SUSTAINABILITY REPORT



2023



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Message from our President & CEO



I am pleased to present our eighth annual Sustainability Report. Fiscal 2023 was a year where we drove progress despite challenges. The year saw rising interest rates, inflation, and economic uncertainty, alongside ongoing geopolitical tensions. Despite these hurdles, we remained committed to our sustainability journey and made noteworthy progress across various areas.

Our prospects continued to expand with long-term, growth opportunities within the Advanced Solutions, Advanced Display, Automotive, Memory and General Semiconductor markets. This growth was enabled by secular technology transitions, which we are in a unique position to capitalize on because of our technical competencies and close engagements with industry leaders who are enabling new markets. We are leveraging our established positions and leadership in research and development to drive innovation and operational excellence. To strengthen our competitive advantage, we invest in product development activities with strategic customers to remain closely aligned with emerging commercial market needs and technology, which provide many new business opportunities, such as those relating to clean energy and electric vehicles. As a result of these efforts, we have been accessing new markets, even as we gain share in existing ones. Organically, we are focusing on opportunities in Advanced Solutions, Advanced Display, and Automotive markets. Here, we excel with specialized solutions for complex co-packaged optics, heterogeneous, systemin-package, mini-LED and micro-LED applications. This aligns with the transition towards sustainable energy and electric vehicles. To accelerate inorganic growth, we strategically pursue opportunities to bolster our technical expertise and broaden our market presence. For example, in February 2023, we acquired Advanced

Jet Automation Co., Ltd. unlocking broad access into the growing US\$2 billion addressable dispense market.

We are committed to reducing greenhouse gas emissions and have reached out to our key suppliers to reduce our supply chain carbon footprint.

Energy and emission reduction initiatives remain at the forefront of our agenda. Our Eindhoven site operates on 100% renewable energy, and solar panels at our Suzhou facility have reduced dependence on grid electricity consumption.

In September 2023, we hosted a carbon emissions awareness workshop in Singapore for our top local suppliers, emphasizing global regulatory requirements and our commitment to ESG data reporting. On a wider scale, our efforts also extended to a full RBA VAP audit, achieving maximum points in the Ethics category and subsequent implementation of a Continuous Improvement Cycle to ensure ongoing compliance.

Compliance with the Toxic Substances Control
Act (TSCA) has been a priority, with our Go-Green
Committee proactively engaging the supply chain to
identify alternative sourcing for restricted substances.

Employee well-being and development are integral to our ethos. Elements of SHINE, our digital HR platform have gone live, including the Talent Management and Recruitment modules, providing an improved employee experience, as well as increased compliance and analytics capabilities. We hosted a summit entitled Elevating Women in Engineering and Tech in Philadelphia, and conducted an Equitable Practices Audit at our sites in the US, the results of which will be incorporated into our 18-month Diversity, Equity and Inclusion (DEI) strategic plan. Our activities in this area also included additional DEI training for people

managers and supervisors, which better enables employees to effectively engage and lead our crosscultural, global, and ethnically-diverse workforce.

Continual workforce development while creating opportunities for personal growth were positively reflected in the results of our most recent employee engagement survey. Nine out of ten employees reported favorable employee engagement, significantly above the industry average.

Our involvement in CSR activities, including Science, Technology, Engineering and Mathematics (STEM) workshops, volunteering, cleanup initiatives, and tree planting reinforce our commitment to community and environmental stewardship, across all of our locations.

As we reflect on the past several years, it is evident that we have made significant strides across the sustainability spectrum. Positioned well in core markets, as well as in emerging opportunities, we remain committed to delivering value to stakeholders over the long term. I extend my gratitude to our dedicated employees whose efforts make our sustainability journey possible.

Looking ahead to 2024, we are excited about our opportunity set and drive new progress on long-term sustainability goals. Our commitment to sustainability remains resolute, and we look forward to furthering our positive impact on both the industry and the communities we serve.

Thank you for your continued support.

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Fusen Chen

President & CEO, Kulicke & Soffa



SUSTAINABILITY REPORT 2023

ABOUT THIS REPORT

Kulicke and Soffa Industries, Inc. (K&S) is pleased to present our eighth annual sustainability report, since we started our sustainability journey in fiscal year 2016. This year, we have taken steps to more comprehensively understand the economic, environmental, and social impacts of our global operations, such that we are able to effectively manage these impacts as part of our sustainability commitment. This report outlines our approach to embedding sustainability into our business strategies and sharing these commitments and aspirations with our stakeholders.

Our 2023 Sustainability Report (SR2023) covers the sustainability performance of all eight global operational sites for the fiscal year October 2, 2022, to September 30, 2023 (FY2023). This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, which is a widely adopted and internationally recognized reporting standard. Limited external assurance has been obtained for this report. To ensure that our sustainability efforts contribute to global, common goals, K&S continues to align its sustainability activities with the United Nations (UN) Sustainable Development Goals (SDGs).

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 FY2023 Annual Report and our other filings with the Securities and Exchange Commission. K&S is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

K&S engaged CSRWorks International Pte Ltd to perform independent, limited external assurance of our direct (Scope 1) and purchased energy indirect (Scope 2) greenhouse gas emissions data under the operational control boundary of eight global operational sites for the financial year 2023. The content was reviewed in accordance with CSRWorks' Assurance Methodology, a customized verification procedure based on ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements) and ISAE 3000 (Revised).

Independent Greenhouse Gas Assurance Statement

"Based on the limited level of verification undertaken and mutually agreed scope of work, nothing has come to our attention that would cause us to believe that the Scope 1 and 2 assertions of eight global operational sites for the financial year 2023 is not a reliable and accurate representation of K&S Scope 1 and 2 GHG emissions."

For the full assurance statement, please refer to pages 78 to 79.

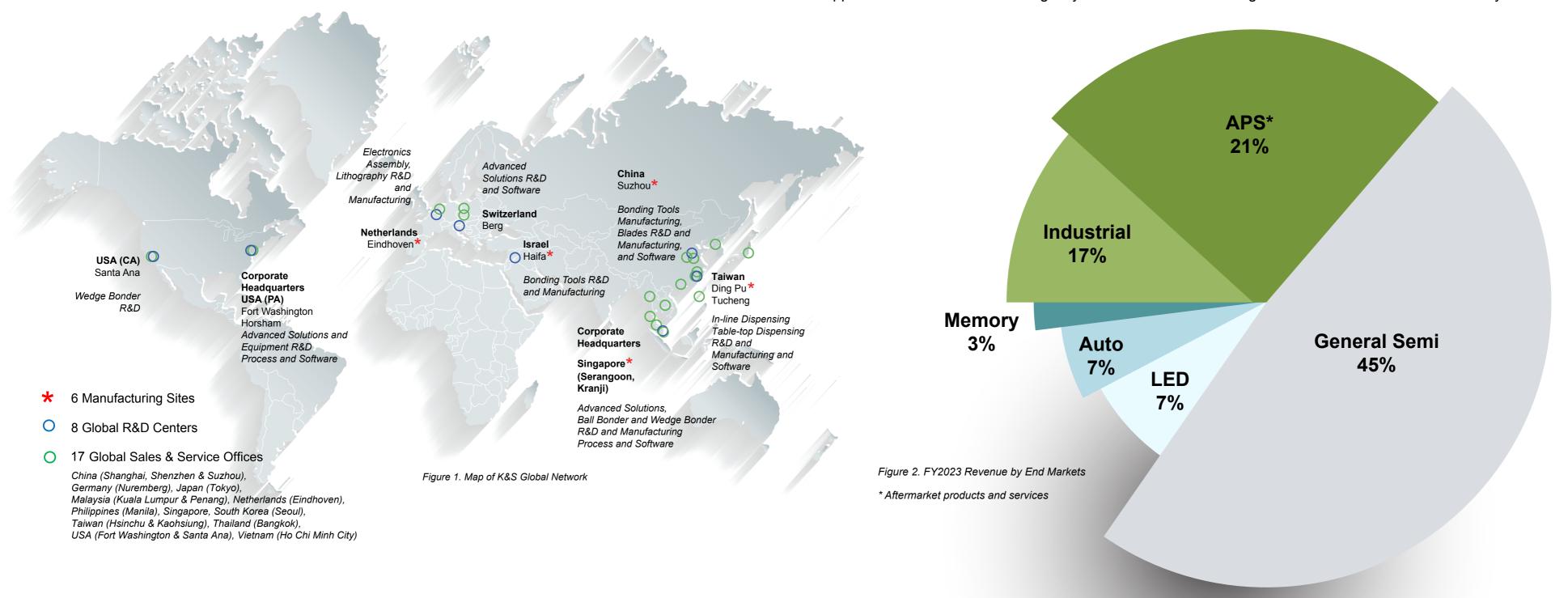
We welcome any feedback to help us to improve the approach we take to sustainability, our policies, and our performance. Please send your queries or suggestions to Joshua Chang (ckjchang@kns.com) from the K&S Sustainability Reporting Committee.



OUR BUSINESS OVERVIEW

Founded in 1951, Kulicke and Soffa Industries, Inc. (NASDAQ: KLIC) specializes in developing cutting-edge semiconductor and electronics assembly solutions, enabling a smarter and more sustainable future. As a prominent figure in these industries, K&S works with clients and technology collaborators worldwide. The company's reach includes 20 strategically positioned locations across 12 countries, encompassing manufacturing sites, research, and development centers, as well as sales and service offices. K&S has two main headquarters, in Singapore and Fort Washington, Pennsylvania.

Our ever-growing range of products and services supports growth and facilitates technology transitions across large-scale markets, such as advanced display, automotive, communications, compute, consumer, data storage, energy storage and industrial. As these industries evolve and require more intricate solutions, K&S, with seven decades of successful history, is in a favorable position to capitalize on emerging avenues for growth and the generation of value within both the high-volume and cutting-edge semiconductor markets. We are committed to generating lasting value for our operations, stakeholders, and the communities in which we operate, and we are dedicated to pursuing opportunities that ensure the longevity of our business and safeguard stakeholders from sustainability risks.



OUR VISION

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

OUR MISSION

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

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

Consistently grow and deliver superior financial performance.

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

Increase market intelligence to improve predictability of our business and alignment of solution development to market needs. Enable technology leadership through strategic partnerships across the value chain.

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

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

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

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

OUR CORE VALUES



DELIGHT OUR CUSTOMERS

Impress existing customers and win new ones



MAKE A DIFFERENCE

Take responsibility and be accountable for your actions



INNOVATE FOR SUCCESS

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



PEOPLE MATTER

Develop our people as our primary asset



LEARN, GROW, EXCEL

Pursue personal growth and business excellence through learning

K&S VALUE-CREATION CYCLE

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

Environment

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

Social Annual sustainability Monitor supply chain to K&S ensure Conflict Minerals Invest in R&D projects to are not used **Core Values** Treat employees with enable a smart future Improving QEHS* IMS* dignity & respect Promote ethical and Provide development opportunities and build an inclusive workplace Manage effective ERA* Foster a healthy and safe work environment and Maintain effective BCMS* culture Deliver first-rate business

ERA*: Enterprise Risk Assessment

IMS*: Integrated Management System

QEHS*: Quality, Environmental, Health and Safety BCMS*: Business Continuity Management System Favorable business outcomes empower us to propel our customers' growth, offering them novel solutions for market expansion. Robust financial performance also grants us the chance to focus on our key stakeholders, including our employees, customers, suppliers, and communities along our value chain. Our growth prospects enable us to collaborate with suppliers with strong environmental performance and helps to secure our access to essential raw materials and resources in the long term.

At K&S, we also recognize our responsibility in enhancing the social, economic, and environmental aspects of the communities in which we are present. Other than our corporate sustainability initiatives, which have contributed to the greening of our business model, we place huge emphasis on minimizing potential environmental degradation and related impacts. Despite the prevailing economic challenges, we remain steadfast in our commitment to social responsibility. We actively engage in volunteer initiatives, contribute to environmental clean-up drives, and prioritize our support for various charitable causes.

In FY2023, K&S reported an annual revenue of more than US\$742 million, and generated a free cash flow of US\$130 million with an operating margin of 5.3%. For detailed financial results, refer to the FY2023 Annual Report.





¹Net cash provided by operating activities less capital expenditures.

Governance

reporting

practices

program

compliant business

& financial growth

quality and products

Innovate sustainable high

SUSTAINABILITY REPORT 2023

Financial Results ²	FY2021*	FY2022*	FY2023*	% change from FY2022
Economic Value Generated: Revenue	1,517,664	1,503,620	742,491	-50.6%
Economic Value ³	1,195,411	1,393,315	796,461	-42.8%
Operating costs	844,614	762,556	418,035	-45.2%
Employee wages and benefits	257,513	262,705	251,030	-4.4%
Payments to governments	47,295	43,442	15,053	-65.3%
Community investments ⁴	1,081	1,372	1,224	-10.8%
Direct shareholder returns⁵	44,908	323,240	111,119	-65.6%

Table 1. FY2023 Financial Results

^{*} In US\$'000.

CSR Impact Metrics	FY2021	FY2022	FY2023
# CSR Activities	25	50	45
# Employees Participated	500	500	860
Total Volunteer Hours	800	1,800	1,900
Employee gifts and donations (In US\$)	\$4,612	\$33,221	\$9,086
K&S Donation/ Investment (In US\$)	\$92,000	\$408,755	\$291,342

Table 2. FY2023 CSR Impact Metrics



² 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 FY2023.

³ 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.

⁴ Includes internships

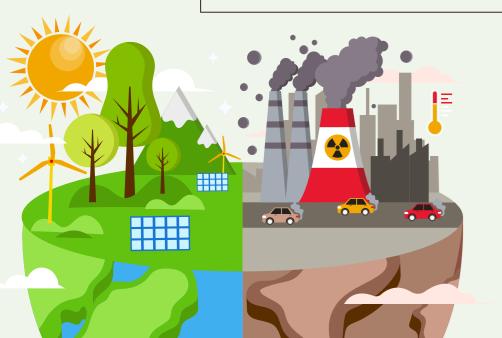
⁵ Includes share repurchases and dividends. Quarterly dividend payments have been made since July 16, 2018.

FY2023 ESG HIGHLIGHTS AND ACHIEVEMENTS

01 ENVIRONMENT



CDP Climate Change 2023 Score: **Awareness Level**



02 SOCIAL

45

Community Outreach Activities carried out globally



1,900

Volunteer hours achieved across all sites

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



>580

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

>US\$290,000

K&S Donation/Investment





3,025

Employees globally

03 GOVERNANCE

ZERO

Validated cases of noncompliance with laws and regulations resulting in significant fines or sanctions

ZERO

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



82%

Smelters in CFS program identified in reporting year 2022



SUSTAINABILITY GOVERNANCE

At K&S, the ESG Council is responsible for ESG project implementation and for monitoring progress. Each sub-component of Environmental Stewardship, Social Responsibility, and Good Governance is overseen by organizational leads, who are required to provide regular updates on planned initiatives. These initiatives make up the ESG Council workstreams. The various workstreams provide quarterly reporting to the Executive Leadership Team (ELT). The Nominating and Governance Committee (NGC) of the K&S Board of Directors receives summary reports on a semi-annual basis. The NGC maintains full oversight of all ESG activities and steers the development and progress of K&S ESG strategy, policies, and performance.



Executive Oversight



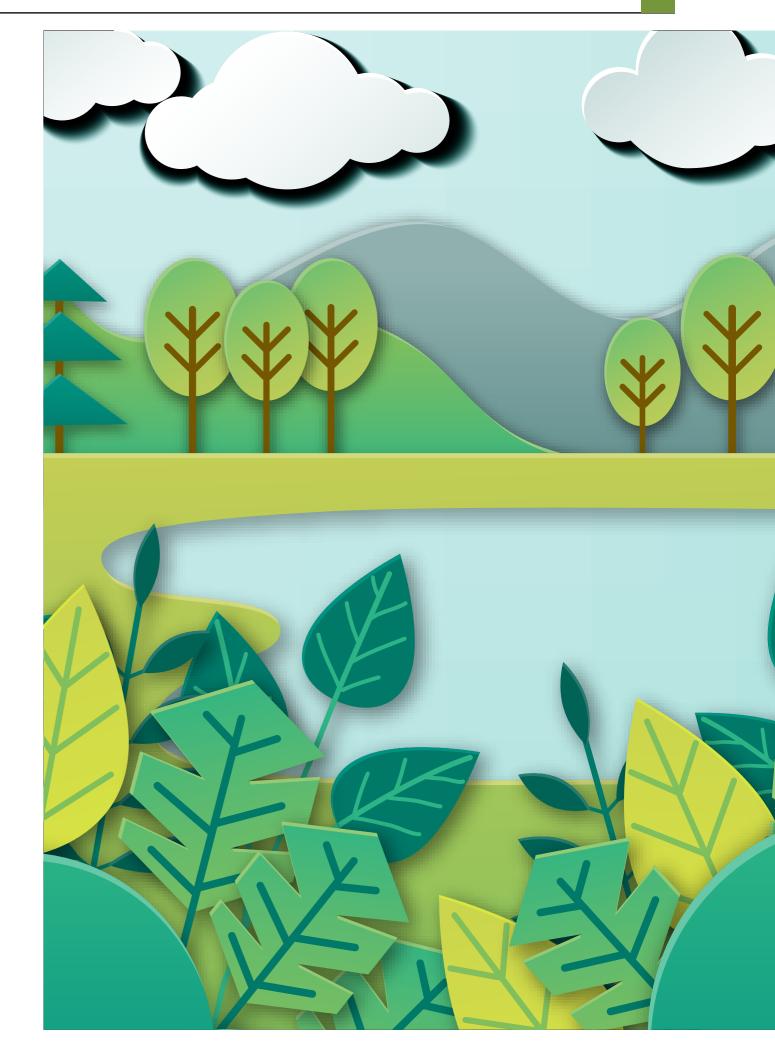
Executive leaders from Legal, Finance, Human Resources, Corporate Strategy, Capital Equipment Business Unit and Operations

ESG Council



Leaders from Environmental Health & Safety, Quality, Operations, Capital Equipment Business Unit, Supply Chain, Human Resources, Diversity & Inclusion, Investor Relations, Marketing Communications, Corporate Strategy, Finance and Legal





STAKEHOLDER ENGAGEMENT

We maintain strong communication channels with our key stakeholders, which enables us to receive and review any affected interests, concerns, and feedback efficiently and effectively.

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	Voice of Customer	Every three years	Product & Service InnovationCustomer Health & SafetyCustomer Satisfaction
Employees Look to K&S to be a fair and just employer, upholding human rights	Voice of K&S Employee Engagement Survey	Every two to three years	 Employment & Labor Practices Occupational Health & Safety
through equal access to company programs like bonuses and awards, training opportunities, health and safety	Townhalls, K&S intranet, staff meetings, emails and notice boards	On a regular basis	Diversity & Inclusion
Shareholders & Investors Seek long-term business growth of K&S resulting in positive financial	Annual Report, Sustainability Report	Annually	Financial & Non-Financial Performance
performance	Performance announcements on K&S' website and via press releases and earnings calls	Quarterly	
	Investor meetings and an investor relations website	On a regular basis	
	Investor Day Communication of financial and non-financial information	On an ad-hoc basis On a regular basis	
Suppliers Look to build sustainable business relationships with K&S	Engagement surveys and events	As appropriate	 Product & Service Innovation Material Use
	Business reviews of supplier deliverables	Quarterly	 Customer Health & Safety Customer Satisfaction
	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	Ethics, Bribery & CorruptionEnergy Usage & Associated GHG
	Regulatory reporting to government bodies	On a regular basis	Emissions • Employment & Labor Practices
Non-governmental Organizations (NGOs) & Nonprofit Organizations (NPOs)	Community, DEI and environmental initiatives	On a regular basis	 Ethics, Bribery & Corruption Local Community Engagement
Seek to foster long-term collaborative partnerships with K&S to increase meaningful interaction and improve lives	Disclosure on environmental, social and other related aspects	On a regular basis	

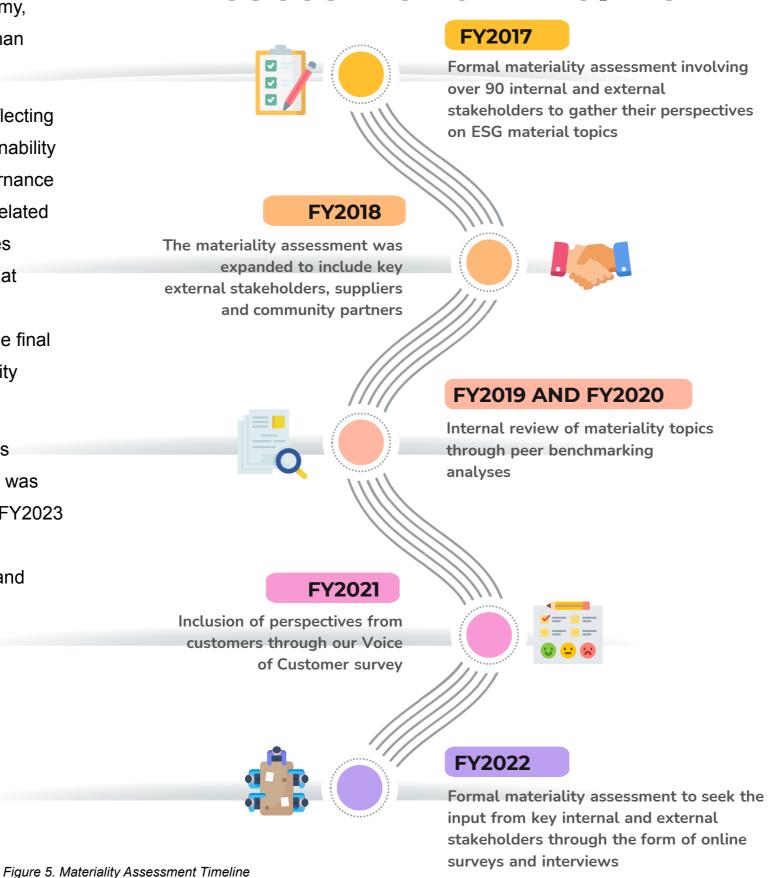
MATERIALITY ASSESSMENT

Materiality as broadly defined by GRI are "topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights."

K&S has previously identified 12 material ESG topics reflecting its focus areas, material impacts on stakeholders, sustainability ambitions and priorities. With our established ESG governance framework, the Board is provided with biannual reports related to our key activities in this realm. The Board also receives updates of any environmental and regulatory changes that might impact K&S and our value chain. Our impacts are evaluated and validated by the ELT, and this results in the final list of material topics presented in our annual sustainability report.

The Board has reviewed this sustainability report and has validated the list of identified material topics. While there was no comprehensive materiality assessment performed in FY2023 – this activity was performed in FY2022 – K&S confirms that these ESG topics are still material to its operations and stakeholders.

Materiality Assessment Timeline





No.	Material Topic	Relevance	Stakeholders	Associated UN SDGs
1	Ethics, Bribery and Corruption	Causes, Directly linked to	Government, Regulators and Certification Bodies	
2	Product and Service Innovation	Causes	Customers	9 AND NEASTRUCTURE
3	Customer Health and Safety	Causes	Customers	
4	Customer Satisfaction	Causes	Customers	
5	Occupational Health and Safety	Causes	Employees	8 DECENT WORK AND ECONOMIC GROWTH
6	Employment and Labor Practices	Causes	Employees Communities	4 QUALITY 8 DECENT WORK AND ECONOMIC GROWTH
7	Material Use	Causes, Contributes to, Directly linked to	NGOs / NPOs Communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8	Energy Usage and Associated GHG Emissions	Causes, Contributes to, Directly linked to	Government, Regulators and Certification Bodies NGOs / NPOs Communities	13 CLIMATE ACTION
9	Sustainable and Corporate Finance	Causes	Shareholders and Investors Employees	9 MOUSTRY, INNOVATION AND INFRASTRUCTURE

No.	Material Topic	Relevance	Stakeholders	Associated UN SDGs
10	Responsible Supply Chain Management	Causes, Contributes to, Directly linked to	Suppliers	12 RESPONSIBLE CONSCIDENTION AND PRODUCTION
11	Sustainability Governance	Causes	Government, Regulators and Certification Bodies Shareholders and Investors Employees	13 CLIMATE ACTION
12	Effluents and Waste Management	Causes, Contributes to	Government, Regulators and Certification Bodies NGOs / NPOs Communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR FY2023 TARGETS AND PERFORMANCE

No.	Material Topic	FY2023 Targets	Performance for FY2023
1	Ethics, Bribery & Corruption Developing efforts or policies to ensure that business practices are ethical and free of bribery and corruption	 Zero incidents of non-compliance with laws and regulations resulting in significant fines or non-monetary sanctions Zero incidents of corruption, fraud, bribery or money-laundering activity across the business and operations 	Achieved Achieved
2	Product & Service Innovation Encouraging efforts to drive innovation to meet ongoing and future needs of the company and customers	Adopt the 'on time, on target' approach in the delivery of products and services	Achieved
3	Customer Health & Safety Adhering to health and safety commitments to ensure that products and services do not pose any risks to customers	Zero validated cases of non-compliance regarding health and safety impacts of products and services	Achieved
4	Customer Satisfaction Maintaining product and service satisfaction levels that encourage customers to continue engaging the company as a service and goods provider	Set Quality Targets across all products, and to be adopted from Top Management to Working Level Achieve 85% rate of field issues resolved at Escalation Level 1	Achieved Achieved
5	Occupational Health & Safety Developing initiatives or policies to maintain a healthy and safe workplace, including monitoring health & safety performance of employees and contract workers, including contractors	 Maintain Accident Frequency Rate (AFR) below 1.5 Maintain Accident Severity Rate (ASR) below 7 Achieve > 12 hours of OHS training per employee 100% completion in Corporate Safety Training Zero fatalities and occupational related diseases 	Achieved Achieved Achieved Achieved Achieved
6	Employment & Labor Practices Ensuring the implementation of fair employment and labor practices across all business units and operation locations	Maintain women representation in global workforce above 35% 100% of annual performance reviews to be completed and delivered to our employees	Did not achieve. See page 39-42 for planned initiatives. Achieved
7	Material Use Ensuring that materials used in the company's operations are sustainably sourced and managed in an efficient manner	 Reduce total paper usage intensity from FY2022 by 3% Reduce water usage intensity at K&S Suzhou site by > 1% 	Did not achieve. See page 47 for planned initiatives. Achieved

No.	Material Topic	FY2023 Targets	Performance for FY2023
8	Energy Usage & Associated GHG Emissions Ensuring that energy consumption and its associated greenhouse gas (GHG) emissions can be minimized where possible	Reduce total electricity usage intensity from FY2022 by 2%	Set new baseline. See page 30 for details and planned initiatives.
9	Sustainable and Corporate Finance Ensuring that sustained economic value is generated by the company and distributed to its stakeholder	 Return at least 50% free cash flow to investors via dividends and buybacks Corporate Net Income target: 	Achieved Did not achieve
	Stakerioidei	 US\$183.4M Corporate Operating Margin target: 17.4% 	Did not achieve
10	Responsible Supply Chain Management Performing due diligence to ensure that suppliers are responsible for their practices in social and environmental aspects	Restriction of Hazardous Substances (RoHS): Achieve RoHS compliance for new products launched in FY2023	Achieved
	Social and environmental aspects	 Conflict Minerals: File to SEC CM report RY22 on time in May 2023 with annual due diligence progress 	Achieved
		 Supplier Code of Conduct: All key suppliers to endorse and comply with K&S Direct Supplier Code of Business Conduct and Ethics (Direct Supplier Code) 	Achieved
11	Governance (Sustainability) Demonstrating strong sustainability leadership	 100% completion in employees' Code of Business Conduct training 	Achieved
	as part of business strategy and decision-making process	 Conduct 2023 Enterprise Risk Assessment and include achievable target risks in risk 	Achieved
		 map ESG organization structure up to BOD to periodically review K&S sustainability strategy and results. 	Achieved
12	Effluents & Waste Management Ensuring that effluents and waste generation are minimized where possible and managed through	 Achieve > 60% total solid waste recycling rate 	Did not achieve. See page 33 for planned initiatives
	proper disposal and recycling protocols	 Reduce hazardous waste generation intensity at K&S Suzhou site by > 2% 	Achieved



K&S ETHICS, BRIBERY AND CORRUPTION

Business Integrity & Ethics

K&S is committed to conducting business in an ethical and principled manner. Our corporate governance framework and related policies mold our culture of responsibility, integrity, and adherence to relevant laws and regulations. The Board maintains ultimate responsibility and oversight for corporate governance affairs and remains resolute in its mission to uphold the highest standards of business conduct.

Our Code of Business Conduct, Code of Ethics for Senior Financial Officers, and Worldwide Direct Supplier Code of Business Conduct and Ethics (collectively the "the Codes") encompass a framework for ethical and responsible business principles and practices. Our Codes include provisions that apply to all K&S employees and suppliers and address topics such as:

Our commitment to ethical business practices, which details our approach to combatting corruption, is communicated through our Corporate Responsibility Policy while our Enterprise Risk Assessment (ERA) processes enable us to identify and mitigate risks relating to corporate governance and ethics across all our operations.

Our Codes, for which the Compliance Officer maintains oversight, are reviewed regularly to ensure they comply with NASDAQ regulations. For more information and transparency, please find our corporate policies and guidelines available on our corporate website: https://investor.kns.com/corporate-governance.

K&S is dedicated to fostering a transparent, healthy, and equitable working environment where discussions about

business practices can occur without the fear of negative repercussions. We conduct campaigns and display

Through our Whistleblower Policy, our employees have access to seek guidance or report concerns related

to unethical conduct or breaches of our codes. Reports can be made directly to the immediate supervisor or

Compliance Officer. Alternatively, they can do so anonymously through our confidential whistleblower hotline via

may be necessary, on the status of these matters and holds the ultimate authority to review and resolve them.

posters to reinforce the message with a strong emphasis on non-retaliation and confidentiality.



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



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



Corporate opportunities that may not be used for personal gain



Competition and fair dealing in relationships with stakeholders



All reports made in good faith are promptly brought to the attention of the Compliance Officer and Committee where they are thoroughly and promptly investigated and addressed. Where necessary, these reports or concerns may be escalated to the Board of Directors. The Audit Committee receives regular updates quarterly, or more frequently as

phone or an online website.

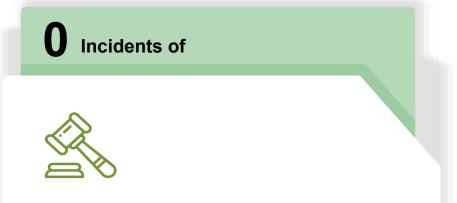
Whistleblowing and Grievance Procedures



Policy against insider trading, conflicts of interests and appropriate disclosures

Communication and Promotion

K&S engages in an annual procedure to ensure all employees and direct suppliers acknowledge and confirm their adherence to our corporate governance policies and guidelines. Additionally, we administer annual online ethics training sessions to establish clear company expectations regarding employee behavior, to strengthen comprehension of our Codes, and promote ethical business practices. Targeted in-person trainings on "Protection and Proper Use of K&S Assets and Proprietary Information" have been conducted for all employees in our regional facilities in Taiwan, Fort Washington, Santa Ana and the Netherlands, and in key departments in the Singapore facility.



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

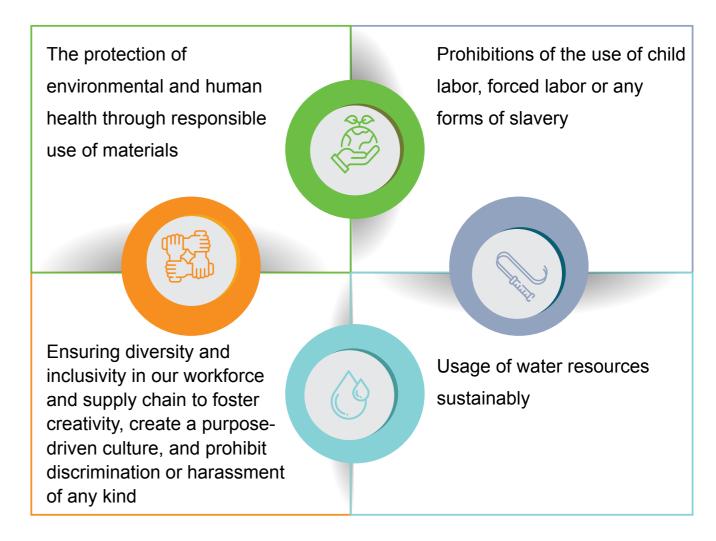


Note: We define significant instances of non-compliance as those that result in a material financial or non-financial impact on the business, employees, or stakeholders.

Human Rights

K&S is dedicated to upholding the rights of our employees and supply chain partners and is committed to nurturing a culture of trust, respect, fairness, and inclusion, irrespective of individuals' beliefs, abilities, or backgrounds. Our approach to ensuring the fundamental tenets of human rights across all our operational locations is guided and supported by internationally recognized human rights principles outlined in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Our Human Rights Policy establishes our standards in these areas, including:

K&S Human Rights Policy



We expect all our employees, business partners, vendors, and suppliers to abide with rigorous human rights policies and standards. We promote a commitment to human rights across our entire value chain and implement due diligence procedures and internal assessments to detect potential violations.

