



Pacific Technology

(STOCK CODE: 0522)

ENABLING THE DIGITAL WORLD

**POISED FOR  
STRONG  
RECOVERY**

ASM Pacific Technology Limited  
(Incorporated in the Cayman Islands with limited liability)

**2020  
Environmental, Social  
and Governance Report**

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## ABOUT THIS REPORT

*This Environmental, Social and Governance Report (“ESG Report”) provides an annual update on the environmental, social and governance (“ESG”) impact, policies and initiatives of ASM Pacific Technology Limited (“ASMPT”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2020 (“the Reporting Period”). The Reporting Period aligns with the Group’s financial year.*

*The ESG Report is prepared with reference to the core option requirements outlined in the Global Reporting Initiative G4 reporting guidelines. It has complied with all “comply or explain” provisions outlined in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).*

*The ESG Report covers the Group’s global operations in Greater China, Rest of Asia, Europe, Africa, and North and South America during the Reporting Period. It aims to provide an overview of the Group’s approaches, priorities, targets and performance reviews in the key areas of environmental protection, sustainability and corporate governance. There is no significant change in scope between this ESG Report and the ESG Report for the year ended 31 December 2019.*

*This ESG Report covers key issues relevant to the Group’s various stakeholders such as customers, investors, shareholders, business partners, employees and vendors. It is published only in electronic form, and all ESG Reports are available online at [www.asmpacific.com/en/about/sustainability](http://www.asmpacific.com/en/about/sustainability).*

## CHAIRMAN'S MESSAGE

Dear Shareholders, Customers, Partners and Employees,

It gives me great pleasure to present ASMPT's 2020 ESG Report, the 5th edition of this important document. 2020 was perhaps the most unusual year in our collective memory. The spectre of COVID-19 continues to loom over our lives and livelihoods to the moment of this message. While vaccines have been rolled out across many parts of the world, the recovery process on the long road back to normality is still uneven. In our annual report for 2020, we detailed how we managed to keep our business growing amidst the pandemic. I am grateful to the ASMPT team's collective efforts that helped deliver very decent 2020 results for our business.

This report describes the steps the Group has taken in its sustainability journey in 2020, as we continued our efforts to diligently incorporate and embed the best practices for ESG into our business. As the world's leading global supplier of hardware and software solutions for the manufacture of semiconductors and electronics, we have a key responsibility to be as good an example as possible in managing our environmental impact, our people and our governance. As you will read in this Report, the impact of the COVID-19 pandemic and its related geopolitical aftershocks loom large over the various efforts that were made in 2020 as we sought to navigate our business adroitly on behalf of our shareholders, customers, partners, and employees.

The speed of digital transformation in society is perhaps the most distinctive characteristic of our modern world. Its velocity was turbocharged in 2020 by the pandemic's impact on additional computing, security and connectivity requirements as travel was curtailed, physical environments were made more segregated, and remote work/remote life requirements evolved into a new normal that we are all still coming to grips with. The technology transition has been significantly accelerated and the industry we are in is presently feeling the effects of an increased demand for more electronic and computing content worldwide.

However, even as we differentiate ourselves in the marketplace and ethically compete well with our peers, we must bring to life the enabling layers in our business that will allow us to be a force for good. This encompasses bringing Quality into all that we do (from production, to ESG efforts, to even the interactions we have both internally and externally); a



resolute People focus to enable our staff to be the best they can be, and a focus on Innovation in all aspects (while being cognisant of the ESG impact we have as a technology leader and major solutions supplier).

While ASMPT has made good progress over the years, we cannot rest on our laurels: the stakes are simply too high. As 2020 made even more apparent, our success rests on the dedication, commitment and focused efforts of our dedicated employees across the world. We are a global business. We must continue to operate responsibly wherever we are and seek to make a difference to the communities we are located in.

We have continued to place a strong emphasis on employee well-being and development; this was even more stark and apparent a need as we navigated the pandemic. Talent management is a key area of people development that we are focusing more on, through the evolution of the Talent Council we have set up. It is a key part of helping to make ASMPT a Great Place to Work.

Our diverse product portfolio and astute investments over the years have put us in good stead as we continue to innovate and evolve. However, in whatever we do, we must continue putting in place the right ESG framework and policies to help us continue to be a responsible company that can shape a bright & sustainable future for our customers, employees, investors, partners and society. This we will continue to do, with conviction.

**Orasa Livasiri**  
*Chairman*

28 June 2021

# ABOUT ASMPT

ASMPT (HKEX stock code: 0522) is a leading global supplier of hardware and software solutions for the manufacture of semiconductors and electronics. Headquartered in Singapore, ASMPT's offerings encompass the semiconductor assembly & packaging, and SMT (surface mount technology) industries, ranging from wafer deposition, to the various solutions that organise, assemble and package delicate electronic components into a vast range of end-user devices, which include electronics, mobile communications, computing, automotive, industrial and LED (displays). ASMPT partners with customers very closely, with continuous investment

in R&D helping to provide cost-effective, industry-shaping solutions that achieve higher productivity, greater reliability and enhanced quality.

ASMPT is one of the constituent stocks of the Hang Seng TECH Index, Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under Hang Seng Composite Industry Indexes and the Hang Seng Hong Kong 35 Index. To learn more about ASMPT, please visit us at [www.asmpacific.com](http://www.asmpacific.com).

## GEOGRAPHICAL PRESENCE



**>2,000**  
Global R&D staff

**>1,500**  
Patents on leading edge technologies

**11**  
R&D centres worldwide

**12**  
Manufacturing facilities

ASM  Pacific Technology

# SUSTAINABILITY APPROACH

ASMPT is recognised as an industry leader because of its innovation, comprehensive portfolio of products and services, exceptional and comprehensive customer support, and a track record of consistently executing on its vision, "ENABLING THE DIGITAL WORLD". In turn, this Vision goes hand in hand with a responsibility to manage the Group's ESG impact as it grows and evolves as a global, yet local business (located in numerous sites in 28 countries around the world, across three continents).

ASMPT launched its first stand-alone ESG report in 2016. This fifth iteration of the report details how ASMPT continues to manage its resources and expertise and contribute responsibly to the global sustainable development agenda as defined under the United Nations' Sustainable Development Goals ("SDGs").

Creating and delivering sustainable values to its stakeholders remains an overarching principle for ASMPT. The Group's definition of Company Success in its Group Strategy places this approach front and centre:

**SHAPING A BRIGHT & SUSTAINABLE FUTURE FOR CUSTOMERS,  
EMPLOYEES, INVESTORS, PARTNERS AND SOCIETY**

The Group's sustainability framework is built on four pillars:



**Nurturing Our  
Employees**



**Supporting Our  
Communities**



**Creating Value  
through Innovation**

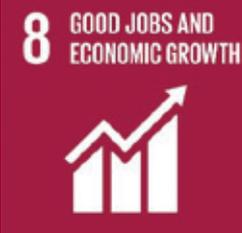


**Managing  
Environmental Impact**



These four pillars align with the four areas where as a responsible global citizen ASMPT can play a significant role in furthering the SDGs. Responsible and sustained commitment to the strengthening of these four pillars is a perpetual process, but absolutely necessary as the Group extends its leadership position in the industry and empowers its people to contribute effectively to the communities where they operate.

**The United Nations Sustainable Development Goals Guiding ASMPT’s Sustainability Framework**

 <p><b>4 QUALITY EDUCATION</b></p>	 <p><b>8 GOOD JOBS AND ECONOMIC GROWTH</b></p>	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>	 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p>
<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>

**The Four Pillars of ASMPT’s Sustainability Framework**

			
<p><b>Nurturing Our Employees</b></p>	<p><b>Supporting Our Communities</b></p>	<p><b>Creating Value through Innovation</b></p>	<p><b>Managing Environmental Impact</b></p>
<p>We believe employees are our best assets and we are committed to building a future-ready workforce in an environment that allows them to grow and excel.</p>	<p>We practise good corporate citizenship and contribute to the social well-being of the communities where we operate.</p>	<p>We create value, focusing on R&amp;D to deliver cutting-edge technology and product innovations to enable the digital world.</p> <p>We strive to embed sustainability in our innovations through the efficient use of resources, recycling measures and re-engineering of manufacturing processes.</p>	<p>We commit to environmental sustainability, ensuring that our operations are carried out in a responsible manner.</p>

## STAKEHOLDER ENGAGEMENT

Our stakeholders, which include customers, employees, investors, business partners, and vendors, are an integral part of the Group’s Sustainability Framework. The Group establishes strong and mutually beneficial relationships with our stakeholders through open and transparent communication channels, which enable it to understand stakeholder concerns, secure their buy-in, and anticipate and manage their expectations. The pandemic of 2020 and its ensuing restrictions on travel, physical meetings and onsite work in various jurisdictions meant that many of these regular engagement channels and programmes have simply not been possible or significantly curtailed. Some programmes, notably in the community engagement area, have particularly been impacted. Where possible, the Group has found ways to adapt — for example, some of these activities have become virtual meetings and events.

