MONOLITHIC POWER SYSTEMS, INC. - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

MPS is a fabless company with a global footprint that provides high-performance, semiconductor-based power electronic solutions. Incorporated in 1997, our three core strengths include deep system-level knowledge, strong semiconductor design expertise, and innovative proprietary semiconductor process and system integration technologies. These combined strengths enable us to deliver highly integrated monolithic products that offer energy-efficient, cost-effective, easy-to-use solutions for systems found in storage and computing, enterprise data, automotive, industrial, communications, and consumer applications.

Our mission is to reduce total energy and material consumption in our customers' systems with green, practical, and compact solutions. We believe that we differentiate ourselves by offering solutions that are more highly integrated, smaller in size, more energy-efficient, more accurate with respect to performance specifications and, consequently, more cost-effective than many competing solutions. We plan to continue to introduce new products within our existing product families, as well as in new innovative product categories across a wide variety of industries. We invest heavily in R&D initiatives for increased efficiency of products such as solar paneling, data centers, electric vehicles, notebooks, smart home and building technologies, and LED controller and driver solutions. Our R&D to Sales ratio consistently outpaces our peers and we continue to strive towards improving power efficiency in every generation of our products.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
2 years

Select the number of past reporting years you will be providing Scope 2 emissions data for
2 years

Select the number of past reporting years you will be providing Scope 3 emissions data for
Not providing past emissions data for Scope 3

C0.3

(C0.3) Select the countries/areas in which you operate.
China
France
Germany
Hungary
India
Italy
Japan
Republic of Korea
Singapore
Spain
Switzerland
Taiwan, China
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	MPWR

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	Our Board of Directors has the highest level of overall oversight for the company. The Board's Nominating and Governance Committee (NGC), which consists of two independent directors, has the responsibility of overseeing and approving climate-related initiatives. On at least a quarterly basis, the NGC provides updates to the Board of Directors, on topics that include climate-related strategy and performance.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing and guiding employee incentives Reviewing and guiding strategy	<Not Applicable>	MPS maintains an integrated approach with regards to the management of its ESG program. This structure ensures that climate-related issues are considered companywide, and enables us to drive accountability, improve decision making, and create long-term value by embedding corporate responsibility across the company. As discussed above, the Board's NGC has the primary responsibility for ESG oversight issues at MPS, including climate-related matters. Our ESG Steering Committee, which consists of two senior executives, one sustainability manager, one ESG manager and multiple other cross-functional leaders, provides formal updates to the NGC and to the full Board at least four times each year. These updates include a review of the annual Corporate Responsibility Report, environmental sustainability and climate risk issues, new performance goal setting, progress on existing performance goals, and investor outreach. In addition, to ensure investor and other stakeholder priorities are incorporated into the corporate strategy, MPS' ESG Steering Committee, management team and the Compensation Committee Chair engage various stakeholders throughout the year (primarily during the proxy season), and the feedback received through these activities is reported back the NGC and to our full Board at least once a year. The full Board continues to evaluate and incorporate recommendations by our stakeholders related to our climate-related initiatives, based on whether and how they align with our business priorities and long-term strategy. For more details on the full Board and NGC's oversight of ESG matters, including those related to climate and sustainability, and the responsibilities of our ESG Steering Committee, please see our 2023 Proxy Statement and 2023 ESG Report, both of which are available on our Investor Relations website, for further detail.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	In the last 18 months, we have invested efforts in diversifying our Board, including the addition of two additional female Board members who have strong expertise in information systems, financial oversight and operational strategy. We are continuing to seek additional qualified Board members who are able to bring sustainability expertise as part of their professional experience.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Other C-Suite Officer, please specify (VP of Corporate Counsel and Chief Compliance Officer)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Overall responsibility for managing our climate-related issues is placed at the executive level where the VP of Corporate Counsel and Chief Compliance Officer (“ESG VP”) has the responsibility to assess, direct, and implement fully integrated climate-related initiatives. This position requires consistent involvement with the ESG Steering Committee (comprised of a cross-departmental team that spans key areas of the business, including facilities, legal, finance, quality assurance, and human resources to execute climate-related initiatives). Our ESG VP has the authority to execute projects across all departments, enterprise wide. These projects include establishing CO2 emission reduction targets, overseeing construction decisions to integrate environmentally friendly practices within facilities, and setting baseline reduction targets for hazardous waste, water usage, packaging, etc. Additionally, on a quarterly basis the ESG VP summarizes progress and proposals for each board meeting with the NGC to provide updates on and gain approval for all material climate-related projects. All proposals and ongoing progress reports are reviewed by additional executive members, including the CFO, President of Asia Operations and CEO. This includes the integration of climate-related issues in all areas of business.

Position or committee
Please select

Climate-related responsibilities of this position
<Not Applicable>

Coverage of responsibilities
<Not Applicable>

Reporting line
<Not Applicable>

Frequency of reporting to the board on climate-related issues via this reporting line
<Not Applicable>

Please explain

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Our compensation philosophy focuses on pay-for-performance alignment, and 100% of our executives' equity compensation is tied to achievement of performance conditions. For example, in 2021, the Compensation Committee of the Board linked a portion of the executives' equity compensation to three environmental goals: 1. Establish an MPS Environmental and Climate Change Policy that identifies key areas as GHG gas emissions, energy consumption, hazardous waste management, and new product design (“Key Objectives”). 2. Establish an EHS and Sustainability taskforce and assess the existing baseline performance on the Key Objectives. 3. Establish a long-term improvement plan, including target goals for reductions, for the Key Objectives. Each year, the Compensation Committee designs the appropriate performance goals by evaluating business priorities and how these goals will align with our long-term strategy and interests of our stockholders.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Shares

