# Micron Technology FY25 climate-related financial risk report

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# Introduction

This report was prepared by Micron Technology Inc. (Micron) in accordance with the recommended framework and disclosures contained in the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017) published by the Task Force on Climate-related Financial Disclosures (TCFD). This report compiles disclosures regarding Micron's climate-related governance, strategy, risk management, and metrics and targets, including Micron's climate-related financial risk and measures adopted to reduce and adapt to that risk — see the Appendix for list of disclosures compiled and location of information.

This climate-related financial risk report covers fiscal year 2025, unless otherwise stated, for all of Micron's controlled entities.

# Governance

This section describes Micron's current governance structure for identifying, assessing and managing climate-related financial risks and opportunities.

## Board oversight

Micron's Board of Directors is composed of 10 members, including nine independent directors. The Board has five standing committees: Audit, Compensation, Finance, Governance and Sustainability, and Security. See Micron's latest proxy statement for more information about the structure and responsibilities of the Board.

Our Board considers sustainability to be an integral part of its business oversight and our corporate strategy and has encouraged a proactive approach toward mitigating our impact on the environment, establishing energy and climate strategy and identifying and managing climate-related risks and opportunities.

The Board, supported by the Governance and Sustainability Committee and other Board committees as needed, oversees and monitors the development and integration of this strategy and regularly reviews the company's sustainability performance. The Governance and Sustainability Committee meets at least quarterly to review key topics associated with Micron's sustainability strategy. Board oversight includes, but is not limited to, monitoring material sustainability trends and related long- and short-term impacts of the company's operations, supply chains and products, as well as the company's activities and annual public reporting on these topics directed by the company's executives, sustainability staff and various teams implementing the company's sustainability efforts.

Both the Audit Committee and the Governance and Sustainability Committee have specific responsibilities related to sustainability outlined in their respective charters.

- The Audit Committee reviews and discusses with management and the internal audit function the controls, procedures and processes that the company uses to ensure the accuracy of its material disclosures and reporting relating to sustainability matters.
- The Governance and Sustainability Committee:
  - Assists the Board in overseeing and monitoring the company's development and integration of material sustainability strategies.
  - Reviews the company's sustainability strategy and performance, including, but not limited to, material sustainability trends and related long- and short-term company impacts, as well as the company's public reporting on these topics.

The Governance and Sustainability Committee reviews and discusses sustainability issues at each quarterly committee meeting. Discussions and reports to the committee include information about significant sustainability issues, such as observations from consultations with team members, customers, investors and other stakeholders about their interests and expectations for us; our sustainability impacts and benefits; and the risks and opportunities that these subjects may pose to our business. Our vice president of global environment, health, safety and sustainability and our director of sustainability present to the committee during regularly scheduled meetings about sustainability trends, climate-related risks and opportunities, and progress against our goals and targets, as well as how these topics influence Micron's operations, supply chains and products.

The chair of the Governance and Sustainability Committee, along with the other committee chairs, summarizes information gathered through quarterly meetings and shares a readout of relevant topics with the full Board.

## Board engagement on climate-related issues

Our Board considers sustainability topics, including climate-related issues, when reviewing and guiding corporate strategy, risk management policies, and business plans. They do this through several avenues.

- During quarterly meetings, members of the executive leadership team present to the full Board, sharing information about risks, opportunities and other business updates relevant to their areas of oversight. Through this process, sustainability and climate-related topics may be raised to the Board in the context of how they may influence various areas of the business and members of the Board have the opportunity to ask questions, provide guidance and suggest items for management's consideration.
- The Board has oversight of the development of Micron's annual budget and short-term strategy plan. During this process, sustainability and climate-related considerations may be raised by members of the management team for the Board's awareness and input.
- The vice president of risk advisory services annually presents to the Board on Micron's most salient inherent risks, including those related to climate change, as applicable. During this meeting, the Board provides input and guidance on Micron's risk management policies and approach.
- The Compensation Committee reviews the evaluation process and compensation structure for senior officers, which may include short-term incentives associated with action on climate change or other sustainability issues.



The Governance and Sustainability Committee regularly reviews the establishment and implementation of our long-term environmental goals and aspirations. The vice president of global environment, health, safety and sustainability and director of sustainability notify the Governance and Sustainability Committee of new environmental and climate-related goals. Management and sustainability leaders update the Governance and Sustainability Committee on our progress toward environmental goals at least annually. In addition, both the Governance and Sustainability Committee and the Audit Committee review Micron's annual sustainability report, which includes fiscal year-end updates on progress toward our goals. The full Board also typically receives the report for review before publication.

The Compensation Committee reviews the annual goals that are included in the company's short-term incentive plans. In Micron's fiscal year 2025 (FY25), 10% of executives' and employees' short-term incentive pay was tied to company performance on sustainability and human capital goals, which included a target reduction of direct and indirect greenhouse gas (GHG) emissions. At the end of the fiscal year, the Compensation Committee certifies achievement of all metrics underlying employee and executive short-term incentive plans.

## Management's role

Micron's executive vice president of global operations maintains oversight, review and approval of the company's operational strategy for climate-related issues, including setting and monitoring progress against climate-related targets in corporate operations, as well as assessing and managing climate-related risks and opportunities. With company subject matter experts, the executive vice president participates in the review of sustainability strategy, targets and progress with the Board Governance and Sustainability Committee at least annually. The executive vice president of global operations reports directly to the chair, chief executive officer and president.

A sustainability council (the council) — composed of cross-functional senior leaders and overseen by senior executives and the Micron Board of Directors — supports the implementation of our sustainability strategy across Micron's supply chains, operations and products. Representatives on the council span teams including environment, health, safety and sustainability; procurement; government and public affairs; technology development; investor relations; finance; risk advisory services; global culture; ethics and compliance; sales; strategy and business operations; global communications; and the Micron Foundation. The vice president of global environment, health, safety and sustainability and director of sustainability periodically update the council on a range of topics, including sustainability trends, best practices and emerging regulations.

The sustainability council meets at least annually, with an agenda that covers a wide range of sustainability topics and related trends, best practices and stakeholder expectations. These meetings are facilitated by the director of sustainability, who also informs the council about pertinent projects and changes to strategy on an as-needed basis. The council reviews Micron's annual sustainability report, which informs them of Micron's priority sustainability topics and how the company is managing them.

The vice president of global environment, health, safety and sustainability is part of the organization of the senior vice president of front end operations, which sits within the group

of the executive vice president of global operations. The vice president of global environment, health, safety and sustainability oversees Micron's corporate sustainability team, the environmental sustainability operations team, and the sustainability council.

The environmental sustainability operations team focuses on managing our scope 1 and 2 emissions among other environmental issues. This team contributes to a scope 3 management group that is also composed of both individual contributors and leaders from sustainability strategy, responsible sourcing, energy procurement, capital procurement, materials procurement and other teams across Micron. All of Micron's manufacturing and technology development facilities are certified to the International Organization for Standardization (ISO) 14001:2015 standard and 11 Micron sites hold ISO 50001:2018 certificates. Following the ISO 14001:2015 and ISO 50001:2018 standards helps establish a consistent approach to energy and environmental management across Micron's global footprint.

### Management engagement on climate-related issues

The executive vice president of global operations and the senior vice president of front-end operations are informed about sustainability topics, including climate-related issues, by the vice president of global environment, health, safety and sustainability through periodic meetings and quarterly preparation for Board committee meetings. The executive vice president of global operations is also informed about climate-related issues through the annual budget planning process, during which he provides guidance on issue management and allocates funding to implement our sustainability strategy.

The vice president of global environment, health, safety and sustainability participates in periodic meetings with the full executive leadership team to discuss sustainability and climate-related topics, strategies for managing those topics, and progress toward Micron's corporate environmental goals.

The vice president of risk advisory services — Micron's internal audit function — presents to Micron's executive leadership team on a quarterly basis, covering Micron's most recent potential risk trends, events and operating conditions that could have an impact on the company's inherent risks, including those related to climate change. The vice president of risk advisory services reports directly to the head of the Audit Committee of the Board.



# Strategy

This section describes the current impacts of climate-related risks and opportunities on Micron's operations, strategy and financial planning.

## Identifying climate-related risks and opportunities

### Process for determining potential material financial impact

Each year Micron selects a set of qualitative and quantitative criteria to use when determining whether any of our identified risks and opportunities, including climate-related risks and opportunities, could have a material financial impact on the organization. We follow guidance from the United States Securities and Exchange Commission as well as the United States Supreme Court's definition of materiality when establishing the criteria. Teams within Micron work together to identify potential risks and opportunities and evaluate them against the selected qualitative and quantitative criteria. The enterprise risk assessment processes we use to identify climate-related risks for evaluation against our materiality criteria are described under Risk management. Micron may identify potentially material climate-related opportunities — for example, market opportunities for low-power DRAM or other energy efficient products — through a variety of company processes. We do not currently have a formal, enterprise-wide process specifically designed to focus on the identification and assessment of climate-related opportunities.

Time horizons considered
Taking into consideration the useful life of Micron's assets and infrastructure, as well as our product development processes, we use the following time horizons when evaluating the likelihood of the risks identified through our enterprise risk assessment:

- Short-term: 1 year
- Medium-term: 2-3 years
- Long-term: 3+ years

Potentially financially material climate-related issues identified during the reporting period
A full list of Micron's risk factors identified for fiscal year 2025 can be found here, as applicable. Micron does not track or categorize risks based on time horizon, but instead considers the risks that are inherent to the business and industry in which we operate. Each of the risks identified through our enterprise risk assessment may evolve over the short, medium or long term. Our risk council, also described under Risk management, revisits the company's inherent risks on a quarterly basis to reassess likelihood and potential level of financial impact based on current events, trends and operational conditions.

The following are climate-related physical and transition risks that Micron has identified based on data available during the reporting period that could have material financial impact on Micron over the considered time horizons.

Physical risks

**Our business, results of operations, or financial condition could be adversely affected by the availability and quality of materials, supplies, electrical power, gas, water and capital equipment, or dependency on third-party service providers.**

- Our operations are dependent on a reliable and uninterrupted supply of electrical power, gas and water to our manufacturing facilities. Any power shortages, capacity constraints, prolonged outages or significant or unexpected increases in the cost of power could have a material adverse effect on our business, results of operations or financial condition.

**If our manufacturing process is disrupted by operational issues, natural disasters or other events, our business, results of operations or financial condition could be materially adversely affected.**

- From time to time, there have been disruptions in our manufacturing operations as a result of power outages, improperly functioning equipment and facilities, disruptions in supply of raw materials or components, or equipment failures. We have manufacturing and other operations in locations subject to natural occurrences and possible climate changes, such as severe and variable weather and geological events resulting in increased costs, or disruptions to our manufacturing operations or those of our suppliers or customers.
- In addition, climate change may pose physical risks to our manufacturing facilities or our suppliers' facilities, including increased extreme weather events that could result in supply delays or disruptions. If production is disrupted for any reason, manufacturing yields may be adversely affected, or we may be unable to meet our customers' requirements and they may purchase products from other suppliers. This could result in a significant increase in manufacturing costs, loss of revenue or damage to customer relationships, any of which could have a material adverse effect on our business, results of operations or financial condition.

Transition risks

**Evolving sustainability and governance expectations or standards or failure to achieve our related goals could adversely affect our business, results of operations, financial condition or stock price.**

- In recent years, there has been an increased focus from stakeholders on sustainability and governance matters, including greenhouse gas emissions and climate-related risks, carbon-free electricity, water stewardship, waste management, inclusion, responsible sourcing and supply chain, and human rights. We actively manage these issues and have established and publicly announced certain sustainability goals, commitments and targets which we may refine or modify further in the future. These goals, commitments and targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Achieving these goals may entail significant costs, for example, we have entered into several virtual power purchase agreements to obtain renewable energy credits at a cost that will vary based on future prices for electrical power. Evolving stakeholder expectations and our efforts to manage these issues, report on them, and accomplish our goals present numerous operational, regulatory, reputational, financial, legal and other risks, any of which could have a material adverse impact, including on our reputation and stock price.
- For example, as awareness of sustainability and climate change increases, the design of new products with higher performance and reduced environmental impact (such as increased energy efficiency in memory and storage products) could be important to maintaining and increasing our role in customers' portfolios.

**We and others are subject to a variety of complex and evolving laws, regulations or industry standards, including with respect to environmental, health, safety and product considerations, which may have a material adverse effect on our business, results of operations, or financial condition.**

- New and evolving environmental, health, safety and product considerations, including those related to greenhouse gas emissions and climate change, the purchase, use and disposal of regulated and/or hazardous chemicals, and the potential resulting environmental, health or safety impacts, may result in new laws, regulations or industry standards that may affect us, our suppliers and our customers. Such laws, regulations or industry standards could require us to alter our product design, manufacturing and operations, and incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers, suppliers or both incurring additional compliance costs that are passed on to us. These costs may adversely impact our results of operations and financial condition.
- Micron operates in some countries where carbon taxes and greenhouse gas regulations apply or are under discussion. For example, Singapore's Carbon Pricing Act tax increased to SG $25 per tonne CO2e on a percentage of facility GHG emissions in 2025 (from SG $5 per tonne from 2019 to 2023). This is likely to have a cost impact on our operations and may require additional reporting, planning and/or time from designated personnel. Other regulations in countries where we operate may pose similar costs.

# Impact of climate-related risks and opportunities

## Influence on financial planning

Teams across Micron (called process owners) consider the costs necessary to manage their respective risks, including any climate-related risks, when developing their budgets. Budget forecasting is conducted on a rotating annual basis, through which budgets are planned four quarters in advance and estimates are evaluated and considered for adjustment every quarter. These process-level budgets are rolled up into the overarching financial planning for the organization.

The risk advisory services team meets with process owners to identify relevant risks, including climate-related risks, and assess how they are being managed on an annual basis. Process owners work with their functional leadership with facilitation by the risk advisory services team to prioritize identified risks by considering the likelihood and level of impact to the organization. During these engagements, process owners may surface new potential risks and risk triggers for the risk advisory services team to track at the enterprise level.

While the risk advisory services team engages with process owners across the organization, the accounting team conducts benchmarking and landscape reviews to consider trends in the broader semiconductor industry and global economy that may need to be integrated into

Micron's enterprise risk management system. The risk advisory services and accounting teams share information about potential risks to the organization from these different perspectives, which help create a more holistic view of Micron's risks and establishes a robust accountability and governance structure.

In addition, Micron is committed to strengthening our business continuity and climate resilience efforts as well as achieving our environmental goals. We have pledged to invest approximately $1 billion by 2028 to advance our environmental goals. As of the end of our FY25, we have invested $498 million since 2021 to support initiatives including process GHG mitigation measures, energy-efficiency improvements and advanced water treatment.

To date, Micron has identified only limited material financial impacts from climate-related issues. The impact on Micron's financial planning has been correspondingly limited.

## Transitioning to a low-carbon economy

Micron is working toward targets to reach net zero greenhouse gas emissions in our operations (scope 1) and purchased energy (scope 2) by 2050. As part of these commitments, we have set two interim goals. First, we are targeting a 42% absolute reduction in scope 1 emissions compared to a calendar year 2020 (CY20) baseline by CY30, and second, matching the electricity consumed by our operations in the United States with 100% purchased renewable electricity by the end of CY25. The activities we are pursuing to achieve these emissions reduction targets include efforts to reduce scope 1 emissions from the use of process gases, heat transfer fluids and fuel as well as efforts to reduce scope 2 emissions via energy efficiency and transitioning to using carbon-free electricity where feasible.

Addressing leading sources of emissions
Electricity consumption, process GHG emissions and heat transfer fluid use account for 91% of Micron's total scope 1 and 2 emissions, with most of the remainder coming from fuel use. Micron is addressing our leading sources of GHG emissions by investing in new technologies and evaluating and refining our manufacturing processes.

We also continue to evaluate ways to reduce fuel use in our operations, including phasing out boilers in favor of heat pumps, capturing and reusing waste heat and implementing other efficiency improvements. Smart manufacturing controls that provide real-time insights into our operating conditions and processes help us assess these opportunities. Through responsive technologies, these solutions help us detect inefficiencies quickly, identify opportunities for improvement and make continuous adjustments targeted to reduce emissions.

Engaging our supply chain
The scope 1 and 2 emissions of our suppliers make up a significant part of Micron's scope 3 emissions. To address this impact, we actively engage our strategic suppliers in efforts to reduce GHG emissions and energy use. One way we work with our suppliers is as a founding member of the Semiconductor Climate Consortium, a group that focuses on reducing GHG emissions across our industry.

Additionally, as a member of the CDP Supply Chain program, we collaborate with suppliers on their GHG emission-reduction programs and other initiatives that contribute to supply chain sustainability. We have formalized expectations through our supplier engagement handbook, encouraging suppliers to set and publicly disclose GHG reduction targets, report progress toward those targets via CDP and integrate sustainability into their own sourcing decisions. We also use supplier scorecards to track performance and prioritize partners with active decarbonization programs. Micron annually reports estimated scope 3 emissions through CDP, and we regularly analyze the sources of our value chain emissions for potential reduction opportunities.

Optimizing energy use
Teams across Micron — including sustainability, procurement, finance, facilities and other functions — collaborate to evaluate our energy consumption and identify opportunities to increase efficiency. Optimizing energy use in our operations requires a multipronged approach:

- Reduce energy consumption where feasible through process improvements and tool optimization
- Recover energy through heat recapture and other innovations
- Procuring energy from carbon-free electricity sources where feasible
- Optimize the energy used through sensors and smart controls

We are exploring multiple energy sources to support our manufacturing operations' path toward net-zero emissions, including renewables, nuclear, hydropower and other carbon-free electricity generation. Where electrification is not a viable option, or where other forms of cost-effective carbon-free power do not exist, we also consider natural gas as a lower-impact resource.

Transitioning to carbon-free electricity
Micron is evaluating opportunities to transition to carbon-free electricity. Our approach to procurement includes green tariffs, physical and virtual power purchase agreements (PPAs), renewable energy certificate (REC) purchase agreements and on-site solar. We continue to make progress in our efforts to source more carbon-free electricity across our global footprint.

## Resilience of Micron's strategy to climate-related risks and opportunities

A full list of Micron's fiscal year 2025 risk factors can be found here, as applicable. Some of the ways in which we believe our strategy may be affected by climate-related risks and opportunities based on the climate related risks and opportunities identified during the reporting period are as follows.

**An increase in frequency and severity of disruptive weather events caused by changes in the climate could create the need for Micron to focus resources on resiliency planning, adaption efforts and other contingency planning**. From time to time, there have been disruptions in our manufacturing operations as a result of power outages, improperly functioning equipment and facilities, disruptions in supply of raw materials or components, or equipment failures. We have manufacturing and other operations in locations subject to natural occurrences and possible climate changes, such as severe and variable weather and geological events resulting in increased costs, or disruptions to our manufacturing operations or

those of our suppliers or customers. In addition, climate change may pose physical risks to our manufacturing facilities or our suppliers' facilities, including increased extreme weather events that could result in supply delays or disruptions. Other events, including political or public health crises, such as an outbreak of contagious diseases, may also affect our production capabilities or that of our suppliers, including as a result of quarantines, closures of production facilities, lack of supplies or delays caused by restrictions on travel or shipping. Events of the types noted above have occurred from time to time and, because these risks are a characteristic of our business, they may occur in the future. As a result, in addition to disruptions to operations, our insurance premiums may increase or we may not be able to fully recover any sustained losses through insurance.

If production is disrupted for any reason, manufacturing yields may be adversely affected, or we may be unable to meet our customers' requirements and they may purchase products from other suppliers. This could result in a significant increase in manufacturing costs, loss of revenue or damage to customer relationships, any of which could have a material adverse effect on our business, results of operations or financial condition.

Changes in the purchasing decisions of our customers as a result of preferences related to the risks and opportunities climate change poses to their business could influence Micron's product development planning and portfolio makeup. Our inability to qualify our products to meet customer or end market requirements could adversely impact our revenue. A meaningful change in inventory strategy by our top customers or in certain end markets could impact our industry bit demand growth outlook. In addition, any consolidation of our customers or consolidation of significant end markets could limit the opportunity for sale of our products. The loss of, or restrictions on our ability to sell to, one or more of our major customers or in certain end markets, or any significant reduction in orders or a shift in product mix, could have a material adverse effect on our business, results of operations, or financial condition.

**As workers increasingly consider the environmental and social impacts of companies and how they manage those impacts, Micron may need to adjust our corporate responsibility activities and hiring strategy to meet the expectations of the current and future workforce.** To stay competitive, we need a highly skilled, global workforce and effective succession management for key roles. Hiring, retaining and motivating qualified executives and other skilled talent is critical to our business, and competition can be intense. If our total compensation programs, benefits and workplace culture are not seen as competitive and inclusive, our ability to attract and retain talent could be compromised.

**Increasing expectations from our customers on how Micron manages environmental and social impacts through our supply chain may encourage shifts in our strategy for supplier selection and engagement.** We and many of our customers have adopted responsible sourcing programs that require us to meet certain sustainability, governance or other criteria, and to periodically report on our performance against these requirements, including that we source the materials, supplies and services we use and incorporate into the products we sell as prescribed by these programs. Many customer programs require us to remove a supplier within a prescribed period if such supplier ceases to comply with prescribed criteria, and our supply chain may at any time contain suppliers at risk of being removed due to non-compliance with responsible sourcing requirements. Some of our customers may elect to disqualify us as a supplier (resulting in a permanent or temporary loss of sales to such customer) or reduce purchases from us if we are unable to verify that our performance or products (including the underlying supply chain) meet the specifications of our customers' responsible sourcing programs on a continuous basis. Meeting responsible sourcing requirements may increase operating requirements and costs or limit the sourcing and availability of some of the materials, supplies and services we use, particularly when the availability of such materials, supplies and services is concentrated to a limited number of suppliers. From time to time, we remove suppliers or require our suppliers to remove suppliers from their supply chains based on our responsible sourcing requirements or customer requirements, and we or our suppliers may be unable to replace such removed suppliers in a timely or cost-effective manner. Any inability to replace removed suppliers in a timely or cost-effective manner may affect our ability and/or the cost to obtain sufficient quantities of materials, supplies and services necessary for the manufacture of our products. Our inability to replace suppliers we have removed in a timely or cost-effective manner or comply with customers' responsible sourcing requirements or with any related regulations could have a material adverse effect on our business, results of operations, or financial condition.

**Continued increases in the number of regulations and restrictions on the use of certain materials due to their connection to the factors that contribute to changes in our climate could result in Micron adjusting our strategy to reduce the use of or eliminate those materials in our own operations or in those of our suppliers.** The manufacture of our products requires the use of facilities, equipment, chemicals and materials that are subject to a broad array of laws and regulations in numerous jurisdictions in which we operate. This includes increasing regulations on a class of chemicals known as per- and polyfluoroalkyl substances (PFAS). Additionally, we are subject to a variety of other laws and regulations relative to the construction, maintenance and operations of our facilities. Any changes in laws, regulations or industry standards could cause us to incur additional direct costs, as well as increased indirect costs related to our relationships with our customers and suppliers, and otherwise harm our operations and financial condition. Any failure to comply with laws, regulations or industry standards could adversely impact our reputation and our financial results. Additionally, we engage various third parties as sales channel partners or to represent us or otherwise act on our behalf who are also subject to a broad array of laws, regulations and industry standards. Our engagement with these third parties may also expose us to risks associated with their respective compliance with laws and regulations.

## Potential changes to Micron's strategies

We regularly revisit Micron's business strategies and consider adjustments based on evolving market needs, current events and changes in the global landscape. We may adjust our strategies to address potential risks posed by climate-related risks and opportunities through a variety of methods, including spend allocation and budgeting; the criteria used to determine where to expand our operations; the types of investments we make in facilities; relationships with utilities; interactions with the governments in the countries where we operate; expectations for suppliers; the criteria we use to select suppliers; our priorities for research and development spend; how we market our products; and others.

As part of our internal risk assessment processes, we consider potential alternative futures in planning exercises with our executives.

## Potential impact on financial performance

**If our manufacturing process is disrupted by operational issues, natural disasters or other events, our business, results of operations or financial condition could be materially adversely affected.** We and our subcontractors maintain operations and continuously implement new product and process technology at manufacturing facilities, which are widely dispersed in multiple locations in several countries including the United States, Singapore, Taiwan, Japan, Malaysia, China and India. As a result of the necessary interdependence within our network of manufacturing facilities, an operational disruption at one of our or a subcontractor's facilities may have a disproportionate impact on our ability to produce many of our products.

From time to time, there have been disruptions in our manufacturing operations as a result of power outages, improperly functioning equipment and facilities, disruptions in supply of raw materials or components, or equipment failures. We have manufacturing and other operations in locations subject to natural occurrences and possible climate changes, such as severe and variable weather and geological events resulting in increased costs, or disruptions to our manufacturing operations or those of our suppliers or customers. In addition, climate change may pose physical risks to our manufacturing facilities or our suppliers' facilities, including increased extreme weather events that could result in supply delays or disruptions. Other events, including political or public health crises, such as an outbreak of contagious diseases, may also affect our production capabilities or that of our suppliers, including as a result of quarantines, closures of production facilities, lack of supplies or delays caused by restrictions on travel or shipping. Events of the types noted above have occurred from time to time and, because these risks are a characteristic of our business, they may occur in the future. As a result, in addition to disruptions to operations, our insurance premiums may increase or we may not be able to fully recover any sustained losses through insurance.

If production is disrupted for any reason, manufacturing yields may be adversely affected, or we may be unable to meet our customers' requirements and they may purchase products from other suppliers. This could result in a significant increase in manufacturing costs, loss of revenue, or damage to customer relationships, any of which could have a material adverse effect on our business, results of operations, or financial condition.

# Risk management

This section describes how Micron currently identifies, assesses and manages climate-related risks.

## Identifying, assessing and managing climate-related risks

Micron uses a process-integrated enterprise risk management approach to identify, assess and manage risks, including those related to climate change — both physical and transition risks.



The main drivers of our risk exposure are the processes and activities that Micron undertakes to develop, produce and deliver products to our customers. The teams that own those processes and activities are primarily responsible for identifying, assessing and managing the related potential risks.

Micron's risk advisory services team coordinates an annual self-assessment process, where process owners evaluate the strength of risk assessment and management activities and controls within their teams. This annual assessment provides the opportunity for process owners to reflect on their risk identification and assessment criteria and management processes, and for the risk advisory services team to build a detailed mapping of how risks surface and are addressed across the organization. The results of the annual assessment are shared with the respective executive vice president of each participating team, which creates the opportunity for additional risks to be identified and for executives to guide the prioritization and management of risks within their areas of responsibility, including those related to climate.

In addition to the annual cross-company risk self-assessment, Micron has a risk council that meets on a quarterly basis. The risk council is comprised of leaders from various functions across Micron, with representation from teams including risk advisory services; environment, health, safety and sustainability; global quality; global security; insurance; procurement compliance; compliance and ethics; accounting; human resources; government and public affairs; technology and products; communications; supply chain; legal; strategy; and business unit operations. Micron's vice president, risk advisory services, leads the regular meetings of the risk council to monitor risk triggers, including climate change, evaluate their potential impact on the company's inherent risks and identify the need for special actions or projects. Along with findings from risk assessments performed by other teams, feedback from the quarterly risk council meetings is consolidated and presented annually to company executives and the Board's Audit Committee, and annually to our full Board of Directors.

Through these two processes, various individual process owners as well as function leaders identify, assess and manage company risks, including climate-related issues. We determine the relative significance of identified risks by considering the likelihood of them materializing and the level of disruption their materialization could result in our business.

## Regulatory requirements

Site environment, health and safety teams across Micron's operations are responsible for tracking existing and emerging local regulations, including those related to climate change. The sites environment, health and safety teams communicate with Micron's corporate environment, health and safety team and the legal function as needed to determine the applicability of such regulations. Members of the corporate environment, health and safety team help monitor regulatory changes in the regions where Micron operates, and communicate regularly with sites environment, health and safety teams to build, understand and help manage compliance plans.

Each site's environment, health and safety team meets at least quarterly with site leadership to discuss new regulatory requirements and the compliance plan. Our vice president of global environment, health, safety and sustainability and our director of sustainability surface information about existing and emerging regulations to the executive leadership team as needed.

## Integrating climate risk into overall risk management

Micron's supply chains, operations and markets face a variety of risks, including climate-related risks. We seek to better understand and address these risks through collaboration among our sustainability; environment, health and safety; and responsible sourcing programs, along with our various functional and risk management groups. Micron has a network of risk management teams operating across the company, including in our environmental, health and safety, IT, business continuity, legal, global quality management, enterprise risk management, procurement and internal audit groups.

Our enterprise risk management program takes a unified approach to understanding risks and informing business decisions. It also facilitates prompt action to mitigate identified risks and embed risk management into our culture, which improves decision-making in governance, strategy, goal-setting and daily operations. We support our objectives in this area by providing tools and knowledge, fostering open global communication and continuously monitoring potential risks.

Micron's internal audit group is independent, with the vice president of risk advisory services reporting directly to the chair of the Board's Audit Committee. The internal audit group has a charter that defines its composition, role and responsibilities. The internal audit group gathers and assesses risk information from key process owners, executives and the risk council. Along with risk assessments performed by other teams, these results are regularly presented to company executives, the Board's Audit Committee and our full Board of Directors for consideration.

## Business continuity

Through Micron's business continuity management program, we identity and prepare for high-risk incidents — including those influenced by climate change — that may impact our operations. Micron's business continuity management program framework is based on ISO 22301 and ISO 22361 standards and meets the International Automotive Task Force standards. Our corporate business continuity team oversees the governance of the business continuity management program and manages the implementation of a standardized approach to business continuity planning across our global footprint.

Each Micron site has a local business continuity team composed of the site leader (the plan sponsor), a business continuity program coordinator and a backup coordinator. The corporate business continuity team works with each site team to conduct an annual business impact analysis and risk assessment. Through these annual assessments the teams identify site-specific critical business processes and map potential risks across 11 standard categories, including recurring natural disasters. Using a scoring methodology aligned with Micron's enterprise risk management process, the corporate and site business continuity teams work together to score the assessments to prioritize potential risks. When a risk receives a score above a certain threshold, a contingency plan must be developed to reduce the likelihood and magnitude of a potential incident as well as how to respond in case of an incident. This proactive approach enables us to maintain operational resilience and respond effectively to emerging challenges.



# Metrics and targets

This section describes the metrics and targets Micron uses to assess and manage relevant climate-related risks and opportunities.

## Metrics

Micron monitors numerous metrics to measure progress toward achieving our environmental targets, including scope 1 and 2 emissions, overall energy consumption, renewable electricity use, water use and water discharge.

Metrics used by Micron to measure progress toward environmental targets - annual performance

| Metric | Unit[1] | CY23 | FY24[5] | FY25[5,6] |
|---|---|---|---|---|
| Scope 1 emissions[2] | $MTCO_2e$ | 2,698,572 | 2,574,449 | 2,280,963 |
| Scope 2 emissions (market-based)[2] | $MTCO_2e$ | 4,138,062 | 4,002,529 | 3,820,977 |
| Scope 2 emissions (location-based)[2,3] | $MTCO_2e$ | 3,936,763 | 4,118,730 | 4,437,982 |
| Scope 3 emissions | $MTCO_2e$ | 3,716,190 | 4,619,821 | - |
| Total energy consumption[4] | MWh | 11,388,860 | 11,792,797 | 12,428,550 |
| Renewable electricity consumed[4] | MWh | 4% | 9% | 13% |
| Total water consumption | Thousand $m^3$ | 14,319 | 14,628 | 15,483 |
| Total water reuse, recycle and restoration | % | 66% | 66% | 71% |

Steps taken to reduce direct and indirect GHG emissions in line with Micron's sustainability goals comprise a portion of short-term incentive pay for Micron executives and all other employees. For more information, see Board oversight.

Micron does not use an internal carbon price nor do we track climate-related opportunity metrics.

[1] Emissions in metric ton $CO_2$-equivalents, energy consumption in megawatt hours, water in cubic meters.
[2] Emissions data assumptions and calculations are consistent with the Greenhouse Gas Protocol and IPCC Guidelines for National Greenhouse Gas Inventories, 2019 Refinement.
[3] Scope 2 emissions (location-based) are calculated using the most recently available EPA Emission Factors for Greenhouse Gas Inventories; this data was calculated using the 2025 edition.
[4] Energy data assumptions and calculations are consistent with the Greenhouse Gas Protocol and IPCC Guidelines for National Greenhouse Gas Inventories, 2019 Refinement.
[5] Beginning with FY24, Micron's environment, health and safety performance data is reported on a fiscal year basis to align with emerging regulatory requirements.
[6] As of the publication of this report Micron is still working to collect data and calculate FY25 scope 3 emissions.

## Targets

Micron's climate-related targets include:

- 42% absolute reduction in scope 1 emissions by CY30 from the CY20 baseline
  - In FY25, Micron achieved a 25% decrease in absolute Scope 1 emissions compared to CY20.
- Match the electricity consumption from U.S. operations with 100% renewable electricity by the end of CY25
  - At the end of CY25, we met our goal to procure 100% renewable electricity for our operations in the U.S. through the direct purchase and use of physical and virtual power purchase agreements and unbundled renewable energy credits.
- Continue matching electricity consumption from Micron operation in Malaysia with 100% renewable electricity
  - In FY25, Micron matched 100% of electricity consumption from its Malaysia operations with renewable electricity.
- Continue matching electricity consumption from Micron operations in mainland China with 100% renewable electricity
  - In FY25, Micron matched 100% of the electricity consumption from its mainland China operations with renewable electricity.
- 75% water conservation through reuse, recycling and restoration by CY30
  - In FY25, Micron achieved 71% water conservation of the water used in our operations through reuse, recycling and restoration.
- 75% reduction in scope 1 and 2 emissions per unit of production by 2030 from a 2018 baseline.
  - In FY25, Micron achieved a 70% decrease in scope 1 and 2 emissions per unit production compared to CY18.

We use information about our processes together with input from customers, investors and standards-setting organizations — such as the Science-Based Targets initiative (SBTi) — to establish and review GHG emissions- and energy-related goals.

Micron is committed to strengthening our business continuity and climate resilience efforts as well as achieving our environmental goals. We have pledged to invest approximately $1 billion by 2028 to advance our environmental goals.

In addition to our overall public corporate energy and climate goals, Micron teams evaluate, establish and maintain a variety of internal plans that may be directly or indirectly associated with the company's climate-related risks, potentially including operational efficiency efforts, including energy and material efficiency, plans for deployment of certain production technologies that may impact our emissions, supplier operational and product performance efforts that may include energy and climate-related criteria, or strategies for Micron products, such as use-phase energy efficiency, or sales efforts for low-power products.



# Appendix

| Disclosure focus area | Recommended disclosure | Location of information |
|---|---|---|
| **Governance** | | |
| Disclose the organization's governance around climate-related risks and opportunities. | Describe the board's oversight of climate-related risks and opportunities. | Board oversight |
| | Describe management's role in assessing and managing climate-related risks and opportunities. | Management's role |
| **Strategy** | | |
| 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. | Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. | Identifying climate-related risks and opportunities |
| | Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. | Impact of climate-related risks and opportunities |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Resilience of Micron's strategy to climate-related risks and opportunities |
| **Risk management** | | |
| Disclose how the organization identifies, assesses and manages climate-related risks. | Describe the organization's processes for identifying and assessing climate-related risks. | Identifying, assessing and managing climate-related risks |
| | Describe the organization's processes for managing climate-related risks. | Identifying, assessing and managing climate-related risks |
| | Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management. | Integrating climate risk into overall risk management |
| **Metrics and targets** | | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Metrics |
| | Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks. | Metrics |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | Targets |

Published in 2026, this climate-related financial risk report ("Report") covers only Micron Technology, Inc. ("Micron"), in fiscal year 2025 (Aug. 30, 2024, to Aug. 28, 2025), unless otherwise stated, and includes all of Micron's controlled entities. This Report includes certain estimates, assumptions and projections derived from internal analyses and third-party data sources. Unless otherwise noted, data presented have not been audited or externally assured, and are subject to ongoing review and refinement.

The analyses and conclusions herein are point-in-time assessments based on best available data for fiscal year 2025. Climate-related modeling and scenario analysis inherently involve significant uncertainty, including with respect to future policy developments, technological advancements, market responses and the physical impacts of climate change. Actual outcomes may differ, and such differences may be material. The methodologies, metrics and scenarios referenced in this Report are subject to change as standards evolve, data availability and quality improves and scientific and analytical tools advance. Micron may update or revise its approach in future reporting cycles. Micron undertakes no obligation to publicly update this Report or any forward-looking statements except as required by applicable law.

# Forward-looking statements

This report contains forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements may be identified by words such as "goal," "commitment," "anticipate," "expect," "intend," "pledge," "committed," "plan," "opportunities," "future," "believe," "target," "on track," "estimate," "continue," "likely," "may," "will," "would," "should," "could," and variations of such words and similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Specific forward-looking statements include, but are not limited to, statements such as those related to our global culture initiatives; sustainability plans, goals and commitments; supply chain management; human capital management; philanthropy; information and product security; anticipated technological developments; plans to invest in research and development; receipt, timing and utilization of government incentives; timing for construction and ramping of production in our facilities; and related matters. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially. Refer to the documents we file with the U.S. Securities and Exchange Commission, specifically our most recent annual report on Form 10-K and quarterly report on Form 10-Q. These documents contain and identify important factors that could cause our actual results to differ materially from those contained in these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements to conform these statements to actual results.

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