SGH™

2021 ESG REPORT

SGH™

TABLE OF CONTENTS

A MESSAGE FROM OUR CEO

I am delighted to share this overview of SGH's progress on environmental, social, and governance (ESG) initiatives. 2021 was my first full year at SGH, and while I feel that our ESG journey has just begun, I am tremendously proud of what the team has accomplished.

Guided by our core values – put people first, act with purpose, drive progress, and deliver results – we focused on making an impact within our business and the communities where our employees, customers, and partners live and work.

2021 was all about investing in the resources and governance initiatives necessary to achieve real, substantive ESG goals over the long term, while also focusing on short-term progress. Notably, over the course of 2021 we:

- Formed an ESG Steering Committee with members across our leadership team to set goals and oversee the success of our holistic ESG programs
- Formally introduced ESG oversight as a chartered responsibility of the Nominating and Corporate Governance Committee of the Board of Directors

- Held our executives accountable by including ESG in our executive bonus program and
- Conducted a pay parity analysis as part of our commitment to equity within our company.

With this firm foundation in place, we took real action toward becoming exemplary global citizens.

Starting with environmental stewardship, **I am proud to announce our commitment to achieving net-zero Scope 1 and Scope 2 carbon emissions by 2030.** Climate change is too imminent a threat to take a "wait and see" approach. We are meeting this challenge by sourcing clean energy, contributing to reforestation efforts, and reducing our energy consumption. To demonstrate the seriousness of our commitment, we have pledged to report our climate action and water management

efforts publicly through CDP (formerly known as the Carbon Disclosure Project).

At SGH, our employees are our top priority. We celebrate our diverse workforce and continue to work for lasting change through programs that foster equity and inclusion at SGH and in the broader technology industry. In 2021, we initiated a gender pay parity analysis, using a tool that will not only evaluate our current practices, but also allow us to track a wide variety of relevant data year over year. Looking to the future, we are collaborating with external partners like Circa DiversityJobs to promote our open positions to individuals in the Black, Hispanic, and LGBTQIA+ communities in order to attract a more diverse candidate pool in the years ahead.

2021 was a meaningful year for ESG at SGH, but it was just the beginning.

Our ESG Steering Committee will continue to champion these efforts, meeting regularly to monitor progress on our goals, assess new risks, and evaluate new opportunities for a more sustainable future for our employees, customers, suppliers, and the world around us.

I invite you to join us on this journey to think outside the box, take action, and raise the bar every day.

Mark W. Adams

Mark Adams
Chief Executive Officer
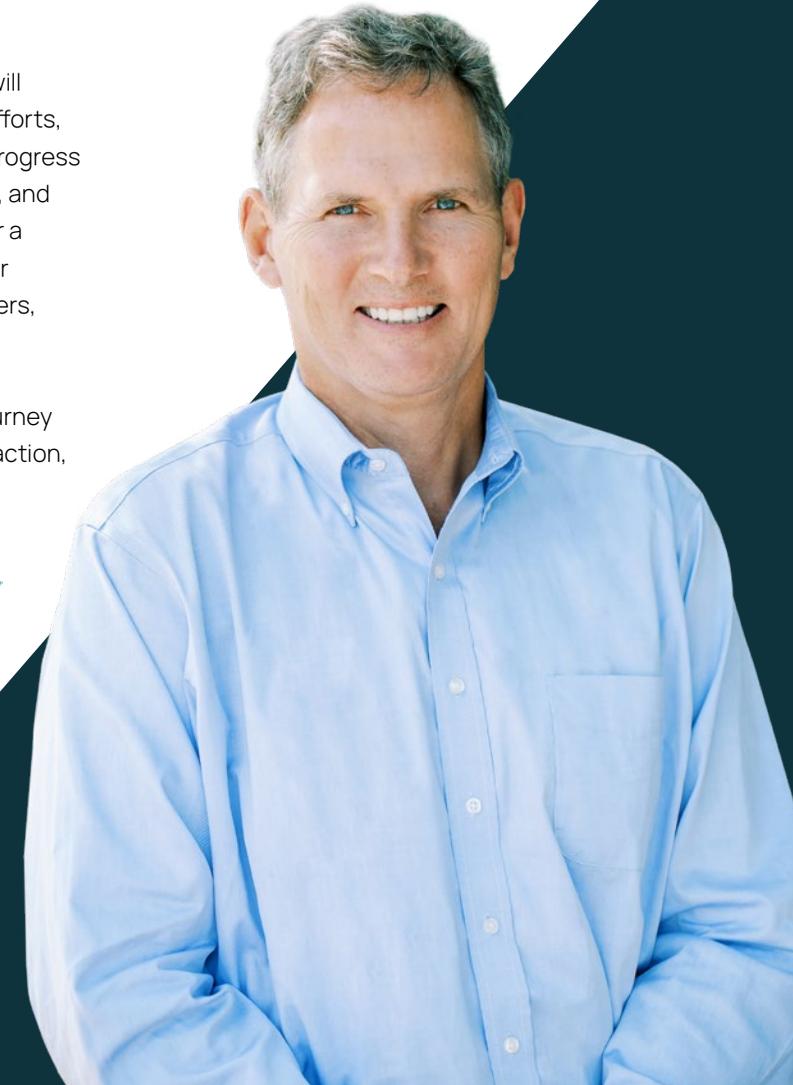
About SGH

Powering growth.

Expanding possibilities.

OUR PROFILE

At SGH, we power growth and expand possibilities by continually investing in our people, innovation, and opportunities. Our diverse lines of businesses — across computing, memory, and LED lighting solutions — all focus on serving customers by delivering engineer-driven technology solutions to specialty end markets. We support our businesses so they're always running at their best and are empowered to deliver value for our customers consistently and efficiently while unlocking new avenues of growth that support and advance the world.

SGH AT A GLANCE – 2021

SGH NASDAQ	**1988** YEAR FOUNDED
CEO MARK ADAMS	**1,860** U.S. PATENTS
~4,000 EMPLOYEES	**$1.5B** REVENUE FY21

OUR SHARED PURPOSE AND VALUES

At SGH, our purpose is simple: to power growth and expand possibilities for our people, businesses, customers, and shareholders. With our continued focus on executing on our growth and diversification strategy, SGH has significantly transformed.

Here are just a few highlights in 2021:

- Created a diverse leadership team with the drive and experience needed to accelerate change across all aspects of the company
- Acquired Cree LED, diversifying the markets that we serve
- Restructured the holding company to power growth across newly formed business lines
- Rebranded from Smart Global Holdings to SGH, symbolizing the company's transformation from a primarily memory-focused company to a diversified specialty technology company
- Transitioned to a more independent and diverse board of directors
- Established a shared purpose and values to drive cultural change within SGH

Our company values guide how we show up for our customers, our investors, and each other. Our values inspire our teams to think creatively, execute with discipline, and focus on what's next.

Put people first

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

Act with purpose

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

Drive progress

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

Deliver results

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

Milpitas, CA, U.S.
SGH Headquarters

Newark, CA, U.S.
SMART Modular
Headquarters and
Manufacturing Site

Fremont, CA, U.S.
Penguin Solutions
Headquarters and
Manufacturing Site

Maynard, MA, U.S.
Stratus Headquarters
and Lab

Ballycoolin, Ireland
Stratus
Manufacturing Site

Huizhou, China
Cree LED
Manufacturing Site

Durham, NC, U.S.
Cree LED Headquarters
and Research and
Development Site

Tempe, AZ, U.S.
Penguin Edge
Manufacturing Site

Manaus, Brazil
SMART Modular
Manufacturing Site

Penang, Malaysia
SMART Modular
Manufacturing Site

Atibaia, Brazil
SMART Modular
Manufacturing Site

OUR GLOBAL FOOTPRINT

Across our high-performance computing, memory, and LED lighting solutions, we have manufacturing and sales operations around the world. Our global footprint provides us with the agility and resilience needed to deliver solutions that are built to last. This map highlights our headquarter offices, manufacturing sites, and research and development locations.

OUR BUSINESS LINES

Since our inception over 30 years ago, SGH has grown into a diversified group of businesses focused on the design and manufacture of specialty solutions for the computing, memory, and LED markets. Our success is based on a customer-focused approach characterized by a commitment to quality, advanced technical expertise, quick time-to-market, build-to-order flexibility, and excellence in customer service.

We have accelerated our growth by completing five acquisitions since 2018. With acquisition of Cree LED in 2021, we reorganized the company into three lines of business: Intelligent Platform Solutions (IPS), Memory Solutions, and LED Solutions. On August 29, 2022, we announced the completion of our acquisition of Stratus Technologies, Inc. (Stratus), a global leader in simplified, protected, and autonomous computing solutions in the data center and at the Edge.

PENGUIN COMPUTING	June 2018	**Value Add** Human capital Supply chain excellence	**Financial Benefit** Significant revenue expansion: 30%+ CAGR from FY20
ARTESYN EMBEDDED TECHNOLOGIES / INFORCE	July 2019	**Value Add** Global manufacturing scale and efficiency	**Financial Benefit** Improved gross margin by 600bps while optimizing OPEX
CREE LED	March 2021	**Value Add** Capital-efficient model Global manufacturing efficiency	**Financial Benefit** Improved gross margin by ~1,000bps in year 1
Stratus	August 2022	**Value Add** Operational excellence and growth mindset	**Financial Benefit** Opportunity for cross-selling and increased operating leverage

In addition to driving growth organically and through acquisitions, we use the SGH operating system to support and drive operational efficiency and performance. SGH's Operating System incorporates best practices to ensure our lines of business are always running at their best and are empowered to deliver for our customers consistently and efficiently.

Quality

Supply Chain Excellence

Corporate Culture/ Human Capital

SGH Operating System

Global Manufacturing Scale/Efficiency

Capital-Efficient Model

Customer Relationship Management

Intelligent Platform Solutions (IPS)

Our IPS group offers specialized platform solutions for high-performance computing (HPC), artificial intelligence (AI), machine learning (ML), and advanced modeling. We provide these leading-edge solutions to customers in the government, hyper-scale, energy, financial services, and education markets.

On April 4, 2022, we launched Penguin Solutions, a new brand within IPS that represents the full breadth of HPC, AI/ML, and IoT/Edge offerings that span the continuum from the Edge to the Core to the Cloud. Penguin Solutions is composed of:

- Penguin Computing, which focuses on technical computing for Core and Cloud environments by providing industry-leading HPC and AI solutions, and

- Penguin Edge (formerly SMART Wireless Computing and SMART Embedded Computing), which extends those capabilities to embedded, Edge, and IoT computing environments.

Stratus will operate within IPS, broadening SGH's capabilities to support industry demand for Edge, Core, and Cloud solutions.

Memory Solutions

Our Memory Solutions group provides high-performance memory solutions through design, development, and advanced packaging of leading-edge products. These specialty memory products meet customer-specific requirements across a broad spectrum of markets, including networking and communications, enterprise storage, desktop, notebook and server applications, smartphones, and other markets.

SMART Modular Technologies (SMART), our Memory Solutions brand, offers an extensive portfolio in standard and rugged memory configurations. SMART collaborates closely with its global OEM customers throughout their design process, creating novel solutions for demanding applications. SMART is a primary supplier of long-lifecycle solutions to OEM customers in networking and communications, enterprise storage, desktop, notebook and server applications, smartphones, and other markets.

LED Solutions

Our LED Solutions group provides application-optimized LED products for general lighting, video screens, and specialty lighting applications that lead the industry in performance and reliability.

On March 1, 2021, SGH announced the acquisition of Cree LED, one of the industry's leading providers of LED lighting solutions. For over 30 years, Cree LED has been innovating in LED lighting technology, offering new and differentiated LED solutions to a broad base of customers across multiple market segments. Cree LED is focused on providing advanced LED solutions to meet the needs of our target markets: indoor and outdoor lighting, specialty lighting, and display applications.

OUR FOCUS ON CORPORATE RESPONSIBILITY

At SGH, we act with purpose and aim for impact. Doing the right thing and caring for the world we live in is a part of who we are. For over two decades, we've maintained the highest standards of safety and ethical conduct in our operations through our adherence to **International Organization for Standardization** (ISO) standards ISO 9001, ISO 14001 and ISO 45001.

Ten years ago, we proudly became a member of the Responsible Business Alliance (RBA), which is committed to upholding industry best practices for management systems, safe working conditions, fair labor practices, business ethics, and environmental responsibility. Our membership in RBA has led us to align our operating system, policies, and practices to the RBA Code of Conduct.

We also participate in the RBA's Validated Assessment Program (VAP), which requires factories to undergo independent third-party audits against the RBA standards every two years. These audits produce in-depth assessments of the social, ethical, occupational health and safety, and environmental performance of RBA members and their supply chain, as measured against the audit criteria. Consistently, these audits show that our facilities demonstrate full compliance and high performance.

Through our adoption of the RBA Code and our own principles of business conduct, we have aligned our management systems and policies with the **United Nations (UN) Guiding Principles on Business and Human Rights**, the **UN Universal Declaration of Human Rights**, the International Labor Organization's (ILO) **International Labor Standards**, and the Office of Economic Cooperation and Development's (OECD) **Guidelines for Multinational Enterprises**.

We engage with our customers and suppliers on salient ESG issues that are of critical importance to our business and industry via surveys, assessments, and business reviews. In 2021, over 85% of our suppliers had active environmental management systems.

Awards and Recognition

We demonstrate our value to our customers, investors, employees, and partners every day. We're proud that in 2021, we were recognized by several organizations, including:

Gold and Platinum Recognition from RBA

Our factories in Brazil, Malaysia, and U.S. continue to receive perfect scores on our RBA closure audits. In 2022, our factory in Brazil received Platinum recognition for its 2021 closure audit.

SGH Awarded Silver Medal from EcoVadis

In early 2022, EcoVadis, a leading global ESG survey and engagement platform, awarded SGH the Silver Medal for our 2021 ESG performance. SGH outperformed peer companies in all topic areas, including Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

Materiality

We consider topics that potentially impact our business and our stakeholders as material to our ESG strategy and program. Using an internal process, we review current and emerging issues and the risks, opportunities, and relevance of each to determine if they should be incorporated into our ESG assessment processes. Our channels of stakeholder engagement bring topics of concern to our attention and our ESG Steering Committee determines which topics will be included in our ESG strategy and reporting.

In the table to the right, our 2021 materiality topics, issues covered, and applicable Global Reporting Initiative (GRI) disclosure standards are displayed.

SGH Material Topic	Issues Covered	GRI Disclosure
Data Privacy and Security	Stakeholder privacy, cybersecurity, and responsible data management	GRI 418
Role of I.T. in Society	Business ethics, environment, and social issues in operations and the supply chain	GRI 205, 206, 308, 414
Diversity, Equity, and Inclusion	Diversity, equity, and inclusion in the workforce	GRI 405
Flexible Workforce	Work-life balance, flexible work, and employee engagement	GRI 404
Energy and Emissions	Energy consumption and sourcing and GHG emissions management	GRI 302, 305
Product Stewardship	Product sustainability management	GRI 301
Human Rights	Rights of employees and workers in our supply chain	GRI 407, 409, 412

Stakeholder Engagement

SGH regularly engages its key stakeholders to identify and respond to ESG topics of concern. Key stakeholders include our employees, customers, investors, supply chain partners, and community partners as identified by our ESG Steering Committee. We interact with our stakeholders via surveys, business reviews, earnings calls, regular meetings, business contracts, codes of conduct, and our ESG disclosures.

Our ESG Goals

We set annual sustainability goals to help us maintain safe operations, protect and empower our employees, source clean energy, and reduce our emissions. We're proud that in 2021, we were able to achieve several key goals and make significant progress on others.
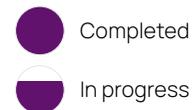
2021 Goals	Deadline		Status
All major sites to maintain ISO 9001 Quality certification (or equivalent)	2021	●	Complete
All major sites to maintain ISO 14001 Environmental certification	2021	●	Complete
All major sites to maintain ISO 45001 Health & Safety certification	2021	●	Complete
All sites to maintain Low Risk on annual RBA self-assessment questionnaire (SAQ)	2021	◗	All our sites maintained a Low Risk rating on annual SAQs. We are still integrating Cree LED into this process and will report on those facilities' SAQ performance next year.
All sites to maintain active RBA VAP (audited every 2 years)	2021	●	All closure audits received a VAP score of 200, the highest score possible.
All new key suppliers to agree to SGH Supplier Code of Conduct	2021	●	100% of suppliers have met the requirements of our SGH Supplier Code of Conduct.
100% supplier response to conflict minerals requests	2021	◗	With the integration of Cree LED, we achieved a greater than 90% response rate and continue working toward 100%.
Safety incident rate below 1 globally	2021	●	Our safety incident rate was 0.43 in 2021.
Commit to reporting on our ESG program transparently and engaging with stakeholders to integrate feedback and seek continuous improvement on our ESG performance	2021	◗	In 2021, we invested in our ESG initiatives and released our 2020 ESG report highlighting what we accomplished and our ongoing commitment to sustainability. More recently, we completed our 2021 responses to CDP for Climate and Water, which will be made public for the first time in 2022.
Implement and fund activities and programs to drive recruitment, career support, and community building for employees from underrepresented groups	2022	◗	We are investing in partnerships with hiring organizations and academic institutions to increase the diversity of our candidate pool. We have also conducted a pay analysis to achieve equity in compensation among all SGH employees.
Employ at least 75% renewable energy in our global operations by 2025	2025	◗	Due to the acquisition of Cree LED, our renewable energy use dropped to 19% from approximately 60% in 2020. However, in alignment with our net-zero goal, we estimate we are still on track for 75% renewable energy use by 2025.

● Completed

◗ In progress

SGH™

2022 GOALS

All major sites maintain ISO 14001 Environmental certification

DEADLINE: 2022

All major sites maintain ISO 45001 Health & Safety certification

DEADLINE: 2022

All sites maintain Low Risk in RBA SAQ (annual)

DEADLINE: 2022

All sites maintain active RBA VAP (every two years)

DEADLINE: 2022

All new key suppliers agree to SGH Supplier Code of Conduct

DEADLINE: 2022

100% supplier response to conflict minerals requests

DEADLINE: 2022

Commit to transparent reporting on our ESG program and engage with stakeholders to integrate feedback and seek continuous improvement on our ESG performance

DEADLINE: 2022

Implement and fund activities and programs to drive recruitment, career support, and community building for employees from underrepresented groups

DEADLINE: 2022

Improve our public Institutional Shareholder Services (ISS), Morgan Stanley Capital International (MSCI), and Sustainalytics scores by 20% from 2020

DEADLINE: 2024

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

DEADLINE: 2030

Environment

OUR ENVIRONMENTAL STEWARDSHIP

At SGH, we're building a world that's always advancing and are committed to doing so with sustainability in mind. We recognize the risks that climate change brings and understand our responsibility to minimize our environmental impact throughout our operations and value chain.

Last year, we established our ESG Steering Committee to engage various SGH stakeholders in sustainability efforts. The ESG Steering Committee mission is to set clear and achievable goals in order to bring about a more sustainable future for our employees, customers, suppliers, and the world. This multidisciplinary group meets regularly to develop initiatives and policies that advance our ESG strategy. It also provides a unified voice when communicating with employees, investors, partners, and other stakeholders on ESG-related topics.

In 2021, we had no monetary losses due to legal proceedings associated with environmental violations.

Product Lifecycle Impacts and Product Stewardship

Our work to reduce our environmental footprint extends beyond our operations and into the lifecycles of the products we design and manufacture. We've adopted design principles that improve energy efficiency without compromising performance in our business lines. For example:

- Penguin Computing's technologies leverage liquid immersion cooling, which is more efficient and consumes less energy than traditional air-based methods
- Cree LED's products provide high-performance, low-energy LED lighting technology
- Our SMART memory modules optimize efficiency through low-voltage technology, which minimizes energy consumption

CLIMATE ACTION

In 2022, we expanded our commitment to climate action by pledging to achieve net-zero on Scope 1 and Scope 2 greenhouse gas (GHG) emissions across all SGH lines of business by 2030. This ambitious goal is backed by years of experience in meeting emissions reduction goals and is supported by commitments from SGH leadership, our Board of Directors, and our ESG Steering Committee. Our net-zero strategy includes reducing our energy consumption, sourcing renewable and carbon-free energy, and purchasing reforestation, ecosystem restoration, and investment in a sustainable economy.

In 2021, we partially offset our Scope 1 emissions through our partnership with Pachama, an organization dedicated to reducing carbon emissions and environmental impact by investing in sustainability. Our support for a project in the Borneo peatlands enabled us to offset our emissions while supporting the restoration of a local ecosystem.

We are also working to reduce our Scope 2 emissions through reduced energy consumption and expansion of our renewable energy sourcing. Most recently we announced

our partnership with GSPARX to install solar panels at our Penang facility, which will offset 1,063 metric tons of CO2 each year.

In 2022, we will explore using the Science-Based Targets Initiative to track our net-zero commitment in order to align our strategy and metrics to a below-2° C world. We intend to improve our Scope 3 emissions tracking and reporting in the coming years.

Management of Climate Risk and Alignment to Task Force on Climate-Related Facial Disclosures

Climate change poses a critical threat to our planet. Given this reality, we consistently work to identify and manage climate-related risks in our business strategy through our enterprise risk management process. We consider the impacts of climate-related natural disasters (e.g., fire, drought, sea level rise) and how those might impact our operations and supply chain. In addition to our company-wide risk management process, our ESG Steering Committee regularly discusses climate-related risks and incorporates mitigating strategies into our environmental initiatives. Each year, we disclose these risks alongside our environmental performance,

goals, and progress via CDP's climate and water questionnaires. Please reference Appendix C: TCFD Alignment for more details on our management of climate risks.

Greenhouse Gas Emission Management

SGH has experienced significant growth over the past several years. As we continue to expand our global presence, we intend to continue to reduce our global emissions. We recognize that GHG emissions are the greatest contributor to climate change and seek to mitigate our impact through efficient business practices and improved work environments.

We are proud that as we have increased business volume, we've continued to see an overall reduction in our emissions. By minimizing consumption and procuring renewable energy sources, we are taking steps to advance our GHG emissions objectives.
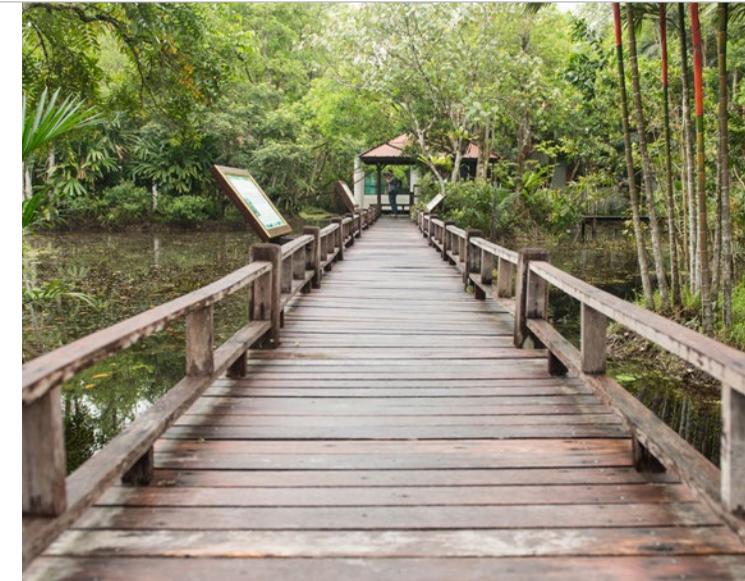
Protecting Peat Swamp Forests in Borneo, Indonesia

We've partnered with Pachama in their efforts to protect and restore nearly 150,000 hectares of peatland ecosystems in the Kalimantan Province of Indonesia. This project creates sustainable sources of income for local residents and protects ecosystems against climate change.

