



Responsible Care



OMG Kokkola Chemicals Oy



The world's leading refiner and producer of cobalt

Our main products are cobalt powders and different cobalt containing chemicals. We also produce copper cathodes and germanium oxide. The application areas of our main products include hard metal and diamond tools, rechargeable batteries, pigments and industrial catalysts. For these applications, cobalt is an essential element that enhances the performance of the product. For example, cobalt extends the time of use of a laptop or a phone battery, it improves the robustness of hard metal tools, as well as it enables the use of low-sulphur fuel.

Our refining process, which is extensively automated and flexible, enables an effective utilization of different raw materials. In addition to cobalt concentrates we use metal granulates, different cobalt containing intermediates as well as recyclable raw materials.

There are 390 persons in our staff and we operate at the industrial area in Kokkola – Kokkola Industrial Park (KIP) (www.kip.fi) – together with more than twenty other corporations. The corporations operating at the industrial area collaborate to develop the safety and environmental protection of the area as well as to develop the know-how. The industrial area in Kokkola is the largest industrial concentration of chemical and metallurgical manufacturing in the Nordic countries.

We want to make things even better

The environment, health and work safety as well as product stewardship are indistinguishable parts of our corporate social responsibility. Our goal is to continuously improve our performance with the help of our management system. Our system fulfills the requirements in standards ISO 9001, ISO 14001 and OHSAS 18001. Additionally, since 1996 we have committed ourselves to the global Responsible Care initiative. Since 2004 we have belonged to the Zero Accident Forum formed by Finnish workplaces. In 2009 we reached the highest level of occupational health, "In the world's forefront of safety", in the Zero Accident Forum. This is an indication of the management's and staff's commitment to the Zero Accident Culture.

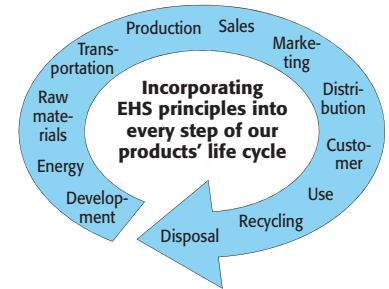


Quality and Product Stewardship at their peak

Our customers are high technology's pacesetters. We continuously try to improve our operation and product know-how, so that the quality of our product and service would respond to customers' challenges as well as support their success. This means active collaboration with our raw material suppliers, R&D-organisation, production departments, distribution network as well as with our customers.

Product Stewardship is about controlling the entire product life cycle. We take care of the environment, health and safety in a responsible, ethical and sustainable way in every field of business. Interaction and sharing information with stakeholders is important to us.

The European Union Chemicals regulation, REACH, is one part of Product Stewardship. The objective of REACH is to enhance the level of health and environmental protection by obtaining and transmitting information about the chemicals. We have fulfilled the large obligations set by REACH on schedule.



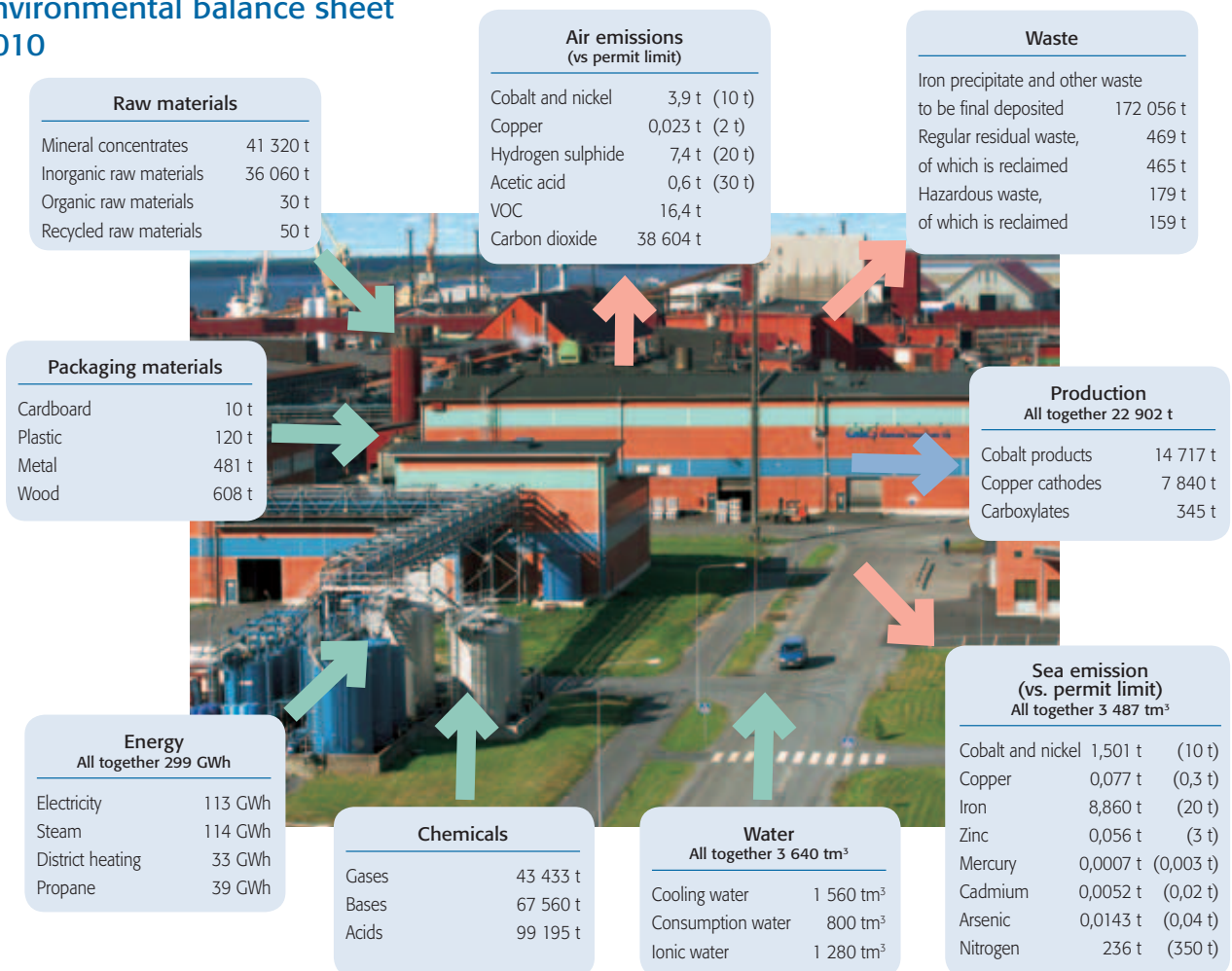
Responsible raw material acquisition

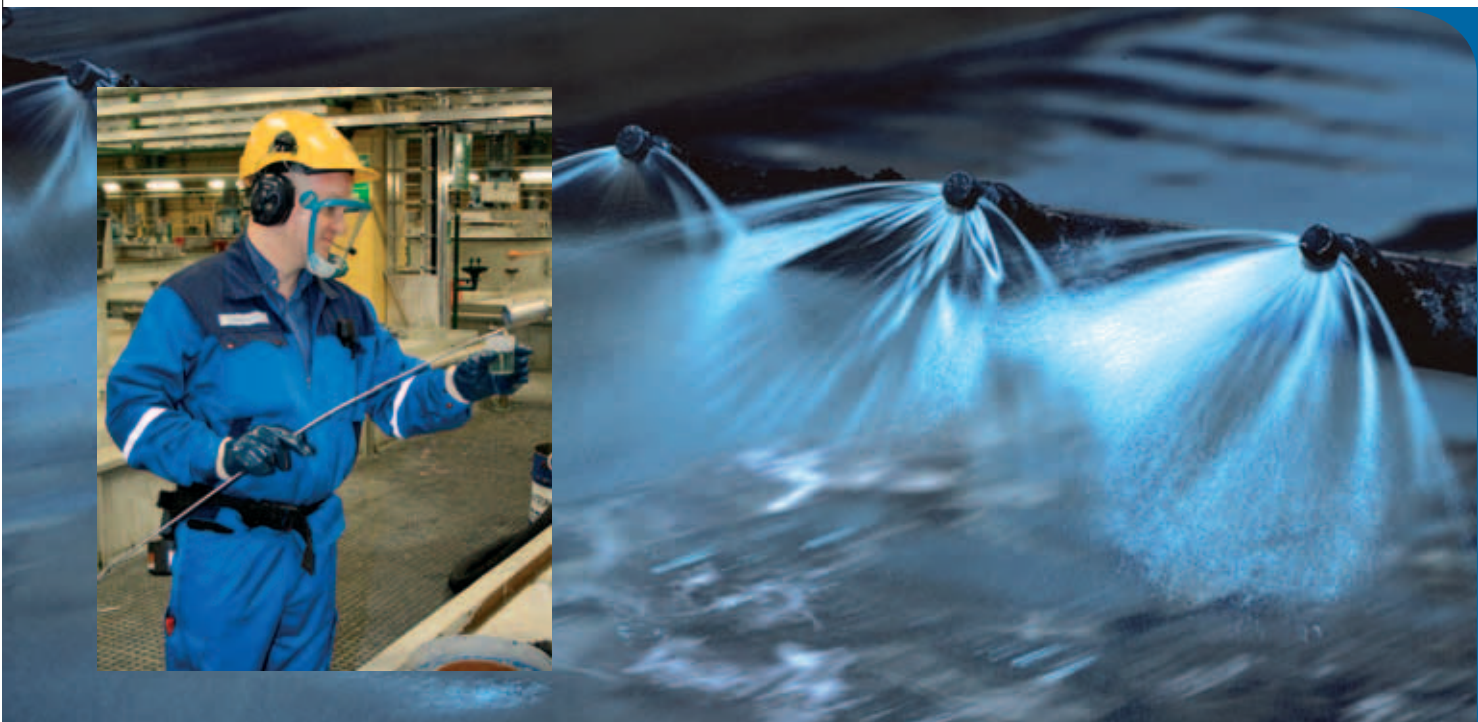
We always certify that our acquired raw material is produced ethically and legally as well as according to the principles of sustainable development and the International Labour Organization (ILO). We research and ensure that the raw material does not contain unknown or unidentified hazards, radioactive materials, nor has any other features that might cause danger or harm to health or to the environment. Our goal is to continuously enhance the use of recycled materials as a source of raw material.

Environmental responsibility

In our operation we conform with the environmental legislation as well as with the environmental permits administered by the authorities. This includes limit values for emissions, emission and environmental monitoring, as well as responsibilities regarding waste management. We implement the best available technology (BAT), and furthermore, we set our own targets to reduce emissions and environmental impacts on a yearly basis.

