

2023 Environmental, Social & Governance Report



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A Note from our CEO

When Credo Technology Group Holding Ltd (“Credo”) went public in 2022, it represented a culmination of one part of our company’s story. But it also marked the beginning of a new chapter, one which cements our leadership position in the semiconductor industry and allows us to publicly state our intent to be a good corporate citizen. We feel strongly that companies like Credo need to be on the right side of history by making a conscious effort to identify ways by which we can positively impact the world we live in.

This inaugural Environmental, Social and Governance (ESG) report offers us a valuable opportunity to illustrate how ESG considerations are intricately woven into every facet of our operations, allows us to set new objectives, and commemorates the strides we have taken as we grow into our role as a leader of high-performance, low-power connectivity solutions.

Going public was the result of years of hard work, dedication, and passion – it was also a recognition of the inherent strengths of our technology offerings. Our technology leadership is based on our strong SerDes IP portfolio, our extensive portfolio of connectivity solutions and a culture of continuous innovation. We have a proven track record of pioneering new technologies, such as our early demonstration of 112G SerDes for optical and electrical links and being the first company to deliver 40G PAM3 SerDes. For our customers around the world, this means leading-edge performance and energy efficiency at very competitive price points. Furthermore, our extensive knowledge of the



Bill Brennan, President & CEO, Credo

connectivity market enables us to continue identifying potential bottlenecks our customers may face and designing solutions to mitigate them.

We are applying the same focus and approach to our ESG ambitions. In short, we also want to be leaders in ESG. This entails further enhancing our strengths, such as our abilities to attract and nurture top talent within our sector and help our customers achieve greater energy efficiency, but also pushing the boundaries of our capabilities. In 2024 we aim to push ourselves in several ways, by measuring our emissions and engaging with our suppliers to create an effective carbon offset strategy.

This report demonstrates that we are not starting from scratch regarding ESG. In fact, across our organization our brilliant and passionate teams have been driving positive change for years. With our renewed focus, we have initiated new programs over the last 12 months.

A NOTE FROM OUR CEO

I am particularly proud of our efforts when it comes to:

- Our consistent delivery of low-power SerDes solutions to our customer base, affecting the overall energy efficiency of data centers and other network infrastructure installations around the world.
- Our commitment to supporting quality education opportunities through intern programs, such as our ongoing relationship with the with Year Up in an attempt to close the opportunity divide for underserved communities.
- Working with employees and customers to find solutions for effective recycling to ensure sustainable production and consumption.

These achievements not only positively impact our operations, employees, and customers today, but they pave the way for continued progress in our ESG performance too.

Our greatest strength as a company lies in our people's depth of expertise, passion, and drive. For Credo,

it's not a case of having to enforce ESG standards to meet corporate requirements. At every level of our company, our people already share a common purpose and belief that we can have a real and significant positive impact – and our leaders are committed to enabling every individual to continue to make that happen. I want to thank everyone at Credo and our other stakeholders for their hard work and support, especially our Chairman Lip-Bu Tan and Sylvia Acevedo, Chair of our Nominating and Corporate Governance Committee. Their stewardship has been invaluable in guiding the team through the first steps of our ESG journey. This report will be the first of many, and I look forward to updating you on our progress again next year.



Bill Brennan
President & CEO, Credo



“Incorporating ESG into decision making and strategy is becoming a requirement for long term growth. Credo has always embraced innovation by offering customers the most energy efficient products and I’m proud that the team is formalizing their sustainability efforts with this inaugural ESG report.”

– LIP-BU TAN, CHAIRMAN,
CREDO BOARD OF DIRECTORS

ABOUT CREDO

Corporate Overview

Credo was founded in 2008 by a team of analog, digital, and mixed-signal experts. Today we are proud to be a leading fabless semiconductor company which started trading publicly on Nasdaq (CRDO) in 2022.

Our focus today remains the same as when we first started. We're enabling some of the most innovative and demanding applications, such as accelerated computing and generative AI.



CORPORATE OVERVIEW

Our technology delivers fast digital connections with high signal integrity, and with a strong emphasis on energy efficiency.

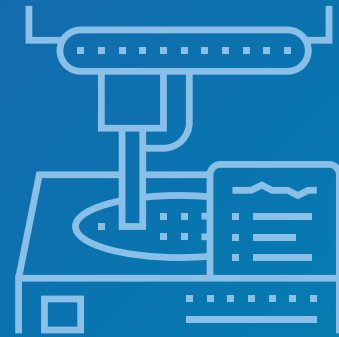
Our SerDes IP portfolio is the foundation for our high-performance, power-efficient, and cost-effective connectivity solutions. Our success is built on helping our customers overcome the bandwidth, power, cost, security, reliability, and signal integrity challenges inherent to the network infrastructure market.

One difference between Credo and many of our competitors is that in addition to offering our SerDes based silicon products, we offer an innovative and comprehensive solution with our Active Electrical Cables (AECs). By closely managing our supplier relationships we can deliver cutting edge products with industry leading energy efficiency.

We have a global team that caters to a global group of clients. Backed by a dedicated team of highly skilled professionals and an experienced, technical management team, we work with hyperscalers, network equipment manufacturers telecom and service providers.

Credo's mission is clear – we aim to break bandwidth barriers in the data infrastructure market. Trends such as cloud workloads, AI, machine learning and 5G are creating huge swells in the amount of data being created, captured, copied, and consumed.

Our innovative and groundbreaking solutions are not only allowing our customers to adapt to this new environment but win in it too.



Our Fabless Business Model

By utilizing a fabless business model, we can focus our engineering, research, and design efforts on developing our solutions while our network of expert third parties handles the manufacturing, assembly, and initial testing.

Our third-party manufacturing contractors are subject to strict qualification requirements to ensure they meet our high quality and reliability standards, and we regularly review their performance. Our engineers also work closely with our customers to support them, increase yields, reduce costs, and improve quality.

