REP-003525 REV. A



# **Corporate Social Responsibility**

2019 Brief



### **Our Commitment**

At Qorvo<sup>®</sup> corporate social responsibility (**CSR**) forms the basis of our ethical standards and is our guide and management policy for maintaining our status as a responsible, global corporate citizen. Qorvo is accountable for its actions and policies that affect people, our local and extended communities, and the environment.

We pride ourselves on the success of our social and environmental programs and strive to create products that are not only valued by our customers, but also produced responsibly.

We are pleased to present Qorvo's CSR brief and invite you to learn more about our program and accomplishments in 2019.

## **Legal Requirements**

Our team monitors and complies with global laws and regulations to ensure that Qorvo provides customers with products that meet the highest manufacturing expectations. Major regulations we monitor include:

- California Transparency in Supply Chains Act (CTSCA)
- U.K. Modern Slavery Act
- Dodd-Frank Wall Street Reform and Consumer Protection Act
- RoHS Directive (2011/65/EU and Amendments)
- REACH Regulation (EC) No 1907/2006

### **Governance Structure**

Qorvo's Corporate Social Responsibility Department regularly monitors customer and legal compliance throughout its global supply chain. Along with executive level support, Qorvo has established a CSR Steering Committee, which monitors compliance and sets objectives with regards to labor/human rights, health and safety, environment, and ethics. Each Qorvo manufacturing and assembly location has subject matter experts who are responsible for implementing these policies and tracking objectives. Additionally, all Qorvo employees are required to comply with these policies.

### **Industry Standards**

supply chain.

Since 2012, Qorvo has been an active member of the Responsible Business Alliance (RBA) and Responsible Minerals Initiative (RMI), which helps ensure we meet industry standards for CSR.

RBA standards are accepted by our key customers and integrated into Qorvo's CSR management system. Qorvo has also adopted the RBA Code of Conduct. Our standard contract provisions require our suppliers to comply with RBA standards.

#### **Responsible Business Alliance (RBA)**

A global coalition of over 155 member companies dedicated to protecting the environment and supporting the rights and well-being of workers throughout the global supply chain.



#### **Responsible Minerals Initiative (RMI)** A global coalition of over 380 member companies working together to address mineral related issues in the global

### **Supply Chain Management**

We hold our suppliers to our high standards, and those required by our customers and the RBA. Through regular engagement, supply chain assessments and training opportunities, we take affirmative steps to ensure that our suppliers understand Qorvo's expectations for maintaining a socially responsible supply chain.

Our requirements are communicated through multiple channels, including Qorvo's external website, supplier portals, and contract provisions. All suppliers are required to comply with applicable laws and regulations in countries where they operate, in addition to complying with Qorvo requirements and the RBA Code.

Our management systems are aligned with the <u>RBA Code of Conduct</u> and the <u>OECD Due Diligence Guidance for Responsible Supply Chains of</u> <u>Minerals from Conflict-Affected and High-Risk Areas</u>. We utilize tools such as the RBA's Self-Assessment Questionnaire (**SAQ**) and the RMI's Conflict Minerals Reporting Template (**CMRT**) to conduct supply chain assessments and mitigate potential risks. We also utilize RBA resources, such as the annual risk heat map, to better understand potential risks in the electronics supply chain.

#### **Responsible Minerals (RM)**

We survey relevant suppliers at least twice a year to identify the smelters/refiners (**SORs**) used to process the 3TG (Tin, Tungsten, Tantalum, and Gold) in Qorvo products. Suppliers are required to push these surveys throughout their supply chains to identify 3TG mineral sources applicable to Qorvo products.

As Qorvo does not directly purchase 3TG from mines or SORs, we utilize third-party assessment programs as our primary method of smelter verification. Qorvo actively supports and engages with the RMI through their Responsible Minerals Assurance Process (**RMAP**) and various member subteams.





Please check with <u>QorvoGreen@qorvo.com</u> for our latest SOR data and CMRT revisions.

	Audit Status Description		
Conformant	Verified by a 3 <sup>rd</sup> party audit		
Active	Committed to undergo a 3 <sup>rd</sup> party audit		
Not Participating	Not committed to 3 <sup>rd</sup> party verification of their mineral procurement processes		

#### Responsible Minerals: Beyond 3TG

In 2019 we updated our responsible minerals policy and supplier requirements to include cobalt and other minerals. We initiated a supply chain survey for cobalt using the RMI's Cobalt Reporting Template (**CRT**) and completed a high-level risk assessment for three additional minerals. See our <u>Responsible Minerals Brief</u> to learn more.

#### **Risk Assessments**

Qorvo evaluates its strategic suppliers using the RBA's SAQ tool. This helps Qorvo narrow its focus and address the most concerning gaps within its supply chain. As an RBA member, we disclose our supply chain assessment progress and results bi-annually to the RBA. In addition, RBA membership requires Qorvo to audit 25% of its "high risk" supplier locations.

Qorvo suppliers are expected to cooperate in providing information on their related policies, procedures, and practices to ensure their CSR management systems meet Qorvo expectations. Information provided by suppliers is validated through multiple channels, including desktop policy review, onsite visits, and third-party RBA audits.

#### Focus On: Recruitment Fees

Qorvo enforces the RBA's Freely Chosen Employment requirement with its suppliers and verifies conformance through annual risk assessments and RBA audits. Any supplier found to be charging worker fees or not having adequate policies in place to address this requirement is subject to immediate corrective action.





### Strategic Supplier Locations

United States	France	Malaysia
Canada	Germany	Philippines
China (including Taiwan, Hong Kong, Macau)	Japan	Singapore
Finland	Korea	

### **Environmental Commitment**

Pursuant to our <u>Environmental Policy</u>: Qorvo is committed to the continual improvement of our ISO 14001 Environmental Management System. The system is designed to promote environmental stewardship, prevent pollution, and meet all applicable environmental requirements. Key performance objectives and targets will be set and reviewed to direct the efforts of the organization to reduce, reuse, recycle and preserve our natural resources.

#### Green House Gas (GHG) & Climate Change Policy

We are committed to protecting the environment by driving operational excellence through Qorvo's Environmental Management System in ways that reduce our local and global impacts. Qorvo's global GHG emissions are comprised of approximately 50% process emissions (Scope 1) and 50% power generation related. Process improvements to energy efficiency and renewable power generation are two ways we can reduce our global footprint.

#### How Does Climate Change Affect Qorvo?

Risks and opportunities related to climate change can be either physical in nature (water and energy supply and demand) or regulatory (restrictions on GHG emissions). Qorvo has implemented strategies at both the corporate and site level to mitigate such risks. This includes reviewing natural disasters stemming from climate change as part of our business continuity planning.

#### **Electrical Sustainability Policy**

Energy efficiency is relevant to our business and stakeholders and we estimate that approximately 50% of our GHG emissions globally are related to power generation. Qorvo is working to incorporate environmental considerations, including renewable power and energy efficiency options into our factories and office buildings.

#### Corporate Energy Target

Substantial energy consumption is required to keep our facilities and equipment running. Qorvo's focus on sustainable production includes an energy reduction target of 2% year-over-year.

We have implemented projects to address process improvements, infrastructure redesign, and replacement of aging equipment. Additionally, we partner with power generation providers and support clean alternative energy production.

#### **GHG Emissions**<sup>1</sup>

	Unit	2017	2018	2019
Scope 1	t CO2e	139,779	169,073	184,754
Scope 2	t CO2e	160,106	164,709	165,862

#### **Energy Use by Source**<sup>2</sup>

	Unit	2017	2018	2019
Electricity	MWh	279,772	294,476	293,877
Natural Gas	MWh	89,780	87,316	88,642

### Clean Energy

Qorvo understands the importance of clean energy within the electronics supply chain. Our US locations purchase energy from local marketplaces, where offerings include renewable energy. We estimate a 2% year-over-year growth in Qorvo's use of renewable energy, taking advantage of such local marketplace options. Additionally, we have engaged with one customer to manufacture its products using 100% renewable energy.

#### Carbon Disclosure Project (CDP) Reporting

Qorvo voluntarily participates in CDP reporting, which customers can access upon request. Information disclosed to the CDP includes GHG and water usage data.

<sup>1</sup> Scope 1 Includes China, Costa Rica, US locations; Scope 2 excludes leased office space <sup>2</sup>Includes China, Costa Rica, US locations; Excludes leased office space

#### Waste Management Policy

Although the semiconductor manufacturing process requires the use of hazardous materials, Qorvo is committed to:

- Minimizing the use of hazardous materials.
- Ensuring the safe use of hazardous materials.
- Ensuring the proper disposal of all hazardous waste.

#### Addressing Waste Management

Key systems help reduce and responsibly manage hazardous waste within our facilities:

- ISO 14001:2015 certifications at manufacturing locations worldwide.
- Robust review process for new chemicals used in R&D that prohibits known high-risk chemicals from being utilized in future products.
- Engagement in governmental/customer discussions on process chemistries.
- Supply chain monitoring for compliance.

#### **2019 Hazardous Waste**

	Unit	2019	
Hazardous Waste	pounds	6,236,200	

Qorvo will set future goals around hazardous waste reduction based on business conditions and identified target opportunities.

#### Water Conservation Policy

Water is an essential natural resource and should be managed responsibly. We recognize our role in conserving both the quantity and quality of water sources in the regions where our factories operate.

#### Addressing Water Conservation

Access to clean water for wafer production is imperative. Changes to water supply and demand can be impacted by climate change. Qorvo has implemented projects that focus on reducing the volume of water used per unit of production as well as ensuring that the quality of our wastewater meets all local and federal requirements.

#### Corporate Water Targets

Site facility teams established individual water targets for 2019. Focusing on onsite manufacturing process improvements for ultrapure water, Qorvo was able to decrease water usage year-over-year by 218,767m<sup>3</sup> in 2019. Additionally, our facility teams were able to decrease wastewater discharge in 2019 by 505,642m<sup>3</sup>. Qorvo will set future corporate water targets based on business conditions and identified target opportunities.

#### Freshwater Usage <sup>3</sup>

	Unit	2017	2018	2019
Freshwater Usage	m <sup>3</sup>	2,634,514	2,424,061	2,205,294

#### Water Reused <sup>4</sup>

	Unit	2017	2018	2019
Water Reused	m³	335,736	369,234	603,583

#### Wastewater Discharge <sup>3</sup>

	Unit	2017	2018	2019
Wastewater Discharge	m <sup>3</sup>	2,512,959	2,032,514	1,526,872

<sup>3</sup> Includes China, Costa Rica, US locations <sup>4</sup> Excludes the following US locations: Greensboro and Apopka

### **Responsible Hiring**

#### Labor Agents

Qorvo's labor agents are held to high standards to ensure ethical hiring practices are being followed. In 2019, Qorvo used two main labor agents to meet staffing needs in its US locations, and our remaining global sites hired workers as direct employees.

#### Prohibiting Child Labor, Forced Labor and Human Trafficking

Qorvo commits to implement responsible business practices that support human rights and provide appropriate processes and mechanisms to address questions regarding the impact of our activities on human rights.

Child labor is not to be used in any stage of manufacturing. Qorvo's minimum age for full time employment is 18 years of age, with the only exception in Nuremberg, Germany, where government sponsored apprenticeship programs permit the employment of students under the age of 18. Additionally, Qorvo prohibits forced, bonded or indentured labor practices such as human trafficking and harsh or inhumane treatment. Qorvo business partners may not charge prospective employees to gain employment and may not retain an employee's original identification documents (e.g., passport, birth certificate or driver's license).

SAQ results place Qorvo manufacturing and assembly locations at low risk for child labor or forced labor/human trafficking. In 2019, third party audits at Qorvo locations confirmed that Qorvo is meeting these standards.

### **Health and Wellness**

The goal of Qorvo's Well-Being Program is to provide tools, programs, and resources to help employees get and stay healthy and be smart consumers of their health care. We believe that investing in our employees' health, financial well-being, and overall wellness makes us a stronger company which in turn contributes to our growth in attractive markets worldwide.



Qorvo's 'Move Around the World' global activity challenge, helped over 1,000 employees improve their health.

The challenge totaled 332 million steps – equivalent to over six trips around the world! And nearly a quarter of participants, or 24%, walked or equaled 10,000 steps a day or more.

### Safety in the Workplace

The health and safety of Qorvo employees, visitors and contractors is of paramount importance. Qorvo is committed to providing a safe work environment through the prevention of injuries and compliance with all applicable health and safety requirements. Qorvo conducts periodic selfassessments to drive continual improvement of our Health and Safety Program.

(~Qorvo Health and Safety Policy)

#### **Emergency Response Team (ERT)**

Qorvo seeks to ensure the health and safety of its workers through many channels, including an established Emergency Response Team (**ERT**) at each manufacturing and assembly location. These individuals receive comprehensive training and are certified to respond in case of an emergency. In the United States alone, 157 employees make up Qorvo's ERT.

### **Incident Investigation and Prevention**

Qorvo maintains an online system that allows for reporting near misses, accidents, and incidents in the workplace. We follow a structured investigation procedure to understand incidents reported and prevent occurrences in the future. Qorvo sites have individuals responsible for health and safety investigation, which drive continuous improvement across the company. These actions are directly linked to our commitment to keep our employees safe. The dedication and commitment to safety from all workers worldwide has driven our corporate recordable rate down year over year.

#### **Qorvo Corporate Recordable Rate**

	2018	2019
Mfg and Assembly Locations	.37	.24

### **Ethics at Qorvo**

Every employee at Qorvo is required to review and acknowledge the <u>Code of</u> <u>Business Conduct and Ethics</u>, which requires compliance with the RBA Code. In 2019, all workers acknowledged review of the Code. Employees who maintain specific roles at Qorvo receive targeted ethics training including but not limited to topics such as anti-corruption, insider trading, and intellectual property.

#### **Effective Worker Feedback Channels**

Qorvo has developed multiple channels to encourage worker feedback. Channels include suggestion boxes, employee meetings, Qorvo's Open Door policy, and an anonymous hotline and online portal managed by an independent third party. Worker reports, such as of potential code violations, are investigated by our Compliance Officer and Employee Relations, as appropriate, with actions taken when and where necessary.

Our third-party hotline and online portal are publicly available. Information on how to reach Qorvo's Compliance Officer and the anonymous hotline number are posted throughout all our locations. Such information is also available on Qorvo.com.

### **Always Improving**

Qorvo is committed to a socially responsible supply chain. We continue to strive to:

- Drive corrective actions upstream where we identify risk.
- Expand our supplier monitoring efforts.
- Utilize our Environmental Management System to reduce our local and global impacts and request the same of our supply chain.
- Advance the implementation of our Responsible Minerals program with relevant suppliers.
- Drive all relevant suppliers to accurately identify all smelters/refiners in their respective supply chains.
- Encourage smelters and refiners to participate in the RMAP.
- Identify and adopt industry best practices through continued our active participation in the RMI.



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