

TowerJazz Corporate Social Responsibility Principles

TowerJazz is committed to ensuring our employees act in a lawful and ethical manner. We expect our employees, in all of their activities, to operate in full compliance with all applicable laws, rules and regulations.

The following social responsibility principles are modeled on and contain language from the Responsible Business Alliance (RBA) Code of Conduct, which establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity and that business operations are environmentally responsible.

- Code of Ethics Compliance with Laws
- Labor and Human Rights
- Health and Safety
- Reporting Violations; Monitoring and Enforcement
- Conflict Minerals Policy
- Eco Friendly

TowerJazz expects all employees to abide by these Principles and will actively evaluate compliance with these Principles to ensure the best business practices within our company.

Code of Ethics

TowerJazz code of Ethics is available for downloading as a PDF.

Compliance with Laws

All employees should comply with all applicable laws, regulations and directives.

Labor and Human Rights

TowerJazz is committed to ensuring the human rights of our worldwide employee base and treat them with dignity and respect as accepted by the international community.

- **Freely Chosen Employment.** TowerJazz does not use any forced, bonded or indentured labor, involuntary prison labor, slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work is voluntary, and workers are free to leave upon reasonable notice. Workers are not required to hand over government-issued identification, passports or work permits as a condition of employment.
- **Child Labor Avoidance.** Child labor is strictly prohibited. As used here, the term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is permitted. Workers under the age of 18 are not allowed to perform work that is likely to jeopardize their health or safety.
- **Working Hours.** Workweeks do not exceed the maximum set by local law.

- **Wages and Benefits.** Compensation paid to workers complies with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers are compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure are not permitted. The basis on which workers are being paid is provided in a timely manner via pay stub or similar documentation.
- **Humane Treatment.** We are committed to a workplace free of harsh or inhumane treatment, and our disciplinary policies and procedures are clearly defined and communicated to workers. Employees cannot threaten another employee with or subject them to any harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse.
- **Non-Discrimination.** We are committed to a workforce free of harassment and unlawful discrimination. Employees are not allowed to engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, employees or potential employees cannot be subjected to medical tests that could be used in a discriminatory way.
- **Freedom of Association.** TowerJazz respects the rights of employees to associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with local laws. Employees are able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.
- **Conflict Minerals.** TowerJazz does not incorporate conflict minerals into items manufactured at TowerJazz. Conflict minerals are gold, tin, tantalum and tungsten from conflict mines in and around the Democratic Republic of the Congo. TowerJazz has implemented a conflict minerals policy that prohibits the purchase and use of conflict minerals.

Health and Safety

TowerJazz recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. As a result, we are committed to creating safe working conditions and a healthy work environment for all of our employees.

- **Occupational Safety.** Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) is controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are provided with appropriate, well-maintained, personal protective equipment. Workers cannot be disciplined for raising safety concerns.
- **Emergency Preparedness.** Emergency situations and events are identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.
- **Occupational Injury and Illness.** Procedures and systems are in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.
- **Industrial Hygiene.** Worker exposure to chemical, biological and physical agents are identified, evaluated, and controlled. Engineering or administrative controls are used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is protected by appropriate personal protective equipment programs.
- **Physically Demanding Work.** Worker exposure to the hazards of physically demanding tasks, including man-

ual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks are identified, evaluated and controlled.

- **Machine Safeguarding.** Production and other machinery are evaluated for safety hazards. Physical guards, interlocks and barriers are provided and properly maintained where machinery presents an injury hazard to workers.
- **Sanitation, Food, and Housing.** Workers are provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the company are maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.

Reporting Violations; Monitoring and Enforcement

- **Reporting Violations.** Employees are encouraged to immediately report any conduct that is believed in good faith to be an actual, apparent or potential violation of these Principles to their manager or Human Resources. TowerJazz will promptly address the report as appropriate.
- **Enforcement.** TowerJazz acknowledges that compliance with the provisions of these Principles are integral to TowerJazz and that TowerJazz may take disciplinary action, including termination of employment, for violations of these Principles.

TowerJazz Conflict Minerals Policy

"Conflict minerals," as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, are Columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives. Metals derived from these minerals are Tin, Tantalum, Tungsten, and Gold. Many industries, including the electronics industry, utilize Tin, Tantalum, Tungsten, and Gold. These metals are derived from minerals that are mined throughout the world, including the Democratic Republic of Congo (DRC) and adjoining countries (collectively the "Covered Countries"). Armed groups operating in the Covered Countries have controlled many of the region's mines and/or transit routes and have engaged in armed conflict, as well as committed some of the world's worst human rights violations. Products which do not contain necessary Conflict minerals that directly or indirectly finance or benefit armed groups in the Covered Countries are considered "Conflict free".

TowerJazz is committed to responsible sourcing of minerals. TowerJazz supports the position of the Global e-Sustainability Initiative (GeSI) and Responsible Business Alliance (RBA) - previously EICC.

to avoid the use of Conflict minerals that directly or indirectly finance or benefit armed groups in the Covered Countries.

TowerJazz has established programs aligned with the internationally recognized OECD due diligence framework to regularly evaluate its supply chain and require its suppliers to do the same. Suppliers are prohibited from supplying TowerJazz with materials known to be derived from the DRC or adjoining countries that have not been confirmed as "DRC Conflict-Free" via a recognized and credible third party process such as the Conflict Free Sourcing Initiative's Conflict Free Smelter Program (CFSP).

TowerJazz expects its suppliers to have in place policies and due diligence measures that will assure that products and components supplied to it containing Conflict minerals are Conflict free. In addition, TowerJazz requires its direct suppliers to provide it with completed conflict minerals declarations using the RBA/GeSI Conflict Minerals Reporting Template. TowerJazz reserves the right to take appropriate actions to enforce this Policy, including discontinuing purchases from suppliers that fail to comply with this Policy. Based upon information provided by its suppliers, TowerJazz does not knowingly use any non Conflict free minerals in its manufacturing.

TowerJazz is committed to the responsible sourcing of Conflict minerals throughout its supply chain and to continued compliance with the applicable SEC rules and regulations related to Conflict minerals.

Should you have any questions regarding TowerJazz's Conflict Minerals Policy, please contact TowerJazz's VP of WW Quality and Reliability.

Eco Friendly

To reduce the company's carbon footprint, we have significantly increased energy efficiencies in the operation of our globally competitive 24/7 fabrication facilities. We have achieved substantial reductions in overall energy usage without sacrificing production and this has translated into millions of dollars of utility savings. We are committed to improving air and water quality and we are dedicated to reducing our electricity, water usage and waste water. In Israel, at our company headquarters, we recycle 60% of the ultra pure water which would equal the water consumption of 3200 people per year. We also concentrate the brine disposal and have reduced it by 50%.

In our Newport Beach, California manufacturing facility, we have completed projects that have improved the performance and energy efficiency of air, water, and production equipment systems, reducing consumption of water, compressed air and electricity throughout the plant. We have already reduced our electricity consumption in the last 5 years which has netted a savings of over 23 million Kilowatt hours (kWh). This is equivalent to powering over 2,000 households for a year or the greenhouse gas (GHG) emissions of 3025 vehicles on the road.

Additional efforts for energy savings include installation of a recycled high-tech water purification system and retrofitting of special air handlers, which are a necessity in the semiconductor manufacturing process.

Environmental Permits and Reporting — All required environmental permits and registrations are obtained, maintained and kept current and their operational and reporting requirements are followed.

Pollution Prevention and Resource Reduction — Waste of all types, including water and energy, are reduced or eliminated at the source or by practices.

Hazardous Substances — Chemical and other materials posing a hazard if released to the environment are identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

Wastewater and Solid Waste — Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are monitored, controlled and treated as required prior to discharge or disposal.

Air Emissions — Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are characterized, monitored, controlled and treated as required prior to discharge.

Product Content Restrictions — Tower adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal.