

2022

OKMETIC

SUSTAINABILITY REPORT

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REPORT DESCRIPTION

Okmetic’s corporate sustainability report 2022 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 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 sustainability program. Okmetic complies with the RBA (The Responsible Business Alliance) Code of Conduct, which is commonly used in its industry, so the sustainability report also utilizes the responsibility structure used by RBA. This Code of Conduct categorizes sustainability as follows: responsibility for personnel, responsibility for occupational safety and health, environmental policy, business ethics and management system. Principles, practices and development of sustainability, as well as achieved results, are presented separately for each area.

The information presented is disclosed in a GRI table at the end of the report. Okmetic utilizes the GRI index in developing its responsibility, but the information in the table is not yet comprehensive. Some of the information provided has been verified by the RBA and some has been audited by auditors, but the GRI index data has not been comprehensively verified by an external party.

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 sustainability report was published in April 2022, and the next report will be published in early 2024.

RBA KEY THEMES

LABOR	HEALTH AND SAFETY	ENVIRONMENT	ETHICS	MANAGEMENT SYSTEMS
<ul style="list-style-type: none">• Freely chosen employment• Young workers• Working hours• Wages and benefits• Humane treatment• Non-discrimination/Non-harassment• Freedom of association	<ul style="list-style-type: none">• Occupational safety• Emergency preparedness• Occupational injury and illness• Industrial hygiene• Physically demanding work• Machine safeguarding• Sanitation, food, and housing• Health and safety communication	<ul style="list-style-type: none">• Environmental permits and reporting• Pollution prevention and resource reduction• Hazardous substances• Solid waste• Air emissions• Materials restrictions• Water management• Energy consumption and greenhouse gas emissions	<ul style="list-style-type: none">• Business integrity• No improper advantage• Disclosure of information• Intellectual property• Fair business, advertising and competition• Protection of identity and non-retaliation• Responsible sourcing of minerals• Privacy• Sustainable procurement policy	<ul style="list-style-type: none">• Company commitment• Management accountability and responsibility• Legal and customer requirements• Risk assessment and risk management• Improvement objectives• Training• Communication• Worker feedback, participation and grievance• Audits and Assessments• Corrective action process• Documentation and records• Supplier responsibility

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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, sensors, 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. Okmetic is owned by NSIG, a Chinese stock listed company. We have nearly 640 employees, and our net sales in 2022 were 146 million euros.

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 our silicon wafers are manufactured in Vantaa, Finland. We also have contract manufacturing in Asia. The Vantaa plant has been expanded and its capabilities have been developed with major investments in recent years. In May 2022, we announced that we will invest nearly 400 million euros to expand our Vantaa fab.



THE WIDEST WAFER SELECTION IN THE MARKET

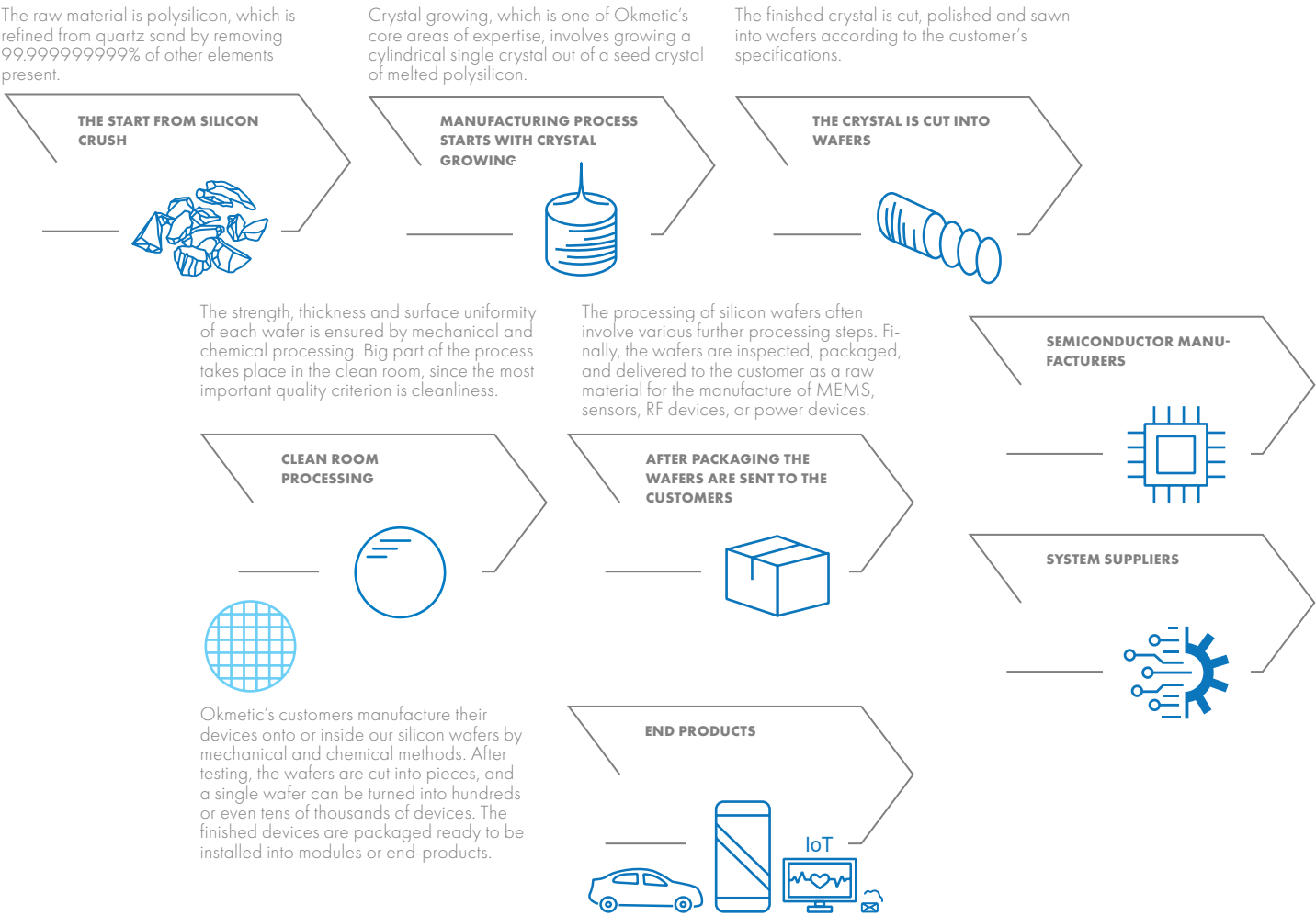
Okmetic has the most extensive 150 to 200mm silicon wafer portfolio in the market, comprising of comprehensive lines of SOI wafers and High Resistivity RFSi® wafers as well as Patterned wafers, SSP and DSP wafers, TSV wafers and Power Device wafers.

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 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.

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)
- Power Device wafers

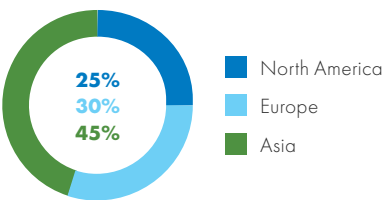


Year 2022 in brief

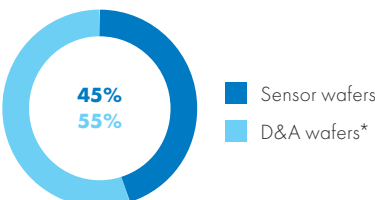
- Net sales were record high again and amounted to 146 million euro. The number of employees was record-breaking as well: at the end of the year, the number of personnel was 639.
- Growth in the semiconductor market slowed down significantly during 2022, being around 10%. Okmetic still managed to increase its net sales by 14%.
- In May 2022, we announced the largest investment in the company's history, nearly 400 million euros, to build a new fab expansion next to the existing fab.
- In 2022, we continued to invest heavily in improving the performance and productivity of new products and crystal growing processes.
- We continued long-term research on silicon material together with Finnish and international universities and research institutions. We also participated in several national and EU-funded technology projects together with both domestic and European research institutes, educational institutions, and semiconductor manufacturers.
- We continued our active cooperation in multilateral R&D projects that built, among other things, technical prerequisites for the transformation of telecommunications infrastructure (5G and 6G) as well as development for the next generation of autonomous cars (ADAS).
- We redefined our values together with the personnel. Implementing the company values in everyday work started and will continue also in 2023.
- Okmetic launched Engineered Ultra High Resistivity wafer, a premium silicon substrate for RF filters and devices enabling close-to-zero substrate-induced losses.

The new fab expansion will more than double the Vantaa site production capacity. Construction has started at the end of 2022 and the plant will be in production use in 2025.

NET SALES PER MARKET AREA

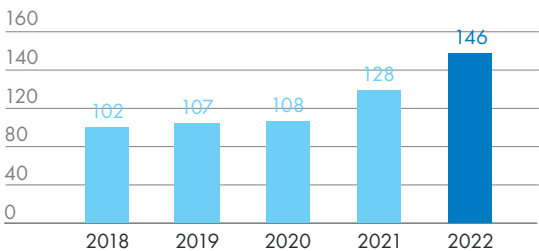


NET SALES PER CUSTOMER AREA

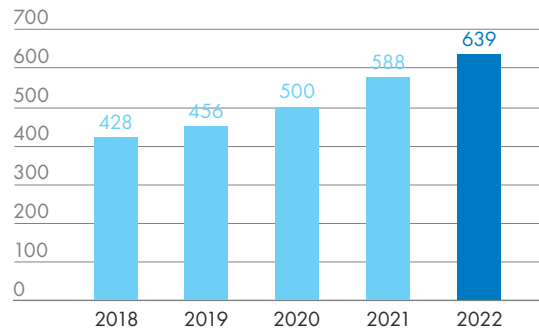


*D&A (Discrete and Analog) includes wafers for RF filters and devices as well as for power devices.

