SUSTAINABILITY REPORT 2021

CREE

Wolfspeed

CONTENTS

CEO MESSAGE

This past year has been an extraordinary period of global transformation and it is clear that the ongoing pandemic has renewed a worldwide focus on the fundamental importance of taking care of each other and our planet. Collectively, we have faced new and uncertain circumstances and have adapted, responded and innovated in ways that have created great progress. We continue to learn from all we have faced, and we remain focused on helping our people excel during this unique time. We also maintain an unwavering dedication to serving our customers as we seek to transition the world from silicon to a more efficient semiconductor, silicon carbide. While levels of environmental and health consciousness reach new heights, we are once again reminded of our lead role in the rethinking of old paradigms and the creation of a more sustainable future.

As we focus on the future, we are excited to officially change the name of our company to Wolfspeed in October. Operating under the Wolfspeed name marks a pivotal step for our company as we are now a pure-play global semiconductor powerhouse well-positioned to lead the industry conversion from silicon to silicon carbide. Set apart by our more than 30-year history of driving transformational market shifts, we are the original champions of a technology that is bringing positive changes to the way we live. Our Wolfspeed solutions are key to the electrification of the drivetrain to support the shift to electric vehicles, wireless infrastructure to unlock the potential of smart cities, and power storage to enable broader adoption of alternative energy, enabling greater efficiency and performance, smaller systems, and lower costs.

We maintain a firm commitment to responsibly conducting business alongside an acute awareness of our role in enabling a better future, and I thank our people for their dedication and help in achieving formidable milestones over the past year.

One of those important milestones is our first set of corporate-wide sustainability goals, set out within this report. These goals will drive our sustainability strategy and efforts, which align with our organization structure, core competencies and culture and unite our business units, global locations and functions. Next year, we will report on our progress toward them.

People First, People Always

Our employees remain our biggest differentiator and taking care of them will continue to serve as our guiding principle. We remain committed to creating and sustaining a culture built on inclusivity, where all employees are safe, engaged and able to contribute to their full potential.

As we heighten our commitment to fostering a diverse, equitable and inclusive culture welcoming employee differences and identities, we are investing in programs that will serve as a force for measurable change within our business and communities. We also continue to develop relevant Employee Resource Groups, establishing direct and unique resources for Black, Hispanic, Latin and Asian-American and Pacific Island employees, as well as others dedicated to LGBTQ+ and Mental Health Ally communities in 2020.

We have established new means for day-to-day connection, dialogue and support through the pandemic, including CEO video messages, in-home and drop-off daycare support, increased pay for almost half of our workforce, and operated an internal mobility practice that combines ongoing workforce development, leadership training, education assistance and career path planning. By proactively providing learning opportunities and other avenues for advancement, we seek to enhance the growth, development and financial well-being of all team members. This is critically important as our team expands to include both seasoned semiconductor leaders from across the industry along with a steady pipeline of young professionals through our intern program and partnership with local universities. This past year, we have welcomed highly experienced leaders to oversee both our global operations as well as facility-level operations at our Durham and Marcy locations, an important achievement in our commitment to excellence in responsible and sustainable production practices.

Processes that Protect the Environment, Products that Improve It

Across the globe, we continue to see momentum and action from both private and public entities regarding more energy-efficient and sustainable solutions, with everything from cars to gaming systems, all of which align with our mission and should increase demand for our products. For example, in July, the European Union Council adopted a new climate law to make the bloc's greenhouse gas emission targets legally binding. In August, the White House issued an executive order setting a target for electric vehicles, hydrogen fuel cell and plug-in hybrids to be up to 50% of US sales by 2030. This action comes at the same time that many US automakers have increased their commitments to ramp their electric vehicle production activities.

We believe these actions and policies will accelerate production demand. Our products allow for the development of leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles, electric vehicle charging, and an ever-expanding list of industrial applications.

We remain steadfast in our purpose, which includes revolutionary principles in sustainable production processes that help protect the environment and reduce climate impacts by powering more with less. We are committed to 50% reduction in our Scope 1 and 2 GHG emissions by 2030 with plans to achieve net zero GHG emissions by 2050.

Responsible Business Practices, Innovating for a Better Future

We've accomplished critical milestones in the past year, including making significant progress on our Capacity Expansion Plan. Next year we will open the world's largest silicon carbide fabrication facility in Upstate New York's Mohawk Valley region. The simultaneous expansion on our North Carolina campus will establish a world class silicon carbide corridor on the East Coast. We are investing heavily to position ourselves for what is expected to be a multi-decade growth opportunity across the power and RF markets.

With a culture that drives quality as a competitive advantage, our operating strategies set us up to successfully reduce waste, build highly skilled teams, increase customer satisfaction and advance automotive initiatives to exceed industry expectations. As we expand, we are committed to manufacturing excellence with processes that enable consistent, repeatable, predictable and sustainable production.

Absolute Commitment to Integrity and Transparency

Our Board of Directors provides leadership, counsel and oversight by a trusted group of executives from the global manufacturing, operations, semiconductor and science materials sectors. With new members joining in the past few years, our board of directors set a high standard for our employees, and with the development of fireside chats between board members and our employees, the role the board plays is as impactful and critical as ever.

This is the first year we're reporting to the UN Sustainable Development Goals and the Sustainable Accounting Standards Board (SASB). We've also, for the first time, included a full Task Force on Climate Related Financial Disclosures (TCFD) section in our report. We will continue to present our Sustainability information to our stakeholders in a transparent manner.

It is increasingly clear we are at the beginning of a multi-decade secular shift as the next generation in power semiconductors will be driven by silicon carbide technology. With more experience than any competitor in our industry, world-class leadership from across the industry, investment in expansion, our knowledge, ability to deliver, and commitment to innovation is unrivaled. Leading the way every single day, we strive to continue to do what others say can't be done.

Sincerely,

Gregg A. Lowe
President and CEO

CREE | WOLFSPEED
2021

WHO WE ARE

Cree is an innovator of Wolfspeed® power and radio frequency (RF) semiconductors and lighting class LEDs. Cree's Wolfspeed product families include silicon carbide materials, power-switching devices and RF devices targeted for applications such as electric vehicles, fast charging, inverters, power supplies, telecom and military and aerospace. Cree's LED product families included blue and green LED chips, high-brightness LEDs and lighting-class power LEDs targeted for indoor and outdoor lighting, video displays, transportation and specialty lighting applications. In 2020, Cree announced the divestiture of its LED business, which was finalized in March 2021.

Our Products and Applications

Wolfspeed (48% total Revenue)	LED (52% total Revenue)
PRODUCTS Materials, Schottky Diodes, MOSFETs, Power Modules, MMICs, Bare Die, HEMTs	**PRODUCTS** LED Chips, XLamp LEDs, High Brightness LEDs, Integrated Lighting Solutions
APPLICATIONS Electric Vehicles (EVs), EV Charging Infrastructure, Solar, Energy Storage, Data Centers, Communications Infrastructure, Radar, Aerospace and Defense	**APPLICATIONS** High Power General Lighting, Specialty Lighting, Video Screens, Automotive

Where We're Located

NORTH AMERICA

- RTP / Durham, NC
- Fayetteville, AR
- Mesa, AZ
- Morgan Hill, CA
- Marcy, NY **

EUROPE

- Munich, Germany
- Kista, Sweden
- Oulu, Finland

ASIA

- Hong Kong, China
- Huizhou, China
- Shanghai, China
- Shenzhen, China
- Beijing, China
- Gurgaon, India
- Tokyo, Japan
- Suwon, South Korea
- Penang, Malaysia
- New Taipei City, Taiwan

** = Coming soon

Industry Awards and Recognition

Barron's List of 100 Most Sustainable Companies 2020, BARRON'S	**Semifinalist in Coolest Thing Made in NC Contest** 2020, NORTH CAROLINA CHAMBER
Honorable Mention, Ragan's Employee Communications Awards Class of 2020 (Virtual Events/Celebrations) 2020, RAGAN	**50 Companies to Watch in 2020** 2019, BLOOMBERG
All-SiC Modules for High Voltage Applications 2018, DEVICE DESIGN AND PACKAGING AWARD	**Passive Components & Discrete Semiconductors** 2016, ECN- IMPACT AWARD
Wide Bandgap Automotive Traction Inverter R&D 100 AWARD, 2016	**Industry Award Winner** INDUSTRY AWARD WINNER, FIVE CONSECUTIVE YEARS: 2012- 2016

OUR VALUES

Our values are a simple, yet powerful, reflection of who we are and how we act; they are in all that we say, do and achieve for Cree | Wolfspeed. They reflect both our great history of disruptive innovation and set the tone for the exciting future ahead. We do amazing things in a human way.

Our employees from around the world across every business function shared their thoughts about our values through focus groups, emails and conversations. As a result, we've established principles that represent what we want the experience to be for our employees as well as the customers, partners and communities we serve.

In 2020 we developed our Values in Action program. Every day, Cree | Wolfspeed employees are making impactful contributions for our customers and our company. Our new employee recognition and years of service program, called Values in Action, rewards and honors employees for going above and beyond and delivering exceptional results aligned with our values and our culture. Through the Values in Action program employees can say "thank you" by nominating a coworker for good work they've done with a Values in Action award. All Cree | Wolfspeed employees have the opportunity to formally recognize their peers as well as be acknowledged for service anniversaries through the Values in Action program.

INTEGRITY and RESPECT

We always act with integrity and respect for our people, workplace and community. Relationships matter. We value everyone's contribution and an environment of spirited and open debate.

We do the right thing, and we say, "Thank You."

OWNERSHIP and ACCOUNTABILITY

We are accountable to each other and committed to the highest standards of work and behavior.

We succeed or fail together.

INGENUITY and PASSION

Our passion for making the world better through innovation means we take risks and question conventional thinking, developing new technologies and ways of doing business—leading the way, every single day.

We do what others say can't be done.

WHY CREE | WOLFSPEED

We're leading the transformation from silicon to silicon carbide and GaN as we shape the future of semiconductor markets: the transition to electric vehicles, the move to faster 5G networks, the evolution of renewable energy and energy storage, and the advancement of industrial applications. After more than thirty years of forging new technology adoption and transformation, our Wolfspeed® power and radio frequency (RF) semiconductors are leading the industry through unrivaled expertise and capacity. What's next? We believe anything is possible through hard work, collaboration and a passion for innovation.

SiC EXPERTISE

Our founders were the first to successfully synthesize silicon carbide, and for the last 30 years have focused on devising and supplying the world's power systems designers with the industry's highest performing SiC technologies for high-power applications.

PORTFOLIO

As a pioneer in silicon carbide semiconductors, we now field the world's broadest, most capable portfolio of next generation, SiC-based MOSFETs, Schottky diodes and power modules for power and industry needs.

CAPACITY EXPANSION

We are currently constructing the world's largest silicon carbide fabrication facility in Marcy, New York. This brand new, state-of-the-art wafer fabrication facility will be automotive-qualified and 200mm-capable. It is complemented by our mega materials factory expansion currently underway at our Durham, North Carolina headquarters.

Proven Success

PROVEN LEADERSHIP

30+

Years of Experience

PROVEN EXPERIENCE

7+

Trillion Power devices field hours

PROVEN EFFICIENCY

10 vs 1

Switching efficiency of SiC over Si

PROVEN RELIABILITY

206+

Billion hours of end-consumer usage of RF devices

Cree | Wolfspeed Milestones

How do leaders lead? By being first.

We have spent more than 30 years establishing a global brand known for innovation, financial strength and reliable materials sourcing, staffed by the most forward-looking thinkers and doers in any scientific enterprise. When we transitioned to the Wolfspeed name in 2021, we were poised to build on that foundation with a renewed enthusiasm for the future.

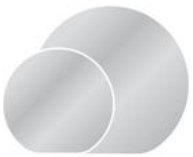
1987

CREE

Cree Research, Inc. Founded

Launched Cree Research, Inc. out of a lab at NC State University to commercialize silicon carbide

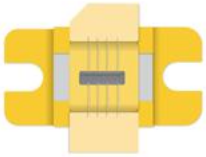
1991



First Commercial Silicon Carbide Wafers

Released the world's first commercial silicon carbide wafers, delivering the industry's most robust, highest-quality materials for the creation of silicon carbide and GaN-on-silicon carbide devices

1998



First GaN HEMT on Silicon Carbide

Created the industry's first GaN HEMT on silicon carbide which enabled increased signal gain and a 4x power density (watts per mm) increase for wireless and broadcast high-power applications

2000

First GaN-on-Silicon Carbide MMIC

Demonstrated first ever GaN-on-silicon carbide MMIC with record power density, proving GaN-on-silicon carbide was greatly superior to GaAs, not only supporting higher power output, but also allowing smaller die size for equal power

2002

600V Commercial Silicon Carbide JBS Schottky Diode

Released our first 600V commercial silicon carbide JBS Schottky diode that enabled the creation of ENERGY STAR® 80Plus Gold, Platinum and Titanium power supplies

Cree | Wolfspeed Milestones (continued)

First Silicon Carbide MOSFET

Released industry's first silicon carbide MOSFET, a market maker and key building block for more efficient power conversion systems, decreasing size, weight and bill of materials

First MOSFETs to meet Automotive AEC-Q101 Standards

Released the first commercially available MOSFETs to meet Automotive AEC-Q101 Standards

XM3 Power Module Platform

Developed the XM3 power module platform which maximizes the benefits of silicon carbide, while keeping the module and system design robust, simple, and cost effective

2020

We released the **Wolfspeed® 650V silicon carbide MOSFETs**, delivering a wider range of industrial applications and enabling the next generation of Electric Vehicle (EV) onboard charging, data centers, and other renewable systems with industry-leading power efficiency. The new devices, which use Wolfspeed's industry-leading, third generation C3M™ MOSFET technology, deliver up to 20 percent lower switching losses than competing silicon carbide MOSFETs and provide the lowest on-state resistances for higher efficiency and power dense solutions. End users benefit from lower total cost of ownership in a variety of applications through the more efficient use of power, reduced cooling requirements, and industry-leading reliability. Compared to silicon, our new 650V silicon carbide MOSFETs deliver 75 percent lower switching losses and a 50 percent decrease in conduction losses which results in a potential 300 percent increase in power density.

OUR RESPONSE TO COVID-19

Cree | Wolfspeed has been at the forefront of innovation for more than 30 years. Today, we are known for leading the worldwide transition from silicon to silicon carbide that is powering a more efficient and sustainable future across electric vehicle, 5G and industrial applications. So, with disruption and innovation at the core of our company culture, it was natural for us to apply that same mentality to how we handled the pandemic. Here's a look at how we responded and the key takeaways as we head into a new age of possibility.

Employees First

At the outset of the pandemic, we had one primary focus: the health and safety of our employees. Our employees remain our biggest differentiator, so taking care of them served as our guiding principle for navigating the many challenges of the pandemic.

Communication

Led by our CEO, we looked for every opportunity to help employees and prioritized communication as the vehicle for connecting the workforce while enabling space for our people to take care of themselves and their loved ones. We quickly rolled out a comprehensive communication strategy, starting with regular video messages from our CEO, as well as ongoing communications across all internal channels about our evolving safety protocols and measures meant to keep everyone safe. We also ensured a 360-degree approach to communication, with ways for our employees to let us know about their biggest challenges and concerns, so we could regularly assess and respond to their needs. One of the most impactful changes we made was increasing the cadence of listening sessions with our CEO, Gregg Lowe. Over time, employees became more and more comfortable voicing their opinions in this setting, resulting in an array of great initiatives. We assembled communications teams and task forces specifically for COVID-19 response and they are still in place to this day. If there is a measure that can be taken to ease concern or improve safety, we deploy it.

Long-Term Thinking

Rather than putting short-term, reactionary measures in place, responding to the pandemic has pushed us to think about how we could truly become a better employer for the long-haul while responding to the situation.

As an essential technology manufacturer, Cree l Wolfspeed is home to a population of manufacturing and office employees, and it remains vital to keep everyone safe while remaining operational. Any employees who were able to work from home were asked to do so to help ensure the health and well-being of our manufacturing population. But, something interesting happened when we did this. Our teams quickly adapted to the new operating environment at the onset of the pandemic, embracing the use of digital platforms to pursue and win business. The level of engagement has been impressive with meetings on our digital collaboration hub totaling more than 1,000 a day, conference calls up fourfold and sales pitches per week up seven times in the first five weeks of the pandemic.

In response, we specifically created and deployed a new program called "Work Where it Works," which is designed to enable employees to achieve a better work/life balance and to be more productive by developing their ideal working schedule based on their personal needs or work style. For example, employees will be able to work from home all the time or come into the office for however many days serves them best following the pandemic.

Looking ahead, we will further enable employees to set up remote workstations and continue to improve information sharing across geographically dispersed areas of our business. Additionally, we have already begun hiring employees outside of the immediate geographic vicinity of our offices and taking advantage of our ability to integrate a broader pool of talent into the organization.

Thinking Holistically

Our manufacturing facilities in the US have remained operational throughout the pandemic as essential businesses. So, while some employees are able to work from home, it is vital that we're taking a holistic approach to making Cree l Wolfspeed a great place to work for everyone. As we all know now, going to work during a pandemic presents a heavy load of challenges for employees. "Work Where it Works" needed to be a comprehensive program taking into account the needs of all our employees, not just the ones working remotely. A recent survey by The Economist found that 90% of executives recognize the impact of employee well-being in the economic performance of their business yet face challenges in translating this into core business objectives or performance indicators. For us, we knew addressing employee well-being needed to be a comprehensive effort and go far beyond hand sanitizer stations and virtual calls. The same survey found that executives who focused on building a "culture of health" within their workplace are far more likely to achieve higher employee productivity and engagement, which was true in our case.

Employee Resources

For employees who needed to be onsite to keep our manufacturing processes running smoothly, the primary concern continued to be safety. We quickly moved to put onsite safety measures in place, but we also took a step back and asked ourselves how we could help our employees on a broader scale. This led to additional changes, such as childcare benefits to help make employees' lives easier in and out of work. Specifically, we began offering three different childcare options -- two drop-off and one in-home -- to support our working parents. We also subsidized regular onsite food trucks, improved outdoor seating areas, randomly provided "thank you" bags and gave reward and recognition credits as a holiday gift to onsite employees. We also extended sick time to ensure our people felt comfortable staying home to take care of themselves. In addition, we implemented a Global Employee Assistance Program, a Global Virtual Fitness Program, a Work From Home Allowance for remote employees, and resources for remote employees to find IT peripherals, ergonomic furniture, and office supplies.

Community Outreach

These are challenging times for our community-agency partners as they work overtime to meet a new level of need. To help our local communities, we made a significant donation of KN95 masks to hospital systems in North Carolina and New York, without compromising the health and safety of our employees. We have also extended our support of local food banks where we operate, including donations in direct response to the pandemic, as well as furthered our partnership with Habitat for Humanity in Durham, North Carolina with a COVID-19 relief donation to its emergency fund that was used to give homeowners a three-month reprieve on their mortgage payments. We remained focused first and foremost on the health and safety of our people, our families and our communities, but also on our commitments to our customers and the communities where we work, live and serve.

Forward Look

Our operations remain strong because our business continuity and safety measures are working, and we have continued to adapt as the situation evolves. Our employees' dedication to keeping our business running and safely serving our customers during this difficult time has been nothing short of amazing. We have been steadfast in our commitment to our employees' health and well-being since the very beginning of the pandemic, and, in turn, our employees have pivoted quickly in the new normal to drive us forward.

CAPACITY EXPANSION

Expanding Capacity for Silicon Carbide

At Cree | Wolfspeed, we are driving the industry transition from silicon to silicon carbide. To meet the increasing demand for our groundbreaking Wolfspeed technology that supports the growing electric vehicle (EV), 4G/5G mobile and industrial markets, we announced in 2019 that we will be establishing a silicon carbide corridor on the East Coast of the United States.

In 2019 we announced our plans to invest $720 million over five years to expand of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet the expected market growth by 2024.

We are currently constructing the world's largest silicon carbide fabrication facility in Marcy, New York. This brand new, state-of-the-art wafer fabrication facility will be automotive-qualified and 200mm-capable. It is complemented by our mega materials factory expansion currently underway at our Durham, North Carolina headquarters. The new fabrication facility will dramatically increase capacity for our Wolfspeed silicon carbide and GaN business and will be a bigger, highly-automated factory with greater output capability.

>30X INCREASE
in silicon carbide wafer fabrication

>30X INCREASE
in silicon carbide materials production

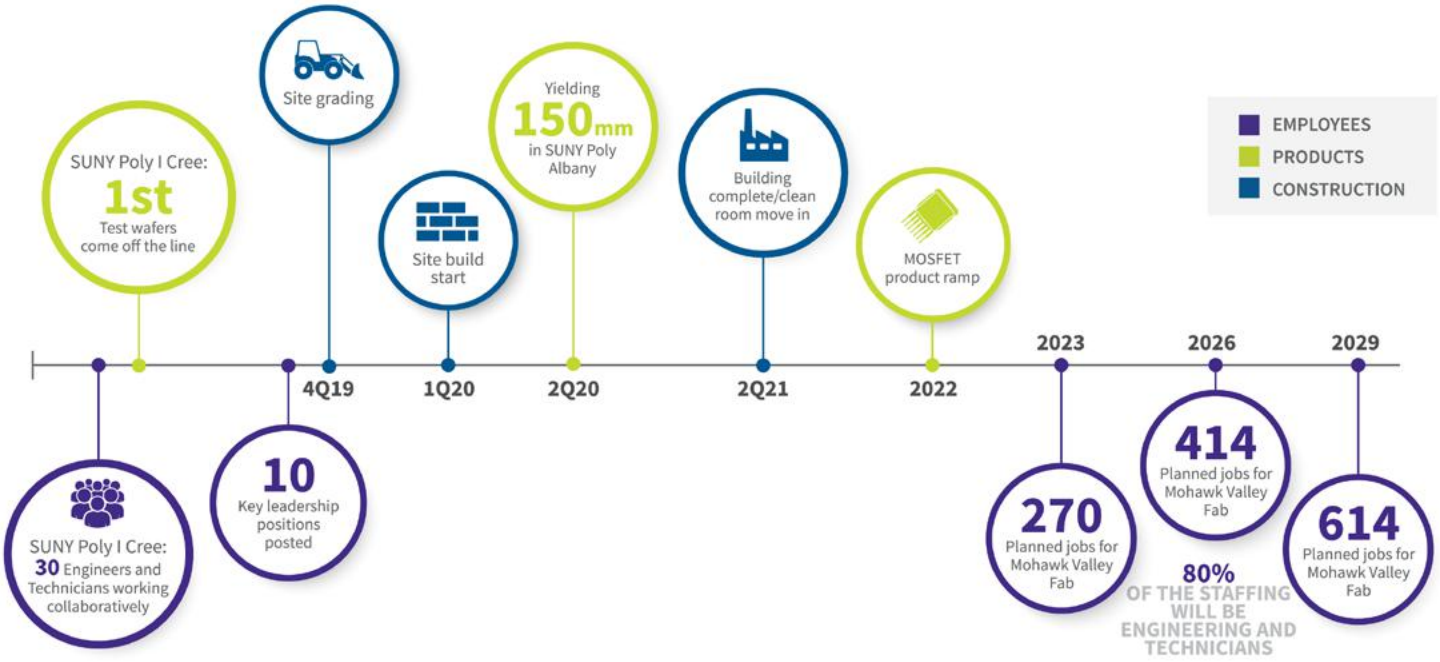
>25% MORE OUTPUT
compared to previously planned facility

STATE OF THE ART
automotive-qualified production facility in Marcy, NY

Renderings of the Mohawk Valley Fabrication facility in Marcy, New York

Construction progress of the Mohawk Valley Fabrication facility in Marcy, New York

HITTING THE GROUND RUNNING



Estimated timeline for the Mohawk Valley Fabrication facility in Marcy, New York

Celebrating progress on the construction of our Mohawk Valley Fabrication facility in Marcy, New York. Representing the last steel truss to be installed. The signed beam will be installed in the building's cafeteria ceiling.

Investing and Partnering in the Mohawk Valley to Build a High-Tech Workforce

We announced our plans to partner with local community and four-year colleges in North Carolina and New York to develop **training** and **internship programs** to prepare our workforce for the high-tech employment and long-term growth opportunities in both location that our expansion plan presents.

As part of our ongoing, long-term commitment to the Mohawk Valley, we are working with academic institutions and other community and economic development partners to help expand the local economy and create a pipeline of high-tech professionals. We recently announced funding the Cree | Wolfspeed Scholarship and two endowed faculty chairs, named for two of Cree's co-founders, John Edmond and John Palmour, to help ensure students who come from historically underserved or marginalized communities, as well as those with significant financial need, have greater access to the educational opportunities that will equip them to excel as part of tomorrow's high-tech workforce.

Our commitment includes a $2 million scholarship program over 10 years and the creation of two endowed faculty chairs through a $1.5 million fund over five years, beginning in August 2020, for the continued expansion of science, technology, engineering, and mathematics (STEM) opportunities for students at SUNY Polytechnic Institute (SUNY Poly).

Partnering to Build a Pipeline of High-Tech Professionals

We are working with education and business partners across the region to establish a robust pipeline for the next generation of high-quality, high tech jobs in the Mohawk Valley, including those we will need in advanced manufacturing. Our culture fosters an inclusive workplace, and our hiring efforts develop employees from the communities where we operate. We fuel long-term growth opportunities for our team through an internal mobility practice that combines ongoing workforce development, leadership training, education assistance and career path planning.

OUR PARTNERS

- Alfred University
- Cornell University
- Fort Drum
- Herkimer College
- Hudson Valley Community College
- Mohawk Valley Community College
- Rensselaer Polytechnic Institute
- Rochester Institute of Technology
- SUNY Polytechnic Institute
- Utica College

Giving Back to the Communities Where We Live and Work

Investing in and giving back to the communities where we live and work is part of who we are as a team, and we are excited to extend these investments to the Mohawk Valley. Since announcing the construction of our new fabrication facility, we've worked with partners such as SUNY Poly, Mohawk Valley Community College, and multiple community-based agencies to help build the local economy, develop local talent, support STEM education at multiple levels and help our new neighbors in need. More information about our community engagement efforts can be found in the **Community Engagement** section of this report.

OUR PARTNERS

- Boilermaker
- FIRST
- Mohawk Valley Community College
- Rescue Mission of Utica
- Save the Day Foundation
- SUNY Polytechnic Institute
- Utica City Football Club
- Utica Comets

Expanding with the Environment in Mind

We continuously explore options for environmental-related improvement projects to help offset our expansion efforts. The following initiatives are planned to be implemented at our new Mohawk Valley Fab.

BUILDING EFFICIENCY

LEED

Our new Mohawk Valley Fab is planned to be LEED certified

With our LEED certification, you'll know the world's largest silicon carbide fabrication facility operates with efficiency. Our buildings will have energy, water and waste savings built into their design.

ENERGY SAVINGS

5000+ MWh

of annual energy savings are built into the design of our new fab

RENEWABLE ENERGY

50%

of our electricity will be from carbon-free or low-carbon sources

Energy efficient products means energy efficient operations. Our new Mohawk Valley Fab will have 100% energy efficient LED lighting and energy efficient ventilation fans, saving us energy year over year. Also, approximately 50% of our energy will come from carbon-free or low-carbon sources based on the local energy grid mix and a **ReCharge NY** award.

WATER SAVINGS

500k+ gal

of annual water savings are built into the design of our new fab

WATER RECYCLING

60k gal

of water planned to be recycled per day at our new fab

Various initiatives, including collecting rainwater for irrigation and installing low-flow faucets will help offset our annual water needs. We are also planning to install a water recycling system to offset purchases of new water.

EV CHARGING

14

new electric vehicle (EV) charging stations planned to be installed

New EV charging stations will be installed at our new fab, in addition to the ones currently used at our Durham and RTP facilities. The new EV charging stations at our Mohawk Valley Fab are estimated to result in an annual reduction of over 100,000 lbs of CO_2 emissions.

SUSTAINABILITY
2021

SUSTAINABILITY MISSION AND PRINCIPLES

The best for our employees, our environment and our communities

Our Sustainability Mission

Our purpose extends beyond our products. Our business is built on the power of silicon carbide and the innovative possibilities unleashed by the technology. Always at the forefront of technology revolutions, we serve as a catalyst for driving change that transforms our communities, industries, and our world by powering more and consuming less.

This is Wolfspeed.

Our Sustainability Principles

People First, People Always

We consider the health and well-being of each individual associated with the Cree | Wolfspeed community as our primary responsibility. We have established stringent rules for material sourcing, supplier selection, and employee health and safety, while also promoting community engagement and education programs.

Processes that Protect the Environment, Products that Improve it

We strive to minimize resource use and reduce the environmental impact of our production process. We are committed to responsibly managing environmental impacts, including being in compliance with environmental legislation as a minimum, and ensuring continual improvement in our environmental performance. Our product sustainability goals are simple: enable our customers to invent power and wireless systems for a responsible, energy efficient future. We are committed to responsibly managing our products from cradle to grave as we lead the innovation and commercialization of silicon carbide and GaN.

Responsible Business Practices, Innovating for a Better Future

At Cree | Wolfspeed, we relentlessly pursue disruptive technologies that change industries. We operate at the highest ethical standards and actively manage risks inside and outside of the organization to ensure long-term financial performance. We adhere to the policies outlined in the Code of Conduct and require our suppliers to adhere to strict social and environmental standards, as described in our Supplier Code of Conduct.

Absolute Commitment to Integrity and Transparency

Our Board of Directors sets high standards for our employees, officers and directors. We are committed to transparency of our Sustainability information and data.

SUSTAINABILITY GOALS

We maintain a firm commitment to responsibly conducting business alongside an acute awareness of our role in enabling a more sustainable future. To that end, this year we established our first corporate-wide sustainability goals. These goals will drive our sustainability strategy and efforts, which align with our organization structure, core competencies and culture and unite our business units, global locations and functions.

People First, People Always

HEALTH & SAFETY

» OUR AMBITION

Providing a safe and healthful work environment is paramount to our success and protects our most valuable resource, our employees.

» OUR GOAL

Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025

COMMUNITY

» OUR AMBITION

Close the opportunity gap by providing more opportunities for STEM education, at all levels, to people in need, particularly in underserved communities.

» OUR GOAL

Establish STEM partnerships at 100% of our major locations by 2025

Processes that Protect the Environment, Products that Improve it

GREENHOUSE GASES

» OUR AMBITION

Actively fight against climate change and reduce our and others' carbon footprint; Stay efficient, stay productive. Be a company that makes a difference for future generations.

» OUR GOAL

- Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030
- Achieve net zero Scope 1 and 2 GHG emissions by 2050

WATER

» OUR AMBITION

Ensure sustainable and efficient use of water across all sectors. Become a leader in addressing water scarcity.

» OUR GOAL

Increase water recycling rate by 25% by 2025

WASTE

» OUR AMBITION

Be a company that directs to zero waste through waste reduction and recycling.

» OUR GOAL

Achieve 85% waste diversion rate from landfill by 2025

SUSTAINABILITY GOALS

Responsible Business Practices, Innovating for a Better Future

SUPPLY CHAIN

» OUR AMBITION

Assess suppliers on social and environmental risks to strengthen partnerships with those with best practices.

» OUR GOAL

Evaluate ESG risks and opportunities for 100% of suppliers on our Approved Supplier List by 2025

DIVERSITY

» OUR AMBITION

Improve resiliency through our diversity efforts and reduce inequalities across our supply chain.

» OUR GOAL

Achieve >5% supply chain spend from diverse suppliers by 2025

Absolute Commitment to Integrity and Transparency

RISK MANAGEMENT

» OUR AMBITION

Use a defined and concise method to easily gather the data needed to evaluate sustainability risks.

» OUR GOAL

Complete 3 risk plans/year under our Enterprise Risk Management (ERM) program by 2025

TRANSPARENCY

» OUR AMBITION

Actively and continuously work to improve our disclosures and ratings through major reporting frameworks to drive continuous improvement efforts.

» OUR GOAL

Achieve a score of B or better on all CDP surveys by 2025

2020 SUSTAINABILITY MILESTONES

JANUARY 2020
Launched our Technician Certification Program

FEBRUARY 2020
Launched our second employee resource group (ERG), the PRIDE Group

JUNE 2020
Donated $3.5M for the Cree | Wolfspeed Scholarship program and the Dr. John Edmond and Dr. John Palmour Endowed Faculty Chairs to expand STEM opportunities at SUNY Polytechnic Institute

JULY 2020
We completed construction on the foundation of our new Mohawk Valley Fab

SEPTEMBER 2020
Donated $4M to N.C. A&T University, a historically black university (HBCU), to establish the Cree | Wolfspeed Endowed Scholars Program to support students in STEM

OCTOBER 2020
Launched new ERGs, Black Hispanic Latinx (BHL) and Veterans Pact

NOVEMBER 2020
Hosted our second annual Diversity, Equity & Inclusion Conference for all employees

DECEMBER 2020
A total 42 of our employees completed our Technician Certification Program in 2020

FEBRUARY 2020
Made Barron's List of 100 Most Sustainable Companies in America

APRIL 2020
Donated 20,000 KN95 masks to Duke University Health System, a local hospital near our headquarters

JULY 2020
Hosted our Cree | Wolfspeed 2020 Virtual STEM Day for employees and their children

AUGUST 2020
We disclosed our water-related information to CDP Water Security for the first time

OCTOBER 2020
Partnered with Durham Bulls and BASF to create a STEM pollinator garden at the Durham Bulls Athletic Park, a local baseball stadium near our headquarters

OCTOBER 2020
Held a ceremony to commemorate the installation of the final steel beam at our new Mohawk Valley Fab, which is planned to be LEED certified

NOVEMBER 2020
Donated 200 turkeys to the Rescue Mission of Utica to help families in need

DECEMBER 2020
We recycled 118 million gallons of water in 2020 and performed our first corporate-wide water risk assessment for the first time

SUSTAINABILITY REPORTING

Cree | Wolfspeed's sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. Our report also aligns with the Sustainability Accounting Standards Board (SASB) semiconductor standard and the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our GRI Content Index, SASB Disclosures and TCFD Disclosures can be found in the **Appendix** of this report. Cree | Wolfspeed also supports the United Nations Sustainable Development Goals (SDGs). How our business activities contribute to the SDGs are highlighted in the **Our Contributions to the UN SDGs** and **UN SDGs Disclosures** section of this report. Our Health and Safety information has been reported using guidance from the Center for Safety & Health Sustainability. Refer to the Materiality Assessment section below to learn more about how the content of this report was developed. We used an independent third party to perform a limited assurance verification of select sustainability report data. The **Independent Assurance Statement** can be found at the end of this report.

» OUR AMBITION

Actively and continuously work to improve our disclosures and ratings through major reporting frameworks to drive continuous improvement efforts.

» OUR GOAL

Achieve a score of B or better on all CDP surveys by 2025

MATERIALITY ASSESSMENT

To better understand which environmental, social, economic, governance, and product topics are material to Cree | Wolfspeed, we have engaged with our internal and external stakeholders. Our internal stakeholders involved in our materiality assessment included employees of different departments within Cree | Wolfspeed. For our external stakeholder analysis, we reached out to suppliers, distributors, contract manufacturers, customers, investors, and trade associations. Other stakeholders who were not involved in the materiality assessment include insurers, competitors, government agencies, community members, and dependents/family of employees.

For stakeholder groups that we did not reach out to or if we did not receive responses from a stakeholder group during the materiality assessment, we referred to the Sustainability Accounting Standards Board's (SASB) standard for the semiconductor industry to ensure that our material topics chosen during our assessment are consistent with the semiconductor industry.

The results of the materiality assessment help us to better prioritize our areas of focus. We used the results of our initial materiality assessment to update our materiality assessment in 2020, which is presented in the table on the next page. The material topics shown in the table on the next page are reported on in greater detail per the GRI Standards. The topics we considered during our materiality assessment are as follows:

Environmental

- Water Scarcity
- Climate Change
- Raw Material Resource Scarcity
- Water and Wastewater Management
- Air Emissions
- Waste Management
- Energy Efficiency of Operations

Social

- Employee Diversity and Equal Opportunity
- Community Engagement (Local & Global)
- Sourcing of Conflict Minerals
- Code of Conduct
- Labor and Employment Practices
- Employee Attraction/Development Retention
- Occupational Health and Safety

Economic

- Contribution to Regional/Local Development
- Indirect Economic Impacts
- Growth in Emerging Markets
- Mergers and Acquisitions
- Supply Chain/Sourcing Issues
- Financial Performance

Corporate Governance

- Political Activity/Lobbying
- Geo-political issues
- International Trade Regulations
- International Standards Compliance (REACH, RoHS, ISO 14001)
- Risk Management
- Stakeholder Dialogue/Transparency
- Corporate Governance
- Regulatory Compliance
- Intellectual Property Security (Cyber & Data Security)
- Ethical Business Practices

Product

- Packaging Contains Recyclable Materials
- Recognition/Awards
- Customer Health and Safety
- Product End-of-Life Disposal
- Product Compliance
- Energy Efficiency of Products
- Product Affordability
- Customer Satisfaction
- Product Innovation
- Product Quality

Materiality Assessment Report

Material Issue	Importance to Upstream	Importance to Cree | Wolfspeed	Importance to Downstream
ENVIRONMENTAL			
Climate Change	High	High	High
Water and Wastewater Management	High	High	Medium
Waste Management	Low	High	Low
Energy Efficiency of Operations	Low	High	Medium
SOCIAL			
Employee Diversity and Equal Opportunity	Low	High	Medium
Community Engagement (Local and Global)	Low	High	Medium
Labor and Employment Practices	Medium	High	High
Employee Attraction/Development/Retention	Low	High	Low
Occupational Health and Safety	Low	High	Medium
ECONOMIC			
Contribution to Regional/Local Development	Medium	High	Low
Supply Chain/Sourcing Issues	High	High	High
Financial Performance	Low	High	Low
PRODUCT			
Customer Satisfaction	Low	High	High
Product Innovation	Low	High	High
Product Quality	Medium	High	High
Acceleration of Sustainable Technologies	Medium	High	High
CORPORATE GOVERNANCE			
International Trade Regulations	High	High	High
Risk Management	Low	High	Medium
Intellectual Property Security (Cyber & Data Security)	High	High	High

OUR CONTRIBUTIONS TO THE UN SDGs

We have reported on how our operations and business activities contribute to the UN SDGs. Refer to the **UN SDGs Disclosures** section of this report for more information about how the UN SDGs and their specific targets align with our business focus, strategy and material issues.

Our Approach

- At Cree | Wolfspeed, we believe everyone should have a roof over their heads, enough to eat, and an opportunity to excel. It is impossible for children to achieve at their highest level when they are worried about where they will sleep at night, or where their next meal will come from. Working with our community partners to meet these needs not only helps address the opportunity gap, but also helps students focus on achieving their full potential through science, technology, engineering and math (STEM) education programs. This work builds important relationships with our community neighbors, including those historically underserved communities, with the same spirit of innovation and passion that drives our business. Working closely with our charitable corporate partners, we are able to focus our efforts on addressing homelessness, diversity and social injustice, as well as increasing awareness of the opportunities provided through STEM.

