisions of the upcoming Ecodesign regulation framework will be applied in Bittium's product design and product development. In its product design, Bittium will also take into account the requirements of the Medical Devices Regulation (MDR).

Bittium aims to offer halogen-free products whenever alternatives to halogen components that meet the relevant functional requirements are available. Bittium's halogen-free statement conforms to the IEC (International Electrochemical Commission) definition of halogen-free materials (IEC 61249-2-21).

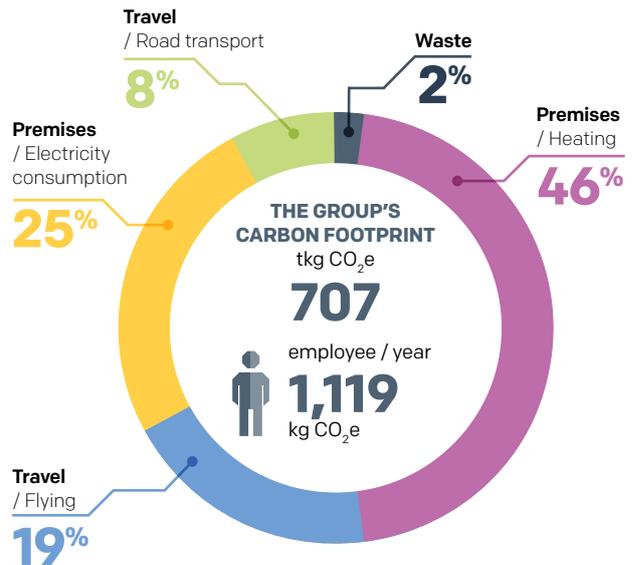
Environmental Objectives and Sustainable Development 2022

In 2020, Bittium launched an environmental program that continued until 2022. The ultimate objective of the program was to reduce Bittium’s carbon footprint, with the most relevant areas including the recycling of waste generated by the company’s operations, the use of renewable energy and increasing environmental awareness among Bittium’s employees. The environmental objectives set for 2022 and the related outcomes are described below.

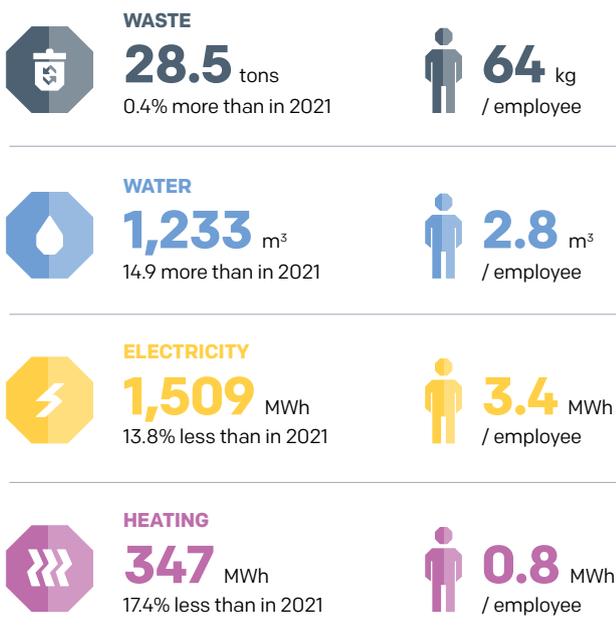
In the second half of 2021, Bittium created a new sustainability program for the period 2022–2025, in which the previously specified focus areas were regrouped. The previous environmental objectives remained more or less unchanged in the update, but the metrics applied to them were further specified. Going forward, Bittium monitors three environmental indicators measuring the environmental effects of its operations, that is, the development of the carbon dioxide equivalent (CO₂e/kg), the development of energy consumption (MWh) and the percentage share that renewable energy accounts for of total energy consumption.

