



# Welcome to your CDP Water Security Questionnaire 2023

## W0. Introduction

### W0.1

**(W0.1) Give a general description of 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.

### W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

### W0.3

**(W0.3) 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

### W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

### W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

### W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

### W0.7

**(W0.7) 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
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Yes, an ISIN code	US9778521024
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## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	<p>Most of our water is used for manufacturing including cooling tower use, but water is also used for irrigation and human consumption (i.e., drinking water, sanitary sewer and water for on-site cafeterias). We chose vital because our manufacturing processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination. Our leased operations like labs, warehouses and sales offices also rely on freshwater, mostly for employee use (WASH). Because we are expanding our silicon carbide production, we will remain dependent on good quality water and anticipate our water dependency to increase. We routinely explore options for water recycle improvements to help offset expected increases in water use as we expand. Our corporate Sustainability goals were approved by our Board of Directors, including our CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p> <p>Because our leased facilities use small quantities of water and based on the activities that occur there, we do not anticipate the demand of water at our leased facilities to change in the future. We chose important for our indirect activities because extraction and formulation of raw materials and process chemicals in our upstream supply chain rely on good quality freshwater, while the use of our products downstream does not require water and feel the disposal/recycling of our products at the end of their lives does not require large amounts of</p>



			<p>water. Water is important upstream because disruptions to our supply chain and raw materials could affect our business. We do not anticipate the raw materials we use to drastically change in the future, but because we are expanding our direct operations and will require more raw materials, we anticipate future water dependency of our supply chain to increase in line with our growth.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Important</p>	<p>Important</p>	<p>We chose important because direct operations have access to sufficient freshwater sources while also operating internal recycled water systems at our manufacturing facilities which require the most water. Because we opened the world's largest silicon carbide fabrication facility in Marcy, New York, complemented by our materials factory expansion at our Durham, North Carolina headquarters and building the world's largest materials manufacturing facility in Siler City, North Carolina, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. We routinely explore options for water recycle improvements to help offset the expected increase in water discharges as we expand.</p> <p>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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p> <p>Because our leased facilities do not require large quantities of water and based on the types of activities that occur at our leased facilities, we do not anticipate the demand of water at our leased facilities to drastically change in the future. Although we have not yet evaluated specific suppliers for use of recycled, brackish, and/or produced water upstream, we feel that this is important because extraction and formulation of raw materials and process chemicals in our upstream supply chain rely on the use of freshwater. We plan to further evaluate our supply chain to conduct such risk assessments. Recycled, brackish and/or produced water is not relevant to our downstream products because the use of our products does not require water. We also feel the disposal/recycling of our products at the end of their lives does not require large amounts of water.</p>





## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Water bills and internal meters for rainwater harvesting.	Our purchased water withdrawals are monitored continuously by the municipal owned flow meters. All owned site water withdrawals are measured at least monthly. Data is acquired via purchased water bills (third-party source) and internal meters for rainwater harvesting. For smaller leased facilities, we estimate water withdrawals annually based on square footage and the type of operation (i.e., labs, sales office, etc.). Water withdrawal (total volumes) is reported annually in our Sustainability Report.
Water withdrawals – volumes by source	100%	Monthly	Water bills and internal meters for rainwater harvesting.	Our purchased water withdrawals are monitored continuously by the municipal owned flow meters. All owned site water withdrawals are measured at least monthly. Data is acquired by purchased water bills (third-party source) and internal meters for rainwater harvesting. For smaller leased facilities, we estimate water withdrawals annually based on square footage and the type of operation (i.e., labs, sales office, etc.). Water withdrawal (volumes by source) is reported annually in our Sustainability Report.



Water withdrawals quality	1-25	Continuously	Water sampling, testing, and analysis.	Most of our water withdrawals are for manufacturing processes or cooling capacity. We clean the manufacturing process water to ultrapure standards using internal systems that are maintained regularly, therefore producing high quality water. All water purchased from municipalities is regulated and therefore is required to be within quality limits. Other internal sources (rainwater, recycle) are pre-treated before use in order to be at or above municipal quality. We do not currently measure or estimate water withdrawals quality for our smaller leased facilities.
Water discharges – total volumes	100%	Continuously	On-site flow meters	Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly. For smaller leased facilities, we estimate water discharges (total volume) annually based on square footage and the type of operation (i.e., labs, sales office, etc.). Water discharge (total volumes) is reported annually in our Sustainability Report.
Water discharges – volumes by destination	100%	Continuously	On-site flow meters	Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly. Water discharged from our facilities goes to a municipal wastewater treatment facility (Publicly Owned Treatment Works). For smaller leased facilities, we estimate water discharges annually



				based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility. Water discharge (volumes by destination) is reported annually in our Sustainability Report.
Water discharges – volumes by treatment method	100%	Continuously	On-site flow meters	All our manufacturing water discharges are sent to a municipal wastewater treatment facility (Publicly Owned Treatment Works). Additional onsite pre-treatment may be required at some of our locations to comply with local regulations, permits, and water quality standards. Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly. For smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility. Water discharge (volumes by treatment method) is reported annually in our Sustainability Report.
Water discharge quality – by standard effluent parameters	1-25	Daily	Water discharge sampling, testing, and analysis.	All our owned manufacturing facilities discharge to a municipal wastewater treatment facility (Publicly Owned Treatment Works) and are subject to local discharge requirements. Water discharged meets local regulatory requirements for water quality, including nutrients levels, metals, pH, temperature, etc. All our manufacturing sites have industrial user pre-



				<p>treatment permits that mandate the quality of water discharged. Additional onsite pre-treatment may be required at some of our locations to comply with local regulations, permits, and water quality standards. Those regulated parameters may be measured at locations to ensure compliance. Our smallest owned manufacturing facility discharges an insignificant amount of process wastewater and therefore is not required by its permit to complete quantitative water quality testing. We do not currently measure or estimate water discharge quality (standard effluent parameters) for our smaller leased facilities.</p>
<p>Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)</p>	1-25	Yearly	Annual calculation	<p>Annual calculation for nitrates discharges to waste water are included for facilities subject to toxic release inventory reporting. Each of our owned manufacturing facilities discharge to a municipal wastewater treatment facility (Publicly Owned Treatment Works) and are subject to local discharge requirements. Water discharged meets local regulatory requirements for water quality, including nitrates. Each of our manufacturing sites have industrial user permits that mandate the quality of water discharged. At some of our facilities, water quality is measured as required in our permits by the local Publicly Owned Treatment Works. We do not currently measure or estimate water discharge quality</p>



				(emissions to water) for our smaller leased facilities. Overall based on the processes in use, water discharge emissions to water are generally ambient.
Water discharge quality – temperature	1-25	Daily	Water discharge sampling, testing, and analysis.	All our owned manufacturing facilities discharge to a municipal wastewater treatment facility (Publicly Owned Treatment Works) and are subject to local discharge requirements. Water discharged meets local regulatory requirements for water quality, including nutrients levels, metals, pH, temperature, etc. All our manufacturing sites have industrial user pre-treatment permits that mandate the quality of water discharged. At some of our facilities, temperature is measured as required in our permits by the local Publicly Owned Treatment Works. We do not currently measure or estimate water discharge quality (temperature) for our smaller leased facilities. Overall based on the processes in use, water discharge temperature is generally ambient.
Water consumption – total volume	100%	Yearly	Calculated and provided to municipal authority for issuance of sewer credits.	Most of our water that is consumed during manufacturing is due to cooling tower use, but water is also consumed for irrigation and human consumption (i.e., drinking water, sanitary sewer and water used in locations where we have an on-site cafeteria). For our sites without large cooling capacity, it is assumed that water purchased is equal to water discharged. Water



				consumption (total volume) for all facilities is calculating by subtracting total discharges from total withdrawals. Water consumption (total volume) is reported annually in our Sustainability Report.
Water recycled/reused	100%	Continuously	On-site flow meters	Where water recycle systems are installed, recycle volumes are tracked using on-site meters. Water recycle systems are installed in our Durham, NC, USA facility (operational) and our Marcy, NY, USA facility (not operational yet) to offset municipal water purchases and reduce the consumption of water. Recycled water volumes are reported annually in our Sustainability Report.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Daily	Wolfspeed facilities are cleaned by janitorial staff and a system is in place to allow employees to submit a service request for non-functional or non-operable fixtures related to WASH services for all workers.	All Wolfspeed facilities provide fully-functioning, safely managed WASH services to all workers. Access to fully-functioning, safely managed WASH services for all employees is inherent in our culture and care for employees as embodied in our Code of Conduct. At our owned facilities, WASH services are managed by our Facilities department. Employees can report any WASH-related issues through a specific phone number and/or work order system. At our leased facilities, WASH services are required under our leasing terms and maintained by the building owner in compliance with local regulations. In our global locations, drinking water is provided by the local municipal water authority. All



				sanitation water is discharged to a municipal wastewater treatment facility (Publicly Owned Treatment Works).
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### W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	1,515.9	Higher	Facility expansion	Much higher	Facility expansion	<p>We selected “higher” because we withdrew 1515.9 megaliters in 2022 compared to 1449.8 megaliters in 2021. Our water demand is expected to increase in the future because, (a) we opened the world’s largest silicon carbide fabrication facility in Marcy, New York, (b) we expanded our materials factory at our Durham, North Carolina headquarters and (c) we are building the world’s largest materials manufacturing facility in Siler City, North Carolina.</p> <p>We routinely explore options for water use efficiency and water recycle improvements to help offset the expected increase in water withdrawals as we expand. Our corporate Sustainability goals were approved by our Board of Directors, including our CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>



						Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.
Total discharges	1,002	Much higher	Facility expansion	Much higher	Facility expansion	<p>We selected “much higher” because we discharged 1000.2 megaliters in 2022 compared to 699.0 megaliters in 2021. The main reason is due to expansion of our materials factory at our Durham headquarters and opening the world’s largest silicon carbide fabrication facility in Marcy, New York. Our water discharges are expected to increase in the future because of ramping up production in our new fabrication facility in Marcy, New York and building the world’s largest materials manufacturing facility in Siler City, North Carolina.</p> <p>We routinely explore options for water use efficiency and water recycle improvements to help offset the expected increase in water discharges as we expand. Our corporate Sustainability goals were approved by our Board of Directors, including our CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
Total consumption	513.9	Much higher	Facility expansion	Much higher	Facility expansion	<p>We selected “much higher” because we consumed 513.9 megaliters in 2022 compared to 347.2 megaliters in 2021. Our water consumption value is tied to our chilled</p>





						<p>water needs which were higher in 2022 and contributed to increased consumed water. Our water consumption is expected to increase in the future because , (a) we opened the world's largest silicon carbide fabrication facility in Marcy, New York, (b) we expanded our materials factory at our Durham, North Carolina headquarters and (c) we are building the world's largest materials manufacturing facility in Siler City, North Carolina.</p> <p>We routinely explore options for water use efficiency and water recycle improvements to help offset the expected increase in water consumption as we expand. Our corporate Sustainability goals were approved by our Board of Directors, including our CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
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**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.**

Withdrawals are from areas	% withdrawn from areas	Comparison with previous reporting year	Primary reason for comparison	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
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	with water stress	with water stress		with previous reporting year				
Row 1	Yes	11-25	Lower	Facility closure	Much higher	Facility expansion	WRI Aqueduct WWF Water Risk Filter	<p>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, 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. 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 (&gt;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 owned manufacturing facilities is located in an area with the risk category "High." Its 2022 water withdrawals represent approximately 12.2% of our total</p>



								<p>2022 global water withdrawals.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
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## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	5.82	Lower	Other, please specify Lower than average rainfall	<p>Water withdrawal from rainwater is relevant because it helps us to offset our water withdrawal amounts from third-party purchased water. Our facilities captured 5.82 megaliters of rainwater for use in 2022. Rainwater is the only source of fresh surface water utilized at our facilities. During 2022 there was lower than average rainfall in North Carolina where our rainwater harvest system is used which led to lower capture of rainwater amount.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
Brackish surface water/Seawater	Not relevant				This source is not relevant because our facilities do not use brackish surface water/seawater for our water



					<p>withdrawals. At our owned facilities, all water is supplied by a third-party (municipal water) or from rainwater (fresh surface water). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all withdrawals come from a third-party source.</p>
Groundwater – renewable	Not relevant				<p>This source is not relevant because our facilities do not use groundwater for our water withdrawals. At our owned facilities, all water is supplied by a third-party (municipal water) or from rainwater (fresh surface water). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all withdrawals come from a third-party source.</p>
Groundwater – non-renewable	Not relevant				<p>This source is not relevant because our facilities do not use groundwater for our water withdrawals. our owned facilities, all water is supplied by a third-party (municipal water) or from rainwater (fresh surface water). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all withdrawals come from a third-party source.</p>
Produced/Entrained water	Not relevant				<p>This source is not relevant because our facilities do not use produced/entrained for our water withdrawals. our owned facilities, all water is supplied by a third-party (municipal water) or from rainwater (fresh surface water). For our smaller leased facilities, we estimate water</p>



					discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all withdrawals come from a third-party source.
Third party sources	Relevant	1,510.1	Much higher	Facility expansion	<p>Water withdrawal from third-party sources is relevant because this is our main source of incoming water for our manufacturing sites. For our smaller leased facilities, we estimate water withdrawal annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all water comes from third-party sources. Our facilities used approximately 1510.1 megaliters of third-party water in 2022, as compared to 1039.6 megaliters in 2021. The withdrawal volume increased in 2022 compared to our reported 2021 value because we opened the world's largest silicon carbide fabrication facility in Marcy, New York and we expanded our materials factory at our Durham, North Carolina headquarters.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>

### W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain



Fresh surface water	Not relevant				This destination is not relevant because our facilities do not discharge directly to fresh surface water. Water from our owned facilities is all discharged to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility.
Brackish surface water/seawater	Not relevant				This destination is not relevant because our facilities do not discharge directly to brackish surface water/seawater. Water from our owned facilities is all discharged to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility.
Groundwater	Not relevant				This destination is not relevant because our facilities do not discharge directly to groundwater. Water from our owned facilities is all discharged to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility.
Third-party destinations	Relevant	1,002	Much higher	Facility expansion	This destination is relevant because all our owned facilities discharge wastewater to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). For smaller leased facilities, we estimate water discharges annually



					<p>based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility. In 2022 our facilities discharged 1002.0 megaliters, as compared to 699.0 megaliters in 2021. The main reason is due to opening the world's largest silicon carbide fabrication facility in Marcy, New York, complemented by our materials factory expansion at our Durham, North Carolina headquarters.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
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## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					This treatment option is not relevant at our owned facilities because our facilities do not use tertiary treatment. All discharges go to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). We operate a wastewater pre-treatment system at a number of our owned facilities prior to



						<p>discharging to the Publicly Owned Treatment Works, but this pre-treatment process does not include tertiary treatment. For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility and are not treated prior to discharge.</p>
<p>Secondary treatment</p>	<p>Not relevant</p>					<p>This treatment option is not relevant at our owned facilities because our facilities do not use secondary treatment. All discharges go to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). We operate a wastewater pre-treatment system at a number of our owned facilities prior to discharging to the Publicly Owned Treatment Works, but this pre-treatment process does not include secondary treatment. For our smaller leased facilities, we estimate water discharges annually based on square footage</p>





						and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility and are not treated prior to discharge.
Primary treatment only	Not relevant					This treatment option is not relevant at our owned facilities because our facilities do not use primary treatment. All discharges go to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). We operate a wastewater pre-treatment system at a number of our owned facilities prior to discharging to the Publicly Owned Treatment Works, but this pre-treatment process does not include primary treatment. For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility and are not treated prior to discharge.
Discharge to the natural	Not relevant					This treatment option is not relevant at our owned facilities



environment without treatment						because our facilities do not discharge directly to the natural environment. All discharges go to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works). For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility and are not treated prior to discharge.
Discharge to a third party without treatment	Relevant	16.57	About the same	Other, please specify No significant changes for locations that discharge directly to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works) without treatment.	81-90	This treatment option is relevant at our owned facilities because some of our facilities discharge directly to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works) without treatment. We operate a wastewater pre-treatment system at a number of our facilities prior to discharging to the Publicly Owned Treatment Works, but not all of our owned facilities have a pre-treatment system and therefore discharge directly to a Publicly Owned Treatment Works without



						<p>treatment. For our smaller leased facilities, we estimate water discharges annually based on square footage and the type of operation (i.e., labs, sales office, etc.) and assume all discharges go to a third-party facility and are not treated prior to discharge.</p> <p>Approximately the same as last year due to no significant changes for locations that discharge directly to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works) without treatment.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
Other	Relevant	985.47	Much higher	Facility expansion	11-20	All our owned manufacturing facilities discharge to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works) and are subject to local discharge requirements. Water discharged meets local regulatory



						<p>requirements for water quality, including nutrients levels, metals, pH, temperature, etc. We operate a wastewater pre-treatment system at a number of our facilities. For example, the wastewater pre-treatment system at our North Carolina manufacturing facilities treats fluorides before being sent to our local Publicly Owned Treatment Works.</p> <p>The main reason for increase is due to opening the world's largest silicon carbide fabrication facility in Marcy, New York, complemented by our materials factory expansion at our Durham, North Carolina headquarters.</p> <p>Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.</p>
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### W1.2k

**(W1.2k) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.**

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	Please explain
Row 1	18.75	Nitrates	Wolfspeed generates nitrates during an acid waste neutralization process. Annual calculation for nitrates discharge to waste water are included for facilities subject to toxic release inventory reporting.

### W1.3

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	746,200,000	1,515.9	492,248.829078435	The future trend of this metric might fluctuate year to year. We anticipate withdrawing more water with our growth plans (construction of new facilities and expansion of our factory at our headquarters). But we also anticipate increased revenue in upcoming years due to higher demand for our more energy efficient silicon carbide Power and Radio Frequency products rather than less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products).

### W1.4

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**



Products contain hazardous substances	
Row 1	Yes

### W1.4a

**(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?**

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	21-40	<p>Wolfspeed’s scope of products have 33% of products affected by the European Union REACH SVHC list. This list is reportable only if contained above the 0.1% Article 33 limit. For Wolfspeed, boric oxide and lead (Pb) are the substances used. There is no technological substitute at this time. The lead (Pb) use cases are also exempted within the EU RoHS and EU ELV directives. No sales volumes or financial information will be provided since this is considered proprietary information.</p> <p>Note: % revenue is considered proprietary information, % products affected has been provided</p>

### W1.5

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes



## W1.5a

### (W1.5a) Do you assess your suppliers according to their impact on water security?

**Row 1**

**Assessment of supplier impact**

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

**Please explain**

We currently don't ask our suppliers specifically about their water use and water risks and/or water management information. However, we have a supplier questionnaire that has an Environmental, Health and Safety (EHS) section asking about supplier's EHS program, action plans, internal audits and regulatory requirements that could include water.

## W1.5b

### (W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	Wolfspeed's Supplier Code of Conduct expects suppliers to integrate environmentally responsible practices into their operations, including water management as follows:  "Supplier shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required by applicable laws and regulations prior to discharge or disposal. Participant shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. "



## W1.5d

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

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### **Type of engagement**

Other

### **Details of engagement**

Other, please specify

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

### **% of suppliers by number**

26-50

### **Rationale for 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 the engagement and 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. Our Sustainability goals include a target of engagement with suppliers on Environmental, Social, and Governance (ESG) risks and opportunities, including water-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 (not including non-production related suppliers).





## W1.5e

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

---

**Type of stakeholder**

Customers

**Type of engagement**

Education / information sharing

**Details of engagement**

Run an engagement campaign to educate stakeholders about your water-related performance and strategy

**Rationale for your engagement**

Wolfspeed engages with customers in this regard by responding to customer surveys as requested. Wolfspeed engages with all stakeholders by providing water-related information, strategy, performance, and data in our annual Sustainability Report.

**Impact of the engagement and measures of success**

Transparency and direct engagement with customers help maintain positive relationships and develop new relationships with our customers. We measure our success through continued and increased commercial business.

## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No



## W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Enforcement orders or other penalties but none that are considered as significant	We received a Notice of Violation from the Publicly Owned Treatment Works for exceeding wastewater discharge limit. This occurred at one site due to increased production that led to increased water use and discharge. No fines were associated with this Notice of Violation. To prevent re-occurrence, we have optimized water usage and pursuing additional wastewater reclamation at this site.

## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Calculated based on mass balance for toxic release inventory reporting.

### W3.1a

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**



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**Water pollutant category**

Nitrates

**Description of water pollutant and potential impacts**

Nitrates as water pollutants can affect how blood carries oxygen and may result in health issues from drinking water contaminated with nitrates. Nitrate contamination can occur in surface water and ground water and can have damaging impacts on rivers, lakes, and coasts.

**Value chain stage**

Direct operations

Other, please specify

Acid waste neutralization process

**Actions and procedures to minimize adverse impacts**

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Other, please specify

Wolfspeed generates nitrates during an acid waste neutralization process.

**Please explain**

Wolfspeed generates nitrates during an acid waste neutralization process. Annual calculation for nitrates discharge to waste water are included for facilities subject to toxic release inventory reporting. Generated nitrates are released to a third-party municipal wastewater treatment facility (Publicly Owned Treatment Works) in line with each site's discharge permits.

**W3.3**

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed



## W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

---

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

**Tools and methods used**

WRI Aqueduct

WWF Water Risk Filter

**Contextual issues considered**

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Water regulatory frameworks



Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

- Employees
- Local communities
- Regulators
- Water utilities at a local level

**Comment**

We use the WRI Aqueduct and the WWF Water Risk Filter tool to assess our facilities' water risks. We assess the water stress of our facilities using the WRI Aqueduct tool. This information is reported annually in our Sustainability Report.

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**Value chain stage**

Other stages of the value chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

**Tools and methods used**



WRI Aqueduct  
WWF Water Risk Filter

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Other, please specify

Production challenges in case we can't withdraw and discharge water because our processes require water of high purity and there are local regulatory limits for discharged water.

**Stakeholders considered**

Customers  
Investors  
Local communities

**Comment**

We use the WRI Aqueduct and the WWF Water Risk Filter tool to assess our facilities' water risks. We assess the water stress of our facilities using the WRI Aqueduct tool. We use the results of the risk assessments to understand how our risks may affect other stakeholders in our value chain, such as investors, local communities and customers.

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**Value chain stage**

Supply chain

**Coverage**

**Risk assessment procedure**

**Frequency of assessment**



**How far into the future are risks considered?**

**Type of tools and methods used**

**Tools and methods used**

**Contextual issues considered**

**Stakeholders considered**

**Comment**

We have not yet assessed water-related risks in our supply chain.

**W3.3b**

**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	<b>Rationale for approach to risk assessment</b>	<b>Explanation of contextual issues considered</b>	<b>Explanation of stakeholders considered</b>	<b>Decision-making process for risk response</b>
Row 1	Our water-related risk assessment scope includes direct operations, but customers and investors are tangentially included in our assessment as well. A variety of	We use the WRI Aqueduct and the WWF Water Risk Filter tool to assess our water risks of direct operations (water availability, quality and regulations), which includes	We consider the following stakeholders: employees (part of our operations), local communities, regulators (including water utilities). Customers and investors are	We use the results of the analyses to inform our internal decision-making process, including planning for future water stewardship projects and



<p>risks for our direct operations are considered during our WRI Aqueduct and WWF Water Risk Filter assessment, which have the potential to affect our customers and how we are perceived by investors. For example, Wolfspeed could experience a water scarcity issue that affects the ability for us to properly manufacture our products, causing brand image and customer relations issues; customers are included in our evaluation of risks for these reasons. Investors are included in our assessment because these issues could affect how investors perceive our business and affect investment decisions. We are also transparent with our annual Sustainability data, posting it publicly on our website. To ensure this transparency, we provide water data in a standardized manner (per GRI 303: Water and Effluents). We also provide water use information to our customers through completion of their supplier questionnaires.</p>	<p>employees. We use the WWF Water Risk Filter tool to analyze the water risks of our facilities, because the tool allows us to answer questions related to our specific industry (i.e., semiconductors) and specific questions related to each of our facilities to obtain a deeper understanding of our risks. We used the WRI Aqueduct tool to assess water stress of all facilities and risks for smaller leased facilities because it is a good first step to easily assess water risks based on location and allows us to view future (2030 and 2040) water risks for all facilities. Drinking water and sanitation risks are included in our assessments, as it is built into the WRI Aqueduct and WWF Water Risk Filter risk analysis. Accessibility to WASH services for all employees is relevant to our business because it is a service that is provided to all Wolfspeed employees. Access to fully-functioning, safely managed WASH services for all employees is inherent in our culture and care for employees as embodied in our Code of Conduct. We also</p>	<p>tangentially included in our assessment as well. Risks associated with water quantity and quality at a basin/catchment level, stakeholder conflicts concerning water resources at a basin/catchment level, and status of ecosystems and habitats, for example, are part of the WRI Aqueduct and WWF Water Risk Filter assessment, which have the potential to affect both our operations and our local communities. Wolfspeed aims to ensure we are good stewards in the communities in which we operate. We obtain and comply with all required water-related permits and regulations and work with regulators in the event of incidents. We also maintain third-party audited ISO 14001 certifications at our facilities. Within our Environmental Management Systems for our manufacturing sites, we track regulatory requirements to ensure we maintain compliance. Our facilities that use the largest</p>	<p>goals/targets setting. We developed our corporate Sustainability goals during 2021. They were approved by our Board of Directors, including our CEO. Our Sustainability goals include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>
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		assessed the risks of our new material facility currently being constructed in Siler City, NC, USA.	amounts of water are located in areas with developed water and wastewater technologies. We engage with local water utilities as needed. Production challenges in case we can't withdraw and discharge water because our processes require water of high purity and there are local regulatory limits for discharged water.	
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## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

### W4.1a

**(W4.1a) 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 water-related impacts. An example of a substantive financial impact could be water scarcity issues affecting the ability for us to manufacture our products, causing brand image, revenue and/or customer relations issues. Good quality freshwater is vital for direct use (rinsing, cooling, cutting) for our manufacturing processes. Because our manufacturing processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination, any disruptions to our supply of water at our manufacturing facilities could result in a substantive financial impact to us and other members of our value chain (e.g., our customers).



### W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	We believe that two of our manufacturing facilities exposed to water risks have the potential for a substantive financial or strategic impact on our business (3 of our 19 sites, representing 16% of global real estate portfolio). Using the results of our WWF Water Risk Filter analysis, two of our manufacturing sites exhibit high operational physical risks that could affect our business, including water scarcity and quality (RTP, NC, USA and Marcy, NY, USA). We have also chosen to include another site which exhibits only medium operational physical risks (Durham, NC, USA). The site is critical in supporting the organization through our expansion plans and has high water demands. Other manufacturing facilities were analyzed using the WWF Water Risk Filter but not found to have high risks in terms of the potential for a substantive financial or strategic impact our business. We also assessed our smaller leased facilities using the WRI Aqueduct tool, and although the results of the analysis show varied levels of risk depending on location, we do not feel that these risks have the potential to cause a substantive financial or strategic impact on our business based on the activities and size of those operations.

### W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

---

**Country/Area & River basin**  
United States of America



Other, please specify  
Neuse River

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**% company's total global revenue that could be affected**

Unknown

**Comment**

---

**Country/Area & River basin**

United States of America  
Cape Fear River

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**% company's total global revenue that could be affected**

Unknown

**Comment**



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**Country/Area & River basin**

United States of America

Other, please specify

Mohawk River

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**% company's total global revenue that could be affected**

Unknown

**Comment**

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Country/Area & River basin**

United States of America

Other, please specify

Neuse River

**Type of risk & Primary risk driver**



Chronic physical  
Water scarcity

**Primary potential impact**

Upfront costs to adopt/deploy new practices and processes

**Company-specific description**

Using the WRI Aqueduct tool, we have assessed our future risks out to 2030 and 2040 for water stress and water supply of the area in which this facility is located. The WRI Aqueduct tool shows that there will be “near normal” change in water scarcity and water supply in the area by 2030 and 2040. However, we feel that increased water scarcity could be a potential risk for us in the Raleigh/Durham/Research Triangle Park area in the longer-term future, which is where our current largest manufacturing operations are located. We feel this could be a risk based on the current and future expected growth in the area, in terms of increased manufacturing, commercial operations and residential developments. Raleigh is one of the fastest growing cities in the United States and increased growth in the area could potentially lead to water availability issues in the future. About 10 years ago, we also experienced a drought at this facility and were required to evaluate alternative sources for water withdrawals. Although the WWF Water Risk Filter indicates a very low Drought Frequency Probability for this facility, we believe water scarcity still has the potential to have a substantive financial or strategic impact on our business.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

About as likely as not

**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)**

8,000,000

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

16,000,000

**Explanation of financial impact**

We estimated 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 at this facility in the Neuse River basin was approximately 252 million gallons which would mean financial impact between approximately \$8 million to \$16 million (225 million gallons \* 3.2 cents (and 6.4 cents) / 100 = \$8 million (and \$16 million).

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Our facility 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. 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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019. 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

**Cost of response**

10,000,000

**Explanation of cost of response**



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. It also includes estimated salaries for employees who work directly with our onsite water recycle system and employees who work with the municipality regarding changes in our water demand. All crisis response members are Wolfspeed employees and we do not anticipate extra costs beyond current salary compensation for these employees.

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**Country/Area & River basin**

United States of America  
Cape Fear River

**Type of risk & Primary risk driver**

Chronic physical  
Water scarcity

**Primary potential impact**

Upfront costs to adopt/deploy new practices and processes

**Company-specific description**

Using the WRI Aqueduct tool, we have assessed our future risks out to 2030 and 2040 for water stress and water supply of the area in which this facility is located. The WRI Aqueduct tool shows that there will be “near normal” change in water scarcity and water supply in the area by 2030 and 2040. However, we feel that increased water scarcity could be a potential risk for us in the Raleigh/Durham/Research Triangle Park area in the longer-term future, which is where our current largest manufacturing operations are located. We feel this could be a risk based on the current and future expected growth in the area, in terms of increased manufacturing, commercial operations and residential developments. Raleigh is one of the fastest growing cities in the United States and increased growth in the area could potentially lead to water availability issues in the future. About 10 years ago, we also experienced a drought at this facility and were required to evaluate alternative sources for water withdrawals. Although the WWF Water Risk Filter indicates a very low Drought Frequency Probability for this facility, we believe water scarcity still has the potential to have a substantive financial or strategic impact on our business.

**Timeframe**

More than 6 years



**Magnitude of potential impact**

Low

**Likelihood**

About as likely as not

**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)**

1,600,000

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

3,100,000

**Explanation of financial impact**

We estimated 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 at this facility was approximately 49 million gallons which would mean financial impact between approximately \$1.6 million to \$3.1 million (46 million gallons \* 3.2 cents (and 6.4 cents) / 100 = \$1.6 million (and \$3.1 million).

**Primary response to risk**

Other, please specify  
business continuity plan, crisis response team

**Description of response**

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.

**Cost of response**

0

**Explanation of cost of response**

All crisis response members are Wolfspeed employees and we do not anticipate extra costs beyond current salary compensation for these employees.

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**Country/Area & River basin**

United States of America

Other, please specify

Neuse River

**Type of risk & Primary risk driver**

Technology

Other, please specify

Malware/ransomware attack

**Primary potential impact**

Upfront costs to adopt/deploy new practices and processes

**Company-specific description**



A couple years back the city and county government systems where our Durham facility is located experienced a malware attack, causing their data servers to be taken offline for a few days. At this manufacturing facility, we purchase water through the city government's utility and discharge our water to the county's Publicly Owned Treatment Works. Although the malware attack did not affect our ability to receive or discharge water during the event, this kind of event has the potential to have a substantive financial or strategic impact on our business. If a malware or ransomware attack affects our city and county, we may have issues being able to purchase water if the city government's utility is forced to shut down and/or issues being able to discharge water if the county's Publicly Owned Treatment Works is unable to operate. If we are unable to receive water, it could cause us to stop some of our manufacturing processes. If we are unable to discharge water to our Publicly Owned Treatment Works it could also stop some of our manufacturing processes or we would be required to find an alternative method to dispose of our water, such as dispose of our wastewater as waste.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-low

**Likelihood**

More likely than not

**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)**

6,000,000

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

8,000,000

**Explanation of financial impact**



We estimated financial impact based on loss revenue if our production is stopped due to inability to withdraw and/or discharge water. If our manufacturing processes get shut down, it takes between 3-4 days to resume normal operations which would cost us between \$6 million to \$8 million in revenue (FY22 revenue = \$746,200,000; per day =  $\$746,200,000 / 365 = \$2,044,384$ ; 3 days =  $\$2,044,384 * 3 = \$6,133,152$  and 4 days =  $\$2,044,384 * 4 = \$8,177,536$  million).

**Primary response to risk**

Other, please specify  
water recycling, business continuity plan, crisis response team

**Description of response**

Our facility 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. 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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019. 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.

**Cost of response**

10,000,000

**Explanation of cost of response**

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. It 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.

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**Country/Area & River basin**



United States of America  
Cape Fear River

**Type of risk & Primary risk driver**

Technology  
Other, please specify  
Malware/ransomware attack

**Primary potential impact**

Upfront costs to adopt/deploy new practices and processes

**Company-specific description**

A couple years back the city and county government systems where our Durham facility is located experienced a malware attack, causing their data servers to be taken offline for a few days. At this manufacturing facility, we purchase water through the city government's utility and discharge our water to the county's Publicly Owned Treatment Works. Although the malware attack did not affect our ability to receive or discharge water during the event, this kind of event has the potential to have a substantive financial or strategic impact on our business. If a malware or ransomware attack affects our city and county, we may have issues being able to purchase water if the city government's utility is forced to shut down and/or issues being able to discharge water if the county's Publicly Owned Treatment Works is unable to operate. If we are unable to receive water, it could cause us to stop some of our manufacturing processes. If we are unable to discharge water to our Publicly Owned Treatment Works it could also stop some of our manufacturing processes or we would be required to find an alternative method to dispose of our water, such as dispose of our wastewater as waste.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-low

**Likelihood**

More likely than not

**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)**

6,000,000

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

8,000,000

**Explanation of financial impact**

We estimated financial impact based on loss revenue if our production is stopped due to inability to withdraw and/or discharge water. If our manufacturing processes get shut down, it takes between 3-4 days to resume normal operations which would cost us between \$6 million to \$8 million in revenue (FY22 revenue = \$746,200,000; per day =  $\$746,200,000 / 365 = \$2,000,000$ ; 3 days =  $\$2 \text{ million} * 3 = \$6 \text{ million}$  and 4 days =  $\$2 \text{ million} * 4 = \$8 \text{ million}$ ).

**Primary response to risk**

Other, please specify  
business continuity plan, crisis response team

**Description of response**

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.

**Cost of response**

0

**Explanation of cost of response**



All crisis response members are Wolfspeed employees and we do not anticipate extra costs beyond current salary compensation for these employees.

### W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Evaluation in progress	At this time, our water-related risk assessment scope only includes direct operations, but other stakeholders, like customers, local communities and investors, are tangentially included in our assessment. A variety of risks for our direct operations are considered during our WRI Aqueduct and WWF Water Risk Filter assessments, which have the potential to affect our value chain. For example, Wolfspeed could experience a water scarcity issue that affects the ability for us to manufacture our products, causing brand image and/or customer relations issues. We have reviewed some of our value chain in our assessment and continue to broaden our assessment to include other stakeholders. We feel we are potentially exposed to risks in our value chain but have not yet assessed all potential risks in terms of whether they have the potential to have a substantive financial or strategic impact to our business. Stakeholders in our value chain are relevant, and we expect to cover them more in water-related risk assessments in the coming years.

### W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

### W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**



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**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

We operate a water recycle system and rainwater harvesting system at our Durham, NC, USA facility. Wolfspeed continues to evaluate newer technologies with respect to rainwater harvesting and water recycling and reuse and plans to implement them when feasible. Additional water recycle and rainwater capture opportunities have been identified at this facility and are currently under review for technical feasibility, cost, and potential timeline. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. 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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019. This target will have a direct positive impact on improving water efficiency in our operations.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Low

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,000,000

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



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

**Explanation of financial impact**

The potential financial impact represents the amount of money saved annually by harvesting rainwater and recycling our water versus purchasing water from the local utility. The financial impact includes the savings from our current systems as well as estimated savings from potential additional opportunities. The figure includes amount of rainwater and recycled water in 2022 (~67million gallons) and potential increased recycled water capacity of 75,000 gallons per day (75,000\*365=~27 million gallons per year) multiplied by an average price per gallon of purchased water (\$0.011) = ~\$1.000.000.

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**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

Because we opened a new state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, we are expanding our materials factory at our Durham headquarters and building the world’s largest materials manufacturing facility in Siler City, North Carolina, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. Our Marcy, New York facility is planned to use a water recycling system similar to that used at our Durham, NC, USA facility. Wolfspeed continues to evaluate newer technologies with respect to water recycling and reuse and plans to implement them when feasible. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. 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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019. This target will have a direct positive impact on improving water efficiency in our operations.

**Estimated timeframe for realization**

1 to 3 years





**Magnitude of potential financial 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)**

100,000

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

300,000

**Explanation of financial impact**

The potential financial impact represents the estimated amount of money that will be saved annually by various water efficiency projects built into the design of the new wafer fabrication facility and recycling our water versus purchasing water from the local utility. Examples of water efficiency projects: no permanent irrigation installed, all outdoor landscaping is native and adaptive and only needs rainwater; low flow toilets, urinals, lavatory faucets; and using reverse osmosis process to reuse the water. We still wanted to highlight the water efficiency projects, including our recycle system, planned for our new wafer fabrication facility even though these opportunities do not meet our \$1 million threshold for substantive financial impact on our business.

## **W5. Facility-level water accounting**

### **W5.1**

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**



**Facility reference number**

Facility 1

**Facility name (optional)**

Durham, NC, USA

**Country/Area & River basin**

United States of America

Other, please specify

Neuse River

**Latitude**

35.901193

**Longitude**

-78.840387

**Located in area with water stress**

No

**Total water withdrawals at this facility (megaliters/year)**

959.5

**Comparison of total withdrawals with previous reporting year**

Much higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

5.82

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**



0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

953.7

**Total water discharges at this facility (megaliters/year)**

627.3

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

627.3

**Total water consumption at this facility (megaliters/year)**

332.3

**Comparison of total consumption with previous reporting year**



Much higher

**Please explain**

Because we expanded operations at this facility, it caused our total withdrawals value to increase. We have also made process changes at some of our facilities, causing water to be used and discharged at a different rate. For example, at this facility we initiated new/additional processes that increased our water usage, but that discharges water out directly (i.e., very little water consumption). We routinely explore options for water use efficiency and water recycle improvements to help offset the expected increase in water withdrawals as we expand.

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 water-related goal of increasing water recycling rate by 25% by 2025 relative to a base year of 2019. This target will have a direct positive impact on improving water efficiency in our operations. This goal has been adopted as a site goal by our facility in Durham, NC, USA.

Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

RTP, NC, USA

**Country/Area & River basin**

United States of America  
Cape Fear River

**Latitude**

35.916358

**Longitude**

-78.872131



**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

185.2

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

185.2

**Total water discharges at this facility (megaliters/year)**

85.8

**Comparison of total discharges with previous reporting year**

Much lower



**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

85.8

**Total water consumption at this facility (megaliters/year)**

99.5

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

Because we purchased more water for withdrawals at this facility, it caused our total withdrawals value to increase. We installed a water meter at our RTP facility which allowed us to more accurately monitor and measure our discharged water which is a reason for water discharge decrease and water consumption increase in 2022. We routinely explore options for water use efficiency and water recycle improvements to help offset the expected increase in water withdrawals as we expand.

Our threshold is +/-5% for about the same, lower/higher more than 5% but less than 10% and much lower/much higher for more than 10%.

---

**Facility reference number**

Facility 3

**Facility name (optional)**



Marcy NY, USA

**Country/Area & River basin**

United States of America

Other, please specify

Mohawk River

**Latitude**

43.140419

**Longitude**

-75.237748

**Located in area with water stress**

No

**Total water withdrawals at this facility (megaliters/year)**

354.6

**Comparison of total withdrawals with previous reporting year**

This is our first year of measurement

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0



**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

354.6

**Total water discharges at this facility (megaliters/year)**

272.5

**Comparison of total discharges with previous reporting year**

This is our first year of measurement

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

272.5

**Total water consumption at this facility (megaliters/year)**

82.1

**Comparison of total consumption with previous reporting year**

This is our first year of measurement

**Please explain**

We opened our fabrication facility in Marcy, NY, USA in April 2022. This reporting year is our first year of measurement, so we can't provide comparison with previous reporting year.





## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

### Water withdrawals – total volumes

---

**% verified**

76-100

**Verification standard used**

Our third-party verification was conducted following 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.

### Water withdrawals – volume by source

---

**% verified**

76-100

**Verification standard used**

Our third-party verification was conducted following 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.

### Water withdrawals – quality by standard water quality parameters

---

**% verified**

Not verified

**Please explain**



### **Water discharges – total volumes**

---

**% verified**

76-100

**Verification standard used**

Our third-party verification was conducted following 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.

### **Water discharges – volume by destination**

---

**% verified**

76-100

**Verification standard used**

Our third-party verification was conducted following 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.

### **Water discharges – volume by final treatment level**

---

**% verified**

76-100

**Verification standard used**



Our third-party verification was conducted following 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.

### **Water discharges – quality by standard water quality parameters**

---

**% verified**

Not verified

**Please explain**

### **Water consumption – total volume**

---

**% verified**

Not verified

**Please explain**

## **W6. Governance**

### **W6.1**

**(W6.1) Does your organization have a water policy?**

No, but we plan to develop one within the next 2 years

### **W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes



## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Director on board	<p>Our Board of Directors is responsible for all Sustainability matters at Wolfspeed, including water-related issues, through our Governance and Nominations Committee. Our CEO, who is also the Company’s President and a member of the Board Directors, is also ultimately responsible for water-related issues impacting the company because he has oversight of departments within Wolfspeed, including those that manage water-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.</p> <p>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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p> <p>Note: We selected “Director on board” in the Position of individual(s) column, but “Chief Executive Officer (CEO)” and “President” are applicable as well.</p>

## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain



Row 1	Scheduled - some meetings	<p>Overseeing major capital expenditures</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Other, please specify</p> <p>Water-related issues are reviewed as important matters arise.</p>	<p>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 water-related risks as important matters arise. The Board of Directors helps guide our Sustainability strategy, including goals/targets development.</p> <p>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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>
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### W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

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

### W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

---

**Name of the position(s) and/or committee(s)**



Other, please specify

Senior Vice President of Global Operations

**Water-related responsibilities of this position**

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

Our SVP of Global Operations oversees our Facilities, Production, and Environment, Health and Safety (EHS) departments. Our Facilities and Operations departments assess and manage water-related risks and opportunities at all Wolfspeed facilities. Our EHS department assesses water related risks and opportunities, including overseeing Sustainability Reporting, water-related regulatory compliance and ISO 14001 certification management/Environmental Management System administration.

**Name of the position(s) and/or committee(s)**

Environmental, health, and safety manager

**Water-related responsibilities of this position**

Assessing future trends in water demand

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The Global Director of Environment, Health and Safety reports to the VP of Global Facilities. This EHS Director manages all EHS operations at Wolfspeed facilities. Together with their team, they assess water related risks and opportunities, future trends in water demand including



overseeing Sustainability Reporting, water-related regulatory compliance, and ISO 14001 certification management/Environmental Management System administration.

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**Name of the position(s) and/or committee(s)**

Facilities manager

**Water-related responsibilities of this position**

Assessing future trends in water demand  
Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The VP of Global Facilities reports to the SVP of Global Operations. This facilities director manages all Wolfspeed facilities. Together with their team, they assess and manage water related risks and opportunities and looking into future trends in water demand.

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**Name of the position(s) and/or committee(s)**

Other, please specify  
Senior Vice President of Legal & General Counsel

**Water-related responsibilities of this position**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**



Our SVP of Legal & General Counsel presents Sustainability-related information 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.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

No

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, but we plan to do so in the next two years





## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	<p>Most of our water is used for manufacturing including cooling tower use but is also used for irrigation and human consumption (i.e., drinking water, sanitary sewer, water used in locations where we have an on-site cafeteria). Good quality freshwater is vital for our manufacturing processes (rinsing, cooling, cutting). Our processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination. We opened a new wafer fabrication facility in Marcy, New York, complemented by our expansion currently underway at our headquarters and we are building the world's largest materials manufacturing facility in Siler City, North Carolina. Because we are expanding, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals.</p> <p>Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>Most of our water is used for manufacturing including cooling tower use but is also used for irrigation and human consumption (i.e., drinking water, sanitary sewer, water used in locations where we have an on-site cafeteria). Good quality freshwater is vital for our manufacturing processes (rinsing, cooling, cutting). Our processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination. We opened a new wafer fabrication facility in Marcy, New York, complemented by our expansion currently underway at our headquarters and we are building</p>



			<p>the world’s largest materials manufacturing facility in Siler City, North Carolina. Because we are expanding, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals.</p> <p>Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>Most of our water is used for manufacturing including cooling tower use but is also used for irrigation and human consumption (i.e., drinking water, sanitary sewer, water used in locations where we have an on-site cafeteria). Good quality freshwater is vital for our manufacturing processes (rinsing, cooling, cutting). Our processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination. We opened a new wafer fabrication facility in Marcy, New York, complemented by our expansion currently underway at our headquarters and we are building the world’s largest materials manufacturing facility in Siler City, North Carolina. Because we are expanding, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. We routinely explore options for water recycle improvements to help offset the expected increase in water withdrawals.</p> <p>Our corporate Sustainability goals were reviewed and approved by our Board of Directors, including CEO. They include a water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.</p>

**W7.2**

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1



**Water-related CAPEX (+/- % change)**

151

**Anticipated forward trend for CAPEX (+/- % change)**

726

**Water-related OPEX (+/- % change)**

74

**Anticipated forward trend for OPEX (+/- % change)**

12

**Please explain**

Water-related CAPEX and OPEX fall within our overall Facilities and Operations budget.

We have additional reclamation projects in our CAPEX plans such as centralized DI system causing our water-related CAPEX to show a large percent increase in the current year compared to previous year (FY22 and FY23). Our anticipated forward trend for CAPEX shows increase as we are planning investments in expansion of our waste water reclamation building and proceeding with the centralized DI system.

Our water-related OPEX between this year and previous year (FY22 and FY23) increased due to expansion at our headquarters in Durham, NC, USA and opening a new facility in Marcy, NY, USA. We estimate our anticipated forward trend for OPEX to increase due to production increase resulting in higher volume of water withdrawal and water discharge.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

Use of scenario analysis	Comment
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Row 1	Yes	Wolfspeed uses scenario tools for assessing future water risks: WRI Aqueduct and WWF Water Risk Filter. And also, Wolfspeed uses IRENA climate-related scenario.
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### W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic	All our 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 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)	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 owned 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 have identified that water stress/availability could be a potential climate-related risk to our operations	We use the results of the analyses to inform our internal decision-making process, including planning for future water stewardship projects and goals/targets setting. 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 water-related target of increasing water recycling rate by 25% by 2025 relative to a base year of 2019.



		and IIASA Shared Socioeconomic Pathways (SSP1, SSP2, and SSC3).	because 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.	
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### W7.4

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

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

**Please explain**

Our risk assessment method has indicated that overall, we are not in areas of high-water risk for direct operations and we have not yet evaluated our supply chain. There are still fundamental elements of water risk assessment that Wolfspeed is planning to address in the coming years before using an internal price of water.

### W7.5

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	Important but not an immediate business priority	Our strategy focuses on energy efficient / low-carbon products. We are currently not looking into identification and classification of our products as low water impact. Nature of semiconductor manufacturing requires significant amount of



			water. We are always looking for ways to optimize our water usage and reclaim and recycle rates.
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## W8. Targets

### W8.1

**(W8.1) Do you have any water-related targets?**

Yes

### W8.1a

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	We selected 'No, and we do not plan to in the next two years', because setting up targets for this category in comparison with the water withdrawals category is not significant for our operations.
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	We selected 'No, and we do not plan to in the next two years', because setting up targets for this category in comparison with the water withdrawals category is not significant for our operations.
Other	No, and we do not plan to within the next two years	We selected 'No, and we do not plan to in the next two years', because setting up targets for this category in comparison with the water withdrawals category is not significant for our operations.



## W8.1b

**(W8.1b) Provide details of your water-related targets and the progress made.**

---

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Target coverage**

Company-wide (direct operations only)

**Quantitative metric**

Increase in water use met through recycling/reuse

**Year target was set**

2021

**Base year**

2019

**Base year figure**

18

**Target year**

2025

**Target year figure**

43



**Reporting year figure**

14

**% of target achieved relative to base year**

-16

**Target status in reporting year**

Underway

**Please explain**

Our target is to increase a water recycling rate by 25% by 2025 relative to a base year of 2019. We anticipate the rate of progress towards this target to be variable year to year with the pace increasing as we near 2025.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals – total volume	ISAE 3000	Wolfspeed uses an independent third party to perform a limited assurance verification of our Sustainability Report data. This year they verified our 2022 total water withdrawal values and water withdrawal values by source. Our third party 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.
W1 Current state	Water discharges – total volumes	ISAE 3000	Wolfspeed uses an independent third party to perform a limited assurance verification of our Sustainability Report data. This year they verified our 2022 total water discharge values and water discharge values by destination and treatment method. Our third party 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.

## W10. Plastics

### W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Please explain
Row 1	Not mapped – but we plan to within the next two years	

### W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Please explain
Row 1	Not assessed – but we plan to within the next two years	



### W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Please explain
Row 1	Not assessed – but we plan to within the next two years	

### W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Please explain
Row 1	No – and we do not plan to within the next two years	

### W10.5

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	



## W10.8

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	Please explain
Plastic packaging used	57.4	% virgin fossil-based content	100	Calculated by the weighted average of plastic packaging used. Approximately 15% of weight was estimated.

## W10.8a

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	% of plastic packaging that is technically recyclable	Please explain
Plastic packaging used	% technically recyclable	100	We believe the circularity potential of the plastic packaging is technically recyclable, but we haven't done detailed analysis of closed loop recycling for our plastic packaging.

## W11. Sign off

### W-FI

**(W-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.**

W0.2



The reporting year for our environmental disclosure is CY 2022 (January 1, 2022 to December 31, 2022). Our financial disclosure is FY running from July to June.

W9.1a

The verification statement for our water withdrawal (total volume) and water discharge (total volume) is attached.

Note: Sums of water breakdown figures might be slightly different than a total of water withdrawal and water discharged as reported in W1.2b due to rounding (less than 0.01% difference).

Wolfspeed 2023 ESG Assurance Statement\_FINAL 2023-0626.pdf

## W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

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

## SW. Supply chain module

### SW0.1

**(SW0.1) What is your organization’s annual revenue for the reporting period?**

	Annual revenue
Row 1	746,200,000

### SW1.1

**(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?**

This is confidential