

2020-2021 SUSTAINABILITY REPORT

IN OUR

**SOIL
GROWS**

an amazing future



soitec



WE ARE THE

INNOVATIVE SOIL

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

EDITORIAL

Paul Boudre
CHIEF EXECUTIVE OFFICER



With our privileged position at the apex of the microelectronics value chain, the industry standards that we are relentlessly creating worldwide in major applications for communications, connectivity, mobility and embedded intelligence, and our rapid growth over recent years, Soitec has a special mission and responsibility that extends far beyond simply developing and producing substrates.

When we consider that 80% of the world's population uses our Smart Cut™ technology, and we calculate the energy consumption that our products help to avoid while advancing the causes of healthcare, education and low-carbon mobility, we are able to gain a sense of our role and the immense sustainability responsibility that lies on our shoulders.

And that is why, as soon as we had established the foundations of our recovery and the conditions for sustainable and profitable growth, we were determined to make sustainability one of the pillars on which our medium-term strategic vision is built. In line with this approach, we have endowed Soitec with a

corporate purpose that reflects us and serves as a source of inspiration and commitment for our teams, partners and customers.

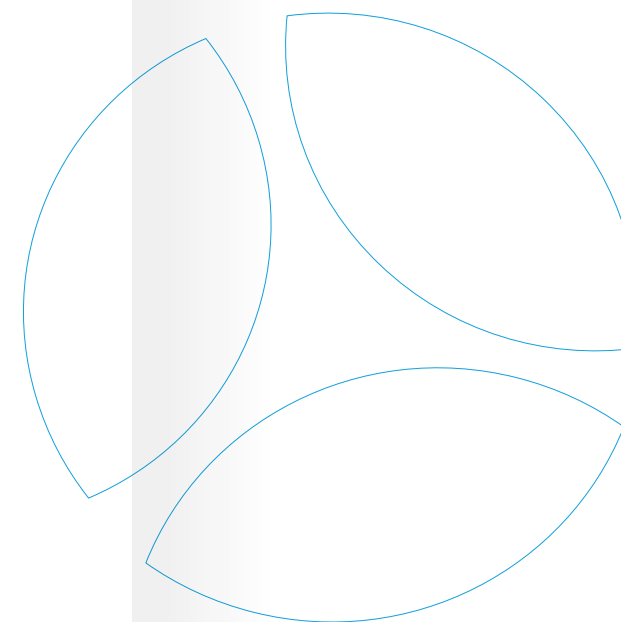
“We are the innovative soil from which smart and energy efficient electronics grow into amazing and sustainable life experiences.”

We are sowing the seeds of innovation and are proud of our vital contributions to multiple developments in the field of electronics. Greater efficiency, better safety and more agility with less energy – these priorities have shaped our history since the very beginning and are at the core of our technologies and our value propositions. We are at the very start of the value chain and our substrates are constantly opening up new horizons for our customers and end users.

Our new corporate purpose, the result of in-depth work with our stakeholders and supported by our Board of Directors, has been enshrined in our by-laws since July 2021.

It underpins our commitment to an eco-responsible innovation approach through our contribution to making the microelectronics sector more environmentally friendly, through our industrial processes, and through all the components of the social pact that binds us to the people who contribute to our actions, in our different entities and more broadly in our territories, alongside our partners and suppliers.

This report illustrates the main concrete commitments that we have already made, our initial achievements and our ambitions for the years to come. This is only the beginning of course, as our corporate purpose binds us to a long-term vision. Our desire is that it will serve as a motivating force for us all, driving our daily actions to preserve the planet and contribute to economic and social progress.



Pascal Lobry
PEOPLE AND SUSTAINABILITY EVP



The past few months have marked a major turning point for Soitec. Corporate social responsibility has always been central to our thinking and since the very formation of the Company, we have committed to a host of initiatives in a variety of fields – mainly social and environmental. Now bound by a corporate purpose that is enshrined in our by-laws, we are taking CSR a step further and are committing to realizing the ambitions that we set out in our strategic plan, of which sustainability is among the pillars, in a more structured and timely manner.

Describing ourselves as “innovative soil” is no small thing. Of course, it primarily refers to our immense responsibility to facilitate numerous technological advances that are impacting an ever-expanding range of expectations in the fields of communication, mobility and intelligence in connected objects – all combined with outstanding energy savings.

But it is also reflected in our environmental commitments within the Company and with our suppliers. And of course, our customers.

We now have a clear roadmap for our approach to climate, water consumption and biodiversity. And our efforts have already produced their first results, as described throughout this report.

This innovative and fertile soil has also nourished and enriched our social pact over time,

with burgeoning job and career prospects, an exemplary value sharing policy, a proactive approach to diversity that pledges to leave no one behind, and a quality of life at work whose advancement is regularly measured by our employees.

Lastly, our innovative soil must also, more broadly, nourish our territories and our partners, through the direct and indirect jobs that we create, through the many qualifications and training opportunities that we generate for young people, through our support for our suppliers' efforts to advance their social and environmental standards, and through the inspiration that we provide for so many stakeholders in our ecosystem.

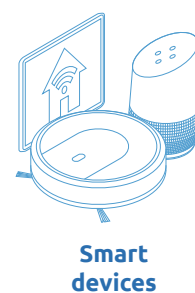
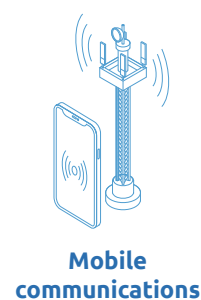
I hope that you enjoy reading this report as much as we have enjoyed taking stock of the rapid advances that we have already made and looking forward to the progress that is still to come.

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

Soitec designs and manufactures innovative semiconductor materials. Our technologies and products play a major role in the mass adoption of electronic devices, including smartphones, 5G, computers, servers, industrial and medical equipment, electric and autonomous cars, connected cities and objects, and personal assistants. These technologies help to make the world more connected, more intelligent and more energy efficient.

Our markets

The growth prospects for the semiconductor market over the coming decade are very significant. By 2030, the market is expected to more than double, with very high demand across the entire electronics value chain.



Soitec in key figures



A global footprint

Today, we have six production lines across the globe. We are anticipating a 250% increase in our product sales volumes by 2026.



