



2023

Sustainable Development Report



The logo for soitec, featuring the word "soitec" in a white, lowercase, sans-serif font. The letter "o" is replaced by a stylized circular icon with a vertical line through it. The background is a solid blue color with white curved lines in the corners.

soitec

Sustainable by design

Editorial

Amid the critical environmental and social challenges facing our world today, I firmly believe that we all have a role to play.



We are stepping up the pace of our transformation to a very low-carbon industry by 2030.



As a major player in microelectronics, Soitec has been developing innovative technologies for more than 30 years, reconciling performance and energy efficiency. Our energy-efficient technologies help reduce the environmental footprint of electronic equipments.

As CEO of a responsible and committed Group, I wanted to make sustainable development a major pillar of our strategy. With the help of our employees and all the stakeholders in our value chain, I want us to strive for excellence in three major areas: the fight against global warming, water preservation, and diversity and inclusion.

In line with our Climate Plan, we are working every day to improve the energy performance of our facilities and drastically reduce our greenhouse gases emissions.

We are stepping up the pace of our transformation to a very low-carbon industry by 2030. Our Bernin site is already exemplary in this respect, with 100% of the energy consumed at the site low carbon.

We also want to limit our impact on water resources and are striving for “zero extraction” from the natural environment. We have already achieved this at our Singapore facility, where 99% of the water used is recycled from wastewater treatment. I want to duplicate this technical and environmental performance at all our industrial facilities.

In addition, we are taking steps to optimize our processes and reduce our consumption. Our water withdrawals per unit of production are already 2.5 times lower than in 2015, and we are working to reduce them by a further 50% by fiscal year 2029-2030 (versus fiscal year 2020-2021).

Lastly, in a historically male-dominated sector, I consider it essential that we strive for a more gender-balanced workforce. As firm believers in the value of diversity, we are aiming for the proportion of women in our workforce to reach 40% by 2030, at all levels of the Company.

Keeping all these projects on track presents a major challenge, but the concrete results that we are seeing prove the value of our principled approach.

To continue to meet our ambitious objectives, we have strengthened our governance with the creation of an Environmental, Social and Governance (ESG) Committee within the Board of Directors. The new committee is responsible for defining our key sustainability approaches and the milestones to be met in the coming months and years.

We can all be proud of the significant progress that we have already made. I would like to take this opportunity to warmly thank all our teams for their dedication. Together, let's push ahead with our efforts with humility and determination, and help build a more sustainable future.

Pierre Barnabé, Chief Executive Officer



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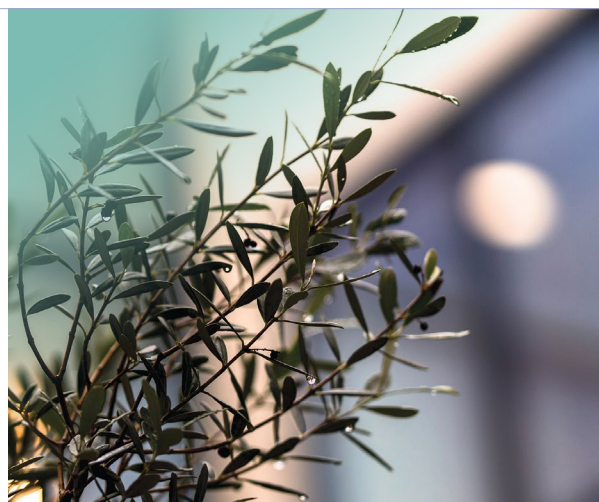
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And what about tomorrow?

*The data in this report relate to the fiscal year unless otherwise stated.
The 2023 fiscal year ran from April 1, 2022 to March 31, 2023.*

Soitec, a world leader in innovative semiconductor materials

Founded over 30 years ago in the heart of France's Silicon Valley, near Grenoble, Soitec is a global player in the design and development of innovative semiconductor materials.

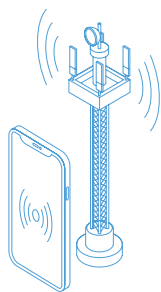
Our unique technologies enable chip manufacturers to simultaneously optimize their products' performance and improve their energy efficiency.

From the development of electric and ultra-connected vehicles to the rollout of 5G and the multiplication of artificial intelligence applications, Soitec is proud to contribute to the innovative forces that are transforming our lives for the long term.

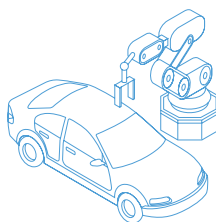
OUR MARKETS

To meet the sustained demand of a global semiconductor market undergoing profound changes, our product offering is structured around three strategic markets:

Mobile Communications



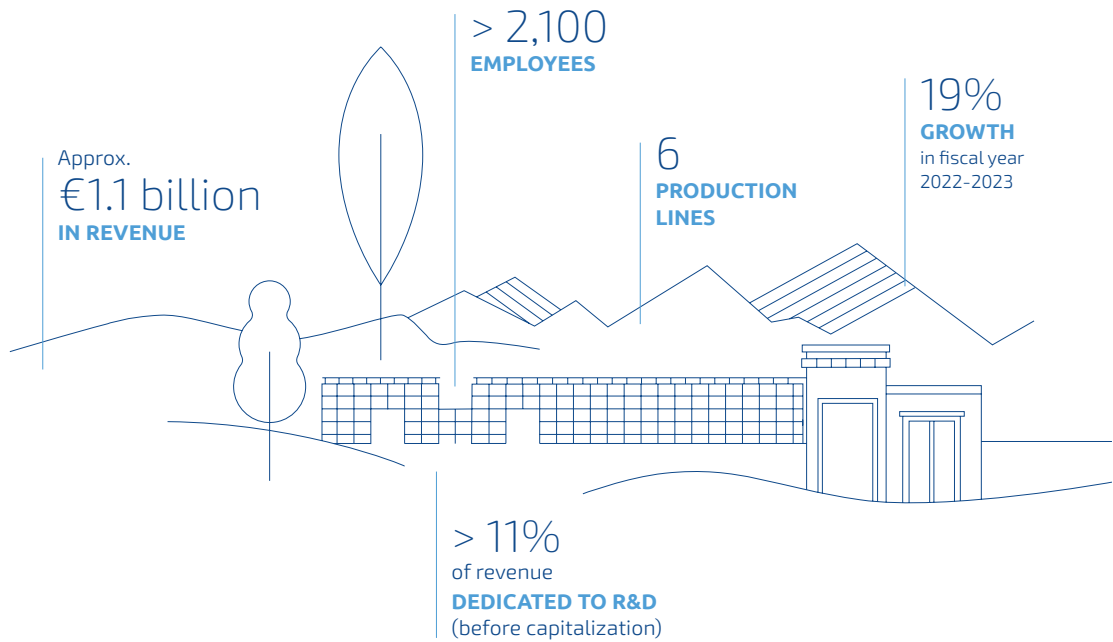
Automotive & Industrial



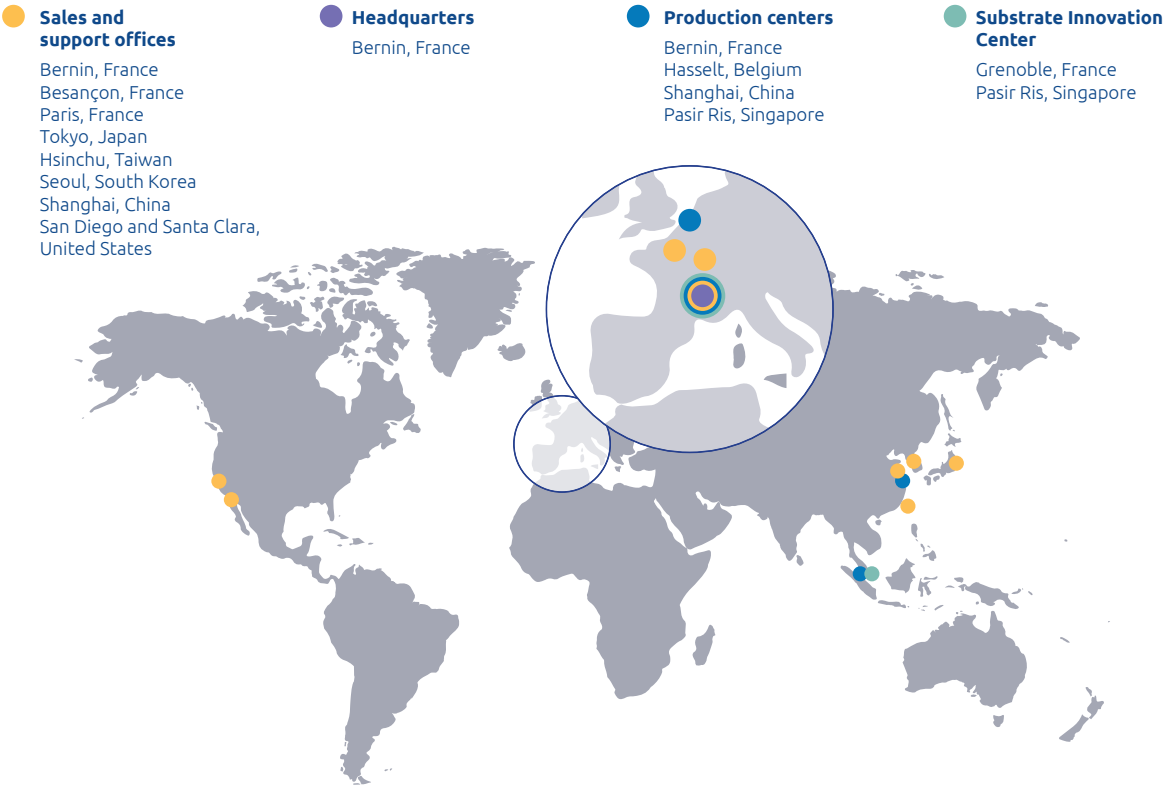
Smart Devices



SOITEC IN FIGURES



A GLOBAL FOOTPRINT



ESG, the cornerstone of our strategy



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



This is our corporate purpose, set out in our by-laws since 2021, when we strengthened and structured our sustainability policy.

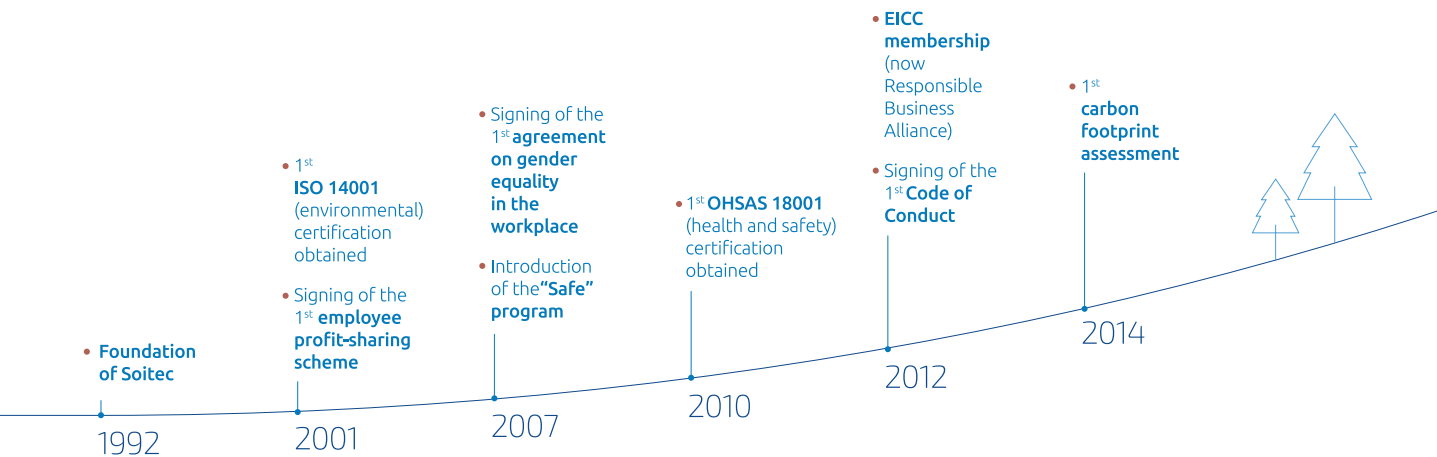
It epitomizes our commitment to make our products the cornerstone of a more sustainable, more responsible future.

Our ESG policy is now placed at the heart of our strategy. To set the course, we defined a roadmap for 2026, which was then extended to 2030 with longer-term objectives.

It is based on three pillars:

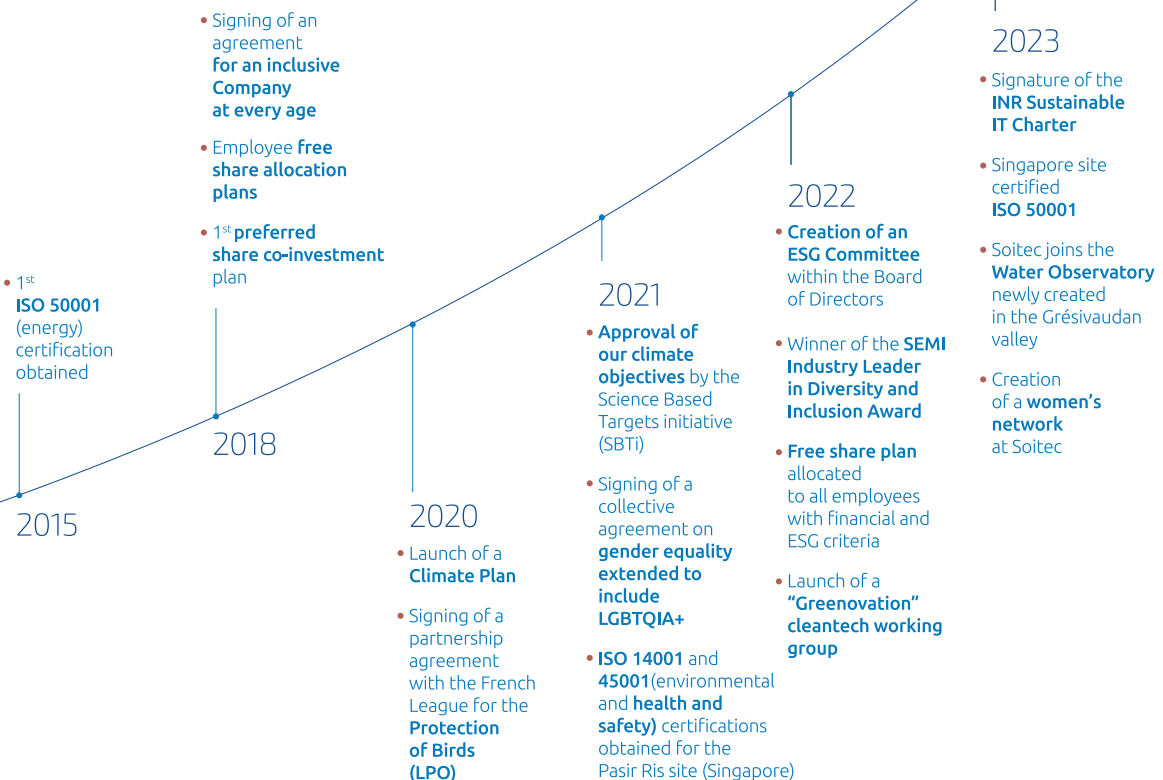
- **driving the transition toward a sustainable economy through our innovation and operations;**
- **leveraging our inclusive culture;**
- **acting to become a role model for a better society.**

OVER 30 YEARS OF COMMITMENT



OUR ESG STRATEGY

These three pillars are broken down into **11 concrete, measurable commitments**, in line with the United Nations Sustainable Development Goals. Day after day, we monitor our progress, which is presented in this report.



An ESG policy upheld at the highest level of the Company

Major decisions around ESG, together with the related indicators, are discussed by the Executive Committee. All departments are involved and contribute to the rollout of the Group's ESG policies at their level. Each month, an ESG Steering Committee bringing together Executive Committee members meets to review outcomes and action plans.

ESG issues are also discussed by the Board of Directors, which sets the course for the medium and long term. In September 2022, an ESG Committee was set up, to reinforce the Board's engagement in this field.

The new Committee is responsible for proposing the main approaches and objectives to be achieved, with the topics on the agenda including for instance: climate change commitments, eco-design of products, responsible water management, and diversity and inclusion.



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

S Leverage our inclusive culture

G Act to become a role model for a better society

CORRELATING VARIABLE COMPENSATION WITH ESG CRITERIA

To involve all our employees in our ESG approach, we have decided to correlate part of their variable compensation to ESG performance criteria:

- reducing our greenhouse gases emissions;
- reducing our water consumption;
- achieving our gender equality objectives.

These criteria are used in a wide range of compensation packages:

- Part of the Chief Executive Officer's short- and long-term variable compensation is correlated to the achievement of ESG criteria: reducing our greenhouse gas emissions, reducing our water consumption, and achieving our gender equality objectives.
- The amount of profit-sharing received by our employees is based on two ESG criteria: energy and water consumption per production unit.

- A free performance share allocation plan was set up in 2022 for all our employees worldwide.

Vesting of the shares is subject, *inter alia*, reducing our greenhouse gas emissions, reducing our water consumption, and achieving our gender equality objectives.

FOCUS

PARTICIPATION IN THE CLIMATE FRESK AT THE HIGHEST LEVEL OF THE COMPANY

A valuable educational tool, the Climate Fresk helps guide sustainable development policies, particularly within companies.

With many of our employees having already taken part, a Climate Fresk workshop was held in September 2023 with members of the Executive Committee and Board of Directors. This is yet another milestone in the development of knowledge and skills to better understand the issues surrounding climate change, and inform decision-making to rise to the environmental challenges that we face.



Highlights of the year



WATER

July 2022

Water, everyone's business

Reducing water withdrawals becomes a performance criterion applicable to the free performance shares allocated to employees, a first in the SBF 120.

VALUE SHARING

July 2022

Sharing the fruits of growth

Launch of a free performance share allocation plan for all our employees, with the vesting of the shares subject to both financial and non-financial performance criteria.

GOVERNANCE

September 2022

Creation of an ESG Committee

Creation of an Environmental, Social and Governance (ESG) Committee within the Board of Directors, responsible for setting and monitoring the main approaches of our ESG policy and the objectives to be achieved.



ATTRACT TALENT

September 2022

Launch of the first cohort of our partnership with IUT

6 operators begin a three-year training course, splitting their time between Grenoble's IUT 1 and our Bernin headquarters, as part of an innovative and pioneering program.

CLEANTECH

October 2022

Launch of the "Greenovation" project

A project aimed at integrating environmental criteria into our innovation projects. First life cycle analysis conducted for our SmartSiC™ technology.

DIVERSITY AND INCLUSION

January 2023

Creation of a Soitec women's network

To discuss issues related to diversity and inclusion and put forward tangible actions.

CLIMATE CHANGE

February 2023

Improving the energy performance of our Singapore site

ISO 50001 certification.

Signature of a renewable energy purchase agreement.

**SUPPLY CHAIN**

January 2023

Suppliers selected based on ESG criteria

Inclusion of ESG criteria into our supplier selection, performance review and auditing processes, based on the Carbon Disclosure Project (CDP).

COMMUNITIES

June 2023

Soitec becomes a founding member of the Sésame endowment fund

To support non-profits that help people in need.

ENGAGEMENT

February 2023

Sustainable development Week

Numerous workshops and conferences held to raise awareness and mobilize our employees on social and environmental issues.

ETHICS

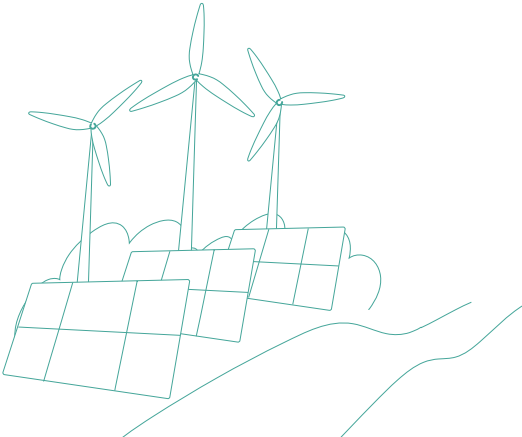
March 2023

A new whistleblowing platform

To enable all Group stakeholders to report any breaches of the Code of Conduct, Group policies or applicable law, in line with our commitment to a culture of trust and fairness.



Main ESG objectives and outcomes



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

<p>Percentage of revenue (before capitalization) dedicated to R&D</p> <p>11.3%</p>	<p>Number of patents filed during the year</p> <p>391</p>	<p>OBJECTIVE Maintain and extend our technological edge through R&D, patenting and synergies with our partners</p>	
<p>GHG emissions avoided through energy savings generated by our products (FD-SOI, RF-SOI and Photonics-SOI) in their end-use applications</p>	<p>1,464 ktCO₂eq.</p>	<p>OBJECTIVE Regularly measure the GHG emissions avoided through the energy savings generated by our products in their end-use applications</p>	

Take action to limit global warming to 1.5°C

<p>Change in Scope 1 and 2 emissions compared to the 2020 baseline (over the calendar year)</p>	<p>+21%</p>	<p>OBJECTIVE -25.2% between 2020 and 2026 -37% between 2020 and 2030</p>	
<p>Change in Scope 3 emissions per million euros of added value compared to the 2020 baseline (over the calendar year)</p>	<p>-9%</p>	<p>OBJECTIVE -35.3% between 2020 and 2026 -50.9% between 2020 and 2030</p>	



Manage and reduce our water consumption

<p>Change in the volume of water used per unit of production (l/sq.cm.) compared to the fiscal year 2020-2021 baseline</p>	<p>-30.5%</p>	<p>OBJECTIVE -50% in fiscal year 2029-2030</p>	<p>○○○</p>
<p>Total percentage of water recycled and reused</p>	<p>24.4%</p>	<p>OBJECTIVE 30% in fiscal year 2029-2030</p>	<p>○○○</p>

Attract and develop our talent

Number of **hires**
during the year

542

Internal promotion rate

17.9%

OBJECTIVE

13% on average per year
until fiscal year 2025-2026



Promote diversity and inclusion

Percentage of **women**
in the Group's workforce

35.3%

OBJECTIVE

≥ 40% by fiscal year 2029-2030



Percentage of **senior**
management positions held
by women (job grade ≥ 150)

23%

OBJECTIVE

≥ 20% by fiscal year 2024-2025
≥ 30% by fiscal year 2029-2030



Percentage of women on the
Executive Committee

36.4%*

OBJECTIVE

≥ 30% by fiscal year 2025-2026
≥ 40% by fiscal year 2029-2030



Create a fulfilling and rewarding work environment

Number of **discussion**
groups organized
during the year

63

OBJECTIVE

Create discussion groups by team
to continuously improve quality
of life at work



Ensure the health and safety of our employees

Frequency rate of **workplace**
accidents with lost time

3.1

OBJECTIVE

< 2.9



* At October 31, 2023.

Manage our activities ethically and responsibly

Percentage of employees that have completed the e-learning module on the Code of Conduct

72%

OBJECTIVE
100% by fiscal year 2025-2026

○○○

Build a responsible, sustainable supply chain

Percentage of strategic suppliers that have signed the Supplier Quality Policy

100%

OBJECTIVE
100%

✓

Commit to local communities and young people

Number of young people under 26 hired within the Group during the year

135

OBJECTIVE
Expand our network of partner schools and universities
Strengthen our local roots in the Grenoble area and in Singapore

✓



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





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SUSTAINABLE INNOVATION

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

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HEALTHY AND BALANCED ECOSYSTEM

Preserve biodiversity to maintain a healthy and balanced local ecosystem

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

In a sector with high technological added value, responsible innovation is at the heart of any growth strategy. Our products are essential for the deployment of technological revolutions such as 5G, autonomous cars and artificial intelligence. While our approach to innovation is inevitably driven by competitive considerations, it also incorporates a strong environmental dimension.

ACHIEVEMENTS

11.3% of revenue
(before capitalization)
dedicated to R&D

391 patents filed
in fiscal year 2022-2023

Launch
of the "Greenovation" project

Inauguration
of our Bernin fab dedicated to SmartSiC™,
our new product for making electric
mobility more efficient and affordable.