Key Stakeholders	Expectations	Solutions	Engagement Channels
 <p><b>Communities</b></p>	<p>A responsible and caring corporate citizen, serving the community.</p>	<p>The Group strives to effectively contribute to communities and encourages active participation by its staff and their family members through various community engagement initiatives.</p> <p>The Group works with social enterprises across its key markets to understand their needs.</p>	<ul style="list-style-type: none"> <li>Employee community involvement programmes</li> <li>Corporate sponsorships and donations</li> <li>Scholarships and internships</li> </ul>
 <p><b>Customers</b></p>	<p>High quality and on-time delivery of systems and services.</p> <p>Environmentally responsible and ethical business operations.</p>	<p>The Group strives to innovate and deliver environmentally sustainable products and services of high quality and on-time delivery.</p>	<ul style="list-style-type: none"> <li>Regular electronic communications and meetings</li> <li>Site visits</li> <li>Trade shows</li> <li>Customer training and support</li> </ul>
 <p><b>Employees</b></p>	<p>A conducive environment where employees are treated with respect and dignity, for personal development to achieve career growth and work-life balance.</p>	<p>The Group adopts HR policies and practices that promote a fair, safe and comfortable working environment, reward good performance, ensure career growth, and provide work-life balance.</p> <p>Employees can also make use of open communication platforms such as networking sessions to provide feedback to the management.</p> <p>Regular update sessions are conducted to facilitate constant engagement with employees.</p>	<ul style="list-style-type: none"> <li>Email &amp; Online Collaboration Tools</li> <li>Intranet and Internet technologies</li> <li>Regular Town Hall meetings conducted by CEO, with timely cascade of information down to team members</li> <li>Staff publications and videos</li> <li>Networking sessions</li> <li>Team building activities</li> <li>Family days and Annual Dinner</li> <li>Regular management communications</li> <li>Town Hall meetings</li> <li>Performance reviews</li> <li>Employee engagement survey</li> <li>In-house recreational facilities</li> </ul>

Key Stakeholders	Expectations	Solutions	Engagement Channels
 <b>Government bodies and regulators</b>	Ensure that the Group complies with local laws, regulations, and policies and addresses pertinent issues.	The Group complies with all applicable laws in the countries in which we operate, and laid down policies and procedures to ensure adherence and the sustainability of our business.	<ul style="list-style-type: none"> <li>Regular performance reporting</li> <li>Regular communication with government bodies and regulators</li> </ul>
 <b>Investors/ Shareholders</b>	Provide accurate and timely information on the Group's operational and financial performance and future plans.	The Group strives to create long-term shareholder value by generating optimum returns on investment, practising good corporate governance, providing transparency and disclosure, while delivering sustainable and long-term growth.	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Annual and Interim Reports</li> <li>Announcements and Circulars</li> <li>Quarterly updates on financial results</li> <li>Investor conference calls</li> <li>Investor meetings and roadshows</li> <li>Investors' feedback channel via the Group's website</li> </ul>
 <b>Suppliers</b>	Build long-term business relationship based on ethical and responsible business practices for mutual benefit.	The Group treats all suppliers fairly and with respect. There is zero tolerance for violations.	<ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Responsible Business Alliance</li> <li>Supplier management meetings and engagement</li> <li>Email communications</li> <li>Supplier Assessment System</li> <li>Supplier audits</li> </ul>





## GOVERNANCE

ASMPT's Board and Executive Committee work together to manage the interest of its stakeholders and create long-term shareholder value. As at 31 December 2020, the Group has nine directors, two of whom are female. Out of the nine, four are independent non-executive directors, two non-executive directors and three executive directors. All our Board members are highly experienced professionals with expertise in finance, business, legal, technical and industrial sectors.

### GOVERNING SUSTAINABILITY AT ASMPT



**Board of Directors**

The Board of Directors is the Group's highest governing body, responsible for ensuring good corporate governance through independent and effective leadership to supervise the management of the Group's business and affairs, and to grow responsibly in a profitable and sustainable manner that is in the best interest of its stakeholders. The Board also develops and reviews the Group's policies and practices on corporate governance, including the Group's risk management framework.

**Executive Committee**

The Executive Committee comprises the Senior Management team that reviews and determines the material ESG factors and their scope. They evaluate and review long-term business and organisational goals and provide the strategic direction for the Group's sustainability practices.

**Environmental, Social & Governance Committee ("ESG Committee")**

The ESG Committee reviews and monitors the Group's ESG policies and practices on a regular basis, ensuring compliance with legal and regulatory requirements.

The ESG Committee, comprising members from different regions and functional groups, is led by the Group Compliance Director, who reports to the Group Chief Financial Officer, who is also a member of the Board and the Executive Committee.

The ESG Committee also regularly updates the Executive Committee on sustainability risks, sustainability management performances as well as recommendations and follow-up measures.

The Company has complied with all code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules for the year ended 31 December 2020.

The ASMPT Code of Business Conduct and the ASMPT Supplier Code of Conduct cover, amongst others, issues relating to confidentiality, workplace harassment and discrimination, unfair treatment, anti-corruption, conflicts of interests, trade compliance. These Codes of Conduct apply to all employees and third party business partners.

The Group's Strategic Risk Review Committee oversees the Group's risk governance including the risk management framework that has been in place since 2016. The framework is based on the "Three Lines of Defence" model and includes a process of strategic risk review.

The Group's Business Continuity Management Steering Committee is headed by the Group's management team. It provides policy guidance to the Co-ordination and Entity Level Committee to deal with potential threats so as to ensure business continuity; this includes the ability to continue serving customers. The guidance outlines a range of disaster scenarios, alternative production sites and the steps the business will take in any particular scenario to provide short-term delivery and/or services support as well as action plans for returning to regular operations.

The Groups has a proactive international tax compliance management process that is intended to ensure performance or fulfilment of its tax obligations in all locations where the economic activities of its operations take place.

With these structures and practices, the Group has a clear overview of the adequacy and effectiveness of its internal controls and risk management system, which enhances its resilience and minimises the impact of any disruptions to its business operations.

Details of the Group's corporate governance practices for the year ended 31 December 2020 have been published in the Company's 2020 Annual Report.

## ENVIRONMENTAL PROTECTION AND EMISSIONS

ASMPT's environment charter highlights the Group's commitment to managing the environmental impact of its business operations through energy-efficient practices and technologies, resource conservation, recycling, and pollution prevention.

The Group is proactive in managing the environmental footprint of its business. It sets guidelines on environmental design requirements for product development and has a comprehensive checklist for its product development teams to ensure that all relevant environmental factors are considered at the product design stage.

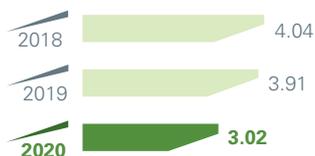
Two critical design approaches assessed at the product design stage are the Environmental Aspect and the Design for Manufacturing. New products will be assessed according to a set of stringent criteria with grades given in order to drive improvement in product design. ASMPT closely monitors the product lifecycle, which consists of product design, manufacturing, storage, packing and delivery, use and reuse, and disposal, so as to minimise its impact on the environment.

The Group's main business locations in China (including Hong Kong), Germany, United Kingdom, United States, Singapore, and Malaysia are all ISO 14001 certified yearly for their environmental management systems. The ISO 14001 standard specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance, fulfil its compliance obligations and achieve its environmental objectives.

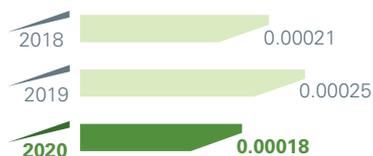
ASMPT has on the whole been consistently vigilant in ensuring that any potential adverse impact on the environment as a result of its operations is identified and addressed in a timely manner. The Group has complied with all relevant international and national environmental laws and regulations.

## NITROGEN OXIDES (NO<sub>x</sub>), SULPHUR OXIDES (SO<sub>x</sub>) AND PARTICULATES EMISSIONS

### Emissions from Gaseous Fuel Consumption (tonnes)



### Emissions Intensity (kg/HK\$'000 revenue)



In 2020, emissions of NO<sub>x</sub>, SO<sub>x</sub> and particulates decreased by a significant amount (23%) due to a general drop in the usage of vehicles during the COVID-19 pandemic. This helped drive down emission intensity per HK\$1,000 revenue by 28%, which was also helped partially by a higher revenue being achieved for the business in 2020 versus 2019.

## CARBON DIOXIDE (CO<sub>2</sub>) EMISSIONS

### CO<sub>2</sub> Emissions from Electricity consumption (kilotonnes)



### CO<sub>2</sub> Emissions from Gaseous Fuel consumption (kilotonnes)



### CO<sub>2</sub> Emissions from Vehicles usage (kilotonnes)



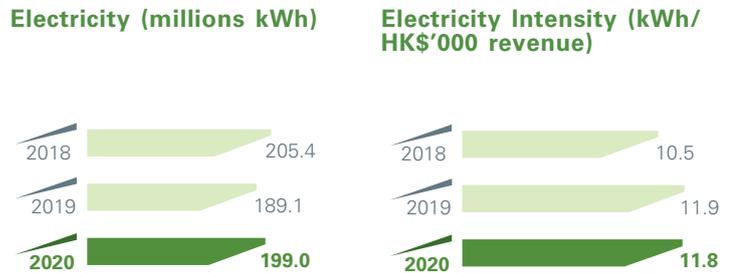
### CO<sub>2</sub> Emissions Intensity (tonnes/HK\$'000 revenue)



In 2020, CO<sub>2</sub> emissions increased by 5% whereas the emission intensity per HK\$1,000 revenue remained about the same as 2019 (a very slight decrease of about 1%). The increase in CO<sub>2</sub> emissions from electricity consumption originated from increased electricity usage in several key manufacturing sites in the Asia-Pacific, due to production ramp up activities that started in the second half of 2020 as the overall picture around the COVID-19 pandemic started to become clearer and customers began to put in their orders again. Despite this ramp up, the near-parity emission intensity level (2020 versus 2019) was testimony to increased electricity usage efficiency measures at these manufacturing sites, whilst helping the Group achieve more revenue in 2020 versus 2019.

## ENERGY CONSUMPTION

### DIRECT AND INDIRECT ENERGY CONSUMPTION



In 2020, the total energy consumption (kWh) increased by 5% while energy consumption intensity (kWh/HK\$'000 revenue) decreased by 1%.

The reasons underpinning this are consistent with an increase in production ramp-up from the second half of 2020 to meet increased demand from customers, once the trajectory of the pandemic became clearer globally and mitigation measures had started to take root. Energy consumption thus increased, along with the energy required for the Group's basic facilities regardless of production volume, such as clean room air-conditioning and relative-humidity control, compressed air, lighting and general office air-conditioning. With the increase in revenue for 2020, energy intensity was reduced despite a slight increase in consumption, again due to energy-efficiency measures and a higher revenue achieved for 2020 versus 2019.

In 2020, the Group was not aware of any incident of non-compliance with the relevant laws and regulations relating to environmental concerns that would have a significant impact on the Group. The Group continues to seek ways to improve the energy efficiency of all its operations.



## WASTE MANAGEMENT

The Group's waste-reduction measures are diligently monitored, including how specific types of waste are handled, being keenly aware of their potential adverse impact on surrounding communities. Waste generated is categorised as general waste or hazardous waste. General waste is placed in a designated truck and collected by accredited vendors while hazardous waste is segregated and placed in dedicated waste rooms and disposed by accredited vendors on a regular basis.

The Group continues to promote the reuse of equipment materials. "Materials Recycling Days" are organised regularly where used materials from the production floor are collected, sorted out, either to be kept for internal reuse or disposed through external recycling channels. In addition, separate recycle bins for office waste such as paper, glass, and plastic are placed at strategic locations to encourage employees to do their part to protect the environment.

Over the years, the Group has implemented waste reduction and recycle programmes to manage resources more effectively and minimise wastage. Its products are made using reusable and recyclable materials, where possible, and the Group encourages its suppliers to adopt reusable and returnable packaging for shipments.

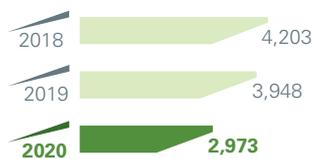
ASMPT's Annual Reports are printed in small quantities and on environmentally-friendly paper. The Group also strongly encourages its employees to reduce unnecessary printing wherever possible.

The Group generated 2,973 tonnes of non-hazardous waste and 8,368 tonnes of hazardous waste in 2020. Of these, 78% of non-hazardous waste and 55% of hazardous waste were recycled, with the remainder being disposed of by accredited vendors. In 2020, the increase in hazardous waste was in large part due to an increase in lead frame production in preparation for a planned shift by the Group's lead frame operations (under its Materials Segment) of its manufacturing operations in the second half of 2020 from Singapore to larger facilities in Malaysia.



## WASTE MANAGEMENT

### Non-Hazardous waste (tonnes)



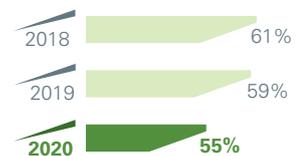
### Hazardous waste (tonnes)



### Recycled Non-Hazardous waste



### Recycled Hazardous waste



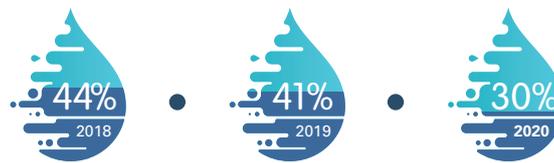


### INDUSTRIAL WATER USAGE

In ASMPT, the manufacturing process of lead frames and precision machinery products uses large quantities of water. The Group has installed water treatment and recycling facilities in its lead frame manufacturing plants in China, Malaysia and Singapore to process waste water from the plating lines to prevent water pollution and ensure effective use of water. There are monitoring systems in place that ensure that any leakage is detected early.

The Group has water treatment facilities, including biological treatment and recycling capabilities, to help it achieve optimal water recycling rates. In 2020, only 30% of purchased water was recycled even though total water consumption increased. This was due to a variety of factors. First, the planned re-siting of the Group's lead frame manufacturing facilities from Singapore to Malaysia, which required some processes to run concurrently (see below) between the two sites during the transition period. Second, the need to adhere to more stringent legal requirements governing the discharge of treated water. Third, a larger amount of wastewater and chemical waste water were generated by the Singapore operations due to the need to properly clean and dispose of equipment at the Singapore site. And lastly, certain technical issues in the Malaysia water recycling operations reduced the amount of water that was able to be recycled, even as production volumes increased (these issues have since been rectified). All these factors affected recycled water operations, and consequently, the recycled water rate dropped for 2020. The Group is confident about improving this rate back to its stated Group target of 40%.

### RECYCLED PURCHASED WATER



Regarding industrial usage of water, there was a 28% increase in net water consumption but a 5% decrease in recycle quantity. With the shift of the Group's lead frame operations under its Materials Segment from Singapore to larger facilities in Malaysia in the second half of the year, the nature of lead frame operations required the Group to keep machines running to achieve more stable process control. This arm of the business also requires a significant amount of water. Thus, the transition period during the shift from Singapore to Malaysia required the machines in both sites to run continuously, leading to greater water and electricity consumption and therefore affecting the amount of water available for recycling. Increased production levels in the Malaysian operations also contributed to this.

### TOTAL WATER CONSUMPTION

In 2020, there was a 12% increase in total water consumption (million m<sup>3</sup>) due to increased production volume. Consumption intensity also increased 9% with respect to each HK\$'000 revenue (m<sup>3</sup>/HK\$'000 revenue) due to an increase in sales volume.

#### Industrial Water Consumption (million m<sup>3</sup>)



#### Industrial Water Recycled (million m<sup>3</sup>)



#### Total Water Consumption (million m<sup>3</sup>)



#### Water Consumption Intensity (m<sup>3</sup>/HK\$'000 revenue)





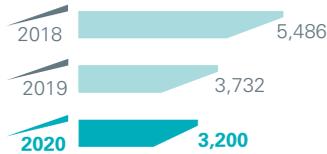
## USE OF RESOURCES

The Group endeavours to use reusable and recyclable materials in its products to reduce the consumption of raw materials. It also designs products with a lower weight and volume wherever possible. Additionally, there is a continuous effort to improve manufacturing processes in order to reduce machine fabrication hours and the use of materials, thereby conserving resources and energy.

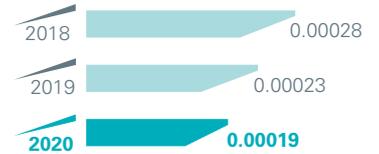
The Group's manufacturing operations are designed with exceptionally compact assembly lines to minimise long transport routes, while making the production floor infrastructure (i.e. water, electricity, lighting and air-conditioning) as efficient as possible to optimise logistics within the production plants.

Wherever possible, the Group uses recyclable crates for packaging its large industrial equipment products, and cardboard boxes for common packaging materials. In general, plastic material is kept to a minimum in the Group's packaging.

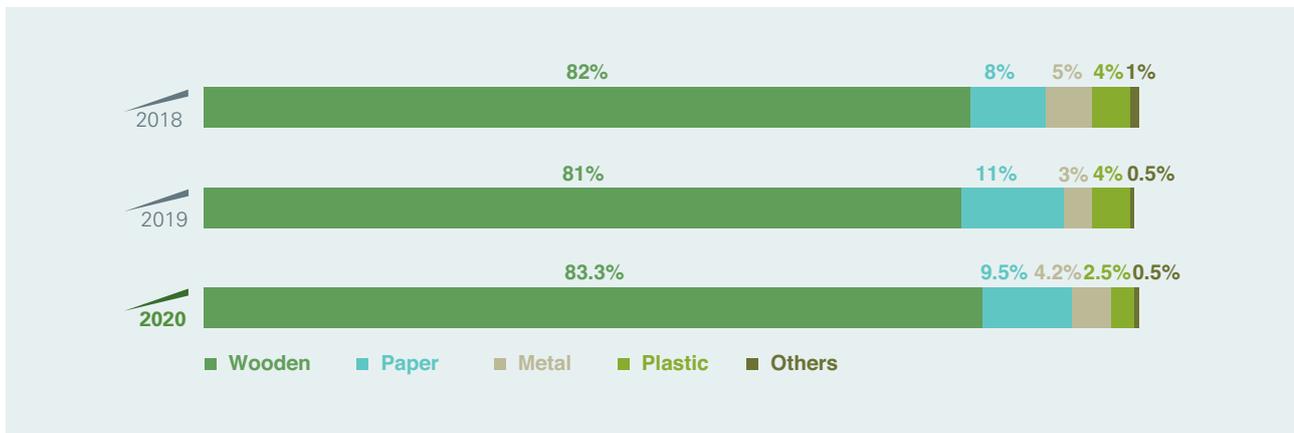
**Total Packaging Material Consumption (tonnes)**



**Total Packaging Material Consumption Intensity (tonnes/HK\$'000 revenue)**



## PACKAGING MATERIAL TYPES DISTRIBUTION (%)



In 2020, despite increased production output, the Group still managed to achieve a 14% decrease in total packaging material consumption (tonnes), with consumption intensity consequently decreasing by 17% with respect to each HK\$'000 revenue (tonnes HK\$'000 revenue).