Sustainability, the cornerstone of Soitec's strategy



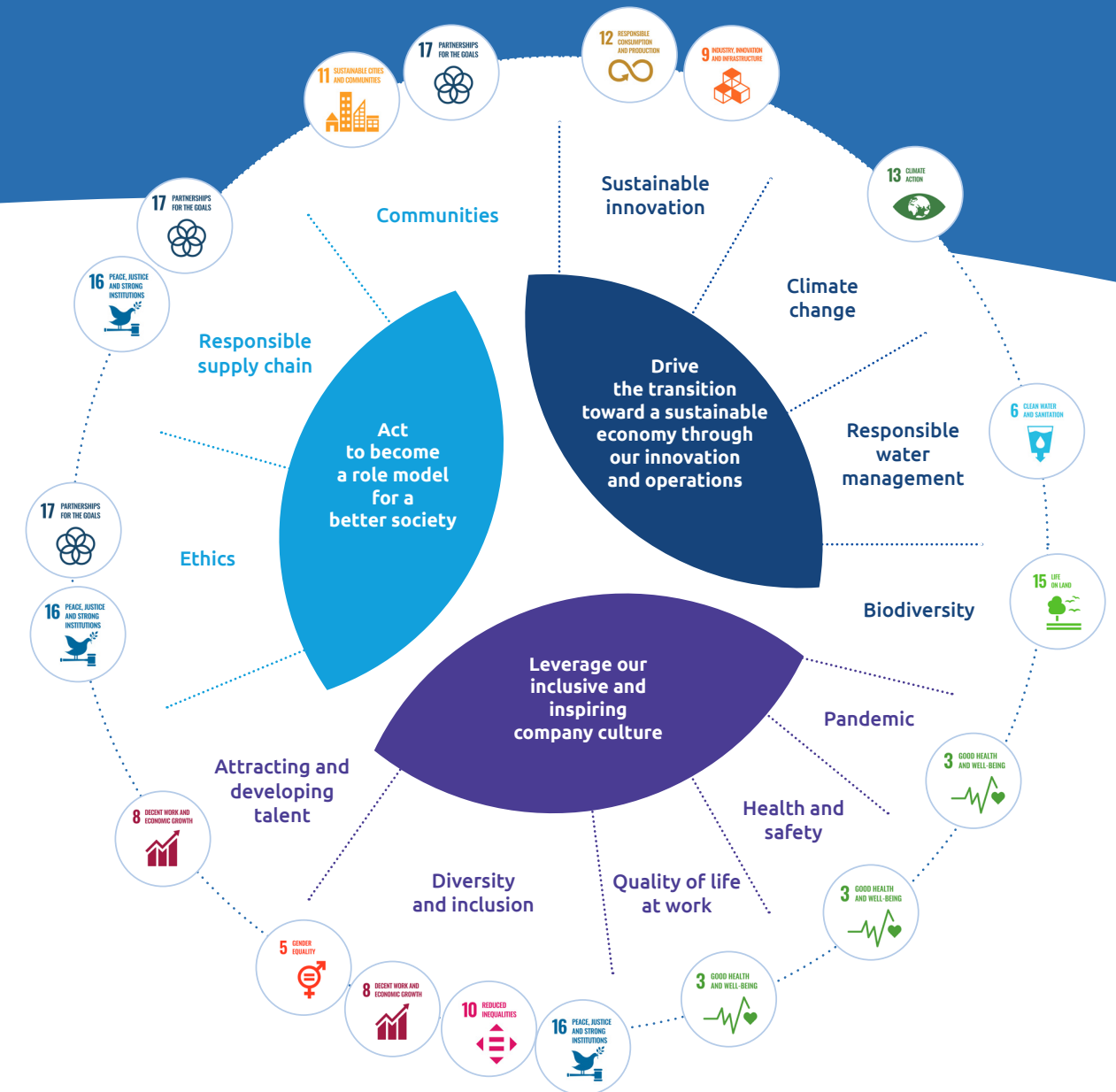
Making sustainability the cornerstone of Soitec's strategy

2021-2026 OUR CSR ROADMAP

In 2021, we launched our new Corporate Social Responsibility policy, with a roadmap running through to 2026. This policy makes sustainability the cornerstone of Soitec's strategy and is based on three pillars and 12 commitments, which draw on a materiality matrix that we conducted with all our stakeholders. These pillars are: driving the transition toward a sustainable economy through our innovation and operations, leveraging our inclusive and inspiring company culture, and acting to become a role model for a better society.

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. Through our commitments, Soitec contributes to 12 of the 17 goals.



30 YEARS OF COMMITMENT

1992	2001	2007	2008	2010	2012	2014	2015	2018	2020	2021
Formation of Soitec	1 st ISO 14001 environmental certification obtained Signing of the 1 st employee profit-sharing scheme	Signing of the 1 st agreement on gender equality in the workplace Introduction of the "Safe" program	Creation of a sustainable development program Signing of the Green Partner policy	1 st OHSAS 18001 safety certification obtained	EICC membership (now Responsible Business Alliance) Signature of the 1 st Code of Good Conduct	1 st carbon footprint assessment	1 st ISO 50001 (energy) certification obtained	Signing of an agreement for an inclusive Company at every age Employee free share allocation plans 1 st preferred share 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)	Approval 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) certification obtained for our Pasir Ris site (Singapore)

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

In a context of global warming, the depletion of natural resources and the loss of biodiversity, our planet is currently facing threats of unprecedented intensity.

At Soitec, we are convinced that businesses have a significant part to play in overcoming these threats. This is what drives us on a daily basis and pushes us to surpass ourselves and innovate in order to better reconcile electronic performance and energy efficiency and to build a more environmentally friendly future.

COMMITMENT NO. 1 SUSTAINABLE INNOVATION

Innovate every day so that we can continue to make our products the cornerstone of a responsible future



OUR ACHIEVEMENTS

1 MILLION inhabitants

Compared to previous generations or competing products, three of our products help to save the equivalent of the domestic energy consumption of a city of one million inhabitants, over one year.

