em microelectronic

A COMPANY OF THE SWATCH GROUP

# Sustainability Report 2020

emmicroelectronic.com

# Contents

# CEO message

**Dr. Michel Willemin**
CEO, EM Microelectronic

As a Swiss company with a watchmaking DNA and with a core activity in ultra-low power microelectronics, EM has been at the forefront of our societal drive for sustainability for more than 45 years.

Loyal to this credo and to this core specialty we are proud of, it is time for us to move things to the next level and share our sustainability vision and commitments not only with our employees, but also with our partners, customers, suppliers and the general public, with the desire to contribute to the momentum of our entire industry in this direction.

EM's track record underlying its commitment to protect our planet and to make it better speaks for itself. Our True Ultra Low Power products have been contributing for decades to the environmental friendliness of many applications.

We are nonetheless humble to recognize there is much more to do, and to set ambitious targets we shall strive to reach over the following years. Our culture of excellence is to continuously raise the bar, and we are doing this not only with our products, but also with our industrial setup and our way of conducting business in general.

## *we are all in this together!*

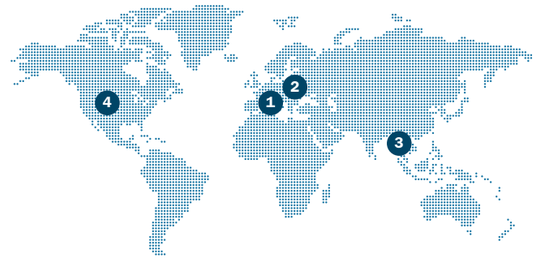
The Sustainability Report we are inaugurating this year is intended to be a platform to interact with all the relevant partners and stakeholders as part of this collective effort for Planet Earth. We look forward to gathering your feedback to help us improve; we are all in this together!



# EM at a glance

## A GLOBAL SEMICONDUCTOR COMPANY ON A HUMAN SCALE

EM Microelectronic, a company of the Swatch Group, designs and manufactures Ultra-low power Integrated Circuits for small portable devices and green IoT.




- **Headquarters in Switzerland**
- **4** main design and manufacturing sites
- **660** employees worldwide
- **Worldwide** sales presence

1. **Marin-Epagnier, Switzerland:** Headquarters | Main sales and marketing | R&D | Design | Front-end | Back-end
2. **Prague, Czech Republic:** Design
3. **Bangkok, Thailand:** Back-end & e-module manufacturing
4. **Colorado Springs, USA:** Sales and marketing | Design

## EM EXPERTISE







## MAIN MARKETS


Watches


Communication


Consumer Electronics


Healthcare & Wellness


Industrial


IoT


Traceability & Logistics


Automotive

# Swiss culture

## OUR HISTORY AND THE SWISS WATCH INDUSTRY

EM Microelectronic started its activities in the 1970's by designing miniaturized, ultra-low power integrated circuits for watches in the town of **Marin (Neuchâtel) in Switzerland**.

EM Microelectronic is a fully-owned subsidiary of **The Swatch Group**, an international group active in the manufacturing of high quality watches and jewelry.

With strong roots in the electronic watch, a high volume consumer product requiring very low power and low voltage, the company grew into new markets and is now a leading supplier of highly optimized electronic circuits for battery-operated and field-powered applications. While its strategic mission is to serve the needs of the internal watch brands, most of EM Microelectronic's revenue comes today from markets that are not related to the watch industry anymore.

## ACCURACY

EM embodies a culture of extreme precision and high quality production with every design, providing broad expertise in ultra-low power, high accuracy microelectronics and revolutionary user experiences.

## FROM R&D TO HIGH VOLUME PRODUCTION

EM Microelectronic merges its **extensive talents and resources** under a single roof towards developing and manufacturing customized ICs and components. Absolute experience, state-of-the-art technology, and integrated facilities enable seamless development and high-volume manufacturing of cost-effective, high-performance ASIC solutions, as well as highly differentiated standard products.

## A CULTURE OF PRECISION AND ABSOLUTE QUALITY

Drawing from deeply-rooted Swiss values and traditions, EM Microelectronic embodies a **high-quality, high-precision culture** providing unmatched manufacturing standards to its customers. Through resonating qualities such as meticulous precision, intensive energy and focus, high regard for innovation, organization, and respect for humanity and the environment, we aim to install a global culture of excellence throughout our entire organization. We are fully dedicated to **time-honored Swiss traditions and processes** in our relentless pursuit to achieve cutting-edge products and customer loyalty.

## DURABILITY & LONG-TERM RELIABILITY

Structural integrity is a highly critical element in our designs, as microstructures continue to shrink in size to support more complex systems and functionalities. From environmental stresses to wear and tear, we perform comprehensive research and accelerated testing on all our devices to ensure that high performance and longevity remain the cornerstones of our products.

## ENVIRONMENTAL PIONEER

Since the 1990s the Swatch Group and its founder, Nicolas G. Hayek, have been vocal advocates of environmental challenges. The Group invested in green energy and mobility projects (Hybrid solar cars, Solar Impulse). The Belenos Clean Power Holding was founded in 2008 to develop a total clean energy chain starting with solar energy harvesting down to an efficient zero-emission power-train.

**Nicolas G. Hayek, 2008:**

*"I realised a long time ago that I am a small ant on a very small planet, in a very small sun system, in a very huge universe.*

*Our planet Earth is a very vulnerable spaceship. We are shooting holes in it, knocking down the doors and doing everything to destroy it. As one of the passengers sitting there, I try to help."*



# Mission statement

## VISION, MISSION AND VALUES

EM enables green, high-performance, user-friendly devices with Swiss-quality microelectronics that make its customers unique via long-term, sustainable partnerships and proximity.

EM's primary purpose is to support the Swatch Group's strategic ambitions in the electronics space.

Building on its watchmaking DNA and its unique Swiss industrial footprint, EM serves numerous other applications requiring ultra-low energy consumption, extremely small size and high-performance processing.

Thanks to its advanced customization capabilities and long-term partnerships, EM enables its customers to be unique in very competitive markets.

### RESPECT FOR PEOPLE

- We value our coworkers, encourage their development and reward their performance.
- We foster an environment of collaboration.
- We have a long-term commitment to our employees based on trust, honesty and integrity.

### ENTREPRENEURIAL TEAMWORK

- We work together in a hands-on way, across boundaries, to meet our customers' needs and help our company win.
- We encourage entrepreneurship and can-do attitude.

### TRUSTWORTHINESS

- We provide outstanding products and unsurpassed service that, together, deliver premium value to our customers.
- We develop relationships that make a positive difference in our customers' lives.
- We are a reliable partner.

### MAKING A DIFFERENCE

- We are never satisfied with "good enough".
- We are curious, adventurous and creative.
- We honor our commitments.
- We observe, listen, understand and assist.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

We are committed to promoting environmental and social awareness and best practices across our supply chain. Our business partners adhere to our Social and Environmental Responsibility Code of Conduct, based on the Responsible Business Alliance (RBA)[1].

Through our creativity and entrepreneurship, we aim at proactively contributing to the UN Sustainable Development Goals, addressing global environmental challenges and moving towards more sustainable products and new circular economy models.

It is our way to stay **connected to the next generations:** preserving our environment, human health and driving positive changes for the benefit of our customers, employees and future generations.

[1] www.responsiblebusiness.org

# Sustainability commitment

## EM FOCUS

In 2015 the United Nations Member States adopted the **Sustainable Development Goals**[2] (SDGs), also known as the **Global Goals**, as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.
The 17 SDGs, with their 169 targets, form the core of the 2030 Agenda, balancing the economic, social and ecological dimensions of sustainable development. The SDGs are to be achieved around the world, and by all UN member states, by 2030.

All countries are required to play their part in finding shared solutions to the world's urgent challenges.
Switzerland is actively implementing the Goals on a national basis. In addition, non-governmental actors are highly encouraged to make an increasingly active contribution to sustainable development.
EM Microelectronic contributes to many of the SDGs, with particular emphasis to the ones where it can **maximize the impact**.

[2] https://sdgs.un.org/goals

## OUR CONTRIBUTION TO GLOBAL GOALS

### SDGs 3, 4, 8, 9 AND 17 DUE TO :

- Our focus on people health, safety and development.
- Our support for innovation and technology.
- Our contribution to promote sustainability.

### SDGs 6, 7, 12 AND 13 DUE TO :

- Our commitment to reduce our water consumption and waste production.
- Our commitment to reduce our GHG emissions.
- Our contribution to circular economy.

3 GOOD HEALTH AND WELL-BEING

- We aim to minimize risks of negative impact of our activities on people health.

4 QUALITY EDUCATION

- We help our employees to develop their competency through continuous training programs.

13 CLIMATE ACTION

- We deploy programs to reduce our GHG emissions.

6 CLEAN WATER AND SANITATION

- We aim to increase efficiency in the use of water resources.
- We are committed to treat all our wastewater and maximize its recycling.

17 PARTNERSHIPS FOR THE GOALS

- We work with universities and companies to boost sustainability in our technology and products.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- We work to minimize our waste in landfill, reduce consumption of chemicals and eliminate hazardous materials.

7 AFFORDABLE AND CLEAN ENERGY

- We deploy programs to increase the energy efficiency of all our activities.
- We aim to increase the proportion of green energies.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- We foster open innovation with a wide range of universities, companies and researchers all over the world.

8 DECENT WORK AND ECONOMIC GROWTH

- We focus on providing quality and safe employment throughout our extended supply chain.



# Sustainability achievements

## Environmental sustainability

### MANAGEMENT SYSTEM

We protect the environment, preserve natural resources, conserve energy and prevent pollution by applying appropriate management practices and technologies supported by our environmental monitoring plan.
Since more than 20 years we collect consumption data for internal operational assessment in our main manufacturing site in Switzerland. For example we track monthly and annually energy consumption, $CO_2e$[3] emission, water usage, total waste and disposal. EM continuously analyses and improves internal processes to further increase efficiency and to generate benefits for both the environment and the company's base economic.
Dedicated teams collaborate to define and implement environmental programs and procedures, review projects and evaluate performance.

### VOLUNTARY PROGRAM

In 2005 EM Microelectronic joined the Swiss "Voluntary Climate Protection and Energy Efficiency" initiative. Activities include analyzing main energy consumptions to identify potential energy efficiency increases.
Through this program EM is supported by external experts and given advice on the basis of energy and product neutrality. A measures catalogue is regularly defined with a target agreement. Annual assessments and audits guarantee the effective efficiency gains and $CO_2$ emission reductions from our activities in Switzerland.


Certificate of the Swiss Private Sector Energy Agency

Voluntary Climate Protection and Energy Efficiency

$CO_2$ &kWh reduced

2021

ENERGY AGENCY SWISS PRIVATE SECTOR

EM Microelectronic-Marin SA

**EM Microelectronic-Marin SA** is convinced of the need to stand up for sustainable climate protection. By voluntarily declaring its adherence to the Swiss Private Sector Energy Agency programme, **EM Microelectronic-Marin SA** commits to actively reducing $CO_2$ emissions and optimizing energy efficiency. The Swiss Federal Government, cantons and private sector partners honor the target agreement.

Dr. Jacqueline Jakob, Swiss Private Sector Energy Agency — 1st January 2021 — Martin Kernen, Swiss Private Sector Energy Agency

ENERGY AGENCY SWISS PRIVATE SECTOR EmAW

### CONTROL OF ENVIRONMENTAL RISKS

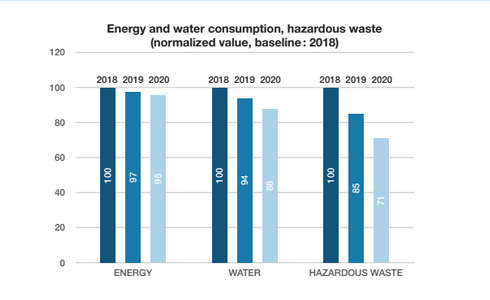
Aware of the semiconductor industry impact, environmental risks are reviewed annually through rigorous monitoring of chemical treatments and effluents. We ensure that our effluents are fully compliant with the Swiss Environmental Law and the regional regulations for waste management and emissions to air and water.
For all our products we comply with applicable environmental regulations and requirements, including European chemical policies and directives such as REACH[4] and RoHS[5]. To provide our customers with information on the chemical compliance of our IC products we publish REACH and RoHS declarations.
To ensure safety we follow legal requirements for all materials we use for our activities including manufacturing, transport and disposal.

[3] $CO_2e$ or $CO_2$ equivalent : metric measure used to compare emissions from various greenhouse gases on the basis of their global warming power by converting amounts of other gases to the equivalent amount of $CO_2$.
[4] REACH : Registration, Evaluation, Authorization and Restriction of Chemicals.
[5] RoHS : Restriction of Hazardous Substances.

## ENVIRONMENTAL HIGHLIGHTS

Since 2018 we have accelerated our efforts to minimize our energy and resources consumptions and decrease our waste generation resulting from our activities.

### ENERGY* AND WATER CONSUMPTIONS, HAZARDOUS WASTE DISPOSAL




(*Electricity and gas)
Boundary: manufacturing site Marin

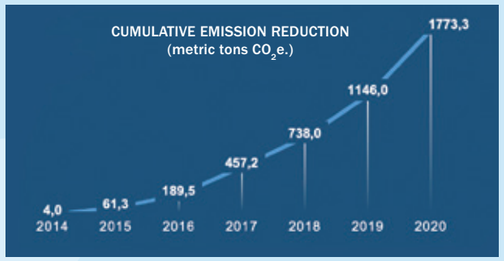
Our environmental indicators are all significantly decreased compared to 2018, highlighting the impact of the numerous actions we have taken and the investments we have made in recent years (more than 50 actions since 2014).

**These include as examples:**

- Improving our exhausts and air equipments;
- Installing high-efficiency coolant, water and humidifier pump;
- Developing energy savings programs;
- Optimizing the settings on various items of equipment;
- Optimizing the use of chemicals.

Regarding our commitment to climate change we have continuously decreased our $CO_2e$ emissions since the beginning of our participation to the Swiss Energy Agency program. Since 2014 we have totally saved more than 1'700 metric tons of $CO_2e$.

### $CO_2e$ REDUCTION – PERIOD 2014-2020




Boundary: manufacturing site Marin

### OUR NEW HEAT PUMP

In 2020, EM invested in a waste heat recovery unit to capture and valorise the heat from the refrigeration system condenser. The heat pump recovers the heat and injects it into the heating circuit. This will enable a significant energy saving of 800 metric tons $CO_2e$ in 2021 (ca. 7 month/heat gas impact only).

**800**

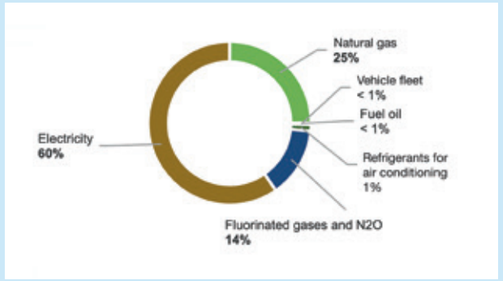
**metric tons $CO_2$ will be saved in 2021**

~

800 Paris – New York return flights
or 6.7 Millions km by diesel car

Climate change is considered as one of the most serious global risks by the World Economic Forum. EM recognizes the climate change challenge and introduced in 2020 specific actions to measure the impact of its activities. We evaluated the greenhouse gas (GHG) emissions from our main manufacturing site in Marin. We followed the GHG protocol[6] and realized the estimation of scopes 1 and 2 emissions.

### $CO_2e$ EMISSIONS – PERIOD 2020. SCOPE 1 AND 2




Boundary : manufacturing site Marin

More than 80% of our emissions are caused by energy consumptions (electricity and natural gas used for heating[7]). The third most important source is due to fugitive emissions of production gas (Fluorocarbons PFCs and HFCs, $NF_3$, $SF_6$ and nitrous oxide $N_2O$).

[6] https://ghgprotocol.org
[7] Process heating mainly.



# Social sustainability

## OUR EMPLOYEES MATTER

Our commitment to our people encompasses providing a safe and secure workplace, a respect for human rights throughout the business, and affording opportunities for personal and professional learning and development.
Through our safety management system we take a strategic approach to creating safe and pleasant workplace environments that promote both physical and mental health among employees. In this sense we place a special focus on occupational safety in our production facilities. We work proactively at all levels to identify potential issues or concerns in the workplace and develop measures to address them. We align our programs with industry risks, with a priority on preventing employees' potential exposure to hazards such as chemicals, fire, mechanical, handling and ergonomic risks. We also contribute to preventive actions through regular safety training workshops and internal or third-party inspections.
Affiliated to the "Convention Patronale de l'Industrie Horlogère Suisse" (Employer's Federation of the Swiss Watchmaking Industry) we monitor and report annually Health and Safety key performance indicators (KPIs).

### WORK-RELATED INJURIES AND ILLNESSES


Boundary: manufacturing site Marin

We believe that investing in employees' health improves both vitality and productivity, energizing the entire organization and improving results. Beyond the legal requirements we offer voluntary programs to promote certain medical examinations, influenza vaccinations, local sporting activities, "Bike to work" program and access to healthy food in our in-house cafeteria.
In order to ensure the continuous professional development of its staff, EM offers employees a program of internal and external training courses.

### TRAINING OF EMPLOYEES

| Year | 2018 | 2019 | 2020 |
|---|---|---|---|
| Employees | 337 | 362 | 397 |
| Training hours | 943 | 2'046 | 1'009 |

Boundary: manufacturing site Marin

## OUR SUPPLIERS MATTER

A special mention regarding our supply chain is necessary because of its importance to both ourselves and our customers. All our tier 1 suppliers and business partners must supply with the rules expressed in the EM Microelectronic Social and Environmental Responsibility (SER) Code of Conduct. Examples of what is required by the SER include upholding international human rights, observing employee rights in line with national and international standards and rejecting child labor, forced labor and any discrimination of all kinds.
Based on a risk assessment platform high-risk new suppliers are identified and must complete our Self-Assessment Questionnaire (SAQ) which includes social and environmental assessment. The RBA-based self-assessment includes five sections: labor, ethics, health and safety, environment, and management systems. The results enable us to identify areas that require attention.
Depending on risks assessment physical third-party audits are conducted on-site with the opportunity to implement necessary corrective actions. Since 2017 almost 40 SAQ have been completed representing 100% of our high-risk tier 1 suppliers.

**We screened**

**100%**

of our new high-risk suppliers using social and environmental criteria.

## HIGHEST BUSINESS ETHICS

As a Swiss company we apply the highest levels of business ethics and personal integrity at our company and through our entire activities. This includes strict rules to avoid bribery and corruption, commitment to correct accounting, non-disclosure obligations with respect to confidential information, and prohibitions against anti-competitive conduct.

# Green products

## QUALITY FOR SUSTAINABILITY

Quality and innovation fuel our business activities. Our Quality Management System (QMS) adheres to the highest quality management standards recognized internationally.
All our facilities have received ISO 9001 : 2015 and IATF 16949 : 20016 certifications, demonstrating our robust quality governance across the company.
At EM we also view quality as a fuel for sustainability from different aspects :

**Quality and sustainability work hand in hand.**
By continuously improving our quality management system, we constantly support sustainability in our business, both with reliable products and increased revenue.

**Quality fuels sustainability.**
Quality improvements not only apply to manufacturing lines or service providers, but are also put into practice before and after the product becomes a reality. This improves our efficiency and helps us to reduce our environmental impact (decrease of material and resources consumption, waste production, customer returns…).

**Quality is at the heart of our relationships.**
By producing high-quality products we increase the motivation of our employees and the satisfaction of our customers, creating stronger and more sustainable relationships.

TRUE ULTRA-LOW POWER
by em microelectronic

## CONNECTED GREEN SOLUTIONS

At EM we view innovation as opportunity to drive change for a healthier, cleaner and more resource-efficient world. **Mastering energy consumption** is at the heart of EM's DNA. The challenge to optimize, transform, and increase energy autonomy forms the core of EM's specialties. As the industry forerunner in low energy power and consumption, we value every breakthrough achieved today as a building-block towards creating the perfect framework for energy management in the future.

Our expertise and know-how in True Ultra-Low Power (TULP™) solutions enable green technologies and applications in multiple ways :

- Energy harvesting
- Energy efficiency solutions
- Smart power management

- Our energy harvesting solutions reduce the need to use batteries in everyday portable devices, contributing to a **cleaner planet**.
- By mastering the energy consumption of our products we contribute to **decrease the $CO_2$e emission of everyday life products**.
- Our technologies enable **longer product lifetimes** and more responsible business activities.
- Our RFID solutions enable **sustainable supply chains** and foster **conscious consumerism**.
- Our technologies are the engine behind **Green IoT**.

## AWARD-WINNING GREEN PRODUCTS

Our expertise and innovative products are widely recognized by the industry, customers and media worldwide.



# Industry endorsements

## AWARDS AND RECOGNITIONS

In 2020 EM was commended by Frost & Sullivan for its Augmented RFID solution **em|aura-sense**, a product enabling cost-effective, mass deployments of batteryless sensors, a key element for Green IoT.

*"Its focus on R&D is one of the key reasons for EM Microelectronic's success in delivering disruptive products such as em|echo and em|aura. The constant introduction of new products is made possible through EM Microelectronic's high regard for innovation."*

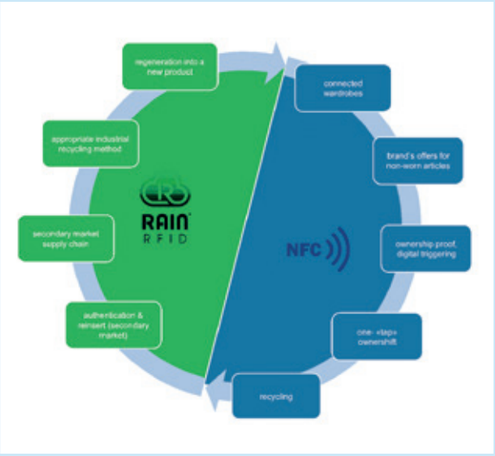
Ram Ravi, Industry Analyst, Frost & Sullivan

The RFID Journal has honored EM's **em|echo-V** solution with its prestigious "Best new product" award. This revolutionary RAINFC concept merges RAIN RFID and NFC worlds into one single chip, enabling a holistic omnichannel solution for retail, and a key component for the circular economy.


## PARTNERSHIPS AND PATENTS

In 2020 EM Microelectronic started a partnership with CMP (Grenoble, France) for offering 0.18µm CMOS 4/5ML EMALP018 technology in MPW (Multi-Project Wafer) runs. EM Microelectronic can thus offer a new cost-effective solution to design and manufacture prototypes in CMOS 0.18 node through CMP, as well as to support mass production of these ICs.


**EM MICROELECTRONIC EARNS FROST & SULLIVAN'S 2020 NEW PRODUCT INNOVATION AWARD**




EM puts a strong focus on innovation, with numerous granted patents and new patent applications every year.

# Sustainability roadmap 2030+

## 2030 ACTION FOCUS

The Climate Policy of Switzerland targets a net-zero carbon emission by 2050. This is an ambitious goal and our duty as an industrial leader is to actively participate to this challenge. We will also align our actions with emission targets of The Swatch Group by 2030 and 2050.

Calculating our GHGs emission by 2020 has been instructive in many respects. It has not only highlighted practical issues, but also provided a basis for enlarging our level of ambition moving forward and prompting further discussion about how we can act and transparently report on our progress.

**Our main actions will focus on :**

- Introducing an environmental and sustainability management system ;
- Being transparent with our employees and business partners by reporting environmental and social key parameters indicators ;
- Enlarging the boundaries of our carbon emissions to Scope 3 and our two manufacturing sites ;
- Working on specific initiatives to reduce our GHGs emissions ;
- Evaluating the carbon footprint of our products – beside the diagnosis of our organization ;
- Going beyond our own operations to reduce our environmental impacts ;
- Engaging actions in sustainability and circular economy with our business partners ;
- Compensating some of our remaining carbon emissions.



