

# Environmental, Social and Governance Report



## Environmental, Social and Governance Report

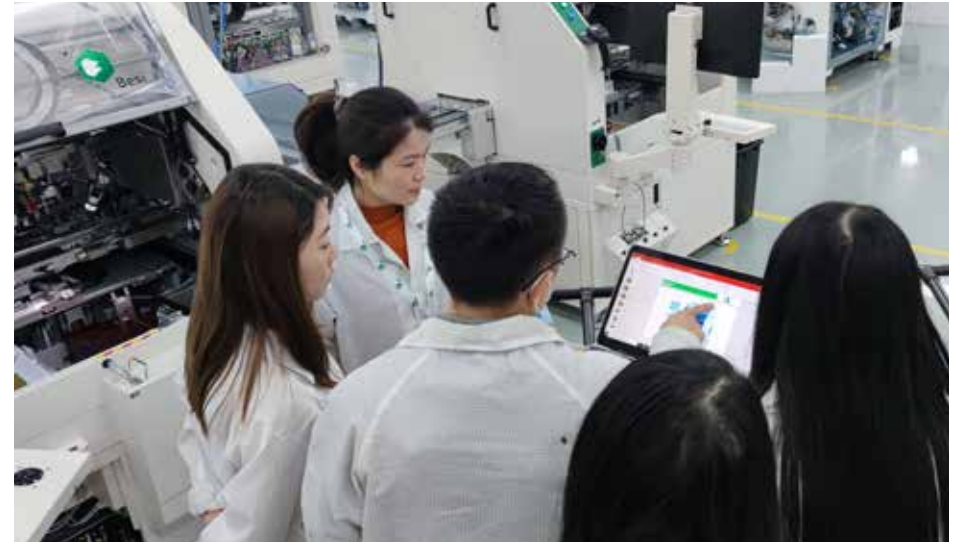
This Environmental, Social and Governance (“ESG”) Report provides an overview of Besi’s ESG activities including a discussion of the following topics:

- Materiality assessment
- Strategy
- Initiatives
- Governance
- Reporting framework
- Environmental impact
- People wellbeing
- Responsible business

### A year of progress

Last year marked Besi’s engagement in a new, more robust approach to managing and reporting on ESG. We expanded the scale and scope of our initiatives and reporting activities with a focus on materiality, clarity and transparency. We defined goals, ambitions and activities for the next decade whose adoption and acceptance has been well received by our organization. Further, we conducted an extensive materiality assessment with the aid of a third-party consultant to further validate the strategy. Moreover, Ernst & Young provided reasonable assurance on our materiality assessment and limited assurance on the ESG key performance indicators and disclosures. The assurance report is included in [Other Information](#).

The COVID-19 pandemic and emerging climate change crises significantly increased our focus on potential ESG impacts and our role in limiting the adverse effects of each on Besi’s business, employees and the communities in which we participate. We adapted our business model to the far-reaching impact of the pandemic with important adjustments to how we conduct our business, travel, interactions and communications both within and outside the organization. Many of such adjustments lessened our environmental impact on society. In particular, we were able to significantly reduce our usage on a relative basis in the areas of direct emissions, indirect emissions and energy, waste and water consumption. In certain areas, we are already ahead of targets set for 2022 even despite Besi’s significant business growth in 2021 as measured by a revenue increase of 72.8% versus 2020. As an example, the zero-travel benchmark set during the pandemic demonstrated how we could run our business with limited travel. Besi also set an objective of net-zero carbon emissions by 2050 in recognition of the global ecological and societal imperatives caused by climate change. From a people wellbeing standpoint, we were able to improve our performance versus 2020 on a number of important topics including female management and local management representation and training hours.



*Evo training at Besi Leshan, China.*

### Materiality assessment

In 2020, Besi’s management team carefully considered the ESG topics most material to our business and identified 12 topics which formed the basis of our ESG approach. Of all such topics, we prioritized three focus areas, (i) energy use and renewable energy, (ii) sustainable design and (iii) diversity and inclusion where we can have the most significant positive impact in the short term. In 2021, we confirmed the material topics identified in 2020 by engaging in a four-stage materiality assessment involving industry trend analysis (including consideration of SASB standards for the semiconductor industry), peer group benchmarking, key investor research and broader stakeholder outreach including employees, customers and suppliers.

The assessment served to substantiate Besi’s current strategy and understanding of material topics and collaboration with key stakeholder groups to validate their areas of interest. The assessment highlighted a variety of important themes including employee health and safety. As such, this area was considered carefully in 2021 and included as an additional focus area. In addition, the perspective of investors was captured in the research phase as a key stakeholder and factored into the final assessment.

The ranking of the topics of importance per stakeholder group for each of Besi's three process pillars Environmental Impact, People Wellbeing and Responsible Business is listed below:

Strategic Pillars	Material topics Employees	Customers	Suppliers
<b>1. People Wellbeing</b> 	1. Employee health and safety 2. Employee engagement 3. Diversity and inclusion	1. Employee health and safety 2. Diversity and inclusion 3. Employee engagement	1. Employee health and safety 2. Employee engagement 3. Diversity and inclusion
<b>2. Responsible Business</b> 	1. Ethics and compliance 2. Responsible supply chain 3. Community impact 4. Tax practices	1. Ethics and compliance 2. Responsible supply chain 3. Tax practices 4. Community impact	1. Ethics and compliance 2. Responsible supply chain 3. Community impact 4. Tax practices
<b>3. Environmental Impact</b> 	1. Energy use and renewable energy 2. Carbon emissions 3. Sustainable design 4. Waste and hazardous material use 5. Water use	1. { Sustainable design Energy use and renewable energy Waste and hazardous material use 4. Carbon emissions 5. Water use	1. Waste and hazardous material use 2. Carbon emissions 3. Energy use and renewable energy 4. Sustainable design 5. Water use

### ESG strategy

In addition to the three strategic pillars confirmed by our materiality assessment, Besi's ESG strategy has identified twelve material topics and formalized a range of short and long-term targets against which we have committed to monitor and report.

Besi follows the objectives of the UN Sustainable Development Goals ("SDGs"). These 17 interlinked goals are designed to be a blueprint for how to achieve a better and more sustainable future by 2030. SDG objectives comprise a number of goals informing our thinking and approach to sustainable business growth. We have aligned the SDGs to which we can make the greatest contribution with our strategic pillars. For more information on Besi's SDG contributions, please refer to each respective ESG pillar elsewhere in this chapter.

## Strategic pillars




## Material topics

## 2022 targets\*

## 2030 targets\*

## Relevant SDGs

● Priority focus area

Strategic pillar	Material topic	2022 targets*				2030 targets*			
<b>Environmental Impact</b> 	<b>Energy use and renewable energy</b> ● Priority focus area	<b>20%</b> Reduction in fuel consumption	<b>10%</b> Reduction in electricity	<b>100%</b> Renewable energy Europe	<b>25%</b> Renewable energy globally	<b>25%</b> Reduction in fuel consumption	<b>15%</b> Reduction in electricity	<b>65%</b> Renewable energy globally	
	<b>Carbon emissions</b>	<b>15%</b> Reduction in Scope 1 and 2 carbon emissions	<b>10%</b> Reduction in Scope 3 carbon emissions			<b>60%</b> Reduction in Scope 1 and 2 carbon emissions	<b>25%</b> Reduction in Scope 3 carbon emissions		
	<b>Waste and hazardous material use</b>	<b>8%</b> Reduction in total waste	<b>5%</b> Reduction in hazardous waste			<b>15%</b> Reduction in total waste	<b>20%</b> Reduction in hazardous waste		
	<b>Water use</b>	<b>4%</b> Reduction in water consumption				<b>14%</b> Reduction in water consumption			
	<b>Sustainable design</b> ● Priority focus area	Develop priority targets for sustainable system design				Achieve priority targets for sustainable system design			
<b>People Wellbeing</b> 	<b>Diversity and inclusion</b> ● Priority focus area	Increase % female employees in workforce to <b>&gt;19%</b> (+2%)	Increase % female employees in management to <b>&gt;20%</b> (+5%)	Increase % local nationals in management to <b>&gt;85%</b> (+2%)	Increase % female employees in workforce to <b>&gt;24%</b> (+6%)	Increase % female employees in management to <b>&gt;25%</b> (+11%)	Increase % local nationals in management to <b>&gt;86%</b> (+4%)		
	<b>Employee health and safety</b> ● Priority focus area	Maintain a safety incident record of <b>0</b>							
	<b>Employee engagement and career development</b>	Maintain employee engagement <b>&gt;85%</b>	Remain above high-tech benchmark	Increase investment in employee training to <b>&gt;23</b> working hours per employee per year (+15%)	Maintain employee engagement <b>&gt;85%</b>	Remain above high-tech benchmark	Increase investment in employee training to <b>&gt;47</b> working hours per employee per year (+133%)		
<b>Responsible Business</b> 	<b>Ethics and compliance</b>	Whistleblower procedure in place. Prompt response to violations by Besi senior management							
	<b>Responsible supply chain</b>	<b>60%</b> Purchasing Volume ("PV") audited	<b>75%</b> PV to sign Self Assessment Questionnaire in our Code of Conduct	<b>75%</b> PV to sign General Work Agreement or General Procurement Contract	<b>70%</b> PV to sign Conflict-Free Sourcing Initiative	<b>75%</b> PV audited	<b>85%</b> PV to sign Self Assessment Questionnaire in our Code of Conduct	<b>85%</b> PV to sign General Work Agreement or General Procurement Contract	<b>80%</b> PV to sign Conflict-Free Sourcing Initiative
	<b>Community impact</b>	Report on Besi hours volunteered, monetary donations and education projects supported							
	<b>Tax practices</b>	Comprehensive compliance with tax obligations where factual economic activities take place							

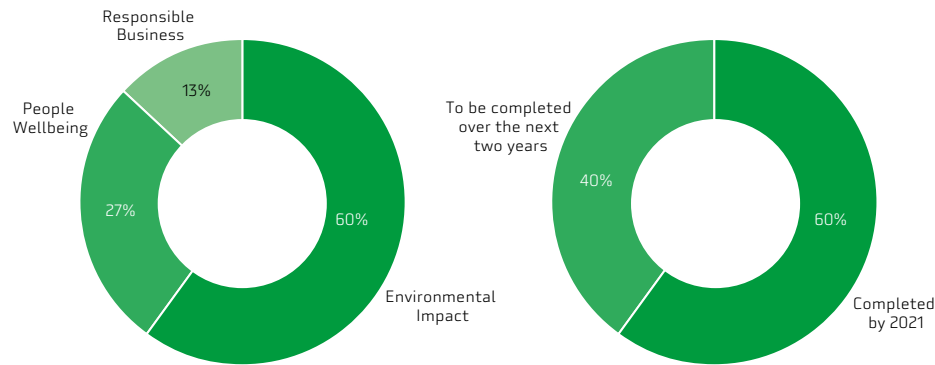


\* All targets are based on estimated reductions relative to 2019 baseline levels.

### ESG initiatives

We have identified and commenced work on 75 initiatives, of which 45, or 60%, were completed by the end of 2021 and 30 are due to be completed over the next two years. New initiatives will be added to the mix each year based on stakeholder input and as our ESG efforts continue to evolve. The charts below indicate the distribution of the ESG initiatives per major pillar and detail Besi's progress.

#### 75 INITIATIVES



ESG topics and initiatives are widely recognized and accepted by Besi employees at all levels of the organization including management, development personnel and production workers. Besi's latest internal survey in November 2021 demonstrated a high level of participation (94% of total employees) and widespread awareness (90% of respondents) of Besi's ESG pillars and sustainability objectives which form an important basis for future engagement and adoption of ESG principles by the organization.

### ESG governance

Our ESG focus and strategic initiatives are integrated into Besi's operations. The Board of Management has ultimate responsibility for setting ESG strategy. In addition, we have an ESG Committee responsible for strategic execution consisting of members of Besi's management team from various disciplines including production, supply chain, research and development, product management, finance and internal control. Progress on strategic initiatives is monitored and reported by senior management to the Board of Management every two weeks and discussed at Besi's monthly management meeting. The Supervisory Board is updated on a semi-annual basis as to our progress.

