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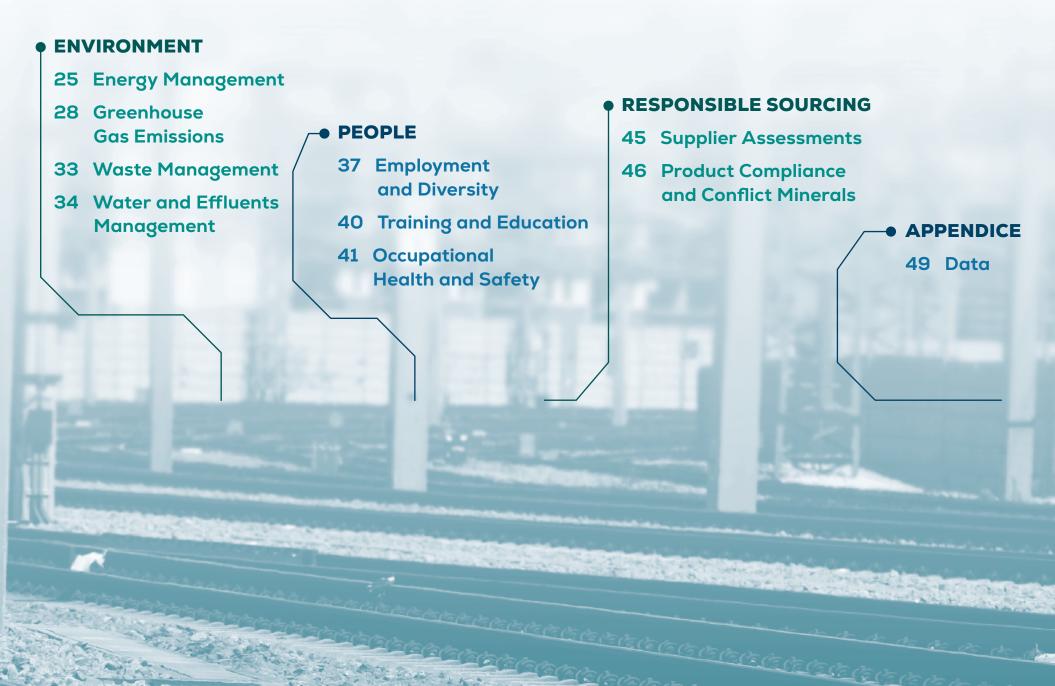
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EM MICROELECTRONIC





Message from the Board



he year 2024 brought its share of challenges and a demanding environment for our industry. At the same time, it confirmed how essential sustainability remains for our company and for society at large. While global environmental concerns have had to face setbacks, we are convinced that our role is to remain proactive and determined in advancing responsible practices.

Over the past year, we have deepened our understanding of our impacts and their causes, enabling us to refine our strategy and sharpen our focus. Some of the initiatives launched in 2024 are long-term by nature, and their benefits will become more visible from 2025 onwards. What matters is that the foundations are now in place for measurable progress in the years ahead and to follow our 2030 roadmap as a compass.

We are grateful for the engagement and support of our stakeholders throughout 2024 our colleagues, Swatch Group, our customers, our suppliers, and all those who contribute to our journey. Their insights and encouragement continue to inspire us to raise our ambitions and accelerate the transition toward more sustainable practices.

Together, we remain committed to building a future where innovation and responsibility go hand in hand.

Sincerely,

The Management Board of EM Microelectronic-Marin SA



About this Report



A ligned with Swatch Group's Sustainability Report 2024—and to ensure data consistency—this fifth edition covers the calendar year 2024 (January–December). However, some environmental indicators are based on data from October 1, 2023, to September 30, 2024, reflecting our alignment with Swatch Group's data collection timing.

This report includes operations from our manufacturing sites in Marin, Switzerland (**EM Microelectronic-Marin SA**) and Bangkok, Thailand, whose facilities are owned and managed by our Swatch Group sister company ETA Thailand (**ETA (Thailand) Company Limited**).

Restatements of Previously Reported Data

Following the release of more accurate emissions factors, we have restated the Scope 2 electricity emissions for 2023. The finalized factors, issued by the Association of Issuing Bodies (for Marin) and the Energy Policy and Planning Office of Thailand (for Bangkok), led to a 3% reduction from the figures presented in our 2023 report (268.14 tCO₂eq changed to 260.33 tCO₂eq). This revision supports improved accuracy and year-on-year comparability.

Moreover, we reevaluate our calculation method for water consumption. This leads to changes on water figures compare to previous year.

For any questions on this report or other sustainability topics at EM, please contact us at sustainability@emmicroelectronic.com.



Our Company (S)



e, EM Microelectronic (EM), design and manufacture ultralow power integrated circuits (ICs) for small portable devices
and Green Internet of Things (GIoT) applications, such as energy
harvesting. In addition, we can address markets as diverse as
Wearables, Healthcare & Wellness or Intelligent Buildings. The
products resulting from our developments thus contribute to SDG9:
Industry, Innovation, and Infrastructure, fostering sustainable
technology and resilient digital infrastructure. We are committed
to Swiss precision and innovation, focusing on long-term value
creation through sustainable partnerships. Our products power highperformance, user-friendly devices with Swiss-quality microelectronics
that strengthen our customers' value chains via perennial, sustainable
partnerships and proximity.

EM Microelectronic is a fully owned subsidiary of Swatch Group, an international group active in the manufacturing of high-quality watches and jewelry. Within Swatch Group, we are part of the Electronic Systems segment.



Together with our sister companies Micro Crystal and Renata, we provide complete solutions for various applications by merging individual expertise and synergies within the Group: Micro Crystal delivers advanced timing

components such as crystals, oscillators, and RTC modules; Renata offers high-performance batteries.

According to Swatch Group commitments to sustainability, our R&D and production sites integrate energy efficiency, responsible sourcing and circularity principles to align innovation with sustainability.

Worldwide presence, with 670 coworkers in our 5 sites



Our global team of 670 coworkers drives innovation across five sites, from Switzerland to the USA and Asia:

- **1 Marin, Switzerland** Headquarters Sales & Marketing | R&D | Production
- 2 Prague, Czech Republic R&D
- 3 Bangkok, Thailand Production
- 4 Colorado Springs, USA R&D
- 5 Austin, USA R&D

Our Values



Qespect 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.

Krustworthines 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.

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

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



2024 Highlights

µe m

EcoVadis

In 2024, EM Microelectronic was awarded the EcoVadis Bronze Medal, placing us among the top 35 % of companies worldwide assessed for sustainability performance. While, we are rated "bronze" instead of "silver" this year, within our industry (electronic components and boards), we remain ranked in the top 20 % overall and in the top 6% for sustainable procurement.



More than 80 % of the energy consumed at our manufacturing sites came from renewable sources, with our headquarters in Marin powered by 100 % Swiss hydropower. This milestone underscores our dedication to reducing our carbon footprint and supporting the clean energy transition.

Waste recyclin than 55 % of the waste generated across our manufacturing sites was recycled, maintaining a level that remains above the average for the semiconductor and electronics industry. This consistent performance reflects the robustness of our waste segregation and treatment systems, even amid an overall increase in waste volumes linked to higher production activity.





Collaborate ined the wners a global for Alliance (semi-FOA), a global network of semiconductor and electronics leaders working together to accelerate climate solutions and reduce the industry's carbon footprint. This membership allows us to amplify our impact through collaboration, innovation, and shared standards.

SUSTAINABILITY STRATEGY



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Materiality



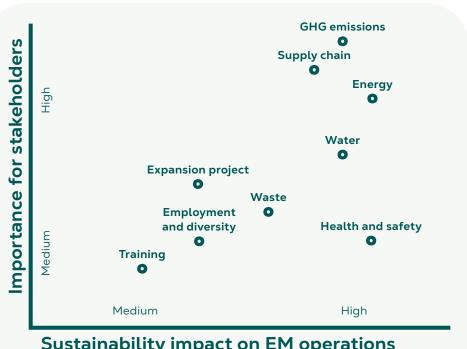
ateriality assessment continues to be a cornerstone of our sustainability strategy. Each year, we systematically review our material topics to ensure they reflect our business priorities, stakeholder expectations, and regulatory developments. This process enables us to address both current impacts and future risks while aligning our actions with long-term value creation.

Our methodology combines both the **impact on EM operations** and the **importance for stakeholders**. The assessment is updated annually and validated by our Board of Directors. Internally, we gather insights from colleagues across our sites and from Swatch Group through interviews and workshops. Externally, we engage with customers, suppliers, local and cantonal authorities, and peers in the semiconductor industry. Opinions and trends are gathered by analyzing data such as customer requests or various public reports from our stakeholders. We also take into account regulatory developments, such as new European and Swiss circular economy legislation.

In 2024, the review confirmed that **GHG emissions**, energy use, water management, supply chain, and health & safety remain our most material topics. The importance of waste management continues to grow, reflecting both stakeholder expectations and the coming swiss and EU regulatory context around circular economy. By contrast, the expansion project decreased in importance in 2024, as the new buildings currently under construction require less direct involvement from our teams. This topic will regain importance once the next phases begin, notably regarding site safety and waste treatment.

This dynamic approach ensures our materiality matrix reflects both continuity and change. Most topics remain stable compared with previous years, but water gained increased relevance in 2024 due to a notable rise in withdrawal levels, while waste and circularity are expected to gain even more importance in the coming years.

Looking ahead, we aim to further strengthen our materiality process by enhancing transparency on how material topics influence our targets and KPIs, and continuing active stakeholder engagement to ensure the matrix reflects evolving expectations.



Sustainability impact on EM operations

Sustainability Roadmap 2030



Our Sustainability Roadmap 2030 sets medium-term objectives aligned with the UN Sustainable Development Goals (SDGs). Established in 2019 as our baseline year, these targets are designed to be ambitious and measurable and to guide our continuous progress toward reducing our environmental impact. Each year, we assess our performance against these objectives and adjust our actions accordingly.

Environment and Energy							
Module	SDG	Target 2030 (b. 2019)	Progress	Comments for 2024			
Energy EM Microelectronic actively applies measures to increase its energy efficiency.	7 AFFORDABLE AND CLEAN ENERGY	Decrease global energy consumption per production output by 35%.	0	Decrease of 1.1% compared to 2019. We plan to optimize the set-up of our equipments and replace some of them. See Energy section.			
GHG emissions EM Microelectronic actively applies measures to decrease its GHG emissions.	13 CLIMATE ACTION	Decrease global GHG emissions by 90% for scope 1 and 2.	0	We achieved a reduction of 67.4% which is a setback from 2023. Optimization of scrubber consumption is underway.			
Waste EM Microelectronic strives to reduce its non-valorized waste and its landfill waste.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Increase the total valorization rate up to a minimum of 90%. Limit the landfill rate to a maximum of 3% in Marin.	0	We reached 70.90% which is a setback from 2023. We are currently evaluating our various types of waste to improve sorting and recycling. Our landfill rate in Marin was 0.97%.			
Water EM Microelectronic strives to decrease water consumption at its manufacturing sites.	6 CLEAN WATER AND SANITATION	Increase the total recycling of water up to a minimum of 40% in Marin. Decrease water withdrawal per production output by 20% in Marin.	0	The water recycling rate was 16%. We evaluate the possibility to recycle some of the water used during our back-end process. 8.24 m³/output wafer, slight decrease from 2023 although higher than in 2019.			

Sustainability Roadmap 2030



Progress in 2024

In 2024, our results show a temporary slowdown compared with 2023. This is due to the need to prepare the site for synergies with the expansion project, so that from 2025 onwards this trend will be positively reversed again.

Products and Innovation

Module SDG **Target 2030** (b. 2019) **Progress** Comments for 2024

Sustainable products

EM Microelectronic products are optimized regarding their environmental impacts, social benefits, and resource efficiency.



Systematic introduction of sustainability indicators in product development and production.



We continue to assess which indicators make sense in the context of our products and industry.

Supply Chain

EM Microelectronic suppliers comply with Swatch Group's Supplier Code of Conduct for socially and environmentally responsible supply.





100% of fulfilled selfassessment questionnaires from our operational suppliers



In 2024, we expanded our supplier assessment to 11 additional partners, reaching a 76% response rate. While the rate is slightly lower than in 2023, the absolute number of suppliers covered has increased. To reach our 2030 goal of 100% coverage, we are reinforcing engagement efforts.

Logistics

EM Microelectronic optimizes its logistics in terms of energy consumption, emissions, and packaging.





Define and implement improvement measures together with transport service providers and customers.

Find alternatives to reduce

more sustainable packaging

packaging and introduce

materials.



In 2024, we finalized the trials to reduce shipments of one specific customer with success. This has been set up for all our shipments in 2024. We also continued trials on sustainable packaging, replacing plastic in selected beacon products with 100% recycled and recyclable paper-based materials. In 2025, we will expand these packaging trials to additional product lines, with the objective of defining measurable reduction targets.

Sustainability Roadmap 2030



Our response

To stay on track toward 2030, we are:

- **Investing in efficiency projects** to improve energy use and lower GHG emissions across our sites.
- **Strengthening waste management systems** to increase recycling and reduce landfill.
- Launching water reduction initiatives in Marin to reach lower withdrawal levels and scale up recycling solutions.
- Enhancing monitoring tools to better track performance and identify corrective actions earlier.

Our confidence

Despite current stagnation, our long-term roadmap remains achievable. The foundations we are putting in place now—efficiency projects, new infrastructure, and closer monitoring—give us confidence that we will deliver on our 2030 objectives.

Safety and People				
Module	SDG	Target 2030	Progress	Comments for 2024
Safety EEM Microelectronic actively applies safety measures to maintain a very low rate of work-related injuries. 3 G0000 AND V	3 GOOD HEALTH AND WELL-BEING	Maintain our absence rate and incident rate below local median values.	0	Our incidence rate of work-related injuries continues to be below Swiss average values.
	- ₩•	Develop EHS training programs for all our coworkers.	0	Training courses are already in place. The programs will be extended according to the identified needs, legal and company requirements.
Employee education EM supports the development and the engagement of its employees.	4 QUALITY EDUCATION	Encourage our coworkers to participate in training programs.		The average training hours of our coworkers decreased by 59,0%, compared to last year because of budget freeze.

SDGs Framework



3 GOOD HEALTH AND WELL-BEING



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





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





We aim to increase efficiency in the use of water resources.



We deploy programs to increase the energy efficiency of all our activities. We aim to increase the proportion of renewable energy.





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





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



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



We deploy programs to reduce our GHG emissions.



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

Expansion Project



egun in 2022, our site expansion project has already led to the construction of a multi-storey parking lot, completed in 2024. This first construction was combined with a mobility plan to encourage commuting by public transport, bicycle or carpool.

System. Others, such as the installation of solar panels, can begin once the two new buildings have been commissioned.

Our employees can also recharge their cars on site with 15 new charging stations. Construction of the new buildings for our sister companies Swatch Group Research & Development Ltd and Nivarox-FAR, designed to meet their specific needs, is progressing according to schedule, with commissioning scheduled for 2026. These buildings are associated with technical infrastructures. such as new heat pumps, which will enable us to reduce our greenhouse gas emissions.

Several Swatch Group players are involved in this project, which requires close coordination, and the current standards promoted by Swatch Group will obviously be applied throughout the project to help achieve Swatch Group's various sustainability objectives. As a result, most of the initiatives presented in the 2023 report have been implemented or are in the process of being installed, such as the mobility plan and the Building Management

Pursuing the Swiss *Minergie* certification and maximizing energy efficiency in buildings.

The installation of a Building **Management System** to ensure continuous measuring.

Pursuing a certification for the responsible management of green spaces.



Dense buildings with high utilization, increasing the efficiency of land use.



The non-use of fossil fuels for their operation, minimizing their direct GHG emissions.



site.

Putting in place a mobility plan for the employees, reducing both traffic and emissions from employee commuting.

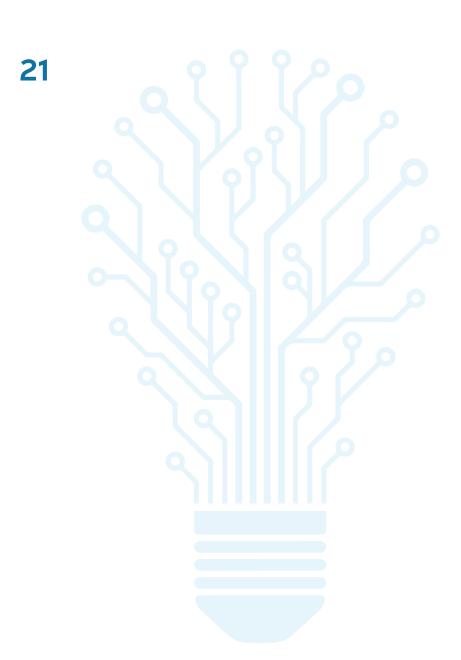




GOVERNANCE



Board Oversight



Board Oversight



ur highest operational governance body is the EM Management Board. The 7 members of the Board represent the highest management in all areas of EM: our CEO, our CFO, our Head of Human Resources, our VP Development, our VP IC Operations, VP Global Supply Chain & IT/IS and our VP Sales & Marketing. The Management Board, across their functions and teams, aims to consider the interests of both internal and external stakeholders in their decision-making.

As part of their tasks, the EM Management Board has the responsibility of making all strategic decisions for our operations and the approval of company policies, including our sustainability strategy and sustainability reports, by taking into account the feedback and concerns of our stakeholders. The Board is accountable for the impacts, both positive and negative, that these decisions can have on the economy, environment, and people.

Through an annual Management Review, the Board and other executives at EM evaluate the results from the preceding year and sets improvement proposals and objectives for the business plan, performance, business risks, as well as individual processes such

as customer satisfaction, communication, environment, health and safety (EHS), and others. Moreover, the Board meets weekly to review operational matters.

In 2024, governance of sustainability at EM was further reinforced as the **Sustainability** & Compliance Officer now reports directly to a steering committee composed by our **CEO**, our VP IC Operations, our VP Sales & Marketing, our Head of HR and the CFO of our sister company Swatch Group R&D. Sustainability topics are now discussed from a site rather than a company perspective, for greater transparency.

Some measures can also be tried out in one company or another before being rolled out site-wide. This places the Officer in a **central** coordinating role across all business areas, ensuring that projects related to sustainability are aligned, efficient, and consistently embedded throughout the company.

Our efforts are mainly driven by the Sustainability Roadmap 2030, and the Officer plays a pivotal role not only in consolidating information and providing the Board with the necessary insights for

decision-making, but also in encouraging and motivating teams to advance their objectives. By supporting functions across R&D, operations, HR, supply chain, and sales, the Officer helps maintain momentum, fosters collaboration, and ensures that sustainability actions are translated into measurable progress.



*Social and Environmental Responsibility

Board Oversight



In hrough this enhanced structure, the Board benefits from **timely**, structured oversight, while employees gain a clear point of guidance and motivation for achieving EM's sustainability goals

EM Board

CEO

Quality Connected Modules & Display **Swatch Group Interaction**

VP IC Operations

Front-End Operations **Process Development Operations Support**

Head of HR

Recruitment, Retention & Succession Career Development & Training Payroll Occupational Health & Safety

VP Sales & Marketing

Sales & Business Development Marketing

CFO

Accounting & Controlling Legal Technical Services & Facility Management

VP Global Supply Chain & IT/IS

Supply Chain & Procurement Purchase **External Front-End Foundries** Logistic IT

Steering Committee

Sustainability

CFO of Swatch Group Research & Development Ltd

Sustainability & Compliance Officer

VP Development

Product Development Product Management Information & Communications Technology



ENVIRONMENT



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Energy Management









Our Approach

nergy management is a central pillar of our Sustainability Roadmap 2030. Our approach rests on three pillars: responsible energy sourcing, careful monitoring of our consumption, and long-term investments in energy efficiency. Together, these actions form the foundation of our strategy to decouple business growth from environmental impact.

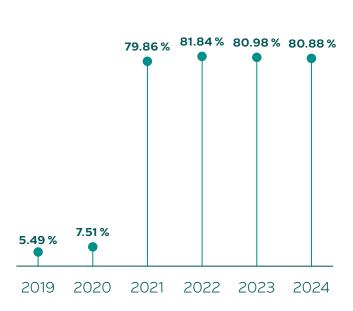
Energy Sourcing

At our main site in Marin, Switzerland, 100% of the electricity we consume is sourced from Swiss hydropower plants, certified by Guarantees of Origin. This reflects our commitment to renewable energy and to supporting the national clean energy transition. In addition, we have diversified our gas mix: 10% of the natural gas we use is biogas produced locally, while the remainder comes from conventional natural gas. The associated emissions are offset by

CO₂ reduction initiatives undertaken by our supplier, which further reduces the overall footprint of our energy sourcing.

Our Bangkok site, the second largest of our operations, is also advancing in renewable energy use. In 2024, 33% of its electricity was derived from renewable sources, a figure that includes both the photovoltaic electricity generated by ETA Thailand's rooftop solar installation and the renewable share of the local grid mix.

Share of renewable





Certificate of 10% biogas and 90% offset natural gas through CO₂ reduction projects (2023)



Certificate of 100% Swiss hydroelectricity through Guarantees of Origin (2023-2025)

Energy Management





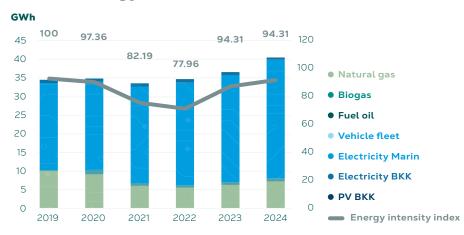




Energy Consumption

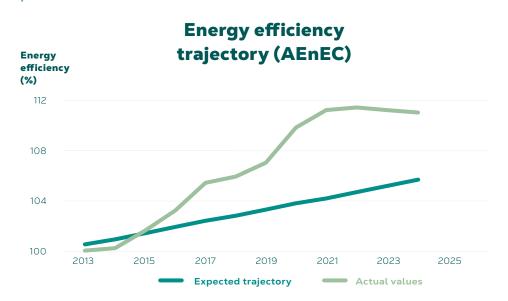
espite these advances in sourcing, our energy consumption increased in 2024 compared to the previous year. Total electricity use rose by 10.7%, primarily as a result of the acquisition and commissioning of new production equipment in 2023, fully operational in 2024. While these machines are essential to expand our production capacity and ensure product quality, they also raise the demand for electricity. Natural gas consumption also increased by 14%, a change largely explained by the installation of two new scrubbers. These scrubbers are critical in reducing industrial gas emissions, but they also require additional natural gas to operate, creating a short-term trade-off between air quality improvements and energy efficiency. In total, electricity continued to account for the largest share of our energy consumption, representing 79.9%, followed by gases at 20.0%.

Energy consumption



Energy Efficiency and Reduction Measures

Since 2015, we have achieved significant progress in energy efficiency, with major improvements in 2020 and 2021. In recent years, however, efficiency levels have stabilized. Recognizing this, we have begun to implement new measures to unlock the next wave of improvements. In late 2024, for example, we launched tests to optimize the operating settings of our scrubbers. If successful, these adjustments could lead to a notable decrease in gas consumption starting in 2025. Furthermore, our expansion project is designed to deliver substantial efficiency gains in the medium term. The new facilities, which will include state-of-the-art heat pumps and highly efficient buildings, are expected to show their first measurable results in 2026, when employees from our sister companies move into these upgraded premises.







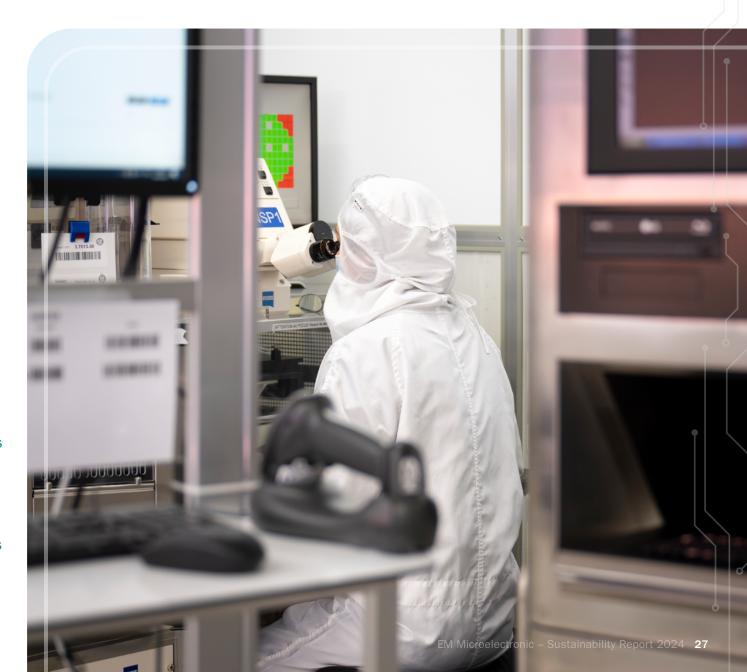




Targets and Outlooks

ooking forward, we remain committed to our **2030 target of reducing global** energy consumption per unit of production by 35% compared to our 2019 baseline. In 2024, we achieved a reduction of 1.1%, which represents a setback compared to the progress reported in 2023. Nevertheless, the measures already underway give us confidence that we will recover momentum. We are collaborating with an engineering firm to optimize our installations, with weekly follow-ups already in place. Initial actions are scheduled, including improving scrubber performance in 2026 and commissioning new heat pumps in 2027. By continuing to invest in advanced, energy-efficient technologies, we are confident in our ability to get back on track.

Our journey demonstrates both the challenges and opportunities inherent in energy management for a technology-intensive industry. By combining renewable sourcing, efficiency measures, and innovation in infrastructure, we are building the foundations to achieve our long-term energy and climate objectives.



Greenhouse Gas Emissions (CO)







Our Approach

reenhouse gas (GHG) reduction is central to EM Microelectronic's long-term sustainability roadmap.

We measure and manage emissions across our entire value chain in line with the GHG Protocol and using internationally recognized methodologies such as the IPCC 2019 Refinement Guidelines and industry-specific approaches for process gases. Our accounting relies on emission factors from leading sources including the ecoinvent database, the UK Government, the IPCC Sixth Assessment Report, national authorities in Switzerland and Thailand, and data directly from suppliers. Aligned with Swatch Group's climate roadmap, our objective is to achieve climate neutrality for **Scopes 1 and 2 by 2050**. For Scope 3, where most of our impact lies, we are still in the process of defining a long-term target.

2024 Emissions Overview

In 2024, EM Microelectronic's total emissions amounted to 16 915 metric tons CO₂eq. As in previous years, Scope 3 emissions dominated, representing 87.7% of the total, while Scope 1 accounted for 12.3% and Scope 2 for 1.3%. The largest single contributor was the category "Purchased goods and services", reflecting the nature of our semiconductor manufacturing supply chain.

Aligned with Swatch Group's GHG reduction roadmap, we aim to be climate neutral for scope 1 and 2 emissions by 2050. Reduction of our Scope 3 emissions is a target we still have to define.

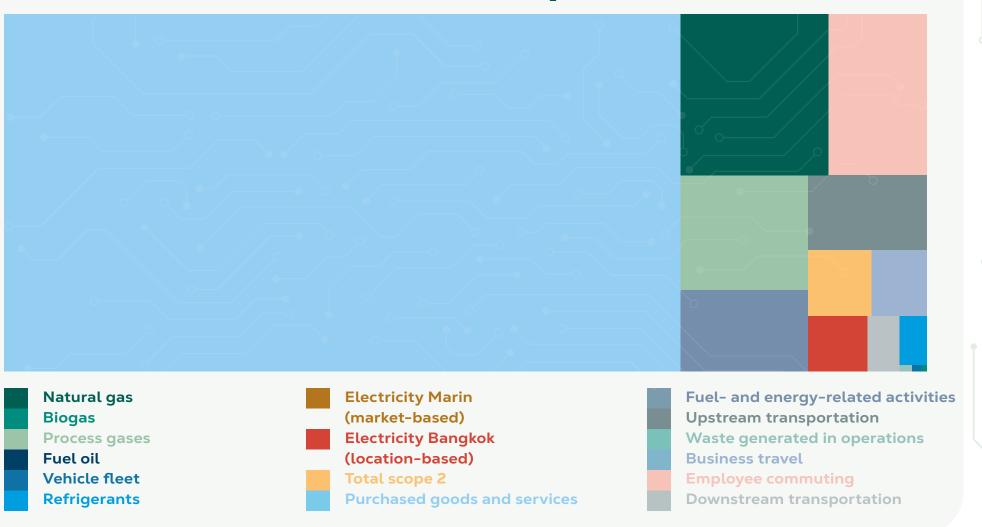


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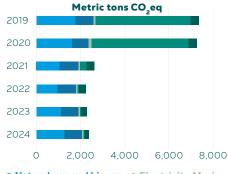
Scope 1 and 2

atural gas and process gases remain the main contributors to our Scope 1 and 2 footprint, with natural gas representing 55% and semiconductor process gases (PFCs, HFCs, SF_c, NF₃, N₂0) representing 34%. Other contributors include grid electricity in Bangkok, refrigerants in heating, ventilation and air conditioning (HVAC) systems, and our vehicle fleet.

Since 2019, we have achieved a 67.8% reduction in Scope 1 and 2 emissions thanks to investments in renewable electricity procurement and the commissioning of a heat pump at Marin. However, in 2024, emissions from these scopes rose by 4.2% compared with 2023, driven by a 14% increase in natural gas use linked to new scrubbers and a 0.7% increase in process gas **use.** While these measures improved environmental performance in other areas (such as air quality), they temporarily raised our energy and GHG profile.

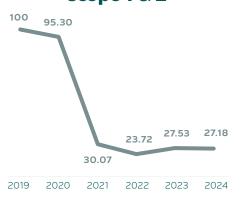
Despite this, our normalized intensity index for Scope 1 and 2 has remained stable since 2021, even as production capacity expanded. We expect this trend to reverse after 2026, when new heat pumps and steam generation systems from the Marin expansion project become operational. To prepare for this, we carried out an optimization study with an energy specialist in 2024, identifying concrete opportunities for efficiency gains. Building on these insights, we will renew our **AEeNEC** (Energy for Economy Agency) commitment for 2025–2034, with an ambitious trajectory for reducing Scope 1 and 2 emissions.

GHG emissions



- Natural gas and biogas Electricity Marin
- Process gases Electricity Bangkok
- Other Scope 1

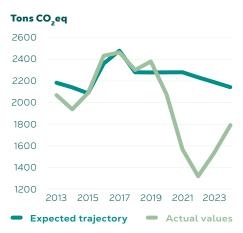
Normalized Emission intensity index for scope 1 & 2



Scope 1&2 emissions at EM Marin



Certificate of voluntary climate protection and energy efficiency through the Energy Agency of the Swiss Private Sector (2023-2024)



Greenhouse Gas Emissions Control of the Indian Control of the Indi







Scope 3

s expected, Scope 3 remains the most material dimension of our footprint, particularly Purchased goods and services (12,166 t CO₂eq). This category alone exceeds our total Scope 1 and 2 emissions combined, with processed wafers from external foundries accounting for 89.4%, followed by bare wafers (6%) and chemicals and gases (4.6%). We maintained our assessment scope from 2023 to track yearon-year evolution, and we plan to extend coverage in the coming years, notably to OSAT (Outsourced Semiconductor Assembly and Test) suppliers and to our Connected Modules and Displays business line.

Other contributors to Scope 3 include:

- Employee commuting (891 t CO₂eq): calculated through employee surveys, mainly at our Marin site. Thanks to our 2023 mobility plan promoting public transport, carpooling, and cycling, 12% of employees reported changing their commuting habits, lowering the associated impact.
- **Upstream transportation (496 t CO₂eq)**: emissions decreased compared to 2023 due to lower order volumes and shorter transport distances, with some advanced IC packaging now taking place in Europe.
- Fuel- and energy-related activities (588 **t CO₂eq)**: linked to upstream generation and transmission losses. These will be reduced over time as we cut fossil fuel reliance and improve overall energy efficiency.









Climate-Related Risks and Opportunities

Ilimate risks are integrated into our broader Internal Control System (ICS), overseen by our Management Board and led by the CFO. We identify potential medium- and long-term risks particularly in relation to raw material supply, energy availability (notably hydropower in Switzerland), and water resources. Climate change could exacerbate volatility in these inputs, especially through droughts and changing grid mixes. We also recognize risks within our global supply chain, as impacts vary across geographies. We will continue working and cooperating with our suppliers to minimize risks related to this category.

At the same time, we see important opportunities: reducing natural resource use, cutting our carbon footprint, collaborating with suppliers on aligned reduction pathways, and designing products that reduce energy consumption for end-users. These levers allow us not only to mitigate risks but also to support a transition toward a more resourceefficient, low-carbon economy.

Outlook

While we face short-term fluctuations in Scope 1 and 2 emissions and are at the beginning of tackling Scope 3, our strategy is clear. Continued investments in clean technologies, stronger supplier engagement, and enhanced employee mobility programs will progressively reduce our footprint. We reaffirm our **climate neutrality** target for Scope 1 and 2 by 2050, and we are working toward defining a robust Scope 3 reduction pathway in collaboration with our supply chain.



Waste Management



Our Approach

aste management plays a growing role in our environmental strategy. both to reduce our footprint and to preserve valuable resources as well as to comply with the upcoming Swiss and EU regulatory context around circular economy. Aligned with Swatch Group's commitments, our objective is to maximize the valorization of waste through recycling and energy recovery, while minimizing the share sent to landfill or incineration without energy recovery. Beyond technical solutions, we also emphasize the role of our employees by raising awareness about reducing waste at source and improving sorting practices.

2024 Performance

383.22 metric tons of waste, representing an increase of 9.06% compared with 2023. This rise is mainly attributable to higher consumption of sulfuric acid in production processes and an increase in urban waste streams. Waste generation remains highly concentrated in our Marin site, which accounts for 96.9% of the total, while the

In 2024, our manufacturing sites generated

Bangkok site represents just 3.1%. For this reason, most of our actions are currently focused on Marin.

Waste Treatment and Valorization

We continued to prioritize recycling and energy recovery as our main treatment methods. In Marin, 71% of waste was valorized in 2024—47% recycled and 24% recovered as energy. This performance is stable compared to 2023 and demonstrates the robustness of our waste management system. At the same time, we identified new opportunities to improve sorting. For example, polypropylene wafer boxes are now segregated for recycling rather than incineration, representing around 700 kg per month of plastic redirected to higher-value treatment.

Ongoing and Future Actions

Looking forward, we plan to set up additional waste sorting stations at our Marin site, combined with an awareness campaign for employees on the importance of proper sorting and waste reduction. These measures are designed to address the increase in

urban waste observed in 2024. We are also evaluating options for better handling of sulfuric acid residues to reduce their impact on overall waste volumes.

Outlook and Targets

Our long-term target, as defined in the Sustainability Roadmap 2030, is to reach a 90% waste valorization rate at Marin and to limit landfill waste to below 3%. In 2024. we achieved a valorization rate of 71% and kept landfill well below this threshold, showing that we are on track but with further progress required. The initiatives launched in 2024 better sorting, increased recycling streams, and employee engagement—will help us close the gap in the coming years.



Water and Effluents Management







Our Approach

ater is essential to our manufacturing processes, particularly for producing ultrapure water (UPW) used in wafer rinsing during photolithography. While neither of our sites is located in a water-stressed region (FAO Aquastat), we recognize that climate change could increase the likelihood of conflicts over water use in the future. As highlighted in our materiality assessment, the importance of water management is increasing, both due to stakeholder expectations and the regulatory landscape. We are therefore committed to reducing our water footprint by improving efficiency, increasing recycling, and ensuring the highest standards of wastewater treatment.

2024 Performance

In 2024, total water withdrawal increased compared with previous years, largely due to the commissioning of new equipment that expanded our production capacity. Despite this, we achieved a 3.4% reduction in water use per unit of production, demonstrating that our efficiency measures are working. Overall, water withdrawals at our Marin

and Bangkok sites continue to be sourced exclusively from local municipal supplies.

Water Recycling

Recycling water is a key priority for reducing future withdrawals. In 2024, our recycling rate reached 16%, a modest improvement but still well below our 2030 target of 40%. To accelerate progress, we will launch both general stream assessments and specific process-level studies in 2025, aimed at identifying where recycling can be scaled up most effectively.

Wastewater Treatment and Discharge

Although water used in production encounters chemicals, all wastewater undergoes treatment before being discharged into local sewage networks. Compliance with regulations is ensured through regular monitoring. Once a year, we test for pollutants including ammonium, fluorides, nitrates, and sulfates. We also conduct heavy metal testing, which in 2024 confirmed that elements such as lead, nickel, and cadmium were not detected in our wastewater. These results confirm that our discharge does not

contribute to local water body pollution.

Outlook and Targets

Looking ahead, our main objectives are to:

- Increase our water recycling rate step by step to a minimum of 40 % by 2030.
- · Reduce water withdrawal intensity year-onyear, despite growing production demand.
- Strengthen monitoring and treatment practices to ensure regulatory compliance and minimize environmental risks.

Through these measures, we aim to balance the needs of our operations with the responsible management of water as a shared resource.

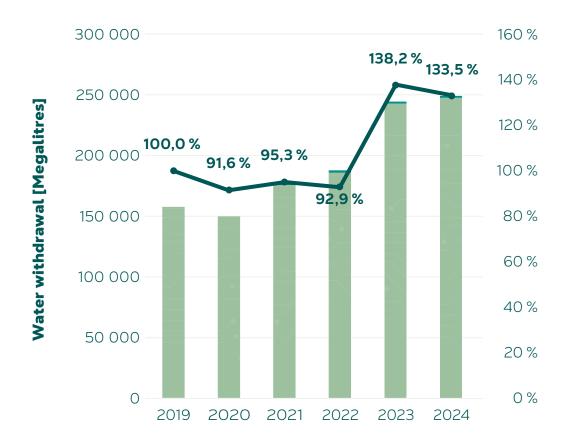
Water and Effluents Management







Water withdrawal and normalized production intensity index



EM Marin

Normalized production intensity index

EM-BKK



PEOPLE



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Occupational Health and Safety

Employment and Diversity



Our Approach

of countries and backgrounds, bringing diverse cultures, perspectives, and talents. This diversity is one of our greatest strengths. We aim to create an environment where every coworker can thrive, develop their full potential, and contribute to EM's long-term success. Employment practices at EM are guided both by our belonging in Swatch Group and by local agreements at each of our sites, ensuring that corporate labor and human rights are respected and safeguarded.

