

# Welcome to your CDP Climate Change Questionnaire 2023

## C0. Introduction

### C0.1

#### (C0.1) Give a general description and introduction to your organization.

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. At SGH, we strive to achieve long-term growth by investing in our people, innovation, processes and new opportunities. Since the beginning of fiscal 2018, we have accelerated our growth through the completion of five acquisitions. With our most recent acquisition of Cree LED in 2021, we have organized the company into three lines of business: Memory Solutions, Intelligent Platform Solutions (“IPS”) and LED Solutions. In addition to driving growth organically and through acquisitions, we use the SGH operating system to support and drive operational efficiency and performance. This operating system includes: Quality, Supply Chain Excellence, Global Manufacturing Scale/Efficiency, Customer Relationship Management, Capital-Efficient Model, Corporate Culture/Human Capital. In March 2021, we completed the acquisition of the LED business (“LED Business”) of Cree, Inc., a corporation now known as Wolfspeed, Inc. (“Cree”). The acquisition of the LED Business, a leader in LED lighting technology, further enhances our growth and diversification strategy and fits well with our other specialty businesses in computing and memory. In connection with our acquisition of the LED Business in 2021, we reorganized SGH into three business units: **Memory Solutions, IPS and LED Solutions.**

Our **Memory Solutions group** provides high performance and reliable memory solutions through the design, development and advanced packaging of leading-edge to extended lifecycle products. **Our Intelligent Platform Solutions group (“IPS”)** consists of Penguin Computing and Penguin Edge. Penguin Computing offers specialized platform solutions for high-performance computing (“HPC”), artificial intelligence (“AI”), machine learning (“ML”) and advanced modeling for technology research. **Our LED Solutions group** offers a broad portfolio of application-optimized LEDs focused on improving on lumen density, intensity, efficacy, optical control and reliability.

We have manufacturing facilities in Atibaia, Brazil; Newark and Fremont, California; and Penang, Malaysia, which are all certified in one or more of the following: ISO 9001:2015, ISO

14001:2015 and ISO 45001:2018. We also have a manufacturing facility in Huizhou, China, which is ISO/TS16949 certified and where products for our LED Solutions group are packaged. In addition, in early fiscal 2022, we began manufacturing operations in our Manaus, Brazil facility. Our most significant manufacturing operations are in Atibaia, Brazil and Huizhou, China.

We also have a test and integration facility in Tempe, Arizona for SMART EC and other products. Additionally, we are a member of the Responsible Business Alliance ("RBA") and our manufacturing facilities are compliant with the RBA Code of Conduct which is increasingly a business requirement of our customers.

We primarily sell our products directly to global OEMs and to enterprise, government and other end customers located across North America, Latin America, Asia and Europe. Our sales and marketing efforts are conducted through an integrated process incorporating our direct sales force, e-commerce, customer service representatives and our on-site field application engineers ("FAE") with a network of independent sales representatives, distributors, integrators and resellers.

Please note, our financial year is different from our calendar year. This disclosure includes environmental data from our calendar year 2022, and financial data from our fiscal year 2022.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.**

### Reporting year

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**Start date**

January 1, 2022

**End date**

December 31, 2022

**Indicate if you are providing emissions data for past reporting years**

No

## C0.3

**(C0.3) Select the countries/areas in which you operate.**

Brazil  
China  
India  
Japan  
Malaysia  
Republic of Korea  
Taiwan, China  
United Kingdom of Great Britain and Northern Ireland  
United States of America

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	SGH

# C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	<p>Our CEO, who is also a Board Director, directs the overall corporation regarding ESG expectations, strategy, programs, goals, risks, opportunities, and disclosure. This includes climate and water related metrics, risks, opportunities, planning, strategy, and disclosure.</p> <p>At least monthly, our CEO receives updates from the ESG Steering Committee on topics including climate change and water. The ESG Steering Committee meets to</p>

	<p>review SGH's ESG strategy (which includes climate, water, and other environmental topics), program, initiatives, goals, and progress. The Committee's mission is "to set clear and achievable goals for a more sustainable future for our employees, customers, suppliers, and the world." The Committee is made up of our CFO who is also the Chairperson, our COO, our VP of General Counsel, our CEO's Chief of Staff, our VP of Investor Relations, our VP of Marketing, our ESG Program Manager and Sr. Director of Global Quality, and experts from our Human Resources, Operations, Supply Chain, and Customer Satisfaction teams. The responsibilities of this Committee are outlined as follows:</p> <ul style="list-style-type: none"> <li>- Setting initial strategy relating to ESG practices</li> <li>- Developing, implementing, and monitoring initiatives and policies based on that strategy</li> <li>- Overseeing communications with employees, investors and stakeholders with respect to ESG matters</li> <li>- Monitoring and assessing developments relating to, and improving the Company's understanding of ESG.</li> </ul> <p>The CEO provides input on the setting and monitoring of climate targets, climate-related risks and opportunities, integrating our climate commitments into our ESG and company strategy, and other activities related to ESG and climate management. The CEO reports on climate and water issues at least twice per year to the full Board of Directors.</p>
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## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Reviewing and guiding the risk management process</p>	<p>At least twice per year, the board receives updates from the CEO on climate-related topics, including greenhouse gas emissions reduction activities, energy management, procurement and reduction activities, risks and opportunities related to climate change, and progress on goals related to our ESG strategy and program, which includes climate change as a material topic. The ESG Committee presents to the Board twice per year on these topics as well.</p>

## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	SGH evaluates a Board Member's competence on climate issues based on their past and current experience serving on boards, in their careers, and in volunteer roles. We also consider the Board Member's engagement with SGH on climate-related issues, risks, opportunities, and strategies. For example, one of our board members has significant experience serving in an executive leadership role for a sustainable energy company. Based on the experience this board member brings to SGH, we consider this person as competent in climate related issues.

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

### Position or committee

Chief Executive Officer (CEO)

### Climate-related responsibilities of this position

Integrating climate-related issues into the strategy  
Setting climate-related corporate targets  
Monitoring progress against climate-related corporate targets  
Assessing climate-related risks and opportunities

### Coverage of responsibilities

### Reporting line

Reports to the board directly

### Frequency of reporting to the board on climate-related issues via this reporting line

Half-yearly

### Please explain

Our CEO, who is also a Board Director, directs the overall corporation regarding ESG expectations, strategy, programs, goals, risks, opportunities, and disclosure. This

includes climate and water related metrics, risks, opportunities, planning, strategy, and disclosure.

At least monthly, our CEO receives updates from the ESG Steering Committee on topics including climate change and water. The ESG Steering Committee meets to review SGH's ESG strategy (which includes climate, water, and other environmental topics), program, initiatives, goals, and progress. The Committee's mission is "to set clear and achievable goals for a more sustainable future for our employees, customers, suppliers, and the world." The Committee is made up of our CFO who is also the Chairperson, our COO, our VP of General Counsel, our CEO's Chief of Staff, our VP of Investor Relations, our VP of Marketing, our ESG Program Manager and Sr. Director of Global Quality, and experts from our Human Resources, Operations, Supply Chain, and Customer Satisfaction teams. The responsibilities of this Committee are outlined as follows:

- Setting and implementing strategy relating to ESG practices
- Developing, implementing, and monitoring initiatives and policies and goals based on that strategy
- Overseeing communications with employees, investors and stakeholders with respect to ESG matters
- Monitoring and assessing developments, risks, and opportunities relating to, and improving the Company's understanding of ESG

The CEO provides input on the setting and monitoring of climate targets, climate-related risks and opportunities, integrating our climate commitments into our ESG and company strategy, and other activities related to ESG and climate management. The CEO reports on climate and water issues at least twice per year to the full Board of Directors.

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### **Position or committee**

Chief Financial Officer (CFO)

### **Climate-related responsibilities of this position**

Managing annual budgets for climate mitigation activities  
Developing a climate transition plan  
Integrating climate-related issues into the strategy  
Setting climate-related corporate targets  
Monitoring progress against climate-related corporate targets  
Assessing climate-related risks and opportunities

### **Coverage of responsibilities**

### **Reporting line**

CEO reporting line

### **Frequency of reporting to the board on climate-related issues via this reporting line**

Half-yearly

**Please explain**

Our CFO is the Chairperson of our ESG Steering Committee, which is a committee responsible for SGH's ESG strategy (which includes climate, water, and other environmental topics), program, initiatives, goals, and progress. The Committee's mission is "to set clear and achievable goals for a more sustainable future for our employees, customers, suppliers, and the world." In addition to the CFO, the Committee's participants include our COO, our VP of General Counsel, our CEO's Chief of Staff, our VP of Investor Relations, our VP of Marketing, our ESG Program Manager and Sr. Director of Global Quality, and experts from our Human Resources, Operations, Supply Chain, and Customer Satisfaction teams. The responsibilities of this Committee are outlined as follows:

- Setting and implementing strategy relating to ESG practices
- Developing, implementing, and monitoring initiatives and policies and goals based on that strategy
- Overseeing communications with employees, investors and stakeholders with respect to ESG matters
- Monitoring and assessing developments, risks, and opportunities relating to, and improving the Company's understanding of ESG

As the Chairperson of the ESG Steering Committee, our CFO provides direction on the annual ESG budget, which includes climate-related activities, developing a climate transition plan, including SGH's commitment to be net zero by 2030, setting and monitoring corporate ESG and climate targets, assessing risks related to climate, and integrating our climate commitments into our ESG and company strategy. The Committee reports to the CEO at least monthly, and the CEO reports on these updates, including on climate and water issues, at least twice per year to the full Board of Directors.