Our Emissions Data

We have monitored our emissions data from all manufacturing sites since 2009 to establish quantifiable environmental impact goals. Our GHG reduction reporting currently focuses on Scope 1 and Scope 2 emissions from all our manufacturing sites. Meanwhile, the ESG Steering Committee is actively developing a strategy to track Scope 3 emissions in the coming years. We are proud to have achieved significant reductions in emissions in Brazil by switching to renewable electricity.

Between 2019 and 2020, our Scope 1 emissions greatly increased due to the opening of our new Embedded Computing Facility in Tempe, Arizona, U.S., and our wireless sites in Bangalore and Kochi, India. In 2021, we acquired Cree LED, which further affected our operational footprint and emissions data. This acquisition significantly increased our Scope 2 emissions year over year, which we have been actively working to reduce.

For the most current and detailed information on our climate performance, please see our annual disclosure to CDP.

CDP Reporting

We recognize the value of disclosure and the importance of maintaining transparent communication with the public and our valued stakeholders. Since 2020, we have submitted annual disclosures to CDP that publicly report details on our GHG emissions, energy management, and water management. We remain accountable to the environmental goals documented in the disclosures and continue to improve our scores. The disclosure framework allows us to refine our data management

processes and advocate for investments that mitigate climate-related risk and leverage other related opportunities.

In 2022, we partnered with Pachama, a third party, to offset our 2021 Scope 1 carbon emissions. This investment took place after our Climate Change response was submitted to CDP and thus is not reflected in our most recent CDP report.

CO2e Emissions (in metric tons)*	2021	2020	2019	2018
Scope 1	0	1,669	176	23
Scope 2	58,937	7,379	9,664	6,408
Emissions offset (Scope 1)	2,395	0	0	0
Total emissions**	58,937	9,048	9,840	6,639

*Measured in metric tons of CO2-equivalent. All figures reported use a market-based GHG accounting methodology.

**The total sum of GHG emissions does not include emissions that have been offset.

ENERGY MANAGEMENT

Given that energy use is our greatest source of GHG emissions, we see energy management as our biggest opportunity to reduce our environmental impact. The first step in our energy management strategy involved measuring and understanding our baseline usage. Using this information, we are taking actions to reduce or eliminate consumption by investing in energy-saving technologies and ultimately transitioning to renewable energy sources.

We are proud to have installed energy-saving appliances across all of our sites over the past ten years. Innovative technologies in LED lighting, HVAC controls, and automatic equipment shut-offs have allowed us to make significant progress on our energy reduction goals.

We also leverage renewable resources to reduce our GHG emissions. In 2016, our facility in Atibaia, Brazil, began sourcing 100% of its energy from renewable sources. They now use a combination of biomass, natural gas, solar, hydro, and wind energy to power the site, which accounts for approximately 19.2% of our total global electricity consumption (including consumption related to our recent acquisition of Cree LED).

We are continuing to explore investments like these across the globe to encourage adoption of renewable energy sources and contribute to advancing our overall ESG strategy.

	2021
Energy consumed	145,000 mWh
Percent of global energy from renewable sources	19.2%
Energy used normalized to the square footage of operations	0.11 mWh/ft^2

Renewable Energy in Penang, Malaysia

In 2021, we began exploring a solar power purchase agreement (PPA) at our Penang facility. We are thrilled that the PPA will be fully executed in 2022, which will enable us to install solar panels that will provide 100% renewable energy for this facility by the end of 2022.

WATER MANAGEMENT

Water is a critical global resource that is of vital importance to our business operations, industries, and communities. It is also a fundamental human right. Within our business management plans, we take into account the risk posed by the diminishing availability of water. Water management is also a part of our overall ESG strategy, which aims to reduce our water consumption and seeks out opportunities to recycle water.

Water Withdrawal, Consumption, and Treatment

We monitor all water withdrawals using the metering system managed by the local government at each site and aim to minimize water consumption by increasing the efficiency of our manufacturing processes. At our offices, we have reduced water usage by installing low-flow bathroom fixtures and sustainable landscaping.

We view water stress levels at each of our facilities as a critical input for our ESG strategy. We have determined that none of our factories withdraw from high-stress areas as identified by the World Resources Institute's Water Risk Atlas (WRI). Our Huizhou, China and Atibaia, Brazil locations account for more than 92% of our water usage. WRI considers these locations to Low Risk with regard to water stress.

At all of our locations, we ensure that water is treated appropriately before being discharged. In our Huizhou, China; Penang, Malaysia; and California, U.S. sites, water is discharged to a third party that is managed by local government agencies. In Brazil, sanitary wastewater is sent to a treatment station before being discharged into a fresh surface water source. The tables below outline our total water usage and water risks by location.

| Water Withdrawal (megaliters)	2021	2020	2019	2018
Total	593	99	90	98
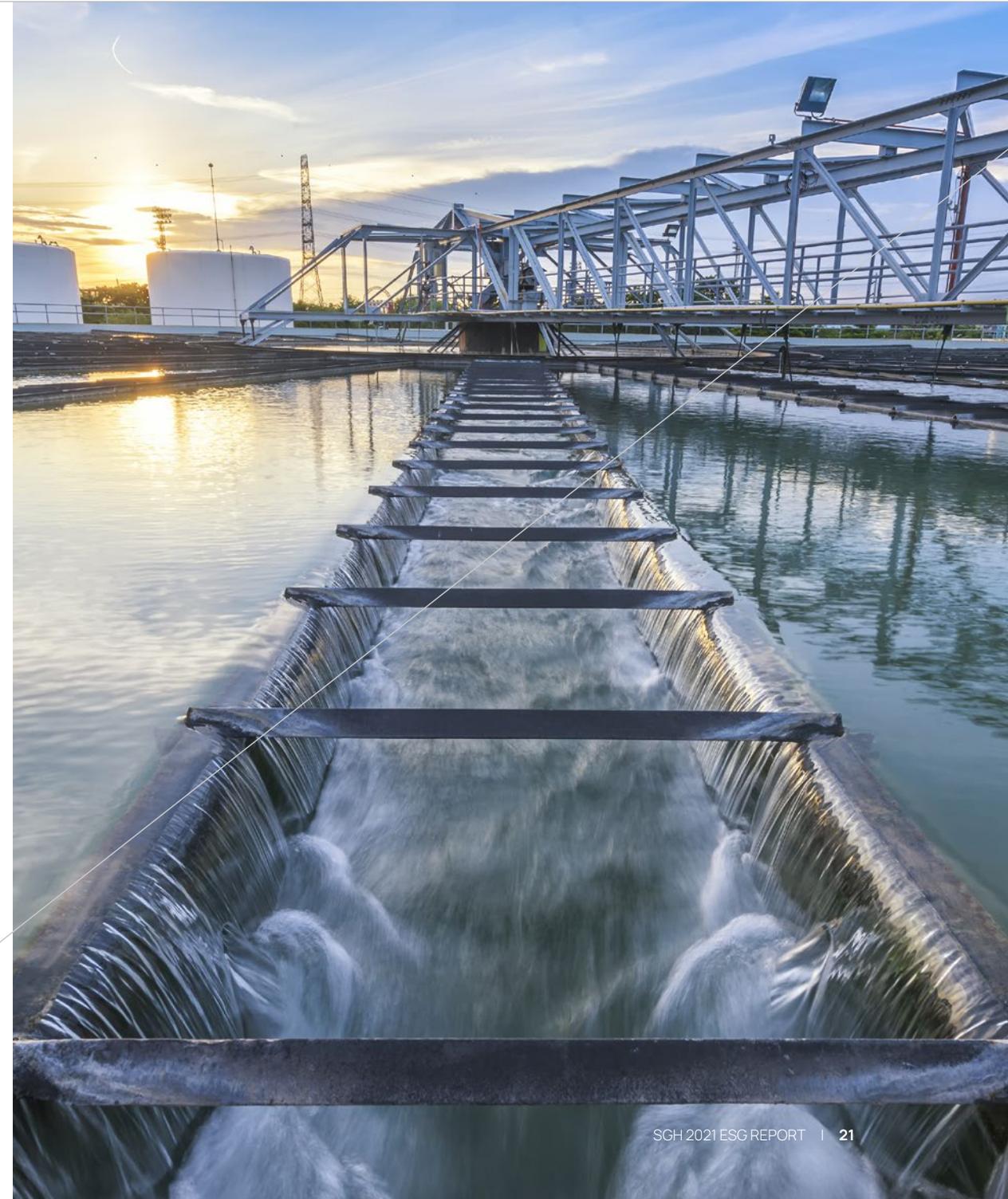
SGH Location	Facility Type	Business Line	WRI - Water Risk Atlas 3.0	
Atibaia, State of Sao Paulo, Brazil	Factory/Office	Memory Solutions	🟢	Low (<10%)
Manaus, State of Amazonas, Brazil	Factory/Office	Memory Solutions	🟢	Low (<10%)
Shanghai, China	Office	Cree LED	🟣	High (40-80%)
Huizhou, Guangdong Province, China	Factory/Office	Cree LED	🟢	Low (<10%)
Shenzhen, Guangdong Province, China	Office	Cree LED	🟢	Low (<10%)
Hong Kong	Office	Cree LED	🟢	Low (<10%)
Kochi, Kerala, India	Office	Penguin Solutions	🔵	Low - Medium (10-20%)
Bengaluru, Karnataka, India	Office	Penguin Solutions	🔴	Extremely High (>80%)
Penang, Malaysia	Factory/Office	Memory Solutions	🟢	Low (<10%)
Seongnam-si, Gyeonggi-do, South Korea	Office	Memory Solutions	🟣	High (40-80%)
New Taipei City, Taiwan	Office	Memory Solutions	🟢	Low (<10%)
East Kilbride, Glasgow, UK	Office	Memory Solutions	🟢	Low (<10%)
Durham, North Carolina, USA	Office	Cree LED	🟣	High (40-80%)
Tewksbury, Massachusetts, USA	Office	Memory Solutions	🟢	Medium - High (20-40%)
Irvine, California, USA	Office	Memory Solutions	🔴	Extremely High (>80%)
Newark, California, USA	Office	Memory Solutions	🟢	Low (<10%)
Tempe, Arizona, USA	Office	Penguin Solutions	🔴	Extremely High (>80%)
Fremont, California, USA	Factory/Office	Penguin Solutions	🟢	Low (<10%)

🟢 Low (<10%)   🔵 Low-Medium (10-20%)   🟢 Medium-High (20-40%)   🟣 High (40-80%)   🔴 Extremely High (>80%)

Water Reuse in Manufacturing

Our manufacturing facilities aim to minimize the amount of water withdrawn from local jurisdictions by reusing as much water as possible. Closed-loop processes such as those that we have in place have led to steady improvement in the amount of water reused over time (see chart below). In 2021, we recycled over 65% of water across all of our facilities.