13% of revenue dedicated to R&D

NO. 2 patent filer among mid-sized companies

Co-development partnerships with more than ten leading research centers and universities

Launch in July 2018 of the **SUBSTRATE INNOVATION CENTER** in partnership with CEA-Leti, which has hosted a silicon carbide line since 2020

OUR OBJECTIVES

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

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

OUR APPROACH

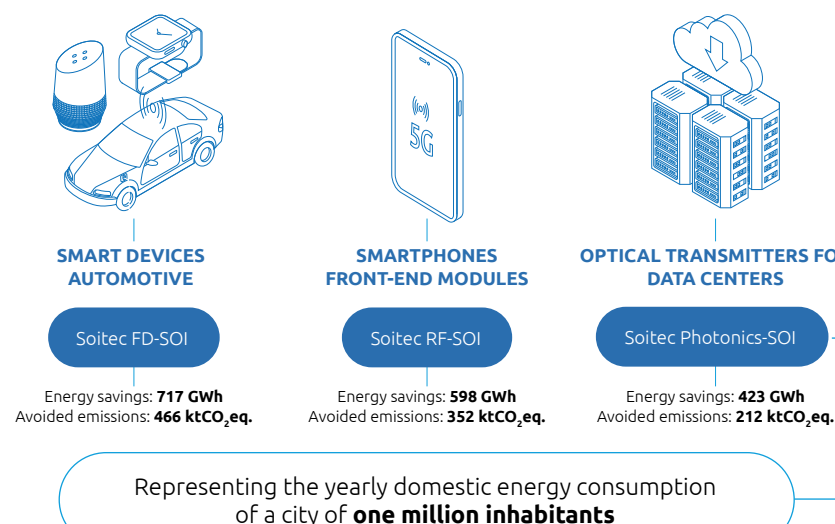
Designed to meet the ever-growing functionalities and performance requirements of the technologies that we use every day, our products are an integral part of the daily lives of millions of people. Today, they are essential for the adoption of innovative technologies such as 5G, autonomous cars and artificial intelligence embedded in connected objects.

But while these technologies are essential for our societies and lifestyles to evolve, they also consume significant amounts of energy. Our innovations are therefore intended to allow electronic devices to reconcile performance and energy efficiency.

100% of smartphones sold in the world today are equipped with Soitec products.

Reduce the energy consumption of electronic devices that are an essential part of daily life

In 2020, we conducted a study of the greenhouse gas emissions avoided through the use of three of our products (FD-SOI, RF-SOI and Photonics-SOI), compared to previous generations or competing products. We found that avoided emissions totaled 1,030 ktCO₂eq. (kilo tons of CO₂ equivalent). Energy savings amounted to 1,738 GWh, representing the yearly domestic energy consumption of a city of one million inhabitants – greater than the population of Marseille or San Francisco.



In October 2020, our subsidiary Dolphin Design's SPEED (System Platforms for Energy Efficient Design) platform was awarded the "Solar Impulse Efficient Solution" label, which recognizes 1,000 efficient, clean and cost-effective solutions worldwide that have a positive impact on the environment and quality of life.

Expand our mix to include new, increasingly energy-efficient materials

We innovate on a daily basis to develop new materials that are increasingly energy efficient.

One of these materials, **silicon carbide** (SiC), has remarkable properties that can considerably reduce the energy consumption of end-use applications in electronic equipment such as smartphones and cars. In recent years, it has emerged as a key material in electric vehicle and charging infrastructure markets. SiC devices increase travel range per charge by at least 10% and significantly cut battery charging times.

In July 2018, we set up the Substrate Innovation Center – a center for prototyping new materials – with CEA-Leti. Since 2020, it has hosted a silicon carbide line. We also plan to invest **€1.1 billion** over the next five years to further expand our existing production capacities in France, Belgium and Singapore, and to build two new facilities, one of which will be dedicated to the production of silicon carbide substrates.

€1.1
BILLION

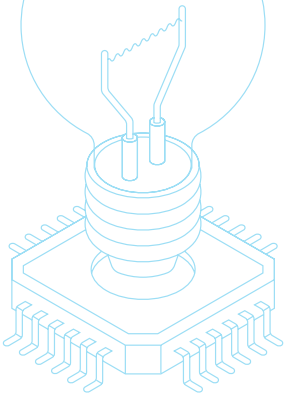
in production capacity
investments



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

Sustainable innovation also means analyzing the entire life cycle of our products in order to identify different levers for reducing our energy consumption and greenhouse gas emissions.

Wherever possible, we also adopt an eco-design approach. For example, this approach has been deployed in the development process for one of our new products: the SmartSiC™. Based on the early results, we expect this product to reduce the greenhouse gas emissions generated by the production of 100,000 wafers by 4,000 tCO₂eq.



Play a key role in building a semiconductor ecosystem

We are committed to playing an active role in building a microelectronics and semiconductor ecosystem. We have established a global network of alliances and cooperation agreements with research laboratories, universities and organizations across the electronic components industry. In addition to CEA-Leti, with which we have had a strong partnership since our foundation, we collaborate with world-class research centers and universities, such as Imec, Fraunhofer Institute, SITRI, CNRT, CEMES, A*STAR-IME, as well as Stanford, Berkeley, NUS, NTU and UCL.

COMMITMENT NO. 2
CLIMATE CHANGE

Establish Soitec as a pioneer in limiting global warming to 1.5°C



OUR ACHIEVEMENTS

- 29% reduction in energy consumption per unit of production in 5 years
- 100% of the electricity consumed today at our Bernin plant comes from renewable sources, as attested by Guarantees of Origin (GO).
- 62% of substrates transported by sea between our Bernin plant and Pasir Ris plant rather than by air freight in 2021
- Our management systems are certified ISO 14001 and ISO 50001.

Our climate objectives have been validated by the Science-Based Targets initiative (SBTi).