RESPONSIBLE VALUE CHAIN

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

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 compliant 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







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

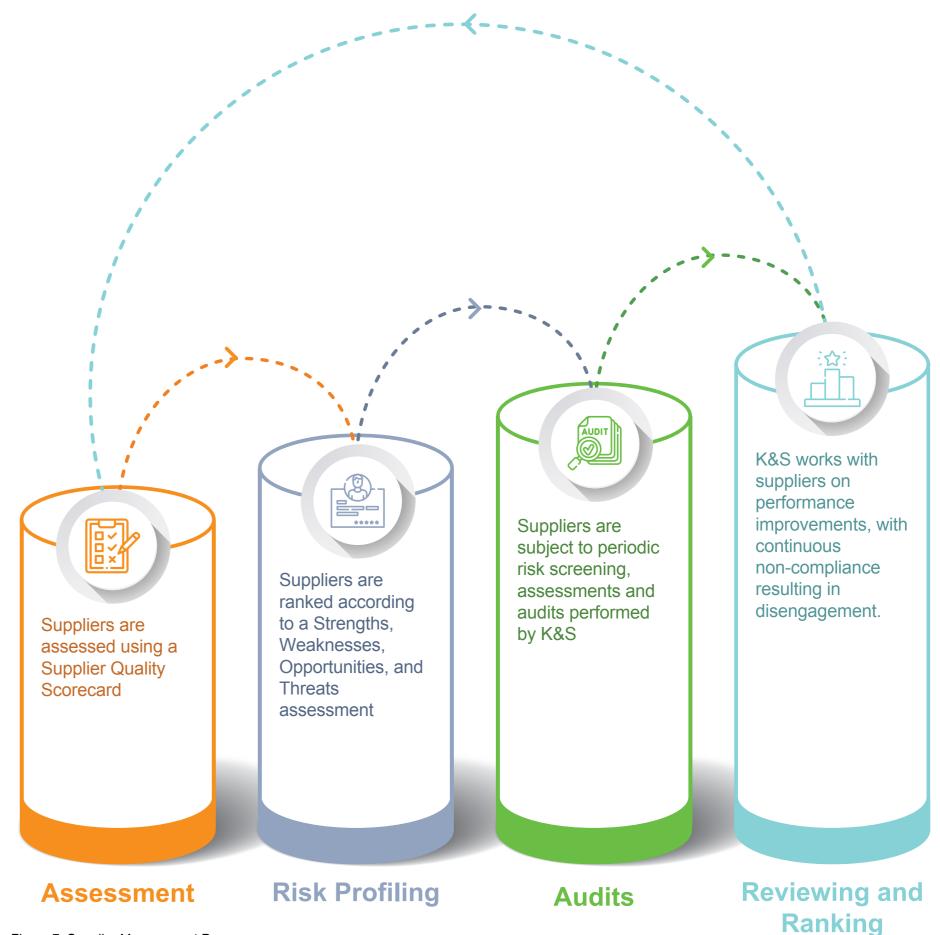
Supplier Code of Conduct

K&S is dedicated to upholding the rights of our employees and supply chain partners. To embed the K&S sustainability values and objectives throughout our supply chain, and to communicate our expectations, we require all⁶ our suppliers and contractors to endorse and comply with either our Direct Supplier Code of Business Conduct and Ethics (Direct Supplier Code) or our Indirect Supplier Code, which pertains to indirect suppliers, contractors, consultants, and agents. All suppliers are also required to formally agree to the terms stated in our Human Rights Policy.

These Codes outline the key principles and expectations for committing to the highest standards in supply processes, and business, legal, and ethical conduct, similar to our Business Code of Conduct for employees and draw from established global standards, including the Responsible Business Alliance (RBA), European Union regulations such as the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), as well as other relevant laws and regulations. The Codes cover various subjects, including labor and human rights, data protection and confidentiality, conflict minerals, oversight of raw materials and waste, and anti-corruption measures.

Evaluation Assessments

Approved suppliers are subject to an annual four-part evaluation assessment that includes risk profiling, auditing, and ranking (see figure 6). When due for re-contract, a follow-up review is required before re-approval. In FY2024, we will be introducing an additional metric to the supplier scorecard that will reward suppliers who have implemented a decarbonization program and looking further forward, we will be asking some of our key suppliers to evaluate risks in their global supply chains through submission of a Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ). In addition to decarbonization programs, we also intend to include ESG metrics in the supplier scorecard for key and strategic suppliers.



⁶Note: For Electronics Assembly (EA) / Advanced Packaging Mass Reflow (APMR), we focus on our main suppliers.

Figure 7. Supplier Management Process

Supplier Support

K&S reinforces sustainability consciousness within the supply chain by making investments in initiatives like training workshops and other engagements that take place both on an annual basis and as the need arises.

FY2023 Supplier Workshop on Carbon Emissions

In September 2023 K&S hosted a carbon emissions workshop for our top twenty suppliers. We provided an update on global regulatory requirements relating to climate disclosures and explained our commitment to report ESG data, targets and initiatives to CDP. Participants were also introduced to the various sources of greenhouse gases and the methods for capturing and calculating emissions values. Finally, we helped our suppliers understand how the carbon mitigation hierarchy can provide a structure for developing a decarbonization roadmap. Participants departed with an appreciation of how emissions from their own organizations contribute to K&S value chain emissions, and an understanding of how they can support emissions reduction targets set by K&S. We plan to expand this type of training to additional suppliers in the future.

K&S will organize supplier workshops on carbon emissions on a biennial basis, and we plan to expand this type of training to additional suppliers in the future.

REDUCING EXTERNAL RISK

We enhance the diversity of our supply chain by procuring from a variety of suppliers at the local, regional, and global levels. Additionally, we have successfully achieved our goal to boost procurement from local or regional suppliers by 15% in FY2023 in an effort to prioritize the use of land and sea



BUSINESS RESILIENCE FOR CONTINUITY

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

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program, in conjunction with the Enterprise Risk Assessment (ERA) conducted as part of the ERM, serves as the foundation for comprehending risks and formulating well-informed and timely business decisions. This program aids us in the identification, evaluation, and effective handling of various events that may pose risk and uncertainty to our business. Risk management processes are embedded into our operations and organizational culture, leading to informed decision-making across all areas of the business, including governance, strategy, and goal-setting.

The result of the ERA is a risk map that categorizes risks based on their severity and likelihood. For each of these, we identify activities and targets to mitigate the risks. The risk map, objectives, and progress status are subject to review by the Board twice each year.

Integrated Management System (IMS)

The K&S Integrated Management System (IMS) is operational at our six primary design and manufacturing facilities and is certified to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards. The IMS, in conjunction with our Quality, Environmental, and Occupational Health & Safety (QEHS) management system, provides a framework for effective management of our processes, related targets, and sustainability trends and enables us to work towards unified global objectives across our operations.

The IMS policies and objectives are communicated internally and are monitored periodically in terms of effectiveness. Risks and opportunities associated with QEHS matters are assessed, managed, and periodically reviewed through the ERA, the Environmental Aspect Assessment (EA), and Hazard Risk Assessment (RA) procedures. We have established protocols for ensuring our processes comply with relevant laws, regulations, and other mandates.

Annual Enterprise Risk Assessment Process

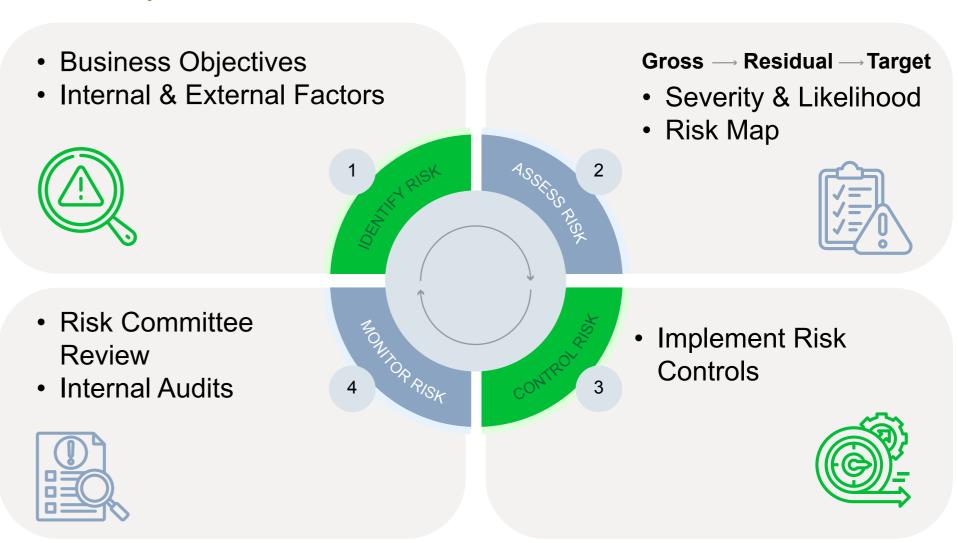


Figure 9. Annual Enterprise Risk Assessment Process

Fostering Sustainable and Responsible Business Culture and Conduct

Although K&S is not a member of Responsible Business Alliance (RBA), we support and adopt the RBA Code of Conduct in its entirety. The RBA Code provides social, environmental and ethical industry standards including those relating to Labor, Ethics, Health and Safety, Human Rights, and Management Systems. These standards ensure that working conditions in K&S operations and our supply chains are safe, taking seriously the well-being of our workers and that business operations are ethical and environmentally responsible. To determine adherence to the standards, organizations are audited by approved external assessors through the Validated Assessment Program (VAP).

RBA VAP Audit for K&S Singapore

In May 2022, the K&S Singapore site began preparing for a full RBA VAP audit assessment. This process initially involved an internal high-level gap analysis, conducted with external assistance, and from which an initial compliance gap report was produced. Gaps identified during this stage were addressed where possible, and training sessions were conducted to raise awareness and build capacity within K&S. At the beginning of FY2023, the full VAP audit commenced, with findings being reported in April 2023. K&S scored maximum points in the Ethics category, with most room for improvement being identified in the Environment category (for example, around boundary noise monitoring and waste labeling). No 'Priority' (highest severity) non-conformance issues were identified in any category. The majority of the audit findings had been closed by the end of FY2023, with a two-year Continuous Improvement Cycle having been implemented to ensure continued compliance and improvement. Assessment will continue into FY2024, with the audit scheduled to be completed and closed by September 2024.

Business Continuity Management

K&S has established a Business Continuity Management System (BCMS) that enhances our ability to respond efficiently during disruptions, and contributes to the protection of our operations, reputation and brand. The BCMS aligns with the ISO 22301 standard, and has been implemented at all of K&S's design and manufacturing facilities.

The K&S BCM framework adopts a Plan Do Check Act (PDCA) cycle, using the ISO standard as a guide, and provides a means through which exposure to internal and external threats can be identified and through which effective and efficient responses to threats can be determined.

In FY2023, as part of our ongoing, multi-year testing cycle, BCP simulations were conducted at our sites in Fort Washington, Santa Ana, and Suzhou. These simulations are designed to verify the adequacy of the BCP in a disaster scenario and include testing of IT disaster recovery processes, call tree accuracy, and crisis communication effectiveness.

For all sites, the Crisis Management Teams (CMTs) were assessed through role play to understand crisis management and ultimate recovery of critical business functions. All three sites successfully completed the BCP test and demonstrated excellence in business continuity readiness. In FY2024, the K&S Singapore site is scheduled to be tested.

BC Disaster Scenarios







Non-Availability of Staff



Loss of Computing/ Data Communications



Non-Availability of Key Supplier

K&S Fort Washington BCP test scenario

A propane-powered forklift located in the loading dock caught fire and flames started to spread to other areas of the building.



K&S Santa Ana BCP test scenario

A historic flash flood occurred at the facility, brought on by unprecedented rainfall and resulting in staff being asked to stay home until further notice.



K&S Suzhou BCP test scenario

An explosion in the manufacturing area caused a fire to break out in the building, resulting in denial of access to factory and office premises.





SUSTAINABLE SOURCING

Sustainable sourcing plays an integral role in slowing down the deterioration of the planet's health. K&S recognizes its responsibility to embody environmental, social, and ethical practices in the procurement and management of resources. We have an Environmental Health and Safety Policy in place, that outlines the processes to manage materials sourced and used. The Policy is guided by internationally recognized standards and regulations, relevant to K&S operations, such as the European Union (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS) regulations, as well as the Securities and Exchange Commission (SEC) Conflict Minerals guidelines and Toxic Substances Control Act (TSCA). By providing high quality products and services in a safe and healthy environment, K&S remains committed to full compliance with these standards and regulations.

Beyond our own operations, we hold the same standards to our direct and indirect suppliers, through the Supplier Code of Business Conduct and Ethics. The Code documents the extensive requirements for procurement, with two key focus areas on responsible material use:

Conflict Minerals

Hazardous Substances

3TG: Tantalum, Tin, Tungsten and Gold

RoHS, REACH, TSCA

We have a Conflict Mineral Sourcing Policy in place, as well as a cross-functional global Conflict Mineral Committee that is responsible for maintaining oversight of our procurement processes for 3TG minerals and potential human rights abuses within our global supply chain.

Our direct suppliers are required to fully disclose the origin of any 3TG minerals procured for use in their components and assemblies as part our due diligence processes, including the use of 3TG by sub-tier suppliers and smelter sources. K&S also files a Conflict Minerals report with the SEC annually to declare these due diligence procedures and measures in place to avoid the use of conflict minerals in our supply chain. We actively conduct annual audits on the monitoring processes and policies of select direct suppliers as well as their sub-tier suppliers, to ensure that all potential or actual negative impacts are identified and managed throughout our supply chain. Any violation of our Conflict Mineral Sourcing Policy is taken seriously, and we will disengage suppliers if they do not respond with corrective actions.

For further details, please refer to our latest Conflict Minerals Report and our Conflict Minerals Policy.

Conflict-free Smelters	Number of 3TG Tier-1 Suppliers Surveyed	Number of Smelters Identified	Number of Compliant and Active Smelters	Number of Conflicted Sources Found
FY2020	171	371	299	0
FY2021	180	377	294	0
FY2022	186	385	295	0

Table 5. K&S Conflict Mineral Metrics

Ethical Sourcing of Conflict Minerals

Tin, tantalum, tungsten, and gold (3TG) are classified as conflict minerals, as the trade in these minerals may be used to finance armed groups, human rights abuses, and support corruption in politically unstable regions. As these conflict minerals are commonly used in the semiconductor and related industries, K&S remains fully committed to avoid the use of conflict minerals in its operations and supply chain by supporting the Dodd-Frank legislation to ensure that 3TG minerals used in our products are not being sourced from the Democratic Republic of Congo (DRC) and nine adjoining countries.

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

K&S CM process is aligned with the **OECD Due Diligence** Guidelines

CM Data Assurance

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

Detailed Reporting

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

Restriction of Hazardous Substances (RoHS)

Proper disposal of waste electrical and electronic equipment (WEEE) is incredibly important because of the risks posed to not only the environment but also local communities. If such chemical waste is not properly managed, the leaching of toxic chemicals like cadmium, lead and mercury can poison natural soils and enter the food chain. We strive to comply fully with the EU Restriction of Hazardous Substances (RoHS) requirements, as part of our commitment to manage any potential impacts in our operations. RoHS is a directive that promotes the recyclability of electronic waste and restricts the use of certain hazardous substances by substituting with safer alternatives.

Since 2018, new core platforms launched and all new platforms introduced from 2020 have been compliant with 2011/65/EU RoHS 2. We have established a Go-Green Committee which is responsible for ensuring compliance to RoHS, with rigorous processes in place for monitoring and oversight. At the same time, our suppliers are required to provide data on compliance of restricted substances. We also maintain a RoHS database to track product content and information gathered from suppliers.

We are pleased to report that we have achieved EU RoHS compliance for the following products:



RCOI – Reasonable Country of Origin Inquiry IPSA - Independent Private Sector Audit

CMRT - Conflict Minerals Reporting Template

CMR - Conflict Minerals Report SEC - Stock Exchange Commission

REACH-SCIP Disclosure

REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) is a European Union (EU) regulation to address the production and use of chemical substances, and their potential impacts on both human health and the environment. K&S maintains oversight of our supply chain by actively monitoring potential Substances of Very High Concern (SVHC). We disclose these details to the European Chemicals Agency (ECHA)'s SCIP database.

We monitor any changes made to the SVHC list to ensure that we remain in full compliance with REACH. In FY2023, the concentration of SVHC chemicals in our products was found to be significantly below the permissible limit.

New TSCA Rules and Enforcement

The Toxic Substances Control Act (TSCA) authorizes the US Environmental Protection Agency to regulate and screen the production or importation of five persistent, bio-accumulative, and toxic (PBT) substances in the United States. K&S has taken action to comply with the requirements. Our Go-Green Committee has been engaging our supply chain to identify and evaluate sourcing for alternative parts for products that contain restricted substances.

K&S has been engaging GreenSoft Technologies to streamline data collection processes to comply with various environmental standards and regulations. The GreenSoft data management tool provides a standardized platform for our suppliers to contribute environmental data, including those required by RoHS, REACH, SCIP and TSCA. This helps K&S maintain oversight on suppliers' compliance and monitoring of progress against targets. GreenSoft Technologies supports our suppliers in the process and updates the platform regularly in view of the evolving regulatory landscape.



SUSTAINABILITY REPORT 2023

ENERGY USAGE & ASSOCIATED GHG EMISSIONS

The semiconductor and technology manufacturing industry has great potential to play an integral role in reducing global energy consumption and emissions. K&S recognizes the potential and actual impact of its operations in relieving pressures on natural resources and energy use, and we have committed to increase efficiencies, save costs, and contribute to a higher quality of life.

Sustainability is embedded and considered in our business strategy and decision-making. We have a Corporate Responsibility Policy that outlines the strategies to actively reduce our impact on the environment. Our commitments center around three core areas of energy and emissions, water, and waste. This includes optimizing and conserving the use of water and energy, restricting the use of hazardous substances in our products, and managing our waste responsibly.

Scope 1 emissions

433 tons CO₂e

Scope 2, location-based

16,779 tons CO₂

Scope 2, market-based

16,304 tons CO₂

Reducing Energy Use

Commitments

 K&S strives to manage resource use sustainably irrespective of the source of energy used. We capitalize on opportunities to drive energy efficiency throughout our manufacturing and operating processes.

Targets

2% reduction for non-renewable electricity usage intensity.

Progress against targets

New Baseline

In FY2023, we set a new baseline with the inclusion of two additional K&S sites⁷ in-scope.

Electricity consumption, marketbased

37,351 MWh

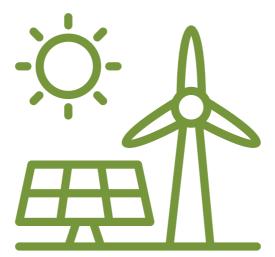
Electricity Intensity

50.3 MWh / million \$US

⁷ Kranji, Singapore and Horsham, PA, USA

Initiatives

- The Eindhoven site uses 100% renewable energy.
- Solar panels installed at the Suzhou facility reduce grid electricity usage.
- Energy use is monitored and effectiveness of the processes and initiatives are tracked against targets.
- LED lighting replacement at various sites and use of movement sensors reduce electricity usage.



Reducing Emissions

Commitments

carbon emissions in driving global climate change and recognizes that it plays an important role in contributing towards a low carbon economy. We are committed to understand and properly manage both our direct and indirect emissions produced by our operations and supply chain.

Progress

 Our Scope 1 emissions emanate from on-site combustion of diesel oil in generators and from fugitive coolant gases and comprise only 2.6% of our total Scope 1 and Scope 2 emissions. Most of our emissions arise from energy use in our manufacturing processes.

Initiatives

- In FY2023 we expanded our data collection processes to include our indirect Scope 3 emissions through supplier engagement, alongside the existing collection of direct Scope 1 emissions and indirect Scope 2 emissions.
- We have implemented a carbon management program, which outlines our current progress and future plans to reduce our GHG emissions (see page 31/ figure 10 for more details).
- A supplier workshop on Climate Change and GHG Emissions was conducted for scope 1 and 2 emissions data collection.
- Electric company car used in the Eindhoven, Netherlands site and the carpooling initiative at the Santa Ana, CA, USA site reduces emissions.

CDP Disclosure

The Carbon Disclosure Project (CDP) was established as an international non-profit organization that runs a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Annually, CDP scores companies based on their journey through disclosure of information and towards environmental leadership.

In FY2023, K&S undertook its annual disclosure submission to CDP and obtained a 'C' score in line with our expectations. We will continue to progress along our emissions reduction journey and improve our data collection processes in future years. Apart from CDP, K&S has also begun efforts to understand Scope 1 and 2 alignment to SBTi and has identified potential emissions reduction opportunities. We have also started to understand the extent of our Scope 3 emissions by collecting data relating to GHG Protocol's categories 1 (purchased goods and services), 2 (capital goods), 4 (upstream transportation and distribution), and 6 (business travel).

SCOPE 1

Direct emission from controlled sources

SCOPE 2

Indirect emission from generation of purchased energy

SCOPE 3

All other indirect emissions from value chain upstream and downstream

GHG Scope 3



- Measure Scope 3 emissions using spend-based data
- Train & engage supplier for GHG data collection
- Develop carbon reduction roadmap
- Disclose GHG inventory Scope 1,2&3 emissions (partial)
- CDP Scope 3 Strategy & Targets

GHG Scope 1&2



- Climate Strategy Workshop
- Disclose GHG Scope 1&2
- Plan on engaging supply chain to gather Scope 3 data

CDP Plan



- Developed Roadmap and Plan
- Trained key personnel on data/info
 collection
- Disclosed CDP Climate Change with Partial GHG Scope 1&2 performance



Figure 10. K&S CDP Plan and GHG Emissions Data

SUSTAINABILITY REPORT 2023

MATERIAL USE

Ensuring responsible usage of materials within our operations is important to sustain the finite amount of Earth's natural resources. It is also crucial that used materials or by-products are treated and disposed of properly to avoid negative impacts on the environment and society.

Conserving Water

Water scarcity is a worldwide concern. With many regions lacking a sufficient supply of clean water and adequate infrastructure to meet water demand during times of scarcity, local and poorer communities are often most affected. Water is a critical resource for our operational processes, and we are aware that our operations in Suzhou, Haifa, and Santa Ana are located in areas of extremely high water stress.

SZ Water Consumption

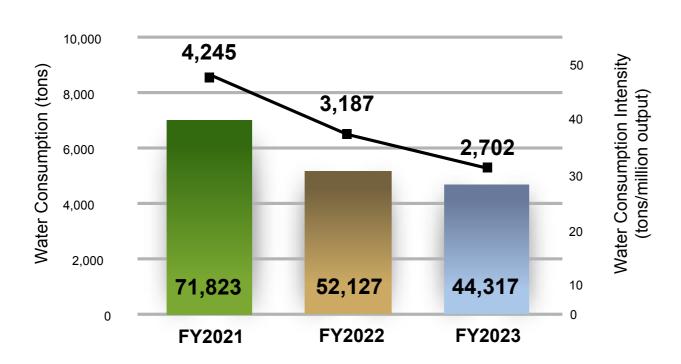


Figure 11. Chart of K&S Suzhou Water Consumption

Note

We draw our water from municipal sources, and while government efforts to reduce water stress have been employed in some countries, such as the promotion of large-scale water desalination in Israel, K&S is keenly aware of the need to reduce water use across our operations globally.

The World Resources Institute defines a region facing 'extreme water stress' as one that is using at least 80% of its available supply.

Conserving Water

Commitments

- K&S understands the impact
 of excessive water usage in
 our operations and effluent
 wastewater discharge on the
 climate and local communities.
 We are committed to reducing
 our consumption through
 implementing efficiency measures
 and treating our wastewater
 appropriately.
- Our water efficiency efforts focuses on the K&S Suzhou facility, which contributes 80% of our total water consumption.

Targets

Reduce water consumption at Suzhou from FY2022 by

10%

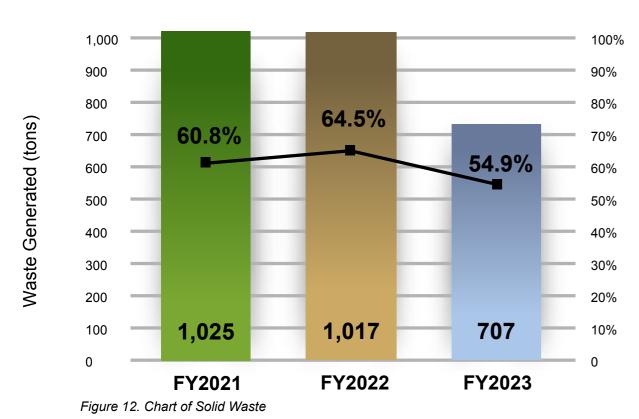
Initiatives

- Process changes at our facilities to reduce the volume of rinse water required in our production.
- Reverse osmosis concentrated water recycling at our wastewater treatment facility that recycles 20 tons of water daily.
- Clean recycled water is actively reused at our washrooms, refilling fire tanks and other processes.
- Wastewater is treated to ensure
 that there is zero nickel discharge
 to external effluent pipelines.
 This is achieved through an
 evaporation treatment process.
 Any condensed steam-water
 is redirected and reused in the
 manufacturing process, while
 concentrated water is treated
 as hazardous waste as per EPA
 regulation.

Minimizing Waste Discharge

Proper waste management is imperative to protect the environment, biodiversity, and public health. Common waste disposal methods such as landfills can result in runoff which pollutes the soil, water and air, and incineration can release toxic chemicals and contribute to air pollution.

Breakdown of Solid Waste



General waste across our facilities, that are not recycled, are sent to wasteto-energy incineration plants, whereby waste is incinerated to generate energy. The resulting ash is then transported to landfills for final disposal.

Minimizing Waste Discharge

Commitments

- By managing waste responsibly, K&S can play its part to reduce its impacts on the environment and society.
- K&S strives to implement effective waste management solutions to not only reduce the amount of waste generated, but also to maximize recycling and repurposing of waste and to safely dispose of all hazardous waste generated.

Targets

Reduce paper usage intensity from FY2022 by more than

3%

Solid waste recycling rate of more than

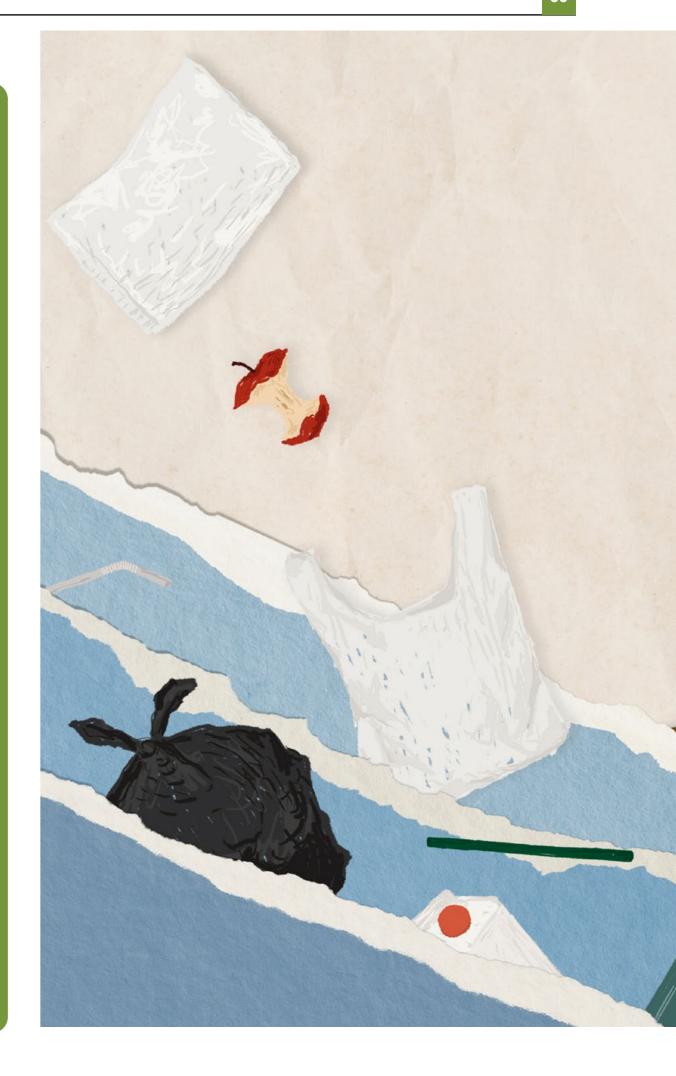
60%

Progress against targets

Paper usage reduced to 20.1 tons in FY2023 from 21.5 tons in FY2022. However, paper usage intensity was at 27.7 kg / million \$US in FY2023, an increase from 14.3 kg / million \$US in FY2022.

Initiatives

 As a best practice for solid waste management, Suzhou has created classification codes for general industrial waste generated, to properly separate and store the water on-site, before they are collected to be recycled.



Safe Disposal of Hazardous Waste

K&S understands that hazardous waste can result in leaching of toxic chemicals into soils and water sources, and negatively harm biodiversity and local communities who depend on these natural resources for their livelihoods.

Minimizing Waste Discharge

Commitments

- As chemically contaminated liquid and solid waste are by-products of our operations, K&S aims to safely dispose of any hazardous waste generated.
- We have established proper disposal protocols for hazardous waste and comply with local regulatory standards.

Targets

Reduce hazardous waste intensity from FY2022 by

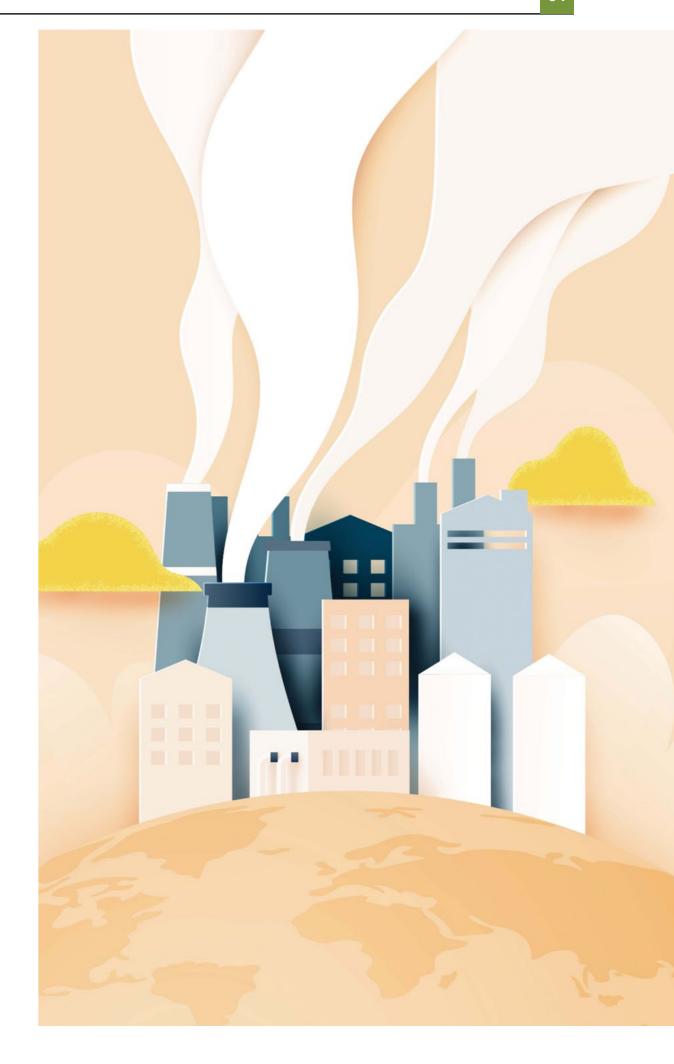
10%

Progress against targets

Absolute hazardous waste reduced to 489.8 tons in FY2023 from 505.6 tons in FY2022. However, hazardous waste intensity was at 29.9 tons / million output, achieving a 3% reduction.

Initiatives

- The K&S Suzhou facility generates approximately 90% of our total volume of hazardous waste, and we have two main initiatives in place to manage hazardous waste generated:
 - Programmable Logic Controllers
 (PLC) in place to treat effluents in
 the wastewater treatment plants and
 remove nickel or any other chemical
 discharges, effectively reducing the
 amount of hazardous wastewater
 disposed.
 - Onsite wastewater treatment plant (WWTP) implemented to adjust the alkalinity level of waste hydrochloric acid produced from the product cleaning process. As a result of this initiative, there has been a reduction of about 4 tons of waste acid solution being disposed of and associated cost savings.
 - The WWTP has a press filter to further process waste emulsion from our manufacturing processes, which can be safely disposed of as decontaminated sludge.





PRODUCT AND SERVICE INNOVATION

Operating in the semiconductor and technology industry, K&S is at the forefront of technological advancements and understands how the design of a new solution can greatly improve the efficiency of our products for our customers and end consumers. We are constantly on the lookout for ways to achieve form-factor reductions, such as maximizing performance and efficiency with reduced transportation needs, human labor, lighting, packaging waste, usage of raw materials and energy. Our product portfolio is increasingly diverse as we are making a concerted effort to serve a wider market of "green" industries, such as the electric vehicle market.

We identify opportunities in our product innovation and smart manufacturing processes to increase levels of digitalization and generate positive impacts on the environment and local communities. Additionally, we also actively collaborate with our customers and build efficiency considerations into our product development process to meet their needs. The Knowledge Driven Product Development (KDPD) framework comprising of four stages aids to guide the initial conception and market research of our products, through to commercialization.



Market Research

Input received from customer feedback, product data reports, industry forums, general market research

Engineering Development

Product conceptualization and development informed by market research, K&S competencies, R&D advances

Compliance Certification

Review performed by crossfunctional teams to verify compliance with relevant national / global / industry standards

Commercialization

Product release phase, including marketing and customer awareness activities

In FY2023, we have been looking into reducing the carbon footprint for our future Ball Bonder Equipment as part of our vision to improve the efficiency of our products through innovation. Our future Ball Bonder Equipment will have the following specifications:

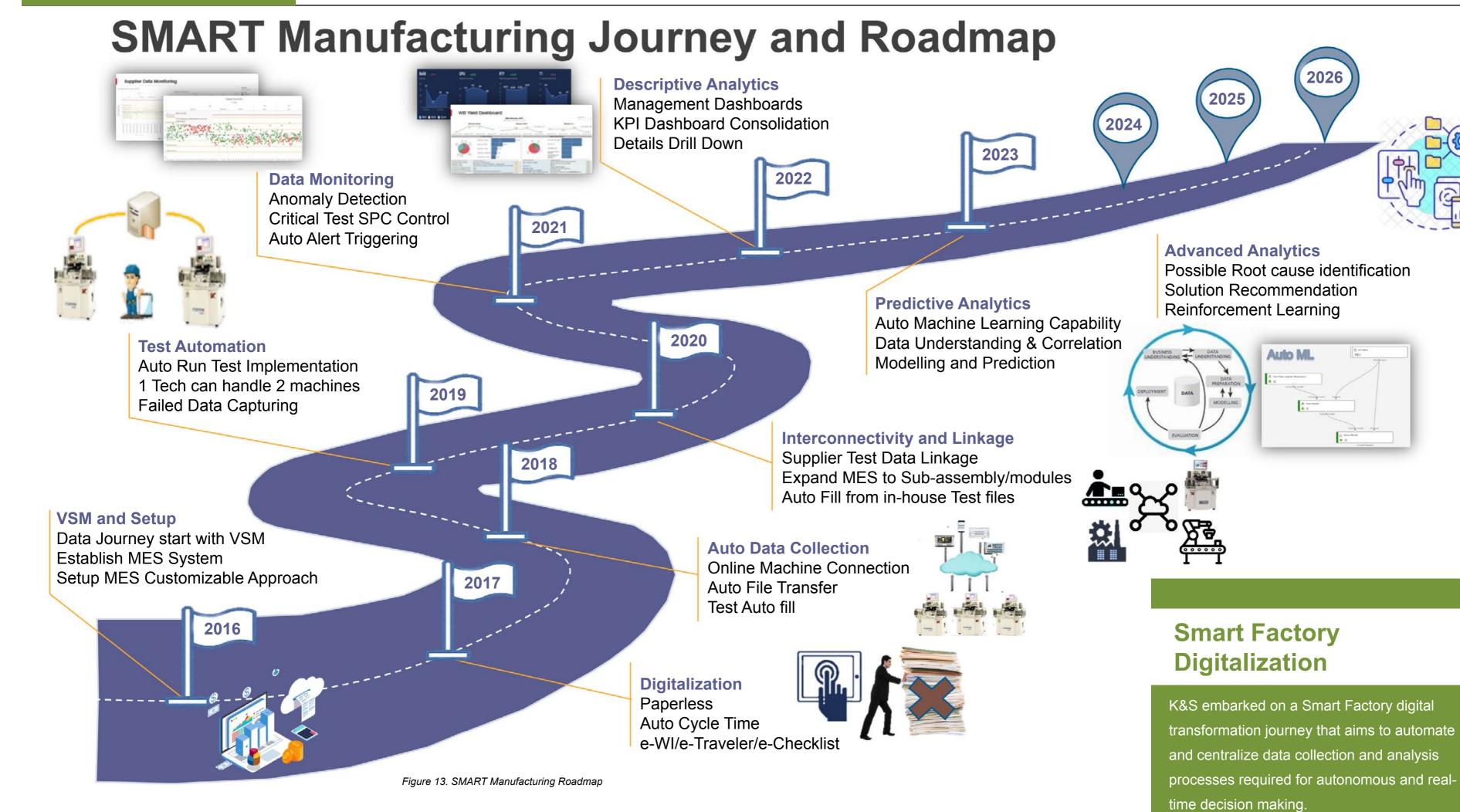
- · Maximized output by increasing throughput of each bonder
- Reduction of footprint to reduce the floor space required for equipment
- · Reduction of utility consumption by lowering the compressed air and power requirement
- Reduction of manual labor required by enabling factory automation solutions such as automated material handing and recovery

We continue to invest in research and development as well as smart technologies to progress towards our vision of creating a fully digitally connected factory, driving innovation and efficiencies in our operations and manufacturing processes.

>US\$135
MILLION
in R&D

>US\$14
| MILLION | On LED, EV, power modules platform development

Our development process as well as the sourcing and selection of our materials are critical process steps that directly impact the quality and competitiveness of our high-performance equipment and consumables solutions. Our solutions are critically enabling electric vehicle and sustainability transitions as well as delivering new levels of efficiency for semiconductor-based devices. Over the past years we have enhanced our corporate development process to be aligned with these beneficial and long-term trends and have a growing base of our revenue exposed to them.



CUSTOMER HEALTH & SAFETY

It is critical that we ensure our customers can use our products confident that their health and safety is our primary concern. This sustains the confidence of our customers and reduces any serious reputational or financial risk to our business.

Product safety is considered throughout the Knowledge Driven Product Development (KDPD) process. Right from the product conceptualization and development stage, the K&S Program Engineering Team conducts assessments of potential risks that may arise from the use of new products. The Program Engineering team ensures that all our products are compliant with relevant EU CE standards relating to health, safety, and environmental protection, and all new platforms launched are RoHS compliant.

Prioritizing Customer Safety

Ensuring customer safety starts with our employees. To ensure that everyone is kept abreast of safety guidelines and procedures, all employees, including our Field and Customer Service Engineers (CSEs), must attend the interactive online Corporate Safety Training on a biennial basis. The training content is aligned with the SEMI S19 safety guidelines for manufacturing equipment installation, maintenance and service personnel, and all employees are required to review the material and pass a test with a minimum score of 90%.

For full transparency, we would like to report on a near miss incident relating to formic acid faced by one of our customers in FY2023. While there were no injuries sustained, we have taken this incident very seriously and executed corrective action to ensure that similar incidents do not happen again. The relevant teams involved in the

incident are attending additional capacity building sessions on formic acid safety and supplier safety communication.

In FY2023, K&S continued to achieve



validated cases of non-compliance regarding the health and safety of products and services.



Development of a New Wedge Bond Tool – AIEx (Aluminum Wire & Ribbon Wedge)

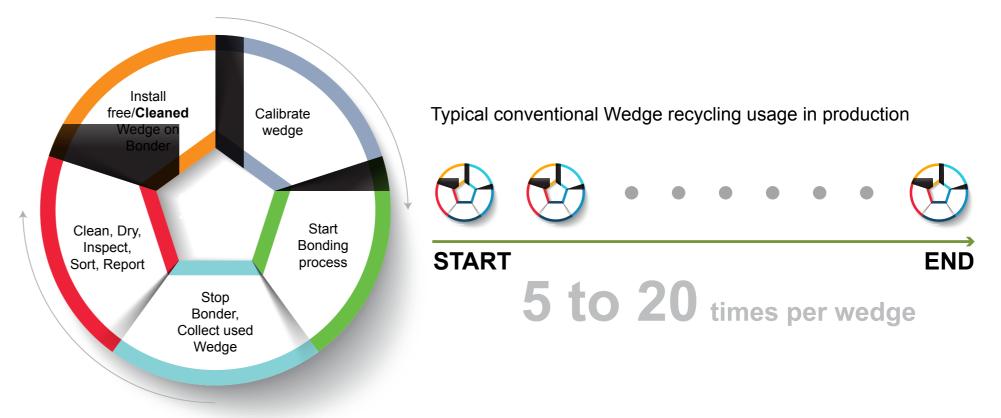
Traditional wire bonding wedges face the issue of contaminants and residues accumulation during the wire bonding process, which affects the bond quality in terms of strength, dimension and shape. Traditional wedges can only have a limited number of uses, before they have to be removed from the bonder, cleaned with a chemical solution and be reused.

K&S has developed a new wire bonding wedge product, AIEx, which is an Aluminum Wire & Ribbon Wedge that can directly replace conventional wedges and eliminate the challenges of cleaning or reduced bond quality.

AlEx can be used continuously without the need for cleaning, yet still maintaining bond quality as per the requirements. AlEx has been proven to benefit our customers in several ways, such as:

- A boost in manufacturing productivity due to continuous operation and production time saved from cleaning
- A reduction in manufacturing costs due to reduced manpower, processes, cleaning materials and cleaning machines needed
- · Higher level of safety and environmental protection due to the removal of equipment and chemicals for cleaning

Conventional Aluminum Wire & Ribbon Wedge



Typical AIEx Wedge usage in production

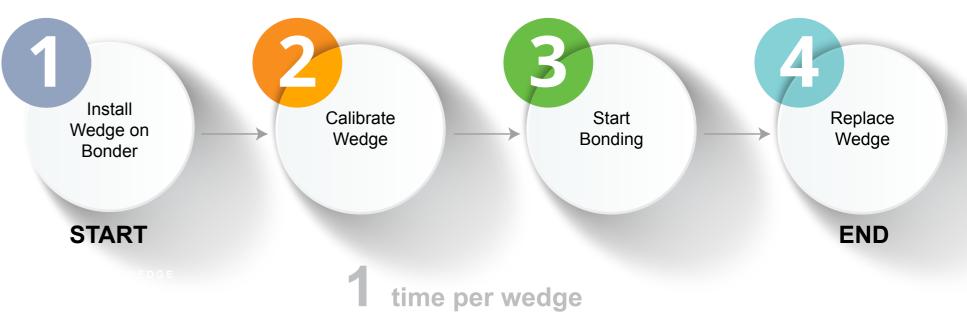


Figure 14. Comparison between Conventional Wedge and AlEx Wedge

CUSTOMER SATISFACTION

In addition to ensuring the health and safety of our customers, another key consideration relates to their satisfaction with our products and services. As part of our mission statement and core values, we ensure that we continuously understand our customers' needs and meet their expectations. We regularly engage our customers to gather feedback or concerns that they face with our products and services. Through these engagements, we recognize that there are increasing expectations on the sustainability of our products. We have integrated these expectations into our operations and products during the design phase of the KDPD product development process, by increasing product efficiency, technological capabilities and reducing our overall footprint. After product commercialization, we also conduct after-sales care programs, such as K&S Care, K&S Certified Repair & Refurbishment, and K&S Service Contract & Paid Service programs. These programs instill confidence and trust in our customers that they will continue to receive the necessary support after purchasing our products.

FY2023 Achieved

93.8%

of field issues were resolved at Escalation Level 1

One of the main customer engagement channels is through regular Supplier Business/Performance Reviews conducted with our key customers. These regular forums allow K&S to gather customer feedback on critical areas that customers focus on, in order for K&S to better serve them. The feedback is used to address any immediate concerns, and for K&S to develop improvement strategies and programs for our processes, services, and products. Our employees also undergo training sessions to enhance their technical and problem-solving skills to better understand and resolve the requirements and concerns of customers.

We have an Issue Escalation Flow system in place to manage any formal customer feedback received. The system uses a structured approach to keep records of issues raised and ensure that timely and appropriate recovery services are provided by the relevant teams. We also have an Issue Tracking System (ITS) that helps to facilitate information exchange, prioritize tasks and manage closure of tasks.

K&S receives Outstanding Supplier Award and Suzhou **Industrial Park Award**

We are honored to have received the Outstanding Supplier Award from ASE Technology Holding Co., Ltd. ("ASE Holdings") and the Suzhou Industrial Park Award in FY2023.

The Outstanding Supplier Award is a prestigious award that recognizes a company's outstanding performance and commitment to achieving the rigorous production requirements set by ASE Holdings. K&S has maintained efficient production and service excellence to deliver the most competitive and technologically advanced interconnect solutions for our customers.

We are also pleased to report that we have been awarded the Suzhou Industrial Park Award. Only 8 out of the total 238 companies in the Suzhou Industrial Park Business District received the honor of the Award. K&S will be participating in the demonstration of smart workshops at Suzhou municipal.



EMPLOYMENT AND LABOR PRACTICES

Establishing fair and inclusive employment practices, as well as a safe and non-discriminatory working environment is imperative to attracting, retaining, and developing a diverse talent pool. Our employees are the key to our success, and we respect the value and talent that a diverse workforce brings to K&S. To generate long-term value for our stakeholders and continue attracting competent staff, we foster a safe environment for employees to grow without the fear of harassment or discrimination.

We focus on robust talent acquisition, encouraging learning and development, fostering a culture to empower and support, and continuously engaging our employees, as part of our strategy to ensure fair and inclusive employment and labor practices.

ROBUST TALENT ACQUISITION AND BUILDING OUR TALENT PIPELINE

Our comprehensive Human Resource (HR) policies are adopted and followed consistently and fairly across our global operations and adhere to the applicable regional and local laws and regulations of the sites of operation. These policies guide the way that we recruit, develop and retain our talent pool, and help us maintain an inclusive, cohesive, and productive work environment.

Our Regional HR teams, business leaders and managers maintain oversight and responsibility over our employment and labor practices. We also regularly conduct benchmarking against the industry to ensure that we are in line with market best practices. Our HR function also includes Centers of Excellence that provide relevant resources and guidance on topics like managing talent acquisition, retention, learning, development, compensation, and benefits. All HR policies, procedures, and benefits are detailed in our Employee Handbook.

K&S embarked on a digital HR transformation journey in FY2022, with an aim to move and streamline all HR data and processes. Implementing HR Digital Transformation initiatives can have a significant positive impact on employee experience. By streamlining HR processes, HR personnel can free up time to focus on providing better support and resources to employees.

In FY2023, we are pleased to announce that we have implemented functionality that covers global HR, talent and workforce management. Implementation of Oracle Cloud Fusion HCM has made it easier for employees to access important information such as their benefits, pay, and recruitment activities. We believe this will lead to increased employee satisfaction and engagement, as well as numerous benefits as follows:



Employee Experience: Optimizing HR processes, keeping employees informed and involved by having access to their HR related information anytime and anywhere on any device and promoting transparency has significantly improved employee experience, leading to increased productivity and job satisfaction.



Increased Efficiency and
Productivity: Digitizing HR processes
eliminated manual, paper-based tasks,
reduce errors, and improve the speed
and accuracy of HR-related tasks.



Talent Acquisition: Digital HR tools assisted in recruiting, onboarding, and developing employees, resulting in better talent acquisition processes.



Improved Compliance: Digital HR tools helped us ensure compliance with labor laws, regulations, and company policies, reducing legal risks and penalties.



Enhanced Data and Analytics: Digital HR tools provided K&S users with access to real-time data and analytics, allowing for more informed decisionmaking and improved HR strategies.



HR Cost Saving: Investing in the digitalization of HR processes resulted in significant time and resource savings for organizations. By streamlining our processes, HR personnel can focus on more valuable business support and consultation.



Automated Manual Processes: The automation of HR processes minimized the chance of errors and leads to improved employee engagement, management, and compliance.

Additionally, HR personnel can now prioritize strategic initiatives that provide maximum value to the business due to the increased efficiency and ease of their daily tasks.



Consolidated HR systems: By implementing consolidated HR systems, HR personnel can now avoid the task of managing multiple tools and applications to maintain employee records and streamline business processes. This allows for the creation of a single, reliable source of information that employees can utilize for their needs.

The Recruitment Module embedded within the SHINE system was launched in February 2023. This system serves as a centralized and digitized platform for the entire recruitment process, including position approval, job posting, candidate applications, interview scheduling, offer management, pre-boarding, and onboarding. Through the implementation of the recruitment module, we have enhanced efficiency throughout the hiring process, optimized resource allocation within the HR department, enabled data-driven decision making combined with valuable analysis reports, and minimized paper consumption. These initiatives not only enhance efficiency but also contribute to our company's broader sustainability goals.

LEARNING & DEVELOPMENT

K&S recognizes that a culture of learning and development is imperative to create a productive, competent, and motivated workforce. We invest in training and development programs to ensure that our employees are equipped with updated knowledge and skillsets in today's everchanging and challenging environment.

Career Progression Framework and Learning Catalogue Update

Our Global Learning Catalogue continues to be refreshed annually to ensure new learning opportunities for our employees worldwide. We mapped our professional and managerial competencies to each track, outlining the important skills to develop at four different stages of a career. We have trained over 485 employees who selected their own development opportunities from our catalogue and are pleased to note that the number is on an upward trajectory.



LEADERSHIP DEVELOPMENT AT K&S

SPARKS Leadership Development Program in the US

Continuing from a successful pilot in Asia from last year, we had 18 senior leaders in the US participate in a four-month leadership development program in the US. These leaders worked together on real time business issues to develop their skills and solve real problems, developing skills such as "The Art of Leading Others", "Business Acumen", "Aligning Strategy", to name a few. They worked together on important topics such as Industry 4.0, Disruptive Innovation and the Metaverse.

LEAD Leadership Program in SEA

Apart from our senior leaders, our L&D team has also piloted a new program for our mid-level leaders and we are pleased to share that 25 employees have successfully graduated from the program in September, 2023. This program focused on topics such as Leading Self, Leading a Team and Leading the Business. Participants had the opportunity to collaborate on Action Learning projects to demonstrate their new skills. This successful program moves to China and the US in FY2024.

Singapore Specific

K&S maintains close collaboration with the Singapore Semiconductor Industry Association (SSIA) to develop talents, by actively sponsoring our employees for the Singapore Semiconductor Leadership Accelerator (SSLA) program. The program is an immersive and hands-on learning experience aimed at fostering personal and professional development for emerging technical and business leaders. It also provides a platform for business leaders and emerging talents to be inspired by like-minded individuals, gain insights into the semiconductor industry, collaborate to create revolutionary possibilities, and network to keep abreast of the market, people management, and organizational leadership.



A CULTURE THAT EMPOWERS AND SUPPORTS

K&S provides competitive compensation structures and employee benefits to attract and retain talent. Our full-time employees are entitled to paid vacation, sick leave, paid holidays, and other health and welfare programs in line with local requirements and market best practices.

To cultivate a culture of empowerment and support for our employees, our Code of Business Conduct serves as the legal and ethical framework that outlines proper business practices for topics such as equal employment opportunities, human rights, anti-corruption, and discrimination amongst others. If employees believe they have been negatively impacted or feel their rights have been compromised, K&S has a global Whistleblower Hotline in place for employees to raise concerns, seek help, or report their grievances in a safe and confidential manner, without any fear of retaliation. All grievances and concerns raised in good faith are taken very seriously and are subject to thorough investigation and review by the Legal Department and the Audit Committee, with necessary support by local HR representatives and the Vice President of Global HR. Concerns are also escalated to the Board of Directors for their oversight. The conclusions of investigations will be communicated transparently to the employees involved and their direct managers.

EMPLOYEE ENGAGEMENT

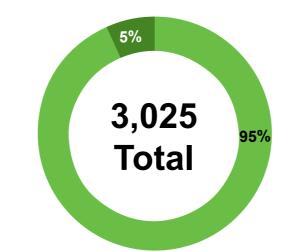
K&S recognizes that our employees play a key role in the success of the business and sustaining continued value creation for our stakeholders. As we stay committed to inculcating a stronger corporate culture and improving working experiences, we continuously engage our employees through the Voice of K&S employee engagement survey. This survey is conducted once

every two to three years for our global organization, whereby employees share their views on 11 different workplace dimensions, providing feedback about their work experience at K&S.

We are pleased to see high engagement scores from our employees at K&S being significantly above the average scores of 50% reported by Gallup in 2022.

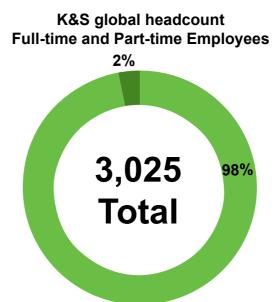
Some key enhancements to processes that resulted in higher engagement were seen in our improved Resource Prioritization process for customer engagements as well as integrated and closed loop customer communications on quality items. We also made strides in our Performance Management scores where our Human Resources Team continued to share with managers and employees information relating to how their development of Competencies in our Career Progression Framework could help them navigate and plan for their career advancement opportunities. Our advancements in Learning & Development made a difference to many employees who experienced more opportunities to grow and excel at K&S. We are excited that so many employees are enjoying their work experience at K&S!

K&S global headcount Regular and Temporary Employees



Employment Contract	Male	Female
Regular	1,955	922
Temporary	95	53
Total	2,050	975

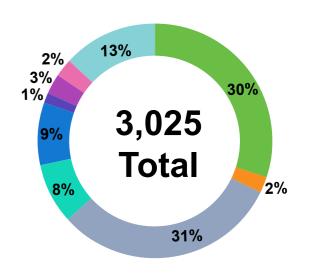
K&S Global Headcount



Employment Type	Male	Female
Full-time	2,017	955
Part-time	32	20
Total	2,049	975

Note: There is additional 1x Full-time Binary employee.

Breakdown for eight operational sites



Site	Regular	Temporary
Singapore (Corporate HQ)	858	52
Singapore (Kranji)	65	0
Suzhou, China	936	12
Eindhoven, Netherlands	197	55
Fort Washington, USA	251	9
Horsham, USA	41	2
Santa Ana, USA	81	1
Haifa, Israel	73	0
Others	375	17
Total	2,877	148

Figure 15. K&S Global Headcount

EMBRACING DIVERSITY AND INCLUSIVITY IN OUR WORKFORCE

Maintaining a diverse and inclusive working environment that encourages mutual respect among all employees, regardless of age, culture, ethnicity, gender, or position is a key aspect of working at K&S. As we aim to nurture a supportive and fair working environment, we recruit qualified and talented candidates regardless of background, as well as provide fair development opportunities for all. With the combined experience, skills and knowledge of our diverse workforce, K&S is well-positioned to make effective decisions, strengthen our competitiveness, and provide value to our stakeholders.

The global Diversity & Inclusion (D&I) Committee spearheads and oversees all plans, efforts and initiatives relating to diversity and inclusion at K&S. The D&I Committee has restructured in October 2022 to form four workstreams to evaluate the effectiveness of current DEI activities, processes, and initiatives across K&S. The four workstreams are:

- Stakeholder Engagement & Messaging
- Leadership Commitment to Vision/Change
- Awareness, Education, and Learning
- Community Engagement and D&I Committee Goals

With the restructuring of the D&I Committee, the 18-month strategic Diversity, Equity & Inclusion (DEI) plan has been refined, with several plans in place to support the four workstreams.



JANUARY - MAY 2023 JULY - SEPTEMBER 2023 Assess the **Build Architecture to** Support Long-term **Organization** & Review Existing Success **Practices** Develop a long-term DEI branding strategy, communi-Conducted Equitable cations and stakeholder

> engagement plans, and K&S DEI Business Case.

NOVEMBER 2023

Practices Assessment (EPA)

to review organizational

practices on talent

management.

Women In Engineering **Conference: Elevating** Women in Engineering & Tech

Engage the women at K&S in a 1-day event on career development and networking to increase their impact.

MAY - DECEMBER 2023

DEI Training for Managers Inclusive **Leader Mindset Training**

Lunch 'n Learn (for employees) and "Inclusive Leader Mindset" (for managers) virtual and on-site training.

Figure 16. K&S D&I Roadmap

From January to May 2023, we conducted the first Equitable Practices Audit (EPA) with an external consultant, aimed at reviewing K&S' core organizational practices to determine the extent to which they engender inclusion and promote equitable organizational standards. The scope of the assessment includes assessing policies, processes and practices relating to talent attraction, talent retention, talent development, career placement, and career advancement opportunities. The EPA will be carried out in a phased approach, and it has been applied to all sites located in the United States as a start. The assessment consists of interview sessions with relevant employees, a comprehensive review of K&S' programs, processes, systems, and policies, as well as on-site physical walk-throughs.

Through the EPA assessment, the findings have identified several key areas of improvement and potential DEI targets that K&S can adopt:

- Strengthening DEI branding DEI and cultural awareness through communications and offering of additional paid holidays for historically significant events
- Expanding current DEI training initiatives to the global workforce and creating of Employee Resource Groups
 (ERGs) to promote employee career development, mentoring, networking and business growth
- Creating a DEI accountability scorecard with metrics to track on progress, and implementing Upward Mobility
 processes to accelerate the development and advancement of women and BIPOC (Black indigenous and People
 of Color)
- · Building upon existing leadership and resource support for DEI

K&S will review these recommendations and follow-up with necessary actions within the 18-month DEI strategic plan, to further improve upon existing processes, policies and practices in place. The EPA will also be conducted for other regions in subsequent years, to identify further opportunities for improvement of global DEI strategies.

K&S Elevating Women in Engineering & Tech Summit

On 13 November 2023, K&S hosted a Summit on Elevating Women in Engineering and Tech at the Franklin Institute, Philadelphia. The Summit aimed to bring across themes of empowerment amongst women and their allies, by illuminating the importance of providing women with the relevant and necessary knowledge and resources to navigate challenges, achieve their goals and excel in tech and engineering spaces.

The Summit had invited keynote speakers with distinguished careers in engineering and technology. The Summit agenda included interactive panel discussions with audience participation, concurrent sessions on professional development and emerging technology, as well as networking and innovating sessions.

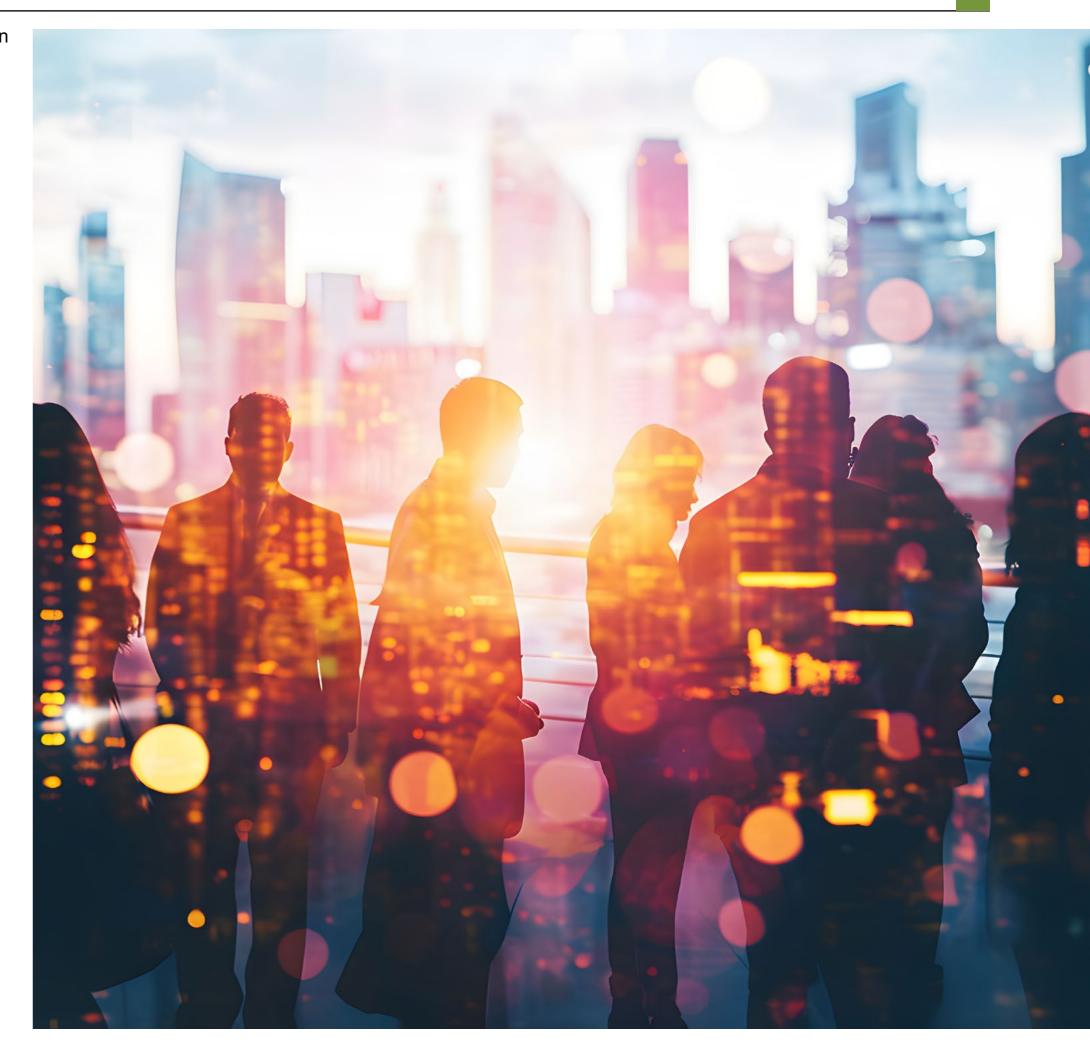
The Summit saw a great attendance of 125 participants, comprising of K&S leaders, external leaders, educational institutions, professional associations, and civic organizations. K&S participants had expressed their commitment to collaborate across business units, departments, and divisions to promote the advancement of women in leadership positions across the company. There were also many valuable connections and networks forged internally and externally. We will continue to build upon this momentum gained at the Summit to create a Women's Employee Resource Group in FY2024.



In FY2023, the D&I Committee had also conducted several training initiatives. One of which was the Lunch 'n Learn Sessions, which provided a platform for energetic and interactive conservations and insights about how to connect with each other at work to help accelerate professional development and business growth at K&S. The sessions were designed to promote foundational awareness about topics such as diversity, inclusion, empathy, emotional intelligence, and curiosity across the company.

Additional in-depth educational courses were also held for people managers and supervisors, in the form of two modules on Inclusive Leader Mindset Training. The objective of the course was to provide participants with an understanding of DEI as an essential part of their leadership styles and characteristics, in order to effectively engage and lead in a cross-cultural, global, and ethnically diverse workforce. Participants were able to apply their learning through experiential learning exercises and group conversations to raise awareness, gain further interest, and seek sources for feedback. The training topics in the modules include DEI foundations, quality treatment, unconscious bias, and activation.

The first of the two-part module series was a virtual session conducted globally and it was successfully completed in FY2023, with a 91% participation rate. The second module will be an on-site session that will be conducted in FY2024. The D&I Committee also have plans to offer DEI virtual training for all non-management employees globally in FY2024.



OCCUPATIONAL HEALTH AND SAFETY

K&S prioritizes occupational health and safety to ensure the well-being of our employees. A well-established occupational health and safety (OHS) system is critical to create a safe, welcoming, and healthy working environment, to maintain the highest standards of services delivered and achieve our corporate goals.

Our commitment to occupational health and safety is formalized through the implementation of a comprehensive framework, which includes our Environmental, Health and Safety (EHS) policy. The EHS Committee at K&S maintains oversight of our OHS-related policies, practices, objectives, and performance targets, assuming ultimate responsibility for effective implementation of OHS throughout our operations. All eight of our global operational design and manufacturing sites have OHS management systems in place, certified to the ISO 45001 standard by TUV Rheinland.

Apart from policies and procedures, our sites also conduct regular hazard risk assessments to identify potential health and safety risks and implement mitigation measures for significant risks identified. These risks and incidents identified by our employees are reported promptly and investigated thoroughly and on a timely basis to ensure that corrective action is implemented to mitigate or prevent further recurrence.

To ensure adherence to all safety guidelines and regulation set out, we communicate this information to our employees through OHS training. New employees are required to attend health and safety-related training as part of the onboarding process, and our existing employees undergo refresher training regularly. We also conduct fire drills, firefighting, chemical spillage drills, and first aid courses to equip our employees with the skillsets to handle emergencies.

In FY2023, we continued to achieve

100%



FY2023 Achieved



global employee completion in Corporate Safety Training.

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

FY2023 Achieved

ZERO

fatalities and occupational related disease



0.5 Minor AFR

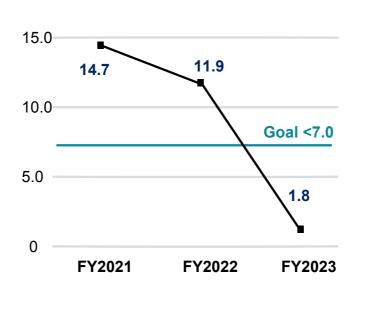
1.8 Minor ASR

meeting goal of < 1.5 AFR and missed goal of < 7 ASR

FY2023 Safety Performance

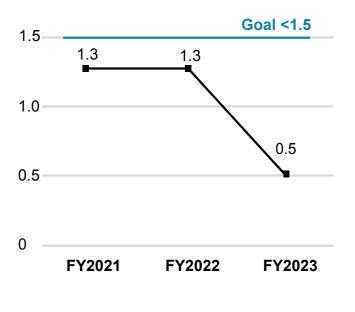
In FY2023, across all eight sites, there were three accidents⁸, zero fatalities and zero cases of occupational diseases reported.

Accident Severity Rate (ASR)



—— Accident Severity Rate (ASR)

Accident Frequency Rate (AFR)



—— Accident Frequency Rate (AFR)

OHS Training (in hours)

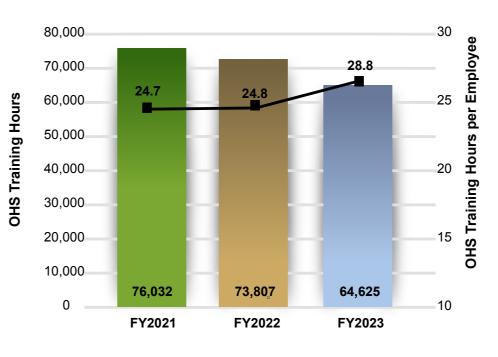


Figure 17. Chart of OHS Training

Note:

AFR = (#accidents / employees work hours) x 1 million

ASR = (#mandays lost / employees work hours) x 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 FY2023 ⁸ All accidents were thoroughly investigated, hazard risks reassessed with safety rectifications to prevent recurrences and safety alerts sent out to notify relevant employees.



K&S recognizes that our local communities play an important role in supporting our business. Through actively participating in charitable events, collaborations with non-governmental partners, and social work, K&S is making continuous and concerted efforts to generate positive impacts in the communities where we operate.

As pandemic-induced restrictions began to recede in FY2022, K&S increased community engagement efforts across all of our operational sites. In FY2023, we conducted 45 community outreach activities and invested more than US\$290,000 in our local communities.



Singapore

ore (::

Donate, Pack and
Distribute Food
Bundles

In August 2023, 26 K&S employees volunteered with the Food Bank Singapore, helping to pack and distribute food bundles to senior citizens. The Food Bank Singapore is a registered charity and member of the Global Foodbanking Network, an organization that raises funds for dry foods and coordinates packing and distribution of the rations with the help of volunteers. In addition to the assistance provided by our volunteers, K&S also donated 250 healthy food bundles to the Food Bank, at a cost of about US\$5,980.



Singapore

Park Clean-Up

In June 2023, K&S volunteers participated in a park cleanup activity at Bishan-Ang Mo Kio Park in Singapore. This event was organized as part of the Public Hygiene Council's Keep Clean, Singapore! 2023 campaign, which raises awareness of problems associated with littering and highlights the benefits of maintaining high standards of hygiene and cleanliness. 20 employee volunteers from K&S Singapore participated in the event and collected a total of 10 kg of litter.



Netherlands



Business run marathon

to raise funds

K&S Eindhoven took part in their inaugural business run relay marathon in FY2023, to raise funds for the Dutch Cancer Society. Three teams of four runners each from K&S participated in the relay run, and together with some sponsors and other individuals from K&S, the teams successfully raised about US\$1,635 in donations.

Donation Drive

Employees raised 600 kg of clothing to donate to the "Clothing Bank" and "Dress for Success". Employees also raised >€1,300 for the Türkiye-Syria Earthquake Relief to "Giro 555 - Cooperating Aid Organizations".









Singapore

(***

Donations – Daughters of Tomorrow, UWEEI

In addition to providing volunteer support for local initiatives, K&S Singapore also donates directly to worthy causes. In 2023, K&S was represented by 13 employees at the United Workers of Electronics and Electrical Industries (UWEEI) fundraising dinner, organized to support members in need and launch the JUST program (Jobs Uplifting through Skills & Training) to support mid-career and mature workers.



Plant-a-Tree

In addition to donating about US\$11,200 to purchase 50 trees in May 2023, 40 K&S volunteers also participated in a tree planting activity. This event was organized as part of the NParks OneMillionTrees movement; a nationwide effort to plant a million trees across Singapore, bringing the number of trees in Singapore to more than 8 million. The OneMillionTrees Movement is a key part of NParks' City in Nature vision, which is in turn a key pillar of the Singapore Green Plan 2030.





Israe



Helping underserved,
vulnerable, and
disadvantaged
communities

In the areas where we operate, K&S actively supports local communities, including those who are vulnerable and disadvantaged. In the first quarter of FY2023, K&S Israel, together with a group of volunteers, distributed food baskets, with nutritious staples and food items, to Holocaust survivors. Following this, K&S Israel also had the opportunity to bring joy to Holocaust survivors at the Haifa Elderly Day Club managed by the Authority for the absorption of new immigrants in Haifa. The elderly received some warm blankets, tea, and cookies through this effort.

In FY2023, K&S Israel continues to help these communities, through various donation drive efforts. The team donated warm coats for the needy, as part of a project by the Lev Ham (Worm Heart) Association, as well as a ball bonder to the Technion's Faculty of Materials Science and Engineering, to support learning and strengthen the connection between academia and the semiconductor industry.



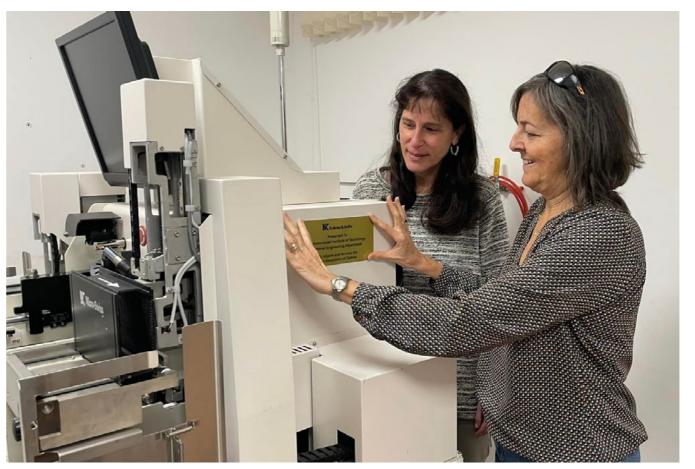
Israel



Beach cleaning

In May 2023, 23 K&S volunteers participated in a beach cleanup activity at Haifa Beach in Israel and collected marine litter. This event was an effort to protect the marine and coastal environment.





Fort Washington



Bike-A-Thon for
American Cancer
Society

In June 2023, 10 team members from K&S Fort Washington came together with other participants and volunteers to complete the American Cancer Society's Bike-A-Thon, in an effort to honor cancer survivors, raise awareness about cancer risk, and raise money to help the American Cancer Society save lives. The Bike-A-Thon started at the Ben Franklin Bridge in Philadelphia and ended on the boardwalk in Atlantic City. K&S also raised a total of US\$7,386 for this cause, topping the US\$6,045 we raised in 2022.



Fort Washington



Creek cleanup

Five employees participated in the Wissahickon Creek, PA, cleanup on 20 May 2023.

STEM Camp

K&S Fort Washington sponsored 121 kids, five to thirteen year olds, from underserved communities for a Summer STEM camp. The younger kids learned how to program cartoon animation while the teenagers learned how to program and fly drones.









Santa Ana



Beach cleaning K&S Santa Ana held its annual beach clean-up in 2023 and collected about 36kg of

marine litter.

Car Pooling Meet our environmentally friendly team. We have several employees who use

public transportation (train or bus), carpool, bike, or EV cars to commute to work.

We had 20 participants in FY2023 who helped save carbon emissions.

Donation Drive Donated playground equipment to Wilson Elementary in Costa Mesa, CA, that

enrolls >50% economically disadvantaged.







Suzhou



Learning subsidies

K&S Suzhou continues to support 2 students in the Hubei Province, through learning subsidies. These subsidies are aimed at supporting children in need, ensuring that they get the chance to receive adequate and fair education.



Suzhou



Charity sales and donations

K&S Suzhou organized the sixth run of its annual bazaar in October, with 179 employees participating to sell their second-hand items. K&S managed to generate a total of US\$1,111 in sales revenue, and the money was donated to various schools in China.

K&S Suzhou also collaborated with a non-profit organization to donate stationery, books, daily necessities, and winter essentials to Xing Feng Primary School.









Suzhou



Blood donation drive

63 employees participated in a blood donation drive and managed to donate about 20 liters of blood to those in need.





KEY ESG PERFORMANCE SUMMARY

Environmental

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

Energy consumption within the organization (GRI 302-1)	Unit of measurement	FY2021	FY2022	FY2023
Total fuel consumption	GJ	302	276	309
Total refrigerant use	Kg	433	1,108	160
Total electricity consumption	GJ	92,102	89,203**	134,464
Total electricity consumption	MWh	25,584	24,779**	37,351

Energy intensity (GRI 302-3)	FY2021	FY2022	FY2023
Electricity consumption intensity (MWh / million \$US (of net revenue)	16.9	16.5**	50.3

FY23 Corporate Goal	Performance	Performance against target
Reduce electricity consumption intensity by > 2%	205% increase	Not Met - Inclusion of two new operational sites in FY2023

GRI 303: Water and Effluents - GRI 303-5, non-GRI metric

Water consumption (GRI 303-5)	FY2021	FY2022	FY2023
Total water consumption (tons)	82,677	63,928	61,364

FY2020 - FY2022: Water consumption data from areas with water stress were not collected this year, and K&S will work towards collecting this data for future SRs.

Water consumption intensity (non-GRI)	FY2021	FY2022	FY2023
Water consumption intensity at Suzhou, China site (tons / million output)	4,245	3,187	2,702

FY23 Corporate Goal	Performance	Performance against target
Reduce water consumption intensity at Suzhou by > 1%	15% reduction	Met

^{**} Data calculation error reported in previous report

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

Energy direct (scope 1) GHG emissions (GRI 305-1)	FY2021	FY2022	FY2023
Total Scope 1 GHG emissions (tons of CO ₂ e)	590.7	1,814.0	433.3

Energy indirect (scope 2) GHG emissions (GRI 305-2)	FY2021	FY2022	FY2023
Total Scope 2 GHG Location-based emissions (tons of CO ₂ e)	14,667	13,872**	16,779
Total Market-based Scope 2 GHG emissions (tons of CO ₂ e)	N/A	N/A	16,304

GHG emissions intensity (GRI 305-4)	FY2021	FY2022	FY2023
Scope 1 GHG emissions intensity (tons of CO ₂ e / million \$US of net revenue)	3.9	1.2	0.6
Scope 2 GHG Market-based emissions intensity (tons of CO ₂ e / million \$US of net revenue)	9.7	9.2	22.0

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 from fuel used in vehicles, leakage of refrigerants from air-conditioning systems, fire pumps, and generators.

Scope 2 includes indirect emissions from purchased electricity and air-conditioning consumed by the operational activities at K&S' sites. In accordance with GHG Protocol, Scope 2 emissions are calculated using both location-based and market-based methods, whereby the market-based method includes the reduction in emissions from renewable energy procured.

Scope 1 GHG emissions reported here include CO2, CH4 and N2O from the combustion of fossil fuels and leakage of refrigerants. 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 2017, 100-year global warming potentials ("GWPs") provided in IPCC Sixth Assessment Report ("AR6") published in 2023 and conversion factors provided in the United States Environmental Protection Agency published in 2023.

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

- Singapore's national grid emission factor published by the Energy Market Authority in 2023 (applies to Kranji and Serangoon facilities).
- 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).
- Europe's national grid emission factor published by the Association of Issuing Bodies in 2023 (applies to Netherlands facility).
- United States sub-regional grid emission factor published by Environmental Protection Agency in 2023 (applies to Horsham, 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).

^{**} Data calculation error reported in previous report

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

Waste generated (GRI 306-3)	FY2021	FY2022	FY2023
Total solid waste generated (tons)	1,025	1,017	707
Total solid waste recycled (tons)	623	655	388
Percentage of solid waste recycled (%)	60.8	64.5	54.9
Total hazardous waste generated (tons)	542	635	541
Hazardous waste generated intensity at Suzhou, China site (kg / million output)	21,897	30,911	29,866

Paper usage (non-GRI metric)	FY2021	FY2022	FY2023
Total paper usage (kg)	22,636**	21,457**	18,559
Paper usage intensity (kg / million \$US of net revenue)	14.9**	14.3**	25.0

^{**} Data calculation error reported in previous report

FY23 Corporate Goal	Performance	Performance against target
Achieve > 60% solid waste recycling rate	54.9%	Not Met
Reduce hazardous waste generation intensity at Suzhou by > 2%	3.4%	Met

FY23 Corporate Goal	Performance	Performance against target
Reduce paper usage intensity by > 3%	75.2% increase	Not Met - Inclusion of two new operational sites in FY2023

Social

GRI 2-7: Employees

Total number of employees and a breakdown by gender (GRI 2-7a)	FY2021	FY2022	FY2023
Total number of employees	3,542	3,167	3,025
Male	2,326	2,104	2,049
Female	1,216	1,063	975
Non-binary	N/A	N/A	1

Total number of employees and a breakdown by region (GRI 2-7a)	FY2021	FY2022	FY2023
Total number of employees	3,542	3,167	3,025
Serangoon. Singapore	1,557	1,156	910
Kranji, Singapore	N/A	N/A	65
Suzhou, China	997	1,027	948
Eindhoven, Netherlands	203	239	252
Santa Ana, USA	75	76	82
Fort Washington, USA	289	314	260
Horsham, USA	N/A	N/A	43
Haifa, Israel	71	71	73
Other global sites	350	284	392

FY23 Corporate Goal	Performance	Performance against target
Maintain women representation in global workforce above 35%	32%	Not Met

Total number of employees by employee contract and gender (GRI 2-7b)	FY2021 FY		022	FY2	023	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,854	339	2,944	223	2,877	148
Male	1,856	205	1,954	150	1,954	95
Female	998	134	990	73	922	53
Non-binary	N/A	N/A	N/A	N/A	1	0

Total number of employees by employee contract and region (GRI 2-7b)	FY2021		FY2022		FY2023	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Total number of employees	2,854	339	2,944	223	2,877	148
Serangoon, Singapore	948	292	1,031	125	858	52
Kranji, Singapore	N/A	N/A	N/A	N/A	65	0
Suzhou, China	979	18	1,010	17	936	12
Eindhoven, Netherlands	170	1	198	41	197	55
Santa Ana, USA	75	0	73	3	81	1
Fort Washington, USA	267	22	288	26	251	9
Horsham, USA	N/A	N/A	N/A	N/A	41	2
Haifa, Israel	71	0	71	0	73	0
Other global sites	344	6	273	11	375	17

Total number of employees by employee type and gender (GRI 2-7b)	FY2	2021	FY2	2022	FY2	2023
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total number of employees	3,527	59	3,113	54	2,973	52
Male	2,323	37	2,071	33	2,017	32
Female	1,204	22	1,042	21	955	20
Non-Binary	N/A	N/A	N/A	N/A	1	0

Total number of employees by employee type and region (GRI 2-7b)		FY2022			FY2023	
	Full-Time	Part-Time	Non- guaranteed Hours Employees*	Full-Time	Part-Time	Non- guaranteed Hours Employees*
Total number of employees	3,113	54	N/A	2,973	52	N/A
Serangoon, Singapore	1,156	0	N/A	910	0	N/A
Kranji, Singapore	N/A	N/A	N/A	65	0	N/A
Suzhou, China	1,027	0	N/A	948	0	N/A
Eindhoven, Netherlands	200	39	N/A	215	37	N/A
Santa Ana, USA	75	1	N/A	82	0	N/A
Fort Washington, USA	305	9	N/A	253	7	N/A
Horsham, USA	N/A	N/A	N/A	42	1	N/A
Haifa, Israel	70	1	N/A	72	1	N/A
Other global sites	280	4	N/A	388	4	N/A

Total number of employees by employee contract and region was not tracked for FY2021 * K&S does not track this data

SUSTAINABILITY REPORT 2023

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

New employee hires (GRI 401-1a)	FY2	FY2022		023
By Gender	Total Number	Rate	Total Number	Rate
Male	N/A*	N/A*	284	9.4%
Female	N/A*	N/A*	99	3.3%
Non-binary	N/A*	N/A*	1	0.0%
By Age Group				
< 30 Years	N/A*	N/A*	145	4.8%
30 - 50 Years	N/A*	N/A*	208	6.9%
> 50 Years	N/A*	N/A*	31	1.0%
By Region				
Serangoon, Singapore	286	9.0%**	68	2.2%
Kranji, Singapore	N/A	N/A	0	0.0%
Suzhou, China	104	3.3%**	54	1.8%
Eindhoven, Netherlands	9	0.3%**	0	0.0%
Santa Ana, USA	9	0.3%**	19	0.6%
Fort Washington, USA	56	1.8%**	55	1.8%
Horsham, USA	N/A	N/A	3	0.1%
Haifa, Israel	5	0.2%**	4	0.1%
Other global sites	N/A	N/A	181	6.0%

New employee turnover (GRI 401-1b)	FY20	022	FY2	023
By Gender	Total Number	Rate	Total Number	Rate
Male	274	8.7%	383	12.7%
Female	154	5.2%	201	6.6%
By Age Group				
< 30 Years	122	3.9%	264	8.7%
30 - 50 Years	262	8.3%	256	8.5%
> 50 Years	54	1.7%	64	2.1%
By Region				
Serangoon, Singapore	155	4.9%	276	30.3%
Kranji, Singapore	N/A	N/A	6	9.2%
Suzhou, China	201	6.4%	133	14.0%
Eindhoven, Netherlands	11	0.4%	44	17.5%
Santa Ana, USA	13	0.4%	13	15.9%
Fort Washington, USA	31	1.0%	59	22.7%
Horsham, USA	N/A	N/A	10	23.3%
Haifa, Israel	5	0.2%	2	2.7%

^{*} Refer to reason for omission on page 76
** Data calculation error reported in previous report

Benefits provided to full-time employees (GRI 401-2)	Group Level (https://www.kns.com/Careers/Careers/Life-at-K-S)
	Company-sponsored retirement plans
Your Health and Protection	Health and welfare insurance coverage
	Time off benefits
Vour Day and Dawarda	Competitive compensation
Your Pay and Rewards	Performance based incentive program for all employees
Investing in Your Future	Technical, on the job, and in house training and development programs
Investing in Your Future	Career development and progression opportunities
	Paid Vacation
Balance Your Work and Life	Sick days and Personal days
	Paid Holidays

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

Work-related injuries (GRI 403-9)	FY2021	FY2022	FY2023
Total number of fatalities as a result of work-related injury	0	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	N/A*	0	0
Total number of recordable work-related injuries	N/A*	8	3
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)	N/A*	0	0
Rate of recordable work-related injuries, excluding fatalities (per 200,000 work hours)	N/A*	0.3	0.1
Total number of work hours	6,243,329	6,202,645	5,748,986

^{*}High consequence and recordable work-related injuries was not collected for FY2021

Work-related ill-health (GRI 403-10)	FY2021	FY2022	FY2023
Total number of fatalities as a result of work-related ill-health	N/A*	0	0
Total number of recordable work-related ill-health	N/A*	0	0
Rate of fatalities as a result of work-related ill-health (per 200,000 work hours)	N/A*	0	0
Rate of recordable work-related ill-health (per 200,000 work hours)	N/A*	0.3	0
Total number of work hours	6,243,329	6,202,645	5,748,986

^{*} High consequence and recordable work-related ill-health data was not collected for FY2021

FY23 Corporate Goal	Performance	Performance against target
Zero fatalities and occupational related diseases	Zero	Met

OHS Key Indicators (non-GRI metrics)	FY2021	FY2022	FY2023
Accident Frequency Rate (per 1,000,000 work hours)	1.3	1.3	0.5

OHS Key Indicators (non-GRI metrics)	FY2021	FY2022	FY2023
Accident Severity Rate (per 1,000,000 work hours)	14.7	11.9	1.8
Total number of accidents	8	8	3

OHS Key Indicators (non-GRI metrics)	FY2021	FY2022	FY2023
Total number of man-days lost	92	74	10
Total number of OHS training hours	76,032	73,807**	64,625
Overall average number of OHS training hours per employee	24.7	24.4**	26.9

^{**} Data calculation error reported in previous report

FY23 Corporate Goal	Performance	Performance against target
Maintain Accident Frequency Rate (AFR) below 1.5	0.5	Met

FY23 Corporate Goal	Performance	Performance against target
Maintain Accident Severity Rate (ASR) below 7	1.8	Met

FY23 Corporate Goal	Performance	Performance against target
Achieve > 12 hours of OHS training per employee	26.9	Met

Governance

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

Cases of corruption (GRI 205-1)	FY2021	FY2022	FY2023
Total number of cases of corruption	0	0	0

Communication and training about anti-corruption policies and procedures (GRI 205-2)	FY2021	FY2022	FY2023
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 (number of business partners)	100% (61)	100% (67)	97% (65)*
Americas	100% (12)	100% (11)	100% (10)
Europe	100% (17)	100% (16)	87% (15)*
China	100% (19)	100% (23)	100% (23)
Japan	100% (2)	100% (2)	100% (2)
Korea	100% (3)	100% (4)	100% (4)
Taiwan	100% (1)	100% (1)	100% (1)
Other SEA regions	100% (7)	100% (10)	100% (10)
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%

^{*} Note: Completion rate is not 100% as K&S has suspended transactions with two companies in the Russian territory.

FY23 Corporate Goal	Performance	Performance against target
Zero incidents of corruption, fraud, bribery or AML activity	Zero	Met

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

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

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)	FY2021	FY2022	FY2023
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)	FY2021	FY2022	FY2023
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products	0	0	0
and services	5	,	

FY23 Corporate Goal	Performance	Performance against target
Zero validated cases of non- compliance regarding health and safety impacts	Zero	Met

Dollar value invested into Research & Development (non-GRI metric)	FY2021	FY2022	FY2023
Amount of money invested into R&D (US\$ million)	>135	>135	>135

GRI 2-27: Compliance with laws and regulations

Incidents of non-compliance with laws and regulations (GRI 2-27)	FY2021	FY2022	FY2023
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

FY23 Corporate Goal	Performance	Performance against target
Zero incidents of non-compliance with laws and regulations	Zero	Met
Zero incidents of non-compliance with laws and regulations	Zero	Met

GENERAL DISCLOSURES

	Kulicke & Soffa has reported in accordance with the GRI Standards for the period 2 October 2022 to 30 September 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 2: General	General Disclos	sures				
Disclosures 2021	2-1	Organizational details	About This Report (page 5)			
			Our Business Overview (page 6)			
	2-2	Entities included in the organization's sustainability reporting	Our Business Overview (page 6)			
	2-3	Reporting period, frequency and contact point	About This Report (page 5)			
	2-4	Restatements of information	Restatements of information are made in this report with footnotes for clarification.			
	2-5	External assurance	About This Report (page 5) Independent			
			Greenhouse Gas Verification Statement (page 78-79)			
	2-6	Activities, value chain and other business relationships	Our Business Overview (page 6)			
	2-7	Employees	Employment & Labor Practices (page 45)	Sub-requirement: (a)(iii)	Not applicable	K&S does not engage,
			Key ESG Performance Summary (page 62-64)			or control the work of, non-guaranteed hours employees.
	2-8	Workers who are not employees		Sub-requirements: (a), (b), (c)	Not applicable	K&S does not engage, or control the work of, workers who are not direct employees.
	2-9	Governance structure and composition	Sustainability Governance Structure (page 12) Refer to K&S Annual Proxy Statement issued 22 January, (pages 3-11)			cinployees.
	2-10	Nomination and selection of the highest governance body	Refer to K&S Annual Proxy Statement issued 22 January, 2024 (pages 8-9, and 54)			
	2-11	Chair of the highest governance body	Refer to K&S Annual Proxy Statement issued 22 January, 2024 (page 52)			
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure (page 12) Refer to K&S Annual Proxy Statement issued 22 January, 2024 (page 52)			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 2: General	General Disclos	sures		Offitted		
Disclosures 2021	2-13	Delegation of responsibility for managing impacts	Sustainability Governance Structure (page 12)			
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure (page 12) Materiality Assessment (page 14)			
	2-15	Conflicts of interest	Refer to K&S Annual Proxy Statement issued 22 January, 2024 (page 21 and 52)			
	2-16	Communication of critical concerns	Ethics, Bribery and Corruption (page 18) Employment & Labor Practices (page 45)			
	2-17	Collective knowledge of the highest governance body	Refer to K&S Annual Proxy Statement issued 22 January, 2024 (5-8, and 52)			
	2-18	Evaluation of the performance of the highest governance body	The Nominating and Governance Committee is responsible for conducting a self-assessment of the Board and makes recommendations for changes to process, practice and roles if necessary. As the Board retains oversight of the organization's impacts on the economy, environment, and people, the self-evaluation implicitly includes review of performance in these areas. Refer to K&S Annual Proxy Statement issued 22 January, 2024 (page 54)	S		
	2-19	Remuneration policies	While the organization's impacts on the economy, environment and people are not explicitly linked to Board remuneration, the Board retains oversight of the organization's overall performance, which includes sustainability-related impacts. These impacts indirectly affect the financial performance of the company, to which Board remuneration is linked.			
			Refer to K&S Annual Proxy Statement issued 22 January, 2024 (page 52)			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 2: General	General Disclosures					
Disclosures 2021	2-20	Process to determine remuneration	Refer to K&S Annual Proxy Statement issued			
			22 January, 2024 (pages 18-32)			
	2-21	Annual total compensation ratio	Refer to K&S Annual Proxy Statement issued			
			22 January, 2024 (page 45)			
			The ratio of the annual total compensation			
			ratio of the organization's highest-paid			
			individual to the median annual total			
			compensation of all employees was 159:1.			
	2-22	Statement on sustainable development strategy	Message from Our President & CEO (page 3)			
	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	Ethics, Bribery and Corruption (page 18)			
			Employment & Labor Practices (page 45)			
GRI 2: General	General Disclos	sures				
Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Ethics, Bribery & Corruption (page 18)			
	2-27	Compliance with laws and regulations	Ethics, Bribery & Corruption (page 19) Key ES	SG		
			Performance Summary (page 70)			
	2-28	Membership associations	Industry organizations in which K&S actively			
			participated:			
			- Responsible Business Alliance (RBA)			
			- Responsible Mineral Initiative (RMI)			
	2-29	Approach to stakeholder engagement	- SEMI Stakeholder Engagement (page 13)			
		Approach to stakeholder engagement	Stakeholder Engagement (page 13)			
	2-30	Collective bargaining agreements	In line with the Company's Code of Business Conduct, all our employees are free to participate	oto.		
			in recognized labor unions or other bona fide	ii.c		
			representatives within the framework of Compa	nv		
			procedures, applicable local laws and regulatio	•		
			and prevailing industrial relations and practices			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topic	s Material topics					
2021	3-1	Process to determine material topics	Materiality Assessment Process (page 14)			
	3-2	List of material topics	Materiality Assessment Process (pages 15-16)			
GRI 3: Material Topic	s Economic perfo	ormance				
2021	3-3	Management of material topics	K&S Value Creation Cycle (pages 8-9)			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	K&S Value Creation Cycle (page 9)			
	201-3	Defined benefit plan obligations and other retirement plans	We provide defined benefit plans and retiremer plans as required by the law in the locations that we operate in.	nt		
GRI 3: Material Topic	s Ethics, Bribery	& Corruption				
2021	3-3	Management of material topics	Ethics, Bribery & Corruption (pages 18-19)			
GRI 205: Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	Key ESG Performance Summary (page 70)			
	205-2	Communication and training about anti-corruption policies and procedures	Key ESG Performance Summary (page 69)			
	205-3	Confirmed incidents of corruption and actions taken	Key ESG Performance Summary (page 69)			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topic 2021	s Product and Se	rvice Innovation				
2021	3-3	Management of material topics	Product and Service Innovation (pages 36-37)			
Non-GRI Topic Specific Disclosure		Percentage of revenue invested into R&D	Product and Service Innovation (page 36) Key ESG Performance Summary (page 70)			
GRI 3: Material Topic	s Energy Usage &	Associated GHG Emissions				
2021	3-3	Management of material topics	Energy Usage & Associated GHG Emissions (pages 30-31)			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Reducing Energy Use (page 30) Key ESG Performance Summary (page 59)			
	302-3	Energy intensity	Reducing Energy Use (page 30) Key ESG Performance Summary (page 59)			
	302-4	Reduction of energy consumption	Energy Usage & Associated GHG Emissions (pages 30-31)			
GRI 3: Material Topic	s Material Use					
2021	3-3	Management of material topics	Material Use (page 32)			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Conserving Water (page 32)			
	303-5	Water consumption	Conserving Water (page 32) Key ESG Performance Summary (page 59)			
GRI 3: Material Topic	s Energy Usage 8	Associated GHG Emissions				
2021	3-3	Management of material topics	Energy Usage & Associated GHG Emissions (pages 30-31)			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Reducing Emissions and CDP (page 30) Key ESG Performance Summary (page 60)			
	305-2	Energy indirect (Scope 2) GHG emissions	Reducing Emissions and CDP (page 30) Key ESG Performance Summary (page 60)			
	305-4	GHG emissions intensity	Key ESG Performance Summary (page 60)			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	Effluents & Was	te Management				
	3-3	Management of material topics	Effluents & Waste Management (pages 33-34)			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Minimizing Waste Discharge (page 33-34) Safe Disposal of Hazardous Waste (page 31)			
	306-2	Management of significant waste-related impacts	Minimizing Waste Discharge (pages 33-34) Safe Disposal of Hazardous Waste (page 31)			
	306-3	Waste generated	Minimizing Waste Discharge (pages 33-34) Key ESG Performance Summary (page 61)			
Non-GRI Topic Specific Disclosure		Paper usage	Minimizing Waste Discharge (page 33) Key ESG Performance Summary (page 61)			
GRI 3: Material Topics	Employment &	Labor Practices				
2021	3-3	Management of material topics	Employment & Labor Practices (pages 42-48)			
GRI 401: Employment 2016		New employee hires and employee turnover	Key ESG Performance Summary (page 65)	Sub-requirement: (a)		Due to the implementation of a new ERP system, data relating to the age and gender of new employees is not available for FY2022. We have disclosed the FY2023 data in this report.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Key ESG Performance Summary (page 66)			
GRI 3: Material Topics	Occupational he	ealth and safety				
2021	3-3	Management of material topics	Sustainable Sourcing (pages 27-29) Occupational Health & Safety (page 49)			

GRI Standard	Disclosure No	Disclosure Title	Page Reference	Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Sustainable Sourcing (pages 27-29) Occupational Health & Safety (page49)			
,	403-2	Hazard identification, risk assessment, and incident investigation	Sustainable Sourcing (pages 27-29) Occupational Health & Safety (page 49)			
	403-3	Occupational health services	Sustainable Sourcing (pages 27-29) Occupational Health & Safety (page 49)			
	403-5	Worker training on occupational health and safety	Occupational Health & Safety (page 49) Key ESG Performance Summary (page 68)			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainable Sourcing (pages 27-29)			
	403-8	Workers covered by an occupational health and safety management system	Occupational Health & Safety (page 49)			
	403-9	Work-related injuries	Occupational Health & Safety (page 49) Key ESG Performance Summary (page 67)			
	403-10	Work-related ill health	Occupational Health & Safety (page 49) Key ESG Performance Summary (page 68)			
Non-GRI Topic Specific Disclosure		Accident Frequency Rate & Accident Severity Rate	Occupational Health & Safety (page49) Key ESG Performance Summary (page 68)			
		Number of accidents and man-days lost	Occupational Health & Safety (page 49) Key ESG Performance Summary (page 68)			
	403-3	Occupational Health & Safety training hours	Occupational Health & Safety (page 49) Key ESG Performance Summary (page 68)			
GRI 3: Material Topics	Customer healt	h and safety				
2021	3-3	Management of material topics	Customer Health & Safety (page 38-39)			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Customer Health & Safety (page 38) Key ESG Performance Summary (page 70)			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health & Safety (page 38) Key ESG Performance Summary (page 70)			
GRI 3: Material Topics	Customer Satis	faction				
2021	3-3	Management of material topics	Customer Satisfaction (page 40)			
Non-GRI Topic Specific Disclosure		Voice of Customer Survey	Customer Satisfaction (page 40)			

Independent Greenhouse Gas Assurance Statement

Introduction

Kulicke and Soffa Pte. Ltd. (K&S), 23A, Serangoon North Ave 5, #01-01, Singapore 554369, Singapore (hereinafter referred to as "K&S" or the "Company"), an organisation with Corporate Identity Number: UEN 199902120H, has engaged CSRWorks International Pte. Ltd. ("CSRWorks") Singapore to provide independent verification of its Scope 1 and Scope 2 GHG assertions for the selected reporting boundary, as disclosed in the 'K&S Sustainability Report 2023' ("the Report" or "SR2023"). K&S has prepared its GHG assertions in a bespoke Excel sheet based on ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and the GRI 305 Emissions Standards (Disclosure 305-1 and 2) for the reporting period from October 2, 2022, to September 30, 2023. This statement presents our opinion on the reported GHG assertions as an independent verifier for the scope of work mutually agreed upon with K&S.

Our engagement has been carried out based on the CSRWorks Assurance Methodology, a customised verification procedure based on ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements) and ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information - limited level of verification, as mutually agreed with client. The verification used a materiality threshold of ±5% for aggregate errors and omissions in the sampled GHG activity data for deriving the Scope 1 and 2 emissions.

The Management of the Company is 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 Scope 1 and 2 GHG assertions in its Sustainability Report 2023. Our verification engagement is based on the assumption that the data and information provided to us are complete, true, and free from material misstatement. 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. This exercise was carried out from December 2023 to May 2024 by a team of sustainability professionals from CSRWorks, comprising a lead verifier, verifier, subject matter expert, and an independent quality reviewer.

Scope, Boundary and Limitations of Verification

The scope of the verification includes the Scope 1 and 2 GHG emissions for the reporting boundary, comprising eight global operational sites of K&S (China [Suzhou, Jiangsu], Netherlands [Eindhoven], Singapore [Serangoon and Kranji], Israel [Haifa], USA [Horsham, PA, Fort Washington, PA and Santa Ana, CA]) for the financial year from October 2, 2022, to September 30, 2023 (FY2023). This is in accordance with the scope of work agreed upon with the management of the Company, including the sampling plan for the 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. This verification engagement did not involve engagement with external stakeholders or site visits to the Company's operational sites/assets. CSRWorks conducted remote assessments in line with risk-based assessment procedures, including limited

sampling. The remote verification was conducted based on desk reviews of GHG Scope 1 and 2 data, virtual discussions on management systems/procedures followed by the sampled sites of the Company, and included interactions with data and information owners, as well as other publicly available data/information made available to us as supporting evidence. Any historical Scope 1 and 2 emissions data and information presented or referenced in the Report for the purpose of comparisons or otherwise is excluded from the scope of verification.

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:

- Conducting an initial risk assessment and developing an engagement plan based on the desk review of the initial report/ Scope 1 and 2 raw data sets.
- Desk review of the draft report and raw data presented in bespoke Excel sheets and GHG calculations to check completeness and consistency, and to assess reporting with reference to the selected GRI Topic Standard – GRI 305:2016.
- Review of the data management processes in place to collect, aggregate, and report the Scope 1 and 2 related activity data, based on requirements set out in ISO 14064-1 and GRI Topic Standard on emissions. We also examined and reviewed evidence including supporting documents, invoices, maintenance records, secondary data, and other information made available to us for selected sampled operational sites of K&S.



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- Review of systems and procedures for data collection and aggregation/consolidation, including the calculation methodology, conversion factors, assumptions, etc., as reported in SR2023 related to Scope 1 and 2 GHG emissions prepared for the Company's internal/external reporting purposes.
- Verification of sample activity data to check accuracy and reliability for a limited level of verification through remote interaction with data owners and GHG emission calculations presented for verification.

Conclusions

In our opinion, on the basis of limited level of verification undertaken and mutually agreed scope of work, nothing has come to our attention that would cause us to believe that the Scope 1 and 2 assertions of eight global operational sites for the financial year October 2, 2022, to September 30, 2023 (FY2023) as verified and detailed below (presented in chapter 4 of the K&S Sustainability Report 2023), is not a reliable and accurate representation of K&S Scope 1 and 2 GHG emissions.

- Scope 1 emissions 433.325 tons CO₂e
- Scope 2, location-based -16,779.137 tons CO₂
- Scope 2, market-based -16,304.038 tons CO₂

Note: The calculation methodology, emission factors, global warming potential, unit conversion factors, assumptions, etc., are presented in the annex page 60 of the K&S Sustainability Report 2023.

Some data inaccuracies identified during the verification process for sampled sites (Singapore, Netherlands, China, USA) 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

We are a global provider of sustainability and assurance services, staffed with qualified sustainability specialists. We state our independence and impartiality with regard to this verification engagement. CSRWorks applies a strict independence policy and confirms its impartiality in delivering assurance/verification engagements. We did not conduct other third-party audit or consulting work in FY2023 for the Company. In our judgment, the present engagement does not compromise the independence or impartiality of our verification engagement, or the associated findings and conclusions. We have complied with the Code of Conduct during the assurance engagement and maintained independence as required by relevant ethical standards, including those set out in ISAE 3000 (Revised). We were not involved in the preparation of any statements or data related to the reported sustainability performance data in the K&S SR2023, with the exception of this GHG Verification Statement. We maintained complete impartiality towards all individuals interviewed.

On behalf of the verification team

<May 6, 2024>

Jeh_

Rajesh Chhabara

Managing Director
CSRWorks International Pte. Ltd.
Singapore





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