Performance indicator(s)
Other (please specify) (Setting climate-related targets)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Executive management was financially incentivized to establish a global baseline for greenhouse gas emissions and to set reduction targets.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This goal was designed to incentivize our C-suite executive team, recognizing they have the authority within the company to ensure these goals are implemented and to designate the necessary resources to do so.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Short-term: 1~3 years
Medium-term	3	5	Medium-term: 3~5 years
Long-term	5	10	Long-term: 5~10 years

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

MPS defines "substantive financial or strategic impact" as anything, positive or negative, which impacts its business continuity, valuation, financial position and ability to manufacture and sell its products. In terms of climate-related risks and/or opportunities, substantial impact is defined as any event that has a high likelihood of occurring and that would be material to the company's business, operations or financial results. Examples of factors that can have a substantive impact include macro-economic, political, geographical and event risks and opportunities, as well as business-specific risks and opportunities related to strategy and competition, all of which can be influenced by climate change.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
At MPS, we address climate-related risks and opportunities in several key areas of the business in order to ensure we identify, address, and prevent material negative impacts to its business from climate-related issues. We seek to manage our business in a sustainable manner that considers the impact of both our direct operations and supply chains on the planet. We strive to continuously improve our operations by managing our resources effectively and finding innovative ways to manufacture our products more efficiently. Our semiconductor business uses a fabless production model, in which we outsource the majority of the manufacturing of our products to third-party foundries and suppliers. Managing our environmental impact allows us to be prepared for climate-related risks and capitalize on climate-related opportunities, making MPS more resilient to climate change while allowing us to increase operational performance and reduce costs.

We leverage various globally recognized frameworks, such as the TCFD and the SASB frameworks, to communicate our approach to addressing climate-related risks and opportunities through governance, strategy, risk management, and metrics and targets. To ensure MPS identifies key climate change-related risks, we maintain a membership with the RBA and maintain several ISO certifications (ISO 9001, 14001, ISO 45001, and ISO 27001). These efforts provide MPS with widely accepted compliance frameworks for the analysis and management of environmental risks through annual audits. In addition, we assess our suppliers using RBA's tools, such as the Self-Assessment Questionnaire ("SAQ"). The SAQ is a risk-assessment tool developed by the RBA, which enables corporations to evaluate specific inherent supply chain risk areas related to labor, health and safety, environment, and ethics. Completion of the SAQ is a requirement for RBA members.

We follow an integrated approach to addressing climate change. Our ESG Steering Committee, which includes two senior executives and leaders from Operations, Facilities, Supply Chain Management, Health and Safety, HR, Legal and Compliance, and IT, is responsible for managing climate-related activities, initiatives and policies. The ESG Steering Committee regularly conducts assessments of climate-related risks on MPS's business, its financial condition and its operational results, considering all of the regulatory developments and requirements, market trends and best practices, geographical risks and technological changes. Our NGC and the full Board review climate-related risks and opportunities and related strategies on at least a quarterly basis.

As part of our ongoing processes, various climate-related risks are assessed across the company by the relevant stakeholders. Actual and potential risks, including the risk factors in our periodic reports filed with the Securities and Exchange Commission, are reviewed by management, the NGC and the Audit Committee. In addition, on an annual basis, risks are reviewed, assessed and discussed with the Board and/or the relevant committees of the Board, including the Audit Committee, which has oversight responsible for risk management at MPS. MPS manages actual and potential enterprise risks through various processes, polices and mitigation activities. For example, our operations team maintains detailed business continuity plans, in order to better manage potential climate-related interruptions to its operations and to provide a response plan in the event of various emergency situations. For example, in 2022, our testing facilities in Chengdu, China experienced a power outage due to a severe heatwave. We were able to maintain operations with minimal disruptions by deploying backup generators. We also proactively engage with our stakeholders to understand the potential impact of both changing regulatory requirements and changing stakeholder expectations, including those of our investors, customers, and local communities where we do business.

