

2024 SUSTAINABILITY REPORT



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01

**About
Kulicke &
Soffa**

MESSAGE

FROM OUR PRESIDENT & CEO

As we present our ninth annual sustainability report, we reflect on the progress made during FY2024 and the ongoing journey of integrating sustainable practices into our business operations. This report outlines our efforts to balance economic performance with social responsibility and environmental stewardship.

Throughout FY2024, K&S continued to adapt and grow within the dynamic automotive, compute, industrial, memory and communications markets and we remain committed to delivering value through innovative solutions. For a comprehensive overview of our financial performance and business operations, stakeholders are invited to refer to our FY2024 Annual Report.

K&S is committed to operating responsibly and ethically. In FY2024, we conducted an audit for the Responsible Business Alliance Validated Assessment at our Suzhou site. This audit covered crucial areas such as labor practices and the protection of human rights. We are pleased to report that we have initiated a closure audit in the second half of FY2025 to close corrective action items on the findings.

Our dedication to responsible business practices is evident through several initiatives undertaken this year. For instance, our Enterprise Risk Management (ERM) program, complemented by the Enterprise Risk Assessment (ERA), has been instrumental in identifying and mitigating risks. We have acknowledged ESG and climate risks within the ERA and the program ensures that we continuously evaluate and manage potential uncertainties, integrating risk management into our operational framework and corporate culture. We will further enhance the ERA after the conclusion of our comprehensive climate risk assessment, which will be undertaken during FY2025.

In the realm of environmental responsibility, we have made significant strides. Our target-setting exercise for managing environmental impacts has led to the establishment of an ambitious goal to reduce Scope 1 and 2 greenhouse gas emissions by 42% by FY2030, from a FY2023 baseline. This target aligns with the 1.5°C pathway and underscores our focus on reducing absolute emissions.

Furthermore, our sustainable sourcing practices have reinforced our commitment to full compliance with applicable procurement standards and regulations. This includes adherence to international standards such as

the European Union's REACH¹ and RoHS² regulations, as well as the SEC Conflict Minerals guidelines and the TSCA³.

We have taken proactive steps to ensure effective communication with stakeholders and address concerns. Our ongoing efforts to promote responsible business practices within our supply chain include conducting regular training workshops and targeted engagements to foster sustainability awareness among our suppliers.

K&S remains dedicated to advancing our sustainability initiatives, guided by our core values of innovation, responsibility, and ethical conduct. We look forward to another year of progress and collaboration with our stakeholders.



Fusen Chen
President & Chief Executive Officer
Kulicke and Soffa Industries, Inc.



¹Registration, Evaluation, Authorisation and Restriction of Chemicals; an EU regulation

²Restriction of Hazardous Substances; an EU directive

³Toxic Substances Control Act; a US law administered by the Environmental Protection Agency

ABOUT THIS REPORT

Kulicke and Soffa Industries, Inc. (K&S) is pleased to present our ninth annual sustainability report, since we started our sustainability journey in fiscal year 2016.

This report outlines our strategy for integrating sustainability principles into our core business practices and communicating these objectives and visions to our stakeholders. Our Sustainability Report for 2024 (SR2024) encompasses the sustainability performance across all seven of our global operational facilities⁴ for the fiscal period spanning October 1, 2023, to September 28, 2024 (FY2024). We have crafted this report in compliance with the Global Reporting Initiative (GRI) Standards 2021, a globally recognized and widely implemented reporting framework and we have secured external assurance for content of this report. In our ongoing commitment to contribute to universal, shared objectives, K&S continues to align its sustainability initiatives with the United Nations (UN) Sustainable Development Goals (SDGs).

In light of the ever-evolving sustainability reporting ecosystem, in FY2024 we performed a detailed study to understand our exposure to increasing global reporting requirements. We understand the importance of providing relevant and accurate information as it relates to sustainability and will continue to enhance our reporting procedures and disclosures in line with international standards.

This report contains forward-looking statements relating to our sustainability goals, targets, commitments, and other future expectations. These statements are subject to inherent risk and uncertainty that could culminate in results which differ materially to expectations. These factors include, but are not limited to, the factors listed or discussed in our FY2024 Annual Report and our other filings with the Securities and Exchange Commission. K&S is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

K&S engaged CSRWorks International Pte Ltd to perform independent, limited assurance of FY2024 data published in this report:

- Direct (Scope 1) and purchased energy indirect (Scope 2) greenhouse gas emissions data under the operational control boundary of seven global operational sites for the financial year 2024

- Includes additional topics under assurance: paper usage, water usage and waste management.

The content was reviewed in accordance with CSRWorks' Assurance Methodology, a customized verification procedure based on ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements) and ISAE 3000 (Revised).

Independent Greenhouse Gas Assurance Statement

“Based on the limited level of verification engagement undertaken as per our mutually agreed scope of work, nothing has come to our attention that would cause us to believe that K&S’ selected performance data for the financial year 1st October 2023 to 30th September 2024 (FY2024) related to its seven global operational sites and as verified and detailed in Annexes of this statement, is not a reliable and accurate representation of K&S’ selected sustainability performance data presented in Chapter 4 of K&S’ Sustainability Report 2024.”

For the full assurance statement, please refer to pages 73 to 74.

We welcome any feedback to help us to improve the approach we take to sustainability, our policies, and our performance.

Please send your queries or suggestions to the K&S Sustainability Reporting Committee through Joshua Chang (ckjchang@kns.com).

⁴The Horsham (US) and Kranji (Singapore) facilities were operationally shut-down during FY2024 and are not included in the scope of this report. Our Taiwan operation (acquired in FY2023) has been added to the scope.

BUSINESS OVERVIEW

Kulicke and Soffa is a global leader in semiconductor assembly technology, advancing device performance across automotive, compute, industrial, memory and communications markets. Founded on innovation in 1951, K&S is uniquely positioned to overcome increasingly dynamic process challenges – creating and delivering

long-term value by aligning technology with opportunity. K&S maintains a global operational footprint spanning 20 locations across 14 countries, strategically positioned to effectively support our customers across the globe. The company is headquartered in Pennsylvania and Singapore.



Figure 1. Map of K&S Global Network

- * 5 Manufacturing Sites
- 8 Global R&D Centers
- 17 Global Sales & Service Offices

China (Shanghai, Shenzhen & Suzhou), Germany (Nuremberg), Japan (Tokyo), Malaysia (Kuala Lumpur & Penang), The Netherlands (Eindhoven), Philippines (Manila), Singapore, South Korea (Seoul), Taiwan (Hsinchu & Kaohsiung), Thailand (Bangkok), USA (Fort Washington & Santa Ana), Vietnam (Ho Chi Minh City)

Our portfolio of products and services drives growth and enables technological advancements across major markets, including automotive, compute, industrial, memory and communications sectors. As these industries progress and demand more sophisticated solutions, K&S, with a successful track record of over 70 years, is well positioned to leverage emerging opportunities for growth and value creation in both high-volume and leading-edge semiconductor markets. We are dedicated to creating lasting value for our stakeholders, and the communities we serve, while actively pursuing opportunities that ensure the long-term viability of our business and protecting stakeholders from sustainability-related risks.

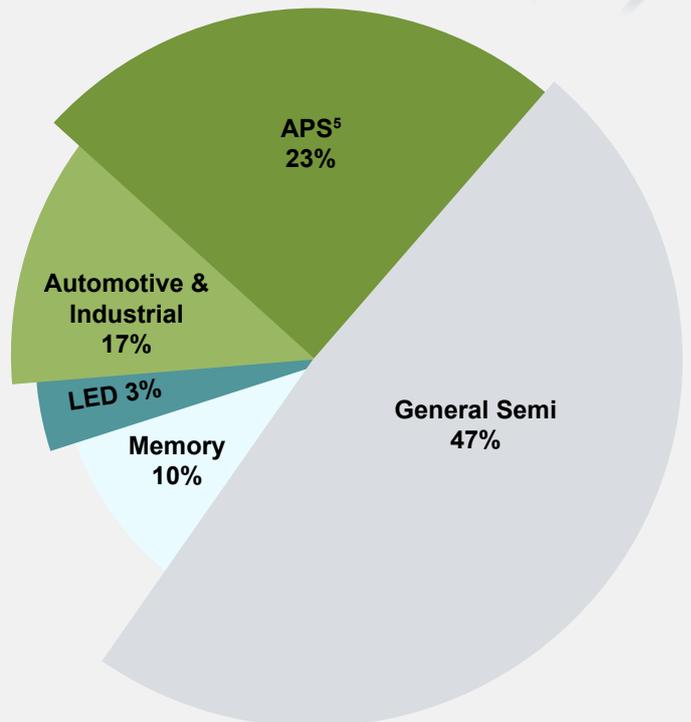


Figure 2. FY2024 Revenue by End Markets

⁵ Aftermarket Products and Services

OUR VISION, MISSION AND VALUES

Our Vision

The Leading Technology And Service Provider Of Innovative Interconnect Solutions Enabling A Smart Future.

Our Mission

Global solutions provider for advanced interconnect and electronics assembly with long-standing tradition of delivering disruptive innovations.

Enable technology leadership through strategic partnerships across the value chain.

Broaden products and value-added services organically and inorganically to be number one in all served and adjacent markets.

Maximize productivity and operation efficiency in all parts of our current and future targeted K&S value chain.

Consistently grow and deliver superior financial performance.

Delight our customers through deeper collaboration and delivering innovative solutions of the highest quality.

Provide solutions for the entire served markets to ensure continuous dominance and relevance to customers.

Evolve to be the supplier of choice in smart manufacturing solutions.

Increase market intelligence to improve predictability of our business and alignment of solution development to market needs.

Foster a creative and positive work environment by embracing our core values.

Our Core Values



DELIGHT OUR CUSTOMERS

Impress existing customers and win new ones



MAKE A DIFFERENCE

Take responsibility and be accountable for your Actions



INNOVATE FOR SUCCESS

Think and act in innovative ways to manage and grow our business



PEOPLE MATTER

Develop our people as our primary asset



LEARN, GROW, EXCEL

Pursue personal growth and business excellence through learning

K&S Value Creation Cycle

The K&S business model is deeply rooted in the Value-Creation Cycle. This provides organizational guidance that leads to the creation of a responsible enterprise, generating enduring value for our stakeholders, and bringing about positive impact within the communities with whom we engage.

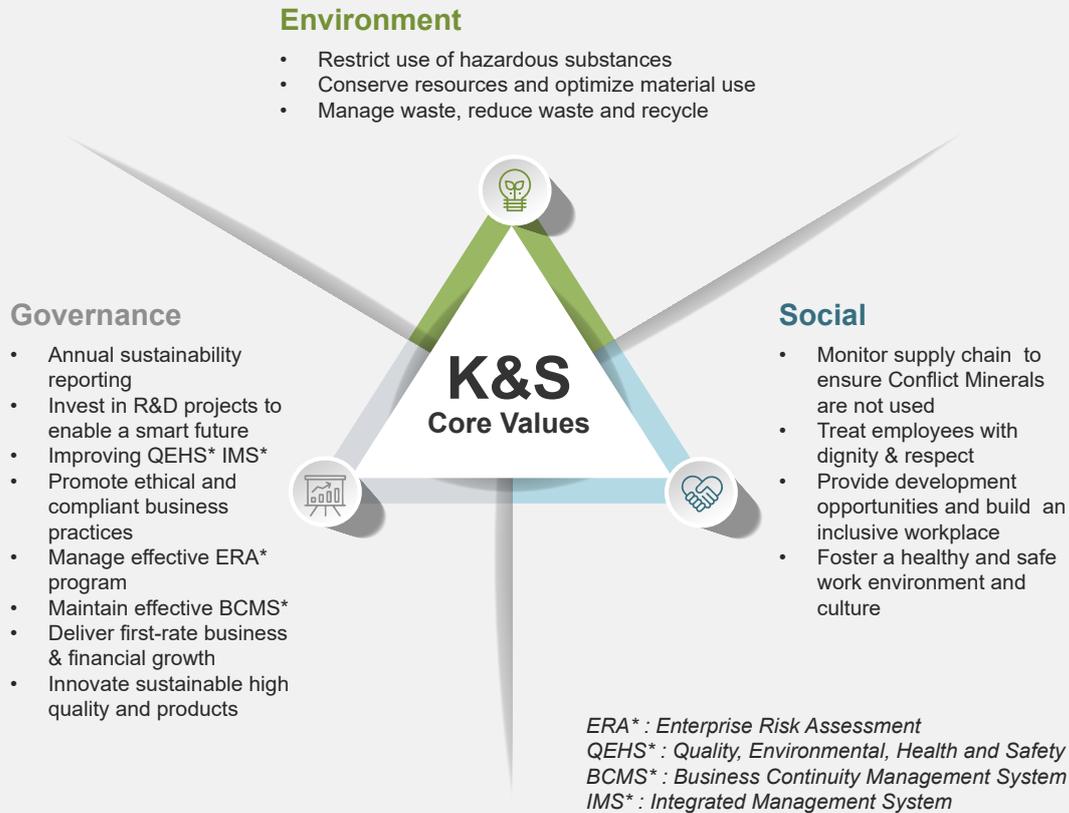


Figure 3. K&S Value Creation Cycle

Positive business results enable us to drive our customers' growth, providing them with innovative solutions for market expansion. Strong financial performance also allows us to prioritize our key stakeholders, including employees, customers, suppliers, and communities throughout our value chain. Our growth trajectory enables partnerships with environmentally responsible suppliers and helps secure long-term access to critical raw materials and resources.

At K&S, we acknowledge our role in improving the social, economic, and environmental aspects of the communities where we operate. Beyond our corporate sustainability initiatives, which have contributed to greening our business model, we strongly emphasize minimizing potential environmental degradation and related impacts. Despite ongoing economic challenges, we remain committed to social responsibility. We actively participate in volunteer efforts, support environmental clean-up initiatives, and maintain our dedication to various charitable causes.

In FY2024, K&S achieved an annual revenue exceeding US\$706 million. For comprehensive financial information, please consult the [FY2024 Annual Report](#).

FY2024 Community Investments

>US\$1.22M



Financial Results ⁷	FY2022*	FY2023*	FY2024*	% change from FY2023
Economic Value Generated: Revenue	1,503,620	742,491	706,232	-4.9%
Economic Value⁸	1,393,315	796,461	970,276	21.8%
Operating costs	762,556	418,035	506,803	21.2%
Employee wages and benefits	262,705	251,030	256,763	2.3%
Payments to governments	43,442	15,053	10,651	-29.2%
Community investments ⁹	1,372	1,224	1,022	-16.5%
Direct shareholder returns ¹⁰	323,240	111,119	195,037	75.5%

Table 1. FY2024 Financial Results
* In US\$'000.

CSR Impact Metrics	FY2022	FY2023	FY2024
# CSR Activities	50	45	33
# Employees Participated	500	860	350
Total Volunteer Hours	1,800	1,900	2,200
Employee gifts and donations (In US\$)	\$33,221	\$9,086	\$17,708
K&S Donation/ Investment (In US\$)	\$408,755	\$291,342	\$256,568

Table 2. FY2024 CSR Impact Metrics

⁶Net cash provided by operating activities less capital expenditures.

⁷Information in this table is derived from Kulicke & Soffa's audited financial statements and other accounting/financial data. This information is intended to summarize the overall contribution of K&S to its stakeholders and not intended to replace or provide an alternative to the audited financial statements which are made available in the K&S Annual Report for FY2024.

⁸GRI 201-1 defines Economic value distributed as: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.

⁹Includes internships

¹⁰Includes share repurchases and dividends. Quarterly dividend payments have been made since July 16, 2018.

FY2024 ESG HIGHLIGHTS AND ACHIEVEMENTS

ENVIRONMENT

Set GHG Target: **42%**

Reduction of Scope 1 and Scope 2 Market-based GHG emissions by FY2030 from FY2023 baseline.

Progress:

14.3%
Reduction of Scope 1 and Scope 2 GHG emissions from FY2023

13.7%
Reduction in paper usage intensity from FY2023

57.8%
Waste Recycling Achieved

SOCIAL

33
Community Outreach Activities carried out globally

>600
R&D employees with an average tenure of > 10 years

2,200
Volunteer hours achieved across all sites

>US\$256,500
K&S Donation/Investment

0 Fatalities as a result of work related injury
0 High-consequence related injuries

GOVERNANCE

ZERO

Validated cases of non-compliance with laws and regulations resulting in significant fines or sanctions

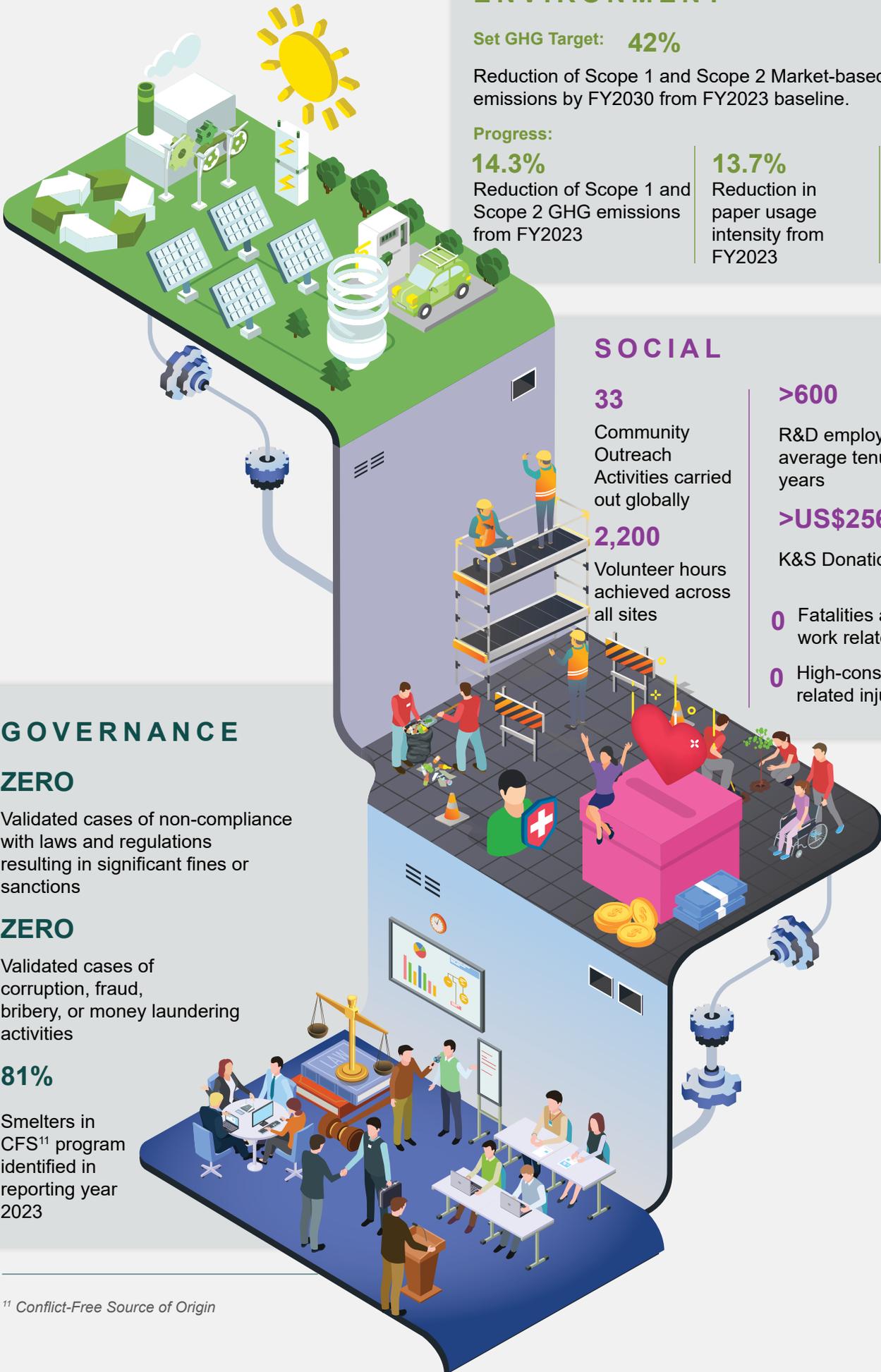
ZERO

Validated cases of corruption, fraud, bribery, or money laundering activities

81%

Smelters in CFS¹¹ program identified in reporting year 2023

¹¹ Conflict-Free Source of Origin





02

**Sustainability
at K&S**

SUSTAINABILITY GOVERNANCE

At K&S, the ESG council oversees the implementation and progress monitoring of ESG projects. The ESG council comprises sub-components overseen by organizational leads, with each lead providing regular updates on status and planned initiatives to defined ESG council work streams. The ESG council provides quarterly updates to the Executive Leadership Team (ELT) while the Nominating and Governance Committee (NGC) of the K&S Board of Directors receives biannual summary reports. The NGC maintains comprehensive oversight of all ESG activities, guiding the development and advancement of K&S' ESG strategy, policies, and performance. This structure ensures the Board has visibility into the organization's impact on stakeholders and the environment.



Figure 4. K&S Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

We cultivate communication pathways with our primary stakeholders, ensuring we can promptly receive, assess, and address their interests, concerns, and feedback.

Key stakeholders and their interests	Means of engagement	Frequency of engagement	Interests and concerns
Customers Look to K&S to offer quality and innovative products and services	Customer Service Surveys	On a regular basis (per shipment)	<ul style="list-style-type: none"> Product & Service Innovation Customer Health & Safety Customer Satisfaction
	Business reviews with customers	Quarterly	
Employees Look to K&S to be a fair and just employer, upholding human rights through equal access to company programs like bonuses and awards, training opportunities, health and safety	Voice of K&S Employee Engagement Survey	Every two to three years	<ul style="list-style-type: none"> Employment & Labor Practices Occupational Health & Safety
	Townhalls, K&S intranet, staff meetings, emails and notice boards	On a regular basis	
Shareholders & Investors Seek long-term business growth of K&S resulting in positive financial performance	Annual Report, Sustainability Report	Annually	<ul style="list-style-type: none"> Financial & Non-Financial Performance
	Performance announcements on K&S' website and via press releases and earnings calls	Quarterly	
	Investor meetings and an investor relations website	On a regular basis	
	Investor Day Communication of financial and non-financial information	On an ad-hoc basis	

Suppliers Look to build sustainable business relationships with K&S	Engagement surveys and events	As appropriate	<ul style="list-style-type: none"> • Product & Service Innovation • Material Use • Customer Health & Safety • Customer Satisfaction
	Business reviews of supplier deliverables	Quarterly	
	Supplier events	On a regular basis	
Government, Regulators and Certification Bodies Look to K&S as an industry example of adhering to regulatory compliance	Industry and technology conferences	On an ad-hoc basis	<ul style="list-style-type: none"> • Ethics, Bribery & Corruption • Energy Usage & Associated GHG Emissions • Employment & Labor Practices
	Regulatory reporting to government bodies	On a regular basis	
Non-governmental Organizations (NGOs) & Nonprofit Organizations (NPOs) Seek to foster long-term collaborative partnerships with K&S to increase meaningful interaction and improve lives	Community and environmental initiatives	On a regular basis	<ul style="list-style-type: none"> • Ethics, Bribery & Corruption • Local Community Engagement
	Disclosure on environmental, social and other related aspects	On a regular basis	

See page 23 for more information on Responsible Business Alliance Validated Assessment Program audits

MATERIALITY ASSESSMENT

Material topics in the context of a GRI report are defined as issues that represent an organization’s most significant impacts on the economy, environment, and people, including human rights¹². K&S has identified 12 key ESG topics that reflect our focus areas, material impacts on stakeholders, sustainability goals, and priorities. The established ESG governance framework ensures the Board receives biannual reports on activities in these areas. Additionally, the Board is updated on any environmental and regulatory changes that could affect K&S and its value chain.

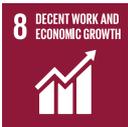
The Executive Leadership Team (ELT) evaluates and validates the company’s impacts, resulting in a final list of material topics presented in the annual sustainability report. The Board has reviewed and validated this list of identified material topics. While a comprehensive materiality assessment was not conducted in FY2024

– the last full assessment was performed in FY2022 – K&S affirms that these ESG topics remain material to its operations and stakeholders. We will be performing a full double materiality assessment in FY2025.

In response to evolving regulatory landscapes and to enhance investor-focused reporting, K&S will conduct a double materiality assessment in FY2025. This assessment will allow us to review and refresh our external impacts and also identify our sustainability-related risks and opportunities that could reasonably be expected to affect our enterprise value. We will evaluate how these factors may influence our cash flows, access to finance, and cost of capital over short, medium, and long term. This process will enable K&S to provide more decision-useful information to investors and other capital market participants, enhancing our sustainability-related financial disclosures.

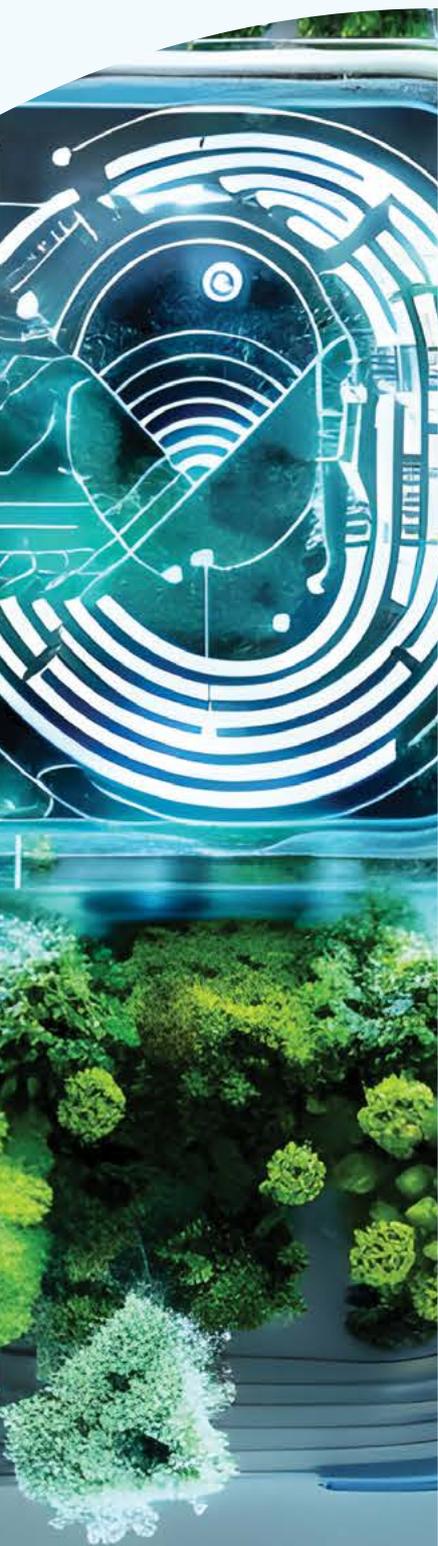


¹²GRI 3: Material Topics 2021 (www.globalreporting.org)

No.	Material Topic	Relevance	Stakeholders	Associated UN SDGs
1	Ethics, Bribery and Corruption	Causes, Directly linked to	Government, Regulators and Certification Bodies	
2	Product and Service Innovation	Causes	Customers	
3	Customer Health and Safety	Causes	Customers	
4	Customer Satisfaction	Causes	Customers	
5	Occupational Health and Safety	Causes	Employees	
6	Employment and Labor Practices	Causes	Employees Communities	 
7	Material Use	Causes, Contributes to, Directly linked to	NGOs / NPOs Communities	
8	Energy Usage and Associated GHG Emissions	Causes, Contributes to, Directly linked to	Government, Regulators and Certification Bodies NGOs / NPOs Communities	
9	Sustainable and Corporate Finance	Causes	Shareholders and Investors Employees	
10	Responsible Supply Chain Management	Causes, Contributes to, Directly linked to	Suppliers	
11	Sustainability Governance	Causes	Government, Regulators and Certification Bodies Shareholders and Investors Employees	
12	Effluents and Waste Management	Causes, Contributes to	Government, Regulators and Certification Bodies NGOs / NPOs Communities	

MATERIALITY ASSESSMENT

No.	Material Topic	FY2024 Targets	Performance for FY2024
1	Ethics, Bribery & Corruption Developing efforts or policies to ensure that business practices are ethical and free of bribery and corruption	Zero incidents of non-compliance with laws and regulations resulting in significant fines or non-monetary sanctions Zero incidents of corruption, fraud, bribery or money-laundering activity across the business and operations	Achieved
2	Product & Service Innovation Encouraging efforts to drive innovation to meet ongoing and future needs of the company and customers	Adopt the 'on time, on target' approach in the delivery of products and services	Achieved
3	Customer Health & Safety Adhering to health and safety commitments to ensure that products and services do not pose any risks to customers	Zero validated cases of non-compliance regarding health and safety impacts of products and services	Achieved
4	Customer Satisfaction Maintaining product and service satisfaction levels that encourage customers to continue engaging the company as a service and goods provider	Set Quality Targets across all products, and to be adopted from Top Management to Working Level Achieve 94.38% rate of field issues resolved at Escalation Level 1	Achieved
5	Occupational Health & Safety Developing initiatives or policies to maintain a healthy and safe workplace, including monitoring health & safety performance of employees and contract workers, including contractors	<ul style="list-style-type: none"> Maintain Accident Frequency Rate (AFR) below 1.5 Maintain Accident Severity Rate (ASR) below 7 Achieve > 12 hours of OHS training per employee 100% completion in Corporate Safety Training Zero fatalities and occupational related diseases 	Achieved Achieved Achieved Achieved
6	Employment & Labor Practices Ensuring the implementation of fair employment and labor practices across all business units and operation locations	100% of annual performance reviews to be completed and delivered to our employees	Achieved
7	Material Use Ensuring that materials used in the company's operations are sustainably sourced and managed in an efficient manner	<ul style="list-style-type: none"> Reduce total paper usage intensity from FY2023 by 3% Reduce water usage intensity at K&S Suzhou site by > 5% 	Achieved Did not achieve
8	Energy Usage & Associated GHG Emissions Ensuring that energy consumption and its associated greenhouse gas (GHG) emissions can be minimized where possible	Reduce our absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030 from a 2023 baseline	On track
9	Sustainable and Corporate Finance Ensuring that sustained economic value is generated by the company and distributed to its stakeholder	For comprehensive financial information, please consult the FY2024 Annual Report .	
10	Responsible Supply Chain Management Performing due diligence to ensure that suppliers are responsible for their practices in social and environmental aspects	Restriction of Hazardous Substances (RoHS): <ul style="list-style-type: none"> Achieve RoHS compliance for new products launched in FY2024 Conflict Minerals: <ul style="list-style-type: none"> File to SEC CM report RY23 on time in May 2024 with annual due diligence progress Supplier Code of Conduct: <ul style="list-style-type: none"> All key suppliers to endorse and comply with K&S Direct Supplier Code of Business Conduct and Ethics (Direct Supplier Code) 	Achieved Achieved Achieved
11	Governance (Sustainability) Demonstrating strong sustainability leadership as part of business strategy and decision-making process	<ul style="list-style-type: none"> 100% completion in employees' Code of Business Conduct training Conduct 2024 Enterprise Risk Assessment and include achievable target risks in risk map ESG organization structure up to BOD to periodically review K&S sustainability strategy and results. 	Achieved Achieved Achieved
12	Effluents & Waste Management Ensuring that effluents and waste generation are minimized where possible and managed through proper disposal and recycling protocols	<ul style="list-style-type: none"> Achieve >57% total solid waste recycling rate Reduce hazardous waste generation at K&S Suzhou site by > 3% 	Achieved Achieved



03

Resilient Governance and Accountability

K&S ETHICS, BRIBERY AND CORRUPTION

Business Integrity and Ethics

K&S is dedicated to conducting business ethically and responsibly. Our corporate governance framework and associated policies shape our culture of accountability, integrity, and compliance with applicable laws and regulations. The Board retains ultimate accountability and oversight for corporate governance matters, and is committed to maintaining the highest standards of business conduct.

Our comprehensive ethical framework comprises the Code of Business Conduct, Code of Ethics for Senior Financial Officers, and Worldwide Direct Supplier Code of Business Conduct and Ethics (collectively referred to as “the Codes”). These Codes establish guidelines for ethical and responsible business practices, and apply to all K&S employees and suppliers. They address various topics, including:



Compliance with laws, rules, and regulations such as data privacy, discrimination, equal opportunities, policies against child labor and forced labor, and environmental practices



Corporate opportunities that may not be used for personal gain



Competition and fair dealing in relationships with stakeholders



Policy against insider trading, conflicts of interests and appropriate disclosures



Protection and proper use of K&S assets and proprietary information including that of third parties

Our dedication to ethical business practices, including our anti-corruption approach, is outlined in our [Corporate Responsibility Policy](#). We employ Enterprise Risk Assessment (ERA) processes to identify and mitigate corporate governance and ethics-related risks across our entire operation. Our Compliance Officer oversees our Codes, which undergo regular reviews to ensure alignment with NASDAQ regulations. For enhanced transparency and additional information, our corporate policies and guidelines are accessible on our [Company Website](#).

Whistleblowing and Grievance Procedures

K&S is committed to creating an open, healthy, and fair work environment where employees can discuss business practices without fear of reprisal. We use campaigns and posters to emphasize non-retaliation and confidentiality, reinforcing this message throughout the organization.

Our Whistleblower Policy provides employees with channels to seek guidance, or report concerns about unethical conduct or code violations. Employees can report directly to their immediate supervisor, to the Compliance Officer, or anonymously through our confidential whistleblower hotline via phone or the online platform.

All good faith reports are promptly forwarded to the Compliance Officer and Committee for thorough and timely investigation and resolution. When necessary, these matters may be escalated to the Board of Directors. Case statistics are tracked internally, with the Audit Committee receiving quarterly updates, and the Chair of the committee also receiving notification of individual incidents independently. The Audit Committee has final authority regarding resolution.

Communication to Stakeholders

K&S conducts a yearly process to verify that all employees and direct suppliers recognize our corporate governance policies and guidelines. We also implement annual web-based ethics training to:

1. Set clear expectations for employee conduct
2. Reinforce understanding of our Codes
3. Encourage ethical business practices

Furthermore, we have delivered focused in-person training sessions on “Protection and Proper Use of K&S Assets and Proprietary Information” to all employees in our regional facilities in Taiwan, Fort Washington, Santa Ana, and The Netherlands, as well as to key departments in our Singapore facility.

Note: We define significant instances of non-compliance as those that result in a material financial or non-financial impact on the business, employees, or stakeholders.



0 Incidents of
non-compliance with laws and regulations resulting in significant fines or sanctions



0 Incidents of
corruption, fraud, bribery, or money laundering activities

Human Rights

K&S conducts a yearly process to verify that all K&S is committed to protecting the rights of our employees and supply chain partners while fostering an environment of trust, respect, fairness, and inclusion, regardless of individual beliefs, abilities, or backgrounds. Our approach to safeguarding fundamental human rights across all our operations is guided by internationally recognized principles, including:

1. The UN Universal Declaration of Human Rights
2. The UN Guiding Principles on Business and Human Rights
3. The OECD Guidelines for Multinational Enterprises

Our Human Rights Policy sets forth our standards in these areas and encompasses:



We actively engage in due diligence processes to identify, prevent, and mitigate potential human rights impacts throughout our operations and supply chain. Our commitment extends beyond compliance; we aim to positively contribute to the communities in which we operate.

Our organization is dedicated to upholding and protecting human rights throughout our value chain. We maintain a comprehensive approach and implement due diligence procedures and internal assessments to detect potential violations.



RESPONSIBLE VALUE CHAIN

To meet our operational and manufacturing needs we collaborate with over 1,500 suppliers across Asia, Europe, the United States, and the Middle East. To maintain a robust and sustainable supply chain, we perform periodic assessments to identify potential risks and opportunities and formulate strategies to ensure responsible management practices. Listed here are supply chain initiatives adopted for most of our products.

In FY2024 we updated our existing supplier evaluation assessments to include relevant ESG metrics such as OHS and ISO standard certifications (eg ISO 14001) in addition to compliance with existing conflict mineral regulations. This assessment applies to all new suppliers and gives K&S more confidence that we are engaging with suppliers who share our high environmental, social and governance standards.



Figure 6. K&S Singapore and Suzhou Sustainable Value Chain

Supplier Code of Conduct

K&S is committed to protecting human rights and promoting sustainable business practices across its entire operational ecosystem. Our approach goes beyond traditional compliance by establishing rigorous standards that apply to every tier of our supply chain.

We require all suppliers and contractors to formally endorse and adhere to either our Direct Supplier Code of Business Conduct and Ethics or our Indirect Supplier Code, depending on their relationship with our organization. All suppliers must explicitly agree to our comprehensive Human Rights Policy, and we provide mandatory business conduct training to suppliers, covering topics such as human rights, child labor prevention, and forced labor elimination. This training helps our suppliers to understand and uphold ethical standards throughout their operations and supply chains.

Our Supplier Codes are meticulously crafted, drawing from internationally recognized standards such as the Responsible Business Alliance guidelines, European Union regulations, and other relevant legal frameworks. These codes transcend traditional contractual obligations by addressing domains including labor rights, human rights, data protection, conflict mineral management, raw material oversight, waste management, and anti-corruption protocols.

Evaluation Assessments

K&S has implemented a comprehensive supplier evaluation process to ensure ongoing compliance and continuous improvement within our supply chain. This rigorous assessment consists of four key components as illustrated in figure 7. Prior to any contract renewal, a thorough follow-up review is mandatory to maintain supplier approval status.

In FY2024, we enhanced our supplier assessment framework by introducing an additional metric to our supplier scorecard. The new criterion rewards suppliers who have proactively implemented decarbonization

programs, underscoring our commitment to environmental sustainability.

In our ongoing efforts to promote responsible business practices throughout our extended supply network, in FY2025 we will be progressively asking key suppliers to start conducting a thorough evaluation of risks within their own supply chains. This will be facilitated through the submission of a Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ), providing valuable insights into our suppliers' operational practices and potential areas for improvement.

