



2022

# Sustainability Report





WE ARE THE

# INNOVATIVE SOIL

from which smart and energy efficient electronics grow into amazing and sustainable life experiences.

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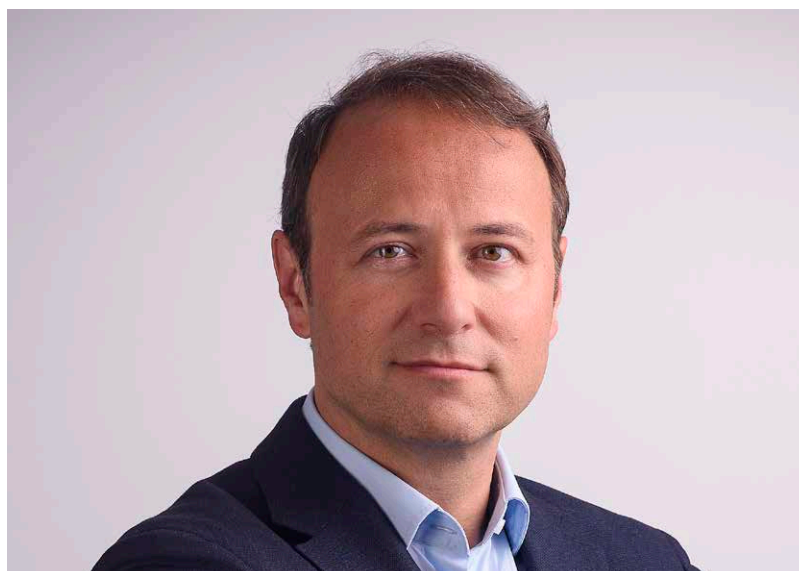
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## Editorial

Our planet is facing ever more pressing threats, such as global warming and natural resources depletion. With our prominent position in the microelectronics value chain, we have a special role to play and particular responsibilities.

Every day, billions of people worldwide use Soitec's products in their smartphones, smart devices and cars. Our products are engineered substrates that enable increased performance and energy efficiency in microchip circuits. A testimony to our teams' inventiveness and expertise, these exceptional technologies transform their users' daily lives, while minimizing the impact of their energy consumption on the environment.

At Soitec, we are proud to contribute every day to building a more sustainable world for all. From Bernin to Singapore, in each of our entities and across all our teams, we want to lead by example across the board – by reducing our impact on our environment, our ecosystems and our host regions; by building relationships with our employees that are respectful of diversity, equitable in the sharing of created value and mindful of the working environment; by fostering effective relationships



with the various stakeholders in our value chain; and by managing our business ethically and striving to make the world of tomorrow a more responsible place.

**“While sustainability has been a pillar of Soitec’s strategy since 2020, today I want us to go even further by developing an approach that incorporates sustainability from the very start of every innovation and project, as well as into all strategic decision-making.”**

It must become second nature for each and every one of us to embrace this new outlook.

In this report, you will find more details about the steps that are already being taken by the women and men of Soitec. I commend the team for all their work and look forward to seeing new ideas transformed into new commitments.

I want our sustainability policy to become an industry benchmark and a real source of pride and motivation for all our employees around the world.

**PIERRE BARNABÉ**  
CHIEF EXECUTIVE  
OFFICER



2021 was a landmark year for Soitec. In the space of a few months, we adopted a corporate purpose that is enshrined in our by-laws and launched a clear and ambitious sustainability roadmap that is already producing its first results.

2022 has been a year of many highlights, marking our significant progress in sustainability.

Some examples that come to mind are the certification of our greenhouse gas reduction objectives by the Science-Based Targets initiative (SBTi) – making us the fourth semiconductor company worldwide to obtain validation in line with the ambition to limit global warming to 1.5°C –, the integration of eco-design and life-cycle assessment principles into our R&D, the inclusion of free performance share grants

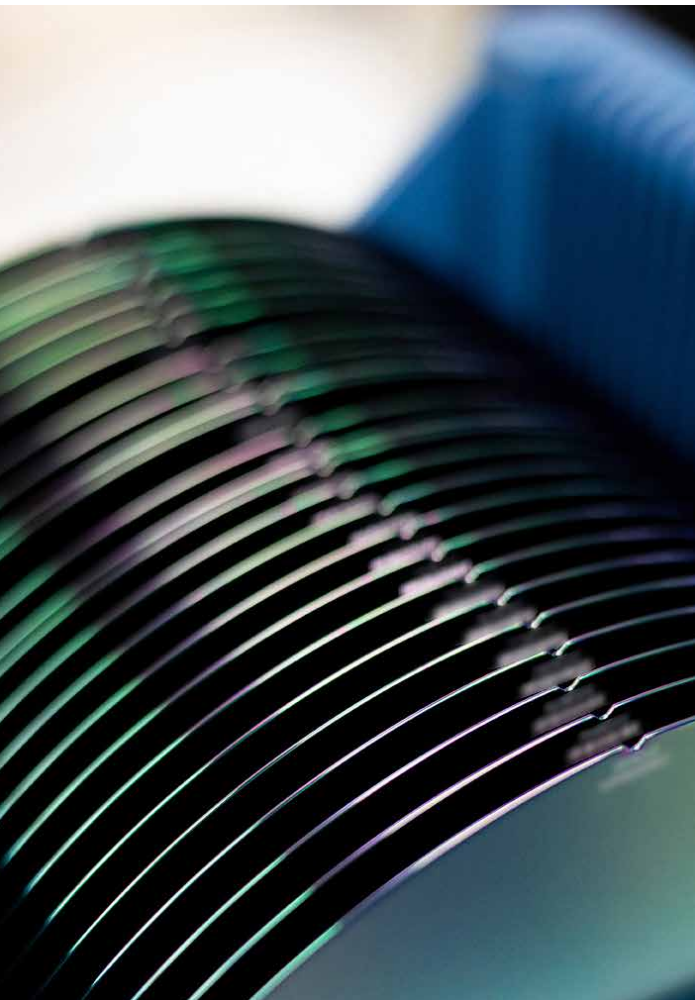
in our salary policies across the world, the attention once again paid to improving the gender balance and making our Company more diverse, the awareness campaign that we deployed to fight gender stereotypes and sexist behavior, and the across-the-board integration of sustainability criteria into variable compensation.

**“Our ambition to be the ‘innovative soil’ inspires us every day and is intended to have a wider impact on our ecosystem, our stakeholders and the regions where we have our roots and where we are growing our Company.”**

It is reflected in our contribution to reducing the carbon footprint of the entire microelectronics value chain and in our involvement in building a more energy-efficient world. It also fosters a social model based on greater inclusion, diversity, collective knowledge and value sharing, where living harmoniously together is one of our priorities, which has earned us the SEMI Industry Leader in Diversity and Inclusion Award. And more broadly today, it nourishes the singular and demanding identity that has driven us for 30 years.

The examples of our commitments and achievements in the following pages are testimony to all of that.

**PASCAL LOBRY**  
EXECUTIVE VICE PRESIDENT,  
PEOPLE & SUSTAINABILITY



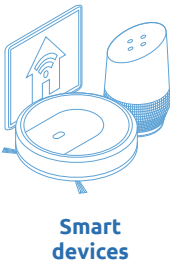
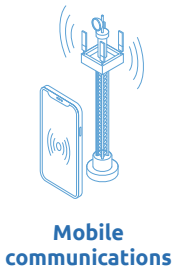
# Soitec, a world leader in the production of innovative semiconductor materials

Soitec is a world leader in the design and manufacturing of innovative semiconductor materials. We offer unique solutions allowing chip makers to enhance the performance of their products, incorporate new functionalities and reduce power consumption.

Our technologies and products act as catalysts in the semiconductor ecosystem and are essential for the adoption of major technological innovations such as 5G, vehicle electrification and smart devices.

## OUR MARKETS

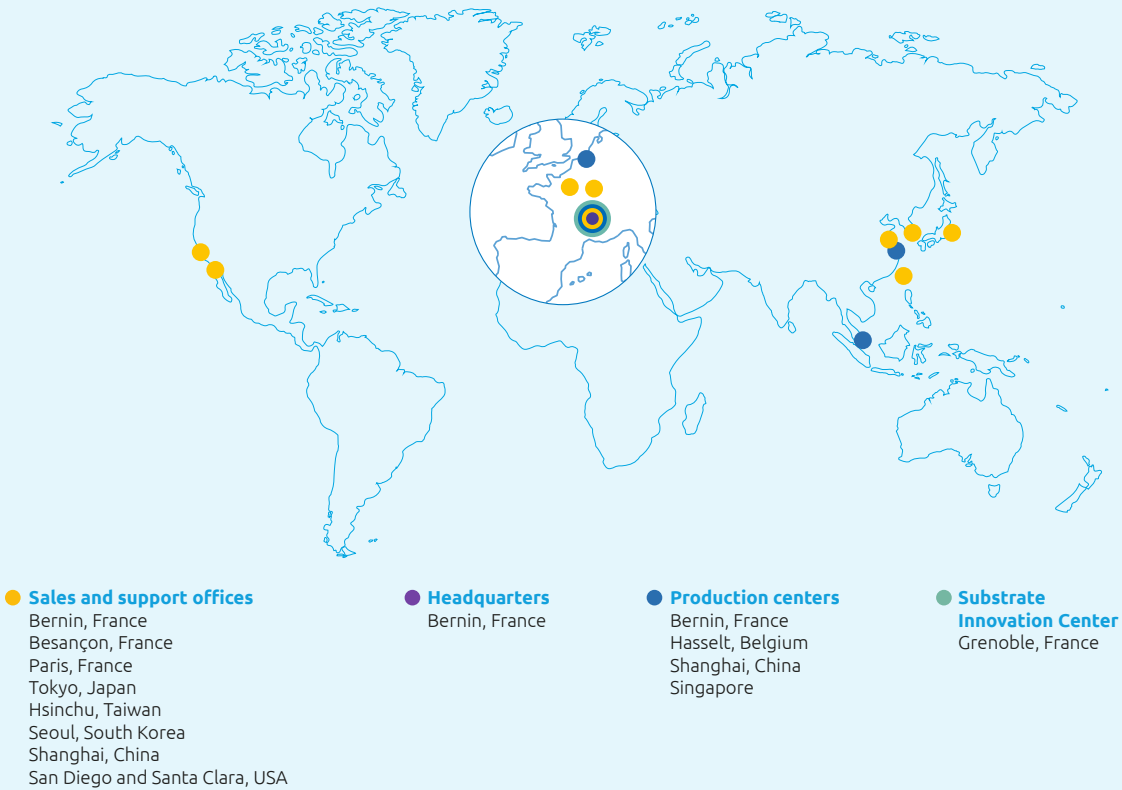
Amid a global context marked by an unprecedented increase in demand for semiconductors, our strong growth is currently driven by three key markets: mobile communications, automotive and industry, and smart devices.



