



OKMETIC 2021

SOCIAL RESPONSIBILITY REPORT

CONTENT

SOCIAL RESPONSIBILITY REPORT 2021	2
Report description	2
Publishing the report	2
OKMETIC	3
Tomorrow's solutions are built on silicon	3
The widest wafer selection in the market	4
Customization enables the best performance of the silicon wafer	4
Global service network – production in Finland	4
YEAR 2021 IN BRIEF	5
PRESIDENT'S REVIEW	6
STRATEGY AND VALUES	7
SOCIAL RESPONSIBILITY AT OKMETIC	8
Responsible manufacture of high-performance silicon wafers	8
The silicon wafer makes the world go round	8
Products	8
Quality as the cornerstone of operations	9
Stakeholders	9
Fundamental themes	10
Okmetic social responsibility program	11
THEMES OF RESPONSIBILITY	13
Personnel as the cornerstone of success	13
Focus on health and safety	15
Monitoring environmental impacts	16
Environmental policy	17
Carbon footprint	18
Business ethics	19
Managing responsibility	19
GRI	21
CONTACT INFORMATION	22

REPORT DESCRIPTION

Okmetic's corporate social responsibility report 2021 outlines the most central aspects and impacts of responsibility in the company operations, as well as ways to improve corporate responsibility in various areas. The primary stakeholders of this report are our customers, personnel, partners and other stakeholders in the society as well as owners.

The report first briefly introduces Okmetic and its strategy and company values. It then outlines the targets, fundamentals and management model for responsibility, as well as the responsibility development program. Okmetic has adopted The Responsible Business Alliance's (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Code of Conduct as guidelines for socially responsible operations. This Code of Conduct categorizes social responsibility as follows: responsibility for personnel, responsibility for occupational safety and health, environmental policy, business ethics and management system.

Principles, practices and development of social responsibility, as well as achieved results, are presented separately for each area. The presented information is disclosed in a GRI table at the end of the report.

PUBLISHING THE REPORT

The report is published annually in Finnish and in English as a pdf document on the website (www.okmetic.com). It is not available as a printed version, but it can be printed from pdf. The previous social responsibility report was published in April 2021, and the next report will be published in early 2023.

OKMETIC

TOMORROW'S SOLUTIONS ARE BUILT ON SILICON

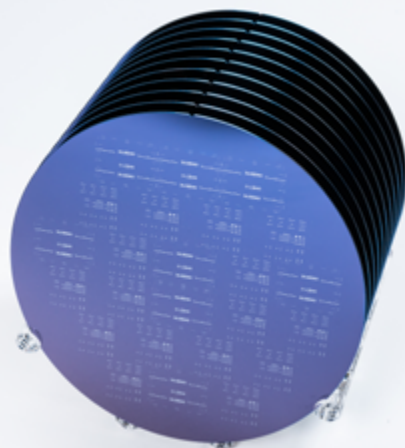
Okmetic, established in 1985, is part of the semiconductor industry value chain and a technological forerunner. We supply customized silicon wafers for the manufacture of MEMS, sensor, radio frequency and power devices. Our customers are the world's leading semiconductor companies. Semiconductor devices manufactured by them are used, for example, in smartphones and portable devices, automotive electronics, industrial process control and medical devices, applications and devices related to the Internet of Things

(IoT) and solutions related to power supply and efficiency improvement.

The company's silicon wafer plant and headquarters are located in Finland, where the majority of the company's silicon wafers is manufactured. In addition to own manufacturing, the company also has contract manufacturing in Asia. Okmetic is owned by NSIG, a Chinese stock listed company. Okmetic has nearly 600 employees, and its net sales in 2021 were 128 million euro.



We are part of global technological development and involved in building a smarter, safer and more energy-efficient future.



GLOBALLY NEAR THE CUSTOMER



GLOBAL SERVICE NETWORK – PRODUCTION IN FINLAND

Okmetic has a global customer base and sales network based in Finland, Germany, the United States, Japan and China. In addition, the company has sales agents in South Korea, Malaysia, Singapore and Taiwan. The majority of the company's silicon wafers are manufactured in Vantaa, Finland. The company also has contract manufacturing in Asia. The Vantaa plant has been expanded and its capabilities have been developed with major investments in recent years.

THE WIDEST WAFER SELECTION IN THE MARKET

Okmetic has the most extensive 150 to 200mm silicon wafer portfolio in the market, comprising of comprehensive lines of SOI wafers and High Resistivity RFSi® wafers as well as Patterned wafers, SSP and DSP wafers, TSV wafers and wafers for power devices.

CUSTOMIZATION ENABLES THE BEST PERFORMANCE OF THE SILICON WAFER

What makes Okmetic's silicon wafers unique is that each batch is customized to the customer's product, process and technology needs and manufactured in volume production. The manufacturing process begins from crystal growing during which many of the wafer parameters are being defined. Customer specific tailoring ensures optimum wafer performance, which can improve the customer's yield and streamline their

process. Above all, it supplies a platform for the development of new, advanced devices with increased performance and functionality, shorter time-to-market as well as cost-effective volume production. In many cases, Okmetic collaborates with the customer from the early stages of their product development process throughout the life cycle of their products.



YEAR 2021 IN BRIEF

Net sales were again record high and amounted to 128 million euro. The number of employees was record-breaking as well: at the end of the year, the amount of personnel was 588.

Okmetic was granted The Responsible Business Alliance's (RBA) remote audit recognition for social responsibility.

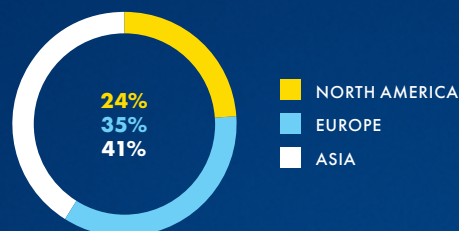
Precautions caused by the corona pandemic were widely used also in 2021, but the production of silicon wafers continued without breaks through the whole year.

In the spring of 2021, a new product was launched for the mobile phone filter market. The UF-RFSi® wafer complements the company's high resistive RFSi® product family and addresses the challenges posed by 5G.

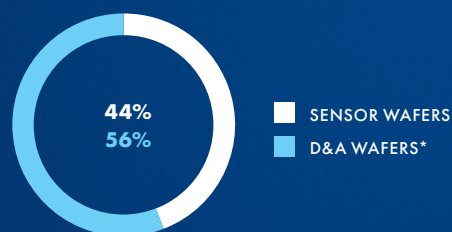
Investments at the Vantaa plant continued, with investments totaling more than 100 million euro in 2017–2021.

In 2021, exactly 20 years had passed since Okmetic introduced bonded SOI wafers. Thanks to bonding process, the device layer of the SOI wafer can be made much thicker than with competing SOI technologies.

**NET SALES
PER MARKET AREA**

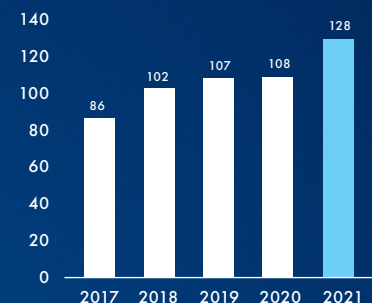


NET SALES PER CUSTOMER AREA

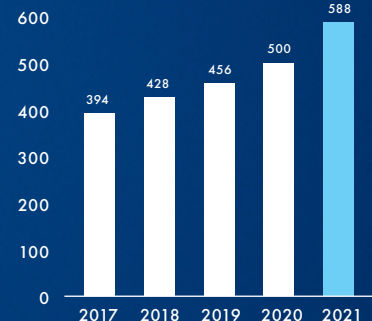


*D&A (Discrete and Analog) includes wafers for RF filters and devices as well as for power devices.

NET SALES (million euro)



PERSONNEL at the end of the period



128_{M€}

NET SALES IN 2021

18%

CHANGE IN NET SALES

588

**PERSONNEL
31 DEC 2021**

18%

CHANGE IN PERSONNEL



We have developed our operations from the standpoint of responsibility, and our company was granted the RBA remote audit recognition for social responsibility.

PRESIDENT'S REVIEW

March 2022

Dear reader,

To Okmetic, responsible business means equal consideration of environment, people and economic factors. As the business grows and quality and responsibility requirements in the semiconductor industry become stricter, we want to continue improving as a responsible employer and collaboration partner. We have adopted the ethical guidelines of The Responsible Business Alliance (RBA) – which is a prevailing practice in this industry – as guidelines for our socially responsible operation. We comply with the guidelines in our operation, but require our contract manufacturers and other suppliers to accept them too.

We deliver demanding customized silicon wafers to customers of the semiconductor industry. These wafers are used in smartphones and tablets, safety and electronic devices in cars, and solutions related to industrial process control, medical science, and power supply improvement. Technology plays a central role in solving many future challenges, and with advanced solutions, we are involved in creating a smarter, safer and more energy-efficient future.

The global shortage of semiconductor components received a lot of attention in 2021. We are involved in these production chains at Okmetic, and market prospects predict a more favorable direction in 2022 as well. In 2021, our net sales reached a new record, and the number of our personnel was also higher than ever before. At the same time, our operation has been developed from the standpoint of responsibility, and our

company was granted the RBA remote audit recognition for social responsibility.

This is now the second year that has passed under the impact of the corona pandemic, and the entire world has had to learn new rules. Living under restrictions has affected all of us, but we as a company have survived through the coronavirus period without any major hardships. The practices we have learned have helped us navigate under the exceptional circumstances, and we have operated without disruptions throughout 2021.

As I am writing these lines, the world has been devastated by the war in Ukraine. We can only hope that peace will once again prevail in Ukraine as swiftly as possible to end human suffering. Unlike many operators in the semiconductor industry, Okmetic's supply chain does not extend to Russia, Belarus or Ukraine. However, challenges related to delays in the logistics chain or rising energy prices still concern us too, although it is impossible to evaluate the magnitude of these challenges at this point.

Although our company has very little impact in alleviating the crisis, we have made a donation through the Finnish Red Cross and we aim to support our personnel, customers and other stakeholders during these difficult times – responsibility for community and people is right now the most central area of responsibility.

Kai Seikku

President and CEO

STRATEGY AND VALUES

Okmetic supplies high value-added silicon wafers in high volumes to the largest players in the semiconductor industry for the manufacture of sensors, discrete semiconductors and analog circuits. Okmetic provides its customers with solutions that boost their competitiveness and profitability. Okmetic's strategy aims for profitable growth based on the company's key core competencies and the commercialization of product development projects. The implementation of the strategy is based on core competencies, such as crystal growing, the production of demanding specialty wafers, and customer relationship management. The preconditions for the strategy's success and profitable growth are competent and motivated personnel, efficient and flexible in-house production, reliable contract manufacturers, and a global sales network. Contract manufacturing increases the flexibility of production capacity.

VALUES GUIDING OKMETIC'S OPERATIONS



**Know-how
and continuous
improvement**



**Customer
orientation
and cooperation**



Profitability



Okmetic's
strategy aims
for profitable
growth.





We ensure ethical practices throughout our supply chain and take care of the safety and well-being of our personnel.

SOCIAL RESPONSIBILITY AT OKMETIC

Responsible manufacture of high-performance silicon wafers

Okmetic develops and offers its customers high-performance silicon wafers. Our promise of responsibility is based on the careful performance of this task. We are a technological pioneer and the best partner for our customers, contract manufacturers and suppliers. Our goal is to provide customers with quality and customized solutions that enable the efficiency of their products.

On the other hand, we invest in the precise use of all resources in our own operations and strive to minimize negative environmental impacts. We ensure ethical practices throughout our supply chain and take care of the safety and well-being of our personnel.

The silicon wafer makes the world go round

As a responsible company, Okmetic aims to increase its handprint by promoting positive effects that it produces to the surrounding world, while also reducing its footprint by diminishing all the negative effects of its operations. Okmetic's handprint consists of silicon wafers that function as a platform for the manufacture of MEMS, sensor, radio frequency and power devices. These components are used in, for example, smartphones and other portable devices, game

consoles, automotive electronics as well as applications related to industrial process control, medical applications and Internet of Things (IoT). Okmetic's footprint, on the other hand, mainly stems from energy consumption, use of polysilicon, mixed acid waste as well as water and chemical consumption.

PRODUCTS

- SOI wafers (Silicon-On-Insulator); BSOI, C-SOI® and E-SOI®
- Patterned wafers
- TSV wafers (Through Silicon Via)
- High resistivity RFSi® wafers
- SSP wafers (single side polished)
- DSP wafers (double side polished)
- Wafers for Power

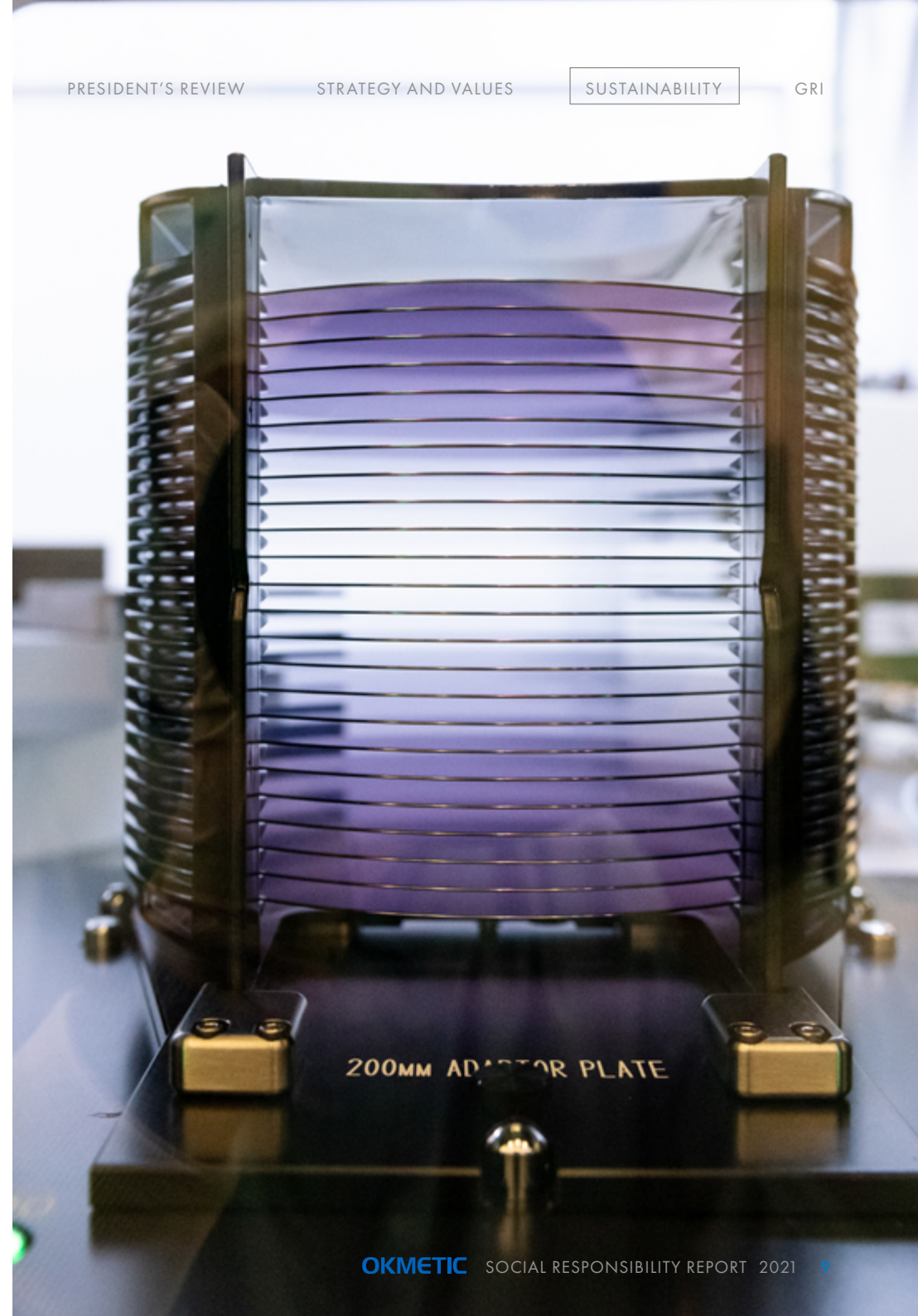
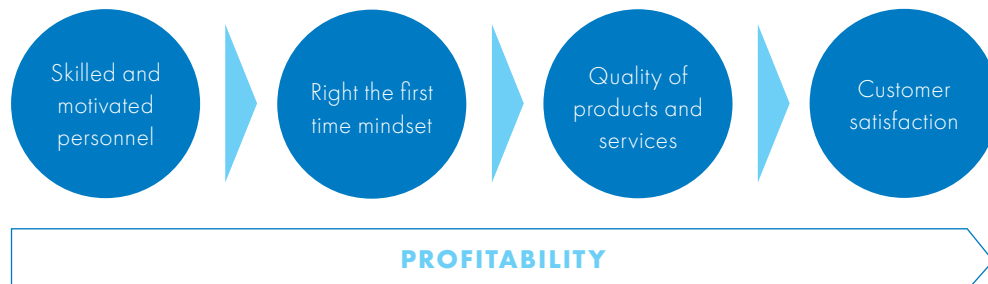
Quality as the cornerstone of operations

Okmetic's operations are based on fulfilling high quality standards on a daily basis. The principles of sustainable development and quality practices are the core aspects of Okmetic's operations and management system. Each employee knows that they are responsible for fulfilling the company's quality and environmental objectives. The quality and environmental management at Okmetic is based on certified operational systems, development projects, and use of quality tools. The company uses quality and environmental systems compliant with the ISO 9001:2015, ISO 14001:2015, and IATF 16949:2016 standards. In addition, a preliminary study of the occupational safety and health system, ISO 45001, implementation will be done in 2022. Okmetic requires its key contract manufacturers and suppliers to be certified to ISO 9001 and ISO 14001. Okmetic's operations also fulfill the requirements of the REACH regulation, RoHS directive, and GADSL.

STAKEHOLDERS

- Customers
- Personnel and potential new employees
- Contract manufacturers, raw material suppliers, equipment manufacturers and other partners such as financiers and insurance companies
- Surrounding society (especially the city of Vantaa), public authorities, educational and research institutes and immediate neighborhood
- Owner (Chinese listed company NSIG)

OKMETIC QUALITY POLICY



Fundamental themes

Taking care of the responsibility in Okmetic's operations and developing it are the lifeline of the company's success. Compliance with social responsibility fulfills the demands of all company stakeholders. Okmetic has defined the most fundamental aspects of its corporate responsibility and categorized them into financial, social, and environmental responsibility. Okmetic has adopted The Responsible Business Alliance's (RBA) Code of Conduct that is used commonly in the industry as guidelines for socially responsible operations. This Code of Conduct categorizes social responsibility as follows: responsibility for personnel, responsibility for occupational safety and health, environmental policy, business ethics, and management system. As for financial responsibility, Okmetic aims to be a stable and reliable company. It focuses on maintaining supply and competition, securing the profitability of its operations, and being reliable as a collaborative partner. Environmental responsibility emphasizes resource-efficient and continually developing production. Social responsibility involves themes such as a responsible employer and inspiring working community.

ECONOMIC RESPONSIBILITY

Maintaining supply competitiveness

- High-performance silicon wafers tailored to customer needs
- Meeting customers' high quality standards
- Continuous product development and innovation of new solutions, active research/educational cooperation
- Taking care of IPR rights and fulfilling product liability

Ensuring the profitability of company's operations

- Efficient utilization of resources and utilization of the network in fluctuations in demand
- Securing growth opportunities

Reliability as a partner

- Maintaining good customer and partner relationships
- High business ethics
- Good corporate citizen

ENVIRONMENTAL RESPONSIBILITY

Efficient production and continuous improvement

- Optimization of energy and water consumption in relation to production volumes
- Identifying potential hazards and avoiding risks
- Efficient product and raw material logistics
- Reducing the environmental impact of other own activities

High quality raw materials and their careful use

- Ensuring the quality of raw materials and their efficient use
- Careful handling of hazardous substances

SOCIAL RESPONSIBILITY

Reliable and stable employer

- Appreciation of work and competence
- Responsible working conditions and competitive conditions of employment
- Rewarding and fair pay
- Positive employer brand image and good development opportunities
- Active cooperation with educational institutions

Healthy work community

- Taking care of occupational safety and health
- Development of competence and motivation
- Maintaining community and community spirit
- Promoting equality and guaranteeing equal rights for all

Responsible sourcing

- Ensuring ethical practices throughout the supply chain

OKMETIC SOCIAL RESPONSIBILITY PROGRAM 1/2

AREA	MEASURES	OBJECTIVES	SCHEDULE	COMPLETED
ETHICS	Reform and implementation of information security policy Developing the customer quality experience	Raising the level of security Quality assessment and development beyond product quality	2021–	
PERSONNEL	Development of line management Equality plan Development of internal communication, Intranet project in a key role Developing awareness and the image of the employer Strengthening student cooperation	Development of well-being at work Promoting equality and agreeing on implementation, responsibilities, resources, information and follow-up. Better internal communication and discoverability of information Enabling access to resources and thus growth and profitability Finding experts for jobs, internships and theses	2020– 2020– 2021– 2022– 2021–	 x
MANAGEMENT	Development of digital marketing and communication channels Introduction of a corporate social responsibility self-assessment form for suppliers Development of a risk management model related to corporate social responsibility Development of 5S activities Updating the operating model of the ethics channel	Improving the customer experience, supporting recruitment, developing internal communication Improving supplier network management Better anticipation and management of risks and raising awareness Improving the quality of operations Upgrading the internal reporting channel to comply with the Whistleblow Directive	2021– 2021 2020– 2022– 2021	 x x x

Continues on the next page.

OKMETIC SOCIAL RESPONSIBILITY PROGRAM 2/2

AREA	MEASURES	OBJECTIVES	SCHEDULE	COMPLETED
HEALTH AND SAFETY	Review of production workstations with an occupational physiotherapist	Improving ergonomics and well-being at work and reducing the number of sick leaves	2020–	x
	Development of remote work ergonomics e.g. via equipment purchases	Improving ergonomics and well-being at work and reducing the number of sick leaves	2020–	
	Non-smoking and drug-free working environment	Supporting the health of employees (Okmetic non-smoking workplace since 2019, substance abuse program updated in 2020)	2019–	
	Proactive occupational safety measurement and its development	Improving occupational safety	2021–	
	Measurement of well-being at work and measures	Improving well-being at work and reducing the number of sick leaves	2022–	
	Early support model, developing the operation model and updating documentation	Improving well-being at work and reducing the number of sick leaves	2022–	
	Update of risk management procedure for environmental and occupational safety risks	Better anticipation and management of risks	2022–	
ENVIRONMENT POLITICS	Reducing energy consumption: Replacing lighting with LED technology	75 % of the production lighting with LED lamps calculated from the floor area	2021	x
	Reducing chemical consumption and the amount of waste	Reducing the chemical consumption of the new acid etching machine by approximately 50% from 2020	2021–	
	Creating a roadmap for carbon neutrality	Systematic operation of sustainable development	2022–	
	Reducing energy consumption: Replacing lighting with LED technology	Extending LED lighting throughout the property to 80%	2022–	
	Increasing heat recovery	Waste heat recovery from SOI water cooler room ventilation for air conditioning heating. Savings of 50 MWh/a in district heating consumption	2022–	
	Reducing electricity consumption in crystal growth	With the defined crystal growth furnaces, the goal is to save 5 kWh/kg	2022–	
	Reducing chemical consumption and the amount of waste	Reducing REACH SVHC consumption in the laboratory Aim for a 30% reduction in the use of the REACH SVHC substance	2022–	

THEMES OF RESPONSIBILITY

Personnel as the cornerstone of success

Okmetic's corporate culture has been refined through several decades and is based on customer orientation, collaboration, competence, and continuous improvement. Okmetic has developed its unique technology competence by itself, and the company has always been ready to innovate and take its business operations to the next level. Learning new things, solving problems and adapting to changing situations have given the company a strong belief in that it can respond to customer needs in the future as well. A growing technology company operating in the international market provides interesting work to newcomers as well.

The demand for Okmetic's solutions has been growing for years, so the company has invested heavily in expanding its plant located in Vantaa. This has also manifested as a need for more personnel, which is why the company has recruited more experts to various tasks over the past few years. In 2021, the average number of personnel was 570 (498). At the end of the year, the company had 588 (500) employees, which means an increase of 17.6 (9.6) percent compared to the previous year. Of the personnel, 577 worked in Finland, four in the US, six in Japan and one in Germany.

Okmetic wants to be a reliable and stable employer. Although the demand for Okmetic's end products varies, the company has been able to offer a stable working environment and to avoid personnel adjustment measures for over a decade.

Moreover, Okmetic aims to provide its personnel possibilities on career development. Special attention is paid to induction and training of new employees, and employees are encouraged to active learning at work. External training is also used to improve expertise. In 2021, Okmetic arranged on average 1.5 (1.7) training days per employee. No regular in-house training was provided for production employees, but the training focused on equipment


familiarization instead. Trainings for white-collar employees were mainly provided as remote implementations due to the corona pandemic.

The measures already started to support well-being at work were continued. These include annual competence development activities for various personnel groups with an emphasis on occupational well-being management in supervisory work, early support in work ability management, the operation of a senior club for people over 50 within the framework of corona restrictions, and sports and cultural support services for all personnel.

One of Okmetic's competitive factors is fair and motivating remuneration. Salary is based on the complexity of work among all groups of personnel, and each group is also part of an incentive scheme. Blue-collar employees are paid a monthly productivity bonus for achieving set targets. The incentive scheme bonuses for white-collar employees are based on profitability, financial and operating targets of Okmetic Group, which are adopted annually for a year at a time by the board of directors. The Group's parent company complies with the collective labor agreements of the Technology Industries of Finland. In 2021, the salaries and remuneration amounted to 38.9 (32.6) million euro.

Motivated and satisfied employees form prerequisites for growth and success. Okmetic actively focuses on well-being and positive team spirit using various methods, which leads e.g. to long-term employments. The average length of employment is nearly 10 years.

The state of occupational well-being is measured annually. An occupational well-being survey covering the year 2021 was conducted in January 2022. Based on the measurement, the level of well-being at work as a whole has remained at the same level without major changes in one direction or another. The results will be discussed in teams during the spring of 2022. The development of

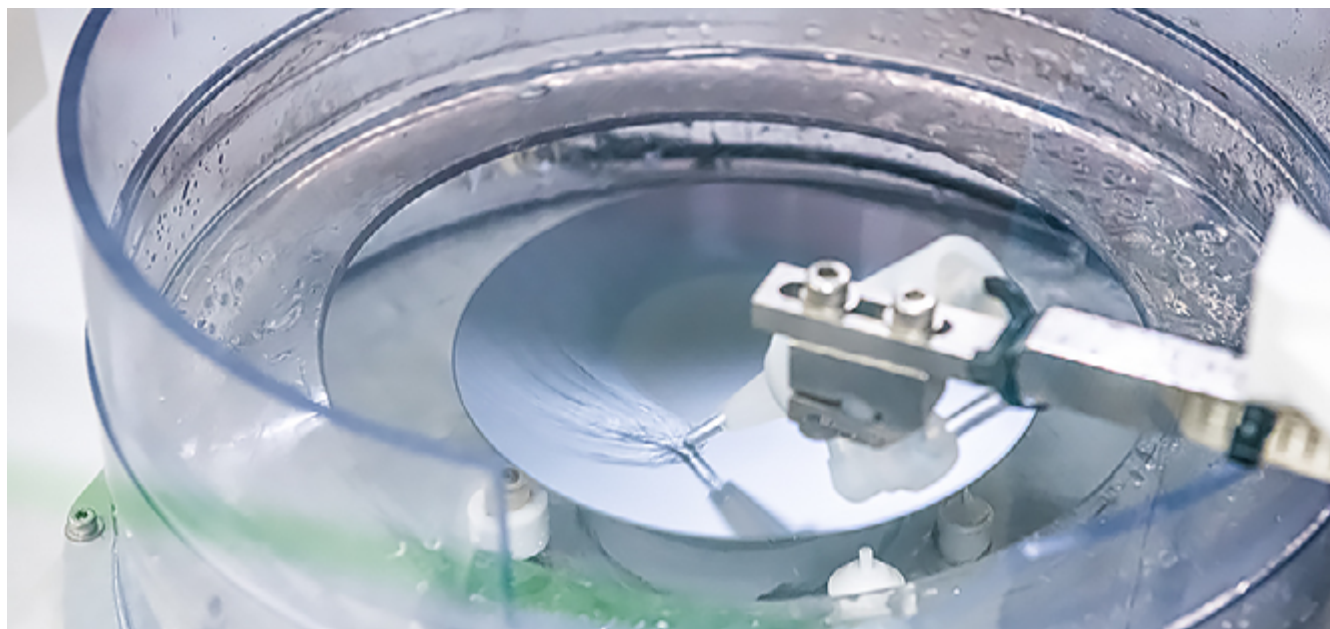


Okmetic aims to provide its personnel possibilities on career development.

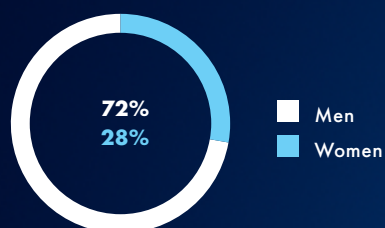
supervisor work and the management of mental work ability were already identified as areas for development in the previous survey and are still being focused on. The recreational activities of the whole house will also be activated after a few years of activity restricted by the COVID-19.

The company works continuously with occupational health service provider and the occupational pension insurer. The aim of the cooperation is preventive work ability management. Okmetic aims to improve its working conditions continuously by focusing on aspects such as ergonomics.

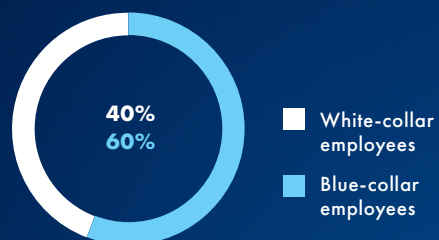
Okmetic is committed to value the human rights of its employees and to treat employees with respect according to international standards. Okmetic does not tolerate any inappropriate or discriminatory behavior, discrimination or inhuman treatment. The employees have the right to join and form trade unions. Okmetic has a feedback channel that the personnel can use to offer anonymous feedback related to the company. They can also use it to ask questions or provide suggestions.



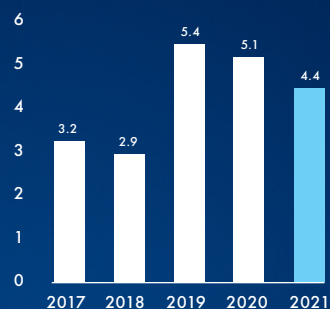
GENDER DISTRIBUTION OF PERSONNEL



DISTRIBUTION OF PERSONNEL PER WORKING AREAS

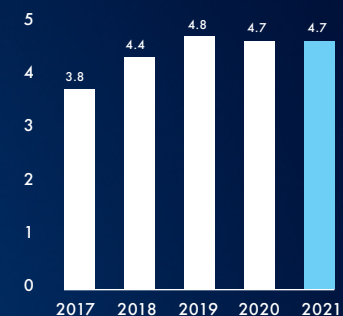


WORK PLACE -RELATED INJURY FREQUENCY*



* The number of work place-related injuries per million working hours that cause a sick leave of longer than three days.

SICKNESS ABSENCES*



* All absences related to sickness or accidents, percent of the year's total working time.

Focus on health and safety

Maintaining the occupational health and safety of the personnel is important for us. As in the previous year, the corona pandemic affected Okmetic's operations in many ways also in 2021. Okmetic initiated precautions to protect the health of personnel and customers in accordance with the authorities' guidelines and the risk assessment carried out in cooperation with the occupational healthcare service. Production operations continued as usual, but cleaning and disinfecting the premises was intensified and employees were instructed to take care of good hand hygiene, maintain safe distances to each other, and wear face masks. White-collar employees worked from home as much as their tasks allowed it, and traveling was minimized. The guidelines were amended several times during the year as required by the pandemic situation. All employees were instructed to contact the occupational healthcare and get tested for the COVID-19 even for the slightest symptoms of flu.

The health of the personnel remained good throughout 2021. There were some COVID-19 infections, but these did not have a notable impact on the health of the personnel nor the functionality of the company. The number of sick leaves in 2021 was at the same level as in the previous year.

Okmetic monitors the development of occupational health and safety based on the number of sick leaves and accidents. All absences related to sickness or accidents constituted 4.7 (4.7) percent of the year's total working time. In 2021, there were 20 accidents at work that resulted in absence. Workplace-related injury frequency, which refers to the number of workplace-related injuries per million working hours that cause a sickness leave of longer than three days, was 4.4 (5.1). Okmetic's disability pension contribution category in 2021 was eight (8), and for the year 2022 it has been lowered to category one.

Okmetic aims to avoid accidents by keeping the risk assessment of production up-to-date and the personnel aware of safety requirements. Order and cleanliness are also integral elements of occupational safety. The safety status is continuously monitored at different levels of operations. Close call situations and accidents

are investigated and reported immediately. The occupational safety committee performs scheduled safety checks in the working areas according to the preliminary plan.