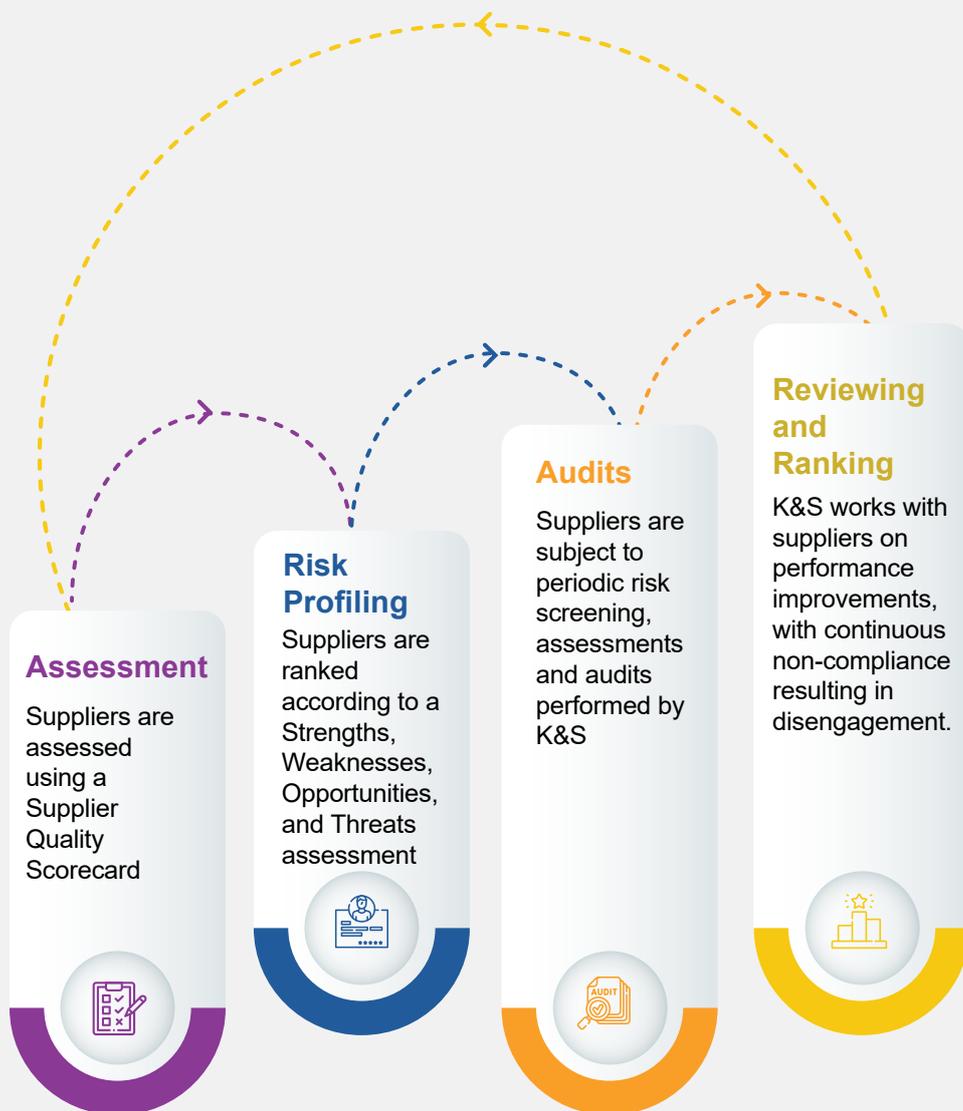


Figure 7. Supplier Management Process

Supplier Support

K&S strengthens sustainability awareness in its supply chain through strategic investments in regular training workshops and targeted engagements, conducted annually or as necessary, to promote environmentally and socially responsible practices among suppliers. These initiatives are designed to cultivate a deeper understanding and commitment to sustainability throughout our partner network.

Reducing External Risk

Our procurement strategy embraces diversity by engaging suppliers across local, regional, and global scales. In FY2023, we surpassed our target of increasing procurement from local and regional suppliers by 15% and we have maintained a similar level of local suppliers throughout FY2024. This not only supports local economies but also aligns with our environmental goals by favoring land and sea transport over air freight, thereby reducing our overall greenhouse gas emissions.

Case Study

Engineering teams from various business units participated in a product decarbonization workshop in FY2024 to build capacity and kickstart internal conversations on topics such as green product initiatives, low-carbon design, and its associated technical feasibilities, challenges and trade-offs.

Some of our business units have started to quantify product carbon footprint to explore decarbonization opportunities for their products. There are ongoing efforts to increase the efficiency of our ball bonders, through smart controls, component optimization, motor optimization, and thermal management.

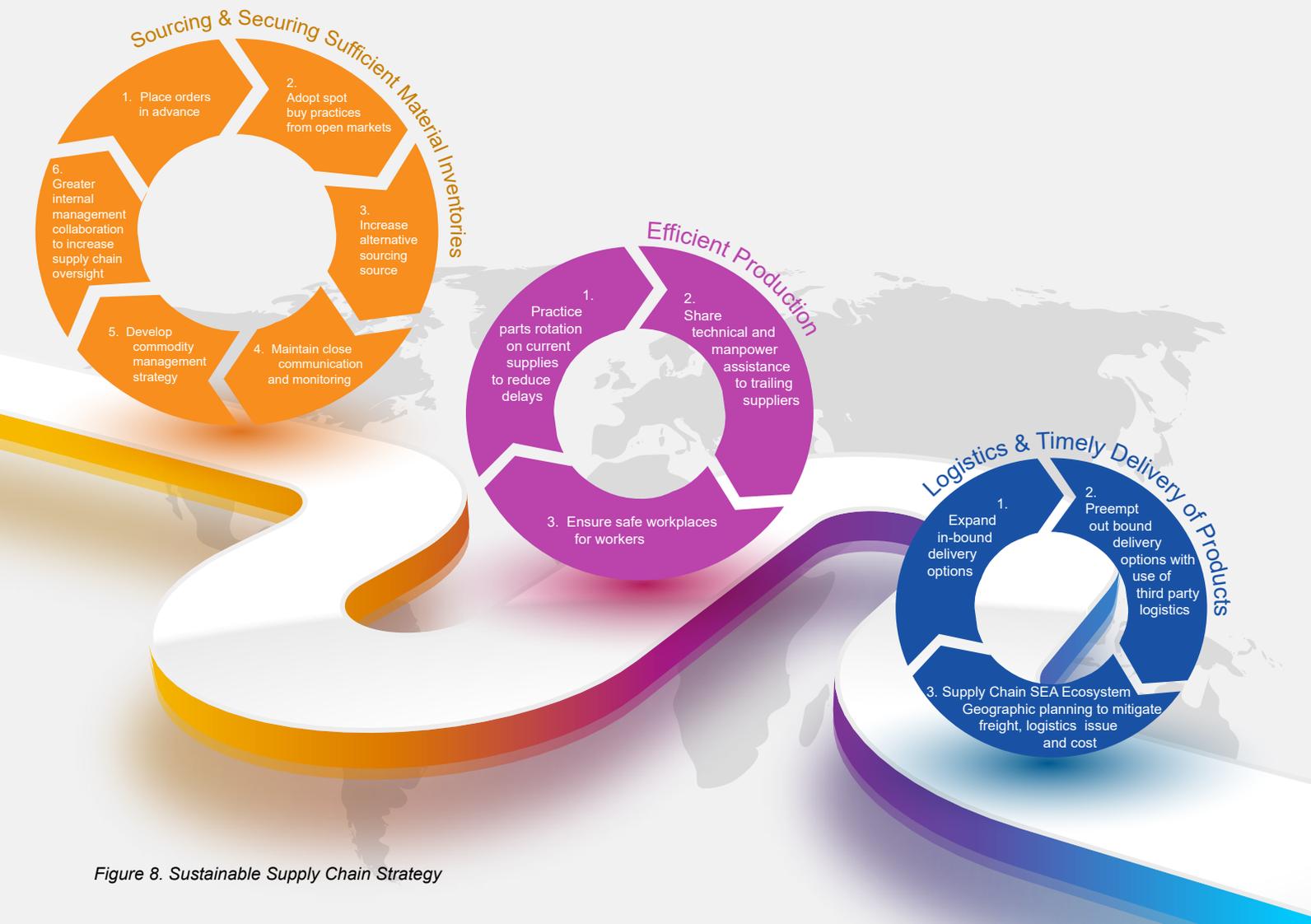


Figure 8. Sustainable Supply Chain Strategy

BUSINESS RESILIENCE FOR CONTINUITY

Through implementation of our business resilience strategies and associated processes, we can effectively recognize and mitigate the risks we face, promptly address business interruptions, and create mechanisms for safeguarding both our personnel and our assets.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program, complemented by the Enterprise Risk Assessment (ERA), forms the basis of our risk understanding and decision-making process. This approach enables us to identify, assess, and effectively manage potential risks and uncertainties facing our business. Risk management is integrated into our operational framework and corporate culture, guiding informed decision-making across all business aspects, including governance, strategy formulation, and goal setting.

The ERA produces a detailed risk map, categorizing risks by their potential impact and probability. For each identified risk, we develop specific mitigation strategies and targets. This risk map, along with our objectives and progress updates, undergoes biannual review by the Board, ensuring ongoing oversight and enabling K&S to adapt as risks evolve.

We recognize that certain investors and shareholder advocacy groups are increasingly focusing on companies' ESG initiatives, both in terms of performance and means of disclosure. These risks have been factored into our ERA and will be further enhanced when we undertake a comprehensive climate risk assessment during FY2025.

Integrated Management System (IMS)

K&S has implemented a comprehensive Integrated Management System (IMS) across the six main design and manufacturing sites, adhering to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards. This system, working in tandem with our Quality, Environmental, and Occupational Health & Safety (QEHS) management framework, provides a structure for overseeing our processes, managing targets, and addressing sustainability trends.

The IMS facilitates the pursuit of unified global objectives throughout our operations and we regularly communicate IMS policies and goals internally and assess their

effectiveness. Our approach to managing QEHS-related risks and opportunities involves periodic reviews through the Enterprise Risk Assessment (ERA), Environmental Aspect Assessment (EA), and Hazard Risk Assessment (RA) procedures. To ensure compliance with relevant laws, regulations, and other requirements, we have established rigorous protocols. This integrated approach enables K&S to maintain high standards of quality, environmental stewardship, and workplace safety across our global operations.

Annual Enterprise Risk Assessment Process



Figure 9. Annual Enterprise Risk Assessment Process

Fostering Sustainable and Responsible Business Culture and Conduct

K&S, while not an official member of the Responsible Business Alliance (RBA), has fully adopted and implemented the RBA Code of Conduct. This comprehensive code establishes industry standards across crucial domains:

- Labor practices
- Ethical business conduct
- Occupational health and safety
- Human rights protection
- Management systems

By adhering to these standards, K&S ensures safe working conditions throughout its operations and supply chain, prioritizing worker wellbeing and maintaining environmentally responsible and ethical business practices. To verify compliance with these standards, organizations undergo rigorous audits conducted by independent, RBA-approved third-party firms through the Validated Assessment Program (VAP). This program serves as a leading standard for onsite compliance verification.

Business Continuity Management

K&S has implemented a comprehensive Business Continuity Management System (BCMS) across all its design and manufacturing facilities, aligned with ISO 22301 standards. This system enhances our resilience and ability to respond effectively to disruptions, safeguarding our operations, reputation, and brand.

Our BCM framework follows a Plan-Do-Check-Act (PDCA) cycle, guided by ISO standards, to identify and address internal and external threats efficiently. This approach enables us to develop and implement effective response strategies.

Following on from BCP simulations at our Fort Washington, Santa Ana, and Suzhou sites in FY2023, we performed an exercise at our Singapore site

RBA VAP Audit at K&S Suzhou

In July 2024, K&S' Suzhou facility underwent an RBA VAP audit, initiated at a customer's request. The RBA VAP is a comprehensive onsite compliance verification process conducted by independent, third-party auditors to assess labor, ethics, health, safety, and environmental practices against the RBA Code of Conduct.

The audit, which lasted 3 days and followed a similar assessment conducted at the Singapore facility in FY2023, primarily involved K&S' HR and Legal teams. Procedures involved thorough document reviews, management and employee interviews, and a visual site survey. All findings were swiftly followed up with corrective actions. Importantly, no human rights concerns were identified during the assessment.

Following RBA protocols, K&S has 18 months to address and close any findings before a closure audit. This process aligns with the RBA's approach, which allows companies time to implement corrective actions and demonstrate improvement.

We view this audit as an providing an opportunity for continuous improvement in our operational practices. K&S is committed to upholding our core values and treating employees as vital assets. This commitment reflects the company's dedication to ethical business practices and employee well-being across our global operations.

in FY2024 to review our BCP processes against a cyberattack scenario. The simulations are designed to validate the BCP's effectiveness in disaster scenarios, encompassing IT disaster recovery processes, call tree accuracy, and crisis communication protocols. During these simulations, Crisis Management Teams (CMTs) at each site participate in role-playing exercises to assess crisis management capabilities and the ability to recover critical business functions. The Singapore site successfully completed the BCP tests and demonstrated excellent business continuity readiness.

Continuing our commitment to maintaining robust business continuity practices across all K&S locations and as part of our ongoing multi-year testing program, our Suzhou site is scheduled for BCP testing in FY2025.

BC Disaster Scenarios



Scenario 1

**Denial of Access
of Office Premises**



Scenario 2

**Loss of Computing/
Data Communications**



Scenario 3

**Non-Availability
of Staff**



Scenario 4

**Non-Availability
of Key Supplier**



04

**The
Environment and
Low-Carbon
Transformation**

SUSTAINABLE SOURCING

K&S understands that our sourcing decisions have a direct impact on the health of our planet. By prioritizing environmental, social, and ethical practices in resource procurement and management, we aim to mitigate the risks of environmental degradation and social injustice, while simultaneously creating opportunities for innovation, enhanced brand reputation, and stronger stakeholder relationships.

Our commitment to full compliance with applicable procurement standards and regulations enables us to provide high-quality products and services in a safe and healthy environment. Our Environmental Health and Safety Policy ensures responsible sourcing and material use, complying with international standards like European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS) regulations, as well as the Securities and Exchange Commission (SEC) Conflict Minerals guidelines and Toxic Substances Control Act (TSCA).

EU RoHS

Impacts

- The EU RoHS a European Union regulation that aims to protect human health and the environment by restricting the use of certain hazardous substances in electrical and electronic equipment (EEE).
- Improper disposal of EEE waste poses significant risks to both the environment and local communities. Toxic chemicals, such as cadmium, lead, and mercury, can leach from improperly managed e-waste, contaminating soil and entering the food chain.

K&S' Responses and Initiatives for Compliance

- Our commitment to 2011/65/EU RoHS 2 compliance is evident in our systems and processes. All core platforms launched since 2018, and all new platforms since 2020, adhere to these standards. A Go-Green Committee oversees compliance, utilizing rigorous monitoring, supplier data on restricted substances, and a dedicated RoHS database for tracking.

REACH – SCIP Disclosure

Impacts

- The REACH – SCIP disclosure refers to EU the obligation for companies to provide information about Substances of Very High Concern (SVHCs) in their products to the SCIP database.
- This database was established under the Waste Framework Directive (WFD) to promote a circular economy, improve waste management and aims to protect human health and the environment from the risks posed by chemicals.

K&S' Responses and Initiatives for Compliance

- Proactive monitoring of the SVHC list updates to ensure ongoing REACH compliance. All relevant details on SVHCs in the supply chain are disclosed to the European Chemicals Agency (ECHA)'s SCIP database for transparency.
- In FY2024, the concentration of SVHC chemicals in our products remain significantly below the permissible limit.

TSCA Rules and Enforcement

Impacts

- The TSCA is a legislation in the United States law that regulates the manufacturing, processing, distribution, and use of chemical substances, such as the five persistent, bio-accumulative, and toxic (PBT) substances.
- It's administered by the Environmental Protection Agency (EPA) and aims to protect human health and the environment from unreasonable risks posed by chemicals.

K&S' Responses and Initiatives for Compliance

- K&S is actively working to comply with TSCA regulations by engaging its supply chain, through its Go-Green Committee, to identify and evaluate alternative parts for products containing restricted substances.



K&S engages a third-party service provider to streamline environmental data collection for compliance with regulations like RoHS, REACH, SCIP, and TSCA. This platform provides a standardized way for suppliers to submit data, enabling K&S to monitor supplier compliance and track progress. GreenSoft also supports suppliers and keeps the platform updated to reflect evolving regulations.

We extend this commitment of sustainable sourcing beyond our own operations to our direct and indirect suppliers through our Supplier Code of Business Conduct and Ethics. This Code outlines comprehensive procurement requirements on responsible material use. We have a Conflict Mineral Sourcing Policy and a dedicated, cross-functional global Conflict Mineral Committee who oversees our procurement processes for 3TG (tin, tantalum, tungsten, and gold) minerals and mitigate the risk of human rights abuses in our global supply chain.

*** Acronyms:**

- RCOI – Reasonable Country of Origin Inquiry
- IPSA – Independent Private Sector Audit
- CMRT – Conflict Minerals Reporting Template
- CMR – Conflict Minerals Report
- SEC – Stock Exchange Commission

Dodd-Frank Act

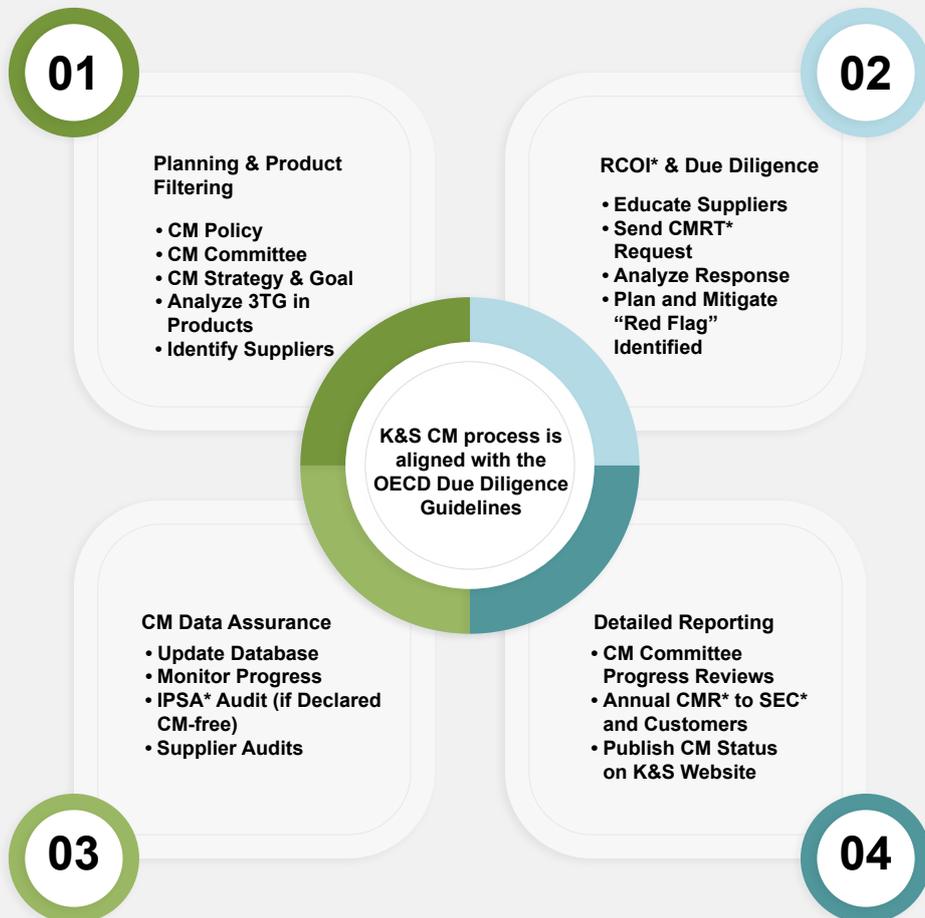


Impacts

- The Dodd-Frank Act, specifically Section 1502, addresses the issue of “conflict minerals,” which include the 3TG. These minerals are often mined in the Democratic Republic of Congo (DRC) and surrounding countries, and the profits from their sale have been used to finance armed groups, perpetuate conflict in politically unstable regions and contribute towards human rights abuses.