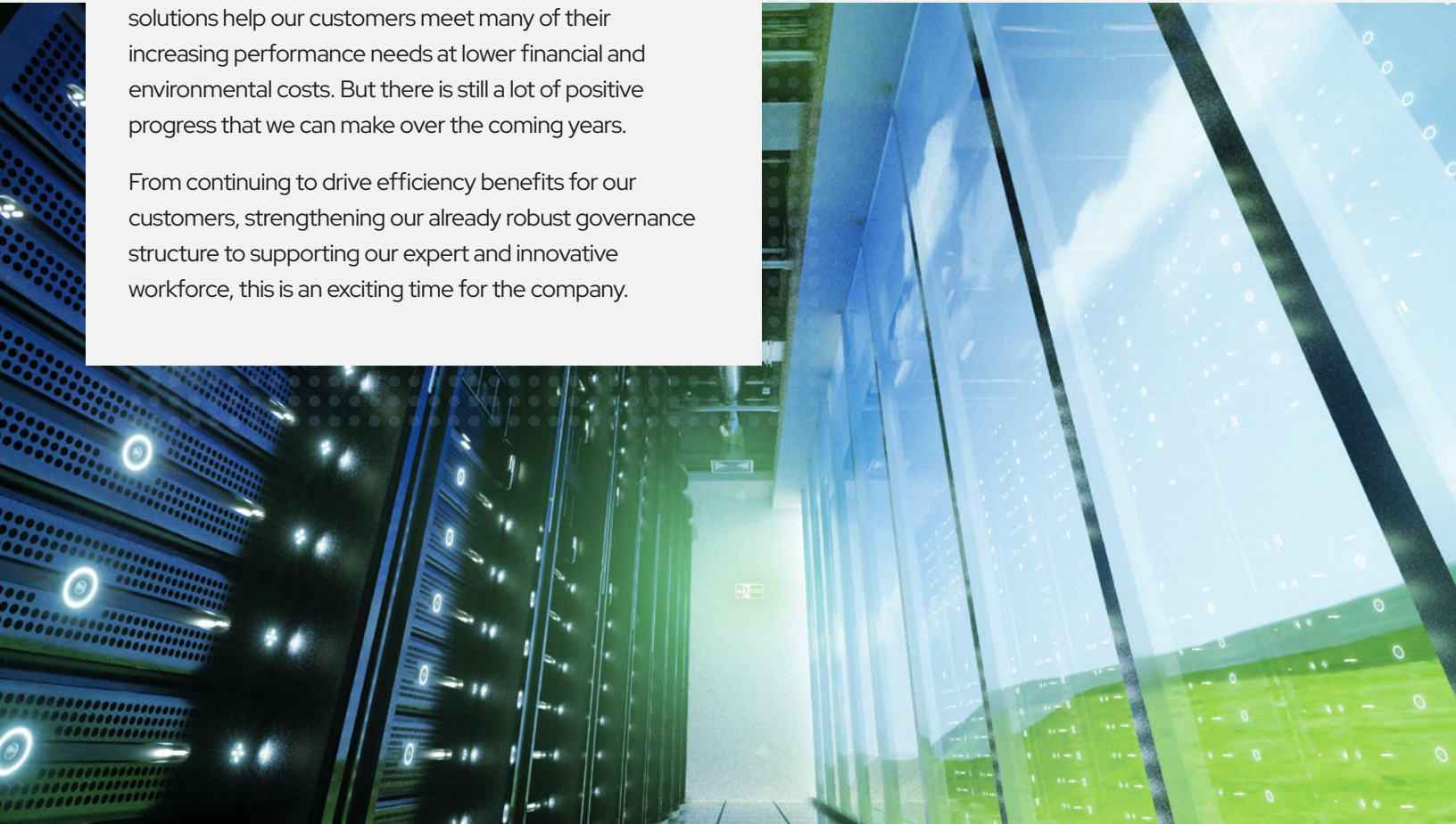
Our Approach to ESG

ESG isn't just about ticking boxes for us. It's about being on the right side of history, delivering value for our customers and nurturing our culture of continual innovation. It's also about assessing our current position in terms of ESG standards and identifying what actions we need to take to meet our long-term goals.

Although this is our first formal ESG report, ESG has been woven into the fabric of Credo since its founding. Driven by the passion of our people at every level of our business, we have a lot of exciting progress to celebrate. As we grow as a company, we are looking to push even further to deliver on our ESG ambitions over the coming years.

We are starting from a strong position – the industry-leading energy and cost efficiency of our high-speed solutions help our customers meet many of their increasing performance needs at lower financial and environmental costs. But there is still a lot of positive progress that we can make over the coming years.

From continuing to drive efficiency benefits for our customers, strengthening our already robust governance structure to supporting our expert and innovative workforce, this is an exciting time for the company.



OUR APPROACH TO ESG

Materiality Assessment

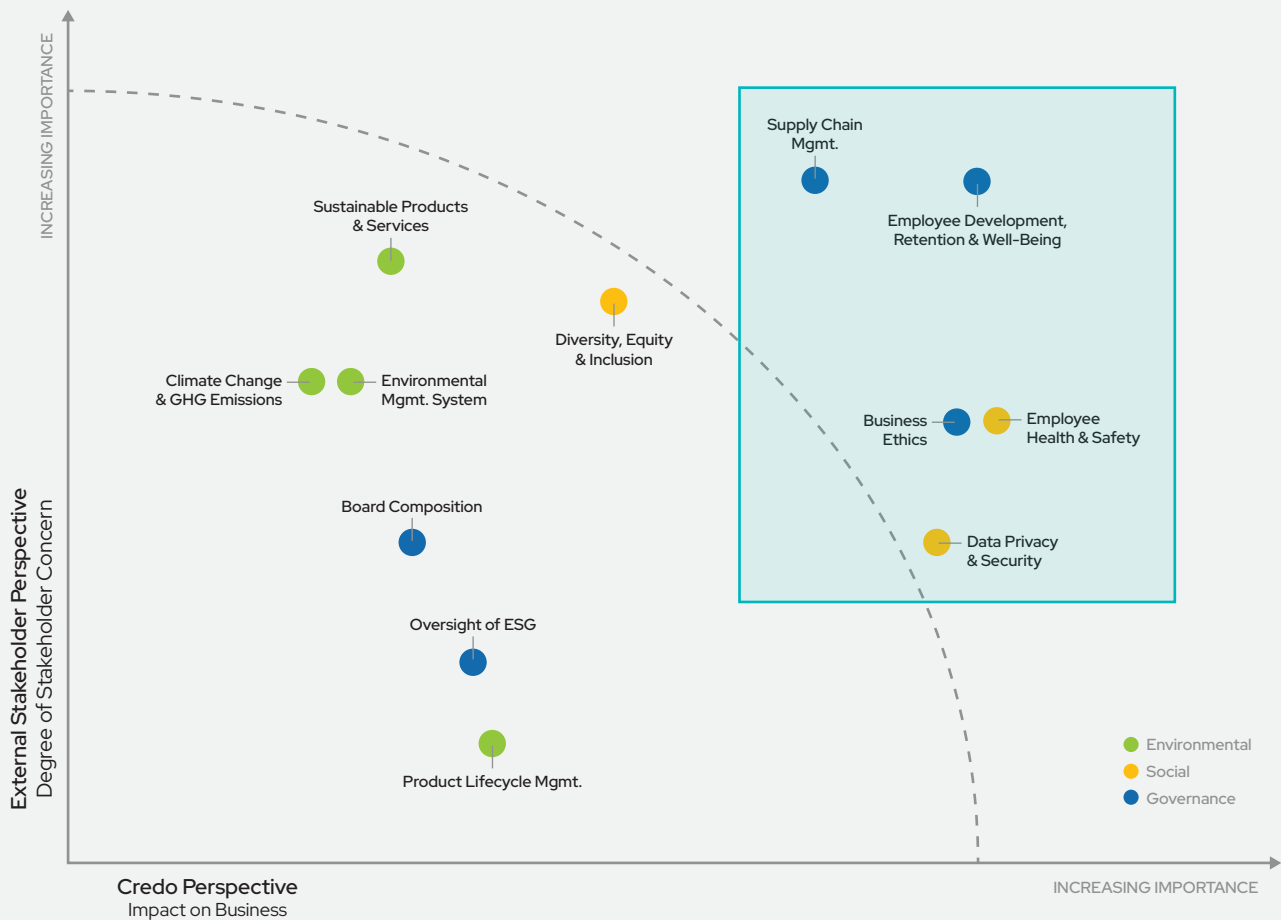
This year we undertook our first materiality assessment to identify and prioritize the ESG issues that are most significant to our long-term performance and stakeholders. It is helping us focus our efforts and resources on addressing the most relevant and impactful issues, both from a business perspective and in terms of our broader social and environmental responsibilities.

We engaged a range of internal and external stakeholders to help shape our ESG priorities.

As a result of the process, our top ESG priorities are:

- Employee development, retention, and wellbeing
- Supply chain management
- Employee health and safety
- Business ethics
- Data privacy and security

We will regularly review and update our assessment to make sure our priorities reflect changing circumstances, stakeholder expectations and industry trends.



OUR APPROACH TO ESG

Oversight of ESG

We have evolved our ESG oversight structure over time to ensure proper management of the evolving risks and opportunities impacting our business. We will continue to do so as we refine our overall strategy.

Oversight of ESG performance and strategy is the responsibility of the Nominating & Corporate Governance Committee, which updates our Board regularly. The committee is supported by a cross-functional ESG Working Group that includes members of our Human Resources, Legal, Facilities, Operations, and Communications teams. This group regularly seeks input from other departments on issues ranging from investor confidence, compliance, supply chain resilience, and employee engagement and attraction.

Working together, the Nominating & Corporate Governance Committee and ESG Working Group will also support the continued improvement of our efforts around environmental management, diversity, equity, and ethical conduct. This approach will align with our long-term focus on strong governance which prioritizes transparency and accountability while enabling effective, data-led decision making. We will continue to share material ESG-related updates with our stakeholders on an ongoing basis through our website and future ESG reports.



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Our SDG Goals

As a corporate citizen, Credo is proud to formally commit to the following United Nations Sustainable Development Goals (SDGs). The SDGs are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere.



Responsible consumption and production are at the core of our operations. We take a conscientious approach to connectivity, emphasizing the need for low-power solutions that increase energy efficiency. We continually seek ways to minimize waste, reduce consumption, and source materials responsibly. Energy efficiency is a key value for our customers, and together, we're actively participating in the a global shift towards responsible consumption and production.



Through our groundbreaking energy efficient solutions, Credo is striving to be part of the solution to one of the greatest challenges facing humanity – ensuring a habitable planet for generations to come. As we continue adopting sustainable practices that contribute to a greener future, we look forward to embracing new ways to take responsibility for the role we play in combating climate change.



Gender equality is not just a goal; it's a principle embedded in Credo's DNA. We are dedicated to fostering an inclusive workplace where all employees, regardless of gender, have equal opportunities for growth and leadership. We actively work to prevent gender bias and promote diversity at all levels of our organization. Beyond our walls, we support initiatives that promote gender equality, advocate for women's rights, and strive to create a more inclusive world where every individual is free to reach their full potential.



At Credo, we believe that equal access to education is the foundation for personal and societal progress. Our commitment extends through various initiatives, from supporting nonprofits active in bringing resources to underserved school districts, to partnering with institutions dedicated to improving access to quality education.

ABOUT CREDO

Credo Cares

At Credo, we take great pride in our dedication to making a positive impact on the world around us. “Credo Cares” is not just a slogan; it’s a fundamental aspect of our identity.

We believe in the power of integrity, our people, our partners in the community and an active commitment to the planet.

Here’s how we bring our commitment to life:

- Ethical Business Practices
- Employee Well-being
- Community Engagement
- Environmental Responsibility



Environmental



Fabless Business Model

Being fabless means that we work with our suppliers to leverage their best practices and effectively utilize their available manufacturing efficiencies without owning and operating our own production facilities.

By leveraging the world class standards of our partners, we can reduce the immediate environmental impact of our business. Further, Credo also understands the importance of effective collaboration on environmental concerns with our suppliers and fabrication partners will be essential to achieve our ESG ambitions.

We foster active engagement and collaboration with our fabrication partners to enhance efficiencies and optimize processes. We recognize that there is significant room for us to introduce eco-friendly solutions throughout our value chain, ranging from recycling to maintaining our industry-leading position in energy efficiency. Following the publication of this report, we will strive to keep making progress on our environmental goals. In 2024, we aim to:

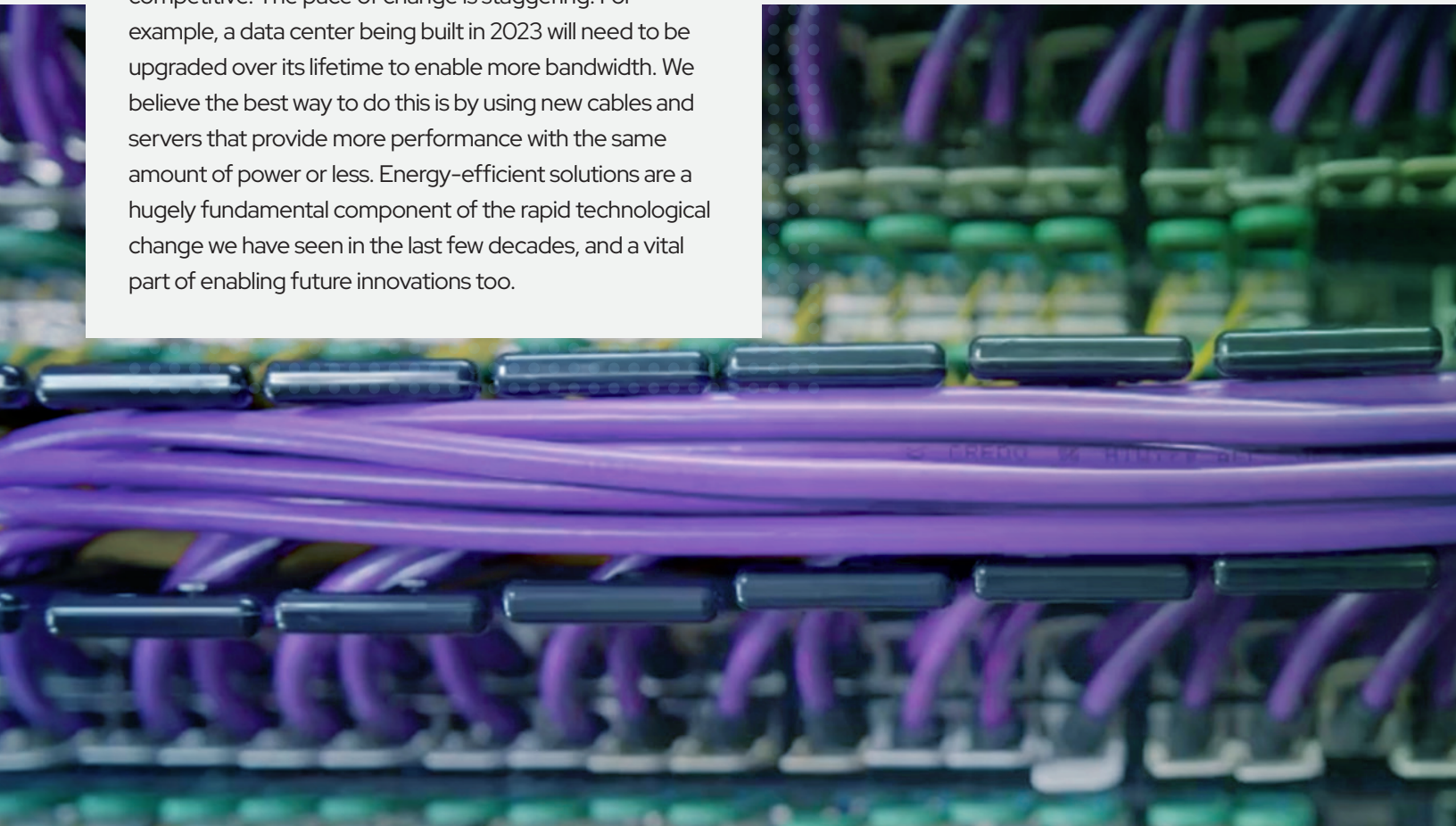
- Engage in a Green House Gas (GHG) emissions footprinting study alongside an expert third party, and then set a roadmap of appropriate actions based on the study findings.
- Continue improving the sustainability of our facilities and exploring third-party certifications – especially those across our international footprint.
- Delve deeper into the recycling options available for our AEC products.



Sustainable Products

Our competitive advantage is heavily tied to the energy efficiency and performance gains we offer our customers. As well as helping some of the world's biggest companies overcome the challenges created by the explosion in networking traffic, our solutions allow them to do more with less energy and at lower costs. In fact, we can demonstrate a consistent record of power use reductions in our products every three years.

The energy efficiency of our portfolio is extremely important to our customers. In today's rapidly evolving technological landscape, being able to increase the performance of their systems within the same or even smaller power envelopes is a core part of staying competitive. The pace of change is staggering. For example, a data center being built in 2023 will need to be upgraded over its lifetime to enable more bandwidth. We believe the best way to do this is by using new cables and servers that provide more performance with the same amount of power or less. Energy-efficient solutions are a hugely fundamental component of the rapid technological change we have seen in the last few decades, and a vital part of enabling future innovations too.



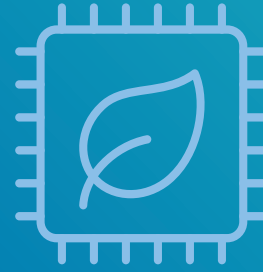
SUSTAINABLE PRODUCTS

Technology With A Purpose

As the demand for bandwidth continues to surge, driven by emerging technologies such as AI, enterprises need connectivity solutions that offer more speed but with less power usage, particularly as networks move to new performance nodes such as 800G and 1.6T. We're proud of our track record of pioneering energy efficiency, which can be seen across our entire portfolio. Typically, our solutions use around 30-40% less power than our competitors.

Our advanced AECs not only provide substantial energy efficiency advantages over traditional direct attached copper cables, but they also minimize plastic and copper usage. All of this is achieved alongside an average power consumption reduction of 50%. These cables consume less power than competing direct attached cable (DAC) solutions while also boasting a compact form factor, superior performance, enhanced reliability, and reduced maintenance and disposal expenses.

Typically, our solutions use around **30-40%** less power than our competing solutions.



Demonstrating Continual Power Usage Reductions

Power reduction has been fundamental to our product development since Credo was founded. We consider our products and services to be the advantage that enables our customers to drive improved performance with significantly less power usage versus competing solutions. We can show continued reductions in the power usage of our products by around 50% every three years.

ENVIRONMENTAL

Product Lifecycle Management

It's not just our best-in-class technology and portfolio of connectivity solutions that are driving progress in the high-performance connectivity market. We are looking into new ways to efficiently recycle our AEC cable products.

Increasing the lifespan of the materials used to fabricate our solutions is a priority not only for us, but also for our customers. More and more, our customers are showing a keen interest in exploring ways we can collaborate to reduce the environmental impact of our operations, workflows, and products. Over the last year we have worked with two e-waste recycling vendors to qualify end-to-end recycling programs to enable our customers to recycle AEC cables. Both Green EWaste Recycling Center and Iron Mountain bring a huge wealth of experience when it comes to recycling data center and server racks.

Due to the success of our initial trials, we are looking to broaden our partnership with these companies to increase our efforts in this area. We plan to also continue to engage with our customers and contract manufacturing partners about the feasibility of introducing further end-to-end recycling options in the future.



Environmental Management

In addition to our ongoing commitment to energy efficiency in our products, we are implementing measures to mitigate the environmental impact of our operations. Across our North American and Asian operations, we are actively working to minimize waste generation, optimize energy consumption, and enable our employees to embrace more sustainable living practices.

As a fables company, we do not have direct control over the manufacturing facilities used to make and test our products. But this doesn't mean we don't have a positive influence throughout our supply chain. We work with some of the world's largest suppliers who are making significant investments in energy, water, and waste programs.

Our teams closely monitor supplier achievements so that we can adapt our processes where needed and utilize their learnings. In our initial reviews, we consider both the environmental performance and compliance track record of potential vendors. This ensures alignment not only on commercial factors but also on ESG principles.



ENVIRONMENTAL MANAGEMENT

We have implemented a range of actions relating to the operational sustainability of our business.

Upgrading HVACs & Air Compressors

- When we moved into our current San Jose facility, all the mechanical equipment had recently been replaced. The building met our strict criteria – such as having direct digital controls (DDC) run the entire facility, including off-hour and weekend schedules to minimize set points when the office is mostly vacated.
- In 2019, we implemented water-cooled air conditioners in our Shanghai facility. We've set a fixed temperature of 78°F as well as an automatic start/stop between 8am and closing at 8pm.

EV Charging

- Our San Jose facility provides EV charging at a nominal fee to registered employees, which equates to around a 50% reduction in cost. A total of eight charging ports are available currently, with capacity to add more to align with demand.
- In Shanghai our employees use the charging stations provided by our office's owners - the fees are charged according to the local charging standards for public charging facilities.
- There are 10 EV charging stations available for employees in our Taiwan office. We are currently constructing a new building that will add a further four stations.

LED Lighting

Following their renovations in 2019, both our San Jose and Shanghai facilities are now fitted with motion sensor-triggered LED lighting systems.

Recycling

We partner with third-party organizations to lead our e-waste programs – which we also offer to employees as a benefit. In North America we work with GreenMe Solutions.

Cafeteria Sourcing

Across our US locations we have rolled out more sustainable cafeteria options. Our office management team has put in a huge amount of work to not only swap existing options with more sustainable alternatives but also to work with our food vendors to promote less impactful practices. The reception among our employees has been positive and we plan to extend this across our whole footprint over the next few years.

Over the next year, we will examine the feasibility of implementing a formal environmental management system to provide greater visibility into our ongoing energy and waste management efforts.

Climate Change

We are excited to begin working with enterprise carbon accounting experts at Minimum to start measuring, interpreting, and disclosing our Scope 1 and 2 GHG emissions data. This will provide us with the insight we need to design and implement policies that help us manage our environmental risk, reduce our impact and enhance the way we collaborate with stakeholders.

We aim to release an initial report on our GHG emission findings in the first half of 2024. This will give us a baseline we can use to set attainable goals, measure our progress, and judge our performance against that of similar companies.



Social



SOCIAL

Employee Development & Retention

One of our core strengths is our international team of top engineering talent and highly experienced leadership. Our employees' deep expertise and understanding of the connectivity market is the foundation for the culture of innovation that enables Credo to be a market leader. Supporting and developing our people is central to the delivery of our growth and ESG strategies.

Credo began as a team of seasoned industry experts, and we have worked hard to engage the next generation of network professionals.

Today, our global team includes over 386 engineers across offices in the United States, Shanghai, and Taipei. Engineers make up more than 81% of our workforce, showing the success of our efforts to attract, support, and retain a talented and specialized team.



EMPLOYEE DEVELOPMENT & RETENTION

Recruitment

In a fiercely competitive industry, we understand the importance of ensuring that top talent chooses Credo. Achieving this requires constant evaluation of our culture, compensation, strategic initiatives, and recruitment practices.

Annually, our finance and HR leaders collaborate with the senior management team and our Board to align hiring needs and timelines with our annual operating plan. Hiring managers can engage a range of specialist recruiters to curate and oversee pipelines of expert candidates for highly skilled positions. We also see a steady flow of interest in careers at Credo from other leading companies in the data infrastructure space, as well as find exciting new talent through our two-pronged intern program. To further strengthen our talent pipeline, in 2024 our communications and human resources teams will begin reaching out to engineering societies at selected universities.

Interns

Our annual intern program currently hires 10-15 students pursuing undergraduate and advanced degrees in electrical engineering and related fields. We anticipate this number to increase as we continue to grow as a company. We have a high conversion rate of interns to employees, with fifteen interns becoming employees over the past five years.

Additionally, Credo has benefitted from connecting with top talent through Year Up. This organization is dedicated to guaranteeing fair access to economic opportunities, education, and justice for young adults, regardless of their backgrounds, income levels, or zip codes. We are dedicated to doing our part as an employer to address the disparities that deepen the opportunity divide, and we will continue to support Year Up in their mission to close this gap in our local communities.

“When I started at Credo, I was excited to experience start-up life and the opportunity to learn the inner workings of a hardware company. I had no idea I would find a work “home” and personally grow with the company as it moved from start-up, through the IPO phase, and eventually became a public company.”

— CHAD, 2018 INTERN AND CURRENT
ENGINEERING MANAGER AT CREDO

EMPLOYEE DEVELOPMENT & RETENTION

Training & Development

We continuously embrace opportunities to foster growth in our employees. We leverage the ADP Learning Management System (LMS) to offer a wide array of learning modules covering leadership, technical knowledge, and various role-related topics.

As our teams continue to grow, we are dedicated to enhancing the careers of all our employees by supporting learning opportunities as well as targeted leadership and management training when appropriate.

This training regimen takes place alongside important annual training on compliance, our code of conduct, cyber security, data privacy, and harassment. Every employee has an annual performance review as part of their ongoing development to make sure we are providing the right level of support as well as suitable opportunities for professional growth.

Benefits

In addition to our robust training and development programs, we offer well-being initiatives and policies to support employee growth. Flexible work arrangements promote a healthy work-life balance, while our retention initiatives encompass a reward program featuring bonuses, equity grants, and merit increases.

Throughout the year, we organize social events for our employee base to celebrate our team's hard work. An example of an annual gathering we are proud to host is the Chinese New Year celebration, where the entire company celebrates an event of great significance to many of our employees.

Retention

Our employees' tenacity, time, and resolve are fundamental to Credo's success. It is our duty to cultivate a workplace culture that enables them to excel professionally and individually. We take immense pride in consistently achieving high retention rates, and our steadfast commitment to nurturing talent has a profoundly positive impact on our long-term success.

Promotions

We recognize the value of nurturing and advancing existing talent within the organization, guided by our comprehensive promotion efforts. Performance evaluations occur annually, offering constructive feedback to facilitate personal and professional growth. As we continue to expand the HR function and strive for best-in-class practices, we will be actively working on refining this process.

Our promotion policy encompasses standard promotions as well as those for director-level and above positions. Managers engage in discussions with the VP of their respective departments, collaborating with the CEO and HR to determine compensation, title adjustments, and the effective date of the promotion.

Furthermore, for team members aspiring to work internationally, we actively support their ambitions by sponsoring visas and enabling them to work remotely in other international offices. We are always open to helping our people work in a way that best allows them to bring our best-in-class products and support to our customers.

SOCIAL

Health & Safety

As a fabless company, we continually assess and monitor the exposure of our employees to any health hazards that might exist and put in place measures to actively reduce the risks they face.

We encourage each supplier to adopt a responsible minerals sourcing policy and exercise due diligence on the source and chain of custody for the minerals used in the manufacturing of our products.



HEALTH & SAFETY

Along with our manufacturers and other suppliers, Credo is subject to a wide range of international laws and regulations relating to employee health and safety. Ensuring that our operations and everyone associated with the design, manufacture and testing of products are as safe as possible has also been a core priority. Our engineers routinely work with our manufacturers to offer inputs on their processes, which often has ongoing safety benefits as well.

Being diligent when it comes to the health and safety of our employees requires effective oversight. Currently, this is led by both our VP of Systems Engineering and VP of Human Resources based in the US. Through regular contact with our teams across North America and Asia, we regularly review our health and safety practices to make sure they are effective and take steps to remedy any gaps. This approach, combined with our fables model, has resulted in a very low accident and injury rate among our employees as recorded in our OSHA 300A log.

We have a robust suite of plans in place to ensure the safety of our staff and the continued operation of our business in case of an emergency. This includes business continuity and disaster recovery plans which are regularly tested with seamless execution by the relevant teams. We make sure that every employee has a copy of our fire prevention, site emergency, and injury and illness procedures. These plans are also tested at regular intervals so that we can be confident we are as prepared as possible.



Being diligent when it comes to health & safety, combined with our fables model, has **resulted in a very low accident and injury rate among our employees as recorded in our OSHA 300A log.**

SOCIAL

Diversity, Equity & Inclusion

We have a diverse workforce that represents a wide range of cultures, backgrounds, beliefs, and lifestyles. As an international company servicing customers across the world, we firmly believe diversity is something to be celebrated. We are strengthening our policies and processes around diversity, equity, and inclusion (DEI) with the goal of ensuring that we are always seen as an employer of choice and an advocate of talent.

In the last 12 months, 98% of our US employees have completed our mandatory online harassment training, including modules on sexual harassment and rights of victims. This is not only part of our onboarding process, but all employees are required to complete harassment training every two years. Our policies and zero-tolerance approach to workplace discrimination are also laid out in the Credo handbook which every new hire is required to read and sign when they begin working for us.



DIVERSITY, EQUITY & INCLUSION

Providing Opportunities for Diverse Candidates with Year Up

We are honored to give young adults from typically underserved communities the opportunity to gain valuable experience in a fast-paced and innovative technology culture. Through mentoring and work experience, interns get the chance to see how we work on a day-to-day basis and learn how our engineering experts apply their knowledge to a range of problems.



One of our main DEI priorities over the coming years will be strengthening our efforts with a formal program. This will bring together a range of things we already do as well as bolster our existing approach with a formal diversity policy.

“I have been inspired by the enthusiasm and spirit of all the employees and especially the executive team at Credo. Through the internship program, I was able to “try on” a few different departments while gaining practical experience and paving the way to a role where I continue to learn and grow.”

— MAYRA, 2022 INTERN & CURRENT MEMBER OF THE CREDO MARKETING TEAM

DIVERSITY, EQUITY & INCLUSION

A Diverse, Engaged & Expert Workforce

As of September 2023, the Credo workforce was made up of:



Gender

Women make up:

32%

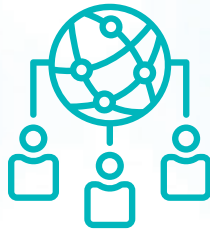
of our workforce,

24%

of management roles and

28%

of technical roles



Ethnicity

US workforce:

83%

are minorities, occupying

78%

of management roles and

91%

of technical roles



Nationality

Currently:

65%

of hires are foreign nationals

62%

are located offshore

SOCIAL

Supply Chain Management

Credo operates in a highly competitive sector. Our ability to maintain our reputation as innovators and pacesetters relies on the way we work with our supply chain partners. As we work towards achieving our ESG goals, this collaboration around shared principles and aims will be more important than ever.

We rely on a complex supply chain made up of suppliers and outsourced manufacturing. Oversight of our supply chain management is currently split between our AEC and silicon product line, management, plus senior leadership from our IT and Procurement teams. Over the last two years we have taken steps to overcome supply chain challenges and diversify our supplier base.



SUPPLY CHAIN MANAGEMENT

For our AEC business, supply chain management primarily involves annual reviews of the resiliency of our supply chain in partnership with our manufacturers. For our IC chip business, we are co-investing with a key vendor to overcome the long-term substrate shortage issue that impacts both our businesses.

We are also working closely with some of our top suppliers to anticipate future issues and put in place processes to mitigate them with minimized disruption. These actions are helping to reduce our exposure to supply chain shocks, ensuring we get the supply we need and strengthening the forecasts and projections we use when engaging with key suppliers.