MPS ensures it is meeting the interests and needs of its customers and other stakeholders for climate-related data by its participation in the CDP survey and by providing GHG Scope 1 & 2 emissions data. Our legal and quality assurance teams ensure that any requests from customers are communicated to the ESG Steering Committee, which strategizes which remaining steps will be needed to meet stakeholder expectations. This oversight was key for the process of expanding the collection of Scope 1 & 2 GHG emissions data for baseline figures, establishing baselines for waste and recycling data, and creating reduction targets for each. Quarterly, progress on the initiatives mentioned above are reviewed by the NGC. They are also analyzed annually in further depth to plan additional initiatives that have been identified as key opportunities for MPS to implement, as climate-related issues become more deeply embedded within MPS operations. Finally, MPS recognizes that the products it develops create significant market opportunities for its customers to reduce emissions in its operations or products in which MPS semiconductors are utilized. It is therefore embedded within our strategy to increase our products' efficiency in every new iteration in order to reduce their downstream Scope 3 emissions footprint. We view this as a key opportunity to invest resources internally to combine our expertise in semiconductor design and decreased carbon emissions on a global scale.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation risks are relevant and are included in our climate-related risk assessments because our operations are subject to a broad array of U.S. and foreign environmental regulations, including those associated with GHG and energy efficiency, and the packaging, transportation, storage, handling, emission, discharge and recycling or disposal of hazardous materials used in our manufacturing, assembly and testing processes. An example includes packaging regulations like the late-2022 EU Commission Packaging Waste Directive, which will impact our value chain emissions, procurement from packaging suppliers, and value-chain material acquisition and reporting collaboration needed. MPS is committed to complying with applicable legislation. Our ESG Steering Committee evaluates the risks from current regulations as part of its periodic risk assessment process, and provides updates to the NGC and the full Board on at least a quarterly basis. Potential consequences or penalties for non-compliance with these laws or regulations could include penalties, fines, and legal liabilities; suspension of production; alteration of our manufacturing and assembly/test processes; damage to our reputation; and restrictions on our operations or sales.
Emerging regulation	Relevant, always included	Tracking emerging regulations is an integral part of our climate-related risk assessment strategy because they could significantly impact our direct operations. Additionally, we are monitoring the evolving landscape for potential mandatory ESG disclosure for publicly listed companies in the US. This includes the Securities and Exchange Commission's ongoing work to evaluate disclosure rules with the goal of facilitating the disclosure of consistent, comparable, and reliable information on climate change, and the EU Corporate Sustainability Reporting Directive. New climate change regulations could require us to change our manufacturing and packaging processes, to develop new product design to achieve higher energy efficiency, or to substitute raw materials that may cost more or be more difficult to procure. In addition, new restrictions on emissions of carbon dioxide or other greenhouse gases could result in increased costs for us and our suppliers. Various jurisdictions are developing other climate change-based regulations that also may increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Future compliance with these regulations may adversely affect our business and results of operations.
Technology	Relevant, always included	We have considered technology as both a risk and an opportunity in our climate-related assessments because innovation, research and development are essential to maintaining our competitive advantage in existing markets. Through our energy efficient products, our success is tied, in part, to our ability to reduce product energy usage and their resulting greenhouse gas emissions, which directly affect climate change. For example, technology improvements within the industry pose the risk that our increasingly energy efficient data center products may still not be able to maintain competitiveness, driving us to reset our recent ambitious energy efficiency goals for that product line and maintain our focus on and legacy of innovation in that field. The semiconductor industry in which we operate is highly competitive and subject to rapid technological and market developments, changes in industry standards, and changes in customer needs and frequent product introductions and improvements. If we do not anticipate and respond to these developments, our competitive position may weaken, and our products or technologies might become less competitive or obsolete. Our products primarily compete based on performance, energy efficiency, integration, ease-of-use, innovative design, features, price, quality, reliability, software ecosystem, time-to-market, brand recognition, customer support and customization, and availability. If such technologies are not successfully implemented or adopted in a timely manner, they could fail to deliver a return on investment, both environmentally and financially. To the extent our products do not meet our customers' requirements across factors like performance and energy efficiency in an increasingly competitive landscape, we could face the risk of decreased revenue.
Legal	Relevant, always included	This risk type is relevant, in terms of the exposure to lawsuits related to our climate-related performance and/or disclosures or lack thereof. Our ESG Steering Committee, which includes our General Counsel and one corporate counsel, ensures that we are reviewing legal risks and maintaining compliance with all laws and regulations, including those related to climate change. If a new legal requirement emerges, our ESG Steering Committee works with our legal team and the appropriate department and subject matter experts to assess the risk or impact, identifies a plan for conforming to the requirement, and provides updates to the NGC and the full Board on at least a quarterly basis. To manage legal risk associated with environmental compliance, we maintain a multi-site, third-party ISO 14001 certification and Environmental Management System (EMS) for our manufacturing sites. To date, legal issues have not been a significant climate change risk or opportunity for MPS; however, we continue to actively monitor future regulations and developments as discussed in the Current Regulations and Emerging Regulations sections above, including assessing how emerging regulations like carbon pricing and disclosure in various jurisdictions could put MPS at legal risk for non-compliance and fines. Our failure to comply with any of these existing or future laws could result in legal liabilities, including financial responsibility for remedial measures, regulatory penalties, fines, legal liabilities, suspension of production, alteration of our manufacturing and assembly test processes, damage to our reputation, and restrictions on our operations or sales.
Market	Relevant, always included	We consider climate-related market risks to be relevant to our overall risk profile and include them our climate-related risk assessments. We face market risks due to the competition from other semiconductor companies across our broad product portfolio. As the demand increases for energy-efficient solutions, MPS must invest to develop our business sufficiently to meet the challenge. For example, demand for electric vehicles is rapidly growing, which could cause challenges for us if we are unable to project the demand correctly and keep supplying products for that market. The consumer/customer demand of our products could be impacted as a result of GHG and climate change regulatory changes. Our management team periodically evaluates customer expectations, general market changes and any predictions related to product energy efficiency. We engage with customers on energy efficiency and climate matters, to better help us improve our product design and address other environmental initiatives. Doing so better informs our product development, as well as our partnerships and marketing approaches. By building energy efficiency directly into our products, MPS is able to help its customers reduce their energy use and energy-related GHG emissions. We also benefit from the resulting reductions to our own value chain carbon footprint: the energy-related GHG emissions that come from consumers using our products account for a large impact in our value chain. If we do not proactively respond to customer needs and expectations for increasing energy efficiency with increased compute-power, MPS risks losing market share in this highly competitive technology environment. Our technology products are typically utilized across many different industry sectors and applications. This in turn limits our exposure to market risks for any one particular sector or application.
Reputation	Relevant, always included	As a growing global brand in the semiconductor industry, maintaining a good reputation among our stakeholders is a high priority for MPS' management team and the Board. Reputational risks are considered when evaluating our climate-related strategy, initiatives and goals. Our customers and other stakeholders expect MPS to demonstrate a commitment and progress toward climate-related efforts and targets. Customers are increasingly requesting our CDP and other climate-related data, which could lead to them opting to buy from competitors with higher scores and better ESG reputations. Based on our annual assessment conducted by the ESG Steering Committee, and our engagement with stakeholders, GHG emissions and climate change continued to rank high among all ESG-related issues. Our failure to comply with any existing or future laws or regulations could result in reputational damage. In addition, non-compliance with customers' environmental and other corporate social responsibility policies could adversely affect customer relationships and harm our business.
Acute physical	Relevant, always included	We consider acute physical risks in our climate-related analyses. More frequent extreme weather events, such as drought and heatwaves, could affect our employees and potentially impact our business operations and productivity. For example, in 2022, our testing facilities in Chengdu, China experienced a power outage due to a prolonged severe heatwave in the region. Such extreme weather events could also affect our manufacturing partners and suppliers located in regions vulnerable to natural disasters. We recognize the impact climate change and associated extreme weather events pose to our operations, and the need to be transparent and proactive in managing those risks. Our business continuity plan considers such risks when developing contingency preparations to ensure that our operations experience minimal interruptions. Catastrophic events could make it difficult to manufacture or deliver products to our customers, receive production materials from suppliers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations.
Chronic physical	Relevant, always included	We have considered chronic physical risks in our climate-related analyses. Global climate change could result in chronic physical impacts such as changes in precipitation patterns, drought, average temperatures, rising sea-levels and flooding. We have operations and third-party manufacturing locations in regions that are experiencing an increase in extreme heat events and prolonged dry periods increasing the frequency and severity of wildfires and drought, which could disrupt our operations, supply chain and customers. For example, water is essential to semiconductor manufacturing. Some of our foundry partners and suppliers are located in areas experiencing "high" or "extremely high" water stress, such as those in certain parts of China, where major droughts can limit water and hydropower supply. This affects both suppliers' production and our own operations. Chronic physical risks are incorporated into MPS's business continuity plan, which takes into consideration potential risks that could cause business interruptions. Chronic physical impacts of climate change could make it difficult to manufacture or deliver products to our customers, receive production materials from suppliers, or perform critical functions, which could adversely affect our revenue and require downtime and expenditures to resume operations.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increased severity and frequency of extreme weather events such as cyclones, floods, wildfires)