Environmental Sustainability Indicators

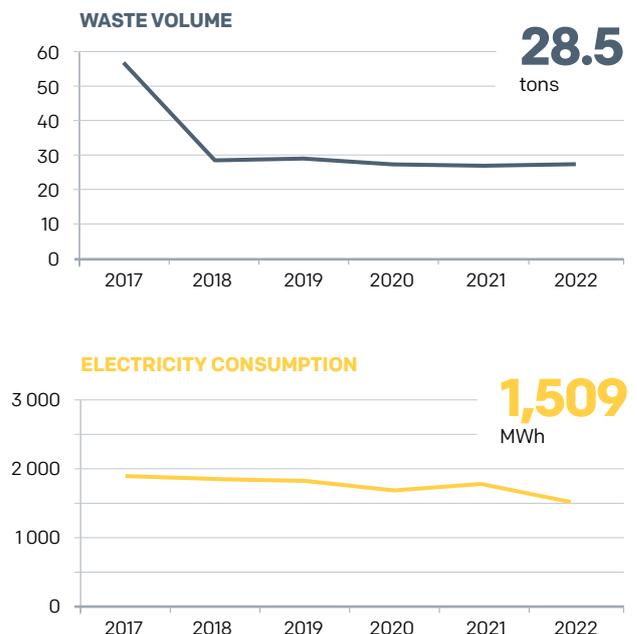
The company is following the annual level of environmental protection continuously. The following indicators have been selected as essential environmental environmental sustainability indicators.



Bittium's Environmental Sustainability Indicators, Oulu Office



Environmental Sustainability Indicators 2017–2022 (Trend), Oulu Office



Maintaining the Waste Recovery Rate at Over 95 Percent

Most of the waste generated by Bittium is packaging waste. The waste volume has remained relatively stable since 2018 in spite of the delivery volumes of Bittium's products increasing over the years. As manufacturing partners have taken a larger role in the supply chain in the past few years, a larger share of manufactured components and partial assemblies are delivered directly to factories, which reduces the amount of waste generated at Bittium. It has also been possible to further reduce packaging waste by simplifying the packaging modules that are used.

Bittium strives to minimize waste generation in all operations and deliver all waste for recycling. Design and material recycling are promoted in product design and development in the spirit of the circular economy while innovating sustainable solutions with partners. Bittium has implemented waste recycling to the maximum extent possible, with the waste recycling rate being 99.77 percent in 2022.

Developing the Energy Efficiency of Premises and Increasing the Share of Renewable Energy

The carbon footprint of Bittium's premises and facilities amounts to 71 percent of the total carbon footprint. Improving energy efficiency is one of Bittium's key objectives in terms of the reduction of its carbon footprint. District heating from the local energy supplier is not yet fully carbon neutral,

but production utilizes biofuels and recycled fuels sourced from nearby areas. According to the electricity supplier, the distribution of the production methods for the purchased electrical energy is such that 38 percent comes from renewable sources, 24 percent is emission-free and 38 percent comes from fossil sources.

In the past year, Bittium reviewed the energy profiles of its business premises for both electricity consumption and heating. Renewable energy sources accounted for 40 percent of heat energy and 36 percent of electrical energy. The development of the business premises' energy efficiency was continued in the geothermal heat and solar energy projects. Geothermal heating was implemented in the property located in Kuopio, which increased the share of renewable energy. During the year, at best, 13 percent (2021:13%, 2020: 13%, 2019: 11.9%) of the electricity used in the Oulu premises was solar power-based.

Reducing Carbon Footprint

Bittium calculated the Group's total carbon footprint for the fifth time. The carbon footprint calculations are mainly based on process data, which was obtained from the databases of Bittium and its cooperation partners (such as product suppliers and the electricity supplier). The calculation includes direct emissions and the indirect emissions of purchased energy (scope 2). In addition to the above, the reported indirect emissions include the indirect emissions of business travel and electricity production for the past year. With the carbon footprint measurement, Bittium monitors, in particular, the efficiency of the shift to renewable energy sources and the efficiency of solutions that are more sustainable in terms of climate.

Our carbon footprint target for 2022 was <2,900 CO₂e kg/employee. Our total carbon footprint was 707 tCO₂e, 1,119 kg CO₂e/employee (2021: 719 tCO₂e, 1,096 kg CO₂e/employee; 2020: 753 tCO₂e, 1,130 kg CO₂e/employee; 2019: 1,153 tCO₂e, 1,755 kg CO₂e/employee; 2018: 1,219 tCO₂e, 2,865 kg CO₂e/employee).

In 2022, Bittium introduced a hybrid work model and reviewed its effects on the development of carbon footprint. However, the adoption of the hybrid work model did not have significant effects on the reduction of carbon footprint, as a major share of the electricity consumption in Bittium's premises is related to testing work carried out on desktop computers.

Technologies supporting sustainable development promote the reduction of customers' carbon footprint and enable influence on product life cycle emissions. For example, Bittium's solutions responding to the needs for remote diagnostics enable emission reductions throughout the value chain, as there will be less need for transport.

* When calculating carbon footprint, Bittium uses the exact data on the properties owned by it and the data available on properties leased by Bittium. This applies, for example, to the available waste figures. Bittium also takes into account the coefficients published by Statistics Finland concerning the average CO₂ emissions of district heating production in Finland, for which an average is calculated for the past three years. For this reason, there may be minor variation in the carbon footprint comparison figures at the annual level.

Increasing Environmental Awareness Among Employees

One objective in the environmental program was increasing environmental awareness among Bittium's employees. As part of the environmental program, employees were provided with both mandatory and optional training on the implementation of environmental sustainability. In 2022, Bittium continued to arrange environmental training: mandatory basic training is part of orientation training, with further training organized as required for the work duties. Sustainable development competence was also promoted through the Climate change campaign, where topics related to energy efficiency and electricity consumption are communicated on a regular basis. The campaign also allows employees to share their own best practices, for example, for electricity saving or recycling.

Circular Economy as the Starting Point for Bittium's Product Design

Bittium's business is mainly focused on product design, sales and marketing, while its manufacturing partners are responsible for product assembly. The environmental effects of products emerge at various phases of the product life cycle: procurement of raw materials, product manufacturing, transport, product use or product disposal. However, a significant part of the environmental effects during a product's life cycle can be influenced through product design and de-

sign decisions. The inclusion of environmental aspects in the product design processes creates a foundation for all product design and development at Bittium.

Bittium's approach involves an established model of operation concerning product materials and their handling: more with less. Environmental objectives are reached by maximizing the service life and recyclability of products, for example, by influencing the amount of materials used in the manufacturing of products. Environmental effects can be reduced through design decisions, for example, by reducing the consumption of raw materials, through the lengthening of life cycles, by reducing the use of hazardous materials and by ensuring that products can be recycled. The transition towards a carbon-neutral circular economy requires cooperation and innovation. In 2022, Bittium strived, through joint discussions, to strengthen its manufacturing partners' commitment to production that is in line with the circular economy.

Bittium's products are designed to have long life cycles and to be repairable and recyclable. For example, reliability, delivery reliability and maintenance services, including service and update work, must be guaranteed for many defense industry products for decades. Material cycles are created in relation to product repairs or returns related to the product life cycle, for example. The information security risks associated with the products must also be taken into account in this context. Bittium disassembles decommissioned products, sorts the components and recycles them appropriately.

The rapid development of regulation and materials requires that Bittium is capable of adjusting its product design in accordance with the changes required by the business environment. Bittium has responded to the

requirements, for example, with redesign of products; the long service life of products provides an opportunity to create environmentally sustainable solutions on the basis of old product models. When old and new technology is combined, the old product platforms are developed into a more environmentally friendly direction, with the requirements of the most recent regulations taken into account while making no compromises on the service life.