NET SALES (MILLION EURO)



PERSONNEL



146M€

NET SALES
IN 2022

14%

CHANGE
IN NET SALES

639

PERSONNEL
31 DEC 2022

9%

CHANGE
IN PERSONNEL



PRESIDENT'S REVIEW

Dear reader,

For Okmetic, sustainability means building profitable and ethically sustainable business, acting responsibly towards our personnel and other stakeholders, and making environmentally responsible choices. Our mission is to develop and provide customers with high quality silicon wafers that enable efficiency, accuracy and safety of their products. Our promise of sustainability is based on careful handling of this task.

We supply customers with demanding, customized, high performance silicon wafers that end up in smartphones and tablets, safety and electronic devices in cars, as well as industrial process control, healthcare, power supply and efficiency improvement solutions. Technology will play a key role in solving many challenges of the future, and with advanced solutions, we are involved in building a smarter, safer and more energy efficient tomorrow.

The quality and sustainability requirements of the semiconductor industry and its customers are constantly tightening, and we want to be at the forefront of meeting these requirements. In our sustainability reporting, we use The Responsible Business Alliance (RBA) Code of Conduct, which is commonly used in the industry, and we also expect adoption of the RBA standards from contract manufacturers and our other suppliers. Our responsible conduct was audited in accordance with the RBA in February 2023.

In early 2023, we took a significant step forward in environmental responsibility by defining a greenhouse gas emissions reduction target. The goal is to reduce direct emissions from our own operations and emissions from purchased energy by 90% by 2030. The main points of the reduction plan are the transition to carbon-neutral electricity, the implementation of heat recovery projects and the commissioning of solar panels.

We have lived through a period of strong growth for several years and invested in increasing our capacity. In May 2022, we announced the largest investment in the company's history, nearly 400 million euros, which will build a major fab expansion next to the current fab in Koivuhaka, Vantaa. With the investment, our production capacity will more than double, and we will create more than 500 new industrial jobs in Vantaa. At the time of writing, the construction work is well underway, and you can watch from the window how the cranes are working, and the pillars are rising several meters high.

2022 was another year of growth for us. Net sales and the number of personnel reached a new record. The global slowdown in the semiconductor market showed its first signs towards the end of the year, and the downturn that started in the fourth quarter of 2022 has continued to this day. The ongoing global adjustment of inventory levels will affect business in 2023, although we will do our utmost to minimize the impact of low demand and shortened order backlog. We believe that the situation will turn around towards the end of the year.

Kai Seikku

President and CEO

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Okmetic’s goal
is profitable
and sustainable
growth

Strategy

We supply high value-added silicon wafers in high volumes to the largest players in the semiconductor industry for the manufacture of sensor, RF and power devices. We provide our customers with solutions that boost their competitiveness and profitability. Our strategy aims for profitable growth based on our key core competencies and the commercialization of product development projects. The strategy’s implementation is based on core competencies, such as crystal growing, producing 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

During 2022, we launched new values to reflect the current state of a growing and developing company. The updating of values was carried out together with the management and a working group representing different parts of the organization. The new values are customer orientation, continuous development, sustainable growth, and respect and valuing others. Values guide the way Okmetic employees operate both in their daily operations and in managing them.



CUSTOMER ORIENTATION



CONTINUOUS DEVELOPMENT



SUSTAINABLE GROWTH



RESPECT AND VALUING OTHERS



Sustainability at Okmetic

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Enlarging our handprint
Reducing our footprint

“ Enlarging our handprint Reducing our footprint

For us at Okmetic, responsibility and sustainability is not just about complying with laws, it means constantly paying attention to people and the environment, as well as following ethics in all our business operations. We want to continuously develop as a responsible employer and partner for our customers and other stakeholders.

As a responsible company, we strive to increase our handprint, i.e., increase the positive impacts we produce on the world around us, and on the other hand, reduce our footprint, i.e., the negative impacts caused by our operations. Our handprint consists of silicon wafers, which serve as a platform for the manufacture of MEMS, sensor, RF and power devices. These components are used, among others, in smartphones and other portable devices, game consoles, automotive electronics, industrial process control, medicine and Internet of Things (IoT) applications. Our footprint, on the other hand, is largely caused by energy consumption, the use of polysilicon, mixed acid waste, and water and chemical consumption.

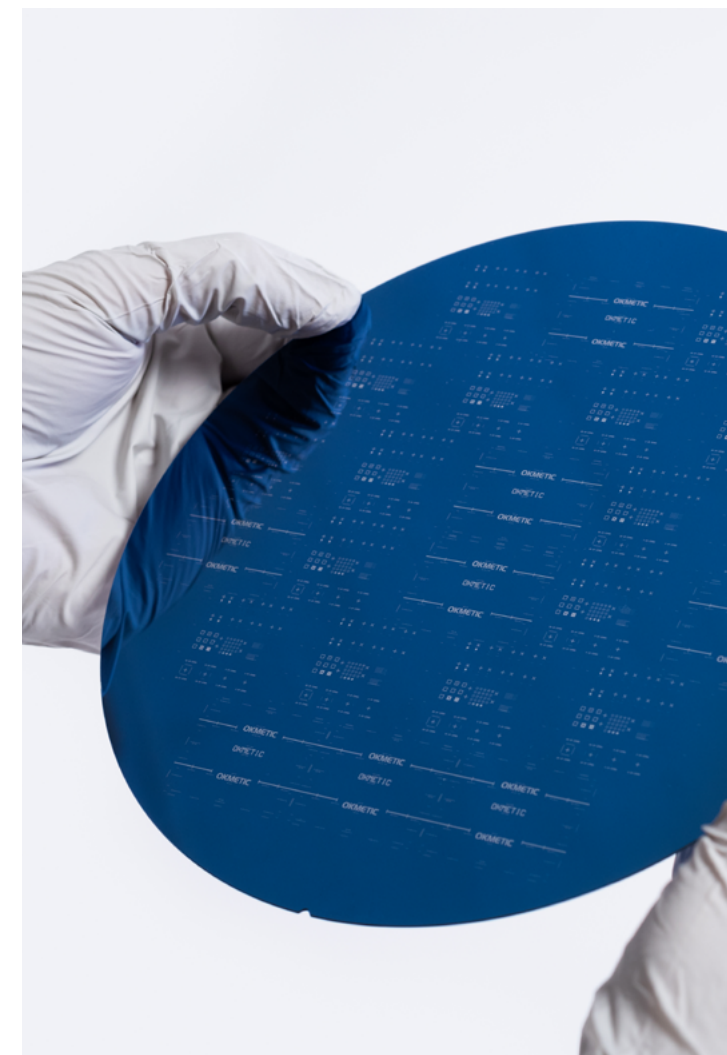
Stakeholders

WE TAKE ALL STAKEHOLDERS INTO ACCOUNT IN OUR RESPONSIBLE OPERATIONS

Taking care of the responsibility in our operations and developing it are the lifeline of our success. Compliance with sustainability meets the requirements of all our stakeholders.

We develop and offer our 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.

- Customers
- Personnel and potential new employees
- Contract manufacturers, raw material suppliers, equipment manufacturers and other partners such as financiers and insurance companies
- Surrounding society, public authorities, educational and research institutes and immediate neighborhood
- Owner



Fundamental themes

WE TAKE RESPONSIBILITY FOR OUR PERSONNEL,
THE ENVIRONMENT AND BUSINESS

We have defined the most essential factors of our corporate responsibility

- responsibility for personnel
- responsibility for the environment, and
- responsibility for profitable and ethical business

We have adopted The Responsible Business Alliance’s (RBA) Code of Conduct, which is used commonly in the industry, as a guideline for our socially responsible operations.



RESPONSIBILITY FOR PERSONNEL

Our personnel are our most important resource, and we take care of the well-being of our personnel and the work community, as well as competence development at the individual, team and company level. We also ensure that all Okmetic employees have competitive conditions of employment and responsible working conditions.



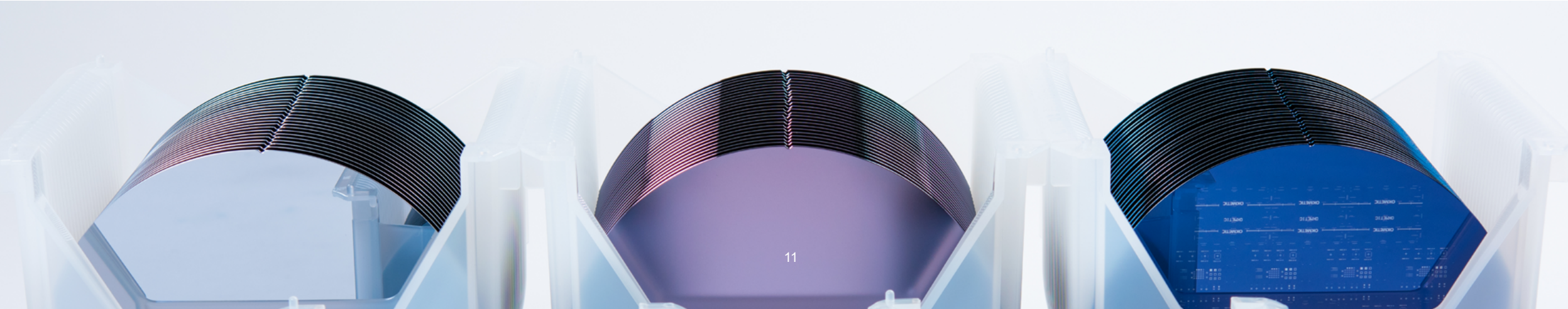
RESPONSIBILITY FOR THE ENVIRONMENT

In terms of environmental responsibility, our operations emphasize the continuous development of production, both in terms of resources used and the harm caused, as well as identifying potential hazardous situations and avoiding risks in all our operations.



RESPONSIBILITY FOR PROFITABLE AND
ETHICAL BUSINESS

For us, profitable and ethical business means that we are a stable and reliable company for our personnel, customers and other stakeholders. Our focus is on maintaining our offering and competitiveness, ensuring the profitability of our own operations and reliability as a partner.



Stakeholders Fundamental themes Sustainability program Quality

Sustainability program

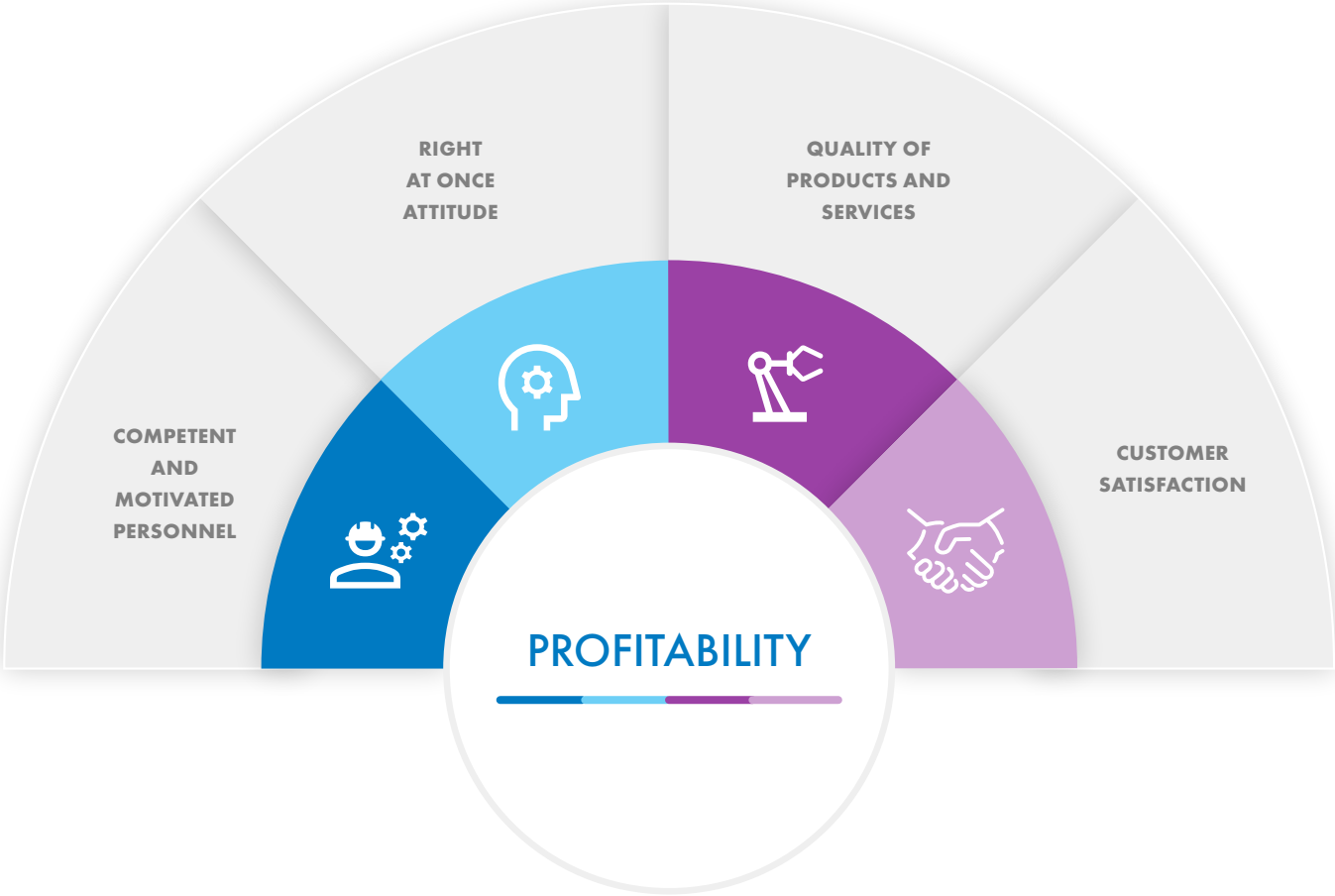
AREA	OBJECTIVES	MEASURES	COMPLETED	SCHEDULE
PERSONNEL	Development of well-being at work Better internal communication and discoverability of information Digitalization of processes and promotion of workflow Enabling access to resources, ensuring growth and profitability Finding talents for jobs, internships and theses Development of competence and expertise at the individual level and in teams	<ul style="list-style-type: none"> • Development of line management • Building people-oriented company culture • Development of internal communication, Intranet project in a key role • Digitalization of paper and manual processes • Introduction and utilization of modern working methods • Developing awareness and the image of the employer • Strengthening student cooperation • Supporting internal knowledge sharing • High-quality recruitment and orientation training 		2020– 2023– 2021– 2023– 2023– 2022– 2021– 2023– 2023–
HEALTH AND SAFETY	Improving occupational safety Improving well-being at work and reducing the number of sick leaves Better anticipation and management of risks	<ul style="list-style-type: none"> • More efficient use of proactive occupational safety indicators • Well-being at work measurement and measures • Active support model, developing the operation model and updating documentation • Improving ergonomics; review of production workstations with an occupational physio-therapist • Development of remote work ergonomics e.g., via equipment purchases • Supervisor training for work ability management • Establishing a channel for reporting occupational safety incidents as part of daily operations 	x x x x	2023– 2022–2022 2022–2022 2020–2022 2020–2022 2023– 2023–
ENVIRONMENT	Reducing energy consumption; Replacing lighting with LED technology Reducing chemical consumption and the amount of waste Increasing heat recovery Reducing water consumption Systematic operation of sustainable development Reducing direct and purchased energy emissions	<ul style="list-style-type: none"> • Extending LED lighting throughout the property to 80% • Reducing REACH SVHC consumption in the laboratory Aim for a 30% reduction in the use of the REACH SVHC substance • Waste heat recovery from SOI water cooler room ventilation for air conditioning heating. Savings of 50 MWh/a in district heating consumption. • Drawing up a water consumption reduction plan based on a water consumption study • Setting an emission reduction target • Preparation of an annual plan to reach the emission reduction target 	x x x	2022–2022 2022–2022 2022– 2023– 2022–2023 2023–
ETHICS	Raising the level of information security Internalization and application of information security practices throughout the organization Quality assessment and development beyond product quality	<ul style="list-style-type: none"> • Reform and implementation of information security policy • Internal communication and training • Developing the customer quality experience 	x	2021–2022 2023– 2021–
MANAGEMENT	Improving the customer experience, supporting recruitment, developing internal communication Improving the quality of operations Development of cooperation between personnel and management	<ul style="list-style-type: none"> • Development of digital marketing and communication channels • Development of 5S activities • Reorganization of employee representation in management teams and functions 	x	2021– 2022–2022 2023–

Quality

HIGH QUALITY OF PRODUCTS AND OPERATIONS IS A KEY FOR OUR SUCCESS

Our 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 our 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. Okmetic uses quality and environmental systems compliant with the ISO 9001:2015, ISO 14001:2015, and IATF 16949:2016 standards. 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.



Personnel and social responsibility

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Personnel as the
cornerstone of success

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Personnel as
the cornerstone
of success

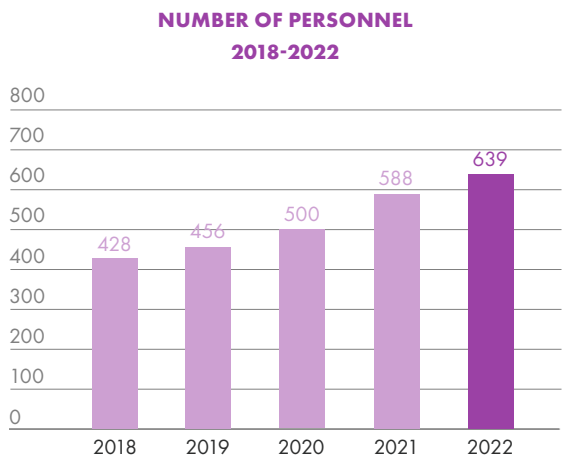
Okmetic’s corporate culture has been refined through several decades and is based on customer orientation, respecting and valuing others and continuous improvement. We have developed our unique technology expertise ourselves with the help of competent personnel. Customer needs have been taken into account in the development of technology, and development work has been carried out in cooperation with universities and research institutes. We have always been ready to innovate and take our business operations to the next level. Learning new things, solving problems and adapting to changing situations have given the organization a strong belief in that we can respond to customer needs in the future as well. As a growing technology company operating in the international market, we constantly offer interesting tasks to both long-time employees and newcomers.

Our number of employees continues to grow

The development of the global semiconductor market has been growing for years, and to meet market demand, we have invested heavily in expanding our plant located in Vantaa. This has also meant a steady increase in the number of personnel every year. The Vantaa fab expansion plan published in 2022 means that the number of employees will almost double over the next 3-5 years. The recruitment of new talents started already in 2022 and will continue at an accelerating pace towards 2025, when the fab expansion will be in use.

In 2022, the average number of personnel was 642 (570). At the end of the year, we had 639 (588) employees, which means an increase of 8.7 (17.6) percent compared to the previous year. Of the personnel, 628 worked in Finland, four in the US, six in Japan and one in Germany.

We want to be a reliable and stable employer. Although the demand for our end products varies, we have been able to offer a stable working environment and to avoid personnel adjustment measures for over a decade.



We continuously invest in the well-being and development of our personnel

During 2022, we have created a vision for 2025 focusing on the development and well-being of our personnel as well as the company’s growth and digitalization, the main themes of which are:



PEOPLE-ORIENTED COMPANY CULTURE

Generating a people-oriented company culture is based on the need to elevate people-oriented thinking alongside technology-based operating methods. Without people, there would be no business, innovation or technology. Our goal is to create and strengthen a sense of community among people working in different personnel groups, countries and in the future also in different fab buildings. A people-oriented operating culture will be created and supported, for example, by developing a value-based operating culture, training supervisors for value-based and coaching leadership, and harmonizing operating methods. We will also strengthen the bilingual (Finnish and English) operating culture at Okmetic.



PERSONNEL GROWTH AND DEVELOPMENT

We have always invested in the growth and development of our personnel. Our goal in the coming years is to support the development of the world class skills and expertise for both teams and individuals, while ensuring high-quality orientation for new Okmetic employees. In terms of personnel growth and development, we will actively support the company’s internal knowledge sharing, develop our employer image and, with the growing number of personnel, invest in high-quality recruitment and orientation training.



MODERN DIGITAL PROCESSES

With the introduction of modern digital processes, we aim to streamline processes and the work of all Okmetic employees. In the coming years, our goal is to develop new or replace old electronic systems and digitalize paper or manual processes. With the introduction of the new intranet, our internal communications will develop significantly. As we move to more efficient use of cloud-based tools in teamwork and processes, we will streamline our daily work. We will also further digitalize HR processes, such as online training and onboarding.



ACTIVE AND PARTAKING MANAGEMENT OF WORK ABILITY AND OCCUPATIONAL SAFETY

Through active and participatory management of work ability and occupational safety, we aim for a healthy work community. Our goal is to reduce work-related sickness absences and further improve occupational safety. Examples of measures include the reform of the active support model and supervisors’ training for work ability management. We will continue to develop work ability and safety in order to establish high-quality practices in the corporate culture. We aim to minimize occupational safety risks by establishing the occupational safety incident reporting channel as part of our daily operations and by enhancing the use of proactive occupational safety indicators.

We value everyone’s contribution and want to develop our expertise

WE HAVE OPPORTUNITIES FOR PERSONAL AND WORK DEVELOPMENT

Our goal is to provide our personnel with good development opportunities. We pay special attention to job orientation and actively encourage on-the-job learning. In 2022, the average number of training days was 1.3 (1.5) per person. In 2022, the number of training days still reflects the impact of the pandemic on the reduced contact training days. Short online trainings are not taken into account in the figures.

Production job guidance typically lasts 4-6 months and is carried out by a personal production trainer appointed for the new employee. Production workers always receive appropriate orientation for their tasks, which prepares them for productive, high-quality and safe industrial work. In 2022, the training of production employees focused on equipment inductions, as it was not possible to organize regular face-to-face training during the first half of the year due to the coronavirus pandemic.

When starting up, we draw up a personal induction plan for the new white-collar employee. Planning competence development as an expert or supervisor, often begins at the recruitment stage. At the beginning of the employment, we help the new employee to understand the technical skills needed in one’s position and career, one’s own strengths or we give tips for development at Okmetic. A personal competence development plan is drawn up annually for all white-collar employees. Joint training for white-collar employees includes training for Lean Six Sigma, programming, and statistical methods.

The construction of our new fab expansion is expected to create more than 500 new jobs in Vantaa. This will enable us to offer a wide range of career and development opportunities also in the future. We also support the resettlement of international experts in Finland and develop the smoothness of immigration together with other technology companies.

WE INVEST IN JOB SATISFACTION

Motivated and satisfied employees create the preconditions for Okmetic’s growth and success. We actively invest in well-being at work and good team spirit through various measures, and this can be seen, for example, in long-term employment relationships. The average duration of employment with us is over 9 years. In our teams, we draw up an annual well-being plan based on a personnel survey. We also develop the work of each Okmetic employee and its content, as well as team cooperation and working methods as part of our annual development discussions. Okmetic has a recreation committee that organizes, among other things: Kekri parties and various events for personnel. Within the framework of recreational activities, any Okmetic employee can organize joint events and receive company support for them.

WE OFFER INTERNSHIPS AND SUMMER JOBS FOR STUDENTS

Every year, we offer dozens of summer production trainee positions and engineering internships. These serve as a good springboard for the industry.





We offer our personnel competitive conditions of employment

WE ALL HAVE AN INCENTIVE SALARY

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 2022, the total amount of wages and salaries was 43.3 (38.9) million euros.

WE OFFER COMPREHENSIVE EMPLOYEE BENEFITS FOR ALL PERSONNEL

As employee benefits, we offer the entire personnel a sports, culture and well-being benefit, as well as a company bike benefit. At the Vantaa fab, we have our own personnel restaurant, where we serve a healthy and tasty lunch at an affordable price. Our employees have access to extensive occupational health services, professional services of internal occupational well-being and work ability, and our own gym.

TOTAL WAGES
AND SALARIES
IN 2022

43.3
million
euros

Safe and responsible working conditions are everyone’s right

WE PAY CONSTANT ATTENTION TO OCCUPATIONAL SAFETY RISKS AND HOW TO PREPARE FOR THEM

Our goal is to avoid accidents by constantly updating production risk assessments and keeping our personnel aware of occupational safety requirements. Our production involves very different work phases. As a result, there are also different types and levels of occupational safety hazards. Production work includes physical, chemical and psychosocial stress factors.

Physical stress causes include, for example, standing work, moving and lifting silicon crystals, momentary unergonomic working positions related to wafer processing, and also a lot of manual movements. The aim is to reduce physical strain factors by means of ergonomic working postures, assistive devices and lighteners, as well as providing guidance on correct working methods and postures.

Many different chemicals are involved in the processing of silicon wafers. Chemicals are used in closed processes, but their use always involves risks. An understanding of chemicals in working areas has been proved to be useful. The hazards of chemicals are taken into account and the risk factors related to chemicals are also reduced through technical solutions. Necessary instructions and personal protective equipment are kept up to date.

Psychosocial workload is caused by factors relating to work organization, teamwork, instructions and work management. By conducting workplace well-being surveys, workplace surveys and workstation-specific risk assessments, we aim to find areas for improvement highlighted by our personnel. Supervisor training aims at coaching in a more humane way.

For specialists outside of production, the workload factors are mostly related to psychosocial workload factors.

WE DEVELOP SYSTEMS THAT SUPPORT AND IMPROVE OCCUPATIONAL SAFETY

In 2022, we introduced a new tool in risk assessments for both personal and environmental risks. Our goal is to refine and improve the scope and coverage of risk assessments. At the same time, our supervisors’ awareness of occupational safety risks is strengthened. The risk assessment is carried out together with personnel and experts, and the occupational health care of the workplace surveys support our risk assessments. With risk assessments, we reduce risks and manage residual risks. Ultimately, we aim to eliminate occupational safety hazards completely or replace them with less dangerous alternatives. Primary methods are technical means of control and secondary methods personal protective equipment.

Cleanliness and order are also an essential part of occupational safety. Our 5S management methods create and maintain cleanliness and order. Monthly 5S audits ensure order and highlight suggestions for improvement. In addition, we make safety observations through 5S audits.

As cybersecurity improves, we aim to increase understanding of the safe use of devices. In terms of device security, the biggest risks are related to maintenance procedures and maintenance performed by the user. These works are included in risk assessments. Work strain is identified, assessed and reduced both on the basis of own risk assessments and in cooperation with occupational health care experts.

The safety sessions introduced in production in 2021 play an important role in highlighting safety-related aspects and teaching us safer ways to work. These discussion events related to proactive occupational safety make safety thinking commonplace at work.

WE CONTINUOUSLY MONITOR THE NUMBER OF ACCIDENTS AND SICKNESS ABSENCES

We monitor the development of occupational health and safety by the number of sickness absences and accidents. The safety situation is constantly monitored at different levels of operations. Near-misses and occupational accidents are investigated. The occupational safety and health committee conducts safety tours in the workspaces according to the advanced plan.

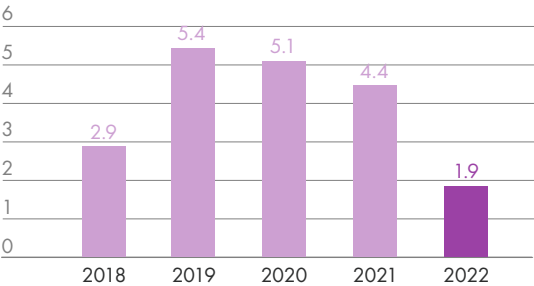
The number of sickness absences increased compared to the previous year. All absences related to sickness or accidents were 5.6 (4.7) percent of the total working time in 2022.

In 2022, there were 22 (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 1.9 (4.4). Okmetic’s disability pension contribution remained in category one in 2022.

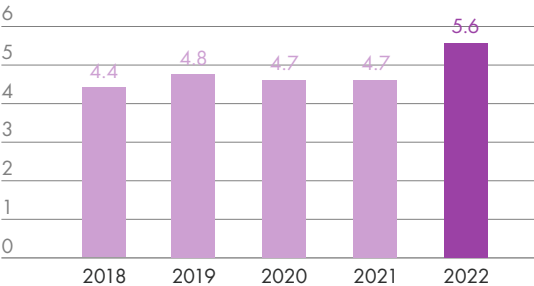
During 2022, we abandoned our special Covid-19 guidelines. In white-collar jobs, remote work continued, but the amount decreased. Some individual Covid-19 infections were detected among Okmetic’s personnel, but they did not significantly affect our ability to operate.



WORKPLACE-RELATED INJURY FREQUENCY



SICKNESS ABSENCES

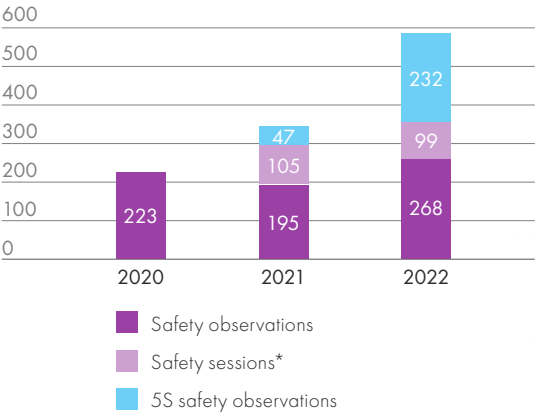


*Safety sessions are short discussions about safety. Topics include near-misses and accident investigations, pre-selected safety topics and regional safety issues.

WE ACTIVELY COMMUNICATE ABOUT WORK-RELATED HEALTH AND SAFETY

We are a member of the Nollis forum. The forum is a network of workplaces whose goal is to constantly improve occupational safety and well-being, and to disseminate good practices. In addition, we have 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.

