



2025 Environmental and Social Sustainability (ESS) Report



Table of Contents



Introduction



Product Innovation



Operational Sustainability



Our Workplace



Community Impact



Supply Chain Responsibility



Governance and Business

Introduction	Product Innovation	Operational Sustainability	Our Workplace	Community Impact	Supply Chain Responsibility	Governance and Business
Message From Our CEO... 5	Product Stewardship and Life Cycle Impacts 16	Environmental Stewardship 21	Our Team 28	Making a Difference in Our Communities 35	Supply Chain Strategy and Impact 38	ESS Management and Oversight 41
Our Profile 6	Awards and Recognition .. 17	Climate Action 22	Employee Engagement .. 29	Employee Volunteer Opportunities 35	Human Rights 39	Ethics and Compliance .. 42
Our Business Segments ... 7	Packaging and Shipping Solutions 18	Energy Management 24	Talent Development and Management 30	Employee Donation Matching Program 36	Conflict Minerals 39	Privacy, Data Security, and Intellectual Property Protection 43
Our Global Footprint 8	Product Safety and Compliance 19	Water Management 25	Employee Belonging and Workplace Culture 31	Corporate Giving 36		Quality, Environment, Health, and Safety 44
Our Shared Values 9		Waste and Recycling 26	Employee Benefits and Well-Being 32			
Our Focus on Corporate Responsibility 10			Wellness, Health, and Safety 33			
Stakeholder Engagement .. 11						
Material ESS Topics 12						
Future Impact Goals 14						
						Appendix
						Index A. 2025 Performance Summary 46
						Index B. United Nations Global Compact (UNGC) .. 49
						Index C. Task Force on Climate-Related Financial Disclosures (TCFD) 50
						Index D. Sustainability Accounting Standards Board (SASB) 52
						Index E. Global Reporting Initiative (GRI) 56

Forward-Looking Statements

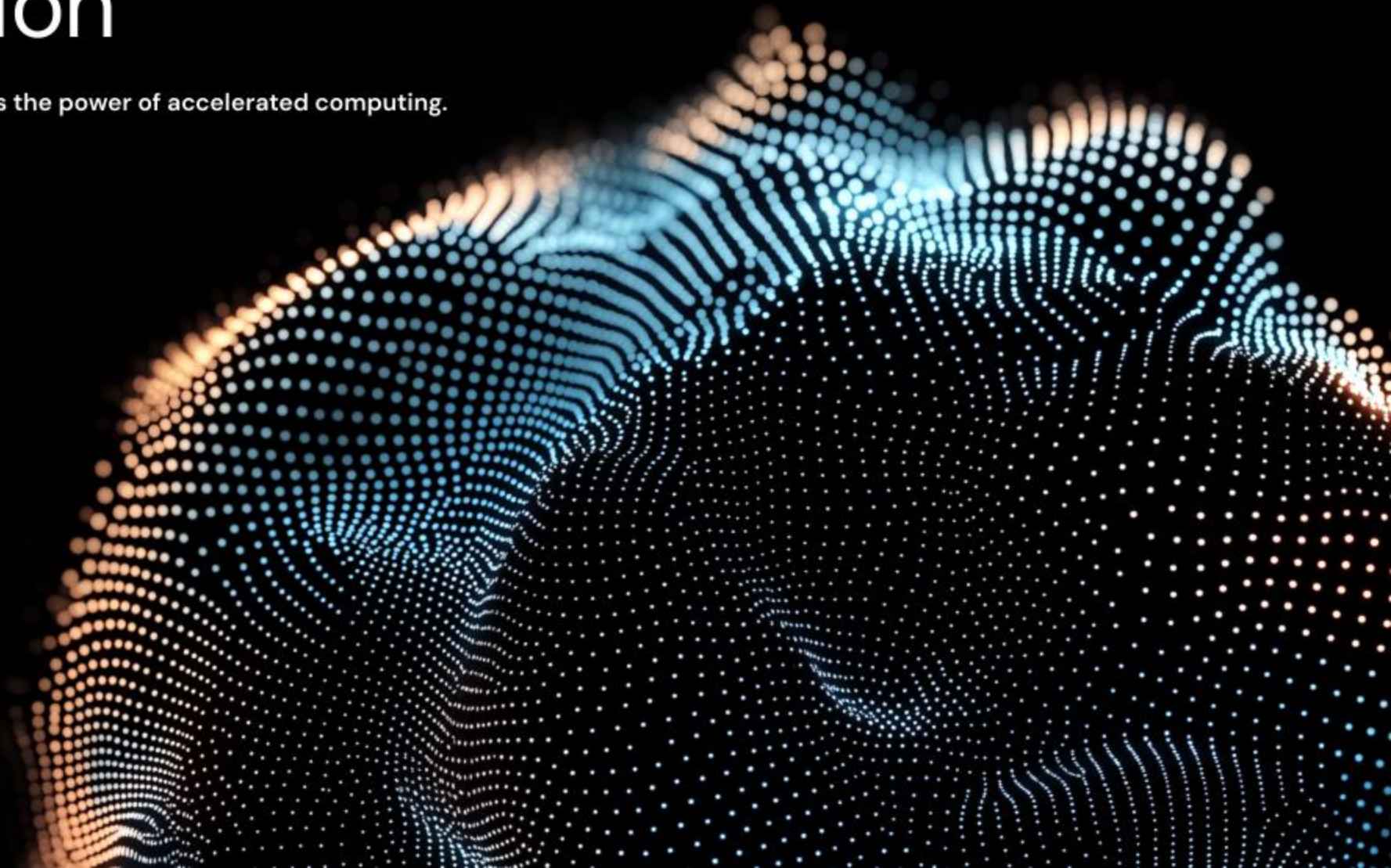
This report contains certain forward-looking statements based on Penguin Solutions management's current assumptions and expectations (including statements regarding our sustainability targets, goals, commitments, and programs and other business plans, initiatives, and objectives) and are subject to a number of significant risks, uncertainties, and other factors, many of which are outside of our control. These statements are typically accompanied by the words "aim," "could," "hope," "believe," "estimate," "plan," "aspire," or similar words. All such statements are intended to enjoy the protection of safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended.

Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our expected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements. Such risks, uncertainties, and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) and our other SEC filings, as well as the risks, uncertainties, and factors identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (all filed with the SEC). Penguin Solutions urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully when evaluating the forward-looking statements in this report. Penguin Solutions cannot assure you that the results reflected or implied by any forward-looking statement will be realized. Even if such results are substantially realized, Penguin Solutions cannot guarantee that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made only as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Penguin Solutions, Penguin Computing, the Penguin Solutions logo, SMART Modular Technologies, SMART, Cree LED, Stratus, Stratus Technologies, and any other company marks appearing in this report are trademarks or registered trademarks of Penguin Solutions, Inc. or its affiliates, unless otherwise indicated.

Introduction

Enabling our customers to harness the power of accelerated computing.



A Message From Our CEO

2025 was a defining year for Penguin Solutions. Under the capable leadership of former CEO Mark Adams, the company marked significant milestones in its evolution into a leading provider of AI infrastructure solutions. By helping customers design, build, deploy, and manage accelerated computing infrastructure environments, Penguin Solutions ensures that enterprises can execute on their AI objectives today and into the future.



Despite the rapid pace of change, Penguin Solutions continues to focus on putting people first, acting with purpose, driving progress, and delivering results. It is these values that inspire our Environmental and Social Sustainability (ESS) efforts.

As our new CEO, I would like to take a moment to reflect on our accomplishments in advancing ESS at Penguin Solutions during fiscal year (FY) 2025.

Environmental Sustainability

Across our operations worldwide, we share a common vision of environmental stewardship and a commitment to continuous progress on sustainability concerns. Our goal of achieving net-zero Scope 1 and Scope 2 emissions by 2030 means that our energy sourcing and reduction strategy will continue to be a paramount focus of our ESS program. In addition, our efforts to

consolidate and streamline data collection and validation processes have strengthened our environmental management and reporting mechanisms, making it easier to track progress on our sustainability goals.

Inclusive Workplace

At Penguin Solutions, we put people first by actively fostering a culture of growth and respect. During FY 2025, our people strategy focused on the employee experience in order to create a standardized, holistic employee journey that emphasizes development, engagement, and inclusion. Over the course of the year, we also adopted AI-powered talent management tools that enhance our approach to employee engagement by providing real-time feedback from our global employee survey. The proven benefit of supporting our people guides our commitment and investments in professional

development. We now offer extensive learning and training opportunities in multiple languages at our sites around the world.

Leadership and Governance

From the highest levels of leadership, Penguin Solutions remains committed to advancing our customers' innovation and sustainability goals. Our leadership champions our multifaceted ESS vision and provides oversight for our ESS programs. As a longstanding member of the Responsible Business Alliance (RBA), we pursue best practices across our environmental, supply chain, and human rights programs across all of our sites worldwide. Over the course of FY 2025, we also improved our cybersecurity position by aligning our globally unified cybersecurity program with best-in-class standards for data security and protection, achieving SOC 2 attestation in December 2025.

I would like to extend my gratitude for your ongoing support and engagement during this transformative chapter in our company's history. With strong momentum and unfaltering dedication, we will continue to raise the bar as responsible corporate citizens across our full stack of AI factory platform offerings.



Kash Shaikh
President and Chief Executive Officer



PENG
NASDAQ



1998
Year Founded

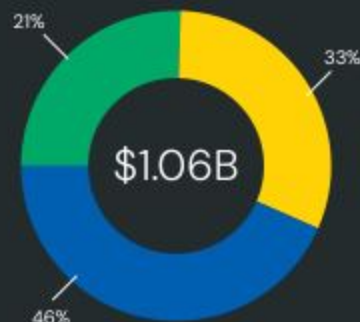


\$1.37B
FY 2025 Revenue



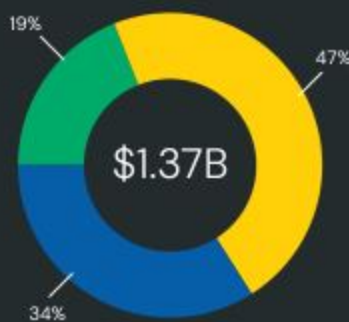
\$1.90
FY 2025 Non-GAAP EPS

FY 2021 Net Sales Mix



Advanced Computing Integrated Memory Optimized LED

FY 2025 Net Sales Mix



FY 2021 Products vs Services



Product Services

FY 2025 Products vs Services



Our Profile

Harness the Power of Accelerated Computing

At Penguin Solutions, we understand the boundless potential of technology and help our customers turn cutting-edge ideas into outcomes—faster and at any scale.

Penguin Solutions is an end-to-end technology company with over two decades of experience as a trusted advisor in advanced computing. We enable our customers to achieve their ambitions by designing, building, deploying, and managing high-performance, high-availability enterprise accelerated computing solutions. With our innovative technologies, skills, experience, and partnerships, we turn our customers' AI ambitions into compelling opportunities.

Over the past few years, we have transformed our business from a holding company structure to a single entity focused on delivering AI and advanced computing solutions to our customers at scale. We marked a major milestone in this transformation on October 15, 2024 when we rebranded as Penguin Solutions.

The following brands also operate as a part of Penguin Solutions:

- SMARTsemi®, a trusted supplier of high-performance discrete memory components for embedded applications.
- Cree LED®, a provider of high-performance, reliable LEDs backed by over 30 years of innovation and unmatched expert support.

Net Sales \$B



Non-GAAP Gross Margin



Non-GAAP Operating Margin



Non-GAAP EPS



Our Business Segments

The most exciting technological advancements are also the most challenging for companies to adopt. Drawing on our extensive knowledge in specialized domains, we bring customers new ideas and tailored solutions that meet their most pressing needs. By combining leading-edge technologies with our unique software and services, we demonstrate our commitment to customer success.



Advanced Computing

High-performance, high-availability, fault-tolerant computing platforms and services that span the continuum from core to edge to cloud.



Integrated Memory

Design, development, and advanced packaging of specialty memory and storage solutions that resolve memory limitations arising within high-performance, high-availability computing solutions.



Optimized LED

A broad portfolio of application-optimized LEDs focused on improving lumen density, intensity, efficacy, optical control, and reliability.

5

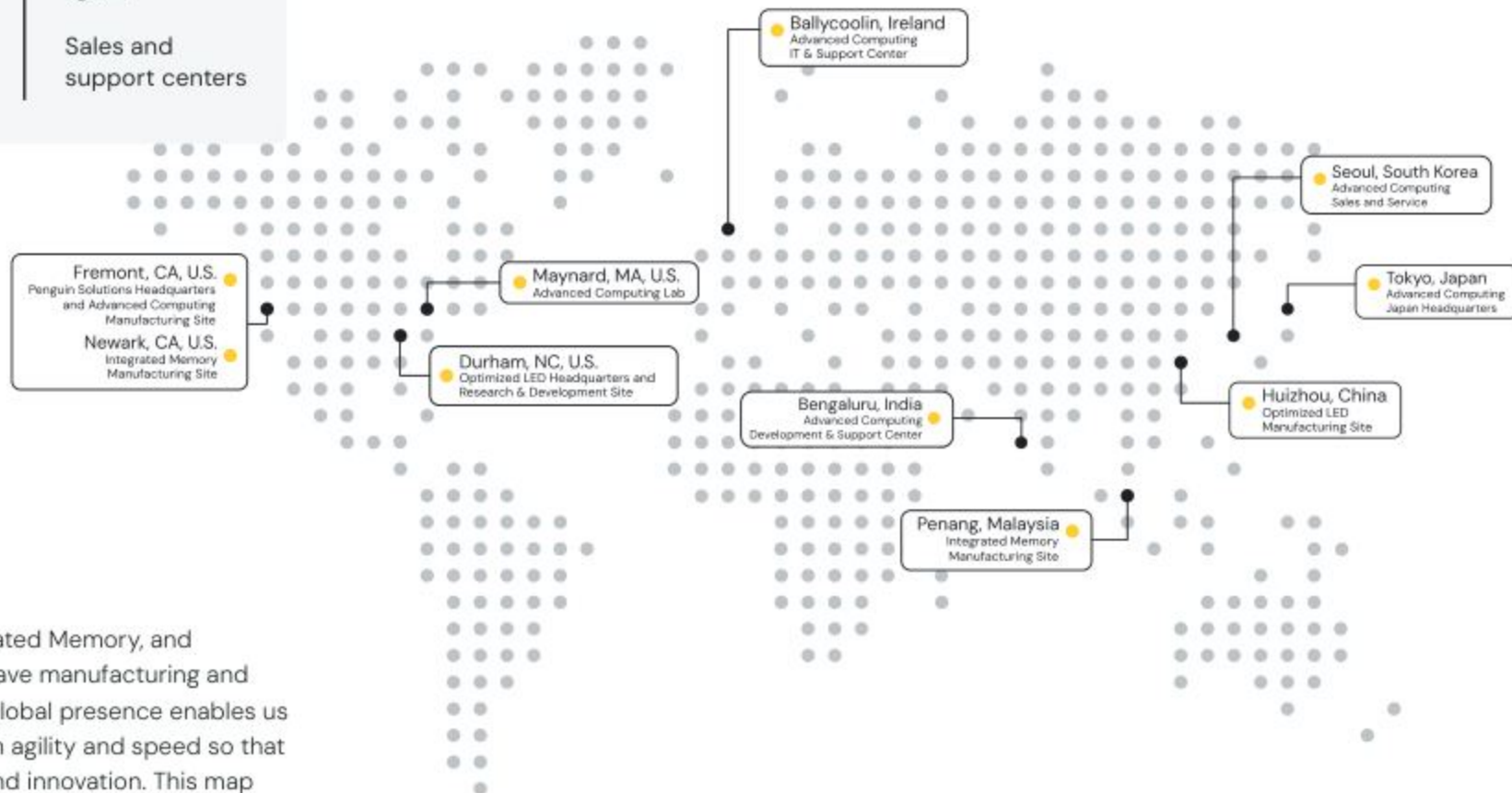
Primary
locations

5

Manufacturing
sites

32

Sales and
support centers



Our Global Footprint

Across our Advanced Computing, Integrated Memory, and Optimized LED business segments, we have manufacturing and sales operations around the world. Our global presence enables us to meet the needs of our customers with agility and speed so that they can scale to new levels of growth and innovation. This map provides the locations of our headquarters, offices, manufacturing sites, and labs. A list of all Penguin Solutions global locations is available on our [website](#).

Our Shared Values

Our company values inform our interactions with our customers, our partners, and each other.

We live these values each day by investing in our workforce, championing innovation, and exemplifying operational excellence.

Put People First

- Respect, include, and support one another
- Seek diverse perspectives
- Listen to understand

Act with Purpose

- Solve for the customer
- Flex to every challenge
- Aim for impact

Drive Progress

- Be curious about what's possible
- Think outside the box
- Care for the world in which we live

Deliver Results

- Take action and ownership
- Reflect, learn, and grow
- Raise the bar every day





Our Focus on Corporate Responsibility

At Penguin Solutions, we hold ourselves to high standards of safety and ethical conduct. Our commitment to sustainability and social responsibility remains a top priority as we work to create positive change for the planet as a whole.

Our emphasis on environmental stewardship and our people-first approach inform our corporate policies and practices worldwide. We strive to minimize the negative environmental impacts of our operations and work to improve the lives of our employees and their communities.

Our operations align with [International Organization for Standardization \(ISO\)](#) standards. All major manufacturing sites hold ISO 14001 and ISO 45001 certifications or a satisfactory equivalent. Maintaining these standards helps ensure that our health and safety, quality control, and environmental management activities embody best practice.

As a proud [Responsible Business Alliance \(RBA\)](#) member for over a decade, we collaborate with our supply chain partners and uphold rigorous standards related to RBA's focus on improved working conditions, environmental stewardship, and business performance.

We participate in the RBA Validated Assessment Program (VAP), which uses third-party audits of our key manufacturing locations to evaluate our performance on social, ethical, and environmental practices as well as occupational health and safety. Our consistently high scores on these audits are a testament to our continued commitment to these critical concerns.

Decision making at Penguin Solutions is governed by our corporate policies, which carefully align with leading frameworks such as the RBA [Code of Conduct \(version 8.0\)](#), the United Nations (UN) [Guiding Principles on Business and Human Rights](#) and [Universal Declaration of Human Rights](#), the International Labor Organization (ILO) [International Labor Standards](#), and the Organization for Economic Co-operation and Development (OECD) [Guidelines for Multinational Enterprises](#).

Stakeholder Engagement

The relationships we cultivate are the cornerstone of our success. Our key stakeholders—employees, customers, suppliers, shareholders, regulatory agencies, non-governmental organizations, and trade associations—benefit from our commitment to communication, honesty, and excellence. We adhere to codes of conduct in our interactions with stakeholders and other affiliates and engage with them by means of recurring surveys, assessments, meetings, business reviews, business contracts, and earnings calls. We regularly disclose emerging ESS concerns to ensure that high standards are maintained in our business operations and our industry more broadly.





Material ESS Topics

Our ESS strategy, initiatives, risk management approach, and disclosure practices focus on those ESS issues with the greatest potential impact on our operations and stakeholders. We identify material ESS topics by conducting ongoing evaluations of existing and emerging concerns. These assessments examine associated risks, opportunities, and business relevance using stakeholder engagement and internal review processes. Our Environmental, Social, and Governance Steering Committee (the Steering Committee) uses the resulting findings to guide our ESS strategy and disclosures.

In calendar year (CY) 2024, we conducted our first double materiality assessment, which involved interviews with key stakeholders on a variety of ESS concerns. The assessment considered a range of ESS topics, their relative importance to our stakeholders, potential effect on our company, and the relative degree of impact from our operations. This assessment and its topical focus aligned with best practices from the Global Reporting Initiative, the UN Sustainable Development Goals (SDGs), the UN Global Compact, the Task Force on Climate-related Financial Disclosures, and the European Sustainability

Reporting Standards (ESRS). In 2025, Penguin Solutions leadership reviewed and approved the initial results of this assessment. In the near future, we plan to expand this assessment to incorporate financial impact considerations.

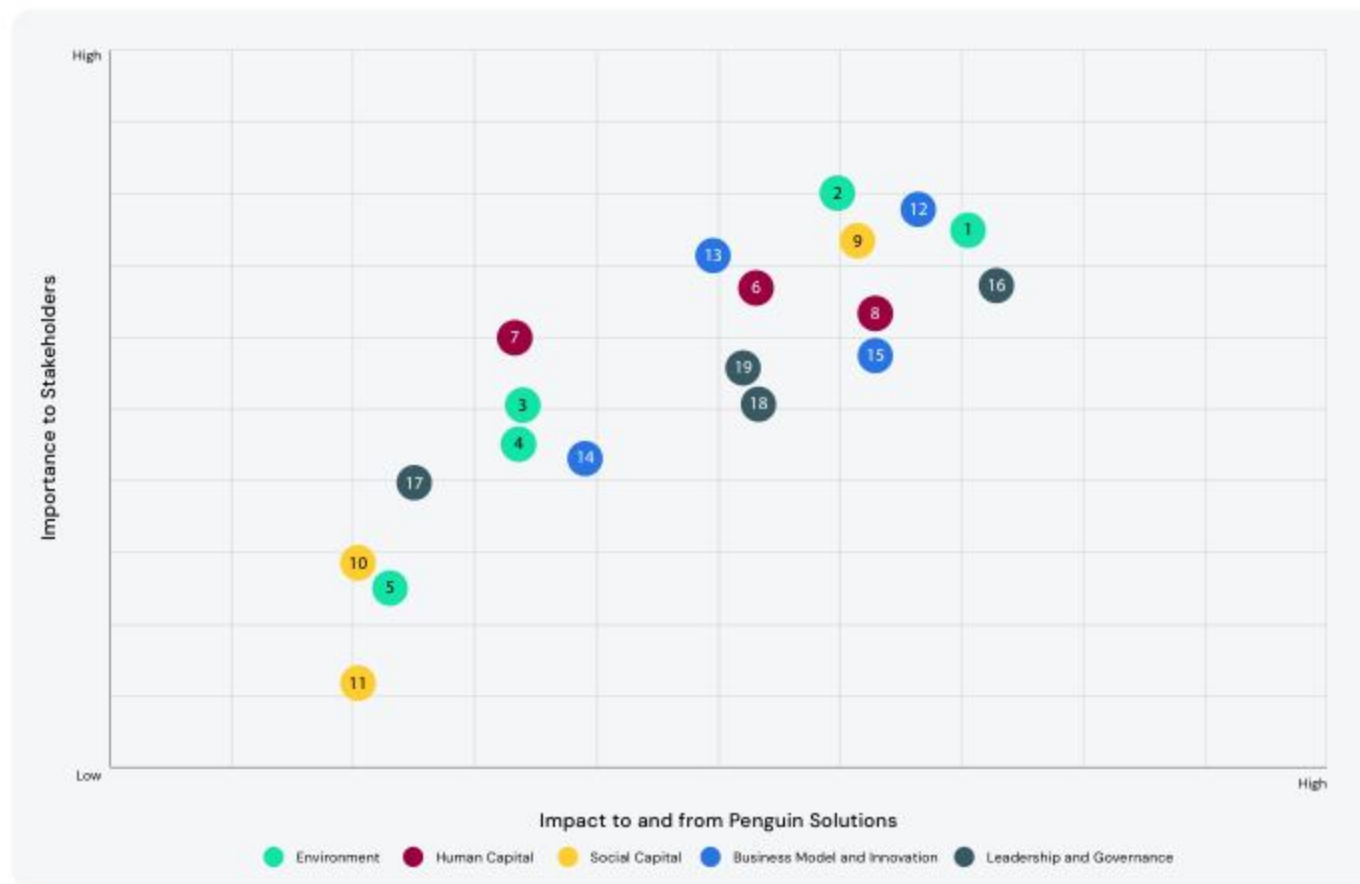
The double materiality assessment identified a subset of topics that are material to Penguin Solutions from a stakeholder engagement perspective:

- Product Sustainability
- Climate Strategy, Emissions, and Energy
- Responsible Labor Practices and Human Rights
- Supply Chain Practices and Resilience
- Privacy, Data Protection, and Information Security

These topics are the core focus areas of our ESS strategy and will remain at the heart of our ESS activities, goals, and implementation approach.

Environment	1	Product Sustainability
	2	Climate Strategy, Emissions, and Energy
	3	Water Management
	4	Waste and Pollution Management
	5	Biodiversity
Human Capital	6	Employee Health and Safety
	7	Diversity, Equity, and Inclusion
	8	Employee Engagement and Satisfaction
Social Capital	9	Responsible Labor Practices and Human Rights
	10	Community Engagement
	11	Digital Accessibility and Inclusion
Business Model and Innovation	12	Supply Chain Practices and Resilience
	13	Supplier Engagement and ESS Performance
	14	Responsible Innovation and Technology Use
	15	Customer Engagement and Industry Leadership
Leadership and Governance	16	Privacy, Data Protection, and Information Security
	17	Leadership Engagement and Accountability in ESS
	18	Ethics and Anti-Corruption
	19	Regulation, Policy, and Influence

ESS Materiality Matrix



Future Impact Goals

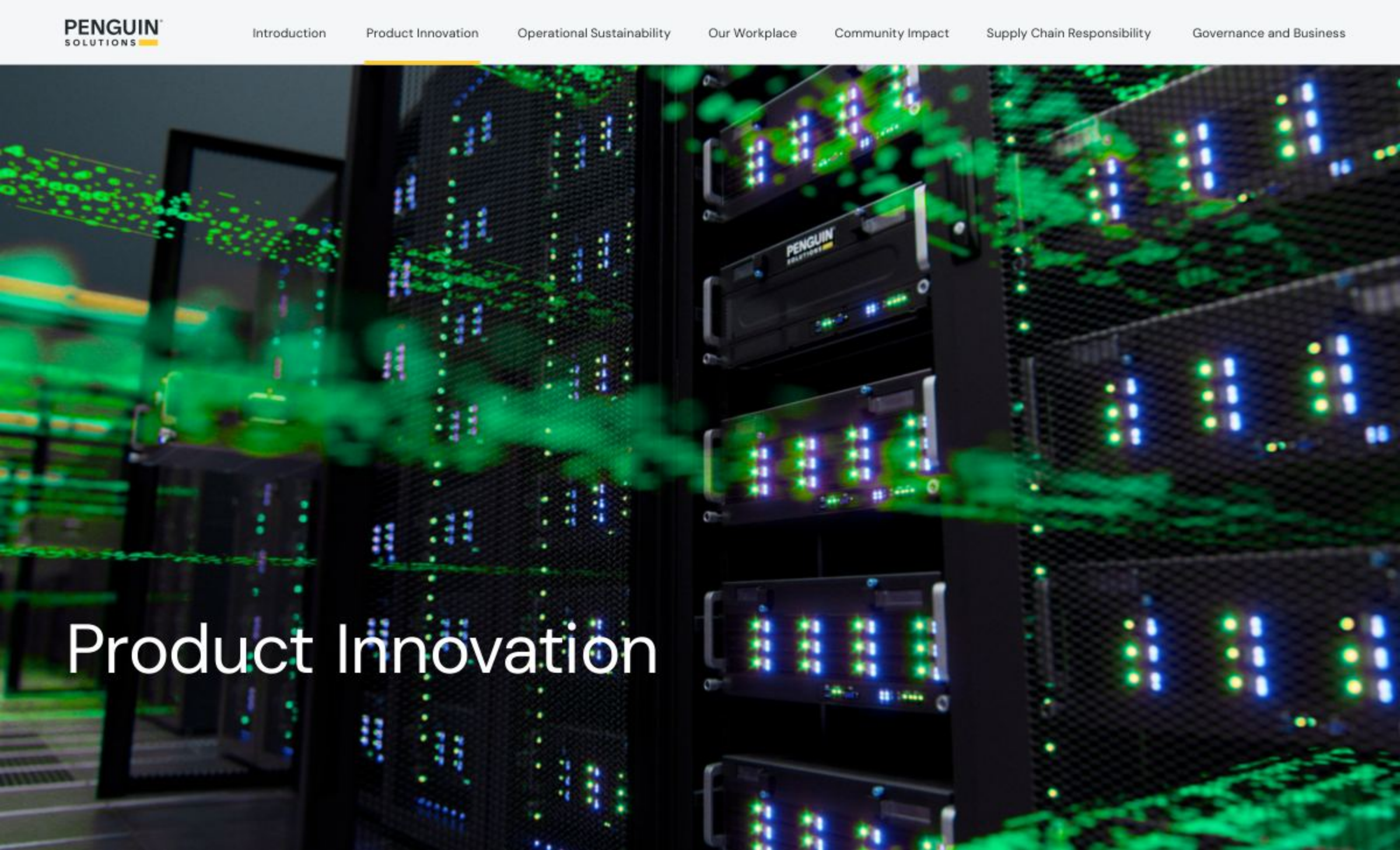
We hold our company accountable by setting goals that advance our vision of success and monitoring progress toward those objectives. Our future impact goals align with both our corporate ESS strategy and our FY 2025 material ESS topics. Our progress against these goals is reviewed by our Steering Committee at least quarterly.

During FY 2025, we achieved many of our annual goals and continued to make progress on our longer-term climate objectives, including our goal of achieving net-zero Scope 1 and Scope 2 carbon emissions by CY 2030. We also formulated Future Impact Goals that reaffirm our commitments to environmental sustainability, governance and ethics, and inclusion and belonging.

In 2026, we will begin reporting progress on these goals.

 Environmental Sustainability	Achieve net-zero Scope 1 and Scope 2 carbon emissions by CY 2030.
	Transparently and publicly report on our climate action and water management efforts and measure our success against industry-accepted frameworks, ratings, and scores.
	Maintain ISO 14001 and ISO 45001 certifications at all major sites.
 Governance and Ethics	Require all new key suppliers to adhere to our Supplier Code of Conduct and conflict mineral requirements.
	Transparently report on our sustainability program and meaningfully engage with stakeholders to integrate feedback and seek continuous and appropriate improvement on our performance.
	Increase executive accountability to sustainability initiatives, including by adding measurable human capital and environmental stewardship performance goals in our executive bonus program in order to hold our executives accountable for progress on environmental and social sustainability issues.
 Workforce Inclusion	Add oversight responsibility with respect to our use of AI, including by adding AI governance to the Cybersecurity Committee charter.
	Form AI Governance Committee with key executive participation.
	Collaborate with external partners to seek out a broad pool of qualified talent for our open positions.
	Leverage the findings from our gender compensation analyses to inform efforts to advance pay equity within Penguin Solutions, including seeking to foster an equitable pay structure that remains consistent across our company, regardless of an employee's personal background.

Product Innovation



Product Stewardship and Life Cycle Impacts

Our design and manufacturing decisions are instrumental in minimizing the environmental footprint of our product portfolio. Across all of our business segments, we apply design principles that improve energy efficiency, reduce waste, lower total cost of ownership, and minimize energy-related carbon emissions—all while maintaining our commitment to industry-leading performance. We continuously optimize product performance and deliver high-quality products with reduced environmental impact. We also offer trade-in and buy-back programs that extend the useful life of our products.



Advanced Computing

Penguin Solutions' Advanced Computing portfolio includes oil immersion and direct-to-chip liquid cooling technologies that are more energy-efficient than traditional air-based cooling approaches.

Our parts servicing programs allow customers to extend the life of their equipment to up to 10 years, significantly increasing product lifespan and reducing waste.



Integrated Memory

Our DDR4 and DDR5 memory modules leverage our Compute Express Link (CXL) technology so that customers can scale their memory without replacing existing equipment. This reduces energy demand and avoids new server additions at a ratio of up to 14:1.

Our optimized key-value caching capabilities enable customers to perform checkpoints in 1% of the time needed by a traditional memory module.



Optimized LED

Cree LED products provide improved illumination and a longer operational lifespan than legacy lighting technologies, all while consuming up to 90% less energy.

Awards and Recognition

Our company continues to receive recognition for its innovation, expertise, and technical prowess.

Awards from FY 2025 include:



TOP500

Most Powerful Supercomputers

TOP500 ranks the world's 500 most powerful supercomputers based on performance.

For the November 2025 edition, [six Penguin Solutions systems made the list](#): three Tundra Extreme Scale systems, two Penguin Altus systems, and one Relion system.



Business Intelligence Group
Artificial Intelligence
Excellence Award

Our OriginAI® infrastructure solution was a winner at the [2025 Artificial Intelligence Excellence Awards](#) presented by the Business Intelligence Group.



IoT ThinkTank
Innovation Award

Our Stratus ztC Endurance® platform won the [2025 IoT Edge Computing Innovation Award](#) with its second-generation architecture that delivers validated seven nines (99.99999%) uptime.



HPCWire
Top 5 Vendors to Watch

Penguin Solutions was named one of HPCWire's [Top 5 Vendors to Watch](#) in 2024 in recognition of its pioneering innovations in high-performance computing.



The Cloud Awards
Best Hybrid Cloud Solution

Our ICE ClusterWare™ intelligent infrastructure management software platform received the [2024/2025 Cloud Award](#) for Best Hybrid Cloud Solution.

Packaging and Shipping Solutions

As part of our ongoing mission to divert waste from landfills, we prioritize the use of packaging materials that are reusable, recyclable, and/or compostable. Across our operations, all packaging is made of recyclable materials and all corrugated paper is recycled after use. The packaging materials we purchase contain at least 50% recycled content (60% in California). We also work to reduce unnecessary packaging materials without compromising product quality or distribution schedules. By regularly engaging with our customers, we gain an understanding of their delivery needs that informs our efforts to reduce waste while lowering shipping costs and exceeding customer expectations.

Across our operations, we have implemented numerous sustainable packing and shipping practices, including:

- Increasing packing density to keep the number of deliveries to a minimum
- Locating product distribution centers closer to customers for more rapid delivery, improved efficiency, and fewer disruptions due to lengthy transportation routes
- Reusing foam and eliminating the need for custom-cut foam, nonrecyclable foam, and cardboard wherever possible
- Packing products using recyclable, reusable air pillows made of post-consumer materials
- Using and reusing recycled packaging such as bubble wrap, boxes, crates, and cases made of reclaimable metals and plastic reels
- Requiring suppliers to ship certain components in reusable containers that can be reused or returned to the supplier when empty

In CY 2025, we heavily reduced the use of foam packaging for our Integrated Memory products, which made packages lighter and less expensive to ship. We plan to reduce the packaging foam used for our Advanced Computing products in the future. We maintain compliance with all relevant international regulations, including the European Union (EU) Waste Electrical and Electronic Equipment (WEEE) Directive and the Packaging and Packaging Waste Directive, and meet specific requirements presented by our customers.





Product Safety and Compliance

Our approach to product safety and compliance exemplifies our commitment to protecting our employees, our customers, our stakeholders, and the environment around us. We ensure that anyone handling hazardous substances has appropriate training, observes safety best practices, and uses proper protective equipment. By complying with stringent requirements for product safety, we hold ourselves to the highest standard across all of our operations.

Application of the precautionary principle enables us to mitigate potential risks and hazards as we develop new products and leverage new innovations. For example, we put appropriate safety and labeling precautions on all of our products, regardless of whether they contain International Electrotechnical Commission (IEC) 62474 declarable substances.

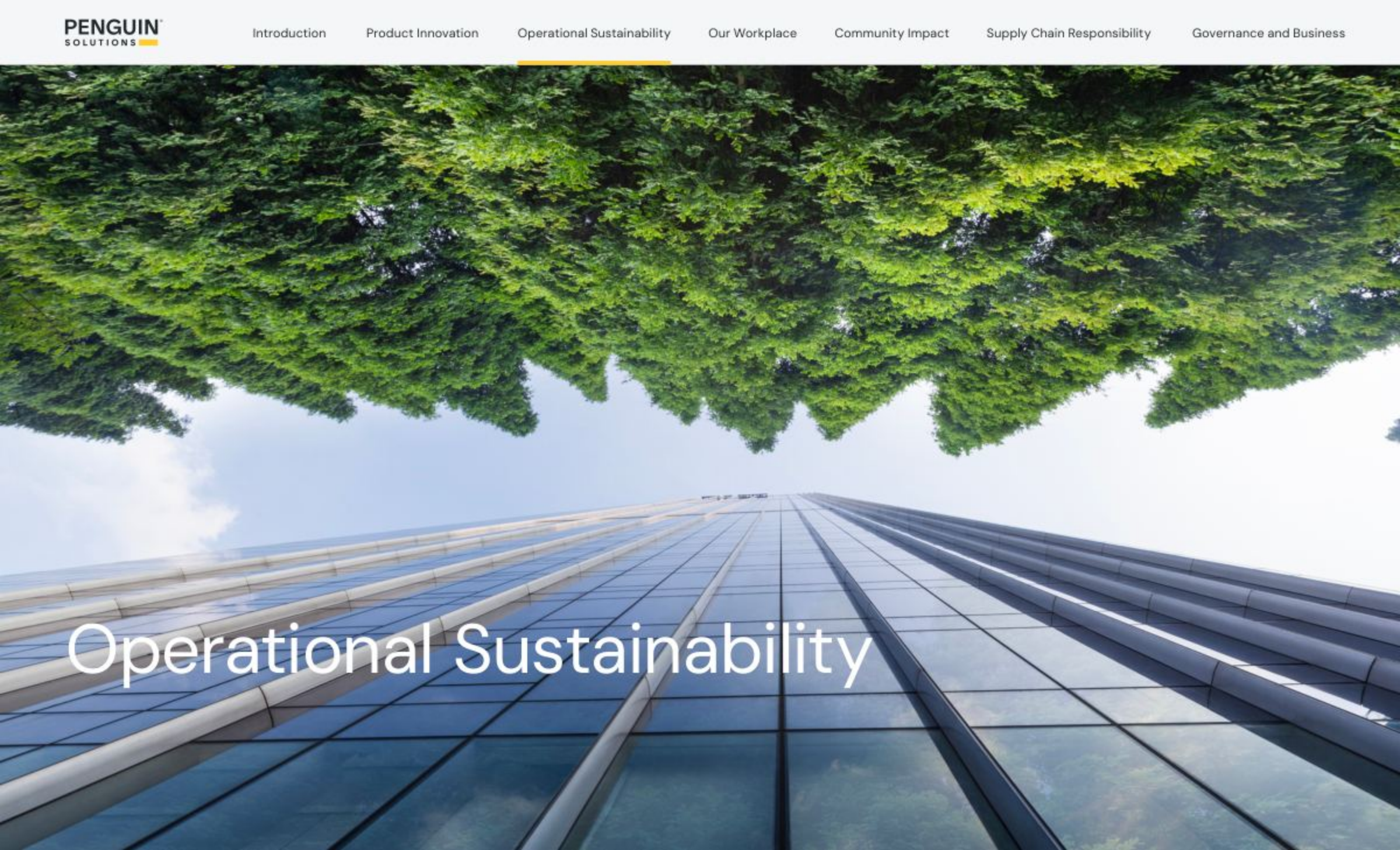
We work diligently to provide safe working conditions across all of our operations and comply with all applicable local, state, federal, and international regulations relevant to protecting human health and the environment.

Product Regulatory Compliance

We work in close coordination with our suppliers to keep our products lead-free and in compliance with all relevant safety standards—including those set forth by the EU's Restriction of Hazardous Substances (RoHS) directive—and we aim to eliminate the use of chemicals that pose a threat to people and the environment. In compliance with the EU's Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) directive, we monitor and manage risks related to any hazardous substance that we identify until that substance can be phased out of our production processes and supply chain.

We also comply with the State of California's Proposition 65. Because many of our products contain at least one substance on Proposition 65's list of chemicals, we disclose whenever there is potential for chemical exposure that carries a risk of cancer or reproductive harm. All entrances at each of our California facilities feature signage for employees and visitors warning of possible exposure to harmful substances. In the interest of promoting transparency, our product declarations include information on Proposition 65.

As new regulations come into effect, we proactively implement requirements ahead of regulatory deadlines. For example, amidst growing concerns about per- and polyfluoroalkyl substances (PFAS), we worked closely with our suppliers during FY 2025 to identify associated risks and prepare relevant substance declarations as needed.



Operational Sustainability



Environmental Stewardship

Since our inception, we have been committed to a culture of environmental responsibility. We prioritize sustainability and develop innovative solutions to the complex challenges that arise across our operations so that our employees, communities, industry, and planet can thrive.

We continue to confront the climate crisis with numerous initiatives to reduce our carbon footprint and overall environmental impact. We are on track to meet our goal of net-zero Scope 1 and Scope 2 emissions by 2030 and continue to reduce our water and energy consumption.

Our Steering Committee holds regular meetings to review and develop our environmental management strategy and oversee sustainability initiatives. Please see [Index A. 2025 Performance Summary](#) on page 46 for an overview of our performance on energy, emissions, water, and other key environmental stewardship concerns.

Climate Action

We hold ourselves accountable for the impact that our operations have on the environment and continue to do our part to confront the climate crisis. Our emissions reduction strategy and investments prioritize the use of renewable energy, with offsets purchased when direct emissions prove impossible to eliminate. We identify, evaluate, and mitigate climate-related risks using data collection and reporting methods that we continue to refine.

We remain laser-focused on achieving net-zero Scope 1 and Scope 2 greenhouse gas (GHG) emissions across all business segments by 2030 and are on track to meet this goal. This bold ambition is a top priority for our executive leadership team, our Board of Directors, and our employees worldwide, and we are confident that it will become a reality.

Emissions Performance

Our climate strategy is anchored in effective emissions management, with our goal of net-zero emissions by 2030 serving as North Star. We aim to improve energy efficiency, reduce energy consumption, and adopt renewable energy sources whenever possible. When emissions cannot be eliminated from our operations, we purchase carbon offsets to mitigate their impact. We report our Scope 1 and Scope 2 emissions figures each year and have begun to track select Scope 3 categories for future disclosure.

A large portion of our emissions profile comprises Scope 2 emissions—indirect GHG emissions related to energy production. We continue to make strides in reducing these emissions via site consolidation and broader adoption of renewable energy. In CY 2025, we completed the consolidation of our headquarters in Fremont, CA, which increased our energy efficiency and reduced our carbon footprint. Due to market changes at the local level, we were not able to offset our Scope 2 emissions at our China factory through renewable energy credits, the impact of which is reflected in our Scope 2 market-based emissions for FY 2025.

We will continue to work toward the consistent procurement of renewable energy credits in the future.

Over the past few years, we have made ongoing improvements to our GHG emissions forecasting capabilities. We increased the accuracy of data gathered across our sites and use carbon calculation software to analyze the warming potential of our emissions.

We also recognize the impact of employee commutes on overall emissions and offer flexible hybrid working arrangements to reduce commuting-related emissions.



GHG emissions

GHG emissions in metric tons of carbon dioxide equivalent (MTCO ₂ e)	FY 2025	CY 2024	CY 2023	CY 2022
Scope 1	1,141	1,675	315	3,599
Scope 2 (Market)	31,929	8,887	9,974	39,370
Scope 2 (Location)	49,083	53,935	43,243	60,316
Emissions offset	0	0	315	3,600
Total Scope 1 and Scope 2 (Market) emissions (including offsets)	33,070	10,562	9,974	42,970



Climate Risk Management

As the climate crisis intensifies, identifying and managing climate-related risks relevant to our operations will continue to grow in importance. More frequent extreme weather events, rising oceanic and atmospheric temperatures, and limited access to renewable energy represent core challenges that will affect how we do business. Our Steering Committee takes these factors into account when devising our climate strategy and environmental initiatives, ensuring that we stand ready to tackle potential climate risks using the best available approaches.

At each of our global manufacturing sites, we use monitoring systems to track emissions data and environmental performance. These systems enable us to evaluate potential risks, impacts, and opportunities related to our climate and ESS strategies and track our performance over time. We have our Scope 1 and Scope 2 emissions verified by third-party validators and are working to track environmental data from our suppliers and other value chain partners.

Each year, we respond to the CDP (formerly Carbon Disclosure Project) questionnaire on climate change and water security with detailed data on our energy use and emissions. Our efforts to optimize our performance on these issues can be seen in our [CDP scores](#).



Energy Management

Our energy management efforts focus on reducing electricity consumption and increasing renewable energy use. We apply best practices in data collection and analysis and invest in energy efficiency and renewable energy sourcing in order to achieve tangible emissions reductions.

Our investments in energy management take many forms. At our manufacturing site in Penang, Malaysia, we have a solar power purchase agreement that provides credit for on-site solar energy, which can be used to power the grid as a whole. Vehicle charging facilities are another aspect of our strategy. Our factory in Malaysia has hybrid vehicle chargers in place, and we expect to install chargers at our Newark and Fremont sites in California in the near future. We are also exploring the addition of solar parking canopies at our locations to increase our solar energy production capacity.

In FY 2025 we conducted a third-party energy efficiency assessment at our Newark, CA site to inform our approach to energy consumption. The findings from this assessment led us to implement on-site upgrades such as lighting replacements and improved HVAC controls.

In FY 2025, we decreased our global energy consumption in part due to energy efficiency upgrades. As a result of market changes at the local level, our renewable energy procurement for our China operations decreased in FY 2025, which is reflected in the table at right.

We continually seek to improve our approach to data-gathering and the accuracy of our data. In CY 2025, we restructured our data collection and reporting practices to align with our financial reporting calendar.

Global Energy Consumption

	2025	2024	2023*	2022
Total energy consumed (in MWh)	75,819	86,759	98,837	141,969
Renewable energy consumed (in MWh)	18,817	53,434	77,262	54,531
Percent of energy from renewable sources and International Renewable Energy Certificates (I-RECs)	24.8%	61.6%	78%	38%
Energy use normalized to the square footage of operations (approximately 1.24M ft ²)	0.06/ MWh/ft ²	0.07/ MWh/ft ²	0.08 MWh/ft ²	0.11 MWh/ft ²

*In November 2023, we divested an 81% ownership interest in our Brazil business, which had manufacturing facilities in Atibaia and Manaus, and announced an agreement to divest our remaining 19% ownership interest. Future ESS reports will not include data from these facilities.

Water Management

Water is a fundamental resource for our own operations and for the communities in which we work and live. We believe that clean, readily available water is a basic human right and an important contributor to global biodiversity. In addition, we know that responsible water management is vital to the success of our business and our ESS strategy. In the face of increasing water insecurity, we understand our responsibility to conserve this vital resource wherever we can.

Across our global business practices and Quality, Environment, Health, and Safety (QEHS) management systems, effective and efficient water management remains vital. At each of our facilities, we implement innovative water management solutions that carefully identify which facilities consume the most water and have the greatest potential risk exposure. Each year we participate in the [2025 CDP Corporate Questionnaire](#), which captures information about water risks, resource management practices, and annual water use.

Water Withdrawal, Consumption, and Treatment

We use local government and municipal utility district metering systems to track our water consumption. Using this data, we are able to identify and implement water-efficiency measures, which range from the use of water-efficient technologies in our manufacturing processes to the installation of water-conscious appliances at our facilities. Low-flow, water-saving bathroom fixtures at our offices have reduced water usage, as has the adoption of sustainable landscaping designs and practices at many of our sites. We monitor water stress levels at our sites worldwide using the World Resources Institute (WRI) [Water Risk Atlas](#) and our water-intensive locations (primarily our manufacturing facilities) have water-efficiency measures in place.

Whenever possible, we reuse water in our manufacturing processes and facilities. These closed-loop practices have enabled us to increase our water reuse over time. All of our locations comply with local laws to ensure that water is appropriately treated before being discharged.

Please see [Index A. 2025 Performance Summary](#) for more information about our water-related risks, practices, and metrics.

Water Withdrawal

Year	Total (ML)
FY 2025	290
FY 2024	340
FY 2023	381
FY 2022	466



Waste and Recycling

Responsible waste management starts at the source of waste production. Our approach seeks to reduce waste across all sites by using sustainable product design, improved packaging and shipping practices, reusable material, and accessible recycling services. Guided by our QEHS team, our robust waste management program aligns with our company values, ESS goals, and quality management priorities. It ensures responsible consumption practices across all facilities and operations worldwide and aims to reduce natural resource use whenever possible.

Across our facilities, all paper materials are recycled and e-waste is sent to specialized recycling companies for reuse or responsible disposal. In addition, many of our sites exclusively use reusable or recyclable utensils, cups, and plates to reduce landfill waste. We continue to improve our data collection and reporting practices on waste-related concerns and are developing a more granular view of our waste-to-landfill and recycling percentages.

We are committed to optimizing our waste management practices and holding ourselves accountable by setting goals, tracking progress, and maintaining data integrity and transparency. All of our business segments comply with the EU WEEE Directive, and we report our waste metrics as required. We consider the impacts of our waste management practices at a global scale and encourage our employees to participate in our waste reduction programs and sustainability initiatives. Please see [Index A. 2025 Performance Summary](#) for a more detailed look at our waste management efforts.

Hazardous Waste

Throughout our manufacturing processes, we work to ensure the safe and responsible disposal of hazardous waste and continuously strive to reduce waste outputs and improve waste management effectiveness whenever possible. Guided by industry best practices, our comprehensive hazardous waste system fully complies with applicable laws and regulations. We plan to implement measures to boost our hazardous waste recycling and reduce our hazardous waste generation in the future.



Annual Electronic Waste Recycling Event

We partner with EverGreen IT Solutions annually to host an electronic recycling event offering employees a convenient way to help the environment by disposing of their electronic waste responsibly.

Our Workplace



Our Team

Our dedication to our employees is reflected in our core values, which inform our efforts to cultivate a caring work environment that leverages the immense talents of our growing workforce. We aspire to provide a workplace where positions are not simply jobs but fulfilling career paths offering opportunities for growth. To this end, we are committed to giving our employees the tools they need to develop and succeed in their careers.

We value the energies and insights of our global workforce. At the end of FY 2025, we had 2,912 employees located primarily in the US, China, and Malaysia.

Global Employee Distribution



33.8%

China



32.5%

United States



16.3%

Malaysia



5.3%

India



3.6%

Japan



3%

Europe



3%

Southeast Asia



2.3%

Taiwan



Employee Engagement and Development

Our commitment to creating a supportive and connected workplace reinforces our continued investments in initiatives that help our employees grow professionally and personally. Our people strategy and mission focus on creating a culture of workplace engagement rooted in the values and traits that attract and retain talent, all while delivering scalable and effective services and programs to our employees worldwide.

We use a variety of communication and engagement methods—including companywide meetings, virtual development courses, and in-person and online activities—to support blended teams operating in remote, hybrid, and in-office environments and help employees stay connected. Our quarterly All-Employee Meetings feature updates on company priorities, progress reports, and a forum for employees to ask questions and share feedback with the rest of the organization.

Recognizing that employee engagement and feedback are critical to our success, we leverage AI-powered HR tools to field a global employee survey that is tailored to each individual based on specific service milestones relative to their hiring date. Since its launch in October 2024, our global employee survey has provided consistent, easy-to-use data that enables us to track progress toward our goals.



Talent Development and Management

Throughout FY 2025, we continued to standardize our hiring and development practices while ensuring flexibility based on local needs. Our talent management strategy focuses on high employee retention and satisfaction, as measured by direct employee feedback and HR data. These insights are then integrated into a cloud-based platform to inform business and talent decisions.

Our global performance management process includes structured goal setting and quarterly performance assessments that help employees and managers align on expectations, growth opportunities, and development pathways. Managers also receive regular training on performance management processes and best practices.

Every year, we identify top talent and conduct succession planning across the organization. This process is essential for ensuring business continuity, mitigating risks associated with unexpected vacancies, and preparing for future growth. By proactively developing successors and cultivating key skillsets, we strengthen our leadership pipeline, foster organizational resilience, and secure our company's long-term success.

We believe in recognizing our people for their achievements and celebrating how they live out our company values. All employees can acknowledge outstanding performance by their colleagues through the Living Our Values recognition program.

Training and Education

Employees participate in regular training on essential topics such as cybersecurity, ethics, inclusive excellence, regulatory compliance, and role-specific competencies. In CY 2025, we introduced a new compliance training partner that enables us to offer all employees standardized training content in local languages.

We recognize that our mentorship program and cross-functional development opportunities play a vital role in fostering employee growth, collaboration, and knowledge sharing. This programming empowers employees to expand their skill sets, gain exposure to different perspectives, and build strong professional networks that span the organization. Our efforts on this front not only support individuals in their career development but also enhance organizational agility, innovation, and overall performance, ensuring our workforce is prepared to adapt as circumstances evolve.

We also encourage employees to pursue continuing education through our education assistance program, which reimburses eligible employees up to \$7,000 annually for qualified educational expenses or job-related certifications. Our strategic partnership with Udemy gives employees access to a vast library containing thousands of courses on topics ranging from technical expertise to business acumen to personal development. To ensure maximum benefit from this resource, we offer targeted learning paths and carefully curated content focused on those capabilities most needed for individual advancement and the continued growth of our organization. By leveraging Udemy's platform, employees can take concrete action to expand their knowledge, stay up to date on industry trends, and develop the skills they need to accelerate innovation and drive business success.

Employee Belonging and Workplace Culture

We strive to foster a workplace where employees feel respected, included, and supported in their professional and personal development. Our Global Belonging Council leads initiatives that advance inclusive excellence and cultural awareness throughout the organization.

In addition, our Employee Resource Groups (ERGs) continue to expand globally, giving employees structured ways to connect over shared experiences and interests. In 2025, two new ERGs were established: Unity in Culture, focused on cultural exchange and learning, and Sustainability & Green, which supports environmental initiatives such as Zero Plastic, tree-planting events, and Earth Day programming. Another ERG, the Penguin Women's Network, continues to offer events and programs that build community and elevate the voices and contributions of women and allies across the company.

Equitable Compensation

We maintain equitable hiring, promotion, and evaluation practices that align with our compensation philosophy. Our total rewards strategy aims to ensure competitiveness, benefits accessibility, and the long-term sustainability of our company. We continue to evaluate pay equity, using ongoing reviews of gender-based compensation differences to inform any adjustments needed. In FY 2025, we also enhanced our HR management practices by introducing a standardized global process for conducting annual merit review cycles.

Penguin Solutions ERGs



Unity in Culture



Penguin Women's Network



Sustainability & Green

In FY 2025, Penguin Solutions employees participated in a variety of office activities, including:



Penang, Malaysia

Lunar New Year celebration amongst our team in Penang, Malaysia.



Newark, CA, United States

Diwali celebration amongst our Bay Area employees at our Newark, California office.



Milpitas, CA, United States

Nowruz (Persian New Year) celebration at our corporate office, which is now located in Fremont, California.



Huizhou, China

Employee appreciation day celebration from our team in Huizhou, China.



Employee Benefits and Well-Being

Our company benefits program is mindful of employee well-being and reflects our commitment to improving the lives of those who work at Penguin Solutions. Each employee has access to a comprehensive benefits package that includes medical, dental, and vision insurance; mental health care; family planning and reproductive services; accident and disability coverage; and life insurance. Through our total rewards strategy, we make frequent adjustments and improvements to our benefits offerings in order to ensure that they are competitive, accessible, and equitably distributed.

We believe that all employees have the right to make informed healthcare and financial decisions, and we work to support and empower them in this regard. Through ongoing collaboration with insurance carriers, we ensure that all US employees have equitable access to healthcare and family planning services, including up to six weeks of paid leave provided under our US parental leave policy.

When planning for retirement, US employees enjoy the flexibility of our 401(k) retirement savings plan, which offers immediate vesting of our company match.

Penguin Solutions often hosts company events that aim to support wellness by fostering employee engagement and raising awareness of vital issues related to employee well-being. We recognized Mental Health Awareness Month in May and hosted monthly wellness seminars, such as the Men's Health webinar held in June. Led by a Registered Nutritional Therapist, this webinar explored men's physical and mental well-being, identified health risk factors, and provided lifestyle tips to boost health and longevity.

We strive to support our employees in finding work-life balance and aim to empower them to prioritize all aspects of their health and well-being—physical, emotional, and mental—throughout their lives.

Wellness, Health, and Safety

At Penguin Solutions, wellness and workplace safety are paramount. By providing safe and healthy work environments for all of our employees, we are better able to deliver exceptional products and services. Our steadfast commitment to this topic is reflected in our comprehensive health and safety policies and programs, which are in effect at all of our locations worldwide.

Because we value the well-being of every person in our workforce, we offer resources tailored to meet individuals' physical, mental, and emotional needs. Free counseling sessions and other wellness-oriented activities and programs are available through our Employee Assistance Program (EAP), which can be accessed by employees and their immediate family. We are committed to keeping employees aware of available EAP benefits and review and improve our offerings regularly.

Worker Health and Safety

We strive to cultivate a companywide ethos of occupational health and safety (OSH), communication, and accountability in order to ensure that optimal safety standards are met across our entire business. Every site holds a safety meeting each month to communicate best practices and review performance. We prioritize accident prevention across our manufacturing, research and development, and corporate sites and apply the same precautionary principle to worker safety and risk-prone areas alike.

Our OSH management approach focuses on eight key objectives:

- Implement effective OSH procedures and policies
- Promote awareness of OSH programs and encourage employee participation
- Demonstrate leadership and commitment to improving OSH
- Maintain mitigation efforts and conduct risk assessments

- Establish efficient measures for risk control
- Ensure employees are competent and properly trained
- Comply with all relevant safety legislation
- Frequently monitor, review, and audit operations

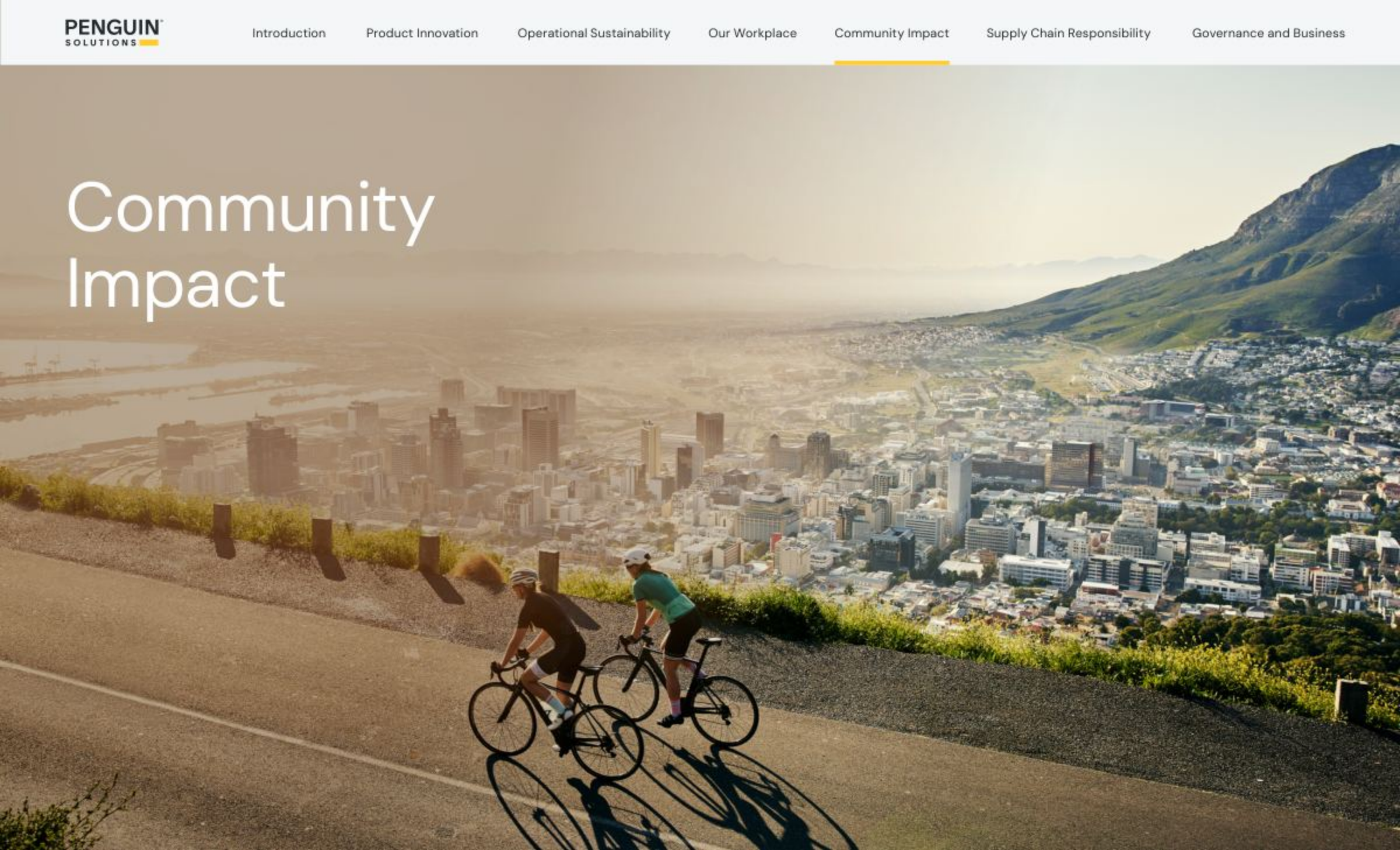
We are committed to safety in our facilities and comply with all relevant workplace safety legislation. We also adhere to ISO 45001 certification standards at all of our manufacturing sites. Our QEHS team regularly conducts risk assessments and safety inspections to minimize potential employee exposure to workplace hazards. When improvements are needed, we collaborate with subject matter experts and Penguin Solutions leadership to conduct root-cause analyses and implement corrective actions.

We believe that it is imperative that our workforce be prepared for adverse situations. To that end, we equip all employees with appropriate safety tools, including protective equipment and training. All employees must complete our safety training program as well as additional job-specific trainings on issues such as crime prevention, emergency response, fire prevention, hazardous materials handling, and machine operation.

We aim to mitigate workplace injuries and strengthen our culture of workplace safety. Due in no small part to our OSH program, the frequency of safety-related incidents has remained low at our facilities worldwide. In FY 2025, our global injury rate was 0.13 incidents per 100 full-time equivalent workers, with zero fatalities and no high-consequence work-related injuries.



Community Impact



Making a Difference in Our Communities

Our Giving Foundation, employee volunteer opportunities, employee donation matching, and corporate giving all aim to make a difference in our local communities. Together, these activities reflect our desire to do what we can to improve the world in which we live.

Employee Volunteer Opportunities

Every year, we host a number of volunteering opportunities that benefit our communities and empower our employees to give back. Paid service days are offered through the Giving Foundation to encourage employee volunteering and provide bonding experiences that encourage people to work as a team.

In FY 2025, Penguin Solutions employees participated in a variety of volunteer activities, including:



Bay Area Clean-Up

In partnership with South Bay Clean Creeks Coalition, employees from our Bay Area offices helped clear 1,420 pounds of waste and debris from the Los Gatos Creek trail and waterway.



School Enrichment in Malaysia

Our employees in Penang, Malaysia, teamed up with local school SMK Tun Hussein Inn on a tree-planting initiative, donating 15 trees to help create greener educational spaces. The event saw engagement from students and teachers who together enjoyed practical lessons on tree care, sustainability, and climate awareness.



Mountain Clean-Up in Taiwan

Our employees in Taiwan organized a mountain clean-up activity focused on creating cleaner, safer green space by helping preserve, restore, and maintain the region's ecological landscape.



The One Million Tree Planting in One Day Campaign in Malaysia

A team of employees from our Penang, Malaysia, site donated 100 native trees to this nationwide campaign to plant one million trees in a single day. Forty of the donated trees were planted at our Penang Campus.



Supporting Families in Need in Taiwan

Our office in Taiwan partnered with the Andrew Charity Association to host the Food Donation for Community Care event, which provided underprivileged families with food aid and volunteer services. Our employees contributed food donations and assembled a total of 300 food aid boxes over the course of the event.

Employee Donation Matching Program

Our Donation Matching Program aims to foster a culture of giving by encouraging employees to support causes that they find meaningful. The program offers each employee up to \$2,500 (or local currency equivalent) each year in matching funds for donations to eligible organizations. Employees can also give back by donating accrued vacation time, which is then converted into a cash contribution for distribution to selected charities.

Corporate Giving

In FY 2025, we established the Giving Foundation as a way to be more strategic in our giving efforts and maximize our impact on global community challenges. We proudly support local and global causes through the Giving Foundation and have aided numerous nonprofit organizations involved in disaster relief and educational programs. Employees are invited to recommend organizations as potential donation recipients.

The following organizations received support from the Giving Foundation in FY 2025:



RUSSO MCENTEE ACADEMY

Russo McEntee Academy

This unique public elementary school in San Jose, CA focuses on environmental justice, social-emotional learning, and sustainability.



California Fire Foundation

This organization assists communities in the wake of wildfires and other natural disasters.



GERANDO FALCÕES

National Deaf Children's Society

Based in the United Kingdom, this charity uses advocacy, education, family support, and professional training to help ensure that deaf children have the same opportunities as their hearing peers.



Penguins Protect Penguins

To raise awareness for penguins and their habitat, we donated and matched contributions during Supercomputing 2025, supporting a wildlife organization dedicated to penguin conservation.

Supply Chain Responsibility





Supply Chain Strategy and Impact

We champion ethical, sustainable business practices and expect the same from our business partners. Across our organization and throughout our supply chain, we advocate for responsibility and exceptional quality by leveraging our deep expertise, global reach, and consistent adherence to ESS best practices.

We seek continuous improvement and diligent compliance across all aspects of our operations. Our standards of excellence apply equally to our own business segments and our suppliers alike. All Penguin Solutions suppliers must conduct business ethically and comply fully with all applicable laws and regulations. Our [Supplier Code of Conduct](#) details what we expect of our suppliers and aligns with the practices and principles set forth by the RBA Code of Conduct (version 8.0). Before we consider doing business with a supplier, they must first adhere to the standards of our Code as well as those of the RBA.

Assessing Supplier Performance

We monitor our supply chain carefully in order to maintain optimal performance and identify potential risks as they arise. Our Supplier Code of Conduct outlines our expectations, which include adherence to our assessment processes and maintenance of ISO 14001 certification. If a supplier intends to follow its own code of conduct, it must provide evidence that its code is either on par with or exceeds our standards. To better leverage the RBA's rigorous standards for supplier self-assessment and independent audits, we allotted over 50% of our supply chain spending to suppliers with RBA memberships.

Our vendor onboarding assessment process for all new vendors gathers company-level data on labor practices, human rights, water and energy use, climate change, and other areas of concern. These assessments inform our interactions with suppliers, our approach to supply chain risk mitigation, and our ongoing efforts to bolster our ESS program. Once vendor onboarding is complete, a third-party due diligence platform continuously monitors each supplier's risk level and performance. This platform allows us to collect supplier performance data, protect against fraud, and manage supply chain risk more effectively.

In FY 2025, no suppliers were found to be noncompliant with our social and environmental standards and there were no high-risk suppliers identified.



Human Rights

We remain dedicated to protecting the human rights of every person in our operations and our value chain at all times. Our [Human and Workforce Labor Rights Policy](#) details our expectations on human rights, our belief in the dignity of all people, and our commitment to responsible labor practices, workplace safety, anti-discrimination, and freedom of association. The Policy applies to our own operations as well as those of our business partners and is aligned with industry best practices and global human rights frameworks, including the RBA [Code of Conduct \(version 8.0\)](#), the UN [Universal Declaration of Human Rights](#), the ILO [International Labor Standards and Declaration on Fundamental Principles and Rights at Work](#), the ISO standards, the OECD [Guidelines for Multinational Enterprises](#), and the UN [General Comment No. 15 on the Right to Water](#).

We respect and recognize the right to freedom of association for all Penguin Solutions employees, who also enjoy our full support for their legal right to join or refrain from joining trade unions and other worker associations. At all sites covered by collective bargaining agreements, we protect employees' collective bargaining rights by working closely with employee representatives. As of the end of FY 2025, none of our global workforce was covered by a collective bargaining agreement.

Our [Supplier Code of Conduct](#) promotes responsible labor practices and sets out standards for wages and benefits, respect and dignity, health and safety, and other concerns such as working hours, nondiscrimination, and freedom of association. The Code also reiterates our intolerance and prohibition of child labor and any labor that is forced or involuntary. Supplier risk assessments are used to ensure adherence to the Supplier Code of Conduct and keep our supply chain free of human rights violations. In addition, we collaborate closely with our suppliers to maintain compliance with the [U.K. Modern Slavery Act](#) and promote transparency of labor risks in our global supply chain.

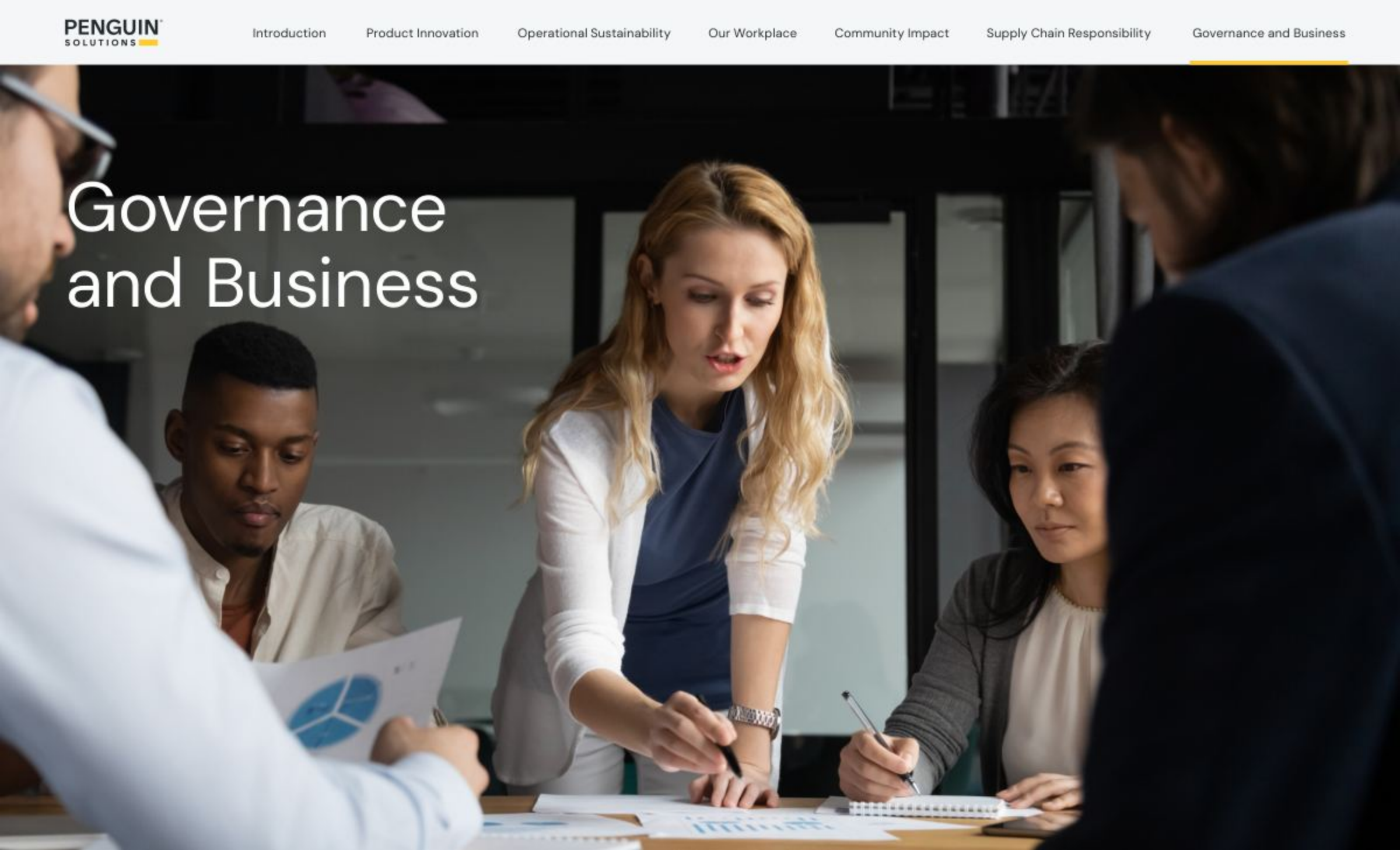
As our Human and Workforce Labor Rights Policy and Supplier Code of Conduct together help mitigate our exposure to labor-related risks, we also work to strengthen our human rights program by providing relevant employee training.

Conflict Minerals

We are committed to responsible and ethical practices when sourcing raw materials for our products and do not tolerate any form of corruption or human rights abuse in our operations or our supply chain. Our [Responsible Minerals Policy](#) aims to ensure the ethical sourcing of critical materials and prevent our purchasing activities from contributing to armed conflict, bribery, child labor, extortion, or forced labor. The Policy also elaborates our approach to sourcing critical minerals—including cobalt, gold, tantalum, tin, and tungsten—from the Democratic Republic of Congo and surrounding regions. When screening our suppliers, we use third-party software to identify risks related to human rights abuses, ethical breaches, and other concerns. This approach enables us to enhance our due diligence and strengthen our risk mitigation efforts.

To ensure that our due diligence activities align with industry best practices, we maintain membership with the [RBA Responsible Minerals Initiative \(RMI\)](#). As RMI members, we follow due diligence practices and rigorous reporting standards that promote supply chain transparency and allow us to verify, whenever possible, that our product components remain conflict-free. Because we are several steps removed from interactions with our smelters and refiners and do not source from smelters directly, it is imperative that our upstream suppliers provide accurate information about identified risks and mitigation efforts, as well as potential concerns related to mineral sourcing. To that end, we require our suppliers to complete the [RMI Conflict Minerals Reporting Template](#) each year. In addition, all direct and indirect suppliers dealing with conflict minerals must adhere to the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). We also actively encourage our suppliers to join us as fellow RMI members.

Governance and Business



ESS Steering Committee



Jeff Milano
VP of Global Quality
and Sustainability



Anne Kuykendall
SVP and Chief
Legal Officer



Nate Olmstead
SVP and Chief
Financial Officer



Valerie Sassani
VP of Marketing and
Communications



Srini Tanikella
SVP and Chief
Information Officer



Michael Wellman
Chief Human
Resources Officer

ESS Management and Oversight

Across all segments of our business, we advance toward our goals using an ESS-centered management strategy. The Steering Committee ensures that ESS practices are championed at the highest levels of our company.

Composed of executive members from our Operations, Marketing, Supply Chain, HR, and Legal teams, it monitors ESS performance, tracks progress on core initiatives, and regularly holds meetings on ESS topics such as regulatory compliance, progress on goals, risk mitigation, and public disclosures. The Steering Committee also reviews and guides the development of our ESS objectives and policies at least annually.

Our Nominating and Corporate Governance Committee (NCGC) is also well-versed in ESS matters. It oversees ESS strategy at the corporate level and updates the Board of Directors as necessary. The NCGC reviews our annual ESS goals and receives briefings from the Steering Committee, which reports on company ESS progress at least once per year.

We aim for quality and transparency in our ESS data and reporting and regularly monitor our progress on ESS metrics. By utilizing benchmarks from external ESS ratings, we strive for excellence, keep our efforts on track, and hold ourselves accountable.

Our calendar-year scores for three key ESS indexes are shown in the table below.

Key Index	CY 2025	CY 2024	CY 2023
CDP Climate Change	B	B	B
CDP Water Security	B-	C	C
EcoVadis	64 <i>Bronze Medal received</i>	47	49

Ethics and Compliance

Our ethics and compliance program exemplifies our foundational core values and our commitment to integrity across Penguin Solutions. We have compliance review boards that hold quarterly meetings to discuss compliance practices and identify potential business risks. These groups are supported by leaders from each of our global sites. All of our governance policies undergo a thorough annual review to ensure continued relevance, legibility, and compliance with applicable laws and regulations. Regular communications, staff meetings, and online training sessions ensure that our workforce stays informed of any changes to our governance policies.

Our [Code of Business Conduct and Ethics](#) aligns with the [UN Guiding Principles on Business and Human Rights](#) and sets out our expectations for ethical conduct and compliance with applicable laws. All employees, contractors, officers, directors, and other business partners agree to adhere to this code. Penguin Solutions employees and contractors are also required to complete an initial ethics training that covers topics ranging from anti-corruption to conflicts of interest to bribery. They must also complete additional training at regular intervals. In FY 2025, our ethics and compliance training completion rate among our employees was 100%.

All suppliers and business partners must operate in line with our Supplier Code of Conduct. We require each partner to sign onto this code or demonstrate that their organization holds to a similar standard. Each of our direct suppliers undergoes initial screening during onboarding to flag potential risks, with additional screening conducted thereafter.

In every country where we operate, Penguin Solutions complies fully with applicable laws and regulations. In FY 2025, no instances of corruption were confirmed and we did not receive any fines or penalties for environmental violations. In addition, Penguin Solutions was not involved in any legal proceedings related to anti-competitive behavior.

Reporting Concerns

With integrity and ethical conduct at the core of our operations, we prioritize cultivating an environment where all individuals—employees, customers, suppliers, contractors, and other business partners—feel supported and at ease voicing concerns. Anyone observing instances of potential noncompliance or misconduct is encouraged to report their concerns using one of the resources we provide. Our [Whistleblower Policy](#) explains the procedure for reporting concerns and outlines our commitment to ethical conduct.

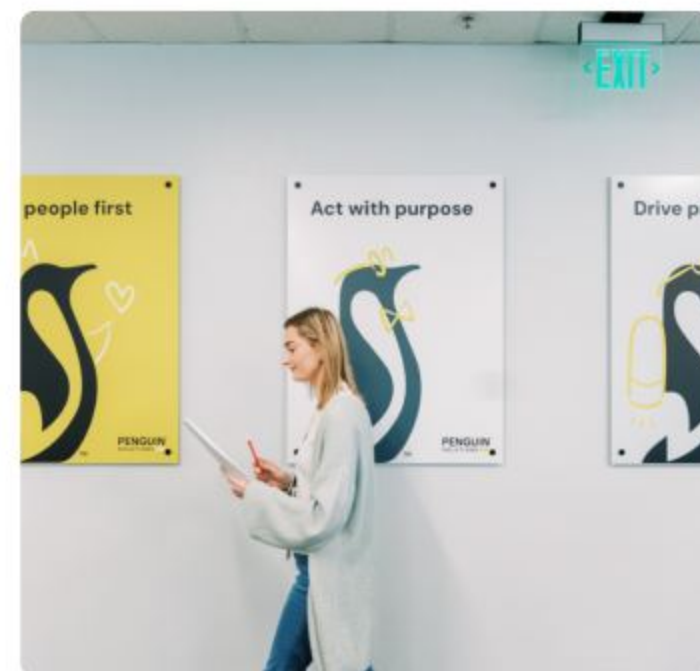
Instances of noncompliance may be reported online at [PenguinSolutions.ethicspoint.com](#) or through our 24/7 toll-free whistleblower hotline. Access to these resources is available at any site where Penguin Solutions or one of its subsidiaries physically operates. At all of our global facilities, this hotline information is highly visible, easily accessible, and prominently displayed in the area's local language(s). Any person who submits a complaint or participates in an investigation is protected from retaliation in any and all forms. All reported concerns are reviewed by our Chief Legal Officer, Chief Financial Officer, the Chairperson of the Audit Committee, and/or the full Board of Directors or Audit Committee, depending on the nature and severity of the matter at hand.

During FY 2025, no substantiated whistleblower reports or complaints regarding discriminatory behavior were received. For additional detail on our approach to reporting concerns and anti-retaliation, please refer to our [Code of Business Conduct and Ethics](#) and our [Whistleblower Policy](#).

Political Engagement

We believe that effective public policy requires ongoing collaboration and transparent dialogue. We aim to keep ourselves informed and engage with public policy issues relevant to our operations. We regularly interact with local governments, regulatory bodies, industry associations, and nongovernmental organizations on pressing issues of concern to our industry and our business.

We neither participate in any lobbying activities nor make any political contributions and all political engagement activities align with the guidelines detailed in our Code of Business Conduct and Ethics.



Privacy, Data Security, and Intellectual Property Protection

In our rapidly evolving digital age, protecting the data and intellectual property of our employees, customers, and partners requires secure systems and networks. Over the last few years, we have focused on creating a globally unified cybersecurity program and appointed a new Senior Director of Cybersecurity to oversee this effort. Our cybersecurity program, processes, and teams have been consolidated globally to better conform with cybersecurity standards ISO 27001, the Cybersecurity Maturity Model Certification (CMMC), and System and Organization Controls 2 (SOC 2). By aligning with these rigorous requirements, we can assess our position against leading industry guidelines and take action to meet and exceed customer expectations. Alignment with other industry frameworks will be considered as we refine our program over time.

As the cybersecurity landscape continues to evolve, we remain confident that the relationships we form with our partners hold the key to finding solutions and achieving shared goals. Through collaboration and mutual support, we aim to ensure that no one in our corporate ecosystem has to face these challenges alone. Through our partnerships with numerous vendors, we are breaking down siloes by implementing cybersecurity tools with global applicability (as opposed to tools specific to each business segment). We leverage firewall network technologies, a dark web-secure browser, and a single security operations center (SOC) provider companywide and are in the process of implementing a solitary identity management solution to replace the multiple solutions in place. We also plan to consolidate our IT ticketing systems and service management areas in the near future.

Our [Cybersecurity and Technology Risk Management \(CTRM\) Committee](#) manages our IT strategy, which ensures compliance with applicable information security and data protection laws and guides our approach to data handling, privacy protection, and risk mitigation. This committee directs our Information Security Risk Management framework, which aligns with standards set forth by

ISO and the National Institute of Standards and Technology (NIST). In July 2025, we achieved SOC 1 attestation, and we achieved SOC 2 attestation in December 2025. The CTRM Committee meets regularly to discuss IT strategy and emerging concerns and keeps the Board of Directors informed by providing updates at least once each year. Recently, the committee's responsibilities have been broadened to include oversight of our AI roadmap and initiatives.

In light of the rapid expansion of AI at work, we established a Generative AI Use in the Workplace Policy to safeguard our systems and promote fair use of AI technology. We have also consolidated a single, streamlined event response policy at the global level. The policy ensures optimal communication and rapid response times for incidents and events and helps maintain SEC compliance by ensuring that mandated SEC notifications are delivered in a timely manner.

When it comes to cybersecurity, we know that the landscape is ever-evolving and that there is constant room for improvement. To better anticipate and adapt to new challenges, we use tabletop exercises based on real-life scenarios that help us understand how to respond to incidents and carry out appropriate responses. These exercises involve cross-functional teams that bring together members of finance, compliance, operations, IT, marketing, and other relevant departments. We expect to conduct biannual exercises focused on both technical and business scenarios. In addition, we strengthened our cybersecurity incident response plan to better adhere to SEC regulations and provide a more optimal threat response in real-time. Our mean response time is currently faster than the industry average.

To identify risks and measure cybersecurity vulnerability within our systems, we use automated 24/7 vulnerability risk assessments. Results from these assessments show that our risk levels continue to decline. In addition, a penetration test of our 24/7 vulnerability assessment conducted in FY 2025 did not result in any critical findings.



Our cybersecurity awareness program keeps our workforce well-informed and prepared by requiring all employees to complete a mandated cybersecurity training. We have tracked metrics from this program since its inception and have seen declines in our phish-prone percentage, with phishing test metrics on par or better than the industry average.

Quality, Environment, Health, and Safety

Across the globe, our QEHS program promotes the continued health and safety of all our employees and stakeholders as well as environmental well-being. Our Vice President of QEHS leads this program, reporting to our Chief Financial Officer (CFO) and providing our CEO with key updates on a regular basis. Our CEO notifies our Board of Directors of these updates as needed.

The QEHS program is underpinned by our [QEHS Policy](#), which outlines our operating standards for optimal health and safety conditions.

This policy has five key directives:

- Prevent conditions that threaten safety, human health, or the environment and implement best practices where possible
- Facilitate an environment that prioritizes protecting employee health and safety and the environment in order to minimize injuries, health concerns, and environmental damage
- Identify and eliminate or reduce hazards and risks to ensure the safety of all individuals
- Protect the environment and prevent pollution by decreasing waste and emissions
- Promote the participation of employees and their representatives in QEHS matters

As a part of our global QEHS program, our QEHS management system puts these imperatives into practice at our sites worldwide. Adopting this system on a global scale enables us to apply our QEHS standards to business operations more consistently. The program aligns with ISO principles in order to ensure that our policies and practices meet industry standards of evidence-based QEHS management.

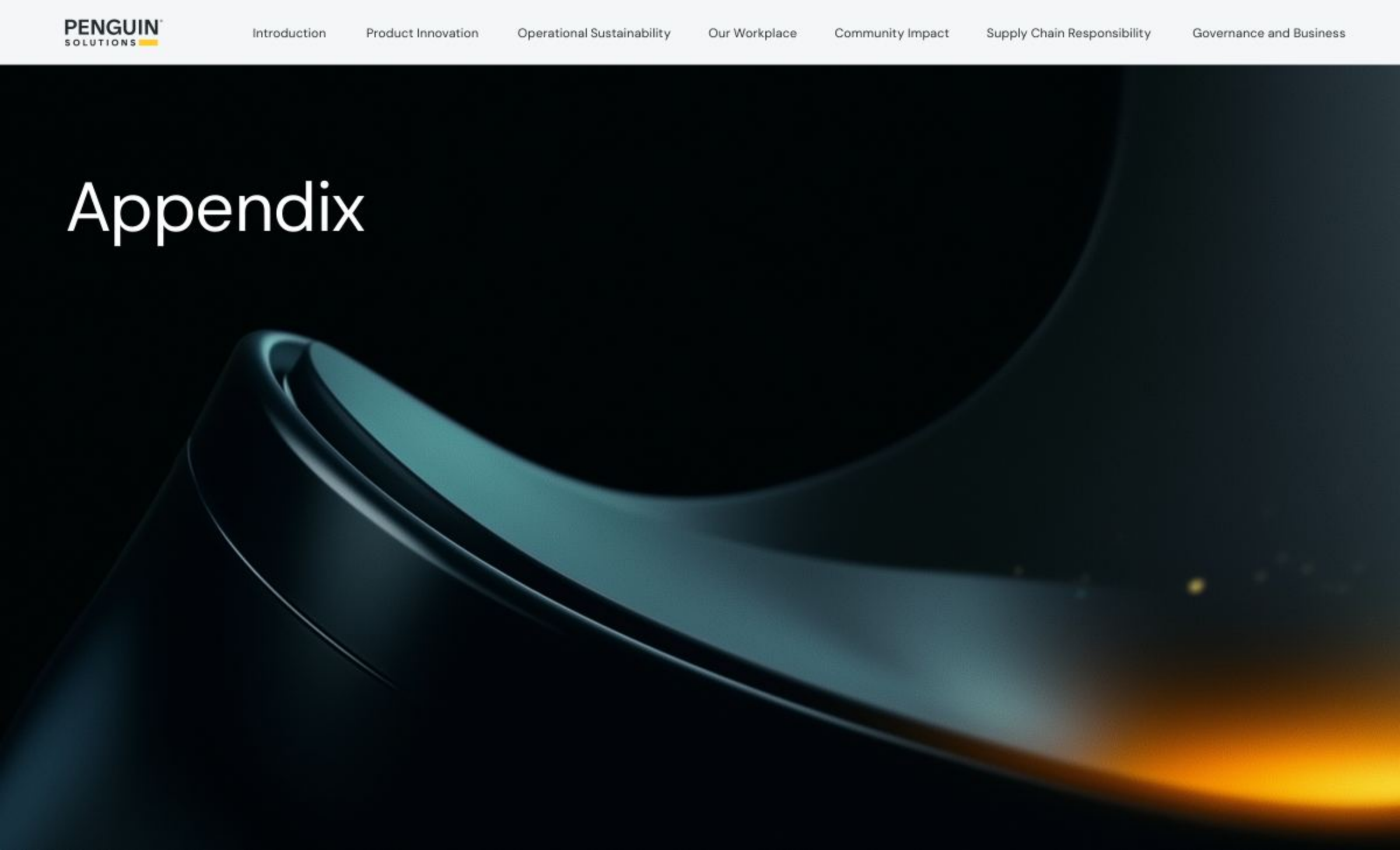
Maintaining Global Excellence

To maintain QEHS certifications and ensure compliance with ISO standards, we have put in place internal and external audit programs that operate on a two-year cycle. In 2023, we completed third-party RBA VAP audits for our sites in Newark, CA, and Penang, Malaysia. The audit score for our Penang site received platinum-level recognition; the final closure audit of our Newark site yielded no critical findings. Across our operations, we had no health or safety violations, product recalls, non-compliance issues, or legal proceeding expenses associated with environmental violations. In addition, every site that submitted a self-assessment questionnaire to the RBA was ultimately found to be low-risk. Our next audits are scheduled for 2026 at our Fremont, CA, and Malaysia sites.

All of our manufacturing sites in the US, China, and Malaysia are certified to ISO 9001, ISO 14001, and ISO 45001 or equivalent. Over the course of FY 2025, we laid the groundwork for future ISO 28001 certification at the corporate level by establishing policies, procedures, and processes in alignment with the standard. For more information regarding our current ISO 9001, ISO 14001, and ISO 45001 certifications, please visit our [website](#).



Appendix



Index A. 2025 Performance Summary

Performance Area	FY 2025	YoY% Change	CY 2024	CY 2023
Environment				
Energy and Emissions				
Energy consumption (MWh)	75,819	-13%	86,759	98,837
Percent of global energy from renewable sources	24.8%	-60%	61.6%	78.17%
Energy intensity per square foot of operations (MWh/ft ²)	0.06	-17%	0.07	0.08
Scope 1 emissions (MTCO ₂ e)	1,141	-32%	1,675	316
Scope 2 emissions (Market) (MTCO ₂ e)	31,929	259%	8,887	9,974
Scope 2 emissions (Location) (MTCO ₂ e)	49,083	-9%	53,935	43,243
Emissions offset (MTCO ₂ e)	0	0%	0	316
Total Scope 1 and Scope 2 (Market) emissions (MTCO ₂ e) [includes offsets]	33,070	213%	10,562	9,974
Waste and Recycling				
Hazardous waste generation (metric tons)	113.1			158
Non-hazardous waste generation (metric tons)	238			61,765
E-waste generation (metric tons)	70.8			4,082
E-waste recycling rate	100%			100%
Water Management				
Water usage (million liters)	290	-15%	340	762.3
Water recycling rate	60%			65%
Governance and Business				
Number of full-time employees	2,912			2,949
Revenue	\$1.37B			\$2.52B
Assessing Supplier Performance				
Percentage of major suppliers with ISO 14001 certification	>80%			84%
Percentage of major suppliers with RBA membership (based on annual spend)	>50%			71%

Index A. 2025 Performance Summary – continued

Performance Area	FY 2025	CY 2023
Workplace Demographics		
Gender Representation		
Percent of global employees identifying as female	42%	42%
Percent of global employees identifying as male	58%	58%
Percent of US employees identifying as female	25%	26%
Percent of US employees identifying as male	75%	74%
Race and Ethnicity (US) by percent		
American Indian or Alaska Native	0.10%	0.0%
Asian	26.81%	26.6%
Black or African American	4.28%	3.8%
Hispanic or Latinx	6.63%	6.8%
Native Hawaiian or other Pacific Islander	0.51%	0.5%
White	57.08%	57.0%
Two or more races	2.45%	2.5%
Undeclared	2.14%	2.8%
Global age representation (by number)		
Gen Z	196	
Gen Y (Millennials)	1,392	
Gen X	1,032	
Baby Boomers	291	
Silent Generation	1	
Worker Health and Safety		
Global injury rate per 100 full-time equivalent workers	0.13	0.33

Index A. 2025 Performance Summary – continued

Site-Level Environmental Data			
Water Risk Levels by Major Site*			
Penguin Solutions Location	Facility Type	Business Line	Water Risk Level
Huizhou, Guangdong Province, China	Factory/Office	Optimized LED	Medium – High
Penang, Malaysia	Factory/Office	Integrated Memory	Low – Medium
Durham, NC, USA	Office	Optimized LED	Low – Medium
Fremont, CA, USA	Factory/Office	Advanced Computing	Low – Medium
Newark, CA, USA	Office	Integrated Memory	Low – Medium

*Water risk levels are tracked by the World Resources Institute's Aqueduct Water Risk Atlas as of CY 2025.

Index B. United Nations Global Compact (UNGC)

As responsible corporate citizens, we are aligned with the [UNGC](#) and its ten principles regarding human rights, labor, the environment, and anti-corruption.

UNGC Principle	Report Section
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Human Rights Conflict Minerals
Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Rights
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	Human Rights Conflict Minerals
Principle 5: Businesses should uphold the effective abolition of child labor.	Human Rights Conflict Minerals
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human Rights Employee Engagement and Development
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	Climate Risk Management Quality, Environment, Health, and Safety
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Stewardship Climate Action
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Product Stewardship and Life Cycle Impacts
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics and Compliance Conflict Minerals

Index C. Task Force on Climate-Related Financial Disclosures (TCFD)

We outline our approach to climate change in our ESS report and in our annual response to [CDP's corporate questionnaire](#), both of which include details on governance, strategy, risk management, and metrics and targets related to the climate. The table below sets out key areas of disclosure alongside the respective sections of our annual CDP submission.

	Governance	Strategy	Risk Management	Metrics and Targets
Disclosure	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Disclosure Indicator	a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities that the organization has identified over the short, medium, and long terms.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
Our Response	Our board of directors is engaged in the oversight of climate-related risks and opportunities. Our ESS Steering Committee meets at least quarterly to review our ESS strategy, which covers our climate-related strategy, risks, and opportunities. For additional detail, please see the Governance section of our annual CDP response.	Our organization has identified a number of climate-related risks over the short, medium, and long terms, including acute physical, chronic physical, market, reputation, and legal risks. Other risks and opportunities identified include extreme weather, natural disasters, current and emerging regulation, and technological advancement. These risks and opportunities are taken into consideration in the formulation of our climate-related risk strategy. For additional detail, please see the Disclosure of Risks and Opportunities section of our annual CDP response.	The processes that our organization uses to identify and assess climate-related risks are informed and overseen by our ESS Steering Committee. These processes take into consideration potential risks in our operations and supply chain and our engagement with stakeholders. For additional detail, please see the Identification, Assessment, and Management of Dependencies, Impacts, Risks, and Opportunities section of our annual CDP response.	The metrics used by our organization to assess climate-related risks and opportunities include likelihood, potential severity, and financial estimates of impact. We have committed to reaching net-zero Scope 1 and Scope 2 emissions by 2030. For additional detail, please see the "Disclosure of Risks and Opportunities" section of our annual CDP response.
Disclosure Indicator	b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.

Index C. Task Force on Climate-Related Financial Disclosures (TCFD) – continued

	Governance	Strategy	Risk Management	Metrics and Targets
Disclosure	Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Our Response	Our ESS Steering Committee oversees our ESS strategy, which covers our climate-related strategy, risks, and opportunities. For additional detail, please see the Governance section of our annual CDP response.	The impacts of climate-related risks and opportunities include possible disruption of the manufacture, operations, and distribution of our products, which could have material impacts on our business. For additional detail, please see the Disclosure of Risks and Opportunities section of our annual CDP response.	Our organization's processes for managing climate-related risks include aligning our climate strategy with our business strategy, setting and pursuing a net-zero emissions goal, and establishing measurable targets over short-term intervals. For additional detail, please see the Identification, Assessment, and Management of Dependencies, Impacts, Risks, and Opportunities section of our annual CDP response.	Our Scope 1 and Scope 2 GHG emissions and related risks are disclosed in our annual ESS report. We have committed to reaching net-zero Scope 1 and Scope 2 emissions by 2030. For additional detail, please see the Environmental Performance: Climate Change section of our annual CDP response.
Disclosure Indicator	Not Applicable	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks, opportunities, and performance against targets.
Our Response	Not Applicable	Our organization does not currently use scenario analysis, though we are actively considering doing so in the near future. For additional detail, please see the Business Strategy section of our annual CDP response.	Our processes for identifying, assessing, and managing climate-related risks are integrated into our corporate risk assessments and our annual financial disclosures. For additional detail, please see the Identification, Assessment, and Management of Dependencies, Impacts, Risks, and Opportunities section of our annual CDP response.	The targets used by our organization to manage climate-related risks and opportunities include our targets for net-zero Scope 1 and 2 emissions. We disclose our performance against these targets in our annual ESS Report. For additional detail, please see the Environmental Performance: Climate Change section of our annual CDP response.

Index D. Sustainability Accounting Standards Board (SASB)

The metrics we disclose are aligned with the SASB standards for semiconductor and hardware industries.

Semiconductor Industry

Activity Metric	Code	Company Response
Total production	TC-SC-000.A	Approximately 7.04B units sold in FY 2025 across all business lines. Revenue breakdown across business lines: - Advanced Computing: \$648M - Integrated Memory: \$464M - Optimized LED: \$256M
Percentage of production from owned facilities	TC-SC-000.B	Approximately 99% of production comes from our owned facilities.

Topic	Metric	Code	Company Response / Report Section
Greenhouse Gas Emissions	1) Gross global Scope 1 emissions	TC-SC-110a.1	1) 1,141 MTCO ₂ e
	2) Amount of total emissions from perfluorinated compounds		2) Not applicable
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2	For more information, please refer to the Emissions Performance section on page 22 of this report.
Energy Management in Manufacturing	1) Total energy consumed	TC-SC-130a.1	1) 75,819 MWh
	2) Percentage grid electricity		2) Not applicable
	3) Percentage renewable		3) 24.8%

Index D. Sustainability Accounting Standards Board (SASB) – continued

Topic	Metric	Code	Company Response / Report Section
Water Management	1) Total water withdrawn	TC-SC-140a.1	1) 290 Megaliters (ML)
	2) Total water consumed; percentage in regions with High or Extremely High Baseline Water Stress		2) Our water consumption is minimal, as our manufacturing processes do not require significant amounts of water. For more information, please refer to the Water Management section on page 25.
Waste Management	1) Amount of hazardous waste generated by manufacturing	TC-SC-150a.1	1) 113.1 metric tons
	2) Percentage of hazardous waste recycled		2) Not available: We are focused on improving our data collection practices and are not currently able to disclose this information. For more information, please refer to the Hazardous Waste section on page 26.
Workforce Health and Safety	Description of efforts to assess, monitor, and reduce workforce exposure to human health hazards	TC-SC-320a.1	Please see the Wellness, Health, and Safety section on page 33 for our publicly available breakdown of employee health hazards.
	Total amount of monetary losses resulting from legal proceedings associated with employee health and safety violations	TC-SC-320a.2	\$0
Recruiting and Managing a Skilled Global Workforce	Percentage of employees who require a work visa	TC-SC-330a.1	<1%
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474-declarable substances	TC-SC-410a.1	We operate under the assumption that 100% of our products contain declarable substances and take the precautions necessary.
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.2	We are not able to provide system-level energy efficiency data for relevant products at this time.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	For our publicly available breakdown of risks associated with the use of critical materials, please see the Conflict Minerals section on page 39.
Intellectual Property Protection and Competitive Behavior	Total amount of monetary losses resulting from legal proceedings associated with anti-competitive behavior regulations	TC-SC-520a.1	\$0

Index D. Sustainability Accounting Standards Board (SASB) – continued

Hardware Industry

Activity Metric	Code	Company Response
Number of units produced by product category	TC-HW-000.A	Approximately 7.04B units sold in FY 2025 across all business lines. Revenue breakdown across business lines: - Advanced Computing: \$648M - Integrated Memory: \$464M - Optimized LED: \$256M
Area of manufacturing facilities	TC-HW-000.B	1.1M ft ² (China, Ireland, Malaysia, USA)
Percentage of production from owned facilities	TC-HW-000.C	Approximately 99% of production comes from our owned facilities.

Topic	Metric	Code	Company Response / Report Section
Product Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	For our publicly available breakdown of identifying and addressing data security risks in products, please see the Privacy, Data Security, and Intellectual Property Protection section on page 43.
Employee Diversity and Inclusion	Percentage of 1) gender and 2) diversity group representation for a) executive management, b) non-executive management, c) technical employees, and d) all other employees	TC-HW-330a.1	For more information, please refer to Index A. 2025 Performance Summary on page 46.
Product Life Cycle Management	Percentage of products by revenue that contain IEC 62474-declarable substances	TC-HW-410a.1	We operate under the assumption that 100% of our products contain declarable substances and take the necessary precautions.
	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	Not applicable
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	TC-HW-410a.3	Not applicable
	Weight of end-of-life products and e-waste recovered; percentage recycled	TC-HW-410a.4	70.8 metric tons (100%) of e-waste was recycled in FY 2025.

Index D. Sustainability Accounting Standards Board (SASB) – continued

Topic	Metric	Code	Company Response / Report Section
Supply Chain Management	Percentage of Tier 1 supplier facilities audited using the RBA VAP or equivalent, by (a) all facilities and (b) high-risk facilities	TC-HW-430a.1	While we do not presently audit our suppliers' compliance with VAP guidelines, over 50% of our annual global supply chain spend is with suppliers whose facilities are audited by RBA in compliance with VAP procedures.
	Tier 1 suppliers' (1) non-conformance rate with the RBA VAP or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	TC-HW-430a.2	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-HW-440a.1	Please see the Conflict Minerals section on page 39 for our management of risks associated with the use of critical materials.

Index E. Global Reporting Initiative (GRI)

This report has been prepared to the best of our ability in accordance with the Global Reporting Initiative's Universal Standards. The material ESS topics listed below align with the ESS topics deemed material to our business and its stakeholders (as described in the Material ESS Topics section of this report).

Standard	Disclosure	Report Section
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Introduction
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope, Boundaries, and Alignment
	2-3 Reporting period, frequency, and contact point	Reporting Scope, Boundaries, and Alignment
		Credits and Contact
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Emissions Verification Statement
		Reporting Scope, Boundaries, and Alignment
	2-6 Activities, value chain, and other business relationships	Introduction
	2-7 Employees	Our Team
		Index A. 2025 Performance Summary
		Some information is unavailable: Worker data that is currently available for public disclosure is limited and may not satisfy portions of this disclosure's requirements.
	2-8 Workers who are not employees	Our Team
		Index A. 2025 Performance Summary
		Some information is unavailable: Worker data that is currently available for public disclosure is limited and may not satisfy portions of this disclosure's requirements.

Index E. Global Reporting Initiative (GRI) – continued

Standard	Disclosure	Report Section
	2-9 Governance structure and composition	2025 Proxy Statement 2025 Annual Report
	2-10 Nomination and selection of the highest governance body	2025 Proxy Statement Nominating and Corporate Governance Committee Charter
	2-11 Chair of the highest governance body	2025 Proxy Statement 2025 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	ESS Management and Oversight 2025 Proxy Statement 2025 Annual Report
	2-13 Delegation of responsibility for managing impacts	ESS Management and Oversight 2025 Proxy Statement 2025 Annual Report
	2-14 Role of the highest governance body in sustainability reporting	ESS Management and Oversight 2025 Proxy Statement 2025 Annual Report
	2-15 Conflicts of interest	Ethics and Compliance 2025 Proxy Statement Audit Committee Charter Nominating and Corporate Governance Committee Charter
	2-16 Communication of critical concerns	Reporting Concerns 2025 Proxy Statement
	2-17 Collective knowledge of the highest governance body	2025 Proxy Statement Nominating and Corporate Governance Committee Charter
	2-18 Evaluation of the performance of the highest governance body	2025 Proxy Statement Nominating and Corporate Governance Committee Charter Compensation Committee Charter
	2-19 Remuneration policies	Employee Engagement and Development 2025 Proxy Statement Compensation Committee Charter
	2-20 Process to determine remuneration	Employee Engagement and Development 2025 Proxy Statement Compensation Committee Charter
	2-21 Annual total compensation ratio	2025 Proxy Statement

Index E. Global Reporting Initiative (GRI) – continued

Standard	Disclosure	Report Section
	2-22 Statement on sustainable development strategy	Information unavailable: We do not have a formal statement on our sustainable development strategy but are evaluating the development of such a statement in the future. Please refer to the ESS Management and Oversight section on page 41 of this report for details on our ESS strategy.
	2-23 Policy commitments	Our Focus on Corporate Responsibility ESS Management and Oversight Ethics and Compliance Reporting Concerns Privacy, Data Security, and Intellectual Property Protection Quality, Environment, Health, and Safety Supply Chain Strategy and Impact Human Rights Conflict Minerals References
	2-24 Embedding policy commitments	Our Focus on Corporate Responsibility ESS Management and Oversight Ethics and Compliance Privacy, Data Security, and Intellectual Property Protection Quality, Environment, Health, and Safety Supply Chain Strategy and Impact Human Rights Conflict Minerals
	2-25 Processes to remediate negative impacts	ESS Management and Oversight Reporting Concerns
	2-26 Mechanisms for seeking advice and raising concerns	Reporting Concerns
	2-27 Compliance with laws and regulations	Ethics and Compliance Privacy, Data Security, and Intellectual Property Protection Supply Chain Strategy and Impact Index D. Sustainability Accounting Standards Board (SASB)
	2-28 Membership associations	Membership of Associations
	2-29 Approach to stakeholder engagement	Stakeholder Engagement 2025 Proxy Statement
	2-30 Collective bargaining agreements	Human Rights

Index E. Global Reporting Initiative (GRI) – continued

Standard	Disclosure	Report Section
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material ESS Topics
	3-2 List of material topics	Material ESS Topics
Privacy, Data Protection, and Information Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Privacy, Data Security, and Intellectual Property Protection
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy, Data Security, and Intellectual Property Protection
Supply Chain Practices and Resilience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Supply Chain Strategy and Impact Ethics and Compliance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Ethics and Compliance Assessing Supplier Performance
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Strategy and Impact Human Rights
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Ethics and Compliance Assessing Supplier Performance
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Strategy and Impact
Climate Strategy, Emissions, and Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Climate Action Energy Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management 2025 CDP Corporate Questionnaire

Index E. Global Reporting Initiative (GRI) – continued

Standard	Disclosure	Report Section
GRI 305: Emissions 2016	302-2 Energy consumption outside of the organization	Information unavailable: We do not track energy consumption outside of our organization.
	302-3 Energy intensity	Index A. 2025 Performance Summary
	302-4 Reduction of energy consumption	Energy Management 2025 CDP Corporate Questionnaire
	302-5 Reductions in energy requirements of products and services	Our Business Segments Product Stewardship and Life Cycle Impacts
	305-1 Direct (Scope 1) GHG emissions	Emissions Performance 2025 CDP Corporate Questionnaire
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions Performance 2025 CDP Corporate Questionnaire
	305-3 Other indirect (Scope 3) GHG emissions	Information unavailable: We do not have 2023 Scope 3 emissions data available for public disclosure. We aim to include 2024 Scope 3 data in our 2026 disclosures.
GRI 305: Emissions 2016	305-4 GHG emissions intensity	2025 CDP Corporate Questionnaire
	305-5 Reduction of GHG emissions	2025 CDP Corporate Questionnaire
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable: We do not have 2025 ODS data available for public disclosure beyond what is included in our 2025 CDP Corporate Questionnaire response.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2025 CDP Corporate Questionnaire
Product Sustainability		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Product Stewardship and Life Cycle Impacts Packaging and Shipping Solutions
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Information unavailable: We do not currently track the weight of recycled versus non-recycled materials used in our products. We will evaluate the need to do so in the future.
	301-2 Recycled input materials used	Packaging and Shipping Solutions

Index E. Global Reporting Initiative (GRI) – continued

Standard	Disclosure	Report Section
Responsible Labor Practices and Human Rights		
	301-3 Reclaimed products and their packaging materials	Packaging and Shipping Solutions
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Human Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable: We do not have 2025 data available for operations risk levels with regard to freedom of association. Currently available information can be found in the Human Rights section on page 39 of this report.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Conflict Minerals
GRI 3: Material Topics 2021	3-3 Management of material topics	Material ESS Topics Employee Engagement and Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Information unavailable: We do not have this data available for public disclosure.
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Engagement and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Engagement and Development

Membership of Associations

We have a long track record of corporate-level membership in multiple associations. We participate in standards-setting groups for technology innovation as well as other business-related best practice groups at the business line and site levels.

Our memberships for 2025 are as follows:

[Associação Brasileira da Indústria de Semiconductors \(ABISEMI\)](#)

[Associação Brasileira da Indústria Elétrica e Eletrônica \(ABINEE\)](#)

[Associação Brasileira de Internet das Coisas \(ABINC\)](#)

[Responsible Business Alliance](#)

[Responsible Minerals Initiative](#)

[Sustainable IT](#)

Reporting Scope, Boundaries, and Alignment

This annual Environmental and Social Sustainability report summarizes the relevant activities and performance of Penguin Solutions during the 2025 fiscal year (September 1, 2024 to August 31, 2025) unless otherwise noted. Where possible, we have also provided data for calendar years 2024 and 2025. Some figures have been rounded for reporting purposes. This report covers all of our operating sites unless otherwise specified.

This report has been prepared with reference to the GRI Universal Standards and in alignment with the SASB, the UNGC, and the TCFD. It has not been externally assured. Topic boundaries are provided in the GRI Index, which can be found on page 56.

Credits and Contact

We at Penguin Solutions extend our deepest thanks to our leadership team and our employees around the globe for their dedication, innovation, and unwavering drive to propel us forward.

For any questions regarding this report or our ESS activities and programs, please email sustainability@penguinsolutions.com.

References

To learn more about Penguin Solutions, please refer to the links below:

[Penguin Solutions](#)

[Annual Reports](#)

[Code of Business Conduct and Ethics](#)

[Supplier Code of Conduct](#)

[Corporate Governance Guidelines](#)

[U.K. Modern Slavery Statement](#)

[Human and Workforce Labor Rights](#)

[RBA Member Commitment](#)

[Quality, Environmental, Health and Safety \(QEHS\) Policy](#)

[Anti-Corruption Policy](#)

[Whistleblower Policy](#)

PENGUIN[®]
SOLUTIONS 