2024 Sustainability Report

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CEO LETTER

Sustainable Innovation for the Future of Computing

As we celebrate Super Micro Computer, Inc. (Supermicro)'s 31st anniversary, I am proud to present a summary of our progress on our Green Computing Strategy.

Supermicro has consistently led the design, manufacturing, and delivery of advanced server systems and I am pleased to continue this tradition. We leverage our technology expertise to design and manufacture accelerated computing platforms with leading edge performance while maximizing energy efficiency. As Artificial Intelligence (AI) increasingly shapes our technological future, Supermicro remains at the forefront of providing solutions that optimize total cost of ownership (TCO) for AI-focused data centers, helping organizations achieve greater productivity. Our goal is to be the worldwide infrastructure leader delivering powerful, energy-efficient AI solutions.

Supermicro is also pioneering liquid cooled solutions for AI factories and high performance computing (HPC). We anticipate that liquid cooled data centers will grow from less than 1% to 15% - 30% of installations within the next two years. This shift will significantly enhance efficiency and lower long-term electricity usage compared to air cooled data centers. Supermicro is well positioned to lead this transformation.

Key Achievements in FY 2024:

- **Increased liquid cooling production on our San Jose campus, now have capacity for 2k liquid cooled racks per month to support substantial orders.**

- **Expanded manufacturing capability in Silicon Valley and established new Malaysia factory, reducing the time needed to deliver to customers globally. 70% of our manufacturing capability is now based in the United States.**

- **Added senior leadership to communications, operations, finance, and legal to build a stronger corporate foundation.**

- **Joined the S&P 500 Index, reinforcing our leadership in green computing and AI innovation.**

Supermicro remains committed to creating the highest performing and energy efficient systems, from data centers to the edge. Our goal is to make world-class infrastructure accessible to organizations of all sizes.

I believe success in technology stems from building a company around passionate individuals. Our employees are dedicated to designing the best computing solutions and helping customers achieve their goals. We celebrate and support our employees' career development as they drive innovation for our partners, suppliers, and communities.

This is an exciting time for Supermicro. As we enter our next chapter, I look forward to shaping the future of computing together with all of you.

Charles Liang, CEO

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

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About Supermicro

Super Micro Computer, Inc. (Supermicro) is a global technology leader in Application-Optimized Total IT Cluster Scale Solutions. Supermicro is committed to delivering, installing, provisioning and managing first-to-market innovation for Enterprise, Cloud, AI, and 5G Telco/Edge IT Infrastructure. We provide servers, cooling systems, AI, storage, IoT, network systems, software, and support services. Supermicro's motherboard, power, cooling, and chassis design expertise further enables our development and production, supporting next-generation innovation from cloud to edge for our global customers. Our products are designed and manufactured in-house (in the US, Taiwan, Malaysia, and the Netherlands), leveraging global operations for scale and efficiency and optimized to improve TCO and reduce our environmental impact.

IN BUSINESS

31 Years

HEADQUARTERS

San Jose

CALIFORNIA, UNITED STATES

REVENUE IN FY2024

$14.99B

GLOBAL MARKET

1,100+ CUSTOMERS

110+ COUNTRIES

5,000+ RACKS DELIVERED PER MONTH

OPERATIONS/MANUFACTURING

70%

MANUFACTURING BASED IN THE U.S.

United States

Taiwan

Netherlands

Malaysia

COMMITMENT

Supermicro is committed to designing, delivering, installing, provisioning and managing first-to-market innovation for Enterprise, Cloud, AI, and 5G Telco/Edge IT Infrastructure.

EMPLOYEES

5,684 Full-time

2,885 RESEARCH & DEVELOPMENT

509 ADMINISTRATIVE

632 SALES & MARKETING

1,658 MANUFACTURING

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Our Products and Industries Served

Supermicro offers a broad range of cluster-scale and rack-scale solutions, consisting of accelerated computing platforms, including application-optimized server solutions, rackmount and multi-node servers, storage, network switches, subsystems, and accessories. These can be used to build complete data centers and state-of-the-art server and storage systems. These Total IT Solutions and products are designed to serve a variety of markets, such as Artificial Intelligence (AI), High-performance Computing (HPC), enterprise data centers, cloud computing, and 5G/edge telco computing.

We believe there are significant opportunities for us in each of these rapidly developing markets due to the stringent design requirements for these applications, which often require the use of the latest technologies. This allows us to leverage our capabilities in product innovation, superior time-to-market, and portfolio breadth.

Our Value

Supermicro places significant emphasis on continuously improving customer satisfaction and green computing. We believe it is possible to design and manufacture state-of-the-art IT solutions while preventing unnecessary environmental harm.

First-to-Market Innovation

We bring value by rapidly incorporating the latest technological innovations into our products. We work closely with technology partners to deliver the latest generation of cutting-edge solutions across server, storage, and networking platforms.

Total Solutions

Based on our Data Center Building Block Architecture, we offer a broad range of application-optimized server solutions serving various markets, including cloud computing, data center, enterprise, big data, HPC, AI, 5G, IoT, embedded, and edge computing.

We Keep IT Green®

As a leader in energy-efficient computing, we aim to promote the adoption and deployment of technologies by our customers that can reduce costs and impact on the environment at scale. Resource Saving Architecture continues our tradition of green computing innovation and provides TCO savings for our customers.

US-Based Engineering and Manufacturing

We are a leading server and storage vendor, designing, developing, and manufacturing our products in the United States at our headquarters in San Jose, California.

ISO Certifications

Quality Management System certified to ISO 9001:2015 and ISO 13485:2016 standards

Environmental Management System certified to ISO 14001:2015 standard

Information Security Management System certified to ISO/IEC 27001:2015 at our Taiwan and U.S. facilities for 5 years.

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Our Approach to ESG

STRATEGY

Supermicro is committed to utilizing the best practices on environmental, social, and governance (ESG) issues. As a leader in energy-efficient computing, Supermicro servers, switches, towers, workstations, and related IT solutions enable high-performance, high-efficiency data centers and distributed processing environments.

We are committed to protecting the environment through our "We Keep IT Green" initiative, and we recognize the critical importance of talent and culture to our success and ability to fulfill this vision.