The service life of products can also be extended by developing maintenance. In 2022, Bittium continued to develop its maintenance operations by increasing the customers' possibilities to perform maintenance independently, which reduces the logistics emissions of maintenance.

In the past year, Bittium also improved the efficiency of its operations through the digitalization of production. The implementation of the shift to paperless production was started by developing internal processes. All production instructions were transferred as electronic documents to Bittium's intranet, which enables up-to-date information management in one location and increases the efficiency and accuracy of production.

Ecodesign Accelerates Sustainable Product Design

In early 2022, the EU's Ecodesign Directive entered into force in the EU area, with the Directive specifying the ecological demands to be applied in the design and development of products that use energy. The Directive promotes sustainable development by improving energy efficiency and the level of environmental protection, while also improving the security of energy supply. The scope of the Directive's application will expand in 2023 to also include the effects of software production so that they are taken into account in the life cycle assessment concerning the ecological footprint of products.

For a long time already, Bittium's product design and development have been guided by a model that is compliant with the EcoDesign principle and takes into account the environmental effects of products throughout their life cycle, with the aim of improving the energy efficiency of products. Systematic and proactive work aiming to prevent negative effects on the environment forms a good basis for meeting the requirements of the recent Ecodesign Directive. In the past year,

Bittium actively participated in the authorities' work on the Directive at the Finnish and EU levels and Bittium commented on the draft Directive. As part of its advocacy work, Bittium also participated at the EU level in the specification of a secure smart phone, which may not be disassembled.

In the future, regulations and customer requirements will further increase the demand for sustainable products. The EU's proposed regulation on the ecodesign of sustainable products also includes a digital product pass, which would enable information to be collected of the various phases of value chains, such as product use, maintenance and recycling. At Bittium, the collection of product information was enhanced throughout the year, in particular, with regard to the management of environmental data. Information on the products' environmental effects during their life cycles and their energy efficiency was imported in a more efficient manner to the PLM (Product Lifecycle Management) system, in addition to which the processes for environmental data management were further specified. The development work aims to use real-time information to increase product transparency, as required by the digital product pass.

Relevant Sustainable Development Goals by the UN



Bittium's measures related to ecological product design, sustainable consumption and production methods and energy and resource efficiency promote, in particular, the sustainable development goals no. 8 (decent work and economic growth) and no. 12 (responsible consumption). Resource efficiency is promoted in consumption and production through operations that comply with the environmental standard. Ecological design is the starting point of product development and an important part of sustainability work at Bittium. Special attention is paid to the use of renewable energy, waste recovery rate and the reduction of waste at our operating locations and the results are reported as part of Bittium's sustainability report.

Reporting

Reporting Basics and Principles

Scope of Reporting

This sustainability report published as part of the annual report is the fifth extensive report on the management and implementation of sustainability at Bittium. The year 2022 was the first year of the new sustainability program, in accordance with which Bittium has implemented sustainability-related themes by developing metrics and providing more extensive information on the impacts of its operations. The new sustainability program is an updated version of the 2020–2022 sustainability program, which was based on a materiality analysis carried out in 2019, the purpose of which was to gain understanding of our stakeholders' views regarding our previously selected focus areas in sustainability. The focus area objectives and metrics of the sustainability program were updated to strengthen the company's objectives related to being a responsible corporate citizen in society.

To enable comparison, Bittium's sustainability report is based on the Global Reporting Initiative (GRI) Standards framework. The table at the end of the report contains references to the relevant elements of the GRI Standards framework. The report covers Bittium's four sustainability focus areas and a description of financial effectiveness. The financial data is collected from Bittium's financial information systems, and the majority of personnel data is from HR management systems. The reported financial figures are based on Bittium's audited financial statements from 2021 and 2022.

The reporting model was selected on the basis of Bittium's sustainability principles, taking into account the GRI framework and the focus areas of Bittium's business: wireless, secure communications in B2B operations. Bittium has customers both in Finland and in other countries. The operations and most of the personnel are nevertheless located in Finland.

