

Lattice Semiconductor

The Low Power Leader

Environmental, Social, Governance Report

August 2020



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LATTICE & ESG

We focus on sustainable business practices that reduce business risk and advance the long-term goals and objectives of our stakeholders

We Are Committed To Actively Managing Our Environmental, Social, And Governance Impacts



Environmental

- We develop energy-efficient products that are lower power than our competitors and conduct business using sound environmental practices
- We partner with companies in our supply chain that are leaders in ESG and we commit to ensuring that these companies comply with all global standards and maintain appropriate certifications

Social

- We provide a collaborative, diverse, inclusive and innovative work environment, competitive compensation, and recognition to give our employees the opportunity to grow
- We invest in, and give back to, our local communities

Governance

- We are committed to integrity and transparency
- We operate in our stakeholder's interests and follow applicable laws and best practices for governance

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Commitment to Resource Conservation



At Lattice, we are committed to protecting the environment and to reduce consumption of natural resources

CONSERVATION

We Develop Products That Consume Less Power And Have A Smaller Footprint

- We are committed to consistent energy and water conservation across Lattice worldwide sites
- We select and partner with suppliers that promote energy and water conservation
- We maintain an extensive recycling program for paper, packaging, products, and chemicals



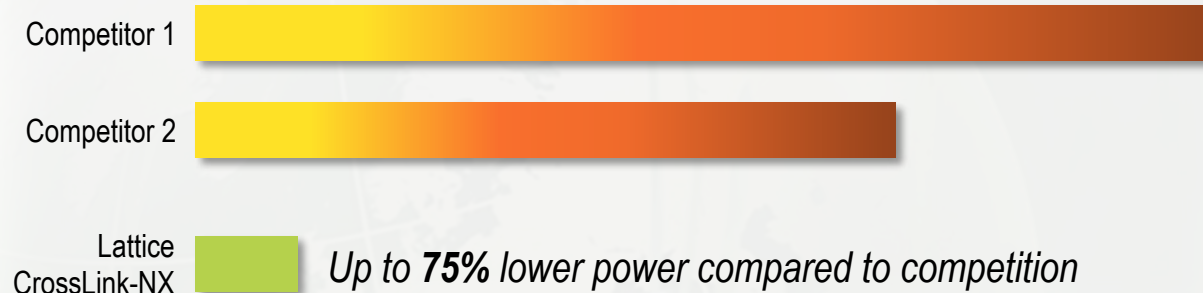
Lattice Semiconductor: Saving Energy, by Design



By using Lattice FPGAs instead of our competitors, our customers are saving enough energy to power ~10,000 homes / year

The Low Power Programmable Leader

Operating Power Consumption



Lattice's Low Power Legacy

Select Lattice Low Power Products
Introduced Last 20 years

Family	Type
ispMach4000ZE	Low power CPLD
LatticeECP3	Low power FPGA
MachXO2ZE	Low power control FPGA
iCE40 UltraLite	Ultra-low power FPGA
CrossLink-NX	Ultra-low power video connection FPGA
Certus-NX	Ultra-low power general purpose FPGA

CONSERVATION

With innovative process technology & circuit design, Lattice has delivered multiple generations of Clean Tech products that reduce our customer's power consumption and extend their product lives.

As a fabless semiconductor company, the sustainable operation of our office buildings globally accounts for the majority of our environmental impact; therefore, Lattice reviews the latest technologies and regulatory trends to support consistent energy reduction for improved results.

- Member of San Jose Clean Energy Program, which allows us to purchase clean power from wind, solar, and carbon at a lower cost
- Increased our offices' sustainability by converting 25% of our sites to LED lighting and sensors and expanding the program to additional locations
- Optimized building performance by upgrading HVAC equipment
- Upgraded 18 EV charging stations to rapid-charging stations to support increasing EV demand

Energy Use and Conservation

CONSERVATION



Water Quality and Conservation



Our facilities generally minimize water use, and we remain committed to reducing our water usage.

- Bathrooms remodeled with hands-free flush valves and faucets
- Converted oven rooms to chilled water system saving over 30,000 gallons of water per day
- On-going investment in projects to reduce water usage



CONSERVATION

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Supply Chain Management – Commitment to High ESG Standards



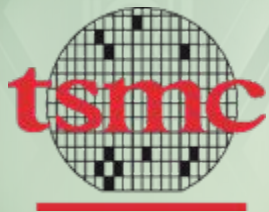
We hold ourselves to high ESG Standards and require our suppliers to have strong ESG programs as part of the qualification process

SUPPLY CHAIN

As a fabless semiconductor company, Lattice utilizes a subcontracted supply chain

We work exclusively with industry-leading suppliers. Our primary silicon foundry partners include: [UMC](#), [TSMC](#), and [Samsung](#). Each of these silicon suppliers are leaders in the semiconductor industry as well as leaders in corporate responsibility.

Our primary OSAT (Assembly & Test) partner is [Advanced Semiconductor Engineering \(ASE\)](#) with an industry leading ESG program.





Ensuring Compliance Global Standards/Certifications

- Lattice requires all our supply chain partners to maintain [ISO14001 registrations](#) which certifies a company's commitment to preserving the natural environment
- We have followed industry-best practices that removed Lead (Pb) from solder compositions and converted plastic packages to Halogen-free formulations
- We have worked with our OSATs to eliminate the use of Conflict Minerals from our products. We regularly publish a [CMRT \(Conflict Mineral Reporting Template\)](#) that documents all the mineral smelters used in our supply chain
- We adhere to the European chemical standards of [REACH](#) and [RoHS](#)





Additional Activities to Ensure Compliance

- Lattice requires our primary supply chain partners to also acknowledge and implement the principles within the RBA Code of Conduct: [UMC](#), [TSMC](#), [Samsung](#), and [ASE](#). This code of conduct spells out the minimum requirements for worker's rights, occupational safety, environmental impact and business ethics
- We work with our OSAT's to reclaim minerals from ICs that are rejected during the manufacturing process
- We perform Quarterly Business Reviews of our OSATs and annual audits of our Foundry suppliers

UMC



SAMSUNG



SUPPLY CHAIN



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OUR PEOPLE

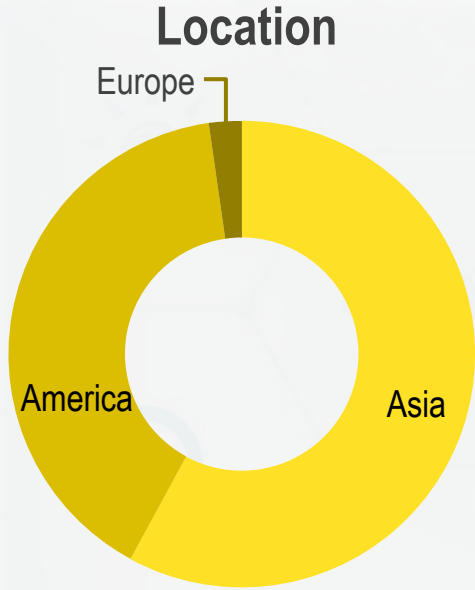


We Grow & Win Together

At Lattice, we are all about connection, with our customers and our people. That's why we offer competitive pay, great benefits, and a safe place to work.

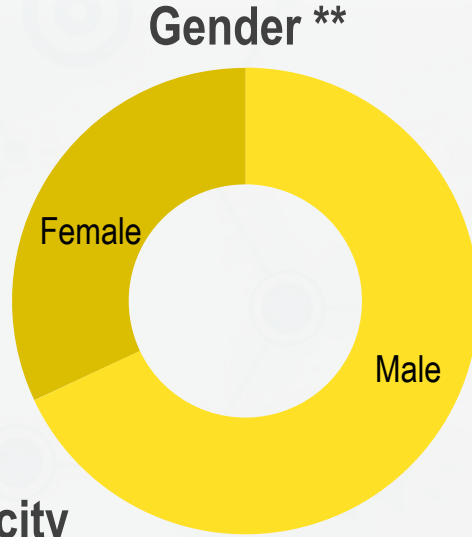
Lattice stands out with an impressive, diverse global team that is focused on delivering innovative, low power FPGAs to industry leading customers.