## SOITEC IN FIGURES



## A GLOBAL FOOTPRINT



# Our business model

## RESOURCES

### Ecosystem based on relationships

- Co-development partnerships with:
  - over 10 leading research centers and universities
  - manufacturers and suppliers
- Partner of the Responsible Business Alliance
- Member of electronic and semiconductor industry groups: SEMI, GSA, ACSIEL, ESIA

### Human resources

- More than 2,000 employees
- Almost 50 nationalities
- 34.2% women

### Innovation

- 3 technologies (Smart Cut™, Smart Stacking™ and Epitaxy), serving 3 markets (mobile communications, automotive and industry, smart devices)
- 386 employees in R&D

### Production

- 6 production lines, 2 fabs under construction
- 64% of employees working in production

### Finance and organization

- Increase in equity: up €367 million
- Listed on the Euronext Paris SBF 120 and CAC Mid 60 indices
- 3 strategic investors holding nearly 30% of our shares
- Separation of the duties of Chief Executive Officer and Chair of the Board of Directors
- A committed Board of Directors: average attendance rate of 96% in fiscal year 2021-2022
- A new organization

### Natural resources

- Water consumption: 2,035 ML
- Energy consumption: 140,257 MWh

## TRENDS AND OUR STRATEGY TO MEET THEM

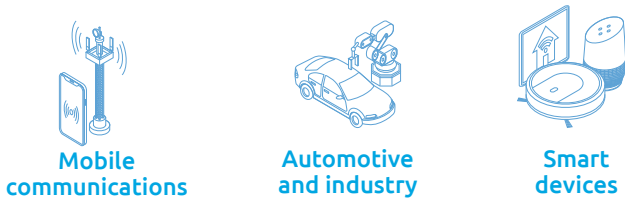
### Trends

- 3 megatrends: 5G, artificial intelligence, energy efficiency
- An international market, with increasingly major regional strategic issues
- A contribution to innovative clean technologies
- Complex technological challenges

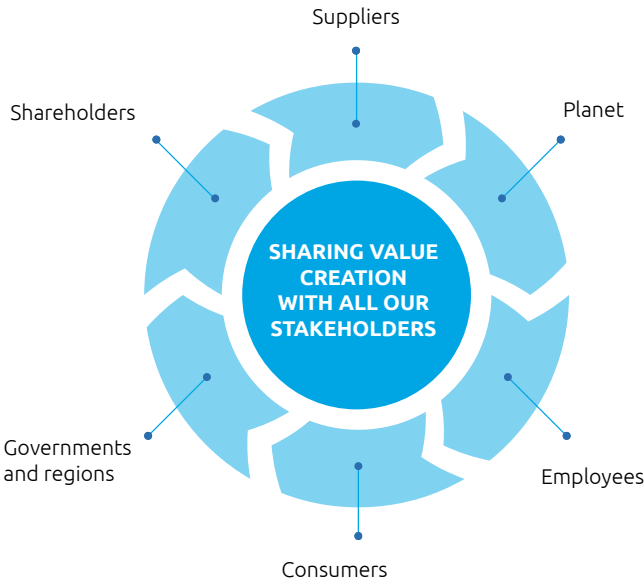
### Strategy

Soitec's strategy is to develop products which become industry standards and are used as the preferred solution for specific applications and markets.

### 3 markets



### The Soitec fly wheel



## 3 pillars of our sustainability strategy

1

Drive the transition toward a sustainable economy through our innovation and operations

2

Leverage our inclusive culture

3

Act to become a role model for a better society

## VALUE CREATED

### Planet

- 41% reduction in energy consumption per unit of production since fiscal year 2015-2016
- 25% reduction in water consumption per unit of production since fiscal year 2015-2016
- GHG emissions: 253,772 tCO<sub>2</sub>eq.
- 1,144,000 tCO<sub>2</sub>eq. of emissions avoided from products sold
- ISO 14001: Bernin and Pasir Ris
- ISO 50001: Bernin

### Customers

- 10.8% of revenue dedicated to R&D
- Close collaboration on innovation with around 15 key customers
- A portfolio of over 3,700 patents
- One of the top 50 patent filers in France and no. 2 among the top 10 mid-sized companies
- ISO 9001: Bernin – Pasir Ris – Hasselt
- IATF: Bernin 1 & 2 – Pasir Ris
- AEO: Bernin

### Suppliers and subcontractors

- 53% of revenue for suppliers and subcontractors
- 100% of strategic suppliers having signed our Supplier Quality Policy

### Employees

- 15.7% of revenue for employees
- Free share allocation and co-investment plans
- 281 new hires in fiscal year 2021-2022
- Resignation rate: 5.82%
- Frequency rate: 1.7
- ISO 45001: Bernin and Pasir Ris

### Governments and regions

- 0.7% of revenue for the Government (taxes and duties)
- Signatory of the Local Economic Pact
- Partnerships with local schools and universities in Singapore and Grenoble

### Shareholders

- Revenue: €863 million (up 50% at constant exchange rates)
- Increase in the EBITDA margin to 35.8%

## IMPACTS AND CONTRIBUTION







# Sustainability at the heart of Soitec’s strategy

## 2021-2026 OUR SUSTAINABILITY ROADMAP

In 2021, we decided to place sustainability at the heart of our strategy and launched a new sustainability policy. The roadmap, running through to 2026, was based on a materiality analysis conducted with all our stakeholders in early 2021.

It is based on three pillars:

- driving the transition toward a sustainable economy through our innovation and operations;
- leveraging our inclusive culture;
- acting to become a role model for a better society.

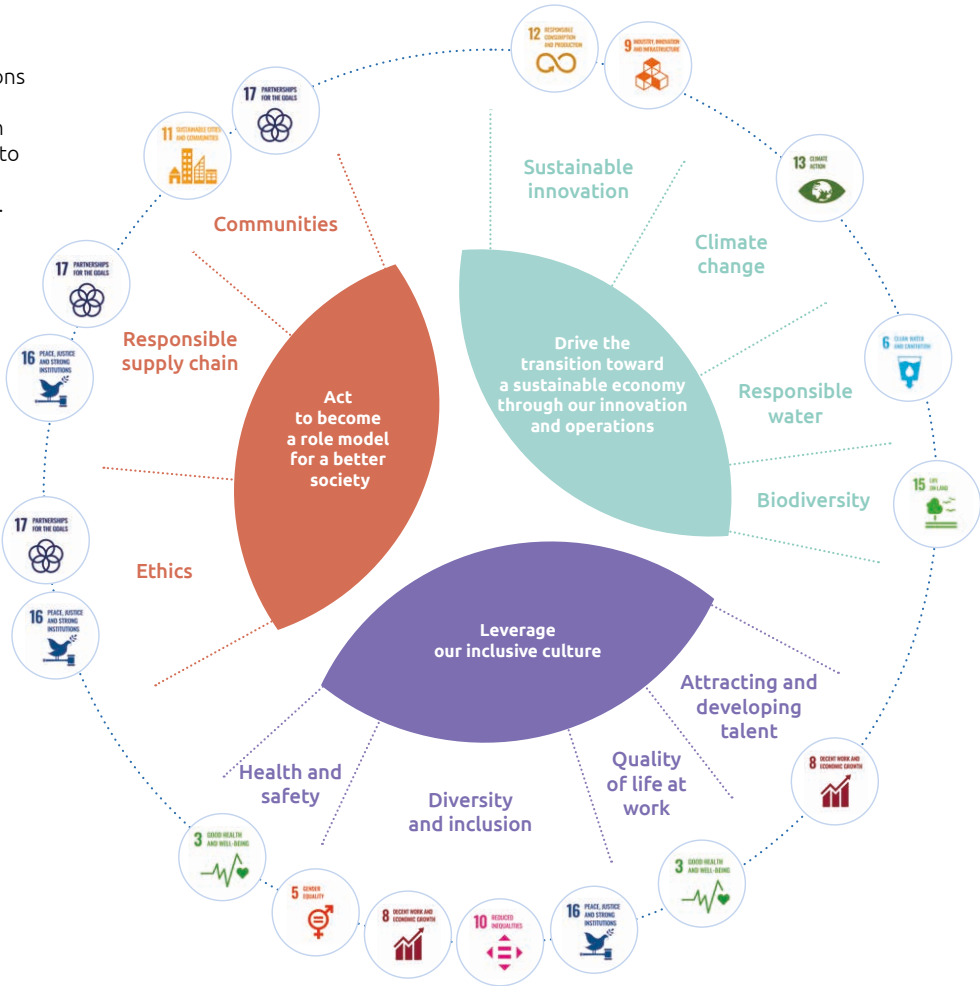
These three pillars are broken down into **11 commitments**, which you will find in this report.

## 30 years of commitment

1992	2001	2007	2010	2012	2014
Formation of Soitec	1 <sup>st</sup> ISO 14001 environmental certification obtained  Signing of the 1 <sup>st</sup> employee profit-sharing scheme	Signing of the 1 <sup>st</sup> agreement on gender equality in the workplace  Introduction of the “Safe” program	1 <sup>st</sup> OHSAS 18001 safety certification obtained	EICC membership (now Responsible Business Alliance)  Signing of the 1 <sup>st</sup> Code of Good Conduct	1 <sup>st</sup> carbon footprint assessment

## OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations defined 17 Sustainable Development Goals, with each one corresponding to a major global challenge to be addressed by 2030.



2015	2018	2020	2021	2022
1 <sup>st</sup> ISO 50001 energy certification obtained	Signing of an agreement for an inclusive Company for every age  Employee free share allocation plans  1 <sup>st</sup> preferred shares co-investment plan	Launch of a climate plan  Signing of a partnership agreement with the French League for the Protection of Birds ( <i>Ligue pour la Protection des Oiseaux</i> – LPO)	Validation of our climate objectives by the Science-Based Targets initiative (SBTi)  Signing of a collective agreement on gender equality extended to include LGBTQIA+  ISO 14001 and 45001 (health and safety) certifications obtained for our Pasir Ris site (Singapore)	Creation of an ESG Committee within the Board of Directors



# Governance

At Soitec, sustainability is overseen within the Executive Committee by the Executive Vice President, People & Sustainability. A Sustainability and Communications Manager reports to him and ensures the strategy’s consistency with Soitec’s objectives and action plan. She coordinates the actions of the various departments in their work on the relevant sustainability themes (human resources, environment, energy, purchasing, etc.).

Major decisions, which to varying degrees involve all of the Company’s departments, are presented to and discussed by the Executive Committee during quarterly reviews. Each department is on board and contributes to building, implementing and evaluating policies, objectives and

outcomes. Each month, a Sustainability Steering Committee comprising representatives of the departments meets to review objectives, outcomes and action plans.

In 2021, our Board of Directors tasked its Compensation Committee with monitoring sustainability and how the Company addressed sustainability issues. To further strengthen its engagement in sustainability, in September 2022 our Board of Directors created a dedicated Environmental, Social and Governance (ESG) Committee that will support its work and discussions on sustainability issues.

## FOCUS

### Correlate the variable compensation paid to our employees with sustainability criteria

In order to involve the entire Company in our sustainability approach, we have decided to link part of the variable compensation of our employees to the achievement of sustainability criteria.

#### Variable compensation of the Chief Executive Officer

For fiscal year 2022-2023, the sustainability-linked variable compensation granted to the Chief Executive Officer will be contingent on the achievement of our objectives for reducing greenhouse gas emissions and water consumption and improving gender equality. The amount granted to the Chief Executive Officer may be increased if there are improvements in the Group’s non-financial ratings.

#### Profit-sharing awards

The amount of profit-sharing received by all employees is based on two non-financial criteria: energy and water consumption per production unit.

#### Allocation of free shares

In 2022, we announced the Agate 2025 free performance share plan for all employees worldwide. Vesting of free shares is subject to non-financial criteria, namely reducing greenhouse gas emissions and water consumption and achieving gender equality objectives.





# Our objectives and outcomes

SUSTAINABLE INNOVATION	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Percentage of revenue dedicated to R&D	10.8%	12.7%	Maintain and extend our technological edge through R&D, patenting and synergies with our partners  Continue to measure the GHG emissions avoided through the energy savings generated by our products in their end-use applications  Put eco-design at the heart of our products
Number of patents filed during the year	283	285	
GHG emissions avoided through the energy savings generated by our products in their end-use applications	1,144 ktCO <sub>2</sub> eq.	564 ktCO <sub>2</sub> eq.	

CLIMATE CHANGE	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Reduction in GHG emissions	Roll out of our Climate Plan	Climate objectives validated by the Science-Based Targets initiative (SBTi)	25.2% reduction in Scopes 1 and 2 GHG emissions in absolute terms  35.3% reduction in Scope 3 GHG emissions per million euros of added value

RESPONSIBLE WATER MANAGEMENT	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Reduction in water consumption per production unit	12.7%	Baseline year	24% reduction in water consumption per unit of production by 2025 versus fiscal year 2020-2021
Volume of water reused or recycled (Bernin)	205,000 cu.m.	158,000 cu.m.	50% increase in the volume of water reused at our Bernin plant by 2023 versus fiscal year 2020-2021

BIODIVERSITY	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Protection of fauna and flora	<ul style="list-style-type: none"><li>A 1,700 sq.m. area dedicated entirely to fauna and flora created at the entrance to the Bernin site</li><li>Two new beehives installed in Bernin</li></ul>	Signing of a five-year agreement with the LPO	Continue the deployment of the five-year biodiversity plan with the LPO at the Bernin plant

ATTRACTING AND DEVELOPING TALENT	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Number of hires	582	444	Increase our workforce by more than 10% in fiscal year 2022-2023
Internal promotion rate	17.1%	14.8%	Maintain an average internal promotion rate of more than 13% per year

DIVERSITY AND INCLUSION	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Percentage of women on the Executive Committee	18.2%	18.2%	25% by 2025
Percentage of women among senior executives	19%	17%	20% by 2025

QUALITY OF LIFE AT WORK	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
QLW score	72/100	70/100	Maintain a QLW score greater than or equal to 70/100

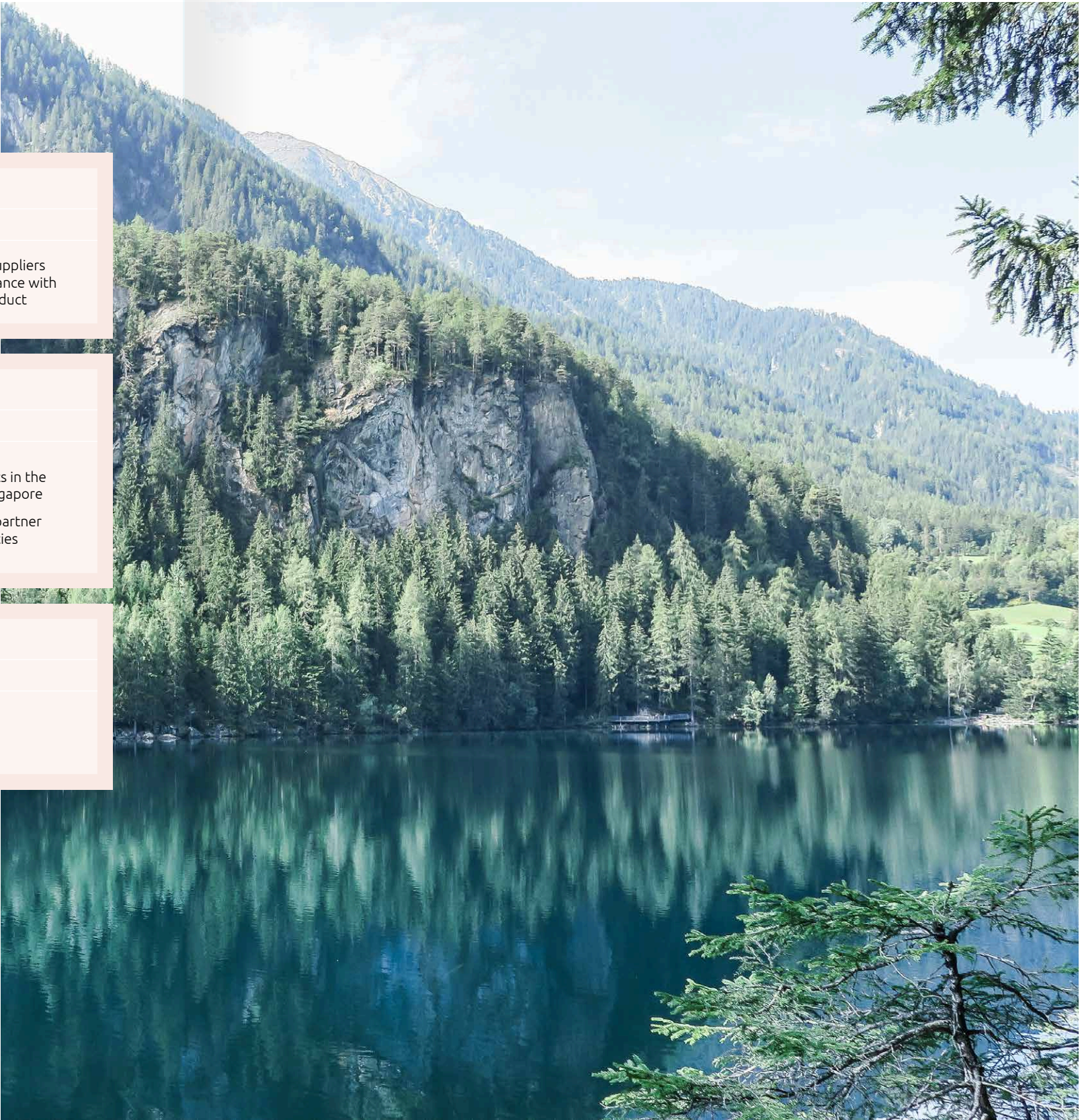
HEALTH AND SAFETY	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Frequency rate of accidents with lost time	1.7	3.1	Maintain a frequency rate of accidents with lost time of below 2.9



RESPONSIBLE SUPPLY CHAIN	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Percentage of strategic suppliers that have signed the Supplier Quality Policy	100%	86%	100% of our strategic suppliers to be assessed for compliance with the RBA Code of Conduct

COMMUNITIES	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Sponsorship	Sponsorship of non-profits Sylv'ACCTES and L'Enfant Bleu	Partnership with non-profit Télémaque	Strengthen our local roots in the Grenoble area and in Singapore Expand our network of partner schools and universities
Recruitment of young people under 26		100	
	195		

ETHICS	OUTCOMES		OBJECTIVES
	2021-2022	2020-2021	2021-2026
Percentage of employees that have completed the e-learning module on the Code of Good Conduct	70%	65%	100%







# 1

## Drive the transition toward a sustainable economy through our innovation and operations

### Sustainable innovation

#### Commitment no. 1

Innovate to make our products the cornerstone of a more sustainable future

### Climate change

#### Commitment no. 2

Limit global warming to 1.5°C

### Water

#### Commitment no. 3

Manage and reduce our water consumption

### Biodiversity

#### Commitment no. 4

Preserve biodiversity to maintain a healthy and balanced local ecosystem



COMMITMENT  
**01**

# Innovate to make our products the cornerstone of a more sustainable future

Our substrates are essential for the adoption of innovative technologies such as 5G, autonomous cars and artificial intelligence embedded in connected objects.

## OUR ACHIEVEMENTS

**80%** of the world's population using our products on a daily basis.

Soitec technology featuring in **100%** of 5G smartphones on the market today.

Soitec among the **top 50** patent filers in France (INPI, 2021).

**No. 2** patent filer among mid-sized companies in France in 2021.

**1,144 ktCO<sub>2</sub>eq.** in greenhouse gas emissions avoided through the use of our products.

A further **20,000 tCO<sub>2</sub>eq.** avoided for every 500,000 SmartSiC™ wafers produced.

**11%** of revenue dedicated to R&D.

## OUR OBJECTIVES

Maintain and extend our technological edge through R&D, patenting and synergies with our partners.

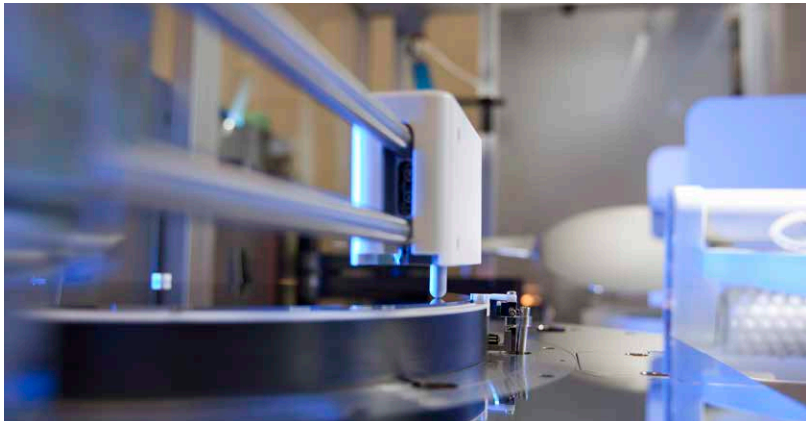
Measure the greenhouse gas emissions avoided through the energy savings generated by our products in their end-use applications.

Put eco-design at the heart of our products.

## Contribute to electronics that reconcile performance and energy efficiency

At Soitec, our innovations are intended to allow electronic devices to best reconcile performance and energy efficiency. This goal is at the heart of our patented Smart Cut™ technology, which underpins our products. Working like an atomic scalpel, this innovation improves the energy efficiency of transistors – essential components of electronic chips – by adding a layer of insulation that significantly reduces parasitic leakage currents. That is how we obtain products such as SOI and POI.

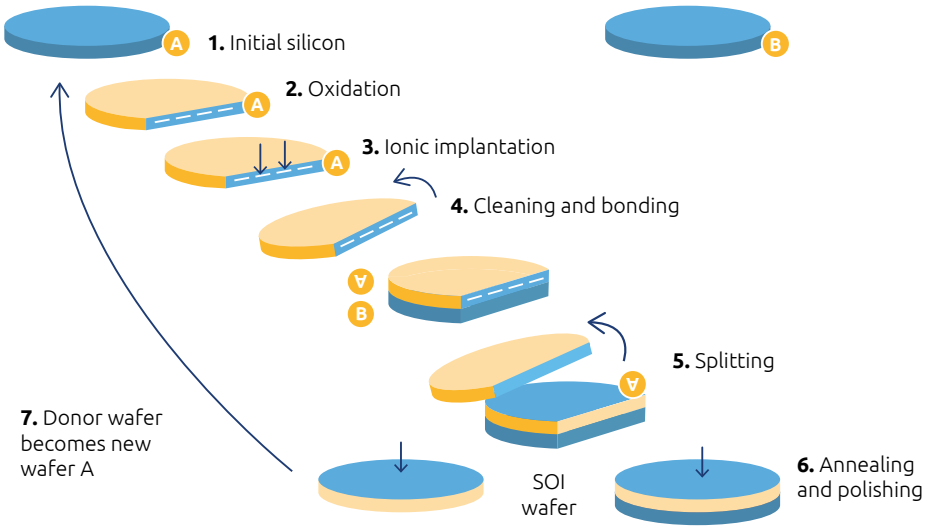
SmartSiC™, our new product dedicated to electric vehicles, also perfectly illustrates this objective. Developed by applying Smart Cut™ technology to silicon carbide (SiC),



SmartSiC™ is set to revolutionize the electric vehicle market. It can increase vehicles' range by between 10% and 15% and considerably cut down their charging time. Our new Bernin 4 fab will be 80% dedicated to the production of SmartSiC™ substrates. Construction began in the spring of 2022, with operations scheduled to begin in April 2023.

Smart Cut™ technology also optimizes the use of valuable resources such as silicon and silicon carbide. Thanks to a refresh process, where the surface is cleaned following each layer transfer, the donor substrate can be reused again and again.

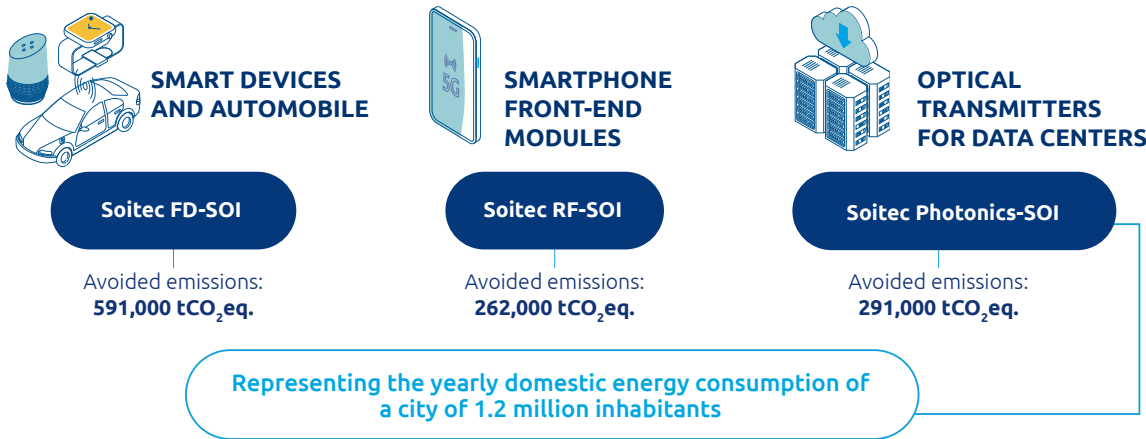
## SMART CUT™ TECHNOLOGY, AN ATOMIC-SCALE SCALPEL





To quantify the greenhouse gas emissions avoided through the use of our products, we conducted an impact study for the second time in 2022 with an external partner. The study focused on three of our products, comparing them with previous generations or competing products.

In 2021, the use of these products avoided a total 1,144 ktCO<sub>2</sub>eq. in emissions, with energy savings of 1,948 GWh, representing the yearly domestic energy consumption of a city of 1.2 million inhabitants.



FOCUS

Green taxonomy

Pursuant to the obligations under Regulation (EU) 2020/852 of June 18, 2020, Soitec disclosed the percentage of revenue, capital expenditure (CAPEX) and certain operating expenses (OPEX) eligible for climate change mitigation and adaptation objectives according to the EU taxonomy for fiscal year 2021-2022.

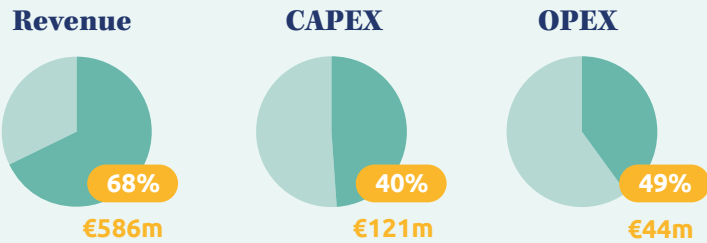
To do this, we conducted a detailed analysis of our economic activities throughout our geographic scope in order to identify the economic activities that correspond to the activities described in the delegated acts to Regulation (EU) 2020/852.

Eligible revenue is generated by Soitec's products aimed at achieving substantial reductions in greenhouse gas emissions in the Internet of Things, mobile phone, automotive and information technology sectors, as well as by Soitec's energy efficiency products for buildings. In particular, we have identified our FD-SOI, RF-SOI and Photonics-SOI products as addressing this objective.

Eligible capital expenditure (CAPEX) corresponds mainly to investments in equipment for the production of eligible products.

Lastly, the eligible operating expenses (OPEX) identified correspond mainly to research and development costs associated with eligible products and to the cost of maintaining and repairing production equipment related to eligible products.

PERCENTAGE OF ELIGIBLE REVENUE, CAPITAL EXPENDITURE (CAPEX) AND OPERATING EXPENSES (OPEX) AT MARCH 31, 2022



Put eco-design at the heart of our R&D efforts

Soitec is committed to sustainable innovation that incorporates the principles of life-cycle assessment into its products. SmartSiC™ was developed in line with this eco-design approach.

This means that SmartSiC™ substrates are more energy efficient to manufacture than traditional solid single crystal silicon carbide substrates, reducing greenhouse gas emissions by 75%, or by 20,000 tCO<sub>2</sub>eq. for every 500,000 wafers produced.

75%

reduction in greenhouse gas emissions when manufacturing SmartSiC™ substrates compared with traditional silicon carbide substrates

Play a key role in building a semiconductor ecosystem

As a global semiconductor manufacturer, we are committed to working closely with other players in our industry. We have forged close ties with CEA-Leti in Grenoble, where our Company has its roots. Together, we co-founded the Substrate Innovation Center in 2018. We also work with leading research centers such as Imec, SITRI, CNRT, CEMES, A\*STAR-IME, Stanford, Berkeley, NUS, NTU and UCL.

Replicating the Bernin model, an innovation cluster known as Singapore Technology Development will be deployed to support the growth of our Singapore site. A team of 10 to 12 people dedicated to innovation will be formed soon, bringing together engineers and technicians from some of our local partners.

COMMITMENT

02

## Limit global warming to 1.5°C

Climate change today represents an unprecedented threat to our planet and our society. We are convinced that this danger can only be overcome by a major commitment from companies to build a more sustainable future for our planet.

### OUR ACHIEVEMENTS

**4<sup>th</sup>** company in the semiconductor industry to have our climate objectives validated by the Science-Based Targets initiative (SBTi).

**16.5%** reduction in energy consumption per unit of production between 2021 and 2022.

### OUR OBJECTIVES

**25.2%** reduction in Scopes 1 and 2 greenhouse gas emissions by 2026 in absolute terms.

**35.3%** reduction in Scope 3 greenhouse gas emissions by 2026 per million euros of added value.

**ISO 50001** certification for our Pasir Ris site by 2023.

### Ambitious climate objectives validated by the Science-Based Targets initiative (SBTi)

In 2021, we decided to join the Science-Based Targets initiative (SBTi), led by CDP Worldwide, the World Wildlife Fund (WWF), the World Resources Institute (WRI) and the United Nations Global Compact program. We were the fourth semiconductor company to have committed to the trajectory limiting global warming to 1.5°C above pre-industrial temperatures, the target set by the 2015 Paris Agreement. In line with this trajectory, we have set ambitious climate objectives, following the completion of a carbon footprint assessment.

Initially, we will focus on medium-term objectives – through to 2026 – in order to rapidly foster an enduring commitment to transformation toward greater sustainability within the Group and to gain visibility on our possible future long-term objectives.

### Reconcile our climate objectives with our growth

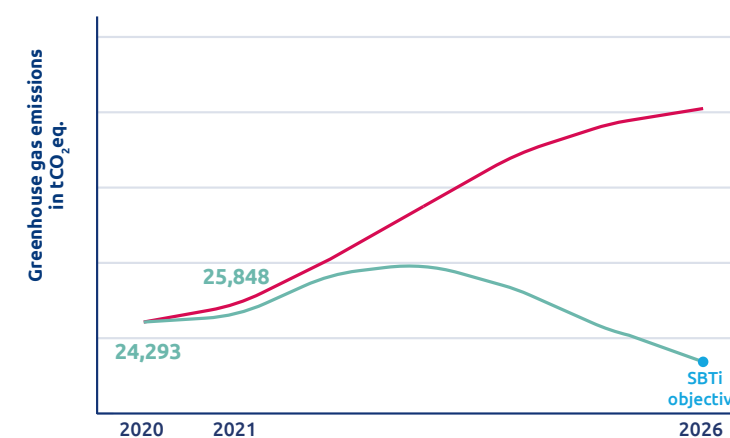
These climate objectives are all the more ambitious given that they come at a time of strong growth in our business.

In fiscal year 2021-2022, our revenue increased by 50% and crossed the US\$1 billion mark for the first time. We expect growth of around 20% in fiscal year 2022-2023, and aim to exceed US\$2 billion in annual revenue by 2026.

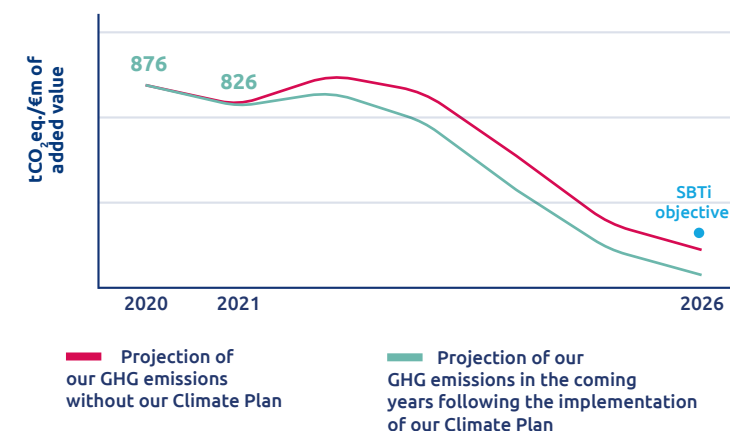
As this growth is driven in particular by our increased production volumes, it is expected, in turn, to lead to a rise in our greenhouse gas emissions in absolute terms (see the red curve in the graphs above). In 2020, we defined an ambitious Climate Plan to curb this increase and significantly reduce our

### ACHIEVE OUR GREENHOUSE GAS EMISSIONS REDUCTION OBJECTIVES THROUGH OUR 2021-2026 CLIMATE PLAN

#### DIRECT EMISSIONS (SCOPES 1 AND 2)



#### INDIRECT EMISSIONS (SCOPE 3)

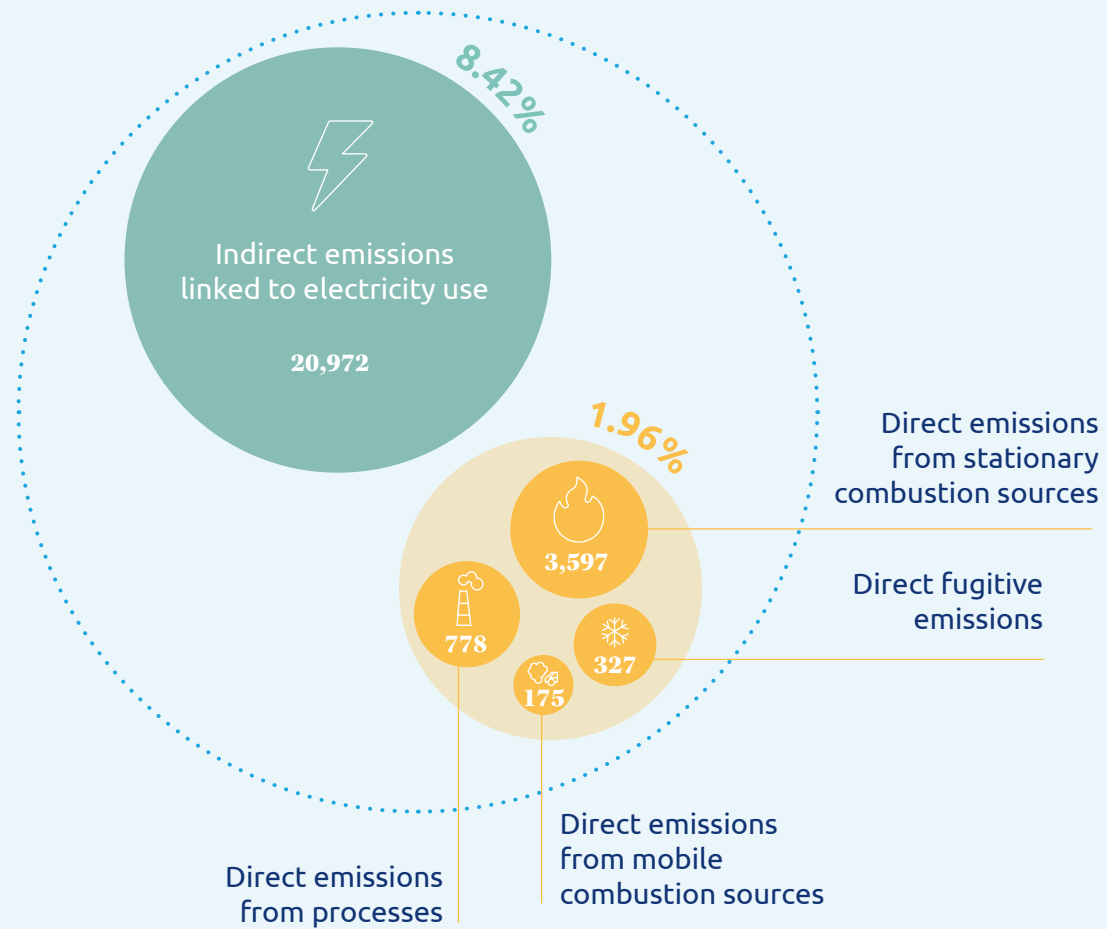


direct greenhouse gas emissions in absolute terms (see the green curve for Scopes 1 and 2) and our indirect greenhouse gas emissions per million euros of added value (see the green curve for Scope 3) by 2026.

## Greenhouse gas emissions by most representative sources in tCO<sub>2</sub>eq. in 2021

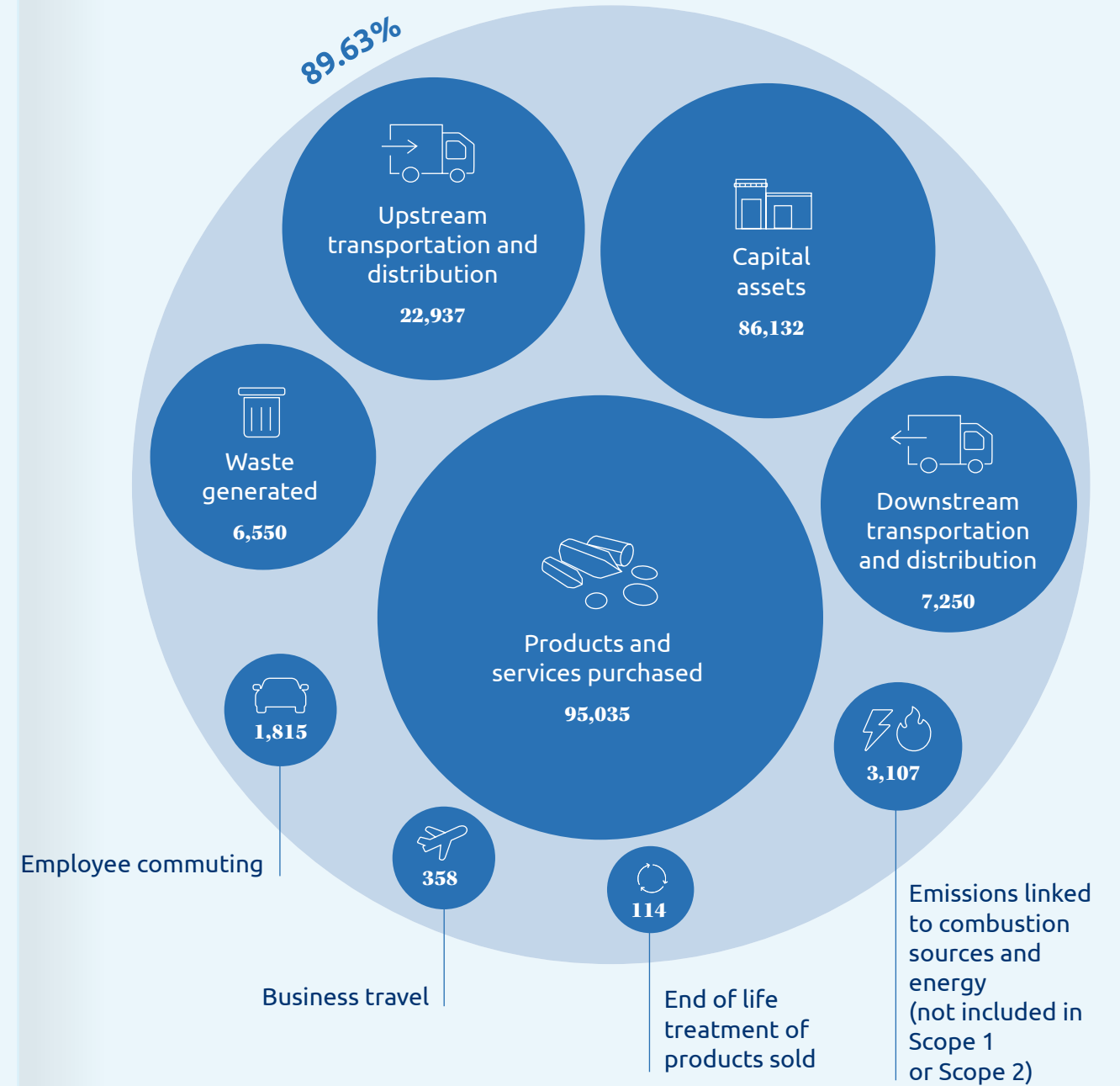
### SBTi OBJECTIVE – SCOPES 1 AND 2

25.2% reduction by 2026, in absolute terms



### SBTi OBJECTIVE – SCOPE 3

35.3% reduction by 2026, per million euros of added value







### Continue to implement our Climate Plan to achieve our objectives

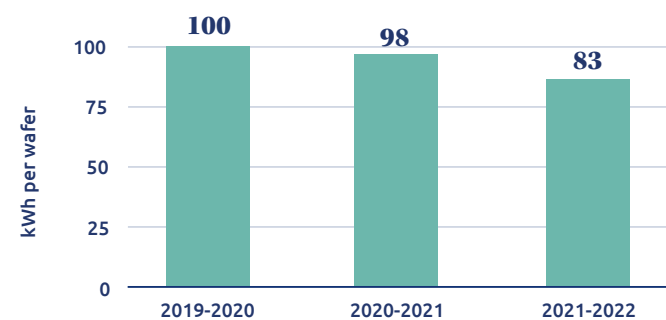
Our Climate Plan focuses on five pillars, defined in accordance with the main greenhouse gas emissions sources highlighted by our carbon footprint assessment:

- direct emissions from stationary combustion sources (Scope 1);
- indirect emissions linked to electricity use (Scope 2);
- the carbon footprint of the products and services we purchase (Scope 3);
- capital assets, i.e., our various sites and plants, including all equipment (Scope 3);
- upstream and downstream transportation and distribution (Scope 3).

### Pillar 1: Increase the energy performance of our industrial plants

The measures implemented under this first pillar are intended to reduce our direct greenhouse gas emissions (Scopes 1 and 2). Between 2016 and 2021, we already reduced our energy consumption by 47% per unit of production.

#### CHANGE IN ENERGY CONSUMPTION PER WAFER SINCE FISCAL YEAR 2019-2020\*



\* Normalized compared with the fiscal year 2019-2020 baseline.



Measures implemented as part of our Climate Plan, such as investing in energy-efficient industrial equipment and optimizing our industrial processes, have enabled us to make further reductions, with our energy consumption falling by 16.5% over fiscal year 2021-2022.

During the fiscal year, we optimized the performance of one of the heating plants at our Bernin site. Thanks to machine learning ([ORCAA project](#)), the heating plants maintain a constant temperature in our clean rooms. We are continuing our efforts today, and working groups are currently exploring ways to further develop our approach.

For example:

- we have designed our new headquarters (under construction) to meet the highest standards of building energy performance, which should see it qualify for the HQE® label at “Excellent” level. More broadly, we intend to make all our commercial buildings more energy efficient;
- our new Bernin 4 fab, also under construction, has been designed taking into account all best energy practices deployed in our other plants. In particular, it will be fitted with heat pumps to reduce its gas consumption for heating;



### Pillar 2: Consume low-carbon energy

Like the previous pillar, the aim of this component of our Climate Plan is to reduce our direct greenhouse gas emissions by curbing emissions caused by our electricity consumption. At our Bernin site, 100% of the electricity we consume is low-carbon, supplied by hydroelectric power plants in the Rhône-Alpes region and covered by guarantees of origin.

In Singapore, renewable energy is difficult to source given the country's current energy mix. We aim to increase the share of carbon-free electricity consumed at our Pasir Ris site by 2024. To this end, 908 solar panels have been installed on the roofs of administrative buildings and parking lots in 2022. We also plan to purchase renewable energy with guarantees of origin.

- we also aim to obtain ISO 50001 certification for our Pasir Ris site in fiscal year 2022-2023, attesting to the effectiveness of our energy management system.



## 100%

of the electricity consumed at our Bernin site is low-carbon

**Pillar 3: Favor low-carbon freight**

This pillar of our Climate Plan is designed to reduce our indirect greenhouse gas emissions. As our carbon footprint assessment shows, upstream and downstream transportation of our goods is one of our largest generators of Scope 3 greenhouse gas emissions.

To reduce these emissions, we have decided to increase our refresh capacity for our 300 mm wafers. The volumes will be handled at our new Bernin 4 fab, currently under construction, rather

than being sent to Singapore for refreshing, as is currently the case.

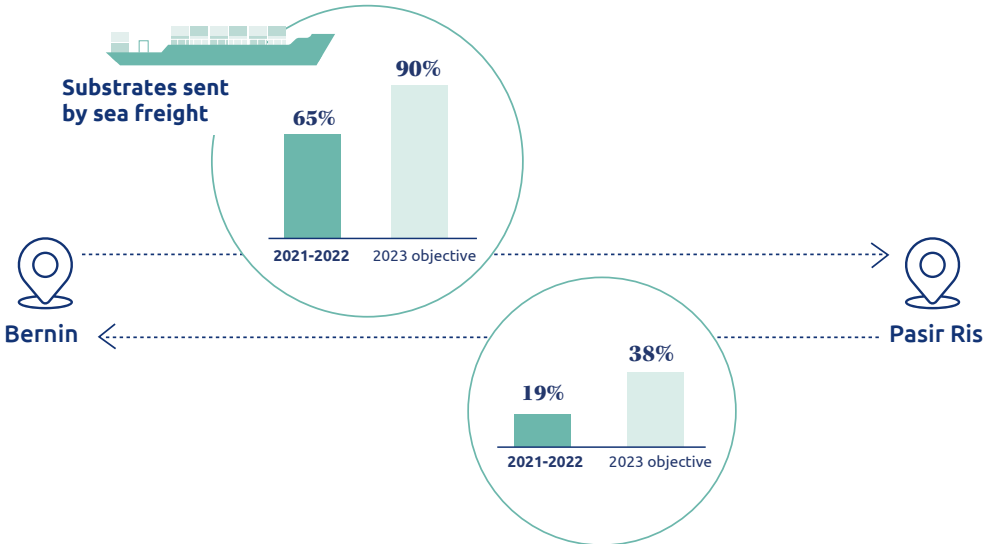
Since 2020, we have also prioritized sea freight over air freight, which produces 100 times more pollution<sup>1</sup>, for transporting our products between our Bernin and Pasir Ris sites. We have set ambitious objectives in this area:

- 90% of substrates sent from our Bernin plant to our Pasir Ris plant by sea freight by 2023;
- 38% of substrates sent from our Pasir Ris plant to our Bernin plant by sea freight by 2023.

We are well on our way to achieving these objectives. In fiscal year 2021-2022, 65% of wafers sent from Bernin to Pasir Ris and 19% of wafers sent from Pasir Ris to Bernin were shipped by sea freight. We are also working to raise awareness within our value chain of the benefits of sea freight.



**REDUCE OUR GREENHOUSE GAS EMISSIONS BY FAVORING SEA FREIGHT FROM PLANT TO PLANT**



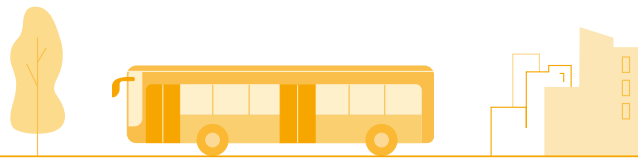
<sup>1</sup> According to the French Agency for Ecological Transition carbon database.

**Pillar 4: Engage our suppliers in our low-carbon approach**

To achieve our greenhouse gas emissions reduction objectives, particularly for our indirect emissions (Scope 3), we will need to involve our suppliers in our approach. The sixth commitment of the Charter for Responsible Supplier Relations and Purchasing, signed this year by our Chief Executive Officer, stipulates that we must “give consideration to environmental and social responsibility issues” in our relations with our suppliers.

We are now actively working to collect accurate data on the carbon performance of products and services supplied to Soitec in all sectors (raw materials, equipment and spare parts,

chemicals, etc.). For more information, please see page 52 of this report (“Responsible supply chain” section).



**Pillar 5: Raise awareness among employees on how to reduce their carbon footprint**

Up until now, we have been mainly focused on promoting soft mobility and on making our employees aware of the carbon impact of their daily travel. Since the launch of our Climate Plan, we have forged solid partnerships with various local soft mobility players, such as Mondovélo, Cycleohm and the bus network. We have also installed electric charging stations on our site and set up an electric bike lending program for commuting. These initiatives will be strengthened as part of our fiscal year 2022-2023 investment plan, which includes an increase in the number of electric vehicle charging stations. An inter-company travel plan is currently being prepared in consultation with local authorities and the region’s mobility organizers. In the coming year, our objective is to deploy new initiatives to raise employees’ awareness of the carbon impact of their day-to-day activities (energy use, food practices, etc.).



COMMITMENT

03

# Manage and reduce our water consumption

Water is a rare and precious resource. We take care to limit our impact and reduce our water consumption. We consume water to meet two main needs: industrial and domestic.

## OUR ACHIEVEMENTS

**12.7%** reduction in water consumption per unit of production versus fiscal year 2020-2021.

**40%** reduction in water consumption per unit of production since 2015.

**99%** of the water used at our Pasir Ris plant is recycled wastewater.

## OUR OBJECTIVES

**22%** reduction in water consumption by fiscal year 2023-2024 and **24%** reduction by fiscal year 2024-2025 versus fiscal year 2020-2021.

**50%** increase in the volume of water reused at our Bernin plant by fiscal year 2022-2023 versus fiscal year 2020-2021.

## Reduce our water consumption

In recent years, we have redesigned and optimized our industrial processes to reduce our water consumption per unit of production and increase the volume of water that we reuse or recycle. Both of these indicators have been steadily increasing for several years now.

During the fiscal year, we focused on involving all our internal stakeholders in responsible water management. For example, we appointed Environmental Officers in the Manufacturing, Process, Engineering, Innovation and other departments, and tasked them with putting forward measures to optimize our water consumption, among other things. At our Bernin site, a new ultra-pure water treatment plant with market-leading efficiency will come into service in October 2022.

## Prevent the risks of water stress in our host regions

None of our sites is currently located in a water stress area<sup>2</sup>. Nevertheless, we actively work with the relevant local authorities to ensure that our water consumption coexists harmoniously with other water uses in our host regions.

At Bernin, all of the water that we consume comes from a local river and a water supply system. At Pasir Ris, 99% of the water used is recycled wastewater.

## FOCUS

### Have our approach evaluated by recognized organizations

In 2021, we took part in the CDP (formerly Carbon Disclosure Project) assessment, receiving an encouraging score of "B" for the water security questionnaire.

<sup>2</sup> According to the Water Risk Atlas, WRI.



## COMMITMENT

## 04

## Preserve biodiversity to maintain a healthy and balanced local ecosystem

Soitec was originally created within CEA-Leti, which is nestled in a particularly rich natural setting in the French Alps. Thanks to our global footprint, we have come to fully appreciate the fragility of natural ecosystems and we implement a variety of measures to protect and preserve the environment surrounding our sites.

### OUR ACHIEVEMENTS

Development of a **1,700 sq.m.** area dedicated entirely to fauna and flora on our Bernin site.

Signing of a **five-year** agreement with the League for the Protection of Birds (*Ligue pour la Protection des Oiseaux* – LPO).

Management of our industrial facilities with no phytosanitary products.

**130 kg** of honey harvested from our four beehives.

### OUR OBJECTIVE

Continue the deployment of the five-year biodiversity plan with the LPO.



### Optimize the layout of our industrial facilities to promote the development of biodiversity

We want to make our industrial facilities spaces that promote the preservation and development of biodiversity. In 2022, we created a 1,700 sq.m. area dedicated entirely to fauna and flora on our Bernin site, in collaboration with the LPO and the Saint-Ismier horticultural school. Both a living and an ornamental garden, the location features herb, shrub and tree levels, and is home to a variety of different spaces and habitats. It mostly comprises indigenous plant species that attract local wildlife and insects.

We have also planted shrubs and trees in our visitors' car park to encourage the development of biodiversity. Most of the species that we have planted are certified local, fostering healthy ecosystems and helping to restore natural cycles.

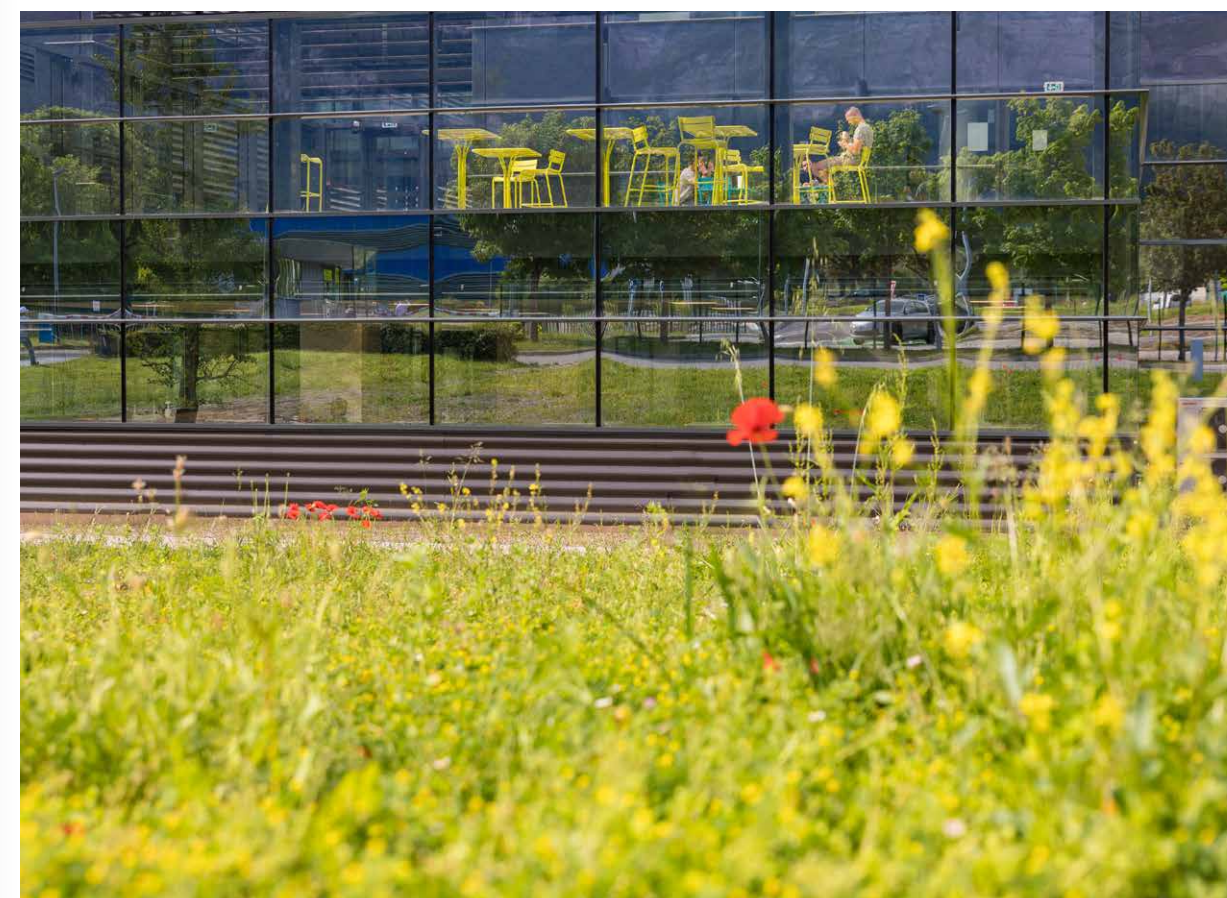
We have also created green spaces in a now unused wastewater channel.

### Protect birdlife through a five-year agreement with the LPO

In 2020, we entered into a five-year agreement with the LPO. As a result, our Bernin site has been a "Refuge LPO" since 2020.

### Promote pollination by installing beehives

Our Bernin site hosts four beehives tended by a beekeeper and trained employees, of which two were installed during the year. We had a record honey harvest in the spring, with over 130 kg produced.







# 2

## Leverage our inclusive culture

### Attracting and developing talent

**Commitment no. 5**  
Attract and develop our talent

### Diversity and inclusion

**Commitment no. 6**  
Promote diversity and inclusion

### Quality of life at work

**Commitment no. 7**  
Create a fulfilling and rewarding work environment and promote employee well-being

### Health and safety

**Commitment no. 8**  
Ensure the health and safety of our employees



COMMITMENT

05

## Attract and develop our talent

The global job market is currently facing unprecedented tension. According to the French National Institute of Statistics and Economic Studies, nearly 67% of French companies in the manufacturing industry are currently finding it difficult to fill their recruitment needs. Soitec is located in employment areas particularly affected by these difficulties, especially for technical roles. Amid the spectacular growth that we are experiencing, we must ensure that we maintain our attractiveness as an employer.

### OUR ACHIEVEMENTS

**582** hires in fiscal year 2021-2022.

Creation of **upskilling courses** for our production operators to become maintenance or process technicians in partnership with IUT1, Grenoble Alpes University.

**17.1%** of employees promoted internally (vs. 14.8% in fiscal year 2020-2021).

**7.3** years of seniority on average.

### OUR OBJECTIVES

**270** new hires in fiscal year 2022-2023.

Maintain an average promotion rate of **13%** per year until 2026.

### Attract talent

During fiscal year 2021-2022, 582 people chose to join Soitec, taking our workforce to 2,033 employees. Our objective is to recruit 270 people in the coming year.

Our two main sites – Bernin and Pasir Ris – are located in areas experiencing strong hiring difficulties. To continue to strengthen our attractiveness, we have built special relationships and entered into several partnerships with renowned schools and universities in our host regions, such as the National University of Singapore, Grenoble INP-Phelma and IUT1, part of Grenoble Alpes University. We take pride in actively participating in the life of these schools, in particular through regular campus visits by experts from Soitec, by offering students immersive work experience in our facilities and by providing them with priority access to our job offers.

In the medium term, these partnerships are essential to the development of a strong microelectronics industry, capable of meeting the strategic challenges facing the semiconductor sector today.

### FOCUS

#### Share the fruits of growth with all our employees

Our compensation policy stands out by the importance we place on sharing value and the fruits of our strong growth. In recent years, we have implemented various action plans for all Group employees.

While in most companies such schemes tend to be reserved for members of top management, at Soitec we want everyone to have the opportunity to become a shareholder of the Company. Our aim is to unite our employees around our growth ambitions, and also to reward them for their commitment, in a context marked firstly by our Company's recovery, and then by the Covid-19 pandemic, which required unprecedented flexibility from our employees. Since 2022, these share plans have been a permanent component of employees' compensation.

In particular, we work alongside several training organizations, such as the Auvergne-Rhône-Alpes region's Campus Région du Numérique, to ensure that microelectronics training is completely in line with the skills required for companies in the industry.

In 2022, we started the Soitec Job Tour, offering candidates a chance to meet our recruitment and technical teams in various major cities in France. The first events took place in the heart of the Auvergne-Rhône-Alpes region, in the cities of Clermont-Ferrand and Saint-Étienne.

Our hiring initiatives and HR policy were honored during the year with the Humpact prize in France, alongside Hermès and Veolia.



## 17.24 hours

of training per employee (vs. 14.68 hours in fiscal year 2020-2021)



### Retain and develop talent

Our growth allows us to offer our employees fast-paced and stimulating career paths. In 2021, we reviewed the career development of all our employees for the first time through a people review. Our internal promotion rate in fiscal year 2021-2022 was 17.1%, up 2.3 points compared to the previous fiscal year (14.8%). We aim to maintain an average promotion rate of 13% per year until 2026.

To this end, training plays an essential role within the Group, so that we can match the requirements of our growth with the skills of our employees. The number of training hours per employee per year increased significantly during the fiscal year to 17.24 hours, compared with 14.68 hours per employee in fiscal year 2020-2021.

This increase can be attributed in particular to the launch of the Leadership Program in fiscal year 2020-2021. This program is aimed at rallying all our managers around a common culture, and rollout continued in fiscal year 2021-2022.



### FOCUS

#### Create tailored courses to enable our production operators to progress to technician positions

In 2021, we began creating tailored training courses for our production operators, in partnership with IUT1, part of Grenoble Alpes University. This innovative program, the only one of its kind in the Grenoble region, is designed to enable them to progress to positions as process and maintenance technicians.

The selected operators will be trained for a total of three years, in two 18-month periods, including both theoretical training at the IUT and practical training at Soitec. The first period will allow them to acquire the status of process or maintenance agent, and the second to progress to process or maintenance technician positions. The first class of operators began training in September 2022.

### COMMITMENT

## 06

## Promote diversity and inclusion

We strongly believe that diversity and inclusion are huge assets for companies and that collective knowledge stems from a multitude of opinions, mindsets, backgrounds, genders and so on.



### OUR ACHIEVEMENTS

Gender equality index in France: **94/100**.

**34.2%** women in our workforce.

Communication campaign to **fight against harassment** and gender-based violence.

**Winner** of the SEMI Industry Leader in Diversity and Inclusion Award.

### OUR OBJECTIVES

**20%** of senior executive positions to be held by women by 2025.

**25%** of Executive Committee members to be women by 2025.

### Bring more women on board our workforce by 2026

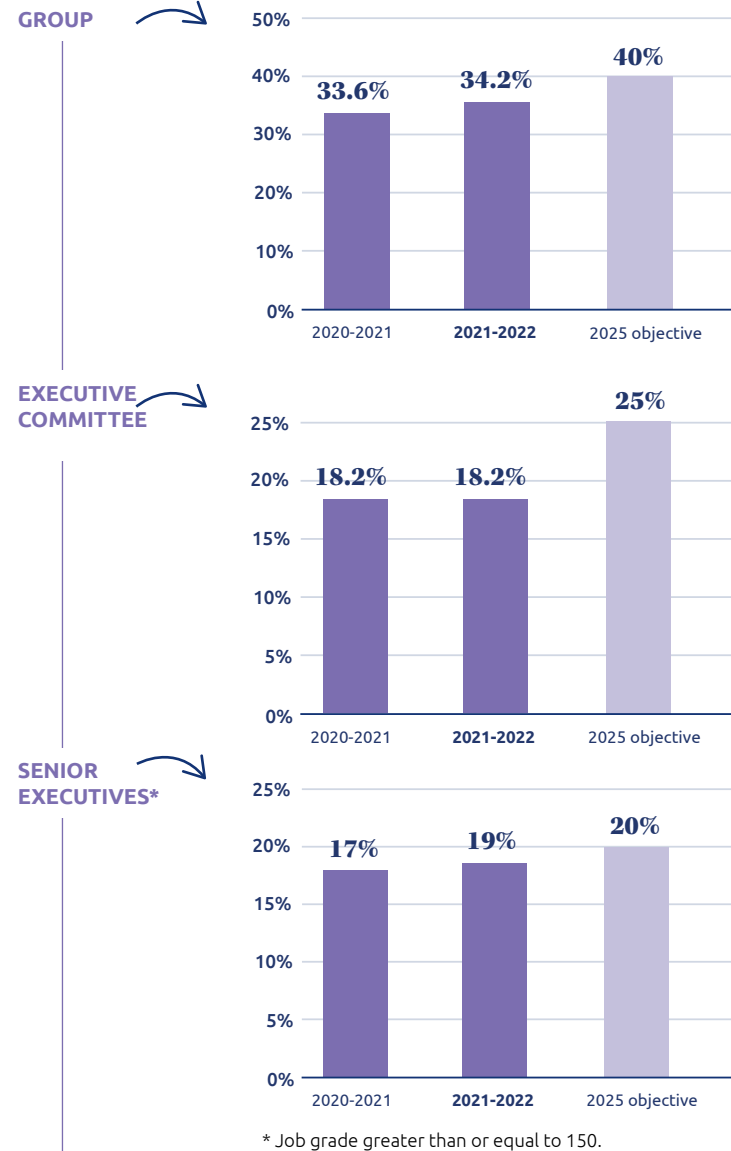
The manufacturing industry has historically employed more men than women. Our sector is facing a shortage of women workers.

At Soitec, women make up 34.2% of our workforce. Our objective is to increase the proportion of women at all levels of our organization.

Thanks to various initiatives, we are making progress towards this objective:

- the recruitment agencies that we use are required to propose both men and women candidates for all positions, with equivalent skills;
- we make sure to offer international mobility to the women in our workforce, as international exposure is an important lever for career development. In fiscal year 2021-2022, one-third of our employees on international mobility were women;
- we have been delivering a women's empowerment training program for several years. The topic is also addressed in our leadership and management training sessions;
- each year, we organize Inn.OTech, an initiative with the goal of encouraging high school students' interest in the scientific and technical professions of microelectronics, in partnership with Grenoble INP and various microelectronics companies in the Grenoble area. As part of a three-day program, we welcome 18 girls and 18 boys to the Company, where they learn about jobs in microtechnology and nanotechnology through talks, activities and workshops. However, this year's sessions had to be canceled due to the health crisis.

#### OUR OBJECTIVES FOR BRINGING MORE WOMEN ON BOARD THE GROUP



### Fight against discrimination

The fight against discrimination in all its forms is at the heart of our Company's values. In particular, we have strong commitments to fighting gender stereotypes and discrimination against LGBTQIA+ people. These commitments are based on a broader, holistic approach to gender. In that aim, a pioneering agreement was signed during fiscal year 2020-2021 with our unions, with the aim of fighting stereotypes, promoting inclusion comprehensively, regardless of gender and orientation, and refusing the exclusion of categories of staff through their lack of visibility, which could prevent them from asserting their rights.

While equal access to employment and equal treatment are included in the agreement, it goes even further than either of those aspects. It provides for an alignment of parental rights for same-sex couples, such as childcare leave in the event of medically assisted reproduction or surrogacy, sick days for children or childcare vouchers for the spouse. The agreement also provides support for people making the transition to a different gender and for those around them at work, as well as programs to fight sexist behavior and gender stereotypes. The explicit expression of situations and associated rights in a collective agreement helps the employees concerned identify themselves in order to claim the rights to which they are entitled.

We are also actively working to promote the employment of people with disabilities, be it through recruitment initiatives, job adjustments to maintain employment, or assistance in obtaining recognition of the status of a worker with a disability.

### FOCUS

#### Our employees take action against sexist behavior

Many people still experience sexist behavior in their professional environment on a daily basis. These behaviors can take many forms, including discrimination in hiring, inappropriate nicknames and stereotyping of sexual orientation.

To fight against this sexist behavior and harassment, we have launched an awareness-raising campaign, distributed both internally and externally. Consisting of various sketches that demonstrate examples of everyday sexism, each scene ends with the campaign slogan "We've all heard it, at Soitec we don't want it any more", thus underlining the unacceptable nature of these situations, which are sometimes rooted in everyday life. More than 50 of our employees came together to increase the impact of this campaign and took on a role in the video.

In addition to this campaign, the procedures for reporting sexist behavior were also reviewed and circulated more widely. Four liaison officers have been trained in managing reported cases, thereby removing some of the obstacles that may previously have discouraged the reporting of such behavior.

Watch the video: [https://youtu.be/g-vvtLB\\_wO](https://youtu.be/g-vvtLB_wO)





COMMITMENT

07

## Create a fulfilling and rewarding work environment and promote employee well-being

Creating a fulfilling and rewarding work environment and promoting employee well-being is a key driver for attracting and retaining our talent. The exceptional growth that we are currently enjoying is encouraging us to pay renewed attention to the quality of life at work of our employees.

### OUR ACHIEVEMENTS

Rollout of an annual employee satisfaction survey.

Quality of life at work score: **72/100**  
(vs. 70/100 in fiscal year 2020-2021).

### OUR OBJECTIVE

Maintain a QLW score greater than or equal to **70/100**.

### Measure the quality of life at work of our employees every year

Each year, we distribute an anonymous questionnaire, developed with our unions, to all employees at our various sites and subsidiaries. During the fiscal year, employee satisfaction increased to 72%, up 2 points from 70% in fiscal year 2020-2021. The presentation of the questionnaire's results provides an opportunity for discussion and collaboration between the teams and their management, with a view to continuously improving quality of life at work.



### Improve quality of life at work

Various initiatives deployed throughout the Group contribute directly to improving quality of life at work for our employees. One of them is remote working, which we implemented across the Group in 2018 and is now routine for employees whose jobs can effectively be done from home.

In 2019, we also introduced a training course entitled "Better Collaboration for Better Working Relationships", whose goal is to foster a culture of mutual support and respect for differences among our teams and promote a caring attitude, team spirit and constructive feedback (both positive and negative).



COMMITMENT

08

## Ensure the health and safety of our employees

The health and safety of our employees is at the heart of our priorities. We aim for excellence and strive for zero accidents.

### OUR ACHIEVEMENTS

**1.7:** low frequency rate of workplace accidents with lost time.

**0.09:** low severity rate of workplace accidents.

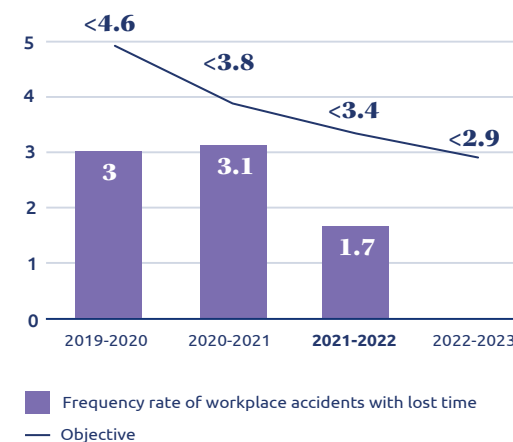
**ISO 45001** certification for our Pasir Ris site.

Implementation of our **Safe Culture** program and launch of the **"Handle like a Pro"** (*Gestes Pro*) communication campaign, aimed at raising awareness of ergonomic risks.

### OUR OBJECTIVE

Maintain a frequency rate of workplace accidents with lost time of below **2.9**.

### STRIVE FOR ZERO ACCIDENTS



### Safe Culture: prevention and mutual support at the heart of our safety culture

In 2021, we implemented a new safety program, Safe Culture. It continued to be rolled out during fiscal year 2021-2022, with the objective of encouraging each employee to play an active role in their own safety and their colleagues' safety by adopting good work practices.

Various measures have been taken to implement the program within the teams, including:

- the creation of a new tool for all employees to report incidents, near misses, or major safety or environmental risks, or to suggest improvements in respect of health and safety. The tool has been deployed at the Bernin site and will soon be deployed at the Pasir Ris site;
- the creation of e-learning modules, which will become mandatory for newcomers at the Bernin site. The first two modules will soon be rolled out at the Pasir Ris site;
- the launch in March 2022 of a year-long communication campaign on the Golden Safety Rules, with the objective of reminding people about safety principles through one targeted message per month. Managers then organize presentations – known as "Anim'actions" – for their teams. More than 100 managers were trained in how to organize such events for the campaign's launch.







### Invest in ensuring the health and safety of our employees

In fiscal year 2021-2022, we made several investments to further improve the health and safety of our employees on our sites and to reduce the risk of accidents:

- truck loading at docks has been improved thanks to a new control system that locks the truck's wheels to signal to the forklift operator and truck driver that the area is secure;
- the security of certain sensitive areas has been strengthened thanks to more thorough management of authorizations and access rights.

Our Pasir Ris site obtained ISO 45001 certification – which specifies the requirements for an occupational health and safety management system – in the summer of 2021.

In addition, specific certification for sites using chemicals was obtained in compliance with local regulations (SS 651) in January 2022.

Various optimizations are also already planned for fiscal year 2022-2023:

- the improvement of the smoke extraction system of Bernin 3, following an impact study conducted in fiscal year 2021-2022;
- the rollout of a system for packing and unpacking crates by suction, in order to automate an arduous task;
- increased safety of pedestrian zones thanks to the creation of a pedestrian pathway between two sites and an increased number of signs to ensure heightened vigilance among machine operators on the Group's sites.

## ISO 45001

certification  
of the Pasir Ris site

## 26.2%

of training sessions at Soitec in fiscal year 2021-2022 were dedicated to health, safety and the environment

### Improve workstation ergonomics

Improving the ergonomics of our workstations, particularly in clean rooms, is one of our top health and safety priorities. We regularly re-evaluate workstations in order to protect our employees from occupational illnesses and musculoskeletal disorders. In fiscal year 2021-2022, we installed a new unpacking process at our Bernin site to reduce the repetitive movements involved in handling boxes.

At our Singapore site, we have trained assessment method champions to roll out ergonomic risk analyses in fiscal year 2022-2023 and ensure that teams are well aware of best ergonomic practices.

### Ensure the health and safety of our employees during the global pandemic

Throughout fiscal year 2021-2022, we were affected by the Covid-19 pandemic. We constantly adjusted the measures implemented in order to take into consideration the rules imposed by the governments of our host countries as swiftly as possible. We maintained work-from-home arrangements whenever possible, including for operational positions. Lastly, we continued to sort anti-Covid masks to allow them to be processed and recycled through a specialized channel.



### FOCUS

**“Handle like a Pro” (Gestes Pro) videos: a communication campaign for raising awareness of ergonomic risks**

In 2022, we initiated a communication campaign dedicated to raising awareness of the proper procedures to adopt in clean rooms. In addition to these videos, 297 training sessions on professional techniques have been provided since April 2021.







# 3

## Act to become a role model for a better society

### Responsible supply chain

#### Commitment no. 9

Build a responsible, sustainable supply chain

### Communities

#### Commitment no. 10

Commit to local communities and young people

### Ethics

#### Commitment no. 11

Manage our business ethically and responsibly



COMMITMENT

09

## Build a responsible, sustainable supply chain

In order to build a supply chain that respects the environment and human rights, we bring all our suppliers on board our sustainable development approach.

### OUR ACHIEVEMENTS

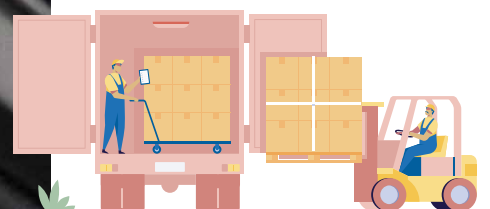
**100%** of our strategic suppliers have signed the Supplier Quality Policy (vs. 86% in fiscal year 2020-2021).

Signing of the French Charter for Responsible Supplier Relations and Purchasing.

### OUR OBJECTIVES

**100%** of our strategic suppliers to be assessed for compliance with the RBA Code of Conduct by 2026.

Obtain ISO 20400 certification by 2026.



### Lead our suppliers' practices through demanding standards

We have established a Supplier Quality Policy that sets out our requirements of our suppliers in respect of quality, ethics (especially the fight against corruption) and corporate, environmental and social practices. All of our suppliers – regardless of where they are located in the world – must adhere to the policy.

By signing the policy, our partners undertake to comply with all regulatory requirements concerning products (REACH, RoHS, Green Partner, CE, UL, etc.), health, safety, environmental protection and business ethics, as well as human rights, the fundamental conventions of the International Labour Organization and the OECD guidelines. 100% of our strategic suppliers have now signed the Supplier Quality Policy, including all our raw material suppliers.

Under our Supplier Quality Policy, our suppliers must also comply with the Code of Conduct of the Responsible Business Alliance (RBA), the largest non-profit organization bringing together several major electronics companies committed to improving sustainability in their supply chain management. Our suppliers must also pledge to require compliance with the same principles by their subcontractors and any person under their control. By 2026, we will conduct self-assessments and audits of our suppliers' compliance with the RBA Code of Conduct. Our goal is to assess 100% of our strategic suppliers by 2026.

### Manage our mineral supplies responsibly

As part of our operations, we use lithium tantalate, a derivate of tantalum that is regulated by the EU Conflict Minerals Regulation (2017/821) and the Dodd-



Frank Act in the United States. The purpose of these regulations is to require companies in the supply chain to ensure that their imports of these minerals and metals are obtained exclusively from responsible sources and are not conflict related.

At Soitec, we enforce these regulations strictly, and refuse to work with suppliers that cannot guarantee compliance. To that end, a process of compliance with EU Regulation 2017/821 has been implemented as part of the chemical products management system. Suppliers are therefore included in the Green Partner approach and undertake to issue a report facilitating the circulation of information throughout the supply chain as regards the country of origin of minerals, and the smelters and refineries used.

### Implement a responsible purchasing policy

Implementing a robust responsible purchasing policy is one of our priorities. To this end, we signed the Charter for Responsible Supplier Relations and Purchasing at the beginning of the first quarter of 2022, which is managed in France by the Corporate Ombudsman. The ten commitments set out in the Charter

aim to encourage companies and public and private organizations to adopt a balanced and sustainable relationship with their suppliers.

For fiscal year 2022-2023, we intend to establish a quarterly follow-up of internal purchasers correlated with a follow-up of suppliers on sustainability topics during the Purchasing Steering Committee meetings. Our main suppliers will have to complete a questionnaire on their sustainability policy. These criteria will be included in our supplier selection matrix. Internally, employees in the Purchasing Department will be assigned sustainability objectives to increase the proportion of responsible purchases.

By 2026, we have also set ourselves the objective of obtaining ISO 20400 certification for responsible purchasing.

## COMMITMENT

10

## Commit to local communities and young people

We are committed to actively participating in the development of the regions and ecosystems in which our various sites are located. We have built strong relationships with our stakeholders in Bernin and Singapore alike.

### OUR ACHIEVEMENTS

**195** young people under 26 hired during the year (vs. 100 in fiscal year 2020-2021).

Sponsorship of the association **Sylv'ACCTES**.

**6** Soitec employees sponsor 6 young people through the non-profit Télémaque.

### OUR OBJECTIVE

Strengthen our local roots in France and Singapore.

### Promote the attractiveness and resilience of our regions and support the local economy

Strengthening our local roots in the regions where we operate is at the heart of our sustainable development policy. This ambition is reflected in a range of measures and commitments:

- in February 2021, we joined the Local Economic Pact formed by the three communities of the Grenoble area, namely Grenoble-Alpes Métropole, the Grésivaudan and the Pays Voironnais, together with 20 public and private partners. The initiative is aimed at strengthening the local socioeconomic fabric;
- we are actively involved in promoting soft mobility. We regularly take part in discussions and projects around the development of soft mobility, such as the rail network and safe cycle paths. We have also installed electric vehicle charging stations at our Bernin site, and made electric bikes available for employees to borrow;
- we support local non-profits in Singapore and Bernin. In Singapore, our employees organized a donation campaign for the most disadvantaged communities. We have opted to support the association L'Enfant Bleu in Bernin. Since 2015, we have been actively supporting responsible agriculture by subsidizing the purchase of fruits and

vegetables from a sustainable and organic production of short circuits by employees;

- we actively work to preserve biodiversity in our host regions. For more information, please see Chapter 1, Commitment no. 4, on page 34 of this report.

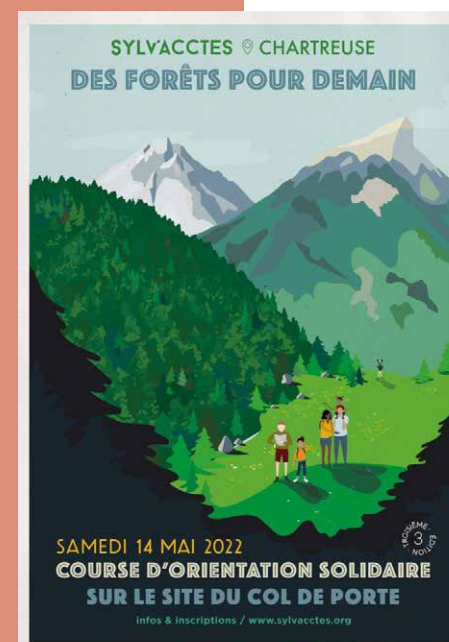
## FOCUS

### Preserve French forestry heritage through support to non-profit Sylv'ACCTES

We have opted to sponsor non-profit Sylv'ACCTES, which is dedicated to preserving French forestry heritage and making a far-reaching impact on climate, biodiversity and landscapes.

In the heart of the Grésivaudan valley, where our headquarters is located, we help fund sustainable forestry actions in the Chartreuse and Belledonne mountain ranges, such as supporting the replanting of diversified deciduous trees (Belledonne) and high-altitude coniferous trees such as fir and spruce (Chartreuse).

Sylv'ACCTES also organizes awareness-raising activities among various groups, from young children to employees of the companies that support it. We support these activities by funding the design and distribution to school children of an educational booklet on preserving forestry heritage. Our employees were also given the opportunity to participate in a fundraising orienteering race at Col de Porte.





### Play a key role in the creation of a resilient semiconductor ecosystem at the national and European levels

As a major global player in microelectronics, we are committed to playing an active role in creating a resilient semiconductor ecosystem. We have built close partnerships with players in the European microelectronics value chain and intend to actively contribute to the European Union's goal of producing 20% of the world's semiconductors by 2030.

### Support the integration of young people into the microelectronics industry

The microelectronics and semiconductor industry is currently suffering from a lack of awareness among the younger generation as well as a shortage of talent. We are working with all local partners to make our industry visible and attractive to young people.

We have participated, in particular, in the creation of training programs dedicated to our industry in partnership with engineering schools and universities including Grenoble Alpes University, INP Grenoble-Phelma, the National

University of Singapore (NUS), the Nanyang Technological University (NTU) and the Catholic University of Louvain (LCU). We also regularly welcome several student interns, as well as doctoral students.

Moreover, we attach great importance to helping young people get started on their careers. At Group level, we recruited 195 young people under 26 between April 1, 2021 and March 31, 2022. In recognition of our commitment, we have been awarded the "one young person, one solution" (*1 jeune 1 solution*) label as part of the *France Relance* government program.



#1JEUNE1SOLUTION

## FOCUS

### Supporting students from Grenoble's priority neighborhoods in partnership with non-profit Télémaque

Since 2020, we have developed a partnership with Télémaque, a non-profit organization that supports high school students from priority neighborhoods. Six Soitec employees are currently mentoring six young people through a dual "school-company" mentorship program. The number will increase to ten in 2022.



## COMMITMENT

# 11

## Manage our business ethically and responsibly

We are committed to meeting the highest ethics and compliance standards, and adhering strictly to all applicable regulations. Soitec applies a zero tolerance policy with respect to breaches, and in recent years has rolled out a system for preventing, reporting and addressing issues relating to ethical compliance. The system is being enhanced, with the adoption of new measures and initiatives.

### OUR ACHIEVEMENT

**70%** of employees have completed the e-learning module on the Code of Good Conduct (vs. 65% in fiscal year 2020-2021).

### OUR OBJECTIVE

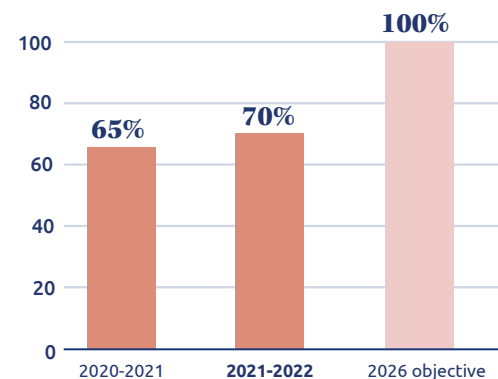
**100%** of employees to have completed the e-learning module on the Code of Good Conduct by 2026.

### Make each of our employees aware of our ethical rules through our Code of Good Conduct

We have set up several measures to raise awareness among our employees, including:

- mandatory training: Soitec employees (including part-time employees) are required to take an e-learning course on the Code of Good Conduct when they are onboarded. In fiscal year 2021-2022, 70% of our employees completed the e-learning module on the Code of Good Conduct. Our objective is to reach 100% by 2026;
- in addition to the Code of Good Conduct, an e-learning program on anti-corruption is also mandatory for people exposed to corruption in their jobs. 100% of the target populations have completed the program;
- in fiscal year 2022-2023, a compliance action plan will be rolled out. Among other features, it will include the circulation of procedures and rules throughout the Group, mandatory training on the main ethical risks to which employees are exposed, other than those mentioned above, and periodic audits to ensure that all of these actions and the rules in place are being complied with. The objective for the coming year is for 100% of the actions in the annual plan to be deployed Group-wide.

#### PERCENTAGE OF EMPLOYEES THAT HAVE COMPLETED THE E-LEARNING MODULE ON THE CODE OF GOOD CONDUCT



### Fight tax evasion

With operations in several countries, our Group is committed to complying with tax regulations in each location: our entities declare and pay their taxes in accordance with their local obligations and the taxes due. Executive Management expects entities to cooperate and work transparently with the tax authorities in the event of a request for documents or a tax audit. Intra-Group transactions are governed by a transfer pricing policy. It is based on the recommendations of the OECD and, in particular, on the arm's length principle. The policy covers all intra-Group transactions. A comparative study of the pricing of intra-Group transactions worldwide ensures the consistency of the practices implemented.

### Work closely with French Customs

We have been involved in a collaborative approach with French Customs since 2008. Our growth involves a significant volume of international trade, which in turn requires us to obtain the guarantees necessary for compliance with the regulations in force. This commitment is embodied in the Authorized Economic Operator (AEO) status, obtained in 2016, which reflects the measures taken by Soitec to secure its activity throughout its international supply chain. AEO status allows us to benefit from accelerated customs clearance procedures and reduced controls.



Find all of our non-financial information, including the underlying data, in the Non-Financial Statement published in Chapter 3 of our Universal Registration Document and available on our website in the Investors – Financial Reports section.

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