

FY23

Environmental, Social & Governance Report

INNOVATION WITH PURPOSE

ALLEGRO microsystems

Table of Contents

Overview

A Message from Our President and CEO	3
About Allegro MicroSystems, Inc.	5
Innovation with Purpose	8

ESG Stories

Focusing on Sustainability at Allegro	18
Our Environmental Stewardship in the Philippines	20
Empowering Women@Allegro	22
Reducing Emissions via Data Center Co-Location	26

Sustainable Practices

ESG Approach	29
ESG Oversight	30
Energy, Emissions and Climate	32
Water Stewardship	35
Sustainable Supply Chain	38
Hazardous Materials	42

Social Impact

Social Impact	45
Employee Health and Safety	45
Diversity, Equity, and Inclusion	47
Community Impact	51
Human Rights	55

Governance

Corporate Governance	57
Ethics and Compliance	59
Cybersecurity	60

Appendix

About This Report	62
ESG Performance Summary Tables	63
Independent Assurance Statement	63

A Message from Our President and CEO



At Allegro MicroSystems, Inc. ("Allegro" or the "Company"), we have long been doing our part in moving the world toward a safer, more sustainable future. Our market presence is built on our foundation of producing innovative products that promote safety, efficiency, and sustainability in e-Mobility, which we define as the electrification of vehicles and the increasing adoption of safety-related advanced driver assistance systems in select industrial markets. As we innovate, we endeavor to both reduce the negative environmental impact of our operations and maximize the positive environmental impact of our products, to enable the transition to a more sustainable future.

Our commitment to sustainability is intrinsic to our core value of "Innovation with Purpose" and is directly aligned to our corporate strategy and growth plans. As we expand the reach and influence of our products, we have an important opportunity to make a positive impact on our teams, communities, and the planet. Our world-class innovators are not only solving customer challenges like reducing emissions, making applications more energy efficient, and harnessing renewable energy—they are also looking inward, imagining ways we can enhance our impact on the communities where we live and work. Environmental, Social & Governance (ESG) is an integral part of our future because we are helping our customers achieve their ESG goals.

Over the past year, we accelerated our ESG journey by systematically assessing our priority ESG topics and using the insights gained in this process to identify five signature ESG initiatives to define our ESG strategy.

I am proud to present Allegro's first ESG report, which shares our story of the incredible progress we've made this year toward building a sustainable future for the Company. As we answer the need for more clean energy with efficient, powerful, socially responsible, and environmentally conscious technology solutions, we believe we are building long-term value for shareholders, employees, and communities through the work we do. Being committed to ESG is a central pillar in Allegro's overall business strategy, and our teams remain committed to the vision for a sustainable future as they work to enhance the positive impact of our innovations on their communities.

Allegro is charting an ambitious path forward, and we are excited about where it will take us. We look forward to sharing the stories of how we are building value as we help pave the way for a more sustainable future.



Vineet Nargolwala, President and CEO

Our ESG Impact Today and Going Forward

3.6 million tons of avoided CO_2 emissions
from our innovative technologies through end of 2022*

>$1.3 million in tuition reimbursement
for employees and families through end of FY23

>$3 million donated
To support disaster response efforts in local communities through end of FY23

By FY30 we are targeting
50% reduction
in Scope 1 and 2 emissions emissions (normalized based on revenue) from our FY18 base year.

~1.7 million gallons of water recycled
at Philippines factory in FY23

FY 23 Accomplishments
(March 26, 2022 - March 31, 2023)

- Named Allegro's first Sr. Director, ESG
- Identified 5 ESG Signature Initiatives
- Participated in CDP Climate Change questionnaire
- Participated in CDP Water Security questionnaire
- Increased total waste recycled
- Publicly disclosed DEI data
- Launched 2 Employee Resource Groups
- Increased female leadership by 46%
- Donated a total of over $65,000 to non-profit organizations

FY 24 Objectives
(April 1, 2023 - March 29, 2024)

- Release of inaugural ESG report aligned to SASB
- Execute roadmap for Allegro's ESG Signature Initiatives
- Maintain full Responsible Business Alliance membership
- Public submission of FY23 CDP Climate Change & Water Security questionnaire responses
- Name first DEI Manager
- Release first DEI Survey to employees
- Establish additional Employee Resource Groups
- Provide DEI education to employees
- Expand equitable hiring practices by leveraging training
- Release first Employee Engagement Survey
- Expand Gift Matching program globally
- Submission of first Form SD (Specialized Disclosure) to US SEC for conflict minerals

*See page 11 of this report for details on this calculation.

About Allegro MicroSystems, Inc.

Who We Are

Allegro MicroSystems, Inc. ("Allegro" or the "Company") is a global leader in semiconductor technology. With over 4,600 employees, we serve a wide variety of customers in e-Mobility and industrial markets, and our innovations in sensor and power integrated circuits (ICs) enable advancements in motion control and energy-efficient systems. Anyone who drives a car, generates electricity using solar panels, or uses cloud data services interacts with Allegro's technology—and we could not be prouder of how these intelligent solutions come to life to make daily processes more effective, convenient, and sustainable.

In the decades since Allegro was founded, our commitment to Innovate with Purpose has empowered our success. We create advanced semiconductor technology and application-specific algorithms that give customers the competitive edge they need to make breakthroughs in important areas like advanced mobility, clean energy, and factory automation.

Allegro Named Best Cooperation Supplier of 2022



In January 2023, Allegro was awarded the "Best Cooperation Supplier of 2022" award by automotive manufacturers Wodeer and Geely in recognition of our **dedication to customer support and supply chain management.**

GEELY AUTO

We are a trusted partner both to large enterprises and regional market leaders with a long legacy. In the two years since our IPO, we have established a strong track record, achieving record revenues and earnings per share while continuing to expand gross margins. Each year, we ship more than one billion units to support over 10,000 customers across the globe.

Allegro MicroSystems Named to Inc. Magazine's First Annual Best-Led Companies List

In FY22, Allegro was named to Inc. Magazine's inaugural Best-Led Companies List. The list recognized companies with successful track records with leadership teams that **spur on solid performance, create value, access new markets, engage with customers,** and more. Read the full article

Inc. Best-Led Companies 2021

Our Locations



Year founded
1990

Number of employees
>4,600
in 16 countries and four continents

First listed on Nasdaq in FY21
ALGM

Products

Magnetic Sensors
Current Sensors
Interface ICs
Position Sensors
Speed Sensors
Switches and Latches

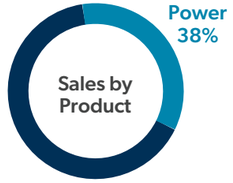
Power ICs
LED Drivers and Regulators
BLDC Drivers
Brush DC Drivers
Isolated Gate Drivers
Stepper Motor Drivers

Industries

Automotive
Industrial
Other

A Global Leader in Sensing and Power IC Solutions

Market leading technology and portfolio

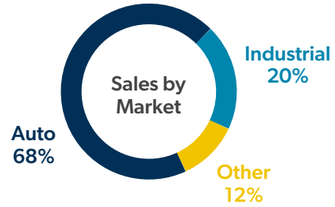


Magnetic Sensing
62%



#1 in Magnetic Sensor and Leader in Power ICs[1]

Aligned to high-growth markets with secular trends



Innovation with Purpose



>10,000
Customers



>1,350
Patents Globally

Strong track record of financial performance
(non-GAAP financial measures)[2]

$974M
FY23 Sales
+ 27% YoY

56.8%
FY23
Gross Margin
+5% YoY

$1.28
FY23 EPS
+63% YoY



[1]MEMS and Sensors Competitive Analysis Database - 2022, Omdia, June 2022.
[2]Refers to a financial measure that has not been prepared in accordance with generally accepted accounting principles, or GAAP. For an explanation of this measure, including a reconciliation to the closest GAAP measure, please see our press release dated May 10, 2023, which is available on the Investors section of our website.

Innovation with Purpose

Our Mission and Values

At Allegro, we Innovate with Purpose. Our mission is to be a global leader in power and sensing solutions for motion control and energy-efficient systems. With a commitment to our purpose and values, we meet each challenge with thoughtful, future-focused innovation, producing work that redefines semiconductor technologies and paves the way for a cleaner, more sustainable future. Allegro's core values shape everything we do, and we embed them in every workstream, process, and product.

In pursuit of our commitment to Innovate with Purpose and in keeping with our values, in FY23 we announced our ESG Strategy and its five signature initiatives: maximize the positive impact of products, minimize our impact on the planet, engage our supply chain to advance sustainability, build a diverse workforce, and cultivate opportunities in our local communities.



Innovate with Purpose
We meet each challenge with thoughtful, impactful innovation—which leads to a better tomorrow

Empower with Trust
We encourage and trust employees to make sound decisions—which leads to a strong, enabled workforce

Collaborate Globally
We work together as one team—which leads to the best business decisions

Achieve with Excellence
We are never satisfied with the status quo—which leads to higher standards of performance

Exceed Customer Expectations
We anticipate and exceed our customer's needs—which leads to stronger business partnerships

Develop Timely Solutions
We proactively develop solutions and resolve issues effectively—which leads to greater success

INNOVATION WITH PURPOSE
ALLEGRO microsystems

Automotive Manufacturer Awards

VMAX CHERY nexteer AUTOMOTIVE
a leader in intuitive motion control

VMAX Excellent Quality Award of the Year



In November 2022, Allegro received our first "Excellent Quality Award of the Year" from VMAX, an automotive manufacturer, for **providing fast responses to customer queries and facilitating a year with zero quality control or customer service issues.**

Cherry Automobile Best Support Award

In FY23, Allegro was awarded the "2021 Best Support Award" from Chery Automobile for **delivering strong customer support and a steady product supply.**

Nexteer Superior Customer Service Award Winner



Allegro was awarded the 2023 Superior Customer Service Award for our outstanding performance in supporting Nexteer with their global growth and technology development pursuits.

Allegro did this through:
- **High-quality and high-performance parts**
- **Our passion for serving customers with utmost care**

Our Products

Allegro sensors and power ICs play a vital role in electrification and power conversion, storage, and distribution for automotive vehicles as well as residential and commercial energy generation and consumption. We design and develop the semiconductor technologies that create these electrification and power capabilities. Our technologies are versatile, and aim to meet whatever challenges our customers may seek to address as they apply our products across multiple markets and work to maximize their overall positive impact. In keeping with our primary ESG signature initiative to maximize the positive impact of our products, our technologies and their capabilities also enable the more efficient development of renewable energy sources and energy conversion methods. We expect that our products will continue to have a significant impact on



the reduction of emissions and greenhouse gases (GHG) in the industries we serve. As part of our commitment to contribute to a safer and more sustainable future, we focus our business on markets and technology developments that support a more efficient future for energy use and consumption.

43%

of our auto revenue was from e-Mobility in FY23

ISO

Founding member of the U.S. Technical Advisory Group

ISO 26262

~75%

of R&D investment is focused on e-Mobility, clean energy, and automation

Allegro in the Industry

Allegro is known for delivering innovative circuit design, processes, and packaging that are built on the fundamental technology advances we have made in our industry. We deliver reliable, high-performance solutions that precisely measure motion, speed, position, and current, and our primary markets include automotive, industrial, and other.

In the semiconductor industry, we are the number one supplier of magnetic sensing ICs (which comprise approximately 61% of our sales) and a leading supplier of power ICs (which comprise approximately 39% of our sales)*.

Automotive represents approximately 68% of our sales and industrial approximately 20%. Other sales—including consumer and computer peripherals—comprise about 12% of our sales. Allegro's customer base includes over 50 automotive OEMs.

Both of our product franchises, magnetic sensing and power ICs, are used in applications that are focused on creating a more sustainable future. For instance, you can find our current sensors alongside motor drivers in electric vehicles (EV), solar farms, or EV charging stations. We have purposely built our products for use across a wide spectrum of applications, not only as stand-alone devices but as full solutions for our customers.

*MEMS and Sensors Competitive Analysis Database - 2022, Omdia, June 2022.

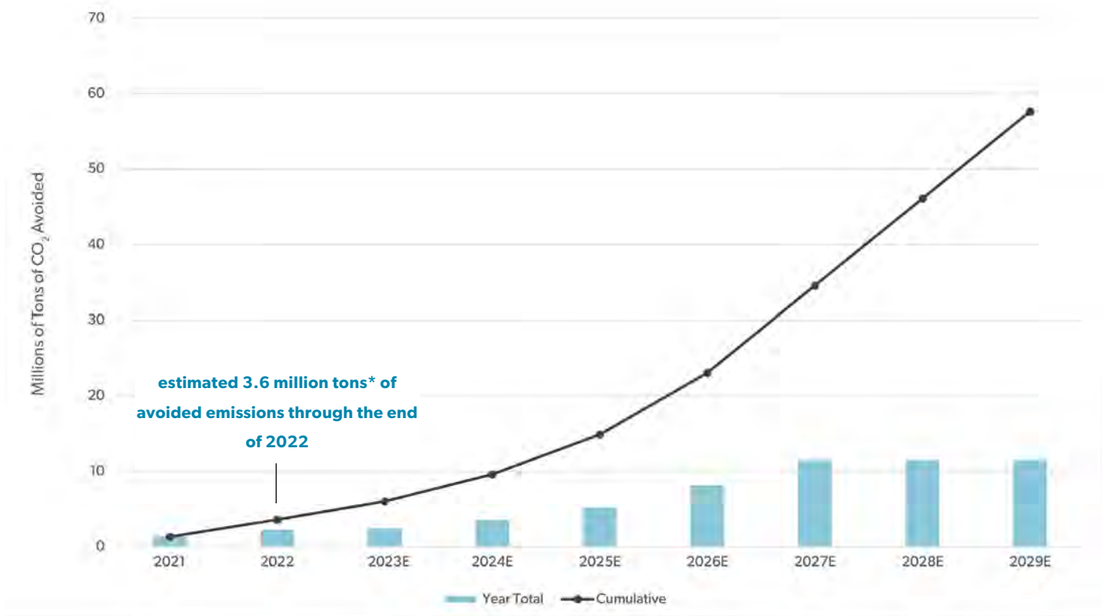
Automotive

Allegro is helping to power the shift to the next generation of electric vehicles. As vehicle technology trends toward hybrid and battery electric vehicles and autonomous driving capabilities, safe, reliable, and proven energy conversion and motion sensing technologies are more important now than ever before. In addition to our products for use in EVs, more than three decades in the automotive industry has given us the experience and know-how to contribute to greater efficiency in internal combustion engines as emissions regulations become more stringent. Our speed sensors have been used throughout transmissions for decades, helping OEMs increase fuel mileage for their fleets, and as a result, improved fuel mileage for millions of cars.

Our automotive application design process happens in the context of a culture committed to zero defects and a safety-first mindset. The devices we design have a long track record of contributing to longer driving ranges for EVs; smaller, more reliable power conversion systems; improved safety and efficient operations for motors and power management systems; and safer, more reliable autonomous driving systems.

We have a long track record of innovations that have dramatically improved the energy efficiency of powertrain, safety, and comfort systems. Our innovative technologies have also led to an estimated 3.6 million tons* of avoided CO_2 emissions through the end of 2022, a number that is expected to continue to grow alongside projected growth in the electric vehicle market.

CO_2 Emissions Avoided by Use of Allegro Products*



*Estimated avoided emissions based on vehicles sold with Allegro products and Department of Energy data for emissions produced/reduced. Sources included: U.S Department of Energy Alternative Fuels Data Center: Emissions from Electric Vehicles (energy.gov), Electric steering turns on the power | Automotive News Europe (autonews.com), and market data provided by Strategy Analytics Powered by TechInsights.

Onboard Chargers and DC/DC Converters in xEv Powertrain

Current sensor ICs and high-voltage gate driver ICs make vehicles more efficient. They do this by reducing ohmic losses in current sensing and enabling the transition to more energy-efficient GaN and SiC transistors. These improvements in ICs are projected to prevent approximately 200 billion pounds of CO_2 emissions worldwide by 2026.

Electronic Power Steering (EPS) Systems Enablement

A combination of up to 15 ICs per car enable electronic power steering systems that save upwards of 12 gallons of gas per vehicle per year compared to hydraulic steering systems. Allegro technologies have helped save 7.5 million tons of CO_2* emissions worldwide by enabling EPS systems.

Loss-of-Assist Prevention in EPS Systems

Our products can be found throughout a vehicle, working to prevent driver loss of control of electronic steering functions. These products include a combination of ICs—angle, current, and torque sensors; motor drivers; and safety management devices. Our technology improves energy efficiency without compromising safety.

Stop/Start Engines in Internal Combustion Engine (ICE) Cars Enablement

We used speed-sensor ICs to create the first speed and direction crank sensor for stop/start engine control. These sensors are used to control a variety of functions, including a fuel injection and ignition timing function that increases the reach of a vehicle's gasoline use in miles per gallon (mpg) by 8%. Allegro sensor ICs have helped save 2.12 billion gallons of gas, an amount approximately equivalent to 21.2 million tons of CO_2**.

Anti-Lock and Advanced Braking Systems Enablement

For braking and traction systems to operate as effectivellty as possible, wheel speed and direction must be precisely measured. Allegro's wheel speed sensors integrate Giant Magnetoresistance (GMR) technology with digital architectures that can provide precise wheel speed and direction data under extreme vehicle-level disturbances (such as vibration). This integrated system, and the precise data measurements it makes possible, create a high-accuracy sensor that communicates wheel speed and position data to the appropriate system-level controllers, such as Anti-Lock Braking Systems (ABS) and Traction Control Systems (TCS).



Hybrid and Electric Vehicle Devices

Designing efficient, safe and reliable electric devices for mild hybrid, hybrid, and electric vehicles.



Conventional Powertrain

Reducing emissions and improving efficiency with our conventional powertrain solutions.



Safety and Advanced Driver Assistance Systems (ADAS) Applications

Keeping consumers safe through quality control and safety-critical automotive systems.



Comfort

Increasing fuel economy while maintaining comfort, convenience, and performance in your vehicles.

* Estimated avoided emissions based on vehicles sold with Allegro products and Department of Energy data for emissions produced/reduced. Sources included: U.S Department of Energy Alternative Fuels Data Center: Emissions from Electric Vehicles (energy.gov), Electric steering turns on the power | Automotive News Europe (autonews.com), and market data provided by Strategy Analytics Powered by TechInsights.
**Sources included: U.S. Environmental Protection Agency: Gasoline and Diesel Advanced Technology Vehicles and market data provided by Strategy Analytics Powered by TechInsights.

Industrial Applications

Allegro products enable intelligent motion for industrial applications in ways that deliver increased efficiencies, enhance safety, and lengthen product lifespans. Our technologies power factory automation, reduce factory downtime by increasing asset reliability, and reduce overall solution footprints in ways that lower total system costs. They also support increased energy efficiency for high-intensity data centers and clean energy applications by accurately measuring currents.

Industrial Energy Use Savings Through Current Sensing

Our current sensors consume 1/5 of the power typically consumed by shunt-sensing solutions and replace shunts across a variety of industrial use applications. Over the past 10 years, our current sensors installed and used in industrial applications have saved 125 MWh* of electricity across the industry.

Brushless Direct Current Motor (BLDC) Driver to Power Three-Phase Data Center Fans

We launched the world's first three-phase BLDC driver IC with integrated power loss brake features that eliminate power use to broken fans, increasing thermal efficiency and lowering energy use.



Industrial Motor Control

Creating devices for industrial motor control with the leading manufacturers of variable frequency drives.



Building and Factory Automation

Developing safe and efficient building and factory operations from rolling garage doors to textile machines to security systems.



Data Center

Accounting for every milliwatt of potential energy savings and supporting around the clock reliability.

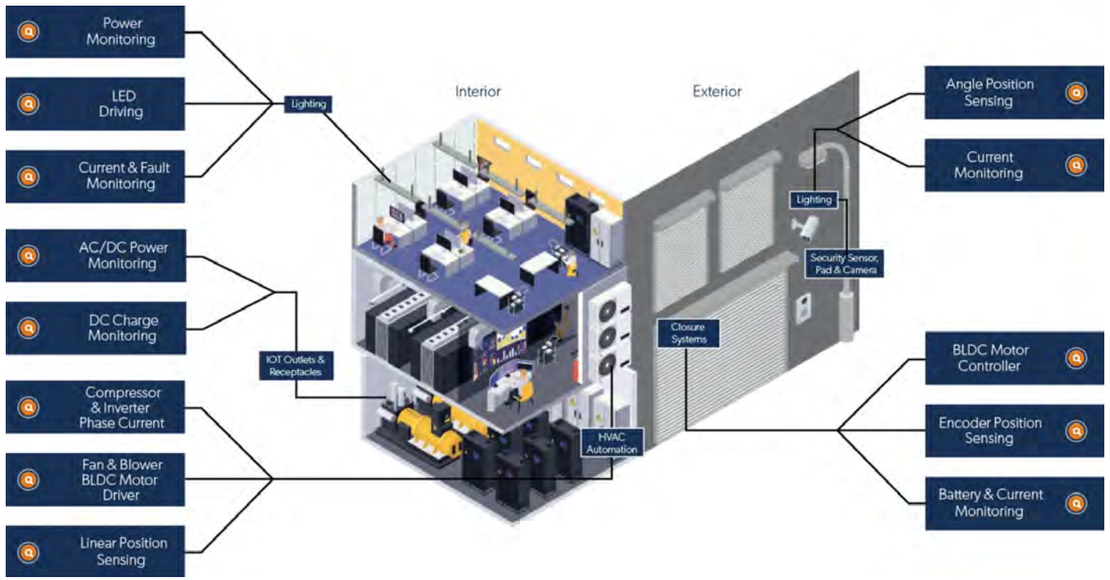
* Assuming shunt resistor value of 3 mOhm

Allegro MicroSystems Acquires Heyday Integrated Circuits

In September 2022, Allegro finalized our acquisition of Heyday Integrated Circuits, a company that specializes in compact, fully integrated isolated gate drivers.

By bringing together Heydey's isolated gate driver technologies and Allegro's market-leading isolated current sensors, this acquisition enables us to produce some of the smallest high-voltage and high-efficiency power systems in the market today. We expect our market reach to grow as a result, particularly for electric vehicles, solar inverters, data center and 5G power supplies.

Factory automation or smart home building



Clean Energy Infrastructure

With our high-performance power and sensing solutions, we're leading the evolution toward an electricity-powered, more sustainable economy. Allegro solutions help customers improve the reliability, safety, and energy efficiency of their clean energy and grid infrastructure applications. From solar energy systems and power supplies to EV charging and energy infrastructures, our advancements in electrification, sustainability, and connectivity enable more efficient technologies that can address today's demands while they position our customers for future success.

Inverters to Enable Renewable Energy Generation

Our compact current sensors for inverters, power conversion, and power management operate at high voltage and reduce ohmic losses.

Inverters Central to EV Charging Infrastructure

Our current sensors minimize heat dissipation for EV charging stations in both residential and commercial settings while isolating users from high-voltage currents to ensure safe use.



Charging Infrastructure

Driving the electrification of cars through our magnetic sensors allowing for high current delivery with very low power losses.



Solar Energy

Enabling the ever-growing supply of solar power with our current sensors shining at high voltages.



Renewable Energy

Providing current sensing solutions with embedded high voltage isolations for inverters, power conversion, and management in other renewable power applications.

Consumer Goods

Consumers are demanding smarter, more efficient, and more innovative devices and appliances that are also environment and climate friendly. Allegro solutions enable reliable and efficient power management, backlight display control, motor control, and position and current sensing in consumer devices, from gaming consoles and smart appliances to robotic vacuums and HVACs. As a result, we help our customers gain a competitive edge in a rapidly evolving market, and everyday users benefit from more energy-efficient technologies that don't sacrifice performance or climate integrity.

Consumer Product Examples



Major Appliances

Providing consumers with highly reliable, energy-efficient appliances.



Small Appliances

Creating innovative coffee machines, rice cookers, crockpots, and more.



Residential HVAC

Designing more powerful, quieter, smarter, and more energy-efficient HVAC solutions.



Gaming

Ensuring efficiency and high performance in consumers' entertainment and gaming solutions.



Computers and Printing

Decreasing noise while increasing efficiency with the industry's first code-free Field Oriented Control (FOC) BLDC fan driver for computers and printers.



Personal Mobility

Innovating solutions for energy efficient and safe forms of personal mobility.



Focusing on Sustainability at Allegro

Our commitment to Innovation with Purpose defines everything we do, including our pursuit of ESG initiatives throughout the Company. We pursue ESG as we Innovate with Purpose by minimizing our impact on the planet, advancing sustainability in our supply chain, building a dynamic, innovative and empowered workforce, and fostering the wellbeing of our local communities. To create long-term value for our ecosystem of employees, customers, supply chain partners, and shareholders, we strive to act responsibly in every aspect of our operations. This ranges from minimizing our environmental impact and building inclusive workplaces to giving back to the communities in which we work and live.

Building on our comprehensive assessment of priority ESG topics that was conducted in FY22, in FY23 Allegro also underwent a process to identify and prioritize strategic areas for ESG growth at the Company, establish peer-benchmarking for our initiatives, and formalize plans to enhance disclosures and set targets. As part of this process, we hosted our first set of ESG leadership labs with a cross-functional group of senior leaders, subject matter experts, and team members. During the labs, this cross-functional team collaborated with a global sustainability consulting organization to formulate a value-driven, market-differentiated ESG strategy. This process included the following activities:

12

We researched the ESG activities of 12 of Allegro's peer companies and other best-in-class companies to create competitive comparisons and case studies.

20+

We conducted over 20 interviews with Allegro employees involved in the Company's ESG initiatives to better understand their leadership priorities, work done to date, and ambitions and concerns around crafting Allegro's ESG strategy.

3

We hosted three in-depth strategy labs to facilitate discussions over Allegro's ESG ambitions, ideation and prioritization of supporting initiatives, and aligned on a go-forward roadmap.

ESG Leadership Lab Testimonials

"Developing an ESG strategy that takes into account all of our stakeholders, including our biggest stakeholder—the planet—is not easily done. We assembled a diverse group of leaders to innovate together on the strategy. With passionate participation, we were led through a process that was thoughtful, thorough, and where each person's voice was heard. The outcome is a true reflection of Allegro's deepest values." – Director, Talent Management

"The ESG workshops brought together leadership from Allegro to explore how we will measure the positive environmental impact of our products that customers use and how to hold ourselves and our suppliers environmentally accountable for how the products are created. By the end of the discussions, we were genuinely pleased to have a methodology to measure how our solid business strategies can have such a positive impact on the environment and to have a set of actions that will keep us on track." – VP, Corporate Strategy and Marketing

ESG Strategy

These activities yielded an integrated ESG strategy that accounts for the impacts of Allegro's products, business operations, supply chain interactions, work force engagement, and community stewardship. We believe that implementing this strategy will help Allegro move the world toward a safer and more sustainable future. We plan to host similar ESG leadership labs as we advance our ESG initiatives.

Our ESG strategy is supported by five signature initiatives that center on our core goal to maximize the positive impact of our products:

Maximize the Positive Impact of Our Products

Innovate with our customers to enable the transition to a more sustainable future through our products.

Minimize Our Impact on the Planet

Minimize the environmental impact of our products throughout their lifecycles by investing in innovation and demonstrating progress in line with industry and stakeholder expectations.

Build a Diverse and Inclusive Workforce

Build a robust and engaged workforce of leaders and innovators while contributing towards a more equitable society, particularly by developing and employing talent from STEM fields.

Engage Our Supply Chain to Advance Sustainability

Manage the impact of our supply chain activities on the environment and the communities employed by our suppliers and vendors.

Cultivate Opportunities in Local Communities

Drive positive change by collaborating with local communities where we operate and empowering employees to make a difference through personal engagement.

We are moving the world to a safer and more sustainable future.

Our Environmental Stewardship in the Philippines

Leading by Example at Our Facility in the Philippines

Allegro MicroSystems Philippines, Inc. (AMPI) is located in the City of Parañaque and employs more than 3,500 people. Our AMPI location is our sole manufacturing site, and we have made significant strides in reducing site emissions and waste there. We are working to minimize our impact on the environments and communities around our physical sites, and the advancements made at AMPI are helping us blaze a trail toward a greener future Company-wide.

Emissions Reduction

Our AMPI location has implemented and plans to implement several sustainability initiatives aimed at further reducing the emissions generated from our operations. The emissions generated at our manufacturing site in the Philippines as well as our headquarters, design center, and laboratory locations in the U.S. represent over 90% of our total emissions. AMPI is the majority source of emissions, which means sustainability programs that are successfully piloted there have significant potential to contribute to reducing our total emissions.

In FY23, we completed two solar array installation projects on the rooftops of buildings at our AMPI facility, providing a source of renewable energy that is capable of generating enough power for one-third of the facility's internal lighting and roof deck lights, and two-thirds of the facility's exhaust fans, as well as ceiling-mounted air conditioners. **So far, these solar panels are providing a source of renewable energy that generates approximately 125,000 kWh or 89 MT of CO_2e/year of savings.** In FY23, AMPI's total energy from renewable sources amounted to approximately 4%.

Likewise, our air-cooled-to-watercooler-chiller conversion project completed in November 2022 has reduced annual energy consumption by approximately 1,394,401 kWh. The water-cooled chiller installation project replaced a current air-cooled chiller with more energy efficient water-cooled chillers. Water-cooled chillers with cooling towers feature higher energy efficiency than air-cooled chillers, in addition to longer equipment life. In total in FY23 (April 2022–March 2023), our AMPI location's total electricity use was approximately 83,000 MWh.



Reducing Waste at AMPI

Our AMPI site is committed to Allegro's goal to bring zero waste to landfills, and has successfully completed several projects in pursuit of this goal. As one of these projects, the Paperless Receipt Traveler (PRT) Project, AMPI replaced the printing of paper-based runcards with real time electronic tracking and began using electronic logging/tracking of equipment and facility systems which were previously recorded on paper. The PRT project has successfully saved a total of 2.9 MT of paper and plastic annually since its implementation in March 2021.

AMPI maintains and implements the local environmental bureau-prescribed waste manifest system. All of our solid waste at AMPI, with the exception of some residual waste and production waste sent for co-processing, is recycled. **In FY23, AMPI recycled approximately 89% of its solid waste. We are working towards increasing our rate of recycling over the coming years.** Since 2017, AMPI has implemented different action plans to slowly increase our solid waste recycling rate. The plans we implemented include effective segregation of waste; removal of individual trash bins and deployment of centralized waste segregation bins; expansion of solid waste areas to accommodate waste; increased hauling frequency; and our scrap hauler-partners finding additional recycling opportunities and buyers for AMPI scraps and partnerships with other eco-responsible companies. In FY24, we aim to achieve a 90% recycling rate for solid waste. A minimal quantity of residual waste goes to government-approved landfills.

We collaborate with local partners to engage in circular economy practices with our manufacturing waste. At present, we have contracted for the services of a third-party hauler that manages the recycling and disposal of our solid waste. All AMPI hazardous waste materials are collected and transported to a local environmental bureau-accredited treatment, storage, and disposal facility by a local environmental bureau-accredited transporter, where the waste is treated and disposed of. Moreover, we continuously work with them to explore opportunities to use residual for cement kiln co-processing. Aside from sending our mold runner for co-processing to a local cement subsidiary, our local scrap haulers are also working directly with another cement company to use residual for cement kiln co-processing.

We have also reduced our use of single-use plastic in employee dining facilities. In addition, we have implemented more paperless/online transaction capabilities to reduce paper used in day-to-day transactions at our facilities.

AMPI Waste Metrics

		FY18	FY19	FY20	FY21	FY22	FY23
AMPI Waste	Kg	1,607,077	1,429,404	805,665	831,679	953,499	1,136,524
AMPI Recycling	Kg	697,394	627,184	460,328	405,937	456,747	529,035
AMPI Final Disposal	Kg	909,683	802,220	345,337	425,742	496,753	607,489
% Recycled	%	43%	44%	57%	49%	48%	47%

Empowering Women@Allegro

Elevating Women at Allegro

One of our top priorities is to promote career growth and ensure the availability of equitable opportunities for women at Allegro. We consider our efforts to promote and support career growth for our female employees an indispensable part of pursuing our ESG signature initiative to build a diverse and innovative workforce that moves our strategies forward and serves our customers.

Global Leadership at Allegro by Gender



As part of our five signature ESG initiatives, we are focused on building a diverse and innovative workforce by increasing the number of women we hire into management positions. This will lead to a manager population that more closely mirrors our employee population, and will increase the number of women employed in engineering positions globally. In Q4 of FY23, Allegro hired a Senior Manager of Talent Acquisition who will help us broaden our recruiting initiatives. At present, we seek out gender-diverse candidate slates and look for opportunities to promote women into leadership positions.

*Senior Leadership is defined as Director and above including managers. ** Manager is defined as all people managers and above.



Women@Allegro AMPI volunteers with the Haven for Women shelter residents

In addition, we launched Women@Allegro, our women's employee resource group (ERG), in January 2023. This ERG provides a dedicated space for Allegro's women to come together to foster community, collaboration, and communication through women-led conversations and activities. The vision for this ERG is to support, develop, inspire, and empower women. The mission of Women@Allegro is to advocate for women's growth, inclusion, and development. Women@Allegro works to help our female employees become the best versions of themselves through education, mentoring, and the provision of equal opportunities within the Company. In February 2023, our AMPI location launched a chapter of Women@Allegro as part of its Wellness Team's initiatives. The AMPI chapter of Women@Allegro includes a working group of women from different Allegro departments and a dedicated wellness ambassador. The group receives guidance from AMPI's Human Resources Director.

Because FY23 was Women@Allegro's inaugural year, the ERG's goals are currently focused on three major categories and select core initiatives:

Organize Women@Allegro

- Promote and raise awareness about Women@Allegro throughout the Company
- Establish structure and logistics for meetings, including cadence, safe space conversations, and groundwork for the development of additional global chapters

Connect Women@Allegro

- Host internal activities and events
- Establish a mentoring program

Outreach Beyond Women@Allegro

- Engage in outward-facing activities and events
- Identify and engage with industry-specific organizations focused on promoting and educating women
- Identify and participate in community outreach opportunities



Women@Allegro AMPI volunteer reads a story to kids at Haven for Women shelter

Promoting the Success of our Female Employees

26.5%
of our female employees have a tenure at Allegro of over 15 years



87.4%
of our female employees have a tenure at Allegro of over 15 years



Women@Allegro is open to employees of all genders. The ERG sponsored a global event on International Women's Day that incorporated programming around gender equity. This event was attended by Allegro employees across most continents. It educated employees on pay equity and microaggressions and helped equip them with the tools they need to advocate for women.

In addition to hosting a global International Women's Day event, in its inaugural year Women@Allegro has hosted formal kickoff events designed to recruit more women and monthly shoutouts that highlight the accomplishments of extraordinary women throughout Allegro. Women@Allegro's AMPI chapter also hosts quarterly webinars and learning programs that help promote women's rights, workplace benefits, access to mental health services, and computer and financial literacy among women in the community.

Employee Spotlight: Yejee Choi



Allegro test engineer, Yejee Choi, was profiled in the October 2022 issue of Design World magazine. Yejee is a lifelong learner and technology enthusiast who grew up in Korea and Ghana and studied electrical and computer engineering at Worcester Polytechnic Institute in Massachusetts. For the past five years, she has contributed to Allegro's mission as an engineer, where her job is to "test, develop, and debug newly designed products to ensure capability and performance."

Her Design World profile tells the story of these accomplishments. In it, Yejee describes her biggest career successes and challenges, and points to Allegro's inclusive culture as something that helps alleviate the intimidation women can feel when working in a traditionally male-dominated field like engineering. "[At Allegro,] I never felt I was being treated differently than my male peers," Yejee says. "It's a great feeling to work for a Company that values inclusivity. Everyone is valued equally as an individual, regardless of gender, age, or ethnicity."





March 2023 International Women's Day Celebration

Haven for Women

AMPI's Corporate Social Responsibility team partnered with Women@Allegro to visit Haven for Women in March 2023, two weeks after the launch of AMPI's Women@Allegro chapter. Twenty-one volunteers from different Allegro departments participated in the visit.

Haven for Women is located in Alabang, Muntinlupa and provides temporary shelter and protective custody to women aged 18–59. Haven residents are survivors of experiences like forced prostitution, illegal recruitment and trafficking, battery and/or abuse, sexual abuse, armed conflicts, or detention. At present, 36 women and ten children are in temporary residence at Haven for Women, where they are given psychological, sociological, livelihood, and wellness support and training to assist in their recovery and ensure they will be able to successfully return to their communities. The Department of Social Welfare and Development (DSWD), a government organization, cares for the women and children staying at the Haven.

When Allegro visited Haven for Women, our volunteers led residents in a short prayer, shared about their life experiences, provided uplifting messages, led parlor games for everyone to participate in, told stories to children, and sought to empower the women living at the Haven to walk with confidence as they pursue recovery. Our volunteers helped reassure residents that the DSWD and its partner private institutions, such as Allegro, are there to help them overcome their challenges. In addition to providing in-kind donations of kiddie tables and chairs, water purifiers, personal hygiene supplies, and educational materials, Allegro provided and shared meals with residents and social workers.

Toward the end of the volunteer program, our volunteers were surprised when residents extended their gratitude through song, interpretive dance, and sharing their personal messages of gratitude. The song performed was "Isang Bilyong Babae Ang Babangon," or "One Billion Women, Rise Up!"

This program was made possible through generous donations and pledges made by Allegro employees.

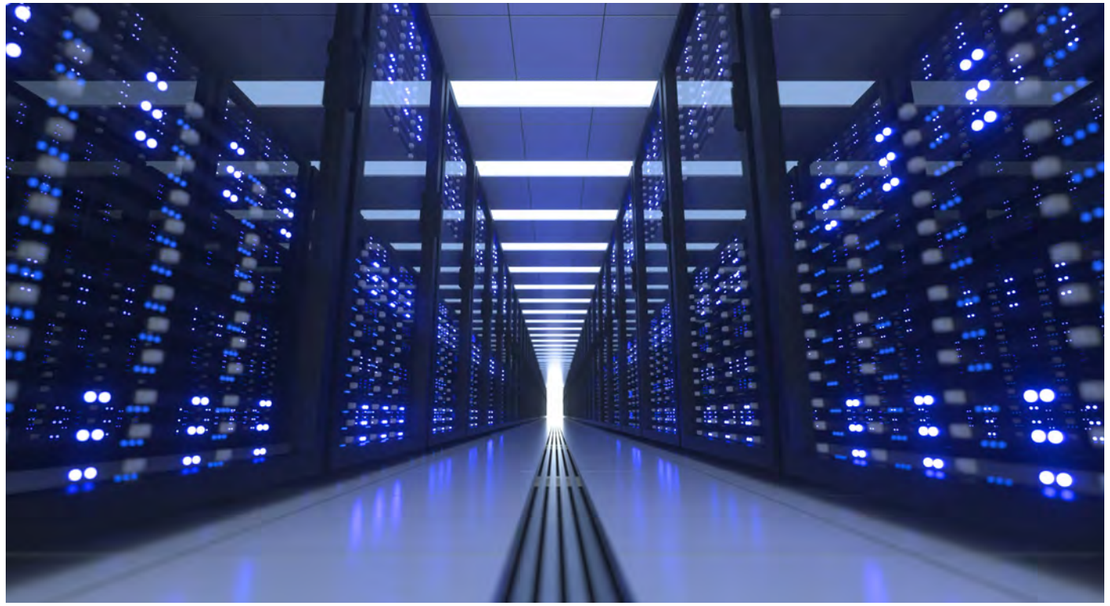


Women@Allegro AMPI core leaders

Reducing Emissions via Data Center Co-Location

In 2017, Allegro began a multi-phase project aimed at reducing our global emissions through data center co-location. Between October 2017 and April 2018, we relocated specific data servers from our New England sites to a third party data center (the Markley data center). **Relocating these servers to the Markley data center has led to multiple environmental benefits. Its greatest impact involves our rates of power consumption: the shared infrastructure enables us to make our power distribution more efficient, eradicating the need to inefficiently consume power for cooling and uninterrupted power supply (UPS) backups and radically decreasing our overall data center power consumption.**

Co-locating servers at the Markley data center means we can effect comprehensive data destruction services that keep electronic waste out of landfills and address Allegro's end-of-life digital media strategy for our Northeast facilities. It is a positive change from a business continuity perspective, too, providing Allegro with fully backed up cooling and UPS systems that possess 2N redundancy, dark fiber availability, and 24/7 on-site service and support.

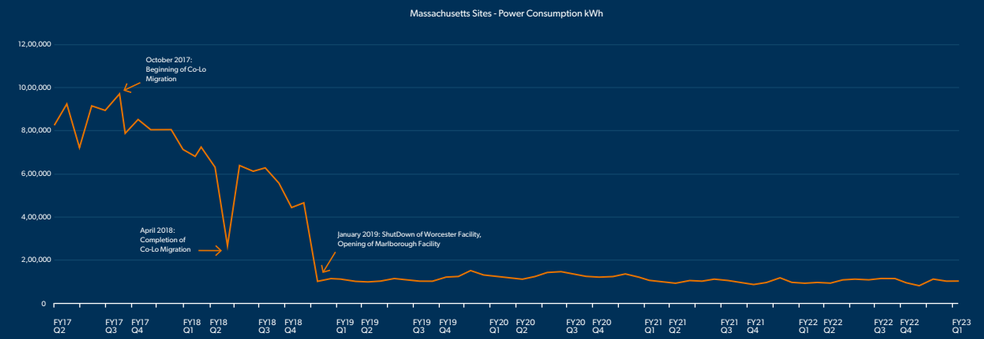


The Markley site focuses on promoting energy-efficient operations by establishing focused conservation standards and using the most efficient equipment available, such as power transfer equipment and variable speed drives. It participates in National Grid Utility conservation programs, and has a Solar Power Purchase Agreement in place with EverSource-Borrego.

In addition to co-locating our data servers, we reduced our overall power consumption in Massachusetts by transitioning to "fabless" operations. This means we design and sell semiconductor chips in-house and outsource their fabrication (or "fab") to a specialized manufacturer known as a semiconductor foundry. Fabless operations require less warehouse space, which has allowed us to transition from an older building with inefficient HVAC systems to one that is equipped with more efficient HVAC equipment. Together, these measures have had a significant impact on the reduction of our power consumption and emissions.

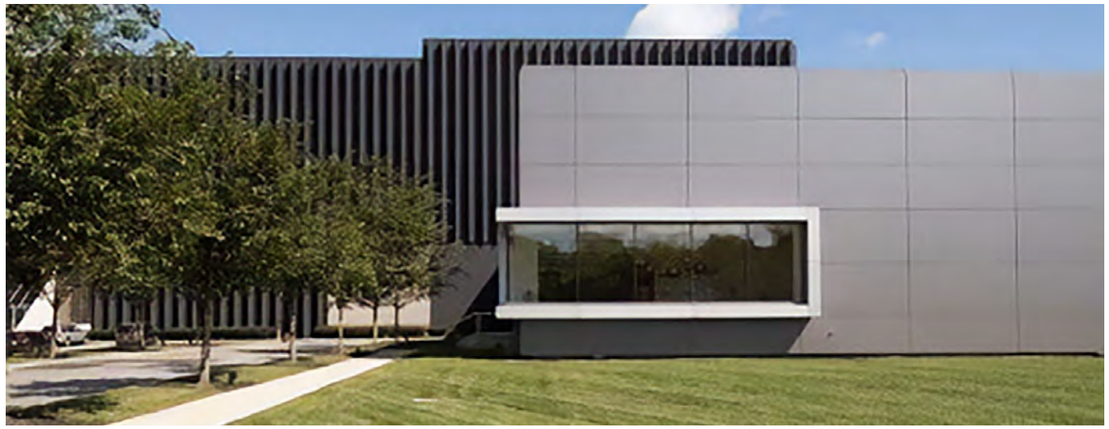
The graph below demonstrates the dramatic overall decrease in power consumption (in kWh) that resulted from our data center co-location project and facility closure.

Reduced Power Consumption (kWh) in Massachusetts from Data Center Co-Location and Facility Relocation



Note: Data includes power consumption from co-location facility.

Our co-location project in South America has not only enabled us to consolidate our data, but also allowed us to remove 70 workstations and one VNXe array in Argentina as well as to remove 12 workstations and one VNX array in Uruguay. We were also able to repurpose a three-node VxRail in Argentina to AMPI, replacing an older VMware environment that was less efficient when it comes to power and cooling. All of these initiatives reduced power usage as well as cooling needs, especially in our computer rooms. In Europe, when we added an Isilon array to the EU co-location facility, it gave us the ability to use the co-location facility for centralized storage/access and removed five file servers from various offices in Europe.



Markley data center in Massachusetts



Sustainable Practices

- ESG Approach
- ESG Oversight
- Energy and Emissions
- Water Stewardship
- Sustainable Supply Chain
- Hazardous Materials

ESG Approach

Allegro is committed to sustainability goals that advance us toward meaningful improvements. Globally, we believe in leading by example by reporting our emissions and formulating attainable goals. Our sustainability goals and environmental stewardship efforts are focused on our five signature ESG initiatives, but especially minimizing the environmental impact of our products and advancing sustainability in our supply chain.

We are a member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. We have also established an internal ESG Steering Committee that provides oversight of ESG risks and opportunities, guides the Company through our multi-year emissions reduction plan, and works to ensure our suppliers comply with our commitment to global sustainability. Our goal to reduce emissions outlines how we plan to continue advancing our climate strategy and delineates our ambitions to further lower our carbon footprint and increase our investments in clean technologies.

As part of our commitment to transparency, in FY23 Allegro partnered with a third party to conduct our first comprehensive assessment of priority ESG topics. We also conducted a competitive benchmarking study to formally align our ESG management approach with our core principles. During this fiscal year, we also launched our Allegro 3.0 business plan which focuses on e-Mobility, clean energy, and automation while accelerating technology and product innovation. Together with our growth plan and expanded awareness of our ESG position, we conducted an updated priority assessment to help us further shape and advance our ESG goals.

Allegro's growth and transformation is entering its next phase



Scope 1 and 2 Emissions Targets

By FY30 we are targeting
50% reduction
in Scope 1 and 2 emissions (normalized based on revenue) from our FY18 base year.

Analyzing ESG priorities plays an important, directive role in formulating long-term sustainability goals and establishing how to communicate those goals with customers, investors, and internal stakeholders. Our assessment surveyed key internal stakeholders across nine functional areas and cross-referenced our findings against the leading ESG ratings, frameworks, and standards utilized by capital markets stakeholders.

It was designed to help us understand the importance and evaluate the strengths of our contributions across different ESG areas of focus. As a result of our findings and the recommendations that were made during this process, in FY23 we engaged a team of third-party subject matter experts to help us align our ESG work with the Sustainability Accounting Standards Board (SASB) ESG standards and expanded disclosures. SASB Standards focuses on industry-based disclosures about sustainability-related risks and opportunities that could reasonably be expected to affect our business. Allegro reports this within this report's data tables in the Appendix.

ESG Oversight

Our internal ESG Steering Committee (the "Committee") was formed in FY22. The Committee's purpose is to support and oversee our ongoing commitments to all ESG matters, including the pursuit of our five ESG signature initiatives and to help ensure suppliers are aligned to our commitment to global sustainability.

The Committee operates under a written charter that establishes its role and function within the organization, and it meets on a quarterly basis prior to Allegro's quarterly Board of Directors (Board) meetings. This ensures the Committee is able to timely communicate updates and key decisions to the Board. Its cross-functional team is comprised of leaders and subject matter experts from across the Company, including our newly appointed Senior Director, ESG and the Committee's executive sponsor, our SVP, General Counsel and Corporate Secretary.

Our Board's Nominating and Corporate Governance Committee (NCGC) provides oversight of the Company's ESG activities and receives quarterly reports on key activities from members of the Committee. As appropriate, the Committee may also enlist the services of external ESG consultants and other subject matter experts.

Board of Directors
NCGC

CEO

SVP, General Counsel and Corporate Secretary

ESG Steering Committee

- SVP, General Counsel and Corporate Secretary
- SVP, Chief Financial Officer
- SVP, Chief Human Resources Officer
- SVP, Global Operations and Quality
- VP, Chief Digital and Information Officer
- VP, Global Assembly and Test Operations
- VP, Global Quality and Reliability
- VP, Supply Chain
- VP, Investor Relations and Corporate Communications
- Senior Director, ESG
- Associate General Counsel
- Senior Counsel, Securities and Corporate Governance
- Director of Facilities and Corporate Process Engineering
- Director, Procurement and Logistics
- Director, Talent Management
- ESG Manager

ESG Team

Senior Director, ESG
ESG Manager

ESG Steering Committee Responsibilities

- Coordinate overarching ESG Strategy
- Develop, implement, and monitor initiatives, goals, and policies based on our ESG Strategy
- Oversee ESG-related communications with employees, investors, customers, suppliers, and other stakeholders
- Monitor and assess developments relating to, and improving Allegro's understanding of ESG matters
- Review and assess ESG risks and opportunities and report significant risks and opportunities to the executive leadership team
- Provide for efficient, timely, and accurate disclosure of ESG matters to internal and external stakeholders

ESG Team

In addition to establishing the ESG Steering Committee, in FY23 we created two new roles within the organization to support our ESG efforts. We now have both a Senior Director, ESG and ESG Manager as part of our dedicated ESG team to advance our ESG strategy development and manage continuous improvement of our ESG program. This team reports to our SVP, General Counsel and Corporate Secretary. Key responsibilities for the ESG team include:

- Develop ESG goals and strategic roadmap
- Advise on organizational goals and targets
- Actively participate as a key member of the ESG Steering Committee
- Work with internal stakeholders to develop the annual ESG report
- Manage the implementation of ESG metric reporting across global and business unit functions
- Monitor statutory, key market, and industry developments as they relate to ESG
- Support external stakeholder ESG requests

Energy, Emissions, and Climate

Our efforts to protect the planet range from intentionally minimizing our energy use and emissions production to developing products that are designed to promote sustainability in the automotive and industrial markets. As we pursue energy efficiency throughout our operations, we are measuring and managing our impact on the environment through the full lifecycles of each of our products. We recognize that a complete overview of Allegro's impact in this space requires a careful assessment of our internal, upstream and downstream activities.

Maximizing the positive impact of our products is our primary signature ESG initiative. We actively work with our customers to understand their ESG objectives and key metrics, and to collaborate in finding and designing solutions that help them achieve their goals. We continue to place this value at the center of our work, and to make significant achievements toward this goal.

Our mission and culture have always been characterized by a commitment to minimize our impact on the planet. Through our Environmental Policy, we communicate our standards for environmentally ethical behavior with our customers, suppliers, and internal team members. The environmental policy also serves as the foundation of our ESG signature initiative to minimize our impact on the planet. More details can be found in our Climate Change Policy on our website.

We'll continue to build on this signature initiative as we adopt new practices to further reduce our carbon footprint, and help our customers and partners reduce theirs. By driving the development of safer, more sustainable technologies in our industry, we honor our commitment to promote the environmental wellbeing of our customers, employees, communities, and planet.



We pursue our mission of Innovation with Purpose by taking a sustainability-first approach to product development and manufacturing. Whether we're designing new products that need fewer raw materials, reducing the complexity of our production processes, or offering our customers new ways to reduce energy consumption and carbon footprints, Allegro is committed to building a cleaner, greener world of energy through our innovations.

Some of the ways in which we're working to minimize our environmental impact and mitigate the impacts of climate change include:

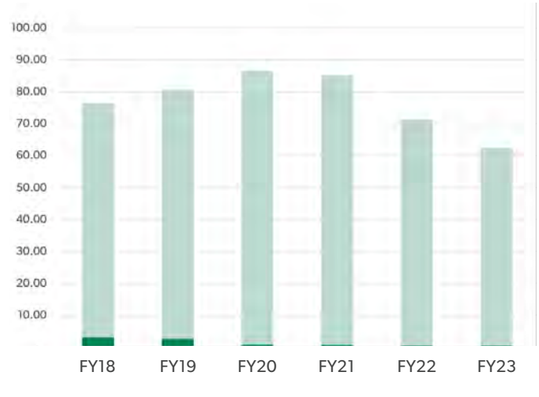
- Reducing energy consumption across our operations and in our supply chain, including implementing alternative or renewable options where possible
- Investing in Research and Development (R&D) efforts to help manufacturers find new ways to reduce carbon emissions, improve energy efficiency, and facilitate the transition to clean, renewable energy
- Implementing and improving water efficiency in all aspects of our operations and in the communities where we operate
- Collaborating and engaging with our entire ecosystem—including our employees, customers, and supply chain partners—on new ways to reduce or streamline energy consumption, water usage, and raw materials and process needs

Managing our energy and emissions output to mitigate the impact of our business processes on the environment is an integral part of our overall ESG strategy. Since FY18, we have reported our Scope 1 and Scope 2 GHG emissions under the Carbon Disclosure Project (CDP). In FY24, we made our Climate Change and Water Security questionnaires publicly available. These disclosures increase transparency at Allegro by enabling us to share our benchmarks and targets with our external stakeholders as we continue to drive Allegro—and our industry as a whole—toward more sustainable practices.

In addition to CDP, in this report, we are making our Scope 1 and Scope 2 GHG emissions publicly available for the first time. We used an independent third party to perform a limited assurance verification of our Scope 1 and Scope 2 emissions for our base year FY18 and current reporting year FY23. The Independent Assurance Statement can be found in the Appendix of this report. Allegro is in the process of evaluating our approach relative to Scope 3 emissions data collection.

In FY23, we saw a 18% reduction in normalized emissions (metric tons CO_2 equivalent per million U.S. dollars) since our FY18 baseline due to the incorporation of more efficient practices across our facilities and the closure of one location. The operations at this facility were transferred to our site in the Philippines. We continue to pursue greater efficiencies across our operations to further reduce our footprint and meet our reduction targets. See About this Report for additional details about our reporting boundary and exclusions.

Carbon Intensity (Scope 1 & 2 Emissions) per Unit of Revenue (in tons of CO_2 equivalent per million U.S. dollars)*



*The facilities included in our Scope 1 and Scope 2 calculations are located in the Philippines and U.S. (Massachusetts, New Hampshire, and Oregon).

Gross Global Scope 1 Emissions In Metric Tons

Year	CO_2e
FY18	1,828
FY19	1,625
FY20	438
FY21	420
FY22	358
FY23	412

Gross Global Scope 2 Emissions In Metric Tons

Year	CO_2e
FY18	44,993
FY19	49,583
FY20	46,983
FY21	50,359
FY22	54,847
FY23	60,809

Recent Energy Reduction Initiatives

Initiative Category	FY22 (metric tons of CO_2e savings)	FY23 (metric tons of CO_2e savings)
Waste Heat Recovery	454	516
Solar PV	N/A	89
LED Lights at AMPI Facility	24	30
Water-Cooled Chiller Installation	N/A	993
Interconnected Vacuum Systems	346	412

Allegro's Inaugural Clean Energy Growth Workshop

On the first day of spring in 2023, Allegro kicked off its inaugural Clean Energy Growth Workshop. There was a "spring" in everyone's step as a globally representative team of professionals from various disciplines—sales, business development, product development, applications marketing, engineering and technology, growth marketing, and the ESG team—gathered to better understand clean energy applications, learn from each other, collaborate on new ideas, and identify how Allegro can move the world to a safer and more sustainable future in the clean energy space.

This workshop was a milestone along our roadmap toward our ESG signature initiative to "Maximize the Positive Impacts of our Products." In pursuit of this initiative, we will work to innovate with our customers to enable the transition to a more sustainable future through our products. The transition to clean, renewable energy is here, and Allegro's products—while small in size—offer powerful potential to contribute to further empowering this transition.



Allegro's inaugural Clean Energy Growth Workshop team. Photo taken upon the conclusion of our inaugural workshop, which was held at our office in Manchester, NH.

Climate Risk and Opportunities

We also know how crucial it is to mitigate physical climate risk to our operations. We conduct environmental impact assessments and risk engineering assessments, which cover the potential effects of severe weather and climate change to our operations. Environmental Health and Safety (EHS)-related risks, including climate change risks, are identified and assessed against potential impact on (1) Human, (2) Legal, (3) Reputation, (4) Financial, (5) Business Operation and Associated Assets, (6) Environment and (7) Technology/Security.

Impacts of both natural and human-made disasters are taken into consideration during the risk assessment, including impacts on business operations due to atmospheric phenomena such as typhoons, strong winds, flooding, storm surges, and more. These are considered at both the corporate and site levels. Business interruptions, including those that are potentially caused by climate change, are assessed and evaluated, and corresponding contingencies and mitigation steps are defined in our Business Continuity Plan (BCP) and our Business Interruption Recovery Plan. For more detail on our Climate Risk, Allegro's CDP Climate Risk response is publicly available.

As for climate transition risk and opportunities, Allegro is in the process of evaluating transition risks as part of our ESG strategy. Climate opportunities from transition to low carbon economy are discussed in Our Products section of this report.

Water Stewardship

As we seek to minimize our environmental impact, pursue good corporate citizenship, and support our local communities, an important, daily practice we undertake is responsible water stewardship. Our operational processes require relatively small amounts of water. Most of Allegro's need for quality fresh water is driven by our indirect and facility operations, such as for facility cafeterias, drinking water, restrooms, and environmental control systems (e.g., cooling towers and HVAC systems) that help ensure the health and comfort of our workforce.

We enacted a Water Policy in FY20, and as part of this commitment we are working to ensure that our direct operations do not negatively impact on the human right to water and sanitation in the communities in which we operate. The policy includes the provision of a safe and healthy work environment, with water that is safe for drinking and hygiene, to our employees. It also calls upon Allegro to set targets for responsible wastewater discharge practices that comply with local regulations. Where needed, we treat our wastewater internally before releasing it into the environment. At our corporate headquarters in the U.S., all rooftop and parking lot run-off water is pre-treated before it is discharged into the local groundwater system.

In 2010, the United Nations expanded the Universal Declaration of Human Rights to include the Human Right to Water, defined as all people's right to safe, sufficient, acceptable, physically accessible, and affordable water for personal and domestic use. We confirm and respect this declaration and human right. We carefully consider our responsibilities to shareholders, employees, other stakeholders, and the global community when addressing global challenges. We understand that the threat and lack of access to clean water and sanitation in many parts of the world cause great suffering in humanitarian, social, environmental, and economic terms, and that the challenge of addressing access will only increase over time. We're committed to implementing human rights-based approaches to water stewardship in our operations and supply chain, and in our broader engagement with communities, customers, employees, and other stakeholders.



Strengthening In-House Water Recycling and Efficient Water Use at AMPI

Allegro is always looking for opportunities to innovate and to minimize our environmental impact. This includes exploring ways to maximize efficiency in our use of water.

In FY22, our AMPI location, which makes up the majority of our total water use, recycled approximately 1.0 to 1.3 million gallons of water from our wafer saw operation. Originally, freshwater was used to cool down the wafer saw spindle, which was later discarded to the drain. The water does not contain any hazardous substances, and starting in FY22, was reclaimed and redistributed for non-potable purposes, such as toilet flushing.

In FY23, the unused reclaimed water intended for toilet flushing was also piped back for spindle cooling. This not only maximized the use of our reclaimed water, but also reduced freshwater intake for spindle cooling. Our AMPI location reclaimed a total of approximately 1.7 million gallons of water in FY23.

In FY24, AMPI expects to add approximately 300,000-gallons worth of savings from its planned deionized reject water reclamation project, which can serve as a cleaner, alternative source of makeup water for the facility's cooling tower and additional toilets. Both reclamation systems will be integrated, and excess water can be further used for toilets on the ground floor. We've already completed construction of the water tanks, 10,000-liter stainless steel storage tanks, piping and the motor system.

AMPI has also successfully implemented water savings and hazardous waste reduction procedures in its plating operations. This project, named the Pre-Plating and Post Plating Chemical Bath Life Extension, aims to reduce AMPI's ecological footprint while improving process performance and resource management. After a lengthy and thorough scientific study and data analysis, the plating team determined that we can replace our pre-plating chemical bath solution every two weeks, instead of following the traditional weekly cadence. The team also determined that we can reduce replacements of our post-plating chemical baths from twice to once a week. These new cadences were accordingly implemented at our AMPI location, with no reduction in plating quality. The initiative has conserved approximately 18,000 gallons of water and avoided approximately 110,000 kilograms of organic acid waste per year since its implementation.

Our AMPI facility continues to look for ways to be good stewards of our water resources. The facility is planning to install a rainwater harvesting system for use in non-potable purposes such as toilet flushing, irrigation, and cooling towers as part of the completion of a new building onsite in FY24 and FY25. A 12,000-gallon-cistern will be installed with the intent to maximize recycling, distribution, and utilization of used water and to store and capture rainwater as additional measures in water resources management.



Moving Toward Our Goals

Allegro continues to prioritize initiatives to reduce water use and increase the purity of the runoff and wastewater we send for recycling. In FY20, we installed a system to pre-treat parking lot and roof runoff for irrigation use at our headquarters in New Hampshire. Two underground biomass chambers filter this water before it is absorbed into the ground and/or discharged to a settling pond. Historically, at our New Hampshire location, irrigation has accounted for 50% or more of our total water usage during the five-month irrigation season (May through September), so reducing irrigation has played a critical role in minimizing our water use. In FY21, our irrigation water usage rate averaged 275,000 gallons/month. We introduced the irrigation reduction initiative in FY22, and during the subsequent five-month irrigation season we averaged 149,500 gallons/month, representing an overall water use reduction of 650,000 gallons during that fiscal year's irrigation season. In FY23, during the irrigation season we averaged 75,000 gallons/month representing an overall water use reduction of over one million gallons.

Our goal is to maintain annual irrigation savings of 50% from our base year of FY21 and we are on our way to achieving and maintaining that goal in FY24.

Average Annual Irrigation Savings over Base Year FY21

50%



Since FY21 and inception of our irrigation project, over

1.75 million gallons of potable water have been saved

at our headquarters in New Hampshire.

Sustainable Supply Chain

Fostering a strong partnership with our suppliers is critical to minimizing our environmental impact and compliance with applicable laws and regulations. We hold our business and our supply chain partners to the highest ethical standards, and we expect all suppliers to adhere to our core business values and principles to ensure alignment across our supply chain. To this end, we continue to pursue business partnerships with those suppliers that are committed to acting ethically, responsibly, and in compliance with applicable laws and regulations.

In FY20, we became a fabless semiconductor company, where we perform the design and sales of semiconductor chips and outsource the fabrication to specialized manufacturers called semiconductor foundries. We work with three foundries in different geographic locations globally as part of our business continuity and risk-mitigation strategy.

Responsible Business Alliance

We are a member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate sustainability supply chains. To align with RBA principles, Allegro established an internal RBA committee to ensure our suppliers are also committed to global sustainability. As part of our supplier onboarding process, we distribute our Supplier Code of Conduct, which outlines our mutual commitment as business partners. Under the Supplier Code of Conduct, we require suppliers to pledge to operate in accordance with applicable laws, rules, and regulations of the countries in which they operate. We used standards and tools prepared by the following organizations to create our Supplier Code of Conduct:

- Universal Declaration of Human Rights (UDHR);
- International Labor Organization (ILO);
- Social Accountability International (SAI); and
- Ethical Trading Initiative (ETI).



Our Supplier Code of Conduct incorporates the principles outlined in the RBA Code of Conduct, Version 7.0. RBA member companies, including ourselves, are committed to ensuring the rights and welfare of workers and communities worldwide that are part of the global electronics supply chain. Additionally, our Supplier Code of Conduct is based on and incorporates our own Code of Business Conduct and Ethics, the Policy on Global Citizenship and our Quality Requirements. The Supplier Code of Conduct includes the following sections:

- Respecting Labor and Human Rights
- Ensuring Worker Health and Safety
- Taking Responsibility for our Environment
- Valuing Business Ethics
- Standards of Management System

The Environmental section of the Supplier Code of Conduct addresses all of the environmental standards identified in the RBA Code of Conduct including:

- Environmental permitting and reporting;
- Pollution prevention and resource reduction;
- Hazardous substance management;
- Solid waste reduction and responsible disposal;
- Monitoring and control of air emissions;
- Materials restrictions;
- Implementation of a water management program; and
- Tracking and improvement of energy usage and greenhouse gas emissions.



ISO Certifications and Audit Process

Our subcontractors and direct materials suppliers are required to be International Organization for Standardization (ISO) 14001-Environmental Management System certified and must complete and sign our "Supplier Requirements". Sign-off and adherence to the Supplier Requirement document are tracked through our quality management system. We perform audits of our suppliers using our "Supplier Quality System Survey" and have a tiered approach for our supplier audit based on the materials being provided and the criticality of the materials to our business. Both the "Supplier Requirements" and "Quality System Survey" include sections regarding Environmental and Social Responsibility and Corporate Citizenship.

Supplier Management

In FY23, we implemented a state-of-the-art Procure-to-Pay system to handle supplier management, procurement, and invoicing. This has allowed us to significantly increase efficiencies and reduce paper in the invoicing and procurement process.

Quality Policy: Total Quality = Continuous Improvement

We are committed to exceeding the expectations of our customers, and we seek to achieve this goal and support our corporate vision by integrating quality assurance into all aspects of our business.

Our continuous improvement and quality philosophy is based on the following principles:

- Develop reliable products and total solutions for our customers
- Satisfy customers with on-time delivery and defect-free products
- Continuously improve our products, processes, services, and costs
- Foster effective multi-functional relationships with our customers
- Assure market leadership by challenging our organization to continuously improve

Business Continuity Plan and Business Interruption Recovery Plan

We have developed and maintain a Business Continuity Plan (BCP) which addresses major risks to our business continuity and customer commitments as required by International Automotive Task Force 16949 (section 6.1.2.3). Our BCP was developed by a leadership-sponsored cross-functional team that identified events, risks, mitigations, and backup plans. Elements considered include:

- Utilities/Facilities
- Process Materials
- Labor
- Engineering and Process Information
- Computer/Software
- Wafer Foundries
- Subcontract Assembly

A risk-rating system was defined based on severity, occurrence, and control. The BCP is reviewed periodically and updated based on lessons learned from simulations and/or real-life events. With our BCP in place, we were able to have zero downtime through the COVID pandemic despite challenges in the semiconductor supply chain.

The Business Continuity Framework is composed of four major elements as depicted below.

Business Interruption Recovery Plan

- Assesses the Company's readiness against identified risks (e.g., human-caused and natural disasters)
- Prepares site controls to mitigate risk to AMPI operations

Emergency Command Center, Emergency Hotline

- Provides monitoring, coordination, and escalation during a disaster that requires Emergency Operations Center (EOC) activation
- Monitored by security around the clock

Business Continuity Plan

Emergency Response Teams

- Provides containment, correction, and mitigation in the event of emergency business interruption
- More than 200 trained and certified members of the Emergency Response Team providing around the clock support

Emergency Operations Center, Crisis Management Team

- Provides leadership and coordination of actions during critical emergencies

Responsible and Ethical Minerals Program

Adhering to responsible and ethical processes for obtaining minerals used in our products, and making sure our suppliers do the same, remains a top priority at Allegro.



Certain minerals, known as conflict minerals, are at risk of originating from areas where violence, armed conflict, child labor, and other human rights violations occur. Cassiterite ore (tin), coltan ore (tantalum), wolframite ore (tungsten), and gold are all considered conflict minerals by the Responsible Minerals Initiative (RMI), and these minerals are collectively known as "3TG". The RMI serves as an umbrella organization bringing together companies, resources, and tools to address responsible mineral sourcing issues in supply chains and support responsible mineral production globally.

We have expanded our definition and tracing of conflict minerals to include cobalt and mica. Since conflict minerals are mined, sorted, transported, processed, and used by companies in production, their origin is difficult to trace once they are processed into metals. **Therefore, ensuring ethical procurement processes at the onset of sourcing is critical.** We have been gathering Conflict Minerals-3TG data from our supply chain since 2011. In FY24, we submitted our first Conflict Minerals Report to the United States Securities and Exchange Commission. As part of our Ethical Minerals Program (the "Program"), Ethical Minerals Sourcing Policy, and Supplier Code of Conduct, we recognize our responsibility to help mitigate the risk of procuring conflict minerals. This policy makes clear our expectation that Allegro products will not contain conflict minerals that directly or indirectly finance or benefit armed groups or that contribute to human rights violations in countries where conflict minerals are sourced and other conflict-affected high-risk areas.

The Program provides guidance to Allegro and its suppliers on the responsible sourcing of minerals through due diligence activities, supply chain mapping, reasonable country of origin inquiries, and risk assessments on our behalf and follows the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The OECD guidance delineates the process for obtaining, maintaining, reporting, and addressing smelter information and mineral country of origin to advance regulatory compliance. We also collaborate with the RMI which enables us to improve our sourcing decisions and supports the responsible sourcing of conflict minerals at Allegro.

As we collect data, report on conflict mineral-related risks in our supply chain, and set the highest minerals sourcing standards for our Company and our suppliers, we maintain and continue to improve processes designed to reduce the possibility of our complicity in human rights violations with respect to our operations, supply chain, and products.

Hazardous Materials

Mitigating the use of hazardous materials is essential to keeping our employees safe and supporting the communities in which we operate and is key to our ESG signature initiatives around minimizing our environmental impact, advancing sustainability in our supply chain, and being a good corporate citizen.

While the landscape of worldwide hazardous materials regulations and supplier compliance awareness is ever-changing, our Product Compliance team's diligence and dedication to maintaining hazardous materials compliance supports our endeavor to protect our environment and the planet. This team monitors worldwide regulations and directives to ensure the Company's compliance and, as part of our due diligence process, obtains objective evidence that we are meeting relevant requirements. It also holds our suppliers accountable to the same standards we keep for ourselves. Objective evidence can include but is not limited to ICP (Inductively Coupled Plasma) test reports, specific regulation declarations, and templates like Conflict Minerals (CMRT) and Extended Minerals (EMRT) for conflict minerals and extended minerals for products and product packaging.

The regulations with which we comply include, but are not limited to, Restriction of Hazardous Substances (RoHS) Directive, Restriction of Chemicals (REACH), China Volatile Organic Compounds (VOC), Perfluorooctanoic Acid (PFOA)/Perfluorooctane Sulfonic Acid (PFOS), Perfluoroalkyl Carboxylic Acid (PFCA), CMRT, EMRT, and Toxic Substances Control Act (TSCA).

Our product compliance team collaborates with our package development and wafer technology development engineering teams to ensure **materials selected are compliant with these regulations and directives.** This occurs during the development stage of a new or modified product or package in accordance with our advanced quality planning business process.

Our Commitment to Compliance

Our product compliance team responds to customer inquiries about specific regulations with evidence of our compliance. As our customer base continues to grow, we expect inquiries for product compliance and data to increase in volume. We prioritize these requests and work to ensure the information needed to assess our compliance with required regulations is available to those who submit product compliance inquiries. To ensure access to this information, we foster strong partnerships with our suppliers as they seek to comply with applicable laws and regulations and minimize the overall environmental impact of our collaboration.

As new regulations and directives are introduced, we continue to evolve and improve our compliance programs to meet or exceed these standards. At present, we are replacing our internal legacy system with a new digital platform that supports enhanced compliance analysis capabilities and improved transparency around objective evidence of our compliance. This process includes a data cleanup and the implementation of a document quality management system that enables evidence traceability, improved report execution speed, and links between documents to facilitate data lookups and analysis.

All active Allegro products are compliant with the RoHS Directive, though some product options do apply an allowed EU RoHS exemption for high-lead content, such as solder bumps and resistors. Exemptions are not allowed for China's RoHS equivalent; however, the Environment Friendly Use Period (EFUP) may be applied, and Allegro abides by this standard to ensure compliance.

In addition, we comply with applicable local and global environmental regulations such as REACH (Registration, Evaluation, Authorization and Restriction of Chemicals). REACH is a European Union (EU) regulation that was adopted to help protect human health and the environment from chemical-based risks while enhancing the competitiveness of the EU chemicals industry. REACH also promotes alternative methods for substance hazard assessments to help reduce animal testing.

In principle, REACH applies to all chemical substances—from those used in industrial processes to those present in common household products (such as the chemicals present in cleaning products and electrical appliances). As such, REACH regulations impact most companies across the EU. The REACH regulation requires suppliers to declare the presence of a Substance of Very High Concern (SVHC), that is incorporated into a product at a level of > 0.1% at the article level. We also expect our suppliers to proactively eliminate SVHC, as defined by REACH, from our products and packaging wherever possible.

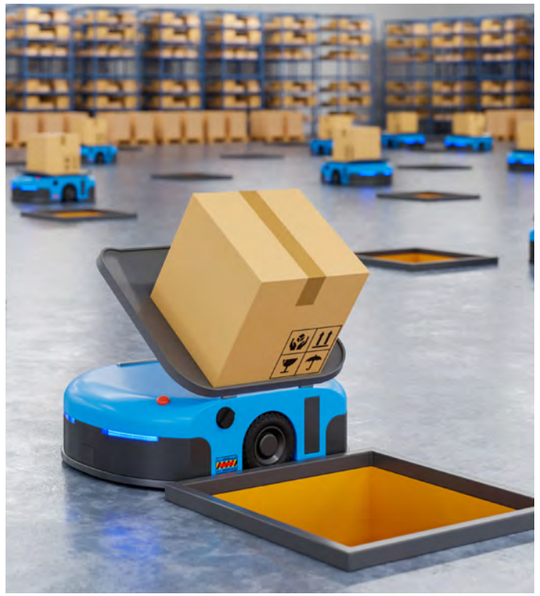
Allegro is also currently monitoring the U.S. and European regulations and receiving key compliance updates from various objective third-party experts.

Minimizing Waste

- The materials we use to package and ship our products are highly recyclable and are designed to be easily separated by consumers for different recycling purposes. This includes the carriers and tape that hold each unit, and cardboard packaging materials.
- We also conserve resources through a Company-wide recycling program for items such as paper, cardboard, ink and toner cartridges, bottles, cans, food containers, batteries, pallets, metal items, chemical containers, pump oil, thermocouples, computers, fluorescent lamps, wafers, and scrap devices.

Lead-Free Products and Packaging

Effectively managing the presence of lead in our products and the packaging used to ship them is an important part of our hazardous substance mitigation efforts. In FY22, we began to provide lead-free solder bump solutions for the products we make available for customer purchase. We are expanding our efforts in this area, and are implementing additional lead-free solder bump solutions for all our flip-chip products. Our package development team is also performing an ongoing analysis to identify viable non-leaded versions of resistors that will not impact the safety or reliability of our products and that do not require a RoHS exemption. In all other products and packaging materials, lead is either not intentionally added or is below the regulation/directive thresholds.



3 Social Impact

- Social Impact
- Employee Health and Safety
- Diversity, Equity, and Inclusion
- Community Impact
- Human Rights



Social Impact

Allegro products touch millions of lives every day. We are committed to our responsibility to be a good global corporate citizen and to support our communities by investing in their growth and advancement. This means combining our global vision for product innovation with efforts to innovate locally—from giving back to our communities to identifying ways we can strengthen our culture of inclusion. We're committed to making further strides with regard to diversity, equity, and inclusion (DEI) at Allegro and in our community impact, and look to our core values as we identify ways to continue helping our communities and improving our workplaces.

Employee Health and Safety

Allegro is committed to providing a safe, healthy, and environmentally responsible workplace for all employees by developing safe work practices, outlining operating procedures, and encouraging communication. One of our core values is to Empower with Trust. We encourage and trust our employees to make sound decisions, which leads to a strong, empowered workforce. Empower with Trust is the foundation of our employee health and safety culture, which protects people and lessens our environmental impact.

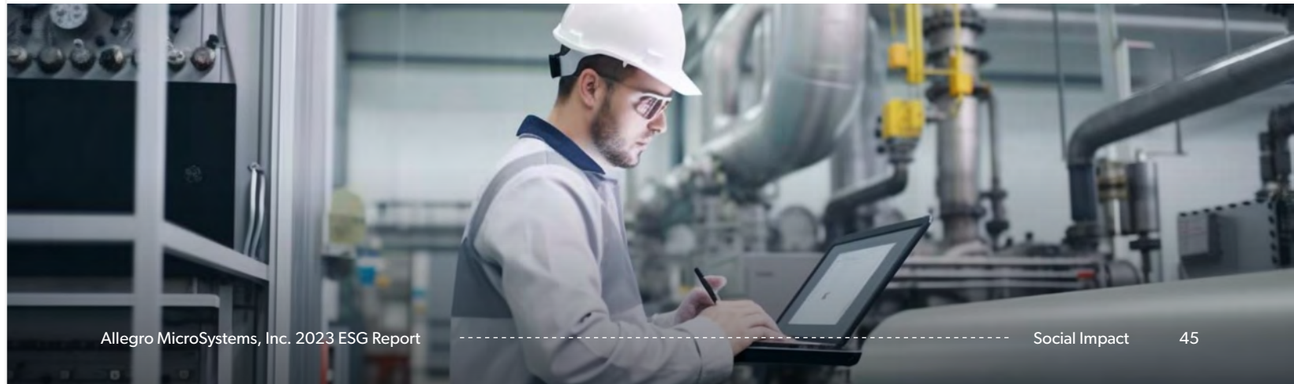
Our Environmental Health and Safety (EHS) Policy is valued at each of our sites. It outlines strict policies and training programs that are designed to promote and protect employee safety. Our EHS teams oversee workplace conditions for our employees. They are responsible for ensuring safety measures are maintained by reviewing hazardous substances and making sure chemical hygiene plans are in place. We prioritize continuous improvement for our EHS program.

Upon hire, every Allegro employee receives a safety orientation training. Employees are then required to repeat this training on an annual basis. Employees whose roles and responsibilities include the use of chemicals and operating equipment are required to receive additional trainings and EHS certifications per regulatory requirements and permit conditions. In addition, we mandate health checks and physical exams for certain positions. Employees in our most high-risk roles, including those with potential exposure to lead, are required to do an annual blood exam, and all of our manufacturing employees are required to undergo an annual physical exam.

Employee Health and Safety Metrics*

Total Recordable Incident Rate (TRIR)	Days Away, Restricted or Transferred (DART)	Lost Time Incident Rate (LTIR)	Near Miss Frequency Rate (NMFR)
0.18	0.11	0.09	0.11

*Based on CY22 data. Health & Safety data metrics are reported in calendar year based on regulatory reporting years.



We make certain that EHS concerns are identified, corrected, and communicated at both manufacturing and non-manufacturing sites. Workplace injuries that occur during operations are immediately reported and investigated, and every Allegro office and location has a safety committee that reports to the leader of our EHS team. In addition, our site in the Philippines has around the clock on-site nurse coverage, and has a doctor on site for a certain number of hours each week in the event they are needed to help address emergency situations and first-aid needs.

All Allegro EHS policies and procedures are developed in accordance with applicable federal, state, and local regulations. Our site in the Philippines is ISO 45001 and ISO 14001 certified. To learn more, visit the Quality Standards and Environmental Certifications page of our website.

Safety is at the center of our core value to Innovate with Purpose, from designing products for critical safety and energy systems in vehicles to protecting the safety of the employees who help produce them. We've created a structure and culture of safety that ensures our teams have a safe, reliable working environment, and that they have a voice in promoting their own safety.

Wellness@Allegro

Wellness@Allegro is an employee affinity group committed to encouraging, empowering, and engaging employees and their families in the pursuit of improving and maintaining their overall health and wellbeing.

Investing in the wellbeing of our employees is a key priority at Allegro. We are among the 90% of employers who report hosting wellness programs that expand beyond facilitating savings on medical costs. We have seen this improve employee camaraderie, increase fun in our workplace, and support making Allegro a great place to work.

We know our investments in employee health make it easier for our teams to lead healthy lives, and when employees are empowered to stay healthy, the business benefits too—employees are less likely to miss time from work, group medical costs decrease, and productivity increases.

For example, as part of our partnership with Anthem, we receive a yearly use-it-or-lose-it stipend of $40,000 to fund wellness activities. Over the years, our U.S. Wellness Team, which consists of 12–15 people, has used these funds for items such as the following:

- Subsidies for Fitbit purchases for employees and family members
- Subsidies for Weight Watchers memberships for employees and their spouses
- Wellness event prizes for our Walking Challenge, Poetry Contest to promote poetry as a mental health and stress management tool, and No Shave November, to raise cancer awareness, among others
- "Pop-up" events such as virtual gardening events and trivia games
- Various webinars, including on mental health, mindfulness, desk stretches, and more



February 2023 Celebrating National Wear Red Day

Diversity, Equity, and Inclusion

Investing in Our Teams

We strive to Innovate with Purpose in everything we do, including the ways in which we serve and support our teams. We recognize that Allegro's success is a direct result of the dedication, talent, and commitment of our teams. When our teams succeed, the entire Company thrives.

A culture of mutual respect, honesty, and integrity is key to our ability to best serve our talented teams. We work to enable and nurture an inclusive culture by providing a safe environment for all voices to be welcomed and heard, and where our practices and policies promote fair, equitable opportunities. We endeavor to foster a work environment that helps our employees grow both professionally and personally and that strengthens the diversity, authenticity, and innovation of our workforce.

Diversity Drives Innovation

A diverse Allegro is an Allegro at its best. We are committed to cultivating a workforce comprised of individuals with diverse backgrounds, passions, and skill sets as we work together to Innovate with Purpose. Our goal is to empower our teams to reach their full potential and spark the type of collaboration that leads to true innovation as all of us share our unique experiences with each other, dig into our areas of expertise, and draw from our individual backgrounds. We understand that a holistic commitment to diversity necessitates more than recruiting diverse talent—that it requires the cultivation of a workplace that is safe, creative, and provides equitable opportunities for every employee.







Percentage of Gender and Racial/Ethnic Group Representation at end of FY23*

	Management	Technical Staff	All Other (Non-Technical/ Non-Management)
Gender	M: 71.7% F: 28.3%	M: 80.4% F: 19.6%	M: 43.4% F: 56.6%
Racial/Ethnic Group (U.S. only)			
Two or More	0.9%	0.7%	0.5%
Black	0.4%	2.7%	2.0%
Hispanic	2.6%	3.3%	2.5%
Asian	16.7%	21.9%	20.9%
White	79.4%	71.4%	74.1%

*Data set is based on a combination of disclosed and visual survey.

DEI Initiatives at Allegro

In May 2022, we worked with The Diversity Movement, a team of third-party DEI experts, to identify areas for improvement and develop a plan to address them accordingly. The plans we established for FY24 include continued expansion of our employee resources, including DEI training, and access to a community of DEI practitioners.

We have taken several measures to strengthen our DEI initiatives at the Company, including the following:

- Launched two new ERGs in January 2023: Early Career and Women@Allegro
- Extended the U.S. Bereavement Policy to include anyone an employee regards as family or extended family
- Partnered with The Diversity Movement to host a global International Women's Day event in March 2023
- Launched social media campaigns that celebrate the achievements of historically marginalized groups; commemorate historic events; and announce Allegro's donations and Company matches to charitable causes and nonprofit organizations, such as The Trevor Project, Big Brothers/Big Sisters of America, and a global tree planting campaign hosted in honor of our technical women
- Hired a new Senior Manager of Talent Acquisition at the end of FY23 to broaden our recruitment efforts
- Monitor our diversity data regularly
- Acquired an analytics tool
- Conducted a baseline DEI survey to assist in auditing our data

Global DEI Council

Our DEI Council was established in June 2022. The 18-member Council, which represents our global workforce, helps guide our DEI efforts and expand our DEI roadmap. The Council's initial goals are to provide overall DEI education and specific annual training around unconcious bias, inclusive language, and microaggressions; to examine equitable hiring practices and interview training; and to launch additional ERGs.

The DEI Council members are championed by three executive sponsors: SVP, General Counsel and Corporate Secretary; SVP Worldwide Sales; and VP, Corporate Strategy and Marketing.

DEI Council

Initial goals	Progress as of FY23
Establish employee resource groups	• In January 2023, we launched two new ERGs: Early Career and Women@Allegro. Each has developed their mission and goals, which include outreach to those who are not part of the group to help educate them about specific challenges faced by those who share affiliated characteristics. Both are also in the process of structuring mentoring programs. • In FY23, Women@Allegro hosted a global celebration on International Women's Day. The Early Career ERG is developing a program to introduce those at early stages of their careers to Allegro's leaders in direct, engaging settings.
Provide education on DEI	• Our goal is to provide education that will help develop awareness around DEI topics among our employees. Through these initiatives, we aim to enhance our culture in support of a work environment where all people feel they can be their authentic selves. We believe that this will, in turn, increase job satisfaction, improve our innovations, promote better decision making, and increase overall profitability at the Company. In FY24, curated educational material is being systematically delivered to employees, and there are ongoing efforts in place to add to our library of educational material.
Facilitate equitable hiring practices and interview training	• We aim to promote equitable hiring practices throughout the organization; ensure that our candidate slates consider talent from diverse backgrounds, identities, and experiences; and provide education to our interviewers and individuals tasked with selecting new employees. Our plan to deliver this training to interview panels is in development and is expected to be released in FY24.



Learning and Development Opportunities

In FY22, Allegro introduced a comprehensive learning and development roadmap to help build a diverse, innovative workforce and strengthen DEI knowledge and management skills among our leadership. Since then, over 500 managers participated in 5 new programs that were offered.

LEAD@Allegro (Learn, Excel, Accelerate, Deliver): A 10-week program designed to elevate essential managerial skills for a diverse roster of Allegro's leaders. Topics include decision-making, coaching, communication, influence, conflict, accountability, leadership styles, and delegation.

Learn@Allegro: In FY22, we offered eight workshops on topics such as accountability, decision-making, communication styles, and goal setting.

Managers Learn on LinkedIn: 18 Allegro managers piloted a self-paced learning program on LinkedIn Learning™. The program covers topics similar to those offered through LEAD@Allegro. The pilot was successful and resulted in the program being opened to all employees who have been granted a LinkedIn Learning™ license by Allegro.

Spark Clear Communication: In FY23, managers at the director level and above participated in a custom-designed workshop that taught techniques for engaging the proper cascade of formal communications, overcoming barriers to effective communication, and navigating difficult conversations.

Spark Program: In FY23, Allegro launched a 5-month intensive program covering four major competencies: Critical Thinking, Problem-Solving, Decision-Making, and Precision Question and Answering.

Promoting STEM through Recruiting

Allegro is committed to promoting Science, Technology, Engineering, and Math (STEM) with students and does so by developing relationships with universities in the communities in which we work. We hired over 50 technical interns at our Philippines site through the University of the Philippines Visayas internship program. We also hired 23 young, aspiring and high potential Cadet Engineers in October 2022. This is a 9 month program where the Cadets will undergo a rigorous training and mentoring program with top technical and engineering experts, gain hands-on experience in the semiconductor industry, solve actual engineering problems, and gain insights and perspectives into how Allegro moves technology and the world toward a safer and sustainable future.



AMPI Cadets with HR Operations Manager

Community Impact

Giving at Allegro

Our teams are the heart of our organization. We are dedicated to supporting their passions, philanthropic activities, and communities, and strive to prioritize the wellbeing of Allegro employees and their families. While we think globally, we also enable our teams to act locally to make a positive impact where we live and work. This way of thinking aligns with our ESG signature initiative to support our communities by cultivating opportunities for their betterment and advancement.

As communities worldwide began to feel the impact of the COVID-19 pandemic in FY21, Allegro moved swiftly to meet the unexpected and extraordinary challenges presented. We took location-based action to ensure our teams had the support and tools they needed to navigate FY21's unprecedented circumstances. We were also able to donate vital personal protection equipment (PPE) to hospitals and first responders around the world, as well as nearly 3,000 doses of COVID-19 vaccines to local organizations in the Philippines.

Allegro is proud to offer several dedicated social impact programs that provide our teams with ways to give back to and get involved in causes they care about. These programs range from gift matching and donation opportunities to scholarships and educational grants.

Helping when Disaster Strikes

When disaster strikes, Allegro is there to help. In times of need we increase our robust matching donations to national and global relief organizations. Past examples include donations to The American Red Cross and Best Friends Animal Society in 2017 for hurricane relief efforts in Texas, Florida, and Puerto Rico; and support provided to the Red Cross in the Philippines between FY22 and FY23 to support typhoon and earthquake relief efforts.





Employee Response Team (ERT) delivering boxes of supplies to Sun Valley Elementary School in Parañaque City

Volunteering

Dollars for Doers Volunteer-Matching Program

Allegro employees volunteer their time and energy to a variety of community-focused causes. Through their volunteer work, they coach STEM and robotics teams, build gardens for community food banks, provide tutoring and life-skills mentoring, assist with adoptions at local animal shelters, and provide aid to individuals in need in the neighborhoods where they work and live.

Our Dollars for Doers U.S. Program encourages employee volunteer work by supplementing the time employees contribute to volunteering outside working hours with monetary grant donations to qualified non-profit organizations. Allegro awards up to two Dollars for Doers grants per employee, per year, based on the total number of hours volunteered. Volunteer hours totaling between 24 and 49 hours are rewarded with a $250 grant, and totals of 50 hours or more are rewarded with a $500 grant.



Corporate Social Responsibility

We encourage our teams to be mindful of the environmental impacts created by business activities and to participate in volunteer and community efforts that improve local environments. In support of these efforts, we organize Company volunteer days and community service projects.

Some of these activities include:

- Celebrating Earth Day through activities like neighborhood revitalization projects, coastal clean-ups, and tree planting that help improve local environments and increase awareness of our environmental and societal responsibilities
- Hosting annual collection drives and on-site support opportunities for local food banks, veteran assistance programs, animal shelters, and children's support programs
- Sponsoring employee and family participation in local fundraising events like the annual Step Up for Stepping Strong Challenge, the annual corporate 5K, and FIT Walk Against Hunger



Manchester, NH employee volunteers help with maintenance and upkeep of the NH Food Bank's production garden for the community

- Joining the Bantay Kalikasan Foundation to adopt and plant mangrove trees in and around our Philippines location as part of the Save the La Mesa Watershed Project.





AMPI employee volunteers in action at the International Coastal Clean Up (ICC) (on the left) and Manchester, NH employees help turn over a local garden (on the right)

Gift Matching Programs

Allegro proudly supports causes that are important to our teams by matching the financial contributions our employees make to nonprofit charitable organizations and educational institutions. Specific gift matching program requirements vary by location.

Our Gift-Matching Donations

Through gift matching, Allegro has donated more than $175,000 over the past three years (FY21-FY23).

Corporate Sponsorship and STEM Education Grants

Allegro's charitable efforts include focused support for STEM education programs, particularly in communities with underserved populations. We provide financial grants to local organizations that provide STEM education and community-based programs like Cornell Racing and FIRST Robotics. Cornell Racing is Cornell University's Formula Society of Automotive Engineers (SAE) Team. Formula Society of Automotive Engineers (SAE) challenges students to conceive, design, fabricate, and compete with small formula-style racing cars. Teams spend 8–12 months designing, building, and preparing their vehicles for a competition. These cars are judged in a series of static and dynamic events, including technical inspection, cost, presentation, engineering design, solo performance trials and high performance endurance. FIRST Robotics leverages the power of STEM to inspire student's innovative spirt and boost self-esteems through their programs that introduce engineering and coding in engaging, inclusive, and creative learning environments in schools and local communities, where students work collaboratively to solve an annual, themed robotics challenge.

AMPI provides financial support for six scholars per year. Employees who wish to pursue engineering degrees qualify for this support, as do their dependents who are enrolled in STEM programs.

Corporate Donation/WelcomeNST

In FY23, Allegro made a $2,500 corporate sponsorship donation to a neighborhood support team (NST) from WelcomeNST. WelcomeNST is a 501(c)(3) non-profit that supports communities working to assist refugees with resettlement. The organization mentors NSTs in various communities as they sponsor and welcome families from Afghanistan, Ukraine, Venezuela, Cuba, Haiti, and Nicaragua. These teams sponsor one family at a time, providing personalized support to welcome them into the community, assist them in obtaining access to medical benefits and finding employment and shelter, and more.

Giving at AMPI

Allegro participates in charitable giving in the Philippines through cash or in-kind donations (e.g., emergency kits, hand sanitizer, fire extinguishers) and through emergency preparedness education. Local organizations to which we provide support include Paranaque City schools; neighboring communities near our site; government institutions such as the Department of Health, Department of Social Welfare and Development, Barangay Sun Valley Health Center; and non-government organizations such as the Philippine National Red Cross, the GMA Kapuso Foundation, Las Piñas Paranaque Critical Habitat and Ecotourism Area, and the Kiwanis Club. We are also a significant donor to the Semiconductor Industries Association of the Philippines, Inc. Over the past three years, we have donated more than $3 million to assist local disaster preparedness efforts and support individuals who live in disaster-stricken areas, such as victims of the Mindanao earthquake and Typhoon Paeng.

AMPI Green Transformation Project Reduces CO_2e Emissions

In years prior to FY23, AMPI partnered with the national environmental bureaus in the Philippines to plant over 600 mahogany trees in the La Mesa Nature Reserve and Eco Park and approximately 300 mangrove seedlings at the Las Piñas-Parañaque Critical Habitat and Ecotourism Area, a protected wetland park, through the "Stand Tall Allegro" tree planting team-building initiative.

In May 2022, AMPI launched its Green Transformation Project. In keeping with our commitment to support a cleaner, greener world through technology and innovation, AMPI's Green Transformation Project promotes the importance of protecting and preserving nature for the generations to come. The project launch was marked by the planting of native flora at our Parañaque site, including 34 native trees, 620 shrubs, and 2,350 assorted additional plants.

Educational Assistance

Allegro is proud to extend our offering of ongoing financial assistance for education to qualified employees and their dependents by providing academic scholarships. To date, we have supported nearly 90 students in the pursuit of graduate degrees, which equates to $410,000 in scholarship awards between AMPI and the U.S.

We offer a tuition reimbursement program to employees who pursue education opportunities that enhance skillsets related to their Allegro roles. Since 2012, the dollar amount of total tuition reimbursed equals more than $1.3 million. In addition, we offer an educational debt assistance program that provides employees with a monthly contribution towards their student debt payments, up to a maximum of $2,000 per year.

On International Women in Engineering Day 2022, we teamed up with One Tree Planted to plant 300 trees around the world - one for each of our female engineers to help leave their positive mark on the planet!



Human Rights

As we advance sustainability in our supply chain, build a diverse and innovative workforce, and practice good corporate citizenship, Allegro remains dedicated to respecting human rights around the world. Generally defined, human rights are those basic freedoms believed to be inherent to all people. The Universal Declaration for Human Rights emphasizes dignity, respect, and equality without discrimination, and these serve as the guiding principles of our corporate culture. As such, we treat all Allegro stakeholders—including employees, customers, shareholders, suppliers, vendors, and the communities in which we operate—with dignity, respect, and equality, and partner with our stakeholders to help them to do the same.

We embrace the idea that companies can advance human rights by fostering equitable corporate cultures, treating employees and other stakeholders with dignity and respect, ethically managing operations and trade engagements, and by honoring and empowering the communities in which we operate.

Our commitment to improving human rights remains steadfast and our senior management team provides the oversight we need to further enhance, develop, and enforce our Human Rights Policy, and our commitment to Anti-Slavery and Anti-Human Trafficking.

Our Human Rights Policy, Code of Business Conduct and Ethics, Global Citizenship Policy, and Supplier and Vendor Codes of Conduct delineate global standards for how we do business, and our expectations for the organizations and suppliers with whom we do business. Each of these policies reflects our steadfast commitment to international human rights as defined by the Universal Declaration for Human Rights.

Ethics and Compliance in Our Supply Chain

As we procure goods and services, we treat our suppliers with respect and integrity, and we hold them to the same standards of ethical and business conduct that we expect of ourselves. We actively work with our suppliers to further a collective commitment to human rights, and we require our suppliers to adhere to our Supplier Code of Conduct.

Our Supplier Code of Conduct makes clear our requirements of suppliers with regard to ethics and integrity, labor and employment practices, human rights protections, sustainability, and diversity and inclusion. We require our suppliers to protect the rights of workers throughout our supply chain, and prohibit the use of forced labor, child labor, and human trafficking of any kind. Our Supplier Code of Conduct also contains provisions that seek to mitigate the risk of procuring conflict minerals by making it clear that Allegro expects its products will not contain conflict minerals that directly or indirectly finance or benefit armed groups.

When necessary, we investigate allegations of misconduct and take appropriate remedial action, up to and including termination of supplier contracts for noncompliant organizations.





Corporate Governance

Our Board of Directors is responsible for overseeing management of the Company's business, including important risks and opportunities facing the Company. In addition to convening for its regularly scheduled meetings, the Board meets from time to time to address matters that are of specific importance to the Company. Our Board focuses on our general risk-management strategy and the most significant risks facing us, and oversees management's implementation of risk-mitigation strategies.

Our Board committees are responsible for overseeing the management of risks associated with their areas of focus and expertise. Although each committee is responsible for evaluating certain risks and overseeing their management, the entire Board is regularly informed through discussions with committee members and regular reports from management. These reports detail existing risks and the actions taken by management to address them. To oversee risk management, there are four board committees: (i) NCGC, (ii) Audit Committee, (iii) Compensation Committee, and (iv) R&D and Strategy committee.

Each year, our Board dedicates one of their scheduled meetings to matters related to the governance and promotion of ESG topics and initiatives at Allegro. The NCGC has oversight of and is updated on ESG activities and provides input on a quarterly basis.

Board Committees

Nominating and Corporate Governance Committee
Our NCGC's responsibilities include:

- Identifying individuals qualified to become Board members, consistent with criteria approved by our Board;
- Recommending to our Board the persons to be nominated for election as directors at our annual meeting of shareholders and to be appointed to fill Board vacancies;
- Recommending to the Board the directors to appoint to serve on each Board committee;
- Developing and recommending to our Board corporate governance guidelines, and reviewing and recommending to our Board proposed changes to our corporate governance guidelines from time to time;
- Periodically reviewing the Board's leadership structure and recommending any changes to the Board;
- Periodically reviewing and discussing with the Board the Company's policies, objectives and practices with respect to ESG matters; and
- Overseeing the evaluation of our Board and its committees to determine whether the Board and its committees are functioning effectively.

Audit Committee
Our Audit Committee's responsibilities include:

- Appointing, compensating, retaining, evaluating, terminating, and overseeing our independent registered public accounting firm;
- Discussing with our independent registered public accounting firm their independence from management;
- Reviewing with our independent registered public accounting firm the scope and results of their audit;
- Approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- Overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the quarterly and annual consolidated financial statements that we file with the SEC;

- Overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- Reviewing our policies on risk assessment and risk management and overseeing management of the material risks facing the Company;
- Reviewing related person transactions and the Company's policies for reviewing and approving related person transactions;
- Establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and
- Preparing the Audit Committee Report required by the SEC rules.

Compensation Committee
Our Compensation Committee's responsibilities include:

- Reviewing and approving, or recommending for approval by the Board, the compensation of our Chief Executive Officer and our other executive officers;
- Reviewing and approving or making recommendations to our Board, regarding our incentive compensation and equity-based plans and arrangements;
- Administering our equity-based plans and arrangements;
- Reviewing and making recommendations to our Board with respect to director compensation;
- Appointing and overseeing any compensation consultants; and
- Reviewing and discussing with management the Compensation Discussion and Analysis section of our proxy statement and preparing the Compensation Committee Report required by the SEC rules.

Research and Development (R&D) and Strategy Committee
Our R&D and Strategy Committee's responsibilities include:

- Recommending the research and development budget to be included by our Board in our annual plan, and approving any changes thereto;
- Conducting regular reviews of research and development, technology roadmaps, product strategy and design pipeline, including defining strategic product development roadmap initiatives;
- Reviewing and approving our foundational research and development programs, product strategy, portfolio objectives and research and development spending plans, including allocation by portfolio;
- Reviewing regular reporting on actual versus budgeted spending;
- Approving the establishment of detailed return on investment metrics and overseeing their implementation;
- Approving the establishment of the key research and development performance indicators relating to optimization of research and development productivity, efficiency and execution, return on investment, quality and any other areas management and the Committee may identify;
- Conducting regular reviews with management of our performance relative to key research and development performance indicators and the process for their measurement;
- Overseeing the establishment and monitoring of engineering quality and efficiency enhancements;
- Reviewing and approving plans for recommendation to our Board for any long-term reorganization of our research and development site footprint;
- Assisting with the review of technology matters relating to strategic opportunities;
- Reviewing organizational matters associated with the research and development function; and
- Reporting regularly to our Board with respect to the activities of the Committee generally, as well as any issues that arise regarding the outputs of the Committee's work.

Management Team

Allegro's management team drives a culture of innovation from the top down. Collectively, its members hold 107 U.S. issued patents and possess decades of experience in the semiconductor industry. They are dedicated to helping Allegro move the world to a safer and more sustainable future as we work to solve some of the biggest technology and sustainability challenges facing the world today. Our management team's diverse professional histories, including as functional leaders at large public companies, deep experience in the semiconductor, automotive, and industrial industries, and legacies of innovation at Allegro come together to drive inclusive collaboration and innovation that will guide us into our next chapter of growth. Read more about our management team and view current members on the Leadership page of our website.

Ethics and Compliance

At Allegro, we strive to uphold the highest standards of business ethics and compliance among our leadership, employees, and suppliers. These standards also serve as the foundation for our five signature ESG initiatives. Our values and behavioral expectations are outlined in detail in our Code of Business Conduct and Ethics (the "Code" or "Code of Conduct"), which also serves as the foundation of our Supplier Code of Conduct and human rights policies and outlines our expectations for reporting potential misconduct.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics applies to all of our directors, officers, and employees. All Allegro employees are required to review and acknowledge our Code of Business Conduct and Ethics on an annual basis. Our Code is based on our Company values and details our expectations for employee conduct. Wherever our Code of Conduct outlines a standard that exceeds industry standards, commercial practice, or applicable laws, employees are required to adhere to the higher standards set forth in our Code.

All Allegro employees are required to complete annual training, which includes the acknowledgment of our Code of Conduct and our Anti-Corruption and Bribery Policy. New hires complete both trainings upon hire.

Reporting Misconduct

Our Code of Conduct requires all employees and directors to report any known or suspected violations of our Code, including violations of the laws, rules, regulations, and policies that apply to Allegro's operations. To report potential misconduct, employees are encouraged to reach out to their supervisors, the Company's General Counsel, or our Human Resources Department. Allegro's legal department has managerial responsibility for anti-bribery and corruption compliance.

Allegro has also established a 24/7 ethics alert line, managed by a third-party, by which employees can report suspected financial misconduct, ethical or other Code of Conduct concerns, or incidents involving Allegro employees, directors, or third parties who do business with or on behalf of the Company online or via telephone (at 877-821-7508 for calls in the U.S.). For calls outside the United States, the access code by country can be found at http://www.business.att.com/bt/access.jsp. Employees who choose to report suspected misconduct may remain anonymous. Our hope is that our training courses will help employees raise concerns as soon as they detect red flags or potential ethics violations so we can investigate all potential issues, as appropriate.

We treat all reports of potential misconduct with the utmost seriousness and investigate each report with sensitivity and discretion. We also prohibit retaliation against employees or directors who seek help or report suspected violations in good faith.

Cybersecurity

Our robust cybersecurity program seeks to ensure that Allegro employees understand how and why they must remain vigilant in promoting comprehensive cybersecurity throughout the Company. When it comes to cybersecurity, we know it is up to all of us to do our part to keep Allegro safe. We also have incident response procedures in place and are compliant with General Data Protection Regulation (GDPR). As we maintain these procedures and a posture of vigilance, we collectively protect Allegro employees, data, and resources and promote a culture of digital security throughout the Company. Additionally, our VP, Chief Digital and Information Officer briefs the Board on cybersecurity matters periodically and as-needed.

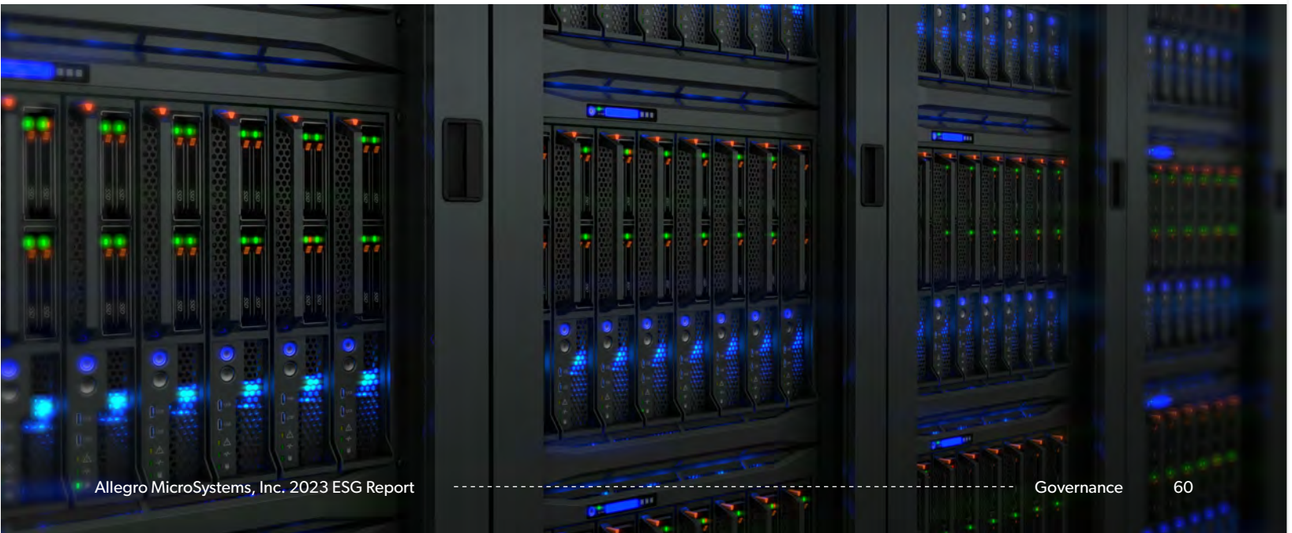
The Allegro Cybersecurity Team offers the tools and education required to accomplish our cybersecurity goals. They provide training programs to our employees, host regular awareness campaigns about Company policies and security practices, disseminate tips and how-to information, and provide employees with a centralized digital cybersecurity portal. We host quarterly cybersecurity training for every employee in the Company. We also conduct weekly phishing tests. Any employee who fails the phishing test more than two times will receive additional training.

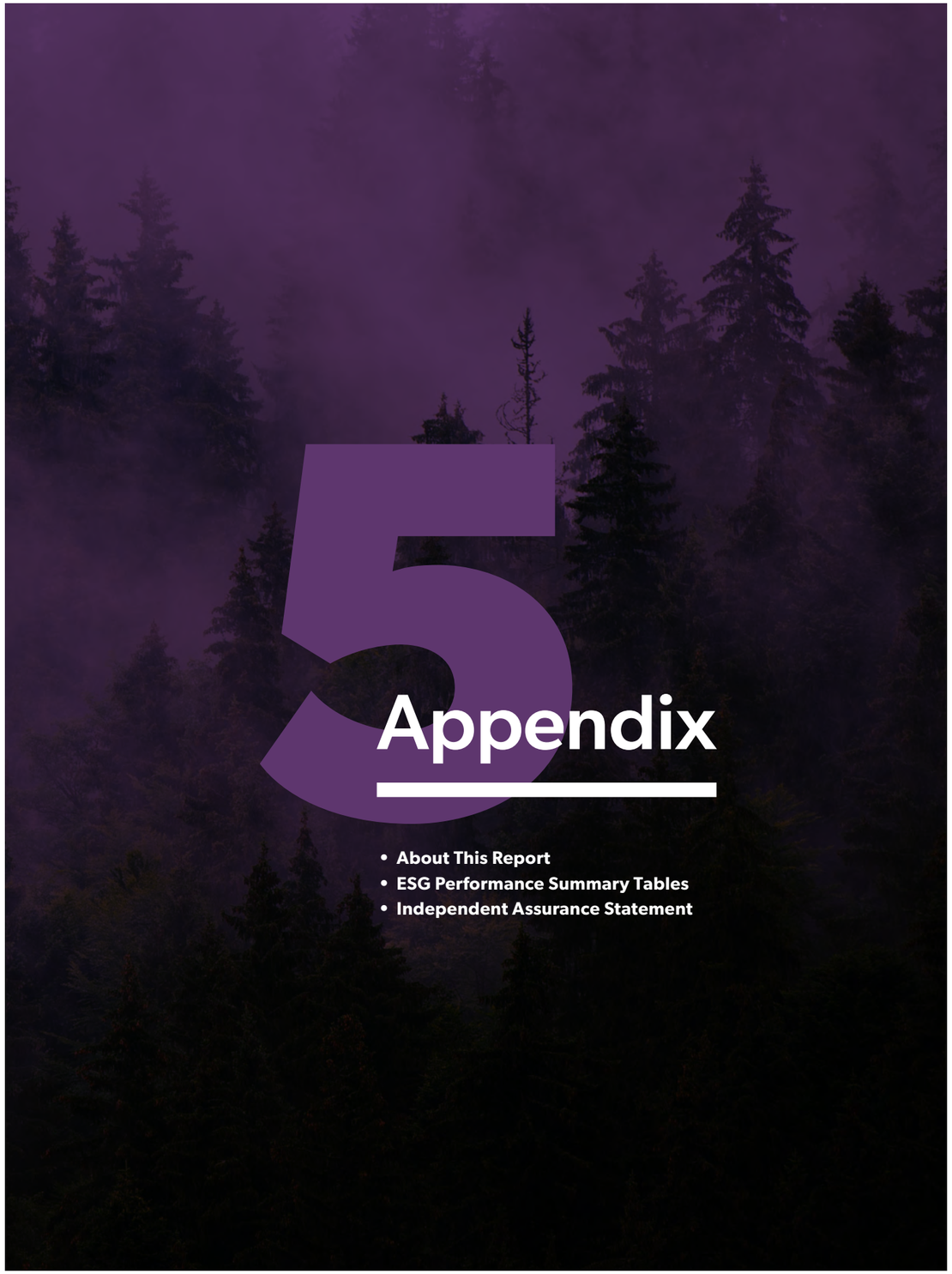
We maintain a cybersecurity Insurance Policy, and an excess policy for Technology Errors and Omissions (Tech/E&O). We also conduct a yearly audit for our cybersecurity measures and an assessment of our ransomware every two years. For FY21 through the end of FY23, we incurred no expenses due to information security breaches or settlements.

Cybersecurity Awareness Month Campaign

Cybersecurity is a matter of year-round importance. To underscore its significance and raise awareness among our employees, we have designated October as our annual "Cybersecurity Awareness Month."

Each October, cybersecurity professionals at Allegro advocate for and highlight strong security practices. The Allegro cybersecurity team updates employees about new security measures and requirements implemented at Allegro and provides general tips for maintaining security in the office and at home. Topics we have highlighted in the past include "Security Incidents Around the World," "Home Network Security Best Practices," "Email Awareness," and "Allegro Security Wins."





About This Report

Allegro MicroSystems, Inc. ("Allegro") prepared this Report to provide additional information to various stakeholders on Allegro's ESG practices. Disclosures contained herein should not be deemed to be material to Allegro or material to an investor under Rule 405 of the Securities Act of 1933 and the rules and regulations promulgated thereunder solely because they have been presented for inclusion herein unless they have also been disclosed in the Reports that Allegro publicly files with the Securities and Exchange Commission (the "SEC"). To the contrary, disclosures in this Report have been selected for inclusion in this Report for a number of reasons, including but not limited to: for the benefit of stakeholder groups, in addition to investors, who have an interest in more detailed topical information from Allegro (e.g., customers, distributors, employees, communities, industry associations, suppliers, and interested third parties); for commercial, competitive or marketing reasons; for transparency into ESG practices and data points that other companies disclose and that would otherwise be inferred to be absent should we not provide disclosure; and to provide insight into Allegro's overall ESG practices where we have available data to provide representative examples and data points to evidence our overarching principles and approach. These disclosures have been reviewed by Allegro's management and are included in this Report on the foregoing basis and not on the same basis or standards that disclosures are reviewed and approved for inclusion in Allegro's reports that are filed with or furnished to the SEC.

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in Report that do not relate to matters of historical fact should be considered forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "target," "mission," "may," "will," "would," "project," "predict," "contemplate," "potential," or the negative thereof and similar words and expressions. Forward-looking statements are based on management's current expectations, beliefs and assumptions and on information currently available to us. Such statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on May 25, 2023, as any such factors may be updated or supplemented from time to time in our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and the Investors Relations page of our website at investors.allegromicro.com. All forward-looking statements speak only as of the date of this Report and, except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

References to third-party websites in this Report are provided for reference and general information only, and the contents of such websites are not incorporated by reference into this Report.

For emission reporting, sites that are excluded are sites that do not have any production or research and development and are outside of our operational control. Due to the de minimus contribution to the GHG inventory, Allegro excluded fugitive emission from refrigerants. Emission data does not include any Scope 3 emissions. Allegro is in the process of evaluating our approach relative to Scope 3 emissions data collection.

ESG Performance Summary Tables

Allegro used the SASB semiconductor (SC) standard for all metrics with the exception of Employee Diversity and Inclusion, which came from the SASB Hardware (HW) standard

SASB Topic	Accounting Metric	Code	Disclosure
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) Amount of total emissions from per fluorinated compounds	TC-SC-110a.1	(1) Scope 1: 412 MT CO_2e (2) 0, Not Applicable
	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	TC-SC-110a.2	Please refer to our Energy, Emissions, and Climate section.
Energy Management in Manufacturing	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	TC-SC-130a.1	(1) 88,343,780 kWh (2) 95.32% (3) 4.68%
Water Management	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SC-140a.1	(1) In FY23, Allegro withdrew 166,000 m3 of water from areas with high water stress. (2) Approximately 13.9% percent of water withdrawn from regions with high-water stress is consumed.
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-SC-150a.1	548,206 kg, 1% recycled
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	TC-SC-320a.1	Please refer to our Employee Health and Safety section as well as the Hazardous Materials section.
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.2	In FY23, Allegro did not incur any monetary losses or legal actions regarding employee health and safety violations.
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) Foreign nationals and (2) Located offshore	TC-SC-330a.1	Allegro has a growing global workforce. Our workforce spans across the world. We provide opportunities for team members to work and live around the globe. In FY23 1.4% of the workforce were foreign nationals and 86% were located outside the U.S. At Allegro, protecting our employees and workers is top priority. Allegro's Human Rights Policy and our Code of Business Conduct and Ethics outlines our commitment to our employees and their rights.

SASB Topic	Accounting Metric	Code	Disclosure
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-SC-410a.1	Allegro reports our percentage of products by revenue that contain RoHS declarable substances as it is more relevant to our business operations at 8.56%. See Hazardous Materials section for additional details on RoHS.
	Processor energy efficiency at a system-level for: (1) Servers, (2) Desktops, and (3) Laptops	TC-SC-410a.2	Allegro does not track this information. Our approach to product efficiency is available in our Innovation with Purpose section of this report.
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representative for (1) Management, (2) Technical staff, and (3) All other employees	TC-HW-330a.1	(1) Management Gender: 28.3% Female, 71.7% Male Racial/Ethnic group (U.S. only): Two or more: 0.9% Black: 0.4% Hispanic: 2.6% Asian: 16.7% White: 79.4% (2) Technical Staff Gender: 19.6% Female, 80.4% Male Racial/Ethnic group (U.S. only): Two or more: 0.7% Black: 2.7% Hispanic: 3.3% Asian: 21.9% White: 71.4% (3) All Other Employees Gender: 56.6% Female, 43.4% Male Racial/Ethnic group (U.S. only): Two or more: 0.5% Black: 2.0% Hispanic: 2.5% Asian: 20.9% White: 74.1% Data set is based on a combination of disclosed and visual survey. For more information on our commitment to diversity, please refer to our Diversity, Equity, Inclusion section of this report.

SASB Topic	Accounting Metric	Code	Disclosure
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	Please refer to our Hazardous Materials section.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SC-520a.1	$0

Activity Metric	Code	Disclosure
Total production	TC-SC-000.A	Not disclosed.
Percentage of production from owned facilities	TC-SC-000.B	FY23 Form 10-K Item 2. Properties - pages 41-42

LRQA Independent Assurance Statement

Relating to Allegro's GHG Inventory for Fiscal Years 2018 and 2023

This Assurance Statement has been prepared for Allegro Microsystems, Inc. in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Allegro Microsystems, Inc. (Allegro) to provide independent assurance of its greenhouse gas (GHG) emissions inventory ("the Inventory") for the fiscal years April 1st, 2017 to March 30th, 2018 (FY 2018), and April 2nd, 2022 to March 31st, 2023 PENDING REVISED VERSION WITH UPDATED FISCAL YEAR (FY 2023) against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure based on ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Allegro's global operations and activities at operationally controlled manufacturing and research and development sites and specifically the following requirements:

- Verifying conformance with:
  - Allegro's reporting methodologies for the selected datasets; and
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data[1].
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct GHG Emissions (Scope 1) and Energy Indirect GHG Emissions (Scope 2).

Due to the de minimus contribution to the GHG Inventory, Allegro excluded fugitive emission from refrigerants.

Our assurance engagement excluded the data and information of Allegro's suppliers, contractors and any third-parties mentioned in the Inventory.

LRQA's responsibility is only to Allegro. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Allegro's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Inventory and for maintaining effective internal controls over the systems from which the Inventory is derived. Ultimately, the Inventory has been approved by, and remains the responsibility of Allegro.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Allegro has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance[2] and at the materiality of the professional judgement of the verifier.

1. *http://www.ghgprotocol.org/*
2. The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Table 1. Summary of Allegro's Key Data for FY 2018 & FY 2023:

Scope of GHG emissions	FY 2018	FY 2023	Units
Scope 1 GHG emissions	1,828	412	Tonnes CO_2e
Scope 2 GHG emissions (Location-based)	44,993	60,398	Tonnes CO_2e
Scope 2 GHG emissions (Market-based)	44,993	60,398	Tonnes CO_2e
Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015			

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant employees of the organization responsible for managing GHG emissions data and records;
- assessing Allegro's data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Inventory by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control;
- verifying historical GHG emissions data and records at an aggregated level;
- reviewing Allegro's base year recalculation policy and comparing FY23 to the base year.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity audit – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification audits is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed Dated: 25 July 2023

Kate Pagan

Kate Pagan
LRQA Lead Verifier
On behalf of LRQA, Inc.
2101 City West Blvd, Houston, TX 77042

LRQA reference: UQA00002341 / 6070538

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages. This Assurance Statement is only valid when published with the Inventory to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2023.



INNOVATION WITH PURPOSE

ALLEGRO microsystems