Environmental balance sheet 2010



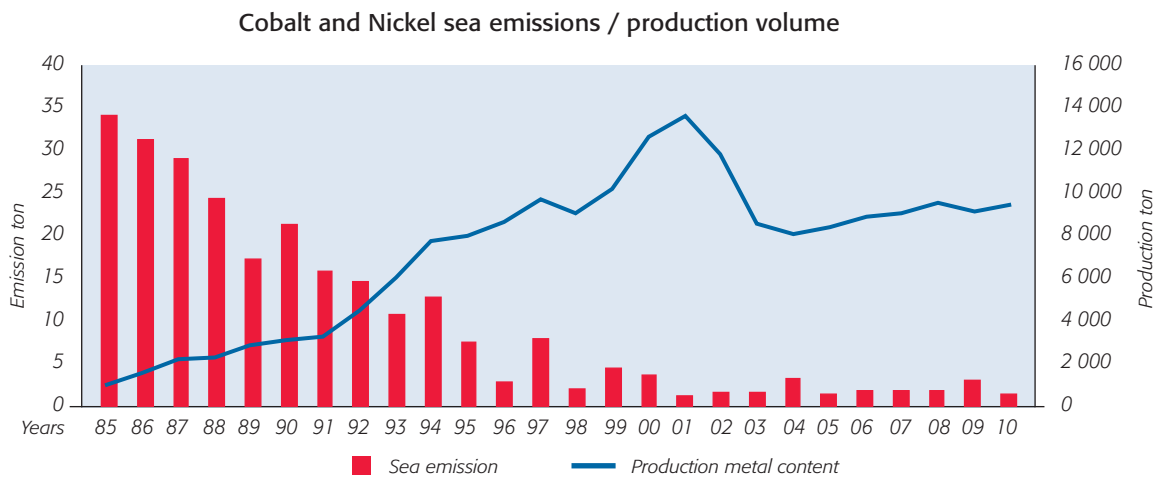


Waste recovery

The largest process waste, iron precipitate, is disposed of to the waste disposal area located on the industrial site. The construction of the waste disposal area meets the latest requirements in the EU environmental legislation. Taking samples every eight hours ensures the validity of the iron precipitate. 95 % of our hazardous waste and more than 99 % of the regular residual waste are recovered or recycled.

Cleaner waters

Cobalt and nickel emissions into the sea have been reduced significantly over the past 20 years. We take samples to be analysed from the wastewater every 15 minutes. The wastewater cleaning efficiency for metals is higher than 99 % and the metal concentration is below the concentration limits set for the household consumption water.



Energy efficiency and responsibility for the quality of air

We have committed ourselves to a voluntary energy conservation agreement for industries in 2002, which was renewed in 2008. In that programme we set a target of lowering our energy consumption by 9 % by 2016 compared to the energy consumption in 2005, and to increase the energy awareness of our employees. The programme has proceeded according to the target.

Our air emissions are cobalt, nickel, copper, hydrogen sulphide, acetic acid and VOCs (Volatile Organic Compound). The emissions fall clearly below the permit limits set by the environmental authority. The efficiency of air emission cleaning units is at best above 99 %. Our operation does not belong to carbon dioxide emission trading. The main part of our electricity is from carbon dioxide free electric energy produced by hydropower.



Monitoring the state of the environment for over 40 years

We have already for decades been co-operating with the corporations operating at the industrial area in monitoring air quality and sea areas, planting fish as well as conducting environmental impact assessments.

Nowadays the sea front of Kokkola is monitored at 16 locations. Ecology of the sea has improved, especially during the 1990s. Since the 1980s the metal concentrations in fish off the coast of Kokkola have been below the limits set for human consumption. The noticeable emission reduction is visible in the seawater transparency. The zone of seawater transparency over four meters has moved closer to the shoreline. The condition of the sea can be described as satisfactory close to the coast and as good / excellent further out at sea.

Every year we release, together with local industry, about 50 000 sea trout fry and 100 000 whitefish fry. Additionally we have during the past years voluntarily co-operated with local fishermen to release 3 million small whitefish fry.

The reduction of air emission is positively visible in the environment surrounding the industrial area. During the past years the air quality in our town has been the best quality class for most of the year.

The improvement in air quality and its effects on nature have been observed with the help of bioindicators since the beginning of the 1970s. Nowadays observations are being collected from more than 120 stationary sampling areas. In the middle picture below charting epiphytic lichen from pine.



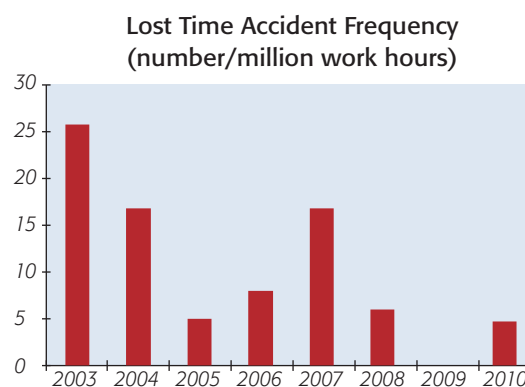
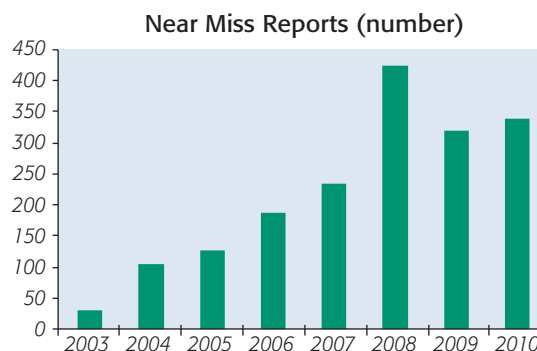
Safety is part of professional competence

We take responsibility for our employees' health, welfare and safety. We evaluate occupational health and work safety risks, we respond to deviations in safety as well as we train and familiarize our employees and subcontractors with safe working practices. Additionally we require that everyone who is working at the industrial area has a valid national occupational safety card, which is valid for five years.

A crucial part of Zero Accident Culture is to support reporting of near miss incidents. These near miss reports are important tools to improve work safety and prevent future accidents. The number of reports we have received on near miss incidents has increased more than tenfold since 2002.

In 2010 our lost time accident frequency was 4,7 accidents per million work hours (LT11, accidents that cause one day absence). The equivalent average for corporations operating in Finland and committed to the Responsible Care programme was 13,8. Our average days of absence was 6,7 per accident.

Improving work hygiene and minimising exposure are important parts of occupational health and work safety. With occupational measurements we monitor the quality of internal air and human exposure with biological measurements. We reduce exposure with the help of guidance and personal protectors as well as by developing working practices and process equipment.



We support our employees' sports activities.

Risks under control – help is nearby

At our factory a detailed safety clarification has been drawn up according to SEVESOII. In case of emergencies, hazardous chemicals have been evaluated with the help of different risk management tools. Rescue plans have been developed for the industrial area and we have our own fire brigade as well as first aid personnel at the industrial area.

Operational principles of OMG Kokkola Chemicals Oy

Business concept

OMG Kokkola Chemicals Oy is the world's leading producer of cobalt and cobalt-based special chemicals. We produce and develop products using demanding raw materials for customers to receive the best benefits of the unique characteristics of cobalt. Our goal is to be the quality leader in the most demanding application areas. We aim to expand our operation to products of higher degree of processing with the help of research and development.

Key principles

We emphasize good profitability. We ensure our competitiveness by developing the production process and by improving internal efficiency so that our operation is profitable in all market conditions.

We operate in a customer-oriented manner. We explore the needs and expectations of the customers. We produce and develop products that enable our customers to achieve their own goals. We know the use of our products throughout the supply chain and advise customers on safe use. We offer our customers recycling solutions to cobalt.

We commit to the requirements concerning the operation. We follow international standards in our management system. We comply with applicable laws, EHS policy, code of conduct and ethics of OM Group, principles of the Responsible Care program and other obligations we have committed to. We always certify that our acquired raw material is produced ethically and legally as well as according to the principles of sustainable development and the international labour organization (ILO). We also require that our partners operate in accordance with our principles.

We ensure a safe working environment. We aim to identify and control in advance harmful environmental,

occupational health and safety influences and risks. We maintain employee working skills by regular training.

We emphasize personal responsibility. In our company everyone is responsible for the quality of work. Everyone is obligated to actively develop and maintain their professional skills, to follow instructions and to inform if they observe any environmental or work safety risks.

We improve our operation continuously. Operational development is based on quality and operational plans. We regularly observe the fulfilment of our goals. Deviations are handled openly and quickly.

Goals of our operation

- To ensure profitability and liquidity
- To increase internal and external customer satisfaction
- To develop new products and customer solutions according to the corporation's strategy
- To minimize emissions and waste, to increase recycling of waste
- To optimize the use of raw materials, process chemicals and water as well as to increase energy efficiency
- To maintain and develop professional skills, welfare and working ability of our personnel
- To improve safety of the working environment
- Zero accidents, to minimize damages and potential incidents

Kokkola 6th April 2011



Jöran Sopo
President



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