## EMPLOYMENT

The Group's employment numbers for 2020 require a little more explanation due to the date of completion of the Strategic Joint Venture.

At 28 December 2020, the Group had a global workforce of more than 15,200 employees across 28 countries. Of this, nearly 8,000 were based in Mainland China, about 1,200 were based in Hong Kong, with more than 1,300 in Singapore, 1,600 in Germany, 1,800 in Malaysia, 400 in the United Kingdom, 400 in the United States and the rest in other parts of the world.

From 29 December 2020, ASMPT's Materials Segment, which produces lead frames, began operating as a separate business entity under a previously-announced Strategic Joint Venture. The headcount under this JV — named 'Advanced Assembly Materials International Ltd' — would no longer be counted under ASMPT's global workforce.

Therefore, at 31 December 2020, total global headcount for the Group was approximately 11,600, with about 23% aged below 30, 62% aged between 30 and 50 and 15% above 50. Approximately one quarter of the workforce was female. This total headcount also excludes some 1,700 temporary or short-term contract employees and outsourced workers.

Nevertheless, for the purposes of this ESG report, all employment data in this section is calculated based on the global workforce figure of approximately 15,200 employees that was in effect for the greater part of 2020.

The Group aspires to be 'A Great Place to Work' and constantly strives to provide a conducive work environment with a wide variety of learning and training opportunities for our employees. The Group recognises that having an inclusive, engaged and skilled workforce is crucial to the success of the organisation. The Group's array of training and development opportunities helps nurture talent to reach their full potential. The Group is committed to the well-being of its employees and seeks to provide a work environment and culture that motivate and empower every employee to be creative and innovative, and be able to work independently as well as in teams.

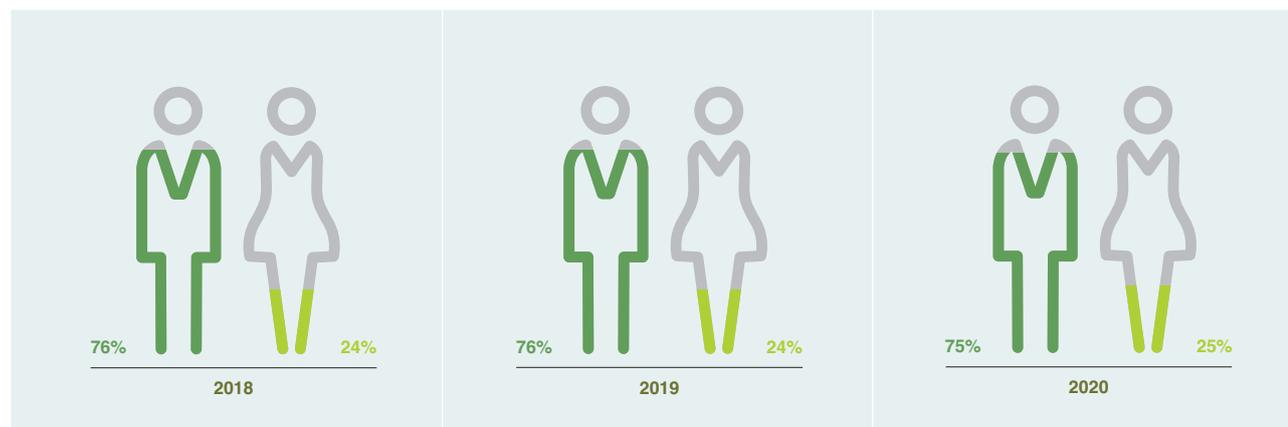
The Group also ensures fair employment practices and offers equal opportunities for employment and promotion. The Group believes that, regardless of gender, ethnicity, age, religious beliefs, nationality, marital status, disability, gender identity and expression, sexual orientation, or other aspects, employees can make significant contributions based on their expertise, experience and dedication. The Group has zero tolerance towards sexual harassment in the workplace. It is pleased to report that there were no reported incidents of sexual harassment in 2020.

The Group recognises the importance of motivated and dedicated employees being fairly compensated. As such, it has a well-structured and open compensation system and annual performance appraisal that are integral to the success of the Group. Attracting, motivating, and retaining talent on a global basis are central to the Group's compensation strategy.

The Group pursues a competitive remuneration strategy, benchmarked against the industry and markets in which it operates, commensurate with individual skills, education, responsibility and working experience. Salary and career development reviews are conducted annually to ensure competitiveness. The Group's competitive pay package comprises both short-term and long-term incentive plans in the form of discretionary bonuses and incentive shares for eligible employees; these components are based on a combination of the Group's financial results and individual performance. On top of that, the Group also provides other employee benefits such as contributions to mandatory provident fund schemes, medical and training subsidies, among others.



## TOTAL WORKFORCE BY GENDER (%)



## TOTAL EMPLOYMENT BY AGE GROUP AND GEOGRAPHICAL REGION – BELOW 30 YEARS OLD (%)

	2018	2019	2020
Greater China	21.7	17.2	12.4
Rest of Asia	8.2	7.7	8.2
Europe, Middle East & Africa	1.4	2.1	2.5
North and South America	0.1	0.2	0.3
<b>Total</b>	<b>31.4</b>	<b>27.2</b>	<b>23.4</b>

## TOTAL EMPLOYMENT BY AGE GROUP AND GEOGRAPHICAL REGION – BETWEEN 30 TO 50 YEARS OLD (%)

	2018	2019	2020
Greater China	42.0	43.3	42
Rest of Asia	9.8	9.8	10.9
Europe, Middle East & Africa	5.4	6.5	7.6
North and South America	0.7	1.1	1.3
<b>Total</b>	<b>57.9</b>	<b>60.7</b>	<b>61.8</b>

## TOTAL EMPLOYMENT BY AGE GROUP AND GEOGRAPHICAL REGION – ABOVE 50 YEARS OLD (%)

	2018	2019	2020
Greater China	3.4	3.6	4.5
Rest of Asia	2.3	2.7	3.2
Europe, Middle East & Africa	4.6	4.9	6.0
North and South America	0.4	0.9	1.1
<b>Total</b>	<b>10.7</b>	<b>12.1</b>	<b>14.8</b>

#### TOTAL EMPLOYMENT BY GEOGRAPHICAL REGION – TOTAL (%)

	2018	2019	2020
<b>Greater China</b>	67.1	64.1	<b>58.9</b>
<b>Rest of Asia</b>	20.3	20.2	<b>22.3</b>
<b>Europe, Middle East &amp; Africa</b>	11.4	13.5	<b>16.1</b>
<b>North and South America</b>	1.2	2.2	<b>2.7</b>
<b>Total</b>	100.0	100.0	<b>100.0</b>

#### TOTAL EMPLOYMENT BY EMPLOYMENT TYPE – FULL TIME (%)

	2018	2019	2020
<b>Greater China</b>	67.04	64.10	<b>58.89</b>
<b>Rest of Asia</b>	20.30	20.20	<b>22.31</b>
<b>Europe, Middle East &amp; Africa</b>	10.43	12.50	<b>14.85</b>
<b>North and South America</b>	1.20	2.20	<b>2.67</b>
<b>Total</b>	98.97	99.00	<b>98.72</b>

#### TOTAL EMPLOYMENT BY EMPLOYMENT TYPE – PART TIME (%)

	2018	2019	2020
<b>Greater China</b>	0.01	0.00	<b>0.00</b>
<b>Rest of Asia</b>	0.01	0.00	<b>0.01</b>
<b>Europe, Middle East &amp; Africa</b>	1.01	1.00	<b>1.27</b>
<b>North and South America</b>	0.00	0.00	<b>0.00</b>
<b>Total</b>	1.03	1.00	<b>1.28</b>

#### TOTAL EMPLOYMENT BY EMPLOYMENT TYPE – TOTAL (%)

	2018	2019	2020
<b>Greater China</b>	67.05	64.10	<b>58.89</b>
<b>Rest of Asia</b>	20.31	20.20	<b>22.32</b>
<b>Europe, Middle East &amp; Africa</b>	11.44	13.50	<b>16.12</b>
<b>North and South America</b>	1.20	2.20	<b>2.67</b>
<b>Total</b>	100.00	100.00	<b>100.00</b>

## EMPLOYEE ATTRITION RATES

As reported in the previous section, the Group's global workforce numbered over 15,200 employees as of 28 December 2020. The numbers accounted in this section are based on this figure.

### OVERALL GENERAL ATTRITION RATE (%)



In general, attrition rates for the Group in 2020 held steady, with the increases largely coming from Greater China. While the higher attrition rates for Greater China were in part due to impetus from

COVID-19 concerns, a larger part came about from ongoing, planned and systematic efforts to optimise the Group's operations. Such efforts comprised productivity improvements including digitalisation, automation and robotics initiatives, along with planned review of manpower requirements for the business, with the Group becoming more systematic in leveraging the option provided by contract and term employees for the purpose of managing overall manpower. Some of these manpower efforts were brought forward and enhanced in order to keep the business going well during a pandemic-hit 2020. These efforts included (in addition to natural staff turnover):

- a higher number of worker contracts not having been renewed due to prevailing business needs and productivity improvements; and
- a larger number of planned termination of employment contracts with the appropriate compensation packages, again based on prevailing business needs and productivity improvements.

### EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION – MALE EMPLOYEE BELOW 30 YEARS OLD (%)

	2018	2019	2020
<b>Greater China</b>	32.4	31.3	<b>35.2</b>
<b>Rest of Asia</b>	38.7	36.8	<b>19.7</b>
<b>Europe, Middle East &amp; Africa</b>	10.7	17.9	<b>11.9</b>
<b>North and South America</b>	60.0	41.2	<b>7.3</b>
<b>Total</b>	33.0	31.7	<b>27.5</b>

### EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION – MALE EMPLOYEE BETWEEN 30 TO 50 YEARS OLD (%)

	2018	2019	2020
<b>Greater China</b>	8.4	8.1	<b>11.9</b>
<b>Rest of Asia</b>	12.8	14.8	<b>11.3</b>
<b>Europe, Middle East &amp; Africa</b>	4.0	5.0	<b>5.1</b>
<b>North and South America</b>	8.2	9.6	<b>6.6</b>
<b>Total</b>	8.8	8.8	<b>10.9</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– MALE EMPLOYEE ABOVE 50 YEARS OLD (%)**

	2018	2019	2020
Greater China	5.3	6.1	<b>8.8</b>
Rest of Asia	4.7	6.3	<b>9.2</b>
Europe, Middle East & Africa	6.1	7.1	<b>4.7</b>
North and South America	0.0	8.1	<b>10.0</b>
<b>Total</b>	<b>5.3</b>	<b>6.7</b>	<b>7.3</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– MALE EMPLOYEE TOTAL (%)**

	2018	2019	2020
Greater China	15.9	14.2	<b>16.3</b>
Rest of Asia	22.0	21.6	<b>13.8</b>
Europe, Middle East & Africa	5.6	7.6	<b>5.9</b>
North and South America	7.3	11.0	<b>8.1</b>
<b>Total</b>	<b>15.7</b>	<b>14.5</b>	<b>13.9</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– FEMALE EMPLOYEE BELOW 30 YEARS OLD (%)**

	2018	2019	2020
Greater China	24.6	29.7	<b>28.0</b>
Rest of Asia	31.7	26.1	<b>17.1</b>
Europe, Middle East & Africa	14.0	20.7	<b>18.2</b>
North and South America	0.0	0.0	<b>22.2</b>
<b>Total</b>	<b>26.3</b>	<b>27.7</b>	<b>22.6</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– FEMALE EMPLOYEE BETWEEN 30 TO 50 YEARS OLD (%)**

	2018	2019	2020
Greater China	5.5	8.8	<b>11.6</b>
Rest of Asia	13.3	11.3	<b>16.3</b>
Europe, Middle East & Africa	7.8	10.0	<b>7.4</b>
North and South America	4.9	6.7	<b>6.8</b>
<b>Total</b>	<b>7.2</b>	<b>9.3</b>	<b>12.0</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– FEMALE EMPLOYEE ABOVE 50 YEARS OLD (%)**

	2018	2019	2020
<b>Greater China</b>	5.8	9.1	<b>9.3</b>
<b>Rest of Asia</b>	9.3	7.9	<b>11.8</b>
<b>Europe, Middle East &amp; Africa</b>	4.6	8.3	<b>11.8</b>
<b>North and South America</b>	11.8	20.0	<b>6.5</b>
<b>Total</b>	6.7	9.1	<b>10.9</b>

**EMPLOYEE GENERAL ATTRITION RATE BASED ON GENDER, AGE GROUP AND GEOGRAPHICAL REGION  
– FEMALE EMPLOYEE TOTAL (%)**

	2018	2019	2020
<b>Greater China</b>	11.8	14.5	<b>15.0</b>
<b>Rest of Asia</b>	20.9	17.3	<b>16.2</b>
<b>Europe, Middle East &amp; Africa</b>	8.1	11.9	<b>10.8</b>
<b>North and South America</b>	6.7	10.3	<b>8.1</b>
<b>Total</b>	13.7	14.9	<b>14.7</b>

The oldest age category (above 50) had the lowest general attrition rate for both genders, while rates for the youngest age category (Below 30) were the highest, which were in line with general market and industry trends. Similarly, these trends manifested themselves more in Asia compared with other regions. This was due to more bullish economic conditions for the semiconductor industry that began in the latter half of 2020 and was further exacerbated by the tight labour market and high labour demand resulting in more frequent job-hopping and a higher turnover rate for this particular age group.

The Group observed a reasonable reduction in the general attrition rate in many of its SMT locations in 2020. There were various reasons for this situation. For one, employee engagement/satisfaction was already rated as very high in its global bi-annual Employee Survey in 2019. Feedback received during a global 'Learning from COVID-19' survey conducted

in Jul/Aug 2020 indicated that employees were highly satisfied (88%) with the Company's Leadership during the COVID-19 crisis and they were also very pleased with the Health and Safety provisions made by the Company (90%) — this included production workers who continued to work in the Group's factories throughout this time. In many Western locations, the jobs market was also very subdued as a result of significant company closures and subsequent job losses.

**HEALTH AND SAFETY**

The safety and well-being of the Group's employees is paramount, and providing a safe work environment is a must. The Group benchmarks itself against international best practices and accreditation by internationally recognised standards such as ISO 45001 in all its 3 China plants, OHSAS 18001 in its various facilities in Hong Kong and Germany, as well as OHSAS 18001/SS 506 in Singapore.

## WEATHERING THE COVID-19 STORM

The Group's Senior Management closely reviewed the COVID-19 pandemic situation since the first outbreaks began at the end of 2019. In February 2020, the Group established a Group Business Continuity Steering Committee ("BCSC") COVID-19. Chaired by Executive VP Mr. James Chow and involving the heads and representatives of key functions across Manufacturing, Marketing, Supply Chain, R&D, HR, Logistic, ICT and Finance, the BCSC focused on directing and coordinating cross-functional actions to ensure continuity of the Group's supply chain and business engagement, and to guide external and internal communications.



During the period of serious outbreaks in China, Hong Kong and South East Asia in the first half of 2020, manufacturing plants were forced to shut down and local and international transport were seriously restricted. The BCSC played an important role in helping to ensure business continuity and sustain operations by steering and coordinating the actions of the Group's different entities and functions.

The BCSC's efforts were instrumental in ensuring that the Group was in compliance with a plethora of local authorities' guidelines and restrictions around the world, while helping the communities in which it operates fight the outbreak as a responsible corporate citizen. As a result, the Group was able to recover a big portion of lost capacity within the first quarter of the year through productivity improvements and targeted overtime work arrangements. In its principal manufacturing facilities in China, effectively 100% of employees returned to work after the lifting of various travel restrictions that had been imposed since the extended Chinese New Year holiday period in 2020.

By the middle of May 2020, the Group's Malaysia factory had returned to full production workforce levels. The Singapore government also gradually re-opened business from 2 June 2020 and the Group's workforce in Singapore continued to be on the alert to the evolving situation. In both locations, production capacity was restored to normal levels within the second quarter of the year. In countries in Europe and the USA where the Group has operations, there were various types of restrictions and stay-in-shelter orders in play. The Group managed to continue its business operations through a combination of flexible work arrangements.

Across the Group's offices, Business Continuity Management teams involving senior leaders and departmental supervisors were set up to promptly implement precautionary measures. These measures included shuttle bus services, lunch ordering arrangements, mandatory body temperature checking, visitor health declarations, mandatory mask wearing and proper social distancing in the office. During the peak of the outbreak, the teams also instituted strict split team and work from home arrangements. These concerted efforts ensured uninterrupted supply of products and service support to customers while keeping employees and communities safe.

On the back of improving sentiment for the equipment market, the Group's business also showed clearer signs of emerging from a very uncertain period in the first half of 2020. Being able to resume operations at relatively full capacity within a relatively short period of time also helped strengthen employee morale and engagement.





Thus, while being initially impacted by the COVID-19 pandemic at the start of 2020, the resilience and adaptability of its employees, suppliers and partners enabled the Group to decisively resolve operational constraints and deliver on its commitments to customers.

Of note in March 2021 is a distinguished 2020 Supplier Achievement Award presented by Intel Corporation to the Group for its COVID-19 response, a special recognition for ensuring uninterrupted supply to them throughout the pandemic period. This Award exemplifies the Group's unwavering commitment to customers to continue supporting them well amid disruptions caused by the pandemic.

With the COVID-19 pandemic situation being far from stable globally, BCSC continues to meet regularly to monitor the overall situation and share updated measures and good practices.

### GENERAL HEALTH AND SAFETY MEASURES

The Group has in place safety and health management systems that help to track, manage and report occupational injuries and illnesses. The Group has set up workplace health and safety committees for its sites in Asia-Pacific, Europe and the Americas. These comprise employees across the organisation who are empowered to anticipate, identify and assess potential workplace safety and health hazards

and incidents regularly, in addition to driving local safety compliance efforts such as emergency plan and response procedures.

The Group remains fully committed to minimise workplace risks and continuously seeks to improve its workplace safety performance. It provides all necessary medical treatment and support to rehabilitate any affected employee, as appropriate. The Group strongly encourages its employees to be proactive in reporting cases of injuries and illnesses and actively engages with them to strive toward a 'zero injury goal' in all facilities and to comply with the relevant local health and safety rules and regulations. The Group also identifies, evaluates and ensures safe exposure of its employees to physically demanding tasks, such as manual material handling and lifting, prolonged hours of standing and repetitive assembly tasks.

The Group continues to prioritise safety and health at work. Facilities are built with a 'design for safety' approach, where safety considerations are identified and incorporated right from the design stages (as opposed to being supplemented during or after construction), and continuing throughout the facilities' lifecycles. Hygiene in the workplace is maintained through regular cleaning, daily cleaning of public and commonly-used areas. Clean drinking water and freshly-cooked food are provided in staff cafeterias in all key locations. Employees are also trained regularly to adopt a positive workplace safety mindset and to stay abreast of best practices and regulatory guidelines and directives. For example, key topics such as hazard identification and occupational health and safety form part of the new hire orientation programme. At a safety management level, the Group continues to invest in grooming local employees to take on and lead internal safety auditing roles in order to maintain high workplace safety and health standards and ensure regulatory compliance.

The Group expects adherence to the same rigorous safety standards from its independent service contractors when they are working for the Group, for example, in mandating the necessary safety compliance and training requirements.

## LOST DAYS DUE TO WORK INJURY

In 2020, there was no work-related fatalities. A total of 65 work injury cases was reported across the Group's global operations. Of these, 54 occurred at the workplace while the remaining 11 occurred outside the workplace. For 2020, there were 973 lost days due to work injury, a significant improvement over the 1,291 lost days for 2019. This came largely from the significant drop in lost days among male staff from 1,056 in 2019 to 741 in 2020, while female staff lost days held steady. However, total lost days for both genders worked out to a lost day rate of 0.03% against the total work days for the Group, similar to the rate in 2019.

### NUMBER OF LOST DAYS – MALE

	2018	2019	2020
<b>Greater China</b>	532	636	<b>491</b>
<b>Rest of Asia</b>	310	135	<b>154</b>
<b>Europe, Middle East &amp; Africa</b>	412	284	<b>68</b>
<b>North and South America</b>	10	1	<b>28</b>
<b>Total</b>	1,264	1,056	<b>741</b>

### NUMBER OF LOST DAYS – FEMALE

	2018	2019	2020
<b>Greater China</b>	38	138	<b>122</b>
<b>Rest of Asia</b>	20	86	<b>55</b>
<b>Europe, Middle East &amp; Africa</b>	18	8	<b>54</b>
<b>North and South America</b>	0	3	<b>1</b>
<b>Total</b>	76	235	<b>232</b>

### NUMBER OF LOST DAYS – TOTAL

	2018	2019	2020
<b>Greater China</b>	570	774	<b>613</b>
<b>Rest of Asia</b>	330	221	<b>209</b>
<b>Europe, Middle East &amp; Africa</b>	430	292	<b>122</b>
<b>North and South America</b>	10	4	<b>29</b>
<b>Total</b>	1,340	1,291	<b>973</b>

Based on the 2020 data, in some of our key locations, such as Munich, Germany, accidents that happened while commuting to and from work were classified as "lost days due to work injury," even though they occurred outside the workplace. Such commuting-related incidents contributed almost 10% of total lost days during this period, and they must be reported under European regulations.



## DEVELOPMENT AND TRAINING

The Group's employees are a key resource for the company's success. Its human resources approach amalgamates various initiatives, such as maintaining competitive remuneration, advancing learning & development tools and systems, and creating an inclusive and positive work environment, as part of a holistic and sustained effort to attract, nurture and retain talented people.

In addition to annual salary reviews, employees also enjoy a range of benefits including subsidies for medical care and training, and team-bonding activities to promote *esprit de corps* and strengthen relationships. The Group also advocates community contribution by its employees, details of which are to be found in the Group Sustainability Report accompanying the Group's annual report.

Total manpower costs (for continuing operations only) for the Group in 2020 was HK\$4.41 billion, compared with HK\$4.55 billion in 2019. The Group's relatively steady manpower costs reflect its commitment to ensuring that its employees continued to be sufficiently remunerated through a tumultuous, pandemic-hit 2020. Although a salary freeze was undertaken amongst other resolute measures to manage costs, the Group was able to provide a special one-off payment to all permanent and contract staff at the end of 2020 once it became clear that its operations were proving to be resilient. The Group continues to take a prudent, measured

approach toward managing its manpower costs moving into 2021, and remains committed to eventually reinstating its regular salary increment policy.

The Group believes in the power of learning to positively impact the lives of our employees. To realise the Group's vision of "ENABLING THE DIGITAL WORLD", it creates opportunities to nurture and groom young engineering talents and future leaders. The Group continues to invest heavily in its employees for development and training. The Human Resource teams collaborated with the business leaders to identify and curate appropriate training and non-training interventions for its employees. For the employees to be future ready, the Group offers internal job rotations whenever possible to enable them to experience the different spectrums of the Group's businesses. New employees from the main plants and major offices were required to undergo appropriate new hire orientation programmes to help them adapt better and assimilate quickly into the workforce.

In 2020, the average training hours completed per employee was 12.63 hours, a decrease of 18.93% from 15.58 hours in 2019. The pandemic, especially during the first six months of 2020, had an impact on this decrease. Total training hours was about 187,236 in 2020, representing a 22.97% decrease (55,820 hours) from 2019 (243,055 hours).

## PERCENTAGE OF EMPLOYEES TRAINED — MANAGEMENT (%)

	2018	2019	2020
<b>Greater China</b>	55	62	<b>52</b>
<b>Rest of Asia</b>	68	60	<b>43</b>
<b>Europe, Middle East &amp; Africa</b>	82	76	<b>77</b>
<b>North and South America</b>	13	38	<b>36</b>
<b>Total</b>	61	62	<b>52</b>

#### PERCENTAGE OF EMPLOYEES TRAINED – ENGINEER (%)

	2018	2019	2020
Greater China	59	63	54
Rest of Asia	66	64	52
Europe, Middle East & Africa	72	73	88
North and South America	40	65	64
<b>Total</b>	<b>62</b>	<b>66</b>	<b>61</b>

#### PERCENTAGE OF EMPLOYEES TRAINED – OFFICE STAFF (%)

	2018	2019	2020
Greater China	87	92	84
Rest of Asia	64	67	44
Europe, Middle East & Africa	71	77	87
North and South America	7	31	30
<b>Total</b>	<b>81</b>	<b>85</b>	<b>78</b>

#### PERCENTAGE OF EMPLOYEES TRAINED – PRODUCTION STAFF (%)

	2018	2019	2020
Greater China	95	97	94
Rest of Asia	77	59	66
Europe, Middle East & Africa	63	56	76
North and South America	34	58	63
<b>Total</b>	<b>90</b>	<b>85</b>	<b>87</b>

#### PERCENTAGE OF EMPLOYEES TRAINED – TOTAL (%)

	2018	2019	2020
Greater China	83	85	79
Rest of Asia	71	62	56
Europe, Middle East & Africa	71	71	84
North and South America	25	52	50
<b>Total</b>	<b>79</b>	<b>77</b>	<b>74</b>

#### PERCENTAGE OF EMPLOYEES TRAINED BY GENDER – MALE (%)

	2018	2019	2020
Greater China	81	83	77
Rest of Asia	69	56	52
Europe, Middle East & Africa	73	71	85
North and South America	29	55	54
Total	77	75	73

#### PERCENTAGE OF EMPLOYEES TRAINED BY GENDER – FEMALE (%)

	2018	2019	2020
Greater China	89	93	86
Rest of Asia	76	74	65
Europe, Middle East & Africa	62	68	80
North and South America	6	32	25
Total	83	85	79

#### PERCENTAGE OF EMPLOYEES TRAINED BY GENDER – TOTAL (%)

	2018	2019	2020
Greater China	83	85	79
Rest of Asia	71	62	56
Europe, Middle East & Africa	71	71	84
North and South America	25	52	50
Total	79	77	74

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE – MANAGEMENT

	2018	2019	2020
Greater China	9	11	9
Rest of Asia	19	8	6
Europe, Middle East & Africa	14	18	12
North and South America	2	8	4
Total	12.7	10.8	7.8

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE – ENGINEER

	2018	2019	2020
Greater China	11	12	8
Rest of Asia	20	16	14
Europe, Middle East & Africa	20	21	20
North and South America	27	29	14
Total	14.4	15.3	12.2

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE – OFFICE STAFF

	2018	2019	2020
Greater China	13	15	9
Rest of Asia	14	10	4
Europe, Middle East & Africa	14	26	30
North and South America	2	8	5
<b>Total</b>	<b>12.9</b>	<b>15.8</b>	<b>12.4</b>

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE – PRODUCTION STAFF (WORKERS)

	2018	2019	2020
Greater China	18	21	16
Rest of Asia	7	6	10
Europe, Middle East & Africa	5	6	9
North and South America	4	4	8
<b>Total</b>	<b>14.9</b>	<b>16.6</b>	<b>14.1</b>

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE BY GENDER – MALE

	2018	2019	2020
Greater China	14	17	12
Rest of Asia	13	11	9
Europe, Middle East & Africa	16	18	19
North and South America	12	17	10
<b>Total</b>	<b>14.1</b>	<b>15.9</b>	<b>12.5</b>

#### AVERAGE TRAINING HOURS COMPLETED PER EMPLOYEE BY GENDER – FEMALE

	2018	2019	2020
Greater China	16	16	12
Rest of Asia	14	9	13
Europe, Middle East & Africa	10	20	21
North and South America	2	2	3
<b>Total</b>	<b>14.6</b>	<b>14.6</b>	<b>13.0</b>

The Group believes in grooming local talents from the communities it operates in. It collaborates with local universities and technical institutes through internship programs and scholarship opportunities as well as competitions and visits. In 2020, 446 students benefited from such schemes.

The Group continued to focus heavily on developing People as the Key Business Differentiator. A Talent Council comprising Executives and Leaders representing the various business segments of the Group was formed. The Talent Council's charter is to spearhead the People strategy for the Group and ensure that it is ready for the next phase of growth. Another key highlight was the focus on developing its leaders. In November 2020, the group held its 3rd annual Executive Learning Forum virtually. As part of its continuing efforts on developing future leaders, the Group put in place a leadership capability development roadmap, which includes partnering with universities and learning institution/providers to deliver modalities of learning from coaching, workshop to online learning platforms. An example of such developments was the Advanced Manager Program in China and Singapore for selected Directors and Senior Managers.

## LABOUR PRACTICES

The Group does not allow the employment of forced or coerced labour or of any person who is under the minimum age requirement as stipulated by local laws and regulations. ASMPT Code of Business Conduct and ASMPT Supplier Code of Conduct collectively set the tone in relation to the Group's stance against any discrimination on the basis of race, colour, age, gender, ethnicity, religion, pregnancy, nationality, marital status, disability, gender identity and expression, sexual orientation and/or other aspects. The Code of Business Conduct is applicable to all employees of the Group. In 2020, the Group is pleased to report that there were no reported incidents of discrimination, child or forced labour.

Special precaution is taken to ensure that the relevant and appropriate checks of individual identity and employment eligibility are carried out before any employment is offered. These checks may include the examination of documentation such as passports, permits, working visas and personal identification documents issued by the relevant authorities.

The Group is committed to providing a friendly and caring working environment for its employees. Both of its China plants in Shenzhen (Shenzhen ASM Micro Electronic Technology Company Limited and Advanced Assembly Materials China Limited) were awarded the "2019 - 2020 National Excellent Enterprise — Harmonious Labor Relationship Promotion" by China Association of Enterprises with Foreign Investment.



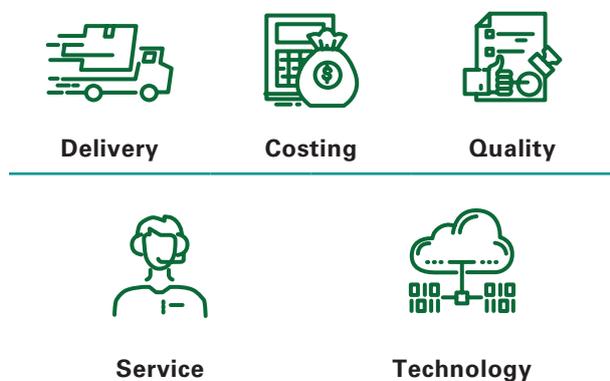
The Group's Singapore plant maintains good relationships with organisations such as Singapore National Employer Federation for industry engagement and the Singapore Semiconductor Industry Association for sharing best practices. It also subscribes to and benchmarks its practices against the Singapore Government's Tripartite Standards to reinforce its adoption of Fair and Progressive Employment Practices concerning labour practices.

The Group's business partners work closely with it to adhere to the Group's human rights and labour practices and standards, including the prohibition of child labour in accordance with ASMPT Supplier Code of Conduct. The Group reinforces these expectations by conducting assessments and checks on these partners.

## SUPPLY CHAIN MANAGEMENT

The Group’s collaboration with its Suppliers, External Manufacturing Vendors and Partners (“EM Vendors”) plays an important role in the achievement of its strategic and business goals, thereby enabling the Group to perform well through the up and down cycles of the dynamic semiconductor market.

The Group has a robust procurement process that encourages fair competition with a high level of transparency and impartiality in supplier selection. Suppliers and EM Vendors are evaluated on five criteria encompassing Quality, Costing, Delivery, Service and Technology.



Performance requirements are communicated to Suppliers and EM Vendors during quarterly reviews. Each Suppliers or EM Vendor can view their performance and feedback received on the ‘ASMPT Procurement — Suppliers’ (“APS”) portal, an in-house tool to support the Group’s supply chain agility by facilitating close collaboration with the Group’s Suppliers and EM Vendors. Via the APS, the Group shares its market estimates transparently and periodically throughout the annual business cycle, covering both anticipated upside and downside for these Suppliers and EM Vendors, so that they can be better prepared to help the Group achieve optimal delivery times and inventories, thus keeping the supply chain as efficient as possible.

The Group selects and categorises its Suppliers and EM Vendors into Certified Strategic Suppliers (“CSS”), Certified Preferred Suppliers (“CPS”), and Approved Firefighter Suppliers (“AFS”).

A CSS supplies critical items and excels in Technological Capabilities, Vendor Managed Inventory (“VMI”), On Time Delivery (“OTD”) and other key support criteria, for example, rapid response. Their attributes enable them to ably prioritise the Group’s needs for additional capacity

and supplies that may quite suddenly arise, requiring the CSS’ agile and flexible capabilities to help fulfil such needs under extremely tight deadlines.

CPS forms the next tier, those with lead-times typically between one to three months based on historical performance. They are able to respond well to fulfil the Group’s market demands with good VMI, OTD and Quality metrics.

The AFS pool of suppliers are chosen for their proven ability to source and deliver particular items with short lead-times at a premium. AFS vendors serve the Group well typically during market ramp up beyond a certain capacity limit, which can challenge the abilities of regular supplies.

The Group has over 2,160 suppliers and EM Vendors located in different countries including China, Singapore, Malaysia, and across Europe. It constantly reviews its supply chain management processes to bring about sustainable results to customers and stakeholders.

The Group has conscientiously and assiduously built close and enduring business relationships with its suppliers and EM Vendors across the world. The accumulated goodwill and shared values form a precious foundation of trust and support as they grow their business together with the Group, which in turn expects all its vendors to adhere to the same high standards for ethics, labour rights, health and safety, and the environment as set out in ISO 14000 and the ASMPT Supplier Code of Conduct. This Code of Conduct is extensive and encompasses principles covering important areas such as supplier relationships, child labour, forced or coerced labour, human rights, the environment, health and safety, as well as bribery, corruption & fair competition.



The ASMPT Supplier Code of Conduct is aligned with the Responsible Business Alliance Code of Conduct, which clearly sets out the Group’s culture and beliefs, core values and business practices. It is updated regularly and is made available on the Group’s website.



## PRODUCT RESPONSIBILITY

As a market leader in the semiconductor and electronics equipment manufacturing space, the Group's customers count on it to ensure the safety of its products. The Group actively seeks to improve the environmental friendliness, production efficiency and cost effectiveness of its products, with the goal of avoiding or minimising the cost to the environment.

This commitment begins right from the product design stage. Product development teams ensure that products adhere to the Group's Design for Excellence ("DFE") programme that was introduced in 2005, and to the in-house effort focusing on the quality of its products in accordance with key design principles.

The commitment continues throughout the product lifecycle where the Group is able to have influence. This is constant, iterative and progressive effort, and it is evident in the form of increased product performance across the Group's portfolio in tandem with a reduction in energy consumption per component.

The Group makes use of reusable and recyclable materials in its products wherever possible. For example, the Group's SIPLACE pick-and-place machines can be dis-assembled quickly and efficiently, with their parts easily separated into recyclable and non-recyclable as well as disposable components.

Intellectual property is an important asset, which the Group protects with vigilance. To maintain the confidentiality of proprietary information belonging to the Group and its partners, the Group has in place a variety of security measures, in addition to comprehensive confidentiality and non-disclosure agreements. Agreements relating to collaborations with third parties are thoroughly reviewed by the

Company's legal team to delineate clearly the ownership of, and rights to, intellectual property before the commencement of any collaborative work.

The Group also protects its trade and brand names as well as technologies and process improvements that have been newly developed by way of registration, where applicable, or by other appropriate means. Employees are also encouraged to submit information disclosure statements in respect of new inventions, where inventors are given due recognition for their innovations.

Where intellectual property is deemed to be worthy of protection by its registration in various territories, such applications are filed and maintained by an experienced in-house intellectual property team, with the assistance of external expertise as required. In the event of infringement of the Group's intellectual property, it may take enforcement action to restrain the unlawful use and seek compensation for infringement.

The Group strive to deliver the highest value and innovative solutions to its customers through products and solutions with advanced technologies and excellent quality. The Group is ISO 9001 certified for its quality management system at its main business locations in China, Germany, United Kingdom, Singapore and Malaysia. To uphold its product quality standards, the Group provides assurance of its products through the following means:

- Comprehensive systematic plans to develop and launch innovative and useful products that surpass customers' expectations and technologies
- A best-in-class manufacturing process flow to produce and deliver quality products on time and at optimum cost
- Provision of efficient and effective pre- and post-sales services to achieve total customer satisfaction
- An effective feedback system to respond quickly to customers' requests
- An aligned organisation involving the ASMPT workforce to continually improving the quality of our systems and services

The Group views product safety, and therefore customer safety, as a key priority. All of its equipment has to go through stringent tests and certifications by both the Group's Quality and Reliability Departments. The Group builds trust with customers through a holistic upgrading programme that also provides them with immediate support with any product issues.

When any potential safety hazard is identified or customer's feedback on safety issues is received, the Field Service team will be activated to conduct a detailed study. In 2020, there were a few cases of potential safety hazards that were resolved expeditiously by its Field Service Engineers through product upgrades. As far as the Group is aware, its Field Service Engineers have been able to handle nearly 100% of equipment-related issues.

The Group is also aware of the importance of properly handling the personal information of its stakeholders and take the necessary precautions to ensuring confidentiality and avoid the misuse of such data. The Group has policies with appropriate security measures to manage such data.

In 2020, the Group was not aware of any incident of non-compliance with the relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters in respect of the use of the Group's products and services that would have significantly impacted the Group.

## ANTI-CORRUPTION

Ethics and integrity guide the manner by which the Group conducts its business and operations. Abiding by the laws and the legal system in every country where the Group does business is a fundamental operating principle. The Group does not condone any form of illicit or unlawful activity by its staff and has zero tolerance toward bribery and corruption.

The ASMPT Code of Business Conduct sets the standards by which it conducts its business and operations. It aligns the guidelines for compliance with local and other applicable international laws in every jurisdiction in which it does business. The guidelines include the following legislative codes and guidance:

- Foreign Corrupt Practices Act USA
- Bribery Act UK
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

- Modern Slavery Act 2015 UK
- Responsible Business Alliance, the world's largest industry coalition dedicated to electronics supply chain responsibility

The Code of Business Conduct is reviewed and updated periodically when appropriate. It is made known to all employees through the Group's intranet portal, notice boards, new hire orientation programme, internet webpage and regular compliance communications. The Group's employees are fully aware that they are prohibited from offering or accepting bribes, or using other means to obtain undue or improper advantage, and that each of them has the responsibility to report promptly any actual, attempted or apparent violations without fear of retaliation. Related briefings and training on anti-corruption are conducted regularly for employees. The Code is also made known to the Group's vendors.

ASMPT has in place a Whistleblower Programme that is part of the Group's Compliance Programme. The Whistleblower Programme is in accord with the relevant international and national guidelines and practices, including the Sarbanes-Oxley Act of 2002, the Responsible Business Alliance and Singapore's Personal Data Protection Act. Information on the Group's website concerning the Whistleblower Programme makes it clear that the Programme allows not only employees but also third party business partners to report suspected or actual fraudulent activities or financial irregularities to the Group. Anyone reporting in good faith will be protected from reprisal or adverse employment action and all reports are kept confidential. Allegations of bribery and corruption are investigated thoroughly, and appropriate corrective measures are taken based on the findings.

The running of the Whistleblower Programme and its reporting channel is dealt with by an independent Compliance Officer who is a member of Internal Audit, the third line of defence in the Group's overall Risk Management & Control Framework. The Compliance Officer has a direct reporting line to the ASMPT Board. This independent administration of the Programme helps to balance vested interests and foster a "speak-up" culture. The Board oversees the Group's ethics and compliance programme and receives quarterly updates on outstanding Whistleblower cases from the Compliance Officer.



ASMPT's Audit Committee provides Board-level oversight on the adequacy and effectiveness of the Group's fraud risk management framework, policy and process, including reviews of significant investigations into allegations of fraud and corruption, and whistle-blower complaints.

In 2020, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

### COMMUNITY INVESTMENT

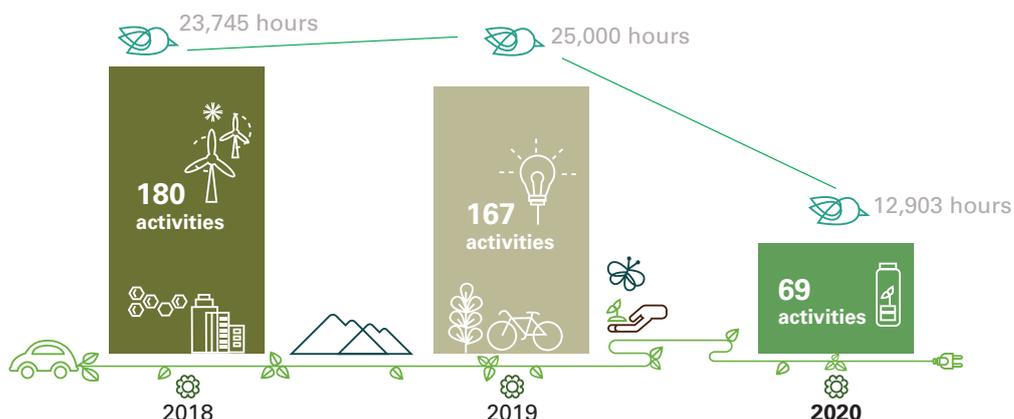
The Group encourages and advocates active participation and contribution to the communities in which it operates, particularly through activities that target three main areas: ensuring the well-being of these communities, empowering its youth through education, and encouraging eco-friendly initiatives. The Group supports various charities and non-profit organisations through monetary donations and staff volunteerism.

The COVID-19 pandemic significantly curtailed the performance of many of these activities across the world. With many employees working from home for significant amounts of time and various restrictions against social interactions and movements across many countries, many activities that were planned or organised were cancelled. Although the Group's employees around the world did their best to continue their efforts in supporting existing volunteer projects while complying with local COVID-19 safety regulations and guidelines, volunteer hours decreased by nearly 50% versus 2019. In 2020, the Group participated, sponsored or donated to 69 activities and contributed approximately 12,903 hours of volunteer service, versus 167 activities and about 25,000 hours in 2019.

The Group has continued its efforts over the years in building partnerships with local Non-Governmental Organisations to create shared value with the communities in which it operates. Across its offices around the world, due to varying levels of social distancing measures and regulations to battle the pandemic, a large number of all community activities and campus activities were postponed or cancelled. For example, in 2020, 233,156 hours were recorded for student internship programmes with over 51 local universities and technical institutes globally, with opportunities to try out real work tasks on leading-edge technologies; this benefitted 446 students. This was a significant decrease versus 354,929 hours for 2019, particularly for internship programmes in China and the EMEA (Europe, Middle East & Africa) region.

The significant adverse impact of the pandemic prompted the Group's employees, where possible, to find creative ways to help with community needs. One example of this was the organisation of staff participation in virtual community races to raise funds for various local causes. In Singapore, some employees participated in the virtual SingTel-Singapore Cancer Society Charity Race; Hong Kong employees on the other hand took part in the Virtual Race Against Cancer and Hunger Charity 10K Run that supported food donation for the homeless. These virtual activities allowed employees to contribute back to society while operating in the 'new normal'.

### COMMUNITY INVESTMENT:



## ASMPT Scholarship for a rural primary school in Heyuan, China



When possible, employees in Singapore also organised blood donation drives together with their local Red Cross Society, a practice undertaken since 1991. Some sites also organised virtual events to recognise the various contributions of their employees in lieu of regular physical annual staff dinners.

In Hong Kong, the Group received the “Best Corporate Social Responsibility Award (Platinum)” at the CTgoodjobs Best HR Awards 2020. This award recognises the Group’s contribution to the promotion of all aspects of CSR, including environment, sustainability, community partnership, education and poverty alienation etc. The Group’s Hong Kong operations were also awarded the “5 Years Plus Caring Company” Logo by the Hong Kong Council of Social Service for its commitment in caring for the community, employees and environment since 2017, and the “Happy Company” Logo by the Promoting Happiness Index Foundation. The Hong Kong Productivity Council too awarded the Hong Kong operations for their efforts to enhance “Happiness-at-Work” since 2017. A “Gold Award of the Fair Trade Award 2020” from Fair Trade Hong Kong was presented in recognition of the team’s commitment in promoting Fair Trade at the workplace via experiential activities for staff.

In China and Europe, the Group was able to financially support a few projects, such as a Robot Design Competition in Guangdong University of Technology, and to provide ASMPT scholarships in a rural village school in Heyuan. The Group also continued to take in a few university internship students. In Europe, some 35 employees in the Group’s German offices supported an annual Christmas activity in 2020 by donating Christmas gifts to children being cared for in local family support centres, which primarily provided invaluable support and care for immigrant families in the Munich region.



ENABLING THE DIGITAL WORLD



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