

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

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 include 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.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2019	December 31 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- China
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

- Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

- Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Our scope of this survey is owned manufacturing facilities. We are excluding leased manufacturing facilities, sales offices, R&D only facilities and warehouses.	These facilities that are excluded do not use or consume significant amounts of water. According to preliminary analysis, using water consumption estimations based on water use per square foot, these sites only contribute approximately 0.41% of total water usage. These activities are located in leased facilities where water usage is not billed directly to Cree, Inc.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Good quality freshwater is vital for direct use (rinsing, cooling, cutting) for our manufacturing processes. We chose "vital" because the clean room manufacturing environment requires ultra-pure water to operate without product contamination. We chose "important" for our upstream supply chain because extraction and formulation of raw materials and process chemicals rely on good quality freshwater, while the use of our products does not require water.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Have not evaluated	We chose "important" because direct operations have access to sufficient freshwater sources while also operating internal recycled water systems at our facilities which require the most water. Indirect use of recycled, brackish, and/or produced water has not been evaluated in our upstream supply chain. The use of our products does not require water.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	All site water withdrawals are measured at least monthly. Data is acquired via purchased water bills and internal meters for recycled water and rainwater harvesting. Water withdrawal is reported annually in our Sustainability Report.
Water withdrawals – volumes by source	100%	All site water consumption is measured at least monthly. Data is acquired by source: purchased water bills from "surface water", and internal meters for recycled water and rainwater harvesting. Water withdrawal is reported annually in our Sustainability Report.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Most of our water withdrawals are for manufacturing processes or cooling capacity. We clean the manufacturing process water to ultra-pure standards using internal systems that are maintained regularly, therefore producing high quality water. All water purchased from municipalities is regulated and therefore is required to be within quality limits. Other internal sources (rainwater, recycled water) are pretreated before use in order to be at or above municipal quality.
Water discharges – total volumes	100%	Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly. Water discharge values are reported annually in our Sustainability Report.
Water discharges – volumes by destination	100%	Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly. Water discharged from our facilities goes to a wastewater treatment facility. Water discharge values are reported annually in our Sustainability Report.
Water discharges – volumes by treatment method	100%	100% of our water discharges are sent to a Publicly Owned Treatment Works. Additional onsite treatment may be required at some of our locations to comply with local regulations, permits, and water quality standards. Water discharges are tracked using utility bills, water balance, and on-site flow meters where applicable. Data is collected at least monthly.
Water discharge quality – by standard effluent parameters	100%	100% of our water discharges are sent to a Publicly Owned Treatment Works. Additional onsite treatment may be required at some of our locations to comply with local regulations, permits, and water quality standards. Those regulated parameters may be measured at locations in order to ensure compliance. Our smallest owned manufacturing facility discharges an insignificant amount of process wastewater and therefore is not required by its permit to complete quantitative water quality testing.
Water discharge quality – temperature	26-50	At some of our facilities, temperature is measured as required in our permits by the local Publicly Owned Treatment Works.
Water consumption – total volume	100%	Water is consumed in our processes mostly via evaporation. For those sites without large cooling capacity, it is assumed that water purchased is equal to water discharged. Water consumption is reported annually in our Sustainability Report.
Water recycled/reused	100%	Where water recycle systems are installed, recycle volumes are tracked at least monthly. Water recycle systems are installed in our Durham, NC, USA and Huizhou, China facilities. Recycle volumes are reported annually in our Sustainability Report.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All Cree facilities provide fully-functioning, safely managed WASH services to all workers.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	1378.68	Lower	We selected "lower", because we withdrew 1522.70 megaliters in 2018, which was the value reported in our 2019 Sustainability Report. The withdrawal volume decreased in 2019 compared to our reported 2018 value because we changed the way in which we report water withdrawal and recycled water. We no longer consider recycled water as part of water withdrawals and will be changing the way we report this value in our 2020 Sustainability Report. We also divested our Lighting Products business unit operations in 2019, which were included in our Sustainability Report data for 2018. If you consider our manufacturing sites that we currently own in 2018 versus 2019 (i.e., remove Lighting Products business unit operations from 2018 data) and you consider the new way of reporting water withdrawal without recycled water, the total water withdrawal value is still lower in 2019. The value is lower because we decreased our annual water third-party purchases at our two facilities that use the most water. Our water withdrawals are expected to increase in the future because in 2019 we announced 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. We are currently exploring options for water recycle improvements to help offset the expected increase in water withdrawals as we expand.
Total discharges	892.5	Lower	We selected "lower" because we discharged 951.35 megaliters in 2018, which was the value reported in our 2019 Sustainability Report. The withdrawal volume decreased in 2019 compared to our reported 2018 value because we divested our Lighting Products business unit operations in 2019, which were included in our Sustainability Report data for 2018. If you consider our manufacturing sites that we currently own in 2018 versus 2019 (i.e., remove Lighting Products business unit operations from 2018 data), the total water discharges value is still lower in 2019. The value is lower because we decreased our annual water third-party wastewater discharges at our two facilities that use the most water. Our water discharges are expected to increase in the future because in 2019 we announced 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. We are currently exploring options for water recycle improvements to help offset the expected increase in water discharges as we expand.
Total consumption	486.18	Lower	We selected "lower" because we consumed 500.78 megaliters in 2018, which was the value reported in our 2019 Sustainability Report. The withdrawal volume decreased in 2019 compared to our reported 2018 value because we divested our Lighting Products business unit operations in 2019, which were included in our Sustainability Report data for 2018. If you consider our manufacturing sites that we currently own in 2018 versus 2019 (i.e., remove Lighting Products business unit operations from 2018 data), the total water consumption value is still lower in 2019. Our water consumption is expected to increase in the future because in 2019 we announced 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. We are currently exploring options for water recycle improvements to help offset the expected increase in water consumption as we expand.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	No	<Not Applicable>	<Not Applicable>	WRI Aqueduct	Our manufacturing locations were analyzed using the WRI Aqueduct tool. We consider areas with water stress to be those locations with the risk category "High" or "Extremely High". None of our facilities fall in basins in those categories.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	0.23	Lower	Water withdrawal from rainwater is relevant because it helps us to offset our water withdrawal amounts from third-party purchased water. Our facilities captured 0.23 megaliters of rainwater for use in 2019. Rainwater is the only source of surface water utilized at our facilities. We captured about the same volume in 2018, approximately 0.39 megaliters.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because our facilities do not utilize brackish surface water or seawater.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because our facilities did not use groundwater in 2019 or 2018.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because our facilities did not use groundwater in 2019 or 2018.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because our facilities do not utilize produced/entrained water.
Third party sources	Relevant	1378.4	Lower	Water withdrawal from third party sources is relevant because this is our main source of incoming water for our manufacturing sites. Our facilities used approximately 1600.3 megaliters of third party water in 2018, as compared to 1378.4 megaliters in 2019. Therefore, the withdrawal is lower as compared to the previous year. The withdrawal volume decreased in 2019 compared to our reported 2018 value because we divested our Lighting Products business unit operations in 2019, which were included in our Sustainability Report data for 2018. If you consider our manufacturing sites that we currently own in 2018 versus 2019 (i.e., remove Lighting Products business unit operations from 2018 data), the total third party water withdrawal value is still lower in 2019. The value is lower because we decreased our annual water third-party purchases at our two facilities that use the most water.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	This destination is not relevant because our facilities do not discharge directly to fresh surface water.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	This destination is not relevant because our facilities do not discharge to brackish surface water/seawater.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	This destination is not relevant because our facilities do not discharge directly to groundwater.
Third-party destinations	Relevant	892.5	Lower	This destination is relevant because all of our facilities discharge all waste water to the local Publicly Owned Treatment Works. In 2018 our facilities discharged 1529.9 megaliters, as compared to 892.5 megaliters in 2019. The discharge volume decreased in 2019 compared to our reported 2018 value because we divested our Lighting Products business unit operations in 2019, which were included in our Sustainability Report data for 2018. If you consider our manufacturing sites that we currently own in 2018 versus 2019 (i.e., remove Lighting Products business unit operations from 2018 data), the total third party water discharge value is still lower in 2019. The value is lower because we decreased our annual water third-party discharges at our two facilities that use the most water.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Cree engages with customers by responding to customer surveys as requested. Cree engages with any stakeholder by providing water data in our annual Sustainability Report. Transparency and direct engagement with customers helps maintain positive relationships and develop new relationships with our customers.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

0

Total value of fines

0

% of total facilities/operations associated

25

Number of fines compared to previous reporting year

Lower

Comment

We received a Notice of Violation from the Publicly Owned Treatment Works for failure to report use of one cooling tower treatment biocide. This occurred at one site. No fines were associated with this Notice of Violation. This is lower than 2018, when we received three Notice of Violations from the Publicly Owned Treatment works for similar minor permit violations.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

Up to 1 year

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

Comment

We use the WRI Aqueduct tool to assess our owned manufacturing facilities' water stress. This information is reported annually in our Sustainability Report.

Supply chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

We have not yet assessed water-related risks in our supply chain.

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

We have not yet assessed water-related risks in other stages of our value chain.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	The WRI Aqueduct tool is used to evaluate our overall water risk. Water availability at a basin/catchment level is built into its risk analysis. Water availability is relevant to our business because our facilities require water for our operations.
Water quality at a basin/catchment level	Relevant, always included	The WRI Aqueduct tool is used to evaluate our overall water risk. Water quality at a basin/catchment level is built into its risk analysis. Water quality is relevant because our facilities require a specific quality of water for our operations.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not considered	
Implications of water on your key commodities/raw materials	Relevant, not included	At this time, our risk assessment scope only includes direct operations and we have not yet assessed the implications of water on our key commodities/raw materials.
Water-related regulatory frameworks	Relevant, always included	Regulatory frameworks are relevant because Cree is committed to compliance with all regulations and permit requirements at our sites. We also maintain third-party audited ISO 14001 certifications at our facilities. Within our Environmental Management Systems for our manufacturing sites we track regulatory requirements in order to ensure we maintain compliance.
Status of ecosystems and habitats	Not considered	
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Accessibility to WASH services for all employees is relevant because it is a service that is provided to all Cree employees. We do not consider WASH services when we use the WRI Aqueduct tool but access to fully-functioning, safely managed WASH services for all employees is inherent in our culture and care for employees as embodied in our Code of Conduct.
Other contextual issues, please specify	Not considered	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, not included	At this time, our risk assessment scope only includes direct operations. We consider customers when reporting our water-related data, but do not consider them in a larger risk assessment beyond our WRI Aqueduct assessment at this time. We are transparent with our annual Sustainability data, posting it publicly on our website for any customer to see. To ensure this transparency, we provide water data in a standardized manner (per GRI 303: Water and Effluents). We also provide water use information to our customers through completion of their supplier questionnaires.
Employees	Relevant, not included	At this time, our risk assessment scope only includes direct operations. Employees are provided clean water across the company.
Investors	Relevant, not included	At this time, our risk assessment scope only includes direct operations. We consider investors when reporting our water-related data, but do not consider them in a larger risk assessment beyond WRI Aqueduct at this time. We are transparent with our annual Sustainability data, posting it publicly on our website for any investor to access. To ensure this transparency, we provide water data in a standardized manner (per GRI 303: Water and Effluents).
Local communities	Relevant, not included	At this time, our risk assessment scope only includes direct operations and we have not yet included local communities in our assessment.
NGOs	Not considered	
Other water users at a basin/catchment level	Relevant, not included	At this time, our risk assessment scope only includes direct operations and we have not yet included water users at the basin/catchment level in our assessment.
Regulators	Relevant, always included	Regulatory frameworks are relevant because Cree is committed to compliance with all regulations and permit requirements at our sites. We also maintain third-party audited ISO 14001 certifications at our facilities. Within our Environmental Management Systems for our manufacturing sites we track regulatory requirements in order to ensure we maintain compliance.
River basin management authorities	Not considered	
Statutory special interest groups at a local level	Not considered	
Suppliers	Relevant, not included	At this time, our risk assessment scope only includes direct operations and we have not yet included our suppliers in our assessment.
Water utilities at a local level	Relevant, sometimes included	Local utilities are not always included in risk assessments. We engage with water utilities at a local level as needed, typically at the planning stage for facility projects to ensure capacity and infrastructure is sufficient to support it.
Other stakeholder, please specify	Not considered	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Cree publishes an annual Sustainability report, which follows the reporting framework of GRI 303: Water and Effluents for water-related information and data. Sites are therefore analyzed according to their water footprint and regional stress. No direct action has been taken in this reporting year, because our two locations of greatest water demand have fully operational water recycle facilities and the WRI Aqueduct tool did not deem any of our sites to be in "High" or "Extremely High" water stress areas.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your 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.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	We have evaluated risk of direct operations using the WRI Aqueduct tool and our locations were not deemed to have "high" or "extremely high" water stress risk. We continue to operate internal water recycle facilities at those sites with the largest water demand. We purchase water directly from the municipality and work closely with them to communicate water demand. Because of all of the above, we identify that some risk exists, but no substantive impact is anticipated.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	Cree has not yet conducted an evaluation for water risks in its value chain. We intend to conduct said risk assessment within the next two years.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities but are unable to realize them

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Evaluation in progress	Additional water recycle capacity has been identified at one of our manufacturing facilities in Durham, North Carolina, USA. Due to the nature of the water, the recycle system will be comprised of different treatment technology than what is currently deployed within Cree, and is therefore under review for technical feasibility, cost, and potential timeline.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	Our CEO, who is also a Board Director member, is ultimately responsible for water-related issues impacting the company because he has oversight of departments within Cree, including those that manage water-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 on our website (http://investor.cree.com/board-directors).

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding corporate responsibility strategy Other, please specify (Water-related issues are reviewed as important matters arise.)	Water-related issues are reviewed as important matters arise.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Operating Officer (COO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

Our SVP of Global Operations oversees both our Facilities and Environment, Health and Safety departments. Our Facilities department assesses and manages water related risks and opportunities at all Cree facilities. Our EHS department assesses water related risks and opportunities, including Sustainability Reporting and ISO 14001 certification acquisition/Environmental Management System administration.

Name of the position(s) and/or committee(s)

Environmental health and safety manager

Responsibility

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The Global Director of Environment, Health and Safety reports to the SVP of Global Operations. This EHS Director manages all EHS operations at Cree facilities. Together with their team, they assess water related risks and opportunities, including Sustainability Reporting and ISO 14001 certification acquisition/Environmental Management System administration.

Name of the position(s) and/or committee(s)

Facilities manager

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The Global Director of Facilities reports to the SVP of Global Operations. This facilities director manages all Cree facilities. Together with their team, they assess and manage water related risks and opportunities.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	Our risk assessment method has indicated that we are not in areas of high water risk for direct operations and we have not yet evaluated our supply chain. There are still fundamental elements of water risk assessment that Cree is planning to address in the next two years before providing incentives to C-suite employees or board members.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	
Strategy for achieving long-term objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	
Financial planning	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Water-related CAPEX and OPEX fall within our overall Facilities budget and is therefore not tracked categorically at this time.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	Cree uses IRENA 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 assess our strengths, weaknesses, opportunities, and threats in the IRENA scenario for all Cree operations and our supply chain on a long-term (10 year) timeframe because the IRENA climate-scenario considers CO2 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 of Cree’s IRENA scenario analysis are included in our CDP Climate Change survey.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Our risk assessment method has indicated that we are not in areas of high water risk for direct operations and we have not yet evaluated our supply chain. There are still fundamental elements of water risk assessment that Cree is planning to address in the next two years before using an internal price of water.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Site/facility specific targets and/or goals	Targets are monitored at the corporate level	Both Cree's Durham and Huizhou sites have water recycle systems to offset municipal water purchases and reduce the consumption of water. Our water recycle rate goals were developed for the sites that are Cree's largest water users. The goals were 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 goals aim to ensure each site optimizes their water recycle systems, including ensuring better operation and maintenance of the systems to reduce down time.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water recycling/reuse

Level

Site/facility

Primary motivation

Water stewardship

Description of target

Recurring annual goal to meet 65% water recycle rate.

Quantitative metric

Other, please specify (% of water recycled)

Baseline year

2019

Start year

2019

Target year

2019

% of target achieved

100

Please explain

Our Huizhou, China facility has a recurring annual goal to meet 65% water recycle rate. They achieved their goal in 2019 with an average recycling rate of 68%.

Target reference number

Target 2

Category of target

Water recycling/reuse

Level

Site/facility

Primary motivation

Water stewardship

Description of target

Improve consistent water recycle rate to 3.7 million gallons per month for 6 consecutive months (based on 90% operational time).

Quantitative metric

Other, please specify (water recycle rate (million of gallons/month))

Baseline year

2018

Start year

2018

Target year

2021

% of target achieved

100

Please explain

Our Durham location had a goal to optimally utilize existing water recycle technology with limited down time. This goal was achieved in 2019.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

Cree_Trinity Assurance Statement_CY2019_FINAL 20200825.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals – total volume (Question W1.2b)	ISAE 3000	Cree uses an independent third party to perform a limited assurance verification of our Sustainability Report data. This year they verified our 2019 total water withdrawal values. Our third party followed their 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. The verification assertion is attached in question W9.1.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	President and CEO	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	1080000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1