The sustainability report will be published online in electronic format in connection with the Group's annual report at www.bittium.com and <https://vuosikertomus.bittium.com>.

Scope of the Report

The period covered by the sustainability report is the same as the financial period, 1 January–31 December 2022. Environmental data is not reported from offices where the company only uses a part of the office premises.

The report does not cover all suppliers or service providers. In other respects, the report covers all the operations of Bittium Corporation and its subsidiaries.

Reporting Principles and Guidance

Financial reports are governed by the International Financial Reporting Standards (IFRS), and governance reports comply with the legislation on listed companies and the Finnish Corporate Governance Code that applies to listed companies. The reported financial data is based on audited financial statements.

Principles and Practices for External Verification

The 2022 sustainability report follows the core level of the GRI Standards guidelines. The sustainability report has not been verified by an independent third party. The figures presented in the "Financial effectiveness" section are based on the Group's audited financial statements.

Bittium's Sustainability Contact Person:

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GRI Content Index

Bittium's Annual Report 2022 has been prepared with reference to the GRI Universal Standards 2021. The sustainability reporting covers the selected General Disclosures as well as the Topic Standards Bittium has deemed material and which reflects best its

economic, social, and environmental impacts in the topics. The GRI 1: Foundation 2021 Standard's key concepts for defining report content have been taken into account in the preparation of sustainability information. The topic standards are the year 2016 versions unless otherwise stated next to the standard number.

Statement of use: Bittium Oyj has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022.

GRI used: GRI 1: Foundation 2021

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 2: General Disclosures			
2-1	Organizational details	Bittium in 2022; Business and Operating Environment, p. 8	Bittium is an international technology company that offers socially useful technical innovations that improve communication connections, create security and promote healthcare. The company's offices are located in Finland, Germany, the USA, Mexico, and Singapore. More information about the offices is on the website: www.bittium.com/about-bittium/facts-figures/bittium-locations Bittium Corporation's articles of association are available on the website: www.bittium.com/investors/corporate-governance/articles-of-association
2-2	Entities included in the organization's sustainability reporting	Sustainability at Bittium in 2022; Reporting, p. 84	
2-3	Reporting period, frequency and contact point	Sustainability at Bittium in 2022; Reporting, p. 84	
2-4	Restatements of information	Sustainability at Bittium in 2022; Reporting, p. 84	There are no restatements of sustainability information in this report.
2-5	External assurance	Sustainability at Bittium in 2022; Reporting, p. 84	
2-6	Activities, value chain and other business relationships	Bittium in 2022; Business and Operating Environment, p. 8, Products and Services p. 12, Sustainability at Bittium in 2022; Bittium's value creation model p. 52	All of Bittium's products are manufactured in Finland by manufacturing partners. The products consist of various electronic and mechanical components, whose suppliers are both foreign and Finnish significant players in their respective regions. Bittium's most significant partners in the distribution network are Bittium's partners operating in different product and service areas, such as Tutus Data AB in Sweden for Bittium Tough Mobile™ 2 smartphones in Sweden and Technomed Ltd for Bittium Faros™ devices in the United Kingdom.
2-7	Employees	Sustainability at Bittium in 2022; Innovative and Developing People, p. 67	The total number of employees at the end of 2022 was 625, of which 86 (14%) were female and 539 (86%) were male. There were 591 employees in permanent employment, of which 84 (14%) were female and 507 (86%) were male. The proportion of fixed-term employment contracts was 2% for women and 6% for men. The proportion of part-time employment contracts was 7% for both women and men. The proportion of full-time employment contracts was 93% for both women and men. 1% of employees worked on zero-hour contracts (0% female, 1% male). There were no significant changes in the number of employees during 2022.
2-9	Governance structure and composition	Corporate Governance, p. 30; Corporate Governance, Bittium Corporation, Board of Directors, Board Committees	