K&S’ Responses and Initiatives for Compliance

- K&S avoids conflict minerals in its supply chain (particularly relevant to the semiconductor industry) by complying with the Dodd-Frank Act and ensuring 3TG minerals are not sourced from the DRC or its nine surrounding countries.
- As part of our due diligence, our direct suppliers must fully disclose the origin of all 3TG minerals used in their components and assemblies, including those used by their sub-tier suppliers and smelters.



K&S provides public disclosure of its conflict minerals due diligence procedures through its annual SEC filing. For further details, please refer to our latest Conflict Minerals Report and our Conflict Minerals Policy.

Conflict-free Smelters	Number of 3TG Tier-1 Suppliers Surveyed	Number of Smelters Identified	Number of Compliant and Active Smelters	Number of Conflicted Sources Found
RY2021	180	377	294	0
RY2022	186	385	295	0
RY2023	225	395	297	0

ENERGY USAGE & ASSOCIATED GHG EMISSIONS

Climate change presents substantial risks to the business, including rising operational costs due to adaptation and regulation, increasing stakeholder expectations, and evolving industry standards. This mandates a concentrated effort on enhancing the climate resilience of the business and the active promotion of environmental stewardship.

Sustainability is a cornerstone of K&S' business strategy. K&S is committed to leveraging the semiconductor industry's potential to reduce global energy use and emissions. This commitment translates into increased efficiencies, cost savings, minimized environmental footprint, and maximizing positive contributions to quality of life. Our Corporate Responsibility Policy outlines how we minimize our environmental impact across three core areas: energy and emissions, water, and waste. Our approach includes optimizing resource use, restricting hazardous substances in our products, and responsible waste management.

K&S recognizes that the evolving sustainability landscape, such as climate change and investors' expectations, is having an increasing impact on our operations. K&S embarked on a target-setting exercise in FY2024 to effectively manage our environmental impacts, track our progress, ensure accountability, as well as contribute meaningfully towards global climate change goals. The approach adopted for the target-setting exercise included:

1. Stakeholder engagement with the various sites to understand existing and planned decarbonization and energy efficiency projects.
2. Consideration of climate pathways, national and international sustainability goals, as well as industry peer benchmarking.
3. A review of FY2023 performance, to identify the most appropriate baseline year and identify improvement areas.
4. An assessment of planned decarbonization projects, including potential energy savings and costs of implementation. On-site solar power generation was also assessed.
5. Reasonable and informed assumptions about grid decarbonization was made during the analysis.

In collaboration with external sustainability consultants, we identified target options for emissions reductions, considering both their potential impact and the cost-benefit implications of these decarbonization projects.

K&S is pleased to announce that we have set an ambitious target, aligned to the 1.5°C pathway, to reduce our Scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2023 baseline. Our current strategy prioritizes reducing absolute emissions, and we will explore renewable energy certificates to reduce energy consumption after maximizing energy efficiency and conservation efforts.

Reducing Energy Use

Commitments

Sustainable resource management is a priority for K&S, and we actively drive energy efficiency improvements across the entirety of our manufacturing and operational processes, irrespective of the energy source.

Targets

2% annual reduction of non-renewable electricity usage intensity.

Progress against Targets

Achieved a 9.2% reduction of non-renewable electricity usage intensity in FY2024 as compared to FY2023.

Initiatives

- Eindhoven operates on 100% renewable energy supplied directly to the facility.
- The Suzhou facility generates renewable energy from solar panels installed on-site to decrease its dependence on grid electricity.
- Energy usage is continuously monitored, and the effectiveness of processes and initiatives is tracked against targets on an ongoing basis.
- LED lighting and motion sensors have been installed across our sites to reduce electricity use.
- Street lighting within the Suzhou facility premises replaced with solar powered lighting.



	FY2022	FY2023	FY2024
Total Non-renewable and Renewable Grid Electricity Usage (MWh)	24,799	37,351	33,671
Total Electricity Intensity (MWh/ million \$US)	16.5	52.5	47.7

ENERGY USE



Reducing Emissions

Commitments

Understanding the impact of carbon emissions on climate change, K&S is committed to responsibly managing its operational and supply chain emissions.

Targets

42% reduction of Scope 1 and Scope 2 Market-based GHG emissions by FY2030 from FY2023 baseline.

Progress against Targets

Achieved 14.3% reduction of Scope 1 and Scope 2 Market-based GHG emissions in FY2024 from FY2023 baseline.

Initiatives

- We are continuing to enhance the accuracy and completeness of our Scope 3 inventory, by improving data quality and calculation methodologies adopted.
- To reduce emissions, our Eindhoven site uses electric company cars, while carpooling initiatives are actively promoted at our Santa Ana site.



	FY2022	FY2023	FY2024
Scope 1 GHG Emissions (tons of CO ₂ e)	1,814	433	688
Scope 1 GHG Emissions Intensity (tons of CO ₂ e/ million \$US)	1.2	0.6	1.0

	FY2022	FY2023	FY2024
Scope 2 GHG Location-based Emissions (tons of CO ₂ e) ¹³	13,872	16,304	14,067
Scope 2 GHG Market-based Emissions (tons of CO ₂ e)	NA	16,304	14,067
Scope 2 GHG Market-based Emissions Intensity (tons of CO ₂ e/ million \$US)	9.2	22.0	19.9

	FY2023	FY2024
Total Scope 1 and Scope 2 Market-based GHG Emissions (tons of CO ₂ e)	16,737	14,755

¹³Scope 2 GHG Location-based emissions for FY2023 was revised due to an improvement in the accuracy of the GHG calculation methodology.

GHG Emissions & CDP Disclosure Highlights

The Carbon Disclosure Project (CDP) is a global non-profit organization that runs a leading environmental disclosure platform. K&S has undertaken its annual disclosure submission to CDP for 2024 CDP Corporate Questionnaire - Climate Change. It collects, scores, and publishes data on emissions, water, and deforestation from various entities, empowering stakeholders and driving improved environmental performance.

GHG Emissions Reduction Project at the Suzhou Facility

As part of our ongoing efforts to improve energy efficiency, we've upgraded motors at our Suzhou facility, replacing older, high-energy consumption models with more efficient permanent magnet synchronous motors. One of these new motors is already in operation and has reduced annual emissions by 7.3 tonnes of CO₂. A second motor has been installed and is currently in standby mode, but we expect it to be fully operational by November 2024. The total reduction of annual emissions after the second motor becomes operation is estimated to be approximately 9.7 tonnes of CO₂.



Figure 10. FY2024 CDP Climate Change Score

WATER CONSERVATION

Water scarcity presents a significant global challenge, disproportionately impacting vulnerable communities lacking access to clean water and adequate infrastructure. For K&S, water is a critical operational resource, creating both a risk due to the extremely high water stress in Suzhou, Haifa, and Santa Ana where we operate, and an opportunity to implement responsible water management practices. K&S consumes water from municipal sources

in its operations. While there exist government initiatives like desalination in some regions, we recognize the global need for water conservation and are committed to reducing our water usage across all operations. Throughout our facilities, we have implemented process changes that reduce rinse water requirements in production. Addressing this scarcity is crucial not only for mitigating operational risks but also for contributing to the sustainability of these water-stressed regions.

Water Conservation

Commitments

K&S recognizes the impact of its water usage and wastewater discharge on the environment and local communities. Committed to reducing water consumption and properly treating wastewater, K&S prioritizes water efficiency efforts at its Suzhou facility, which accounts for 80% of the company's total water use.

Targets

Reduce water consumption intensity at Suzhou by > 5%

Progress against Targets

Suzhou's water consumption has increased by 20.7% in FY2024, which resulted in an increase of 71.8% of water consumption intensity as compared to FY2023.

Initiatives

- Our wastewater treatment facility employs reverse osmosis to recycle 20 tons of water every day.
- We reuse recycled water in washrooms, and other applications.
- Our wastewater treatment process includes evaporation to eliminate nickel and ensure it is not discharged to the environment. The condensed steam generated during evaporation is a valuable resource, reused in our manufacturing operations. Concentrated water, a byproduct of the treatment, is managed as hazardous waste in compliance with EPA regulations.



	FY2022	FY2023	FY2024
Total Water Consumption (Tons)	63,928	61,364	74,113
Total Water Consumption at Suzhou (Tons)	52,127	44,317	55,857
Water Consumption Intensity at Suzhou (Tons/ million output)	3,187	2,702	4,642

MINIMIZING WASTE DISCHARGE

K&S acknowledges the critical importance of responsible material use in the preservation of Earth's finite natural resources, recognizing this as a key opportunity for sustainable operations. Proper waste management is crucial for protecting the environment, biodiversity, and public health. Traditional disposal methods like landfills and incineration pose risks of pollution to soil, water, air, and can release toxic chemicals. To ensure long-term sustainability and the prevention of adverse significant environmental and social impacts, it is crucial that we effectively handle and dispose of used materials and by-products.

Waste generated by K&S consists of both non-hazardous and hazardous waste, and all waste is disposed of in accordance with local laws and regulation. Sustainable waste treatment methods such as recycling and repurposing are adopted as much as possible at our operations. Non-recyclable general waste from our facilities is sent to waste-to-energy incineration plants, where it is incinerated to generate energy. The remaining ash is then disposed of in landfills.

Minimizing Waste Discharge

Commitments

K&S is committed to responsible waste management to minimize its environmental and social impact. Our focus is on reducing waste generation, maximizing recycling and repurposing, and safely disposing of all hazardous waste.

Targets

- Reduce paper usage intensity by more than 3%
- Solid waste recycling rate of more than 57%

Progress against Targets

We had reduced our paper usage intensity by 13.7% and achieved a solid waste recycling rate of 57.8% in FY2024.

Initiatives

To facilitate recycling, the Suzhou facility has implemented a best practice of classifying all general industrial waste for proper on-site separation and storage prior to waste collection.

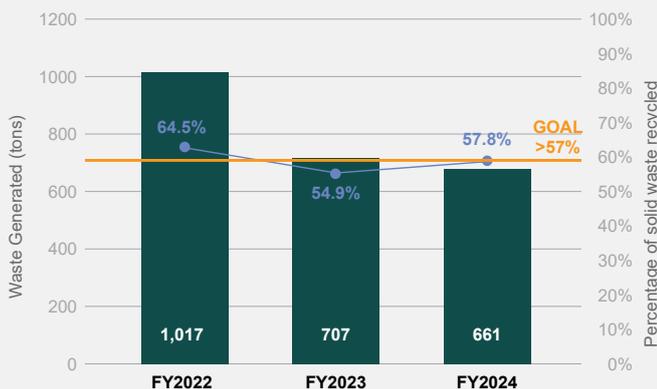


	FY2024
Total Non-hazardous Waste Generated (Tons)	685
Non-hazardous Waste Directed to Disposal (Tons)	303
Non-hazardous Waste Diverted from Disposal (Tons)	382

	FY2022	FY2023	FY2024
Total of Solid Waste Generated (Tons)	1,017	707	661
Percentage of Solid Waste Recycled	64.5%	54.9%	57.8%

	FY2022	FY2023	FY2024
Total Paper Usage (kg)	21,457	18,559	15,236
Paper Usage Intensity (kg/ million \$US of net revenue)	14.3	25.0	21.6

BREAKDOWN OF SOLID WASTE



PAPER USE



Safe Disposal of Hazardous Waste

K&S understands the serious risks posed by hazardous waste, recognizing its potential to leach toxic chemicals into soils and water sources. This contamination can have devastating effects on biodiversity, disrupting delicate ecological balances and endangering plant and animal life. Moreover, local communities who rely on these natural resources for their livelihoods, drinking water, or other essential needs are particularly vulnerable to the harmful effects of such pollution.

Approximately 90% of the total hazardous waste is generated at the K&S Suzhou facility, therefore most of our initiatives to manage hazardous waste generated and ensure the safe disposal of such waste are concentrated at Suzhou.

Minimizing Waste Discharge

Commitments

K&S responsibly manages chemically contaminated liquid and solid waste byproducts from its operations, adhering to established disposal protocols and complying with local hazardous waste regulations.

Targets

Reduce hazardous waste generation at Suzhou by > 3%¹⁴

Progress against Targets

In FY2024, Suzhou's hazardous waste reduced by 20.3%.

Initiatives

- Wastewater treatment plants utilize Programmable Logic Controllers (PLCs) to treat effluents, removing nickel and other chemical discharges to reduce hazardous wastewater disposal.
- An on-site wastewater treatment plant (WWTP) neutralizes waste hydrochloric acid from product cleaning, reducing waste acid disposal by approximately 4 tons and generating cost savings. The WWTP's press filter further processes waste emulsion into decontaminated sludge for safe disposal.



	FY2024
Total Hazardous Waste Generated (Tons)	460
Hazardous Waste Directed to Disposal (Tons)	460
Hazardous Waste Diverted from Disposal (Tons)	0

	FY2022	FY2023	FY2024
Hazardous Waste Generated at Suzhou (tons)	635	541	431
Hazardous Waste Generated Intensity at Suzhou (tons/ million output)	30.9	29.9	35.8

¹⁴ Changed from intensity to absolute from FY2024 onwards.



05

**Delivering
Value to
Customers**

PRODUCT AND SERVICE INNOVATION

K&S recognizes the potential of innovative technological design to enhance semiconductor product efficiency. We continuously strive for form-factor reductions, optimizing performance while minimizing resources like transportation, labor, lighting, packaging, raw materials, and energy.

We leverage product innovation and smart manufacturing to increase digitalization and positively impact the environment and local communities. We are also diversifying our portfolio to serve a growing market of “green” industries, including electric vehicles. Our development and material sourcing processes are crucial to ensure the quality and competitiveness of our high-performance equipment and consumables. These solutions are essential for electric vehicle and sustainability transitions, while also improving the efficiency of semiconductor devices. Our enhanced corporate development process aligns with these positive, long-term trends, and an increasing portion of our revenue is derived from them.

Smart Manufacturing Solutions Division

In FY2024, the Smart Manufacturing Solutions division was established, representing a significant step forward in our commitment to sustainable innovation within the semiconductor capital equipment industry. This strategic initiative aligns cutting-edge technologies with environmental stewardship, driving efficiencies across our five major product lines and process categories. Our comprehensive suite of smart manufacturing solutions – encompassing smart factory automation, equipment fleet management, AI-driven data analytics, and expert consulting services – is designed to revolutionize semiconductor assembly processes. By empowering our customers with these advanced tools and insights, we are not only enhancing their operational capabilities but also significantly contributing to industry-wide sustainability goals.

The implementation of K&S smart manufacturing solutions yields multifaceted benefits for our clients:



Optimized Resource Utilization

Our AI and data analytics platforms enable precise resource allocation, minimizing waste and maximizing the lifespan of equipment and materials.



Energy Efficiency

Smart factory automation and fleet management systems optimize energy consumption, reducing the carbon footprint of semiconductor assembly operations.



Quality Enhancement

Advanced analytics and AI-driven processes result in higher product quality, reducing defects and associated material waste.



Increased Productivity

By improving equipment utilization and throughput, we help our customers produce more with less, effectively lowering the environmental impact per unit of output.



Sustainable Supply Chain

Our consulting services extend beyond immediate operations, fostering sustainability practices throughout the supply chain.



Longevity and Circular Economy

By maximizing the ROI and lifespan of capital equipment, we are promoting a more circular approach to manufacturing technology.

Through these initiatives, K&S is not only driving economic value for our customers but also making substantial contributions to the semiconductor industry’s sustainability objectives. We are proud to be at the forefront of smart manufacturing solutions that harmonize technological advancement with environmental responsibility, paving the way for a more sustainable future in semiconductor production.

We are committed to continuous improvement and fostering a culture of innovation through ongoing knowledge building and training initiatives. These programs are designed to enhance our team's skillsets and deepen our expertise in smart manufacturing principles and practices. By prioritizing continuous learning, we empower our employees to share ideas, collaborate effectively, and advance our smart manufacturing capabilities.

Internal Smart Manufacturing Conference

To build knowledge and accelerate the adoption of smart manufacturing, AI, and machine learning technologies, K&S organized its first annual internal conference focused on these key areas. The event featured 14 presentations showcasing innovative applications across various business units and functions, drawing over 150 participants company-wide.

Overwhelmingly positive feedback indicated the conference successfully achieved its objectives of increasing visibility for these technologies, facilitating knowledge sharing, and fostering cross-functional collaboration to drive further innovation and implementation.

K&S actively collaborates with customers, integrating efficiency considerations into our product development process to meet their needs. Our four-stage Knowledge Driven Product Development (KDPD) framework guides our product development from its initial conception and market research through to commercialization:

Knowledge Driven Product Development (KDPD)



Market research and gathering of inputs via customer feedback, product data reports, industry forums, and general market analysis



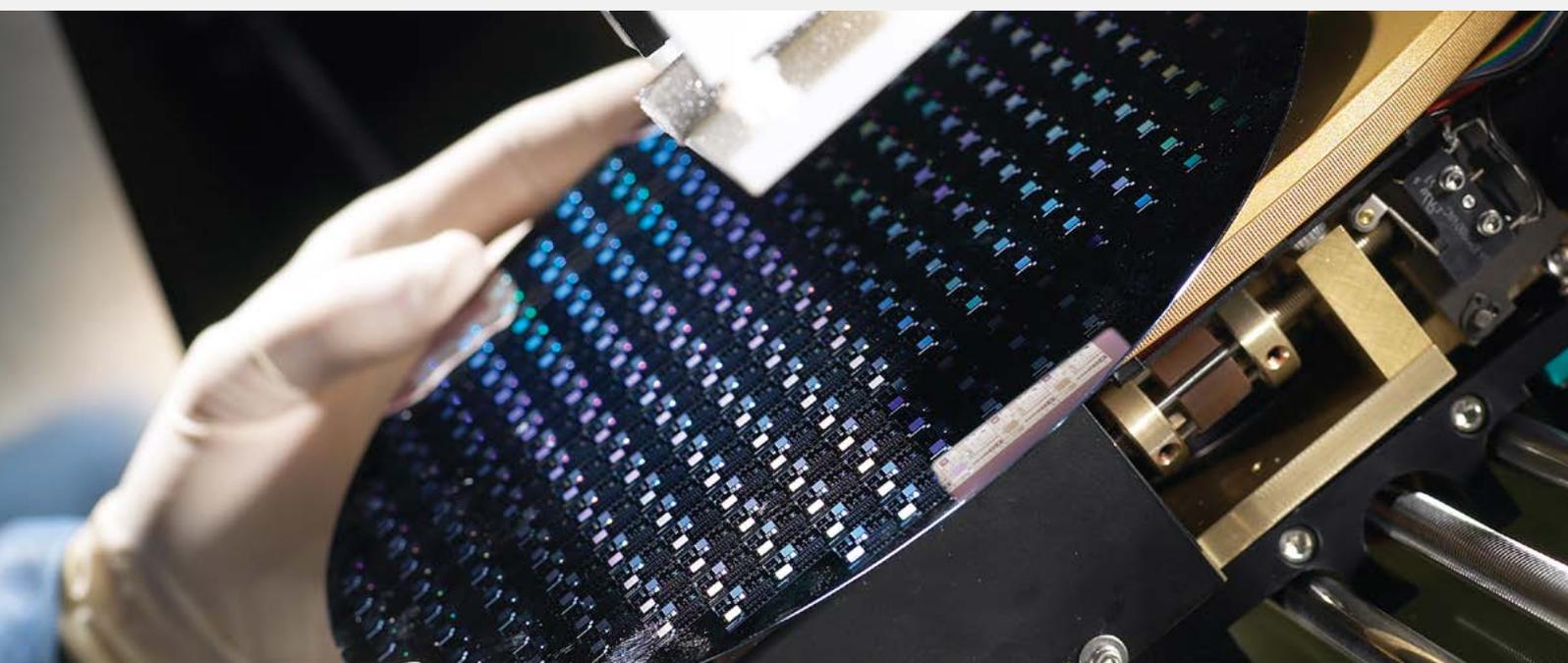
Cross-functional teams review products to ensure compliance with relevant national, global, and industry EHS (Environment Health and Safety) standards for certification.



Product conceptualization and development are driven by market research, company competencies, and R&D advancements



Commercialization phase encompasses product releases, coupled with marketing initiatives and activities designed to raise customer awareness



We remain committed to continue investing in research, development and smart technologies to drive innovation and efficiencies in our operations and manufacturing.



Invested
>US\$150 MILLION
in R&D



Invested
>US\$9 MILLION
on LED, EV, power
modules platform
development

CuEx Copper wire and Ribbon Bonding Wedge

CuEx is the new Bonding Wedge developed and introduced by K&S for copper interconnect packaging in 2021. CuEx addresses the growing demand for copper wire and ribbon bonding in power modules for EVs, transportation, energy management, and industrial applications.

These power intensive applications require copper material for its superior electrical and mechanical properties, compared to traditional aluminum. However, copper's natural abrasiveness can lead to relatively rapid wedge tool tip wear, impacting productivity and cost.

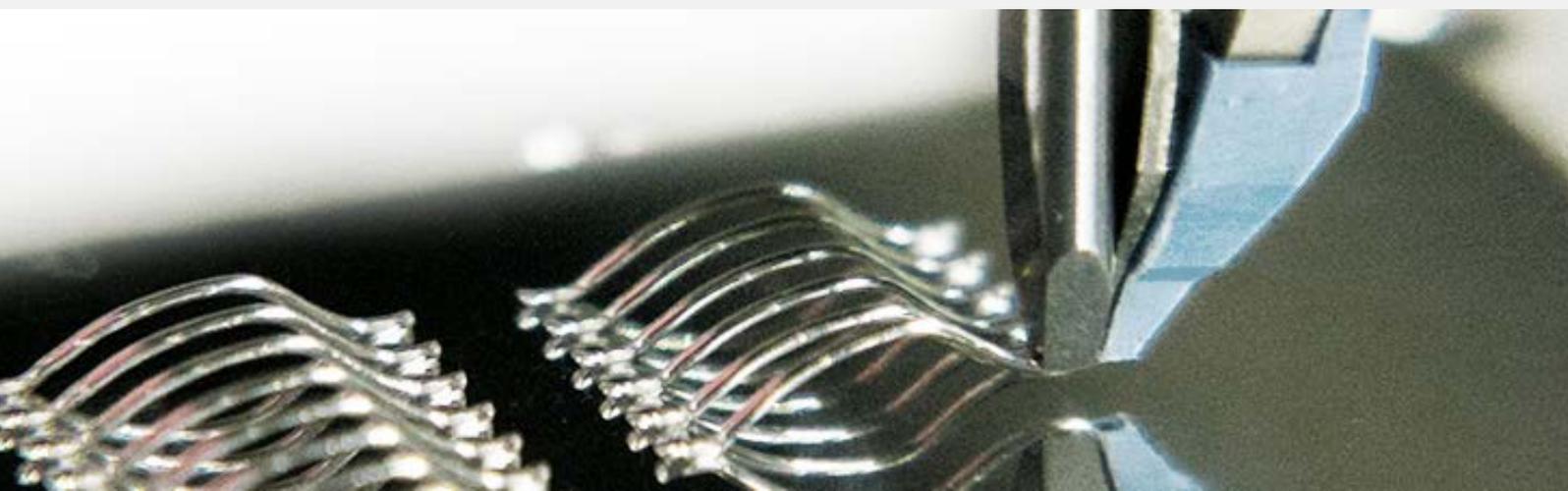
CuEx wedge effectively reduces the wear rate thanks to its geometrical design and the properties of the new materials used. It has successfully demonstrated

extended lifespan performance in high volume manufacturing at several leading customers.

While the industry is still in its early state of transition from aluminum to copper-based packaging, CuEx wedge has already proven as the key enabler to support this transition. Significant volume growth is expected starting in late 2025.

By extending the tool's lifespan and reducing the need for frequent replacements, the CuEx wedge contributes directly to sustainability, and helps minimize resource consumption and waste generation associated with tool manufacturing and disposal.

This also leads to improved production efficiency, further reducing environmental impact.



VersaCap 5 Fine Copper Wire Bonding Capillary

K&S' VersaCap 5 Fine Copper Wire Bonding Capillary, released in Q4 FY2024, represents the fifth generation of this product line, demonstrating our commitment to continuous innovation for product improvement in the highly competitive LED packaging market, primarily based in China.

Building on years of closed collaboration with customers, K&S has once again achieved a breakthrough in both new materials and manufacturing processes to develop the next generation VersaCap 5. VersaCap 5 significantly increases productivity

compared to its predecessors, roughly doubling the number of bonds with consistent bonding response. This translates to a higher Mean Time Between Assists (MTBA) and a lower Cost of Ownership (CoO) for LED device makers, enabling them to maintain profitability while offering competitive products.

Our focus on innovation and product improvement directly benefits sustainability by reducing the consumption of capillaries needed to produce the same number of LED devices, minimizing resource use and waste generation, enabling a brighter world.

Adaptive Component Selection Deployment

To improve consistency and efficiency in our bonder critical subassemblies, K&S' Singapore facility has implemented an adaptive component selection solution. This adaptive selection flow streamlines the assembly process and automatically recommends optimal component dimensions based on collected parameters to minimize the iteration time and reducing the need for rework.

The adaptive component selection solution is being deployed in two phases:

- Phase 1 is focused on establishing standardized data collection for critical subassemblies

- Phase 2 uses the collected data to select appropriate components based on incoming dimensional characteristics.

The expected outcome achieves significant improvement in assembly yield, component cost reduction and eliminate the unnecessary rework times and cost. The next planned Phase 3 utilizes state-of-the-art reinforcement learning to improve output quality consistency. This quality consistency will also lead to a decrease in warranty returns in the near future.



Product Decarbonization Initiatives to Enhance Energy Efficiency



Wedge Bonder

Recognizing the increasing demand from customers for more sustainable products that consume less energy, we have started to quantify the product carbon footprint for our wedge bonders, as part of our technical roadmap, to identify key areas for improvements and explore lower-carbon materials.



Ball Bonder

A new cooling strategy has been implemented for our ball bonder products, that has achieved significant energy efficiency improvements. With the addition of a fan to the ball bonders, this has helped to reduce the usage of compressed air, translating to a reduction in energy needed to power the compressors.

Overall, the new fan-based cooling strategy results in a net power reduction of 141W per machine, demonstrating a substantial energy saving.



Ball Bonder

The XY table drive system for the ball bonder products were redesigned to incorporate two energy-saving strategies. By reducing the moving mass, less energy is required to manipulate the table. This is further complemented by the implementation of more efficient motors. Together, these improvements result in a significant reduction in power consumption of approximately 120W per machine.

CUSTOMER HEALTH AND SAFETY

K&S prioritizes customer health and safety, recognizing it as essential for building trust and loyalty and for mitigating significant reputational and financial risks. This commitment is not merely a responsibility, but a crucial factor in our long-term success.

Product safety is a key consideration at every stage of K&S' KDPD process. Beginning with product conceptualization and development, the Program Engineering Team conducts thorough assessments of potential risks. The team ensures that all products are in compliance with relevant EU CE standards pertaining to health, safety, and environmental protection, and that all new platforms launched are RoHS compliant.

Prioritizing Customer Safety

K&S ensures customer safety by prioritizing employee safety through comprehensive training and awareness programs that equip them with the necessary knowledge

and understanding of safety protocols. All employees, including Field and Customer Service Engineers, are required to participate in interactive online Corporate Safety Training on a biennial basis to ensure that they are conversant with current safety guidelines and procedures. The content of this training is aligned with the SEMI S19 safety guidelines for manufacturing equipment installation, maintenance, and service personnel, and all employees must review the material and achieve a passing score of 90% on a test.



Achieved

0 CASES

of non-compliance regarding the health and safety of products and services

AI-Ex (Aluminum Wire and Ribbon Bonding Wedge)

Since its launch in 2021, the innovative, wire bonding wedge product, AI-Ex, has seen significant global market adoption. AI-Ex is an Aluminum Wire & Ribbon Bonding Wedge that directly replaces conventional wedges, eliminating chemical cleaning and recycling processes. This shift directly improves customer health and safety by reducing exposure to potentially hazardous chemicals and simplifying

waste management. Furthermore, it contributes to cost reduction programs by streamlining production.

Despite being a new concept, AI-Ex has rapidly become the new standard tool type in Aluminum wedge bond packaging. More than 25% of our customers have converted to adopt AI-Ex in high volume manufacturing process since its first launch in 2021.

CUSTOMER SATISFACTION

Beyond ensuring customer health and safety, K&S recognizes that customer satisfaction with our products and services is crucial. Meeting customer expectations is a key opportunity for building loyalty and driving growth. Failing to understand and address customer needs poses a significant risk to our business, impacting customer retention and potentially leading to reputational damage. Therefore, continuous engagement with our customers to understand their evolving needs is not just a best practice, but a critical element for sustained success and mitigating potential negative impacts.

Through regular customer engagement, K&S gathers feedback and addresses concerns about its products and services. The feedback as well as the increasing expectations on product sustainability are now integrated into our operations and product design phase of the KDPD process, aimed at driving increased product efficiency, enhanced technological capabilities, and a reduced environmental footprint. Customer support programs like K&S Care, K&S Certified Repair & Refurbishment, and K&S Service Contract & Paid Service provide post-warranty support during the product lifecycle, building customer confidence and trust.

The primary engagement channel with our customers is the regular Customer Business/ Performance Reviews, whereby we gather feedback on areas critical to customer satisfaction. The regular customer review meetings allow K&S to develop issue resolution plans, improvement strategies and programs for our processes, services and products. Furthermore, K&S invests in employee training to enhance their technical and problem-solving skills, enabling them to better understand and address customer needs and concerns.

K&S also has a formal Issue Escalation Flow system to manage customer feedback, ensuring timely and appropriate resolution by relevant teams. An Issue Tracking System (ITS) facilitates information exchange, task prioritization, and closure.



Achieved

94.4%

of field issues resolved at Escalation Level 1



06

**Employment &
Labor
Practices**

Our employees are crucial to our success. At K&S, we respect the talent, aptitude and expertise of each individual. Therefore, we are committed to establishing fair and inclusive employment practices, as well as fostering a safe and non-discriminatory work environment for all our employees to thrive. We believe this is essential for attracting, retaining, and developing talent, enabling K&S to create long-term value for our stakeholders.

Our focus on robust talent acquisition strategies, including key University relationships, promoting a culture of learning and development, keeping a pulse on our employees' engagement are critical to providing a workplace where people from all around the globe can thrive.

ROBUST TALENT ACQUISITION AND BUILDING OUR TALENT PIPELINE

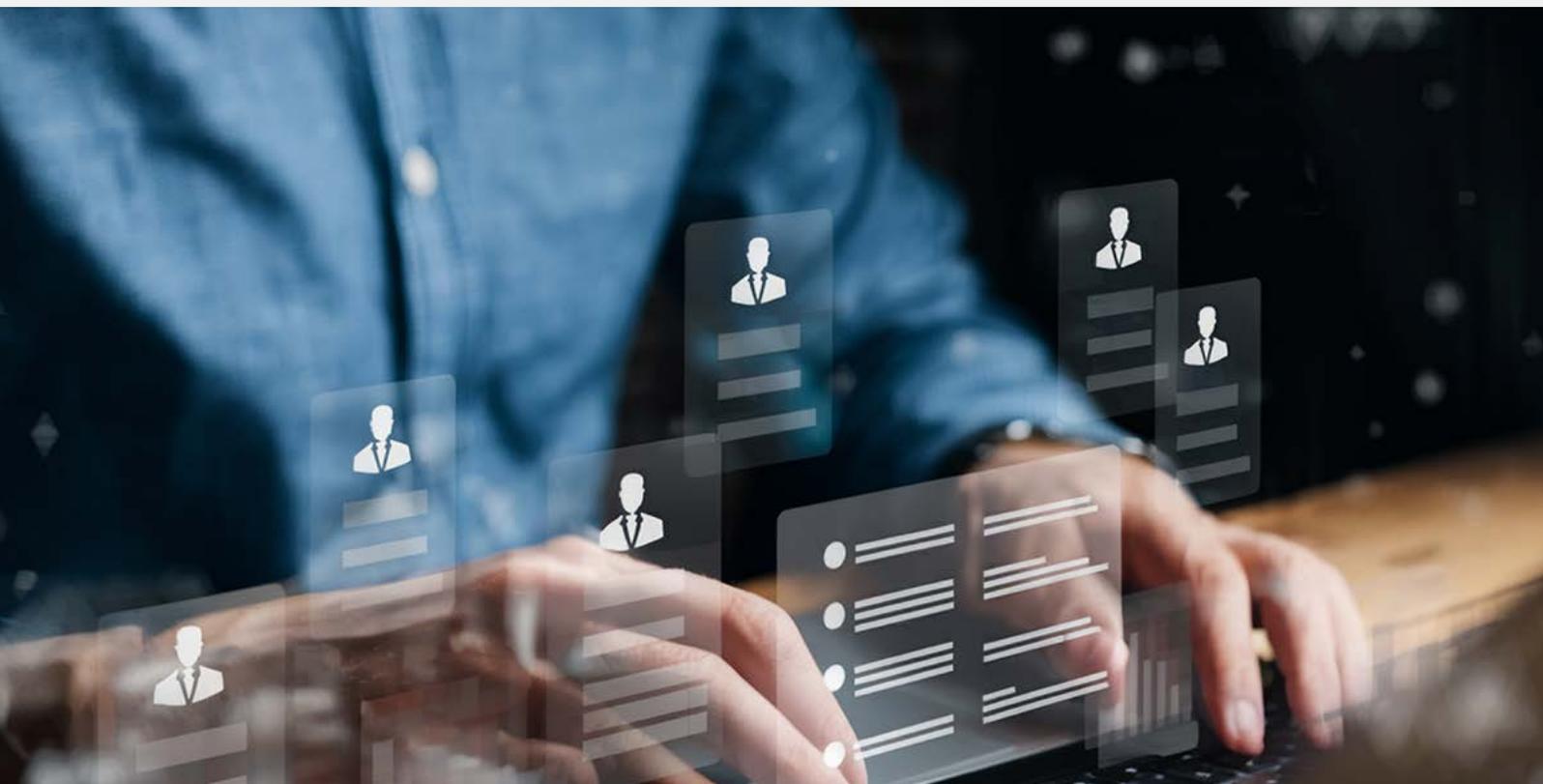
Our comprehensive Human Resource (HR) policies are consistently applied across our global operations, complying with applicable regional and local laws and regulations. These policies guide our employee recruitment, development, and retention efforts, foster an inclusive and productive work environment at K&S.

Regional HR teams, business leaders, and managers oversee our employment and labor practices. Additionally, we regularly benchmark our practices to ensure we are in line with industry best standards. Our HR function includes Centers of Excellence that offer resources and guidance on talent acquisition, retention, learning, development, compensation, and benefits. All HR policies, procedures, and benefits are outlined in our Employee Handbook.

LEARNING & DEVELOPMENT

A culture of continuous learning and development is vital not only for creating a productive, competent, and motivated workforce, but also to help the workforce adapt to the changing requirements of the workplace. Therefore, K&S invests in training and development programs to ensure our employees remain competitive and highly skilled.

In FY2024, we incorporated the Learning Catalogue into the SHINE system (our digital HR platform). Through the implementation of the Learning Catalogue, employees can link training courses directly to their development goals and plans. A total of 299 learners took up courses offered under the Global Learning Catalog during FY2024, with 12% taking more than one course.



LEADERSHIP DEVELOPMENT AT K&S

SPARKS Leadership Development Program

K&S launched the Senior Management Leadership Development program (“SPARKS”) in Asia during FY2022, aimed at nurturing key leadership talent by providing personal and professional development opportunities. Following its success, the program was implemented in the US in FY2023. The SPARKS program covers essential leadership topics such as:

- Communication and interpersonal skills
- Strategic planning and execution
- Emotional intelligence and self-awareness
- Change management
- Team effectiveness and collaboration
- Innovation leadership
- Talent development and coaching

This comprehensive leadership initiative demonstrates K&S’ commitment to fostering strong leadership across its global operations, ensuring a pipeline of capable leaders to drive the company’s future success.

Feedback on the SPARKS Program: Igniting Leadership Excellence at K&S

The SPARKS Leadership Development Program has made a significant impact on K&S leaders, fostering personal growth and enhancing organizational effectiveness. Participants highlighted several key benefits:

- Improved self-awareness and management styles
- Enhanced collaboration and communication skills
- Better team development and motivation techniques
- Increased business acumen and strategic thinking
- Practical application of leadership concepts through scenario-based learning

Leaders reported being more mindful of their actions, better equipped to handle workplace challenges, and more effective in cross-functional collaboration. The program’s focus on personalized learning allowed participants to identify and develop their unique leadership strengths. Notably, the program’s final project led to real business improvements, with one team’s work on customer issue resolution time resulting in a prototype solution now implemented on Ball Bonder equipment.

SPARKS has not only enhanced individual leadership capabilities but also contributed to K&S’ succession planning, identifying and nurturing future leaders across the organization.

LEAD Program for Mid-level Managers

Our leadership development initiatives reach beyond senior leaders and include mid-level managers. Building on the success of a pilot program launched in FY2023, which saw 25 employees graduate, we have now rolled out this program in North Asia and US. The program focuses on three key areas:

1. Leading Self
2. Leading a Team
3. Leading the Business

Following the successful implementation in the US during FY2024, K&S plans to extend this program to more participants across our major sites.

“My main takeaway from the LEAD program was building trust and credibility with stakeholders across departments. Specifically, the group project served as a good opportunity to get to know and work with other managers from other departments whom I may not interact with frequently. It helped in building rapport as I worked on cross-departmental projects and site cross functional events.”

- FY2024 LEAD program participant

A CULTURE THAT EMPOWERS AND SUPPORTS

K&S offers competitive compensation and benefits to attract and retain talent, including paid vacation, sick leave, holidays, and other health and welfare programs which are aligned with local standards and market practices for full-time employees.

Our Code of Business Conduct provides the legal and ethical framework to inform our business practices, covering topics like employment opportunities, human rights, anti-corruption, and discrimination. Employees can safely and confidentially report concerns or seek help through our global Whistleblower Hotline, without fear of retaliation. All good faith grievances and concerns are taken seriously and investigated by the Legal Department and Audit Committee, with support from local HR and the Global Vice President of HR. Concerns are escalated to the Board of Directors for oversight, and investigation outcomes are communicated transparently to the involved employees and their managers.

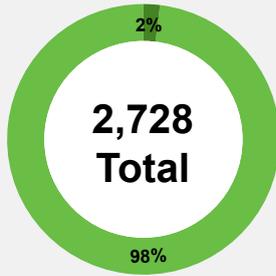


EMPLOYEE ENGAGEMENT

Employees are essential to our business success and value creation for stakeholders. To strengthen our corporate culture and enhance our employees' working experiences, we engage employees through the Voice of K&S survey, conducted every two to three years. This global survey allows employees to share their perspectives on 11 workplace dimensions, offering valuable feedback on their work experiences at K&S. Our next survey is scheduled to take place in FY2026.

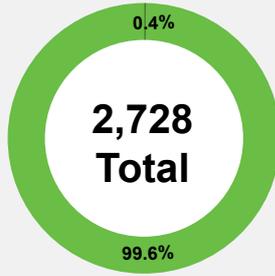
K&S Global Headcount

K&S global headcount Regular and Temporary Employees



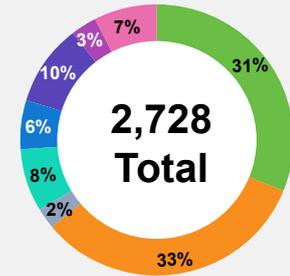
Employment Contract	Male	Female
Regular	1,803	876
Temporary	34	15
Total	1,837	891

K&S global headcount Full-time and Part-time Employees



Employment Type	Male	Female
Full-time	1,830	888
Part-time	7	3
Total	1,837	891

Breakdown by operational sites



Site	Regular	Temporary
Singapore (Corporate HQ)	842	7
China	891	5
Israel	68	-
The Netherlands	180	26
Taiwan (Tingpu)	161	-
USA Fort Washington	261	5
USA Santa Ana	80	1
Others	196	5
Total	2,679	49

GLOBAL EMPLOYMENT OPPORTUNITIES

At K&S, cultivating a workplace that promotes respect and opportunity among all employees is essential to our mission. We prioritize the employment of skilled and talented individuals from various backgrounds and ensure ample growth opportunities for everyone. By leveraging the vast experience and expertise of our team, we enhance creativity and innovation, improve our decision-making, boost our competitiveness, and deliver greater value to our stakeholders.

In FY2023, we conducted an Equitable Practices Audit (EPA) with an external consultant to assess K&S' US HR policies and practices from a best practice and equality approach. The scope of the assessment included assessing policies, processes and practices relating to talent attraction, recruitment, onboarding, retention,

performance management, talent development, career placement, and career advancement opportunities. The audit identified 12 key strengths in areas such as positive relationships with educational institutions and community engagement activities, clearly defined policies on non-harassment and non-discrimination, as well as reasonable accommodation policies. Areas of opportunity included a parental leave policy that addresses paid and non-paid leave for mothers, fathers and same sex partners. K&S has since implemented a parental leave policy that is aligned with market practices and plans to review the other opportunities highlighted from the audit to further improve upon existing policies, processes and practices.

OCCUPATIONAL HEALTH AND SAFETY

Prioritizing employee safety and well-being through robust occupational health and safety (OHS) systems helps to foster a safe and supportive work environment where employees feel empowered to thrive. This enhances the sense of trust and security to innovate and maximize productivity.

Our Environmental, Health and Safety (EHS) policy formalizes our commitment to OHS. The K&S EHS Committee maintains oversight over our OHS-related policies, practices, objectives, and performance targets, ensuring they are regularly reviewed, updated and consistently implemented across our operations.

K&S' seven global design and manufacturing sites are ISO 45001 certified by TUV Rheinland. Further, we conduct regular hazard risk assessments to identify potential risks within our operations and develop mitigation or corrective action plans to effectively mitigate these risks. Additionally, we encourage our employees to report any unsafe acts, potential hazards or EHS violations they observe. These reports are thoroughly investigated by the EHS Committee, allowing us to enhance our safety protocols and ensure a safer work environment for everyone.

As part of K&S' onboarding process, new employees are assigned mandatory health and safety training. Existing employees are assigned mandatory health and

safety refresher courses on a regular basis. As per the Workplace Health and Safety (WHS) Regulations 2008, EHS Committee members are required to attend a WHS training course or internal company training to have basic understanding and knowledge to perform their job duties and responsibilities. In addition to theoretical training, we conduct practical exercises, such as fire drills, fire fighting, chemical spillage drills, and first aid courses to reinforce emergency preparedness.

To further promote employee engagement in health and safety, K&S continues to recognize outstanding OHS performance through the annual CEO OHS Challenge. Launched in 2015, this initiative aims to cultivate a strong safety culture across all K&S sites. The site demonstrating the best performance across various OHS metrics is awarded a Recognition Plaque and the honor of displaying the CEO OHS Challenge trophy for the year. This trophy remains with the winning site until the next challenge, encouraging continuous improvement and awareness in workplace health and safety.

On top of employees' physical health and well-being, K&S has also reinforced its mental wellness program. Employees can access personalized confidential mental healthcare services via a third party digital platform and access a series of activities and webinars that K&S has organized to promote social, mental and physical wellness.



In FY2024, we continued to achieve
100%
 global employee completion in
 Corporate Safety Training.



FY2024 Achieved
20.4 HOURS
 per employee in OHS Training
 exceeding goal of
 > 12 hours per employee



FY2024 Achieved
ZERO
 fatalities and occupational
 related disease



FY2024 Achieved
0.6 MINOR AFR
4.2 MINOR ASR
 meeting goal of < 1.5 AFR and
 meeting goal of < 7 ASR

FY2024 Safety Performance

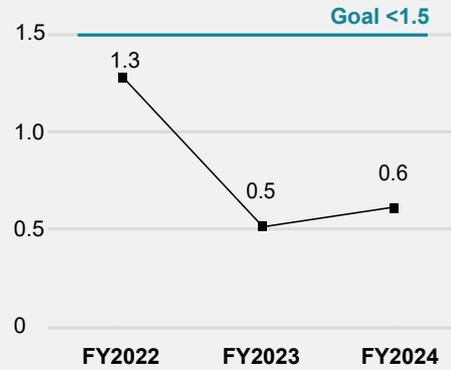
In FY2024, across all seven sites, there were two accidents, zero fatalities and zero cases of occupational diseases reported.

Accident Severity Rate (ASR)



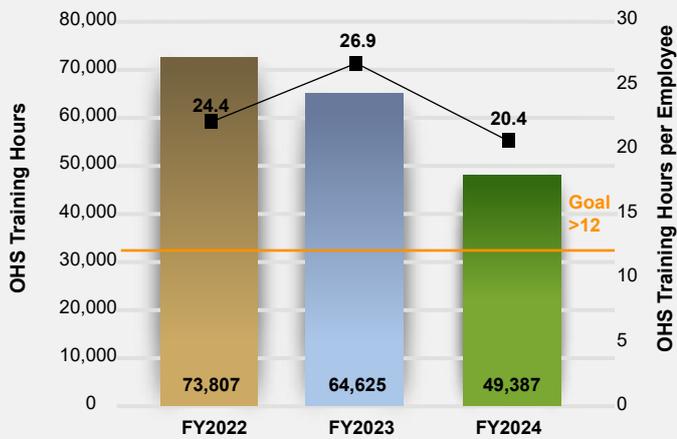
— Accident Severity Rate (ASR)

Accident Frequency Rate (AFR)



— Accident Frequency Rate (AFR)

OHS Training (in hours)



Note:

$AFR = (\#accidents / employees\ work\ hours) \times 1\ million$

$ASR = (\#mandays\ lost / employees\ work\ hours) \times 1\ million$

AFR/ASR accident: A non-fatal injury or illness which results in a medical leave taken of one or more days.

Note: Major AFR and Major ASR is ZERO for all sites in FY2024

⁸ All accidents were thoroughly investigated, hazard risks re-assessed with safety rectifications to prevent recurrences and safety alerts sent out to notify relevant employees.



07
**Supporting
Our
Communities**

K&S understands the vital role of local communities in supporting our business. By partaking in charitable events, collaborating with non-governmental organizations, and participating in social work, K&S consistently strives to create positive impacts in the communities where we operate.

In FY2024, we organized 33 community outreach activities and invested over US\$256,500 in our local communities.



K&S
Singapore
Site Office

Meal Donation to Lion Home for the Elders

In June 2024, K&S volunteers visited Lion Home for the Elders to distribute lunch packs, offering support and companionship to the elderly residents.



K&S
Singapore
Site Office

Food Packing and Distribution with Willing Hearts

In August 2024, K&S volunteers collaborated with Willing Hearts, a charity organization dedicated to providing daily meals to underserved communities in Singapore. Volunteers participated in meal preparation and packing to help those in need.



K&S Singapore Site Office

Laptop Donation for Underprivileged Students

K&S donated 20 refurbished laptops through the Sg Bono initiative to assist primary school students from low-income families with home-based learning. In recognition of this effort, K&S received a Certificate of Appreciation from Deputy Prime Minister Heng Swee Keat.



K&S Singapore Site Office

Plant-A-Tree Program

On October 11, 2024, 28 K&S Singapore employees participated in a two-hour tree-planting activity as part of the Plant-A-Tree Program. K&S sponsored a total of 50 trees, contributing S\$15,000 to support environmental conservation and sustainability efforts.



K&S Singapore Site Office

Sembawang Park Clean-Up

Demonstrating a commitment to environmental sustainability, 20 K&S employees took part in a clean-up at Sembawang Park to help maintain a cleaner and greener public space.



K&S Suzhou Site Office

Educational Support Through Learning Subsidies

K&S Suzhou continues to provide financial assistance to two students in Hubei Province, ensuring they have access to fair education and essential learning resources.

K&S Suzhou Site Office

Blood Donation Drive

In August 2024, 60 K&S Suzhou employees participated in a blood donation campaign organized by the Suzhou Governmental Blood Station, collectively contributing 15,200cc of blood to support healthcare needs in the region.



**K&S
Suzhou
Site Office**

Book and School Supply Donations

Expanding on last year's effort to establish a "Love Library" at Gan Su Province Xing-Feng Primary School, K&S additionally donated books, along with school bags and supplies, in October 2024 to further support students' education.



**K&S
Suzhou
Site Office**

Essential Supplies for Schoolgirls

In October 2024, K&S Suzhou contributed \$3,000 to provide sanitary pads for schoolgirls at a junior middle school in Shanxi Province. 45 of K&S Suzhou Union Volunteers visited the school to distribute sanitary pads ensuring their well-being and personal care needs were met.



**K&S
Suzhou
Site Office**

Book Donation and Library Setup – Suzhou

K&S established its eighth Love Library at Chen-Cun Junior Middle School in Baoji City, Shanxi Province providing students with a dedicated space for reading and learning with the help of 30 K&S employees. Additionally, K&S Suzhou Union volunteers visited Chen-Cun Junior Middle School in Shanxi Province to organize an on-site book donation event. A total of 3,000 books were donated to encourage students to develop a love for reading.



**K&S
Santa Ana
Site Office**

Supporting Free Rein Foundation

In September 2024, K&S Santa Ana made a donation of \$5,000 to Free Rein Foundation, a non-profit dedicated to rescuing and rehabilitating abused horses. In addition, 10 K&S employees volunteered to assist in building the shed, contributing to the foundation efforts to provide a safe haven for these horses.



**K&S
Santa Ana
Site Office**

Holiday Toy Drive – Operation Santa Claus

K&S employees in Santa Ana contributed to Operation Santa Claus, an annual initiative that provides holiday gifts to children in foster care and families in need. Employees collected and donated a large box of toys to spread joy during the holiday season.



**K&S
Santa Ana
Site Office**

Fighting Hunger with Second Harvest Food Bank

K&S Santa Ana donated \$2,500 and 9 of the employees joined efforts to combat food insecurity in Orange County by working at Harvest Solutions Farm. Volunteers participated in planting, harvesting, weeding, and food processing tasks such as sorting, packing, and labelling.



**K&S
Santa Ana
Site Office**

Supporting Education School Supply Donations

K&S Santa Ana donated school supplies, including sensory toys and equipment, to Greenville Elementary in Santa Ana and Wilson Elementary in Costa Mesa. The contribution also includes scholarship programs aimed at helping students excel in their education.



**K&S Fort
Washington
Site Office**

Creek cleanup

7 employees participated in the Wissahickon Creek, PA, cleanup in April 2024. Together, 700 meters of the creek was cleaned resulting in five large bags of trash being collected.



**K&S Fort
Washington
Site Office**

Supporting STEM Education in Underserved Communities

During the summer break, Fort Washington conducted a STEM summer camp for 124 underserved youth aged between 5 to 13. The camp program included simple computer coding to generate cartoons, program Lego assemblies for automation, flying drones and a career workshop. Overall, the campers improved in their coding skills and applied math skills, made aware of their career choices and had fun working with science and math.

K&S donated \$290 to fund an inner-city computer class at Mary McLeod Bethune School, focused on project-based hardware learning. This initiative also included 4 pizza parties and 5 individual student awards, benefiting 40 students from underserved communities.



**K&S Fort
Washington
Site Office**

Fighting Hunger in Philadelphia

K&S Fort Washington donated \$9,000 to support food assistance programs through Face to Face and Philabundance to support their efforts in combating hunger. This contribution helps provide meals to underserved individuals and families in the Philadelphia area, ensuring access to nutritious food.



**K&S Fort
Washington
Site Office**

Bike-A-Thon for American Cancer Society

In June 2024, 8 employees from K&S Fort Washington participated in the American Cancer Society's Bike-A-Thon to raise funds to help support the lifesaving mission of the American Cancer Society. The event started at Philadelphia and ended in Ski Beach in Ventnor, New Jersey. K&S also raised more than US\$6,500 for this cause.



**K&S
Netherlands
Site Office**

AED Donation to 'Acht' Village Hall

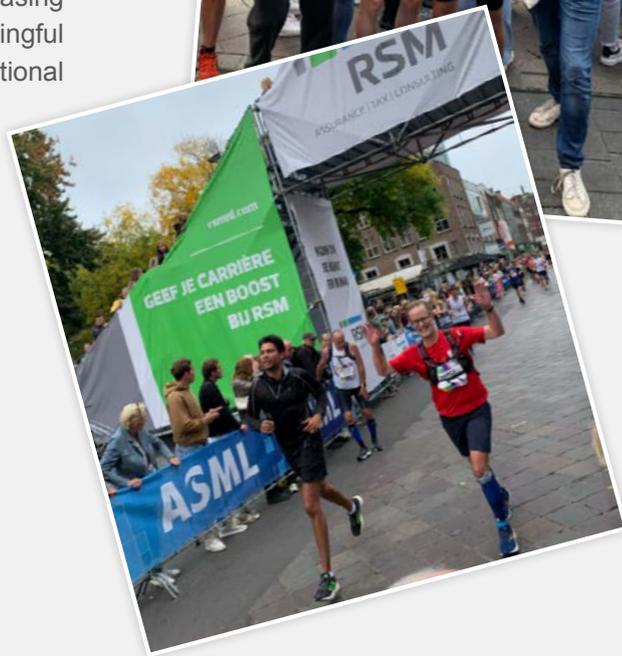
K&S The Netherlands supported the local community in Acht by donating an Automated External Defibrillator (AED) to the village hall. The donation includes 10 years of maintenance, valued at €3,800. AED training will be arranged to enhance emergency preparedness in the area.



K&S
Netherlands
Site Office

Eindhoven Marathon – Run Against Cancer

K&S employees actively participated in the Eindhoven Marathon to support the fight against cancer. A total of 16 runners and 12 walkers joined the event, showcasing strong team spirit and commitment to a meaningful cause. Together, they raised €1,600, with an additional €2,800 contributed by the company.



K&S
Netherlands
Site Office

Eindhoven Maker Faire Sponsorship

In September 2024, K&S The Netherlands co-sponsored the Maker faire in Eindhoven. The Maker Faire is a festival where tech enthusiasts, tinkerers, scientists, other creatives and techies come together to admire each other's artistic creations, inventions and share technical knowledge.



**K&S
Taiwan
Site Office**

**LET'S RUN – 1919 Jogging
Fundraiser**

5 of K&S Taiwan employees participated in “LET’S RUN – 1919 Jogging” event, a fundraiser dedicated to providing after-school tutoring and moral support for disadvantaged children. Their involvement, alongside a contribution of \$3,200 from K&S Taiwan site office helped ensure that students receive academic support and life skills guidance.



**K&S
Taiwan
Site Office**

**K&S Scholarship for Low-
Income Students**

K&S Taiwan site office established a scholarship program for low-income students, contributing \$4,000 to support their educational pursuits. This initiative aims to provide financial assistance to students in need, helping them access quality education and opportunities for academic success.

**K&S
Israel
Site Office**

Recognition of talented individuals in STEM

K&S strengthened its commitment to STEM education by donating \$6,000 to fund scholarships for two outstanding chemical engineering graduate students at Israel Institute of Technology.



**K&S
Israel
Site Office**

Supporting Evacuated Children

K&S Israel organized the packing and delivery of food, toiletries, and toys to help meet the immediate needs of evacuated families. In addition, books were also contributed to the children to ensure continued education during their displacement. A group of talented employees also lovingly crafted warm, colorful hats, offering comfort to the evacuated children.

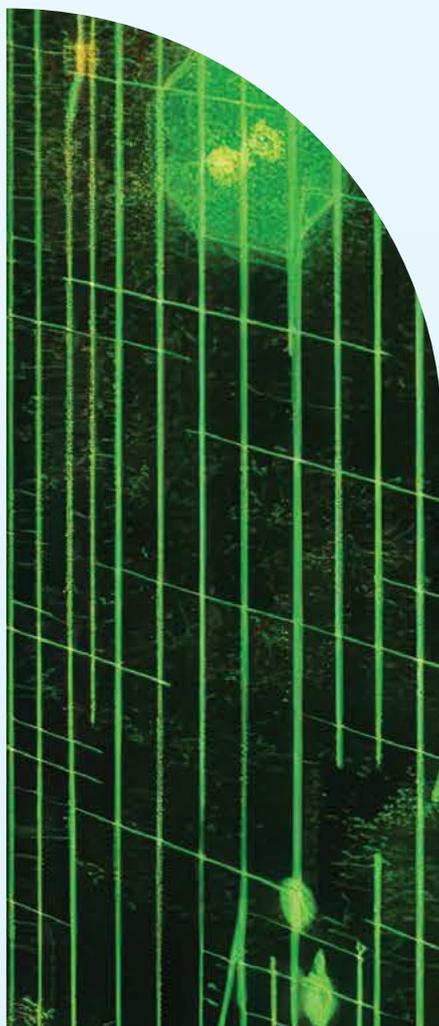
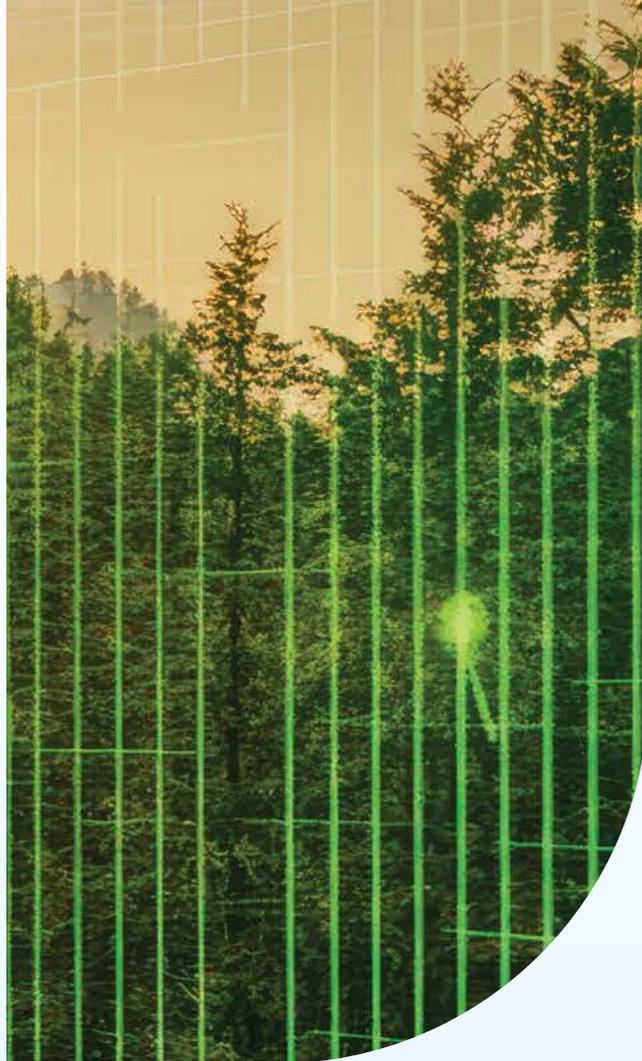
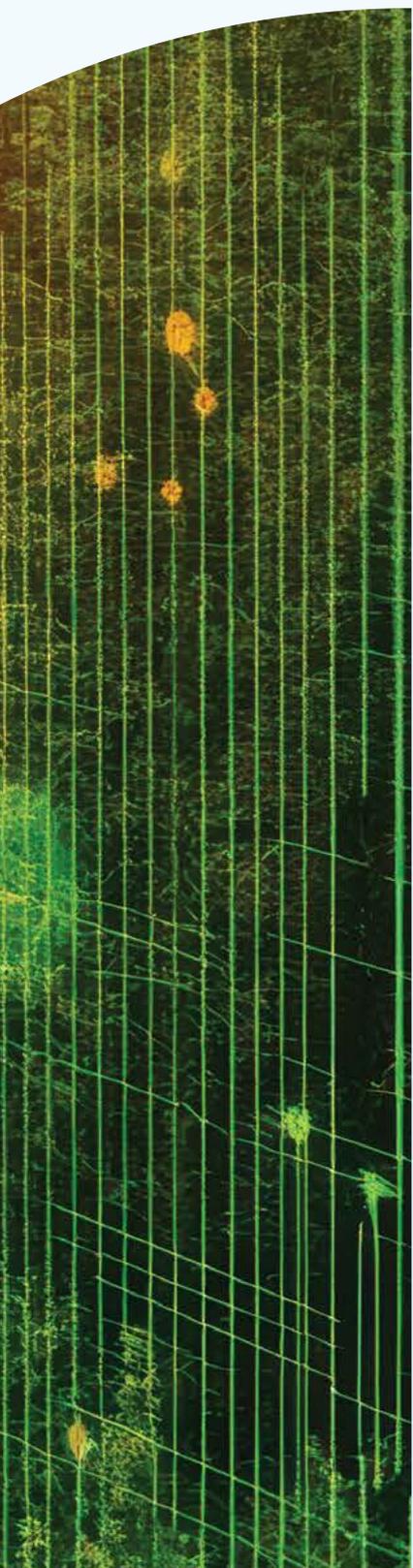


**K&S
Israel
Site Office**

Vegetable Harvest

In March 2024, K&S employees participated in a community support event to assist farmers with cucumber harvesting as they were facing a shortage of workers. This initiative demonstrate the company's commitment to local agriculture and community welfare.





08

Annexes

KEY ESG PERFORMANCE SUMMARY

Environmental

GRI 302 ENERGY - GRI 302-1, 302-3

Energy consumption within the organization (GRI 302-1)	Unit of measurement	FY2022	FY2023	FY2024
Total non-renewable fuel consumption	GJ	2,762	3,091	3,207
Total refrigerant usage	Kg	1,108	160	285
Total grid electricity consumption	GJ	89,203	13,4464	12,1215
Total grid electricity consumption	MWh	2,4779	37,351	33,670
Total on-site renewable energy consumption	MWh	189.1	479.7	485.5

Energy intensity (GRI 302-3)	Unit of measurement	FY2022	FY2023	FY2024
Total Non-renewable and Renewable Electricity Consumption Intensity	MWh / million \$US (net revenue)	16.5	50.3	47.7

FY2024 Corporate Goal	Performance	Performance against target
Reduce non-renewable electricity consumption intensity by > 2%	9.2% decrease	Met

GRI 303 Water & Effluents - GRI 303-5, non-GRI metric

Water consumption (GRI 303-5)	Unit of measurement	FY2022	FY2023	FY2024
Total water consumption	Tons	63,928	61,364	74,113

Water consumption intensity (non-GRI)	Unit of measurement	FY2022	FY2023	FY2024
Water consumption intensity at Suzhou, China site	Tons / million output	3,187	2,702	4,642

FY2024 Corporate Goal	Performance	Performance against target
Reduce water consumption intensity at Suzhou by > 1%	71.8% increase	Not met ¹⁵

¹⁵Higher water consumption intensity due to an increase in the usage of Reverse Osmosis (RO) water particularly for Blades Dressing Machines with higher utilization time compared to FY2023. Domestic water usage also contributed to the rise. To address this, the site will implement measures such as regular RO membrane cleaning, reuse of RO concentrates for non-potable applications (e.g., flushing and rooftop cooling), installation of water-saving fixtures (eg., induction faucets and automatic shut-off taps), posting reminders in high-use areas, and improving maintenance to promptly fix leaks.

GRI 305: Emissions - GRI 305-2, 305-4

Energy direct (scope 1) GHG emissions (GRI 305-1)	Unit of measurement	FY2022	FY2023	FY2024
Total Scope 1 GHG emissions	Tons of CO ₂ e	1,814.0	433.3	687.8

Energy indirect (scope 2) GHG emissions (GRI 305-2)	Unit of measurement	FY2022	FY2023	FY2024
Total Location-based Scope 2 GHG emissions	Tons of CO ₂	13,872	16,304	14,067
Total Market-based Scope 2 GHG emissions	Tons of CO ₂		16,304	14,067

GHG emissions intensity (GRI 305-4)	Unit of measurement	FY2022	FY2023	FY2024
Scope 1 GHG emissions intensity	Tons of CO ₂ e / million \$US (net revenue)	1.2	0.6	1.0
Market-based Scope 2 GHG emissions intensity	Tons of CO ₂ / million \$US (net revenue)	9.2	22.0	19.9

The accounting methodology used for emissions calculations was based on the GHG Protocol Corporate Accounting and Reporting Standard. K&S adopts an operational control approach to calculate and report on the emissions generated from its operational activities.

Scope 1 includes direct emissions attributed by fuel combustion of diesel oil, motor gasoline, natural gas and fuel oil, and fugitive emissions of refrigerants and other gases used in operations, including R134, R22, R32, R410A, CF₄, CH₄ and CO₂. Scope 2 includes indirect emissions from purchased electricity and air-conditioning consumed by the operational activities at K&S' sites. In accordance with GHG Protocol, Scope 2 emissions were calculated using both location-based and market-based methods.

Scope 1 GHG emissions reported here include CO₂, CH₄ and N₂O gases. Quantities of fuel consumption and fugitive refrigerants were converted to CO₂-equivalent using conversion factors provided in the GHG Protocol Emission Factors from Cross Sector Tools published in 2024, 100-year global warming potentials ("GWPs") provided in IPCC Sixth Assessment Report ("AR6") published in 2023 and conversion factors provided in the United States Environmental Protection Agency published in 2023.

Scope 2 GHG emissions reported here include CO₂ gas from purchased electricity and air-conditioning provided by the landlord. The purchased electricity was converted to CO₂ emissions using the latest available grid emissions factors:

- Singapore's national grid emission factor published by the Energy Market Authority in 2024 (applies to Serangoon facility).
- China's national grid emission factor published by the Ministry of Ecology and Environment of the People's Republic of China in 2023 (applies to Suzhou facility).
- Taiwan's national grid emission factor published by the Energy Administration Ministry of Economic Affairs in 2024 (applies to Tingpu facility).
- Europe's national grid emission factor published by the Association of Issuing Bodies in 2023 (applies to The Netherlands facility).
- United States sub-regional grid emission factor published by Environmental Protection Agency in 2023 (applies to Santa Ana and Fort Washington facilities).
- Israel's national grid emission factor published by the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting in 2022 (applies to Israel facility).

GRI 306: Waste - GRI 306-3, non-GRI metric

Waste generated (GRI 306-3)	Unit of measurement	FY2022	FY2023	FY2024
Non-hazardous waste generated	Tons			685.23
Diverted to disposal	Tons			302.68
Diverted from disposal	Tons			382.55
Hazardous waste generated	Tons			460.03
Directed to disposal	Tons			460.03

Waste generated (GRI 306-3)	Unit of measurement	FY2022	FY2023	FY2024
Total solid (non-hazardous) waste generated	Tons	1,017.0	707.0	661.4
Total solid (non-hazardous) waste recycled	Tons	655.0	388.0	382.6
Percentage of solid (non-hazardous) waste recycled	Percentage	64.5%	54.9%	57.8%
Total hazardous waste generated at Suzhou, China	Tons	635.0	541.0	431.1
Hazardous waste generation intensity at Suzhou, China site	Kg / million output	30,911.0	29,866.0	35,829.4
Diverted from disposal	Tons			0

FY2024 Corporate Goal	Performance	Performance against target
Achieve > 57% solid waste recycling rate	57.8%	Met
Reduce hazardous waste generation at Suzhou by > 3%	20.3% decrease	Met

Paper usage (non-GRI metric)	Unit of measurement	FY2022	FY2023	FY2024
Total paper usage (kg)	Kg	21,457	18,559	15,236
Paper usage intensity	Kg / million \$US (net revenue)	14.3	25.0	21.6

FY2024 Corporate Goal	Performance	Performance against target
Reduce paper usage intensity by > 3%	13.7% decrease	Met

Social

GRI 2-7: Employees

Total number of employees and a breakdown by gender (GRI 2-7a)	FY2022	FY2023	FY2024
Total number of employees	3,167	3,025	2,728
Male	2,104	2,049	1,837
Female	1,063	975	891
Non-binary		1	0

Total number of employees and a breakdown by region (GRI 2-7a)	FY2022	FY2023	FY2024
Total number of employees	3,167	3,025	2,728
Serangoon, Singapore	1,156	910	849
Suzhou, China	1,027	948	896
Eindhoven, The Netherlands	239	252	68
Tingpu, Taiwan			206
Santa Ana, USA	76	82	161
Fort Washington, USA	314	260	266
Haifa, Israel	71	73	81
Other global sites	284	392	201

Total number of employees by employee contract and gender (GRI 2-7b)	FY2022		FY2023		FY2024	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,944	223	2,877	148	2,679	49
Male	1,954	150	1,954	95	1,803	34
Female	990	73	922	53	876	15
Non-binary			1	0	0	0

Total number of employees by employee contract and region (GRI 2-7b)	FY2022		FY2023		FY2024	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,944	223	2,877	148	2,679	49
Serangoon, Singapore	1,031	125	858	52	842	7
Suzhou, China	1,010	17	936	12	891	5
Eindhoven, Netherlands	198	41	197	55	180	26
Tingpu, Taiwan					161	0
Santa Ana, USA	73	3	81	1	80	1
Fort Washington, USA	288	26	251	9	261	5
Haifa, Israel	71	0	73	0	68	0
Other global sites	273	11	375	17	196	5

Total number of employees by employee type and gender (GRI 2-7b)	FY2022		FY2023		FY2024	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total number of employees	3,113	54	2,973	52	2,718	10
Male	2,071	33	2,017	32	1,830	7
Female	1,042	21	955	20	888	3
Non-binary			1	0	0	0

Total number of employees by employee type and region (GRI 2-7b)	FY2022			FY2023			FY2024		
	Full-Time	Part-Time	Non-guaranteed Hours Employees	Full-Time	Part-Time	Non-guaranteed Hours Employees	Full-Time	Part-Time	Non-guaranteed Hours Employees
Total number of employees	3,113	54		2,973	52		2,714	14	
Serangoon, Singapore	1,156	0		910	0		847	2	
Suzhou, China	1,027	0		948	0		896	0	
Eindhoven, The Netherlands	200	39		215	37		201	5	
Tingpu, Taiwan							161	0	
Santa Ana, USA	75	1		82	0		80	1	
Fort Washington, USA	305	9		253	7		263	3	
Haifa, Israel	70	1		72	1		67	1	
Other global sites	280	4		388	4		199	2	

Total number of employees by employee contract and region was not tracked for FY2019 - FY2021
Non-guaranteed hours employees was not tracked

GRI 401: Employment – GRI 401,1, 401-2, 401-3

New employee hires (GRI 401-1a)	FY2022		FY2023		FY2024	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
By Gender						
Male			284	9.4%	103	3.8%
Female			99	3.3%	46	1.7%
Non-binary			1	0.0%	0	0.0%
By Age Group						
< 30 Years			145	4.8%	47	1.7%
30 - 50 Years			208	6.9%	85	3.1%
> 50 Years			31	1.0%	17	0.6%
By Region						
Serangoon, Singapore	286	9.0%	68	2.2%	41	1.5%
Suzhou, China	104	3.3%	54	1.8%	29	1.1%
Eindhoven, The Netherlands	9	0.3%	0	0.0%	4	0.1%
Tingpu, Taiwan					26	1.0%
Santa Ana, USA	9	0.3%	19	0.6%	6	0.2%
Fort Washington, USA	56	1.8%	55	1.8%	24	0.9%
Haifa, Israel	5	0.2%	4	0.1%	1	0.0%
Other global sites			181	6.0%	18	0.7%

Employee turnover (GRI 401-1b)	FY2022		FY2023		FY2024	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
By Gender						
Male	274	8.7%	383	12.7%	280	10.3%
Female	154	5.2%	201	6.6%	118	4.3%
By Age Group						
< 30 Years	122	3.9%	264	8.7%	120	4.4%
30 - 50 Years	262	8.3%	256	8.5%	200	7.3%
> 50 Years	54	1.7%	64	2.1%	89	3.3%
By Region						
Serangoon, Singapore	155	4.9%	276	30.3%	162	5.9%
Suzhou, China	201	6.4%	133	14.0%	81	3.0%
Eindhoven, The Netherlands	11	0.4%	44	17.5%	51	1.9%
Tingpu, Taiwan					32	1.2%
Santa Ana, USA	13	0.4%	13	15.9%	11	0.4%
Fort Washington, USA	31	1.0%	59	22.7%	55	2.0%
Haifa, Israel	5	0.2%	2	2.7%	6	0.2%

Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation (GRI 401-2)	FY2024
Life insurance	K&S Provides Health and Welfare Programs per country requirements and market practices in the countries in which we conduct business.
Healthcare	
Disability and invalidity coverage	
Parental leave	Balance Your Work and Life with paid vacation, sick leave, paid Holidays, and paid parental leave are in line with the market practices for each region and country where we have employees. For the US , we implemented our first parental leave program - it was and is well received and utilized effectively by our applicable workforce.
Retirement provision	Where applicable, we support regional practices to provide employees with retirement provisions common in their locations.
Stock ownership	We provide annual equity awards based on eligible employee performance.
Others	There are base salary and performance based variable incentive programs for all employees. To encourage personal development and growth, we help our employees to invest in technical training, on the job training, in house core quality training, professional development programs and management skills training for supervisors and team leaders.

For benefits specifically in the US and The Netherlands, please refer to https://www.kns.com/KnS/assets/Other-Publications/Careers/Benefits_US.pdf and https://www.kns.com/KnS/assets/Other-Publications/Careers/Benefits_NL.pdf respectively

GRI 403: Occupational Health and Safety – GRI 403-9, non-GRI metrics

Work-related injuries (GRI 403-9)	FY2022	FY2023	FY2024
Total number of fatalities as a result of work-related injury	0	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Total number of recordable work-related injuries	8	3	2
Rate of fatalities as a result of work-related injury (per 200,000 work hours)	0	0	0
Rate of high-consequence work-related injuries, excluding fatalities (per 200,000 work hours)	0	0	0
Rate of recordable work-related injuries, excluding fatalities (per 200,000 work hours)	0.3	0.1	0.1
Total number of work hours	6,202,645	5,748,986	4,921,744

FY2024 Corporate Goal	Performance	Performance against target
Zero fatalities and occupational related diseases	Zero	Met

Work-related ill-health (GRI 403-10)	FY2022	FY2023	FY2024
Total number of fatalities as a result of work-related ill-health	0	0	0
Total number of recordable work-related ill-health	0	0	0
Rate of fatalities as a result of work-related ill-health (per 200,000 work hours)	0	0	0
Rate of recordable work-related ill-health (per 200,000 work hours)	0.3	0	0
Total number of work hours	6,202,645	5,748,986	4,921,744

OHS Key Indicators (non-GRI metrics)	FY2022	FY2023	FY2024
Accident Frequency Rate (per 1,000,000 work hours)	1.3	0.5	0.6

FY2024 Corporate Goal	Performance	Performance against target
Maintain Accident Frequency Rate (AFR) below 1.5	0.6	Met

OHS Key Indicators (non-GRI metrics)	FY2022	FY2023	FY2024
Accident Severity Rate (per 1,000,000 work hours)	11.9	1.8	4.2
Total number of accidents	8	3	2

FY2024 Corporate Goal	Performance	Performance against target
Maintain Accident Severity Rate (ASR) below 7	4.2	Met

OHS Key Indicators (non-GRI metrics)	FY2022	FY2023	FY2024
Total number of man-days lost	74	10	13
Total number of OHS training hours	73,807	64,625	49,387
Overall average number of OHS training hours per employee	24.4	26.9	20.4

FY2024 Corporate Goal	Performance	Performance against target
Achieve > 12 hours of OHS training per employee	20.4	Met

Governance

GRI 205: Anti-corruption – GRI 205-1, 205-2, 205-3

Cases of corruption (GRI 205-1)	FY2022	FY2023	FY2024
Total number of cases of corruption	0	0	0

FY2024 Corporate Goal	Performance	Performance against target
Zero incidents of corruption, fraud, bribery or AML activity	Zero	Met

Communication and training about anti-corruption policies and procedures (GRI 205-2)	FY2022	FY2023	FY2024
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Percentage and number of business partners that the organization's anti-corruption policies and procedures have been communicated to	100% (67)	97% (65)	100%
Americas	100% (11)	100% (10)	100% (10)
Europe	100% (16)	87% (15)	85% (13) ¹⁶
China	100% (23)	100% (23)	100% (24)
Japan	100% (2)	100% (2)	100% (3)
Korea	100% (4)	100% (4)	100% (4)
Taiwan	100% (1)	100% (1)	100% (3)
Other SEA regions	100% (10)	100% (10)	100% (11)
Percentage of governance body members that have received training on anti-corruption	100%	100%	100%
Percentage of employees that have received training on anti-corruption	100%	100%	100%

Business partners include suppliers and distributors

Risks related to corruption (GRI 205-3)	FY2022	FY2023	FY2024
Number of operations assessed for risks related to corruption	6	8	31
Total number of operations	6	8	31
Percentage of operations assessed for risks related to corruption	100%	100%	100%
Significant risks related to corruption identified through risk assessment	Supply Chain Interruptions and Export Compliance Adherence	Supply Chain Interruptions and Export Compliance Adherence	Supply Chain Interruptions and Export Compliance Adherence

K&S has an Enterprise Risk Assessment program where risks are identified throughout operations

¹⁶Completion rate is not 100% as K&S has suspended transactions with two companies in the Russian territory.