Performance 2024

Corporate Labor and Human Rights

As a Swatch Group company based in Switzerland, EM is a member of the Swiss Watch Industry Employers' Association (CPIH). We therefore follow the directives of the Collective Labor Agreement (CLA) for the Swiss Watch and Microtechnology Industries, which sets standards for worker protection, working hours, holidays, and compensation.

At our Bangkok site, **99% of coworkers are covered by a CLA** negotiated between the ETA Union and ETA Thailand. This provides a similar framework of protections and benefits adapted to local conditions.

To further ensure representation of employee interests in Switzerland, we maintain a **Works Council** at our Marin site. The Council develops constructive cooperation with the Board and is composed of at least four members drawn from Administration. Business Units, Technical Services, Production, and Process Engineering. Members are elected every four years to represent coworkers, examine proposals related to internal company life, and facilitate two-way communication between employees and the Board. At the end of 2023, coworkers were invited to apply for membership in the Works Council for the **2024–2028 term**. strengthening employee voice in governance.



Employment and Diversity



Performance Management and Communication

e encourage direct and open communication so that the professional and personal needs of coworkers can be addressed. Each year, employees participate in a **personal appraisal** in which they assess their own performance, evaluate their supervisor, and provide feedback on the company overall. This dialogue highlights both strengths and areas for improvement for all three.

We also place importance on building team spirit and cohesion. **Team-building events** are organized throughout the year, such as our annual Christmas dinner, our summer barbecue, and regular Town Hall **meetings** with our subsidiaries. These activities foster collaboration, transparency, and internal development.

Diversity and Equal Opportunity

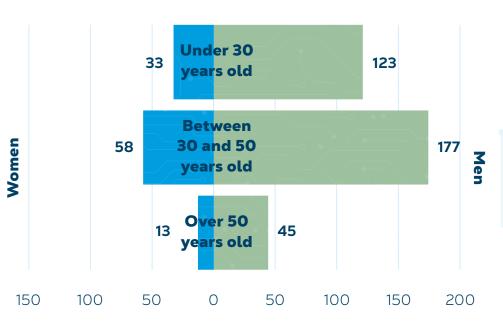
At the end of 2024, EM employed **576 people** across our two main sites, with 450 coworkers in Switzerland and 126 in Thailand. Women represented 35% of the total workforce and held 14% of management positions, while men represented 65%.

Our **Principles of Conduct** explicitly prohibit discrimination in hiring, pay, promotion, training, and career development, regardless of race, age, gender, sexual orientation, gender identity and expression, ethnicity, disability, pregnancy, religion, or national origin. To strengthen this commitment, we have implemented a whistleblower **procedure** to report and address cases of mobbing or harassment. Swiss law requires all companies with 100 or more employees to

conduct a wage equality analysis using a scientifically validated method. EM participated in the latest assessment, conducted between 2023 and 2024 and consolidated at Swatch Group level. Results showed no evidence of wage discrimination above the legal tolerance threshold, and for the Electronic Systems division (including EM Microelectronic), the wage gap did not exceed 2%.

For more detailed information on these results, please refer to Swatch Group Sustainability Report 2024.

Workforce breakdown by gender and age group



Employment and Diversity



Targets & Outlook

ooking ahead, we want to build on our strong social foundations and further strengthen our people practices.

- Corporate Labor and Human Rights: Continue ensuring that 100% of our workforce remains covered by collective agreements and strengthen the role of the Works Council in Marin by promoting active participation of employees in the 2024–2028 term.
- Performance Management and Communication: Enhance the appraisal process by integrating development planning and expanding opportunities for two-way feedback. Continue organizing team events and Town Hall meetings to foster collaboration and transparency.
- Diversity and Equal Opportunity: Increase the share of women in management positions beyond the current 14%, by encouraging female talent development and supporting career progression.
 Maintain our gender pay gap well below the 5% legal tolerance, with annual monitoring and corrective measures if needed.

Through these measures, we aim to make EM Microelectronic an inclusive, fair, and engaging workplace where every coworker can thrive and contribute to our long-term success.



Training and Education





Our Approach

ligned with Swatch Group's training and A education policies, EM attaches great importance to offering courses and training opportunities tailored to the professional needs of our coworkers. Continuous learning not only enhances the skills and employability of our employees, but also strengthens our company's competitiveness in a fast-evolving industry. Each year, training needs are discussed during the annual staff interview, where coworkers and their supervisors jointly identify development priorities. These plans are consolidated by Human Resources into the training program for the following year.

Performance 2024

In 2024, the challenging economic climate led us to temporarily **limit training activities** in order to focus resources on maintaining operations. As a result, the number of training hours per employee fell to 5.59 hours on average, a significant decrease compared with 2023 (13.65 hours). While this was a setback, we ensured that **mandatory trainings**—such as safety training for all employees—continued without interruption, safeguarding workplace health and safety.

At the same time, some key programs were maintained. For instance, language courses in French and English remain an important part of our offering, supporting good communication between staff across different sites and functions. In addition, our Sustainability Officer continued to participate in Swatch Group Sustainability School, completing new modules focused on product development and eco-design. Insights from this training will serve as a foundation for rolling out tailored sustainability courses to coworkers with relevant roles and responsibilities in the coming years.

Targets & Outlook

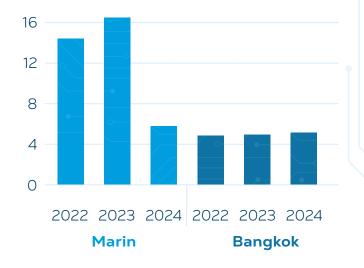
Looking forward, we are committed to resuming normal training programs from 2025, including broader access to language courses and technical upskilling. Our objectives are to:

- Restore and progressively increase the average number of training hours per **employee** after the 2024 reduction.
- Expand participation in **Swatch Group** Sustainability School, with the goal of building sustainability competencies across functions.

Ensure that all employees continue to have access to mandatory training programs in safety, compliance, and jobspecific requirements.

Through these actions, we aim to reinforce our culture of continuous improvement and ensure that our coworkers are well equipped to grow personally and professionally, while contributing to EM's long-term success.

Average training hours per employee



Occupational Health and Safety







Our Approach

ur occupational health and safety system in Marin follows the requirements of the Swiss Federal Coordination Commission for Occupational Safety (CFST), the Swiss National Accident Insurance Fund (SUVA), and the Swiss Watch Industry Employers' Association (CPIH). This framework covers all coworkers at our Marin site, as well as the two other Swatch Group subsidiaries located on the premises. At our Bangkok site, occupational health and safety is managed under the system implemented by ETA Thailand.

Oversight is coordinated by our Safety Officer in Marin, who supervises compliance and implementation. The Safety Officer works closely with our Environment, Health and Safety (EHS) Committee, which convenes two to three times per year depending on events and operational needs. Through this forum, safety leaders manage risks and incidents, exchange best practices, and share lessons learned to continually minimize future risks.

Our company's **EHS regulations** establish clear principles for hygiene, accident prevention, conduct in the workplace, and environmental protection. Hazards are identified and corresponding personal protective equipment (PPE) is prescribed. These rules apply to all coworkers as well as externals, including contractors and visitors, who receive dedicated safety instructions and training before accessing our sites.

Safety training is mandatory for all new employees during onboarding, ensuring that every coworker understands core safety rules from the

start. Every three years, all staff complete follow-up training to refresh knowledge and integrate any updates to systems or infrastructure. In addition, specialized safety training is provided for employees whose functions involve specific risks or exposure to hazardous equipment.

Performance 2024

In 2024, the number of work-related injuries at Marin increased to **11 cases**, marking the first time since 2019 that annual accidents exceeded 10. While this represents an upward trend, our incidence rate per million hours worked remains below the Swiss benchmark for companies in the watchmaking and microtechnology sector.

Promoting health and safety outside of our workplace

Seasonal flu vaccines in local pharmacies, participation in soft mobility initiatives, such as the Bike to Work campaign in the summer (where our coworkers biked 7'763 kilometers during the summer of 2024) and the BCN Tour, as well as one-off actions before summer and winter, such as ski gear or bike safety checkups.

Occupational Health and Safety







t our Bangkok site, occupational safety performance was excellent, with no work-related injuries with downtime reported during 2024.

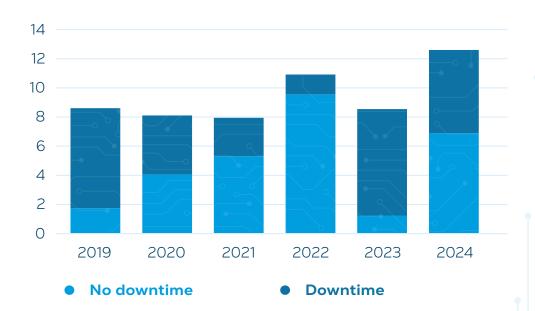
Targets & Outlook

Looking forward, we remain committed to strengthening our occupational health and safety performance. Our objectives are to:

- Maintain an incidence rate consistently below the sector benchmark.
- Reinforce prevention by increasing the frequency of awareness campaigns and safety reminders across all sites.
- Expand the role of the EHS Committee in analyzing root causes of incidents and implementing corrective measures.
- Continue ensuring 100% of coworkers receive mandatory training, including onboarding, triennial refreshers, and specialized courses for risk-exposed functions.

Through these actions, we aim to sustain a culture of safety across all sites, ensuring that every coworker, visitor, and contractor returns home safely each day.

Incidence rate of work-related injuries in Marin, per million hours worked





RESPONSIBLE SOURCING



Supplier Assessments 45 **Product Compliance** and Conflict Minerals 46

Supplier Assessments







Our Approach

s a global player in the semiconductor A industry, EM is committed to ensuring that our supply chain and products comply with the highest standards of environmental and social responsibility. Our approach rests on three pillars: supplier sustainability assessments, product safety and regulatory compliance, and responsible sourcing of minerals. These commitments align with Swatch Group's Supplier Code of Conduct, the Swiss Code of Obligations (Art. 964 on conflict minerals and child labor), and international frameworks such as the OECD Due Diligence Guidance.

Performance 2024

In 2024, we invited **121 operational** suppliers, representing nearly 90% of our spending, to complete self-assessment questionnaires (SAQs) covering environmental protection, human rights and labor, health and safety, supply chain responsibility, and anti-bribery. By the end of the year, **97 suppliers had responded**. Based on their submissions, we assigned ESG risk categories: **51 suppliers low risk, 19 medium**

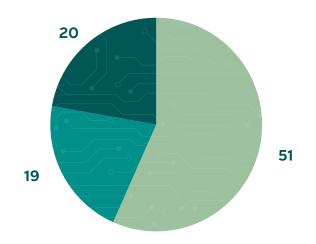
risk, and 20 high risk. In most medium- and high-risk cases, the classification was due to incomplete data or missing certifications. We followed up directly with these suppliers to obtain additional information.

Suppliers who formally declined the invitation provided alternative documentation, which we considered sufficient to classify them as medium risk. For those who did not respond, follow-ups will continue in 2025, as we work toward our goal of covering all direct and operational indirect suppliers by 2025.

On-Site Audits

Beyond questionnaires, we collaborate with **Swatch Group's Far-East Procurement** Service (FEPS) to conduct on-site audits of suppliers in East and Southeast Asia. These audits cover labor and human rights, health and safety, environmental protection, and business ethics. Non-conformities trigger corrective action plans and followup audits within three months to two years depending on severity. FEPS also engages suppliers through training and development to strengthen alignment with Swatch Group's Supplier Code of Conduct.

Supplier ESG risk category



I ow

Medium

Hight

Product Compliance Compliance and Conflict Minerals





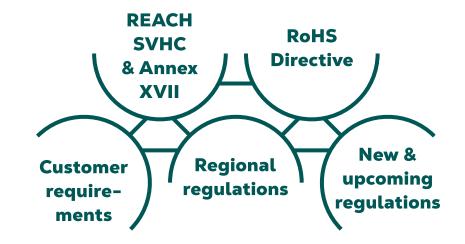




Product Safety and Compliance

ur products require the use of a wide range of minerals, metals, and chemical substances, which obliges us to carefully manage compliance with global chemical and product regulations. In 2024, we ensured compliance with EU REACH (SVHC and Annex XVII), the EU Restriction of Hazardous Substances (RoHS) directive, the Stockholm Convention on Persistent Organic Pollutants (POPs), and the US **TSCA (Toxic Substances Control Act).**

A growing area of attention is per- and polyfluoroalkyl substances (PFAS), widely used in the semiconductor industry as surfactants, lubricants, and etching agents. At EM, PFAS are carefully abated in our scrubbers, ensuring safe treatment before release. With new restrictions emerging, such as under Canada's CEPA 1999, we launched an evaluation of PFAS in our products in 2024. Although PFAS are present in very small quantities in certain packaging, they remain below regulatory thresholds. In parallel, we are working with suppliers to identify PFAS-free alternatives to stay ahead of future bans and minimize environmental impact.





Product Compliance and Conflict Minerals









Responsible Minerals Sourcing

Our products also contain **conflict minerals** such as gold, tin, tungsten, tantalum (3TG), and cobalt. In line with the Swiss Code of Obligations, the EU Conflict Minerals Regulation, and the US Dodd-Frank Act, we conduct due diligence to ensure responsible sourcing. Each year, we participate in the **Responsible Minerals Initiative (RMI)** with the help of our suppliers, ensuring that only conformant or active smelters are part of our supply chain.

Through this process, we provide our customers with an annual **Conflict Minerals Reporting Template (CMRT)** and **Extended Minerals** Reporting Template (EMRT). At the end of 2023, all smelters in our supply chain were verified as conformant or active. In cases where non-conformant smelters are identified, we follow up with suppliers to support the phase-out of these smelters.

Targets & Outlook

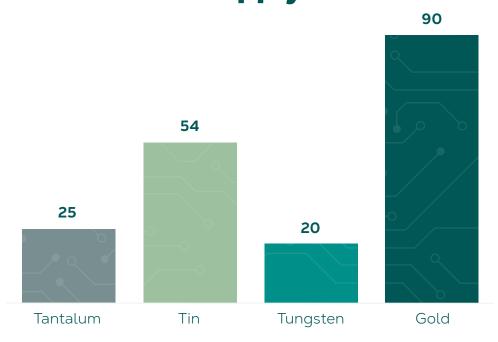
Looking ahead, we will continue to strengthen responsible sourcing by:

- Achieving 100% supplier coverage with SAQs by 2025, supported by direct follow-ups for high-risk suppliers.
- Extending on-site audit coverage and capacity-building programs in collaboration with FEPS.
- Continuing proactive compliance with global regulations, with a particular focus on PFAS substitution and monitoring of emerging substance restrictions.

Maintaining full participation in the **RMI** and ensuring that all minerals in our supply chain come from conformant or active smelters, in line with Swiss and international due diligence laws.

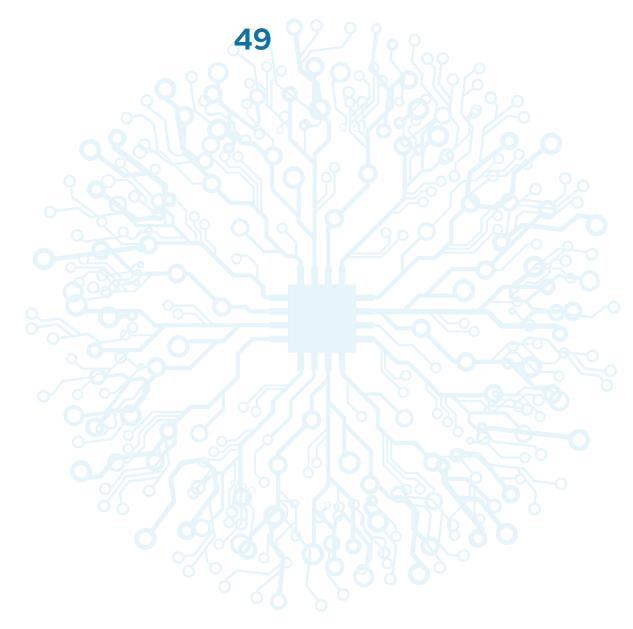
Through these efforts, we aim to secure a responsible, transparent, and resilient supply chain that meets both regulatory obligations and stakeholder expectations.

3TG smelters in our supply chain



APPENDICE







This section presents a breakdown in table form of all the data collected and estimated for the material topics presented in this report. Most of the data was presented in either graph form or references throughout the different sections.

Energy consumption, in MWh						
Source	2024	2023	2022	2021	2020	2019
Natural gas ^a	7 262	6 321	5 572	5 996	9 129	10 027
Biogas ^a	807	702	619	666	1 014	144
Fuel oil ^a	9	5	22	5	60	44
Vehicle fleet ^a	18	45	24	21	23	32
Electricity Marin	31 712	28 650	27 472	25 998	23 663	23 334
Electricity Bangkok	569	731	786	834	894	871
Total	40 377	36 454	34 495	33 521	34 783	34 451
Annual change	10.76%	5.68%	2.90%	-3.63%	0.96%	
Change from 2019	17.20%	5.81%	0.13%	-2.70%	0.96%	
Normalized production intensity index	98.99	94.31	77.96	82.19	97.36	100
Renewable energy	32 519	29 519	28 229	26 770	2 614	1 891
Share of renewable energy	80.54%	80.98%	81.84%	79.86%	7.51%	5.49%

^a Based on gross calorific value



GHG emissions, in metric tons CO₂eq									
Source	Scope	2024	2023	2022	2021	2020	2019	Emission factor source	
Natural gas ^a	1	1 328	1 165	1 003	1 106	1 685	1 843	UK Government	
Biogas a, b	1	0.19	0.15	0.14	0.15	0.21	0.03	UK Government	
Process gases	1	811	805	861	870	779	840	IPCC AR6	
Fuel oil ^a	1	2	1	6	1	16	12	UK Government	
Vehicle fleet ^a	1	4	10	6	5	5	8	UK Government	
Refrigerants	1	77	73	73	73	101	73	IPCC AR6	
Electricity Marin (market-based)	2	0	0	0	0	4 295	4 235	Electricity supplier	
Location-based	2	183	73	70	302	273	238	Association of Issuing Bodies	
Electricity Bangkok (location-based and market-based)	2	196	263	307	361	395	387	Thai Government	
Purchased goods and services	3	12 380	28 012	_	_	_	_	Suppliers, ecoinvent v3.9 cut-off	
Fuel- and energy-related activities	3	588	497	474	513	_	_	ecoinvent v3.9 cut-off, UK Gov-ernment, IEA	
Upstream transportation ^c	3	496	921	1 010	727	_	_	Transport services suppliers	
Waste generated in operations	3	28	23	_	_	_	_	ecoinvent v3.9 cut-off	
Business travel	3	206	186	72	16	_	_	ecoinvent v3.9 cut-off	
Employee commuting	3	891	1 006	736	629	_	_	ecoinvent v3.9 cut-off	
Downstream transportation ^c	3	103	120	_	_	_	_	Transport services suppliers	
Scope 1		2 223	2 056	1 949	2 056	2 586	2 777	-	
Scope 2 d		196	263	307	361	4 690	4 622	-	
Scope 3		14 692	30 765	2 293	1 886	_	_	-	
Total scopes 1+2		2 419	2 319	2 256	2 417	7 276	7 399		
Annual change		4.46%	2.77%	-6.83%	-66.78%	-1.67 %			
Change from 2019		-67.31%	-68.66%	-69.57%	-67.34%	-1.67%			
Normalized intensity index		27.18	27.93	23.70	27.59	94.82	100	-	

^a Based on gross calorific value; ^b only including effect from methane and nitrous oxide, with biogenic CO_2 (140 t CO_2) outside of scope;

[°] categories of upstream and downstream transportation were reported together before 2023; d market-based



Waste c	ategories an	d treatment m	nethods						
Waste category	Recycling	Incineration with energy recovery	Physico- chemical treatment	Landfill	Incineration ^a	2024	2023	2022	2021
Hazardous waste	121.14	25.63	107.20	0.18	0.03	254.18	205.74	146.26	173.52
Non- hazardous waste	56.61	63.92	0.00	8.51	0.00	129.04	145.82	166.34	155.67
Total	177.75	89.55	107.20	8.69	0.03	383.19	351.38	312.60	329.19
Proportion	46.39%	23.37%	27.97 %	2.27%	0.01%	_	_	_	_
					Annual change	9.05%	12.41%	-5.04%	
					Valorization rate ^b	69.76%	78.68%	78.88%	67.51%
					Landfill rate	2.27%	4.52%	1.92%	0.82%

^a Without energy recovery; ^b through recycling or energy recovery

Water withdrawal, i	n m³					
Indicator	2024	2023	2022	2021	2020	2019
Marin	247 889	250 270	198 996	171 434	160 234	153 788
Bangkok	1 357	1 623	2 265	2 217	100	52
Total	249 246	251 893	201 261	173 651	160 334	153 840
Annual change	1.93%	25.16%	15.90%	8.31%	4.22%	
Normalized production intensity index	133.42	145.93	101.87	95.35	100.50	100



Workforce breakdown								
Employee category		2024			2023	2022	2021	
Employee eategory	Total	Marin	Bangkok	Total	Marin	Bangkok		
Female	200	104	96	190	89	101	211	209
Male	375	345	30	361	329	32	336	304
Under 30 years old	78	58	20	77	51	26	54	52
Between 30 and 50 years old	327	235	92	328	228	100	330	318
Over 50 years old	170	156	14	146	139	7	163	143
All employees	575	449	126	551	418	133	547	513
Women in management positions	12.5%			20%				
Women in the Board	0%			0%				

Training hours statistics							
		20	24	202	23	2022	2021
	Total	Marin	Bangkok	Marin	Bangkok		
Hours of training	3 217	2 575	642	6 868	654	6 446	3 367
Average per employee	5.59	5.73	5.10	16.43	4.92	11.78	6.56

Occupational health and safety statistics										
		Ma	rin			Bangkok				
	2024	2023	2022	2021	2024	2023	2022	2021		
Work-related injuries without downtime	6	1	7	4	0	0	0	0		
Work-related injuries with downtime	5	6	1	0	0	1	0	0		
Fatalities	0	0	0	0	0	0	0	0		
Work-related ill-health	0	0	0	0	0	0	0	0		
Hours worked	874 534	822 138	734 554	757 197	256 320	303 346	336 220	361 090		
Incidence rate per million hours worked	12.58	8.51	10.89	7.92	0	3.3	0	0		