Water Reuse Improvements

Year	Value
2018	42%
2019	54%
2020	61%
2021	65%
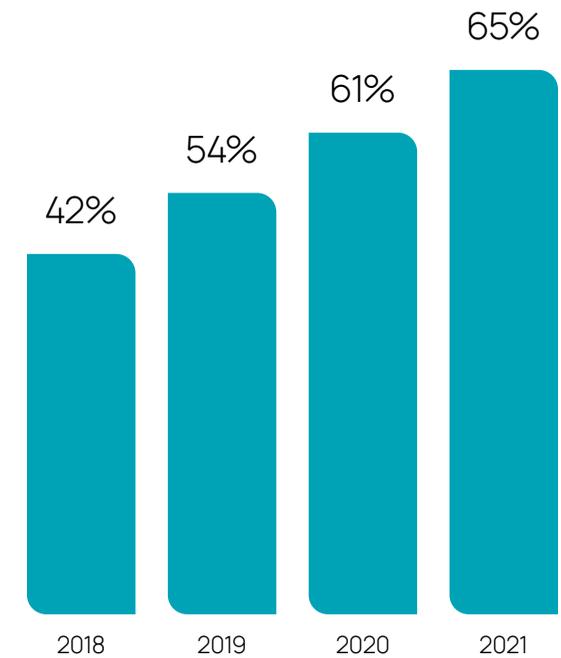
WASTE MANAGEMENT

Minimizing our use of precious resources and practicing responsible consumption and production are another way that we are working to put our values into action. Our waste management strategy focuses on reducing resource consumption, minimizing waste production, and maximizing recycling and reuse of materials.

Across all of our sites, we are improving business processes to reduce paper and food-related waste. To take just one example, our Milpitas, CA office replaced single-use cups and water bottles with reusable mugs and Fill it Forward water bottles.

Hazardous Waste

Improving the sustainability of our complex manufacturing processes requires effective waste management systems that reduce the amount of hazardous waste created and safely dispose of hazardous materials in compliance with applicable regulations.

♡ Fill it Forward.

Making an Impact with Fill it Forward Water Bottles

We have partnered with **Fill it Forward** to reduce waste and encourage water bottle reuse in our locations around the globe. In 2022, each employee received a water bottle with a QR code that they can scan with each refill. This information is then sent to the Fill It Forward app, which allows employees to track their own social and environmental impact. The app shows each user the amount of ocean pollution and waste diverted as well as energy and total emissions saved by their decision to use a refillable water bottle. This program will be rolled out to all SGH employees over the course of 2022 and we will continue to publicize the program's impact in order to promote registration and employee engagement.

As shown in the figure to the right, the amount of hazardous waste sent to landfills at each facility is minimal. The acquisition of Cree LED and its facilities in Huizhou, China and Durham, NC have led to a significant increase in our hazardous waste production. Hazardous waste at our Penang, Malaysia facility has also risen slightly due to higher production and improved accounting practices that better capture the amount of waste created. Taken together, these facilities produced a slight increase in total hazardous waste in 2021.

We continuously seek out innovative solutions that will minimize hazardous waste production and help us achieve our sustainability objectives.

Recycling

When waste creation proves unavoidable, recyclable materials offer an alternative. Our efforts to divert waste from landfills take many forms, including continuous improvement of the recyclability of our packaging materials. Our Newark, CA facility received the StopWaste Award for its business efficiency and waste reduction efforts and each of our facilities has a recycling program in place. In 2021, our total hazardous waste recycling rate was over 50%.

HAZARDOUS WASTE, GENERATED AND LANDFILLED*

SGH Sites	2021 Generated	2021 Landfilled	2020 Generated	2020 Landfilled	2019 Generated	2019 Landfilled	2018 Generated	2018 Landfilled
Atibaia, State of Sao Paulo, Brazil	12	0	22.31	0	14.18	0	16.23	0
Manaus, State of Amazonas, Brazil	0.6	0	N/A	N/A	N/A	N/A	N/A	N/A
Huizhou, Guangdong Province, China	123.5	0	N/A	N/A	N/A	N/A	N/A	N/A
Kochi, Kerala, India	0	0	0	0	N/A	N/A	N/A	N/A
Bengaluru, Karnataka, India	0	0	0	0	N/A	N/A	N/A	N/A
Penang, Malaysia	41	0	13.97	0	13.83	0	14.98	0
Seongnam-si, Gyeonggi-do, South Korea	0	0	0	0	0	0	0	0
New Taipei City, Taiwan	0	0	0	0	0	0	0	0
East Kilbride, Glasgow, UK	0	0	0	0	0	0	0	0
Durham, North Carolina, USA	16.8	4.36	N/A	N/A	N/A	N/A	N/A	N/A
Tewksbury, Massachusetts, USA	0	0	0	0	0	0	0	0
Irvine, California, USA	0	0	0	0	0	0	0	0
Newark, California, USA	3.36	0	2.07	0	4.61	0	3.53	0
Tempe, Arizona, USA	0.03	0.03	0.03	0.03	0	0	N/A	N/A
Fremont, California, USA	0.9	0	0	0	0	0	0	0
Totals	**198.19**	**4.39**	**38.38**	**0.03**	**32.62**	**0.000**	**34.74**	**0.00**

*Measured in metric tons

Governance
and Ethics

ESG MANAGEMENT AND OVERSIGHT

SGH is committed to benefiting our communities and the environment more broadly. Our ESG Steering Committee is responsible for developing and managing strategies to advance sustainability throughout the company. Led by SGH's senior executives, the Steering Committee includes leaders from Finance, Legal, Human Resources, Supply Chain and Operations, and Marketing and Communications.

The committee meets regularly to review policies, evaluate long-term objectives, and prepare public disclosures on ESG topics. This team also helps identify, evaluate, and manage SGH's ESG-related business impact.

Our ESG-related work is overseen by the SGH Board of Directors. At least twice per year, the ESG Steering Committee reports to the Board's Nominating and Corporate Governance Committee on ESG progress. The Nominating and Corporate Governance Committee discusses ESG topics at its quarterly meetings and provides regular updates to the full Board.

ETHICS AND COMPLIANCE

We value our role as a trusted business partner and prioritize ethical decision making, integrity, and compliance in our daily practices. We ensure policies are followed in order to reduce risk and maintain high standards of conduct in all of our business operations.

Our Codes of Conduct and Anti-Corruption Policy are aligned with the UN Guiding Principles and reflect our commitment to maintaining the highest standards. These policies apply to SGH employees and contractors alike. Employees must complete training on these policies when they begin working at SGH and receive regular updates on policy changes via meetings, emails, and online training opportunities. In 2021, 100% of our regular, full-time employees completed the online Code of Conduct and other ethics training courses.

Our Supplier Code of Conduct includes our Anti-Corruption Policy and incorporates the RBA Code of Conduct. It applies to all SGH suppliers and business partners, who are required to certify compliance unless they receive written authorization from SGH to employ their code of conduct, which must be at least as rigorous as our own.

SGH also takes compliance with anti-competitive regulations seriously. In 2021, we had no monetary losses stemming from legal proceedings associated with anti-competitive behavior regulations.

Reporting Concerns

We encourage all stakeholders to report any unethical or illegal behavior through our whistleblower hotline. The hotline is open to employees, customers, partners, and suppliers alike. Reports can be made online at **SGH. ethicspoint.com** or via a toll-free hotline from anywhere SGH or one of its subsidiaries has a physical presence. It is available in all languages local to the regions where we operate and information about the hotline is posted in all of our facilities around the globe as well as on our internal and external websites.

Reports received through the hotline are reviewed by our General Counsel, Chief Financial Officer, Chairperson of the Board of Directors Audit Committee, and/or the full Board of Directors Audit Committee, depending on the nature of the report. As outlined in our **Code of Business Conduct and Ethics** and our **Whistleblower Policy**, any employee who reports

a concern or participates in an investigation is protected from all forms of retaliation.

Regional Compliance Review Boards led by our Chief Compliance Officer confirm adherence to compliance procedures, discuss compliance activities, and affirm the importance of reporting concerns. These meetings occur quarterly in each SGH region.

In 2021, we had no monetary losses stemming from legal proceedings associated with anti-competitive behavior regulations.

PRIVACY, DATA SECURITY, AND INTELLECTUAL PROPERTY PROTECTION

In our increasingly digital world, prioritizing the protection of our proprietary and confidential information, as well as that of our customers and partners, is more important than ever. In June 2021, we established our **Cybersecurity Risk Management Committee** as a subcommittee of our Board of Directors to oversee information technology (IT) use and data security, including enterprise cybersecurity, data collection and protection, and compliance with information security and data protection laws. This committee supports the ongoing implementation of our Information Security Risk Management (ISRM) framework, which is aligned with the National Institute of Standards and Technology (NIST) and ISO standards.

Over the last two years, as global mandates to shelter-in-place affected how we work and live, SGH adopted remote and hybrid working environments while taking care to ensure the privacy and security of sensitive data and our network as a whole. Our internal audit team sends regular communications to our employees around the globe to ensure that they are empowered to maintain good cybersecurity practices. These newsletters are made available in multiple languages and cover topics such as phishing and social engineering, confidential information protection, and best practices in security hygiene. SGH employees also receive regular training on cybersecurity topics.

In 2021, we had no substantiated complaints about material breaches in customer privacy or losses of customer data.

PRODUCT SAFETY AND COMPLIANCE

SGH upholds the highest standards of product safety via its responsible management of chemical substances. We comply with all local, state, federal, and international regulations in order to protect human health and the environment. Though we estimate that less than 5% of the components in our products contain IEC 62474 declarable substances, we operate under the assumption that 100% of our products do and take safety and labeling precautions as appropriate.

RoHS and REACH Compliance

In compliance with the European Union's (E.U.) Restriction of Hazardous Substances (RoHS) directive, we continuously work with our suppliers to ensure that our product components are lead-free. We also use a comprehensive third-party tool to compile, manage, and validate the substances in our supply chain.

In collaboration with our suppliers, we work to eliminate the use of chemicals that may be detrimental to the environment. When these materials are identified, we manage and monitor risks to our employees, our community, and the environment in compliance with the E.U.'s Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) until they can be removed from the supply chain.

Proposition 65 Compliance

Our rigorous product compliance process includes conforming to California's Proposition 65. We inform individuals in the State of California about possible exposure to chemicals known to pose a risk of cancer or reproductive toxicity. (Note: Given the high standards established under this rule, a Proposition 65 warning does not necessarily mean that a particular product violates safety standards or requirements.)

We have determined that most of our products contain at least one substance in the Proposition 65 list and have signage at our California site entrances to convey this information to individuals on-site. We also include Proposition 65 information in our product declarations so that firms purchasing SGH components can alert their customers as appropriate.

QUALITY, ENVIRONMENTAL, HEALTH, AND SAFETY MANAGEMENT SYSTEMS

Our robust quality, environment, health, and safety (QEHS) program reflects our commitment to putting people first. We follow the precautionary principle and adhere to the highest operating standards in order to minimize risk exposure and protect our employees, stakeholders, the public, and the environment.

Our **QEHS Policy** includes the following tenets:

- **Prevent** conditions that pose a threat to human health, safety, or the environment

- **Facilitate** an environment that prioritizes employee health and safety and environment protection

- **Identify and eliminate or reduce** hazards and risks

- **Protect** the environment

- **Promote** employee and partner participation on QEHS matters

Our QEHS Management System is aligned with ISO principles in order to support the development, implementation, monitoring, and improvement of QEHS targets and objectives.

This system applies to all SGH business locations, business units, functions, and global business processes.

We are proud that our manufacturing facilities in the U.S., Brazil, and Malaysia were certified to the ISO 9001, ISO 14001, and ISO 45001 standards. We conduct annual internal and external audits to maintain these certifications and ensure our QEHS Management System is operating to the fullest extent. Since our acquisition of Cree LED in 2021, we have been taking the necessary steps to achieve ISO 45001, ISO 14001, and ISO 9001 certification at our Huizhou, China facility.

Our partners help us fulfill our commitment to safe business practices and minimized environmental impact. We expect our critical suppliers to maintain ISO certification and over 80% of our suppliers have ISO 14001 certification, with more that plan to become certified. Over 75% of our suppliers are also RBA members, which supports uniformity across standards and expectations. Please visit our **website** to learn more about our ISO 9001, ISO 14001, and ISO 45001 certifications.

