



Valens Semiconductor 2022

Environmental, Social, Governance (ESG) Update Report

VALENS SEMICONDUCTOR LTD. | NYSE:VLN

Contents



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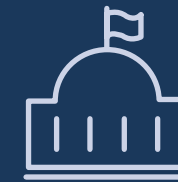
Products and sustainability



People and society



Environmental business stewardship

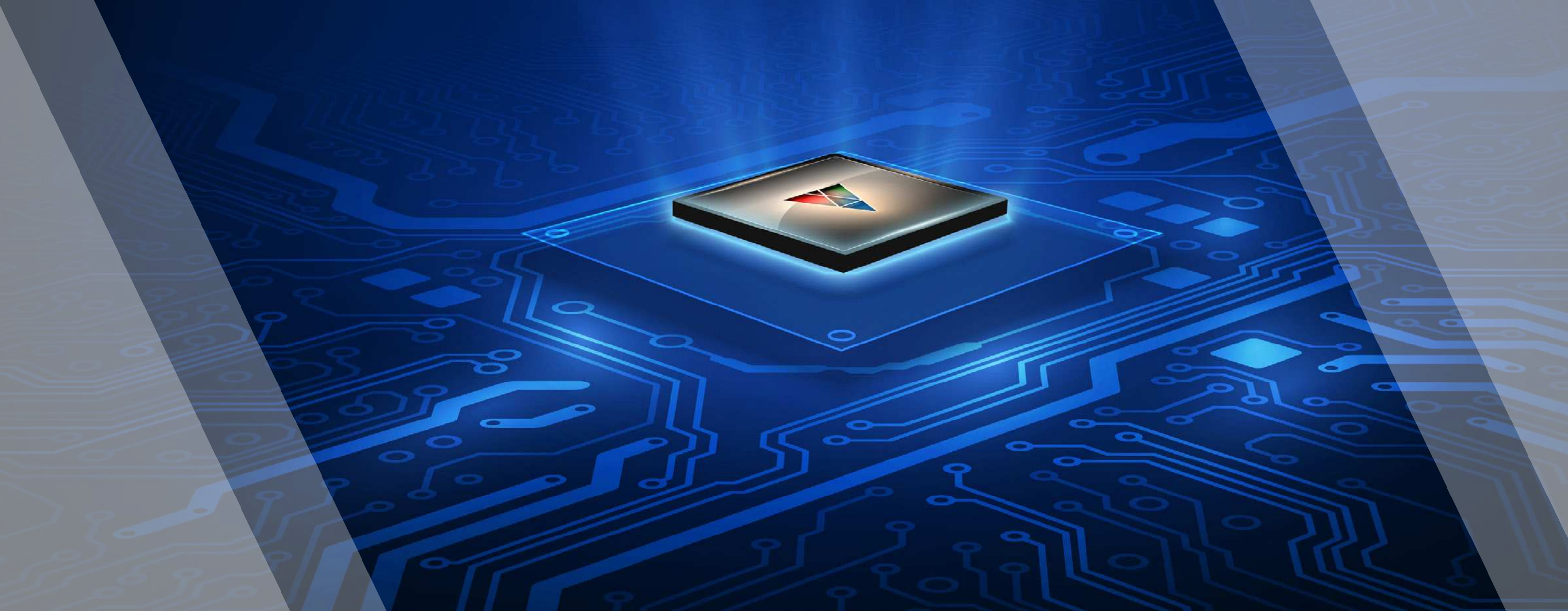


Responsible governance



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Introduction



Introduction

Letter from the CEO and Chairman of the Nominating, Governance and Sustainability Committee



GIDEON BEN ZVI

We are pleased to share Valens Semiconductor's second annual Environmental, Social, and Governance (ESG) Report, which provides an update on our ongoing commitment to our key ESG initiatives and the progress we achieved in 2022. Through this reporting process, we want to affirm that our company is focused on addressing the environmental, social, and governance factors of importance to our business and stakeholders and encourage dialogue so that we can inform them of our improvements over time.

Valens Semiconductor's mission is to establish cutting-edge products that can power resilient, ultra-high-performance wired connectivity over simple low-cost infrastructure for automotive and audio-video markets. Our high-performance connectivity solutions are designed to propel socially and environmentally responsible growth.

Education – The largest public county school district in Florida, and the fourth largest in the United States, selected our audio-video products to modernize its classrooms. Our video conferencing extension solutions help the district's teachers and students to efficiently and effectively teach and learn regardless of their physical location. Our products are designed to open up numerous possibilities such as boosting knowledge intake and retention and increasing academic achievements at all locations in the district.

Healthcare - Our audio-video products were also deployed to upgrade the [Orbis Flying Eye Hospital](#) airplane, which features a teaching facility, an

operating room, a classroom, and a recovery room. Orbis is an international charity focused on making eye care available everywhere, for everyone, so no one has to experience the consequences of avoidable blindness.

Automotive - In 2022, dozens of automotive original equipment manufacturers (OEMs), Tier 1s, Tier 2s, and other players joined the growing ecosystem of our VA7000 A-PHY compliant chipset family. This is an important step as we progress towards integrating our chipsets into safety-critical Advanced Driver - Assistance Systems (ADAS).

Environmental impact is a key consideration within our design processes. For every new product we release, we define energy consumption key performance indicators and endeavor to provide clear and constructive energy data, as we focus on minimizing power consumption within our products. Our chipsets allow us to replace multiple lower-bandwidth connections with a single, faster, energy-efficient one that helps to reduce power consumption.

As a fabless semiconductor company, our most direct avenues for meaningful and positive impact are by reducing resource consumption within our office operations, and by engaging in dialogue about environmental risks and opportunities with our manufacturing vendors, business partners, and other relevant stakeholders.

With our manufacturing partners we seek to work with the highest tier of global suppliers within the industry. We believe our suppliers are dedicated to ESG and have comprehensive environmental

management systems in place that aid them in managing environmental externalities such as climate change-related risks.

Our office sustainability initiatives include information campaigns, an electronic recycling program, our employee-led effort to switch to reusable dishware, and our ESG disclosures and communications. In 2022, we lowered our total electricity consumption by 17% as compared to 2021. In 2022, water usage was reduced by 15% from 2021.

To best support our commitment to creating a sustainable future, we encourage our management team and employees to be fully engaged in a culture of continuous improvement and collaborative partnerships with various stakeholders. This commitment is shared in our Quality and Environmental Policy and our Responsible Business Alliance (RBA) Code of Conduct.

We have established a community development program that is founded on volunteering and sponsorship initiatives that align with our corporate values. By encouraging our employees to actively participate in volunteering activities, we aim to make a positive difference and contribute to the communities where we operate. In 2022, our efforts focused on uplifting disadvantaged populations, supporting youth, and promoting best practices within educational initiatives.

Recognizing the importance of bridging the digital divide, Valens Semiconductor partnered with multiple organizations, in 2022, to donate computer equipment such as used screens and laptops to those in need.

We believe responsible and transparent corporate governance that addresses our stakeholders' interests is key to our approach to sustainability. The Board of Director's Nominating, Governance, and Sustainability Committee is in charge of the Valens Semiconductor [Corporate Governance Guidelines](#), overseeing our policies, programs, and related strategies. We believe that operating with the utmost ethical standards and practices is key to ensuring our continued success.

At Valens Semiconductor, we are committed to maintaining a high level of information security as a foundational requirement. In 2022, we took several steps to update and further enhance our cybersecurity equipment and policies so that they cover a broader range of legal and professional topics, which reflect our obligation to tackle and block emerging cyber threats in a protective manner.

In 2022, our Information Technology (IT) Department launched a comprehensive cybersecurity awareness campaign for all our employees.

Our goal is to ensure everyone in the company is well-informed about various types of cybersecurity threats and knows how to respond to such threats. Our Board of Directors continued to be actively engaged in the formulation and review of our information and cybersecurity strategies.

We thank our stakeholders for their support and are proud of what we have achieved together to be a globally committed citizen.

We look forward to continuing our dialogue with our stakeholders on our future progress, as we here at Valens Semiconductor push the boundaries of connectivity to make the world a better place for our employees, customers, suppliers, investors, and communities.

Gideon Ben Zvi

Chief Executive Officer
Valens Semiconductor Ltd.

Moshe Lichtman

Chairman
Nominating, Governance
and Sustainability
Committee
Valens Semiconductor Ltd.

2022 initiatives

OFFICE
SUSTAINABILITY
INITIATIVE



↓ 17%



↓ 15%

COMMUNITY
DEVELOPMENT
PROGRAM



USED
EQUIPMENT
DONATION

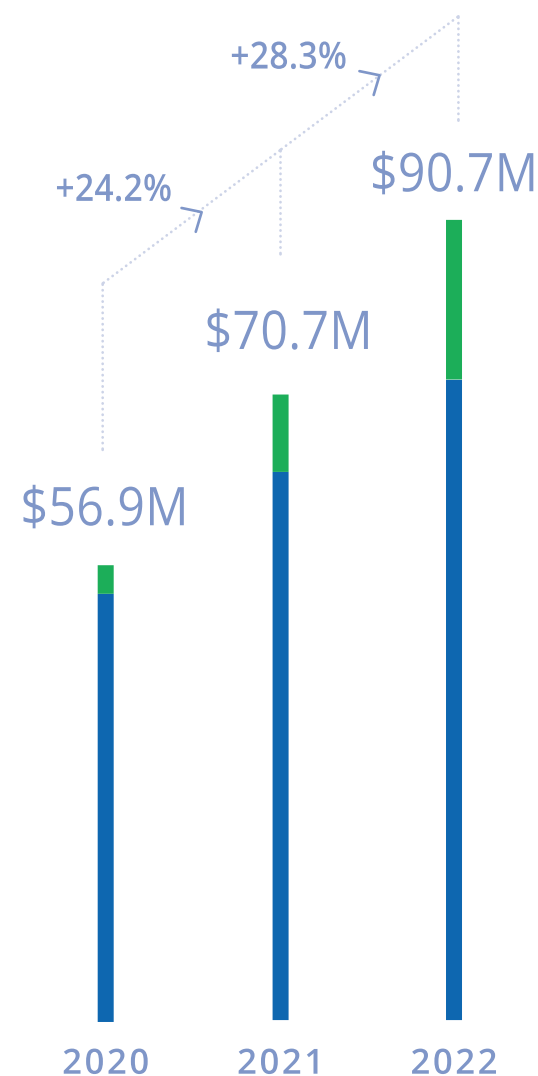


VOLUNTEERING
& SPONSORSHIP



IT
CYBERSECURITY
CAMPAIGN

About Valens Semiconductor



2022 - YoY revenue growth

+19%



Audio-Video

+105%



Automotive

Valens Semiconductor is a leader in high-performance connectivity, enabling customers to transform the digital experiences of people worldwide. Valens' chipsets are integrated into countless devices from leading customers, powering state-of-the-art audio-video installations, next-generation video-conferencing, and enabling the evolution of ADAS and autonomous driving. Pushing the boundaries of connectivity, Valens sets the standard everywhere it operates, and its technology forms the basis for the leading industry standards such as HDBaseT® and MIPI A-PHY.