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
MPS has facilities in regions that sometimes experience severe weather events. With operations primarily in Asia -- and to a lesser extent the US and Europe -- MPS analyzes the extent of those risks in order to mitigate the potential impacts. High winds, flooding and droughts, heatwaves (seen recently across Asia), wildfires (seen recently in the Western US) and other severe weather can result in physical damage to buildings and equipment, including information and communications systems, loss of energy and water supply, and other major consequences. These can significantly impact our business opportunities and costs if we are not able to mitigate such operational risks.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We have facilities in Asia. We face the risk of natural disasters at these locations, such as severe heatwaves or droughts, which could result in prolonged power shortages or water restrictions in our facilities. If we are unable to maintain our facilities in Asia at fully operational status with qualified workers, appropriate manufacturing controls and reasonable cost levels, we may incur higher costs than our current expense levels, which would affect our gross margins. In addition, if capacity restraints result in significant delays in product shipments, our business and results of operations would be adversely affected. However, MPS has developed business continuity plans for our locations, and enabled substantial work from home ability for most roles within our company. Any potential damage is likely to be limited to testing and design facilities, the impact of which can be mitigated in the event of short to mid-term shutdowns related to severe-weather events. MPS' Health and Safety Committee has extensively analyzed our business continuity plan and established protocols for the safety of our employees and the continued business operations in such an event.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increased severity and frequency of extreme weather events such as cyclones, floods, wildfires)

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
MPS does not directly manufacture semiconductor wafers or integrated circuits. We work with foundry partners and subcontractors for all phases of the manufacturing process, including wafer fabrication, assembly, and the majority of our testing. Foundry partners and subcontractors with facilities in Asia are likely to experience an increasing frequency of severe weather events, including droughts and tropical storms with accompanying high winds and flooding. Severe climate events could result in facility shutdowns for our supply chain partners, resulting in an inability to obtain sufficient components and products, or resulting in significant delays or a discontinuity of product shipment and delivery. This could result in significant risks to MPS related to our customer supply contracts, brand reputation, and our ability to obtain payment for the products MPS has contracted for manufacturing but is unable to obtain or sell.

Time horizon
Short-term

Likelihood

About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
To mitigate the geographic and operational risks, MPS is diversifying its supply chain. It plans to become more closely positioned to its end customers geographically and to provide redundancy in case of unforeseen events. All of our products are assembled by third-party subcontractors and a portion of our testing is currently performed by third-party subcontractors. As a result, we could experience delays in the shipment of our products if we are forced to find alternative third parties to assemble or test our products. Any future product delivery delays or disruptions in our relationships with our subcontractors could have a material adverse effect on our financial condition, results of operations and cash flows.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Enhanced emissions-reporting obligations

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We are subject to various foreign, federal, state and local environmental laws and regulations. Climate change concerns and the potential associated environmental impact could result in the proposal and passage of additional laws and regulations in various jurisdictions that may affect us, our suppliers and customers. Such laws and regulations could cause us to incur additional compliance costs, and failure to comply with the regulatory standards in a timely manner could result in penalties and fines. These operational, legal, compliance and other risks could damage our reputation and materially and adversely affect our business, financial condition and results of operations.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
MPS is planning for future environmental and sustainability requirements by developing its own carbon reduction strategy and transition to renewable electricity. MPS' compliance efforts include the collection, assessment and reporting of ESG data. MPS participates in several sustainability frameworks designed to facilitate strategic progress towards future environmental regulations.

Emerging GHG regulations could result in increased costs for emission controls, changes to manufacturing processes and chemistries, and increased labor hours to meet permitting, tracking and reporting obligations. New GHG regulations could require a significant amount of capital and operating costs to install new abatement equipment and implement new monitoring, reporting, and permitting actions. Facility changes that impact GHG emissions may also require new permitting, or which could result in delays in the permitting process.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Many of our customers have environmental goals to reduce the energy used by their products and are dependent, in part, on MPS continuously offering component products that use less energy. Our goal is to build products with higher performance, lower cost, and improved energy efficiency, compared to previous generations, to meet our customers' needs. Building energy efficiency into our products not only reduces our Scope 3 GHG emissions, but also presents an opportunity to create value for our customers by helping them lower their Scope 2 GHG emissions, energy use, and overall environmental impact.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Our products primarily compete based on performance, energy efficiency, integration, ease-of-use, innovative design, features, price, quality, reliability, security features, software ecosystem and developer support, time-to-market, brand recognition, customer support and customization, and availability. The importance of these factors varies by the type of end system for the products. To the extent our products do not meet our customers' requirements across these factors in an increasingly competitive landscape, including the requirements to build more energy efficient solutions, our business can be harmed.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We recognize that our customers expect us to invest in reducing our environmental impact. In the past several years, we have received requests from our customers to provide information about our environmental programs, initiatives and reduction goals. Many of our customers are large, high-profile companies with well-established environmental programs. They understand that they can reduce their total impact by actively engaging with their suppliers to encourage impact reduction. Many of our customers are members of the CDP Supply Chain Consortium and have requested that MPS respond to the CDP supply chain module and provide customer specific data. In addition to customers, increasing investor interest has resulted in multiple inquiries per year about corporate environmental programs and response to climate change. If MPS was not responsive to such requests, this could negatively impact our relationships with our shareholders and customers, which could lead to decreased confidence in our company and/or lost business revenues should our customers decide to engage with alternative suppliers.

Time horizon
Medium-term

Likelihood

About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
If we were not responsive to our customers' requests regarding our environmental data and programs, including GHG emissions and reduction plans, we could lose customers and associated revenue due to our non-compliance their environmental programs. At this time, it is not possible to accurately quantify the financial implications of this risk.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
We invest heavily in R&D and focus our priorities on improving the design and energy efficiency of our products. Increasingly, our customers' demand to have more energy efficient products has impacted MPS's product offerings. We are continually developing more efficient products and adding new features to realize revenue opportunities from the increased product demand. All MPS products are developed with the goal of increasing usage efficiency for all end markets. We therefore are well-equipped to increase our focus on product development, capitalizing on the increasing customer demand for decreased emissions. MPS is increasing its engineering expertise and staffing levels on clean-technology development, in order to seek out additional markets in which our products will be useful. We are also integrating more advanced energy savings tracking through our product development cycle, to better assess the energy/emissions savings and improved compute-enabled by several of our core products. We are specifically targeting power density improvements for our data center power solutions, as many of our customers are facing significantly larger power requirements for new computing applications such as artificial intelligence. These savings translate into data centers increasing the computing capacity that can be stored in a given rack. Current data center market solutions for artificial intelligence applications deliver power density up to 40 kW per rack. Our goal is to make a power density solution delivering 120 kW per rack commercially available by 2027. Our strategy is to achieve this solution through innovative power architecture. Our power conversion technology creates a smaller footprint on the motherboard than competitor solutions. The design brings all the processors closer together, enabling more computing power in a smaller space. It includes better heat removal from the servers through liquid cooling, making such a large power increase per rack feasible. The smaller footprint (and resulting energy savings) will allow our customers to run much more powerful computers in their current facilities. The innovations that enable more power density will mean fewer electricity losses, which lowers data centers' overall operational costs, total costs per compute output, and carbon footprint. It also minimizes a data center's physical footprint by reducing the number of racks required.

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
The strategy process begins early in our R&D development efforts. We have a team of design and application engineers who are supporting this initiative to ensure MPS continues to enhance its offering of products that reduce energy requirements and the accompanying emissions, and we will continue to add headcount as needed. Furthermore, we have global R&D facilities and design centers to support our R&D initiatives. We are also actively engaging with our key customers to understand their needs and assess existing and improved sustainability solutions that we offer (and plan to offer), as well as to identify collaborative opportunities to reduce our collective footprints. MPS's investment in overall R&D for 2022 was $240 million, and a portion of the investments goes toward advancing product energy efficiency.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Recognizing the growing importance of efficient, low-emission operations, MPS looks for opportunities to minimize the environmental impact of our operations and facilities, by leveraging energy efficiency and clean energy technology. Globally we have almost 33,500 square feet of solar panels installed on our buildings, which generated 579 megawatt hours (MWh), with 137 metric tons of carbon dioxide equivalent (MTCO2e) savings in 2022. We have 59 EV charging stations available to employees supporting cleaner mode of transport. Our San Jose facility in California has installed a solar powered micro-grid system to mitigate peak power demand and power outages. We are investigating the deployment of additional systems across our operations. We use energy-efficient LED lighting, lighting controls, heating, ventilation and air conditioning to further minimize our energy use. In 2023, we are launching a number of sustainability initiatives. We are planning a global green procurement strategy. We will also introduce a green building strategy for new buildings (for example, our new design center in Barcelona, Spain) based on global LEED standards. For leased facilities, we will develop preliminary sustainably requirements that buildings must meet to be shortlisted. The cost savings that will result from these improvements represent a climate-related opportunity for MPS.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Our commitment to environmental leadership helps us achieve efficiency, reduce costs, and respond to the needs of our customers and community stakeholders. We invest in conservation projects and set companywide environmental targets, seeking to drive reductions in GHG emissions, energy use, water use, and waste generation. The ESG Steering Committee meets at least monthly to address challenges or opportunities related to sustainability initiatives, identify specific projects that will help increase renewable energy use, create more recycling programs of our hazardous waste, and implement solutions to lower our water consumptions. For example, our goal is to power 100% of our US operations with renewable electricity in 2023. Our largest testing facilities are ISO14001 and ISO45001 certified and are audited annually. This audit includes an extensive environmental risk analysis, which we use as a basis for improving our processes.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We are actively monitoring developments related to global regulatory and industry standards, while we continue to assess the impact on our supply chain, operations and product mix. While we do not currently have a transition plan, we do incorporate climate-related risks and opportunities into our business strategy. We plan to transition our current operational model towards one that fully integrates environmental measures into our key performance goals. In order to prepare our business, we have first focused on establishing baseline greenhouse gas emissions measures, baseline measures of water usage, waste, and use of packaging materials. For example, in 2023 our Board has set new reduction goals to enable us to continue to reduce our direct climate impact. These goals include achieving 75% renewable electricity use across our global operations by 2026, and reducing our GHG emissions by 40% by 2030.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	While we have not yet performed detailed analyses that focus specifically on climate-related scenarios, we have increasingly incorporated climate-related risks and opportunities into our business strategy. Environmental measurements have been integrated into our key performance goals. In preparation for future targets related to a 1.5° C world, we have focused on establishing baseline measurements for greenhouse gas emissions, water usage, waste and packaging materials use. We expect to then use this data to inform our overall business decisions and begin establishing a transition plan that aligns with the 1.5° C world. This plan will also be driven by the emerging regulatory guidance from the SEC and other regulatory bodies, which are also increasingly emphasizing the need for businesses to measure, disclose, and receive assurance on their climate-related data. We also expect to utilize consulting partnerships to help us strategize how best to integrate our business goals with the necessary steps to support a 1.5° C world. Our ESG Steering Committee will continue to provide, among other things, oversight and evaluations of MPS's strategy, goals and incentives to address key ESG issues, including those related to climate and water. The Steering Committee will also recommend to the Board and the Board committees specific policies, practices and initiatives that align with MPS's business priorities, its long-term corporate strategy and the long-term interests of shareholders and other stakeholders.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Evaluation in progress	Our strategy is influenced by the climate-related risks and opportunities that are related to product energy efficiency and the role technology solutions play in enabling others to reduce their carbon footprint. The opportunities that are based on increasing customers' interest in having more energy efficient products have impacted MPS's product offerings. In response, we are continually developing more efficient products and adding new features to realize revenue opportunities from this increased product demand. All MPS products are developed with the goal of increasing usage efficiency for all product end markets. We therefore are well-equipped to increase our focus on product development that capitalizes on the increasing demands of customers to decrease product use-related emissions. As a company, we are increasing our expertise and staffing within our engineering department on clean-technology development to target additional markets in which our products will be useful, while strengthening current markets' offerings like data center products that are the initial core of our new sustainability target to improve product energy efficiency. We are at the same time integrating more advanced tracking of energy savings through our product development cycle and better analyzing the energy/emissions savings and improved-compute of several of our core products.
Supply chain and/or value chain	Evaluation in progress	Climate-related issues influence our strategy across the supply/value chain. We have programs and policies in place to engage our suppliers to use sustainable practices throughout the supply chain, in support of our global manufacturing operations. Actively managing our supply chain creates business value for MPS and our customers by helping to reduce risk, improve product quality, achieve environmental goals, and raise the overall performance of our suppliers. As a fabless semiconductor company, we recognize that our Scope 3 upstream emissions are impacted by our ability to monitor and influence our manufacturing suppliers' sustainability performance, which we have started assessing more actively. We also anticipate an increased interest from key customers on our supply chain impacts and performance over the short, medium, and long term, as they too seek to minimize the footprint of their entire value chain. We engage with our suppliers directly and via the Responsible Business Alliance ("RBA"), to promote best practices that can help reduce their carbon footprint. We require our suppliers to adopt the RBA Code of Conduct and encourage their participation in CDP.
Investment in R&D	Evaluation in progress	Our R&D investment strategy is influenced by the role of technology and solutions in enabling carbon footprint reductions, and semiconductors that are more highly integrated, smaller in size, more energy-efficient, more accurate with respect to performance specifications and, consequently, more cost-effective than many competing solutions. Currently, many of MPS' customers are expressing increased interest in reducing emissions in end products utilizing MPS' components. Through our R&D investments, we have been continuously seeking increased power efficiency to meet these demands. In order for our new products to be approved, they first receive thorough reviews, evaluating their efficiency increases. We are currently working on integrating climate-related risks further into our R&D investment process by seeking specific clean technology end markets in which our products can offer increased efficiencies, and by reporting on specific R&D investment projects that demonstrate progress on our goal to expand our portfolio of clean technology investments. We are targeting power density improvements for our data center power solutions, in response to customer demand. Many of our customers are facing significantly larger power requirements for new computing applications such as artificial intelligence. These savings translate into data centers increasing the computing capacity that can be stored in a given rack. Current data center market solutions for artificial intelligence applications deliver power density up to 40 kW per rack. Our goal is to make a power density solution delivering 120 kW per rack commercially available by 2027. Our strategy is to achieve this solution through our power conversion technology, with a smaller footprint on the motherboard than competitor solutions. The design brings all the processors closer together, enabling more computing power in a smaller space. It includes better heat removal from the servers through liquid cooling, making such a large power increase per rack feasible. The smaller footprint (and resulting energy savings) allows our customers to run much more powerful computers in their current data centers. The innovations that enable more power density will mean fewer electricity losses, which lowers data centers' overall operational costs, total costs per compute output, and carbon and physical footprint (less racks).
Operations	Yes	Our operations have shifted to integrate climate-related risks and opportunities into daily functions, and renewable energy (RE) purchasing and related RE usage and GHG reduction targets into procurement and other practices. During 2022 and the early part of 2023, the ESG Steering Committee (ESC) conducted GHG inventory stakeholder feedback sessions and questionnaires to develop baselines and then reduction targets, which were approved by the Board in 2023. Through the ESC, MPS facility expansion projects are evaluated, using environmental standards to consider the equipment used, data collection procedures, and the final design. Throughout this process, climate-related risks are considered and integrated into the overall MPS emissions reporting. We have set new operational goals to further reduce our direct climate impact: achieving 75% renewable electricity use across our global operations by 2026 and reducing our GHG emissions scope 1 & 2 by 40% by 2030. We will continue to source RE and implement energy conservation projects, such as equipment upgrades and optimizations. Climate-related risks and opportunities have also impacted our facility strategy for operations. We have almost 33,500 square feet of solar panel installed on our buildings, which generated 579 megawatt hours of electricity, with 137 MTCO2e savings in 2022. We have 59 EV charging stations available to employees, to support their use of cleaner modes of transport. Additionally, major facilities are expected to meet more advanced standards of climate-related risk prevention, such as recycling rainwater (input at Chengdu, China facility) and upgrading HVAC systems. For our new buildings in Europe, we are planning to pursue LEED certifications. Our Environmental Management System ("EMS") is based on globally accepted best practices, including those recommended by the RBA. It is further supported by our Environment and Climate Change Policy. Our EMS is compliant with relevant international standards including ISO 14001, 45001 and 9001. Our largest testing facilities in Asia are ISO14001 and ISO45001 certified and are audited annually. This audit includes an extensive environmental risk analysis, which we use as a basis for improving our processes. We require our own suppliers to comply with our EMS, and the contained legal and ISO 14001 requirements.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation Assets	New climate change laws and regulations could require us to change our manufacturing processes or procure substitute raw materials that may cost more or be more difficult to procure. In addition, new restrictions on emissions of carbon dioxide or other greenhouse gases could result in increased costs for us and our suppliers. Furthermore, if our customers or suppliers cannot resume their own operations in a timely manner due to a business disruption, natural disaster or catastrophic event, customers may reduce or cancel their orders and suppliers may delay manufacturing and delivery of our products, which may adversely affect our results of operations. Also, climate-related risks are starting to influence our financial planning by requiring more capital expenditures for greener offices (like our coming LEED Barcelona site) to increase facility resilience.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	We expect emissions to decline ~5% per year annually over the next 5 years	In 2022, MPS updated its GHG emission inventory methodology to the WRI GHG protocol and widened the scope of its boundary to include all global facilities under its operational control. In addition, MPS' GHG emissions inventory has been verified, and was used to set a baseline and develop an absolute emissions reduction target. These were made public in May 2023.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	2	870
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
733.27

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
No payback

Estimated lifetime of the initiative
>30 years

Comment
3 US offices obtain green tariffs with green e-certified renewable electricity, started in Q4

Initiative category & Initiative type

Low-carbon energy consumption	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
137

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
21-30 years

Comment
Solar PV installations at San Jose, California and German offices.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Methods include ensuring compliance with regulatory requirements, e.g. California green building codes, financial optimization calculations (e.g. net present value, internal rate of return) and the potential contribution to LEED certification, GHG reduction and other goals.
Internal incentives/recognition programs	Executive compensation goals

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
Other, please specify

Type of product(s) or service(s)

Other	Other, please specify (Semiconductors)

Description of product(s) or service(s)
Our data center power solutions' innovative design reduces power distribution losses, and creates a smaller footprint on the motherboard. It removes heat from servers through liquid cooling, enabling greater power increases per rack. These improvements increase the computing capacity per rack.

MPS high-voltage converters maximize power conversion efficiency and are utilized in electric vehicles. Our digital power products simplify system designs, resulting in less material usage and power consumption. This increases the vehicle range and battery life. In self-driving cars, our analog solutions enable automakers to achieve safe and reliable capabilities in automated driving systems.

Our LED and WLED drivers and controllers integrate passive components to shrink board space and reduce components, improving energy efficiency. We use thermal regulators that trigger protection features, allowing LEDs to function within a safe operating margin, extending their lifespan.

Our smart home applications include HVAC systems, electric and gas meters, home remote controls, IP network cameras, etc. Our solutions can power wireless connected devices, allowing monitoring of energy or water consumption. Connected devices optimize energy usage, detect power outages, and reduce water waste and maintenance costs, lowering consumption.

MPS products increase power output of solar arrays by reducing switching losses and optimizing efficiency, converting more sunlight into usable energy.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology Yes, a change in boundary	We changed the methodology from a Chinese GHG accounting methodology, to the WRI GHG Protocol. We changed the boundary to be global, including all sites under our operational control. We changed the base year from 2017 to 2021, so that it better reflected the changes in our methodology, scope and overall GHG accounting practice this past year.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based	The process of expanding our 2021 Scope 1 and 2 emissions estimation methodology and boundary to be GHG Protocol- and global-based has significantly changed our 2021 Scope 1 and 2 GHG emissions (verified).	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
1609

Comment

Scope 2 (location-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
16927.7

Comment

Scope 2 (market-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
16966.6

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
3835

Start date
January 1 2022

End date
December 31 2022

Comment
Third party verified

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
1609

Start date
January 1 2021

End date
December 31 2021

Comment
We changed the methodology from a Chinese GHG accounting methodology, to the WRI GHG Protocol. We expanded the boundary to one that is global, with all sites under our operational control included.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

Start date

End date

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
25698

Scope 2, market-based (if applicable)
25567

Start date
January 1 2022

End date
December 31 2022

Comment
Third party verified

Past year 1

Scope 2, location-based
16927.7

Scope 2, market-based (if applicable)
16966.6

Start date
January 1 2021

End date
December 31 2021

Comment
We changed the methodology from a Chinese GHG accounting methodology, to the WRI GHG Protocol. We expanded the boundary to one that is global, with all sites under our operational control included.

Past year 2

Scope 2, location-based

Scope 2, market-based (if applicable)

Start date

End date

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Capital goods

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Upstream transportation and distribution

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Waste generated in operations

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Business travel

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Employee commuting

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Upstream leased assets

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Downstream transportation and distribution

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Processing of sold products

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Use of sold products

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

End of life treatment of sold products

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Downstream leased assets

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Franchises

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Investments

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (upstream)

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Please select

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000164

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
29402

Metric denominator
unit total revenue

Metric denominator: Unit total
1794148000

Scope 2 figure used
Market-based

% change from previous year
6.49

Direction of change
Increased

Reason(s) for change
Change in output

Please explain
The increase in our GHG intensity per revenue in 2022 vs 2021 was driven by our business growth. We opened our new testing facility in Asia in December 2021, and scaled up operations throughout 2022 and 2023.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
China	2693.59
United States of America	1141.9
Taiwan, China	0
Spain	0
Germany	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Chengdu, China	2691.16	30.8	103.9
San Jose, CA, US	180.25	37.2	-121.8
Kirkland, WA, US	857.43	47.7	-122.2
Livonia, MI, US	104.23	42.4	-83.4
Shanghai, China	1.17	31.2	121.4
Shenzhen, China	0.15	22.5	114.1
Hangzhou, China	1.12	30.3	120.1
New Taipei City, Taiwan	0	25.1	121.6
Barcelona, Spain	0	41.4	2.1
Ettenheim, Germany	0	48.3	7.8

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	24717.09	24717.09
United States of America	729.84	552.35
Taiwan, China	201.17	201.17
Spain	24	46.07
Germany	25.44	50.27

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Chengdu, China	24237.97	24237.97
San Jose, CA, US	258.78	218.2
Kirkland, WA, US	80.74	58.38
Livonia, MI, US	390.32	275.77
Shanghai, China	60.72	60.72
Shenzhen, China	27.9	27.9
Hangzhou, China	390.46	390.46
New Taipei City, Taiwan	201.17	201.17
Barcelona, Spain	24	46.07
Ettenheim, Germany	25.44	50.27

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	10377.24	Increased	95.84	A new testing facility in Asia came online in December 2021, and is still scaling up. Using market-based Scope 2 GHG data, we have calculated that its singular contribution constituted 96% of the increase in GHG emissions for MPS Scope 1-2 worldwide between 2021-22.
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	7996	7996
Consumption of purchased or acquired electricity	<Not Applicable>	493	42276	42769
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	579	<Not Applicable>	579
Total energy consumption	<Not Applicable>	1072	50272	51344

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Please select
Consumption of fuel for the generation of heat	Please select
Consumption of fuel for the generation of steam	Please select
Consumption of fuel for the generation of cooling	Please select
Consumption of fuel for co-generation or tri-generation	Please select

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Oil

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Gas

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Total fuel

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	579	579	579	579
Heat				
Steam				
Cooling				

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
United States of America

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier
Electricity

Low-carbon technology type
Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
493

Tracking instrument used
US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Comment
Started procuring green tariff renewable energy plans for San Jose, Kirkland and Livonia US offices in Q4 2022.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
China

Consumption of purchased electricity (MWh)
40021

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
40021

Country/area
United States of America

Consumption of purchased electricity (MWh)
2144

Consumption of self-generated electricity (MWh)
549

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2693

Country/area
Taiwan, China

Consumption of purchased electricity (MWh)
367

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
367

Country/area
Spain

Consumption of purchased electricity (MWh)
156

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
156

Country/area
Germany

Consumption of purchased electricity (MWh)
81

Consumption of self-generated electricity (MWh)
30

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
111

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
MPS GHG verif_21-22.pdf

Page/ section reference
Page 1/1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
MPS GHG verif_21-22.pdf

Page/ section reference
Page 1/1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
MPS GHG verif_21-22.pdf

Page/ section reference
Page 1/1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, we are waiting for more mature verification standards and/or processes

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Please select

Details of engagement

<Not Applicable>

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Impact of engagement, including measures of success

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Other, please specify (ISO 14001 compliance)

Description of this climate related requirement

Within our procurement, key suppliers must meet the ISO 14001 standard, which includes GHG management and reduction requirements and continuous improvement for those efforts. In addition, over the next 2 years, we will introduce additional climate-related requirements.

% suppliers by procurement spend that have to comply with this climate-related requirement

% suppliers by procurement spend in compliance with this climate-related requirement

Mechanisms for monitoring compliance with this climate-related requirement

Please select

Response to supplier non-compliance with this climate-related requirement

Please select

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

No, we have assessed our activities, and none could either directly or indirectly influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Please select

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Please select

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Page/Section reference

Pages 8-17

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Annual ESG report, on our Investor Relations website.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Please select	

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, and we do not plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, and we do not plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No and we don't plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No and we don't plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, and we do not plan to undertake any biodiversity-related actions	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director of ESG Reporting	Other, please specify (Director of Compliance)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	1794148000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (Working with distributors comprising a large percentage of sales)	MPS sells the majority of its products through resellers and distributors, and has limited visibility to the sometimes proprietary data regarding customer end uses for much of our product sales. While obtaining this information from the distributors to better understand product allocation would inform proportional allocation of emissions, our ability to accurately and fully obtain such information is limited.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
Please select

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
Please select

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms