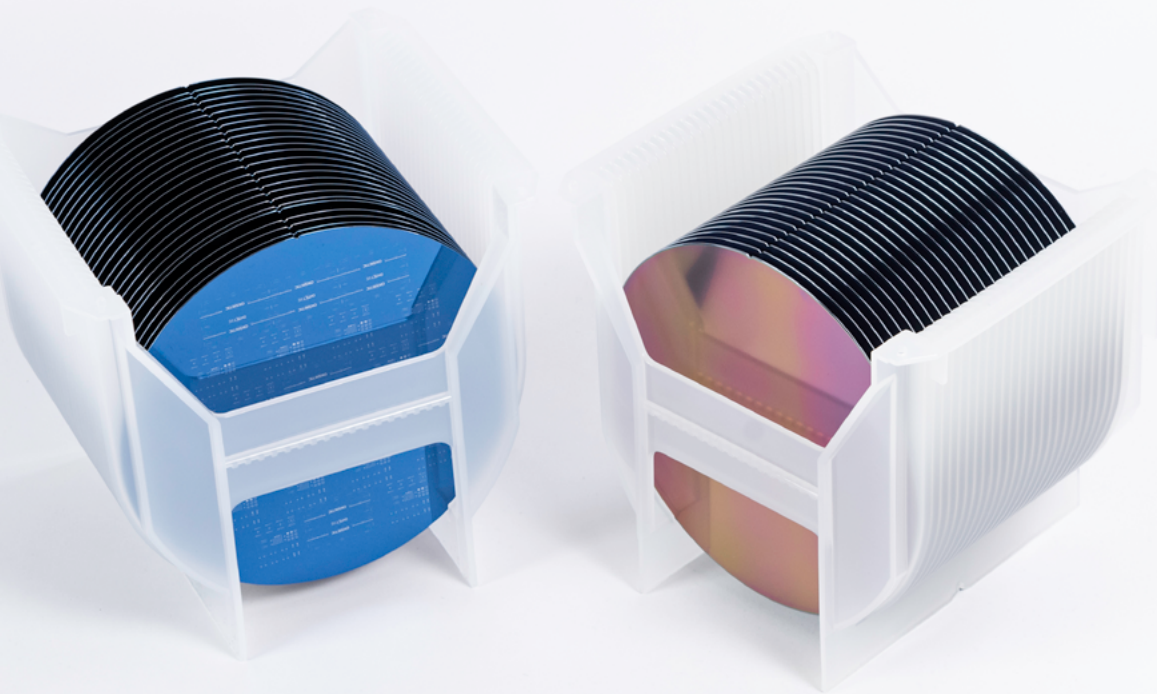




2023

OKMETIC

SUSTAINABILITY REPORT



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Our year 2023

Report description

Okmetic’s sustainability report 2023 outlines the most central aspects and impacts of responsibility in the company operations, as well as ways to improve corporate responsibility in various areas. This report’s primary stakeholders are our customers, personnel, partners and other stakeholders in society and owners.

The report first briefly introduces Okmetic and its strategy and company values. It then outlines the targets, fundamentals, management model for sustainability, and the sustainability development 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, and achieved results are presented separately for each area.

The information presented is disclosed in a GRI table at the end of the report. Okmetic utilises the GRI index in developing its sustainability, 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 English and in Finnish 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 June 2023, and the next report will be published in early 2025.

RBA CODE OF CONDUCT

LABOR	HEALTH AND SAFETY	
<ul style="list-style-type: none"> • Prohibition of Forced Labor • Young Workers • Working Hours • Wages and Benefits • Non-Discrimination/Non-Harassment/Humane Treatment • Freedom of Association and Collective Bargaining 	<ul style="list-style-type: none"> • Occupational Health and Safety • Emergency Preparedness • Occupational Injury and Illness • Industrial Hygiene • Physically Demanding Work • Machine Safeguarding • Sanitation, Food, and Housing • Health and Safety Communication 	
ENVIRONMENT	ETHICS	MANAGEMENT SYSTEM
<ul style="list-style-type: none"> • Environmental Permits and Reporting • Pollution Prevention and Resource Conservation • Hazardous Substances • Solid Waste • Air Emissions • Materials Restrictions • Water Management • Energy Consumption and Greenhouse Gas Emissions 	<ul style="list-style-type: none"> • Business Integration • No Improper Advantage • Disclosure of Information • Intellectual Property • Fair Business, Advertising and Competition • Protection of Identity and Non-Retaliation • Responsible Sourcing of Minerals • Privacy 	<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/Stakeholder Engagement and Access to Remedy • Audits and Assessments • Corrective Action • Documentation and Records • Supplier Responsibility

TOMORROW'S SOLUTIONS ARE BUILT ON SILICON



Europe Headquarters and plant in Finland
Sales office and technical support in Germany and France

Japan & Taiwan Japan and Taiwan sales office and technical support

North America US sales office and technical support

Asia-Pacific Shanghai sales office and technical support
Sales agents in Korea, Malaysia and Singapore

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, RF 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 650 employees, and our net sales in 2023 were 115 million euros.

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, France, the United States, Japan, China and Taiwan. In addition, the company has sales agents in South Korea, Malaysia, and Singapore. 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. At the beginning of 2023, the construction of the Vantaa fab extension began. This investment of nearly EUR 400 million to increase capacity is planned to be in production use in early 2025.

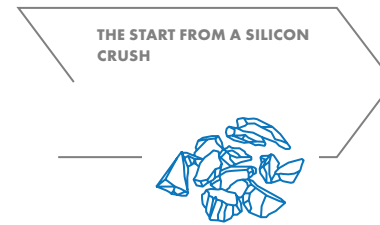
THE WIDEST WAFER SELECTION ON THE MARKET

Okmetic supplies 150 to 200 mm silicon wafers optimized for MEMS, RF and Power device needs. The vast wafer portfolio includes SOI, SSP and DSP wafers as well as Patterned and TSV wafers among others.

CUSTOMIZATION ENABLES THE BEST PERFORMANCE OF THE SILICON WAFER

What makes Okmetic 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, customization enables 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.

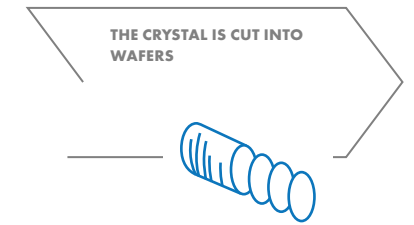
The raw material is polysilicon, which is refined from quartz sand by removing 99.999999999% of other elements present.



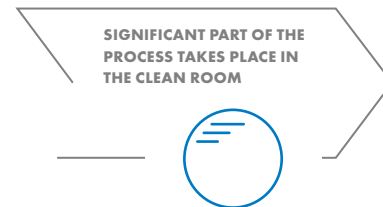
Crystal growing, which is one of Okmetic's core areas of expertise, involves growing a cylindrical single crystal out of a seed crystal of melted polysilicon.



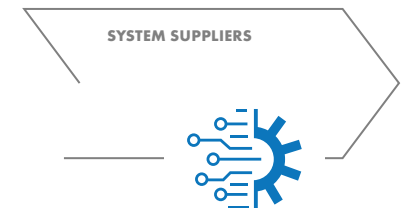
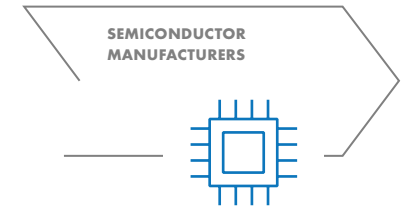
The finished crystal is cut, polished and sawn into wafers according to the customer's specifications.



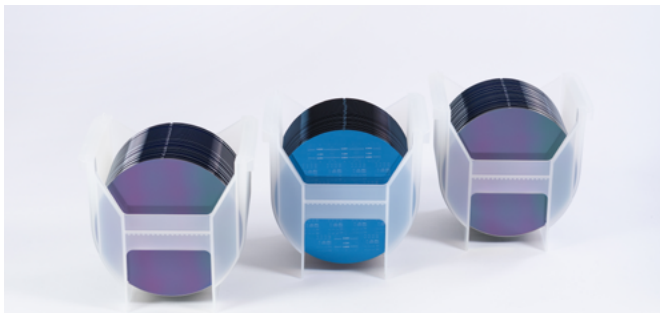
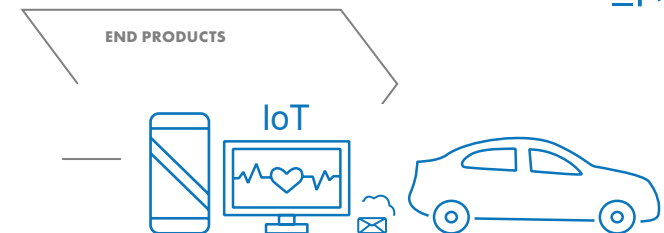
The strength, thickness and surface uniformity of each wafer is ensured by mechanical and chemical processing. Big part of the process takes place in the clean room, since the most important quality criterion is cleanliness.



The processing of silicon wafers often involve various further processing steps. Finally, the wafers are inspected, packaged, and delivered to the customer as a raw material for the manufacture of MEMS, sensors, RF devices, or power devices.



Okmetic's customers manufacture their devices onto or inside our silicon wafers by mechanical and chemical methods. After testing, the wafers are cut into pieces, and a single wafer can be turned into hundreds or even tens of thousands of devices. The finished devices are packaged ready to be installed into modules or end-products.



SILICON WAFERS

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

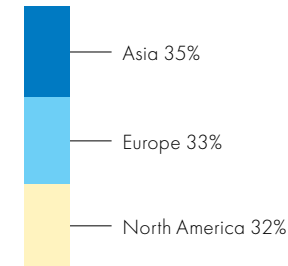
Year 2023 in brief

- In 2023, the semiconductor industry experienced a significant downturn. In terms of volume, the silicon wafer market decreased by approximately 15% from the previous year. This also affected Okmetic's net sales, which decreased to EUR 115 million.
- The number of personnel decreased somewhat during the year because no replacement recruitment was carried out. Despite the difficult year, no measures were taken to adjust the number of personnel.
- At the beginning of the year, construction work of the factory expansion began and continued throughout the year. This investment of nearly EUR 400 million is planned to be in production use in early 2025.
- We launched Terrace Free SOI capability for our 200 mm Bonded Silicon-On-Insulator BSOI and E-SOI® wafers. The Terrace Free SOI wafers provide device manufacturers with maximized usable area and enable more chips per wafer to be produced.
- We actively collaborated with other semiconductor companies operating in Finland to develop the industry and its attractiveness.
- We invested in the development of supervisor work. During the year, supervisors have been trained in coaching and value-based leadership, among other things.

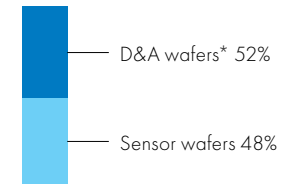


Okmetic is expanding its fab in Koivuhaka, Vantaa. Construction has started in the beginning of 2023 and the expansion will be in production use in early 2025.

NET SALES PER MARKET AREA

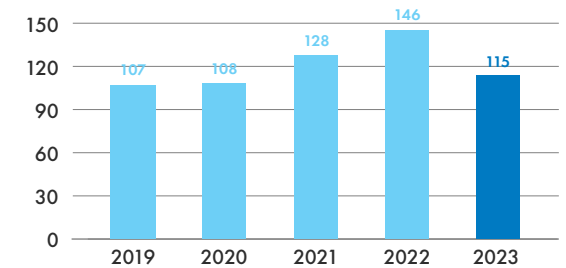


NET SALES PER CUSTOMER AREA

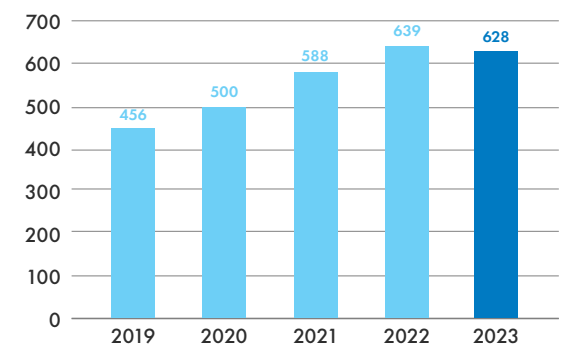


*D&A (Discrete and Analog) includes wafers for RF filters and devices as well as for power devices.

NET SALES MILLION EURO



PERSONNEL 31 DECEMBER 2023





Talk with Kai Seikku, President and CEO

2023 was a difficult year for Okmetic and the entire semiconductor market. The global market downturn started already at the end of 2022 and continued throughout 2023. The silicon wafer market declined by approximately 15% from the previous year. Net sales decreased from the peak figures of 2022 and at the same time the number of personnel decreased compared to the previous year, as replacement recruitment was not carried out in all respects. Many measures were taken during the year to minimize the impact of low demand and shortened order backlog. Operations were reviewed and cost savings were implemented throughout the organization to avoid personnel adjustments. The weak situation in the market was expected to take a turn for the better already last year, but a turn for the better is still waiting. The situation is expected to turn around by 2025 at the latest.

Despite the difficult year, the company kept to its sustainability promises and operations were in line with them. Future-proof, profitable and ethical business was built, acted responsibly towards personnel and other stakeholders, and environmentally responsible choices were made. Okmetic focused on its mission, which is to develop and provide customers with high-quality silicon wafers that meet their requirements for efficiency, accuracy, and safety in their products.

Okmetic supplies customers with demanding, tailor-made high-performance silicon wafers that end up in smartphones and tablets, as part of automotive safety and electronic devices, as well as solutions related to industrial process control, medicine, and power supply improvement. Technology will play a key role in solving many of the challenges of the future, and advanced solutions will help create a smarter, safer and more energy-efficient tomorrow.

The quality and responsibility requirements of the semiconductor industry and its customers are constantly tightening, and Okmetic wants to be at the forefront of meeting these requirements. Sustainability reporting uses The Responsible Business Alliance (RBA) Code of Conduct, which is commonly used in the industry, and its approval is also expected from contract manufacturers and other suppliers. The EU's CSRD Directive will also bring additional requirements as well as consistency and comparability to companies' responsibility reporting. We are currently preparing for the changes this will bring to operations and reporting.

In early 2023, a significant step forward in environmental responsibility was taken by defining a greenhouse gas emission reduction target. The goal is to reduce direct emissions from own operations and purchased energy emissions by 90 per cent by 2030. During 2023, emissions could not be reduced due to the unfavorable residual mix emission factor for the purchased electricity. Since the beginning of 2024, we have switched to 50% carbon-neutral electricity and are also actively taking other measures towards the goal.

The largest investment in the company's history, the approximately EUR 400 million fab expansion, has risen to its height over the past year. At the moment, construction work and preparations for the ramp-up of production largely take place within the walls of the building. The fab expansion is scheduled to be in production use in early 2025. Recruitment related to the expansion has started and will continue this year. Although the market is still weak at the time of writing, there is strong belief in its recovery and growth in demand for semiconductors.

*Kai Seikku
President and CEO*

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 MEMS, 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.

Values

The implementation of our new values, launched in 2022, continued throughout 2023. The values were made visible in production facilities, offices, and personnel restaurant, for example, with the help of various posters and other visual elements. In October, we also celebrated Okmetic's Value Day, which will be held annually in the future. Values have also been strongly incorporated into managerial work. During 2023, we organized value-based leadership training for all supervisors, and values form the basis for development discussions.



CUSTOMER ORIENTATION



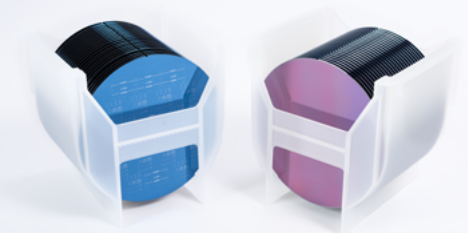
SUSTAINABLE GROWTH



RESPECT AND VALUING OTHERS



CONTINUOUS DEVELOPMENT



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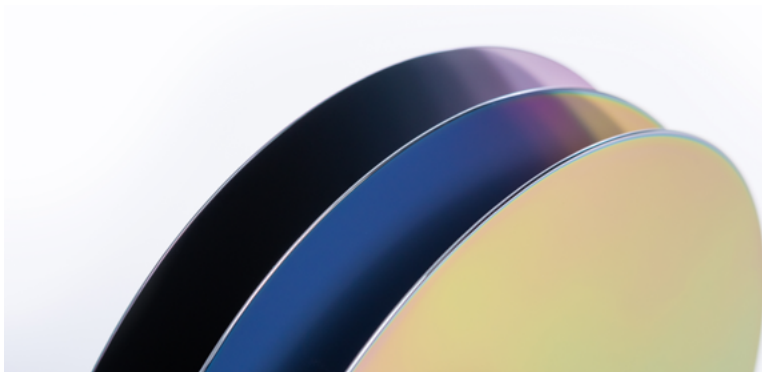


Sustainability at Okmetic

ENLARGING OUR HANDPRINT REDUCING OUR FOOTPRINT



For us at Okmetic, responsibility 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 devices 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

Fulfilling our responsibilities in operations and continuously improving them are the foundations of our success. Compliance with social responsibility fulfills the demands 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.



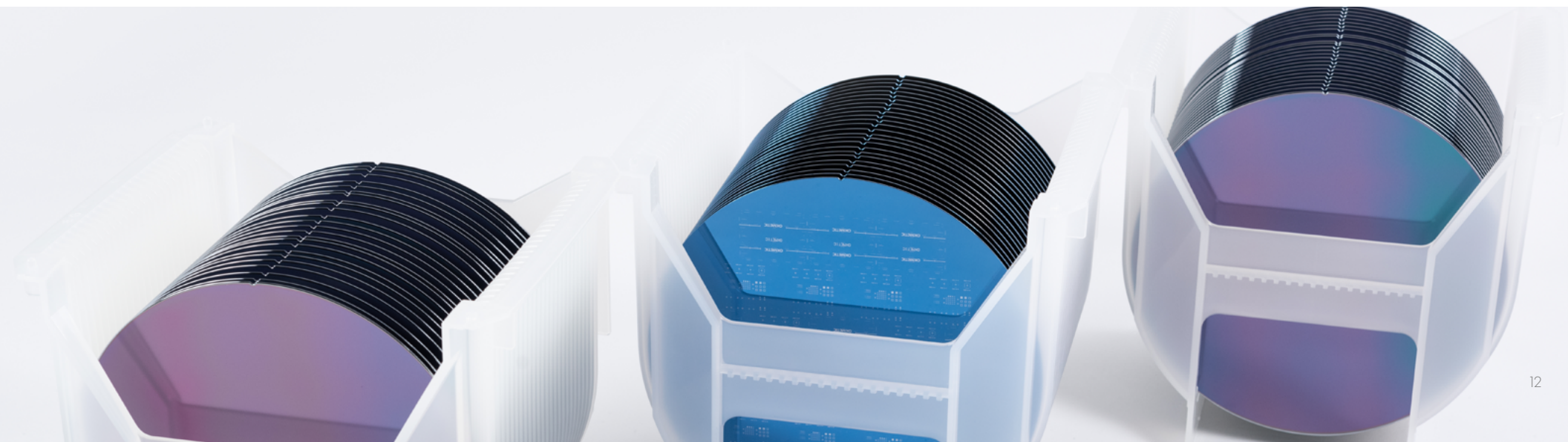
RESPONSIBILITY FOR THE ENVIRONMENT

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.



SUSTAINABILITY PROGRAM

	OBJECTIVES	MEASURES	SCHEDULE	COMPLETED
Personnel	<p>Development of well-being at work</p> <p>Better internal communication and discoverability of information Digitalization of processes and promotion of workflow</p> <p>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</p>	<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 	<p>2020- 2023- 2021- 2023- 2023- 2022- 2021- 2023- 2023-</p>	x
Health and safety	<p>Improving occupational safety Improving well-being at work and reducing the number of sick leaves</p> <p>Better anticipation and management of risks</p>	<ul style="list-style-type: none"> • More efficient use of proactive occupational safety indicators • Well-being at work measurement and measures • Harassment and inappropriate behavior prevention training for supervisors • Preparation and implementation of the occupational health management program • Establishing the self-notification policy • Revival of the Recreation Committee • Increasing supervisor competence in mental health issues • Establishing a channel for reporting occupational safety incidents as part of daily operations 	<p>Continuous Continuous 2024- 2023- 2024- 2024- 2024- 2023-</p>	
Environment	<p>Increasing heat recovery</p> <p>Reducing water consumption</p> <p>Reducing the use of chemicals in the silicon wafer manufacturing process More efficient sorting and recycling of waste More efficient use and recycling of polysilicon materials in our own production and external recycling Reducing direct and purchased energy emissions</p>	<ul style="list-style-type: none"> • Waste heat recovery from SOI water cooler room ventilation for air conditioning heating • Annual savings of 50 MWh in district heating consumption • Drawing up a water consumption reduction plan based on a water consumption study • Reducing water consumption of certain process tools when the tools are in standby mode • Reducing material waste and chemical use in the process phase of 2-sided grinding • Analyzing the current situation and drawing up an efficiency plan <ul style="list-style-type: none"> » Increasing the proportion of recycled silicon to 10% of polysilicon used » More efficient sorting and recycling of silicon waste • Annual plan to reach the emissions reduction target 	<p>2022- 2023 2023-2025 2023- 2024- 2024- 2024- 2023-2030</p>	x
Ethics	<p>Internalization and application of information security practices throughout the organization Ensuring data protection Quality assessment and development beyond product quality</p>	<ul style="list-style-type: none"> • Internal communication and training • Data protection training for supervisors • Developing the customer quality experience 	<p>2023- 2023- 2021-</p>	x
Management	<p>Improving the customer experience, supporting recruitment, developing internal communication Development of cooperation between personnel and management</p>	<ul style="list-style-type: none"> • Development of digital marketing and communication channels • Reorganization of employee representation in management teams and functions 	<p>2021- 2023-</p>	x

Quality

HIGH QUALITY OF PRODUCTS AND OPERATIONS IS A PREREQUISITE 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.

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 approval from contract manufacturers and our other suppliers.

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 to comply with The Responsible Business Alliance (RBA) Code of Conduction. Okmetic's operations also fulfill the requirements of the REACH regulation, RoHS directive, and GADSL.



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Personnel and social responsibility

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 considered in the development of technology, and development work has been done 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 that we can respond to customer needs in the future as well. Our strengths include long experience and expertise in the industry, flexibility even in challenging situations, and the ability to solve issues together with our personnel. As a growing globally operating technology company, we constantly offer interesting jobs to both long-time employees and newcomers.

THE AVERAGE LENGTH OF EMPLOYMENT **10** years

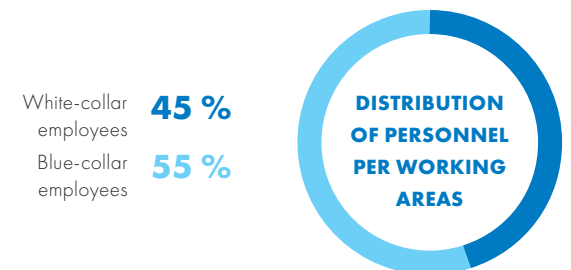
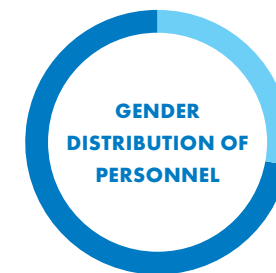
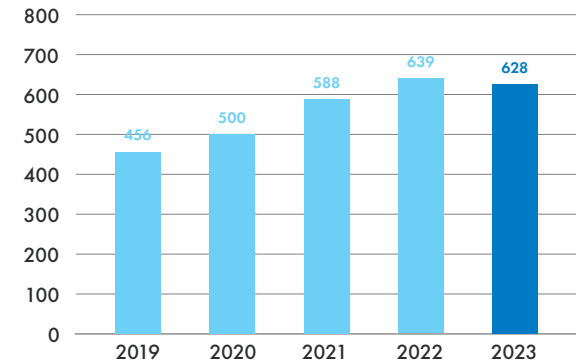
The number of personnel is expected to increase significantly in the coming years

The global semiconductor market has been growing for years, but since the end of 2022 the market has experienced a strong downturn. We believe in the long-term growth of the market and to meet demand, we have invested heavily in capacity expansion. The Vantaa fab expansion plan will almost double the number of employees over the next 3-5 years from the 2022 employee numbers. The recruitment of new talent started already in 2022, but due to the market situation, the increase in the number of personnel has not been in line with previous plans, and recruitment has been postponed to a later date. However, recruitments were made in 2023 and will continue in 2024 at an accelerating pace to prepare for the recovery of the market situation and the growth of our own capacity through the fab expansion.

In 2023, the average number of personnel was 652 (642). At the end of the year, we had 628 (639) employees. Of the personnel, 614 worked in Finland, seven in the US, six in Japan and one in Germany.

We want to be a reliable and stable employer. Although demand for our end products and the market situation fluctuate, thanks to long-term contracts and flexibility in our forecasting and operations, we have been able to offer a stable workplace. We have avoided measures to reduce the workforce for more than 10 years.

NUMBER OF PERSONNEL 2019-2023



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

During 2023, we continued to invest in the development and well-being of our personnel as well as in the company's growth and digitalization in line with the HR vision drawn up in 2022.

PEOPLE-ORIENTED COMPANY CULTURE

Building of 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 between different personnel groups, different countries and, in the future, also those working in different fab premises. At the core of the people-oriented operating culture are daily encounters, value-based operating culture and coaching-style leadership by supervisors. We have also included promotion of bilingualism (Finnish-English) into our operating culture.

During 2023, we organized training for supervisors in value-based and coaching-style leadership, the purpose of which is to strengthen people-oriented leadership in supervisor work. In 2023, we launched a Finnish-language intranet and in early 2024, an English version. Finding information and communicating bilingually also creates a good foundation for global HR processes.

PERSONNEL GROWTH AND DEVELOPMENT

Investing in employee growth and development is an important part of our HR strategy. Our goal in the coming years is to support the development of the world's best 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 actively support the company's internal knowledge sharing, develop trainee paths, strengthen our employer brand and, with the growing number of personnel, invest in high-quality recruitment and orientation training.

During 2023, we invested heavily in clarifying and strengthening our employer brand to support growing recruitment needs. The elements of the employer brand were discussed in the workshops together with representatives of both white-collar and blue-collar employees. The establishment of Production Trainer positions and the creation of digital induction programs significantly developed the induction processes of new Okmetic employees.

MODERN DIGITAL PROCESSES

With the introduction of modern digital processes, we aim to streamline processes and lighten 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. Internal communication, teamwork and daily work are enhanced by adopting modern cloud-based methods. We will also further digitalize HR processes, such as online training and onboarding.

In 2023, we launched a new intranet to facilitate and support communication and access to information for all personnel. The intranet has been very well received by the personnel and it has harmonized communication. Several HR processes, such as monitoring and reporting related to supervisor work and recording personal development discussions, have been digitalized during the year and thus streamlined. We also introduced an e-learning platform that has been used for personnel orientation and training.

ACTIVE AND PARTICIPATORY 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.

In 2023, we organized coaching for supervisors to support mental work ability. We also invested in process and facility safety by establishing a new Safety Engineer position.



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

WE HAVE OPPORTUNITIES FOR PERSONAL DEVELOPMENT AND CAREER ADVANCEMENTS

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 2023, the average number of training days was 1.5 (1.3) per person. Not all short online trainings or infos are 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 2023, the training of production employees focused on quality, environment, production system, development of cooperation and well-being. In addition, cyber security training was arranged for the production.

When starting up, we draw up a personal induction plan for the new white-collar employee. Planning of 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 the position and career, one's own strengths or we give tips for developing with us. A personal competence development plan is drawn up annually for all white-collar employees. In 2023, joint training for white-collar employees included Lean Six Sigma training, training on modern digital tools (M365) and data protection training.

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 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 careers. The average duration of employment with us is nearly 10 years. In our teams, we draw up an annual well-being plan based on a personnel survey. We also cover each Okmetic employees' work and its contents, 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: harvesting 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 INTERSHIPS AND SUMMER JOBS FOR STUDENTS IN THE FIELD

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 terms 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 2023, the total amount of wages and salaries was EUR 42.8 (43.3) million.

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 2023

42,8
EUR
million

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 2023, we continued to use a more comprehensive tool in risk assessments for both personal and environmental risks. Our goal is to further refine and improve the scope and coverage of risk assessments on a work area-specific basis. 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. Primarily comes technical means of control, secondarily 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 device security 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 in production and maintenance 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 ILLNESSES

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 decreased compared to the previous year. All absences related to sickness or accidents were 5.0 (5.6) percent of the total working time in 2023.

In 2023, there were 25 (22) 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 2.9 (1.9). Okmetic's disability pension contribution remained in category one in 2023.

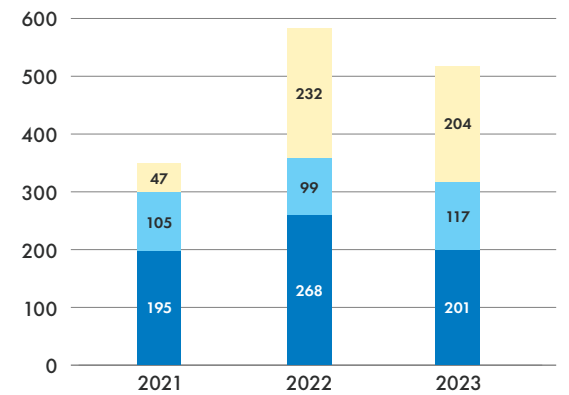
WE ACTIVELY COMMUNICATE ABOUT WORK-RELATED HEALTH AND SAFETY

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, as well as 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.

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.

SAFETY OBSERVATIONS, SAFETY SESSIONS AND 5S SAFETY OBSERVATIONS



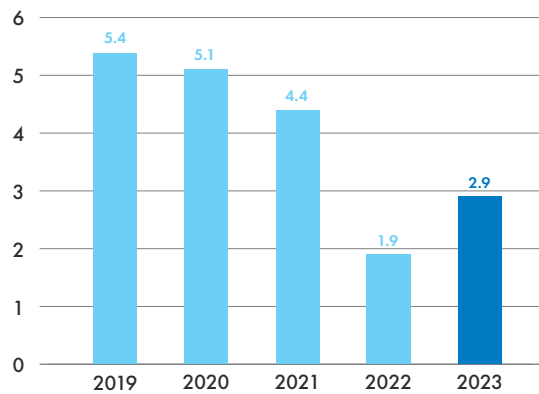
- Safety observations
- Safety sessions*
- 5S safety observations

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

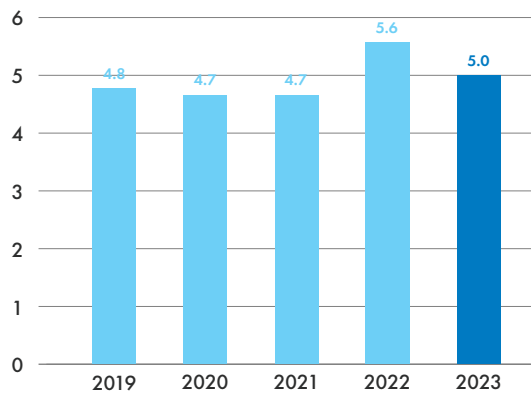
WORKPLACE ACCIDENTS IN 2023

Lti 30 (30 days or more)	1
Lti 4 (4 days or more)	2
Lti 1 (1-3 days)	8
Mti, treatment needed (absence less than one day)	15
Reported accidents total	26

WORKPLACE-RELATED INJURY FREQUENCY



SICKNESS ABSENCES



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 2023 was carried out in December 2023. 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 of the survey were discussed in teams during spring 2024. In the previous survey, the development of supervisor work and the management of mental work ability were identified as development targets, and that will be supported with further investments.

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 ways. In 2023, we continued to implement the values renewed the previous year and make them visible through various actions. Among other things, we launched Okmetic's Value Day, which is celebrated annually in October. With the new intranet, we will also be able to better highlight our personnel, present teams and, for example, career stories at Okmetic. At the beginning of 2024, we launched the #TopnotchProfessionals site on our intranet, which introduces new Okmetic employees and highlights news related to our personnel.

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's Executive Management Group has an elected representative of the personnel.

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.

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, or treatment contrary to human rights. 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 compensation is given for all work on the same demand levels. Elimination and prevention of all forms of harassment and inappropriate behaviour is an important third objective. The measures, a responsible party, a schedule and follow-ups have been defined for the objectives.



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Efficient production and continuous improvement	25
Reducing the environmental impacts of our own operations in other aspects	28
Identification and avoidance of risks	30



Environmental responsibility

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.

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

**-90
percent**

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, personnel 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 of 2022. The main points of the reduction plan are the transition to carbon-neutral electricity, the implementation of heat recovery projects, and the introduction of solar panels.



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.

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 our energy usage development, we leverage an external energy audit, which provides actionable recommendations. The audit covers the monitoring of electricity, energy and 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 2023, we carried out preliminary studies related to an environmental project started at the beginning of 2024 with the aim of improving the efficiency of the use of polysilicon materials in our own production and external recycling. The goal is to increase the share of recycled silicon to 10% of all polysilicon used by end of 2024. The aim is also to investigate the recyclability of silicon material that ends up as waste.

Based on a study conducted in 2022 related to water use in production, we have identified areas where it is possible to reduce water consumption in production. As of May 2023, it was possible to reduce water consumption by 3,800 m³ by reducing idle water flow of certain process tools. The annual impact of this measure is approximately 7,300 m³. Our target is to reduce water consumption by 26,000 m³ per year through various measures. These measures have been implemented gradually during 2024.

We have monitored our energy and water consumption relative to net sales and have been able to reduce them significantly in recent years. As net sales in 2023 were at a significantly low level relative to production capacity, we were not able to continue the same downward trend with this indicator. In this report, we report consumption as actual numbers instead of net sales based. Our electricity consumption in 2023 decreased by almost 10 percent compared to the previous year, and water consumption was almost at the previous year's level. Water consumption in production is not directly proportional to production volumes, as many devices use water when in standby mode. When comparing district heat consumption, it must be taken into account that in 2023, district heat was also used at the construction site of the new fab expansion.

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 in terms of cost-efficiency and competitiveness of 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.



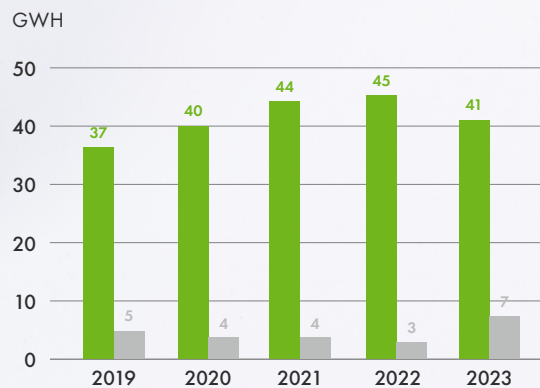
**RESOURCES USED IN 2023:
ELECTRICITY, DISTRICT HEATING AND WATER**

In 2023, we used a total of 41.2 GWh (gigawatt-hours) of electricity in our production facility and office. Electricity consumption fell by 9 percent from the previous year.

We used 6.6 GWh of district heat, which is 153 percent more than in the previous year. The consumption of district heat was affected by its use at the construction site of the factory expansion.

We consumed 935 tm³ of water in 2023. Water consumption rose by 1 percent, i.e. was almost on level with the previous year.

ELECTRICITY AND DISTRICT HEATING CONSUMPTION



● Electricity
● District heating

WATER CONSUMPTION



NON-HAZARDOUS WASTE DECREASED BY -13 %

HAZARDOUS WASTE DECREASED BY -17 %

The total amount of waste in 2023 was 1,283 tons, which was nearly 15 percent less than in the previous year. The amount of non-hazardous waste was 778 tons, and the amount of hazardous waste was 505 tons.



MIXED ACID WASTE DECREASED BY -27 %

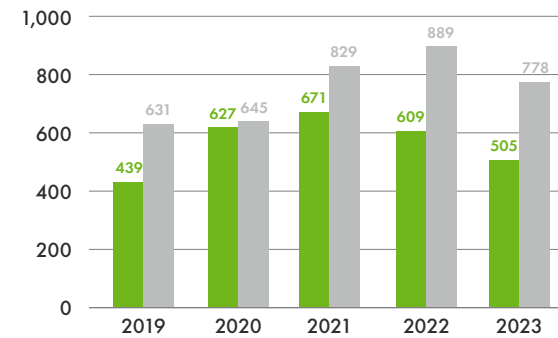
The biggest factor contributing to the decrease in hazardous waste was the decrease in mixed acid waste by 120 tons, which represents a decrease of 27 percent compared to the previous year. We started an environmental project in 2020 to reduce the amount of mixed acid waste. In 2023, the reduction in mixed acid waste was also attributed in part to decreased production volumes.

At the beginning of 2024, we started an environmental project with the aim of enhancing and improving the sorting and recycling of waste in production, warehouse, office premises and the personnel restaurant. The project also aims to define procedures for waste sorting and recycling in the new fab expansion.

In 2023, our operations produced 724 tm³ of wastewater, which is approximately 2 percent more than in the previous year.

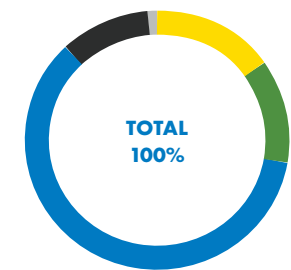
AMOUNT OF WASTE

TN



- Hazardous waste
- Non-hazardous waste

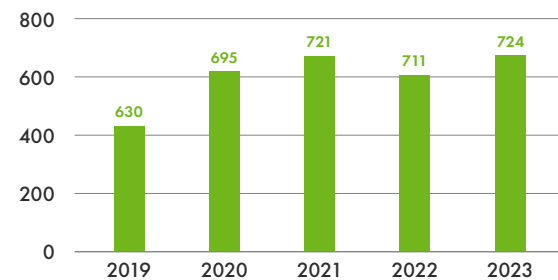
RECOVERY AND TREATMENT OF WASTE



- Energy recovery 15%
- Material recovery 13%
- Physico-chemical treatment 60%
- Landfill 11%
- Other 1%

WASTE WATER

TM3



HARM CAUSED IN 2023: EMISSIONS, WASTE AND WASTE WATER

Carbon footprint calculations have been made following the company standard of the greenhouse gas protocol (GHG Protocol). Emission calculations have been made for the operations of the entire Okmetic Group. The results represent potential GHG emissions of the company in 2023 calculated based on the information provided by Okmetic Oy.

The total amount of all emissions in 2023 (Scope 1, 2 & 3) was 56,792 tCO₂e.

The amount of direct emissions (Scope 1) was 23 (42) tCO₂e and the amount of purchased energy (Scope 2) was 20,466 (11,105) tCO₂e. Indirect emissions (Scope 3) amounted to 36,303 (54,444) tCO₂e.

The decrease in scope 3 emission figures was largely due to a revised calculation method. Scope 3 does not take into account emissions from category 10 (processing of sold products). It has not been possible to reliably calculate emissions in this category 10 due to the small number of data points. The estimated category 10 emissions for 2023 are 102,942 tCO₂e and for 2022 are 130,000 tCO₂e.

**SCOPE 1
DIRECT EMISSIONS - PRODUCTION PLANT AND
COMPANY OWNED VEHICLES**

Combustion of propane	9
Use of leasing cars	14
Total	23

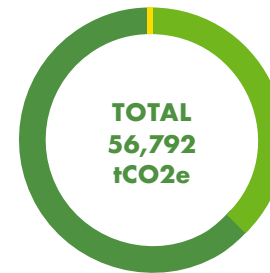
**SCOPE 2
PURCHASED ENERGY - ELECTRICITY AND HEAT**

Electricity	19,402
Heat	1,064
Total	20,466

**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.

Upstream	
Purchased goods and services	25,225
Capital goods	4,488
Fuel- and energy-related activities	1,787
Transportation and distribution	1,591
Waste generated in operations	573
Business travel	1,578
Employee commuting	466
Leased assets	384
Downstream	
Transportation and distribution	211
Total	36,303
Total emissions (Scope 1,2 & 3)	56,792



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



WE HAVE DEFINED A ROADMAP FOR REDUCING EMISSIONS

At the beginning of 2023, we set an emissions reduction target to reduce our CO2 emissions (scope 1 and 2) by 90% by 2030. The baseline year for the reduction target is 2022.

In 2022, the combined emissions of Scope 1 and 2 were 11,147 tCO2e.

In 2023, the combined emissions of Scope 1 and 2 were 20,489 tCO2e.

Electricity consumption accounts for the majority of Scope 1 and 2 emissions, and in 2023 it accounted for 95%. Although electricity consumption decreased in 2023 compared to the previous year, Scope 2 emissions increased due to the unfavorable residual mix emission factor for the electricity we purchased. At the beginning of 2024, we have signed a new electricity contract in which 50% of electricity is free from CO2 emissions. This is reflected in 2024 Scope 2 emissions estimate.



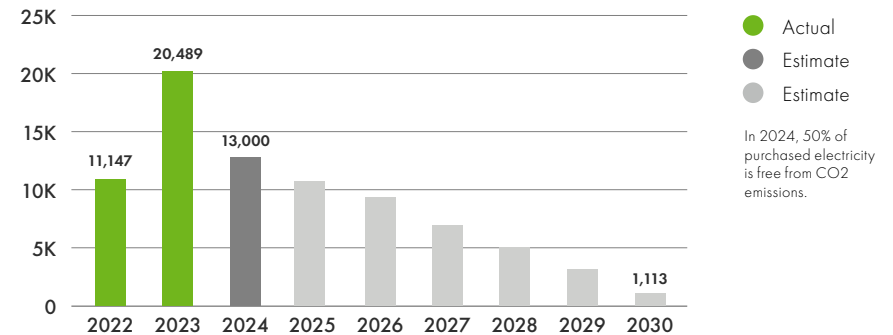
Our goal is to reduce CO2 emissions* by 90 % by 2030

*Scope 1 and 2



EMISSION REDUCTION ROADMAP (SCOPE 1 AND 2)

TCO2



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 rules 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 conducts an inspection on Okmetic annually.

WE HAVE THE REGULATORY REQUIREMENTS IN ORDER

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 2024.

In 2023, one minor environmental deviation was identified in our operations. Internal 8D report was made of deviation and corrective measures are being implemented.

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

Environmental risks are assessed continuously in accordance with the plan.



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Ethics

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 relationships

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 device 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 also in the future.

Our customers' expectations are shaped by their unique business requirements, our customer promise, our shared history, and competitor activities. These factors influence how they perceive the quality of their customer experience. This experience isn't solely determined by product quality and timely deliveries; it also hinges on smooth collaboration and effective communication. At Okmetic, in addition to prioritizing product quality and punctuality, we place particular emphasis on streamlining processes and enhancing the quality of customer encounters.

TAILORED CUSTOMER SOLUTIONS

Each batch of Okmetic's silicon wafers is customized according to the customer's device, process and technology needs, and produced in volume production. Customer-specific tailoring ensures the best possible wafer performance, which leads to several customer benefits: improved device performance and functionality, increased design possibilities, better yields, and smooth and cost-effective manufacturing. These matters also benefit the environment by improved energy efficiency and reduced 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 each 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 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 ensure 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

In 2023, we continued to invest in information security. The development of the annual clock defined in 2022 continued. The annual clock is an information security management system whose tasks guide the maintenance of, among other things, databases of devices, systems and connections, as well as regular reviews of documentation and software related to

information security and data protection. The capability of continuous information security monitoring was further developed after its implementation. Information security was also promoted by introducing multi-factor authentication in all traffic related to the outdoor network and by connecting workstations and mobile devices to centralized device management.

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 2023, no notifications were received in the reporting channel.

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 maintain and transmit 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





A good corporate citizen

WE ACTIVELY COLLABORATE 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 2023, the Without us campaign was launched to raise awareness of the semiconductor industry among young people. In early 2023, together with other companies in the field, we also donated to Aalto University, which enabled the university to offer interesting Semi-Summer jobs at the School of Electrical Engineering and the School of Chemical Engineering in summer 2023. Semi-Summer will continue in 2024.

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 new fab expansion operational in early 2025, we will ensure our competitiveness in the industry and create new jobs in Finland. We have avoided measures to reduce the workforce for more than 10 years.

Sustainability management system

We are committed to developing responsibility

MANAGEMENT SYSTEM

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

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 practical implementation and area of responsibility are guided by the policies approved by the Board of Directors or the Management Group and the responsibility 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 responsibility development are implemented at different levels of the organization.

A responsible member of the Management Team 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 in a more sustainable direction. Information is shared through internal and external channels, and achievements are regularly reported to all stakeholders. Going through the Corporate Social Responsibility 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. Human resources is responsible for ensuring the

well-being of employees, maintaining optimal working conditions, and overseeing personnel matters.

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 social responsibility 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 of our risk assessments.

RESPONSIBILITY COMMUNICATIONS

Internal communications related to sustainability were developed during 2023. Communication was particularly affected by the introduction of an intranet during the year, through which every Okmetic employee can read about Okmetic's sustainability and its principles. Sustainability communication and training will continue to be invested in 2024.

RESPONSIBILITY PROGRAM AND DEVELOPMENT TARGETS

The key objectives of our sustainability program with regard to personnel are to develop well-being at work, workplace

communication and smooth workflow, as well as to ensure competence and finding new Okmetic employees to ensure growth and profitability.

We have further developed well-being at work by investing in coaching for supervisors from the perspectives of coaching leadership and value-based leadership. In 2023, we clarified the role of supervisors by drafting a supervisor's job description and defined the management principles according to which every supervisor at Okmetic operates. A key goal has been and will continue to be in the coming years to raise a people-orientated operating culture alongside technology-based thinking. Work community communications took a big leap forward in 2023 when we launched a new intranet that is available to every Okmetic employee. The English version of the intranet was launched in early 2024. We also introduced an e-learning system, which was initially used for induction, but is constantly being expanded. During 2023, we implemented even more modern tools for working in a cloud-based environment throughout the organization. The implementation was 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 were also involved with other semiconductor companies operating in Finland in developing the awareness and attractiveness of the industry. Examples of these in 2023 were the Semi-Summer summer job campaign and the Without us attraction campaign. During 2023, we invested heavily in clarifying and strengthening our employer image to support growing recruitment needs. The elements of the employer image were discussed in the workshops together with representatives of both white-collar employees and blue-collar employees. The establishment of the job trainer positions and the creation of digital induction programs significantly developed the induction processes of new Okmetic employees.

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, reduce sickness absences, and anticipate and manage risks. We work in close cooperation with occupational health care. In 2023, we prepared the introduction of a new occupational health management program together with occupational health care. The program will be operational in the first half of 2024. In 2023, we made the decision to concentrate our expertise in occupational health and safety, and a new position of a Safety Engineer was established at the beginning of 2024. With this, we are preparing for the increased responsibilities in terms of safety due to the new fab expansion. 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 to reduce energy and water consumption, reduce chemical consumption and the amount of waste, and calculate and reduce direct and indirect greenhouse gas emissions from our operations. We have been able to reduce energy consumption through various projects and measures. In 2023, electricity consumption decreased by almost 10% from the previous year. In 2022, an engineering study was carried out on water consumption in production, based on which a water consumption reduction plan was drawn up. The first measures to reduce water consumption with certain process tools when they are in standby mode were taken during 2023.

Measures for different tools will continue during 2024. During 2023, we started to develop a new alternative work phase for the double-sided wafer process, which can be used to reduce the chemical consumption of the process phase and the amount of mixed acid waste generated. The project will continue in 2024. Through various measures, we have been able to reduce the amount of waste in 2023 by approximately 14% compared to the previous year. At the beginning of 2024, we started an environmental project to develop and enhance waste sorting and recycling throughout the fab, including office, warehouse, restaurant, and kitchen facilities. We have also invested in

improving the efficiency of the use of polysilicon material. The aim is to increase the relative share of recycled silicon used by enhancing the collection and production of recycled silicon. In early 2023, we defined an emissions reduction target for our operations, which is to reduce our own direct and purchased energy greenhouse gas emissions by 90 percent by 2030. We have defined milestones and a roadmap for achieving this goal.

In 2023, we invested in internal communications and training on information security and the implementation of information security practices throughout the organization. We organised online training on data protection for everyone who processes personal data in their work.

Maintaining good customer and partner relationships is a prerequisite for our business. The quality of the customer experience consists not only of the quality of products and timely delivery, but also of ease of cooperation and correct communication. In addition to product quality and timely deliveries, we have paid special attention to streamlining our processes and the quality of customer encounters. In 2023 and early 2024, we have received many excellent reviews from our customers as they evaluate their suppliers.

The development of digital marketing and communication channels has been carried out for several years to support customer experience, recruitment and internal communications. In 2023, internal communication channels were developed in particular by introducing a new intranet that all personnel can use to access information. We developed our recruitment marketing and customer communication channels by drawing up a social media strategy and introducing new social media channels.

The aim is to continuously improve and develop cooperation between personnel and management. At the beginning of 2023, an elected employee representative started as a member of the Executive Management Group. Personnel representation is also included in several other function-specific management and project groups, such as the planning groups for the premises and functions of the new fab extension.

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.

SOME EXAMPLES OF HOW OUR CUSTOMERS REVIEW US AS A SUPPLIER

- Quality satisfaction = Exceeds expectations
- Quality score 30/30
- 95/100
- 81.25/100 (Quality 23/25; Highest score out of seven)
- Quality score 22.24/30
- Best wafer supplier -award
- Quality score A, shared 1st place among 97 suppliers

GRI

Okmetic's sustainability reporting for 2023 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	5	Okmetic	
2-2	Entities included in the organization's sustainability reporting	4	Report description	
2-3	Reporting period, frequency and contact point	4	Publishing the report	
2-4	Restatements of information			No changes
2-5	External assurance	4	Report description	
2-6	Activities, value chain and other business relationships	5-6	Okmetic	
2-7	Employees	15-22	Personnel and sustainability	
2-9	Governance structure and composition	35	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	35	Sustainability management system	
2-13	Delegation of responsibility for managing impacts	10-14	Sustainability at Okmetic	
2-22	Statement on sustainable development strategy	9	Strategy	
2-23	Policy commitments	10-14	Sustainability at Okmetic	The Responsible Alliancenc (RBA) Code of Conduct
2-25	Processes to remediate negative impacts	13	Sustainability program	
2-26	Mechanisms for seeking advice and raising concerns	33	High ethics in business	
2-27	Compliance with laws and regulations	33	High ethics in business	
2-28	Membership associations			Teknologiateollisuus ry, Helsingin kauppakamari, Suomen Laatu yhdistys ry, SEMI org., ISES Global, Techcet, GaN Valley
2-29	Approach to stakeholder engagement	11	Stakeholders	
2-30	Collective bargaining agreements			All personnel
GR3: MATERIAL TOPICS				
3-2	List of material topics	12	Fundamental themes	
3-3	Management of material topics	13	Sustainability program	
GRI 201: ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	7	Year 2023 in brief	Total wages and salaries in 2023 were 42.8 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	23-30	Environmental responsibility	
GRI 302: ENERGY				
302-1	Energy consumption within the organization	23-30	Environmental responsibility	
302-3	Energy intensity			The energy intensity of Okmetic's operations is low
302-4	Reduction of energy consumption	25	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	26	Environmental responsibility	
GRI 305: EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	28	Environmental responsibility	
305-2	Energy indirect (Scope 2) GHG emissions	28	Environmental responsibility	
305-3	Other indirect (Scope 3) GHG emissions	28	Environmental responsibility	
305-5	Reduction of GHG emissions	28-29	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	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	7, 16	Year 2023 in brief, personnel and sustainability	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	19	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	20-21	Safe and responsible working conditions	
403-2	Hazard identification, risk assessment, and incident investigation	20-21	Safe and responsible working conditions	
403-3	Occupational health services	20-21	Safe and responsible working conditions	
403-4	Worker participation, consultation, and communication on occupational health and safety	20-21	Safe and responsible working conditions	
403-5	Worker training on occupational health and safety	20-21	Safe and responsible working conditions	
403-6	Promotion of worker health	20-21	Safe and responsible working conditions	
403-8	Workers covered by an occupational health and safety management system	20-21	Safe and responsible working conditions	
403-9	Work-related injuries	20-21	Safe and responsible working conditions	
403-10	Work-related ill health	20-21	Safe and responsible working conditions	
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	18	We value everyone's contribution	
GRI 413: LOCAL COMMUNITIES				
413-2	Operations with significant actual and potential negative impacts on local communities	30	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

ADVANCED SILICON WAFERS SINCE 1985

OKMETIC OY

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