Our 2020 Activities

- We provided extra funding to Habitat for Humanity's mortgage relief fund to help keep families in their homes during the COVID-19 pandemic when many lost their jobs.
- During the COVID-19 pandemic, we increased our support of the Food Bank of Eastern & Central North Carolina and Feeding America, Inc. to feed those in need, many of whom found themselves suddenly unemployed, in the U.S. locations where we operate.
- We established the Cree | Wolfspeed Scholarship program and the Dr. John Edmond and Dr. John Palmour SUNY Polytechnic Institute Endowed Faculty Chairs for the continued expansion of STEM opportunities.

Our Goals and Certifications

- We have a **sustainability goal** to promote STEM education opportunities in the communities in which we operate:

  Establish STEM partnerships at 100% of our major locations by 2025

OUR CONTRIBUTIONS TO THE UN SDGs

Our Approach

- At Cree | Wolfspeed, we believe everyone should return home healthy and safe every day. We have occupational health and safety programs to ensure the safety of our workplace through evaluation and prevention measures. Cree | Wolfspeed supports the well-being of our employees through programs that support a healthy lifestyle. We are committed to offering benefits to employees and their families to assist in improving health and lifestyle choices. Programs throughout our operations are tailored to the needs of the employees in the region and include many health-related benefits. We also have programs for our employees' mental health including employee assistance programs and our Mental Health Allies employee resource group (ERG).

Our 2020 Activities

- We initiated our **Safety Fundamentals program**, which describes all employees' responsibilities for ensuring health and safety throughout our organization.
- We deployed a new program called "**Work Where it Works,**" which is designed to enable employees to achieve a better work/life balance.
- We donated 65,000 KN95 masks to healthcare workers and first responders serving on the front lines of the COVID-19 pandemic in New York and North Carolina.

Our Goals and Certifications

- We have a **sustainability goal** to further ensure the health and safety of our employees:

  Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025

Our Approach

- At Cree | Wolfspeed, we continuously strive to implement best management practices that conserve and recycle water and prevent and reduce water pollution. Because we are constructing a new state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.

Our 2020 Activities

- We performed our first **company-wide water risk assessment** to better understand our current and future water-related risks.
- We submitted our water-related information to the CDP Water Security survey for the first time.

Our Goals and Certifications

- Our owned manufacturing operations are certified to **ISO 14001:2015.**
- We have the following **sustainability goals** to further reduce our water-related impacts and increase the transparency of our water related risks and opportunities:

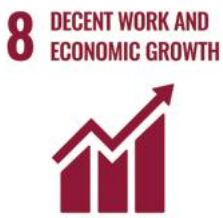
  Increase water recycle rate by 25% by 2025

  Achieve a score of B or better on all CDP surveys by 2025

OUR CONTRIBUTIONS TO THE UN SDGs

Our Approach

- We're leading the transformation from silicon to silicon carbide and GaN as we shape the future of semiconductor markets: the transition to electric vehicles, the move to faster 5G networks, the evolution of renewable energy and energy storage, and the advancement of industrial applications. After more than thirty years of forging new technology adoption and transformation, our Wolfspeed® power and radio frequency (RF) semiconductors are leading the industry through unrivaled expertise and capacity.



Our 2020 Activities

- We released the **Wolfspeed® 650V silicon carbide MOSFETs**, delivering a wider range of industrial applications and enabling the next generation of Electric Vehicle (EV) onboard charging, data centers, and other renewable systems with industry-leading power efficiency. The new devices, which use Wolfspeed's industry-leading, third generation C3M™ MOSFET technology, deliver up to 20 percent lower switching losses than competing silicon carbide MOSFETs and provide the lowest on-state resistances for higher efficiency and power dense solutions. End users benefit from lower total cost of ownership in a variety of applications through the more efficient use of power, reduced cooling requirements, and industry-leading reliability. Compared to silicon, our new 650V silicon carbide MOSFETs deliver 75 percent lower switching losses and a 50 percent decrease in conduction losses which results in a potential 300 percent increase in power density.
- StarPower Semiconductor and Cree | Wolfspeed announced that Zhengzhou Yutong Group, a large-scale industrial Chinese manufacturer of commercial vehicles that specializes in electric buses, is using **Wolfspeed 1200V silicon carbide devices** in a Starpower power module for its new, industry-leading, high-efficiency powertrain system for electric buses. The use of silicon carbide-based power solutions enable faster, smaller, lighter and more powerful electronic systems for commercial electric vehicles. The parties are working together to accelerate the commercial adoption of silicon carbide-based inverters in electric bus applications. Upon rollout, Yutong Group will deliver their first electric bus in China to use silicon carbide in its powertrain, representing a significant advancement in providing an even more efficient e-bus to the market.

Our Goals and Certifications

- Our **capacity expansion plan** includes working toward a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet expected market growth for these technologies.
- Depending on the facility, our manufacturing operations are certified to **ISO 14001:2015, ISO 9001: 2015, IATF 16949: 2016, and/or AS 9100D.**

OUR CONTRIBUTIONS TO THE UN SDGs

Our Approach

- Cree | Wolfspeed is committed to fostering a culture of diversity, equity and inclusion encompassing all employee differences and identities. Because we believe diversity, equity and inclusion drives better business results, we celebrate our employees' authenticity and understand that diverse ideas, perspectives, thinking styles and backgrounds produce higher quality decisions, enabling us to solve problems other companies think to be impossible. We are also committed to reducing inequalities in the communities in which we operate. We partner with municipalities, civic organizations and advocacy groups to help ensure our community is one that addresses any inequities in opportunity. We are out to prove that any societal disadvantage can be overcome with adequate resources and support so that all are free to pursue and achieve a productive, fulfilling life.

Our 2020 Activities

- In 2020 we **hosted listening sessions** with team members from across the organization, which helped to shape new initiatives such as, increasing transparency around our recruiting policies, introducing new employee resource groups (ERGs), developing a mentoring program, and much more.
- We developed our first **Diversity, Equity and Inclusion (DEI) scorecard**, which helps us measure our progress toward DEI-related activities. Our DEI scorecard now is part of our annual bonus.

Our Goals and Certifications

- We have a **sustainability goal** to promote reduced inequalities in our supply chain:

  Achieve greater than 5% supply chain spend from diverse suppliers by 2025

Our Approach

- At Cree | Wolfspeed, we continuously strive to reduce the overall impacts of our manufacturing processes, including substituting sustainable resources in place of non-renewable resources, reusing or recycling materials wherever technically possible and economically reasonable, and minimizing waste and disposing of waste safely and responsibly.

Our 2020 Activities

- Our manufacturing operations continued to evaluate and optimize recipes to maximize chemical usage without negatively impacting product quality thereby reducing the amount of chemicals required in some processes. We also worked to utilize all chemicals in bulk fill drums to reduce the amount of residual chemicals left in their containers after use.
- We have been working to enhance one of our key manufacturing processes, which resulted in a reduction of approximately 132,000 lbs of raw materials in 2020 compared to 2019 usage.

Our Goals and Certifications

- Our owned manufacturing operations are certified to **ISO 14001:2015.**
- We have the following **sustainability goals** to further reduce our waste and water-related impacts:

  Increase water recycle rate by 25% by 2025

  Achieve 85% waste diversion rate from landfill

OUR CONTRIBUTIONS TO THE UN SDGs

Our Approach

- Cree was founded upon the premise that our silicon carbide (SiC) based technology for power and radio frequency (RF) devices could fundamentally change the efficiency of energy use around the world. Our mission is to lead the innovation and commercialization of SiC and gallium nitride (GaN), liberating designers to invent power and wireless systems for a responsible, energy efficient future. We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and climate change. In addition to providing energy efficient products, we strive to reduce GHG emissions and improve energy efficiency at all Cree | Wolfspeed sites.

Our 2020 Activities

- Our LED, power and RF products sold in 2020 will save approximately 327 million MWh and 125 million metric tons CO_2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products).
- We are currently exploring GHG abatement technologies for our facilities and in 2020 and 2021 began installing abatement devices at our Durham and RTP manufacturing facilities.
- In 2019, we began planning for a project to eliminate the use of one of our greenhouse gases with a high global warming potential (GWP) in one of our manufacturing processes. In 2020, this project entered the testing phase and is planned to start transitioning over to full production during 2021.

Our Goals and Certifications

- Our owned manufacturing operations are certified to **ISO 14001:2015.**
- We have the following **sustainability goals** to further reduce our GHG and climate-related impacts:

  Reduce Scope 1 and 2 GHG emissions by 50% by 2030

  Achieve net zero Scope 1 and 2 GHG emissions by 2050

  Achieve a score of B or better on all CDP surveys by 2025

CORPORATE GOVERNANCE 2021

Absolute Commitment to Integrity and Transparency

ABSOLUTE COMMITMENT TO INTEGRITY AND TRANSPARENCY

Our Board of Directors sets high standards for our employees, officers and directors. We are committed to the transparency of our Sustainability information and data.

CORPORATE GOVERNANCE

Our Board of Directors sets high standards for our employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and to oversee the management of our business. To fulfill its responsibilities and to discharge its duty, the Board of Directors follows the procedures and standards that are set forth in these guidelines. These guidelines are subject to modification from time to time as the Board of Directors deems appropriate in the best interests of Cree | Wolfspeed or as required by applicable laws and regulations.

Corporate Governance Documents

- **Corporate Governance Principles**
- **Anti-Corruption Statement**
- **Articles of Incorporation**
- **Corporate Bylaws**
- **Compensation Committee Charter**
- **Governance and Nominations Committee Charter**
- **Audit Committee Charter**
- **Code of Conduct**
- **Code of Ethics for Executive Officers and Other Senior Financial Personnel**
- **Supplier Code of Conduct**

BOARD OF DIRECTORS AND COMMITTEE COMPOSITION

Our Board of Directors plays a critical role in our operations and vision. The Board has the highest authority over the company, and its members are selected due to their significant executive experience in the industry. Our Board of Directors meets quarterly to review topics such as corporate strategy, product development, finances and operations. Our Board members are also members of different Committees. More information about our Board of Directors can be found on our **Board of Directors** and **Committee Composition** pages on **wolfspeed.com** and in the **Diversity, Equity and Inclusion** section of this report.

Board Member		Audit Committee	Governance and Nominations Committee	Compensation Committee
Glenda Dorchak	I		M	M
John C. Hodge	I	M	M	
Clyde R. Hosein	I	C	M	
Darren R. Jackson	I	M	M	
Duy-Loan T. Le	I		M	M
John B. Replogle	I	M	C	
Marvin A. Riley	I		M	M
Thomas H. Werner	I		M	C
Gregg A. Lowe				

I = Independent Director
C = Chairperson
M = Member

CODE OF CONDUCT

Our Code of Conduct applies to every Cree | Wolfspeed employee around the world, and to our Board of Directors; it governs every business decision we make. **Our Values** are at the core of our success and the Code of Conduct embodies and reinforces our commitment to act in a manner consistent with our Values and put them into practice every day. Our **Code of Conduct** is available on **wolfspeed.com**.

RISK MANAGEMENT

Risk management at Cree | Wolfspeed is a process undertaken by all functions within the business, including a review of risks related to financial and market performance, operational performance, emergency preparedness and response, environmental health and safety compliance, among other areas. In addition, we have established a formal Enterprise Risk Management program in order to identify, assess, prioritize and manage key enterprise risks. Sustainability-related risks and opportunities are also discussed and addressed as part of this program. Our material business risks are listed in our periodic reports filed with the Securities and Exchange Commission and in our Annual Reports. Our water-related risks can be found in the **Water Management** section of this report. Our risks associated with climate change can be found in the **TCFD Disclosures Risk Management** and Our Climate Change Risks subections of this report.

OUR AMBITION

Use a defined and concise method to easily gather the data needed to evaluate sustainability risks.

OUR GOAL

Complete 3 risk plans/year under our Enterprise Risk Management (ERM) program by 2025

The Board, acting itself or through one or more of its committees, has general oversight responsibility for corporate risk management, including oversight of management's implementation of risk management practices. While the Board is responsible for risk oversight, management is ultimately responsible for assessing and managing our risk exposures. The Board directly oversees management's assessment, mitigation efforts and monitoring of strategic and operational risks, such as those relating to competitive dynamics, market trends and developments in our industry, changes in economic conditions, cybersecurity and Sustainability. Senior management regularly updates business plans for each of our product lines, including an assessment of strategic and operational risks and responses to identified risks, and members of the Board and senior management meet annually to review these plans. In addition, senior management reports to the Board at each quarterly Board meeting on progress made against these strategic plans, including an update on changes in risk exposure and management's responses to the changes.

SUSTAINABILITY OVERSIGHT

Our Board of Directors is responsible for all Sustainability matters at Cree | Wolfspeed through our **Governance and Nominations Committee**. This Committee assists our Board of Directors in discharging its oversight and responsibility related to environmental, social and governance (ESG) matters such as climate change impacts, energy and natural resources conservation, environmental and supply chain sustainability, human rights, employee health, safety and well-being, diversity and inclusion, corporate charitable and philanthropic activities and other Sustainability issues that are relevant and material to Cree | Wolfspeed. The Committee provides guidance to the Board on these issues and performs an oversight role in shaping Cree | Wolfspeed's Sustainability strategy and goals and targets development. Sustainability-related information covering a range of topics is presented to our Board of Directors at least once per year, or more frequently as important matters arise, by our Senior Vice President of Legal & General Counsel. The group with responsibility for Sustainability at Cree | Wolfspeed, and that develops Sustainability information to be presented to the Board of Directors, consists of Cree | Wolfspeed employees from various departments, including Environment, Health and Safety, Corporate Sales and Marketing and Legal. When relevant, we also engage with employees from Human Resources (which includes Diversity, Equity and Inclusion), Operations (which includes Supply Chain and Product Quality) and Finance (which includes Investor Relations).

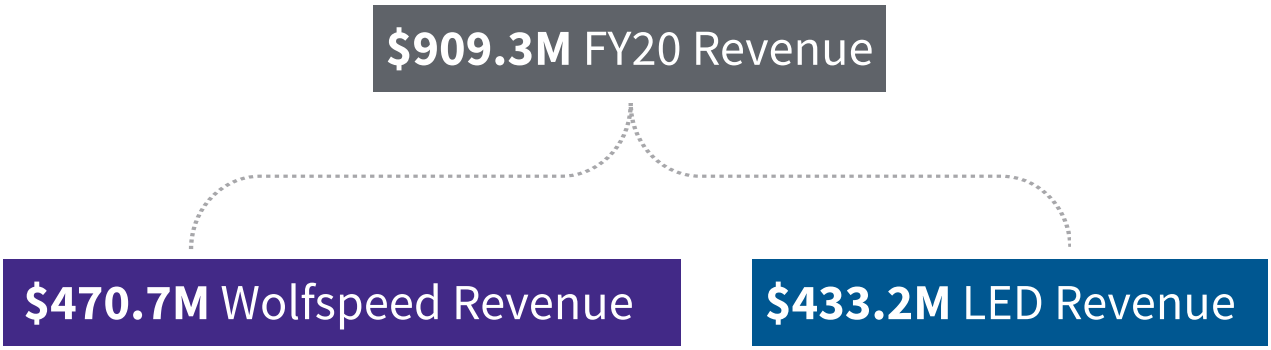
ECONOMIC
2021

Responsible Business Practices,
Innovating for a Better Future

RESPONSIBLE BUSINESS PRACTICES, INNOVATING FOR A BETTER FUTURE

At Cree | Wolfspeed, we relentlessly pursue disruptive technologies that change industries. We operate at the highest ethical standards and actively manage risks inside and outside of the organization to ensure long-term financial performance. We adhere to the policies outlined in the **Code of Conduct** and require our suppliers to adhere to strict social and environmental standards, as described in our **Supplier Code of Conduct**.

The majority of the data included in this report is on a calendar year basis (January to December). Financial data is reported on a fiscal year basis (June to July). Our financial data for FY2020 can be found in our **2020 Annual Report**.



PRODUCT QUALITY

Our quality policy is to meet the needs and expectations of our customers, be dedicated to continual improvement, and ensure a full commitment to our corporate values. The following sites are certified for our quality management systems. Our certificates can be found on our **Product Quality page** on **wolfspeed.com**.

Durham, North Carolina
- ISO 9001: 2015
- IATF 16949: 2016

Fayetteville, Arkansas
- ISO 9001:2015
- AS 9100D

RTP, North Carolina
- ISO 9001: 2015
- IATF 16949: 2016

Morgan Hill, California
- ISO 9001: 2015

Mesa, Arizona
- ISO 9001: 2015

Huizhou, China
- ISO 9001: 2015
- IATF 16949: 2016

Our Capacity Expansion Plan will allow us to efficiently respond to customer demands, implement quality strategies to further our quality culture, as well as invest in the people, processes, and systems necessary to achieve that level of scale. Our strategy is to integrate our people, systems, and culture to drive quality as a competitive advantage. More information about our expansion efforts can be found in the **Capacity Expansion** section of this report.

Build out experienced quality engineering teams

Invest in scaling quality management system and processes

Advance automotive culture through key quality initiatives

We're advancing our total quality culture through zero-defect strategies such as statistical process control, factory defect reduction program, and robust testing strategies. We're also doing supplier assessments and development, as well as having an even greater overall customer satisfaction focus.

As part of our quality initiatives, we have also focused on the implementation and enhancement of 5S practices in our manufacturing areas.

GLOBAL OPERATIONS MANUFACTURING EXCELLENCE

WHAT IS IT?

- A tool or approach to attain and maintain a high level of workplace organization
- Engages employees to drive standardization and consistency
- Provides visual cues when items are out of place

BENEFITS TO CREE | WOLFSPEED AND OUR CUSTOMERS?

- Provides a safe workplace
- Improves our production readiness
- Demonstrates our commitment to our customers' quality and process control expectations
- Enables a culture for consistent, repeatable, predictable, and sustainable processing

CREE Wolfspeed

CUSTOMER SATISFACTION

Our Customer Support Mission Statement guides us to ensure we meet or exceed our customers' expectations.

MISSION STATEMENT
The mission of Cree | Wolfspeed's Customer Service function is to always convey a passion for the customer and to consistently deliver the best service experience.

VISION STATEMENT
Delivering Customer Satisfaction is about providing timely, responsive service with integrity, simplicity and a passion for excellence while meeting or exceeding the customer's expectations

STATEMENT OF WORK
Customer Service is any activity provided by a Cree | Wolfspeed employee that enhances the ability of a customer to realize the full potential value of a Cree | Wolfspeed product or service before and after the sale is made, thereby leading to Customer Satisfaction and repurchase.

CUSTOMER SERVICE PRINCIPLES

- Recognize the importance of all customers and the role every Cree | Wolfspeed employee plays in influencing the customer's perceptions. While impacting these perceptions, be professional, reliable, credible, responsive and friendly.
- Communicate promptly and honestly and via the customers' choice of medium. Try to be brief and clear.
- Be a voice for the customer. When rules and policies don't make sense to our customer, challenge the way Cree | Wolfspeed does business and seek opportunities for improvement.
- When a problem arises, which is inevitable, view the problem as an opportunity to improve. Solving problems will enable us to raise the quality of our products and services.
- Listen well, be responsive and demonstrate a sense of urgency. Understand that how something is said has a significant influence on how it is received. Under promise and over deliver.
- Strive to make it easy for the customer to do business with Cree | Wolfspeed to ensure that Cree | Wolfspeed remains its preferred supplier.

GLOBAL TRADE COMPLIANCE

We recognize our compliance responsibilities and the importance of exercising reasonable care and due diligence in our international transactions and related recordkeeping practices. Our Global Trade Compliance (GTC) team is tasked with ensuring our compliance with export control laws and regulations, such as the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Our mission is to ensure full compliance with all applicable trade laws and regulations, through our partnership with the United States Government, while also supporting Cree | Wolfspeed's business objectives. As part of our GTC program, we screen all parties we may enter into a new business relationship with, including customers, distributors and end customers, as well as perform due diligence with regard to the end use of our product as a final product, the expected ultimate end users, and the customer's ability to comply with applicable end use and re-export controls. Our GTC team must also approve individuals for "export controlled areas", which include both physical access and IT access to export controlled technology. Due diligence is performed for any possible red flags, which are abnormal or unusual circumstances in a transaction that indicate that the export may be destined for an impermissible end-use, end-user, or destination. All Cree | Wolfspeed employees receive Export Awareness Training as a part of their onboarding.

SUPPLY CHAIN

We conduct our activities in a manner that reflects our **Code of Conduct** and **Values**, which include being a good corporate citizen, dealing fairly in business, behaving ethically, supporting basic human rights and a safe and healthy workplace, doing business in an environmentally responsible manner, and complying with applicable laws. We expect our suppliers to adhere to the same high standards and we are committed to ensuring that our supply chain reflects our values and beliefs through our Supplier Code of Conduct. Refer to the **Supplier Resources page** on **wolfspeed.com** to access our Supplier Code of Conduct and Purchase Order Terms and Conditions. Refer to our **Small Business Program** page on **wolfspeed.com** to learn about our commitment to maximizing opportunities for small businesses.

» OUR AMBITION

Assess suppliers on social and environmental risks to strengthen partnerships with those with best practices.

» OUR GOAL

Evaluate ESG risks and opportunities for 100% of suppliers on our Approved Supplier List by 2025

» OUR AMBITION

Improve resiliency through our diversity efforts and reduce inequalities across our supply chain.

» OUR GOAL

Achieve >5% supply chain spend from diverse suppliers by 2025

RESPONSIBLE MINERALS SOURCING

Cree, Inc. Responsible Minerals Sourcing Policy

Mining is an intensive process involving potential social and environmental risks that may cause lasting negative impacts if not properly managed. Certain high-risk minerals (notably tin, tantalum, tungsten, gold and cobalt) sourced from regions of the world with ongoing conflict carries a risk of funding organizations that are involved in illegal or unethical activities including human rights abuses such as child labor, harsh working conditions, environmental destruction and corruption. A growing awareness of the abuses committed in these areas of conflict has prompted an industry wide investigation into any supply chain tainted by these atrocities. In the U.S., the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires publicly traded companies to report annually on the presence of conflict minerals originating in the DRC or adjoining countries in the products they manufacture or contract to manufacture. The purpose is to report any abuses, and through disclosure, halt the sourcing of designated minerals via supply chains implicated in conflict zones.

CREE'S COMMITMENT

Cree's Responsible Mineral Policy aligns with our commitment to uphold and respect fundamental human rights for all people, including those who work in our supply chain. Cree complies with applicable legislation and strongly supports industry-wide efforts to promote responsible sourcing, protect human rights, and combat child labor throughout supply chain. Cree does not directly procure minerals from mines, or the smelters or refiners that process them, but believe we can influence upstream supply chain actors through our policies and practices. Recognizing the complexity of this issue, we are actively engaged with industry peers, suppliers, and other stakeholders to promote the responsible sourcing of minerals through the Responsible Minerals Initiative (RMI). Our goal is to work collaboratively through the supply chain to source minerals consistent with our values around human rights, business ethics, labor, health and safety practices, and environmental responsibility. We believe this can be done while continuing to source responsibly from the DRC and other high-risk regions.

RESPONSIBLE MINERALS SOURCING

Cree's internal due diligence framework is designed to conform, in all material respects, to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) to determine the country of origin and chain of custody for high-risk minerals in our supply chain. To promote responsible investigations of high-risk minerals, Cree uses the Conflict Minerals Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) issued by the Responsible Minerals Initiative (RMI).

SUPPLIER EXPECTATIONS

To support ethical procurement practices and responsible mineral sourcing, Cree expects suppliers that provide components and/or materials containing "relevant minerals" to adhere to the same high standards to which we hold ourselves. For the purposes of Cree's Responsible Minerals Sourcing program, relevant minerals currently include:

- Columbite-tantalite (tantalum), Cassiterite (tin), gold and wolframite (tungsten) – also known as "conflict minerals" or "3TG";
- Cobalt; and
- Any other mineral identified by Cree as contributing possible risk to the supply chain.

We require suppliers to:

- Adhere to Cree's Supplier Code of Conduct and all applicable laws and regulations related to mineral sourcing;
- Source only from smelters and refiners validated by a third-party audit program. Accepted programs include: the RMI's Responsible Minerals Assurance Process, the LBMA's Responsible Gold Certification; or the RJC's Chain-of-Custody Program;
- Make reasonable efforts to remove all non-participating and non-validated smelters or refiners from Cree's supply chain;
- Design and implement due diligence frameworks and management systems consistent with OECD Guidance to achieve responsible mineral supply chains;
- Verify and inform Cree whether the minerals included in materials or component parts are conflict-affected or high-risk minerals;
- Respond to Cree inquiries for reporting templates and due diligence information, and promptly implement corrective actions identified and requested by Cree; and
- Extend these expectations to their own suppliers.

If these requirements are not met, Cree will proactively work with the supplier to further develop their capabilities in responsible mineral due diligence to ensure alignment to Cree's supplier requirements. Cree will terminate relationships with suppliers that do not make substantive and prompt efforts to comply with our policy.

CALIFORNIA PROPOSITION 65

The California Safe Drinking Water and Toxic Enforcement Act of 1986, commonly referred to as "Proposition 65" or "Prop 65", is a right-to-know law that is unique to the State of California. The goal of Prop 65 is to ensure that individuals in the State of California are informed about possible exposure to chemicals "known to the State of California to cause cancer and/or reproductive toxicity." Under the law, the California Office of Environmental Health Hazard Assessment ("OEHHA") is tasked with maintaining a list of chemicals and updating the list at least annually. To date, there are over 900 chemicals listed by OEHHA, which list can be found at **https://oehha.ca.gov/proposition-65/proposition-65-list.**

CALIFORNIA PROPOSITION 65

Historically, only manufacturers of end products had an obligation to notify Californians about significant amounts of chemicals in the products they purchase for their homes or workplaces. In late 2016, OEHHA adopted new regulations that went into effect on August 30, 2018. Proposition 65 now applies to suppliers of components used in end products to ensure that information about chemicals used in the components is communicated to Californians who might come into contact with the chemicals during the development, manufacture, or use of the end products.

To comply with Prop 65, businesses (including manufacturers, distributors, and retail sellers) must provide a "clear and reasonable" warning for listed chemicals unless exposure is low enough to pose "no significant risk" of cancer or is significantly below levels observed to cause birth defects or other reproductive harm. A Prop 65 warning does not necessarily mean a product is in violation of any product-safety standards or requirements.

When one of these chemicals is present, Cree | Wolfspeed is required to disclose certain information to its customers and distributors, who in turn are required to disclose appropriate information to their customers. We have created this website to help our customers and distributors identify impacted Cree | Wolfspeed products and the applicable downstream disclosures. Our products in the component product families listed in the table below contain one or more of the chemicals identified in Prop 65. Please refer to the product data sheet for each Cree | Wolfspeed product in the impacted Cree | Wolfspeed product families for more details on the disclosures applicable to that product.

Listed Chemical	LED Products[3]	Power Products	RF Products
Diisononyl Phthalate (DINP)[1]	Packaging Only - All LED Chip Products	Packaging Only - All Power Chip Products	Packaging Only - All RF Chip Products
Lead (Pb)[2]	**LED Modules** LMB, PCB, LMR LMH, SLX **LED Drivers** LMD	All Schottky and MOSFET Components	PTGA PTMA

[1] Cree's semiconductor die products (excluding packaging) do not contain any chemicals that must be disclosed under California Proposition 65. However, the Cree semiconductor die products are packaged using a PVC die transfer film that contains DINP. An occupational warning must be provided to any customer that buys the Cree die for use in product development or manufacturing in the State of California. The customer in turn must prominently display a similar occupational warning at its California locations where employees and contractors will be handling the PVC die transfer film. Because the Cree die products themselves do not contain any chemicals that must be disclosed under California Proposition 65, incorporation of the die into another product will not create an obligation to include a Proposition 65 product warning on the higher-level product. However, the customer must ensure that the PVC die transfer film is properly handled and disposed of as a hazardous material after die removal.

[2] These Cree products contain Lead (Pb). The Lead is fully encapsulated in components used in the Cree products. So, unless the Lead is accidentally or intentionally exposed, there is no chance that an employee, customer, or other individual will come into contact with the Lead in Cree's products. Nonetheless, Proposition 65 requires Cree to provide its California customers and distributors with both an occupational warning and a product warning for individuals who potentially could be exposed to the Lead in the Cree products either accidentally or intentionally. An occupational warning must be provided to any customer that buys the impacted Cree products for use in product development or manufacturing in the State of California. The customer in turn must prominently display a similar occupational warning at its California locations where employees and contractors will be handling the Cree products that contain Lead. In addition, because the Cree products contain Lead, incorporation into another product will create an obligation to include a Proposition 65 product warning on the higher-level product. Please note, the amount of Lead used in each Cree product remains below the ≤ 0.1% acceptance level in EU RoHS. In addition, these products continue to comply in accordance with EU RoHS exemptions 7A and 7C-1 for the bill of materials.

[3] Please note this information does not apply to Cree's consumer or commercial lighting products.

FOR MORE INFORMATION:

Prop 65 Link: **https://oehha.ca.gov/proposition-65**

Prop 65 Substance list: **https://oehha.ca.gov/proposition-65/proposition-65-list**

SOCIAL RESPONSIBILITY 2021

People First, People Always

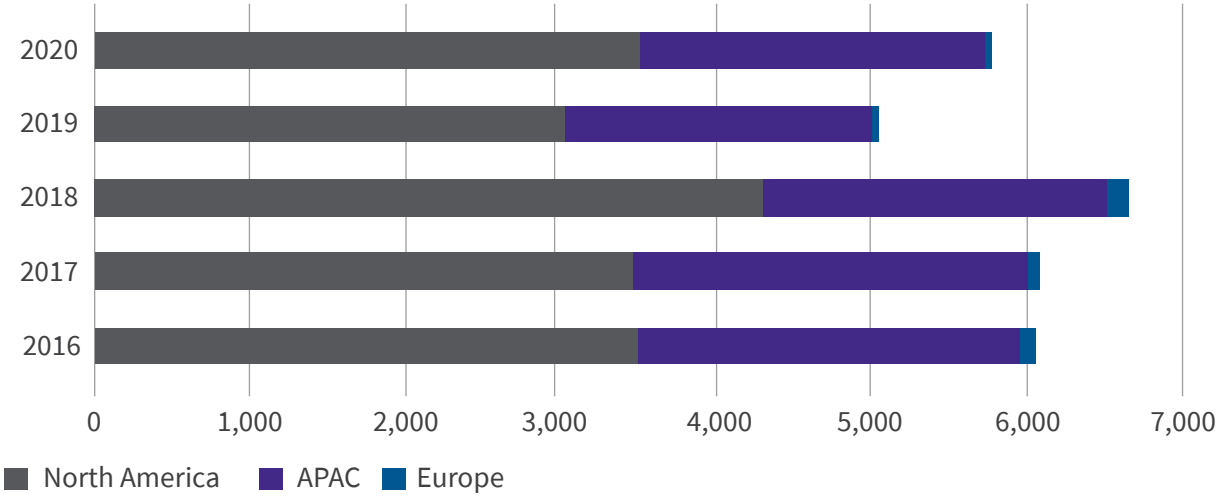
PEOPLE FIRST, PEOPLE ALWAYS

We consider the health and well-being of each individual associated with the Cree | Wolfspeed community as our primary responsibility. We have established stringent rules for material sourcing, supplier selection, and employee health and safety, while also promoting community engagement and education programs.

OUR EMPLOYEES

Our employees are valued and critical to our success. Cree | Wolfspeed is an Equal Employment Opportunity (EEO) and Affirmative Action (AA) employer, and employs regular full and part-time employees, as well as temporary and contract employees as necessary. We also have a rapidly-developing intern program.

Global Employees by Region



2020 Employees by Employment Contract & Type[1]

Employee Type	Female	Male	Total
By Employment Contract			
Full Time/ Part Time	1,954	3,182	5,136
Temporary	244	299	543
Total	**2,198**	**3,481**	**5,679**
By Employment Type			
Full Time	2,147	3,456	5,603
Part Time	51	25	76
Total	**2,198**	**3,481**	**5,679**

2020 Employees by Region[1]

Employee Type	North America	APAC	Total
Full Time/ Part Time	3,256	1,880	5,136
Temporary	543	0	543
Total	**3,799**	**1,880**	**5,679**

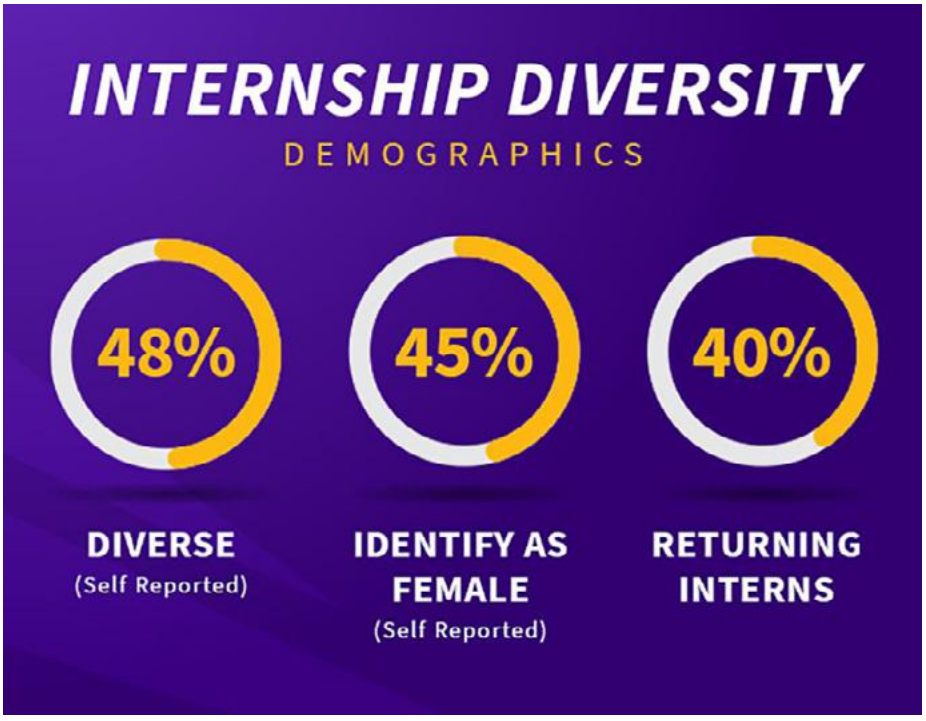
[1] Data presented here is for our significant locations of operations, which represents approximately 98.5% of our total number of 2020 employees.

OUR INTERNS AND RECENT GRADUATES

Cree | Wolfspeed offers a variety of opportunities for internships and entry-level positions for new graduates. Our **interns and recent graduates** gain real world experience through hands-on project-based assignments designed to empower and allow them to grow. We depend on the talent and ideas that recent graduates and interns bring to continue to drive the innovation of the future.

Our internship program inspires contribution, culture and community and was first launched in 2018. From 2018 to 2019, we more than doubled the intern population, extended the program internationally and increased the diversity rate by 25%. From 2019 to 2021, we have increased our intern diversity numbers to 48% diverse. Some of the perks of our internship program include:

- ✓ **Direct interaction with senior leaders**
- ✓ **Networking with field experts**
- ✓ **Paid internships**
- ✓ **Culture that fosters collaboration and innovation**
- ✓ **Social and cultural events**
- ✓ **Clear contributions**
- ✓ **Community engagement**
- ✓ **Professional development**
- ✓ **On-site café and fitness center**
- ✓ **Mentor program**
- ✓ **Attention to diversity and inclusion**
- ✓ **Campus Ambassador Program**



Represents 2021 intern demographics

DIVERSITY, EQUITY AND INCLUSION

Diversity, Equity and Inclusion: Overview

Cree | Wolfspeed is committed to fostering a culture of diversity, equity and inclusion encompassing all employee differences and identities. We are building an environment where inclusivity is real and active rather than theoretical and static. Because we believe diversity, equity and inclusion drives better business results, we celebrate our employees' authenticity and understand that diverse ideas, perspectives, thinking styles and backgrounds produce higher quality decisions, enabling us to solve problems other companies think to be impossible. Our diverse workforce contributes to our success and enables us to grow and continuously provide state-of-the-art technology and products.

Each of us must respect the diversity, talents, and abilities of others regardless of our differences. At Cree | Wolfspeed, we view diversity as including all the unique characteristics that make up each of us – and it's far more than the diversity you can see. We embrace, encourage and value diversity of thought, experience, insight, skill and background. We've seen how diversity, equity and inclusion drive better business results and celebrate our employees' differences and authenticity. Diverse ideas, perspectives, thinking styles, and life experiences produce higher quality decisions and enable us to solve problems other companies think to be impossible. We gather motivated individuals who are true to their nature and beliefs, provide resources and room for growth, and harness the cumulative genius which is inherent in our human race.

We are devoted to fostering a culture of diversity and inclusion encompassing our employees' differences and believe that providing a work environment free from discrimination is paramount. We are proud to be an Equal Opportunity (EEO) and Affirmative Action (AA) employer, making hiring and promotion decisions based only on fair, unbiased evaluation of skills, work history, and performance. Our commitment to diversity and inclusion is supported by our stance against discrimination and our belief that all employees, regardless of their race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability status, age, marital status, protected veteran status or any other protected class, contribute to our ongoing success. We strive to attract, develop and retain a workforce that is as diverse as the markets we serve, resulting in an inclusive environment that embraces the strength of our differences.

Diversity, Equity and Inclusion is embedded in the following impactful pillars:

- **TALENT ACQUISITION**
  ensuring we can attract diverse talent
- **TALENT MANAGEMENT**
  ensuring we can keep and advance diverse talent
- **CULTURE**
  ensuring our environment is one that eliminates barriers to achievement of diverse talent
- **SOCIAL IMPACT**
  ensuring our community is one that minimizes barriers to achievement

Diversity, Equity and Inclusion: Social Justice

We continue to advance our activities in support of promoting social justice as well as diversity, equity and inclusion inside and outside of the company. In 2020, and reflective of our values-based culture which places a premium on integrity and respect, we hosted listening sessions with team members from across the organization who expressed their interest in helping us with these important initiatives. We believe our employees are our greatest thought leaders. With their guidance and insight, we moved forward collectively and with intention to better serve our people and the community. The listening sessions we hosted helped to shape the following new initiatives:

- Increasing transparency around our recruiting policies
- Providing unconscious bias and implicit bias workshops for everyone in the company, at all levels
- Introducing new **Employee Resource Groups (ERGs)** to help drive inclusivity and advocate for policy change
- Developing the **MPower mentoring program**
- Implementing a matching gifts program, which was released in 2021, that allows employees to make contributions to causes they're passionate about
- Adding Juneteenth as a company-recognized holiday

To commemorate the end of slavery in the United States, Juneteenth is celebrated every year on June 19th. Juneteenth is now a company-recognized holiday.

Our Matching Gifts Program

Our Matching Gifts Program supports programs focused on food and hunger relief, housing and emergency housing relief, educational and early intervention programs through science, technology, engineering and math (STEM), and programs aimed at closing the opportunity gap in our communities through the advancement of diversity, equity and inclusion and social justice initiatives. Through our Matching Gifts Program, each time an employee makes a donation to one of our identified agencies, we will match their donation dollar-for-dollar, and up to $500 per employee in a fiscal year. Virtual dollars known as "Cause Cards" are provided to new employees when they join Cree | Wolfspeed to introduce them to the giving platform.

