MESSAGE FROM OUR CEO AND CFO

At ADI, our technology sits at the intersection of the physical and digital worlds. This presents us with a unique opportunity to tackle society’s greatest challenges, and we are putting our great engineering minds and resources behind these challenges. As a part of our ambitious sustainability commitment to “Engineer Good”, we issued the semiconductor industry’s first green bond in fiscal 2020. We are now proud to report the details of how our bond advanced the well-being of our people, society, and planet.

Over the last couple of years, we allocated nearly $400 million to eco-efficient products, greener buildings and renewable energy. At ADI, our products are inherently designed to achieve the highest performance levels, while consuming less energy, allowing our customers to use power more efficiently and decrease their carbon footprints. Throughout this report, we share how our investments in 4G and 5G technology, green vehicles and battery management systems, as well as data centers are advancing the global fight against climate change. In addition, the significant investment we made at ADI in the following categories: reducing our carbon footprint, while improving the well-being of our employees and surrounding environment.

Our green bond is just one aspect of ADI’s broader sustainability commitment. With climate change being one of the greatest threats to our society, we have announced bold, decisive actions that advance our climate strategy:

- Achieving carbon neutrality by 2030 and net zero emissions by 2050, including using 100% renewable energy across our operations by 2025.
- Joined the United Nations Global Compact’s Business Ambition for 1.5°C and will commit to setting science-based targets aligned with limiting global temperature rise to 1.5°C above pre-industrial levels and reaching net zero emissions by 2050.
- Joined the UN Global Compact, which is the world’s largest corporate sustainability initiative for companies and consists of more than 12,000 companies and 3,000 non-business signatories based in over 180 countries.
- Aligning our reporting with both the Sustainability Accounting Standards Board (SASB) and Taskforce on Climate-Related Financial Disclosures (TCFD) reporting standards.

While our work is far from done, the progress we have made at ADI is representative of the immense impact we can have on the world around us. We will continue to act urgently and identify new, innovative ways to help mitigate climate change and its effect on communities globally.

Vincent Roche
President & CEO
Analog Devices

Prashanth Mahendra-Rajah
SVP, Finance and CFO
Analog Devices

Overview of Green Bond

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>April 8, 2020</th>
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</thead>
<tbody>
<tr>
<td>Net Proceeds</td>
<td>$394.6M</td>
</tr>
<tr>
<td>Coupon Rate</td>
<td>2.950%</td>
</tr>
<tr>
<td>Maturity</td>
<td>5 years (due April 2025)</td>
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</tbody>
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ADI’s inaugural green bond was the first offering in the semiconductor industry. The issuance generated significant institutional investor interest and the proceeds of the bond were used to fund research & development (R&D) investments for transformational, energy-efficient technologies and the construction of greener buildings at our corporate campus in Wilmington, MA.

GREEN BOND FRAMEWORK

ADI’s green bond prospectus defines Eligible Green Projects as new and existing investments, which includes capital expenditures and other sustainability related spend, made by ADI in the following categories:

- Green Buildings
- Renewable Energy
- Eco-Efficient Products
- 4G & 5G Technology
- Data Center Technology
- Green Vehicle & BMS Technology

These categories were designed to reflect how ADI is helping to create a more connected, safer, and sustainable future through its core business. Moreover, these categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG goals 6, 7, 9, 11 and 12.

Sustainalytics has reviewed ADI’s green bond framework to ensure that it aligns with the four core components of the Green Bond Principles 2018.

Governance Overview

The framework for our inaugural Green Bond incorporates recommendations from the Green Bond Principles:

- **Project Selection & Evaluation**: ADI’s Sustainability & Finance teams oversee the allocation & selection process. Teams nominate projects submitted by the businesses & recommend the eligible project allocation to the Treasurer who has final approval.

- **Management of Proceeds**: ADI monitors & keeps track of the net proceeds using internal tracking systems. Pending full allocation, net proceeds may be temporarily invested in cash or liquid securities in accordance with ADI’s Investment Policy.

**Koror Transceiver**

The Koror transceiver specifically supports power amplifier efficiency improvements within 5G base stations. As background, power amplifiers consume the most power within base stations and are prone to non-idealities resulting in potential violations of emissions standards. To address this, Koror uses a technique called digital pre-distortion (DPD) to significantly improve the efficiency of power amplifiers, reducing the amount of power consumed by the base station. In its first year of production, Koror transceivers will save an estimated 19 million kilowatt hours of electricity. Over the next six years, Koror is anticipated to save over nine million tons of CO2, while all of ADI’s DPD products will save about 43 million tons of CO2 over the same time period.

We allocated a significant portion of this spend to our 4G and 5G technology, such as the soon to be launched Koror transceiver.

**Sustainable Materials and Circular Economy**

As the battery is the most expensive part of an EV, ADI is also focused on building them with more sustainable materials and to be lower weight. Specifically, we are developing technology to help reduce or eliminate cobalt – an expensive conflict material – from EV batteries altogether. Moreover, we are significantly reducing the amount of wiring in EVs through our hardware and software solutions. This includes our A2B® technology, which requires up to 6000% less copper in the vehicle, as well as our road noise cancellation technology, which significantly reduces the total amount of insulation needed.

We also strive for our products to contribute to the circular economy. As more EVs hit the road, it is important to recognize how best to recycle and repurpose the growing number of batteries from these vehicles. At ADI, we think about batteries dynamically by giving them a “second life” and extracting their maximum value. ADI’s wireless BMS enables monitoring of battery modules throughout the battery’s lifecycle, allowing for the determination of potential second life usage of the battery beyond the EV. This will further reduce energy usage associated with the creation of new batteries as well as reduction of waste. We not only provide the industry-leading hardware to accurately monitor the health of batteries, but we also build the software that harnesses and analyzes the data so that batteries can be reconfigured.
At ADI, we are deeply committed to making our own operations greener, healthier and more efficient. As a part of this effort, we have taken a close look at how we can improve our corporate facilities. We allocated $102 million to our Wilmington, MA campus to build more than 225,000 square feet of green building space. Two of our buildings, including our Welcome Center, are on track to achieve a high-level of Leadership in Environmental and Engineering Design (LEED) certification. Each building will achieve a reduction of more than 50% in operational greenhouse gas emissions and a reduction of more than 20% in embodied carbon, meaning less carbon will linger in the atmosphere and reducing the building's overall global warming potential. We also invested more than $5 million in the solar panels for the campus, which has the capacity of about 1.5 million kilowatt hours per year. The renewable energy generated from these two buildings will offset more than 60% of their total energy use.

While low carbon credentials are an important component of our greener facilities, our vision for the Wilmington campus also prioritized the health and wellness of our employees and the environment around us. This includes closely measuring the air quality within each workspace to promote a safe and healthy working environment. Each building was designed to reduce employee stress and improve productivity through the use of natural elements, daylight and outdoor spaces. In particular, we focused on designing outdoor spaces that encouraged exercise and promoted the health of local flora and fauna. Today, ADI is working to maintain the native woods and plant species of the region. As part of this effort, the company is maintaining five beehives on our campus, which will hold enough bees to pollinate 6,000 acres.

We are grateful for investors’ enthusiasm for the bond offering and we are delighted that we were able to use the proceeds of this bond to address our long-term environmental footprint reduction goals. Reducing emissions are not only a priority for our operations, but also for the industry-leading products we design. At ADI, we are committed to the fight against climate change and facilitating the transition to a more sustainable economy. Read more in our 2020 Corporate Social Responsibility Report.

**Green Buildings + Renewable Energy: Wilmington Campus**

225,000+

SQUARE FEET OF GREEN BUILDING SPACE

3,100+

SOLAR PANELS WILL GENERATE ABOUT 1.5 MILLION kWh PER YEAR

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