Okmetic is a member of the Nollis forum. The forum is a network of workplaces that aims to constantly improve occupational safety and well-being, as well as spread positive practices. Moreover, Okmetic has taken a more active role in increasing the number of safety-related observations as well as general safety awareness at every level of the organization.

Okmetic's occupational health services are provided by an external service provider. Targets are set with regard to employees' occupational health, the quality of services as well as cost level. Occupational health is monitored through quarterly reviews with the service provider. Okmetic has focused especially on the prevention of musculoskeletal disorders by carrying out ergonomics studies and improvements both in production and office environment. In the future, the focus will be in the development of the early support model and the management of mental work capacity.

WORK PLACE -RELATED ACCIDENTS IN 2020

LTI 30 (30 days or more)	1
LTI 4 (4 days or more)	3
LTI 1 (1–3 days)	3
MTI, treatment needed (absence less than one day)	13
Reported accidents total	20



Monitoring environmental impacts

Okmetic has recognized the environmental aspects at the plant ever since its construction stage and still recognizes them in its daily operations. Environmental risks are identified and managed under the entire company's overarching operations as well as individual processes. Preventive planning is an important aspect in the management of environmental risks.

Energy consumption, use of poly silicon, the amount of mixed acid waste as well as water and chemical consumption have all been identified as significant environmental factors in the company and are regularly measured and monitored.

Okmetic aims to optimize the use of natural resources in relation to the production volume with efficient production and continuous improvement. The environmental aspects are already recognized when planning the products and operations. Sustainable operations contribute to Okmetic's competitiveness and profitability.

Okmetic has a valid environmental permit, and it manages operations based on its environmental policy. Environmental policy consists of three principles, which are compliance with legislation and regulations, prevention of emissions and minimization of risks, as well as continuous improvement. The environmental sustainability of products and operations are also developed by utilizing the environmental management system and results of customer audits.

Okmetic monitors its consumption of natural resources, energy and water and tries to minimize it with development. Waste accumulation is also monitored. Okmetic has responded to the increase in hazardous waste caused by bigger production volumes. The possibilities for reducing it are being explored.

Okmetic develops its energy consumption habits by utilizing an energy audit by an external operator that has also presented various recommendations. The audit is performed every four years and was last performed on 9 January 2020. The audit concerns surveillance of electricity, energy and water consumption. According to the audit, crystal growing, cutting and slicing take up most of the electricity consumption. Additionally, ventilation and lighting increase the electricity consumption. Ventilation and heating

of process water consumes a significant portion of district heating. Production also takes up most of water consumption.

In 2021, Okmetic did not experience any environmental non-conformities.

Significant environmental risks are mainly caused by the use of hazardous substances, such as acids and bases. Their storage and use have strict regulations. Finnish Safety and Chemicals Agency Tukes has specified maximum quantities of stock for hazardous chemicals. Tukes performs its check-up at Okmetic every four years. The inspection was last performed on 28 February 2019.

Quality assurance on materials used ensures Okmetic's competitiveness. The quality of materials is ensured by defining their specifications that suppliers need to follow. Both national and international environmental and chemicals legislation set standards on the raw materials used by Okmetic. Okmetic follows developments to legislation and regulations so that it can adjust its operations to stricter regulations. The European Union updates its list regarding substances of very high concern (SVHC) in its chemicals legislation (REACH).

In 2021, Okmetic had two environmental projects: Energy consumption was reduced by replacing lighting with LED technology. The goal was to have 75 percent, calculated from the floor area, of the production lighting with LED lamps and to achieve 2/3 energy savings per lamp replaced. The project was completed during 2021. The goal of the second project was to reduce both the chemical consumption of the new acid etching machine and the amount of mixed acid waste generated by the machine by 50 percent compared to the previous year. Monitoring of the project will continue until H1/2022.

Okmetic's Vantaa plant has the following quality and environmental certificates: IATF 16949, ISO 9001:2015, and ISO 14001:2015. Moreover, the company products meet the requirements set by RoHS directive. Okmetic requires its most important contract manufacturers and suppliers to comply with the ISO 9001 and ISO 14001 certifications.

OKMETIC ENVIRONMENTAL POLICY



Compliance with laws
and regulations

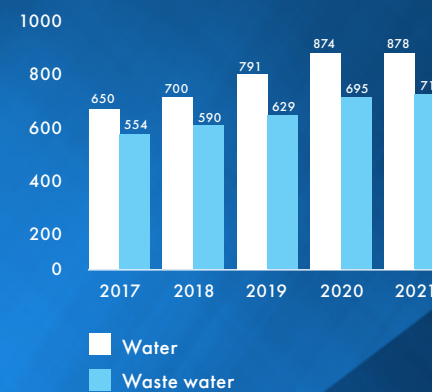


Continuous
improvement

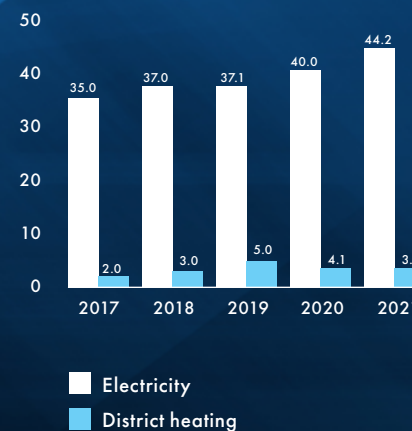


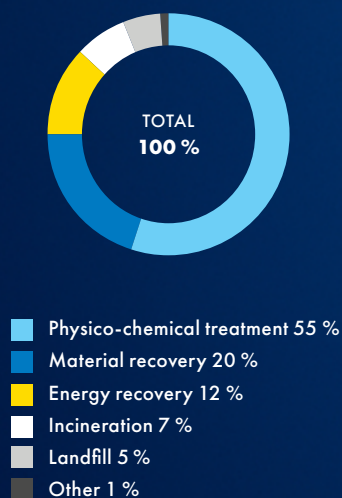
Emission prevention
and risk minimization

WATER CONSUMPTION (tm³)



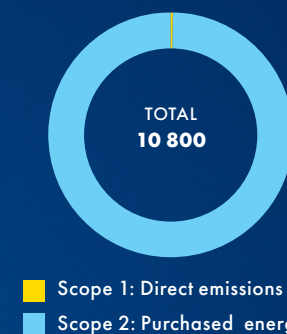
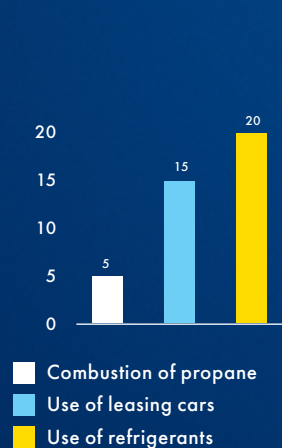
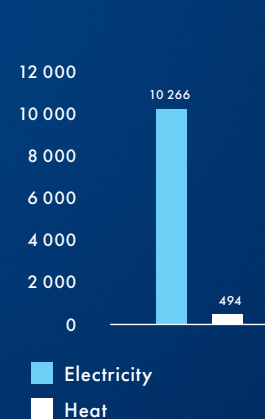
ENERGY CONSUMPTION (GWh)



WASTE VOLUMES (tn)**WASTE DISPOSAL METHODS****Carbon footprint**

Carbon footprint of Okmetic Oy has been calculated according to GHG Protocol (Corporate standard). The operations of the Vantaa plant (Piiitie 2, Vantaa Finland) have been included in the calculation. Results represent potential GHG emissions of Okmetic Oy in 2021 calculated on the basis of information provided by Okmetic Oy.

In 2021, total emissions (Scope 1 and 2) were 10,800 tn CO₂ eq. (10,567). The amount of direct emissions was 40 tn CO₂ eq. (46) and the amount of energy purchased was 10,266 tn CO₂ eq. (10,521).

SCOPE 1 AND 2 (TN CO₂ EQ.)**DIRECT EMISSIONS AND PURCHASED ENERGY****SCOPE 1 (TN CO₂ EQ.)****DIRECT EMISSIONS – PRODUCTION PLANT AND COMPANY OWNED VEHICLES****SCOPE 2 (TN CO₂ EQ.)****PURCHASED ENERGY – ELECTRICITY AND HEAT**

Business ethics

Okmetic complies with the following ethical principles in its business:

OUR ETHICAL PRINCIPLES

- Our business decisions and trade methods are transparent and ethically sustainable
- We are committed to maintain and transfer only accurate information
- We manage confidential information in a manner that confidentiality is maintained
- We respect intellectual property rights
- We do not use conflict metals
- We protect our registry information in accordance with rules and legislation

Okmetic does not tolerate any form of bribery, corruption, extortion or embezzlement within its areas of operation. Okmetic's personnel have the right to bring up any concerns related to business ethics anonymously and without a fear of counter or punitive measures. Other stakeholders also have this right. For this purpose, Okmetic has an electronic reporting channel where everyone can share their thoughts anonymously. In 2021, there were no announcements (0).

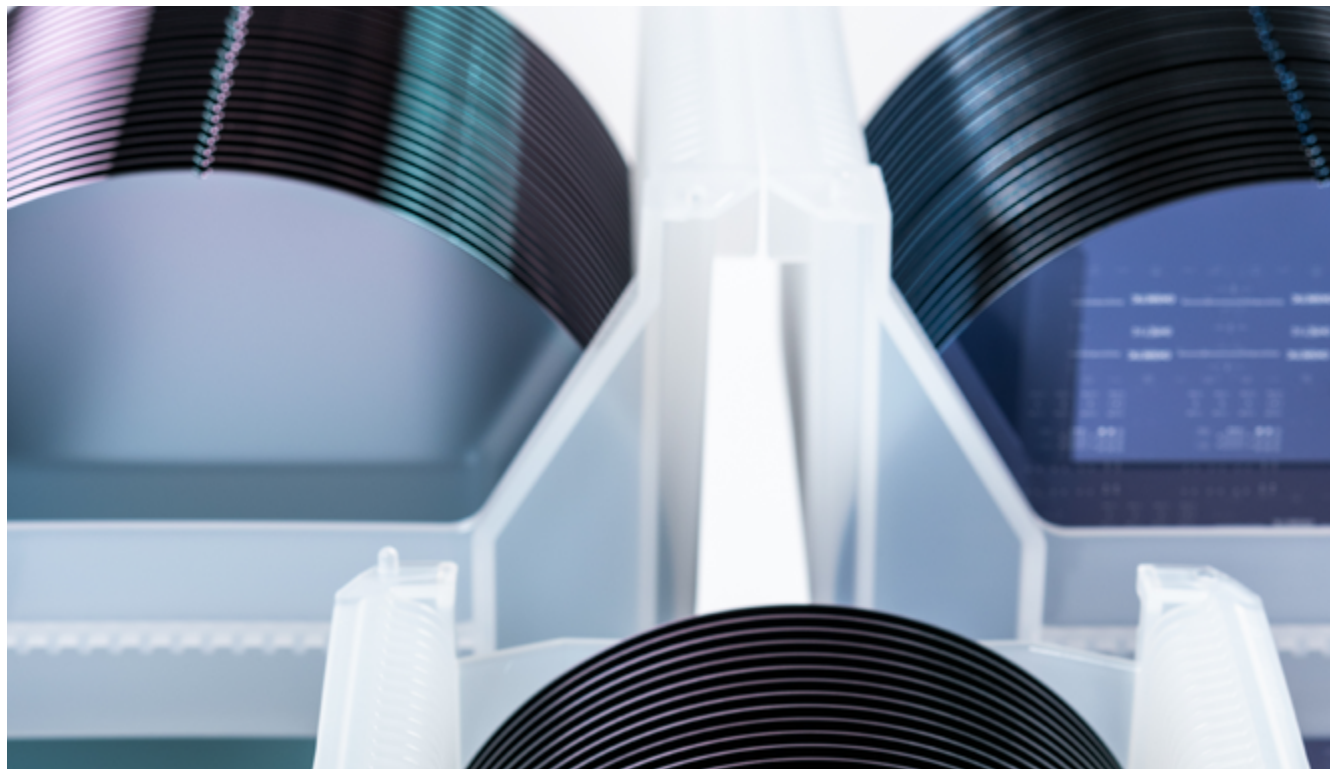
Managing responsibility

Social responsibility belongs to everyone at Okmetic. Compliance and development of responsibility is led by the President and CEO together with the executive management group. Among the members of the executive management group, corporate social responsibility is the responsibility of the director of human resources, IT and corporate social responsibility. The environmental management team is responsible for the practical implementation of

CSR management, and its area of responsibility also includes the environmental system, chemical safety, occupational safety and the responsibility of raw materials and waste. Okmetic's occupational health and safety committee is responsible for occupational health and safety cooperation. Responsibility related to well-being at work, working conditions and personnel is the responsibility of human resources management. Okmetic's equality plan is updated every three years and its statistical survey annually. The equality plan is monitored in cooperation with trustees.

In its administration, Okmetic complies with Finnish laws and regulations as well as its Articles of Association. Okmetic is subject to an audit in accordance with the Finnish Companies Act, and

separate financial statements are prepared for each operating period. Internal audits are held annually. The politics and ethical principles approved by the board of directors or executive management group, intended for governing viewpoints of responsibility in practical work, are compiled to be available for everyone in Okmetic's internal channel. The manual on social responsibility that contains a description of Okmetic's principles and practices is included in the induction of employees. A corporate social responsibility agreement has been signed with the main contract manufacturers and suppliers.