Supplier Relations

In our Human Rights Policy, we have set out our commitment to respect human rights principles as well as our zero-tolerance stance on any abuse relating to them, both internally and within our supply chain. It covers a range of topics such as workers' rights, diversity, labor laws and health and safety, providing a detailed picture of what we expect from our suppliers.

However, our commitment extends beyond this. We are currently in the early phases of developing and implementing a supplier code of conduct that will not only consolidate existing initiatives but also establish clear standards and compliance protocols to ensure the ethical and sustainable operation of our supply chain.

While we are in the initial stages of creating and rolling out a supplier code of conduct, we already have in place a conflict minerals policy, management, contingency plans, ISO9001, ISO12001 and ISO45001 certification as well as RoHS test and REACH reports, among others.

If one of our customers raises an issue with one of our suppliers, we always aim to independently investigate the issue and remediate it as soon as possible.

Maturing Our Approach to Controversial & Critical Materials

It is currently an unavoidable part of our business model that we utilize a range of specialist raw materials in our product lines. We are working hard to ensure that we are always acting responsibly and in line with international best practices. We are a proud member of the Responsible Mineral Initiative (RMI), which regularly audits our operations and gives us a benchmark from which to review our current and potential suppliers.

We exercise rigorous due diligence to determine the country of origin of the minerals we incorporate – adhering to the procedures outlined in our Conflict Minerals Policy. Under this policy, every supplier that we engage with, from smelters to refiners, must have completed an assessment that aligns with the RMI's Responsible Minerals Assurance Process.

Governance



Board Composition

We have a diverse and independent Board at Credo, helping to ensure that our decision-making is always based on expertise and experience. We are committed to maintaining a Board with the right level of skills and knowledge to guide our strategic direction as a newly listed company.

In 2022 there were two new additions to the Credo Board. They bring with them a wealth of experience on a range of topics including diversity, ESG, strong financial oversight, and more. Developing the skill sets of the Credo Board is a core focus over the next few years as we adapt to life as a public company and look to execute our ambitious growth and ESG plans.

We will continue to drive further progress in relation to the diversity on our Board where appropriate. One of our short-term priorities for our Board composition is to maintain a majority independent Board which can oversee a significant period of change for Credo.



Sylvia Acevedo
Credo Board Member,
Chair of the Nominating
and Corporate
Governance Committee

“As a Credo Board member, I wholeheartedly embrace the significance of ESG principles within Credo’s very foundation. Credo’s products are energy efficient and pave the way for Credo to lead as an environmentally responsible force, guided by transparent governance rooted in unwavering integrity.”

Board Diversity

As of November 2023, the Credo Board of Directors comprises:

62.5%
independent Board members

12.5%
female

75%
racial/ethnic minorities

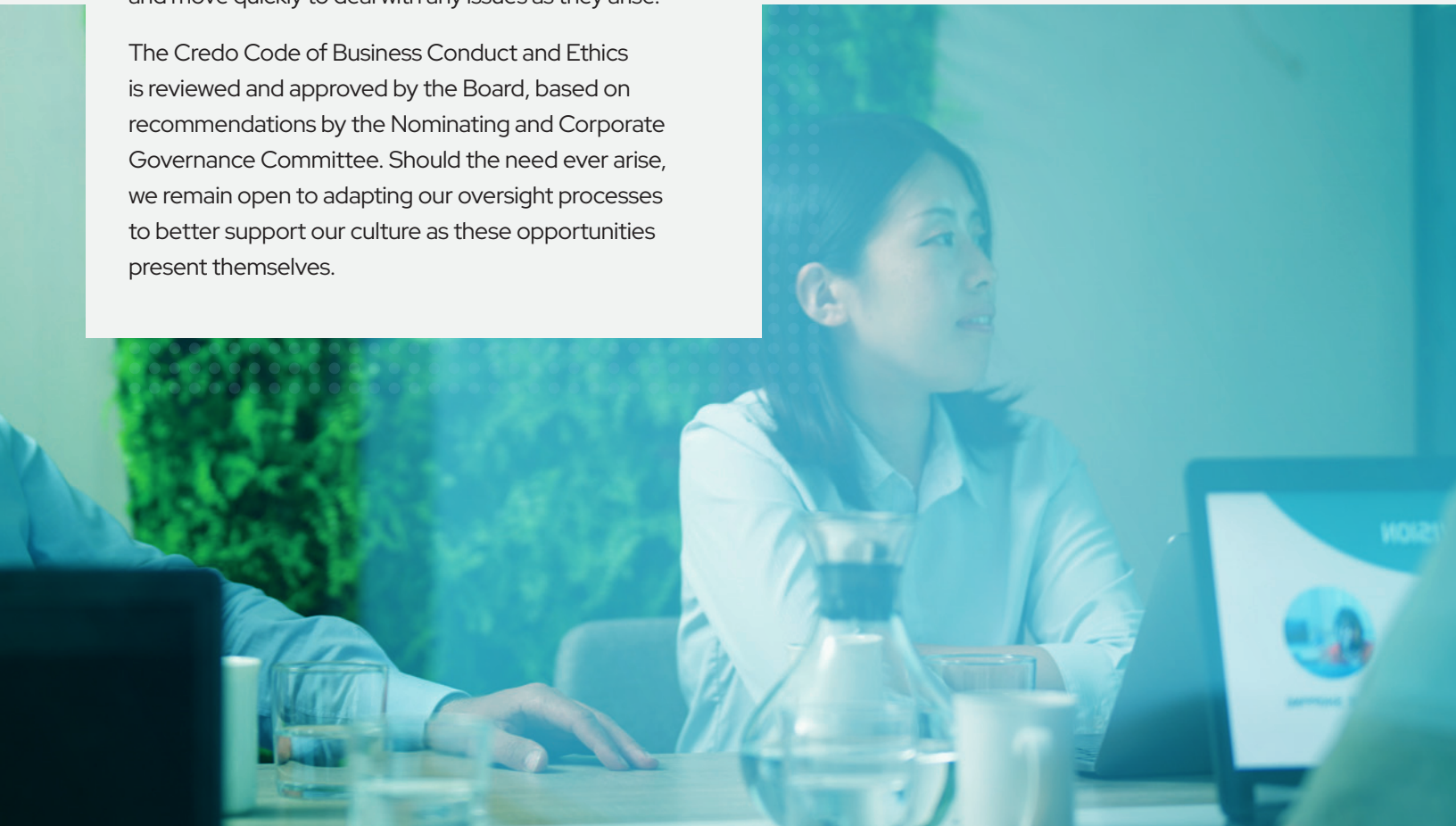
12.5%
identifying as LGBTQ+

Business Ethics

Our governance structure has always been strongly focused on emphasizing ethical business practices. Our company Code of Business Conduct and Ethics lies at the heart of this – and we are continually assessing how we can improve the ways that it is overseen, implemented, and reviewed. That way we can be confident Credo is a force for good for people, communities, and our planet.

Being on the right side of history means operating in a transparent and open manner. Since our founding, we have worked hard to be seen as a respectable and responsible player in our sector. Maintaining that reputation requires us to rigorously assess our performance, avoid complacency, and move quickly to deal with any issues as they arise.

The Credo Code of Business Conduct and Ethics is reviewed and approved by the Board, based on recommendations by the Nominating and Corporate Governance Committee. Should the need ever arise, we remain open to adapting our oversight processes to better support our culture as these opportunities present themselves.



BUSINESS ETHICS

Our Policies

We are always reviewing our policies and creating new ones to better reflect the way we do business as well as our long-term goals. This includes a range of internal policies, which cover topics such as anti-corruption and anti-bribery (including by addressing political involvement) and a Conflicts of Interest Policy, as well as external ones such as our Code of Business Conduct and Ethics and supplier selection process. We are currently in the early stages of creating a range of policies relating to the way we engage with our suppliers, such as a vendor onboarding policy and supplier code of conduct.

Whistleblower Program

Our third-party ethics hotline is available 24/7 online and via telephone, fax, and email and is accessible in multiple languages to account for the diversity of our workforce. The hotline allows reporters to remain anonymous at their option and to the extent possible by law.

Credo is committed to the principle of non-retaliation, and harassment and victimization of reporters shall not be tolerated. The Audit Committee Chair receives monthly updates from the Legal Department on any reports made through our whistleblower program. Over the last 12 months, there have been no reports through the hotline.

Compliance Training

As of the publication of this report, 98% of our employees have completed the required compliance and Code of Conduct training for this fiscal year. The training covers our Code of Conduct as well as modules relating to cybersecurity and data privacy. In the US, this training is accompanied by modules on harassment as well as the rights of victims and processes which Credo must follow should an incident of harassment arise. This training is a requirement for all new employees, while all current employees are expected to complete it on an annual basis.



Being a responsible corporate citizen requires us to rigorously assess our performance, avoid complacency, and move quickly to deal with any issues as they arise.

Data Security & Cybersecurity

Our connectivity solutions help companies deal with the bandwidth, power, cost, security, reliability, and signal integrity challenges they face when moving huge amounts of data. In short, we help them reliably move their data. We recognize the importance of data security and cybersecurity to our customers and other external as well as internal stakeholders.

We take our compliance with the applicable regulations in this space seriously, and effective oversight and training underpin our approach to this compliance. We are no different, and effective oversight and training underpin our approach to data security.

The last few years have seen us invest significantly in building our IT department. Oversight for our policies, program management, and facilities are primarily the responsibility of our VP of Systems Engineering. Under his leadership, and with full support of the Board, we aim to continue adding to our capabilities in this area and bringing in the necessary skills and experience required for a robust IT department. Our approach to data security is detailed in our comprehensive website privacy policy, as well as our cookies policy. These policies are regularly reviewed to ensure that we are adapting our approach in the face of new and developing threats to both our internal operations and those of our customers.

Data security and cybersecurity training is included in the mandatory Code of Conduct training that all Credo employees are required to complete upon hiring as well as annually. There is an additional training relating to data privacy and cyber risks that must be completed by individuals in certain positions. This training is updated to reflect the evolving nature of the threats businesses like ours face and to equip our people with the right knowledge and tools to deal with incidents quickly.



CONCLUSION

An Exciting New Step in Our ESG Journey

We are optimistic about what the future holds for Credo and our ESG efforts! We also fully understand our responsibility as a corporate citizen and are committed to delivering continued improvements through both our growth and maturing ESG strategy. This report has laid out the foundations from which we will continue building out our position as ESG leaders in our sector.

Our culture of continuous innovation is what sets us apart as a company. Time and time again we have pioneered new technologies, provided effective solutions to demanding network bottlenecks, and helped our customers achieve leading-edge performance with impressive energy efficiency. That culture of innovation is going to be a vital component of our ESG strategy too – pushing us to challenge ourselves and go beyond what is expected.

We aim to be open, transparent, and data-led when it comes to ESG. Regular reports like this one are an important measure to keep our stakeholders informed about our progress, and we are committed to making all relevant data available.



Forward-Looking Statements

This ESG Report contains forward-looking statements within the meaning of U.S. federal securities laws. All other statements other than statements of historical fact could be deemed to be forward-looking statements. In some cases, you can identify these statements by words such as “may,” “might,” “intends,” “will,” “would,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “goals,” “objectives,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology.

Forward-looking statements in this report may include but are not limited to statements regarding our ESG goals, projects, plans, metrics, affiliations, pledges, commitments, and strategies. By their nature, they are based upon current plans, estimates, and expectations that are subject to risks, uncertainties, and assumptions. As such, no guarantees or assurances are made that they will be achieved or successfully executed. Additionally, the ESG data, statistics and metrics included herein, are non-audited estimates, were not prepared in accordance with U.S. generally accepted accounting principles (GAAP), have not been externally assured, continue to evolve, and may be based on assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. The information provided herein is based in part on information from third-party sources that we believe to be reliable, but which has not been independently verified by us, and we do not present that the information is accurate or complete. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

Actual events or results may differ materially from those described in forward-looking statements due to a number of risks, assumptions and uncertainties. Accordingly, you should not place undue reliance on such statements.

For factors that could cause our results to vary from our expectations, please see the risk factors identified in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and other factors detailed from time to time in our filings with the SEC. The forward-looking statements in this report speak only as of the date of this report and we undertake no intent or obligation to revise or update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

THANK YOU TO THE GLOBAL CREDO FAMILY



For more information on
anything you've read in this
report, please get in touch:
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