

# SUSTAINABILITY: A COMPETITIVE ADVANTAGE

July 2024

# SUSTAINABILITY IS DEEPLY ANCHORED IN OUR COMPANY'S CULTURE AND STRATEGY



Top level priority and responsibility

Management by KPIs and targets



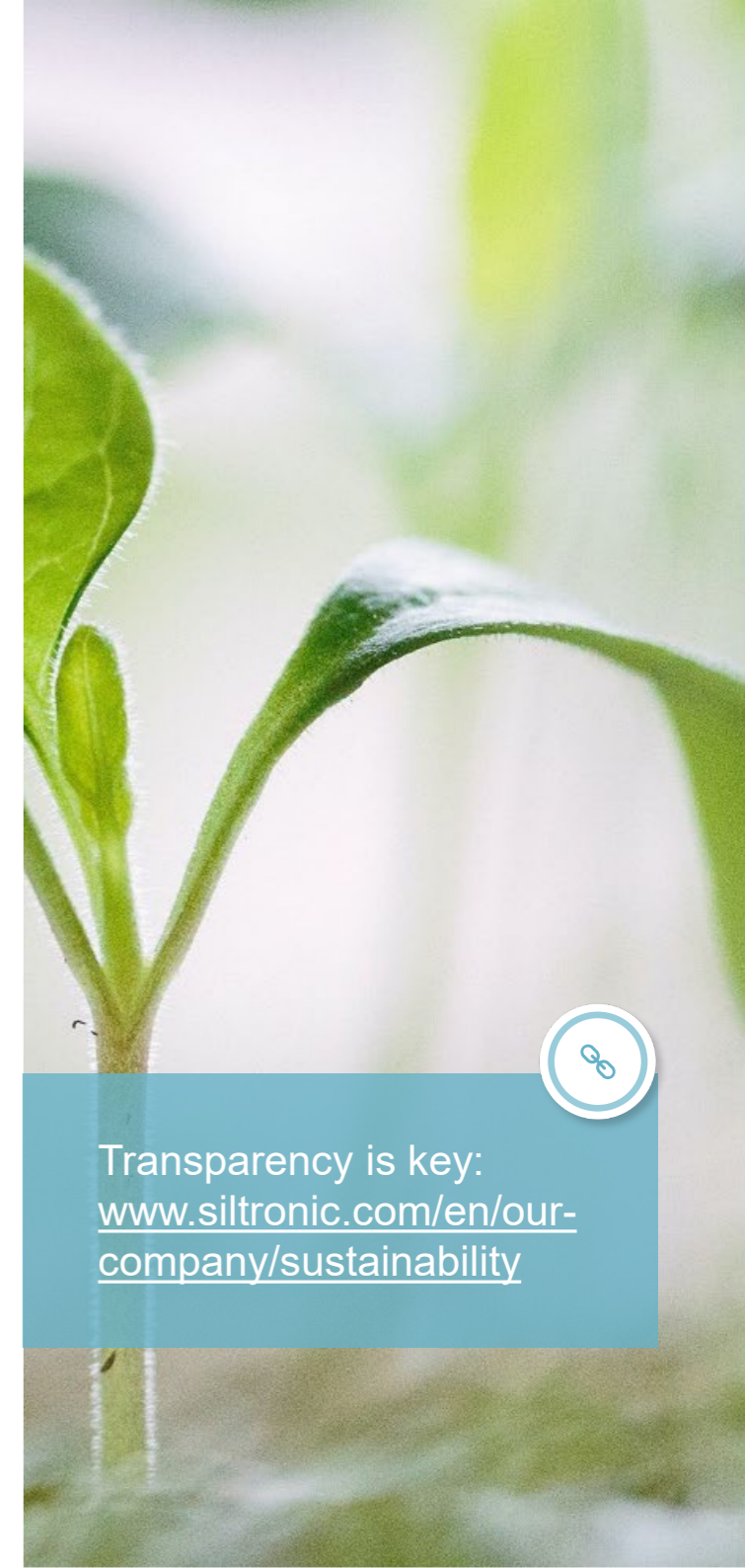
Creating value for all stakeholders

Fast response to changing requirements



