Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

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

Wolfspeed, Inc. leads the market in the worldwide adoption of silicon carbide and GaN technologies. We provide industry-leading solutions for efficient energy consumption and a sustainable future. Wolfspeed's product families include silicon carbide materials, power devices and RF devices targeted for various applications such as electric vehicles, fast charging, 5G, renewable energy and storage, and aerospace and defense. We unleash the power of possibilities through hard work, collaboration and a passion for innovation.

C0.2

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

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

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

China
Finland
Germany
Hong Kong SAR, China
Ireland
Japan
Republic of Korea
Sweden
Taiwan, China
United States of America

C0.4

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

USD

C0.5

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

Operational control

C0.8

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

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US9778521024

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual or committee	Responsibilities for climate-related issues
Director on board	Our Board of Directors is responsible for all Sustainability matters at Wolfspeed, including climate change considerations, through our Governance and Nominations Committee. Our CEO, who is also the Company's President and a member of the Board of Directors, is ultimately also responsible for climate-related issues impacting the company because he has oversight of departments within Wolfspeed, including those that manage climate-related issues (e.g., environment, health and safety, sustainability, emergency management, product development, operations, etc.). The Board of Directors helps guide our Sustainability strategy, including goals/targets development.

	Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. Our Sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy. Note: We selected "Director on board" in the Position of individual(s) column, but "Chief Executive Officer (CEO)" and "President" are applicable as well.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing the setting of corporate targets	Sustainability-related information is presented to our Board of Directors at least once per year, which covers a range of topics, including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts. Our Board of Directors also discusses climate change risks as important matters arise because our manufacturing facilities are not located in areas that are typically directly impacted by climate-related events (e.g., tropical storms, droughts, etc.). Indirectly, our Board discusses climate-related opportunities often, as our business, and more specifically our products, are designed to reduce energy usage and therefore, greenhouse gas emissions, which directly affect climate change. For example, our Board helps guide our business strategy, part of which focuses on the development of silicon carbide products that enable auto manufacturers to reach their goals of electric vehicle production and adoption around the world. The Board of Directors also help guide our Sustainability strategy, including goals/targets development.

	Monitoring progress towards corporate targets Reviewing and guiding the risk management process Other, please specify Reviewing and guiding sustainability/corporate responsibility strategy	Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. Our Sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

C1.1d

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

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Competence criteria on climate-related issues include environmental/sustainability formal or informal education, work experience, and gained knowledge via learning or having hands-on experience.

C1.2

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

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Developing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets

Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Other, please specify

Employees in our sustainability group (consisting of employees from various departments) have multiple reporting lines, including reporting to the Board directly and to the CEO or CFO reporting lines.

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

Half-yearly

Please explain

Our Board of Directors is responsible for all Sustainability matters at Wolfspeed, including climate change, through our Governance and Nominations Committee. Sustainability-related information is presented to our Board of Directors at least once per year by our Senior Vice President of Legal & General Counsel, which covers a range of topics, including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts.

The sustainability group with responsibility for climate-related issues, and that develops sustainability and climate-related content to be presented to the Board of Directors, consists of Wolfspeed employees from various departments, including Environment, Health and Safety, Corporate Sales and Marketing and Legal. When relevant, we also engage with employees from the Operations and Investor Relations departments. Our Legal and Corporate Sales and Marketing departments report directly to the CEO. Our Environment, Health and Safety department reports to the Operations department, which reports to the CEO. Our Investor Relations group reports to the Finance department, which reports to the CEO.

The titles of employees involved in the group include the Senior Vice President of Legal & General Counsel; Vice President Legal & Chief Compliance Officer; Vice President Corporate Marketing; Global Environment, Health & Safety Director; and Sustainability Engineer. Climate-related issues are monitored by this committee because it is a multi-disciplinary group that represents all of Wolfspeed's business units

(Materials, Power and Radio Frequency) and provides different perspectives of how climate change could potentially affect Wolfspeed's product sales and financial performance, reputation, direct operations, and supply chain. On a day to day basis, the individuals of this committee work with their departments to address climate-related issues. For example, our Environment, Health & Safety department is responsible for corporate sustainability initiatives and compliance with health, safety, and environmental regulations.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Reduction in emissions intensity

Energy efficiency improvement

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

At Wolfspeed incentives are provided for attainment of a corporate objective related to production improvement yield. Any improvements in production yield directly reduce our emissions or used energy per product produced. The improved yield can lead to building fewer wafers which results in fewer wasted materials, lower usage of GHGs, and reduced costs on a per-product basis.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Production improvement yield support Wolfspeed's efforts to reduce emissions associated with carbon life cycle of our products. Producing more products with less energy and emissions per product supports our decarbonization efforts.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Increased share of revenue from low-carbon products or services in product or service portfolio

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. Their compensation is tied to continuing to develop these products. Non-research and development employees are responsible for supporting development, manufacturing, and distribution of Wolfspeed's products. Their compensation is tied to overall corporate objectives including revenue.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Wolfspeed's products are designed to reduce energy usage and therefore, greenhouse gas emissions, which directly affect climate change. Our purpose extends beyond our products. Our business is built on the power of silicon carbide and the innovative possibilities unleashed by the technology. Always at the forefront of technology revolutions, we serve as a catalyst for driving change that transforms our communities, industries, and our world by powering more and consuming less.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Internal company award

Performance indicator(s)

Reduction in absolute emissions
Energy efficiency improvement
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

The Wolfspeed Values in Action program recognizes employees' contributions demonstrating our company values. Receiving this recognition can be for various performance indicators including exploring and implementing emission reduction projects at our facilities such as replacing air gas with a high GWP with a lower GWP value.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Reduction in absolute emissions tie directly to our climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019.

Entitled to incentive

Management group

Type of incentive

Monetary reward

Incentive(s)

Shares

Performance indicator(s)

Reduction in emissions intensity
Energy efficiency improvement

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

At Wolfspeed incentives are provided for attainment of a corporate objective related to production improvement yield. Any improvements in production yield directly reduce our emissions or used energy per product produced. The improved yield can lead to building fewer wafers which results in fewer wasted materials, lower usage of GHGs, and reduced costs on a per-product basis.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Production improvement yield support Wolfspeed's efforts to reduce emissions associated with carbon life cycle of our products. Producing more products with less energy and emissions per product supports our decarbonization efforts.

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Shares

Performance indicator(s)

Reduction in emissions intensity
Energy efficiency improvement

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

At Wolfspeed incentives are provided for attainment of a corporate objective related to production improvement yield. Any improvements in production yield directly reduce our emissions or used energy per product produced. The improved yield can lead to building fewer wafers which results in fewer wasted materials, lower usage of GHGs, and reduced costs on a per-product basis.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Production improvement yield support Wolfspeed's efforts to reduce emissions associated with carbon life cycle of our products. Producing more products with less energy and emissions per product supports our decarbonization efforts.

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	1	Our short-term horizon was chosen to be 0-1 years because our budgets are currently established on a shorter-term time frame.
Medium-term	1	10	Our medium-term horizon was chosen to be 1-10 years based on our anticipated timeline for our current capacity expansion efforts that are anticipated to be completed in 3-5 years.
Long-term	10	100	Our long-term horizon is not currently aligned with other business practice time horizons.

C2.1b

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

We define a substantive financial or strategic impact as something that will cause significant impact to our business both internally (i.e., our direct operations) or externally (i.e., our upstream and downstream value chain). We use $1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change.

C2.2

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

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risk management at Wolfspeed is a process undertaken by all functions within the business, including a review of risks related to financial and market performance, operational performance, emergency preparedness and response, environment, health and safety compliance, among other areas. Wolfspeed assesses and prioritizes risks based on impacts to our business and products, our employees, the communities in which we operate, and our customers. Wolfspeed also assesses and prioritizes risks based on regulatory impacts. In addition, Wolfspeed has established a formal Enterprise Risk Management program in order to identify, assess, prioritize and manage key enterprise risks.

Our Finance, Internal Audit, Legal, and Investor Relations departments identify and assess both domestic and international business risks, financial risks, and market risks. These risks, as well as environmental compliance risks, are reviewed as part of financial disclosure requirements (e.g., US SEC Form 10-K). Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. Our business continuity team conducts an annual site-specific risk assessment for key locations in the US. The assessment includes physical climate-related risks such as flooding, severe storms, drought, hurricane potential, tornadoes, extreme heat and cold, and wildfires. We have also considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We use $1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate

change.

Wolfspeed uses a materiality assessment process to identify, assess, and prioritize sustainability topics, including corporate governance, products, environmental protection (including climate change), social responsibility, and economic performance. Wolfspeed periodically conducts a materiality assessment. During a reporting year, we refine and assess the issues that matter the most to Wolfspeed's business and our stakeholders. The results from the materiality assessment provide guidance on future focus areas.

Wolfspeed's Environment, Health & Safety department is responsible for maintaining our ISO 14001 certifications. Wolfspeed's ISO 14001 environmental management systems involve assessing environmental impacts of our manufacturing operations, including those that impact or are impacted by climate change. ISO 14001 defines an environmental aspect as an element of an organization's activities, products, or services that has or may have an impact on the environment. Our significant impacts for each site covered under an ISO 14001 certification are determined using a ranking system. Each environmental aspect (e.g., greenhouse gas emissions, energy usage) is ranked from 0 through 4 based on each of the following criteria: severity, magnitude, probability, frequency, controllability, duration, employee concerns, community concerns, boundaries, business impact and regulatory. Each aspect receives a total score and the highest scores designate what our significant impacts are, which we focus on in more detail in our environmental management systems.

Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. Our Sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations (Procurement), and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. We have considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We rely on global suppliers for raw materials, who depending on their location, may be subject to various supply constraints, including those due to climate change. In an instance where Wolfspeed depends on a number of limited source supplier for certain raw materials, components, services and equipment used in the manufacturing of our products, climate change-related risks could affect Wolfspeed. For example, chronic drought or flooding could increase instability in regions of the world that supply critical raw materials, causing business interruption. We use $1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change.

Wolfspeed also assesses upstream risks by calculating our upstream scope 3 GHG emissions, which helps us better understand our impact. Our dedicated supply chain staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Wolfspeed manage potential supply chain risks, including those associated with climate change. We assess our Purchased Quality Item (PQI) suppliers of items in Wolfspeed products and key consumable items. These types of suppliers are identified in our risk based PQI supplier model as required to undergo an assessment audit that contains the supplier's business continuity for climate-related hazards such as weather catastrophes. Where possible, Wolfspeed seeks to obtain goods and services from local suppliers in the locations where Wolfspeed conducts business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. During our climate-related risk assessments we have considered the affect climate change could have on our business downstream. We feel that climate change is a potential opportunity for us because our products are specifically designed to reduce energy consumption and GHG emissions compared to incumbent technologies However, since climate-related events could cause delays in product distribution, there are commercial risks associated with delivering our products in a timely manner. We use $1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change.

Wolfspeed also assesses downstream risks by calculating our downstream scope 3 GHG emissions, which helps us better understand our impact. Our Corporate Sales and Marketing department manages Wolfspeed's climate-related transitional risks and opportunities, including those related to our product sales, our reputation, market projections, and consumer preferences. Wolfspeed assesses market trends and technology advancements to suggest what our business focus should be. For example, we have shifted our strategic focus toward our semiconductor business due to the anticipated increased adoption of energy efficient technologies that use our products (e.g., renewable energy, electric vehicles, fast charging).

C2.2a

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

	Relevance & inclusion	Please explain

Current regulation	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. Current regulation is relevant and has been included in our assessments. However, the current regulation that applies to Wolfspeed only requires reporting of greenhouse gas emissions to the US EPA, which is done annually in accordance with such regulation. Our GHG emissions are included in our climate-related risk assessments, specifically when we discuss our risks associated with regulations that could emerge because of the data collected from US EPA's Greenhouse Gas Reporting Program reporting requirements (e.g., carbon taxes, GHG emission threshold regulations). Through calculating emissions for EPA, we also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from US EPA's Greenhouse Gas Reporting Program are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors and organizations that rate/score us based on our ESG performance. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. Our goals were reviewed and approved by our Board of Directors. We officially released them in our annual Sustainability Report. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy not later than by 2050.
Emerging regulation	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered emerging regulation as both a risk and opportunity in our climate-related risk assessments. For example, we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations. We could reduce our scope 1 GHG emissions and reduce our carbon taxes by adding fluorinated gas abatement. We have also considered the potential impacts to Wolfspeed's business due to the proposed EPA HFC-phasedown rule associated with the AIM Act. It is more difficult to change manufacturing inputs since our products rely on the use of very specific inputs. Changing the types and amounts of gases used in our manufacturing processes could greatly compromise product quality. However, our Power and Radio Frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted. If a carbon tax system is established in the future, we will be able to provide energy efficient, less emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain

		new customers seeking products that emit less GHGs to lower their carbon tax payments. Another example of emerging regulation is SEC climate change disclosure proposal that would be required for public companies, including Wolfspeed, to disclose financial metrics in its audited financial statements and to comply with a phased-in assurance requirement on carbon emissions disclosures. We are monitoring this proposal to ensure our current and future climate change related actions align with this pending regulation in its final form. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. Our goals were reviewed and approved by our Board of Directors. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy not later than by 2050.
Technology	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered technology as both a risk and opportunity in our climate-related risk assessments. Through our energy efficient products, our success is tied, in part, to efforts to reduce product energy usage and resulting greenhouse gas emissions, which directly affect climate change. Our Power products enable other energy efficient technologies (e.g., renewable energy, electric vehicles, fast charging) to develop, and we have discussed the risks associated with the timely adoption and scale of these technologies.
Legal	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. Various departments throughout Wolfspeed ensure we are maintaining compliance with all laws, including those related to climate change. To date, legal issues have not been a significant climate change risk or opportunity for Wolfspeed, however Wolfspeed continues to monitor future regulations as discussed in the emerging regulation section (e.g., we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations and have explored new projects to reduce the use of fluorinated gases with high GWPs in our manufacturing processes).
Market	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered market risks in our climate-related risk assessments. The market for energy efficient products affects our

		business because our products reduce product energy usage and greenhouse gas emissions, which directly affect climate change. Market projections impact our business greatly. As demand increases for energy efficient solutions, including electric vehicles, solar and industrial processes, Wolfspeed must invest to grow our business to meet this demand. International Energy Agency reported in their "Global Electric Vehicle Outlook 2023" that in 2022 there were about 26 million electric cars on the world's roads and electric car sales are expected to continue strongly through 2023. There are risks associated with production planning based on the market for energy efficient technologies. If we project too low, then we would not be able to meet demand and lose our competitive advantage. If we project demand to be too high, then we risk investing in unnecessary capital to develop our facilities.
Reputation	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered reputation in our climate-related risk assessments because our reputation is directly tied to producing products that reduce product energy usage and greenhouse gas emissions. We have considered risks from climate change and how they would affect customer satisfaction and our external reputation. We also have considered operational risks and how they affect our internal reputation with current and future employees. We also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from US EPA's Greenhouse Gas Reporting Program and Sustainability Report are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors and organizations that rate/score us based on our ESG performance. Once assessed, these risks prompted the formalization and publication by Wolfspeed of its climate-related goals. Our goals were reviewed and approved by our Board of Directors. We officially released them in our annual Sustainability Report. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy not later than by 2050.
Acute physical	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered acute physical risks in our climate-related scenario analyses. Wolfspeed has assessed potential risks to major facilities due to climate change, including flooding, severe storms, drought, hurricane potential, tornadoes, extreme heat

		and cold, and wildfires. Acute physical risks are incorporated into Wolfspeed's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.
Chronic physical	Relevant, always included	Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific risks and opportunities due to climate change. We have considered chronic physical risks in our climate-related scenario analyses. We have assessed how shifts in climate could affect our facilities and supply chain in the long term. For example, sea level rise could impact the ports used for shipment of raw materials and products around the world. Chronic physical risks are also incorporated into Wolfspeed's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Regulations assigning a cost of carbon would potentially impact our production costs, but ultimately improve business for energy efficient products, including our Power and Radio Frequency applications. Wolfspeed could be liable for our carbon footprint through development of carbon trading markets at countries where we operate. Based on the experience of the EU Emission Trading System a price on carbon could likely be between $50 and $100 per metric ton in the near term with an increased price in the future. The economic impact for Wolfspeed could be significant. Considering our carbon footprint and potential financial impact of carbon taxes, we worked on developing emissions reduction targets. They were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. We have two targets for reduction emissions. The first one is reduction of scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. The second one is a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy not later than by 2050. We plan to achieve this target by implementing the following initiatives: installing SF6 removal from our facilities in Durham, North Carolina; using new equipment without SF6; using tools with GHG abatement at our new wafer fabrication facility in Marcy, New York; moving to low or no GWP process gases; and exploring renewable energy usage at our main locations.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

80,000,000

Potential financial impact figure – maximum (currency)

130,000,000

Explanation of financial impact figure

We estimate that a carbon tax on our scope 1 and 2 GHG emissions could be up to $130 million annually. We chose dollar amounts per ton based on the location of our major operations (i.e., United States) and the United States government's estimated social cost of greenhouse gases ($190/metric ton and $310/metric ton). Potential financial impact range is as follows: scope 1 and 2 = 419,717 MT CO2e * $190 (and $310) = approximately $80 million and $130 million.)

Cost of response to risk

6,600,000

Description of response and explanation of cost calculation

We could reduce our scope 1 GHG emissions and reduce our carbon taxes by adding abatement technologies. We estimate about $1-3 million in capital costs for adding on abatement technologies, with an estimated $100,000-300,000 in annual operation costs. Abatement technologies may also result in additional environmental impacts and costs, including increased energy consumption and waste generation. Fluorinated gases used in our manufacturing processes are critical for semiconductor manufacturing and at this time there are no replacements. In our operations, we have improved yield for our Power and Radio Frequency applications which improves production efficiency (e.g., electricity and GHGs used per unit of product). We have an incentive program to increase manufacturing yield that can lead to building fewer wafers, resulting in fewer wasted materials, lower usage of greenhouse gases in our manufacturing processes, and reduced costs. To further address risks like this, our research and development staff and operations staff work to develop process improvements, including those that reduce GHG emissions. In 2019, we began planning for a project to eliminate the use of one of our greenhouse gases with a high GWP in one of our manufacturing processes. This project entered the testing phase 2020-2021. Testing was successful and is planned to be funded in the near future. The estimated costs are approximately $3,300,000. Cost of response to risk calculated as follows: $3 million (capital) + $300k (annual operation costs) + $3.3 million for replacing high GWP gas project = $6.6 million

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market

Increased cost of raw materials

Primary potential financial impact

Other, please specify

Business/manufacturing disruption

Company-specific description

Many critical raw materials are sourced from areas of the world vulnerable to instability as a result of drought and other climate-related issues. Additional information about company-specific description is confidential.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

0

Explanation of financial impact figure

A decrease in the supply of one or more of our raw materials would result in a severe cost to our supply chain and business interruption. Depending on the material, it could stop production. Additional information about explanation of financial impact figure is confidential. Note: We entered 0 in the potential financial impact range because we have the figures, but they are confidential.

Cost of response to risk

0

Description of response and explanation of cost calculation

We would potentially need to find other suppliers in this situation. Our dedicated supply chain staff, Wolfspeed's Supplier Code of Conduct and Responsible Minerals Sourcing Policy help to manage potential risks in our supply chain. We have dedicated staff whose compensation is tied to managing potential risks in our supply chain. We do not anticipate additional management costs beyond current salary compensation.

Comment

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology

Unsuccessful investment in new technologies

Primary potential financial impact

Other, please specify

Reduced support for new technologies

Company-specific description

Local utilities in some of the areas we operate are not adopting policies that promote the economical adoption of renewable energy sources. We also see a risk with utilities not upgrading their grid system to be able to accept and manage renewable energy. These issues affect continued adoption of our technologies.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial implications for this risk affecting our direct operations and product sales is currently unknown.

Cost of response to risk

200,000

Description of response and explanation of cost calculation

We have dedicated staff to manage our facilities' electricity systems and interactions with local utilities and policy makers. We estimate $200,000 annual salary costs for these positions.

Comment

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Water scarcity

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

We require ultra-pure water for our manufacturing processes. Water availability and quality issues due to climate change could affect our manufacturing operations and product quality. We use both the WRI Aqueduct and the WWF Water Risk Filter tools to assess our facilities'

overall water risks. All our facilities were analyzed for water stress using the WRI Aqueduct tool. Based on CDP's guidance, we consider areas with water stress to be those locations with the risk category "High (40-80%)" or "Extremely High (>80%)" for baseline water stress. Based on that criteria, three of our small leased facilities are located in areas with the risk category "High" or "Extremely High." These offices use small amounts of water and represent only 0.04% of our total 2022 global water withdrawals. One of our North Carolina manufacturing facilities is located in an area with the risk category "High." Its 2022 water withdrawals represent approximately 12.2% of our total 2022 global water withdrawals. We purchase water directly from the municipality and work closely with them to communicate water demand. Wolfspeed's Durham site has water recycle systems to offset municipal water purchases and reduce the consumption of water. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

13,000,000

Potential financial impact figure – maximum (currency)

26,000,000

Explanation of financial impact figure

We estimated the financial impact based on replacing water directly purchased from the municipality that would need to be trucked in. The costs for transporting water could be between 3.2 to 6.4 cents per gallon (inflation rate of 6.5% in USA in 2022). In 2022, our total water withdrawal was approximately 400 million gallons which translates to a financial impact between approximately 13 million to 26 million (400 million gallons * 3.2 cents (and 6.4 cents) / 100 = $13 million (and $26 million).

Cost of response to risk

10,000,000

Description of response and explanation of cost calculation

Our Durham, NC, USA site operates a water recycle system to offset municipal water purchases and reduce the consumption of water. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. The reservoirs in the area from which we receive water were man-made to provide flood control and water supply to the Raleigh/Durham/Research Triangle Park area, and specifically designed to provide sufficient water even in severe drought situations. The state of North Carolina requires local governments to apply for allocations of water supply storage, which includes their current water supply sources, projected water needs and alternative water sources. Allocations are made based on different timelines, including 20-year and 30-year water need projections. We purchase water directly from the municipality and work closely with them to communicate changes in water demand. Wolfspeed also has a business continuity plan, which takes into consideration potential risks that could cause a significant business interruption and describes strategies for how we mitigate and respond to major events. Wolfspeed also has a crisis response team, which is comprised of key Wolfspeed personnel in different departments throughout the company, that reviews possible solutions in the event of a situation that could cause a significant business interruption. We estimate the cost of response to be a range from $0 to $10,000,000. The cost of response represents the operating costs required to install, operate, and maintain our current or future water recycle systems at our Durham, NC, USA facility. Only our Durham, NC, USA facility is included in this estimate because our Marcy, NY, USA facility, which also has a water recycle system, didn't have the water recycle system operational yet during a reporting year. The estimate also includes estimated salaries for employees who work directly with our onsite water recycle system and employees who work with the municipality regarding our water demand. All crisis response members are Wolfspeed employees and we do not anticipate extra costs beyond current salary compensation for these employees.

Comment

C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Participation in carbon market

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Wolfspeed may potentially benefit from carbon tax changes because we have always focused our priorities on improving the design and energy efficiency of our products. Our Power and Radio Frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted compared to incumbent technologies. If a carbon tax system is established in the future, we will be able to provide

energy efficient, less emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain new customers seeking products that emit less GHGs in order to lower their carbon tax payments.

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Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact is reported on an annualized basis. We expect an increase in demand for our Power and Radio Frequency products. Our Power and Radio Frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted). We anticipate our Materials, Power and Radio frequency revenue to increase from $746.2 million in FY2022 to approximately $4 billion by FY2027.

Cost to realize opportunity

1,500,000,000

Strategy to realize opportunity and explanation of cost calculation

Wolfspeed announced the $6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York, complemented by expansion underway at the headquarters in Durham, North Carolina. In addition, Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($196.4 million in fiscal year 2022). Research and development costs listed here are for all Wolfspeed products produced in 2022 (Materials, Power, and Radio Frequency). The cost to realize opportunity value is reported on an annualized basis and includes the $6.5 billion over 5 years and annual R&D spend of $196.4 million (6.5/5 billion + 196.4 million = ~$1,500 million).

Comment

We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Wolfspeed may potentially benefit from product efficiency programs because we have always focused our priorities on improving the design and energy efficiency of our products. Wolfspeed is transparent regarding product efficiency and information about our products' efficiency can be found on our website. Our Power products can also be used in renewable energy applications, including solar power systems. Solar power systems designed around Wolfspeed's Silicon Carbide power devices offer huge efficiency gains and permit smaller system size, weight, and cost.

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Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact is reported on an annualized basis. We expect an increase in demand for our Power and Radio Frequency products. Our Power and Radio Frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted). We anticipate our Materials, Power and Radio Frequency revenue to increase from $746.2 million in FY2022 to approximately $4 billion by FY2027.

Cost to realize opportunity

1,500,000,000

Strategy to realize opportunity and explanation of cost calculation

Wolfspeed announced the $6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York, complemented by expansion underway at the headquarters in Durham, North Carolina. In addition, Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($196.4 million in fiscal year 2022). Research and development costs listed here are for all Wolfspeed products produced in 2022 (Materials, Power, and Radio Frequency). The cost to realize opportunity value is reported on an annualized basis and includes the $6.5 billion over 5 years and annual R&D spend of $196.4 million (6.5/5 billion + 196.4 million = ~$1,500 million).

Comment

We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products.

Identifier

Opp5

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Wolfspeed may benefit from changes in consumer/customer behavior because we have always focused our priorities on improving the design and energy efficiency of our products. We believe that our Power and Radio Frequency products appeal to the growing number of eco-conscious consumers and commercial customers who want energy efficient, less-emissive, and long-lasting products. We believe we will be able to meet the growing demand for energy efficient products resulting from changes in customer preferences.

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Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact is reported on an annualized basis. We expect an increase in demand for our Power and Radio Frequency products. Our Power and Radio Frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted). We anticipate our Materials, Power and Radio Frequency revenue to increase from $746.2 million in FY2022 to approximately $4 billion by FY2027.

Cost to realize opportunity

1,500,000,000

Strategy to realize opportunity and explanation of cost calculation

Wolfspeed announced the $6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York, complemented by expansion underway at the headquarters in Durham, North Carolina. In addition, Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($196.4 million in fiscal year 2022). Research and development costs listed here are for all Wolfspeed products

produced in 2022 (Materials, Power, and Radio Frequency). The cost to realize opportunity value is reported on an annualized basis and includes the $6.5 billion over 5 years and annual R&D spend of $196.4 million (6.5/5 billion + 196.4 million = ~$1,500 million).

Comment

We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products.

Identifier

Opp6

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Wolfspeed foresees an increased demand for more efficient forms of transportation, including electric vehicles. Many automotive companies are increasingly investing in the electric vehicle market and our Power products can be used in electric vehicles. Our silicon carbide MOSFETs, for example, enable faster, more efficient charging and increase power density of the electric circuits. Our silicon carbide (SiC) products allow electric vehicles to go farther, charge faster, and perform better. The Wolfspeed® 650V silicon carbide MOSFETs, delivering a wider range of industrial applications and enabling the next generation of Electric Vehicle (EV) onboard charging, data centers, and other renewable systems with industry-leading power efficiency. The devices, which use Wolfspeed's industry-leading, third generation C3M™ MOSFET technology, deliver up to 20 percent lower switching losses than competing silicon carbide MOSFETs and provide the lowest on-state resistances for higher

efficiency and power dense solutions. End users benefit from lower total cost of ownership in a variety of applications through the more efficient use of power, reduced cooling requirements, and industry-leading reliability. Compared to silicon, our 650V silicon carbide MOSFETs deliver 75 percent lower switching losses and a 50 percent decrease in conduction losses which results in a potential 300 percent increase in power density.

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Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact is reported on an annualized basis. We expect an increase in demand for our Power and Radio Frequency products. Our Power and Radio frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted). We anticipate our Materials, Power and Radio Frequency revenue to increase from $746.2 million in FY2022 to approximately $4 billion by FY2027.

Cost to realize opportunity

1,500,000,000

Strategy to realize opportunity and explanation of cost calculation

Wolfspeed announced the $6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York, complemented by expansion underway at the headquarters in Durham, North Carolina. In addition, Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($196.4 million in fiscal year 2022). Research and development costs listed here are for all Wolfspeed products produced in 2022 (Materials, Power, and Radio Frequency). The cost to realize opportunity value is reported on an annualized basis and includes the $6.5 billion over 5 years and annual R&D spend of $196.4 million (6.5/5 billion + 196.4 million = ~$1,500 million).

Comment

We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products.

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

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

At this time, Wolfspeed does not have a full transition plan for all three scopes (scope 1, 2 and 3).

Regarding our scope 1 and 2 emissions, one of our significant decisions to mitigate our identified climate-risks in our operations was to work on developing our corporate Sustainability goals. They were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. Our Sustainability goals include a climate change-related target of reducing scope 1 and 2 emissions by 50% by 2030 relative to a base year of 2019. We also established a long-term goal of reducing scope 1 and 2 emissions in line with the Paris Agreement to further reduce our climate impact in support of limiting warming to 1.5°C and transitioning to a net-zero carbon economy.

We finalized our scope 3 GHG inventory during the reporting year. The last relevant scope 3 category related to processing of sold goods was added into Wolfspeed's scope 3 inventory.

We started working on Wolfspeed's climate transition action plan (or CTAP) during the reporting year. We explored the elements of a proper CTAP by utilizing CDP's six guiding principles (accountability, internally coherent, forward-looking, time bound and quantitative, flexible and responsive, and complete) in conjunction with We Mean Business Coalition (WMBC)'s four core components which include an emissions reduction strategy, proper governance and business strategy integration, an action plan regarding plans for public policy advocacy, and how Wolfspeed plans to foster a just transition. We evaluated our current efforts against WMBC's guidance and learned our strengths (e.g., calculated GHG inventory, largest emissions sources identification, climate-related oversight) and areas where we need improvement (e.g., inclusion of scope 3 in our emission reduction targets, financial evaluation, public policy engagement and advocacy). During this initiative we have also identified actions that Wolfspeed can take to decarbonize, ranging from easiest to implement and least timely solutions, to long-term solutions to support net-zero transition. We focused on the actions that are realistic to deploy and timely. These actions include the following areas: process abatement systems, values stream engagement and synergy, an electric purchasing policy, and implementation of an internal carbon price.

C3.2

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

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IRENA	Company-wide		Wolfspeed reviewed climate-related transition scenarios on the list provided by CDP and eliminated options that heavily relied on carbon sequestration as a technology that is not progressing as rapidly as the scenarios require. We chose the IRENA scenario because it is in line with limiting global temperature rise to 1.5 degrees Celsius. Wolfspeed used IRENA because we feel that it is a scenario that could reasonably occur in the future and because it promotes energy efficiency measures and increased adoption of renewable energy, which aligns with our business focus and strategy. We assessed our strengths, weaknesses, opportunities, and threats in the IRENA scenario for all Wolfspeed operations and our supply chain on a 10-year timeframe because the IRENA climate-scenario considers CO2 emissions reductions by 2050. Even though IRENA is projected to 2050, the impacts within the next 10 years are significant with existing technologies. The main measurable factors built into the IRENA transition scenario that have a material impact on our business performance include: energy efficient products, innovations, technologies, and use of renewables. The IRENA's world energy transition outlook provides a range of assumptions concerning how the parameters are likely to develop, such as affordability of renewable technologies, availability of renewable options to end uses and energy transition focused on renewables and efficient technologies

			with electrification and energy efficiency as primary drivers. Analytical choices: IRENA (2021), World Energy Transitions Outlook: 1.5°C Pathway, International Renewable Energy Agency, Abu Dhabi. Our analysis using the IRENA scenario was qualitative.
Physical climate scenarios RCP 4.5	Company-wide		All facilities were analyzed for water stress using the WRI Aqueduct tool, which is a customizable global atlas used to evaluate how water risk and water stress may affect operations at the watershed level. We used the WRI Aqueduct tool to assess water stress because it assesses water stress based on location and allows us to view future (2030 and 2040) water stress risks for all facilities. We also assess physical, regulatory, and reputational risks aligned to the UN Global Compact CEO Water Mandate framework by using WWF Water Risk Filter tool for all our locations. The WRI Aqueduct and WWF Water Risk Filter tools combine climate scenarios of IPCC Representative Concentration Pathways (RCP2.6, RCP4.5, RCP6.0 and RCP8.5) and IIASA Shared Socioeconomic Pathways (SSP1, SSP2, and SSC3). We have identified that water stress/availability could be a potential climate-related risk to our operations because we require ultra-pure water for our manufacturing processes. It was the main measure factor that we focused on for assessing all our facilities. Water availability and quality issues due to climate change could affect our manufacturing operations and product quality. The WRI Aqueduct and WRI Water Risk Filter scenario pathways include optimistic (moderate emissions), current trend (intermediate emissions) and pessimistic (high emissions) pathways. Note: We selected "RCP4.5" in the "Climate related scenario" column for simplicity. Other RCP pathways are considered in the tools we used.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. What our strengths, weaknesses, opportunities, and threats of promoting energy efficiency measures and increased adoption of renewable energy (e.g., developing energy efficiency technologies, using energy efficiency products)?
2. Which Wolfspeed sites are located in water stress areas?

Results of the climate-related scenario analysis with respect to the focal questions

1. Transition scenario - RESULTS

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

Weaknesses: Our planning processes are typically shorter than the 10-year time frame used in this analysis. Electricity is a large input to our manufacturing process and we currently only purchase carbon-free energy directly at our Morgan Hill facility, which represents a small amount compared to other Wolfspeed's manufacturing sites' electricity usage. Any use of renewable energy at our other facilities is based on our electric utilities' energy mix.

Opportunities: Wolfspeed's products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles, and electric vehicle charging. In the IRENA scenario, all these technology changes will be required to reduce CO2 emissions. Regulation in the form of carbon taxes could increase demand for our products and could offset increases in operational cost from the tax. In our operations, we could diversify our energy supply by implementing renewable energy at our sites to replace our current electricity from non-renewable sources. The increased adoption of energy efficient transportation will require increased electrification and improvements in the world's current energy grid. The current state of our energy grid will not support the large anticipated shift to electric vehicle adoption and we believe that our products can enable improvements in the energy grid.

Threats: It is possible that other more energy efficient technologies not yet developed could replace ours, putting our business at risk. If the impacts due to climate change worsen, Wolfspeed could experience supply chain disruptions due to extreme weather events and/or climate

shifts. Energy grid capacity constraints could affect the adoption of new technologies that use our products.

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

2. Physical scenario - RESULTS

Three of our small leased facilities are located in areas with the risk category “High” or “Extremely (0.04% of total water withdrawal) and one of our manufacturing facilities is in "High" (12.2% of total water withdrawal).

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change opportunities have influenced our strategy regarding our products. Wolfspeed was founded upon the premise that our silicon carbide (SiC) based technology for Power and Radio Frequency (RF) devices could fundamentally change the efficiency of energy use around the world. Our mission is to lead the innovation and commercialization of SiC, liberating designers to invent power and wireless systems for a responsible, energy efficient future. Our Power and RF products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication and electric vehicles. Our RF products help enable the transition to 5G, which requires the transmission of more data at faster speeds with greater precision. Smart cities, smart manufacturing, autonomous vehicles and connected transportation can all be realized through the availability of 5G. Our products can achieve the greater bandwidth and efficiency that 5G requires. We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and climate change. The products we produce and sell globally

		actually result in a net positive impact on climate change. Our Power and RF products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products). Time horizon: Short-term (0-1year)
Supply chain and/or value chain	Yes	Our climate change risks have influenced our strategy regarding our supply chain. Situationally, various departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Wolfspeed-specific physical and transitional risks and opportunities due to climate change. We have considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We rely on global suppliers for raw materials, who depending on their location, may be subject to various supply constraints, including those due to climate change. In an instance where Wolfspeed depends on a number of limited source supplier for certain raw materials, components, services and equipment used in the manufacturing of our products, climate change-related risks could affect Wolfspeed. Wolfspeed also assesses upstream supply chain risks by calculating our upstream scope 3 GHG emissions, which helps us better understand our impact. Our dedicated supply chain staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Wolfspeed manage potential supply chain risks, including those associated with climate change. We assess our Purchased Quality Item (PQI) suppliers of items in Wolfspeed products and key consumable items. These types of suppliers are identified in our risk based PQI supplier model as required to undergo an assessment audit that contains the supplier's business continuity for climate-related hazards such as weather catastrophes. Where possible, Wolfspeed seeks to obtain goods and services from local suppliers in the locations where Wolfspeed conducts business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts, Time horizon: Short term (0-1 year)
Investment in R&D	Yes	Our climate change opportunities have influenced our strategy regarding our investment in R&D. Climate change is inherently integrated into our business objectives and strategy. Wolfspeed is a market-leading innovator of semiconductor products for Power and Radio Frequency applications. Wolfspeed was founded upon the premise that our silicon carbide based technology for Power devices and Radio Frequency devices could fundamentally change the efficiency of electricity use around the

		world. We invest significant resources in R&D. Wolfspeed's research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. Time horizon: Short term (0-1) year and medium term (1-10 years)
Operations	Yes	Our climate change risks and opportunities have influenced our strategy regarding our operations. We have improved yield by increasing the size of the silicon carbide wafers produced which yields more product per the same amount of input (e.g., electricity and GHGs used in the production process). Our manufacturing departments collect metrics for production and product mix including energy efficiency and product yield. These metrics are then used to fuel internal decisions regarding process operations, product design, sales goals, etc. We have an incentive program to increase manufacturing yield that can lead to building fewer wafers, resulting in fewer wasted materials, lower usage of greenhouse gases in our manufacturing processes, and reduced costs. Our corporate Sustainability goals include climate change-related targets to help reduce our greenhouse gas impacts. The foreseen increased demand for energy efficient technologies like renewable energy and electric vehicles due to their impacts on energy efficiency and climate change, further supports our focus and strategy. Wolfspeed announced the $6.5 billion global capacity expansion plans which include building the world's largest materials manufacturing facility in Siler City, North Carolina and final build-out of a new wafer fabrication facility in Marcy, New York, complemented by expansion underway at the headquarters in Durham, North Carolina. In addition, we also use a materiality assessment process to review and prioritize sustainability objectives. Product energy efficiency and energy efficiency of operations have been identified as two of the important aspects by both internal and external stakeholders. Our Environmental, Health and Safety department collects environmental metrics and works with other departments, including production and facilities, to ensure regulatory compliance and environmental operational efficiency. Time horizon: Medium term (1-10 years)

C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Acquisitions and divestments Access to capital	Revenues: Our identified risks have impacted our revenue financial planning in the short-term (0-1 year) since our risks are on a short-term or medium-term time frame. Our climate change opportunities are impacted because we foresee an increase in demand for our Power and Radio Frequency products in the short-, medium-, and long-term. Our Power and Radio Frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted) compared to incumbent technologies. In the reporting year, these opportunities allowed us to reach a broader customer base and bring new products to market, contributing to an increase our Power and Radio Frequency revenue. We anticipate our Materials, Power and Radio Frequency revenue could increase from $746.2 million in FY2022 to about $4 billion in FY2027. Indirect costs: Our operating costs are currently established in our budgets on a short-term (0-1 year) and medium-term (1-10 years) time frame. Our identified risks have impacted our operating cost planning process since our risks are on a short-term or medium-term time frame. Our manufacturing operations heavily rely on the use of electricity. We have not seen major changes in electricity costs and do not anticipate major changes in the short-term and medium-term. Since we foresee an increase in demand for our Power and Radio Frequency products, in the reporting year and beyond we are targeting the conversion of the majority of our Wolfspeed power production from 100mm to either 150mm or 200mm substrates. Because we aimed to make the transition in a cost-effective and timely manner, in many cases we relied on contractors for production capacity, logistics support, and certain administrative functions including hosting of certain information technology software applications. These added functions affect our operating costs. Capital expenditures: Our opportunities have been factored into our capital expenditures planning, as we foresee an increase in demand for our energy efficient Power and Radio Frequency products and as a result plan to invest in expanding our operations in the short-term (0-1 year) and medium-term (1-10 years). Further investment in our Power and Radio Frequency division requires an increase in capital expenditures. At our existing sites, Wolfspeed has increased production capacity by adding new equipment and infrastructure to meet the increased demand for our products. In 2019 we announced plans invest up to $720 million in the expansion of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet the

		expected market growth by 2024. We also announced our plans to establish a SiC corridor on the East Coast of the United States with the creation of the world's largest SiC fabrication facility. The new fabrication facility, which is a bigger, highly automated factory with greater output capability was opened in April 2022. The plan enables 25 percent increased capacity with lower net capital expenditures. In 2022 we announced building the world's largest silicon carbide manufacturing facility in Siler City, North Carolina. The $5 billion investment is targeted to generate a more than 10 fold increase from our current silicon carbide production capacity on its Durham campus, supporting the company's long-term growth strategy, accelerating the adoption of silicon carbide semiconductors across a wide array of end-markets and unlocking a new era of energy efficiency. Access to capital: Our identified climate change-related risks have positively impacted our access to capital since they are on a short-term (0-1 year) or medium-term (1-10 years) time frame. We also anticipate our climate change opportunities to be impacted because we foresee an increase in demand for our energy efficient Power and Radio Frequency products in the short-, medium- and long-term. In 2019 we announced plans invest up to $720 million in the expansion of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet the expected market growth by 2024. We also announced our plans to establish a SiC corridor on the East Coast of the United States with the creation of the world's largest SiC fabrication facility. The new fabrication facility, which is a bigger, highly automated factory with greater output capability was opened in April 2022. The plan enables 25 percent increased capacity with lower net capital expenditures. In 2022 we announced building the world's largest silicon carbide manufacturing facility in Siler City, North Carolina. The $5 billion investment is targeted to generate a more than 10 fold increase from our current silicon carbide production capacity on its Durham campus, supporting the company's long-term growth strategy, accelerating the adoption of silicon carbide semiconductors across a wide array of end-markets and unlocking a new era of energy efficiency. Acquisitions and Divestments: Our strategy includes acquisitions and divestments to streamline business focus on our core Materials, Power and Radio Frequency which lead Wolfspeed operations to more energy efficient future in the short-term (0-1 year) and medium-term (1-10 years) frame. We are expanding our Power and Radio Frequency division due to increased demand, and in 2018 we acquired Infineon's RF Power Business for approximately € 345 million. This acquisition allows Wolfspeed's wireless market opportunity to expand, especially in terms of positioning our products to enable faster 4G networks and being on the forefront of providing products to transition to 5G. To further our strategy to

		create a more focused, powerhouse semiconductor company, we divested our Lighting Products business unit in 2019 for approximately $310 million before tax impacts. In 2020, we announced the divestiture of our LED business unit for approximately $300 million; this sale was finalized in 2021. Both transactions have provided significant resources to help accelerate the growth of our Power and Radio Frequency division.

C3.5

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

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

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Is this a science-based target?

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

Target ambition

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2019

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

247,136

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

85,883

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

333,019

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

100

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

100

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

100

Target year

2030

Targeted reduction from base year (%)

50

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

166,509.5

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

309,299

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

96,349

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

405,648

Does this target cover any land-related emissions?

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

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

-43.6185322759

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

This target is related to our company-wide operational emissions of scope 1 and 2 (market-based). It covers 100% of both our scope 1 and 2 emissions.

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

We plan to achieve this target by implementing the following initiatives: installing SF6 removal from our facilities in Durham, North Carolina; using new equipment without SF6; using tools with GHG abatement at our new wafer fabrication facility in Marcy, New York; moving to low or no GWP process gases; and exploring renewable energy usage at our main locations.

This was a new target established last year. During this reporting year we reduced our scope 1 emissions by using less gases with high GWP which resulted in YTY decrease of our scope 1 emissions. We anticipate the rate of progress towards this target to be variable year to year with being faster at the end.

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

C4.2

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

Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Other, please specify

Achieve 85% waste diversion rate from landfill by 2025

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

35

Target year

2025

Figure or percentage in target year

85

Figure or percentage in reporting year

35

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

0

Target status in reporting year

Underway

Is this target part of an emissions target?

No, but it supports reducing emissions in general.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

This target is related to our company-wide solid waste and its diversion rate from landfill. It covers 100% of our solid waste (recycle, composting vs. landfill).

It is a target to reach a certain level of performance, so it doesn't have a base year. We entered a current reporting year in the "Base year" column. The target is to achieve 85% waste diversion rate from landfill by 2025.

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

We plan to achieve this target by implementing the following initiatives: identifying alternative disposal outlets for our waste stream, investigating reduction of our production waste and its potential use as material, and looking closely at our construction waste recycle stream.

This was a new target established last year. During this reporting year we increased recycling rate at our facility in Morgan Hill which resulted in waste diversion from landfill rate of 75.5%. We anticipate the rate of progress towards this target to be variable year to year with being faster at the end.

List the actions which contributed most to achieving this target

Target reference number

Oth 2

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

Other, please specify

Evaluate Environmental, Social and Governance (ESG) risks and opportunities for 100% of suppliers on our Approved Supplier List which represents our Product Quality Item suppliers.

Target denominator (intensity targets only)

Base year

2021

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

0

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

0

Target status in reporting year

Underway

Is this target part of an emissions target?

No, it is not part of an emission reduction target. It is a target related to environmental, social and governance risks and opportunities including climate-related ones.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

The target covers 100% of suppliers on our Approved Supplier List which represents our Product Quality Item suppliers. As of now this target doesn't cover non-production related suppliers.

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

It was a new target established last year. We anticipate the rate of progress towards this target to be variable year to year with being faster at the end. We worked on the project of developing an Environmental, Social and Governance (ESG) survey and scoring matrix for questions and ESG sections based on our material topics. It is planned to be rolled out to relevant suppliers during their onboarding process.

List the actions which contributed most to achieving this target

C4.2c

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

Target reference number

NZ1

Target coverage

Company-wide

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

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

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

Please explain target coverage and identify any exclusions

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

Our target currently doesn't include scope 3 categories because when it was established in 2021 we didn't have calculated emissions from use of processing goods. During the reporting year we added this relevant scope 3 category which completed our scope 3 inventory.

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

Unsure

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

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

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)

Under investigation	1	57
To be implemented*	1	83,791
Implementation commenced*	0	0
Implemented*	4	56,997
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify

Point of Use Abatement

Estimated annual CO2e savings (metric tonnes CO2e)

15,512

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

Scope 1

Voluntary/Mandatory

Voluntary

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

0

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

1,400,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Installation of seven tools with point of use abatement in our manufacturing facility in Marcy, NY, USA.

Initiative category & Initiative type

Other, please specify

Other, please specify

Improving energy efficiency via consolidation of operations worldwide (closure, relocation)

Estimated annual CO2e savings (metric tonnes CO2e)

917

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

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Currently we don't have access to data on monetary savings, investment, and payback period.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

57

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

37,747

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

250,000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Replacement of existing fluorescent fixtures with LED fixtures at one of the office buildings in Durham, NC, USA.

Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify

Process equipment replacement and process improvement

Estimated annual CO2e savings (metric tonnes CO2e)

40,438

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

Scope 1

Voluntary/Mandatory

Voluntary

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

128,000

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

70,000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

Redesigned some manufacturing equipment to use gases with lower GWP and improved manufacturing process for some of our burn in tools in in Durham and RTP, NC, USA.

Initiative category & Initiative type

Low-carbon energy consumption

Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

73

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

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

We increased low-carbon energy consumption at our facility in Morgan Hill, CA, USA in 2022 compared to a 2021 amount (from 2,513 MWh to 2,705 MWh). This increase caused our scope 2 market-based emissions to decrease by about 73 MT CO2e in 2022.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Our products are designed to meet or exceed the energy efficiency standards that have been adopted around the world. These standards have helped drive adoption of our products.
Employee engagement	We want to ensure that all employees work in a safe and healthy environment. We also direct our employee efforts and financial support to community engagement events and organizations. Our GHG impact is summarized and presented to manufacturing leadership and on internal communications to employees to promote awareness of Wolfspeed's direct and indirect emissions.
Financial optimization calculations	Reductions in energy usage and emissions correlate to money saved for our business.
Dedicated budget for energy efficiency	We have always focused our priorities on improving the design and energy efficiency of our products. We will continue to innovate for the future and develop the most efficient products.
Dedicated budget for low-carbon product R&D	We are constantly developing new technologies and creating new markets for our products.

C4.5

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

Yes

C4.5a

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

Level of aggregation

Group of products or services

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

Other, please specify

A pioneering study by the Biophysical Economics Institute that demonstrates the superior performance of silicon carbide vs. traditional silicon semiconductor devices in electric cars (October 2021)

Type of product(s) or service(s)

Other

Other, please specify

Silicon carbide Power and Radio Frequency products

Description of product(s) or service(s)

Our Power and Radio Frequency products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based radio frequency products). Our Power products are more energy efficient than competing brands. Replacing a silicon diode with our silicon carbide Schottky diode hard-switched insulated-gate bipolar transistor (IGBT) application reduces switching losses in the diode by 80 percent, while switching losses in the IGBT drop 50 percent.

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

Yes

Methodology used to calculate avoided emissions

Other, please specify

Internal product data

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

Use stage

Functional unit used

Silicon carbide Power and Radio Frequency products sold in the reporting year.

Reference product/service or baseline scenario used

Less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based radio frequency products)

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

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

67,000,000

Explain your calculation of avoided emissions, including any assumptions

Our calculation of avoided emissions was based on the difference in emissions during a use phase. We used an attributed estimation approach and calculated emissions of our use of sold Power products and estimated 20-30% (25% on average) energy efficiency in comparison with alternative products that provide an equivalent function. For our Radio Frequency products we alter the drain efficiency based on the what the drain efficiency is of an example less efficient product and used that in calculating avoided emissions.

We used global warming potentials from IPCC's 4th Assessment Report (CO2=1, CH4 = 25 and N2O = 298) and we used EPA eGRID emission factors to estimate emissions associated with electricity consumed by our products. We also included transmission and distribution losses in our calculation.

Our calculation has limitations to only including use phase and applying only EPA eGRID emission factors even though our products are sold worldwide.

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

100

C5. Emissions methodology

C5.1

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

No

C5.1a

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

Row 1

Has there been a structural change?

No

C5.1b

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

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	We added emissions from processing of sold products into our scope 3 categories. It was our last relevant category that completed our overall scope 3 GHG inventory. The impact of this addition doesn't meet our significance threshold. Moreover, Wolfspeed hasn’t developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate relevant scope 3 emissions categories.

C5.1c

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

	Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the impact does not meet our significance threshold	Our significance threshold applies as follows: "Any facilities that have been divested as part of a sale during the reporting year will be removed from the data so that a new baseline can be established without those facilities. To establish the new baseline for previous years, all previous year's data will also be recalculated to exclude this facility. Unless otherwise stated, recalculation applies only for metrics that are related to targets and goals (scope 1 and 2 emissions reduction, water recycling rate, and waste diversion from landfill)."	No

C5.2

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

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

247,136

Comment

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

116,087

Comment

Scope 2 (market-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

85,883

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

1,226,573

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 2: Capital goods

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

269,079

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

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

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

40,064

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

5,534

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

1,486

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 6: Business travel

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

2,997

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 7: Employee commuting

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

507

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This scope 3 emissions category is not relevant to Wolfspeed because we do not have any upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

1,368

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets. We added this scope 3 category during a reporting period.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

218,000,000

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

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

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

10

Comment

Wolfspeed hasn't developed an emissions reduction target for scope 3 with a base year yet. However, we track and calculate this scope 3 emissions category. We entered our 2019 data to align with our base year for scope 1 and 2 targets.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This scope 3 emissions category is not relevant to Wolfspeed because all of our downstream leased assets are included in our scope 1 and 2 emissions.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This scope 3 emissions category is not relevant to Wolfspeed because we do not have any franchises.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This scope 3 emissions category is not relevant because Wolfspeed is neither an investor company nor a company that provides financial services.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

This scope 3 emissions category is not relevant to Wolfspeed because we do not believe we have any additional upstream activities that would result in GHG emissions.

Scope 3: Other (downstream)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

6,679

Comment

We track and calculate this scope 3 emissions category (contract manufacturers). We entered our 2019 data to align with our base year for scope 1 and 2 targets.

C5.3

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

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IEA CO2 Emissions from Fuel Combustion
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Mandatory Greenhouse Gas Reporting Rule
US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

309,299

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

110,418

Scope 2, market-based (if applicable)

96,349

Comment

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,261,447

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Our purchased goods and services emissions were calculated using spend-based Greenhouse Gas Protocol (Quantis) factors.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

116,876

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Our capital goods emissions were calculated using spend-based Greenhouse Gas Protocol (Quantis) factors.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

47,304

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The emissions reported here contain emissions from fuel-and-energy related activities from purchased fuel and electricity for all of Wolfspeed's global locations. The emissions also include transmission & distribution (T&D) losses for all of Wolfspeed's global locations. The emissions due to purchased fuel and electricity were calculated using Wolfspeed's actual fuel and electricity amounts and Greenhouse Gas Protocol (Quantis) factors and DEFRA factors, respectively. Wolfspeed calculated US facilities' T&D losses using US EPA EGRID factors and international facilities' T&D losses using World Development Indicators data.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,745

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The emissions reported here contain emissions from our upstream transportation and distribution. We used transportation emission factors from EPA's Center for Corporate Climate Leadership GHG Emission Factors Hub.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,174

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The emissions reported here include emissions from the disposal and transportation of all chemical waste and solid waste from Wolfspeed's global facilities. Wolfspeed used EPA WARM emission factors to calculate emissions from waste disposal. Wolfspeed used emission factors EPA's Center for Corporate Climate Leadership GHG Emission Factors Hub to calculate the emissions associated with the transportation of waste.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,445

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We used US EPA's Scope 3 Inventory Guidance to calculate our emissions from business travel. We used emission factors from EPA's Center for Corporate Climate Leadership GHG Emission Factors Hub.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,082

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We used US EPA's Scope 3 Inventory Guidance to calculate our emissions from employee commuting. We used emission factors from EPA's Center for Corporate Climate Leadership GHG Emission Factors Hub. Using EPA eGRID emission factors, we also include estimated GHG emissions from employees who are home-based (i.e., do not travel to one of our offices and work from home) and employees who worked from home due to COVID-19 restrictions. For our employees who are home-based and who worked from home due to COVID-19 restrictions, we included transmission and distribution losses from their use of electricity using US EPA EGRID factors. At some locations, Wolfspeed has onsite electric vehicle (EV) charging stations that are available for all employees to use. Data associated with our employees' use of our EV charging stations versus using combustion engine vehicles has also been incorporated into this calculation.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant because we do not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

618

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The emissions reported here contain emissions from our downstream transportation and distribution. We used transportation emission factors from EPA's Center for Corporate Climate Leadership GHG Emission Factors Hub.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

54,553

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products emissions were calculated using revenue data based on what we sold to our customers. Wolfspeed's revenue with customers was divided by customers' total revenue and multiplied by customers' overall scope 1 and 2 emissions reported in their CDP Climate Change responses, Sustainability Reports or sustainability websites.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

299,400,000

Emissions calculation methodology

Methodology for direct use phase emissions, please specify

Using product wattage form product's specification sheets over product's lifetime for quantity of products sold in the reporting year

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The product use emissions include the emissions associated with the energy required to use Wolfspeed products sold in the reporting period over their estimated lifetimes. The emissions also include transmission & distribution (T&D) losses for the electricity required to use Wolfspeed products sold in the reporting period over their estimated lifetimes. Although our products are sold and used globally, we used EPA eGRID emission factors to estimate emissions associated with electricity consumed by our products and from T&D losses.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

14

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Our product end of life emissions are the emissions associated with disposing of our products and packaging sold in the reporting period at the end of their lives. EPA WARM emission factors were used and as a worst case, we assumed that all products and packaging were disposed of in a landfill.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant because all of our downstream leased assets are included in our scope 1 and 2 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant because Wolfspeed does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to Wolfspeed's business operations because Wolfspeed is neither an investor company nor a company that provides financial services.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant because we do not believe we have any additional upstream activities that would result in GHG emissions.

Other (downstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

29,810

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The majority of our products are manufactured at our production facilities located in the US and China. We also use contract manufacturers for certain products and aspects of product fabrication, assembly and packaging. Emissions from our contract manufacturers were calculated using spend-based Greenhouse Gas Protocol (Quantis) factors.

C6.7

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

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00056

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

419,717

Metric denominator

unit total revenue

Metric denominator: Unit total

746,200,000

Scope 2 figure used

Location-based

% change from previous year

35.4

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities

Please explain

We increased low-carbon energy consumption at our facility in Morgan Hill, CA, USA in the reporting period compared to the previous year. We implemented emission reduction initiatives such as installing point of use abatement at our manufacturing facility Marcy, NY, USA, replacing light fixtures in our facility in Durham, NC, USA, replacing process equipment and improving our manufacturing processes in our facilities in Durham and RTP, NC, USA, improving energy efficiency via consolidation of operations worldwide (closure, relocation) and also improving yield.

C7. Emissions breakdowns

C7.1

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

Yes

C7.1a

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

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	18,000	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	66	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	1,208	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	13,115	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	57,655	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	187,211	IPCC Fourth Assessment Report (AR4 - 100 year)
NF3	8,743	IPCC Fourth Assessment Report (AR4 - 100 year)
Other, please specify	21,934	IPCC Fourth Assessment Report (AR4 - 100 year)

HTFs		
Other, please specify Refrigerant leaks	1,367	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	309,016
China	96
Hong Kong SAR, China	9
Finland	2
Germany	114
Japan	15
Republic of Korea	4
Sweden	24
Taiwan, China	7
Ireland	10

C7.3

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

By business division
By facility
By activity

C7.3a

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

Business division	Scope 1 emissions (metric ton CO2e)
Power products	151,085
RF products	72,123
Materials products	86,091

C7.3b

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

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Durham, NC, USA	79,839	35.901193	-78.840387
RTP, NC, USA	192,862	35.916358	-78.872131
Morgan Hill, CA, USA	16,581	37.144353	-121.653201
Marcy, NY, USA	19,436	43.140419	-75.237748
Fayetteville, AR, USA	159	36.042318	-94.168059
Mesa, AZ, USA	43	33.384033	-111.809181
Shanghai, China	73	31.233199	121.383499
Shenzhen, China	20	22.533077	114.069196
Hong Kong, SAR China	9	22.427915	114.210908
Munich, Germany	114	48.284908	11.5627
Kista, Sweden	24	59.403996	17.948059
Oulu, Finland	2	65.050092	25.586842

Tokyo, Japan	15	35.655863	139.75668
Suwon, South Korea (Republic of Korea)	4	37.270794	127.068162
Taipei, Taiwan	7	25.008056	121.483988
Sanford, NC, USA	79	35.449556	-79.143388
Utica, NY, USA	19	43.100903	-75.232664
Chengdu, China	3	30.58223	104.0673
Belfast, Ireland	10	54.597836	-5.927602

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Manufacturing (Note: Some manufacturing operations have offices and warehouses on the same property. In this situation, these operations/buildings have been included in the Manufacturing category.)	308,876
Offices (including R&D-only facilities/labs and sales offices)	335
Warehouses	88

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	109,701	95,632

China	471	471
Hong Kong SAR, China	46	46
Germany	78	78
Sweden	3	3
Finland	3	3
Japan	47	47
Republic of Korea	15	15
Taiwan, China	29	29
Ireland	23	23

C7.6

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

By business division
By facility
By activity

C7.6a

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

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Power products	53,937	47,064
RF products	25,748	22,467
Materials products	30,734	26,818

C7.6b

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

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Durham, NC, USA	91,085	79,210
RTP, NC, USA	12,105	10,527
Morgan Hill, CA, USA	590	0
Marcy, NY, USA	4,634	4,634
Fayetteville, AR, USA	952	952
Mesa, AZ, USA	101	101
Shanghai, China	361	361
Shenzhen, China	97	97
Hong Kong, SAR China	46	46
Munich, Germany	78	78
Kista, Sweden	3	3
Oulu, Finland	3	3
Tokyo, Japan	47	47
Suwon, South Korea (Republic of Korea)	15	15
Taipei, Taiwan	29	29
Sanford, NC, USA	207	180
Utica, NY, USA	28	28
Chengdu, China	13	13
Belfast, Ireland	23	23

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Manufacturing (Note: Some manufacturing operations have offices and warehouses on the same property. In this situation, these operations/buildings have been included in the Manufacturing category.)	109,366	95,323
Offices (including R&D-only facilities/labs and sales offices)	799	799
Warehouses	254	226

C7.7

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

Not relevant as we do not have any subsidiaries

C7.9

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

Decreased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	73	Decreased	0.02	We increased renewable/low-carbon energy consumption at our facility in Morgan Hill, CA, USA in 2022 compared to 2021 amount (from 2,513 MWh to 2,705 MWh). This increase caused our scope 2 market-based emissions to decrease by about 73 MT CO2e in 2022. Calculation: CY 2021 scope 1 and 2 emissions = 457,630 MT CO2e; change in emissions due to additional renewable/low-carbon energy consumption = -73 MT CO2e; percent change = -73/457,630 * 100 = -0.02% (a 0.02 decrease in emissions)
Other emissions reduction activities	56,924	Decreased	12.44	We implemented new energy-efficiency projects and emissions reduction activities that contributed to the GHG reduction (installation of point of use abatement, lights exchange, consolidation of operations, process equipment replacement and process improvement). Calculation: CY 2021 scope 1 and 2 emissions = 457,630 MT CO2e; change in emissions due to emissions reduction activities = -56,924 MT CO2e; percent change = -56,924/457,630 * 100 = -12.44% (a 12.44 decrease in emissions).
Divestment	0	No change	0	We did not have any divestment in 2022.
Acquisitions	0	No change	0	We did not have any acquisitions in 2022.
Mergers	0	No change	0	We did not undergo any mergers in 2022.
Change in output	24,070	Increased	5.26	We expanded (organic growth) and opened a new facility in Marcy, NY, USA. This expansion caused our scope 1 and scope 2 location-based emissions to

				increase by about 24,070 MT CO2e in 2022. Calculation: CY 2021 scope 1 and 2 emissions = 457,630 MT CO2e; change in emissions due to expansion = 24,070 MT CO2e; percent change = 24,070/457,630 * 100 = 5.26% (a 5.26 increase in emissions)
Change in methodology	0	No change	0	We did not have any change in methodology in 2022.
Change in boundary	0	No change	0	We did not have any change in boundary in 2022 (related to scope 1 and scope 2).
Change in physical operating conditions	0	No change	0	We did not change our physical operating conditions in 2022.
Unidentified	4,950	Decreased	1.08	We are not able to specifically identify the reason for this 1.08% decrease from the previous year reporting year to the current reporting year. It likely relates to using less gases with high GWP in our manufacturing processes. Calculation: CY 2021 scope 1 and 2 emissions = 457,630 MT CO2e; change in emissions due to the unidentified reason = -4,950 MT CO2e; percent change = -4,950/457,630 * 100 = -1.08% (a 1.08 decrease in emissions)
Other	0	No change	0	We did not have any "Other" changes in 2022.

C7.9b

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

Location-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	99,087	99,087

Consumption of purchased or acquired electricity		3,227	364,459	367,686
Total energy consumption		3,227	463,546	466,773

C8.2b

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

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

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

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

903

Comment

Includes diesel and motor gasoline.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

98,184

Comment

Includes natural gas and propane gas.

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

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

99,087

Comment

Includes oil (diesel and gasoline) and gas (natural gas and propane gas)

C8.2e

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

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify

including renewable, hydroelectric, and nuclear

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

2,705

Tracking instrument used

Contract

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

United States of America

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

Yes

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

2022

Comment

All the electricity purchased at our Morgan Hill, CA, USA facility comes from carbon-free sources (e.g., solar, wind, hydropower and nuclear). Silicon Valley Clean Energy (SVCE) supplies carbon-free energy through the local utility's grid.

The supplier provided the following information: “In California we adhere to the Renewable Portfolio Standard (CA RPS) which sets forth a minimum level of renewable procurement for Load Serving Entities (LSEs). Since inception in 2017, SVCE has surpassed the minimum RPS requirement for renewable procurement in its base product GreenStart. SVCE chooses to fill the remainder of this product’s content with carbon-free hydroelectric and nuclear. These self-imposed standards are met through a variety of short term and long term procurement contracts with renewable and carbon-free suppliers, including the commissioning of our own renewable energy generation stations located throughout the state."

Note: Commissioning year of the energy generation facility is unknown - entered 2022 to match our reporting year.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Other, please specify

Grid mix and emission factors provided by local utility

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify

including renewable, hydroelectric and nuclear

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

522

Tracking instrument used

Other, please specify

local utility fleet energy source summary (owned resource only)

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

United States of America

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

Yes

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

2022

Comment

We use electricity mix data and emission factors provided by our utility at our North Carolina, USA locations to understand the amount of renewable and carbon-free (nuclear) electricity we purchase. We use this information to calculate our market-based scope 2 emissions.

Note: Commissioning year of the energy generation facility is unknown - entered 2022 to match our reporting year.

C8.2g

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

Country/area

United States of America

Consumption of purchased electricity (MWh)

366,281

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

366,281

Country/area

China

Consumption of purchased electricity (MWh)

684

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

684

Country/area

Hong Kong SAR, China

Consumption of purchased electricity (MWh)

67

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

67

Country/area

Germany

Consumption of purchased electricity (MWh)

204

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

204

Country/area

Sweden

Consumption of purchased electricity (MWh)

169

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

169

Country/area

Finland

Consumption of purchased electricity (MWh)

18

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

18

Country/area

Japan

Consumption of purchased electricity (MWh)

108

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

108

Country/area

Republic of Korea

Consumption of purchased electricity (MWh)

32

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

32

Country/area

Ireland

Consumption of purchased electricity (MWh)

71

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

71

Country/area

Taiwan, China

Consumption of purchased electricity (MWh)

52

Consumption of self-generated electricity (MWh)

0

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

0

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

0

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

52

C9. Additional metrics

C9.1

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

Description

Energy usage

Metric value

173

Metric numerator

million MWh

Metric denominator (intensity metric only)

Not applicable

% change from previous year

53

Direction of change

Increased

Please explain

We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and climate change. The products we produce and sell globally actually result in a net positive impact on climate change. Our Power and RF products sold in 2022 will save approximately 173 million MWh and 67 million metric tons CO2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products). The energy savings of our sold products increased in 2022 compared to the 113 million MWh of estimated savings in 2021 due to increased demand for our products in 2022 versus 2021.

C10. Verification

C10.1

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

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Wolfspeed 2023 ESG Assurance Statement_FINAL 2023-0626.pdf

Page/ section reference

Pages 1-3 (all pages); scope 1 emissions value on page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Wolfspeed 2023 ESG Assurance Statement_FINAL 2023-0626.pdf

Page/ section reference

Pages 1-3 (all pages); scope 2 location-based emissions value on page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Wolfspeed 2023 ESG Assurance Statement_FINAL 2023-0626.pdf

Page/ section reference

Pages 1-3 (all pages); scope 2 market-based emissions value on page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

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

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Wolfspeed 2023 ESG Assurance Statement_FINAL 2023-0626.pdf

Page/section reference

Pages 1-3 (all pages); scope 3 emissions values on page 1

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

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

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	Our third-party data verification followed their standard assurance methodology and approach for external verification of sustainability data, in part based on the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or reviews of Historical Financial Information (2012), suitably adapted.	Refer to the attached Assurance Statement. We received limited assurance of our total energy consumption (MWh) data. 1

1 Wolfspeed 2023 ESG Assurance Statement_FINAL 2023-0626.pdf

C11. Carbon pricing

C11.1

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

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

C11.2

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

No

C11.3

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

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

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

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Assess suppliers' environmental, health and safety program, including action plans, internal audits, regulatory requirements

% of suppliers by number

31

% total procurement spend (direct and indirect)

3

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

3

Rationale for the coverage of your engagement

Approved Supplier List (ASL) Assessment Audit with the environmental, health and safety questions section is used to assess new Purchased Quality Item (PQI) suppliers of items contained in Wolfspeed products and key consumable items. These types of suppliers are identified in our risk based PQI supplier model as required to undergo an ASL Assessment Audit.

Impact of engagement, including measures of success

The Approved Supplier List's Assessment Audit file contains an Environmental, Health and Safety (EH&S) section with several questions regarding the suppliers EH&S program. The questions are scored using a 1 to 4 scale. The EH&S section is included in the overall audit score.

Comment

Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including our CEO and subsequently published in our annual Sustainability Report. Our Sustainability goals include a target of engagement with suppliers on Environmental, Social, and Governance (ESG) risks and opportunities, including climate-related ones. The target is to “Evaluate ESG risks and opportunities for 100% of suppliers on our Approved Supplier List” by 2025 which represents our Product Quality Item suppliers. As of now this target doesn't cover non-production related suppliers. We anticipate the rate of progress towards this target to be variable year to year with the pace increasing as we near 2025. We worked on the project of developing an Environmental, Social and Governance survey and scoring matrix for questions and ESG sections based on our material topics. It is planned to be rolled out to relevant suppliers during their onboarding process.

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing

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

% of customers by number

100

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

100

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

All Wolfspeed customers can view information about our products and operations on our website, which is publicly available. Information regarding the energy efficiency of our products can be found throughout our website. Further information about our products' energy efficiency, REACH and RoHS declarations and how to dispose of our products at the end of their lives is communicated to our customers in our Sustainability Reports. Information about Wolfspeed's carbon footprint and climate change risks and opportunities can be found in the Energy and GHG Emissions section of our Sustainability Reports, TCFD reports, and our CDP Climate Change surveys.

Impact of engagement, including measures of success

To better inform our customers, we are committed to transparency of our GHG emissions and climate strategy. Being transparent about our products and operations helps maintain positive relationships and develop new relationships with our customers.

We measure our success by having increased volumes of sold Power-switching devices and Radio Frequency devices targeted for various applications such as electric vehicles, fast charging, 5G, renewable energy, and storage. Revenue in our Wolfspeed business in FY2022 increased 42% compared to FY 2021 due to growth in our device business.

Type of engagement & Details of engagement

Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

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

100

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

All Wolfspeed customers can review our study that demonstrates the superiority of silicon carbide for energy efficiency.

Wolfspeed and the Biophysical Economics Institute (BPEI), a non-profit organization dedicated to bringing the natural sciences into economic analysis and decision making, completed a pioneering study that demonstrates the superior performance of silicon carbide vs. traditional silicon semiconductor devices in electric cars. When silicon carbide is used in the powertrain of an electric vehicle, it delivers a 13:1 energy savings vs. the incremental energy invested, as compared to traditional silicon chips. This significant energy conservation allows for longer range, lighter weight and faster charging – all of which foster lower long-term energy usage and enhanced environmental sustainability.

The study, led by BPEI partner Hedgerow Analysis, LLC, uses BPEI's proprietary Energy Saved on Energy Invested (ESOI) metric, which allows for an apples-to-apples comparison of energy efficiency across applications and industries, taking into account the long lifespan of many advanced technologies. This analysis quantifies the energy saved over an equipment's life cycle vs. the incremental energy used in its production – with silicon carbide as an illustrative use case. ESOI, a concept based in the natural sciences, offers corporations, industry organizations and non-profit groups an objective standard, based on measurable energy and material flows, for evaluating the energy efficiency of any technology.

Information about this study is available on Wolfspeed's website (https://www.wolfspeed.com/company/news-events/news/wolfspeed-and-the-biophysical-economics-institute-announce-pioneering-study-that-demonstrates-the-superiority-of-silicon-carbide-for-energy-efficiency/) as well as Biophysical Economics Institute's website (https://bpeinstitute.org/bpei-pioneers-study-of-semiconductor-efficiency/).

Impact of engagement, including measures of success

This engagement via promoting innovations to reduce climate change impacts our customers as well as Wolfspeed. We believe that our Power and Radio Frequency products appeal to the growing number of eco-conscious consumers and commercial customers who want energy efficient, less-emissive, and long-lasting products.

Wolfspeed - Unleashing the Power of Possibilities™. Wolfspeed leads the industry transition from silicon to silicon carbide. The power of silicon carbide expands the boundaries of technology to make devices smaller, lighter, and more powerful. We are unlocking a new era of energy

efficiency, so the technology can work faster, easier, longer, and better. We deliver innovation in automotive, renewables, mobile networks, and power grids today. We are a catalyst to ignite new breakthroughs tomorrow, trading miles per gallon for more miles per charge. We power not just homes, but entire cities and we ignite an electric-powered future for all, where we consume less while doing more.

We measure our success by having increased volumes of sold Power-switching devices and Radio Frequency devices targeted for various applications such as electric vehicles, fast charging, 5G, renewable energy, and storage. Revenue in our Wolfspeed business in FY2022 increased 42% compared to FY2021 due to growth in our device business.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

All interested parties including investors can view information about our products and operations on our website, which is publicly available. Information regarding the energy efficiency of our products can be found throughout our website (www.wolfspeed.com). Information about our products' energy efficiency, REACH and RoHS declarations, and how to dispose of our products at the end of their lives is communicated on our website and in our annual Sustainability Report. Information about Wolfspeed's carbon footprint and climate change risks and opportunities can be found in the Energy and GHG Emissions and TCFD sections of our Sustainability Reports and our CDP Climate Change surveys. Wolfspeed engages with investors about climate-related information through annual completion of CDP Climate Change and CDP Supply Chain and sharing our Sustainability Report. When requested, Wolfspeed also engages directly with investors on a variety of Sustainability and climate-related topics, including the energy and GHG emissions savings of the use of our products compared to incumbent technologies. The engagement can be in a form of discussion and/or presentation.

C12.2

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

No, but we plan to introduce climate-related requirements within the next two years

C12.3

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

Row 1

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

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

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

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

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

Our mission is to lead the innovation and commercialization of silicon carbide, liberating designers to invent power and wireless systems for a responsible, energy efficient future. Our Power and Radio Frequency division has grown into a world-renowned commercial supplier of the fastest, most efficient semiconductor components ever available, enabling greater efficiency and performance, smaller systems and lower costs. Wolfspeed's Power and Radio Frequency products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication and electric vehicles. When choosing activities, we ensure they are in line with our company mission internally and externally. Future activities will be driven by our corporate Sustainability goals, which include a climate change-related target to help further reduce our greenhouse gas impacts. We have not directly engaged with policy makers on climate-related issues as they relate to our Power and Radio Frequency products, which is our new strategic focus. We choose to engage with other organizations, such as the Semiconductor Industry Association (SIA), for example, instead of directly engaging with policy makers. We plan to continue to support Wolfspeed's own efforts as well as support other organizations' efforts to ensure the growth of the semiconductor industry while also considering climate change issues going forward.

C12.3b

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

Trade association

Other, please specify

Semiconductor Industry Association

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

Consistent

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

No, we did not attempt to influence their position

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

The Semiconductor Industry Association's (SIA) position on climate change and reducing greenhouse gas emissions is available on their website as follows: "Under a Memorandum of Understanding (MOU) with EPA, SIA members voluntarily reported on their emissions of PFCs, a category of GHGs. Under this agreement, SIA members reduced their collective absolute US emissions of F-gases by more than 35% since 1995; and down 50% from their peak in 1999. SIA and its members have participated in the efforts of the World Semiconductor Council (WSC) to reduce emissions of PFCs. The global industry committed to a 10 percent reduction from a baseline year, and in 2011 the industry announced that it far surpassed this goal and achieved a reduction of 32 percent in absolute emissions. To build on this success, the global industry is implementing a new 10-year reduction goal."

As noted by the SIA, the U.S. semiconductor industry is responsible for a fraction of one percent of U.S. greenhouse gas (GHG) emissions, according to the EPA's GHG Reporting Program data. Although the industry contributes only a very small amount of GHG emissions, SIA and its members have been engaged in ongoing efforts to reduce these emissions.

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

85,005

Describe the aim of your organization's funding

SIA Year 2022 Charter Membership

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

Yes, we have evaluated, and it is aligned

C12.4

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

Publication

In mainstream reports

Status

Underway – previous year attached

Attach the document

FY2022 2022-Annual-Report-10K.pdf

Page/Section reference

Page 2 - Letter to Shareholders 2022; Pages 13-14 (7-8 in pdf) - Section: Governmental Regulation; Pages 27-28 (21-22 in pdf) - Section: Failure to comply with applicable environmental laws and regulations worldwide could harm our business and results of operations

Content elements

Other, please specify

Business strategy to support electric vehicles, 5G, industrial and energy applications; Environmental, Health, and Safety policy (p. 13-14); ISO 14001 (p. 14); environmental regulations (p.21, including pollution abatement and remediation equipment)

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

RY2022 RTP eGGRT Report.pdf

RY2022 DUR eGGRT Report.pdf

Page/Section reference

Pages 1-8 (all pages) - RY 2022 DUR eGGRT Report and Pages 1-10 (all pages) - RY 2022 RTP eGGRT Report

Content elements

Emissions figures

Comment

We annually report our scope 1 GHG emissions from semiconductor manufacturing for our facilities subject to the US EPA Mandatory Greenhouse Gas Reporting Rule.

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

RY2022 Wolfspeed Sustainability Report 2022.pdf

Page/Section reference

Page 3 - CEO Message; Page 16 - Sustainability Goals (related to emissions reduction); Pages 77-80 Energy and Greenhouse Gas Emissions; Pages 121-137 TCFD Disclosures; Pages 141-144 Sustainability Data (related to energy and emissions)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Our annual Sustainability Report contains various climate change-related information.

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

RY2022 2022 TCFD Report.pdf

Page/Section reference

Pages 1-2 (all pages)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

We have published a separate TCFD report

Publication

In voluntary communications

Status

Complete

Attach the document

RY2022 Environmental Awareness.pdf

Page/Section reference

Pages 1-13 (all pages)

Content elements

Emission targets

Comment

We provide environmental training to our employees, which includes information about energy and GHG emissions. The training attached is an example of training we provide and only contains the information relevant to this survey. All pages of the training are not included in this attachment for confidentiality reasons.

C12.5

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

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Other, please specify NC Environmental Stewardship Initiative	Our North Carolina manufacturing facilities are members of the North Carolina Environmental Stewardship Initiative (ESI). ESI is a voluntary program, provided by the state of North Carolina through the Department of Environmental Quality, to encourage companies to go beyond compliance to reduce impacts on the local environment. The program requires companies to have a mature environmental management system and aggressive environmental goals. ESI has three levels of participation. Our North Carolina facilities entered the program in 2018 at the first level as an Environmental Partner, with the goal of rising to the highest level as an Environmental Steward in the future. In 2019, our North Carolina facilities rose to the second level as a Rising Steward.

C15. Biodiversity

C15.1

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

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, and we do not plan to have both within the next two years

C15.2

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

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

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

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

WWF's Biodiversity Risk Filter

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

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

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

WWF's Biodiversity Risk Filter

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

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

C15.4

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

No

C15.5

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

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?

Row 1	No, and we do not plan to undertake any biodiversity-related actions

C15.6

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

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

C15.7

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

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

C16. Signoff

C-FI

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

C0.2 State the start and end date of the year for which you are reporting data.
The reporting year for our environmental disclosure is CY 2022 (January 1, 2022 to December 31, 2022). Our financial disclosures are based on our fiscal year, running from July to June.

C7 Emissions breakdown

Sums of scope 1 and 2 emissions broken down by GHG type, country, business division, facility, and activity might be slightly different than a total of scope 1 emissions and scope 2 emissions as reported in C6.1 and C6.2 due to rounding (less than 0.01% difference).

C8.2g Provide a breakdown of your non-fuel energy consumption by country.
A sum of non-fuel energy consumption by country is slightly different than a total of non-fuel energy consumption as reported in C8.2a due to rounding (less than 0.01% difference).

C16.1

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

	Job title	Corresponding job category
Row 1	President, Chief Executive Officer and Director	Director on board

SC. Supply chain module

SC0.0

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

Wolfspeed is an innovator of Wolfspeed® Power and Radio Frequency (RF) semiconductors. In addition to providing energy efficient products, we strive to reduce GHG emissions and improve energy efficiency at Wolfspeed sites. To better inform our customers, we are committed to the transparency of our GHG emissions and climate change strategy.

SC0.1

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

	Annual Revenue
Row 1	746,200,000