

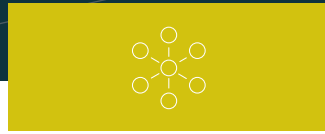
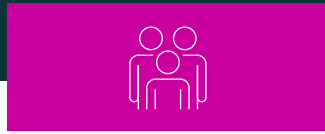
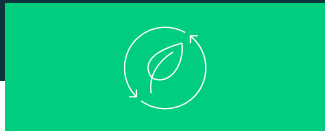
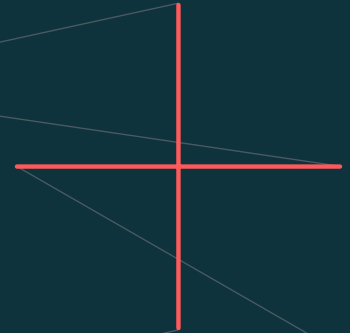


SGHTM

2022 ESG REPORT



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A MESSAGE FROM OUR CEO



Over my three year tenure as CEO, I have become increasingly proud of the progress SGH has made towards achieving its environmental, societal, and governance (ESG) commitments. During the 2022 calendar year, our team advanced its efforts to fight climate change, foster an inclusive and diverse workforce, and demonstrate strong leadership and governance.

Guided by our shared vision and company values of putting people first, acting with purpose, driving progress, and delivering results, we continue to power growth and expand possibilities at SGH. With that, I would like to present this report of our ESG activities and endeavors.

ENVIRONMENT

We recognize the ongoing threat of climate change and are dedicated to minimizing our environmental impact throughout our operations and value chain. This year, we expanded upon this dedication with our ambitious commitment to achieving net-zero Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 2030. We are proud to have achieved 38% renewable energy usage in our global operations, nearly double the percentage of the previous year. We also invested in carbon offsets to reduce our carbon footprint and invest in a sustainable economy.

DIVERSITY, EQUITY, AND INCLUSION

At SGH, we value our diverse and engaged workforce. In 2022, SGH was recognized as a Great Place to Work by the Great Place to Work® Institute, exemplifying our dedication to employee satisfaction, engagement, and inclusion. Our first three employee resource groups were fully launched in 2022, providing new spaces for employees to connect over their shared perspectives, goals, and identities. We also conducted a pay parity analysis to inform our efforts to advance pay equity within SGH and took swift action to ensure an equitable pay structure was consistent throughout the company.

GOVERNANCE

Last year we increased executive accountability to ESG initiatives and formally introduced ESG oversight as a chartered responsibility of the Nominating and Corporate Governance Committee of the Board of Directors. We also committed to including measurable ESG performance goals

in our executive bonus program in order to hold our executives accountable for progress on ESG issues, beginning in 2023.

On behalf of our company, our leadership, and our teams dedicated to the success of our ESG journey, I want to thank you for your continued support and engagement.

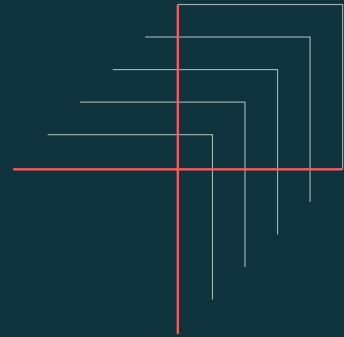
Sincerely,

Mark Adams
Chief Executive Officer



About SGH





Powering growth.
Expanding possibilities.

OUR PROFILE

At SGH, we design, build, and manage high-performance, high-availability, enterprise solutions that help our customers solve for the future. Across our computing, memory, and LED lines of business, we focus on serving our customers by providing deep technical knowledge and expertise, custom design engineering, build-to-order flexibility, and a commitment to best-in-class quality.

SGH AT A GLANCE – 2022





Put people first

- + Respect, include, and support one another
- + Seek diverse perspectives
- + Listen to understand



Act with purpose

- + Solve for the customer
- + Flex to every challenge
- + Aim for impact



Drive progress

- + Be curious about what's possible
- + Think outside the box
- + Care for the world we live in



Deliver results

- + Take action and ownership
- + Reflect, learn, and grow
- + Raise the bar every day

OUR SHARED PURPOSE AND VALUES

At SGH, our overall purpose is to drive growth, explore new opportunities, and expand possibilities for our people, businesses, customers, and shareholders. With this purpose driving our actions every day, we achieved record financial results and gross margins in fiscal year 2022 while continuing to advance our strategy focused on long-term growth and diversification. Our company values are to put people first, act with purpose, drive progress, and deliver results. These values inform how we show up for our customers, partners, and each other. We put these values into action by investing in our people, driving innovation, and demonstrating operational excellence.

OUR GLOBAL FOOTPRINT

Across computing, memory and LED solutions, we manufacture and have sales operations around the world. This global footprint allows us to deliver solutions to our customers with speed and flexibility while generating value for our shareholders. The map to the right displays the geography of our current business operations.



OUR BUSINESS LINES

Over the last three decades, SGH has evolved into a diversified group of businesses focused on the design, development, and manufacturing of specialty solutions for the HPC, memory solutions, and LED markets. We attribute our success to our customer-focused approach that is committed to delivering the highest quality products and services, ensuring efficient time-to-market and build-to-order flexibility, offering advanced technical expertise, and providing excellent customer service.

PENGUIN
SOLUTIONS

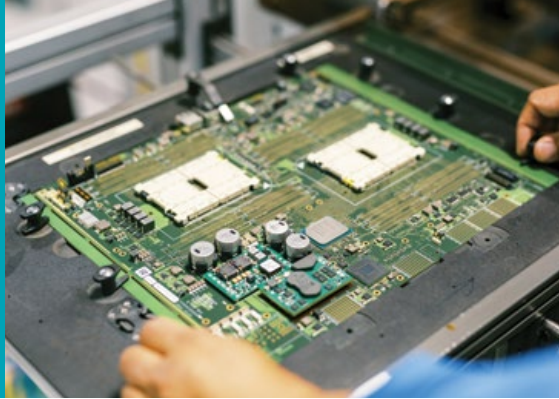
Stratus



Intelligent Platform Solutions (IPS)

Our IPS group offers specialized high-performance, high-availability/fault-tolerant computing platforms and services for AI and IoT applications that span the continuum of Edge, Core, and Cloud.

SMART[®]
Modular Technologies



Memory Solutions

Our Memory Solutions group delivers high-performance custom memory and storage solutions through the design, development, and advanced packaging of leading-edge products.

CREE ⇄ LED



LED Solutions

Our LED Solutions group provides application optimized LED chips and components for high power and mid-power general lighting, video screens, and specialty lighting applications leading the industry in performance and reliability.

OUR DIVERSIFICATION STRATEGY

Guided by our ambitious diversification strategy, we have completed five major acquisitions since 2018. Upon acquiring Cree LED in 2021, we restructured the company into three lines of business: Intelligent Platform Solutions (IPS), Memory Solutions, and LED Solutions. Our most recent acquisition was Stratus Technologies, Inc. (Stratus) in late August 2022. Stratus is a global leader in simplified, protected, and autonomous computing platforms and solutions in the data center and at the Edge. For more than 40 years, Stratus has provided high-availability, fault-tolerant computing for businesses ranging from small and medium enterprises to Fortune 500 companies. Stratus operates within IPS, broadening SGH's capabilities to support industry demand for Edge, Core, and Cloud solutions.



June 2018

Value Add

Human capital
Supply chain excellence

Financial Benefit

Significant revenue expansion:
30%+ CAGR from FY20



July 2019

Value Add

Global manufacturing
scale and efficiency

Financial Benefit

Improved gross margin by
600bps while optimizing OPEX



March 2021

Value Add

Capital-efficient model
Global manufacturing
efficiency

Financial Benefit

Improved gross margin by
~1,000bps in year 1



August 2022

Value Add

Operational excellence
and growth mindset

Financial Benefit

Opportunity for cross-selling
and increased operating
leverage

OUR OPERATING SYSTEM

In addition to our growth through diversification, we continue to leverage our SGH Operating System to support and drive operational efficiency, performance, and excellence. SGH's Operating System promotes best practices, allowing our lines of business to always function at the highest capacity and deliver efficiently and consistently for our customers.





Welcome celebration at Stratus Technologies' headquarters in Maynard, Massachusetts in September 2022.

PENGUIN
SOLUTIONS

Stratus

Intelligent Platform Solutions

Our IPS business line offers high-performance, high-availability/fault-tolerant integrated computing platforms and services for artificial intelligence (AI), machine learning (ML), and the internet of things (IoT) that span the continuum of Edge, Core, and Cloud.

On April 4, 2022, we launched **Penguin Solutions**, a new umbrella brand that represents the full breadth of solutions within our IPS business line. Penguin Solutions is composed of:

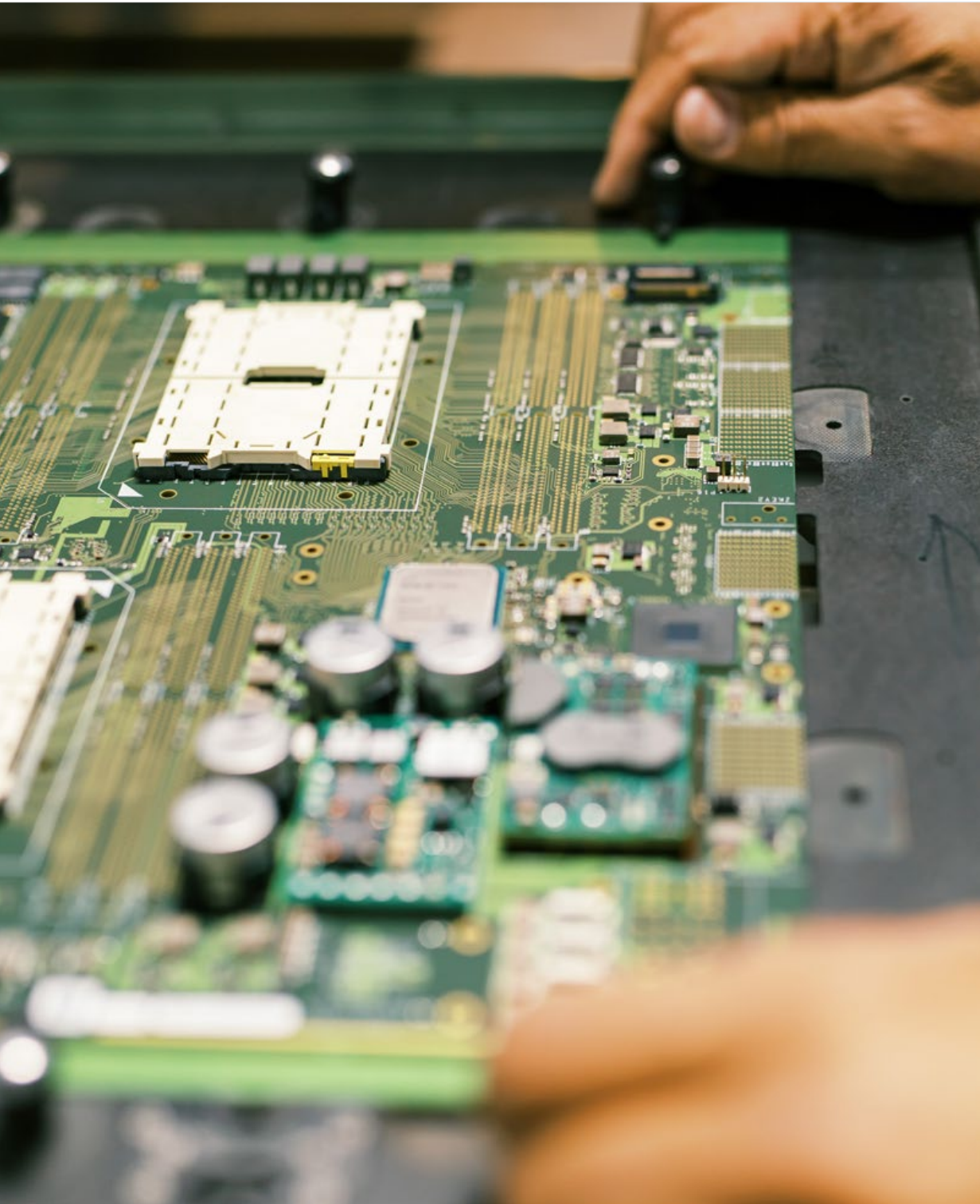
- Penguin Computing, which focuses on technical computing for Core and Cloud environments via industry-leading HPC and AI solutions
- Penguin Edge (formerly SMART Wireless Computing and SMART Embedded Computing), which extends Penguin Computing capabilities to embedded, Edge, and IoT computing environments

On August 29, 2022 we completed our acquisition of Stratus Technologies, expanding our portfolio of innovative computing solutions and services within our Intelligent Platform Solutions business line. Stratus provides computing platforms and solutions for the datacenter and the Edge.

For the first time, Penguin Solutions supported a collegiate team at the Student Cluster Competition (SCC) hosted by Supercomputing 2022 (**SC22**). SC22 is an international conference for networking, HPC, storage, and analysis. The SCC was developed by the conference in 2007 for students to complete real-world scientific workloads and demonstrate their HPC knowledge for judges and attendees in a non-stop, 48-hour challenge. As a sponsor and mentor to the student team, TexaCal, Penguin Solutions provided technical expertise, logistical support, and hardware configuration for the competition. TexaCal was also provided with an Altus 2214 and 12 Nvidia A100s, which gave the students flexibility to compete at both low and high power caps.

In 2022, Penguin Edge received the **Platinum Award** for IoT & Embedded Technology Vendor Satisfaction from VDC Research, a leading technology market research firm. The award is one of the highest accolades for a technology vendor and is based on an independent survey of customers.

Additionally, in 2022, industry analyst Frost & Sullivan recognized Stratus as the global leader in simplified, protected, and autonomous computing solutions with its Global Product Leadership Award.



Memory Solutions

Our Memory Solutions business line enables high-performance, high-availability computing solutions through the design, development, and advanced packaging of specialty memory and storage solutions. Products include DRAM modules, solid-state/flash storage, and other advanced memory solutions critical to networking and telecom, data analytics, artificial intelligence (AI), and machine learning (ML).

[SMART Modular Technologies \(SMART\)](#), our Memory Solutions brand, has been helping customers around the world enable high performance computing through the design, development and advanced packaging of specialty memory solutions for over 30 years. Our robust portfolio ranges from today's leading-edge technologies to standard and legacy DRAM and Flash storage products. We provide standard, ruggedized, and custom memory and storage solutions that meet the needs of diverse applications in high-growth markets.

SMART data center SSDs have been accepted as an OCP Inspired™ product

We're proud that our SMART DC4800 data center solid state drives (SSDs) have been accepted by the Open Compute Project (OCP) as an OCP Inspired™ product. The OCP is a collaboration among industry leaders to create innovative solutions for the design limitations of computing hardware. Only products that undergo a rigorous assessment of efficiency, openness, impact, and scale and comply with 100% of OCP's stringent specifications are eligible for this designation.



LED Solutions

Our LED Solutions business line provides application optimized LED chips and components for sustainable high power and mid-power general lighting, video screens, and specialty lighting applications leading the industry in performance and reliability.

Cree LED, our LED Solutions brand, offers one of the industry's broadest portfolios of application-optimized LED chips and components, leading the industry in performance and reliability. Our team delivers best-in-class technology and breakthrough solutions for focused applications in high power and mid-power general lighting, specialty lighting and video screens. With more than thirty years of experience, Cree LED develops products backed by expert design assistance, superior sales support and industry-best global customer service.

In 2022, Cree LED launched Photophyll™ Select LED, the industry's first LED entirely optimized for horticulture applications. Photophyll™ Select LED is available on XLamp® XP-G3 and J Series® 2835 3V G Class LEDs. It offers:

- Upgraded output and efficiency of two-channel luminaires
- System performance up to 3.25 PPF per watt
- Reduction in complicated spectral analysis

OUR FOCUS ON CORPORATE RESPONSIBILITY

We act with purpose, aim for impact, and incorporate principles of corporate social responsibility in everything we do at SGH.

For over 30 years, we have maintained industry-leading safety and ethical conduct standards across our operations and are in compliance with [International Organization for Standardization](#) (ISO) standards ISO 9001, ISO 14001, and ISO 45001.

For over a decade, we have been a proud member of the [Responsible Business Alliance](#) (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. The RBA is committed to upholding and implementing industry best practices for management systems, business ethics, fair labor practices, safe working conditions, and environmental responsibility. Since joining the RBA, we have aligned our policies and practices with the organization's [Code of Conduct](#) (version 7.0), along with the United Nations (UN) [Guiding Principles on Business and Human Rights](#), UN [Universal Declaration of Human Rights](#), International

Labor Organization (ILO) [International Labor Standards](#), and the Organisation for Economic Co-operation and Development (OECD) [Guidelines for Multinational Enterprises](#).

We also participate in the RBA's Validated Assessment Program (VAP), the leading standard for on-site compliance verification. Through the VAP, factories undergo independent third-party audits against the RBA's rigorous standards, which remain valid for two years. These audits produce in-depth assessments of the social, ethical, occupational health and safety, and environmental performance of RBA members and their global supply chains. Our VAP audits consistently demonstrate full compliance and high performance across our facilities.



AWARDS AND RECOGNITION

In 2022, we received recognition from several organizations on our ESG performance, including the following:



EcoVadis Silver Medal

EcoVadis, a leading global ESG survey and engagement platform, awarded SGH the 2022 Silver Medal for our 2021 ESG performance. SGH outperformed peer companies across the assessment categories, including Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.



MerComm ARC Awards Honors Recognition

SGH's 2021 ESG Report received Honors recognition at the MerComm Annual Report Competition (ARC) Awards. ARC is a globally recognized ESG report competition that awards the top 30% of entries based on report clarity, effectiveness, and excellence.



LACP Spotlight Award

SGH's 2021 ESG Report, published in 2022, received the Spotlight Award from the Global Communications Competition produced by the League of American Communications Professionals (LACP). This recognition reflects our continued commitment to and progress on ESG disclosure.



RBA Gold and Platinum Recognition

Our manufacturing factories in Brazil, Malaysia, and the U.S. have continued to receive perfect scores on RBA closure audits. In 2022, our factories in Brazil and Malaysia received Platinum recognition for their 2021 closure audits.

ESG MATERIALITY

We consider topics that potentially impact our business and our stakeholders as material to our ESG strategy and program. Using an internal process, we review current and emerging ESG issues and the risks, opportunities, and relevance of each to determine if they should be incorporated into our strategic ESG program. We leverage active stakeholder engagement to bring forth topics of concern for our assessment and determination. Using this information, our ESG Steering Committee then identifies which topics are included in our ESG strategy and reporting.

The table below presents our 2022 ESG materiality topics, issues covered, and applicable Global Reporting Initiative (GRI) disclosures.

SGH Material Topic	Issues Covered	GRI Disclosure
Data Privacy and Security	Stakeholder privacy, cybersecurity, and responsible data management	GRI 418
Role of I.T. in Society	Business ethics, environment, and social issues in operations and the supply chain	GRI 205, 206, 308, 414
Diversity, Equity, and Inclusion	Diversity, equity, and inclusion (DEI) in the workforce	GRI 405
Flexible Workforce	Work-life balance, flexible work, and employee engagement	GRI 404
Energy and Emissions	Energy consumption, sourcing, and GHG emissions management	GRI 302, 305
Product Stewardship	Product sustainability management	GRI 301
Human Rights	Rights of employees and workers in our supply chain	GRI 407, 409



STAKEHOLDER ENGAGEMENT

Our relationships with key stakeholders - which include our SGH employees, customers, suppliers, shareholders, regulatory agencies, non-governmental organizations, trade associations, unions, and other partners identified by our ESG Steering Committee - are vital to our company's success. We regularly engage with our key stakeholders via surveys, assessments, regular meetings, business reviews, business contracts, earnings calls, assessments, codes of conduct, and disclosures on emerging ESG issues of critical importance to our business and our industry.

OUR ESG GOALS

Every year we identify and set short-term ESG goals focused on becoming a more sustainable, responsible company. These goals range from improving operational safety and protecting and supporting our employees to sourcing our electricity from low or no carbon sources and reducing our overall impact on the planet. We are proud that in 2022, we achieved several of our key goals and made significant progress toward others.

2022 ESG GOALS

Goal	Deadline	Status
All major sites maintain ISO 14001 Environmental Certification	2022	Complete. All major sites maintained ISO 14001 Environmental Certification through 2022.
All major sites maintain ISO 45001 Health & Safety Certification	2022	Complete with the exception of our Huizhou, China facility.
All sites maintain Low Risk in RBA SAQ (annual)	2022	Complete. All of our sites, including recently integrated Cree LED, maintained a Low Risk rating on annual SAQs.
All sites maintain active RBA VAP (every two years)	2022	Complete. All sites maintained RBA requirements. Our manufacturing sites received closure audits and with the exception of our Huizhou, China facility, received a VAP score of 200 (the highest score possible).
All new key suppliers agree to SGH Supplier Code of Conduct	2022	Complete. 100% of our key suppliers met the requirements outlined in our SGH Supplier Code of Conduct.
100% supplier response to conflict minerals requests	2022	We achieved an 85% response rate with the addition of Cree LED.
Commit to transparent reporting on our ESG program and engage with stakeholders to integrate feedback and seek continuous improvement on our ESG performance	2022	Complete. In 2022, we continued to invest in our ESG management program and released our 2021 ESG Report, highlighting our accomplishments as well as our ongoing commitment to sustainability. We also submitted our annual response to CDP's Climate Change and Water Security questionnaires, which will be publicly available.
Implement and fund efforts to drive recruitment, career support, and community building for employees from historically underrepresented groups	2022	Complete. We have established partnerships with hiring organizations and academic institutions in order to increase the diversity of our candidate pool. We also completed a U.S. gender pay equity analysis and implemented changes based on the results in an effort to achieve equity in compensation across SGH.
Improve our public ESG scores from key ratings and rankings organizations	2024	On track. We continue to monitor our external ESG scores for improvements and intend to meet this goal in 2024.
Achieve net zero carbon emissions (Scope 1 and Scope 2)	2030	On track. We made continued progress to reduce our Scope 1 and Scope 2 emissions. Although our baseline greatly increased with the acquisition of CreeLED, we have still managed to decrease our energy consumption and our Scope 2 (Market) emissions. We also made investments that led to our Penang, Malaysia site becoming the second SGH facility run by 100% renewable energy. Our global renewable energy usage nearly doubled from 2021 to 2022.

2023 ESG GOALS

- All major sites maintain ISO 14001 Environmental Certification

DEADLINE: 2023

- All major sites maintain ISO 45001 Health & Safety Certification

DEADLINE: 2023

- All sites maintain Low Risk in RBA SAQ (annual)

DEADLINE: 2023

- All new key suppliers agree to SGH Supplier Code of Conduct

DEADLINE: 2023

- 100% supplier response to conflict minerals requests

DEADLINE: 2023

- Improve our public ESG scores from key ratings and rankings organizations

DEADLINE: 2024

- Achieve net zero carbon emissions (Scope 1 and Scope 2)

DEADLINE: 2030

Environment





ENVIRONMENTAL STEWARDSHIP

SGH is dedicated to being a good steward of the environment so that our business, our industries, and our communities can thrive. As we work to develop innovative solutions to complex technical issues, we strive to do so with sustainability in mind.

Climate change presents a very real threat to our world and we believe that making progress on our environmental goals of achieving net zero emissions by 2030 and reducing our resource consumption is the best way that we can take action to mitigate the mounting issue of climate change. With oversight and input from our ESG Steering Committee, we set goals, measure performance, and engage with stakeholders on our sustainability efforts.

Product Stewardship and Life Cycle Impacts

Through the design and manufacturing of our products across our business lines, we see opportunities to reduce, re-use, and create long-lasting products that use fewer resources. We actively work to reduce the environmental impacts associated with our products wherever we can and have adopted design standards that aim to improve energy efficiency, lower total cost of ownership, and reduce emissions, all while improving product performance.



Cree LED's products provide high-performance LED lighting technology that consume up to 90% less energy and last many times longer than traditional lighting



SMART's DDR5 memory module optimizes efficiency through low-voltage technology, which directly translates to lower energy consumption during the use phase



Penguin Computing's technologies leverage liquid immersion cooling, which consumes less energy than traditional air-based methods

CLIMATE ACTION

In 2022, we made our most ambitious sustainability commitment yet with our pledge to achieve net zero Scope 1 and Scope 2 GHG emissions by 2030 across all SGH lines of business. In setting this goal, we draw on our years of experience in meeting and exceeding emissions reduction targets, the dedication and ingenuity of our ESG Steering Committee, and the support of our Board of Directors and executive leadership within SGH. Our strategy to achieve net zero includes reducing energy consumption in our operations, sourcing electricity from renewable sources, supporting reforestation efforts, and building products that support a more sustainable economy.

Climate risk management

Anthropogenic climate change is widely considered one of the most urgent crises to ever face humanity. As such, a key component of our climate management strategy involves identifying and managing climate-related risks to our business and our value chain. Through our company-wide enterprise risk management process, we consider the risks and impacts of climate-related natural disasters (e.g., wildfire, drought, flooding, sea level rise) and evaluate how these might impact our operations and supply chain. We leverage

the expertise from our ESG Steering Committee to incorporate risk mitigation strategies into our environmental initiatives. Our responses to CDP's Climate Change and Water Security questionnaires align our climate risk management activities with the Task Force on Climate-related Financial Disclosure (TCFD). Please refer to the TCFD Alignment index for more information.

Enhanced climate disclosure

We recognize the importance of disclosure and leverage best practice frameworks to improve transparency, accelerate the adoption of sustainable practices, and promote best practices within our industry. In response to our 2022 goal to achieve greater transparency on environmental data, we took steps to enhance our disclosure efforts. For example, we have enhanced the level of disclosure in our responses to CDP's annual [Climate Change questionnaire](#), a process that enables us to identify areas for improvement and maintain data accuracy and helped us improve our CDP Climate Change score from a D in 2021 to a B- in 2022. We are also working to enhance the warming potential details of our GHG emissions by including our nitrogen oxides (NOx) and sulfur oxides (SOx) emissions data, which can be found in the 2022 ESG Performance Summary index of this report.

We are also working to align our GHG emissions targets and strategy to the [Science-Based Targets Initiative](#) (SBTi) consistent with a below -2°C climate scenario. In connection with this effort, we began preparing to report our upstream Scope 3 emissions, which we intend to disclose in 2023. Using SBTi in tandem with more comprehensive data disclosure standards will help us to better track our progress toward our net zero emissions goals.

Our investment in carbon offsets and renewable energy credits (RECS) through 3Degrees produced an environmental impact similar to that of 292,431 trees per year for 10 years, taking 3,726 cars off the road for 1 year, or not using 40,623 barrels of oil.



Net Zero Progress

In partnership with [3Degrees](#), a key player in the carbon offset market, we were able to partially offset 2022 Scope 1 emissions from our China, U.S., and India facilities. 3Degrees is an organization that is working to solve the global climate crisis by innovating green utility programs and providing comprehensive energy and climate consulting solutions. In 2022, we invested \$19,800 in carbon credits to offset our Scope 1 emissions and \$10,200 in RECs through 3Degrees. This purchase translated into 24,812 MWh of Green-e Energy® certified RECs with an environmental impact similar to that of growing 292,431 trees per year for 10 years, taking 3,726 cars off the road for 1 year, or not using 40,623 barrels of oil.

We also reduced our 2022 Scope 2 emissions through a solar power purchase agreement (PPA) with [GSPARX Sdn. Bhd.](#) at our Penang, Malaysia manufacturing site. The newly installed

photovoltaic solar panels have the capacity to deliver 1,051 MWh of clean, carbon-free electricity.

Greenhouse Gas Emissions Management

As an increasingly global company, SGH has expanded into new geographies in recent years, resulting in significant operational growth along the way. We acknowledge the increase in energy usage emissions that often accompanies this growth and are dedicated to investing the time, effort, and resources required to achieve our net zero emissions commitment by 2030. We remain committed to reducing our global emissions by improving energy efficiency in our operations and in our products, embracing renewable energy sources, offsetting our direct emissions, and offering employees a flexible work environment to reduce emissions from commuting.

One of our primary emissions reduction strategies focuses on decreasing our consumption of fossil-

fuel based energy. To that end, we are implementing energy efficiency measures and transitioning to renewable energy sources at our largest areas of operations. We also partner with certified third parties to offset emissions that cannot be avoided in our production and operations. In 2022, we purchased \$30,000 in carbon credits to offset 2022 emissions generated by industrial processes at our Huizhou, China facility. We continue to explore investments like these to more effectively reduce emissions where appropriate while advancing our ESG initiatives and strategy.

Our Emissions Data

Since 2009, we have monitored our emissions performance at each of our global manufacturing sites. Our diligent tracking has allowed us to identify opportunities to quantify our impact, improve our emissions reduction strategies, and implement initiatives that advance our environmental goals. Acting on our commitment to

accurate and transparent disclosure, in 2022 we sought third-party assurance for our Scope 1 and Scope 2 emissions data, which were verified to a reasonable level of assurance.

The acquisitions of Cree LED and Stratus, both of which have energy-intensive manufacturing sites, led to an increase in our emissions baseline. Our strategy to integrate each of our business lines into our ambitious net zero strategy serves as an opportunity for us to expand our reach and implement robust emissions reduction programs on a greater, global scale.

At present, our emissions reporting covers our Scope 1 and Scope 2 emissions. We intend to begin reporting on Scope 3 emissions in the next disclosure cycle. For the most current information regarding our climate performance, please consult our annual disclosure to CDP's climate change questionnaire.

ENERGY MANAGEMENT

One of the greatest impacts our operations have on climate change comes from our electricity-related GHG emissions. Accordingly, we view energy management and energy consumption as a key opportunity to reduce our carbon footprint and environmental impact. The first step in reducing emissions starts with collecting data and measuring baseline usage, which continues to change as we integrate the energy consumption and emissions outputs of the companies we acquire. As each of our acquisitions become a new component to our energy performance, we continue to leverage best practices in energy efficiency and renewable energy sourcing to make demonstrable impact. This work has enabled us to double our renewable energy use between 2021 and 2022.

In 2022, 38% of our global operations were supported by renewable energy, nearly double the percentage of the previous year.

In order to reduce our energy consumption and related Scope 2 emissions, we have made use of innovative technologies in LED lighting, HVAC systems, and automatic equipment shut-offs. These measures, when paired with our investment in renewable energy infrastructure, have allowed us to make steady progress toward our energy reduction goals.

	2022	2021
Energy consumed	141,969 MWh	145,000 MWh
Percent of global energy from renewable sources	38%	19.2%
Energy use normalized to the square footage of operations	0.11 MWh/ft2	0.11 MWh/ft2



SGH became the first US-based electronics company to achieve 100% renewable energy use in its Malaysia facilities.

Renewable Energy in Penang, Malaysia

In 2021, we entered into a solar PPA at our Penang, Malaysia manufacturing site with GSPARX Sdn. Bhd., a subsidiary of a large electrical utility company in Malaysia. This PPA resulted in the installation of on-site solar infrastructure that generates renewable energy at a set low cost and brings us closer to our net zero emissions goal. The newly positioned solar panels

have the capacity to deliver 1,051 MWh electricity per year, which is analogous to offsetting 5,403 metric tons of carbon dioxide equivalent or growing 99,128 tree seedlings for 10 years. By combining rooftop photovoltaic solar panels with green electricity tariffs, we were able to achieve 100% renewable electricity generation at the Penang site, making it the second SGH facility powered entirely by renewable energy sources.



WATER MANAGEMENT

Water is a natural resource that is of vital importance to our business, industries, and the communities in which we live and operate. The responsible use and management of water is critical to our operations and our environmental management strategy, and part of our commitment to being good stewards of the environment.

We believe that accessible clean water is a fundamental human right. As declines in global freshwater resources have increased water insecurity throughout the world, we recognize the responsibility we have to conserve this precious resource and regard effective use and management of water as a key component of our commitment to environmental stewardship. Water management is integral to our overall ESG strategy as well as our quality, environment, health, and safety (QEHS) management systems. We consistently seek out innovative water management solutions across all of our facilities, emphasizing locations with the highest use of water and greatest potential impact. We annually report on our water management progress through [CDP's Water Security questionnaire](#).

Water Withdrawal, Consumption, and Treatment

Water is one of the most important natural resources on our planet. As a responsible steward of natural resources, we regularly monitor water stress levels in the places where we operate, a process which informs our water management practices. Currently, none of our factories withdraw water from high-stress areas as identified by the [World Resources Institute's Water Risk Atlas](#) (WRI). Our manufacturing sites in Huizhou, China and Atibaia, Brazil, which accounted for approximately 91% of our global water usage in 2022, are categorized as low-stress areas by the WRI. The rest of our manufacturing facilities consume very little water and are also located in areas categorized as low-stress. For more insight on the overall water-related risk at each of our business locations, please consult our 2022 ESG Performance Summary index.

Our water usage data is gathered from metering systems provided by local governments and municipal utility districts at each of our sites. Insights from these data led us to implement water-use efficiency measures in our manufacturing processes and water-conscious appliances and

technologies in our facilities. We have been able to reduce water usage in our offices by installing low-flow, water-conserving bathroom fixtures, which use much less water compared to traditional systems. We have also transitioned to more sustainable landscape designs and practices at some of our sites. Our water use reduction efforts also involve the reuse of water in our manufacturing processes and facilities wherever possible. Closed-loop practices in our manufacturing processes and operations have allowed us to increase the amount of water reused over time. In 2022, we recycled over 65% of water used across all of our facilities.

We ensure appropriate water treatment before discharge at all of our locations in compliance with local laws. For example, at our manufacturing site in Brazil, wastewater is treated on-site before being discharged into the local watershed. At our China, Malaysia, and U.S. sites, we discharge water to either an agency or utility district managed by the local government. The table below provides a look into our water consumption data over the years.

Water Withdrawal (megaliters)	2022	2021	2020	2019
Total	466	593	99	90

WASTE AND RECYCLING

We believe that reducing waste at the source of production is one of the most important aspects of effective waste management. As such, we strive to minimize our use of natural resources and promote responsible resource consumption in our facilities. Guided by expertise from our QEHS team, we have put in place a robust waste management program that aligns with our company values and ESG goals. Our waste management strategy focuses on reducing waste production through innovative product design, packaging and shipping improvements, and maximizing reuse and recycling opportunities.

Waste reduction is a global initiative and an area of continuous improvement. As part of this initiative, in 2022 we began reporting non-hazardous waste and electronic waste, or e-waste, alongside our hazardous waste figures in order to hold ourselves accountable to our goals. Please reference the 2022 ESG Performance Summary index for a breakdown of our waste performance at our global sites.

Hazardous Waste

We continuously seek innovative solutions to improve efficiency, and ultimately, reduce waste outputs where feasible. Our complex manufacturing processes require comprehensive waste management systems, including safe and responsible disposal in compliance with applicable regulations.

In 2022, our total hazardous waste recycling rate was 60%, an increase from 2021. The amount of hazardous waste sent to landfills from our manufacturing facilities is minimal, although our baseline increased significantly with our 2021 acquisition of Cree LED and its facilities in Huizhou, China and Durham, North Carolina. Moving forward, we aim to continue identifying and implementing measures to reduce hazardous waste generation and disposal at these sites.





Fill it Forward: Water Bottles that Make an Impact

At the beginning of 2022, we launched our partnership with [Fill it Forward](#) to reduce waste and encourage water bottle reuse in our locations around the globe. As a part of this initiative, SGH employees received a water bottle with a QR code to scan with each water refill which is tracked in the Fill it Forward app, allowing employees to see how their actions help divert plastics from the ocean, waste from landfills, and emissions from the air. Through their participation in the Fill it Forward program and usage of the application, our employees were able to divert 476 pounds of waste from the landfill, prevent 95 pounds of plastic pollution from entering the ocean, save 9051 kWh of power and 15,402 pounds of carbon dioxide-equivalent emissions by the middle of 2023.

Reducing Waste with Packaging and Shipping Solutions

When waste generation is unavoidable, we aim to use reusable, recyclable, and compostable materials that help us divert waste from landfills. For example, we recycle all paper materials used in our facilities and we send e-waste to appropriate recycling companies for re-use and responsible disposal. We also aim to lower our environmental impact through the use of sustainable product packaging. By eliminating unnecessary materials from our product packaging, we have been able to reduce total waste produced as well as shipping costs without impacting distribution time to our customers.

We have adopted a variety of sustainable packing and shipping practices, including:

- Increasing packing density to minimize the need for multiple deliveries
- Placing our product distribution centers closer to our customers to accelerate delivery times, improve efficiency, and reduce disruptions
- Eliminating heavy and expensive custom-cut foam, non-recyclable foam, and cardboard wherever possible
- Packaging products using air pillows that are recyclable, reusable, and contain post-consumer materials
- Reusing and using recycled packing materials such as bubble wrap, boxes, and crates as well as cases that contain reclaimable metals and plastic reels
- Requiring that suppliers ship certain components in reusable containers that can be used internally or returned to the supplier when empty

By maintaining a regular dialogue with our customers, we are better positioned to understand their delivery needs. Insights from these engagements have enabled us to reduce packaging waste while maximizing efficiency, profits, and exceeding the expectations of our customers. We are in compliance with all pertinent international regulations, including the E.U.'s Waste Electrical and Electronic Equipment Directive, Packaging and Packaging Waste Directive, and other expectations as specified by our customers.



Governance and Ethics



ESG STEERING COMMITTEE



Ken Rizvi
SVP and Chief
Financial Officer



Jeff Milano
Sr. Director,
Global Quality and
Sustainability



Michael Wellman
Chief Human
Resource Officer



Anne Kuykendall
SVP and Chief Legal
Officer



Suzanne Schmidt
Investor Relations



Jack Pacheco
Chief Operating
Officer and President
of Memory Solutions



Valerie Sassani
VP of Marketing and
Communications

ESG MANAGEMENT AND OVERSIGHT

Making progress on ESG matters is a priority supported by the highest levels of SGH management.

Guided by our ESG Steering Committee, which includes senior executives from our Finance, Human Resources (HR), Supply Chain, Marketing, and Legal teams, we continue to deliver and improve on our ESG commitments each year by integrating sustainability into our business practices. The ESG Steering Committee meets regularly throughout the year to address ESG concerns, discuss new regulations, review policies, revise goals, and advise on ESG-related public disclosures. The committee also works to identify ESG risks, respond to any ESG-related business impacts to SGH's operations, and remediate negative impacts associated with ESG issues, including climate, diversity and inclusion, and human rights matters.

Our Nominating and Corporate Governance Committee (NCGC) oversees our ESG strategy, and the ESG Steering Committee reports on the Company's ESG program to the NCGC at least twice a year. The NCGC discusses our annual ESG goals and other ESG matters and provides relevant updates to the full SGH Board on an as-needed basis. In 2022, we made excellent progress in our sustainability journey by establishing a net zero target for Scope 1

and 2 GHG emissions by 2030. Reporting on Scope 3 emissions is expected to begin in 2023.

We have also begun integrating our data collection and SEC reporting into a third-party platform in order to better consolidate and report on ESG metrics. We use benchmarks from external ESG ratings to hold ourselves accountable, track progress, and refine our approach. The table below shows our 2022 scores from four key ESG indices. The consistent improvement in our ESG scores reflects our ongoing commitment to strong ESG performance. Most notable are the changes in our CDP Climate Change score (from a D in 2021 to a B- in 2022).

Key Index	2022 Score
CDP Climate Change	B-
CDP Water Security	B-
MSCI	A
Sustainalytics	22.9



“Compliance is at the heart of our company, and we are diligent about holding ourselves to the highest ethical standards.”

-Anne Kuykendall, SVP and Chief Legal Officer

ETHICS AND COMPLIANCE

Our ethics and compliance program is guided by our vision, values, and commitment to integrity across all of our brands and business lines. We review all SGH policies on an annual basis to confirm that they remain appropriate, consistent, relevant, and compliant with all applicable and emerging laws and regulations. In addition, our Compliance Review Boards, composed of leaders from each of our global locations, meet quarterly to discuss compliance practices and activities as well as potential risks to our business.

Our [Code of Business Conduct and Ethics](#) outlines our requirements for compliance and ethical conduct for SGH employees and contractors alike. Informed by principles outlined in the [UN Guiding Principles on Business and Human Rights](#), it sets forth requirements for the behavior of our employees, contractors, officers, and directors. SGH employees and contractors are required to complete ethics training upon hiring and regularly thereafter on topics including anti-corruption, conflicts of interest, and bribery. In 2022, our ethics and compliance training completion rate was 99% among full-time new hires. Workers also receive notice of any policy updates or changes through routine communication, meetings, and online training opportunities.

As an RBA member, SGH has aligned our [Supplier Code of Conduct](#) and [Anti-Corruption Policy](#) with the RBA's Code of Conduct (version 7.0). We require all SGH suppliers and business partners to adhere to our Supplier Code of Conduct or demonstrate that their own is compliant and screen 100% of our direct suppliers each year through a third-party risk management platform to promote compliance.

In every country where SGH operates, we comply with applicable laws and regulations, including those pertaining to anti-competitiveness. In 2022, we were not involved in any legal proceedings related to anti-competitive behavior regulations.

Reporting Concerns

We want all SGH stakeholders to feel comfortable raising issues of concern. To that end, we maintain an open dialogue with our employees, customers, suppliers, and other business partners to create an environment where people feel empowered to report non-compliance without fear of retaliation. In 2022, we revised our [Whistleblower Policy](#) in order to improve clarity and reaffirm our commitment to ethical conduct.

Our employees, customers, suppliers, and other business partners can report non-compliance online at [SGH.ethicspoint.com](https://www.sgh.ethicspoint.com) or via our 24/7 toll-free whistleblower hotline, which can be accessed anywhere that SGH, or one of its subsidiaries, has a

physical presence. The hotline is available in all local languages where SGH operates. Information about our whistleblower hotline is publicly available online and posted prominently in each of our facilities worldwide. Any employee who makes a report or participates in an investigation is protected from all forms of retaliation.

All reports received are reviewed by our Chief Legal Officer, Chief Financial Officer, Chairperson of the Audit Committee, and/or the full Board of Directors or Audit Committee, depending on the nature and severity of the report. Regional Compliance Review Boards led by our Chief Compliance Officer oversee adherence to compliance procedures, activities, and meet quarterly in each SGH region. More details about our approach to reporting concerns and anti-retaliation can be found in our Code of Business Conduct and Ethics and our Whistleblower Policy.

Political engagement

SGH is committed to conducting business with the highest level of integrity and transparency. Therefore, we consider it our duty to be informed on, and engaged with the public policy process on matters of relevance to industry innovation and our business. We believe that effective public policy begins with the collaboration and open dialogue of diverse stakeholders, promoting different perspectives on issues of concern to SGH and our stakeholders.

We participate in the political process by engaging with local governments, regulatory agencies, industry associations, and non-governmental organizations in order to broaden our understanding of pertinent issues in the industry and in our communities. Our public policy priorities include:

- Environmental Protection
- Intellectual Property
- Movement of Goods
- Product Energy Efficiency
- Responsible Mineral Sourcing
- Secure Technology
- Trade, Competition, and Market Access
- Workforce Talent

We are currently in the process of developing and implementing our Political Engagement Policy. Upon finalization, the policy will be publicly accessible on our website.





PRIVACY, DATA SECURITY, AND INTELLECTUAL PROPERTY PROTECTION

Protecting the security of our systems and networks is an increasingly important effort in the rapidly evolving digital climate. Taking steps to protect the safety of the data of our customers and partners, as well as our proprietary and confidential information, is more consequential than ever. At SGH, security is not an afterthought - by integrating security at every phase of production, from design to delivery, we are able to mitigate risk and provide for the security and resilience of our business.

In 2021, the Board formed a [Cybersecurity Risk Management Committee](#) (Cybersecurity Committee) to oversee SGH's global information technology (IT) strategy. The Cybersecurity Committee is responsible for enterprise cybersecurity, privacy, data collection and protection, and compliance with information security and data protection laws. The Cybersecurity Committee meets regularly throughout the year and presents to the Board of Directors twice per year on emerging cybersecurity concerns and compliance topics, updates to the company's IT policies and procedures, and other relevant matters. The Cybersecurity Committee

also oversees and provides support for the implementation of our Information Security Risk Management framework, which is aligned with the National Institute of Standards and Technology and ISO standards.

In 2022, we worked to strengthen our privacy and security systems by initiating a 24/7 vulnerability assessment, which allows us to identify, analyze, report on, and respond to security vulnerabilities, adding a level of resilience to our business. This assessment, which will continue in 2023, provides us valuable data that we can use to improve our privacy and security systems. In 2022, we received no substantiated complaints of material breaches in SGH customer privacy or losses of SGH customer data.

Providing data security also requires staying current on emerging regulations. We leverage several of our network associations, including [ISACA](#) and the [SANS](#) Institute, to stay updated on the changing regulatory environment.

Standardizing our security with SGH 92

We often acquire businesses that have their own IT systems already in place. To improve our IT security management program, and to consolidate our privacy, data security, and IT policies, we have developed a globally centralized system called SGH 92. SGH 92 is a set of controls that govern

SGH's IT protocols including security checks, firewall logs, and multi-factor authentication, developed to align with internationally recognized security frameworks such as ISO 13001 and provide a customized set of IT standards for issues of greatest concern to SGH and its business.

In 2022, we conducted employee phishing tests and targeted executive tests as prescribed by SGH 92 to assess IT literacy and risk within SGH. Once the integration of SGH 92 is complete (likely by the end of calendar year 2023), we believe this framework will improve the consistency and resilience of our privacy and security systems. In the future, we plan to incorporate all entities acquired by SGH into SGH 92.



PRODUCT SAFETY AND COMPLIANCE

We know that the responsible management of hazardous and chemical substances is imperative. As such, we hold ourselves to the highest product safety standards and industry best practices. For example, out of an abundance of caution we operate as though all of our products contain International Electrotechnical Commission (IEC) 62474 declarable substances even though only approximately 5% of the materials in our products include these substances. Our approach to safety and labeling precautions also applies to all of our products, whether declarable or not. We comply with all applicable local, state, federal, and international regulations pertaining to the protection of human health and the environment.

A safe working environment is our priority and we provide adequate personal protective equipment and job-specific safety training to all employees and contractors responsible for the management of hazardous substances. Read more about our approach to occupational health and safety in the “Worker Health and Safety” and “Quality, Environmental, Health, and Safety Management Systems” sections of this report.

RoHS and REACH Compliance

We consistently collaborate, communicate, and work with our suppliers to make sure that our products are lead-free and in compliance with all relevant product safety standards, including the European Union’s (E.U.) Restriction of Hazardous Substances (RoHS) directive. Using a third-party tool, we monitor, manage, and validate all substances in use within our supply chain.

With the continued support from our suppliers, we are working to eliminate the use of all chemicals that may have a deleterious effect on humans and the physical environment. If these substances are identified, we monitor and manage any risks to our employees, community, and the environment in compliance with the E.U.’s Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) directive until we are able to remove them from production processes in our facilities and our supply chain.

Proposition 65 Compliance

As part of our robust compliance process, we uphold the State of California’s Proposition 65 regulations by informing individuals in the State of California of possible exposure to chemicals known to pose a risk of cancer or reproductive toxicity. (Note: Given the high standards established

under this rule, a Proposition 65 warning does not necessarily mean that a particular product violates safety standards or requirements.)

Most of our products contain at least one substance on the Proposition 65 list of naturally occurring and synthetic chemicals that are known to be carcinogenic, teratogenic, and/or have the potential to disrupt human endocrine and reproductive systems. We have provided signage at all of our California facility entrances to convey required information about these substances to our employees and any individuals on-site. We also include Proposition 65 information in our product declarations to increase transparency for customers and partners that purchase our products so that they can alert their customers as appropriate.



QUALITY, ENVIRONMENT, HEALTH, AND SAFETY MANAGEMENT SYSTEMS

We are meticulous when it comes to protecting our employees from risk of exposure to potentially harmful substances. Our QEHS program reflects our commitment to our employees, stakeholders and communities as well as the natural environments in which we operate. Our [QEHS Policy](#) sets out robust operating standards of workplace health and safety, which has proven to be effective at minimizing risk of exposure. This policy is anchored by five key directives:

- **Prevent** conditions that pose a threat to human health, safety, and/or the environment
- **Facilitate** an environment that prioritizes employee health and safety and environmental protection
- **Identify** and eliminate or reduce hazards and risks
- **Protect** the environment
- **Promote** employee and partner involvement in QEHS matters

We strive to make these directives a reality through our QEHS management system, which applies to all SGH business locations, business units,

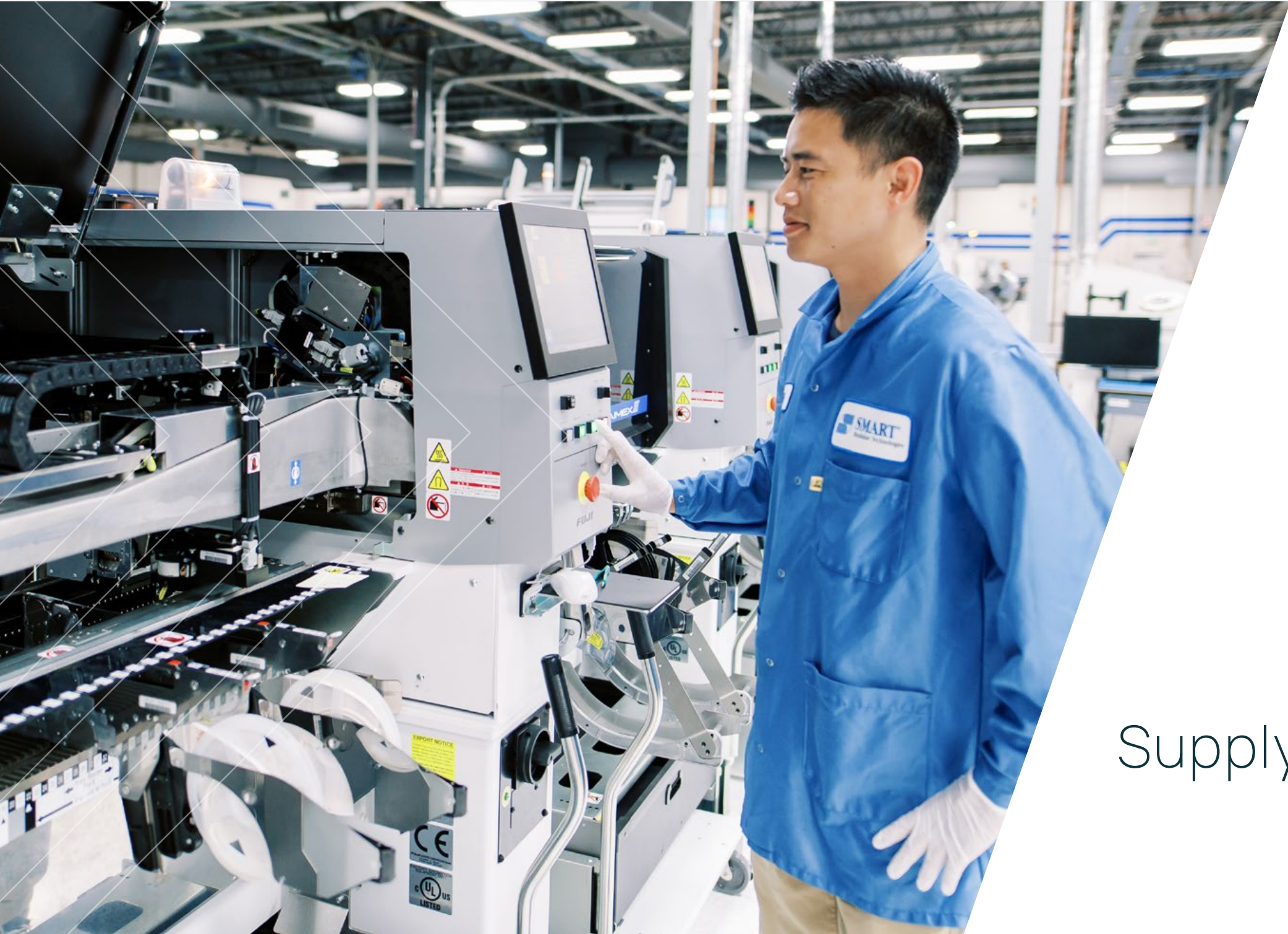
functions, and global business processes. This framework aligns with ISO principles in order to align SGH policies and practices with evidence-based QEHS management. When developing new products or leveraging new processes, we follow the precautionary principle as a way to take preventative action and mitigate risk.

Maintaining Excellence Around the Globe

Throughout 2022, all of our manufacturing facilities in the U.S., Brazil, and Malaysia maintained their certifications on ISO 9001, ISO 14001, and ISO 45001 standards. We also continued our annual internal and external audits to ensure ongoing compliance with ISO standards, maintain our certifications, and verify the efficacy of our QEHS management system. Following our acquisition of Cree LED and its Huizhou manufacturing plant in 2021, we began working to achieve ISO certification for the facility. The facility has since achieved ISO 9001 and ISO 14001 certification. To learn more about our current ISO 9001, ISO 14001, and ISO 45001 certifications, please visit [our website](#).

In 2022, we had two manufacturing sites receive a perfect audit score of 200 through the RBA's VAP audits, with our Brazil site receiving platinum-level recognition, the highest possible. In 2023, our Penang, Malaysia site also received platinum-level recognition.

We also integrated emergency response teams (ERTs) in 2022 to help prevent accidents and better implement QEHS initiatives. ERTs are led by the Health and Safety leaders at each of our facilities and are trained on basic first aid procedures including CPR and defibrillator usage. The integration of these ERTs into our QEHS management strategy has enabled us to improve our global injury rate from 0.43 to 0.3 in 2022. In 2022, there were no health and safety violations, issues of non-compliance, or monetary losses due to legal proceedings associated with environmental violations.



Supply Chain





SUPPLY CHAIN STRATEGY AND IMPACT

As a global company, we recognize our ability to influence others within our industries to encourage their participation in a more sustainable supply chain that exemplifies high environmental and social standards and industry best practices.

We hold ourselves and our fellow business partners accountable to ethical principles and pursue ongoing compliance in all areas of our business operations. Suppliers of SGH are required to engage in ethical business practices and maintain compliance with all applicable laws and regulations. Our [Supplier Code of Conduct](#) outlines our expectations for suppliers of SGH. Our suppliers must meet the standards set forth in this code of conduct before we will consider conducting business with them. As members of the RBA, we have aligned our Supplier Code of Conduct, as well as our [Code of Business Conduct and Ethics](#) and [Human and Workforce Labor Rights Policy](#), with the RBA's Code of Conduct and require all SGH suppliers to follow the RBA Code of Conduct, its practices, and its principles.

Assessing Supplier Performance

Our suppliers play an important role in helping us maintain safe business practices and minimize our impact on the environment. We require all of our critical suppliers to commit to our Supplier Code of Conduct or demonstrate that their Code of Conduct

is at least as rigorous as our own. SGH suppliers must also maintain ISO 14001 certification. At the end of 2022, 86% of our suppliers were ISO 14001 certified and had environmental management systems in place. In 2022, 100% of our new suppliers were screened using environmental and social criteria. As of 2022, 72% of our suppliers (based on spend) were members of the RBA, which provides us with a rigorous, standardized framework with which to assess our suppliers.

In 2022, we reinforced our commitment to supplier diligence by partnering with RiskRate, a third-party screening and monitoring software provider, which will allow us to better manage supply chain risk, protect against fraud, and collect important supplier performance data. Suppliers screened through RiskRate must submit an assessment that includes ESG questions related to labor practices, human rights, climate change, and other areas of concern. We plan to use the information gathered from these assessments to inform our collaboration with suppliers on risk mitigation activities and to strengthen our ESG programs.

HUMAN RIGHTS

Our commitment to preserving the human rights of every person in our value chain is essential to the integrity of our business. We do not allow any form of forced or involuntary labor, child labor, or permit working conditions that violate internationally proclaimed human rights as outlined in our Human and Workforce Labor Rights Policy. To ensure alignment with industry best practices, our policy is modeled after the RBA's Code of Conduct and incorporates several leading international frameworks, including the [UN Universal Declaration of Human Rights](#), the [ILO Standards and Declaration on Fundamental Principles and Rights at Work](#), the [ISO standards](#), the OECD [Guidelines for Multinational Enterprises](#), and the [UN General Comment No. 15 on the Right to Water](#).

Our Supplier Code of Conduct sets out our expectations on human rights, including forced or involuntary labor, child labor, wages and benefits, working hours, respect and dignity, health and safety, nondiscrimination, and freedom of association. To ensure compliance, we conduct regular risk assessments and perform due diligence in order to eliminate any potential human rights violations within our supply chain.

We work with our suppliers to maintain compliance with the U.K. Modern Slavery Act, which aims to create more transparency in corporate supply chains. We also monitor supplier performance

and pay close attention to emerging human rights issues in areas with high human rights risk. In 2022 and throughout 2023, we have been working to develop a more robust human rights program to help mitigate our exposure to human rights risks.

We respect our employees' right to freedom of association and explicitly support our employees' legal right to join or refrain from joining trade unions and other worker associations. In 2022, approximately 15% of our global workforce – including all employees in Brazil and some in Europe – was covered by a collective bargaining agreement. We work with employment representatives at all applicable sites to ensure sites with employees covered by collective bargaining agreements are not at risk for violations of their collective bargaining rights.

In 2022, we updated our [Human and Workforce Labor Rights Policy](#) to reflect best practices for our business operations and supply chain, as well as specific protections for vulnerable and historically underrepresented populations.

CONFLICT MINERALS

We remain committed to the responsible and ethical sourcing of raw materials used in our products and stand in staunch opposition to corruption and human rights violations in every form. Our [Conflict Mineral Policy](#) outlines our sourcing strategy for rare Earth metals such as tin, tantalum, tungsten, and gold (3TG), and other precious minerals from the Democratic Republic of Congo and neighboring

countries. This policy aims to ensure that our products are both safe, made from ethically sourced materials, and that funds from materials purchased by SGH are not used to support instances of bribery, child labor, forced labor, extortion, and/or armed conflict in regions most affected by those risks.

As a member of the RBA's Responsible Mining Initiative ([RMI](#)), we support due diligence and reporting processes that increase supply chain transparency and validate the components of our products as "conflict-free". Because we do not directly source minerals from smelters and are often several degrees removed from interactions with smelters and refiners, we rely on input from our upstream partners to accurately inform us of risks identified, mitigation activities, and potential concerns related to minerals sourcing.

We encourage our suppliers to become members of the RMI and require that they complete the RMI's [Conflict Minerals Reporting Template](#) each year. We expect both direct and indirect suppliers of 3TG materials to be in compliance with the OECD's [Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). In order to strengthen our due diligence and risk mitigation activities, we also leverage third-party software to screen suppliers for risks related to human rights abuses, ethical violations, and other concerns.





People





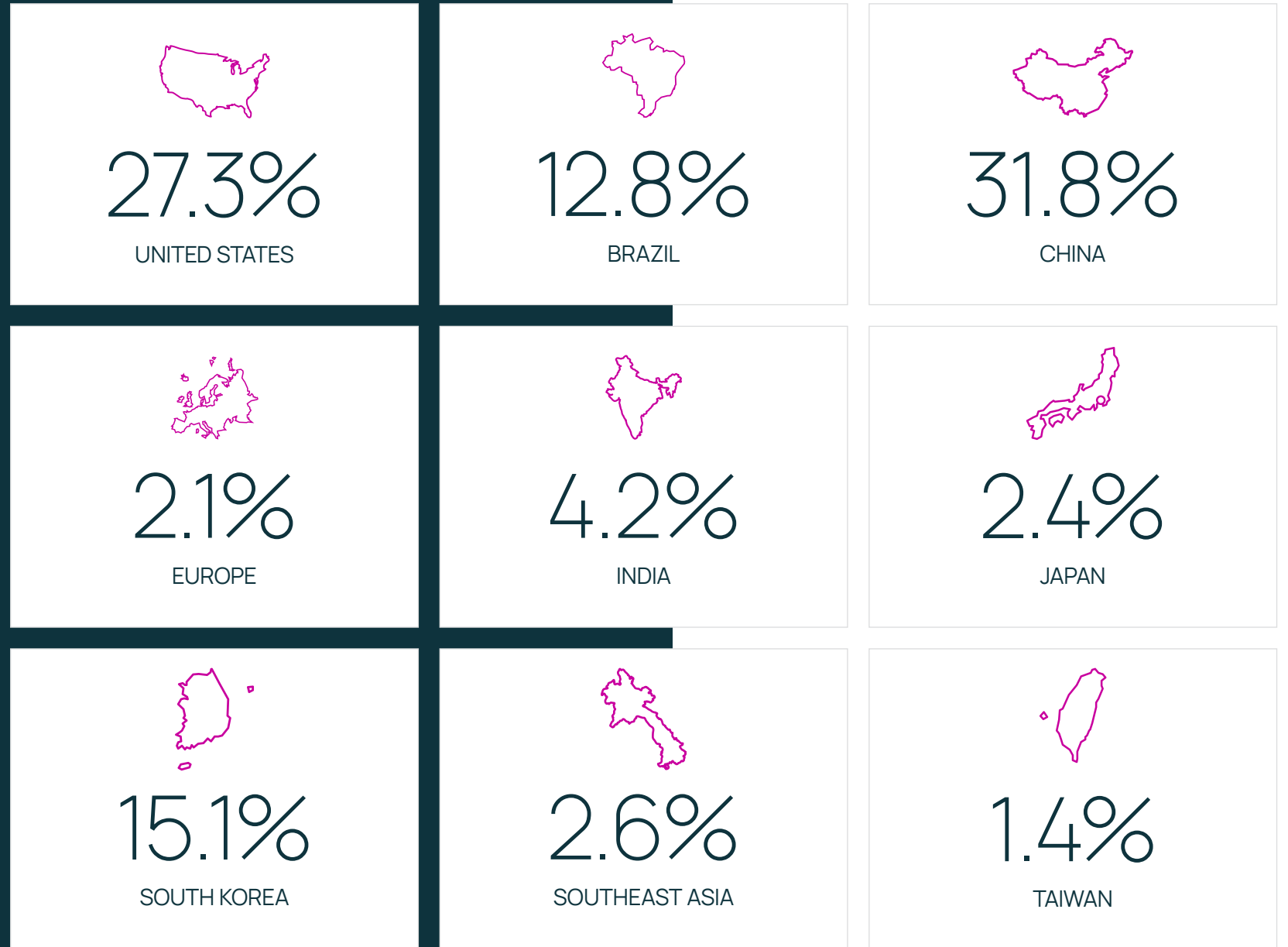
OUR TEAM

At SGH, our people are our greatest asset. We understand that diverse, inclusive, and equitable workplaces require continuous and intentional actions to achieve success.

Maintaining the incredible team we have assembled demands an environment wherein our employees are supported and protected. We want to make sure that our employees feel a sense of belonging at SGH and are able to make progress on their personal and professional goals.

At the end of 2022, SGH employed 3,867 people worldwide, with the majority of our employees in Brazil, China, Malaysia, and the U.S.

GLOBAL EMPLOYEE DISTRIBUTION





EMPLOYEE ENGAGEMENT AND DEVELOPMENT

In the wake of the COVID-19 pandemic, an increasing percentage of SGH employees have remained working remotely or embraced a hybrid working environment. The shift to a hybrid environment has brought a wide range of benefits, including increased flexibility and improved work-life balance for employees, reduced employee transportation-related carbon emissions and infrastructure costs, decreased turnover, and greater productivity. However, with fewer employees working on-site, our approach to effective employee engagement must continue to evolve. Using multiple channels, we connect with our employees on issues of importance to improve communication, increase collaboration, and strengthen policies, programs, and activities that support employee success.

One of the ways that we engage with our remote employees is by establishing a regular cadence of company-wide communications and meetings. This has helped to ensure that all of our employees are able to stay updated on issues of importance at SGH. At our quarterly All Employee Meetings, our CEO and other SGH leaders provide updates on priorities, goals, and accomplishments within the company. These meetings also provide an opportunity for employees to provide feedback and raise questions and concerns to SGH leadership.



SGH is a Great Place to Work®

In 2021, we partnered with Great Place to Work® to implement an employee survey about workplace culture at SGH. This survey collected feedback from 612 U.S. employees and 1,801 international employees across our IPS, Memory Solutions, and LED Solutions business lines. Participants were asked to answer a total of 62 questions on topics including workplace safety, discrimination, and customer satisfaction. The results, which met the employee feedback benchmark and other criteria, led to our [certification](#) as a Great Place to Work® company in 2022. We are proud of this achievement and will continue to use the survey results to address opportunities that our employees identified to increase employee satisfaction. In 2023, we created and implemented an action plan to further strengthen the great workplace culture we have fostered at SGH.

Employee Development

SGH supports continuous learning, lifelong improvement, and career development for all

of our employees worldwide. Our investment in the professional development of our workforce allows us to develop and retain exceptional talent and prepare our employees for leadership roles at every stage of their career. Through open and honest conversations between managers and team members, we are able to learn about and support the goals and priorities of our employees. We facilitate employee success, growth, and employability through our development programs, ongoing training opportunities, tuition reimbursement program, and supportive benefits.

Workforce development and equitable compensation

To provide a comprehensive and consistent career development experience across our geographies and business lines, we leverage SuccessFactors, a third-party cloud-based human capital management software. This software offers a wide range of human resource management tools and applications that have enabled us to streamline our global employee performance review process. In 2022, we ensured that 97% employees received performance reviews and participated in goal setting through SuccessFactors. This investment in and consolidation of our performance review process has allowed us to better support employee development, recognize employee achievements, and improve communication among our teams.

Through Syndio, we also conducted a gender-based pay equity study of our U.S. employees. This study identified disparities in our manufacturing workforce pay structure. Based on these findings, changes were implemented to address the gender pay gap and made payment adjustments. To build on this progress, we intend to expand this study beyond our U.S. sites and use the Syndio platform to conduct a global pay equity study to address other potential instances of pay inequity within our company. We look forward to broadening our use of this software and are in the process of implementing a recruiting and talent management module.

Training and education

Our employees receive regular training on ethics and compliance, cyber security, diversity and inclusion, and other job-specific areas. In 2022, SGH employees received an average of 6 hours of training each.

In an effort to enhance the professional development of our employees, our internal training programs on workplace culture have

been made available in the local language(s) of each of our geographies. This step was critical in making these programs accessible to all SGH employees, regardless of their spoken language or geographical location. These trainings cover topics such as harassment, discrimination, maintaining a safe and healthy work environment, diversity, equity, and inclusion, and ethics and compliance.

We are also proud to offer a competitive tuition reimbursement program to full-time employees who have completed more than six months of employment with SGH. This program directly supports our employees' professional advancement, employability, and their pursuit of continued education. Details about our tuition reimbursement program can be found in the "Employee Benefits and Well-being" section of this report.





DIVERSITY, EQUITY, AND INCLUSION

We recognize the immense value of our diverse workforce and the unique skills and life experiences that every individual contributes to our company culture. The SGH workforce represents a wide range of identities, ethnicities, nationalities, life experiences, physical and neurological abilities, and generations. This diversity allows us to draw on different perspectives as we innovate and create new products and solutions to meet the changing needs of our customers.

In 2022, we enhanced our talent management strategy with the help of CIRCA, a diversity recruitment and HR compliance solutions company. As a result, we believe we are better positioned to increase diversity in our recruitment and hiring. In 2022, we took the following actions to advance DEI at SGH:

- Introduced a required training on unconscious bias, which achieved a 98% completion rate
- Completed a U.S. gender pay equity analysis and implemented changes based on the results
- Partnered with Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs) to better attract and hire Black and other historically underrepresented students

- Partnered with Cristo Rey San José Jesuit High School on their Corporate Work Study Program (CWSP) during 2022-2023 school year to help students from underserved communities build confidence, develop mentor relationships, and raise awareness of potential career and college pathways

We are actively working to foster a diverse and inclusive working environment and are in adamant support of eliminating all forms of discrimination in the workplace, not only within our company, but also across our industry. We do not tolerate harassment or discrimination of any kind against our employees, workers, or business partners. Our employee handbook includes requirements for compliance with our anti-discrimination policy, and further outlines principles for recruitment, promotion, performance evaluation, compensation, and training of all employees.

Celebrating Our Diverse Workforce

It is both a responsibility and a privilege to celebrate our diverse workforce and help to foster a greater sense of inclusivity and belonging at our company. In 2022, we facilitated and took part in numerous activities and events to help elevate our diversity initiatives:

- We launched an internal news series to highlight our diverse workforce and educate employees on the background and importance of diversity celebrations
- In January, in honor of Black History Month, we made a donation to the Thurgood Marshall College Fund (TMCF). The TMCF helps provide scholarships, opportunities, and programs to help ensure that Black students have an opportunity to succeed
- We established Juneteenth as a company-wide holiday
- In March, we celebrated Women’s History Month and International Women’s Day by celebrating our amazing women employees across the company through a variety of celebratory events
- In May, we celebrated Asian American Pacific Islander Heritage month by making a contribution to the Asian American Legal Defense and Education Fund to help support their work on critical issues affecting Asian Americans, including immigrant rights, voting rights and democracy, economic justice for workers, educational equity, housing and environmental justice, and the elimination of anti-Asian violence, police misconduct, and human trafficking
- In June, we engaged with our LGBTQIA+ employees to celebrate Pride month. We organized events that created safe spaces for dialogue and opportunities for our employees to learn more about the queer community
- Between the months of September and October, we celebrated Hispanic Heritage month and made a donation to the Hispanic Scholarship Fund to help empower students and parents with the knowledge and resources to successfully complete a higher education
- In November, we provided employees with information and resources to learn more about Native American Heritage month
- On Veterans Day, we honored our employees who graciously dedicated their time and lives by serving in the Armed Forces and provided gift certificates for them to share a meal with their loved ones
- We also held other events to promote diversity within our workforce, including celebrating Lunar New Year, Ramadan, Diwali and Christmas

These activities have given us new ways to highlight the diversity of our workforce, educate ourselves about different cultures, and cultivate a more inclusive work environment for our employees.

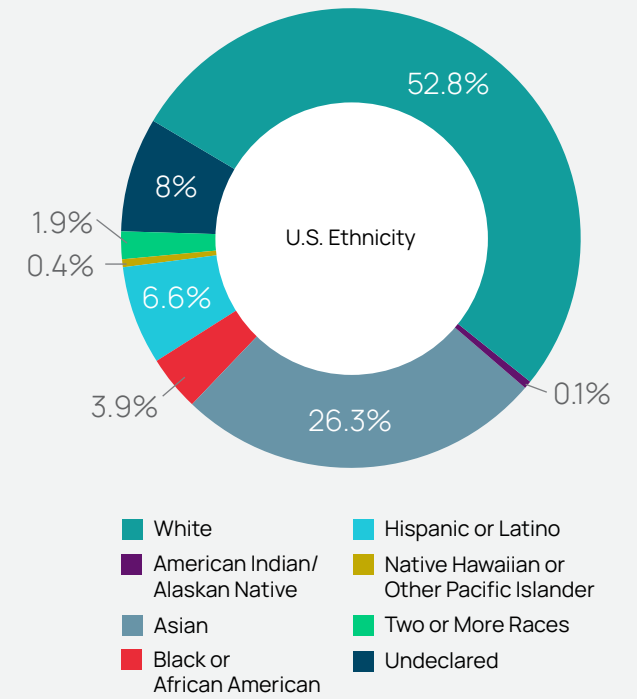
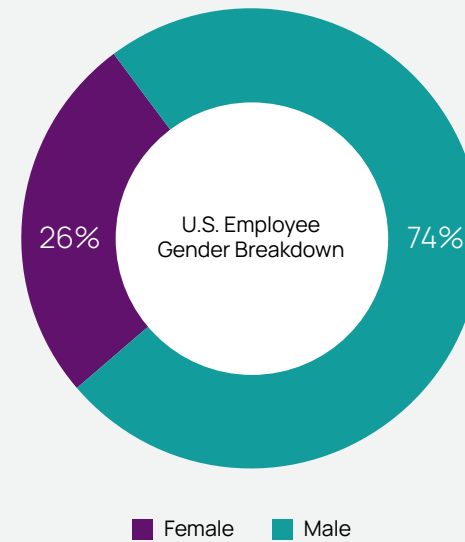
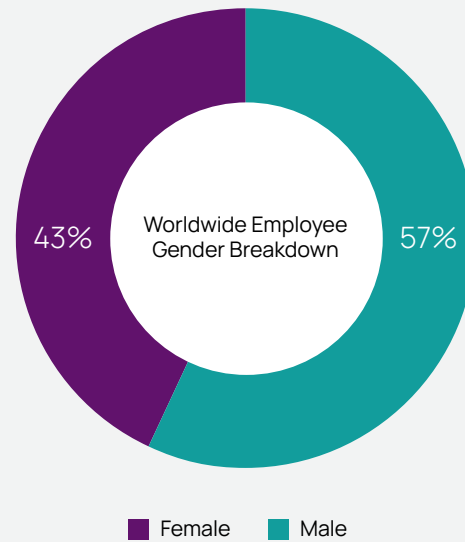


Workforce Demographics

We aim to hire and retain a talented and diverse workforce, and are working to increase representation across all demographics at SGH. In 2022, gender diversity among SGH employees varied slightly from the previous year, with the proportion of women-identifying employees decreasing from 45% to 43%. Likewise, gender diversity in the U.S. decreased by 2%, with 26% of employees being female and 74% being male. Our 2022 racial and ethnic diversity evaluation used U.S. Census categories to capture the diversity of our workforce. The overall percentage of white employees increased between 2021 and 2022, while the percentage of Black employees decreased from 6% in 2021 to 4% in 2022.

These minor shifts stem in part from natural fluctuations in the composition of our workforce and in no way represent a diminished commitment on behalf of SGH to diverse and inclusive hiring practices. However, we recognize that we have more work to do. In 2021, we commissioned a third-party gender-based pay equity study of our U.S. employees and in 2022, we completed our analysis of the results and were able to identify, respond to, and remediate instances of pay inequity. We also leverage our newly enhanced HR management software to better collect data and track demonstrable progress on our diversity goals. Our aim is that with these programs and practices in place, we can continue to attract and retain a talented and diverse workforce.

DIVERSITY BY THE NUMBERS





Graduation ceremony for our Cristo Rey student interns in June 2023.

Engaging Young People from Historically Underrepresented Groups

In 2022, we took action to establish more inclusive hiring practices, professional and career support, and community building opportunities for underrepresented groups. As part of this effort, we have been developing relationships with HBCUs and HSIs to engage with historically marginalized populations.

In the beginning of 2022, we laid the foundation for our partnerships with the College of Engineering at Florida Agricultural and Mechanical University as well as North Carolina State University (NCSU) to better engage, attract, and recruit Black students and others from historically underrepresented communities. The Cree LED team participated in NCSU's Summer Exploration Experience (SEE) Camp in July, which is sponsored by the College of Engineering's Women and Minority Engineering Programs. SEE Camp is a one-week residential program for recent high school graduates from historically underrepresented populations who have been accepted to NCSU. Through our participation in this program, we were able to interact with 92 rising first-year students, 18 counselors, and four Women and Minority Engineering staff members over the course of an industry panel discussion and a partner luncheon.

We also engaged with Cristo Rey San José Jesuit High School through their Corporate Work Study Program (CWSP) that equips students from underrepresented communities and limited economic backgrounds with a rigorous college prep education and the knowledge they need to support a successful career. Throughout the 2022-2023 school year, SGH employed four high school student interns from the Cristo Rey CWSP. The students from Cristo Rey had the opportunity to work across business support functions in Marketing & Communications, Administration, HR, and Legal. This program helps students form connections and experience to achieve their aspirations.

We are committed to strengthening these partnerships, increasing diversity and inclusion within our workforce, and providing leadership and growth opportunities for the next generation of engineering professionals.

Employee Resource Groups

One of the developments that we are most proud of in 2022 is the establishment of our first employee resource groups (ERGs) across our U.S. locations. ERGs champion our culture of community and belonging by providing a forum for employees to connect with others who share their interests, life experiences, and backgrounds. The distinct focus of each ERG increases the visibility of different communities with SGH and cultivates a sense of belonging and collaboration among our employees. Our ERG program sets out a clear process for employees interested in chartering a new ERG. Draft charters are reviewed, approved, and funded by the SGH DEI Committee, which is led by our CHRO and includes several senior level managers from our U.S. and UK sites.

We are encouraged by employee interest in our ERG program and look forward to expanding the ERG program in the years ahead.



Wellness Together

Wellness Together is an ERG that is sponsored by our VP of HR and led by our Senior Director of HR. The group holds monthly seminars with the mission of raising awareness and sharing information about issues related to employee wellness. The group aims to provide resources like wellness-affirming habits, routines, and coping strategies for all employees who would like to grow their personal knowledge in the areas of mental health, physical health, and financial well-being.



WOMEN AT SGH

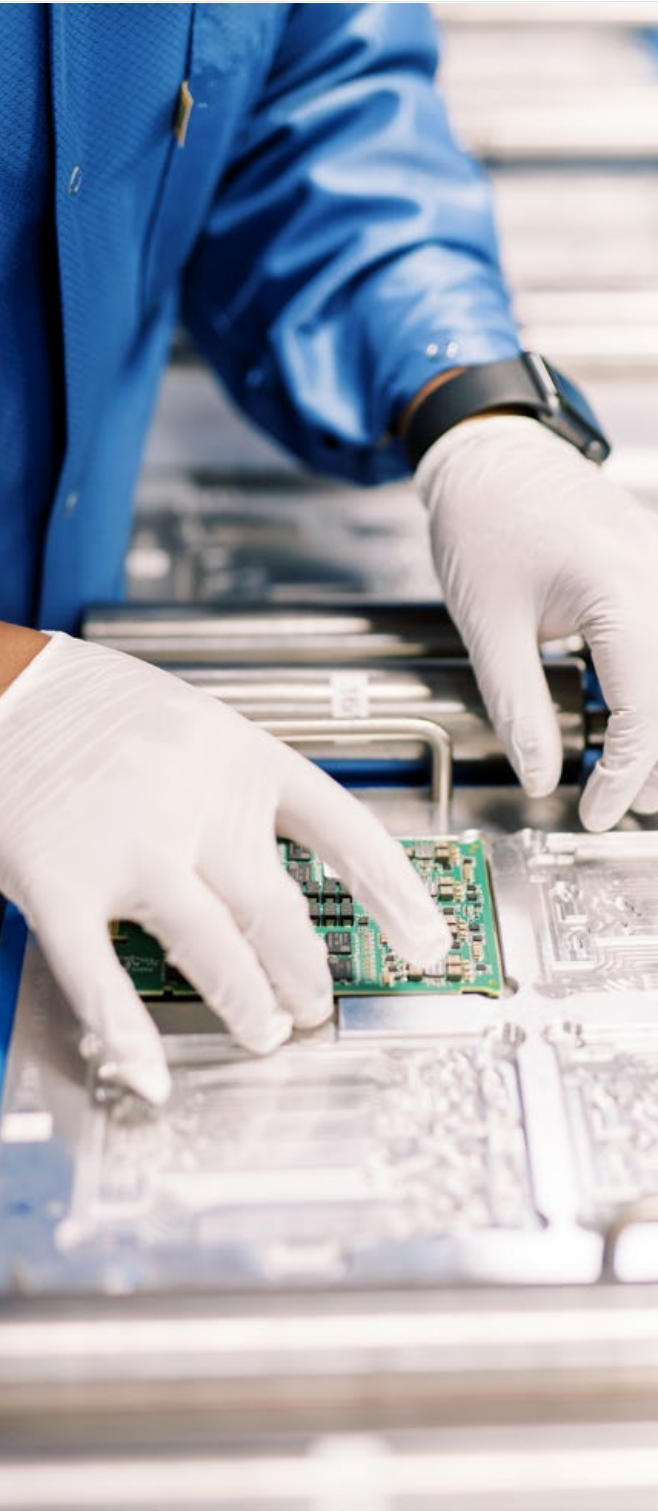
Women at SGH

Women at SGH is an ERG that is co-sponsored by our SVP and Chief Legal Officer and VP of Marketing and Communications. The group aims to foster a culture of belonging and support the advancement of SGH employees who identify as women. Women at SGH provides opportunities for employees around the globe to build connections, participate in professional and personal development courses, support our communities, and cultivate a sense of belonging.



Your Career Development (YCD)

YCD is an ERG that was originally founded at Stratus. YCD joined the SGH ERG program following the acquisition of Stratus in 2022. The group is sponsored by our VP of HR and led by our Operational Excellence Manager. Its mission is to be an open forum to learn and develop professional skills and capabilities to advance members' career growth opportunities. YCD aims to provide a safe and open environment for employees to collaborate with each other to advance principles of learning and professional development.



WELLNESS, HEALTH, AND SAFETY

Ensuring that our employees have a safe and healthy working environment is a prerequisite for providing the exceptional products and services that our clients have learned to expect from us. Our commitment to the health and safety of our employees is reflected in each of the programs we offer to our employees, which provide many avenues and opportunities for support.

Our Employee Assistance Program (EAP) exists to support the physical, emotional, and mental health of our employees. EAP services include free counseling sessions for our employees and their immediate family members, gym membership reimbursement, annual flu shot clinics, and other health-focused activities and programs for our workers. We communicate the benefits of the EAP program regularly so our employees know how to take advantage of the opportunities available to them.

Although the most severe impacts of the COVID-19 pandemic have mostly subsided, residual effects remain. In 2022, we continued providing benefits through the Families First Coronavirus Response Act so that our employees could take care of themselves and their loved ones without concern for their economic well-being.

Worker Health and Safety

Preventive measures remain the single best way to ensure the health and safety of our workers. We provide all workers with a range of tools and resources that empower them to participate in a culture of accountability and occupational safety and health (OSH). We place a strong focus on accident prevention across all of our manufacturing, corporate, and research and development sites. When it comes to worker health and safety, we follow the same precautionary principle as we do in other areas of our business that have inherent risks.

Our approach to health and safety management aims to achieve the following objectives:

- Effective OSH procedures and policies
- Workers' participation in and awareness of OSH programs
- Leadership and commitment to enhance and improve OSH
- Risk assessment and mitigation efforts
- Efficient measures for risk control
- Competent and trained employees in the workplace
- Compliance with safety legislation
- Continuous monitoring, reviews, and audits of operations

We comply with all relevant workplace safety legislation and ISO 45001 standards and strive to maintain the highest levels of safety in our facilities. Regular risk assessments and safety inspections conducted by our QEHS team help us minimize our employees' exposure to potential workplace hazards. When we identify needed improvements in our safety protocols, we work with subject matter experts and SGH leadership to conduct root-cause analyses and implement corrective action plans. We also require all SGH employees to complete our safety training program and conduct additional training on topics such as fire prevention, crime prevention, and emergency response in order to ensure that our entire workforce is well-prepared to address any adverse situations that arise.

Our robust health and safety program has made safety-related incidents rare at SGH. We are proud to report that our global injury rate decreased from 0.43 incidents per 100 full-time equivalent workers in 2021 to 0.30 in 2022, with no instances of high-consequence work-related injuries or fatalities.



EMPLOYEE BENEFITS AND WELL-BEING

We are dedicated to supporting the people that make our business thrive in ways that are impactful to them. We provide our employees with a comprehensive benefits package that includes medical, dental, and vision insurance, mental healthcare, family planning and reproductive services, accident and disability coverage, and life insurance. These benefits are a part of our primary coverage and extend to all of our employees worldwide.

We proudly support our employees' right to plan for their futures and make the healthcare and financial decisions that are right for them. In 2022, we worked with our insurance carriers in the U.S. to ensure that our employees would continue to have access to family planning services and reproductive healthcare following the U.S. Supreme Court reversal of *Roe v. Wade*. We also maintained our U.S. 401(k) retirement savings plan, which includes the immediate vesting of the company match - 100% match of the first 3% of employee contributions and 50% of the next 2%, so employees have flexibility when planning their retirement.

Educational opportunities for our employees

We offer a global tuition reimbursement program for all full-time employees who have completed six months of employment. Qualifying employees can receive up to \$7,000 dollars per year for

tuition-related expenses following the completion of their coursework and the submission of final grades. We work with our managers to set expectations about this program and support employees interested in pursuing additional education while working at SGH.

In 2022, we enhanced our employee education program by partnering with DeVry University. Through this partnership, SGH employees can receive up to 30% tuition savings on DeVry courses and credit hours. DeVry offers undergraduate degrees, graduate degrees, and certifications in several accredited programs. More information about our partnership with DeVry University can be found [here](#).



Community Engagement





IMPACTING OUR COMMUNITIES

At SGH, we believe it is our responsibility to be engaged members of the global communities in which we operate. Across all of our business lines, we work to enhance the quality of people's lives by serving and giving back.

In the years following the COVID-19 pandemic and with a larger portion of our workforce now working remotely, we have worked to organize more in-person and virtual community engagement activities, offering employees greater flexibility

to participate. Each year we hold and sponsor community engagement events that take several forms, including employee volunteer activities, donation matching, and many others which are described on the next page.

EMPLOYEE DONATION MATCH

Our employee donation matching program allows employees to donate to nonprofits of their choice with an SGH match of up to \$2,500 per employee each calendar year. Employees can also donate vacation time, which is then converted into a cash donation to charities of their choice.

CORPORATE GIVING

In 2022, SGH was proud to support local charities through giving activities focused on youth programs, diversity initiatives, and disaster relief efforts. Our contributions included monetary and in-kind donations via direct giving and employee matching programs. Below are just a few of the organizations that we donated to in 2022:

- Asian American Legal Defense and Education Fund ([AALDEF](#)). The AALDEF provides critical resources for the various issues facing Asian Americans, including immigrant rights, voting rights and democracy, economic justice for workers, educational equity, housing and environmental justice, the elimination of anti-Asian violence, police misconduct, and human trafficking
- [GlobalGiving](#). Through their Ukraine Crisis Relief Fund, GlobalGiving is providing Ukrainians affected by the war with essential resources like food, water, shelter, and mental health assistance

- The Hispanic Scholarship Fund ([HSF](#)). The HSF helps empower Hispanic students and parents with the knowledge and resources to successfully complete a higher education
- The Thurgood Marshall College Fund ([TMCF](#)). The TMCF helps provide scholarships, opportunities, and programs to help ensure Black students have an opportunity to succeed

Supporting the People of Ukraine

We have maintained our unwavering support for the people impacted by the Russian invasion of Ukraine. We witnessed this humanitarian crisis continue to escalate over the course of 2022, as millions of Ukrainians have been forced to flee their country to seek safety and refuge elsewhere. To put our support for the people of Ukraine into action, we have contributed to humanitarian aid efforts on the ground with GlobalGiving. In May of 2022, we donated \$50,000 to the [Ukraine Crisis Relief Fund](#), which provides assistance to impacted communities in Ukraine. We hope that this conflict will come to a swift end and look forward to the day when all who have been displaced by this war are able to return home.

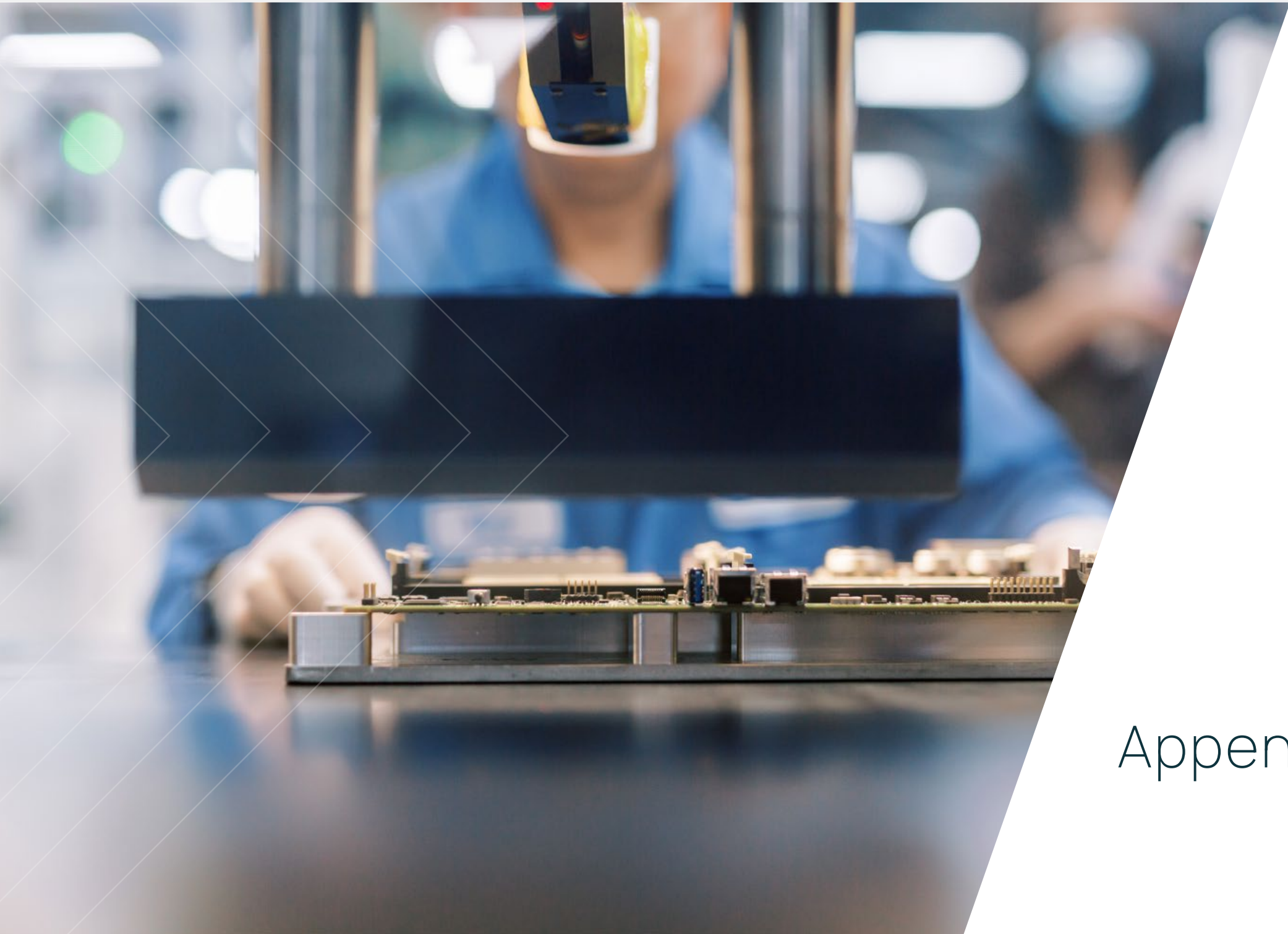
EMPLOYEE VOLUNTEER OPPORTUNITIES

We are proud of our employees who consistently show up as engaged members of the communities where they live and work. Every year, SGH employees participate in events and opportunities that matter to them and SGH is proud to support and encourage them to make a difference in meaningful ways. In 2022, some of the volunteer activities that took place include the following:

Visit.org Partnership

In an increasingly digital and remote work environment, creating opportunities for employee engagement is more important than ever before. In 2022, we launched our partnership with [Visit.org](#), a leading social impact organization, to increase employee engagement by providing more flexible, online experiences for volunteering. Through this partnership, we launched our first global Earth Day activity, which saw participation from employees worldwide. Through this partnership, we also hosted a donation drive for the [Second Harvest Food Bank](#) in Silicon Valley, California. We look forward to the continual development of this partnership in the future and expect to share more updates in our next ESG report.





Appendices





MEMBERSHIP OF ASSOCIATIONS

In 2022, we served as a corporate-level member of multiple associations. At the business line and site levels, we participate in standards-setting groups for technology innovation and other business-related best practices groups, including:

[Associação Brasileira da Indústria de Semiconductors \(ABISEMI\)](#)

[Associação Brasileira da Indústria Elétrica e Eletrônica \(ABINEE\)](#)

[Associação Brasileira de Internet das Coisas \(ABINC\)](#)

[Responsible Business Alliance](#)

[Responsible Minerals Initiative](#)

UNITED NATIONS
GLOBAL COMPACT

As responsible corporate citizens, we embrace the ten principles of the [UN Global Compact](#), which together address human rights, labor rights, environmental concerns, and anti-corruption.

Principle	Report Section
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights
Principle 2: Businesses should ensure they are not complicit in human rights abuses.	Human Rights
Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Rights
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.	Human Rights
Principle 5: Businesses should support the effective abolition of child labor.	Human Rights
Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	Human Rights Diversity, Equity and Inclusion
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	Quality, Environment, Health, and Safety Management Systems
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Our ESG Goals
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Product Stewardship and Life Cycle Impacts
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Conflict Minerals

ALIGNMENT WITH THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We set out our approach to climate change, including details on climate governance, strategy, risk management, and metrics and targets in this report and in our annual response to CDP's [Climate Change Questionnaire](#). The table below provides key areas of disclosure and the respective sections of our annual submission to CDP, which provides the greatest level of detail.

	Governance	Strategy	Risk management	Metrics and targets
Disclosure:	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities.
Disclosure indicator:	a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities that the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
Our response:	Our board is engaged in the oversight of climate related risks and opportunities as described in Section C1: Governance of our 2022 CDP Climate Change Questionnaire. Our ESG Steering Committee, which includes our CEO, CFO, and COO, meets every other week to review SGH's ESG strategy which covers our climate-related strategy, risks, and opportunities.	Our organization's climate-related risks and opportunities over the short, medium, and long terms are described in Section C2: Risks and Opportunities of our 2022 CDP Climate Change Questionnaire. We have included extreme weather, natural disasters, current and emerging regulation, technological advancement, acute and chronic physical, market, reputation, and legal risks into our climate-related risk strategy.	Our organization's processes for identifying and assessing climate-related risks are described in Section C2: Risks and Opportunities of our 2022 CDP Climate Change Questionnaire. To achieve our longer term goals, we set annual and other short-term goals to ensure we are tracking progress and meeting our long-term objectives.	The metrics used by our organization to assess climate related risks and opportunities in line with our strategy and risk management process are disclosed in Section C4: Targets and Performance of our 2022 CDP Climate Change Questionnaire. We have set an absolute target and have committed to reach zero emissions by 2030.

ALIGNMENT WITH THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

(CONTINUED)

	Governance	Strategy	Risk management	Metrics and targets
Disclosure indicator:	b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and related risks.
Our response:	Our management's role in assessing and managing climate related risks and opportunities is described in Section C1: Governance of our 2022 CDP Climate Change Questionnaire. Our ESG Steering Committee oversees SGH's ESG strategy which covers our climate-related strategy, risks, and opportunities.	The impact of climate-related risks and opportunities on our organization's businesses, strategy, and financial planning are described in Section C3: Business Strategy of our 2022 CDP Climate Change Questionnaire. These risks could cause disruption in our manufacturing, operations, and distribution of our products, which could have material impacts on our business.	Our organization's processes for managing climate-related risks are described in Section C2: Risks and Opportunities of our 2022 CDP Climate Change Questionnaire. We aim to plan our business strategy and climate strategy based on a medium-term time horizon and then establish actionable goals at shorter intervals.	Our Scope 1 and Scope 2 GHG emissions and related risks are disclosed in Section C5: Emissions Methodology and Section C6: Emissions Data of our 2022 CDP Climate Change Questionnaire. We have set an absolute target and have committed to reach zero emissions by 2030.
Disclosure indicator:	N/A	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
Our response:	N/A	The resilience of our organization's strategy, considering different climate-related scenarios, including a 2°C or lower scenario, are described in Section C3: Business Strategy of our 2022 CDP Climate Change Questionnaire.	Our processes for identifying, assessing, and managing climate related risks are integrated into our organization's overall risk management as described in Section C2: Risks and Opportunities of our 2022 CDP Climate Change Questionnaire. Climate-related risks are relevant to our business and are always included in our corporate risk assessments and our annual financial disclosures.	The targets used by our organization to manage climate related risks and opportunities and performance against targets are described in Section C4: Targets and Performance of our 2022 CDP Climate Change Questionnaire.

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BOARD (SASB)
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We disclose metrics in alignment with SASB’s standards for the semiconductor and hardware industries.

SEMICONDUCTOR INDUSTRY

Activity Metric	Code	Disclosure
Total production	TS-SC-000.A	SGH sold approximately 3.77 billion units in 2022. This includes products across all business lines. Revenue breakdown across business lines is below (in millions): Intelligent Platform Solutions: \$441 Memory Solutions: \$975.2 LED Solutions: \$403.2
Percentage of production from owned facilities	TS-SC-000.B	95%

Topic	Accounting Metric	Code	Disclosure / Report Section
Greenhouse Emissions	1.) Gross global Scope 1 emissions	TC-SC-110a.1	1.) 3,599.69 metric tons
	2.) Amount of total emissions from perfluorinated compounds		2.) Not applicable
For more information, please refer to the “Our Emissions Data” section for more information.			
Energy Management in Manufacturing	1.) Total energy consumed	TC-SC-130a.1	1.) 141,969 MWh
	2.) Percentage grid electricity		2.) Not applicable
	3.) Percentage renewable		3.) 38%
Water Management	1.) Total water withdrawn	TC-SC-140a.1	1.) 466 ML
	2.) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		2.) Water consumption at SGH is minimal as our manufacturing processes do not consume significant amounts of water. According to the World Resources Institute’s Water Risk Atlas tool, none of our factory locations operate in regions with High or Extremely High Baseline Water Stress with the exception of Irvine, CA, which withdraws a minimal amount of water. We have office locations that operate in areas of High or Extremely High Baseline Water Stress, but water consumption in those offices is very low. For more information, please refer to the “Water Withdrawal, Consumption, and Treatment” section.

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Topic	Accounting Metric	Code	Disclosure / Report Section
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-SC-150a.1	561.77 metric tons of hazardous waste was generated, and 60% (337.49 metric tons) was recycled in 2022. For more information, please refer to the “Hazardous Waste” section.
Employee Health & Safety	1.) Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards 2.) Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.1 TC-SC-320a.2	1.) See the “Wellness, Health, and Safety” section for our publicly available breakdown of employee health hazards. 2.) \$0
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SC-330a.1	(1) Less than 1% (2) Less than 1%
Product Lifecycle Management	1.) Percentage of products by revenue that contain IEC 62474 declarable substances 2.) Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.1 TC-SC-410a.2	1.) We operate under the assumption that 100% of our products contain declarable substances and take the precautions necessary. 2.) Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	See the “Conflict Minerals” section for our publicly available breakdown of risks associated with the use of critical materials
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SC-520a.1	\$0

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

(CONTINUED)

HARDWARE INDUSTRY

Activity Metric	Code	Disclosure
Number of units produced by product category	TC-HW-000.A	SGH sold approximately 3.77 billion units in 2022. This includes products across all business lines. Revenue breakdown across business lines is below (in millions): Intelligent Platform Solutions: \$441 Memory Solutions: \$975.2 LED Solutions: \$403.2
Area of manufacturing facilities (square feet)	TC-HW-000.B	1.24M square ft. (in China, Brazil, USA, Malaysia, Ireland)
Percentage of production from owned facilities	TC-HW-000.C	95%

Topic	Accounting Metric	Code	Disclosure / Report Section
Product and Data Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	See the “Privacy, Data Security, and Intellectual Property Protection” section for our publicly available breakdown of identifying and addressing data security risks in products
Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	See the “Workforce Demographics” section for our publicly available breakdown of employees by gender and racial/ethnic group
Product Lifecycle Management	1.) Percentage of products by revenue that contain IEC 62474 declarable substances 2.) Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent 3.) Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria 4.) Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.1 TC-HW-410a.2 TC-HW-410a.3 TC-HW-410a.4	1.) We operate under the assumption that 100% of our products contain declarable substances and take the necessary precautions. 2.) Not applicable 3.) Not applicable 4.) 4,240 metric tons, or 100% of e-waste was recycled in 2022

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(CONTINUED)

Topic	Accounting Metric	Code	Disclosure / Report Section
Supply Chain Management	1.) Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-HW-430a.1	1-2.) While we do not presently audit our suppliers' compliance with VAP guidelines, 72% of SGH's annual global supply chain spend is with RBA members whose facilities are audited by RBA in compliance with VAP procedures.
	2.) Tier 1 suppliers' (1) nonconformance rate with the RBA VAP or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non conformances	TC-HW-430a.2	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1	See the "Conflict Minerals" section for our management of risks associated with the use of critical materials.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

This report has been prepared to the best of our ability in accordance with the Global Reporting Initiative's Universal Standards. The material ESG topics below align with the ESG topics deemed material to SGH's business and its stakeholders, as described in the "ESG Materiality" section of this report.

Standard	Topic	Report Section / Disclosure
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About SGH
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope, Boundaries, and Alignment
	2-3 Reporting period, frequency and contact point	Reporting Scope, Boundaries, and Alignment Credits and Contact
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Emissions Verification Statement Reporting Scope, Boundaries, and Alignment
	2-6 Activities, value chain and other business relationships	About SGH
	2-7 Employees	Workforce Demographics Some information unavailable: the worker data we currently have available for public disclosure is limited and may not satisfy portions of this disclosure's requirements.
	2-8 Workers who are not employees	Workforce Demographics Some information unavailable: the worker data we currently have available for public disclosure is limited and may not satisfy portions of this disclosure's requirements.
	2-9 Governance structure and composition	2022 Proxy Statement 2022 Annual Report

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
General Disclosures (continued)		
GRI 2: General Disclosures 2021 (continued)	2-10 Nomination and selection of the highest governance body	2022 Proxy Statement Nominating and Corporate Governance Committee Charter
	2-11 Chair of the highest governance body	2022 Proxy Statement 2022 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Management and Oversight 2022 Proxy Statement 2022 Annual Report
	2-13 Delegation of responsibility for managing impacts	ESG Management and Oversight 2022 Proxy Statement 2022 Annual Report
	2-14 Role of the highest governance body in sustainability reporting	ESG Management and Oversight 2022 Proxy Statement 2022 Annual Report
	2-15 Conflicts of interest	Ethics and Compliance 2022 Proxy Statement Audit Committee Charter Nominating and Corporate Governance Committee Charter
	2-16 Communication of critical concerns	Reporting Concerns 2022 Proxy Statement
	2-17 Collective knowledge of the highest governance body	2022 Proxy Statement Nominating and Corporate Governance Committee Charter

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
General Disclosures (continued)		
GRI 2: General Disclosures 2021 (continued)	2-18 Evaluation of the performance of the highest governance body	2022 Proxy Statement Nominating and Corporate Governance Committee Charter Compensation Committee Charter
	2-19 Remuneration policies	Workforce Development and Equitable Compensation 2022 Proxy Statement Compensation Committee Charter
	2-20 Process to determine remuneration	Workforce Development and Equitable Compensation 2022 Proxy Statement Compensation Committee Charter
	2-21 Annual total compensation ratio	2022 Proxy Statement
	2-22 Statement on sustainable development strategy	Information unavailable: we do not yet have a formal statement on our sustainable development strategy, but we are evaluating the development of such a statement in the future. Please refer to the “ESG Management and Oversight” section of this report for details on our ESG strategy.
	2-23 Policy commitments	Our Focus on Corporate Responsibility ESG Management and Oversight Ethics and Compliance Privacy, Data Security, and Intellectual Property Protection Quality, Environment, Health, and Safety Management Systems Supply Chain Strategy and Impact Human Rights Conflict Minerals