ERGs support our inclusion and diversity goals and objectives. Each ERG exists to benefit and advance its own group members by working strategically, both internally and externally, and while also helping to contribute to our business success. Since our last report was released, we have initiated four new ERGs.

Diversity, Equity and Inclusion: DEI Scorecard

Cree | Wolfspeed uses a DEI Scorecard to measure our progress toward DEI-related activities. Progress toward DEI-related activities outlined in our Scorecard is a part of our annual employee bonus. Our first Scorecard was developed in 2020 for FY2021. The results of our DEI Scorecard presented below are for FY2021, which spans from July 2020 through June 2021. All other data presented in the 2020 Diversity, Equity and Inclusion Data section is on a calendar year (January through December) basis.

FY2021 DEI Scorecard

DEI Metric	DEI Goal	FY2021 Status[1]	Description of Activities
Number of Women in our Mentoring Program	10 Women	● 42 Women	We launched our **MPower mentoring program**. We hosted 3 Executive MPower Sessions attended by 330+ employees and 6 ERG MPower Events.
Number of Underrepresented in our Mentoring Program	10 Underrepresented	● 20 Underrepresented	
Percentage of Women in our Intern Program	50% Women	◐ 45% Women	We are working to organically build diversity throughout the organization. Our goal is to attract and retain a diverse talent pool with a focus on **early in career talent**.
Percentage of Underrepresented in our Intern Program	50% Underrepresented	● 51% Underrepresented	
Number of New Internal DEI Initiatives	2 New Initiatives	● 4 New Initiatives	We launched 4 new **ERGs**.
Number of New External DEI Initiatives	2 New Initiatives	● 4 New Initiatives	We launched the following initiatives/partnerships: NCA&T, SUNY Cree Scholars Programs, Daniels Center of Math of Science and Black Girls Code.
Number of Women in Development Programs	20 Women	● 45 Women	**Development Programs** refer to our Leadership Development Program (LDP), Technician Certification Program (TCP) and Education Sponsorship program.
Number of Underrepresented in Development Programs	30 Underrepresented	● 72 Underrepresented	

[1] ● DEI scorecard goal met
◐ DEI scorecard goal partially met

Diversity, Equity and Inclusion: 2020 DEI Data

2020 DEI Data - Employees[1]

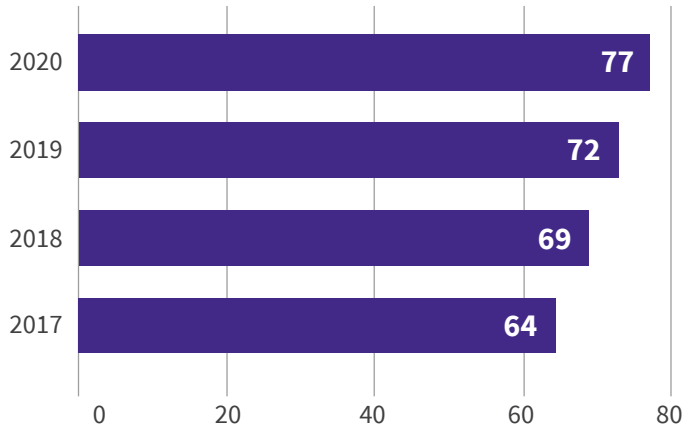
Diversity Category	Admin Support Workers	Craft Workers	Executive/ Senior Level Officials and Managers	First/ Mid Level Officials and Managers	Operatives	Professionals	Sales Workers	Service Workers	Technicians
Gender									
Female	63.0%	0%	15.9%	23.8%	51.4%	28.3%	25.0%	33.3%	24.9%
Male	37.0%	100%	84.1%	76.3%	48.6%	71.8%	75.0%	66.7%	75.1%
Age									
<30	14.8%	20.0%	0%	2.1%	27.5%	25.3%	9.4%	18.5%	23.0%
30-50	61.7%	40.0%	36.4%	66.5%	55.5%	56.6%	56.3%	51.9%	53.3%
>50	23.5%	40.0%	63.6%	31.4%	17.1%	18.1%	34.4%	29.6%	23.7%
Ethnicity									
American Indian or Alaska Native (Not Hispanic or Latino)	0%	0%	0%	0.2%	0.1%	0.3%	0%	0%	0.7%
Asian (Not Hispanic or Latino)	25.3%	13.3%	4.7%	25.9%	66.0%	36.1%	22.6%	14.8%	39.8%
Black or African American (Not Hispanic or Latino)	27.9%	33.3%	2.3%	7.9%	25.9%	5.0%	0%	66.7%	19.0%
Hispanic or Latino (United States of America)	3.8%	0%	2.3%	4.8%	1.5%	2.5%	3.2%	3.7%	3.1%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%	0%	0%	0%	0.04%	0.3%	0%	0%	0.2%
Two or More Races (Not Hispanic or Latino)	1.3%	0%	0%	0.5%	0.5%	1.6%	0%	3.7%	1.4%
White (Not Hispanic or Latino)	41.8%	53.3%	90.7%	60.7%	6.0%	54.1%	74.2%	11.1%	35.9%

[1] Data presented here is for our significant locations of operations, which represents approximately 98.5% of our total number of 2020 employees.

2020 DEI Data - Board of Directors

Diversity Category	Board of Directors
Gender	
Female	22.2%
Male	77.8%
Age	
<30	0%
30-50	0%
>50	100%
Ethnicity	
American Indian or Alaska Native (Not Hispanic or Latino)	0%
Asian (Not Hispanic or Latino)	11.1%
Black or African American (Not Hispanic or Latino)	11.1%
Hispanic or Latino (United States of America)	0%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%
Two or More Races (Not Hispanic or Latino)	0%
White (Not Hispanic or Latino)	77.8%

Countries Represented by Employees



Diversity, Equity and Inclusion: Welcome All

Cree | Wolfspeed is committed to cultivating an environment in which we actively seek to reduce any opportunity gap based on race, nationality, economic status, gender, or social orientation, and have implemented programs and initiatives keyed to recruiting the most ambitious, capable and talented to join our team.

Job Descriptions and Roles: A Reboot

Intellectual growth tends to make titles fleeting and a job description merely a convenient label. As a company we believe there is no shortage of good ideas, and our search for solutions gains energy and insight through an open interchange of ideas and solutions.

More Joy, Less Stress

Being a parent is one of life's joys and it makes for a more well-rounded employee. We've aligned with organizations which include UrbanSitter, the Boys & Girls Clubs of Durham and Orange Counties and the YMCA to help reduce team members' child care expenses.

Rewarding Hard Work is Sort of Our Thing

Graduate hires have gained skills and abilities through their own initiative which helps our company grow. A Student Loan Repayment Benefit is available to help under-resourced, newly graduated hires focus their talents on building a career with our company.

Uniting For Knowledge and Perspective

Diversity Alliances with civic and business organizations help under-represented communities grow and succeed. The NC Chamber of Commerce, RTI and the cities of Raleigh and Durham support these Alliances with performance benchmarking and networking opportunities.

Finding The Next Wave of Leaders

Corporations have a social responsibility to help ensure that neither color, culture, ethnicity or economic status limit opportunity to a fulfilling career. We recruit from and provide endowments, scholarships and internships to two of America's largest HBCUs, Morgan State and NC A&T.

Test Driving A Vehicle For Growth

Internships further our inclusion, diversity and business goals with the support of an intern-specific ERG (Employee Resource Group). Currently 47% of our internships reflect equitable gender and diversity aims, and interns supporting tech units are 65% female.

Diversity, Equity and Inclusion: Nurture All

By proactively providing learning opportunities and other avenues to advancement, we seek to enhance the growth, development and financial well-being of all team members. We've launched a multi-step initiative, MPower, to develop mentors, foster the establishment of mentor-mentee relationships and evaluate and document progress. Existing and emerging Employee Resource Groups (ERGs) are a significant resource in guiding our efforts.

Building Leaders

We seek to develop leaders with a diversity of life experiences to harness the ambition and aptitude often overlooked in underrepresented communities. MPower structures engagement for all team members, documents growth, and accelerates career progress and advancement.

A Mentor Is Both Teacher and Pupil

Both mentor and mentee gain meaningful insights which go beyond academic expertise to create sociological awareness, cultural understanding and a broader worldview, which adds to the intellectual depth of the organization and spurs innovation. And that's the point.

When They Grow, We Grow

MPower. It's a movement, a goal and a promise to confirm the certainty that increasingly capable employees create an increasingly capable organization. MPower helps foster achievement and advancement, especially in STEM fields. Our education and technical certification sponsorships for 2021 aim to reduce the opportunity gap for women and other underrepresented groups, amplify their voices and harness their talents.

Counting Stars

Talent reviews assess team members across the organization, identify high-potential employees and rising talent and identify opportunities for advancement. While we actively recruit new hires, we're intent on retention, development and advancement of the talent we already have.

Education Sponsorship

Our Education Sponsorship Program helps team members pursue an associates or bachelor's degree. We partner with seven North Carolina community colleges and two universities and pay for all fees and tuition for certain degreed programs to minimize any out-of-pocket costs.

MPOWER

Diversity, Equity and Inclusion: Nurture All

We have initiatives in place to reduce our global employee turnover rates, which are monitored and reviewed quarterly. Our strategy for employee retention includes converting contract workers to full-time employees and promoting internal mobility. Our goal is to ensure employees can find development and career growth without having to leave Cree | Wolfspeed. Some of our employee retention initiatives include:

- Developing a culture of promoting employees from within. To provide upward mobility within Cree | Wolfspeed, our goal is for more experienced positions. In 2020 we had 42 employees complete our **Technician Certification Program**, which trains current entry level operators to become eligible for a technician role. In addition, 21% of our total 2020 vacancies were filled by current employees.
- Offering workshops and guidance to employees on how to enhance their resume for seeking other jobs within Cree | Wolfspeed. During these workshops, employees receive one-on-one attention from a recruiter.
- Targeting the recruitment of college graduates for entry-level positions. Our **Internship program** hosted more than 125 students in 2020. For those interns who were graduating seniors, 78% accepted a full time role with us, and will start either in a full time entry level role or in our Wolfspeed rotational program in 2021.
- Developing a Career Pathing program. The program communicates the minimum qualification required for each position level and how employees can grow in their careers.
- Submitting all internal applicants who meet the minimum requirements of a role for consideration.
- Hosting internal job events to connect employees with active hiring managers.
- Offering many in-person and virtual professional development opportunities, in various learning formats like self-paced virtual courses, classroom-based workshops, virtual live webinars, assessment tools, and one-on-one career coaching.
- Developing an innovative approach to mentoring called MPower that creates diverse opportunities for employees to be mentored in large group, small group, and one-on-one settings.

Our Remuneration Practices

Our remuneration decisions are based on relevant business factors, including but not limited to the job requirements and responsibilities for the job in which an employee is performing, location of where the work is being performed, and job performance. We comply with all federal, state and local laws and regulations, and prohibit remuneration discrimination based on many factors, including but not limited to race, age, religion, and gender. We annually engage an external consultant to perform a race and gender pay equity assessment to validate our processes for making non-discriminatory remuneration decisions. Results of the assessment and any actions taken as a result are reviewed and approved by company management.

2020 New Employee Hires[1]

Diversity Category	New Hires	New Hire Rate
Region		
North America	751	23.3%
APAC	114	7.6%
Gender		
Female	331	7.0%
Male	534	11.3%
Age		
<30	391	8.3%
30-50	359	7.6%
50<	115	2.4%

[1] Data presented here is for our significant locations of operations, which represents approximately 98.5% of our total number of 2020 employees.

Diversity, Equity and Inclusion: Celebrate All

Thanks to the hard work and dedication of the 3,500+ people who have helped build a competitive, sustainable enterprise, we are able to fulfill our obligation to be a visible, active community-corporate partner. As we continue to strengthen relationships with community organizations, special attention will be paid to communities which are struggling economically, those with marginalized populations, and where students of color can be mentored and provided resources and opportunities.

Learning Together, Growing Together

A number of Employee Resource Groups (ERGs) support our inclusion and diversity goals and business objectives. These ERGs are collaboration and advocacy vehicles which benefit and advance their group members in addressing both internal and external strategies.

The AAPI Employee Resource Group aims to connect Wolfspeed employees with a shared passion for Asian and Pacific Islander interests through networking, professional development, cultural celebration, and community engagement.

The mission of the Black | Hispanic | Latinx (BHL) ERG is to openly embrace Black, Hispanic, and Latinx employees by creating an inclusive environment that celebrates cultural diversity and most importantly, authenticity. BHL will create an intentional space and opportunity for Black, Hispanic, and Latinx employees to directly impact Cree | Wolfspeed's continuous mission to be an equitable and inclusive organization.

The Mental Health Allies' mission is to create a safe environment to support employees who live with mental, emotional, and/or cognitive health conditions, illnesses or disabilities, including their own or a family member's, as we build our careers at Cree | Wolfspeed.

The PRIDE group provides support, awareness, and resources for all lesbian, gay, bisexual, transgender, queer employees and their allies. PRIDE aims to help promote a safe and inclusive environment for all employees to be their authentic selves.

The Veterans Pact's mission is to focus on enhancing and supporting the Veteran employee experience and increasing development opportunities for Veterans while leveraging the diverse capabilities and qualities that Veterans bring to strengthen our organization. The Veterans Pact wants to make Cree | Wolfspeed the employer of choice for Veterans, while tapping into the unique skill sets of leadership and camaraderie that veterans bring to an organization to build next level leaders and innovation in our organization.

The Women's Initiative was created in recognition of the value women bring to Cree | Wolfspeed. Our goals are to attract and retain top talent, including women, and to cultivate and celebrate the rich diversity of thought, perspectives and life experiences so critical to Cree's success. Through programs and events sponsored by the Women's Initiative, we get to know each other better across organizations and functions, and promote balance and effectiveness in our professional and personal lives, as well as in service to our communities.

Diversity, Equity and Inclusion: Celebrate All

Diversity, Equity & Inclusion along with our Employee Resources Group are dedicated to expanding our celebrations to Celebrate All. We invite all employees to participate in these events. Here's how Cree | Wolfspeed employees celebrated in 2020.

MARCH 2020
Celebrated Black History Month by providing educational content to employees that highlights contributions African Americans have made and continue to make to our society and STEM

APRIL 2020
Celebrated Earth Day with an Earth Day Family Coloring Contest for employees and their families hosted by our CEO

JUNE 2020
Celebrated Pride Month by hosting an interactive LGBTQ Active Ally Workshop to learn how to be a strong supporter of the LGBTQ community

SEPTEMBER 2020
Celebrated National Hispanic Heritage Month by providing education content to employees that highlights some of the contributions made by Hispanic and Latino Americans to art and culture across the US

OCTOBER 2020
Celebrated Native American Heritage Month by inviting employees to participate in a four-part Native American Heritage Month Virtual Series

OCTOBER 2020
Celebrated National Coming Out Day with a panel discussion and Q&A around the topic of "Being Out at Work" hosted by our PRIDE ERG

NOVEMBER 2020
We hosted our second Diversity, Equity & Inclusion (DEI) Conference, a three-day virtual event open to all Cree | Wolfspeed employees. The conference explored workplace-related topics on cultivating and celebrating the rich diversity of thought, perspectives and life experiences so critical to our success, including what it means to be intentional about diversifying through inclusion. The conference highlighted DEI experts, who spoke on crucial topics together with our Senior Leaders.

DECEMBER 2020
In 2020 we added 3 Mother's Rooms and 1 Prayer and Meditation Room to our US sites, bringing our total spaces in the US to 11 Mother's Rooms and 2 Prayer and Meditation Rooms. In 2021, our Women's Initiative ERG will be holding discussions about how to meet the needs of our employees and standards needed for these spaces.

James' Story

During a regular video update to employees, Cree | Wolfspeed CEO Gregg Lowe challenged the Cree | Wolfspeed team to come up with a phrase that the team could use to proudly show support for our diversity, equity and inclusion efforts. The winning phrase, #AllWalksOnePath, was submitted by our employee, James Norman. Read further to find out where James got his inspiration for #AllWalksOnePath.

"For as long as I can remember, music has been a passion of mine. I was a drummer throughout school, including classical percussion instruments, marching in the drumline, to learning the basics on a drum set. It was rare you would find me without a pair of drumsticks sticking out of my backpack.

This love of music gave me a window into different cultures and connected me with people from varying backgrounds and beliefs from an early age. I found it amazing how one thing can bind together so many different people to a common purpose. This is the foundation and inspiration for #AllWalksOnePath.

During my eleven years at Cree, I have had the privilege to work with many amazing people. Many great accomplishments have hinged on the collaboration, teamwork, and common purpose of people with different ways of thinking, a mix of backgrounds, and from every corner of the world. Seeing these diverse teams succeed time and time again reminds me that our differences are not a disadvantage, but like the many instruments in an orchestra, they make us more powerful, more adaptable, and more beautiful.

By confronting our biases, striving for equity and inclusion internally, and being a catalyst for change in our community, I believe things can only go up from here. I am proud to be on this path to success with every member of my Cree family, and know that we will continue to achieve great things together."

– James Norman, Creator of #AllWalksOnePath

EMPLOYEE ENGAGEMENT

In 2017, we held our first employee engagement initiative consisting of one-on-one email communication with our CEO. We completed our first formal enterprise employee engagement survey in 2018, receiving more than 2,500 responses from employees. Results of the survey have indicated positive steps and the areas in which we can improve. Employee feedback has helped shaped our evolving culture, resulted in updated time off and attendance policies, the creation of new training opportunities, and many other initiatives. We are planning to implement a new enterprise employee engagement survey in 2021. The areas of our employee engagement focus include global leadership, culture and employee personal development.

We also launched our new internal Internet site for global Cree I Wolfspeed employees in 2019. The site was improved from our previous version to provide helpful new content, enhanced capabilities and a cleaner, more organized look. Employees can visit the Intranet site to find all the news, applications, tools and resources they need to more efficiently do their job and collaborate with their teams. The Intranet provides a searchable, easy-to-understand window into all the applications, content, news, people and transactions our employees need to do their job. The Intranet site has frequent articles that all employees can access, focusing on topics such as news related to our business activities and products, information and cyber security tips, how to sign up for training opportunities, and much more.

To ensure employees are engaged, historically, our CEO hosted quarterly Town Hall events that discuss our performance, strategy and direction. Due to COVID-19 restrictions, in 2020 our CEO started developing regular CEO Video Updates that are available on our internal Intranet site and available to all Cree | Wolfspeed employees. The video updates cover a variety of topics. As a fun addition to the video updates, our CEO also held a number of different contests with awards.

BENEFITS

Cree | Wolfspeed offers a benefit package designed to promote the physical and emotional well-being and financial health of our employees. Unless otherwise noted, the following benefits are offered to all Cree | Wolfspeed US employees who work more than 30 hours per week. Cree | Wolfspeed employees working outside of the US are eligible for country-specific benefits, which include statutorily-mandated benefits and supplemental programs.

HEALTH AND WELLNESS

Health Benefits

We offer flexible heath and insurance programs to suite your needs. You'll find Dental and Vision coverage as well as options for Health Savings Accounts, Flexible Spending Accounts and Health Reimbursement Accounts.

On-site Café (Durham)

Our award-winning café serves breakfast, lunch and dinner. Weekly menus include specialty dishes, made-to-order pizzas and sandwiches, soup and salad bar, sushi, fountain and espresso drinks and much more.

On-site Fitness Center (Durham)

Our fitness center includes a basketball gym, running track, racquetball courts and weight room. Facilities are open to our employees' spouse and dependents. Due to COVID, in 2020 we provided virtual fitness programs to employees.

Employee Assistance Programs

We fund programs that provide personal assistance through access to resources as well as confidential counseling, at no cost to our employees.

On-site Physical Therapist & Massage Therapists

Our on-site physical therapist provides upper and lower extremity orthopedic services.

Life Insurance

We offer a variety of life insurance options for you and your dependents.

Ergonomic Evaluations

Employees receive personalized recommendations, such as custom workstation arrangements and standing desks, from our on-staff specialist.

Award-Winning Wellness Program

Our employees can join interactive workshops, work one-on-one with wellness coaches to design personalized fitness goals that match their lifestyle, and earn Wellness Program participation incentive dollars for their HSA or HRA.

2021 WELCOA Well Workplace Award

We have been honored as one of 18 companies and organizations to receive a 2021 Well Workplace Award (Bronze)

COMPENSATION

Performance Based Compensation

Our people are our most valued asset, and competitive compensation is just the first step in demonstrating our commitment to our employees.

401(k) Match

Our financial planning programs help our employees feel confident about their retirement. We offer matching contributions to their 401(k) saving plan.

Employee Stock Purchase Plan

Want to diversify your financial portfolio? Employees have the option to purchase shares of Cree stock at a discounted rate.

Referral Bonus

We offer employee referral bonuses to employees who find talent to help us grow our team.

Annual Bonus

We continually reward our passionate efforts to raise the bottom line. All employees receive an annual bonus based on Cree's financial performance.

DEI-Related Activities

In addition to financial performance, progress toward DEI-related activities are part of our employees' annual bonus structure

BENEFITS

TIME OFF

Leave of Absence & Disability Coverage

Our policies cover unexpected time away. Simply meet certain eligibility requirements and receive paid short- and long-term disability.

Paid Holidays

We love to innovate, but we also know it's important to take a break from breakthroughs.

Paid Vacation

Our employees can accrue paid time off (PTO) throughout the year and use it when they're ready

EMPLOYEE GROWTH

Training & Development

We offer on- and off-site learning opportunities for personal and professional growth. Attend regular training sessions for leadership development and effectiveness.

Internal Promotion

Employees can grow their career with opportunities for advancement and internal movement.

Educational Assistance

Our employees can receive tuition reimbursement for job- and company-related courses and degrees.

Employee Resource Groups

Employee Resource Groups (ERGs) help our employees support our inclusion and diversity goals.

EV Charging Stations

Thanks to our SiC components, EV usage is accelerating worldwide. Take advantage of electric vehicle charging stations at our Durham, NC headquarters.

Reducing CO_2

Our EV charging stations used by employees saved approximately 38,000 lbs of CO_2 emissions in 2020

FAMILY BENEFITS

Paid Parental Leave

We know our employees need time off to bond with a new child. If they have a new birth, adoption, or foster placement we offer six weeks of paid parental leave for our employees.

Adoption Assistance

We offer adoption assistance that helps cover adoption-related expenses such as agency and placement fees, home study fees, and other applicable costs.

Family Care

Employees are eligible to set aside pre-tax money for childcare support through our family care program.

2020 Parental Leave[1]

Diversity Category	Employees Eligible for Parental Leave	Employees Who Took Parental Leave	Employees Who Returned to Work After Parental Leave	Employees Who Were Still Employed 12 Months After Parental Leave	Return to Work Rate for Employees Who Took Parental Leave	Retention Rate for Employees Who Took Parental Leave
Female	935	20	19	17	95.0%	85.0%
Male	2,314	73	72	68	98.6%	93.2%
Total	**3,249**	**93**	**91**	**85**	**97.8%**	**91.4%**

[1] Data presented here is for our significant locations of operations in the United States, which represents approximately 61% of our total number of 2020 employees.

TRAINING AND DEVELOPMENT

At Cree | Wolfspeed, we strive to be the best at getting better. We are committed to offering an environment in which employees are ensured equal job opportunities and have a chance for advancement. Cree | Wolfspeed employees receive an annual performance review rating in addition to ongoing coaching and feedback throughout the year. It is expected that leaders meet with each employee at least once per quarter to discuss goal progression and development.

Our educational assistance program is designed to support the skill development and knowledge that will have a direct positive impact on Cree | Wolfspeed. The program encourages self-development for a current assignment or expanded job responsibilities in the future. Employees are encouraged to seek out higher-education degree programs that will aid in their current role and better qualify them for new assignments. To take advantage of this benefit, employees must be US-based employees and have been employed with Cree | Wolfspeed for at least six months. Educational expenses that are reimbursable include professional exam costs, registration fees, tuition, required texts/books/materials, lab fees, entrance/placement exams upon completion, and other fees and materials.

Technician Certification Program and Education Sponsorship Program

We developed two new training programs that were officially launched in 2020, the Technician Certification Program and the Education Sponsorship Program. The Technician Certification Program and the Education Sponsorship Program programs were created to support business needs and employee career growth.

42 EMPLOYEES
completed our Technician Certification Program in 2020

The Process and Equipment Technician Certification Program combines science theory and skills with hands-on activities. Successful completion of the program will equip participants to meet the requirements needed to be considered for an entry-level Technician role.

EDUCATION SPONSORSHIP PROGRAM

The Education Sponsorship Program is an education development program designed to encourage graduates of the Technician Certification Program to pursue their Associate's or Bachelor's Degree in engineering degrees. This offering is separate from our employee tuition reimbursement program and we have partnered with local colleges and universities to cover the cost of tuition and books for employees.

Cree | Wolfspeed Training Offerings

Leadership Development

Lead the Way (LTW)[1]	Training program designed for new managers of employees and is broken into three separate classes. This program helps new leaders learn about the tactical aspects of leading people.
Leadership Fundamentals[1]	Training program designed to help leaders affect culture change and develop skills to be better leaders. The program is designed around the four pillars of our culture: Lead, Support, Communicate and Trust.

Technical Skills Development

Technician Certification Program[3]	The Process and Equipment Technician Certification Program combines science theory and skills with hands-on activities. Successful completion of the program will equip participants to meet the requirements needed to be considered for an entry-level Technician role.
Education Sponsorship Program[3]	Education development program designed to encourage graduates of the Technician Certification Program to pursue their Associate's or Bachelor's Degree. This offering is separate from our employee tuition reimbursement program and we have partnered with local colleges and universities to cover the cost of tuition and books for employees.
JMP Training[1]	Training on statistical analysis software to help with mission critical calculations and analytics.
DDI Micro Courses[1]	Short web-based courses designed to help employees build and/or reinforce basic concepts.
8D Training[1]	The 8D (Eight Disciplines) Problem Solving Process is a team oriented and structured problem-solving methodology that is mainly used to identify, correct and eliminate recurring problems. The 8D Problem Solving Process focuses on the origin of the problem by determining root causes, and establishes corrective and preventive actions.
Core Tool Training[1]	Training on developing employees' skills in quality by learning quality standards. Employees also learn new tools and how utilize tools they currently have to quickly and more efficiently solve problems.
Online Courses[1]	These are online learnings that are self-paced and focus on what any individual employee would like to learn, including technical skills, soft skills, or even just learning a new hobby.

Personal and Professional Development

On-The-Job Training (OJT)[2]	Program designed to help new operators develop the skills needed to perform their job functions while on-the-job. The program allows operators to work alongside an experienced operator/trainer.
Project Management[1]	Training programs designed to help the employee develop the skills needed to manage projects more effectively.
English as a Second Language (ESL)[3]	Training program focused on helping speakers of non-English languages to better their communications skills by practicing the English language. The program includes didactic and hands-on portions.
Lunch and Learns[2]	Short in-person developmental courses designed to help employees build and/or reinforce basic concepts.
Mobility Programs[1]	Program designed to guide new graduates hired to Cree | Wolfspeed. The participants will rotate through various job roles within the same classification to get a well-rounded view of what that classification entails.
Wellness Workshops[2]	Program designed to focus on all aspects of our employees' wellbeing. Topics include Injury Prevention and Exercise, Stress Management, Understanding Diversity, and much more. We host Wellness Workshops every month.
Financial Workshops[2]	Program designed to focus on employees' financial wellbeing. Topics include Financial Health, Budgeting and Saving, Preparing for Retirement, and much more. We host Financial Workshops every month.
Career Coaching[1]	Career Coaching is a development tool that helps employees define and achieve their professional goals. Employees partner with a Career Coach who will help them discover their strengths, explore their career options and create an action plan for success. A session may cover typical job openings and what managers look for and/or discuss gap areas in an employee's knowledge or skills and ways in which to improve them.

[1] Training opportunity is offered at all Cree | Wolfspeed global sites.
[2] Training opportunity is offered at all Cree | Wolfspeed US sites.
[3] Training opportunity is offered at Cree | Wolfspeed Durham, NC sites.

HEALTH AND SAFETY

Our products are innovatively designed and undergo various testing to promote the health and safety of our customers. Our Occupational Health and Safety and wellness programs ensure the health and safety of our employees and contractors.

HEALTH AND SAFETY — OUR EMPLOYEES AND CONTRACTORS

The safety, health, and overall well-being of our employees and contractors is integrated into the way we do business.

» OUR AMBITION

Providing a safe and healthful work environment is paramount to our success and protects our most valuable resource, our employees.

» OUR GOAL

Establish a certified Occupational Health & Safety Management System for 100% of our manufacturing sites by 2025

Health and Safety Philosophy

CREE | WOLFSPEED AIMS TO PROVIDE A SAFE AND HEALTHY WORK ENVIRONMENT BY:

- Fixing accountability for health and safety performance with line management, just as it is for productivity, quality, and other business performance metrics
- Hiring, developing and retaining a team of health and safety professionals dedicated to assisting line management fulfill its mission of every employee going home as well as or better than how they arrived
- Recognizing, identifying and evaluating operations or processes which could negatively affect employee and contractor health
- Evaluating health and safety incidents to prevent recurrence
- Providing contractors information regarding EHS risks and relevant precautions and periodically reviewing contractor ratings to evaluate if they continue to meet safe and adequate performance standards
- Setting acceptable levels of risk based on government regulation or industry best practice
- Designing control measures for those operations or processes which are found to be potentially harmful
- Providing training to affected individuals
- Monitoring the effectiveness of our Occupational Health and Safety (OHS) programs and services to ensure the highest level of quality and support is being achieved

EHS and Code of Conduct Policies

Our Environment, Health & Safety (EHS) Policy outlines our approach to continuous improvement.

Our Code of Conduct describes standards of conduct for our employees and directors in performing their duties and it applies throughout Cree | Wolfspeed and all its subsidiaries. In addition to including specific core principles relating to Occupational Health and Safety, it also provides examples of policy violations in the areas of employee health and regulatory compliance.

Our Supplier Code of Conduct requires that all suppliers comply with applicable health and safety laws and regulations to create safe working conditions and a healthy work environment for all workers.

Occupational Health and Safety Programs

The following OHS programs have been implemented within Cree | Wolfspeed:

Cree | Wolfspeed Program or Procedure	Elements of Protection for Workers Exposed to Hazards				
	Safe Work Practices[1]	Engineering Controls[2]	Personal Protective Equipment[3]	Hazardous Substance Information[4]	Measurement and Medical Checks[5]
Management Systems					
Management of Change Program	•	•	•	•	
Undesired Condition Identification and Screening	•				
Occupational Health					
Bloodborne Pathogens	•	•	•	•	•
Industrial Hygiene	•	•	•	•	•
Hearing Conservation	•	•	•	•	•
Ionizing Radiation Safety	•	•	•	•	•
Laser Safety	•	•	•	•	•
Ergonomics	•	•	•	•	•
International Travel Health	•			•	•
General Safety					
General Safety Requirements	•		•	•	
Job Safety Analyses	•	•	•	•	•
Personal Protective Equipment	•		•	•	•
Permit Required Confined Space	•	•	•	•	•
Hot Work	•	•	•	•	
Fire Extinguisher	•			•	
Electrical Safety	•	•	•	•	
Lock Out/Tag Out	•	•		•	
Machine Guarding	•	•		•	
Shop Tool Safety	•	•	•	•	
Fall Protection	•	•	•		
Ladder Safety	•				
Cranes, Hoists and Slings	•	•	•		
Walking Working Surfaces	•	•			
Powered Industrial Vehicles	•		•		
Process Safety Management					
Process Hazard Analysis	•	•	•	•	•
PSSR Pre Start Up Safety Review	•	•	•	•	•
Line Breaking	•	•	•	•	•

Occupational Health and Safety Programs (continued)

Cree | Wolfspeed Program or Procedure	Elements of Protection for Workers Exposed to Hazards				
	Safe Work Practices[1]	Engineering Controls[2]	Personal Protective Equipment[3]	Hazardous Substance Information[4]	Measurement and Medical Checks[5]
Incident Management					
Eyewash and Safety Shower	•	•			
Preparing for and Responding to Emergencies	•				
Emergency Action Plans	•			•	
Transportation					
Hazardous Materials Transport	•			•	•
Sustainable Business Practices					
Contractor Safety	•		•	•	
Chemical Management					
Hazard Communication	•	•	•	•	•
Chemical Hygiene Plan	•			•	•
Qualitative Exposure Assessment	•	•	•	•	•
Respiratory Protection	•		•		•
Compressed Gas Cylinders	•	•	•	•	

• Indicates that this is an element of protection for workers exposed to hazards, and depending on the program:

[1] Examples of safe work practices at Cree | Wolfspeed include providing adequate training, maintaining good housekeeping in work areas, lifting no more than specific weight for repetitive and one time lifting, and acceptable working temperatures and humidity.

[2] Examples of engineering controls at Cree | Wolfspeed include proper ventilation, work performed inside enclosed equipment, substitution to less hazardous chemicals and automation of equipment.

[3] Examples of personal protective equipment at Cree | Wolfspeed include the requirement to wear safety glasses in all manufacturing areas; using gloves, face shields and chemical aprons when working with hazardous chemicals; and using hearing protection when working in areas above the regulatory threshold for noise.

[4] Examples of information on hazardous substances at Cree | Wolfspeed include providing information to employees about safe handling and storage of hazardous substances, providing information to employees and contractors about recognizing hazardous conditions, and ensuring proper signage and labeling of hazardous areas, piping and equipment.

[5] Examples of measurement and medical checks at Cree | Wolfspeed include testing of ventilated areas to ensure proper ventilation, performing exposure assessments to determine ambient concentrations and exposure potentials, and requiring medical surveillance per regulatory requirements.

Occupational Health and Safety Programs (continued)

The Health and Safety portion of the Environment, Health and Safety Management System (EHSMS) is based on the US ANSI/AIHA/ASSE Z10-2012 Occupational Health & Safety Management Systems and the ISO 45001:2018 standards. All employees and contractors are covered under our EHSMS. Our health and safety management system is internally audited but not externally certified. Our environmental management system is internally audited and externally certified through **ISO 14001**. Our raw material suppliers are not yet screened using EHSMS criteria. Our US-based contractors performing potentially hazardous work on any Cree | Wolfspeed site are screened using health and safety criteria.

Each internal written OHS program describes the hierarchy of controls when identifying hazards and assessing risks. Each program having a regulatory driver is tracked within our EHSMS and thoroughly reviewed at an appropriate frequency. These reviews aim to ensure the program has considered any new regulations or best practices, is being implemented effectively within the affected business unit, is being supported financially by line management and is producing desired results overall. We ensure the quality of the review processes through hiring competent, trained EHS professionals and monitor and coach them to provide feedback, training, and ongoing professional development toward their jobs. Each EHS professional is assigned periodic EHS program reviews. Any findings are recorded and tracked to completion.

Capital investments are subject to our management of change program which aims to minimize potential adverse impacts on employees, consumers, property, or the environment arising from process, operational or facilities change. The triggers or thresholds for EHS involvement along with examples are described in our internal management of change program.

Employee Involvement in OHS

Employee involvement in OHS takes many forms including EHS Teams, EHS Point-of-Contact interaction in the production areas, Lean Kaizen events, and Management of Change processes. Our EHS training is connected to a learning management system and the on-boarding process for a new or transferred employee. Training is developed and tracked for all regulatory mandated programs and effectiveness is measured by observations, incident evaluations, team walk-throughs and audits or inspections.

We initiated our Safety Fundamentals program in 2020, which describes all employees' responsibilities for ensuring health and safety throughout our organization. The purpose of the Safety Fundamentals program is to drive employee engagement through clearly defined key safety actions and expected behaviors. Clearly communicating safety expectations is fundamental to supporting our desired safety culture. The four main components of the Safety Fundamentals program include Communicate, Demonstrate, Challenge and Motivate.

Employee Health and Well-Being

Cree | Wolfspeed supports the well-being of our employees through programs that support a healthy lifestyle. We are committed to offering benefits to employees and their families to assist in improving health and lifestyle choices. Programs throughout our operations are tailored to the needs of the employees in the region and include many health-related benefits. In our international locations, we adhere to regulatory benefits and health and wellness requirements. In our US locations, we offer programs such as our Bright Choices wellness program, which is designed to encourage employees and their families to adopt healthy lifestyle habits. This program provides options for employees to receive annual biometric screenings for important health markers, on-line classes, health coaches, and incentives for preventive health care. Employee benefits include medical and dental insurance, health and retirement savings accounts, fitness centers at some locations, paid time off, and family leave programs. Employee assistance programs provide professional counseling to help resolve personal issues. Refer to the **Benefits** section of this report to learn more.

Incident Management

Incident Management applies to all employees (temporary, permanent, full-time and part-time) who are involved in an incident or supervise an affected individual. If an incident involves a contract worker, contractors must refer to the Cree | Wolfspeed Contractor EHS Handbook, applicable to their service location, for guidance on incident reporting and notifications.

Our policies require employees to immediately report incidents or when they become aware of symptoms or any indication of a work-related complaint. Any concerns regarding hazards in the workplace can be reported to the employees' supervisor, any EHS staff, by entering a non-conformance in our electronic reporting system or through our corporate whistleblower reporting platform.

Employees are protected from reprisal when reporting incidents. Our policies inform employees that they have the right to report work related injuries and illnesses and that Cree | Wolfspeed is prohibited from discharging or in any manner discriminating against them for reporting work-related injuries or illnesses. Supervisors are also expected to create a work environment that encourages the reporting of incidents and near misses. Supervisors are required to immediately report incidents to Cree | Wolfspeed's Emergency Response Team, depending on the situation, and electronically to EHS within 24 hours so incident details can be properly evaluated and corrective actions assigned where appropriate.

Cree | Wolfspeed follows confidentiality regulations in the country of operation (e.g., Health Insurance Portability and Accountability Act (HIPAA) laws are followed at our US locations). Our information management system has audit trail capability and control on who can view employee records. Anyone who can view employee records is granted access on a need to know basis. If the incident is industrial hygiene-related, our certified industrial hygienists are bound to ethical codes of conduct through their certifications and know to maintain employee confidentiality. Certification maintenance requires ongoing ethics training. Select employees in the US take HIPAA - Privacy Rules for Business Associates training.

Once initial information about the incident is gathered and documented, EHS assesses the incident severity. The incident severity assignment will determine the type of cause evaluation required and the time required to complete it. Evaluations are then performed, usually by the supervisor of the affected employee, to develop corrective actions to prevent recurrence of the incident and help improve our EHSMS. The incident evaluation process includes:

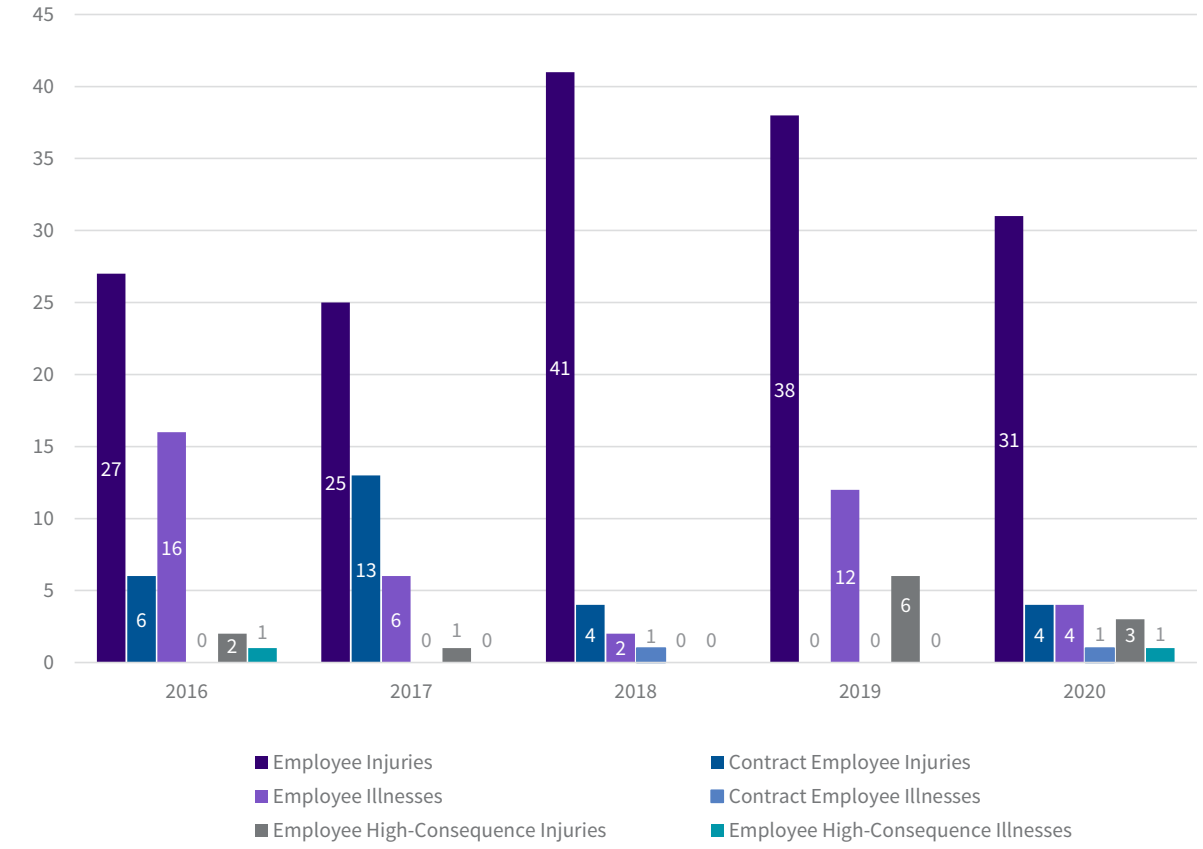
- Developing and reviewing a problem statement with the incident investigation team;
- Collecting all potentially relevant data (e.g., interviewing employees involved, performing walkthroughs of the affected area, reviewing security videos recorded during the event);
- Performing a cause analysis to identify the primary and contributing causes using the 5-Why method;
- Developing and assigning corrective actions using the S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, Timely) criteria method

All evaluations and corrective actions are reviewed and approved by EHS staff prior to finalizing an incident review. After an incident, operations are then monitored using our incident management system.

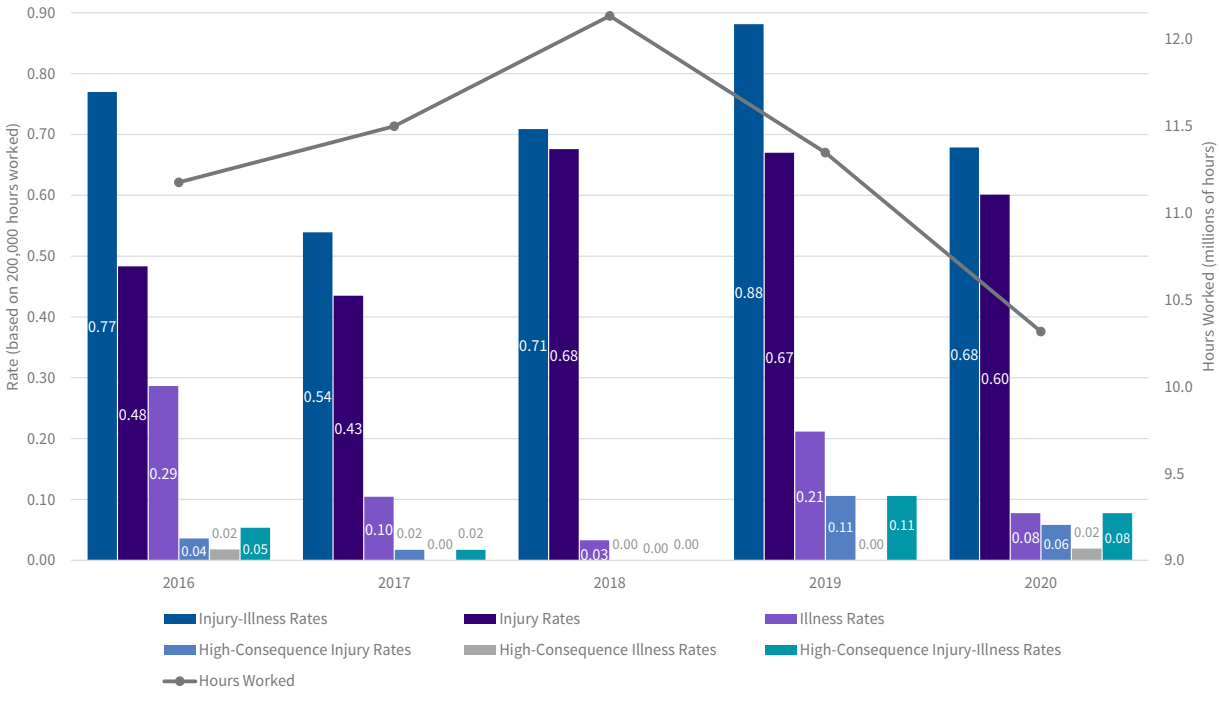
OHS Metrics

Cree | Wolfspeed tracks all work-related injuries and illnesses and works to improve the safety of our workplace through evaluation and prevention measures. We have a comprehensive program to address workplace safety issues. Cree | Wolfspeed has had no work-related fatalities since our business began operations in 1987. We are not aware of any occupational exposure issues in our manufacturing processes that would increase an individual's risk of any specific disease.

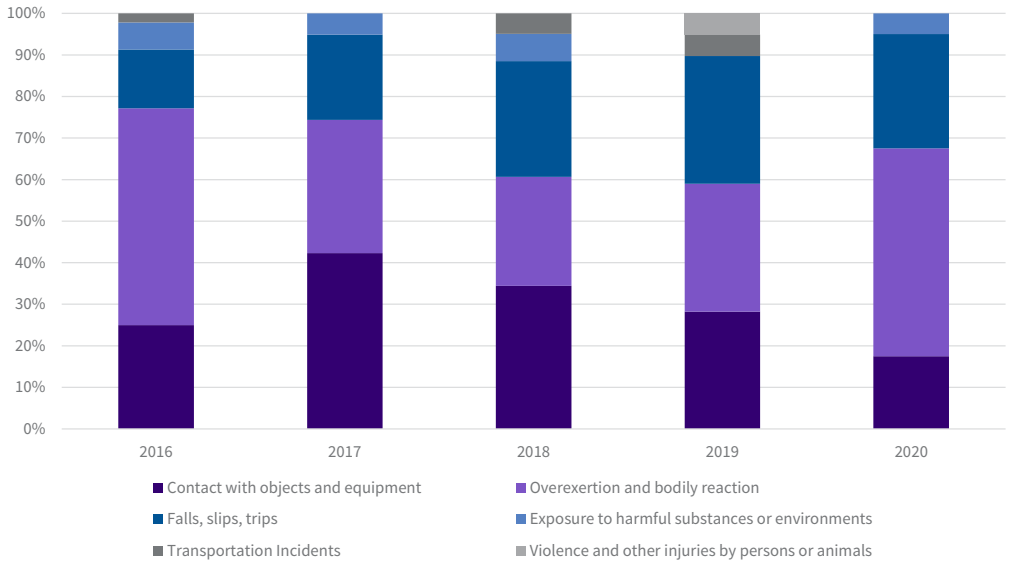
Recordable Work-Related Injury-Illness Cases[1,2,3,4,5]



Recordable Employee Work-Related Injury-Illness Rates[1,2,3,4,5,6]



Recordable Work-Related Injury-Illness Types[1]



2020 Health and Safety Data Trends

2020 Information:

» Our total number of recordable injuries and illnesses and rates decreased in 2020 compared to 2018 and 2019. Incidence rate reduction may be attributed to our ongoing commitment to employee engagement and company values; for example, frequent employee/management collaboration for improving safety, sharing lessons learned, and ongoing training opportunities.

Future Look:

» We are continuously focusing on EHS performance improvement through enterprise-wide leading metrics, increased EHS presence in day-to-day operations, global EHS management system alignment, focused Management of Change, and enhanced contractor management.

» We have a **new health and safety goal** to help implement a certified Occupational Health & Safety Management System for 100% of our manufacturing sites, which will help to further drive health and safety improvements throughout our organization.

[1] Data presented here is for our significant locations of operations and our smaller United States locations, which represents approximately 99% of our total number of 2020 employees.

[2] Recordable Work-Related Injury-Illness = Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

[3] Contract Employee = Any worker who is not a Cree | Wolfspeed employee but whose manager is and whose work and workplace may or may not be controlled by Cree | Wolfspeed.

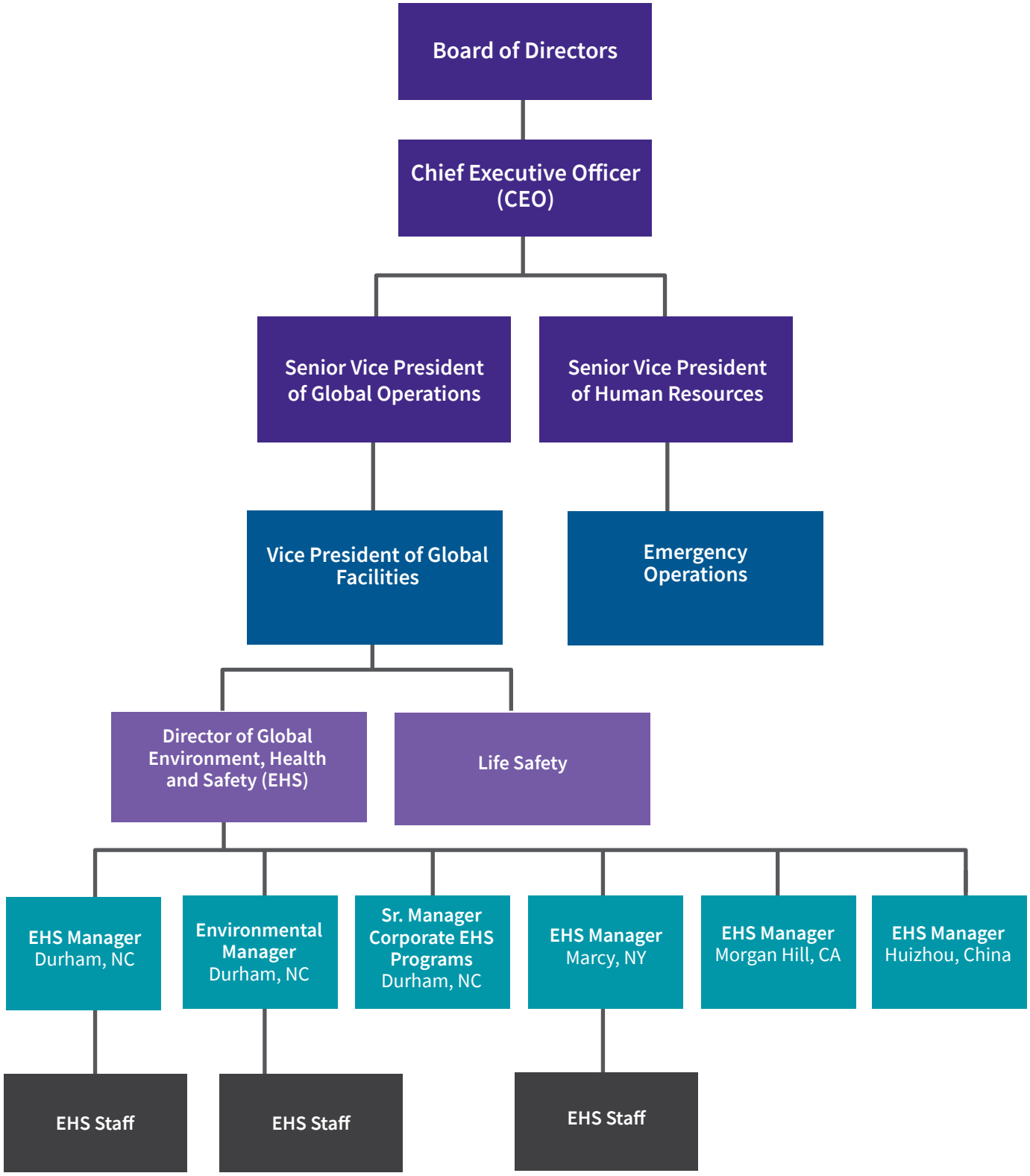
[4] High-Consequence Recordable Work-Related Injury-Illness = Work-related injury or ill health that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

[5] From 2016-2020, we have not had any cases of high-consequence recordable work-related injuries-illnesses for contract employees.

[6] Rates are calculated using 200,000 hours worked (Rate = cases/total hours worked * 200,000)

EHS Organizational Structure

Cree | Wolfspeed has dedicated staff to implement EHS programs:



HEALTH AND SAFETY — OUR CUSTOMERS AND PARTNERS

We design and test our products to ensure the health and safety of our customers and partners.

Electrical Isolation Testing

Electrical isolation testing is a direct current (DC) or alternating current (AC) dielectric withstand test that confirms our power products will not transfer high or hazardous voltages, thus helping safeguard our customers from electrical insulation failures.

We also perform electrical testing for our RF products, which involves a direct current (DC) or Radio Frequency (RF) test that confirms our RF products will meet the spectral emission requirements of our customers.

Harsh Environments Testing

To ensure our power modules will not fail or corrode in harsh environments we perform temperature and humidity bias (THB) testing, which exposes our products to high temperature and high humidity. This testing ensures our power modules can be operated in outdoor applications, such as renewable energy and electric vehicles.

To ensure our RF products will display adequate reliability under harsh environments we perform stress testing under accelerated temperature, humidity and bias conditions. This testing ensures our RF products can be operated in our customers applications, such as telecommunication, aerospace and defense.

Guidance on Safe Use of RF Products

RF products emit high power density of RF radiations that can present hazards to sensitive biological tissues. Each RF application can be unique, so consideration should be given to ensuring that the RF product will be manipulated in the proper environment.

Reduced Flickering

Our LED products are designed to eliminate Temporal Light Modulation (Flicker). Flicker has been a concern among the LED lighting community for a number of reasons: negative health effects on people susceptible to epileptic seizures and headaches, making rotating equipment appear stationary, and an increase in fatigue among other issues associated with a visual change in perception of the environment.

Guidance on Safe Use of LEDs

LED products, like natural sunlight, include shorter wavelengths (blue and green light) that can still present hazards to sensitive biological tissues. Thus, we routinely performs either irradiance or radiance testing to provide customers and end users with guidance on how to ensure our LEDs are not used in a manner where they could damage the end user's eyes and skin. This standardized IEC/EN testing is performed using custom equipment (i.e., no animal testing), designed to simulate the shape of the face and structure of the human eye, and includes peer reviewed and agreed to safety factors and measurement distances. Each lighting application can be unique, so consideration is also given to whether a lighting product includes a light diffuser, or focusing element, during testing.

Click **here** for more information about Cree's LEDs and eye safety.

COMMUNITY ENGAGEMENT

We believe that many societal disadvantages can be overcome with adequate resources and support so that all are free to pursue and achieve a productive, fulfilling life. We partner with municipalities, civic organizations and advocacy groups to close the opportunity gap and provide those in need the opportunity to excel. Through corporate events, sponsorships and employee-led initiatives, we live our values by doing the right thing at work as well as in the communities where we live.

We focus our efforts on increasing awareness of the opportunities provided through science, technology, engineering and math (STEM), while helping remove potential obstacles such as not a having a safe place to sleep and enough food to eat. We also shine a light on the importance of diversity and social justice as we work to create communities and a society that support and value all people and their contributions.

» OUR AMBITION

Close the opportunity gap by providing more opportunities for STEM education, at all levels, to people in need, particularly in underserved communities.

» OUR GOAL

Establish STEM partnerships at 100% of our major locations by 2025

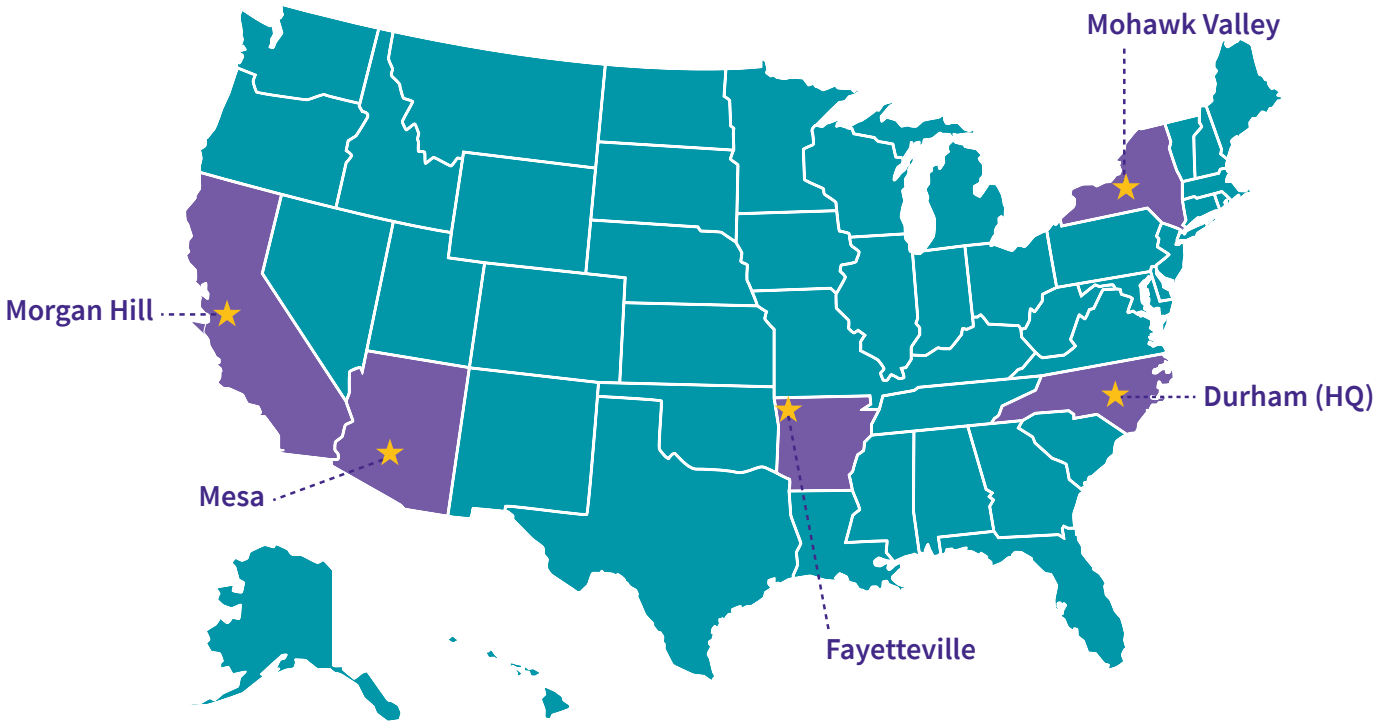
The pandemic brought challenges to individuals and businesses. It also brought us the opportunity to rethink how we serve our communities and reshape our outreach to deliver what our neighbors needed most during this difficult time. We also focused on keeping our team and their families as well as those on the front lines of the pandemic safe and healthy, while keeping our traditions alive to support our employees and their children as we weathered the storm together.

COVID-19 exacerbated the people's most basic needs: to stay healthy, to have shelter and to eat. We increased our support of the Food Bank of Eastern & Central North Carolina and Feeding America, Inc. to feed those in need, many of whom found themselves suddenly unemployed, in the U.S. locations where we operate. We also empowered employees at each of our U.S. locations to choose how to support local hunger relief and STEM programs in their regions. In addition, although the pandemic kept us from physically participating in our sponsored whole-house build for Habitat for Humanity of Durham, we welcomed a family into their new home during Winter 2020. Importantly, we also provided extra funding to Habitat for Humanity's mortgage relief fund to help keep families in their homes during this time when many lost their jobs. Many of our community partners with STEM-focused programs were able to put the sponsorship dollars we provided for in-person STEM events towards virtual events; with Cree | Wolfspeed employees volunteering their time and expertise. While some community partners canceled their events altogether, our sponsorship funds supporting those events were redirected towards other COVID-relief efforts.

We also continued to look for opportunities to serve our communities in different ways during the pandemic. The health and safety of our team was, and remains, a top priority, and it was important to us to be able to support those who keep our team healthy and safe as well. With personal protective equipment (PPE) masks in short supply during the onset of the pandemic, we were able to donate 65,000 KN95 masks to healthcare workers and first responders serving on the front lines of the pandemic in New York and North Carolina.

While there were many unknowns during the pandemic, we were able to continue providing support to families in our communities throughout, and when needed, able to pivot our support to ensure the greatest needs were met.

U.S. LOCATIONS



PARTNERING WITH OUR NEIGHBORS TO SERVE THE COMMUNITY AND CLOSE THE OPPORTUNITY GAP

Durham (HQ)

- Alpha Academy
- Arts in Action
- Duke University Health KN95 Mask Donation
- Durham Bulls Pollinator Garden
- Food Bank of Central & Eastern NC
- Habitat for Humanity
- National Society of Black Engineers (NSBE)
- NC Chamber Workplace Diversity & Inclusion Conference
- Raleigh Chamber Women's Leadership Conference
- Shelton Leadership Center
- Society of Women Engineers (SWE)
- Urban Ministries of Durham
- Women in Science and Technology (WIST)

Fayetteville, AK

- Cooperative Emergency Outreach
- Seeds that Feed
- The Pack Shack

Mesa, AZ

- Arizona Brainfood

Mohawk Valley, NY

- Boilermaker Road Races
- Empire State Development KN95 Mask Donation
- FIRST Robotics and Rome Free Academy
- FIRST Robotics and SUNY Poly Foundation
- Marcy 5K Walk & Run
- Utica Comets & "Save of the Day" Foundation, Inc.
- Utica Rescue Mission

Morgan Hill, CA

- Chamber of Commerce of Morgan Hill 'Rock the Mock' Interview
- The Edward Boss Prado Foundation

National

- Feeding America
- STEM Goes Red | Go Red for Women

KEY

Community event Educational event

Continuing the Tradition: STEM Day 2020

Since 2018, it has been a tradition for Cree | Wolfspeed employees in North Carolina to host their children on the Durham campus to help them understand what we do and to celebrate the wonders of science, technology, engineering and math (STEM) during our annual STEM Day event. Each year, as part of STEM Day, we collaborate with our community partners to provide K-12 students and adults with an opportunity to investigate what it means to do what others say can't be done through live demonstrations, hands-on activities and more. And whenever possible, we extend an invitation for children from underserved communities to participate in the event as well. All STEM Day activities are coordinated and led by Cree | Wolfspeed employees who volunteer their time before and during the events.

In 2020, even during a pandemic, our tradition continued. While we were unable to host employees and their children in person, our STEM Day event went virtual, and as a result, we were able to open up participation to all of our U.S.-based employees and their families. Over the course of two days, and through the use of a virtual platform, we were able to provide participants with the opportunity to enjoy STEM Day 2020 from the comfort of their own homes.

Highlights of STEM Day 2020 included a live keynote address by NASA Astronaut Christina Koch followed by a live question and answer session with Christina answering participants' questions directly and in real time on day 1. As we wanted to ensure that all Cree | Wolfspeed employees were able to participate along with their families, no matter their work or shift schedule, on day 2 participants were able to watch a recording of Christina's keynote address and then engage with her directly during a live question and answer session after viewing the recording. And finally, we closed the event with a 3-day virtual, interactive scavenger hunt hosted by North Carolina Science Olympiad (NCSO). More than 70 teams made up of employees and their family members took part in the scavenger hunt with prizes awarded to the team with the highest number of points as well as the teams submitting the videos chosen as "Best Karaoke Star" and "Most Creative Moon Walk." There also was a general raffle with $25 Kiwico gift cards given to four of the teams.

And to ensure that all of our employees across the globe had the opportunity to hear Christina's presentation as well as the answers to participants' questions, a recording of her day 1 keynote address as well as recordings of the question and answer sessions on day 1 and 2 were posted on our intranet homepage for all employees to access.

Our STEM Day 2020 event was recognized with an Honorable Mention in the Virtual Events/Celebrations category in Ragan's Employee Communications Awards Class of 2020. And with more than 300 attendees from across all of our U.S. locations, some have advised that they felt STEM Day 2020 was our best event to date.

Though we had to navigate challenges such as transitioning our plans from a face-to-face to virtual engagement and become acquainted with the functionality of Microsoft Teams in only two weeks, our STEM Day 2020 event turned out to be a huge success, and allowed us the opportunity to further build on our tradition of working with our community partners to share the possibilities that STEM can bring to the world.

Continuing the Tradition: STEM Day 2020

STEM DAY 2020

ENVIRONMENT
2021

Processes that Protect the Environment,
Products that Improve it

PROCESSES THAT PROTECT THE ENVIRONMENT, PRODUCTS THAT IMPROVE IT

We strive to minimize resource use and reduce the environmental impact of our production process. We are committed to responsibly managing environmental impacts, including being in compliance with environmental legislation as a minimum, and ensuring continual improvement in our environmental performance. Our product sustainability goals are simple: enable our customers to invent power and wireless systems for a responsible, energy efficient future. We are committed to responsibly managing our products from cradle to grave as we lead the innovation and commercialization of silicon carbide and GaN.

PRODUCT SUSTAINABILITY

EVS AND EV CHARGING

Wolfspeed's Silicon Carbide MOSFETs enable faster, more efficient charging and increase power density of the electric circuits while reducing range anxiety. Wolfspeed's 1200V and 650V SiC MOSFETs enable a reduction of EV drivetrain losses by up to 80%, which means increased range and performance for your EV.

5G TELECOM

Wolfspeed products allow 5G to transmit more data at faster speeds and with greater precision. GaN on Silicon Carbide has demonstrated to be a better solution overall for wireless communications because of its thermal conductivity, materials matching, efficient and total lifecycle cost.

SOLAR ENERGY

Solar power systems designed around Wolfspeed Silicon Carbide offer huge efficiency gains and permit smaller system size, weight and cost, increasing solar energy adoption worldwide. Using Silicon Carbide power components instead of Silicon for solar inverters can save 10 megawatts for each gigawatt and 500 watts/sec in operation.

AEROSPACE AND DEFENSE

Using Wolfspeed GaN on SiC RF solutions enables system designers to achieve maximum performance with smaller and lighter systems that consume less power.

DATA CENTERS

Silicon Carbide based products are expected to result in 620 billion kWh of energy savings for US data centers from 2010 to 2020, which is equivalent to powering 560 million homes in the US for one year.

PRODUCT ECOLOGY

Cree | Wolfspeed maintains an active program to minimize harmful materials, including lead and cadmium, in our products. Visit the Product Ecology section of our **Sustainability page** on **wolfspeed.com** to view our REACh and RoHS declarations.

PRODUCT END OF LIFE

Even though Cree | Wolfspeed's products have a long life, all good things do come to an end of their useful life. How should our products be disposed of when removed from service?

All Cree | Wolfspeed power devices, RF devices, LED chips and LED components are electronic components and should be considered for electronics recycling when feasible. Disposing of electronic waste in landfills is banned in many locations. In some areas of the world, depending on the recycle vendors available, individual LEDs and power and RF devices may not be able to be recycled due to their small size and product composition. End users are encouraged to check their local regulations or with your local recyclers for advice on disposal of these components.

ENVIRONMENTAL MANAGEMENT AND ISO 14001

Cree is committed to responsibly managing environmental impacts, including being in compliance with environmental legislation as a minimum, and ensuring continual improvement in our environmental performance.

The benefits of implementing an environmental management system include improved environmental risk management, cost savings, meeting external stakeholder expectations, ensuring compliance with environmental laws, and decreasing our environmental footprint through discovering new possibilities for energy, water and waste usage reductions. Our certificates can be found on our **ISO 14001 page** on **wolfspeed.com**.

Durham, North Carolina
• ISO 14001:2015

RTP, North Carolina
• ISO 14001:2015

Morgan Hill, California
• ISO 14001:2015

Huizhou, China
• ISO 14001:2015

ENVIRONMENT, HEALTH AND SAFETY POLICY

Cree endorses and adheres to Environment, Health and Safety (EH&S) standards for all Cree sites. It is Cree's EH&S goal to design and develop products safely, that realize energy efficiency, minimize environmental impacts, and have sustainable life cycles. In this manner, the Company is continuously improving our EH&S performance and reducing the overall impacts of our manufacturing processes. To further ensure that Cree can implement such standards, Cree is dedicated to:

- providing a safe and healthy work environment for our employees;
- complying with regulatory and other requirements;
- using natural resources, energy, and materials efficiently;
- substituting sustainable resources in place of non-renewable resources;
- reusing or recycling materials wherever technically possible and economically reasonable;
- minimizing waste and disposing of waste safely and responsibly;
- sourcing raw material responsibly;
- implementing specific measures to prevent and minimize hazards to humans; and the environment including pollution prevention; and
- consulting with and encouraging the participation of workers and workers' representatives, as applicable.

NC ENVIRONMENTAL STEWARDSHIP INITIATIVE

Our North Carolina manufacturing facilities are members of the North Carolina Environmental Stewardship Initiative (ESI).
ESI is a voluntary program, provided by the state of North Carolina through the Department of Environmental Quality, to encourage companies to go beyond compliance to reduce impacts on the local environment. The program requires companies to have a mature environmental management system and aggressive environmental goals. ESI has three levels of participation. Our North Carolina facilities entered the program in 2018 at the first level as an Environmental Partner with the goal of rising to the highest level as an Environmental Steward in the future. In 2019, our North Carolina facilities rose to the second level as a Rising Steward. More information about the ESI program can be found **here**.

ENERGY AND GREENHOUSE GAS EMISSIONS

Our Products

Our power and radio frequency products are created with energy-efficiency in mind. Our power and radio frequency products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles, and electric vehicle charging.

Our Manufacturing

We recognize the future possible environmental, social, and economic impacts associated with climate change and increasing energy demands. In addition to providing energy efficient products, we strive to reduce GHG emissions and improve energy efficiency at all Cree | Wolfspeed sites.

» OUR AMBITION

Actively fight against climate change and reduce our and others' carbon footprint; Stay efficient, stay productive. Be a company that makes a difference for future generations.

» OUR GOAL

- **Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030**
- **Achieve net zero Scope 1 and 2 GHG emissions by 2050**

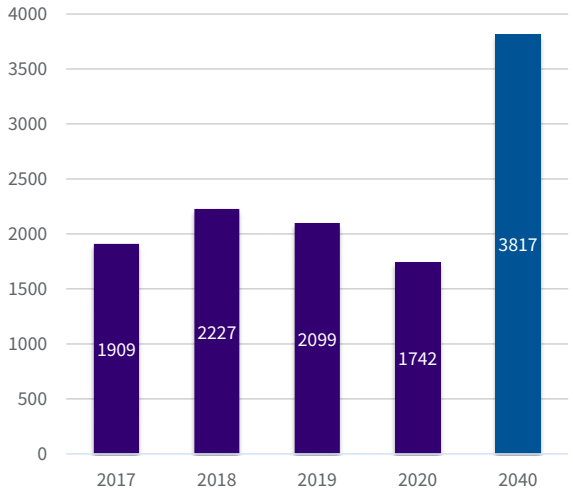
EP100

EP100 is a global, collaborative initiative of influential businesses that pledge to double their energy productivity.

We first joined EP100 in 2017. Since our new strategic focus is to build a powerhouse semiconductor company around our power and radio frequency products, we developed a new EP100 goal in 2019. We pledged to double our manufacturing energy productivity in terms of revenue per MWh of energy consumed during manufacturing from 2017 to 2040. In 2020, we achieved a metric of 1742 (revenue/MWh). The decline was caused by the divestiture of our LED business. Our total energy consumption (MWh) decreased in 2020 compared to 2019, but our last quarter relevant to the metric did not include LED revenue, causing our total revenue for the year to decline. Because the revenue value decreased, it caused our EP100 metric to also decrease in 2020.

EP100 Progress

Revenue per MWh Consumed in Manufacturing

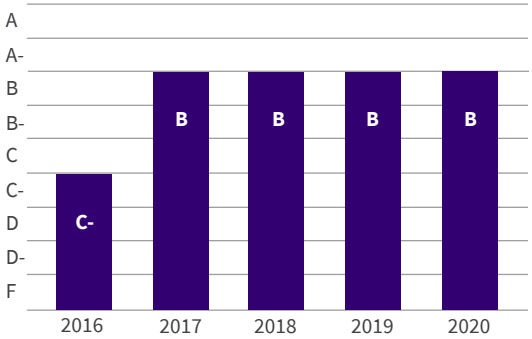


CDP

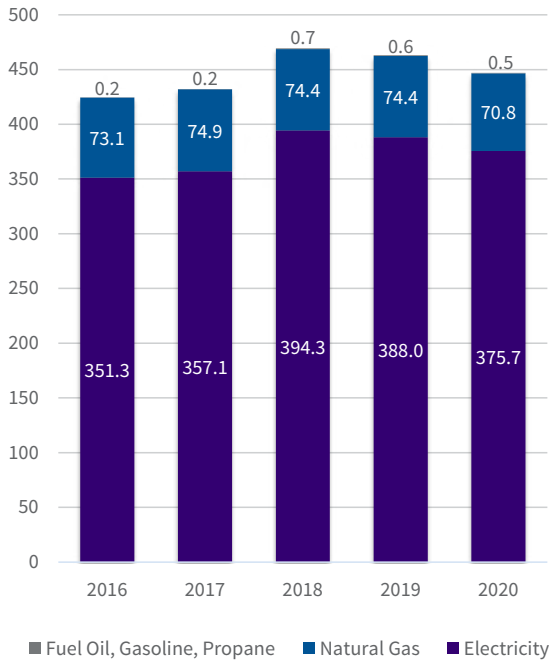
CDP runs a global disclosure system of self-reported environmental data.

In 2016, we disclosed our company-wide GHG emissions and climate change risks and opportunities to CDP for the first time. We will continue calculating our GHG emissions in the future because measuring GHG emissions helps us recognize and work toward lowering our impact. Visit **cdp.net** or our **Sustainability Reporting page** to view our responses to the CDP Climate Change Survey.

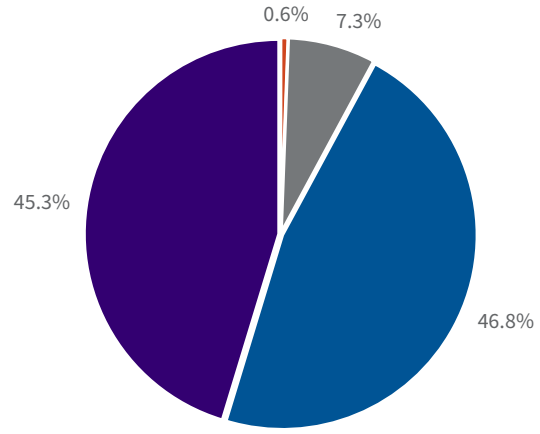
CDP Climate Change Score Progress



Energy Consumption
in Gigawatt Hours

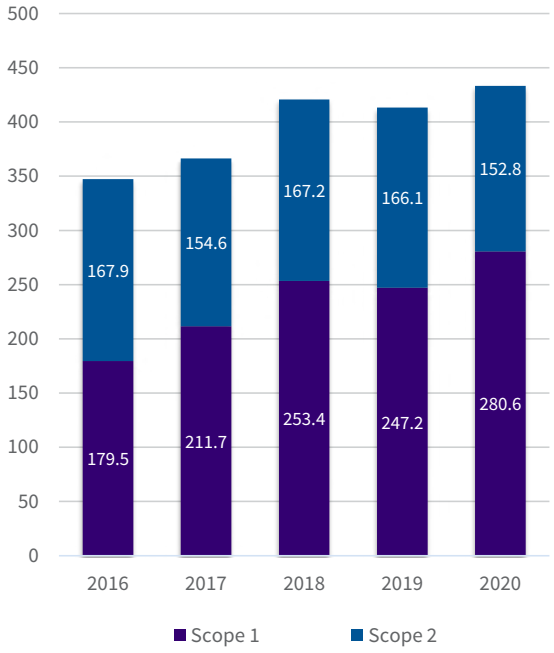


2020 Energy Purchases



- Direct Purchases of Renewable Energy (e.g., Wind, Solar)ed Other Low-Carbon Energy (e.g., Nuclear) Purchases Based on Country-Specific or Local Utilities' Energy Grid Mix
- Estimated Renewable Energy Purchases Based on Country-Specific or Local Utilities' Energy Grid Mix
- Direct Purchases of Non-Renewable and Non-Carbon-Free Energy (e.g., Natural Gas, Diesel)
- Estimated Other Low-Carbon Energy (e.g., Nuclear) Purchases Based on Country-Specific or Local Utilities' Energy Grid Mix

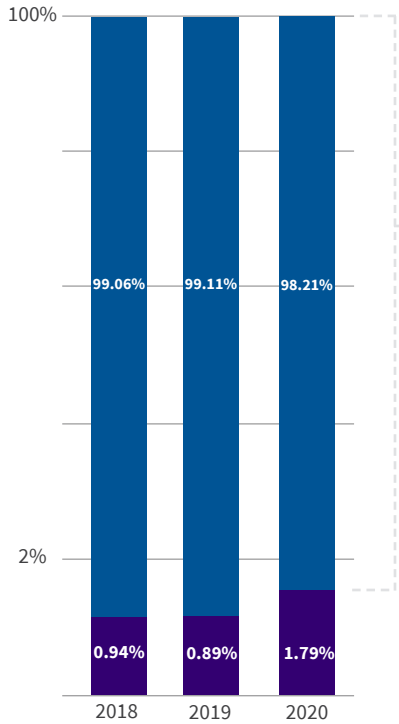
Greenhouse Gas (GHG) Emissions
in Thousand Metric Tons CO_2 Equivalents



Scope 1: Our direct GHG emissions (e.g., fuel combustion, fluorinated gases used in manufacturing).

Scope 2: GHG emissions from the consumption of purchased electricity at our facilities

Our Carbon Footprint
in Percent of Total GHG Emissions



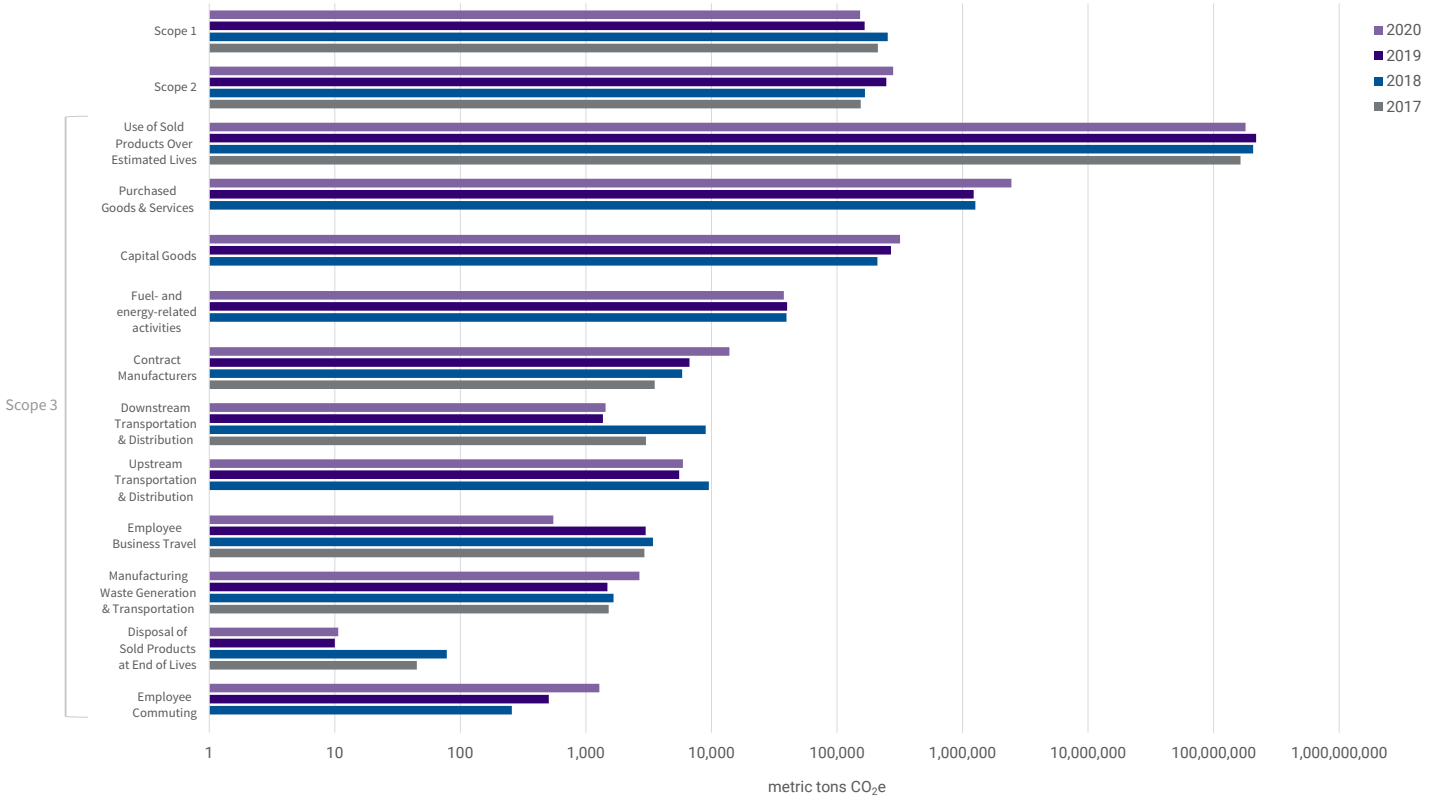
Reducing CO_2e

The GHG emissions associated with using our products over their lifetimes represent roughly 99% of our total GHG footprint.

Compared to traditional less efficient alternatives, our LED, power and radio frequency products sold in 2020 will save approximately **327 million MWh and 125 million metric tons CO_2 equivalents** over their estimated lifetimes.

- Our Scope 3 emissions from the use of our sold products over their estimated lifetimes
- The total of our Scope 1, Scope 2 and Scope 3 emissions from all other Scope 3 categories

Our Carbon Footprint
in Metric Tons CO_2 Equivalents



2020 GHG and Energy Data Trends

SCOPE 1

2020 Information:

» Our usage of fuel and fluorinated gases in our manufacturing processes changed in 2020 compared to 2019 due to changes in output and product mix, causing our Scope 1 emissions to increase.

Future Look:

» We are currently exploring GHG abatement technologies for our facilities and in 2020 and 2021 began installing abatement devices at our Durham and RTP fabrication facilities.

» In 2019, we began planning for a project to eliminate the use of one of our greenhouse gases with a high global warming potential (GWP) in one of our manufacturing processes. In 2020, this project entered the testing phase and is planned to start transitioning over to full production during 2021.

» We have **new GHG goals** to help further reduce our climate change impacts.

SCOPE 2

2020 Information:

» Our total electricity use at two of our manufacturing facilities decreased, resulting in an estimated decrease in 7,489 metric tons CO_2e in 2020 compared to 2019 electricity use.

» The electricity grid mix at our North Carolina facilities used more nuclear and renewable energy sources, causing our Scope 2 (market based) emissions to decrease by about 4,100 metric tons CO_2e in 2020 compared to 2019 emissions.

» In 2020 we made changes to one of our gas distribution systems at our Durham, NC facility, which resulted in an annual reduction of about 53,000 kWh or 19 metric tons CO_2e.

» We incorporated updated emission factors in 2020, leading to about a reduction of 6,200 metric tons CO_2e in Scope 2 location based emissions (e.g., new EPA eGRID2019 were available for use for our 2020 emissions inventory. This reduction for US facilities was calculated using electricity use and eGRID 2018 factors versus new eGRID 2019 factors).

Future Look:

» We continuously explore options for energy reduction and efficiency improvements to help offset expected increases in energy use and Scope 2 GHG emissions as we expand.

» Our new Mohawk Valley Fab is planned to be LEED certified with energy efficient processes built into the design of the building. Learn more in the **Capacity Expansion** section of this report.

» We have **new GHG goals** to help further reduce our climate change impacts.

2020 GHG and Energy Data Trends

SCOPE 3

2020 Information:

» ***Purchased goods and services and capital goods***: Our usage of raw materials in our manufacturing processes changed in 2020 compared to 2019 due to changes in output and product mix, causing our Scope 3 emissions in this category to increase. Because we are expanding our operations, our Scope 3 emissions from capital goods also increased in 2020.

» ***Fuel-and-energy-related activities (not included in Scope 1 or 2)***: Our usage of fuel and electricity in our manufacturing processes changed in 2020 compared to 2019 due to changes in output and product mix, causing our Scope 3 emissions from fuel-and-energy-related activities to decrease. We also used updated DEFRA factors, which were lower in 2020 compared to 2019 factors, for our purchased electricity calculation.

» ***Upstream and downstream transportation and distribution***: Our emissions from upstream and downstream transportation and distribution increased due to differences in shipment types and amounts in 2020 compared to 2019.

» ***Business travel and employee commuting***: During the COVID-19 pandemic, we continued to operate the company globally, but due to travel restrictions were unable to travel for business purposes during most of 2020, causing our Scope 3 emissions from business travel to decline by 2,446 metric tons CO_2e in 2020 versus 2019 emissions. In 2019, we began the transition to a new software as our primary communication and collaboration solution, which enabled our employees to easily collaborate with each other and external stakeholders, instead of traveling to meet in person, during the COVID-19 pandemic.

Emissions associated with employees working from home are included in the employee commuting category. The COVID-19 pandemic caused our employee commuting GHG emissions to increase in 2020 compared to previous years, due to the fact that more employees were working from home during 2020.

» ***Waste generated in operations***: The GHG emissions associated with the disposal and transportation of our waste increased in 2020 compared to 2019 due to an increase in the amount of waste we generated through expansion efforts as well as due to the use of updated EPA Waste Reduction Model (WARM) factors. More information about our trends in waste generation data can be found in the **Waste Management** section of this report.

» ***Use and end of life treatment of sold products***: The GHG emissions from the use of our sold products over their estimated lifetimes decreased slightly in 2020 due to product mix differences in 2019 versus 2020. Because our products are small, the GHG emissions associated with the end of life treatment of our sold products did not change significantly.

» ***Contract manufacturing***: Because we are expanding our operations, our Scope 3 emissions from contract manufacturing also increased in 2020.

Future Look:

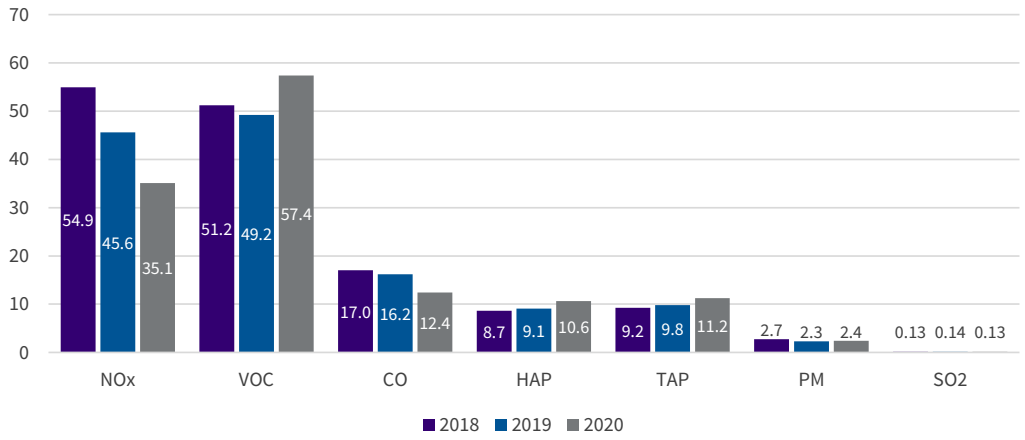
» We are continuously exploring ways to decrease our Scope 3 GHG impacts. We expect our emissions in some categories to increase in line with our growth, as well as emissions in some categories to decrease due to technology improvements.

» We have **new GHG goals** to help further reduce our climate change impacts. Our primary focus will be to first reduce the GHG impacts of our operations (Scope 1 and 2).

OTHER AIR EMISSIONS

When applicable, our manufacturing sites are subject to local air emissions regulations for criteria pollutants (NOx, SO_2, etc.), hazardous air pollutants (HAP)[1] and toxic air pollutants (TAP)[1]. Our sites comply with regulations through each site's air permit requirements. For select processes we use air emissions control devices, including dust collectors, thermal oxidizers and scrubbers.

Other Air Emissions
in Metric Tons



[1] Air pollutants are classified as hazardous air pollutants (HAP) based on the US EPA list of HAP. Air pollutants are classified as toxic air pollutants (TAP) per the regulations applicable at each facility.

2020 Other Air Emissions Data Trends

2020 Information:

» Our usage of raw materials and fuel in our manufacturing processes changed in 2020 compared to 2019 due to changes in output and product mix, causing our air emissions to either decrease or increased depending on the pollutant.

Future Look:

» We are continuously exploring ways to decrease our air emission impacts. When appropriate, we will continue using and installing air emissions control devices, including dust collectors, thermal oxidizers and scrubbers. Our **Mohawk Valley Fab** will also be constructed with air emissions control devices to reduce our air emissions as we expand.

WATER MANAGEMENT

Water Management

Because water quality and scarcity are growing concerns that affect all people and industries, we are committed to proper water use management practices for all Cree | Wolfspeed sites. We continuously strive to implement best management practices that conserve and recycle water and prevent and reduce water pollution:

- Our Durham, NC site has been recycling process water since 2005, and currently recycles an average of 120,000 gallons of water per day. Our Huizhou site installed a new water recycling system in 2017 and now recycles approximately 200,000 gallons of water per day.
- Our new Marcy, NY facility is planned to use a water recycling system similar to that used at our Durham, NC facility. More information about our Marcy facility can be found in the **Capacity Expansion** section of this report.
- In the past we have had facility-specific water goals. We developed our first corporate-wide water recycle goal to increase our water recycle rate by 25% by 2025. More information about our goal can be found in the **Sustainability Goals** section of this report.
- In 2007, our Durham NC and RTP, NC sites initiated a wastewater pre-treatment system, which prevents approximately 30,000 pounds of fluoride from entering a local water supply each year.
- In 2020, we disclosed our water-related information to CDP Water Security and performed our first corporate-wide water risk assessment for the first time.
- At all sites, we have implemented best management practices for control of stormwater to minimize the effects of stormwater run-off.
- Our Durham, NC site is reducing the risks associated with chemical spills by using a stormwater conveyance system which allows for containment in the event of an incident.
- In 2018, we installed additional rainwater collection at our Durham, NC site, and now collect rainwater to supplement water used in the production process. In 2020, we expanded the catchment area, which will help us increase the amount of rainwater harvested in future years.

» OUR AMBITION

Ensure sustainable and efficient use of water across all sectors. Become a leader in addressing water scarcity.

» OUR GOAL

Increase water recycling rate by 25% by 2025

Water Withdrawals, Discharges, and Consumption

All of our manufacturing facilities' water withdrawals primarily come from municipal (third-party) sources. Our other source of water withdrawal includes rainwater (fresh surface water), depending on the facility. All water used at our manufacturing sites is third-party freshwater. Most of our water is used during manufacturing including cooling tower use, but water is also used for irrigation and human consumption (i.e., drinking water, sanitary sewer and water used in locations where we have an on-site cafeteria). We work internally to ensure each department receives the water required for each step of the manufacturing process, as to not compromise product quality. We engage with our local water supply and wastewater treatment plants to plan for infrastructure needed for future water use, and have a water conservation and management plan in the event that water from local sources is reduced due to a drought. We have not yet worked with other suppliers or customers on water related issues.

Both our Durham and Huizhou sites have water recycle systems to offset municipal water purchases and reduce the consumption of water. In the past, our water recycle rate goals were developed for individual sites that are Cree | Wolfspeed's largest water users. We developed our first corporate-wide goals to increase our water recycle rate by 25% by 2025. Our goals are set based on the technology available, the quality of water needed as an output of the process, the availability of water in the operating region, water recycle regulations in place, and to align with our ISO 14001 environmental management systems. The goal aims to ensure our sites optimize their water recycle systems, including ensuring better operation and maintenance of the systems to reduce down time. Refer to our **Sustainability Goals** section of this report for more information about our water recycle goal.

All facilities discharge to a municipal (third-party) waste water treatment plant and are subject to local discharge requirements. Water discharged meets local regulatory requirements for water quality, including nutrients levels, metals, pH, temperature, etc. All our manufacturing sites have wastewater permits and/or requirements that mandate the quality of water discharged. Our stormwater is also monitored to ensure it meets discharge criteria, which prevents degradation of local water supplies.

Water Risk Assessments

Our Approach

At this time, our water-related risk assessment scope only includes direct operations, but other stakeholders, like customers, local communities, regulators and investors, are tangentially included in our assessment. A variety of risks for our direct operations are considered during our assessment, which have the potential to affect our value chain. We have not yet included our suppliers in our assessment. Suppliers are relevant, and we expect to include them in water-related risk assessments in the coming years.

Depending on the facility, we use the WRI Aqueduct and/or the WWF Water Risk Filter tool to assess our water risks. We use the WWF Water Risk Filter tool to analyze the water risks of our owned manufacturing facilities, which represent our largest water users, because the tool allows us to answer questions related to our specific industry (i.e., semiconductors) and specific questions related to each of our facilities to obtain a deeper look at our risks. We used the WRI Aqueduct tool to assess water stress of all facilities and risks for smaller leased facilities because it is a good first step to easily assess water risks based on location and allows us to view future (2030 and 2040) water risks for all facilities.

The WRI Aqueduct and WWF Water Risk Filter tools provide our risks in a number of different categories, such as quantity physical risks (e.g., water scarcity, water stress, flooding and drought risks), quality physical risks (e.g., quality of wastewater, potential for eutrophication), regulatory risks (e.g., drinking water/sanitation issues, environmental regulations) and reputational risks (e.g., ESG performance, community conflicts).

We consider risks that have the potential to greatly impact our business. We define a substantive financial or strategic impact as something that will cause significant impact to our business both internally (i.e., our direct operations) or externally (i.e., our upstream and downstream value chain). We use $1 million USD to establish a threshold for substantive financial impact when determining potential impacts due to water-related impacts. An example of a substantive financial impact could be water scarcity issues affecting the ability for us to manufacture our products, causing brand image, revenue and/or customer relations issues. Good quality freshwater is vital for direct use (rinsing, cooling, cutting) for our manufacturing processes. Because our manufacturing processes require a specific quantity and quality (ultra-pure) of freshwater to operate without product contamination, any disruptions to our supply of water at our manufacturing facilities could result in a substantive financial impact to us and other members of our value chain (e.g., our customers).

Our Results

2020 was our first year to use different tools (WWF Water Risk Filter and WRI Aqueduct) to analyze all our facilities (both owned and leased) for current and future water risks. We also assessed the risks of our new fabrication facility currently being constructed in Marcy, New York. We plan to use the results of the analyses to inform our internal decision-making process, including planning for future water stewardship projects and goals and targets setting.

We believe that some of our manufacturing facilities exposed to water risks have the potential for a substantive financial or strategic impact on our business. Using the results of our WWF Water Risk Filter analysis, two of our existing manufacturing sites exhibit Physical risks that could affect our business, including water scarcity and quality. Other existing manufacturing facilities were analyzed using the WWF Water Risk Filter but not found to have high risks in terms of the potential for a substantive financial or strategic impact our business. We also assessed our smaller leased facilities using the WRI Aqueduct tool, and although the results of the analysis show varied levels of risk depending on location, we do not feel that these risks have the potential to cause a substantive financial or strategic impact on our business based on the activities and size of those operations.

Water-Related Risks

We have analyzed water-related risks for our manufacturing facilities exposed to water risks that have the potential for a substantive financial or strategic impact on our business.

Potential Risk	Potential Impacts	Estimated Financial Implications	Management Method
Increased water scarcity	*Direct Operations (Durham and RTP):* We feel that increased water scarcity could be a potential risk for us in the Raleigh/Durham/Research Triangle Park area in the longer-term future, which is where two of our main manufacturing operation are located, based on the current and future expected growth in the area. Raleigh is one of the fastest growing cities in the United States and increased growth in the area could potentially lead to water availability issues in the future. We have assessed our future risks out to 2030 and 2040 for water stress and water supply of the area in which these facilities are located. The WRI Aqueduct tool shows that there will be "near normal" change in water scarcity and water supply in the area by 2030 and 2040. About 10 years ago, we experienced a drought at these facilities and were required to evaluate alternative sources for water withdrawals. Although the WWF Water Risk Filter indicates a very low Drought Frequency Probability for these facilities, we believe water scarcity still has the potential to have a substantive financial or strategic impact.	We understand the potential for these risks but do not yet have a financial impact calculated. However, we feel the impacts could be substantive (i.e., could be more than $1 million depending on the event).	Our Durham facility operates a water recycle system to offset municipal water purchases and reduce the consumption of water. We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. The reservoirs in the area from which we receive water were man-made to provide flood control and water supply to the Raleigh/Durham/Research Triangle Park area, and specifically designed to provide sufficient water even in severe drought situations. We have a business continuity plan, which takes into consideration potential risks that could cause a significant business interruption and describes strategies for how we mitigate and respond to major events. We have a crisis response team, which is comprised of key personnel in different departments throughout the company, that reviews possible solutions in the event of a situation that could cause a significant business interruption.
Malware/ ransom ware attack	*Direct Operations (Durham and RTP):* We purchase water through the city government's utility and discharge our water to the county's Publicly Owned Treatment Works. In 2020, the city and county government systems where these facilities are located experienced a malware attack, causing their data servers to be taken offline for a few days. Although the malware attack in 2020 did not affect our ability to receive or discharge water during the event, this kind of event has the potential to have a substantive financial or strategic impact on our business. If a malware or ransom ware attack affects our city and county, we may have issues being able to purchase water if the city government's utility is forced to shut down and/or issues being able to discharge water if the county's Publicly Owned Treatment Works is unable to operate. If we are unable to receive water, it could cause us to stop some of our manufacturing processes. If we are unable to discharge water to our Publicly Owned Treatment Works it could also stop some of our manufacturing processes or we would be required to find an alternative method to dispose of our water, such as dispose of our wastewater as waste.	We understand the potential for these risks but do not yet have a financial impact calculated. However, we feel the impacts could be substantive (i.e., could be more than $1 million depending on the event).	Our Durham facility operates a water recycle system to offset municipal water purchases and reduce the consumption of water. We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. We have a business continuity plan, which takes into consideration potential risks that could cause a significant business interruption and describes strategies for how we mitigate and respond to major events. We have a crisis response team, which is comprised of key personnel in different departments throughout the company, that reviews possible solutions in the event of a situation that could cause a significant business interruption.

Water-Related Opportunities

We have analyzed water-related opportunities for our manufacturing facilities exposed to water risks that have the potential for a substantive financial or strategic impact on our business.

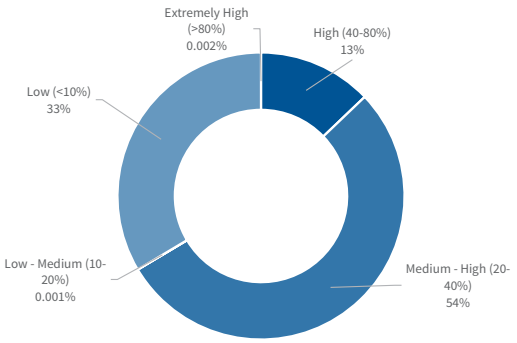
Potential Opportunity	Potential Impacts	Estimated Financial Implications
Improved water efficiency in operations	*Direct Operations (Durham):* We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. We operate a water recycle system and rainwater harvesting system at this facility exposed to water risks that has the potential for a substantive financial or strategic impact on our business. We continue to evaluate newer technologies with respect to rainwater harvesting and water recycling and reuse, and plans to implement them when feasible. Additional water recycle and rainwater capture opportunities have been identified at this facility and are currently under review for technical feasibility, cost, and potential timeline.	$400,000 - $1 million annually The potential financial impact represents the amount of money saved annually by harvesting rainwater and recycling our water versus purchasing water from the local utility. The financial impact includes the savings from our current system as well as estimated savings from potential additional opportunities.
Improved water efficiency in operations	*Direct Operations (Marcy):* We continuously explore options for water recycle improvements to help offset the expected increase in water withdrawals as we expand. Because we are constructing a new state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters, we will remain dependent on good quality water and anticipate our total water dependency to increase in the future. Our Marcy, New York facility is planned to use a water recycling system similar to that used at our Durham facility.	$100,000 - $300,000 annually The potential financial impact represents the estimated amount of money that will be saved annually by various water efficiency projects built into the design of the new wafer fabrication facility we are constructing and recycling our water versus purchasing water from the local utility.

Water Stress

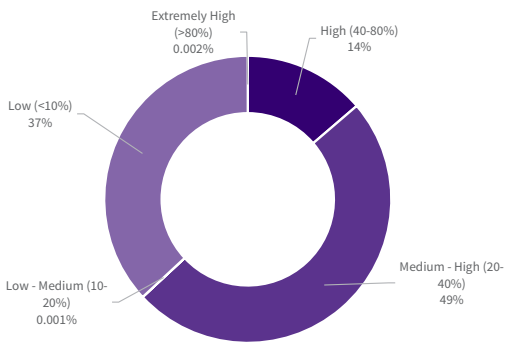
We used the WRI Aqueduct Water Risk Atlas tool to assess the current and future (2030 and 2040) water stress of all our facilities. We consider areas with water stress to be those locations with the risk category "High (40-80%)" or "Extremely High (>80%)" for baseline water stress. Based on that criteria, six of our small leased facilities are located in areas with the risk category "High" or "Extremely High." These offices use small amounts of water and represent only 0.03% of our total 2020 global water withdrawals. One of our manufacturing facilities is located in an area with the risk category "High." Its 2020 water withdrawals represent approximately 12.8% of our total 2020 global water withdrawals.

2020 Water Usage by Water Stress Category

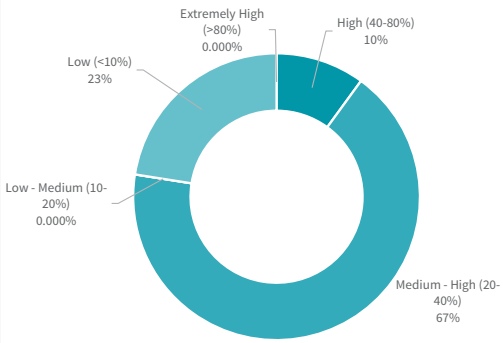
Water Withdrawals[1]



Water Discharges[1]



Water Consumption[1]

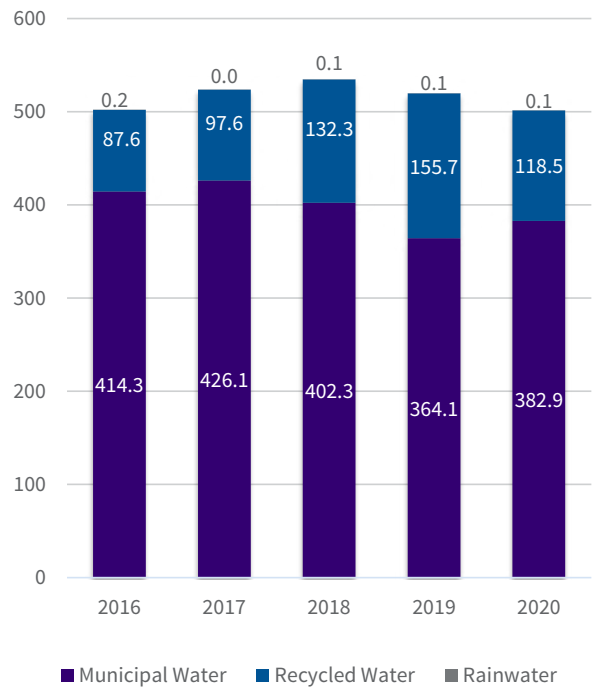


2020 Water Usage

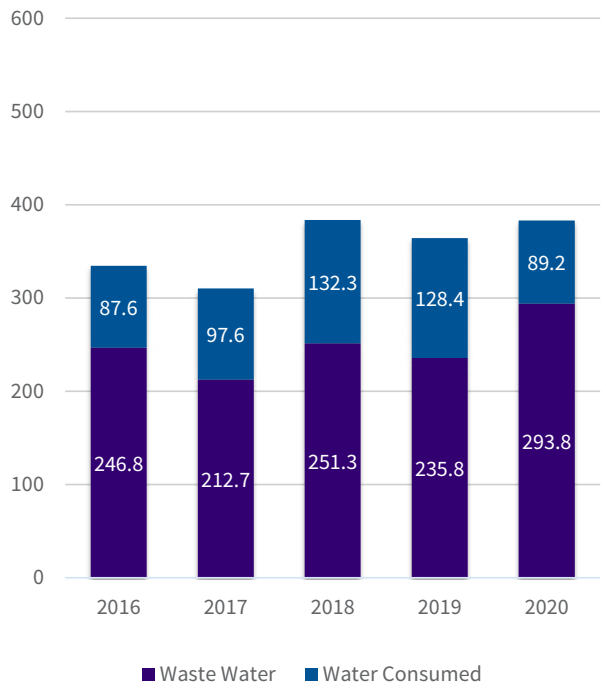
Source	All Facilities	Facilities Located in Water Stress Areas[1]	Facilities Not Located in Water Stress Areas[1]
Water Withdrawals (millions of gallons)			
Third-Party Water	382.9	49.3	333.6
Fresh Surface Water (Rainwater)	0.06	0	0.06
Total Water Withdrawals	**383.0**	**49.3**	**333.7**
Water Recycled (millions of gallons)			
Total Water Recycled	**118.5**	**0**	**118.5**
Water Discharges (millions of gallons)			
Total Third-Party Wastewater	**293.8**	**40.3**	**253.5**
Water Consumption (millions of gallons)			
Water Consumed	**89.1**	**8.9**	**80.2**

[1] All of our global facilities were assessed for baseline water stress using the World Resources Institute Aqueduct Water Risk Atlas. Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Low water stress indicates the facility(ies) scored 0% to 10% for water stress. Low-medium water stress indicates the facility(ies) scored 10% to 20% for water stress. Medium-high water stress indicates the facility(ies) scored 20% to 40% for water stress. High water stress indicates the facility(ies) scored 40% to 80% for water stress. Extremely high water stress indicates the facility(ies) scored 80% to 100% for water stress. (Source: **WRI Aqueduct Water Risk Atlas**)

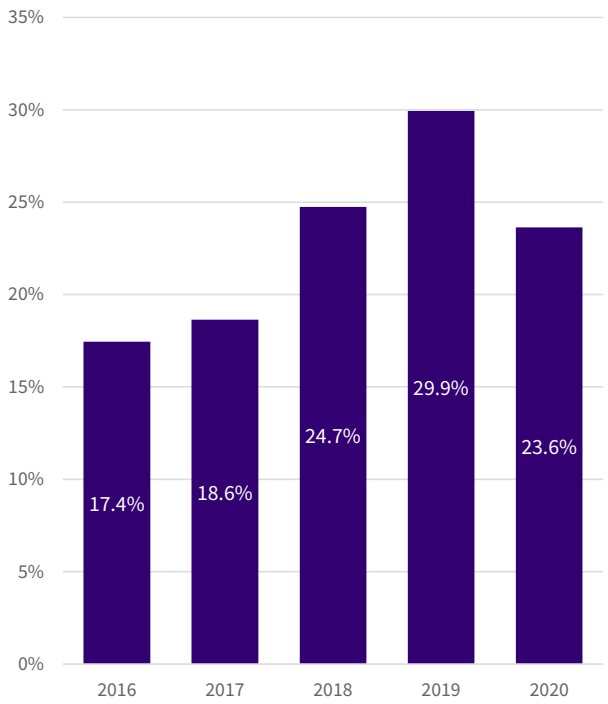
Water Demand
in Millions of Gallons



Water Discharges and Consumption (Water Out)
in Millions of Gallons



Water Recycling
% of Total Water Recycled



2020 Water Data Trends

2020 Information:

» Because we purchased more water for withdrawals at some of our manufacturing facilities, it caused our total withdrawals and discharges to increase. We have also made process changes at some of our facilities, causing water to be used and discharged at an increased rate.

» The withdrawal and discharge volume also increased slightly in 2020 compared to our reported 2019 value because in 2020 we included water withdrawals for all our leased facilities in our scope for the first time, as data related to such withdrawals was not available previously.

» At one of our facilities we initiated a new process that increased our water usage, but that discharges water directly (i.e., very little water consumption), causing our total water consumption and percent of total water recycled to decrease.

Future Look:

» Our water demand is expected to increase in the future because we are building our new facility in Marcy, New York, complemented by our expansion currently underway at our Durham headquarters. We continuously explore options for water use efficiency and water recycle improvements to help offset the expected increase in water use as we expand. Refer to the **Water-Related Opportunities** subsection to learn more about our future water opportunities.

» Our new Mohawk Valley Fab is planned to have a water recycle system and water efficiency built into the design of the building. Learn more in the **Capacity Expansion** section of this report.

» We have a **new water recycle goal** to help further reduce our water impacts.

WASTE MANAGEMENT

Our Products

Our Power and RF products made from silicon carbide (SiC) outperform conventional silicon (Si) components. In many applications, fewer SiC components are required compared to Si components when creating an electrical circuit with a similar output. To sustain a required current and voltage, Si components must be larger, meaning SiC components perform better with less materials required. Using less SiC components for a circuit and reducing the amount of materials in a SiC versus Si component means less materials are required to be disposed of at the end of their lives.

» OUR AMBITION

Be a company that directs to zero waste through waste reduction and recycling.

» OUR GOAL

Achieve 85% waste diversion rate from landfill by 2025

Our Manufacturing

The responsibility for waste generation spans from cradle to grave, and Cree | Wolfspeed is dedicated to minimizing waste and disposing of waste safely and responsibly. We use many different hazardous and non-hazardous raw materials to manufacture our products, including acids, bases and solvents, which results in waste. We also generate solid waste from miscellaneous activities at our facilities, including pallets and cardboard from incoming raw materials and equipment, general office waste, and cafeteria waste. Along our value chain, our largest impacts come from waste generated from our own activities. The transportation of our waste and spills or releases on our property or to the environment are possible negative impacts of our waste. For some of our waste, we seek ways to turn our waste to fuel, which we consider a positive impact of our waste. Because our products are small and long-lasting we do not foresee large impacts associated with the waste of our products. Guidance for how to dispose of our products at the end of their lives can be found in the **Product End of Life** section of this report. We have not yet assessed the waste generation of our upstream activities.

We have processes in place to ensure our waste is stored and managed to minimize impacts to employees and the environment and aim to operate our facilities according to applicable waste regulations. Our policy is to reduce the amount of waste sent to landfill and ensure we choose waste disposal methods that we feel reduce the impact on the environment as much as possible. When choosing a vendor for our waste streams, we ensure the vendors are reputable and utilize the appropriate technology for the waste stream. We require all waste vendors to have a contract and sign our **Supplier Code of Conduct**, which outlines requirements for environmental performance and compliance.

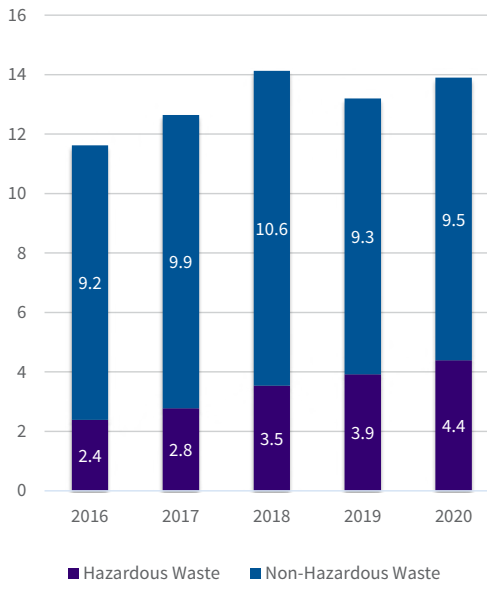
In addition to reducing waste generation, we are dedicated to reusing or recycling materials whenever technically possible and economically reasonable. We seek opportunities for waste to be recycled or become a feedstock for use in other manufacturing processes. This not only lowers costs but helps us and other manufacturers to decrease virgin raw material consumption and reduce environmental impacts. We have implemented the following practices as part of our commitment to reduce, reuse and recycle materials:

- From 2014 to 2015, we reduced our chemical waste generation from manufacturing by 277,000 pounds.
- We reduced the consumption of chemicals in our manufacturing processes, specifically the use of one of our major raw materials by 70% in 2016.
- We recycle solid waste materials in manufacturing and office sites, including metal, plastic, glass, paper, cardboard, wood, cans and bottles.
- Since 2016, we have sent waste liquid solvents to a facility for use as alternative fuel. We also send specific solid waste streams for use as fuels in waste to energy facilities.
- In 2016, our Durham facility began composting waste at the cafeteria. The composting program diverts approximately 50,000 pounds of waste from the landfill per year.
- In 2016, we set our first waste to landfill reduction goals at our North Carolina facilities. We developed our first corporate-wide waste goal to increase our waste diversion from landfill to 85% by 2025. More information about our goal can be found in the **Sustainability Goals** section of this report.
- In 2019, we developed a program that successfully diverted 130,000 pounds of a specific material at our Durham facility from the landfill to a recycling facility. This is in addition to the 430,000 pounds of a different form of the same material shipped to a recycling facility that year.
- In 2020, we worked to enhance one of our key manufacturing processes, which resulted in a reduction of approximately 132,000 lbs of raw materials in 2020 compared to 2019 usage

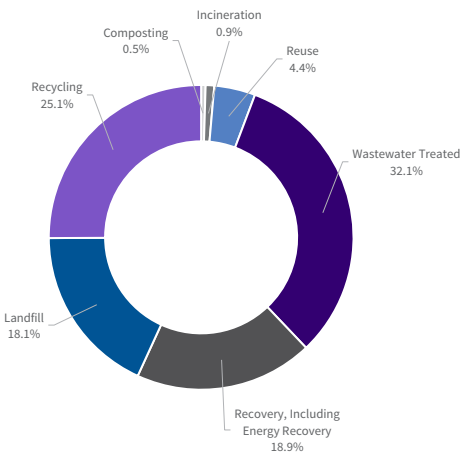
Waste Generation
by Disposal Method

Waste Disposal Method	2016	2017	2018	2019	2020
Hazardous Waste					
Wastewater Treated	52.6%	47.1%	61.2%	50.2%	61.2%
Recovery, including Energy Recovery	21.6%	39.1%	29.1%	38.8%	27.0%
Landfill	2.8%	4.6%	3.6%	5.8%	3.4%
Incineration	5.6%	2.5%	3.6%	2.9%	7.0%
Recycling	17.4%	6.6%	2.5%	2.3%	1.4%
Non-Hazardous Waste (including Solid Waste)					
Recycling	33.5%	28.7%	31.7%	35.1%	30.0%
Wastewater Treated	41.4%	42.2%	32.1%	25.0%	20.6%
Landfill	21.3%	18.5%	21.2%	22.1%	34.8%
Recovery, including Energy Recovery	0.4%	5.4%	11.3%	10.8%	9.0%
Reuse	3.1%	4.7%	3.0%	6.3%	5.1%
Composting	0.1%	0.5%	0.6%	0.7%	0.2%
Incineration	0.1%	0.1%	0.1%	0.1%	0.2%

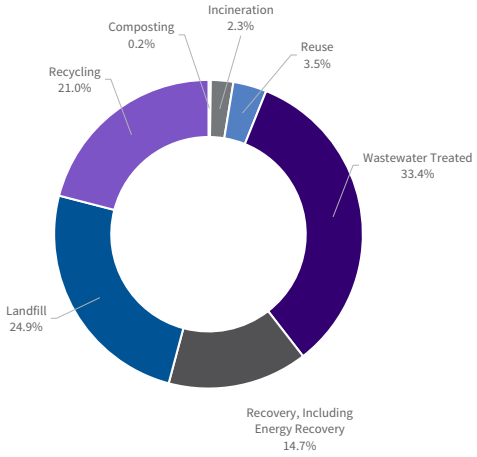
Waste Generation
in Millions of Pounds



2019 Total Waste Generation
by Disposal Method



2020 Total Waste Generation
by Disposal Method



2020 Waste Data Trends

2020 Information:

» Our usage of raw materials in our manufacturing processes changed in 2020 compared to 2019 due to changes in output and product mix, causing our total waste generation to increase.

» Our percent of waste to landfill increased in 2020 due to less employees being in the office (e.g., our total waste composted in 2020 decreased by about 28,000 lbs because less employees were using our cafeteria) and due to our expansion efforts. We had more construction and demolition activities in 2020, which resulted in the generation of non-recyclable materials.

Future Look:

» We are continuously exploring ways to decrease our waste generation impacts. We have a **new waste to landfill reduction goal** to help further reduce our waste to landfill impacts.

APPENDIX
2021

Organizational Profile

GRI Standard	GRI Standard Description	Location	Comments
102-1	Name of the organization	Who We Are	
102-2	Activities, brands, products, and services	Who We Are	
102-3	Location of headquarters	Who We Are	
102-4	Location of operations	Who We Are	The majority of our products are manufactured at our production facilities located in North Carolina, California, Arkansas and China. We also use contract manufacturers for certain products and aspects of product fabrication, assembly and packaging. We operate research and development facilities in North Carolina, Arizona, Arkansas, California and China (including Hong Kong).
102-5	Ownership and legal form	GRI Content Index	Publicly traded company
102-6	Markets served	Who We Are 2020 Annual Report*	
102-7	Scale of the organization	Who We Are 2020 Annual Report*	
102-8	Information on employees and other workers	Our Employees Our Interns and Recent Graduates	We employ over 5,000 regular full and part-time employees. We also employ individuals on a temporary full-time basis and use the services of contractors as necessary. We also have a rapidly-developing intern program. A significant portion of the organization's activities are not performed by workers who are not employees. Only employees located in significant locations of operations are reported. Significant locations of operations refer to our owned manufacturing facilities located in the US and China, which represents approximately 98.5% of our total number of 2020 employees.
102-9	Supply chain	Supply Chain Supplier Code of Conduct* Responsible Minerals Sourcing Policy California Proposition 65	

* can be found on **wolfspeed.com**

Organizational Profile (continued)

GRI Standard	GRI Standard Description	Location	Comments
102-10	Significant changes to the organization and its supply chain	CEO Message 2020 Annual Report*	
102-11	Precautionary Principle or approach	Risk Management 2020 Annual Report*	
102-12	External initiatives	Environment, Health and Safety Policy	Our first EHS Policy was adopted in December 2015 and applies to all global Cree | Wolfspeed operations.
		Environmental Management and ISO 14001	Our Durham, Research Triangle Park (RTP), and Huizhou sites became certified to ISO 14001 in May 2016. Our Morgan Hill site became certified in early 2020.
		Product Quality	Our Durham, Research Triangle Park (RTP), Morgan Hill, Mesa, Fayetteville and Huizhou sites are certified for quality standards (ISO 9001, IATF 16949, AS9100).
		Energy and Greenhouse Gas Emissions	We joined EP100 in 2017. EP100 is a collaborative initiative of influential businesses that pledge to double their energy productivity. We also disclose our global manufacturing GHG emissions and climate change risks and opportunities to CDP Climate Change.
		Community Engagement	We support local organizations in the areas in which we operate.
		NC Environmental Stewardship	Our North Carolina manufacturing facilities became members of the North Carolina Environmental Stewardship Initiative in 2018.
102-13	Membership of associations	GRI Content Index	At the corporate level, we are a member of EP100, PowerAmerica, The Semiconductor Industry Association, Automotive Industry Action Group (AIAG), and JEDEC Solid State Technology Association's committee JC-70 Wide Bandgap Power Electronic Conversion Semiconductors.

* can be found on **wolfspeed.com**

Strategy

GRI Standard	GRI Standard Description	Location	Comments
102-14	Statement from senior decision-maker	CEO Message	

Ethics and Integrity

GRI Standard	GRI Standard Description	Location	Comments
102-16	Values, principles, standards, and norms of behavior	Code of Conduct* Code of Ethics for Executive Officers and Other Senior Financial Personnel*	Our Code of Conduct reflects our commitment to integrity and describes standards of conduct for our employees and directors. Our executive officers and other senior financial personnel are also subject to additional policies stated in the Code of Ethics for Executive Officers and Other Senior Financial Personnel.
102-17	Mechanisms for advice and concerns about ethics	Code of Conduct*	Our Code of Conduct contains our guidelines for ethical business practices, including how employees can report breaches of Cree | Wolfspeed policies.

Governance

GRI Standard	GRI Standard Description	Location	Comments
102-18	Governance structure	Board of Directors and Committee Composition	

* can be found on **wolfspeed.com**

Stakeholder Engagement

GRI Standard	GRI Standard Description	Location	Comments
102-40	List of stakeholder groups	Materiality Assessment	
102-41	Collective bargaining agreements	GRI Content Index	The vast majority (more than 99.9%) of employees are not covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Materiality Assessment	
102-43	Approach to stakeholder engagement	Materiality Assessment	
102-44	Key topics and concerns raised	Materiality Assessment	

Reporting Practice

GRI Standard	GRI Standard Description	Location	Comments
102-45	Entities included in the consolidated financial statements	2020 Annual Report*	
102-46	Defining report content and topic Boundaries	Sustainability Reporting Materiality Assessment	
102-47	List of material topics	Materiality Assessment	

* can be found on **wolfspeed.com**

Reporting Practice (continued)

GRI Standard	GRI Standard Description	Location	Comments
102-48	Restatements of information	GRI Content Index	Any information that was reported in both this report and the previous report indicates the information was still relevant to 2020 operations. Refer to 102-49 for more information about changes in our reporting for current and previous years' data. There was an error on the title of the Global Manufacturing GHG Emissions graph on page 63 of our 2020 Sustainability Report. The units were reported as metric tons CO_2 equivalents, but should have been reported as thousand metric tons CO_2 equivalents. This change has been reflected correctly within this report. The way we report high-consequence injuries and illnesses has changed in this report. In the past, the data we reported only included recordable injuries and illnesses that resulted in days away from work past 6 months. We have expanded our high-consequence injuries and illnesses to include the total of days away and restricted days past 6 months. We have updated previous years' data in this report to reflect this change.
102-49	Changes in reporting	GRI Content Index	In 2019, we divested our Lighting Products business unit operations, which included a facility in Racine, Wisconsin and Durham, North Carolina (referred to as the Weck Drive site). The data presented in this report for years prior to 2019 exclude these facilities as well as another Durham, North Carolina facility (referred to as Alston Avenue, which was a Lighting Products facility that was closed in 2018) so that we can establish a new baseline around our LED, power and radio frequency operations. 2019 is also the first year we included all global facilities (owned and leased manufacturing facilities, R&D only facilities, sales offices and warehouses) in our energy and GHG emissions totals. The scope of all other energy and GHG emissions data prior to 2019 in this report remains as owned manufacturing facilities only. We started incorporating other data (e.g., water use, waste) for our leased manufacturing facilities, R&D-only facilities, sales offices and warehouses in our 2020 data. The scope of all other water and waste data prior to 2019 in this report remains as owned manufacturing facilities only. More information about the data in this report can be found in the Independent Assurance Statement.

* can be found on **wolfspeed.com**

Reporting Practice (continued)

GRI Standard	GRI Standard Description	Location	Comments
102-50	Reporting period	GRI Content Index	Calendar Year 2020. The majority of the data included in this report is on a calendar year basis (January to December). Financial data is reported on a fiscal year basis (June to July).
102-51	Date of most recent report	GRI Content Index	9/28/21
102-52	Reporting cycle	GRI Content Index	The reporting cycle is annual. However, content may be updated throughout the reporting cycle. Refer to our Sustainability website pages on wolfspeed.com for the most recent information.
102-53	Contact point for questions regarding the report	GRI Content Index	Cree_Sustainability@cree.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Reporting	
102-55	GRI content index	GRI Content Index	
102-56	External assurance	Sustainability Reporting Independent Assurance Statement	

Financial Performance

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Economic Performance (2016)	103-1,2,3	Management approach	2020 Annual Report*	
Economic Performance (2016)	201-1	Direct economic value generated and distributed	2020 Annual Report*	
Economic Performance (2016)	201-2	Financial implications and other risks and opportunities due to climate change	TCFD Disclosures	

Energy Efficiency of Operations

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Energy (2016)	103-1,2,3	Management approach	Energy and Greenhouse Gas Emissions	No Cree | Wolfspeed locations are subject to any country, regional, or industry regulations and policies for energy. When applicable, state air permit requirements limit the amount of fuel usage.
Energy (2016)	302-1	Energy consumption within the organization	Energy and Greenhouse Gas Emissions Sustainability Data	All energy usage reported is purchased from the local utilities' energy grid. Our Morgan Hill, CA facility purchases energy directly from renewable sources based on a standard product offering (i.e., a third-party company supplies renewable energy through our local utility's grid). All other renewable energy used at our facilities are based on the energy mix from the local utility. We do not sell energy. Energy consumption is determined using monthly supplier invoices or estimated using square feet of building space where invoices are not available.

* can be found on **wolfspeed.com**

Energy Efficiency of Operations (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Energy (2016)	302-2	Energy consumption outside of the organization	Energy and Greenhouse Gas Emissions Sustainability Data	This metric is reported in terms of Scope 3 GHG emissions.
Energy (2016)	302-3	Energy Intensity	Energy and Greenhouse Gas Emissions Sustainability Data	We measure our energy intensity metric in terms of our EP100 goal. Our goal includes all energy (fuel and electricity) consumed at our manufacturing operations.
Energy (2016)	302-4	Reduction of energy consumption	Energy and Greenhouse Gas Emissions Sustainability Data	
Energy (2016)	302-5	Reductions in energy requirements of products and services	Product Sustainability Energy and Greenhouse Gas Emissions Sustainability Data	The savings data reported represent what our products sold in 2020 will save over their estimated lifetimes. Energy usage and GHG emissions from our products were compared to their less efficient alternative products to derive energy use savings. For lighting applications, our LED products were compared to non-LED lighting fixtures (e.g., metal halide lamps, fluorescent bulbs, etc.). For applications where LEDs are currently the standard choice we assumed no energy savings. Our power products, made from silicon carbide, were compared to similar products made from silicon. Our radio frequency products, made from silicon carbide, were compared to similar products made from either silicon or gallium-arsenide.

Climate Change

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Emissions (2016)	103-1,2,3	Management approach	Energy and Greenhouse Gas Emissions Other Air Emissions Our Contributions to the UN SDGs TCFD Disclosures	We are not currently subject to any country, regional, or industry regulations and policies for GHG emissions. When applicable, our US manufacturing sites are subject to local air pollution regulations for criteria pollutants (NOx, SOx, etc.) and toxic air pollutants. Our sites comply with regulations through each site's air permit requirements.
Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	Energy and Greenhouse Gas Emissions SASB Disclosures TCFD Disclosures Sustainability Data	All Scope 1 emissions were calculated using methodologies and emission factors from the US EPA Mandatory Greenhouse Gas Reporting Rule: • Global warming potentials: 40 CFR 98, Table A-1 (IPCC AR4 - 100 year) • Fuel usage emissions: 40 CFR 98 Subpart C • Electronics manufacturing emissions: 40 CFR 98 Subpart I The gases included in the calculations are CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, refrigerants and heat transfer fluids (HTFs). We do not emit biogenic CO_2.
Emissions (2016)	305-2	Energy indirect (Scope 2) GHG emissions	Energy and Greenhouse Gas Emissions SASB Disclosures TCFD Disclosures Sustainability Data	We used the 2019 EPA eGRID subregional emission factors to calculate Scope 2 emissions from the use of electricity at our US facilities. For our facilities outside of the US, International Energy Agency (IEA) emission factors were used. We used global warming potentials from the US EPA Mandatory Greenhouse Gas Reporting Rule, 40 CFR 98, Table A-1 (IPCC AR4 - 100 year). We do not emit biogenic CO_2.

Climate Change (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Emissions (2016)	305-3	Other indirect (Scope 3) GHG emissions	Energy and Greenhouse Gas Emissions TCFD Disclosures Sustainability Data	Scope 3 emissions were calculated for all relevant categories except processing of sold products, which is relevant but not yet calculated. Sources of emission factors include EPA eGRID, International Energy Agency (IEA), EPA GHG Emission Factors Hub, EPA WARM, DEFRA and Greenhouse Gas Protocol (Quantis). We used global warming potentials from the US EPA Mandatory Greenhouse Gas Reporting Rule, 40 CFR 98, Table A-1 (IPCC AR4 - 100 year).
Emissions (2016)	305-5	Reduction of GHG emissions	Energy and Greenhouse Gas Emissions Sustainability Data	
Emissions (2016)	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Other Air Emissions Sustainability Data	

Water and Wastewater Management

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Water and Effluents (2018)	103-1,2,3	Management approach	Water Management Our Contributions to the UN SDGs	
Water and Effluents (2018)	303-1	Interactions with water as a shared resource	Water Management	
Water and Effluents (2018)	303-2	Management of water discharge-related impacts	Water Management	
Water and Effluents (2018)	303-3	Water withdrawal	Water Management Sustainability Data	Water withdrawal data is either collected from meters or water utility bills.
Water and Effluents (2018)	303-4	Water discharge	Water Management Sustainability Data	Water discharge data is either collected from meters or water utility bills. The recycled water is reused in our process. Wastewater is sent to local wastewater treatment facilities. Water consumed in process refers to water that is consumed or evaporated during manufacturing. Water discharged meets local regulatory requirements for water quality.
Water and Effluents (2018)	303-5	Water consumption	Water Management Sustainability Data	Other than small rainwater collection tanks, we do not hold water in water storage facilities or reservoirs.

Waste Management

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Waste (2020)	103-1,2,3	Management approach	Waste Management Our Contributions to the UN SDGs	
Waste (2020)	306-1	Waste generation and significant waste-related impacts	Waste Management	
Waste (2020)	306-2	Management of significant waste-related impacts	Waste Management	
Waste (2020)	306-3	Waste generated	Waste Management SASB Disclosures Sustainability Data	We use various methods to collect and monitor waste-related data, including manifests, invoices, vendor reports, estimated weights based on container size and spreadsheets. We determine whether a waste is hazardous or non-hazardous based on the applicable regulation where the facility is located (e.g., RCRA for our US facilities). We report our waste numbers in pounds throughout this report. In 2020, we generated 1,992.5 metric tons of hazardous waste and 4,313.1 metric tons of non-hazardous waste (including solid waste).
Waste (2020)	306-4	Waste diverted from disposal	Waste Management SASB Disclosures Sustainability Data	We do not import or export hazardous waste and do not ship hazardous waste internationally. All of the hazardous waste reported in our Waste Management section is transported for treatment. We do not include waste treated for elementary neutralization on site in our hazardous waste totals. Waste disposal method information is provided by our waste disposal vendors. Non-hazardous wastewater is excluded from our non-hazardous waste totals.
Waste (2020)	306-5	Waste directed to disposal	Waste Management SASB Disclosures Sustainability Data	Refer to comment for 306-4 above.

Employee Attraction, Development and Retention

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Employment (2016)	103-1,2,3	Management approach	Our Employees Our Interns and Recent Graduates Diversity, Equity and Inclusion Employee Engagement	
Employment (2016)	401-1	New employee hires and employee turnover	Diversity, Equity and Inclusion Sustainability Data	For competitive and other valid business reasons, we do not report our employee turnover rates. New hire data can be found in the Diversity, Equity and Inclusion section. Only employees located in significant locations of operations in the United States are reported. Significant locations of operations refer to our owned manufacturing facilities, which represents approximately 98.5% of our total number of 2020 employees.
Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits	

Employee Attraction, Development and Retention (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Employment (2016)	401-3	Parental leave	Benefits Sustainability Data	Only employees located in significant locations of operations in the United States are reported. Significant locations of operations in the United States refer to our owned manufacturing facilities located in the United States, which represents approximately 61% of our total number of 2020 employees.
Training and Education (2016)	103-1,2,3	Management approach	Training and Development	
Training and Education (2016)	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development	Programs to upgrade employee skills can be found in the Training and Development section of this report. We also offer transition assistance programs. We offer outplacement services to employees terminated as a result of reduction in workforce.
Training and Education (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	

Employee Diversity and Equal Opportunity

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Diversity and Equal Opportunity (2016)	103-1,2,3	Management approach	Diversity, Equity and Inclusion Our Contributions to the UN SDGs Code of Conduct*	
Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion Sustainability Data	Governance Bodies is defined as our Board of Directors, which has 9 members. Only employees located in significant locations of operations are reported. Significant locations of operations refer to our owned manufacturing facilities located in the US and China, which represents approximately 98.5% of our total number of 2020 employees.
Diversity and Equal Opportunity (2016)	405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity and Inclusion	For competitive and other valid business reasons, we do not report this metric. Our approach to remuneration can be found in the Diversity, Equity and Inclusion section.
Non-discrimination (2016)	103-1,2,3	Management approach	Our Employees Diversity, Equity and Inclusion Code of Conduct*	
Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	GRI Content Index	For privacy and other valid business reasons, we do not report this metric.

Community Engagement (Local & Global)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Local Communities (2016)	103-1,2,3	Management approach	Community Engagement Our Contributions to the UN SDGs	
Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement	We currently have community engagement programs at all of our North American facilities, which represents the majority of our material operations. More information about our community engagement efforts can be found in the Community Engagement section of this report. At relevant locations, we have work councils, occupational health and safety committees and other worker representation bodies (Employee Resource Groups) that address work, environmental and social matters within the company.
Local Communities (2016)	413-2	Operations with significant actual and potential negative impacts on local communities	GRI Content Index	We believe that our operations do not have a higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental well-being of the local communities in which we operate. We conduct our activities in a manner that reflects our Code of Conduct and Values, which include being a good corporate citizen, dealing fairly in business, behaving ethically, supporting basic human rights and a safe and healthy workplace, doing business in an environmentally responsible manner, and in compliance with applicable laws and regulations.

Occupational Health and Safety

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Occupational Health and Safety (2018)	103-1,2,3	Management approach	Health and Safety—Our Employees and Contractors Our Response to COVID-19 Our Contributions to the UN SDGs Code of Conduct*	Our Health & Safety information has also been reported using guidance from the Center for Safety & Health Sustainability.
Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-3	Occupational health services	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety—Our Employees and Contractors	

* can be found on **wolfspeed.com**

Occupational Health and Safety (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Occupational Health and Safety (2018)	403-5	Worker training on occupational health and safety	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-6	Promotion of worker health	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety—Our Employees and Contractors	
Occupational Health and Safety (2018)	403-8	Workers covered by an occupational health and safety management system	Health and Safety—Our Employees and Contractors	All employees and workers who are not employees but whose work and/or workplace is controlled by Cree | Wolfspeed are covered by our occupational health and safety management system.
Occupational Health and Safety (2018)	403-9	Work-related injuries	Health and Safety—Our Employees and Contractors Sustainability Data	
Occupational Health and Safety (2018)	403-10	Work-related ill health	Health and Safety—Our Employees and Contractors Sustainability Data	

Labor and Employment Practices

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Labor/ Management Relations (2016)	103-1,2,3	Management approach	Code of Conduct* Supplier Code of Conduct*	
Labor/ Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	GRI Content Index	Depending on the magnitude of the change, the notification time afforded to employees is measured more in month timeframes instead of week timeframes.
Child Labor (2016)	103-1,2,3	Management approach	Code of Conduct* Supplier Code of Conduct*	
Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	GRI Content Index	We maintain hiring age restrictions and health and safety standards for both employees and employees of suppliers. Our Supplier Code of Conduct specifically prohibits the use of child labor in violation of local laws and regulations in the country or countries in which Cree | Wolfspeed does business. Based on available information, we do not have any operations or suppliers considered to have significant risk for incidents of child labor or young workers exposed to hazardous work.

* can be found on **wolfspeed.com**

Labor and Employment Practices (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Forced or Compulsory Labor (2016)	103-1,2,3	Management approach	Code of Conduct* Supplier Code of Conduct*	
Forced or Compulsory Labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI Content Index	We maintain standards prohibiting forced or compulsory labor for both employees and employees of suppliers. Our Supplier Code of Conduct specifically prohibits forced or compulsory labor by our suppliers. Based on available information, we do not have any operations or suppliers considered to have significant risk for incidents of forced or compulsory labor.
Human Rights Assessment (2016)	103-1,2,3	Management approach	Code of Conduct*	Per our Code of Conduct, Cree | Wolfspeed policies and procedures apply to all subsidiaries. If we maintain the majority of the ownership of joint ventures, its policies and procedures will closely mirror those of Cree | Wolfspeed.

* can be found on **wolfspeed.com**

Labor and Employment Practices (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Human Rights Assessment (2016)	412-1	Operations that have been subject to human rights reviews or impact assessments	GRI Content Index	None of our operations have been subject to human rights reviews or human rights impact assessments.
Human Rights Assessment (2016)	412-2	Employee training on human rights policies or procedures	GRI Content Index	Human rights policies are outlined in our Code of Conduct. Annually, all employees are required to re-read and sign off on our Code of Conduct. Every other year, all non-US employees undergo Code of Conduct training. All US based employees are required to annually complete and acknowledge a number of compliance courses. The course topics vary from year to year, but regularly include human rights related subject matter. Training topics are assigned to employees based on their role within the company. The total number of hours devoted to this training is between 2 to 4 hours per employee (over 10,500 hours total).
Human Rights Assessment (2016)	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Code of Conduct* Supplier Code of Conduct* Purchase Order Terms and Conditions*	Our Code of Conduct, Supplier Code of Conduct, and Standard Purchase Order Terms and Conditions include human rights clauses. We require that any supplier that works with us follows our Supplier Code of Conduct. Cree | Wolfspeed is committed to abiding by human rights laws and expects our suppliers and vendors to do the same.

* can be found on **wolfspeed.com**

Ethical Business Practices

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Anti-corruption (2016)	103-1,2,3	Management approach	Code of Conduct*	
Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	GRI Content Index	Included in our Code of Conduct, and associated training, which applies to all Cree operations, are specific policies directed to ensure compliance with the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act, among other anti-corruption statutes.
Anti-corruption (2016)	205-2	Communication and training about anti-corruption policies and procedures	GRI Content Index	Our Code of Conduct contains our guidelines for ethical business practices, including bribery and corruption. Annually, all employees are required to re-read and sign off on our Code of Conduct. Every other year, all employees undergo Code of Conduct training. All US based employees are required to annually complete and acknowledge a number of compliance courses. The course topics vary from year to year, but regularly include human rights related subject matter. Training topics are assigned to employees based on their role within the company. The total number of hours devoted to this training is between 2 to 4 hours per employee (over 10,500 hours total).

* can be found on **wolfspeed.com**

Ethical Business Practices (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Anti-competitive Behavior (2016)	103-1,2,3	Management approach	Code of Conduct*	
Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Content Index	In 2020, Cree | Wolfspeed did not have any legal actions regarding anti-competitive behavior or violations of anti-trust and monopoly legislation.

Supply Chain/Sourcing Issues

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Procurement Practices (2016)	103-1,2,3	Management approach	Supply Chain Supplier Code of Conduct* Purchase Order Terms and Conditions* Responsible Minerals Sourcing California Proposition 65	
Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	Sustainability Goals Supply Chain	Where possible, we seek to obtain goods and services from local suppliers in the locations where we conduct business. We do not currently track proportion of spending on local suppliers. We have developed new supply chain sustainability goals and are currently updating our procurement policy to better reflect our commitment to responsible purchasing and supplier diversity.

* can be found on **wolfspeed.com**

Supply Chain/Sourcing Issues (continued)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Supplier Environmental Assessment (2016)	103-1,2,3	Management approach	Supplier Code of Conduct* Purchase Order Terms and Conditions*	
Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	GRI Content Index	Cree | Wolfspeed expects all suppliers to make a clear commitment to environmental compliance through the Supplier Code of Conduct and the Standard Purchase Order Terms and Conditions.
Supplier Social Assessment (2016)	103-1,2,3	Management approach	Supplier Code of Conduct* Purchase Order Terms and Conditions*	
Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	GRI Content Index	Through the Supplier Code of Conduct and the Standard Purchase Order Terms and Conditions, Cree | Wolfspeed expects all suppliers to make a clear commitment to social compliance, including health and safety, labor and diversity, and ethical business practices.

* can be found on **wolfspeed.com**

Customer Satisfaction

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Customer Satisfaction *No GRI Topic Available*	103-1,2,3	Management approach	Customer Satisfaction	
Customer Health and Safety (2016)	103-1,2,3	Management approach	Health and Safety - Our Customers and Partners Customer Satisfaction	
Customer Health and Safety (2016)	416-1	Assessment of the health and safety impacts of product and service categories	Product Ecology California Proposition 65	We maintain an active program to minimize harmful materials, including lead and cadmium, in our products. All changes that occur at our manufacturing sites undergo a Management of Change process. During this process, changes are assessed based on a number of criteria including whether the changes will affect product safety.

Product Quality

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Product Quality *No GRI Topic Available*	103-1,2,3	Management approach	Product Quality	

* can be found on **wolfspeed.com**

Intellectual Property Security (Cyber & Data Security)

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Intellectual Property *No GRI Topic Available*	103-1,2,3	Management approach	2020 Annual Report* Licensing*	We maintain sophisticated physical and digital security measures to protect our employees, systems and data. In 2020, our Information Security and various other teams continued to advance security controls. Employees play an active role in protecting Our systems and data by participating in regular Information Security Awareness Trainings, supporting system updates and following security policies and procedures such as reporting suspicious activity.

Product Innovation

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Product Innovation *No GRI Topic Available*	103-1,2,3	Management approach	Why Cree | Wolfspeed Our Contributions to the UN SDGs Product Sustainability	

Acceleration of Sustainable Technologies

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Acceleration of Sustainable Technologies *No GRI Topic Available*	103-1,2,3	Management approach	Why Cree | Wolfspeed Product Sustainability Energy and Greenhouse Gas Emissions Our Contributions to the UN SDGs	

* can be found on **wolfspeed.com**

Risk Management

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Risk Management *No GRI Topic Available*	103-1,2,3	Management approach	Risk Management TCFD Disclosures 2020 Annual Report*	

International Trade Regulations

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
International Trade Regulations *No GRI Topic Available*	103-1,2,3	Management approach	Global Trade Compliance	

Contribution to Regional/Local Development

Material Topic	GRI Standard	GRI Standard Description	Location	Comments
Indirect Economic Impacts (2016)	103-1,2,3	Management approach	Our Response to COVID-19 Capacity Expansion Community Engagement Our Contributions to the UN SDGs	
Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported	GRI Content Index	Based on GRI's definition of infrastructure, we currently do not provide any infrastructure projects or provide any infrastructure related-projects.
Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	Capacity Expansion Community Engagement	Examples of our significant identified indirect economic impacts can be found in the Capacity Expansion and Community Engagement sections of this report. We have not yet assessed the significance of our indirect economic impacts in the context of external benchmarks and stakeholder priorities.

* can be found on **wolfspeed.com**

SASB DISCLOSURES

SASB Topic	SASB Code	SASB Accounting Metric	SASB Disclosure	Location
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) amount of total emissions from perfluorinated compounds	(1) 280,566 metric tons CO_2e (2) 74,204 metric tons CO_2e	Energy and Greenhouse Gas Emissions Sustainability Data
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	We disclose this information in our various Sustainability Report sections and CDP Climate Change responses	Energy and Greenhouse Gas Emissions Sustainability Goals TCFD Disclosures CDP Climate Change*
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	(1) 433,374 gigajoules (2) 84% grid electricity (3) 7.9% renewable, estimated based on local utilities grid mix (0.6% directly renewable, due to standard product offering by energy supplier)	Energy and Greenhouse Gas Emissions Sustainability Data
Water Management	TC-SC-140a.1	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 1,450 thousand cubic meters (2) 13% of water withdrawn, 10% of water consumed in High or Extremely High Baseline Water Stress areas	Water Management Sustainability Data
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	(1) 1,992 metric tons (2) 28% of hazardous waste reclaimed, recycled or recovered 1.4% of hazardous waste reclaimed, recycled or recovered (does not include energy recovery)	Waste Management Sustainability Data
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	We disclose this information in our Sustainability Report and Code of Conduct	Health and Safety—Our Employees and Contractors Code of Conduct*
Employee Health & Safety	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	In 2020, Cree did not have any monetary losses or legal actions regarding employee health and safety violations	SASB Disclosures

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SASB Topic	SASB Code	SASB Accounting Metric	SASB Disclosure	Location
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	(1) 0.70% foreign nationals (2) 0.03% located offshore	Sustainability Data
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Approximately 1.7% of our products sold in FY2020 by revenue contained IEC 62474 declarable substances.	SASB Disclosures
Product Lifecycle Management	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers; (2) desktops; (3) laptops	This metric is not relevant to any of our products sold in 2020	SASB Disclosures
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	We disclose this information in our Sustainability Report, Code of Conduct, Responsible Minerals Sourcing Policy, Conflict Minerals Filing (Form SD), and California Proposition 65 Policy	Supply Chain Responsible Minerals Sourcing California Proposition 65 Conflict Minerals Filing (Form SD)* Code of Conduct*
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2020, Cree did not have any monetary losses or legal actions regarding anti-competitive behavior regulations	SASB Disclosures
Activity Metric	TC-SC-000.A	Total production	We do not disclose confidential or competitively sensitive information	SASB Disclosures
Activity Metric	TC-SC-000.B	Percentage of production from owned facilities	We do not disclose confidential or competitively sensitive information	SASB Disclosures

* can be found on **wolfspeed.com**

UN SDGs DISCLOSURES

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States and provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. The 17 Sustainable Development Goals (SDGs) are an urgent call for action by all countries in a global partnership. We have reported on how the UN SDGs and their specific targets align with our business focus, strategy and material issues. Refer to the **Our Contributions to the UN SDGs** section of this report for more information about how our business activities contribute to the UN SDGs.

SDG	Relevant SDG Target	Related Material Issue	Relevant Sections of this Report
	**1.2** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Community Engagement (Local and Global)	Community Engagement
	**2.1** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round		
	**4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship		
	**3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Occupational Health and Safety Employee Attraction/ Development/ Retention	Health and Safety— Our Employees and Contractors Diversity, Equity and Inclusion
	**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Water and Wastewater Management	Water Management

SDG DISCLOSURES

SDG	Relevant SDG Target	Related Material Issue	Relevant Sections of this Report
7 AFFORDABLE AND CLEAN ENERGY 	**7.a** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Acceleration of Sustainable Technologies Product Innovation	Why Cree | Wolfspeed Capacity Expansion Product Sustainability
8 DECENT WORK AND ECONOMIC GROWTH 	**8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead		
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities		
10 REDUCED INEQUALITIES 	**10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Employee Diversity and Equal Opportunity Community Engagement (Local & Global)	Diversity, Equity and Inclusion Community Engagement
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Waste Management	Waste Management
13 CLIMATE ACTION 	**13.2** Integrate climate change measures into national policies, strategies and planning	Climate Change	Energy and Greenhouse Gas Emissions TCFD Disclosures

TCFD DISCLOSURES

We are committed to transparency of our GHG emissions and climate-related risks and opportunities, and as a result, we are disclosing this information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures help describe our climate-related impacts and how we understand and manage climate-related risks and opportunities. Further information about our GHG emissions can be found in the **Energy and Greenhouse Gas Emissions** section of this report and in our CDP Climate Change* responses.

Governance

TCFD Recommended Disclosure	TCFD Disclosure
Describe the organization's governance around climate-related risks and opportunities	Our Board of Directors is responsible for all Sustainability matters at Cree | Wolfspeed, including climate change, through our **Governance and Nominations Committee**. Further information about our Board's oversight of Sustainability can be found in the **Sustainability Oversight** section of this report. Our CEO, who is also a Board member, is also responsible for climate-related issues impacting the company because he has oversight of departments within Cree | Wolfspeed, including those that manage climate-related issues (e.g., Environment, Health and Safety, Sustainability, Emergency Management, Product Development, Operations, etc.). More information about our CEO's role with the Board of Directors can be found in the **Board of Directors and Committee Composition** section of this report and on our **Board of Directors web page.** Sustainability-related information is presented to our Board of Directors at least once per year, which covers a range of topics, including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts. Our Board of Directors also discusses climate change risks as important matters arise because our manufacturing facilities are not located in areas that are typically directly impacted by climate-related events (e.g., tropical storms, droughts, etc.). Indirectly, our Board discusses climate-related opportunities often, as our business, and more specifically our products, are designed to reduce energy usage and therefore, greenhouse gas emissions, which directly affect climate change. For example, our Board helps guide our business strategy, part of which focuses on the development of silicon carbide products that enable auto manufacturers to reach their goals of electric vehicle production and adoption around the world. Our Board of Directors also help guide our Sustainability strategy, including goals and targets development. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.

* can be found on **cdp.net** or **wolfspeed.com**

TCFD DISCLOSURES

Governance

TCFD Recommended Disclosure	TCFD Disclosure
Describe management's role in assessing and managing climate-related risks and opportunities	Our Board of Directors is responsible for all Sustainability matters at Cree | Wolfspeed, including climate change, through our **Governance and Nominations Committee**. Further information about our Board's oversight of Sustainability can be found in the **Sustainability Oversight** section of this report. Sustainability-related information is presented to our Board of Directors at least once per year by our Senior Vice President of Legal & General Counsel, which covers a range of topics, including environmental performance (GHG emissions/climate change, water, etc.) and social responsibility efforts. The group with responsibility for climate-related issues, and that develops Sustainability and climate-related content to be presented to the Board of Directors, consists of Cree | Wolfspeed employees from various departments, including Environment, Health and Safety, Corporate Sales and Marketing and Legal. When relevant, we also engage with employees from the Operations and Investor Relations departments. Our Legal and Corporate Sales and Marketing departments report directly to the CEO. Our Environment, Health and Safety department reports to the Operations department, which reports to the CEO. Our Investor Relations group reports to the Finance department, which reports to the CEO. The titles of employees involved in the group include the Senior Vice President of Legal & General Counsel; Vice President Legal, Chief Compliance Officer; Vice President Corporate Marketing; Global Environment, Health & Safety Director; and Environmental Engineer. Climate-related issues are monitored by this committee because it is a multi-disciplinary group that represents all of Cree's business units (power and radio frequency) and provides different perspectives of how climate change could potentially affect Cree's product sales and financial performance, reputation, direct operations and supply chain. On a day to day basis, the individuals of this committee work with their departments to address climate-related issues. For example, our Environment, Health & Safety department is responsible for various corporate sustainability initiatives and compliance with health, safety, and environmental regulations.

TCFD DISCLOSURES

Strategy

TCFD Recommended Disclosure	TCFD Disclosure
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Our climate-related risks and opportunities over the short-, medium-, and long-term can be found in the **Our Climate Change Risks** and **Our Climate Change Opportunities** subsection. The risks and opportunities reported here refer to those that could have a substantive financial or strategic impact to our business. We define a substantive financial or strategic impact as something that will cause significant impact to our business both internally (i.e., our direct operations) or externally (i.e., our upstream and downstream value chain). We use $1 Million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change. Our short-term horizon was chosen to be 0-1 years because our budgets are currently established on a shorter-term time frame. Our medium-term horizon was chosen to be 1-10 years based on our anticipated timeline for our current capacity expansion efforts that are planned to be completed in 2024. Our long-term horizon of 10-100 years is not currently aligned with other business practice time horizons.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	We have reviewed various stages of our value chain to understand how our climate-related risks and opportunities have influenced or could potentially influence our strategy. This information can be found in the **How Climate-Related Risks and Opportunities Have Influenced Our Strategy** subsection. We have reviewed various financial elements to understand how our climate-related risks and opportunities have influenced or could potentially influence our financial planning and strategy. This information can be found in the **How Climate-Related Risks and Opportunities Have Influenced Our Financial Planning** subsection. We consider different risk types when understanding and determining our climate-related risks. This information can be found in the **What We Consider When Determining Our Climate-Related Risks** subsection. We have used a qualitative climate-related scenario analysis to better understand how climate change could potentially affect our business and strategy. This information can be found in the **Our Climate-Related Scenario Analysis: IRENA** subsection.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We have used a qualitative climate-related scenario analysis to better understand how climate change could potentially affect our business and strategy. This information can be found in the **Our Climate-Related Scenario Analysis: IRENA** subsection.

TCFD DISCLOSURES

Risk Management

TCFD Recommended Disclosure	TCFD Disclosure
Describe the organization's processes for identifying and assessing climate-related risks Describe the organization's processes for managing climate-related risks Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	*Direct Operations:* Risk management at Cree is a process undertaken by all functions within the business, including a review of risks related to financial and market performance, operational performance, emergency preparedness and response, environment, health and safety compliance, among other areas. Cree assesses and prioritizes risks based on impacts to our business and products, our employees, the communities in which we operate, and our customers. Cree also assesses and prioritizes risks based on regulatory impacts. In addition, Cree has established a formal Enterprise Risk Management program in order to identify, assess, prioritize and manage key enterprise risks. Climate-related risks and opportunities are discussed and addressed as part of this program. Our Finance, Internal Audit, Legal, and Investor Relations departments identify and assess both domestic and international business risks, financial risks, and market risks. These risks, as well as environmental compliance risks, are reviewed as part of financial disclosure requirements (e.g., US SEC Form 10-K). Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Cree-specific physical and transitional risks and opportunities due to climate change. Potential physical climate change risks to major facilities have been reviewed, including sea level rise flooding, susceptibility to and preparation for high intensity storms, increased rainfall, drought, and water stress and availability. Both company-level and asset level physical and transitional risks have been considered. We have also considered raw material sourcing issues, and distribution channel impacts that could result from global climate-related impacts. We use $1 Million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change. Cree uses a **materiality assessment** to review and prioritize sustainability topics, including corporate governance, products, environmental protection (including climate change), social responsibility, and economic performance. Cree's senior management have been interviewed to discuss which aspects are most relevant for Cree's future success. We also conducted outreach to external stakeholders (e.g., customers, suppliers) to understand which aspects they believe are most important for Cree's future success. The results from the materiality assessment guide us toward which areas to focus on in the future. Cree's Environment, Health & Safety department is responsible for maintaining our **ISO 14001 certifications**. Cree's ISO 14001 environmental management systems involve assessing environmental impacts of our manufacturing operations, including those that impact or are impacted by climate change. ISO 14001 defines an environmental aspect as an element of an organization's activities, products, or services that has or may have an impact on the environment. Our significant impacts for each site covered under an ISO 14001 certification are determined using a ranking system. Each environmental aspect (e.g., greenhouse gas emissions, energy usage) is ranked from 0 through 4 based on each of the following criteria: Severity, Magnitude, Probability, Frequency, Controllability, Business Impact and Regulatory. Each aspect receives a total score and the highest scores designate what our significant impacts are, which we focus on in more detail in our environmental management systems. Cree has also established corporate-wide goals to manage climate-related risks. Cree joined The Climate Group's **EP100 initiative**, which is a global, collaborative initiative of influential businesses that pledge to double their energy productivity. We met our first EP100 goal for our lighting products in 2017. Cree's new strategic focus is to build a powerhouse semiconductor company around our power and radio frequency products and a new corporate-wide EP100 goal was developed in 2019, where we proposed to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.

TCFD DISCLOSURES

Risk Management

TCFD Recommended Disclosure	TCFD Disclosure
Describe the organization's processes for identifying and assessing climate-related risks (*continued*) Describe the organization's processes for managing climate-related risks (*continued*) Describe how processes for identifying, assessing, and managing climated-related risks are integrated into the organization's overall risk management (*continued*)	*Upstream:* Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations (Procurement), and Investor Relations, among others, assess Cree-specific physical and transitional risks and opportunities due to climate change. During our climate-related risk assessments we have considered the affect climate change could have on the suppliers of our raw materials. We rely on global suppliers for raw materials, who depending on their location, may be subject to various supply constraints, including those due to climate change. In an instance where Cree depends on a number of limited source supplier for certain raw materials, components, services and equipment used in the manufacturing of our products, climate change-related risks could affect Cree. For example, chronic drought or flooding could increase instability in regions of the world that supply critical raw materials, causing business interruption. We use $1 Million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change. Cree also assesses upstream risks by calculating our upstream **Scope 3 GHG emissions**, which helps us better understand our impact. Our Procurement department also manages both physical and transitional risks and opportunities in our supply chain. Our dedicated staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Cree manage potential supply chain risks, including those associated with climate change. Where possible, Cree seeks to obtain goods and services from local suppliers in the locations where Cree conducts business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts. *Downstream*: Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Cree-specific physical and transitional risks and opportunities due to climate change. During our climate-related risk assessments we have considered the affect climate change could have on our business downstream. We feel that climate change is a potential opportunity for us because our products are specifically designed to reduce energy consumption and GHG emissions compared to incumbent technologies. However, since climate-related events could cause delays in product distribution, there are commercial risks associated with delivering our products in a timely manner. We use $1 Million USD to establish a threshold for substantive financial impact when determining potential impacts due to climate change. Cree also assesses downstream risks by calculating our downstream **Scope 3 GHG emissions**, which helps us better understand our impact. Our Corporate Sales and Marketing department manages Cree's climate-related transitional risks and opportunities, including those related to our product sales, our reputation, market projections, and consumer preferences. Cree assesses market trends and technology advancements to suggest what our business focus should be. For example, we have shifted our strategic focus toward our semiconductor business due to the anticipated increased adoption of energy efficient technologies that use our products (e.g., renewable energy, electric vehicles).

TCFD DISCLOSURES

Metrics and Targets

TCFD Recommended Disclosure	TCFD Disclosure
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	We calculate our Scope 1, 2 and 3 greenhouse gas emissions annually to better understand our climate-related impacts. Our Scope 1, 2 and 3 greenhouse gas emissions can be found in the **Energy and Greenhouse Gas Emissions** and **Sustainability Data** sections of this report and in our CDP Climate Change* responses. More information about how our greenhouse gas emissions were calculated can be found in the **GRI Content Index** of this report. We use an independent third party to perform a limited assurance verification of our Scope 1, 2 and 3 greenhouse gas emissions. More information about the verification of our Sustainability data can be found in the **Independent Assurance Statement** section of this report. The products we produce and sell globally actually result in a net positive impact on climate change and we calculate this impact annually. Our LED, power and RF products sold in 2020 will save approximately 327 million MWh and 125 million metric tons CO_2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products). More information about how these greenhouse gas emission savings were calculated can be found in the **GRI Content Index** of this report. We have established corporate-wide goals to manage climate-related risks. We joined The Climate Group's EP100 initiative, which is a global, collaborative initiative of influential businesses that pledge to double their energy productivity. We met our first EP100 goal for our lighting products in 2017. Our new strategic focus is to build a powerhouse semiconductor company around our power and radio frequency products and a new corporate-wide EP100 goal was developed in 2019, where we proposed to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing. More information about progress toward our EP100 goal can be found in the **Energy and Greenhouse Gas Emissions** and **Sustainability Data** sections of this report. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	We calculate our Scope 1, 2 and 3 greenhouse gas emissions annually to better understand our climate-related impacts. Our Scope 1, 2 and 3 greenhouse gas emissions can be found in the **Energy and Greenhouse Gas Emissions** and **Sustainability Data** sections of this report and in our CDP Climate Change* responses. More information about how our greenhouse gas emissions were calculated can be found in the **GRI Content Index** of this report. We use an independent third party to perform a limited assurance verification of our Scope 1, 2 and 3 greenhouse gas emissions. More information about the verification of our Sustainability data can be found in the **Independent Assurance Statement** section of this report.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	We have established corporate-wide goals to manage climate-related risks. We joined The Climate Group's EP100 initiative, which is a global, collaborative initiative of influential businesses that pledge to double their energy productivity. We met our first EP100 goal for our lighting products in 2017. Our new strategic focus is to build a powerhouse semiconductor company around our power and radio frequency products and a new corporate-wide EP100 goal was developed in 2019, where we proposed to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing. More information about progress toward our EP100 goal can be found in the Energy and Greenhouse Gas Emissions section of this report. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.

* can be found on **cdp.net** or **wolfspeed.com**

TCFD DISCLOSURES

Our Climate Change Risks

Potential Risk	Time Horizon	Potential Impacts	Estimated Financial Implications	Management Method
Carbon taxes	Long-term	*Direct Operations:* Requires reduction in Scope 1 emissions and potentially addition of abatement technologies. Difficult to alter manufacturing inputs since our products rely on the use of very specific inputs. Changing the types and amounts of gases used in our manufacturing processes used could greatly compromise product quality.	Potential financial impact: $24 million annually Potential cost of response: $6.6 million	Improving yield. Increasing the size of our silicon carbide wafers produced which yields more product per similar amount of input. Currently exploring options for abatement at our facilities and in 2020 and 2021 began installing abatement devices at our Durham, NC, USA and RTP, NC, USA facilities. Currently exploring a project to eliminate the use of one of our greenhouse gases with a high GWP. In 2020, this project entered the testing phase and is planned to start transitioning over to full production in 2021.
Fluctuating socio-economic conditions	Long-term	*Upstream (supply chain):* Many of our critical raw materials are sourced from areas of the world vulnerable to instability as a result of drought and other climate-related issues.	Severe cost to our supply chain and business interruption. The financial implications for this risk affecting our supply chain is currently unknown. Depending on the material, it could have a substantive impact (i.e., could be more than $1 million depending on the event).	Our dedicated staff, Supplier Code of Conduct and Responsible Minerals Sourcing Policy help to manage potential risks in our supply chain.
Unsuccessful investment in new technologies	Medium-term	*Direct Operations and Downstream (customers):* Local utilities in some of the areas we operate are not adopting policies that promote the economical adoption of renewable energy sources. We also see a risk with utilities not upgrading their grid system to be able to accept and manage renewable energy. These issues affect continued adoption of our technologies.	The financial implications for this risk affecting our direct operations and product sales is currently unknown. However, we feel the impacts could be substantive (i.e., could be more than $1 million depending on the event).	We have dedicated staff to manage our facilities' electricity systems and interactions with local utilities and policy makers.

TCFD DISCLOSURES

Our Climate Change Risks (continued)

Potential Risk	Time Horizon	Potential Impacts	Estimated Financial Implications	Management Method
Water scarcity/ availability	Long-term	*Direct Operations:* We require ultra-pure water for our manufacturing processes. Water availability and quality issues due to climate change could affect our manufacturing operations and product quality.	The financial implications for this risk affecting our direct operations is currently unknown. However, we feel the impacts could be substantive (i.e., could be more than $1 million depending on the event).	Assessing our water risks using the WRI Aqueduct and WWF Risk Filter tools Assessing all facilities' water stress using the WRI Aqueduct tool for current and future (2030 and 2040) water stress. Currently operating water recycle systems at our Durham, NC, USA and Huizhou, China facilities. Continuously explore options for water recycle improvements to help offset the expected increase in water usage as we expand.
Slower adoption of technologies due to global issues	Short-term	*Direct Operations, Downstream (customers), Upstream (supply chain):* The impact of the global COVID-19 pandemic has certainly affected every aspect of life, including industries such as ours. As impactful as the pandemic has been in 2020 and 2021 we are hopeful that the impacts are truly short-term, thereby not impacting our medium-term or long-term objectives. Our power and radio frequency products are used in applications such as renewable energy, EVs and EV charging. Highlighting this fact, BloombergNEF's Electric Vehicle Outlook 2020 Report anticipated global passenger vehicle sales to drop by 23% in 2020. They also reported that EV sales in 2020 dropped and global auto sales may not recover to 2019 levels until 2025. However, according to an International Energy Agency 2020 study, EVs are expected to fare better than the overall car market. BloombergNEF's Electric Vehicle Outlook 2021 Report disclosed the number of EVs on the road is planned to rise from 12 million EVs to 54 million EVs by 2025. Since COVID-19 stay at home orders resulted in short-term improvements in global air quality, people have seen the effects of reducing combustion-based transportation first hand, which we foresee as being an opportunity for increasing EV demand in the future.	We continue to invest to ensure our employees are safe from the pandemic at our facilities. As we are in the middle of this pandemic, these costs have not been totaled.	During the COVID-19 pandemic, we have continued to operate the company globally. We have a robust business continuity plan that balances employee safety with the ability to get our products to market, run logistics and manage the supply chain from multiple locations with a wide range of suppliers and partners. We remain committed to delivering to our customers, and our sales teams are available to support them as always, along with our dedicated engineering and support staff.

TCFD DISCLOSURES

Our Climate Change Opportunities

Potential Risk	Time Horizon	Potential Impacts	Estimated Financial Implications	Management Method
Carbon taxes and product efficiency regulations and standards	Long-term	*Downstream (customers):* We have always focused our priorities on improving the design and energy efficiency of our products. Our power and radio frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted compared to incumbent technologies. If a carbon tax system is established in the future, we will be able to provide energy efficient, less-emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain new customers seeking products that emit less GHGs to lower their carbon tax payments.	Potential financial impact: $1.5 billion annually (estimated FY2024 revenue) Potential cost of response: $720 million over 5 years and approximately $184.2 million annually	In 2019 we announced plans invest up to $720 million over five years in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production. We also announced our plans to build a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($184.2 million in fiscal year 2020). Research and development costs listed here are for all of our product types produced in 2020 (LED, power, and radio frequency).
Increased adoption of renewable energy	Medium-term	*Downstream (customers):* We are transparent regarding product efficiency and information about our products' efficiency can be found on our website. Our power products can also be used in renewable energy applications, including solar power systems. Solar power systems designed around our silicon carbide power devices offer huge efficiency gains and permit smaller system size, weight and cost.	Potential financial impact: $1.5 billion annually (estimated FY2024 revenue) Potential cost of response: $720 million over 5 years and approximately $184.2 million annually	In 2019 we announced plans invest up to $720 million over five years in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production. We also announced our plans to build a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($184.2 million in fiscal year 2020). Research and development costs listed here are for all of our product types produced in 2020 (LED, power, and radio frequency).

TCFD DISCLOSURES

Our Climate Change Opportunities (continued)

Potential Risk	Time Horizon	Potential Impacts	Estimated Financial Implications	Management Method
Changes in consumer behavior	Medium-term	*Downstream (customers):* We may benefit from changes in consumer/customer behavior because we have always focused our priorities on improving the design and energy efficiency of our products. We believe that our power and radio frequency products appeal to the growing number of eco-conscious consumers and commercial customers who want energy efficient, less-emissive, and long-lasting products. We believe we will be able to meet the growing demand for energy efficient products resulting from changes in customer preferences.	Potential financial impact: $1.5 billion annually (estimated FY2024 revenue) Potential cost of response: $720 million over 5 years and approximately $184.2 million annually	In 2019 we announced plans invest up to $720 million over five years in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production. We also announced our plans to build a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($184.2 million in fiscal year 2020). Research and development costs listed here are for all of our product types produced in 2020 (LED, power, and radio frequency).
Use of more efficient modes of transport	Medium-term	*Downstream (customers):* We foresee an increased demand for more efficient forms of transportation, including electric vehicles. Many automotive companies are increasingly investing in the electric vehicle market and our power products can be used in electric vehicles. Our silicon carbide MOSFETs, for example, enable faster, more efficient charging and increase power density of the electric circuits. Our silicon carbide products allow electric vehicles to go farther, charge faster, and perform better.	Potential financial impact: $1.5 billion annually (estimated FY2024 revenue) Potential cost of response: $720 million over 5 years and approximately $184.2 million annually	In 2019 we announced plans invest up to $720 million over five years in the expansion of our silicon carbide capacity, which will generate up to a 30-fold increase in silicon carbide wafer fabrication capacity and 30-fold increase in silicon carbide materials production. We also announced our plans to build a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. In addition, our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products. We invest significant resources in research and development ($184.2 million in fiscal year 2020). Research and development costs listed here are for all of our product types produced in 2020 (LED, power, and radio frequency).

TCFD DISCLOSURES

Our Climate-Related Scenario Analysis: IRENA

We reviewed all climate-related scenarios listed in the CDP Climate Change survey and eliminated options that heavily relied on carbon sequestration as a technology that is not progressing as rapidly as the scenarios require. Other scenarios were eliminated based on whether they included global carbon taxes. Where we operate, we do not feel global carbon taxes are perceived as being realistic in the next 10 years, which is the timeframe we used during our analysis.

Cree used the International Renewable Energy Agency (IRENA) scenario because we feel that it is a scenario that could reasonably occur in the future and because it promotes energy efficiency measures and increased adoption of renewable energy, which aligns with our business focus and strategy. We also chose the IRENA scenario because it is in line with limiting global temperature rise to 1.5 degrees Celsius and bringing GHG emissions to net zero by 2050. We assessed our strengths, weaknesses, opportunities, and threats in the IRENA scenario for all Cree operations and our value chain on a long-term (10 year) timeframe because the IRENA climate-scenario considers CO_2 emissions reductions by 2050. Even though IRENA is projected to 2050, the impacts within the next 10 years are significant with existing technologies.

The results from the IRENA analysis reinforce our new strategy toward significant investment in our power and radio frequency division. The market for energy efficient products (i.e., renewable energy, electric vehicles) is expected to expand and our products are more efficient than existing technologies. The results of our IRENA scenario analysis include:

Strengths

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

Weaknesses

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

Opportunities

Our power and radio frequency products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication, electric vehicles, and electric vehicle charging. In the IRENA scenario, all these technology changes will be required to reduce CO_2 emissions. Regulation in the form of carbon taxes could increase demand for our products and could offset increases in operational cost from the tax. In our operations, we could diversify our energy supply by implementing renewable energy at our sites to replace our current electricity from non-renewable sources. The increased adoption of energy efficient transportation will require increased electrification and improvements in the world's current energy grid. The current state of our energy grid will not support the large anticipated shift to electric vehicle adoption and we believe that our products can enable improvements in the energy grid.

Threats

It is possible that other more energy efficient technologies not yet developed could replace ours, putting our business at risk. If the impacts due to climate change worsen, Cree could experience supply chain disruptions due to extreme weather events and/or climate shifts. Energy grid capacity constraints could affect the adoption of new technologies that use our products.

TCFD DISCLOSURES

How Climate-Related Risks and Opportunities Have Influenced Our Strategy

We have reviewed various stages of our value chain to understand how our climate-related risks and opportunities have influenced or could potentially influence our strategy.

Value Chain Stage	Description
Downstream: Products	Climate change opportunities have influenced our strategy regarding our products. Cree was founded upon the premise that our silicon carbide (SiC) based technology for power and radio frequency (RF) devices could fundamentally change the efficiency of energy use around the world. Our mission is to lead the innovation and commercialization of SiC and gallium nitride (GaN), liberating designers to invent power and wireless systems for a responsible, energy efficient future. Our power and RF products allow other industries to develop leading energy efficient products in applications such as renewable energy, wireless communication and electric vehicles. Our RF products help enable the transition to 5G, which requires the transmission of more data at faster speeds with greater precision. Smart cities, smart manufacturing, autonomous vehicles and connected transportation can all be realized through the availability of 5G. Our products can achieve the greater bandwidth and efficiency that 5G requires. We have always focused our priorities on improving the energy efficiency of our products, which in turn have a lower impact on the environment and climate change. The products we produce and sell globally actually result in a net positive impact on climate change. Our LED, power and RF products sold in 2020 will save approximately 327 million MWh and 125 million metric tons CO_2e over their estimated lifetimes compared to less efficient alternative products (e.g., silicon-based power products, silicon- or gallium arsenide-based RF products).
Upstream: Supply chain	Our climate change risks have influenced our strategy regarding our supply chain. Situationally, various departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Cree-specific physical and transitional risks and opportunities due to climate change. During our climate-related risk assessments we have considered the affect climate change could have on the suppliers of our raw materials. We rely on global suppliers for raw materials, who depending on their location, may be subject to various supply constraints, including those due to climate change. In an instance where we depend on a number of limited source supplier for certain raw materials, components, services and equipment used in the manufacturing of our products, climate change-related risks could affect Cree. We also assess upstream supply chain risks by calculating our upstream Scope 3 GHG emissions, which helps us better understand our impact. Our Purchasing division manages both physical and transitional risks and opportunities in our supply chain. Our dedicated staff, Supplier Code of Conduct, Purchase Order Terms and Conditions, and Responsible Minerals Sourcing Policy help Cree manage potential supply chain risks, including those associated with climate change. Where possible, Cree seeks to obtain goods and services from local suppliers in the locations where we conduct business, which helps to reduce our risk of business interruptions when climate-related issues may arise and lowers transportation emission impacts.
Direct Operations: Investment in R&D	Our climate change opportunities have influenced our strategy regarding our investment in R&D. Climate change is inherently integrated into our business objectives and strategy. We are a market-leading innovator of semiconductor products for power and radio frequency applications. Cree was founded upon the premise that our silicon carbide (SiC) based technology for power and radio frequency devices could fundamentally change the efficiency of electricity use around the world. We invest significant resources in R&D and our research and development employees are responsible for developing energy efficient, long-lasting, and innovative products. We will continue to innovate for the future and develop industry-leading energy efficient products. We are constantly developing new technologies and creating new markets for our products.

How Climate-Related Risks and Opportunities Have Influenced Our Strategy (continued)

Value Chain Stage	Description
Direct Operations: Our Operations	Our climate change risks and opportunities have influenced our strategy regarding our operations. We have improved yield by increasing the size of the SiC wafers produced which yields more product per the same amount of input (e.g., electricity and GHGs used in the production process). Our manufacturing departments collect metrics for production and product mix including energy efficiency and product yield. These metrics are then used to fuel internal decisions regarding process operations, product design, sales goals, etc. We have an incentive program to increase manufacturing yield, resulting in fewer wasted materials, lower usage of greenhouse gases in our manufacturing processes, and reduced costs. Our business strategy has also enabled Cree to join The Climate Group's EP100 initiative in 2017. Our new strategic focus is to build a powerhouse semiconductor company around our power and RF products and a new corporate-wide EP100 goal was developed in 2019, where we proposed to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets. The foreseen increased demand for energy efficient technologies like renewable energy and electric vehicles due to their impacts on energy efficiency and climate change, further supports our focus and strategy. In 2019 we announced plans invest up to $720 million in the expansion of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production. We also announced our plans to build a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. The new fabrication facility will be a bigger, highly-automated factory with greater output capability. More information about our expansion efforts can be found in the **Capacity Expansion** section of this report. We also use a materiality assessment to review and prioritize sustainability objectives. Product innovation (including improvements in energy efficiency) and energy efficiency of operations have been identified as two of the most important aspects by both internal and external stakeholders. More information about our materiality assessment can be found in the **Materiality Assessment** section of this report. Our Environment, Health and Safety department also collects environmental metrics and works with other departments, including production and facilities, to ensure regulatory compliance and environmental operational efficiency.

TCFD DISCLOSURES

How Climate-Related Risks and Opportunities Have Influenced Our Financial Planning

We have reviewed various financial elements to understand how our climate-related risks and opportunities have influenced or could potentially influence our financial planning.

Financial Element	Description
Revenue	Our identified risks have not impacted our revenue financial planning since our risks are more on a medium-term or long-term time frame. Our climate change opportunities are impacted because we foresee an increase in demand for our power and radio frequency products in the short-, medium-, and long-term. Our power and radio frequency products greatly reduce power loss, resulting in less electricity wasted (and thus fewer GHGs emitted) compared to incumbent technologies. In 2020, these opportunities have allowed us to bring new products to market, contributing to an increase our power and radio frequency revenue. We anticipate our power and radio frequency revenue could increase from $470.7 million in FY2020 to about $1.5 billion in FY2024.
Indirect costs	Our operating costs are currently established in our budgets on a short-term time frame. Our identified risks have not yet greatly impacted our operating cost planning process since our risks are on a medium-term or long-term time frame. Our manufacturing operations heavily rely on the use of electricity. We have not seen major changes in fuel or electricity costs and do not anticipate major changes in the short-term and medium-term. However, in 2019 we developed a new corporate-wide EP100 goal, which is to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing by 2040, using 2017 as our baseline. Since we foresee an increase in demand for our power and radio frequency products, in 2020 and beyond we are targeting the conversion of the majority of our Wolfspeed power production from 100mm to either 150mm or 200mm substrates. Because we aimed to make the transition in a cost-effective and timely manner, in many cases we relied on contractors for production capacity, logistics support and certain administrative functions including hosting of certain information technology software applications. These added functions affect our operating costs.
Capital expenditures	Our opportunities have been factored into our capital expenditures planning, as we foresee an increase in demand for our energy efficient power and radio frequency products and as a result plan to invest in expanding our operations in the short-term. Further investment in our power and radio frequency division requires an increase in capital expenditures. At our existing sites, we have increased production capacity by adding new equipment and infrastructure to meet the increased demand for our products. In 2019 we announced plans invest up to $720 million in the expansion of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet the expected market growth by 2024. We also announced our plans to establish a SiC corridor on the East Coast of the United States with the creation of the world's largest SiC fabrication facility. Our plans include building a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. The new fabrication facility will be a bigger, highly-automated factory with greater output capability. The plan enables 25 percent increased capacity with lower net capital expenditures. Our expansion plan marks Cree's largest investment to date in fueling our Wolfspeed silicon carbide and GaN on silicon carbide business.

How Climate-Related Risks and Opportunities Have Influenced Our Financial Planning (continued)

Financial Element	Description
Access to capital	Our identified risks have not yet impacted our access to capital since they are on a medium-term or long-term time frame. We anticipate our climate change opportunities to be impacted because we foresee an increase in demand for our energy efficient LED, power and radio frequency products in the short-, medium- and long-term. In 2019 we announced plans invest up to $720 million in the expansion of our silicon carbide (SiC) capacity, which will generate up to a 30-fold increase in SiC wafer fabrication capacity and 30-fold increase in SiC materials production to meet the expected market growth by 2024. We also announced our plans to establish a SiC corridor on the East Coast of the United States with the creation of the world's largest SiC fabrication facility. Our plans include building a brand new, state-of-the-art, automotive-qualified 200mm-capable wafer fabrication facility in Marcy, New York, complemented by our mega materials factory expansion currently underway at our Durham headquarters. The new fabrication facility will be a bigger, highly-automated factory with greater output capability. The plan enables 25 percent increased capacity with lower net capital expenditures. Our expansion plan marks the Cree's largest investment to date in fueling our Wolfspeed silicon carbide and GaN on silicon carbide business.
Acquisitions and divestitures	Our identified risks have not yet impacted our acquisitions planning but our climate change opportunities have been impacted in the short-term. We are expanding our power and radio frequency division due to increased demand, and in 2018 we acquired Infineon's RF Power Business for approximately € 345 million. This acquisition allows Cree's wireless market opportunity to expand, especially in terms of positioning our products to enable faster 4G networks and being on the forefront of providing products to transition to 5G. To further our strategy to create a more focused, powerhouse semiconductor company, we divested our Lighting Products business unit in 2019 for approximately $310 million before tax impacts. In 2020, we announced the divestiture of our LED business unit for approximately $300 million; this sale was finalized in 2021. Both transactions have provided significant resources to help accelerate the growth of our power and radio frequency division.

TCFD DISCLOSURES

What We Consider When Determining Our Climate-Related Risks

Situationally, departments including Environment, Health and Safety, Corporate Sales and Marketing, Legal, Operations, and Investor Relations, among others, assess Cree-specific risks and opportunities due to climate change. We have reviewed various risk types along our value chain to better understand and determine our climate-related risks and opportunities.

Risk Type	Description
Current regulation	Current regulation is relevant and has been included in our assessments. However, the current regulation that applies to Cree only requires reporting of greenhouse gas emissions to the US EPA, which is done annually in accordance with such regulation. Our GHG emissions are included in our climate-related risk assessments, specifically when we discuss our risks associated with regulations that could emerge because of the data collected from US EPA's Greenhouse Gas Reporting Program reporting requirements (e.g., carbon taxes, GHG emission threshold regulations). Through calculating emissions for EPA, we also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from US EPA's Greenhouse Gas Reporting Program are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors and organizations that rate/score us based on our ESG performance. Assessing these risks pushes Cree to establish goals. Cree joined the **EP100 initiative** in 2017. In 2019, we updated our corporate-wide EP100 goal, which is to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing by 2040, using 2017 as our baseline. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.
Emerging regulation	We have considered emerging regulation as both a risk and opportunity in our climate-related risk assessments. For example, we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations. We could reduce our Scope 1 GHG emissions and reduce our carbon taxes by adding fluorinated gas abatement. We are currently exploring abatement technologies for our facilities and in 2020 and 2021 began installing abatement devices at our Durham and RTP facilities. We have also considered the potential impacts to Cree's business due to the proposed EPA HFC-phasedown rule associated with the AIM Act. It is more difficult to change manufacturing inputs since our products rely on the use of very specific inputs. Changing the types and amounts of gases used in our manufacturing processes could greatly compromise product quality. However, our power and radio frequency products substantially reduce the amount of customer energy consumption and associated GHGs emitted. If a carbon tax system is established in the future, we will be able to provide energy efficient, less-emissive, and long-lasting products to meet customer needs. Carbon taxes may also enable us to gain new customers seeking products that emit less GHGs to lower their carbon tax payments. Assessing these risks also pushes Cree to establish goals. Cree joined the **EP100 initiative** in 2017. In 2019, we updated our corporate-wide EP100 goal, which is to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing by 2040, using 2017 as our baseline. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.
Acute physical	We have considered acute physical risks in our climate-related scenario analyses. Cree has assessed potential risks to major facilities due to climate change, including flooding from sea level rise, susceptibility to and preparation for high intensity storms, increased rainfall, drought, and water stress and availability. Acute physical risks are also incorporated into Cree's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.

What We Consider When Determining Our Climate-Related Risks (continued)

Risk Type	Description
Chronic physical	We have considered chronic physical risks in our climate-related scenario analyses. We have assessed how shifts in climate could affect our facilities and supply chain in the long term. For example, sea level rise could impact the ports used for shipment of raw materials and products around the world. Chronic physical risks are also incorporated into Cree's business continuity plan, which takes into consideration potential risks that could cause a significant business interruption.
Legal	Various departments throughout Cree ensure we are maintaining compliance with all laws, including those related to climate change. To date, legal issues have not been a significant climate change risk or opportunity for Cree, however Cree continues to monitor future regulations as discussed in the emerging regulation section (e.g., we have discussed how regulations assigning a cost of carbon would potentially impact our production costs and operations, and have explored new projects to reduce the use of fluorinated gases with high GWPs in our manufacturing processes).
Technology	We have considered technology as both a risk and opportunity in our climate-related risk assessments. Through our energy efficient products, our success is tied, in part, to efforts to reduce product energy usage and resulting greenhouse gas emissions, which directly affect climate change. Our power products enable other energy efficient technologies (e.g., renewable energy, electric vehicles) to develop, and we have discussed the risks associated with the timely adoption and scale of these technologies.
Market	We have considered consider market risks in our climate-related risk assessments. The market for energy efficient products affects our business because our products reduce product energy usage and greenhouse gas emissions, which directly affect climate change. Market projections affect us because we are investing in our power division to meet the anticipated demand for technologies that use our power products (e.g., renewable energy, electric vehicles). BloombergNEF estimates there are currently over 127 million passenger EVs on the road and this number will continue to rise. There are risks associated with production planning based on the market for energy efficient technologies. If we project too low then we would not be able to meet demand and lose our competitive advantage. If we project demand to be too high, then we risk investing in unnecessary capital to develop our facilities.
Reputation	We have considered reputation in our climate-related risk assessments because our reputation is directly tied to producing products that reduce product energy usage and greenhouse gas emissions. We have considered risks from climate change and how they would affect customer satisfaction and our external reputation. We also have considered operational risks and how they affect our internal reputation with current and future employees. We also assess our GHG emission impacts and how they compare to our competitors' impacts. The data from US EPA's Greenhouse Gas Reporting Program and Sustainability Report are available to the public. Having high direct GHG emissions per revenue or production can put us at a reputational risk for stakeholders like customers, investors and organizations that rate/score us based on our ESG performance. Assessing these risks pushes Cree to establish goals. Cree joined the **EP100 initiative** in 2017. In 2019, we updated our corporate-wide EP100 goal, which is to double our energy productivity in terms of revenue per MWh of energy consumed in manufacturing by 2040, using 2017 as our baseline. We also developed corporate Sustainability goals, which includes climate change-related goals to help further reduce our greenhouse gas impacts. Refer to the **Sustainability Goals** section of this report for more information about our current Sustainability goals and targets.

EMPLOYEES

	2016	2017	2018	2019	2020
Employees					
Employees by Region [GRI 102-8]	**6,039**	**6,086**	**6,625**	**5,053**	**5,764**
North America	3,534	3,506	4,273	3,029	3,525
Europe	79	82	94	46	64
Asia	2,426	2,498	2,258	1,978	2,175
Employees by Employment Contract[1] [GRI 102-8]	•	•	•	•	**5,679**
Full Time/Part Time	•	•	•	•	**5,136**
Female	•	•	•	•	1,954
Male	•	•	•	•	3,182
Full Time/Part Time	•	•	•	•	**5,136**
North America	•	•	•	•	3,256
Asia	•	•	•	•	1,880
Temporary	•	•	•	•	**543**
Female	•	•	•	•	244
Male	•	•	•	•	299
Temporary	•	•	•	•	**543**
North America	•	•	•	•	543
Asia	•	•	•	•	0
Employees by Employment Type[1] [GRI 102-8]	•	•	•	•	**11,282**
Full Time	•	•	•	•	**5,603**
Female	•	•	•	•	2,147
Male	•	•	•	•	3,456
Part Time	•	•	•	•	**76**
Female	•	•	•	•	51
Male	•	•	•	•	25
Foreign Nationals and Offshore Employees [SASB TC-SC-330a.1]	•	•	•	•	**0.74%**
Foreign Nationals	•	•	•	•	0.70%
Located Offshore	•	•	•	•	0.03%
Employees by Gender[1] [GRI 405-1]	•	•	•	•	**5,679**
Female	•	•	•	•	**2,198**
Total (%)	•	•	•	•	38.7%
Admin Support Workers (%)	•	•	•	•	63.0%
Craft Workers (%)	•	•	•	•	0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	15.9%
First/Mid Level Officials and Managers (%)	•	•	•	•	23.8%
Operatives (%)	•	•	•	•	51.4%
Professionals (%)	•	•	•	•	28.3%
Sales Workers (%)	•	•	•	•	25.0%
Service Workers (%)	•	•	•	•	33.3%
Technicians (%)	•	•	•	•	24.9%

EMPLOYEES

	2016	2017	2018	2019	2020
Employees					
Employees by Gender[1] [GRI 405-1]	•	•	•	•	**3,481**
Male	•	•	•	•	**3,481**
Total (%)	•	•	•	•	61.3%
Admin Support Workers (%)	•	•	•	•	37.0%
Craft Workers (%)	•	•	•	•	100%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	84.1%
First/Mid Level Officials and Managers (%)	•	•	•	•	76.3%
Operatives (%)	•	•	•	•	48.6%
Professionals (%)	•	•	•	•	71.8%
Sales Workers (%)	•	•	•	•	75.0%
Service Workers (%)	•	•	•	•	66.7%
Technicians (%)	•	•	•	•	75.1%
Employees by Age[1] [GRI 405-1]	•	•	•	•	•
<30	•	•	•	•	•
Admin Support Workers (%)	•	•	•	•	14.8%
Craft Workers (%)	•	•	•	•	20.0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	0%
First/Mid Level Officials and Managers (%)	•	•	•	•	2.1%
Operatives (%)	•	•	•	•	27.5%
Professionals (%)	•	•	•	•	25.3%
Sales Workers (%)	•	•	•	•	9.4%
Service Workers (%)	•	•	•	•	18.5%
Technicians (%)	•	•	•	•	23.0%
30-50	•	•	•	•	•
Admin Support Workers (%)	•	•	•	•	61.7%
Craft Workers (%)	•	•	•	•	40.0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	36.4%
First/Mid Level Officials and Managers (%)	•	•	•	•	66.5%
Operatives (%)	•	•	•	•	55.5%
Professionals (%)	•	•	•	•	56.6%
Sales Workers (%)	•	•	•	•	56.3%
Service Workers (%)	•	•	•	•	51.9%
Technicians (%)	•	•	•	•	53.3%
>50	•	•	•	•	•
Admin Support Workers (%)	•	•	•	•	23.5%
Craft Workers (%)	•	•	•	•	40.0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	63.6%
First/Mid Level Officials and Managers (%)	•	•	•	•	31.4%
Operatives (%)	•	•	•	•	17.1%
Professionals (%)	•	•	•	•	18.1%
Sales Workers (%)	•	•	•	•	34.4%
Service Workers (%)	•	•	•	•	29.6%
Technicians (%)	•	•	•	•	23.7%

EMPLOYEES

	2016	2017	2018	2019	2020
Employees					
Employees by Ethnicity[1] [GRI 405-1]	•	•	•	•	•
American Indian or Alaska Native (Not Hispanic or Latino)	•	•	•	•	**0.3%**
Admin Support Workers (%)	•	•	•	•	0%
Craft Workers (%)	•	•	•	•	0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	0%
First/Mid Level Officials and Managers (%)	•	•	•	•	0.2%
Operatives (%)	•	•	•	•	0.1%
Professionals (%)	•	•	•	•	0.3%
Sales Workers (%)	•	•	•	•	0%
Service Workers (%)	•	•	•	•	0%
Technicians (%)	•	•	•	•	0.7%
Asian (Not Hispanic or Latino)	•	•	•	•	**48.9%**
Admin Support Workers (%)	•	•	•	•	25.3%
Craft Workers (%)	•	•	•	•	13.3%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	4.7%
First/Mid Level Officials and Managers (%)	•	•	•	•	25.9%
Operatives (%)	•	•	•	•	66.0%
Professionals (%)	•	•	•	•	36.1%
Sales Workers (%)	•	•	•	•	22.6%
Service Workers (%)	•	•	•	•	14.8%
Technicians (%)	•	•	•	•	39.8%
Black or African American (Not Hispanic or Latino)	•	•	•	•	**18.1%**
Admin Support Workers (%)	•	•	•	•	27.9%
Craft Workers (%)	•	•	•	•	33.3%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	2.3%
First/Mid Level Officials and Managers (%)	•	•	•	•	7.9%
Operatives (%)	•	•	•	•	25.9%
Professionals (%)	•	•	•	•	5.0%
Sales Workers (%)	•	•	•	•	0%
Service Workers (%)	•	•	•	•	66.7%
Technicians (%)	•	•	•	•	19.0%
Hispanic or Latino (United States of America)	•	•	•	•	**2.4%**
Admin Support Workers (%)	•	•	•	•	3.8%
Craft Workers (%)	•	•	•	•	0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	2.3%
First/Mid Level Officials and Managers (%)	•	•	•	•	4.8%
Operatives (%)	•	•	•	•	1.5%
Professionals (%)	•	•	•	•	2.5%
Sales Workers (%)	•	•	•	•	3.2%
Service Workers (%)	•	•	•	•	3.7%
Technicians (%)	•	•	•	•	3.1%

EMPLOYEES

	2016	2017	2018	2019	2020
Employees					
Employees by Ethnicity[1] [GRI 405-1]	•	•	•	•	•
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	•	•	•	•	**0.1%**
Admin Support Workers (%)	•	•	•	•	0%
Craft Workers (%)	•	•	•	•	0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	0%
First/Mid Level Officials and Managers (%)	•	•	•	•	0%
Operatives (%)	•	•	•	•	0%
Professionals (%)	•	•	•	•	0.3%
Sales Workers (%)	•	•	•	•	0%
Service Workers (%)	•	•	•	•	0%
Technicians (%)	•	•	•	•	0.2%
Two or More Races (Not Hispanic or Latino)	•	•	•	•	**0.9%**
Admin Support Workers (%)	•	•	•	•	1.3%
Craft Workers (%)	•	•	•	•	0%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	0%
First/Mid Level Officials and Managers (%)	•	•	•	•	0.5%
Operatives (%)	•	•	•	•	0.5%
Professionals (%)	•	•	•	•	1.6%
Sales Workers (%)	•	•	•	•	0%
Service Workers (%)	•	•	•	•	3.7%
Technicians (%)	•	•	•	•	1.4%
White (Not Hispanic or Latino)	•	•	•	•	**29.3%**
Admin Support Workers (%)	•	•	•	•	41.8%
Craft Workers (%)	•	•	•	•	53.3%
Executive/Senior Level Officials and Managers (%)	•	•	•	•	90.7%
First/Mid Level Officials and Managers (%)	•	•	•	•	60.7%
Operatives (%)	•	•	•	•	6.0%
Professionals (%)	•	•	•	•	54.1%
Sales Workers (%)	•	•	•	•	74.2%
Service Workers (%)	•	•	•	•	11.1%
Technicians (%)	•	•	•	•	35.9%
Countries Represented by Employees	•	**64**	**69**	**72**	**77**
Job Vacancies Filled by Current Employees (%)	•	•	•	**26%**	**21%**
Number of New Hires[1] [GRI 401-1]	•	•	•	**884**	**865**
By Region	•	•	•	•	**865**
North America	•	•	•	•	751
Asia	•	•	•	•	114
By Gender	•	•	•	•	**865**
Female	•	•	•	•	331
Male	•	•	•	•	534
By Age	•	•	•	•	**865**
<30	•	•	•	•	391
30-50	•	•	•	•	359
>50	•	•	•	•	115

EMPLOYEES

	2016	2017	2018	2019	2020
Employees					
Parental Leave[2] [GRI 401-3]					
Employees Eligible for Parental Leave	•	•	•	•	**3,249**
Female	•	•	•	•	935
Male	•	•	•	•	2,314
Employees Who Took Parental Leave	•	•	•	•	**93**
Female	•	•	•	•	20
Male	•	•	•	•	73
Employees Who Returned to Work After Parental Leave	•	•	•	•	**91**
Female	•	•	•	•	19
Male	•	•	•	•	72
Employees Who Were Still Employed 12 Months After Parental Leave	•	•	•	•	**85**
Female	•	•	•	•	17
Male	•	•	•	•	68
Return to Work Rate for Employees Who Took Parental Leave	•	•	•	•	**97.8%**
Female	•	•	•	•	95.0%
Male	•	•	•	•	98.6%
Retention Rate for Employees Who Took Parental Leave	•	•	•	•	**91.4%**
Female	•	•	•	•	85.0%
Male	•	•	•	•	93.2%
Board of Directors					
Board of Directors by Gender [GRI 405-1]	**100%**	**100%**	**100%**	**100%**	**100%**
Female	12.5%	12.5%	12.5%	33.3%	22.2%
Male	87.5%	87.5%	87.5%	66.7%	77.8%
Board of Directors by Age [GRI 405-1]	**100%**	**100%**	**100%**	**100%**	**100%**
<30	0%	0%	0%	0%	0%
30-50	37.5%	25.0%	0%	0%	0%
>50	62.5%	75.0%	100%	100%	100%
Board of Directors by Ethnicity [GRI 405-1]	**100%**	**100%**	**100%**	**100%**	**100%**
American Indian or Alaska Native (Not Hispanic or Latino)	0%	0%	0%	0%	0%
Asian (Not Hispanic or Latino)	0%	0%	0%	11.1%	11.1%
Black or African American (Not Hispanic or Latino)	0%	0%	0%	0%	11.1%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%	0%	0%	0%	0%
Hispanic or Latino (United States of America)	0%	0%	0%	0%	0%
Two or More Races (Not Hispanic or Latino)	0%	0%	0%	0%	0%
White (Not Hispanic or Latino)	100%	100%	100%	88.9%	77.8%

EMPLOYEES

	2016	2017	2018	2019	2020
Employee Occupational Health & Safety					
Work-Related Fatalities [GRI 403-9] [GRI 403-10]	**0**	**0**	**0**	**0**	**0**
Hours Worked (millions of hours)[3] [GRI 403-9] [GRI 403-10]	**11.2**	**11.5**	**12.1**	**11.3**	**10.3**
Recordable Work-Related Injuries and Ill Health Cases[3,4] [GRI 403-9] [GRI 403-10]	**43**	**31**	**43**	**50**	**35**
Injury Cases	27	25	41	38	31
Ill Health Cases	16	6	2	12	4
Recordable Work-Related Injuries and Ill Health Rates[3,5] [GRI 403-9] [GRI 403-10]	**0.77**	**0.54**	**0.71**	**0.88**	**0.68**
Injury Rates	0.48	0.43	0.68	0.67	0.60
Ill Health Rates	0.29	0.10	0.03	0.21	0.08
High-Consequence Recordable Work-Related Injuries and Ill Health Cases[3,6] [GRI 403-9] [GRI 403-10]	**3**	**1**	**0**	**6**	**4**
Injury Cases	2	1	0	6	3
Ill Health Cases	1	0	0	0	1
High-Consequence Recordable Work-Related Injuries and Ill Health Rates[3,4,5,6] [GRI 403-9] [GRI 403-10]	**0.05**	**0.02**	**0.00**	**0.11**	**0.08**
Injury Rates	0.04	0.02	0.00	0.11	0.06
Ill Health Rates	0.02	0.00	0.00	0.00	0.02
Employee Recordable Work-Related Injuries and Ill Health Rate Third-Party Verified (limited assurance)	**No**	**No**	**No**	**Yes**	**Yes**
Contract Employee[7] **Occupational Health & Safety**					
Work-Related Fatalities [GRI 403-9] [GRI 403-10]	**0**	**0**	**0**	**0**	**0**
Recordable Work-Related Injuries and Ill Health Cases[4] [GRI 403-9] [GRI 403-10]	**6**	**13**	**5**	**0**	**5**
Injury Cases	6	13	4	0	4
Ill Health Cases	0	0	1	0	1
High-Consequence Recordable Work-Related Injuries and Ill Health Cases[6] [GRI 403-9] [GRI 403-10]	**0**	**0**	**0**	**0**	**0**
Injury Cases	0	0	0	0	0
Ill Health Cases	0	0	0	0	0

ENVIRONMENT

		2016	2017	2018	2019	2020
Energy Use						
Total Energy Purchased [GRI 302-1] [SASB TC-SC-130a.1]	**MWh**	**424,549**	**432,485**	**469,398**	**463,036**	**447,002**
Electricity purchased	MWh	351,311	357,055	394,301	388,048	375,652
Other energy purchased	MWh	73,239	75,430	75,098	74,988	71,350
Estimated Renewable Energy Purchased [GRI 302-1] [SASB TC-SC-130a.1]	**MWh**	•	•	**65,472**	**64,563**	**29,593**
Direct purchase of renewable energy for electricity (e.g., wind, solar)	MWh	0	0	1,215	2,024	2,224
Estimated renewable energy purchases based on local utilities' energy grid mix	MWh	•	•	64,257	62,539	27,369
Estimated Other Carbon-Free (e.g., nuclear) Energy Purchased [GRI 302-1] [SASB TC-SC-130a.1]	**MWh**	•	•	**99,545**	**104,471**	**170,192**
Direct purchase of other carbon-free energy for electricity	MWh	0	0	0	0	0
Estimated other carbon-free electricity purchased based on local utilities' energy grid mix or country-specific data when utility information is unavailable or unknown	MWh	•	•	99,545	104,471	170,192
Estimated Non-Renewable Energy Purchased [GRI 302-1] [SASB TC-SC-130a.1]	**MWh**	**424,549**	**432,485**	**304,381**	**294,002**	**247,217**
Estimated non-renewable electricity purchased based on local utilities' energy grid mix or country-specific data when utility information is unavailable or unknown	MWh	351,311	357,055	229,283	219,014	175,867
Natural gas purchased	MWh	73,058	74,918	74,368	74,416	70,835
Diesel purchased	MWh	172	247	447	231	215
Liquefied petroleum gas (LPG) purchased	MWh	8	0	0	0	0
Gasoline purchased	MWh	•	165	150	221	173
Propane gas purchased	MWh	•	100	132	119	126
Heat, Steam, Cooling Purchased [GRI 302-1]	**MWh**	**0**	**0**	**0**	**0**	**0**
Heat purchased	MWh	0	0	0	0	0
Steam purchased	MWh	0	0	0	0	0
Cooling purchased	MWh	0	0	0	0	0
Energy Sold [GRI 302-1]	**MWh**	**0**	**0**	**0**	**0**	**0**
Electricity sold	MWh	0	0	0	0	0
Heat sold	MWh	0	0	0	0	0
Steam sold	MWh	0	0	0	0	0
Cooling sold	MWh	0	0	0	0	0
EP100 Energy Productivity Goal [GRI 302-3]	**Revenue/MWh energy consumed**	•	**1,909**	**2,227**	**2,099**	**1,742**
Total Energy Purchased Third-Party Verified (limited assurance)		**No**	**No**	**No**	**Yes**	**Yes**

ENVIRONMENT

		2016	2017	2018	2019	2020
Greenhouse Gas (GHG) Emissions						
Scope 1 GHG Emissions (by GHG Type) [GRI 305-1] [SASB TC-SC-110a.1] [TCFD Metrics and Targets]	**metric tons CO_2e**	**179,507**	**211,684**	**253,411**	**247,202**	**280,566**
CO_2	metric tons CO_2e	13,273	13,666	13,649	13,610	12,948
CH_4	metric tons CO_2e	47	44	67	64	62
N_2O	metric tons CO_2e	2,759	3,091	3,689	3,445	3,861
HFCs	metric tons CO_2e	22,610	14,232	14,252	11,646	14,068
PFCs	metric tons CO_2e	35,445	49,567	57,906	52,597	74,204
SF_6	metric tons CO_2e	91,173	115,798	133,868	131,877	152,708
NF_3	metric tons CO_2e	7,323	4,577	4,985	3,959	4,203
Fluorinated Heat Transfer Fluids (HTFs)	metric tons CO_2e	6,877	10,709	24,994	28,602	15,012
Refrigerants	metric tons CO_2e	•	•	•	1,401	3,500
Scope 1 GHG Emissions (by Facility) [GRI 305-1] [SASB TC-SC-110a.1] [TCFD Metrics and Targets]	**metric tons CO_2e**	**179,507**	**211,684**	**253,411**	**247,202**	**280,566**
Durham, NC, USA	metric tons CO_2e	102,215	111,699	121,025	104,162	103,312
RTP, NC, USA	metric tons CO_2e	74,823	98,984	116,633	125,059	166,154
Morgan Hill, CA, USA	metric tons CO_2e	Not yet owned	Not yet owned	15,012	17,484	9,524
Huizhou, China	metric tons CO_2e	2,469	1,001	741	67	11
Other Leased Facilities						
Durham (warehouse), NC, USA	metric tons CO_2e	•	•	•	143	145
Sanford, NC, USA	metric tons CO_2e	•	•	•	•	43
Albany, NY, USA	metric tons CO_2e	•	•	•	18	1,116
Utica, NY, USA	metric tons CO_2e	•	•	•	•	8
Fayetteville, AR, USA	metric tons CO_2e	•	•	•	147	131
Mesa, AZ, USA	metric tons CO_2e	•	•	•	12	12
Shanghai, China	metric tons CO_2e	•	•	•	10	7
Shenzhen, China	metric tons CO_2e	•	•	•	8	17
Beijing, China	metric tons CO_2e	•	•	•	3	3
Hong Kong, China	metric tons CO_2e	•	•	•	47	47
Munich, Germany	metric tons CO_2e	•	•	•	9	9
Kista, Sweden	metric tons CO_2e	•	•	•	10	10
Oulu, Finland	metric tons CO_2e	•	•	•	12	1
Tokyo, Japan	metric tons CO_2e	•	•	•	3	7
Suwon, South Korea	metric tons CO_2e	•	•	•	2	2
Penang, Malaysia	metric tons CO_2e	•	•	•	2	3
Taipei, Taiwan	metric tons CO_2e	•	•	•	5	1
Gurgaon, India	metric tons CO_2e	•	•	•	2	2

SUSTAINABILITY DATA

ENVIRONMENT

		2016	2017	2018	2019	2020
Greenhouse Gas (GHG) Emissions						
Scope 2 (Location-Based) GHG Emissions [GRI 305-2] [TCFD Metrics and Targets]	**metric tons CO_2e**	**167,894**	**154,595**	**167,247**	**166,055**	**152,808**
Durham, NC, USA	metric tons CO_2e	101,528	88,963	102,185	98,855	93,804
RTP, NC, USA	metric tons CO_2e	14,828	13,117	13,864	14,634	14,454
Morgan Hill, CA, USA	metric tons CO_2e	Not yet owned	Not yet owned	0	0	391
Huizhou, China	metric tons CO_2e	51,538	52,515	51,198	49,968	41,610
Other Leased Facilities						
Durham (warehouse), NC, USA	metric tons CO_2e	•	•	•	516	590
Sanford, NC, USA	metric tons CO_2e	•	•	•	•	174
Albany, NY, USA	metric tons CO_2e	•	•	•	57	50
Utica, NY, USA	metric tons CO_2e	•	•	•	•	23
Fayetteville, AR, USA	metric tons CO_2e	•	•	•	791	636
Mesa, AZ, USA	metric tons CO_2e	•	•	•	87	79
Shanghai, China	metric tons CO_2e	•	•	•	139	82
Shenzhen, China	metric tons CO_2e	•	•	•	108	195
Beijing, China	metric tons CO_2e	•	•	•	35	29
Hong Kong, China	metric tons CO_2e	•	•	•	601	496
Munich, Germany	metric tons CO_2e	•	•	•	75	57
Kista, Sweden	metric tons CO_2e	•	•	•	4	4
Oulu, Finland	metric tons CO_2e	•	•	•	55	4
Tokyo, Japan	metric tons CO_2e	•	•	•	22	51
Suwon, South Korea	metric tons CO_2e	•	•	•	17	14
Penang, Malaysia	metric tons CO_2e	•	•	•	13	23
Taipei, Taiwan	metric tons CO_2e	•	•	•	48	13
Gurgaon, India	metric tons CO_2e	•	•	•	31	29
Scope 2 (Market-Based) GHG Emissions [GRI 305-2] [TCFD Metrics and Targets]	**metric tons CO_2e**	**•**	**122,601**	**135,418**	**83,801**	**123,200**
Durham, NC, USA	metric tons CO_2e	•	106,847	119,230	72,665	68,665
RTP, NC, USA	metric tons CO_2e	•	15,754	16,188	10,757	10,581
Morgan Hill, CA, USA	metric tons CO_2e	Not yet owned	Not yet owned	0	0	0
Huizhou, China	metric tons CO_2e	•	•	•	•	41,610
Other Leased Facilities						
Durham (warehouse), NC, USA	metric tons CO_2e	•	•	•	379	432
Sanford, NC, USA	metric tons CO_2e	•	•	•	•	127
Albany, NY, USA	metric tons CO_2e	•	•	•	•	50
Utica, NY, USA	metric tons CO_2e	•	•	•	•	23
Fayetteville, AR, USA	metric tons CO_2e	•	•	•	•	636
Mesa, AZ, USA	metric tons CO_2e	•	•	•	•	79
Shanghai, China	metric tons CO_2e	•	•	•	•	82
Shenzhen, China	metric tons CO_2e	•	•	•	•	195
Beijing, China	metric tons CO_2e	•	•	•	•	29
Hong Kong, China	metric tons CO_2e	•	•	•	•	496
Munich, Germany	metric tons CO_2e	•	•	•	•	57
Kista, Sweden	metric tons CO_2e	•	•	•	•	4
Oulu, Finland	metric tons CO_2e	•	•	•	•	4
Tokyo, Japan	metric tons CO_2e	•	•	•	•	51
Suwon, South Korea	metric tons CO_2e	•	•	•	•	14
Penang, Malaysia	metric tons CO_2e	•	•	•	•	23
Taipei, Taiwan	metric tons CO_2e	•	•	•	•	13
Gurgaon, India	metric tons CO_2e	•	•	•	•	29

ENVIRONMENT

		2016	2017	2018	2019	2020
Greenhouse Gas (GHG) Emissions						
Scope 3 GHG Emissions [GRI 305-3] [TCFD Metrics and Targets]	**metric tons CO_2e**	**3,346**	**146,023,704**	**208,574,100**	**219,594,362**	**181,873,179**
Purchased goods and services	metric tons CO_2e	•	•	1,264,375	1,226,573	2,454,354
Capital goods	metric tons CO_2e	•	•	210,298	269,079	317,591
Fuel-and-energy-related activities not included in Scope 1 or 2	metric tons CO_2e	•	8,101	39,576	40,064	37,737
Upstream emissions of purchased fuels	metric tons CO_2e	•	•	227	934	2,289
Upstream emissions of purchased electricity	metric tons CO_2e	•	•	30,688	30,222	27,036
Transmission and distribution losses	metric tons CO_2e	•	8,101	8,661	8,909	8,412
Upstream transportation and distribution	metric tons CO_2e	•	•	•	5,534	5,926
Waste generated in operations, including disposal and transportation of waste	metric tons CO_2e	•	1,519	1,662	1,486	2,670
Business travel	metric tons CO_2e	3,346	2,925	3,422	2,997	551
Employee commuting	metric tons CO_2e	•	•	257	507	1,278
Downstream transportation and distribution	metric tons CO_2e	•	3,014	9,009	1,368	1,436
Processing of sold products	metric tons CO_2e	•	•	•	•	•
Use of sold products	metric tons CO_2e	•	146,000,000	207,000,000	218,000,000	179,000,000
End of life treatment of sold products	metric tons CO_2e	•	45	78	10	11
Upstream leased assets	metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Downstream leased assets	metric tons CO_2e	•	•	•	Included in Scope 1, 2	Included in Scope 1, 2
Franchises	metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Investments	metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Other (upstream contract manufacturers)	metric tons CO_2e	•	•	•	Not relevant	Not relevant
Other (downstream contract manufacturers)	metric tons CO_2e	•	•	5,845	6,679	13,889
GHG Savings [GRI 305-5]	**metric tons CO_2e**	**1,105**	**150,022,017**	**180,000,939**	**140,013,111**	**125,013,716**
Process optimizations, product mix changes (Scope 1)	metric tons CO_2e	•	4,417	390	6,641	•
Electricity optimizations (Scope 2)	metric tons CO_2e	1,105	691	541	5,600	7,508
New eGRID emission factors (Scope 2)	metric tons CO_2e	•	16,909	•	847	6,200
Use of sold products compared to incumbent technologies (Scope 3)[8]	metric tons CO_2e	•	150,000,000	180,000,000	140,000,000	125,000,000
Employee use of EV charging stations at owned facilities (Scope 3)	metric tons CO_2e	•	•	7.5	22.9	7.5
Global Warming Potentials Used [GRI 305-1][GRI 305-2][GRI 305-3]		**IPCC AR4 100 year**	**IPCC AR4 100 year**	**IPCC AR4 100 year**	**IPCC AR4 100 year**	**IPCC AR4 100 year**
CDP Climate Change Scores		**C-**	**B**	**B**	**B**	**B**
Total Scope 1, 2, 3 Emissions Third-Party Verified (limited assurance)		**No**	**Yes, Scope 3 partial**	**Yes, Scope 3 partial**	**Yes, Scope 3 partial**	**Yes, Scope 3 partial**

ENVIRONMENT

		2016	2017	2018	2019	2020
Other Air Emissions						
Particulate Matter (PM) [GRI 305-7]	**metric tons**	•	•	**2.7**	**2.3**	**2.4**
Durham, NC, USA	metric tons	•	•	2.4	1.8	1.8
RTP, NC, USA	metric tons	•	•	0.3	0.4	0.6
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	<0.01	<0.01	0.02
Huizhou, China	metric tons	•	•	<0.01	0.02	0.01
Other Leased Facilities	metric tons	•	•	•	0.03	0.03
Nitrogen Oxides (NOx) [GRI 305-7]	**metric tons**	•	•	**54.9**	**45.6**	**35.1**
Durham, NC, USA	metric tons	•	•	51.6	42.3	32.3
RTP, NC, USA	metric tons	•	•	3.1	2.5	2.1
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	0.01	0.03	0.2
Huizhou, China	metric tons	•	•	0.2	0.4	0.1
Other Leased Facilities	metric tons	•	•	•	0.4	0.3
Sulfur Dioxide (SO_2) [GRI 305-7]	**metric tons**	•	•	**0.13**	**0.14**	**0.13**
Durham, NC, USA	metric tons	•	•	0.12	0.10	0.11
RTP, NC, USA	metric tons	•	•	0.01	0.01	0.01
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	<0.01	<0.01	<0.01
Huizhou, China	metric tons	•	•	<0.01	0.02	<0.01
Other Leased Facilities	metric tons	•	•	•	<0.01	<0.01
Carbon Monoxide (CO) [GRI 305-7]	**metric tons**	•	•	**17.0**	**16.2**	**12.4**
Durham, NC, USA	metric tons	•	•	15.1	14.1	10.6
RTP, NC, USA	metric tons	•	•	1.8	1.5	1.3
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	0.01	0.02	0.2
Huizhou, China	metric tons	•	•	0.04	0.2	0.07
Other Leased Facilities	metric tons	•	•	•	0.3	0.3
Volatile Organic Compounds (VOC) [GRI 305-7]	**metric tons**	•	•	**51.2**	**49.2**	**57.4**
Durham, NC, USA	metric tons	•	•	24.7	20.3	26.6
RTP, NC, USA	metric tons	•	•	10.8	10.7	11.2
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	0.4	2.1	1.3
Huizhou, China	metric tons	•	•	15.3	15.9	15.5
Other Leased Facilities	metric tons	•	•	•	0.2	2.8
Hazardous Air Pollutants (HAP)[9] [GRI 305-7]	**metric tons**	•	•	**8.7**	**9.1**	**10.6**
Durham, NC, USA	metric tons	•	•	5.9	5.9	6.7
RTP, NC, USA	metric tons	•	•	0.9	1.3	1.6
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	<0.01	<0.01	<0.01
Huizhou, China	metric tons	•	•	1.9	1.9	1.9
Other Leased Facilities	metric tons	•	•	•	0.01	0.4
Toxic Air Pollutants[9] [GRI 305-7]	**metric tons**	•	•	**9.2**	**9.8**	**11.2**
Durham, NC, USA	metric tons	•	•	5.7	6.1	6.5
RTP, NC, USA	metric tons	•	•	1.2	1.7	2.0
Morgan Hill, CA, USA	metric tons	Not yet owned	Not yet owned	0.3	<0.01	<0.01
Huizhou, China	metric tons	•	•	2.0	2.0	2.0
Other Leased Facilities	metric tons	•	•	•	<0.01	0.7

ENVIRONMENT

		2016	2017	2018	2019	2020
Water Use						
Water Withdrawals (by Facility) [GRI 303-3] [SASB TC-SC-140a.1]	**million gallons**	**414.4**	**426.1**	**402.4**	**364.2**	**383.0**
Durham, NC, USA	**million gallons**	**188.0**	**168.7**	**181.4**	**180.8**	**205.2**
Third-Party Water	million gallons	187.8	168.7	181.3	180.7	205.1
Fresh Surface Water (Rainwater)	million gallons	0.15	0.003	0.1	0.06	0.06
RTP, NC, USA	**million gallons**	**34.8**	**39.6**	**41.3**	**46.1**	**49.1**
Third-Party Water	million gallons	34.8	39.6	41.3	46.1	49.1
Fresh Surface Water (Rainwater)	million gallons	0	0	0	0	0
Morgan Hill, CA, USA	**million gallons**	**Not yet owned**	**Not yet owned**	**0.2**	**0.3**	**0.3**
Third-Party Water	million gallons	Not yet owned	Not yet owned	0.2	0.3	0.3
Fresh Surface Water (Rainwater)	million gallons	Not yet owned	Not yet owned	0	0	0
Huizhou, China	**million gallons**	**191.7**	**217.8**	**179.4**	**136.9**	**127.5**
Third-Party Water	million gallons	191.7	217.8	179.4	136.9	127.5
Fresh Surface Water (Rainwater)	million gallons	0	0	0	0	0
Other Leased Facilities	**million gallons**	•	•	•	•	**0.9**
Third-Party Water	million gallons	•	•	•	•	0.9
Fresh Surface Water (Rainwater)	million gallons	•	•	•	•	•
Water Recycled (by Facility)	**million gallons**	**87.6**	**97.6**	**132.3**	**155.7**	**118.5**
Durham, NC, USA	million gallons	34.4	25	33.5	49.7	49.7
RTP, NC, USA	million gallons	0	0	0	0	0
Morgan Hill, CA, USA	million gallons	Not yet owned	Not yet owned	0	0	0
Huizhou, China	million gallons	53.2	72.6	98.8	106.0	68.9
Other Leased Facilities	million gallons	•	•	•	•	•
Water Discharges (Third-Party Waste Water)(by Facility) [GRI 303-4]	**million gallons**	**246.8**	**212.7**	**251.3**	**235.8**	**293.8**
Durham, NC, USA	million gallons	111.5	91.9	118.3	105.3	145.0
RTP, NC, USA	million gallons	20.5	23.4	24.4	37.2	40.2
Morgan Hill, CA, USA	million gallons	Not yet owned	Not yet owned	0.2	0.3	0.3
Huizhou, China	million gallons	114.8	97.4	108.4	92.9	107.4
Other Leased Facilities	million gallons	•	•	•	•	0.9
Water Consumed (by Facility) [GRI 303-5] [SASB TC-SC-140a.1]	**million gallons**	**167.6**	**213.3**	**150.9**	**128.4**	**89.2**
Durham, NC, USA	million gallons	76.4	76.7	63.0	75.5	60.1
RTP, NC, USA	million gallons	14.3	16.2	16.9	8.9	8.9
Morgan Hill, CA, USA	million gallons	Not yet owned	Not yet owned	0	0	0
Huizhou, China	million gallons	76.9	120.4	71.0	44.0	20.1
Other Leased Facilities	million gallons	•	•	•	•	0

ENVIRONMENT

		2016	2017	2018	2019	2020
Water Use						
Water Withdrawals (by Water Stress Regions)[10] [GRI 303-5] [SASB TC-SC-140a.1]	**million gallons**	**414.4**	**426.1**	**402.4**	**364.2**	**383.0**
Third-Party Water	million gallons	414.3	426.1	402.3	364.1	382.9
Low Water Stress	million gallons	•	•	0	0.3	128.5
Low-Medium Water Stress	million gallons	•	•	0	226.9	0.004
Medium-High Water Stress	million gallons	•	•	402.0	136.9	205.1
High Water Stress	million gallons	•	•	0.2	0	49.2
Extremely High Water Stress	million gallons	•	•	0	0	0.007
Surface Water (Rainwater)	million gallons	0.15	0.003	0.1	0.06	0.06
Low Water Stress	million gallons	•	•	0	0	0
Low-Medium Water Stress	million gallons	•	•	0	0.06	0
Medium-High Water Stress	million gallons	•	•	0.1	0	0.06
High Water Stress	million gallons	•	•	0	0	0
Extremely High Water Stress	million gallons	•	•	0	0	0
Water Recycled (by Water Stress Regions)[10] [GRI 303-5] [SASB TC-SC-140a.1]	**million gallons**	**87.6**	**97.6**	**132.3**	**155.7**	**118.5**
Low Water Stress	million gallons	•	•	0	0	68.9
Low-Medium Water Stress	million gallons	•	•	0	49.7	0
Medium-High Water Stress	million gallons	•	•	132.3	106.0	49.7
High Water Stress	million gallons	•	•	0	0	0
Extremely High Water Stress	million gallons	•	•	0	0	0
Water Discharges (Third-Party Wastewater) (by Water Stress Regions)[10] [GRI 303-5] [SASB TC-SC-140a.1]	**million gallons**	**246.8**	**212.7**	**251.3**	**235.8**	**293.8**
Low Water Stress	million gallons	•	•	0	0.3	108.5
Low-Medium Water Stress	million gallons	•	•	0	142.5	0.004
Medium-High Water Stress	million gallons	•	•	251.1	92.9	145.0
High Water Stress	million gallons	•	•	0.2	0	40.3
Extremely High Water Stress	million gallons	•	•	0	0	0.0
Water Consumed (by Water Stress Regions)[10] [GRI 303-5] [SASB TC-SC-140a.1]	**million gallons**	**167.6**	**213.5**	**150.9**	**128.4**	**89.2**
Low Water Stress	million gallons	•	•	0	0	20.1
Low-Medium Water Stress	million gallons	•	•	0	84.4	0
Medium-High Water Stress	million gallons	•	•	150.9	44.0	60.1
High Water Stress	million gallons	•	•	0	0	8.9
Extremely High Water Stress	million gallons	•	•	0	0	0
CDP Water Security Scores		•	•	•	•	**C**
Water Data Third-Party Verified (limited assurance)		**No**	**No**	**No**	**Partial**	**Partial**
Total Water Withdrawals		No	No	No	Yes	Yes
Total Water Recycled		No	No	No	No	No
Total Water Discharges		No	No	No	No	No
Total Water Consumption		No	No	No	No	No

ENVIRONMENT

		2016	2017	2018	2019	2020
Waste Management						
Total Waste [GRI 306-3] [GRI 306-4] [GRI 306-5]	**thousand pounds**	**11,625**	**12,642**	**14,125**	**13,196**	**13,901**
Reuse	thousand pounds	283	462	313	582	487
Recycle	thousand pounds	3,509	3,046	3,476	3,344	2,916
Composting	thousand pounds	12	46	89	63	34
Recovery, Including Energy Recovery	thousand pounds	556	1,616	2,212	2,525	2,037
Incineration	thousand pounds	145	76	136	122	326
Landfill	thousand pounds	2,036	1,948	2,356	2,274	3,457
Wastewater Treated	thousand pounds	5,084	5,448	5,542	4,287	4,644
Hazardous Waste [GRI 306-3] [GRI 306-4] [GRI 306-5] [SASB TC-SC-150a.1]	**thousand pounds**	**2,387**	**2,778**	**3,536**	**3,917**	**4,393**
Reuse	thousand pounds	0	0	0	0	0
Recycle	thousand pounds	414	185	90	89	62
Composting	thousand pounds	0	0	0	0	0
Recovery, Including Energy Recovery	thousand pounds	516	1,088	1,030	1,521	1,185
Incineration	thousand pounds	134	71	126	112	309
Landfill	thousand pounds	67	128	126	227	147
Wastewater Treated	thousand pounds	1,256	1,307	2,164	1,968	2,690
Non-Hazardous Waste (not including solid waste) [GRI 306-3] [GRI 306-4] [GRI 306-5]	**thousand pounds**	**5,203**	**5,878**	**5,282**	**4,080**	**3,574**
Reuse	thousand pounds	283	462	313	582	487
Recycle	thousand pounds	1,001	688	294	0	9
Composting	thousand pounds	0	0	0	0	0
Recovery, Including Energy Recovery	thousand pounds	40	529	1,182	1,004	852
Incineration	thousand pounds	11	5	10	10	17
Landfill	thousand pounds	39	53	105	166	254
Wastewater Treated	thousand pounds	3,828	4,140	3,377	2,319	1,954
Solid Waste [GRI 306-3] [GRI 306-4] [GRI 306-5]	**thousand pounds**	**4,034**	**3,986**	**5,307**	**5,199**	**5,935**
% Solid Waste Diversion from Landfill [GRI 306-4]	**%**	**52.2%**	**55.7%**	**60.0%**	**63.8%**	**48.5%**
Reuse	thousand pounds	0	0	0	0	0
Recycle	thousand pounds	2,093	2,173	3,093	3,255	2,846
Composting	thousand pounds	12	46	89	63	34
Recovery, Including Energy Recovery	thousand pounds	0	0	0	0	0
Incineration	thousand pounds	0	0	0	0	0
Landfill	thousand pounds	1,929	1,766	2,125	1,881	3,055
Wastewater Treated	thousand pounds	0	0	0	0	0
Waste Data Third-Party Verified (limited assurance)		**No**	**No**	**No**	**Partial**	**Partial**
Total Waste		No	No	No	Yes	Yes
Total Hazardous Waste		No	No	No	No	No
Total Non-Hazardous Waste		No	No	No	No	No
Total Solid Waste		No	No	No	No	No

SUSTAINABILITY DATA

Sustainability Data General Notes:

Clicking on the titles of all graphs and charts throughout this report will direct you to the Sustainability Data section.

In 2019, we divested our Lighting Products business unit operations, which included a facility in Racine, Wisconsin and Durham, North Carolina (referred to as the Weck Drive site). Except for number of employees, the data presented in this report for years prior to 2019 exclude these facilities as well as another Durham, North Carolina facility (referred to as Alston Avenue, which was a Lighting Products facility that was closed in 2018) so that we can establish a new baseline around our LED, power and radio frequency operations.

Unless otherwise noted in the Sustainability Data Footnotes, data presented in this report is for all our global facilities. Significant locations of operations refer to our owned manufacturing facilities located in the United States and China.

- Indicates data was not yet calculated or available.

Sustainability Data Footnotes:

[1] Data presented here is for our significant locations of operations, which represents approximately 98.5% of our total number of 2020 employees.

[2] Data presented here is for our significant locations of operations in the United States only, which represents approximately 61% of our total number of 2020 employees.

[3] Data presented here is for our significant locations of operations and our smaller United States locations, which represents approximately 99% of our total number of 2020 employees.

[4] Recordable Work-Related Injury-Illness is a work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

[5] Injury-Illness rates are calculated using 200,000 hours worked (Rate = cases/total hours worked * 200,000).

[6] High-Consequence Recordable Work-Related Injury-Illness is a work-related injury or ill health that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

[7] Contract Employee is any worker who is not a Cree employee but whose manager is and whose work and workplace may or may not be controlled by Cree.

[8] The values reported represent what our products sold will save over their estimated lifetimes. Energy usage and GHG emissions from our products were compared to their less efficient alternative products to derive energy use savings. For lighting applications, our LED products were compared to non-LED lighting fixtures (e.g., metal halide lamps, fluorescent bulbs, etc.). For applications where LEDs are currently the standard choice we assumed no energy savings. Our power products, made from silicon carbide, were compared to similar products made from silicon. Our radio frequency products, made from silicon carbide, were compared to similar products made from either silicon or gallium-arsenide.

[9] Hazardous air pollutants (HAP) are based on the US EPA list of HAP. Air pollutants are classified as toxic air pollutants per the regulations applicable at each facility.

[10] For data prior to 2020: All of our global manufacturing facilities were assessed for water stress using the World Resources Institute Aqueduct Water Risk Atlas. Overall Water Risk identifies regions that have a higher exposure to water-related risks and represents an aggregated measure of all indicators from the individual water risk categories of Physical Risk Quantity, Physical Risk Quality and Regulatory & Reputational Risk:

- Low water stress indicates the facility(ies) scored 0 to 1 out of 5 for Overall Water Risk.
- Low to medium water stress indicates the facility(ies) scored 1 to 2 out of 5 for Overall Water Risk.
- Medium to high water stress indicates the facility(ies) scored 2 to 3 out of 5 for Overall Water Risk.
- High water stress indicates the facility(ies) scored 3 to 4 out of 5 for Overall Water Risk.
- Extremely high water stress indicates the facility(ies) scored 4 to 5 out of 5 for Overall Water Risk.

For 2020 data: All of our global facilities were assessed for water stress using the World Resources Institute Aqueduct Water Risk Atlas. We consider areas with water stress to be those locations with the risk category “High (40-80%)” or “Extremely High (>80%)” for baseline water stress:

- Low water stress indicates the facility(ies) scored <10% for Water Stress.
- Low to medium water stress indicates the facility(ies) scored 10-20% for Water Stress.
- Medium to high water stress indicates the facility(ies) scored 20-40% for Water Stress.
- High water stress indicates the facility(ies) scored 40-80% for Water Stress.
- Extremely high water stress indicates the facility(ies) scored >80% for Water Stress.

Independent Assurance Statement to Cree Inc.

Introduction & Objectives: Trinity Consultants, Inc. (Trinity) was engaged by Cree Inc. (Cree) to provide independent assurance for specified calendar year (CY) 2020 environmental, health and safety (EHS) data presented in the Cree Sustainability Report 2021. The overall objective of this process was to provide assurance to Cree's stakeholders on the accuracy, completeness, reliability, and objectivity of the specified EHS information included in the Report. This Assurance Statement applies to the information included within the subject Scope of Work.

Scope of Work: Cree requested that Trinity perform limited assurance of the following specified EHS performance data for CY 2020 (January 1, 2020, to December 31, 2020) to determine whether they are fairly presented, in all material respects, in a manner consistent with the designated reporting criteria:

- Direct (Scope 1) greenhouse gas (GHG) emissions from stationary combustion and process sources (280,566 metric tons CO_2e)
- Indirect, location-based (Scope 2) GHG emissions from purchased electricity and steam (152,808 metric tons CO_2e)
- Indirect (Scope 3) emissions resulting from three of the 15 potential Scope 3 categories: waste generation (2,670 metric tons CO_2e), upstream transportation/distribution (5,926 metric tons CO_2e) and downstream transportation/distribution (1,436 metric tons CO_2e)
- Energy consumption (447,002 Megawatt Hours)
- Total water withdrawal, including third-party water withdrawal and rainwater withdrawal (383.0 million gallons)
- Total waste generated/disposed (13.901 million pounds)
- Injury-illness rate (0.68)

The reported data was evaluated against Cree's internal GHG and sustainability reporting procedures, as well as requirements for reporting GHG emissions data to CDP.

Our procedures assessed the appropriateness and effectiveness of underlying corporate reporting processes, management controls and systems used to develop, compile, analyze and report the specified EHS data.

The boundary of the data included in this assurance is limited to the 22 owned manufacturing and warehouse facilities, and administrative offices under Cree operational control during the subject period. Text, descriptions, interpretations, or other written statements in the Sustainability Report 2021 were not included in the scope of Trinity's work.

Reporting Criteria: Cree has developed the data subject to this verification as documented in their corporate Sustainability Data Management Plan. This Plan incorporates specific definitions for each EHS performance indicator and the basis on which these data are compiled, calculated and reported. External criteria utilized to develop these data included:

- The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- US EPA 40 CFR Part 98 Mandatory GHG Reporting Rule, Subpart I equations
- GRI Standards 2016, Global Sustainability Standards Board
- IPCC AR4 (100-yr) Global Warming Potentials

- U.S. EPA eGRID 2021 (2019 data)
- US EPA Center for Corporate Climate Leadership GHG Emission Factors Hub (2020)

Assurance Standard: Trinity's work was conducted following our standard assurance methodology and approach for external verification of sustainability data, in part based on the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or reviews of Historical Financial Information* (2012), suitably adapted. Greenhouse gas inventory verification was conducted to address CDP verification requirements, as well.

Responsibilities: Cree management is solely responsible for the EHS performance data and its presentation in the Sustainability Report 2021. Trinity was not involved in the collection or development of the reported data or development of the 2021 Sustainability Report.

Trinity's responsibility is to perform an assurance engagement to provide conclusions on the agreed Scope of Work based on the assurance activities performed, consistent with exercising our professional judgement.

Assurance Methodology: Trinity conducted the following activities during this assurance engagement:

- Interviewed key staff from Cree's corporate headquarters in Durham, NC responsible for Cree's sustainability program, activities, and management systems for the specified GHG and EHS performance data.
- Ensured that Cree's scope and boundaries reflected in the reported data are fair and accurate.
- Reviewed documentation and interviewed other relevant staff to understand and evaluate the processes, systems and methodologies used to collect, compile, consolidate, analyze and report data for the specified GHG and EHS performance indicators.
- Reviewed Cree's corporate GHG Inventory Management Plans and Sustainability Data Management Plan, including suitability of calculations, GWPs, and conversion and emission factors.
- Reviewed the corporate consolidation of data for specified EHS performance data and compared it to data submitted from six of the 22 individual facilities owned by Cree.
- To meet CDP reporting and verification requirements, verification procedures were applied to more than 70 percent each of the company's enterprise-wide Scope 1 and location-based Scope 2 GHG emissions, and to specified categories of reported Scope 3 emissions.
- Selected underlying facility source data on a test basis and conducted a desktop review of these sample data to confirm specified site data for six facilities including Durham, Research Triangle Park, Huizhou, Fayetteville, Morgan Hill, and Mesa.
- Reviewed the presentation of the above performance data in the Sustainability Report 2021 to ensure consistency with our findings, and to address changes and corrections with Cree where necessary.

Trinity's Opinion: Based on Trinity's verification activities, nothing has come to our attention to indicate that the corporate CY 2020 data for the specified Scope 1, location-based Scope 2 and selected Scope 3 GHG emissions, and EHS performance metrics listed under 'Scope of Work' and disclosed in the Cree Sustainability Report 2021 are not fairly presented, in all material respects, in a manner consistent with the designated reporting criteria.

Trinity has concluded that Cree has implemented sufficient processes, systems and controls for the accurate collection and analysis of activity data used to determine the reported data.

Trinity's Observations: Trinity has provided Cree with a separate management report. Without affecting the conclusions presented above, we have the following observations:

- Cree has established GHG Inventory Management Plans and a Sustainability Data Management Plan to guide the development and reporting of data with a focus on energy, GHG emissions and selected EHS parameters. Cree should ensure that the current methods and approach, processes and controls around complete sustainability data development and review is formalized and rolled out to all facilities.
- Key Cree EHS staff at corporate and facilities conduct monthly and annual reviews of reported data to confirm completeness and accuracy. Cree should consider improving the timeliness and documentation of this process, and interactions during this process.
- Underlying facility source data supporting the reporting of GHG-related and EHS data were made available during this verification process. Cree should consider establishing a more systematic process for obtaining, compiling, and archiving these data for future internal QA/QC and report verification.

Limitations: Our work did not include visits or physical inspections of any of Cree's operating facilities, other than interaction with staff located at Cree's Durham, NC headquarters.

Trinity's approach to this verification was not intended to detect all weakness in management controls as described above. The verification was performed on corporate management controls on a test basis. Further, it should be noted that the reliability of GHG and EHS data may be subject to inherent uncertainties, based on the established methods used to measure or calculate the underlying information.

This Assurance Statement is only valid when it is published with the Sustainability Report 2021 to which it refers and disclosed through Cree's CY2021 CDP submittal, and may only be reproduced in its entirety.

Statement of independence: Trinity is an independent professional services firm that specializes in environmental, health and safety, and sustainability compliance, risk and performance management. We have developed and maintain a quality management system, certified to ISO 9001:2015. No member of the assurance team has a business relationship with Cree, its managers or Directors other than for the purpose of verification of the subject GHG and sustainability data and reporting, or has had any involvement in writing the Report, data collection or validation, or the development or implementation of data systems. This verification has been conducted independently and we believe that there has been no conflict of interest.

Rich Pandullo, MEM, CM

Director, Sustainability & Environmental Management

Trinity Consultants, Inc.
Dallas, TX
www.trinityconsultants.com

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