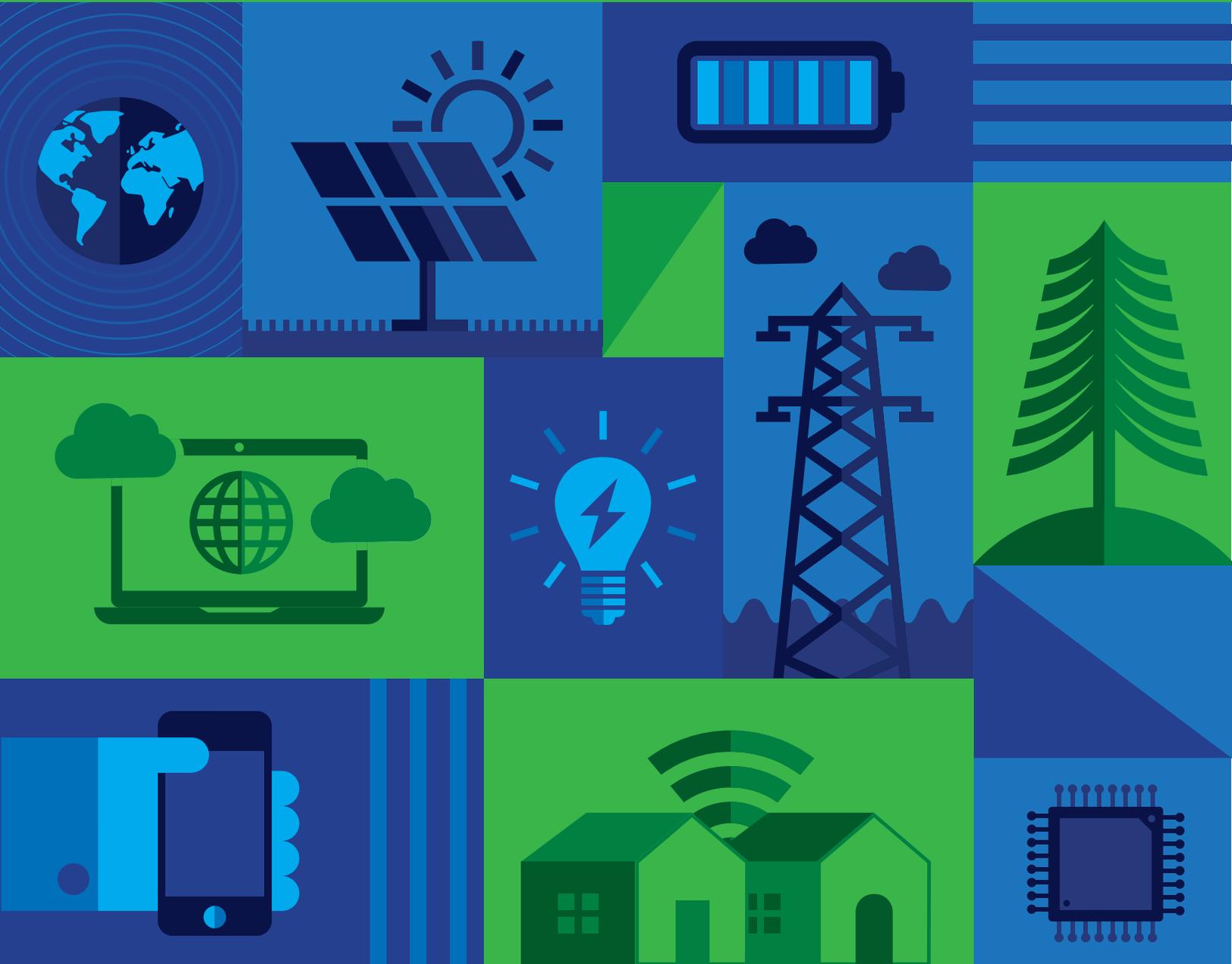


# Hemlock Semiconductor

2020 Sustainability Report



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Since time immemorial, the Ojibwe Anishinabe (Saginaw Chippewa Indian Tribe of Michigan), have continued to live near our hometown of Hemlock, Michigan. Our neighbors, the Anishinabe (Original People), live with traditional beliefs rooted in the Seven Teachings (Niizhwaaswi Kinomaagewinan).

**These seven guiding principles of**

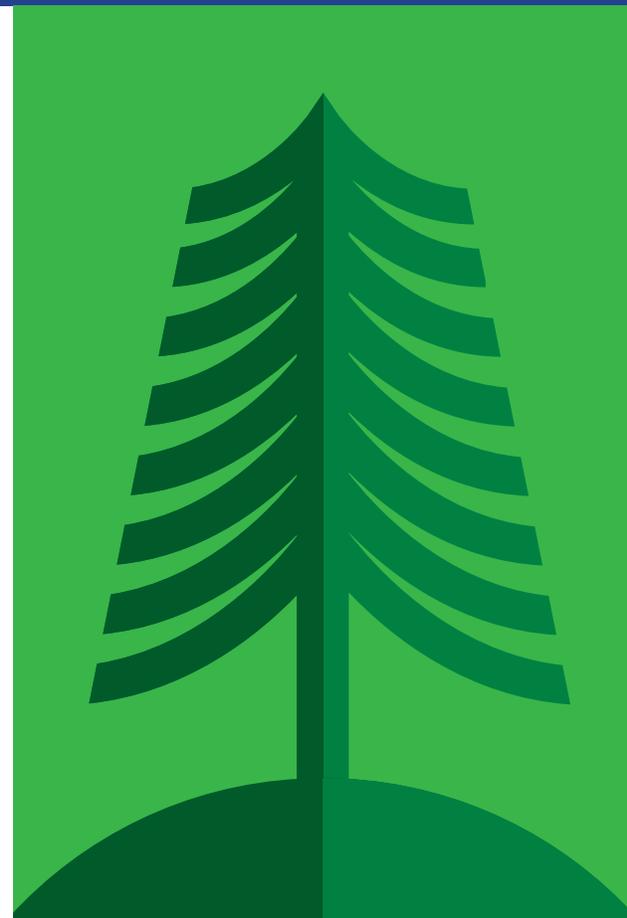
# wisdom, love, respect, bravery, honesty, humility & truth

**continue to influence the decisions made for this and the next seven generations.**

The drive by HSC to be more sustainable is reflective of and honors these principles that have stood the test of time.

Major corporations are now using a variety of terms – Sustainable Development, Sustainability, Corporate Social Responsibility, Corporate Citizenship – to communicate the value of operating today to support future generations' ability to thrive. In today's context, that includes not only environmental impacts but our social and economic impacts as well.

At HSC, we are choosing the term, "Sustainable Society," because we think that it captures the holistic Seven Teachings role each of us play in work and society. The private sector has a major responsibility to not only operate in ways that respect the planet and support an equitable and fair society, but also to deliver products and solutions that help us as a global society move toward a sustainable world.



# From the CEO's Office



## 2020 has been a landmark year for many reasons.

Despite the challenges of the global pandemic and the resulting economic uncertainty, the role of business in achieving a more sustainable society – especially in light of climate change – is still a top priority.

What better time than now to issue our first sustainability report? Even though we're not publicly traded, we're at a moment when companies across our economy need to step up commitments and transparency around sustainable development.

Leading companies are now measuring their performance around Environment, Social and Governance (ESG) factors to balance material risks with growth opportunity. I find it a useful framework for looking at the HSC sustainability journey.

## Environmental

We are fortunate that one of our primary markets is a fundamentally sustainable product – solar energy. But just making a key ingredient of solar panels isn't enough.

**We've found that "embodied carbon"** (the carbon emissions associated with the manufacture of a product) is fast becoming a critical assessment in the overall sustainability of a product. That got us thinking: HSC already has a lower carbon footprint than many of our competitors, so how can we lower it even further?

The short answer is by cutting energy waste at every turn of the manufacturing process, and by using the cleanest energy sources we can access. We are, after all, Michigan's largest energy consumer. Now we're working with our suppliers and customers as true partners, to remove supply chain carbon emissions.

HSC has long operated with a "Blueprint" as a clear message platform so that all employees are connected to our annual objectives. This year, HSC's senior leadership team also led the development of a "Greenprint," applying that same discipline toward our environmental and sustainability-focused actions.



## Social

HSC has a high-performance culture where talent and hard work matter. We value the unique perspectives, backgrounds, experiences and thinking of all our employees. Our leaders work hard to understand and provide flexible solutions that enable every individual to contribute their fullest.

Over the past three years, we increased our hiring of women and non-white males into professional and technical roles. **But we recognize we must do more to create a truly diverse and inclusive organization.** So, we are currently engaging with university Diversity and Inclusion departments to expand our search for diverse student populations. We're also forming affinity groups such as the Women's Technical Network, where technical professionals can share experiences and develop their capabilities and potential as leaders within HSC.

I am personally committed to keeping our focus on supporting a great culture, in which all of our employees are coached and developed, recognized for their contributions and have fun together as part of a winning team. To achieve breakthroughs, we need people with diverse backgrounds and experiences. We look forward to reporting on our progress as we further harness the power of diversity in all aspects of our company.

## Governance

It is tempting to communicate only internally about our ethics processes and performance. However, HSC has an unbending focus on ethical conduct, both as a company and from our employees. Because we're committed to transparency with our stakeholders, we report all incidents related to our company's ethics.

Submitting a public Sustainability Report is a key component to transparency and to putting performance accountabilities in place. We look forward to expanding the scope and depth of our reporting in the coming years. The good news is that all violations were minor.

## Conclusion

Sustainability is an important pillar to HSC's long-term business strategy. We're committed to driving sustainability throughout our value chains while we develop and sell products that enable a more sustainable world. That's how HSC will thrive in the future.

Of course, none of this is achievable without new levels of internal and external collaboration. As of this writing, I'm reaching out to leading thinkers in the field of corporate sustainability both to educate myself and to help drive the dialogue on what the transition to a more sustainable world should look like. These conversations are being recorded and shared broadly as part of our #SupplyChainMatters initiative. You can find these videos on the [HSC LinkedIn page](#).

In the end, we can't do any of this without the HSC team's engagement and enthusiasm. Our employees and the contractors who work with us daily are the key to making a real difference; they see where we can better serve our customers and community as we move toward a more sustainable society. I am especially excited about hearing their ideas – and yours, so please contact us at [hscpoly.com/contact](https://hscpoly.com/contact).

We have big plans and I look forward to continuing to share our progress, and our challenges, as we move forward.

### Mark Bassett

Chairman & CEO

[LinkedIn](#) | [@markrbassett](#)



# About Hemlock Semiconductor

**58**

Years in Business

**1,500**

Employees & Contractors



Location: Hemlock  
Michigan, USA

**~\$1 billion**

Annual Revenues

Our passion is delivering ultra-pure polysilicon to support sustainable solutions for the world's energy and technology needs.

The invention of the integrated circuit in the late 1950s marked the beginning of the Information Age. Founded a few short years later in 1961, HSC is the longest operating manufacturer of polycrystalline silicon in the world. With up to a 99.99999999% purity level (that's nine "9s" after the decimal point – and counting), HSC polycrystalline silicon is now found in 1/4 of all the handheld electronic devices sold in the world.

The fact that a solar panel is a large semiconductor assures that HSC's 21st-century extension of its technology to solar applications makes us an important player in the renewable energy world. In 2018, the amount of solar-grade polycrystalline silicon sold by HSC translated to enough clean energy to power more than 10 million homes. We are excited that both of HSC's key market applications, semiconductor electronics and solar photovoltaics, have a strong commitment to driving a sustainability society.

HSC was part of Dow Corning Corporation from 1961 until May 31, 2016. On June 1, 2016 HSC became a stand-alone company. HSC is owned by two world-leading applied science and technology companies: [Corning Inc](#) and [Shin-Etsu Handotai](#).

HSC's key products are:

- Polysilicon - We're one of the world's leading producers of hyper-pure polysilicon (polysilicon), providing this highly critical material for solar energy, electronics industries and industries of the future. Our ultra-high purity polysilicon is further processed by our customers into ingots and wafers, which eventually become solar cells and the building blocks for all manufactured electronic devices, such as computers, smartphones, and Artificial Intelligence (AI).
- Chlorosilanes - Ultra-high purity semiconductor-grade dichlorosilane ( $H_2SiCl_2$ ) and trichlorosilane ( $HSiCl_3$ ) are produced in the polysilicon manufacturing process. These materials are captured and separated as part of the hyper-pure polysilicon manufacturing process.

As a manufacturing company with a strong safety record, we appreciate the importance of personal accountability and of speaking up. Acting ethically and encouraging our coworkers to do the same are conditions of HSC employment. Each employee is required to not only read and follow the Code of Conduct, but also to report any potential violations of the Code so they can be investigated and addressed.

Our corporate values are reflections of our corporate character. We live by these principles, and they create the company culture and reputation we enjoy.

## Our Values



**People** - We are respectful of others, treating them fairly and honestly. We work hard, and we take advantage of coaching and development to continuously improve. We care about each other and our community, and we aim to have our work have a positive effect in the world. We have fun together, recognizing and appreciating others and our diverse perspectives.



**Safety** - We demonstrate a total commitment to safety in all we do, because we care for our employees, our families, our neighbors, and the people in the communities where we live and work. We hold one another accountable for taking actions to ensure that our facilities run smoothly and safely.



**Quality** - We demand continuous improvement in all our processes, products and services. We learn from experience, embrace change, and take pride in our work. We add value for our customers through our reliability, sustainability, and support.



**Productivity** - We are proud to produce high-purity polysilicon, which energizes and connects our world. We utilize innovative, safe, efficient, sustainable, and cost-effective manufacturing and operations processes.



HSC is proud to be a member of the American Chemistry Council (ACC) and to support Responsible Care®, a set of guiding principles required of all members to drive improved environmental, healthy, safety, & security performance. We strive to conduct our activities in a sustainable manner by developing products and processes that minimize any adverse impact on the environment, health and safety.

We have maintained and kept current our Quality and Environment, Health & Safety Certifications. The International Organization for Standardization (ISO) creates standards in many areas. HSC has focused on achieving third-party certification for meeting the standards associated with quality, our environmental management system and Responsible Care®.

- **ISO Quality Management System 9001:2015**
- **ISO Responsible Care® 14001 Management System**
- **ISO Environmental Management System 14001:2015**

HSC supports our local chapter of [Conscious Capitalism](#). Conscious Capitalism is an organization of business leaders who are committed to demonstrating what it means to have a purpose beyond profit, cultivating their conscious leadership and culture throughout their business's entire ecosystem, and focusing on the long-term by prioritizing stakeholder orientation instead of shareholder primacy. At HSC, the commitment to Conscious Capitalism has played out as a set of guiding principles:

- **Prioritize value over volume**
- **Drive toward operational efficiency**
- **Define and create an employee-centric culture**

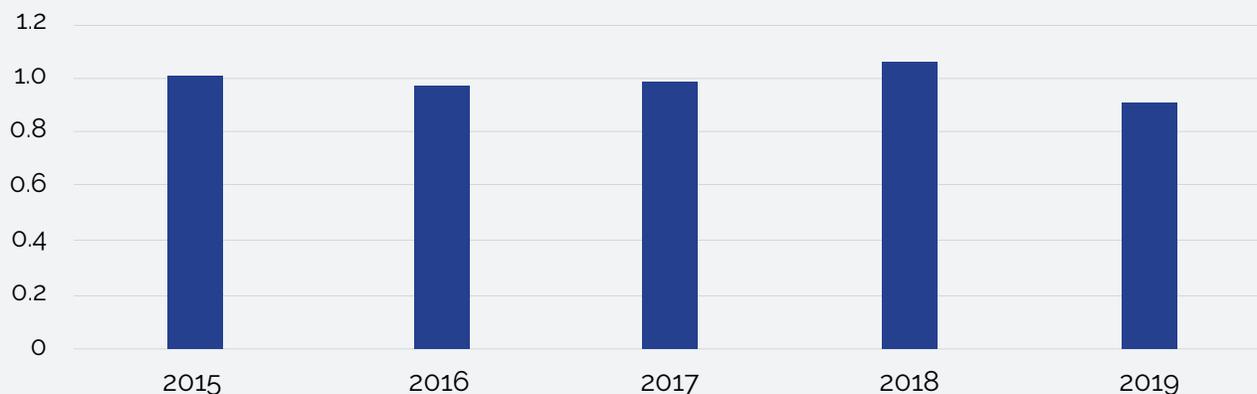
HSC continues to focus on actions internally and externally that demonstrate our commitment to our purpose and to creating an employee-centric culture.

# Environmental

It is essential that we manage the raw materials we use and the products we make in a safe and environmentally responsible manner. It is also essential for our customers to know that the products they buy from HSC are accurately described, properly packaged, and documented, to identify any hazards or potential safe use issues. We strive to zero waste and emissions.

## Energy Management

Total Energy Use (2015=1.0)



HSC partnered with TIBCO to break down paradigms and innovate into the future.

*"We're Michigan's largest single energy user, and we are pursuing energy efficiency programs. We found TIBCO's Spotfire software to be one of the hinges of success for our program to cut energy waste. We're impressed with the results, and the data science product that helped us get there."*

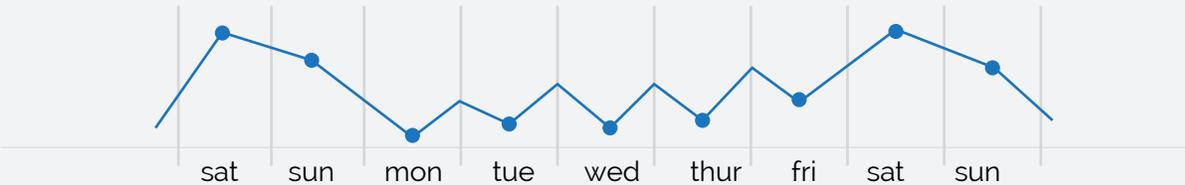
– Keith Carey, Chief Information Officer

Energy use is HSC's largest footprint issue, and therefore has received a significant portion of our effort and investment. **Between 2015 and 2019, \$23 million of our \$97 million in capital investment was focused on cutting energy waste, including:**

- Significant investments in analytics and data science software. TIBCO Spotfire provides HSC with optimized rollouts and controls for a sophisticated understanding of site processes and energy use.
- Retrofitting the site with high energy efficiency LED lighting throughout the site.

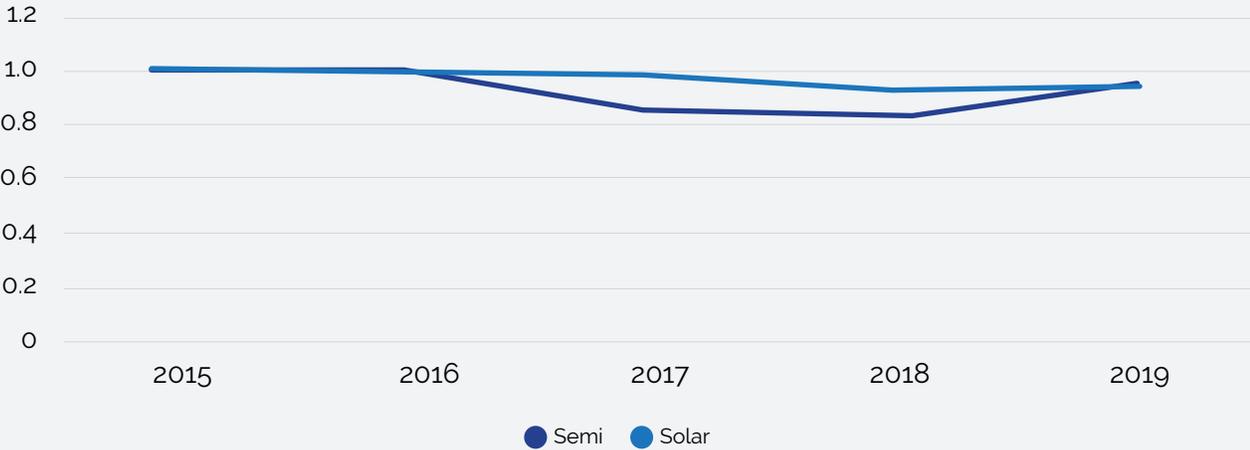
We use more electricity at HSC than any other manufacturer in the state. We initiated a peak power management program and leveraged TIBCO Spotfire data science to visualize and optimize our performance. Peak power management runs more of our assets during off-peak hours, lowering our demand on the electric grid when consumption is the highest (between 11am and 7pm on weekdays). This program has not only allowed our electric utility to better manage its total demand, but it has also saved HSC approximately \$300K per month.

**Electrical Demand (kWh)**



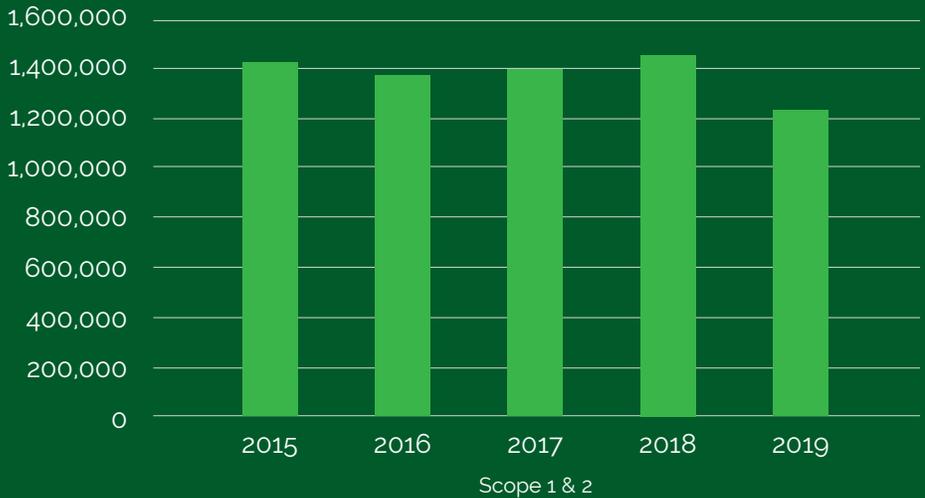
Given the differences in our two businesses, it is important to provide not only the total energy use, but also the progress on improving energy efficiency by process.

**Electric Efficiency by Process (kWh/kg) 2015 = 1.0**



# Greenhouse Gas Emissions

 **Greenhouse Gas Emissions (metric tons)**



*Scope 1 GHG emissions are direct emissions from sources that are owned or controlled by the organization.*

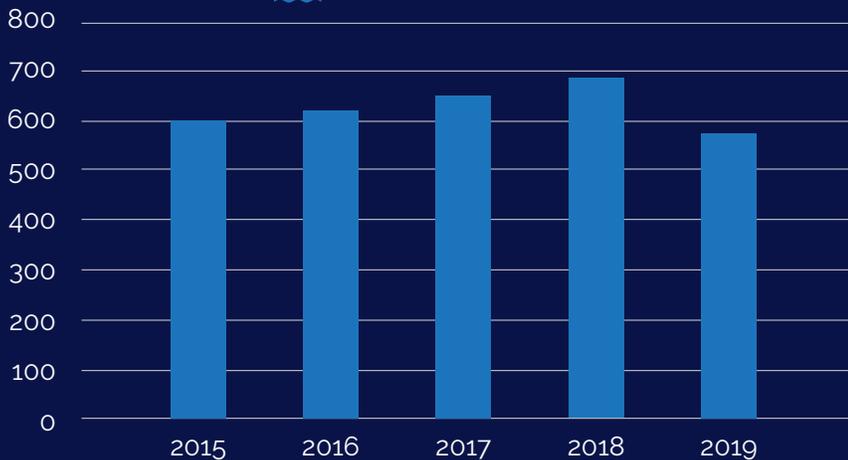
*Scope 2 GHG emissions are indirect emissions from sources that are not owned or controlled by the organization. Scope 2 includes emissions that result from the generation of electricity, heat, or steam purchased by the organization from a utility provider.*

A majority of our greenhouse gas emissions are Scope 2, associated with our purchased electricity. Most of the Scope 1 emissions are due to burning natural gas on site.

## Water Usage

HSC has a strong focus on measuring our water use and continuously assessing opportunities to recycle and reclaim water. All water used on our site is potable water. The global nonprofit World Resources Institute (WRI) has developed a publicly available tool for organizations to assess their future water risks. Based on the [WRI Aqueduct Tool](#), Thomas Township, Michigan, is low to medium risk in terms of future water scarcity and stress.

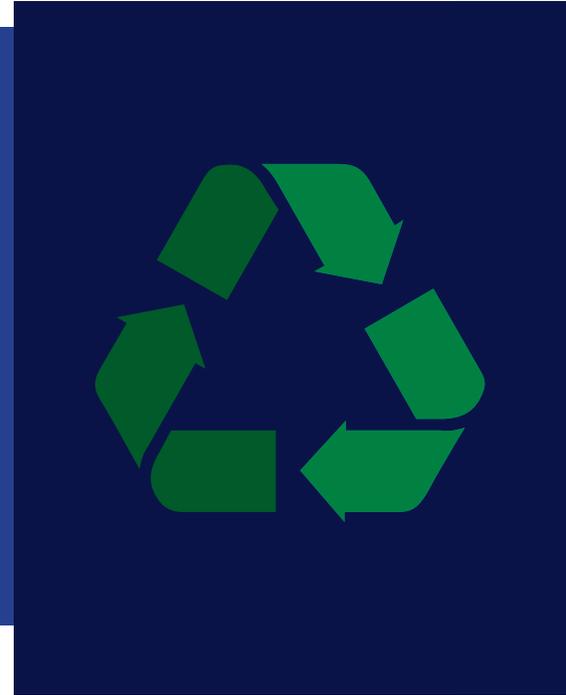
 **Million Gallons**



## Waste Generation

Significant investment has been made in making the operation as close to a closed-loop manufacturing process as possible. For example, a process we have used for 35 years recycles some of our chlorine.

### Total Nonhazardous Waste (metric tons)



## Recycling

If materials can be recycled, we do it. We have been successful in recycling a significant percentage of our waste materials. Since 2008, we have recycled an average of 8.4 million pounds per year, including paper, cardboard, wood, plastics, batteries, metals, and process materials. Higher recycling rates in 2015 reflect construction projects where steel and concrete were recycled. We continue to focus on recycling all materials that have a viable market.

We partnered with SPACE, a local, woman-owned small business, as part of their 'SPACE anew' upcycling program. We worked closely with their designers to find creative ways to re-purpose the furniture we already had while improving our office design and functionality. The three significant projects that we completed with 'SPACE anew' saved over 74,000 pounds of perfectly functional furniture from being landfilled. It also reduced the project costs.

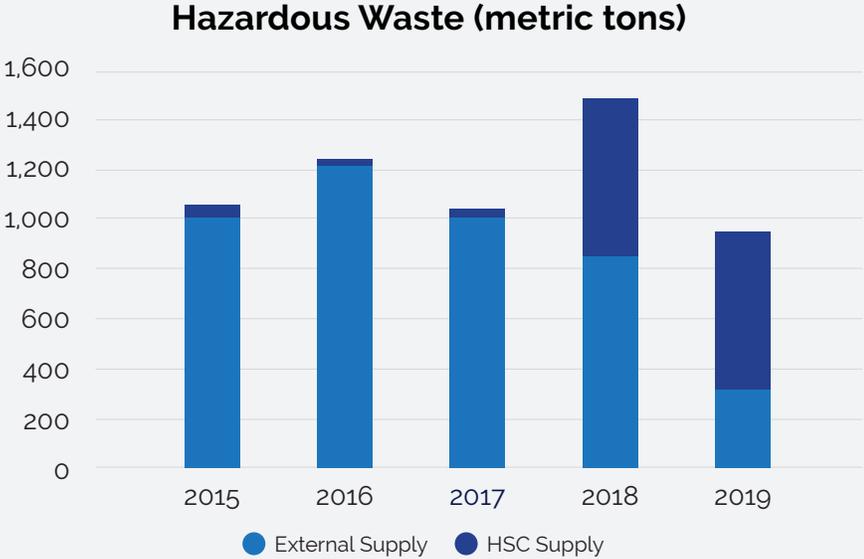


*"The HSC partnership created a win-win solution, contributing to a more sustainable Michigan by saving landfill space while saving them money on their updated design."*

- Paddy Hobohm, President of SPACE

# Hazardous Waste Reduction

Minimizing hazardous waste generation is a critical initiative in our commitment to the communities where we live and work.



The [recent purchase](#) of our external raw material supplier provides a significant opportunity for HSC to minimize hazardous waste. We expect to leverage this purchased technology to improve and streamline our overall operations.

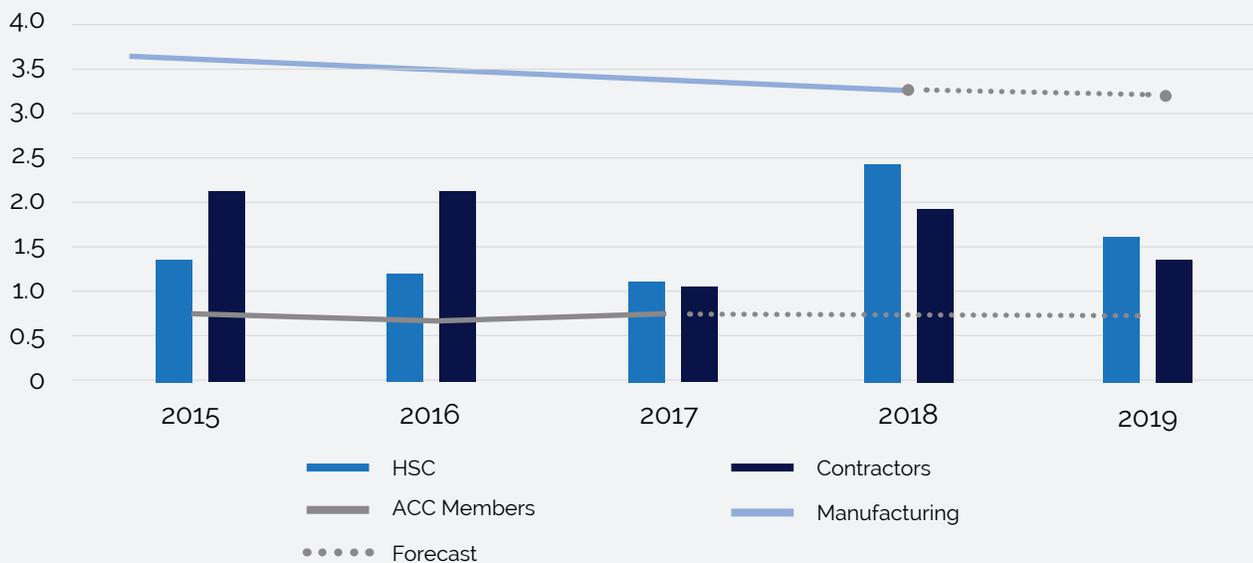
We are actively involved in building great communities where we live and work.

## Safety and Health

We have a strong commitment to safety in all we do, because we care for our employees, our families, our neighbors, and the people in the communities where we live and work. We hold one another accountable for taking actions to ensure that our facilities run smoothly and safely. Between 2015 and 2019, we had zero employee or contractor on-the-job fatalities.

While we are proud that our injury rate is significantly less than the overall U.S. manufacturing average, one injury is still too many. Therefore, we aspire to drive our injury rate down to the level of our peer companies in the American Chemistry Council (ACC). Each employee makes a personal commitment to safety – clearly understanding how to do a job safely and watching out for not only themselves, but others as well.

### Total Recordable Injury Rate

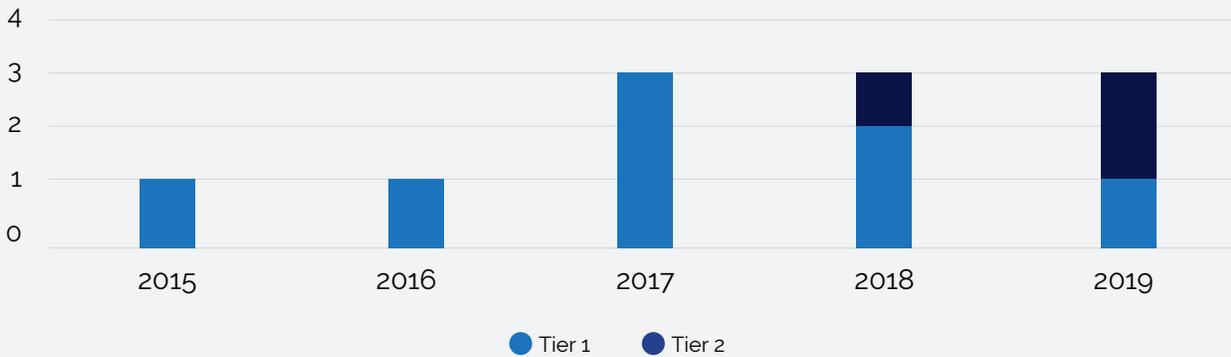


HSC has a Contractor Safety Standard and a Contractor Safety Handbook that all contractors operating on the HSC site are required to follow. At a minimum, each contractor working on site is required to attend a site orientation before they can work on our property. And, they must refresh their understanding with a site orientation each year. These cover general site safety requirements and emergency action plans. Specific training requirements for construction contractors, delivery/service contractors and contingent contractors are also required.

# Process Safety

After 2016, we had a higher number of process safety incidents due to unrelated events within the operation. We will drive down both Tier 1 and 2 incidents utilizing industry best practices – called “root cause investigation methodology.” It allows us to fully understand all the contributing factors to an incident, and develop appropriate corrective actions to prevent future occurrences.

### Process Safety Incidents



*Tier 1: An unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, from a process that results in a consequence above industry established thresholds.*

*Tier 2: Similar unplanned release from a process that results in roughly an order of magnitude lower impact than Tier 1 Process Safety Incidents.*





## Community Engagement

As a member of the community, Hemlock believes open, two-way communication is an integral component in maintaining sustainable, environmentally responsible operations. The Hemlock Semiconductor Community Advisory Panel (CAP) was established in 1997, and provides a forum to address issues and opportunities affecting Hemlock Semiconductor and the local community. The CAP consists of representatives from the community such as residents, business owners, educators, community and public safety leaders, plus management from HSC.