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 2: General Disclosures			
2-10	Nomination and selection of the highest governance body	Corporate Governance, p. 32; Diversity Principles of the Board of Directors	The Annual General Meeting is the company's the highest decision-making body, where the company's shareholders participate in the control and management of the company by using their right to speak and vote. The most important tasks of the General Meeting include electing the Board members. The Board chooses a Chairman among its members.
2-11	Chair of the highest governance body	Corporate Governance, p. 30; Corporate Governance, Bittium Corporation, Board of Directors	The Chairman of the Board of Directors of the Bittium Corporation is independent of both the Company and its significant shareholders.
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability at Bittium in 2022; Sustainability Management, p. 54, Corporate Governance, p. 33; Annual Clock 2022	Bittium has a separate sustainability working group that develops, monitors, and evaluates issues related to sustainability. The working group is responsible for sustainability risk management and steering, as well as the company's sustainability reporting. The Audit Committee of Bittium Corporation's Board of Directors deals with sustainability issues regularly and when necessary. Bittium Corporation's Board of Directors deals with sustainability issues based on the presentations of the management team and examines sustainability effects as part of its supervisory role. The sustainability report describes the methods that ensure sufficient care applied to the areas of sustainability. In addition, the description of risk management and processes related to the company's operation and operating environment is defined as part of the Corporate Governance system report.
2-14	Role of the highest governance body in sustainability reporting	Sustainability at Bittium in 2022; Sustainability Management, p. 54	
2-15	Conflicts of interest		The Board of Directors of Bittium Corporation and the relevant committee carefully evaluate the possible conflicts of interest of each member of the board and/or the relevant committee in the preparation and decision-making work. In a possible conflict of interest situation, the relevant institution ensures that the members in question do not participate in the preparation or decision-making.
2-19	Remuneration policies	Bittium Corporation's Remuneration Report, Remuneration Report from the accounting period of 2022	Bittium Corporation's remuneration policy and remuneration reports are available on the company's website: www.bittium.com/investors/corporate-governance/remuneration
2-20	Process to determine remuneration	Bittium Corporation's Remuneration Report	<p>The Annual General Meeting decides on the remuneration of the members of the Board of Directors. Remuneration of the Board of Directors, the CEO, and any deputy CEO must be in accordance with the Company's latest remuneration policy. Shareholders discuss the Remuneration Policy at the Annual General Meeting at least every four years and whenever substantial changes are made to it. In a possible conflict of interest situation, the relevant institution ensures that the members in question do not participate in the preparation or decision-making. The same principles are followed in the assessment of possible conflicts of interest as are followed when assessing board members' conflicts of interest in connection with decision-making. The Board of Directors annually evaluates the possible need for changes to the Remuneration Policy. The company may use external experts when evaluating and determining the compensation to be paid to the Board of Directors and the CEO.</p> <p>Bittium Corporation's remuneration policy and remuneration reports are available on the company's website: www.bittium.com/investors/corporate-governance/remuneration</p>

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 2: General Disclosures			
2-22	Statement on sustainable development strategy	Sustainability at Bittium in 2022; The CEO's Statement on Sustainability, p. 48	
2-23	Policy commitments	Corporate Governance p. 41; Main Features of Internal Control and Risk Management Processes Related to the Financial Reporting Processes, Sustainability at Bittium in 2022; Corporate Citizenship and Sustainable Business, p. 73, Sustainability at Bittium, p. 58, Bittium's Ethical Principles and Code of Conduct, p. 55	<p>Bittium follows a responsible business practices and requires it from its suppliers as well. Bittium's ethical principles include aspects of anti-corruption, data protection and security, fair business practices, advertising and competition, corporate citizenship, and protection of intellectual property rights. Collaborators must comply with Bittium's Code of Conduct principles and supplier guidelines and requirements (Bittium Supplier Requirements). The guidelines contain the most important policies, operating methods, and requirements for Bittium's supply chain. The set requirements are related to business practices, anti-corruption, environmental issues, occupational safety, and human rights, including material-specific requirements. The guidelines and principles mentioned above are available on the company's website: www.bittium.com</p> <p>Bittium has also mirrored the themes of the priority areas of sustainability in the UN's Sustainable Development Goals and identified goals that are already taken into account and whose realization is promoted in the company's operations.</p>
2-24	Embedding policy commitments	Corporate Governance p. 41; Main Features of Internal Control and Risk Management Processes Related to the Financial Reporting Processes, Sustainability at Bittium in 2022; Corporate Citizenship and Sustainable Business, p. 73, Sustainability at Bittium, p. 58, Bittium's Ethical Principles and Code of Conduct, p. 55X	Bittium takes into account the due diligence obligation in its operations. Together with its supply chain partners and other stakeholders, Bittium strives to identify both actual and potential harm to the environment and people, including human rights, in the entire value chain. As part of responsible management and operations, the company prevents and mitigates harm, monitoring the effectiveness of actions related to the duty of care. Bittium's external and internal stakeholders also use the Whistleblowing notification procedure, which aims to reduce the risks that may be faced by the company.
2-26	Mechanisms for seeking advice and raising concerns	Sustainability at Bittium in 2022; Corporate Citizenship and Sustainable Business, p. 75	Good governance and ethical operating methods are the basis of Bittium's operations and a prerequisite for business. The trust of customers and other stakeholders in Bittium, product quality, and responsible development are of primary importance to the company. The company has compliance processes at every organizational level to ensure that applicable laws, regulations, internal guidelines, responsible business requirements, and ethical values are followed. Bittium's personnel and external stakeholders use feedback and reporting channels as well as a reporting channel for detecting abuses. Personnel has been instructed on their use of Bittium's intranet and in orientation training.
2-27	Compliance with laws and regulations	Report by the Board of Directors; Statement of Non-Financial Information	Bittium Corporation has not incurred legal sanctions for its activities during 2022.
2-28	Membership associations		Teknologiateollisuus ry
2-29	Approach to stakeholder engagement	Sustainability at Bittium in 2022; Sustainability Management, p. 55	

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 3: Material topics			
3-1	Process to determine material topics		<p>Bittium's sustainability program is based on a materiality analysis carried out in 2019, on the basis of which the focus areas of sustainability have been defined. The program is built on the development goals and measures of focus areas and the metrics defined for them. The process of defining Bittium's material topics, the materiality analysis, is described on the company's website: annualreport2019.bittium.com/sustainability_report/focus_areas_in_sustainability</p> <p>With the update of the sustainability program, the goals and metrics of the focus areas were specified, and yearly sub-goals were set for the themes. The goals and metrics of the sustainability program for the years 2022–2025 are described in the context of the sections dealing with each focus area of the annual report.</p>
3-2	List of material topics	Sustainability at Bittium in 2022; Innovative and Developing People, p. 62, Corporate Citizenship and Sustainable Business, p. 72, Trust-based Customer Relationships and Secure Products, p. 68, Environment, p. 78	
3-3	Management of material topics	Sustainability at Bittium in 2022; Outputs and effects, p. 53, Innovative and Developing People, p. 62, Corporate Citizenship and Sustainable Business, p. 72, Trust-based Customer Relationships and Secure Products, p. 68, Environment, p. 78	<p>The most significant sustainability effects of Bittium's essential sustainability topics, the management of essential sustainability topics, and the measures related to their management are described in the annual report, in the sections dealing with Bittium's sustainability priority areas. In the future, Bittium will develop reporting related to the management of material topics in accordance with the GRI 3: Material topics standard.</p>

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Sustainability at Bittium in 2022; Economic Impact, p. 59	
201-4	Financial assistance received from government	Notes to the Consolidated Financial Statements, 4. Other profits of the business	
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	Sustainability at Bittium in 2022; Corporate Citizenship and Sustainable Business, p. 75	Bittium requires its personnel and partners to commit to the company's anti-corruption guidelines. Mandatory training on anti-corruption activities is organized for personnel as part of the induction program, and in 2022 all new employees completed the electronic self-study module included in the training.
205-3	Confirmed incidents of corruption and actions taken	Sustainability at Bittium in 2022; Corporate Citizenship and Sustainable Business, p. 75	Bittium's personnel and external stakeholders use feedback and reporting channels as well as a reporting channel for detecting abuses. During 2022, Bittium Corporation did not report any corruption suspicions or cases.
GRI 301: Materials			
301-1	Materials used by weight or volume	Sustainability at Bittium in 2022; Environment, p. 81	Bittium does not use paper, cardboard or metal in the production of its products. Bittium reports the amount of material waste and recycling resulting from the use of materials at the locations.
GRI 302: Energy			
302-1	Energy consumption within the organization	Sustainability at Bittium in 2022; Environment, p. 81	
302-4	Reduction of energy consumption	Sustainability at Bittium in 2022; Environment, p. 81	
GRI 303: Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	Sustainability at Bittium in 2022; Environment, p. 80	Reported total water consumption and water consumption per person for Bittium locations. No water is used in the production of the products.
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability at Bittium in 2022; Environment, p. 80	Reported carbon footprint.
GRI 306: Waste (2020)			
306-2	Management of significant waste-related impacts	Sustainability at Bittium in 2022; Environment, p. 81	

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	Bittium is constantly developing its occupational safety processes and risk management. More information regarding subcontractors can be found in the Bittium Supplier Manual: www.bittium.com/about-bittium/suppliers/supplier-manual
403-3	Occupational health services	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	Healthcare services that are more extensive than required by law cover 99% of the personnel. Occupational health services as part of compliance with the Customer Liability Act is part of Bittium's subcontracting process.
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	
403-5	Worker training on occupational health and safety	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	All Bittium locations have appropriate safety plans, and safety issues are taken into account in Bittium's personnel orientation program. Occupational health matters are communicated to the staff regularly. Subcontracting companies are responsible for the occupational health and occupational safety training of their employees in accordance with their own principles. Bittium trains the subcontractors working at Bittium's premises. Subcontractors working at Bittium's customers' premises are trained by the customer. In other respects, the subcontractors themselves are responsible for the training of their employees.
403-6	Promotion of worker health	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65, Corporate Citizenship and Sustainable Business, p. 73, Trust-based Customer Relationships and Secure Products, p. 69	More information regarding subcontractors can be found in the Bittium Supplier Manual: www.bittium.com/about-bittium/suppliers/supplier-manual
403-8	Workers covered by an occupational health and safety management system	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	All Bittium employees are covered by the occupational health and safety management system.
403-9	Work-related injuries	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	In 2022, Bittium's Finnish companies didn't report safety and near-miss findings but reported three occupational accidents, none of which resulted in the incapacity for work or liability for compensation according to the Occupational Accidents and Occupational Diseases Act.
403-10	Work-related ill health	Sustainability at Bittium in 2022; Innovative and Developing People, p. 65	The sickness absence rate was 3% in 2022 (calculated from the occupational health service provider's data per day/person vs. theoretical regular working hours). Bittium does not have information available regarding temporary labor. The most significant workability risks are related to musculoskeletal diseases, coping at work, and mental well-being.

Disclosure	Reporting contents	Location in Bittium's annual reporting	Additional information
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Sustainability at Bittium in 2022; Innovative and Developing People, p. 64	Bittium reports the number of training days / person.
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability at Bittium in 2022; Innovative and Developing People, p. 64	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Corporate Governance Statement, p. 32; Diversity Principles of the Board of Directors, Sustainability at Bittium in 2022; Innovative and Developing People, p. 67	

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