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**Position or committee**

Sustainability committee

**Climate-related responsibilities of this position**

Managing annual budgets for climate mitigation activities  
Developing a climate transition plan  
Implementing a climate transition plan  
Integrating climate-related issues into the strategy  
Setting climate-related corporate targets  
Monitoring progress against climate-related corporate targets  
Managing value chain engagement on climate-related issues  
Assessing climate-related risks and opportunities  
Managing climate-related risks and opportunities

**Coverage of responsibilities**

## Reporting line

Finance - CFO reporting line

## Frequency of reporting to the board on climate-related issues via this reporting line

Half-yearly

## Please explain

ESG Steering Committee is responsible for SGH's ESG strategy (which includes climate, water, and other environmental topics), program, initiatives, goals, and progress. The Committee's mission is "to set clear and achievable goals for a more sustainable future for our employees, customers, suppliers, and the world." In addition to the CFO, who is also the Committee's Chairperson, the Committee's participants include our COO, our VP of General Counsel, our CEO's Chief of Staff, our VP of Investor Relations, our VP of Marketing, our ESG Program Manager and Sr. Director of Global Quality, and experts from our Human Resources, Operations, Supply Chain, and Customer Satisfaction teams. The responsibilities of this Committee include the following:

- Setting and implementing strategy relating to ESG practices
- Developing, implementing, and monitoring initiatives and policies and goals based on that strategy
- Overseeing communications with employees, investors and stakeholders with respect to ESG matters
- Monitoring and assessing developments, risks, and opportunities relating to, and improving the Company's understanding of ESG

The Committee reports to the CEO at least monthly, and the CEO reports on these updates, including on climate and water issues, at least twice per year to the full Board of Directors.

## C1.3

### (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	As our company's climate strategy matures, we are looking for innovative and meaningful ways to engage our employees and our leadership in climate risk mitigation activities and climate opportunities. In 2021, for example, we rolled out a Smart water bottle that tracks refills, water saved, plastic saved, and greenhouse gas emissions spared through the reuse of the bottle as compared to using single use water bottles. These bottles were given to every employee at SGH to encourage good environmental stewardship. At



		<p>the time of this submission, this program has:</p> <ul style="list-style-type: none"> <li>- Saved 8,932.20 kWh of power</li> <li>- Diverted 472.80 lbs of waste</li> <li>- Saved 15287.2 lbs of emissions</li> <li>- Prevented 94.56 lbs of ocean pollution</li> </ul> <p>We are exploring other opportunities for similar engagements and the possibilities to tie those engagements to incentives that will positively influence behavior.</p>
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## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	3	To achieve our longer term goals to address greenhouse gas emissions and climate change, we set annual and other short-term goals to help track our progress toward meeting our longer-term objectives. Short-term risks are considered risks that are likely to have a direct impact on the company in the next three years. We define short-term ESG targets as targets that we aim to complete within two years. We consider goals and objectives that we estimate will be achieved within the next two years, but up to three years, generally as short-term.
Medium-term	4	7	Our intent is to base our business strategy and climate strategy on a medium-term time horizon and then establish actionable goals at shorter intervals. Medium-term risks are considered risks that have a high likelihood of having a direct impact on the company within the next four to seven years, or risks that currently may have an indirect impact on the company and its value chain, but have the potential to materialize into a direct impact within four to seven years. We consider goals and objectives that we estimate will be achieved within the next three to five years, generally as medium-term.

Long-term	8	25	Changing our impact on the climate is not something that happens overnight. Planning and setting targets with a long-term time horizons is necessary in order to have a positive impact on the global environment and adequately anticipate the risks that may impact our business, our supply chain, and our stakeholders. Projects such as 'carbon neutral' operations require long-term strategic approaches and technology to be successful. Long-term risks are considered risks that may impact our company within the next eight to 25 years. We consider goals and objectives that we estimate will be achieved within the next five years or more in the future as long-term.
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## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our business, financial condition, or results of operations could be materially and adversely affected if certain risks occur. When considering impact, we consider the type of risk, the likelihood of that risk, the timeline of that risk, and the potential for financial or strategic impact on our business due to the effects of that risk. We typically consider risks related to our business, related to our operations, related to our industry, and related to general market conditions. Substantive financial or strategic impact would include anything that significantly affects the company's financial position or ability to manufacture or sell its products.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term

Medium-term

Long-term

#### Description of process

Our ESG committee meets at least monthly to discuss and assess new climate-related and ESG-related risks and opportunities that arise. We obtain feedback from external ESG scoring, sustainability consultants, and current and emerging regulations, all of

which provide opportunities for us to identify risks. For example, reputation- and market-related risks are discussed through our approach to responding to customer requests such as CDP, EcoVadis, and other customer-specific surveys. Within our ESG committee and with support from other colleagues and external experts, we collaborate cross-functionally on actions that are needed to address these identified risks, conduct qualitative evaluations, set a disclosure and response strategy, and execute on that strategy. This committee also evaluates customer requests, surveys, and other expectations related to our climate change management strategy. As we define our strategy, initiate activities, develop programs, and set goals, we determine the metrics that we track and use to measure success. We set quantitative goals to respond to identified climate related risks and disclose our progress in our annual ESG report and CDP questionnaire responses. As SGH acquires new businesses, our ESG committee works to bring in the new company's operations, strategy, and processes into our corporate ESG strategy, scope, goals, metrics, and disclosure. Our ESG committee also works to educate and build engagement with our employees, to help infuse our corporate culture with our commitment to sustainability. An example of cultural and behavioral change within the company that helps build this culture and engagement is the roll out of our reusable water bottle program. In 2021, we began implementation of this program and in 2022, we provided employees with reusable water bottles that have the ability to be scanned and used to track water, plastic, and CO2 spared with each refill, encouraging a culture of environmental stewardship, climate awareness, and waste reduction. We are currently looking to scale this program to all manufacturing sites globally.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Environmental regulatory risks are relevant to our business and are always included in our corporate risk assessments and our annual financial disclosures. Environmental matters, including unforeseen costs associated with compliance could have a material adverse effect on our reputation, our financial position, outputs of operations, and/or cash flows. We could incur substantial costs or liabilities as a result of violations of environmental laws. Our operations are subject to and affected by a variety of federal, state, local and foreign environmental laws and regulations, including how those regulations change over time. For example, our sites in California are required to comply with air emissions laws set by the Bay Area Air Quality Management District and the California Air Resources Board. If SGH were to be found noncompliant with laws set by either of those regulatory bodies, we could risk financial impact from legal fees, as well as potential market loss from losing customer trust. Regulatory risks such as

		energy tariffs have the potential to impact SGH, and are considered in our risk assessment processes. For example, SGH operations in Malaysia could be subject to energy tariffs. We manage the impact of this tariff by leveraging increased renewable electricity at our Malaysia site.
Emerging regulation	Relevant, always included	We consider emerging regulation in our corporate risk assessments and company strategy. As a company headquartered in the U.S., emerging regulation is relevant to us, and we consider the unforeseen costs of potential compliance issues as a risk that could have a material adverse effect on our reputation, our financial position, outputs of operations, and/or cash flows. Our operations are subject to and affected by a variety of federal, state, local and foreign environmental laws and regulations, including how those regulations change over time. As an example, the U.S. Securities and Exchange Commission released a proposed rule-making on climate-related disclosure, which if passed, would apply to SGH. With an emerging regulation such as this, our internal teams consider the likeliness of the regulation passing, the potential impacts of the regulation, and create an action plan to prepare for compliance. As another example, SGH has sites that operate in California, where SB253 has been proposed, which would require corporations to disclose their Scope 1, Scope 2, and eventually, Scope 3 GHG emissions.
Technology	Relevant, sometimes included	Technology related risks are relevant to our business, as the products we create and sell are technology-based and the operational systems we rely on are influenced by advancements in technology. For our products, we review potential technological risks that our products may not be able to effectively optimize the energy efficiency of our new product offerings. We know that our customers expect high performance and high efficiency, and there is demand for lowered energy consumption to optimize cost of ownership as well as to reduce customers' carbon emissions. When considering this risk, we evaluate the opportunity cost, the potential impact, and the likelihood of the risk occurring and impacting our business. Examples of these improvements are found in each of our business units: 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; and our SMART memory modules optimize efficiency through low-voltage technology, which minimizes energy consumption. In addition to our product lines, we consider climate-related technology risks in our operations. For example, in our efforts to make our operations more energy efficient, we must be nimble in adopting new and improved technology for our energy management and sourcing activities. If we do not leverage improved technology, we risk higher energy costs, higher carbon emissions, and a potential