OUR OBJECTIVES

- 25.2% reduction in Scopes 1 and 2 greenhouse gas emissions by 2026, in absolute terms
- 100% renewable power at our Bernin plant in 2022 and 50% at our Pasir Ris plant by 2024
- 35.3% reduction in Scope 3 greenhouse gas emissions by 2026, per million euros of added value
- 90% of substrates sent from our Bernin plant to our Pasir Ris plant by sea freight by 2024

OUR APPROACH

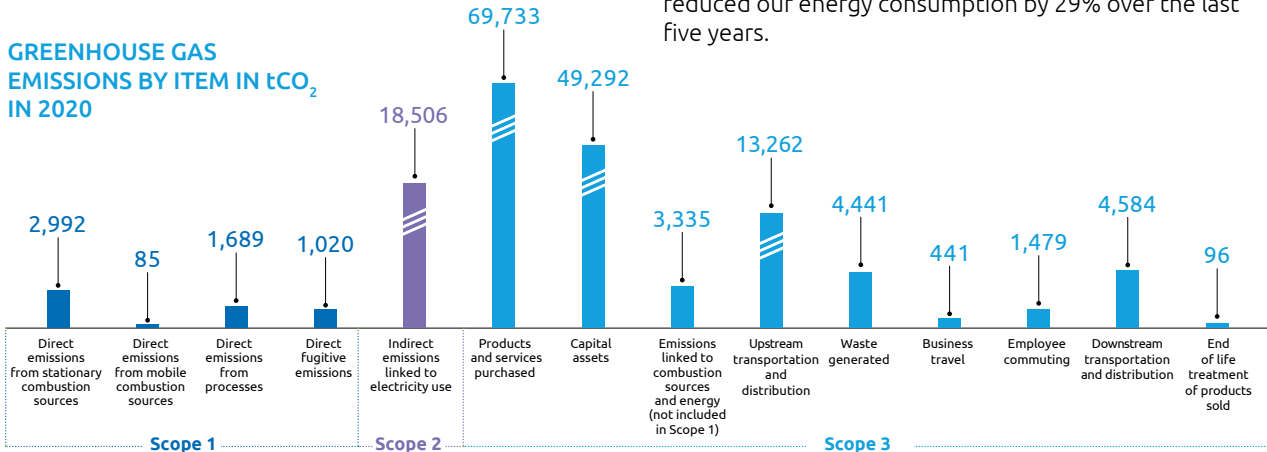
In January 2021, we decided to join the Science-Based Targets initiative (SBTi) – led by CDP Worldwide, the World Wildlife Fund (WWF), the World Resources Institute (WRI) and the United Nations Global Compact program – and to adopt the trajectory limiting global warming to 1.5°C above pre-industrial temperatures, alongside 1,000 other global pioneers.

In a context of spectacular growth, step up our efforts to reduce our greenhouse gas emissions

To meet our commitments, we plan to reduce Scopes 1 and 2 greenhouse gas emissions by 25.2% in absolute terms and Scope 3 greenhouse gas emissions by 35.3%

per million euros of added value by 2026, compared to 2020 (baseline year in which we last assessed our carbon footprint).

Our objectives have been validated by the Science-Based Targets initiative (SBTi). They are extremely demanding given that our business is expected to more than double in size in the next five years and that we have already reduced our energy consumption by 29% over the last five years.



An ambitious and demanding climate plan

Our objectives are based on five pillars, which form the foundation of our climate plan:

Increasing the energy performance of our industrial plants, by:

- investing in energy-efficient industrial equipment;
- optimizing our industrial processes to scale back their energy consumption;
- reducing the energy consumption of our offices. For example, our future headquarters in Bernin – which are currently under construction – will meet the most demanding industry standards, with HQE® excellent certification;
- obtaining ISO 50001 certification for the energy management system at our Pasir Ris site by 2022;
- increasing the reuse rate of our donor substrates.

Consuming low-carbon energy.

We aim to use 100% renewable power at our Bernin plant by 2022 and 50% carbon-free power at our Pasir Ris plant by 2024. The first objective was achieved during the year, as all of the energy that we consume today at our Bernin plant is covered by renewable Guarantees of Origin (GO) and comes from hydroelectric farms located in the Rhône-Alpes region.

Engaging our suppliers in our low-carbon approach, especially our material and equipment suppliers, by reducing their products’ carbon footprint.

Favoring low-carbon freight, by opting first and foremost for sea freight – which pollutes less than air transportation – in particular for shipments between our Bernin (France) and Pasir Ris (Singapore)

plants. In fiscal year 2020-2021, the proportion of substrates shipped to Pasir Ris from Bernin by sea freight increased from 0% to 62%. We are aiming to reach 90% by 2024.

Encouraging our employees to adopt soft mobility by implementing an inter-company travel plan, installing electric charging stations and setting up an electric bicycle lending program.



COMMITMENT NO. 3

RESPONSIBLE WATER MANAGEMENT



Manage and reduce our water consumption

OUR ACHIEVEMENTS

14% reduction in water consumption per unit of production between 2016 and 2021

13% of water reused at our Bernin plant

OUR OBJECTIVES

Disclose data on our water consumption via the CDP reporting initiative from 2021

30% reduction in water consumption per unit of production by 2023 compared to 2016

Increase by 50% the volume of water reused at our Bernin plant from fiscal year 2022-2023

OUR APPROACH

We have been working to reduce our water consumption over the past several years by optimizing our industrial processes. We are also mindful of avoiding any impacts that are detrimental to the needs of the local communities that host Soitec’s operations.

Reduce our water consumption

We consume water to meet two main needs: domestic and industrial water consumption. Our objective is to achieve a 30% reduction in our water consumption per unit of production by 2023 compared to our baseline year (2016). Our water consumption has already decreased by 14% per unit of production, between 2016 and 2021.

To achieve our objective, we are gradually increasing the amount of water that we reuse in our industrial processes. The volume of water reused at our Bernin plant is currently around 13%. Significant investments are planned to increase water reuse by 50% from fiscal year 2022-2023.

Ensure a proportionate balance of different water uses

99% of the water used at our Pasir Ris plant is now NEWater, namely water that has been recycled from wastewater. At our Bernin plant, all of the water consumed comes from a local river, the Romanche, and is therefore surface water.

An impact study was carried out on water consumption at our Bernin plant, which confirmed that our water consumption did not cause any water stress issues or compete with the needs of other industries or the local population in the short and medium term. For the long term, an agreement has been reached with the community of municipalities to increase water supply capacity rapidly, to allow all future users to benefit from this resource.



COMMITMENT NO. 4 BIODIVERSITY



Preserve biodiversity to maintain a healthy and balanced local ecosystem

OUR ACHIEVEMENTS

Our Bernin site became a "Refuge LPO" in 2020, making an undertaking to the LPO to protect local wildlife.



Two beehives installed at our Bernin site

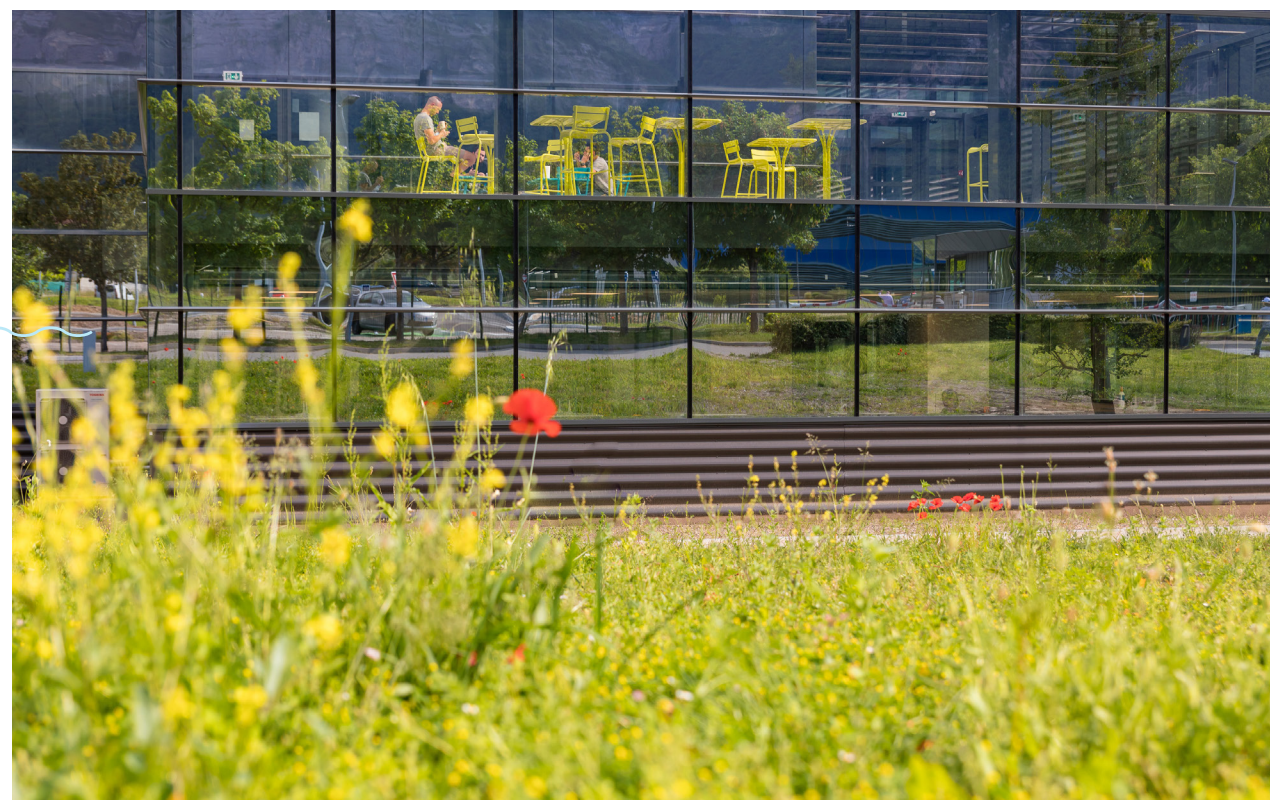
OUR OBJECTIVE

Five-year biodiversity action plan, with the LPO

OUR APPROACH

We have been working to preserve biodiversity for many years at both our Bernin and Singapore sites. Biodiversity is now taken into account in the deployment of our development projects. We are assisted by specialists and associations in defining our action plans. Our headquarters and main production site at Bernin are located in a particularly rich location, in the great outdoors surrounded by alpine peaks, in the heart of the Grésivaudan valley. Each employee is naturally made aware of the need to protect the surrounding natural environment and ecosystems.

Our green spaces are managed without using any phytosanitary products. Soitec has also signed a five-year agreement with the French League for the Protection of Birds (*Ligue pour la protection des oiseaux* – LPO), under which various actions are taken at our Bernin site, such as sustainable mowing and the installation of nesting boxes. All site developments are also carried out in consultation with the LPO. Our Bernin site also hosts two beehives maintained by trained employees. They contribute to local pollination.



Leverage our inclusive and inspiring company culture

At Soitec, we firmly believe that sharing a common culture is crucial to the success of a company and to the well-being of its employees. Our success and our sustained pace of growth would not be possible without the outstanding commitment of the people who have joined our Group over the years.

Our company culture is the culmination of 30 years of history, forged by a common and inspiring vision that has been honed in the face of difficulties and by the determination of each and every one of us to drive sustained growth in our Company and to uphold our commitments to all our stakeholders. This company culture is a pillar that unites us, inspires us and is based on our fundamental core values: ensuring the well-being of all our employees and enriching our community every day with greater diversity in a model based on cohesion, inclusion and profit-sharing.



COMMITMENT NO. 5

ATTRACTING AND DEVELOPING TALENT



Attract and develop our talent

OUR ACHIEVEMENTS

444 hires during the past fiscal year

Dual recognition for our employee shareholding policy

14.8% of employees promoted internally in fiscal year 2020-2021

3.86% Low resignation rate

OUR OBJECTIVES

Increase Soitec's renown beyond the regional borders of our sites

Maintain an average promotion rate of

13% per year until 2026

OUR APPROACH

Today, Soitec is growing very rapidly. And our headcount is increasingly sharply too. We are now recognized as an attractive employer in both France and Singapore.

In order to further increase our renown and deepen our attractiveness, we strive to foster a caring and inclusive work environment. We are also committed to sharing the benefits of our growth with all of our employees through innovative programs.

Extend our employer reach beyond the local employment areas around our sites

In recent years, we have focused on making our recruitment processes more professional and accelerating the deployment of our hiring initiatives in France and Singapore. We have also increased Soitec's renown in France – beyond the borders of the Grenoble area – and in Singapore, through employer brand initiatives.

As a result of the pandemic, a growing number of candidates from major urban centers are appreciating the benefits of relocating to the Alps – near Grenoble, crowned the European Green Capital 2022.

Over the past year, we have recruited over 400 people. In 2021, we organized our largest ever “job dating” event, during which we had the opportunity to meet more than 350 candidates. Just over 30 of them were hired in the subsequent weeks. We are gearing up to recruit more than 300 people in the coming year.

> 300 new hires planned in fiscal year 2021-2022



Help our employees to develop, thanks to tailored career paths

Growing does not merely entail recruiting more employees. Developing our internal skills is also essential, so that we can prepare appropriately for our impending growth spurt. We must understand the needs of tomorrow and identify and adapt the skills that we already have.

We place a particular focus on devising fast-track career paths tailored to our employees and to the development of their skills, based on HR processes – including a people review. In 2021, the people review was organized for all employees for the first time, with more than 1,400 people benefiting from a career assessment.

Each year, about 90% of our workforce also completes training sessions. In 2020, a leadership program was deployed worldwide for Soitec managers, with the aim of rallying all managers around a common culture, across all entities.

Lastly, under our partnership with the Université Grenoble Alpes, we are working with the Institut Universitaire de Technologie 1 (IUT1) to develop upskilling courses for our technicians to boost their

90% of our workforce receive training each year.



expertise, as well as for our production operators with the aim of helping them to progress to technician positions. On a broader scale, we are working to develop the microelectronics industry within the Grenoble area. We are also actively involved in creating training courses for students, so that their educational opportunities are aligned with local companies' needs.

Share the fruits of growth with our employees

At Soitec, we have decided to pursue a robust and dynamic policy of sharing value creation with our employees. Making our employees shareholders in our Group and sharing the benefits of our Company's performance is a core commitment of our human resources policy and recognition approach, and a driver of attractiveness. Since 2018, several programs have been set up, including employee shareholding plans, mutual funds with discount and leverage, guaranteed capital and minimum returns, and co-investment programs in preferred shares.

Our ambitious strategy has received awards from the French Federation of Employee and Former Employee Shareholder Associations and the Observatory of Compensation and Benefits.

COMMITMENT NO. 6

DIVERSITY AND INCLUSION

Promote diversity and inclusion



OUR ACHIEVEMENTS

33.5% Proportion of women in the workforce in fiscal year 2020-2021

Signatory of the United Nations Standards of Conduct for Business on Tackling Discrimination against Lesbian, Gay, Bi, Trans & Intersex People

Non-binary professional equality agreement covering all gender issues signed with the trade unions

94/100 Gender equality index score for Soitec SA (versus 84/100 in 2018)

OUR OBJECTIVES

Increase the proportion of women in the workforce to

40% by 2025

25%

of Executive Committee seats to be held by women by 2025

OUR APPROACH

At Soitec, we strongly believe that collective knowledge stems from a diversity of opinions, mindsets, backgrounds, genders and so on. Diversity and inclusion are sources of wealth for companies. That is why we strive to promote these values and prohibit any discriminatory behavior.

Promote gender equality

In a predominantly male industry, one of the Group's priorities is to improve the gender balance. While women make up between 20% and 25% of the workforce in the semiconductor industry, they accounted for 33.5% of our headcount in fiscal year 2020-2021. The work done to improve the proportion of women in recruitment is paying off. Awareness raising is one way forward. Soitec has provided women's empowerment training for several years. The topic is also addressed in various leadership and management training sessions. Lastly, 50% of individuals on international mobility were also women. International exposure is an important lever for career development.

In 2021, we made public commitments regarding the proportion of women in the workforce at the Group level for the first time, with a target of 40% within four years. We have also set ourselves the objective of women holding 25% of the seats on our Executive Committee within three years and making up 20% of senior executives (who themselves represent 7% of the Company).

Outside of the Company, we are also working to encourage young girls to take up careers in microelectronics, for which we have created the Inn.OTech program (for more details, see page 28).



Address gender issues holistically, by including LGBTQIA+ people

Going one step further with gender equality, we have decided to take a broader approach to gender and fight discrimination against LGBTQIA+ people.

We have signed a pioneering professional equality agreement with our trade unions. The agreement aims to address gender issues holistically rather than reducing them to issues of gender equality, while at the same time addressing LGBTQIA+ individuals in a single agreement, with the determination to fight against stereotypes and promote inclusion.

We are also a signatory to the United Nations Standards of Conduct for Business on Tackling Discrimination against Lesbian, Gay, Bi, Trans & Intersex People.

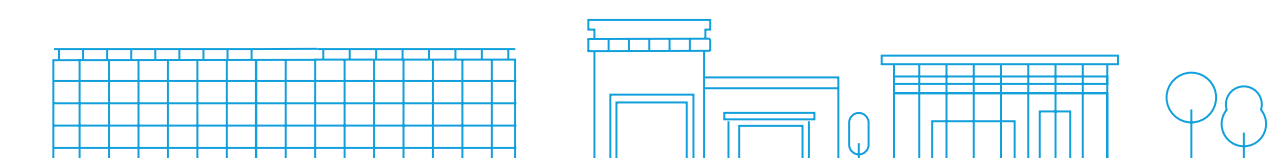
Employ people with disabilities

Since 2000, we have been committed to promoting the employment of people with disabilities. We use a range of measures designed to facilitate recruitment. Thanks to our partner Ohé Prométhée Isère, Soitec calls on the services of Plateforme Alternance Handicap (PAH), which gives people with disabilities easier access to partner companies to find a work-study contract.

We also have a proactive policy of adapting workstations: the best possible workstation ergonomics are sought – through the purchase of equipment adapted to the disability – and facilities are made more accessible overall by fitting out the premises.

Engage all employees in our fight against discrimination and stereotypes

The fight against discrimination and stereotypes, whatever the source, is one of the fundamentals of living harmoniously together, a value that our Group holds very dear. Training and awareness play a key role. In 2021, we developed an internal communication campaign to raise awareness among our employees about the fight against sexist and heterosexist behavior. In 2019, we also introduced a training course entitled "Better Collaboration for Better Working Relationships", whose goal is to foster a culture of mutual aid among employees and promote a caring attitude, team spirit and constructive feedback (both positive and negative).



COMMITMENT NO. 7

QUALITY OF LIFE AT WORK

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



OUR ACHIEVEMENTS

70/100

Quality of life at work score

UP 2.9
points since 2019

91%

Response rate for the quality of life at work questionnaire in fiscal year 2020-2021

OUR OBJECTIVE

Maintain a quality of life at work score greater than or equal to 70/100

OUR APPROACH

Creating a fulfilling work environment that fosters our employees' well-being is a key driver for attracting and retaining our talent. Our quality of life at work score is now over 70/100. More than ever, the exceptional growth that we are enjoying is encouraging us to pay renewed attention to the organization of work, respect for work-life balance, recognition of our employees and quality relationships.