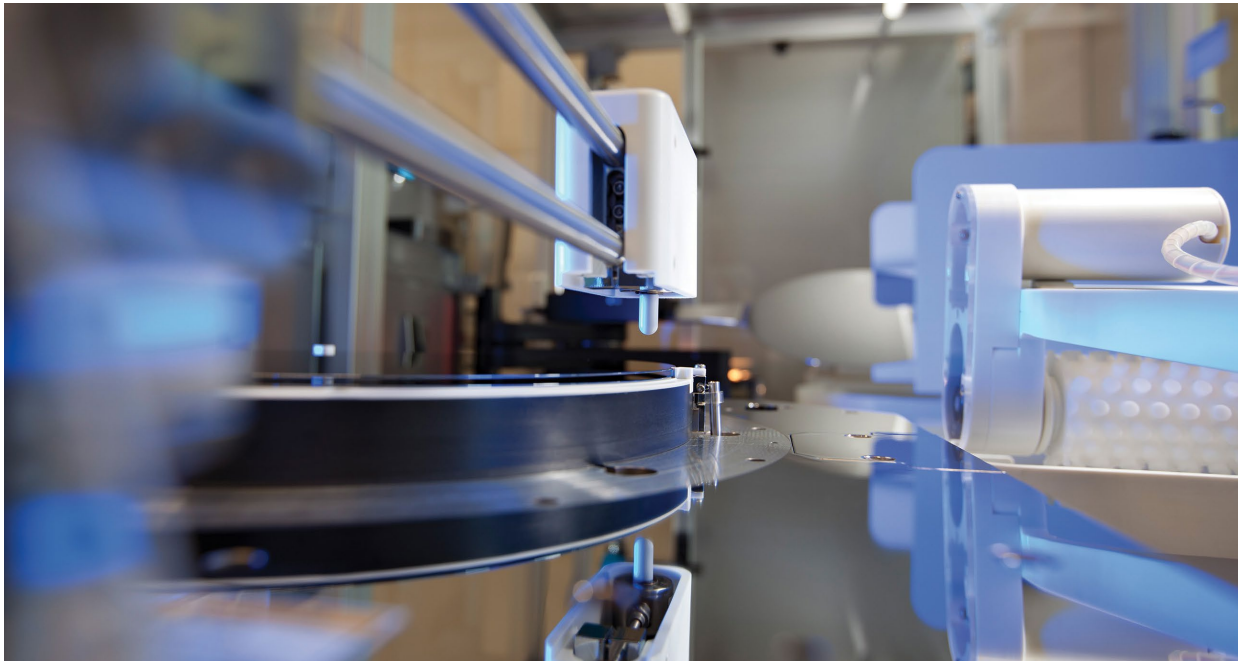
OBJECTIVES

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

Regularly measure the **GHG emissions avoided** through the energy savings generated by our products in their end-use applications

Continue to place **eco-design**
at the heart of our innovation approach
and launch new products with identified
and significant environmental benefits





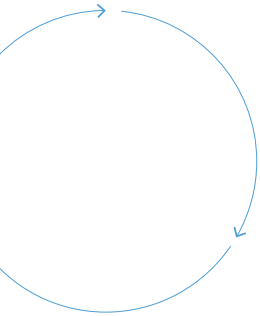
“GREENOVATION”, THE GROUP’S ECO-DESIGN APPROACH

Launched during fiscal year 2022-2023, the “Greenovation” project embodies the Company’s eco-design approach. Resolutely ambitious, it places environmental criteria at the heart of our innovation and decision-making processes for all our product developments. It aims to ensure that environmental issues are included in selection criteria at every stage of our product design and manufacturing process.

A large number of internal players are involved in the “Greenovation” project, including the Innovation, Operations, Strategic Programs, HSE, Communications departments, as well as the Company’s operational units.

Based on a roadmap to 2026, a number of projects are underway:

- life cycle analyses to assess the environmental impact of our products and identify key points on which we can take action;
- measures to automatically integrate environmental criteria into all our decision-making processes;
- implementation of tools to measure the daily environmental performance of our products, providing us with a reliable database on these impacts;
- awareness-raising measures and training for internal teams to facilitate, secure and harmonize Soitec’s environmental communication on how our solutions add value;
- collaboration with our upstream and downstream partners on product life cycle analyses.



INNOVATE TO
ACCELERATE THE ROLLOUT
OF ELECTRIC CARS

Electric battery
range with
SmartSiC™

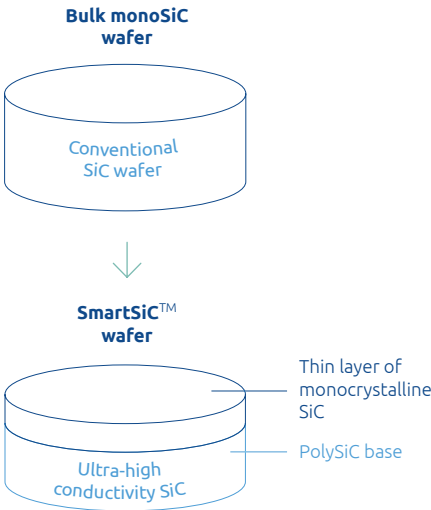


Our substrates have always been intended to allow electronic devices to reconcile performance and energy efficiency. Developed using our patented Smart Cut™ technology, they can be found in a wide range of industrial applications, in the mobile communications, automotive and industrial, and smart devices sectors. Our latest innovation, SmartSiC™, is set to revolutionize the electric vehicle market.

Based on Smart Cut™ technology applied to silicon carbide (SiC), SmartSiC™ is a further illustration of Soitec's ability to roll out more energy-efficient technological advances, while accelerating market transformation and enabling better applications. SmartSiC™ allows for a significant reduction in CO₂ emissions, both during manufacture (compared with conventional SiC) and in the end-use in electric cars, which are inherently greener.

First, the processes used to manufacture SmartSiC™ emit just a quarter of the CO₂ emitted during the energy-intensive production of traditional solid crystal silicon carbide (SiC) substrates. SmartSiC™ wafers are composed of a thin layer of monocrystalline SiC combined with a layer of ultra-high conductivity SiC, a substrate that requires much less energy to produce. A monocrystalline SiC substrate can also be reused up to 10 times to manufacture a SmartSiC™ substrate.

In addition, SmartSiC™ increases electric battery range by 10% to 15%. Longer distances can therefore be covered on the same charge and battery charging time is significantly reduced, both of which are key to optimizing the life cycle of electric cars.



Brought to market in less than four years, SmartSiC™ is now fully operational. Our new production facility, which is mainly dedicated to the production of SmartSiC™ substrates, was inaugurated in September 2023.

At full capacity, this fab will be able to produce 500,000 substrates a year, enough to power 6 to 8 million electric vehicles. By way of comparison, this represents a market the size of Europe.

As in previous years, in 2022, we conducted a study to measure the greenhouse gas emissions avoided through the use of our products. The study focused on three product families: FD-SOI, RF-SOI and Photonics-SOI substrates. In total, 1,464 ktCO₂eq. of emissions were avoided in 2022 thanks to the use of these product families, with an energy saving of 2,644 GWh, which was 28% higher than in 2021 and equivalent to the annual domestic electricity consumption of a city of 1.7 million people.



SUSTAINABLE INNOVATION: THE POWER OF COLLECTIVE INTELLIGENCE

Soitec has always pursued an innovation strategy based on collaboration. Working alongside major research institutes, or in partnership with other players in our industry, we innovate to develop high-performance products that meet increasingly demanding environmental criteria.

For example, in 2018, we co-founded the Substrate Innovation Center with CEA-Leti, where we created a pilot line dedicated to our new silicon carbide-based technology, SmartSiC™. We have also worked with two partners in our value chain, one upstream and one downstream, to measure environmental performance. These sustainable collaborations illustrate the power of harnessing collective intelligence in responsible innovation processes.

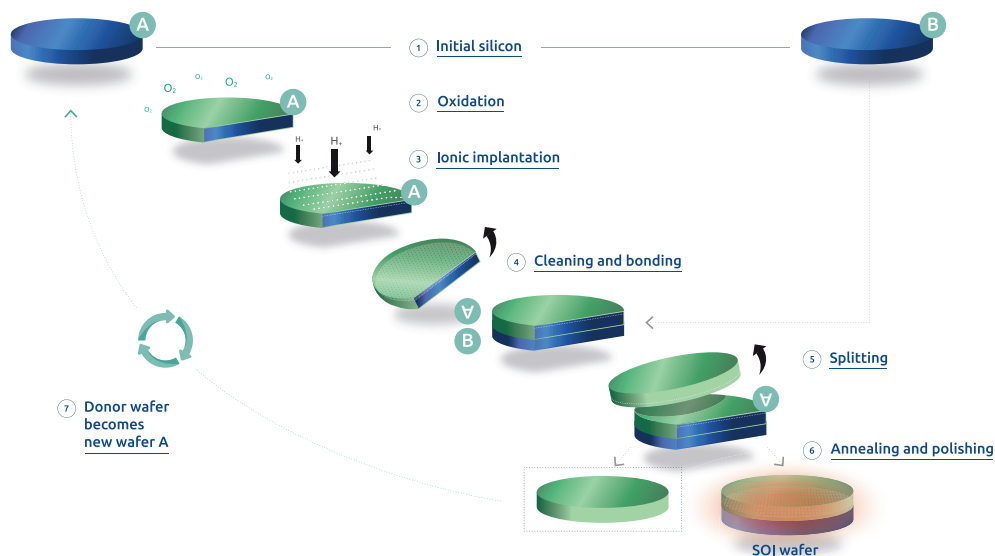
Smart Cut™ technology,
an atomic-scale scalpel

FOCUS

SMART CUT™, AN INHERENTLY GREEN TECHNOLOGY

For more than 30 years, our innovations have enabled electronic devices to reconcile performance and energy efficiency. This goal is at the heart of our patented Smart Cut™ technology, which underpins our products. Working like a scalpel at the atomic scale, this technology offers a number of advantages compared to existing solutions on the market:

- It optimizes the use of valuable resources such as silicon and silicon carbide. Thanks to a recycling process called refresh, the substrate can be recycled more than 10 times. As shown in the diagram below, after each layer is transferred, the surface is cleaned and the substrate can be reused again and again.
- Found in the electronic chips of many devices, our materials produced using this technology reduce energy consumption during use. In addition, their enhanced efficiency optimizes the amount of material used in each chip.



Take action to limit global warming to 1.5°C

With the climate emergency, humanity is facing an unprecedented challenge in which businesses have a major role to play. As a player in the microelectronics industry, we must take action to limit the impact of our activities on global warming. To this end, we have decided to align ourselves with the 2015 Paris Agreement's most ambitious climate pathway: limiting global warming to 1.5°C above pre-industrial levels.



ACHIEVEMENTS

ISO 50001 certification obtained

for our Singapore site

9% reduction in GHG emissions (Scope 3) versus 2020*

Sea freight

gradually being favored over air freight, with 94% of internal flows from Bernin to Singapore transported by sea freight in fiscal year 2022-2023

Energy efficiency program implemented

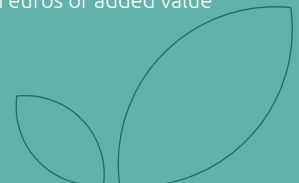
OBJECTIVES

Direct emissions (Scopes 1 and 2):

25.2% reduction in GHG emissions by 2026* compared to 2020, in absolute terms

Indirect emissions (Scope 3):

35.3% reduction in GHG emissions by 2026* compared to 2020, per million euros of added value





Amid strong growth in our business for several years, we have committed ourselves to reducing our Scope 1 and 2 greenhouse gas emissions by 25.2% in absolute terms.

CYRIL MENON
SrEVP OPERATIONS
EXCELLENCE & QUALITY,
CHIEF OPERATIONS
OFFICER



RECONCILE GROWTH WITH REDUCING GREENHOUSE GAS EMISSIONS

Each department in the Company is responsible for implementing actions required to reconcile growth with reducing greenhouse gas emissions. A quarterly review of all projects is carried out, with progress reported to the Group Executive Committee and Board of Directors.

For 2022-2023, we had anticipated an increase in our direct greenhouse gas emissions compared with the 2020* baseline driven by higher business volumes at our sites, especially Singapore.

These increased volumes led us to install additional equipment, resulting indirectly in higher energy consumption. As access to low-carbon power is very limited in Singapore, the increase in energy demand led to higher direct carbon emissions.

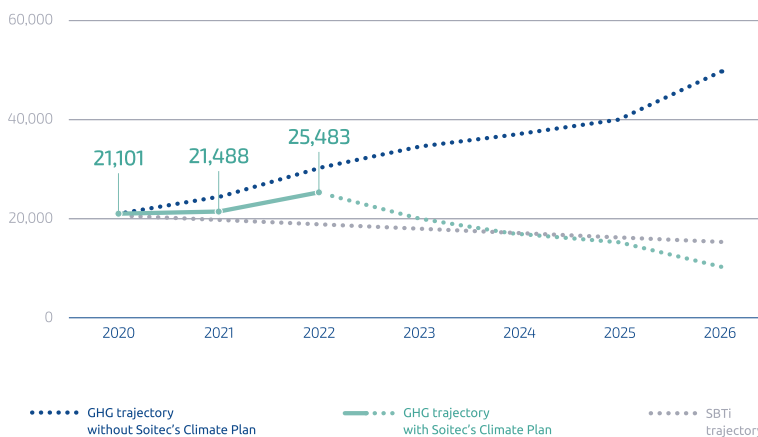
In the last financial year, Soitec modeled its carbon emissions trajectory in scenarios with and without a Climate Plan, enabling us to measure the impacts of our decarbonization strategy.

During the year, Soitec also defined greenhouse gas emissions reduction objectives for 2030, namely a 37% reduction in Scope 1 and 2 emissions in absolute terms, and a 50.9% reduction in Scope 3 emissions per million euros of added value, compared to the 2020 calendar year.

Scope 3 emissions have decreased 9% compared to our 2020 baseline, in line with the anticipated pathway to reach the 2026 objective.

By 2026*, we are aiming to reduce our Scope 3 emissions by 35.3% per million euros of added value.

