

BUSINESS SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY



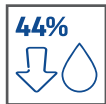
TowerJazz is committed to ensuring our employees act in a lawful and ethical manner. We expect our employees, in all of their activities, to operate in full compliance with all applicable laws, rules and regulations. Our social responsibility principles are modeled on and contain language from the Electronic Industry Citizenship Coalition (EICC) 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. Visit www.towerjazz.com/social-responsibility.html for more details on our social responsibility principles.

2017 Summary

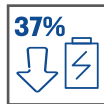
This Report refers to TowerJazz Manufacturing Facilities in Israel

BUSINESS SUSTAINABILITY

TowerJazz sustainability efforts led to the following achievements:



Over 44% reduction over the last 4 years in **water consumption** (normalized to process layers).



37% reduction over the last 4 years in **power consumption** (normalized to process layers)



Very low accident rate:
0.82 during 2017
(count/200K working Hr)



Very low incident rate:
0.38 during 2017
(count/200K working Hr)

COMMUNITY CONTRIBUTION

As part of our corporate values and culture, we at TowerJazz aim to enrich and improve not only individuals' lives, but also society as a whole, and we believe corporate social responsibility is imperative to the Company's true success.

TowerJazz supports a wide range of health, education, social and community activities that affect and involve its employees and the community's well-being by promoting education, donating goods and funding programs/services.

In Israel, TowerJazz contributes to the communities by promoting education, donating goods and funding programs/services. TowerJazz and its employees:

- > Tutor kids in youth clubs and volunteer in recreational activities
- > Fund an educational program for children with learning disabilities
- > Participate in teaching English to the youth, improving their communication skills
- > Collaborate with environmental organizations, educational research projects and retirement institutions to help renovate buildings, prepare food packages and participate in blood drives
- > Donate and deliver toys, books and other items to people in need during the Holidays

OUR SERVICE CHARTER

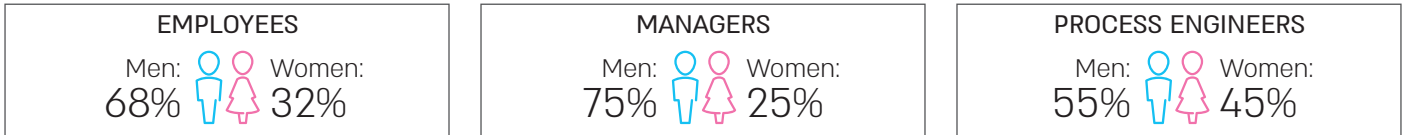
Educational and vocational development with a focus on gender equality and minority integration.



EMPLOYMENT

We recognize our employees' capabilities, dedication, loyalty and passion as a primary factor in our company's achievements.

TowerJazz inspires and rewards employees for outstanding achievements and innovation. Our employee base is comprised of individuals from various cultures and backgrounds and we have a strong focus on gender equality. We are an equal opportunity employer and provide health insurance for all employees.



During 2017:

- GPS – Setting new employees' evaluation and goals' system
- Increase wage to operators (above minimum wage)
- Implemented organizational & managerial survey to improve employees' satisfaction and engagement
- Implemented specific needs survey for the maintenance population to help better understand their needs
- New on boarding process to allow better assimilation to TJ
- Leadership development - global directors' program at the US region
- Large scale of talent development projects – PRISM, ERS GoPro, PRT to PE
- Open a game room to operators and tech's
- Open a platform to allow employees to ask the management questions
- Upgrade employees and employees family cellular phones

CONFLICT MINERAL

TowerJazz is committed to the responsible sourcing of minerals.

We have established programs aligned with the internationally recognized OECD due diligence framework to regularly evaluate our supply chain and require our 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).

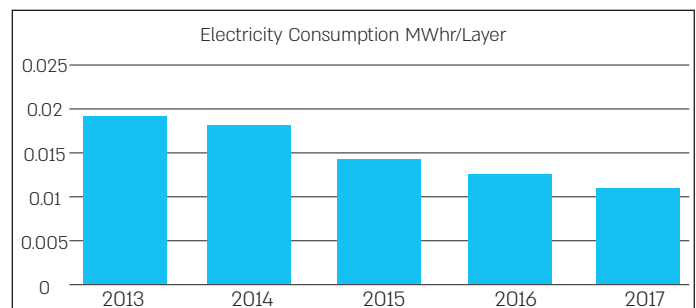
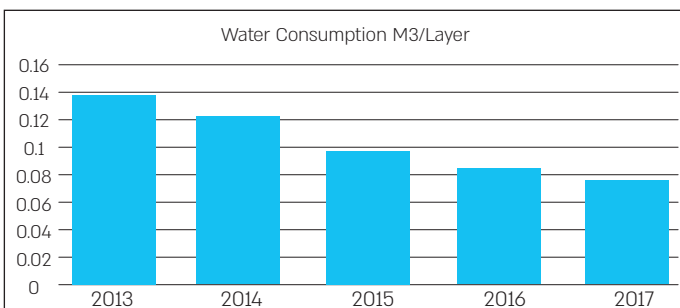
During 2016, TowerJazz and its suppliers implemented the newly released version of CMRT (4.2)

ENVIRONMENTAL

2017 Highlights from our efforts to reduce TowerJazz's carbon footprint and improve operation efficiencies in our competitive 24/7 fabrication facilities.

We have achieved substantial reductions in overall energy usage without sacrificing production and this has translated into utility savings. We are committed to continue improving air and water quality and we are dedicated to reducing our electricity, water usage and waste water.

- TowerJazz is ISO14001 and OHSAS18001 certified (was validated during 2016).
- Added Scrubbers and abatement systems in order to support the FABs capacity increase and maintaining safety environment .



TowerJazz Broadens Green Initiatives by Increasing Renewable Energy Sources

Expanding reduction in power by installing solar panels in a nearly 100,000 square foot area with estimated 1700MWh yearly production of renewable green energy.

The yearly production of renewal green energy is estimated to be 1700MWh which equals 4.5 days of the facility's consumption and a year's consumption of about 100 private residences.

In addition to the solar project, several global initiatives have resulted in electricity savings of 18,000 MWh/year. Projects included: installing smart devices that regulate power consumption, upgrading chillers, which are used to control temperature (important in the production of semiconductor devices), replacing the cooling tower, and replacing neon light bulbs with LED bulbs to reduce electricity consumption. The total electricity savings per year is equivalent to annual electricity consumption of about 1600 private households or 16 million pounds of coal burned.

TowerJazz has also implemented creative recycling projects leading to overall water consumption reduction. A total of 74,500 m3/year were reduced, which is equal to the annual water consumption of a town with a population of 2,100 people.