## OUR AMBITIONS AND TARGETS (BASELINE 2019)

Manufacturing site in Marin, Switzerland

### Environment and energy

| Modules | SDGs | Targets 2030 | Achievements | Progress status |
|---|---|---|---|---|
| **Energy**<br>EM Microelectronic company actively applies measures to increase its energy efficiency.[a] | 7 AFFORDABLE AND CLEAN ENERGY | Increase energy efficiency by at least 2% in our main manufacturing site in Marin. | | In the last years, energy efficiency exceeded the expected index target line. EM will continue its efforts to achieve this 2030 target. |
| **$CO_2e$ emissions**<br>EM Microelectronic company actively applies measures to decrease its $CO_2e$ emissions. | 13 CLIMATE ACTION | Decrease CO2e emissions in our main manufacturing site in Marin by 30% by 2025 and 50% by 2030, at least for scope 1 and 2. | | The purchase of Guarantees of Origin for 2021 is on track for our main site in Marin. |
| **Materials and waste**<br>EM strives to reduce its non-recycled and landfill waste. | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Increase the total recycling[b] rate up to a minimum of 70% in our Marin site. | | EM Marin is already active in the recycling of its industrial and hazardous waste. |
| | | Limit the landfill rate to a maximum of 5% for the total waste resulting from our activities in Marin. | | By 2021 EM Marin will start a more accurate diagnosis of its waste processing and suppliers. |
| **Water**<br>EM Microelectronic strives to decrease its water consumption in its manufacturing Divisions. | 6 CLEAN WATER AND SANITATION | Increase the total recycling rate of water up to a minimum of 30% in our main Marin site. | | EM Marin has already implemented an internal water treatment equipment to ensure a recycling rate of 15%. By 2021 EM Marin will start a diagnosis to improve its entire water management system. |

### Products and Innovation

| | | | | |
|---|---|---|---|---|
| **Quality**<br>EM actively applies high standards of quality to provide a high-level of customer satisfaction. | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | Achieve a low customer quality complaints and returns rate[c]. | | In the last years our quality management has been strengthened, resulting in stronger partnerships with our customers. |
| **Green products**<br>EM products are optimized with regard to their environmental friendliness, social benefits and resource efficiency. | 17 PARTNERSHIPS FOR THE GOALS | Systematic introduction of eco-design rules in product development and production. | | As a leader in mastering product energy EM has already started to introduce eco-design rules in the development of its products. |

(a) As defined by the Swiss Energy Agency EnAW.
(b) Total recycling : recycling of liquids and solid waste or energy recovery.
(c) Complaints and returns under EM Microelectronic responsibility only.

## Supply chain and logistics

| Modules | SDGs | Targets 2030 | Achievements | Progress status |
|---|---|---|---|---|
| **Supply chain**<br>EM Microelectronic suppliers demonstrably comply with our SER Code of Conduct for socially and environmentally responsible supply. | 8 DECENT WORK AND ECONOMIC GROWTH | 100% of fulfilled SAQ questionnaire from our key suppliers. | | All high-risk suppliers are already audited. |
| | | Systematically integrate sustainability criteria in our supplier and service partner choice. | | Such criteria are already introduced for our key suppliers. By 2022 a “responsible purchase policy” will be defined and used for all our business partners. |
| **Logistics**<br>EM Microelectronic optimizes its logistics in terms of energy consumption, emissions, and packaging. | 13 CLIMATE ACTION | Define and implement improvement measures together with transport service providers and customers. | | Starting in 2021 EM is measuring and analyzing the carbon impact of its main logistics network. |
| | | Find sustainable alternatives for our packaging materials. | | EM is working closely with packaging suppliers to find more sustainable materials. |

## Safety and people

| | | | | |
|---|---|---|---|---|
| **Safety**<br>EM actively applies safety measures to maintain a very low rate of injuries. | 3 GOOD HEALTH AND WELL-BEING | Maintain our absence rate and incident rate below local median values. | | As a result of continuous efforts our absence and incident rate have been decreased below Swiss median values. |
| | | Continue and develop training programs for all of our employees (Health, Safety and Environment). | | EM has already several trainings in place and will extend the programs according to the identified needs, legal and company requirements. |
| **Employees**<br>EM supports the development and the engagement of its employees. | 4 QUALITY EDUCATION | Continue and develop training programs for all our employees (safety, technology and innovation, management, design, production, maintenance etc.). | | EM has already a number of relevant and specific training programs in place and will continue to further extend these programs according to the needs of our people and the company requirements. |

### MANUFACTURING SITE IN BANGKOK, THAILAND

EM’s production facility in Bangkok (a division of our sister company ETA Thailand, fully owned by The Swatch Group Ltd) covers various manufacturing, assembly and test process steps for Display & Touch, Electronic Modules and Integrated Circuits.

The highest standards with regard to Environmental and Social Responsibility are part of its DNA. Specific efforts in the area of $CO_2$e-reduction, waste management and employee health and safety are in progress and shall be reported in a future edition of the EM Sustainability Report.



em microelectronic

A COMPANY OF THE SWATCH GROUP

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