

SUSTAINABILITY REPORT 2025

DRIVING SUSTAINABLE INNOVATION

A Decade Of Sustainability Reporting





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01

About Kulicke & Soffa



Kulicke and Soffa Industries, Inc. (K&S or the Company) is proud to publish its tenth annual sustainability report, marking a decade since the launch of our sustainability journey in 2016. Over the past decade, we have progressively strengthened our environmental, social, and governance practices, from conducting our first Double Materiality Assessment and deepening supply chain accountability, to advancing employee development and improving climate transparency. This report reflects where we stand today and the commitments that will carry us forward.

Message from the CEO

As we publish our tenth annual sustainability report, fiscal year 2025 marks a pivotal period for our organization, bringing renewed momentum not only to our company but also to the broader industry. The semiconductor assembly market has experienced an extended phase of diminished investment in both technology and capacity over recent years. However, our visibility into market trends has recently improved, and demand across several key segments is strengthening. Throughout this evolving demand environment, we remain committed to long-term technology transitions within Advanced Packaging, Advanced Dispense, and Power Semiconductor technologies. These advancements enable us to deliver new value by reducing material usage, enhancing energy efficiency, and optimizing performance for next-generation devices in General Semiconductor, Memory, Automotive and Industrial end markets.

In addition to increasing the value we provide to our customers, we remain focused on continuously optimizing our own internal efficiency. During fiscal year 2025, we completed our Double Materiality Assessment, which serves as a central cornerstone in supporting our ongoing sustainability goals. This assessment enables us to precisely identify areas and activities that drive the most significant environmental and social impacts, as well as where sustainability-related risks and opportunities may reasonably influence our enterprise value. The findings sharpened our understanding of issues most relevant to stakeholders, refined our material topics across environmental, social, and governance

domains, and helped guide the topics embedded within this report.

Leveraging the insights gained from this assessment and our improved clarity on material topics, we made significant sustainability progress during fiscal year 2025. We continued to scale our Smart Manufacturing capabilities, accelerating the use of AI-enabled analytics, predictive modeling, and factory automation to reduce scrap, improve equipment utilization, and enhance process quality. These initiatives supported more efficient resource usage and reduced environmental impact across multiple stages of the value chain. Product innovation also improved, with engineering teams implementing energy reduction measures across key platforms. Continued improvements to cooling strategies, compressed air utilization, and motion control efficiency collectively lowered equipment power requirements while maintaining or enhancing performance. These efforts reflect our long-term commitment to reducing lifecycle emissions and advancing sustainable operations.

Our supply chain and materials management efforts continued to progress throughout fiscal year 2025. Building on the fiscal year 2024 where we integrated ESG and decarbonization metrics into supplier assessments, we reinforced responsible sourcing practices through continued supplier training, broader application of supplier codes and policies, and ongoing conflict minerals due diligence aligned with OECD guidance and annual SEC reporting. At our Suzhou site, we enhanced ongoing initiatives related to water reuse, wastewater treatment, and hazardous waste reduction through targeted process improvements, further strengthening safety and environmental performance. These efforts reflect our continued commitment to align with global standards such as RoHS¹, REACH², TSCA³, and the Responsible Business Alliance Code of Conduct.

Across our global workforce, we maintain strong occupational health and safety performance supported by robust management systems aligned with ISO standards and a culture emphasizing risk awareness and continuous improvement. During fiscal year 2025, we further advanced leadership development and technical reskilling initiatives. Structured learning programs were expanded across the organization, strengthening skills development at various stages of employee careers. We recognize that our employees are essential to delivering sustainable long-term growth and continuous innovation.

In parallel with our investments in people, we launched our first formal climate governance and reporting program during the past year, reinforcing our commitment to transparency and accountability in environmental stewardship. We aligned our climate-related disclosures with the Task Force on Climate-related Financial Disclosures. As part of this program, we conducted our inaugural climate scenario analysis, evaluating a broad range of physical and transition risks to better understand potential long-term impacts across our operations, supply chains, and markets. We continue to make progress toward our target of reducing Scope 1 and Scope 2 greenhouse gas emissions by 2030, using fiscal year 2023 as the baseline. These efforts are supported by site-level energy efficiency upgrades, improvements in emissions data quality, and the ongoing evaluation of renewable energy solutions. We are proud that these improvements, together with our governance, strategy, risk management, metrics, and value-chain engagement capabilities, contributed to raising our CDP Climate Change score to a 'B'.

As the semiconductor industry advances, there is an increasing focus on developing technologies that are more energy efficient and capable of supporting higher-

density assembly. The connection between innovation, sustainability, and long-term value creation is becoming increasingly clear. These technological transitions not only deliver enhanced performance but also enable more resource-efficient manufacturing processes for the markets we serve, reinforcing our belief that environmental progress and competitive strength must advance together.

I would like to express my sincere gratitude to our global employees for their dedication, adaptability, and commitment during a year marked by progress and transition. I also extend my appreciation to our customers, partners, and shareholders for their continued trust and collaboration. With a clear strategic direction, a sharper understanding of our material priorities, and a strong commitment to responsible, long-term growth, K&S is well positioned to help shape a smarter and more sustainable future for our industry.



Lester WONG
Interim CEO,
Executive Vice President,
Finance and IT and Chief
Financial Officer



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

This report describes our approach to embedding sustainability considerations into our core business operations and articulating our goals and aspirations to stakeholders. The 2025 Sustainability Report (SR2025) presents sustainability performance across all six global operating facilities for the period from September 29, 2024 to October 4, 2025 (FY2025). Prepared with reference to the Global Reporting Initiative (GRI) Standards 2021, an internationally recognized and widely adopted reporting framework, we have also obtained limited external assurance for the content of this report⁴. As part of its commitment to advancing shared global priorities, K&S aligns its sustainability efforts with the United Nations Sustainable Development Goals (UN SDGs) and the principles of the United Nations Global Compact. While the Company is not a formal signatory to the United Nation Global Compact, it recognizes the importance of its ten principles on human rights, labor, environment, and anti corruption and operates in a manner consistent with their spirit.

As a global leader in semiconductor assembly solutions, K&S acknowledges that climate change poses significant considerations for our manufacturing operations, supply chain, and the industries we serve. In response, we have further strengthened our climate strategy by enhancing our assessment of climate-related risks and opportunities across our worldwide operations. Over the course of the year, we advanced climate resilience initiatives through a robust scenario analysis and achieved meaningful progress toward near-term greenhouse gas emissions reduction targets consistent with a 1.5°C pathway. A summary of this work is included in this sustainability report, together with disclosures aligned with the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD).

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 FY2025 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 to perform an independent, limited external verification of the following data published in this report:

- Direct (Scope 1) and purchased energy indirect (Scope 2) greenhouse gas emissions data under the operational control boundary of six global operational sites for FY2025
- Paper usage, water usage and waste management data for all six global operational sites for FY2025.

The content was reviewed in accordance with CSRWorks’s Framework for Assurance and Verification, a customized verification procedure based on global assurance and verification frameworks and standards including ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements) and ISAE 3000 (Revised).

Excerpt from Independent Verification 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’s selected performance data for the financial year 29th September 2024 to 4th October 2025 (“FY2025”) related to its six global operational sites and as verified and detailed in Annexure 1 of this statement, is not a reliable and accurate representation of K&S’s selected sustainability performance data presented in Chapter 4 of K&S’s Sustainability Report 2025.”
 For the full verification statement, please refer to pages 85-87.

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).



⁴Details on the scope of external assurance is provided in the external assurer’s statement on pages 85-86

Business Overview

Kulicke and Soffa is a global leader in semiconductor assembly technology, advancing device performance across automotive, communications markets, compute, consumer, industrial and memory. 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 operates a global footprint comprising 19 locations across 13 countries, strategically located to serve its semiconductor, LED, and automotive businesses. The Company’s corporate headquarters are located in Singapore and Fort Washington, Pennsylvania.

Our portfolio of products and services supports growth and advances innovation across a wide range of end markets. As these sectors continue to evolve and require increasingly complex solutions, K&S, backed by 75 years of proven performance, is well positioned to capture emerging growth opportunities and drive value creation across both high volume and leading edge semiconductor markets. We remain committed to delivering long term value for our operations, stakeholders, and the communities in which we operate, while proactively pursuing initiatives that strengthen business resilience and mitigate sustainability related risks.

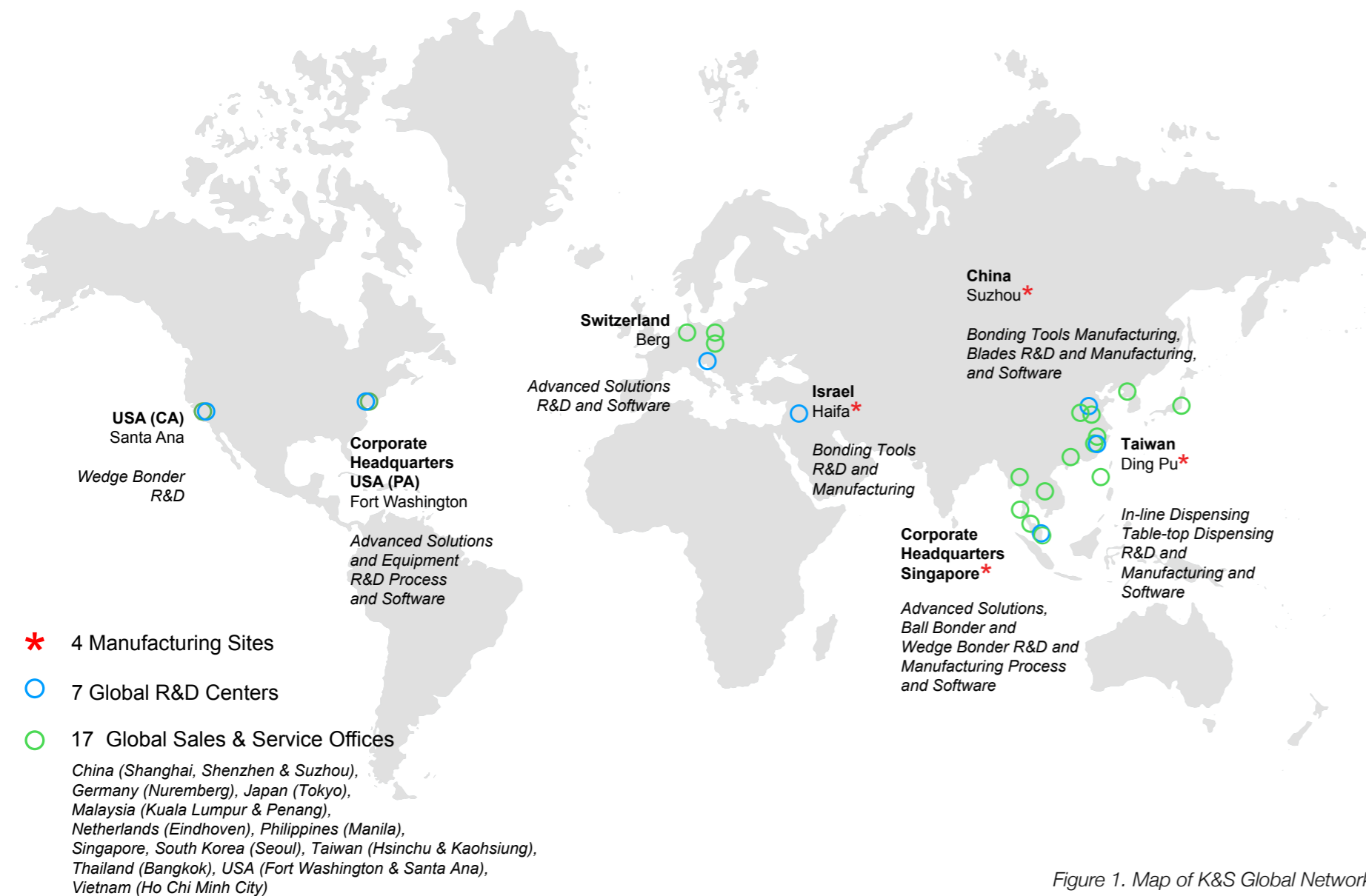


Figure 1. Map of K&S Global Network

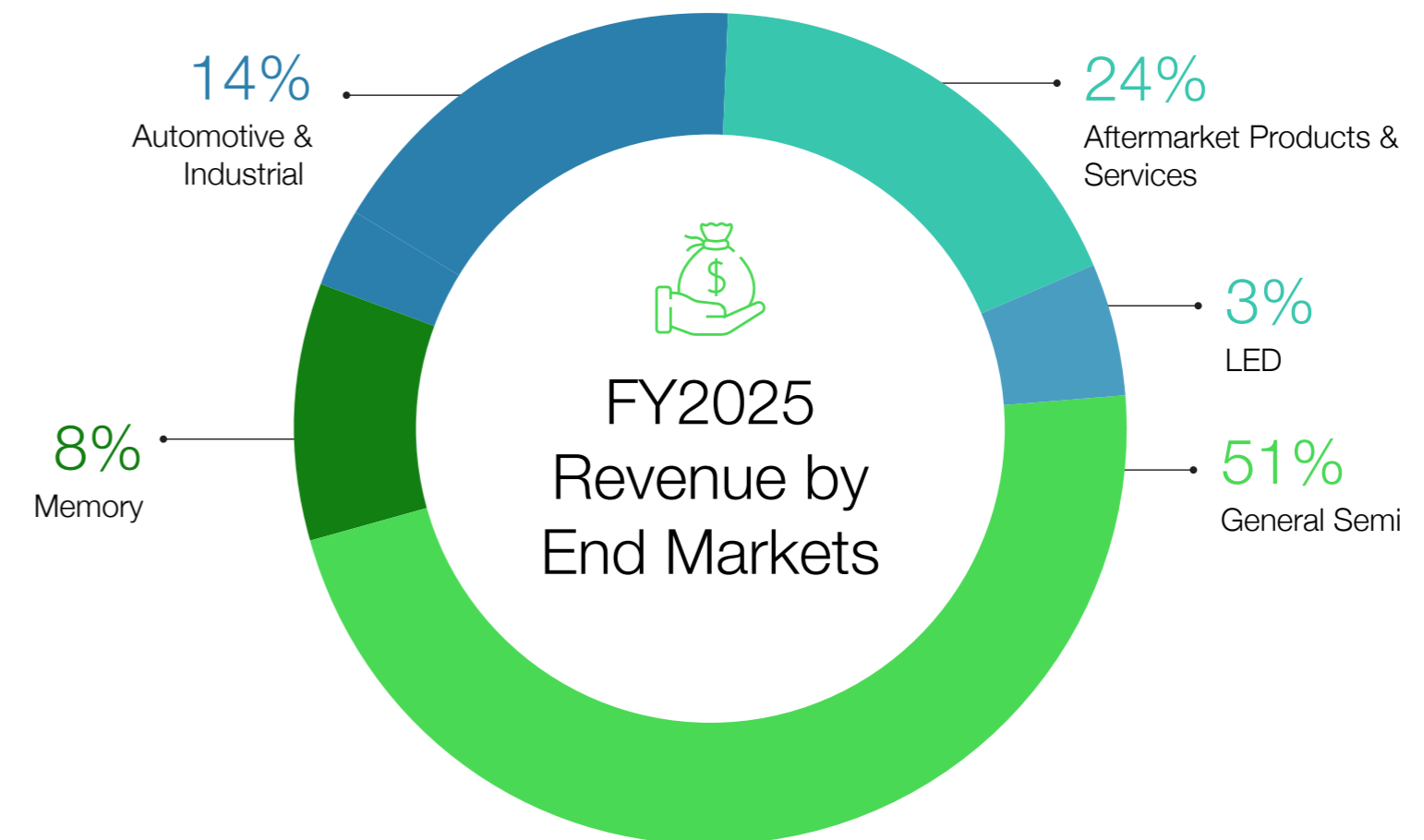


Figure 2. FY2025 Revenue by End Markets

Our Vision and Core Values

OUR VISION

To innovate for a smarter, more connected future

OUR CORE VALUES



DELIGHT OUR CUSTOMERS

Impress existing customers and win new ones



PEOPLE MATTER

Develop our people as our primary asset



MAKE A DIFFERENCE

Take responsibility and be accountable for your actions



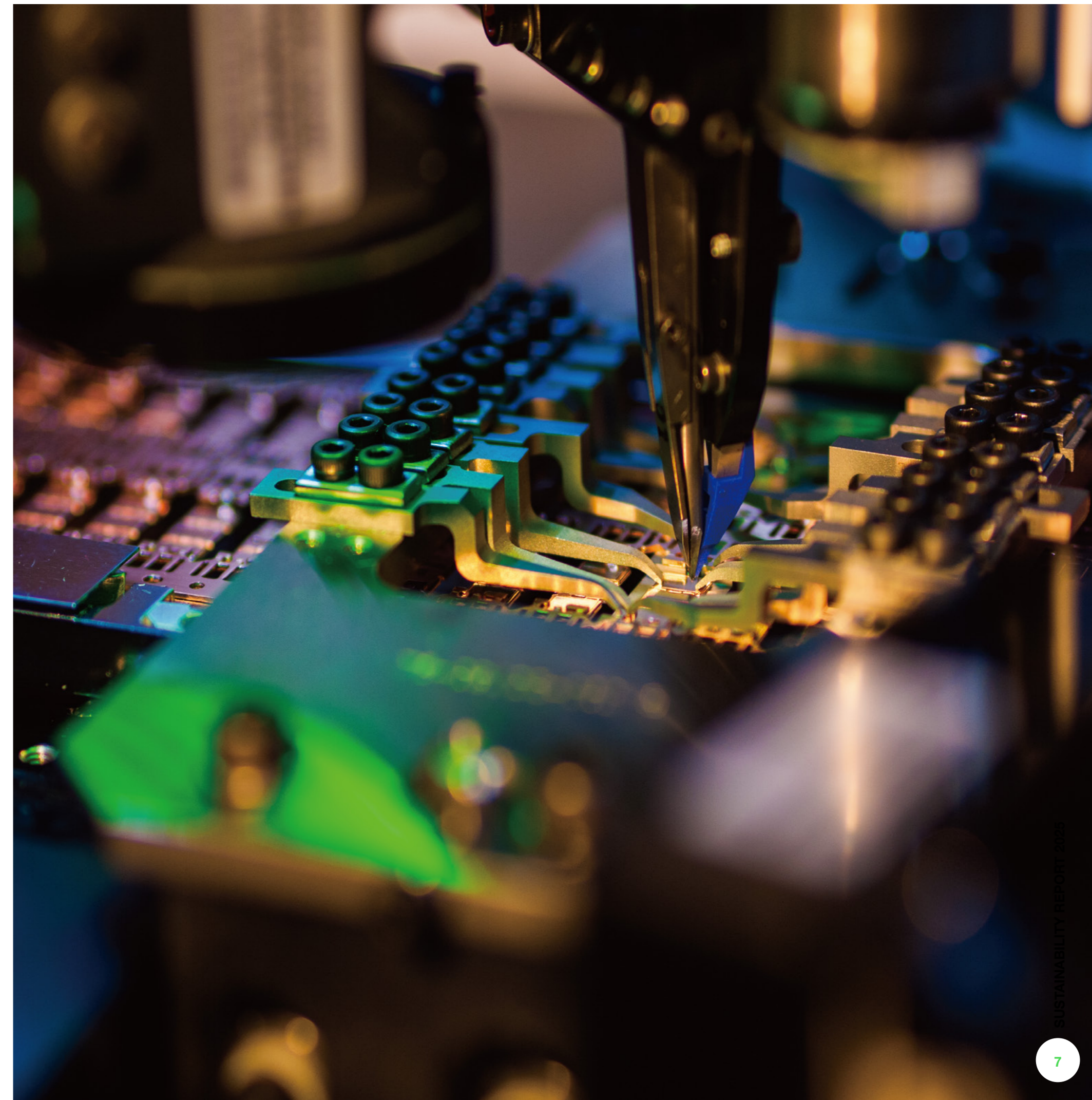
LEARN, GROW, EXCEL

Pursue personal growth and business excellence through learning



INNOVATE FOR SUCCESS

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



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.

Strong business performance enables us to support our customers' growth by delivering innovative solutions that help expand their market opportunities. Solid financial results also allow us to focus on the needs of our key stakeholders, including employees, customers, suppliers, and the communities across our value chain. Our continued growth supports collaboration with environmentally responsible suppliers and helps ensure long-term access to essential raw materials and resources.

At K&S, we recognize our responsibility to positively influence the social, economic, and environmental well-being of the communities in which we operate. In addition to our corporate sustainability programs, which have helped advance a more sustainable business model, we place strong emphasis on reducing potential environmental impacts and associated risks and despite ongoing economic uncertainties, we remain firmly committed to social responsibility through active employee volunteerism, support for environmental clean-up initiatives, and continued engagement with a range of charitable causes.

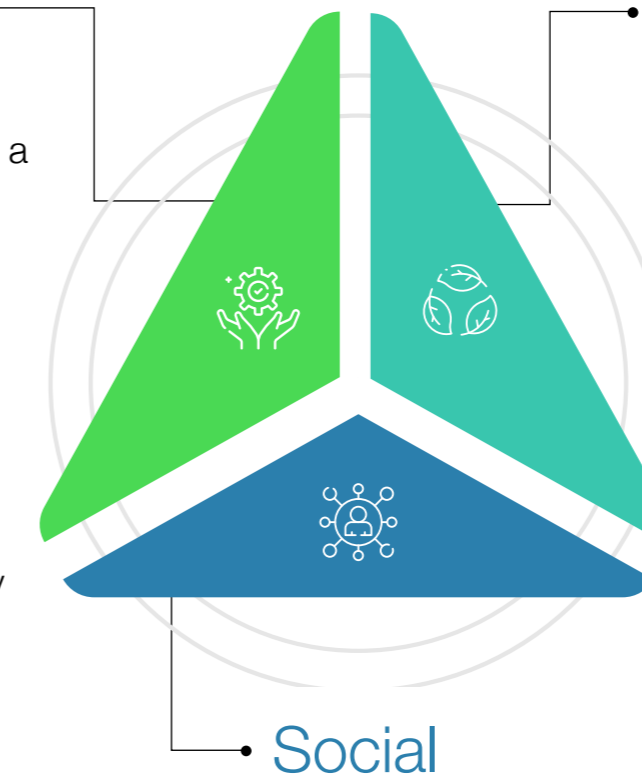
In FY2025, K&S achieved an annual revenue exceeding US\$654 million. For comprehensive financial information, please consult the [FY2025 Annual Report](#).

Governance

- Annual sustainability reporting
- Invest in R&D projects to enable a smart future
- Improving QEHS* IMS*
- Promote ethical and compliant business practices
- Manage effective ERA* program
- Maintain effective BCMS*
- Deliver first-rate business & financial growth
- Innovate sustainable high quality and products

Environment

- Restrict use of hazardous substances
- Conserve resources and optimize material use
- Manage waste, reduce waste and recycle



Social

- Monitor supply chain to ensure Conflict Minerals are not used
- Treat employees with dignity & respect
- Provide development opportunities and build an supportive workplace
- Foster a healthy and safe work environment and culture

ERA: Enterprise Risk Assessment
 QEHS: Quality, Environmental, Health and Safety
 BCMS: Business Continuity Management System
 IMS: Integrated Management System

Figure 3. K&S Value Creation Cycle

Financial Results ⁵	FY2023*	FY2024*	FY2025*	% change from FY2024
Economic Value Generated: Revenue	742,491	706,232	654,081	-7.4%
Economic Value ⁶	796,461	970,275	793,619	-18.2%
Operating costs	418,035	506,803	365,432	-27.9%
Employee wages and benefits	251,030	256,763	267,646	4.2%
Payments to governments	15,053	10,651	20,263	90.2%
Community investments ⁷	1,224	1,022	527	-48.5%
Direct shareholder returns ⁸	111,119	195,037	139,751	-28.3%

Table 1. FY2025 Financial Results
* In US\$'000.

CSR Impact Metrics	FY2023	FY2024	FY2025
# CSR Activities	45	33	33
# Employees Participated	860	350	450
Total Volunteer Hours	1,900	2,200	700
Employee gifts and donations (US\$)	9,086	17,708	12,353
K&S Donation / Investment (US\$)	291,342	256,568	170,366

Table 2. FY2025 CSR Impact Metrics

⁵ Information 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 FY2025.

⁶ GRI 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.

⁷ Includes internships.

⁸ Includes share repurchases and dividends. Quarterly dividend payments have been made since July 16, 2018.



FY2025 Highlights and Achievements

ENVIRONMENT

GHG TARGET

42% Reduction of Scope 1 and Scope 2 market-based GHG emissions by FY2030 from FY2023 baseline

PROGRESS

12.3% Reduction of Scope 1 and Scope 2 GHG emissions from FY2023

7.2% Reduction in total hazardous waste generated at Suzhou site from FY2024

ACHIEVED

B CDP 2025 Climate Change Questionnaire Score

SOCIAL

33 Community outreach activities carried out globally

700 Volunteer hours achieved across all sites

0 Fatalities as a result of work-related injuries

0 High-consequence injuries

>500 R&D employees with an average tenure of >10 years

>US\$170,000 K&S Donation / Investment

GOVERNANCE

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

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

65% Smelters in CFS⁹ program identified in reporting year 2025



⁹ Conflict-free source of origin

02

**Sustainability
at K&S**



Sustainability Governance

At K&S, the ESG Council oversees the execution of ESG initiatives and monitors progress against established objectives. The ESG Council is a cross-functional body comprising leaders from Environmental Health & Safety, Quality, Operations, Capital Equipment, Supply Chain, Investor Relations, Marketing Communications, and Corporate Strategy. Each functional lead provides regular updates and outlines planned initiatives within defined ESG Council workstreams, including those related to K&S’s exposure to, and the management of, climate-related risks and opportunities. The ESG Council reports quarterly to the Executive Leadership Team (ELT), led by the CEO, who has a supervisory oversight over ESG risks, including mitigation plans. In addition, the Nominating and Governance Committee (NGC) of the K&S Board of Directors receives consolidated summary updates on a biannual basis. The NGC oversees the Company’s ESG activities, including climate-related assessments, and guides the direction and advancement of K&S’s ESG strategy, policies, and performance, ensuring Board-level visibility into stakeholder and environmental impacts, as well as climate-related risks and opportunities.

K&S is committed to strong corporate governance practices across various levels of its organization. The Company seeks to maintain a Board composition that reflects a broad range of skills, experiences, and perspectives and regularly evaluates Board composition and independence in alignment with evolving stakeholder expectations and global governance best practices.

Executive leadership plays an active role in advancing ESG priorities across the organization. While ESG-linked metrics are not explicitly incorporated into executive remuneration, senior management is accountable for financial performance objectives that are inherently dependent on meeting regulatory and customer expectations. This includes compliance with climate-related reporting requirements in applicable jurisdictions such as the United States, as well as willing participation in customer-driven disclosure requests. As a result, ESG performance is reinforced in practice through its direct connection to business continuity, customer relationships, and long-term value creation.

In further support of effective governance and accountability, on June 5, 2025, the K&S Board of Directors approved an amendment and restatement of the Company’s Amended and Restated By-laws to declassify the Board and provide for the annual election of all directors, phased in over a four-year period. (see page 34 of the Annual Report).

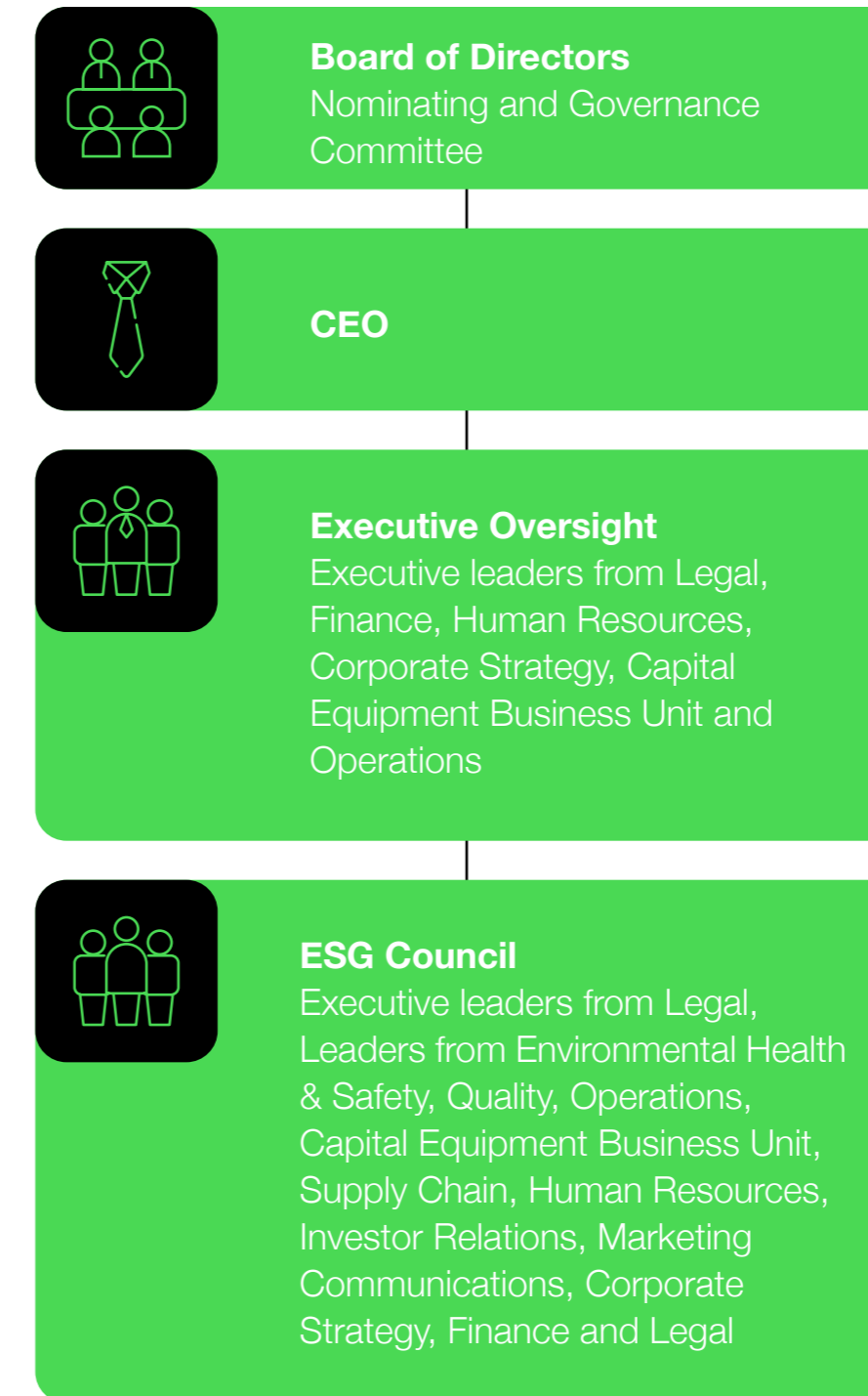


Figure 4. K&S Sustainability Governance Structure

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'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	

Materiality Assessment

Material topics represent the sustainability issues that reflect K&S's most significant impacts on the economy, environment, and people, as well as the sustainability related risks and opportunities that may affect the Company's enterprise value. In late FY2025, with the support of external consultants, K&S undertook a Double Materiality Assessment (DMA) to ensure continued alignment with evolving regulatory expectations and leading sustainability reporting practices.

The FY2025 DMA was conducted in accordance with the principles of the European Sustainability Reporting Standards (ESRS) as a best practice framework. The assessment evaluated sustainability topics across two dimensions: impact materiality, which considers K&S's actual and potential impacts on society, the environment, and the economy, and financial materiality, which considers how sustainability related factors may create risks or opportunities that could reasonably be expected to influence the Company's financial performance, cash flows, access to finance, or cost of capital over the short, medium, and long-term.

Assessment Scope and Approach

An initial list of sustainability topics was developed based on K&S's existing sustainability priorities, a review of the Company's value chain, sector specific materiality considerations informed by leading sustainability standards (including SASB), peer disclosures, and the ESRS topic structure. This process resulted in the identification of nine topics, comprising three environmental topics, five social topics, and one governance topic, with a total of 117 potential impacts, risks, and opportunities (IROs).



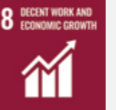






Stakeholder engagement formed a central component of the assessment. K&S gathered input through extended internal stakeholder interviews and external engagement with selected suppliers and customers to refine and validate relevant IROs. Following this process, the IRO universe was refined to 114 IROs, each of which was assessed using a structured scoring methodology.

Following further internal assessment and validation, the assessment identified 45 material IROs, comprising 30 material impacts and 15 material risks and opportunities, across the nine sustainability topics.



Material Topics Identified

Based on the FY2025 Double Materiality Assessment, K&S identified the following material topics:

Material Topic	Impact / Financial ¹⁰	Stakeholders	UN SDGs
Water management	Impact-material	<ul style="list-style-type: none"> Government, Regulators and Certification Bodies NGOs / NPOs Communities 	
Labor practices and employee development	Impact-material	<ul style="list-style-type: none"> Employees Communities 	 
Occupational health and safety	Impact-material	<ul style="list-style-type: none"> Employees 	
Sustainable and sound governance	Impact-material	<ul style="list-style-type: none"> Government, Regulators and Certification Bodies Shareholders and Investors Employees 	
Climate change and energy use	Impact and financially material	<ul style="list-style-type: none"> Government, Regulators and Certification Bodies NGOs / NPOs Communities Shareholders and Investors 	
Material sourcing and waste management	Impact and financially material	<ul style="list-style-type: none"> NGOs / NPOs Communities Shareholders and Investors 	
Product and service innovation	Impact and financially material	<ul style="list-style-type: none"> Customers Shareholders and Investors 	
Responsible supply chain management	Impact and financially material	<ul style="list-style-type: none"> Shareholders and Investors Suppliers 	
Customer health, safety, and satisfaction	Impact and financially material	<ul style="list-style-type: none"> Customers Shareholders and Investors 	

¹⁰ No topics were identified as being solely financially material.

Our FY2025 Targets and Performance

No.	Material Topic	FY2025 Targets	Performance for FY2025
1	Water management Developing responsible water management practices to reduce consumption, protect water quality, and integrate water stewardship into business strategy and decision making	Reduce water usage intensity at K&S Suzhou site by > 5%	Did not achieve*
2	Labor practices and employee development 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
3	Occupational health and safety Developing initiatives or policies to maintain a healthy and safe workplace, including monitoring health & safety performance of employees and contract workers, including contractors	Maintain Accident Frequency Rate (AFR) below 1.5	Achieved
		Maintain Accident Severity Rate (ASR) below 7	Achieved
		Achieve > 12 hours of OHS training per employee	Achieved
		Zero fatalities and occupational-related diseases	Achieved
4	Sustainable and sound governance Developing ethical business practices free from bribery and corruption, while demonstrating strong sustainability leadership in business strategy and decision making	Zero incidents of non-compliance with laws and regulations resulting in significant fines or non-monetary sanctions	Achieved
		Zero incidents of corruption, fraud, bribery or money-laundering activity across the business and operations	Achieved
		100% completion of employees' Code of Business Conduct training	Achieved
		Conduct 2025 Enterprise Risk Assessment and include achievable target risks in risk map	Achieved
		ESG organization structure up to BOD to periodically review K&S sustainability strategy and results	Achieved
5	Climate change and energy use 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
		Reduce non-renewable purchased energy consumption intensity by > 2%	Did not achieve*
6	Material sourcing and waste management Ensuring materials used in operations are sustainably sourced and efficiently managed, while minimizing waste and handling disposal and recycling through appropriate protocols	Reduce total paper usage intensity from FY2024 by 3%	Did not achieve*
		Achieve > 60% total solid waste recycling rate	Did not achieve*
		Reduce hazardous waste generation intensity at K&S Suzhou site by > 2%	Achieved

*Refer to Annexes for more information.

03

**Resilient
Governance and
Accountability**








K&S Position On Upholding Ethics And Standing Against Bribery and Corruption

Business Integrity and Ethics

K&S is committed to conducting its business in an ethical and responsible manner. Our corporate governance framework, supported by related policies, fosters a culture of accountability, integrity, and compliance with applicable laws and regulations. The Board holds ultimate responsibility and oversight for corporate governance and remains dedicated to upholding the highest standards of business conduct.

Our comprehensive ethics framework consists of the Code of Business Conduct, the Code of Ethics for Senior Financial Officers, and the Worldwide Direct Supplier Code of Business Conduct and Ethics (collectively, the “Codes”). Together, these Codes set out the principles and expectations for ethical and responsible business conduct and apply to all K&S employees and suppliers. They address a range of topics, including:

<p>Compliance with laws, rules and regulations such as data privacy, responsible AI use, discrimination, equal opportunities, policies against child labor and forced labor, and environmental practices.</p> 	<p>Protection and proper use of K&S assets and proprietary information including that of third parties</p> 
<p>Corporate opportunities that may not be used for personal gain</p> 	<p>Competition and fair dealing in relationships with stakeholders</p> 
	<p>Policy against insider trading, conflicts of interests and appropriate disclosures</p> 

CASE STUDY

Embedding Integrity Through Practical Compliance Engagement

In FY2025, K&S strengthened its compliance culture through targeted policy enhancements and practical employee engagement initiatives. Alongside updates to the Code of Business Conduct (COBC) and the introduction of a new Generative AI Policy to address emerging ethical and legal concerns surrounding the use and deployment of AI at the workplace, the Legal Department at K&S organized the company’s inaugural Compliance Month, which focused on applying ethical principles to real-world scenarios.

Employees were challenged to identify and address compliance risks related to data privacy, third-party vendor management, conflicts of interest, responsible use of AI-generated content, and information security. These scenario-based challenges reinforced expectations around confidentiality, human oversight,

transparency, and regulatory compliance. Workshops and fireside panel chats with industry experts were also organized to enhance learning as it relates to responsible and ethical AI use.

Mandatory annual training on the updated COBC and Information Security Policies and Protocols, supported by the Company’s Ethical Decision-Making framework, further embedded integrity as a daily practice across the organization.



Our commitment to ethical business conduct, including our approach to anti corruption, is articulated through our Corporate Responsibility Policy and Code of Business Conduct. K&S maintains a formal Anti Bribery and Corruption Policy that establishes a zero tolerance approach to bribery and corruption and references compliance with applicable global standards, including the U.S. Foreign Corrupt Practices Act. These requirements apply across our global operations and extend to employees, suppliers, and third party agents, supported by contractual obligations and supplier codes of conduct.

K&S utilizes Enterprise Risk Assessment (ERA) processes to identify, assess, and mitigate corporate governance and ethics related risks. Compliance with anti corruption requirements is actively monitored through multiple mechanisms, including annual ethics training for employees, mandatory anti bribery certifications for sales agents and distributors, and regular internal audits and control reviews. In addition, external assessments, such as Responsible Business Alliance (RBA) Validated Assessment Program (VAP) audits, provide further assurance regarding the effectiveness of our controls and help identify potential gaps across our global operations.

Oversight of our codes, policies, and compliance framework is managed by the Compliance Officer, with periodic reviews conducted to ensure continued alignment with NASDAQ requirements and evolving regulatory expectations. The Audit Committee and management maintain oversight of ethics and compliance programs through regular reporting, reviews, and gap assessments, supporting continuous improvement in governance and risk management.

To promote transparency and provide additional information, K&S's corporate governance policies and guidelines are publicly available on our company website at: <https://investor.kns.com/corporate-governance>



Whistleblowing and Grievance Procedures

K&S is committed to fostering an open, respectful, and equitable workplace where employees are encouraged to raise concerns or discuss business practices without fear of retaliation. We reinforce our non retaliation and confidentiality commitments through awareness campaigns and workplace communications, ensuring these principles are consistently communicated across the organization.

Our Whistleblower Policy establishes multiple channels for employees to seek guidance or report concerns related to unethical behavior or violations of our Codes. Reports may be made to an immediate supervisor, the Compliance Officer, or anonymously through our confidential whistleblower hotline, available by phone or online.

All reports made in good faith are promptly referred to the Compliance Officer and relevant committee for thorough and timely investigation and resolution. Where appropriate, matters may be escalated to the Board of Directors. Case data is monitored internally, with the Audit Committee receiving quarterly summary reports, and the Committee Chair being notified separately of individual incidents. The Audit Committee retains final authority over case resolution.

Ethics Training and Policy Awareness

K&S conducts a yearly process to verify that all employees and direct suppliers recognize and adhere to 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 conducted targeted in-person training sessions across our regional facilities in Taiwan, Fort Washington, Santa Ana, and Singapore, covering a range of legal and compliance topics relevant to our business. These sessions include, among others, guidance on the protection and proper use of company assets and proprietary information, and are tailored to reinforce employees' understanding of their legal and compliance obligations across key risk areas.

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

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.

Human Rights

K&S is committed to respecting and protecting the rights of our employees and supply chain partners, while cultivating a workplace founded on trust, respect, fairness, and inclusion, regardless of individual beliefs, abilities, or backgrounds. Our approach to upholding fundamental human rights across all operations is informed by internationally recognized standards and 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:


The protection of environmental and human health through responsible use of materials




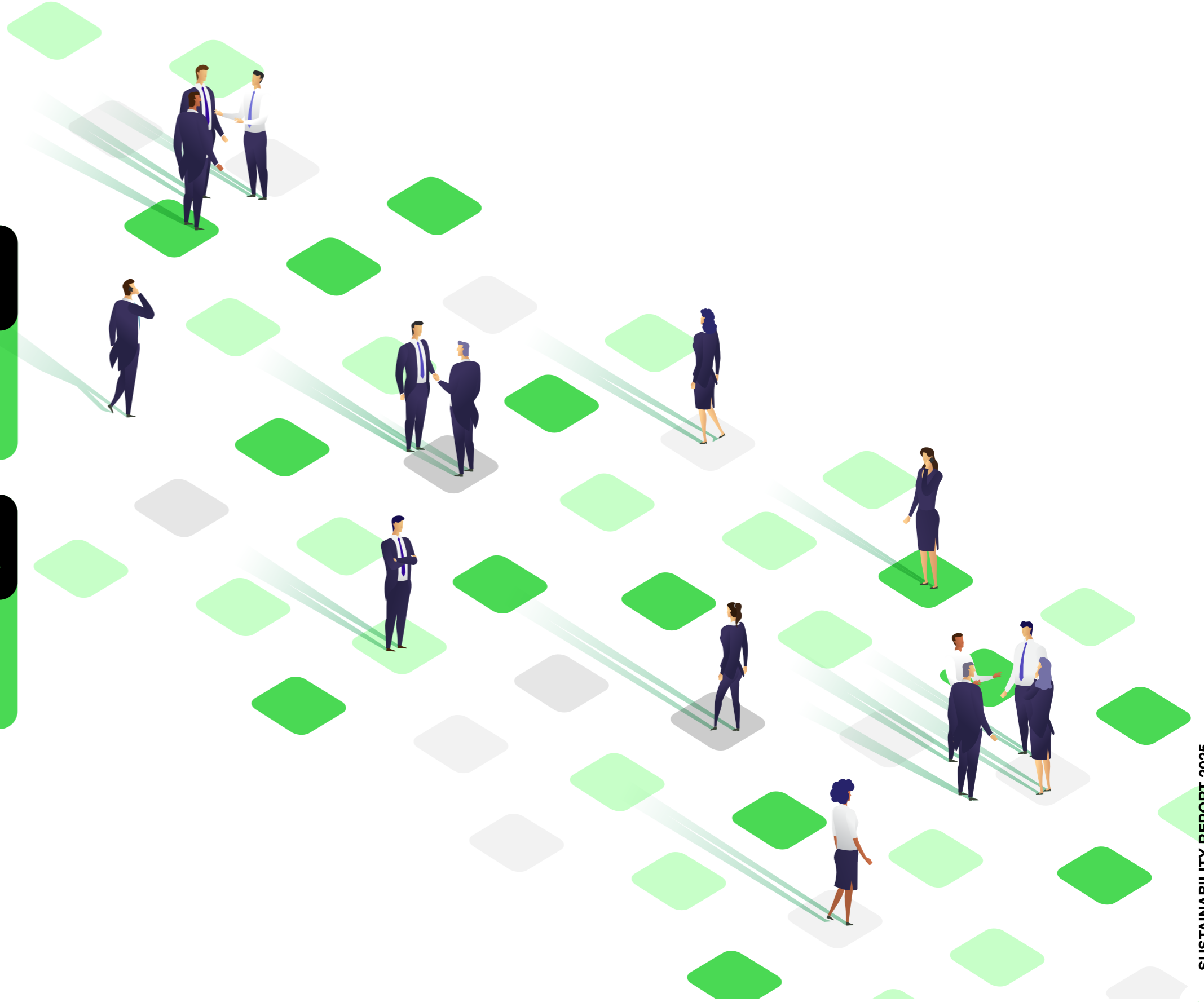
Prohibitions of the use of child labor, forced labor or any forms of slavery



The fostering of a collaborative workplace environment to create a purpose-driven culture, and the prohibition of discrimination or harassment of any kind



Usage of water resources sustainably

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.

Responsible Supply Chain Management

To support our operational and manufacturing requirements, we work with more than 1,500 suppliers across Asia, Europe, the United States, and the Middle East. To strengthen the resilience and sustainability of our supply chain, we conduct periodic assessments to identify potential risks and opportunities and to develop strategies that promote responsible supply chain management. Key supply chain initiatives applicable to the majority of our products are outlined below.

In recent years, we have enhanced our supplier evaluation process by incorporating relevant ESG criteria, including occupational health and safety (OHS) considerations and ISO certifications (such as ISO 14001), alongside compliance with existing conflict minerals regulations. These enhanced assessments apply to all new suppliers and provide K&S with greater assurance that we are partnering with suppliers who uphold our high environmental, social, and governance standards.

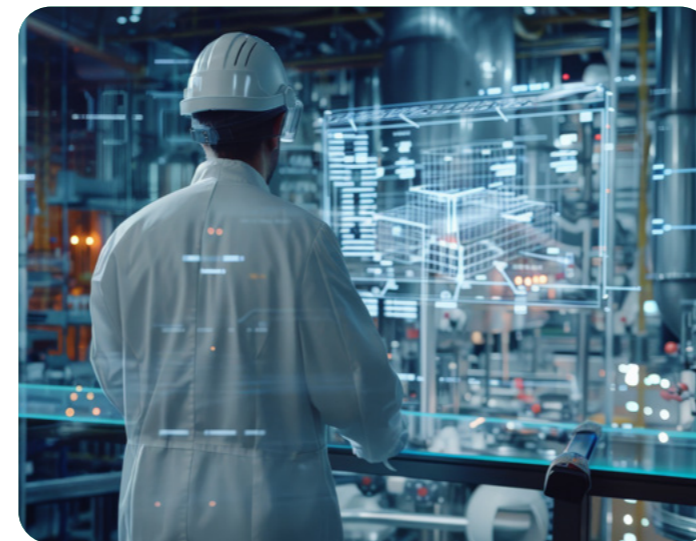


Sustainable Procurement of Raw Materials

Management and supplier compliance to RoHS, CM, REACH, TSCA and other applicable product compliance requirements

Due diligence procedures for responsible sourcing to maintain Responsible Business Alliance (RBA) Standards

Periodic reviews and corrective action management to promote accountability



Sustainable Design & Manufacturing of Products

Compliance with quality, environmental, health & safety ISO requirements

Design for low power consumption Programs to continually reduce energy and material usage, minimize waste, promote safe production, and limit the environmental impact until the end of its life cycle

Evaluation of product content by the Go-Green Committee to reduce and eliminate the use of hazardous materials

Tested for safety compliance and CE marked



Sustainable Packaging & Logistics

Energy optimization in operations Logistics material such as crates are reused during product distribution

Paperless online system for transactions and shipment

Reduction of packaging waste for in-house & supplier packaging material and use of green packaging materials



Sustainable Production & Sales

Sold products are in compliance to hazardous substances, safety and all applicable regulations and customer requirements

OHS trained Customer Service Engineers ensure compliance with customer safety requirements

Refurnishing of products to extend their life cycle

Supplier Business/Performance Reviews conducted with our key customers to measure customer satisfaction for continual improvement of products and services

Supplier Code of Conduct

K&S is committed to upholding human rights and advancing sustainable business practices throughout its entire operational ecosystem. Our approach extends beyond basic regulatory compliance by establishing robust standards that apply across all tiers of our supply chain.

We require all suppliers and contractors to formally acknowledge and comply with either our Direct Supplier Code of Business Conduct and Ethics or our Indirect Supplier Code, depending on the nature of their engagement with the Company. In addition, all suppliers must explicitly adhere to our comprehensive Human Rights Policy. Mandatory business conduct training is provided to suppliers, covering key topics such as human rights protection, prevention of child labor, and elimination of forced labor. This training supports suppliers in understanding and applying ethical standards across their own operations and supply chains.

Our Supplier Codes are carefully developed with reference to internationally recognized frameworks, including the Responsible Business Alliance standards, European Union regulations, and other applicable legal requirements. These Codes go beyond traditional contractual terms by addressing a broad range of areas, including labor and human rights, data protection, conflict minerals management, responsible sourcing of raw materials, waste management, and anti corruption practices.

Evaluation Assessments

K&S has established a comprehensive supplier evaluation program designed to support ongoing compliance and drive continuous improvement across our supply chain. This structured assessment comprises four core components, as illustrated in figure 5, and includes a newly introduced criterion that recognizes suppliers actively implementing decarbonization initiatives. To retain approved supplier status, a detailed follow up review is required prior to any contract renewal.

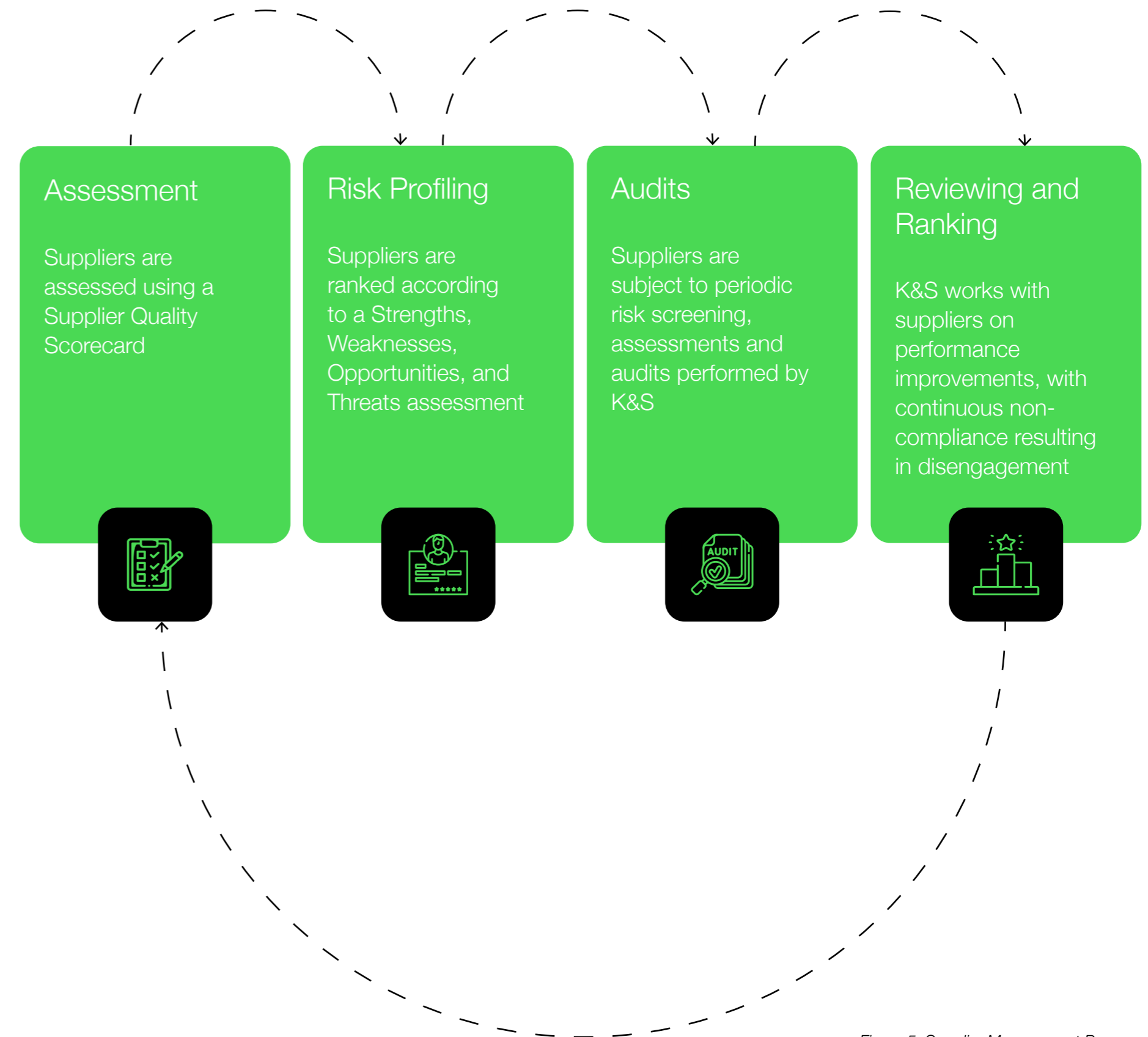


Figure 5. Supplier Management Process

Supplier Support

K&S promotes sustainability awareness across its supply chain through targeted investments in recurring training workshops and focused supplier engagements, conducted annually or as needed, to encourage environmentally and socially responsible practices. These efforts are intended to build stronger understanding, alignment, and long term commitment to sustainability across our supplier and partner network.

Reducing External Risk

Our procurement strategy supports supplier diversity by sourcing across local, regional, and global markets. In FY2023, we exceeded our goal of increasing spend with local and regional suppliers by 15%, and we have sustained comparable levels of local sourcing throughout FY2024 and FY2025. This approach not only contributes to local economic development but also supports our environmental objectives by prioritizing land and sea transportation over air freight, helping to reduce overall greenhouse gas emissions.

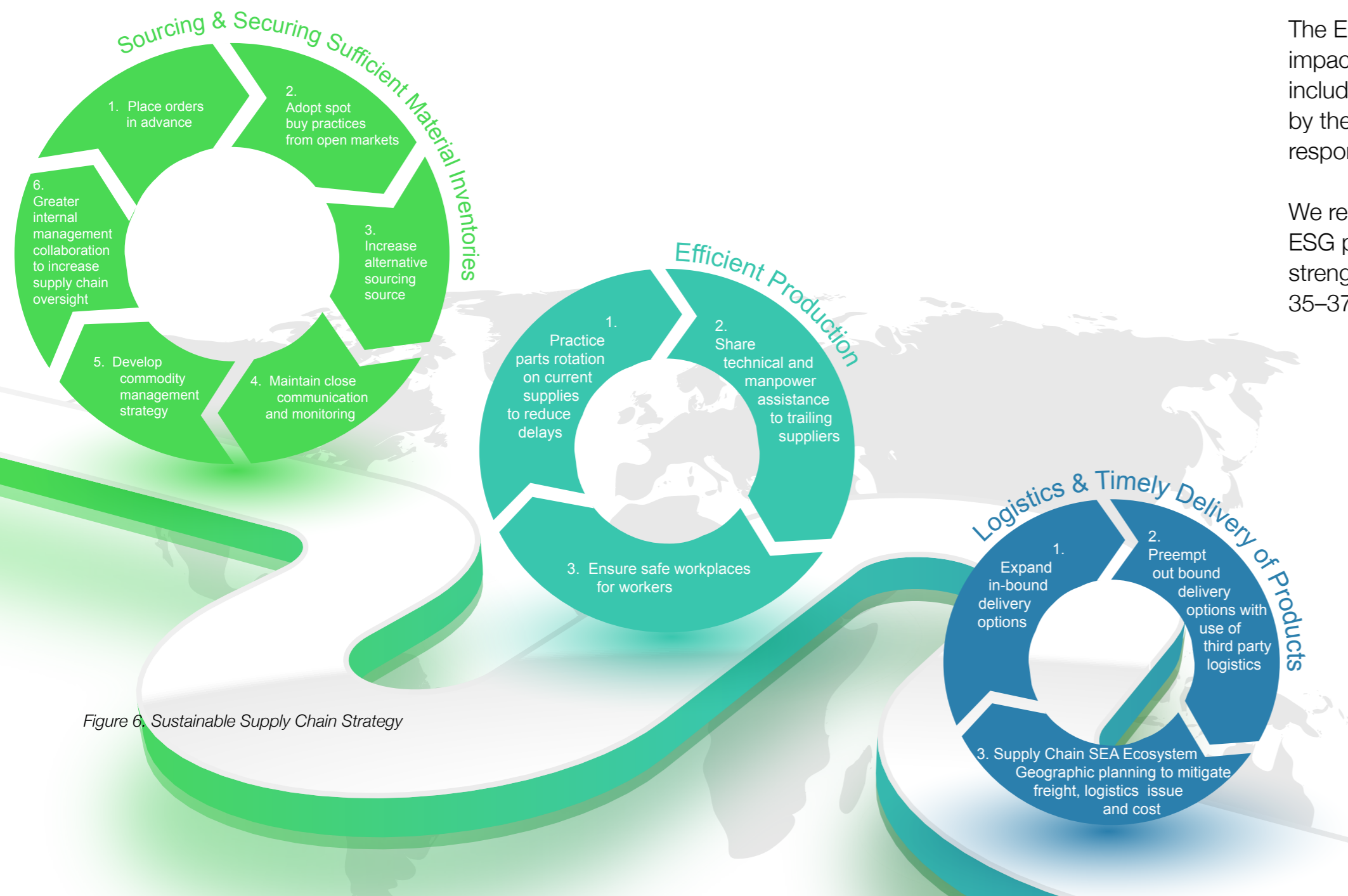


Figure 6. Sustainable Supply Chain Strategy

Business Resilience for Continuity

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

Enterprise Risk Management

Our Enterprise Risk Management (ERM) framework, supported by the Enterprise Risk Assessment (ERA), underpins our approach to risk identification and decision making. This framework enables K&S to systematically identify, evaluate, and manage potential risks and uncertainties affecting the business. Risk management is embedded within our operations and corporate culture, informing decision making across all areas of the organization, including governance, strategic planning, and objective setting.

The ERA generates a comprehensive risk map that categorizes risks based on their likelihood and potential impact. For each identified risk, targeted mitigation actions and timelines are established. This risk map, which includes climate-related risks, together with related mitigation action targets and progress updates, is reviewed by the Audit Committee/Board on a biannual basis, ensuring continued oversight and enabling the Company to respond effectively as risk profiles evolve.

We recognize that investors and shareholder advocacy groups are placing increased emphasis on companies' ESG performance and related disclosures. These considerations have been incorporated into our ERA and further strengthened through the completion of a comprehensive climate risk assessment during FY2025 (see pages 35–37 for additional details).

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 supports the achievement of consistent global objectives across our operations. IMS policies and objectives are regularly communicated internally, and their effectiveness is routinely evaluated. Our management of QEHS-related risks and opportunities is informed by periodic reviews conducted through the Enterprise Risk Assessment (ERA), Environmental Aspect Assessment (EA), and Hazard Risk Assessment (RA) processes. To ensure compliance with applicable laws, regulations, and other requirements, we have implemented robust governance and control procedures. This integrated approach enables K&S to uphold high standards of quality, environmental responsibility, and occupational health and safety across its global operations.



Figure 7. Annual Enterprise Risk Assessment Process

Fostering Sustainable and Responsible Business Culture and Conduct

While K&S is not a formal member of the Responsible Business Alliance (RBA), we have fully adopted and implemented the RBA Code of Conduct. This comprehensive code sets industry recognized standards across several critical areas, including:

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

By adhering to these standards, K&S promotes safe working conditions across its operations and supply chain, with a strong focus on employee wellbeing and the maintenance of environmentally responsible and ethical business practices. Compliance with these standards is evaluated through rigorous audits performed by independent, RBA approved third party organizations under the Validated Assessment Program (VAP), which is widely recognized as a leading framework for onsite compliance verification.

CASE STUDY

RBA Closure Audit Progress at K&S Suzhou

In August 2025, Kulicke and Soffa successfully completed an RBA Closure Audit for its Suzhou site, conducted by an independent RBA-approved third party under the RBA Protocol 8.0 (January 2024). This audit followed an Initial RBA Audit completed in 2024 and reflects K&S's ongoing commitment to responsible business practices and continuous improvement.

The Suzhou site demonstrated significant score improvements across all five RBA sections when compared to the 2024 baseline. Notably, the site achieved perfect scores in both the Environment and Ethics sections, highlighting strong environmental management practices and a well-embedded culture of ethical conduct.

All priority findings from the initial audit were fully closed, and the site continues to drive improvement on remaining findings through structured corrective action and management review processes. This outcome reinforces K&S's approach to aligning its global operations with internationally recognized standards for sustainability, governance, and employee well-being.

Business Continuity Management

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

Our business continuity framework is structured around the Plan-Do-Check-Act (PDCA) cycle and guided by ISO standards to efficiently identify and address both internal and external risks. This approach supports the development and execution of effective response and recovery strategies.

Building on business continuity plan (BCP) simulations conducted at the Fort Washington, Santa Ana, Suzhou, and Singapore sites during FY2023 and FY2024, K&S conducted an additional BCP simulation at the Suzhou site in FY2025. The exercise was designed to verify the effectiveness of the site's BCP under a simulated disaster scenario, including the adequacy of its disaster recovery site, war chest, call tree, and crisis communication protocols, while also testing the readiness of the site-level Crisis Management Team (CMT) through structured role-based exercises.

The FY2025 simulation at Suzhou was based on a cyberattack scenario in which ransomware infected multiple laptops and servers, requiring the shutdown of the network for approximately two days to conduct virus scanning and recovery activities. During the role-play, BCP Scenario 2 was activated to manage the crisis, assess impacts, ensure personnel safety, and restore critical business functions, including IT disaster recovery capabilities. These simulations not only enhance internal preparedness but also provide assurance to external stakeholders, including customers and insurers, regarding K&S's business continuity readiness.

For the Taiwan facility, K&S initiated the development of Threat Analysis (TA) assessments and Business Impact Analysis (BIA) during FY2025, alongside the preparation of draft BCP procedures. These elements will be consolidated into a comprehensive BCP document in FY2026.



Cyberattack simulation at the Suzhou site to strengthen resilience and business continuity in response to ransomware scenarios

BC Disaster Scenario



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**



Material Sourcing and Waste Management

Responsible material sourcing and effective waste management are fundamental to K&S's operational integrity and commitment to environmental stewardship. K&S recognizes the potential impact of substances of concern, including lead, PFAS, and phthalates, on air, water, and soil quality, as well as human health. Beyond regulatory compliance, responsible resource management supports the mitigation of supply chain risks, including potential reputational impacts arising from supplier non-compliance or the sourcing of conflict minerals. K&S continues to explore opportunities to enhance resilience and sustainability within its supply chain. This includes evaluating circular product design and the potential use of recycled materials to reduce reliance on virgin resources, manage supply volatility, and support long-term operational efficiency, while strengthening stakeholder confidence.

Sustainable Sourcing

To support responsible supply chain practices and minimize environmental and social impacts on the communities in which we operate, K&S integrates environmental and ethical considerations into its sourcing processes. This approach is designed to help manage environmental and social risks while meeting applicable regulatory and stakeholder expectations. Central to this effort is our Environmental Health and Safety (EHS) Policy, together with procurement processes and supplier engagement to support alignment with regulations, including, as applicable, requirements and expectations related to the European Union (EU) Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Restriction of Hazardous Substances (RoHS), the U.S. SEC Conflict Minerals Rule, and the Toxic Substances Control Act (TSCA). These efforts support the delivery of products through a supply chain designed to promote security, regulatory compliance, and environmentally responsible practices.

EU RoHS

OBJECTIVES AND IMPACTS

Restricts the use of hazardous substances, such as cadmium, lead, and mercury, in electrical and electronic equipment (EEE). This reduces the risk of toxic substances leaching into soil and entering food chains during improper e-waste disposal, thereby protecting ecosystems and human health.

K&S'S RESPONSES AND INITIATIVES FOR COMPLIANCE

Since 2018, our core platforms have been designed and managed with the objective of aligning with the requirements of the EU RoHS Directive 2011/65/EU and its subsequent amendments, with ongoing efforts to enhance alignment with applicable RoHS requirements. New platforms introduced from 2020 onward are designed to support compliance with these requirements, where applicable. Our Go-Green Committee oversees this process through structured monitoring, supplier data collection and review, and the use of a centralized database to track compliance declarations, applicable exemptions, and material status. These processes are intended to support RoHS compliance determinations and applicable regulatory requirements across our product portfolio.

REACH – SCIP Disclosure

OBJECTIVES AND IMPACTS

Requires companies to disclose Substances of Very High Concern (SVHCs) to the SCIP database under the Waste Framework Directive. This transparency promotes a circular economy and safeguards health by identifying risks throughout a product's lifecycle.

K&S'S RESPONSES AND INITIATIVES FOR COMPLIANCE

We monitor SVHC list updates and disclose relevant supply-chain information to the European Chemicals Agency (ECHA) SCIP database.

TSCA Rules and Enforcement

OBJECTIVES AND IMPACTS

A U.S. legislation regulating the manufacturing and use of chemical substances, specifically targeting persistent, bio-accumulative, and toxic (PBT) chemicals. The legislation, administered by the Environmental Protection Agency (EPA) aims to mitigate risks posed by chemicals, to human health and the environment.

K&S'S RESPONSES AND INITIATIVES FOR COMPLIANCE

K&S supports compliance with TSCA requirements, including restrictions on PBT substances, by leveraging the Go-Green Committee to engage suppliers through material declaration and verification processes. We focus on identifying and evaluating materials within our products and implementing appropriate substitution or control measures where restricted PBT substances are present.

K&S leverages specialized third-party software to support and streamline environmental data collection for key regulations, including RoHS, REACH, and TSCA. This platform enables ongoing monitoring of supplier compliance and helps maintain data alignment with evolving international standards.

Our commitment to sustainability extends across our supply chain through our Supplier Code of Business Conduct and Ethics, which sets expectations for responsible material use for both direct and indirect suppliers. In addition, our Conflict Mineral Sourcing Policy is overseen by a cross-functional global conflict minerals committee, providing structured governance of our procurement processes for 3TG (tin, tantalum, tungsten, and gold). This framework supports the identification and mitigation of human rights risks and promotes responsible sourcing practices across our operations.

Dodd-Frank Act

OBJECTIVES AND IMPACTS

Section 1502 of the Dodd-Frank Act addresses the ethical risks associated with conflict minerals, including 3TG. The trade of these minerals contribute to financing armed groups and human rights abuses in the Democratic Republic of Congo (DRC) and neighboring regions.

K&S'S RESPONSES AND INITIATIVES FOR COMPLIANCE

K&S conducts due diligence in line with the Dodd-Frank Act to assess the source and chain of custody of 3TG minerals. Through supplier engagement and data collection, we work to improve transparency and manage risks related to conflict-affected regions, including the DRC and neighboring countries.

To support ethical procurement and supply chain transparency, K&S maintains a four-stage Conflict Minerals (CM) due diligence framework aligned with the OECD Due Diligence Guidance.

01 Planning & Product Filtering

- CM Policy
- CM Committee
- CM Strategy & Goal
- Analyze 3TG in Products
- Identify Suppliers

02 RCOI* & Due Diligence

- Educate Suppliers
- Send CMRT* Request
- Analyze Response
- Plan and Mitigate “Red Flag” Identified

03 CM Data Assurance

- Update Database
- Monitor Progress
- IPSA* Audit (if Declared CM-free)
- Supplier Audits

04 Detailed Reporting

- CM Committee Progress Reviews
- Annual CMR* to SEC* and Customers
- Publish CM Status on K&S Website

K&S maintains accountability by disclosing our conflict minerals due diligence procedures through our [Conflict Minerals Report and Policy](#).

65% smelters

“Conformant” or “Active” Identified



*** Acronyms:**

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

Waste Management

K&S is committed to responsible resource stewardship as a core pillar of our sustainable operations. We recognize that effective waste management is vital to preserving finite natural resources and protecting global biodiversity and public health. By transitioning away from traditional disposal methods, such as landfilling and incineration without energy recovery, which pose significant risks of soil, water, and air contamination, we prioritize the circular management of used materials and by-products. This proactive approach is essential to mitigating adverse environmental and social impacts while ensuring long-term operational resilience.

K&S ensures responsible management of hazardous and non-hazardous waste in full compliance with local laws. We prioritize recycling and repurposing to minimize our waste footprint. Where recycling is not possible,

general waste is channeled to waste-to-energy incineration plants for energy recovery. This integrated approach ensures that only residual incineration ash is sent to landfills, significantly reducing our overall reliance on traditional disposal methods. To ensure material safety and regulatory compliance, the Suzhou site has conducted a screening of all internally purchased and vendor-consumed manufacturing materials and confirmed that no PFAS-containing substances are currently in use. We maintain an evaluation process for all new chemical introductions to prevent the inclusion of PFAS.

Minimizing Waste Discharge

Commitments

K&S strives to minimize environmental impact through resource efficiency. This includes active waste reduction, comprehensive recycling programs, and the responsible management of hazardous by-products.

Targets

- Reduce paper usage intensity by more than 3%
- Solid waste recycling rate of more than 60%

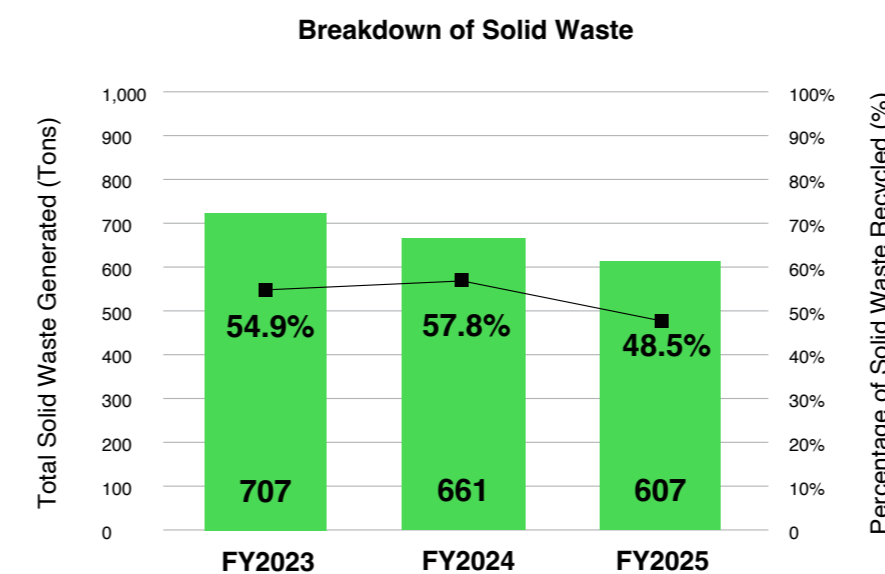
Progress against Targets

We successfully achieved a 1.6% reduction in paper usage intensity and a 48.5% solid waste recycling rate in FY2025.

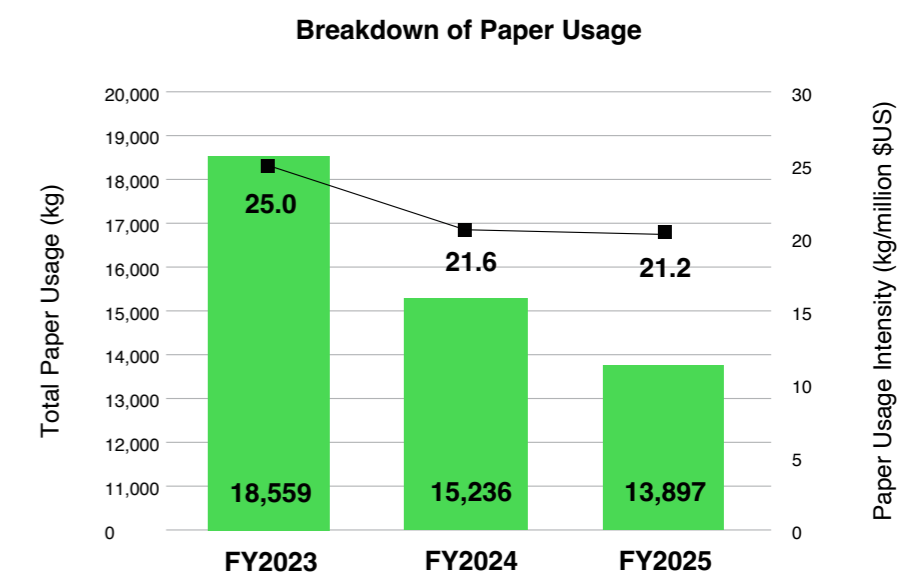
Initiatives

Operationalizing Best Practices: Our Suzhou facility has implemented standardized industrial waste segregation protocols, optimizing proper on-site separation and storage, thereby streamlining waste collection processes. There is a 3R (Reduce, Reuse, Recycle) Environmental Policy established to ensure that these protocols are adhered to.

Total Non-hazardous Waste Generated (Tons)	607
Non-hazardous Waste Diverted to Disposal (Tons)	313
Non-hazardous Waste Diverted from Disposal (Tons)	295



	FY2023	FY2024	FY2025
Total Solid Waste Generated (Tons)	707	661	607
Percentage of Solid Waste Recycled (%)	54.9	57.8	48.5



	FY2023	FY2024	FY2025
Total Paper Usage (kg)	18,559	15,236	13,897
Paper Usage Intensity (kg/million \$US)	25.0	21.6	21.2

Safe Disposal of Hazardous Waste

Managing hazardous waste is a critical priority due to its potential for long-term ecological damage and public health impacts. Infiltration of toxic substances into soils and water sources can disrupt biodiversity and jeopardize the natural resources relied upon by surrounding communities.

Consequently, our management strategies are focused on the Suzhou facility, which accounts for roughly 90% of the Group’s hazardous waste production, to ensure rigorous oversight and environmental protection.

Total Hazardous Waste Generated (Tons)	424
Hazardous Waste Directed to Disposal (Tons)	361
Hazardous Waste Diverted from Disposal (Tons)	62

	FY2023	FY2024	FY2025
Hazardous Waste Generated at Suzhou (Tons)	541	431	400
Hazardous Waste Generation Intensity at Suzhou (Tons/ million output)	29.9	35.8	31.7

Minimizing Waste Discharge

Commitments

K&S is committed to the rigorous stewardship of chemically contaminated liquid and solid byproducts. We ensure the integrity of our operations by strictly adhering to international disposal protocols and maintaining full compliance with local hazardous waste regulations.

Targets

Reduce hazardous waste generation intensity at Suzhou by > 2%

Progress against Targets

In FY2025, Suzhou's hazardous waste intensity reduced by 7.2% compared to FY2024.

Initiatives

- **Automated Effluent Treatment:** Our wastewater facilities utilize Programmable Logic Controllers (PLCs) to optimize the removal of nickel and other chemical contaminants, significantly reducing the volume of hazardous liquid discharge.
- **Acid Neutralization:** An on-site wastewater treatment plant (WWTP) neutralizes waste hydrochloric acid from cleaning processes. This initiative diverted approximately 4 tons of waste acid from disposal and generated operational cost savings.
- **Sludge Decontamination:** We employ advanced press filters to process waste emulsions into decontaminated sludge, ensuring safe, stable, and compliant final disposal.
- **Circular Resource Management:** Transitioned to a long-life metalworking coolant at rough grinding stations at the Suzhou site. This initiative extended the material lifecycle, reduced raw chemical consumption by 375 liters annually, and completely eliminated the need for supplemental defoaming chemicals.

CASE STUDY

Eliminating Hazardous Waste in Capillary Manufacturing

In FY2025, the Suzhou facility achieved a major milestone in waste reduction by re-engineering two critical stages of the capillary manufacturing process:

1. **Transition to DI Water Cleaning:** By replacing traditional chemical-based cleaning with a high-efficiency Deionized (DI) water process, the facility has completely eliminated the use of alkaline cleaning chemicals. This shift has removed 5 tons of hazardous alkaline waste liquid annually and significantly reduced associated waste gas emissions. Beyond the environmental impact, this transition generated over ¥800,000 in annual savings through reduced chemical costs, lower disposal fees, and improved product yields.
2. **Surfacing Treatment Upgrade:** The facility also upgraded its capillary surfacing process, replacing Isopropyl Alcohol (IPA) and Dimethyldichlorosilane solvents with more sustainable alternatives.

This initiative successfully reduced annual IPA consumption by 23 tons and decreased hazardous waste liquid generation by approximately 20 tons. Volatile Organic Compound (VOC) emissions were also significantly lowered, thereby enhancing the air quality and safety for our employees on-site.

Climate Change and Energy Use

Sustainability is a cornerstone of K&S's business strategy, and we are committed to leveraging the semiconductor industry's potential to drive global decarbonization. Guided by our Corporate Responsibility Policy, we aim to minimize our environmental footprint across Scopes 1, 2, and 3, water and waste, addressing the impacts of our direct energy use and cleanroom operations at high-output sites like Suzhou to the lifecycle impact of our sold products. By optimizing resource use, investing in AI-driven efficiencies, and transitioning to renewable energy through on-site solar generation and Power Purchase Agreements (PPAs), we translate environmental stewardship into increased operational efficiency, cost savings, and meaningful contributions to global climate mitigation.

Despite these efforts, climate change presents substantial risks that mandate a concentrated focus on business resilience. We face acute physical hazards like typhoons, heavy rains and floods, alongside chronic risks such as rising ambient temperatures that can impair equipment performance and worker health. Our proactive approach to climate resilience involves site-specific protections. For example, our Suzhou facility addresses heavy rainfall risks through the installation of flood barriers on all exterior doors and the provision of specialized drainage and emergency gear for staff. To further safeguard infrastructure, we have deployed automated sensors and wireless alarms in cable trenches to provide early warning of rising water levels. Transition risks, including emerging carbon pricing schemes like the European Union Emissions Trading System (EU ETS) and Carbon Border Adjustment Mechanism (CBAM), as well as geopolitical shifts in the green transition, further influence our operational costs and market access. However, these challenges catalyze innovation, whereby the rising demand for semiconductors in low-carbon technologies like Electric Vehicles (EVs) and LEDs offers K&S a significant opportunity. By prioritizing R&D for low-carbon products and sustainable financial mechanisms, we aim to secure our market strength and maintain investor confidence in a rapidly evolving global economy.

Climate-related Disclosures

In FY2025, K&S advanced its climate strategy by deepening its understanding of climate-related risks and opportunities across global operations. As a leading provider of semiconductor and electronics assembly solutions, K&S recognizes that climate change presents material implications for its manufacturing footprint, supply chain, and customer industries.

During the year, the Company accelerated climate resilience efforts through a comprehensive scenario analysis and made significant progress toward near-term emissions reduction targets aligned with a 1.5°C pathway. K&S's climate-related disclosures are aligned with the 11 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Governance

K&S's Approach

K&S has an established sustainability governance structure in place to ensure climate-related risks and opportunities are deeply integrated into our corporate strategy. The Board of Directors, through the Nominating and Governance Committee, provides biannual oversight of climate-related matters. This is supported by the Executive Leadership Team, led by the CEO, which provides quarterly oversight of ESG progress and specific climate initiatives.

Operationally, day-to-day climate activities are managed by a cross-functional ESG Council comprising leaders from across the organization, including Operations, Supply Chain, Finance, and Legal. This structured oversight ensures that climate considerations are embedded into our business planning, operational decisions, and long-term resilience.

For more details about our sustainability governance structure, please refer to the Sustainability Governance section on page 12.

Strategy

K&S's Approach

K&S recognizes that climate change poses both physical and transition risks to its global operations and value chain, including exposure to extreme weather, rising costs, evolving regulations, and shifting customer expectations. Climate action is a cornerstone of the Company's strategy, supported by its Corporate Responsibility Policy and initiatives to reduce environmental impact across energy, emissions, water, and waste.

In FY2025, K&S conducted a climate scenario analysis to test business resilience under high-carbon and low-carbon futures. The analysis assessed potential impacts from temperature-related hazards, extreme weather, carbon pricing, logistics costs, stakeholder expectations, and technology transitions. It also identified opportunities such as growing demand for low-carbon technologies and energy-efficient products, informing strategic planning and risk mitigation.

To view the methodology and outcomes of our climate scenario analysis, please refer to the Climate Scenario Analysis section on pages 35-37.

Risk Management

K&S's Approach

Through our Enterprise Risk Assessment (ERA), K&S systematically identifies and evaluates ESG and climate-related risks. This process embeds risk management into our operations and corporate culture, ensuring continuous monitoring and mitigation of potential uncertainties. The ERA generates a comprehensive risk map that categorizes risks by impact and likelihood. For each risk, we define targeted mitigation strategies and measurable objectives. The Board reviews this risk map, along with progress updates twice a year, providing ongoing oversight and enabling K&S to adapt as risks evolve.

K&S's ESG council provides oversight of the Company's climate-related risk management activities. The Council brings together senior leaders from Environmental Health and Safety, Operations, Capital Equipment, Supply Chain, Quality, Human Resources, Investor Relations, Marketing Communications, Corporate Strategy, Finance, and Legal. Each function regularly reports on climate-related risks, mitigation actions, and planned initiatives through defined Council workstreams.

The ESG Council provides quarterly climate-related updates to the Executive Leadership Team (ELT). In parallel, the Nominating and Governance Committee (NGC) of the K&S Board of Directors receives biannual summary reports. The NGC maintains overarching oversight of climate-related matters, guiding the development and strengthening of K&S's climate strategy, risk management framework, and performance monitoring processes.

This governance structure ensures the Board has visibility into climate-related exposures, the Company's resilience measures, and the broader implications for stakeholders and the environment.

Metrics & Targets

K&S's Approach

To effectively manage these climate-related impacts, risks and opportunities, K&S had formalized an ambitious decarbonization target and roadmap in FY2024. Aligned with the 1.5°C pathway, we are committed to reducing our absolute Market-based Scope 1 and 2 GHG emissions by 42% by 2030 from a 2023 baseline. This target serves as the foundation of our climate response, ensuring accountability as we prioritize operational energy efficiency and explore renewable energy solutions to meet our 2030 goals and contribute towards global sustainability agendas. Alongside our carbon emissions reduction target, we also commit to a 2% annual reduction of non-renewable energy usage intensity. K&S measures and tracks its performance against its climate-related targets on an annual basis. K&S is continuously improving the quality and comprehensiveness of our Scope 3 inventory, to enhance visibility into our value chain emissions and strengthen our decarbonization strategy.

Our climate approach prioritizes the reduction of absolute emissions by maximizing energy efficiency and conservation before exploring renewable energy certificates. This commitment is reflected in site-specific initiatives across our global footprint, such renewable energy adoption, enhancing operational efficiencies, and ensuring that our performance remains aligned with our environmental targets.

For more information on our commitments, progress against targets and strategies, please refer to pages 38-39.

Climate Scenario Analysis

In FY2025, K&S conducted a climate scenario analysis to evaluate the resilience of its business against both physical and transition climate risks. This exercise tested the robustness of K&S’s strategy under contrasting future pathways and identified how different climate pathways, such as a transition to a low-carbon economy or continued high emissions, could impact operations, supply chains, and financial performance. Potential opportunities that may emerge from the climate transition were also identified as part of the analysis.

The analysis covered K&S’s global operations, which includes manufacturing and R&D sites, K&S offices, and a K&S warehouse, across North America, Europe, and Asia. As part of this process, K&S assessed risks and opportunities across its value chain, beginning with the identification of physical hazards and transition risks with potential financial impacts on the supply chain.

Initial Identification and Selection of Relevant Risks and Opportunities

The initial identification and selection of relevant physical climate-related risks and opportunities began by mapping the operational context of our global manufacturing and R&D facilities, followed by a rigorous screening against the 28 physical climate hazards defined by the EU Taxonomy. This process resulted in the identification of 17 relevant hazards, including acute events like extreme weather and chronic shifts such as water stress, that may impact our direct operations and upstream supply chain. By leveraging IPCC climate data and scenario analysis, this foundational assessment ensures our risk management efforts are focused on the most critical climate drivers affecting our business.

In parallel, we performed a transition risk assessment to identify an initial list of relevant transition risks and opportunities, caused by the global shift toward a low-carbon economy. This involved mapping our full value chain and conducting peer benchmarking to analyze a long list of over 30 potential transition-related risks and opportunities. From this exercise, we prioritized eight core drivers most relevant to K&S, including carbon pricing mechanisms, regulatory mandates, and the technological transition to lower-emission equipment. By analyzing these factors across multiple time horizons and emission scenarios, we are better positioned to navigate evolving market demands and stakeholder expectations while capturing opportunities for energy innovation and increased demand for sustainable semiconductor solutions.

Detailed Assessment of Risks and Opportunities using Climate Scenarios

After the initial identification, two contrasting scenarios were used to further assess these physical and transition risks, in line with TCFD. The high-carbon scenario represents a world whereby global average temperature rise exceeds 2°C, reflecting limited policy action and heightened exposure to physical hazards, whereby the low-carbon scenario represents a world whereby global average temperature rise remains below 2°C, aligned with accelerated decarbonization and regulatory shifts.

Material Topic	Scenario Provider	Scenarios	Time Horizons
Physical	Intergovernmental panel on climate change (IPCC)'s Sixth Assessment Report (AR6)	<ul style="list-style-type: none"> High carbon scenario: SSP5-8.5 (+4.4°C global average temperatures) Low carbon scenario: SSP1-2.6 (+1.8°C global average temperatures) 	<ul style="list-style-type: none"> Baseline: 2000s (1985 – 2014) Short- to medium-term: 2030s (2015 –2044) Long-term: 2050s (2035 – 2064)
Transition	Network for Greening the Financial System (NGFS) (Phase V)	<ul style="list-style-type: none"> High carbon scenario: Current Policies (+3°C global average temperatures) Low carbon scenario: Net-zero by 2050 (+1.5°C global average temperatures) 	<ul style="list-style-type: none"> Baseline: 2025 (current financial reporting year) Short-term: 2030 Medium-term: 2040 Long-term: 2050

Table 3. Summary of the scenario providers, scenario assumptions, and time horizons used in this qualitative scenario analysis

The results of our analysis are summarized in the tables on the following pages.

Risk	Scenario Provider	Scenarios	Time Horizons
Heat / Cold Stress	Most K&S sites face moderate to high heat stress, with minimal warm spells, especially in Asia. Cold spells present a moderate risk to majority of assets.	Increasing extreme heat-related risks projected by 2030 under all scenarios. Cold-related risks begin to decline across all scenarios.	Temperature-related hazards continue to intensify. Most assets are at high risk. Extreme cold continues to show a decreasing trend across both scenarios.
Water Stress / Rainfall	Water stress affects selected sites (e.g., Haifa and Suzhou). Extreme rainfall is a moderate to very high risk for selected sites (Taipei, Hsinchu).	Water stress and heavy rainfall risks persist in 2030 and 2050, with some sites showing increasing flooding risks. Trend analysis indicates sea level rise projected to increase across both horizons and scenarios.	
Cyclones / High Wind	Offices and manufacturing sites in East and Southeast Asia are frequently exposed to tropical cyclones and high wind speeds.	No future projection available for cyclone frequency and high wind risk, but trends analysis indicates that storm-related activities are expected to increase in future time horizons.	
Landslide / Subsidence	Landslide risk minimal for most sites; localized low to moderate risk for assets in Tokyo. Land subsidence present for assets in East and Southeast Asia.	No changes in risk levels across both time horizons and scenarios. Risk remains minimal for majority of assets except for assets in Seoul, Tokyo and Hong Kong (Kowloon), where risk is projected to remain low to moderate. Land subsidence is expected to continue over future time horizons and climate scenarios.	

Table 4. Overview of Physical Scenario Analysis

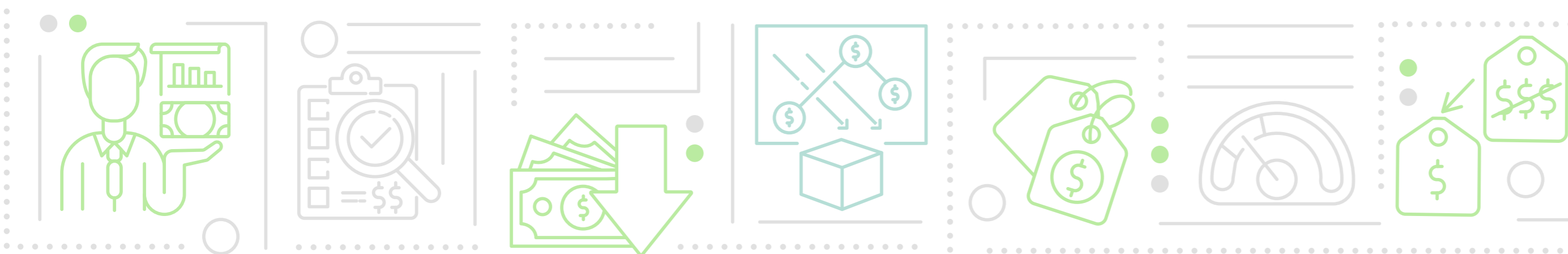


Risk / Opportunity Item	Baseline	High carbon scenario			Low carbon scenario			Potential financial impact
		2030	2040	2050	2030	2040	2050	
R 1 Carbon pricing mechanisms								Margin and cost pressure from carbon pricing and supplier pass-through
R 2 Mandates on existing products and services								Higher compliance and reporting costs from ESG disclosure requirements
R 3 Increasing cost of raw materials								Cost volatility and margin risk from raw material inflation and supply chain constraints
R 4 Rising logistics costs								Rising fuel costs drive transportation and logistics expense volatility
R 5 Transitioning to lower emissions technology								Capital and R&D investment to enable low-carbon technology transition
R 6 Growing stakeholders' concern on company's climate performance								Increased sustainability and compliance investment to maintain market access and stakeholder trust
O 1 Use of lower-emission sources of energy								Lower energy and carbon compliance costs through renewable adoption
O 2 Increased demand for existing products and services								Revenue growth and operational scaling driven by electrification and renewable energy markets

Our climate scenario analysis highlights several key transition risks and opportunities that are central to our long-term strategic planning. On the risk side, we anticipate potential increases in operational expenditure driven by fluctuations in raw material costs and rising logistics expenses as the transport sector shifts toward lower-carbon fuels and technologies. Additionally, achieving deep decarbonization across our operations and value chain will require targeted capital and R&D investments to transition toward lower-emission equipment and manufacturing processes. Conversely, these shifts present a significant strategic opportunity. In a low-carbon scenario, we expect to see a substantial increase in demand for our assembly solutions as we support the rapid growth of low-carbon industries. By aligning our product roadmap with these evolving market needs, K&S is well-positioned to turn climate-driven transition challenges into a catalyst for long-term business growth.

SCORING	Risk	Insignificant	Minor	Moderate	Significant	Severe
	Opp	Insignificant	Minor	Moderate	Significant	Extensive

Table 5. Overview Of Transition Scenario Analysis



Reducing Energy Use

Commitments

K&S prioritizes sustainable resource stewardship by institutionalizing energy efficiency across our global manufacturing and operational footprint. We are dedicated to optimizing performance across all processes, regardless of the energy source, to drive long-term decarbonization.

Targets

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

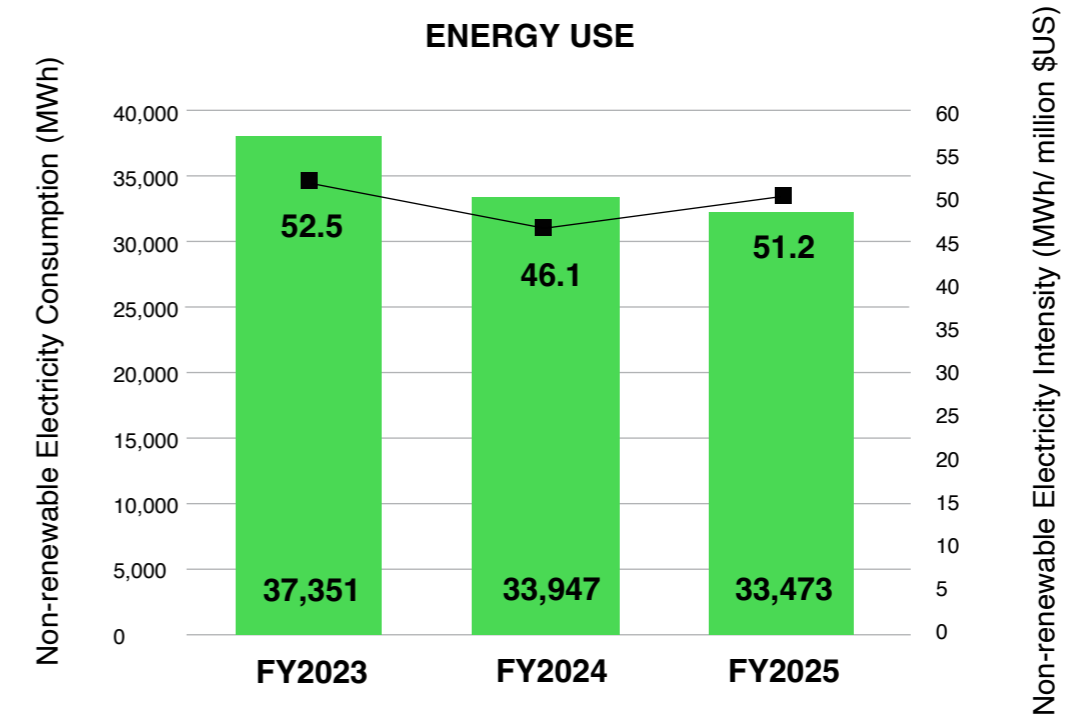
Progress against Targets

Non-renewable purchased energy usage intensity had increased by 11% in FY2025 as compared to FY2024.

Initiatives

- **High-Efficiency Transformer Upgrade:** Replaced a legacy transformer with a new 2000KVA high-efficiency unit at the Suzhou facility, resulting in estimated annual energy savings of 15,400 kWh and estimated energy cost savings of ¥12,300.
- **Renewable Energy Transition:** The Suzhou site utilizes on-site solar installations to reduce reliance on the local grid. Within the facility, factory road lighting was upgraded with solar LED streetlamps and light-control switches. Additionally, 16 sensor-activated units were installed in uninhabited staff areas and 643 indoor office fixtures were replaced with LEDs, significantly reducing power consumption while improving workspace illuminance.
- **Operational Efficiency:** We have implemented LED lighting and motion sensor technology across our sites to reduce electricity consumption.
- **Continuous Monitoring:** Energy consumption is tracked in real-time, allowing us to evaluate the impact of our initiatives and ensure alignment with our performance targets. Online temperature and humidity meters were installed across production workshops to enable real-time adjustments, ensuring optimal equipment performance and energy-efficient climate control.

	FY2023	FY2024	FY2025
Non-renewable Electricity Consumption (MWh)	37,351	33,947	33,473
Non-renewable Electricity Intensity (MWh/ million \$US)	52.5	46.1	51.2



Reducing Emissions

Commitments

We are committed to reducing our carbon footprint through rigorous operational oversight and strategic collaboration with our supply chain partners.

Targets

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

Progress against Targets

Achieved 12.3% reduction of Scope 1 and Scope 2 Market-based GHG emissions in FY2025 from FY2023 baseline.

Initiatives

- **Equipment Upgrade:** Transitioning to high-efficiency permanent magnet synchronous motors at the Suzhou facility to reduce annual GHG emissions by approximately 9.7 tons of CO₂ annually.
- **Data Quality and Integrity:** Refining Scope 3 reporting to ensure a more comprehensive and accurate emissions inventory.
- **Sustainable Transport:** Promotion of carpooling initiatives at the Santa Ana site.

	FY2023	FY2024	FY2025
Scope 1 GHG Emissions (tons of CO ₂ e)	433	688	346
Scope 1 GHG Emissions Intensity (tons of CO ₂ e/ million \$US)	0.6	1.0	0.5

	FY2023	FY2024	FY2025
Scope 2 GHG Location-based Emissions (tons of CO ₂ e)	16,304	14,181	14,334
Scope 2 GHG Market-based Emissions (tons of CO ₂ e)	16,304	14,181	14,334
Scope 2 GHG Market-based Emissions Intensity (tons of CO ₂ e/ million \$US)	22.0	20.1	21.9

	FY2023	FY2024	FY2025
Total Scope 1 and Scope 2 Market-based GHG Emissions (tons of CO ₂ e)	16,737	14,869	14,680

GHG Emissions & CDP Disclosure Highlights

As part of our commitment to global environmental transparency, K&S continues to participate in the Carbon Disclosure Project (CDP) annual reporting cycle. In 2025, we submitted comprehensive disclosures to the leading environmental platform, which scores companies based on their management of climate and water risks. K&S is pleased to report that we attained a score of 'B' on the CDP Climate Change Questionnaire. The scoring provides an essential benchmark for our progress, allowing us to drive accountability and continue to identify areas for improvement as we work to enhance our climate resilience.

Water Management

Water is a critical resource for semiconductor manufacturing, yet global scarcity remains a significant challenge, particularly in the high-water-stress regions where K&S operates, such as Haifa, Santa Ana, and Suzhou. We acknowledge the negative impact that excessive water withdrawal can have on local ecosystems and vulnerable communities, potentially further degrading water stress levels in areas like Suzhou.

To mitigate these risks, K&S is committed to transitioning from basic conservation to advanced water stewardship. K&S utilizes municipal water for its operations, which necessitates oversight of the subsequent wastewater discharge to ensure it meets all environmental standards and avoids the risk of permit breaches or financial penalties. Consequently, we see significant opportunities to enhance our environmental performance by expanding our current water-saving initiatives, such as reducing rinse water requirements in production, across our operations. By leveraging technological advancements and improved wastewater treatment throughout the company, we aim to drive water efficiency, contributing to the long-term sustainability of the regions in which we operate.

To mitigate risks associated with regional water scarcity, our Suzhou facility employs a comprehensive water stewardship strategy focused on pollution prevention and infrastructure integrity. We safeguard local water resources through rigorous wastewater treatment, supported by continuous online pollutant measurements and monthly third-party testing, as well as annual professional inspections and maintenance of underground pipelines to prevent leaks and groundwater contamination. These efforts are bolstered by advanced emergency readiness systems, including automatic shutoff valves and containment reservoirs, ensuring that we protect the local watershed's availability and maintain operational resilience in a high-water-stress environment.

In FY2025, K&S Singapore attained ISO 14064-1 certification, a globally accepted standard that validates the quality and completeness of our greenhouse-gas accounting. This achievement demonstrates our commitment to rigorous environmental data management and enhances the reliability of our sustainability reporting. It also provides a strong foundation for ongoing emissions-reduction initiatives and long-term climate-action planning.

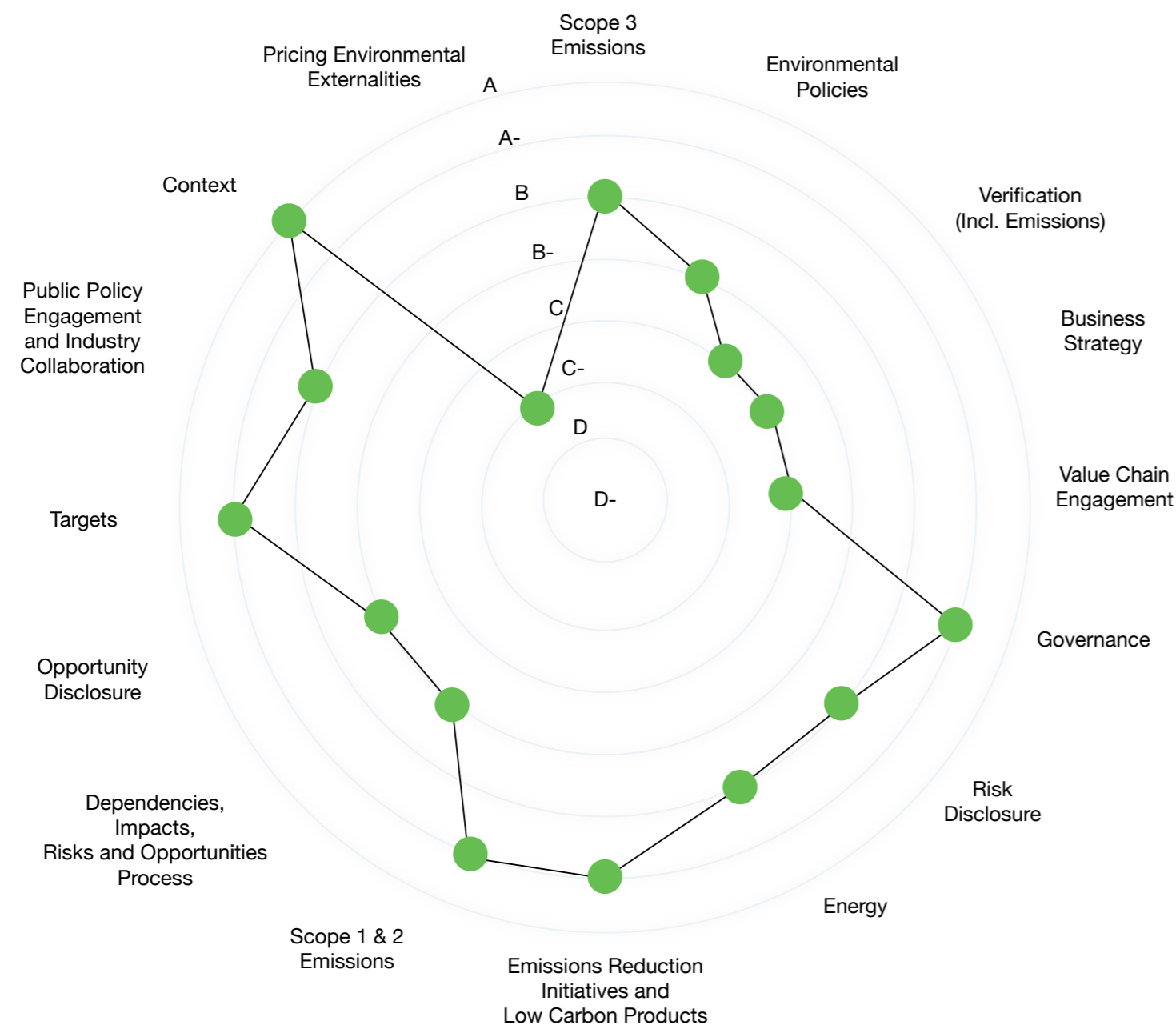


Figure 8. FY2025 CDP Climate Change Score

Water Conservation

Commitments

K&S is committed to responsible water stewardship, recognizing the impact of our consumption and discharge on local ecosystems. We prioritize high-efficiency water management at our Suzhou facility, which represents 80% of the company's total water usage.

Targets

- Reduce water consumption intensity at Suzhou by > 5%

Progress against Targets

Achieved 4.2% reduction of water consumption intensity at Suzhou in FY2025, compared to FY2024.

Initiatives

- **Wastewater Recycling:** Our wastewater treatment plant utilizes Reverse Osmosis (RO) to recycle 20 tons of water daily for non-potable uses, including washroom facilities, fire tanks, and other applications.
- **Nickel Mitigation & Steam Recovery:** We employ an evaporation process to eliminate nickel from wastewater, preventing its discharge into the environment. The resulting condensed steam is repurposed as a high-value resource within our manufacturing operations.
- **Compliant Byproduct Management:** Concentrated water, a byproduct of wastewater treatment, is strictly managed and disposed of as hazardous waste in full compliance with EPA regulations.

	FY2023	FY2024	FY2025
Total Water Consumption (Tons)	61,364	74,113	69,687
Total Water Consumption at Suzhou (Tons)	44,317	55,857	56,023
Water Consumption Intensity at Suzhou (Tons/ million output)	2,702	4,642	4,446

05

Delivering Value to Customers



Product and Service Innovation

At K&S, innovation is the primary engine for both semiconductor efficiency and environmental stewardship. We recognize that failing to innovate leads to the risk of business disruption. To mitigate this, we continuously strive for form-factor reductions and performance optimization, minimizing the resource intensity of our products. We foster higher levels of innovation through strategic partnerships with suppliers, academia, and industry bodies, driving technological advancements across the sector.

Our focus extends to minimizing the environmental and social costs of new developments, specifically by reducing energy intensity per device, to meet emerging customer demands for sustainable solutions. By providing a diverse range of equipment, consumables, and tailored Aftermarket Product and Services (APS), we build deep client relationships and maintain our status as a well-respected market leader. Furthermore, we see a significant opportunity to leverage AI and digitalization to enhance customer engagement and satisfaction. These efforts directly support the global transition toward electric vehicles and green industries, which increasingly drive our corporate development and revenue growth.

While the rapid advancement of product and service innovation offers significant opportunities for efficiency and market leadership, K&S recognizes the associated financial risks, particularly the increased capital expenditure required for AI systems. To mitigate these risks, we have established a robust governance framework led by our AI Transformation Council. This body provides strategic oversight of all AI-related policies, infrastructure, and investments. By utilizing standardized workflows, the Council ensures that every project is rigorously evaluated for its alignment with our corporate strategy and its potential Return on Investment (ROI). This disciplined approach allows K&S to capture the reputational and operational gains of technological innovation while maintaining long-term financial stability.

Smart Manufacturing

Established in 2024, the Smart Manufacturing Solutions division represents a key pillar of K&S's commitment to sustainable innovation. By integrating AI-driven data analytics, factory automation, and expert consulting, this division enables customers to harmonize high-tech assembly with environmental stewardship. Our suite of solutions is designed to drive industry-wide sustainability by:

Optimized Resource Utilization



Our AI and data analytics platforms ensure precise resource allocation, significantly reducing waste and extending the lifespan of materials and equipment.

Energy Efficiency



We utilize smart factory and fleet automation to optimize power consumption and lower the carbon footprint of semiconductor operations.

Quality Enhancement



Advanced AI analytics improve manufacturing precision, resulting in higher product quality and reduced material scrap from defects.

Increased Productivity



By maximizing throughput and equipment uptime, we enable customers to increase output while lowering the environmental impact per unit.

Sustainable Supply Chain



Our consulting expertise drives the adoption of eco-friendly and sustainable practices across the entire global supply chain.

Longevity and Circular Economy



We support a circular manufacturing model by maximizing the return on investment and operational life of capital equipment.

Training & Capacity Building

To drive operational excellence, we invest in a continuous learning ecosystem that sharpens our expertise in smart manufacturing. Our training programs empower employees to innovate and share ideas, fostering a collaborative environment where shared knowledge translates into technological advancement. This commitment to skill development ensures our team is equipped to lead in a rapidly evolving digital landscape.

CASE STUDY

Scaling Innovation: Second Annual Internal Smart Manufacturing Conference

Building on the success of our inaugural event, K&S hosted its second annual Internal Smart Manufacturing Conference in October 2025. This recurring forum remains a cornerstone of our strategy to accelerate the adoption of AI, machine learning, and Industry 4.0 technologies across the organization.

The 2025 edition continued to foster cross-functional collaboration, providing a global platform for various business units to showcase innovative applications and real-world implementations. By facilitating high-level knowledge sharing among a growing base of participants, K&S is successfully bridging the gap between technological potential and operational excellence. Feedback from the 2025 session reinforces the conference's value in increasing visibility for smart technologies and driving the collective expertise necessary to maintain our competitive edge in a digital-first landscape.

This culture of learning fosters an environment where employee collaboration and expert insight directly accelerate our journey toward manufacturing excellence. This expertise is further reflected in our external partnerships, where we work closely with customers to develop tailored, efficient solutions. Our product development is guided by the following four-stage Knowledge Driven Product Development (KDPD) framework:

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 such as Technical Bulletin and regular communication locally, to raise customer awareness.



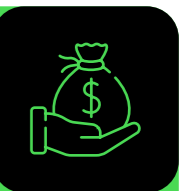
Underpinning these efforts is our ongoing commitment to invest in research, development and smart technologies. This ensures that our people and processes continue to drive the innovations and manufacturing efficiencies necessary for a sustainable future.

Invested



~US\$150 MILLION
in R&D

Invested



~US\$20 MILLION
on LED, EV, power modules platform
development

CASE STUDY

Driving Sustainable Value Through AI-Enabled Smart Manufacturing

The semiconductor industry faces a significant hurdle in digital transformation. A SEMI study affirms that 78% of industry players lack an end-to-end digital strategy, 55% lack the critical data science infrastructure required to leverage AI, and 40% are constrained by budgets and low ROI.

For K&S, innovation means more than just improving machine speed. It means bridging this data gap to deliver measurable sustainability and efficiency for both internal operations and global customers. In 2024, K&S accelerated its innovation journey by establishing the Smart Manufacturing Solutions division. This strategic move shifted the focus toward a “Data Science Foundation + Insight + Action” model. By automating data pipelines and deploying AI inference models, K&S has transitioned from a machinery supplier to a provider of intelligent, scalable ecosystems that optimizes performance and efficiency.

K&S’s innovation strategy delivers value across two distinct fronts:

1. Internal Operational Excellence: At our Singapore site and beyond, we utilize AI-based vision systems and Digital Twins to optimize factory layouts. By integrating Autonomous Mobile Robots (AMRs) and predictive analytics, we have seen significant gains:
 - 20% improvement in Overall Equipment Effectiveness (OEE).
 - 22% reduction in overhead costs.
 - Optimized resource utilization that minimizes waste and extends equipment lifespan.
2. Customer-Centric Solutions: We embed sustainability directly into our product DNA through the KNeXt™ Platform and APTURA™ Systems. AI Agents: Virtual assistants like FabAssist.ai™ and ToolAssist.ai™ use machine learning to automate troubleshooting and maintenance. This improves the Mean-Time-Between-Failures (MTBF), directly reducing the energy and resource consumption associated with unplanned downtime and rework.

As K&S advances into our AI Transformation journey, our vision is to establish AI as the core enabler of efficiency, innovation, and customer value. This transformation is aligned with the global transition to Net Zero and the Paris Agreement. By making energy efficiency a design priority, we are delivering solutions that are 20–30% more efficient, helping our customers achieve high performance with a lower environmental impact.

Our commitment extends to the entire product lifecycle. Through product decarbonization workshops and Life Cycle Analysis (LCA), we are establishing robust carbon footprint baselines for our equipment. To ensure transparency, we adhere to the ISO 14064-1 framework for responsible disclosure. By reporting our Scope 1 and 2 reduction targets through CDP and investing in on-site solar projects and renewable energy procurement, K&S is contributing towards a resilient and accountable future for the semiconductor industry.



CASE STUDY

Advancing Circularity with the Innovative Pin Welder

In FY2025, K&S's Wedge Bonding team completed a two-year R&D journey to develop a new Pin Welder machine. This machine uses a proprietary Sonotrode to ultrasonically weld Copper pins to substrates. The sonotrode features an optimized design that significantly reduces the energy required during operation. By engineering a more efficient component, K&S has lowered the power footprint of its bonding equipment while ensuring greater control over both product performance and long-term sustainability.

Beyond energy savings, the new Pin Welder sonotrode promotes a more circular manufacturing model by significantly increasing the operational lifespan of the tool. Through advanced material selection that minimizes wear, field tests with major customers have verified a dramatic increase in performance, achieving over 100,000 welds compared to the previous baseline of 15,000. This innovation significantly reduces material waste and replacement frequency, enabling our customers to achieve higher output with a substantially lower environmental impact. Also, ultrasonic pin welding is favored in green manufacturing initiatives as it eliminates the reflow soldering process that consumes energy and generates hazardous waste. The Pin Welder machine provides a lower overall CO₂ footprint compared to traditional soldering, driven by reduced materials usage and more energy-efficient operation.

CASE STUDY

Driving Circularity through Refurbishment and Life Cycle Extension

Since 2018, APS has strategically pivoted toward a circular business model, transitioning from a traditional sales approach to a suite of refurbishment and life cycle extension services. This shift not only supports our customers' operational efficiency but also significantly reduces the environmental footprint of the semiconductor manufacturing process by keeping high-value machinery in use for longer.

1. Refurbishment Services: Restoring Performance and Extending Utility APS's refurbishment services have evolved from spare-part replacement into full machine refurbishment. Primarily focused on our high-volume ball bonder machines, this service aims to restore used units and sub-assemblies to a performance level equivalent to new equipment. Our typical refurbishment activities include:

- Sub-assembly restoration, focusing on high-wear components, such as wire clamps. By replacing only the necessary parts, we provide a high-value, cost-effective solution for major customers in key markets like Taiwan and China.
- Major XY table refurbishment, by reusing the heavy cast aluminum bodies of XY tables and replacing only smaller worn components. Through this service, we significantly reduce raw material consumption while extending the machine's functional lifespan.
- Standalone technological upgrade kits are offered to prevent functional obsolescence. These include working-area expansions and copper conversion kits, which allow older machines to run copper wire instead of gold, ensuring legacy units remain competitive in modern manufacturing environments.

2. Buyback Programme: Recovering and Reclaiming Value To preserve the product lifecycle value of machines reaching the end of their traditional service life (typically 12–15 years), APS launched a formal Buyback Programme in 2018. This initiative prevents older units from being scrapped prematurely and allows us to reclaim high-value components for the secondary market.

Key impacts of the Programme include:

- Achieved a 95% material reuse rate in our buyback operations.
- We bought back and refurbished over 200 machines over 7 years, creating a sustainable annual revenue stream.
- Full one-year warranty included for all APS-refurbished machines to ensure quality assurance and peace of mind.
- Shifting our strategy toward the buyback of newer models, ensuring we can continue to offer high-quality, long-term support for our latest technology.

3. Responsible End-of-Life & Waste Management

When components or machines truly reach the end of their functional life and cannot be refurbished, APS ensures they are handled with the highest environmental standards. Scrap metals and glass from refurbishment activities are diverted to licensed third-party recyclers to ensure no materials are being sent to landfills.

Through these integrated efforts, APS is transforming “end-of-life” challenges into sustainable opportunities, proving that industrial growth and resource conservation can go hand-in-hand.

Product and Service Innovation to drive Decarbonization



BUSINESS UNIT

Aftermarket Products & Services

DECARBONIZATION INITIATIVES

Since its 2021 launch, our AI-Ex bonding wedge has seen a rapid adoption rate of over 30% among global customers, quickly becoming a new industry standard replacing the standard aluminum wedge. The FY2024–FY2025 volume growth trend reflects an increase of over 50%. By eliminating the need for chemical cleaning and recycling, AI-Ex continues to drive significant improvements in workplace health and safety, simplified waste management, and operational cost reductions.



BUSINESS UNIT

Ball Bonder

DECARBONIZATION INITIATIVES

- A key driver of our sustainability strategy is the integration of AI-driven processes that minimize environmental impact through precision. A primary example is our Adaptive Shimming solution implemented in Singapore. By transitioning from a traditional assembly flow to an adaptive model, we are now able to harmonize incoming component variations automatically. This data-centric approach eliminates the need for manual rework and optimizes material use. This initiative directly supports our goals for higher product quality and a reduced carbon footprint per unit by streamlining the assembly of our ball bonder transducers and lowering the frequency of warranty-related returns.
- By re-engineering the cooling strategy for our ball bonder products, we have achieved a breakthrough in energy efficiency. By transitioning from compressed air cooling to a localized fan-based system, we significantly reduced the load on energy-intensive air compressors. This innovation results in a net power reduction of 148W per machine, directly supporting our customers' efforts to lower their operational energy consumption and carbon footprint.



BUSINESS UNIT

Ball Bonder

DECARBONIZATION INITIATIVES

As part of our FY2026 roadmap, K&S is redesigning the XY table drive system for our ball bonder products to further enhance energy efficiency. This initiative focuses on reducing moving mass to lower energy requirements during operation, coupled with the integration of high-efficiency motors and optimized Z Cooling airflow. These design improvements are targeted to deliver a projected power reduction of approximately 121W per machine, marking a significant step forward in our ongoing commitment to low-carbon equipment design.

Customer Health, Safety and Satisfaction


K&S prioritizes customer health, safety, and product quality as fundamental pillars of our long-term success. We recognize that equipment malfunctions or inadequate quality control present a significant negative impact to customer safety and carry the risk of reputational damage and legal liabilities. To mitigate these risks, safety is ingrained in every stage of our KDPD process. Our Program Engineering Team conducts rigorous assessments from the conceptualization phase to ensure all platforms adhere to EU CE health and safety standards and global regulatory frameworks such as RoHS, REACH, and TSCA.

We see a significant opportunity to further strengthen stakeholder trust and drive repeat business by providing high-quality ESG data and transparently communicating our regulatory compliance. Beyond the product itself, K&S delivers positive impacts through responsive technical support and dedicated programs like K&S Care and Certified Repair, which ensure reliable production outcomes for our clients. By fostering strong customer relationship management and proactively addressing data protection demands, we minimize operational costs and complaints while securing our intellectual property and reinforcing long-term customer loyalty.

Prioritizing Customer Safety

K&S's commitment to customer safety is underpinned by the continuous upskilling of our workforce, to ensure that they are equipped with the necessary knowledge of our safety protocols. On a biennial basis, all employees, including our Field and Customer Service Engineers, are required to complete an interactive online Corporate Safety Training, aligned with SEMI S19 guidelines for manufacturing equipment installation, maintenance, and service personnel. A minimum passing grade of 90% is required to ensure that our employees are fully conversant with these procedures and protocols to maintain a secure environment for both our clients and our workforce.

Achieved 0 cases of non-compliance regarding the health and safety of products and services



To uphold customer trust and safeguard proprietary intellectual property (IP), our Suzhou facility has implemented a multi-layered security and data privacy framework. This comprehensive approach combines physical safeguards, such as AI-enhanced CCTV monitoring, turnstiles and security guards, with rigorous visitor protocols, including visitor badges, sealing of phone cameras and computer USB ports, and accompaniment of visitors by K&S employees.

To ensure the privacy of sensitive customer data and recipes, we utilize strict digital access authority controls and an electronic fence to prevent unauthorized information transfers. By integrating these technical measures with employee non-competition agreements, K&S provides a secure manufacturing environment that ensures the highest level of confidentiality and data integrity for our customers.


Customer Engagement and Satisfaction

Beyond safeguarding health and safety, K&S views comprehensive customer engagement as a fundamental driver of business resilience and growth. We recognize that failing to proactively address evolving customer needs poses significant risks to retention and brand reputation. Consequently, we maintain a culture of continuous dialogue to transform customer expectations into strategic opportunities for innovation.

Insights gathered from regular customer engagement, specifically regarding product sustainability, are now integrated into the design phase of our KDPD process. This ensures our solutions deliver efficiency, advanced technological capabilities, and reduced environmental footprint. Our commitment to the customer lifecycle continues post-commercialization through programs such as K&S Care, Certified Repair & Refurbishment, and K&S Service Contract & Paid Service, all designed to provide post-warranty support, thereby building long-term trust and operational reliability.

Supplier Business and Performance Reviews serve as our primary channel for gathering feedback on critical operational areas. These insights drive immediate problem-solving and inform the long-term refinement of our processes and products. To support this, we invest heavily in employee training to sharpen technical and analytical skills, ensuring our teams can effectively navigate complex customer concerns. These efforts are underpinned by robust governance systems, including a formal Issue Escalation Flow and an Issue Tracking System (ITS), which facilitate task prioritization and the timely resolution of all feedback. Training sessions on the ITS are provided on a need-based approach to address immediate gaps, while comprehensive annual process updates are delivered via our established Summer Training Program.

Achieved 91% of field issues resolved at Escalation Level 1



We actively monitor customer sentiment by surveying every major service interaction, from initial equipment deployment to complex issue resolution and contract management. We are pleased to report that for FY2025, these efforts resulted in a 91% average service satisfaction level, demonstrating the effectiveness of our global service teams and our proactive approach to customer success.



06

**Employment &
Labor Practices**

Labor Practices and Employee Development

Employment and labor practices at K&S reflect our commitment to upholding fair treatment, safe working conditions, and meaningful opportunities. Our employees’ well-being and the extent to which they feel supported are critical to productivity, engagement, and long-term retention. When workloads become excessive, it can affect health, increase absenteeism, and diminish overall satisfaction - issues that can impact both individuals and the business.

To support our workforce, K&S upholds fair and inclusive employment standards and fosters a workplace grounded in safety, respect, and non-discrimination. We invest in responsible talent acquisition, including strong university partnerships, and provide continuous learning and development opportunities to support the growth of employees. By regularly monitoring engagement and staying attentive to employee needs, we aim to create an environment where diverse teams can perform at their best and feel motivated to build long-term careers with us.

Robust Talent Acquisition and Building Our Talent Pipeline

K&S maintains comprehensive Human Resource (HR) policies that are applied consistently across all global operations and comply with applicable regional and local regulations. These policies guide our approach to employee recruitment, development, and retention, supporting an inclusive and productive work environment. Regional HR teams, in partnership with business leaders and managers, oversee the implementation of employment and labor practices to ensure consistency, accountability and alignment with industry standards through regular benchmarking.

The HR function includes Centers of Excellence that provide expertise in talent acquisition, retention, learning and development, compensation, and benefits. These teams deliver structured guidance and resources to support employees throughout their employment lifecycle. All HR policies, procedures, and benefits are documented in the Employee Handbook to promote transparency and ensure accessible information for all employees.

Learning & Development

K&S maintains a strong focus on continuous learning to ensure employees remain skilled and responsive to evolving business needs. Following the integration of the Learning Catalogue into the SHINE platform in FY2023, employees continued to access structured training aligned with their development plans.

In FY2025, learning efforts centred on soft skills and core competencies, guided by insights from the Learning Needs Analysis. Training was delivered primarily through workshop-based formats, resulting in 117 individual learners taking up 296 training seats. Learning activities remained aligned with the Career Progression Framework to support consistent and transparent employee development.

LEAD Program for Rising Leaders

K&S continued to advance leadership development for our employees in FY2025 through the LEAD Program, designed for rising leaders. The program supports employees who are preparing for broader responsibilities, focusing on three core areas: Leading Self, Leading a Team, and Leading the Business. While originally piloted in FY2023, the program has since expanded to multiple regions.

In FY2025, K&S completed the LEAD Program rollout globally, with the US cohort concluding in February 2025. This marks the full implementation of the program across all major locations, strengthening the pipeline of future leaders and supporting consistent leadership capability development across the organization.

Building Capability Through the LEAD Program

“I had a positive experience with the LEAD program that I participated in from November 2024 to February 2025. It gave me the opportunity to work and collaborate with colleagues in the organization across functions that I don’t regularly interact with for work purposes. This provided me with new perspectives and helped me consider different ways to approach challenges in my own area of work.”

The program was also beneficial as it helped me from a presentation and public speaking standpoint.

Overall, the program provided the opportunity to think more creatively and openly which can be a challenge in your day-to-day work but it is important to incorporate as it tends to yield more well thought out approaches and solutions.”

Margaret McGrath
Lead Consultant, Global Compensation & Benefits,
Fort Washington

“It has been very useful to apply what I learned in my daily work. I now keep key frameworks and models in mind, particularly those related to critical thinking, decision-making, effective leadership, performance coaching, and influencing without authority, and consciously link them to real situations.”

In practice, this means collecting more information and data, analysing issues from multiple perspectives, identifying triggers as well as potential opportunities and risks, and adapting communication approaches depending on the audience. Ultimately, this has helped me drive better outcomes with my team.”

Jenny Ye
Assistant Manager II, Purchasing,
Suzhou

A Culture that Empowers and Supports

At K&S, we provide competitive compensation and benefits to support talent attraction and retention. These offerings include paid vacation, sick leave, holidays, flexible work arrangements, and health and welfare programs that align with local standards and market practices for full time employees.

The Code of Business Conduct establishes the legal and ethical expectations for all employees, addressing employment opportunities, human rights, anti corruption, and non discrimination. Employees can confidentially raise concerns through the global Whistleblower Hotline without fear of retaliation. All good faith reports are reviewed and investigated by the Legal Department and Audit Committee, with support from local HR on a needs basis. Matters are escalated to the Board of Directors when required, and investigation outcomes are communicated to the relevant employees and managers.

Global Employment Opportunities

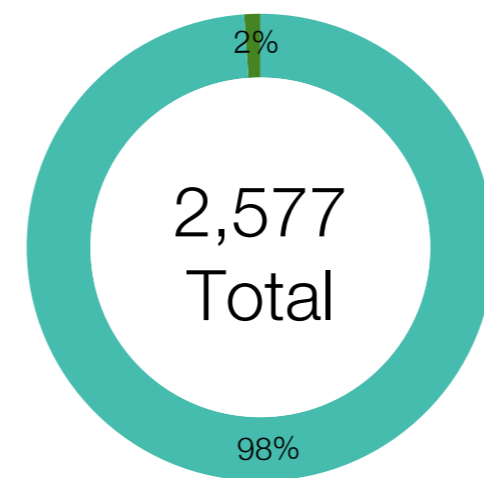
K&S maintains a workplace grounded in respect, fairness, and opportunity for all employees. We recruit skilled and talented individuals from diverse backgrounds and ensure access to meaningful development and career growth. By leveraging the broad experience and expertise of our workforce, we strengthen creativity, enhance decision making, boost competitiveness, and create greater value for our stakeholders.

Employee Engagement

Employees are critical to K&S's success. To support a strong culture and improve the employee experience, we run the global Voice of K&S survey every two to three years. The survey gathers employee feedback across 11 workplace dimensions with the next cycle being planned for FY2026. Following the receipt of survey results, site-level focus groups are conducted to explore employee feedback in greater depth. In addition, each site hosts periodic town halls to provide business updates and to facilitate employee questions and dialogue.

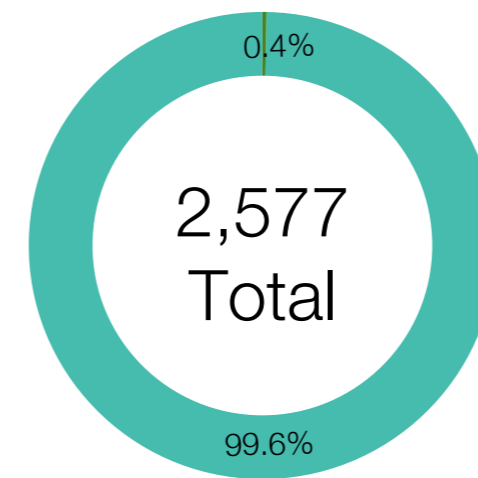
K&S Global Headcount

K&S global headcount
Regular and Temporary Employees



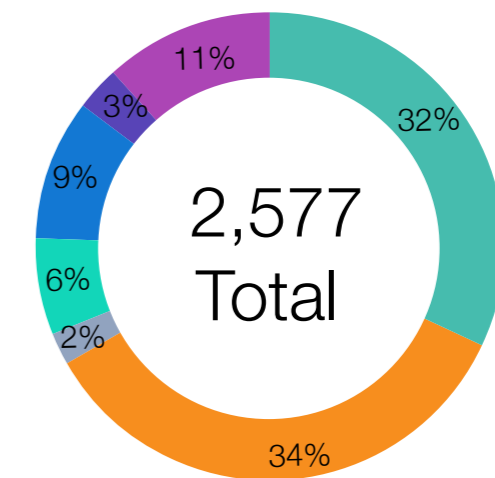
Employment Contract	Male	Female
Regular	1,710	841
Temporary	13	13
Total	1,723	854

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



Employment Type	Male	Female
Full-time	1,717	851
Part-time	6	3
Total	1,723	854

Breakdown by operational sites



Site	Regular	Temporary
Singapore (Corporate HQ)	811	15
China (Suzhou)	891	2
Israel (Haifa)	63	-
Taiwan (Ding Pu)	166	-
USA (Fort Washington, PA)	250	3
USA (Santa Ana, CA)	79	1
Others	291	5
Total	2,551	26

Occupational Health and Safety

We recognize the risks associated with exposure to physical hazards in operational environments, which can lead to injuries, equipment damage, regulatory non compliance, and financial loss for K&S. As such, our OHS approach includes developing and implementing policies and initiatives that maintain safe and healthy workplaces, as well as monitoring safety performance for employees, contract workers, and contractors.

K&S’s 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. All 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. We also 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 all.

Health and safety training is mandatory for all new employees as part of onboarding, and refresher courses are assigned regularly to existing staff. In line with the Workplace Health and Safety (WHS) Regulations 2008, EHS Committee members must complete WHS training or internal company training to perform their duties effectively. Practical emergency preparedness exercises, such as fire drills, fire fighting sessions, chemical spill response drills, and first aid training - are conducted to reinforce these requirements.

K&S continues to promote OHS performance through the annual CEO OHS Challenge. Established in 2015, this initiative promotes a strong safety culture across all K&S sites. The site demonstrating the highest performance across key OHS metrics receives a Recognition Plaque and holds the CEO OHS Challenge trophy for the year. The rotating trophy remains with the winning site for the year, reinforcing continuous improvement and sustained attention to workplace safety.

Employees have access to confidential, personalized mental healthcare services through a third party digital platform, as well as a range of company organized activities and webinars that promote social, mental, and physical wellness.

Holistic Wellness Series

In FY2025, a series of health and wellbeing activities was organized for our workforce across our operations. Our holistic wellbeing strategy focuses on four key pillars: physical fitness, mental resilience, preventive health, and financial wellness. By combining regional webinars with site-specific onsite activities, we foster a culture of camaraderie and high performance.

These engagements were designed to support physical and mental wellbeing, as well as financial resilience for our employees. Topics included exercise and physical fitness, mindfulness for mental wellbeing, nutritional guidance, chronic disease prevention, and personal financial management.

Onsite Health & Fitness Workshops

The Recreational Committee in Singapore had organized a series of activities aimed at promoting health, wellness, and cross-functional collaboration in FY2025. These activities are aimed at encouraging employees to move together and connect, fostering a healthier and more engaged workforce. Employees took part in various fitness and wellness group activities, such as the “Get Fit, Stay Motivated” program, which provided employees with foundational knowledge on fitness regimes, goal setting, and personalized training plans to ensure sustainable and safe physical progress.



Virtual Healthy Cooking Class

A Virtual Healthy Cooking Class was conducted at the Fort Washington and Santa Ana sites for employees, promoting healthy eating habits and practical nutrition knowledge. Employees participated in a live cooking demonstration where they prepared a rigatoni pesto dish using ingredients provided by a grocery provider, with the program funded through employee wellness benefits.



Chair Massages

Throughout the year, massage chair therapists are engaged at the Fort Washington and Santa Ana sites for employees to enjoy short massage sessions, to promote wellness, rest and stress relief. This is also funded by employee wellness benefits.



Energy & Mental Health Integration

Our Suzhou office launched the “Afternoon Energy Station,” featuring 20-minute post-lunch aerobics. This was complemented by the Employee Assistance Programs (EAPs), which provides both physical and mental health resources to support a resilient workforce, as well as other healthy and friendly competitions.



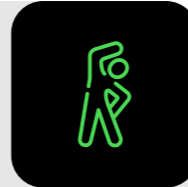
Preventive Health Screenings

Annual health check-ups and onsite screening sessions were organized in Suzhou and Singapore, providing employees with affordable access to basic health checks and additional medical tests.



Fun & Fit Quest

Between May and August 2025, the Malaysia team spearheaded the KSM Fun & Fit Quest, a four-month initiative designed to boost physical and mental wellbeing through dynamic, team-based engagement. The program offered a diverse array of activities, including Wellness Trivia, Pound Fitness sessions, and friendly Ping Pong and Badminton matches. By encouraging employees to earn points through participation, the initiative successfully bridged departmental silos and strengthened workplace camaraderie. This quest underscores our ongoing commitment to a holistic culture where employee health and organizational engagement are deeply intertwined.



In FY2025, we continued to achieve

100%

global employee completion in Corporate Safety Training.



FY2025 Achieved

22.6 hours

per employee in OHS Training exceeding goal of > 12 hours per employee



FY2025 Achieved

ZERO

fatalities and occupational related disease



FY2025 Achieved

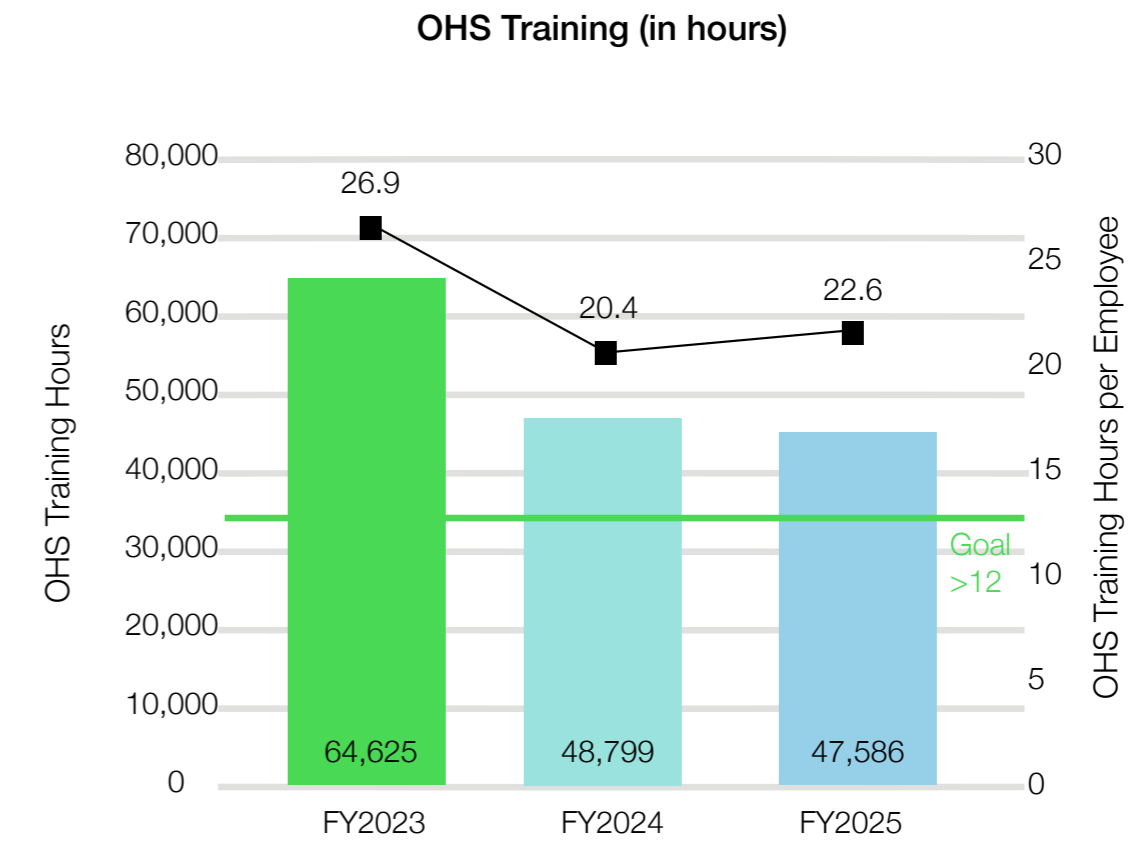
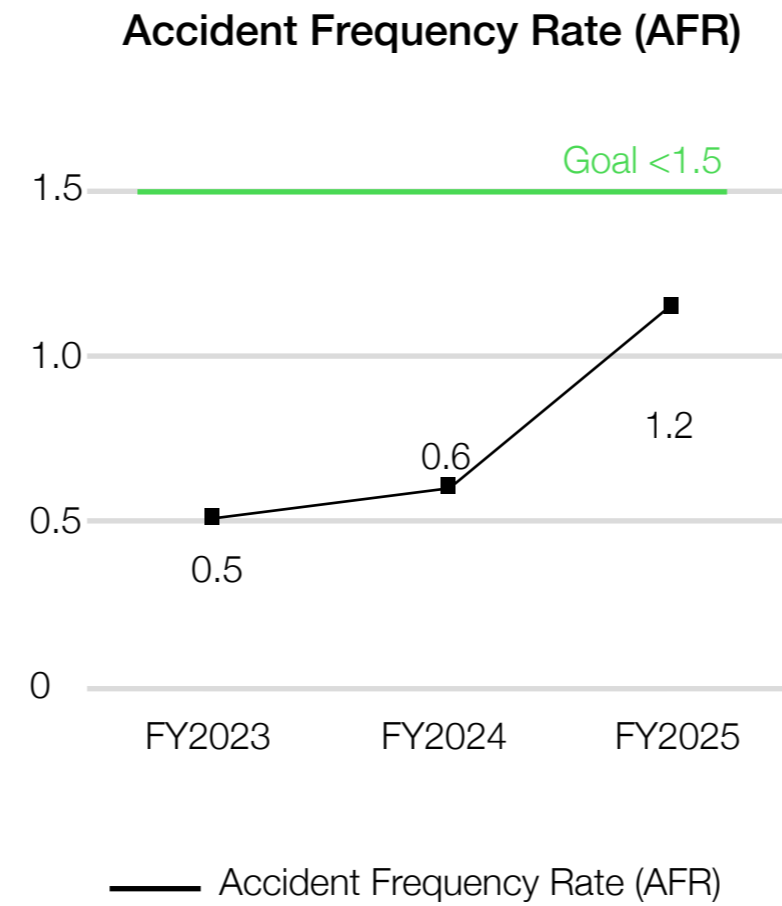
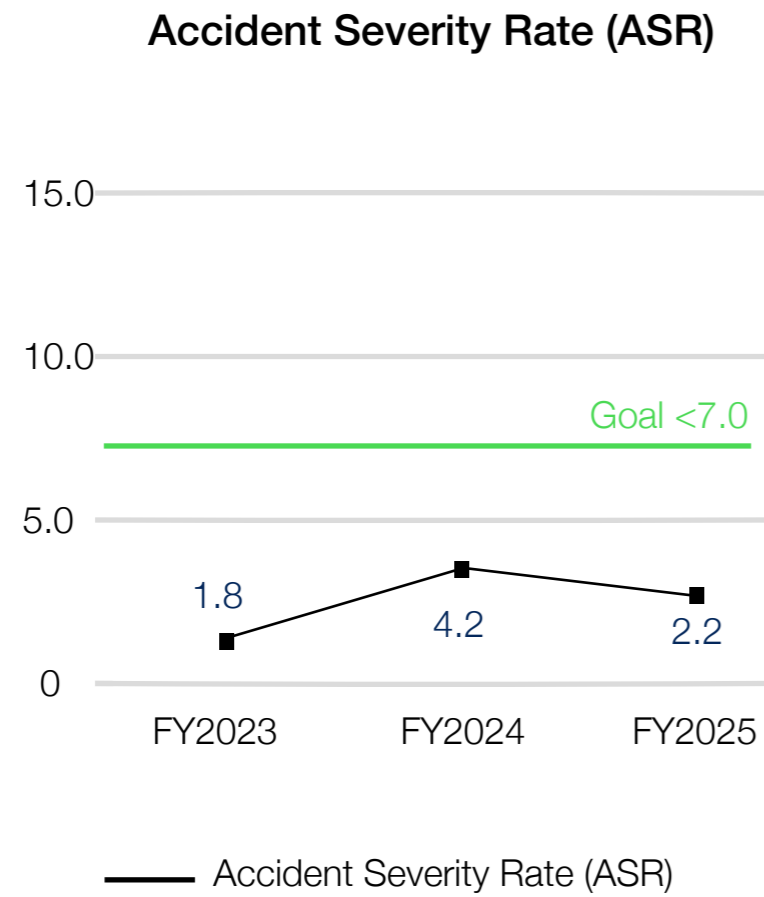
1.2 Minor AFR
2.2 Minor ASR

meeting goal of < 1.5 AFR and < 7 ASR



FY2025 Safety Performance

In FY2025, there were 5 accidents, 0 fatalities and 0 cases of occupational diseases reported.



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 FY2025.

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

07

Supporting Our Communities



K&S recognizes the important role that local communities play in supporting our operations and long-term success. We contribute to community well-being by participating in charitable initiatives, partnering with non-governmental organizations, and engaging in social outreach activities across our operating regions. In FY2025, K&S conducted 33 community outreach activities and invested over US\$170,000 in local community initiatives.

>US\$170,000
K&S Donation/Investment

US\$12,000
Employee gift and donations

450 Employees Participated

700 Volunteer Hours

33 Community Outreach Activities

K&S Singapore Site Office

BISHAN-ANG MO KIO PARK CLEAN UP

Demonstrating our commitment to environmental sustainability, K&S employees participated in a clean up at Bishan-Ang Mo Kio Park to help maintain a cleaner and greener public space. The activity also incorporated light engagement games to encourage participation and reinforce collective responsibility for the environment.



SENIOR COMMUNITY OUTREACH AT LION HOME FOR THE ELDERLY

A team of 17 K&S volunteers visited Lion Home for the Elders to engage residents through meaningful interactions and light activities, accompanied by a tea time refreshment. This initiative reinforces our commitment to meaningful and sustained community engagement.



FOOD PACKING AND DISTRIBUTION WITH WILLING HEARTS

K&S Singapore employees supported Food from the Heart’s School Goodie Bag Programme, which provides essential food items to students from low income families. K&S funded the goodie bags with a contribution of US\$8,000, and volunteers assisted in collecting and delivering the bags to beneficiaries across Singapore to strengthen food security and support children’s well being.



PLANT-A-TREE PROGRAM

K&S Singapore employees participated in a private tree planting session arranged by NParks as part of the SG 1 Million Trees Movement. K&S sponsored 50 trees by contributing SGD 15,000 to support Singapore’s environmental conservation and long term sustainability efforts.



K&S Suzhou Site Office

BOOK DONATION AND LIBRARY SETUP

Two Union representatives from K&S Suzhou visited a primary school in a mountainous region of Gansu Province to establish a new Love Library, donating approximately 4,000 books and three sets of bookshelves to enhance students’ access to educational resources and their learning journey. This installation marks the ninth charity library contributed by K&S Suzhou.



SCHOOL STATIONERY DONATION

In addition to establishing the Love Library, K&S Suzhou also supported the students by donating backpacks and pencil cases. This initiative aimed to equip students with essential learning materials and inspire their enthusiasm for education.



EDUCATIONAL SUPPORT THROUGH LEARNING SUBSIDIES

K&S Suzhou continued its educational support for two students at Huangji Middle School in Hubei Province, marking the third consecutive year of sponsorship. The relationship began when the students were in sixth grade, and now, as second year middle schoolers, they continue to demonstrate strong academic progress. This year, they expressed their appreciation by writing personal thank you letter to K&S, reflecting the positive impact of sustained educational assistance.



BLOOD DONATION DRIVE

39 of K&S employees successfully donated blood as part of the Suzhou site's annual blood donation activity, contributing a combined total of 11,900 ml to the Suzhou Blood Center. Their generosity supports medical needs within the community and reflects K&S's continued commitment to public health.



K&S Israel Site Office

FOOD BASKET DISTRIBUTION

K&S Israel supported the preparation of food baskets and essential supplies for underprivileged and elderly residents in Haifa ahead of the Passover holiday with a donation of US\$4,000. K&S employees also volunteered to assemble and deliver the supplies to senior citizens' homes, providing meaningful support to vulnerable individuals during an important time of year.



RECOGNIZING ACADEMIC TALENT AT TECHNION MATERIAL ENGINEERING FACULTY

K&S Israel donated US\$6,000 to fund three academic excellence awards for outstanding graduate students in the Technion's Faculty of Materials Science and Engineering. This initiative supports and encourages students to excel in their academic pursuits. A recognition ceremony, attended by Technion representatives and K&S staff, was held in September 2025 to honor the recipients.



SCHOOL SUPPLIES DONATION FOR ELEMENTARY STUDENTS

K&S Israel provided school equipment and stationery sets to support 50 elementary school students, ensuring they had the essential materials needed for their daily learning. These contributions help enhance the pupils' educational experience and classroom engagement.



FIGHTING HUNGER WITH SECOND HARVEST FOOD BANK

K&S Santa Ana employees joined efforts to combat food insecurity in Orange County by volunteering at the Second Harvest Food Bank Distribution Center. A team of 8 volunteers participated in a 2 hour session supporting essential food processing activities such as sorting, packing, and crating produce and other items helping ensure nutritious meals reach individuals and families in need.



K&S Santa Ana Site Office

STEM DAY – HIGH SCHOOL ENGINEERING PROGRAM OPEN HOUSE

K&S Santa Ana team held the High School Engineering Program Open House as part of our ongoing commitment to STEM education for the fourth year in a row. The programme offered students an opportunity to engage in hands-on learning, explore engineering concepts and gain exposure to potential future career pathways.



VOLUNTEERING FOR ENVIRONMENTAL CONSERVATION

K&S employees supported environmental conservation efforts at the Huntington Beach Wetlands by preparing soil and planting native seeds in the on site nursery. K&S also contributed US\$4,000 to help sustain ongoing restoration activities. These efforts enhance habitat quality and strengthen food availability for endangered bird species.



ELEMENTARY SCHOOL DONATIONS

K&S Santa Ana supported local education by donating school supplies and sensory learning materials to three Title 1 schools: Greenville Elementary in Santa Ana, Wilson Elementary in Costa Mesa, and MacArthur Fundamental Intermediate School. These contributions provide essential resources that support students' academic success and classroom engagement.



SUPPORTING STEM EDUCATION IN UNDERSERVED COMMUNITIES

K&S Fort Washington conducted a STEM Summer Camp for 136 youth aged 5 to 13. The program introduced campers to hands on STEM experiences through basic coding activities, LEGO robotics, and interactive project based learning designed to strengthen foundational technical skills. Campers also participated in career focused sessions to broaden their awareness of future opportunities in science and engineering.



K&S Fort Washington Site Office

WISSAHICKON TRAILS CREEK CLEANUP

Ten K&S Fort Washington employees volunteered in the annual creek clean up at Wissahickon Trails, where they cleared 0.7 km of creek and riparian zone and collected large bags of trash. In addition to the hands on effort, K&S contributed US\$2,000 to support ongoing habitat restoration and water quality improvement in the Wissahickon Creek.



FIGHTING HUNGER IN PHILADELPHIA

K&S Fort Washington donated US\$5,000 to Philabundance to support food assistance programs aimed at combating hunger in the Philadelphia region. This contribution helps provide nutritious meals to underserved individuals and families, reinforcing K&S's commitment to addressing food insecurity and supporting community well being.

CANCER RESEARCH FELLOWSHIP CONTRIBUTION

K&S Fort Washington supported the Surgical Oncology Research Fellowship Program at Fox Chase Cancer Center with a donation of US\$10,000. The program focuses on advancing research skills essential for developing new therapies and surgical techniques that improve outcomes for patients with cancer.

K&S Taiwan Site Office

1919 CYCLING TOUR

K&S Taiwan donated US\$6,600 to the 1919 Cycling Tour, a charity bike ride organized by the Chinese Christian Relief Association to raise funds for families in need across Taiwan. Participants of the event would cycle around the island over a 15 day route, contributing to the “I Ride, You Donate” initiative that supports families affected by unemployment or unexpected hardship.



K&S SCHOLARSHIP FOR LOW- INCOME STUDENTS

K&S Taiwan site office continues the scholarship program to assist low income students by contributing US\$4,000 to support their educational goals. This effort is intended to ease financial barriers and help students in need access quality education and opportunities for academic achievement.

ENVIRONMENTAL CLEAN-UP PARTICIPATION

K&S Taiwan participated in the International Coastal Cleanup (ICC), a global initiative organized by Ocean Conservancy, with 123 employees joining a beach cleanup activity to remove marine debris. The volunteers helped clear coastal waste and assisted in documenting the collected debris for inclusion in the ICC outcome report. This effort contributes to global actions to reduce plastic pollution, protect marine ecosystems, and promote sustainable environmental stewardship.



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	FY2023	FY2024	FY2025
Total non-renewable fuel consumption	GJ	3,091	3,207	3,172
Total refrigerant usage	Kg	160	285	211
Total non-renewable purchased energy consumption	GJ	134,464	122,209	120,502
Total non-renewable purchased energy consumption	MWh	37,351	33,947	33,473
Total on-site renewable energy consumption	MWh	480	486	507

Energy intensity (GRI 302-3)	Unit of measurement	FY2023	FY2024	FY2025
Total non-renewable purchased energy consumption intensity	MWh / million \$US (net revenue)	50.3	46.1	51.2

FY25 Corporate Goal	Performance	Performance against target
Reduce non-renewable purchased energy consumption intensity by > 2%	11.0%	Not met ¹¹

¹¹The increase of non-renewable purchased energy consumption intensity was primarily attributed to fluctuations in business activity during the year, which affected the intensity measure. On an absolute basis, non-renewable purchased energy consumption had declined year-on-year, reflecting K&S's continued efforts on energy efficiency. K&S will continue to monitor performance and pursue energy efficiency initiatives to support progress against this target going forward.

GRI 302 Energy - GRI 302-1, 302-3

Water consumption (GRI 303-5)	Unit of measurement	FY2023	FY2024	FY2025
Total water consumption	Tons	61,364	74,113	69,687

Water consumption intensity (non-GRI)	Unit of measurement	FY2023	FY2024	FY2025
Water consumption intensity at Suzhou, China site	Tons / million output	2,702	4,642	4,446

FY25 Corporate Goal	Performance	Performance against target
Reduce water consumption intensity at Suzhou by > 5%	-4.2%	Not met ¹²

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

Energy direct (scope 1) GHG emissions (GRI 305-1)	Unit of measurement	FY2023	FY2024	FY2025
Total Scope 1 GHG emissions	Tons of CO ₂ e	433	688	346

FY25 Corporate Goal	Performance	Performance against target
Reduce Scope 1 and Scope 2 Market-based Emissions by 42% by 2030 from FY2023 baseline	-12.3%	On track

Energy indirect (scope 2) GHG emissions (GRI 305-2)	Unit of measurement	FY2023	FY2024	FY2025
Total Location-based Scope 2 GHG emissions	Tons of CO ₂	16,304	14,181	14,334
Total Market-based Scope 2 GHG emissions	Tons of CO ₂	16,304	14,181	14,334

¹²In FY2025, the Suzhou site achieved a 4.2% reduction in water consumption intensity. While this fell slightly short of our 5% annual target, this improvement demonstrates the effectiveness of the water management initiatives implemented throughout the year, and we remain committed to further optimising our water consumption.

GHG emissions intensity (GRI 305-4)	Unit of measurement	FY2023	FY2024	FY2025
Scope 1 GHG emissions intensity	Tons of CO ₂ e / million \$US (net revenue)	0.6	1.0	0.5
Market-based Scope 2 GHG emissions intensity	Tons of CO ₂ / million \$US (net revenue)	22.0	20.1	21.9

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, R404A, CH₄ and CO₂. Scope 2 includes indirect emissions from purchased electricity and district cooling 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 in the GHG Emission Factors Hub provided by the United States Environmental Protection Agency published in 2025.

Scope 2 GHG emissions reported here include CO₂ gas from purchased electricity and district cooling provided by the landlord. The purchased energy 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 2025 (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 Ding Pu facility).
- United States sub-regional grid emission factor published by Environmental Protection Agency in 2025 (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	FY2023	FY2024	FY2025
Non-hazardous waste generated	Tons		685.2	607.3
Directed to disposal	Tons		302.7	312.6
Diverted from disposal	Tons		382.6	294.7
Hazardous waste generated	Tons		460.0	423.7
Directed to disposal	Tons		460.0	361.3
Diverted from disposal	Tons		0.0	62.4

Waste generated (GRI 306-3)	Unit of measurement	FY2023	FY2024	FY2025
Total solid (non-hazardous) waste generated	Tons	707.0	661.4	607.3
Total solid (non-hazardous) waste recycled	Tons	388.0	382.6	294.7
Percentage of solid (non-hazardous) waste recycled	Percentage	54.9%	57.8%	48.5%
Total hazardous waste generated at Suzhou, China	Tons	541.0	431.1	400.1
Hazardous waste generation intensity at Suzhou, China site	Kg / million output	29,866.0	35,829.4	31.7

Paper usage (non-GRI metric)	Unit of measurement	FY2023	FY2024	FY2025
Total paper usage (kg)	Kg	18,559	15,236	13,897
Paper usage intensity	Kg / million \$US (net revenue)	25.0	21.6	21.2

FY25 Corporate Goal	Performance	Performance against target
Achieve > 57% solid waste recycling rate	48.5%	Not met ¹³
Reduce hazardous waste generation at Suzhou by > 2%	-7.2%	Met

FY25 Corporate Goal	Performance	Performance against target
Reduce paper usage intensity by > 3%	-1.6%	Not met ¹⁴

¹³The decrease of solid waste recycle rate relative to the prior year is largely a reflection of an elevated baseline in FY2024, which was driven by one-off cleanup and equipment decommissioning activities that generated a higher-than-typical volume of recyclable waste. Excluding these non-recurring activities, total solid waste generated had declined year-on-year and K&S will continue to work toward improving its recycling rates.

¹⁴While absolute paper consumption declined year-on-year, improvements in paper usage intensity was moderated due to fluctuations in business activity during the period. K&S will continue to implement initiatives to reduce paper usage and drive further progress towards the target.

Social

GRI 2-7: Employees

Total number of employees and a breakdown by gender (GRI 2-7a)	FY2023	FY2024	FY2025
Total number of employees	3,025	2,728	2,577
Male	2,049	1,837	1,723
Female	975	891	854

Total number of employees and a breakdown by region (GRI 2-7a)	FY2023	FY2024	FY2025
Total number of employees	3,025	2,728	2,577
Serangoon, Singapore	910	849	826
Suzhou, China	948	896	893
Ding Pu, Taiwan		206	166
Santa Ana, USA	82	161	80
Fort Washington, USA	260	266	253
Haifa, Israel	73	81	63
Other global sites	392	201	296

Total number of employees by employee contract and gender (GRI 2-7b)	FY2023		FY2024		FY2025	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,877	148	2,679	49	2,551	26
Male	1,954	95	1,803	34	1,710	13
Female	922	53	876	15	841	13

Total number of employees by employee contract and region (GRI 2-7b)	FY2023		FY2024		FY2025	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,877	148	2,679	49	2,551	26
Serangoon, Singapore	858	52	842	7	811	15
Suzhou, China	936	12	891	5	891	2
Ding Pu, Taiwan			161	0	166	0
Santa Ana, USA	81	1	80	1	79	1
Fort Washington, USA	251	9	261	5	250	3
Haifa, Israel	73	0	68	0	63	0
Other global sites	375	17	196	5	291	5

Total number of employees by employee type and gender (GRI 2-7b)	FY2023		FY2024		FY2025	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total number of employees	2,973	52	2,718	10	2,568	9
Male	2,017	32	1,830	7	1,717	6
Female	955	20	888	3	851	3

Total number of employees by employee type and region (GRI 2-7b)	FY2023			FY2024			FY2025		
	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	2,973	52		2,714	14		2,568	9	
Serangoon, Singapore	910	0		847	2		825	1	
Suzhou, China	948	0		896	0		893	0	
Ding Pu, Taiwan				161	0		166	0	
Santa Ana, USA	82	0		80	1		80	0	
Fort Washington, USA	253	7		263	3		249	4	
Haifa, Israel	72	1		67	1		62	1	
Other global sites	388	4		199	2		293	3	

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)	FY2023		FY2024		FY2025	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
By Gender						
Male	284	9.4%	103	3.8%	113	4.4%
Female	99	3.3%	46	1.7%	50	1.9%
By Age Group						
< 30 Years	145	4.8%	47	1.7%	61	2.4%
30 - 50 Years	208	6.9%	85	3.1%	86	3.3%
> 50 Years	31	1.0%	17	0.6%	16	0.6%
By Region						
Serangoon, Singapore	68	2.2%	41	1.5%	57	2.2%
Suzhou, China	54	1.8%	29	1.1%	37	1.4%
Ding Pu, Taiwan			26	1.0%	24	0.9%
Santa Ana, USA	19	0.6%	6	0.2%	3	0.1%
Fort Washington, USA	55	1.8%	24	0.9%	22	0.9%
Haifa, Israel	4	0.1%	1	0.0%	1	0.0%
Other global sites	181	6.0%	18	0.7%	19	0.7%

Employee turnover (GRI 401-1b)	FY2023		FY2024		FY2025	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
By Gender						
Male	383	12.7%	280	10.3%	236	9.2%
Female	201	6.6%	118	4.3%	92	3.6%
By Age Group						
< 30 Years	264	8.7%	120	4.4%	62	2.4%
30 - 50 Years	256	8.5%	200	7.3%	121	4.7%
> 50 Years	64	2.1%	89	3.3%	145	5.6%
By Region						
Serangoon, Singapore	276	30.3%	162	5.9%	82	3.2%
Suzhou, China	133	14.0%	81	3.0%	43	1.7%
Ding Pu, Taiwan			32	1.2%	21	0.8%
Santa Ana, USA	13	15.9%	11	0.4%	7	0.3%
Fort Washington, USA	59	22.7%	55	2.0%	36	1.4%
Haifa, Israel	2	2.7%	6	0.2%	6	0.2%
Other global sites					133	5.2%

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)	FY2025
<p>Life insurance</p> <p>Healthcare</p> <p>Disability and invalidity coverage</p>	<p>K&S Provides Health and Welfare Programs per country requirements and market practices in the countries in which we conduct business.</p>
<p>Parental leave</p>	<p>Balance Your Work and Life with paid vacation, sick leave, paid Holidays, and paid parental leave in the market practices for each region and country whenever we have employees.</p>
<p>Retirement provision</p>	<p>Where applicable, we support regional practices to provide employees with retirement provisions common in their locations.</p>
<p>Stock ownership</p>	<p>We provide annual equity awards based on eligible employee performance.</p>
<p>Others</p>	<p>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.</p>

For an overview of employee compensation and benefits, please refer to <https://www.kns.com/careers#overview>

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

Work-related injuries (GRI 403-9)	FY2023	FY2024	FY2025
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	3	2	4
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)	0.1	0.1	0.2
Total number of work hours	5,748,986	4,921,744	4,212,363

Work-related ill-health (GRI 403-10)	FY2023	FY2024	FY2025
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	0	0
Total number of work hours	5,748,986	4,921,744	4,212,363

FY25 Corporate Goal	Performance	Performance against target
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Zero fatalities and occupational related diseases	Zero	Met
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OHS Key Indicators (non-GRI metrics)	FY2023	FY2024	FY2025
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Accident Frequency Rate (per 1,000,000 work hours)	0.5	0.6	1.2
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OHS Key Indicators (non-GRI metrics)	FY2023	FY2024	FY2025
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Accident Severity Rate (per 1,000,000 work hours)	1.8	4.2	2.2
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Total number of accidents	3	2	5
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OHS Key Indicators (non-GRI metrics)	FY2023	FY2024	FY2025
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Total number of man-days lost	10	13	9
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Average Training Hours (GRI 404-1)	FY2023*	FY2024*	FY2025
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By Gender

Male	26.9	20.4	6.4
Female			7.4

By Employee Category

Management			12.4
Direct Labour	26.9	20.4	13.5
Support Staff			20.4

* Training hours reported for FY2022 to FY2024 only consists of OHS training hours. In FY2025, we have expanded and improved our data collection processes to include training hours data from the Global Learning Catalog and Internal Leadership Programs. The data includes employees who have left K&S, as this provides a more accurate representation of our upskilling efforts.

FY25 Corporate Goal	Performance	Performance against target
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Maintain Accident Frequency Rate (AFR) below 1.5	1.2	Met
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FY25 Corporate Goal	Performance	Performance against target
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Maintain Accident Severity Rate (ASR) below 7	2.2	Met
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FY25 Corporate Goal	Performance	Performance against target
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Achieve > 12 hours of OHS training per employee	22.6	Met
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Governance

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

Cases of corruption (GRI 205-1)	FY2023	FY2024	FY2025	FY25 Corporate Goal	Performance	Performance against target
Total number of cases of corruption	0	0	0	Zero incidents of corruption, fraud, bribery or AML activity	0	Met
Communication and training about anti-corruption policies and procedures (GRI 205-2)	FY2023	FY2024	FY2025			
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	97% (65)	100%	100%			
Americas	100% (10)	100% (10)	100% (10)			
Europe	87% (15)	85% (13)	100% (9)			
China	100% (23)	100% (24)	100% (22)			
Japan	100% (2)	100% (3)	100% (3)			
Korea	100% (4)	100% (4)	100% (4)			
Taiwan	100% (1)	100% (3)	100% (1)			
Other SEA regions	100% (10)	100% (11)	100% (12)			
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)	FY2023	FY2024	FY2025
Number of operations assessed for risks related to corruption	8	31	31
Total number of operations	8	31	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	No significant risks related to corruption were identified in FY2025

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

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)	FY2023	FY2024	FY2025
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)	FY2023	FY2024	FY2025
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

Dollar value invested into Research & Development (non-GRI metric)	FY2023	FY2024	FY2025
Amount of money invested into R&D (million \$US)	>135	>150	~150

FY25 Corporate Goal	Performance	Performance against target
Zero validated cases of non-compliance regarding health and safety impacts	0	Met

GRI 2-27: Compliance with laws and regulations

Incidents of non-compliance with laws and regulations (GRI 2-27)	FY2023	FY2024	FY2025
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

FY25 Corporate Goal	Performance	Performance against target
Zero incidents of non-compliance with laws and regulations	0	Met
Zero incidents of non-compliance with laws and regulations	0	Met

GRI Content Index

Table 1 - General Disclosures

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
GRI 2: General Disclosures 2021				
	2-1	Organizational details	About This Report (p. 5); Business Overview (p.6)	
	2-2	Entities included in sustainability reporting	About This Report (p. 6)	
	2-3	Reporting period, frequency and contact point	About This Report (p. 5)	
	2-4	Restatements of information	—	No restatements in this report
	2-5	External assurance	About This Report (p. 5); Independent Verification Statement (pp. 85-87)	
	2-6	Activities, value chain and other business relationships	Business Overview (p. 6)	
	2-7	Employees	Labor Practices and Employee Development (pp. 50-51); Key ESG Performance Summary (p. 67-69)	Sub-requirement (a)(iii) not applicable as K&S does not engage or control non-guaranteed hours employees
	2-8	Workers who are not employees	—	Not applicable as K&S does not engage or control workers who are not direct employees
	2-9	Governance structure and composition	Sustainability Governance (p. 12); Refer to K&S 2026 Proxy Statement (p. 49)	
	2-10	Nomination and selection of the highest governance body	Refer to K&S 2026 Proxy Statement (p. 51)	
	2-11	Chair of the highest governance body	Refer to K&S 2026 Proxy Statement (p. 3)	
	2-12	Role of the highest governance body in overseeing impacts	Sustainability Governance (p. 12); Refer to K&S 2026 Proxy Statement (p. 49)	
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance (p. 12)	
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance (p. 12); Materiality Assessment (p. 14)	

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
	2-15	Conflicts of interest	Refer to K&S 2026 Proxy Statement (p. 49)	
	2-16	Communication of critical concerns	Resilient Governance and Accountability (pp. 19-20); Labor Practices and Employee Development (p. 51)	
	2-17	Collective knowledge of the highest governance body	Refer to K&S 2026 Proxy Statement (p. 3)	
	2-18	Evaluation of the performance of the highest governance body	Refer to K&S 2026 Proxy Statement	The Nominating and Governance Committee conducts an annual Board self-assessment which implicitly includes review of performance on economy, environment and people impacts
	2-19	Remuneration policies	Refer to K&S 2026 Proxy Statement (p. 15)	ESG impacts not explicitly linked to remuneration but indirectly affect financial performance to which remuneration is linked
	2-20	Process to determine remuneration	Refer to K&S 2026 Proxy Statement (p. 15)	
	2-21	Annual total compensation ratio	Refer to K&S 2026 Proxy Statement (p. 41)	Highest-paid individual: -3.4% change Median employee: 42.5% change
	2-22	Statement on sustainable development strategy	Message from the CEO (p. 4)	
	2-23	Policy commitments	Disclosed throughout this sustainability report	
	2-24	Embedding policy commitments	Disclosed throughout this sustainability report	
	2-25	Processes to remediate negative impacts	Resilient Governance and Accountability (pp. 19-20); Labor Practices and Employee Development (p. 51)	
	2-26	Mechanisms for seeking advice and raising concerns	Resilient Governance and Accountability (p. 20)	
	2-27	Compliance with laws and regulations	Resilient Governance and Accountability (p. 20)	
	2-28	Membership associations	—	Industry organizations in which K&S actively participated: Responsible Business Alliance (RBA); Responsible Minerals Initiative (RMI); SEMI
	2-29	Approach to stakeholder engagement	Stakeholder Engagement (p. 13)	
	2-30	Collective bargaining agreements	—	In line with our 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.

Table 2 - Material Topics

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
GRI 3: Material Topics 2021				
	3-1	Process to determine material topics	Materiality Assessment (p. 14)	
	3-2	List of material topics	Materiality Assessment (p. 15)	
1. SUSTAINABLE AND SOUND GOVERNANCE				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	K&S Value Creation Cycle (p. 8); Resilient Governance and Accountability (pp. 19-26)	
GRI 201: Economic Performance 2016				
	201-1	Direct economic value generated and distributed	K&S Value Creation Cycle (p. 8)	
	201-3	Defined benefit plan obligations and other retirement plans	—	Defined benefit and retirement plans provided as required by law in all locations of operation
GRI 205: Anti-corruption 2016				
	205-1	Operations assessed for risks related to corruption	Key ESG Performance Summary (p. 76)	
	205-2	Communication and training about anti-corruption policies and procedures	Key ESG Performance Summary (p. 75)	
	205-3	Confirmed incidents of corruption and actions taken	Key ESG Performance Summary (p. 75)	

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
2. CLIMATE CHANGE AND ENERGY USE				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Climate Change and Energy Use (pp. 32-41)	
GRI 302: Energy 2016				
	302-1	Energy consumption within the organization	Reducing Energy Use (p. 38); Key ESG Performance Summary (p. 63)	
	302-3	Energy intensity	Reducing Energy Use (p. 38); Key ESG Performance Summary (p. 63)	
	302-4	Reduction of energy consumption	Reducing Energy Use (p. 38)	
GRI 305: GHG Emissions 2016				
	305-1	Direct (Scope 1) GHG emissions	Reducing Emissions (p. 39); Key ESG Performance Summary (p.64)	
	305-2	Energy indirect (Scope 2) GHG emissions	Reducing Emissions (p. 39); Key ESG Performance Summary (p.64)	
	305-4	GHG emissions intensity	Reducing Emissions (p. 39); Key ESG Performance Summary (p .65)	
3. MATERIAL SOURCING AND WASTE MANAGEMENT				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Material Sourcing and Waste Management (pp. 28-31)	
GRI 306: Waste 2020				
	306-1	Waste generation and significant waste-related impacts	Waste Management (p. 30)	
	306-2	Management of significant waste-related impacts	Waste Management (pp. 30-31)	
	306-3	Waste generated	Waste Management (pp. 30-31); Key ESG Performance Summary (p. 66)	

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
4. WATER MANAGEMENT				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Water Management (p. 40); Water Conservation (p. 41)	
GRI 303: Water and Effluents 2018				
	303-1	Interactions with water as a shared resource	Water Management (p. 40); Water Conservation (p. 41)	
	303-5	Water consumption	Water Conservation (p. 41); Key ESG Performance Summary (p. 64)	
5. RESPONSIBLE SUPPLY CHAIN MANAGEMENT				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Responsible Supply Chain Management (pp. 22-26)	
6. PRODUCT AND SERVICE INNOVATION				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Product and Service Innovation (pp. 43-47)	
7. CUSTOMER HEALTH, SAFETY AND SATISFACTION				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Customer Health, Safety and Satisfaction (p. 48)	
GRI 416: Customer Health and Safety 2016				
	416-1	Assessment of health and safety impacts of product and service categories	Customer Health, Safety and Satisfaction (p. 48); Key ESG Performance Summary (p. 76)	
	416-2	Incidents of non-compliance concerning health and safety impacts of products and services	Customer Health, Safety and Satisfaction (p. 48); Key ESG Performance Summary (p. 76)	

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
8. LABOR PRACTICES AND EMPLOYEE DEVELOPMENT				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Labor Practices and Employee Development (pp. 50-51)	
GRI 401: Employment 2016				
	401-1	New employee hires and employee turnover	Key ESG Performance Summary (pp. 70-71)	
	401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	Key ESG Performance Summary (p. 72)	
	401-3	Parental leave	Key ESG Performance Summary (p. 72)	
GRI 404: Training and Education 2016				
	404-1	Average hours of training per year per employee	Key ESG Performance Summary (p. 74)	
	404-2	Programs for upgrading employee skills and transition assistance	Labor Practices and Employee Development (pp. 50-51)	Partially reported — LEAD Program and learning initiatives disclosed; transition assistance not explicitly addressed
	404-3	Percentage of employees receiving regular performance and career development reviews	Our FY2025 Targets and Performance (p. 16)	
9. OCCUPATIONAL HEALTH AND SAFETY				
GRI 3: Material Topics 2021				
	3-3	Management of material topics	Occupational Health and Safety (pp. 52-54)	

GRI Standard	#	Disclosure	Location	Reporting Status and Explanations
GRI 403: Occupational Health and Safety 2018				
	403-1	Occupational health and safety management system	Occupational Health and Safety (p. 52)	
	403-2	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety (p. 52)	
	403-3	Occupational health services	Occupational Health and Safety (pp. 52-53)	
	403-5	Worker training on occupational health and safety	Occupational Health and Safety (p. 52); Key ESG Performance Summary (p.74)	
	403-7	Prevention and mitigation of OHS impacts directly linked by business relationships	Responsible Supply Chain Management (p. 22); Occupational Health and Safety (p.52)	
	403-8	Workers covered by an OHS management system	Occupational Health and Safety (p. 52)	
	403-9	Work-related injuries	FY2025 Safety Performance (p. 54); Key ESG Performance Summary (p.73)	
	403-10	Work-related ill health	Key ESG Performance Summary (p. 73)	

Independent Verification Statement

Introduction

CSRWorks International Pte. Ltd. (“CSRWorks”) has been engaged by the Management of Kulicke and Soffa Industries, Inc. (together with its affiliates, “K&S” or the “Company”) 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 which shall be disclosed in the K&S’s Sustainability Report 2025 (“the Report” or “SR2025”).

K&S has prepared its sustainability performance data including its GHG assertions based on selected GRI Topic Standards as well as ISO 14064-1:2018¹⁵ for the reporting period 29th September 2024 – 4th October 2025 (“FY2025”). This statement presents our opinion on the 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)¹⁶ and ISO 14064-3:2019¹⁷, and as mutually agreed with client. The verification used a materiality threshold of ±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 February 2026 - May 2026.

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 2025.

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 determined by the Company, comprising six global operational sites of K&S (Suzhou in China, Ding Pu in Taiwan, Serangoon in Singapore, Haifa in Israel, and Fort Washington and Santa Ana in the United States of America) for FY2025. 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 verification process, we did not come across any limitations to the scope of the agreed verification engagement. CSRWorks was free to choose interviewees, conduct interviews 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 assessments in line with risk-based assessment procedures including limited sampling of performance data. The 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’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.

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.

¹⁵ Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals

¹⁶ Assurance Engagements Other than Audits or Reviews of Historical Financial Information

¹⁷ Greenhouse Gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

- 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 and assumptions as to be reported in SR2025, related to Scope 1 and Scope 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, 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’s selected performance data for the financial year 29th September 2024 to 4th October 2025 (“FY2025”) related to its six global operational sites and as verified and detailed in Annexure 1 of this statement, is not a reliable and accurate representation of K&S’s selected sustainability performance data presented in Chapter 4 of K&S’s Sustainability Report 2025.

Note: The emission factors, global warming potential, unit conversion factors, assumptions and other calculation methodologies are presented in Chapter 8 (Annexes) of K&S’s Sustainability Report 2025.



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, external assurance, GHG verification, ESG assessment and ratings, climate change disclosures, human rights impact assessment and sustainable procurement. We maintain our independence and adherence to ethical requirements as detailed within our Framework for Assurance and Verification and the International Ethics Standards Board for Accountants’ International Ethics Standards for Sustainability Assurance (including International Independent Standards), as well as our internal codes for responsible conduct. This engagement has been planned and performed by an independent multi-disciplinary

team of sustainability and verification professionals with requisite skills, experience and competencies – no member of the verification team has a business relationship with K&S, its Directors or Managers beyond this engagement 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’s SR2025 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</p> <p>13th May 2026, Singapore</p>	<p>Kiran Radhakrishnan Senior Manager – Sustainability and Assurance Services CSRWorks International</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	346.292
Scope 1 GHG Emissions (Fuel Combustion)	Tonnes of CO ₂ e	181.725
Scope 1 GHG Emissions (Refrigerants)	Tonnes of CO ₂ e	164.567
Scope 2 GHG Emissions (Location-based)	Tonnes of CO ₂ e	14,334.240
Scope 2 GHG Emissions (Market-based)	Tonnes of CO ₂ e	14,334.240
Water Consumption	Tonnes	69,687
Paper Usage	Kilogrammes	13,897
Total Non-Hazardous (Solid) Wastes Generated	Tonnes	607.327
Total Hazardous Wastes Generated	Tonnes	423.668
Total Non-Hazardous Waste Directed to Disposal	Tonnes	312.629
Total Non-Hazardous Waste Directed from Disposal	Tonnes	294.747
Total Hazardous Waste Directed to Disposal	Tonnes	361.250
Total Hazardous Waste Directed from Disposal	Tonnes	62.405

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, 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



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