Training on sustainability topics for all employees

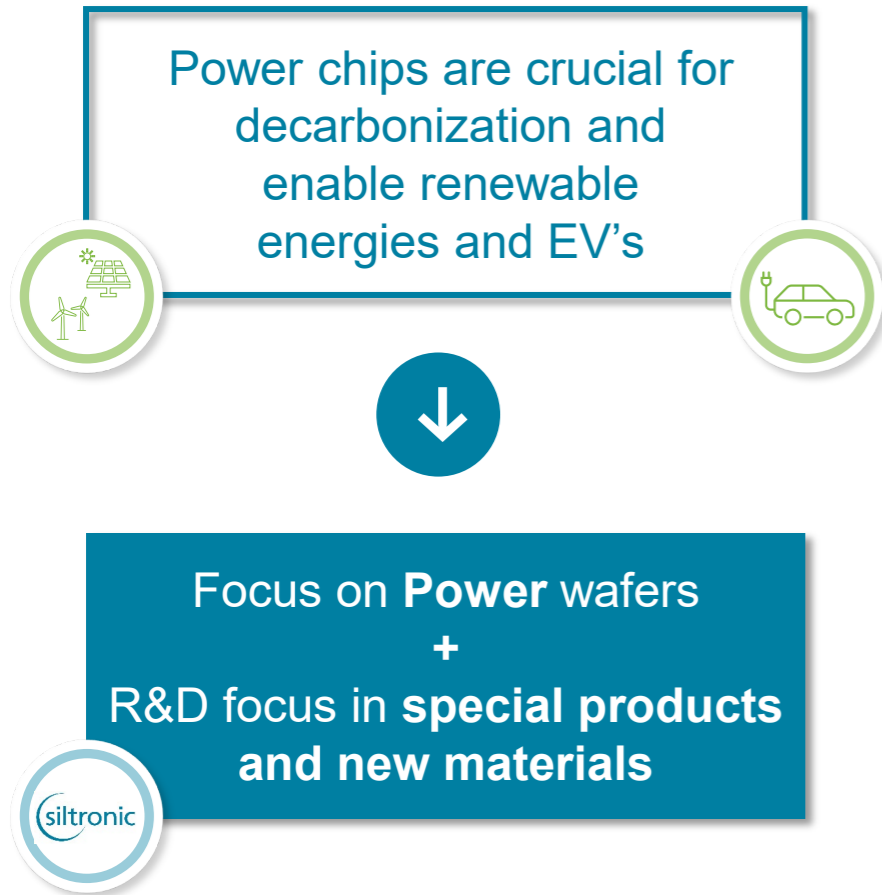
ESG linked to Board and Executive remuneration



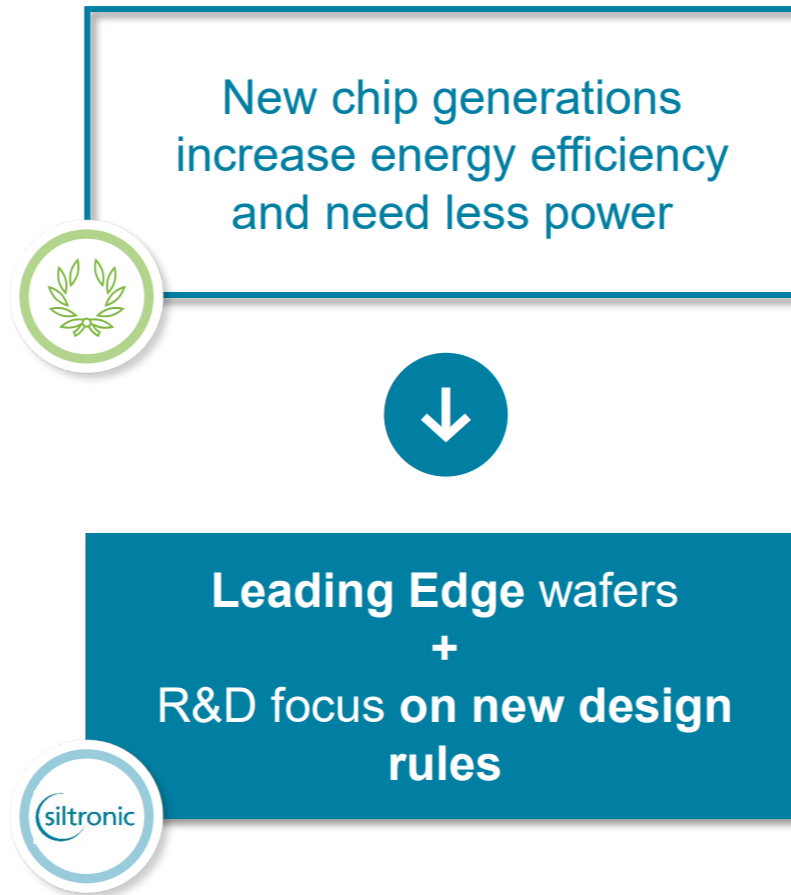
Transparency is key:  
[www.siltronic.com/en/our-company/sustainability](http://www.siltronic.com/en/our-company/sustainability)