SAFETY OBSERVATIONS, SAFETY SESSIONS AND 5S SAFETY OBSERVATIONS



WE DEVELOP OCCUPATIONAL HEALTH AND SAFETY TOGETHER WITH OUR PARTNERS

Our 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 the costs. Occupational health is monitored through quarterly reviews with the service provider. In occupational health care and cooperation with the partner, efforts have been made to develop a model of early support and pertinent active support. The main attentive topics are the prevention of musculoskeletal disorders and the management of psychological work ability. We cooperate continuously with occupational health service providers and earnings-related pension providers. The aim of the cooperation is preventive management of work ability. Efforts are constantly being made to improve working conditions, for example, by investing in work ergonomics.

WORKPLACE ACCIDENTS IN 2022

Lti 30 (30 days or more)	0
Lti 4 (4 days or more)	2
Lti 1 (1-3 days)	7
Mti, treatment needed (absence less than one day)	13
Reported accidents total	22

A healthy work community is the foundation of everything

WE MONITOR THE DEVELOPMENT OF WELL-BEING AT WORK WITH CONTINUOUS MEASUREMENT

We measure the state of well-being at work with an annual survey. The well-being at work survey for the year 2022 was carried out in January 2023. Based on the results, the level of well-being at work has remained at the same level in general. The results of the survey will be discussed in the teams during spring 2023. Development targets were already identified in the previous survey as the development of supervisor work and the management of psychological work ability, and further investment is being made in these areas.

WE INVEST IN ACTIVITIES THAT BUILD A SENSE OF COMMUNITY AND GOOD TEAM SPIRIT

We build and maintain an open and interactive corporate culture in many different ways. In 2022, we renewed our values, which guide our operations every day in relation to each other, our customers, and

other stakeholders. The new values are customer orientation, continuous development, sustainable growth, and respect and valuing others.

During 2022, Okmetic decided to implement administrative representation of personnel in the company's management team. The new administrative representation started on January 1, 2023. The personnel groups held elections among the personnel to elect a representative to the company's management team for the period 2023-2025. The purpose of employee representation in the management team is to improve the interaction between the employer and the personnel, and to improve the personnel's influence and access to information.

Dialogue between management and personnel takes place actively in the personnel forum held four times a year, in monthly cooperation meetings, in the occupational safety and health committee and in each personnel group.

Okmetic holds a personnel forum four times a year, which is comprehensively attended by both employee and employer representatives to discuss common issues. Anyone can bring up topics for discussion in the personnel forum, where the topics stipulated in the co-operation legislation are also reviewed quarterly. In addition, regular weekly and monthly meetings are organized with personnel representatives to promote the flow of information and rapid processing of issues.

After the pandemic, we once again organized Okmetic's Kekri party in 2022.

WE ARE ALL EQUAL AND EVERYONE IS GUARANTEED EQUAL RIGHTS

We are committed to respecting the human rights of our employees and treating employees with respect in accordance with international standards. We do not tolerate any inappropriate or discriminatory behavior, discrimination or treatment contrary to human values. Employees have the right to join and form trade unions of their choice. We have a feedback channel through which personnel can give feedback about the company anonymously. They can also use it to ask questions or make suggestions.

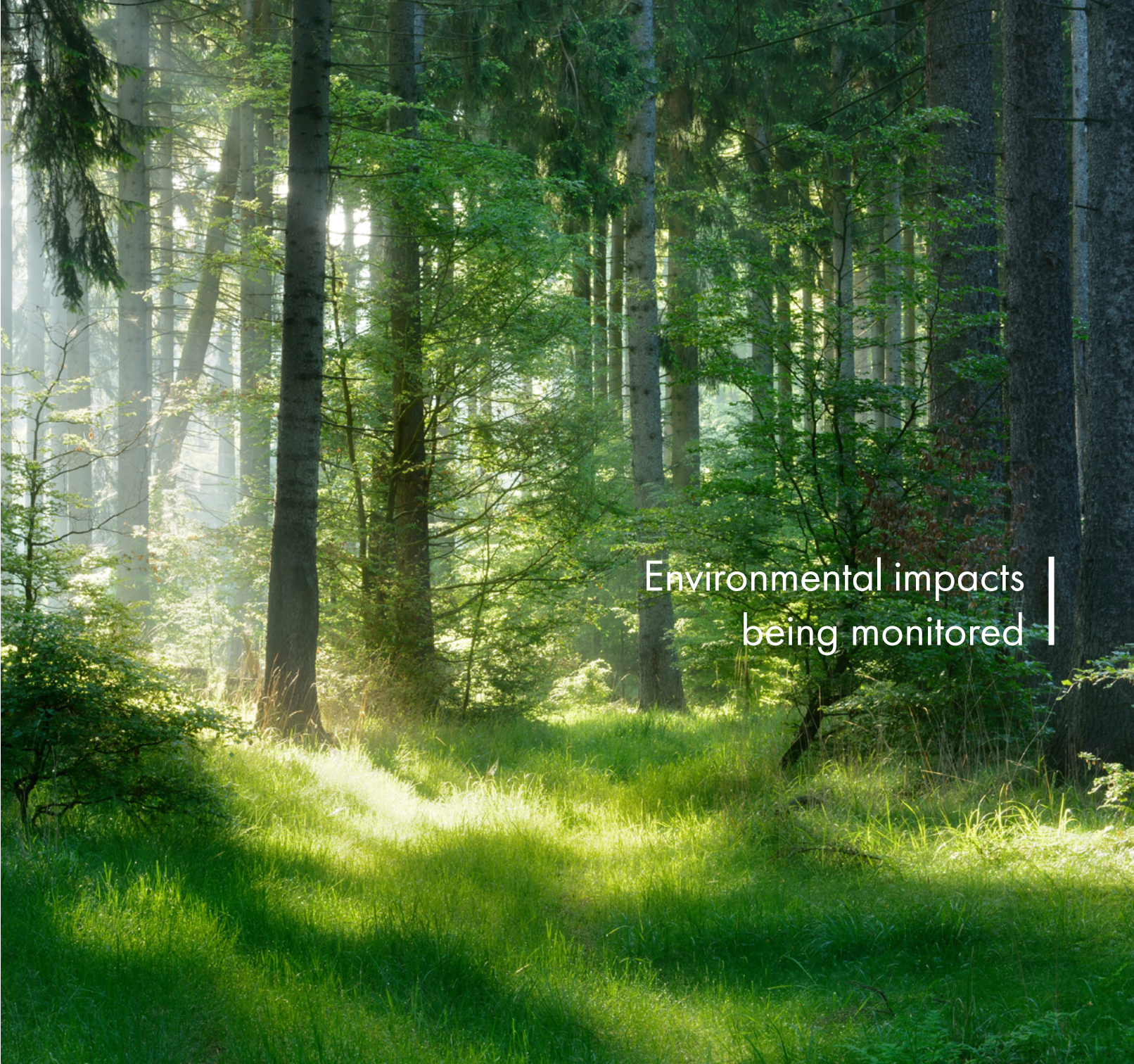
We have drawn up an equality and non-discrimination plan, which is reviewed every year with the working group and the management team, if necessary, and updated every other year. The goal is to ensure that everyone has an equal opportunity to apply for and be selected for more demanding or diverse positions, regardless of gender, and that equal pay is made for work of the same demanding level. Elimination and prevention of all forms of harassment and discrimination is an important third objective. The measures, a responsible party, a schedule and follow-ups have been defined for the objectives.



Environmental responsibility

Efficient production and continuous improvement	24
Reducing the environmental impacts of our own operations in other aspects	26
Identification and avoidance of risks	28

Environmental impacts
being monitored



Efficient production and continuous improvement

Reducing the environmental impacts of our own operations in other aspects

Identification and avoidance of risks

“
Environmental
impacts being
monitored

The environment and its protection in all forms is important for us. We continuously identify, evaluate and monitor factors affecting the environment. The environmental impacts of our operations are mainly formed in our production. The consumption of energy, water and chemicals, the procurement and use of raw materials, and the generation of certain hazardous waste have been identified as the most significant environmental factors. We strive to minimize their environmental impacts through continuous development of production and processes and other more environmentally friendly choices.

The importance of taking care of the environment is constantly increasing

We maintain a documented environmental management system that provides a framework for setting and monitoring environmental targets. Based on the identified environmental perspectives and risks, we draw up an annual environmental program, within the framework of which we define development targets and their goals and indicators. We also invest in preventive planning in environmental risk management. Our operations are ISO 14001 certified.

ENVIRONMENTAL POLICY GUIDES OUR OPERATIONS

We steer our operations with our environmental policy. The environmental policy is based on three basic principles: Compliance with laws and regulations, Emission prevention and risk minimization, and Continuous improvement.

WE DEVELOP OUR ENVIRONMENTALLY RESPONSIBLE OPERATIONS TOGETHER WITH OUR STAKEHOLDERS

Customers and other stakeholders also set requirements and wishes for environmentally friendly operations. We engage in open dialogue with our stakeholders on environmental responsibility and develop our operations based on it. We also utilize the results of customer audits to improve our environmentally friendly operations. Sustainable development supports our competitiveness and profitability.

WE MONITOR THE ENVIRONMENTAL IMPACTS OF OUR OPERATIONS

We have identified environmental risks and manage them both within the framework of the company-wide operations and individual processes. Energy consumption, the use of polysilicon, the amount of mixed acid waste, and the consumption of water and chemicals are the most significant environmental factors in our operations. The development of these factors is measured and monitored regularly

OUR GOAL IS TO SIGNIFICANTLY REDUCE OUR EMISSIONS

We have set our goal to reduce Scope 1 and 2 emissions by 90% by 2030. The starting point is emissions for 2022. The main points of the reduction plan are transition to carbon-neutral electricity, implementation of heat recovery projects, and introduction of solar panels.