GRI 416: Customer Health and Safety – GRI 416-1, 416-2

Assessment of the health and safety impacts of product and service categories (GRI 416-1)	FY2022	FY2023	FY2024
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement (%)	100%	100%	100%

Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2)	FY2022	FY2023	FY2024
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	0

FY2024 Corporate Goal	Performance	Performance against target
Zero validated cases of non-compliance regarding health and safety impacts	Zero	Met

Dollar value invested into Research & Development (non-GRI metric)	FY2022	FY2023	FY2024
Amount of money invested into R&D (million \$US)	>135	>135	>150

GRI 2-27: Compliance with laws and regulations

Incidents of non-compliance with laws and regulations (GRI 2-27)	FY2022	FY2023	FY2024
Non-compliance with environmental laws resulting in significant fine and non-monetary sanctions	0	0	0
Non-compliance with social and economic area resulting in significant fine and non-monetary sanctions	0	0	0

FY2024 Corporate Goal	Performance	Performance against target
Zero validated cases of non-compliance with laws and regulations resulting in significant fines or sanctions	Zero	Met
Zero validated cases of corruption, fraud, bribery or money laundering activities	Zero	Met

GENERAL DISCLOSURES

Statement of use	Kulicke & Soffa has reported in accordance with the GRI Standards for the period 1 October 2023 to 28 September 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION		
			REQUIREMENT(S)	REASON	EXPLANATION
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report (page 5) Business Overview (page 6)			
	2-2 Entities included in the organization's sustainability reporting	Business Overview (page 6)			
	2-3 Reporting period, frequency and contact point	About This Report (page 5)			
	2-4 Restatements of information	There are no restatements of information made in this report.			
	2-5 External assurance	About This Report (page 5) Independent Greenhouse Gas Verification Statement (page 73-75)			
	2-6 Activities, value chain and other business relationships	Business Overview (page 6)			
	2-7 Employees	Employment & Labor Practices (pages 43-48) Key ESG Performance Summary (pages 60-66)	Sub-requirement: (a)(iii)	Not applicable	K&S does not engage, nor control the work of, non-guaranteed hours employees.
2-8 Workers who are not employees		Sub-requirements: (a), (b), (c)	Not applicable	K&S does not engage, nor control the work of, workers who are not direct employees.	
	2-9 Governance structure and composition	Sustainability Governance (page 12) Refer to K&S Annual Proxy Statement issued 23 January, 2025 (pages 60-62)			
	2-10 Nomination and selection of the highest governance body	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 62)			
	2-11 Chair of the highest governance body	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 5)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance (page 12) Refer to K&S Annual Proxy Statement issued 23 January, 2025 (pages 60-62)			
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance (page 12)			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance (page 12) Materiality Assessment Process (page 13)			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION		
			REQUIREMENT(S)	REASON	EXPLANATION
	2-15 Conflicts of interest	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 60)			
	2-16 Communication of critical concerns	K&S Ethics, Bribery and Corruption (page 17) Employment & Labor Practices (page 43)			
	2-17 Collective knowledge of the highest governance body	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 9)			
	2-18 Evaluation of the performance of the highest governance body	The Nominating and Governance Committee is responsible for conducting a self-assessment of the Board and makes recommendations for changes to process, practice and roles if necessary. As the Board retains oversight of the organization's impacts on the economy, environment, and people, the self-evaluation implicitly includes review of performance in these areas. Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 62)			
	2-19 Remuneration policies	While the organization's impacts on the economy, environment and people are not explicitly linked to Board remuneration, the Board retains oversight of the organization's overall performance, which includes sustainability-related impacts. These impacts indirectly affect the financial performance of the company, to which Board remuneration is linked. Refer to K&S Annual Proxy Statement issued 23 January, 2025 (pages 27-59)			
	2-20 Process to determine remuneration	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (pages 27-59)			
	2-21 Annual total compensation ratio	Refer to K&S Annual Proxy Statement issued 23 January, 2025 (page 54) The percentage increase in annual total compensation for the organization's highest-paid individual was -2%, while the median percentage increase in annual total compensation for all employees was 17.3%.			
	2-22 Statement on sustainable development strategy	Message from our President & CEO (page 4)			
	2-23 Policy commitments	Disclosed throughout this sustainability report			
	2-24 Embedding policy commitments	Disclosed throughout this sustainability report			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION		
			REQUIREMENT(S)	REASON	EXPLANATION
	2-25 Processes to remediate negative impacts	K&S Ethics, Bribery and Corruption (page 17) Employment & Labor Practices (page 43)			
	2-26 Mechanisms for seeking advice and raising concerns	K&S Ethics, Bribery and Corruption (page 17)			
	2-27 Compliance with laws and regulations	K&S Ethics, Bribery & Corruption (page 17)			
	2-28 Membership associations	Industry organizations in which K&S actively participated: - Responsible Business Alliance (RBA) - Responsible Mineral Initiative (RMI) - SEMI			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (page 12)			
	2-30 Collective bargaining agreements	In line with the Company's Code of Business Conduct, all our employees are free to participate in recognized labor unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices.			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment (page 13)			
	3-2 List of material topics	Materiality Assessment (page 13)			
Sustainable and Corporate Finance					
GRI 3: Material Topics 2021	3-3 Management of material topics	K&S Value Creation Cycle (page 8)			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	K&S Value Creation Cycle (page 8)			
	201-3 Defined benefit plan obligations and other retirement plans	We provide defined benefit plans and retirement plans as required by the law in the locations in which we operate.			
Ethics, Bribery & Corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	K&S Ethics, Bribery & Corruption (pages 17)			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Key ESG Performance Summary (page 60)			
	205-2 Communication and training about anti-corruption policies and procedures	Key ESG Performance Summary (page 60)			
	205-3 Confirmed incidents of corruption and actions taken	Key ESG Performance Summary (page 60)			
Product and Service Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product and Service Innovation (pages 36)			
Non-GRI Topic Specific Disclosure	Percentage of revenue invested into R&D	Product and Service Innovation (page 36) Key ESG Performance Summary (page 60)			
Energy Usage & Associated GHG Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Usage & Associated GHG Emissions (pages 28)			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION		
			REQUIREMENT(S)	REASON	EXPLANATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Reducing Energy Use (page 29) Key ESG Performance Summary (page 60)			
	302-3 Energy intensity	Reducing Energy Use (page 29) Key ESG Performance Summary (page 60)			
	302-4 Reduction of energy consumption	Energy Usage & Associated GHG Emissions (pages 28)			
Material Use					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Conservation (page 31)			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation (page 31)			
	303-5 Water consumption	Water Conservation (page 31) Key ESG Performance Summary (page 60)			
Energy Usage & Associated GHG Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Usage & Associated GHG Emissions (pages 28)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Reducing Emissions (page 30) Key ESG Performance Summary (page 60)			
	305-2 Energy indirect (Scope 2) GHG emissions	Reducing Emissions (page 30) Key ESG Performance Summary (page 60)			
	305-4 GHG emissions intensity	Key ESG Performance Summary (page 60)			
Effluents & Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Minimizing Waste Discharge (pages 32)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Minimizing Waste Discharge (page 32)			
	306-2 Management of significant waste-related impacts	Minimizing Waste Discharge (page 32)			
	306-3 Waste generated	Minimizing Waste Discharge (page 32) Key ESG Performance Summary (page 60)			
Non-GRI Topic Specific Disclosure	Paper usage	Minimizing Waste Discharge (page 32) Key ESG Performance Summary (page 60)			
Employment & Labor Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment & Labor Practices (pages 43)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key ESG Performance Summary (page 60)			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Key ESG Performance Summary (page 60)			

Occupational health and safety			
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION
			REQUIREMENT(S) REASON EXPLANATION
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Sourcing (page 26)	
		Occupational Health & Safety (page 47)	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainable Sourcing (page 26)	
		Occupational Health & Safety (page 47)	
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainable Sourcing (page 26)	
		Occupational Health & Safety (page 47)	
	403-3 Occupational health services	Sustainable Sourcing (page 26)	
		Occupational Health & Safety (page 47)	
	403-5 Worker training on occupational health and safety	Occupational Health & Safety (page 47)	
		Key ESG Performance Summary (page 60)	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable Sourcing (page 26)	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health & Safety (page 47)	
403-9 Work-related injuries	Occupational Health & Safety (page 47)		
	Key ESG Performance Summary (page 60)		
403-10 Work-related ill health	Occupational Health & Safety (page 47)		
	Key ESG Performance Summary (page 60)		
Non-GRI Topic Specific Disclosure	Accident Frequency Rate & Accident Severity Rate	Occupational Health & Safety (page 47)	
		Key ESG Performance Summary (page 60)	
	Number of accidents and man-days lost	Occupational Health & Safety (page 47)	
		Key ESG Performance Summary (page 60)	
Occupational Health & Safety training hours	Occupational Health & Safety (page 47)		
	Key ESG Performance Summary (page 60)		
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Health & Safety (pages 40)	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Health & Safety (page 40)	
		Key ESG Performance Summary (page 60)	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Location	OMISSION		
			REQUIREMENT(S)	REASON	EXPLANATION
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health & Safety (page 40) Key ESG Performance Summary (page 60)			
Customer Satisfaction					
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction (page 41)			
Non-GRI Topic Specific Disclosure	Voice of Customer Survey	Customer Satisfaction (page 41)			

INDEPENDENT GREENHOUSE GAS ASSURANCE STATEMENT

Introduction

CSRWorks International Pte. Ltd. ("CSRWorks") has been engaged by the Management of Kulicke and Soffa Pte. Ltd. ("K&S" or "the Company", 23A, Serangoon North Ave 5, #01-01, Singapore 554369, Singapore with Unique Entity Number 199902120H) to carry out an independent verification of its selected sustainability performance data, that is, the Company's Scope 1 and Scope 2 Greenhouse Gas (GHG) assertions, paper usage, water consumption, and waste generated and disposed, for its selected reporting boundary as disclosed in the 'K&S Sustainability Report 2024' ("the Report" or "SR2024").

K&S has prepared its sustainability performance data including its GHG assertions in bespoke spreadsheets based on selected GRI Topic Standards as well as ISO 14064-1:2018¹⁷ for the reporting period 1st October 2023 – 30th September 2024. This statement presents our opinion on the reported selected sustainability performance data as an independent verifier for the scope of work mutually agreed upon with K&S.

Our verification engagement was conducted based on a limited level of verification engagement as per CSRWorks' Framework for Assurance and Verification, a customised verification procedure based on ISAE 3000 (Revised)¹⁸ and ISO 14064-3:2019¹⁹, and as mutually agreed with client. The verification used a materiality threshold of $\pm 5\%$ for aggregate errors and omissions in the sampled activity data. This statement represents our opinion as an independent verification provider to the Management of K&S and was planned and conducted by us during March 2025 - April 2025. The Management is solely responsible for the accuracy, reliability, and completeness of all data and information provided to us during verification, as well as for the processes of collecting, analysing, and reporting the selected sustainability performance data including Scope 1 and Scope 2 GHG assertions in its Sustainability Report 2024.

CSRWorks' responsibility in presenting the outcomes of this independent verification engagement is to the Management and is based the scope of work and terms of reference agreed upon with the Company. We expressly disclaim any liability or co-responsibility for any investment or other decisions made by a person or entity based on this verification statement. Our verification engagement is based on the assumption that the data and information provided to us as part of our work has been provided in good faith and is complete, true and free from material misstatements.

Scope, Boundary and Limitations of Verification

The scope of the verification includes performance data related to Scope 1 and Scope 2 GHG emissions, paper usage, water consumption, and waste generated and disposed, for the reporting boundary, comprising seven global operational sites of K&S (Suzhou in China, Taiwan, The Netherlands, Serangoon in Singapore, Haifa in Israel, and Fort Washington and Santa Ana in the United States of America), for the financial year from 1st October 2023 – 30th September 2024 ("FY2024"). This is in accordance with the scope of work agreed upon with the management of the Company, including a sampling plan corresponding to a limited level of verification, to arrive at our conclusion on the subject matter.

During the remote verification process, we did not come across any limitations to the scope of the agreed verification engagement. CSRWorks was free to choose interviewees, and obtain evidences and samples of data sets as planned and required for performing our verification engagement towards arriving at our opinion. This verification engagement did not involve any engagement with external stakeholders or site visits to the Company's operational sites/assets. CSRWorks conducted remote assessments in line with risk-based assessment procedures including limited sampling of performance data. The remote verification was conducted based on desk reviews of the selected performance data, virtual discussions on management systems/procedures followed by the sampled sites of the Company, and interactions with data and information owners, as well as other publicly available data/information made available to us as supporting evidence.

We have not reviewed the accuracy and reliability of information and data outside the reporting period within the Report, such as historical performance information presented for the purposes of comparability. Our engagement also excludes any evaluation of the adequacy or effectiveness of K&S' strategies and management approaches related to the selected performance data, including performance versus goals and targets. This Statement does not provide any assurance on internal controls within the Company.

¹⁷Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals

¹⁸Assurance Engagements Other than Audits or Reviews of Historical Financial Information

¹⁹Greenhouse Gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Verification Methodology

During the verification, we adopted a risk-based approach, and a sample-based verification was carried out for a limited level of verification as per the requirements set out in the verification standards (ISO 14064-3 and ISAE 3000 (Revised)), and as agreed with the Company. We undertook the following activities:

- Conducted an initial risk assessment and developed an engagement plan based on the desk review of the initial data sets for selected performance indicators presented to us in bespoke spreadsheets.
- Desk review of the draft data sets and raw data presented in bespoke spreadsheets, as well as reviews of calculations, conversions and methodologies used by K&S to check completeness and consistency, and to assess reporting with reference to the selected GRI Topic Standards.
- Review of the data management processes in place to collect, aggregate, and report the activity data related to Scope 1 and Scope 2 GHG emissions based on requirements set out in ISO 14064-1 and the respective GRI Topic Standards on emissions, water and waste. We also examined and reviewed evidence including supporting documents, invoices, maintenance records, secondary data, and other information made available to us for selected sample operational sites of K&S.
- Review of systems and procedures for data collection and aggregation/consolidation, including the calculation methodology, conversion factors, assumptions, etc., as to be reported in SR2024 related to Scope 1 and 2 GHG emissions and other selected performance indicators prepared for the Company's internal/external reporting purposes.
- Verification of sample activity data as well as related conversion factors, assumptions and methodologies, to review the accuracy and reliability of the selected sustainability data for a limited level of verification through remote interactions with data owners across sample operational sites of K&S across Singapore, Taiwan, Israel, The Netherlands, China and the USA.

Conclusions

Based on the limited level of verification engagement undertaken as per our mutually agreed scope of work, nothing has come to our attention that would cause us to believe that K&S' selected performance data for the financial year 1st October 2023 to 30th September 2024 (FY2024) related to its seven global operational sites and as verified and detailed in Annexure 1 of this statement, is not a reliable and accurate representation of K&S' selected sustainability performance data presented in Chapter 4 of K&S' Sustainability Report 2024.

Note: The emission factors, global warming potential, unit conversion factors, assumptions and other calculation methodologies are presented in the page 61 of the K&S Sustainability Report 2024.

Some data inaccuracies identified during the verification process for the sampled sites were found to be attributable to transcription, interpretation, and aggregation errors. These errors have been communicated for correction and have been corrected.

Our Competence and Independence

CSRWorks is a leading provider of sustainability services focused on advisory, assurance and verification, training and thought leadership with detailed processes for ensuring quality and competency. It has over 20 years of track record in sustainability reporting, integrated reporting, external assurance, ESG assessment and ratings, climate change disclosures and sustainable procurement.

We maintain our independence and adherence to relevant ethical requirements as detailed within our Framework for Assurance and Verification and our internal codes for responsible conduct as well as those set out in ISAE 3000 (Revised). This engagement has been planned and performed by an independent multi-disciplinary team of sustainability and verification professionals with requisite skills, experience and competencies – the team members have no business relationship with K&S nor its employees beyond this engagement.

CSRWorks confirms that we have not been involved in any engagement with K&S during the reporting period that constitutes any conflict of interest, or could potentially compromise the independence, impartiality and objectivity of our opinion. We were not involved in the preparation of any data or statements related to the reported sustainability performance data in K&S SR2024 with the exception of this Verification Statement. We maintained complete impartiality towards all individuals interviewed.

For CSRWorks International and on behalf of the Verification team	
	
<p>Rajesh Chhabara Managing Director CSRWorks International Pte. Ltd. April 2025, Singapore</p>	

This Verification Statement shall be only valid when published within or referenced to the Report to which it refers. It may only be reproduced in its entirety.

Annexure 1 – Verified Sustainability Performance Data

Parameter	Unit of Measurement	Verified Value
Scope 1 GHG Emissions	Tonnes of CO ₂ e	687.795
Scope 1 GHG Emissions (Fuel Combustion)	Tonnes of CO ₂ e	186.923
Scope 1 GHG Emissions (Refrigerants)	Tonnes of CO ₂ e	500.871
Scope 2 GHG Emissions (Location-based)	Tonnes of CO ₂ e	14,066.776
Scope 2 GHG Emissions (Market-based)	Tonnes of CO ₂ e	14,066.776
Water Consumption	Tonnes	74,113
Paper Usage	Kilogrammes	15,235.530
Total Non-Hazardous Wastes Generated	Tonnes	685.230
Total Hazardous Wastes Generated	Tonnes	460.030
Total Solid (Non-Hazardous) Waste Generated	Tonnes	661.385
Total Solid (Non-Hazardous) Waste Recycled	Tonnes	382.555
Total Non-Hazardous Waste Directed to Disposal	Tonnes	302.680
Total Non-Hazardous Waste Directed from Disposal	Tonnes	382.550
Total Hazardous Waste Directed to Disposal	Tonnes	460.030
Total Hazardous Waste Directed from Disposal	Tonnes	Nil

Notes:

- Scope 1 GHG emissions accounted for are attributable to fuel combustion of diesel oil, motor gasoline, natural gas and fuel oil, and fugitive emissions of refrigerants and other gases used in operations (R134, R22, R32, R410A, CF₄, CH₄ and CO₂)
- Emission factors used are drawn from IPCC AR6 values for stationary and mobile combustion of fuels and GWP-100 values for refrigerants, the US EPA and GHG Protocol emission datasets
- Scope 2 GHG emissions consider country-specific emission values for electricity purchased and drawn from the national grids and as reported by national and regional agencies such as the Singapore Energy Market Authority, Ministry of Ecology and Environment of the People's Republic of China, Taiwan's Energy Administration Ministry of Economic Affairs 2024, European Residual Mixes 2023 Association of Issuing Bodies (AIB), United States Environmental Protection Agency (EPA) and International Financial Institutions Technical Working Group on Greenhouse Gas Accounting Harmonized IFI Default Grid Factors 2021 v3.2 (published in Apr 2022)
- Wastes diverted to disposal considers wastes which have been sent for incineration (with energy recovery), landfills and other disposal methods



Kulicke & Sofa Pte. Ltd.

23A Serangoon North Avenue 5
Singapore 554369

Kulicke and Sofa Industries, Inc

1005 Virginia Drive
Fort Washington, Pennsylvania 19034
USA