OUR PEOPLE



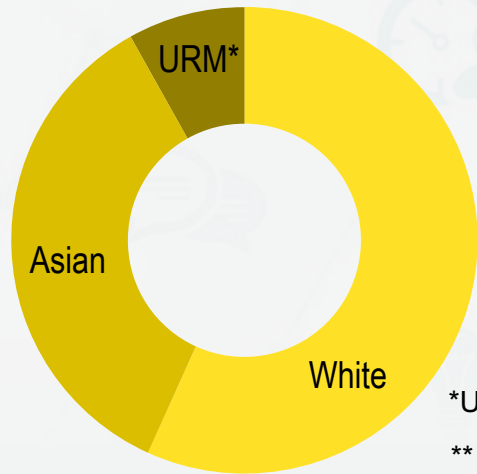
America Asia

Region



Female Male

Race / Ethnicity



Asian White

US Workforce

Global

*Under-Represented Minorities

** Includes 25% Female Board of Directors Members & 25% Female Executive Leaders

Global Workforce Overview

- We are proud of our dedicated and loyal workforce
- The average tenure of a Lattice employee is 8.3 years

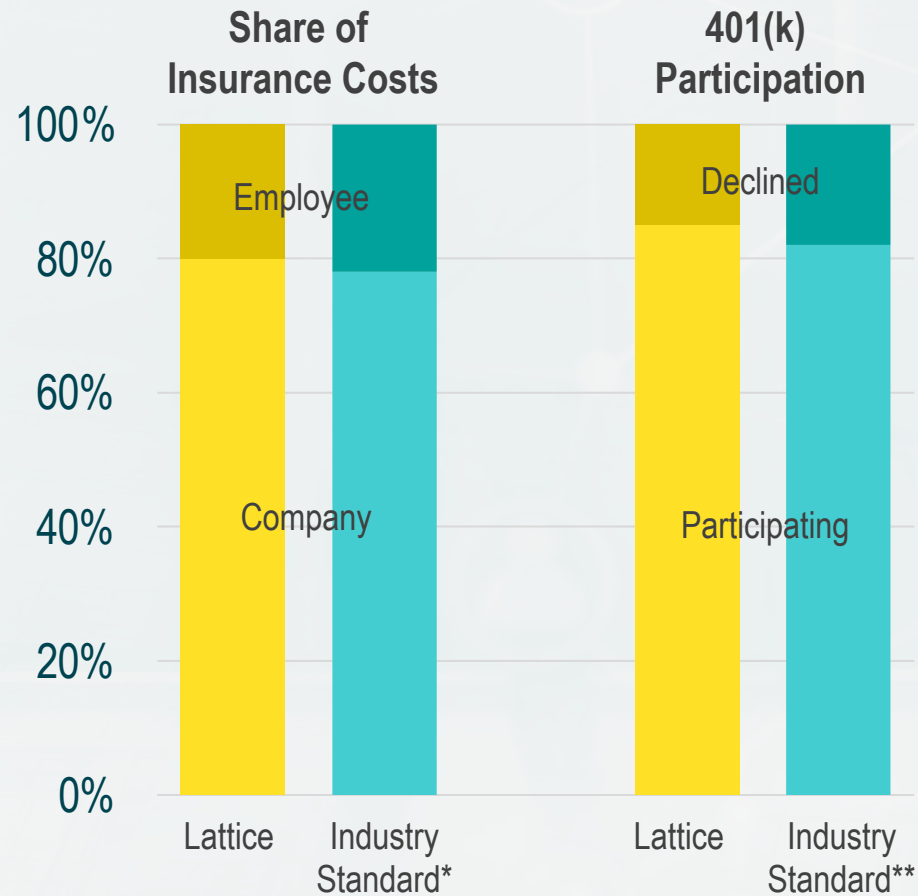


OUR PEOPLE

Supporting Our Team Employee Programs & Initiatives



US Benefit Detail



*Invesco Technology Participation Rate
**Mercer 2019 Medical Cost Share – High Tech

Global Employee Benefits

Main Benefits	Medical	Short-term & long-term disability
	Dental	Flexible Spending Accounts (FSA)
Other Benefits	Vision	Health Savings Account (HSA)
	Paid time off	Employee Assistance Program (EAP)
	Sick leave	Traditional and Roth retirement plans
	Basic life insurance	Corporate incentive plan
	AD&D insurance	Employee stock purchase plan
	Legal insurance	Tuition Reimbursement
Worksite Amenities	Recognition program	Optional life & supplemental AD&D
	Community service	Employee referral program
	Pet insurance	Credit union memberships
	Commuter benefits	Flexible Work/Work from Home
Worksite Amenities	Gym facilities	Free snack station, coffee, and soda
	Ping-pong and games	Free breakfast Fridays



- Building playhouses with Habitat for Humanity for children of an active duty military member (US)
- Regular Red Cross blood donations (Philippines)



- Volunteering and donations to Oregon Food Bank and Second Harvest Food Bank of Silicon Valley (US)
- Participating in the “Run with Love” charity fundraiser (China)



Global Community Service

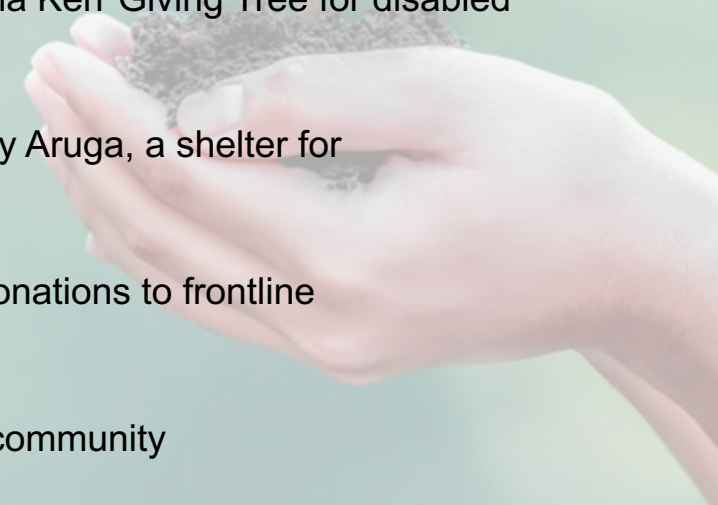


Giving Back Where We Work and Live

At Lattice, we are committed to our communities

VOLUNTEERING

- Hosting an annual Albertina Kerr Giving Tree for disabled adults and children
- Driving donations to Bahay Aruga, a shelter for homeless minors
- Making COVID-19 PPE donations to frontline medical workers
- Tree planting in the local community



OUR PEOPLE



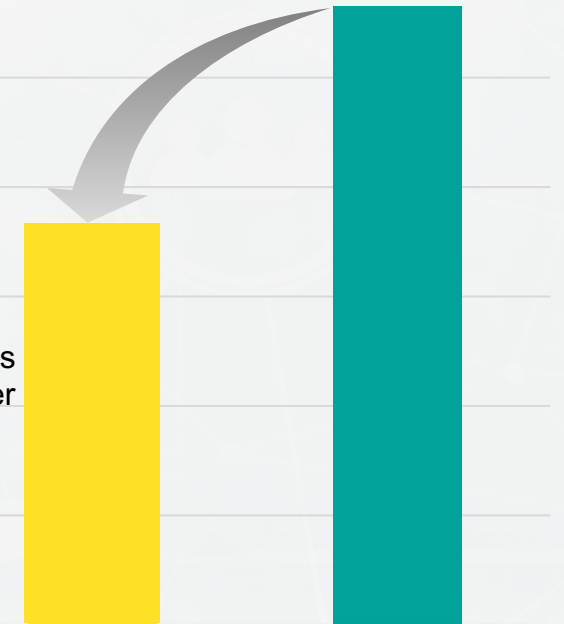
- Lattice's regular and open communications include: a weekly newsletter, monthly leadership meetings, and quarterly Town Halls
- We conduct annual talent assessments to identify and prioritize personal and team development opportunities
- We actively collect feedback using employee engagement and pulse surveys; both have high response rates and favorable ratings



	Engagement survey	Pulse Survey
Response rate	96%	70%
% Favorable	81%	93%
Benchmark % Favorable	56%	n/a

Low Voluntary Annual Turnover

Lattice's turnover is 36% lower than the industry average.



Lattice*

Industry Average*

*average across our 4 main locations in Hillsboro, San Jose, Shanghai and Manila



CORE VALUES

Do It Right, The First Time

- At Lattice, we can't "do it right" as a company unless each and every employee takes responsibility
- That is why we have a company Code of Conduct, a Whistleblower Hotline, and an Insider Trading Policy
- Employees are always encouraged to speak up with their concerns or questions to management or HR
- Our team is trained, and our expectations are documented
- [Code of Conduct](#)
- [Whistleblower Hotline](#)
- [Insider Trading Policy](#)



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GOVERNANCE

Shareholder Outreach

The Company values the governance views of its shareholders and has initiated a program to solicit the governance concerns of its shareholders annually.

Diversity

The Company believes that diversity is a valuable element of an effective workforce and has also acted to increase the diversity of its Board and its executive leadership team.

- Lattice has increased the number of women on its Board of Directors and among its executive officers during the past year

Monitoring Governance Best Practices

The Company annually measures its practices against the recommendations of Institutional Shareholder Services, Glass-Lewis, the BlackRock Investment Stewardship Guidelines and the governance recommendations of other institutional investors.



Independence

- Board independence / Independent Chair
- Separate Chair and CEO roles
- Authorization to retain independent advisors

Selection and Separation

- Annual director election (non-staggered Board)
- Board diversity guidelines
- Director tenure and age limits (10 years / 75 years of age)
- Over-boarding limits
- Resignation policies (Director resignation offered on no majority vote and change in employment)

Continuous Improvement

- Annual Board, committee, and CEO assessments
- Continuing Director education

Incentives and Alignment

- Director stock ownership guidelines (5x annual base retainer)
- CEO stock ownership guidelines (3x annual base salary)
- Sec. 16 executives stock ownership guidelines (2x annual base salary)
- Executive compensation clawback policy

GOVERNANCE

Other Items

- Majority vote election standard
- Regular Board meetings and executive sessions
- CEO succession planning
- No poison pill



Do It Right, The First Time

Code of Conduct

- Lattice's Code of Conduct commits our directors, officers and employees to:
 - Ethical business conduct
 - Compliance with laws
 - Avoidance of conflicts of interest and
 - The maintenance of a workplace free of discrimination and harassment
- [Code of Conduct](#)
- [Insider Trading Policy](#)

Whistleblower Program in Place

- Any person who feels that our conduct does not meet the guidelines in our Code of Conduct can contact our Legal Department and Audit Committee
 - If one wishes to remain confidential, they may provide information anonymously
- [Whistleblower Hotline](#)

Responsible Business Alliance Code of Conduct

- Lattice adheres to the Responsible Business Alliance Code of Conduct which establishes:
 - Commitment to Labor Standards including Freely Chosen Employment, limitations on Young Workers, appropriate Working Hours, compliant Wages and Benefits, Humane Treatment, Non-discrimination and Freedom of Association
 - Commitments to Health and Safety
 - Environmental Safety standards and
 - Ethical Business Conduct guidelines, including respect for Intellectual Property, Fair Business practices, Responsible Sourcing of Materials and Privacy

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