SUCCESSES TO DATE

Supermicro's DLC (Direct Liquid Cooling) Rack Solution and GPU AI/ HPC Server with Liquid Cooling Solutions won **Computex Best Choice Award's Sustainable Tech Special Award**

Earned **Electronic Product Environmental Assessment Tool (EPEAT) certification** for 32 systems, earning Supermicro Bronze Status with more planned for FY2025

Received **Energy Star certification** on a number of server product lines in response to customer requests

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

Provided select employees equity compensation through restricted stock units (RSUs), **promoting employee retention and company ownership**

Volunteered and led industry consortia programs, including the **Open Compute Project Immersion Cooling Project**, and championed **The Green Grid Liquid Cooling Total Cost of Ownership** and **Liquid Cooling Coalition Liquid Risk Analysis**, collaborating with computing companies to develop the most efficient, scalable, and cost-effective computing infrastructure

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

Three Supermicro computers earned recognition on the **Green500 list** – ranking as the most efficient large-scale computers in the world based on performance per watt

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Stakeholder Engagement

Employees

Company-wide meetings, organizational communications

Customers

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

Investors

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

Regulators

Maintain compliance by providing details on ESG initiatives

Board

Quarterly meetings on ESG

OPEN COMPUTE PROJECT

We participate actively in industry organizations to promote more efficient and responsible choices in infrastructure investments. The Open Compute Project Foundation (OCP) is a collaborative, open-source community organization focused on designing hardware technology to support the growing operational demands on computer infrastructure efficiency. Within this global collaboration, thousands of computing professionals create best practices, guidelines, and standards, and provide technical expertise to each other to innovate data center scale solutions, focusing on reducing power consumption, lowering operational costs, and minimizing the environmental impact of data centers. As part of our industry outreach objectives, dozens of Supermicro employees volunteer in OCP and collaborate weekly with over 7,000 other volunteers to consider new alternatives for potential productization. Our subject matter experts are often invited to speak at OCP Summits around the world including Lisbon, Singapore, Taipei and San Jose.

◄ OCP Open Rack V3 Power Output Connector
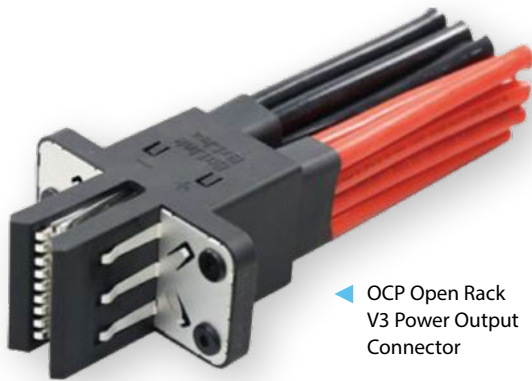
Rich Lappenbusch, from the Technology Enablement group at Supermicro, was appointed to the Advisory Board of OCP. He also chairs the Community Enablement Council in OCP Cooling Environments.

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Our Products

Supermicro is a leader in designing and delivering servers that maximize user performance while minimizing the environmental impact of operating the system over its useful life. Our product development process follows sustainability product design guidelines to prioritize efficiency alongside performance.

With the continuous increase in global computing demands, Supermicro aims to design and create products that meet our consumers' needs today and in the future. Reducing our customers' energy and water consumption reduces the industry's environmental impact and is good for business. By using less electricity for both the IT infrastructure and cooling systems in the data center, Supermicro products reduce our customers' operating expenses (OPEX) by up to 40% (based on internal simulations).

In addition, with the rapid increase in data center construction, our environmentally efficient and liquid-cooled servers, manifolds, racks, and other infrastructure solutions reduce the data center's power requirements, enabling data centers to be constructed where the local utility limits power consumption.

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

Supermicro products reduce our customers' operating expenses (OPEX) by up to 40%

(based on internal simulations).

◀ SRS-48UGPU-SKU1-L1-SMCI

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

Rear View of 3U ▶
MicroBlade System

SUPERMICRO PRODUCTS REDUCE POWER CONSUMPTION IN THE FOLLOWING WAYS:

Disaggregated Server Architecture

Reduces E-Waste by allowing for subsystem upgrades as technology improves.

Sharing Resources

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

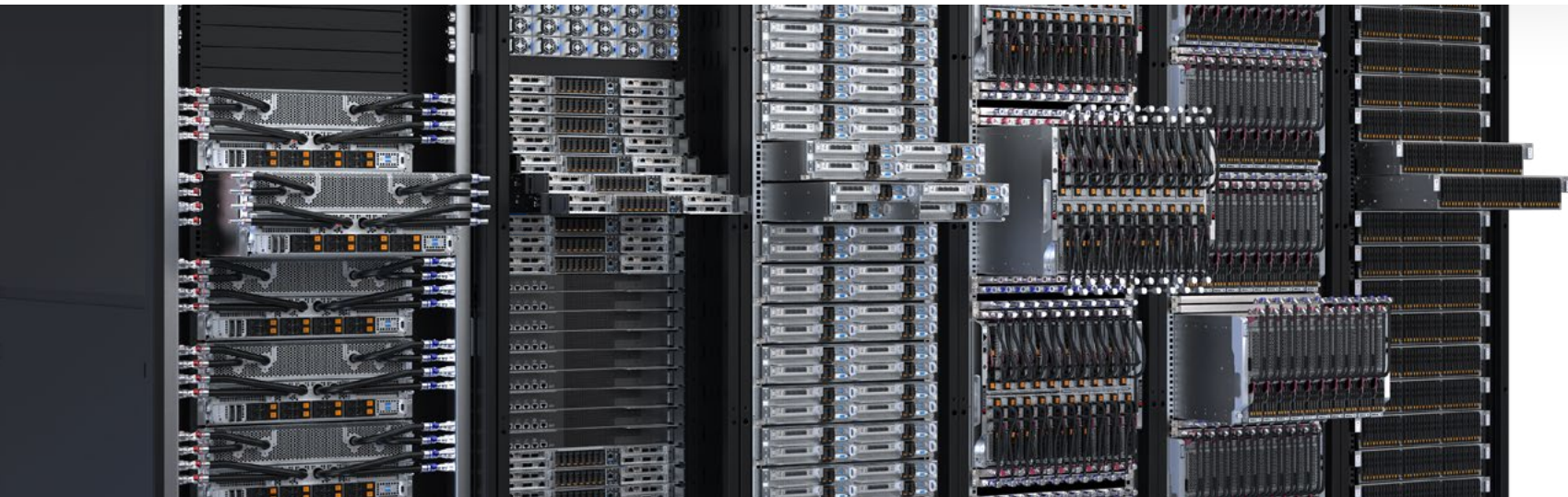### Systems Designed for Free-Air Cooling and Higher Inlet Temperatures

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

Servers Optimized for Liquid Cooling

A wide range of Supermicro servers are ready to be used with liquid cooling, which reduces fan speed, and the need for HVAC, thus reducing Power Usage Effectiveness (PUE). The server's power draw reduction has been shown to be about 10% per server.

We continue to invest in reducing our design and manufacturing costs and improving the performance, cost-effectiveness and power- and space-efficiency of our Total IT Solutions. Our research and development teams focus on developing new and enhanced products to support emerging technological and engineering innovations while achieving high overall system performance. We work closely with processor vendors, including NVIDIA, Intel, Ampere, Qualcomm, and AMD, to develop products that are compatible with the latest generation of industry-standard technologies under development. We work closely with their development teams to enhance system performance and reduce system-level issues.

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CERTIFICATIONS AND RECOGNITION

EPEAT: Supermicro has earned Electronic Product Environmental Assessment Tool (EPEAT) certification on 32 products. EPEAT certification (managed by the Global Electronics Council) is the world's premier ecolabel for electronics, providing a reputable certification measuring the social and environmental impacts of products from extraction to end-of-life.

OCP Inspired: Several Supermicro products are recognized by the Open Compute Project as OCP Inspired, recognizing products that comply with OCP specifications and demonstrate four or more of the OCP tenets: efficiency, openness, impact, scale, and efficiency.

Energy Star: Supermicro earned Energy Star Certification on 5% of products.

All Supermicro SuperServer systems must pass a high-quality control process, and are all **CE, FCC, and UL certified.**

Additional certifications may be acquired upon customer request.

Product Efficiency

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

To reduce the high cost of operating and address constraints on power and cooling in data centers, customers seek out high-performance products that are cost-effective and energy efficient. Our resource-saving architecture supports our efforts to lead in innovation, offering product lines designed to share common computing resources, saving both valuable space and power compared to general-purpose rackmount servers. We believe our approach of leveraging an overall architecture that balances data center power requirements, cooling, shared resources, and refresh cycles minimizes the Total Cost to Environment ("TCE"), reduces the total cost of ownership ("TCO") for our customers, and supports our customers as they strive to achieve their own sustainability goals.

Supermicro considers the following factors for environmental responsibility when designing our rack-scale solutions:
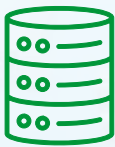
POWER CONSUMPTION

COOLING CAPACITY

HEAT DISSIPATION

AVAILABLE SPACE

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Product Spotlight

From the most powerful AI systems available, with up to ten NVIDIA Hopper (200) HGX GPUs to compact edge servers that must perform in challenging environmental conditions, we provide the broadest portfolio of solutions for today's most demanding workloads, including liquid cooling solutions that reduce data center power consumption and increase performance.

These key products demonstrate our commitment to sustainable attributes in product design.

FLEXTWIN ▶

The Supermicro FlexTwin™ with Liquid Cooling is a high-density, multi-node server solution engineered for large-scale High-Performance Computing (HPC) environments.

This system is designed for expansion, and incorporates direct-to-chip liquid cooling, effectively removing up to 90% of server-generated heat, enhancing performance and energy efficiency. Its modular design allows for optional components, ensuring cost-effectiveness by enabling users to pay only for what they need. Front-accessible, hot-swappable nodes improve serviceability, making the FlexTwin™ particularly suited for HPC data centers, financial services, manufacturing, climate and weather modeling, oil and gas exploration, and scientific research.

4U LC GPU SERVER ▶

The Supermicro AI Training SuperServer SYS-421GE-TNHR2-LCC is a 4U rackmount server designed for high-performance computing applications such as AI training, deep learning, and industrial automation.

It supports dual Intel Xeon 6 processors, dual 5th/4th Gen Intel® Xeon® Scalable processors and accommodates up to 8 NVIDIA HGX H200 GPUs, interconnected via NVIDIA® NVLink® with NVSwitch™, enhancing GPU-to-GPU communication. The server is equipped with a liquid cooling system for efficient thermal management.

SUPERBLADE® ▶

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

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

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Liquid Cooling

Supermicro designs and delivers efficient products to our customers. This includes several types of efficiency, including but not limited to: cost, space, water, power, carbon, noise, and the time required to deploy systems. By reducing power consumption with Supermicro's liquid cooling capabilities, customers can better meet their reduced carbon footprint goals and fit more computing power into a given footprint. Supermicro aims at energy reduction with a considerate selection of efficient power supplies used in our products, liquid cooling capabilities, and immersion cooling.

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

"Our new industry-leading Direct Liquid Cooling (DLC) solutions are ideal for hyper-dense AI rack deployments that can lower energy costs and have a smaller environmental impact. The new AI data center and the companies involved are a great example of the industry's commitment to green computing and the global expansion of AI." – Charles Liang

COOLING CAPACITY

WATER HAS

1000x

MORE COOLING CAPACITY THAN AIR

UP TO
40%
REDUCTION

in Electricity Costs for Entire Data Center

THERMAL CONDUCTIVITY

WATER IS

25x

BETTER AT TRANSFERRING HEAT

UP TO
55%
REDUCTION

in Data Center Server Noise

TRANSPORT ENERGY

WATER REQUIRES

10x

LESS ENERGY TO MOVE HEAT

UP TO
89%
REDUCTION

in Server Cooling Component Electricity Costs

When properly designed and deployed, liquid cooling solutions can help data centers reduce Power Usage Effectiveness (PUE) to 1.05, approaching the ideal efficiency of 1.0 PUE.

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

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Product Quality and Safety

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

Supermicro leverages ISO standards and corresponding management systems to manage risk. Our dedicated ISO team maintains certifications and ensures Supermicro upholds ISO standards. Each of our facilities has a Quality and Environmental Management System certified according to ISO 9001, ISO 14001, and/or ISO 13485 standards. Our suppliers and contract manufacturers must support the same standards to maintain consistent product and service quality and demonstrate continuous environmental performance improvement.

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

Conducting material, energy management, and safety testing

Requiring supplier conformance with applicable standards

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

Product Security

Supermicro established the 'Supermicro Security Center' as a source for product security updates and information. We strive for continuous improvement in our security practices.

The security of our customers is a top priority; hence, we have put measures in place to safeguard the operation of your Supermicro servers and storage systems. Servers and storage systems as they exist today are becoming more versatile yet more complex with the need to be secured. With threat actors, Supermicro is developing defense mechanisms to protect users and customers and thus bring our security knowledge to the highest in the industry. Supermicro recognizes that customers expect to deploy products that meet high-security standards; therefore, our response is designed for the highest level of protection.

Supermicro strictly manages cybersecurity practices throughout our entire supply chain system:

Sourcing
- Supplier Management
- Visual Inspections
- X-Ray checks of motherboards
- Supplier ISO certifications

Manufacturing
- Secure Global Production
- Made in the USA
- Resilient Manufacturing

Supply Chain Protection
- Attestation
- Delivery Services
- Traceability Tracking
- DFARS for US Federal
- Intrusion Detection

Run-Time Security
- Root of Trust
- NIST 800-193
- AMD SEV and SME
- Intel SGX
- Enforced Strong Passwords

End of Life
- Recycling
- NIST 800-88 Erase
- Forensics Assistance
- Data management retention

Supermicro recommends that all customers follow security best practices, including keeping operating systems up-to-date and running the latest firmware and software.

Environment

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

Our solutions enable customers to perform more computing per watt than ever before while reducing environmental impacts and costs. We provide our customers with energy-efficient, rack-scale, Total IT Solutions based on Data Center Building Block Solutions. Our emphasis on increasing the sustainability of product attributes enables modular replacements and upgrades to our products, extending the useful lifespan of the system as a whole. By disaggregating the computer, networking, and storage inside and outside the system, each resource can be upgraded and optimized independently while reducing acquisition costs, TCO costs, and e-waste.

Our operations are ISO 14001:2015 Environmental Management Systems certified, which commits us to enhancing environmental performance, fulfilling compliance obligations, preparing emergency action plans, and achieving environmental objectives.

Product Sustainability and Energy Efficiency

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

SERVERS

Our servers set industry standards for high efficiency, an advantage to our business, our customers, and the environment. Supermicro servers increase power efficiency and generate less heat, reducing the energy required to cool the systems and making the product more reliable with a longer lifespan. We continue to design multi-node servers that share power and cooling components, which are more efficient. In addition, we have many servers that are designed for liquid cooling, reducing server power consumption, water consumption, and the Power Usage Effectiveness (PUE) in a data center.

PRODUCT ATTRIBUTES TO IMPACT ALGORITHM

Supermicro leverages the Product Attributes to Impact Algorithm (PAIA), a tool that calculates the environmental footprint of information and communication technology products. Developed through a collaboration between the Massachusetts Institute of Technology (MIT) and Quantis, PAIA efficiently performs quantitative environmental evaluations of each product, helping our customers calculate GHG emissions, conduct life cycle assessments, and fulfill other environmental reporting needs.

MATERIALS

Supermicro follows the International Electrotechnical Commission (IEC) 62474 Material Declaration Standard to report the use of materials of concern and demonstrate compliance with various environmental regulations.

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Climate (Energy, GHG)

GHG EMISSIONS

We calculated our scope 1, 2 and applicable scope 3 categories emissions and reported our climate change data and disclosures to the CDP Climate Change Questionnaire.

	2023	2022	2021	2020
Scope 1 (mTCO$_2$e)	6,448	4,223	3,154	3,722
Scope 2 (mTCO$_2$e)	7,685	6,910	4,491	4,604
Scope 3 (mTCO$_2$e)	3,773,453	3,856,181	-	-

Due to increased manufacturing and overall operations expansion, our overall GHG emissions increased year-over-year. As we continue to grow, we will aim to identify energy efficiencies to pursue reductions in our emissions.

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

We annually report on our greenhouse gas (GHG) emissions, climate-related risks and opportunities, and strategies for mitigating our climate impact via the CDP Climate Questionnaire.

Building Efficiency

SAN JOSE

Our Green Park Campus in San Jose utilizes a 3MW Bloom Energy Server. This more efficient energy source creates energy from fuel without combustion, which results in near-zero GHG and particulate matter emissions.

For the rest of our California facilities, we purchase electricity from wind-powered facilities through the Direct Access Program.

TAIWAN

Solar panels on our facilities in Taiwan generated **827,040 kWh of electricity in 2024**.

ELECTRIC CHARGING

We have almost **30 electric vehicle charging stations available** for employees to recharge their own company-owned electric vehicles. Supermicro uses several electric vehicles as part of its company fleet.

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Waste

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

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

SUSTAINABLE PACKAGING

All packaging is made from 100% recycled materials.

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

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

MINIMIZING PACKAGING

Where possible, Supermicro will ship racks with servers already installed, which saves a significant amount of packaging material and reduces overall shipping weight.

ELECTRONIC WASTE

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

We offer customers instructions on proper server disassembly to prepare our products for electronic recycling at the end of their product life.

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

WATER

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

Our products' liquid cooling designs minimize the use of water through traditional HVAC coolers, saving tens of millions of liters of water per year globally.

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Our People

We recognize the critical importance of talent and culture in fulfilling our vision as an innovator in high-performance, high-efficiency server, storage, networking, and management solutions.

We consider our highly qualified and motivated employees to be a key factor in our business success. We encourage opportunities for growth and conduct regular performance reviews that set clear expectations to motivate employees and align their performance with company objectives.

Our Approach

Our Board of Directors has oversight over matters related to human capital management. Our Compensation Committee provides oversight of various matters related to human capital management, such as incentive compensation plans, equity compensation plans, and compensation-related policies.

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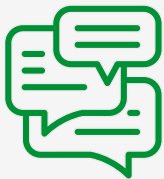
We have heard ideas from employees on hiring challenges, team needs, leadership, and career development support. By bringing HR directly to our teams, we foster open and honest dialogues to ensure our team's needs are met.

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TALENT STRATEGY AND EMPLOYEE DEVELOPMENT

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

For existing talent, we conduct goals-based performance reviews and set clear expectations to motivate employees toward Company objectives and personal growth. We provide role-based and product-related training to ensure our employees have the knowledge and skills to maintain our competitive industry advantage. Our marketing team conducts frequent training sessions to educate employees about new Supermicro products and solutions. We also provide all employees with a free LinkedIn Learning subscription to promote ongoing professional development.

Our HR team identifies opportunities by tracking and analyzing data from various sources, such as annual performance reviews, to assess our progress in ensuring critical talent is in appropriate roles and high-performing talent is recognized.

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

Employee Engagement

We believe a workplace that encourages different voices, perspectives, and backgrounds creates better teams, smarter solutions, and faster innovation.

We strive to create a culture that promotes inclusion and belonging to boost team dynamics, productivity, and innovation within the organization. Employees should expect to be treated fairly and respectfully and should feel comfortable contributing, knowing that their perspectives are heard and valued.

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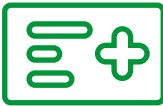
Benefits

We believe that our company's success depends upon contributions at all levels of our organization.

Our total rewards program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals, and create long-term value for our stockholders.

We provide employees with compensation packages that include base salary, bonus programs, and equity grants to eligible employees.

In addition to cash and equity compensation, we also offer US employees benefits such as:

HEALTH INSURANCE
Medical, dental, vision, life, short- and long-term disability

PAID TIME OFF
Sick days and vacation, paid holidays per local laws and customs

401(k) PLAN

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

WELLNESS INCENTIVE PROGRAM*
Reimbursement for Preventative Health Checkup/ Screening, Gift Card reward for Vaccination or Flu Shot, Stipends for gym equipment or fitness classes

DEDICATED VOLUNTEER TIME

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

*Full-time employees

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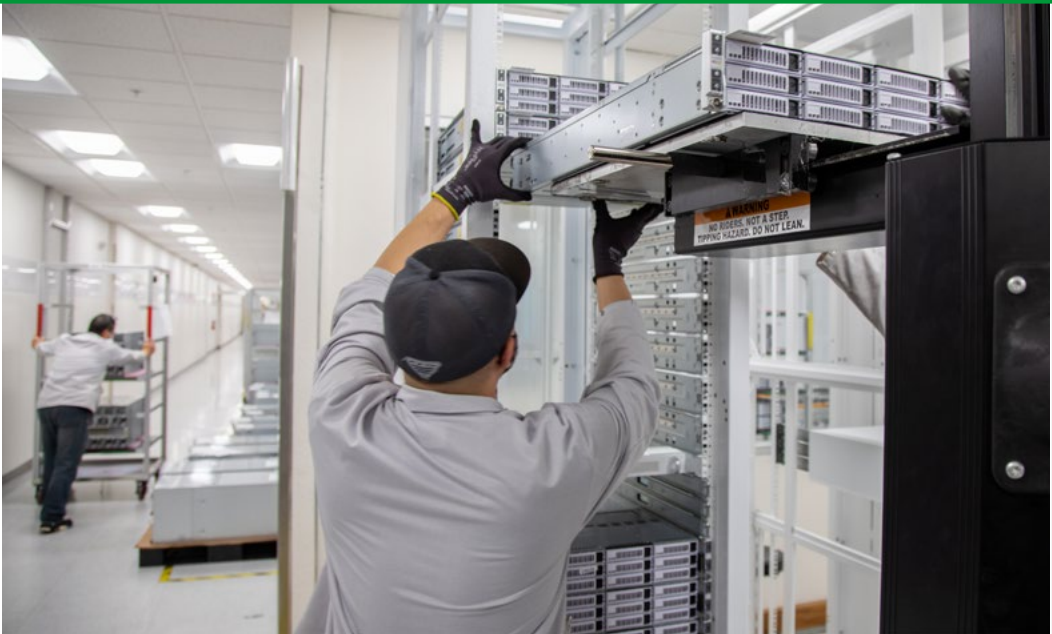
Health and Safety

Throughout our 30-year history, we have maintained our commitment to providing a safe workplace that protects against and limits personal injury and environmental harm. We follow international standards and regulations for product safety and security. Our health and safety programs emphasize personal accountability, professional conduct, and regulatory compliance, while our culture fosters a sense of proactivity, caution, and communication.

In the development of our products, we define and perform various tests to ensure Product Safety and Security. We evaluate risks using both government-required procedures and best practices to ensure we understand residual risk and appropriately protect our employees, contractors, and temporary labor. We engage in proactive efforts to prevent occupational illnesses and injuries, allowing us to maintain a safe, healthy, and secure workplace.

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

- **Prevention of excessive working hours and unfair wages**

- **Controls to prohibit child labor and human trafficking**

- **Bolstering workplace health and safety measures**

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

In 2024, we conducted various job hazard assessments to better identify potential job site risks. We conducted training courses on physical safety, including best practices on topics such as proper lifting techniques and appropriate use of personal protective equipment. We presented new training on preventing workplace violence. We also implemented an emergency drill response system to quickly confirm that employees are accounted for in the event of an emergency.

We conduct external safety surveillance audits at 13 of our operating sites.

HEALTH AND SAFETY DATA

.28 **Total Recordable Incident Rate (TRIR)**

0 **Employee Fatalities**

0 **Near Miss Frequency Rate**

8 **Nonfatal Occupational Injuries and Illnesses**

.04 **Incident Rate and Days Away from Work, Job Transfer or Restriction**

Implementation and Risk Management

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

LABOR RIGHTS

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

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

⚠️ **Hazards and unsafe work practices**

💬 **Where to report concerns**

🥽 **Wearing required personal protective equipment**

🚨 **Emergency response**

Employees are informed of anonymous reporting of EHS concerns and our whistleblower protections. We conduct regular internal and external audits of our operations to ensure compliance with our business principles, policies, and standards. In the past year, department leaders across our organization conducted emergency drills for all buildings.

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

Community Engagement

STUDENT CAREER SHADOWING OPPORTUNITY

Supermicro invited high school students to visit the campus, meet with various Supermicro teams, and learn about career opportunities in computer engineering.

AMERICAN RED CROSS

At our San Jose, CA headquarters, we hosted blood drives with the American Red Cross. By offering this volunteer opportunity to our employees, we encouraged them to participate in the important cause of offering life-saving donations.

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Supply Chain Management

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

At Supermicro, our goal is to deliver innovative products while upholding our commitment to sound purchasing practices. Establishing a network of trusted suppliers is key to optimizing our product offerings.

A few highlights from our Supplier Code of Conduct include:

- **Anti-Kickback**
- **Anti-Corruption and Anti-Bribery**
- **Related Party Disclosures**
- **Anti-Slavery and Human Trafficking**
- **Forced Labor Prevention**
- **Insider Trading**
- **Cybersecurity***

Before engaging with suppliers, all potential suppliers must complete a Supplier Assessment Form, which requests information to evaluate potential risks and opportunities associated with the vendor. We require that all critical suppliers maintain ISO 9000 certification. We also ask that suppliers disclose their certification to various ISO standards, maintain a Quality Management System Manual, specify the type of measuring and testing equipment used, and report on the presence of conflict minerals.

We work to ensure that suppliers' policies and procedures align with the values and principles outlined in our Code of Business Conduct and Ethics. Supermicro is committed to following these principles and requires its suppliers to explicitly acknowledge and adhere to the terms.

RESPONSIBLE BUSINESS

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

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

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

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

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Human Rights

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

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

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

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

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

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

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

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Supply Chain Labor Standards

Our suppliers must certify that they do not and will not engage in child labor, slavery, forced labor, human trafficking, or similar activities in violation of the laws, regulations, codes of conduct (whether legal or as set by industry), or prohibited human trafficking laws.
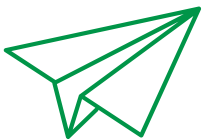
All parties may provide feedback, ask questions related to our supply chain, or anonymously report suspected violations of the Supplier Code of Conduct to the Supermicro Ethics Hotline.

☑ **Our suppliers certify that all materials in their products and all suppliers within their supply chain shall not violate any prohibited human trafficking laws.**

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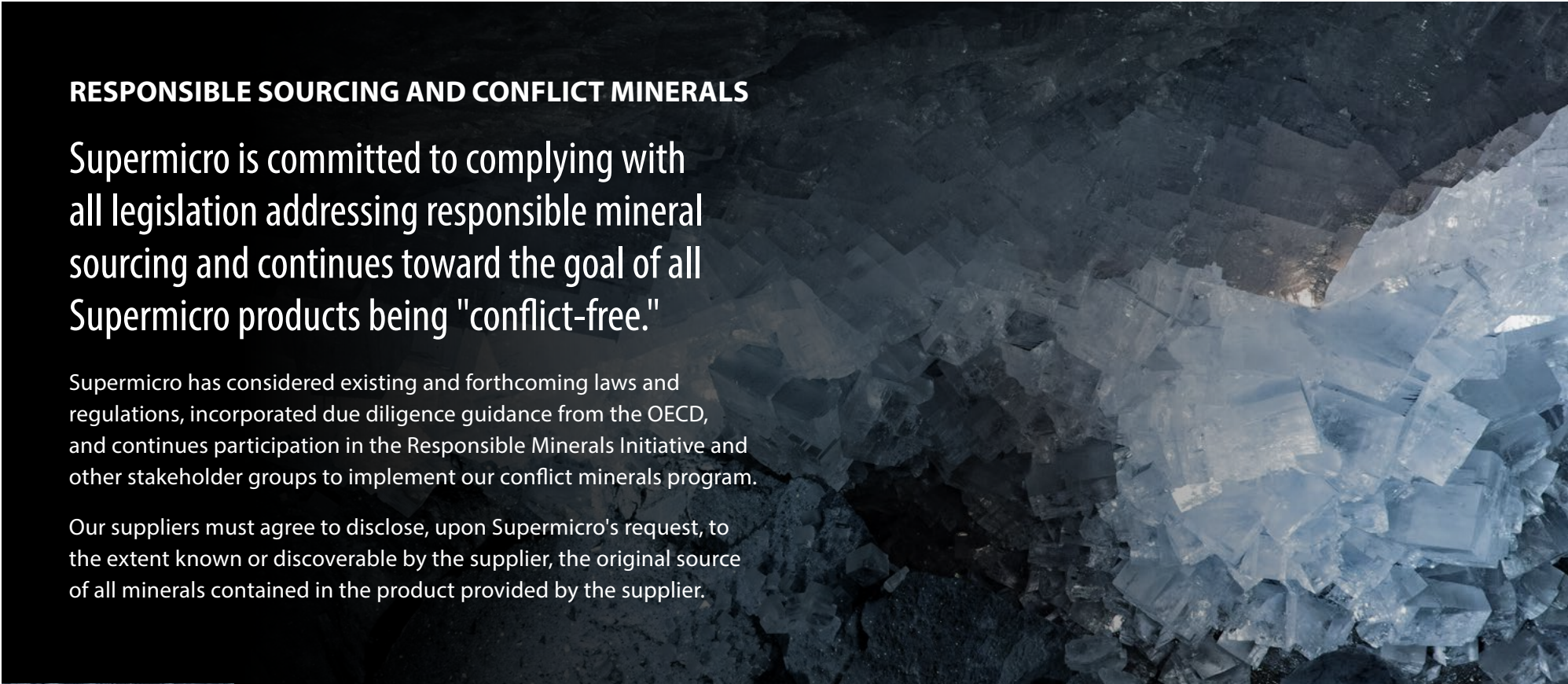
☑ **By asking suppliers to follow the RBA Code of Conduct, Supermicro helps ensure suitable EHS standards are embedded in our products.**

RESPONSIBLE SOURCING AND CONFLICT MINERALS

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

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

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

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Governance

At Supermicro, we abide by an unwavering commitment to conducting business ethically and fairly. Our commitment to integrity is as strong as our passion for innovation and excellence in everything we do.

LIST OF POLICIES

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

Policies

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

- Export Controls Policy Statement
- Gifts and Entertainment Policy
- Human Rights Statement
- Insider Trading Policy

- Responsible Business Alliance Code of Conduct
- Related Party Transactions Policy
- Responsible Mineral Sourcing Statement
- Supplier Code of Conduct

Reporting and Disclosure

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

- Whistleblower Reporting
- Data Subject Inquiring

We regularly update our corporate governance charters to reflect changes in the responsibilities and expectations of our Board committee members.

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ESG Oversight

The Nominating and Corporate Governance Committee oversees and conducts quarterly meetings on ESG matters.

As part of its ESG responsibilities, this committee

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

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

Our Compliance Department provides oversight of policy updates, public Company filings, and the development of our ESG agenda.

ENTERPRISE RISK MANAGEMENT

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

GOVERNANCE HIGHLIGHTS

67% INDEPENDENT

33% WOMEN
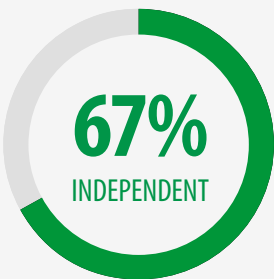
The Board of Directors is **67% independent***
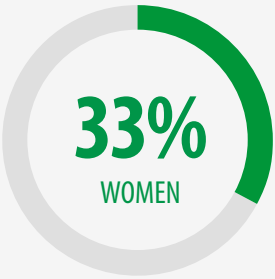
Women represent **33% of the Board of Directors***

Say-on-pay proposal submitted annually

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

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

*Data includes directors appointed to the Board of Directors on August 15, 2024

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Business Ethics and Integrity

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

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

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

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

- Compliance with applicable governmental laws, rules, and regulations

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

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

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

- Protection for persons reporting any such questionable behavior

If any ethical risks or incidents of non-compliance with our Code of Conduct are identified, we determine the controls in place to remediate them. Supermicro conducts web-based and face-to-face employee training to reinforce the importance of acting with integrity, in compliance with our Code, and in accordance with the law.

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

INSIDER TRADING

Supermicro adheres to our Insider Trading policy, which prohibits employees from trading securities while in possession of material non-public information.

GIFTS AND ENTERTAINMENT

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

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Anti-Slavery and Human Trafficking

We understand that our biggest exposure to modern slavery is in our product supply chains, where we have taken steps for years to minimize the risk of modern slavery.

To maintain our high level of ethics, existing and new suppliers, and their sites, may be subject to due diligence checks through ethical/compliance audits. If issues are identified, appropriate investigative and remedial actions will be taken.

WHISTLEBLOWER

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

✉ **Mailing Audit Committee Chair**

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

☎ **Via telephone hotline available in multiple local languages**

Parties located in other countries can find hotline numbers for their countries on the EthicsPoint® website listed above. Depending on the country, operators who speak English, Spanish, Dutch, Cantonese, and Mandarin are available to assist.

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

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

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

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

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Cybersecurity

We have in place certain infrastructure, systems, policies, and procedures that are designed to proactively and reactively address risks from cybersecurity threats.

Our information security management program seeks to follow processes set forth in recognized industry standards, and we evaluate and evolve our security measures as appropriate. We maintain a cybersecurity incident response plan that we periodically practice and update as needed.

The identification, assessment and management of cybersecurity risk is integrated into our overall enterprise risk management program that is ultimately overseen by the Board. The Audit Committee also reviews the adequacy and effectiveness of our information security policies and practices and the internal controls regarding information security risks. The Audit Committee receives updates on cybersecurity risk from management, including those from our Director of Information Security. The Board also receives periodic reports on cybersecurity risks from our Director of Information Security.

Cybersecurity risk is primarily managed by our Directors of Information Security and Information Technology. These individuals have decades of experience in managing cybersecurity risk for public companies. Additionally, we have established a cross-functional Cybersecurity Committee, consisting of executive-level leadership, including representatives from the Finance, Marketing, IT, Legal, Internal Audit, and other teams, that meets periodically to review cybersecurity risks, incidents, and assess emerging threats. The Committee is also informed of our responses to such risks, incidents and threats.

Our Data Incident Response Plan also contains mechanisms to notify executive management of cybersecurity incidents. As part of the plan, a Computer Security Incident Response Team and an Extended Management Team may be activated and can direct our response efforts, including mitigation and remediation activities, when appropriate.

We employ proactive protective measures, including:

- Firewalls

- Integrated anti-virus and endpoint detection and response technologies

- Annual penetration tests

- Mandatory annual training of employees and contractors concerning cybersecurity

- VPN Access when outside of Supermicro campus

- Vulnerability management

- Periodic phishing training, email recognition testing, and tailgatin/piggybacking prevention

- Separate Wireless networks for employees and guests

We consult with external parties, such as third-party cybersecurity firms, to provide system monitoring, threat intelligence, employee cybersecurity training, and more. We also utilize third-party services to support our risk management processes through security assessments.

We have a vendor risk assessment process in place to identify and oversee risks associated with cybersecurity threats stemming from our use of third-party service providers. These processes consist of distributing and reviewing questionnaires designed to identify cybersecurity risks related to the engagement of third parties. We also periodically audit the cybersecurity practices of certain third-party service providers.

While there have been cyber incidents in the past, none of these incidents, individually or in aggregate, has had a material adverse effect on our business strategy, operations, or financial conditions. Refer to "Risk factors" in Item 1A of our most recent Form 10-K for additional information about cybersecurity-related risks.

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Supermicro has been ISO 27001 certified for five years and complies with NIST 800-171. As part of our ISO certification, we conduct annual internal cyber audits. Globally, we conduct external audits of policies and procedures, and we complete supplier audits to ensure compliance with cybersecurity standards. If any incidents of non-conformance are identified, we implement corrective actions to make sure issues are resolved promptly. As we continually strive for improvement, we engage outside counsel specializing in cybersecurity to ensure that our comprehensive cybersecurity measures are robustly in place.

Data Privacy

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

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

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

Supermicro products and services may store, process, and use data, some of which contains personal information, subject to laws and regulations regarding privacy, data protection, and other matters. For more information on product security, please see the Product Security section of this report.

AI GOVERNANCE

We are committed to ensuring that we both use and protect data in a manner consistent with all applicable laws and regulations in the countries where we do business. We maintain internal policies and procedures that provide guidance on the use of AI and other asset management and data protection standards, ensuring that confidential and restricted data is not shared outside the company. Our Legal and Information Security teams manage our data protection practices.

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About this Report

Unless otherwise stated, this report covers activities, data, and initiatives from our fiscal year 2024 (ending June 30, 2024).

Additional information about Supermicro can be found on our website, as well as in our public financial filings, including our FY 2024 Annual Report (which includes important cautionary risks regarding forward-looking statements made in this report) and FY 2024 Proxy Statement.

CONTACT US

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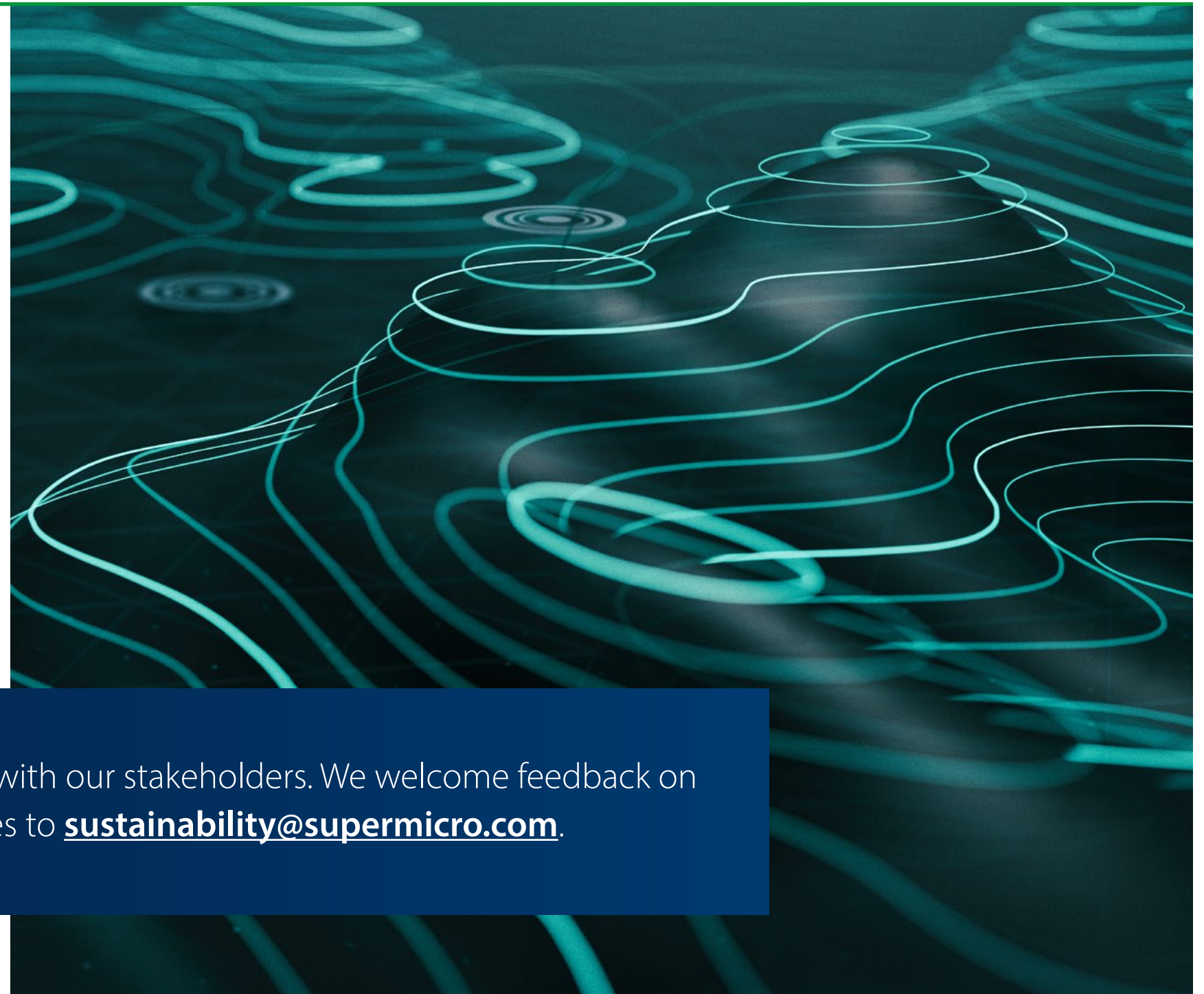
Supermicro SASB Disclosures

Hardware Sustainability Accounting Standard for the Technology & Communications sector

Topic	Metric	Category/ Unit of Measure	Code	SMCI Response
Product Security	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	TC-HW-230a.1	Product Security, page 13 Additional details on data security risks are provided in our most recent Form 10-K section 1C on Cybersecurity
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative, %	TC-HW-330a.1	Information not disclosed
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative, %	TC-HW-410a.1	Many Supermicro products (95%) contain certain IEC 62474 declarable substances due to their prevalence in electronic devices.
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative, %	TC-HW-410a.2	Certifications and Recognition, page 10 32 Supermicro products currently have EPEAT certification.
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative, %	TC-HW-410a.3	Certifications and Recognition, page 10 13% of our products are EnergyStar certified.
	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative, Metric tons (t), %	TC-HW-410a.4	Electronic Waste, page 16
Supply Chain Management	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative, %	TC-HW-430a.1	Responsible Business, page 22
	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances	Rate	TC-HW-430a.2	Responsible Business, page 22
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	TC-HW-440a.1	Responsible Sourcing and Conflict Minerals, page 24 Supermicro does not currently report on other critical materials.
Business Metrics	Number of units produced by product category	Number	TC-HW-000.A	Details and relevant business metrics are provided in our most recent Form 10-K
Materials Sourcing	Area of manufacturing facilities	Square meters	TC-HW-000.B	Information not disclosed
Business Metrics	Percentage of production from owned facilities	Percentage	TC-HW-000.C	Details and relevant business metrics are provided in our most recent Form 10-K