APPROACH AND AUDIT PERFORMANCE DATA

Rambus

Why It Matters

Companies and their suppliers can significantly impact advancing human rights, fair labor practices, and environmental progress by working together.

Over the last few years, our industry has experienced unprecedented demand for semiconductor technology, requiring a solid supply chain. The link between resilient and responsible supply chains is clear. Consequently, stakeholder expectations for transparency and data-driven results remain a focus in 2022. Together with our supply chain and industry partners, Rambus embraces the opportunity to help drive social and environmental progress in the supply chain.

Although we adhere to the highest standards, we know the social and environmental risks in the supply chain are persistent and real. With the growing number of electronic devices used globally comes the responsibility to ensure that we are doing the right thing and conducting our business ethically.

We are committed to delivering high-quality products and helping ensure that working conditions throughout our supply chain are safe, workers' treatment is respectful and dignified, and our products' manufacturing processes are environmentally responsible.

Our Approach

As Rambus is a fabless semiconductor company, our manufacturing operations depend on a carefully selected network of suppliers. The scope of the Rambus Supply Chain Responsibility program encompasses sourcing raw materials and the manufacturing of our products by suppliers who are located in Asia and the United States.

Direct Supply Chain Spend by Category (%)
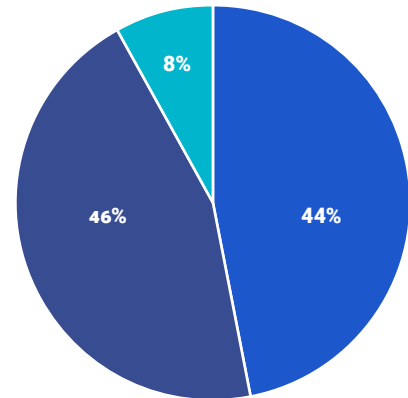
- Foundry
- Contract Manufacturing
- Other Direct

We aim to work with our manufacturing suppliers to advance supply chain resilience, respect for human rights and environmental sustainability. We take a partnership approach with our suppliers to promote continuous improvement and drive positive change across our value chain.

Our value chain starts with the design process. Our wafer foundry suppliers source raw materials and create a silicon wafer. The wafer is fabricated into chips, assembled into a package, tested and shipped as a semiconductor ready to be used by our customers. Approximately 44 percent of our supplier spend is with foundries that supply these wafers. Another 46 percent of our spend is with suppliers that provide a range of services and inputs needed to create our products. This concentration of supplier spend allows us to take a long-term approach with key suppliers, which is paramount to our success.

We share our expectations and relevant resources with our manufacturing suppliers through our regularly scheduled business reviews. Our standard contractual terms and conditions for the procurement of goods and services require conformance to applicable laws and regulations, and we reinforce our expectations regarding responsible social, ethical and environmental conduct. Training is made available to suppliers through the Responsible Business Alliance (RBA)'s e-Learning Academy. Topics cover social and environmental issues and may be assigned to suppliers based on knowledge gaps that we have identified.

Goals and 2022 Progress

VAP Audits	Capacity Building	Publicly shared Emission Reduction Goals	Renewable Energy
100% of Rambus strategic contract manufacturing suppliers will have third-party-validated VAP audits by 2025.	100% of Rambus strategic contract manufacturing suppliers will participate in capacity building activities by 2025.	100% of Rambus strategic contract manufacturing suppliers will have publicly shared emission reduction goals by 2025.	80% of Rambus strategic contract manufacturing suppliers will source renewable energy by 2025.
ON TRACK	ON TRACK	ON TRACK	ON TRACK

Aligning with Industry Standards

We hold ourselves to high ethical standards and expect our suppliers to do the same. Rambus is a regular member of the Responsible Business Alliance (RBA). In addition, we collaborate with other industry groups, peers, suppliers and other stakeholders to make supply chains across the industry ethical and sustainable.

Rambus has adopted a Vendor/Supplier Code of Conduct that is based on the RBA Code of Conduct. The RBA Code is aligned with international norms and standards including the Universal Declaration of Human Rights, ILO International Labour Standards and the OECD Guidelines for Multinational Enterprises. It outlines our standards for labor, health and safety, environment, ethics and management systems. The Rambus Code of Business Conduct and Ethics outlines our expectations for our ethical conduct and these standards extend to our business partners. We further expect that each supplier will, in turn, communicate to their suppliers the same expectations and implement reasonable mechanisms to monitor compliance.

