



*Wolfspeed*®

# SUSTAINABILITY REPORT

03 CEO MESSAGE	04 WOLFSPEED	10 SUSTAINABILITY	20 CORPORATE GOVERNANCE	26 ECONOMIC	33 SOCIAL RESPONSIBILITY	58 ENVIRONMENT	74 APPENDIX
<a href="#">05 Who We Are</a>	<a href="#">11 Sustainability Mission and Principles</a>	<a href="#">21 Absolute Commitment to Integrity and Transparency</a>	<a href="#">27 Responsible Business Practices, Innovating for a Better Future</a>	<a href="#">34 People First, People Always</a>	<a href="#">59 Processes that Protect the Environment, Products that Improve It</a>	<a href="#">75 GRI Content Index</a>	
<a href="#">06 Our Values</a>	<a href="#">12 Sustainability Goals</a>	<a href="#">21 Corporate Governance</a>	<a href="#">27 Product Quality</a>	<a href="#">34 Our Employees</a>	<a href="#">59 Product Sustainability</a>	<a href="#">82 SASB Disclosures</a>	
<a href="#">06 Why Wolfspeed</a>	<a href="#">13 2022 Sustainability Achievements</a>	<a href="#">21 Board of Directors and Committee Composition</a>	<a href="#">27 Quality Policy (WIN)</a>	<a href="#">35 Our Early Career Employees</a>	<a href="#">60 Product Stewardship</a>	<a href="#">84 UN SDGs Disclosures</a>	
<a href="#">08 Expanding Capacity for Silicon Carbide</a>	<a href="#">14 Sustainability Reporting</a>	<a href="#">22 Code of Conduct</a>	<a href="#">28 5S</a>	<a href="#">36 Diversity, Equity &amp; Inclusion</a>	<a href="#">60 Product End of Life</a>	<a href="#">85 TCFD Disclosures</a>	
	<a href="#">15 Materiality Assessment</a>	<a href="#">22 Policies</a>	<a href="#">29 Customer Satisfaction</a>	<a href="#">42 Employee Engagement</a>	<a href="#">60 Environmental Management and ISO 14001</a>	<a href="#">95 Sustainability Data</a>	
	<a href="#">16 Our Contribution to the UN Sustainable Development Goals (SDGs)</a>	<a href="#">23 Human Rights</a>	<a href="#">30 Global Trade Compliance</a>	<a href="#">44 Compensation &amp; Benefits</a>	<a href="#">61 Environment, Health, and Safety Policy (LEAD)</a>	<a href="#">104 Independent Assurance Statement</a>	
		<a href="#">23 Global Business Continuity &amp; Crisis Management</a>	<a href="#">30 Supply Chain</a>	<a href="#">46 Training and Development</a>	<a href="#">61 NC Environmental Stewardship Initiative</a>		
		<a href="#">24 Risk Management</a>	<a href="#">31 Responsible Minerals Sourcing</a>	<a href="#">48 Health and Safety and ISO 45001</a>	<a href="#">61 Marcy, New York Environmental Stewardship Activities</a>		
		<a href="#">24 Sustainability Oversight</a>	<a href="#">32 California Proposition 65</a>	<a href="#">48 Health and Safety — Our Employees and Contractors</a>	<a href="#">62 Energy and Greenhouse Gas Emissions</a>		
		<a href="#">24 Security Practices</a>		<a href="#">54 Health and Safety — Our Customers and Partners</a>	<a href="#">65 Other Air Emissions</a>		
		<a href="#">25 Information Security</a>		<a href="#">55 Community Engagement</a>	<a href="#">66 Water Management</a>		
					<a href="#">71 Waste Management</a>		
					<a href="#">73 Circular Economy</a>		
					<a href="#">73 Biodiversity</a>		

## CEO MESSAGE

We've seen another year of major global climate events. Extreme heat caused wildfires in Canada that led to air quality issues in the United States as well as fires in Greece that led to a mass evacuation, while record snowfall and flooding hit the U.S. West Coast. The need for organizations to take action to help reduce environmental impacts continues to be a top priority. Wolfspeed's ability to save the world's energy is more important than ever, but we don't halt our sustainability efforts at the products we make. In everything we do, our goal is to leave the world better than we found it.

We apply this idea to how we imagine our future capacity expansion projects and how we operate in the communities where we live and work. Industry analysts predict a 4x increase in silicon carbide demand over the next four years, and Wolfspeed has committed to a capacity expansion journey by 2030 to meet the steepening demand for our energy-efficient silicon carbide technology.

On September 9, 2022, I joined North Carolina Governor Roy Cooper to announce the world's largest silicon carbide materials manufacturing facility, The John Palmour Manufacturing Center for Silicon Carbide. Affectionately known as The JP to honor the late Dr. John Palmour, we broke ground and began construction with the anticipation that we open those doors by the end of 2024.

It's not enough to simply add additional facilities to address the increased demand for electric vehicles, fast charging, and renewable energy and storage solutions; we must do so with the environment in mind. We are committed to sourcing electricity for the JP from carbon-free or low-carbon sources, creating water recycling processes, and building a LEED certified facility. Sustainability isn't a trend or a buzz word at Wolfspeed – it's fundamental to our business.

Being a good community partner remains vital in how we operate, no matter how much we grow. We believe that every person deserves a roof over their head, food to eat, and the opportunity to excel. This past year, we announced our sponsorship of the FIRST Robotics Competitions in North Carolina, California, Arkansas, Arizona and New York. The FIRST Robotics Competition is a hands-on STEM program that combines the excitement of athletics with the rigors of science and technology for high school students. I'm proud to say that we're making great progress in our goal to implement STEM programs in 100 percent of the areas where we operate by 2025.

Just as vital as how we conduct ourselves outside our walls is how we conduct ourselves within them. A company is only as good as its workforce, and I'm pleased to share that we continued to add opportunities for employee networking by creating the Early in Career employee resource group. We need to

foster the innovators and technologists of tomorrow, both in our local communities and here at Wolfspeed. Together, we can all work collaboratively to solve the problems of today and be ready to tackle the new challenges of the future.

We were proud to announce our partnership with North Carolina Agricultural and Technical State University (N.C. A&T), the nation's top ranked Historically Black College and University, to establish comprehensive education and training curricula and cutting-edge research and innovation programs. This partnership will open exciting opportunities for undergraduate and graduate students to study silicon carbide semiconductor manufacturing, as well as training and career advancement programs for existing workers. I am personally honored to have joined the board of trustees of N.C. A&T this year, and in that capacity will continue to develop programs like these that cultivate some of the best talent in the country.

As much as we want to improve our planet, we are equally committed to improving our people and communities too. The pages of this report show our progress, but we are not a company that sits still. We remain relentless in our pursuit of innovation and a more sustainable future for all – there is no time to waste.

Sincerely,



Gregg A. Lowe  
President and CEO





TABLE OF CONTENTS

CEO MESSAGE

**WOLFSPEED**

SUSTAINABILITY

CORPORATE GOVERNANCE

ECONOMIC

SOCIAL RESPONSIBILITY

ENVIRONMENT

APPENDIX

## + **WOLFSPEED**

Who We Are

Our Values

Why Wolfspeed

Expanding Capacity for Silicon Carbide

# WHO WE ARE

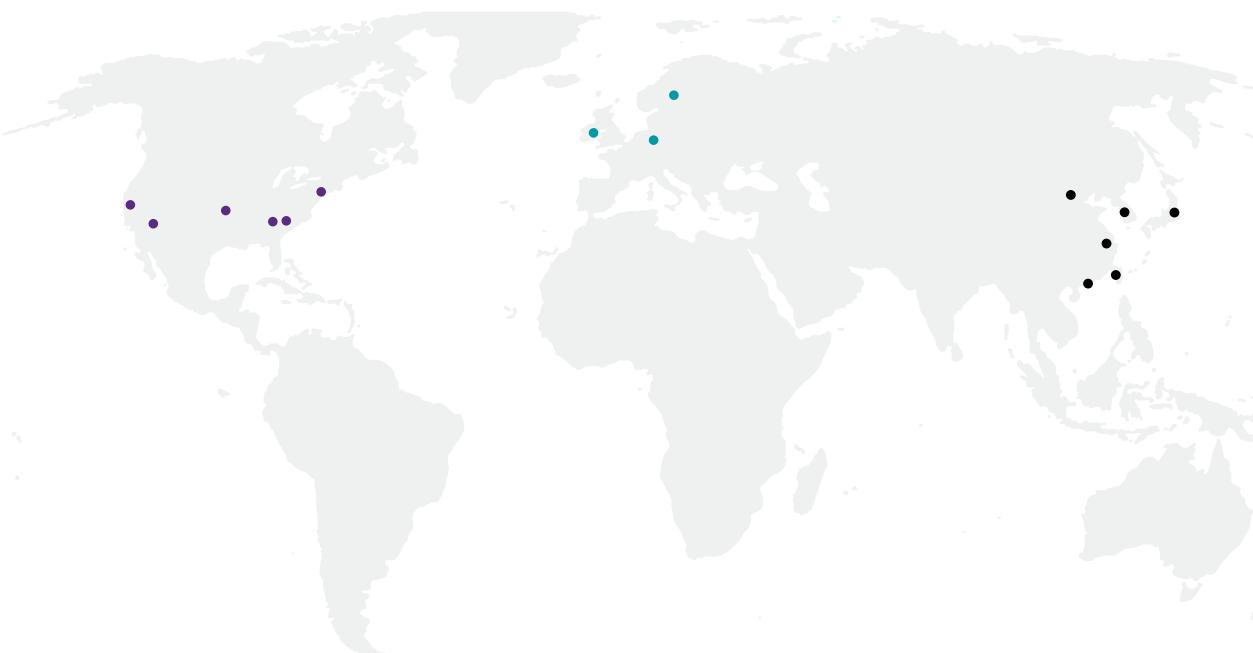
Wolfspeed is leading a once in a generation shift from silicon to silicon carbide and gallium nitride technologies, providing industry-leading solutions for efficient energy consumption and a sustainable future. Wolfspeed's product families include silicon carbide materials, Power devices, and RF devices targeted for various applications such as electric vehicles, fast charging, 5G, renewable energy and storage, and aerospace and defense.

Our solutions are driving change across the semiconductor market, enabling greater efficiency and performance, smaller systems, and lower costs. These solutions are key to the electrification of the drivetrain to support the shift to electric vehicles, wireless infrastructure to unlock the potential of smart cities, and power storage to enable broader adoption of alternative energy.

This is just the beginning. We're helping our customers explore new applications for silicon carbide every day to meet stringent sustainability goals. Our silicon carbide solutions are poised to transform entire industries.

**Wolfspeed is saving the world energy.**

## Where We're Located



\*Not all locations are listed

\*\*Coming soon

HEADQUARTERS

MANUFACTURING

SALES

LABORATORY

### NORTH AMERICA\*

Durham / RTP, NC	☆ ☀ ☈ ☈
Fayetteville, AR	☽
Mesa, AZ	☽
Morgan Hill, CA	☽ ☈ ☈
Marcy, NY	☽ ☈
Siler City, NC**	☽

### EUROPE\*

Belfast, Northern Ireland	☽
Munich, Germany	☽ ☈
Kista, Sweden	☽ ☈

### ASIA\*

Hong Kong	☽
Tokyo	☽ ☈
South Korea	☽ ☈
Shanghai	☽ ☈
Shenzhen	☽ ☈
Taipei	☽ ☈

## Wolfspeed's Products and Applications

### PRODUCTS

**Silicon carbide:** Materials, Schottky Diodes, MOSFETs, Power Modules, Bare Die,  
**Gallium nitride on silicon carbide:** MMICs, HEMTs

### APPLICATIONS

**Automotive:** Electric Vehicles (EVs), EV Fast Charging  
**Industrial:** Data Centers, Power Supplies, Commercial Induction Heating  
**Renewable energy:** Solar Energy, Energy Storage Systems, Wind Power,  
**Radio frequency:** Communications Infrastructure, Radar, Aerospace and Defense

## Industry Awards and Recognition

- **Power Semiconductor of the Year**, 2022 AspenCore World Electronics Achievement Awards
- **Tamara Pearce**, 2022 Leader in Diversity, Triangle Business Journal
- **Economic Development Winner**, 2022 Cleantech Innovation Awards
- **International Silicon Carbide Industry Pioneer Award**, 2022 Hangjia Aurora Awards
- **Featured Vehicle Electronics Solution Supplier**, 2022 EE Awards Asia
- **Silicon Carbide Industry Excellence Award for a Power Device**, 2022 Asia Power Technology Development Forum
- **Best Investor Relations Program**, All-America Equity Awards, Midcap Category
- **Best CEO**, All-America Equity Awards, Midcap Category
- **Best CFO**, All-America Equity Awards, Midcap Category
- **Best Company Board**, All-America Equity Awards, Midcap Category
- **Best ESG**, All-America Equity Awards, Midcap Category
- **Best Investor Event**, All-America Equity Awards, Midcap Category
- **Leading EDGE Winner**, 2022 Leading EDGE Awards
- **2022 Finalist, NC Chamber**, Coolest Thing Made in NC Contest
- **2022 Honorable Mention**, Ragan Communications, Campaign of the Year and COVID-19 Communications

FOUNDED	REVENUE	PATENTS	PEOPLE
<b>1987</b> NC State	<b>\$746.2M</b> In FY 2022	<b>&gt;2,000</b> Worldwide	<b>~5,000</b> Employees

## OUR VALUES

Our values are a simple, yet powerful reflection of how we interact with each other, our customers, our partners, and our communities.

We strive to live by these values every day. They reflect both our great history of disruptive innovation and set the tone for the exciting future ahead. We do amazing things in a human way. For example, our Values in Action program allows employees to say thank you and recognize their peers for going above and beyond. It's just one small way our values are embedded in our work and focused on our people.



### SAFETY, INTEGRITY AND RESPECT

We value our people above all else. Their safety is primary in every decision we make. We always act with integrity and respect for our people, workplace and community. Relationships matter. We value everyone's contribution and an environment of spirited and open debate.

*We do the right thing and we say “thank you.”*

### OWNERSHIP AND ACCOUNTABILITY

We are accountable to each other and committed to the highest standards of work and behavior.

*We succeed or fail together.*

### INGENUITY AND PASSION

Our passion for making the world better through innovation means we take risks and question conventional thinking, developing new technologies and ways of doing business—leading the way, every single day.

*We do what others say can't be done.*

## WHY WOLFSPEED

Wolfspeed is leading the transformation from silicon to silicon carbide. After more than 35 years of forging new technology adoption and transformation, our Wolfspeed® Power and Radio Frequency (RF) semiconductors are leading the industry through unrivaled expertise and capacity. What's next? We believe anything is possible through hard work, collaboration and a passion for innovation.

### EXPERTISE

Our founders were the first to successfully commercialize silicon carbide, and for the last 35 years have focused on devising and supplying the world's power systems designers with the industry's highest performing silicon carbide technologies for high-power applications.

### PORTFOLIO

As a pioneer in silicon carbide semiconductors, we now field the world's broadest, most capable portfolio of next generation, silicon carbide MOSFETs, Schottky diodes and Power modules for power and industry needs.

### CAPACITY

Wolfspeed has the first and only 200mm silicon carbide fabrication facility in Marcy, NY. This state-of-the-art, fully-automated facility will be automotive qualified and greatly expands our ability to meet the world's increasing demand for silicon carbide.

### PROVEN SUCCESS

### PROVEN LEADERSHIP

35+

Years of Experience

### PROVEN EXPERIENCE

7+

Trillion Power devices field hours

### PROVEN EFFICIENCY

10vs1

Switching efficiency of silicon carbide over silicon

## WOLFSPEED MILESTONES

**How do leaders lead? By being first.**

Our transition to Wolfspeed marks both a new beginning and a continuation of our company's storied history. It is an opportunity to build on the financial strength, responsible and ethical business practices, innovation, and passion that have been the hallmarks of our culture for the past 35+ years. We will continue to drive our mission forward, powered by incredibly talented thinkers and doers allowed to explore and reimagine what is possible. We'll always be a place where the doers and dreamers have permission to reinvent and reimagine. Our name is different but our foundation is the same, and our future is brighter than ever.

**1987**



### ► Cree Research, Inc. Founded

Launched Cree Research, Inc. out of a lab at North Carolina State University to commercialize silicon carbide

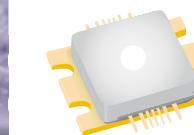
**1991**



### ► First Commercial Silicon Carbide Wafers

Released the world's first commercial silicon carbide wafers, delivering the industry's most robust, highest-quality materials for the creation of silicon carbide and gallium nitride-on-silicon carbide devices

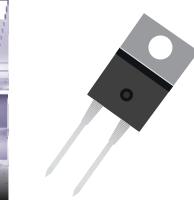
**2000**



### ► First Gallium Nitride-on-Silicon Carbide MMIC

Demonstrated first ever gallium nitride-on-silicon carbide MMIC with record power density, proving gallium nitride-on-silicon carbide was greatly superior to GaAs, not only supporting higher power output, but also allowing smaller die size for equal power

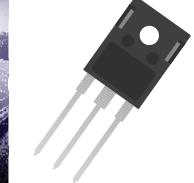
**2002**



### ► 600V Commercial Silicon Carbide JBS Schottky Diode

Released our first 600V commercial silicon carbide JBS Schottky diode that enabled the creation of ENERGY STAR® 80 Plus Gold, Platinum and Titanium power supplies

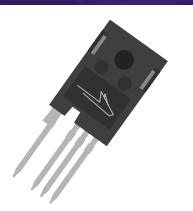
**2011**



### ► First Silicon Carbide MOSFET

Released industry's first silicon carbide MOSFET, a market maker and key building block for more efficient power conversion systems, decreasing size, weight and bill of materials

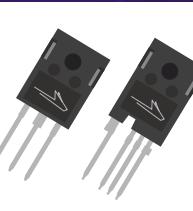
**2017**



### ► Silicon Carbide 900 V, 10mΩ MOSFET

Introduced the silicon carbide 900 V, 10mΩ MOSFET for electric vehicle (EV) drive trains, enabling a reduction of EV drive train inverter losses by 78%

**2018**



### ► First MOSFETs to Meet Automotive AEC-Q101 Standards

Released the first commercially available MOSFETs to meet Automotive AEC-Q101 Standards

**2019**



### ► XM3 Power Module Platform

Developed the XM3 power module platform which maximizes the benefits of silicon carbide while keeping the module and system design robust, simple and cost effective

**2021**



### ► Transitioned to Wolfspeed, Inc.

Launched the new Wolfspeed, Inc. name and was listed on the New York Stock Exchange as WOLF

**2022**



### ► Announced Wolfspeed Wolfpack™ Module Family

Released the Wolfspeed WolfPACKTM Power modules which are designed to bridge the gap between single die discrete components and high-ampacity module solutions. WolfPACKTM modules make system design flexible, using press-fit pins to make both prototyping and manufacturing easy.

**2022**



### ► Grand Opening of Mohawk Valley Fab

Opened the world's first, largest and only 200mm silicon carbide wafer fab in Marcy, New York

**2022**



### ► Introduced the Speedval Kit™

Introduced the SpeedVal KitTM, the industry's most versatile modular silicon carbide evaluation platform that provides a flexible set of building blocks for in-circuit evaluation of system performance.

## EXPANDING CAPACITY FOR SILICON CARBIDE

The demand for silicon carbide is growing. Countries, states and municipalities around the world are setting strict carbon emission standards, enacting new energy efficiency standards and investing in cleaner energy programs, just as consumer adoption of electric vehicles continues to soar. The electrification of everything is underway, and silicon carbide is an essential resource in its success.

Wolfspeed is making investments in its capacity to meet this demand as we establish a silicon carbide corridor on the east coast.

### Investing in and Partnering with Our Local Communities

Our capacity expansion efforts are complemented by Wolfspeed's strong partnerships with local organizations. In North Carolina, we announced the continuation of our partnership with North Carolina Agricultural and Technical State University with our intent to apply for CHIPS and Science Act funding to build a new research and development facility on the North Carolina A&T campus. This R&D facility will be focused on silicon carbide to support the next generation of advanced compound semiconductors.

*"As one of the top three public research universities in North Carolina and the nation's largest HBCU, we are keenly interested in the future of the semiconductor chip industry in our state. As a research and education partner with Wolfspeed, we bring deep academic and scientific strengths in STEM disciplines to our collaboration, as well as the fact that we produce more Black engineers than any university in the nation."*

Chancellor Harold Martin  
North Carolina A&T

*"Wolfspeed has been working with North Carolina A&T to develop a workforce of the future, and we are excited to expand that partnership to develop the technology of the future. The R&D facility will enable the next generation of innovators to explore new processes, applications and breakthrough advancements to support the global transition from silicon to silicon carbide technology and achieve new levels of sustainability and energy efficiency across a variety of industries."*

Gregg Lowe  
President and CEO



In September 2022, Wolfspeed announced that we are building the world's largest silicon carbide materials facility in Siler City, North Carolina. Construction has since started on The John Palmour Manufacturing Center for Silicon Carbide, which will increase Wolfspeed's Materials capacity by more than 10x.

Our new Materials facility will reside within the Chatham-Siler City Advanced Manufacturing Site, an industrial park that sits on approximately 1,802 acres.

Increase Wolfspeed's Materials capacity by more than

**10X**

**445**

acres

Be Highly automated

Create

Cover more than

**1,800**

**1 million**

new jobs by 2030

square feet

Supply our current and future fabs

Sit within

Focus on

**60 miles**

**200 mm wafers,**

of prestigious local universities, creating a robust talent pipe

which are ~1.7x larger than 150mm wafers, translating into more chips per wafer

In the Mohawk Valley, we are working with education and business partners to establish a robust pipeline for the next generation of high-quality, high-tech jobs, including those we will need in advanced manufacturing. Our culture fosters an inclusive workplace, and our hiring efforts develop employees from the communities where we operate. We fuel long-term growth opportunities through an internal mobility practice that combines ongoing workforce development, leadership training, education assistance and career path planning.

#### OUR PARTNERS

- Alfred University
- Cornell University
- Fort Drum
- Herkimer College
- Hudson Valley Community College
- Mohawk Valley Community College
- Rensselaer Polytechnic Institute
- Rochester Institute of Technology
- SUNY Polytechnic Institute
- Utica College

## Expanding with the Environment in Mind

Wolfspeed continues to expand, and we are keeping the environment in mind while doing so. We continuously explore options for sustainable building and operations practices to minimize our impact to the environment and conserve resources whenever possible.

Some of the environmental features we are planning for The John Palmour Manufacturing Center for Silicon Carbide in Siler City, North Carolina include:



### Building Efficiency

- Being LEED certified for building efficiency, including energy, water and waste savings
- Designing all the buildings and facilities systems to reduce the amounts of water and chemicals used over what is currently being done in our facility in Durham, North Carolina
- Having a white reflective roof to reduce heat island effect



### Energy / Emissions

- Reducing embodied carbon of steel and concrete to minimize emissions
- Installing solar PV for use of renewable energy
- Installing electric vehicle charging stations in parking lots to support gas-free transportation
- Enhancing indoor air quality by minimizing contaminants and selecting low emitting materials



### Water

- Deploying water recycle processes, such as collecting rainwater for water efficiency
- Landscaping with stormwater management swales and basins to control the quantity and quality of stormwater runoff



### Waste

- Diverting 75% of construction waste to reduce waste going to the landfill

We are also focusing on the health and wellness of our employees through ergonomics programs and other design features to enhance building occupancy.

[TABLE OF CONTENTS](#)[CEO MESSAGE](#)[WOLFSPEED](#)[SUSTAINABILITY](#)[CORPORATE GOVERNANCE](#)[ECONOMIC](#)[SOCIAL RESPONSIBILITY](#)[ENVIRONMENT](#)[APPENDIX](#)

## SUSTAINABILITY

[Sustainability Mission and Principles](#)[Sustainability Goals](#)[2022 Sustainability Achievements](#)[Sustainability Reporting](#)[Materiality Assessment](#)[Our Contribution to the UN Sustainable Development Goals \(SDGs\)](#)

# SUSTAINABILITY MISSION AND PRINCIPLES

## The best for our employees, our environment and our communities

### Our Sustainability Mission

Our purpose extends beyond our products. Our business is built on the power of silicon carbide and the innovative possibilities unleashed by this technology. Always at the forefront of technology revolutions, we serve as a catalyst for driving change that transforms our communities, industries and our world by powering more while consuming less.

### We are Wolfspeed.

### Our Sustainability Principles

#### PEOPLE FIRST, PEOPLE ALWAYS

#### PROCESSES THAT PROTECT THE ENVIRONMENT, PRODUCTS THAT IMPROVE IT

#### RESPONSIBLE BUSINESS PRACTICES, INNOVATING FOR A BETTER FUTURE

#### ABSOLUTE COMMITMENT TO INTEGRITY AND TRANSPARENCY



*“Our community of thinkers and doers believe in transforming the world with Wolfspeed’s silicon carbide technology. From reducing our carbon footprint through process improvements to employing diversity, equity and inclusion practices and ensuring STEM opportunities in our local communities, we’re committed to creating a better world for current and future generations. Our collaborative efforts with stakeholders and unique initiatives reflect our dedication to building a more efficient, sustainable and resilient future for all.”*

**Nathan Daigle**  
Global Sustainability Leader

We consider the health and well-being of each individual associated with the Wolfspeed community as our primary responsibility. We have established stringent rules for material sourcing, supplier selection, and employee health and safety, while also promoting community engagement and education programs.

We strive to minimize resource use and reduce the environmental impact of our production process. We are committed to responsibly managing environmental impacts, including being in compliance with environmental legislation at a minimum and ensuring continual improvement in our environmental performance.

Our product sustainability goals are simple: enable our customers to invent power and wireless systems for a responsible, energy efficient future. We are committed to responsibly managing our products from cradle to grave as we lead the innovation and commercialization of silicon carbide.

At Wolfspeed, we relentlessly pursue disruptive technologies that change industries. We operate at the highest ethical standards and actively manage risks inside and outside of the organization to ensure long-term financial performance. We adhere to the policies outlined in the **Code of Conduct** and require our suppliers to adhere to strict social and environmental standards as described in our **Supplier Code of Conduct**.

Our Board of Directors sets high standards for our employees, officers and directors. We are committed to the transparency of our environmental, social and governance information and data.

# SUSTAINABILITY GOALS

We maintain a firm commitment to responsibly conduct business alongside an acute awareness of our role in enabling a more sustainable future. To that end, we established our first corporate-wide sustainability goals. These goals drive our sustainability strategy and efforts that align with our organization structure, core competencies and culture, and unite our business units, global locations and functions.

		OUR AMBITION	OUR GOAL	2022 PROGRESS
<b>People First, People Always</b>	HEALTH & SAFETY	Providing a safe and healthy work environment is paramount to our success and protects our most valuable resource, our employees.	Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025	 <a href="#">Learn more &gt;</a>
<b>Processes that Protect the Environment, Products that Improve It</b>	COMMUNITY	Close the opportunity gap by providing more opportunities for STEM education, at all levels, to people in need, particularly in underserved communities.	Establish STEM partnerships at 100% of our major locations by 2025	 <a href="#">Learn more &gt;</a>
<b>Responsible Business Practices, Innovating for a Better Future</b>	GREENHOUSE GASES	Actively fight against climate change and reduce our and others' carbon footprint; stay efficient, stay productive. Be a company that makes a difference for future generations.	<ul style="list-style-type: none"> <li>• Reduce scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030</li> <li>• Achieve net zero scope 1 and 2 GHG emissions by 2050<sup>1</sup></li> </ul>	 <a href="#">Learn more &gt;</a>
<b>Absolute Commitment to Integrity and Transparency</b>	WATER	Ensure sustainable and efficient use of water across all sectors. Become a leader in addressing water scarcity.	Increase our water recycling rate by 25% by 2025	 <a href="#">Learn more &gt;</a>
	WASTE	Be a company that directs to zero waste through waste reduction and recycling.	Achieve 85% waste diversion rate from landfills by 2025 <sup>2</sup>	 <a href="#">Learn more &gt;</a>
	SUPPLY CHAIN	Assess our suppliers on social and environmental risks to strengthen partnerships with those with best practices.	Evaluate ESG risks and opportunities for 100% <sup>3</sup> of suppliers on our Approved Supplier List by 2025	 <a href="#">Learn more &gt;</a>
	DIVERSITY	Improve resiliency through our diversity efforts and reduce inequalities across our supply chain.	Achieve >5% supply chain spend from underrepresented <sup>4</sup> suppliers by 2025	 <a href="#">Learn more &gt;</a>
	RISK MANAGEMENT	Use a defined and concise method to easily gather the data needed to evaluate our sustainability risks	Complete three risk plans per year under our Enterprise Risk Management (ERM) program by 2025	 <a href="#">Learn more &gt;</a>
	TRANSPARENCY	Actively and continuously work to improve our disclosures and ratings through major reporting frameworks to drive continuous improvement efforts.	Achieve a score of B or better on all CDP surveys by 2025 <sup>5</sup>	 <a href="#">Learn more &gt;</a>

LEGEND:  ON TRACK  ATTENTION NEEDED

<sup>1</sup> We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

<sup>2</sup> Non-hazardous solid waste

<sup>3</sup> Purchased Quality Item (PQI) suppliers

<sup>4</sup> Changed diverse to underrepresented

<sup>5</sup> Applicable to relevant surveys for Wolfspeed (climate change, water security, supplier engagement).

## 2022 SUSTAINABILITY ACHIEVEMENTS

Reached an overall employee engagement score of

# 84%

*increased from 82% to 84%*

WOLFSPEED was a

# 2022

Finalist for NC Chamber's  
*"Coolest Thing Made in NC"*  
Contest

Tamara Pearce was named

# 2022

Leader in Diversity by Triangle Business Journal

*Wolfspeed's Senior Director of Diversity, Equity & Inclusion*



4 locations certified to AS9100D

*(Durham, RTP, Morgan Hill and Mesa)*

Increased amount of recycled water by

# 40%

*from 47 to 66 million gallons*

# 4

Reduced scope 1 emissions by

# 14%

*from 360 to 309 thousand MT CO<sub>2</sub>e*

Achieved

# 75%

*waste diversion rate from landfills at our manufacturing site in Morgan Hill, California*

Implemented ISO 45001 at

# 3

manufacturing locations  
*(Durham, RTP and Morgan Hill)*

# SUSTAINABILITY REPORTING

This sustainability report outlines Wolfspeed's sustainability strategy, programs and performance during the calendar year 2022.

The majority of the data included in this report is on a calendar year basis (January to December). Financial data is reported on a fiscal year basis (July to June). The reporting cycle is annual. However, content may be updated throughout the reporting cycle. Refer to our **Sustainability** website pages on [wolfspeed.com](https://wolfspeed.com) for the most recent information.

Please contact us with any questions or feedback you may have on this report or our sustainability initiatives. We look forward to hearing from you. Contact: [#Wolfspeed\\_Sustainability@wolfspeed.com](mailto:#Wolfspeed_Sustainability@wolfspeed.com)

Wolfspeed's sustainability report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. Our report also aligns with the Sustainability Accounting Standards Board (SASB) semiconductor standard and the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our GRI Content Index, SASB Disclosures and TCFD Disclosures can be found in the [Appendix](#) of this report.

Wolfspeed also supports the United Nations Sustainable Development Goals (SDGs). How our business activities contribute to the SDGs are highlighted in the [Our Contributions to the UN SDGs](#) and [UN SDGs Disclosures](#) sections of this report. Our Health and Safety information has been reported using guidance from the Center for Safety & Health Sustainability. Refer to the [Materiality Assessment](#) section below to learn more about how the content of this report was developed. We use an independent third-party to perform a limited assurance verification of select sustainability report data. Our [Independent Assurance Statement](#) can be found at the end of this report.

OUR AMBITION	OUR GOAL	2022 PROGRESS
Actively and continuously work to improve our disclosures and ratings through major reporting frameworks to drive continuous improvement efforts.	Achieve a score of B or better on all CDP surveys by 2025*	Achieved B on the CDP Climate Change and Water Security surveys Improved CDP Supplier Engagement score from D to B

## CDP

*CDP runs a global disclosure system of self-reported environmental data.*

In 2016, we disclosed our company-wide GHG emissions and climate change risks and opportunities to CDP for the first time. In 2020, we disclosed our company-wide water inventory and water risks and opportunities to CDP for the first time. We will continue calculating our GHG emissions and tracking our water data in the future because measuring this data helps us recognize and work toward lowering our environmental impact Visit [cdp.net](https://cdp.net) or our [Sustainability Reporting page](#) to view our responses to the CDP Climate Change Survey and CDP Water Security Survey, including supply chain modules.



\*Applicable to relevant surveys for Wolfspeed (climate change, water security, supplier engagement).

# MATERIALITY ASSESSMENT

To better understand which environmental, social, economic, governance, and product topics are material to Wolfspeed, we conduct a materiality assessment by understanding Wolfspeed's context, identifying actual and potential impacts, assessing the significance of the impacts, and prioritizing the most significant impacts to determine material topics for reporting.

Our initial materiality assessment was performed in 2016. We have reviewed and adjusted our material topics from previous reporting periods since then. Most recently, we worked on a significant update of our materiality assessment process by performing an evaluation of Wolfspeed's current material topics, a benchmarking analysis of best practices and select competitor focus areas to refine a list of material topics. We then surveyed our stakeholders, including customers, suppliers, investors, Wolfspeed employees and leadership, to assess the significance of the impacts of these material topics. We ranked all the material topics with their ranking score and divided the material topic list into three categories with different importance degrees: Very Important, Moderately Important and Slightly Important.

Our 2022 materiality matrix shows the importance to stakeholders, as determined by our stakeholder survey and the impact to Wolfspeed when considering our current sustainability topics, competitor material topics, best industry practices, and leadership opinions.



Material topics in the Very Important category are the topics that Wolfspeed needs to focus on which could have a significant impact on the company's sustainability performance. The list of our material topics has changed compared to the previous reporting period. We narrowed our material topics list and clarified some of our material topic descriptions. Some identified topics that are not considered material are still being addressed and reported in the Sustainability Report since Wolfspeed views them as significant.

ENVIRONMENTAL
Waste Water and effluent
SOCIAL
Occupational health and safety Non-discrimination and equal opportunity employment practices
ECONOMIC
Financial performance Business continuity
CORPORATE GOVERNANCE
Ethical business practice Intellectual property security (cyber and data security) Security practice Critical incident management
ENVIRONMENTAL
Strengthening product safety and quality Sustainable supply chain management

## OUR CONTRIBUTIONS TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

### SUSTAINABLE DEVELOPMENT GOALS

We have reported on how our operations and business activities contribute to the UN SDGs. Refer to the **UN SDGs Disclosures** section of this report for more information on how the UN SDGs and their specific targets align with our business focus, strategy and material issues.



- OUR APPROACH**
- At Wolfspeed, we believe everyone should have a roof over their heads, enough to eat and an opportunity to excel. It is impossible for children to achieve at their highest level when they are worried about where they will sleep at night or where their next meal will come from. Working with our community partners to meet these needs not only helps address the opportunity gap, but also helps students focus on achieving their full potential through STEM education programs. This work builds important relationships with our community neighbors, including those historically underserved communities, with the same spirit of innovation and passion that drives our business. Working closely with our charitable corporate partners, we are able to focus our efforts on addressing homelessness, diversity and social injustice, as well as increasing awareness of the opportunities provided through STEM.

- OUR 2022 ACTIVITIES**
- We expanded our global partnerships with organizations focused on increasing representation in STEM in underserved communities and for marginalized and underrepresented individuals. An example of this is our partnership with **FIRST Robotics**. We partnered with FIRST to focus on early intervention in those underserved communities to assist with providing exposure of STEM careers and programs.
  - We continue to partner with the Cristo Rey Research High School to sponsor work-study opportunities for students with limited economic resources.
  - All United States locations were provided quarterly funding to support their location-specific volunteer activities and community partnerships for programs in support of STEM education, food and hunger relief, and combating homelessness.

- OUR GOALS AND CERTIFICATIONS**
- We have a **sustainability goal** to promote STEM education opportunities in the communities in which we operate:

*Establish STEM partnerships at 100% of our major locations by 2025*

## OUR APPROACH

## OUR 2022 ACTIVITIES

## OUR GOALS AND CERTIFICATIONS

## 3 GOOD HEALTH AND WELL-BEING



- At Wolfspeed, we believe providing a safe work environment is the most fundamentally important thing that we do for our employees. Their safety, health and overall wellbeing has been, and will continue to be, our top value. We have occupational health and safety programs to ensure the safety of our workplace through evaluation and prevention measures. Wolfspeed supports the well-being of our employees through programs that support a healthy lifestyle. We are committed to offering benefits to employees and their families to assist in improving health and lifestyle choices. Programs throughout our operations are tailored to the needs of the employees in the region and include many health-related benefits. We also have programs for our employees' mental health including employee assistance programs and our Mental Health Allies Employee Resource Group (ERG).

- We implemented Occupational Health and Safety Management System ISO45001:2018 in our manufacturing locations in North Carolina and California.
- We established a new safety engagement strategy, **Protect the Pack**, which is first and foremost about the safety of our employees and associates.
- We introduced a new Motor Vehicle Safety Policy to educate, promote and encourage safe driving behaviors.
- Our **Mental Health Allies** ERG hosted several Spring Health seminars for employees and their dependents on various topics involving mental health and well-being.

- We have a **sustainability goal** to further ensure the health and safety of our employees:

*Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025*

## OUR APPROACH

## OUR 2022 ACTIVITIES

## OUR GOALS AND CERTIFICATIONS

## 6 CLEAN WATER AND SANITATION



- At Wolfspeed, we continuously strive to implement best management practices that conserve and recycle water and prevent and reduce water pollution. With our new state-of-the-art, automotive-qualified 200mm wafer fabrication facility in Marcy, NY, complemented by our materials factory expansion currently underway at our Durham, NC headquarters and building the world's largest materials manufacturing facility in Siler City, NC, we remain dependent on water availability and anticipate our total water dependency to increase in the future. We continuously explore options for water recycling improvements to help offset the expected increase in water withdrawals as we expand. Wolfspeed's new construction is being designed to be LEED certified.

- We performed a **company-wide water risk assessment** to better understand our current and future water-related risks.
- We increased the amount of recycled water and successfully piloted an ultrafiltration process to purify water.
- We continued looking into opportunities to **conserve or recycle water**.

- Our owned manufacturing operations are certified **ISO 14001:2015**.
- We have the following **sustainability goals** to further reduce our water-related impacts and increase the transparency of our water-related risks and opportunities:

*Increase water recycle rate by 25% by 2025*

*Achieve a score of B or better on all CDP surveys by 2025<sup>1</sup>*

## 7 AFFORDABLE AND CLEAN ENERGY



## 8 DECENT WORK AND ECONOMIC GROWTH



## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## 10 REDUCED INEQUALITIES



## OUR APPROACH

- We're leading the transformation from silicon to silicon carbide as we shape the future of semiconductor markets: the transition to electric vehicles, the move to faster 5G networks, the evolution of renewable energy and energy storage, and the advancement of industrial applications. After more than 35 years of forging new technology adoption and transformation, our Wolfspeed Power and Radio Frequency (RF) semiconductors are leading the industry through unrivaled expertise and capacity.

## OUR 2022 ACTIVITIES

- We introduced the **SpeedVal Kit™**, the industry's most versatile modular silicon carbide evaluation platform that provides a flexible set of building blocks for in-circuit evaluation of system performance.
- We opened the world's first and largest 200mm **silicon carbide fab in Marcy, New York** in April 2022, providing uncompromised wafer quality, higher yield and supporting the growing electric vehicle, renewable energy, 4G/5G mobile and industrial markets.
- Announced expanding capacity 10x for silicon carbide materials with our new materials facility that will reside in Siler City, NC. The **John Palmour Manufacturing Center for Silicon Carbide** will accelerate the adoption of silicon carbide semiconductors across a wide array of end-markets and help unlock a new era of energy efficiency.

## OUR GOALS AND CERTIFICATIONS

- Our **capacity expansion plans** include working toward a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production to meet expected market growth for these technologies.
- Depending on the facility, our manufacturing operations are certified to **ISO 14001:2015, ISO 9001: 2015, IATF 16949: 2016, and/or AS 9100D**.

## OUR APPROACH

- Wolfspeed is committed to fostering a culture of diversity, equity and inclusion by celebrating all employee differences and identities. Because we believe diversity, equity and inclusion drives better business results, we celebrate our employees' authenticity and understand that diverse ideas, perspectives, thinking styles and backgrounds produce higher quality decisions and enable us to solve problems other companies think to be impossible. We are also committed to reducing inequalities in the communities in which we operate. We partner with municipalities, civic organizations and advocacy groups to help ensure our community is one that addresses any inequities in opportunity. We are out to prove that any societal disadvantage can be overcome with adequate resources and support so that all are free to pursue and achieve a productive, fulfilling life.

## OUR 2022 ACTIVITIES

- Launched our new **Early in Career** Employee Resource Group.
- For our 35th anniversary, we celebrated with a Global Week of Impact. Employees at our global locations participated in location-specific **volunteer activities** to maximize our impact in the communities in which we live and work.
- We held our fourth annual Diversity, Equity & Inclusion conference for Wolfspeed employees that focused on allyship, social identities and environmental inequities that impact our communities.

## OUR GOALS AND CERTIFICATIONS

- We have a **sustainability goal** to promote reduced inequalities in our supply chain:

*Achieve greater than 5% supply chain spend from underrepresented<sup>2</sup> suppliers by 2025*

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### OUR APPROACH

- At Wolfspeed, we continuously strive to reduce the overall impacts of our manufacturing processes, including substituting sustainable resources in place of non-renewable resources, reusing or recycling materials wherever technically possible and economically reasonable, and minimizing waste and disposing of waste safely and responsibly.

### OUR 2022 ACTIVITIES

- Our manufacturing operations continued to evaluate and optimize processes to minimize chemical usage without negatively impacting product quality and have reduced the amount of chemicals required in some processes.
- Achieved 75.5% waste diversion rate from landfills at our manufacturing site in Morgan Hill, California.
- We continued looking into opportunities to **reduce, reuse and recycle our waste**.

### OUR GOALS AND CERTIFICATIONS

- Our owned manufacturing operations are or will be certified to **ISO 14001:2015**.
- We have the following **sustainability goals** to further reduce our waste and water-related impacts:

*Increase water recycle rate by 25% by 2025*

*Achieve 85% waste diversion rate from landfills by 2025<sup>3</sup>*

## 13 CLIMATE ACTION



### OUR APPROACH

- Wolfspeed was founded upon the premise that our silicon carbide technology for Power and Radio Frequency (RF) devices could fundamentally change the efficiency of energy use around the world. Our mission is to lead the innovation and commercialization of silicon carbide, liberating designers to invent power and wireless systems for a responsible, energy-efficient future. We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and to climate change. In addition to providing energy-efficient products, we strive to reduce GHG emissions and improve energy efficiency at all Wolfspeed sites.

### OUR 2022 ACTIVITIES

- Our Power and RF products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO<sub>2</sub>e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon Power products, silicon or gallium arsenide RF products). This is equivalent to the greenhouse gas emissions avoided by 18,000 wind turbines running for one year.
- We redesigned some manufacturing equipment to use gases with lower GWP and improved manufacturing process for some of our burn-in tools at the North Carolina Durham and RTP sites.
- We installed point-of-use abatement to reduce GHG emissions at our manufacturing facility in Marcy, NY.

### OUR GOALS AND CERTIFICATIONS

- Our owned manufacturing operations are certified to **ISO 14001:2015**.
- We have the following **sustainability goals** to further reduce our GHG and climate-related impacts:

*Reduce scope 1 and 2 GHG emissions by 50% by 2030*

*Achieve net zero scope 1 and 2 GHG emissions by 2050<sup>4</sup>*

*Achieve a score of B or better on all CDP surveys by 2025<sup>5</sup>*

<sup>1</sup>Applicable to relevant surveys for Wolfspeed (climate change, water security, supplier engagement)

<sup>2</sup>Changed diverse to underrepresented

<sup>3</sup>Non-hazardous solid waste

<sup>4</sup>We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

<sup>5</sup>Applicable to relevant surveys for Wolfspeed (climate change, water security, supplier engagement).



## CORPORATE GOVERNANCE

Absolute Commitment to Integrity and Transparency

Corporate Governance

Board of Directors and Committee Composition

Code of Conduct

Policies

Human Rights

Global Business Continuity & Crisis Management

Risk Management

Sustainability Oversight

Security Practices

Information Security

## ABSOLUTE COMMITMENT TO INTEGRITY AND TRANSPARENCY

Our Board of Directors sets high standards for our employees, officers and directors. We are committed to the transparency of our sustainability information and data.

## CORPORATE GOVERNANCE

Implicit in our sustainability philosophy is the importance of sound corporate governance. It is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and to oversee the management of our business. To fulfill its responsibilities and to discharge its duty, the Board of Directors follows the procedures and standards that are set forth in these guidelines. These guidelines are subject to modification from time to time as the Board of Directors deems appropriate in the best interests of Wolfspeed or as required by applicable laws and regulations.

### Corporate Governance Documents

- Corporate Governance Principles
- Anti-Corruption Statement
- Articles of Incorporation
- Corporate Bylaws
- Compensation Committee Charter
- Governance and Nominations Committee Charter
- Audit Committee Charter
- Code of Conduct
- Code of Ethics for Executive Officers and Other Senior Financial Personnel
- Supplier Code of Conduct
- Human Rights Policy

## BOARD OF DIRECTORS AND COMMITTEE COMPOSITION

Our Board of Directors plays a critical role in our operations and vision. Our Board is the ultimate authority over the company, and its members are selected based on their significant executive experience. Our Board of Directors meets quarterly at a minimum to review topics such as corporate strategy, product development, finances and operations, among other relevant corporate matters. Directors also serve on different Board Committees as detailed in the table below. More information about our Board of Directors can be found on our **Board of Directors** and **Committee Composition** pages on [wolfspeed.com](http://wolfspeed.com) and in the **Diversity, Equity & Inclusion** section of this report.

Board Member	Audit Committee	Governance and Nominations Committee	Compensation Committee
Glenda M. Dorchak	I	M	M
John C. Hodge	I	M	
Clyde R. Hosein	I	C	M
Darren R. Jackson	I	M	M
Duy-Loan T. Le	I		M
John B. Reogle	I	M	C
Marvin A. Riley	I		M
Thomas H. Werner	I		M
Stacy J. Smith	I	M	M
Gregg A. Lowe			

I = Independent Director

C = Chairperson

M = Member

# CODE OF CONDUCT

Our Code of Conduct applies to every Wolfspeed employee around the world, including our Board of Directors, and governs every business decision we make. **Our Values** are at the core of our success and the Code of Conduct embodies and reinforces our commitment to act in a manner consistent with our values and put them into practice every day. Our **Code of Conduct** is available on [wolfspeed.com](http://wolfspeed.com).

Our **Code of Conduct** reflects our commitment to integrity and describes standards of conduct for our employees and directors. Our executive officers and other senior financial personnel are also subject to additional policies stated in the **Code of Ethics for Executive Officers and Other Senior Financial Personnel**. This includes **Code of Conduct** and supporting internal Company policies. Our **Code of Conduct** contains our guidelines for ethical business practices, including how employees can report breaches of Wolfspeed policies and details on the Compliance Hotline.

Anti-corruption is included in our **Code of Conduct** and associated training, which applies to all Wolfspeed operations, as are specific policies directed to ensure compliance with the Foreign Corrupt Practices Act (FCPA) and United Kingdom Bribery Act, among other anti-corruption statutes. Our **Code of Conduct** contains our guidelines for ethical business practices, including bribery and corruption.

Human rights guidelines are outlined in our **Code of Conduct**. Annually, employees are required to undergo **Code of Conduct** training. Employees are required to complete and acknowledge a number of compliance courses. The course topics vary from year to year, but regularly include anti-corruption and human rights-related subject matter. Training topics are assigned to employees based on their role within the company. The total number of hours devoted to this training are between two to four hours per employee (between 10,000 to 20,000 hours total).

# POLICIES

At Wolfspeed, we L.E.A.D with Environment, Health and Safety and we W.I.N with Quality.

Wolfspeed endorses and adheres to Environment, Health and Safety global standards for all sites and locations. To ensure that Wolfspeed can implement such standards, we are committed through our Environment, Health and Safety Policy to:

- provide a safe and healthy work environment for our employees;
- comply with regulatory and other requirements;
- reduce our environmental impacts (e.g., carbon footprint, wastewater and waste generation) from cradle to grave;
- implement specific measures to eliminate hazards and reduce risks to humans and the environment, including pollution prevention;
- adhere to documented procedures for defining the process of establishing environmental, health and safety objectives, targets, and programs or projects;
- improve continually to enhance environmental, health and safety performance; and
- consult with and encourage the participation of workers and workers' representatives, as applicable.

## L.E.A.D. WITH EHS



To ensure the best for our employees, our environment and our community, we all must L.E.A.D.

**L**

**LEADERS** place continual emphasis on environment, health and safety

**E**

**EMPLOYEES** participate in developing, maintaining and following EHS policies and procedures

**A**

**ACCEPT** accountability for EHS performance

**D**

**DEMONSTRATE** our commitment to legal requirements, risk management and continual improvement

## W.I.N. WITH QUALITY

Every employee is responsible for ensuring the highest level of Quality in our products and services to achieve customer satisfaction and meet applicable requirements.

**We achieve this through our Quality Policy:**

**W**

**WORK TRANSPARENTLY** with our customers; listen, understand and exceed customer expectations

**I**

**INNOVATE AND CONTINUOUSLY IMPROVE** our products, processes, and services

**N**

**NEVER COMPROMISE** Quality by always living our values: Safety, Integrity & Respect, Ingenuity & Passion, and Ownership & Accountability

## HUMAN RIGHTS

We are driven by a commitment to our values that guide every decision we make, how we operate our business, and how we interact with each other, our customers, partners, suppliers and communities. We recognize the undeniable importance of maintaining and promoting fundamental human rights based on dignity, equality, fairness, and respect in our operations and supply chain. We are committed to complying with applicable laws and regulations and respect internationally recognized human rights frameworks. Our commitment to respecting and advancing human rights is reflected in our **Code of Conduct**, **Supplier Code of Conduct**, and **Human Rights Policy**.

Human rights are a fundamental aspect of responsible corporate governance and are considered as part of the Company's ongoing processes to identify and assess risk. We operationalize our commitment by developing and implementing processes, procedures and tools aimed at safeguarding human rights. This includes engaging with stakeholders to understand their perspectives, guidance on conducting risk and impact assessments, and continually evolving our actions to support our commitment.

Our goals and future success can only be achieved by our collective commitment to operate with integrity and transparency, a respect for human rights, and a responsibility to our global customers, partners and the communities where we operate. We will continue to carry out human rights due diligence and will further enhance initiatives to prevent or mitigate potential negative impact on human rights.

We maintain hiring age restrictions and health and safety standards for both employers and employees of suppliers. Our **Supplier Code of Conduct** specifically prohibits the use of child labor in violation of local laws and regulations in the country or countries in which Wolfspeed does business. Based on available information, we do not have any operations or suppliers considered to have significant risk for incidents of child labor or young workers exposed to hazardous work. We maintain standards prohibiting forced or compulsory labor for both employers and employees of suppliers. Our **Supplier Code of Conduct** specifically prohibits forced or compulsory labor by our suppliers. Based on available information, we do not have any operations or suppliers considered to have significant risk for incidents of forced or compulsory labor.

Our **Code of Conduct**, **Supplier Code of Conduct**, and **Standard Purchase Order Terms and Conditions** include human rights clauses. We require that any supplier that works with us follows our **Supplier Code of Conduct**. Wolfspeed is committed to abiding by human rights laws and expects our suppliers and vendors to do the same.

Per our **Code of Conduct**, Wolfspeed policies and procedures apply to all subsidiaries. If we maintain the majority of the ownership of joint ventures, their policies and procedures will closely mirror those of Wolfspeed.

Our North Carolina operations achieved Gold-level certification from the Responsible Business Alliance (RBA) which included, among other CSR-related topics, an assessment of our human rights policies and practices. This assessment occurred in early calendar year 2022.

## GLOBAL BUSINESS CONTINUITY & CRISIS MANAGEMENT

### Overview

Wolfspeed's global Business Continuity Management System (BCMS) establishes, implements, operates, monitors and improves enterprise business continuity. Modeled using industry best known methods and practices, the BCMS provides a consistent methodology to address potential and realized business disruptions affecting our operations stemming from scenarios including, but not limited to:

External products and services disruptions	Labor shortages	Information technology outages and cyber attacks	Natural disasters	Utility and infrastructure disruptions	Fires	Key equipment failures

### Application

Wolfspeed takes an all-hazards, risk-based approach to business continuity and crisis management to minimize negative impact on our operations. The BCMS contains structured planning, training, exercising, incident management and quality monitoring processes. These include, but are not limited to:

BCM plans, policies, and procedures	Business Impact Analyses (BIAs) for Prioritized Activities	Annual training of key stakeholders and partners	Crisis Management Teams (CMTs)	Site-specific Risk Assessments	Annual testing and exercising of plans

### Forward View

Wolfspeed's BCMS is well-positioned and supported by top management to ensure continued alignment with company growth, industry standards and customer expectations. It is a vital tool in our effort to ensure organizational resilience for years to come.

## RISK MANAGEMENT

Risk management at Wolfspeed is a process undertaken by all functions within the business, including a review of risks related to financial and market performance, operational performance, emergency preparedness and response, environmental health and safety compliance, among other areas. In addition, we have established a formal Enterprise Risk Management program in order to identify, assess, prioritize and manage key enterprise risks. Sustainability-related risks and opportunities are also discussed and addressed as part of this program. Our material business risks are listed in our periodic reports filed with the Securities and Exchange Commission and in our Annual Reports. Our water-related risks can be found in the **Water Management** section of this report. Our risks associated with climate change can be found in the **TCFD Disclosures Risk Management** and **Climate Change Risks** subsections of this report.

OUR AMBITION	OUR GOAL	2022 PROGRESS
Use a defined and concise method to easily gather the data needed to evaluate our sustainability risks.	Complete three risk plans per year under our Enterprise Risk Management (ERM) program by 2025	Created ERM governance structure  Completed risk plans for 3 new areas

The Board, acting itself or through one or more of its committees, has general oversight responsibility for corporate risk management, including oversight of top management's implementation of risk management practices. While the Board is responsible for risk oversight, top management is ultimately responsible for assessing and managing our risk exposures. The Board directly oversees top management's assessment, mitigation efforts and monitoring of strategic and operational risks, such as those relating to competitive dynamics, market trends and developments in our industry, changes in economic conditions, cybersecurity and sustainability. Top management regularly updates business plans for each of the Company's product lines, including an assessment of strategic and operational risks and responses to identified risks, and members of the Board and top management meet annually to review these plans. In addition, top management reports to the Board at each quarterly Board meeting on progress made against these strategic plans, including an update on changes in risk exposure and management's responses to the changes.

## SUSTAINABILITY OVERSIGHT

Our Board of Directors is responsible for oversight of management's sustainability efforts at Wolfspeed, led by the **Governance and Nominations Committee**. This Committee assists our Board of Directors in discharging its oversight responsibility related to environmental, social and governance (ESG) matters such as climate change impacts, energy and natural resources conservation, environmental and supply chain sustainability, human rights, employee health, safety and well-being, diversity and inclusion, corporate charitable and philanthropic activities, and other sustainability issues that are relevant and material to Wolfspeed. Reporting regularly to the full Board, this Committee provides guidance on these issues and performs an oversight role in shaping Wolfspeed's sustainability strategy, including goal and target development. Sustainability-related information covering a range of topics is presented to the Board of Directors at least once per year, or more frequently as important matters arise, by the Senior Vice President of Legal & General Counsel. Management with direct responsibility for developing and tracking sustainability information at Wolfspeed includes employees from various departments, including Environment, Health and Safety, Human Resources (which includes Diversity, Equity & Inclusion), Operations (which includes Supply Chain and Product Quality), and Legal. When relevant, we also engage with employees from Corporate Sales, Marketing, and Finance (which includes Investor Relations).

## SECURITY PRACTICES

Wolfspeed Security's mission is to serve the global organization by protecting Wolfspeed's people, property and information. Wolfspeed Security is responsible for ensuring a safe and secure work environment so that employees can focus on doing their best work. Leading the organization's asset protection efforts, Wolfspeed Security employs a collaborative, layered approach which relies on people-leveraging technology. The Wolfspeed Security team includes uniformed officer personnel and a Global Security Operations Center (GSOC) to provide continuous support to the organization.



# INFORMATION SECURITY

Information security is a key priority at Wolfspeed. Vital to the digital and physical safety of our global operations and the customers we serve, we use a multilayered cyber security approach to protect our people, assets, and intellectual property (IP). Everyone at Wolfspeed receives ongoing training in order to play an active role in mitigating threats and protecting our systems and data.

Active participation in Information Security Awareness Training, adherence to information security policies and procedures, and recognition and reporting of suspicious activities all contribute to the governance and safety of our environment.

The Wolfspeed Information Security Team and other business organizations work together to build upon our layered defenses and fine-tune our existing security controls to achieve more accurate and rapid detection of incidents. The team also performs routine vulnerability testing and security assessments using industry standard frameworks to identify and incrementally improve our capabilities.

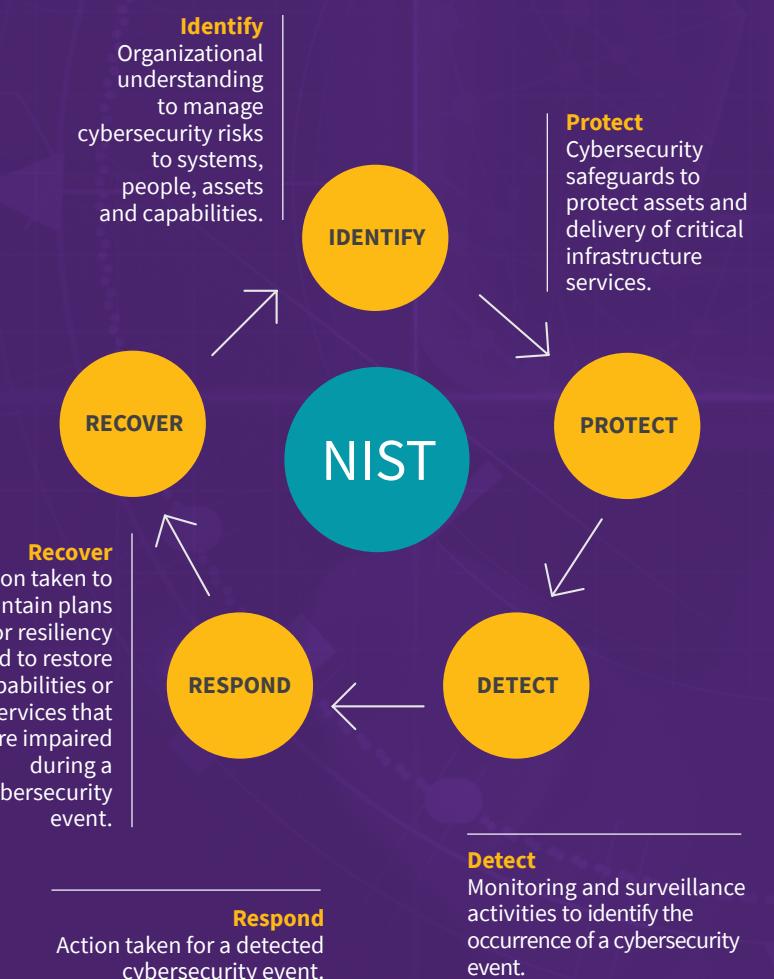
Wolfspeed aligns with the best practices and standards developed by the National Institute of Standards and Technology (NIST).

## OUR AMBITION

Protect information and data assets from threats and vulnerabilities by mitigating information risk.

## OUR GOAL

Ensure the security of our data and systems and availability of our global operations.



## Web-based Information Security

### Change Management

Wolfspeed maintains a modern, active change management process to ensure that all changes made to any production environment are applied in a safe, forward-looking and deliberate manner. All changes to systems and network devices, along with physical and environment changes, are monitored and controlled through a formal change control process.

### System Backups

Wolfspeed uses industry standard backup procedures for all data created by users. These backups are performed on a regular cadence and stored in multiple locations.

### Network Security

Our infrastructure resides behind high-availability firewalls and is monitored for the detection and prevention of various network security threats. Network Access controls are utilized to help restrict access to systems from external networks and between systems internally. By default, all access is denied and only explicitly allowed ports and protocols are allowed based on specific business needs. Wolfspeed maintains separate development and production environments.

These environments are segmented using modern networking techniques to create secure partitions to ensure that testing and production data and code do not directly interact.

### Vulnerability Management

Security assessments are performed on a regular basis to identify vulnerabilities and to determine the effectiveness of the change management program. Each vulnerability is reviewed to determine if it is applicable, ranked based on risk, and assigned to the appropriate team for remediation.

### Patch Management

Wolfspeed strives to apply the latest patches and updates to operating systems, applications and network infrastructure to mitigate exposure to vulnerabilities, with a specific emphasis on security-related patches. Patches are tested using partitioned development environments prior to being deployed into production.

### Secure Network Connections

Transport Layer Security (TLS) encryption is configured for customer web application access using modern cypher suites to ensure that user data in transit is safe, secure and available only to intended recipients. The level of encryption is negotiated dependent on what the web browser can support.

### Role-Based Access

Role-based access controls are implemented for access to web systems. Access controls to data in our systems and environments are based on the Principle of Least Privilege.

### Authentication and Authorization

We require that authorized users be provisioned with unique account IDs. Our password policy covers all applicable systems and applications and enforces the use of complex, unique passwords. Individuals are granted access to certain resources based on their specific job function. Requests for additional access follow a formal request and approval process as defined by our security guidelines.

### Software Development Lifecycle

We follow a defined methodology for developing secure software that is designed to increase the resiliency and trustworthiness of our website. Security and security testing are directly part of the entire software development process. Quality assurance is involved at each phase of the lifecycle of the site. Wolfspeed mandates that security best practices are implemented as part of all development activities.

### Data Protection and Privacy

We apply an industry standard set of data management principles to customer data that Wolfspeed may process, handle or store. We protect personal data using appropriate physical, technical and organizational security practices, acting in accordance with applicable laws and regulations. Any identifiable information that we may process, handle or store is encrypted at rest and in transit as appropriate. We give additional attention and care to sensitive personal data and respect local laws and customs, where applicable. We take all reasonable steps to protect received customer information from loss, misuse, unauthorized access, disclosure, alteration and destruction.

[TABLE OF CONTENTS](#)[CEO MESSAGE](#)[WOLFSPEED](#)[SUSTAINABILITY](#)[CORPORATE GOVERNANCE](#)[\*\*ECONOMIC\*\*](#)[SOCIAL RESPONSIBILITY](#)[ENVIRONMENT](#)[APPENDIX](#)

## + **ECONOMIC**

Responsible Business Practices, Innovating for a Better Future

Product Quality

Quality Policy (WIN)

5S

Customer Satisfaction

Global Trade Compliance

Supply Chain

Responsible Minerals Sourcing

California Proposition 65

## RESPONSIBLE BUSINESS PRACTICES, INNOVATING FOR A BETTER FUTURE

At Wolfspeed, we relentlessly pursue disruptive technologies that change industries. We operate at the highest ethical standards and actively manage risks inside and outside of the organization to ensure strong long-term financial performance. We adhere to the policies outlined in the **Code of Conduct** and require our suppliers to adhere to strict social and environmental standards, as described in our **Supplier Code of Conduct**.

The majority of the data included in this report is on a calendar year basis (January to December). Financial data is reported on a fiscal year basis (July to June). Our financial data for FY 2022 can be found in our **2022 Annual Report**.



## PRODUCT QUALITY

All our products must satisfy industry standards, our customers' expectations, and our own. We test our products and simulate them in harsh environments to confirm their reliability. We follow AEC, IATF, ISO9001, AS9100 and JEDEC standards (see details below). Wolfspeed has representation on key industry and technical committees to drive the adoption of silicon carbide.

## QUALITY POLICY (WIN)

At Wolfspeed, we W.I.N. with Quality. To ensure the highest quality products and services to achieve customer satisfaction, we all must W.I.N. as stated in our Quality Policy. See our policy [here](#).

Our capacity expansion plans will allow us to respond to increasing customer demand. Implementing quality strategies to further our quality culture and investing in our people, processes and systems will enable our growth to meet this demand.

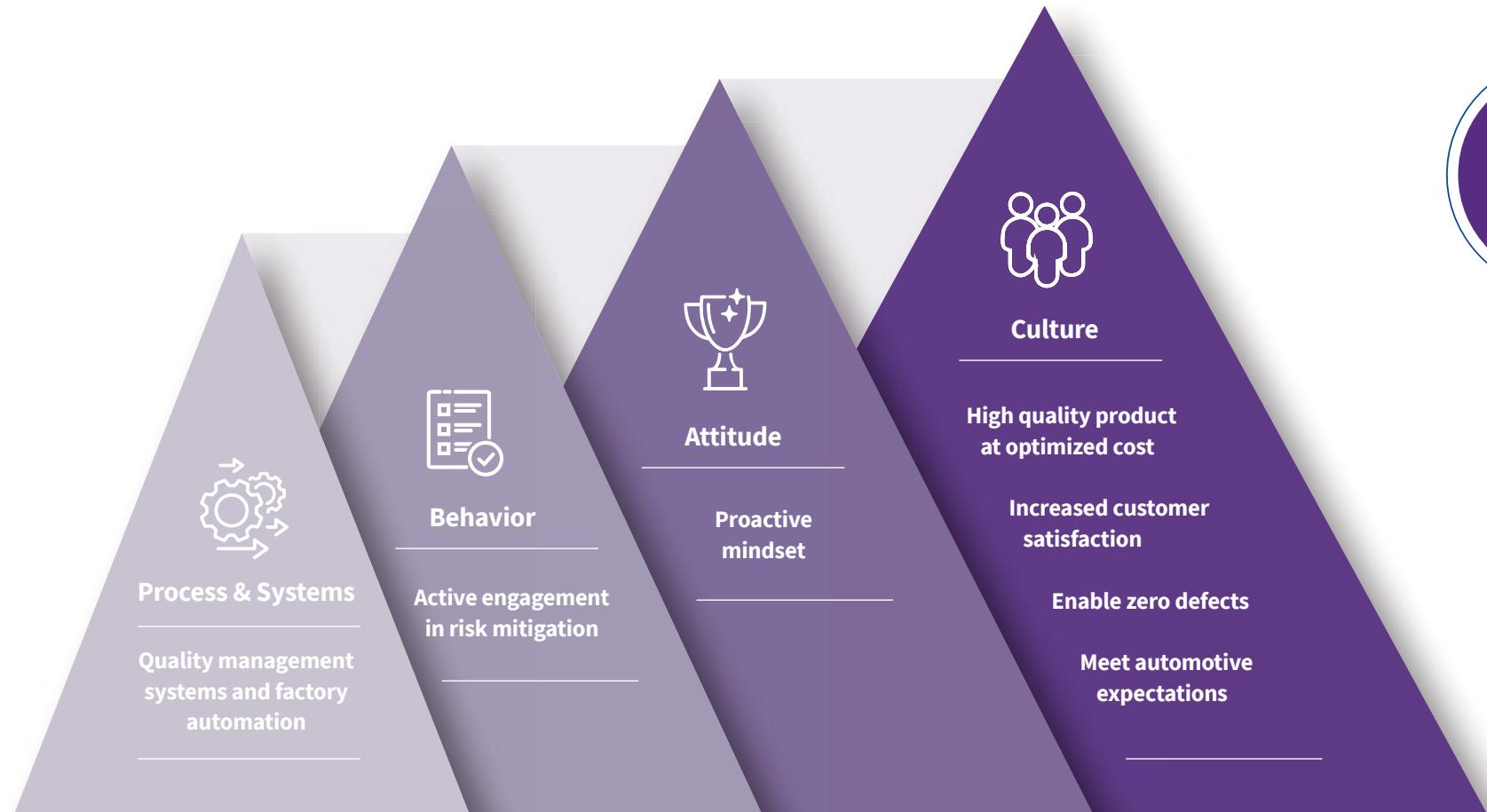
Our strategy is to integrate our people, systems and culture to drive quality as a competitive advantage. More information about our expansion efforts can be found in the **Expanding Capacity for Silicon Carbide** section of this report.



Build out  
experienced quality  
engineering teams

Invest in scaling quality  
management system  
and processes

Advance automotive  
culture through key  
quality initiatives



## 5S

We're advancing our total quality culture through zero-defect strategies such as statistical process control, factory defect reduction programs and robust testing strategies. We're also conducting supplier assessments and engaging in supplier development programs, all while we continue to focus on increasing overall customer satisfaction.

Our quality initiatives also include a focus on implementation and enhancement of 5S practices in our manufacturing operations.

### Global Operations Manufacturing Excellence



Wolfspeed implemented and achieved the following standards to demonstrate our ability to consistently provide products and services that meet customer and regulatory requirements:

- ISO 9001:2015: establishes criteria for a quality management system
- ISO/TS 16949: establishes technical specifications for automotive sector quality management systems and is one of the most widely used international standards in the automotive industry, harmonizing the different assessment and certification systems in the global automotive supply chain
- AS9100D standard, including ISO 9001:2015: describes quality management system requirements and specifies additional aviation, space and defense industry requirements, definitions and notes

The following sites are certified for our quality management systems. Click on the links below to view our ISO 9001 and IATF 16949 certificates. Our certificates can also be found on our [Quality page](#) on [wolfspeed.com](#).

#### Durham, North Carolina

- ISO 9001: 2015
- IATF 16949: 2016
- AS 9100D and ISO 9001:2015

#### RTP, North Carolina

- ISO 9001: 2015
- IATF 16949: 2016
- AS 9100D and ISO 9001:2015

#### Fayetteville, Arkansas

- AS 9100D and ISO 9001:2015

#### Morgan Hill, California

- ISO 9001: 2015
- AS 9100D and ISO 9001:2015

#### Mesa, Arizona

- ISO 9001: 2015
- AS 9100D and ISO 9001:2015

#### Marcy, New York

- ISO 9001:2015
- Mohawk Valley Letter of Conformance to IATF 16949

## CUSTOMER SATISFACTION

Our customer support mission statement guides us to ensure we meet or exceed our customers' expectations.

### MISSION STATEMENT

The mission of Wolfspeed's customer service function is to always convey a passion for the customer and to consistently deliver the best service experience.

### VISION STATEMENT

Delivering customer satisfaction is about providing timely, responsive service with integrity, simplicity and a passion for excellence while meeting or exceeding the customer's expectations.

### STATEMENT OF WORK

Customer service is any activity provided by a Wolfspeed employee that enhances the ability of a customer to realize the full potential value of a Wolfspeed product or service before and after the sale is made, leading to increased customer satisfaction and repurchase.

### CUSTOMER SERVICE PRINCIPLES

- Recognize the importance of all customers and the role every Wolfspeed employee plays in influencing the customers' perceptions. While engaging with customers, be professional, reliable, credible, responsive and friendly.
- Communicate promptly and honestly. Try to be brief and clear.
- Be a voice for the customer.
- When a problem arises, view the problem as an opportunity to improve. Solving problems will enable us to raise the quality of our products and services.
- Listen well, be responsive and demonstrate a sense of urgency. Understand that how something is said has significant influence on how it is received.
- Strive to make it easy for the customer to do business with Wolfspeed to ensure that Wolfspeed remains its preferred supplier.

## GLOBAL TRADE COMPLIANCE

We recognize our compliance responsibilities and the importance of exercising care and due diligence in our international transactions and related recordkeeping practices. The Global Trade Compliance (GTC) team is tasked with ensuring compliance with export control laws and regulations, such as the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Our mission is to support Wolfspeed's business objectives while acting in full compliance with all applicable trade laws and regulations. Wolfspeed is CTPAT (Customs Trade Partnership Against Terrorism) certified, further illustrating our commitment to trade compliance and our partnership with the United States Government.

As part of our GTC program, we screen all parties we enter business relationships with including customers, distributors, and known end customers. We perform due diligence regarding the end use of our products, the ultimate end users, and the customers' ability to comply with applicable end-use and re-export controls. Our GTC team must approve access for individuals to "export-controlled areas," including both physical access and IT access to export-controlled technology. Due diligence is performed for possible red flags, including abnormal or unusual circumstances, in a transaction that indicates that the export may be destined for an impermissible end-use, end-user or destination. Wolfspeed employees receive Export Awareness Training as part of their onboarding and ongoing employment.

## SUPPLY CHAIN

We conduct our activities in a manner that reflects our **Code of Conduct and Values**, which include being a good corporate citizen, dealing fairly in business, behaving ethically, supporting basic human rights and a safe and healthy workplace, doing business in an environmentally responsible manner, and complying with applicable laws. We expect our suppliers to adhere to the same high standards, and we are committed to ensuring that our supply chain reflects our values and beliefs through our **Supplier Code of Conduct**. Refer to the **Supplier Resources** page on [wolfspeed.com](https://wolfspeed.com) to access our **Supplier Code of Conduct** and **Standard Purchase Order Terms and Conditions**. Refer to our **Small Business Program** page on [wolfspeed.com](https://wolfspeed.com) to learn about our commitment to maximizing opportunities for small businesses.

Wolfspeed is actively updating our process with select direct suppliers and second tier suppliers to obtain goods and services from local, small and underrepresented suppliers across our supply chain. Our current tracking process identifies small and underrepresented businesses. Wolfspeed is in a process of updating our data to allow us to report out on local business as well. We have developed a five-year supply chain sustainability goal that drives improvements to our procurement policies that will demonstrate our commitment to responsible purchasing and supplier diversity.

Wolfspeed expects all suppliers to make a clear commitment to environmental and social compliance including health and safety, labor and diversity, and ethical business practices through the **Supplier Code of Conduct** and the **Standard Purchase Order Terms and Conditions**.

OUR AMBITION	OUR GOAL	2022 PROGRESS
Assess our suppliers on social and environmental risks to strengthen partnerships with those with best practices.	Evaluate ESG risks and opportunities for 100%* of suppliers on our Approved Supplier List by 2025.	Partnered with a university in New York to develop weighting and scoring methodology for ESG Assessment.
Improve resiliency through our diversity efforts and reduce inequalities across our supply chain.	Achieve >5% supply chain spend from underrepresented** suppliers by 2025.	Clarified a scope of covered suppliers.  1% of the total spend was with underrepresented suppliers.

\* Purchased Quality Item (PQI) suppliers

\*\* Changed diverse to underrepresented

# RESPONSIBLE MINERALS SOURCING

## Wolfspeed Responsible Minerals Sourcing Policy

Mining is an intensive process involving potential social and environmental risks that may cause lasting negative impacts if not properly managed.

Certain high-risk minerals (notably tin, tantalum, tungsten, gold and cobalt) sourced from regions of the world with ongoing conflict carries a risk of funding organizations that are involved in illegal or unethical activities including human rights abuses such as child labor, harsh working conditions, environmental destruction and corruption.

A growing awareness of the abuses committed in these areas of conflict has prompted an industry-wide investigation into any supply chain tainted by these atrocities. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires publicly traded companies to report annually on the presence of conflict minerals originating in the DRC or adjoining countries in the products they manufacture or contract to manufacture. The purpose is to report any abuses, and through disclosure, halt the sourcing of designated minerals via supply chains implicated in conflict zones.

### WOLFSPEED’S COMMITMENT

Wolfspeed’s Responsible Mineral Policy aligns with our commitment to uphold and respect fundamental human rights for all people, including those who work in our supply chain. Wolfspeed complies with applicable legislation and strongly supports industry-wide efforts to promote responsible sourcing, protect human rights and combat child labor throughout the supply chain. Wolfspeed does not directly procure minerals from mines, or the smelters or refiners that process them, but believe we can influence upstream supply chain actors through our policies and practices. Recognizing the complexity of this issue, we are actively engaged with industry peers, suppliers and other stakeholders to promote the responsible sourcing of minerals through the Responsible Minerals Initiative (RMI). Our goal is to work collaboratively through the supply chain to source minerals consistent with our values around human rights, business ethics, labor, health and safety practices, and environmental responsibility. We believe this can be done while continuing to source responsibly from the DRC and other high-risk regions.

Wolfspeed’s internal due diligence framework is designed to conform, in all material respects, to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) to determine the country of origin and chain of custody for high-risk minerals in our supply chain. To promote responsible investigations of high-risk minerals, Wolfspeed uses the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI).

### SUPPLIER EXPECTATIONS

To support ethical procurement practices and responsible mineral sourcing, Wolfspeed expects suppliers that provide components and/or materials containing “relevant minerals” to adhere to the same high standards to which we hold ourselves. For the purposes of Wolfspeed’s Responsible Minerals Sourcing program, relevant minerals currently include:

- Columbite-tantalite (tantalum), Cassiterite (tin), gold and wolframite (tungsten), also known as “conflict minerals,” or 3TG”;
- Cobalt; and
- Any other mineral identified by Wolfspeed as contributing possible risk to the supply chain.

### We require suppliers to:

- Adhere to Wolfspeed’s Supplier Code of Conduct and all applicable laws and regulations related to mineral sourcing;
- Source only from smelters and refiners validated by a third-party audit program. Accepted programs include: the RMI’s Responsible Minerals Assurance Process, the LBMA’s Responsible Gold Certification, or the RJC’s Chain-of-Custody Program;
- Make reasonable efforts to remove all non-participating and non-validated smelters or refiners from Wolfspeed’s supply chain;
- Design and implement due diligence frameworks and management systems consistent with OECD Guidance to achieve responsible mineral supply chains;
- Verify and inform Wolfspeed whether the minerals included in materials or component parts are conflict-affected or high-risk minerals;
- Respond to Wolfspeed inquiries for reporting templates and due diligence information, and promptly implement corrective actions identified and requested by Wolfspeed; and
- Extend these expectations to their own suppliers.

If these requirements are not met, Wolfspeed will proactively work with the supplier to further develop their due diligence capabilities to ensure alignment with Wolfspeed’s supplier requirements. Wolfspeed will terminate relationships with suppliers that do not make substantive and prompt efforts to comply with our policy.

## CALIFORNIA PROPOSITION 65

The California Safe Drinking Water and Toxic Enforcement Act of 1986, commonly referred to as “Proposition 65” or “Prop 65,” is a right-to-know law that is unique to the State of California. The goal of Prop 65 is to ensure that individuals in the State of California are informed about possible exposure to chemicals “known to the State of California to cause cancer and/or reproductive toxicity.” Under the law, the California Office of Environmental Health Hazard Assessment (“OEHHA”) is tasked with maintaining a list of chemicals and updating the list at least annually. To date, there are over 1,000 chemicals listed by OEHHA, which can be found at <https://oehha.ca.gov/proposition-65/proposition-65-list>.

Historically, only manufacturers of end products had an obligation to notify Californians about significant amounts of chemicals in the products they purchase for their homes or workplaces. In late 2016, OEHHA adopted new regulations that went into effect on August 30, 2018. Proposition 65 now applies to suppliers of components used in end products to ensure that information about chemicals used in the components is communicated to Californians who might come into contact with the chemicals during the development, manufacture, or use of the end products.

To comply with Prop 65, businesses (including manufacturers, distributors and retail sellers) must provide a “clear and reasonable” warning for listed chemicals unless exposure is low enough to pose “no significant risk” of cancer or is significantly below levels observed to cause birth defects or other reproductive harm. A Prop 65 warning does not necessarily mean a product is in violation of any product safety standards or requirements.

When one of these chemicals is present, Wolfspeed is required to disclose certain information to its customers and distributors, who in turn are required to disclose appropriate information to their customers. We created a website to help our customers and distributors identify impacted Wolfspeed products and the applicable downstream disclosures. Our products in the component product families listed in the table below contain one or more of the chemicals identified in Prop 65. Please refer to the product data sheet for each Wolfspeed product in the impacted Wolfspeed product families for more details on the disclosures applicable to that product.

Listed Chemical	Power Products	RF Products
Diisonyl Phthalate (DINP) <sup>1</sup>	Packaging Only - All Power Chip Products	Packaging Only - All RF Chip Products
Lead (Pb) and lead (Pb) compounds <sup>2</sup>	Affected <sup>3</sup> Schottky and MOSFET Components and Modules	Affected <sup>3</sup> MIMIC and LDMOS components

<sup>[1]</sup> Wolfspeed’s semiconductor die products (excluding packaging) do not contain any chemicals that must be disclosed under California Proposition 65. However, the Wolfspeed semiconductor die products are packaged using a PVC die transfer film that contains DINP. An occupational warning must be provided to any customer that buys the Wolfspeed die for use in product development or manufacturing in the State of California. The customer in turn must prominently display a similar occupational warning at its California locations where employees and contractors will be handling the PVC die transfer film. Because the Wolfspeed die products themselves do not contain any chemicals that must be disclosed under California Proposition 65, incorporation of the die into another product will not create an obligation to include a Proposition 65 product warning on the higher-level product. However, the customer must ensure that the PVC die transfer film is properly handled and disposed of as a hazardous material after die removal.

customers and distributors with both an occupational warning and a product warning for individuals who potentially could be exposed to the lead in the Wolfspeed products either accidentally or intentionally. An occupational warning must be provided to any customer that buys the impacted Wolfspeed products for use in product development or manufacturing in the State of California. The customer in turn must prominently display a similar occupational warning at its California locations where employees and contractors will be handling the Wolfspeed products that contain lead. In addition, because the Wolfspeed products contain lead, incorporation into another product will create an obligation to include a Proposition 65 product warning on the higher-level product. Please note, the amount of lead used in each Wolfspeed product remains below the ≤ 0.1% acceptance level in EU RoHS. In addition, these products continue to comply in accordance with EU RoHS exemptions 7A and 7C-1 for the bill of materials.

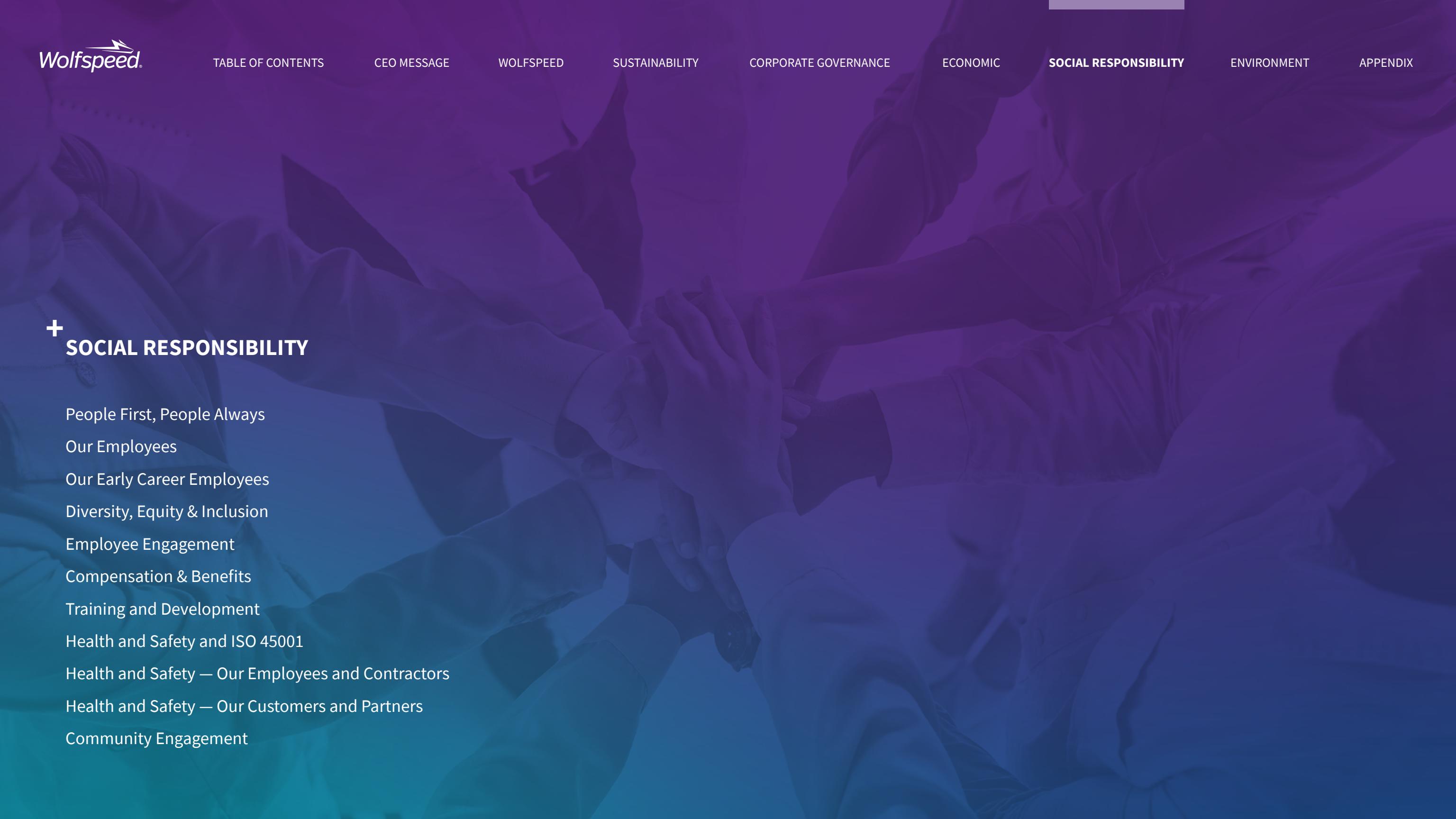
<sup>[2]</sup> These Wolfspeed products contain lead (Pb). The lead is fully encapsulated in components used in the Wolfspeed products. Unless the lead is accidentally or intentionally exposed, there is no chance that an employee, customer or other individual will come into contact with the lead in Wolfspeed’s products. Nonetheless, Proposition 65 requires Wolfspeed to provide its California

<sup>[3]</sup> Verification of affected products using lead (Pb) and lead (Pb) compounds can be provided by Wolfspeed upon request

### FOR MORE INFORMATION:

Prop 65 Link: <https://oehha.ca.gov/proposition-65>

Prop 65 Substance list: <https://oehha.ca.gov/proposition-65/proposition-65-list>



## + **SOCIAL RESPONSIBILITY**

People First, People Always

Our Employees

Our Early Career Employees

Diversity, Equity & Inclusion

Employee Engagement

Compensation & Benefits

Training and Development

Health and Safety and ISO 45001

Health and Safety — Our Employees and Contractors

Health and Safety — Our Customers and Partners

Community Engagement

# PEOPLE FIRST, PEOPLE ALWAYS

## OUR EMPLOYEES

We're on a mission to transform whole industries from silicon to silicon carbide as we shape the future of semiconductor markets: the transition to electric vehicles, the move to faster 5G networks, the evolution of renewable energy and energy storage and the advancement of industrial applications.

We have unlimited potential thanks to the hard work and dedication of the 5,000+ people who bring their gifts and talents to work for Wolfspeed each day. Our team is made up of global, diverse, forward-thinking innovators and problem solvers united behind one purpose: a more energy-efficient and sustainable future.

Our people are our thought leaders and the reason for our success. They are our first priority, and we strive every day to improve how we serve them by creating the best and safest work environment to provide for their health and wellbeing. We are also committed to being the best partner to our customers and suppliers and the best neighbor to all those we touch in the communities where we operate.

We consider the health and wellbeing of each individual associated with the Wolfspeed community as our primary responsibility. We have established stringent rules for material sourcing, supplier selection and employee health and safety, while also promoting community engagement and education programs.

Wolfspeed is an Equal Employment Opportunity (EEO) and Affirmative Action (AA) employer and employs regular full-time and part-time employees, as well as temporary and contract employees as necessary. We also have rapidly developing intern and co-op programs.

We employ over 5,000 regular full-time and part-time employees. We also employ individuals on a temporary full-time basis and use the services of contractors as necessary. A significant portion of the organization's activities are performed by workers who are employees. Only employees located in significant locations of operation are reported. Significant locations of operation refer to our owned manufacturing facilities located in the United States, which represent approximately 87.2% of our total number of employees in calendar year 2022.

**Global Employees by Region<sup>1</sup>**

Employees by Region	2019	2020	2021	2022
North America	3,029	3,653	4,674	<b>5,177</b>
Europe	46	64	78	<b>109</b>
Asia	83	128	223	<b>188</b>
<b>Total</b>	<b>3,158</b>	<b>3,845</b>	<b>4,975</b>	<b>5,474</b>

**2022 Employees by Region<sup>1,2</sup>**

By Employment Type	North America	Other Regions	Total
Full-time	5,117	281	<b>5,398</b>
Part-time	60	16	<b>76</b>
<b>Total</b>	<b>5,177</b>	<b>297</b>	<b>5,474</b>

**2022 Employees by Employment Contract/Status & Type<sup>1,2,3</sup>**

By Employment Contract/Status	Female	Male	Total
Full-time/Part-time	1,490	3,402	<b>4,892</b>
Temporary	18	39	<b>57</b>
<b>Total</b>	<b>1,508</b>	<b>3,441</b>	<b>4,949</b>
By Employment Type	Female	Male	Total
Full-time	1,490	3,415	<b>4,905</b>
Part-time	18	26	<b>44</b>
<b>Total</b>	<b>1,508</b>	<b>3,441</b>	<b>4,949</b>

<sup>[1]</sup>The numbers reported include contingent workers assigned to Wolfspeed Inc. in a temporary capacity. These workers are not employees of Wolfspeed Inc.

<sup>[2]</sup>U.S. employees are considered "at will" and are not bound by any employment contract. Therefore, none of our U.S. employees are classified as "permanent". The data provided is limited by employee self-disclosure and does not necessarily represent the entire employee population.

<sup>[3]</sup>Data presented here is for our significant locations of operations and represents approximately 87.2% of our total number of employees in calendar year 2022.

# OUR EARLY CAREER EMPLOYEES

Our early career programs at Wolfspeed offer a variety of opportunities for college students and new college graduates. Participants gain real-world experience through hands-on, project-based assignments designed to empower them and help them grow. We depend on this early-in-career talent to continue to drive the innovation of the future.

## Our Summer Internship Program

Launched in 2018, our Summer Internship Program inspires contribution, culture, and community. From 2018 to 2019, we more than doubled the summer intern population, extended the program internationally and increased the diversity rate by 25%. From 2019 to 2020, we increased our intern diversity numbers to include a 48% underrepresented population. In the summer of 2021, we had an intern class with 50% diversity, and in the summer of 2022, we had an intern class with 43% diversity. Some of the perks of our internship program include:

✓ Direct interaction with senior leaders	✓ Community engagement
✓ Networking with experts across the Company	✓ Professional development
✓ Paid internships	✓ On-site café and fitness center (NY & NC locations)
✓ Culture that fosters collaboration and innovation	✓ Mentor program
✓ Social and cultural events	✓ Attention to diversity and inclusion
✓ Result-orientation contributions	✓ Campus Ambassador Program

## INTERNSHIP DIVERSITY DEMOGRAPHICS



**UNDERREPRESENTED  
(SELF-REPORTED)**



**IDENTIFY AS FEMALE**



**RETURNING INTERNS**

*Represents 2022 intern demographics*

## Our Cooperative Education Program

In addition to our Summer Internship Program, Wolfspeed hosts college students who are part of their school's cooperative education (Co-op) program. Co-ops at Wolfspeed work either full-time or part-time outside of the summer months, utilizing lessons they have learned from their classes and applying them in our workplace. Co-op students are paid competitively while they work for us and gain the knowledge and experience needed for future internships or full-time entry level roles at Wolfspeed.

## Our Wolfspeed Rotational Program

The Wolfspeed Rotational Program (WRP) offers participants the opportunity to work on strategic projects, build professional capabilities, get one-on-one career coaching, experience cross-functional collaboration, partake in community service and grow in their professional development. Our WRP participants make immediate impacts on our business, allowing us to build a strong internal pipeline for the future.

The WRP kicked off in 2019 in the Sales & Marketing and Human Resources departments. By 2022, the WRP had grown to include participants rotating throughout our Global Operations business unit, our Power business unit, our IT department and our Finance department, while continuing in Sales & Marketing and Human Resources departments. Participants spend 12-24 months in the program, with multiple rotations throughout that duration.

Our former college interns and co-op students at the bachelor's, master's and PhD level are our main talent pipeline for the WRP. We also nominate early in career or career-changing internal employees to participate in WRP. We take pride in hiring diverse cohorts – called “Packs” – through our continued recruiting efforts at high-caliber colleges and universities, with a strong focus on Historically Black Colleges & Universities (HBCUs) and Hispanic Serving Institutions (HSIs).

## Our College and University Partnerships

Wolfspeed is proud to foster strong relationships with colleges and universities. Our company not only partners with higher education institutions for recruitment purposes, but we also partner on consulting and research, corporate social responsibility, early talent development and executive thought leadership on campuses. Wolfspeed builds strategic partnerships with colleges and universities who have a strong focus on STEM, diversity, equity and inclusion (DEI) and community.

To share a few examples, Wolfspeed has a decades-long partnership with North Carolina State University, where five of our six founders graduated. Our company also supports North Carolina Agricultural and Technical State University, the nation's number one producer of Black engineering graduates, in many ways, including a \$4 million commitment over five years for the Wolfspeed Endowed Scholars Program. In the Mohawk Valley region, Wolfspeed partners with SUNY Polytechnic Institute on the Wolfspeed Scholars Program, providing hands-on experience, educational skills and careers after graduation.

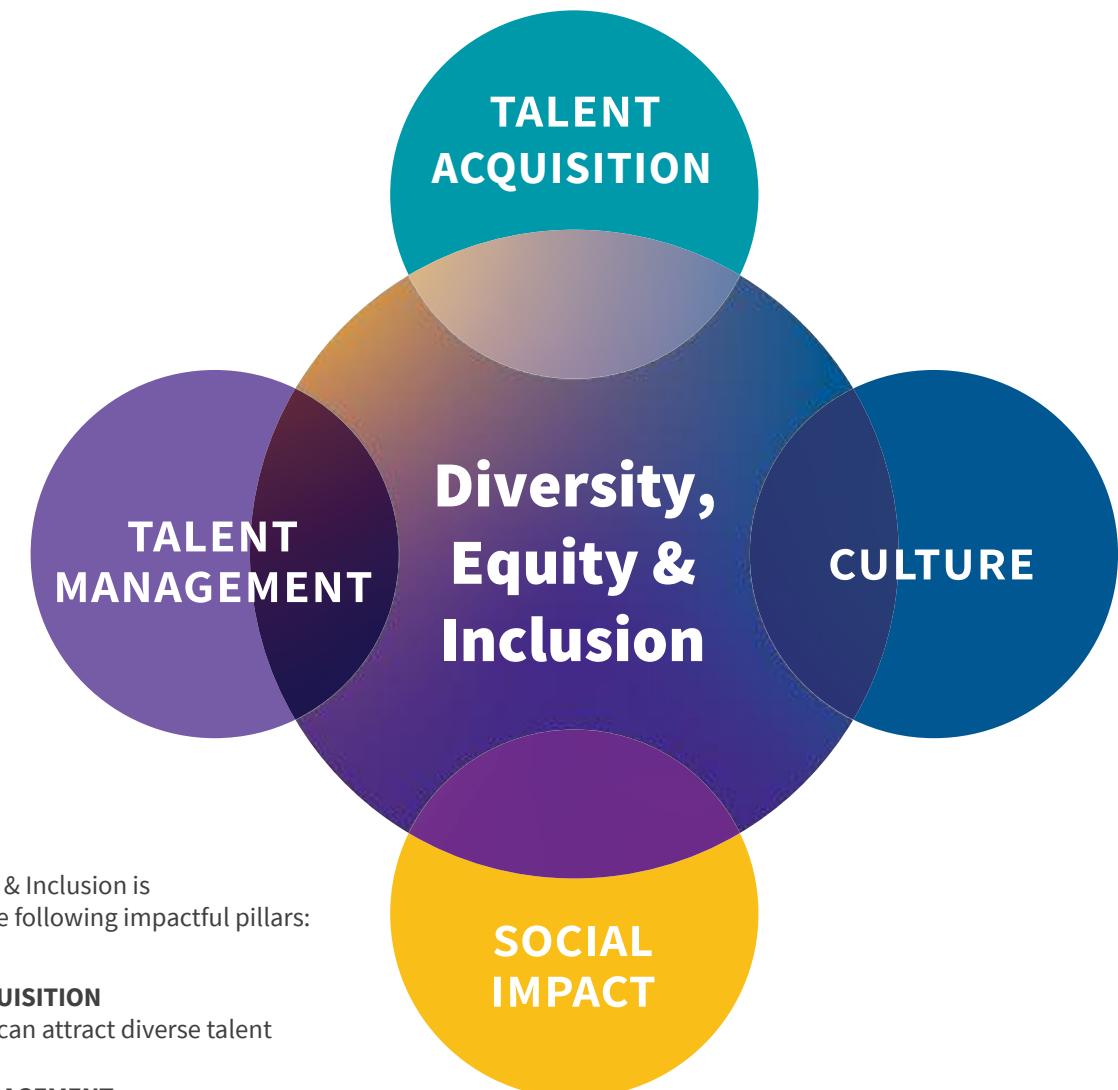
# DIVERSITY, EQUITY & INCLUSION

## Diversity, Equity & Inclusion: Overview

Wolfspeed is committed to fostering a culture of diversity, equity and inclusion by encompassing all employee differences and identities. We are building an environment where inclusivity is real and active rather than theoretical and static. Our diverse workforce contributes to our success and enables us to grow and continuously provide state-of-the-art technology and products.

Each of us must respect the diversity, talents and abilities of others regardless of our differences. At Wolfspeed, we view diversity as including all the unique characteristics that make up each of us – and it is far more than the diversity you can see. We embrace, encourage and value diversity of thought, experience, insight, skill and background. We've seen how diversity, equity and inclusion, separately and collectively, drive better business results, and we celebrate our employees' differences and authenticity. Diverse ideas, perspectives, thinking styles and life experiences produce higher quality decisions and enable us to solve problems other companies think impossible. We gather motivated individuals who are true to their nature and beliefs, provide them with resources and room for growth and harness the cumulative genius which is inherent in our human race.

We are devoted to fostering a culture of diversity and inclusion and believe that providing a work environment free from discrimination is paramount. We are proud to be an Equal Employment Opportunity (EEO) and Affirmative Action (AA) employer, making hiring and promotion decisions based only on fair, unbiased evaluation of skills, work history and performance. Our commitment to diversity and inclusion is supported by our stance against discrimination and our belief that all employees, regardless of their race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability status, age, marital status, protected veteran status or any other protected class, contribute to our ongoing success. We strive to attract, develop and retain a workforce that is as diverse as the markets we serve, resulting in an inclusive environment that embraces the strength of our differences.



## Diversity, Equity & Inclusion: Social Justice

We continue to develop our activities in support of promoting social justice as well as diversity, equity and inclusion both inside and outside of the company. As we continue to promote and model a culture reflective of our values, which places a premium on integrity and respect, we provide space with help from our Employee Resource Groups (ERGs) to listen to our employees from across the organization and gather insight on what initiatives we should start, stop or continue. We believe our employees are our greatest thought leaders.

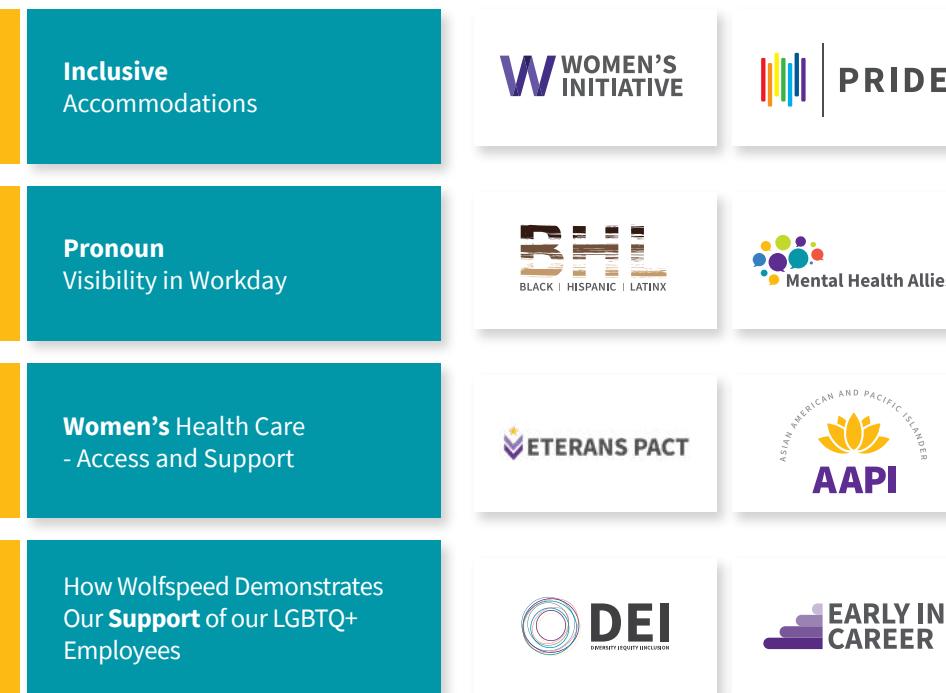
We understand this is a journey; listening and responding is an integral part of our strategy to impact change both internally and within the community. Below are just a few of the ways we promote social justice:

- Increasing transparency around our recruiting policies
- Providing diversity, equity and inclusion workshops to employees that focus on psychological safety, exploring identities, intersectionality and practical ways employees can implement their learnings
- Introducing new ERGs to help promote community and advocacy
- Expanding our Matching Gifts Program, which was launched in 2021, to all of our employees globally; this allows employees to make contributions to causes they're passionate about.
- Celebrating Juneteenth as a company-recognized holiday across all of our United States locations
- Women's Initiative partnered with PRIDE and Mental Health Allies to develop an Inclusive Accommodations proposal as we continue to expand into new locations. In partnership with Facilities team members, the group created a plan for mothers' rooms, gender neutral restrooms, prayer rooms and wellness rooms that will be included in all Wolfspeed buildings.
- Women's Initiative collaborated to craft the Women's Health Care – Access and Support message sent to all U.S. Employees from Gregg Lowe and Margaret Chadwick.
- PRIDE completed the 12-month project of having pronouns as an option for employees and new hires to select in Workday to have displayed in our internal system as well as on their cubicles on site.
- PRIDE collaborated to craft **How Wolfspeed Demonstrates Our Support of Our LGBTQ+ Employees**, a message sent to all US Employees from Margaret Chadwick and Neill Reynolds and posted on Wolfspeed's LinkedIn page.



*To commemorate the end of slavery in the United States, Juneteenth is celebrated every year on June 19th. Juneteenth is now a company-recognized holiday.*

### Inclusive Wolfspeed Culture



## Wolfspeed Celebrates JUNETEENTH



### Our Matching Gifts Program

Our Matching Gifts Program supports programs focused on food and hunger relief, housing and emergency housing relief, educational and early intervention programs through science, technology, engineering and math (STEM) and programs aimed at closing the opportunity gap in our communities through the advancement of diversity, equity and inclusion and social justice initiatives. Through our Matching Gifts Program, each time an employee makes a donation to one of our identified agencies, we will match their donation dollar-for-dollar, up to \$500 per employee per fiscal year. Virtual dollars known as "Cause Cards" are provided to new employees when they join Wolfspeed to introduce them to the giving platform: The "Cause Cards" are the equivalent of \$25 and can be used towards a donation to any of the agencies supported out of our Matching gifts Program.

## Diversity, Equity & Inclusion: DEI Scorecard

Wolfspeed uses a diversity, equity and inclusion (DEI) scorecard to measure our progress toward DEI-related goals. Progress towards these goals is factored in all employees' annual employee bonus. Our first scorecard was launched in 2020 for FY2021.

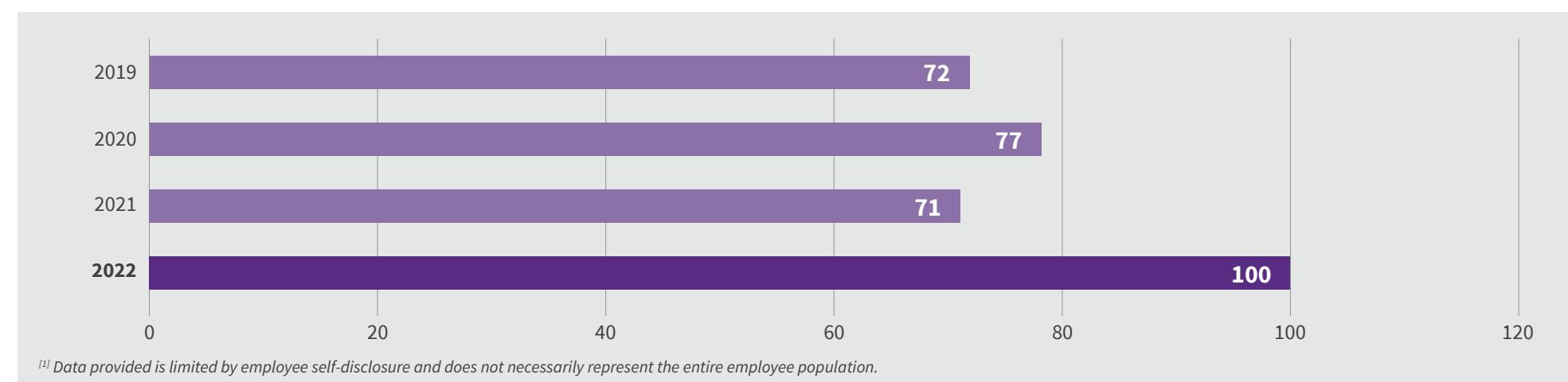
DEI Metric	Description of Activities
Percentage of Women in our Intern Program	We are working to organically build diversity throughout the organization. Our goal is to attract and retain a diverse talent pool with a focus on <b>early in career talent</b> .
Percentage of Underrepresented in our Intern Program	
Percentage of Women in Management	We are working to increase diverse representation throughout the organization. Our goal is to attract and retain a diverse talent pool with a focus on <b>management and people leader roles</b> .
Percentage of Underrepresented in Management	
Percentage of Women in Professional Roles	As we continue to focus on internal mobility and promoting from within, our goal is to develop and provide opportunities for our manufacturing employees to transition into <b>salaried positions</b> .
Percentage of Underrepresented in Professional Roles	

## Diversity, Equity & Inclusion: 2022 DEI Data

### 2022 DEI Data - Board of Directors (Governance Body)

Diversity Category	Board of Directors
<b>Gender</b>	
Female	20%
Male	80%
<b>Age</b>	
<30	0%
30-50	10%
>50	90%
<b>Ethnicity</b>	
American Indian or Alaska Native (Not Hispanic or Latino)	0%
Asian (Not Hispanic or Latino)	10%
Black or African American (Not Hispanic or Latino)	10%
Hispanic or Latino (United States of America)	0%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%
Two or More Races (Not Hispanic or Latino)	10%
White (Not Hispanic or Latino)	70%

### Countries Represented by Employees<sup>1</sup>



## Diversity, Equity & Inclusion: Welcome All

Wolfspeed is committed to cultivating an environment in which we actively seek to reduce any opportunity gap based on any protected category, and we have implemented programs and initiatives geared toward recruiting the most talented, ambitious and capable people to join our team.

### JOB DESCRIPTIONS AND ROLES: A REBOOT

Intellectual growth tends to make titles fleeting and a job description merely a convenient label. As a company we believe there is no shortage of good ideas, and our search for solutions gains energy and insight through an open interchange of ideas and solutions.

### MORE JOY, LESS STRESS

Being a parent is one of life's joys and it makes for a more well-rounded employee for those who choose this path.

Our Women's Initiative Employee Resource Group created a Parenting Network that has allowed employees to share resources, tips and advice with other employees.

### REWARDING HARD WORK IS SORT OF OUR THING

Graduate hires have gained skills and abilities through their own initiative which helps our company grow. A Student Loan Repayment Benefit is available to help under-resourced, newly graduated hires focus their talents on building a career with our company by lessening their loan burden.

## Diversity, Equity & Inclusion: Nurture All

By proactively providing learning opportunities and other avenues for advancement, we seek to enhance the growth, development and financial wellbeing of all team members. Wolfspeed's MPower mentoring program was started in 2021 to develop mentors, foster the establishment of mentor-mentee relationships and evaluate progress. Existing and emerging Employee Resource Groups (ERGs) are a significant resource in guiding these efforts.

### UNITING FOR KNOWLEDGE AND PERSPECTIVE

Diversity alliances with civic and business organizations help underrepresented communities grow and succeed. The NC Chamber of Commerce, RTI and the cities of Raleigh and Durham support these alliances with performance benchmarking and networking opportunities.

### FINDING THE NEXT WAVE OF LEADERS

Corporations have a social responsibility to help ensure that color, culture, ethnicity or economic status does not limit opportunities to a fulfilling career. We recruit from – and provide endowments, scholarships, and internships to - HBCUs, Hispanic Serving Institutions and other diverse engineering organizations.

### TEST DRIVING A VEHICLE FOR GROWTH

Internships further our inclusion, diversity and business goals with the support of an intern-specific Employee Resource Group.

### BUILDING LEADERS

We seek to develop leaders with diverse backgrounds and life experiences to harness the ambition and aptitude often overlooked in underrepresented communities. MPower structures engagement for all team members, documents growth and accelerates career progress and advancement.

### A MENTOR IS BOTH TEACHER AND PUPIL

Both mentors and mentees gain meaningful insights that go beyond academic expertise to create sociological awareness, cultural understanding and a broader worldview, which add to the intellectual depth of the organization and spurs innovation. And that's the point.

### WHEN THEY GROW, WE GROW

MPower. It's a movement, a goal and a promise to confirm the certainty that increasingly capable employees create an increasingly capable organization. MPower helps foster achievement and advancement, especially in STEM fields. Our education and technical certification sponsorships for 2022 aim to reduce the opportunity gap for women and other underrepresented groups, amplify their voices and harness their talents.

### COUNTING STARS

Talent reviews assess team members across the organization, identify high-potential employees, rising talent and opportunities for advancement. While we actively recruit new hires, we're intent on retention, development and advancement of the talent we already have.

### EDUCATION SPONSORSHIP

Our Education Sponsorship Program helps team members pursue an associate's or bachelor's degree. We partner with seven North Carolina community colleges and two universities and pay for all fees and tuition for certain degree programs to minimize any out-of-pocket costs.

## Diversity, Equity and Inclusion: Nurture All (continued)

We have initiatives and practices in place to reduce our employee turnover rates, which are monitored and reviewed quarterly. Our goal is to ensure employees have access to development and career growth without having to leave Wolfspeed. Some of our employee retention initiatives include:

- Developing a culture of promoting employees from within: To provide upward mobility within Wolfspeed, our goal is to promote qualified employees to more experienced positions. To date, we have had 161 employees complete our **Technician Certification Program**, which provides training to current entry-level operators to give them the tools to become eligible for higher-level technician roles. As of December 2022, 73 of these graduates have been promoted since the program's inception in 2020.
- Offering workshops and guidance to employees on how to enhance their resumes to seek other jobs within Wolfspeed: During these workshops, employees receive one-on-one guidance from a recruiter or a career coach from the Global Talent Management team.
- Targeting the recruitment of college graduates for entry-level positions: Our Summer **Internship Program** hosted more than 114 students in the summer of 2022. For those interns who were graduating seniors last summer (graduating by May 2022), 72% accepted a full-time, entry-level position or a position in our Wolfspeed Rotational Program.
- Considering all internal applicants who meet the minimum requirements of a role
- Offering a variety of in-person and virtual professional development opportunities in various learning formats, including self-paced virtual courses, classroom-based workshops, virtual live webinars, assessment tools and one-on-one career coaching
- Developing an innovative approach to mentoring (our MPower mentoring program) that creates diverse opportunities for employees to be mentored in large group, small group and one-on-one settings

### Our Remuneration Practices

Our remuneration decisions are based on relevant business factors including, but not limited to, the job requirements and responsibilities for the job in which an employee is performing, location of where the work is being performed and job performance. We comply with all federal, state and local laws and regulations and prohibit remuneration discrimination based on many factors including, but not limited to, race, age, religion and gender. We annually engage an external consultant to perform a race and gender pay equity assessment to validate our processes for making non-discriminatory remuneration decisions. Results of the assessment and any actions taken as a result are reviewed and approved by top management.

### 2022 New Employee Hires<sup>1</sup>

Diversity Category	New Hire Rate
Region	
North America	<b>1,625</b>
Gender	
Female	<b>528</b>
Male	<b>1,097</b>
Age	
<30	<b>732</b>
30-50	<b>688</b>
50+	<b>205</b>

### Diversity, Equity & Inclusion: Celebrate All

Thanks to the hard work and dedication of the 5,000+ people who have helped build a competitive, sustainable enterprise, we are able to fulfill our obligation to be a visible, active community-corporate partner. As we continue to strengthen relationships with community organizations, special attention will be paid to communities that are struggling economically, those with marginalized populations and those where students of color can be mentored and provided resources and opportunities.

### LEARNING TOGETHER, GROWING TOGETHER

A number of Employee Resource Groups (ERGs) support our inclusion and diversity goals and business objectives. These ERGs are collaboration and advocacy vehicles which benefit and advance their group members in addressing both internal and external strategies.



The AAPI ERG aims to connect Wolfspeed employees with a shared passion for Asian and Pacific Islander interests through networking, professional development, cultural celebration and community engagement.

The mission of the Black | Hispanic | Latinx (BHL) ERG is to openly embrace Black, Hispanic and Latinx employees by creating an inclusive environment that celebrates cultural diversity and, most importantly, authenticity. BHL creates an intentional space and opportunity for Black, Hispanic and Latinx employees to directly impact Wolfspeed's continuous mission to be an equitable and inclusive organization.

The Early in Career ERG is focused on professional development, employee engagement, social impact and employee recruitment and retention. We connect our Early in Career employees to one another through mentorship by providing tools and resources to foster social and professional connections with the goal of boosting engagement and empowering the future leaders of Wolfspeed.

The mission of the Mental Health Allies ERG is to create a safe environment to support employees who live with mental, emotional and/or cognitive health conditions, illnesses or disabilities, including their own or a family member, as we build our careers at Wolfspeed.

The PRIDE ERG provides support, awareness and resources for all lesbian, gay, bisexual, transgender, queer employees and their allies. PRIDE aims to help promote a safe and inclusive environment for all employees to be their authentic selves.

The mission of the Veterans Pact ERG is to focus on enhancing and supporting the veteran employee experience and increasing development opportunities for veterans while leveraging the diverse capabilities and qualities that veterans bring to strengthen our organization. The Veterans Pact aims to make Wolfspeed the employer of choice for veterans while tapping into the unique skill sets of leadership and camaraderie that veterans bring to an organization to build next-level leaders and innovation in our organization.

The Women's Initiative ERG was created in recognition of the value women bring to Wolfspeed. Our goals are to attract and retain top talent, including women, and to cultivate and celebrate the rich diversity of thought, perspectives and life experiences so critical to Wolfspeed's success. Through programs and events sponsored by the Women's Initiative, we get to know each other better across organizations and functions and promote balance and effectiveness in our professional and personal lives, as well as in service to our communities.

<sup>1</sup> Data presented here is for employees in our significant locations of operations, which represents approximately 90.6% of our total number of employees (temporary workers excluded) in calendar year 2022.

## Diversity, Equity & Inclusion: Celebrate All (continued)

Diversity, Equity & Inclusion (DEI) along with our ERGs are dedicated to expanding our celebrations to celebrate all employees, as well as their unique backgrounds and experiences. We invite all employees to participate in these events. Here's how Wolfspeed employees celebrated in 2022:

### HIGHLIGHTED ACHIEVEMENTS ASIAN AMERICAN PACIFIC ISLANDER ERG

- Hosted a variety of events and initiatives designed to raise awareness around cultural celebrations and social justice issues while strengthening the AAPI community.
- Hosted a panel discussion featuring Greene Resources HR Leaders discussing microaggressions and creating a culture of inclusivity.



### HIGHLIGHTED ACHIEVEMENTS OF BLACK | HISPANIC | LATINX

- Hosted a variety of initiatives, including week long celebrations for Hispanic Heritage month and Juneteenth.
- Held 2 community meetings with membership to engage, educate, and network.
- Facilitated the Black Intern Group to host multiple intern focused events.



### HIGHLIGHTED ACHIEVEMENTS OF EARLY IN CAREER

- Launched the new ERG on August 11, 2022. Created a unique crewneck t-shirt design.
- Created first ERG Yammer page for EIC members to connect in real-time.



### HIGHLIGHTED ACHIEVEMENTS OF MHA ERG

- Hosted an event at the Daniel Center to make Calm Down Jars with the children.
- Hosted and facilitated a Panel Podcast on Caregiving for Elderly Loved Ones.
- Set up 8+ Spring Health Seminars on various topics involving Mental health and wellbeing.

Caregiver Series with Mental Health Allies: Elderly Caregiving by The Open Door anchor.fm

The DEI teams has partnered with Mental Health Allies (MHA) Employee Resource Group member James Norman, Ann Edwards, and Asami Faith to have a panel discussion about the elderly caregiving experience.

### HIGHLIGHTED ACHIEVEMENTS OF PRIDE ERG

- Hosted Wolfspeed's first PRIDE sponsored drag show to celebrate and build a sense of belonging.
- Out! Raleigh Sponsorship for Pride Month 2022. Engaged with the local community with 75,000 people in attendance. Included successful recruitment efforts.
- Partnered with the New York Q Center to provide ally training for the Wolfspeed community.



### HIGHLIGHTED ACHIEVEMENTS OF VETS PACT

- Facilitated the ALL ERG Toy Drive with Military Missions in Action in Durham and Marine Corps Toys for Tots in Mohawk Valley.
- Held an Employers of Choice Award Event at the Durham Café.
- Held a Veterans Breakfast for Veteran Wolfspeed Employees for Veterans Day.



### HIGHLIGHTED ACHIEVEMENTS OF WOMEN'S INITIATIVE

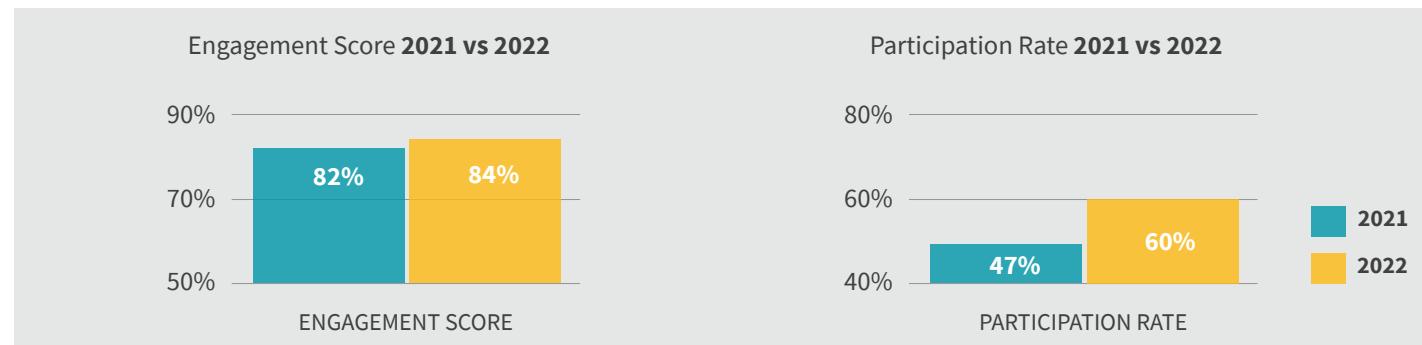
- Hosted 19 WI events and collaborated on 11 events focusing on leadership development, community engagement, and personal well-being.
- Created the LeadHERship series focused on helping employees grow and develop their leadership skills.
- Engaged senior leaders of Wolfspeed, including Duy-Loan Le (Board Member), Margaret Chadwick, and others.



## EMPLOYEE ENGAGEMENT

Employee feedback continues to drive and help shape our evolving culture, resulting in tangible change within the company. This has been reflected through items such as updated time off and attendance policies, the creation of new Employee Resource Groups (ERGs), new training opportunities and many other initiatives.

In 2017, we held our first employee engagement initiative consisting of one-on-one email communication by our CEO soliciting direct feedback and setting the tone for how we listen to our employees. In 2018, we completed our first formal enterprise employee engagement survey. In 2021, we implemented a new enterprise employee engagement survey to give employees the opportunity to provide anonymous feedback on how we are doing in the areas of global leadership, culture and employee personal development. Building on the progress, learning and action planning from our first enterprise-wide survey, our 2022 overall engagement score improved to 84%.



The top strengths we heard in the 2022 survey were that employees believe the work we do at Wolfspeed is important, they understand how their role contributes to the overall success of the organization and they know what they need to be successful in their roles. These strengths illustrate the connection our team feels to the importance of the work we do and their role in driving our business success as well as their personal success.

As a result of the employee feedback received from the 2022 employee engagement survey and a focus on the most prevalent themes, we made significant program improvements and additions in the areas of learning and development and collaboration. This includes the formation of a Learning & Development Action team charged with completing an in-depth review of engagement survey questions and comments directly related to employee learning and development, the creation of a Leadership Development SharePoint site providing first-time managers, experienced leaders and organizational leaders with information to support their career growth, and the launch of LinkedIn Learning as our corporate e-Learning platform to support continued development for employees. We also formed a Collaboration Action team to complete an in-depth review of engagement survey questions and comments related to cross-functional collaboration.

We firmly believe that our employees are our best thought leaders when it comes to making Wolfspeed an amazing place to work for everyone. We will continue to listen and respond to employee feedback to ensure we are looking for ways to continually get better.

At 84%, we feel the overall engagement score of the 2022 survey shows steady improvement on an already solid score from the 2021 survey. However, we are not complacent.

Launched in 2019, our intranet continues to be an important and developing resource available for employees, providing a searchable, easy-to-understand window into the news, applications, tools and resources they need to more efficiently do their job and collaborate with their teams.

- The intranet is updated daily, in real time, with informative stories and articles focusing on our people, our business activities and products, cyber security tips, instructions on how to sign up for training opportunities and much more.

- We have also created new intranet sites to help further educate employees on what we make possible through our products and applications, to share stories about team and individual employee accomplishments and to share how individual employees and teams are displaying our values in the community through volunteerism.

- Additionally, we have incorporated a new polling feature on our intranet homepage to engage and educate employees on company initiatives, to recap company news and more.

Our Operations team is an essential contributor to Wolfspeed's success, and as the result of a joint Human Resources and IT pilot project, Operations team members now have easier access to the intranet and other useful Wolfspeed resources through shared computers located on the manufacturing floor throughout our Durham and RTP, NC; Marcy, NY and Morgan Hill, CA locations. Phase II of this pilot project will launch in 2023 and will include the installation of additional computers allowing the Operations team even more engagement and access to the news and information they need to not only do their jobs, but to allow them to further engage and connect with other employees.

Amid COVID-19 restrictions in 2020, our CEO replaced quarterly, in-person Town Halls with quarterly video updates highlighting our performance, strategy and direction. These quarterly video updates continue, in addition to regular monthly video updates from the CEO which include guest contributors discussing our business product launches, safety protocols, ERG activities and other Wolfspeed-related topics to inspire, inform and educate employees. The quarterly and monthly video updates are posted on our intranet and are available to all Wolfspeed employees. In addition to the CEO's quarterly video updates, our senior leaders also continue to host their own virtual quarterly business unit Town Halls. The CEO's quarterly and monthly video updates as well as all video communications shared via email or on our intranet are also available for employees to view in breakrooms at all of our U.S. locations and include closed captions to provide viewers with clarity on mentions of full names, brand names and technical terminology.

## EMPLOYEE ENGAGEMENT (CONTINUED)

We continue to recognize the impactful contributions made by Wolfspeed employees to our customers and our company through Values in Action, our employee recognition and years of service program which was launched in 2021. Through this program, we are able to reward and honor employees for going above and beyond and delivering exceptional results aligned with our values and our culture. All Wolfspeed employees have the opportunity to formally recognize their peers as well as be acknowledged for service anniversaries through the centralized platform. Through Values in Action, employees can simply thank colleagues for a job well done or attach value to the recognition by issuing points. Points have a monetary value and can be used on the Values in Action platform's online store to purchase products, gift cards or even donate to charities, allowing employees to cash in their points for something that is meaningful to them.

In 2022, and as part of our commitment to fostering a culture of listening, we rolled out the Global Voices of Wolfspeed committee. Made up of employees representing our largest global locations, the Global Voices of Wolfspeed committee is working to further integrate employee engagement and diversity, equity and inclusion with Wolfspeed's mission, operations, strategies and business objectives. As we continue striving to foster positive organizational change, the creation of this committee provides another avenue for employees to share their thoughts and ideas in a collaborative format, serving as an unbiased and independent sounding board for topics brought to the committee's attention.

Finally, as part of their continued focus on employee health and wellness, and in response to the pandemic, Wolfspeed's Senior Leadership Team launched the "Here's Your Shot at a Tesla" campaign in September 2021 to help educate and provide information to employees about the benefits of the COVID vaccine while also increasing employee engagement levels.



As part of the three-month campaign, Wolfspeed employees from around the world participated in drawings for great prizes, including Amazon gift cards, Apple iPhones, PlayStations, gift cards to various businesses and more. Twelve videos were created, showcasing the Senior Leadership Team as they announced each week's raffle winners and gave updates on the company's COVID-19 safety protocols. The grand culmination was the drawing for a fully loaded Tesla Model Y. To ensure that the grand prize winner would not have to incur any major out-of-pocket expenses as a result of their win, Wolfspeed, in addition to paying the automobile tax and licensing fees, also provided the grand prize winner with an EV charging station for their home, a year's worth of car washing services, a special parking space on the Wolfspeed campus and an all-expenses paid trip for them and a guest to California to tour the Tesla factory in Fremont.

In 2022, Wolfspeed's "Here's Your Shot at a Tesla" campaign was nominated for Employee Communication Campaign of the Year and COVID-19 Communications as part of Ragan Communication's Employee Communications Awards which celebrates the organizations, communicators, teams, tools and campaigns that unified employees during a time of displacement and uncertainty. It was announced that the campaign was selected as an Honorable Mention during the Ragan Employee Communications Awards ceremony this year.

# COMPENSATION & BENEFITS

Wolfspeed offers a benefits package designed to promote the physical and emotional well-being and financial health of our employees. Unless otherwise noted, the benefits detailed below are offered to all Wolfspeed United States employees.<sup>1</sup> Wolfspeed employees working outside of the United States are eligible for country-specific benefits, which include supplemental benefits and programs in addition to statutory benefits.

## HEALTH AND WELLNESS

### Health Benefits

We offer flexible health and insurance programs to suit our employees and their dependents' needs, including dental and vision coverage and options for Health Savings Accounts and Flexible Spending Accounts. We also provide access to a Health Advocate program to help employees and their families navigate the complex healthcare system and remove barriers.

### Mental Well-Being/Employee Assistance Program

Spring Health is a free resource for employees and their dependents. It assists employees with a wide variety of services/resources including free counseling visits, solutions relating to Legal or Financial issues, working towards life goals, support for child/elder care and crisis and trauma support.

## BENEFITS & COMPENSATION

### Performance-Based Compensation

Our people are our most valued asset, and competitive and performance-based compensation is just the first step in demonstrating our commitment to our employees.

### 401(K) Match

Our financial planning programs help our employees feel confident about their retirement. We offer matching contributions to our 401(k) savings plan.

### On-site Fitness Center (Durham)

Our fitness center and weight room facilities are open to our employees' dependents and those who have retired from the company. In addition, we offer a virtual fitness program to all employees globally.

### Ergonomic Evaluations

Employees receive personalized recommendations, such as custom workstation arrangements and standing desks, from our on-staff specialist.

### Award-Winning Wellness Program

Our employees can join interactive workshops and work one-on-one with wellness coaches to design personalized fitness goals that match their lifestyle.

### Employee Stock Purchase Plan

Employees have the option to purchase shares of Wolfspeed stock at a discounted rate.

### Annual Bonus

We continually reward our passionate efforts to meet annual business objectives. Employees are eligible for an annual cash bonus based on the company's achievement of financial and qualitative objectives and personal performance.

### On-site Physical Therapist (Durham)

Our on-site physical therapist provides upper and lower extremity orthopedic services.

### Life Insurance

We offer a variety of life insurance options for our employees and their dependents. Employees working 20+ hours per week are eligible.

### WELCOA Well Workplace Award

*We have been honored as one of 18 companies and organizations to receive a 2021 Well Workplace Award (Bronze)*

### Referral Bonus

We offer referral bonuses to employees who find talent to help us grow our team.

### DEI-Related Activities

*In addition to financial performance, progress toward DEI-related activities are part of our employees' annual bonus structure*

<sup>[1]</sup> Standard benefits for full-time employees but not temporary or part-time employees as follows:

Not Provided to Temporary employees: Medical, Rx, Dental, FSA, HSA, Basic Life, Basic ADD, Supplemental Life, Supplemental ADD, STD, LTD, FMLA, 401k, Employee Assistance Program, Wellness Premium, UNUM SIP, Perk Spot, BTM, BTA, Travel Assistance, Parental Leave, Childcare Assistance and Not Provided to Part-time employees (Under 50% FTE): Basic Life, Basic ADD, Supp Life, Supp ADD, STD, LTD, UNUM SIP, Travel Assistance

Our 'significant locations of operations' can be defined as our company's owned manufacturing sites located in Durham and RTP, North Carolina, Morgan Hill, California and Marcy, New York. We are only including sites that were relevant in 2022, and these are not our company's only sites.

# COMPENSATION & BENEFITS (CONTINUED)

## TIME OFF

### Leave of Absence & Disability Coverage

Our policies cover unexpected time away for short-and long-term disability needs. Disability coverage available to employees who work 20+ hours each week.

### Paid Holidays

We love to innovate, but we also know it's important to take breaks to recharge and reset.

### Paid Vacation

Our employees can accrue paid time off (PTO) throughout the year and use it when they're ready.

## EMPLOYEE GROWTH

### Training & Development

We offer in-person and virtual development opportunities for personal and professional growth.

### Employee Resource Groups

Employee Resource Groups (ERGs) help our employees support our inclusion and diversity goals.

### Internal Promotion

Employees can grow their careers here by pursuing opportunities both inside and outside their current department or team.

### Educational Assistance

Our employees can take advantage of three different educational assistance programs to fund job- and company-related courses and degrees.

## OTHER BENEFITS

### EV Charging Stations

Thanks to our silicon carbide components, EV usage is accelerating worldwide. Take advantage of electric vehicle charging stations at our Durham, North Carolina and Marcy, New York locations.

### On-site Café (Durham)

Our award-winning café serves breakfast and lunch. Weekly menus include specialty dishes, made-to-order pizzas and sandwiches, sushi, fountain and espresso drinks, and much more.

### FAMILY BENEFITS

#### Adoption Assistance

We offer adoption assistance that helps cover adoption-related expenses such as agency and placement fees, home study fees, and other applicable costs.

#### Family Care

Employees are eligible to set aside pre-tax money for child and elder care support through our family care program and the Wolfspeed provides monetary support for at home childcare assistance.

#### Paid Parental Leave

We know our employees need time off to bond with a new child. If they have a new birth, adoption, or foster placement, we offer six weeks of paid parental leave for our employees. Eligibility starts on the first day of employment.

## 2022 Parental Leave<sup>1</sup>

Diversity Category	Female	Male	Total
Employees Eligible for Parental Leave	1,544	3,573	<b>5,117</b>
Employees Who Took Parental Leave	22	98	<b>120</b>
Employees Who Returned to Work After Parental Leave	21	94	<b>115</b>
Employees Who Were Still Employed 12 Months After Parental Leave	20	85	<b>105</b>
Return to Work Rate for Employees Who Took Parental Leave	95.5%	95.9%	<b>95.7%</b>
Retention Rate for Employees Who Took Parental Leave	90.0%	86.7%	<b>88.3%</b>

<sup>1</sup> Data presented here is based on full and part-time United States employees and represents approximately 94.8% of global Wolfspeed employees, excludes gender identified employees with no gender identified.

## TRAINING AND DEVELOPMENT

Wolfspeed is committed to investing in the growth and development of its most important resource—its people. The company provides a wide variety of opportunities for employees to develop and grow their careers at Wolfspeed. The company approaches career development with a focus on increasing employees' career potential based on learning, insights and action. In terms of learning, Wolfspeed has four key pillars: learning through content, learning by doing, learning through feedback and assessments and learning through coaching and mentoring. From this multi-dimensional approach to learning, employees discover valuable insights into their potential interests and additional opportunities within the company. Insights translate into actions that result in innovative approaches to existing work and potential new career paths within one's current organization, the broader organization or, if it is in the best interest of the individual employee, external to the company. 100% of employees who are employed at the time of performance reviews will receive performance and career development reviews.

Wolfspeed offers employees a wide range of training and development options ranging from courses and workshops that are topic- or function-based to individual, self-paced learning on topics of interest to employees. Additionally, Wolfspeed has extensive technical, environmental health and safety, compliance, technology and quality training available to employees to ensure every employee is well-equipped to perform their job safely and effectively.

### Technician Certification Program

We developed two new training programs that were officially launched in 2020: The Technician Certification Program and the Education Sponsorship Program. The Technician Certification Program and the Education Sponsorship Program were created to support business needs and employee career growth.

#### 116 EMPLOYEES

completed our Technician Certification Program

The Process and Equipment Technician Certification Program combines science theory and skills with hands-on activities. Successful completion of the program will equip participants to meet the requirements needed to be considered for entry-level technician roles.



#### EDUCATION SPONSORSHIP PROGRAM

The Education Sponsorship Program is an education development program designed to encourage graduates of the Technician Certification Program to pursue their associate's or bachelor's in engineering degrees. This offering is separate from our employee tuition reimbursement program, and we have partnered with local colleges and universities to cover the cost of tuition and books for employees. Upon the opening of the Marcy, New York Fab, we expanded this program into the state of New York.

## REACHING YOUR CAREER GOALS IS A JOURNEY. WE'LL HELP YOU GET THERE.

#### SELF DISCOVERY

- What role do you want?
- What are the education requirements for that role?

#### FIND YOUR PATH

- Explore areas of study
- Choose your program (Associate, Bachelors)
- Speak with a college admissions advisor
- Take advantage of our company sponsored programs

#### COMPLETE DEGREE

- Earn degree while continuing to work
- Network internally with people who are currently in the desired role
- Talk with your supervisor about workplace flexibility

#### APPLY & INTERVIEW

- Find roles that you are now qualified for and apply

## Educational Assistance Programs

Wolfspeed offers a number of education-related benefits, which are currently available to United States employees. Wolfspeed offers tuition reimbursement (Wolfspeed reimburses employees for completed applicable college coursework) and STEM education sponsorship (North Carolina and New York employees attend courses that are selected and paid for by Wolfspeed) as a benefit. Additionally, Wolfspeed offers a student loan debt repayment program for eligible early career employees in the United States.

### WOLFSPEED TRAINING OFFERINGS

#### Technical Skills Development (Programs to Upgrade Employee Skills)

<b>Technician Certification Program<sup>1</sup></b>	The Process and Equipment Technician Certification Program combines science theory and skills with hands-on activities. Successful completion of the program will equip participants to meet the requirements needed to be considered for an entry-level technician role.
<b>Education Sponsorship Program<sup>2</sup></b>	The STEM Education Sponsorship Program is an education development program designed to encourage employees to pursue their associate's or bachelor's degree in specific STEM majors at designated partner community colleges, colleges and universities in North Carolina and New York. This offering is separate from our employee tuition reimbursement program, and Wolfspeed will cover the cost of tuition and books for eligible employees.
<b>JMP Training</b>	JMP Training provides training on statistical analysis software to help with mission-critical calculations and analytics.
<b>8D Training</b>	The 8D (Eight Disciplines) Problem Solving Process is a team-oriented and structured problem-solving methodology that is mainly used to identify, correct and eliminate recurring problems. The 8D Problem Solving Process focuses on the origin of the problem by determining root causes and establishes corrective and preventive actions.
<b>Core Tool Training</b>	Core Tool Training develops employees' skills in quality by learning quality standards. Employees also learn new tools and how to utilize the tools they currently have to quickly and more efficiently solve problems.
<b>On-The-Job Training (OJT)</b>	On-The-Job Training is a program designed to help new operators develop the skills needed to perform their job functions while on-the-job. The program allows operators to work alongside an experienced operator/trainer.

#### Personal and Professional Development

<b>Resources for Your Development Site</b>	Resources for Your Development is an Intranet site that allows employees globally to explore a wide variety of opportunities to help them develop and grow their careers at Wolfspeed. On the site, employees can sign up for classes, access information about career pathing, register for self-paced learning, learn more about Wolfspeed's specialized development programs, and much more.
<b>New Leader Program - Lead the Way</b>	The New Leader Program – Lead the Way is a training program designed for new managers of employees that is segmented into a series of three units. This program helps new leaders learn about the tactical aspects of leading people.
<b>Self-Paced Learning</b>	Wolfspeed partners with LinkedIn Learning to provide access to thousands of self-paced learning courses on professional development, technical development, and personal development topics.
<b>Mentoring Program (MPower)</b>	The MPower Mentoring Program is Wolfspeed's approach to ensuring our employees learn from others effectively. We have three focus areas: Leader Connect (learning from an individual or panel in a "one-to-many" webinar setting), Group Connect (learning from a subject matter expert in a small group environment) and You Connect (two people learning directly from each other).
<b>Career Coaching</b>	Career Coaching is a development tool that helps employees define and achieve their professional goals. Employees partner with a Career Coach who will help them discover their strengths, explore their career options, and create an action plan for success. A session may cover typical job openings, what managers look for, and/or discuss gap areas in an employee's knowledge or skills and ways in which to improve them.
<b>Wellness Workshops<sup>2</sup></b>	Wellness Workshops are programs designed to focus on all aspects of our employees' well-being. Topics include injury prevention and exercise, stress management, understanding diversity, and much more. We host Wellness Workshops every month.
<b>Personal Finance Workshops<sup>2</sup></b>	Program designed to focus on employees' financial well-being. Topics include financial health, budgeting and saving, preparing for retirement, and much more. We host Financial Workshops every month.

We also offer transition assistance programs. We offer outplacement services to employees terminated as a result of workforce reductions.

<sup>[1]</sup> Opportunity is offered at Durham, United States site, in partnership with Durham Technical Community College

<sup>[2]</sup> Opportunity is offered at all Wolfspeed United States sites.

## HEALTH AND SAFETY AND ISO 45001

We believe providing a safe work environment is the most fundamentally important thing that we do for our employees. Their safety, health and overall wellbeing has been – and will continue to be – our number one value.

Our commitment is to put the same level of focus and innovation into our health and safety programs as we do our operational excellence.

To this end, all Wolfspeed operations are required to adhere to applicable Environmental, Health, and Safety (EHS) standards. We continuously evaluate our EHS programs to ensure they meet or exceed the applicable regulations and help reduce incidents.

In 2022, Wolfspeed partnered with an ANSI National Accreditation Board (ANAB) accredited auditor to evaluate our established Occupational Health & Safety Management System. We are on target to have our manufacturing sites in Durham, North Carolina and Morgan Hill, California ISO 45001 certified in March 2023. The benefits of implementing an occupational health and safety management system include improved health and safety risk management, cost savings, meeting external stakeholder expectations, ensuring compliance with health and safety laws, and fostering employee participation as a foundational element of success. See our certificates, [here](#) on Wolfspeed.com.

At Wolfspeed, we L.E.A.D. with EHS. To ensure the best for our employees, our environment and our community, we all must L.E.A.D as stated in our Environment, Health, and Safety Policy. See our policy [here](#).

### OUR AMBITION

Providing a safe and healthy work environment is paramount to our success and protects our most valuable resource, our employees.

### OUR GOAL

Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025.

### 2022 PROGRESS

Audited the Occupational Health & Safety Management Systems at our manufacturing sites in California and North Carolina, against the requirements of ISO 45001:2018

## HEALTH AND SAFETY – OUR EMPLOYEES AND CONTRACTORS

The safety, health and overall well-being of our employees and contractors is integrated into the way we do business.

At Wolfspeed, we express our commitment to the environment, employee and associate Health and Safety and other key aspects of our business in everything that we do. Our core values of Safety, Integrity and Respect, Ownership and Accountability, and Ingenuity and Passion guide every decision we make and our interactions with each other, our customers, partners and communities.

In remaining steadfast to that commitment, Wolfspeed has launched [Protect the Pack](#) – an initiative focused on actionable behaviors that contribute to the EHS culture of our team. Protect the Pack is first and foremost about our people. Our people are critical to the sustainable operations of our business. Protect the Pack is intended to empower our employees and our on-site contractors to always

- communicate (through dialogue)
- challenge (see something, say something)
- demonstrate (ownership of actions)
- and motivate (encourage the right thing)

Protect the Pack is our expectation of how we demonstrate our core values to Protect our people, our business and our local communities.



**PROTECT  
THE PACK**

## Occupational Health and Safety Programs

Wolfspeed deploys Occupational Health and Safety (OHS) programs and procedures, including applicable training, at our sites based on scope of operation. These OHS programs include, but are not limited to:

WOLFSPEED PROGRAM OR PROCEDURE	ELEMENTS OF PROTECTION FOR WORKERS EXPOSED TO HAZARDS						Training
	Safe Work Practices <sup>1</sup>	Engineering Controls <sup>2</sup>	Personal Protective Equipment <sup>3</sup>	Hazardous Substance Information <sup>4</sup>	Measurement and Medical Checks <sup>5</sup>		
<b>Management Systems</b>							
Management of Change Program	•	•	•	•	•	N/A	•
Undesired Condition Identification and Screening	•	N/A	N/A	N/A	N/A	N/A	•
<b>Occupational Health</b>							
Bloodborne Pathogens	•	•	•	•	•	•	•
Industrial Hygiene	•	•	•	•	•	•	•
Hearing Conservation	•	•	•	•	•	•	•
Ionizing Radiation Safety	•	•	•	•	•	•	•
Laser Safety	•	•	•	•	•	•	•
Ergonomics	•	•	•	•	•	•	•
<b>General Safety</b>							
General Safety Requirements	•	N/A	•	•	•	N/A	•
Job Safety Analyses	•	•	•	•	•	•	•
Personal Protective Equipment	•	N/A	•	•	•	•	•
Permit-Required Confined Space	•	•	•	•	•	•	•
Hot Work	•	•	•	•	•	N/A	•
Fire Extinguisher	•	N/A	N/A	•	•	N/A	•
Electrical Safety	•	•	•	•	•	N/A	•
Lock Out/Tag Out	•	•	•	N/A	•	N/A	•
Machine Guarding	•	•	•	N/A	•	•	•
Shop Tool Safety	•	•	•	•	•	N/A	•
Fall Protection	•	•	•	•	•	•	•
Ladder Safety	•	N/A	N/A	•	•	N/A	•
Cranes, Hoists, and Slings	•	•	•	•	•	N/A	•
Walking Working Surfaces	•	•	•	N/A	•	•	•
Powered Industrial Vehicles	•	N/A	•	•	•	•	•
<b>Process Safety Management</b>							
Process Hazard Analysis	•	•	•	•	•	•	•
PSSR Pre Start-Up Safety Review	•	•	•	•	•	•	•
Line Breaking	•	•	•	•	•	•	•

## Occupational Health and Safety Programs (continued)

WOLFSPEED PROGRAM OR PROCEDURE	ELEMENTS OF PROTECTION FOR WORKERS EXPOSED TO HAZARDS					
	Safe Work Practices <sup>1</sup>	Engineering Controls <sup>2</sup>	Personal Protective Equipment <sup>3</sup>	Hazardous Substance Information <sup>4</sup>	Measurement and Medical Checks <sup>5</sup>	Training
<b>Incident Management</b>						
Eyewash and Safety Shower	•	•	N/A	N/A	N/A	
Preparing for and Responding to Emergencies	•	N/A	N/A	N/A	N/A	•
Emergency Action Plans	•	N/A	N/A	N/A	N/A	•
<b>Transportation</b>						
Motor Vehicle Safety	•	•	•	N/A	•	•
Hazardous Materials Transport	•	N/A	N/A	•	N/A	•
<b>Sustainable Business Practices</b>						
Contractor Safety	•	N/A	•	•	•	•
<b>Chemical Management</b>						
Hazard Communication	•	•	•	•	•	•
Chemical Hygiene Plan	•	•	•	•	•	•
Qualitative Exposure Assessment	•	•	•	•	•	
Respiratory Protection	•	•	•	•	•	•
Compressed Gas Cylinders	•	•	•	•	N/A	•

Each OHS program describes the minimum requirements, including hierarchy of controls, identification of hazards and assessment of risks, as applicable. Each program within our Environmental, Health and Safety Management System is reviewed on a periodic basis to ensure the program has considered any new regulations or best practices and is producing desired results. We ensure the quality of the review processes through hiring competent, trained EHS professionals.

Capital and non-capital investments are subject to our management of change program. This program aims to minimize potential adverse impacts on employees, customers, property or the environment arising from process, operational or facilities change through internal stakeholder review and risk analysis.

• Indicates that this is an element of protection for workers exposed to hazards, and depending on the program:

<sup>[1]</sup> Examples of safe work practices at Wolfspeed include providing adequate training, maintaining good housekeeping in work areas, lifting no more than specific weight for repetitive and one time lifting, and acceptable working temperatures and humidity.

<sup>[2]</sup> Examples of engineering controls at Wolfspeed include proper ventilation, work performed inside enclosed equipment, substitution to less hazardous chemicals, and automation of equipment.

<sup>[3]</sup> Examples of personal protective equipment at Wolfspeed include the requirement to wear safety glasses in all manufacturing areas; using gloves, face

shields and chemical aprons when working with hazardous chemicals; and using hearing protection when working in areas above the regulatory threshold for noise.

<sup>[4]</sup> Examples of information on hazardous substances at Wolfspeed include providing information to employees about safe handling and storage of hazardous substances, providing information to employees and contractors about recognizing hazardous conditions, and ensuring proper signage and labeling of hazardous areas, piping, and equipment.

<sup>[5]</sup> Examples of measurement and medical checks at Wolfspeed include testing of ventilated areas to ensure proper ventilation, performing exposure assessments to determine ambient concentrations and exposure potentials, EHS performance of contractors, and requiring motor vehicle records for drivers and medical surveillance for affected employees per regulatory requirements.

## Notable Program Improvements in 2022

**Motor Vehicle Safety Program:** As motor vehicle crashes are the leading cause of work-related deaths across the country, employee driving is considered a substantial risk. Our new Motor Vehicle Safety Policy promotes and encourages safe driving behavior whenever our employees' work requires driving in connection with their job responsibilities and while performing company business. This new policy requires driver safety training and incorporates best practice motor vehicle record monitoring for drivers of company owned and leased vehicles.

**Powered Industrial Vehicle Fleet and Training Improvements:** Wolfspeed began transitioning a full fleet replacement and partnership with a new supplier. The Mohawk Valley Fab and Durham Factory have invested over \$300k towards this effort of improvement and have ordered a significant number of new forklifts that will include modules to better monitor and track pre-shift inspections, operator behavior, crash detection monitoring and maintenance of the fleet. In addition to the equipment improvements, we have implemented Online Learning for all new operators that tailors training needs to account for the specific lifts to be operated.

### Employee Involvement in OHS

Employee involvement in OHS takes many forms, including EHS Teams, EHS point-of-contact interaction in the production areas, Lean Kaizen events and Management of Change processes. Our EHS training is connected to a learning management system and the on-boarding process for a new or transferred employee. Training is developed and tracked for all regulatory mandated programs, and effectiveness is measured by observations, incident evaluations, team walk-throughs, and audits or inspections.

We continue to emphasize our Safety Fundamentals program rolled out in 2020, which describes all employees' responsibilities for ensuring health and safety throughout our organization. The purpose of the Safety Fundamentals program is to drive employee engagement through key safety actions and expected behaviors. Clearly communicating safety expectations is fundamental to supporting our desired safety culture. The four main components of the Safety Fundamentals program include Communicate, Demonstrate, Challenge and Motivate. Also, see the **Protect the Pack** section.

Top management has supported continued improvement with OHS-focused communications via daily safety topics in our manufacturing operations in Durham, NC and Marcy, NY. Our commitment to a cultural standard of excellence ensures Health and Safety processes are managed to protect our people and property. In addition to our annual Key Performance goals, Wolfspeed values daily communications around Health and Safety to "Protect the Pack". This approach empowers our employees to place Health and Safety communication first and is reflected in our organization's commitment to improving performance.

### Employee Health and Wellbeing

Wolfspeed supports the well-being of our employees through programs that support a healthy lifestyle. We are committed to offering benefits to employees and their families to assist in improving health and lifestyle choices. Programs throughout our operations are tailored to the needs of the employees in the region and include many health-related benefits. In Durham, NC, we offer our workers the services of an on-site licensed physical therapist. In our international locations, we adhere to regulatory benefits and health and wellness requirements. In our United States locations, for those enrolled in our medical benefits program, we offer programs such as our Bright Choices wellness program, which is designed to encourage employees and their families to adopt healthy lifestyle habits. This program provides options for employees to receive on-line classes and health coaches for preventive health care. Employee benefits include medical and dental insurance, health and retirement savings accounts, childcare assistance, fitness centers at some locations, paid time off and family leave programs. Spring Health was rolled out in 2022 and provides an improved mental well-being benefit, available at no cost to all employees and their household family members age 6+. Our Mental Health Allies Employee Resource Group has generated improved awareness of the importance of mental health at work. Refer to the **Benefits** section of this report to learn more.

### Incident Management

Incident Management applies to all employees (temporary, permanent, full-time and part-time) who are involved in an incident or supervise an affected individual. If an incident involves a contract worker, actions are governed by the Wolfspeed Contractor EHS & Security Handbook, applicable to their service location.

Our policies require employees to immediately report incidents, when they become aware of symptoms or any indication of a work-related complaint. Any concerns regarding hazards in the workplace can be reported to the employees' supervisor, any EHS staff, by entering via several of our electronic reporting tools (e.g., nonconformance, or anonymously via the near miss report), or through our corporate whistleblower reporting platform.

Employees are protected from reprisal when reporting incidents. Our policies inform employees that they have the right to report work-related injuries and illnesses and that Wolfspeed is prohibited from discharging or in any manner discriminating against them for reporting work-related injuries or illnesses.

Wolfspeed follows confidentiality regulations in the country of operation. Our information management system has audit trail capability and control over who can view employee records. Permissions to view employee records are granted on a need-to-know basis.

Once initial information about the incident is gathered and documented, EHS assesses the incident severity. The incident severity assignment determines the type of cause evaluation required and the time allotted to complete it. Evaluations are then performed, usually led by the supervisor of the affected employee, to develop corrective actions to prevent recurrence of the incident and help

improve our Environment, Health & Safety Management System. The incident evaluation process includes:

- Developing and reviewing a problem statement with the incident evaluation team;
- Collecting all potentially relevant data (e.g., interviewing employees involved, performing walkthroughs of the affected area, reviewing security videos recorded during the event);
- Performing a cause analysis to identify the primary and contributing causes using a structure problem solving method; and
- Developing and assigning corrective actions using the S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, Timely) criteria method.

All evaluations and corrective actions are reviewed and approved by EHS staff prior to finalizing an incident review. Our incident evaluation process has received praise from external audit teams.

#### Our Wider Impact on Worker Health and Safety

At Wolfspeed, we are committed to upholding high standards of safety across all aspects of our operations, including our relationships with contractors and suppliers. The resulting improved collaboration, teamwork and enhanced productivity illustrate the positive impact of a robust safety culture. Our collaborative efforts strive to reduce incidents, contributing to improved safety performance overall. Our Sustainability Report outlines our efforts and achievements in contractor safety management, reflecting our dedication to creating a safe and sustainable work environment for all stakeholders.

We drive improved supplier occupational health and safety performance with our on-site trade contractors, via a new contractor qualification process. Safety performance serves as a critical criterion during the contractor selection process. We thoroughly evaluate potential partners' safety records and practices to assess alignment with our safety standards, fostering partnerships with contractors who share our commitment to safety excellence. Supplier accountability to these performance levels aligns with our continuous improvement culture and Protect the Pack engagement strategies. The process improved in 2022, with the selection of a key supplier to help us manage a growing and sustainable qualification process.

#### Partnership for Contractor Safety Program Compliance

Wolfspeed is rapidly expanding, and as we work to meet industry requirements, scale, and improve our processes, we identified a need to update our on-site contractor qualification processes, including personnel security clearances.

We engaged a renowned software as a service to support our new Supplier Qualification Program and streamline our pre-qualification process. The platform specializes in connecting the world's leading organizations with qualified suppliers. The transition is 'in-progress' and Wolfspeed has on-site supplier connections who are actively seeking full compliance with our new contractor requirements to include full verification of all Certificate of Insurance requirements, full audit of applicable safety programs and other stringent requirements to ensure reasonable care. In addition to company level compliance, we have individual worker profiles within the platform, all working towards full compliance with worker level requirements (i.e., Contractor Safety Orientation, risk specific trainings, etc.).

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#### Supplier Safety Programs

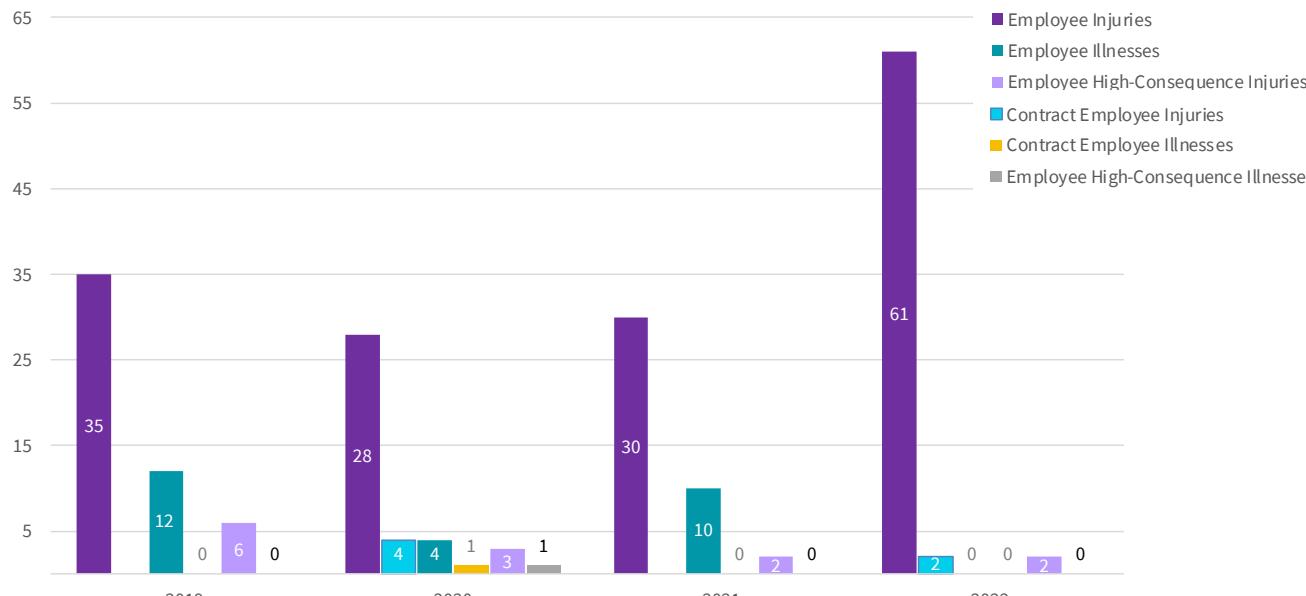
In cases where Wolfspeed does not control either the work or workplace, we exercise the leverage we have as a customer. Our **Supplier Code of Conduct** communicates and records the shared expectations around supplier health and safety performance. The implementation of a new Enterprise Resource Planning system is underway and is expected to be fully released in 2023. Supplier Lifecycle and Performance includes improvements to vetting all our suppliers using OHS criteria.

We recognize that our success is contingent upon the well-being of all those involved in our operations. Our commitment to contractor and supplier safety management reflects our broader dedication to sustainability, and we will continue to pursue excellence in safety as an integral part of our mission to create a better and safer world.

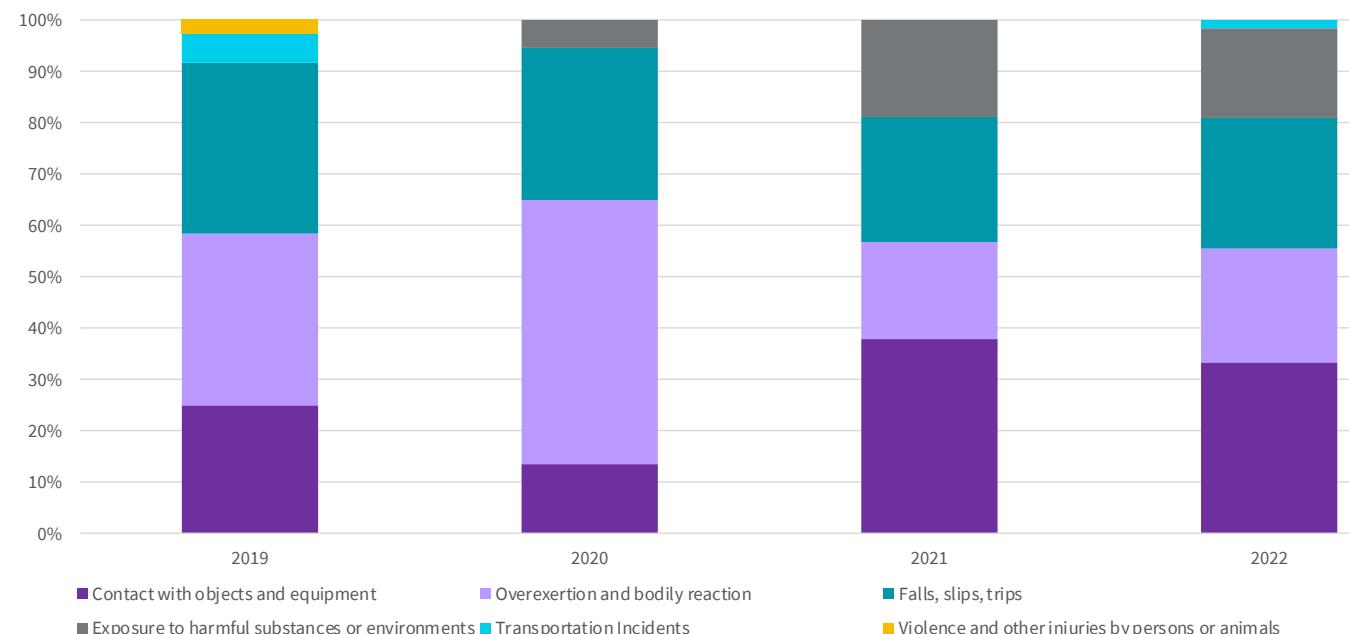
#### Occupational, Health, and Safety Performance

Wolfspeed tracks all work-related injuries and illnesses and works to improve the safety of our workplace through evaluation and prevention measures. We have a comprehensive program to address workplace safety issues. We are not aware of any occupational exposure issues in our manufacturing processes that would increase an individual's risk of any specific disease.

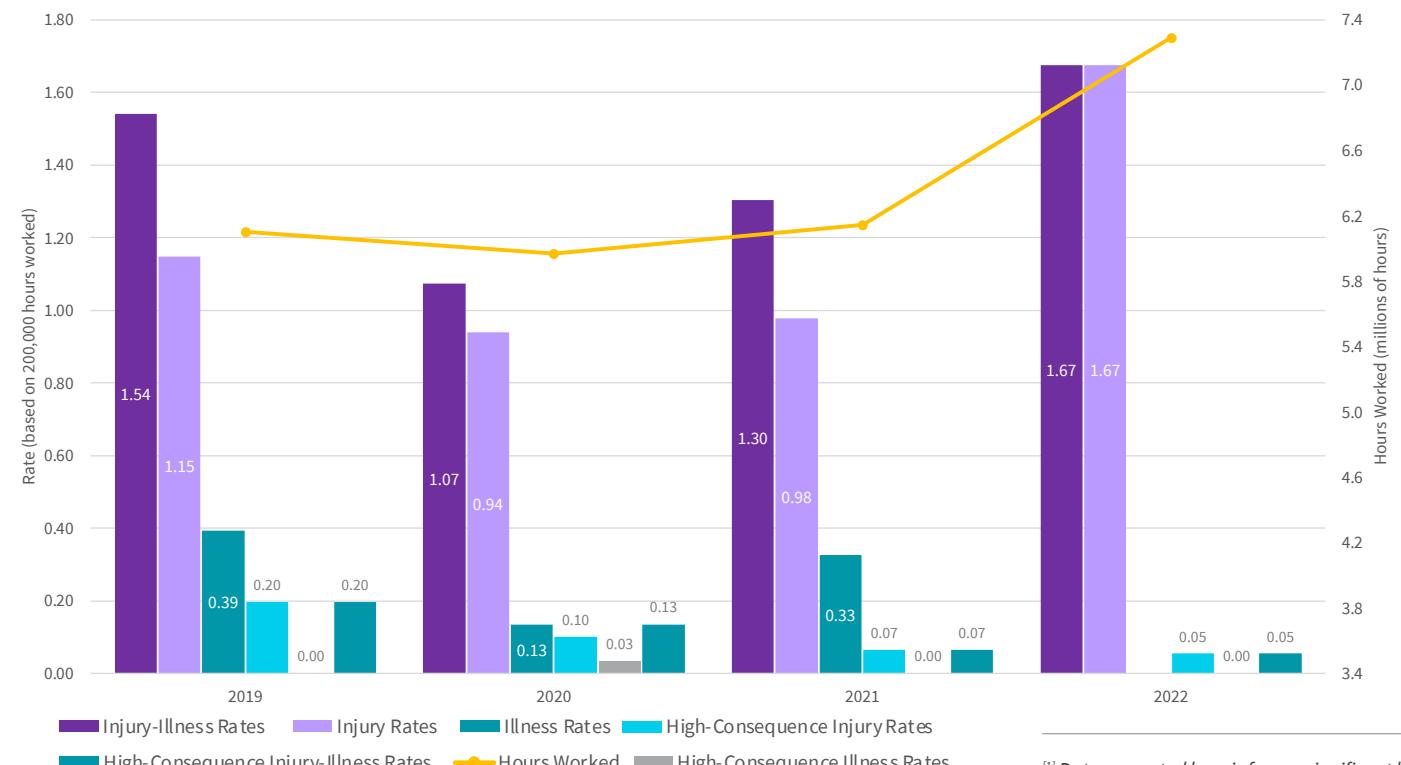
### Recordable Work-Related Injury-Illness Cases<sup>1, 2, 3, 4</sup>



### Recordable Work-Related Injury-Illness Types<sup>1</sup>



### Recordable Employee Work-Related Injury-Illness Rates<sup>1,2,3,4,5</sup>



<sup>[1]</sup> Data presented here is for our significant locations of operations and our smaller United States locations, which represents approximately 95% of our total number of 2022 employees.

<sup>[2]</sup> Recordable Work-Related Injury-Illness = Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

<sup>[3]</sup> Contract Employee = Any worker who is not a Wolfspeed employee but whose day-to-day work instruction is controlled by Wolfspeed

<sup>[4]</sup> High-Consequence Recordable Work-Related Injury-Illness = Work-related injury or ill health that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

<sup>[5]</sup> Rates are calculated using 200,000 hours worked (Rate = cases/total hours worked \* 200,000)

### 2022 Health and Safety Data Trends

#### 2022 Information:

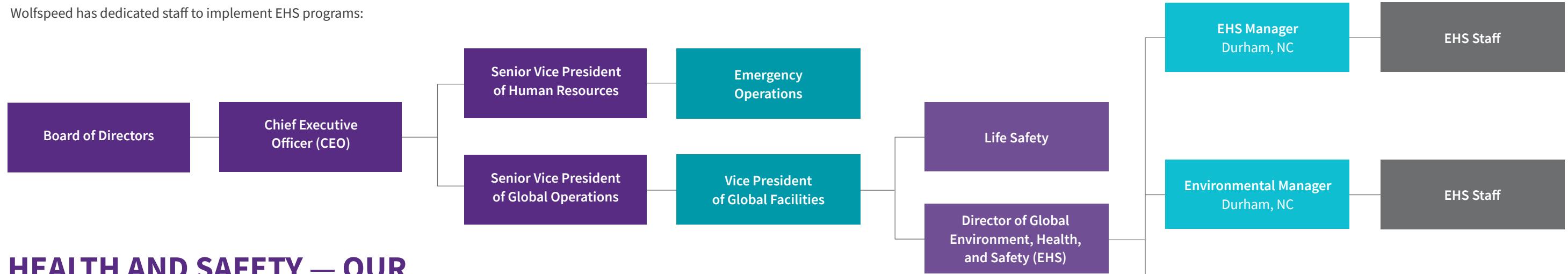
- » Our total number of recordable injuries and illnesses and rates increased in 2022. Although these lagging performance indicators increased, our leading indicators (on time incident evaluation, on time corrective action completion and on time employee training) are expected to drive a decrease in injury-illness rates over time.
- » We are on-target to register our Occupational Health & Safety Management System in 100% of our manufacturing sites, which will help to further drive health and safety improvements throughout our organization.
- » Enterprise-wide leading metrics, increased EHS presence in day-to-day operations, global EHS management system alignment, focused Management of Change, and enhanced contractor management.

#### Future Look:

- » We are continuously focusing on EHS performance improvement through

## EHS Organizational Structure

Wolfspeed has dedicated staff to implement EHS programs:



# HEALTH AND SAFETY — OUR CUSTOMERS AND PARTNERS

We design and test our products to ensure the health and safety of our customers and partners.

## Electrical Isolation Testing

Electrical isolation testing is a direct current or alternating current dielectric withstand test that confirms our Power products will not transfer high or hazardous voltages, thus helping safeguard our customers from electrical insulation failures. We also perform electrical testing for our RF products, which involves a direct current or Radio Frequency (RF) test that confirms our RF products will meet the spectral emission requirements of our customers.

## Harsh Environment Testing

To ensure our Power modules will not fail or corrode in harsh environments, we perform temperature and humidity bias (THB) testing that exposes our products to high temperature and high humidity. This testing ensures our Power modules can be operated

in outdoor applications, such as renewable energy and electric vehicles.

To ensure our RF products will display adequate reliability under harsh environments, we perform stress testing under accelerated temperature, humidity and bias conditions. This testing ensures our RF products can be operated in our customers' applications, such as telecommunication, aerospace and defense.

## Safe Use of RF Products

RF products emit high-power density of RF radiations that can present hazards to sensitive biological tissues. Each RF application can be unique, so consideration should be given to ensure that the RF product will be manipulated in the proper environment.

## COMMUNITY ENGAGEMENT

We believe that many societal disadvantages can be overcome with adequate resources and support so that all are free to pursue and achieve a productive, fulfilling life. We partner globally with municipalities, civic organizations and advocacy groups to close the opportunity gap and provide those in need the opportunity to excel. Through corporate events, sponsorships and employee-led initiatives, we live our values by doing the right thing at work as well as in the communities where we live.

### OUR AMBITION

Close the opportunity gap by providing more opportunities for STEM education, at all levels, to people in need, particularly in underserved communities.

### OUR GOAL

Establish STEM partnerships at 100% of our major locations by 2025.

### 2022 PROGRESS

Established First Robotics at all US locations

Established a Global STEM Day

Have continued global partnerships with organizations focused on increasing representation of females and other underrepresented groups in STEM.

Have continued early intervention K-12 programs focused on increasing representation of females and other underrepresented groups in STEM.

Have continued holistic partnerships with colleges and universities that include not only scholarships but support for students' basic needs including food, shelter, etc.

Have continued activation of teams at United States locations to take ownership of location-specific volunteer activities and community partnerships.

We focus our efforts on increasing awareness of the opportunities provided through STEM (science, technology, engineering and math), while helping remove potential obstacles such as not having a safe place to sleep and enough food to eat. We also shine a light on the importance of diversity and social justice as we work to create communities and a society that support and value all people and their contributions.

The pandemic brought challenges to individuals and businesses. It also brought us the opportunity to rethink how we serve our communities and reshape our outreach to deliver what our neighbors need most. Additionally, we focused on keeping our team and their families, as well as those on the front lines of the pandemic, safe and healthy, while still keeping our traditions alive to support our employees and their families as we weathered the storm together.

COVID-19 exacerbated peoples' most basic needs: to stay healthy, to have shelter and to eat. We continued our support of the Food Bank of Eastern & Central North Carolina and Feeding America, Inc. to feed those in need, many of whom found themselves suddenly unemployed.

We allocated \$5,000 per quarter to each of our United States locations to empower employees at each location to work together to decide on the volunteer activities and agencies they would partner with to support local hunger and housing relief and STEM programs in their region.

We also continued to look for opportunities to serve our communities in different ways during the pandemic. The overall health, well-being and safety of our team was, and remains, a top priority, and it was important to us to be able to support those who keep our team healthy and safe.

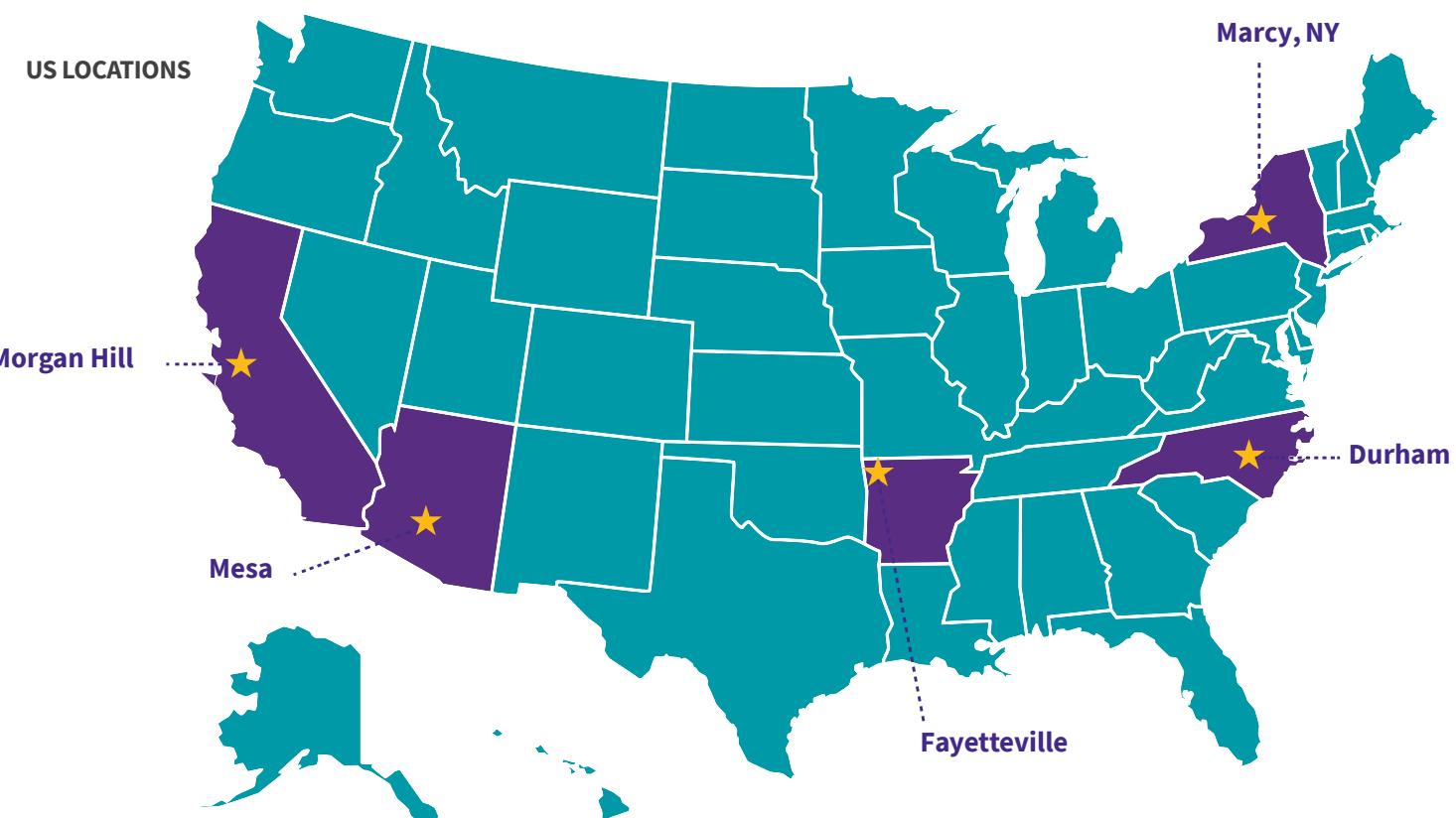
While there were many unknowns during the pandemic, we were able to continue providing support to families in our communities and were able to pivot our support as appropriate to ensure the greatest needs were met.

We currently have community engagement programs at all our North American facilities, which represents the majority of our material operations.

At all locations, we have Occupational Health & Safety (OHS) teams, other worker representation bodies, and means of employee participation (e.g., incident evaluation, Employee Resource Groups (ERGs), etc.) that address work, environmental and social matters within the company.

We believe that our operations have a positive impact on the social, economic and environmental well-being of the local communities in which we operate. We conduct our activities in a manner that is consistent with our Code of Conduct and Values, which include being a good corporate citizen, dealing fairly in business, behaving ethically, supporting basic human rights and a safe and healthy workplace, doing business in an environmentally responsible manner and in compliance with applicable laws and regulations.

We also support our local communities by partnering with educational institutions to not only hire talented individuals to work at Wolfspeed, but also to grow our future talent pipeline, partner on research and innovation, invest in education for underserved members and volunteer at events. Wolfspeed is actively engaging with K-12 schools, community colleges and higher education colleges and universities geographically located near our North American facilities.



- Best NC
- NC Science Olympiad
- NC Arts in Action
- NC Science Festival
- The Daniel Center for Math and Science
- Sunflower Mission Gala Sponsorship
- Cristo Rey Research Triangle High School
- Food Bank of Central & Eastern NC
- Habitat for Humanity
- Military Missions in Action
- Toys for Tots

#### Fayetteville, AK

- NW Arkansas Children's Shelter
- The Pack Shack
- Apple Seeds
- Springdale Public Schools Education Foundation
- Teen Action & Support Center

#### Mesa, AZ

- Arizona Brainfood

#### Marcy, NY

- Boilermaker
- Johnson Park Center
- Marie A. Russo Neighborhood Center Institute
- Mohawk Valley Community College
- Utica Children's Museum
- Utica Rescue Mission
- American Heart Association
- Toys for Tots

#### Morgan Hill, CA

- The Edward Boss Prado Foundation
- National
- Feeding America
- First Robotics

#### KEY

- Community event
- Educational event

#### PARTNERING WITH OUR NEIGHBORS TO SERVE THE COMMUNITY AND CLOSE THE OPPORTUNITY GAP

Volunteer Opportunity	Partner Organization	Location	Number of Volunteers	Hours Per Volunteer	Total Volunteer Hours
Feed the Funnel Party	The Pack Shack	Arkansas	8	2	16
America's Greatest Heart Run & Walk	American Heart Association	New York	21	4	84
Daniel Center Zumba	Daniel Center	North Carolina	3	2	6
Daniel Center Calm Down Jar	Daniel Center	North Carolina	5	1	5
Daniel Center STEM Kits	Daniel Center	North Carolina	6	1	6
Daniel Center STEM Experiments	Daniel Center	North Carolina	4	1	4
Juneteenth Food Bank Volunteering	Foodbank of Central & Eastern NC	North Carolina	12	3	36
MMIA & Toys for Tots Toy Drive Shopping	MMIA & Toys for Tots Toy Drive	North Carolina	8	1.5	12
MMIA & Toys for Tots Toy Drive Sorting	MMIA & Toys for Tots Toy Drive	North Carolina	10	2	20
Tee Off for the Troops	Military Mission in Action	North Carolina	7	7	49
Tee Off for the Troops Volunteers	Military Mission in Action	North Carolina	8	8	64

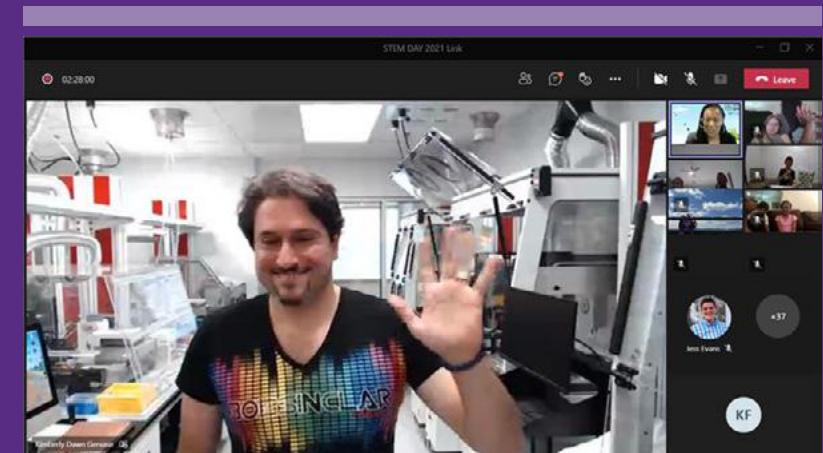
## Inspiring the Next Generation of STEM Innovators: STEM Day 2022

Our STEM Day tradition began in 2018 when Wolfspeed employees in North Carolina hosted their children on our Durham campus to celebrate what we make possible and the wonders of science, technology, engineering and math during our first STEM Day event. Since that time, we have continued to collaborate with community partners each year to provide K-12 students and adults with the opportunity to investigate what it means to do what others say can't be done through live and virtual demonstrations, hands-on activities and more. In addition, we continue to invite children from underserved communities to participate in the event each year.

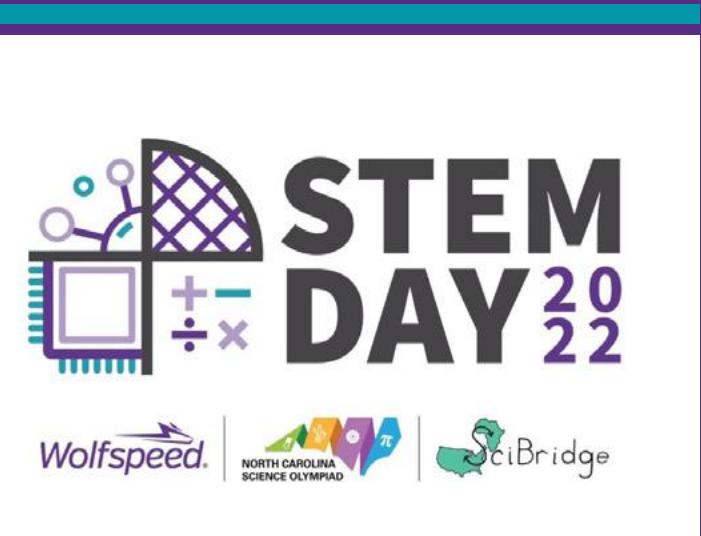
Since 2020, as a result of the pandemic, our STEM Day has been held as a virtual event, allowing us to continue our tradition and give employees from around the world and their families the opportunity to participate from the comfort of their own homes. Our inaugural virtual event in 2020 featured a live keynote address by NASA Astronaut Christina Koch, and the 2021 event featured a live presentation and demonstration by Dr. Aram Amassian, Associate Professor of Materials Science and Engineering at North Carolina State University (NC State).

The STEM Day 2022 theme was "Inspiration through STEM" and we partnered with SciBridge to inspire and engage the next generation of STEM innovators. SciBridge is an organization dedicated to bridging the gap of scientific discussion between U.S. and east African scientists around the critical need for sustainable, global energy development. The team creates exciting "materials for energy"-themed experiment kits and ships them to universities in Africa. After students perform the experiment, a U.S. researcher is invited to give a live web seminar followed by a question-and-answer session and discussion with the students.

In addition to hearing from the SciBridge team, we were able to inspire children by helping them learn how everyday objects can become conductors of electricity. To do this, we partnered with NC Science Olympiad (NCSO) to have do-it-yourself activity kits shipped globally to Wolfspeed employees and their children prior to the event. Our summer



Dr. Aram Amassian, STEM Day 2021



interns created instructional videos to help the children complete the kits. We also created a special STEM Day intranet page to provide employees with easy access to information before the event including the registration link, information about SciBridge and more.

STEM Day 2022 was held on two separate days to allow participation by as many employees as possible and included a presentation from SciBridge explaining the work that they do, followed by a live question and answer session giving STEM Day participants an opportunity to further engage with the SciBridge team. We invited students from the Daniel Center for Math and Science and the Wake Ed Accelerator Program to participate in person from our Durham campus on one of the two days.

With registrants from eight countries and 11 U.S. states, we were happy to host this engagement and enrichment opportunity for employees, their children and students from the Daniel Center for Math and Science and the Wake Ed Accelerator Program.

[TABLE OF CONTENTS](#)[CEO MESSAGE](#)[WOLFSPEED](#)[SUSTAINABILITY](#)[CORPORATE GOVERNANCE](#)[ECONOMIC](#)[SOCIAL RESPONSIBILITY](#)[\*\*ENVIRONMENT\*\*](#)[APPENDIX](#)

## + **ENVIRONMENT**

Processes that Protect the Environment, Products that Improve It

Product Sustainability

Product Stewardship

Product End of Life

Environmental Management and ISO 14001

Environment, Health, and Safety Policy (LEAD)

NC Environmental Stewardship Initiative

Marcy, New York Environmental Stewardship Activities

Energy and Greenhouse Gas Emissions

Other Air Emissions

Water Management

Waste Management

Circular Economy

Biodiversity

## PROCESSES THAT PROTECT THE ENVIRONMENT, PRODUCTS THAT IMPROVE IT

We strive to minimize resource use and reduce the environmental impact of our production process. We are committed to responsibly managing environmental impacts, including being in compliance with environmental legislation as a minimum, and ensuring continual improvement in our environmental performance. Our product sustainability goals are simple: enable our customers to invent power and wireless systems for a responsible, energy efficient future. We are committed to responsibly managing product stewardship aspects of our products from cradle to grave as we lead the innovation and commercialization of silicon carbide and gallium nitride.

## PRODUCT SUSTAINABILITY



### AUTOMOTIVE - ELECTRIC VEHICLES (EVs) AND DC FAST CHARGING

Wolfspeed's silicon carbide MOSFETs enable faster, more efficient charging and increase power density of the electric circuits while reducing range anxiety. Wolfspeed's 1200V and 650V silicon carbide MOSFETs enable a reduction of EV power train losses by up to 80%, which means increased range and performance for your EV. Additionally, re-designing a silicon-based 22 kW fast charger to be fully-silicon carbide can reduce losses by 41% while doubling the system's power density.



### INDUSTRIAL - DATA CENTERS

Wolfspeed silicon carbide-based products enable more efficient power conversion while saving up to 40% on cooling costs alone. Our products are also optimized to help meet new global efficiency standards like 80+Titanium.



### RENEWABLE ENERGY - SOLAR AND ENERGY STORAGE SYSTEMS

Solar power systems designed around Wolfspeed silicon carbide offer huge efficiency gains and permit smaller system size, weight and cost, increasing solar energy adoption worldwide. Using silicon carbide power components instead of silicon for 60 kW solar inverters can save 10 megawatts for each gigawatt and 500 watts/sec in operation.



### RADIO FREQUENCY - 5G TELECOM

Wolfspeed products allow 5G to transmit more data at faster speeds and with greater precision. Gallium nitride on silicon carbide has demonstrated to be a better solution overall for wireless communications because of its thermal conductivity, materials matching, efficiency and total lifecycle cost.



### RADIO FREQUENCY - AEROSPACE AND DEFENSE

Using Wolfspeed gallium nitride on silicon carbide RF solutions enables system designers to achieve maximum performance with smaller and lighter systems that consume less power.

## LEADING THE WAY TO A SUSTAINABLE FUTURE

Compared to alternatives, our products sold in 2022 will save approx:

**67 mil  
METRIC TONS  
of CO<sub>2</sub>e**

over their lifetimes, which is

**EQUAL TO:**



the greenhouse gas emissions avoided by

**18,000**

wind turbines running for one year\*

\*EPA Greenhouse Gas Equivalences Calculator

## PRODUCT STEWARDSHIP

Wolfspeed maintains an active program to minimize restricted materials in our products.

### Reportable Chemicals and Materials Process

Wolfspeed's Product Stewardship team maintains an active process intended to minimize restricted materials, such as lead (Pb) and cadmium (Cd), in our products. This team addresses regulatory compliance of restricted and reportable substances on a worldwide basis. Chemicals, materials and components used during processing and that remain in finished Wolfspeed products must go through an internal approval process that includes supplier-provided material content declarations, applicable third-party test reports and compliance statements as appropriate. The base data requirements for suppliers are found in the Supplier Regulatory Compliance Requirements document on the [Supplier Resources](#) website.

The Product Stewardship team compares the supplier data against Wolfspeed's Reportable Chemicals and Materials List (RCM List) to determine compliance status. The RCM List summarizes restricted and reportable chemicals based on worldwide regulations, certain industry requirements and mutually agreed upon customer requirements. The foundation of the RCM List is based on the IEC 62474 Database, [IEC 62474 - Material Declaration for Products of and for the Electrotechnical Industry](#). This RCM List incorporates regulatory lists such as the [EU RoHS](#), [EU REACH](#) and California [Prop 65](#), as well as industry lists such as the [GADSL](#) (Global Automotive Declarable Substance List) and the [AD-DSL](#) (Aerospace and Defense Declarable Substance List), as applicable to electronics.

Test reports used to verify compliance status for the 10 European Union Restriction of Hazardous Substances (EU RoHS Directive 2011/65/EU) plus other common substances of concern are also being maintained. Test data must come from an ISO 17025-certified test facility. All other restricted chemicals are verified through material declarations and/or compliance statements from suppliers.

The data obtained through these efforts described in the preceding paragraphs is used to create material content declarations (MCDs) and other statements (such as those applicable to RoHS and REACH status) for addressing customer and regulatory Product Stewardship requirements.

Visit the Product Ecology section of our [Sustainability page](#) on [wolfspeed.com](#) to view our REACH and RoHS declarations. Requests for MCD and other Product Stewardship queries are addressed through [Customer Service](#). Proprietary or confidential substances or materials will not be disclosed in the material content reports.

## PRODUCT END OF LIFE

Even though Wolfspeed's products have a long life, all good things do come to an end of their useful life. How should our products be disposed of when removed from service?

All Wolfspeed Power and RF chips, components and devices are electronic components and are incorporated into electronic products that should be considered for electronics recycling when feasible. Disposing of electronic waste in landfills is banned in many locations. In some areas of the world, it depends on the recycle vendors availability. End users are encouraged to check their local regulations or with local recyclers for advice on disposal of these components.

## ENVIRONMENTAL MANAGEMENT AND ISO 14001

Wolfspeed is committed to responsibly managing environmental impacts, including being in compliance with environmental legislation as a minimum and ensuring continual improvement in our environmental performance.

The benefits of implementing an environmental management system include improved environmental risk management, cost savings, meeting external stakeholder expectations, ensuring compliance with environmental laws and decreasing our environmental footprint through discovering new possibilities for energy, water and waste usage reductions. Our certificates can be found [here](#) on [wolfspeed.com](#).

### Durham, North Carolina

- ISO 14001:2015

### RTP, North Carolina

- ISO 14001:2015

### Morgan Hill, California

- ISO 14001:2015

Note: ISO 14001 certification in 2022 covered our three main manufacturing facilities which represents over 70% of Wolfspeed's operations (based on headcount). Our manufacturing facility in Marcy, NY is striving to become ISO 14001 certified in FY 2024.

## ENVIRONMENT, HEALTH, AND SAFETY POLICY (LEAD)

At Wolfspeed, we L.E.A.D. with EHS. To ensure the best for our employees, our environment and our community, we all must L.E.A.D as stated in our Environment, Health and Safety Policy. See our policy [here](#).

## NC ENVIRONMENTAL STEWARDSHIP INITIATIVE

Our North Carolina manufacturing facilities are members of the North Carolina Environmental Stewardship Initiative (ESI). ESI is a voluntary program, provided by the state of North Carolina through the Department of Environmental Quality, to encourage companies to go beyond compliance to reduce impacts on the local environment. The program requires companies to have a mature environmental management system and aggressive environmental goals. ESI has three levels of participation. Our North Carolina facilities entered the program in 2018 at the first level as an Environmental Partner, with the goal of rising to the highest level as an Environmental Steward in the future. In 2019, our North Carolina facilities rose to the second level as a Rising Steward. More information about the ESI program can be found [here](#).



## MARCY, NEW YORK ENVIRONMENTAL STEWARDSHIP ACTIVITIES

Our manufacturing facility in Marcy, New York is an anchor for Wolfspeed's silicon carbide corridor on the East Coast, positioning Wolfspeed to advance silicon carbide technologies that our future depends on. As the world's first and largest state-of-the-art, soon to be (2023) LEED-certified silicon carbide 200mm wafer fabrication facility, we are able to support the fast-growing electric vehicle, renewable energy and industrial markets. With the support of this facility, we are continuing to lead the global industry transition from silicon to the superior silicon carbide.

Featuring environmentally friendly and energy-efficient design solutions, this manufacturing facility opens doors for Wolfspeed to innovate for the future while also maintaining its enduring commitment to going beyond compliance, reducing impacts to the environment and industry leading sustainability.

### Environmental Features:

**14**

electric vehicle charging stations,  
enabling the reduction of  
**136,000+ lbs**  
of carbon emissions each year



Constructed wetland and  
bioretention ponds to naturally  
manage stormwater

**100%**

energy-efficient LED lighting, eliminating  
all toxic heavy metal mercury found in  
traditional fluorescent fixtures

Energy-efficient ventilation fans, heat  
rejection and space cooling using water-  
chilled air conditioning units, saving

**2,477,000 kWh**

of electric energy annually

Water recycle system to offset municipal water purchases and reduce the consumption of water

Water-saving low-flow toilets,  
urinals, lavatory faucets, showers  
and more that reduce water  
usage by approximately

**542,000  
gallons** per year

or enough to fill almost  
**13,000** bathtubs

Low VOC paints, coatings, sealants, adhesives, furniture and flooring that reduce  
the concentration of chemical contaminants and improves indoor air quality

Many other features consistent with LEED-Certification

# ENERGY AND GREENHOUSE GAS EMISSIONS

## Our Products

Our Power and Radio Frequency products are created with energy efficiency in mind. Our Power and Radio Frequency products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles and electric vehicle charging.

## Our Manufacturing

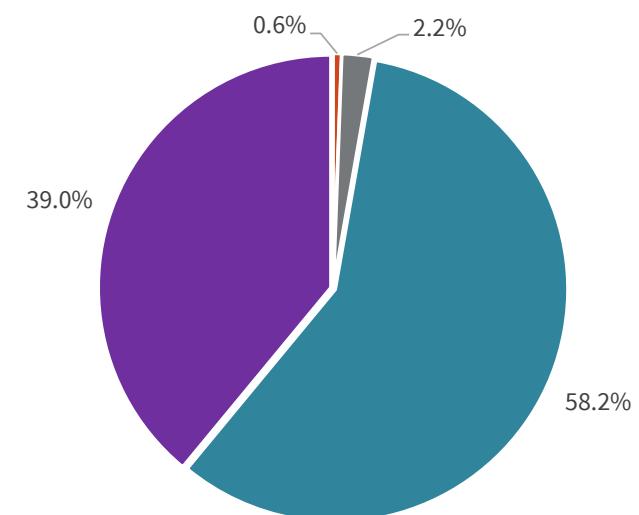
We recognize the future possible environmental, social and economic impacts associated with climate change and increasing energy demands. In addition to providing energy efficient products, we strive to reduce GHG emissions and improve energy efficiency at all Wolfspeed sites.

We are not currently subject to any country, regional, or industry regulations and policies for energy and GHG emissions. When applicable, our United States manufacturing sites are subject to local air pollution regulations for criteria pollutants (NOx, SOx, etc.) and toxic air pollutants. Our sites comply with regulations through each site's air permit requirements. When applicable, state air permit requirements limit the amount of fuel usage.

## Energy Consumption in Gigawatt Hours



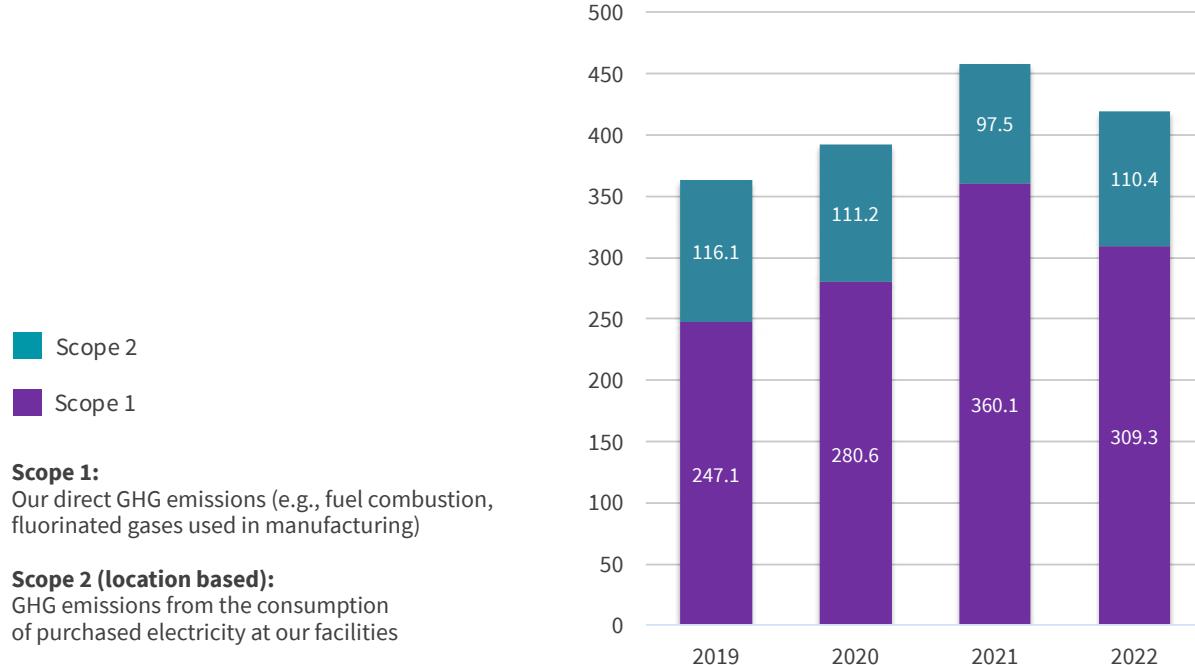
## 2022 Energy Purchases



- Direct Purchases of Renewable Energy/Carbon Free (e.g., Wind, Solar, Hydropower, and Nuclear)
- Estimated Renewable Energy Purchases Based on Country-Specific or Local Utilities' Energy Grid Mix
- Direct Purchases of Non-Renewable and Non-Carbon-Free Energy (e.g., Natural Gas, Diesel)
- Estimated Other Low-Carbon Energy (e.g., Nuclear) Purchases Based on Country-Specific or Local Utilities' Energy Grid Mix

\* We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

### Greenhouse Gas (GHG) Emissions in Thousand Metric Tons CO<sub>2</sub> Equivalents



Scope 2

Scope 1

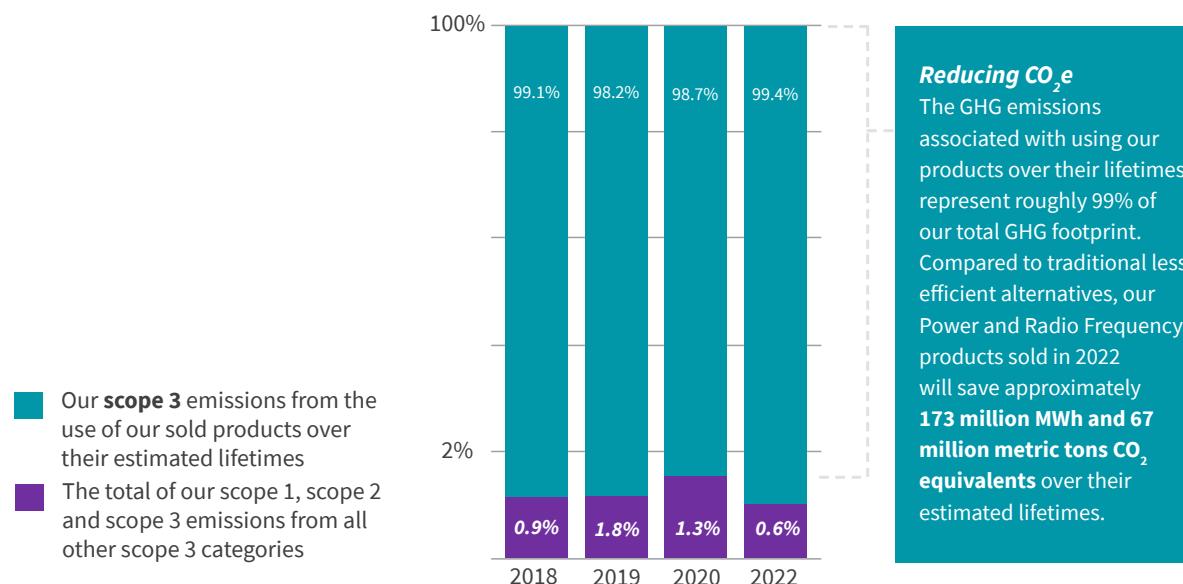
**Scope 1:**

Our direct GHG emissions (e.g., fuel combustion, fluorinated gases used in manufacturing)

**Scope 2 (location based):**

GHG emissions from the consumption of purchased electricity at our facilities

### Our Carbon Footprint in Percent of Total GHG Emissions

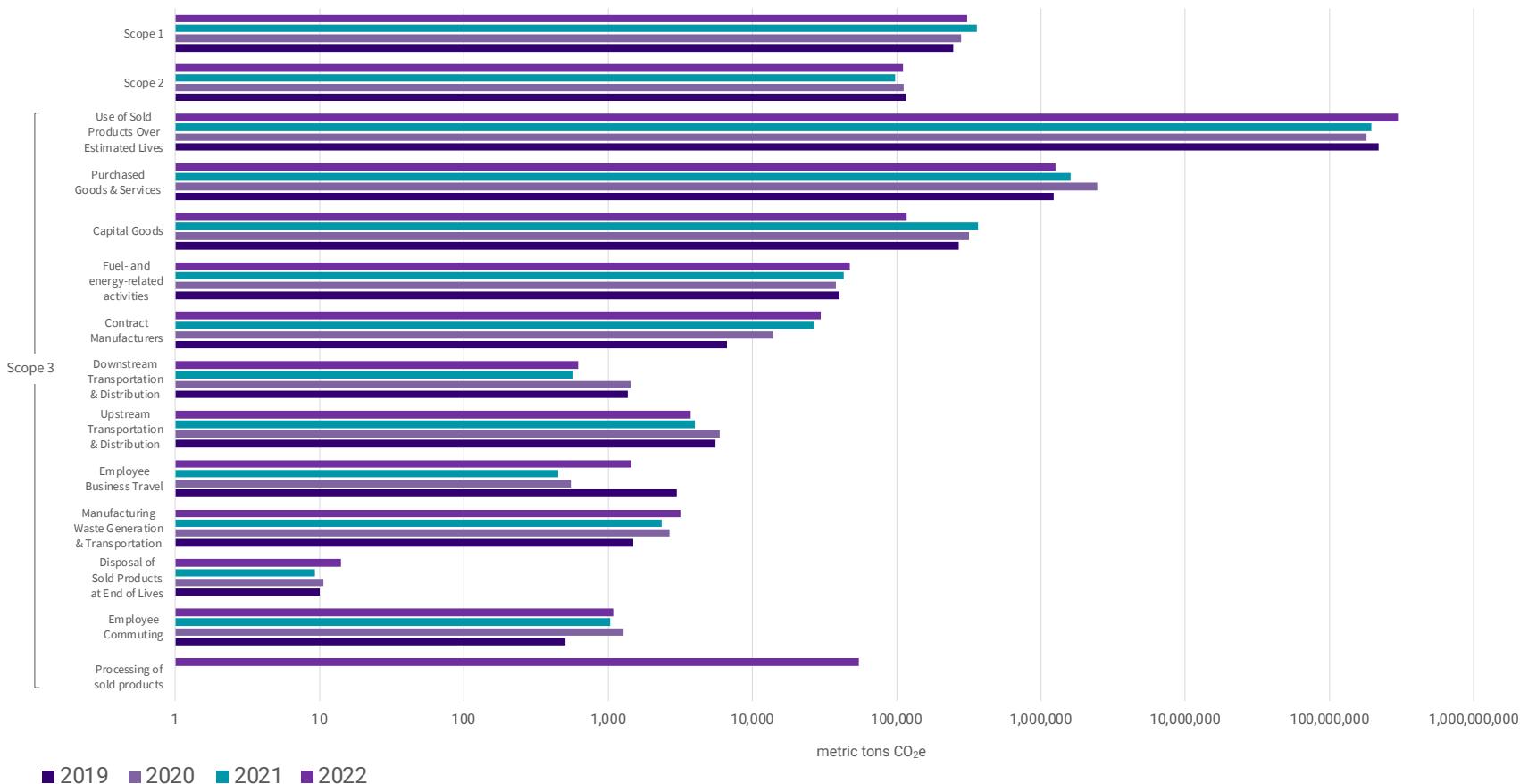


Our **scope 3** emissions from the use of our sold products over their estimated lifetimes

The total of our scope 1, scope 2 and scope 3 emissions from all other scope 3 categories

0.9% 1.8% 1.3% 0.6%

### Our Carbon Footprint in Metric Tons CO<sub>2</sub> Equivalents



■ 2019 ■ 2020 ■ 2021 ■ 2022

## 2022 GHG and Energy Data Trends

### SCOPE 1 AND SCOPE 2

#### 2022 Information:

- » In 2022, we implemented new energy-efficiency projects and emission reduction activities that contributed to the GHG reduction of 56,924 metric tons CO<sub>2</sub>e (installation of point of use abatement, lights exchange, consolidation of operations, process equipment replacement and process improvement).
- » Our scope 1 emissions decreased in comparison to the previous year mainly due to redesigning some manufacturing equipment to use gases with lower global warming potential (GWP) and improving manufacturing process for some of our burn in tools in Durham and RTP, NC, USA.
- » We increased low-carbon energy consumption at our facility in Morgan Hill, CA, USA in 2022 compared to 2021 (from 2,513 MWh to 2,705 MWh). This improvement contributed to a decrease in our scope 2 market-based emissions by approximately 73 MT CO<sub>2</sub>e in 2022.

#### Future Look:

- » We are working on eliminating the use of one of our greenhouse gases with a high GWP in one of our manufacturing processes. Testing was successful and the project is planned to be implemented in the near future.
- » We continue installing point of use abatement devices at our manufacturing facilities.
- » We routinely explore options for energy reduction and efficiency improvements to help offset expected increases in energy use and scope 2 GHG emissions as we expand.
- » We are exploring our options for incorporating renewable energy into our portfolio strategy at our main locations.
- » We have **GHG goals** to help further reduce our climate change impacts.

### SCOPE 3

#### 2022 Information:

- » **Purchased goods and services and capital goods:** Our usage of raw materials in our manufacturing processes changed in 2022 compared to 2021 due to changes in output and product mix, causing our scope 3 emissions in this category to decrease. Our scope 3 emissions from capital goods decreased in 2022 but are expected to increase as we are expanding our operations.
  - » **Fuel and energy related activities (not included in scope 1 or 2):** Our usage of fuel and electricity in our manufacturing processes changed in 2022 compared to 2021 due to changes in output, product mix and expansion, causing our scope 3 emissions from fuel-and-energy-related activities to increase.
  - » **Upstream and downstream transportation and distribution:** Our emissions from upstream and downstream transportation and distribution decreased (resp. increased) due to differences in shipment types and amounts in 2022 compared to 2021.
  - » **Business travel and employee commuting:** Our business travel emissions increased as we were coming out of a global pandemic and travel restrictions for business purposes started to be lifted. However, travel for business has not reached the level prior to the pandemic as we began using a communication and collaboration software solution in 2021, which enabled our employees to easily collaborate with each other and external stakeholders, instead of traveling to meet in person.
- Emissions associated with employees working from home are included in the employee commuting category. Overall emissions from employee commuting increased slightly as our employee base increased.
- » **Waste generated in operations:** The GHG emissions associated with the disposal and transportation of our waste increased in 2022 compared to 2021 due to an increase in the amount of waste we generated, especially wastewater treated waste. More information about our trends in waste generation data can be found in the **Waste Management** section of this report.
  - » **Use, processing and end of life treatment of sold products:** The GHG emissions from the use of our sold products over their estimated lifetimes increased in 2022 due to product mix differences in 2022 versus 2021. The GHG emissions from the processing of sold products that were not fully calculated in previous years were added in 2022. Because our products are small, the GHG emissions associated with the end-of-life treatment of our sold products did not change significantly.
  - » **Contract manufacturing:** Because we are expanding our operations, our scope 3 emissions from contract manufacturing also increased in 2022.
  - » **In 2022 we finalized calculation of all relevant scope 3 categories by adding the last category of processing of sold products.**

## 2022 GHG and Energy Data Trends (continued)

### Future Look:

- » We are continuously exploring ways to decrease our scope 3 GHG impacts. We expect our emissions in some categories to increase in line with our growth, as well as emissions in some categories to decrease due to technology improvements.
- » We have **GHG goals** to help track our progress to reduce our climate change impacts. Our primary focus will be to first reduce the GHG impacts of our operations (scope 1 and 2).

### CLIMATE TRANSITION ACTION PLAN

We started working on Wolfspeed's Climate Transition Action Plan (or CTAP). We explored the elements of a proper CTAP by utilizing CDP's six guiding principles (accountability, internally coherent, forward-looking, time bound and quantitative, flexible and responsive, and complete) in conjunction with We Mean Business Coalition (WMBC)'s four core components which include an emissions reduction strategy, proper governance and business strategy integration, an action plan regarding plans for public policy advocacy and how Wolfspeed plans to foster a just transition.

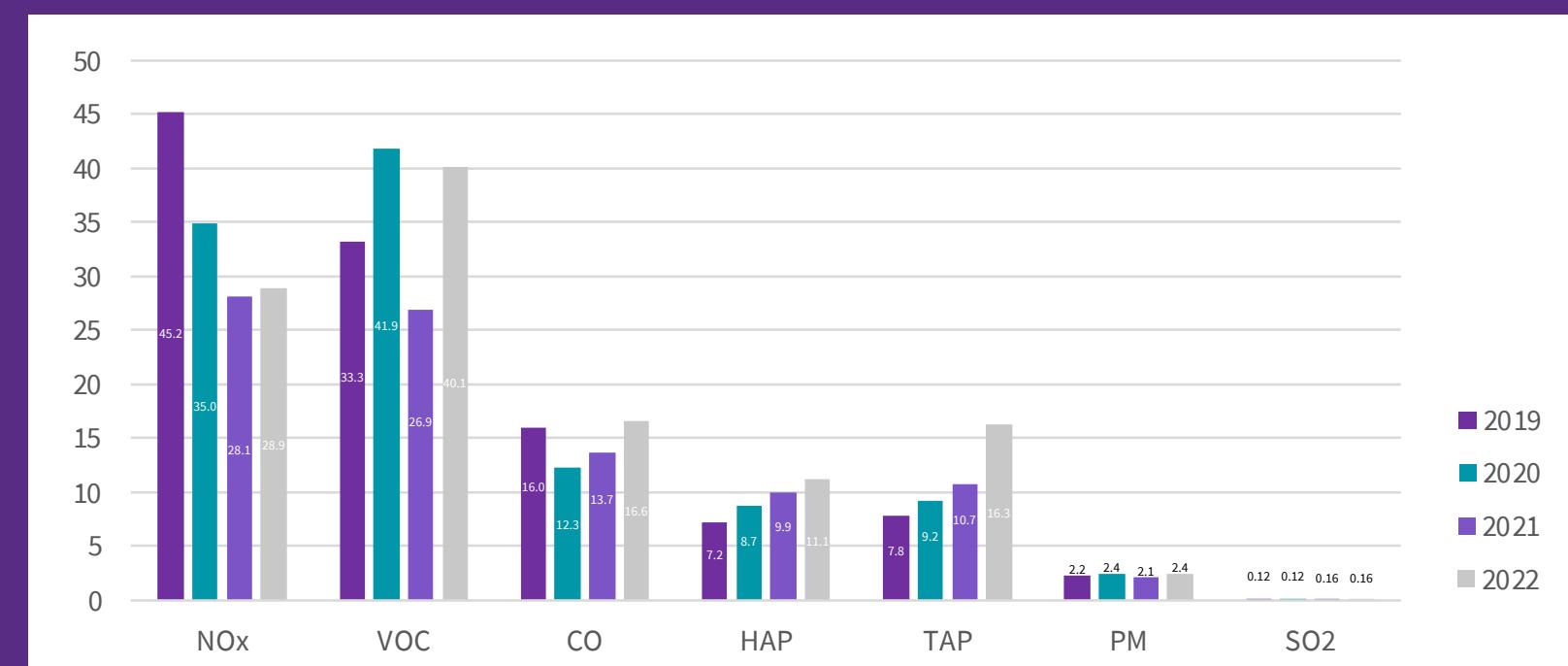
We evaluated our current efforts against WMBC's guidance and learned our strengths (e.g., calculated GHG inventory, largest emissions sources identification, climate-related oversight) and areas where we need improvement (e.g., inclusion of scope 3 in our emission reduction targets, financial evaluation, public policy engagement and advocacy).

During this initiative we have also identified actions that Wolfspeed can take to decarbonize, ranging from easiest to implement and least timely solutions to long-term solutions to support net-zero transition. We focused on the actions that are realistic to deploy and timely. These actions include the following areas: process abatement systems, values stream engagement and synergy, an electric purchasing policy and implementation of an internal carbon price.

## OTHER AIR EMISSIONS

When applicable, our manufacturing sites are subject to local air emissions regulations for criteria pollutants (NOx, SO<sub>2</sub>, etc.), hazardous air pollutants (HAP)<sup>1</sup> and toxic air pollutants (TAP)<sup>1</sup>. Our sites comply with regulations through each site's air permit requirements. For select processes, we use industry leading point of use abatement devices, central air emissions control devices, including dust collectors, thermal oxidizers, and scrubbers.

### Other Air Emissions in Metric Tons



### 2022 Other Air Emissions Data Trends

#### 2022 Information:

» Our usage of raw materials and fuel in our manufacturing processes changed in 2022 compared to 2021 due to changes in output and product mix causing our air emissions to either decrease or increase at the existing sites depending on the pollutant. Overall, due to opening the world's largest silicon carbide fabrication facility in Marcy, New York, our other air emissions increased in 2022.

#### Future Look:

- » We are continuously exploring ways to decrease our air emission impacts. When appropriate, we will continue using and installing air emissions control devices, including dust collectors, thermal oxidizers, and scrubbers.

<sup>1</sup> Air pollutants are classified as hazardous air pollutants (HAP) based on the United States EPA list of HAP.

Air pollutants are classified as toxic air pollutants (TAP) per the regulations applicable at each facility.

# WATER MANAGEMENT

## OUR AMBITION

Ensure sustainable and efficient use of water across all sectors. Become a leader in addressing water scarcity.

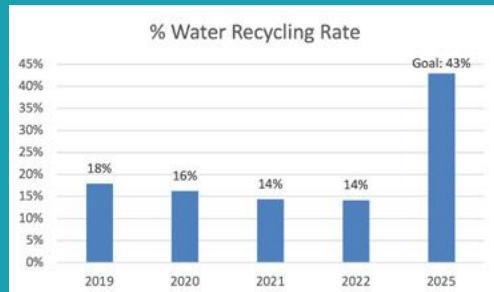
## OUR GOAL

Increase our water recycling rate by 25% by 2025

## 2022 PROGRESS

Achieved 14% water recycling rate

Decreased ~21% relative to base year



## Water Management

Because water quality and scarcity are growing concerns that affect all people and industries, we are committed to proper water use management practices for our Wolfspeed sites. We continuously strive to implement best management practices that conserve and recycle water and prevent and reduce water pollution:

- Our Durham, NC site has been recycling process water since **2005**, and currently recycles an average of 180,000 gallons of water per day. Our new Marcy, NY facility will be implementing a similar water recycling system.
- In **2007**, our Durham, NC and RTP, NC sites initiated a wastewater pre-treatment system, which prevents approximately 30,000 pounds of fluoride from entering the local water supply each year.
- In **2018**, we installed rainwater collection at our Durham, NC site, and now collect rainwater to supplement water used in the production process. In 2020, we expanded the catchment area to increase the amount of rainwater harvested.
- In **2020**, we performed the first corporate-wide water risk assessment. The water risk assessment was updated using the WRI Aqueduct and the WWF Water Risk Filter tools for all our locations, including the upcoming materials factory in Siler City in NC in 2022.
- In the past, we have had facility-specific water goals. In **2021**, we developed our first corporate-wide water recycle goal to increase our water recycle rate by 25% by 2025 relative to the 2019 baseline.
- At our owned manufacturing sites, we have implemented best management practices for control of stormwater to minimize the effects of stormwater run-off.
- Our Durham, NC site is reducing the risks associated with chemical spills by using a stormwater conveyance system that allows for containment in the event of an incident.
- In **2022**, we increased amount of recycled water by 19 million gallons.

## Water Withdrawals, Discharges, and Consumption

All of our manufacturing facilities' water withdrawals primarily come from municipal (third-party) sources. Our other source of water withdrawal includes rainwater (fresh surface water), depending on the facility. Most of our water is used during manufacturing, including cooling tower use, but water is also used for human consumption (i.e., drinking water, sanitary sewer, and water used in locations where we have an on-site cafeteria) and irrigation at some locations. We engage with our local water supply and wastewater treatment plants to plan for infrastructure needs tied to future water use and have a water conservation and management plan in the event that water availability from local sources is reduced due to a drought. We have not yet worked with other suppliers or customers on water-related issues.

Our Durham, NC site has a water recycle system to offset municipal water purchases and reduce the consumption of water. In the past, our water recycle rate goals were developed for individual sites determined to be Wolfspeed's largest water users. In 2021, we developed our first corporate-wide goals to increase our water recycling rate by 25% by 2025 relative to our 2019 baseline. Our goals are set based on the technology available, the quality of water needed as an output of the process, the availability of water in the operating region, water recycle regulations in place and to align with our ISO 14001 environmental management systems. The goal aims to ensure our sites optimize their water recycling systems, including ensuring better operation and maintenance of the systems to reduce down time.

All facilities discharge to a municipal (third-party) wastewater treatment plant and are subject to local discharge requirements. Water discharged meets local regulatory requirements for water quality, including nutrients levels, metals, pH, temperature, emissions to water such as nitrates, etc. All our manufacturing sites have wastewater permits and/or requirements that mandate the quality of water discharged. Our stormwater is also monitored to ensure it meets discharge criteria, which prevents degradation of local water supplies.

## Water Risk Assessments

### Our Approach

At this time, our water-related risk assessment scope only includes direct operations, but other stakeholders, like customers, local communities, regulators and investors, are tangentially included in our assessment. A variety of risks for our direct operations are considered during our assessment, which have the potential to affect our value chain. We have not yet included our suppliers in our assessment. Suppliers are relevant, and we expect to include them in water-related risk assessments in the coming years.

We use the WRI Aqueduct and the WWF Water Risk Filter tools to assess our water risks. We use the WWF Water Risk Filter tool to analyze the water risks of our facilities, because the tool allows us to answer questions related to our specific industry (i.e., semiconductors) and specific questions related to each of our facilities to obtain a deeper look at our risks. We used the WRI Aqueduct tool to assess water stress of our facilities because it is a good way to assess water risks based on location and allows us to view future (2030 and 2040) water risks for all facilities.

The WRI Aqueduct and WWF Water Risk Filter tools provide our risks in a number of different categories, such as quantity physical risks (e.g., water scarcity, water stress, flooding and drought risks), quality physical risks (e.g., quality of wastewater, potential for eutrophication), regulatory risks (e.g., drinking water/sanitation issues, environmental regulations) and reputational risks (e.g., ESG performance, community conflicts).

We consider risks that have the potential to greatly impact our business. We define a substantive financial or strategic impact as something that will cause significant impact to our business, both internally (i.e., our direct operations) or externally (i.e., our upstream and downstream value chain). We use \$1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to water-related impacts. An example of a substantive financial impact could be water scarcity issues affecting the ability for us to manufacture our products, causing brand image, revenue and/or customer relations issues.

Good quality freshwater is vital for direct use (rinsing, cooling, cutting) for our manufacturing processes. Because our manufacturing processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination, any disruptions to our supply of water at our manufacturing facilities could result in a substantive financial impact to us and other members of our value chain (e.g., our customers).

### Our Results

We analyzed all our facilities (both owned and leased) for current and future water risks by using WWF Water Risk Filter and WRI Aqueduct tools. We also assessed the risks of our upcoming materials factory in Siler City, NC. We plan to use the results of the analyses to inform our internal decision-making process, including planning for future water stewardship projects and goals and targets setting.

We believe that some of our manufacturing facilities exposed to water risks have the potential for a substantive financial or strategic impact on our business. Using the results of our WWF Water Risk Filter analysis, two of our existing manufacturing sites exhibit high operational physical risks that could affect our business, including water scarcity and quality (RTP, NC, USA and Marcy, NY, USA). We have also chosen to include another site which exhibits only medium operational physical risks (Durham, NC, USA). The site is critical in supporting the organization through our expansion plans and has high water demands. Other manufacturing facilities were analyzed using the WWF Water Risk Filter but were not found to have high risks in terms of the potential for a substantive financial or strategic impact our business. We also assessed our smaller leased facilities using the WRI Aqueduct tool, and although the results of the analysis show varied levels of risk depending on location, we do not feel that these risks have the potential to cause a substantive financial or strategic impact on our business based on the activities and size of those operations.



## Water-Related Risks and Opportunities

We have analyzed water-related risks and opportunities for our manufacturing facilities that have the potential for a substantive financial or strategic impact on our business.

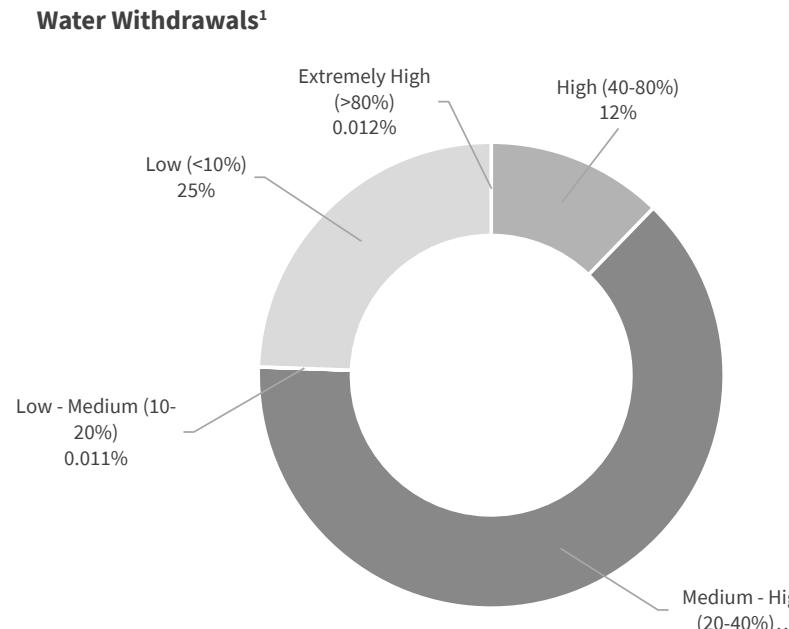
Potential Risk	Potential Impacts	Estimated Financial Implications	Management Method
Increased water scarcity	<p><i>Direct Operations (Durham and RTP):</i></p> <p>We feel that increased water scarcity could be a potential risk for us in the Raleigh/Durham/Research Triangle Park area in the longer-term future, which is where two of our main manufacturing operations are located, based on the current and future expected growth in the area. Raleigh is one of the fastest growing cities in the United States and increased growth in the area could potentially lead to water availability issues in the future.</p> <p>We have assessed our future risks out to 2030 and 2040 for water stress and water supply of the area in which these facilities are located. The WRI Aqueduct tool shows that there will be “near normal” change in water scarcity and water supply in the area by 2030 and 2040.</p> <p>About ten years ago, we experienced a drought at these facilities and were required to evaluate alternative sources for water withdrawals. Although the WWF Water Risk Filter indicates a very low Drought Frequency Probability for these facilities, we believe water scarcity still has the potential to have a substantive financial or strategic impact.</p>	<p>\$10 - \$19 million annually</p> <p>We estimated the financial impact based on replacing water directly purchased from the municipality that would need to be trucked in for our manufacturing sites in Durham and RTP.</p>	<p>Our Durham facility operates a water recycling system to offset municipal water purchases and reduce the consumption of water. We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.</p> <p>The reservoirs in the area from which we receive water were man-made to provide flood control and water supply to the Raleigh/ Durham/Research Triangle Park area and are specifically designed to provide sufficient water even in severe drought situations.</p> <p>We have a business continuity plan, which takes into consideration potential risks that could cause a significant business interruption and describes strategies for how we mitigate and respond to major events.</p> <p>We have a crisis response team, which is comprised of key personnel in different departments throughout the company, that reviews possible solutions in the event of a situation that could cause a significant business interruption.</p>
Malware/ ransomware attack	<p><i>Direct Operations (Durham and RTP):</i></p> <p>We purchase water through the city government’s utility and discharge our water to the county’s Publicly Owned Treatment Works. In 2020, the city and county government systems where these facilities are located experienced a malware attack, causing their data servers to be taken offline for a few days.</p> <p>Although the malware attack in 2020 did not affect our ability to receive or discharge water during the event, this kind of event has the potential to have a substantive financial or strategic impact on our business.</p> <p>If a malware or ransomware attack affects our city and county, we may have issues being able to purchase water if the city government’s utility is forced to shut down and/or issues being able to discharge water if the county’s Publicly Owned Treatment Works is unable to operate.</p> <p>If we are unable to receive water, it could cause us to stop some of our manufacturing processes. If we are unable to discharge water to our Publicly Owned Treatment Works, it could also stop some of our manufacturing processes, or we would be required to find an alternative method to dispose of our water, such as disposing our wastewater as waste.</p>	<p>\$6 - \$8 million</p> <p>We estimated the financial impact based on loss revenue if our production is stopped due to inability to withdraw and/or discharge water.</p>	<p>Our Durham facility operates a water recycling system to offset municipal water purchases and reduce the consumption of water. We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.</p> <p>We have a business continuity plan, which takes into consideration potential risks that could cause a significant business interruption and describes strategies for how we mitigate and respond to major events.</p> <p>We have a crisis response team, which is comprised of key personnel in different departments throughout the company, that reviews possible solutions in the event of a situation that could cause a significant business interruption.</p>

Potential Opportunity	Potential Impacts	Estimated Financial Implications
Improved water efficiency in operations	<p><i>Direct Operations (Durham):</i></p> <p>We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.</p> <p>We operate a water recycling system and rainwater harvesting system at this facility, where we are exposed to water risks because it has the potential for a substantive financial or strategic impact on our business.</p> <p>We continue to evaluate newer technologies with respect to rainwater harvesting and water recycling and reuse, and plan to implement them when feasible. Additional water recycling and rainwater capture opportunities have been identified at this facility and are currently under review for technical feasibility, cost and potential timeline.</p>	<p>\$1 million annually</p> <p>The potential financial impact represents the amount of money saved annually by harvesting rainwater and recycling our water versus purchasing water from the local utility. The financial impact includes the savings from our current system as well as estimated savings from potential additional opportunities.</p>
Improved water efficiency in operations	<p><i>Direct Operations (Marcy):</i></p> <p>We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.</p> <p>With our new state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, NY, which is complemented by our materials factory expansion currently underway at our Durham, NC headquarters and building the world’s largest materials manufacturing facility in Siler City, North Carolina, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. Our Marcy, NY facility is planned to use a water recycling system similar to that used at our Durham, NC facility.</p>	<p>\$100,000 - \$300,000 annually</p> <p>The potential financial impact represents the estimated amount of money that will be saved annually by various water efficiency projects built into the design of our new wafer fabrication facility and from recycling water versus purchasing water from the local utility.</p>

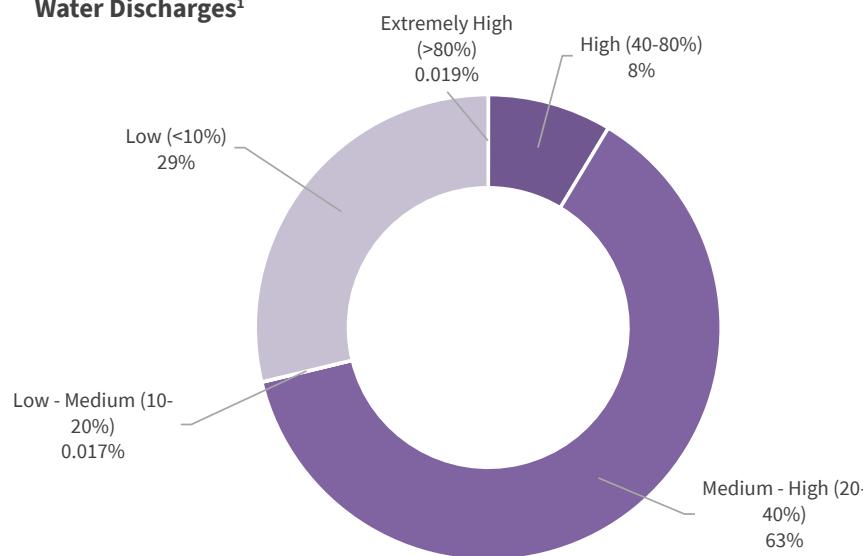
## Water Stress

We used the WRI Aqueduct Water Risk Atlas tool to assess the current and future (2030 and 2040) water stress of all our facilities. We consider areas with water stress to be those locations with the risk category “High (40-80%)” or “Extremely High (>80%)” for baseline water stress. Based on that criterion, three of our small, leased facilities are located in areas with the risk category “High” or “Extremely High.” These offices use small amounts of water and represent only 0.04% of our total 2022 global water withdrawals. One of our manufacturing facilities is located in an area with the risk category “High.” Its 2022 water withdrawals represent approximately 12.2% of our total 2022 global water withdrawals.

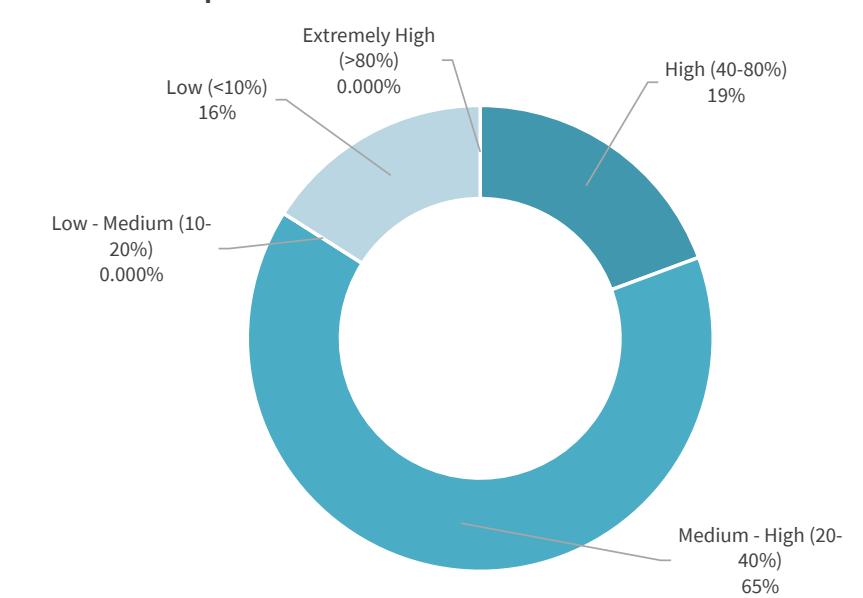
### 2022 Water Usage by Water Stress Category



### Water Discharges<sup>1</sup>



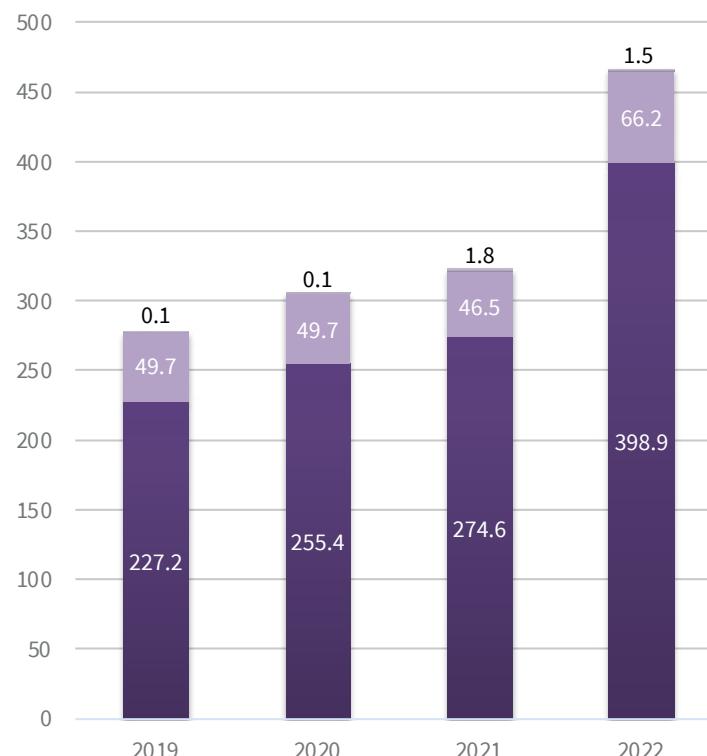
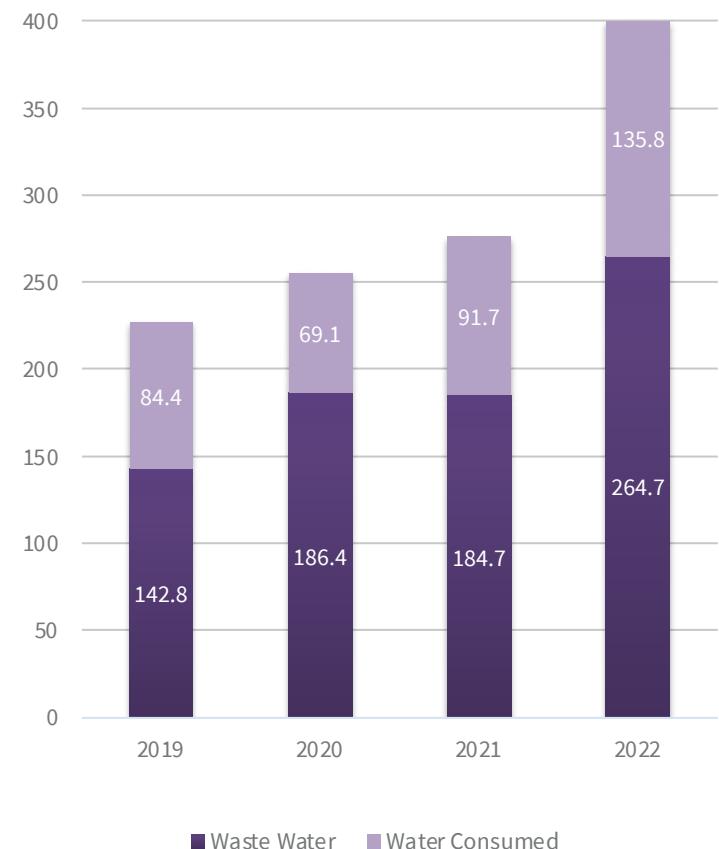
### Water Consumption<sup>1</sup>



### 2022 Water Usage

Source	All Facilities	Facilities Located in Water Stress Areas <sup>1</sup>	Facilities Not Located in Water Stress Areas <sup>1</sup>
<b>Water Withdrawals (millions of gallons)</b>			
Third-Party Water	398.9	49.1	349.85
Fresh Surface Water (Rainwater)	1.54	0	1.54
<b>Total Water Withdrawals</b>	<b>400.5</b>	<b>49.1</b>	<b>351.4</b>
<b>Water Recycled (millions of gallons)</b>			
<b>Total Water Recycled</b>	<b>66.2</b>	<b>0</b>	<b>66.2</b>
<b>Water Discharges (millions of gallons)</b>			
<b>Total Third-Party Wastewater</b>	<b>264.7</b>	<b>22.8</b>	<b>241.9</b>
<b>Water Consumption (millions of gallons)</b>			
<b>Water Consumed</b>	<b>135.8</b>	<b>26.3</b>	<b>109.5</b>

<sup>[1]</sup> All of our global facilities were assessed for baseline water stress using the World Resources Institute Aqueduct Water Risk Atlas. Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Low water stress indicates the facility(ies) scored 0% to 10% for water stress. Low-medium water stress indicates the facility(ies) scored 10% to 20% for water stress. Medium-high water stress indicates the facility(ies) scored 20% to 40% for water stress. High water stress indicates the facility(ies) scored 40% to 80% for water stress. Extremely high water stress indicates the facility(ies) scored 80% to 100% for water stress. (Source: WRI Aqueduct Water Risk Atlas)

**Water Demand  
in Millions of Gallons**

**Water Discharges and Consumption (Water Out)  
in Millions of Gallons**

**2022 Water Data Trends**
**2022 Information:**

- » The overall withdrawal and discharge volumes increased due to expansion of our materials factory at our Durham headquarters and opening the world's largest silicon carbide fabrication facility in Marcy, New York.
- » During 2022, there was lower than average rainfall in North Carolina, where our rainwater harvest system is used, which led to lower capture of rainwater amount.
- » Our total water consumed increased, which is tied to our process cooling water which was higher in 2022 and contributed to increased consumed water. Additionally, we installed a water meter at our RTP, NC facility which allowed us more accurately to monitor and measure our discharged water.

**Future Look:**

- » Our water demand is expected to increase in the future due to ramping up our new facility in Marcy, NY, ongoing expansion at our Durham, NC headquarters and building the world's largest materials manufacturing facility in Siler City, NC. We continuously explore options for water use efficiency and water recycle improvements to help offset the expected increase in water use as we expand. Refer to the **Water-Related Risks & Opportunities** subsection to learn more about our future water opportunities.
- » Our new Marcy, NY Fab has a water recycling system and water efficiency built into the design of the building. Learn more in the **Marcy, New York Environmental Stewardship Activities** section of this report.
- » We successfully piloted an ultrafiltration process to purify water at Durham, NC. The process is currently being rolled out to other facilities with similar waste as a key component of the water savings efforts.
- » We have a **water recycle goal** to help further reduce our water impacts.

# WASTE MANAGEMENT

## Our Products

Our Power and RF products made from silicon carbide outperform conventional silicon components. In many applications, fewer silicon carbide components are required compared to silicon components when creating an electrical circuit with a similar output. To sustain a required current and voltage, silicon components must be larger, meaning silicon carbide components perform better with less materials required. Using less silicon carbide components for a circuit and reducing the amount of materials in a silicon carbide versus silicon component means less materials are required to be disposed of at the end of their lives.

### OUR AMBITION

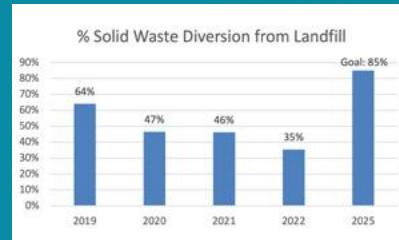
Be a company that directs to zero waste through waste reduction and recycling.

### OUR GOAL

Achieve 85% waste diversion rate from landfills by 2025\*

### 2022 PROGRESS

Achieved 35% waste diversion



## Our Manufacturing

The responsibility for waste generation spans from cradle to grave, and Wolfspeed is dedicated to minimizing waste and disposing of waste safely and responsibly. We use many different hazardous and non-hazardous raw materials to manufacture our products, including acids, bases and solvents, which results in waste. We also generate solid waste from miscellaneous activities at our facilities, including pallets and cardboard from incoming raw materials and equipment, general office waste and cafeteria waste. Along our value chain, our largest impacts come from waste generated from our own activities. The transportation of our waste and spills or releases on our property or to the environment are possible negative impacts of our waste. For some of our waste, we seek ways to turn our waste into fuel, which we consider a positive impact of our waste. Because our products are small and long-lasting, we do not foresee large impacts associated with the waste of our products. Guidance for how to dispose of our products at the end of their lives can be found in the **Product End of Life** section of this report. We have not yet assessed the waste generation of our upstream activities.

We have processes in place to ensure our waste is stored and managed to minimize impacts to employees and the environment and aim to operate our facilities according to applicable waste regulations. We choose waste disposal methods that we feel reduce the impact on the environment as much as possible. When choosing a vendor for our waste streams, we ensure the vendors are reputable and utilize the appropriate technology for the waste stream. We require all waste vendors to have a contract and sign our **Supplier Code of Conduct**, which outlines requirements for environmental performance and compliance.

\* Non-hazardous solid waste

In addition to reducing waste generation, we are dedicated to reusing or recycling materials whenever technically possible and economically reasonable. We seek opportunities for waste to be recycled or become a feedstock for use in other manufacturing processes. This not only lowers costs but helps us and other manufacturers to decrease virgin raw material consumption and reduce environmental impacts. We have implemented the following practices as part of our commitment to reduce, reuse and recycle materials:

### WE RECYCLE SOLID WASTE MATERIALS IN MANUFACTURING AND OFFICE SITES, INCLUDING METAL, PLASTIC, GLASS, PAPER, CARDBOARD, WOOD, CANS, BOTTLES AND ELECTRONICS.

Since

**2016**

we have sent waste liquid solvents and specific solvent contaminated solid waste to facilities for use as alternative fuel.

**2022**

**1.3 Million pounds**

were used as alternative fuels. We also send specific solid waste streams for use as fuels in waste-to-energy facilities.

**2016**

our Durham, NC facility began composting waste at the cafeteria. The composting program diverts approximately

**25,000 lbs**

of waste from the landfill per year.

**2016**

we set our first waste-to-landfill reduction goals at our North Carolina facilities.

**85%**

by 2025.

**2021**

we developed our first corporate-wide waste goal to increase our waste diversion from landfill to

**2019**

we developed a program that successfully diverted **130,000 lbs** of a specific material at our Durham, NC facility from the landfill to a recycling facility. This is in addition to the **430,000 lbs** of a different form of the same material shipped to a recycling facility that year.

**2022**

we recycled **536,000 lbs** of this material.

**2020**

we worked to enhance one of our key manufacturing processes, which resulted in a reduction of approximately

**132,000 lbs**

of raw materials in 2020 compared to **2019** usage.

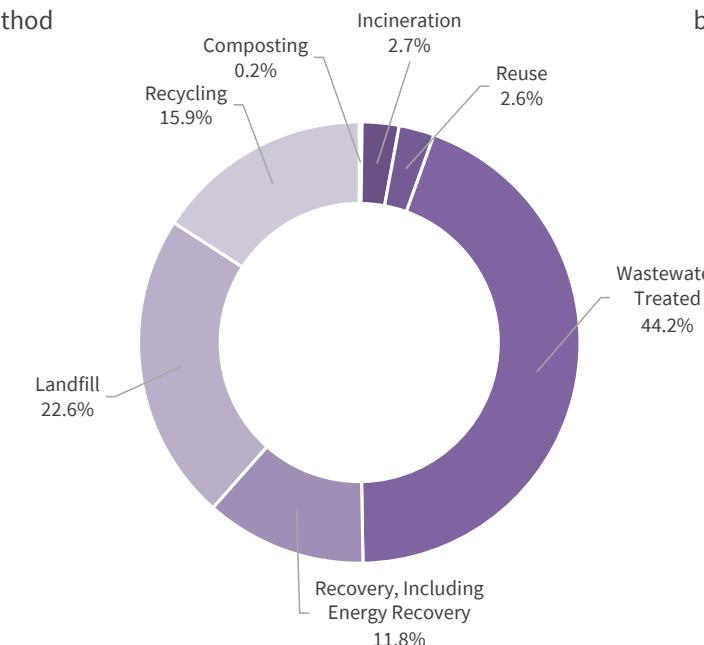
### Waste Generation by Disposal Method

Waste Disposal Method	2019	2020	2021	2022
<b>Hazardous Waste</b>				
Wastewater Treated	51.9%	64.1%	65.8%	64.4%
Recovery, including Energy Recovery	40.1%	28.3%	22.5%	26.7%
Landfill	6.0%	3.5%	4.6%	5.8%
Incineration	2.1%	4.1%	7.1%	3.0%
Recycling	0.01%	0.04%	0.10%	0.10%
<b>Non-Hazardous Waste (including Solid Waste)</b>				
Recycling	32.1%	27.6%	24.9%	12.1%
Wastewater Treated	27.7%	22.0%	31.9%	57.6%
Landfill	20.4%	34.8%	32.9%	23.7%
Recovery, including Energy Recovery	12.0%	9.6%	5.7%	3.0%
Reuse	7.0%	5.5%	4.1%	2.9%
Composting	0.8%	0.4%	0.3%	0.2%
Incineration	0.1%	0.2%	0.2%	0.5%

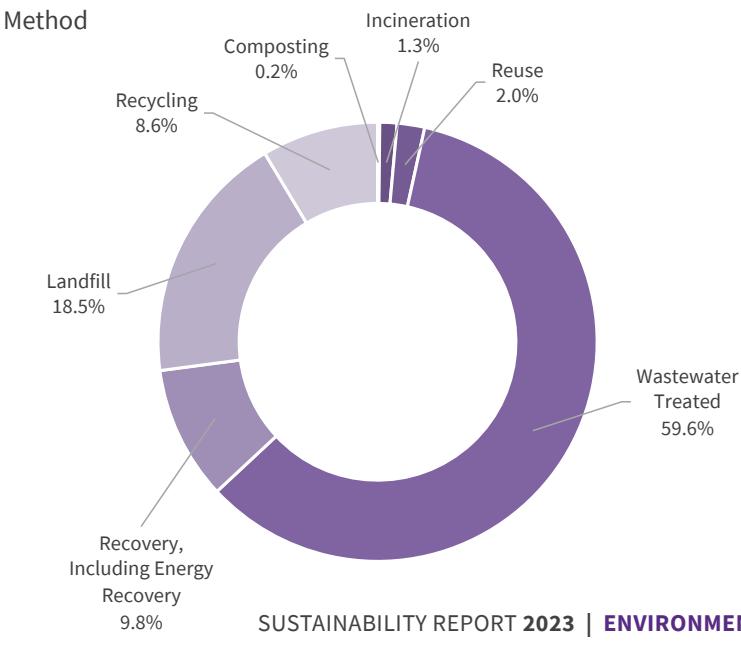
### Waste Generation in Millions of Pounds



### 2021 Total Waste Generation by Disposal Method



### 2022 Total Waste Generation by Disposal Method



## 2022 WASTE DATA TRENDS

## CIRCULAR ECONOMY

## BIODIVERSITY

## 2022 Information:

» Our total waste volume increased due to expansion of our materials factory at our Durham headquarters and opening the world's largest silicon carbide fabrication facility in Marcy, New York.

» Our overall percent of solid waste to landfill between 2021 and 2022 increased due to contaminated recycled streams (e.g. wooden pallets); however, our manufacturing site in Morgan Hill, CA achieved 75.5% waste diversion rate from landfill. Our total waste composted in 2022 increased by about 3,000 lbs.

## Future Look:

» We are looking into identification of alternative disposal outlets, investigation of wastewater sludge reduction and potential to use it as material, recycling options for construction waste and waste stream analysis of generated waste at our facilities in Durham and RTP, NC and Marcy, NY.

» We are continuously exploring ways to decrease our waste generation impacts. We have a **waste-to-landfill reduction goal** to help further reduce our waste-to-landfill impacts.

Wolfspeed leads the industry transition from silicon to silicon carbide. The power of silicon carbide expands the boundaries of technology to make devices smaller, lighter, and more powerful. Our core business supports the circular economy concept by unlocking a new era of energy efficiency. We are a catalyst to ignite new breakthroughs for tomorrow, trading miles per gallon for more miles per charge.

Our Power and Radio Frequency (RF) products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication and electric vehicles. Our RF products help enable the transition to 5G, which requires the transmission of more data at faster speeds with greater precision. Our products can achieve the greater bandwidth and efficiency that 5G requires. Smart cities, smart manufacturing, autonomous vehicles and connected transportation can all be realized through the availability of 5G. Our contribution to a circular economy extends beyond our products through our operations and supply chain. We constantly strive to minimize our resources use, eliminate hazardous materials and chemicals, recycle and reuse waste and overall reduce our environmental impact.

**Some of Wolfspeed's activities supporting the concept of circularity:**

We recycle metal, plastic, glass, paper, cardboard, wood, cans, bottles and electronics.

We compost organic waste at our cafeteria in Durham, NC.

Some parts of our electronic waste are refurbished.

Our waste liquid solvents and fuel-bearing solid waste streams are used as alternative fuel at cement kilns.

Some waste streams from production are beneficially reused by other industries.

Liquid and solid precious metal streams are sent for recovery. Our facility in Morgan Hill, CA uses 100% carbon-free electricity.

Our manufacturing facility in Durham, NC recycles process water.

Our manufacturing sites in North Carolina and California are certified to the ISO 14001 standard, which encourages a life cycle view of products and services.

We established corporate-wide targets for reduction of emissions, recycling water and diverting waste from landfill.

Wolfspeed recognizes the importance of preserving or improving biodiversity. As of now, biodiversity is not considered a material topic for Wolfspeed, but we are aware of the interdependence between biodiversity and business resilience.

In 2022, we assessed our facilities for physical and reputational risks related to biodiversity by using WWF's Biodiversity Risk Filter. It allowed us to look at direct impacts and dependencies based on facilities' specific location and our sector classification in semiconductor industry. This assessment helped us to have a first overall overview of our biodiversity risks. A couple of our sites scored in the high/very high-risk category. Some of those sites represent a small impact from the perspective relative to our entire site portfolio. In general, the results show higher physical risks than reputational associated risks. The category of pressure on biodiversity (pollution) and regulating services - mitigating (landslides and tropical cyclones) drive mainly the higher score for the physical risks. We are planning to further analyze the outcomes to better understand what those risk scores signify for planning and monitoring our biodiversity performance.

We have not yet evaluated the impacts and dependencies of our supply chain on biodiversity.

[TABLE OF CONTENTS](#)[CEO MESSAGE](#)[WOLFSPEED](#)[SUSTAINABILITY](#)[CORPORATE GOVERNANCE](#)[ECONOMIC](#)[SOCIAL RESPONSIBILITY](#)[ENVIRONMENT](#)[APPENDIX](#)

## + APPENDIX

[GRI Content Index](#)[SASB Disclosures](#)[UN SDGs Disclosures](#)[TCFD Disclosures](#)[Sustainability Data](#)[Independent Assurance Statement](#)

# GRI CONTENT INDEX

## Statement of use

Wolfspeed has reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

## GRI 1 used

GRI 1: Foundation 2021

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	Who We Are 2022 Annual Report*
	2-2	Entities included in the organization's sustainability reporting	Who We Are 2022 Annual Report*
	2-3	Reporting period, frequency and contact point	Sustainability Reporting
	2-4	Restatements of information	GRI Content Index <sup>1</sup>
	2-5	External assurance	Sustainability Reporting Independent Assurance Statement
	2-6	Activities, value chain and other business relationships	Who We Are Supply Chain Responsible Minerals Sourcing Policy California Proposition 65 2022 Annual Report*
	2-7	Employees	Our Employees Our Early Career Employees
	2-8	Workers who are not employees	Our Employees Our Early Career Employees
	2-9	Governance structure and composition	Board of Directors and Committee Composition Sustainability Oversight
	2-11	Chair of the highest governance body	Board of Directors and Committee Composition
	2-22	Statement on sustainable development strategy	CEO Message Sustainability Mission and Principles
	2-23	Policy commitments	Code of Conduct* Code of Ethics for Executive Officers and Other Senior Financial Personnel* Policies Human Rights
	2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct*
	2-28	Membership associations	GRI Content Index <sup>2</sup>
	2-29	Approach to stakeholder engagement	Materiality Assessment
	2-30	Collective bargaining agreements	GRI Content Index <sup>3</sup>

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Material topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	Materiality Assessment
	3-2	List of material topics	Materiality Assessment
	3-3	Management of material topics	Refer to "Topic Management" lines in GRI Content Index
<b>Topic Standards</b>			
<b>GRI 201: Economic Performance 2016</b>	GRI 3: 3-3	Topic management	2022 Annual Report*
	201-1	Direct economic value generated and distributed	2022 Annual Report*
	201-2	Financial implications and other risks and opportunities due to climate change	TCFD Disclosures
<b>GRI 203: Indirect Economic Impacts 2016</b>	GRI 3: 3-3	Topic management	Expanding Capacity for Silicon Carbide Community Engagement Our Contributions to the UN Sustainable Development Goals (SDGs)
	203-1	Infrastructure investments and services supported	GRI Content Index <sup>4</sup>
	203-2	Significant indirect economic impacts	Expanding Capacity for Silicon Carbide <sup>5</sup> Community Engagement
<b>GRI 204: Procurement Practices 2016</b>	GRI 3: 3-3	Topic management	Supply Chain Supplier Code of Conduct* Purchase Order Terms and Conditions* Responsible Minerals Sourcing California Proposition 65
	204-1	Proportion of spending on local suppliers	Sustainability Goals Supply Chain
<b>GRI 205: Anti-corruption 2016</b>	GRI 3: 3-3	Topic management	Code of Conduct*
	205-1	Operations assessed for risks related to corruption	Code of Conduct*
	205-2	Communication and training about anti-corruption policies and procedures	Code of Conduct*
<b>GRI 206: Anti-competitive Behavior 2016</b>	GRI 3: 3-3	Topic management	Code of Conduct*
	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	GRI Content Index <sup>6</sup>
<b>GRI 302: Energy 2016</b>	GRI 3: 3-3	Topic management	Energy and Greenhouse Gas Emissions
	302-1	Energy consumption within the organization	Energy and Greenhouse Gas Emissions Sustainability Data
	302-2	Energy consumption outside of the organization <sup>7</sup>	Energy and Greenhouse Gas Emissions Sustainability Data
	302-4	Reduction of energy consumption	Energy and Greenhouse Gas Emissions Sustainability Data
	302-5	Reductions in energy requirements of products and services	Product Sustainability Energy and Greenhouse Gas Emissions Sustainability Data

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Topic Standards (continued)</b>			
<b>GRI 303: Water and Effluents 2018</b>	GRI 3: 3-3	Topic management	Water Management Our Contributions to the UN Sustainable Development Goals (SDGs)
	303-1	Interactions with water as a shared resource	Water Management
	303-2	Management of water discharge-related impacts	Water Management
	303-3	Water withdrawal	Water Management Sustainability Data
	303-4	Water discharge	Water Management Sustainability Data
	303-5	Water consumption	Water Management Sustainability Data
<b>GRI 304: Biodiversity 2016</b>	GRI 3: 3-3	Topic management	Biodiversity
<b>GRI 305: Emissions 2016</b>	GRI 3: 3-3	Topic management	Energy and Greenhouse Gas Emissions Other Air Emissions Our Contributions to the UN Sustainable Development Goals (SDGs) TCFD Disclosures
	305-1	Direct (scope 1) GHG emissions	Energy and Greenhouse Gas Emissions SASB Disclosures TCFD Disclosures Sustainability Data
	305-2	Energy indirect (scope 2) GHG emissions	Energy and Greenhouse Gas Emissions SASB Disclosures TCFD Disclosures Sustainability Data
	305-3	Other indirect (scope 3) GHG emissions	Energy and Greenhouse Gas Emissions TCFD Disclosures Sustainability Data
	305-5	Reduction of GHG emissions	Energy and Greenhouse Gas Emissions Sustainability Data
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Other Air Emissions Sustainability Data

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Topic Standards (continued)</b>			
<b>GRI 306: Waste 2020</b>	GRI 3: 3-3	Topic management	Waste Management Our Contributions to the UN Sustainable Development Goals (SDGs)
	306-1	Waste generation and significant waste-related impacts	Waste Management
	306-2	Management of significant waste-related impacts	Waste Management Circular Economy
	306-3	Waste generated	Waste Management SASB Disclosures Sustainability Data
	306-4	Waste diverted from disposal	Waste Management Circular Economy SASB Disclosures Sustainability Data
	306-5	Waste directed to disposal	Waste Management SASB Disclosures Sustainability Data
<b>GRI 308: Supplier Environmental Assessment 2016</b>	GRI 3: 3-3	Topic management	Supplier Code of Conduct* Purchase Order Terms and Conditions*
	308-1	New suppliers that were screened using environmental criteria	Supply Chain
<b>GRI 401: Employment 2016</b>	GRI 3: 3-3	Topic management	Our Employees Our Early Career Employees Diversity, Equity & Inclusion Employee Engagement
	401-1	New employee hires and employee turnover	Diversity, Equity & Inclusion <sup>8</sup> Sustainability Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits
	401-3	Parental leave	Benefits Sustainability Data
<b>GRI 402: Labor/Management Relations 2016</b>	GRI 3: 3-3	Topic management	Code of Conduct* Supplier Code of Conduct*
	402-1	Minimum notice periods regarding operational changes	GRI Content Index <sup>9</sup>

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Topic Standards (continued)</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>	GRI 3: 3-3	Topic management	Health and Safety — Our Employees and Contractors Our Contributions to the UN Sustainable Development Goals (SDGs) Code of Conduct*
	403-1	Occupational health and safety management system programs	Health and Safety — Our Employees and Contractors
	403-2	Hazard identification, risk assessment and incident investigation	Health and Safety — Our Employees and Contractors
	403-3	Occupational health services	Health and Safety — Our Employees and Contractors
	403-4	Worker participation, consultation and communication on occupational health and safety	Health and Safety — Our Employees and Contractors
	403-5	Worker training on occupational health and safety	Health and Safety — Our Employees and Contractors
	403-6	Promotion of worker health	Health and Safety — Our Employees and Contractors
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety — Our Employees and Contractors
	403-8	Workers covered by an occupational health and safety management system	Health and Safety — Our Employees and Contractors
	403-9	Work-related injuries	Health and Safety — Our Employees and Contractors Sustainability Data
	403-10	Work-related ill health	Health and Safety — Our Employees and Contractors Sustainability Data
<b>GRI 404: Training and Education 2016</b>	GRI 3: 3-3	Topic management	Training and Development
	404-1	Average hours of training per year per employee	Training and Development <sup>10</sup>
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	GRI 3: 3-3	Topic management	Diversity, Equity & Inclusion Our Contributions to the UN Sustainable Development Goals (SDGs) Code of Conduct*
	405-1	Diversity of governance bodies and employees	Diversity, Equity & Inclusion Sustainability Data
	405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity & Inclusion <sup>11</sup>
<b>GRI 406: Non-discrimination 2016</b>	GRI 3: 3-3	Topic management	Our Employees Diversity, Equity & Inclusion Code of Conduct*
	406-1	Incidents of discrimination and corrective actions taken	GRI Content Index <sup>12</sup>

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Topic Standards (continued)</b>			
<b>GRI 408: Child Labor 2016</b>	GRI 3: 3-3	Topic management	Code of Conduct* Supplier Code of Conduct*
	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights
<b>GRI 409: Forced or Compulsory Labor 2016</b>	GRI 3: 3-3	Topic management	Code of Conduct* Supplier Code of Conduct**
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
<b>GRI 410: Security Practices 2016</b>	GRI 3: 3-3	Topic management	Security Practices
<b>GRI 413: Local Communities 2016</b>	GRI 3: 3-3	Topic management	Community Engagement Our Contributions to the UN Sustainable Development Goals (SDGs)
	413-1	Operations with local community engagement, impact assessments and development programs	Community Engagement
	413-2	Operations with significant actual and potential negative impacts of local communities	Community Engagement
<b>GRI 414: Supplier Social Assessment 2016</b>	GRI 3: 3-3	Topic management	Supplier Code of Conduct* Purchase Order Terms and Conditions*
	414-1	New suppliers that were screened using environmental criteria	Supply Chain
<b>GRI 416: Customer Health and Safety 2016</b>	GRI 3: 3-3	Topic management	Health and Safety - Our Customers and Partners Customer Satisfaction
	416-1	Assessment of the health and safety impacts of product and service categories	Product Stewardship California Proposition 65

GRI Standard Title	Disclosure Number	Disclosure Name	Reference / Location
<b>Non-GRI Topics</b>			
<b>Acceleration of Sustainable Technologies</b>	GRI 3:3-3	Topic management	Why Wolfspeed Product Sustainability Energy and Greenhouse Gas Emissions Our Contributions to the UN Sustainable Development Goals (SDGs)
<b>Business Continuity</b>	GRI 3:3-3	Topic management	Global Business Continuity & Crisis Management
<b>Customer Satisfaction</b>	GRI 3:3-3	Topic management	Customer Satisfaction
<b>Intellectual Property</b>	GRI 3:3-3	Topic management	Information Security 2022 Annual Report* Licensing*
<b>International Trade Regulations</b>	GRI 3:3-3	Topic management	Global Trade Compliance
<b>Product Innovation</b>	GRI 3:3-3	Topic management	Why Wolfspeed Our Contributions to the UN Sustainable Development Goals (SDGs) Product Sustainability
<b>Product Quality</b>	GRI 3:3-3	Topic management	Product Quality
<b>Risk Management</b>	GRI 3:3-3	Topic management	Risk Management Global Business Continuity & Crisis Management TCFD Disclosures 2022 Annual Report*

\* Can be found on [wolfspeed.com](http://wolfspeed.com)

<sup>1</sup> There was a typo in the calculation formula of scope 3 total emissions on page 144. The correct totals are being reported in this report.

<sup>2</sup> At the corporate level, we are a member of PowerAmerica, the Semiconductor Industry Association, German Electro and Digital Industry Association (ZVEI), European Center for Power Electronics (ECPE), Automotive Industry Action Group (AIAG), and JEDEC Solid State Technology Association's committee JC-14, Quality and Reliability of Solid State Products and committee JC-70, Wide Bandgap Power Electronic Conversion Semiconductors. Also IPC and UN National Technical Advisory Group.

<sup>3</sup> The vast majority (more than 99.9%) of employees are not covered by collective bargaining agreements.

<sup>4</sup> Based on GRI's definition of infrastructure, the company currently does not provide any infrastructure projects or provide any infrastructure-related projects.

<sup>5</sup> The company has not yet assessed the significance of our indirect economic impacts in the context of external benchmarks and stakeholder priorities. Examples of our significant identified indirect economic impacts are reported.

<sup>6</sup> In 2022, the company did not have any legal actions regarding anti-competitive behavior or violations of anti-trust and monopoly legislation.

<sup>7</sup> This metric is reported in terms of scope 3 GHG emissions.

<sup>8</sup> Providing new hire percentages would be misleading because such information is not tracked in the way in which this disclosure indicator is framed and therefore would not add any value by inclusion. The new hire rate numbers are reported. The company considers the employee turnover information to be confidential. For competitive and other valid business reasons, we do not report our employee turnover rates.

<sup>9</sup> The company follows all minimum notice period reporting requirements as determined by applicable law.

<sup>10</sup> The company is in the process of changing the mechanism by which training is administered and documented and therefore does not have accurate information to provide at this time. However, employees receive appropriate training as required by applicable law.

<sup>11</sup> The company considers pay information to be confidential. For competitive and other valid business reasons, we do not report this metric. Our renumeration practices are reported.

<sup>12</sup> For privacy and other valid business reasons, we do not report this metric.

## SASB DISCLOSURES

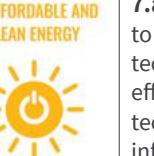
SASB Topic	SASB Code	SASB Accounting Metric	SASB Disclosure	Location
<b>Greenhouse Gas Emissions</b>	TC-SC-110a.1	(1) Gross global scope 1 emissions (2) Amount of total emissions from perfluorinated compounds	(1) 309,299 metric tons CO <sub>2</sub> e (2) 57,655 metric tons CO <sub>2</sub> e	Energy and Greenhouse Gas Emissions Sustainability Data CDP Climate Change*
<b>Greenhouse Gas Emissions</b>	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance	We disclose this information in various Sustainability Report sections and CDP Climate Change responses	Energy and Greenhouse Gas Emissions Sustainability Goals TCFD Disclosures CDP Climate Change*
<b>Energy Management in Manufacturing</b>	TC-SC-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) 1,680,382 gigajoules (2) 79% grid electricity (3) 3.5% renewable, estimated based on local utilities grid mix (0.7% directly renewable, due to standard product offering by energy supplier)	Energy and Greenhouse Gas Emissions Sustainability Data
<b>Water Management</b>	TC-SC-140a.1	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 1,516 thousand cubic meters (2) 12% of water withdrawn, 19% of water consumed in High or Extremely High Baseline Water Stress areas	Water Management Sustainability Data
<b>Waste Management</b>	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	(1) 2,272 metric tons (2) 27% of hazardous waste reclaimed, recycled, or recovered 0.1% of hazardous waste reclaimed, recycled, or recovered (does not include energy recovery)	Waste Management Sustainability Data
<b>Employee Health &amp; Safety</b>	TC-SC-320a.1	Description of efforts to assess, monitor and reduce exposure of employees to human health hazards	We disclose this information in our Sustainability Report and Code of Conduct	Health and Safety — Our Employees and Contractors Code of Conduct*
<b>Employee Health &amp; Safety</b>	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	In 2022, Wolfspeed did not have any monetary losses or legal actions regarding employee health and safety violations	SASB Disclosures
<b>Recruiting &amp; Managing a Global &amp; Skilled Workforce</b>	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals, and (2) located offshore	This information is unavailable because the company does not require employees to self-report visa status	SASB Disclosures
<b>Product Lifecycle Management</b>	TC-SC-410a.2	Percentage of products by revenue that contain IEC 62474 declarable substances	Approximately 45% of our products sold in FY2022 by revenue contained IEC 62474 declarable substances	SASB Disclosures

## SASB DISCLOSURES (CONTINUED)

SASB Topic	SASB Code	SASB Accounting Metric	SASB Disclosure	Location
<b>Product Lifecycle Management</b>	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers (2) desktops (3) laptops	This metric is not relevant to any of our products sold in 2022	SASB Disclosures
<b>Materials Sourcing</b>	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	We disclose this information in our Sustainability Report, Code of Conduct, Responsible Minerals Sourcing Policy, Conflict Minerals Filing (Form SD), and California Proposition 65 Policy	Supply Chain Responsible Minerals Sourcing California Proposition 65 Conflict Minerals Filing (Form SD)* Code of Conduct*
<b>Intellectual Property Protection &amp; Competitive Behavior</b>	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2022, Wolfspeed did not have any monetary losses or legal actions regarding anti-competitive behavior regulations	SASB Disclosures
<b>Activity Metric</b>	TC-SC-000.A	Total production	We do not disclose confidential or competitively sensitive information	SASB Disclosures
<b>Activity Metric</b>	TC-SC-000.B	Percentage of production from owned facilities	We do not disclose confidential or competitively sensitive information	SASB Disclosures

## UN SDGs DISCLOSURES

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States and provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. The seventeen Sustainable Development Goals (SDGs) are an urgent call for action by all countries in a global partnership. We have reported on how the UN SDGs and their specific targets align with our business focus, strategy, and material issues. Refer to the [Our Contributions to the UN Sustainable Development Goals \(SDGs\)](#) section of this report for more information about how our business activities contribute to the UN SDGs.

SDG	Relevant SDG Target	Related Material Issue	Relevant Sections of this Report	SDG	Relevant SDG Target	Related Material Issue	Relevant Sections of this Report
 <b>1 NO POVERTY</b>	<b>1.2</b> By 2030, reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions	Community Engagement (Local and Global)	Community Engagement	 <b>7 AFFORDABLE AND CLEAN ENERGY</b>	<b>7.a</b> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Acceleration of Sustainable Technologies Product Innovation	Why Wolfspeed Expanding Capacity for Silicon Carbide Product Sustainability
 <b>2 ZERO HUNGER</b>	<b>2.1</b> By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round			 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	<b>8.4</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead		
 <b>4 QUALITY EDUCATION</b>	<b>4.4</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship			 <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	<b>9.4</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities		
 <b>3 GOOD HEALTH AND WELL-BEING</b>	<b>3.9</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination	Occupational Health and Safety Employee Attraction/Development/Retention	Health and Safety—Our Employees and Contractors Diversity, Equity & Inclusion	 <b>10 REDUCED INEQUALITIES</b>	<b>10.2</b> By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status	Employee Diversity and Equal Opportunity Community Engagement (Local & Global)	Diversity, Equity & Inclusion Community Engagement
 <b>6 CLEAN WATER AND SANITATION</b>	<b>6.3</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally			 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	<b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse		
		Water and Wastewater Management	Water Management	 <b>13 CLIMATE ACTION</b>	<b>13.2</b> Integrate climate change measures into national policies, strategies, and planning	Waste Management Climate Change	Waste Management Energy and Greenhouse Gas Emissions TCFD Disclosures

## TCFD DISCLOSURES

We are committed to transparency of our GHG emissions and climate-related risks and opportunities, and as a result, we are disclosing this information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures help describe our climate-related impacts and how we understand and manage climate-related risks and opportunities. Further information about our GHG emissions can be found in the **Energy and Greenhouse Gas Emissions** section of this report and in our CDP Climate Change\* responses.

### Governance

TCFD Recommended Disclosure	TCFD Disclosure
Describe the organization's governance around climate-related risks and opportunities	<p>Our Board of Directors is responsible for all sustainability matters at Wolfspeed, including climate change, through our <b>Governance and Nominations Committee</b>. Further information about our Board's oversight of sustainability can be found in the <b>Sustainability Oversight</b> section of this report.</p> <p>Our CEO, who is also the Company's President and a Board member, is also responsible for climate-related issues impacting the company because he has oversight of departments within Wolfspeed, including those that manage climate-related issues (e.g., environment, health and safety, sustainability, emergency management, product development, operations, etc.). More information about our CEO's role with the Board of Directors can be found in the <b>Board of Directors and Committee Composition</b> section of this report and on our <b>Board of Directors web page</b>.</p> <p>Sustainability-related information is presented to our Board of Directors at least once per year, which covers a range of topics, including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts.</p> <p>Our Board of Directors also discusses climate change risks as important matters arise because our manufacturing facilities are not located in areas that are typically directly impacted by climate-related events (e.g., tropical storms, droughts, etc.). Indirectly, our Board discusses climate-related opportunities often, as our business, and more specifically our products, are designed to reduce energy usage, and therefore greenhouse gas emissions, which directly affect climate change. For example, our Board helps guide our business strategy, part of which focuses on the development of silicon carbide products that enable auto manufacturers to reach their goals of electric vehicle production and adoption around the world.</p> <p>Our Board of Directors also help guide our Sustainability strategy, including goals and targets development. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>
Describe management's role in assessing and managing climate-related risks and opportunities	<p>Our Board of Directors is responsible for all sustainability matters at Wolfspeed, including climate change, through our <b>Governance and Nominations Committee</b>. Further information about our Board's oversight of sustainability can be found in the <b>Sustainability Oversight</b> section of this report. Sustainability-related information is presented to our Board of Directors at least once per year by our Senior Vice President of Legal &amp; General Counsel, which covers a range of topics including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts.</p> <p>The sustainability group with responsibility for climate-related issues, and that develops sustainability and climate-related content to be presented to the Board of Directors, consists of Wolfspeed employees from various departments including Environment, Health and Safety, Corporate Sales, and Marketing and Legal. When relevant, we also engage with employees from the Operations and Investor Relations departments. Our Legal and Corporate Sales and Marketing departments report directly to the CEO. Our Environment, Health and Safety department reports to the Operations department, which reports to the CEO. Our Investor Relations group reports to the Finance department, which reports to the CEO.</p> <p>The titles of employees involved in the group include the Senior Vice President of Legal &amp; General Counsel; Vice President Legal &amp; Chief Compliance Officer; Vice President Corporate Marketing; Global Environment, Health &amp; Safety Director; and Sustainability Engineer. Climate-related issues are monitored by this committee because it is a multi-disciplinary group that represents all of Wolfspeed's business units (Power and Radio Frequency) and provides different perspectives on how climate change could potentially affect Wolfspeed's product sales and financial performance, reputation, direct operations and supply chain. On a day-to-day basis, the individuals of this committee work with their departments to address climate-related issues. For example, our Environment, Health &amp; Safety department is responsible for various corporate sustainability initiatives and compliance with health, safety, and environmental regulations.</p>

\* Can be found on [cdp.net](http://cdp.net) or [wolfspeed.com](http://wolfspeed.com)

## Strategy

TCFD Recommended Disclosure	TCFD Disclosure
Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term	<p>Our climate-related risks and opportunities over the short-, medium- and long-term can be found in the <b>Our Climate Change Risks</b> and <b>Our Climate Change Opportunities</b> subsection. The risks and opportunities reported here refer to those that could have a substantive financial or strategic impact to our business.</p> <p>We define a substantive financial or strategic impact as something that will cause significant impact to our business both internally (i.e., our direct operations) or externally (i.e., our upstream and downstream value chain). We use \$1million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change.</p> <p>Our short-term horizon was chosen to be 0-1 years because our budgets are currently established on a shorter-term timeframe. Our medium-term horizon was chosen to be 1-10 years based on our anticipated timeline for our current capacity expansion efforts that are planned to be completed in next couple of years. Our long-term horizon of 10-100 years is not currently aligned with other business practice time horizons.</p>
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>We have reviewed various stages of our value chain to understand how our climate-related risks and opportunities have influenced or could potentially influence our strategy. This information can be found in the <b>How Climate-Related Risks and Opportunities Have Influenced Our Strategy</b> subsection.</p> <p>We have reviewed various financial elements to understand how our climate-related risks and opportunities have influenced or could potentially influence our financial planning and strategy. This information can be found in the <b>How Climate-Related Risks and Opportunities Have Influenced Our Financial Planning</b> subsection.</p> <p>We consider different risk types when understanding and determining our climate-related risks. This information can be found in the <b>What We Consider When Determining Our Climate-Related Risks</b> subsection.</p> <p>We have used a qualitative climate-related scenario analysis to better understand how climate change could potentially affect our business and strategy. This information can be found in the <b>Our Climate-Related Scenario Analysis: IRENA</b> subsection.</p>
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>We have used a qualitative climate-related scenario analysis to better understand how climate change could potentially affect our business and strategy. This information can be found in the <b>Our Climate-Related Scenario Analysis: IRENA</b> subsection.</p>

## Risk Management

TCFD Recommended Disclosure	TCFD Disclosure
	<p><i>Direct Operations:</i> Risk management at Wolfspeed is a process undertaken by all functions within the business, including a review of risks related to financial and market performance, operational performance, emergency preparedness and response, environment, health and safety compliance, among other areas. Wolfspeed assesses and prioritizes risks based on impacts to our business and products, our employees, the communities in which we operate, and our customers. Wolfspeed also assesses and prioritizes risks based on regulatory impacts. In addition, Wolfspeed has established a formal Enterprise Risk Management program in order to identify, assess, prioritize and manage key enterprise risks.</p> <p>Our Finance, Internal Audit, Legal and Investor Relations departments identify and assess both domestic and international business risks, financial risks, and market risks. These risks, as well as environmental compliance risks, are reviewed as part of financial disclosure requirements (e.g., US SEC Form 10-K). Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. Our business continuity team conducts an annual site-specific risk assessment for key locations in the US. The assessment includes physical climate-related risks such as flooding, severe storms, drought, hurricane potential, tornadoes, extreme heat and cold, and wildfires. We have also considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We use \$1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change.</p> <p>Wolfspeed uses a <b>materiality assessment</b> process to identify, assess, and prioritize sustainability topics, including corporate governance, products, environmental protection (including climate change), social responsibility, and economic performance. Wolfspeed periodically conducts a materiality assessment. During a reporting year, we refine and assessed the issues that matter the most to Wolfspeed's business and our stakeholders. The results from the materiality assessment provide guidance on future focus areas.</p>
Describe the organization's processes for identifying and assessing climate- related risks	<p>Wolfspeed's Environment, Health &amp; Safety department is responsible for maintaining our <b>ISO 14001 certifications</b>. Wolfspeed's ISO 14001 environmental management systems involve assessing environmental impacts of our manufacturing operations, including those that impact or are impacted by climate change. ISO 14001 defines an environmental aspect as an element of an organization's activities, products, or services that has or may have an impact on the environment. Our significant impacts for each site covered under an ISO 14001 certification are determined using a ranking system. Each environmental aspect (e.g., greenhouse gas emissions, energy usage) is ranked from 0 through 4 based on each of the following criteria: severity, magnitude, probability, frequency, controllability, duration, employee concerns, community concerns, boundaries, business impact, and regulatory. Each aspect receives a total score and the highest scores designate what our significant impacts are, which we focus on in more detail in our environmental management systems.</p>
Describe the organization's processes for managing climate- related risks	<p>We have established corporate-wide goals to manage climate-related risks. Our sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>
Describe how processes for identifying, assessing, and managing climate- related risks are integrated into the organization's overall risk management	<p><i>Upstream:</i> SITUATIONALLY, DEPARTMENTS INCLUDING ENVIRONMENT, HEALTH AND SAFETY, CORPORATE SALES AND MARKETING, LEGAL, OPERATIONS (PROCUREMENT), AND INVESTOR RELATIONS, AMONG OTHERS, ASSESS WOLFSPEED-SPECIFIC PHYSICAL AND TRANSITIONAL RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE. WE HAVE CONSIDERED RAW MATERIAL SOURCING ISSUES, AND DISTRIBUTION CHANNEL IMPACTS THAT COULD RESULT FROM GLOBAL CLIMATE-RELATED IMPACTS. WE RELY ON GLOBAL SUPPLIERS FOR RAW MATERIALS, WHO DEPENDING ON THEIR LOCATION, MAY BE SUBJECT TO VARIOUS SUPPLY CONSTRAINTS, INCLUDING THOSE DUE TO CLIMATE CHANGE. IN AN INSTANCE WHERE WOLFSPEED DEPENDS ON A NUMBER OF LIMITED SOURCE SUPPLIER FOR CERTAIN RAW MATERIALS, COMPONENTS, SERVICES AND EQUIPMENT USED IN THE MANUFACTURING OF OUR PRODUCTS, CLIMATE CHANGE-RELATED RISKS COULD AFFECT WOLFSPEED. FOR EXAMPLE, CHRONIC DROUGHT OR FLOODING COULD INCREASE INSTABILITY IN REGIONS OF THE WORLD THAT SUPPLY CRITICAL RAW MATERIALS, CAUSING BUSINESS INTERRUPTION. WE USE \$1 MILLION USD TO ESTABLISH A THRESHOLD FOR SUBSTANTIVE FINANCIAL IMPACT WHEN DETERMINING POTENTIAL IMPACTS DUE TO CLIMATE CHANGE.</p> <p>Wolfspeed also assesses upstream risks by calculating our upstream <b>scope 3 GHG emissions</b>, which helps us better understand our impact. Our Procurement department also manages both physical and transitional risks and opportunities in our supply chain. Our dedicated supply chain staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Wolfspeed manage potential supply chain risks, including those associated with climate change. We assess our Purchased Quality Item (PQI) suppliers of items in Wolfspeed products and key consumable items. These types of suppliers are identified in our risk based PQI supplier model as required to undergo an assessment audit that contains the supplier's business continuity for climate-related hazards such as weather catastrophes. Where possible, Wolfspeed seeks to obtain goods and services from local suppliers in the locations where Wolfspeed conducts business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts.</p> <p><i>Downstream:</i> SITUATIONALLY, DEPARTMENTS INCLUDING ENVIRONMENT, HEALTH &amp; SAFETY, CORPORATE SALES AND MARKETING, LEGAL, OPERATIONS, AND INVESTOR RELATIONS, AMONG OTHERS, ASSESS WOLFSPEED-SPECIFIC PHYSICAL AND TRANSITIONAL RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE. DURING OUR CLIMATE-RELATED RISK ASSESSMENTS WE HAVE CONSIDERED THE AFFECT CLIMATE CHANGE COULD HAVE ON OUR BUSINESS DOWNSTREAM. WE FEEL THAT CLIMATE CHANGE IS A POTENTIAL OPPORTUNITY FOR US BECAUSE OUR PRODUCTS ARE SPECIFICALLY DESIGNED TO REDUCE ENERGY CONSUMPTION AND GHG EMISSIONS COMPARED TO INCUMBENT TECHNOLOGIES. HOWEVER, SINCE CLIMATE-RELATED EVENTS COULD CAUSE DELAYS IN PRODUCT DISTRIBUTION, THERE ARE COMMERCIAL RISKS ASSOCIATED WITH DELIVERING OUR PRODUCTS IN A TIMELY MANNER. WE USE \$1 MILLION USD TO ESTABLISH A THRESHOLD FOR SUBSTANTIVE FINANCIAL IMPACT WHEN DETERMINING POTENTIAL IMPACTS DUE TO CLIMATE CHANGE.</p> <p>Wolfspeed also assesses downstream risks by calculating our downstream <b>scope 3 GHG emissions</b>, which helps us better understand our impact. Our Corporate Sales and Marketing department manages Wolfspeed's climate- related transitional risks and opportunities, including those related to our product sales, our reputation, market projections, and consumer preferences. Wolfspeed assesses market trends and technology advancements to suggest what our business focus should be. For example, we have shifted our strategic focus toward our semiconductor business due to the anticipated increased adoption of energy efficient technologies that use our products (e.g., renewable energy, electric vehicles).</p>

## Metrics and Targets

TCFD Recommended Disclosure	TCFD Disclosure
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>We calculate our scope 1, 2, and 3 greenhouse gas emissions annually to better understand our climate-related impacts. Our scope 1, 2, and 3 greenhouse gas emissions can be found in the <b>Energy and Greenhouse Gas Emissions</b> and <b>Sustainability Data</b> sections of this report and in our CDP Climate Change* responses. More information about how our greenhouse gas emissions were calculated can be found in the <b>Sustainability Data Footnotes</b> of this report. We use an independent third-party to perform a limited assurance verification of our scope 1, 2, and select 3 greenhouse gas emissions. More information about the verification of our sustainability data can be found in the <b>Independent Assurance Statement</b> section of this report.</p> <p>The products we produce and sell globally actually result in a net positive impact on climate change and we calculate this impact annually. Our Power and RF products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO<sub>2</sub>e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products). More information about how these greenhouse gas emission savings were calculated can be found in the <b>Sustainability Data Footnotes</b> of this report.</p> <p>We have established corporate-wide goals to manage climate-related risks. Our sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy. More information about progress toward our climate change-related goals can be found in the <b>Energy and Greenhouse Gas Emissions</b> and <b>Sustainability Data</b> sections of this report. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>
Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	<p>We calculate our scope 1, 2, and 3 greenhouse gas emissions annually to better understand our climate-related impacts. Our scope 1, 2, and 3 greenhouse gas emissions can be found in the <b>Energy and Greenhouse Gas Emissions</b> and <b>Sustainability Data</b> sections of this report and in our CDP Climate Change* responses. More information about how our greenhouse gas emissions were calculated can be found in the <b>Sustainability Data Footnotes</b> of this report. We use an independent third-party to perform a limited assurance verification of our scope 1, 2, and 3 greenhouse gas emissions. More information about the verification of our Sustainability data can be found in the <b>Independent Assurance Statement</b> section of this report.</p>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>We have established corporate-wide goals to manage climate-related risks. Our sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy. More information about progress toward our climate change-related goals can be found in the <b>Energy and Greenhouse Gas Emissions</b> and <b>Sustainability Data</b> sections of this report. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>

## Our Climate Change Risks

Potential Risk	Time Horizon	Potential Impact	Estimated Financial Implications	Management Method
Carbon taxes	Medium-term	<p><i>Direct Operations:</i> Requires reduction in scope 1 emissions and potential addition of abatement technologies.</p> <p>Difficult to alter manufacturing inputs since our products rely on the use of very specific inputs. Changing the types and amounts of gases used in our manufacturing processes could greatly compromise product quality.</p>	<p>Potential financial impact: \$80-130 million annually</p> <p>Potential cost of response: \$6.6 million</p>	<p>Increasing the size of our silicon carbide wafers produced, which yields more product per similar amount of input. Redesigning some manufacturing equipment to use gases with lower global warming potential (GWP) and improving manufacturing process for some of our burn in tools in Durham and RTP, NC, USA.</p> <p>Currently exploring a project to eliminate the use of one of our greenhouse gases with a high GWP in one of our manufacturing processes. Testing was successful and project is planned to be implemented in the near future.</p>
Fluctuating socio-economic conditions	Short-term	<p><i>Upstream (supply chain):</i> Many of our critical raw materials are sourced from areas of the world vulnerable to instability as a result of drought and other climate-related issues.</p>	<p>Severe cost to our supply chain and business interruption. The financial implications for this risk affecting our supply chain is confidential. Depending on the material, it could have a substantive impact (i.e., could be more than \$1 million depending on the event).</p> <p>Potential cost of response: \$0</p>	<p>Our dedicated supply chain staff, Supplier Code of Conduct, and Responsible Minerals Sourcing Policy help to manage potential risks in our supply chain</p>
Unsuccessful investment in new technologies	Medium-term	<p><i>Downstream (customers):</i> Local utilities in some of the areas we operate are not adopting policies that promote the economical adoption of renewable energy sources. We also see a risk with utilities not upgrading their grid system to be able to accept and manage renewable energy. These issues affect continued adoption of our technologies.</p>	<p>The financial implications for this risk affecting our direct operations and product sales is currently unknown. However, we feel the impacts could be substantive (i.e., could be more than \$1 million depending on the event).</p> <p>Potential cost of response: \$200,000</p>	<p>We have dedicated staff to manage our facilities' electricity systems and interactions with local utilities and policy makers.</p>
Water scarcity/ availability	Medium-term	<p><i>Direct Operations:</i> We require ultra-pure water for our manufacturing processes. Water availability and quality issues due to climate change could affect our manufacturing operations and product quality.</p>	<p>Potential financial impact: \$13-26 million annually</p> <p>Potential cost of response: \$10 million</p>	<p>Assessing our water risks using the WRI Aqueduct and WWF Risk Filter tools.</p> <p>Assessing all facilities' water stress using the WRI Aqueduct tool for current and future (2030 and 2040) water stress.</p> <p>Currently having water recycling systems at our Durham, NC facility (operational) and Marcy, NY facility.</p> <p>Continuously explore options for water recycle improvements to help offset the expected increase in water usage as we expand.</p>

## Our Climate Change Opportunities

Potential Risk	Time Horizon	Potential Impact	Estimated Financial Implications	Management Method
Carbon taxes and product efficiency regulations and standards	Long-term	<p><i>Downstream (customers):</i> We have always focused our priorities on improving the design and energy efficiency of our products. Our Power and Radio Frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted compared to incumbent technologies. If a carbon tax system is established in the future, we will be able to provide energy efficient, less-emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain new customers seeking products that emit less GHGs to lower their carbon tax payments.</p>	<p>Potential financial impact: \$4 billion annually (estimated FY2027 revenue)</p> <p>Potential cost of response: \$6.5 billion over five years and approximately \$196.4 million annually</p>	<p>Wolfspeed announced the \$6.5 billion global capacity expansion plans which include building of the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York complemented by expansion underway at the headquarters in Durham, North Carolina.</p> <p>In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development (\$196.4 million in fiscal year 2022). Research and development costs listed here for all our product types produced in 2022 (Materials, Power, and Radio Frequency).</p>
Increased adoption of renewable energy	Medium-term	<p><i>Downstream (customers):</i> We are transparent regarding product efficiency, and information about our products' efficiency can be found on our website. Our Power products can also be used in renewable energy applications, including solar power systems. Solar power systems designed around our silicon carbide Power devices offer huge efficiency gains and permit smaller system size, weight, and cost.</p>	<p>Potential financial impact: \$4 billion annually (estimated FY2027 revenue)</p> <p>Potential cost of response: \$6.5 billion over five years and approximately \$196.4 million annually</p>	<p>Wolfspeed announced the \$6.5 billion global capacity expansion plans which include building of the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York complemented by expansion underway at the headquarters in Durham, North Carolina.</p> <p>In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development (\$196.4 million in fiscal year 2022). Research and development costs listed here for all our product types produced in 2022 (Materials, Power, and Radio Frequency).</p>
Changes in consumer behavior	Medium-term	<p><i>Downstream (customers):</i> We may benefit from changes in consumer/ customer behavior because we have always focused our priorities on improving the design and energy efficiency of our products. We believe that our Power and Radio Frequency products appeal to the growing number of eco-conscious consumers and commercial customers who want energy efficient, less-emissive, and long-lasting products. We believe we will be able to meet the growing demand for energy efficient products resulting from changes in customer preferences.</p>	<p>Potential financial impact: \$4 billion annually (estimated FY2027 revenue)</p> <p>Potential cost of response: \$6.5 billion over five years and approximately \$196.4 million annually</p>	<p>Wolfspeed announced the \$6.5 billion global capacity expansion plans which include building of the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York complemented by expansion underway at the headquarters in Durham, North Carolina.</p> <p>In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development (\$196.4 million in fiscal year 2022). Research and development costs listed here for all our product types produced in 2022 (Materials, Power, and Radio Frequency).</p>
Use of more efficient modes of transport	Medium-term	<p><i>Downstream (customers):</i> We foresee an increased demand for more efficient forms of transportation, including electric vehicles. Many automotive companies are increasingly investing in the electric vehicle market and our Power products can be used in electric vehicles. Our silicon carbide MOSFETs, for example, enable faster, more efficient charging and increase power density of the electric circuits. Our silicon carbide products allow electric vehicles to go farther, charge faster, and perform better.</p>	<p>Potential financial impact: \$4 billion annually (estimated FY2027 revenue)</p> <p>Potential cost of response: \$6.5 billion over five years and approximately \$196.4 million annually</p>	<p>Wolfspeed announced the \$6.5 billion global capacity expansion plans which include building of the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York complemented by expansion underway at the headquarters in Durham, North Carolina.</p> <p>In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development (\$196.4 million in fiscal year 2022). Research and development costs listed here for all our product types produced in 2022 (Materials, Power, and Radio Frequency).</p>

## OUR CLIMATE-RELATED SCENARIO ANALYSIS: IRENA

We reviewed climate-related scenarios listed in the CDP Climate Change survey and eliminated options that heavily relied on carbon sequestration as a technology that is not progressing as rapidly as the scenarios require.

Wolfspeed chose the International Renewable Energy Agency (IRENA) scenario because we feel that it is a scenario that could reasonably occur in the future and because it promotes energy efficiency measures and increased adoption of renewable energy, which aligns with our business focus and strategy. We also chose the IRENA scenario because it is in line with limiting global temperature rise to 1.5 degrees Celsius and bringing GHG emissions to net zero by 2050. We assessed our strengths, weaknesses, opportunities, and threats in the IRENA scenario for all Wolfspeed operations and our value chain on a ten-year timeframe because the IRENA climate-scenario considers CO<sub>2</sub> emissions reductions by 2050. Even though IRENA is projected to 2050, the impacts within the next ten years are significant with existing technologies.

The main measurable factors built into the IRENA transition scenario that have a material impact on our business performance include energy efficient products, innovations, technologies, and use of renewables. The IRENA's world energy transition outlook provides a range of assumptions concerning how the parameters are likely to develop, such as affordability of renewable technologies, availability of renewable options to end users and energy transition focused on renewables and efficient technologies with electrification and energy efficiency as primary drivers.

The results from the IRENA analysis reinforce our new strategy toward significant investment in our Power and Radio Frequency division. The market for energy efficient products (i.e., renewable energy, electric vehicles) is expected to expand, and our products are more efficient than existing technologies. The results of our IRENA scenario analysis include:

### Strengths

The energy efficiency impacts of our current products can help with the energy efficiency needs specified in the IRENA scenario. Developing energy efficient products is part of our everyday culture and what motivates our employees. Our products also allow for the development of other energy efficient products (e.g., renewable energy, electric vehicles). Our research and development drives innovation and speed to market for energy efficient products in the marketplace. We are vertically integrated which helps minimize our supply chain risks.

### Weaknesses

Our planning processes are typically shorter than the ten year timeframe used in this analysis. Electricity is a large input to our manufacturing process and we currently only purchase carbon-free energy directly at our Morgan Hill, CA, facility, which represents a small amount compared to other Wolfspeed's manufacturing sites' electricity usage. Any use of renewable energy at our other facilities is based on our electric utilities' energy mix.

### Opportunities

Our products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles, and electric vehicle charging. In the IRENA scenario, all these technology changes will be required to reduce CO<sub>2</sub> emissions. Regulation in the form of carbon taxes could increase demand for our products and could offset increases in operational cost from the tax. In our operations, we could diversify our energy supply by implementing renewable energy at our sites to replace our current electricity from non-renewable sources. The increased adoption of energy efficient transportation will require increased electrification and improvements in the world's current energy grid. The current state of our energy grid will not support the large anticipated shift to electric vehicle adoption, and we believe that our products can enable improvements in the energy grid.

### Threats

It is possible that other more energy efficient technologies not yet developed could replace ours, putting our business at risk. If the impacts due to climate change worsen, Wolfspeed could experience supply chain disruptions due to extreme weather events and/or climate shifts. Energy grid capacity constraints could affect the adoption of new technologies that use our products.

## How Climate-Related Risks and Opportunities Have Influenced Our Strategy

We have reviewed various stages of our value chain to understand how our climate-related risks and opportunities have influenced or could potentially influence our strategy.

Value Chain Stage	Description
<i>Downstream:</i> Products	<p>Climate change opportunities have influenced our strategy regarding our products. Wolfspeed was founded upon the premise that our silicon carbide based technology for Power and Radio Frequency (RF) devices could fundamentally change the efficiency of energy use around the world. Our mission is to lead the innovation and commercialization of silicon carbide and gallium nitride, liberating designers to invent Power and wireless systems for a responsible, energy efficient future. Our Power and RF products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, and electric vehicles. Our RF products help enable the transition to 5G, which requires the transmission of more data at faster speeds with greater precision. Smart cities, smart manufacturing, autonomous vehicles and connected transportation can all be realized through the availability of 5G. Our products can achieve the greater bandwidth and efficiency that 5G requires. We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and climate change. The products we produce and sell globally actually result in a net positive impact on climate change. Our Power and RF products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO<sub>2</sub>e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products). Time horizon: Short-term (0-1 year)</p>
<i>Upstream:</i> Supply chain	<p>Our climate change risks have influenced our strategy regarding our supply chain. Situationally, various departments including Environment, Health &amp; Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. We have considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We rely on global suppliers for raw materials who, depending on their location, may be subject to various supply constraints, including those due to climate change. In an instance where we depend on a number of limited source suppliers for certain raw materials, components, services and equipment used in the manufacturing of our products, climate change-related risks could affect Wolfspeed.</p> <p>We also assess upstream supply chain risks by calculating our upstream scope 3 GHG emissions, which helps us better understand our impact. Our dedicated supply chain staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Wolfspeed manage potential supply chain risks, including those associated with climate change. We assess our Purchased Quality Item (PQI) suppliers of items in Wolfspeed products and key consumable items. These types of suppliers are identified in our risk based PQI supplier model as required to undergo an assessment audit that contains the supplier's business continuity for climate-related hazards such as weather catastrophes. Where possible, Wolfspeed seeks to obtain goods and services from local suppliers in the locations where Wolfspeed conducts business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts. Time horizon: Short-term (0-1 year)</p>
<i>Direct Operations:</i> Investment in R&D	<p>Our climate change opportunities have influenced our strategy regarding our investment in R&amp;D. Climate change is inherently integrated into our business objectives and strategy. We are a market-leading innovator of semiconductor products for Power and Radio Frequency applications. Wolfspeed was founded upon the premise that our silicon carbide-based technology for Power and Radio Frequency devices could fundamentally change the efficiency of electricity use around the world. We invest significant resources in R&amp;D and our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. Time horizon: Short-term (0-1 year) and medium-term (1-10 years)</p>
<i>Direct Operations:</i> Our Operations	<p>Our climate change risks and opportunities have influenced our strategy regarding our operations. We have improved yield by increasing the size of the silicon carbide wafers produced, which yields more product per the same amount of input (e.g., electricity and GHGs used in the production process). Our manufacturing departments collect metrics for production and product mix, including energy efficiency and product yield. These metrics are then used to fuel internal decisions regarding process operations, product design, sales goals, etc. We have an incentive program to increase manufacturing yield that can lead to building fewer wafers, resulting in fewer wasted materials, lower usage of greenhouse gases in our manufacturing processes, and reduced costs.</p> <p>We developed corporate sustainability goals, which include climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p> <p>The foreseen increased demand for energy efficient technologies like renewable energy and electric vehicles due to their impacts on energy efficiency and climate change further supports our focus and strategy. Wolfspeed announced the \$6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York complemented by expansion underway at the headquarters in Durham, North Carolina. More information about our expansion efforts can be found in the <b>Expanding Capacity for Silicon Carbide</b> section of this report.</p> <p>We also use a materiality assessment process to review and prioritize sustainability objectives. Product energy efficiency and energy efficiency of operations have been identified as two of the important aspects by both internal and external stakeholders. More information about our materiality assessment can be found in the <b>Materiality Assessment</b> section of this report.</p> <p>Our Environment, Health &amp; Safety department also collects environmental metrics and works with other departments, including production and facilities, to ensure regulatory compliance and environmental operational efficiency.</p> <p>Time horizon: Medium-term (1-10 years)</p>

## How Climate-Related Risks and Opportunities Have Influenced Our Financial Planning

We have reviewed various financial elements to understand how our climate-related risks and opportunities have influenced or could potentially influence our financial planning.

Financial Element	Description
Revenue	Our identified risks have impacted our revenue financial planning in the short-term (0-1 year) since our risks are on a short-term or medium-term timeframe. Our climate change opportunities are impacted because we foresee an increase in demand for our Power and Radio Frequency products in the short-, medium-, and long-term. Our Power and Radio Frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted) compared to incumbent technologies. In 2022, these opportunities allowed us to reach a broader customer base and bring new products to market, contributing to an increase in our Power and Radio Frequency revenue. We anticipate our Power and Radio Frequency revenue could increase from \$746.2 million in FY2022 to about \$4 billion in FY2027.
Indirect Costs	Our operating costs are currently established in our budgets on a short-term (0-1 year) and medium-term (1-10 years). Our identified risks have not yet greatly impacted our operating cost-planning process since our risks are on a short-term or medium-term timeframe. Our manufacturing operations heavily rely on the use of electricity. We have not seen major changes in fuel or electricity costs and do not anticipate major changes in the short- term or medium-term. Since we foresee an increase in demand for our Power and Radio Frequency products, in 2022 and beyond we are targeting the conversion of the majority of our Wolfspeed Power production from 100mm to either 150mm or 200mm substrates. Because we aimed to make the transition in a cost-effective and timely manner, in many cases we relied on contractors for production capacity, logistics support, and certain administrative functions including hosting of certain information technology software applications. These added functions affect our operating costs.
Capital Expenditures	Our opportunities have been factored into our capital expenditures planning, as we foresee an increase in demand for our energy efficient Power and Radio Frequency products and as a result plan to invest in expanding our operations in the short- term (0-1 year) and medium-term (1-10 years). Further investment in our Power and Radio Frequency division requires an increase in capital expenditures. At our existing sites, we have increased production capacity by adding new equipment and infrastructure to meet the increased demand for our products. In 2019, we announced plans to invest up to \$720 million in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production to meet the expected market growth by 2024. We also announced our plans to establish a silicon carbide corridor on the East Coast of the United States with the creation of the world's largest silicon carbide fabrication facility. The new fabrication facility will be a bigger, highly automated factory with greater output capability was opened in April 2022. The plan enables 25% increased capacity with lower net capital expenditures. In 2022 we announced building the world's largest silicon carbide manufacturing facility in Siler City, North Carolina. The \$5 billion investment is targeted to generate a more than 10 fold increase from our current silicon carbide production capacity on its Durham campus, supporting the company's long-term growth strategy, accelerating the adoption of silicon carbide semiconductors across a wide array of end-markets and unlocking a new era of energy efficiency.
Access to Capital	Our identified climate change-related risks have positively impacted our access to capital since they are on a short-term (0-1 year) or medium-term (1-10 years) timeframe. We anticipate our climate change opportunities to be impacted because we foresee an increase in demand for our energy efficient Power and Radio Frequency products in the short-, medium- and long-term. In 2019, we announced plans to invest up to \$720 million in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production to meet the expected market growth by 2024. We also announced our plans to establish a silicon carbide corridor on the East Coast of the United States with the creation of the world's largest silicon carbide fabrication facility. The new fabrication facility will be a bigger, highly automated factory with greater output capability was opened in April 2022. The plan enables 25% increased capacity with lower net capital expenditures. In 2022 we announced building the world's largest silicon carbide manufacturing facility in Siler City, North Carolina. The \$5 billion investment is targeted to generate a more than 10-fold increase from our current silicon carbide production capacity on its Durham campus, supporting the company's long-term growth strategy, accelerating the adoption of silicon carbide semiconductors across a wide array of end-markets and unlocking a new era of energy efficiency.
Acquisitions and divestitures	Our strategy includes acquisitions and divestments to streamline business focus on our core Materials, Power, and Radio Frequency divisions which lead Wolfspeed operations to more energy efficient future in the short- term (0-1 year) and medium-term (1-10 years) timeframe. We are expanding our Power and Radio Frequency division due to increased demand, and in 2018 we acquired Infineon's RF Power Business for approximately €345 million. This acquisition allows Wolfspeed's wireless market opportunity to expand, especially in terms of positioning our products to enable faster 4G networks and being on the forefront of providing products to transition to 5G. To further our strategy to create a more focused, powerhouse semiconductor company, we divested our Lighting Products business unit in 2019 for approximately \$310 million before tax impacts. In 2020, we announced the divestiture of our LED business unit for approximately \$300 million; this sale was finalized in 2021. Both transactions have provided significant resources to help accelerate the growth of our Power and Radio Frequency division.

## What We Consider When Determining Our Climate-Related Risks

Situationaly, departments including Environment, Health & Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have reviewed various risk types along our value chain to better understand and determine our climate-related risks and opportunities.

Risk Type	Description
Current regulation	<p>Current regulations are relevant and have been included in our assessments. However, the current regulation that applies to Wolfspeed only requires reporting of greenhouse gas emissions to the United States EPA, which is done annually in accordance with such regulation. Our GHG emissions are included in our climate-related risk assessments, specifically when we discuss our risks associated with regulations that could emerge because of the data collected from United States EPA's Greenhouse Gas Reporting Program reporting requirements (e.g., carbon taxes, GHG emission threshold regulations). Through calculating emissions for EPA, we also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from United States EPA's Greenhouse Gas Reporting Program are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors, and organizations that rate/score us based on our ESG performance. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. We developed corporate sustainability goals, which include climate change-related goals to help further reduce our greenhouse gas impacts. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy no later than 2050. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>
Emerging regulation	<p>We have considered emerging regulation as both a risk and opportunity in our climate-related risk assessments. For example, we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations. We could reduce our scope 1 GHG emissions and reduce our carbon taxes by adding fluorinated gas abatement. We have also considered the potential impacts to Wolfspeed's business due to the proposed EPA HFC-phasedown rule associated with the AIM Act. It is more difficult to change manufacturing inputs since our products rely on the use of very specific inputs. Changing the types and amounts of gases used in our manufacturing processes could greatly compromise product quality. However, our Power and Radio Frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted. If a carbon tax system is established in the future, we will be able to provide energy efficient, less emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain new customers seeking products that emit less GHGs to lower their carbon tax payments. Another example of emerging regulation is the SEC climate change disclosure proposal that would be required for public companies, including Wolfspeed, to disclose financial metrics in its audited financial statements and to comply with a phased-in assurance requirement on carbon emissions disclosures. We are monitoring this proposal to ensure our current and future climate change-related actions align with this pending regulation in its final form. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. We developed corporate sustainability goals, which include climate change-related goals to help further reduce our greenhouse gas impacts. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy no later than 2050. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>
Acute physical	<p>We have considered acute physical risks in our climate-related scenario analyses. Wolfspeed has assessed potential risks to major facilities due to climate change, including flooding, severe storms, drought, hurricane potential, tornadoes, extreme heat and cold, and wildfires. Acute physical risks are incorporated into Wolfspeed's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.</p>
Chronic physical	<p>We have considered chronic physical risks in our climate-related scenario analyses. We have assessed how shifts in climate could affect our facilities and supply chain in the long-term. For example, sea level rise could impact the ports used for shipment of raw materials and products around the world. Chronic physical risks are also incorporated into Wolfspeed's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.</p>
Legal	<p>Various departments throughout Wolfspeed ensure we are maintaining compliance with all laws, including those related to climate change. To date, legal issues have not been a significant climate change risk or opportunity for Wolfspeed, however Wolfspeed continues to monitor future regulations as discussed in the emerging regulation section (e.g., we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations, and have explored new projects to reduce the use of fluorinated gases with high GWPs in our manufacturing processes).</p>
Technology	<p>We have considered technology as both a risk and opportunity in our climate-related risk assessments. Through our energy efficient products, our success is tied in part to efforts to reduce product energy usage and resulting greenhouse gas emissions, which directly affect climate change. Our Power products enable other energy efficient technologies (e.g., renewable energy, electric vehicles) to develop, and we have discussed the risks associated with the timely adoption and scale of these technologies.</p>
Market	<p>We have considered market risks in our climate-related risk assessments. The market for energy efficient products affects our business because our products reduce product energy usage and greenhouse gas emissions, which directly affect climate change. Market projections impact our business greatly. As demand increases for energy efficient solutions, including electric vehicles, solar, and industrial processes, Wolfspeed must invest to grow our business to meet this demand. The International Energy Agency reported in their "Global Electric Vehicle Outlook 2023" that in 2022 there were about 26 million electric cars on the world's roads and electric car sales are expected to continue strongly through 2023. There are risks associated with production planning based on the market for energy efficient technologies. If we project too low, then we would not be able to meet demand and lose our competitive advantage. If we project demand to be too high, then we risk investing in unnecessary capital to develop our facilities.</p>
Reputation	<p>We have considered reputation in our climate-related risk assessments because our reputation is directly tied to producing products that reduce product energy usage and greenhouse gas emissions. We have considered risks from climate change and how they would affect customer satisfaction and our external reputation. We also have considered operational risks and how they affect our internal reputation with current and future employees. We also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from United States EPA's Greenhouse Gas Reporting Program and Sustainability Report are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors, and organizations that rate/ score us based on our ESG performance. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. We developed corporate sustainability goals, which include climate change-related goals to help further reduce our greenhouse gas impacts. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy no later than 2050. Refer to the <b>Sustainability Goals</b> section of this report for more information about our current sustainability goals and targets.</p>

# SUSTAINABILITY DATA

## EMPLOYEES

	2019	2020	2021	2022
<b>Employees</b>				
<b>Employees by Region<sup>1</sup> [GRI 102-8]</b>	<b>3,158</b>	<b>3,845</b>	<b>4,975</b>	<b>5,474</b>
North America	3,029	3,653	4,674	5,177
Europe	46	64	78	109
Asia	83	128	223	188
<b>Employees by Employment Contract/Status<sup>1,2,3</sup> [GRI 102-8]</b>	<b>•</b>	<b>3,391</b>	<b>4,533</b>	<b>4,949</b>
<b>Full Time/Part Time</b>	<b>•</b>	<b>2,987</b>	<b>4,438</b>	<b>4,892</b>
Female	•	875	1,339	1,490
Male	•	2,112	3,099	3,402
<b>Full Time/Part Time</b>	<b>•</b>	<b>2,987</b>	<b>4,438</b>	<b>4,892</b>
North America	•	2,987	4,438	4,892
<b>Temporary</b>	<b>•</b>	<b>404</b>	<b>95</b>	<b>57</b>
Female	•	170	31	18
Male	•	234	64	39
<b>Temporary</b>	<b>•</b>	<b>404</b>	<b>95</b>	<b>57</b>
North America	•	404	95	57
<b>Employees by Employment Type<sup>1,2,3</sup> [GRI 102-8]</b>	<b>•</b>	<b>3,391</b>	<b>4,533</b>	<b>4,949</b>
<b>Full Time</b>	<b>•</b>	<b>3,360</b>	<b>4,498</b>	<b>4,905</b>
Female	•	1,029	1,352	1,490
Male	•	2,331	3,146	3,415
<b>Part Time</b>	<b>•</b>	<b>31</b>	<b>35</b>	<b>44</b>
Female	•	16	18	18
Male	•	15	17	26
<b>Employees by Gender<sup>4</sup> [GRI 405-1]</b>				
Female	•	•	•	30.5%
Male	•	•	•	69.5%
<b>Employees by Age<sup>4</sup> [GRI 405-1]</b>				
<30	•	•	•	40.4%
30-50	•	•	•	62.0%
>50	•	•	•	45.7%

	2019	2020	2021	2022
<b>Employees by Ethnicity<sup>5</sup> [GRI 405-1]</b>				
Underrepresented	•	•	•	58.9%
White	•	•	•	41.1%
<b>Countries Represented by Employees<sup>6</sup></b>	<b>72</b>	<b>77</b>	<b>71</b>	<b>100</b>
<b>Job Vacancies Filled by Current Employees (%)</b>	<b>26%</b>	<b>21%</b>	<b>20%</b>	<b>24%</b>
<b>Number of New Hires<sup>4</sup> [GRI 401-1]</b>	<b>872</b>	<b>741</b>	<b>1,614</b>	<b>1,625</b>
<b>By Region</b>				
North America	•	741	<b>1,614</b>	<b>1,625</b>
<b>By Gender</b>				
Female	•	265	544	528
Male	•	476	1,070	1,097
<b>By Age</b>				
<30	•	320	632	732
30-50	•	307	731	688
>50	•	114	251	205
<b>Parental Leave<sup>7</sup> [GRI 401-3]</b>				
<b>Employees Eligible for Parental Leave</b>	<b>•</b>	<b>2,987</b>	<b>4,406</b>	<b>5,117</b>
Female	•	875	1,321	1,544
Male	•	2,112	3,085	3,573
<b>Employees Who Took Parental Leave</b>				
Female	•	20	18	22
Male	•	62	83	98
<b>Employees Who Returned to Work After Parental Leave</b>				
Female	•	19	16	21
Male	•	61	71	94
<b>Employees Who Were Still Employed 12 Months After Parental Leave</b>				
Female	•	17	9	20
Male	•	57	58	85
<b>Return to Work Rate for Employees Who Took Parental Leave</b>				
Female	•	95.0%	88.9%	95.5%
Male	•	98.4%	86.7%	95.9%

## EMPLOYEES

	2019	2020	2021	2022
<b>Retention Rate for Employees Who Took Parental Leave</b>	•	90.2%	79.2%	88.3%
Female	•	85.0%	61.1%	90.0%
Male	•	91.9%	83.1%	86.7%
<b>Board of Directors</b>				
<b>Board of Directors by Gender [GRI 405-1]</b>	100%	100%	100%	100%
Female	33.3%	22.2%	22.2%	20.0%
Male	66.7%	77.8%	77.8%	80.0%
<b>Board of Directors by Age [GRI 405-1]</b>	100%	100%	100%	100%
<30	0%	0%	0%	0%
30-50	0%	0%	11%	10.0%
>50	100%	100%	89%	90.0%
<b>Board of Directors by Ethnicity [GRI 405-1]</b>	100%	100%	100%	100%
American Indian or Alaska Native (Not Hispanic or Latino)	0%	0%	0%	0%
Asian (Not Hispanic or Latino)	11.1%	11.1%	11.1%	10.0%
Black or African American (Not Hispanic or Latino)	0%	11.1%	11.1%	10.0%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%	0%	0%	0%
Hispanic or Latino (United States of America)	0%	0%	0%	0%
Two or More Races (Not Hispanic or Latino)	0%	0%	11%	10.0%
White (Not Hispanic or Latino)	88.9%	77.8%	66.7%	70.0%
<b>Employee Occupational Health &amp; Safety</b>				
Work-Related Fatalities [GRI 403-9] [GRI 403-10]	0	0	0	1
<b>Hours Worked (millions of hours)<sup>8</sup> [GRI 403-9] [GRI 403-10]</b>	6.1	6.0	6.1	7.3
<b>Recordable Work-Related Injuries and Ill Health Cases<sup>8,9</sup> [GRI 403-9] [GRI 403-10]</b>	47	32	40	61
Injury Cases	35	28	30	61
Ill Health Cases	12	4	10	0
<b>Recordable Work-Related Injuries and Ill Health Rates<sup>8,10</sup> [GRI 403-9] [GRI 403-10]</b>	1.54	1.07	1.30	1.67
Injury Rates	1.15	0.94	0.98	1.67
Ill Health Rates	0.39	0.13	0.33	0.00

	2019	2020	2021	2022
<b>High-Consequence Recordable Work-Related Injuries and Ill Health Cases<sup>8,11</sup> [GRI 403-9] [GRI 403-10]</b>	6	4	2	2
Injury Cases	6	3	2	2
Ill Health Cases	0	1	0	0
<b>High-Consequence Recordable Work-Related Injuries and Ill Health Rates<sup>8,9,10,11</sup> [GRI 403-9] [GRI 403-10]</b>	0.20	0.13	0.07	0.05
Injury Rates	0.20	0.10	0.07	0.05
Ill Health Rates	0.00	0.03	0.00	0.00
<b>Employee Recordable Work-Related Injuries and Ill Health Rate Third-Party Verified (limited assurance)</b>	Yes	Yes	Yes	Yes
<b>Contract Employee<sup>12</sup> Occupational Health &amp; Safety</b>				
<b>Work-Related Fatalities [GRI 403-9] [GRI 403-10]</b>	0	0	0	0
<b>Recordable Work-Related Injuries and Ill Health Cases<sup>9</sup> [GRI 403-9] [GRI 403-10]</b>	0	5	0	2
Injury Cases	0	4	0	2
Ill Health Cases	0	1	0	0
<b>High-Consequence Recordable Work-Related Injuries and Ill Health Cases<sup>11</sup> [GRI 403-9] [GRI 403-10]</b>	0	0	0	1
Injury Cases	0	0	0	1
Ill Health Cases	0	0	0	0

## ENVIRONMENT

		2019	2020	2021	2022			2019	2020	2021	2022	
<b>Energy Use<sup>13</sup></b>												
<b>Total Energy Purchased</b> [GRI 302-1] [SASB TC-SC-130a.1]	MWh	393,406	385,537	411,807	466,773							
Electricity purchased	MWh	318,568	314,233	330,762	367,685							
Other energy purchased	MWh	74,838	71,303	81,045	99,087							
<b>Estimated Renewable Energy Purchased</b> [GRI 302-1] [SASB TC-SC-130a.1]	MWh	32,183	3,861	3,759	12,951							
Direct purchase of renewable energy/carbon free for electricity (e.g., wind, solar, hydropower, and nuclear)	MWh	2,024	2,224	2,513	2,705							
Estimated renewable energy purchases based on local utilities' energy grid mix	MWh	30,159	1,637	1,246	10,246							
<b>Estimated Other Carbon-Free (e.g., nuclear) Energy Purchased</b> [GRI 302-1] [SASB TC-SC-130a.1]	MWh	102,986	166,996	172,585	182,079							
Estimated other carbon-free electricity purchased based on local utilities' energy grid mix or country-specific data when utility information is unavailable or unknown	MWh	102,986	166,996	172,585	182,079							
<b>Estimated Non-Renewable Energy Purchased</b> [GRI 302-1] [SASB TC-SC-130a.1]	MWh	258,237	214,680	235,463	271,743							
Estimated non-renewable electricity purchased based on local utilities' energy grid mix or country-specific data when utility information is unavailable or unknown	MWh	183,398	143,376	154,418	172,656							
Natural gas purchased	MWh	74,416	70,835	80,352	98,097							
Diesel purchased	MWh	209	211	388	314							
Liquefied petroleum gas (LPG) purchased	MWh	0	0	6	0							
Gasoline purchased	MWh	94	131	189	589							
Propane gas purchased	MWh	119	126	109	87							
<b>Heat, Steam, Cooling Purchased</b> [GRI 302-1]	MWh	0	0	0	0							
Heat purchased	MWh	0	0	0	0							
Steam purchased	MWh	0	0	0	0							
Cooling purchased	MWh	0	0	0	0							
<b>Energy Sold</b> [GRI 302-1]	MWh	0	0	0	0							
Electricity sold	MWh	0	0	0	0							
Heat sold	MWh	0	0	0	0							
Steam sold	MWh	0	0	0	0							
Cooling sold	MWh	0	0	0	0							
<b>Total Energy Purchased Third-Party Verified</b> (limited assurance)		Yes	Yes	Yes	Yes							
<b>Greenhouse Gas (GHG) Emissions<sup>14</sup></b>												
<b>Scope 1 GHG Emissions (by GHG Type)</b> [GRI 305-1] [SASB TC-SC-110a.1] [TCFD Metrics and Targets]								metric tons CO <sub>2</sub> e	247,136	280,555	360,118	309,299
CO <sub>2</sub>								metric tons CO <sub>2</sub> e	13,574	12,937	14,716	18,000
CH <sub>4</sub>								metric tons CO <sub>2</sub> e	64	62	63	66
N <sub>2</sub> O								metric tons CO <sub>2</sub> e	3,415	3,861	4,326	1,208
HFCs								metric tons CO <sub>2</sub> e	11,646	14,068	15,318	13,115
PFCs								metric tons CO <sub>2</sub> e	52,597	74,204	77,340	57,655
SF <sub>6</sub>								metric tons CO <sub>2</sub> e	131,877	152,708	220,205	187,211
NF <sub>3</sub>								metric tons CO <sub>2</sub> e	3,959	4,203	4,346	8,743
Fluorinated Heat Transfer Fluids (HTFs)								metric tons CO <sub>2</sub> e	28,602	15,012	23,015	21,934
Refrigerants								metric tons CO <sub>2</sub> e	1,401	3,500	790	1,367
<b>Scope 1 GHG Emissions (by Facility)</b> [GRI 305-1] [SASB TC-SC-110a.1] [TCFD Metrics and Targets]								metric tons CO <sub>2</sub> e	247,136	280,555	360,118	309,299
Durham, NC, USA								metric tons CO <sub>2</sub> e	104,162	103,312	98,382	79,839
RTP, NC, USA								metric tons CO <sub>2</sub> e	125,059	166,154	245,246	192,862
Morgan Hill, CA, USA								metric tons CO <sub>2</sub> e	17,484	9,524	15,336	16,581
Marcy, NY, USA								metric tons CO <sub>2</sub> e	•	•	•	19,436
<b>Other Leased Facilities</b>												
Durham (warehouse), NC, USA								metric tons CO <sub>2</sub> e	143	145	0	0
Sanford, NC, USA								metric tons CO <sub>2</sub> e	•	43	79	79
Albany, NY, USA								metric tons CO <sub>2</sub> e	18	1,116	841	0
Utica, NY, USA								metric tons CO <sub>2</sub> e	•	8	8	19
Fayetteville, AR, USA								metric tons CO <sub>2</sub> e	147	131	109	159
Mesa, AZ, USA								metric tons CO <sub>2</sub> e	12	12	19	43
Shanghai, China								metric tons CO <sub>2</sub> e	10	7	32	73
Shenzhen, China								metric tons CO <sub>2</sub> e	8	17	22	20
Beijing, China								metric tons CO <sub>2</sub> e	3	3	1	0
Chengdu, China								metric tons CO <sub>2</sub> e	•	•	1	3
Hong Kong, China								metric tons CO <sub>2</sub> e	47	47	5	9
Munich, Germany								metric tons CO <sub>2</sub> e	9	9	12	114
Belfast, Ireland								metric tons CO <sub>2</sub> e	•	•	•	10
Kista, Sweden								metric tons CO <sub>2</sub> e	10	10	10	24

## ENVIRONMENT

		2019	2020	2021	2022
Oulu, Finland	metric tons CO <sub>2</sub> e	12	1	1	2
Tokyo, Japan	metric tons CO <sub>2</sub> e	3	7	7	15
Suwon, South Korea	metric tons CO <sub>2</sub> e	2	2	2	4
Penang, Malaysia	metric tons CO <sub>2</sub> e	2	3	0	0
Taipei, Taiwan	metric tons CO <sub>2</sub> e	5	1	3	7
Gurgaon, India	metric tons CO <sub>2</sub> e	2	2	1	0
<b>Scope 2 (Location-Based) GHG Emissions</b> [GRI 305-2] [TCFD Metrics and Targets]	<b>metric tons CO<sub>2</sub>e</b>	<b>116,087</b>	<b>111,199</b>	<b>97,512</b>	<b>110,418</b>
Durham, NC, USA	metric tons CO <sub>2</sub> e	98,855	93,804	83,357	91,085
RTP, NC, USA	metric tons CO <sub>2</sub> e	14,634	14,454	11,993	12,105
Morgan Hill, CA, USA	metric tons CO <sub>2</sub> e	0	391	517	590
Marcy, NY, USA	metric tons CO <sub>2</sub> e	•	•	•	4,634
<i>Other Leased Facilities</i>					
Durham (warehouse), NC, USA	metric tons CO <sub>2</sub> e	516	590	0	0
Sanford, NC, USA	metric tons CO <sub>2</sub> e	•	174	200	207
Albany, NY, USA	metric tons CO <sub>2</sub> e	57	50	46	0
Utica, NY, USA	metric tons CO <sub>2</sub> e	•	23	25	28
Fayetteville, AR, USA	metric tons CO <sub>2</sub> e	791	636	578	952
Mesa, AZ, USA	metric tons CO <sub>2</sub> e	87	79	101	101
Shanghai, China	metric tons CO <sub>2</sub> e	139	82	345	361
Shenzhen, China	metric tons CO <sub>2</sub> e	108	195	93	97
Beijing, China	metric tons CO <sub>2</sub> e	35	29	11	0
Chengdu, China	metric tons CO <sub>2</sub> e	•	•	13	13
Hong Kong, China	metric tons CO <sub>2</sub> e	601	496	51	46
Munich, Germany	metric tons CO <sub>2</sub> e	75	57	68	78
Belfast, Ireland	metric tons CO <sub>2</sub> e	•	•	•	23
Kista, Sweden	metric tons CO <sub>2</sub> e	4	4	4	3
Oulu, Finland	metric tons CO <sub>2</sub> e	55	4	3	3
Tokyo, Japan	metric tons CO <sub>2</sub> e	22	51	49	47
Suwon, South Korea	metric tons CO <sub>2</sub> e	17	14	16	15
Penang, Malaysia	metric tons CO <sub>2</sub> e	13	23	0	0
Taipei, Taiwan	metric tons CO <sub>2</sub> e	48	13	29	29
Gurgaon, India	metric tons CO <sub>2</sub> e	31	29	16	0

		2019	2020	2021	2022
<b>Scope 2 (Market-Based) GHG Emissions</b> [GRI 305-2] [TCFD Metrics and Targets]	<b>metric tons CO<sub>2</sub>e</b>	<b>85,883</b>	<b>81,591</b>	<b>88,685</b>	<b>96,349</b>
Durham, NC, USA	metric tons CO <sub>2</sub> e	72,665	68,665	76,106	79,210
RTP, NC, USA	metric tons CO <sub>2</sub> e	10,757	10,581	10,950	10,527
Morgan Hill, CA, USA	metric tons CO <sub>2</sub> e	0	0	0	0
Marcy, NY, USA	metric tons CO <sub>2</sub> e	•	•	•	4,634
<i>Other Leased Facilities</i>					
Durham (warehouse), NC, USA	metric tons CO <sub>2</sub> e	379	432	0	0
Sanford, NC, USA	metric tons CO <sub>2</sub> e	•	127	183	180
Albany, NY, USA	metric tons CO <sub>2</sub> e	57	50	46	0
Utica, NY, USA	metric tons CO <sub>2</sub> e	•	23	25	28
Fayetteville, AR, USA	metric tons CO <sub>2</sub> e	791	636	578	952
Mesa, AZ, USA	metric tons CO <sub>2</sub> e	87	79	101	101
Shanghai, China	metric tons CO <sub>2</sub> e	139	82	345	361
Shenzhen, China	metric tons CO <sub>2</sub> e	108	195	93	97
Beijing, China	metric tons CO <sub>2</sub> e	35	29	11	0
Chengdu, China	metric tons CO <sub>2</sub> e	•	•	13	13
Hong Kong, China	metric tons CO <sub>2</sub> e	601	496	51	46
Munich, Germany	metric tons CO <sub>2</sub> e	75	57	68	78
Belfast, Ireland	metric tons CO <sub>2</sub> e	•	•	•	23
Kista, Sweden	metric tons CO <sub>2</sub> e	4	4	4	3
Oulu, Finland	metric tons CO <sub>2</sub> e	55	4	3	3
Tokyo, Japan	metric tons CO <sub>2</sub> e	22	51	49	47
Suwon, South Korea	metric tons CO <sub>2</sub> e	17	14	16	15
Penang, Malaysia	metric tons CO <sub>2</sub> e	13	23	0	0
Taipei, Taiwan	metric tons CO <sub>2</sub> e	48	13	29	29
Gurgaon, India	metric tons CO <sub>2</sub> e	31	29	16	0

## ENVIRONMENT

		2019	2020	2021	2022
<b>Scope 3 GHG Emissions</b> [GRI 305-3] [TCFD Metrics and Targets]	<b>metric tons CO<sub>2</sub>e</b>	<b>219,554,297</b>	<b>181,835,442</b>	<b>196,750,887</b>	<b>300,920,068</b>
Purchased goods and services	metric tons CO <sub>2</sub> e	1,226,573	2,454,354	1,604,545	1,261,447
Capital goods	metric tons CO <sub>2</sub> e	269,079	317,591	368,177	116,876
Fuel-and-energy-related activities not included in Scope 1 or 2	metric tons CO <sub>2</sub> e	40,064	37,737	43,056	47,304
Upstream emissions of purchased fuels	metric tons CO <sub>2</sub> e	934	2,289	2,611	3,199
Upstream emissions of purchased electricity	metric tons CO <sub>2</sub> e	30,222	27,036	35,010	38,920
Transmission and distribution losses	metric tons CO <sub>2</sub> e	8,909	8,412	5,435	5,185
Upstream transportation and distribution	metric tons CO <sub>2</sub> e	5,534	5,926	3,981	3,745
Waste generated in operations, including disposal and transportation of waste	metric tons CO <sub>2</sub> e	1,486	2,670	2,353	3,174
Business travel	metric tons CO <sub>2</sub> e	2,997	551	449	1,445
Employee commuting	metric tons CO <sub>2</sub> e	507	1,278	1,033	1,082
Downstream transportation and distribution	metric tons CO <sub>2</sub> e	1,368	1,436	575	618
Processing of sold products	metric tons CO <sub>2</sub> e	•	•	•	54,553
Use of sold products	metric tons CO <sub>2</sub> e	218,000,000	179,000,000	194,700,000	299,400,000
End of life treatment of sold products	metric tons CO <sub>2</sub> e	10	11	9	14
Upstream leased assets	metric tons CO <sub>2</sub> e	Not relevant			
Downstream leased assets	metric tons CO <sub>2</sub> e	Included in Scope 1, 2			
Franchises	metric tons CO <sub>2</sub> e	Not relevant			
Investments	metric tons CO <sub>2</sub> e	Not relevant			
Other (upstream contract manufacturers)	metric tons CO <sub>2</sub> e	Not relevant			
Other (downstream contract manufacturers)	metric tons CO <sub>2</sub> e	6,679	13,889	26,708	29,810
<b>GHG Savings [GRI 305-5]</b>	<b>metric tons CO<sub>2</sub>e</b>	<b>140,013,111</b>	<b>125,013,716</b>	<b>42,023,318</b>	<b>67,056,999</b>
Process optimizations, product mix changes (Scope 1)	metric tons CO <sub>2</sub> e	6,641	•	•	55,950
Electricity optimizations (Scope 2)	metric tons CO <sub>2</sub> e	5,600	7,508	3,822	974
New eGRID emission factors (Scope 2)	metric tons CO <sub>2</sub> e	847	6,200	19,461	•
Use of sold products compared to incumbent technologies (Scope 3) <sup>15</sup>	metric tons CO <sub>2</sub> e	140,000,000	125,000,000	42,000,000	67,000,000
Employee use of EV charging stations at owned facilities (Scope 3)	metric tons CO <sub>2</sub> e	22.9	17.4	34.6	74.6
<b>Global Warming Potentials Used</b> [GRI 305-1][GRI 305-2][GRI 305-3]		<b>IPCC AR4 100 year</b>			
<b>CDP Climate Change Scores</b>		<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>

		2019	2020	2021	2022
<b>Total Scope 1, 2, 3 Emissions Third-Party Verified</b> (limited assurance)					<b>Yes, Scope 3 partial</b>
<b>Other Air Emissions</b>					
<b>Particulate Matter (PM)</b> [GRI 305-7]	<b>metric tons</b>	<b>2.2</b>	<b>2.4</b>	<b>2.1</b>	<b>2.4</b>
Durham, NC, USA	metric tons	1.8	1.8	1.7	1.7
RTP, NC, USA	metric tons	0.4	0.6	0.4	0.5
Morgan Hill, CA, USA	metric tons	<0.01	0.02	0.01	0.01
Marcy, NY, USA	metric tons	•	•	•	0.16
Other Leased Facilities	metric tons	0.03	0.03	0.01	0.03
<b>Nitrogen Oxides (NOx)</b> [GRI 305-7]	<b>metric tons</b>	<b>45.2</b>	<b>35.0</b>	<b>28.1</b>	<b>28.9</b>
Durham, NC, USA	metric tons	42.3	32.3	25.6	23.4
RTP, NC, USA	metric tons	2.5	2.1	2.1	2.8
Morgan Hill, CA, USA	metric tons	0.03	0.2	0.1	0.2
Marcy, NY, USA	metric tons	•	•	•	2.1
Other Leased Facilities	metric tons	0.4	0.3	0.2	0.4
<b>Sulfur Dioxide (SO<sub>2</sub>)</b> [GRI 305-7]	<b>metric tons</b>	<b>0.12</b>	<b>0.12</b>	<b>0.16</b>	<b>0.16</b>
Durham, NC, USA	metric tons	0.10	0.11	0.15	0.11
RTP, NC, USA	metric tons	0.01	0.01	0.01	0.03
Morgan Hill, CA, USA	metric tons	<0.01	<0.01	0.0008	0.001
Marcy, NY, USA	metric tons	•	•	•	0.01
Other Leased Facilities	metric tons	<0.01	<0.01	0.00	0.00
<b>Carbon Monoxide (CO)</b> [GRI 305-7]	<b>metric tons</b>	<b>16.0</b>	<b>12.3</b>	<b>13.7</b>	<b>16.6</b>
Durham, NC, USA	metric tons	14.1	10.6	12.0	12.4
RTP, NC, USA	metric tons	1.5	1.3	1.4	1.9
Morgan Hill, CA, USA	metric tons	0.02	0.2	0.1	0.1
Marcy, NY, USA	metric tons	•	•	•	1.8
Other Leased Facilities	metric tons	0.3	0.3	0.2	0.3
<b>Volatile Organic Compounds (VOC)</b> [GRI 305-7]	<b>metric tons</b>	<b>33.3</b>	<b>41.9</b>	<b>26.9</b>	<b>40.1</b>
Durham, NC, USA	metric tons	20.3	26.6	14.9	23.8
RTP, NC, USA	metric tons	10.7	11.2	11.5	11.1
Morgan Hill, CA, USA	metric tons	2.1	1.3	0.1	0.0
Marcy, NY, USA	metric tons	•	•	•	4.9
Other Leased Facilities	metric tons	0.2	2.8	0.4	0.3

## ENVIRONMENT

		2019	2020	2021	2022
<b>Hazardous Air Pollutants (HAP)<sup>16</sup>[GRI 305-7]</b>	<b>metric tons</b>	<b>7.2</b>	<b>8.7</b>	<b>9.9</b>	<b>11.1</b>
Durham, NC, USA	metric tons	5.9	6.7	8.1	9.2
RTP, NC, USA	metric tons	1.3	1.6	1.8	1.4
Morgan Hill, CA, USA	metric tons	<0.01	<0.01	0.003	0.003
Marcy, NY, USA	metric tons	•	•	•	0.5
Other Leased Facilities	metric tons	0.01	0.4	0.01	0.01
<b>Toxic Air Pollutants<sup>16</sup> [GRI 305-7]</b>	<b>metric tons</b>	<b>7.8</b>	<b>9.2</b>	<b>10.7</b>	<b>16.3</b>
Durham, NC, USA	metric tons	6.1	6.5	8.2	10.3
RTP, NC, USA	metric tons	1.7	2.0	2.5	1.9
Morgan Hill, CA, USA	metric tons	<0.01	<0.01	0.003	0.003
Marcy, NY, USA	metric tons	•	•	•	4.1
Other Leased Facilities	metric tons	<0.01	0.7	0.0	0
<b>Water Use<sup>17</sup></b>					
<b>Water Withdrawals (by Facility)[GRI 303-3] [SASB TC-SC-140a.1]</b>	<b>million gallons</b>	<b>227.3</b>	<b>255.5</b>	<b>276.4</b>	<b>400.5</b>
<b>Durham, NC, USA</b>	<b>million gallons</b>	<b>180.8</b>	<b>205.2</b>	<b>226.4</b>	<b>253.5</b>
Third-Party Water	million gallons	180.7	205.1	224.7	251.9
Fresh Surface Water (Rainwater)	million gallons	0.06	0.06	1.75	1.54
<b>RTP, NC, USA</b>	<b>million gallons</b>	<b>46.1</b>	<b>49.1</b>	<b>45.7</b>	<b>48.9</b>
Third-Party Water	million gallons	46.1	49.1	45.7	48.9
Fresh Surface Water (Rainwater)	million gallons	0	0	0	0
<b>Morgan Hill, CA, USA</b>	<b>million gallons</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>
Third-Party Water	million gallons	0.3	0.3	0.3	0.4
Fresh Surface Water (Rainwater)	million gallons	0	0	0	0
<b>Marcy, NY, USA</b>	<b>million gallons</b>	<b>•</b>	<b>•</b>	<b>•</b>	<b>93.7</b>
Third-Party Water	million gallons	•	•	•	93.7
Fresh Surface Water (Rainwater)	million gallons	•	•	•	0
<b>Other Leased Facilities</b>	<b>million gallons</b>	<b>•</b>	<b>0.9</b>	<b>4.0</b>	<b>4.0</b>
Third-Party Water	million gallons	•	0.9	4.0	4.0
Fresh Surface Water (Rainwater)	million gallons	•	•	•	•
<b>Water Recycled (by Facility)</b>	<b>million gallons</b>	<b>49.7</b>	<b>49.7</b>	<b>46.5</b>	<b>66.2</b>
Durham, NC, USA	million gallons	49.7	49.7	46.5	66.2
RTP, NC, USA	million gallons	0	0	0	0
Morgan Hill, CA, USA	million gallons	0	0	0	0

		2019	2020	2021	2022
Marcy, NY, USA	million gallons	•	•	•	0
Other Leased Facilities	million gallons	•	•	•	•
<b>% Water Recycling Rate</b>	<b>%</b>	<b>18%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>
<b>Water Discharges (Third-Party Waste Water)(by Facility) [GRI 303-4]</b>	<b>million gallons</b>	<b>142.8</b>	<b>186.4</b>	<b>184.7</b>	<b>264.7</b>
Durham, NC, USA	million gallons	105.3	145.0	147.7	165.7
RTP, NC, USA	million gallons	37.2	40.2	32.6	22.7
Morgan Hill, CA, USA	million gallons	0.3	0.3	0.3	0.4
Marcy, NY, USA	million gallons	•	•	•	72.0
Other Leased Facilities	million gallons	•	0.9	4.0	4.0
<b>Water Consumed (by Facility) [GRI 303-5] [SASB TC-SC-140a.1]</b>	<b>million gallons</b>	<b>84.4</b>	<b>69.1</b>	<b>91.7</b>	<b>135.8</b>
Durham, NC, USA	million gallons	75.5	60.1	78.7	87.8
RTP, NC, USA	million gallons	8.9	8.9	13.1	26.3
Morgan Hill, CA, USA	million gallons	0	0	0	0
Marcy, NY, USA	million gallons	•	•	•	22
Other Leased Facilities	million gallons	•	0	0	0
<b>Water Withdrawals (by Water Stress Regions)<sup>18</sup> [GRI 303-5] [SASB TC-SC-140a.1]"</b>	<b>million gallons</b>	<b>227.3</b>	<b>255.5</b>	<b>276.4</b>	<b>400.5</b>
Third-Party Water	million gallons	227.2	255.4	274.6	398.9
Low Water Stress	million gallons	0.3	1.1	4.2	97.8
Low-Medium Water Stress	million gallons	226.9	0.004	0.011	0.045
Medium-High Water Stress	million gallons	0.0	205.1	224.7	252.0
High Water Stress	million gallons	0	49.2	45.7	49.1
Extremely High Water Stress	million gallons	0	0.007	0.018	0.049
Surface Water (Rainwater)	million gallons	0.06	0.06	1.75	1.54
Low Water Stress	million gallons	0	0	0	0
Low-Medium Water Stress	million gallons	0.06	0	0	0
Medium-High Water Stress	million gallons	0	0.06	1.75	1.54
High Water Stress	million gallons	0	0	0	0
Extremely High Water Stress	million gallons	0	0	0	0

## ENVIRONMENT

		2019	2020	2021	2022
<b>Water Recycled (by Water Stress Regions)<sup>18</sup></b> [GRI 303-5] [SASB TC-SC-140a.1]	<b>million gallons</b>	<b>49.7</b>	<b>49.7</b>	<b>46.5</b>	<b>66.2</b>
Low Water Stress	million gallons	0	0.0	0.0	0.0
Low-Medium Water Stress	million gallons	49.7	0	0	0
Medium-High Water Stress	million gallons	0.0	49.7	46.5	66.2
High Water Stress	million gallons	0	0	0	0
Extremely High Water Stress	million gallons	0	0	0	0
<b>Water Discharges (Third-Party Wastewater) (by Water Stress Regions)<sup>18</sup></b> [GRI 303-5] [SASB TC-SC-140a.1]	<b>million gallons</b>	<b>142.8</b>	<b>186.4</b>	<b>184.7</b>	<b>264.7</b>
Low Water Stress	million gallons	0.3	1.1	4.2	76.1
Low-Medium Water Stress	million gallons	142.5	0.004	0.011	0.045
Medium-High Water Stress	million gallons	0.0	145.0	147.7	165.7
High Water Stress	million gallons	0	40.3	32.7	22.8
Extremely High Water Stress	million gallons	0	0.007	0.018	0.049
<b>Water Consumed (by Water Stress Regions)<sup>18</sup></b> [GRI 303-5] [SASB TC-SC-140a.1]	<b>million gallons</b>	<b>84.4</b>	<b>69.1</b>	<b>91.7</b>	<b>135.8</b>
Low Water Stress	million gallons	0	0.0	0.0	21.7
Low-Medium Water Stress	million gallons	84.4	0	0	0
Medium-High Water Stress	million gallons	0.0	60.1	78.7	87.8
High Water Stress	million gallons	0	8.9	13.1	26.3
Extremely High Water Stress	million gallons	0	0	0	0
<b>CDP Water Security Scores</b>		•	C	B	B
<b>Water Data Third-Party Verified</b> (limited assurance)		<b>Partial</b>	<b>Partial</b>	<b>Partial</b>	<b>Partial</b>
Total Water Withdrawals		Yes	Yes	Yes	Yes
Total Water Recycled		No	No	No	No
Total Water Discharges		No	No	No	Yes
Total Water Consumption		No	No	No	No
<b>Waste Management<sup>19</sup></b>					
<b>Total Waste</b> [GRI 306-3] [GRI 306-4] [GRI 306-5]	<b>thousand pounds</b>	<b>12,172</b>	<b>13,082</b>	<b>12,041</b>	<b>17,251</b>
Reuse	thousand pounds	582	487	312	350
Recycle	thousand pounds	2,692	2,451	1,910	1,480
Composting	thousand pounds	63	34	25	28
Recovery, Including Energy Recovery	thousand pounds	2,525	2,037	1,422	1,698
Incineration	thousand pounds	89	187	325	219
Landfill	thousand pounds	1,935	3,242	2,721	3,194

		2019	2020	2021	2022
<b>Wastewater Treated</b>	thousand pounds	4,287	4,644	5,325	10,283
<b>Hazardous Waste</b> [GRI 306-3] [GRI 306-4] [GRI 306-5] [SASB TC-SC-150a.1]	<b>thousand pounds</b>	<b>3,795</b>	<b>4,194</b>	<b>4,381</b>	<b>5,009</b>
Reuse	thousand pounds	0	0	0	0
Recycle	thousand pounds	0	2	4	4
Composting	thousand pounds	0	0	0	0
Recovery, Including Energy Recovery	thousand pounds	1,521	1,185	985	1,337
Incineration	thousand pounds	79	170	310	152
Landfill	thousand pounds	227	147	200	289
Wastewater Treated	thousand pounds	1,968	2,690	2,882	3,227
<b>Non-Hazardous Waste (not including solid waste)</b> [GRI 306-3] [GRI 306-4] [GRI 306-5]	<b>thousand pounds</b>	<b>4,080</b>	<b>3,574</b>	<b>3,512</b>	<b>8,128</b>
Reuse	thousand pounds	582	487	312	350
Recycle	thousand pounds	0	9	12	50
Composting	thousand pounds	0	0	0	0
Recovery, Including Energy Recovery	thousand pounds	1,004	852	437	361
Incineration	thousand pounds	10	17	15	67
Landfill	thousand pounds	166	254	292	245
Wastewater Treated	thousand pounds	2,319	1,954	2,444	7,055
<b>Solid Waste</b> [GRI 306-3] [GRI 306-4] [GRI 306-5]	<b>thousand pounds</b>	<b>4,297</b>	<b>5,314</b>	<b>4,148</b>	<b>4,114</b>
<b>% Solid Waste Diversion from Landfill [GRI 306-4]</b>	%	64.1%	46.6%	46.3%	35.4%
Reuse	thousand pounds	0	0	0	0
Recycle	thousand pounds	2,692	2,440	1,894	1,427
Composting	thousand pounds	63	34	25	28
Recovery, Including Energy Recovery	thousand pounds	0	0	0	0
Incineration	thousand pounds	0	0	0	0
Landfill	thousand pounds	1,542	2,840	2,229	2,659
Wastewater Treated	thousand pounds	0	0	0	0
<b>Waste Data Third-Party Verified</b> (limited assurance)					Partial
Total Waste				Yes	Yes
Total Hazardous Waste				No	No
Total Non-Hazardous Waste				No	No
Total Solid Waste				No	No

# SUSTAINABILITY DATA

## SUSTAINABILITY DATA GENERAL NOTES

Clicking on the titles of all graphs and charts throughout this report will direct you to the Sustainability Data section.

Unless otherwise noted in the Sustainability Data Footnotes, data presented in this report is for all our global facilities and significant locations of operations refer to our owned manufacturing facilities located in the United States.

In a couple of instances there are slightly different reported numbers in the Sustainability Data section than in other sections of the report. This difference is due to rounding and is deminimus.

- Indicates data was not yet calculated or available.

## SUSTAINABILITY DATA FOOTNOTES

<sup>[1]</sup> The numbers reported include contingent workers assigned to Wolfspeed Inc. in a temporary capacity. These workers are not employees of Wolfspeed Inc.

<sup>[2]</sup> US employees are considered “at will” and are not bound by any employment contract. Therefore, none of our US employees are classified as “permanent”. The data provided is limited by employee self-disclosure and does not necessarily represent the entire employee population.

<sup>[3]</sup> Data presented here is for our significant locations of operations and represents approximately 87.2% of our total number of employees in calendar year 2022.

<sup>[4]</sup> Data presented here is for employees in our significant locations of operations, which represents approximately 90.6% of our total number of employees (temporary workers excluded) in calendar year 2022.

<sup>[5]</sup> Data presented here is for employees in our significant locations of operations, which represents approximately 90.6% of our total number of employees (temporary workers excluded) in calendar year 2022. The data provided is limited by employee self-disclosure and does not necessarily represent the entire employee population. Employees that did not disclose their race/ethnicity are excluded.

<sup>[6]</sup> Data provided is limited by employee self-disclosure and does not necessarily represent the entire employee population.

<sup>[7]</sup> Data presented here is based on full and part time US employees and represents approximately 94.8% of global Wolfspeed employees (excludes employees with no gender identified).

<sup>[8]</sup> Data presented here is for our significant locations of operations and our smaller United States locations, which represents approximately 95% of our total number of 2022 employees.

<sup>[9]</sup> Recordable Work-Related Injury-Illness is a work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

<sup>[10]</sup> Injury-Illness rates are calculated using 200,000 hours worked (Rate = cases/total hours worked \* 200,000).

<sup>[11]</sup> High-Consequence Recordable Work-Related Injury-Illness is a work-related injury or ill health that results in an injury from which the worker

cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

<sup>[12]</sup> Contract Employee = Any worker who is not a Wolfspeed employee but whose day-to-day work instruction is controlled by Wolfspeed

<sup>[13]</sup> All energy usage reported is purchased from the local utilities’ energy grid. Our Morgan Hill, CA facility purchases energy directly from renewable/carbon-free sources based on a standard product offering (i.e., a third-party company supplies renewable/carbon-free energy through our local utility’s grid). All other renewable/carbon-free energy used at our facilities are based on the energy mix from the local utility. We do not sell energy. Energy consumption is determined using monthly supplier invoices or estimated using square feet of building space where invoices are not available.

<sup>[14]</sup> All **scope 1** emissions were calculated using methodologies and emission factors from the United States EPA Mandatory Greenhouse Gas Reporting Rule: Global warming potentials: 40 CFR 98, Table A-1 (IPCC AR4 - 100 year); Fuel usage emissions: 40 CFR 98 Subpart C and Electronics manufacturing emissions: 40 CFR 98 Subpart I. The gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF6, NF3, refrigerants and heat transfer fluids (HTFs). We do not emit biogenic CO<sub>2</sub>.

We used the EPA eGRID subregional emission factors to calculate **scope 2** emissions from the use of electricity at our United States facilities. For our facilities outside of the United States, International Energy Agency (IEA) emission factors were used. We used global warming potentials from the United States EPA Mandatory Greenhouse Gas Reporting Rule, 40 CFR 98, Table A-1 (IPCC AR4 - 100 year). We do not emit biogenic CO<sub>2</sub>.

**Scope 3** emissions were calculated for all relevant categories. Sources of emission factors include EPA eGRID, International Energy Agency (IEA), EPA GHG Emission Factors Hub, EPA WARM, DEFRA, and Greenhouse Gas Protocol (Quantis). We used global warming potentials from the United States EPA Mandatory Greenhouse Gas Reporting Rule, 40 CFR 98, Table A-1 (IPCC AR4 – 100 year).

<sup>[15]</sup> The values reported represent what our products sold will save over their estimated lifetimes. Energy usage and GHG emissions from our products were compared to their less efficient alternative products to derive energy use savings. Our Power products, made from silicon carbide, were compared to similar products made from silicon. Our Radio Frequency products, made from silicon carbide, were compared to similar products made from either silicon or gallium-arsenide.

## SUSTAINABILITY DATA FOOTNOTES (CONTINUED)

<sup>[16]</sup> Hazardous air pollutants (HAP) are based on the United States EPA list of HAP. Air pollutants are classified as toxic air pollutants per the regulations applicable at each facility.

<sup>[17]</sup> Water withdrawal data is either collected from meters, water utility bills or estimated using square feet of building space where invoices/meters are not available. Water discharge data is either collected from meters, water utility bills or assumed equal to water withdrawal for sites where invoices/ meters are not available. The recycled water is reused in our process. Wastewater is sent to local wastewater treatment facilities. Water consumed in process refers to water that is consumed or evaporated during manufacturing. Water discharged meets local regulatory requirements for water quality. Other than small rainwater collection tanks, we do not hold water in water storage facilities or reservoirs.

<sup>[18]</sup> For data prior to 2020: All of our global manufacturing facilities were assessed for water stress using the World Resources Institute Aqueduct Water Risk Atlas. Overall Water Risk identifies regions that have a higher exposure to water-related risks and represents an aggregated measure of all indicators from the individual water risk categories of Physical Risk Quantity, Physical Risk Quality and Regulatory & Reputational Risk:

- Low water stress indicates the facility(ies) scored 0 to 1 out of 5 for Overall Water Risk.
- Low to medium water stress indicates the facility(ies) scored 1 to 2 out of 5 for Overall Water Risk.
- Medium to high water stress indicates the facility(ies) scored 2 to 3 out of 5 for Overall Water Risk.
- High water stress indicates the facility(ies) scored 3 to 4 out of 5 for Overall Water Risk.
- Extremely high water stress indicates the facility(ies) scored 4 to 5 out of 5 for Overall Water Risk.

For 2020, 2021 and 2022 data: All of our global facilities were assessed for water stress using the World Resources Institute Aqueduct Water Risk Atlas. We consider areas with water stress to be those locations with the risk category “High (40-80%)” or “Extremely High (>80%)” for baseline water stress:

- Low water stress indicates the facility(ies) scored <10% for Water Stress.
- Low to medium water stress indicates the facility(ies) scored 10-20% for Water Stress.
- Medium to high water stress indicates the facility(ies) scored 20-40% for Water Stress.
- High water stress indicates the facility(ies) scored 40-80% for Water Stress.
- Extremely high water stress indicates the facility(ies) scored >80% for Water Stress.

<sup>[19]</sup> We use various methods to collect and monitor waste-related data, including manifests, invoices, vendor reports, estimated weights based on container size, and spreadsheets. We determine whether a waste is hazardous or non-hazardous based on the applicable regulation where the facility is located (e.g., RCRA for our United States facilities). We report our waste numbers in pounds throughout this report. In 2022, we generated 2,272 metric tons of hazardous waste and 5,553 metric tons of non-hazardous waste (including solid waste). We do not import or export hazardous waste and do not ship hazardous waste internationally. All the hazardous waste reported in our **Waste Management** section is transported for treatment. We do not include waste treated for elementary neutralization onsite in our hazardous waste totals. Waste disposal method information is provided by our waste disposal vendors. Wastewater discharged to local Publicly Owned Treatment Works is not included in our non-hazardous waste totals.

# INDEPENDENT ASSURANCE STATEMENT

## Independent ESG Assurance Statement to Wolfspeed

**Introduction & Objectives:** Trinity Consultants, Inc. (Trinity) was engaged by Wolfspeed Inc. (Wolfspeed) to provide independent assurance for specified calendar year (CY) 2022 environmental, social, and governance (ESG) data presented in Wolfspeed's 2023 Sustainability Report and 2023 CDP submittal. The overall objective of this process was to provide assurance to Wolfspeed's stakeholders concerning the accuracy, completeness, reliability, and objectivity of the specified ESG information included in the Report. This Assurance Statement applies to the information included within the subject Scope of Work.

**Scope of Work:** Wolfspeed requested that Trinity perform limited assurance of the following specified ESG performance data for CY 2022 (January 1, 2022, to December 31, 2022) to determine whether they are fairly presented, in all material respects, in a manner consistent with the designated reporting criteria:

- Direct (Scope 1) greenhouse gas (GHG) emissions from stationary and mobile combustion and process sources (309,299 metric tons CO<sub>2</sub>e)
- Indirect, location-based (Scope 2) GHG emissions from purchased electricity (110,418 metric tons CO<sub>2</sub>e)
- Indirect, market-based (Scope 2) GHG emissions from purchased electricity (96,349 metric tons CO<sub>2</sub>e)
- Indirect (Scope 3) emissions resulting from two of the 15 potential Scope 3 categories: fuel-and-energy related activity (47,304 metric tons CO<sub>2</sub>e) and product use (299.4 million metric tons CO<sub>2</sub>e)
- Energy consumption (466,773 Megawatt Hours)
- Total water withdrawal, including third-party water withdrawal and rainwater withdrawal (400 million gallons)
- Total water discharge (264 million gallons)
- Total waste generated/disposed (17.3 million pounds)
- Injury-illness rate (1.67)

The reported data was evaluated against Wolfspeed's internal GHG and sustainability reporting procedures, as well as requirements for reporting GHG emissions data to CDP.

Our procedures assessed the appropriateness and effectiveness of underlying corporate reporting processes, management controls and systems used to develop, compile, analyze and report the specified ESG data.

The boundary of the data included in this assurance is limited to the manufacturing and warehouse facilities, research & development / labs, and administrative offices under Wolfspeed operational control during the subject period. Text, descriptions, interpretations, or other written statements in the 2023 Sustainability Report and CDP submittal were not included in the scope of Trinity's work.

**Reporting Criteria:** Wolfspeed has developed the data subject to this verification as documented in their corporate Sustainability Data Management Plan. This Plan incorporates specific definitions for each ESG performance indicator and the basis on which these data are compiled, calculated, and reported. External criteria utilized to develop these data included:

- The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- US EPA 40 CFR Part 98 Mandatory GHG Reporting Rule, Subpart I equations
- GRI Standards 2021, Global Sustainability Standards Board
- IPCC AR4 (100-yr) Global Warming Potentials
- U.S. EPA eGRID 2023 (2021 data)
- US EPA Center for Corporate Climate Leadership GHG Emission Factors Hub (2023)

**Assurance Standard:** Trinity's work was conducted following our standard assurance methodology and approach for external verification of sustainability data, in part based on the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or reviews of Historical Financial Information* (2012), suitably adapted. Greenhouse gas inventory verification was conducted to address CDP verification requirements, as well.

**Responsibilities:** Wolfspeed management is solely responsible for the ESG performance data and its presentation in the 2023 CDP submittal and Sustainability Report. Trinity was not involved in the collection or development of the reported data or development of either report.

Trinity's responsibility is to perform an assurance engagement to provide conclusions on the agreed Scope of Work based on the assurance activities performed, consistent with exercising our professional judgement.

**Assurance Methodology:** Trinity conducted the following activities during this assurance engagement:

- Interviewed key staff from Wolfspeed's corporate headquarters in Durham, NC responsible for Wolfspeed's sustainability program, activities, and management systems for the specified GHG and ESG performance data.
- Ensured that Wolfspeed's scope and boundaries reflected in the reported data are fair and accurate.
- Reviewed documentation and interviewed other relevant staff to understand and evaluate the processes, systems and methodologies used to collect, compile, consolidate, analyze, and report data for the specified GHG and ESG performance indicators.
- Reviewed Wolfspeed's corporate GHG Inventory Management Plans and Sustainability Data Management Plan, including suitability of calculations, GWP<sub>s</sub>, and conversion and emission factors.
- Reviewed the corporate consolidation of data for specified ESG performance data and compared it to data submitted from a sample of the individual facilities owned by Wolfspeed.
- To meet CDP reporting and verification requirements, verification procedures were applied to a sample representing all the company's enterprise-wide Scope 1 and Scope 2 GHG emissions (both location-based and market-based), as well specified categories of reported Scope 3 emissions representing more than 70% of the Scope 3 profile.
- Selected underlying facility source data on a test basis and conducted a desktop review of these sample data to confirm specified site data.
- Reviewed the presentation of the above performance data in the 2023 Sustainability Report to ensure consistency with our findings, and to address changes and corrections with Wolfspeed where necessary.

**Trinity's Opinion:** Based on Trinity's verification activities, nothing has come to our attention to indicate that the corporate CY 2022 data for the specified Scope 1, location-based Scope 2, market-based Scope 2, and selected Scope 3 GHG emissions, and ESG performance metrics listed under 'Scope of Work' and disclosed in the Wolfspeed 2023 Sustainability Report and 2023 CDP submittal are not fairly presented, in all material respects, in a manner consistent with the designated reporting criteria.

Trinity has concluded that Wolfspeed has implemented sufficient processes, systems and controls for the accurate collection and analysis of activity data used to determine the reported data.

**Trinity's Observations:** Trinity has provided Wolfspeed with a separate management report. Without affecting the conclusions presented above, we have the following observations:

- Wolfspeed leadership has shown a strong commitment to maintaining a quality GHG inventory and ESG data set for Sustainability reporting. This is evidenced by conducting periodic reviews of reported data for accuracy and providing adequate resources for data compilation and quantification.
- Wolfspeed has established GHG Inventory Management Plans and a Sustainability Data Management Plan to guide the development and reporting of data with a focus on energy, GHG emissions and selected ESG parameters. Wolfspeed continues to demonstrate improvement with these plans.

**Limitations:** Our work did not include visits or physical inspections of any of Wolfspeed's operating facilities, other than interaction with staff located at the Durham, NC headquarters.

Trinity's approach to this verification was not intended to detect all weakness in management controls as described above. The verification was performed on corporate management controls on a sampling basis. Further, it should be noted that the reliability of GHG and ESG data may be subject to inherent uncertainties, based on the established methods used to measure or calculate the underlying information.

This Assurance Statement is only valid when it is published with the 2023 Sustainability Report to which it refers and disclosed through Wolfspeed's 2023 CDP submittal and may only be reproduced in its entirety.

**Statement of independence:** Trinity is an independent professional services firm that specializes in environmental, health and safety, and sustainability compliance, risk, and performance management. We have developed and maintain a quality management system, certified to ISO 9001:2015. No member of the assurance team has a business relationship with Wolfspeed, its managers, or Directors other than for the purpose of verification of the subject GHG and sustainability data and reporting, or has had any involvement in writing the Report, data collection or validation, or the development or implementation of data systems. This verification has been conducted independently and we believe that there has been no conflict of interest.



Rich Pandullo, MEM, CM  
Director - EHS Management, Sustainability & Assurance

Trinity Consultants, Incorporated  
Dallas Texas Corporate Headquarters  
[www.trinityconsultants.com](http://www.trinityconsultants.com)

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**Wolfspeed**®