



# Resiliency and Responsibility

## 2023 ESG Report

12-month period ending December 31, 2023  
Publication date: September, 2024

# Cover Image Credit

Photos throughout this report were submitted by Analog Devices' employees from across the globe. Our cover credit goes to **Ameya M.**, a design verification engineer at ADI's headquarters in Wilmington, Massachusetts. Ameya joined ADI in 2015 after completing his master's in electrical and computer engineering from Northeastern University. He enjoys photographing landscapes and wildlife, including the incredible sunrise featured on this cover.

The photo was taken from the summit of Cadillac Mountain in Maine's Acadia National Park at the conclusion of an early morning hike with his wife and friends. Cadillac Mountain is the highest point on the eastern seaboard and said to be the first place sunrise appears on the U.S. mainland.

## Forward Looking Statements

This report contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "momentum," "seeks," "estimates," "continues," "potential," "endeavors," "strives," "may," "could," and "will," and variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to our environmental and diversity, equity, and inclusion goals and commitments, including those related to Net Zero, carbon neutrality, renewable energy usage, greenhouse gas emissions, water withdrawal, waste diversion, and diversity; our strategy; our anticipated growth and trends in our industry, markets, and businesses; new or improved innovative solutions, products, and technologies, including those related to the Intelligent Edge; future investments in research and development; our hybrid manufacturing strategy; the effects of business, economic, political, legal, and regulatory impacts or conflicts upon our global operations; recruiting or retaining our key personnel; our future market position, expected competitive changes in the marketplace, and demand and supply for our products; the importance of our product offerings and technologies to our customers; and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, which could cause actual results to differ materially from those described in the forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: economic, political, legal and regulatory uncertainty or conflicts; changes in demand for semiconductor products; manufacturing delays, product and raw materials availability and supply chain disruptions; products that may be diverted from our authorized distribution channels; changes in export classifications, import and export regulations or duties and tariffs; our development of technologies and research and development investments; our future liquidity, capital needs and capital expenditures; our ability to compete successfully in the markets in which we operate; our ability to recruit and retain key personnel; risks related to acquisitions or other strategic transactions; security breaches or other cyber incidents; adverse results in litigation matters; reputational damage; and uncertainty as to the long-term value of our common stock. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in our most recent Annual Report on Form 10-K. We undertake no obligation to revise or update any forward-looking statements, including to reflect events or circumstances occurring after the date of this report, except to the extent required by law.

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This report has been prepared in consideration of all readers and is compatible with assistive technology.

# Message from Our CEO and Chair of the Board

The title of our ESG report this year – *Resiliency and Responsibility* – reflects two principles that have guided and enabled ADI's remarkable success for nearly 60 years. Resilience across our manufacturing strategy and business model has enabled us to grow through the ups and downs of many business cycles. Responsibility refers to our experience and firm belief that sustainable growth is only possible when that growth benefits all stakeholders – employees, customers, partners, communities, and investors. These principles aren't just ESG principles. They are core business principles and guideposts on the path to ADI's continued growth for decades to come.

Businesses today face many of the same challenges that humanity faces – climate change, geopolitical conflict, injustice and inequity, and more. These challenges create business risks in the form of market disruption and operational inefficiency, but they also create opportunities for ADI to leverage technology, smart business practices, and the dynamic energy of our tremendous team of employees around the world to drive growth as we pursue our mission of delivering breakthroughs that improve the human condition and world around us.

Over the past few years, ADI has invested billions of dollars to operationalize our hybrid manufacturing strategy with the goal of more effectively and efficiently meeting our customers' evolving supply needs while simultaneously accelerating the achievement of our environmental goals. For example, our supply resiliency investments have enabled us to set a bold new target to achieve a 75% reduction in the Scope 1 emissions from our fabs by 2026. We are on track to achieve our 2025 goal of powering our manufacturing facilities through 100% renewable energy, which we expect will reduce our Scope 2 emissions by more than 90%. Water is critical to semiconductor manufacturing, but also a precious resource to be conserved. In 2023, ADI's water usage intensity normalized to revenue has decreased by 33%

from 2019 and by 7% from 2022. These investments in sustainability are creating additional competitive advantage for ADI as our efforts help our customers meet their own climate change goals and commitments.

Our environmental focus extends far beyond operations, however. Our products are helping the world achieve its Net Zero goals by enabling the transition from GHG-generating technologies and improving the energy efficiency of our customers' offerings. ADI maps approximately 30% of our revenue to products supporting sustainable end-use cases. For example, our wireless Battery Management Systems (BMS) are driving tremendous growth globally as OEMs seek greater battery range, manufacturing automation, and the potential for second-life viability for their battery packs. Our Energy Management Systems are enabling the digital grid of the future by giving electricity providers the ability to commercially leverage energy from decentralized and renewable energy sources, monitor every node from electricity creation to storage to usage, and better manage increasingly dynamic energy demand. As the world transitions to a low-carbon economy and as companies and consumers seek to live and operate more efficiently, we believe our impact will continue to grow.

“Knowing the vastness of the horizon of possibility ahead of us, we press on eagerly to help ensure ADI's resiliency and responsible growth for decades to come.”

**Vincent Roche**  
CEO and Chair





Gianluca M., Milano, IT

We also stay committed to improving the human condition as core to our business. We take our obligation to operate as a responsible corporate citizen around the globe seriously. We work closely with governments, NGOs, and our partners around the world to protect human rights and fair work practices for individuals in our supply chain and in the communities in which we operate. We work to mitigate the illegal diversion of our products to conflict regions and to applications and uses for which they were not intended. Across our organization, we have built a work environment that respects the individual and encourages employees to bring their full selves to their jobs. We benefit significantly from the greater levels of creativity, productivity, and retention that our diversity, equity, and inclusion focus generates.

Our commitment to improving the human condition is also a significant growth driver for ADI. Within healthcare, our remote patient monitoring solutions are enabling greater patient comfort and access to care by offering

clinical-grade capabilities in the home and other non-clinical settings. In early 2024, our Sensinel platform received FDA approval. ADI's goal is that the Sensinel ecosystem of products and services, beginning with the Sensinel platform's cutting-edge wireless cardiopulmonary measurement technology, will enable clinicians to deliver more informed and cost-efficient home-based management of chronic diseases. Within automotive, our sensors, connectivity solutions, and control units are fusing sensor inputs to create a comprehensive view of driving conditions and further enhance the safety of today's and tomorrow's cars and trucks. Within industrial, our automation solutions are enabling humans and robots to work collaboratively, but increasingly autonomously, on hybrid factory floors.

In short, ADI is leveraging technology and our global team's ingenuity to solve the world's most intractable problems while doing so with an eye toward the sustainability that maximizes the impact of our investments and efforts.

Our work at the Intelligent Edge, providing the data and information necessary to make and execute decisions in the world outside of data centers, is expanding our knowledge of the world and ability to influence it for the better. And we're just getting started. Artificial Intelligence (AI) is expected to dramatically enhance the intelligence of the Intelligent Edge. Today, 95% of AI workloads are centralized in data centers, but by 2028, it is predicted that fully 50% of AI work will occur on the edge of networks. ADI is working to enable the AI revolution from sensor-to-cloud.

AI is not a panacea, though, and there are a number of hurdles to be overcome including AI's immense power demands and the potential of irresponsible AI usage. ADI is working to address these issues with our customers and partners around the world to help ensure that AI delivers the greatest possible good for humanity and the world around us.

In closing, we take pride in our ESG progress, but we are never satisfied. Knowing the vastness of the horizon of possibility ahead of us, we press on eagerly to help ensure ADI's resiliency and responsible growth for decades to come. Fortunately, we are not alone on this journey. We continued to focus on Board of Directors refreshment this year, welcoming two new independent directors during 2023, and I am pleased by how actively our Board is engaged in the opportunities ADI is pursuing. Our employees bring tremendous passion, talent, and creativity to solving the world's challenges every day. Our customers and partners work collaboratively with us to map out and co-develop the solutions to those challenges. And our investors continue to strongly support our mission to improve the human condition and health of the planet. Together, there is no challenge we can't solve.

**Vincent Roche**  
 CEO and Chair



# About ADI

We create technology that accelerates human breakthroughs that enrich lives and the world.

## IN THIS SECTION:

- 7 Who We Are
- 13 Our Approach to Governance and Oversight

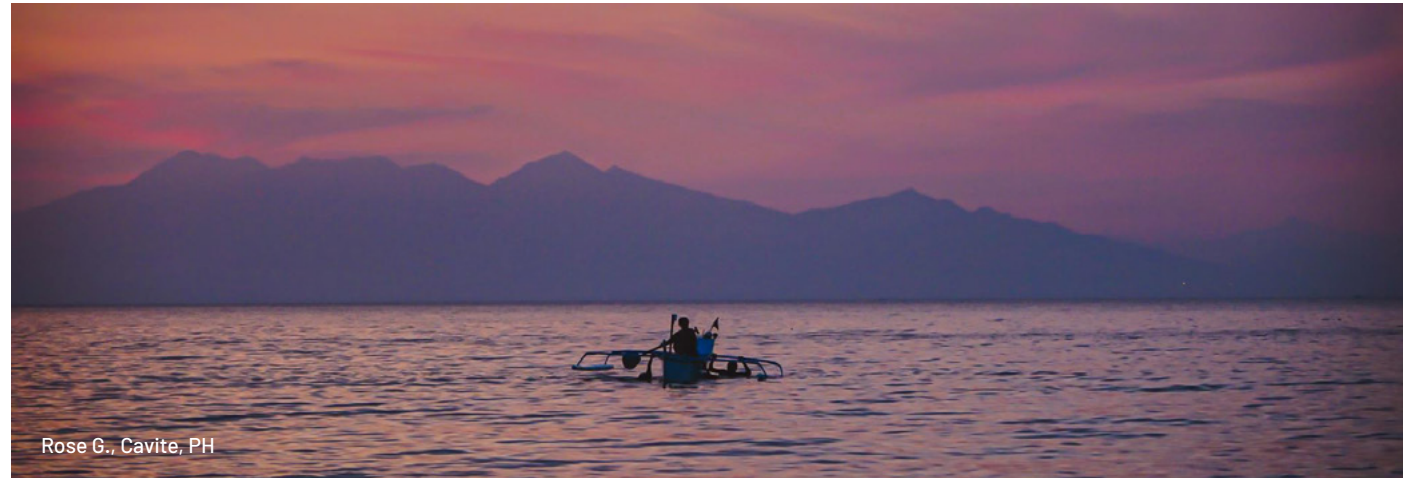
# Who We Are

ADI leverages analog, digital, and software technologies to deliver transformative solutions across various sectors, accelerating advancements in digitized factories, mobility, and digital healthcare. As a values-driven destination for the brightest minds, we're home to a diverse array of insatiably curious and technologically savvy people who "engineer good" for our planet and society.

## What We Do

A pioneer for nearly 60 years, we bridge the physical and digital worlds and bring intelligence to the Edge where our solutions help customers transform raw data into actionable insights to make connected devices smarter and more responsive. And, by harnessing the power of AI and machine learning at the Edge, we strive to significantly reduce complexity while increasing impact and innovation for our 125,000 global customers.

Whatever breakthroughs are next, ADI will be there to keep you ahead of what's possible.



**Transforming  
digital  
healthcare**  
for better  
access and  
outcomes

**Unlocking  
human  
potential**  
by safely  
automating  
factories and  
transportation

**Combating  
climate change**  
through  
electrification,  
energy  
management,  
and industrial  
automation

**Connecting  
humanity**  
to foster  
knowledge,  
understanding,  
and community

# ADI End Markets

## 53% Industrial

- Factory Automation
- Sustainable Energy Instrumentation and Test
- Digital Healthcare
- Aerospace and Defense



Fiscal Year 2023 Performance Highlights

## 10% Consumer

- Prosumer
- Hearable and Wearable Devices
- High-End Portable Electronics

## 13% Communications

- Advanced Connectivity
- High-Performance Computing

## 24% Automotive

- Electrification
- In-Cabin Experience
- Autonomous Mobility

## Fiscal Year 2023 Performance Highlights

<p><b>\$12.3B</b> Revenue</p>	<p><b>64.0%</b> Gross Margins</p>	<p><b>48.9%</b> Adjusted Operating Margins<sup>1</sup></p>	<p><b>\$6.55</b> Diluted Earnings per Share</p>	<p><b>\$4.8B</b> Operating Cash Flow</p>
<p><b>~90%</b> Business-to-Business Revenue</p>	<p><b>72.5%</b> Adjusted Gross Margins<sup>1</sup></p>		<p><b>\$10.09</b> Adjusted Diluted Earnings per Share<sup>1</sup></p>	<p><b>\$3.6B</b> Free Cash Flow<sup>1</sup></p>

<sup>1</sup> See [here](#) for additional information regarding non-GAAP financial measures and reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

# Our Global Footprint

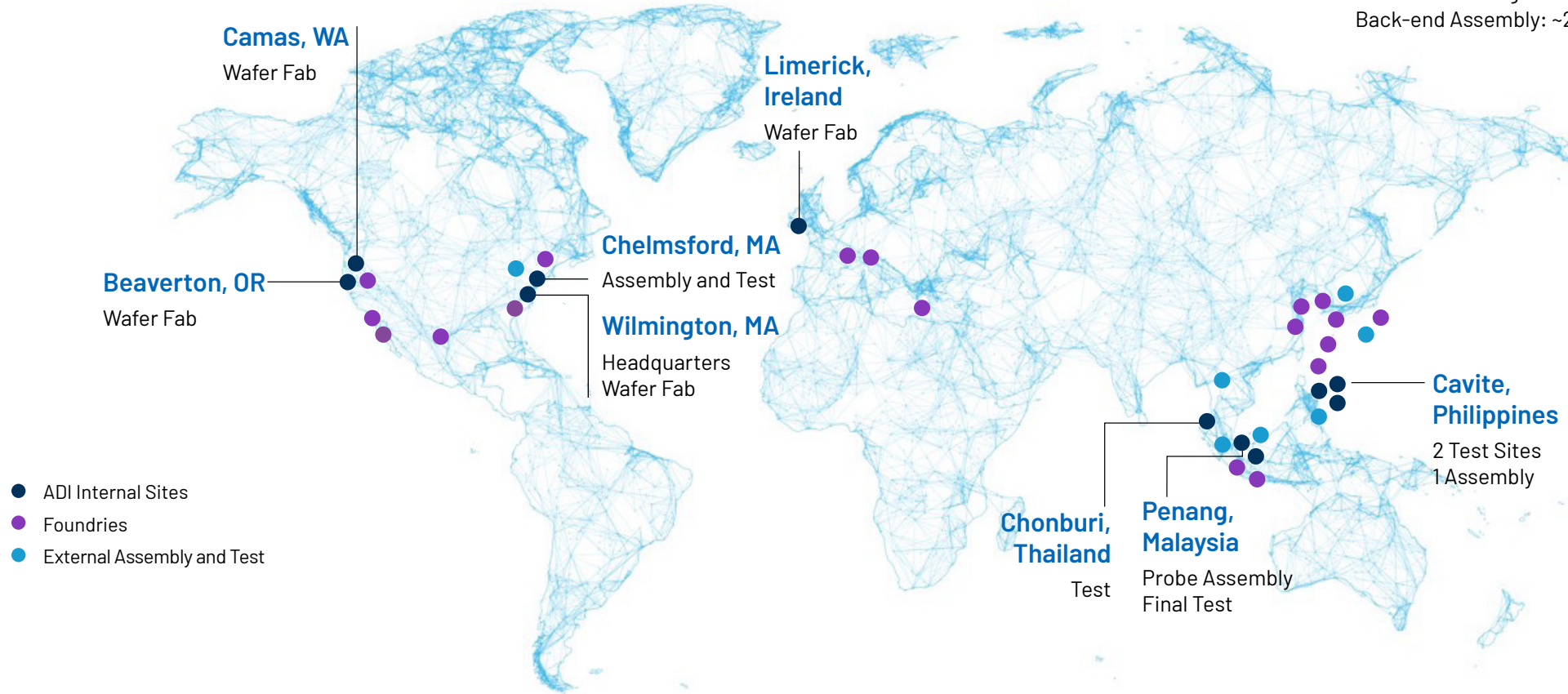
ADI's extensive hybrid manufacturing and supply chain network

### INTERNAL MANUFACTURING MIX

Front-end: ~50%

Back-end Testing: ~80%

Back-end Assembly: ~20%



## Company Snapshot<sup>1</sup>

### ADI at a Glance

<p><b>FOUNDED</b> <b>1965</b></p> <p><b>HEADQUARTERS</b> <b>Wilmington, MA</b></p>	<p><b>EMPLOYEES</b> <b>~26,000</b></p> <p><b>CUSTOMERS</b> <b>125,000+</b></p>	<p><b>GLOBAL MANUFACTURING</b> United States (Massachusetts, Oregon, Washington)   Ireland   Philippines   Malaysia   Thailand</p> <p><b>OFFICE LOCATIONS</b> <b>31</b> countries</p> <p>Worldwide sales, field applications, product development, design, service, and technical support</p>	<p><b>PRODUCTS</b> <b>~75,000+</b> SKUs</p> <p><b>ADI DESIGN CENTERS</b> <b>~80</b></p>	<p><b>PUBLICLY LISTED (NASDAQ)</b></p>
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<sup>1</sup> As of October 28, 2023

# Our Resiliency and Responsibility

## Resiliency

Our customer-centric manufacturing organization delivers world-class, quality products. We help our customers solve their most challenging technology problems. ADI's hybrid manufacturing strategy is foundational for our overall resiliency strategy. Based on a strong network of wafer fabrication plants, foundries, and assembly and test factories that are owned by ADI or our trusted partners, this manufacturing network helps to insulate ADI from external factors while providing the means to increase output and scale rapidly to meet customer needs.

With resilient hybrid manufacturing, ADI runs our legacy and new process technologies in both our internal and partner fabrication plants. Our ability to cross-qualify technologies quickly in factories across our supply chain helps us to allocate customer demand over multiple locations, delivering a broad array of technology and packaging necessary to create innovative solutions from 7 nanometers to 7 microns. This strategic play is designed to enable ADI to flex among factories to meet customer demand and help address potential disruptions. The critical pieces to a resilient hybrid manufacturing model are our trusted partners with whom we share technology and our ability to utilize their established infrastructure. This results in quick time to production for our customers to meet their business goals and helps to avoid or reduce unplanned downtime due to weather, geopolitical, or other external issues beyond our control. ADI's resilient hybrid manufacturing model enables us to deliver for our customers and provide shareholder value.

As part of this resiliency strategy, we are expanding ADI's fabrication plant capacity, internally and externally, with internal investments to support our target to double the wafer production output in the U.S. and Europe by the end of 2025:

- In Beaverton, Oregon, we are increasing our cleanroom by 25,000 square feet to double capacity and support more products.
- In Limerick, Ireland, we are expanding our footprint by 15,000 square feet to triple capacity.
- In Camas, Washington, we are investing to double our capacity.

ADI is leveraging these expansions to make progress against our stated climate, water, and waste goals. We are modernizing our factories with new, state-of-the-art fabrication tools that will increase efficiencies and use chemistries that are more environmentally friendly. We are also leveraging sensing technology to optimize our water consumption and enable more precise water-recycling efforts. ADI recognizes that managing our resource consumption and reducing our emission profile is a critical part of our resiliency strategy. These efforts are enabled through significant investments in equipment and our operations, and through the innovation, excitement, and commitment of our own engineering teams, who seek to make ADI's operations best in class.

ADI performs most test operations in our own factories in the Philippines, Malaysia, and Thailand, and outsources most assembly to trusted partners. To add resilience to our large operations in the Philippines, we are expanding our test facilities in Thailand as well as implementing a multi-year campus expansion in the Philippines to add office space for expected additional engineering and other capabilities. Additionally, we are cross-qualifying our test

processes both across our internal sites as well as with our external partners to ensure dual sourcing where needed.

## Responsibility

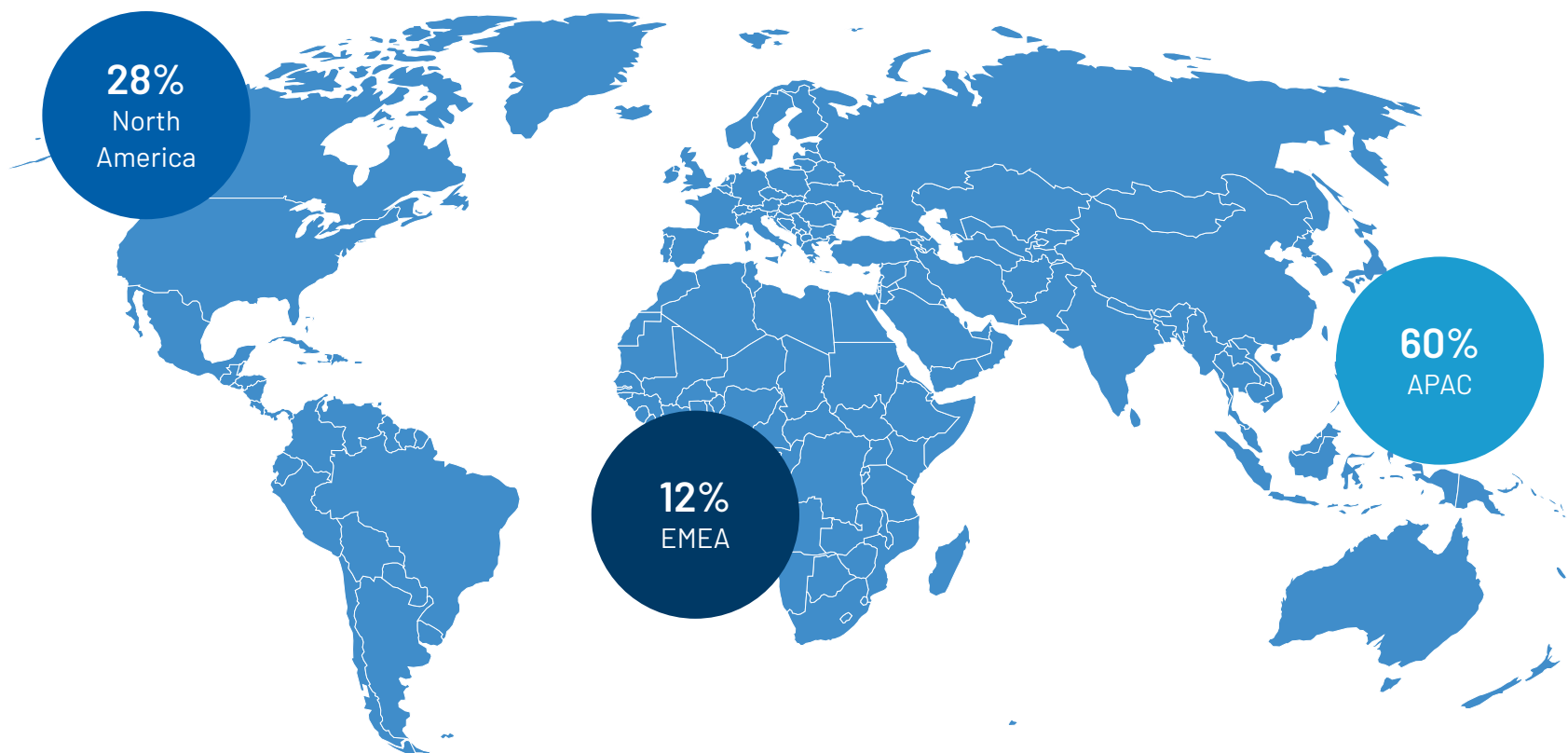
ADI takes to heart our responsibility to be a positive force for good in the world. Our employees, customers, shareholders, and communities expect it – and it continues to be a differentiator in our engagements.

Our ESG commitments are embedded in our strategy, including operating to our strong ethical standards across the globe, continuously improving our programs and disclosures for our stakeholders, and driving a world-class culture to attract and retain smart, diverse, and innovative talent.

ADI's overall ESG strategy is guided by a team of experts from within the CEO's Strategy Office. This team provides oversight for our programs, working across the organization to ensure alignment, and driving change where needed. This team also leads our ESG disclosures, shareholder and customer engagements, and monitors changes in reporting and regulatory requirements as well as the impact of these requirements on ADI's operations and strategy. ADI has an operationalized model for ESG deployment, with significant leadership engagement and dedicated subject-matter experts driving their programs across the globe. Transparency, accountability, and a culture focused on continuous improvement are foundational for success. Our central ESG team meets with subject matter experts at least quarterly to discuss regulatory advancements, program challenges and successes, and share stakeholder feedback for improvement. This operationalized model helps drive accountability within the functions where the work happens.

# Workforce Data Snapshot as of End of Fiscal Year 2023

## Employees by Geography



### GLOBAL LEADERSHIP BY GENDER (%)

	Women	Men	Nonbinary
People Managers	25.1%	74.9%	0.0%
Senior Directors+	16.9%	83.1%	0.0%
Engineering	21.8%	78.1%	0.0%

### NEW HIRES

Global	New Hires	U.S.	New Hires
Women	29.5%	Asian	33.5%
Men	70.1%	Black	3.1%
Nonbinary	0.3%	White	43.8%
Unknown	0.1%	Hispanic/Latinx	7.6%

### RACE AND ETHNICITY IN U.S. (%)

Race and Ethnicity	Overall
Asian	33.6%
Black	2.1%
White	52.0%
Hispanic/Latinx	4.9%
Other Races	4.8%
Unknown	5.1%

## Awards and Recognition

### 2024 Carbon Clean200®

The Clean200 lists the 200 major corporate players, from 35 countries around the world, that are at the forefront of “The Great Energy Transition.” These are the companies that are leading the way by putting sustainability at the heart of their products, services, business models, and investments, helping to move the world onto a more sustainable trajectory.

### 2023 Rankings of America’s Most JUST Companies by JUST Capital and CNBC

ADI is part of the JUST 100 list created by the nonprofit JUST Capital, which ranks America’s publicly traded companies on issues that define “just” business behavior.

### Business Intelligence Group’s Sustainability Leadership Award 2023

Awarded to companies that have made sustainability an integral part of their business practice.

### The Wall Street Journal’s 250 Best-Managed Companies of 2023

The Management Top 250 ranking, developed by the Drucker Institute, measures corporate management effectiveness by examining performance in five areas: customer satisfaction, employee engagement and development, innovation, social responsibility, and financial strength. Find out more [here](#).

### World’s Top Female-Friendly Companies 2022 by Forbes

Named by *Forbes* to its list of companies excelling in championing women at work.

### America’s Climate Leaders 2023 by USA TODAY

America’s Climate Leaders by USA TODAY, developed by market research firm Statista, is a data-driven recognition of companies that cut their carbon footprint in recent years. Award criteria includes emission intensity, annualized reductions in emission intensity, and carbon disclosure rating.

### Corporate Equality Index 2023–2024

As the national benchmarking tool measuring policies, practices, and benefits pertinent to lesbian, gay, bisexual, transgender, and queer (LGBTQ+) employees, the Human Rights Campaign Foundation’s Corporate Equality Index is a primary driving force for LGBTQ+ workplace inclusion.

### Boston Business Journal’s Largest Corporate Charitable Contributors in Massachusetts

Annually, the *Boston Business Journal* ranks the most charitable companies across Massachusetts. The list includes companies that paid out at least \$100,000 to Massachusetts-based charitable organizations in fiscal 2022. Data provided may, in many cases, be a combined amount for the company and its charitable-giving organization.

## Membership Organizations



United Nations  
Global Compact

United Nations  
Global Compact



Sustainable  
Development Goals



CDP



Business Ambition  
for 1.5° C



Silver 2023 EcoVadis  
Sustainability Rating



WEF Alliance of CEO  
Climate Leaders



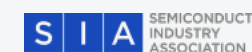
Semiconductor  
Climate Consortium



Responsible  
Business Alliance



Semiconductor  
PFAS Consortium



Semiconductor  
Industry Association

# Our Approach to Governance and Oversight

## Governance Highlights

ADI's Board of Directors is responsible for representing our shareholders' interests by, among other things, overseeing ADI's strategy, guiding and supporting management as they execute on ADI's strategy, monitoring performance, and adopting governance practices appropriate for ADI and aligned with ADI's strategy.

Among other duties, the Board appoints ADI's CEO and other executive officers, delegates responsibilities to them for the management of ADI operations, and reviews their performance. We have long believed that good corporate governance is important to ensuring that ADI is managed for the long-term benefit of our stakeholders. We periodically review our corporate governance policies and practices and compare them against those suggested by various authorities in corporate governance and the practices of other public companies. Based on this review and analysis, we have adopted policies and procedures that we believe are in the best interests of ADI and our stakeholders.

For additional information on our approach to governance practices, see our [2024 Proxy Statement](#).

### GOVERNANCE POLICIES AND REPORTS

[Corporate Governance Guidelines](#)

[Code of Business Conduct and Ethics](#)

Additional Governance Documents are available on the Corporate Governance section of our Investor Relations website, available [here](#).

### Governance highlights<sup>1</sup> include:

#### Effective Board Leadership, Independent Oversight, and Strong Corporate Governance

Majority of directors are

#### Independent

Average tenure of independent directors is approximately

#### 4.9 years

#### Regular executive sessions

of independent directors

#### Clawback policy

for CEO and other officers

#### Active engagement

by our Board of Directors in overseeing talent and long-term succession planning for executives

#### Shareholder Rights and Accountability

#### Annual election

of directors

#### Majority voting

for directors in uncontested director elections

#### Proxy access

bylaw

Annual Board of Directors and committee

#### Self-evaluations

#### No dual class of stock

or controlling shareholder

<sup>1</sup> As of January 19, 2024

## Board Oversight

The Board of Directors reviews our overall performance, and its primary responsibility is to oversee the management of ADI and, in doing so, serve the best interests of ADI and its shareholders. Our Board of Directors reviews corporate objectives and strategies and evaluates and approves significant policies and proposed major commitments of corporate resources. It oversees ADI's risk management programs and participates in decisions that have a potential major economic impact on ADI. Management keeps the directors informed through regular written reports and presentations at Board of Directors and committee meetings. Additionally, the Board of Directors is responsible for CEO succession planning, nominating individuals to serve as directors of ADI, and appointing individuals to fill any vacancies on the Board of Directors.

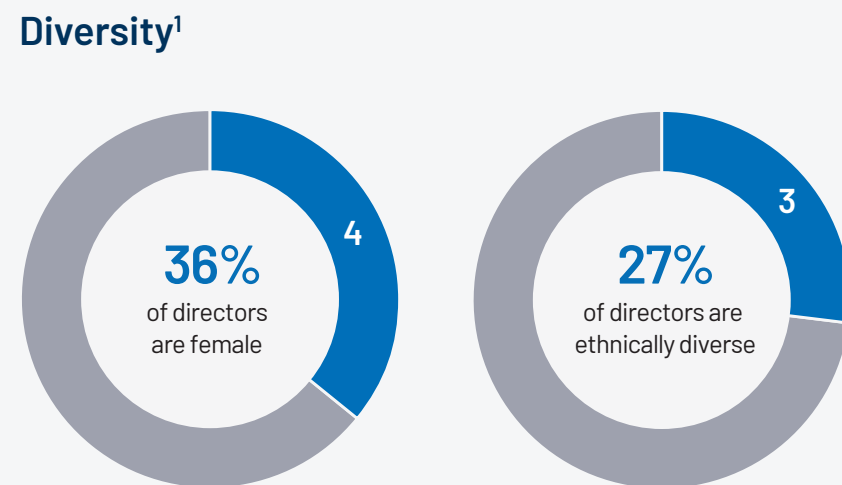
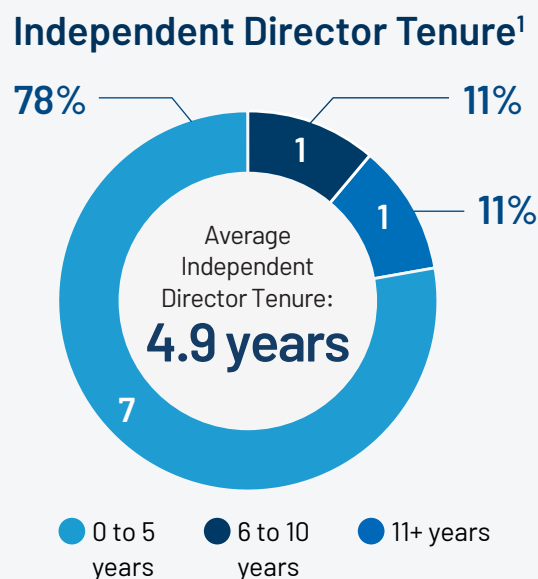
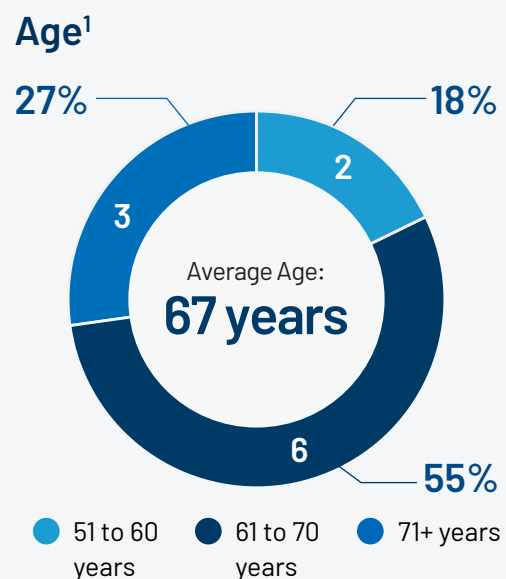
## Board Composition

Our Board of Directors and Nominating and Corporate Governance Committee are committed to ensuring that our Board of Directors is composed of a highly capable group of directors who collectively span a broad range of leadership skills and provide a significant breadth of experience, knowledge, and abilities relevant to ADI's strategic vision, long-term objectives, and business activities to effectively represent the interest of shareholders, drive shareholder value, exercise sound judgment, and reflect our corporate values of integrity, honesty, and adherence to high ethical standards.

More details on the composition and profile of our Board of Directors, including director independence, incumbency, and the experience and qualifications of our directors, can be found in our [2024 Proxy Statement](#).

## Strong Board Diversity

Our Board of Directors also believes that having directors with a mix of tenure helps transition the institutional knowledge of the more experienced directors while providing a broad, fresh set of perspectives. Our Board of Directors has continued to make progress in broadening the experience, gender, and tenure of our director nominees. For additional information on ADI's Board refreshment, please see our 2024 Proxy Statement.



<sup>1</sup> As of January 19, 2024

# Risk Oversight

The following table summarizes management’s and the Board of Directors’ role in risk management and oversight. Each committee of our Board of Directors assesses risks associated with their respective areas of oversight, as described below.

## Board of Directors

- Receives regular reports from members of senior management on areas of material risk to ADI. Specifically, our Chief Compliance and Risk Officer, who oversees enterprise risk management and compliance programs and chairs our Enterprise Risk Management Committee, provides regular reports to our full Board of Directors regarding our management of all enterprise and operational risks and our enterprise risk management program, with periodic updates on focus areas, such as data privacy.
- Receives regular updates from our Audit Committee, Compensation and Talent Committee, and Nominating and Corporate Governance Committee, which provide our Board of Directors with thorough insights into how ADI manages risk.

### Audit Committee

- Oversees ADI’s risk assessment and risk management programs, especially as they apply to ADI’s financial statement integrity and reporting and internal controls.
- Receives regular reports from our Senior Director of Internal Audit on internal audit matters and from our Chief Compliance and Risk Officer on risk management matters.
- Receives quarterly reports from our Chief Information Officer and Chief Information Security Officer on key IT projects, enterprise cybersecurity programs, and mitigation related to such risks.
- Evaluates capital allocation and structure, including potential issuance of debt and equity securities, credit agreements, other financial instruments, investment policy, dividends, stock splits, and stock repurchases.
- Reviews our cybersecurity and information security programs, practices, and risk mitigation efforts.

### Compensation and Talent Committee

- Oversees ADI’s executive compensation program and non-executive director compensation practices.
- Oversees ADI’s policies, strategies, and programs relating to human capital management.
- Oversees the evaluation and succession planning and development programs for senior executives.

### Nominating and Corporate Governance Committee

- Leads the Board of Directors with respect to the adequacy of ADI’s governance structure and process of succession planning for our Board of Directors.
- Oversees ADI’s ESG programs, including reviewing ADI’s sustainability initiatives and goals as well as our progress toward achieving those goals.
- Oversees ADI’s Compliance Program, including review and approval of the program, monitoring its effectiveness, and coordination of the Board’s oversight of ADI’s Code of Business Conduct and Ethics.
- Oversees and periodically reviews policies and practices in connection with governmental relations, public policy, and related expenditures.

### Corporate Development Committee

- Evaluates strategic plans, transactions, and investments, including mergers, acquisitions, and divestitures.

## Leadership Team and Management

- Our Executive Leadership Team and our CEO and Chair have ownership for risk management, and risk governance is managed by our Enterprise Risk Management Committee, a management-led, cross-functional committee, which is chaired by our Chief Compliance and Risk Officer.
- Our Enterprise Risk Management Committee works closely with our Leadership team, including our CEO and Chair, to identify and mitigate identified risks.
- Our Chief Compliance and Risk Officer, and other members of management, report to the Board of Directors (or the appropriate committee as applicable) regarding risk identification, management, and mitigation strategies.



# Our Approach to ESG

At ADI, we have long held the belief that we can and should be a force for positive change in the world. We believe that our strategic growth over the past few years gives us the opportunity to take an even stronger leadership position in driving the changes that must take place to create a better society and a healthier planet.

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- 18 Stakeholder Engagement
- 20 Focusing Our Priorities and Objectives
- 23 2023 ESG Results

# Our Approach to ESG

Environment, Social, and Governance (ESG) principles are at the heart of our work, because we believe it is the right thing to do, and ESG is smart business. The efforts we take across ADI to operate with integrity, preserve the environment, slow down and remediate climate change, and inject greater diversity, equity, and inclusion, both within our leadership and our workforce, are key to our long-term growth and profitability. We believe sustainability means delivering holistic solutions that make a positive, demonstrable impact on the world.

We think about our ESG efforts and impact holistically – inclusive of our own operations, the communities in which we live and operate, and our solutions, which enrich lives and the world. As a global, hybrid manufacturer of semiconductors, our commitment to reducing our environmental footprint and operating with integrity in our engagements is core to who we are. We believe that our internal practices and efforts give us a foundation of trust and credibility for our stakeholders. These practices extend beyond our walls to our value chain, including our suppliers, contractors, distributors, customers, and the communities where we live and operate.

Our commitment to **excellence, credibility, and transparency** is woven throughout this report.

We seek to share the realities of our programs, progress, and challenges, and leverage our Internal Audit team and a variety of external stakeholders to review and verify the included data and claims.

[Click here](#) for more information on our verification process.

Our greatest positive impact on the globe is through our solutions. ADI's products are helping to drive sustainability efforts and the transition to a Net Zero world. They are designed to improve human experience and outcomes. They also help support robust data privacy and security controls. To learn more about the ways in which ADI's technology solutions are improving lives and the world please see [Our Solutions](#).

Finally, excellence, credibility, and transparency are at the heart of our ESG program and culture. Fostering rich conversations with our stakeholders – customers, investors, regulators, talent, and communities – helps make ADI better. This way of operating drives a culture of inclusion, understanding, and discovery. Our engagement with our stakeholders provides an opportunity to discuss shared challenges and identify best practices. This grounding in honesty and transparency is foundational to who we are and differentiates us as a partner and solutions provider.



## Board Oversight of ESG

The Nominating and Corporate Governance Committee oversees ADI's ESG policies, goals, and programs, reviews our sustainability initiatives and goals, and evaluates our progress toward achieving those objectives. The Nominating and Corporate Governance Committee receives quarterly reports on our progress against stated targets, as well as updates on topics such as stakeholder value, risks and opportunities, regulatory preparedness, ESG ratings, and key ESG focus areas.

## Management Oversight of ESG

Our ESG agenda is led by our CEO, Leadership team, and roles exclusively devoted to ESG matters. Management periodically reports to the full Board of Directors on ESG topics, providing updates on key metrics and progress. These ESG reports also include educational components to keep our Board of Directors abreast of the quickly changing ESG regulatory environment, as well as evolving practices, risk oversight, mitigation strategies, and other relevant ESG topics.

Our ESG Executive Council—composed of in-house subject-matter experts in areas including human resources, procurement, environment, health and safety, legal, risk, and compliance and ethics—meets regularly and provides program updates. These highlight advancements, regulatory updates, risks, and provide the foundation for the updates to ADI's Leadership team and Board of Directors.

## Stakeholder Engagement

ADI believes stakeholder engagement is an important part of our approach to ESG. In addition to engaging with shareholders, we engage with a variety of stakeholders, including employees, customers, shareholders membership organizations, local communities, and suppliers. We value these conversations and use the information to help inform our strategy.

We participate in and initiate ongoing, transparent communications to ensure we continue to focus on the issues most important to our stakeholders. Topics covered include embodied carbon, regulatory compliance, ethical supply chain, resiliency, resource and chemical management, EHS programs, and progress toward our climate targets.

We are committed to transparency and seek to frame our ESG disclosures to be responsive to the needs of our stakeholders by leveraging the frameworks developed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).



# How ADI Engages with Our Stakeholders



## EMPLOYEES

- Regular Company- or business-wide emails and videos from senior leadership
- Leadership town halls, discussions, and webinars, including opportunities for questions and answers
- Pulse engagement survey



## CUSTOMERS

- ESG-specific engagements across all industries
- Meetings with senior executives at the business and corporate level
- Engagement strategy driven by business leadership depending on industry



## MEMBERSHIP ORGANIZATIONS

- Signatory to the UN Global Compact
- Member of the Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), and Responsible Labor Initiative (RLI)
- Member of the Semiconductor Industry Association (SIA), and our CEO and Board Chair Vincent Roche serves on its Board of Directors
- Member of Semiconductor Equipment and Materials International (SEMI)



## COMMUNITIES

- ADI locations: empowered to support charitable organizations based on the needs of the local community
- ADI volunteers: contributing to the communities where ADI employees live and work
- Analog Devices Foundation: committed to transforming our communities with a mission to protect the environment, improve education access, and advance social change
- Community and local stakeholder engagement through local agencies and outreach as needed



## SUPPLIERS

- Commitment to an ethical supply chain program and [Code of Corporate Social Responsibility](#) for suppliers based on RBA's strong guidance
- [Supplier Ethics Agreement](#)
- Evaluate our suppliers through RBA online tools



## REGULATORS/ GOVERNMENT AGENCIES

- Pursuit of "honest broker" relationships with government stakeholders to promote collaborative, win-win outcomes
- Commitment to regulatory compliance and strong performance
- Engagement to support decision-makers with sustainability goals, including climate change and decarbonization



## INVESTORS/SHAREHOLDERS

- Quarterly earnings conference calls open to investors and available on our website
- Annual meeting of shareholders
- Investor Relations website
- Regular engagement with institutional investors and other shareholders, covering a variety of topics, including governance, executive compensation, and ESG

For information regarding our Shareholder Engagement, please see our [2024 Proxy Statement](#).

# Focusing Our Priorities and Objectives

## Setting ESG Priorities

ESG is deeply embedded across our organization and our business strategy. Our overarching ESG program is led by a core centralized team in the CEO's Strategy Office who engage across the organization to ensure a breadth of inputs are incorporated into our strategy and the appropriate experts and leaders are fully engaged. ADI's ESG strategy and priority setting is informed by stakeholder engagement, the global regulatory landscape, our enterprise risk management (ERM) assessment process and outcomes, and our own aspirations and goals. We also consider third-party ESG assessments, and we benchmark best practices in disclosure. This report is intended to address the needs of these stakeholders. Our ESG priorities are:

- Business innovation, including developing products to enable a Net Zero future
- Risk oversight
- Cybersecurity, data privacy, and protection
- Environmental sustainability
- Human rights
- Supply chain resilience
- Corporate culture
- Talent management, including recruitment, retention, DE&I initiatives, and employee health and safety

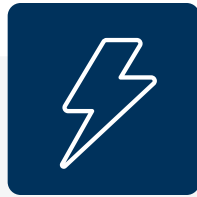
ADI is undertaking a materiality assessment with support from a third party to help affirm and/or add to these ESG priority focus areas.



## ESG Objectives

### Net Zero

By 2050 or sooner



### Carbon Neutrality

>50% Absolute reduction of Scope 1 and 2 GHG emissions by 2030

### 100%

Renewable energy use at ADI's manufacturing<sup>1</sup> facilities by 2025

### 75% **NEW**

Reduction in Scope 1 GHG emissions from ADI's fabs by 2026

### 100%

Waste diverted from landfill from ADI manufacturing<sup>1</sup> facilities by 2030



### 50%

Reduction in water withdrawal normalized to production output by 2027<sup>2</sup>



Increase global female manager population **to 29%**

Increase global female engineering population **to 26%**

Increase our combined Black, Hispanic, and Latinx employee population in the U.S. **to 9%**

By end of FY2026



## 2023 ESG OBJECTIVES

- Disclose enhanced KPIs for our suite of ESG programs in line with our commitment to transparency
- Achieve ISO 14001 and 45001 certifications for all manufacturing sites
- Deepen customer intimacy through ESG outreach
- Enhance our supplier engagement program and scorecard process, including ethics, safety, and sustainability indicators
- Engage with industry and values-based organizations to accelerate our impact
- Maintain signatory status with the UN Global Compact
- Continue our commitment to transparency, including disclosing our EEO-1, publishing a response to the CDP Climate survey, and aligning to the key ESG frameworks
- Evaluate and prepare for new ESG regulatory requirements

## 2024 ESG OBJECTIVES

- Maintain ISO 14001 and 45001 certifications for all manufacturing sites
- Deepen customer intimacy through ESG outreach
- Continue to mature our supplier engagement program and scorecard process, including ethics, safety, and sustainability indicators
- Engage with industry and values-based organizations to accelerate our impact
- Maintain signatory status with the UN Global Compact
- Continue our commitment to transparency, including disclosing our EEO-1, publishing a response to the CDP Climate survey, and aligning to the key ESG frameworks
- Execute a CSRD-compliant Double Materiality Assessment
- Begin work on a fulsome Climate Transition Plan, including climate scenario planning and risk assessment
- Continue to monitor and prepare for global ESG regulatory advances



<sup>1</sup> Manufacturing facilities include locations with fabrication, assembly, and/or test on-site.

<sup>2</sup> Water withdrawal is normalized to fab production output calculated against a 2022 baseline. A description of the metric and how it is calculated is noted [here](#).

# The United Nations Sustainable Development Goals (UN SDGs)

## How Our Strategy and Sustainability Priorities Align with the UN SDGs

The UN SDGs represent a global agenda to address the most pressing challenges facing our world, including climate action, access to healthcare, and reduction of inequities throughout the world. We recognize the importance and urgency of this global initiative, and believe ADI has a critical role to play in expanding infrastructure, advancing quality of life, and furthering global development sustainably.

ADI has been a signatory to the UN Global Compact since 2020, and we see close alignment between these UN SDGs and our strategy and sustainability priorities:



### GOOD HEALTH AND WELL-BEING

Our technologies impact the health and well-being of individuals through vital signs monitoring, medical imaging, medical instrumentation, and disease management and wellness.



### AFFORDABLE AND CLEAN ENERGY

We deploy programs to improve energy efficiency and have set ambitious targets related to achieving 100% renewable energy in all manufacturing sites by 2025.

Our technologies enable advancements across a broad range of applications, including electric vehicles, energy storage systems, data centers, 5G networks, and industrial automation.



### DECENT WORK AND ECONOMIC GROWTH

We are committed to promoting safe work environments for all.

ADI is committed to the protection of human rights of all and to ensuring that its employees are treated with respect and dignity and work within humane working conditions.



### INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Our technologies impact the adoption and expansion of Industry 4.0, including factory automation, safety, and efficiency.



### SUSTAINABLE CITIES AND COMMUNITIES

Transportation and smart buildings are two major levers in making cities and communities inclusive, safe, resilient, and sustainable. Our technologies impact how we travel, enabling the electrification of vehicles and the modernization of the electricity grid that powers how we plug in. ADI technologies also impact how we work, enabling intelligent building management systems.



### CLIMATE ACTION












ADI strives to build sustainability into all our actions. We are committed to reducing our environmental impact through focus on three areas: climate and energy, water, and waste.

# 2023 ESG Results

As part of our commitment to accurate and transparent disclosures for our stakeholders, the following pages itemize our publicly available ESG performance metrics and key performance indicators (KPIs). Where appropriate, we align these with appropriate UN SDGs to help address the identified societal challenges.

KPI and Definition	2022 Value	2023 Value	UN SDG Alignment
<b>DIVERSITY, EQUITY, AND INCLUSION</b>			
<b>Female engineers globally<sup>1</sup></b> Fiscal Year (FY)	18.5%	22%	
<b>Female people managers globally</b> FY	25%	25%	
<b>Black, Hispanic, Latinx employees in the U.S.</b> FY	7%	7%	
<b>WORKFORCE DATA</b>			
<b>Number of total employees</b> Calendar Year (CY), total number of ADI's employees	~24,450	~26,000	
<b>Percentage of female employees in our global workforce</b> CY, percentage of female employees in our global workforce	41%	39.5%	
<b>HEALTH AND SAFETY</b>			
<b>Injury and illness recordable rate</b> FY, Number of injury and illness cases per year, based on 100 employees working 200,000 hours annually, as measured against OSHA recordability criteria	0.26	0.16	
<b>Lost workday incident rate</b> FY, Number of injuries & illnesses resulting in days away from work, based on 100 employees working 200,000 hours annually, as measured against OSHA recordability criteria	0.16	0.12	
<b>High consequence injuries</b> FY, Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months	10	4	
<b>Fatalities</b> FY, Number of employee and contingent worker work-related fatalities during year	0	0	
<b>ISO 14001 sites</b> CY, Number of manufacturing sites certified to ISO 14001	9/9	9/9	
<b>ISO 45001 sites</b> CY, Number of manufacturing sites certified to ISO 45001	6/9	9/9	
<b>Notices of Violation with Fines</b> FY, Number of written notices of violation involving fines served by a regulatory agency due to environmental, health, or safety infractions	1	1	

<sup>1</sup> This figure reflects an adjustment to how we identify Female Engineers in Exempt roles. For this and future calculations, the population will be identified using internal Career Band classifications rather than country-specific Exempt status definitions. This adjustment provides greater consistency and accuracy.

KPI and Definition	2022 Value	2023 Value	UN SDG Alignment
<b>EMISSIONS</b>			
<b>Scope 1 GHG emissions</b> CY, Direct GHG emissions from ADI's operations	176 thousand metric tons CO <sub>2</sub> e	138 thousand metric tons CO <sub>2</sub> e	    
<b>Scope 2 GHG emissions</b> CY, Indirect GHG emissions from electricity usage, market-based	149 thousand metric tons CO <sub>2</sub> e	140 thousand metric tons CO <sub>2</sub> e	
<b>Scope 3 GHG emissions<sup>1</sup></b> CY, Other indirect GHG emissions not within ADI's Scope 1 and 2 boundaries	2,654 thousand metric tons CO <sub>2</sub> e	2,343 thousand metric tons CO <sub>2</sub> e	
<b>ENERGY<sup>2</sup></b>			
<b>Natural gas heating consumption</b> CY, Consumption of fuel for the generation of heat	103 GWh	104 GWh	   
<b>Total electricity used</b> CY, Total electricity used	583 GWh	604 GWh	
<b>Non-renewable electricity</b> CY, Non-renewable electricity purchased	271 GWh	252 GWh	
<b>Renewable electricity – direct</b> CY, Renewable electricity from direct procurement (on-site generation, PPAs, green tariffs, etc.)	266 GWh	225 GWh	
<b>Renewable electricity (EACs)</b> CY, Renewable electricity from the purchase of unbundled Environmental Attribute Certificates	44 GWh	126 GWh	
<b>WATER<sup>3</sup></b>			
<b>Water withdrawn (production)<sup>3</sup></b> CY, Quantity of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the year normalized to production.	0.28 US gallons/cm <sup>2</sup> Si/ML	0.27 US gallons/cm <sup>2</sup> Si/ML	 
<b>Water withdrawn (revenue)</b> CY, Quantity of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the year normalized to revenue	0.08 US gallons/USD	0.07 US gallons/USD	
<b>Surface water withdrawn</b> CY, Water withdrawn that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams	0 US gallons	0 US gallons	
<b>Groundwater withdrawn</b> CY, Water withdrawn that is held in an underground formation	4 million US gallons	2.6 million US gallons	
<b>Seawater withdrawn</b> CY, Water withdrawn from the sea or ocean	0 US gallons	0 US gallons	
<b>Third-party water withdrawn</b> CY, Water withdrawn from municipal water suppliers	958 million US gallons	918 million US gallons	
<b>Water recycled</b> CY, Quantity of all water recycled or reused for purposes that would otherwise require additional water withdrawn	1,186 million US gallons	1,098 million US gallons	

<sup>1</sup> Includes categories 1 through 9 as defined by the Greenhouse Gas Protocol. Downstream categories 10–12 are excluded as our products are intermediate products with many potential downstream applications. CY2022 Scope 3 numbers were adjusted in 2024 to reflect methodology improvements. More information can be found [here](#).

<sup>2</sup> For ADI manufacturing facilities inclusive of fabrication, assembly, and/or test

<sup>3</sup> Water withdrawal is normalized to fab production output. A description of the metric and how it is calculated is noted [here](#).

KPI and Definition	2022 Value	2023 Value	UN SDG Alignment
<b>Water discharged</b> CY, Quantity of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use	669 million US gallons	701 million US gallons	
<b>Water consumed</b> CY, Quantity of water that has been withdrawn and incorporated into products, generated as waste, evaporated, transpired, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party	293 million US gallons	220 million US gallons	
<b>WASTE<sup>1</sup></b>			
<b>Total waste</b> CY, Total waste generated, where waste is defined according to the national legislation at the point of generation	5,228 metric tons	5,745 metric tons	
<b>Total nonhazardous waste</b> CY, Total waste that is not considered hazardous by national legislation	3,751 metric tons	4,265 metric tons	
<b>Total nonhazardous waste recycled</b> CY, Total nonhazardous waste that is recycled, reused, or reclaimed	2,285 metric tons	2,214 metric tons	
<b>Total nonhazardous waste landfilled</b> CY, Total nonhazardous waste that is sent to landfill	493 metric tons	242 metric tons	
<b>Total hazardous waste</b> CY, Total waste that is considered hazardous by national legislation	1,477 metric tons	1,480 metric tons	
<b>Total hazardous waste recycled</b> CY, Total hazardous waste that is recycled, reused, or reclaimed	373 metric tons	223 metric tons	
<b>Total hazardous waste landfilled</b> CY, Total hazardous waste that is sent to landfill	14 metric tons	9 metric tons	
<b>PHILANTHROPIC OUTREACH</b>			
<b>Community Grants</b> FY, Grants provided by the Foundation to charitable organizations	\$800,000	\$510,000	
<b>Employee donations and Foundation match</b> FY, A combination of employee donations and time spent volunteering that is matched by the Foundation	\$2,000,000	\$2,200,000	
<b>Hours volunteered by employees</b> FY, Number of hours volunteered reported by employees	5,000+ hours	14,500+ hours	
<b>Unique organizations supported</b> FY, Number of unique charitable organizations supported through the Foundation	900+	1,300+	
<b>Countries impacted</b> FY, Number of countries impacted by the Foundation's community grants, donations, and volunteering	20	18	
<b>2023 FISCAL YEAR FINANCIAL HIGHLIGHTS</b>			
<b>Revenue</b>	\$12,013,953 thousands	\$12,305,539 thousands	
<b>R&amp;D spend</b>	\$1,700,518 thousands	\$1,660,194 thousands	
<b>Capital expenditures as a percentage of revenue</b>	5.8%	10.3%	

<sup>1</sup> For ADI manufacturing facilities inclusive of fabrication, assembly, and/or test



# Our Solutions

With a strong foothold bridging the physical and digital worlds, ADI is uniquely positioned to drive innovation in our key markets, including automotive, industrial, communications, digital healthcare, and consumer.

## IN THIS SECTION:

- 30 The Impact of Our Solutions
- 31 Automation for Energy Efficiency, Safety, and Resiliency
- 33 Electrification for a More Sustainable World
- 35 Connectivity for Global Communities
- 38 Making Human Health More Accessible



# Our Solutions

"The purpose of information is not knowledge. It is being able to take the right action."

— Peter F. Drucker, Management Consultant

## Learning About Our World

To create a positive impact in our world, first there are things that we must understand. To combat disease, we must understand a pathogen's origin or pathway. To fight climate change, we must understand energy consumption and emissions. To optimize efficiency, we must understand areas of waste. Historically, this information has been derived through lengthy analysis, led by people doing their best with the tools accessible to them.

In today's digital age, people are working smarter and more efficiently than ever — and it's paying off with more significant outcomes.

At ADI, we are leveraging precision sensing technologies to create a broader, more accurate, and immediate set of data. This data, in turn, helps us continuously expand our understanding of the physical world. Precise data and insight-driven innovation are the heart of the breakthroughs that support and enrich our world, communities, and lives.

Our commitment to pushing the boundaries of innovation means ADI's impact can be felt nearly everywhere.

## Powered by Quality Data

The world's access to increasingly greater amounts of quality data is enhancing the ability to make actionable insights.

- Sleep patterns
- Heat signatures
- Battery usage
- Energy consumption
- Glucose levels
- Heart rate
- Industrial performance

With a wealth of real-time data, we can help our customers solve their problems more completely, whether that be for human health or industrial sustainability.

**SAFETY****HEALTH****ACCESS****SUSTAINABILITY**

## Real Solutions, for Real Problems

ADI's long-standing commitment to people and the planet, paired with our breakthrough technological advancements, positions us to be a catalyst for positive change.

We are dedicated to driving the solutions needed to create a better society and a healthier planet. Our goals include – but are not limited to – driving positive progress related to Safety, Health, Access, and Sustainability.

Through this work, ADI distinguishes itself not only as a responsible global citizen, but also a business partner of choice to thousands of customers and millions of end-users across industries and around the globe.

## Opportunities in Our New Digital Age

The rapid and remarkable expansion of technology across the globe, including the rise of AI and machine learning, is fundamentally reshaping the world we live in.

Now, more than ever, businesses and industries need to be champions of positive impact. Customers, partners, employees, and communities need – and expect – businesses to push for innovation to solve society's most pressing problems like climate change, healthcare delivery, and equality.

In this new digital age, a fundamental shift is happening in how people and machines interact with each other. The use of technology affects nearly every aspect of our lives – at home, at work, and at play. The transformation is revolutionizing industries from healthcare and communications to finance and manufacturing, with significant changes in transportation, the delivery of medical care, and more.

Forecasts indicate that data creation will surpass 180 Zettabytes by 2027.<sup>1</sup> Data's boundless global reach offers humanity great promise. And its dramatic growth brings with it new attention to how it is transported, accessed, and stored, with the Intelligent Edge growing in importance.

**"The world's most valuable resource is no longer oil, but data."<sup>2</sup>**

However, with the new promises in the world of data come risks and responsibilities in how data is used, moved, stored, and manipulated. The key lies in learning and drawing actionable insights from the surge of more relevant and timely data. In aggregate, it offers opportunities to manage our footprint, maximize data effectiveness, and lower storage, energy, and processing costs while helping our customers solve complex problems.

<sup>1</sup> ["Volume of data/information created, captured, copied, and consumed worldwide from 2010 to 2020, with forecasts from 2021 to 2025." Statista.](#)

<sup>2</sup> ["The world's most valuable resource is no longer oil, but data, 2017." The Economist.](#)

## A Commitment to People and Planet

The global landscape is changing rapidly, and we need to be agile to meet the evolving needs of our people, our customers, and our planet. This requires deep commitment to making an impact along with transparency, trust, and clear milestones to demonstrate progress. Our customers, communities, and stakeholders expect us to operate responsibly, stay ahead of environmental sustainability trends, and prioritize diversity, equity, and inclusion.

As innovation and technology advance rapidly, so do the challenges that confront our customers and communities. ADI leads with purpose to co-create applications and solutions with our customers that make a positive impact. Further, our responsible operation not only influences our brand and end-user buying decisions, but directly affects the livelihood of our society and planet.

## “More than 60% of data management initiatives will focus on environmental sustainability by 2026.”

— Gartner Data Analytics Summit

As the innovators of the technologies that power everyday life, we strive to set the gold standard. We empower our customers to adopt more sustainable and responsible practices across industries. By doing so, we enable our customers and partners to make an even greater impact throughout the value chain. Our solutions can help reduce overall operating emissions, increase energy efficiency, and access more real-time insights to monitor environmental impacts.

We leverage years of experience and expertise to help customers across multiple sectors reduce complexity and increase innovation. With more than 125,000 customers globally, the opportunity for impact is substantial.

## Enabling the Intelligent Edge

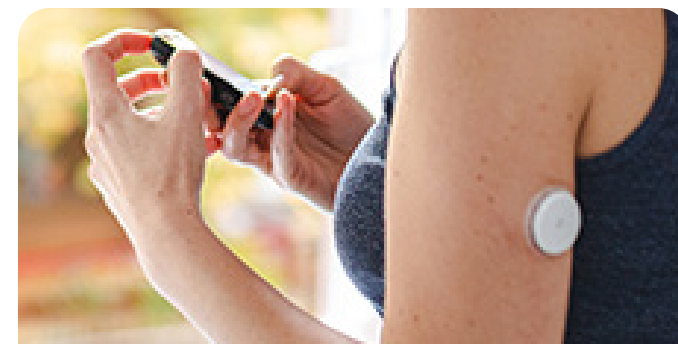
“The Intelligent Edge is about using technology to make data and insights available where and when decisions need to be made.”

— Vincent Roche, CEO, Analog Devices

The Intelligent Edge is where the physical and digital worlds meet, bringing intelligence and processing closer to the source, like sensors or the environment. In simpler terms, it's like when you use your smartphone to control your home's heating system: the physical action of tapping on your phone (the physical world) is interacting with the digital command that adjusts the temperature (the digital world). This interaction happens at the Intelligent Edge.

This shift, driven by real-time responsiveness, reduced energy consumption, minimal latency, and cost efficiency, allows systems to sense, interpret, communicate, learn, and act instantly. Customers now seek companies like ADI to bring analog, digital, and software analysis closer to the sensing point at the Intelligent Edge. ADI, as innovators at the Intelligent Edge, integrates vital intelligence into our technology, making a significant impact.

With continued technological advancements in AI, processing, and security, the Intelligent Edge rapidly transforms data into actionable insights, aiding in reducing disease spread, predicting mechanical failures, and preventing electrical grid outages. Additionally, edge processing saves energy by minimizing the need for long-distance data transmission. Its inherent low latency is crucial for applications such as controlling the movement of co-bots in factories, where even a quarter-second delay is unacceptable and potentially dangerous. Finally, security at the Intelligent Edge will be designed at every system level to help protect personal data and mission-critical systems.



### CONTINUOUS GLUCOSE MONITORING IS SAVING LIVES

Today, routine checks of glucose levels can be monitored on a smart phone and streamed to a doctor in real-time to determine whether to inject insulin, eat, or take additional actions. Continuous Glucose Monitoring reduces the overall risk of severe hypoglycemic events by 60%.<sup>1</sup> By layering in software, others can also be informed — parents, teachers, or medical professionals — ensuring timely action. Continuous Glucose Monitoring is not only a critical advancement for immediate intervention and prevention, but offers other insights and benefits as well.

<sup>1</sup> "Reducing Inpatient Hypoglycemia in the General Wards Using Real-time Continuous Glucose Monitoring." American Diabetes Association.

## The Impact of Our Solutions

"We are committed to pushing the boundaries of technology to deliver solutions that not only meet today's needs but also anticipate tomorrow's challenges."

— Gregory Bryant, President, ADI Business Units

### Our Operating Pillars

As a global leader in semiconductors, we bridge the physical and digital worlds to enable breakthroughs at the Intelligent Edge. We combine analog, digital, and software technologies into solutions that help drive advancements in automation, electrification, connectivity, and human health.

These are the pillars of our business, and they are not only important to our customers, but also our customers' customers.

#### AUTOMATION



#### ELECTRIFICATION

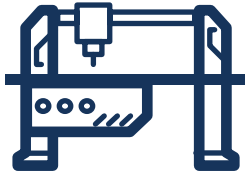


#### CONNECTIVITY



#### HUMAN HEALTH





## Automation for Energy Efficiency, Safety, and Resiliency

“Automation can be a transformational element as manufacturers look to achieve energy efficiency goals and improve productivity.”

— Fiona Treacy, Managing Director, ADI

Automation is key for our customers to achieve greater efficiencies, improved safety in areas like human-robot collaborations, and greater flexibility and economic resilience. Technologies that intelligently bridge the physical and digital world through connectivity, interpretation, and control, enable energy-efficient operations informed by insights drawn from real-time data.

With the industrial sector consuming about 40% of the world’s energy, new efficiencies are crucial for cost savings and achieving Net Zero emissions.<sup>1</sup>

Managers of industrial buildings and factories face a pivotal moment: how do they strive to achieve ambitious energy-efficiency goals within technically demanding facilities while maintaining critical safety measures? Achieving these gains requires equipment that can control, connect, and interpret while adjusting performance across assets, systems, and processes. ADI addresses this through our solutions designed to control industrial operations that help to minimize energy usage.

Automation is critical to enabling industry to better meet society’s needs through continued economic growth, supply chain resilience, and personalized offerings in areas like healthcare. ADI’s industry-leading innovation and technology is increasing productivity across factory floors and process plants, enabling flexible manufacturing, and producing intelligent insights to reduce material and energy consumption. As a trusted advisor, we co-create solutions, enable digital transformation, and build a more sustainable industrial future.

- Transparent Access to Edge and Enterprise Data:** ADI offers a range of solutions, including ADI Chronous™, which integrates industrial Ethernet embedded switches and physical layer devices. These solutions support standard Ethernet speeds from 10 Mbps to 1 Gbps and introduce the new 10BASE-T1L technology for long-range connectivity using a single Ethernet pair. Notably, the physical layer devices are known for their low latency and low power consumption, which is important for applications needing synchronized signals across the network.
- Precise Control of Industrial Operations:** ADI offers signal chain solutions integrating current and voltage sensing, robust isolation, power management, and connectivity for advanced motion control. These enable smart variable frequency drives that enhance efficiency, delivering energy savings of 25%.<sup>2</sup> ADI Trinamic provides precision motion control solutions known for reliability and silent operation in diverse applications like medical devices and robotics. Their servo controllers and advanced ramp generators support precise positioning and automation, which is crucial for evolving industrial processes.
- Early Equipment Health Indicators:** ADI’s edge sensing and multi-modal precision measurement platform integrated with edge AI is designed to provide detailed parametric insights and enable actionable diagnostics for asset health. By leveraging edge AI, ADI’s technology can process data directly at the source, which enhances real-time decision-making and reduces latency. This not only enhances operational performance, but also drives significant energy savings and reduces environmental impact.



<sup>1</sup> [“How electrification can help with net zero.” World Economic Forum.](#)

<sup>2</sup> [“Let’s talk about saving energy.” ABB.](#)

## Our Impact

These advancements in automation are increasingly dependent on the innovative technologies developed by ADI. Their comprehensive suite of sensing, measurement, connectivity, power management, and cybersecurity solutions provide the foundation for modern industrial systems, driving efficiency, reliability, and sustainability.



### HUMAN ROBOT COLLABORATION AND ENVIRONMENT NAVIGATION

Collaborative robots (co-bots) that work alongside humans are designed to increase productivity and drive consistency in output quality. Adopting innovative vision-sensing technology and sophisticated algorithms, ADI is enabling more efficient operations and safer factory floors. By removing the need for safety cages/curtains, factory floor space is optimized while system reconfiguration is simpler and quicker.

ADI's 3D Time-of-Flight module, along with inertial measurement units (IMUs) and Lidar technologies, is designed to enable real-time awareness of robotic systems. This sensor fusion ensures more awareness of a robot's surroundings and in the case of mobile robotics, enables them to comprehend and interact with their environment and human colleagues safely in a dynamically changing environment.

### INCREASED PRODUCTIVITY AND DECREASED CARBON FOOTPRINT WITH EFFICIENT MOTORS

To help protect the environment, we need to produce more with every joule of energy we use. Pairing a variable speed drive to a motor allows it to run at the optimum speed needed for efficient production, rather than operating at full capacity continuously. This ensures efficient motor operation, leading to increased productivity with less wasted energy.

Electric motors represent approximately 70% of industrial electricity consumption<sup>1</sup> as they drive pumps, fans, compressed air systems, material handling, processing systems, and more. Approximately 60% of motors in market are over 10+ years old and are less efficient than more recent productions. With the total cost of owning a motor estimated to be 96% based on energy consumed, there is increasing adoption of advanced motor technologies.<sup>1</sup>

### DATA SECURITY

Today, increased access and computing at the Intelligent Edge is making it more challenging to keep pace with evolving security threats. There is also the possibility of an increase in more sophisticated attacks with the adoption of AI and other technologies.

**What's Needed:** The ability to quickly identify gaps and adopt security technologies to meet the rapidly evolving threat landscape. Implementing security standards, certifications, open-source resources, and operational agility will help technologists achieve the confidence and practical tools necessary to address their security challenges.

- **Financial.** Highly secure authenticators are needed in banking terminals to protect the financial security of people and improve commerce.
- **Health.** Secure authenticators used in patient care are needed to improve access to care and allow for enhanced diagnostics and applications for remote care.
- **Automotive.** ISO 21424 certified embedded security used to protect microcontrollers in the vehicle can help accelerate the advances of electrification and vehicle safety.

**What ADI Is Doing:** ADI is working to provide customers with the tools and documentation that enable them to protect end users' vital information in automotive, financial, health, and industrial sectors.

<sup>1</sup> ["Improving end-to-end system efficiency with VSDs and magnet-assisted synchronous reluctance motor technology." ABB.](#)



## Electrification for a More Sustainable World

"With the signs of climate change all around us, a combination of innovative technology and legislation is helping us to electrify and ensure a brighter and healthier future for us all."

— Patrick Morgan, Corporate Vice President, ADI

The electrification ecosystem is helping many industries address their sustainability goals. This ecosystem is complex and interconnected, spanning industries, from buildings and electric vehicles to renewable energy and grid infrastructure. For solutions to be scalable and sustainable over the long term, a holistic approach must be taken, including collective innovation, collaboration, and partnership to enable breakthroughs across the electrification ecosystem.

Today, more than 73% of the world's GHG emissions come from energy with industry, buildings, and transportation among the largest contributors.<sup>1</sup>

As more applications across these sectors become electrified, energy demand will increase. We must meet those demands with sustainable sources to reduce and eliminate greenhouse gas emissions. We approach this challenge holistically, solving for electrification of mobility and grid — both sides of the charging coin.

- **Unlocking Renewable Energy Generation:** ADI's electrification solutions are designed to maximize renewable energy production and safety with solar/ photovoltaic inverters, wind-turbine systems, signal processing technologies, and system integrity monitoring — delivering low-power, cost-conscious solutions to enable scalable energy generation.

- **Creating Electric Transportation:** ADI's electrification solutions portfolio, ADI Recharge™, is revolutionizing electric mobility by improving EV operations and battery lifetime value, and reducing the total cost of ownership. Further, our Battery Management Systems (BMS) are designed to deliver industry-leading accuracy over a 15+ year lifespan and can offer up to 20% more miles per charge than other options. Additionally, our Wireless BMS (wBMS) are designed to give manufacturers a competitive edge throughout the battery's lifecycle, from assembly to disposal, and even into its second life.
- **Enabling a Smarter, More Efficient and Resilient Grid:** Bloomberg NEF's [2024 Energy Outlook report](#) states that achieving global Net Zero emissions by 2050 requires a \$21.4 trillion investment in electricity grids, including \$4.1 trillion for maintenance and \$17.3 trillion for expansion and upgrades. ADI's technology adds intelligence at the grid edge, ensuring reliable energy delivery and management. Our smart grid solutions, used in advanced secondary stations, offer energy monitoring and automation to reduce operational costs, improve customer service, and enhance worker safety. This transparency helps identify inefficiencies and gaps in energy distribution and utilization.



<sup>1</sup> ["Sector by sector: where do global greenhouse gas emissions come from?" Our World in Data.](#)

## Our Impact

Simply put, we are creating technologies and solutions that are helping the world's transition away from fossil fuel usage. The efforts we take across ADI to operate with integrity, preserve the environment, and slow down and remediate climate change for our customers, suppliers, and in our own operations are an important aspect of our long-term growth and profitability.

### CASE STUDY: YUTONG – INDUSTRY'S FIRST ADOPTION OF wBMS IN LARGE-FORMAT MOBILITY

With the rapid growth of passenger electric vehicles on the road, companies like Yutong have turned their attention to the electrification of large-format commercial vehicles. Without the use of ADI's wBMS solutions, Yutong would not have been able to achieve target performance levels of their large-format electric vehicles.

Large-format vehicles such as buses and freight vehicles, produce an estimated one third of transportation emissions worldwide.<sup>1</sup> Single tractor-trailers can emit over 200 tons of carbon dioxide (CO<sub>2</sub>) every year.<sup>2</sup> That's almost 40 times more than the average passenger car, which generates an estimated 4.6 metric tons of CO<sub>2</sub> per year, according to the U.S. Environmental Protection Agency.<sup>3</sup>

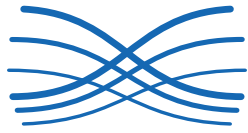
Larger vehicles require larger batteries, which are spread out across a larger battery pack frame and require far more communication links between them. ADI's wBMS, by nature, avoids the use of a wire harness and can support a high level of modularity. Yutong was able to scale its EV fleet, improve production line efficiency, achieve design flexibility, and reduce weight.



<sup>1</sup> ["Distribution of carbon dioxide emissions produced by the transportation sector worldwide in 2022, by sub sector." Statista.](#)

<sup>2</sup> ["What is the carbon footprint of a truck?" FreightWaves.](#)

<sup>3</sup> ["Greenhouse Gas Emissions from a Typical Passenger Vehicle." U.S. Environmental Protection Agency.](#)



## Connectivity for Global Communities

“Once, high speed internet connectivity was considered a luxury. Today, it’s a necessity – an essential tool for education, communications, and business.”

– Andy McLean, Corporate Vice President, ADI

Connectivity has undergone significant changes, evolving from mere communication between computers to becoming an essential tool for work, education, healthcare, wireless communications, and commerce. Core technologies like 5G, satellites, and optical networks enable people worldwide to connect, actively participate in society, and access essential services.

Wireless connectivity is crucial across industries, enabling vital sign monitoring in healthcare and asset tracking in smart buildings, and monitoring weather and seismic activities via satellites. It enhances home security through mobile devices and connects sensors in remote, hazardous locations where wired networks are impractical. In education, access to high-speed internet is essential for students to learn technology skills and avoid hindering their education.

Yet, many communities across the world still do not have access to reliable connectivity. With an estimated 37% of the world’s population – or 2.9 billion people – having never used the Internet.<sup>1</sup> Without high-speed connectivity, individuals are at a socioeconomic disadvantage, unable to access job opportunities, online services, and education. This gap persists even as the telecommunications industry, continues to expand.<sup>2</sup>

ADI’s technology portfolio and advancements toward connectivity can help tackle these challenges – helping customers enhance wireless connectivity while supporting the ability to scale and drive energy efficiency.

- **Scalable and Sustainable Connectivity:** 5G technology can significantly improve energy efficiency, reducing operational and environmental costs by enhancing data transmission. Notably, the communications industry is responsible for 1.6% of global CO<sub>2</sub> emissions globally<sup>6</sup>, and 5G power consumption is forecasted to grow by 160% between now and 2030.<sup>3</sup> Replacing older 2G and 3G systems with 5G is expected to boost global network energy efficiency by 90%. In smart cities, 5G will optimize energy use, traffic conditions, and emissions.<sup>4</sup>

ADI is advancing energy efficiency in the radio access network (RAN) edge and network stack by leveraging its system expertise and radio frequency knowledge. Through innovative technology and solutions, ADI designs solutions to provide scalable and sustainable connectivity, particularly with 5G. Further, ADI’s newest 5G transceiver, introduced at the end of 2021, uses a technique called digital predistortion (DPD) to significantly reduce the amount of energy needed by the radio unit. Implementing smart scheduling can reduce power usage by up to 20%.<sup>5</sup>

- **Wireless Flexibility:** ADI’s range of wireless communications technology enables connectivity to sensors in remote and hard-to-access hazardous locations. ADI’s innovative wireless communications technology is central to the infrastructure network that enables 5G. And within the network, radio units and their architecture directly affect the energy efficiency of the network. Massive multiple-input and multiple-output

(MIMO) radio units, enabled in part by ADI’s transceivers, continue to more than double the network capacity and halve the energy per channel compared to previous generations. Units of ADI’s highly integrated, transceiver system on chip (TRx SoC) with integrated digital front end (DFE) that are already deployed also help improve energy efficiency.

- **A Holistic Approach:** When designing next-generation solutions, ADI views the radio unit holistically, applying expertise to reduce energy consumption and improve performance and power at the system level. For example, ADI’s advanced transceivers improve total system efficiency by enabling multiple energy-saving techniques and integrating advanced algorithms to improve efficiency of power amplifiers (PAs). ADI’s Silent Switcher<sup>®</sup> power technology helps improve signal-to-noise ratio, increasing signal transmission without increasing energy footprint. Notably, this technology enables the design of compact and reliable power solutions, benefiting other industries such as automotive, healthcare, and industrial by helping to provide stable and efficient power delivery in challenging environments.



<sup>1</sup> “ITU: 2.9 billion people still offline.” UN. <https://www.un.org/en/delegate/itu-29-billion-people-still-offline>

<sup>2</sup> “Digital divide persists even as Americans with lower incomes make gains in tech adoption.” Pew Research Center.

<sup>3</sup> “5G will prompt Energy Consumption to Grow by staggering 160% in 10 years.” Datacenter Forum.

<sup>4</sup> “Nokia confirms 5G as 90 percent more energy efficient.” Nokia.

<sup>5</sup> “A novel energy-efficient scheduling model for multi-core systems.” Springer Link.

<sup>6</sup> “Sustainability in the telecommunications industry - challenges and opportunities.” NGVoice.

## Data Center Technology

Power use from data centers is expected to triple globally from less than 15 terawatt-hours (TWh) in 2023 to 46 TWh this year.<sup>1</sup>

— Morgan Stanley

Every piece of data that is created requires energy, has a carbon footprint, and must be stored. Expenses related to physical storage infrastructure such as data center servers and networking equipment are compounded by the cost of efficient power supply for processing. Increased data creation through the rise of 5G, streaming services, and Artificial Intelligence means organizations may look at how to reduce operational costs and utilize energy-efficient solutions.

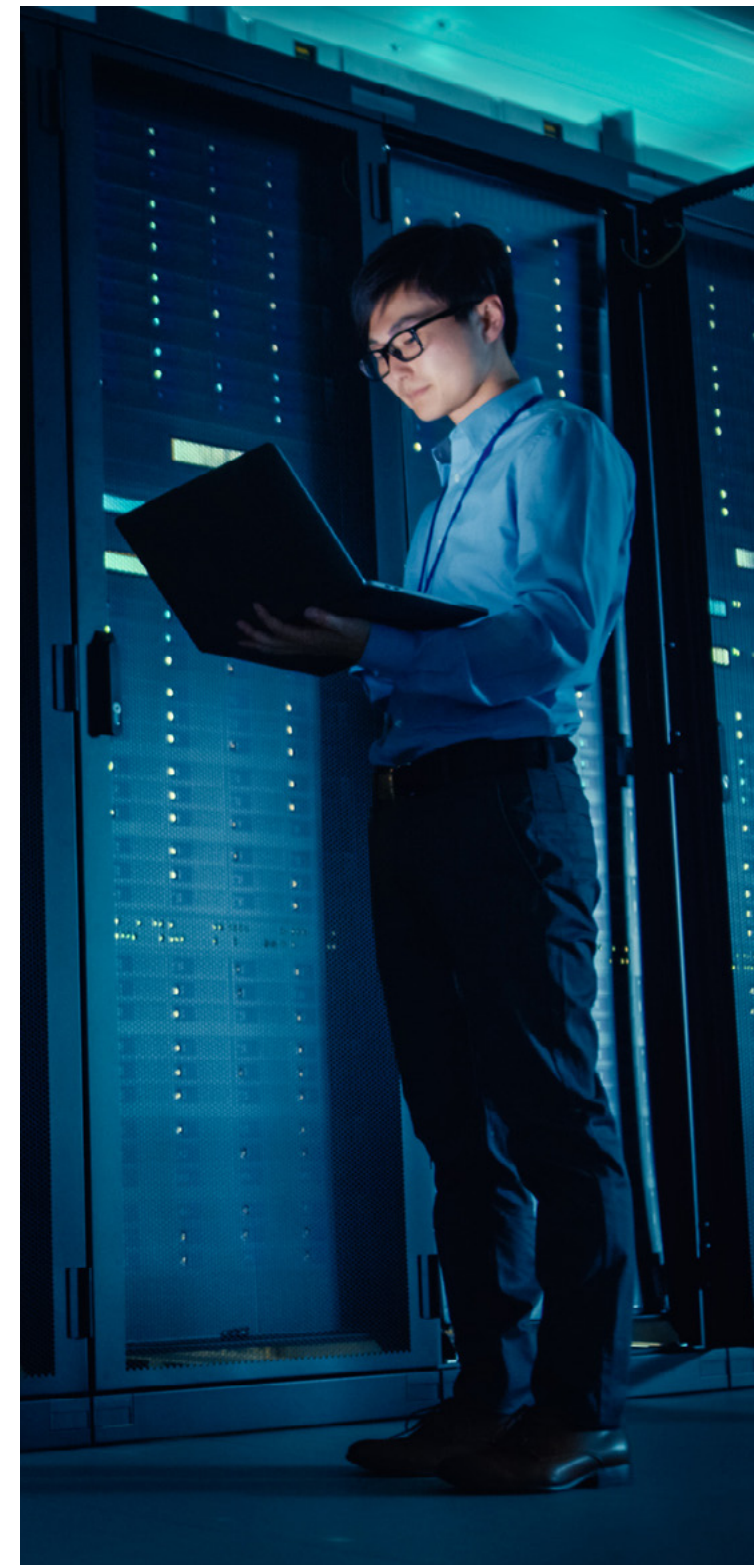
ADI's advanced data center technology offers sustainable and efficient solutions for data processing, transmission, and storage. By improving power conversion efficiency at every stage of the power distribution architecture within the data center, annual kilowatt-hour usage can be significantly reduced. This can occur through optimized Hot Swap, power monitors, power conversion with smart power stages for optimal distribution, and heat management.

Between 2015 and 2021, data center workloads increased by 260%.<sup>2</sup>

- PhoenixNAP

ADI's power solutions portfolio, with its scale and breadth, helps optimize system efficiency and size, leading to savings in total cost of ownership.

Power density is a crucial aspect of data center design and operation, impacting energy efficiency, operational costs, and cooling requirements. As power requirements continue to grow, ADI is addressing customers' rapidly changing power density needs by offering innovative chipsets, power modules, and packaging technology capabilities.



<sup>1</sup> [Morgan Stanley Powering GenAI.](#)

<sup>2</sup> ["How Is Data Center Sustainability Achieved." PhoenixNAP.](#)

## Our Impact

ADI's unique position within the value chain, coupled with a vast network of over 125,000 customers, positions us as a pivotal connector in the industry. We serve as the linchpin, bridging a diverse set of partners and stakeholders together by aligning on industry standards, providing interoperability, and partnering to bring technologies and domain expertise together to deliver more complete solutions.



### EFFICIENT BUILDINGS: OPERATION HVAC CONTROLS

The key to achieving potential energy efficiencies in commercial buildings is to leverage data-driven insights to capture greater energy efficiencies through digitalization and connectivity. ADI's connectivity solutions are key to networking the sensors, actuators, and controllers to make more efficient use of a commercial building's resources. Whether installing a new Building Automation System (BAS) or retrofitting an existing BAS with advanced sensors, controllers, and automation software, BAS enable an average of 10% - 25% energy savings in a building.<sup>1</sup>

### HONEYWELL

Advanced technologies such as 10 BASE T1L single-pair Ethernet are at the forefront of driving digitalization in state-of-the-art buildings, as seen by the recent [collaboration announcement with Honeywell](#).

Equally important, industrial IO solutions such as software configurable input/output (SWIO) bridge the digital world to analog edge devices in a flexible manner. Together, these technologies help to bring new capabilities to [building management](#) systems while reducing the total cost of ownership for building owners.

<sup>1</sup> ["Smart Buildings: Using Smart Technology to Save Energy in Existing Buildings." American Council for an Energy-Efficient Economy.](#)



## Making Human Health More Accessible

"We are leveraging the latest advances in healthcare technology to provide clinical grade care at home for patients suffering from chronic diseases."

— Pat O'Doherty, Senior Vice President, ADI

Health is the common thread that connects us all. Achieving personal and societal health requires innovative technology to help enable better and more proactive care.

ADI technology captures clinical-grade data at the Intelligent Edge and turns it into simple, trusted insights that drive better healthcare outcomes. Our innovative solutions are found in everything from precision instruments that measure vital signs, to superior imaging and ultrasound applications, to wearables that aid consumers in disease management and wellness. We are creating medical insights at the Edge—from enabling decentralized clinical trials and turning data into effective care management, to putting people in the driver's seat of their own health through wearable devices. We are making care possible in more places.

- **Accessible Healthcare:** The demand for remote monitoring has surged, both in medical settings and consumer wearables, a trend significantly propelled by the COVID-19 pandemic. Enter ADI's vital signs monitoring (VSM) solutions: clinical grade and wellness wearables that are designed to be cost-effective, making high-quality healthcare accessible to a broader population. ADI's comprehensive offerings are pioneering advancements in wireless hospital VSM monitoring, continuous glucose tracking, and clinical-grade VSM wearable technology.
- **Safe and Accurate Diagnosis:** Medical imaging is an integral part of global healthcare systems today. However, it imposes demanding requirements on the electronic design for the safety of humans and for accurate diagnoses. Today, ADI is a leading technology

provider in CT and digital X-ray. ADI's complete set of high-performance building blocks, coupled with domain intelligence and deep customer engagement, results in solutions that are designed for both patient and customer benefits. The patient can benefit from reduced radiation dosage, while the physician is equipped with the highest quality images for accurate clinical decision-making. The customer can benefit from lower cost, smaller footprint, improved performance, and accelerated time to market. ADI offers technology designed to maximize image quality while reducing scan times, radiation doses, power consumption, and cost, ultimately improving patient outcomes. Our broad portfolio of precision and high-speed signal chains and power products provides a solid foundation for optimized designs.

- **Chronic Disease Management:** Medical equipment such as robotic surgery, diagnostics, and defibrillators is used for diagnosing, treating, and supporting patients with chronic disease. Historically, testing for contaminants and infectious diseases has been manual and cumbersome. The ability to perform rapid tests outside the clinical laboratory means that point-of-care solutions can provide a faster time to diagnosis, an earlier start to treatment, and a faster recovery for patients. ADI is uniquely positioned with a portfolio of both electrochemical and optical diagnostic solutions, providing a measurement engine to complement a range of biosensors and chemistries while enabling a platform that can be upgraded using software.



## Our Impact

ADI solutions are shaping the future of healthcare and enabling greater, more equitable access. We are at the forefront of an ecosystem that is driving healthcare forward to deliver life-changing solutions for all. Leveraging ADI's comprehensive technology portfolio, along with domain and ecosystem expertise, enables our customers to create solutions that create real impact for people's lives and well-being.

### HARNESSING THE POWER OF DATA TO ENHANCE QUALITY OF LIFE FOR SENIORS

How do you care for aging loved ones without taking away their freedom – or sacrificing your own? Wearable, digital health technologies, such as the wrist-worn CarePredict Tempo™ health monitoring device, are designed to help care for elderly loved ones.

Using precise location sensors, CarePredict can track the behavior, patterns, and deviations of each user. Through a combination of data and AI, the device helps families and caregivers identify subtle changes such as loss of appetite, poor sleeping habits, or an increase in inactivity, all of which can signify more serious health issues.

Working in collaboration with ADI engineers, CarePredict was able to create the sensor module, which monitors pulse oximetry and heart rate. The device also requires accurate biosensors and fuel gauges, power-efficient switching regulators, and high-performing audio amplifiers in a small, battery-powered footprint with an expected long runtime. ADI technology provides low power consumption, high accuracy, and compact form factors needed for wearable health technology.

The Tempo system is helping seniors live longer, safer, and healthier lives. It also is giving families peace of mind, while providing caregivers a deeper understanding of their senior's condition.



### A CARDIOPULMONARY WEARABLE

Sensinel by Analog Devices – a brand new wearable healthcare line – aims to fundamentally transform how chronic disease is managed to promote quality of life in an affordable manner.

The first product, the FDA-cleared Sensinel CPM System, is a non-invasive, at-home solution that captures cardiopulmonary measurements for chronic disease management such as heart failure. It is equipped with a set of physiological indicators to help care teams better manage chronic conditions early and remotely, as well as in a precise manner. This capability enables closer remote patient monitoring and potentially reduced healthcare costs.



# Investing in Our Collective Future

The impact of climate change can be felt in our daily lives. The right technology, infrastructure, and commitments are needed to dramatically reduce greenhouse gas emissions. Significant untapped potential exists, and the next several years are critical to develop existing solutions at scale and invest in breakthrough innovations.

Between now and 2035, McKinsey estimates a \$3.5 trillion increase in annual spend on physical assets to support the transition to low emissions assets, amount to \$275 trillion of cumulative spend during these years.<sup>1</sup>

Across the end markets ADI serves, we expect to see worldwide investments pour into industrial efficiency and building retrofits, as well as the continued support of EV deployment and EV infrastructure, green power generation, and grid modernization.

## GREEN REVENUE

As in previous years, ADI is reporting that approximately 30% of our revenue can be mapped to product families in potential end applications or sustainable use cases that benefit the environment. This mapping leverages the FTSE Russell Green Revenues Classification System 2.0 (GRCS). This has been an informative process for ADI as we continue to understand how our products can benefit people and planet. With the launch of the EU Taxonomy and according regulations, we are working to transition our process.

## Harnessing the Power of ADI for People and Planet

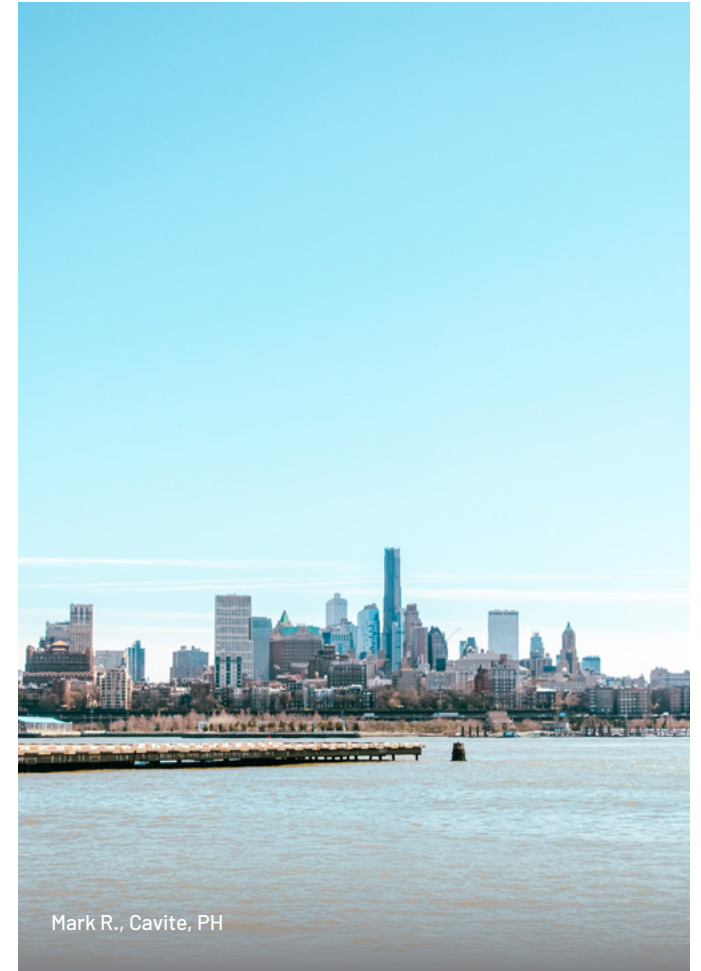
We believe our responsibility extends beyond our four walls to our entire value chain of production.

Since our founding 58 years ago, ADI has been driven by a deep sense of purpose and a desire for the impact of our work and innovations to reverberate across all stakeholders – employees, customers, partners, communities, suppliers, and investors.

Providing inspiring and rewarding work for our employees, partnering with our customers and suppliers for mutual business success, and focusing on both our investors and the communities in which we operate have enabled us to deliver tremendous impact for humans, society, and the planet for nearly sixty years.

ADI's long-term strategy lays out the path by which we accelerate technology breakthroughs at the Intelligent Edge and deliver sustainable, profitable growth that will expand and extend our impact for decades to come.

The urgency of the challenges we face means we are never satisfied. Our world is beset with numerous challenges, but we remain thoroughly committed and optimistic about the positive impact our technologies can have for the health of humanity and the planet.



<sup>1</sup> ["The net-zero transition." McKinsey & Company.](#)



# ADI Horizon

ADI Horizon is our unified approach to our ESG programs, which helps promote ESG practices both within the Company and across the broader ecosystem and supports our commitment to people, planet, and progress.

Our valued partnerships, policies, and practices related to business resilience and risk management, business ethics, supply chain, sustainability, global trade, information security, and product safeguards are foundational to our work to create a more sustainable and equitable future for all.

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# A Message from Our Head of ESG

Last year, we launched **ADI Horizon**, unifying and interconnecting our Environment, Social and Governance programs for maximum impact. We were drawn to the term **Horizon** because it symbolizes our approach to ESG. The horizon is always just out of reach; it is omnipresent on a journey, but not a destination. When lost or wandering, the horizon offers a point of orientation. Indeed, mariners plotted their position on the vast seas by measuring the distance between the horizon and the stars. Grounded in the real, driven by continuous improvement, and focused on the future, ADI endeavors to leverage our place in the world to help make a more resilient, responsible and sustainable future.

For nearly 60 years, our technology and solutions have facilitated an understanding of the world around us by digitizing real world signals and converting them to actionable intelligence. It has never been more important to have a rich, data-driven understanding of our world than now. Our technology solutions can help optimize efficiency, improve safety and human health, and further connect the world. But if technology is going to be a critical tool to fight climate change and help improve the human condition, we have a responsibility to account for the impact of creating it.

To that end, ADI's 2023 ESG Report is entitled **"Resiliency and Responsibility."** This report illustrates some of the key steps ADI has taken, including leveraging the expansion of our manufacturing facilities to employ state-of-the-art equipment that helps reduce our Scope 1 emissions and overall water withdrawal. Our supplier-facing organizations are also working with our suppliers to understand their own climate journeys and cascade our expectations for a resilient, responsible value chain.

This progress is fueled by the contributions of each and every employee at ADI. Through the efforts of countless engineers and teams across human resources, operations, procurement, and EHS — many of whom brought their wisdom and enthusiasm to the projects — ADI has remained true to our Horizon goals in all priority areas through the challenges of rapid growth, a major acquisition in 2021, ongoing significant expansions, and an uncertain economic landscape.

These efforts are not borne from altruism but are strategic choices as we look to our next 60 years. The world at large is changing, as is the world of ESG. The global value chain is contracting, and our customers look to ADI to support

their compliance and value-driven initiatives. We believe our people, both current and future, are drawn to a company that lives its values and purpose. We are deeply committed to continuing to foster a culture where people can thrive, belong and do their best work. We expect these investments for the future benefit our company, the planet, and the communities in which we work and live. And as climate and other risks under the umbrella of ESG come to the forefront, how we are planning for the future is important for all our stakeholders.

To this end, we have undertaken several initiatives, leveraging a broad array of subject matter experts from across ADI. These include a Double Materiality Assessment, Climate Scenario Planning, PFAS working group, and a Product Carbon Footprint pilot. We plan to share updates about these efforts as they become ready and are targeting the issuance of a transparent, actionable Climate Transition Plan in 2025.

In my short time at ADI, I've found that the wonderful people here are driven by innovation, learning, and a desire to make an impact on the world around them. Despite its size and growth, ADI still has a familial air — a strong tether to its roots. Teams are thoughtful and motivated, and the momentum to work towards a better future is real. Across our business units and functions, from our philanthropic arm in the Analog Foundation to our Employee Resource Groups, the one thing that unites us across the globe is that spark of doing well by doing good. As we look to the future — the beautiful Horizon depicted throughout this report — we are heartened. Despite the incredible challenge before us, there are tremendous people working toward solutions. To close with the wisdom of Margaret Mead, renowned American cultural anthropologist, *"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."*

“ADI endeavors to leverage our place in the world to help make a more resilient, responsible and sustainable future.”

**Mary Farris**  
Head of ESG





# Governance

We have long believed that good corporate governance is important to ensuring that ADI is managed for the long-term benefit of our stakeholders.

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# Risk Management

As a leading provider of digital transformation solutions at the Intelligent Edge, ADI utilizes its risk management programs to identify, manage, and govern risk throughout our organization to promote the achievement of our financial and operational goals, and to drive long-term business and ESG strategy and solutions in a compliant manner.

## Enterprise Risk Management

ADI has adopted the [Committee of Sponsoring Organizations](#) (COSO) framework for enterprise risk management (ERM). This framework employs a six-phase approach: risk identification, risk categorization, risk quantification, risk control and response, risk and control monitoring, and risk reporting and communication. With this framework we have categorized the organization's risks into four categories (strategic, operational, compliance, and financial) and quantified their impact using four scales (financial impact, likelihood of occurrence, velocity, and difficulty of recovery).

Our ERM program aims to support informed organizational decision-making for strategic planning, tactical execution, budgeting, and risk oversight that optimizes risk outcomes and protects stakeholder value. The ERM function enables the organization to make risk management more efficient and effective by providing and maintaining a risk management framework and developing appropriate mitigation strategies.

We also believe that a strong ERM program enhances corporate governance, and helps to define management's leadership and commitment toward openness, honesty, integrity, and ethical behavior.

We utilize both a top-down and a bottom-up approach to risk management wherein day-to-day risk management activities are managed by the business units and functions and reported up to the Board of Directors and Leadership team and the high-level strategic goals and priorities are cascaded down to the business by leadership.

Our dedicated ERM program manager has created a risk center of excellence as a resource for risk owners and champions to continuously improve their day-to-day risk management activities. Additionally, the ERM program manager functions as a conduit of risk information between management and the Board.

### CLIMATE SCENARIO PLANNING

As part of ADI's risk management process, in 2023, we began initial efforts to undertake climate scenario planning in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) to help ADI identify both climate risks and opportunities across our organization, facilities, and value chain. ADI believes that scenario planning is a best practice to understand which guideposts we need to monitor, as well as what actions can be taken, to prepare for a wide range of potential issues. Currently, ADI assesses the potential physical risks of our facilities and operations using an array of inputs, including Risk Reports from FM Global, our insurer. These detailed reports, coupled with FM's standard risk reviews and facility assessments, provide a roadmap by facility of real-world potential impacts and actions that can be undertaken to mitigate them.



# ERM Risk Committee



Compliance and Risk				
<p><b>OVERSIGHT</b></p> <p>The Board, the appropriate committees, and the CEO provide oversight and have appropriate transparency and visibility into the key risk functions, ERM issues, and risks related to the business.</p>	<p><b>EXECUTIVE RISK COMMITTEE</b></p> <p>Establishes and cascades strategic goals and targets to ensure enterprise alignment</p> <p>Responsible for designing, implementing, and maintaining an effective risk program</p>	<p><b>BUSINESS UNIT AND ENTERPRISE FUNCTIONS</b></p> <p>Responsible for operational management, business performance, and management of events or risks to the business</p>	<p><b>COMPLIANCE</b></p> <p>Sets the governance structure for information sharing and coordinating compliance-related risks across the Company</p>	<p><b>INTERNAL AUDIT</b></p> <p>Facilitates alignment with control monitoring and risk mitigation efforts to support the ERM program</p>

## Business Resilience Management

Business resilience involves emergency, crisis, and continuity planning, as well as crisis communication planning, to guarantee that our operations remain strong in unforeseen situations, such as cyberattacks, natural disasters, extreme weather conditions, geopolitical problems, supply chain interruptions, or any other disruptions to our business.

We prepare and plan for such potential interruptions to minimize their impact on our business operations. In the event of an issue, we engage a diverse set of internal stakeholders, including human resources, legal and risk, environment, health and safety, global operations, procurement, communications, and security, as appropriate. Our resilience plan includes all our

businesses, activities, and locations. These efforts are supported by systems, policies, and procedures designed to mitigate risk, protect the safety of our employees, and preserve the trust of our customers. Our teams proactively monitor and maintain their readiness to identify, assess, and respond to potential events.

To support our resilience and monitoring efforts, we subscribe to an emergency alert system that notifies us if there are severe weather, natural disaster, geopolitical events, or other events in areas that could impact our operations, so any needed response can begin quickly. Teams receive emails whenever such events happen, which allows for a quick assessment and activation of the applicable resilience plans and procedures.

We reach out to manufacturing sites and suppliers in the proximity of an emergency, and, if there may be an impact to our supply continuity, we take swift mitigating actions.

We are committed to continually enhancing our business resilience programs based on changing global conditions. In 2023, we focused on the coordination of our program across our functions and global locations. To continuously improve our program, we conduct testing exercises and auditing of our resilience plans and processes, and we incorporate learnings from real-world experiences and inputs from stakeholders worldwide.



# Business Ethics

At ADI, integrity defines our culture. It is foundational to all we do with our customers, our communities, and each other. We are committed to continuously driving the importance of ethics and compliance at ADI. It is everyone's responsibility to uphold our Company values, foster an ethical culture, and build upon the foundation of trust and respect that ADI has created.

ADI continues to enhance our policies, practices, and trainings as a reflection of our responsibility to embed integrity and high ethical standards in the way we do business. ADI's [Code of Business Conduct and Ethics](#) (Code) outlines ADI's approach to conducting business ethically, in compliance with the law, and in a way that reflects our deeper values. We review and update our Code annually and promote awareness of ethics and compliance issues. Our Code provides a blueprint to guide our day-to-day decision-making at ADI. Everyone who works for ADI and its subsidiaries, including the members of our Board of Directors, all executive officers, and every employee, as well as all independent contractors, consultants, agents who provide services to ADI and all who engage in business activities with ADI, are expected to comply with our Code and the law during their relationship with ADI in all countries and regions in which we do business.

ADI prohibits bribery and corruption in our business. We comply with applicable anticorruption and antibribery laws in all countries where we do business. Our Code explicitly prohibits offering, giving, or receiving bribes in connection with work for ADI at any time for any reason. ADI's global employee population receives annual Antibribery and Corruption training to ensure their understanding of anticorruption and antibribery laws, gifts

and entertainment policy, and the critical role of accurate recordkeeping. We focus on education and prevention to ensure that our policies are followed by our employees and business partners, and that concerns are easily reported and quickly addressed.

At ADI, we seek to drive a culture of inclusion that values and leverages each employee's uniqueness and perspectives. We strive to maintain a respectful work environment that is free from harassment and discrimination, and to provide a professional environment that promotes respect for every individual. Our expectations are detailed in ADI's [Anti-Harassment Policy](#).

We communicate with all employees about our commitment to ethics, integrity, and compliance, our policy updates and resources, training, and accessibility enhancements, and encourage them to speak up about any suspected or actual violation of law, our Code, or our policies, or unethical conduct using reporting channels described in our Whistleblower Program. We also expect our suppliers to comply with our Code of Corporate Social Responsibility and Code of Business Conduct and Ethics, including speaking up if they become aware of any violations or unethical conduct. [For more information, please see Supplier Resources.](#)

## ADI POLICIES ON STRATEGIC CORPORATE RESPONSIBILITY ISSUES:

- [Code of Business Conduct and Ethics](#)
- [Code of Corporate Social Responsibility](#)
- [Anti-Slavery and Human Trafficking Statement](#)
- [EEO and Affirmative Action Policy](#)
- [Global Tax Policy](#)
- [Information Security Statement](#)
- [Political Contributions and Expenditures](#)
- [Privacy Policy](#)
- [Anti-Harassment Policy](#)
- [Supplier Ethics Commitment](#)

Documents are available at: [investor.analog.com](https://investor.analog.com) and [Corporate Policies | Analog Devices](#).



## Raising Awareness and Training

We are dedicated to raising awareness of ethics and compliance topics. We have a centralized and comprehensive compliance training program for our global workforce. The program is designed to emphasize ADI's core values of respect and continuous learning, focus on educating employees about applicable laws, regulations, and Company policies that govern their behavior at the workplace, and promote a culture of integrity. All ADI employees receive ethics and compliance courses that include region-specific and role-based assignments and cover topics related to conflict of interest, anti-bribery and corruption, insider trading, workplace harassment prevention, data privacy and security, antitrust and trade compliance, intellectual property, and confidentiality, among others. Depending on their role and responsibilities at ADI, certain employees receive additional in-depth training assignments covering topics related to healthcare compliance and government contracting. Training completion includes review and certification of adherence to ADI's Code, the Code of Corporate Social Responsibility, and other applicable policies.

Our training materials are translated into local languages in key locations. We actively monitor compliance training performance.

## Whistleblower Program, Reports, Investigations, and Corrective Measures

At ADI, we are committed to creating an environment where every employee is respected and valued. We value transparency and rely on our employees to demonstrate honesty and integrity and to speak up to raise concerns. We maintain multiple channels for employees and others to report concerns, including reporting anonymously. Anyone can report concerns through ADI's Ethics Hotline (online at [analog.ethicspoint.com](https://analog.ethicspoint.com), by phone, or through mobile access). ADI's Ethics Hotline is operated by an independent third party and allows anonymous reporting where permitted by applicable law. Employees can request a translator for reporting by phone or online, and Global Mobile Access Reporting is available in local languages for key locations. Additional channels for employees' reporting include their supervisor, Human Resources, ADI's Chief Legal Officer, and ADI's Ethics and Compliance team through [its Ethics Email Box](#).

ADI maintains a process to ensure that reports are investigated by the Ethics and Compliance team, and appropriate corrective actions are implemented. The Chief Legal Officer and Ethics and Compliance team provide oversight of all global investigations to ensure that the

investigation process is transparent, and matters are handled fairly and consistently. Additionally, the Board of Directors provides oversight on investigation processes, compliance trends, and matters, as appropriate.

ADI does not tolerate retaliation against anyone who in good faith makes a report or assists ADI in identifying suspected violations of the law, ADI's Code, the Code of Corporate Social Responsibility, or other Company policies or procedures, or participates in an internal investigation. ADI trains its employees on its anti-retaliation policy and takes proactive steps to prevent retaliation with corrective action up to and including termination. Additionally, ADI requires its suppliers to prohibit retaliation for good faith reporting or participation in whistleblower investigation processes.

### WAYS TO SUBMIT WHISTLEBLOWER REPORTS



- Supervisors
- HR Department
- ADI's Chief Legal Officer



ADI's Toll-Free Ethics Hotline



[analog.ethicspoint.com](https://analog.ethicspoint.com)



Scan for Global Mobile Access



ADI's Ethics Email Box



# Human Rights

Respect for human rights is rooted in our values and applies wherever we do business. These principles apply to all employees and contingent workers, products, and services, as well as our business relationships, including our supply chains. They also align with multiple frameworks, including the [UN Guiding Principles on Business and Human Rights](#), the [ILO Declaration on Fundamental Principles and Rights at Work](#), and the [UN Universal Declaration of Human Rights](#).

We have embedded our approach and programs associated with our operations, supply chain, and products in ADI's policies and procedures.

ADI policies outline human rights requirements for all global workers. ADI's Code of Corporate Social Responsibility (CCSR) and Code of Business Ethics expressly represent that ADI does not use forced, involuntary, or child labor in any of our facilities and explicitly prohibit the use of child and forced labor in its supply chain. The Labor and Human Rights section of our Code of Corporate Social Responsibility specifically addresses humane treatment and prohibition of child and involuntary labor. In addition, a key strategy for protecting human rights is our active participation in the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to electronics supply chain responsibility, and its [Responsible Labor Initiative](#). ADI has adopted the RBA Code of Conduct, which establishes standards to ensure that working conditions in the electronics industry and its supply chains are safe; that workers are treated with respect and dignity; and that

business operations are environmentally responsible and conducted ethically. RBA's audit process is a critical component of our strategy for ensuring the protection of human rights in our supply chain.

At our own ADI offices and manufacturing facilities, ADI is committed to providing our employees with a safe, inclusive, and respectful work environment where they can thrive. Harsh and inhumane treatment is not tolerated, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is the threat of any such treatment tolerated. Our Code provides details on ADI's policies that promote a workplace that is free of harassment and unlawful discrimination, and mutually respectful, safe, and healthy workplace environment.

We believe that open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. We also respect the right of all workers to freedom of association and to share ideas and concerns with management regarding working conditions and management practices without the fear of reprisal, intimidation, or harassment.

ADI is committed to upholding human rights in our supply chain, and our manufacturing suppliers are expected to adhere to our Code of Business Conduct and Ethics, our Code of Corporate Social Responsibility, and the RBA Code of Conduct, and maintain progressive employment, environmental, health and safety, and ethics practices that meet or exceed all applicable laws, rules, and regulations in the countries in which they operate.

ADI also aims to respect the human rights of communities and minimize adverse effects from our manufacturing on communities, by adhering to the RBA Code of Conduct's

environmental standards, which are designed to address issues such as air and water pollution, hazardous substances, and waste, and its ethics standards, which call for responsible sourcing of minerals. See the [Responsible Mineral Sourcing](#) and the [EHS](#) sections of this report for more details.

ADI's [Anti-Slavery and Human Trafficking Statement](#) outlines how ADI and its suppliers comply with anti-human-trafficking laws and regulations, ADI's [Code of Business Conduct and Ethics](#) and Responsibility and the [RBA Code of Conduct](#).

## Salient Human Rights Risks

At ADI, we engage regularly with key stakeholders, including customers, suppliers, employees, and organizations like the United Nations, SIA, RBA, and SEMI, to help identify salient human rights risks in the semiconductor industry and in places where we do business.

Key 2023 focus areas for ADI included:

- Freedom from slavery and forced or child labor
- Nondiscrimination and respect
- Right to a safe and clean work environment
- Right to privacy
- Right to humane treatment in the workplace
- Reviewing a living wage compensation framework for each of our markets
- Awareness of reporting and remedy processes

# Ethical Supply Chain

ADI is committed to responsible procurement practices and ensuring an ethical supply chain. We have an unwavering commitment to social responsibility, supplier integrity, and continuous improvement. We have focused our procurement strategy to drive consistency and efficiency.

We collaborate with supply chain-related organizations, such as the Responsible Business Alliance, including its [Responsible Minerals Initiative](#) and [Responsible Labor Initiative](#), and the [Semiconductor Industry Association](#). RBA's audit process is a key component of our supply chain management program.

We've adopted the RBA Code of Conduct and use it in conjunction with our Code of Corporate Social Responsibility. We've established standards for our suppliers to ensure that ethical and legal commitments are applied to our entire supply chain.

To mitigate risk, ADI has implemented tools and processes to vet and monitor suppliers, as discussed below.

In 2023, ADI launched the supplier-facing website [Analog.com/supplier-resources](https://analog.com/supplier-resources) to make our supplier expectations and sustainability policies and processes more readily available to our suppliers.

## Supply Chain Policies and Due Diligence

In 2023, ADI expanded our policies to subsidiaries and affiliates, cascading expectations to all sub-tiers within ADI's value chain. ADI develops and implements a range of policies, commitments, standards, and processes, oftentimes in partnership with third parties, to manage and advance ESG objectives in our global supply chain.

## Our Code of Corporate Social Responsibility

ADI has adopted a robust Code of Corporate Social Responsibility that draws upon internationally recognized standards to promote social and environmental responsibility in our workplace and business. ADI's CCSR imposes requirements on our supply chain involving labor and human rights, health and safety, environment, ethics, and management systems. Our CCSR specifically requires humane treatment and prohibits child and involuntary labor.

ADI's suppliers are expected to maintain practices related to progressive employment, the environment, health and safety, and ethics that meet or exceed all applicable laws and requirements of ADI's Code, our CCSR, and the RBA Code of Conduct.

## Our Supplier Ethics Commitment

We are committed to driving sustainable value for workers, the environment, and businesses throughout our global supply chain. We expect our global suppliers to adhere to the same business ethics, standards, and code of conduct as ADI.

All new suppliers are required to sign ADI's Supplier Ethics Commitment (SEC) during our onboarding process. This SEC requires that suppliers commit in writing to comply with the RBA Code of Conduct and ADI's ethics standards and cascade it to their downstream suppliers. Suppliers are expected to post a corporate social and environmental responsibility statement in their workplace affirming their commitment to compliance and continual improvement, and to provide clear and accurate information to workers, suppliers, and customers about their performance, practices, and expectations.

In 2023, ADI added supplier subsidiary and affiliate language to our SEC, extending our requirements to these supplier-related entities to help broaden ESG awareness and practices. Notice of this addition was communicated to our suppliers via email, on our supplier-facing website launched in 2023, and through the SEC itself.

## Responsible Business Alliance

ADI is a member of the Responsible Business Alliance (RBA). As a member, we have adopted and agreed to comply with the RBA Code of Conduct, and ensure our suppliers comply with the RBA Code as well. ADI's factory sites are subject to periodic self-assessments (SAQs) and third-party led audits through the RBA Validated Assessment Program (VAP). As a part of ADI's membership requirement, we report to the RBA on how many ADI-owned facilities have completed the SAQs and whether there are any suppliers rated as high risk with any significant audit findings.

The RBA VAP audit program validates compliance with the RBA Code of Conduct and applicable laws. Audits include thorough document reviews, interviews with management and employees, and a visual site survey. The audit results are shared with customers that purchase from that facility. In 2023, RBA audits of our facilities in Malaysia, Thailand, and the U.S. (Beaverton, Oregon, and Camas, Washington) were conducted without any priority findings. In 2024, we plan to have RBA audits in our facilities in Ireland, Philippines, and U.S. (Wilmington, Massachusetts, facilities).

ADI's most recent RBA VAP audit score is compared with the industry standard, and ADI remains above the industry standard. ADI's most recent RBA VAP audit average score is 190 out of a possible 200.

VAP Initial Audits/Closure Audits Scores:<sup>1</sup>

ADI - **190**

Industry - **129**

<sup>1</sup> Data current as of December 2023

## Our Risk-Based Approach and Supplier Diligence

We expect our suppliers to maintain the highest level of integrity and meet or exceed all applicable laws, rules, and regulations in the countries in which they operate. We assess supplier performance, including fair employment practices, labor policies, and human rights statistics, as well as environmental impact, health and safety incidents, and corrective actions, to address these critical issues.

As part of our supplier onboarding process, ADI conducts due diligence on all new suppliers. In 2023, we implemented additional enhanced due diligence to further vet key suppliers. They are vetted on risks associated with human rights, bribery/corruption, labor and employment, intellectual property risk, trade compliance, and data privacy. These suppliers will also be reviewed on an ongoing basis through our enhanced due diligence process. In all, we increased the percent of ESG topics included in our supplier scorecards fivefold in 2023, reflecting a 16% increase in weighting for ESG topics in our supplier selection process.

Additionally, ADI evaluates the RBA SAQs completed annually by its direct suppliers to assess supplier risk and compliance. Every two years, certain ADI suppliers have a Validated Assessment Program compliance audit conducted by an independent, third-party auditor that has been approved by the RBA and is specially trained in social and environmental auditing and the VAP protocol. Any nonconformance is contained and corrected to prevent future recurrence. The RBA not only provides remedy and prevention plans for suppliers that have noncompliance issues, but it also offers a Recognition Program to recognize facilities that demonstrate their commitment to corporate responsibility through verified closure of issues identified in a VAP audit.



Looking ahead, ADI plans to develop criteria related to supplier diversity and inclusion as part of the supplier selection and onboarding process. In preparation, we anticipate engaging suppliers on these ESG priorities in 2024 through educational and social events.

## Supplier Environmental Impact

Our commitment to environmental sustainability cascades down to reduce the environmental footprint of our suppliers. Our CCSR includes several environmental expectations that our suppliers must meet, including:

- Complying with the prohibition or restriction on the use of specific hazardous substances
- Complying with laws and regulations for air emissions
- Limiting or reducing waste
- Preventing pollution
- Reducing the use of resources

Looking ahead, ADI's goals include continuing to move our suppliers beyond environmental compliance and furthering green initiatives in our supply chain, including the use of environmental performance as a criterion for supplier selection.

## Conflict Minerals

Like many technology companies, ADI may utilize, and some products may contain, tin, tantalum, tungsten, and gold (3TG) in the manufacturing of our products. These minerals can be sourced globally but are known to be frequently sourced from the Democratic Republic of Congo (DRC) and adjoining countries. This region has been identified as an area of human rights abuses and armed conflict. ADI works to ensure that these minerals within its manufacturing supply chain do not originate from sources that support or engage in human rights abuses or armed conflict in this region.

ADI's [Responsible Minerals Policy](#) defines the requirements within ADI and throughout ADI's supply chain for mineral traceability of 3TG minerals to strive to maintain conformant sourcing. Procedures and processes are in place following the Organization for Economic Co-operation and Development Due Diligence (OECD) Guidance to support execution of ADI's Responsible Minerals Policy.

ADI has been a member of the Responsible Minerals Initiative (RMI), formerly known as the Conflict-Free Sourcing Initiative (CFSI), since 2009, and utilizes RMI's Responsible Minerals Assurance Process (RMAP) to understand mineral country of origin and smelter or refiner RMAP status. The RMAP process includes a third-party independent evaluation of validated mineral smelters or refiners to determine its conformance status to the RMI standard. ADI continues its use, support, and involvement in the RMI initiative and is currently evaluating other minerals that may be at risk of impacting responsible sourcing beyond regulatory requirements.

For additional information regarding our due diligence processes, risk management plan, and the results of our most recent inquiries, please see the Conflict Mineral Report included with our [Form SD](#).

## Environmental Product Compliance

ADI's Environmental Policy and Environmental Management System ensures our semiconductor products meet and exceed compliance obligations. Additionally, our product sustainability program assesses the health, safety, and environmental impacts of our integrated circuit products for continual improvement, and assists with our compliance with relevant regulations around substances of concern (REACH, RoHS, ELV), and protects people in contact with our products at any point in the value chain from exposure to hazardous substances. We continuously monitor developments in the global regulatory landscape and provide our customers with regular updates [online](#) to facilitate transparency on the materials and environmental substances found in our end products.



# Trade Compliance and Taxation

## Trade Compliance

Our semiconductor wafers are produced both internally and by third-party manufacturers. Our integrated circuit products are manufactured at our internal facilities in Wilmington, Massachusetts; Camas, Washington; Beaverton, Oregon; and Limerick, Ireland, on our proprietary processes, and at third-party wafer fabs using a mix of proprietary and non-proprietary processes. We source approximately half of our wafer requirements from internal manufacturing and the other half from third-party wafer fabricators like Taiwan Semiconductor Manufacturing Company (TSMC) and others when deep-submicron lithography capabilities and/or large manufacturing capacity are necessary.

Our worldwide business activities are subject to various laws, rules, and regulations of the U.S. and foreign governments. As our business is global, it exposes us to several risks and uncertainties that can have an adverse impact on our financial condition, business, and overall results of operations. These risks include international economic and political conditions; geopolitical tensions between countries where we do business; unexpected changes or impositions in regulatory or legislative requirements; and exporting or importing restrictions such as tariffs, quotas, deemed export restrictions, and other trade barriers.

ADI's Legal and Risk Optimization organization has a dedicated Global Trade Compliance team responsible for ensuring that ADI adheres to the laws and regulations governing the import and export of goods and services. The team focuses on compliance with international trade laws and multilateral import and export controls. Moreover, they provide strategic advice and guidance and

work with our business groups to enable cross-functional internal collaboration and facilitate cross-border sales and product distribution. The Global Trade Compliance team consists of subject matter experts from different regions worldwide, covering territories across the U.S., Asia-Pacific, Europe, the Middle East, and Africa. They manage a range of activities, including product classification, securing license authorizations, and establishing policies, processes, and programs, including sanctions, embargoed countries, and restricted entities. These measures are designed to prevent the unauthorized imports and exports of goods, services, and technologies to and from prohibited countries and entities.

## Illicit Diversion of Our Products

Following Russia's invasion of Ukraine and in compliance with U.S. and EU sanctions, ADI ceased business activities in Russia and the Russian-backed regions of Ukraine and Belarus and promptly instructed all of our distributors to halt shipments of our products into these regions. ADI does not condone or support the use of our products in Russian military equipment or for end applications for which they were not intended or authorized, nor do we condone or support the illicit diversion of our products to countries or entities subject to U.S. or international sanctions.

We recognize and understand the severity of illicit diversion in the semiconductor industry and have made it our policy to go above and beyond our legal obligations. We have implemented a robust and comprehensive program to contend with the actions of bad actors and counter this

activity by identifying and preventing misuse or diversion of our products. ADI has expanded its team to focus on mitigating the risks of grey market activities. This team ensures adequate controls are in place to help identify, effectively manage, and prevent grey market activities wherever possible.

ADI collaborates with government agencies' efforts to investigate improper product diversion of semiconductor parts by brokers or diverters, and partners with multiple law enforcement, government, and external parties to take appropriate action. ADI is fully committed to helping to ensure the safety and integrity of our products and will continue to take necessary measures to reduce the risk of illicit product diversion.



## Taxation

ADI is a responsible taxpayer and aims to comply with statutory obligations and to provide full disclosure to the tax authorities in each country in which we operate. Our tax strategy is closely aligned with our business and sustainability strategies, and our tax affairs are managed in line with our rigorous governance standards.

Our tax payments are comprised of corporate income, employment, property, and other tax payments. We maintain appropriate policies, management structures, and governance processes to ensure compliance with tax laws in jurisdictions in which we do business. The ADI [Global Tax Policy](#) serves as our framework to identify key tax risks. We manage those risks through appropriately designed and operated controls, policies, and processes, which are regularly audited by internal audit and for Sarbanes-Oxley (SOX) purposes. The framework is fully embraced and supported by our Board of Directors, our Management team, and the entire tax organization. The Audit Committee of our Board of Directors reviews our tax strategy and regularly confers with our tax professionals to discuss tax policies and the impact of tax laws and regulations on the Company. The result is a tax structure that is transparent and complies with internationally accepted taxation principles.

Our Tax team ensures that our tax obligations are properly, effectively, and correctly handled and disclosed in our annual and quarterly reports in accordance with the reporting requirements of U.S. Generally Accepted Accounting Principles (GAAP). Our qualified, experienced, and well-resourced tax professionals manage and oversee the tax control framework and the day-to-day tax affairs of the Company. Our tax department members stay aligned and up to date with the latest developments in the global tax landscape through internal and external training programs. When appropriate, we engage external tax advisors to help us manage tax risk and to ensure accuracy in tax related matters.



We operate in many different tax jurisdictions and frequently deal with transfers that involve cross-border payments within our consolidated group of companies. To avoid potential tax issues with these internal cross-border transactions, we rely on transfer pricing to ensure that we use the same pricing structure as we would if such transfers were between unrelated third parties. Our transfer pricing complies with country-specific transfer pricing rules and is in accordance with [OECD Transfer Pricing Guidelines](#). We recognize the importance of transfer pricing being at arm's length and ensuring tax payments are made appropriately to locations that contribute value.

Given our global footprint, we leverage available tax incentives and tax regulations in the various jurisdictions where we operate. We aim to be clear about all aspects of our tax position and to share information about our tax position in a forthright manner, fostering a relationship of honesty, transparency, and trust with tax authorities in each of these jurisdictions. See [footnote 12](#) to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended October 28, 2023, for a detailed discussion of our income taxes.

For additional information on our approach to tax policy and transparency, see our [Global Tax Policy](#).

# Privacy and Information Security

## Global Data Protection and Privacy

ADI is committed to complying with global data privacy regulations, including the General Data Protection Regulation (GDPR), China's Personal Information Protection Law (PIPL), and California's Consumer Privacy Act (CCPA). At ADI, we aim to foster a culture that values strong business practices as well as individual privacy. We do this by raising awareness about privacy issues, communicating with our business stakeholders, ensuring transparency about ADI's data privacy program, training employees, evaluating new suppliers and technologies, and implementing good corporate practices for handling personal data.

ADI's data protection and privacy program is organized around the data life cycle, including the collection, use, sharing, and deletion of personal information. In 2023, ADI provided a new data protection notice to all employees and educated marketing teams and data protection officers worldwide. We actively monitored our centralized privacy mailbox to respond to data privacy inquiries, and assigned data privacy compliance training to relevant employees focusing on new legal and organizational requirements.

ADI's data privacy program prioritizes values such as:

- **Transparency:** We will inform individuals about what personal information is collected from them and how their data will be used.
- **Data and Information Security:** We will implement tools and procedures to safeguard personal information.

- **Ahead of the Curve:** The world of data privacy is rapidly changing. We actively track laws and trends to ensure that ADI stays ahead of curve. We also educate stakeholders on new requirements and required changes.
- **Preparedness:** We apply privacy by design when making business decisions and developing products or services. We take active steps to prevent a data breach and respond to any data breach quickly if it happens.
- **Letting Go:** We delete personal information that is no longer needed.
- **Responsiveness:** Our team is ready to assist with any data privacy questions.

ADI holds quarterly meetings of a cross-functional Data Protection and Privacy team to report on regulatory activity and trends related to data protection.

## Enterprise Information Security

To minimize the likelihood and impact of a cybersecurity incident, we have deployed cybersecurity protections to protect ADI's networks, devices, and data from external and internal threats. These protections are deployed in accordance with global privacy regulations.

ADI's enterprise security program has been developed based on industry standards, including those published by the International Organization for Standardization (ISO) and the National Institute of Standards and Technology (NIST).



## Program Elements

ADI protects against threats by adopting all five elements of the NIST framework, including:

- Identifying critical assets and high-risk threats
- Implementing cybersecurity detection with a 24x7x365 operations center
- Implementing security controls and remediation practices
- Having an incident response capability
- Evaluating our partners' cyber posture through the implementation of a third-party risk management program
- Maintaining a comprehensive set of cybersecurity policies and procedures

Risks identified by our cybersecurity program are analyzed to determine the potential impact on us and the likelihood of occurrence. Such risks are regularly monitored to ensure that the circumstances and severity of risks have not changed. We evaluate our security program effectiveness by performing internal audits and periodic external audits by an independent information systems expert to determine both the adequacy of, and compliance with controls and standards.

For additional information regarding our cybersecurity and information security risks and oversight, see our [Annual Report on Form 10-K](#) for the fiscal year ended October 28, 2023.

## External Inputs

ADI regularly conducts threat assessments and benchmarks best practices. Intelligence sharing is conducted with leading global security providers, and the National Defense Information Sharing and Analysis Center, as well as industry peers, which helps all participating companies improve their cybersecurity programs.

## Security Awareness and Training

Education is an important tool in our overall Cybersecurity program. We provide regular workforce training sessions to instruct all eligible employees to identify cyber concerns and to take appropriate actions. Training covers topics such as phishing, malware, social media, and incident-reporting processes. We install and regularly update antivirus software on all Company-managed systems and workstations to detect and prevent malicious code from impacting our systems.

## External Certification

Cybersecurity Maturity Model Certification (CMMC) is a unified standard for the implementation of cybersecurity across an enterprise that is designed to help protect sensitive unclassified information. It was developed by the U.S. Department of Defense (DoD) and is expected

to apply to the 300,000 companies supplying the DoD, with compliance required as early as the first quarter of 2025. The framework covers 110 controls specified in NIST 800-171. ADI will pursue its CMMC certification and is awaiting the publication of the final rule in the Federal Register.

ADI governs cybersecurity risk through a management-led cross-functional steering committee chaired by our Chief Information Security Officer that is charged with security governance, coordination and monitoring of cyber risks, potential cyber incidents, and key mitigation initiatives.

ADI's Board of Directors includes four members with cybersecurity expertise to assist the Board in its oversight of the Company's information security program. Senior leadership and Internal Audit regularly provide the Audit Committee with updates on the performance of our cyber program. At least annually, the Chief Information Officer updates the full Board of Directors on information security matters and risk, including cybersecurity, and quarterly updates are provided to the Audit Committee.



# Safeguarding Our Products

ADI continually invests in the security, safety, and quality of our products to support the safe and intended use of our solutions and to help accelerate breakthroughs.

## Product Security

Distributed computing is further connecting our world and enhancing access to a wide array of information, processes, and infrastructure. It is more important than ever to add the right amount of protection to ensure people, processes, and assets are safe and able to operate as intended. Threats continue to grow with expanding access, ability, and ingenuity that is prompted by our expanding digital footprint. Regulations and standards are being created to help safeguard against the growing threat landscape, and companies like ADI are at the forefront to ensure innovation can continue to occur at a fast pace while actively protecting against misuse and rapidly responding to new emerging threats.

ADI takes a customer-first approach to security, seeking to understand use, need, and integration challenges to deliver appropriate solutions. Different markets and applications present a range of security requirements. Whether dealing with personal health information, national security, or data privacy requirements, ADI designs for both the use and the appropriate regulatory environment to achieve the broadest ecosystem interoperability and accelerate deployment of new solutions.

## Governance and Prevention

ADI's secure development process helps to ensure new products are designed to be both compliant in the end market and protected against the relative threat landscape by deriving appropriate requirements from standards, regulations, and threat modeling. To help ensure standards are met, we have curated a well-organized and accessible set of product security resources and educational programs for our engineers.

We consider process controls important to ensure that a high security standard is met across our wide array of product lines. Extending beyond our development environment, ADI provides tools to manage products securely throughout the life cycle of the product. These capabilities are made available for customer applications when applicable for the product's use. Additionally, we closely monitor our product families for known vulnerabilities while extending an incident response portal for white hat hackers, customers, and others to securely report new vulnerabilities. ADI's Incident Response team is committed to actively remediating or mitigating known vulnerabilities, as necessary. We strive to address these issues quickly with notifications and updates.

ADI monitors the expanding threat environment and regulatory requirements to proactively design products and solutions to protect against tomorrow's emerging threats and to establish technology that enhances a system's ability to identify new attacks, recover from an exploited vulnerability, and quickly make updates to security protocols.



# Public Policy

## Approach

Public policy engagement allows ADI to provide thought leadership to both U.S. and global governments on issues that directly impact our business, the communities where we operate, and the semiconductor industry as a whole.

We interact with government officials, trade associations, and other coalitions at the federal and state level to educate key governmental offices and agencies and advocate on key issues such as international trade, tax, supply chain resilience, advanced research technology and innovation, intellectual property rights, workforce development, climate change, and responsible materials sourcing. State efforts are focused in states where we have the largest presence: Massachusetts, Oregon, Washington, and North Carolina.

ADI belongs to trade associations in the U.S. and globally that represent the interests of the semiconductor industry and other industries in which ADI operates. These organizations work to bring about industry consensus and advocacy on major public policy issues. Our participation in trade associations does not mean that we agree with every position a trade association takes on an issue.

ADI is currently an active member of the Semiconductor Industry Association (SIA), as well as Semiconductor Equipment and Materials International (SEMI) and other trade associations. Our CEO is on the SIA Board. In states where we have a large presence, we support efforts of state policy-focused associations to advance regional competitiveness and improve education and employment opportunities for underrepresented groups. In addition, we are members of several trade associations located outside the U.S. — including in Ireland, India, the Philippines, and China, among others.

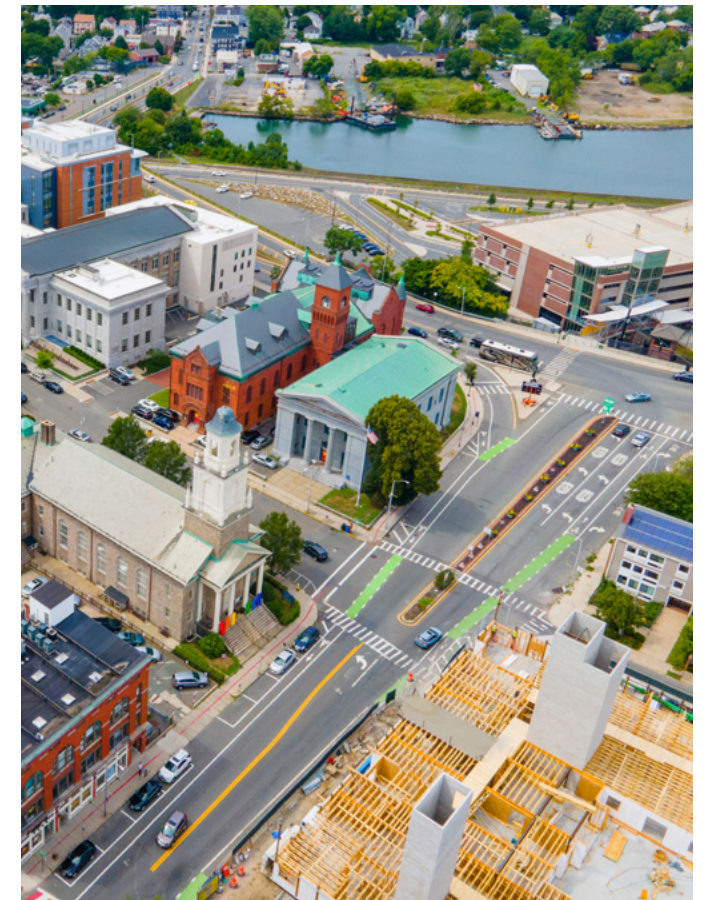
ADI conducts its advocacy activities in a legally compliant manner. Where required by law, ADI files lobbying disclosure reports with federal, state, and local governments with respect to its advocacy activities. We do not make political contributions of any kind to parties or candidates, including any direct contributions through intermediary organizations. This policy applies worldwide, even where these contributions are permitted by law. Our public policy and government relations are managed by ADI Government Affairs team worldwide. The Nominating and Corporate Governance Committee of our Board oversees our policies and practices and receives quarterly reports from ADI management on government affairs related policies, practices, and activities.

## 2023 Advocacy Activities

In 2023, ADI continued strengthening existing relationships and broadening engagement in the U.S. with additional members of Congress, the Biden Administration, and governors in states where we have a significant presence.

At the federal level, ADI engaged in policy discussions on the implementation of the CHIPS and Science Act, one of the most significant U.S. investments in science and technology in history. ADI has also been a leading voice on several CHIPS advanced research programs, including the National Semiconductor Technology Center and Microelectronics Commons, to augment regional R&D ecosystems.

On a global scale, ADI's public policy focus areas include supply chain resiliency, workforce development, creating a level playing field, and promoting technologies that improve the world around us. Our public policy initiatives include supporting development of cross-border projects as well as education and collaboration with public officials on these issues.



# Health and Safety

## Approach

The health and safety of our employees and contractors is a top priority.

All manufacturing sites have employee health and safety committees that help to ensure ADI maintains a safe operating environment. Our policies detail our approach for ADI and its suppliers in the areas of labor and human rights, health and safety, ethics, management systems, and data privacy.

In 2023, we published a new and more comprehensive Environment, Health, and Safety (EHS) policy that represents ADI's vision, mission, and commitments to health and safety. This further strengthened our drive to operate a sustainable, safe, and healthy work environment. We continued to leverage cross-site collaboration, standardization, and communications through our quarterly EHS reviews, a biweekly EHS leaders' forum, an annual strategy meeting, and a monthly injury review committee.

### SAFETY WEEK IN ASIA SITES

Our sites in the Philippines and Malaysia held Safety Week celebrations to engage employees in recognizing the value of safety. Events in the Philippines included learning sessions on traffic safety, first aid, and process-based safety. We had competitions for safety posters, led health and safety-focused games, and recognized our safety advocates. The Malaysia site's celebration hosted external speakers on first aid, noise awareness, fire safety, and road safety. The week also included Kaizen training, fire extinguisher demonstrations, and a blood donation drive.

"I am proud to be part of the ADI Beaverton Emergency Response Team, supporting the health and safety program that helps build a safe and secure environment for all our employees. It is rewarding to work for a company that prioritizes these values, and I am excited the company achieved ISO 45001 Occupational Health and Safety Management System (OHSMS) certification for all our manufacturing facilities in 2023."

— Tay R., Equipment Technician, Beaverton, OR

## Enterprise ISO 14001 and 45001 Certification

In 2023, we achieved enterprise certification for ISO 14001 Environmental Management Systems (EMS) and ISO 45001 Occupational Health and Safety Management System (OHSMS) standards for all manufacturing facilities and our office in San Jose, California. This was a major milestone, as we harmonized the management systems of our combined facilities from ADI and Maxim and included our Legacy Maxim sites in Beaverton, Oregon; Cavite, Philippines; and Chonburi, Thailand, under the ISO 45001 certification.

## Health and Safety Training

To support our employees in conducting their EHS responsibilities, ADI provides comprehensive health and safety training that builds awareness and skills. Manufacturing employees undergo EHS training when they join ADI. Varied learning methodologies are employed to meet the needs of our diverse workforce, and EHS training is offered in different languages and through both web-based and on-site platforms. Training information is also tailored to what is needed for specific jobs, such as hazardous materials management, electrical safety, tool safety, and ergonomic workplace design.

Planning for emergencies is another aspect of keeping our employees safe. Employees receive training on what to do in the event of an emergency, how to report it, and how to safely evacuate the building. Members of our Emergency Response teams (ERT) receive training, which includes first aid, CPR, AEDs, bloodborne pathogens, and chemical response.

### ENGAGING OUR LOCAL PARTNERS ON EMERGENCY RESPONSE

The manufacturing of ADI's semiconductor products is safe and well controlled, but requires the use of hazardous materials. To ensure employee safety and good coordination with outside agencies during emergencies, ADI's Camas fab coordinated a broad drill in February 2023. Engaging with multiple jurisdictions (Vancouver Hazmat, Vancouver Fire, and Camas-Washougal Fire Departments) the site practiced responses for potential emergency events involving hazardous materials. Following the drill, tours of our site and manufacturing activities were provided to familiarize the responders with the site layout and operations. This teamwork helps ADI to work efficiently and effectively with these agencies to protect our employees, the responders, and the surrounding community in the rare case of emergency events.



## Managing Health and Safety Processes

In 2023, ADI adopted and implemented a system of record to more effectively manage and track EHS activities and incidents. We now use an enterprise software solution that facilitates more robust injury and illness tracking, documentation of inspections, action item tracking, and incident management, to include recording of investigations, root cause analysis, and corrective action closure. This system allows access-controlled centralized tracking of injuries, EHS-related events, inspections, and notices of non-conformance or violation, further improving how we manage our EHS programs.

## 2023 Performance

ADI recognizes the importance of metrics to support our commitment to continuous improvement of our health and safety performance. We use two industry-standard metrics to assess our injury performance and trends globally: incident rates and lost workday rates. We review our metrics on a consistent basis to understand how we are doing and learn where we can improve. We compare our incident rate and lost workday rate against the U.S. semiconductor industry and U.S. manufacturing industry rates as benchmarks.

In 2023, ADI's recordable injury rate decreased to 0.16. Our record reflects our ongoing efforts to drive safety improvements and protect people. In 2023, we achieved better rates than the industry averages for incident rates and lost workday rates. We include temporary workers in addition to all employees in our rate calculations. The types of injuries are tracked at the site level, and prevalent injury categories include slips and falls, overexertion, and ergonomic issues.

There were no fatalities at any ADI site in 2023, though there were four injuries defined as high consequence by the Global Reporting Initiative. To continuously improve our health and safety performance, every site maintains EHS-specific procedures and specifications, performs a periodic self-assessment or self-audit, posts health and safety communications, tracks its injury metrics, conducts investigations of safety incidents, and identifies causes and corrective actions.

We believe our health and safety performance continues to improve due to increased visibility via ISO standards and compliance, our enhanced EHS policy, and thorough investigations, which help to avoid repeat incidents. At the site-level, through active management-level support, we work to ensure that safety is visible and EHS accomplishments are highlighted.

### PLATINUM CLASS AWARD FOR ADI FACTORY IN CHONBURI, THAILAND

ADI's factory in Chonburi, Thailand, received its second consecutive Platinum Class Award as part of Thailand's Zero Accident Campaign led by the Department of Labor Protection and Welfare. The campaign's objective is to raise awareness of workplace safety issues and foster a culture of safety throughout the country. The site has received an award as part of the Zero Accident Campaign for nine consecutive years due to its stellar safety record.



# Environmental Sustainability

Environmental sustainability is core to our business. ADI is driven to use our ingenuity and technologies to connect the physical and digital worlds to help solve the problems that really matter. The climate crisis is a universal challenge, and we are eager to leverage our culture of problem-solving and innovation in the service of bettering our planet.

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# Optimizing Our Operations

As we continue to execute our plans to achieve Net Zero by 2050, we know that a credible climate plan requires reducing emissions first and foremost, before considering offsets for the hardest-to-reduce emissions. We take a similar approach to our water use and waste generation practices.

We are building a comprehensive, multi-year roadmap for how we will achieve our environmental sustainability commitments. Tooling choices have been completed to enable a significant reduction in greenhouse gas (GHG) emissions by 2025 even as we double our aggregate production capacity in Beaverton, Oregon; Camas, Washington; and Limerick, Ireland.

Cross-site, cross-organizational teams are working to define and execute the roadmaps needed to help meet our water reduction, zero-waste to landfill, and GHG emission reduction goals. These teams meet at least monthly to share data, strategies, and best practices, and they collaborate on plans to reduce our environmental footprint. Meetings are led and attended by members of our factory operations, facilities, and EHS teams and are overseen by our factory leadership, who are responsible for manufacturing sustainability initiatives.

## DOING GOOD FOR THE PLANET IN THE PHILIPPINES

The Philippines reduced use of fresh water by utilizing water efficient faucet fixtures and harvesting additional sources of non-potable water from rainwater, reverse osmosis reject streams, and cooling tower blowdown for irrigation and toilet flushing. This year also marked significant progress in transitioning the majority of its energy use to renewable sources.

Employees celebrated Earth Week with featured events covering topics such as biodiversity, wildlife, and recycling. As part of the ongoing efforts in the Philippines to replant mangroves, 2,265 propagules were also planted along the shoreline of Naic, Cavite, by the volunteer-led Green Team Network.



# 2023 Progress on Environmental Goals



**Goal:** 100% Renewable Energy at ADI's manufacturing facilities<sup>1</sup> by 2025

**Achieved:** 58% renewable energy use



**Goal:** >50% Absolute reduction of Scope 1 & 2 GHG emissions by 2030 from 2019

**Achieved:** 20% reduction



**NEW Goal:** 75% Reduction of Scope 1 GHG emissions from ADI's fabs by 2026 from 2022



**Goal:** 50% Reduction in water withdrawal normalized to production output<sup>2</sup> by 2027 from 2022

**Achieved:** 6% reduction



**Goal:** 100% Waste diverted from landfill from ADI's manufacturing facilities<sup>1</sup> by 2030 from 2019

**Achieved:** 96% waste diverted

<sup>1</sup> Manufacturing facilities include locations with fabrication, assembly, and/or test on-site.

<sup>2</sup> Water withdrawal is normalized to fab production output. A description of the metric and how it is calculated is noted [here](#).



# Climate and Energy

## Approach

The world's environmental challenges are so vast in scale that stakeholders from every industry and of every size have a role to play in addressing climate change, including ADI. ADI is committed to achieving Net Zero by 2050 or sooner. GHG emissions from ADI manufacturing sites make up the majority of our Scope 1 and 2 emissions (91%); therefore, in the short term, we are committed to reducing Scope 1 and 2 GHG emissions with a focus on cost-effective initiatives that promise the largest impact, including:

- Process and equipment optimization
- Increasing renewable energy use across ADI's global manufacturing operations
- Energy efficiency and conservation
- Smart monitoring and control of manufacturing facilities
- Enabling a circular economy with traditional manufacturing waste streams

ADI produces intermediate products with many potential downstream applications, each of which has a different GHG emissions profile. A critical component of our action plan is to inventory, calculate, and report on applicable Scope 3 categories in alignment with the Greenhouse

Gas Protocol's guidance. Our Scope 3 data has been inventoried and verified. In addition, our Scope 3 data has undergone third-party assurance since 2021. To calculate Scope 3 emissions, ADI uses a mixture of primary and secondary data, depending on the emissions category, as well as a combination of methodologies, depending on the data available. For purchased goods and services and capital goods, we use CDP Primary Data and CEDA emission factors to calculate our emissions. To translate spend or consumption data to emissions, we utilize the most recent and representative emission factors available globally.

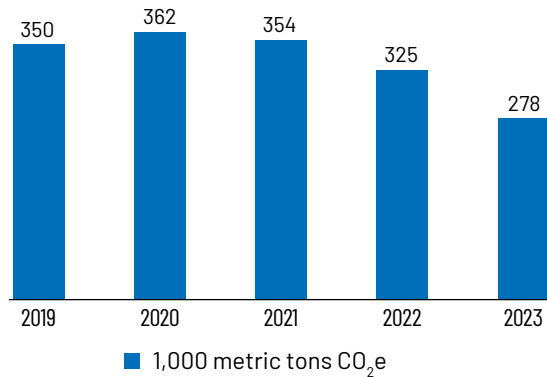
### CO<sub>2</sub> EMISSIONS THROUGH PROCESS OPTIMIZATION

In 2023, our Beaverton site implemented a closed-loop system to reclaim SF<sub>6</sub> used as a high voltage insulation gas for specific components called resonator cans, which control the ion beam. This improvement avoids the release of 2068 metric tons of CO<sub>2</sub>e annually.



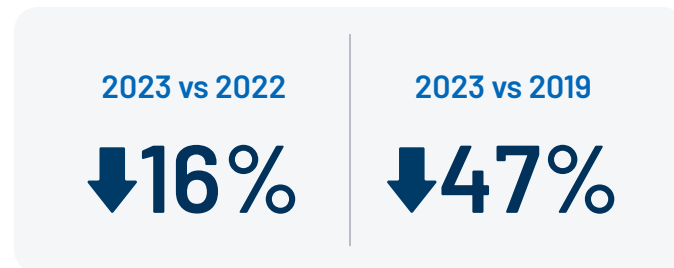
# Our Progress<sup>1</sup>

## SCOPE 1 + 2 (MARKET-BASED) ABSOLUTE EMISSIONS<sup>2</sup>



## SCOPE 1 AND 2 EMISSIONS INTENSITY<sup>3</sup>

### by Revenue



In 2023, ADI experienced an absolute decrease of 20% in our Scope 1 and 2 emissions from 2019. When normalized against revenue, ADI's GHG intensity has decreased by 47% since 2019 and 16% since 2022.

The majority of ADI's reductions to date have resulted from our transition to renewable energy, facilitated by manufacturing sites with accessibility to certified green energy or readily procurable renewable energy certificates (RECs). Utilization of on-site solar panel arrays has also served to increase our use of renewable energy while reducing our reliance on electricity from the grid. In 2023, ADI achieved 58% renewable energy use across our global manufacturing operations, and we purchased over 126 gigawatt hours (GWh) of renewable energy through renewable energy credits (RECS).

While a transition to renewable energy has been the most impactful opportunity thus far, emissions reduction initiatives focusing on energy efficiency as well as reduction of direct-process emissions have also contributed to reductions to date. These initiatives include:

- Manufacturing process optimization, such as the use of lower-emitting gases, process improvements, and recipe optimization to reduce gas consumption.
- Abatement systems to lower emissions through the thermal destruction of high GWP (Global Warming Potential) fluorinated GHGs.
- Energy conservation initiatives, such as equipment upgrades, building energy management systems, and the use of energy efficient/LED lighting upgrades.
- In 2023, ADI's site in Limerick, Ireland, became the first ADI site to achieve certification under ISO 50001, the international standard for energy management systems, demonstrating its commitment to energy efficiency. Additional site certifications are planned.

## RENEWABLE ENERGY PROGRESS AT ADI MANUFACTURING SITES

ADI operates its own manufacturing facilities in Massachusetts, Oregon, and Washington in the US, as well as in Ireland, Malaysia, Thailand, and the Philippines. Highlights of our 2023 renewable energy progress at our facilities include:

- Our factory in Penang, Malaysia, operated on 100% renewable energy for all of 2023 through the purchase of electricity through a green tariff.
- Our headquarters in Wilmington, Massachusetts, utilized 100% renewable electricity for half the year through the procurement of Green-E-certified RECs.
- Our factories in Camas, Washington, and Limerick, Ireland sustained the use of 100% renewable energy.
- Two buildings in our Philippines campus shifted to renewable energy by the end of 2023 for most of their electricity demand, increasing renewable energy utilization of the entire site.

<sup>1</sup> More detail on how we calculate Scope 1, 2 and 3 GHG emissions is available [here](#).

<sup>2</sup> Per the WRI/WBCSD GHG Protocol: ADI adjusts its 2019 base year GHG and energy data annually to reflect changes in structure or calculation methodology, improvements in accuracy of emission factors or activity data, and discovery of error. Interim years are not adjusted except upon discovery of significant error.

<sup>3</sup> 2019-2021 revenue based on fiscal year pro forma revenue for Legacy ADI and Legacy Maxim.



## Plans for Future Reductions

### Scope 1 and 2

In 2023, ADI obtained third-party assurance for the Company's emissions for both our manufacturing facilities as well as our non-manufacturing sites. We also have established a roadmap to decrease our Scope 1 and 2 emissions to meet our 2030 goal. A key driver will be our push to further proliferate renewable electricity use. We have identified opportunities for further clean energy procurement to meet our goal to transition to 100% renewable electricity in our manufacturing sites by the end of 2025.

Additionally, reductions in direct emissions of fluorinated GHGs are projected to play a significant role in the lowering of our carbon footprint within the next few years.

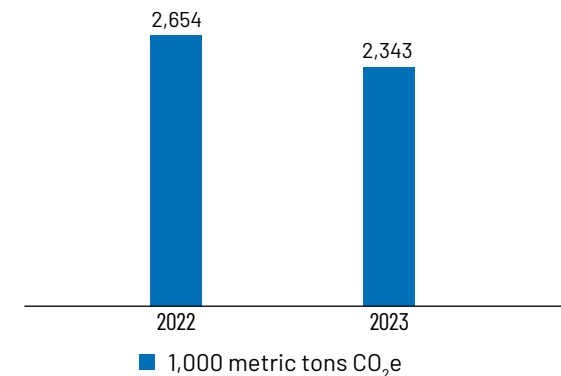
Our roadmap for future reductions includes:

- Achieving certification to ISO 50001 and strengthening energy management systems and efficiency.
- Expanding our procurement of Energy Attribute Certificates (EACs) to additional sites and continuing to source renewable energy through supplier green rates or green tariffs.
- Pursuing new renewable energy construction projects, either through power purchase agreements (PPAs), direct investments, or financing self-generation of renewable energy. We are currently investigating potential contracts with developers in the U.S. to provide a critical source of capital finance that would add new renewable projects to the grid.

### Scope 3

ADI's Scope 3 emissions represent approximately 89% of our total emissions. The majority of Scope 3 emissions are derived from Category 1 Purchased Goods and Services and Category 2 Capital Goods, accounting for roughly 92%. With a third-party assured baseline of our Scope 3 emissions, combined with an in-depth utilization of a Carbon Accounting tool, we are evaluating opportunities to execute targeted emissions reductions, to reduce our overall Scope 3 footprint. In 2023, we assessed a range of Carbon Accounting tools and have since implemented a tool that allows us to best compile, measure, validate, and continuously monitor Scope 3 emissions. Our strategy is focused to leverage advanced analytics, projected scenario plans, and targeted supplier engagements to prioritize and establish both near- and long-term reductions.

#### SCOPE 3 EMISSIONS<sup>1</sup>



ADI strives for transparency and accuracy in our disclosures for our stakeholders. As part of this effort, we plan to issue a Climate Transition Plan in 2025 in support of our Net Zero target illustrating how our business model will adapt to a low-carbon economy.

## Non-GHG Emissions

ADI sites operate under air permits that govern their non-GHG emissions in accordance with local requirements. Types of non-GHG pollution accounted for include particulate matter, nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), hazardous air pollutants (HAPs), and volatile organic compounds (VOCs). All sites maintain air abatement systems when required by law. Additionally, some sites maintain air abatement systems on a voluntary basis. Types of abatement include exhaust scrubbers and VOC destruction.

In addition, ADI sites monitor their abatement systems per the terms of their air permits and local regulations. Monitoring may include emissions monitoring and abatement parameters (e.g., pH, flow, and differential pressure).

<sup>1</sup> Includes categories 1 through 9 as defined by the Greenhouse Gas Protocol. Downstream categories 10-12 are excluded as our products are intermediate products with many potential downstream applications. CY2022 Scope 3 numbers were adjusted in 2024 to reflect methodology improvements. More information can be found [here](#).

# Water

## Approach

Water is essential to semiconductor manufacturing, and ADI is committed to both water conservation and reuse. Water withdrawals from municipal and groundwater sources, as well as the quality of the water itself, are continuously monitored and measured. Site water balances track how water is used, water effluent quality is monitored and measured, and the volume of water discharge is quantified as part of our compliance program.

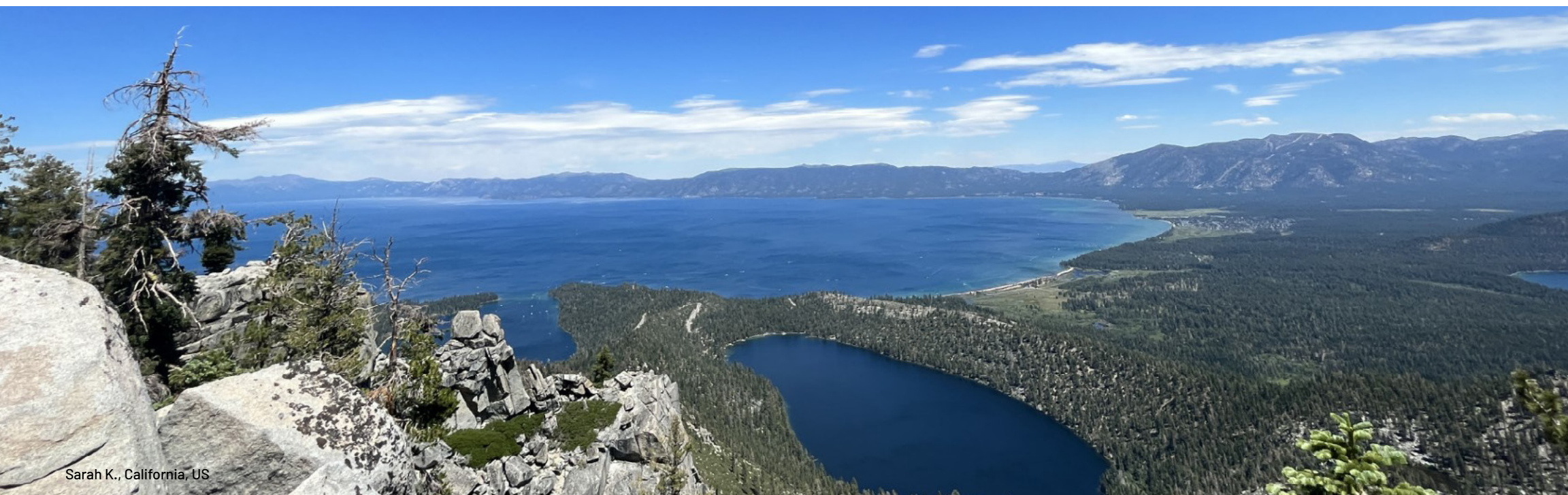
Water reuse and water reduction initiatives are identified and compiled by our facilities organization and manufacturing operations and reviewed quarterly by senior leadership. Most initiatives to date have focused on water reuse in our facilities systems, with waste or reject water streams being used for scrubbers, cooling towers, irrigation, or other applications where water quality is not as critical.

Water usage in our manufacturing operations is also a focal point in our water reduction efforts. Process and equipment engineers across our global operations are implementing projects to reduce the amount of water used in our manufacturing tools, with particular attention paid to the water used for rinsing and cleaning, as well as optimization of “idle flows,” i.e., the use of water unrelated to active operation of the tool.

Additionally, we aim to design our buildings and operations in accordance with Leadership in Energy and Environmental Design (LEED) standards or other green building standards, which include aspects on water conservation and efficiency (e.g., rainwater harvesting, use of low-flow fixtures, recycled water uses for toilets and landscaping, etc.) over the long term.

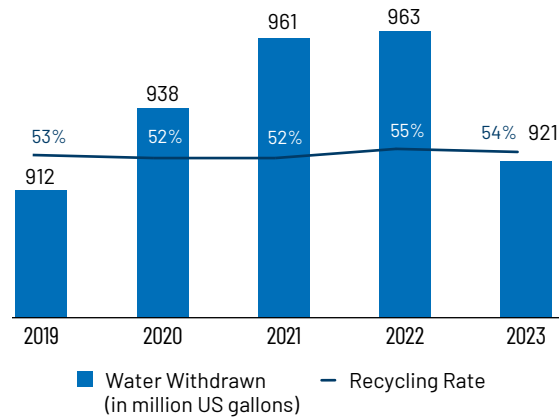
For water effluent, our wastewater discharge is monitored and measured using water meters and site water balances as part of our compliance program. Volume is also tracked as part of our water conservation and efficiency programs.

Water is treated on-site per local regulatory requirements, with most water undergoing pH neutralization prior to discharge and subsequent treatment in municipal wastewater treatment plants. In some cases, water is segregated for separate treatment of fluoride, metals, or other wastes, and sampling is conducted prior to discharge or collection to ensure compliance with water quality standards.



# Progress

## WATER WITHDRAWN AND RECYCLING RATE<sup>1</sup>



In 2023, ADI achieved a reuse rate of 54%, equating to 1,098 million gallons of water. Absolute water withdrawal decreased by 4% from 2022 with 921 million gallons used across our manufacturing sites. When normalized against revenue, ADI's water intensity has decreased by 33% since 2019 and 7% since 2022.

In 2023, a cross-site water reduction team was launched to identify, share, and implement water reduction projects. These projects included reductions in rinse cycles for wafer cleaning as well as minimizing idle flows while maintaining tool performance, all of which reduce the demand for ultrapure water (UPW). Concurrently, our Facilities teams continue to implement and monitor water conservation opportunities. Projects to reclaim water for use in cooling towers, abatement units, irrigation, and toilets have been identified and implemented. One of the biggest focus areas in 2023 for our water reduction teams has been the installation of automated water meters throughout our factory operations. This enhanced ability to measure where and how much water is being used will help us identify and prioritize further water reduction opportunities.

To help measure water risk, ADI assesses water stress using the WRI Aqueduct Water Risk Atlas. Based on this assessment, we have three manufacturing sites located in a water-stressed region. We closely monitor water availability at these and all our sites.

## WATER INTENSITY

### by Revenue<sup>2</sup>

**2023 vs 2022****↓7%****2023 vs 2019****↓33%**

### by Production

**2023 vs 2022****↓6%**

## TOTAL WATER WITHDRAWN GOAL

# 50% Reduction

by 2027 in water intensity by production

In recognition that the semiconductor industry is a heavy water user and that the industry has a responsibility to use our resources as elegantly as possible, ADI set a bold goal to reduce our water withdrawn for our operations by 50% versus our 2022 baseline, normalized by our production output. This goal covers all our manufacturing operations globally, including our fabs and assembly and test operations. ADI used the SIA's standard normalization factor for fabs as the basis of its calculation. To learn more about our methodology click [here](#).

## LEED CERTIFICATION OF ADI IN TAGUIG, PHILIPPINES

ADI's Philippine Development Center in Taguig, Philippines, was certified to LEED Gold standard in June 2023. ADI has six LEED-certified facilities to date.

<sup>1</sup> The calculation for water recycled was updated to conform with ISO 46001. More detail on how we define and calculate water reuse and our water reduction goal can be found [here](#).

<sup>2</sup> 2019-2021 revenue based on fiscal year pro forma revenue for Legacy ADI and Legacy Maxim.

## Water Conservation

### CAVITE, PHILIPPINES

The site completed new projects to reduce fresh water withdrawn by harvesting new sources of non-potable water (cooling tower blowdown, rainwater) for irrigation and toilet flushing. In addition, the conversion to water efficient faucets with low flow aerators reduced water withdrawal by 6,400m<sup>3</sup> annually.

### CAMAS, WASHINGTON

The Camas fab saw a ~30% reduction in UPW use from May 2022 (when the UPW reduction effort began) to June 2023, equating to 35 gpm and an even larger reduction of overall water withdrawn. Examples of how UPW reductions were achieved include reducing or eliminating idle flows, reducing the number of wafer rinses, and extending rinse tank refresh cycles.

### BEAVERTON, OREGON

The site reduced UPW usage by approximately 60 gpm by reducing tool idle flows to their lowest possible values.

### CHONBURI, THAILAND

Cooling tower blowdown was utilized for toilet flushing and irrigation.

### LIMERICK, IRELAND

The site completed a rainwater harvesting system, collecting water from a catchment system on its UPW plant for use as makeup water in scrubbers and cooling towers. The site has conserved 340 gallons of water per day on average following completion of this system.

## Plans for Future Reductions

ADI is committed to identifying opportunities to reduce the total amount of water usage, whether through conservation or reuse.

We will continue to investigate ways to further reduce water in our manufacturing processes to achieve our goal to reduce water intensity by 50% by 2027 versus a 2022 baseline. Water teams were formed in 2023 at each of our fab facilities to collaborate and benchmark on water conservation projects, and cross-site teams ensure that opportunities and learnings are shared.

Initiatives to further manage our water usage include:

- Site certification to ISO 46001, the international standard for water efficiency management systems.
- Significant Reverse Osmosis and scrubber reclaim systems in Beaverton to expand water reuse at the site.
- Treatment and recycling of effluent discharge.
- Continued implementation of water reuse projects.
- Proliferation of water metering throughout our operations.
- Implementation of further UPW reduction initiatives through process optimization.



### LEVERAGING ADI SENSORS TO MAP WATER AND ENERGY USE

At our Limerick, Ireland, site, the team is employing ADI technology in water sensors to map ultrapure water (UPW) at the facility. The mapping is largely complete, and sensors are added to tools as they are installed. This innovative pilot involved implementing a dashboard tool to capture data, and making it modular so that it can be ported to other interfaces. More than 20 “fixed” sensors have been installed to give a detailed profile of main UPW consumption. A mechanism to measure UPW reclaim flow was also established. In collaboration with the Facilities team, a map of overall water usage is being built.

A similar system is now up and running at our Beaverton facility, and installation is underway in Wilmington, MA and Camas, WA. These sensors will allow ADI to correlate sensor installation data with the existing data picture of the UPW facility. This knowledge will help ADI understand water reclamation opportunities in order to reduce our overall withdrawal volume.

Additionally, in Limerick, we are in the early stages of instituting an N2 flow meter program as well as an energy metering system as we work to determine a non-intrusive methodology for measuring power and to harness data already being gathered and bring it into sharper focus. If successful, the ADI sensor system design will offer trusted Intelligent Edge capability at the point of data creation and an EcoSystem partnership that will offer chain of trust from sensor to point of consumption.

# Waste

## Approach

ADI generates much of its waste through its manufacturing operations and construction activities, and we responsibly manage and dispose of our chemicals and materials. The amount of waste we generate is reduced by limiting what we procure, segregating our waste streams, and striving to reuse, reclaim, or recycle chemicals and materials to the extent possible. Examples of waste we recycle include glass, paper, metals, and wood. Certain wastes are used for energy recovery. Anything that cannot be recycled or reused, we dispose of according to local laws.

Each site's EHS team identifies those waste reduction or recycling initiatives that will lead to significant results. We determine ways to further segregate our waste streams and work with our waste disposal suppliers to divert those wastes from landfills. We engage with our employees through initiatives like the Green Team Network to educate our workforce on the importance of recycling and reducing waste. Activities promoted include proper bin use, composting, and reducing takeout containers and plastic bottles.

ADI follows all local laws and regulations for hazardous waste storage, treatment, and disposal, and all waste is appropriately documented and/or registered. Hazardous waste quantities are tracked, and the waste is segregated where possible for recycling or reclaim opportunities. Hazardous waste is managed by licensed waste disposal suppliers, which are audited by ADI. Opportunities for chemical reduction are assessed to reduce the amount of hazardous waste generated.

Hazardous waste is a significant environmental and public health concern. Semiconductor manufacturing involves the use of dangerous chemicals, such as acids, solvents, and heavy metals, which, if not controlled, can harm both human health and the environment.

ADI minimizes hazardous waste in our manufacturing operations by implementing best practices for waste management, including source reduction, recycling, and proper disposal, and we are committed to following all local laws and regulations. Continued research and innovation are crucial in identifying safer and more environmentally friendly alternatives to toxic chemicals used in the manufacturing process.

ADI provides products that allow our customers to be compliant with the Restriction of Hazardous Substances (otherwise known as RoHS) Directive.

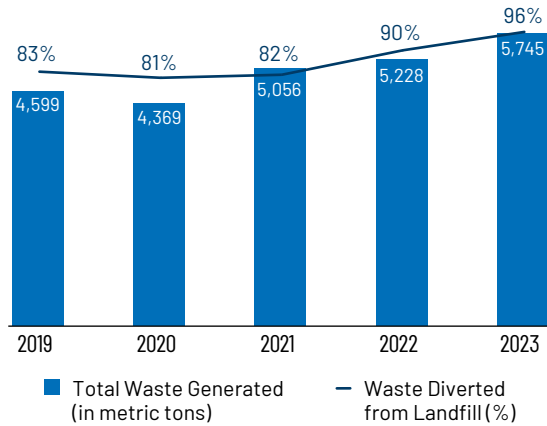
For more information on ADI's RoHS compliance program, see:

[RoHS Compliance Information and Position Statement](#)



# Our Progress

## WASTE GENERATED AND DIVERSION RATE



In 2023, landfill reduction initiatives focused on waste segregation and alternative waste disposal methods. The percentage of waste diverted from landfills increased to 96%, compared to 90% in 2022. In the Philippines, all residual landfill waste was diverted to cement co-processing, resulting in 99.8% diversion rate. Our sites in Camas and Beaverton increased their landfill diversion rates to 94.5% and 99.4%, respectively, by transitioning to waste-to-energy solutions.

## Plan for Future Reductions

One of our larger remaining landfill waste streams is food waste in Penang, Malaysia, and we plan to segregate that waste stream and engage with local composting suppliers in 2024. However, as our percentage of waste sent to landfill continues to drop, we must continue to look for ways to manage the waste streams, which present challenges to commercially available recycling or treatment solutions. Potential projects will focus on minimizing the quantity of waste generated. These efforts may involve reduction of chemical use, avoidance of chemical expiration, and extended lifetime of consumable parts.

## WASTE INTENSITY<sup>1</sup>

### by Revenue

2023 vs 2022

↑ 7%

2023 vs 2019

↓ 17%



<sup>1</sup> 2019-2021 revenue based on fiscal year pro forma revenue for Legacy ADI and Legacy Maxim.

# Biodiversity

The loss of biodiversity has critical implications for the globe and humanity, from the collapse of food chains and health systems to the disruption of entire supply chains. Biodiversity loss is listed as the fourth most severe risk on a global scale over the next 10 years in the World Economic Forum's 2023 Global Risks Report.

We know that human actions have an impact on local habitats, whether to support and enhance biodiversity or to compromise it. At ADI, we are just at the beginning of our biodiversity program journey, and we realize we must do more to understand and address biodiversity risks and opportunities more strategically. We are proud to partner with our Green Team Network, which has identified biodiversity as one of their key priorities. Their actions range from species identification and promoting pollinators to removing trash and invasive species.

In 2023, ADI executed a biodiversity impact review for our facilities and operations in order to create interventions appropriate for each area to mitigate our impact, if needed. ADI tracked its proximity to protected areas using data from resources such as the European Environment Agency's Natura 2000 protected areas network, the list of [UNESCO World Heritage Sites](#), and [Protected Planet's database](#) of the world's protected and conserved areas. Environmental impact assessments (EIAs) were then conducted for the locations where ADI operates. Based on that review, we determined that while ADI has sites/operations located in or near biodiversity-sensitive areas, our activities are unlikely to negatively affect those areas.

## THE GREEN TEAM NETWORK

The Green Team Network (GTN) at ADI brings together employees globally to educate, inspire, and empower them around sustainability and the environment. Green teams at the country or major site level each have their own local leadership, with employees driving the areas of focus for each chapter. The GTN promotes actions both to make ADI a more sustainable workplace and to help members incorporate sustainability into their personal lives.

The following are just a few highlights of 2023 activities.

### BIODIVERSITY

- **Ireland:** Planted 2,000 native trees; installed beehive boxes in Adare park.
- **India:** Rejuvenated pond in Bangalore outskirts, which will help provide water for nearby farmers/cattle. Green Team planted around 75 native heightened plants around the pond, which will help hold soil around the pond.
- **U.S. – MA:** Lunch and learn talks on "Living with Wildlife" and the importance of pollinators.

### RESOURCE MANAGEMENT

- **India:** Installed aerators in office pantry/washroom taps to optimize water consumption; conducted session on "Home Solar" implementation to build awareness on various technologies, government.
- **Ireland:** Worked with the catering team to introduce climate conscious menu options.
- **U.S. – CA:** Hosted an informational event about how waste is handled in San Jose, how to properly dispose of items, and how to be a responsible consumer.
- **U.S. – MA:** Worked with Ipswich River Watershed Association (IRWA) to host an employee group paddle event and a lunchtime educational talk. Launched a pilot program looking at supplying employees with cutlery to see the viability of removing disposable cutlery from the cafeteria.



# Sustainable Financing

Sustainable finance initiatives allow companies like ADI to financially reinforce our environmental commitments, which are imperative to tackling society's greatest threats, particularly climate change. ADI is proud to be a pioneer for the U.S. technology sector in helping to shape this emerging market, and green financing is yet another manifestation of our broader commitment to people and the planet.

To further strengthen our commitments to ESG initiatives, we deployed three sustainable finance instruments in recent years. In April 2020, we completed our inaugural green bond through the underwritten public offering of \$400 million aggregate principal amount of 2.95% senior unsecured bonds, marking our leadership as the first semiconductor company and one of the first U.S. technology companies to issue a green bond in the U.S. debt capital markets. The net proceeds of this offering have been fully allocated to a variety of eligible projects involving renewable energy, energy efficiency, green buildings, sustainable water and wastewater management, pollution prevention and control, clean transportation or eco-efficient and/or circular economy adapted products, and production technologies and processes.

In June 2021, we refinanced our revolving credit facility with a new \$2.5 billion sustainability-linked revolving credit facility, becoming one of the first semiconductor companies to use this instrument. Under the terms of the facility, the interest rate and certain fees may be adjusted annually based on ADI's performance against environmental criteria over the prior calendar year. ADI's performance is measured on two key performance indicators within certain of the Legacy ADI manufacturing facilities, namely using renewable energy and reducing greenhouse gas emissions.

In 2023, we were pleased to have exceeded the interim goals set within the sustainability-linked credit facility for both renewable energy usage and greenhouse gas emissions reduction. Details of our sustainability targets including renewable energy and greenhouse gas emissions can be found in the "Optimizing Our Operations" section on [page 62](#). We continue to strive to achieve our ambitious goals as laid out in our [sustainable financing agreements](#).

In October 2021, we issued \$750 million aggregate principal amount of 1.7% sustainability-linked senior notes through an underwritten public offering, a first in the U.S. technology sector. At the heart of these sustainability-linked bonds is a specified sustainability performance target of a 27% reduction of Scope 1 and Scope 2 emissions for 2025 relative to 2019, which is aligned with our climate ambitions. The bonds are subject to a mandatory interest rate coupon step-up beginning April 1, 2026, if this target is not met at the end of 2025 and certified in March 2026, further incentivizing continued focus and action towards our stated environmental goals.

As part of our ESG focus, ADI has been proud to work with financing partners dedicated to diversity, equity, and inclusion.

We believe that sustainable financing will not only support our broad and ambitious environmental sustainability strategy and vision, but also will hold us accountable for meeting established goals.





# People and Community

ADI works to create a culture of belonging where people can imagine the future and then build it, for both our workplaces and our local communities.

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# Our Purpose, Culture, and Priorities

ADI's collaborative culture, internally and with customers and ecosystem partners, is the cornerstone of the breakthrough solutions we provide. As a values-driven destination for the brightest minds, we're home to a diverse array of insatiably curious and technical people who engineer good for people and planet.

ADI has a strong legacy of being a place where innovation, belonging, and learning thrive — a place where people matter. In partnership with ADI's employees, we came together to redefine our purpose and core values, reiterating the throughlines that have been core to ADI's business for more than 60 years and integrating new milestones for success that will take us into the next frontier. We started with our Purpose, defined where we want to be by 2030, and connected it to individual business imperatives.

Eight core values emerged that define ADI and what we uniquely offer our employees, customers, and partners. These eight values give us a common language, serve as a symbol of ADI's identity, and provide collective behaviors that work together to build upon our thriving culture. Core to this is our people. At every level of the Company, our expression of these values through these behaviors is the cornerstone of our unique culture and character.



# Our Priorities



## Enable Our Learning Culture

### SHAPING OUR CULTURE TO FOSTER A GROWTH MINDSET AND ACCELERATE THE ACHIEVEMENT OF OUR GOALS

ADI's collaborative culture, internally, and with customers, is the cornerstone of the breakthrough solutions we provide. We believe our commitment to a culture of learning and development is a catalyst to business success, accelerating the achievement of our ambitions. With our updated culture and values, we have created an improved structure for employee experience, one that we believe will continue to foster ADI's legacy of innovation and development, as well as accelerate our ambition of leading at the Intelligent Edge. Further, we are embedding our values into our employee experiences, from hiring to developing and rewarding talent. This multiyear journey continues to be a focal point for our attracting and retaining top talent.



## Unlock Our People's Potential

### ATTRACTING AND EMPOWERING OUR TALENT TO SOLVE THE WORLD'S MOST COMPLEX PROBLEMS

As a values-driven destination for the brightest minds, we're home to a diverse array of insatiably curious and technical people who engineer good for people and planet.

The industry breakthroughs made possible through co-creation between our customers and ADI's brilliant technical talent have the potential to help curb climate change, improve equitable access to technology, and shape our world. Our engineering spirit, collaborative culture, and ability to address some of the world's most interesting and complex problems has been paramount to attracting and retaining the brightest minds. We can think fast and move faster in a stable environment that ignites a fire for innovation. And our best days are still ahead of us.

Now broadening our legacy into next-generation, Intelligent Edge applications, ADI offers a compelling opportunity to turn signals into actions. Whether we are developing battery algorithms for EVs or helping design remote healthcare wearables that deliver clinical-grade data, our workforce focuses on purpose-driven work, positively impacting people and the planet.

We successfully attracted talent during an incredibly competitive talent market, and deployed retention and recognition efforts to positively impact our attrition, which was better than the market at-large. We continue to invest in developing our leaders and managers to create a workplace where employees at all levels have the freedom, opportunity, and coaching to unlock their potential and accelerate their impact.



## Build the Workforce of the Future

### DEVELOPING CRITICAL SKILLS AND ENABLING PEOPLE TO FOCUS ON WHAT MATTERS MOST – LEARNING, COACHING, AND LEADING – ACROSS EVERY LEVEL AND FUNCTION

We invest the time, resources, and energy to develop the skills our people need to innovate and learn across every level and function. ADI continues to expand Leading ADI Forward, our flagship leadership program. To support the skills of the future, we've continued ADI Talent Marketplace, a dynamic platform that allows employees to validate their existing skills, identify aspirational skills, and receive AI-fueled recommendations for learning, connections to colleagues, and job opportunities. For managers and employees, we provide trainings related to management essentials, technical and business skill development, and DEI to prepare employees to lead today and into the future.



## Foster Inclusion and Ensure Equal Opportunity

### TAKING A GLOBAL APPROACH TO ENSURING EQUITY AND INCLUSION

We strive to make ADI a place where everyone feels like they belong. We are continuing our mission to engage in global diversity dimensions and pursue equity in hiring practices, compensation, and access to development. This means bringing awareness and discussion to global issues that impact our employees and the communities they are in. Our Diversity Council and Working Group continues to focus on understanding and to share learnings and insights.



## Engage Employees in the Moments That Matter

### LISTENING AND RESPONDING TO EMPLOYEE FEEDBACK

ADI's business is rooted in listening to our employees at every level and working to evolve our approach to fit those needs. Throughout the year, we conduct employee surveys and listening activities to gain feedback and understand our strengths and opportunities for growth as a workplace. This enables us to act and ensure employees have the tools they need to grow and prosper.

## Our Engagement

Over the past six decades, we have built a diverse community of problem solvers spanning 30+ countries across the consumer, industrial, healthcare, and communications industries. We aspire to create an equitable and inclusive environment where employees can reach their full potential and accelerate the breakthroughs that improve the quality of people's lives and the health of the planet.

We believe culture and engagement can be a source of competitive advantage and help speed our innovation, accelerate our growth, and attract and retain the world's best problem solvers. To this end, we aim to align our purpose, vision, strategy, and values with the day-to-day work of employees, by encouraging meaningful connections and fostering healthy and high-performing teams across ADI. To ensure we are moving in the right direction and living our values, we measure our employee engagement and ask for input on ways to improve our employee experience.

We view engagement as the degree to which employees invest their time and energy (cognitive, emotional, and behavioral) to achieve positive ADI outcomes. To ensure employees have what they need to thrive, we execute our ADI Pulse survey using the Glint Engagement Platform every year. We also use shorter ADI "mini" Pulse surveys, town halls, and roundtables to dive deeper into key topics and track our progress against core actions. We measure metrics of engagement, employees' willingness to recommend ADI (that is, our eNPS score), and their overall happiness (such as our eSAT score) on an annual basis.

In our 2023 survey, more than 91% of employees participated. Employees submitted nearly 14,000 comments and suggestions that will help us better understand key areas to improve the overall employee experience and provide guidance to leadership. To ensure

honest feedback and anonymity, we leverage Glint's security and anonymous thresholds so that comments cannot be tied back to an individual.

As a result of the feedback, we are deploying multi-year, enterprise-wide programs to further embed our values and behaviors into our employee experience, including rolling out a new recognition platform, overhauling our performance-management process, and educating people on ways they can set and respect work-life boundaries.

**ADI strives to be the destination for the most insatiably curious to do their best work and help engineer good. We empower both innovation and our employees, and we are building the workforce of the future through our ongoing commitment to attract and retain the brightest minds; enhance employee development, engagement, and recognition; and ensure a diverse and inclusive culture.**



# Diversity, Equity, and Inclusion

A diverse workforce is critical to achieving our organizational goals. Diverse representation at all levels of the organization enables us to innovate and design solutions that improve people’s lives and better the planet.

We understand that diversity alone is not enough. It takes an inclusive culture to create safe spaces where employees thrive. By thoughtfully shaping our organizational culture, we create an environment where employees do not need to mask or hide pieces of their identity, thereby allowing them to focus their efforts on the work that matters.

## Taking a Systemic Approach to Equity

We continue to transform the way we operate so inclusion and equity become an integrated part of how we do business. This means redesigning our talent practices to address systemic barriers and building a culture that confronts bias.

At a high level, our focus is on programs that target societal and organizational practices. From a societal perspective, we are enhancing external partnerships and launching programs that increase access to STEM education for communities that are historically denied access. From an organizational perspective, we are revising our talent processes to mitigate bias and conducting trainings to grow our cultural competence. Through a combination of global alignment and regional action planning, we are customizing programs to meet local needs and engaging leaders to increase accountability.

## Achieving Greater Gender and Racial Balance in Our Workforce

Recognizing that our employee populations do not yet mirror the demographic makeup of the communities in which we operate, we are committed to designing talent processes that are fair and equitable. Our work is systemic in nature and does not include quotas or other quick fixes meant to circumvent the real work involved in building a diverse and inclusive ADI.

For years, ADI has worked to advance gender equity and create an environment where women have the same opportunities for growth and success as their male colleagues. Through our efforts, our global female manager population has increased to 25% and our global female engineering population has increased to 22%.

We also have a focus on racial equity in the U.S., and attention is placed on addressing systemic barriers that have prevented Black, Hispanic, and Latinx individuals from gaining access to employment opportunities. As a result, we expect that the number of Black, Hispanic, and Latinx employees at ADI will continue to grow until it more closely resembles the makeup of candidates in the marketplace.

	FY21 (Actual)	FY22 (Actual)	FY23 (Actual)	FY26 (Goal)
Women people managers	23%	25%	25%	29%
Women engineers	20%	21%	22%	26%
Black, Hispanic, and Latinx employees (U.S. only)	6%	7%	7%	9%



## Engaging Employees Through Employee Networks

To drive our work, we engage employees in the design of our future strategy. This ensures that programs designed to address underrepresentation are co-created with individuals who represent those communities.

Composed of over 3,000 members, our Employee Networks foster community, accelerate professional development, and impact organizational policy. Each network has a formalized leadership team, which includes an executive sponsor.

We currently have six networks organized around a dimension of diversity. Below are some of their recent activities:

### **ANALOG VETERANS NETWORK (AVN): HONORING ADI'S VETERANS AND THEIR SERVICE TO OUR COMMUNITIES**

AVN's veteran spotlight brings visibility to Analog veterans and recognizes the dedication and bravery of those who served their country. The network also partners with Operation Delta Dog, rescuing homeless dogs and training them to be service dogs for veterans with PTSD, traumatic brain injury, military sexual trauma, and other challenges.

Tom Baird, AVN chair, was recently honored as a Myra Kraft Community MVP Awards winner. As a 2023 winner, Tom earned a \$10,000 grant for Operation Delta Dog.

### **NEURODIVERSITY NETWORK: DRIVING NEURO-INCLUSION AT ADI**

This network partners with the Mass General Hospital-Aspire program, providing training workshops designed to educate on how to work more effectively and successfully with neurodivergent employees.



### **PEOPLE OF COLOR AND ALLIES (POCAN): ADVANCING RACIAL EQUITY AT ADI BY FOSTERING A CULTURE OF INCLUSION AND ADDRESSING SYSTEMIC BARRIERS**

POCAN has been instrumental in strengthening our partnerships with The Society of Hispanic Professional Engineers (SHPE), the National Society of Black Engineers (NSBE), and Historically Black Colleges and Universities (HBCUs). Our direct partnership with North Carolina A&T State University represents one of several hiring strategies to diversify our talent pipeline.

### **PRIDE NETWORK: BUILDING OUR ADI COMMUNITY WITH PRIDE THROUGH VISIBILITY, ALLYSHIP, AND EQUITY**

We remain corporate sponsors of Out in Tech, the largest nonprofit community of LGBTQ+ technology leaders. We have held events on-site and virtually for Out in Tech members and continue to partner with them on outreach and engagement. In 2023, the network launched its global celebration of Pride Month, with events held in offices worldwide.

### **WOMEN'S LEADERSHIP NETWORK (WLN): EMPOWERING WOMEN TO LEAD ADI FORWARD**

Giving back was a key driver for this network in 2023. WLN partnered with organizations like Uncommon Threads, Dignity Matters, and the Pink Lemonade Project. They also launched a new chapter in Beaverton, Oregon.

### **YOUNG PROFESSIONALS NETWORK (YPN): BUILDING THE FUTURE LEADERS OF ADI**

YPN has been active in engaging members in learning and informational sessions. These sessions connect early-career employees with senior leaders to discuss subjects around career development, how to break free of barriers, and ethics. This network added new chapters in 2023 in South Korea, Australia, the UK, the U.S. (Colorado Springs), Italy (Milan), and Spain (Valencia).

## Equitable Approaches to Development

It is important that our leadership teams reflect the diversity of our employee population.

We recognize that employees of different identities encounter different systemic and cultural challenges. Understanding these unique experiences allows us to create impactful learning programs that build community and drive performance.

Elevate, our flagship leadership development series, included 67 women this past year across early-, mid-, and senior-career stages. Participants in the program developed professional skills and business acumen through a combination of 360° feedback, action learning, mentorship, and coaching. The program emphasizes career ownership, enhancing business insight, increasing customer focus, developing strategic mindsets, and improving situational adaptability, while also growing participants' networks and visibility. Cohorts include representation from technical, sales, and corporate functions across Asia, Europe, and North America.

ADI also enrolls eligible employees in McKinsey's Connected Leadership Academy for People of Color. This program offers tailored content for Black, Hispanic, Latinx, and Asian leaders at the early, mid-career, and senior levels. The program aims to enhance participants' business and leadership skills, while also expanding their professional networks.

## Community Outreach and Partnerships

We continue to expand our outreach to and support of higher education, including HBCU engagement, which includes sponsoring a research project that enables students to dedicate time to exploration and innovation.

In 2023, we participated in outreach efforts, including two large conferences:

- **The Grace Hopper Celebration:** a premier conference for women in computing and software, where women engineers represented ADI by participating in tech talks and poster sessions designed to further their professional development.
- **Society of Hispanic Professional Engineers (SHPE) National Convention:** the country's largest, annual gathering of Hispanic STEM students and professionals.

In addition, we continue our outreach to professional associations that serve historically marginalized communities. We host educational talks and focus on skill building to increase candidate capabilities, as well as foster greater ADI brand and STEM awareness, including:

- **Society of Women Engineers, Dallas:** Candidates joined us in our Dallas office for networking with an emphasis on software engineering opportunities.
- **Society of Hispanic Professional Engineers (SHPE) Résumé Review and Mock Interview Workshop:** Held in our San Jose office, this event drew students from Silicon Valley and the San Francisco Bay Area to hear our keynote speaker and to meet with ADI hiring managers who offered valuable critiques on résumés and interviewing techniques.
- **Out in Tech:** To mark Pride Month, Massachusetts employees gathered with fellow tech professionals to acknowledge the past and gain renewed energy for the work ahead. The joint event with Out in Tech was designed to create a safe space for members of the LGBTQ+ community.



# Talent

## Recruitment and Retention

At ADI, we invest in our people, so they can contribute to solutions that make our world a better place. This includes our efforts to recruit and retain creative problem solvers from around the globe.

### Attracting Exceptional, Diverse Talent

Our talent acquisition strategy is rooted in a robust, data-driven methodology, enabling a comprehensive understanding of the dynamic labor market. Recognizing the unique challenges of diverse and competitive landscapes, we have refined our approach to be both adaptable and targeted. Our dedicated regional recruitment teams possess a deep understanding of their respective local market nuances, allowing us to build productive relationships across educational institutions, industry groups, and community-based programs to attract top talent. These partnerships are instrumental in our quest to attract a diverse array of candidates, ensuring we tap into a rich pool of expertise and perspectives. Through these concerted efforts, we are committed to fostering a workforce that reflects the diverse communities across the countries where we operate, driving innovation and excellence within our organization.

### Engaging Early-Career Talent

We are committed to developing and hiring the next generation of innovators. In FY23, we welcomed roughly 775 interns and co-ops, across the globe, fostering development through on-the-job experience and pathways to employment for many. New joiners into early career positions, excluding interns, made up nearly 60% of all hiring at ADI in FY23, reflecting our focus on building the capability of the next generation.

### Creating a Great Place to Work

We are proud to be recognized on Glassdoor's 2024 list of "Great Places to Work," with a 4-out-of-5-star rating shared by our employees anonymously.

Creating an environment where employees can thrive is a top priority, and we foster belonging and commitment by taking a holistic approach and directing our energy toward programming that promotes inclusion, engagement, continued learning, and enhanced rewards and recognition. We are continuously evolving our efforts, and ADI's voluntary attrition rate of 7.3% remains below market average. Due to a combination of strong retention and focused hiring, our total FTE population increased by 6.8% in FY23.



# Talent Development

Our culture is driven by lifelong learners and a genuine curiosity to innovate and solve our customers' toughest challenges. We are committed to aligning that curiosity with opportunity, providing employees with educational experiences that match their desire to learn and innovate so they can grow their abilities to new levels. Through a combination of hands-on, collaborative, and formal learning programs, employees can explore their interests and build new skills that both equip them for today and ready them for tomorrow.

## Learning for Everyone

Learners at ADI have choices. Development teams across engineering, sales, operations, and human resources come together to deliver experiences that quicken onboarding, enhance performance, build managerial skills, and ready employees for more complex roles.

We provide mechanisms for employees to both request training in particular subjects and to propose training that could be provided by subject-matter experts.

We regularly engage with our human resource business partners around the globe to assess training needs and survey potential students and their managers. In addition, on the Strategic Engineering Training website, accessible through the ADI intranet, employees can submit training requests to our database. These requests are prioritized based on demand and potential impact on our Company's strategic roadmap. Based on these requests and the results from our surveys, we update course offerings to ensure our suite of learning programs align with the most employee-requested topics.

Courses can be offered through various modalities: live instruction, digital self-paced content, or a new hybrid approach where digital learning is reinforced through scheduled meetings with instructors and mentors throughout the program, during which curricula-based

material is reviewed and demonstrated. Course run-times range from minutes to months, so employees can select the content that best fits their needs.

ADI provides a robust selection of educational content. Our employees have access to multiple technical and soft skill programs to meet their needs. We had 67 participants in our Elevate program, which is designed to cultivate women leaders at ADI. Additionally, we had 12,194 team members access learning material via our Skillsoft portal. Over 6,250 hours of learning material were consumed on that portal. Topics range from goal setting to learning new software programming languages. Our Strategic Engineering Training courses also provided multiple subjects to be trained in. Seventeen courses were provided, which served a total of 10,826 non-unique learners, amounting to 335,382 hours of material consumed.

## Building Engineering Skills for the Future

To expand both engineering skill sets and the understanding of the fundamental concepts associated with application spaces, we have created both skills-based instruction and communities of practice. The skills-based instruction lays a foundation that enables team members to work in various groups, applying the skills they have learned to the problems presented by our customers. The communities of practice supply in-depth context for the application space where the skills are applied. Embedded programming for industrial communications is not the same as embedded programming for automotive applications, for instance. The communities are led

by senior-level subject-matter experts who provide mentoring and examples of how these new skills can be applied to various application spaces. Market knowledge and system-level understanding allow for more effective use of the newfound skills. In addition, global networks of team members with similar skills provide opportunities for collaboration and interaction. These networks are moderated by senior-level, subject-matter experts.

The Software Engineering Reskilling Program is specifically designed to address ADI's evolving talent needs by expanding the skills of our technical workforce in the software domain. Recognizing that our employees are core to our competitive advantage, the program trains our existing engineers and immediately deploys them on a project that exercises their newly learned software skills. The program has been updated based on employee feedback and now consists of a twenty-week instructor-supported course, an assigned software project aligned to participants' current objectives, and expert mentoring to further support them throughout their journey.

In addition to skills-based training, ADI continues to augment its offerings around tools training. Increasing awareness of the tools that are available and how to effectively use them can have an enormous impact on both the efficiency of employees and job satisfaction. An example: we have expanded our relationship with MathWorks to provide fundamental training on its tools, with training available to all ADI personnel.



## Meeting the Needs of a Mobile Sales Workforce

Our sales teams and channel partners benefit from our culture of learning and curiosity. To meet the unique needs of our Field Sales teams, our Customer Learning & Enablement group and the ADI Events team assess and design experiences that are suitable for a remote and on-the-go workforce.

In December 2023, 500 Field Application Engineers from North America and Europe gathered for a week-long training conference.

The conference included nine parallel tracks each day, over 180 individual training sessions, workshops, and over 80 demonstrations of ADI and partner hardware, software, and solutions.

All training sessions were recorded and posted and where learners are still benefiting from this rich content.

## Driving Excellence and Problem Solving

ADI's Global Operations and Technology (GO&T) teams are on a constant mission to develop people, drive improvement, and deliver greater customer value through excellence. Through the design and delivery of employee skills development programs addressing quality culture, analytics, and scientific problem-solving, the organization thrives on Lean Six Sigma and Agile practices, smart manufacturing, technology innovation, systems design, and high-quality standards. With topics such as strategy deployment execution process, manufacturing resilience development, and productivity optimization, the Excellence at ADI program reinforces ADI's culture of innovation, balance, and continuous improvement. Examples of learning include scientific problem-solving targets, product development skills, manufacturing defect elimination, operational improvement, systematic root cause analysis, and customer centricity. Through a combined learning delivery

format – virtual, on-demand, and face-to-face – employees received support for convenient access to these learning programs, which are adaptable to their work schedule and geographical location.

ADI also hosts specialized new employee training programs for manufacturing sites in workplace safety, supervisory skill development, data analytics, and functional technical skill development (for example, failure analysis, reliability, quality management systems, external and regulatory body certifications, equipment operation, platforms, responsible sourcing, material inspection, and quality assurance).

## Charting a Career

Careers at ADI can take many paths. To help employees navigate these opportunities, we have the ADI Mentoring Program (AMP). In FY23, we paired 723 mentees with 531 mentors. The program matches participants based on area of expertise, personal objectives, experience level, and a few personality characteristics. The structured design of the program means participants have access to guides, milestone trackers, and reminders. AMP follows the success of previous, more targeted mentoring programs launched for our Young Professionals Network and our Women's Leadership Development program.

The training ADI provides enables team members to both expand their knowledge base and deepen their understanding of application spaces and markets. The skills training gives confidence to the team members, who know they have the tools and capabilities to address problems and find solutions. The communities of practice, coupled with the mentoring programs, give team members access to multiple parts of the Company, teams, and new ways to solve problems.

### DEVELOPING ENTERPRISE LEADERS

The ADI Enterprise Leaders program (ELP), developed in partnership with MIT, is designed to evolve our leaders' enterprise growth mindsets and enhance their leadership skills to anticipate, adapt, and accelerate growth. The program combines research-driven strategic frameworks, applied learning, and group collaborations, and has graduated three cohorts of leaders.



# Compensation and Benefits

As a knowledge-based business, we believe that the skills, expertise, and experience of our employees are unique and critical factors in our overall success. The competition for talent in the technology sector is fierce globally. To drive continued, successful operational and financial performance, our total rewards package is designed to attract, motivate, and retain world-class talent through market-competitive compensation packages and highly prevalent benefits that meet the needs of our employees worldwide.

## Compensation

ADI's global job architecture is designed to better support our Human Resource processes and programs and to enable ADI to attract, develop, engage, and move talents across different business units, functions, and geographies. ADI's global job architecture also helps create greater transparency for career development and progression. This framework provides alignment to market practice and ensures we offer market-competitive pay packages consisting of base salary and performance-based compensation (such as our Corporate Bonus Plan and Sales Incentive Plan). In addition, a portion of employees at professional levels are eligible for stock awards. Pay for performance is a key component of our compensation philosophy. From the CEO to the frontline worker, every employee participates in either our Corporate Bonus Plans or Sales Incentive Plan. Our Corporate Bonus Plans and Sales Incentive Plan link employees' compensation to ADI's revenue and operational performance goals, as we believe having all employees striving to achieve the same goals creates a common drive for excellence and celebrating achievement.



We examine our compensation programs annually, including in-depth analysis against industry market data in all the regions where we do business, to ensure our compensation programs remain competitive and compliant. For example, eligible employees can purchase ADI stock at discount through our Employee Stock Purchase Plan. Our current global participation rate in this program is nearly 60%, creating a sense of belonging and ownership of our Company at all levels of the organization.

We also have various recognition programs that allow our employees to be recognized for going above and beyond in making important contributions to ADI's business results and success. It is important for ADI to continue recognizing and celebrating employees who exemplify our Company's core values. In July 2023, we implemented a new harmonized Global Recognition Program that resulted in more than 10,000 recorded recognition moments globally for the second half of 2023.

## Pay Equity

ADI is deeply committed to providing equitable compensation regardless of gender, race, or ethnicity. Our goal is to attain 100% pay equity for employees performing similar work, taking into account factors such as position, location, experience, tenure, and performance. ADI is a dynamic organization with employees joining, leaving, and moving to new opportunities within the Company. As a result, we conduct regular global pay equity assessments of employees performing similar work and make adjustments where appropriate. In addition to our internal measures, we also use a third-party pay-equity tool to assess pay equity from a statistical perspective. Most recently, we have maintained a <1% pay equity difference for females and males globally. We consider total compensation, including base salary, bonus, and stock compensation.

## Benefits

ADI is proud to support our employees with benefits programs that address their physical, mental, and financial well-being to help them live healthier and happier lives. We provide market-competitive benefits to our employees around the world. Our benefits programs vary by country and are reviewed regularly to meet the changing needs of our global workforce while adhering to local laws and regulations.

Globally, we provide comprehensive healthcare, short-term and long-term disability plans, life and accident plans, retirement plans, education assistance, tuition reimbursement, paid time off, and more.

In addition, we recognize that employees sometimes need flexibility in their work and life flow, and we have various leave programs to allow employees to take time away from work. As an example, ADI believes in the importance of providing parents with time to bond with their new child. Our parental leaves vary by country and are often subject to local regulations.

**ADI's Flexible Work Policy** supports employees by providing flexible options in support of fluid working environments. Our hybrid model allows eligible employees the flexibility to work an in-office and remote flex schedule (three days in office, two remote) or the opportunity to flex working hours. We believe that mobile technology, the nature of many work activities, and our responsibility to reduce carbon emissions require a new philosophy and culture regarding where and when work is conducted.

We have employees in other parts of the world not addressed in the following summary for whom we also provide competitive benefits programs.

### U.S. BENEFITS OVERVIEW

ADI supports employees in the U.S. with benefits programs that include medical, dental, and vision coverage, 401(k) Company and matching contributions, paid time off, and an employee assistance program.

Our 401(k) plan is highly competitive, providing a Company basic contribution of 5% of eligible pay, plus up to 3% matching contributions, totaling up to an 8% Company contribution. We believe that financial well-being contributes to overall well-being, and our 401(k) plan encourages a partnership with our employees to save for their future.

**95%**

of U.S. employees participate in ADI's 401(k) plan.

### APAC AND EMEA BENEFITS OVERVIEW

ADI supports employees in Asia-Pacific (APAC) and European, Middle Eastern, and African (EMEA) countries, offering comprehensive supplemental benefit programs in addition to statutory benefits that, according to local market practice, include the following:

- Supplemental medical, dental, and vision coverage
- Annual preventive health screenings
- Supplemental retirement plans
- Education assistance, tuition reimbursement
- Employee assistance programs
- Perks and allowances, such as transportation allowance, meal vouchers, holiday allowance
- Additional leaves, such as annual leave, sick leave, parental leave
- Supplemental compensation above statutory payments during periods of leave such as illness, maternity, adoptive, and paternity leave
- Employee club activities such as wellness activities, family days, outings, annual parties, etc

### Additional U.S. Benefit Program Highlights

- Six weeks of fully paid gender-neutral parental leave benefits (for birth, adoption, or foster placement)
- 10 weeks of paid medical recovery time through disability for birth-giving parents
- Generous fertility benefits through our UnitedHealthcare (UHC) medical options and fertility benefits through our Kaiser HMO offerings
- Healthcare coverage for gender affirming care
- Medical premiums based on annual base salary, to improve health care affordability for employees at lower base salary levels
- Benefits, including health care, for part-time employees working 20-plus hours per week
- Virtual visits for both medical and mental health visits
- Six confidential, no-cost counseling sessions, per issue, under our Employee Assistance Program
- Adoption financial assistance, with increased reimbursement in 2024 to \$10,000.
- 10 backup child-care or adult-care days, and access to tutoring assistance through Bright Horizons
- No-cost college coaching services to employees and their families as they pursue continued education
- Fitness reimbursement and no-cost on-site gym facilities at major locations
- Legal services for adoption, estate planning, home and real estate, elder-care issues, identity theft, and more

# Analog Devices Foundation

## Connects to Communities

### Our Outreach

Established in 2020, the Analog Devices Foundation supports communities around the world where ADI employees live and work. Taking guidance from the United Nations Sustainable Development Goals, the Foundation supports charitable organizations that further the Foundation’s mission to protect the environment, improve education access, and advance social change. The Foundation supports employee involvement with qualified nonprofit organizations through matching gifts for both employees’ time spent volunteering and money they contribute. We also encourage employees to propose local charitable organizations that might increase our social impact by aligning with our focus areas:



#### PROTECT THE ENVIRONMENT

We support initiatives that help reduce carbon emissions, conserve water, reduce waste, protect the ocean, and promote renewable energy sources.



#### IMPROVE ACCESS TO EDUCATION

We support initiatives that broaden access to high-quality STEM education and job opportunities as well as provide underserved communities with the tools they need to progress and thrive.



#### ADVANCE SOCIETAL CHANGE

We support initiatives and leverage innovative solutions to solve community problems, support efforts to eradicate poverty, and promote health and well-being.



# Analog Devices Foundation

## Our Mission:

Engineering a more sustainable future for our planet and people.

## Fiscal 2023 Financial and Achievement Highlights

**\$510,000**

Community Grants

**>14,500**

Hours Volunteered by Employees

**>1,300**

Nonprofit Beneficiaries

**\$2.3**

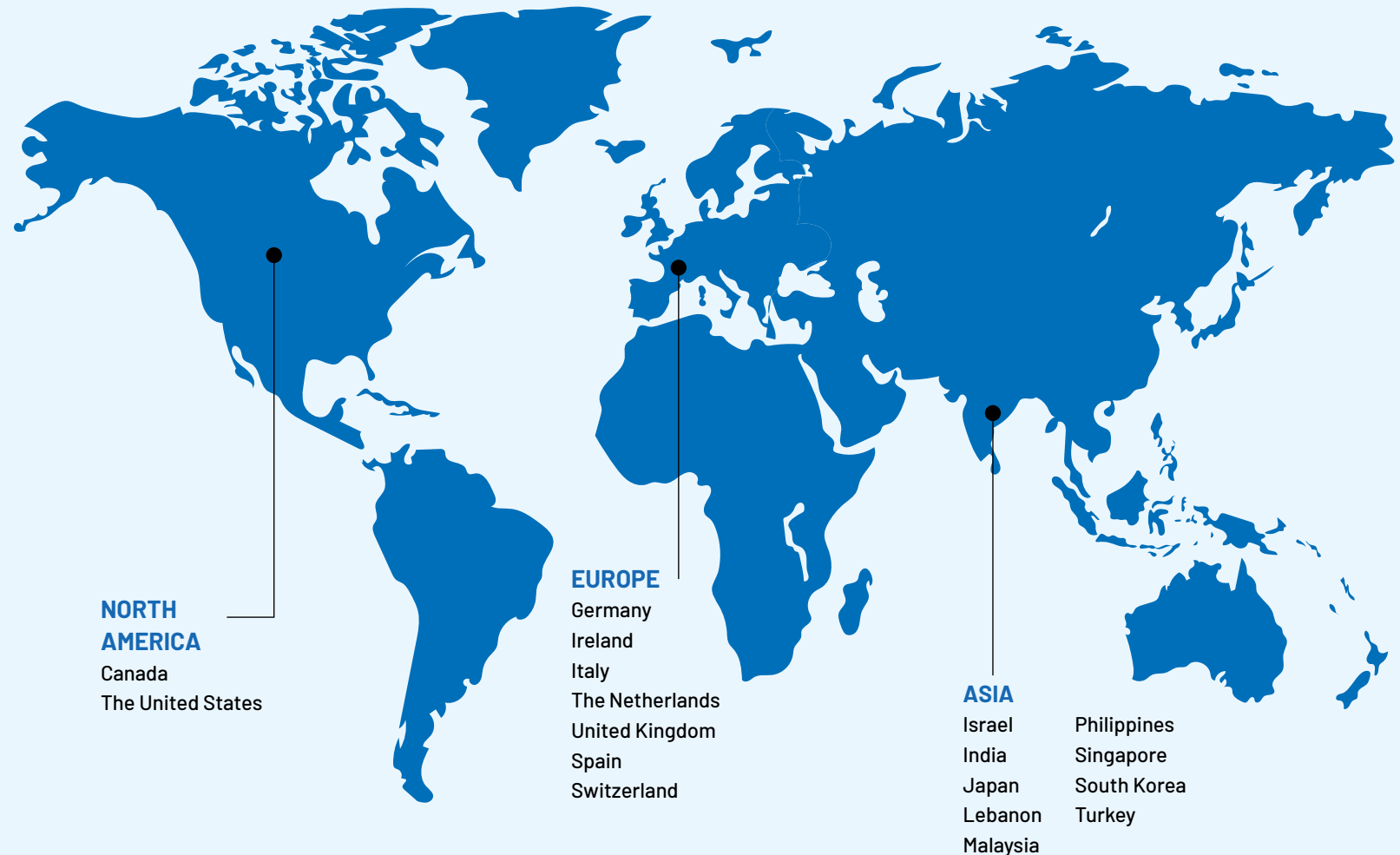
**MILLION**

Employee Donations and Foundation Match

**18**

Countries Received Employee Donations

## Giving Around the World



# Analog Devices Foundation

## 2023 Grant Recipients

### Restoring Forests and Wildlife Habitats

On behalf of Analog Devices Foundation, CAF America provided a \$25,000 grant from the Community Grant Fund to [Wildlife Trust of India](#) (WTI) to support the nonprofit's Valmiki Recovery Project. Over the long term, this project will help restore over 100 square kilometers of fringe forest that is degrading due to the impact on the forest by local communities in the Valmiki Tiger Reserve.

The Analog Devices Foundation's \$25,000 grant helped WTI accomplish its mission of conserving wildlife, their habitats, and the welfare of individual wild animals, in partnership with communities and governments.

In addition to facilitating the grant application, ADI's Green Team in India works closely with WTI, supporting their work to conserve, restore, and recover natural habitats and wildlife to ensure environmental sustainability. As one of India's leading nonprofits, WTI operates across 23 states and has been a pioneer of conservation initiatives.

### Making Strides Through Equine Therapy

[Strongwater Farm](#) in Tewksbury, MA, provides individualized equine-assisted programs to children and adults with emotional, physical, behavioral, or cognitive challenges

including veterans, first responders, the elderly, and those with special needs, disabilities, and substance abuse disorders. Thanks to the Foundation's \$40,000 grant, structural damage to the organization's barn was repaired, making it safe for staff, clients, and horses. In addition to the century-old dairy barn that houses the equine therapists and workspace for staff and volunteers, Strongwater Farm's facilities include horse pastures, riding trails, and indoor and outdoor arenas. Many current and retired ADI employees support Strongwater Farm's unique and innovative programs, both individually and through volunteering on an employee team.

Learn more [here](#) about the important work being done at Strongwater Farm.

### Driving Greater Academic Equity

[Boston Partners in Education](#) (BPIE) received a \$20,000 grant to help equip Boston public school students with the skills, opportunity, self-confidence, and motivation to succeed in the classroom and beyond. By increasing access to mentoring relationships that support students' academic and personal achievements, BPIE ensures students have the opportunity to access the resources and support they need to reach their full potential – regardless of race, zip code, or socio-economic status.

BPIE provides free academic mentorship at all grade levels:

- "Motivate" (Grades K-2) classroom support
- "Accelerate" (Grades K-8) individual/group skill-building

- "Aim High" (Grades 9-12) individualized attention (with a focus on STEM or humanities) for graduation
- "Independent Learning Support" (Grades 1-12) individualized attention through a virtual platform

BPIE, which also works closely with members of ADI's Automotive & Energy, Communications, and Aerospace Group, used the Foundation's \$20,000 grant to pay for needs assessments and program administration costs.



## Employee Giving: Community Activities Board

ADI employees' passion and dedication to helping others and making a difference have been instrumental in their positive impact on communities across the globe. Their unwavering commitment to our motto of "Give. Care. Do." is the driving force behind the success of our mission.

CAB, a global network of employees founded in 2022, is dedicated to facilitating employee engagement initiatives that promote culture, recreation, and social welfare in communities where ADI has offices. As a result of their commitment, ADI employees have raised tens of thousands of dollars for various charitable causes and achieved nearly a threefold increase in volunteer hours in 2023 (from 5,000 to 14,500 volunteer hours).

In 2023, CAB increased site/employee participation five-fold by leveraging the CAB and Employee Resource Groups (ERGs).

Throughout 2023, ADI employees united to support local communities through STEM education; empowerment efforts for girls and women; housing security projects; veteran and children's health support; environmental and animal welfare efforts; large-scale school supplies, food, and monetary donations; and holiday acts of kindness for families.

### World Food Day 2023

In 22 cities around the world, ADI employees donated nearly 5,000 pounds of food and more than \$100,000 for [World Food Day 2023](#), a collective effort across 150 countries to create awareness of and support for food insecurity. As permitted by our guidelines, Analog Devices Foundation matched employee gifts, further strengthening our impact. Our 2023 efforts greatly exceeded the previous year with six times more food collected, three times more participating offices, and a six-fold increase in participating offices outside of the U.S.

Highlights include:

- In Vancouver, Canada, employees ran a 2.5-month online fundraiser for the [Greater Vancouver Food Bank](#), raising approximately \$3,000, which was matched by the Foundation. Due to the Vancouver Food Bank's purchasing power, the campaign resulted in the potential buying power of \$12,000.
- In Burlington, Vermont, employees collected approximately 700 lbs. of food as well as cash donations to benefit [Aunt Dot's Place](#) and [Colchester Food Shelf](#), local nonprofits supporting food insecurity.

ADI was named a [top 100 charitable contributor in Massachusetts in 2023 \(#41\)](#) by *Boston Business Journal*.

### Holiday Kindness

Like ADI's World Food Day effort, the 2023 Holiday Kindness campaign also surpassed the previous year's totals, including in the number of participating offices, the number of children sponsored, and the number of toys donated.

### Highlights of the FY2023 Campaign Include

- In the U.S., ADI employees in Wilmington collected 250 toys for 87 foster children through the [Department of Children and Families'](#) Holiday Kindness campaign.
- In the Philippines, the Giving team held a holiday party for 27 orphaned children at the [Bukid Kabataan Center](#).
- In the U.S. and Ireland, employees in Dublin, Limerick, and San Jose collected more than 200 children's toys for Redemptorist Christmas Appeal, St. Vincent de Paul of Limerick and Dublin, and Toys for Tots.

These are just a few of the many ways ADI employees embraced our values of "Community – Succeed Together" and "Respect – Embrace Humanity," standing alongside the [Analog Devices Foundation](#) and Community Activities Board (CAB) to help our neighbors. We are proud of employees' commitments to their communities, excited at the strong, early success of the CAB, and look forward to more great results in 2024 and beyond.

## Investing in Research

To stay at the forefront of technology innovation that supports a sustainable future, ADI continues to invest in leading research activities. Our investments span a wide range, from basic scientific exploration to applied research that points to future innovative products.

Examples of ADI research collaborations include:

- UC Berkeley Sensor and Actuator Center (BSAC)
- UC Berkeley Wireless Research Center (BWRC)
- Stanford SystemX Alliance
- Center for Power Electronics Systems (CPES)
- NSF Power Management Integration Center (PMIC)
- MIT Medical Electronic Device Realization Center (MEDRC)
- MIT Center for Quantum Engineering
- NSF Center for Hardware and Embedded System Security and Trust (CHEST)
- UMass Lowell Printed Electronics Research
- NSF Broadband Wireless Access and Applications Center (BWAC)
- MIT Center for Transportation and Logistics (CTL)
- MIT AI Hardware Program
- Flexible Hybrid Electronics Manufacturing Institute (NextFlex)
- NSF Center for Design Analog-Digital Integrated Circuits (CDADIC)
- NYU WIRELESS
- Power America

In addition to collaborations on center level, ADI has provided further gifts to stimulate research at Georgia Institute of Technology (GTech), the University of California San Diego (UCSD), Columbia University, Worcester Polytechnic Institute (WPI), the University of Illinois, the University of Michigan, Oregon State, and University of Texas at Dallas.

Another important activity is expanding our international research engagement. Examples include:

- KU Leuven research collaboration
- Microelectronics Circuit Center Ireland (MCCI)
- d.lab at Tokyo University in Japan
- University of Pavia, Italy
- Macquarie University, Australia
- CONFIRM research center for manufacturing, Ireland
- IIT Chennai, India
- University of Toronto
- Universidad Jaime I, Spain

One of our key engagements is participation in the Semiconductor Research Corporation's public/private Joint University Microelectronics Program 2.0 (JUMP 2.0). This SRC-led effort is aimed at accelerating U.S. advances in information and communications technologies.

JUMP 2.0 seeks to significantly improve performance, efficiency, and capabilities across a range of electronics systems. Novel materials, devices, architectures, algorithms, designs, integration techniques, and other innovations are at the heart of problem-solving for next-generation information and communications challenges. To that end, the centers will focus on JUMP 2.0's seven complementary research themes, led by the following university-run centers:

- Cognition: Next-generation AI systems and architectures (Center for the Co-Design of Cognitive Systems, Georgia Institute of Technology)
- Communications and Connectivity: Efficient communication technologies for ICT systems (Center for Ubiquitous Connectivity, Columbia University)
- Intelligent Sensing to Action: Sensing capabilities and embedded intelligence to enable fast and efficient generation of actions (Center on Cognitive Multispectral Sensors, Georgia Institute of Technology)

- Systems and Architectures for Distributed Compute: Distributed computing systems and architectures in an energy-efficient computer and accelerator fabric (Evolvable Computing for Next Generation Distributed Computer Systems, University of Illinois Urbana-Champaign)
- Intelligent Memory and Storage: Emerging memory devices and storage arrays for intelligent memory systems (Center for Processing with Intelligent Storage and Memory, University of California San Diego)
- Advanced Monolithic and Heterogenous Integration: Novel electric and photonic interconnect fabrics and advanced packaging (Center for Heterogeneous Integration of Micro Electronic Systems, Penn State)
- High Performance Energy Efficient Devices: Novel materials, devices, and interconnect technologies to enable next-generation digital and analog applications (SUPeRior Energy-efficient Materials and dEvices [SUPREME], Cornell University)

More information on JUMP 2.0 can be found on the [SRC website](#).



## Access to STEM Education

ADI is committed to expanding access to the education necessary for developing technology skills that have and continue to improve our lives and the planet. Since ADI's founding in 1965, we have invested in programs that support science, technology, engineering, and math (STEM) education for students at the K-12 level as well as university students at the undergraduate and graduate levels. We contribute resources by providing funding, technologies, and employee expertise to programs around the globe, many of which are long-term partners.

### MassRobotics

The mission of MassRobotics is to create and scale the next generation of robotics companies by providing entrepreneurs/start-ups with the workspace and resources they need to develop, prototype, test, and commercialize their products. The organization also seeks to facilitate relationships between the robotics community and the next generation of innovators as part of its commitment to helping increase access to STEM education and careers for historically underrepresented groups.

In 2023, the Analog Devices Foundation provided a \$10,000 grant to MassRobotics to fund the Jumpstart Fellowship, which encourages diverse high school girls to pursue robotics careers by providing technical skill development, mentors, and a network that gives them support and confidence. Students gain real-world experience through a paid summer internship at a robotics or other technology company.

Over its first three years, the Jumpstart Fellowship program has grown from cohorts of eight to 30 students. The young women commit to participating every Saturday for five months, learning skills and connecting with industry professionals.

### STEMatch

STEMatch creates a bridge between students and private industry for real-world exposure to the technology sector. The organization's Career Day program enables 6th-grade students to visit tech-driven companies for structured, hands-on sessions during which they can learn about a range of jobs in the technology industry. STEMatch also runs a program called COMPETE that provides skills training to first- and second-year college students aligned with needs identified by Company executives.

STEMatch aims to engage students in Massachusetts' Gateway (lower-income) Cities, including Lowell and Lawrence. The nonprofit has grown to serve over 800 such students by working with schools in Boston and Lowell. Analog Devices Foundation's \$10,000 grant will be used to expand STEMatch's outreach efforts to double the number of students served to 1,600.

In March 2023, ADI hosted a STEMatch Career Day for 25 students from Lowell's Stoklosa Public Middle School at our offices in Wilmington.

Additional organizations ADI and the Analog Devices Foundation partner with:

- Women's Foundation of Boston
- Boston Partners in Education
- Philippine S&T Foundation
- National Society of Black Engineers (NSBE)
- Penang Science Cluster
- Sri Sathya Sai Institute of Higher Learning
- Resource Area for Teaching (RAFT)
- California Invention Convention
- Philips Exeter Academy
- Boys and Girls Club of Boston
- Boys and Girls Club of Silicon Valley
- Wilmington Education Foundation

### ACCELERATING OCEAN-BASED RESEARCH

Through its participation in the Ocean and Climate Innovation Accelerator (OCIA), ADI supports grants to Woods Hole Oceanographic Institution (WHOI) investigators. OCIA is a consortium of like-minded organizations driven to deeply understand what is happening in the ocean so that effective climate change solutions can be developed. In 2023, two 18-month projects were selected:

- Field testing of a high-frequency radar-based prototype sensor mesh along the storm-impacted Massachusetts coast to observe ocean winds, waves, and currents, and ultimately inform coastal managers and first responders
- A modular ocean acoustic array built on ADI A2B technology that can detect and localize whales in real time, study science dynamics, monitor offshore construction, and more





# Appendices

## IN THIS SECTION:

II TCFD

III SASB

V GRI Index

XVI Reconciliation of GAAP Measures  
to Non-GAAP Measures



# TCFD

Topic	Recommended disclosure	Response or Location
<b>Governance:</b> Disclose the organization's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	2023 ESG Report: Risk Oversight, <a href="#">page 15</a> ; Board Oversight of ESG, <a href="#">page 18</a> ; Management Oversight of ESG, <a href="#">page 18</a> ; Risk Management, starting <a href="#">page 44</a>  2024 Proxy Statement; Oversight by Our Board, <a href="#">pages 34-40</a>
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	
<b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2023 ESG Report: ADI Horizon, starting <a href="#">page 41</a>  2023 Form 10-K: Item 1A. Risk Factors, <a href="#">pages 11-23</a>
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>Risk Management:</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks.	2023 ESG Report: Risk Oversight, <a href="#">page 15</a> ; Board Oversight of ESG, <a href="#">page 18</a> ; Management Oversight of ESG, <a href="#">page 18</a> ; Risk Management, starting <a href="#">page 44</a>  2024 Proxy Statement: Oversight by Our Board, <a href="#">pages 34-40</a>
	b. Describe the organization's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
<b>Metrics and Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Climate and Energy, <a href="#">pages 64-66</a>
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	



Table 1. Sustainability Disclosure Topics and Accounting Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response	Location
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantitative	Metric tons (t) CO <sub>2</sub> -e	TC-SC-110a.1	(1) 278,000 CO <sub>2</sub> e metric tons (2) Not specified	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a>
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	TC-SC-110a.2		2023 ESG Report: Climate and Energy, <a href="#">pages 64-66</a>
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SC-130a.1	(1) 4,716,000 GJ (2) Not disclosed (3) 58%	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Climate and Energy, <a href="#">pages 64-66</a>
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	TC-SC-140a.1	(1) 3,486,364 m <sup>3</sup> (2) Not Specified	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a>
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-SC-150a.1	Hazardous waste: 1480 Metric tons Recycled hazardous waste: 223 Metric tons Percentage recycled: 15%	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a>
Employee Health and Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	n/a	TC-SC-320a.1		2023 ESG Report: Health and Safety, <a href="#">pages 59-60</a>  <a href="#">Code of Corporate Social Responsibility</a>
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	Reporting currency	TC-SC-320a.2	Not disclosed	



Topic	Accounting Metric	Category	Unit of Measure	Code	Response	Location
Recruiting and Managing a Global and Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Percentage (%)	TC-SC-330a.1	(1) Not disclosed (2) 12% of employees are in EMEA countries and 60% of employees are in APAC countries.	2023 ESG Report: Workforce Data Snapshot as of End of Fiscal Year 2023, <a href="#">page 11</a>
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	TC-SC-410a.1	Not disclosed	
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	Various, by product category	TC-SC-410a.2	Not disclosed	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TC-SC-440a.1		2023 ESG Report: Conflict Minerals, <a href="#">page 52</a>  <a href="#">Conflict Minerals Report</a> (Form SD for Calendar Year 2023)
Intellectual Property Protection and Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Reporting currency	TC-SC-520a.1	Not disclosed	

## Table 2. Activity Metrics

Activity Metric	Category	Unit of Measure	Code		
Total production	Quantitative	See note	TC-SC-000.A	Not disclosed	
Percentage of production from owned facilities	Quantitative	Percentage (%)	TC-SC-000.B	Not disclosed	2023 Form 10-K: Item 1. Business – Production Resources, <a href="#">pages 7-8</a>



# GRI Index

<b>Statement of use</b>	Analog Devices, Inc. has reported the information cited in this GRI content index for the period January 1 to December 31, 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

Disclosure Number	Disclosure Title	Location
<b>GRI 2: General Disclosures 2021</b>		
<b>2-1</b>	Organizational details	<p><b>Name of the organization:</b> Analog Devices, Inc.</p> <p><b>Ownership and legal form:</b> 2023 Form 10-K: Company Overview, Strategy and Mission, <a href="#">page 2</a></p> <p><b>Location of headquarters:</b> Wilmington, Massachusetts U.S.A</p> <p><b>Location of operations:</b> 2023 ESG Report: Who We Are, <a href="#">pages 7-12</a> 2023 Form 10-K: Properties, <a href="#">page 24</a> 2024 Proxy Statement: About ADI, <a href="#">pages 1-2</a></p>
<b>2-2</b>	Entities included in the organization's sustainability reporting	All entities included, none treated differently. ADI to address the rest in methodology PDF.
<b>2-3</b>	Reporting period, frequency and contact point	<p><b>Reporting period:</b> 12-month period ending December 31, 2023</p> <p><b>Reporting cycle:</b> Annual</p> <p><b>Publication date of the report:</b> [ADI Team to update]</p> <p><b>Contact point for questions regarding the report:</b> Mary Farris, ADI Senior Director, ESG and Sustainability Programs</p>
<b>2-4</b>	Restatements of information	Scope 1 & 2 GHG emissions for CY2019-2021 were restated after receiving a correction to the emissions profile for our non-manufacturing facilities. Our emissions increased by ~2,000 metric tons of CO <sub>2</sub> e. Includes categories 1 through 9 as defined by the Greenhouse Gas Protocol. Downstream categories 10-12 are excluded as our products are intermediate products with many potential downstream applications. CY2022 Scope 3 numbers were adjusted in 2024 to reflect methodology improvements. More information can be found <a href="#">here</a> .
<b>2-6</b>	Activities, value chain and other business relationships	<p>2023 ESG Report: Who We Are, <a href="#">pages 7-12</a>; The Impact of Our Solutions, <a href="#">pages 30-39</a></p> <p>2023 Form 10-K: Business, <a href="#">pages 2-10</a></p> <p>2024 Proxy Statement: About ADI, <a href="#">pages 1-2</a></p> <p>There were no significant changes to activities, value chain and other business relationships for CY 2023</p>



Disclosure Number	Disclosure Title	Location
2-7	Employees	2023 ESG Report: Our Global Footprint, <a href="#">page 9</a> 2023 Form 10-K: Human Capital and Empowerment, <a href="#">pages 9-10</a> 2024 Proxy Statement: About ADI, <a href="#">pages 1-2</a>
2-8	Workers who are not employees	ADI does not report contingent workers in our data, but we do include them in our injury and illness data sets, as set forth by OSHA guidance.
2-9	Governance structure and composition	2023 ESG Report: Our Approach to Governance and Oversight, <a href="#">pages 13-15</a> 2024 Proxy Statement: Our Board of Directors, <a href="#">pages 7-8</a> ; Director Criteria, Qualifications, and Experience, <a href="#">pages 15-18</a> ; Director Biographies, <a href="#">pages 18-24</a> ; Determination of Independence, <a href="#">page 24</a> ; Board Committees, <a href="#">pages 29-32</a> <i>Corporate Governance Guidelines</i> : D. Board Committees
2-10	Nomination and selection of the highest governance body	2024 Proxy Statement: Director Criteria, Qualifications, and Experience, <a href="#">pages 15-18</a> ; Determination of Independence, <a href="#">page 24</a> ; Director Candidates, <a href="#">page 25</a> <i>Corporate Governance Guidelines</i> : B. Director Qualification Standards
2-11	Chair of the highest governance body	2024 Proxy Statement: Board Leadership Structure, <a href="#">page 28</a>
2-12	Role of the highest governance body in overseeing the management of impacts	2023 ESG Report: Board Oversight, <a href="#">page 14</a> ; Risk Oversight, <a href="#">page 15</a> ; Board Oversight of ESG, <a href="#">page 18</a> ; Management Oversight of ESG, <a href="#">page 18</a> ; Stakeholder Engagement, <a href="#">pages 18-19</a> ; Governance, <a href="#">pages 43-60</a> ; Our Purpose, Culture, and Priorities, <a href="#">pages 75-80</a> 2024 Proxy Statement: ESG Oversight, <a href="#">page 3</a> ; Talent Priorities, <a href="#">page 4</a> ; Oversight by Our Board, <a href="#">pages 34-40</a> <i>Information Security Statement</i> <i>Political Contributions and Expenditures</i>
2-13	Delegation of responsibility for managing impacts	2023 ESG Report: Board Oversight, <a href="#">page 14</a> ; Risk Oversight, <a href="#">page 15</a> ; Board Oversight of ESG, <a href="#">page 18</a> ; Management Oversight of ESG, <a href="#">page 18</a> ; Governance, <a href="#">pages 43-60</a> ; Our Purpose, Culture, and Priorities, <a href="#">pages 75-80</a> 2024 Proxy Statement: ESG Oversight, <a href="#">page 3</a> ; Talent Priorities, <a href="#">page 4</a> ; Oversight by Our Board, <a href="#">pages 34-40</a> <i>Information Security Statement</i> <i>Political Contributions and Expenditures</i>
2-14	Role of the highest governance body in sustainability reporting	ADI's Internal Audit organization reviews the full report and issues an Audit Report to the senior leadership team and the Audit Committee of the Board of Directors. ADI's ESG program and progress is reported quarterly to the senior leadership team and to the Nominating Corporate Governance Committee of the Board of Directors.
2-15	Conflicts of interest	2024 Proxy Statement: Board Committees, <a href="#">pages 29-32</a> ; Certain Relationships and Related Transactions, <a href="#">page 41</a>



Disclosure Number	Disclosure Title	Location
2-16	Communication of critical concerns	2024 Proxy Statement: Communications from Shareholders and Other Interested Parties, <a href="#">page 40</a> <i>Corporate Governance Guidelines</i> : J. Board Interaction with Stockholders, Institutional Investors, the Press, Customers, Etc.
2-17	Collective knowledge of the highest governance body	2023 ESG Report: Board Oversight of ESG, <a href="#">page 18</a> ; Management Oversight of ESG, <a href="#">page 18</a> 2024 Proxy Statement: ESG Oversight, <a href="#">page 3</a> ; Director Education and Orientation Program, <a href="#">page 32</a> ; ESG Oversight, <a href="#">page 36</a> <i>Corporate Governance Guidelines</i> : G. Director Orientation and Continuing Education
2-18	Evaluation of the performance of the highest governance body	2024 Proxy Statement: Board Evaluations, <a href="#">page 33</a> <i>Corporate Governance Guidelines</i> : I. Annual Performance Evaluation of the Board
2-19	Remuneration policies	2024 Proxy Statement: Director Compensation, <a href="#">pages 42-44</a> ; Compensation Discussion and Analysis, starts at <a href="#">page 48</a> <i>Corporate Governance Guidelines</i> : F. Director Compensation
2-20	Process to determine remuneration	2024 Proxy Statement: Historical Say-on-Pay Votes, <a href="#">page 12</a> ; Director Compensation, <a href="#">pages 42-44</a> ; Compensation Discussion and Analysis, starts at <a href="#">page 48</a> <i>Corporate Governance Guidelines</i> : F. Director Compensation
2-21	Annual total compensation ratio	2024 Proxy Statement: CEO Pay Ratio, <a href="#">page 79</a>
2-22	Statement on sustainable development strategy	2023 ESG Report: Message from Our CEO and Chair of the Board, <a href="#">pages 4-5</a>
2-23	Policy commitments	2023 ESG Report: Business Ethics, <a href="#">pages 47-48</a> <a href="#">Anti-Corruption Policy</a> <a href="#">Code of Business Conduct and Ethics</a> <a href="#">Code of Corporate Social Responsibility</a> <a href="#">EEO and Affirmative Action Policy</a> <a href="#">Global Tax Policy</a> <a href="#">Anti-Slavery and Human Trafficking Statement</a> <a href="#">Gift and Entertainment Guidelines</a> <a href="#">Anti-Harassment Policy</a> <a href="#">Workplace Safety Overview Policy</a> <a href="#">Environment, Health, &amp; Safety (EHS) Policy</a> <a href="#">Privacy Policy</a> <a href="#">Conflict Minerals Policy Statement</a>



Disclosure Number	Disclosure Title	Location
2-24	Embedding policy commitments	<p>2023 ESG Report: Business Ethics, <a href="#">pages 47-48</a></p> <p><a href="#">Anti-Corruption Policy</a></p> <p><a href="#">Code of Business Conduct and Ethics</a></p> <p><a href="#">Code of Corporate Social Responsibility</a></p> <p><a href="#">EEO and Affirmative Action Policy</a></p> <p><a href="#">Global Tax Policy</a></p> <p><a href="#">Anti-Slavery and Human Trafficking Statement</a></p> <p><a href="#">Gift and Entertainment Guidelines</a></p> <p><a href="#">Anti-Harassment Policy</a></p> <p><a href="#">Workplace Safety Overview Policy</a></p> <p><a href="#">Environment, Health, &amp; Safety (EHS) Policy</a></p> <p><a href="#">Privacy Policy</a></p> <p><a href="#">Conflict Minerals Policy Statement</a></p>
2-25	Processes to remediate negative impacts	<p>ADI is committed to applying a consistent and objective review process to reports of alleged wrongdoing and ensuring that reports are fairly and promptly reviewed. If an investigation is warranted, ADI will promptly investigate allegations and implement corrective actions, if appropriate, and convey the outcome of the investigation to the reporter. All efforts are made to handle the investigation confidentially, consistent with business needs and applicable law.</p> <p>At ADI, we cooperate fully with internal and external investigations. The Chief Legal and Risk Officer and Ethics and Compliance team provide oversight of all global investigations to ensure matters are handled fairly, consistently, and transparently.</p> <p>We are focused on continuous improvement of our practices and procedures and seek continuous feedback from key stakeholders.</p> <p>We track and analyze data and metrics on all global investigations, monitor trends, and evaluate our data vis-à-vis industry benchmarks. Additionally, the Board of Directors provides oversight on investigation processes, compliance trends and matters, as appropriate.</p>



Disclosure Number	Disclosure Title	Location
2-26	Mechanisms for seeking advice and raising concerns	<p><a href="#">2023 ESG Report: Whistleblower Program, Reports, Investigations, and Corrective Measures, page 48</a></p> <p><a href="#">Code of Corporate Social Responsibility</a></p> <p>At ADI, we are committed to creating an environment where every employee is respected and valued. We have an open-door policy and rely on our employees to speak up to raise concerns. We maintain multiple channels for employees and others to report concerns, including reporting anonymously. Anyone can report concerns through ADI's Ethics Hotline (online at <a href="http://www.analog.ethicspoint.com">www.analog.ethicspoint.com</a>, by phone or through mobile access). ADI's Ethics Hotline is operated by an independent third party and allows anonymous reporting where permitted by applicable law. Additional channels for employees' seeking advice or raising concerns about the organization's business conduct include their supervisor, Human Resources, ADI's Chief Legal Officer and ADI's Ethics and Compliance team through its Ethics Email Box.</p>
2-27	Compliance with laws and regulations	ADI is not aware of material instances of fines or non - monetary penalties imposed during the reporting period.
2-28	Membership associations	<p><a href="#">U.N. Global Compact (UNGC)</a></p> <p><a href="#">Responsible Business Alliance (RBA)</a></p> <p><a href="#">Responsible Minerals Initiative (RMI)</a></p> <p><a href="#">Responsible Labor Initiative (RLI)</a></p> <p><a href="#">Semiconductor Industry Association (SIA)</a></p> <p><a href="#">SEMI</a></p> <p><a href="#">Semiconductor Research Corporation</a></p> <p><a href="#">Open RAN Policy Coalition</a></p> <p><a href="#">Ocean &amp; Climate Innovation Accelerator</a></p>
2-29	Approach to stakeholder engagement	<a href="#">2023 ESG Report: Stakeholder Engagement, pages 18-19</a>
2-30	Collective bargaining agreements	In full compliance with laws, ADI respects the rights of workers to associate freely, form and join workers organizations, seek representation and bargain collectively.
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	ADI takes a multipronged approach to determining material topics. First, we account for input from stakeholders, including investors, customers, ratings agencies, and our insurers. We also use our industry associations' input (SEMI, SIA) and best practices. These, as well as our internal Enterprise Risk Management program, provide the company with a wide perspective of material topics. ADI assesses potential impacts using scenario-based and real-world information. In 2024, ADI seeks to execute a double materiality assessment.



Disclosure Number	Disclosure Title	Location
3-2	List of material topics	<i>2023 ESG Report</i> : Setting ESG Priorities, <a href="#">page 20</a>
3-3	Management of material topics	<p><i>2023 ESG Report</i>: Our Approach to ESG, <a href="#">pages 16-25</a>; Our Solutions, <a href="#">pages 26-40</a>; ADI Horizon, <a href="#">pages 41-91</a></p> <p><i>2023 Form 10-K</i>: Environment, Social and Governance, <a href="#">pages 8-9</a>; Cybersecurity and Information Security Risk Oversight, <a href="#">page 9</a>; Human Capital and Empowerment, <a href="#">pages 9-10</a></p> <p><i>2024 Proxy Statement</i>: Environment, Social and Governance, <a href="#">pages 2-5</a>; People and Culture, <a href="#">pages 4-5</a>; Shareholder Engagement, <a href="#">pages 37-39</a></p> <p><a href="#">Anti-Corruption Policy</a></p> <p><a href="#">Code of Business Conduct and Ethics</a></p> <p><a href="#">Code of Corporate Social Responsibility</a></p> <p><a href="#">EEO and Affirmative Action Policy</a></p> <p><a href="#">Global Tax Policy</a></p> <p><a href="#">Information Security Statement</a></p> <p><a href="#">Anti-Slavery and Human Trafficking Statement</a></p> <p><a href="#">2023 Ireland Gender Pay Gap Analysis</a></p> <p><a href="#">2022 U.S. Benefits Program</a></p> <p><a href="#">Gift and Entertainment Guidelines</a></p> <p><a href="#">Anti-Harassment Policy</a></p> <p><a href="#">Workplace Safety Overview Policy</a></p> <p><a href="#">Environment, Health, &amp; Safety (EHS) Policy</a></p> <p><a href="#">Privacy Policy</a></p> <p><a href="#">Political Contributions and Expenditures</a></p> <p><a href="#">Conflict Minerals Policy Statement</a></p> <p><a href="#">Conflict Minerals Report</a> (Form SD for Calendar Year 2023)</p>
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	<p><i>2023 ESG Report</i>: Who We Are, <a href="#">pages 7-12</a>; <i>2023 ESG Results</i>, <a href="#">pages 23-25</a></p> <p><i>2024 Proxy Statement</i>: About ADI, <a href="#">pages 1-2</a></p>
201-2	Financial implications and other risks and opportunities due to climate change	<i>2023 Form 10-K</i> : Risk Factors, <a href="#">pages 11-23</a>
201-3	Defined benefit plan obligations and other retirement plans	<i>2023 Form 10-K</i> : Note 11: Retirement Plans, <a href="#">pages 73-77</a>



Disclosure Number	Disclosure Title	Location
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-2	Significant indirect economic impacts	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Analog Devices Foundation, <a href="#">pages 86-90</a>
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	2023 ESG Report: Taxation, <a href="#">page 55</a> <a href="#">Global Tax Policy</a>
207-2	Tax governance, control, and risk management	2023 ESG Report: Whistleblower Program, Reports, Investigations, and Corrective Measures, <a href="#">page 48</a> ; Taxation, <a href="#">page 54</a> <a href="#">Global Tax Policy</a>
207-4	Country-by-country reporting	2023 Form 10-K: <a href="#">Exhibit 21</a>
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> Activity data for both fuel and electricity is regularly collected and reviewed. Fuel data is expressed in energy units using conversion factors provided in the CDP Technical Note: Conversion of fuel data to MWh.
302-3	Energy intensity	Energy intensity ratio (Energy/Revenue) = 0.00006 MWh/\$ Energy intensity data are expressed in terms of total energy consumed against company revenue. Sources of energy included in the calculation are fuel and electricity consumed by our manufacturing sites.
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	We employ internal procedures for comprehensive water data collection using water metering, water balance calculations, and utility bill analysis. We determine the baseline water stress level from each manufacturing location by utilizing the Aqueduct Risk Assessment Tool, a publicly-available tool developed by the World Resources Institute (WRI). 2023 ESG Report: 2023 ESG Results, Water on <a href="#">pages 24-25</a> ; Water, <a href="#">pages 67-69</a>



Disclosure Number	Disclosure Title	Location
303-2	Management of water discharge-related impacts	2023 ESG Report: Water, <a href="#">pages 67-69</a>
303-3	Water withdrawal	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Water, <a href="#">pages 67-69</a> Provided in tear sheet in unit of millions of gallons (16 megaliters) Provided in tear sheet in unit of millions of gallons (3627 megaliters) Water withdrawal with water stress = 1,062 megaliters Third-party water: 3475 megaliters Resource: WRI Aqueduct Water Risk Atlas
303-4	Water discharge	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> Reported in Tear Sheet in unit of millions of gallons (2653.57 megaliters) (Other parameters not yet calculated)
303-5	Water consumption	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> Provided in tear sheet in units of millions of gallons (832.79 megaliters) 140 megaliters
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Climate and Energy, <a href="#">pages 64-66</a> Greenhouse Gas (GHG) emissions are categorized into "scopes" based on their source. ADI monitors Scope 1 and Scope 2 emissions and consolidates GHG emissions from which it has operational control. Emissions are measured and estimated using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and GWP from the IPCC Fifth Assessment report. Process emissions are calculated using Tier 2a of IPCC Guidelines for National Greenhouse Gas Inventories for Electronics Industry emissions. WRI Emission factors used from US-EPA Climate Leadership Emissions Factors for Greenhouse Gas Inventories and market-based factors where available. Location-based emission factors published by the International Energy Agency are used in the absence of market-based factors. Gases in our GHG inventory include CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , and NF <sub>3</sub> .
305-2	Energy indirect (Scope 2) GHG emissions	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Climate and Energy, <a href="#">pages 64-66</a>
305-3	Other indirect (Scope 3) GHG emissions	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Climate and Energy, <a href="#">pages 64-66</a>
305-4	GHG emissions intensity	2023 ESG Report: Climate and Energy, <a href="#">pages 64-66</a>
305-5	Reduction of GHG emissions	2023 ESG Report: Climate and Energy, <a href="#">pages 64-66</a>
305-6	Emissions of ozone-depleting substances (ODS)	Our manufacturing sites no longer use Class 1 ODS



Disclosure Number	Disclosure Title	Location
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	2023 ESG Report: Waste, <a href="#">pages 70-71</a>
306-2	Management of significant waste-related impacts	2023 ESG Report: Waste, <a href="#">pages 70-71</a> The amount of waste generated and the applicable management methods used are determined using direct mass or volume measurements or actual counts done by internal resources or by waste management service providers. Waste intensity data are expressed in terms of total waste generated against company revenue.
306-3	Waste generated	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Waste, <a href="#">pages 70-71</a>
306-4	Waste diverted from disposal	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Waste, <a href="#">pages 70-71</a>
306-5	Waste directed to disposal	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a>
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	2023 ESG Report: Workforce Data Snapshot as of End of Fiscal Year 2023, <a href="#">page 11</a> 2023 Form 10-K: Human Capital and Empowerment, <a href="#">pages 9-10</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 ESG Report: Compensation and Benefits, <a href="#">pages 84-85</a> 2023 Form 10-K: Human Capital and Empowerment, <a href="#">pages 9-10</a> <a href="#">2023 U.S. Benefits Program</a>
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	2023 ESG Report: Health and Safety, <a href="#">pages 59-60</a> 2023 Form 10-K: Environment, Social and Governance, <a href="#">pages 8-9</a> The system has been implemented voluntarily and not due to legal requirements.
403-2	Hazard identification, risk assessment, and incident investigation	2023 ESG Report: Health and Safety, <a href="#">pages 59-60</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	2023 ESG Report: Health and Safety, <a href="#">pages 59-60</a>
403-5	Worker training on occupational health and safety	2023 ESG Report: Health and Safety Training, <a href="#">page 59</a>



Disclosure Number	Disclosure Title	Location
403-6	Promotion of worker health	2023 ESG Report: Compensation and Benefits, <a href="#">pages 84-85</a> <a href="#">2023 U.S. Benefits Program</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 ESG Report: Health and Safety Training, <a href="#">page 59</a>
403-9	Work-related injuries	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a> ; Health and Safety, <a href="#">pages 59-60</a>
403-10	Work-related ill health	2023 ESG Report: 2023 ESG Results, <a href="#">pages 23-25</a>
<b>GRI 404: Training and Education 2016</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	2023 ESG Report: Talent Development, <a href="#">pages 82-83</a> 2024 Proxy Statement: Talent Priorities, <a href="#">page 4</a>
404-3	Percentage of employees receiving regular performance and career development reviews	A formal assessment of employee specific achievements, behaviors and performance is performed annually.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	2023 ESG Report: Workforce Data Snapshot as of End of Fiscal Year 2023, <a href="#">page 11</a> ; Strong Board Diversity, <a href="#">page 14</a> ; Diversity, Equity, and Inclusion, <a href="#">pages 78-80</a> 2023 Form 10-K: Human Capital and Empowerment, <a href="#">pages 9-10</a> <a href="#">2023 Ireland Gender Pay Gap Analysis</a>
405-2	Ratio of basic salary and remuneration of women to men	2023 ESG Report: Pay Equity, <a href="#">page 84</a>
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	ADI prohibits the use of forced, involuntary or child labor within our operations and those of our suppliers. ADI is a member of RBA and adopts its Code of Conduct. 2023 ESG Report: Business Ethics, <a href="#">pages 47-48</a> ; Human Rights, <a href="#">page 49</a> ; Ethical Supply Chain, <a href="#">pages 50-52</a> <a href="#">Anti-Slavery and Human Trafficking Statement</a>



Disclosure Number	Disclosure Title	Location
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	ADI prohibits the use of forced, involuntary or child labor within our operations and those of our suppliers. ADI is a member of RBA and adopts its Code of Conduct.  2023 ESG Report: Business Ethics, <a href="#">pages 47-48</a> ; Human Rights, <a href="#">page 49</a> ; Ethical Supply Chain, <a href="#">pages 50-52</a>  <a href="#">Anti-Slavery and Human Trafficking Statement</a>
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	We do not make political contributions of any kind to parties or candidates, including any direct contributions through intermediary organizations. This policy applies worldwide, even where these contributions are permitted by law.  2023 ESG Report: Public Policy, <a href="#">page 58</a>  <a href="#">Political Contributions and Expenditures</a>
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have not experienced a material security breach in the last three years, and as a result, we have not incurred any net expenses from such a breach. Furthermore, we have not been penalized or paid any amount under an information security breach settlement over the last three years.  2023 Form 10-K: Cybersecurity and Information Security Risk Oversight, <a href="#">page 9</a>

# Reconciliation of GAAP Measures to Non-GAAP Measures

Non-GAAP financial measures included in the Proxy Statement are financial measures that are not in accordance with, nor an alternative to, generally accepted accounting principles (GAAP) and may be different from non-GAAP measures presented by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Management uses non-GAAP measures internally to evaluate ADI's operating performance from continuing operations against past periods and to budget and allocate resources in future periods. These non-GAAP measures also assist management in evaluating ADI's core business and trends across different reporting periods on a consistent basis. Management also uses these non-GAAP measures as the primary performance measurement when communicating with analysts and investors regarding ADI's earnings results and outlook and believes that the presentation of these non-GAAP measures is useful to investors because it provides investors with the operating results that management uses to manage the company and enables investors and analysts to evaluate ADI's core business. Management also believes that the non-GAAP liquidity measure free cash flow is useful both internally and to investors because it provides information about the amount of cash generated after capital expenditures that is then available to repay debt obligations, make investments and fund acquisitions, and for certain other activities.

We believe that non-GAAP measures have material limitations in that they do not reflect all of the amounts associated with ADI's results of operations as determined in accordance with GAAP and should not be considered in isolation from, or as a substitute for, ADI's financial results presented in accordance with GAAP. ADI's use of non-GAAP measures, and the underlying methodology when including or excluding certain items, is not necessarily an indication of the results of operations that may be expected in the future, or that ADI will not, in fact, record such items in future periods. Investors should consider the company's non-GAAP financial measures in conjunction with the corresponding GAAP measures.

**Free Cash Flow:** Net cash provided by operating activities, determined in accordance with GAAP, less additions to property, plant and equipment, net. Free cash flow revenue percentage represents free cash flow divided by revenue.

**Acquisition Related Expenses:** Expenses incurred as a result of current and prior period acquisitions and primarily include expenses associated with the fair value adjustments to debt, inventory, property, plant and equipment and amortization of acquisition related intangibles, which include acquired intangibles such as purchased technology and customer relationships. Expenses also include fair value adjustments associated with the replacement of share-based awards related to the Maxim acquisition. We excluded these costs from our non-GAAP measures because they relate to specific transactions and are not reflective of our ongoing financial performance.

**Acquisition Related Transaction Costs:** Costs directly related to the Maxim acquisition, including legal, accounting and other professional fees as well as integration-related costs. We excluded these costs from our non-GAAP measures because they relate to a specific transaction and are not reflective of our ongoing financial performance.

**Special Charges, net:** Expenses, net, incurred as part of the integration of the Maxim acquisition, in connection with facility closures, consolidation of manufacturing facilities, severance, other accelerated stock-based compensation expense and other cost reduction efforts or reorganizational initiatives. We excluded these expenses from our non-GAAP measures because apart from ongoing expense savings as a result of such items, these expenses have no direct correlation to the operation of our business in the future.

**Tax Related Items:** Income tax effect of the non-GAAP items discussed above, an income tax benefit from a discrete tax item related to a federal corporate income tax relief claim, certain other income tax benefits associated with prior periods, and an income tax benefit from a discrete tax item related to the consolidation of certain subsidiaries. We excluded the income tax effect of these tax related items from our non-GAAP measures because they are not associated with the tax expense on our current operating results.



## Reconciliation of GAAP Measures to Non-GAAP Results (Unaudited)

(In thousands, except per-share amounts)

	Twelve months ended October 28, 2023
<b>Gross margin</b>	<b>\$7,877,218</b>
Gross margin percentage	64.0%
Acquisition related expenses	1,047,309
<b>Adjusted gross margin</b>	<b>\$8,294,527</b>
Adjusted gross margin percentage	72.5%
<b>Operating income</b>	<b>\$3,823,112</b>
Operating margin	31.1%
Acquisition related expenses	2,023,532
Acquisition related transaction costs	7,069
Special charges, net	160,710
<b>Adjusted operating income</b>	<b>\$6,014,423</b>
Adjusted operating margin	48.9%
<b>Diluted EPS</b>	<b>\$6.55</b>
Acquisition related expenses	3.97
Acquisition related transaction costs	0.01
Special charges, net	0.32
Tax related items	(0.77)
<b>Adjusted diluted EPS</b>	<b>\$10.09</b>



## Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Unaudited)

(In thousands)

	Twelve months ended October 28, 2023
Revenue	\$12,305,539
<b>Net cash provided by operating activities</b>	<b>\$4,817,634</b>
% of revenue	39%
Capital expenditures	\$(1,261,463)
<b>Free cash flow<sup>1</sup></b>	<b>\$3,556,171</b>
% of revenue	29%

<sup>1</sup> Free cash flow is defined as net cash provided by operating activities, less capital expenditures.



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