2023 Sustainability Report

SUPERMICRO

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CEO LETTER

Follow Our Nature

I am proud to present Supermicro's 2023 Sustainability Report, detailing our continued pursuit of environmental sustainability and social responsibility efforts throughout our business.

Charles Liang, CEO
Founder, President, Chief Executive Officer, Chairman of the Board

As we celebrate our 30th year of operations, our entire team has made considerable strides in accelerating our Green Computing Strategy. This report acknowledges our progress to date and sets forward our plans for the future. Our sustainability strategy is tightly coupled with our vision to use our technology expertise to design and manufacture accelerated computing platforms with leading-edge performance while also maximizing energy efficiency to enable the digital future while reducing electricity usage from the edge to the data center.

Here are a few highlights of the progress made in FY 2023:

- **Nearing completion of all product lines being Energy Star certified by year-end**
- **Achieved LEED-Gold Certification for three buildings on the San Jose campus**
- **Installed a full rack scale liquid cooling production line on the San Jose campus**
- **Chairing the Liquid Cooling Group in The Green Grid, an industry group helping to drive efficiency in data centers through standards development**
- **Established robust Company policies on anti-corruption, human rights, responsible minerals sourcing, and supplier practices**

Our design skills enable us to deliver scale computer platforms that lead the industry in quality, energy efficiency, and cost-effectiveness and allow our customers to serve their users efficiently. It is in our engineering DNA that has enabled us to build our leading industry position. This framework allows us to hire employees whose interests align with the company: to design the best computing solutions and excel in helping customers to achieve their business goals. We also strongly support our employees as they pursue their career development and help drive continued innovation for our partners, suppliers, and communities.

Supermicro is advancing technology in critical areas such as product design, green computing, manufacturing, and rack-scale integration, enabling organizations to become more productive sooner and reduce energy and water consumption quickly, effectively decreasing the environmental impact of today's modern data center.

Green computing is critical for today's data centers, which consume one to one and a half percent of worldwide electricity demand and billions of gallons of drinking water per year. We estimate that up to ten billion dollars in energy costs can be saved if data centers lower their Power Usage Effectiveness (PUE) with Supermicro technology and that an additional 30 fossil fuel power plants would not have to be built.[1]

As we continue to grow, we remain steadfast in our commitment to "Follow Our Nature" and continue building for the future of computing and our planet. Green Computing is not a message, a group or a project, it is in our DNA.

Charles Liang, CEO

1. See FYQ2 2023 Results

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About Supermicro

Super Micro Computer, Inc. (Supermicro) is a global technology leader committed to delivering first-to-market best-in-class innovation for Artificial Intelligence (AI), Enterprise, Cloud, High-Performance Computing (HPC), Accelerated Computing, and 5G Telco/Edge IT Infrastructure with a design based on our building blocks architecture. We are a leading Total IT Solutions provider offering direct customers and channel resellers servers, storage, graphics processing units (GPUs), networking, workstations, cooling, software, and professional services.

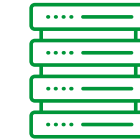Our products, when combined, integrated and installed by professionals, enable our customers to save energy, space and water over years of computing service.

FOUNDED

1993

HEADQUARTERS

San Jose

CALIFORNIA, UNITED STATES

MANUFACTURING

4,000 Racks

PER MONTH

OPERATIONS/MANUFACTURING

United States

Taiwan

Netherlands

Malaysia

EMPLOYEES

5,126 Full-time

2,448

RESEARCH & DEVELOPMENT

465

ADMINISTRATIVE

585

SALES & MARKETING

1,628

MANUFACTURING

OUR PRODUCTS & INDUSTRIES SERVED

We offer a broad range of accelerated computing platforms including application-optimized server solutions, rackmount and blade servers, storage, and subsystems and accessories, which can be used to build complete data centers as well as state-of-the-art server and storage systems. These Total IT Solutions and products are designed to serve a variety of markets, such as:

AI Artificial Intelligence

Enterprise Data Centers

Cloud Computing

5G Edge/Telco Computing

▼ **SUPERMICRO TAIWAN CAMPUS**

Our Approach to ESG

STRATEGY

Supermicro is committed to best practices on environmental, social, and governance (ESG) issues. As a leader in energy-efficient computing for decades, Supermicro servers, switches, workstations, cooling solutions and related IT services enable high-efficiency data centers. Our value proposition is "Green Computing can be free… with a big bonus."

SUCCESSES TO DATE

Employees are provided equity compensation through restricted stock units (RSUs), **promoting employee retention and company ownership.**

Volunteered in industry consortia including the Liquid Cooling Coalition, the Open Compute Project Foundation, The Green Grid and many other technical standards bodies

Reported Scope 1, 2, and 3 GHG emissions data and completed **CDP Climate Change Disclosure**

Achieved **LEED-Certification** for three buildings on the San Jose campus

Developed **Innovative Resource-Saving Architecture™** that offers savings in hardware refresh costs as well as a significant reduction of e-waste and electricity use

Established robust Company **policies on anti-corruption, human rights, responsible minerals sourcing, and supplier practices**

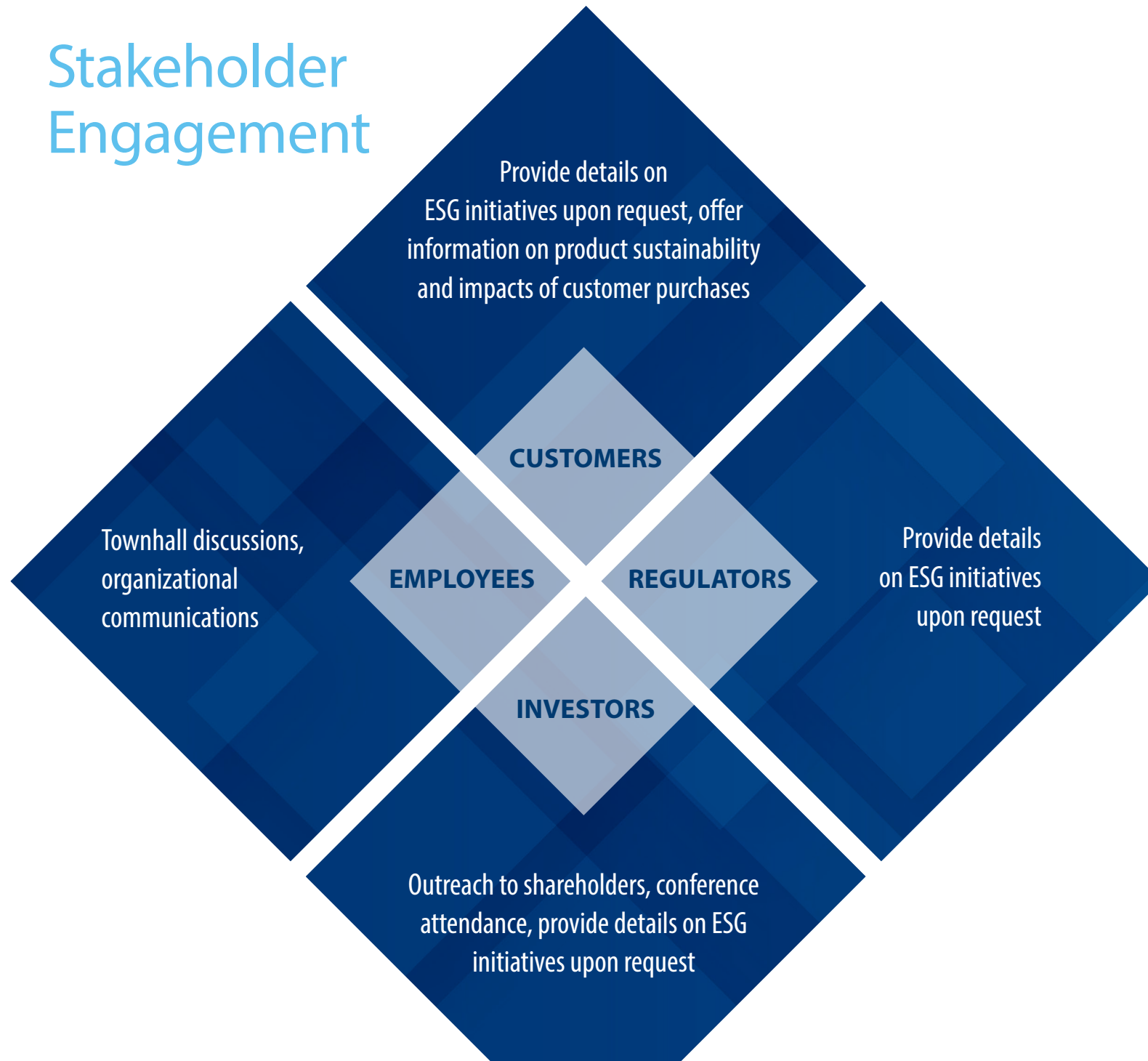Earned recognition on the **Green500 list** — ranking most efficient large-scale computers in the world based on performance per watt

Served as Chair of the Liquid Cooling Working Group, an industry-wide consortium working to **improve the efficiency of data centers through the use of liquid cooling**

Received **Energy Star certification** on a number of product lines

Partially powered Taiwan campus with solar panels

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Stakeholder Engagement

Provide details on ESG initiatives upon request, offer information on product sustainability and impacts of customer purchases

CUSTOMERS

Townhall discussions, organizational communications

EMPLOYEES

REGULATORS

Provide details on ESG initiatives upon request

INVESTORS

Outreach to shareholders, conference attendance, provide details on ESG initiatives upon request

The Green Grid

[The Green Grid](#) (TGG) is an organization that works globally to create tools, provide technical expertise, and advocate for the optimization of energy and resource efficiency of large data center ecosystems, which can enable a lower-carbon economy. TGG offers the technical expertise that the data center industry and governments turn to for insight and counsel regarding data center efficiency and sustainability. Supermicro worked with other TGG member companies to set computer industry standards, including updating a system to calculate energy and cost savings from liquid cooling.
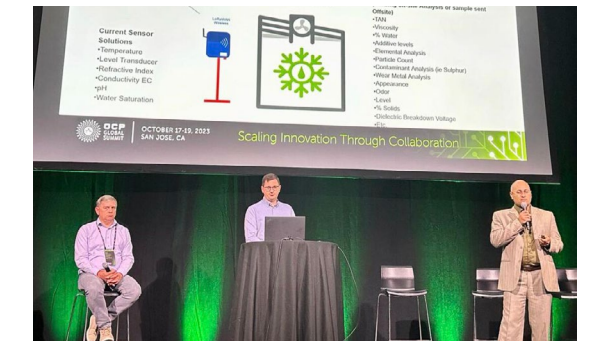
Open Compute Project

[The Open Compute Project Foundation](#) (OCP) is a collaborative community focused on redesigning hardware technology to efficiently support the growing demands on computer infrastructure. Within this global scale collaboration, thousands of computing professionals create standards together, provide technical expertise to each other, and advocate for innovation in data center ecosystems, which enables a lower-carbon economy. As part of our industry outreach objectives, dozens of Supermicro employees volunteer in OCP and collaborate weekly with over 1,000 other volunteers to consider new alternatives for potential productization.

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Our Products

Supermicro is a leader in designing and delivering servers that maximize performance for users, while minimizing the environmental impact of operating that system over its useful life.

With the continuous increase in global computing demands, Supermicro aims to design and create products that meet our consumers' needs today and in the future. By using less electricity for both the IT infrastructure and cooling systems in the data center, Supermicro products reduce operating expenses (OPEX) for our customers.

Our designs share components when possible, which can reduce power consumption. In addition, many of our designs reduce E-waste by allowing separate sub-systems (for example, central processing unit (CPU), memory, or storage) to be upgraded without the need to replace the entire chassis. Using this disaggregated design reduces e-waste and can lower costs when acquiring new technology.

For Supermicro, reducing our customer's energy consumption reduces the environmental impact for the customer and is good for business.

Data centers equate high energy use with cost; IT managers increasingly turn to suppliers of high-performance products that are also cost-effective and energy efficient. Supermicro offers product lines designed to share cooling and power sub-systems that can share energy, saving both valuable space and power as compared to general-purpose rackmount servers. This approach to overall architecture balances data center power requirements, cooling, shared resources, and refresh cycles that reduce energy intensity and provide total cost of ownership (TCO) savings for our customers.

SUPERMICRO PRODUCTS REDUCE POWER CONSUMPTION IN THE FOLLOWING WAYS:

Disaggregated Server Architecture

Reduces E-Waste by allowing for subsystem upgrades as technology improves. Minimizing entire server refresh can reduce E-waste by up to 50% percent.

Systems Designed for Free-Air Cooling and Higher Inlet Temperatures

Supermicro servers are designed for maximum airflow, resulting in the CPU's ability to operate at higher temperatures.

Sharing Resources

Reduces power consumption by sharing fans and power supplies, resulting in a more optimized operation. This can reduce electricity use by an estimated 10%.

Servers Ready for Liquid Cooling

A wide range of Supermicro servers are ready to be used with liquid cooling, which reduces fan speed, and the need for HVAC, thus reducing PUE. The server's power draw reduction has been shown to be about 10% per server, and data center usage reduced by about 40%.

Deployed in a broad range of industries, Supermicro's range of product families' speeds workloads and allows faster and more accurate decisions. With the addition of purpose-built servers tuned for networking workloads (such as Open RAN deployments, and private 5G) 4th and 5th Generation Intel® Xeon® processors have vRAN Boost technology that reduces power consumption while improving performance.

▲ GPU SuperServer SYS-821GE-TNHR

Supermicro continues to offer a wide range of energy-reducing servers for workloads from the edge to the data center.

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Product Efficiency

As the demand for computing power is drastically increasing, our creation of more efficient computers means less resources are used, less energy is consumed, less space is required, resulting in less overall environmental impact.

Supermicro considers factors such as power consumption, heat dissipation, cooling capacity, and available space for our solutions. Following are key products that demonstrate our commitment to sustainable attributes in product design. From the most powerful AI systems available, with up to eight NVIDIA HGX H100 8-GPUs to compact edge servers that must perform in challenging environmental conditions, we provide the broadest portfolio of solutions for today's most demanding workloads, including new liquid cooling solutions that reduce data center power consumption and increase performance.

PRODUCT SPOTLIGHT
SUPERBLADE®

Supermicro's high-performance, density-optimized, and energy-efficient X13 SuperBlade, built with 5th and 4th Gen Intel® Xeon® processors, can significantly reduce initial capital and operational expenses for many organizations.

The Supermicro SuperBlade utilizes shared, redundant components, including cooling, networking, power, and chassis management, to deliver the computing performance of an entire server rack in a much smaller physical footprint. These systems support GPU-enabled blades and are optimized for AI, Data Analytics, HPC, Cloud, and Enterprise workloads. Compared to industry-standard servers, a cable reduction of up to 95 percent reduces costs, lowers power usage, and improves energy efficiency.

For more information on the SuperBlade solutions, read our whitepaper, which details the energy savings of a Fortune 100 company achieved using Supermicro blades.

PRODUCT SPOTLIGHT
BIGTWIN®

BigTwin's Resource Saving Architecture significantly reduces power consumption thanks to shared power and cooling components and optimized airflow for more efficient cooling.

All BigTwin systems can be air cooled, with liquid cooling options available to not only further reduce power consumption and noise levels, but also allow maximum compute density of up to eight 350W Thermal Design Power (TDP) CPUs in a 2U chassis. Supermicro's X13 BigTwin offers a range of configurations ideal for hyperscale cloud data centers, with high density compute and storage options enabling customers to maximize space utilization and increase efficiency, while the dual processor architecture, high memory density and NVMe storage also make BigTwin well suited to HPC workloads where maximum performance and data throughput are essential.

For Hyperscale Converged Infrastructure (HPI) environments, the 2U 4-Node BigTwin configuration enables three compute nodes to operate with an additional hot spare in the same chassis, eliminating the need for multiple discrete rackmount systems.

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Liquid Cooling

A hallmark of Supermicro is the desire to deliver efficient products to our customers. This includes several types of efficiency including but not limited to; cost, space, water, power, carbon, noise and the time required to deploy systems. By reducing power consumption with Supermicro liquid cooling capabilities, customers can better meet their reduced carbon footprint goals. Supermicro takes aim at energy reduction with considerate selection of efficient power supplies used in our products, liquid cooling capabilities, and immersion cooling.

With the constant increase in the Thermal Design Power (TDP) of Central Processing Units (CPUs) and Graphics Processing Units (GPUs), air cooling is unable to effectively cool the components. Liquid cooling is a more effective method to cool servers, as well as reduce electricity and water consumption. Direct liquid cooling significantly reduces the energy required to cool IT equipment. Because liquids offer much better thermal transfer than air, the cost to our customers to cool a rack cabinet of IT equipment can be one-tenth of what an air-cooled system over its useful life. Supermicro's liquid-cooled racks are optimized for high coolant temperatures offering industry leading efficiency. The total liquid cooling solution is provided by Supermicro.

Liquid cooling solutions, when properly designed and deployed, can help data centers reduce PUE to 1.05, **approaching the ideal efficiency of 1.0 PUE.**

The solution can sustain a 100 percent server uptime with the new Supermicro Coolant Distribution Unit, which integrates redundant and hot-swappable pump modules and power supplies. The integrated software suite lets customers control the entire system from a single interface. This solution also comes with best-in-class after-sales services by our local experts. The savings from the reduced energy required to cool the servers is then passed onto our customers, effectively reducing their monetary costs and lowering carbon emissions.

COOLING CAPACITY

WATER HAS

1000x

MORE COOLING CAPACITY THAN AIR

THERMAL CAPACITY

WATER IS

25x

BETTER AT TRANSFERRING HEAT

TRANSPORT ENERGY

WATER REQUIRES

10x

LESS ENERGY TO MOVE HEAT

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Product Quality and Safety

In the development of our products, we define and perform various tests to ensure product safety and security. We take all customer requirements seriously, recognizing their standards and incorporating them where practical.

We identify, mitigate, and manage risks associated with our products, facilities, and operations. We mitigate risks throughout the product lifecycle by:

Conducting material, energy management, and safety testing

Requiring supplier conformance with applicable standards

Designing systems for energy efficiency, ease of replacement, and waste reduction

Supermicro leverages ISO standards and corresponding management systems to manage risk.
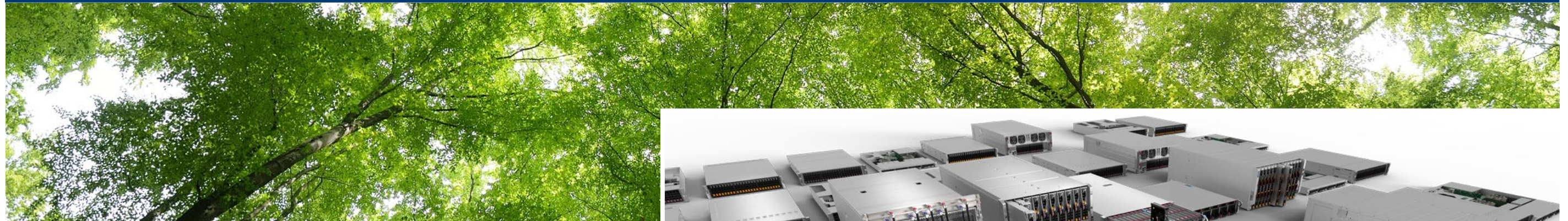
CERTIFICATION IN ALL OUR FACILITIES

ISO 13485:2016

MEDICAL DEVICES – QUALITY MANAGEMENT SYSTEMS

ISO 9001:2015

QUALITY MANAGEMENT SYSTEMS

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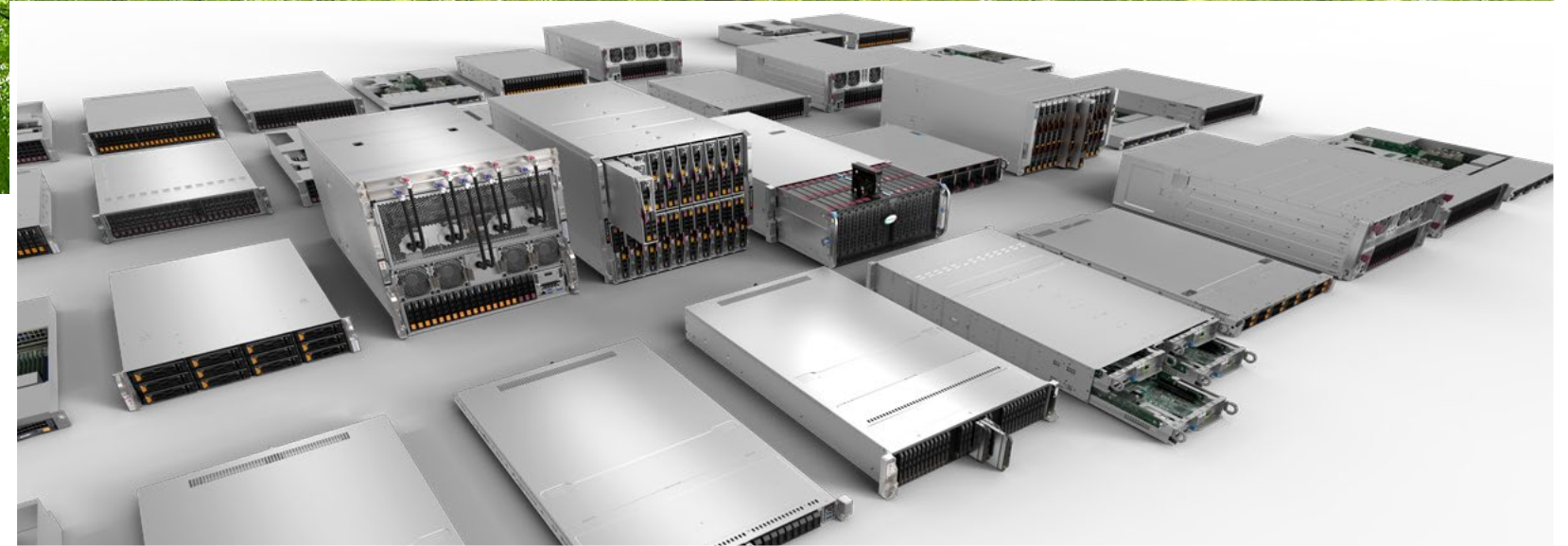
Environment

Supermicro is committed to protecting the environment through the continued improvement and efficiency of our products and operations.

Our solutions enable customers to perform more computing per watt than ever before while reducing environmental impacts and costs. We provide our customers with energy-efficient, racks-scale, Total IT Solutions. Our emphasis on increasing the sustainability of

Our operations are ISO 14001:[2015] Environmental Management Systems certified, which commits us to the enhancement of environmental performance, fulfillment of compliance obligations, and achievement of environmental objectives.

product attributes enables modular replacement and upgrades, extending the printed circuit board (PCB), chassis, and subsystems' useful lifespan, including motherboards, networking, storage, cooling fans, and power supplies. By disaggregating computer, networking, and storage inside and outside the system, each resource can be upgraded and optimized independently while reducing acquisition costs, TCO costs, and e-waste.

Product Sustainability and Energy Efficiency

Product sustainability and energy efficiency drive the design and engineering of the products. Supermicro started as a company designing efficient power supplies and evolved to provide a broader set of solutions, becoming one of the first companies to promote high-efficiency computing systems.

SERVERS

Our servers set industry standards for high efficiency, an advantage to our business, our customers, and the environment. Supermicro servers increase power efficiency and generate less heat, reducing the energy required to cool the systems and making the product more reliable with a longer lifespan.

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Climate, Energy & GHG Emissions

GHG EMISSIONS

We calculated our Scope 1 and 2 emissions and reported our climate change data and disclosures to the CDP Climate Change Questionnaire.

	2020	2021	2022
Scope 1 (mTCO$_2$e)	3,722	3,154	4,223
Scope 2 (mTCO$_2$e)	4,604	4,491	6,910

We recognize that the majority of our emissions are considered Scope 3 as they are the result of the use of our products. It is estimated that 90 percent of the carbon emitted from a computer is during use, not production. By designing products with improved efficiency, we are working to reduce our Scope 3 emissions from the impact of our products.

For additional details on our Scope 3 emissions and applicable categories, please reference our responses in the 2022 CDP Climate Change Questionnaire.

Building Efficiency

TAIWAN ▶

Our facilities in Taiwan installed solar panels, drawing approximately 6.67 percent of power at this facility from renewable energy.

In this fiscal year, the solar installation in Taiwan drew 838,296kWh equating to a CO$_2$ emissions reduction of 449,599kg.*

◀ SAN JOSE

Our Green Park Campus in San Jose utilizes a 3MW Bloom Energy Server. This more efficient energy source creates energy from fuel without combustion, which results in reduced GHG and near-zero smog forming criteria pollutant emissions.
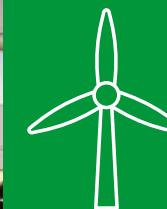
For the rest of our California facilities, we utilize the Direct Access Program to purchase from Wind-powered electricity facilities.

* Estimated carbon reduction through renewable energy by using 0.509kg CO$_2$/kWh based on the Bureau of Energy.

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Waste

To reduce our environmental impact across our business operations, we consider the entire lifecycle of our products when identifying opportunities to minimize waste and leverage recyclability.

We partner with Republic Services which handles all of our waste streams, including organic and non-organic garbage and wood pallets. Our baled cardboard is serviced by Greif, which collects, processes baled cardboard to be repulped and made into various recycled paper products.

ELECTRONIC WASTE

We partner with several waste management partners to ensure our electronic waste is properly recycled or disposed. Throughout the European Union, we engaged the European Advanced Recycling Network (EARN) to manage the end-of-life products process. Additionally, we are registered for Waste Electrical and Electronic Equipment (WEEE) programs in Germany, the United Kingdom, the Netherlands, Luxembourg, and Italy. In the United States, we engage Prism and Freezone to handle end-of-life products and recycling.

For additional information on our recycling efforts, visit the recycling page on our website.

SUSTAINABLE PACKAGING

All packaging is made from 100% recycled materials.

We maintain strict guidelines for suppliers and vendors providing our packing and shipping materials, as we use only 100 percent recyclable carton, paper, or wood packing material.

| 4 LDPE | 7 OTHER | 11 PET, ALU, PE | 20 PAP |

For more details on how to recycle packaging, visit our Sustainable Packaging website

WATER

While we do not use a significant amount of water in our operations, we encourage our employees to minimize their water use where possible to reduce water waste.

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Our People

We recognize the critical importance of talent and culture to fulfill our vision as an innovator in high-performance, high-efficiency server, storage, networking, and management solutions. We consider our highly qualified and motivated employees to be a key factor in our business success.

Our Approach

Our Board of Directors oversees human capital management, with specific attention to incentive compensation and equity compensation plans overseen by the Board Compensation Committee.

We keep our employees engaged with our efforts through our Supermicro Portal, our intranet resource that keeps employees informed about key changes to our business and Company-wide resources. We host departmental townhalls with human resource staff and people managers at each office. The events garner unique insight into issues from each department. We have heard from employees with ideas on hiring challenges, team needs, leadership, and career development support. By bringing HR directly to our teams, we foster open and honest dialogues to ensure our team needs are met.

Talent Strategy and Employee Development

Our talent strategy focuses on attracting skilled, engaged employees who contribute the talent and capabilities critical to our innovative and forward-looking business. Our recruiting process sources talent with professional qualifications and growth potential.

For existing talent, we conduct goals-based performance reviews and set clear expectations to motivate employees toward Company objectives and personal growth. We provide role-based and product-related training to ensure our employees have the knowledge and skills required to maintain our competitive industry advantage.

Our HR team analyzes data, including annual performance reviews, to ensure critical talent is in appropriate roles and high-performing talent is noted for growth.

Throughout our talent pipeline, we closely adhere to our policy to ensure equal employment opportunity for all applicants and employees without regard to prohibited considerations of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age, disability or genetic information, marital status, or any other classification protected by applicable local, state, or federal laws.

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Diversity, Equity, and Inclusion

We strive to create a culture that promotes diversity, equity, inclusion (DEI), and belonging to boost team dynamics, productivity, and innovation within the organization. Employees should expect to be treated fairly and respectfully and should feel comfortable contributing, knowing that their perspectives are heard and valued. We are committed to increasing diversity in our workforce at all levels and regularly monitor our recruitment process with the aim towards improving the diversity of our workforce and candidate pool.

Supermicro partners with eQuest to reach out to diverse candidates. eQuest is an automated job posting tool that allows Supermicro to post their job across 8000 individually owned career site destinations in the United States specializing in all diversity categories, including veterans, LGBTTQQIAAP (lesbian, gay, bisexual, transgender, transsexual, queer, questioning, intersex, asexual, ally, pansexual), disability, and women.

Benefits

We believe that our company's success depends upon contributions at all levels of our organization. Our total rewards program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals, and create long-term value for our stockholders. We provide employees with compensation packages that include base salary, bonus programs, and equity grants to eligible employees.

In addition to cash and equity compensation, we also offer US employees benefits such as:
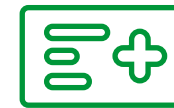
HEALTH INSURANCE
Medical, dental, vision, life, short- and long-term disability

PAID HOLIDAYS & PAID TIME OFF
Sick days and vacation

401(K) PLAN

VOLUNTARY BENEFITS
Group Whole Life, Accident, and Pet Insurance, and more

Outside of the US, we provide benefits based on local requirements and needs.

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Health and Safety

Supermicro provides a safe workplace that protects against and limits personal injury and environmental harm. We follow international standards and regulations, and our health and safety programs emphasize personal accountability, professional conduct, and regulatory compliance, while our culture fosters a sense of proactivity, caution, and communication.

Our Safety Committee provides oversight of our health and safety efforts. This committee meets quarterly, and is designed to promote ongoing communications regarding health, safety, and emergency response procedures and to help implement improvements to our work areas and practices. The Safety Committee reviews investigations of occupational accidents and causes of incidents, and where appropriate may submit suggestions to management for the prevention of future incidents.

We evaluate operational risks using both government-required procedures and best practices to ensure we understand residual risk and appropriately protect our employees, contractors, and temporary labor. We engage in proactive efforts to prevent occupational illnesses and injuries, which allows us to maintain a safe, healthy, and secure workplace.

We comply with applicable laws, including those associated with labor and employment, across all areas of our operations. In addition, we abide by global standards, irrespective of legal requirements, regarding the treatment of workers such as those detailed by the Responsible Business Alliance (RBA), including:

• Prevention of excessive working hours and unfair wages

• Controls to prohibit child labor and human trafficking

• Bolstering workplace health and safety measures

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Implementation and Risk Management

Supervisors at all levels are accountable for conducting Employee Health and Safety (EHS) risk assessments, preventing harmful incidents, and considering and implementing employee suggestions to achieve health and safety goals. It is essential that supervisors ensure that their teams receive health and safety training appropriate to their role.

All employees are trained in the Environmental, Health, and Safety policy, as well as identifying risks like:

hazards and unsafe work practices

wearing required personal protective equipment

where to report concerns

and emergency response

Employees are made aware of anonymous reporting of EHS concerns and our whistleblower protections. We conduct regular internal and external audits of our operations to ensure compliance with our business principles, policies, and standards. In the past year, department leaders across our organization ran emergency drills for all buildings. In 2023, San Jose alone held 13 drills.

Supermicro is cognizant of communities impacted by our operations and exercises caution to serve the community interest, including constructing buildings and sites that reduce our environmental impact.

LABOR RIGHTS

Supermicro does not tolerate child labor, forced labor, physical punishment, or abuse. We recognize lawful employee rights of free association and collective bargaining. We comply with the employment laws of every country in which we operate and expect those with whom we do business to do the same.

Community Engagement

AMERICAN RED CROSS

At our headquarters in San Jose, CA, we host a quarterly blood drive with the American Red Cross. By bringing this volunteer opportunity to our employees, we encourage participation in the important cause of offering life-saving donations.

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Supply Chain Management

Supermicro is committed to ethical business behavior and compliance with all applicable laws.

At Supermicro, our goal is to deliver innovative products without compromising our belief in maintaining sound purchase practices. Establishing a network of trusted suppliers is key to optimizing our product offerings. We work to ensure that suppliers' policies and procedures reflect the values and views set forth in our Code of Business Conduct and Ethics. Supermicro is committed to following these principles and requires its suppliers to explicitly acknowledge and adhere to the terms.

*More information on Supply Chain cybersecurity measures is included in the cybersecurity section of this report.

A few highlights from our Supplier Code of Conduct include:

Anti-Kickback

Anti-Corruption and Anti-Bribery

Related Party Disclosures

Anti-Slavery and Human Trafficking

Forced Labor Prevention

Insider Trading

Cybersecurity*

RESPONSIBLE BUSINESS

Supermicro subscribes to the Responsible Business Alliance guidelines, which define the fundamental practices for safe working conditions in the electronics industry. The guidelines are designed to create environmentally responsible and ethical business operations.

We conduct an annual supplier survey that includes conflict minerals reporting and antislavery and human trafficking prevention efforts. To ensure alignment, we conduct regular onsite security audits, and our contract manufacturing partners go through quarterly business reviews.

Suppliers not in compliance with our Supplier Code of Conduct must develop corrective action plans to rectify any non-conformance issues.

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Human Rights

Supermicro is committed to protecting human rights globally, and we believe that Supermicro can set an example for how to promote respect for human rights through our actions and values.

Our expectation to protect human rights is clearly outlined in our Code of Business Conduct and Ethics and other corporate policies. Supermicro respects international principles of human rights, including those expressed in the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises, and the eight fundamental conventions of the International Labor Organization.

While we believe that it is the role of government to safeguard human rights, as the UN Guiding Principles on Business and Human Rights articulate, we believe that business has a unique ability to promote respect for human rights.

Supermicro seeks to do business with suppliers who demonstrate the highest standards of ethical business conduct. We take steps to ensure that our key suppliers understand the standards that we apply to ourselves and expect from those who do business with us.

24/7

Supermicro incorporates human rights into our management systems, including our Ethics Hotline.

Through this channel (available 24/7 and in all local languages), whistleblower reports or concerns are brought to the attention of executive-level staff, and potentially to the Board of Directors if material to shareholders or the public. We evaluate human rights risk in our immediate operations, in the operations of our supply chain, and the operations of others with which we do business to the degree practical.

The views of stakeholders across our Company and business partners, in our industry, in the investor community, in the countries we work, and among the communities we work within, are incorporated into our human rights approaches.

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Supply Chain Labor Standards

Our suppliers must certify that they do not and will not engage in child labor, slavery, forced labor, human trafficking, or similar activities in violation of the laws, regulations, codes of conduct (whether legal or as set by industry), or prohibited human trafficking laws.

☑ In addition, our suppliers certify that all materials in their products and all suppliers within their supply chain shall not violate any prohibited human trafficking laws.

☑ Through acceptance of the RBA Code of Conduct, Supermicro meets Environmental Health and Safety standards that a broad group of corporate stakeholders recognize. By asking suppliers to follow the RBA Code of Conduct, Supermicro helps ensure suitable EHS standards are embedded in our products.

RESPONSIBLE SOURCING AND CONFLICT MINERALS

Supermicro is committed to complying with all legislation addressing responsible mineral sourcing and continues toward the goal of all Supermicro products as "conflict-free."

Supermicro has considered existing and forthcoming laws and regulations, incorporated due diligence guidance from the OECD, and continues participation in the Responsible Minerals Initiative and other stakeholder groups to implement our conflict minerals program.

Our suppliers must agree to disclose, upon Supermicro's request, to the extent known or discoverable by the supplier, the original source of all minerals contained in the product provided by the supplier.

To provide feedback or ask any questions that apply to our supply chain, please contact Supermicro at conflictminerals@supermicro.com. All parties may anonymously report suspected violations of this statement to the Supermicro Ethics Hotline.

Governance

At Supermicro, we abide by an unwavering commitment to doing business ethically, fairly, and in compliance with all domestic and international laws. Our commitment to integrity is as strong as our passion for innovation and excellence in everything we do.

We maintain effective Internal Controls over Financial Reporting (ICFR) processes for reporting and disclosures. We regularly update our corporate governance charters to reflect changes in the responsibilities and expectations of our Board committee members.

LIST OF POLICIES

A full list of our policies is available on our website.

Policies

- Anti-Corruption Policy
- Anti-Slavery Policy
- Code of Business Conduct and Ethics
- Environment and Health, Safety, and Sustainability Statement
- Export Controls Policy Statement
- Gifts and Entertainment Policy

- Human Rights Statement
- Insider Trading Policy
- Responsible Business Alliance Code of Conduct
- Related Party Transactions Policy
- Responsible Mineral Sourcing Statement
- Supplier Code of Conduct

Reporting and Disclosure

- Conflict of Interest Disclosure Report
- Gift and Gratuities Exchange Disclosure

- Whistleblower Reporting
- Data Subject Inquiring

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ESG Oversight

The Nominating and Corporate Governance Committee has oversight of and conducts quarterly meetings on ESG matters.

**As part of its ESG responsibilities, this committee:**

Periodically assesses, reports, and provides guidance to management and the full Board on our practices with respect to environmental, social, and corporate governance issues, including monitoring climate-related issues, as well as review of any environmental sustainability performance report

Provides guidance and recommendations to the Board regarding legal compliance matters, as appropriate, relating to current environmental public policy trends

Our General Council provides oversight of policy updates, public Company filings, and development of our ESG agenda.

GOVERNANCE HIGHLIGHTS

71%
INDEPENDENT

25%
WOMEN
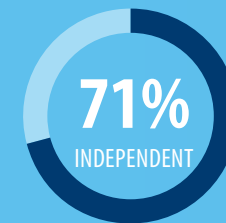
The Board of Directors is **71% independent**
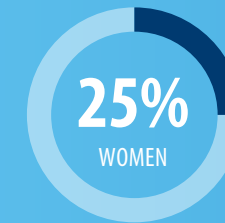
Women represent **25% of the Board of Directors**

Say-on-pay proposal submitted annually

Single equity class and **"One Share, One Vote"** structure

Risk mitigation provisions in place, such as claw back on executive compensation

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management process at the Company is led by the Enterprise Risk Council (ERC). The ERC works to integrate business activities and processes to support decision making, enhance performance and best utilize our resources. The current membership of the council includes Governance Programs (Internal Audit/ IT Security and IT Governance/ Compliance) Executive (Sales, IT, HR, Finance) and Working Committee(s).

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INSIDER TRADING

Supermicro adheres to our Insider Trading policy that prohibits employees from trading securities while in possession of material nonpublic information.

GIFTS AND ENTERTAINMENT

We maintain strict guidelines and approval processes around giving and receiving gifts from our stakeholders, as outlined in the Gifts and Entertainment policy.

Business Ethics and Integrity

Supermicro's Code of Business Conduct and Ethics (the Code) outlines the expectations of all Supermicro employees, officers, and directors.

The Code is reviewed annually by leadership and includes the following principles:

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest

- Full, fair, accurate, timely, and understandable disclosures

- Compliance with applicable governmental laws, rules, and regulations

- Prompt internal reporting of any violations of law or the Code

- Accountability for adherence to the Code, including fair process by which to determine violations

- Consistent enforcement of the Code, including clear and objective standards for compliance

- Protection for persons reporting any such questionable behavior

We conduct an annual ethical risk assessment every year and, if any issues are found, we determine what controls are in place to remediate. Supermicro conducts web-based and face-to-face employee training to reinforce the importance of acting with integrity, in compliance with our Code, and in accordance with the law.

Supermicro has measures to deter non-compliance with the Code and reduce exposure to unethical opportunities. Our Ethics Hotline, EthicsPoint®, incident investigations, and the mandatory annual Code of Conduct and Insider Trading training work together to ensure our Company is operating ethically.

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ANTI-SLAVERY AND HUMAN TRAFFICKING

We understand that our biggest exposure to modern slavery is in our product supply chains, where we have taken steps for years to minimize the risk of modern slavery. To maintain our high level of ethics, existing and new suppliers and their sites may be subject to due diligence checks through ethical/compliance audits. If issues are identified, appropriate investigative and remedial actions will be taken.
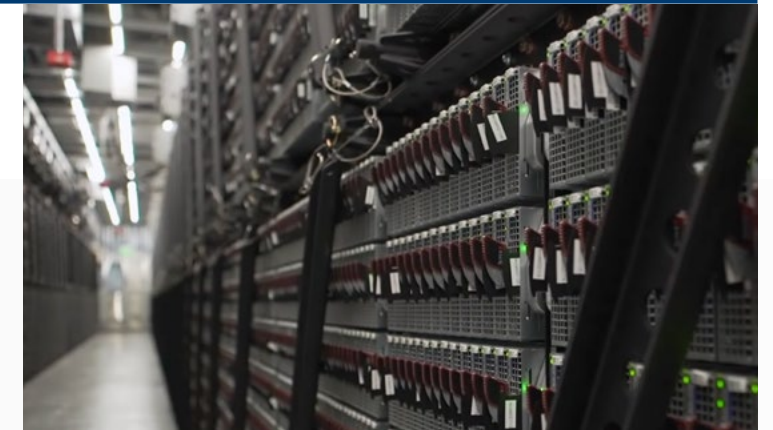
WHISTLEBLOWER

If an unethical incident is suspected, we encourage our suppliers, employees, and customers to report any such matters anonymously or confidentially in one of the following ways:

Mailing Audit Committee Chair

Submitting report through our third-party service provider, EthicsPoint®

Via telephone hotline available in multiple local languages

Parties located in other countries may locate hotline numbers for their countries through the EthicsPoint® website. Depending on the country, English, Spanish, Dutch, Cantonese, and Mandarin-speaking operators are available to assist.

Supermicro will anonymously investigate any suspected violations of our Code of Conduct. Depending on the nature of the offense, the Compliance Officer or the Chair of the Audit Committee shall assess the situation and determine the appropriate course of action.

If a violation has been reported to the Audit Committee or another committee of the Board, that committee shall be responsible for determining appropriate disciplinary action. If a violation has been reported to the Compliance Officer, the Compliance Officer after consultation with the Legal Department, shall be responsible for implementing the appropriate disciplinary action in accordance with the Company's policies and procedures for any employee who is found to have violated the Code.

The Company will not retaliate or permit any person to retaliate against any person reporting alleged violations while acting in good faith. If any person were to retaliate, that person may be subject to civil, criminal, and administrative penalties, as well as disciplinary action, up to and including termination of employment.

Any violation of applicable law or any deviation from the standards embodied in the Code will result in disciplinary action, up to and including termination of employment.

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Cybersecurity

Supermicro products and services may store, process, and use data, some of which contain personal information, and we are subject to complex and evolving laws and regulations regarding privacy, data protection, and other matters. Our policies and procedures address applicable data privacy and protection law requirements.

Our internal Security Committee consists of several leaders from various functions across our business who meet regularly to report on security status.

We employ proactive protective measures, including:

- Firewalls
- Anti-virus and endpoint detection and response technologies
- Annual penetration tests
- Mandatory annual training of employees and contractors with respect to cybersecurity
- VPN access when outside of Supermicro campuses

Additionally, we conduct quarterly phishing training and employee email recognition testing, implement tailgating prevention, and employ vulnerability scanners. We maintain an incident management tracking system to support compliance with the Securities and Exchange Commission's Cybersecurity incident reporting rules. We have taken steps to enhance the security of our network and computer systems and we provide regular updates to our Board at our quarterly meetings with respect to cybersecurity matters. We have measures in place to ensure we respond quickly and correctly to any cybersecurity incidents.

DATA PRIVACY

Supermicro is committed to privacy rights and protection of personal data. Supermicro's Privacy Statement describes our privacy practices as required by the General Data Protection Regulation (GDPR) and other Data Protection Laws in the locations where we do business.

The Privacy Statement outlines how Supermicro collects, shares, transfers, retains, and protects personal data and the rights individuals can exercise regarding their information. We strongly protect any personal information collected, and offer our customers a means to request their data be deleted from our records via our Data Subject Rights Report portal.

Suppliers attest that the collection, access, use, storage, disposal, and disclosure of personal data complies in all aspects with Supermicro's Privacy Statement, and with all applicable federal and state privacy and data protection laws and regulations.

Supermicro has been ISO 27001 certified for four years and complies with NIST 800-171. As part of our ISO certification, we complete annual internal cyber audits and US customer audits. Globally, we conduct external audits of policies and procedures, and we complete supplier audits on cybersecurity. If any incidents of non-conformance are identified, we implement corrective actions to make sure issues are resolved in a timely manner. As we are always looking for continuous improvement, we engage an outside council that specializes in cybersecurity to ensure our comprehensive cybersecurity measures are strongly in place.

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About this Report

Unless otherwise stated, this report covers activities, data, and initiatives from our fiscal year 2023 (ending June 30, 2023).

Additional information about Supermicro can be found on our website, as well as in our public financial filings, including our FY 2023 Annual Report and FY 2023 Proxy Filing.
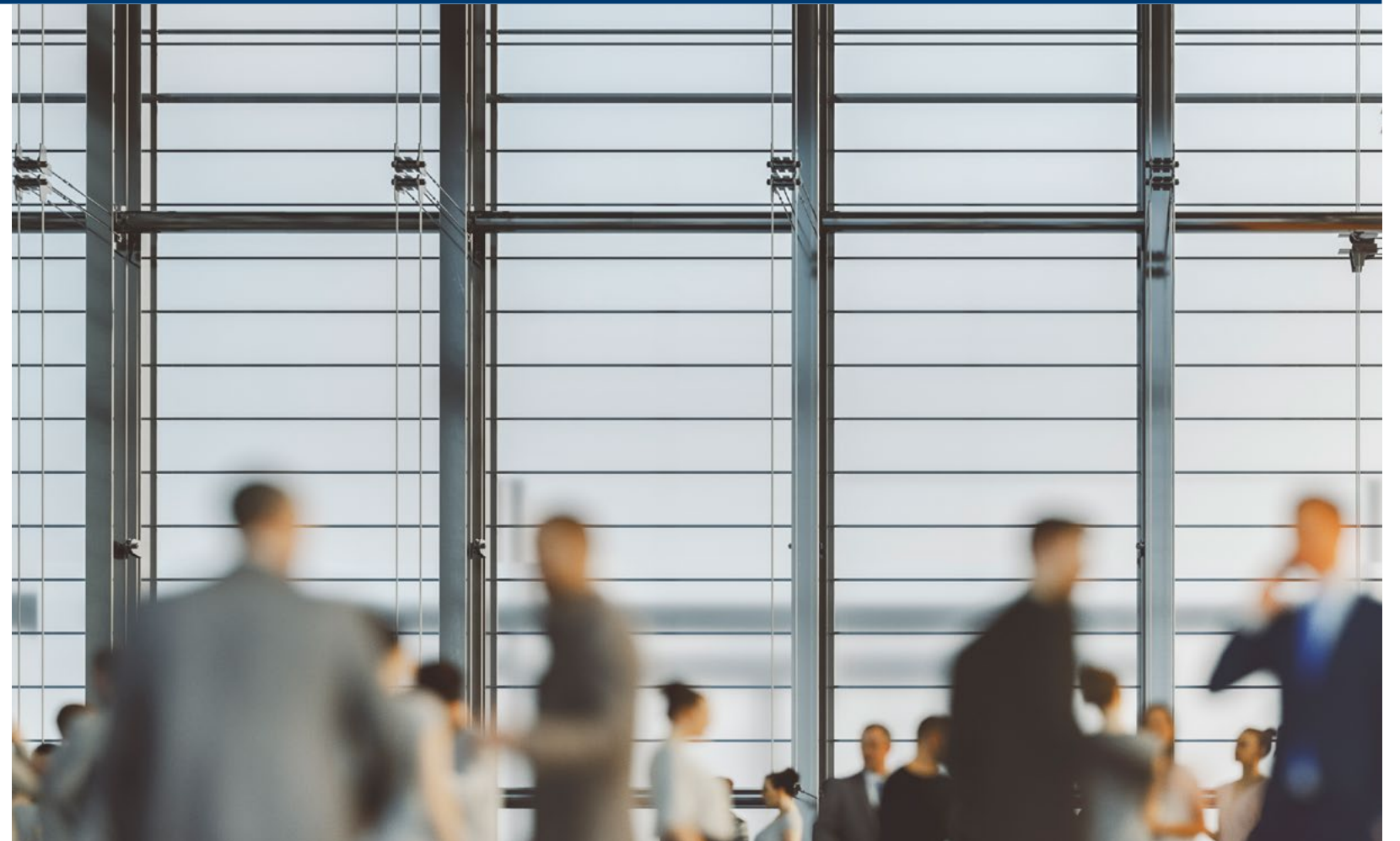
CONTACT US

Supermicro appreciates connecting with our stakeholders. We welcome feedback on this report or any of our ESG initiatives to **sustainability@supermicro.com**.