		competitive disadvantage compared to peers. For example, SGH has sought ways to leverage renewable energy sources as the technology has improved, and become more available and more affordable. For example, we use hydropower in our sites. As a result of this technology, we have been able to decrease our GHG emissions at a lowered cost. At our U.S. sites in Newark, California and Fremont, California, we are in the process of establishing power purchase agreements, which we expect will effectively provide our facilities with solar-powered energy. We are continuing to explore investments like these across the globe to leverage renewable energy sources and contribute to advancing our overall ESG strategy.
Legal	Relevant, always included	SGH includes legal risks and potential impacts to our business in our climate strategy. Potential legal risks may include the filling of legal claims due to service disruption or product delivery delays resulting from climate-related physical risks. Those physical risks include natural and environmental disasters that could impact our ability to meet our commitments to customer demands, such as wildfires, hurricanes, typhoons, monsoons, and other weather-related activities that have worsened due to climate change and global warming. When considering these risks, we evaluate the opportunity cost, the potential impact, and the likelihood of the risk occurring and impacting our business. For example, we have operations in California, which is heavily impacted by wildfires every year. In recent years, forest fires, such as the CZU Lightning Complex fires, burned within 50 miles of our operations.
Market	Relevant, sometimes included	Market risks are included in our climate-related risk assessments as they are relevant to our business. For example, we consider market risks as we develop improvements in energy efficiency for our products. We recognize our customers' need for energy efficiency and lower cost of ownership in the products they source from us. If SGH was not able to continue innovating to improve the energy efficiency of our products, our business could face market risks related to our potential competitive disadvantage.
Reputation	Relevant, always included	Reputational risks are considered in our climate-related risk assessments. We have invested significantly in our SGH business lines, and those businesses' abilities to meet and exceed customer expectations through developing innovative and energy efficient products. SGH has also built its reputation on being a good environmental steward, through our commitment and actions to take steps to reduce our environmental impact in our operations and to follow applicable laws and regulations related to environmental protection. If SGH no longer included climate-related topics as they pertain to the our reputation, we could face material adverse effects on our financial position, market position, and or cash flows.

Acute physical	Relevant, always included	Acute physical risks, such as natural disasters, are part of our risk assessment and management programs. Our business is subject to disruptions caused by natural disasters that could adversely affect our overall financial position. SGH has multiple business units, some of which rely on sole-sourced components that may have an availability risk due to changing environmental conditions as a result of global warming and climate change. If we are not able to source these critical components, this could cause disruption in our manufacturing, operations, and distribution of our products, which could have material impacts on our business. When considering this risk, we evaluate its potential impact, the likelihood of the risk occurring, and the timeline and next steps for addressing the risk. As an example, we source components from regions of Asia that are at significant risk of hurricanes, floods, and other water-related natural disasters that are worsened by global warming, sea level rise, and other impacts of climate change. If one of our critical suppliers of a sole-source component were to experience disruptions as a result of natural disasters related to climate change, SGH could experience disruptions as well.
Chronic physical	Relevant, always included	Chronic physical risks, such as sea level rise, are part of our risk assessment and management programs. Our business is subject to disruptions caused by natural disasters that could adversely affect our overall financial position. When considering this risk, we evaluate the opportunity cost, the potential impact, and the likelihood of the risk occurring and impacting our business. We evaluate climate-related physical risks at our locations around the world. For example, we have operations in Fremont and Newark, California, which are located in an area at a high risk of flooding. According to an analysis that uses median local sea level projections based on the intermediate scenario from NOAA Technical Report NOS CO-OPS 083 (2017), intended for the 2018 U.S. National Climate Assessment, Fremont and Milpitas have a 98% multi-year likelihood of experiencing a flood of three feet or more at high tide time by 2050. If our operations were impacted by a flood due to sea level rise caused by global warming, our operations, equipment, products, and buildings could face severe damage and/or destruction. If these damages occur, we could face severe cost impacts to repair and/or replace our assets. If we were not able to meet our contracted obligations to our customers, we may also be at risk of legal action and subsequent fees.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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### Identifier

Risk 1

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

### Primary potential financial impact

Decreased revenues due to reduced production capacity

### Company-specific description

For example, we have operations in California, which is heavily impacted by wildfires every year. Wildfires can cause damage and destruction to our operations, equipment, products, buildings, and the homes and personal property of our employees. If our operations were to be disrupted due to wildfires, we could face severe cost impacts to repair and/or replace our assets. We also have operations in Fremont and Newark, California, which is located in an area at a high risk of flooding. According to an analysis that uses median local sea level projections based on the intermediate scenario from NOAA Technical Report NOS CO-OPS 083 (2017), intended for the 2018 U.S. National Climate Assessment, Fremont and Newark has an 98% multi-year likelihood of experiencing a flood of 3ft or more at high tide time by 2050. As another example, our manufacturing facility in Penang, Malaysia is located in an area that is also prone to natural disasters, such as cyclones, monsoons and floods. In the event of a major earthquake, cyclone, monsoon or other natural or manmade disaster, we could experience business interruptions, destruction of facilities and/or loss of life, any of which could materially adversely affect our business. If our operations were impacted by a flood due to sea level rise caused by global warming, our operations, equipment, products, and buildings could face severe damage and/or destruction. If these damages occur, we could face severe cost impacts to repair and/or replace our assets. If we were not able to meet our contracted obligations to our customers, we may also be at risk of legal action and subsequent fees.

### Time horizon

Long-term

### Likelihood

More likely than not

### Magnitude of impact



Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Though we do not have a financial impact figure to share, we can explain the impact qualitatively. We estimate the impact from an acute physical risk such as a wildfire or a flood that damages our operations in California as having a medium to low impact. We assess this magnitude of impact based on the estimated damages to our operations, as well as the estimated severity and duration of the disruption we may face in the production and distribution of our products. The cost of this financial impact would be estimated as the sum of the damages from the acute physical risk, and the loss of revenue attributed to the disruptions caused by that risk.

**Cost of response to risk**

11,001,550

**Description of response and explanation of cost calculation**

The cost of our company's response to this risk is covered within a portion of our company's selling, general, and administrative budget, which was \$220,031,000 in FY2022. We estimate this cost is less than 5% of the total cost, or less than \$11,001,550.

**Comment**

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market

Changing customer behavior

**Primary potential financial impact**

Increased indirect (operating) costs



### Company-specific description

We consider market risks as we develop improvements in energy efficiency for our products. We recognize our customers' need for energy efficiency and lower cost of ownership in the products they source from us. If SGH was not able to continue innovating to improve the energy efficiency of our products, our business could face market risks related to our competitive disadvantage. For example, new manufacturing process technologies using smaller feature sizes and offering better performance characteristics are generally introduced every one to two years. The introduction of new manufacturing process technologies allows us to increase the functionality of our products while at the same time optimizing performance parameters, decreasing power consumption and/or increasing storage capacity. In order to remain competitive, it is essential that we secure the capabilities to develop and qualify new manufacturing process technologies. If we are delayed in transitioning to new technologies, our business, results of operations and financial condition could be materially adversely affected.

### Time horizon

Medium-term

### Likelihood

About as likely as not

### Magnitude of impact

Medium-low

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

718,505,000

### Potential financial impact figure – minimum (currency)

### Potential financial impact figure – maximum (currency)

### Explanation of financial impact figure

We have estimated the potential financial impact figure as \$718,505,000 because this is the estimated annual revenue from the customers that have requested we respond to this CDP questionnaire. We consider these customers to have the most interest in climate related risks, opportunities, initiatives, and impacts and have therefore used their revenue to estimate The potential risk of losing their business if we are not able to offer low carbon and energy efficient products. This figure has an error margin of 25% as we do not disclose exact revenue from customers publicly.

### Cost of response to risk

77,356,000

### Description of response and explanation of cost calculation

The estimated cost for the company to respond to this risk is covered within our research and development budget, which was \$77,356,000 in 2022. Our company responds to this risk by innovating, researching, and developing new and improved low carbon and energy efficient products.

### Comment

---

#### Identifier

Risk 3

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

#### Primary potential financial impact

Increased indirect (operating) costs

#### Company-specific description

Our operations and properties are subject to various federal, state, local, foreign and international environmental laws and regulations governing, among other things, environmental licensing and registries, protection of flora and fauna, air and noise emissions, use of water resources, wastewater discharges, management and disposal of hazardous and non-hazardous materials and wastes, reverse logistics (take-back policy) and remediation of releases of hazardous materials. Our failure to comply with present and future requirements, or the management of known or identification of new or unknown contamination, could cause us to incur substantial costs, including cleanup costs, indemnification obligations, damages, compensations, fines, suspension of activities and other penalties, investments to upgrade our facilities or change our processes or curtailment of operations. For example, the presence of lead in quantities not believed to be significant have been found in the ground under one of the multi-tenant buildings we lease in Brazil. While we did not cause the contamination, we may be held responsible if remediation is required, although we may be entitled to seek indemnification from responsible parties under Brazilian law and from our lessor under our lease. In addition, as part of the acquisition of Cree's LED business, we acquired facilities in China, which could present similar issues.

#### Time horizon

Medium-term

#### Likelihood

More likely than not

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We have the potential to be impacted by more vigorous enforcement by regulatory agencies, enactment of more stringent laws and regulations that may arise in the future and give rise to increased costs to manage. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition. We do not have a financial figure to provide for estimated impact.

**Cost of response to risk**

11,001,550

**Description of response and explanation of cost calculation**

The cost of our company's response to this risk is covered within a portion of our company's selling, general, and administrative budget, which was \$220,031,000 in FY2022. We estimate this cost is less than 5% of the total cost, or less than \$11,001,550.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

---

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

Each year, we invest in our infrastructure by funding energy efficiency upgrades and renewable energy sourcing. These activities enable us to source and generate renewable energy while reducing the cost of our operations and minimizing our environmental footprint across all of our global operations. In 2021, we entered into a solar power purchase agreement (PPA) at our Penang, Malaysia manufacturing site. This PPA resulted in the installation of solar infrastructure on-site, providing SGH with renewable energy at a set low cost, and bringing us closer to realizing our net-zero goal. We are excited that with the execution of this PPA in 2022, our Penang site became the second SGH facility powered entirely by renewable energy sources.

**Time horizon**

Long-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

In 2022, we negotiated a solar power purchase agreement at our Penang, Malaysia manufacturing site. The combination of installing rooftop photovoltaic solar panels and green electricity tariffs allowed the site to achieve 100% renewable electricity generation. The newly positioned solar panels have the capacity to deliver 1,496 MWh of electricity per year, which is analogous to offsetting 5,403 metric tons of carbon

dioxide equivalent or growing 99,128 tree seedlings for 10 years. We cannot provide an exact financial impact figure.

### **Cost to realize opportunity**

0

### **Strategy to realize opportunity and explanation of cost calculation**

We aim to reduce our Scope 2 emissions through the increased sourcing and generation of renewable electricity. In 2022, we negotiated a solar power purchase agreement at our Penang, Malaysia manufacturing site. The combination of installing rooftop photovoltaic solar panels and green electricity tariffs allowed the site to achieve 100% renewable electricity generation. The newly positioned solar panels have the capacity to deliver 1,496 MWh of electricity per year, which is analogous to offsetting 5,403 metric tons of carbon dioxide equivalent or growing 99,128 tree seedlings for 10 years.

The cost of this power purchase agreement was \$0. As a first time partner in Malaysia, we gained a cost-savings benefit.

### **Comment**

---

#### **Identifier**

Opp2

#### **Where in the value chain does the opportunity occur?**

Direct operations

#### **Opportunity type**

Products and services

#### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

#### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

#### **Company-specific description**

We consider the opportunity we have to differentiate our company as we develop improvements in energy efficiency for our products. We recognize our customers' need for energy efficiency and lower cost of ownership in the products they source from us. We invest in research and development to continue innovating to improve the energy efficiency of our products, giving us a competitive advantage. Examples of these improvements are found in each of our business units: 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.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Though we do not have a financial impact figure to disclose, we consider the estimated impact as the potential for our key customers to increase their spend with our company due to the energy efficiency products we are able to provide. We estimate that the companies that have requested we respond to this CDP questionnaire have the most interest in climate related risks, opportunities, initiatives, and impacts.

**Cost to realize opportunity**

77,356,000

**Strategy to realize opportunity and explanation of cost calculation**

The estimated cost for the company to respond to this risk is covered within our research and development budget, which was \$77,356,000 in 2022. Our company responds to this risk by innovating, researching, and developing new and improved low carbon and energy efficient products.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?**

## Row 1

### Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

### Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We have not calculated our Scope 3 emissions yet, but intend to do so in 2023 - 2024 and integrate those metrics into our 1.5°C strategy. This strategy will align to our target to be net zero by 2030.

## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify  We are identifying the best scenario analysis for our target to have net zero Scope 1 and Scope 2 emissions by 2030.	We are currently developing our transition plan to achieve our target to have net zero Scope 1 and Scope 2 emissions by 2030. Part of this plan will include using climate-related scenario analysis and science-based target setting tools to achieve this target. SGH is also integrating Scope 3 emissions into our emissions management program, which informs our approach to mitigating emissions, collaborating with stakeholders, and using the most effective scenario analysis tools for our program and goals.

## C3.3

### (C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence

Products and services	Yes	Our products and services consider environmental criteria during the design and production phase, in order to reduce risks related to technology-related climate risks and market-related climate opportunities. As SGH's customers demand increasingly energy efficient products that reduce their energy use and support their sustainability goals, SGH works to ensure each generation of product and new product line includes optimized energy efficiency. This helps our product lines stay competitive and supports our customers' transition to a low-carbon economy.
Supply chain and/or value chain	Yes	We currently evaluate our supply chain for physical disruption related risks by monitoring where our partners are located and their unique physical risk due to climate change related natural disasters. SGH is also integrating Scope 3 emissions into our emissions management program which will inform our approach to collaborating with stakeholders and monitoring their climate-related risk. We intend to report our 2023 Scope 3 emissions in 2024.
Investment in R&D	Yes	We invest in R&D to ensure our company innovates with a low-carbon future in mind. At the company level, we evaluate our R&D process for net-zero alignment, and at the business unit level, we evaluate the need for additional investment to optimize the energy efficiency of our products. At the product level, we consider environmental criteria during the design and production phase, in order to reduce risks related to technology-related climate risks and market-related climate opportunities. As SGH's customers demand increasingly energy efficient products that reduce their energy use and support their sustainability goals, SGH works to ensure each generation of product and new product line includes optimized energy efficiency. This helps our product lines stay competitive and supports our customers' transition to a low-carbon economy.
Operations	Yes	<p>Climate-related risks and opportunities have influenced our operations as we seek energy-efficiency activities to reduce our consumption, and increase our sourcing of renewables and low-carbon energy.</p> <p>For example, to reduce our Scope 1 emissions, we conduct evaluations of each site to determine the feasibility of reducing direct emissions. When reduction or mitigation is not feasible, we plan to offset our Scope 1 emissions through purchasing certified offset credits.</p> <p>Additionally, to manage our Scope 2 emissions, we are</p>



		currently buying renewable energy credits and negotiating power purchase agreements. For example, in Brazil, we evaluated a new power purchase agreement in 2022 for renewable energy, to go into effect in 2023. We also conduct evaluations of where our future factories are and we are developing contingency plans for climate impacts are conducted.
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### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation Acquisitions and divestments	SGH includes climate-related risks and opportunities in its financial planning for indirect costs, capital expenditures, and acquisitions. With our commitment to be net zero by 2030 for our Scope 1 and Scope 2 emissions, we are planning for our indirect costs to include energy efficiency projects, renewable energy credits, and low-carbon energy sourcing. We are also planning for our capital expenditures to support our commitment, by investing in power purchase agreements and the installation of onsite solar. When we acquire a new company, we ensure that company's operations and financial plans are incorporated into our net zero strategy. SGH is also integrating Scope 3 emissions into our emissions management program, which informs our approach to mitigating emissions, collaborating with stakeholders, and planning for the capital allocation and personnel resources to do so effectively.

### C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

## C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

**Target reference number**

Abs 1

**Is this a science-based target?**

No, but we anticipate setting one in the next two years

**Target ambition**

**Year target was set**

2022

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Base year**

2021

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

2,394.85

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

55,589.28

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

57,984.13

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**

**Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

100

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

0

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

3,599.691

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

39,370.465

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**

**Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

42,970.156

**Does this target cover any land-related emissions?**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year [auto-calculated]**

25.8932469971

**Target status in reporting year**

Underway

**Please explain target coverage and identify any exclusions**

In 2022, SGH announced its target of achieving net zero Scope 1 and Scope 2 emissions by 2030, against a 2021 baseline. We intend to begin reporting our Scope 3 emissions data in 2024 for the 2023 reporting year. The target is company-wide, and all Scope 1 and Scope 2 emissions of our future acquisitions will be integrated into our climate transition plan and net zero strategy.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2022, SGH announced its target of achieving net zero emissions by 2030, against a 2021 baseline of our Scope 1 and Scope 2 emissions. In 2022, we began developing our net zero roadmap, which currently includes Scope 1 and Scope 2 mitigation and management strategies, and Scope 3 accounting strategies and investment. We intend to begin reporting our Scope 3 emissions data in 2024 for the 2023 reporting year.

To mitigate our Scope 1 emissions, we intend to continue innovating to use less emissions-intensive materials where possible. Where mitigation is not feasible, we intend to purchase carbon offsets. In 2022, we worked reduce emissions related to hydrofluorocarbons (HFCs), which have higher global warming potentials compared to carbon dioxide.



To mitigate our Scope 2 emissions, we plan to source renewable energy through power purchase agreements and renewable energy credits. In 2022, we entered into a power purchase agreement to source renewable energy at our facility in Brazil. We also began purchasing renewable energy credits in 2022 - at our facility in China, we purchased 24,812 in renewable energy credits.

In 2023 and beyond, we will incorporate our Scope 3 emissions in our climate management strategy and transition plan.

The target is company-wide, and all Scope 1 and Scope 2 emissions of our future acquisitions will be integrated into our climate transition plan and net zero strategy.

**List the emissions reduction initiatives which contributed most to achieving this target**

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

**Target reference number**

Low 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2020

**Consumption or production of selected energy carrier in base year (MWh)**

27,844

**% share of low-carbon or renewable energy in base year**

64

**Target year**

2025

**% share of low-carbon or renewable energy in target year**

75

**% share of low-carbon or renewable energy in reporting year**

38

**% of target achieved relative to base year [auto-calculated]**

-236.3636363636

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This target is not directly part of an of our emissions targets, however it aligns with our net-zero strategy and supports our emissions reductions targets.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

The target is company-wide, and the energy consumption figures of our future acquisitions will be integrated into this target.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2022, we announced our commitment to achieving net-zero Scope 1 and Scope 2 carbon emissions by 2030. A major component of this strategy is to reduce our Scope 2 emissions by purchasing renewable energy credits and negotiating power purchase agreements for renewable electricity. For example, in Brazil, we evaluated a new power purchase agreement in 2022 for renewable energy, to go into effect in 2023. We also conduct evaluations of where our future factories are and we are developing contingency plans for climate impacts are conducted.

Our future acquisitions will also be integrated into our renewable energy and net zero strategies.

**List the actions which contributed most to achieving this target**

## C4.2c

### (C4.2c) Provide details of your net-zero target(s).

---

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2030

**Is this a science-based target?**

No, but we anticipate setting one in the next two years

**Please explain target coverage and identify any exclusions**

In 2022, SGH announced its target of achieving net zero Scope 1 and Scope 2 emissions by 2030, against a 2021 baseline. We intend to begin reporting our Scope 3 emissions data in 2024 for the 2023 reporting year. The target is company-wide, and all Scope 1 and Scope 2 emissions of our future acquisitions will be integrated into our climate transition plan and net zero strategy.

The target is company-wide, and all Scope 1 and Scope 2 emissions of our future acquisitions will be integrated into our climate transition plan and net zero strategy.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

To mitigate our Scope 1 emissions, we intend to continue innovating to use less emissions-intensive materials where possible. Where mitigation is not feasible, we intend to purchase carbon offsets. 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. In our partnership, we funded a project to restore nearly 150,000 hectares of peatland ecosystems in the Kalimantan Province of Indonesia. In 2022, we worked reduce emissions related to hydrofluorocarbons (HFCs), which have higher global warming potentials compared to carbon dioxide.

To mitigate our Scope 2 emissions, we plan to source renewable energy through power

purchase agreements and renewable energy credits. In 2022, we entered into a power purchase agreement to source renewable energy at our facility in Brazil. We also began purchasing renewable energy credits in 2022 - at our facility in China, we purchased 24,812 in renewable energy credits.

#### Planned actions to mitigate emissions beyond your value chain (optional)

We are working to improve our data collection of Scope 3 emissions and engage partners in our value chain on climate-related issues. We intend to begin reporting our Scope 3 emissions data in 2024 for the 2023 reporting year.

### C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	1	5,403
Not to be implemented	0	0

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

#### Initiative category & Initiative type

Low-carbon energy generation  
Solar PV

#### Estimated annual CO2e savings (metric tonnes CO2e)

5,403

#### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

## Voluntary/Mandatory

Voluntary

## Annual monetary savings (unit currency – as specified in C0.4)

0

## Investment required (unit currency – as specified in C0.4)

0

## Payback period

<1 year

## Estimated lifetime of the initiative

11-15 years

## Comment

In 2022, we negotiated a solar power purchase agreement at our Penang, Malaysia manufacturing site. The combination of installing rooftop photovoltaic solar panels and green electricity tariffs allowed the site to achieve 100% renewable electricity generation. The newly positioned solar panels have the capacity to deliver 1,496 MWh of electricity per year, which is analogous to offsetting 5,403 metric tons of carbon dioxide equivalent or growing 99,128 tree seedlings for 10 years. We cannot provide an exact financial impact figure.

The cost of this power purchase agreement was \$0. As a first time partner in Malaysia, we gained a cost-savings benefit.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Compliance with current and emerging regulatory standards drive our continued investment in emissions reduction. Our operations are subject to and affected by a variety of federal, state, local and foreign environmental laws and regulations, including how those regulations change over time. As an example of current regulation, our sites in California are required to comply with air emissions laws set by the Bay Area Air Quality Management District and the California Air Resources Board. As an example of emerging regulation, the U.S. Securities and Exchange commission released a proposed rulemaking on climate-related disclosure, which if passed, would apply to SGH.
Employee engagement	We engage our employees in our sustainability initiatives to improve their climate awareness, education on climate related topics, and to promote activities and engagement and company initiatives. In 2021, for example, we rolled out a Smart water bottle that tracks refills, water saved, plastic saved, and greenhouse gas emissions spared through

	<p>the reuse of the bottle as compared to using single use water bottles. These bottles were given to every employee at SGH to encourage good environmental stewardship. At the time of this submission, this program has:</p> <ul style="list-style-type: none"> <li>- Saved 8,932.20 kWh of power</li> <li>- Diverted 472.80 lbs of waste</li> <li>- Saved 15287.2 lbs of emissions</li> <li>- Prevented 94.56 lbs of ocean pollution</li> </ul> <p>We are exploring other opportunities for similar engagements and the possibilities to tie those engagements to incentives that will positively influence behavior.</p>
Dedicated budget for energy efficiency	We dedicate a portion of our operating budget to seeking energy efficiency solutions, including building efficiency initiatives and renewable and low carbon energy sourcing projects. We are continuously working to increase our renewable energy sourcing by engaging in power purchase agreements and other carbon free initiatives, which are managed within our operating budget.
Dedicated budget for low-carbon product R&D	The demand for low-carbon, energy efficient products drives our continued investment in R&D. SGH products and services consider environmental criteria during the design and production phase, in order to reduce risks related to technology-related climate risks and market-related climate opportunities. SGH works to ensure each generation of product and new product line includes optimized energy efficiency. This helps our product lines stay competitive and supports our customers' transition to a low-carbon economy.
Other Voluntary certification	Our goals for ISO 14001 drive us to achieve high standards of energy efficiency in our operations. We publicly disclose our goals for ISO 14001 compliance, as well as our progress against those goals. Our annual reporting in our ESG report helps keep us accountable.

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

### Level of aggregation

Group of products or services

**Taxonomy used to classify product(s) or service(s) as low-carbon**

No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

Lighting

Conventional LED

**Description of product(s) or service(s)**

Our LED Solutions group offers a broad portfolio of application-optimized LEDs focused on improving on lumen density, intensity, efficacy, optical control and reliability. Backed by expert design assistance and superior sales support, our LED products enable our customers to develop and market LED-based products for lighting, video screens and specialty lighting applications.

CreeLED a leader in LED lighting technology, offering new and differentiated LED solutions. CreeLED solutions include CreeLED chips and components. Our CreeLED chip products include blue and green LED chips based on gallium nitride ("GaN") and related materials. LED chips or die are used in a number of applications and are currently available in a variety of brightness levels, wavelengths (colors) and sizes. Products using our blue and green LED chips are featured in a variety of applications including video screens, gaming displays and function indicator lights.

Our CreeLED components include packaged LED products, from our XLamp and J Series LED components and LED modules for lighting applications to our high-brightness LED components. Our XLamp LED components and LED modules are designed to meet a broad range of market needs for lighting applications, including general illumination (both indoor and outdoor applications), portable, architectural, signal and transportation lighting.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

**Functional unit used**

**Reference product/service or baseline scenario used**

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

**Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario**

**Explain your calculation of avoided emissions, including any assumptions**

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

22

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

**Has there been a structural change?**

Yes, an acquisition

**Name of organization(s) acquired, divested from, or merged with**

Stratus Technologies

**Details of structural change(s), including completion dates**

On August 29, 2022, we completed the acquisition of Storm Private Holdings I Ltd., ("Stratus Holding Company" and together with its subsidiaries, "Stratus Technologies"). Stratus is a global leader in simplified, protected, and autonomous computing platforms and services in the data center and at the Edge. For more than 40 years, Stratus has provided high-availability, fault-tolerant computing to Fortune 500 companies and small-to-medium sized businesses enabling them to securely and remotely run critical applications with minimal downtime.

For our 2022 climate change reporting, we are integrating all of Stratus Technologies' available Scope 1 and Scope 2 emissions data, as well as its energy consumption data.



## C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

## C5.1c

**(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?**

	Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the impact does not meet our significance threshold	We are pursuing a net zero goal to reach zero Scope 1 and Scope 2 emissions by 2030. As our business model includes completing acquisitions as a key strategy, we expect to continue acquiring companies and incorporating those companies' Scope 1 and Scope 2 emissions footprint into our goal. Due to this strategy, we do not intend to reset our baseline year with each acquisition as the change in emissions to mitigate will be insignificant as we approach zero emissions by 2030.	No

## C5.2

**(C5.2) Provide your base year and base year emissions.**

### Scope 1

#### Base year start

January 1, 2016

#### Base year end

December 31, 2016

#### Base year emissions (metric tons CO<sub>2</sub>e)

3,850.19

#### Comment

In 2022, SGH acquired Stratus Technologies, which did not impact our baseline.

### Scope 2 (location-based)

#### Base year start

January 1, 2016

**Base year end**

December 31, 2016

**Base year emissions (metric tons CO2e)**

6,996.07

**Comment**

In 2022, SGH acquired Stratus Technologies, which did not impact our baseline.

**Scope 2 (market-based)**

---

**Base year start**

January 1, 2016

**Base year end**

December 31, 2016

**Base year emissions (metric tons CO2e)**

6,996.07

**Comment**

In 2022, SGH acquired Stratus Technologies, which did not impact our baseline.

**Scope 3 category 1: Purchased goods and services**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 2: Capital goods**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 5: Waste generated in operations**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 6: Business travel**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 7: Employee commuting**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 8: Upstream leased assets**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 10: Processing of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 11: Use of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 12: End of life treatment of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 13: Downstream leased assets**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 14: Franchises**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 15: Investments**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (upstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (downstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

Reporting year

Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)

3,599.692

Comment

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Location-based is using total electric usage regardless of PPA, market-based reduces based on PPA

### C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

Reporting year

Scope 2, location-based

61,079.62

**Scope 2, market-based (if applicable)**

39,370.465

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

---

**Evaluation status**

Relevant, not yet calculated

**Please explain**

We do not calculate our Scope 3 emissions resulting from purchased products and services at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

### **Capital goods**

---

**Evaluation status**

Relevant, not yet calculated

**Please explain**

Capital goods account for less than 1% of our total emissions. We do not calculate and report our Scope 3 emissions resulting from capital goods at this time as it does not meet our threshold for significance.

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Evaluation status**

Relevant, not yet calculated

**Please explain**

We do not calculate our Scope 3 emissions resulting from fuel and energy related at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.



## Upstream transportation and distribution

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from upstream transportation and distribution at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Waste generated in operations

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from waste generation in operations at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Business travel

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from business travel at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Employee commuting

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from employee commuting at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Upstream leased assets

---

### Evaluation status

Not evaluated

### Please explain

Upstream leased assets account for less than 1% of our total emissions. We do not calculate and report our Scope 3 emissions resulting from capital goods at this time as it does not meet our threshold for significance.

## Downstream transportation and distribution

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from downstream transportation and distribution at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Processing of sold products

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from processing or use of sold products at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Use of sold products

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from processing or use of sold products at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## End of life treatment of sold products

---

### Evaluation status

Relevant, not yet calculated

### Please explain

We do not calculate our Scope 3 emissions resulting from end of life of sold products at this time, but as we are making progress on the data collection and reporting strategy for our Scope 3 emissions, we are including this category.

## Downstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Downstream leased assets account for less than 1% of our total emissions. We do not calculate and report our Scope 3 emissions resulting from capital goods at this time as it does not meet our threshold for significance.

## Franchises

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Not applicable to our business

## Investments

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Not applicable to our business

## Other (upstream)

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Not applicable to our business

## Other (downstream)

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Not applicable to our business

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

### Intensity figure

0.0000355507

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

64,679.31

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

1,819,352,000

**Scope 2 figure used**

Location-based

**% change from previous year**

12.99

**Direction of change**

Decreased

**Reason(s) for change**

Acquisitions

**Please explain**

While we acquired Stratus Technologies, our overall emissions decreased per unit of revenue.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	3,599.692	IPCC Sixth Assessment Report (AR6 - 100 year)

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.**

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	113.05
Taiwan, China	71.018
United Kingdom of Great Britain and Northern Ireland	0
Republic of Korea	0
India	5.646
China	689.755
Brazil	2,425.37
Malaysia	294.853
Ireland	0
Japan	0

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By facility

## C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
Corporate	0.033
Memory	2,893.249
IPS	16.654
Stratus	0
CreeLED	689.755

## C7.3b

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Memory - Brazil - Atibaia	2,203.306	-23.045413	-46.676749
Memory - Brazil - Manaus	222.064	-3.100021	-59.940619
CreeLED - China - Huizhou	689.755	23.013919	114.348068
IPS - India - Kochi	5.646	9.966635	76.28672
Memory - Penang	294.853	5.400795	100.392561
Memory - Taiwan	71.018	24.997273	121.452939

Memory - Newark	102.008	37.509231	-122.000585
IPS - Fremont	11.009	37.491282	-121.9995
Memory - Irvine	0	33.656649	-117.754485
IPS - Tempe	0	33.398585	-111.97036
CreeLED - Shanghai	0	31.23343	121.384261
CreeLED - Shenzhen	0	22.534067	114.031721
Memory - India - Bangaluru	0	12.970661	77.608732
Memory - Korea	0	37.33783	127.109779
Memory - East Kilbride	0	55.756885	-4.167184
Memory - Tewksbury	0	42.645137	-71.235645
Memory - Huntington Beach	0	33.748976	-118.024985
CreeLED - North Carolina	0	35.888972	-78.853395
Corporate HQ - California	0.033	37.410861	-121.920443
Stratus - Maynard	0	42.429525	-71.455134
Stratus - Phoenix	0	33.674303	-111.980474
Stratus - Ireland	0	53.413119	6.360871
Stratus - Japan	0	35.68844	139.733633

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.**

Country/area/region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)
Brazil	2,760.341	433.699
China	30,637.123	15,316.723
India	50.259	50.259
Republic of Korea	6.59	6.59
Malaysia	7,185.378	3,123.265
Taiwan, China	93.899	93.899
United Kingdom of Great Britain and Northern Ireland	16.413	16.413
United States of America	19,942.367	19,942.367
Ireland	98.185	98.185
Japan	289.064	289.064

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By facility

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Corporate	69.997	69.997
Memory	11,092.728	4,703.972
IPS	1,406.523	1,406.523
Stratus	1,950.28	1,950.28
CreeLED	46,560.092	31,239.692

### C7.6b

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Memory - Brazil - Atibaia	2,326.643	0
Memory - Brazil - Manaus	433.699	433.699
CreeLED - China - Huizhou	30,637.123	15,316.723
Memory - India - Bangaluru	22.682	22.682
IPS - India - Kochi	27.577	27.577
Memory - Korea	6.589	6.589
Memory - Penang	7,185.378	3,123.265
Memory - Taiwan	93.899	93.899
Memory - East Kilbride	16.414	16.414
Memory - Newark	956.737	956.737
IPS - Fremont	1,227.543	1,227.543
Memory - Irvine	0	0

IPS - Tempe	128.721	128.721
Memory - Tewksbury	23.922	23.922
Memory - Huntington Beach	49.447	49.447
CreeLED - North Carolina	15,922.969	15,922.969
Corporate HQ - Milpitas	69.997	69.997
Stratus - Maynard	1,433.542	1,433.542
Stratus - Phoenix	129.489	129.489
Stratus - Ireland	98.185	98.185
Stratus - Japan	289.064	289.064

## C7.7

**(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

No

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	4,062.113	Decreased	6.879	We started using renewable energy in our Malaysia factory via solar panels and PPA. Our consumption of CO2e was reduced by 4062.113 MT. We then divided this number by the total emissions for 2021.
Other emissions				



reduction activities				
Divestment				
Acquisitions	1,950.28	Increased	3.015	We took the total emissions from our acquisition of Stratus computers and divided by our total Scope 1 and Location Scope 2 emissions. For this calculation, we included all emissions for Stratus for all calendar 2022, however we only had control of Stratus from September 2022 onwards.
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	893.5	893.5
Consumption of purchased or acquired electricity		54,530,947.3	87,437,863.53	141,968,810.83
Total energy consumption		54,530,947.3	87,438,757.03	141,969,704.33

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No

Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

### Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Do not use

### Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Do not use

### Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Do not use

### Coal

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**Comment**

Do not use

**Oil**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

809.88

**Comment**

**Gas**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

83.62

**Comment**

Gasoline is used for company cars

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**Comment**

Do not use

**Total fuel**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

893.5

**Comment**

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.**

---

**Country/area of low-carbon energy consumption**

Malaysia

**Sourcing method**

Purchase from an on-site installation owned by a third party (on-site PPA)

**Energy carrier**

Electricity

**Low-carbon technology type**

Solar

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

5,481.93

**Tracking instrument used**

I-REC

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Malaysia

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

Yes

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2022

**Comment**

Installed solar panels on our Malaysia factory and entered into PPA with Malaysia government energy provider

---

**Country/area of low-carbon energy consumption**

Brazil

**Sourcing method**

Physical power purchase agreement (physical PPA) with a grid-connected generator

**Energy carrier**

Electricity

**Low-carbon technology type**

Renewable energy mix, please specify

Hydro, Wind, Solar

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

23,549,013.3

**Tracking instrument used**

Contract

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Brazil

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

Yes

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2016

**Comment**

---

**Country/area of low-carbon energy consumption**

China

**Sourcing method**

Unbundled procurement of energy attribute certificates (EACs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Renewable energy mix, please specify

Hydroelectric

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

25,500,000

**Tracking instrument used**

I-REC

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

China

**Are you able to report the commissioning or re-powering year of the energy generation facility?**

Yes

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2022

**Comment**

## C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

---

**Country/area**

Brazil

**Consumption of purchased electricity (MWh)**

27,938,678.3

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

27,938,678.3

---

**Country/area**

China

**Consumption of purchased electricity (MWh)**

50,993,880

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

50,993,880

---

**Country/area**

India

**Consumption of purchased electricity (MWh)**

70,987.6

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

70,987.6

---

**Country/area**

Ireland

**Consumption of purchased electricity (MWh)**

292,225.5

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0



**Total non-fuel energy consumption (MWh) [Auto-calculated]**

292,225.5

---

**Country/area**

Japan

**Consumption of purchased electricity (MWh)**

589,085

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

589,085

---

**Country/area**

Malaysia

**Consumption of purchased electricity (MWh)**

9,696,867

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

9,696,867

---

**Country/area**

Democratic People's Republic of Korea

**Consumption of purchased electricity (MWh)**

8,893

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

8,893

---

**Country/area**

Taiwan, China

**Consumption of purchased electricity (MWh)**

174,566.14

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

174,566.14

---

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of purchased electricity (MWh)**

85,840

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

85,840

**Country/area**

United States of America

**Consumption of purchased electricity (MWh)**

52,117,788.29

**Consumption of self-generated electricity (MWh)**

0

**Consumption of purchased heat, steam, and cooling (MWh)**

0

**Consumption of self-generated heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

52,117,788.29

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

---

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 SMART GHG Verification Assurance Statement\_2022.pdf

**Page/ section reference**

Verification scope - pg 1

Assurance level of assurance - pg 2

Data verified - pg 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process


**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 SMART GHG Verification Assurance Statement\_2022.pdf

**Page/ section reference**

Verification scope - pg 1

Assurance level of assurance - pg 2

Data verified - pg 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process


**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 SMART GHG Verification Assurance Statement\_2022.pdf

**Page/ section reference**

Verification scope - pg 1

Assurance level of assurance - pg 2

Data verified - pg 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

**(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?**

No

### C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers/clients

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

#### Type of engagement

Information collection (understanding supplier behavior)

#### Details of engagement

Other, please specify

Other, please specify (Suppliers are required to sign our Code of Conduct, which covers climate topics)

#### % of suppliers by number

100

#### % total procurement spend (direct and indirect)

90

## **% of supplier-related Scope 3 emissions as reported in C6.5**

0

### **Rationale for the coverage of your engagement**

SGH defines strategic suppliers as suppliers that account for 90% of total spend. Given these suppliers have the most influence on our purchasing decisions and our environmental impact, we focus our engagement activities on these suppliers.

### **Impact of engagement, including measures of success**

We engage our suppliers on climate-related topics by requiring them to sign our Supplier Code of Conduct, which is aligned with the Responsible Business Alliance (RBA) Code of Conduct. The RBA Code covers environmental topics including "Pollution Prevention and Resource Reduction", which is defined as "Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means"; "Air Emissions" which is mandates: "Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems"; and "Energy Consumption and Greenhouse Gas Emissions" which requires: "Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions".

### **Comment**

## **C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### **Type of engagement & Details of engagement**

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

### **% of customers by number**

2

### **% of customer - related Scope 3 emissions as reported in C6.5**

29

**Please explain the rationale for selecting this group of customers and scope of engagement**

We engage with approximately 250 key customers at global level is an estimate on our products, ESG goals, and metrics.

**Impact of engagement, including measures of success**

We regularly engage with our strategic customers on climate related topics including disclosures on our climate related performance. For example, some of our strategic customers have requested we disclose annually to CDP's water and climate disclosures. Additionally, a number of our strategic customers have requested our participation in EcoVadis' annual sustainability assessment, which addresses climate and water topics. Given that the strategic customers contribute to a significant portion of our revenue, we consider the market risks and reputational risk of not responding to these requests and view our responses as opportunity to demonstrate our commitment to ESG and climate change. We also include our customers and our materiality assessments

## C12.2

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

## C12.2a

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

---

**Climate-related requirement**

Implementation of emissions reduction initiatives

**Description of this climate related requirement**

We require our suppliers to sign our Supplier Code of Conduct, which is aligned with the Responsible Business Alliance (RBA) Code of Conduct. The RBA Code covers environmental topics including "Pollution Prevention and Resource Reduction", which is defined as "Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation,



recycling, or other means"; "Air Emissions" which states: "Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems"; and "Energy Consumption and Greenhouse Gas Emissions" which requires: "Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 + 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions".

**% suppliers by procurement spend that have to comply with this climate-related requirement**

90

**% suppliers by procurement spend in compliance with this climate-related requirement**

100

**Mechanisms for monitoring compliance with this climate-related requirement**

Other, please specify

Internal process requires this signature to process suppliers in system. Our internal processes verify this compliance

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

No, but we plan to have one in the next two years

**Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan**

We are active members of the Responsible Business Alliance, an industry association focused on advancing the social and environmental responsibility standards for a

number of industries, including technology and communications. The RBA's position on climate change is consistent with SGH's, and we regularly update our code of conduct to align with the progression of the RBA and our industry on climate-related topics.

## C12.3b

**(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.**

---

### Trade association

Other, please specify  
Responsible Business Alliance

### Is your organization's position on climate change policy consistent with theirs?

Consistent

### Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

### Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The RBA's position on climate change is to further progress on reducing greenhouse gas emissions and build capacity throughout the value chain with shared best practices, resources, and education. For example, the RBA has created an Environmental Survey targeted to develop suppliers' capacity to measure and report on simple environmental metrics. The Survey collects basic data on greenhouse gas emissions, energy use, water withdrawal, and waste generation, as well as qualitative data on their respective reduction targets and efforts. The survey questions are designed to align with major environmental reporting schemas, like the CDP and GHG Protocol, to build supplier familiarity and capacity. The RBA's position is consistent with SGH's, and we regularly update our code of conduct to align with the progression of the RBA and our industry on climate-related topics. SGH is a proponent of collaboration and progress across our industry for global change. We participate in open collaboration forums hosted by the RBA.

### Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

35,000

### Describe the aim of your organization's funding

The funding provided supports SGH's membership fees supports the RBA's vision and mission:

Vision: A coalition of companies driving sustainable value for workers, the environment and business throughout the global supply chain.

Mission: Members, suppliers and stakeholders collaborate to improve working and environmental conditions and business performance through leading standards and practices.

It also grants members access to the following benefits:

- Participate in a vibrant community of practice of leading companies from throughout the supply chain for learning and collaboration opportunities with your customers and suppliers. Members can also take advantage of in-person and online training and learning opportunities covering dozens of key topics in supply chain sustainability.
- Joining the RBA ensures your company is in line with the industry-wide code of conduct and allows you access to tools and resources that puts your company on a path toward top supply chain sustainability performance. Key tools you have access to as a member company include our industry-leading e-learning academy with over 60 training modules, our online sustainability data management and sharing system RBA-Online, our Validated Assessment Program, our annual Responsible Business conference and global outreach events.
- Access shared social compliance assessments from companies and their suppliers throughout the supply chain and ensure your company has the information it needs for continuous improvement in supply chain sustainability, while also lowering costs and increasing efficiency in sustainability programs.
- Ensure your company is out in front on emerging issues and risks in supply chain sustainability. With the resources and tools of the RBA your company can stay up-to-date on key developments from the industry and beyond, including in the news media and with key stakeholders.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

---

**Publication**

In voluntary sustainability report

**Status**

Underway – previous year attached

**Attach the document**

 SGH\_2021\_ESG\_Final-1.pdf

#### Page/Section reference

Our ESG Goals - p 14  
Environment - p 16  
Our Environmental Stewardship - p 17  
Climate Action - p 18  
Energy Management - p 20  
Water Management - p 21  
ESG Management and Oversight - p 26  
TCFD Index - p 52  
GRI Index - p 58

#### Content elements

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

#### Comment

Our 2022 ESG report is in progress

## C12.5

**(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Other, please specify The Responsible Minerals Initiative (RMI)	As RBA members, SGH is also a member of the RBA's Responsible Minerals Initiative (RMI), which promotes supply chain transparency and responsible sourcing and extraction of minerals in conflict-affected or high risk areas, including tin, tantalum, tungsten, gold, mica, copper, and more. We engage with this organization by participating in regular calls and aligning our conflict minerals program to the RMI standards.

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

### C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

### C15.3

**(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?**

#### Impacts on biodiversity

**Indicate whether your organization undertakes this type of assessment**

No, but we plan to within the next two years

#### Dependencies on biodiversity

**Indicate whether your organization undertakes this type of assessment**

No, but we plan to within the next two years

### C15.4

**(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?**

Not assessed

### C15.5

**(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

## C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

## C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
-------------	------------------	---

## C16. Signoff

### C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Director, Global Quality & Sustainability	Environment/Sustainability manager

## SC. Supply chain module

### SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

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. At SGH, we strive to achieve long-term growth by investing in our people, innovation, processes and new opportunities. Since the beginning of fiscal 2018, we have accelerated our growth through the completion of five acquisitions. With our most recent acquisition of Cree LED in 2021, we have organized the company into three lines of business: Memory Solutions, Intelligent Platform Solutions (“IPS”) and LED Solutions. In addition to driving growth organically and through acquisitions, we use the SGH operating system to support and drive operational efficiency and performance. This operating system includes: Quality, Supply Chain Excellence, Global Manufacturing Scale/Efficiency, Customer Relationship Management, Capital-Efficient Model, Corporate Culture/Human Capital. In March 2021, we completed the acquisition of the LED business (“LED Business”) of Cree, Inc., a corporation now known as Wolfspeed, Inc. (“Cree”). The acquisition of the LED Business, a leader in LED lighting technology, further enhances our growth and diversification strategy and fits well with our other specialty businesses in computing and memory. In connection with our acquisition of the LED Business in 2021, we reorganized SGH into three business units: **Memory Solutions, IPS and LED Solutions.** Our **Memory Solutions group** provides high performance and reliable memory solutions through the design, development and advanced packaging of leading-edge to extended lifecycle products. **Our Intelligent Platform Solutions group (“IPS”)** consists of Penguin Computing and Penguin Edge. Penguin Computing offers specialized platform solutions for high-performance computing (“HPC”), artificial intelligence (“AI”), machine learning (“ML”) and advanced modeling for technology research. **Our LED Solutions group** offers a broad portfolio of application-optimized LEDs focused on improving on lumen density, intensity, efficacy, optical control and reliability. We have manufacturing facilities in Atibaia, Brazil; Newark and Fremont, California; and Penang, Malaysia, which are all certified in one or more of the following: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. We also have a manufacturing facility in Huizhou, China, which is ISO/TS16949 certified and where products for our LED Solutions group are packaged. In addition, in early fiscal 2022, we began manufacturing operations in our Manaus, Brazil facility. Our most significant manufacturing operations are in Atibaia, Brazil and Huizhou, China. We also have a test and integration facility in Tempe, Arizona for SMART EC and other products. Additionally, we are a member of the Responsible Business Alliance (“RBA”) and our manufacturing facilities are compliant with the RBA Code of Conduct which is increasingly a business requirement of our customers. We primarily sell our products directly to global OEMs and to enterprise, government and other end customers located across North America, Latin America, Asia and Europe. Our sales and marketing efforts are conducted through an integrated process incorporating our direct sales

force, e-commerce, customer service representatives and our on-site field application engineers ("FAE") with a network of independent sales representatives, distributors, integrators and resellers.

Please note, our financial year is different from our calendar year. This disclosure includes environmental data from our calendar year 2022, and financial data from our fiscal year 2022.

## SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

	Annual Revenue
Row 1	1,819,352,000

## SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

### Requesting member

Arista Networks

### Scope of emissions

Scope 1

### Scope 2 accounting method

### Scope 3 category(ies)

### Allocation level

Company wide

### Allocation level detail

### Emissions in metric tonnes of CO<sub>2</sub>e

89.992

### Uncertainty (±%)

25

### Major sources of emissions

Manufacturing of goods

### Verified

No



**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

45,475,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Arista Networks

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

984.262

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**  
45,475,000

**Unit for market value or quantity of goods/services supplied**  
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**  
Cisco Systems, Inc.

**Scope of emissions**  
Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**  
Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**  
287.975

**Uncertainty (±%)**  
25

**Major sources of emissions**  
Manufacturing of goods

**Verified**  
No

**Allocation method**  
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**  
145,520,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Cisco Systems, Inc.

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

3,149.637

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

145,520,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Dell Technologies

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

251.978

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

127,330,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Dell Technologies

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

2,755.933

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

127,330,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Hewlett Packard Enterprise Company

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

107.991

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

54,570,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Hewlett Packard Enterprise Company

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

1,181.114

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

54,570,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

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**Requesting member**

Infineon

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

89.992

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

45,475,000

**Unit for market value or quantity of goods/services supplied**

Currency



**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

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**Requesting member**

Infineon

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

984.262

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

45,475,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Juniper Networks, Inc.

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

107.991

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

54,570,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Juniper Networks, Inc.

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

1,181.114

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

54,570,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

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**Requesting member**

Nokia Group

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

89.992

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

45,475,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

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**Requesting member**

Nokia Group

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

984.262

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

45,475,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

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**Requesting member**

Samsung Electronics

**Scope of emissions**

Scope 1

**Scope 2 accounting method**

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

395.966

**Uncertainty (±%)**

25

**Major sources of emissions**

Manufacturing of goods

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

200,090,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

---

**Requesting member**

Samsung Electronics

**Scope of emissions**

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Allocation level**

Company wide

**Allocation level detail**

**Emissions in metric tonnes of CO<sub>2</sub>e**

4,330.751

**Uncertainty (±%)**

25

**Major sources of emissions**

Electricity and fuel consumption

**Verified**

No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

200,090,000

**Unit for market value or quantity of goods/services supplied**

Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error.

## SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

We publish our emissions data in our annual ESG report, [https://www.sghcorp.com/wp-content/uploads/2022/10/SGH\\_2021\\_ESG\\_Final-1.pdf](https://www.sghcorp.com/wp-content/uploads/2022/10/SGH_2021_ESG_Final-1.pdf)

## SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	SGH does not disclose revenue allocated per customer, which is the methodology used to determine emissions allocations; therefore we estimate the emissions with up to 25% margin of error. Please note, our FY is different from our CY reporting year.

## SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

Yes

## SC1.4a

**(SC1.4a) Describe how you plan to develop your capabilities.**

We are working towards allocating the energy required for each type of operation and improving our Scope 3 data collection methods. We intend to publish our Scope 3 data in 2024.

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**



## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms