

# MESSAGE FROM OUR PRESIDENT & CEO

It is my privilege to share the K&S 2021 Sustainability Report, which highlights our ongoing efforts to build a more sustainable, equitable, and inclusive company, industry and society. FY2021 was a significant year where we celebrated the Company's 70th anniversary, expanded our served markets and reacted efficiently to COVID-19 challenges, while we drove our sustainability agenda forward.

The current business landscape requires extensive focus to successfully execute our high-growth market expansion initiatives, deliver new innovative technology solutions and address the industry's ongoing aggressive capacity needs, while operating in a challenging global supply-chain and logistical environment. This ongoing focus has enabled us to rethink the ways we work, collaborate, and make a difference, propelling us into action, highlighting the resilience of our global team, and the strength of our core values.

## Enhancing Our ESG Commitments

We continued to reach and enhance our global Environmental, Social and Governance (ESG) commitments. Earlier in the year, we expanded our corporate oversight and organizational framework with an improved reporting structure and increased reporting frequency, enabling a greater level of oversight for our Executive Leadership Team (ELT) and our Board of Directors (BOD). Ultimately this refinement enhances our ability to promptly react to future global challenges and opportunities as we continue our ESG journey.

Climate change and the increasing use of natural resources continues to impact the lives of people and wildlife. We continue to chart our own path forward for more environmentally sustainable operations to improve resource utilization and also reduce carbon emissions. To do this effectively, there is a need for ongoing assessments and clear lines of accountability of our climate footprint. This year, we disclosed our environmental data through the Carbon Disclosure Project (CDP), a voluntary global disclosure platform to enhance the quality and transparency of environmental progress and reporting efforts. By joining this broad network of

companies and cities who participate in the CDP, we are now able to better benchmark, measure and manage our environmental impact.

In addition to these environmental reporting and transparency enhancements, we are also keenly aware that equality is a fundamental value in achieving our goal of being an employer of choice that fosters a safe and healthy environment for development, collaboration and problem-solving. This year, we are particularly focused on fostering greater diversity, equity, and inclusion as we initiated and implemented a formal global diversity and inclusion program across all K&S business units, functions and supply chain to ensure all employees and suppliers stay cognizant to proactively enhance our human capital. This new program, which relies on employee feedback and focused training, will enhance the voice of employees, support recruitment efforts and foster a more inclusive and open workplace, enhancing our ability to collaborate and increasing our pace of innovation.

More details related to our ongoing ESG programs, commitments and long-term goals are detailed within this sustainability report.

## Creating Sustainable Value for All

The overall focus of our sustainability strategy has always been to create value for all stakeholders – our customers, shareholders, employees and the broader communities in which we operate. During the year, we reacted quickly to the industry's aggressive capacity needs, enhanced development engagements with customers and drove market adoption of several next-generation solutions, all while successfully navigating a challenging global environment. This persistent execution allowed us to further expand access to served markets which are supporting several significant technology transitions within the automotive, semiconductor and display markets.

We are proud of what our partners and K&S have collectively accomplished during this challenging year to move our ESG agenda forward. We are also aware there is more we can do in the future. The past year has allowed us to re-examine and find new creative solutions to our ways of working, while ensuring efficient and ongoing progress of our long-term growth prospects remains on track. The entire organization has continuously expanded our ESG efforts, while materially enhancing our business prospects and valuation. This relentless internal focus, combined with increased global collaborations among businesses, investors, and governments, will allow us to deliver a new level of long-term benefits to our collective global society.



**Fusen Chen**  
President & CEO,  
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