



# **Sustainability Report**

## **Letter from the CEO**

**Skyworks Solutions** enables some of the most exciting and ubiquitous electronic products in the world, from smart phones, tablets, and other handheld mobile devices to a host of diverse products that support energy management, broadband, cellular infrastructure, medical, automotive and military applications, among others. With such a global presence, we have a unique opportunity to implement sustainable business practices with an impact far beyond those of traditional programs.

Our sustainability efforts begin in product design and development, extend into manufacturing, and continue through product performance and end of life. Our approach reaches across all facets of our business with programs and systems addressing the environment, health and safety, ethics, labor practices and quality management systems. And we don't stop there. We also evaluate our supply chain partners ensuring they operate according to our established sustainability standards. Our customers use our products knowing they are working with a partner in sustainability.

The data and information in this report reflects our commitment to ensuring that our business practices and operations do not come at the expense of future generations.

Thank you for your interest in Skyworks Solutions.

Sincerely,

David J. Aldrich

President and Chief Executive Officer

Skyworks Solutions, Inc.

# **Our Company**



Skyworks Solutions, Inc. is an innovator of high reliability analog and mixed signal semiconductors. Leveraging core technologies, Skyworks offers diverse standard and custom linear products supporting automotive, broadband, cellular infrastructure, energy management, industrial, medical, military and mobile handset applications. The Company's portfolio includes amplifiers, attenuators, detectors, diodes, directional couplers, front-end modules, hybrids, infrastructure RF subsystems, mixers/demodulators, phase shifters, PLLs/synthesizers/VCOs, power dividers/combiners, receivers, switches and technical ceramics.

Headquartered in Woburn, Massachusetts, Skyworks is worldwide with engineering, manufacturing, sales and service facilities located throughout Asia, Europe and North America.

Serving the world's leading mobile handset manufacturers and smart phone providers, along with a diverse set of customers across a broad range of analog end markets, Skyworks "enables mobile connectivity through semiconductor innovation."



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# **Sustainability**



Skyworks Solutions is committed to operating under business practices that "meet the needs of the present without compromising the ability of future generations to meet their own needs"<sup>1</sup>. Our sustainability efforts include policies and programs that encompass a wide

variety of elements ranging from **environmental to labor**, **health and safety**, **ethics**, **stewardship and management systems**.

This report provides a brief overview of our efforts, recent accomplishments, and historical trends. For additional information on Skyworks' Sustainability Programs, please visit <a href="http://www.skyworksinc.com/GreenInitiative.aspx">http://www.skyworksinc.com/GreenInitiative.aspx</a>.

## **Environment**



Skyworks continuously strives to reduce its impacts from business operations on the environment. Consistent with our sustainability efforts, Skyworks employs environmental improvement programs that address all life cycle stages of our products, from design and development,

to manufacturing, everyday product use, and product end-of-life.



- 1."Sustainability" definition: 1987 World Commission on Environment and Development (the Brundtland Commission).
- 2. Based on U.S. EPA estimate of 11,040 kWh/home/yr.
- 3. Based on U.S. EPA estimate of 260 gal./day/household.

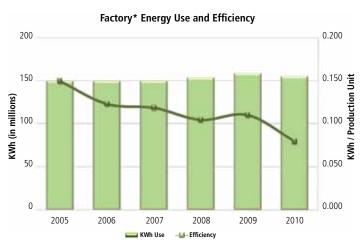
# **Defining Performance Efficiency**

We rely on established metrics to measure our performance. In the following graphs, data is presented in gross amounts, as well as by efficiency, which is indexed to production. Because production levels change from year to year, *efficiency* is the measure we most often use to evaluate performance. Improvements in efficiency result in reduced impacts to the environment.

## **Energy Use**

Energy efficiency (the sum of natural gas and electricity use) has improved five of the past six years, with 2009 to 2010 year-over-year efficiency improving by 28%. Skyworks' cumulative improvement from 2005, our baseline year, was 47% resulting in total energy savings of over 330,500,000 kWh. **That's enough energy to power 29,900 homes for 1 year**<sup>2</sup>. Improvements contributing to our 2010 energy savings include upgrades to:

- Air handling systems, reducing both electricity and natural gas consumption
- Compressors and chillers, allowing more efficient operations
- Lighting systems, reducing electricity demand
- Our factory conversion from 4 inch to 6 inch GaAs wafers, driving improved manufacturing efficiencies across all categories



\*Newbury Park - CA, Woburn - MA, Mexicali - B.C.

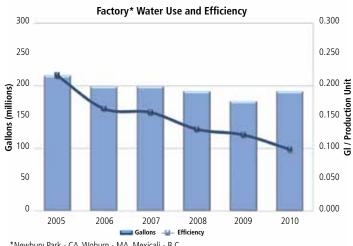
Note: Energy = electricity + natural gas

## Water Use

Skyworks has consistently decreased its water use over the past six years, reducing our 2009 to 2010 year-over-year consumption by 19%. Our cumulative improvement from 2005 is 55%, or more than 630 million gallons. **That's enough water savings for over 6,600 households for 1 year**<sup>3</sup>.

Improvements contributing to our 2010 water savings include:

- Upgrades to vintage cooling towers, dramatically reducing water use during summer months
- Our factory conversion from 4 inch to 6 inch GaAs wafers, driving improved manufacturing efficiencies across all categories
- Use of reverse osmosis wastewater in cooling towers
- Property irrigation improvements



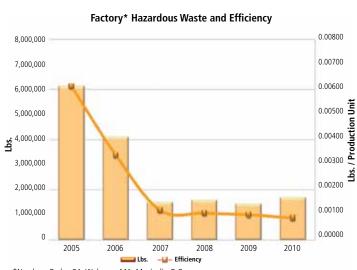
\*Newbury Park - CA, Woburn - MA, Mexicali - B.C.

## Hazardous Waste Reduction

Skyworks has driven down the amount of hazardous waste generated per production unit every year since 2005. Our 2009 to 2010 year-over-year efficiency improvement was 13% and our cumulative improvement since 2005 is 86%, eliminating the generation of over 5,100 tons of hazardous waste.

Improvements contributing to our 2010 hazardous waste reduction include:

- A solvent waste re-piping project to improve segregation of hazardous and non-hazardous waste materials, resulting in greatly reduced volumes of hazardous waste
- Manufacturing process recipe evaluations to reduce or eliminate water in solvent waste streams, reducing overall hazardous waste volumes
- Source reduction via chemistry efficiency improvements
- Our factory substrate conversion from 4 inch to 6 inch GaAs wafers, driving improved manufacturing efficiencies across all categories



\*Newbury Park - CA, Woburn - MA, Mexicali - B.C.

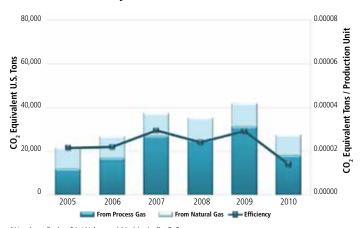
## Carbon Dioxide (CO<sub>2</sub>) Emissions

To better align with current and pending Federal and applicable State level CO<sub>2</sub> legislation, Skyworks has modified our method of calculating CO<sub>2</sub> emissions. The current method reflects the conversion of all natural gas fueled industrial processes on site (such as boilers) as well as all process gases used in manufacturing to CO<sub>2</sub> equivalents.

Improvements contributing to our 2010 CO<sub>2</sub> emissions reduction

- Substitution of O<sub>2</sub> for CF4 and SF6 (greenhouse gases) in the dry etch process
- Our factory conversion from 4 inch to 6 inch GaAs wafers, driving improved manufacturing efficiencies across all categories

### Factory\* CO, Equivalent Emissions and Efficiency

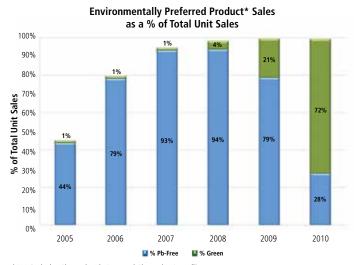


\*Newbury Park - CA, Woburn - MA, Mexicali - B.C.

# **Environmentally Preferred Products**

Beginning in 2006 with the European Union's Restrictions of Hazardous Substances (RoHS) standard, product-based environmental requirements have become ever more stringent in an effort to reduce or remove hazardous materials in electronics products that can potentially impact the environment at a product's end of life. The industry has taken steps beyond these requirements to phase out even more materials of concern.

Over the years, Skyworks has transitioned its product portfolio to not only support these requirements, but to go beyond them. Today, products designated as "Skyworks lead (Pb)-free" comply with RoHS and all other relevant materials legislation. Products designated as "Skyworks Green™" go beyond compliance to meet the industry's most stringent materials restriction requirements including being "halogen free." The category of Environmentally Preferred Product (EPP) includes Skyworks products that are both lead (Pb)-Free and Green – thereby meeting or exceeding all applicable regulatory requirements pertaining to our customers' uses of the products. Virtually 100% of Skyworks products now sold are EPP, with the vast majority being "Skyworks Green™".



\*EPP includes Skyworks Pb-Free and Skyworks Green™

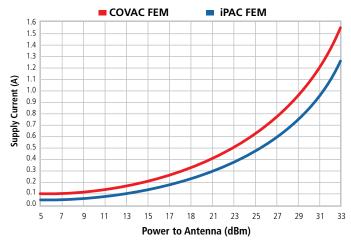
# Sustainability Through Product Performance and Applications

Skyworks' iPAC™ front end modules (FEMs) use 20% less electricity than the competing COVAC architecture. This translates into 25% longer talk time, smaller batteries, and lower overall phone energy consumption. To date, Skyworks has sold 1.7 billion iPAC FEMs, saving over 1.5 billion kWh of consumer electricity use, 260 million kWh of which was in 2010 alone⁴. This savings more than offsets the total electricity use of all Skyworks manufacturing facilities worldwide.

Skyworks' products also help to minimize energy consumption and increase efficiency across multiple markets. Whether they are products that support "smart grid" technologies including automated metering infrastructure (AMI) and automated meter reading (AMR) or wireless communication solutions from



home appliances that provide consumers with real time energy consumption, devices for hybrid electric vehicles or support for wireless medical devices, Skyworks products promote sustainability through product performance and the applications they enable.



4. Based on an average of 0.012 kWh/phone/day.

# **Health and Safety**



The safety of our employees is of utmost importance exceeded by nothing else.

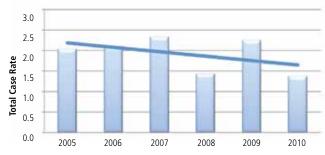
Skyworks operates all facilities in a responsible manner, providing safe and healthy working conditions. In keeping with this commitment, we maintain an Occupational Health and Safety (OH&S) management system to ensure we consistently:

- Remain in compliance with all applicable safety and health regulatory requirements
- Integrate safety considerations into strategic business decisions, engineering design, procurement, facilities management and production
- Cultivate safety responsibility by employees at all organization levels
- Promote continuous improvement of the OH&S management system and objectives

These efforts are supported by a knowledgeable and experienced team of Health and Safety professionals and employees across the company who are responsible for meeting a stringent set of health and safety goals and performance objectives.

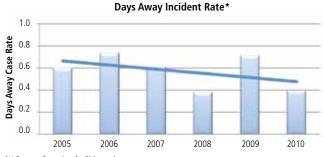
TRIR, or total recordable incidence rate, is the number of injuries and illnesses per 100 employees per year. Skyworks' injury rate has declined from 2.0 in 2005 to 1.4 in 2010.

#### Total Recordable Incident Rate\*



\*U.S. manufacturing facilities only

LTIR, or lost time incident rate, is the number of injuries resulting in employees being out of work due to the injury, per 200,000 hours worked. Skyworks' 2010 LTIR of 0.4 days represents a 43% year-over-year improvement from 2009.



\*U.S. manufacturing facilities only

# **Stewardship**



With employees around the world, Skyworks calls many countries its home. When there is a need, a local concern or emergency, Skyworks employees respond. Whether it is through donations towards relief efforts, food and clothing drives, or volunteering in the community,

Skyworks and its employees are proud to be members of the global community and lend a helping hand.

Food and Toy Drive



Mexicali Earthquake Relief





Community Cleanup Campaign



Great Mass Getaway Multiple Sclerosis Benefit Bike Ride

## **Labor Practices**



At Skyworks, our greatest and most valuable resource is our people. We are committed to fostering a work environment in which all individuals are treated with respect and dignity. All Skyworks' sites adhere to international, national, regional and other applicable laws and regulations

that apply to the countries in which we operate. Skyworks also adheres to all local, state, federal and international child labor and safety laws and does not employ anyone under the age of 18. We believe that each individual has the right to work in a professional atmosphere that promotes positive relationships among employees in an environment free of bias, prejudice and harassment.

## 2009 Employee Survey

# Your Opinion Matters Make it Count!



Because Skyworks believes that its employees are its most valuable resource, it gathers employee input bi-annually on matters such as Senior Staff Leadership, Company Clarity and Direction, Freedom to Perform and Grow, Pride in Skyworks, etc... Management takes action on the employee feedback, addressing topics of concern, and often engaging particular workgroups to define opportunities for improvement in identified areas. With a 90% response rate on our most recent survey, this is a true indication that our employees are engaged and proud to be a part of the Skyworks team. In fact, >90% of employees stated they would recommend Skyworks products as the best value a customer can buy, and >89% also indicated they would recommend Skyworks as a great place to work.

# REGISTER ocregister.com



For the third consecutive year, Skyworks has been named one of the top places to work by the OC Register. Skyworks ranked #3 in the Midsize Business category and won the Medallion Award for Best Direction, which is based on whether employees believe the organization is going in the right

direction. Companies were measured on numerous workplace topics including company direction, execution, management, career conditions and pay/benefits.

For the last several years, Skyworks has been named to the Globe 100, the *Boston Globe's* ranking of the top Massachusetts-based public companies. In 2010, **Skyworks was also** named one of "America's 100 Best Small Companies" by Forbes. http://www.forbes.com/lists/2010/23/best-small-companies-10\_rank.html



## **Ethics**



Skyworks seeks to foster and maintain a culture with the highest standards of ethical and business conduct and compliance with all applicable laws, rules and regulations. Each year, employees are required to review and acknowledge our Code of Business Conduct and Ethics. Additionally, employees

have a duty to report any known or suspected violations of this Code, or of any laws, rules or regulations applicable to the Company. Reporting such violations helps to safeguard the reputation and integrity of the Company and its employees. For more information on our Code and Corporate Governance, please visit our web site at <a href="http://www.skyworksinc.com">http://www.skyworksinc.com</a> and click on Governance in the Investor Relations tab.



# **Management Systems**



Skyworks' business operations run according to established management systems. Having our Sustainability Programs implemented via established processes and procedures ensures both effective operation and regular feedback to support continuous improvement. Today, Skyworks maintains

quality and environmental management system certifications including ISO 9001, ISO 14001 and TS16949.

Access Skyworks' Quality Manual at: http://www.skyworksinc.com/downloads/quality/skyworks\_ systemmanual.pdf

Access Skyworks' Environmental Quality Manual at: http://www.skyworksinc.com/downloads/green\_initiative/ skyworks\_envqualmanual.pdf

View our certifications at http://www.skyworksinc.com/QualityCertifications.aspx



# **Supply Chain**

Skyworks utilizes a robust program for supplier qualification and monitoring. Suppliers are evaluated to ensure their conformance to Skyworks' requirements with regard to product quality, price and performance, as well as the sustainability elements of ethics, labor, environment, health and safety and management systems. Skyworks' programs are designed in alignment with the **Electronics Industry Code of Conduct (EICC)** and we encourage and promote the code throughout our supply chain.

## 2010 Achievements Include:

- Enrolled as a "full" user of the Electronics Tool for Accountable

  Supply Chain (E-TASC). E-TASC is a system developed in support of
  the EICC for survey and risk assessment of the supply chain.
- Developed a Supplier Sustainability Specification and supporting supplier sustainability survey
- Completed a survey and risk assessment of Level 1 suppliers
- Developed and released a "Conflict Minerals" policy and requirements for our supply chain partners

# Transparency through Information Availability

Skyworks makes available to its customers and the general public environmental and materials content information for every product in our portfolio. Via our Green Initiative™ page at *http://www.skyworksinc.com/GreenInitiative.aspx*, interested parties can retrieve these "Certificates of Conformance" (CofC) simply by entering a part number. Customers can immediately determine the compliance level of any part at the touch of a button.



At Skyworks, we are proud of our Sustainability efforts. If you are interested in more information about Skyworks' Sustainability Programs, please visit us at <a href="http://www.skyworksinc.com">http://www.skyworksinc.com</a> and click on the green leaf.



## www.skyworksinc.com

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