Three times per year, we publish a newsletter to inform our neighbors in the Great Lakes Bay Region about happenings at HSC, our employees' engagement in the community, and safety and environmental topics.

An example of a recent newsletter is available here:  
[Winter 2021 Newsletter](#)

Our Corporate Citizenship leadership team members and ambassadors manage company efforts, direct funding decisions, lead local community projects, and advance education in Saginaw, Midland, Bay, and Gratiot counties. Employees serve on several boards, donate significant time, and raise money to support more than one hundred non-profit community programs.

The three focus areas of our giving and volunteer hours are:

- Youth programs and STEM
- Public and fire safety
- Community initiatives

As part of our goal to improve the quality of life throughout the Great Lakes Bay Region, Hemlock’s Community and Regional Empowerment (CARE) Fund is providing up to \$30,000 per recipient for local projects and programs. Schools, units of government, and local groups with 501(c)(3) designation can apply for grants from the CARE Fund through the Bay Area Community Foundation, Midland Area Community Foundation or Saginaw Community Foundation. Our committee, comprised of HSC employees, takes pride in being able to review applications with these local organizations. This allows our employees to learn more about our community’s strengths and struggles, along with personally getting to know local organizations.

In 2019, HSC donated a total of \$100K through the CARE Fund to 11 community organizations. Grants were awarded to organizations whose work aligns with our mission to improve the vitality and quality of life in the Great Lakes Bay Region. These individual organizations support each of our top focus areas, including the health and wellbeing of our community members. Click [here](#) to view the full news article.



*The Rock Center Center for Youth Development, Big Brothers Big Sisters of the Great Lakes Bay Region, and Bay Arenac Intermediate School District all benefitted from HSC’s Corporate Citizenship initiatives.*

## Annual Dollars Donated

<b>2015</b> <b>\$385,000</b>	<b>2016</b> <b>\$285,000</b>	<b>2017</b> <b>\$327,000</b>
<b>2018</b> <b>\$492,000</b>	<b>2019</b> <b>\$743,000</b>	

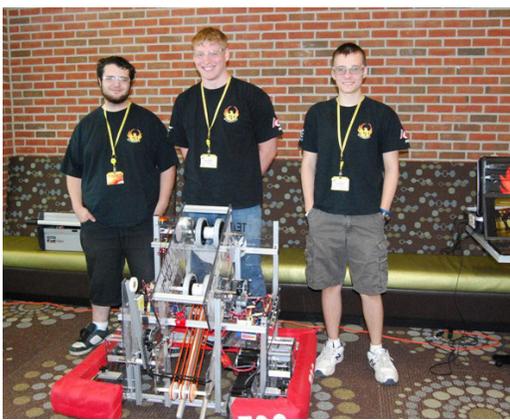
**Total to Date:**

**\$2,230,000**

## Youth Programs & STEM

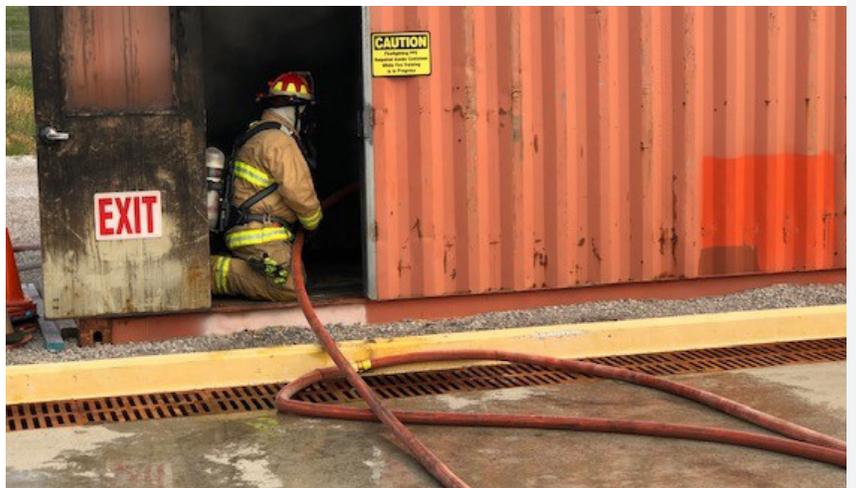
HSC puts a strong focus on supporting youth programs and STEM (Science, Technology, Engineering & Math) education in the Great Lakes Bay region. To ensure the next generation in our communities has the support they need, HSC has invested more than \$100K in the new Hemlock Area STEM center, which will be the new home to STEM after-school programs such as FIRST Robotics, for five local school districts.

To extend HSC's reach into Michigan's Bay county, laptops and desktops were donated to the Bay Arenac Intermediate School District. A total of 607 computers were distributed throughout the district's schools, targeting areas without computers or those using outdated technology.



## Public & Fire Safety

HSC has put a major focus on supporting local first responders. In 2019, we sponsored 21 cadets from 12 fire stations in Saginaw, Bay, Midland, and Gratiot counties to complete their Fire Fighting I and II certifications. To help continue fire safety education for these departments, HSC has held mock disaster training and also allows the departments to borrow fire training equipment, such as an electronic digital fire trainer which can simulate fire burning within a confined space or room. We have also developed a large vehicle driving course on our property for local first responders to practice their skills.



# Natural Disaster & Pandemic Responses

In 2020, HSC also took immediate action when asked by our local healthcare facility, Covenant Healthcare, to assist in the personal protective equipment (PPE) shortage inflicted by the COVID-19 pandemic. HSC sent over 15,000 items, including masks, Tyvek suits and coats, gloves, safety glasses, face shields, and shoe covers. One of our coworkers who owns a home workshop even donated 60 masks from his personal stock!

In addition to the pandemic, our local communities of Midland and Saginaw were also hit with significant flood damage when two dams north of Midland, Michigan failed and sent water rushing down the Tittabawassee River basin. To support our affected employees, HSC created a temporary Employee Emergency Relief Fund to grant \$750 to each applicant. We were able to help 31 employees with their emergency expenses. HSC employees were also able to donate additional funds to their coworkers, allowing for an additional \$290 to be distributed to each grant applicant.



*HSC employees deliver PPE to Covenant Healthcare.*

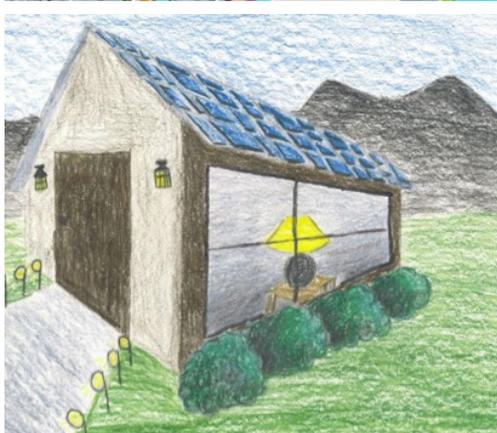
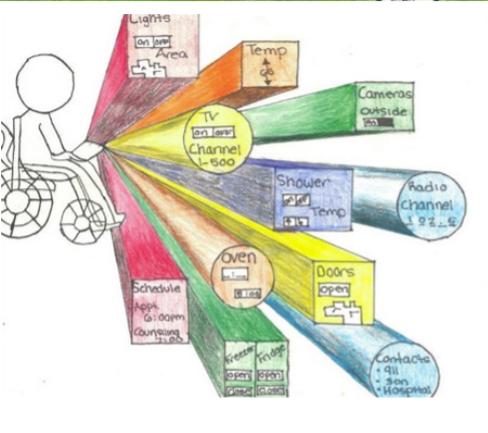
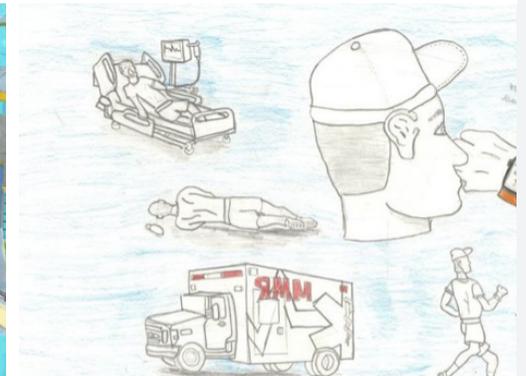


# Community Calendar Art Contest

To continue to support the Arts and Culture in the Great Lakes Bay Region, we sponsor the Temple Theatre and the Saginaw Arts Museum. It is important to preserve the history and beauty of our downtown attractions. Both organizations influence the youth in our region by providing engagements in the community and contests for them to show off their skills in theatre and art. HSC also conducts an annual calendar contest for students in the Great Lakes Bay Region. In 2019, we celebrated the 10th Annual Community Calendar Art Contest. Over the years, students have been given the opportunity to showcase their creativity in various themes, such as the inaugural Making a Better World with Solar Energy, to My Dream STEM Job and Great Lakes Bay Beauty: Pure Nature. We send a copy of the calendar to our neighbors within a 4-mile radius of the site.

The calendar contains safety information about when we are conducting drills and how to respond to the various siren signals.

Please view an example of the 2020 Community Calendar.



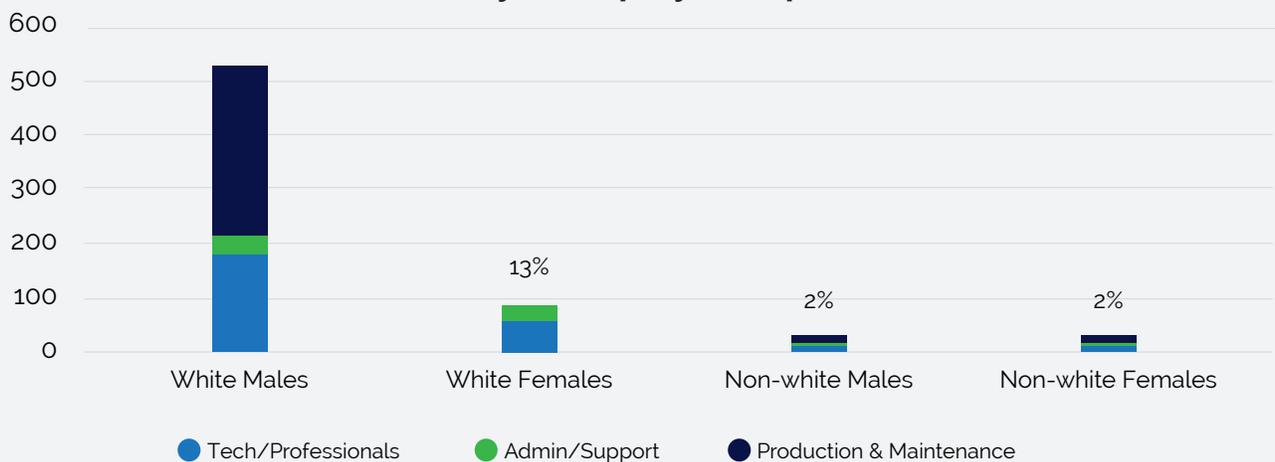


## Diversity & Inclusion

HSC has a high-performance culture where talent and hard work matter. We value the unique perspectives, backgrounds, experiences, and ways of thinking of all our employees. Our leaders work hard to understand and provide flexible solutions to enable every individual to contribute to their fullest.

Over the past three years, we have increased our hires of women and non-white males into professional and technical roles. We recognize we have a way to go in creating a more diverse and inclusive organization. Current initiatives include contacting university Diversity and Inclusion departments to expand our search for diverse student populations, and forming affinity groups such as the Women's Technical Network which provides an environment where women technical professionals share experiences and develop their capabilities and potential as leaders within HSC.

**2019 Diversity of Employee Population**



## Empowered Employees

In addition to a competitive wage, HSC has a strong benefits package to support employees' important life needs:

- 401K benefit with a generous corporate match to support employees' retirement.
- Wellness benefit including health, dental, and vision insurance.
- Additional benefits including twelve-week parental leave, adoption assistance, life, disability, and legal insurance, health and dependent care savings plans, education reimbursement, dependent scholarship program, and 24-hour access to an onsite fitness facility.

HSC is a company invested in professional development. We focus on allowing employees to take on additional responsibilities, get out of their comfort zones, and achieve their full potential with training, coaching, mentoring, and a flexible work-life environment.



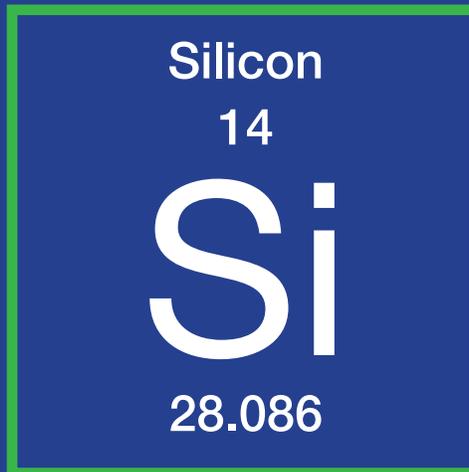
### Courses Completed Per Year Per Employee



Many of the courses taken by employees are compliance focused – ethics, safety, environmental, and regulatory training. Beyond compliance, we provide training for our managers and professionals that includes Insight Principles, Courageous Leadership, and leadership classes from Notre Dame Mendoza College of Business.

At the end of 2019, we created a Learning and Development position in our Human Resources Department. The focus of this new position is to create a strategic approach to training – assuring that both fundamental and advanced training are available to every employee in every role within the company. We updated our learning platform so that trainings can be delivered through a more engaging learning process. All trainings can be tracked so that as new employees join or current employees move into new roles, they know what courses are most relevant to them. In addition, we are expanding our partnerships with Delta Community College to provide trade-based training.

# Governance



## Supply Chain Management

At Hemlock Semiconductor, we partner with suppliers who are centered on the environmental, social, and ethical standards in our Code of Business Conduct for Suppliers. By doing so we help our customers meet their objectives for profitability, growth, innovation, sustainability and safety. Hemlock and its affiliates rely heavily on our strong relationships with our suppliers to run our businesses successfully. Our [Code of Business Conduct for Suppliers](#) documents the basic principles and minimum expectations for supplier conduct. HSC is committed to these principles and expects our suppliers to be as well.

## Ethics

HSC has a strong [Employee Code of Conduct](#) that provides precise guidance on what is acceptable behavior by our employees in such areas as workplace environment, company property, recordkeeping, fair competition, and corporate citizenship. Employees receive training on the business conduct guide every 2 years.

## Ethics Violations



We take seriously all reported Code of Conduct violations and investigate them using a robust process. There were no reported allegations against the Executive Leadership Team. All confirmed violations were deemed to have minor impact to the company and employees, such as expense account accuracy. We continue to strive for zero incidents.

## Risk Management

Our management team at Hemlock Semiconductor evaluates risks at an enterprise level through Board engagement and internal reviews of project initiatives, market conditions, employee programs, and financial position. Key strategic, operational, compliance, and reporting risks are incorporated into business goals. These goals are an integral part of the HSC Business Blueprint developed each year by the Company's Executive Leadership Team and communicated to employees.

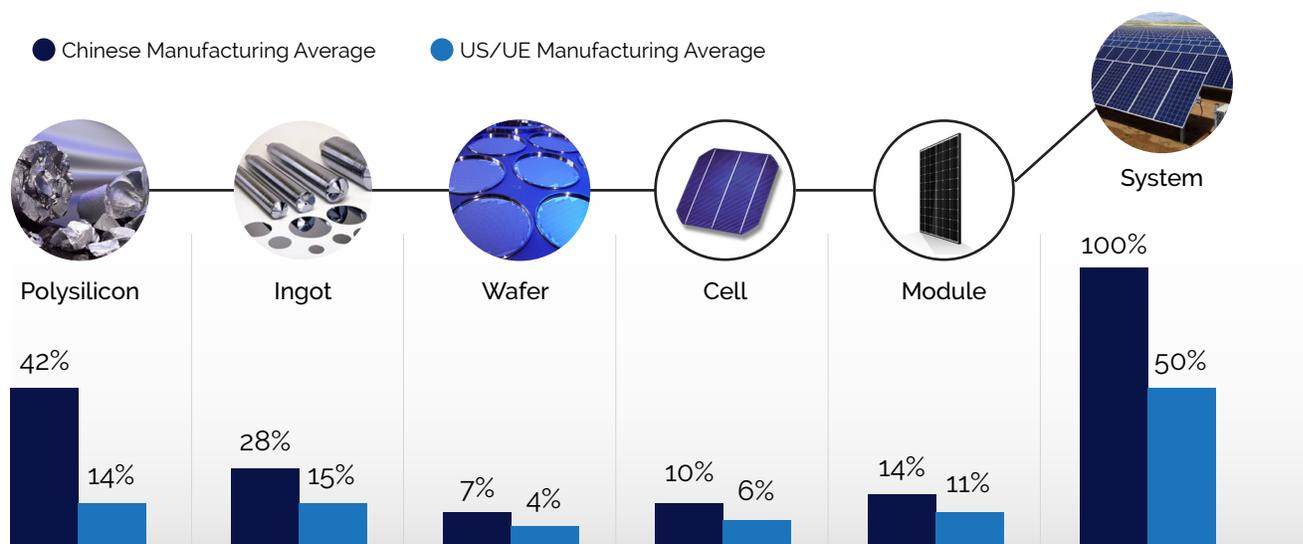
In addition, we identify and manage risks across all of our business processes through specific policies and standards. All material risks to our business are assessed with consideration of the potential health, safety, environmental, community, reputation, legal, and financial impacts. By embedding risk management into our work processes and critical business systems, we ensure our decision-making manages risks starting at the lowest level of the organization.

# Innovation

## Product Contributions to Sustainable Solutions

Researchers at Argonne National Laboratories and Northwestern University published a study in 2014 that analyzed the differences in embodied carbon in major solar input materials, such as polysilicon. They found that, depending on how the material is made, there can be more than a 50% reduction in embodied carbon. We have seen countries such as France take this idea a step further by establishing embodied carbon thresholds for solar projects in their bidding system, which rewards companies committed to low-carbon manufacturing.

We have relentlessly improved our energy efficiency and energy management to reduce our carbon footprint. This means very low "embodied" greenhouse gas emissions in the polycrystalline silicon materials that we manufacture, enabling what we call "ultra low-carbon solar" panels through reduced supply chain emissions. We offer solar project developers and owners an opportunity to lower the "embodied carbon" of their projects by up to 50 percent through the use of better solar panels.



% Of Embodied GHG Emissions in Finished Module

# What Does That Really Mean?

Switching a typical 100MW solar project to ultra low-carbon solar will eliminate 70,000 metric tons of GHG emissions



That's equal to:



Leaving 77 million pounds of coal unburned



7.9 million gallons of gasoline unburned

# What's Next



When senior leaders reached out to me to discuss the new sustainability role being created, I was really excited about the idea of using my Six Sigma Champion experience to develop and implement a sustainability strategy for HSC. I believe that applying my program management skills will accelerate our sustainability journey, helping assure that we are focused on tackling the most important challenges.

As Mark Bassett said in his letter, we have many plans for the next year.

- Through the remainder of 2020, we are engaging internal and external stakeholders as part of our materiality assessment. We want to ensure that we are focused on the most important things that HSC can impact.
- Countries globally have embraced the 17 Sustainable Development Goals (SDGs) that were approved in 2015, as the key goals and metrics to demonstrate that the world is achieving sustainable development. While all 17 are clearly important to achieve, we want to make sure that we harness our energy towards the goals that strongly align with our business.
- We have begun taking steps to understand how we create and maintain a more diverse and inclusive organization, and embed that work into our sustainability tracking and reporting.
- As we have engaged buyers of solar power globally, we have learned the importance of Lifecycle Assessment (LCA) information. To date, we have contracted with external consultants to provide us with that expertise. We have come to believe that an LCA provides valuable information for making business decisions, from R&D to process development to supply chain management. As a result, we have decided to bring LCA expertise in-house so that we can leverage the information to make more timely business decisions.
- The objective is to use the results of the materiality assessment, the LCA, the SDG assessment, and our D&I understanding to direct the setting of HSC's voluntary sustainability commitments.

Through these initiatives and processes, we will remain committed to transparency. We plan to update this formal report regularly and to provide important information in a timely manner through our website and social media channels. Please reach out to HSC with input on how to better drive our commitment to a sustainable society.

**Steven Holty**

Sustainability Leader

[LinkedIn](#) | [@stevenholy](#)

A handwritten signature in black ink that reads "Steven P. Holty". The signature is fluid and cursive, with a large initial 'S'.



# Contact Us

We welcome input on what we should do in the future. We want to assure that our stakeholders have the information they need to understand how HSC manages our business and its impacts.

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