Measure quality of life at work at regular intervals to drive improvement

Since 2018, we have been measuring the quality of life at work on a quarterly basis at all of our sites. The process consists in sending an anonymous questionnaire to all employees, containing questions that are devised with our employee representatives. Our employees find completing the questionnaires to be worthwhile, as reflected in their very high response rate – 91% in fiscal year 2020-2021.

Feedback on the results is shared during sessions led by managers. It provides an opportunity to discuss the themes that received the lowest scores and for teams and their supervisors to work together to implement initiatives to improve the quality of life at work.

Develop tools to continuously improve the quality of life at work

Quality of life at work at Soitec involves various levers and tools, including remote working arrangements, with eligible employees regularly working from home under a collective agreement introduced in 2018. The development of effective IT tools that meet employee needs, as well as the construction of new buildings, also actively help to maintain a high quality of life at Soitec.



COMMITMENT NO. 8

HEALTH AND SAFETY

Ensure the health and safety of our employees



OUR ACHIEVEMENTS

Launch of a program promoting **"SAFE CULTURE"** in 2021

3.1 Low lost time injury frequency rate (more than 60% reduction over 4 years)

ISO 45001 certification for our Singapore site

OUR OBJECTIVES

Strive for **0** accidents

Maintain the lost time injury frequency rate below **3.4** over fiscal year 2021-2022

Finalize the deployment of the "Safe Culture" program by 2022

OUR APPROACH

Identifying risks and implementing appropriate preventive actions are essential to ensuring the health and safety of our employees. Although our lost time injury frequency rate is below the industry average, we aim for excellence and are striving for zero accidents.

Deploy a safety culture based on prevention and shared vigilance

Our "Safe Culture" program that we launched in 2021 rounds out and consolidates the "Safe" program set up in 2007. The aim of the program is for everyone to play an active role in their own safety and that of their colleagues, thereby emphasizing the importance of being responsible and proactive in safety matters. Training is provided to develop observation skills and help employees to identify good practices or risky situations.

Improve workstation ergonomics

In order to protect our employees from the risks of occupational diseases such as musculoskeletal disorders, we evaluate workstations using methodologies that have been fine-tuned and approved by the occupational physician and Carsat. Thanks to smartsuits, the strains experienced by workers' bodies in the clean room can be visualized in real time. The areas of the body subject to particular stress are identified, and preventive actions can then be prioritized on those areas.

A working group created to work on the automation of certain manual tasks with ergonomic risks launched projects offering compelling prospective gains. The projects were completed during fiscal year 2020-2021, with positive outcomes in terms of both safety and productivity.

Ensure the health and safety of our employees during the health crisis

Thanks to our presence in Asia with our Singapore site, we were able to fully grasp the scale of the health crisis early on.

We quickly implemented all the means at our disposal to protect the health and safety of our employees amid the difficult context, while ensuring business continuity. Our measures have evolved constantly, to take into consideration the rules imposed by the governments of our host countries as swiftly as possible.

In particular, we organized and paid for accommodation for cross-border employees at our Pasir Ris facility when the borders were closed. At our Bernin plant, we were one of the first companies in France to offer employees on-site antigen testing conducted by the medical team. We have also set up a health crisis unit and a psychological unit to support employees during this challenging time.

Act to become a role model for a better society

Soitec is a global player at the very top of the microelectronics value chain. As such, we strive every day to make the industry a responsible and sustainable one with high ethical standards, by co-building a more sustainable future with each of our stakeholders.



COMMITMENT NO. 9 RESPONSIBLE SUPPLY CHAIN

Build a responsible, sustainable supply chain



OUR ACHIEVEMENTS

Partner of the
**RESPONSIBLE
BUSINESS ALLIANCE**

In 2016, Soitec was certified
**AUTHORIZED ECONOMIC
OPERATOR (AEO)**
by the French Customs
authorities.

86% of our
strategic
suppliers (including all
raw material suppliers)
have signed our
Supplier Quality Policy.

OUR OBJECTIVES

100% of our strategic suppliers
to have signed our Supplier
Quality Policy by 2022

100% of our critical suppliers to be
audited for compliance with
the RBA Code of Conduct by 2026

Obtain
ISO 20400
certification by 2026

OUR APPROACH

In order to build a supply chain that respects the environment and human rights, we have engaged all of our stakeholders in our sustainable development approach.

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. 86% 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 their corporate social responsibility 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.

In addition, we have integrated social, environmental and societal criteria into the self-assessments that we request from our raw material suppliers. On a twice-yearly basis, they are asked to measure their commitment on these criteria, as well as to assess themselves in terms of quality, supply chain, technology and their purchasing policy.



Manage our mineral supplies responsibly

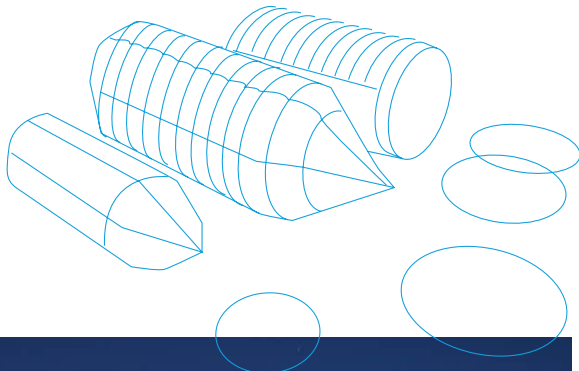
As part of our operations, we use lithium tantalate, a derivate of tantalum that is regulated by the EU Conflict Minerals Regulation (2017/821) and the Dodd-Franck Act in the United States. The purpose of these regulations is to require companies in the supply chain to ensure that their imports of these 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. As part of our commitment to the RBA Code of Conduct, we are also required to adopt a policy and conduct due diligence on the sourcing and traceability of tantalum, particularly in the products that we manufacture. To that end, a process of compliance with the regulation has been implemented as part of the chemical products management system. Suppliers are specifically included in the Green Partner approach. In particular, they are required to submit a report using the template developed by the Responsible Minerals Initiative. The purpose of the reporting is to facilitate the circulation of information throughout the supply chain regarding the country of origin of mineral ores and the smelters and refineries used, and thereby ensure the traceability of these materials.