For more information, visit www.valens.com

SUMMARY OF FINANCIAL RESULTS

(U.S. Dollars in thousands, except per share amounts)

	Year ended December 31	
	2022	2021
Revenues	90,715	70,684
Gross profit	63,390	50,579
Gross margin	69.9%	71.6%
Net loss	(27,667)	(26,534)
Working capital ¹	163,721	183,332
Cash, cash equivalents and short-term deposits ²	148,387	174,359
Net cash used in operating activities	(22,095)	(21,609)
Non-GAAP Financial Data³		
Non-GAAP Gross Margin	70.7%	71.8%
Adjusted EBITDA	(14,903)	(16,098)
Loss per share	(0.17)	(0.47)

¹ As of the last day of the period

² As of the last day of the period

³ See footnotes and reconciliation of GAAP to non-GAAP financial measures in our [Fourth Quarter and Fiscal Year 2022 press release dated March 1, 2023](#)

Our Commitment and Targets

Goals Set in 2022 Report



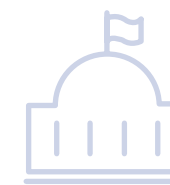
Environment

- Encourage sustainable behavior and waste reduction through cutting-back disposable kitchenware, electronic waste recycling campaign and promoting a paper-free office. Launch a campaign and start implementation in 2023
- Reduce usage of disposable cups by 15% in 2023 from 2022
- Transition our employee leased company vehicles to be at least 70% hybrid or electric by 2030



Social

- Increase the representation of women in technical and entry level positions across the company by 10% by 2030
- Increase the representation of women in managerial roles by 10% by 2030
- Continue to promote employee health and well-being through consistent and diverse events



Governance

- Set annual training for all employees on the Code of Business Conduct and Ethics in 2023
- Initiate audit for ISO27001 - Information Security Management Systems (ISMS) in 2024
- Initiate audit for ISO45001 – occupational health and safety (OH&S) management system in 2024

Our Commitment and Targets

Status of Goals Set in 2022 Report



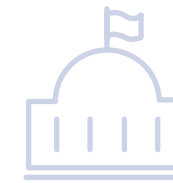
Environment

- Reduce our per employee energy use in the office by at least 5% in 2022
- Launch a corporate campaign in 2022, to reduce usage of printed materials
- Convert to recycled office paper or certified office paper by end of 2023
- Initiate a pilot to replace paper notebooks with electronic eco-friendly reusable notebooks or personal electronic devices (such as laptops, tablets, cell phones) starting by 2023
- Transition our employee leased company vehicles to be at least 70% hybrid or electric by 2030



Social

- Increase the representation of women in technical and entry level positions across the company by 10% by 2030
- Increase the representation of women in managerial roles by 10% by 2030
- Continue to promote employee health and well-being through consistent and diverse events



Governance

- Maintain a 100% rate of new employees receiving training on our Code of Business Conduct and Ethics
- Maintain a highly independent BoD members by keeping an independence rate of 75% or above of the BoD members
- Further integrate sustainability into our governance approach through the leadership and insight of the Nominating, Governance and Sustainability Committee, with a target of bi-annual review
- Further enhance our internal auditing methodology to increase governance efficacy



Completed



2023 Goal



long term goal



not completed

UN Sustainable Development Goals (SDGs)

The UN Sustainable Development Goals (SDGs) focus on motivating action in areas of significant importance for humankind and the planet we live on. Our core business and ESG – environmental, social and governance - strategies are applicable to the below SDGs. For a more detailed discussion on how Valens Semiconductor helps facilitate the UN SDGs, refer to our [2021 ESG Report chapter: UN Sustainable Development Goals \(SDGs\)](#)



Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.

For further details see [Products and Sustainability](#).



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

For further details see [Products and Sustainability](#).



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

For further details see [Environmental Business Stewardship](#); [People and Society](#); [Products and Sustainability](#); [Responsible Governance](#).



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

For further details see [Environmental Business Stewardship](#); [Products and Sustainability](#).



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

For further details see [Environmental Business Stewardship](#); [Products and Sustainability](#).



Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

For further details see [Environmental Business Stewardship](#).



Climate Action

Take urgent action to combat climate change and its impacts.

For further details see [Products and Sustainability](#); [Environmental Business Stewardship](#).

Our ESG Review Process

We continue to implement a comprehensive ESG review process that integrates all our stakeholders. In 2022, we followed the same methodology as in 2021 and have continued to focus our analysis on the same environmental, social and governance topics. This report is an update for our stakeholders on our ESG initiatives and progress achieved in 2022.

We closely follow global ESG trends for our sector and plan to continue to conduct annual evaluations of relevant topics as we aim to ensure our communications and updates address our stakeholder's needs.

Stakeholder Engagement

At Valens Semiconductor we recognize the importance of considering diverse perspectives throughout our ESG management processes.

Our active participation in stakeholder dialogue enriches our technical and operational excellence. Our main stakeholders include our employees, customers, business partners, regulators, suppliers, business

alliance groups, shareholders, local community members and non-government organizations (NGOs). We engage with stakeholders through a wide range of methods including⁴ :

- Business collaboration and partnerships
- Conferences and tradeshow
- Customer relationship management
- Plugfests⁵
- Social media channels
- Webinars
- CEO round table for management and employees

We are active contributors in numerous industry associations including:

- HDBaseT Alliance founder and Board Member
- Institute of Electrical and Electronics Engineers (IEEE) Member
- MIPI Alliance Contributing Member

To learn more about our Customer Relationship Management see our [2021 ESG Report](#)

⁴ By alphabetical order

⁵ Plugfests are events based on a specific technical standards where designers of electronic equipment or software test their products interoperability or designs with those of other manufacturers



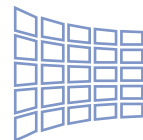


Products and sustainability



Valens Semiconductor Connectivity Technology

Product Features



Audio-Video



VS100™ family

First generation of HDBaseT chipsets, which revolutionized the audio-video market by enabling transmission of uncompressed ultra-high-definition video, audio, control and power, with near-zero latency, over a single LAN cable.

VS2000™ family

Second generation of HDBaseT chipsets, supporting the transmission of ultra-HD video and audio, Ethernet, controls, USB 2.0, and power, over either a LAN cable or fiber cable, with near-zero latency. This product family enables point-to-point, daisy-chaining, and multi-streaming.

VS3000™ family

The first and only Application Specific Integrated Circuit (ASIC) in the industry that enables the long-distance transmission of uncompressed 4K@60Hz 4:4:4. It enables transmission of HDMI 2.0 (18Gbps) including HDCP, convergence of audio and video, 1Gbps Ethernet, USB 2.0, controls, and power, with near zero latency, over a category (CAT) cable.

VA6000™ family

(originally developed for automotive) Small-form factor chipset; a cost effective and flexible solution that enables the convergence of multiple interfaces, including audio (I2S, S/PDIF), Ethernet, USB 2.0 and controls with zero latency, over a single unshielded twisted pair (UTP) cable. The use of the VA6000, in audio-video applications demonstrates our ability to leverage technologies and products from the two business units.

VA7000™ family

(originally developed for automotive) Low-power, small-form factor chipset that supports camera serial interface (CSI) extension over low-cost cable infrastructure, making it ideal for extending multiple cameras in Industrial, Medical, and videoconferencing applications.

Valens USB and Power Extender

A plug and play solution to extend USB and power over a single standard CAT cable, for distances up to 100 meters (328 feet).



Valens Semiconductor Connectivity Technology

Product Features



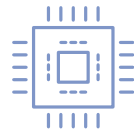
Automotive

VA6000™ family

First generation of Valens Semiconductor's chipsets for automotive. The highest bandwidth long-reach symmetric solution deployed in vehicles today, supporting the aggregation of multiple interfaces for feature-rich infotainment and telematics systems. The chipsets are designed to deliver resilient, multi-gigabit, long-distance connectivity over the simplest wiring and connector infrastructure. In December 2021, we introduced the VA6003, a derivative product of the VA6000, which brings significant power reduction, with a very efficient cost performance. It is designed to fit advanced infotainment use-cases and next generation of telematic units and smart antennas, requiring low power and resilient connectivity.

VA7000™ family

Valens Semiconductor's a-symmetric automotive chipsets, which support connectivity of CSI-2-based sensors (cameras, radars, LiDARs), with link speeds of up to 8Gbps. Operates over standard, cost-effective, in-vehicle wires for up to 15 meters (50 feet), with 4 inline connectors. It is the first product on the market that complies with the MIPI A-PHY standard, and first to support multi-gigabit connectivity over low- cost unshielded cables and connectors.



Superior PHY Technology



Unprecedented Bandwidth



EMC-Resilient Solution



Audio-Video and Automotive Connectivity Solutions

for Greater Collaboration, Equality, Health and Safety



“Florida’s largest public school district’s schools and teachers can now provide learning experience to a much broader audience. Logitech’s superb camera technology, coupled with Valens Semiconductor’s extension solution, are empowering schools like those in Florida and other educational institutions in eliminating gender disparities, increasing access, and ensuring continuous and equitable education. We believe that there is great potential for this type of collaboration between Logitech and Valens Semiconductor in K-12, academic institutions and corporations.”

Sudeep Trivedi

Head of Alliances and
Go-To-Market at Logitech

Valens Semiconductor’s high-performance connectivity solutions are designed to propel socially and environmentally responsible growth – addressing key safety issues that can save lives and reduce overall harness weight in cars. Our audio-video chipsets drive equity, allowing corporations, and education systems to operate in all weather conditions, regardless of participants’ physical abilities, other personal circumstances, or location. They also contribute to healthcare systems and enable command and control centers that among other things improve safety of public transportation.



Education

The largest public county school district in Florida, the fourth largest in the United States with over 330,000 students, has selected our audio-video products to modernize its classrooms. As part of an awarded Elementary and Secondary School Emergency Relief (known as ESSER)⁶ initiative, they selected Valens’ USB and power extension products⁷, together with Logitech’s MeetUp Video Conferencing Camera for a better hybrid, in-class, and remote educational experience.

⁶ Elementary and Secondary School Emergency Relief Fund - Office of Elementary and Secondary Education

⁷ 2022 EV Sales Status: 16% of passenger car sales are plug-in hybrids and all-electric vehicles. Source: Mercedes-Benz 2022 ESG Report



One of their main goals was to prepare for and avoid future closures of schools to enable continuous learning and improved student achievements. Our video conferencing extension solutions help the district's teachers and students to efficiently teach and learn regardless of their physical location, opening up possibilities to boost knowledge, retention and improve achievements at all locations.



Corporate

Crestron Electronics, a leading electronics company, completed the installation of a presentation system in the new North American headquarters of the well-known sports brand, Puma.

The system, which incorporated Valens Semiconductor chipsets, answered Puma's need for seamless communication between its employees based in different locations, by offering one unified meeting room experience, replicating a consistent experience across their conference rooms that are using Microsoft Teams-enabled rooms.

These two examples demonstrate how remote and hybrid work and education models, require equipping spaces with the proper audio and video distribution solutions to foster equity, increase efficiency, and accommodate a better in-room experience for both small and large groups.



Healthcare

Our audio-video products were also deployed to upgrade the Orbis Flying Eye Hospital airplane, which features a teaching facility, an operating room, a classroom, and a recovery room.

Orbis is an international charity working to make eye care available everywhere, for everyone, so no one has to experience the consequences of avoidable blindness. Its mission is to use a network of partners, supporters, medical professionals, and sector leading volunteers to empower local communities to fight blindness and restore vision.

The Orbis Flying Eye Hospital staff travel worldwide to share their knowledge and expertise with local eye care teams. They required resilient technology solutions to provide training opportunities to eye care professionals around the world, serving communities in need that have limited access to such services. We are proud to be part of this critical mission.



Automotive

Our VA6000 chipset is in a wide range of Mercedes-Benz models being sold today (S, C, and E). Mercedes has declared that they are fully focused on battery electric mobility for their future as they work toward truly sustainable mobility, and we are

proud to be part of this initiative, as our chips are being deployed also in their EQx Electric Vehicle (EV) models.

Mercedes-Benz stated in March 2023, that sales of their battery electric passenger cars, grew by 67% in 2022, reaching a total of 16% from total passenger car sales⁷. Looking ahead, they expect to approximately double sales of Battery Electric Vehicles (BEVs) in 2023. Mercedes-Benz also said that they focus on energy-efficiency throughout the vehicle development phases, considering all relevant areas, including weight. Our solution enables the use of lightweight Unshielded Twisted Pair (UTP) cables in vehicles and allows the adoption of zonal architecture solutions for the automotive industry, which decreases the weight and usage of cables, leading to reduced fuel consumption and waste generation.

Our joint solution with Stoneridge related to vision and safety systems in tractor trailers. In 2022, our collaboration with Stoneridge Inc., a leading designer and manufacturer of highly engineered electrical and electronic vehicle systems for the trucking industry, continued to evolve. Together, we aim to address safety-critical issues in the trucking industry by connecting a camera from the rear of the trailer to a display unit in the driver's cabin, over the existing power cable infrastructure.

Progressing towards integration of our chipsets into safety critical ADAS. In 2022, dozens of automotive OEMs, Tier 1s, Tier 2s, and other players joined the growing ecosystem of our VA7000 A-PHY

compliant chipset family. One example is the Japan Automotive Software Platform and Architecture (JASPAR) organization, which is the network of Japanese OEMs and Tier 1s, including Toyota, Nissan, Honda, Mazda, and DENSO, which tested the VA7000. The VA7000 passed JASPAR's rigorous testing for Electromagnetic Compatibility (EMC), marking an important milestone for the integration of these chipsets into safety critical ADAS.

To learn more about the innovations we bring to market, industry standards in audio-video and automotive that are based on Valens Semiconductor's technology, how we encourage collaborative education, facilitate hybrid and remote workplace environments, transform medical imaging, provide connectivity for safe transportation, and power command and control centers, see our Products and Sustainability in our [2021 ESG Report](#).

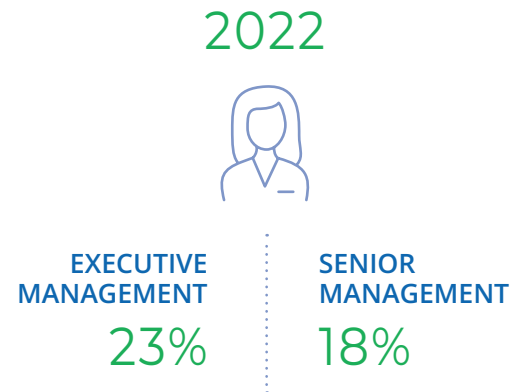


People & society

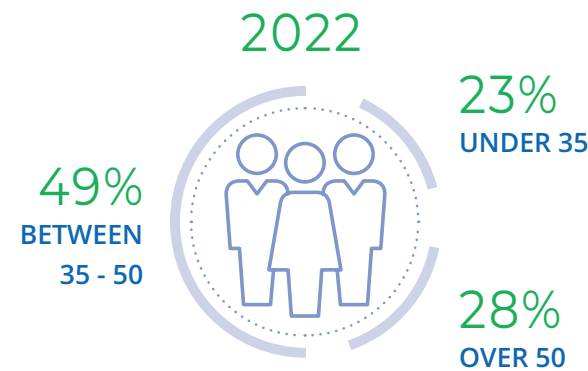


Equity, Diversity and Inclusion

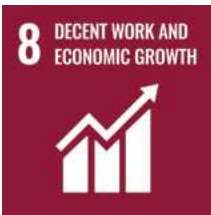
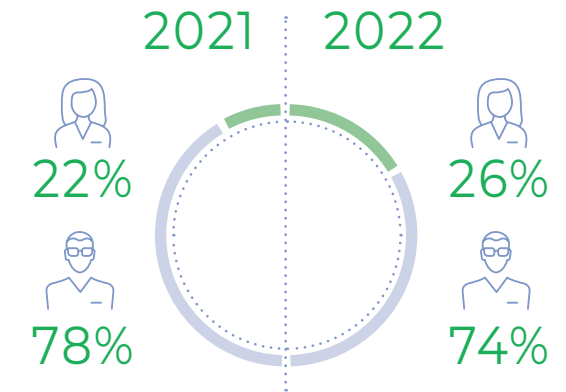
WOMEN IN MANAGEMENT



EMPLOYEE AGE RANGE



NEW HIRES



As a premier provider of high-performance connectivity, pushing boundaries and excelling is at the heart of everything we do. We focus on creating a meaningful, and enriching work environment that provides opportunities for our people to grow and develop.

At the end of 2022, our total workforce comprised of 313 employees and contractors compared to 302⁸ at the end of 2021.

Valens Semiconductor is committed to the principles of diversity, inclusion, and equal rights. As an Israeli company, we are subject to the Equal Work Opportunities Law (1988), under which an employer is prohibited from discriminating against employees or job applicants for a variety of reasons, including race, gender, ethnicity, nationality, religion, age. At Valens Semiconductor, we recognize the importance of diversity and view the integration of a

diverse population into our workforce as essential to providing new perspectives.

We acknowledge the individual strengths of each employee and their personal potential for creating a stronger and more satisfied work community. In line with our approach, we make efforts to recruit employees from across different populations and socio-economic groups of the Israeli society, including Orthodox Jews, Arabs, other minorities, and as well as people with disabilities.

Our policies are designed to ensure employees are treated fairly and with respect and dignity. While the worldwide semiconductor industry is typically a male-majority industry, we seek to promote gender inclusivity within our company wherever possible. We work closely to ensure a positive work environment for all employees and have had no formal complaints about discrimination or harassment in the workplace in 2022.

Employees - Diversity Performance and Highlights

For more information on how we promote women and minority groups in STEM⁹, as well as additional diversity, equity and inclusion initiatives, please refer to our [2021 ESG report](#).

Parental Leave

We offer all our employees paid parental leave in line with the respective local law. In Israel, the law allows parents to enjoy 15 weeks of paid parental leave. Three fathers took parental leave in 2022. Following their leave, they chose to return to the office.

⁸ The total workforce in 2022 (313) and 2021 (302) included employees and contractors (as in the company's 2022 20-F filed with the SEC on March 1, 2023). Statistics presented in the People and Society chapter are based on the number of full-time employees at the end of 2022 (269) and 2021 (263).

⁹ STEM: Science, Technology, Engineering and Mathematics

Employee Health and Safety

Valens Semiconductor prioritizes employees' health and safety and closely monitors relevant procedures through our comprehensive Emergency Preparedness and Response Policy, which outlines team-member responsibilities.

As part of our increased emergency preparedness, we have installed lifesaving defibrillators in our offices in Israel. Over the past years, we have been training and performing drills for our employees, on safe and fast evacuation from the offices due to fire. The training also covers preparedness for earthquakes, using hazardous materials, injury prevention, ways to protect from electrical shock, ergonomic processes to reduce the risk of developing Musculoskeletal Disorders (MSDs), and more.

We also set a target to initiate an audit for ISO45001 Occupational Health and Safety (OH&S) management system in 2024.

Furthermore, we continued to offer our employees in Israel a premium private health insurance policy, including preferred pricing for immediate family members. For additional information, see the [2021 ESG Report](#).



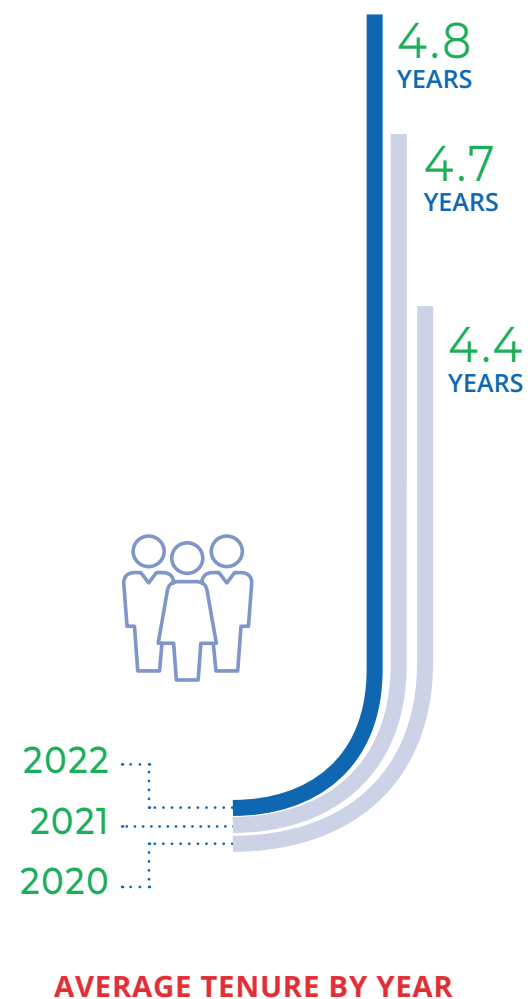
Initiate audit for ISO45001 Occupational Health and Safety (OH&S) management system in 2024

Attracting and Retaining the Best Talent

At Valens Semiconductor, we understand that the development of cutting-edge technology requires highly skilled, motivated, and creative individuals.

Our work producing meaningful and technically advanced semiconductor products naturally attracts curious and ambitious individuals. We strive to attract and foster an inclusive environment that promotes continuous learning through comprehensive training programs, and career development opportunities.

We collaborate with an industry expert to refine our approach to attracting and retaining our workforce of employees and contractors, as we constantly try to improve and align with labor market trends. Valens Semiconductor promotes internal mobility and advancement. In 2022, average tenure was 4.8 years.



Training and Talent Development

Our approach recognizes that lifelong learning and attaining new skill sets are key to the ongoing success of our company. Our training and development program has a tailor-made approach that includes:



- Regular check-ins between employees and managers
- Annual personalized employee learning plans and key performance indicators (KPIs) as part of our performance review process (twice a year, mid-year and full year review and guidance)
- Exposure to various industry and technology-related innovative approaches
- Specialized training and orientations for new hires and entry-level positions
- Professional skills and technical skills training
- Soft skill training
- Effective management courses
- Peer group learning and development programs





“We are proud to have established a company that influences the world in a positive way through ongoing innovation and creativity that make a difference.”

Gideon Ben Zvi

Valens Semiconductor
Chief Executive Officer

In 2022, we focused on the development of our managers, with each new manager receiving either formal group training or individual training sessions. Mid-level managers and team leaders across the organization participated in quarterly peer group meetings.



Technical Skills

Examples of the professional skills obtained by our team members in 2022 included:

- Linux for Software (SW) and Verification Intelligence (V&I) groups
- Process FMEA (PFMEA)
- Design FMEA (DFMEA)
- Verification methodologies and tools



Soft Skills

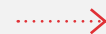
Soft skills help create well rounded development and personal growth. Soft skills training that our employees pursued in 2022 included:

- Management courses
- Personal coaching for senior management
- Presentation workshops
- Effective communication skills
- Peer group meetings

Knowledge Sharing through our Peer Group Models



Presenting the case study



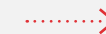
Using clarifying questions, focused on facts



Defining the main managerial dilemmas



Offering alternatives to act and deal with dilemmas



Conducting open discussions about the solutions

Mid-level managers and team leaders across the company participated in quarterly Peer Group meetings to enrich their knowledge and enhance their leadership skills.

In these meetings, our company's leaders participated in organized conversations to discuss case studies, share insights, ask questions, and collaborate across teams.

The group works together to analyze the case studies through different stages. These case studies encourage creative thinking to evaluate and analyze complex situations and experiences from different perspectives. They also provide a supportive and collaborative learning environment that encourages community, relationship building and teamwork.

As we aim to enhance our employees' engagement and provide an open channel of communication and dialogue, we have also been conducting a series of CEO round table discussions since 2020. All managers and employees are invited to participate in a round table with the CEO on an annual basis.

At these round table meetings, we brainstorm together, discuss the company's strategy, areas for improvement and areas of strength.

For more details regarding our training and talent development program, please refer to our [2021 ESG Report](#).

Employee Well-being

Valens Semiconductor attempts to ensure a positive work experience for its employees. We offer a range of professional opportunities, complemented by social, physical, and mental well-being. Since 2020, we have successfully transitioned into a hybrid working model across our offices.

Committed to creating a positive workplace culture and enhancing employee experience, our company values the importance of recreational and social activities. In 2022, we organized company gatherings and toasts to celebrate holidays, hosted movie nights, arranged family trips, and conducted informative lectures for our employees.

We also actively encouraged employees to give back through volunteering and donation opportunities. These endeavors have proven to be highly successful with enthusiastic participation.

Highlights of our 2022 well-being program include:

- **Over 80% participation rate in corporate events**, including many activities on weekends and after work hours.
- **Held 22 events for employees in 2022**, ranging from family trips and volunteering to holiday celebrations, lectures and movie nights.
- **As part of our 'Valens Body and Soul' well-being program**, we hosted a variety of activities, courses and workshops including weekly sports activities,

nutrition courses, yoga, Pilates, pump, and off-premises activities like basketball, soccer, bicycle riding and running groups.

- **Supported employees in adopting healthy eating habits** by offering nourishing food options in our office cafeteria and nutrition courses.
- **Encouraged our employees to adopt healthy hydrating habits** and save on single-use cup consumption in the office. Employees were given the option to select a large bottle of reusable water bottles from a variety of design options to reflect their personal style.
- **Offered complimentary, readily available vaccinations** at our offices during flu season.

For more information about our Well-being Program, please refer to the [2021 Valens ESG Report](#).



Community Engagement and Social Impact

We have established a community development program that encompasses volunteering and sponsorship initiatives that align with our corporate values. By encouraging our employees to actively participate in volunteering activities, we aim to make a positive difference and contribution. In 2022, our efforts focused on uplifting disadvantaged populations, supporting youth, and promoting best practices within education initiatives.

Breaking the Intergenerational Cycle of Poverty in Israel

In 2022 we partnered with [Pitchon Lev](#), a Non-Governmental Organization (NGO) working to break the intergenerational cycle of poverty in Israel.

This donation marked our ongoing commitment to supporting the community, providing individuals with valuable tools to enhance their digital access and opportunities.

Providing Holiday Baskets to Homes in Need

In 2022, a group of Valens Semiconductor volunteers worked with the [Reim Association](#) to arrange and deliver holiday baskets to families in need in our hometown of Hod Hasharon, Israel, for the holidays of Passover and the Jewish New Year.

This effort occurs twice a year, and our team takes great pride in packaging and delivering the essential products that bring joy to dozens of families.

We featured Reim, whose activities rely on volunteers, as part of the [NYSE's Global Giving Campaign](#), sharing its efforts to help those in need and raise awareness. More than 200 NYSE listed companies participated in the campaign and were recognized with a commemorative custom ornament.

Easing the Pain for Children in Safra Children's Hospital

We strive to stay connected to the needs of children in our community, and in 2022, we donated several pairs of virtual reality glasses to the [Safra Children's Hospital](#) in Ramat Gan, Israel.

During blood draws and other medical procedures, these glasses provide children with an immersive and engaging experience that helps alleviate any discomfort or anxiety they may feel during the procedure.

After learning of the hospital's need for such devices, we were inspired to bring some joy and comfort to the young patients and support the dedicated staff in their compassionate care.





Building a Better Day Care for Ill Children

A group of 15 dedicated employees volunteered their time and skills to help renovate [Gan HaHolomot](#) (the Day Care of Dreams) in Kfar Azar, Israel, which provides day care services for children going through disease, recovery and rehabilitation with therapeutic and educational processes.

Our volunteers worked to renovate the daycare's garden, creating a nurturing and vibrant outdoor space for the children to enjoy. In addition to their hard work, the company donated much-needed equipment to further enhance the daycare's facilities.

Assembling Bicycles for At-Risk Youth

Valens Semiconductor believes in the power of employee mobilization to drive positive change, and during our 2022 employee mobilization day, we gathered teams to assemble bicycles that were later donated to the [Mali Association](#), an organization dedicated to social entrepreneurs and supporting at-risk youth.

The event was a collaborative effort involving the entire office, and coincided with an employees' event aimed at fostering teamwork and community engagement. In total, we assembled and donated 15 bicycles to young individuals.





Sunrise Children's Race

For the past seven years, Valens Semiconductor's employees have been participating in the Tel Aviv 10km Night Run, [Sunrise Israel's](#) fundraiser.

The run is an event for increasing awareness and raising money for the important initiatives offered by the organization, such as day camps and hospital programs that bring joy to thousands of kids fighting cancer.

As a repeat participator, we were proud to receive the title of Gold Runners and to donate to the Sunrise Association for every runner on behalf of our company.

Bridging the Digital Divide

Recognizing the importance of bridging the digital divide, Valens Semiconductor partnered with multiple organizations in 2022, to donate computer equipment such as used screens and laptops to those in need.

We donated laptops, a projector, monitors, and peripheral Information technology (IT) equipment to the organization [Bayit L'Kol Yeled \(BiLY\)](#) (a Home for Each Child).

BiLY is dedicated to supporting the victims and families affected by sexual abuse. Their services address the full spectrum of those affected by providing therapeutic treatment for children in crisis, guidance for the professionals who treat them, and intervention and counseling for their parents.





Environmental business stewardship



Environmental Business Stewardship



At Valens Semiconductor we develop solutions that promote sustainable transformation across the audio-video and automotive sectors. We work across the value chain to implement our sustainable design principles, improve environmental performance, and raise sustainability awareness.

-  Increasing connectivity resiliency
-  Reducing usage of power/energy
-  Contributing to the simplification and harness weight reduction
-  Improving cable efficiency and system interoperability
-  Providing safer, error-free solutions
-  Ultimately contributing to a greener environment



Design for Sustainability

Environmental impact is a key consideration within our design processes. In the markets where we operate, we introduce disruptive industry-wide high-performance solutions that aim to increase optimization through a focus on interoperability, energy, and resource reduction, thereby contributing to a greener environment.



Applying our Design Values to Audio-Video Products

Our high-performance audio-video content distribution technology empowers, for example, workplaces and educational institutions to facilitate hybrid and remote working environments, which can help reduce commute and travel related GHG emissions and air pollution.

As detailed in our [2021 ESG Report](#), **Working on Existing Wiring, Interoperability and Standardization, and Energy Reduction** are core competencies that Valens Semiconductor provides.

By utilizing and maximizing the potential of existing products and simplifying installation cost and time, we can help minimize waste going to landfills and the reduction of electricity and materials used for installation. Our standardized solutions enable seamless operations between various brands, giving users the freedom of choice and the potential to make more sustainable consumption decisions. As such, when systems need updating, specific components can be updated without replacing the entire system which helps to alleviate cost and electronic waste.

As power optimization is a primary consideration within our design process, for every new product we release, we define **energy consumption KPIs** and provide clear and constructive energy data. Our chipsets allow us to replace multiple lower-bandwidth connections with a single, faster, **energy-efficient** one that **reduces the final products' power consumption**. Additionally, our chipsets support low power modes that allow circuits to be turned off when there is no active data traffic.



Applying our Design Values to Automotive Products

The increasing number of sensors and data load pose a challenge for automotive manufacturers and architects to best manage their design and the implied additional cable connection requirements

Valens Semiconductor's connectivity products tackle the growing challenge of cable weight, lack of physical space in the car to add additional cables, and installation complexity, which requires extensive manual labor.

Our focus on high-performance connectivity alleviates a central automotive industry challenge and improves the sustainability potential of cars in a variety of ways that we detailed extensively in our [2021 ESG Report](#).

We enable car manufacturers to reduce consumption of materials by **Reducing Weight, Increasing EMI/EMC Resiliency - supporting vehicle transformation, and Reducing the Risk of Recalls**.

Our solutions help support the resiliency and agility needed for an adaptable and sustainable audio-video and automotive industry.



Environmental Impact through the Value Chain

As a fabless company, Valens Semiconductor has taken on the responsibility to minimize the environmental impact of its products by collaborating with partners throughout our value chain.

We are proud to work with suppliers who seek to operate in an environmentally sustainable manner. Taiwan Semiconductor Manufacturing Company (TSMC), ASE Technology Holding Co (ASEH), UTAC Group (UTAC), and STMicroelectronics (STM), the primary manufacturers in our supply chain, are communicating that they are striving to take significant

steps to manage their own environmental footprint.

Our suppliers handle a variety of key material environmental elements including:

- Energy and climate risk management
- Renewable energy
- Responsible procurement
- Waste (including hazardous and electronic waste)
- Water usage

We evaluate and track our suppliers' (new and existing, as a part of our procurement process)

environmental management strategies to ensure that we can meet both our internal and stakeholders' environmental goals. Based on our primary suppliers' public disclosures, they are committed to managing energy consumption and increasing their efficiency by using renewable energy, implementing low-carbon manufacturing practices, and by operating large-scale water recycling facilities to reduce water stress.

We follow the European Chemicals Agency's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS) compliance certification programs

to ensure
practices



Our Environmental Management Approach

To best support our commitment to creating a sustainable future, we urge our management and employees to be fully engaged in a culture of continuous improvement and constructive partnerships with the various stakeholders - suppliers, customers and others.

This commitment is articulated in our vision through our Quality and Environmental Policy and our Responsible Business Alliance (RBA) Code of Conduct.

The Code outlines our environmental standards regarding environmental permits and reporting, pollution prevention, resource reduction, hazardous substances, solid waste, air emissions, material restrictions, water management, and energy consumption.

Our long-standing environmental commitment is reflected in our annual environmental management certification accredited since 2011 by the International Organization for Standardization (ISO) 14001 certification. ISO14001 is the leading environmental

management certification, setting high standards for measuring improvements related to operational impact and complying with applicable laws and regulations.

Mapping our Environmental Impacts

To evaluate and better manage our direct environmental footprint we run an environmental impacts management tool, which is reviewed and updated annually. We record and evaluate known potential environmental impacts and set objectives and assign responsibility for relevant items.

Based on established objectives, we have implemented an annual Environmental Work Plan managed by the Quality and EHS team. The plan covers areas such as employee awareness, internal audit related to environmental indicators, gap assessment, Corrective and Preventive Action (CAPA), and other topics. Since its development and implementation, the environmental mapping tool has been presented to the company's management on an annual basis. In addition, the company's KPIs are presented to the management team as part of the annual management review meeting.

Office Operations



17%

2021 to 2022

lower total electricity consumption



15%

2021 to 2022

reduction in water consumption



6%

decrease in fuel consumption for employee leased cars



Initiative to reduce the usage of disposable dishes



Water bottle initiative to replace single-use cups and promote healthy hydration habits

As a fabless semiconductor company our most direct avenues of impact are reducing resource consumption within our office operations and engaging in dialogue about environmental risks and opportunities with our manufacturing vendors, business partners and other relevant stakeholders. We actively work to lessen the amount of energy and water we use and the amount of greenhouse gas (GHG) emissions and waste we create.

In 2022, we reduced our per employee electricity consumption by 23%, significantly surpassing our goal to reduce our annual electricity consumption by 5% per employee. Total consumption was down by 17% from 2021 to 2022.





Energy Consumption

In 2022, we lowered our total electricity consumption by 17% compared to 2021¹⁰. This reduction was facilitated through the relocation of our server rooms from our offices to a 3rd party data-storage vendor. Locating the servers in a centralized location offsite enables improved energy efficiency in their operation.

In 2022 we conducted an audit of our office's air-conditioning system to ensure efficient resources consumption. The audit, carried out by an external engineering firm with expertise in the field of energy management and energy conservation, tested the efficiency of our chiller units that effect the building's cooling-related energy consumption and usage of cooling gases. The summary document, outlining the test results and possible areas for enhanced performance was presented to our management and to the property-owner for evaluation and is currently under internal review, as well as dialogue with the building management.

As our offices are leased, we have limited control over building operations; however, we remain committed to focusing on improving our energy performance and aim to lower our environmental footprint.

We offer employees a flexible work-from-home policy (with up to two working days per week), which allows for reductions in commute time and related fuel consumption. In 2021 and 2022, we consumed a total of approximately 98 and 92 thousand liters of gas respectively, achieving a year-on-year 6% reduction.



GHG Emissions

In 2022 our Scope 1 emissions were 505.5 tCO₂eq and our scope 2 emissions were 532 tCO₂eq. Our emissions were reduced across both scopes in 2022 from 2021 due to reduced fuel, cooling gas and consumption¹¹.



Water Stewardship

Our water footprint consists mainly of water used in our offices. We closely monitor our water use and strive to conserve our footprint, where possible. In 2022, we used 1,904 m³ of water, a 15% reduction from 2021. This was the result of water reduction measures we applied, such as utilizing low flow faucets.



Managing our Waste

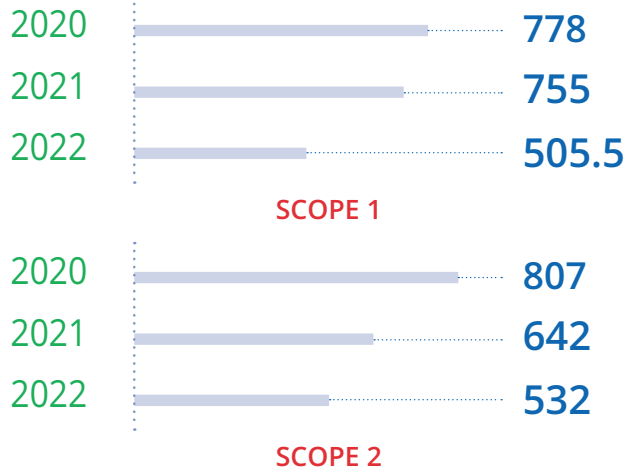
We have recycling bins for paper throughout our office and have set a goal to recycle at least 90% of the paper we dispose of. To achieve this target, we host awareness campaigns among our employees, through multiple channels, to make sure the sorted waste in our offices is disposed correctly. Prior to launching our paperless office initiative and goal to reduce the number of disposable dishes in the office in 2022, employees used an average of 5.4 disposable cups per employee per day. In 2023, we began the transition to non-disposable dishes in our offices and installed high-efficiency dish washers. Our target for 2023 is to continue to significantly reduce the use of disposable dishes in our offices and **to save 15% of the disposable cups consumed compared to 2022.**

Valens Semiconductor strives to increase the proper disposal of our employees' personal and company electronic waste. Our ongoing electronic waste collection program includes items such as LCD screens, cables, lightbulbs, batteries and other assorted electronic materials. Where relevant, we evaluate options for donating our electronics systems, and in 2022 we donated various computer equipment to those in need.

ELECTRICITY CONSUMPTION



GHG EMISSIONS (tCO₂eq)



¹⁰ The 2021 ESG report stated the 2021 electricity consumption was 1.55 million kwh. After the issuance of the 2021 ESG report, the municipality redefined the measurement criteria and Valens Semiconductor's consumption was adjusted accordingly. The 2021 consumption has been corrected to 1.29 million kwh.

¹¹ Refer to footnote 10 for adjustment in our electricity consumption in 2021. This change is also reflected in our 2021 GHG emissions.

Regarding electronic recycling, we continue to work with the same provider who is **ISO 9001** (Quality Management) and **ISO 14001** (Environmental Management) **certified**, which are designed to help us meet legal requirements, and our waste is disposed of safely for people and the environment.

In 2021 and 2022, we responsibly recycled 165 and 126 kgs of electronic waste respectively. In 2022, fewer electronics were disposed of, hence the lower amount of electronic waste recycled. We closely monitor so that electronic waste is disposed of through the proper channels.

Hazardous chemicals are not a material environmental issue for our office operations due to their highly restricted use. For further information on our restrictions, monitoring and disposal of hazardous waste please refer to our [2021 ESG Report](#).



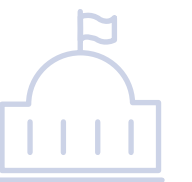
Sustainability Awareness with our Employees

At Valens Semiconductor, we recognize that reducing our environmental footprint is a collective effort that requires employee awareness and engagement on sustainability related topics. Our sustainability initiatives include informative campaigns, our electronic recycling program, our employee-led effort to switch to reusable dishware, our paperless office initiative, and our ESG disclosure and communication.





Responsible governance



Responsible Governance

Valens Semiconductor's mission is to establish cutting-edge products that can help power resilient, ultra-high-performance wired connectivity over simple low-cost infrastructure for the large and growing automotive and audio-video markets. Our corporate governance infrastructure reinforces this mission.

We believe responsible and transparent corporate governance addressing our stakeholders' interests is a key to the company's approach to sustainability.

Acknowledging that ESG risks and opportunities are strategically important to the company's success, in 2021 the Board of Directors established a dedicated 'Nominating, Governance and Sustainability Committee', to direct and guide sustainable cross-company strategies.

This committee is intended to aid in strengthening our ESG management practices by providing strategic oversight and integrating material ESG factors into our governance approach. During 2022, the Committee met three times and also approved the 2021 ESG report.

For more information on our corporate governance practices see our [Governance Documents](#).



Our Board of Directors

Valens Semiconductor's Board of Directors members bring in-depth knowledge and expertise cultivated from decades of professional experience in sustainable markets including automotive and electric vehicles, the high-tech industry, and finance.

Our Board of Directors has nine members, including one woman, seven of whom are independent Directors (based on NYSE standards¹² and applicable SEC rules) and eight of whom are non-executive. Our Chairman of the Board, Peter Mertens, is an independent director.

To learn more about our valued Board members see our [Board of Directors](#).

As of the end of 2022, the average age of our Board members was 59, with Directors' age ranging between 48 and 65 years old. At Valens Semiconductor, there is no formal age limit for Board members.

In addition to a broad array of expertise, the Board also offers a global perspective with directors spanning multiple regions. The average duration of sitting Board members as of 2022 was 5.7 years.

To leverage the board members' accumulated expertise, our policy enables a non-limited term; however, our articles of association divide our directors into three classes, each of which is elected or can be re-elected every three years. Our policy

does not impose a mandatory retirement age. This is in line with our goal to benefit from the contributions of directors who have developed experience with, and insight into Valens Semiconductor, and are capable and valuable members of the Board.

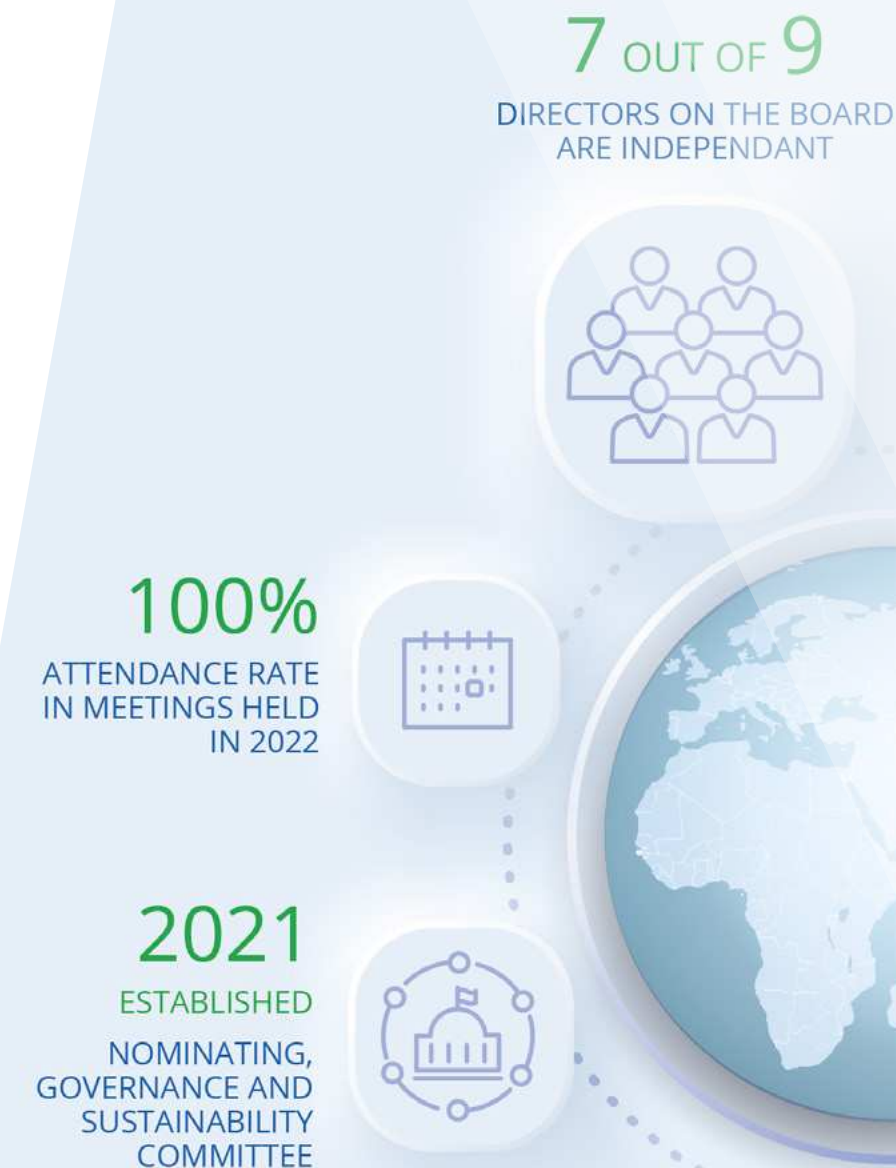
In 2022, the Board of Directors held nine full Board meetings (in-person, via videoconference or written resolutions), throughout the year (compared to 16 in 2021). 100% of the 2022 meetings had full attendance. This compares to 2021, during which one meeting was short a single member, resulting in a 99.3% attendance rate. The Board meetings are accompanied by the company's internal and external legal counsels and the internal auditor.

Committees of the Board

Our Board consists of three committees: the Audit Committee, the Compensation Committee and the Nominating, Governance and Sustainability Committee.

In 2022, the Board held 14 committee meetings, all with a 100% attendance rate. This compares to 12 committee meetings and a 100% attendance rate in 2021. Where appropriate, the committee meetings are accompanied by the company's legal counsel and internal auditors. When applicable, the company's external auditors participated as well.

¹² Independence Policy of The Board of Directors of New York Stock Exchange



Committees of the Board of Directors	Audit Committee	Compensation Committee	Nominating, Governance and Sustainability Committee
Committee Chair	Ms. Adi Yarel Toledano	Dr. Peter Mertens	Mr. Moshe Lichtman
Number of Members	3	3	3
Percentage of Independent Directors in 2022 (2021)	100% (100%)	100% (100%)	100% (100%)
Number of Committee Meetings held in 2022 (2021)	6 (7)	5 (4)	3 (1)
Meeting Attendance Percentage in 2022 (2021)	100% (100%)	100% (100%)	100% (100%)

The Audit Committee

The committee contributes to the Board by overseeing the integrity of the company's financial statements, its compliance with legal and regulatory requirements, and its independent auditor's qualifications and independence. Furthermore, it is responsible for approving certain acts and transactions under the Israeli Companies Law 5759-1999 (the "Companies Law"), as outlined in the [Audit Committee charter](#).

The Compensation Committee

The committee is responsible for overseeing discharge of responsibilities relating to the company's Board members, Chief Executive Officer and other "office holders" (as defined under the Companies Law) compensation, as well as the administration of its equity incentive plans, as outlined in the [Compensation Committee Charter](#).

The Nominating, Governance and Sustainability Committee

The committee is responsible for identifying and recommending qualified Board of Director candidates, recommending director nominees and appointments to Board committees. It ensures the nominees bring the requisite expertise including sufficiently diverse and independent backgrounds.

The Nominating, Governance and Sustainability Committee is accountable for reviewing the structure and membership of the board and its committees on an annual basis.

Finally, as it relates to ESG - it is in charge of the company's [Corporate Governance Guidelines](#), overseeing its policies, programs and related strategies.

Board Member Selection Process

Our Board member selection process is outlined in the Corporate Governance Guidelines. It is performed by the Nominating, Governance and Sustainability Committee, based on criteria listed in the [Nominating, Governance and Sustainability Charter](#).

Nominees are required to have the highest personal integrity and ethics. They are also required to possess relevant expertise and demonstrate excellence in their respective field(s). Additional considerations include a combination of various and independent backgrounds, diversity, and any gender requirements as per Israeli law. They are also obligated to identify individuals committed to rigorously representing the long-term interests of the company's shareholders.

The Nominating, Governance and Sustainability Committee's role is to select potential members and present them to the full Board of Directors for a comprehensive official discussion regarding the suitability of the nominee for the Board of Directors and its committees.

Prior to every General Meeting where directors are to be elected, the Board of Directors selects, by a resolution adopted by a majority, a number of proposed candidates to shareholders for election. The nominees are elected by a resolution adopted at the General Meeting at which they are subject to election.

Director Orientation and Continuing Education

All new members of the Board are required to participate in the company's orientation program for directors. As part of the program, senior executives educate them and provide an overview of the industries in which Valens Semiconductor operates, its strategy, performance, and financials. The General Counsel introduces the regulatory and legal environment aspects that affect the company's business, and directors' fiduciary duties.

Annual Performance Evaluation

The Nominating, Governance and Sustainability Committee conducts an annual assessment to oversee the annual evaluations of the Board.

Operating with Ethics and Integrity

2021-2022



All new employees received training on our Code of Business Conduct and Ethics



The Code is also available on the Company's website



No reported cases of non-compliance with the Code

Operating with the utmost ethical standards is key to ensuring our Company's success. Conducting our business with integrity sustains our constructive relationship with stakeholders and further advances the overall efficacy of our teams. The following procedures and policies govern our commitment to ethical performance and compliance:

Code of Business Conduct and Ethics

One of our company's most valuable assets is our reputation for integrity, professionalism, and fairness. To protect these assets, our Code of Business Conduct and Ethics was adopted and is reviewed annually by the Board.

It sets forth key guiding principles that represent company policies and guides us in our daily actions. Our commitment to the highest level of ethical conduct is reflected across our business activities

including, but not limited to, relationships with employees, customers, suppliers, competitors, the government, the public and our shareholders.

The Code covers multiple standards guiding our actions, such as Conflicts of Interest, Quality of Public Disclosures, Compliance with Laws, Rules and Regulations, Reporting Violations to a Governmental Agency, Trading on Inside Information, Protection of Confidential Proprietary Information, Fair Dealing, Equal Opportunity, Non-discrimination and Fair Employment, Political Contributions and Activities, Environment, Health and Safety, and social media.

We communicate our Code of Conduct and Ethics to our employees through our internal online communication platform and conduct training on the standards covered by it. New hires are required to sign a copy of the Code upon joining the company. In 2022, 100% of our new employees received training in our Code of Business Conduct and Ethics. This compares to 100% of the new employees who received training in 2021.

Affirming the effectiveness of our proactive ethical management approach, during 2022 and 2021 there were no reported incidents or legal cases relating to corruption, anti-competitive behavior, or non-compliance issues. There were also no reported cases of non-compliance with social and economic laws and regulations. Lastly, there were no reported cases relating to harassment or discrimination.

Valens Semiconductor also operates in accordance with the Sexual Harassment Prevention Law, 5758-1998. All company employees are required to follow

the Sexual Harassment Policy and the provisions of the law. The company publishes its Sexual Harassment Policy on the internal portal, as well as in additional employee gathering points such as the cafeterias. The company's employees confirm, upon their hiring, that they have read the extract of the law that is attached to their induction documents, along with explanatory examples, and that they are committed to conducting themselves in accordance with its instructions. We are obligated to handle any complaint of harassment strictly, in accordance with the policy in effect at the time of the complaint and the provisions of the law. This includes conducting an investigation, and then drawing conclusions. The company's commitment to fair treatment and prevention of sexual harassment is also included in the Code of Conduct.

Equal Work Opportunities

As an Israeli company, Valens Semiconductor is subject to the Equal Work Opportunities Law (1988), under which an employer is prohibited from discriminating against employees or job applicants for a variety of reasons, including race, gender, ethnicity, nationality, religion, age, and many more. See the [People and Society](#) chapter for additional details.

Whistleblower Procedure

Valens Semiconductor encourages all employees, officers and directors to report any suspected violations promptly and is committed to thoroughly investigating any good faith reports of violations. We will not tolerate any kind of retaliation for reports or complaints regarding misconduct made in good faith. Employees can report complaints through an online

whistleblowing reporting form and the 24/7 hotline, the internal online communication platform or to the General Counsel, who will involve the appropriate committee. Complaints received anonymously are sent directly to the Chief Financial Officer and General Counsel, who investigate and treat in accordance with the appropriate policy. In 2022 and 2021 there were no reported complaints on corruption or unethical conduct.

Insider Trading Policy

Valens Semiconductor's Insider Trading Policy prohibits trading by insiders based on material information acquired about Valens Semiconductor. The purpose of such a policy is to ensure compliance with securities laws and to safeguard the integrity of Valens Semiconductor's stock price in the open market. All employees are acquainted with and required to sign the policy. Our General Counsel informs all employees on the blackout and available trading windows to ensure compliance with applicable securities laws and verify fair stock trading.

Code of Conduct (RBA) Across the Supply Chain

Critical suppliers are required to review our Responsible Business Alliance (RBA) Code of Conduct

As stated in [Company's Policy](#), Valens Semiconductor believes in protecting human rights, labor rights, safety and well-being. As a fabless semiconductor company, we undertake to work with the highest tier of global suppliers within the industry. We believe our suppliers are dedicated to ESG and have comprehensive environmental management systems implemented that aid them in managing climate change related risks and other environmental externalities.

Valens Semiconductor expects its suppliers to comply with the laws, rules, and regulations in the countries in which they operate and to implement the

principles of the [Responsible Business Alliance \(RBA\) Code of Conduct](#). We value our relationships with all our suppliers and invest in building open-channels of communication through consistent meetings, updates and regularly scheduled in-person supplier audits. In addition, every new Valens Semiconductor employee receives training on the company's RBA. Starting in 2023, Valens Semiconductor intends to set, as a new KPI, annual training for all employees.

Protecting Human Rights

Valens Semiconductor does not tolerate human rights violations and is committed to ensuring the workers in its supply chain are treated fairly and with dignity and respect. Forced, bonded, indentured, prison labor, slavery or trafficking of persons are

unacceptable. Additionally, companies should respect the rights of workers in relation to working hours, wages, and benefits.

Labor Protections

Valens Semiconductor outlines the importance of protecting employees through humane treatment, non-discrimination, freedom of association and occupational safety. We endeavor to work closely with our suppliers and clearly communicate our policies to them. For example, child labor (as determined in the policy) is not to be used in any stage of manufacturing. To the best of our knowledge, none of our suppliers are relying on forced labor, or engaging in anti-freedom of association or anti-collective bargaining behavior.

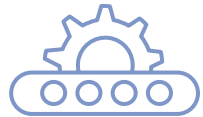
Conflict Minerals

Valens Semiconductor does not condone the use of minerals sourced from conflict regions and expects suppliers to establish their own due diligence program to ensure conflict-free supply chains. Valens Semiconductor expects its suppliers to commit to the Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct which includes a provision related to the responsible sourcing of minerals. Our critical suppliers are required to sign our General Quality Agreement (GQA) which reflects their commitment to maintaining due diligence conflict mineral programs. Additionally, our suppliers typically have a policy to reasonably assure that the Tantalum, Tin, Tungsten and Gold in the products they manufacture are DRC conflict-free.



Our Risk Management Strategy

2021-2022



OUR PRIMARY FABS IN THE SUPPLY CHAIN typically have policies in place to manage climate risks at their Board level



No reported identified leaks, losses or theft of customer data or personally identifiable information

Strong risk management practices are vital to long-term corporate health and social responsibility. Risk assessment and management is imbedded in our business decision making processes and overseen by the Board of Directors, as part of the discussion and approval of our annual business plan.

The company has an internal auditor who conducted an in-depth risk survey during 2021. The survey covered various aspects of the company's business, such as Information Technology (IT), silicon operations, payroll procedures, and development projects management among others. The survey was reviewed by the Audit Committee and served as the basis for the multi-year internal audit workplan that was approved for 2022.

Based on the survey, the Audit Committee approved conducting two audit projects during 2022. The first

audit, IT Risk Assessment Survey – Operational and Financial Systems and Infrastructure Management, was completed in 2022 and the Company is in the process of implementing the recommendations. The findings of the second audit, Management of R&D projects, were presented to the Audit Committee in early 2023.

Business Continuity Plan

Valens Semiconductor has a Business Continuity Plan (BCP). The plan was created by our Environmental and Quality Department and is shared with those who have responsibilities within the plan. The plan covers more than a dozen potential emergency events including extreme weather conditions, IT infrastructure failure and virus outbreaks. It contains mitigation methods and drill plans to reduce overall risk.

To address a disaster event quickly and effectively, we defined the roles and responsibilities of teams that should be urgently engaged, prepared an emergency response from zero hour, and communication procedures with main stakeholders such as affected suppliers, clients, and employees.

Cyber Security Approach

2024



ISO27001
Initiate audit for ISO27001 - Information Security Management Systems (ISMS)

At Valens Semiconductor, we are committed to maintaining a high level of information security as a foundational requirement. In 2022, we took steps to update and further enhance our cyber security equipment and policies, to cover a broader range of legal and professional topics, reflecting our obligation to act in a proactive manner to tackle and block emerging cyber threats. As part of our commitment to constantly improve, we set a target to initiate an audit for ISO27001 information security management systems (ISMS) in 2024.

Our IT Department Security Policy outlines operational methodologies aiming to minimize cyber security threats including access rights management and access control, system management and security monitoring, risk management and audits. To enhance our expertise in the cybersecurity domain, we have engaged industry experts that assist the company to continuously improve its methodologies against potential cyber threats.

In 2022, our IT Department launched a comprehensive cyber security awareness campaign for all of our

employees. We provided specially adapted training, including lectures to management and then to all employees, conducted quizzes, and performed a phishing exercise. Our goal was to ensure everyone in the company is well-informed about various types of cyber security threats and knows how to respond to such threats. Our Board of Directors continued to be actively engaged in the formulation and review of our information and cyber security strategies. The Board reviews the company's cyber security and information strategy and status yearly.

As part of our strategy, cyber security is deeply integrated into our Research and Development (R&D) processes. Our products undergo multiple levels of review to establish robust product security and resilience against potential cyber threats.

To safeguard our data and systems, we utilize high-quality and proven security systems that implement thorough and comprehensive measures.

We also prioritize cyber security across our supply chain. Our suppliers are required to hold relevant cyber security certifications and comply with additional requirements set by our dedicated cyber security team. As part of our risk management practices, we require suppliers and contractors to report any cyber security incidents promptly. This includes data leaks and their impact, allowing us to take immediate action and prevent further risks.

In 2022 and 2021, we had no reported identified leaks, losses or theft of customer data or personally identifiable information.

Safeguarding Privacy

Valens Semiconductor is committed to protecting the privacy of our customers' personal data. As a business-to-business company our core business operations do not involve collecting personal data. However, we recognize the importance of establishing robust privacy standards and ensuring compliance.

To uphold our commitment to safeguarding privacy, we have implemented comprehensive management guidelines and policies. Our [Privacy Policy](#) adheres and ensures compliance with the European Union's 'General Data Protection Regulation' (GDPR), one of the leading and strictest privacy and security laws in the world. Furthermore, our [Privacy Charter](#) outlines our commitment to strengthening and protecting privacy rights, incorporating the privacy principles outlined in GDPR. These documents provide clear guidelines for our stakeholders regarding the collection, use, storage, and protection of their personal data. During 2022, we started adapting the Privacy Policy and internal procedures to be compliant with additional US based privacy legislation, mainly the California Consumer Privacy Act of (CCPA) and the California Privacy Rights Act (CPRA).

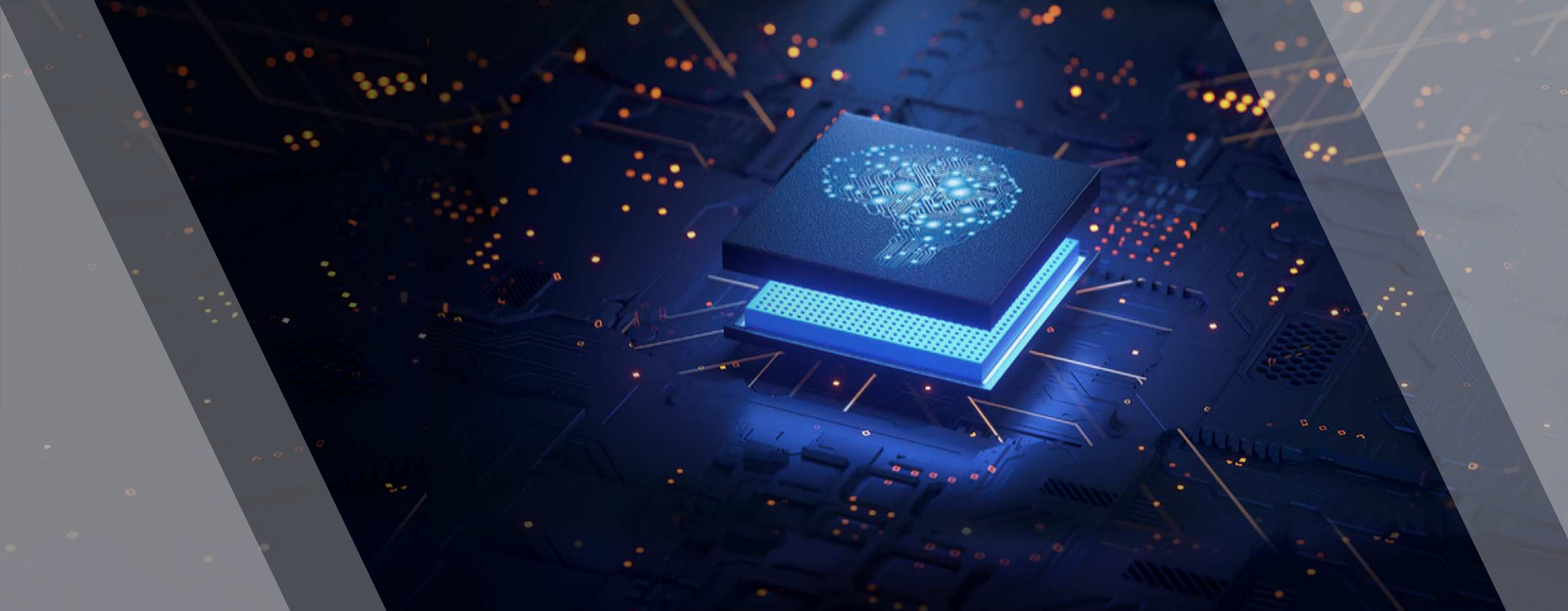
In our commitment to customer data protection, we have also further enhanced our Customer Relationship Management (CRM) access control measures. This added another layer to the security of customer data and reinforces our commitment to maintaining the highest standards of data protection. In certain instances, through the Valens Semiconductor [website](#), and other related subdomains and landing pages

provided by the company, we may collect, use, and store various types of personal data including identity data; contact information; technical data from devices used to access our website and services; and aggregated data, such as statistical or demographic data. We collect this data solely for the purpose of providing our stakeholders with the best possible service and user experience, while maintaining the highest level of discretion as defined by our formal policies.

Finally, we have a Cookie Policy, Terms of Use for the Valens Semiconductor website, and a contact point regarding all data privacy requests and concerns. To learn more about our privacy policies and related information see our website under the [Privacy Center page](#).

Our commitment to privacy is further embedded within our company's [Code of Conduct](#), reflecting our efforts to foster a culture of privacy and ensuring the protection of personal data.





Appendix



About this report

Valens Semiconductor is pleased to present our second annual ESG Report.

This report updates on the status of our sustainability-related projects, technology, business and activities during 2022, for the period of January 1, 2022, to December 31, 2022, with some additional details provided from prior years.

Our offices in Israel employed about 93% of our employees in 2021 and 2022. Unless otherwise stated business operations described in this report relate to our offices in Israel.

This report is written in reference to the Global Reporting Initiative (GRI 2021 Universal Standards), and the Sustainable Accounting Standards Board (SASB).

Looking ahead, we plan to publish an ESG report annually to provide transparency and easily comparable data on our performance. Through the reporting process we aim to encourage dialogue with all our stakeholders and inform them on our improvements over time.

Feedback

If you have any questions or comments about this report, or our ESG journey, please contact:

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Acknowledgments

We wish to thank all the people involved in the concept development, data collection, writing and production of this report, which couldn't have happened without their dedication.

Statement from Good Vision, Sustainability Advisors Fahn Kanne & Grant Thornton Group

Good Vision assisted Valens Semiconductor in writing this report. Good Vision is a member organization of the GRI Gold Community working to empower businesses, corporations and decision makers everywhere to act towards a more sustainable economy and future through ESG initiatives and stewardship.



Forward Looking Statements

This report includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding our anticipated future results, including financial results and contract wins, future economic and market conditions, our future prospects, product development and business strategies, and our future performance relative to certain metrics, indicators or goals. These statements are based on various assumptions, whether or not identified in this report, and on the current expectations of Valens Semiconductor’s (“Valens”) management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and may differ from assumptions. Many actual events and circumstances are beyond the control of Valens Semiconductor.

These forward-looking statements are subject to a number of risks and uncertainties, including the cyclicity of the semiconductor industry; the effects of health epidemics, such as the global COVID-19 pandemic; the impact of the global pandemic caused by COVID-19 on our customers’ budgets and on economic conditions generally, as well as the length, severity of and pace of recovery following the pandemic; competition in the semiconductor industry, and the failure to introduce new technologies and products in a timely manner to compete successfully against competitors; if Valens fails to adjust its supply chain volume due to changing market conditions or fails to estimate its customers’ demand; disruptions in relationships with any one of Valens’ key customers; any difficulty selling Valens’ products if customers do not design its products into their product offerings; Valens’ dependence on winning selection processes; even if Valens succeeds in winning selection processes for its products, Valens may not generate timely or sufficient net sales or margins from those wins; sustained yield problems or other delays in the manufacturing process of products; sustained yield problems or other delays in the manufacturing process of products; Valens’ ability to effectively manage, invest in, grow, and retain our sales force, research and development capabilities, marketing team and other key personnel; Valens’ ability to timely adjust product prices to customers following price increase by the supply chain; Valens’ ability to adjust our inventory level due to sudden reduction in demand due to inventory buffers accrued by customers; Valens’ expectations regarding the outcome of any future litigation in which we are named as a party; Valens’ ability to adequately obtain, maintain, protect, defend and enforce our intellectual property and proprietary rights; the market price and trading volume of Valens ordinary shares may be volatile and could decline significantly; political, economic, governmental and tax consequences associated with our incorporation and location in Israel; and those factors discussed in Valens’ annual report on Form 20-F filed with the SEC on March 1, 2023 under the heading “Risk Factors,” and other documents of Valens filed, or to be filed, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Valens does not presently know or that Valens currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Valens’ expectations, plans or forecasts of future events and views as of the date of this report. Valens anticipates that subsequent events and developments may cause Valens’ assessments to change. However, while Valens may elect to update these forward-looking statements at some point in the future, Valens specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Valens’ assessment as of any date subsequent to the date of this report. Accordingly, undue reliance should not be placed upon the forward-looking statements.

GRI Index

GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	Reference/Response
The organization and its reporting practices	2-1	Organizational details	Introduction
	2-2	Entities included in the organization's sustainability reporting	About this Report
	2-3	Reporting period, frequency and contact point	About this Report
	2-4	Restatements of information	The 2021 ESG report stated the 2021 electricity consumption was 1.55 million kwh. After the issuance of the 2021 ESG report, the municipality redefined the measurement criteria and Valens Semiconductor's consumption was adjusted accordingly. The 2021 consumption has been corrected to 1.29 million kwh.
	2-5	External assurance	NA
Activities and workers	2-6	Activities, value chain and other business relationships	Introduction, Product and Sustainability
	2-7	Employees	People and Society- Work Environment & Equity, Diversity and Inclusion
	2-8	Workers who are not employees	People and Society
Governance	2-9	Governance structure and composition	Responsible Governance – Our Board of Directors
	2-10	Nomination and selection of the highest governance body	Responsible Governance – Our Board of Directors
	2-11	Chair of the highest governance body	Responsible Governance – Our Board of Directors
	2-12	Role of the highest governance body in overseeing the management of impacts	Responsible Governance – Our Board of Directors
	2-13	Delegation of responsibility for managing impacts	Responsible Governance – Our Board of Directors
	2-14	Role of the highest governance body in sustainability reporting	The Nominating, Governance and Sustainability Committee is responsible for approving Valens' ESG report. Responsible Governance – Our Board of Directors
	2-15	Conflicts of interest	Responsible Governance- Operating with Ethics and Integrity
	2-16	Communication of critical concerns	Responsible Governance – Our Board of Directors
	2-17	Collective knowledge of the highest governance body	Responsible Governance – Our Board of Directors
	2-18	Evaluation of the performance of the highest governance body	Responsible Governance – Our Board of Directors
	2-19	Remuneration policies	Refer to our 2022 20-F
	2-20	Process to determine remuneration	Refer to our 2022 20-F
	2-21	Annual total compensation ratio	NA

GRI Index (cont.)

GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	Reference/Response
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Letter from the CEO and Chairman of the Nominating, Governance and Sustainability Committee
	2-23	Policy commitments	Responsible Governance- Operating with Ethics and Integrity
	2-24	Embedding policy commitments	Responsible Governance- Operating with Ethics and Integrity
	2-25	Processes to remediate negative impacts	Responsible Governance- Operating with Ethics and Integrity
	2-26	Mechanisms for seeking advice and raising concerns	Responsible Governance- Operating with Ethics and Integrity
	2-27	Compliance with laws and regulations	Responsible Governance- Operating with Ethics and Integrity
	2-28	Membership associations	Introduction – Stakeholder Engagement
Stakeholder engagement	2-29	Approach to stakeholder engagement	Introduction – Stakeholder Engagement
	2-30	Collective bargaining agreements	Valens Semiconductor employees are not employed based on a collective bargaining contract.
Disclosures on material topics	3-1	Explanation of the material topic and its boundary	Introduction
	3-2	List of material topics	2021 ESG Report - Introduction
	3-3	Management of material topics	Responsible Governance
Economic performance	201-1	Direct economic value generated and distributed	Introduction, See also 2022 20-F
	201-2	Financial implications and other risks and opportunities due to climate change	Responsible Governance- Our Risk Management Strategy Environmental Business Stewardship- Environmental Impact through the Value Chain
Indirect Economic Impacts	203-2	Significant indirect economic impacts	Products and Sustainability
Anti-corruption	205-1	Operations assessed for risks related to corruption	Responsible Governance- Our Risk Management Strategy
	205-2	Communication and training about anti-corruption policies and procedures	Responsible Governance- Operating with Ethics and Integrity
	205-3	Confirmed incidents of corruption and actions taken	Responsible Governance- Operating with Ethics and Integrity
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Responsible Governance- Operating with Ethics and Integrity

GRI Index (cont.)

GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	Reference/Response
Energy	302-1	Energy consumption within the organization	Environmental Business Stewardship- Office Operations
	302-3	Energy intensity	Environmental Business Stewardship- Office Operations
	302-4	Reduction of energy consumption	Environmental Business Stewardship- Office Operations
	302-5	Reductions in energy requirements of products and services	Environmental Business Stewardship- Design for Sustainability
Water	303-1	Total volume of water used	Environmental Business Stewardship- Office Operations
Emissions	305-1	Direct (Scope 1) GHG emissions	Environmental Business Stewardship- Office Operations
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Business Stewardship- Office Operations
	305-4	GHG emissions intensity	Environmental Business Stewardship- Office Operations
	305-5	Reduction of GHG emissions	Environmental Business Stewardship- Office Operations
Effluents and Waste	306-2	Waste by type and disposal method	Environmental Business Stewardship- Office Operations
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	In 2020 and 2021 there were no reported cases of non-compliance.
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Environmental Business Stewardship- Environmental Impact through the Value Chain
Employment	401-1	New employee hires and employee turnover	People and Society- Equity, Diversity and Inclusion
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and Society- Employee Health and Safety
	401-3	Parental leave	People and Society- Equity, Diversity and Inclusion
	404-2	Programs for upgrading employee skills and transition assistance programs	People and Society- Training and Talent Development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	People and Society- Equity, Diversity and Inclusion
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	People and Society- Equity, Diversity and Inclusion
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible Governance- Operating with Ethics and Integrity
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Governance- Operating with Ethics and Integrity

GRI Index (cont.)

GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	Reference/Response
Human Rights	412-2	Employee training on human rights policies or procedures	Responsible Governance- Operating with Ethics and Integrity
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	People and Society- Community Engagement and Social Impact
Supplier Social Assessment	414-1	New suppliers that were screened using social	Responsible Governance- Operating with Ethics and Integrity
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Products and Sustainability
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2021 and 2022 there were no reported cases of non-compliance.
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible Governance- Cyber Security Approach
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	In 2021 and 2022 there were no reported cases of non-compliance.

SASB Index

SASB Topic	SASB Code	SASB Accounting Metric	Unit of Measure	Reference/Response
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	n/a	Responsible Governance- Our Risk Management Strategy See also 2022 20-F
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	People and Society- Equity, Diversity and Inclusion
Product Life Cycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%)	Not applicable to the company's product line.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent <i>(see note)</i>	Percentage (%)	Not applicable to the company's product line.
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Percentage (%)	Not applicable to the company's product line.
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Metric tons (t), Percentage (%)	As a fabless company we do not control the product life cycle beyond the development and design stages.
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Percentage (%)	Responsible Governance- Code of Conduct (RBA) across the Supply Chain
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Rate	Responsible Governance- Code of Conduct (RBA) across the Supply Chain
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	n/a	Responsible Governance- Code of Conduct (RBA) across the Supply Chain
Activity Metric (Hardware)	TC-HW-000.B	Area of manufacturing facilities	Square feet	As a fabless company Valens Semiconductor does not own any manufacturing facilities.

SASB Index (cont.)

SASB Topic	SASB Code	SASB Accounting Metric	Unit of Measure	Reference/Response
Percentage of production owned facilities	TC-HW-000.C	Percentage of production from owned facilities	Percentage (%)	0%
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) amount of total emissions from per fluorinated compounds	Metric tons (t) CO -e	Environment- Office Operations
Greenhouse Gas Emissions	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Environment- Office Operations
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	Responsible Governance- Cyber Security Approach
Data Security Managing Systemic Risks from Technology Disruptions	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	n/a	Responsible Governance- Cyber Security Approach
	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, Days	In 2021 and 2022 there were no identified performance issues, service disruption or customer downtime.
Managing Systemic Risks from Technology Disruptions Activity Metric (Software)	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	n/a	Responsible Governance- Our Risk Management Strategy See also <u>2022 20-F</u>