

A MESSAGE FROM OUR PRESIDENT & CEO



I am pleased to present Kulicke & Soffa's (K&S) annual Sustainability Report for the financial year ended October 3, 2020 (FY2020).

This report covers our policies, practices and performances on economic, environmental, social and governance (EESG) issues to update where we are in our sustainability progress and provide visibility of our journey ahead. In the same way that we work with underserved communities, you will also read about how we ensure environmental and social well-being in our operations.

On this note, I would like to congratulate the staff and management at the sites of Eindhoven, Haifa, Fort Washington and Santa Ana in successfully attaining the Occupational Health and Safety Management System Standard (ISO 45001:2018) Certification this year. With this achievement, K&S' six global sites including Singapore and Suzhou are certified and committed in providing a robustly safer and healthier workplace for our employees.

Our Culture of Entrepreneurialism Continues to be a Key Value Driver

The COVID-19 pandemic on top of climate and socio-economic concerns has presented uncertainties and challenges. While global circumstances have had an impact on us, I am heartened by the resilience of our organization. Our well maintained Enterprise Risk Assessment program and Business Continuity plan is a timely endeavor that has

allowed us to respond with speed and focus in continuing to cater to business needs at optimal levels, such as maintaining timely delivery of products and services to our customers.

At the same time, we strived to optimize business excellence with over USD\$120 million invested in developing new generation machines and processing upgrades. The outcomes of which include the piloting of new systems such as the RAPID™ Pro, the first in our Gen-S Series of next-generation ball bonders that delivers advanced process capabilities, real-time monitoring and diagnostics to ensure the best quality and efficient assembly serving high-performance and high-reliability semiconductor applications.

Our efforts in keeping environmental and community commitments also ran in parallel. We continued our push for the increased adoption of renewable energy and efficient waste management practices in our operations. Since January 2020, 100% of electricity at K&S Eindhoven is derived from wind farms and solar parks. As for the community, we leveraged our global network in securing and distributing more than 25,000 masks and 500 hot meals to communities and healthcare frontiers during the pandemic. This was in addition to supporting our on-going commitments to other underserved segments of the community such as the intellectually disabled and visually handicapped.

In FY2021, we will launch a new integrated

social framework that will better harness K&S' global competencies and resources by placing a strategic lens and framework to our sustainability efforts, to create greater impact going forward.

Making Strides with a Focus on a Sustainable Supply Chain Management

For the first time, we also share a closer look at how we embed sustainability into our everyday activities and practices throughout our supply chain. While sustainability begins in our culture, it is also crucial to ensure that our suppliers and contractors uphold the same standards as us.

The topic of supply chain is today playing a bigger and active role in influencing the corporate strategy, beginning from ethical sourcing all the way to the delivery of the final product.

We owe our progress in these areas to the vision and guidance of our management committee and the hard work of our employees and partners. I am proud of the work we have done and will continue to achieve as we pursue more active engagement with our stakeholders. I look forward to sharing more exciting news going forward.

Fusen Chen

President & CEO,
Kulicke & Soffa