Implement a responsible purchasing policy

Purchasing plays an essential role in building a responsible supply chain. In recent years, we have striven to implement a responsible purchasing policy. More work will be needed in the coming years to further strengthen our policy.

By 2022, our main suppliers will have to complete a questionnaire on their corporate social responsibility (CSR) policy. CSR criteria will also be added to our supplier selection matrix, while CSR objectives will be introduced for our employees in our Purchasing Department.



COMMITMENT NO. 10
COMMUNITIES

Commit to local communities and young people



OUR ACHIEVEMENTS

Member of the **LOCAL ECONOMIC PACT**[®] which aims to support the resilience and attractiveness of the Grenoble Alpes region

Obtained the **“ONE YOUNG PERSON, ONE SOLUTION”** label under the *France Relance* government program



#1jeune1solution

Partnership with the non-profit organization **TÉLÉMAQUE**

100 young people under 26 hired in France in fiscal year 2020-2021

€100,000 injected into the local economy through the distribution of gift vouchers to our employees to be used with local businesses in the Bernin region

OUR OBJECTIVES

Expand our networks of partner schools and universities

Strengthen our local roots in the Grenoble area and in Singapore

OUR APPROACH

Our Group’s main location in Bernin, in the Grésivaudan valley, reflects the history of Soitec’s creation as a spin-off of Grenoble-based CEA-Leti. Thanks to our significant development since our creation 30 years ago, our Group enjoys a major place in Bernin, the community of municipalities of Grésivaudan and more generally in the Grenoble tech valley, as well as in all the other areas of the world where we operate. Whether in France, or Singapore especially, Soitec is a major local employer, with close partnerships with research institutes, universities and local authorities.

Strengthen the economy of the areas in which we operate

In February 2021, we signed a Local Economic Pact, along with 23 other public and private partners. The Pact aims to bolster the resilience of the Grenoble employment area. Each member commits to taking practical initiatives in favor of ecological, energy, digital and societal transitions. Eight ambitions have been laid down to meet the challenges of the local area in a long-term approach.

To that end, and even before the Pact’s official signing, Soitec had already taken a number of initiatives. In 2020, we injected €100,000 into the local economy through the distribution of gift vouchers to our employees to be redeemed with local businesses.

Since 2015, we have also subsidized the purchase of fruit and vegetables from sustainable and organic farming in short circuits, in order to support responsible farming in our region.

As a European and global leader in microelectronics, Soitec is also helping to create a resilient semiconductor ecosystem in Europe and across the world. We are actively working to develop partnerships with all players in the European microelectronics value chain. By 2030, the European Union wants to produce 20% of the world’s semiconductors, reflecting governments’ ambitions to strengthen French and European industrial autonomy.



Support young people

We pay special attention to support for young people. We have built close partnerships with schools and universities such as the Université Grenoble Alpes, the National University of Singapore (NUS), Nanyang Technological University (NTU), Singapore Polytechnic and the Université Catholique de Louvain (UCL). Notably, we offer internships at our Bernin and Singapore plants to students interested in pursuing a career in the microelectronics sector.

Helping young people to get started on their careers is one of our priorities. We recruited some 100 young people under 26 in France between August 1, 2020 and March 31, 2021. 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.

We also strive every day to promote equal opportunity and social mobility among young people. We have developed a partnership with Télémaque, a non-profit organization that supports high school students from

priority neighborhoods. As part of the partnership, six Soitec employees are currently mentoring six young people, through a dual “school-company” mentorship program that is helping to promote social mobility over the long term.

Lastly, we are also committed to encouraging young people, especially girls, to take up scientific and technical careers. To that end, in 2007 we created the Inn.0Tech initiative in partnership with the university Grenoble INP and other microelectronics companies in the region. Every year, we organize two to three sessions bringing together 18 girls and 18 boys, some of whom are from high schools in priority education zones, to learn about jobs in micro- and nanotechnology through talks, activities and workshops.

COMMITMENT NO. 11 ETHICS

Manage our business ethically and responsibly



OUR ACHIEVEMENTS

65%

of employees have completed the e-learning module on our Code of Good Conduct.

OUR OBJECTIVE

100%

of employees to have completed the e-learning module on our Code of Good Conduct by 2026

OUR APPROACH

We make it a point of honor to act in accordance with high social and ethical standards, in line with the French Law on Transparency, the Fight against Corruption and the Modernization of Economic Life, known as “Sapin II”. To that end, we have implemented a series of initiatives and measures in recent years.

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

We adopted a Code of Good Conduct in 2013. It was revised in 2018 to incorporate the provisions of the Sapin II law, particularly corruption risk mapping, procedures for assessing the status of customers, first-tier suppliers and intermediaries, and internal or external accounting control procedures.

Setting out the broad principles and guidelines of our business practices and internal relationships, our Code of Good Conduct defines the rules that, in accordance with the laws and regulations and cultural customs of the countries in which our Group operates, our employees are expected to follow every day – both individually and collectively – as they perform their duties on behalf of Soitec. The Code applies to all Soitec employees across the world in their dealings with each other and with shareholders, investors, government agencies, authorities, customers and suppliers.

An e-learning module has been designed to ensure that our employees understand and implement our Code of Good Conduct.

Fight tax evasion

As an international group, we place particular importance on fighting tax evasion. We strictly comply with tax regulations in each of our locations: our entities declare and pay their taxes in accordance with their local obligations and the taxes due. Intra-Group transactions are governed by a transfer pricing policy, based on the recommendations of the OECD and the arm’s length principle.

A comparative study of the pricing of intra-Group transactions worldwide ensures the consistency of the practices implemented.

Work closely with French Customs

Since 2008, we have been involved in a collaborative approach with the French Customs authorities. We obtained Authorized Economic Operator (AEO) status in 2016, making Soitec one of the first French companies to be certified. Renewed every three years, AEO status allows our Group to be recognized as a safe and reliable company that has taken the necessary steps to simplify customs procedures and ensure the safety and security of information with a view to enhancing the security of the international supply chain.



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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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