Risk Assessment

At Rambus, we take a risk-based approach to managing our supply chain. We utilize third-party risk analytics to conduct a supply chain risk analysis. Through our annual analysis, we gain deeper insights into inherent geographical risks related to labor, health and safety, environment, business ethics and management systems. We use the results of the analysis to assign risk assessment tools and prioritize suppliers within our audit program.

In 2022, 99 percent of our foundry and contract manufacturing suppliers submitted the RBA supplier self-assessment questionnaire (SAQ), which yields a risk level rating. We use this SAQ score as an additional input to assign a risk level rating to each supplier. We are pleased to share that all of our suppliers received a Low Risk Rating in 2022.

Third-Party VAP Audits

● VAP Audit
● No VAP Audit

11%

89%

Supplier Audits

Based on the results of the risk assessment, Rambus decides which tool will be most effective to evaluate each supplier. For example, we may require an RBA Validated Assessment Program (VAP) onsite audit to learn more about a supplier's practices. Suppliers identified as presenting a high risk of forced labor may be required to submit a specialized assessment designed to identify the risk of forced labor at the employment site.
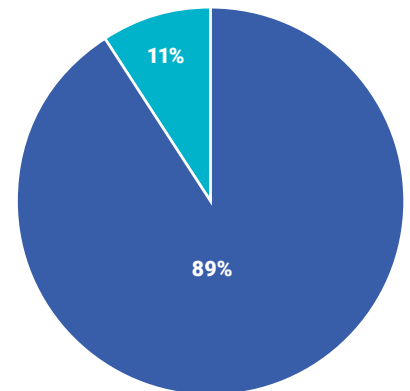
In 2022, audits took place across Greater China, South Korea, and the United States. The average initial RBA VAP audit score for Rambus suppliers in 2022 outperformed the overall RBA average over the same period demonstrating their high standards.

Remediation

We track audit findings, including non-conformances, from the release of the audit report through the auditor's closure report. If warranted, suppliers are required to create a Corrective Action Plan (CAP) and submit it to Rambus per the deadlines and requirements informed by the RBA VAP Protocol, including onsite third-party closure audits. If priority non-conformances are found, the process is for Rambus to contact the supplier and request details on the actions the site is implementing to immediately address the non-conformance prior to creating the longer-term corrective action plan. Depending on the severity of the issue, discussions may be elevated for a more in-depth conversation between company executives. Regardless, if a supplier is not following the RBA corrective action plan closure timeline, Rambus executives will be informed for appropriate action.

Accountability

We use supplier scorecards to hold suppliers accountable for their performance against Rambus supply chain responsibility expectations. Rambus employees from the Procurement and Corporate Responsibility teams participate in supplier business reviews which include a discussion on the scorecard. Performance metrics include:

- Social and environmental commitment and management

- RBA audit performance

- Timely closure of non-conformances, if any

- Environmental management and performance

Respecting Human Rights

At Rambus, we respect human rights throughout our company, operations and supply chain. We work to uphold the relevant fundamental rights and freedoms of all people across the business, aligned with the United Nations Universal Declaration of Human Rights (UDHR), the International Labour Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. We have updated our Human Rights Policy to reflect our commitment to the UNGPs. This policy extends to our supply chain and the Rambus Vendor Code of Conduct further incorporates human rights requirements expressed in international norms and standards.

Assessing Impact and Opportunities

The Rambus Corporate Responsibility and Procurement teams are responsible for establishing and coordinating the policies, programs and processes governing our approach to human rights. Our efforts to identify human rights risks and impacts, if they occur, include a thoughtful selection of Rambus suppliers and due diligence within our supply chain. Through assessments of manufacturing suppliers, we have identified working hours and health and safety as salient human rights risks.

Unfortunately, in the electronics supply chain, some workers are at risk of conditions that contribute to forced labor including recruitment fees, unethical recruitment practices and a lack of transparency about their actual working conditions. Migrants and other vulnerable workers are particularly at risk. We require suppliers to commit to freely chosen employment and monitor risks that could lead to forced labor conditions. Our Vendor Code of Conduct includes a standard on freely chosen labor, including prohibiting workers from paying recruitment fees. Supply chain due diligence is an ongoing process. We continuously work toward preventing, detecting and remediating forced labor, if found in our supply chain.

Responsible Minerals Sourcing

We work with our suppliers and our industry through the Responsible Mineral Initiative (RMI) to ensure the responsible sourcing of raw minerals, focusing on those from conflict-affected and high-risk areas. The RMI is a central actor that helps members advance responsible mineral sourcing by promoting common tools, assessments and training for the electronics industry and beyond. We encourage our suppliers to utilize RMI tools and best practices to ensure industry alignment across the value chain.

We are committed to the responsible sourcing of minerals used in our products. Tin, tantalum, tungsten and gold (3TG), defined as conflict minerals under law, are used in consumer goods and are integral to electronic products. The mining, sale and use of minerals from conflict-affected and high-risk areas, including the Democratic Republic of the Congo and adjoining countries, have been associated with negative social and environmental impacts.

Rambus' efforts to break the link between the minerals trade and conflict in the Democratic Republic of the Congo began in 2008. Through industry initiatives and collaboration with our supply chain, we support the responsible sourcing of minerals from Conflict-Affected and High-Risk Areas. Our view and insight into the minerals supply chain have developed beyond 3TG to include cobalt and mica. As we learn more about potential social and environmental impacts, we continue to assess our supply chain and prioritized minerals for additional due diligence.

Health and Safety for Workers

We value the health and safety of workers in our supply chain. We utilize RBA audits to identify health and safety code violations, which most often relate to emergency preparedness.

Environmental Sustainability

We are steadfast in our commitment to environmental sustainability, and that includes working with our manufacturing suppliers to evaluate and continuously improve performance. Given the amount of energy and water needed in the wafer fabricating process, silicon wafer manufacturing represents the bulk of our environmental footprint in our supply chain. We have set 2025 performance metrics for our wafer foundry suppliers, and track progress each quarter. In addition, we track water use, energy use, greenhouse gas emissions and waste across 89 percent (by spend) of our manufacturing suppliers.

Environmetal Declaration of Compliance

We are committed to a clean environment and the health and safety of our communities. We make the following efforts to ensure that our products do not contain the chemical substances listed in the various global regulations and directives.

As a 100 percent fabless semiconductor company, we rely on our suppliers who manufacture our products to disclose any presence of these regulated chemical substances and ensure if present they do not exceed restricted thresholds. We have not tested products to verify the statements made by suppliers.

Global Regulations, Directives and Restrictions:

- EU Regulation 1907/2006 (REACH): Registration, Evaluation and Authorization of Chemical Substances

- EU Directive 2011/65/EU (RoHS): Restriction of Hazardous Substances in Electrical and Electronic Equipment

- Stockholm Convention on Persistent Organic Pollutants (United Nations), including perfluorooctanoic acid (PFOS)

- JS709B: Definition of "low halogen" for electronic products

- IEC 61249-2-21: Reinforced base materials, clad and unclad – Non-halogenated epoxide woven e-glass-reinforced laminated sheets of defined flammability (vertical burning test), copper clad

- California Proposition 65: Safe Drinking Water and Toxic Enforcement Act of 1986

- US EPA Toxic Substances Control Act (TSCA): Requirements under section 6(a) of the Toxic Substances Control Act, 15 U.S.C. 2605(a), regulating the manufacture (including import), processing, distribution in commerce, use, or disposal of certain chemical substances and mixtures.

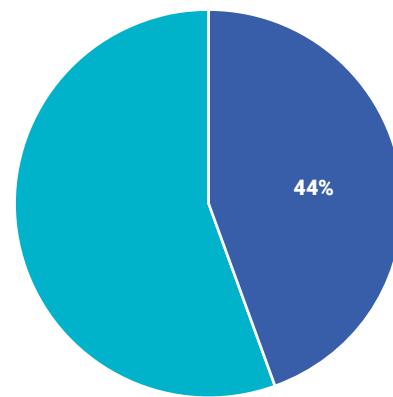# Supplier ISO Certification

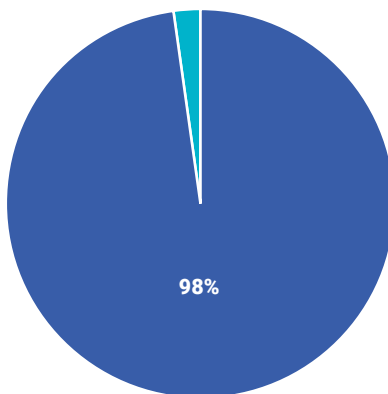*(By percent of direct spend)*

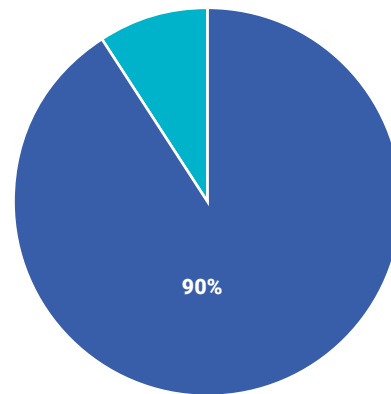### ISO 9001 Certified

96%
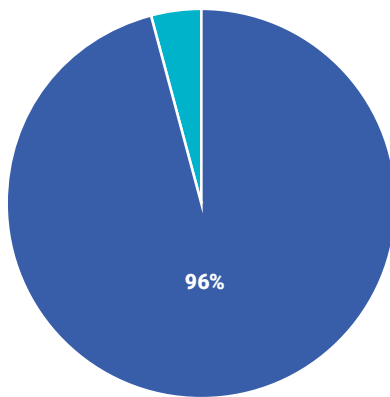
● ISO 9001 ● Not

ISO 50001 Certified

44%

● ISO 50001 ● Not

ISO 140001 Certified

98%

● ISO 140001 ● Not

ISO 450001 Certified

90%

● ISO 450001 ● Not

2022 Supplier Audit Results

NON-CONFORMANCE BY TYPE

	PRIORITY	MAJOR	MINOR	TOTAL	PERCENTAGE
LABOR				**3**	**30%**
Freely chosen employment	0	0	0	0	
Young workers	0	0	0	0	
Working hours	0	2	0	2	
Wages and benefits	0	0	0	0	
Humane treatment	0	0	0	0	
Non-discrimination	0	0	1	1	
Freedom of association	0	0	0	0	
HEALTH AND SAFETY				**4**	**40%**
Occupational safety	0	0	0	0	
Emergency preparedness	0	1	2	3	
Occupational injury and illness	0	0	0	0	
Industrial hygiene	0	0	0	0	
Physically demanding work	0	0	0	0	
Machine safeguarding	0	0	0	0	
Food, sanitation and housing	0	1	0	1	
Health and safety communication	0	0	0	0	
ENVIRONMENT				**2**	**20%**
Environmental permits and reporting	0	0	0	0	
Pollution prevention and resource reduction	0	0	1	0	
Hazardous substances	0	0	0	1	
Solid waste	0	0	0	0	
Air emissions	0	0	0	0	
Materials restrictions	0	0	0	0	
Water management	0	0	1	1	
Energy consumption and greenhouse gas emissions	0	0	0	0	

	PRIORITY	MAJOR	MINOR	TOTAL	PERCENTAGE
ETHICS				**0**	**0%**
Business integrity	0	0	0	0	
No improper advantage	0	0	0	0	
Disclosure of information	0	0	0	0	
Intellectual property	0	0	0	0	
Fair business, advertising and competition	0	0	0	1	
Protection of identity and non-retaliation	0	0	0	0	
Responsible sourcing of minerals	0	0	0	0	
Privacy	0	0	0	0	
MANAGEMENT SYSTEM				**1**	**10%**
Company commitment	0	0	0	0	
Management accountability and responsibility	0	0	0	0	
Legal and customer requirements	0	0	0	0	
Risk assessment and risk management	0	0	0	0	
Improvement objectives	0	0	0	0	
Training	0	0	0	0	
Communication	0	0	0	0	
Worker feedback and participation	0	0	0	0	
Audits and assessments	0	0	0	0	
Corrective action process	0	0	0	0	
Documentation and records	0	0	0	0	
Supplier responsibility	0	0	1	1	
TOTAL				**10**	**100%**

NON-CONFORMANCE BY REGION

LOCATION/ CATEGORY	LABOR	HEALTH & SAFETY	ENVIRONMENT	ETHICS	MANAGEMENT SYSTEMS	TOTAL
Greater China	2	1	1	0	1	5
Japan	0	0	0	0	0	0
South Korea	1	3	1	0	0	5
United States	0	0	0	0	0	0