Supply Chain

SUPPLY CHAIN STRATEGY AND IMPACT

We strive to maintain a sustainable supply chain that conforms to the highest environmental and social standards and hold ourselves accountable via high ethical expectations and robust compliance.

Our **Supplier Code of Conduct** sets out our expectation that SGH suppliers will engage in ethical business practices and remain in compliance with applicable laws and regulations. All suppliers must meet the requirements of our SGH Supplier Code of Conduct before we will conduct business with them.

As members of the RBA, we also uphold the organization's Code of Conduct through our **Code of Business Conduct and Ethics**, Supplier Code of Conduct, **Human and Workforce Labor Rights Policy** and other policies. We require all suppliers to follow the RBA Code and its practices and principles.

We are proud of our resilience in the face of ongoing global supply chain challenges. Despite the continued impacts of the pandemic last year, we were able to meet customer delivery requirements and grow our business. We have a 90% on-time delivery rate and maintain high levels of customer satisfaction.

Conflict Minerals

We are taking explicit actions to ensure our products are safe and sourced ethically. Our conflict minerals program monitors the sourcing of tin, tantalum, tungsten, and gold from the Democratic Republic of Congo (DRC) and neighboring countries to guarantee that funds from the materials we purchase are not being used to finance armed conflict.

As a member of the RBA's Responsible Mining Initiative (RMI), we support the responsible sourcing of minerals from conflict-affected and high-risk areas and encourage compliance and collaboration within the industry and across our supply chain. In accordance with the RMI, we require all SGH suppliers to complete the Conflict Minerals Reporting Template (CMRT) each year. As we do not source metals directly from smelters or refiners, we rely on input from our upstream partners to inform our risk identification and remedy process.

Human Rights

Our commitment to human rights is central to the way we conduct business. We take our responsibility to preserve human rights seriously and do not allow any form of forced labor, child labor, or bonded labor, as highlighted in our Human and Workforce Labor Rights Policy. This policy was developed in line with the RBA Code of Conduct and several international principles, including the UN Universal Declaration of Human Rights, the ILO Standards and Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN General Comment No. 15 on the Right to Water, and ISO standards. Each year, all SGH suppliers must sign our Supplier Code of Conduct, which aims to prevent human rights violations.

To prevent human trafficking within our supply chain, we work in close partnership with our suppliers to ensure their compliance with the U.K. Modern Slavery Act of 2015. We also monitor supplier performance and management on emerging human rights issues throughout the world. In 2021, we sent a questionnaire to our suppliers in order to surface human rights issues in regions with exceptionally high risk of forced and/or bonded labor.

We also support the right to freedom of association. In 2021, approximately 15.4% of our global employees—including all employees in Brazil and some in Europe—were covered by a collective bargaining agreement.

In 2022, we plan to update our human rights policy to add best-practice requirements for our operations and supply chain and ensure support for vulnerable populations.
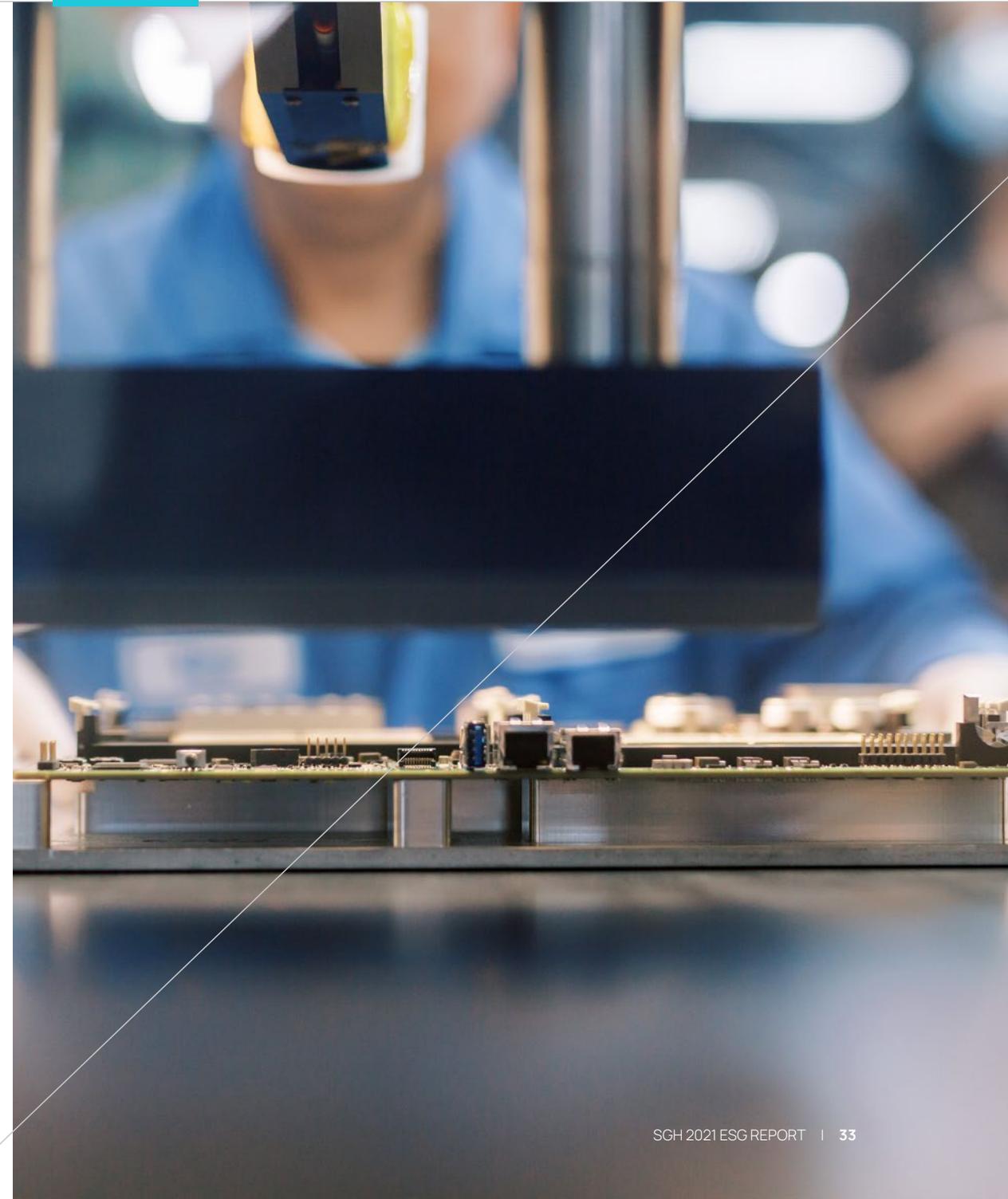
People

OUR TEAM

At SGH, we put people first by appreciating our differences and supporting one another's successes. We lift each other up and strive to create a sense of belonging and collaboration because we know that we are more powerful together.

Increasing diversity, equity, and inclusion at SGH will require ongoing investment in the professional development and wellbeing of our employees. We aim to cultivate an environment where employees feel included, intellectually challenged, and recognized for their work. Our turnover rates suggest that our efforts to date, though still early-stage, are already making a difference: turnover at SGH was just 3% in 2021, far lower than the 15% industry average.

At the end of 2021, SGH had 3,964 employees located across the globe, with the majority in Atibaia, Brazil; Huizhou, China; Penang, Malaysia; and North Carolina and California, U.S.

GLOBAL EMPLOYEE DISTRIBUTION

24.6%
UNITED STATES

15.0%
BRAZIL

36.9%
CHINA

1.0%
EUROPE

1.6%
INDIA

0.1%
JAPAN

0.5%
SOUTH KOREA

18.8%
SOUTHEAST ASIA

1.5%
TAIWAN

EMPLOYEE ENGAGEMENT

The COVID-19 pandemic brought major changes to long established norms of work. A much higher percentage of SGH employees now work remotely at least some of the time, making effective employee engagement more important than ever. To support our employees regardless of where they work each day, SGH is taking deliberate steps to invite feedback, improve communication, and strengthen programs that encourage employee success.

In 2021, we partnered with **Great Place to Work®**, the global authority on workplace culture, to implement an employee survey, which we launched in 2022. As a result of the survey, SGH was Certified as a Great Place Work. During 2022, we have continued to analyze feedback from this survey and plan to create and implement an action plan to address areas of opportunity to further improve employee satisfaction.

Additionally, we established a regular cadence of company-wide communications and meetings in order to share information more effectively with all SGH employees. Our quarterly "All Employee Meeting" brings together employees from across the globe to hear from our CEO and other company leaders about the latest SGH priorities and challenges, as well as provide another opportunity to gain employee feedback.

Prompted by employee feedback, SGH created an Employee Resource Groups (ERGs) program to provide a framework for building community and fostering collaboration among individuals with shared experiences and backgrounds. SGH established a process for setting up an ERG and provides funding to support ERG activities. Each ERG begins by developing its own charter and identifying goals and initiatives in line with SGH values. These details are then reviewed, approved, and funded by the SGH DEI committee. SGH employees formed three new ERGs in 2022 and, with continued outreach, we expect to launch additional ERGs in the years ahead.

2021 was also a time of preparation as we got ready for the launch of a comprehensive new training program to reinforce SGH's values and build awareness of the importance of diversity, equity, and inclusion within the company. These efforts resulted in the successful global launch of the program in 2022.

Engaging Young People From Historically Underrepresented Groups

Advancing diversity, equity, and inclusion at SGH requires specific actions to reach out to young people from historically underrepresented populations. At the postsecondary level, SGH is taking steps to expand its pool of potential employees by engaging with Historically Black Colleges and Universities (HBCUs) through their women and minority engineering programs. These efforts began in 2021 and will continue in the coming years.

SGH has also partnered with Cristo Rey San José Jesuit High School on its Corporate Work Study Program (CWSP). Cristo Rey serves low-income students, 92% of whom are Latinx. We engaged with Cristo Rey in 2021 and launched the full program, where SGH welcomes high school students to work in the company in partnership with SGH leadership, in 2022. SGH welcomes the opportunity to work with CWSP students to build confidence, develop mentor relationships, and raise awareness of potential career and college pathways.

Employee and Management Development

At SGH, we invest in our employees' professional development and connect them with opportunities for advancement within and beyond their current roles. By fostering open and consistent internal communication, we aim to ensure that managers and team members understand one another's priorities and appreciate each other's contributions.

Effective employee and management development also requires clear, actionable feedback and assessment as well as access to the tools needed to succeed. In 2021, we standardized our global performance review process to better support employee growth, recognize achievements, and improve employee communications. Many of our global sites now offer coaching programs and job-specific training.

Tuition reimbursement and other internal training programs offer another avenue for professional advancement. SGH provides employees up to $7,000 per year towards additional studies or advanced degrees to help further their knowledge and enhance their professional development within the Company.

At each of our locations throughout the world, we provide training in local languages on workplace culture and enrichment through our learning platform, which addresses areas such as harassment, healthy work environments, diversity, equity and inclusion, and ethics and compliance.

> Tuition reimbursement and other internal training programs offer another avenue for professional advancement.

DIVERSITY, EQUITY AND INCLUSION

At SGH, we understand the importance of a diverse and engaged workforce. Our colleagues represent a wide range of racial groups, religious beliefs, genders, ages, national origins, sexual orientations, physical and cognitive abilities, and talents. This diversity ensures that different perspectives inform our work as we create products and solutions that meet market needs and advance innovation.

Our employee handbook sets out equitable, people-oriented principles for recruitment, promotion, performance evaluation, compensation, and training of all employees.

In 2021, we took specific steps to increase diversity in the SGH workforce:

■ We collaborated with Circa and its partner DiversityJobs to promote open SGH positions on hiring websites that target Black and Latinx candidates as well as individuals in the LGBTQIA+ community. This collaboration led to definite improvement in the diversity of our candidate pool in 2022. Looking ahead, we will continue working to ensure equity throughout the hiring process, track our results, and improve our approach.

■ We partnered with a North Carolina firm to increase the number of Black students in the SGH internship program. We forged this partnership and set targets for success in 2021 and will monitor and report our results in 2022.

Finally, in 2021, we launched an analysis of pay equity at SGH, utilizing Syndio, a third-party workplace equity platform, to gather data and provide recommendations related to gender- and race/ethnicity-based equity in compensation. Our internal human resources teams are now analyzing the results and determining next steps needed to ensure equitable compensation across SGH.

Celebrating a Diverse Workforce

Throughout the calendar year, we find ways to highlight and celebrate the various communities represented in the SGH workforce. During Black History Month (January), we raised awareness of Black Americans' experiences over the course of U.S history. We also established Juneteenth as a company-wide holiday to commemorate the emancipation of enslaved Black Americans. During Pride Month (June), we created opportunities for employees to learn more about the LGBTQIA+ community. On Veterans' Day, we honored our employees who served in the Armed Forces by providing gift certificates so that they could enjoy a meal with their loved ones. These and other activities seek to educate and celebrate as we work toward a more diverse, equitable, and inclusive future.

Diversity by the Numbers

In 2021, gender diversity among SGH employees worldwide improved, with the proportion of women employees rising from 41% to 45%. Our gender diversity ratio in the U.S. remained static, with 28% women and 72% men.

Our 2021 racial and ethnic diversity evaluation revealed a highly diverse workforce with representation of each of the standard U.S. Census groups. The overall percentage of white employees decreased between 2020 and 2021, while the percentage of Black employees doubled from 3% in 2020 to 6% in 2021.

GLOBAL GENDER REPRESENTATION BY ROLE

All Employees
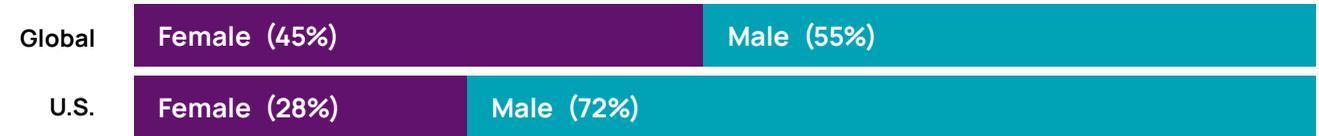
Global	Female (45%)	Male (55%)
U.S.	Female (28%)	Male (72%)

Executives

Global	Female (16%)	Male (84%)
U.S.	Female (14%)	Male (86%)

Managers

Global	Female (23%)	Male (77%)
U.S.	Female (18%)	Male (82%)

New Hires

Global	Female (45%)	Male (55%)
U.S.	Female (33%)	Male (67%)

DIVERSITY BY THE NUMBERS

Worldwide Employee Gender Breakdown
45% 55%

Female   Male

U.S. Employee Gender Breakdown
28% 72%

Female   Male

U.S. Ethnicity
41% 1% 33% 6% 6% 1% 2% 10%
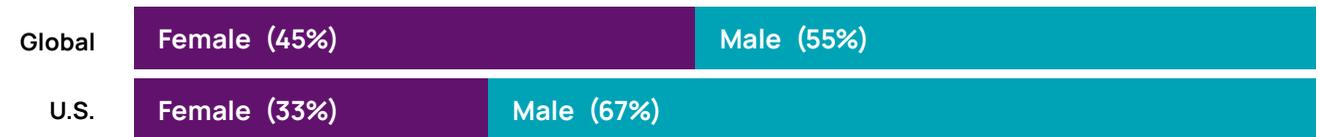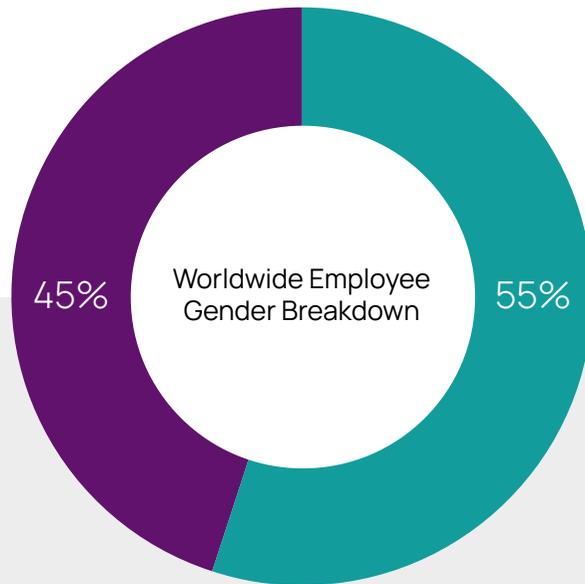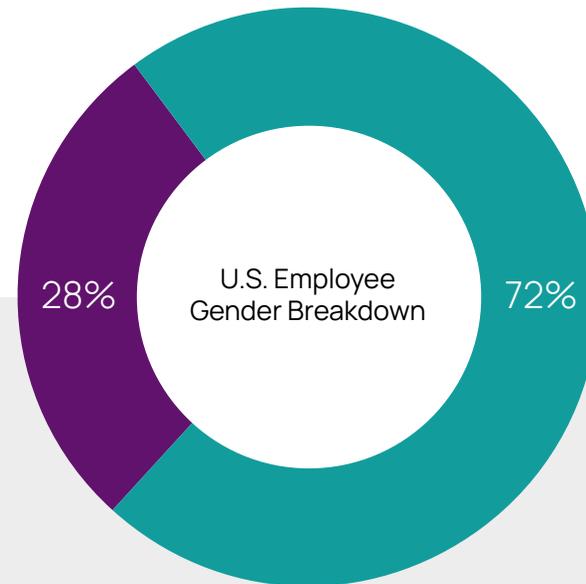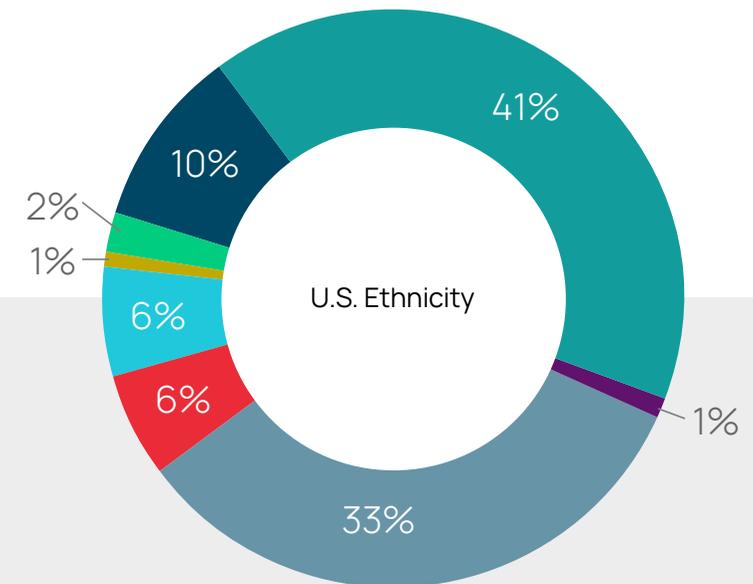
White
American Indian/ Alaskan Native
Asian
Black or African American
Hispanic or Latino
Native Hawaiian or Other Pacific Islander
Two or More Races
Undeclared

WELLNESS, HEALTH AND SAFETY

We take our role in maintaining a safe work environment seriously and strive to promote health and wellness among our teams. Our Employee Assistance Program supports mental and emotional health by providing free, confidential counseling and support for our employees and members of their households. SGH also offers gym membership reimbursements to encourage physical fitness. A flu shot clinic and other health-focused activities and programs for employees are on the horizon.

Employee Benefits and Wellbeing

Our employee benefits program represents one of our most important investments in our people. We believe that our employees deserve a comprehensive benefits program that offers peace of mind with regard to health care and planning for the futures. Our global primary coverage includes medical, dental, vision, life insurance, and various accident or disability coverages. Our 401(k) retirement savings plan for U.S. employees features immediate vesting of the company match.

Health and Safety

We maintain a strong focus on prevention and precaution across all of our manufacturing and corporate sites as well as in our work protocols. We empower everyone at SGH to contribute to a safe and healthy work environment and provide a full complement of safety training materials to employees and contractors alike.

We ensure compliance with relevant Occupational Safety and Health (OSH) Legislation and the ISO 45001 standard and conduct health and safety programs on topics such as crime prevention, fire prevention and CPR awareness to promote a healthier and safer workplace for everyone.

Our Health and Safety strategy is comprised of eight key elements:

1
Effective OSH procedures and policies

2
Involvement in risk assessment programs

3
Leadership and commitment to enhance and improve OSH

4
Efficient measures for risk control

5
Workers' participation and awareness OSH Programs

6
Competent and trained employees in the workplace

7
Compliance to legislation

8
Continuous monitoring, reviews and audits
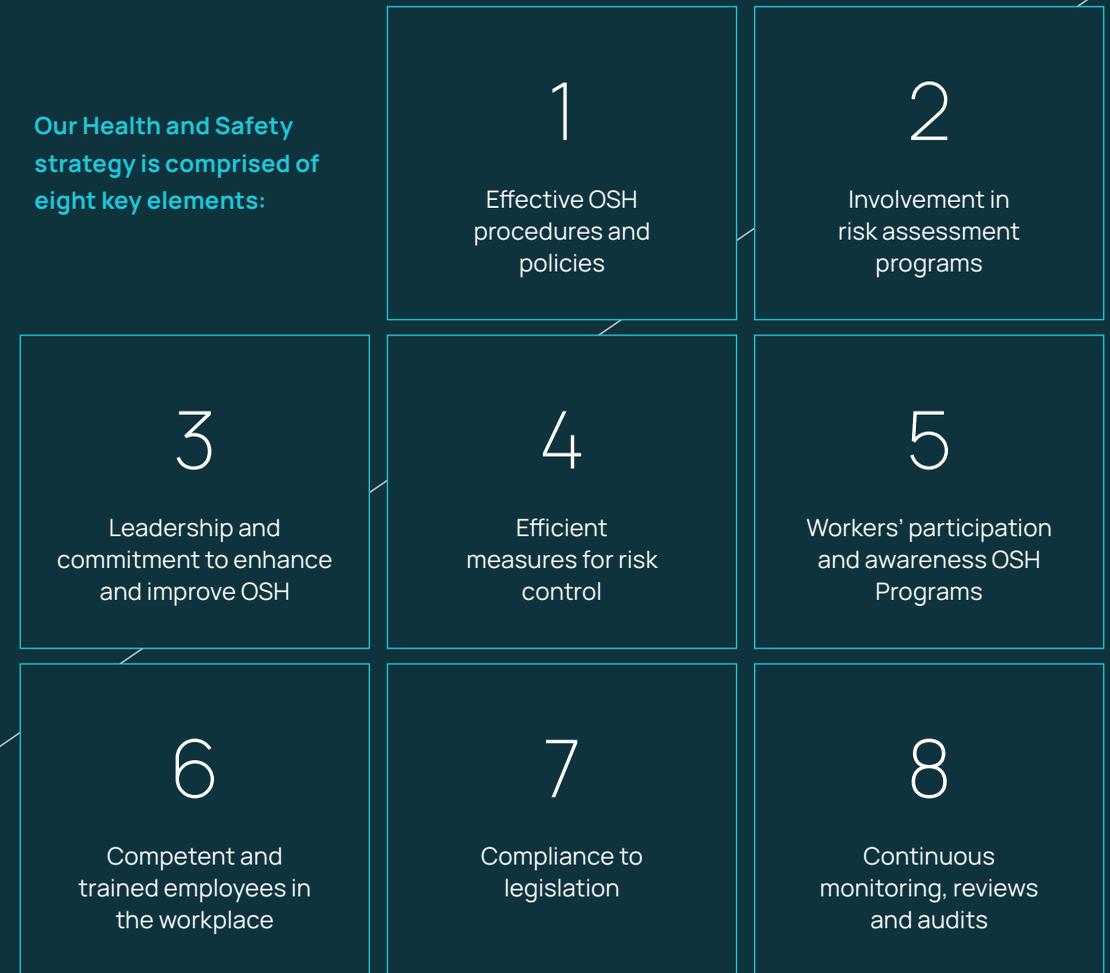
We strive to minimize employee exposure to potential safety hazards through assessments and periodic safety inspections performed by the Environmental Health and Safety team. When we identify areas for improvement in safety and prevention, subject matter experts work with leadership to design and implement corrective actions. The ongoing efforts of this team help ensure that safety-related incidents are rare. Our global incident rate in 2021 was 0.43 incidents per 100 full-time equivalent (FTE) workers, and we had no high-consequence work-related injuries or fatalities.

Managing Employee Health and Safety During COVID-19

After another year of the COVID-19 pandemic, our commitment to the health of our employees and the communities in which we operate has only grown. Our on-site employees receive free personal protective equipment and adhere to social distancing and sanitization standards. We continue to complete weekly COVID-19 testing for all employees, contractors, and nonemployees at each of our facilities. To minimize employee exposure to COVID-19, we have allowed all employees who are able to work remotely to do so when possible. As a result

of our diligent efforts, we have not had any employee deaths due to COVID-19.

In 2020, we ensured that our US employees had access to adequate paid time off via the federally funded Families First Coronavirus Response Act. When this program expired in 2021, we chose to continue this benefit at the company's expense so that employees could take care of themselves and their loved ones without concern for their economic wellbeing.

As part of our comprehensive benefits, we provide mental health counseling for employees, their partners, and their dependents. We know that the COVID-19 pandemic has been challenging on many fronts and have provided additional communications to employees in order to ensure that they know how to take advantage of this component of their benefits package.

Our Penang, Malaysia facility conducted extensive community outreach that led to the vaccination of some 2,600 people. Through these efforts, SGH was able to increase the vaccination rate in the area from 38% to 98% in just four months.

Community
Engagement

Across each of our business lines, we work to enrich the quality of people's lives in the communities where we operate. These efforts take several forms, including employee donation matching, direct corporate giving, and employee volunteer activities.

Employee Match and Giving Program

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

Corporate Giving

In 2021, SGH was proud to support charities and local causes through monetary and in-kind donations delivered through both direct giving and employee matching.

Supporting the People of Ukraine

Alongside the rest of the world, we have watched the escalating humanitarian crisis brought by Russian invasion of Ukraine. Millions of Ukrainians have fled their country, leaving their homes, belongings, and loved ones behind. Since the war began in February 2022, the number of refugees has continued to grow. In May 2022, we donated $50,000 to the GlobalGiving Ukraine Crisis Relief Fund, which supports humanitarian assistance in impacted communities in Ukraine and surrounding regions with Ukrainian refugees. We also matched $14,708 in employee donations, which resulted in a total of $29,416 for Ukraine relief efforts.

We are committed to supporting the people of Ukraine and hope that this conflict comes to a swift resolution so that all who have been displaced can return to their loved ones and their communities.

Penang State e-Learning Program

In 2021, SGH donated 50 laptops to low-income families in Penang to help close the digital divide and increase access to education in order to improve quality of life.

Employee Volunteer Activities

Around the world, employees of SGH create meaningful impact in the communities where they live and work. Through numerous charity partnerships and community events, we encourage our employees to volunteer and participate in opportunities that matter to them. Here are a few examples of activities that our employees participated in during 2021:

Passing the Ball in Penang

Since 2016, employees at SGH's Penang site have engaged with the local community to train, coach and play football with local youth aged 8-16. This program encourages young people to develop discipline and teamwork skills as they hone their physical talents, all while building confidence and self-assurance. In 2021, we were proud to see the team recognized as Bagan District League Champions.

Employee Volunteering in China

At our Huizhou, China site, employees are encouraged to join volunteer groups to participate in community activities that advance student welfare, elder care, environmental protection, and more.

Educational Training Program in Brazil

Our team in Brazil believe in the development of a society with equal opportunities for all.

In partnership with the National Service for Industrial Training (SENAI), SGH supports technical training programs and grants scholarships for youth from underserved communities in Brazil. Upon the completion of the programs, attendees will have acquired several skills, developed core competencies, and are better prepared for job opportunities.

From our first cycle of this program, we have empowered 60 students to start their careers asadministrative assistants, electricians and production assistants

Appendices

MEMBERSHIP OF ASSOCIATIONS

In 2021, we served as a corporate-level member of multiple associations, all listed below. At the business line and site levels, we participate in standards-setting groups for technology innovation and other business-related best practices groups, some of which are listed below.

Associação Brasileira da Indústria de Semiconductors (Abisemi)

Associação Brasileira da Indústria Elétrica e Eletrônica (Abinee)

Associação Brasileira de Internet das Coisas (Abinc)

The Responsible Business Alliance

The Responsible Minerals Initiative
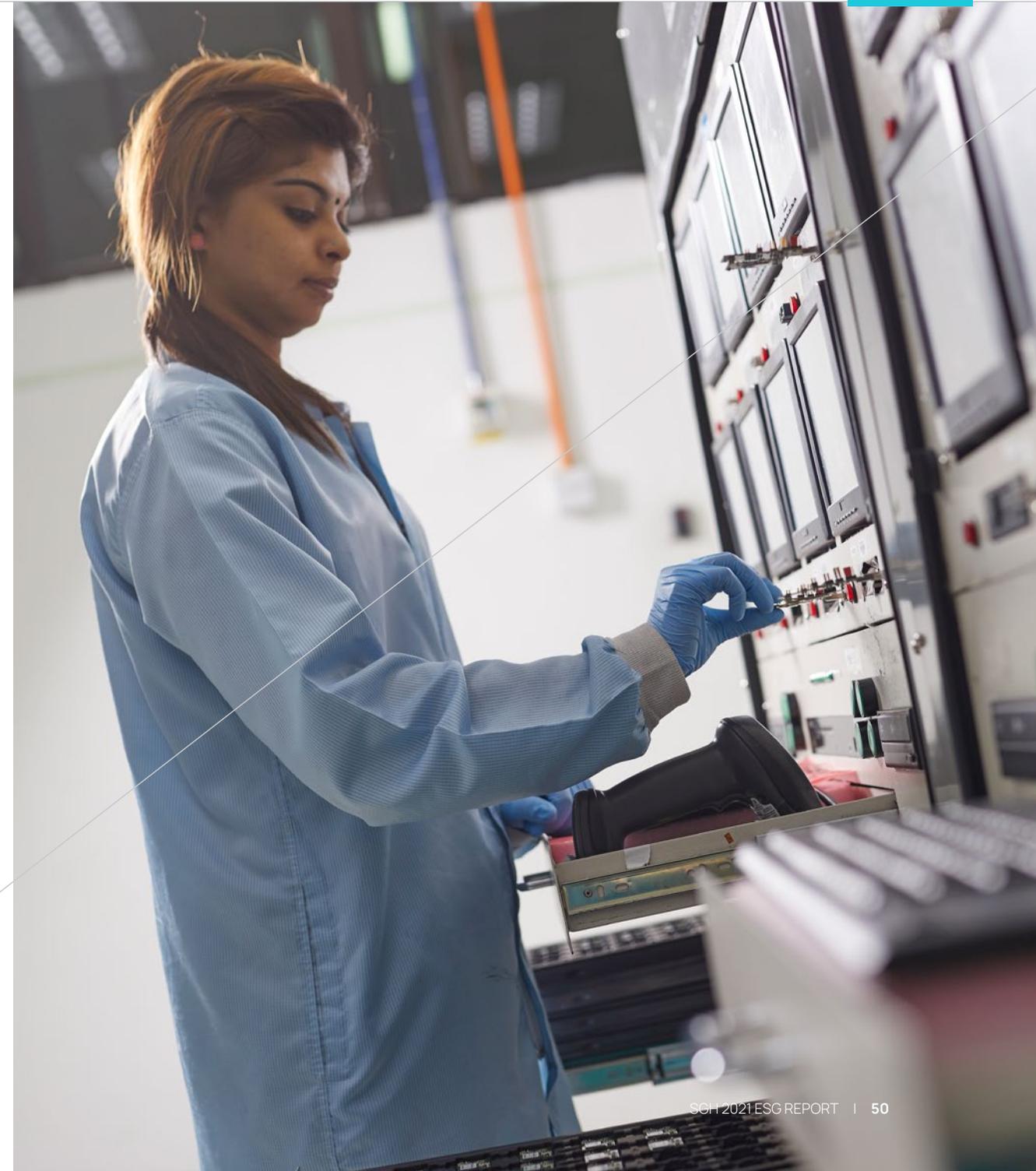
UNITED NATIONS GLOBAL COMPACT

As responsible corporate citizens, we embrace the ten principles of the United Nations Global Compact, which support human rights, labor rights, the environment, and anti-corruption.

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

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

We set out our approach to climate change, including the governance, strategy, risk management, and metrics and targets in this report. Our annual disclosure to **CDP's Climate Change Questionnaire** presents this information in greater detail.

	Governance	Strategy	Risk management	Metrics and targets
Disclosure:	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.
Disclosure indicator:	a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
Our response:	Our board's oversight of climate-related risks and opportunities is described in Section C1: Governance of our 2021 CDP Climate Change Questionnaire.	Our organization's climate-related risks and opportunities over the short, medium, and long terms are described in Section C2: Risks and Opportunities of our 2021 CDP Climate Change Questionnaire.	Our organization's processes for identifying and assessing climate-related risks are described in Section C2: Risks and Opportunities of our 2021 CDP Climate Change Questionnaire.	The metrics used by our organization to assess climate-related risks and opportunities in line with our strategy and risk management process are disclosed in Section C4: Targets and Performance of our 2021 CDP Climate Change Questionnaire.
Disclosure indicator:	b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	b) Describe the organization's processes for managing climate- related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
Our response:	Our management's role in assessing and managing climate-related risks and opportunities is described in Section C1: Governance of our 2021 CDP Climate Change Questionnaire.	The impact of climate-related risks and opportunities on our organization's businesses, strategy, and financial planning are described in Section C3: Business Strategy of our 2021 CDP Climate Change Questionnaire.	Our organization's processes for managing climate- related risks are described in Section C2: Risks and Opportunities of our 2021 CDP Climate Change Questionnaire.	Our Scope 1 and Scope 2 greenhouse gas (GHG) emissions and related risks are disclosed in Section C5: Emissions Methodology and Section C6: Emissions Data of our 2021 CDP Climate Change Questionnaire.

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

(CONTINUED)

	Governance	Strategy	Risk management	Metrics and targets
Disclosure indicator:	n/a	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
Our response:	n/a	The resilience of our organization's strategy, considering different climate-related scenarios, including a 2°C or lower scenario, are described in Section C3: Business Strategy of our 2021 CDP Climate Change Questionnaire.	How processes for identifying, assessing, and managing climate-related risks are integrated into our organization's overall risk management is described in Section C2: Risks and Opportunities of our 2021 CDP Climate Change Questionnaire.	The targets used by our organization to manage climate-related risks and opportunities and performance against targets are described in Section C4: Targets and Performance of our 2021 CDP Climate Change Questionnaire.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

We disclose metrics in alignment with SASB's standards for the semiconductor and hardware industries.

SEMICONDUCTOR INDUSTRY

Activity Metric	Code	Disclosure
Total production	TS-SC-000.A	SGH sold approximately 5.4 billion units in 2021. This includes products across all business lines. Revenue breakdown across business lines is below (in thousands): Memory Solutions: $931,818 Intelligent Platform Solutions: $344,757 LED Solutions: $224,567
Percentage of production from owned facilities	TS-SC-000.B	>98%

Topic	Accounting Metric	Code	Disclosure / Report Section
Greenhouse Emissions	1.) Gross global Scope 1 emissions 2.) Amount of total emissions from perfluorinated compounds	TC-SC-110a.1	1.) 2,395 metric tons 2.) Not applicable Refer to the Greenhouse Gas Emissions section for more information.
Energy Management in Manufacturing	1.) Total energy consumed 2.) Percentage grid electricity 3.) Percentage renewable	TC-SC-130a.1	1.) 145,000 mWh 2.) Not applicable 3.) 8.2%
Water Management	1.) Total water withdrawn 2.) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SC-140a.1	1.) 593mL 2.) Water consumption at SGH is minimal as our manufacturing processes do not consume water. According to the World Resources Institute's Water Risk Atlas tool, none of our factory locations operate in regions with High or Extremely High Baseline Water Stress with the exception of Irvine, CA, which withdraws a minimal amount of water. We have office locations that operate in areas of High or Extremely High Baseline Water Stress, but water consumption in those offices is very low. Refer to the Water Management section for more information.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

(CONTINUED)

Topic	Accounting Metric	Code	Disclosure / Report Section
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-SC-150a.1	198.19 metric tons generated, ›50% recycled. Refer to the Waste Management section for more information.
Employee Health & Safety	1.) Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards 2.) Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.1 TC-SC-320a.2	1.) See the Health and Safety section for our publicly available breakdown of employee health hazards. 2.) $0
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SC-330a.1	(1) Less than 1% (2) Less than 1%
Product Lifecycle Management	1.) Percentage of products by revenue that contain IEC 62474 declarable substances 2.) Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.1 TC-SC-410a.2	1). We operate under the assumption that 100% of our products do contain declarable substances and take the precautions necessary. 2). Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	See the Conflict Minerals section for our publicly available breakdown of risks associated with the use of critical materials
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SC-520a.1	$0

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

(CONTINUED)

HARDWARE INDUSTRY

Activity Metric	Code	Disclosure
Number of units produced by product category	TC-HW-000.A	SGH sold approximately 5.4 billion units in 2021. This includes products across all business lines. Revenue breakdown across business lines is below (in thousands): Memory Solutions: $931,818 Intelligent Platform Solutions: $344,757 LED Solutions: $224,567
Area of manufacturing facilities (square feet)	TC-HW-000.B	1,300,000 square feet
Percentage of production from owned facilities	TC-HW-000.C	>98%

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

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

(CONTINUED)

Topic	Accounting Metric	Code	Disclosure / Report Section
Supply Chain Management	1.) Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities 2.) Tier 1 suppliers' (1) non-conformance rate with the RBA VAP or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	TC-HW-430a.1 TC-HW-430a.2	1-2.) While we do not presently audit our suppliers' compliance with VAP guidelines, 75% of SGH's annual global supply chain spend is with RBA members whose facilities must be audited by RBA in compliance with VAP procedures.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1	See the Conflict Minerals section for our management of risks associated with the use of critical materials

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI): Core Option to the best of our ability. The material topics below align with the topics deemed material to SGH and its stakeholders, as described in the Materiality section of this report.

Standard	Topic	Report Section / Disclosure	Page
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	SMART Global Holdings (SGH Corp)	5
	102-2 Activities, brands, products, and services	Our Profile	5
	102-3 Location of headquarters	Our Global Footprint	7
	102-4 Location of operations (GRI 2018)	Our Global Footprint	7
	102-5 Ownership and legal form	SGH 2021 Annual Report	N/A
	102-6 Markets served	Our Global Footprint	7
	102-7 Scale of the organization	Our Profile	5
	102-8 Information on employees and other workers	People	34
	102-9 Supply Chain	Supply Chain	31
	102-10 Significant changes to the organization and its supply chain	This report includes data from Cree LED, which we acquired during the 2021 reporting year. Please see "Our Global Footprint" and "Reporting Scope, Boundaries and Alignment" for more information.	7 65
	102-11: Precautionary principle or approach	Quality, Environmental, Health and Safety Management Systems	30
	102-12 External initiatives	Ethics and Compliance Privacy, Data Security and IP Protection Management of Climate Risk and Alignment to TCFD Appendix A: Membership of Associations	27 28 18 50

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
General Disclosures (continued)			
GRI 102: General Disclosures 2016 (continued)	102-14 Statement from senior decision maker	A Message from Our CEO	3
	102-15 Key impacts, risks, and opportunities	SGH 2021 Annual Report	N/A
	102-16 Values, principles, standards, and norms of behavior	Our Shared Purpose and Values	6
	102-17 Mechanisms for advice and concerns about ethics	Reporting Concerns	27
	102-18 Governance structure	ESG Management and Oversight SGH Governing Documents	26
	102-19 Delegating authority	ESG Management and Oversight	26
	102-20 Executive level responsibility for economic, environmental, and social topics	ESG Management and Oversight	26
	102-21 Consulting stakeholders on economic, environmental, and social topics	ESG Management and Oversight	26
	102-22 Composition of the highest governance body and its committees	ESG Management and Oversight SGH 2021 Proxy Statement	26
	102-23 Chair of the highest governance body	SGH 2021 Annual Report	N/A
	102-24 Nominating and selecting the highest governance body	SGH Governing Documents	N/A
	102-25 Conflicts of interest	Code of Business Conduct and Ethics	N/A
	102-26 Role of highest governance body in setting purpose, values, and strategy	ESG Management and Oversight	26
	102-27 Collective knowledge of highest governance body	ESG Management and Oversight	26

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
General Disclosures (continued)			
GRI 102: General Disclosures 2016 (continued)	102-28 Evaluating the highest governance body's performance	[Nominating and Corporate Governance Committee Charter](#)	N/A
	102-29 Identifying and managing economic, environmental, and social impacts	ESG Management and Oversight	26
	102-30 Effectiveness of risk management processes	ESG Management and Oversight	26
	102-31 Review of economic, environmental, and social topics	Our Focus on Corporate Responsibility ESG Management and Oversight	11 26
	102-32 Highest governance body's role in sustainability reporting	ESG Management and Oversight	26
	102-33 Communicating critical concerns	Reporting Concerns	27
	102-35 Remuneration policies	[SGH 2021 Proxy Statement](#)	N/A
	102-36 Process for determining remuneration	[SGH 2021 Proxy Statement](#)	N/A
	102-37 Stakeholders' involvement in remuneration	[SGH 2021 Proxy Statement](#)	N/A
	102-40 List of stakeholder groups	Stakeholder Engagement	14
	102-41 Collective bargaining agreements	Human Rights	33
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement	14
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	14
	102-44 Key topics and concerns raised	Materiality Stakeholder Engagement	13
	102-45 Entities included in the consolidated financial statements	[SGH 2021 Annual Report](#)	N/A

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
General Disclosures (continued)			
GRI 102: General Disclosures 2016 (continued)	102-46 Defining report content and topic boundaries	Reporting Scope, Boundaries and Alignment Materiality	65
	102-47 List of material topics	Materiality	13
	102-48 Restatements of information	No restatements	N/A
	102-49 Changes in reporting	In 2021, we acquired Cree LED. This report's scope includes data from Cree LED for March - December 2021.	N/A
	102-50 Reporting period	January 1, 2021 - December 31, 2021, unless otherwise noted	N/A
	102-51 Date of most recent report	October 2021	N/A
	102-52 Reporting cycle	Annual	N/A
	102-53 Contact point for questions regarding the report	sustainability@SGHCorp.com	N/A
	102-54 Claims of reporting in accordance with the GRI Standards	GRI Content Index	58
		Reporting Scope, Boundaries and Alignment	65
	102-55 GRI content index	GRI Content Index	58
	102-56 External assurance	SGH currently seeks external assurance for our Scope 1 and Scope 2 GHG emissions. Please see our CDP Climate Change Report for more information.	N/A

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
Material Topics			
Material Topics Boundary, Management Approach, and Evaluation			
GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	Materiality	13
GRI 103: Management Approach 2016	103-2 The management approach and its components	Materiality	13
GRI 103: Management Approach 2016	103-3 Evaluation of the management approach	Materiality	13
Data Privacy and Security			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy, Data Security and IP Protection	28
Role of IT in Society			
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance	27
GRI 206: Anti-Competitive Behavior	206-1 Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	Reporting Concerns	27
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SGH Supplier Code of Conduct	N/A
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	SGH Supplier Code of Conduct	N/A

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
Material Topics (continued)			
Diversity, Equity and Inclusion			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Please see the Diversity by the Numbers section for publicly available data. SGH 2021 Proxy Statement	42
Flexible Workforce			
GRI 405: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee and Management Development	39
Not applicable to GRI	Flexible and remote work	Managing Employee Health and Safety During COVID-19	45
Not applicable to GRI	Employee satisfaction	Employee Engagement	37
Energy and Emissions			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management	20
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	CDP Climate Change report Our Emissions Data	19
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	CDP Climate Change report Our Emissions Data	19

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

(CONTINUED)

Standard	Topic	Report Section / Disclosure	Page
Material Topics (continued)			
Product Stewardship			
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Please see the Recycling section for available information.	24
Human Rights			
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	33
GRI 409: Forced or Compulsory Labor 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights	33
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Our Focus on Corporate Responsibility	11

REPORTING SCOPE, BOUNDARIES AND ALIGNMENT

Our 2021 Environmental, Social, Governance (ESG) report summarizes of relevant activities and performance at SMART Global Holdings (SGH) during the 2021 calendar year (January 1, 2021, to December 31, 2021) unless otherwise noted. It covers all of our operating sites, including Cree LED, a company that SGH acquired in 2021 (unless otherwise noted, data for Cree LED covers March 1, 2021 to December 31, 2021).

This report is written in alignment with the following frameworks: the Global Reporting Initiative (GRI): Core Option and the Sustainability Accounting Standards Board (SASB) standards. We have also aligned the contents of this report to the UN Global Compact and TCFD. Topic boundaries are detailed in the GRI Index, found on page 58. We welcome questions or comments about this report and our sustainability initiatives at sustainability@SGHCorp.com.

In 2022, SGH acquired **Stratus**, which does not affect the reporting scope or boundary for this 2021 ESG report. Stratus will be integrated into our 2022 ESG report, which will be published in 2023

REFERENCES

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

Smart Global Holdings Website

Annual Reports

Code of Business Conduct and Ethics

Supplier Code of Conduct

Corporate Governance Guidelines

UK Modern Slavery Statement

Human and Workforce Labor Rights Policy

RBA Member Commitment

Quality, Environmental, Health and Safety Policy

Anti-Corruption Policy

Whistleblower Policy

CREDITS AND CONTACT

As we continue to make progress on our sustainability journey, we would like to thank our leadership team and employees for their dedication, innovation, and ongoing work to move us forward.

If you have any questions regarding this report or our ESG activities and programs, please contact sustainability@sghcorp.com.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements based on SGH management's current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments, and programs and other business plans, initiatives, and objectives. These statements are typically accompanied by the words "could," "hope," "believe," "estimate," "plan," "aspire," or similar words. All such statements are intended to enjoy the protection of safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed in Item 1A of our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) as well as, with respect to our sustainability targets, goals and commitments outlined in this report or elsewhere and the challenges and assumptions identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. SGH urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully when evaluating the forward-looking statements in this report. SGH cannot assure you that the results reflected or implied by any forward-looking statement will be realized or even if substantially realized, nor can SGH guarantee that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.