GLOBAL REPORTING INITIATIVE CONTENT INDEX

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Standard	Topic	Report Section / Disclosure
General Disclosures (continued)		
GRI 2: General Disclosures 2021 (continued)	2-24 Embedding policy commitments	Our Focus on Corporate Responsibility ESG Management and Oversight Ethics and Compliance Privacy, Data Security, and Intellectual Property Protection Quality, Environment, Health, and Safety Management Systems Supply Chain Strategy and Impact Human Rights Conflict Minerals
	2-25 Processes to remediate negative impacts	ESG Management and Oversight
	2-26 Mechanisms for seeking advice and raising concerns	Reporting Concerns
	2-27 Compliance with laws and regulations	Sustainability Accounting Standards Board Index
	2-28 Membership associations	Membership of Associations
	2-29 Approach to stakeholder engagement	Stakeholder Engagement 2022 Proxy Statement
	2-30 Collective bargaining agreements	Human Rights
	Material Topics	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Materiality
	3-2 List of material topics	ESG Materiality

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
Material Topics (continued)		
Data Privacy and Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Privacy, Data Security, And Intellectual Property Protection
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy, Data Security, And Intellectual Property Protection
Role of I.T. in Society		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Supply Chain Strategy And Impact Ethics and Compliance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Information unavailable: we do not have the percentage of operations at risk of corruption available for public disclosure.
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance
	205-3 Confirmed incidents of corruption and actions taken	Information unavailable: we do not have the number of incidents of corruption available for public disclosure.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Ethics and Compliance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Strategy And Impact
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Strategy And Impact
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Strategy And Impact
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Strategy And Impact

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
Material Topics (continued)		
Diversity, Equity, and Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Diversity, Equity, and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion Workforce Demographics
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable: we do not have the salary and remuneration of women to men available for public disclosure.
Flexible Workforce		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Employee Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Education
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development
Energy and Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Climate Action Energy Management

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
Material Topics (continued)		
Energy and Emissions (continued)		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management CDP Climate Change
	302-2 Energy consumption outside of the organization	Information unavailable: we do not track energy consumption outside of our organization.
	302-3 Energy intensity	2022 ESG Performance Summary
	302-4 Reduction of energy consumption	Energy Management CDP Climate Change
	302-5 Reductions in energy requirements of products and services	Our Business Lines Product Stewardship and Lifecycle Impacts
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Emissions Data CDP Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Our Emissions Data CDP Climate Change
	305-3 Other indirect (Scope 3) GHG emissions	Information unavailable: we do not have 2022 Scope 3 emissions data available for public disclosure. We aim to include 2023 Scope 3 data in our 2024 disclosures.
	305-4 GHG emissions intensity	CDP Climate Change
	305-5 Reduction of GHG emissions	CDP Climate Change
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable: we do not have 2022 ODS data available for public disclosure beyond what is included in our 2022 CDP Climate Change response.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure
Material Topics (continued)		
Energy and Emissions (continued)		
GRI 305: Emissions 2016 (continued)	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our Emissions Data CDP Climate Change
Product Stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Our Business Lines Reducing Waste with Packaging and Shipping Solutions
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Information unavailable: we do not currently track the weight of recycled versus non-recycled materials used in our products. We will evaluate the need to do so in the future.
	301-2 Recycled input materials used	Reducing Waste with Packaging and Shipping Solutions
	301-3 Reclaimed products and their packaging materials	Reducing Waste with Packaging and Shipping Solutions
Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Materiality Human Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable: we do not have 2022 data available for risk levels of operations with regard to freedom of association. The information that is currently available is found in the "Human Rights" section of this report.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Conflict Minerals

2022 ESG PERFORMANCE SUMMARY

Performance Area	2022	YoY Change	2021
Environment			
Energy and Emissions			
Energy consumption (kWh)	141,969	-2.1%	145,000
Percent of global energy from renewable sources	38%	18.8%	19.2%
Energy intensity per square footage of operations (MWh/ft2)	0.11	0%	0.11
Scope 1 emissions (MTCO2e)	3,599.69	50%	2,395
Nitrogen oxides (NOx) emissions (g/kWh)	14,602,168.93	N/A	—
Sulfur oxides (SOx) emissions (g/kWh)	14,548,274.94	N/A	—
Scope 2 emissions (Market) (MTCO2e)	39,370.47	-29%	55,589.29
Scope 2 emissions (Location) (MTCO2e)	61,079.62	3.6%	58,937.2
Emissions offset (MTCO2e)	3,600	150.3%	2,395
Total Scope 1 and Scope 2 (Market) emissions (MTCO2e) [includes offsets]	39,370.47	—	55,589.29
Waste and Recycling			
Hazardous waste generation (metric tons)	561.77	283.5%	198.19
Hazardous waste recycling rate	60%	10%	50%
Non-Hazardous Waste Generation (metric tons)	96,012.49	N/A	—
Non-Hazardous Waste Recycling rate	94%	N/A	—
E-waste generation (metric tons)	4,240	N/A	—
E-waste recycling rate	100%	N/A	100%

2022 ESG PERFORMANCE SUMMARY

(CONTINUED)

Performance Area	2022	YoY Change	2021
Water Management			
Water usage (million liters)	466	-21%	593
Water recycling rate	65%	0%	65%
Governance and Ethics			
Number of full-time employees	3,867	-1%	3,964
Revenue	\$1.8B	21%	\$1.5B
Assessing Supplier Performance			
Percentage of suppliers with ISO 14001 certification	86%	6%	80%
Percentage of suppliers with RBA membership (based on spend)	72%	-3%	75%
Workplace Demographics			
Gender Representation			
Percent of employee population identifying as male (global)	57%	2%	55%
Percent of employee population identifying as male (U.S.)	74%	2%	72%
Percent of employee population identifying as female (global)	43%	-2%	45%
Percent of employee population identifying as female (U.S.)	26%	-2%	28%
Ethnicity (U.S.)			
White	53%	12%	41%
Asian	26%	-7%	33%
Hispanic or Latinx	7%	-1%	8%

2022 ESG PERFORMANCE SUMMARY

(CONTINUED)

Performance Area	2022	YoY Change	2021
Ethnicity (U.S.) (continued)			
Two or more races	2%	0%	2%
Black or African American	4%	-2%	6%
Native Hawaiian or other Pacific Islander	0.4%	-0.6%	1%
American Indian or Alaska Native	0.1%	-0.9%	1%
Undeclared	8%	0%	8%
Worker Health and Safety			
Global injury rate (per 100 full-time equivalent workers)	0.30	-30%	0.43

SITE LEVEL ENVIRONMENTAL DATA

Water Risk Levels by Site			
SGH Location	Facility Type	Business Line	WRI - Water Risk Atlas 3.0
Atibaia, State of Sao Paulo, Brazil	Factory/Office	Memory Solutions	Low (<10%)
Manaus, State of Amazonas, Brazil	Factory/Office	Memory Solutions	Low (<10%)
Hong Kong, China	Office	Cree LED	Low (<10%)
Huizhou, Guangdong Province, China	Factory/Office	Cree LED	Low (<10%)
Shanghai, China	Office	Cree LED	High (40-80%)

2022 ESG
PERFORMANCE
SUMMARY

(CONTINUED)

SGH Location	Facility Type	Business Line	WRI - Water Risk Atlas 3.0
Shenzhen, Guangdong Province, China	Office	Cree LED	Low (<10%)
Kochi, Kerala, India	Office	Penguin Solutions	Extremely High (>80%)
Bengaluru, Karnataka, India	Office	Penguin Solutions	Extremely High (>80%)
Penang, Malaysia	Factory/Office	Memory Solutions	Low (<10%)
Seongnam-si, Gyeonggi-do, South Korea	Office	Memory Solutions	High (40-80%)
New Taipei City, Taiwan	Office	Memory Solutions	Low (<10%)
East Kilbride, Glasgow, UK	Office	Memory Solutions	Low (<10%)
Durham, North Carolina, USA	Office	Cree LED	High (40-80%)
Tewksbury, Massachusetts, USA	Office	Memory Solutions	Medium - High (20-40%)
Irvine, California, USA	Office	Memory Solutions	Extremely High (>80%)
Newark, California, USA	Office	Memory Solutions	Low (<10%)
Tempe, Arizona, USA	Office	Penguin Solutions	Extremely High (>80%)
Fremont, California, USA	Factory/Office	Penguin Solutions	Low (<10%)

2022 ESG PERFORMANCE SUMMARY


(CONTINUED)

Hazardous Waste, Generated and Landfilled by Site (measured in metric tons)				
SGH Location	2022		2021	
	Generated	Landfilled	Generated	Landfilled
Atibaia, State of Sao Paulo, Brazil	13.84	0	12	0
Manaus, State of Amazonas, Brazil	1.6	0	0.6	0
Huizhou, Guangdong Province, China	155	0	123.5	0
Kochi, Kerala, India	0	0	0	0
Bengaluru, Karnataka, India	0	0	0	0
Penang, Malaysia	30.74	0	41	0
Seongnam-si, Gyeonggi-do, South Korea	0	0	0	0
New Taipei City, Taiwan	0	0	0	0
East Kilbride, Glasgow, UK	0	0	0	0
Durham, North Carolina, USA	10.10	10.10	16.8	4.36
Tewksbury, Massachusetts, USA	0	0	0	0
Irvine, California, USA	0	0	0	0
Newark, California, USA	2.34	2.34	3.36	0
Tempe, Arizona, USA	0.03	0.03	0.03	0.03
Fremont, California, USA	0	0	0	0
Totals	213.65	12.47	38.38	0.03

*All figures are for the calendar year, with the exception of revenue which is presented on a fiscal year basis. K is defined as thousand, M is defined as million, and B is defined as billion. These data have been rounded slightly.

**EMISSIONS
VERIFICATION STATEMENT**

In 2022, we sought third-party verification of our Scope 1 and Scope 2 GHG emissions with a reasonable level of assurance. To the right is the statement of assurance from DNV.



STATEMENT

Introduction

DNV Business Assurance USA, Inc. (DNV) has been commissioned by the management of SMART Global Holdings to carry out an independent verification of its GHG emissions (Scope 1 and 2). These assertions are relevant to the 2022 calendar year.

SMART Global Holdings has sole responsibility for preparation of the data and external report. DNV, in performing our assurance work, is responsible to the management of SMART Global Holdings. Our assurance statement, however, represents our independent opinion and is intended to inform all stakeholders including SMART Global Holdings.

Verification Objective

The objective of this verification is to verify conformance with applicable verification criteria, including the principles and requirements of relevant standards or GHG programmes, within the scope of the verification; The organization's GHG inventory of GHG emissions; any significant changes in the organization's GHG inventory since the last reporting period; and the organization's GHG-related controls.

Verification Scope

2022 Greenhouse Gas (GHG) emissions inventory Scope 1 and 2

Organizational boundaries: Global;

Operational Control

Physical infrastructure: activities, technologies, and processes of the organization

Manufacturing sites: DRAM Modules, Removable Flash Storage, Embedded Flash Storage,

Wireless Communication, Design and Development

Offices – Design and Development Offices

Fuel and associated equipment

Electricity usage in manufacturing sites and offices

Natural Gas - boilers and space heating

Diesel – Emergency generator and onsite vehicles


Refrigerants

GHG sources: Stationary combustion, Fugitive emissions, Mobile emissions, and Purchased Electricity;

Types of GHGs: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and Sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3);

Reporting Period: 1 January 2022 to 31 Dec 2022

DNV Business Assurance USA, Inc., 1400 Ravello Drive, Katy, TX 77440
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Verification Level of Assurance

The verification was conducted by DNV to a reasonable level of assurance with the qualification reported in the below Verification Conclusions.

Materiality Level

Errors / omissions which represent, single or aggregated, the 5% of total emissions are considered material.

Verification Criteria

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Scope 1 & 2)

Verification Protocols

- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Operational Boundary

- Operational control
- Global sites
- Reporting Period: 1 January 2022 to 31 December 2022

Data Verified

Greenhouse Gas Emissions	
Scope 1 Emissions	3,599.691 (MtCO ₂ e)
Scope 2 Emissions (Location based)	61,079.620 (MtCO ₂ e)
Scope 2 Emissions (Market based)	39,370.465 (MtCO ₂ e)

Assurance Opinion

Based on the verification process conducted by DNV, we provide a Reasonable Assurance of the GHG Emissions Inventory for SMART Global Holdings. DNV found that the assertion:

- is materially correct;
- is a fair representation of the GHG emissions information; and
- is prepared in accordance with the Reporting Criteria

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Based on the verification process conducted, DNV found that:

- there is sufficient and appropriate evidence to support material emissions, removals or storage;
- the criteria are applied appropriately for material emissions, removals, or storage; and
- the effectiveness of controls has been evaluated when the verifier intends to rely on those controls.

Independence

DNV was not involved in the preparation of any part of SMART Global Holdings data or report. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV Business Assurance USA, Inc.
July 13, 2023


Lead Verifier
 Chardrian Ilango


Technical Reviewer
 Shruthi Bachamanda


Approver
 David Telles
Regional Manager, DNV Business Assurance USA, Inc.

The purpose of the DNV group of companies is to promote safe and sustainable future. The USA & Canada Sustainability team is part of DNV Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com/assurance

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REPORTING SCOPE, BOUNDARIES, AND ALIGNMENT

This 2022 Environmental, Social, Governance (ESG) report summarizes the relevant activities and performance of SMART Global Holdings (SGH) during the 2022 calendar year (January 1, 2022 to December 31, 2022) unless otherwise noted. It covers all of our operating sites, including Stratus, which was acquired by SGH in 2022.

This report has been prepared with reference to the GRI Universal Standards and in alignment with the Sustainability Accounting Standards Board (SASB), as well as the UN Global Compact and TCFD. It has not been externally assured. Topic boundaries are detailed in the GRI Index which can be found on [page 62](#). We welcome questions or comments about this report and our sustainability initiatives at sustainability@SGHCorp.com.

REFERENCES

To learn more about SGH, please visit the links below:

[SMART Global Holdings](#)

[Annual Reports](#)

[Code of Business Conduct and Ethics](#)

[Supplier Code of Conduct](#)

[Corporate Governance Guidelines](#)

[UK Modern Slavery Statement](#)

[Human and Workforce Labor Rights](#)

[Policy RBA Member Commitment](#)

[Quality, Environmental, Health and Safety Policy](#)

[Anti-Corruption Policy](#)

[Whistleblower Policy](#)

CREDITS AND CONTACT

As we continue to progress in our sustainability journey, we would like to thank our leadership team and employees for their continued dedication, innovation, and ongoing work to move us forward. If you have any questions regarding this report or our ESG activities and programs, please contact sustainability@sghcorp.com.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements based on SGH management's current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments, and programs and other business plans, initiatives, and objectives. These statements are typically accompanied by the words "aim," "could," "hope," "believe," "estimate," "plan," "aspire," or similar words. All such statements are intended to enjoy the protection of safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed in Item 1A of our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) as well as, with respect to our sustainability targets, goals and commitments outlined in this report or elsewhere and the challenges and assumptions identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. SGH urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully when evaluating the forward-looking statements in this report. SGH cannot assure you that the results reflected or implied by any forward-looking statement will be realized. Even if such results are substantially realized, SGH cannot guarantee that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.



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