Scope 1 and 2 emission
in absolute terms*



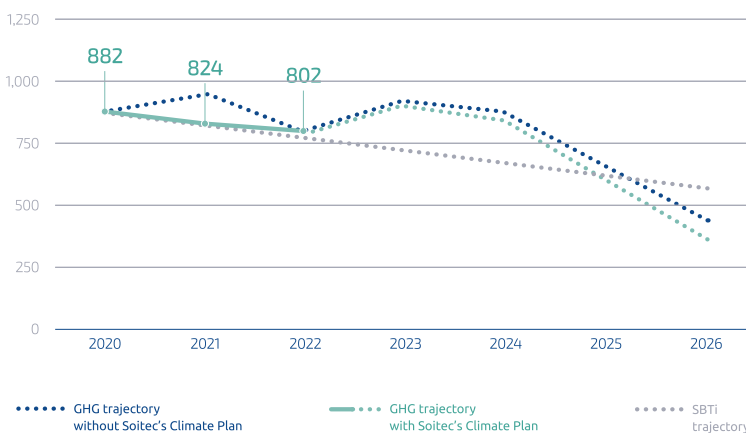
FOCUS

UNDERSTANDING SOITEC'S CARBON FOOTPRINT

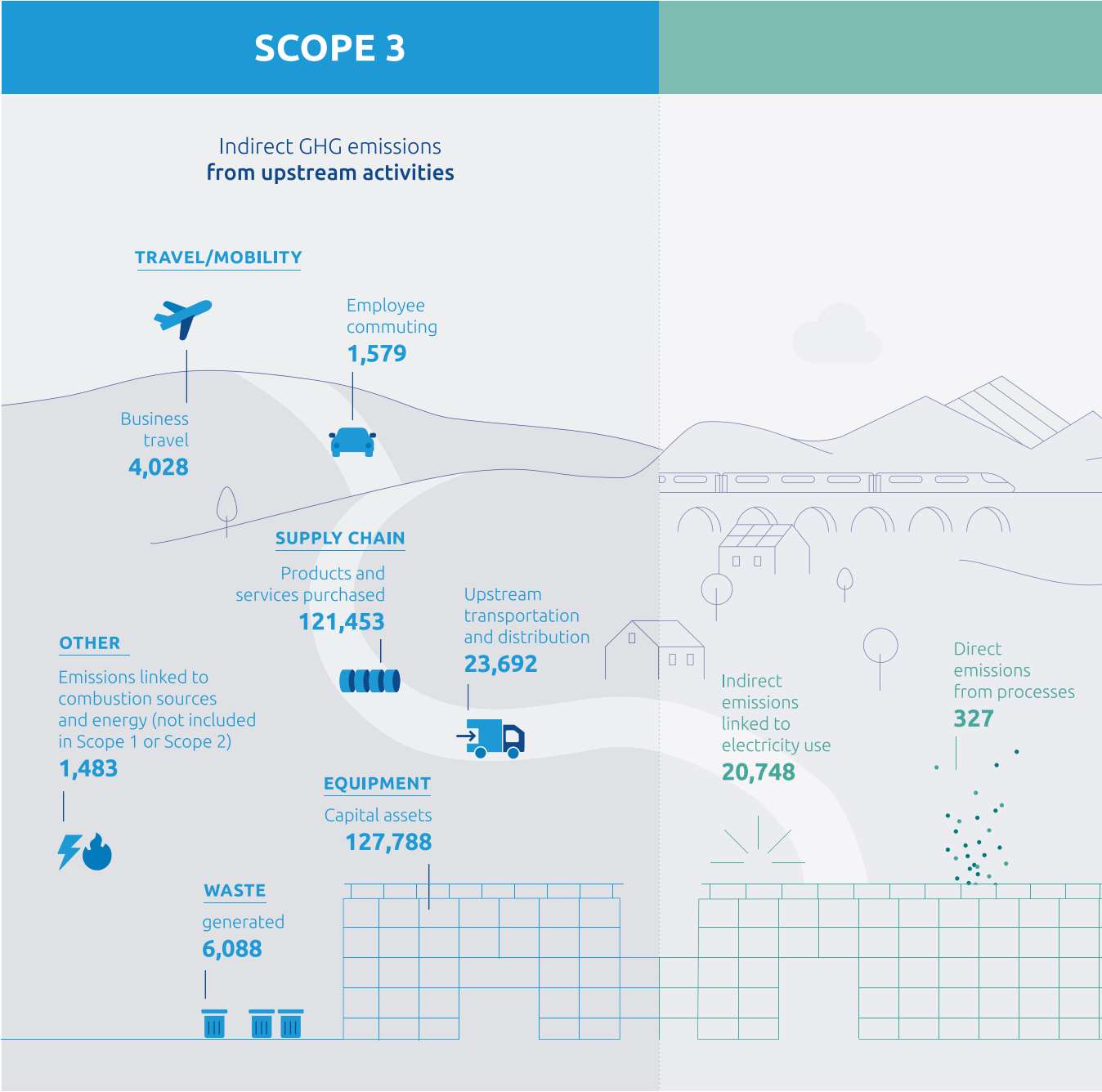
As part of its carbon footprint, Soitec has measured the direct and indirect greenhouse gas emissions generated by its activities in 2022*. The carbon footprint measures greenhouse gas emissions within three different scopes:

- **Scope 1:** direct emissions from stationary (production sites) and mobile (Company vehicle fleet) sources;
- **Scope 2:** indirect emissions linked to the consumption of electricity, heat and steam imported for the Company's needs;
- **Scope 3:** indirect emissions linked in particular to the products and services purchased by the Company, as well as to the Company's various upstream and downstream flows (transportation of goods and distribution).

Scope 3 emissions
per million euros of added value



Greenhouse gas emissions
by most representative items in tCO₂eq. in 2022



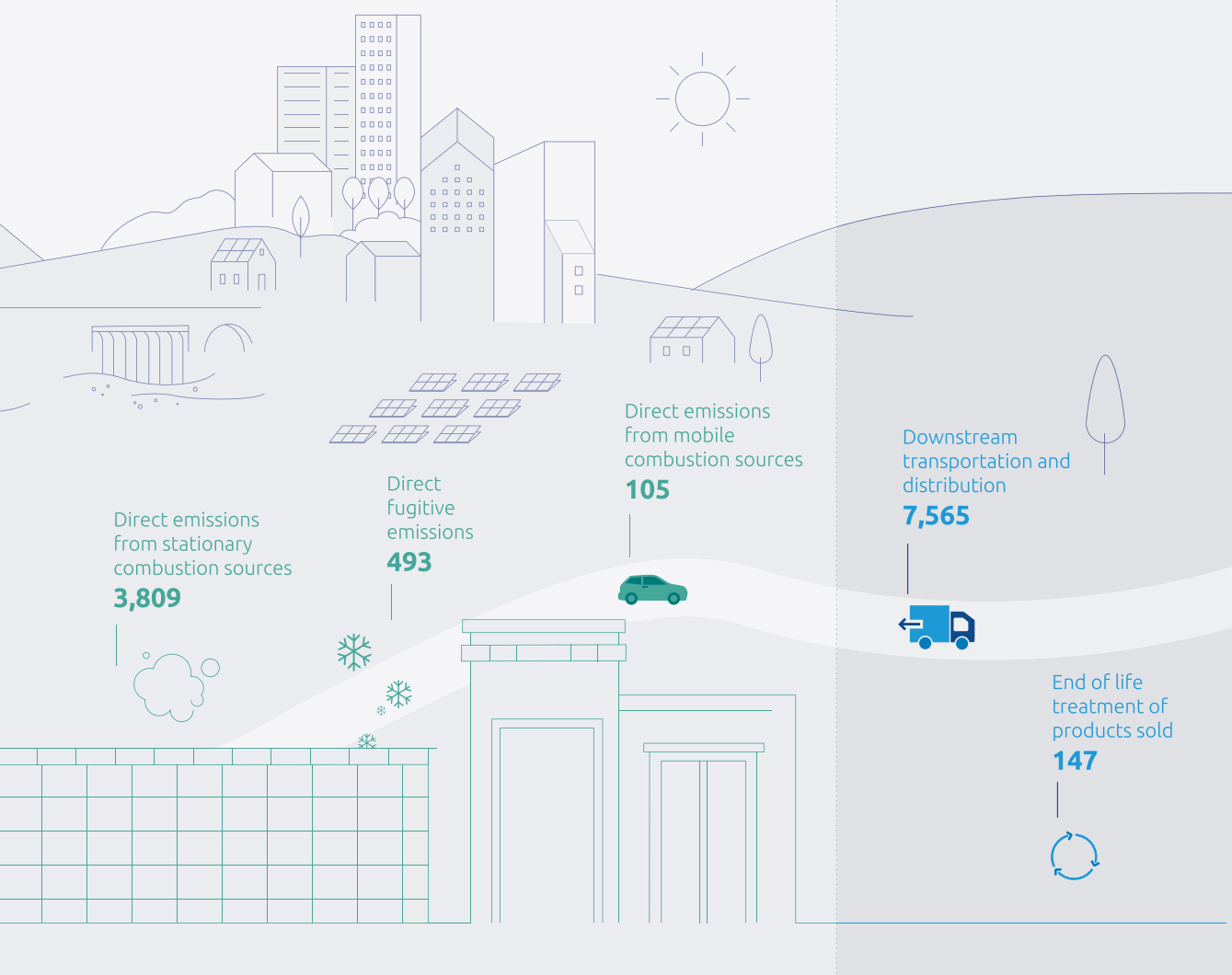
SCOPE 1 + 2 OBJECTIVES | -25.2% in absolute terms **BETWEEN 2020 AND 2026*** | -37% **IN 2030***

SCOPES 1 + 2

SCOPE 3

Direct and indirect GHG emissions
from internal activities

Indirect GHG emissions
from downstream activities



SCOPE 3 OBJECTIVES | -35.3% per million euros of added value **BETWEEN 2020 AND 2026*** | -51% **IN 2030***



CONTINUE THE DEPLOYMENT OF OUR CLIMATE PLAN IN OUR OPERATIONS

To help us achieve our greenhouse gas reduction objectives, we have built our Climate Plan around five pillars.

PILLAR 1

IMPROVE THE ENERGY PERFORMANCE OF OUR INDUSTRIAL FACILITIES

To reduce direct emissions from our production sites, we have adopted international best practices in energy management. Our Bernin site is ISO 50001 certified, as is our Singapore site, which obtained certification in February 2023. These certifications pay tribute to the work undertaken by our teams to improve the energy performance of our industrial sites.

In parallel, we are pursuing our efforts at all our production sites:

- Energy saving plans have been implemented at the Bernin site. Supported by significant investments, they are designed to optimize cold production processes, heating plants and air processing units. For the second year in a row, in fiscal year 2022-2023, Soitec used ORCAA, an artificial intelligence system that anticipates weather trends and production patterns in order to optimize heat production. This tool enabled us to avoid some 100 tCO₂eq. of emissions during the year.
- We also avoided nearly 120 tCO₂eq. thanks to energy efficiency and savings measures applied to certain production equipment, for example by reducing energy losses in our ovens and shutting down certain equipment when not in production.



- Other optimizations have been achieved at Company level:
 - 200 tCO₂eq. avoided by turning on the heating one month later than usual;
 - 170 tCO₂eq. avoided through improvements made to our equipment by the general services teams.
- Improvements to the environmental quality of our new buildings over their entire life cycle will ensure that they meet the best environmental standards.
The headquarters building in Bernin will be eligible for the HQE label at "Excellent" level. In Singapore, the objective for the extension of our production site is to obtain "GreenMark" certification, which is awarded by the Singapore government to ecological buildings.

PILLAR 2

PRIORITIZE LOW-CARBON ENERGY

With a view to reducing our direct greenhouse gas emissions, we prioritize the use of low-carbon energy whenever possible. All the electricity consumed at our Bernin site comes from hydroelectric power stations located in the Auvergne-Rhône-Alpes region. Several initiatives are underway to accelerate the use of low-carbon energies:

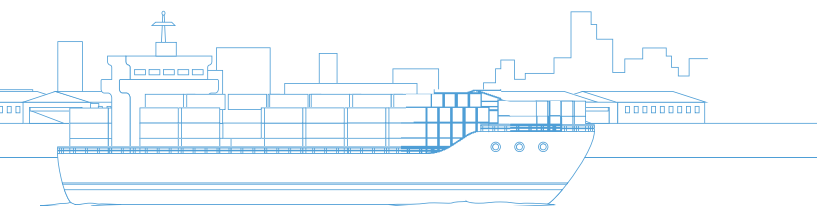
- Gas-powered boilers are gradually being phased out and replaced with electricity-powered equipment, such as thermodynamic and other heat pumps, which are three times more efficient than gas-powered boilers.
- The use of biomethane – begun in 2022 at the Bernin site – is being increased, with an objective of 20% by 2026 (from 3% in 2023).
- The Singapore site is on track to reach its objective of 50% low-carbon energy consumption by 2024.
Various steps are being taken to achieve this objective, including the installation of 700 solar panels with a production capacity of 400 Mwh per year. This approach will be extended to the extension currently under construction, which could quadruple the site's solar energy production.

PILLAR 3

**FAVOR LOW-CARBON
FREIGHT**

Upstream and downstream transportation of goods is one of our largest generators of Scope 3 greenhouse gas emissions in our carbon footprint. To reduce these indirect emissions, we have chosen to apply two complementary measures to all types of freight:

- Optimizing and reducing the distances traveled by our wafers: we have invested heavily in our Bernin site to increase its capacity for refreshing 300 mm wafers in order to reduce wafer transfers between Bernin and Singapore. This decision, which is an example of a short supply-chain approach, will help avoid 2,500 tCO₂eq. of emissions from fiscal year 2024-2025 onwards.
- Gradually favoring sea freight over air freight, which produces 100 times more pollution, for our shipments between our Bernin and Singapore sites. In particular, in September 2023, we achieved our objective of 90% sea freight for transporting our wafers between Bernin and Singapore.
- Studies and technical certifications are underway to prioritize sea freight for the delivery of our products to our customers.
- Supply arrangements with our substrate suppliers: our two main suppliers began switching from air freight to sea freight in 2023.



PILLAR 4

**ENGAGE OUR SUPPLIERS IN
OUR LOW-CARBON APPROACH**

To achieve our indirect greenhouse gas emissions reduction objectives, we will need to involve our suppliers in our approach. Since early 2023, we have integrated ESG criteria into our supplier selection, performance review and auditing processes. These criteria account for 20% of the final score for our raw material suppliers and 10% for all other suppliers. In addition, we encourage our suppliers and partners to improve their energy practices. For example, one of our strategic production partners has embarked on an ISO 50001 certification process following discussions with our teams.

To find out more about the different measures that we are taking to encourage our suppliers to reduce their greenhouse gas emissions, go to: “Build a responsible, sustainable supply chain”, page 61.





PILLAR 5

**ENCOURAGE OUR EMPLOYEES TO
REDUCE THEIR CARBON FOOTPRINT**

For several years now, we have been running a program to promote more eco-friendly practices and raise awareness among our employees of the impact of their day-to-day behavior. Initiatives were launched in fiscal year 2022-2023 in a number of areas:

- increasing the number of electric vehicle charging stations: today, 40 charging stations are available at our Bernin site;
- partnerships with local soft mobility players, a sharp increase in the number of spaces for bikes, and renewal of the electric bike lending program for commuting;
- investments made to qualify for the *Employeur Pro-Vélo* (Pro-Bike Employer) label;
- selection of a carpooling platform which is expected to be up and running in the coming year;
- awareness-raising campaign on best practices in heating and cooling, the environmental impact of our diet and more;
- launch of a program for more responsible digital technology (see the FOCUS opposite for more information).

FOCUS

**COMMITTING TO
RESPONSIBLE DIGITAL
TECHNOLOGY**

We have committed to adopting a more responsible digital approach to limit the environmental impact of our use of digital technology.

Launched in early 2023, the "IS (Information Systems) Sustainability" project is being rolled out on several levels:

- We have invested in an automated tool to calculate our digital carbon footprint. This tool gives us an overall vision of the impact of our equipment (data centers, computers, smartphones, etc.) and our use of technology (cloud, videoconferencing, etc.), and identifies actions that we can take to reduce our environmental impact.
- Soitec is a signatory to the French Sustainable IT Charter (*Charte du numérique responsable*), a reference text encouraging organizations to self-assess and improve their performance on an ongoing basis.
- Awareness-raising campaigns are organized internally.

Soitec is aware that digital technology has an important role to play in its commitment to reducing greenhouse gas emissions. New milestones have been set for the coming months to help the Group achieve its objectives.

Manage and reduce our water consumption

Water is one of our planet's most precious resources and we are well aware that our activities consume large amounts of water. That's why, for more than 10 years, we have been developing innovative programs to reduce our water withdrawals and increase the proportion of recycled water used in our processes.



WATER MANAGEMENT, A MAJOR FOCUS FOR SOITEC

Water is essential for Soitec's activities. As a precious resource, managing water use is a priority in our sustainability commitments. Soitec's water use is mainly industrial (99.6%). Our production processes use ultra-pure water, which is produced on site. This water is used to clean wafers, which is an essential step in the manufacture of our products.

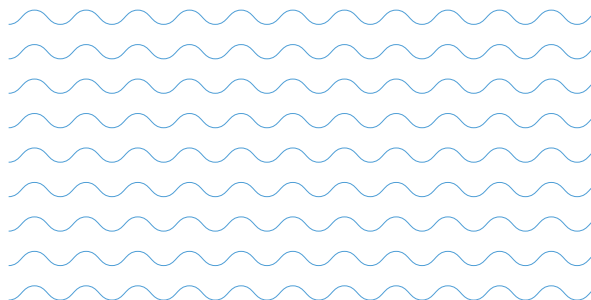
- The water supply for our Bernin site comes from alluvial groundwater located under the Romanche river in France. We return 90% of this water to the natural environment, to the Isère river, following strict quality control compatible with the watercourse. The remaining 10% comes from our cooling systems and evaporates into the atmosphere.
- In Singapore, 99% of the water used in our industrial operations is recycled from wastewater treatment.

LOWER WATER WITHDRAWALS

Thanks to our action plan, water withdrawals per production unit were 30% lower in fiscal year 2022-2023 versus fiscal year 2020-2021, enabling Soitec to reach its objective two years ahead of schedule.

In absolute terms, the Group reduced its water withdrawals by 6% in one year, despite a 21% increase in production volumes.

The Group's new objective for fiscal year 2029-2030 is to reduce water withdrawals by 50% versus the fiscal year 2020-2021 baseline (l/sq.cm.). In terms of recycled and reused water, Soitec has reached a rate of 24% at Group level (19% at Bernin and 30% in Singapore) and has set itself the objective of increasing the overall proportion of water recycled and reused in its production facilities to 30% by fiscal year 2029-2030.



A TWO-PRONGED APPROACH TO REDUCING WATER WITHDRAWALS

Our strategy for preserving water resources is based on two complementary approaches:

REDUCING THE VOLUME OF WATER WITHDRAWN

For over 10 years, we have been actively working to optimize water consumption at our production sites. In 2022, “water officers” were appointed in each department to identify concrete measures to reduce our consumption in their respective departments. A major reduction program was then rolled out in fiscal year 2022-2023 and will continue over the next few years.

We have installed monitoring tools on our clean-room equipment to more precisely measure their water consumption. A modeling solution to identify potential ways to save water is scheduled for introduction in fiscal year 2023-2024. We have also adjusted the water flow rate of equipment more closely in line with production requirements in order to limit our water withdrawals as much as possible. As a result of these measures, we reduced water consumption at our Bernin 2 site by 25%.

INCREASING THE PROPORTION OF WATER RECYCLED AND REUSED

To achieve our water recycling and reuse objectives, a number of actions are currently being deployed, including the following two examples.

The first example is the production of ultra-pure water, which is a strategic issue since it accounts for 89% of our total water consumption. In consultation with Ovivo, Soitec teams identified a new source of recycling: recovering concentrates from the reverse osmosis stage. The concentrates are now recycled using ROCT (a water purification system) and reinjected at the inlet to the ultra-pure water station. This process – which is unique in our industry – reduced water consumption at Group level by 8% in fiscal year 2022-2023 and will be a standard feature at our future facilities.

The second example involves the wafer cleaning equipment used in the Smart Cut™ process. An innovative system has been developed to reuse some of the wafer rinse water, which is collected, treated and filtered before being reintroduced into the ultra-pure water production process. Soitec is one of the first companies capable of reusing its rinse water in this way. This innovation has already saved 9,000 cu.m. of water and is currently being deployed at all our sites worldwide.

FOCUS

INTEGRATING WATER WITHDRAWALS INTO COMPENSATION PERFORMANCE CRITERIA

In a first for an SBF 120 company, reducing water withdrawals has become a performance criterion in the compensation of employees, including the Chief Executive Officer.

Achieving our water reduction objectives is one of the criteria for both our free performance share allocation and profit-sharing plans, as well as the Chief Executive Officer's variable compensation.



FOCUS

WORKING WITH LOCAL PLAYERS TO IDENTIFY NEW GREEN SOLUTIONS

Every year in the Grésivaudan valley in France, nearly 6 million cu.m. of wastewater are discharged by the region's wastewater treatment plants. This wastewater could represent a particularly useful source of water for our activities if we were able to treat and then transport it to our production sites, as we already do in Singapore.

The idea is currently being studied in conjunction with the Water Observatory, which was created in 2023 by the Grésivaudan community of municipalities, and with various stakeholders in the area.

As a member of the Water Observatory, Soitec can engage in dialogue with all stakeholders in the local ecosystem to help ensure transparent and fair use of water for domestic and industrial purposes, and to develop virtuous solutions to use less water and recycle more.

To limit the water consumed in our silicon carbide process (SmartSiC™), we have acquired a high-performance water module that recovers water at the end of the production chain and then reinjects it into the production equipment. Thanks to this innovative approach, the production process operates in an almost entirely closed circuit (over 90%).

Lastly, at our Singapore site, the general services teams have taken a number of measures to increase the proportion of water reused. These measures resulted in nearly 150,000 cu.m. of water saved in fiscal year 2022-2023, representing a 14% reduction in water consumption.

Even though none of our sites is currently located in a water stress area, we actively work with the relevant local authorities to ensure that our water consumption coexists harmoniously with other water uses in our host regions.

Preserve biodiversity to maintain a healthy and balanced local ecosystem

Founded in an exceptional natural setting nestled in the French Alps, Soitec is conscious of its responsibility towards the natural world, and of the absolute necessity of preserving biodiversity. Thanks to its global footprint, it has come to appreciate the fragility of the ecosystems more and more each day. As a responsible industrial player, it has taken steps to preserve biodiversity on its sites, limit pollutant emissions and reduce and recycle waste.



Bernin:
a 1,700 sq.m. area
featuring mostly
indigenous plant
species that
are compatible
with the region's
wildlife and
insects

TAKE ACTION AT ALL LEVELS TO PRESERVE BIODIVERSITY

We are working to balance growing our business and protecting the natural world around us. Increasing land use is the main way that Soitec impacts biodiversity. However, we want to turn our industrial facilities into spaces that promote the preservation and development of biodiversity.

To this end, we are taking action at several levels:

- As we expand our facilities, we are optimizing land use to increase production density per sq.m.
New buildings are built primarily on land that is already sealed to avoid encroaching on natural areas. During the work, consultations are regularly held with the French League for the Protection of Birds (*Ligue de Protection des Oiseaux* – LPO), to consider the best ways to minimize the impact on biodiversity.

- At Bernin, we have created a dedicated area to protect the impressive biodiversity surrounding our site, with its particularly rich flora and fauna. Both a living and an ornamental garden, this 1,700 sq.m. area features mostly indigenous plant species that are compatible with the region's wildlife and insects.
Bees in particular benefit from the site's lack of phytosanitary products and diversity of floral species. Our Bernin headquarters is home to four beehives, which are perfectly integrated into our landscape and the life of the site. Every year, a local beekeeper harvests honey from the hives, assisted by company employees (135 kg of honey harvested).
- We aim to calculate an Ecological Quality Index (EQI) for our Bernin site according to the methodology created by the French Biodiversity Office, the French Natural History Museum and the CNRS.




FOCUS

BERNIN: CERTIFIED AS A “REFUGE” BY THE LPO

In 2020, we signed a five-year agreement with the LPO. As part of this partnership, LPO teams organized daytime and nighttime visits in 2022, to catalog the biodiversity on our site. Using this regular assessment, we will calculate our Ecological Quality Index (EQI) and identify new steps to promote the protection of birdlife.

In fiscal year 2022-2023, the Saint-Ismier horticultural school carried out a number of actions in consultation with the LPO, including creating two dry hedges with twigs and branches that will serve as a refuge for a wide range of species of rodents, birds and insects.

Leverage our inclusive culture

A background photograph showing a group of people at an outdoor event. In the foreground, a woman with dark curly hair is smiling and looking towards the right. Behind her, another woman with blonde hair and sunglasses is also smiling. The background is filled with lush green trees and foliage, suggesting a park or garden setting. The lighting is bright, indicating it's daytime.

P. 42

**ATTRACTING AND
DEVELOPING TALENT**

Attract and develop our talent

P. 46

DIVERSITY AND INCLUSION

Promote diversity and inclusion

P. 50

WORK ENVIRONMENT

Create a fulfilling and rewarding
work environment

P. 52

HEALTH AND SAFETY

Ensure the health and safety
of our employees

Attract and develop our talent

Maintaining and even developing our attractiveness as an employer has never been so crucial. Our recruitment strategy has to address two challenges: supporting the very strong growth of our business while competing in a tight global job market. To achieve this, Soitec is constantly innovating to attract and retain new talent.



ACHIEVEMENTS

351 permanent hires
in fiscal year 2022-2023

Internal promotion rate:
17.9%

New partnerships
with schools and universities in France
and Singapore

Optimization
of the employee referral program



AN INNOVATIVE OFFERING TO ATTRACT TOMORROW'S TALENT

To support the exceptional growth of our business, more than 350 people chose to join Soitec in fiscal year 2022-2023. As our workforce continues to grow over the coming years, we face a major challenge: increasing our visibility and attractiveness beyond the Grenoble area where we first put down roots.

We see it every day: while locally anchored in its historical area, Soitec is recognized as a leading global technology company built on strong human values and offering an attractive place to work. However, we still need to highlight the diversity of our professions to reach a wider audience.



Joining Soitec means joining a forward-looking organization, working in a cutting-edge environment where inclusive culture and value sharing come together. It is also a responsible company that offers a wide range of opportunities for career development worldwide.

—
JEANNETTE SCHUH

CHIEF HUMAN RESOURCES OFFICER





FOCUS

**A WIN-WIN PARTNERSHIP
WITH IUT 1 GRENOBLE**

Launched in September 2021, our partnership with IUT 1 Grenoble continues to be rolled out within the Company. This tailored program – the only one of its kind in the Grenoble region – is proving highly successful, with the many benefits clear to see day after day.

It includes two complementary blocks: initial and continuous training. Each of the training blocks alternates between theory courses at the university and practical application at Soitec, in three-year cycles. In terms of initial training, Soitec is hosting 20 students from the IUT in fiscal year 2023-2024 (versus 12 in the previous year), who are completing a course dedicated to careers in manufacturing: maintenance, process, yield and production control. The innovative continuous training block is designed to help our production operators progress to positions as process and maintenance technicians once they have completed the training.

Offering easier access to employment for the IUT students, training perfectly adapted to the Company's needs, and upskilling for our employees, the partnership is truly win-win on all fronts. This partnership approach will soon be extended to other regions, particularly Singapore, with the aim of forging ties with new academic institutions.

For this reason, we have implemented a proactive talent acquisition strategy that is both innovative and competitive. This strategy is structured around four main areas:

- Job dating events, organized by Soitec (distinct from job forums hosted by several recruiters). They are a way for us to more easily capture candidates' attention, and represent new opportunities to generate promising initial contacts.
- Afterwork events, organized every quarter on different topics to raise awareness of Soitec, our corporate culture and the different career paths offered, both in France and abroad.
- Immersion days, organized regularly at our Bernin site, providing opportunities for candidates to gain a better understanding of the particularities and challenges of our often little-known industry, and to meet our teams.

**18 hours
of training**
per person
during the year

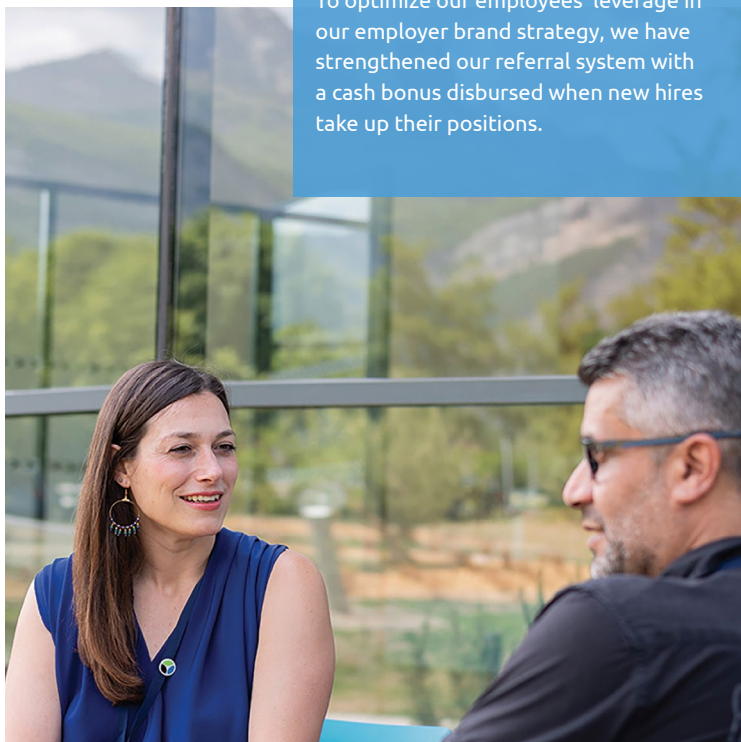
- Partnerships with renowned universities and schools, in order to increase our visibility throughout France and in our host regions across the world. Following on from our partnerships with IUT 1 Grenoble and INP Grenoble, we have now finalized agreements with ESSEC, IUT Saint-Étienne and INP Bordeaux, whose semiconductor specialization matches with our recruitment needs.

Our hiring and attractiveness initiatives were honored once again in 2023. Soitec received the Gold Award for the most attractive HR Department at the *Victoires des Leaders du Capital Humain* awards. A mark of recognition, this award inspires us to keep pursuing our innovative employer brand approach over the long term.

FOCUS

RECRUITING THROUGH
EMPLOYEE REFERRALS

To optimize our employees' leverage in our employer brand strategy, we have strengthened our referral system with a cash bonus disbursed when new hires take up their positions.



“



Partnerships with schools are at the heart of our strategy, enabling us to stand out in a tight job market and highlight the diversity and richness of our career paths.

They enable our employees to develop their skills and responsibilities as part of their continued professional development, fully financed by Soitec.

The partnerships also attract new employees through apprenticeship programs covering all our businesses: from innovation and production to administrative functions at all our sites in France and Singapore.

—
SÉBASTIEN LEGRIS
GLOBAL HEAD
OF TALENT ACQUISITION

”

Promote diversity and inclusion

At Soitec, gender is a central issue in social dialogue. It lies at the heart of the fundamental issues of equal treatment and equal opportunity, as well as quality of life at work. The actions taken over the years have produced tangible results, both in terms of reducing the gender pay gap and achieving a more balanced representation of men and women within the Company.



“

The creation of a women's network is part of our initiative to take into account the diversity of feelings about gender equality, and give them greater visibility.

—

FLORA MARTINIE
IT DIRECTOR AND
HEAD OF THE WOMEN'S
NETWORK AT SOITEC

”

GENDER DIVERSITY AT ALL LEVELS OF THE COMPANY

Soitec operates in a traditionally male-dominated sector. Far from being satisfied with this, we are stepping up our efforts to attract and promote talented women. At March 31, 2023, women made up 35.3% of our workforce, an increase on the previous year. We aim to accelerate this trend and increase the proportion of women at all levels of the Company.

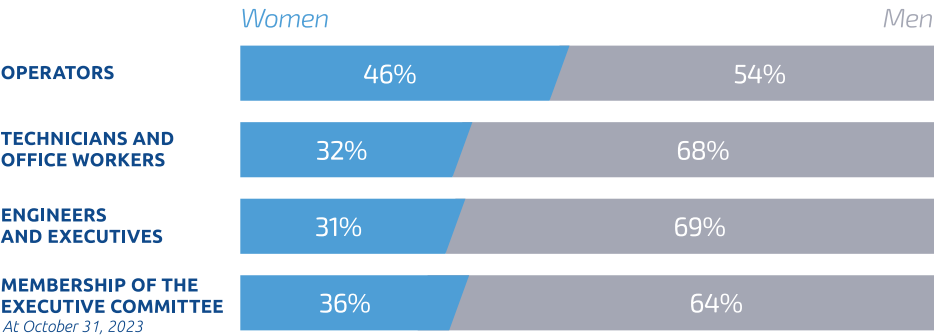
On the Executive Committee and in senior management positions, we met our fiscal year 2024-2025 targets two years ahead of schedule. We want to apply this same dynamic throughout our teams. To achieve this, we are working on two complementary areas: recruitment and internal promotion.

Thanks to various initiatives, progress is already being made:

- The recruitment agencies that we work with are required to offer us both women and men candidates for all positions to be filled within the Company.

- For several years now, we have been providing empowerment training to encourage women to aim for management positions.
- To achieve more balanced gender representation at all levels of the Company, 19% of women and 17% of men were promoted in fiscal year 2022-2023.
- We make sure to offer international mobility opportunities to the women in our workforce, as international visibility is an important lever for their career development.
- In 2023, a women's network was created within the Company. Its ambition is to advance gender equality within the Company, and in particular to bring diversity-related proposals to the attention of senior management. The issues to be addressed range from equal pay to the place of women at different levels of the organization and in technical professions traditionally occupied by men, and the criteria for an inclusive working environment.

Breakdown by job of women and men in fiscal year 2022-2023





The mechanisms put in place to multiply the channels for reporting cases of discrimination reaffirm the Company's total commitment to the fight against sexual harassment. They send a clear message: zero tolerance for sexist behavior.

—
ANAÏH INSUA
LIAISON OFFICER
FOR SEXUAL HARASSMENT
AND SEXIST BEHAVIOR



COMBAT DISCRIMINATORY BEHAVIOR

We are unwavering in our determination to combat discrimination in all its forms – verbal bullying, sexual harassment, gender stereotypes or stigmatization of LGBTQIA+ people – across the Company.

In addition to awareness-raising and regular communication campaigns on sexist behavior, we have strengthened the channels for reporting any case of discrimination that employees may experience as a victim or witness:

- Four liaison officers are specifically trained in managing cases of discrimination. An official procedure has been set up to make it easier to report issues. Anyone who feels they have been the victim of discrimination can contact the staff nurse or occupational physician, an HR or union representative, a manager or a union.

- The new ethics whistleblowing platform, launched in March 2023, includes a section dedicated to harassment, including discriminatory behavior. Reports can be made anonymously.

Regardless of the channel used by the person making the report, an internal investigation is systematically carried out by the Human Resources and Legal Departments.



FOCUS

GIVING PEOPLE WITH DISABILITIES THEIR RIGHTFUL PLACE

The proportion of employees with disabilities was 5.1% in fiscal year 2022-2023, compared to 4.48% in the previous year. Thanks to our policy for better including people with disabilities, we should be able to accelerate this trend and increase the proportion to 6% of our workforce.

In addition to the work already undertaken to adapt workstations, take part in dedicated recruitment forums, and assist employees with obtaining recognized status as workers with disabilities, Soitec wants to go even further in including people with disabilities. In December 2023, we held a disability awareness week, with a special focus on invisible disabilities.

The week was dedicated to changing the way that we see disability and helping us to better understand the realities of everyday life. Our new disability liaison officer was introduced to all employees during that week.

With the same objective in mind, we are preparing a training program to help recruiters learn more about disability issues, including how to better detect disabilities and raise the issue during job interviews. The program will also cover methods to better support future disabled employees as they take up their new positions.

Percentage of
employees with
disabilities in fiscal
year 2022-2023

5.1%



Create a fulfilling and rewarding work environment

We believe that a pleasant, dynamic working environment has an impact on our employees' well-being, commitment and sense of belonging. That's why we pay particular attention to quality of life in our teams. Given our strong growth, we are particularly keen to set the standard for welcoming and onboarding the people who choose to join us each year.



ACHIEVEMENTS

63 discussion groups
to improve quality of life at work

Free performance shares
allocated to 100% of our employees

IMPROVE QUALITY OF LIFE AT WORK

In agreement with the unions, we decided to introduce new ways of consulting employees to assess quality of life at work. To this end, 63 discussion groups were set up on a voluntary basis to tackle local issues, identify and understand the problems encountered, and find consensus-based solutions to improve quality of life at work. This approach is particularly innovative in two ways: firstly, because of its multidisciplinary nature, with groups bringing together employees, managers, HR managers and union representatives, and secondly, because each group is supported, at its launch, by an external expert to help create a climate conducive to quality dialogue. The groups then manage themselves, and a steering committee meets each quarter with a representative from each group, the expert and members of senior management.

These discussion groups have produced concrete results, with 75 reports processed, commitments made and initial projects launched, on topics ranging from work content and organization to the working environment and the ergonomics of materials and equipment, as well as management, interdepartmental relations and HR policies.

The scheme, initially offered to the manufacturing teams at Bernin, has gradually been extended to other areas of the Company, such as the Innovation Department, and continues to be rolled out elsewhere.

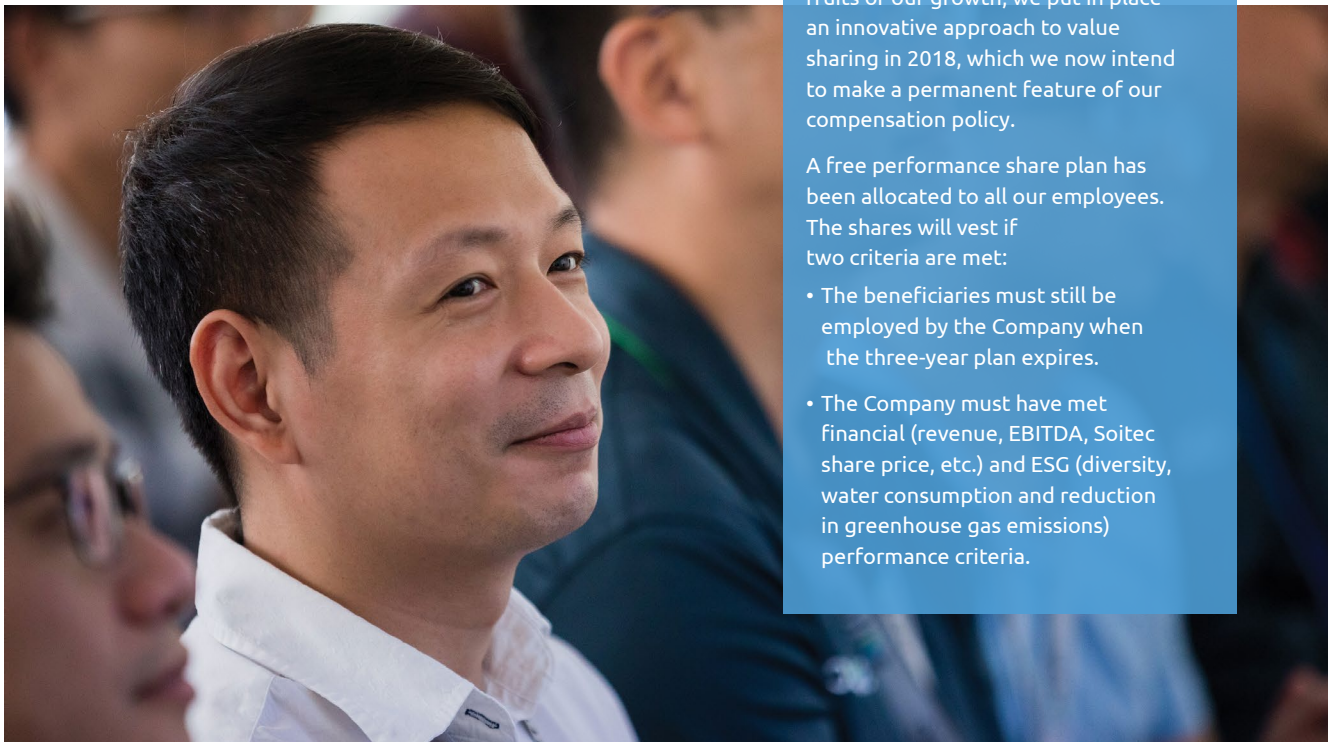
FOCUS

SHARING THE FRUITS OF OUR GROWTH WITH ALL OUR EMPLOYEES

At Soitec, we know that our greatest asset is our employees. To celebrate their engagement and share the fruits of our growth, we put in place an innovative approach to value sharing in 2018, which we now intend to make a permanent feature of our compensation policy.

A free performance share plan has been allocated to all our employees. The shares will vest if two criteria are met:

- The beneficiaries must still be employed by the Company when the three-year plan expires.
- The Company must have met financial (revenue, EBITDA, Soitec share price, etc.) and ESG (diversity, water consumption and reduction in greenhouse gas emissions) performance criteria.



Ensure the health and safety of our employees

Soitec has always pursued a proactive workplace health and safety policy. Ensuring the safety of our employees and of all those working on or visiting our sites is a challenge that we face every day. As part of our continuous improvement process, we strive for excellence and zero accidents, a goal that requires the collective effort of each and every employee.



ACHIEVEMENTS

Frequency rate
of workplace accidents with lost time:
3.1
—
€1.7 million
invested in **workstation safety**
for the Group in fiscal year 2023-2024
—
863 **safety tours**
conducted at Bernin and in Singapore
—
HSE incident reporting tool
deployed at Bernin
and under deployment in Singapore

OBJECTIVES

Pursue our policy of
prevention and safety:
deployment of the Safe Culture program
at our production sites, continuation
of our ergonomic analysis program and
development of our chemical risk training
program
—
Achieve a frequency rate
of workplace accidents with
lost time of **below**
2.9



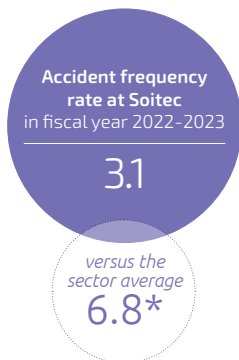
PREVENTION AND AWARENESS RAISING AT THE HEART OF OUR SAFETY CULTURE

In an industrial sector like semiconductors, safety is of utmost importance. Our safety policy is based on anticipating risks, raising awareness among all our employees and implementing appropriate preventive measures. Although the Group's accident frequency rate in fiscal year 2022-2023 was significantly lower than the sector average (3.1 vs. 6.8*), we are determined to step up our efforts by aiming for zero accidents.

To achieve this objective, a number of actions have been deployed as part of our Safe Culture policy:

- To galvanize employees to play an active role in their own safety and that of their colleagues, the Safe Culture program encourages every employee to adopt safe work practices, in particular by developing their ability to recognize and identify situations presenting a potential risk.
- Mandatory e-learning modules have been introduced for new employees joining the Company.

- A communication campaign on the Golden Safety Rules focuses on a different topic every two months. Managers then organize presentations for their teams to relay the key messages and get everyone involved in changing their behavior.
- Safety tours are conducted with a dual aim of identifying any workplace health and safety risks and reminding everyone of management's commitment to protecting employee safety. Thanks to our continuous improvement efforts, both our Bernin and Singapore sites are ISO 45001 certified.
- In addition to the safety of our internal employees, we are also attentive to the health and safety of external workers present at our sites, in particular in relation to the Bernin and Pasir Ris extension projects. Two external supervisors have joined the Health, Safety and Environment (HSE) team to ensure the safety of the 250 or so workers and contractors on our sites every day.
- In addition to these awareness-raising initiatives, we have also invested in a tool that can be used by all our employees to report incidents, near misses, risks or particular safety issues.



* Estimate based on statistics published by the French public health insurance body Assurance Maladie for the "Electronic components manufacturing" business.

INVEST IN THE SAFETY OF OUR EMPLOYEES

Every year, we make investments to improve safety and adapt workstations. At Bernin, a team of ergonomists regularly carries out on-site evaluations, particularly of clean rooms and logistics warehouses, to improve the ergonomics of workstations. For example, a new automated system for unpacking wafer transportation boxes has been installed, and pedestrian zones have been made safer with increased signage. In Singapore, a study of ergonomic risks at workstations has been carried out and will be the basis of action plans in the next fiscal year.

For fiscal year 2023-2024, a budget of €1.7 million has been allocated to workstation health and safety. Several projects are planned, including the installation of acoustic panels to reduce noise disturbance, improving the safety of clean room floor and ceiling tiles, and optimizing parking lot lighting.

18.59 hours
of training
per employee
in fiscal year
2022-2023

FOCUS

INTEGRATING A SAFETY PERFORMANCE CRITERION INTO COMPENSATION

At Soitec, safety is the business of each and every employee. To further affirm our conviction, we have added another milestone to our safety policy. Safety is now integrated into employees' compensation packages.

Since fiscal year 2022-2023, mandatory and voluntary profit-sharing are indexed to employees' attendance at safety events organized by managers.







Act to become
a role model for
a better society



P. 58

ETHICS

Manage our activities ethically
and responsibly

P. 61

RESPONSIBLE SUPPLY CHAIN

Build a responsible, sustainable
supply chain

P. 64

COMMUNITIES

Commit to local communities
and young people

Manage our activities ethically and responsibly

We believe that economic development and ethical behavior go hand in hand. We are determined to meet the highest ethics and compliance standards, in line with all the regulations applicable in the countries where we operate.

As part of our resolve to set an example, we regularly update our Code of Conduct to keep pace with changes in our risk map.

At the same time, we have strengthened our system for preventing, reporting and addressing ethical compliance issues.



ACHIEVEMENTS

Training on the Code of Conduct
completed by
72% of our employees

Training on compliance with competition law
completed by
96% of exposed employees

Launch
of new training courses on export control, cybersecurity and personal data management

Ongoing rollout
of mandatory training on corruption risk prevention, with 40% of exposed employees trained so far

New online
whistleblowing platform

New tool
for assessing ethical risks of third parties

OBJECTIVES

100%
of our employees
to have received training on the Code of Conduct by 2026





FOCUS

LAUNCH OF A WHISTLEBLOWING PLATFORM

Soitec is committed to building a culture of trust and fair, honest communication. We encourage everyone, both internally and externally, to report in good faith any concerns they may have regarding suspected violations of our Code of Conduct, Group policies or applicable laws.

In March 2023, we launched our new online whistleblowing platform, “Maât”, through which all employees and external stakeholders can report (anonymously if they wish) breaches of our Code of Conduct.

This platform comes in addition to the other ways of reporting already available to Group employees (reporting to line management, employee representatives, the Human Resources Department, etc.).

A CODE OF CONDUCT TO ENSURE ETHICAL COMPLIANCE

Our Code of Conduct defines our values, principles and expectations with regard to our employees, our business partners and, more generally, all our stakeholders. It is aimed at ensuring that three key principles are upheld in the conduct of our business: respecting human rights, health and environmental standards; managing our business safely and safeguarding our assets; and acting with integrity. We expect all the Group’s stakeholders to comply with these same principles, including our business partners.

Our Code of Conduct, which is regularly updated, is based on five main pillars that correspond to the main risks identified in the Group’s ethical risk mapping, as well as compliance with the legal obligations which apply to the Group:

- the fight against corruption;
- compliance with competition law;
- prevention of insider trading;
- compliance with export control regulations;
- compliance with regulations on personal data management.

Our Code of Conduct is rounded out by 13 Group-wide management policies.

ETHICS GOVERNANCE INVOLVING ALL LEVELS OF THE COMPANY

In order to ensure the effective rollout and monitoring of our compliance program, a specific ethics governance system has been set up at different levels of the Company:

- Within the Board of Directors, the Audit and Risks Committee and the Environmental, Social and Governance (ESG) Committee are tasked with monitoring the Group's risk map and overseeing its risk prevention system for ethics and compliance.
- The Executive Committee sets objectives in line with stakeholder expectations and monitors the proper implementation of the compliance program and related initiatives.
- A dedicated compliance and ethics team is responsible for deploying the program in the Group's various departments and sites.

To raise awareness among all our employees of the Company's values and commitments around ethics and compliance, numerous training courses were rolled out in fiscal year 2022-2023. For example, all new employees joining the Group now have mandatory training on the Code of Conduct when they take up their role, and all employees whose job exposes them to the risk of corruption or infringement of competition rules are required to take dedicated training courses.

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Our position in the microelectronics market requires us to maintain the highest standards of integrity, respect for people and the environment, and health and safety. Ethics and compliance issues are important for all our internal employees, as well as all our external stakeholders. Through our joint efforts, we will be able to ensure sustainable growth for the Group in line with our corporate purpose.

—
EMMANUELLE BELY
GENERAL SECRETARY

”



Build a responsible, sustainable supply chain

There is no doubt in our minds: in order to achieve our sustainability objectives, we must adopt a collective approach that includes our suppliers. By working in collaboration with them, we can generate a positive impact and build a supply chain that is more respectful of the environment and human rights.



ACHIEVEMENTS

Supplier Quality Policy signed by
100%
of our strategic suppliers

Integration of ESG criteria
into the supplier selection matrix, supplier
performance reviews and supplier audits

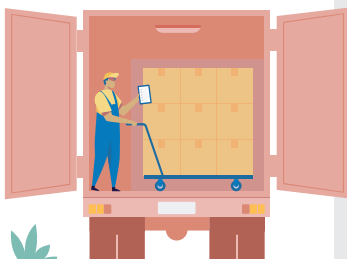
**Carbon Disclosure Project (CDP)
assessments**
taken into account in our assessments
of our strategic suppliers

**Carbon efficiency data
(SBTi and CDP)**
included in **100%**
of our supplier audits

OBJECTIVES

100%
compliance
with the Charter for Responsible Supplier
Relations and Purchasing by end-2024*
(50% by end-2023)

Obtain
**ISO 20400
certification**
by 2026*



USE RESPONSIBLE SUPPLIERS

To achieve our ambition of building a responsible and sustainable supply chain, Soitec has implemented an exacting Supplier Quality Policy. By signing the policy, our suppliers commit to respecting our quality and ethical requirements and to adopting responsible social, societal and environmental practices. The policy also encourages them to comply with the Responsible Business Alliance (RBA) Code of Conduct. To date, 100% of our strategic suppliers have signed the Supplier Quality Policy.

We are particularly vigilant about our raw material purchases. In order to comply with European and international regulations and to meet our customers' requirements, we have implemented a procedure for managing the chemical substances present in the composition of our final products.

- When including new suppliers on the approved supplier list, the Purchasing Department ensures that they are classified as "Green Partners". To obtain "Green Partner" classification, suppliers must provide chemical analyses of their products (REACH, ROHS, etc.) and commit to not using any substances prohibited by Soitec.
- Once on the approved supplier list, suppliers are required to regularly update their documents: annually for raw material suppliers and every three years for all other suppliers, but also each time there is a change in the composition of their product(s).

Particular attention is paid to the sensitive minerals used by our raw material suppliers, for example, lithium tantalate. The suppliers concerned must provide all the information required about the country of origin of the minerals, and the smelters and refineries used, in order to ensure that the minerals and metals that we buy do not come from conflict-affected areas.

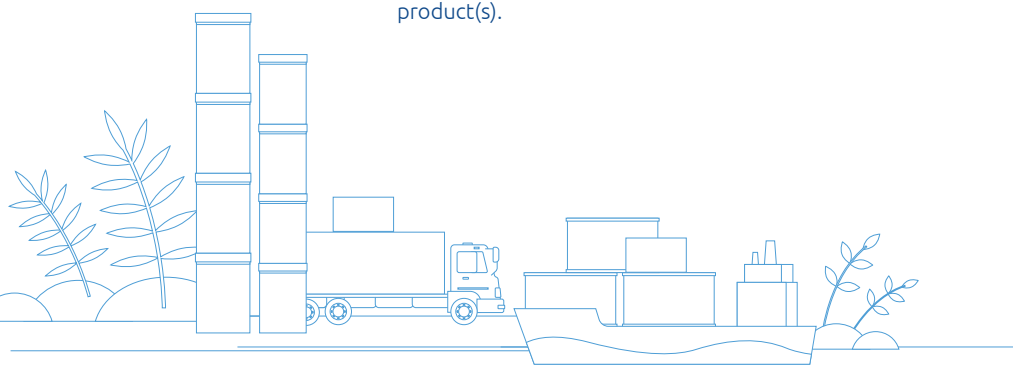
REINFORCE THE APPLICATION OF ESG CRITERIA THROUGHOUT THE SUPPLIER SELECTION PROCESS

The Purchasing Department strives every day to improve our supplier selection, assessment and auditing processes with the aim of obtaining ISO 20400 (sustainable procurement) certification by fiscal year 2025-2026.

Since 2023, ESG criteria have been included in our traditional supplier assessment criteria (quality, supply, technology, etc.).

They are also incorporated in our selection matrix, and currently account for 20% of the final score for raw material suppliers and 10% for all other suppliers.

These new social and environmental criteria are applied when selecting a new supplier and during twice-yearly performance reviews.



TRANSFORM OUR SUPPLIERS INTO ALLIES TO ACHIEVE OUR SUSTAINABILITY OBJECTIVES

To meet our social and environmental challenges, we want to involve our suppliers in our approach to two major issues: climate change, and diversity and inclusion:

- When it comes to climate change and our commitment to reducing greenhouse gas emissions, we know that we cannot do it alone.

Our indirect emissions linked to our purchases, but also to all our upstream and downstream flows (Scope 3), represent the largest item in our overall emissions. To achieve our objectives, it is therefore essential that we select suppliers and partners that strive to optimize their carbon footprint.

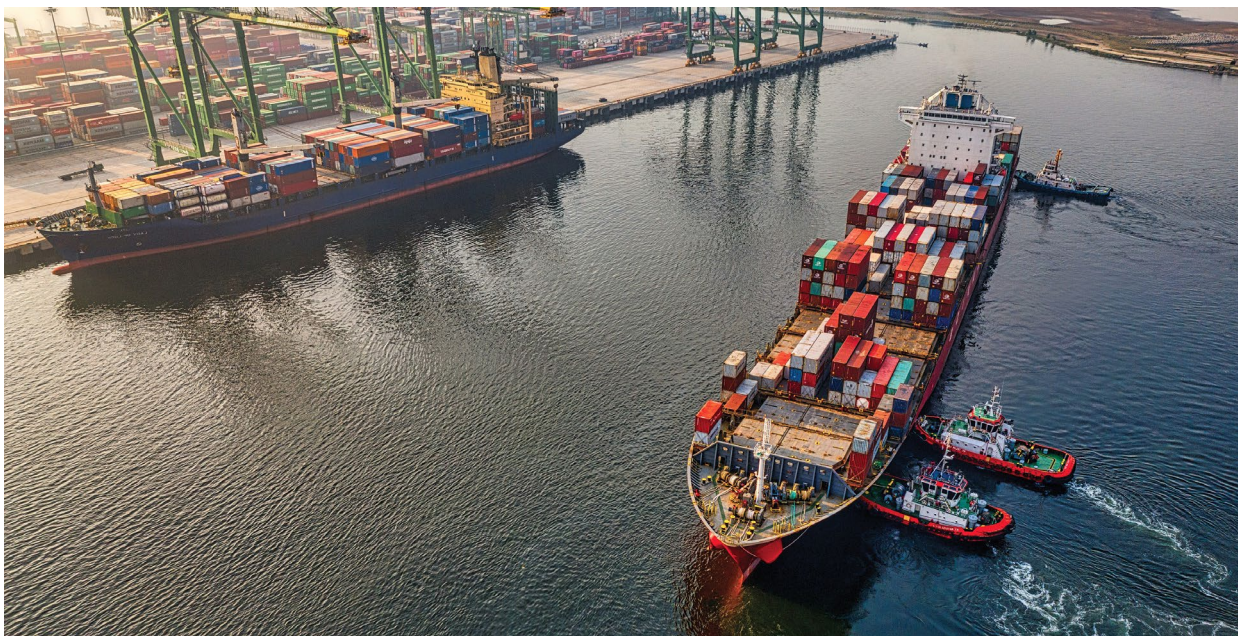
To do this, we use assessments compiled by the Carbon Disclosure Project (CDP), an international non-profit holding one of the largest environmental databases of cities and companies currently available. 78% of our strategic suppliers take part in CDP assessments.

Our objective for fiscal year 2023-2024 is to work with our main suppliers to reduce our Scope 3 emissions through physical emission factor audits, progress reports and regular reviews of improvement plans.

In parallel, we are gradually replacing air freight to transport our raw materials with sea freight, which emits fewer greenhouse gases.

- With regard to diversity and inclusion, we have developed a questionnaire to gain insight into our suppliers' practices in this area.

The aim of the questionnaire is to ensure that our partners' practices are in line with Soitec's values and to raise their awareness of a societal issue that is close to our hearts. Analysis of the responses shows that there is no major risk for Soitec, with our suppliers complying, at a minimum, with local laws on these issues.



Commit to local communities and young people

In France and abroad, wherever we are present, we want to be fully involved with local communities that share our social and environmental values. Our contributions within local ecosystems show how committed we are to positioning ourselves not only as an economic player, but also as a socially and environmentally responsible corporate citizen.



ACHIEVEMENTS

135 young people under 26
hired in fiscal year 2022-2023

Local initiatives
to help young people enter the workforce

Integration
of the Sésame endowment fund

10 Soitec sponsors
for non-profit Télémaque

OBJECTIVES

Support the integration of young people into the microelectronics industry

Contribute to the employment of young people in all the regions where we operate

Support local non-profits to develop our regions, in Bernin and Singáporé





ACTIVELY SUPPORT OUR LOCAL ECOSYSTEMS

At Bernin, in Singapore and in all the regions where we operate, our local roots and our interactions with local players are a priority. To support their development, we have decided to get involved on several levels. Here are a few examples of our diverse range of commitments:

- As part of the Local Economic Pact with the three communities of the Grenoble area, namely Grenoble-Alpes Métropole, the Grésivaudan and the Pays Voironnais, we are contributing alongside 20 other public and private partners to strengthening the local economic fabric.
- We have a long-term partnership with non-profit Sylv'ACCTES, which works to protect France's forestry heritage. In particular, we support its work to raise awareness among various groups of the importance of forests in our ecosystem and the impact of global warming on forests.
- In Singapore, a donation drive was organized to provide students with electronic devices so they could attend classes remotely during the last health crisis. Our local employees regularly take part in charity events to help the most disadvantaged communities.
- Alongside companies in the Grenoble area, we helped set up the Sésame endowment fund, which finances non-profits that help people in need.



Through Sésame, we are supporting a meaningful local project that helps non-profits. It embodies the values of solidarity, helping each other and engagement with social issues. I firmly believe that better interaction between companies and non-profits will open up a tremendous range of possibilities to promote vital, ambitious projects to help the most vulnerable members of society.

—
CAMILLE GALLIARD-MINIER
DELEGATE GENERAL
OF THE SÉSAME
ENDOWMENT FUND



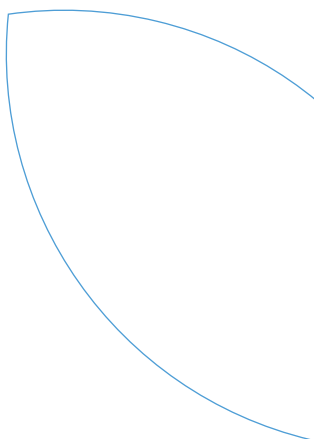
SÉSAME, AN ENDOWMENT FUND TO SUPPORT THE MOST VULNERABLE MEMBERS OF SOCIETY

Created in June 2023 by Camille Galliard-Minier, a former member of the French parliament for Isère, the Sésame endowment fund brings together 30 co-founding companies of all sizes and in all sectors, including Soitec.

It is aimed at supporting non-profits that help people in need by providing them with financial, material or human assistance via a skills sponsorship program.

Soitec has set up a time-off scheme for employees who wish to help Sésame. For each day of leave taken by an employee to participate in a charity initiative, the Company contributes an additional day.

Through our support for the Sésame endowment fund, we are committed to sharing the value created by the Company with the most vulnerable members of society. Our approach can take several forms: by offering financial support, of course, but also by providing equipment, professional skills, human attention and time spent with those who need it most.



FOCUS

WORKING FOR EQUAL OPPORTUNITIES WITH TÉLÉMAQUE

Non-profit Télémaque works with middle school students from disadvantaged neighborhoods to promote social mobility through mentoring programs set up with companies. We have been working alongside Télémaque since 2020, actively supporting its drive for equal opportunity. In 2023*, 10 Soitec employees are mentoring a young person through Télémaque.

PROMOTE ACCESS TO THE MICROELECTRONICS INDUSTRY FOR YOUNG PEOPLE

**135 young people
under 26**
hired in fiscal
year 2022-2023

The younger generation is often not familiar with careers in microelectronics. To make our industry more visible and attractive to young people, we work tirelessly with our local partners.

In France and Singapore, we have helped set up industry-specific training programs alongside reputable engineering schools and universities, including Grenoble-Alpes University, INP Grenoble, ESSEC, the National University of Singapore, the Nanyang Technological University and the Catholic University of Louvain.



“



As part of the partnership between Soitec and Télémaque, I've been mentoring a girl since 2020. She was aged 12 at the time, and is now 15.

The aim was to build her confidence and get her involved in recreational and cultural activities. I'm lucky enough to work with a very mature, determined, brilliant, committed and ambitious person. We don't meet up very often, but when we do it's always very constructive. She wants to become a lawyer. She's come for dinner a number of times with my family, where we've discussed current affairs and social issues that she's passionate about.

It's a long-term relationship that helps her engage in stimulating conversations beyond her own family circle. I'm very proud to play a part in her development.

And I'm delighted that she successfully completed all the formalities to join a prestigious high school in the center of Grenoble this year. It's an opportunity for her to blossom and make her career goals a reality.

—
CYRIL FELLOUS

BUSINESS UNIT MANAGER AT SOITEC
& TÉLÉMAQUE MENTOR

”

And what about tomorrow?



Tomorrow, thanks to everyone's active contribution, our sustainable development policy will be a reference in the industry.

—
CAROLINE SASIA
SENIOR VICE PRESIDENT-
COMMUNICATIONS &
CHIEF OF STAFF
TO THE CEO



BRINGING OUR STAKEHOLDERS TOGETHER TO ACCELERATE OUR ESG APPROACH

With this report, we wanted to share with you the progress that we have made in ESG. We have achieved some of our objectives ahead of our roadmap, while others are still ahead of us. Our energy, dedication and capacity for innovation are all key to meeting the ambitious objectives that we have set for ourselves.

Tomorrow, we must continue our efforts because when it comes to sustainable development, we are in it for the long haul. As we strive to reach excellence by 2030, we have set milestones along the way so that we can assess our day-to-day progress. In each of our main focus areas – the fight against global warming, managing our water consumption, and diversity and inclusion – our employees are mobilized to change their behavior, make a difference and achieve concrete results.

Tomorrow, we must continue to bring all the stakeholders in our value chain together – our customers, our suppliers and our partners. More than ever, we need to use our collective intelligence to accelerate the transformation of our business models towards an industry that is more respectful of the planet and of each other. We have already taken some essential steps on this journey by integrating ESG criteria into our supplier selection process, gradually converting to low-carbon freight and moving towards responsible digital technology. Further steps will follow next year.

Tomorrow, thanks to the active contribution of each and every one of us, we will strive to make our ESG policy the industry benchmark, a lever for attracting talent and a source of pride for all our employees worldwide.



Find all 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 at www.soitec.com, in the Investors – Financial Reports section.

FEBRUARY 2023

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