# SILTRONIC IS ENABLING TECHNOLOGIES FOR A SUSTAINABLE FUTURE

## Power focus



## Leading edge focus



## Strategy

on leading edge and power wafers support sustainability strategy



## Investments

needed to keep our equipment state of the art for leading edge wafers



## R&D focus

is crucial for sustainability strategy

# OUR GLOBAL COMMITMENTS



Siltronic supports the 10 principles of the UN Global Compact.



We contribute to the sustainable development goals of the UN.



As a supplier to the electronics industry, Siltronic is a “Regular” member of the Responsible Business Alliance (RBA).

We commit to RBA’s principles and engage for sustainability in working groups. We also cooperate with our suppliers to adhere to standards defined by RBA.



Siltronic participates in CDP Climate change and Water security evaluations.



With our membership at RE100, we are dedicated to make our contribution to global decarbonization.



With our voluntary memberships and commitments, we go beyond legislation and engage in global and local networks.



# AMBITIOUS TARGETS KEEP US GOING



**Climate – Scope 1+2  
CO2 emissions**  
**2030: -42%<sup>1</sup>**  
**2045: Net zero<sup>2</sup>**  
**Status 2023: -22%**



**Energy – renewable**  
**2030: 60% share**  
**2045: 100% share**  
**Status 2023: 5%<sup>3</sup>**



**Energy intensity**  
**2030: -20%<sup>4</sup>**  
**Status 2023: +7%**



**Water usage intensity**  
**2030: -20%<sup>4</sup>**  
**Status 2023: +1%**

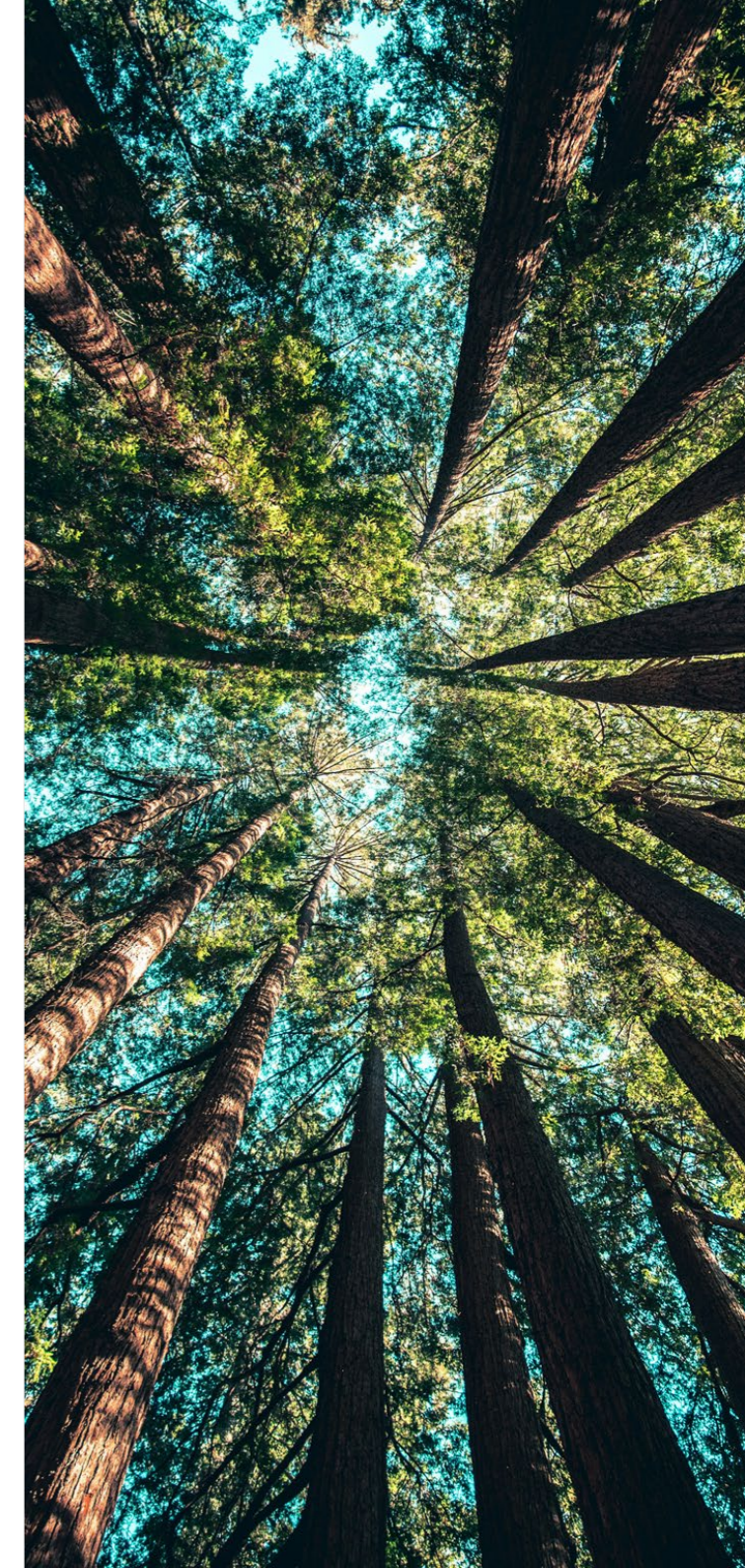


**Circular economy –  
Waste recycling ratio**  
**2030: 25%<sup>5</sup>**  
**Status 2023: +12%**

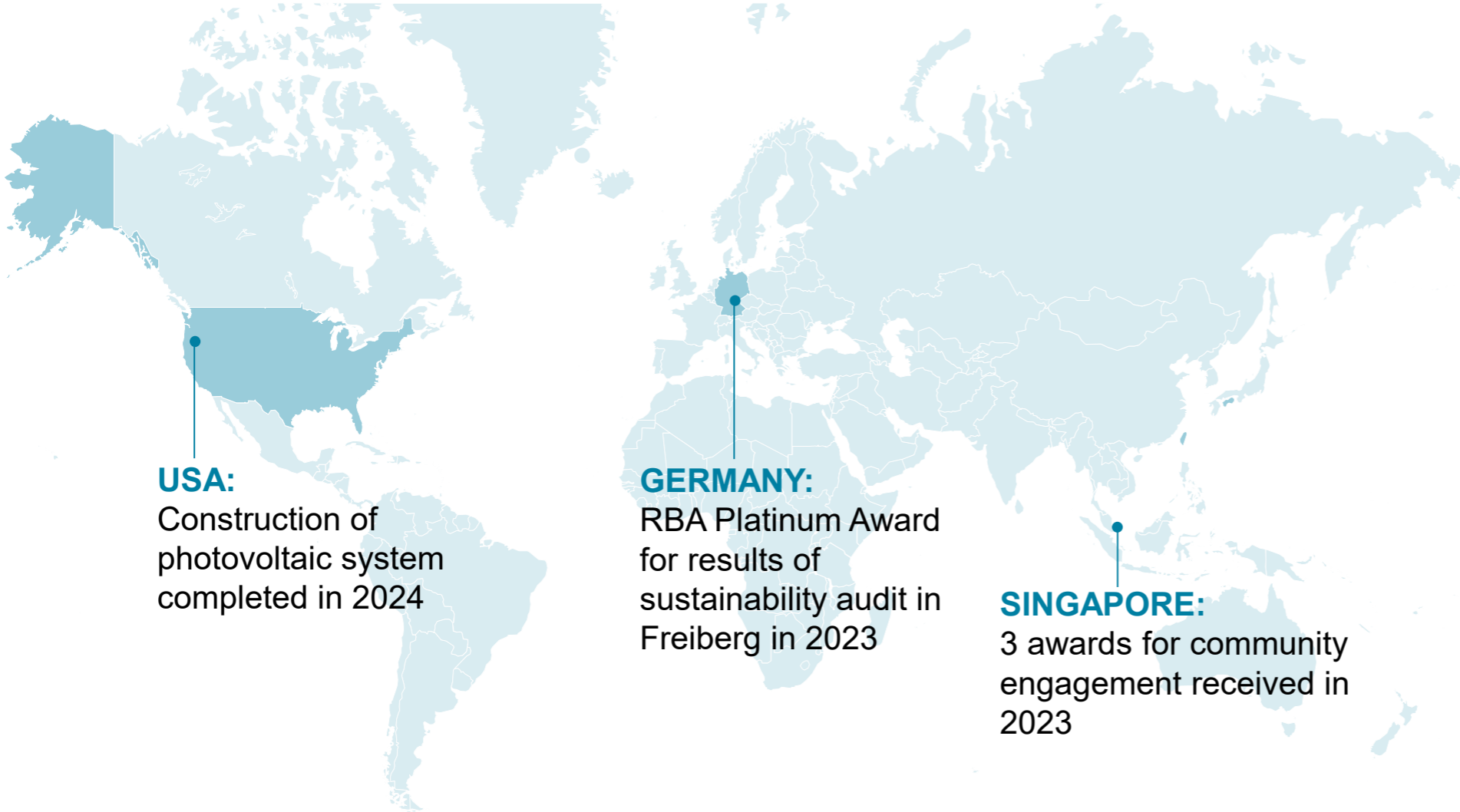


**Occupational safety -  
LTIF<sup>6</sup>**  
**2023: below 2.0**  
**Status 2023: 2.4**

(1) absolute reduction, base year 2021, (2) Net zero: GHG emissions released into the atmosphere equal the amount removed  
(3) based on RE100 criteria, (4) Intensity per production output, base year 2015; (5) base year 2015, (6) LTIF= Loss time injury frequency rate; work-related injuries with lost time per 1 mn working hours



# SUSTAINABILITY HIGHLIGHTS



**USA:**  
Construction of photovoltaic system completed in 2024

**GERMANY:**  
RBA Platinum Award for results of sustainability audit in Freiberg in 2023

**SINGAPORE:**  
3 awards for community engagement received in 2023



**-22%**  
absolute CO<sub>2</sub> emissions scope 1+2 in 2023 compared to 2021



**63,000 h**  
training for 4,500 Siltronic employees in 2023



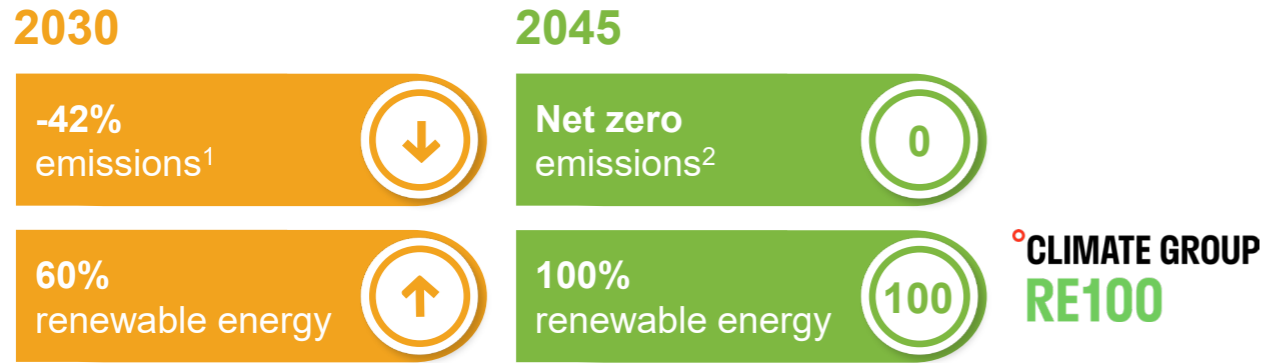
**300 mn EUR**  
Siltronic AG issued its first ESG-linked promissory note loan in 2022



# CLIMATE PROTECTION – NET ZERO BY 2045



## Reaching Net Zero, science based target



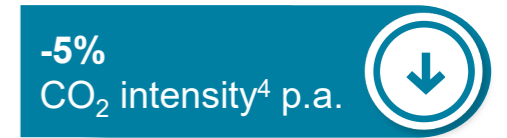
## Supply chain

- Climate protection as a key topic for cooperation with suppliers targeting the reduction of scope 3 emissions

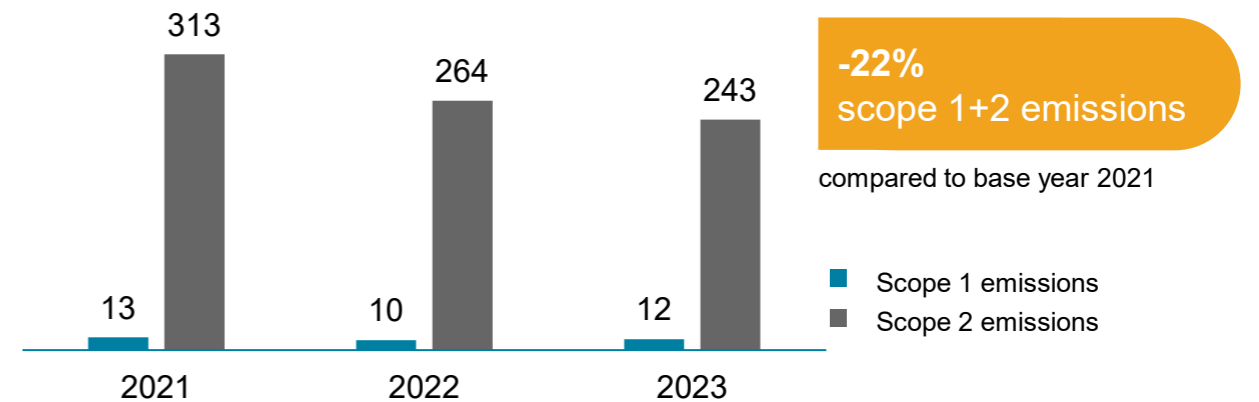
**Scope 3 Target**  
75%, 80% and 95% of key suppliers<sup>5</sup> have science based targets by 2028, 2030 and 2045.

## Climate action plan

- Lever 1: Reducing energy intensity<sup>3</sup>: -20% by 2030
- Lever 2: Own production of renewable energy
- Lever 3: Use of renewable energy



## Scope 1 and 2 emissions (in thousand tons CO<sub>2</sub>eq)

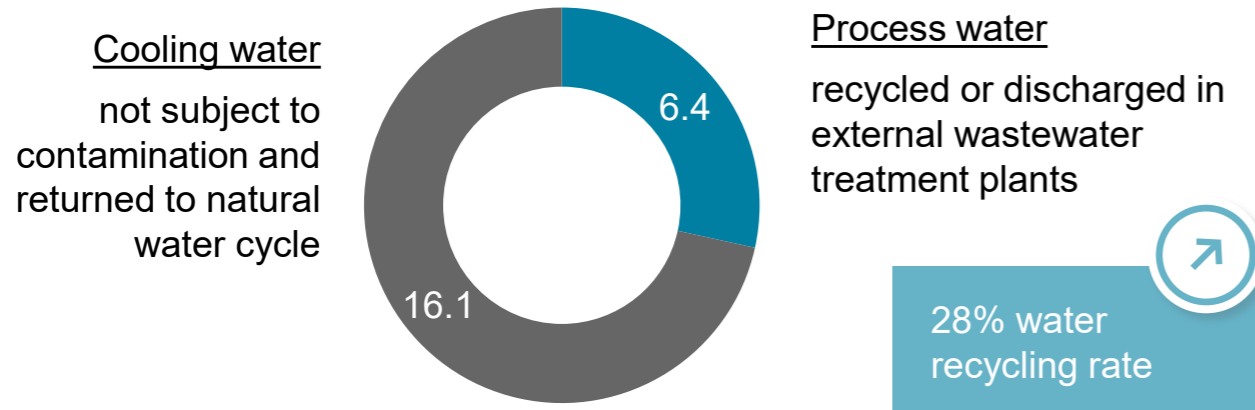


(1) Absolute scope 1 and 2 GHG emissions compared to base year 2021, (2) Net zero: GHG emissions released into the atmosphere equal the amount removed, (3) Intensity per production output, base year 2015, (4) t CO<sub>2</sub>eq per EUR mio. sales on average 2021-2030, (5) Key suppliers represent > 50% of spend and > 80% of GHG emissions of all purchased goods and services

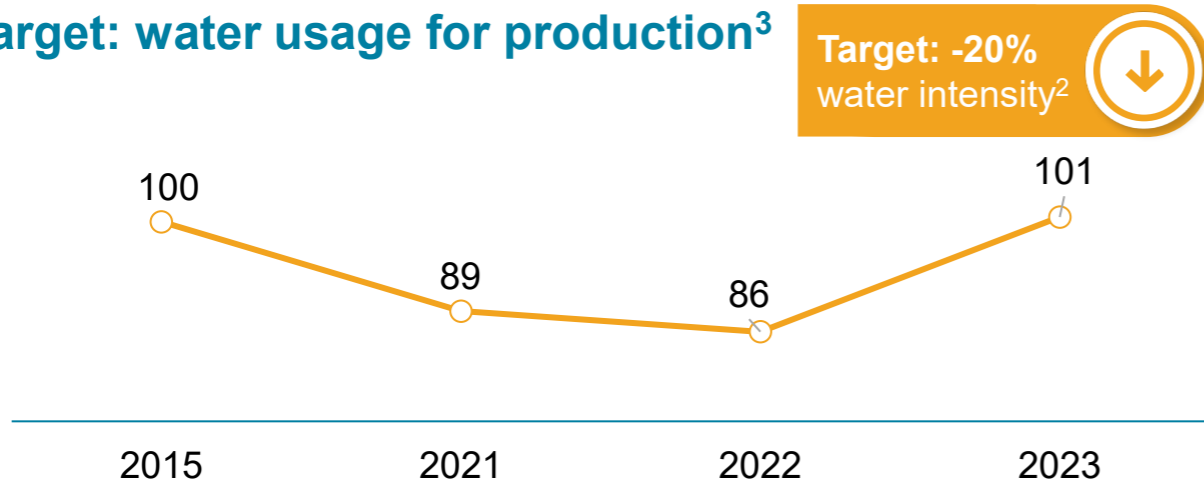
# PRECIOUS RESOURCES – CIRCULAR ECONOMY



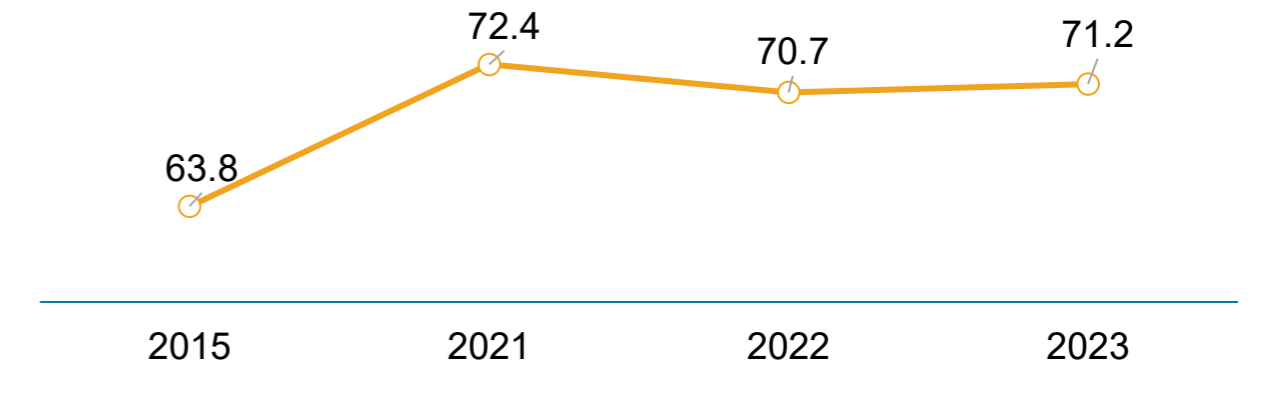
## Water use<sup>1</sup> and discharge



## Target: water usage for production<sup>3</sup>



## Waste recycling ratio<sup>4</sup>



## Reuse of product packaging 2023

**93%**  
of 300 mm wafers shipped in reusable transport containers (Hyboxes)



**1,793**  
tons of waste from disposable packaging avoided

(1) In m<sup>3</sup>, (2) 2030 vs. base year 2015, (3) Specific water usage, normalized, base 2015, (4) in percent of waste amount



# SAFETY FIRST – ALWAYS AND EVERYWHERE



## Set-up to tackle safety risks

- State-of-the art management and reporting systems
- Global safety organization, local safety officers
- Working, plant and process safety covered
- Continuous improvement of safety standards

## Measures to improve performance

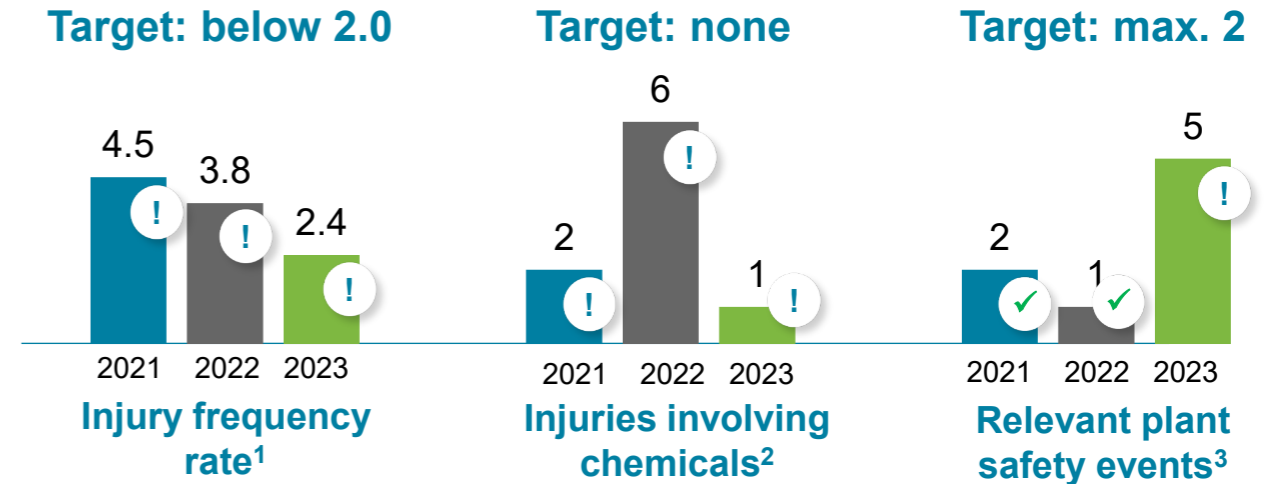
- Systematic safety analysis
- Safety inspection tours
- Training courses and emergency drills
- Learning from near-miss incidents



Global Safety Initiative  
launched in 2023

## Performance 2023

- No fatal occupational accident
- No event classified as an incident or as a reportable event according to hazardous incident ordinance
- All incidents analyzed; measures defined



(1) Number of working injuries (employees and temporary workers) with lost time per 1 m working hours; (2) with lost time involving chemicals; (3) PSI-Process Safety Incident according to CEFIC and ICCA definition.

# SUSTAINABILITY ALONG THE VALUE CHAIN: RBA\* AND SILTRONIC

## RBA

is a leading industry coalition in the electronics industry with the mission to **improve working and environmental conditions** for members and their supply chains



## RBA and Siltronic

- Membership since May 2019
- Upgrade to level “Regular” in January 2024
- Commitment to RBA Code of Conduct
- Use of RBA toolboxes to control compliance
- Engagement in RBA working groups

\* RBA: Responsible Business Alliance (RBA)

## RBA solutions in place






- **Self-assessments** (SAQ): online self-assessments on RBA platform, shared with selected members
- **Audits** (VAP): onsite audits covering 37 topics in the areas Labor, Health & Safety, Environment, Ethics, Supply chain management
- Both applied in our **production and our supply chain**

## Human rights

We are having a close eye especially on human rights in our supply chain – with a focus on

- Fair working conditions
- Diversity and equal opportunities
- Exclusion of conflict minerals

# RATINGS AND AWARDS REFLECT OUR PROGRESS

	RELEVANCE	RESULTS
	Siltronic reports to CDP on the topics of climate change and water security since 2017; we also participate in the CDP Supply Chain program.	In 2023 we received again stable scores of <b>'B-Management'</b> in both rating schemes, Climate Change and Water Security.
	Since 2017, Siltronic has been analyzed and evaluated according to a wide range of sustainability criteria by the rating agency ISS-ESG.	With a <b>'Prime'</b> rating, Siltronic is one of the leading companies in the semiconductor industry in terms of sustainability.
	Our ESG performance is annually evaluated by Sustainalytics. Our rating results allowed us to place our first ESG-linked promissory note loan in 2022.	In 2024 we improved our results in the ESG Risk Rating to <b>'16.9   Low Risk'</b> and in the ESG Risk Management to <b>'70.6   Strong'</b> .
	MSCI evaluates our performance in 6 key areas: Water Stress, Clean Tech, Human Resources Development, Corporate Governance and Behavior.	Siltronic has been upgraded to <b>'BB'</b> in the MSCI ESG rating in 2024 coming from <b>'B'</b> in 2023.
	RBA is a leading industry coalition in the electronics industry with the mission to improve working and environmental conditions for members and their supply chains.	In 2023 our production sites in Freiberg, Germany and Portland, USA were awarded with the <b>'RBA Platinum Award'</b> for outstanding results in sustainability audits.



Detailed and audited information on sustainability can be found in the Siltronic Annual Report 2023

# THANK YOU

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