Okmetic's Social Responsibility Report 2021 has been prepared in accordance with the GRI Standards: Core option. The report has not been assured by an independent third party.

GRI NUMBER	GRI TITLE	PAGE	REPORT TITLE	ADDITIONAL INFORMATION
102: ABOUT THE ORGANIZATION				
102-1	NAME OF THE ORGANISATION	3	OKMETIC	
102-2	ACTIVITIES, BRANDS, PRODUCTS AND SERVICES	3-4, 8	OKMETIC, SOCIAL RESPONSIBILITY AT OKMETIC	
102-3	LOCATION OF HEADQUARTERS	4	GLOBAL SERVICE NETWORK – PRODUCTION IN FINLAND	HEADQUARTERS AND PLANT IN VANTAA, FINLAND
102-4	LOCATION OF OPERATIONS	4	GLOBAL SERVICE NETWORK – PRODUCTION IN FINLAND	
102-5	OWNERSHIP AND LEGAL FORM	3	TOMORROW'S SOLUTIONS ARE BUILT ON SILICON	
102-6	MARKETS SERVED	4, 5	GLOBAL SERVICE NETWORK – PRODUCTION IN FINLAND, YEAR 2021 IN BRIEF	
102-7	SCALE OF THE ORGANIZATION	3-5	OKMETIC, YEAR 2021 IN BRIEF	
102-8	INFORMATION ON EMPLOYEES AND OTHER WORKERS	5, 13-14	YEAR 2021 IN BRIEF, PERSONNEL AS THE CORNERSTONE OF SUCCESS	
102-9	SUPPLY CHAIN	9	QUALITY AS THE CORNERSTONE OF OPERATIONS	
102-10	SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN	5	YEAR 2021 IN BRIEF	
102-11	PRECAUTIONARY PRINCIPLE OR APPROACH	9, 15	QUALITY AS THE CORNERSTONE OF OPERATIONS, MONITORING ENVIRONMENTAL IMPACTS	
102-12	EXTERNAL INITIATIVES	9	QUALITY AS THE CORNERSTONE OF OPERATIONS	
102-13	MEMBERSHIP OF ASSOCIATIONS			TECHNOLOGY INDUSTRIES OF FINLAND, HELSINKI REGION CHAMBER OF COMMERCE, EXCELLENCE FINLAND, SEMI ORG.
STRATEGY				
102-14	STATEMENT FROM SENIOR DECISION MAKER	6	PRESIDENT'S REVIEW	
102-15	KEY IMPACTS, RISKS AND OPPORTUNITIES	8-11	SOCIAL RESPONSIBILITY AT OKMETIC	
VALUES AND PRINCIPLES				
102-16	VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR	7	STRATEGY AND VALUES	
102-17	MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS	19	BUSINESS ETHICS	
GOVERNANCE				
102-18	GOVERNANCE STRUCTURE	19	MANAGING RESPONSIBILITY	IN ACCORDANCE WITH THE COMPANIES ACT AND OKMETIC'S ARTICLES OF ASSOCIATION. THE BOARD OF DIRECTORS' REPORT IS AVAILABLE FROM THE FINNISH PATENTS AND REGISTRATION OFFICE.

GRI NUMBER	GRI TITLE	PAGE	REPORT TITLE	ADDITIONAL INFORMATION
STAKEHOLDERS				
102-40	LIST OF STAKEHOLDER GROUPS	9	QUALITY AS THE CORNERSTONE OF OPERATIONS	
102-41	COLLECTIVE BARGAINING AGREEMENTS			ON 31 DECEMBER 2021: 588 EMPLOYEES
102-42	IDENTIFYING AND SELECTING STAKEHOLDERS	9	QUALITY AS THE CORNERSTONE OF OPERATIONS	STAKEHOLDERS IDENTIFIED WHEN DEFINING THE FUNDAMENTAL ASPECTS
102-43	APPROACH TO STAKEHOLDER ENGAGEMENT	9	QUALITY AS THE CORNERSTONE OF OPERATIONS	
102-44	KEY TOPICS AND CONCERNS RAISED	10	FUNDAMENTAL THEMES	
REPORTING METHOD				
102-45	ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS			SALES OFFICES OKMETIC K.K. AND OKMETIC INC.
102-46	DEFINING REPORT CONTENT AND TOPIC BOUNDARIES	2	CONTENT, REPORT DESCRIPTION	
102-47	LIST OF MATERIAL TOPICS	10	FUNDAMENTAL THEMES	
102-48	RESTATEMENTS OF INFORMATION			THE PREVIOUS REPORT WAS PUBLISHED IN APRIL 2021.
102-49	CHANGES IN REPORTING			THE PREVIOUS REPORT WAS PUBLISHED IN APRIL 2021. NO CHANGES IN SCOPE OR LIMITATIONS OF CONSIDERATION.
102-50	REPORTING PERIOD	2	PUBLISHING THE REPORT	
102-51	DATE OF MOST RECENT REPORT	2	PUBLISHING THE REPORT	
102-52	REPORTING CYCLE	2	PUBLISHING THE REPORT	
102-53	CONTACT POINT FOR QUESTIONS REGARDING THE REPORT	21	CONTACT	
102-54	CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS	20-21	GRI INDEX	
102-55	GRI CONTENT INDEX	20-21	GRI INDEX	
102-56	EXTERNAL ASSURANCE	20-21	GRI INDEX	NO EXTERNAL VERIFICATION
103 – MANAGEMENT APPROACH				
103-1	EXPLANATION OF THE MATERIAL TOPICS AND ITS BOUNDARY	2	REPORT DESCRIPTION	
103-2	THE MANAGEMENT APPROACH AND ITS COMPONENTS	19	MANAGING RESPONSIBILITY	
103-3	EVALUATION OF THE MANAGEMENT APPROACH	19	MANAGING RESPONSIBILITY	
200 – ECONOMIC DISCLOSURES				
200-4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT			THE COMPANY PARTICIPATED IN SEVERAL NATIONAL AND EU-FUNDED TECHNOLOGY PROJECTS, FOR WHICH FINANCIAL FUNDING RECEIVED DURING 2021 AMOUNTED TO 0.5 MILLION EURO.
300 – ENVIRONMENTAL DISCLOSURES				
302-1	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	17	MONITORING ENVIRONMENTAL IMPACTS	
303-1	WATER WITHDRAWAL BY SOURCE	17	MONITORING ENVIRONMENTAL IMPACTS	MUNICIPAL WATER
EMISSIONS				
305-1	DIRECT (SCOPE 1) GHG EMISSIONS	18		
305-2	ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	18		
400 – SOCIAL DISCLOSURES				
404-1	AVERAGE HOURS FOR TRAINING PER YEAR PER EMPLOYEE	13	PERSONNEL AS THE CORNERSTONE OF SUCCESS	

OKMETIC

ADVANCED SILICON WAFERS SINCE 1985

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