OUR GOAL IS TO REDUCE CO2
EMISSIONS BY 90% BY 2030
(SCOPE 1 AND 2)

90
percent



COMPLIANCE WITH LAWS AND REGULATIONS

In our operations and products, we meet or exceed environmental laws and regulations and all other requirements to which we are committed.



EMISSION PREVENTION AND RISK MINIMIZATION

We identify, minimize and prevent emissions, hazards and risks related to our operations.



CONTINUOUS IMPROVEMENT

We are constantly looking for new ways to improve the company's environmental performance throughout the organization.

Efficient production and continuous improvement

Reducing the environmental impacts of our own operations in other aspects

Identification and avoidance of risks

We invest in resource-efficient production and its continuous improvement

OPTIMIZATION OF RAW MATERIALS, ENERGY AND WATER CONSUMPTION IN RELATION TO PRODUCTION VOLUME

Our goal is to optimize the consumption of raw materials, energy and water in relation to production volume through efficient production and continuous improvement. The energy consumption of crystal growing and other wafer manufacturing in relation to production volume depends primarily on the efficiency of the manufacturing processes and the efficient use of the grown silicon crystals. The aim is to reduce both through continuous process development.

In the development of energy use, we also make use of an energy audit carried out by an external operator, which presents recommendations for actions. The review is carried out every four years and the latest one was carried out on January 9, 2020. The audit covers the monitoring of electricity, energy and also water consumption. Based on the review, crystal growing, sawing and cutting take up the majority of the electricity consumed. In addition, electricity is used for ventilation and lighting, among other things. The most significant part of district heat energy is used for ventilation and heating of process water. Most of the water is also consumed in actual production.

Among the raw materials we use, the use of polysilicon has been identified as a significant environmental factor in our operations. We strive to minimize the amount of polysilicon that ends up as waste by optimizing crystal growing processes. In addition, we make recycled silicon from the unused parts of silicon crystals, which we can still utilize in our production.

During 2022, we implemented a development project aimed at reducing the amount of energy used in crystal growth, which is one of the largest energy consumers among our individual operations. Although the project's goal of reducing electricity consumption by 5 kWh/kg per staked silicon was not quite achieved, the electricity consumption of crystal growing in relation to the amount of silicon staked decreased by about 10% from the previous year thanks to various measures. The LED lighting project that started in 2021 also continued, and at the end of 2022, 98% of the lighting in the entire property were LED lights.

Another project carried out during the year was an engineering study that looked at the use and consumption of water in production with the

goal of finding ways to reduce water consumption. Water consumption could be influenced, for example, by omitting excess rinsing from the grinder, which reduced its water consumption by 17%. Based on the results of the study, a development plan for reducing water consumption will be made for the year 2023.

We have been able to reduce energy and water consumption relative to our net sales for two years in a row. From 2021 to 2022, electricity consumption decreased by more than 10%, district heat consumption by more than 38%, and water consumption by more than 8%.

RESOURCES USED IN 2022; ELECTRICITY, DISTRICT HEATING AND WATER

-10%

In 2022, we used a total of 45.4 GWh (gigawatt hours) of electricity in our production facility and office. Electricity consumption increased by 2.5% compared to the previous year. In relation to the net sales, however, 10% less electricity was consumed.

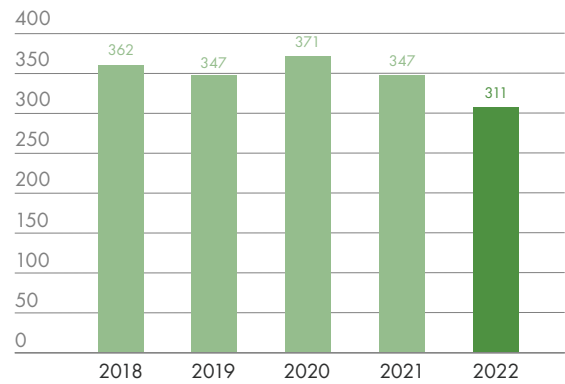
-38%

We used 2.6 GWh of district heating, which is 30% less than in the previous year. In relation to the net sales, the decrease was over 38%.

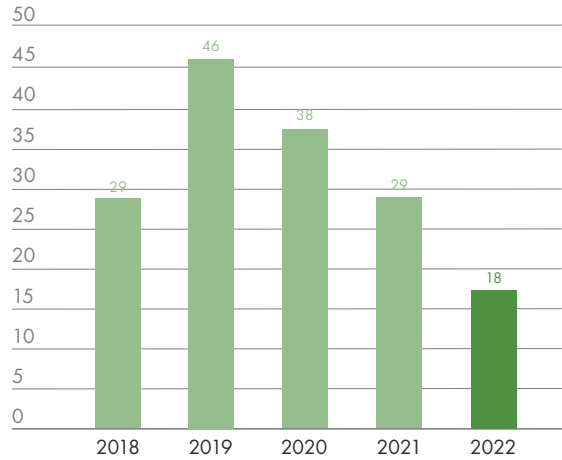
-8%

We consumed 924 tm³ of water in 2022. Total water consumption increased by 5.2% compared to the previous year. In relation to the net sales, it decreased by slightly more than 8%.

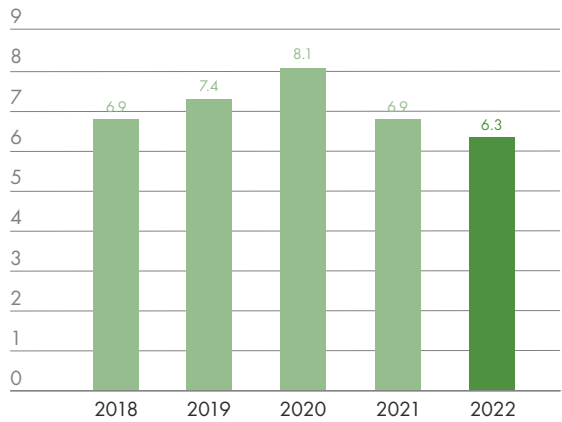
ELECTRICITY CONSUMPTION IN RELATION TO NET SALES
MWH / MILLION EUROS



DISTRICT HEAT CONSUMPTION IN RELATION TO NET SALES
MWH / MILLION EUROS



VOLUME OF WATER CONSUMPTION IN RELATION TO NET SALES
TM3 / MILLION EUROS



ENSURING THE QUALITY OF RAW MATERIALS AND THEIR EFFICIENT USE

Ensuring the quality of the raw materials and materials used is part of ensuring our competitiveness. The quality of the materials is ensured by defining the specifications that suppliers must comply with. Both national and international environmental and chemical legislation set requirements for the raw materials we use. We monitor changes in laws and regulations in order to adapt our operations to the tightening regulations.

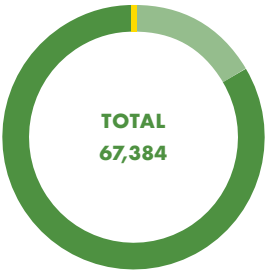
The efficient use of raw materials is one of the key factors of cost-efficient and competitive wafer manufacturing. The pertinent indicators are constantly monitored, and efforts are being made to reduce material waste through process development in areas selected based on effectiveness.

EMISSIONS, WASTE AND WASTE WATER IN 2022

Carbon footprint calculations have been made following the company standard of the greenhouse gas protocol (GHG Protocol). The operations of the Vantaa plant (Piitie 2, Vantaa) are included in the Scope 1 and 2 calculations, and the operations of the entire Okmetic Group have been included in the Scope 3 calculation. The results represent potential GHG emissions of the company in 2022 calculated based on the information provided by Okmetic Oy.

The total amount of all emissions in 2022 (Scope 1, 2 & 3) was 67,384 tCO₂e.

The amount of direct emissions (Scope 1) was 42 (40) tCO₂e and the amount of purchased energy (Scope 2) was 11,105 (10,266) tCO₂e. Indirect emissions (Scope 3) amounted to 56,237 tCO₂e.



Scope 1 Direct emissions
Scope 2 Purchased energy
Scope 3 Indirect emissions

SCOPE 1
DIRECT EMISSIONS - PRODUCTION PLANT
AND COMPANY OWNED VEHICLES

Combustion of propane	4
Use of refrigerants	14
Use of leasing cars	24
Total	42

SCOPE 2
PURCHASED ENERGY - ELECTRICITY AND
HEAT

Electricity	10,664
Heat	441
Total	11,105

SCOPE 3
INDIRECT EMISSIONS, ARISING FROM THE COMPANY'S VALUE CHAIN

Indirect emissions are divided into two phases according to whether they occur before or after the company's own operations. Emissions generated before the company's operations are called upstream emissions, and emissions generated after the company's own operations are called downstream emissions.

Due to the small sample size, the emissions from the processing of sold products could not be reliably estimated and have therefore not been included in the results.

Upstream emissions	
Purchased goods and services	42,102
Capital goods	5,314
Transportation and distribution	3,475
Fuel- and energy-related activities	2,309
Waste generated in operations	1,291
Employee commuting	465
Business travel	277
Leased assets	209
Downstream emissions	
Transportation and distribution	795
Total	56,237

Our goal is to reduce CO2 emissions*
by 90 % by 2030

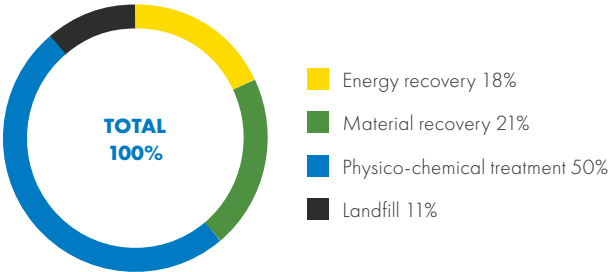
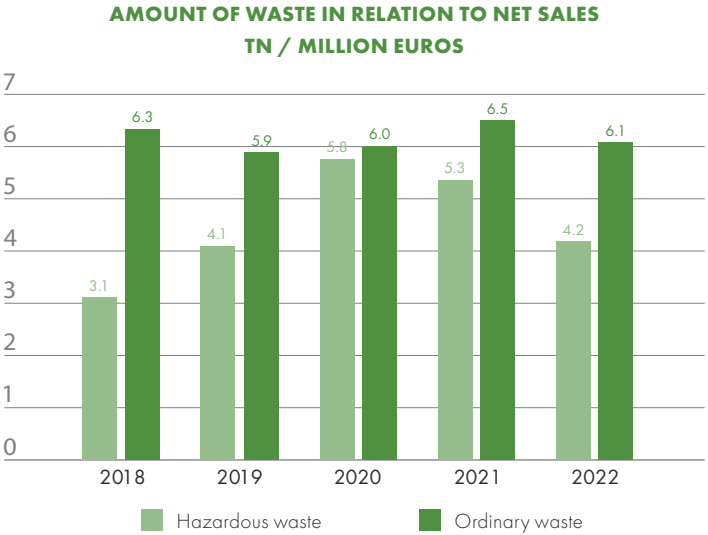
*Scope 1 and 2

-10%

The total amount of waste in 2022 was 1,498 tons, which was slightly less than in the previous year. The amount of ordinary waste was 889 tons, and the amount of hazardous waste was 609 tons. We managed to reduce the amount of hazardous waste by around 10% compared to the previous year, which was 671 tons.

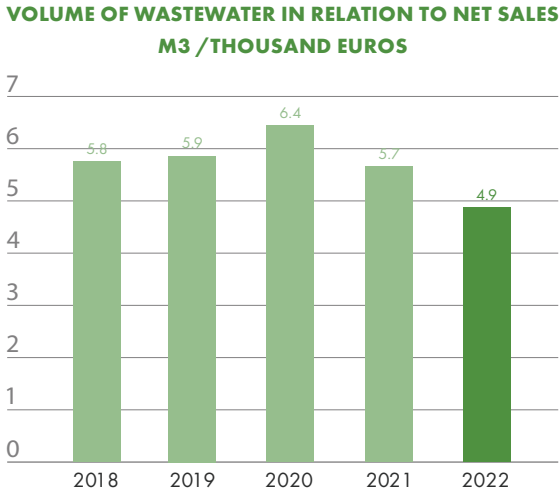
The biggest factor was the 65 ton decrease in the amount of mixed acid waste, which dropped the hazardous waste amount by 12.7% compared to the previous year. To reduce the amount of mixed acid waste, we started an environmental project in 2020.

During 2022, we implemented an environmental project that aimed to reduce chromium trioxide consumption in the laboratory by 30%. This goal was achieved, and the monitoring of chromium trioxide consumption will actively continue in 2023.



-14%

In 2022, our operations produced 711,099 m3 of wastewater, which is approximately 10,000 m3 less than the previous year. The amount of wastewater in relation to the net sales decreased by 14%.



Efficient production and continuous improvement

Reducing the environmental impacts of our own operations in other aspects

Identification and avoidance of risks

We invest in identifying potential dangerous situations and avoiding risks

CAREFUL HANDLING OF HAZARDOUS SUBSTANCES IS IMPORTANT

Significant environmental risks are caused by the use of hazardous substances, such as acids and alkalis. Strict regulations have been defined for their storage and use. Finnish Safety and Chemicals Agency (TUKES) has defined the maximum permitted storage quantities for the most hazardous chemicals. TUKES inspects Okmetic every four years. The last audit was carried out in early 2023.

WE COMPLY WITH THE OFFICIAL REQUIREMENTS

Okmetic has a valid environmental permit. The annual report in accordance with the environmental permit has been submitted to the Vantaa Environment Institute in March 2023.

In 2022, two minor environmental deviations were detected in our operations, which were reported in accordance with the environmental permit and the industrial wastewater agreement. Internal 8D reports were made of deviations and corrective measures implemented.

The energy audit is carried out every four years and the latest one was conducted in early 2020. The next energy audit will be carried out in early 2024.

DEVELOPMENT OF RISK ASSESSMENT 2022

In 2022, we further developed our environmental risk assessment by introducing a new tool for risk assessments for both personal and environmental risks. The goal is to refine and improve the scope and coverage of our risk assessments.



Ethics

Maintaining good customer and partner relations	30
High ethics in business	31
A good corporate citizen	32



Ethically sustainable
business

Maintaining good customer and partner relations

High ethics in business

A good corporate citizen

“ Ethically sustainable business

For us, ethical business means that all our operations are transparent and ethically sustainable. The ethical principles guide our work and apply to the entire organization. We also require our partners to commit to ethical business and ensure ethical practices throughout our supply chain.

Maintaining good customer and partner relations

Our business is based on serving our customers. It is very important for us to listen to our customers and understand their needs so that we are able to offer the best possible silicon-based solution for their product and process needs. In our operations, we aim for an excellent customer experience through high quality, customer orientation, solution orientation and good communication. Our customers can also trust us to act in a responsible and ethically sustainable manner.

QUALITY OF CUSTOMER EXPERIENCE AS A COMPETITIVE FACTOR

We operate in an industry where customers' quality requirements are constantly tightening, and quality is one of the most important competitive factors. Okmetic develops its operations consistently and on a long-term basis, in order to meet the customers' quality requirements and expectations in the future.

Our customers always have expectations based on their own business needs, our customer promises, our shared history and the activities of our competitors, from which they reflect the quality of their customer experience. The quality of customer experience consists not only of the quality of the products and the timely delivery, but also of the smoothness of cooperation and effective communication. In addition to product quality and on-time deliveries, Okmetic pays special attention to streamlining the processes and the quality of customer encounters.

CUSTOMIZED CUSTOMER SOLUTIONS

Each batch of Okmetic's silicon wafers is customized according to the customer's product, process and technology needs, and produced in volume production. Customer-specific customization ensures the best possible wafer performance, which leads to several customer benefits: improved equipment performance and functionality, wider design possibilities, better yields, and smooth and cost-effective manufacturing. These also benefit the environment by improving energy efficiency and reducing material use.

CUSTOMER SEGMENTATION AND SERVICE CONCEPTUALIZATION BENEFIT ALL CUSTOMERS

Like many companies, we use customer segmentation and service conceptualization to steer our operations. The aim is to establish a long and open relationship with customers. A dedicated team or account manager has been appointed for the customer. Service conceptualization helps to deepen the understanding of the customer's needs and ensure that each customer's needs can be met as well as possible.



High ethics in business

Okmetic is managed in accordance with Finnish corporate legislation, the Accounting Act, the Articles of Association and generally accepted ethical principles. We have zero tolerance for bribery, corruption, pressure and embezzlement.

WE COMPLY WITH THE FOLLOWING ETHICAL PRINCIPLES IN OUR BUSINESS:

- Our business decisions and trade methods are transparent and ethically sustainable
- We follow good business practices in business, advertising and competition
- We are committed to maintaining and transmitting only accurate information
- We manage confidential information in a manner that confidentiality is maintained
- We respect intellectual property rights
- We source minerals from responsible sources and do not use conflict minerals
- We protect our registry information in accordance with rules and legislation

WE MAKE PURCHASES RESPONSIBLY

As a guideline for our socially responsible operations, we follow the generally used Code of Conduct of The Responsible Business Alliance (RBA). We expect our suppliers and business partners to do the same. We monitor that those working at Okmetic's premises and/or premises designated by Okmetic fulfill the obligations of the Contractor's Obligations and Liability Act.

WE HANDLE INFORMATION CONFIDENTIALLY

We handle all confidential information appropriately. We respect the intellectual property rights and privacy of our suppliers, customers and personnel. We process all personal data in accordance with EU laws and regulations. We use non-disclosure agreements with our customers as part of the business agreements.

WE INVEST IN DATA SECURITY

During 2022, we have invested significantly in technical information security and its development. Information security tasks were defined and held responsibly according to the annual clock. We also prepared and updated our information security policy and information security classification guidelines. At the end of the year, we started building an outsourced SOC (Security Operations Center) service and it was commissioned in March 2023.

OUR STAKEHOLDERS HAVE THE RIGHT TO REPORT VIOLATIONS AND SUSPICIONS

Okmetic's personnel have the right to raise their concerns related to business ethics anonymously and without a fear of counter or punitive measures. Other stakeholders also have the same right. For this purpose, there is an electronic reporting channel maintained by an external partner, where you can report the case anonymously. In 2022, two reports were submitted to the channel, which were investigated and processed. Neither of the reports resulted in any further action.



A good corporate citizen

WE COLLABORATE ACTIVELY WITH COMPANIES AND EDUCATIONAL INSTITUTIONS TO PROMOTE THE SEMICONDUCTOR INDUSTRY

We cooperate with semiconductor companies operating in Finland to increase awareness of the industry and promote jobs for students in the field. In the beginning of 2023, we also donated to Aalto University, which will allow the university to offer interesting summer jobs at the School of Electrical Engineering and the School of Chemical Engineering in the summer of 2023.

WE INVEST IN GROWTH AND ENSURING CONTINUITY

The semiconductor industry is cyclical, but in the long term, the industry is growing, and we want to be part of the growth. With the construction of the new fab expansion announced in 2022, we will ensure our competitiveness in the industry and create new jobs in Finland. During 2022, we have increased our number of personnel by more than 50 people. We have avoided personnel adjustment measures for more than 10 years.



Sustainability management system

We are committed to developing sustainability

MANAGEMENT SYSTEM

Sustainability is an integral part of our strategy and values, which are customer orientation, sustainable growth, respect and valuing others, and continuous development. Acting sustainably is every Okmetic employee's duty.

Compliance and development of sustainability is led by the President and CEO together with the executive management group. Among the members of the executive management group, sustainability is the responsibility of the director of human resources, IT and sustainability. The practical implementation and area of sustainability are guided by the policies approved by the Board of Directors or the Management Group and the sustainability program, in which the objectives are set and achieved through the measures described. The program has been created on the basis of a materiality analysis, and the management team updates it when necessary and monitors the achievement of targets. Measures to promote the development of sustainability are implemented at different levels of the organization.

A responsible member of the Executive Management Group and Okmetic's communications are responsible for sustainability communications and reporting. The aim is to ensure that employees and partners have accurate and sufficient information about the objectives, so that they can be involved in developing products and operations to a more sustainable direction. Information is shared through internal and external channels, and achievements are regularly reported to all stakeholders. Going through the Corporate Sustainability Guide, which contains a description of Okmetic's responsible principles and practices, is part of the induction program for every employee.

The environmental management team is responsible for the practical implementation of environmental responsibility management, whose responsibility also covers 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 safety and health cooperation. Responsibility related to well-being at work, working conditions and personnel is the responsibility of human resources management.

Okmetic updates the equality plan every three years and its statistical survey annually. The equality plan is monitored in cooperation with shop stewards. A corporate sustainability agreement has been signed with the main contract manufacturers and suppliers.

CUSTOMER EXPECTATIONS

In the semiconductor industry, customer expectations and demands for quality and sustainability have increased significantly in recent years. Environmental responsibility and emission reduction, in particular, are the goals of many of our global customers, and they expect the same from their suppliers. We strive to meet or exceed customer expectations in many ways now and in the future.

RISKS AND RISK MANAGEMENT

In 2022, we developed risk assessment by introducing a new tool for risk assessments for both personal and environmental risks. The goal is to refine and improve the scope and coverage of our risk assessments.

SUSTAINABILITY COMMUNICATIONS

Internal communication related to sustainability has been developed and increased during 2022. Special emphasis has been put on themes related to environmental responsibility. Communications of sustainability and quality management will continue to be invested in 2023 with the completion of the intranet.

SUSTAINABILITY PROGRAM AND DEVELOPMENT TARGETS

The key objectives of our sustainability program regarding personnel are to develop well-being at work, workplace communication and smooth working, as well as ensuring competence and finding new Okmetic employees for corporate growth and profitability.

We have developed well-being at work by providing training for supervisors about coaching leadership and value-based management. The training will continue in 2023. A key goal for the upcoming years is also to raise a people-oriented culture alongside the technology-oriented way of thinking. Internal communication channels have been developed and the development work continues. The new intranet will be completed during the first half of 2023. During 2023, we will increasingly adopt modern work tools in a cloud-based environment throughout the organization. The implementation is supported by training together with an external partner and an internal network of experts. Business growth requires us to increase the number of personnel and recruit the right people for both trainee and expert positions. We have strengthened student cooperation by actively participating in various student events and by offering internships and thesis opportunities to students. We develop our employer image together with an external partner. To secure

our expertise, we will invest even more in high-quality recruitment and orientation, as well as in the competence development of our experts.

Occupational health and safety are very important to us, and the measures and methods promoting them are constantly being developed. The most prominent goals are to improve occupational safety, develop well-being at work and reduce sickness absences, as well as to anticipate and manage risks. Topics related to occupational safety and well-being are constantly discussed and developed in cooperation with personnel representatives.

Our key goals in terms of environmental responsibility are reducing energy and water consumption, decreasing chemical consumption and the amount of waste, and calculating and reducing direct and indirect greenhouse gas emissions of our operations. We have been able to reduce energy consumption with various projects, such as upgrading lighting with LED technology and reducing electricity consumption in certain functions. An engineering study on water consumption was conducted in 2022 to investigate water use and possible areas where it could be reduced. Measures and projects aimed at both energy and water consumption will continue. We have also been able to reduce the amount of chemical consumption, waste and especially hazardous waste with various projects. These projects will also continue. In early 2023, we have defined a target to reduce emissions of our operations – to reduce our own direct and purchased energy greenhouse gas emissions by 90% by 2030. We will define milestones and a roadmap to achieve this goal and implement the necessary measures.

Maintaining good customer and partner relations is a prerequisite for our business. The quality of customer experience consists not only of the quality of the products and the timely delivery, but also of the smooth-

ness of cooperation and effective communication. In addition to product quality and on-time deliveries, we have paid special attention to streamlining our processes and the quality of customer encounters.

During 2022, we have invested significantly in technical information security and its development. We renewed the information security policy and updated the information security classification guidelines. In 2023, we will invest in internal communication about information security and the implementation of information security practices throughout the organization.

The development of digital marketing and communication channels has been conducted during 2021 and 2022 to support customer experience, recruitment and internal communications. In 2023, we will continue to develop our internal communications and digital marketing, especially to support recruitment.

The quality of our operations has been significantly developed within the framework of 5S operations during 2022 and the development work will continue in 2023.

Efforts are made to continuously improve and develop cooperation between personnel and management by reorganizing personnel representation in management groups and other functions.

AUDITS AND CERTIFICATIONS

Okmetic complies with the RBA's Code of Conduct in terms of responsibility and its reporting, according to which an external party audits our responsible operations.

Okmetic has quality and environmental management systems in accordance with ISO 9001:2015, ISO 14001:2015 and IATF 16949:2016 standards.

Our operations also meet the requirements of the REACH Regulation, RoHS Directive and GADSL. The quality and environmental management system is audited by an external certification body. Internal audits are also organized regularly, and Okmetic has auditors specifically trained for internal audits.

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.

GRI Okmetic’s sustainability reporting for 2022 utilises the GRI standard, although it does not cover all of its information requirements. Some of the information in the report has been verified by an external party.

GRI-NUMBER	GRI-TITLE	PAGE	REPORT TITLE	ADDITIONAL INFORMATION
GR2: GENERAL DISCLOSURES				
2-1	Organizational details	4	Okmetic	
2-2	Entities included in the organization’s sustainability reporting	3	Report description	
2-3	Reporting period, frequency and contact point	3	Publishing the report	
2-4	Restatements of information			No changes
2-5	External assurance	3	Report description	
2-6	Activities, value chain and other business relationships	4-5	Okmetic	
2-7	Employees	14-21	Personnel and sustainability	
2-9	Governance structure and composition	33	Sustainability management system	In accordance with the Finnish Limited Liability Companies Act and Okmetic’s Articles of Association
2-12	Role of the highest governance body in overseeing the management of impacts	33	Sustainability management system	
2-13	Delegation of responsibility for managing impacts	9-13	Corporate responsibility at Okmetic	
2-22	Statement on sustainable development strategy	8	Strategy	
2-23	Policy commitments	9-13	Corporate responsibility at Okmetic	The Responsible Business Alliance (RBA) Code of Conduct
2-25	Processes to remediate negative impacts	12	Corporate sustainability program	
2-26	Mechanisms for seeking advice and raising concerns	31	High ethics in business	
2-27	Compliance with laws and regulations	31	High ethics in business	
2-28	Membership associations			Teknologiateollisuus ry, Helsingin kauppakamari, Suomen Laatuyhdistys ry, SEMI org.
2-29	Approach to stakeholder engagement	10	Stakeholders	
2-30	Collective bargaining agreements			All personnel
GR3: MATERIAL TOPICS				
3-2	List of material topics	11	Fundamental themes	
3-3	Management of material topics	12	Corporate sustainability program	
GRI 201: ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	6	Year 2022 in brief	Total wages and salaries in 2022 were 43.3 M€
GRI 205: ANTI-CORRUPTION				
205-3	Confirmed incidents of corruption and actions taken			No cases
GRI 206: ANTI-COMPETITIVE BEHAVIOR				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			No cases
GRI 301: MATERIALS				
301-1	Materials used by weight or volume	23-28	Environmental responsibility	
GRI 302: ENERGY				
302-1	Energy consumption within the organization	23-28	Environmental responsibility	
302-3	Energy intensity			The energy intensity of Okmetic’s operations is low
302-4	Reduction of energy consumption	24	Optimization of raw material, energy and water consumption	

GRI-NUMBER	GRI-TITLE	PAGE	REPORT TITLE	ADDITIONAL INFORMATION
GRI 303: WATER AND EFFLUENTS				
303-5	Water consumption	24	Environmental responsibility	
GRI 305: EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	26	Environmental responsibility	
305-2	Energy indirect (Scope 2) GHG emissions	26	Environmental responsibility	
305-3	Other indirect (Scope 3) GHG emissions	26	Environmental responsibility	
305-5	Reduction of GHG emissions	23-28	Environmental responsibility	
GRI 306: WASTE				
306-1	Waste generation and significant waste-related impacts	27	Environmental responsibility	
306-2	Management of significant waste-related impacts	27-28	Environmental responsibility	
306-3	Waste generated	27	Environmental responsibility	
306-4	Waste diverted from disposal	27	Environmental responsibility	
306-5	Waste directed to disposal	27	Environmental responsibility	
GRI 401: EMPLOYMENT				
401-1	New employee hires and employee turnover	6	Year 2022 in brief	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	18	Personnel and sustainability	
401-3	Parental leave			In Finland, statutory
GRI 402: LABOR/MANAGEMENT RELATIONS				
402-1	Minimum notice periods regarding operational changes			In Finland, statutory
GRI 403: OCCUPATIONAL HEALTH AND SAFETY				
403-1	Occupational health and safety management system	19-21	Safe and responsible working conditions	
403-2	Hazard identification, risk assessment, and incident investigation	19-21	Safe and responsible working conditions	
403-3	Occupational health services	19-21	Safe and responsible working conditions	
403-4	Worker participation, consultation, and communication on occupational health and safety	19-21	Safe and responsible working conditions	
403-5	Worker training on occupational health and safety	19-21	Safe and responsible working conditions	
403-6	Promotion of worker health	19-21	Safe and responsible working conditions	
403-8	Workers covered by an occupational health and safety management system	19-21	Safe and responsible working conditions	
403-9	Work-related injuries	19-21	Safe and responsible working conditions	
403-10	Work-related ill health	19-21	Safe and responsible working conditions	
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	17	We value everyone's contribution	
GRI 413: LOCAL COMMUNITIES				
413-2	Operations with significant actual and potential negative impacts on local communities	28	We invest in identifying potential dangerous situations and avoiding risks	
GRI 415: PUBLIC POLICY				
415-1	Political contributions			Okmetic does not support political parties

OKMETIC

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