Besi's ESG governance and approach is fully aligned with our hierarchical structure. Day-to-day responsibility for ESG topics is delegated to product group senior vice presidents and line managers in their respective locations and departments. A portion of their variable compensation is based on performance against certain specific ESG targets.

All of Besi's production sites have environment, health and safety ("EHS") officers and committees and a health and safety management system. These committees have representatives from each department who are responsible for the inspection, enforcement and promotion of EHS matters in the workplace. EHS Committee inspections are conducted quarterly to identify and address any unsafe acts and conditions that may exist. Employees also regularly receive EHS training. In addition, we have implemented externally certified ISO 9001 and ISO 14001 management systems to help manage quality and environmental topics in our production operations of which health and safety items are included.

### ESG reporting framework

#### Reporting scope

The data in this ESG report covers all entities that belong to the scope of the Consolidated Financial Statements (see Note 1 "Basis of presentation" - section "Principles of consolidation") excluding the following "Environmental Impact" data:

- Besi's sales and service offices, except for Scope 3 emissions resulting from business flights, which are included as from 2021 and for which comparative figures have been adjusted for prior years.
- Scope 3 inbound freight emissions for our main production facility in Malaysia due to lack of information. Inbound freight emissions could have an impact on Scope 3 emissions.
- Scope 3 freight emissions from our Swiss and Singapore research and development sites due to immaterial significance.

Besi is continuously enhancing its ESG methodology and data capture to ensure that all material impacts are included in its ESG report. For example, Besi's Scope 3 CO<sub>2</sub> emissions, including those resulting from inbound freight, were added in the course of 2021, except for our Malaysian facility.

#### External reporting frameworks

We have reviewed the most appropriate external frameworks as part of our expanded reporting activities in order to enhance and broaden Besi's ESG strategy. In addition, we have made an analysis of the various current external frameworks and aligned our reporting principles as much as, and wherever possible, to ensure that Besi's reporting is appropriately aligned with its business and operations.

We believe that the semiconductors industry-specific standards and metrics provided by the Sustainability Accounting Standards Board (“SASB”) are appropriate for a company of Besi’s business and size. When material topics are not covered by SASB, we apply topic specific disclosures of Global Reporting Initiative (“GRI”) and/or own developed criteria. A list of the key topics, metrics and disclosures necessary for compliance with SASB is available on our website, as well as a list for our material topics with their respective reporting criteria. When possible, we aim to align our disclosures with the GRI. A majority of the requisite information for GRI compliance is available and presented on our website along with a list of the key topics, metrics and disclosures necessary for compliance. Commencing in 2023, Besi is required to comply with the proposed Corporate Sustainability Reporting Directive (“CSRD”).

### EU Taxonomy

The EU Taxonomy is a green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. The EU Taxonomy Regulation was established in July 2020 to stimulate and increase insight into “sustainable financing and investments”. It establishes six environmental objectives of which climate change mitigation and climate change adaptation became effective in 2021. We have made an assessment of our revenue, capital expenditures and operating expenses based on the EU Taxonomy eligible activities overview. The table below details Besi’s taxonomy-eligible and non-eligible activities.

EU Taxonomy KPIs	Revenue	Capital Expenditures	Operating Expenses
Taxonomy-eligible activities (%)	0%	9%	0%
Taxonomy-non-eligible activities (%)	100%	91%	100%
Total	100%	100%	100%
<b>Total eligible (€ thousands)</b>	<b>-</b>	<b>480</b>	<b>-</b>

Eligible activities for capital expenditures include LED illumination (“Installation, maintenance and repair of energy efficient equipment”), photovoltaic systems (“Installation, maintenance and repair of renewable energy technologies”) and electrical vehicle charging systems (“Infrastructure for personal mobility, cycle logistics”). Our accounting principles for determining revenue, capital expenditures and operating expenses under the EU Taxonomy are aligned with the accounting principles included in the Financial Statements Note 2. Operating expenses per EU Taxonomy have a different definition and are a subset of the operating expenses as included in the Financial Statements.

Besi's product portfolio is not yet covered in the classification system of the EU Taxonomy regulations. However, we deliver systems which can potentially be used by our customers for a variety of environmentally friendly applications as set forth in the following table:

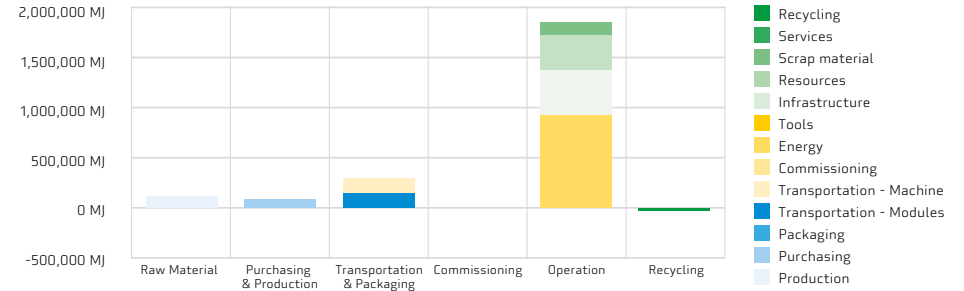
Potential green activity by our customers	Application	Contribution by Besi
Power transmission	Electrical vehicles	<ul style="list-style-type: none"> <li>Our new equipment generations are used in the fabrication of advanced power packages for automotive and industrial applications enabling more efficient power conversion and reduced power dissipation.</li> </ul>
Communication	5G	<ul style="list-style-type: none"> <li>Our advanced SiP technologies allow for higher efficiency transmission and reception in cellular networks.</li> </ul>
More efficient high-end computing	Data centers	<ul style="list-style-type: none"> <li>Our next generation die bonding systems allow for ever greater contact density requiring less power usage for data transfer and a reduction of overall power usage per bit.</li> </ul>
Less waste	General	<ul style="list-style-type: none"> <li>We continuously optimize our systems for reduced material consumption in the areas of epoxy and molding compounds as well as the conversion to water based chemicals in our plating process technologies in order to reduce waste.</li> <li>We increase the throughput and yield and reduce the waste generation of our systems by shortening learning curves and reducing operator interference.</li> </ul>
Circular economy	General	<ul style="list-style-type: none"> <li>We offer upgrades, retrofits and conversion kits to customers to extend their useful lives.</li> <li>Some of our equipment has been running at customer sites for more than ten years.</li> <li>Some customers sell our equipment to third parties in the secondary market further extending the useful lives of our systems.</li> <li>We reduce the energy consumption of our systems with comparable output by optimizing process cycles and component selection.</li> <li>We work with scientific institutes to further optimize their material and energy usage and increase the recycling potential of their systems.</li> <li>We reduce transport based emissions via local manufacturing and the usage of alternative freight methods.</li> </ul>
Solar	Solar cells	<ul style="list-style-type: none"> <li>Our solar cell plating technology realizes higher efficiencies and lower waste generation than comparable screen printing technologies.</li> </ul>

**TCFD**

We recognize the adverse effects caused by the emerging climate change crisis and carefully monitor the impact of climate change on our operations. In addition, we recognize increasing interest from customers and investors on climate topics and support the activities of the Taskforce on Climate-Related Financial Disclosures (“TCFD”). We intend to comply with its recommendations, be as transparent as possible in our reporting in the future and use TCFD guidance for our climate change risk assessment. As such, our objective is to:

- Consider trends for a lower-carbon economy in developing long-term strategic goals.
- Take climate change into account in our financial decisions.
- More effectively evaluate climate-related risks and make better, more informed climate-related decisions with respect to our customers, suppliers, strategic planning and capital allocation.

**IMPACT OF DIFFERENT ELEMENTS IN EQUIPMENT LIFE CYCLE ENERGY USAGE**



Source: Lucerne University of Applied Sciences and Arts (Switzerland)

**Besi Switzerland collaborating on environmentally friendly product design**

In 2021 we participated in a project with the Lucerne University of Applied Sciences and Arts (Switzerland) to identify potential fields of interest with regard to more environmentally friendly product design. Different scenarios involving customers, production locations and processes were examined. The various scenarios demonstrated a range of environmental influences. We intend to use the project recommendations in our future system design.

Set forth below is a list of TCFD recommended disclosures and Besi’s focus areas for 2022/2023.

TCFD recommended disclosure		Focus areas 2022/2023
<b>Governance</b>	Disclose the organization’s governance around climate-related risks and disclosures.	<ul style="list-style-type: none"> <li>• Establish TCFD governance framework and executive oversight.</li> <li>• Develop TCFD reporting mechanism.</li> </ul>
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s business, strategy and financial planning where such information is material.	<ul style="list-style-type: none"> <li>• Confirm risk appetite for climate risk by Board of Management.</li> <li>• Establish Climate Change strategy.</li> <li>• Present, review and agree with Besi’s Supervisory Board.</li> </ul>
<b>Risk Management</b>	Disclose how the organization identifies, assesses and manages climate-related risks.	<ul style="list-style-type: none"> <li>• Further investigate climate related risks.</li> <li>• Management of risks identified.</li> </ul>
<b>Metrics and Targets</b>	Disclosure of metrics and targets used to assess and manage material climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>• Identify key objectives, metrics and targets.</li> <li>• Establish framework for monitoring and reporting metrics and targets.</li> <li>• Establish organizational responsibilities.</li> </ul>

### Our key stakeholders

Besi regularly engages with stakeholders to identify business and performance opportunities, issues and risks in order to better assess its long-term value creation model. Insights are gathered through a variety of channels including dialogue with investors and customers, management reviews, employee surveys and internal and external audits. We listen to our stakeholders striving to be as responsive as possible and exceed their expectations.

We identify key stakeholders according to Besi's impact on their interests as well as their ability to influence our strategy and objectives. Our key stakeholders include shareholders, suppliers, customers, employees, local communities, society and local governments.

Stakeholder group	Why we engage	How we engage
Shareholders	<ul style="list-style-type: none"> <li>Shareholders expect Besi to protect their investment and provide a competitive return on capital while operating responsibly as a corporate citizen.</li> <li>Both existing and new investors have shown increased interest in ESG and have specific ESG criteria with which to evaluate Besi's performance.</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders are engaged through an active investor relations program, including quarterly and annual conference calls, roadshows, conferences, analyst presentations and Besi's Annual General Meeting ("AGM").</li> <li>We maintain close contact with investors in Europe, the US and Asia.</li> <li>We conduct regular meetings with investment professionals and encourage them to ask questions during our earnings calls, meetings and at our AGM.</li> <li>We engage in important face-to-face dialogue and receive valuable feedback about our business and ESG topics.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Maintaining a responsible supply chain is an important part of our Responsible Business pillar.</li> <li>A high quality, flexible and scalable supply chain is critical to satisfying customer needs in a cyclical business and to the success of our business.</li> <li>We seek to build long-term, mutually beneficial relationships with our suppliers.</li> <li>We are expanding our efforts to ensure that all suppliers can match Besi's own environmental and ethical standards.</li> </ul>	<ul style="list-style-type: none"> <li>We engage with suppliers through direct dialogue and constructive audits.</li> <li>We perform annual third-party external audits for all significant production and development facilities with respect to supplier ISO 9001 and ISO 14001 capabilities.</li> <li>We work together with suppliers to lower our joint environmental footprint, create sustainable products and supply chains and assess and mitigate social, health, safety and ethical risks.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Building strong relationships is important to attract customers and to our revenue growth.</li> <li>Providing superior customer support is critical to maintaining strong relationships.</li> <li>Besi's customers increasingly seek products that are sustainable, environmentally friendly and ethically produced.</li> <li>Our ESG strategy is formulated with sustainable design as a key component.</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction is an important measure to gauge customer fulfillment.</li> <li>We have a very experienced team of 259 sales and service people globally which maintain customer relationships and engage key customers on topics such as device roadmaps, assembly equipment requirements and future market trends.</li> <li>We conduct annual customer satisfaction surveys to assess existing relationships and identify areas for improvement.</li> <li>Customer satisfaction scores have increased over the past five years. In 2021, customers were particularly satisfied with the reliability, durability and performance of Besi's systems.</li> </ul>

Stakeholder group	Why we engage	How we engage
Employees	<ul style="list-style-type: none"> <li>Besi considers satisfied and engaged employees as a key ingredient for its successful growth.</li> <li>Employees expect Besi to have high social and ethical standards in the conduct of its business.</li> <li>Employees also expect us to provide them with equal treatment and opportunities, safe working conditions and career development potential.</li> </ul>	<ul style="list-style-type: none"> <li>We promote an atmosphere of open dialogue between managers and employees. During performance appraisals, both employees and managers are encouraged to voice their concerns in a collegial exchange.</li> <li>Employee interests are also communicated in a more institutional way via Works Council representation.</li> <li>In Europe, we hold meetings with Works Councils twice a year to listen to the views of employees and communities.</li> <li>We conduct Town Hall meetings for all employees on a quarterly basis to inform them as to current business and financial developments.</li> <li>We conduct bi-annual employee engagement surveys.</li> <li>Our 2021 COVID-19 pulse survey had a high level of participation (94%) and level of engagement (90%).</li> <li>The survey indicated that employees get along well together, were able to connect well despite the varying working arrangements throughout the Company and had strong feelings of trust between team members.</li> <li>Employees also had a strong understanding and motivation to contribute to Besi's business and ESG objectives and felt they were well supported from a safety standpoint during the pandemic.</li> </ul>
Local communities and society	<ul style="list-style-type: none"> <li>Besi relies on the health, wellbeing and stability of local communities in the regions where we operate.</li> <li>We aim to have a positive impact on communities through good corporate and employee conduct.</li> <li>Society expects Besi to respect national and international laws and regulations, minimize our negative impacts and provide transparency on economic, environmental and social topics.</li> </ul>	<ul style="list-style-type: none"> <li>Besi invests in many community projects, particularly in Asia.</li> <li>Senior managers review any concerns raised by local communities. They try to communicate any issues which may arise to all stakeholders as well as best practices for successful resolution.</li> <li>We abide by appropriate social, ethical and environmental standards in our operations.</li> <li>We meet or exceed minimum legal and regulatory compliance levels.</li> <li>We engage in responsible tax practices.</li> <li>We pay our fair share of taxation in all jurisdictions in which we have operations.</li> </ul>
Local governments	<ul style="list-style-type: none"> <li>Local governments expect compliance with local laws, regulations and care for the health, safety and security of their communities.</li> <li>Many countries pay close attention to ESG topics in light of increased concern over serious environmental issues.</li> </ul>	<ul style="list-style-type: none"> <li>We use European social and ethical standards wherever possible in all our operations.</li> <li>We participate in dialogue with local chambers of commerce as appropriate.</li> <li>We do not participate in lobbying activities or make political contributions.</li> </ul>


**ENVIRONMENTAL IMPACT**





Besi is committed to reducing its environmental impact, resource consumption and the carbon footprint of its operations which includes increasing the sustainability of the components, modules and systems we produce. Material topics of this pillar include

a reduction of carbon emissions and overall usage of energy, waste, water and hazardous materials. It also focuses on integrating sustainable design processes into Besi's development activities and increasing the utilization of renewable energy sources.

Set forth below are Besi's material topics related to its Environmental Impact process pillar, progress in 2021 and its targets for 2022:

Material topic	2021 progress update versus 2020	2022 target versus 2019 index
Energy use and renewable energy	<ul style="list-style-type: none"> <li>Fuel consumption declined on both absolute (9%) and relative basis (3.0 Kwh/million revenue or 48%).</li> <li>33% reduction of electricity usage on a relative basis.</li> <li>92% renewable energy achieved at European operations versus 81%.</li> <li>20% renewable energy utilized globally comparable to 2020.</li> <li>Installed solar cells made with Besi equipment at Besi Austria buildings.</li> <li>Replaced all lighting with LED lighting in Austria, Switzerland and the Netherlands.</li> <li>Optimized energy usage of air compressors at Besi Netherlands facility.</li> <li>Relocation of Plating Group based in the Netherlands to a smaller, more energy efficient location.</li> <li>Projects completed to increase renewable energy usage in China (hydro), Malaysia (solar) and Singapore.</li> </ul>	<ul style="list-style-type: none"> <li>20% reduction in fuel consumption.</li> <li>10% reduction in electricity usage.</li> <li>100% renewable energy at European operations.</li> <li>25% renewable energy utilized globally.</li> </ul>
Carbon emissions	<ul style="list-style-type: none"> <li>Scope 1 and 2 emissions intensity declined by 5.4 tCO<sub>2</sub> emissions/million revenue, or 27%.</li> <li>Scope 3 emissions intensity declined by 0.6 tCO<sub>2</sub>e/million revenue, or 4%.</li> <li>Focus on hybrid and electric vehicle deployment across Europe, with charging points installed at Besi sites in Austria, Switzerland and the Netherlands.</li> </ul>	<ul style="list-style-type: none"> <li>15% reduction in Scope 1 and 2 carbon emissions.</li> <li>10% reduction in Scope 3 carbon emissions.</li> </ul>
Waste and hazardous material use	<ul style="list-style-type: none"> <li>Waste and hazardous material usage declined by 32%.</li> <li>Relative waste kg/million revenue decreased by 484 kg/million revenue or 61%.</li> <li>Completion of cleanroom production facility at Besi Austria and Besi APac.</li> <li>Recycling introduced at Besi Netherlands.</li> </ul>	<ul style="list-style-type: none"> <li>8% reduction in total waste.</li> <li>5% reduction in hazardous waste.</li> </ul>
Water use	<ul style="list-style-type: none"> <li>Water usage declined by 18 m<sup>3</sup>/million revenue, or 31% on relative basis.</li> </ul>	<ul style="list-style-type: none"> <li>4% reduction in water consumption.</li> </ul>
Sustainable design	<ul style="list-style-type: none"> <li>Projects underway to analyze product lifecycles in multiple product groups.</li> <li>Participated in a joint project with the Lucerne University of Applied Sciences and Arts (Switzerland) to identify potential areas of cooperation with respect to environmentally friendly product design.</li> </ul>	<ul style="list-style-type: none"> <li>Develop additional targets for sustainable system design.</li> </ul>

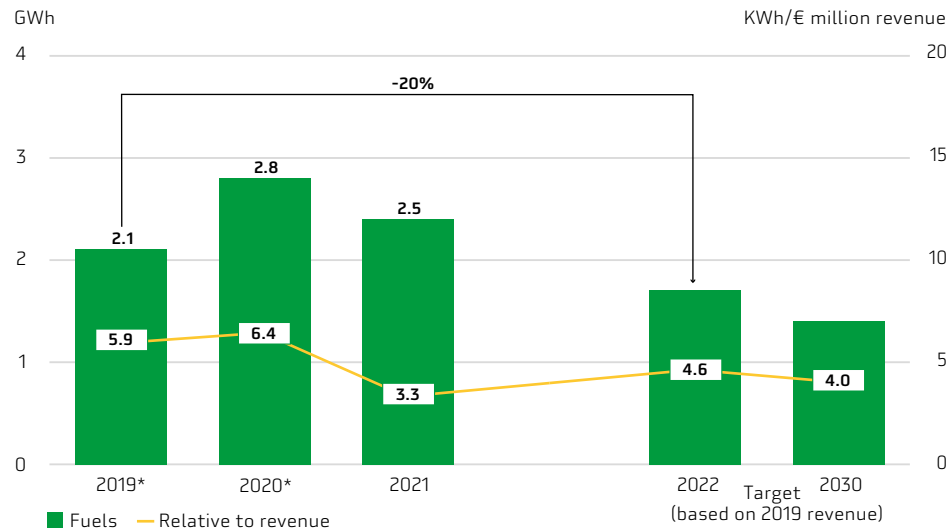
The following SDGs align with the Environmental Impact pillar of Besi's ESG strategy:

Goal/description	How we contribute
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	We are increasing the percentage of renewable energy used across our operations in line with our target of 25% renewable energy by 2022.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	We conduct life cycle assessments as a means of reducing our products' environmental footprint while increasing their efficiency and recyclable content. In addition, we have projects underway to increase Besi's sustainable system design for each successive product generation.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	The availability and conservation of natural resources is one of today's largest global challenges. We accept our responsibility by concentrating on the procurement of environmentally friendly materials, reducing waste and packing in our supply chain for product manufacturing and increasing our participation in the circular economy.
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	We recognize the urgent global challenge of reducing greenhouse gas emissions. We contribute to this effort by investigating innovative systems and solutions to help reduce emissions during their entire use phase and providing a transparent overview of greenhouse gas emissions as part of our Annual Report. In addition, our goal is to reduce Scope 1 and 2 emissions by 15% and Scope 3 emissions by 10% compared to our 2019 base year and to reach net-zero carbon emissions by 2050 in recognition of the global ecological and societal imperatives caused by climate change.

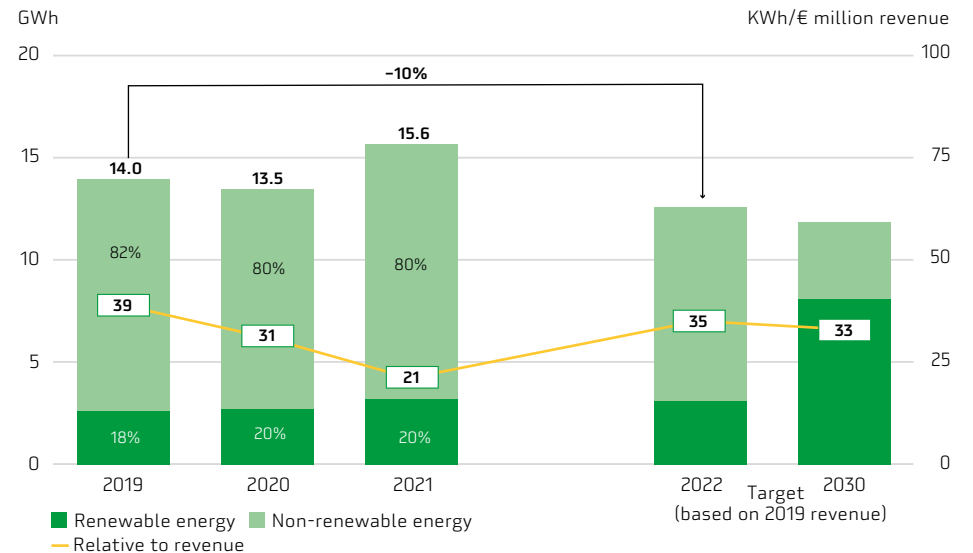
### Energy use and renewable energy

We seek to decrease our energy usage via a reduction of fuel and electricity consumption and increased utilization of renewable energy sources.

#### FUEL CONSUMPTION



#### ELECTRICITY CONSUMPTION



\* 2019 and 2020 numbers have been adjusted for comparative purposes.

Besi has achieved relative reductions in its fuel and overall energy consumption over the past three years as a result of concerted efforts by local managers and remains on track to meet its 2022 target reduction levels. We utilize renewable energy sources at many of our locations worldwide, including all of our European operations. Some of our energy conservation efforts have been mitigated by increased fresh air ventilation necessary at many office sites in response to the COVID-19 pandemic.

**More efficient usage of air compressors reduced energy consumption at Besi Netherlands**

Besi's Duiven, the Netherlands facility was able to reduce its energy consumption well beyond its 2021 goal by shutting down air compressors from a 24/7 schedule to an "as needed basis" as well as minimizing air leakage issues within the units.

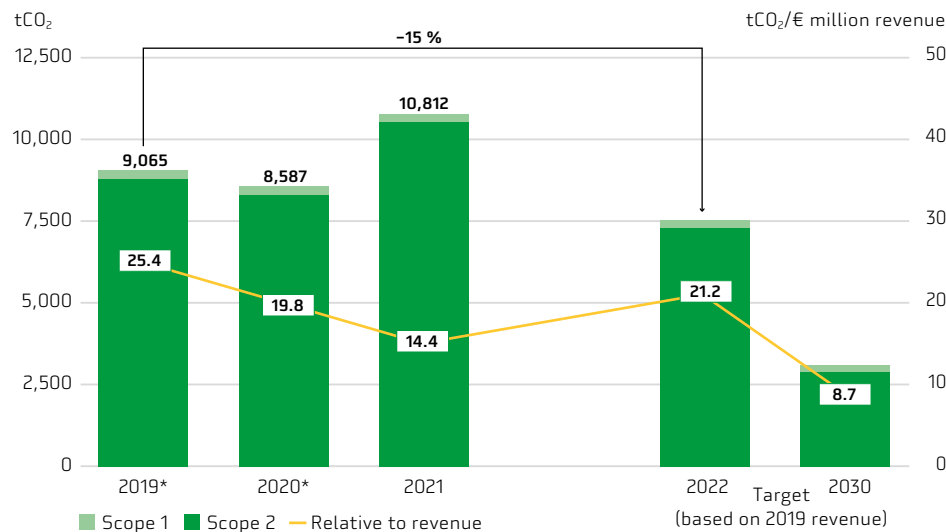
**Carbon emissions**

Reducing Besi's carbon footprint is a key focus of Besi's ESG strategy. In reporting carbon emission levels, we have adopted the standards and methodology put forth by the Greenhouse Gas Protocol, an independent standard which divides emissions into three scopes:

- Scope 1 emissions cover direct greenhouse gas ("GHG") emissions resulting from day-to-day business activities. This category includes on-site fuel combustion such as gas boilers as well as manufacturing, transport and fugitive emissions.
- Scope 2 emissions cover indirect GHG emissions which result from the electricity, heat and steam we purchase from external sources.
- Scope 3 emissions include our emissions resulting from freight transport, business flights, and for our non-renewable electricity consumption transmission and distribution losses and well-to-tank, except for the exclusions as mentioned in the reporting scope.

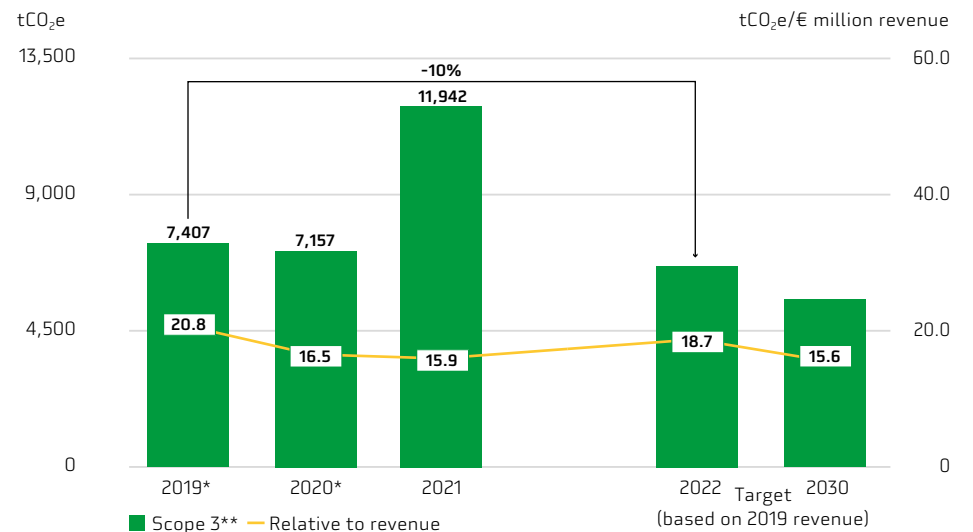
Our ambition is to reduce carbon emissions intensity (carbon emissions/revenue) across all three reporting scopes. Toward this end, Besi has reduced its direct emissions intensity since 2019 by 11 tCO<sub>2</sub> emissions/million revenue, or 43%. Furthermore, Besi has reduced its indirect emissions intensity since 2019 by 4.9 tCO<sub>2</sub>e emissions/million revenue, or 24%, reflecting progress in the areas of transportation, freight and travel as well as the beneficial impact of changes to our business model from more flexible working arrangements in response to the global pandemic.

**DIRECT EMISSIONS**



\* 2019 and 2020 numbers have been adjusted for comparative purposes.

**INDIRECT EMISSIONS**



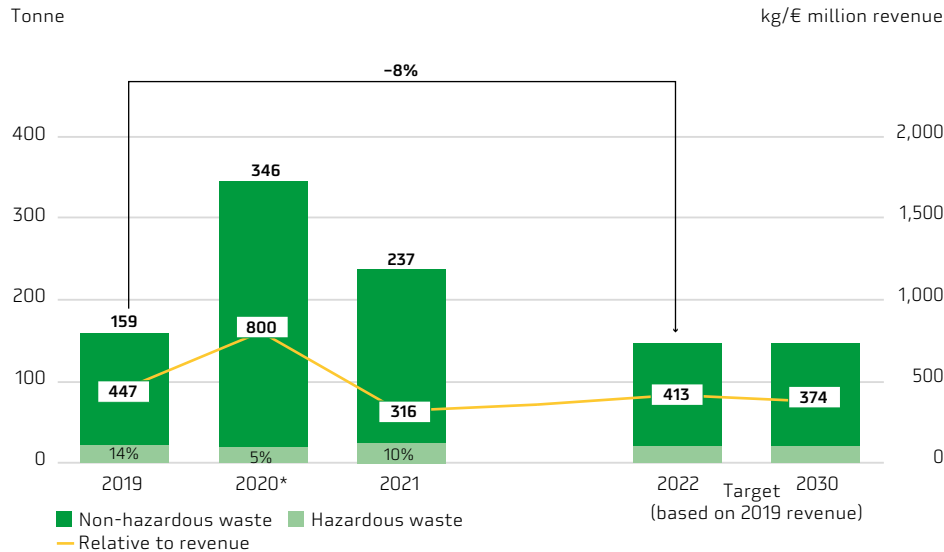
\* 2019 and 2020 numbers have been adjusted for comparative purposes.

\*\* Excludes inbound freight for our Malaysian production facility.

### Waste and hazardous material use

We seek to reduce the waste and hazardous waste produced by our operations wherever possible. In all facilities, waste separation systems are in place and the re-use, reduce, recycle concept is well established. The principal focus is the reduction of waste used in the packaging process wherein we use materials such as plastic, wood and cardboard to ensure proper protection. In general, we have experienced relative reductions in our hazardous and non-hazardous waste since 2019 with a 61% reduction in 2021 versus 2020 principally due to the completion of a cleanroom production facility at Besi Austria in 2020.

#### WASTE

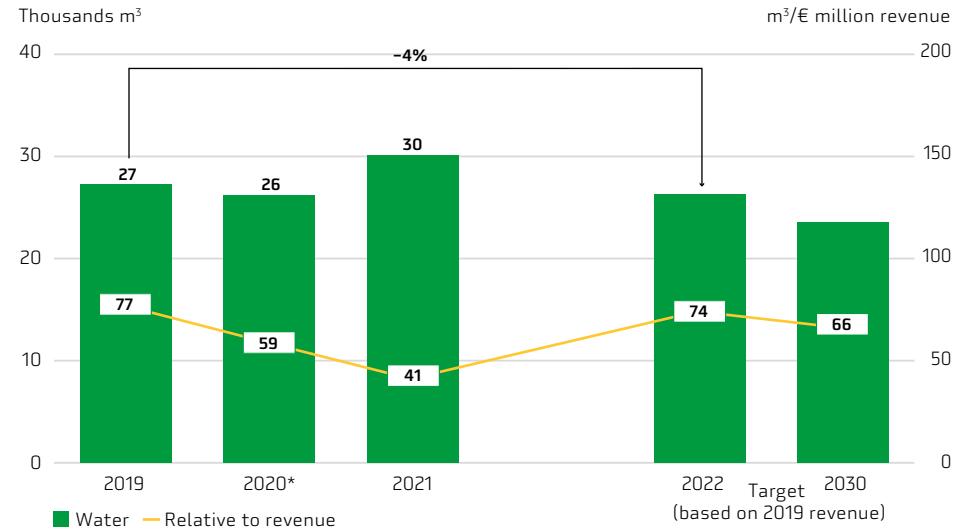


\* 2020 numbers have been adjusted for comparative purposes.

### Water use

Water conservation is another priority. Besi consumed approximately 30.5 million liters of fresh water in its operations in 2021, of which approximately 88% was utilized in our Asian production operations. Water consumption intensity has been decreasing over the past three years, with a 46.9% decrease recorded in 2021 versus 2019. All water withdrawn is consumed in our operations. We do not operate in any regions with a high or very high-water risk as defined by the World Resources Institute.

### WATER CONSUMPTION



\* 2020 numbers have been adjusted for comparative purposes.

### Sustainable design

Besi develops high quality, premium priced system solutions for customers offering leading edge reliability, accuracy, throughput, system uptime, yield of defect free devices, longevity and low environmental footprint. We have implemented externally certified ISO 9001 and ISO 14001 management systems to manage quality and environmental issues in our production operations.

Our development efforts focus on system efficiency both in terms of environmental impact and productivity/cost savings, with a particular emphasis on:

- Leading edge product innovation.
- Energy efficiency.
- Recycling potential of applied production materials.
- Recycled content used in our products.
- Exclusion of hazardous components in our systems.
- Exclusion of conflict materials from our design process.

We prioritize sustainable design in our system development efforts and conduct life cycle assessments as a means of reducing their environmental footprint while increasing their efficiency and recyclable content. As a result, we can provide customers a low total cost of ownership and an attractive return on initial investment while promoting sustainability themes.

In 2021 we launched several initiatives focused on design to cost, quality and sustainability for application to upgraded versions of our mainstream die bonding product lines as well as for new wafer level assembly platforms such as hybrid bonding and next generation thermo compression bonding systems. We expect these activities to bring value to our customers in terms of better yield, throughput, energy conservation and efficiency, material efficiency and total cost of ownership.

Besi systems can also be customized, reconfigured and redeployed for other production purposes over their product lifespan thus extending their useful life as well as reducing their environmental impact and raw material consumption. Customer utilization of our extensive global network of field service and spare parts also helps customers extend the useful life of our systems.

#### Future energy reduction priorities

- Enhanced building insulation.
- Elimination of unnecessary travel as much as possible.
- Continued improvements in natural resource consumption.
- Adoption of paperless offices.
- Realization of sustainable design initiatives.
- Zero waste initiative for Besi's Plating Group.



#### Installation of solar power reduced energy usage at Besi Austria




Besi's Radfeld, Austria facility installed a solar roof and photovoltaics system in 2021 to help reduce aggregate energy consumption by approximately 10% versus 2020. The solar cells utilized were produced using Besi equipment, completing a virtuous circle of sustainability enhancement.




**PEOPLE WELLBEING**

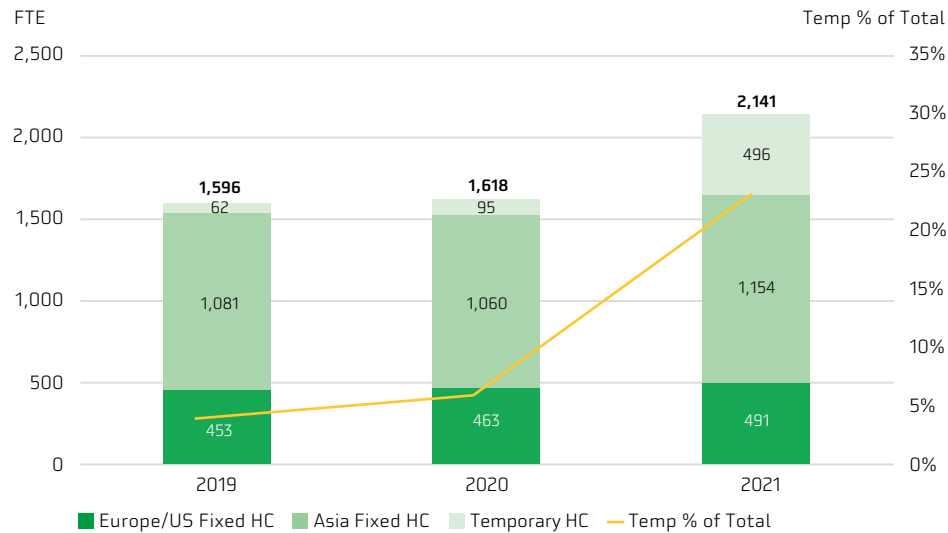
Material issue	2021 progress update	2022 target
Diversity and inclusion	<ul style="list-style-type: none"> <li>17% female employees as % of total employees, comparable to 2020.</li> <li>Female managers as % of total managers increased from 16% in 2020 to 18% in 2021.</li> <li>Local managers as % of total managers increased from 85% in 2020 to 87% in 2021.</li> </ul>	<ul style="list-style-type: none"> <li>Increase % of female employees as % of total employees to &gt;19% (+2%).</li> <li>Increase % of female employees in management to &gt;20% (+5%).</li> <li>Increase % of local nationals in management to &gt;85% (+2%).</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>COVID-19 protocols associated with personal interaction and hygiene maintained across operations.</li> <li>Vaccination programs rolled out.</li> <li>COVID-19 vaccinations encouraged for all employees.</li> <li>Five incidents were reported of which two were incidents with absence above four days and three incidents with minor absence (less than four days). No fatalities were reported.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a safety incident record of zero.</li> </ul>
Employee engagement and career development	<ul style="list-style-type: none"> <li>Global COVID-19 pulse survey carried out by Willis Towers Watson, external consultant.</li> <li>Survey indicated a high level of participation (94%) and a high level of engagement (90%).</li> <li>Employees also had a strong understanding and motivation to contribute to Besi's business and ESG objectives and felt they were well supported from a safety standpoint during the pandemic.</li> <li>Employee turnover increased from 7% in 2020 to 10% in 2021.</li> <li>Monthly open door meetings with management introduced at Besi Netherlands.</li> <li>Overall training hours per employee increased from 22 hours to 26 hours (+18%).</li> </ul>	<ul style="list-style-type: none"> <li>Maintain employee engagement &gt;85%.</li> <li>Remain above high-tech benchmark.</li> <li>Increase investment in employee training to &gt;23 working hours per employee per year (+15%).</li> </ul>

The following SDGs align with the People Wellbeing pillar of Besi's ESG strategy:

Goal/description	How we contribute
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	Employee health, safety and wellbeing are material topics for us. Besi's production sites have environment, health and safety ("EHS") officers and committees and a health and safety management system. These committees are responsible for the inspection, enforcement and promotion of health and safety matters in the workplace. Employees also regularly receive EHS training.
 <p>Achieve gender equality and empower all women and girls</p>	We are committed to improving gender diversity across all operations and providing equal opportunities to all employees. Our objective is to increase the percentage of women in the workforce and women in management by 2022.
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	We are committed to providing a safe and secure working environment for all employees. All employees are made aware of their rights including the right to freedom of association and collective bargaining.

Besi is committed to being a good employer and promoting a workplace culture conducive to the achievement of its business and ESG objectives. We comply with all applicable employment laws and regulations in the countries in which we operate. All employees are made aware of their rights including the right to freedom of association and collective bargaining. We seek to be a preferred employer by emphasizing the diversity, health, safety and wellbeing of our employees, flexible working arrangements and career growth and development.

**HEADCOUNT TRENDS**



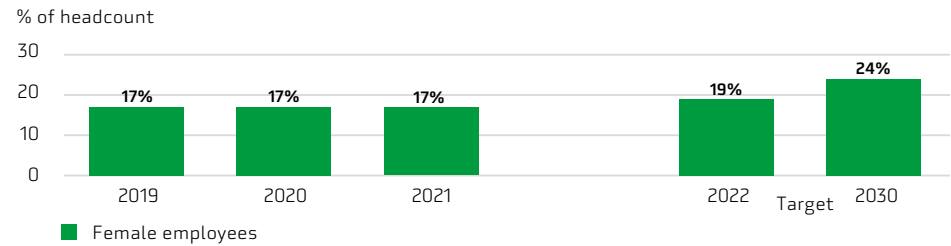
Topic	2019	2020	2021
Employee turnover	16%	7%	10%
New hires	6%	8%	19%

As indicated in the table above, employee turnover has reduced since 2019, particularly in light of improving industry conditions which accelerated in 2021. We also increased the percentage of new hires significantly in 2021 as a result of improving industry conditions.

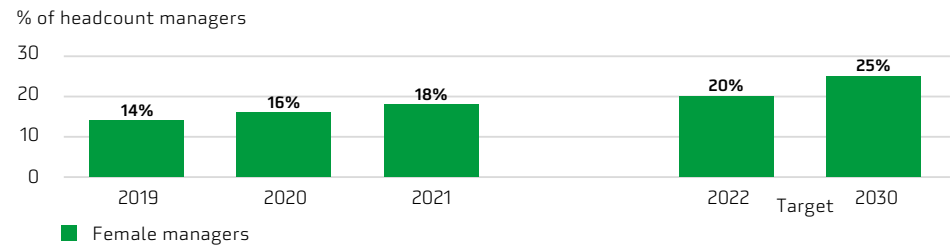
**Diversity and inclusion**

Besi values and encourages cultural, age and gender diversity in its workforce and management, believing it helps broaden our perspective and contribute to growth. Diversity and inclusion is a key topic in our ESG strategy with improved gender diversity across all operations the most immediate focus. Our Code of Conduct also emphasizes equal opportunity for all employees and applicants.

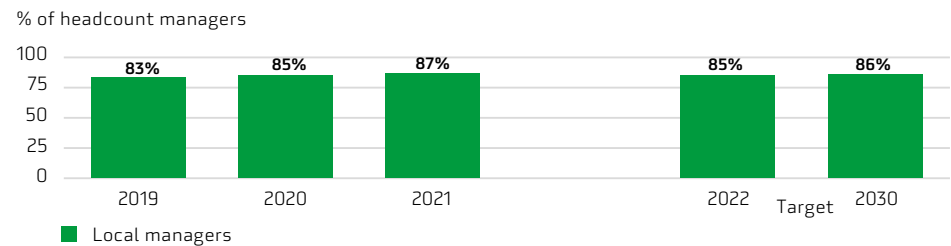
**FEMALE EMPLOYEES**



**FEMALE MANAGERS**



**LOCAL MANAGERS**



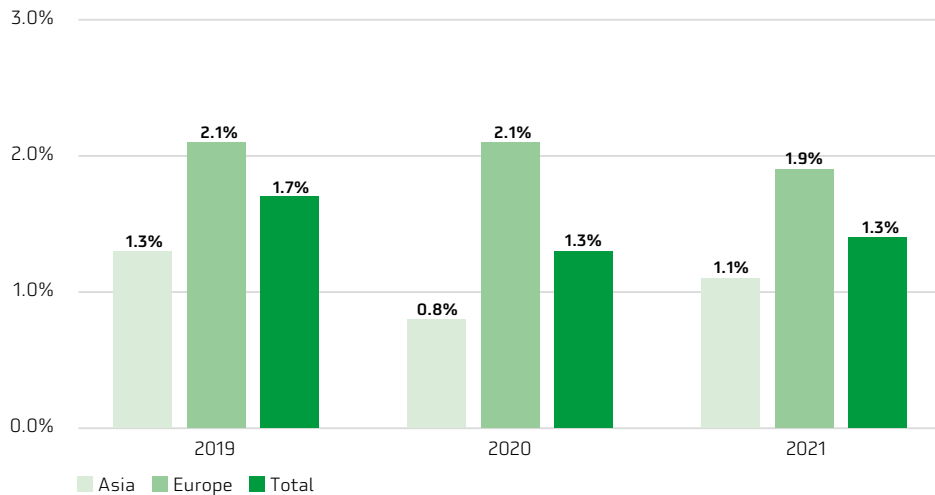
Besi's diversity efforts indicate progress as measured by an increasing percentage of female managers and local managers in the workforce over the past three years.

### Employee health and safety

Employee health and safety represents another material ESG topic. Besi monitors incidents in the workplace at all locations worldwide. Incidents are grouped into categories by severity: (i) fatalities, (ii) major absences (of more than four days), (iii) minor absences (of less than four days) and (iv) first aid cases in which employees can resume work immediately after treatment or the following day. Safety hazards at Besi are limited. There were five safety incidents recorded last year at Besi’s Asian and Austrian operations of which two were serious and none of which were fatal. In general, incidents are few as our production facilities are predominantly clean environments with no heavy chemicals present. In addition, there were no legal proceedings related to health and safety incidents in 2021. At present, we are compliant with the local laws and on track with ISO 45001 certification, which is expected to be completed in June/July 2022.

### SICKNESS RATE

% of Working Days

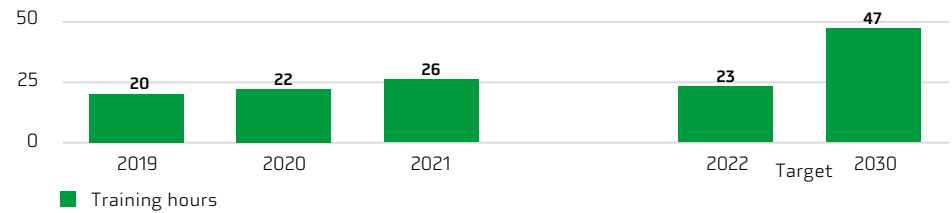


### Employee engagement and career development

One of Besi’s principal challenges is to attract, motivate and retain skilled workers critical to our success in a highly competitive semiconductor equipment industry. A key component of our strategy is training and talent development for which we provide a variety of educational and training programs across the Company. In addition, we monitor employee engagement and satisfaction across all regional operations and conduct surveys to assess our relative success in such activities.

### TRAINING

Hours/employee



### Future priorities

- Improve gender diversity across all locations.
- Maintain the health and safety of all employees including the maintenance of all current COVID-19 protocols.


*Besi Austria employees participating in a charity run.*




**RESPONSIBLE BUSINESS**

Material issue	2021 progress	2022 targets
Ethics and compliance	<ul style="list-style-type: none"> <li>No reported violations of Besi's Code of Conduct.</li> <li>Training provided to all new employees.</li> </ul>	<ul style="list-style-type: none"> <li>Increase employee training participation as it relates to Besi's Code of Conduct.</li> </ul>
Responsible supply chain	<ul style="list-style-type: none"> <li>59% of Purchasing Volume ("PV") audited (69% of PV audited for production facilities).</li> <li>63% of PV to sign SAQ as to our Code of Conduct (62% in 2020).</li> <li>64% of PV to sign GWA or GPC (same as 2020).</li> <li>66% of PV to sign CFSI (64% in 2020).</li> <li>94% of PV compliant with RoHS directive (92% in 2020).</li> </ul>	<ul style="list-style-type: none"> <li>65% of PV audited.</li> <li>75% of PV to sign SAQ as to our Code of Conduct.</li> <li>75% of PV to sign GWA or GPC.</li> <li>70% of PV to sign CFSI.</li> </ul>
Community impact	<ul style="list-style-type: none"> <li>Supported local charities during the pandemic.</li> <li>Community outreach limited given the restrictions on personal interaction and movement as a result of the pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Increase number of hours volunteered, monetary donations and education projects supported.</li> </ul>
Tax practices	<ul style="list-style-type: none"> <li>Compliant with tax obligations where factual economic activities take place.</li> </ul>	<ul style="list-style-type: none"> <li>Compliant with tax obligations where factual economic activities take place.</li> </ul>

The following SDG aligns with the Responsible Business pillar of Besi's ESG strategy:

Goal/description	How we contribute
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Besi's Code of Conduct and Whistleblower procedure guide the activities of our employees. All new employees are required to sign the Code of Conduct and undertake training upon hiring. All other employees undergo training on a biannual basis. Besi's Supplier Code of Conduct outlines the standards we expect our suppliers to meet in areas such as human rights, product quality, health and safety, and the environment.

Besi operates in a responsible and sustainable manner for the benefit of all stakeholders. We are committed to the UN Universal Declaration of Human Rights, adhere to high ethical standards and expect the same commitment from key stakeholders, particularly across our supply chain. We strive to have a positive impact on the communities and countries in which we operate via charitable activities, by following responsible tax practices and by maintaining open, constructive and mutually respectful relations with tax authorities.

### Ethics and compliance

The importance of appropriate anti-corruption and human rights policies has increased with the expansion of Besi's Asian operations, supply chain and logistics activities. In this regard, Besi has a Code of Conduct and Whistleblower procedure (both of which are available on our website), to guide employee activities and to set out the responsibilities, procedures and support functions in reporting violations. All employees are required to sign our Code of Conduct and undertake training upon hiring. In addition, we conduct training for all employees globally on an annual basis. Furthermore, Besi's Code of Conduct prohibits anti-competitive practices. There were no legal proceedings associated with anti-competitive behavior during 2020 or 2021.

Our confidential Whistleblower procedure enables employees to report suspected cases of misconduct. These cases are investigated immediately and overseen by local management or the Board of Management, who have responsibility for approving appropriate corrective measures.

### Responsible supply chain

Besi adheres to high ethical standards and expects the same from its suppliers. As such, we have three policies to promote a sustainable supply chain: a Conflict Minerals Policy, a Supply Chain Policy and a Supplier Code of Conduct based on the code set forth by the Responsible Business Alliance (“RBA”). The Code of Conduct is based on international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards and the OECD Guidelines for Multinational Enterprises. Besi’s Supply Chain Policy and Code of Conduct have been fully in accordance with RBA requirements since 2018. In addition, we seek to align our operations and supply chain with the Restriction of Hazardous Substances (“RoHS”) directive. In 2021, 94% of our relevant purchasing volume was compliant with the RoHS directive up from 92% in 2020.

Besi is committed to improving the sustainability of its supply chain. Our supply chain activities include the sourcing of raw materials, components and semi-finished products from vendors. The issue of conflict minerals is an important topic for supply chain management, particularly in Europe and the United States. We seek to minimize the impact of conflict minerals wherever possible. Currently, Conflict Mineral Reporting Template Questionnaires have been filed representing approximately 66% of material related purchasing volume from our suppliers.

With respect to human rights, we follow the RBA Code of Conduct both in our production facilities and supply chain. Labour standards in the RBA Code of Conduct include:

- Freely chosen employment
- Young workers
- Working hours
- Wages and benefits
- Humane treatment
- Non-discrimination/non-harassment
- Freedom of association

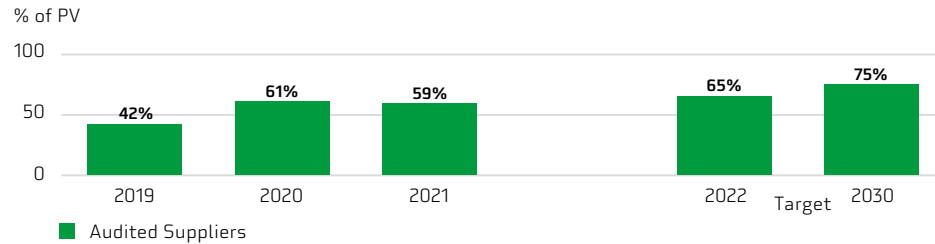
Besi has achieved gold status with the RBA which is externally audited and accredited.

In 2021, 70 suppliers were responsible for approximately 80% of Besi’s total purchasing volume. As a result, we have established a risk map matrix and assess the importance, reliability, financial condition and sustainability of all suppliers on a regular basis. Besi evaluates suppliers by means of its quarterly business review process under which we regularly conduct performance reviews and key supplier audits. In 2021, we conducted a significant number of supplier performance reviews and audits, although many of such audits were conducted remotely due to the COVID-19 pandemic.

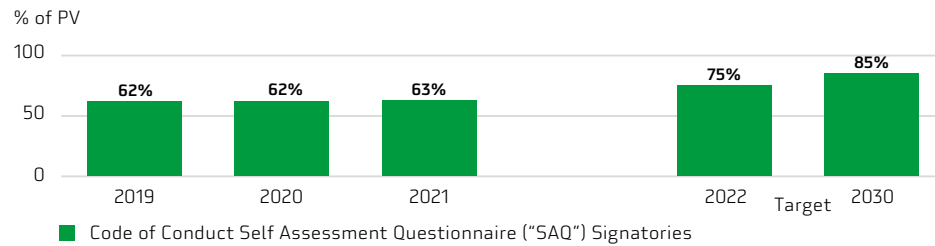
Commencing in 2022, we intend to enhance our supplier evaluation process in the areas of lead time, quality and technological capabilities. In addition, we plan to implement and enforce a broader contractual framework to include ESG aspects which was shared with our suppliers at Besi’s annual Supply Day. We are also at work to expand our supplier audit methodology including the monitoring of more ESG-related criteria such as CO<sub>2</sub> emissions in our supply chain as part of Besi’s overall Scope 3 emissions reduction initiatives.

## SUPPLY CHAIN

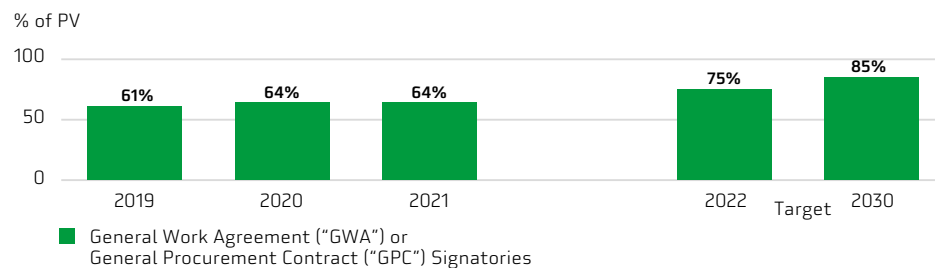
### Purchasing Volume ("PV") Audited



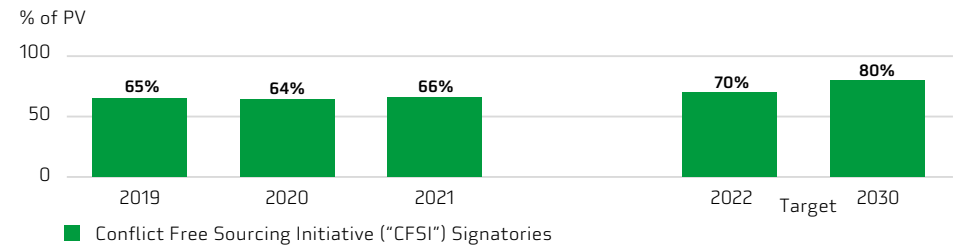
### Self Assessment Questionnaire



### Code of Conduct Supplier Agreements



### Conflict Free Sourcing Initiative



### Community impact

Besi supports activities in the local communities in which it operates, particularly in Asia where the assistance is more greatly needed. Activities undertaken in 2021 included a charity bike ride which involved donating insulin to a diabetes clinic and donations to a local zoo and a local forest research institute as part of a tree planting program. Besi also donated unused machinery and equipment to a Leshan, China technical school. We also design training schemes for our interns at the technical school every year, assigning experienced leaders to visit and provide instruction.

Further, we support local technical universities through active interchange and dialogue. In 2021, Besi APac continued its long-term support of the Ideas Academy, a local education institution. Furthermore, Besi donates to an organization supporting children suffering from cancer (*Tiroler Kinderkrebshilfe*) in Austria.

### Tax practices

Besi regards taxation, including the payment and collection of taxes, as an integral part of its business and as an important part of its social responsibility and contribution to society. Besi follows the principle of responsible tax practices whereby Besi's legitimate interests, reputation and corporate social responsibility are taken into consideration. We also consider the interests of all stakeholders including customers, shareholders, local governments and communities in the countries in which Besi operates.

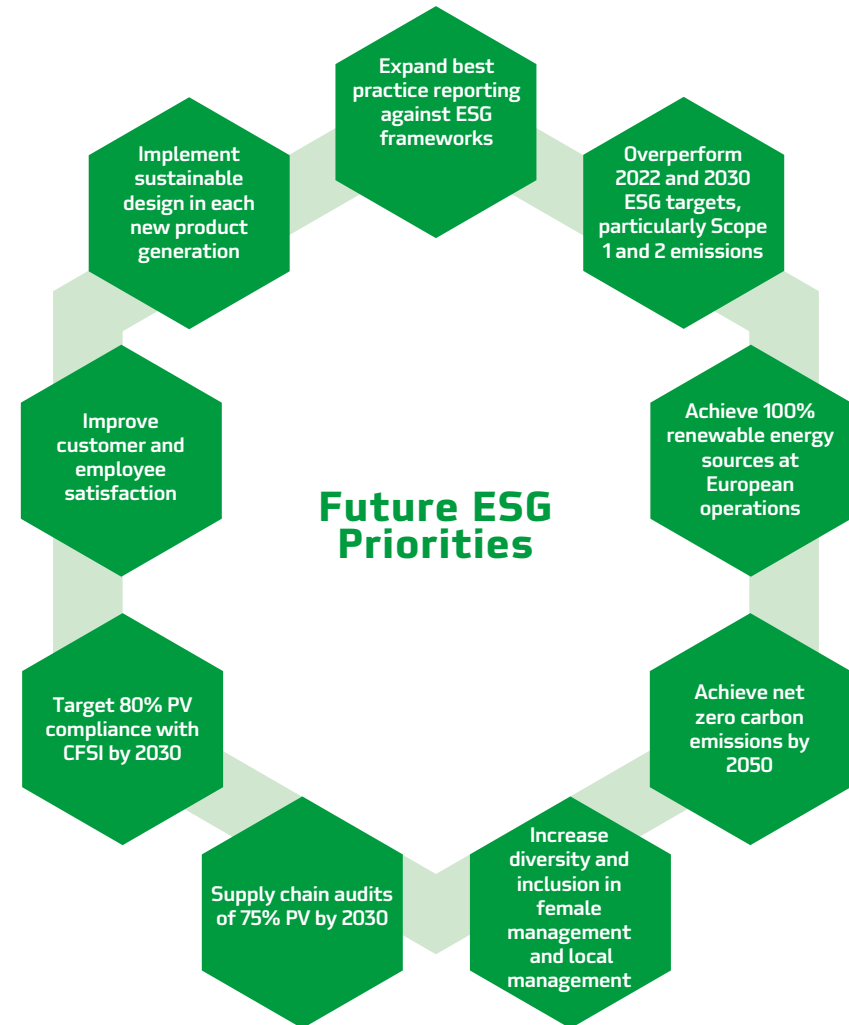
Our position on taxation is aligned with Besi's ESG strategy and is reflected in our Tax Policy, which consists of the following principles:

- We commit to paying taxes on time and in accordance with all applicable laws and regulations.
- Our tax policy follows Besi's business. As such, our profits are allocated to the countries in which business value is created, taxes are paid where factual economic activities are executed. In addition, all transactions must have a business rationale.
- Intra-group transactions are entered into on an arm's length basis and adhere to the guidelines issued by the Organization for Economic Co-operation and Development ("OECD").
- We strive to comply with the letter and spirit of applicable tax laws and regulations and are guided by relevant international standards.
- We seek a competitive, stable, sustainable and explainable effective corporate tax rate in order to optimize the tax efficiency of our corporate structure. Any tax optimization must be based on opportunities provided by law or case law.
- We do not use artificial tax structures in tax haven jurisdictions in order to avoid taxes. In addition, we do not undertake transactions whose sole purpose is to create an abusive tax result.
- We seek to establish and maintain an open and constructive dialogue with tax authorities and other government bodies in all jurisdictions where we operate based on the disclosure of all relevant facts and circumstances. We discuss important fiscal aspects upfront with the relevant tax authorities if questions arise as to proper taxation policy.

### Future priorities

- Conduct supply chain audits representing 75% of Besi's purchasing volume by 2030 in accordance with new supply chain risk matrix.
- Enhance our supplier evaluation process in the areas of lead time, quality and technological capabilities.
- Encourage more suppliers to join the CFSI such that 80% of Besi's purchasing volume has signed by 2030.

### BESI'S FUTURE ESG PRIORITIES



## **Appendices to the Environmental, Social and Governance Report 2021**

Annex 1: SASB Reference Table 2021

Annex 2: GRI Reference Table 2021

Annex Reporting Criteria Material Topics Environmental, Social and Governance

**Annex 1: SASB Reference Table 2021**  
**Sustainability Accounting Standards Board (SASB) Alignment**

Topic	Accounting Metrics	Code	Disclosure	Disclosure Location
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) Amount of total emissions from perfluorinated compounds	TC-SC-110a.1	(1) 331 Metric Tonnes CO <sub>2</sub> e (2) Besi does not have emissions from perfluorinated compounds	Annual Report 2021, page 59 Environmental Impact
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TC-SC-110a.2 <sup>2</sup>	Reducing Besi’s carbon footprint is a key focus of Besi’s ESG strategy. Our ambition is to reduce carbon emissions intensity (carbon emissions/revenue) across all three reporting scopes. Besi has reduced its direct emissions intensity by 5.4 tons of CO <sub>2</sub> emissions/million revenue, or 27% compared to 2020.	Annual Report 2021, page 57 Environmental Impact
Energy Management in Manufacturing	(1) Total energy consumed, (2) Percentage grid electricity, and (3) Percentage renewable	TC-SC-130a.1 <sup>2</sup>	(1) 15.6 GWh energy consumed (2) 15.1 GWh grid electricity consumed, 97% of total energy consumption (3) 20% renewable energy utilized globally	Annual Report 2021, page 58 Environmental Impact
Water Management	(1) Total water withdrawn, and (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SC-140a.1	Besi consumed approximately 30.5 million liters of fresh water in its operations in 2021, of which approximately 88% was utilized in our Asian production operations. All water withdrawn is consumed in our operations. We do not operate in any regions with a high or very highwater risk as defined by the World Resources Institute.	Annual Report 2021, page 60 Environmental Impact
Waste Management	(1) Amount of hazardous waste from manufacturing, and (2) Percentage recycled	TC-SC-150a.1	(1) 23.6 tons (2) 21%	Annual Report 2021, page 60 Environmental Impact
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	TC-SC-320a.1	Employee health and safety represents material topic for Besi. In our Annual report we disclose how Besi assesses, monitors and reduces exposure of employees to human health hazards.	Annual Report 2021, page 64 People Wellbeing
Employee Health & Safety	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	TC-SC-320a.2	There were no legal proceedings related to health and safety incidents in 2021.	Annual Report 2021, page 64 People Wellbeing
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SC-330a.1 <sup>2</sup>	(1) Besi is a global company with headquarters in Duiven, the Netherlands. We operate seven facilities in Asia and Europe for production and development activities as well as nine sales and service offices across Europe, Asia and North America. We employed a total staff of 1,645 fixed and 496 temporary personnel at December 31, 2021, of whom approximately 73% were based in Asia and 27% were based in Europe and North America. Based on the foreign nationals per facility we have determined this metric at 8% for Besi as a whole. However, we do not believe that disclosing a single percentage of foreign nationals is a useful metric for our business. We disclose additional metrics, such as local managers and training hours, which in our view are a more effective metrics for assessing this aspect. (2) 2%	N/A
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	TC-SC-410a.1	We provide disclosure on our approach to responsible supply chain. We seek to align our operations and supply chain with the Restriction of Hazardous Substances (“RoHS”) directive. Further Besi has an Conflicts Minerals Policy in place. We will investigate to start a project for supplier confirmation that the purchasd materials do not contain IEC 62474 declarable substances.	Annual Report 2021, page 66 Responsible Business

Topic	Accounting Metrics	Code	Disclosure	Disclosure Location
Product Lifecycle Management	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	TC-SC-410a.2	Besi does not disclose single percentages for these product categories, given that we are engaged in the development, production, marketing and sales of back-end equipment for the semiconductor industry and not in the actual manufacturing of processors.	N/A
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-SC-440a.1	Besi disclose its risk management process in which we have identified the following risk: Besi depends on its suppliers for critical raw materials, components and subassemblies on a timely basis. If suppliers do not deliver their products on a timely basis, particularly during a large order ramp, our revenue, customer relationships and market share could be materially and adversely affected.	Annual Report 2021, page 78 Risk Management
IP Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SC-520a.1	There were no legal proceedings associated with anti-competitive behavior during 2020 or 2021.	Annual Report 2021, page 65 Responsible Business
Total production	The entity shall disclose total production from its own manufacturing facilities and those with which it contracts for manufacturing services. For semiconductor equipment manufacturers the total production shall be reported on a per unit basis. For semiconductor device manufacturers the total production shall be reported consistent with International SEMATECH Manufacturing Initiative's Semiconductor Key Environment Performance Indicators Guidance, Technology Transfer #09125069A-ENG.	TC-SC-000.A	Besi's total production amounted to 1,730 machines.	Annual Report 2021, page 35 Strategy
Percentage of production from owned facilities	Percentage of production from owned facilities	TC-SC-000.B	99% of the production is of our own facilities.	Annual Report 2021, page 35 Strategy

## Annex 2: GRI Reference Table 2021

### GRI content index

<b>Statement of use</b>	BE Semiconductor Industries N.V. has reported the information cited in this GRI content index for the period January 1, 2021 - December 31, 2021 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

In the table below, reference is made to the Annual Report 2021, which can be downloaded at [www.besi.com/investor-relations/financial-reports-and-publications/financial-reports/](http://www.besi.com/investor-relations/financial-reports-and-publications/financial-reports/)

Further reference is made to the Code of Conduct, Whistleblower Policy and Supplier Code of Conduct, all available at [www.besi.com/investor-relations/corporate-governance/](http://www.besi.com/investor-relations/corporate-governance/)

Annex 1: SASB Reference Table 2021 and Annex Reporting Criteria Material Topics Environmental, Social and Governance are included in the ESG Report 2021, which can be downloaded at [www.besi.com/investor-relations/corporate-governance/](http://www.besi.com/investor-relations/corporate-governance/)

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Annual Report 2021	Corporate Information	184
	2-2 Entities included in the organization's sustainability reporting	Annual Report 2021	Financial Statements - Principles of Consolidation	130
	2-3 Reporting period, frequency and contact point	Annual Report 2021	The Environmental, Social and Governance Report covering the period January 1, 2021 - December 31, 2021 is included in the Annual Report 2021. For questions on this report, please contact our Investor Relations, for contact details see <a href="https://www.besi.com/investor-relations/">https://www.besi.com/investor-relations/</a>	N/A
	2-4 Restatements of information	Annual Report 2021	Environmental, Social and Governance - Reporting scope	51
	2-5 External assurance	Annual Report 2021	Environmental, Social and Governance - Assurance Report of the Independent Auditor	192
	2-6 Activities, value chain and other business relationships	Annual Report 2021	Company Profile	4-5
	2-7 Employees	Annual Report 2021	Key highlights - Headcount data	6
	2-8 Workers who are not employees	Annual Report 2021	Key highlights - Headcount data Workers who are not employees amount to 361 of which 77% relates to production and 19% to research and development and 4% to other.	6
	2-9 Governance structure and composition	Annual Report 2021	Corporate Governance	92
	2-10 Nomination and selection of the highest governance body	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	2-11 Chair of the highest governance body	Annual Report 2021	Corporate Governance	92
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	2-13 Delegation of responsibility for managing impacts	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	2-14 Role of the highest governance body in sustainability reporting	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	2-15 Conflicts of interest	Annual Report 2021	Corporate Governance - Board of Management - Conflicts of Interest Corporate Governance - Supervisory Board - Conflicts of Interest	92 93
	2-16 Communication of critical concerns	Annual Report 2021	Report of the Supervisory Board - Supervisory Board meeting topics	119 & 120
	2-17 Collective knowledge of the highest governance body	Annual Report 2021	Board of Management and Supervisory Board Members	123
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2021	Report of the Supervisory Board - Supervisory Board meeting topics	119 & 120
	2-19 Remuneration policies	Annual Report 2021	Remuneration Report - Remuneration structure	103 - 107
	2-20 Process to determine remuneration	Annual Report 2021	Remuneration Report - General and Remuneration Policy and shareholder engagement	98 & 102 - 103
	2-21 Annual total compensation ratio	Annual Report 2021	Remuneration Report - Remuneration Policy and shareholder engagement	102
	2-22 Statement on sustainable development strategy	Annual Report 2021	Environmental, Social and Governance - ESG strategy	49 & 50

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
	2-23 Policy commitments	Annual Report 2021	Environmental, Social and Governance - People Wellbeing & Responsible Business	63 & 65 - 67
	2-24 Embedding policy commitments	Annual Report 2021	Environmental, Social and Governance - Responsible Business	65 - 67
	2-25 Processes to remediate negative impacts	Annual Report 2021 Code of Conduct Whistleblower procedure Supplier Code of Conduct	Annual Report 2021 - Environmental, Social and Governance - Responsible Business - Ethics and compliance  Code of Conduct, Whistleblower procedure and Supplier Code of Conduct	65 & 66
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report 2021 Code of Conduct Whistleblower procedure Supplier Code of Conduct	Annual Report 2021 - Environmental, Social and Governance - Responsible Business - Ethics and compliance  Code of Conduct, Whistleblower procedure and Supplier Code of Conduct	65 & 66
	2-27 Compliance with laws and regulations	Annual Report 2021	Annual Report 2021 - Risk Management - Risk appetite / Legal and compliance risks  There were no significant instances of non-compliance with laws and regulations during the reporting period.	73 & 81
	2-28 Membership associations	N/A	We do not participate in a significant role in industry associations, other membership associations, and national or international advocacy organizations.	N/A
	2-29 Approach to stakeholder engagement	Annual Report 2021	Environmental, Social and Governance - Our key stakeholders	55 & 56
	2-30 Collective bargaining agreements	Annual Report 2021	23% of our fixed employees is subjected to collective bargaining agreements. For employees not covered by collective bargaining agreements see Environmental, Social and Governance - People Wellbeing	63
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Annual Report 2021	Environmental, Social and Governance - Materiality assessment	48
	3-2 List of material topics	Annual Report 2021	Environmental, Social and Governance - Materiality assessment	48
	3-3 Management of material topics	Annual Report 2021	Environmental, Social and Governance - ESG initiatives Environmental, Social and Governance - ESG governance	51
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Annual Report 2021	Financial Statements 2021 - Consolidated Statement of Operations	126
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2021	Risks and Risk Management - Risk factors - Strategic risks Environmental, Social and Governance - TCFD	75 & 76 54
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2021	Financial Statements 2021 - Notes to the Consolidated Financial Statements - Note 25. Employee benefits	154 - 160
	201-4 Financial assistance received from government	N/A	COVID-19 related grants and exemptions were € 0.2 million in 2021. The COVID-19 related grant and exemptions relate to Besi's subsidiaries in Singapore and China and are unconditional. Research and development subsidies and credits available to offset research and development expenses were € 4.3 million in 2021. R&D grants have been received from the EU, from the Österreichische Forschungsförderung-gesellschaft and from local governments.	N/A
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annual Report 2021 Supplier Code of Conduct	Environmental, Social and Governance - Responsible Business - Responsible supply chain Supplier Code of Conduct: Wages and benefits	66 3
	202-2 Proportion of senior management hired from the local community	Annual Report 2021	Environmental, Social and Governance - People Wellbeing - Diversity and Inclusion	63
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	N/A	Infrastructure investments and services supported is not applicable	N/A
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Annual Report 2021	Environmental, Social and Governance - Responsible Business - Responsible supply chain 69% of our material related purchasing volume is sourced in Asia.	65

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Annual Report 2021	Risks and Risk Management - Risk factors - Operational risks & Legal and Compliance risks	81 & 84
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report 2021 Supplier Code of Conduct	Report of the Supervisory Board - Supervisory Board meeting topics	120
			Training provided to all new employees, see Environmental, Social and Governance - Responsible Business Supplier Code of Conduct, see Environmental, Social and Governance - Responsible business - Responsible supply chain Supplier Code of Conduct: Business Ethics	65 66 5
	205-3 Confirmed incidents of corruption and actions taken	N/A	No reported incidents of corruption	N/A
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report 2021	Not applicable, in 2021 there were not such legal proceedings Environmental, Social and Governance - Responsible Business Ethics and compliance	65
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Annual Report 2021	Environmental, Social and Governance - Responsible Business Tax practices	68
	207-2 Tax governance, control, and risk management	Annual Report 2021	Environmental, Social and Governance - Responsible Business Tax practices	68
	207-3 Stakeholder engagement and management of concerns related to tax	Annual Report 2021	Environmental, Social and Governance - Responsible Business Tax practices	68
	207-4 Country-by-country reporting	N/A	Not required for Besi given it's size	N/A
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Annual Reprot 2021	Environmental, Social and Governance - Environmental impact - Energy use and renewable energy. The 2021 fuel consumption of 2.5 GWh consists of: - Gas 1.3 GWh (non-renewable) - Gasoline 0.1 GWh (non-renewable) - Diesel 0.2 GWh (non-renewable) - City Heating 0.9 GWh (of which 85% sustainable generated)  Within the 2021 electricity consumption of 15.6 GWh 0.4 GWh relates to purchased cooling.  The data on the energy consumption is derived from meter readings and/or invoices from suppliers. In case the energy consumption is included in the rent an estimate is made of Besi's share in the total energy consumption of the building. General available conversion factors are used to convert the energy usage into GWh. For conversion factors see Annex Reporting Criteria Marterial Topics Environmental, Social and Governance.	57 - 59
	302-3 Energy intensity	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Energy use and renewable energy.	57 - 58
	302-4 Reduction of energy consumption	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Energy use and renewable energy. In 2022 we will further investigate the disclosure of the amount of reductions in energy as a direct result of conservation and efficiency initiatives (if applicable).	57 - 59
	302-5 Reductions in energy requirements of products and services	N/A	Environmental, Social and Governance - Environmental impact - Sustainable design In 2022 we further will investigate the required disclosures (if applicable).	60 - 61
	<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Water consumption
	303-3 Water withdrawal	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Water use	60
	303-5 Water consumption	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Water use	59
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	Besi does not own, lease, manage operational sites in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. Therefore biodiversity is not determined to be a material topic.	N/A

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
	304-2 Significant impacts of activities, products and services on biodiversity	N/A	Biodiversity is not determined to be a material topic.	N/A
	304-3 Habitats protected or restored	N/A	Biodiversity is not determined to be a material topic.	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	Biodiversity is not determined to be a material topic.	N/A
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Carbon emissions	57 & 59
	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Carbon emissions	57 & 59
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Carbon emissions	57 & 59
	305-4 GHG emissions intensity	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Carbon emissions	57 & 59
	305-5 Reduction of GHG emissions	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Environmental impact	57 & 59
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Waste and hazardous material use The disclosed waste related impacts relate to waste generated in Besi's own activities.	57 & 60
	306-3 Waste generated	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Waste and hazardous material use	57 & 60
	306-4 Waste diverted from disposal	Annual Report 2021 Annex 1: SASB Reference Table 2021	Environmental, Social and Governance - Environmental impact - Waste and hazardous material use In Annex 1: SASB Reference Table 2021 the recycling percentage for hazardous waste is disclosed. In 2022 Besi will investigate if the recycling percentage of non-hazardous waste also can be disclosed (if applicable).	57 & 60
	306-5 Waste directed to disposal	Annual Report 2021	Environmental, Social and Governance - Environmental impact - Waste and hazardous material use In 2022 it will be investigated if the discloses on waste disposal can be further detailed with a breakdown of the disposal operations (if applicable).	57 & 60
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Annual Report 2021	Environmental, Social and Governance - Responsible Business - Responsible supply chain Commencing in 2022, we intend to enhance our supplier evaluation process in the areas of lead time, quality and technological capabilities. In addition, we plan to implement and enforce a broader contractual framework to include ESG aspects which was shared with our suppliers at Besi's annual Supply Day. We are also at work to expand our supplier audit methodology including the monitoring of more ESG-related criteria such as CO2 emissions in our supply chain as part of Besi's overall Scope 3 emissions reduction initiatives.	66
	308-2 Negative environmental impacts in the supply chain and actions taken	Annual Report 2021	Environmental, Social and Governance - Responsible Business - Responsible supply chain Commencing in 2022, we intend to enhance our supplier evaluation process in the areas of lead time, quality and technological capabilities. In addition, we plan to implement and enforce a broader contractual framework to include ESG aspects which was shared with our suppliers at Besi's annual Supply Day. We are also at work to expand our supplier audit methodology including the monitoring of more ESG-related criteria such as CO2 emissions in our supply chain as part of Besi's overall Scope 3 emissions reduction initiatives.	66
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Annual Report 2021	Environmental, Social and Governance - People Wellbeing, table new hires and employee turnover	63

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A	There is no distinction made in the benefits between full-time employees and temporary or part-time employees.	N/A
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Annual Report 2021	Risk Management - Risk appetite Besj strives to be fully compliant with its Code of Conduct and all applicable national and international laws and regulations in the markets and jurisdictions in which it operates. Besj seeks to comply with all environmental and labor laws and uses its best efforts to comply with best practice standards in the jurisdictions in which Besj operates. For the minimum notice periods regarding operational changes Besj follows local labor laws.	73
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - ESG Governance, People Wellbeing - Employee health and safety	51 62 & 64
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - ESG Governance, People Wellbeing - Employee health and safety	51 62 & 64
	403-3 Occupational health services	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - ESG Governance, People Wellbeing - Employee health and safety	51 62 & 64
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - People Wellbeing (employee engagement survey)	51 62
	403-5 Worker training on occupational health and safety	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	403-6 Promotion of worker health	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - ESG Governance, People Wellbeing - Employee health and safety	51 62 & 64
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report 2021	Environmental, Social and Governance - ESG Governance Environmental, Social and Governance - ESG Governance, People Wellbeing - Employee health and safety	51 62 & 64
	403-8 Workers covered by an occupational health and safety management system	Annual Report 2021	Environmental, Social and Governance - ESG Governance	51
	403-9 Work-related injuries	Annual Report 2021	Environmental, Social and Governance - People Wellbeing - Employee health and safety	64
	403-10 Work-related ill health	N/A	We operate in a clean environment with no heavy chemicals present, reference is made to Environmental, Social and Governance - People wellbeing - Employee health and safety	64
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Annual Report 2021	Environmental, Social and Governance - People Wellbeing - Employee engagement and career development Breakdown per gender and employee category to be included in 2022/2023 if applicable	62 & 64
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report 2021	Environmental, Social and Governance - People Wellbeing - Employee engagement and career development	62 & 64
	404-3 Percentage of employees receiving regular performance and career development reviews	N/A	All employees receive annually a regular performance and career development review.	N/A

GRI STANDARD	DISCLOSURE	LOCATION	Section/remark	Page
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Annual Report 2021	Diversity Supervisory Board reference is made to page 123 of the Annual Report 2021 for details and further to the report of the Supervisory Board - Composition and diversity. Diversity Employees: Environmental, Social and Governance - People Wellbeing - Diversity and inclusion. Besi does currently not include an overview of age groups, will be included in 2022/2023 if applicable	118 & 123  62 & 64
	<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	N/A	No reported incidents of discrimination
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Annual Report 2021 Supplier Code of Conduct	Environmental, Social and Governance - Responsible Business - Resonsible supply chain. Supplier Code of Conduct: Freedom of association and collective bargaining	66  3
	<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Annual Report 2021 Supplier Code of Conduct	Environmental, Social and Governance - Responsible Business - Resonsible supply chain. Supplier Code of Conduct: Child/underage labor
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Annual Report 2021 Supplier Code of Conduct	Environmental, Social and Governance - Responsible Business - Resonsible supply chain. Supplier Code of Conduct: Forced labor	66  3
	<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	N/A	No reported incidents of violations involving rights of indigenous people
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Annual Report 2021	Environmental, Social and Governance - Responsible Business - Community Impact	67
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A	Not applicable	N/A
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Annual Report 2021	Environmental, Social and Governance - Responsible Business - Resonsible supply chain. Commencing in 2022, we intend to enhance our supplier evaluation process in the areas of lead time, quality and technological capabilities. In addition, we plan to implement and enforce a broader contractual framework to include ESG aspects which was shared with our suppliers at Besi's annual Supply Day. We are also at work to expand our supplier audit methodology including the monitoring of more ESG-related criteria such as CO2 emissions in our supply chain as part of Besi's overall Scope 3 emissions reduction initiatives.	66
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Code of Conduct	Supplier Code of Conduct: Business Ethics	5 & 6
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	N/A	No political contributions	N/A
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy Statement	No substantiated complaints received	N/A

## Annex Reporting Criteria Material Topics Environmental, Social and Governance

Pillar	Topic	Code	Reference	Remark
Environmental Impact	Energy and renewable energy	SASB	<ul style="list-style-type: none"> <li>TC-SC-130a.1</li> </ul>	The percentage grid electricity is included in Annex 1: SASB Reference Table 2021
		GRI	<ul style="list-style-type: none"> <li>GRI 302-1 and GRI 302-3</li> </ul>	In Annex 2: GRI Reference Table 2021 a breakdown of the energy and fuel consumption is included. The data on the energy consumption is derived from meter readings and/or invoices from suppliers. In case the energy consumption is included in the rent an estimate is made of Besi's share in the total energy consumption of the building. General available conversion factors are used to convert the energy usage into GWh: Gasoline: 1 liter = 8.9 kWh Diesel: 1 liter = 10 kWh Gas: 1 m <sup>3</sup> =9,769 kWh
	Carbon emissions	SASB	<ul style="list-style-type: none"> <li>TC-SC-110a.1 and TC-SC-110a.2</li> </ul>	SASB only includes Scope 1 emissions, Besi discloses also Scope 2 and 3 emissions
	Waste and hazardous material use	GR	<ul style="list-style-type: none"> <li>GRI 305-1, 305-2 (location based), 305-3 and 305-4</li> </ul>	
		SASB	<ul style="list-style-type: none"> <li>TC-SC-150a.1 (Hazardous waste)</li> </ul>	Percentage of hazardous waste recycled is included in Annex 1: SASB Reference Table 2021
Water use	GRI	<ul style="list-style-type: none"> <li>GRI 306-3, no breakdown by composition will be included</li> </ul>		
Sustainable design	SASB	<ul style="list-style-type: none"> <li>TC-SC-140a.1</li> </ul>		
	Own	<ul style="list-style-type: none"> <li>Besi shall report the following: A description of the approach to sustainable design, including: - a general description of sustainable design including the main focus areas; - the approach regarding sustainable design as a means of reducing the environmental impact; - the inclusion of product life cycle assessment as part of sustainable design; - whether systems can be customized, reconfigured and redeployed for other production purposes over their product life span, thus extending their useful life and reducing the environmental impact; - whether initiatives have been deployed regarding the extension of the useful life of products delivered.</li> </ul>		
People Wellbeing	Diversity and inclusion	GRI	<ul style="list-style-type: none"> <li>GRI 405-1-b.i</li> </ul>	
		Own	<ul style="list-style-type: none"> <li>Disclose percentage of women of the total fixed headcount</li> <li>Disclose percentage of total female managers of total managers</li> <li>Disclose percentage of local national management of total management</li> </ul>	
	Employee health and safety	SASB	<ul style="list-style-type: none"> <li>TC-SC-320a.1 and TC-SC-320a.2</li> </ul>	
		Own	<ul style="list-style-type: none"> <li>Disclose sickness rate as % of working days (calculation based on headcount)</li> <li>Disclose total number of incidents in the workplace</li> <li>Incidents are grouped into categories by severity: (i) fatalities, (ii) major absences (of more than four days), (iii) minor absences (of less than four days) and (iv) first aid cases in which employees can resume work immediately after treatment or the following day.</li> </ul>	
	Employee engagement and career development	GRI	<ul style="list-style-type: none"> <li>GRI 404-1 and GRI 404-2-a, Besi will only include the average training hours per employee no breakdown will be provided in gender and employee category</li> </ul>	
		Own	<ul style="list-style-type: none"> <li>Disclose employee engagement as calculated by external advisor</li> </ul>	
Responsible Business	Ethics and compliance	GRI	<ul style="list-style-type: none"> <li>GRI 206</li> </ul>	
		Own	<ul style="list-style-type: none"> <li>Disclose reported violations of Besi's Code of Conduct</li> </ul>	
	Responsible supply chain	Own	<ul style="list-style-type: none"> <li>Disclose the percentage of purchase volume audited by Besi.</li> <li>Disclose the percentage of suppliers who have signed the Self-Assessment Questionnaires, Code of Conduct Supplier Agreements and Conflict Free Sourcing Initiative.</li> <li>Purchasing volume is determined by strategic supply manager</li> <li>Number of suppliers which signed the various target documents is determined with corresponding purchasing volume</li> <li>Based on data above, the % for responsible business is calculated</li> </ul>	
		Own	<ul style="list-style-type: none"> <li>Disclose how Besi supports activities in the local communities in which it operates.</li> </ul>	
	Tax practices	GRI	<ul style="list-style-type: none"> <li>GRI 207-1, GRI 207-2 and GRI 207-3</li> </ul>	

Other	Topic	Code	Reference	Remark
Materiality assessment	Material Topics	GRI	<ul style="list-style-type: none"> <li>GRI 3</li> </ul>	