



2022 ESG Report Executive Summary

12-MONTH PERIOD ENDING DECEMBER 31, 2022
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Message from Our CEO and Chair of the Board

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, 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 has enabled us to deliver tremendous impact at the human, societal, and planetary scales for nearly sixty years.

ADI's long-term strategy lays out the path by which we will accelerate technology breakthroughs at the Intelligent Edge and deliver sustainable, profitable growth that will expand and extend our impact for decades to come. Within this framework, ESG is more than an initiative. It is a natural outcome of our long-term focus and a guiding principle informing every element of our organization and operation.

We have established aggressive ESG goals for ourselves and our value chain to ensure progress toward the high standards we espouse.

Within our manufacturing operations, we are engineering and implementing more efficient tooling, abatement systems, and water reclamation practices to recycle and reduce the overall amount of water we withdraw. Today, 25% of our water is recycled. We are also making substantial progress on reducing waste in our manufacturing operations, and today, 90% of our waste is diverted from landfills.

We are on track to achieve our goal of 100% renewable energy use by the end of 2025 and have reduced our Scope 1 and 2 emissions by 7.2% compared to our 2019 baseline. When you consider our substantial growth over the same period, however, our Scope 1 and 2 greenhouse gas (GHG) emissions intensity has dropped by an impressive 37%. In addition, we have begun sharing our Scope 3 upstream emissions in this year's report as part of our Net Zero commitment.

On the social side, we are deeply committed to our employees' well-being and ensuring proper treatment of those working in our value chain. In practice, that means providing a work environment at ADI where diversity, belonging, and integrity are valued and where our employees can achieve their highest professional and personal aspirations. In 2022, 25% of our people managers globally were female. In the US, 7% of our employees identified as Black, Hispanic, or Latinx. While we are pleased with the progress we have made in these areas, there is still much to do, and we will not rest until we achieve our full goals.

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We believe our responsibility extends beyond our four walls to our entire value chain of production. As such, human rights and fair work practices are non-negotiable, and we will continue to engage with our suppliers to ensure those protections are upheld regardless of where work is done.

Regarding governance, the principles of integrity, transparency, and credibility are core values at ADI and woven through our decisions and actions. ADI's long-term commitment to these principles is opening doors for us with customers who seek to work with companies that share their values and higher ambitions.

In fact, ESG is becoming a business opportunity for ADI as much as a matter of being a responsible global citizen. We are targeting our innovation system and leveraging the combinatorial power of sensing/actuating, computing, and connectivity at the Intelligent Edge to improve the well-being of humanity and the world.

For example, approximately 40% of total global energy use is consumed by the Industrial sector¹, with roughly 70% of industrial electricity consumption coming from electric motors alone². ADI's products help optimize the performance of those motors to significantly reduce their energy usage. Within the Energy market, our solutions enable the productive and efficient capture and conversion of renewable energy sources such as solar and wind, which are now less expensive options than coal and natural gas in many markets³. In Healthcare, our products are advancing human health by expanding care access and improving patient outcomes through more effective and efficient home-based, remote patient monitoring

¹ IEA (2022), *Industry*, IEA, Paris.

² IEA (2019), *World Energy Outlook 2019*, IEA, Paris.

³ IRENA (2022), *Renewable Power Generation Costs in 2021*, International Renewable Energy Agency, Abu Dhabi.

“...the urgency of the challenges we face means we are never satisfied. Our world is beset with numerous challenges – from the slow post-pandemic recovery, to climate threats, to geo-political friction – but we remain thoroughly committed and optimistic about the positive impact our technologies can have for the health of humanity and the planet.”

of acute and chronic diseases like Congestive Heart Failure (CHF) and COPD, and sub-acute conditions ranging from post-surgical care to management of chronic diseases like diabetes. Within the Automotive market, our advances in battery management systems (BMS) are delivering faster and more precise charging for greater EV range and battery pack lifetimes, enabling significant CO₂ reductions, and facilitating the re-purposing of batteries for second-life applications like EV chargers and home energy storage after their continued use in vehicles is no longer viable.

Finally, I would like to highlight the progress of our Foundation and the incredible work of our employees, who care passionately about these issues and give of their own time, energy, and resources to improve the world. Their engagements are too numerous to recount in this letter, but our employees around the world are teaming up to collect and donate food and volunteer at food banks, clean public parks and plant trees, and mentor students in STEM programs. More than 700 of our employees are part of ADI's Green Team Network, an initiative focused on advocating for sustainability and taking action to deliver environmental impact within ADI and the communities in which we operate.

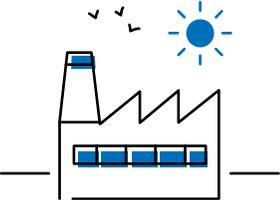
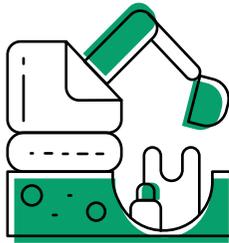
Many of these activities are funded in part by the Analog Devices Foundation, which in 2022 supported more than 900 community organizations focused on protecting the environment, improving access to education, and solving community problems from poverty, to hunger, to general health and well-being.

In closing, while we are pleased with our own ESG accomplishments and how our efforts are helping our customers and partners meet their own ESG goals, the urgency of the issues we face means we are never satisfied. Our world is beset with numerous challenges – from the slow post-pandemic recovery, to climate threats, to geo-political friction – but we remain thoroughly committed and optimistic about the positive impact our technologies can have for the health of humanity and the planet. ADI's incredibly talented, passionate, and dedicated workforce, charged with – and charged by – tackling the world's greatest challenges in partnership with our customers and partners, and the confidence that there is no obstacle we can't overcome together. We truly believe ADI's, humanity's, and the planet's best days are yet to come.



Vincent Roche
CEO and Chair

Objectives

 CLIMATE AND ENERGY	 WASTE	 DIVERSITY, EQUITY, AND INCLUSION
<h3>Carbon Neutrality</h3> <p>50% reduction of Scope 1 and 2 GHG emissions by 2030</p> <hr/> <h3>100%</h3> <p>Renewable energy at ADI's manufacturing facilities by 2025</p> <hr/> <h3>Net Zero</h3> <p>By 2050</p> 	<h3>100%</h3> <p>Waste diverted from landfill at ADI manufacturing facilities by 2030</p> 	 <p>By end of FY2026</p> <p>Increase global female manager population from</p> <p>23% in 2021 to → 29%</p> <hr/> <p>Increase global female engineering (exempt) population from</p> <p>17% in 2021 to → 26%</p> <hr/> <p>Increase our combined Black, Hispanic, and Latinx employee population in the U.S. from</p> <p>6% in 2021 to → 9%</p>
	 WATER <h3>50%</h3> <p>Water recycling rate in manufacturing facilities by 2025</p> <p>2027 GOAL NEW</p> <h3>50%</h3> <p>Reduction in water withdrawal normalized to production output*</p>	

2022 OBJECTIVES

- Continue integration of Maxim
- Evaluate need for a materiality assessment in line with our ERM program
- Create roadmap for ADI sustainability program, targets
- Continue a key focus on employee health and wellness
- Develop a plan for ISO 14001 and 45001 certification for all manufacturing sites
- Review sustainability plan with SBTi for new footprint
- Deepen customer intimacy through ESG outreach
- Enhance ethics training, resources, and awareness

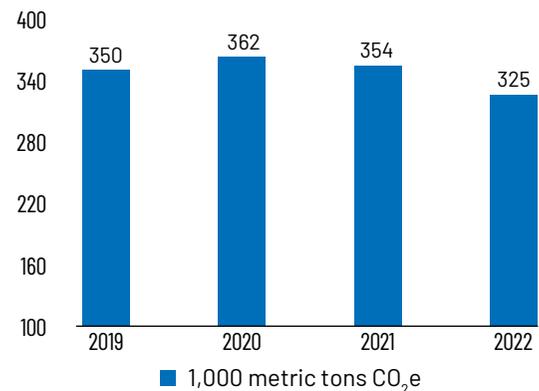
2023 OBJECTIVES

- Launch a double materiality assessment in line with our ERM program
- Disclose enhanced KPIs for our suite of ESG programs in line with our commitment to transparency
- Achieve ISO 14001 and 45001 certification for all manufacturing sites
- Reengage with SBTi on our sustainability roadmap for new footprint
- 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, to CDP Climate, and aligning to the key ESG frameworks
- Evaluate and prepare for new ESG regulatory requirements

[Read more](#)

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

Progress on Environmental Goals

 <h2>CLIMATE AND ENERGY</h2>		 <h2>WASTE</h2>	<h3>2026 DEI GOALS***</h3>
<h3>GOALS</h3> <ul style="list-style-type: none"> • ADI is committed to achieving net zero across our value chain by 2050 or sooner • Achieve carbon neutrality by 2030 • Reduce absolute Scope 1 and 2 GHG emissions 50% from 2019 by 2030 • 100% of ADI's manufacturing facilities powered by renewable energy by 2025 <h3>2022 PERFORMANCE*</h3> <p>7.2% Decrease in absolute Scope 1 and 2 GHG emissions from 2019</p> <hr/> <p>37% Decrease in Scope 1 and 2 GHG emissions intensity by revenue from 2019</p> <hr/> <p>54% Of electricity used at ADI's manufacturing facilities from renewables</p>	 <h2>WATER</h2>	<h3>2030 GOAL</h3> <p>100% Waste diverted from landfill at ADI manufacturing facilities</p> <h3>2022 PERFORMANCE</h3> <p>90% Waste diverted from landfill</p>	<p>29% global female manager population</p> <p>26% global female engineering (exempt) population</p> <p>9% combined Black, Hispanic, and Latinx employee population in the U.S.</p>
	<h3>2025 GOAL</h3> <p>50% Recycling rate in manufacturing facilities</p> <h3>2022 PERFORMANCE</h3> <p>25% Water recycled</p>	<h3>Scope 1 + 2 Absolute Emissions****</h3>  <p>■ 1,000 metric tons CO₂e</p>	
	<h3>2027 Goal NEW</h3> <p>50% Reduction in water withdrawal normalized to production output**</p> <h3>2022 PERFORMANCE</h3> <p>0.28 gal/cm(squared) Si/ML</p>	<p>Read more</p>	

* In 2021, we adjusted our baseline from 2015 to 2019 as part of our SBTi approval process.

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

*** To be achieved by end of FY2026.

**** 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. 2019-2021 GHG emissions were recast to reflect corrections identified in audit.

Introducing ADI Horizon

Analog Devices, Inc. (ADI) has long held the belief that we can – and should be – a force for positive change in the world. This belief is woven throughout all we do, and is at the heart of ADI's Purpose Statement. ADI's ESG programs are illustrative of our commitment to people, planet, and progress and are deeply embedded in our Company's strategy and operations. We believe our solutions are, and will continue to be, at the forefront of driving positive change, whether helping to address climate change or connect humanity or drive better health access and outcomes.

To catalyze these opportunities, and to continue to make progress within our own operations and programs, ADI's central ESG team was moved to the Strategy Organization at the end of 2022. From here, they will continue to coordinate across the company, working with subject matter experts in all areas to enable the progress that differentiates ADI.

We are also pleased to introduce **ADI Horizon**, our unified approach to our ESG programs. Inspired by how a horizon represents an orienting point on our immense and beautiful spinning planet, as well as a point in the future, the launch of **ADI Horizon** is an expression of our unwavering commitment to integrity, diversity, transparency, and mitigating – and perhaps reversing – the impacts of climate change. We look forward to sharing more about our ADI Horizon program and progress.

ADI's Purpose Statement:

Accelerate human breakthroughs that enrich lives and the world.

ADI's ESG Product Impact

The Transformative Role of Semiconductors

Should anyone doubt the impact semiconductors have on our everyday lives, they need only look around. Semiconductors are the backbone of so many products and industries that touch almost every aspect of our lives—from the obvious (cellphones, laptops, and EVs), to the not-so-obvious (smart wearables, smoke/carbon monoxide detectors, and personal heart monitors).

Beyond this, when you consider the broad spectrum of industries that rely on chips to run their enterprises, you realize these tiny marvels of technology have truly embedded themselves into the fabric of today's modern world.

For over a half century, ADI has become an industry leader in designing semiconductors and system solutions that bridge the physical and digital worlds for the benefit of our planet and its people. Beyond this, as innovators at the Intelligent Edge, we bring vital intelligence to the technology of our lives by harnessing and activating data. The combination of our analog, software, and digital capabilities enable our customers to experience digital transformation.

But before these breakthroughs occur, we ask the hard questions and learn how to leverage the Intelligent Edge to our advantage. We collaborate with customers and co-create innovations that improve quality of life and solve the world's most pressing challenges: from keeping desalination motors running to provide fresh water in drought-stricken regions; to helping factories become more energy efficient and productive; to helping people with epilepsy know the warning signs of a potential seizure; to helping lessen the digital divide by connecting remote regions of the world with satellite internet.

At our core, ADI provides our customers with the technical expertise, support, and resources they need to overcome engineering's toughest challenges. Together, we deliver breakthroughs at the Intelligent Edge that help make our world safer, more efficient, and sustainable.

"Semiconductors are the bedrock of the modern economy."

VINCENT ROCHE,
CEO and Chair of the Board of Directors

[Read more](#)

WHAT IS THE INTELLIGENT EDGE

The Intelligent Edge is the convergence of physical and digital worlds, where data processing and intelligence is shifting from the cloud to the edge. This trend is happening across all industries, thanks to new applications like autonomous driving or automated factories, and it enables systems to sense, interpret, communicate, learn, decide and act in real-time.

ADI has been operating at, and enabling, the "Intelligent Edge" long before it was named. And now the world is moving increasingly toward us, where the data is born. Our high-performance portfolio, with unmatched breadth and depth, combined with our domain expertise makes us uniquely positioned to drive the next waves of innovation. It used to be that simply recovering the signal was the intelligence that added value to data gathering. Now it is converting data into insight, understanding, and action, through the addition of increasingly powerful AI-assisted computing and secure connectivity at the edge. Our customers are asking us to bring analog, digital, and software solutions closer to where the sensing and actuation take place. Our solutions will help enable new applications that transform industries and have a positive impact on humanity and our planet.

