



Pacific Technology

(STOCK CODE : 0522)

2019

Environmental,  
Social and Governance Report

# ASM Pacific Technology Limited

(Incorporated in the Cayman Islands with limited liability)

*Powered by Twin Engines,  
Rising Above Challenges*



ENABLING THE DIGITAL WORLD



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## About this Report

This Environmental, Social and Governance Report provides an annual update on the environmental, social and governance (“ESG”) impact, policies and initiatives of ASM Pacific Technology Limited (“ASMPT”) and its subsidiaries (the “Group”) for the year ended 31 December 2019 (“the Reporting Period”). The Reporting Period aligns with the Group’s financial year.

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

The Report covers the Group’s global operations in Greater China, Rest of Asia, Europe, Africa, and North and South America during the Reporting Period. It provides an overview of ASMPT’s approach, priorities, targets and performance reviews in the key areas of environment protection, sustainability and corporate governance.

The scope of this Report is similar to the Group’s ESG report for the year ended 31 December 2018. By covering key issues relevant to our customers, investors, shareholders, business partners, employees and vendors in the Group’s constant engagement with them in its daily operations, we hope to reinforce our sustainability pledge to these stakeholders.

In line with ASMPT’s commitment to environmental sustainability, the Report is published in an electronic form only. This Report as well as the Group’s previous ESG reports since 2016 are made available on the Group’s website at [www.asmpacific.com](http://www.asmpacific.com).



# Chairman's Message

Dear Shareholders, Customers, Partners and Employees,

ASMPT continues to focus on building a strong business with a robust financial foundation. The twin engines of organic growth and strategic mergers and acquisitions have served us well in expanding our business. Alongside growth is our unwavering resolve to create long-lasting value for our business, our stakeholders, and the community while at the same time minimise our impact on the environment: this we do by integrating sustainability into the Group's business.

In 2019, in doing our part to contribute to the global sustainable development agenda, ASMPT continued to align our sustainability framework of 1) nurturing our employees, 2) supporting our communities, 3) creating value through innovation, and 4) managing environmental impact with the United Nations Sustainable Development Goals ("SDGs"). The alignment will not only raise our ESG ambitions but also give ASMPT an opportunity to learn about and where possible, adopt more best-in-class practices to make the world a safer and better place.

ASMPT has become one of the leaders in sustainability in the semiconductor industry. Over the past five years, our sustainability efforts have been widely recognised. We are encouraged by the recognition and aspire to work harder.

We are also a firm believer in gender diversity. Our Singapore office, which is also our global business headquarter, adheres to the Women's Charter that protects and advances the rights of women and girls in Singapore. Similar protection and rights are accorded to our female workforce in all countries where we operate, regardless of whether we are legally required to do so.

ASMPT has always been vigilant in ensuring that any potential adverse impact on the environment as a result of our operations is identified and addressed immediately. Climate change due to global warming is a real concern and the Group works hard to address it through the reduction of energy consumption and carbon emission.

In 2019, ASMPT celebrated the grand opening of our new Hong Kong office at Gateway ts in Tsing Yi. Occupying more than 300,000 sq. ft., the new facility houses our Hong Kong Research & Development ("R&D") Centre, which makes up and with about 30% of ASMPT's total R&D headcount. The R&D centre in Hong Kong is the largest among ASMPT's ten R&D centres around the world. The interior of this new Hong Kong office is more than just a workplace. It is a vibrant environment with a gymnasium for employees to reinvigorate and a large canteen and lounge areas for relaxation and interaction. With sustainability in mind, we installed a consolidated and centralised clean discharge compressed air and air conditioning system for effective energy usage and avoided energy waste. The overall energy savings achieved was about 21% year-on-year and the energy performance index (EnPI) improved about 33%, from an average of 49.7 kWh/M<sup>2</sup> to 33.3 kWh/M<sup>2</sup> year-on-year.

In designing our new China factory in Jiujiang, which is expected to be completed in the next few years, we have environmental and energy improvement measures in place, for example, high energy efficiency chiller system for cooling, high efficiency heat pump systems for heating, district heating and cooling system optimized for energy consumption, high energy efficiency compressed dry air system, heat recovery system for plating lines, solar induction for natural light and ventilation and high energy saving on low envelope thermal transfer value (ETTV) design for the whole building.

To continue to deliver long term value to our stakeholders, ASMPT must remain resolute and adapt quickly to the changing environment. We must ensure that our employees have the necessary skills to meet the challenges ahead. This journey requires continuous effort. We thank our employees for their dedication and hard work and our customers, shareholders, and partners for their continued support. We believe that together, we can create a greater impact on improving the economic, environmental and social well-being of the communities in which we operate.

**Orasa Livasiri**  
Chairman

19 June 2020

## About ASMPT

ASM Pacific Technology Limited (Stock Code: 0522) is a global technology and market leader that develops and provides leading edge solutions in surface mount technology, equipment and materials for the semiconductor assembly and packaging industries. Its solutions are deployed in a wide range of end-user markets including electronics, mobile communications, automotive, industrial and LED. Its continuous investment in research and development help to provide customers with innovative and cost-efficient solutions and systems that enable them to achieve higher productivity, greater reliability and enhanced quality.

As at 31 December 2019, ASMPT has a global workforce of 15,200 employees across 30 countries. Of this total workforce, around 1,300 are based in Hong Kong, 7,700 in Mainland China, 1,400 in Singapore, 1,300 in Germany, 1,600 in Malaysia, 400 in United Kingdom, 300 in the United States, with the rest based in other parts of the world.

Listed on the Hong Kong Stock Exchange since 1989, ASMPT is currently one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under Hang Seng Composite Industry Indexes and the Hang Seng Hong Kong 35 Index.

To learn more about ASMPT, please visit the Group's website at [www.asmpacific.com](http://www.asmpacific.com).



## Awards & Accolades

ASMPT is recognised as an industry leader because of our leading innovation, our comprehensive portfolio of products and services, our exceptional and comprehensive customer support, and our track record of consistently executing on our clear vision of “ENABLING THE DIGITAL WORLD”.

The awards and accolades that ASMPT had received in 2019, including those commending us for our sustainability efforts, were an acknowledgement of our contribution and good standing in the industry.

Awards and accolades garnered in 2019 are:

- Forbes Asia “Best Over a Billion” — Awarded for being one of the top-performing listed companies in Asia Pacific region with revenues of US\$1 billion or more
- Grand Award of the 2019 HKMA Quality Award
- Singapore Quality Award 2019 for Business Excellence
- 2019 productronica Innovation Award in the Semiconductor Cluster for CoS Die-Bonder to ASM Amicra — productronica 2019 in collaboration with Productronic magazine
- IPC APEX EXPO Innovation Award — new DEK printing platform for the electronics industry that increases speed and accuracy while decreasing factory footprint
- Company of the Year 2019 in the SMT Category — CIO Review India Magazine
- Asia’s Outstanding Companies Poll 2019 — Asiamoney
- “Triple Crown” with RANKED 1st in Assembly/10 BEST Chip Making Suppliers/BEST Assembly and Test Suppliers for Years 2019, 2018, 2017 — VLSI Research
- Manufacturing Excellence in Printing Solutions 2019, Smart SMT Factory Award for Placement Solutions 2019 — Electronics Maker Magazine, productronica India 2019
- Excellence in Customer Service Award to ASM India — Incap Contract Manufacturing Services Pvt Ltd
- Industrialist of the Year Award 2019 — Federation of Hong Kong Industries
- Hong Kong Corporate Citizenship Award Scheme (Enterprise Category) Merit Award — Hong Kong Productivity Council
- Best Innovation Recruitment Campaign Award — Platinum Award — CTGoodjobs’ Best HR Awards 2019
- Best Practices Award at the Singapore EENP Awards 2019 Awarded by Energy Efficiency National Partnership (EENP) — A National Environment Agency (NEA) programme







# Sustainability Approach

As a corporate citizen of the world, it is imperative that ASMPT operates and does business in a sustainable manner, whilst aligning with our brand, vision and business strategy. It is a commitment that we make to the market, people, community and environment in which we operate. ASMPT launched our first ESG report for 2016, and since then, creating and delivering sustainable values to our stakeholders have remained the overarching principle in all we do.

Into our fourth year of reporting, ASMPT continues to leverage our expertise as a global technology company to contribute to the global sustainable development agenda as defined in SDGs. We strive to ensure that our operations benefit the communities where we are located, helping them to connect and grow sustainably.

The Group’s sustainability framework is built on the four pillars of 1) nurturing our employees, 2) supporting our communities, 3) creating value through innovation and 4) managing environmental impact. These four pillars align with the four areas where ASMPT can play a significant role as a global citizen in furthering the SDGs. We believe this will not only enable us to retain our leadership position, but also empower us to contribute effectively to the communities in which we operate.

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

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



## Stakeholder Engagement

In our active engagement with stakeholders, which include customers, employees, investors, business partners, and vendors, we are committed to establishing strong and mutually beneficial relationships through open and transparent communication so that we may understand their concerns, secure their buy-in and anticipate and manage their expectations.

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

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



## Governance

ASMPT's Board and Executive Committee work together to manage the interest of our stakeholders and ensure long-term shareholder value. As at 31 December 2019, the Group has nine directors, one of whom is female. Out of the nine, four are independent non-executive directors, two non-executive directors and three executive directors. All our Board members are highly experienced professionals with expertise in finance, business, legal, technical and industrial sectors.

### Governing Sustainability at ASMPT

Board of Directors	Executive Committee	Environmental, Social & Governance Committee ("ESG Committee")
<p>The Board of Directors is our highest governing body, responsible for ensuring good corporate governance through independent and effective leadership in supervising the management of the Group's business and affairs and its growth in a profitable and sustainable manner that is in the best interest of our stakeholders. They also develop and review the Group's policies and practices on corporate governance including the Group's risk management framework.</p>	<p>The Executive Committee comprises the Senior Management team who reviews and determines the material ESG factors and their scope. They evaluate and review long-term business and organisational goals and provide the strategic direction for the Group's sustainability practices.</p>	<p>The ESG Committee reviews and monitors the Group's ESG policies and practices on a regular basis, ensuring compliance with legal and regulatory requirements.</p> <p>The ESG Committee comprises members from different regions and functional groups and is led by the Group Compliance Director who reports to the Group Chief Financial Officer, who is also a member of the Board and the Executive Committee.</p> <p>The ESG Committee also regularly updates the Executive Committee on sustainability risks, sustainability management performances as well as recommendations and follow-up measures.</p>

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2019.

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

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

Our Business Continuity Management Steering Committee headed by our management team provides policy guidance to the Co-ordination and Entity Level Committee to deal with potential threats to ensure our business continuity as well as our continuity to serve our customers. It outlines a range of disaster scenarios, alternative production sites and the steps the business will take in any particular scenario to provide short-term delivery and/or services support as well as action plan for returning to regular operations.

We have a proactive international tax compliance management process that is intended to ensure observance of our tax obligations in all locations where the economic activities of our operations take place.

With these, we have a clear overview of the adequacy and effectiveness of our internal controls and risk management system that would enhance our resilience and minimise the impact of any disruption to our business operations.

Further details of the Group's corporate governance practices for the year ended 31 December 2019 have been published in the Company's 2019 Annual Report.

# Environment

## Environmental Protection and Emissions

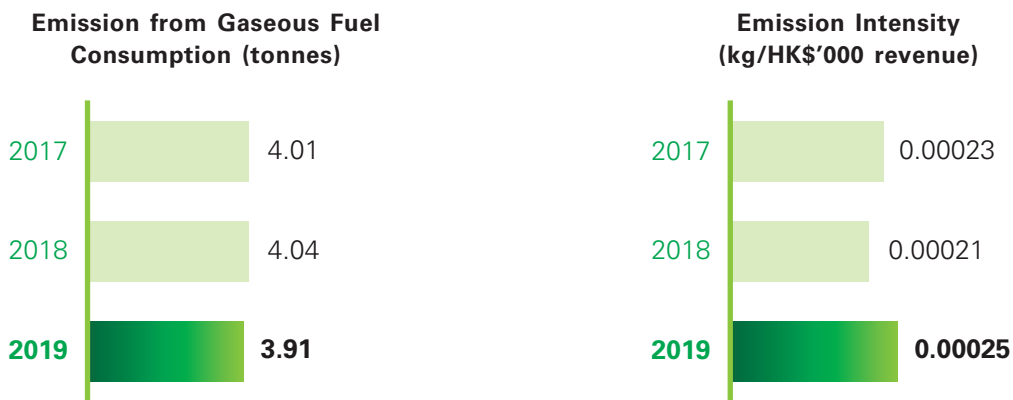
ASMPT environment charter highlights our commitment to safeguarding the environment through energy efficient practices and technologies, resource conservation, recycling, and pollution prevention.

The Group is proactive in caring for the environment. We set guidelines in environmental design requirements for product development and a comprehensive checklist for our product development teams to ensure that all relevant environmental factors are considered at the product design stage.

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

Our main business locations in China, Germany, United Kingdom, United States, Singapore, and Malaysia are ISO 14001 certified yearly for our environmental management system. The ISO 14001 standard specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance, fulfil its compliance obligations and achieve its environmental objectives.

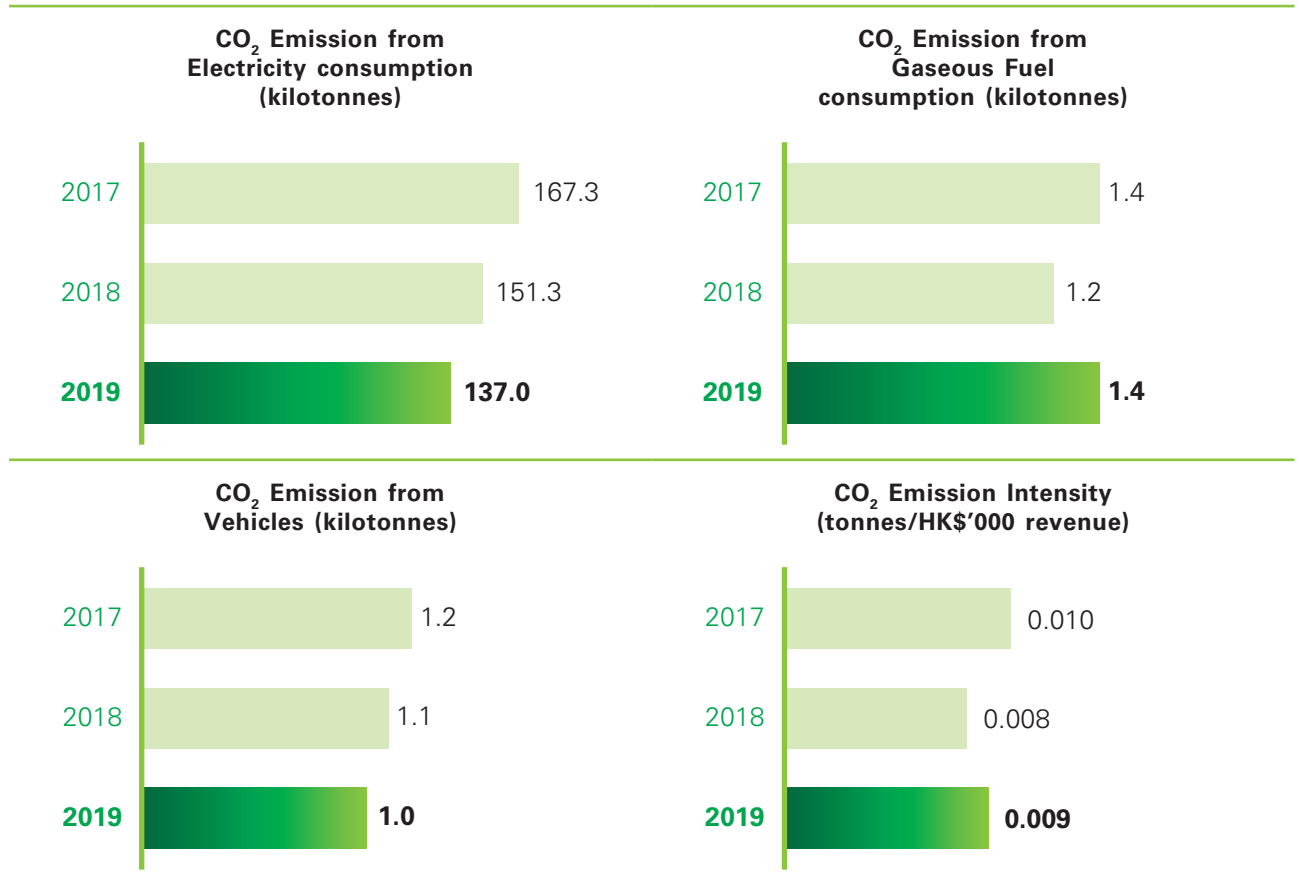
### NOx, SOx and Particulates Emissions



In 2019, emissions of NOx, SOx and particulates decreased by 3% due to a reduction in production volume in 2019, whereas the emission intensity per HK\$1,000 revenue increased by 19%, due mainly to vehicle usage that was independent of production volume.



**CO<sub>2</sub> Emissions**



In 2019, CO<sub>2</sub> emissions decreased by 9% whereas the emission intensity per HK\$1,000 revenue increased by 13%.

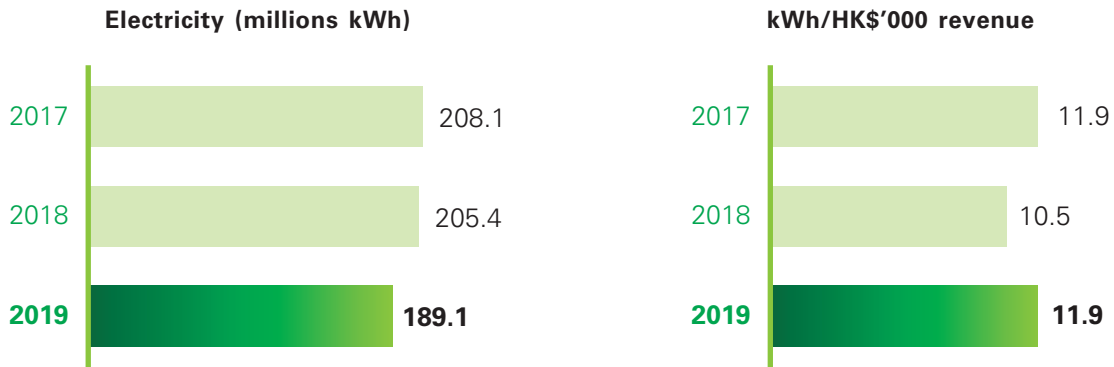
With the Group's lower sales and lower production capacity utilisation, our overall CO<sub>2</sub> emissions have decreased in 2019. However, indirect emissions from electricity purchased remained constant for the offices and production floors regardless of production volume. With a reduction in revenue but constant CO<sub>2</sub> emissions, the emission intensity per revenue has thus increased.



### Energy Consumption

ASMPT is always vigilant in ensuring that any potential adverse impact on the environment as a result of our operations is identified and addressed immediately. Climate change due to global warming is a real concern and the Group works hard to address it through the reduction of energy consumption and carbon emission.

#### Direct and Indirect Energy Consumption



In 2019, total energy consumption (kWh) decreased by 8% whereas energy consumption intensity (kWh/HK\$'000 revenue) increased by 13%. The decrease in energy consumption came from a fall in production demand brought about by the global economic decline. However, basic facilities such as clean room air-conditioning and relative-humidity control, compressed air, lighting, general office air-conditioning still had to be maintained regardless of the fall in production volume. Hence, despite a reduction in revenue, energy intensity increased as a result of the fixed energy consumption of our facilities. The Group is constantly looking for ways to improve energy efficiency in all our operations.

In 2019, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to environmental protection that would have a significant impact on the Group.



**Waste Management**

ASMPT has in place waste-reduction measures and these are diligently monitored including how waste is handled to avoid any adverse impact on our surrounding communities. Waste generated is categorised as general waste or hazardous waste. General waste is placed in a designated truck and collected by accredited vendors. Hazardous waste is segregated and placed in dedicated waste rooms and disposed by accredited vendors on a regular basis.

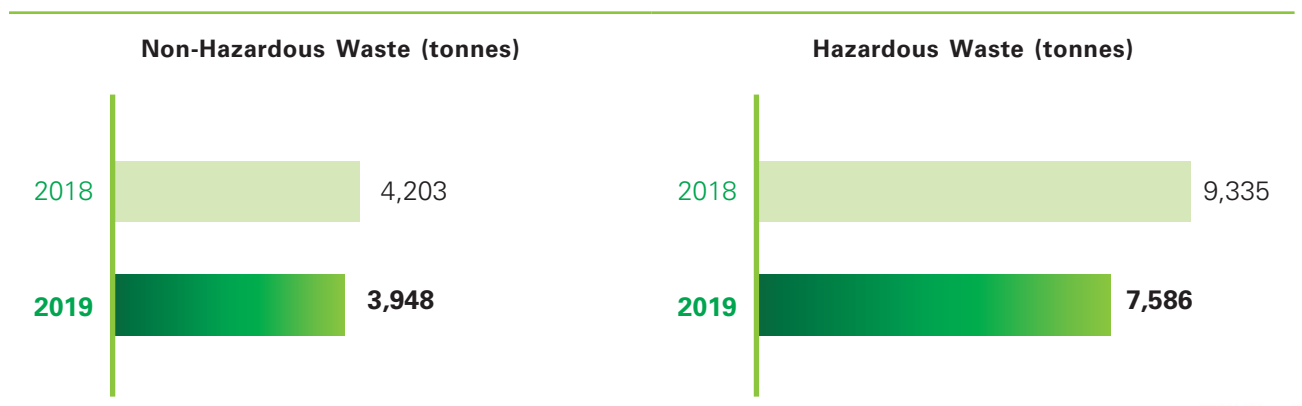


The Group promotes the reuse of equipment materials. "Materials Recycling Day" is organised regularly where the used materials from the production floor are collected, sorted out either to be kept for internal reuse or disposed through external recycling channels. In addition, separate recycle bins for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

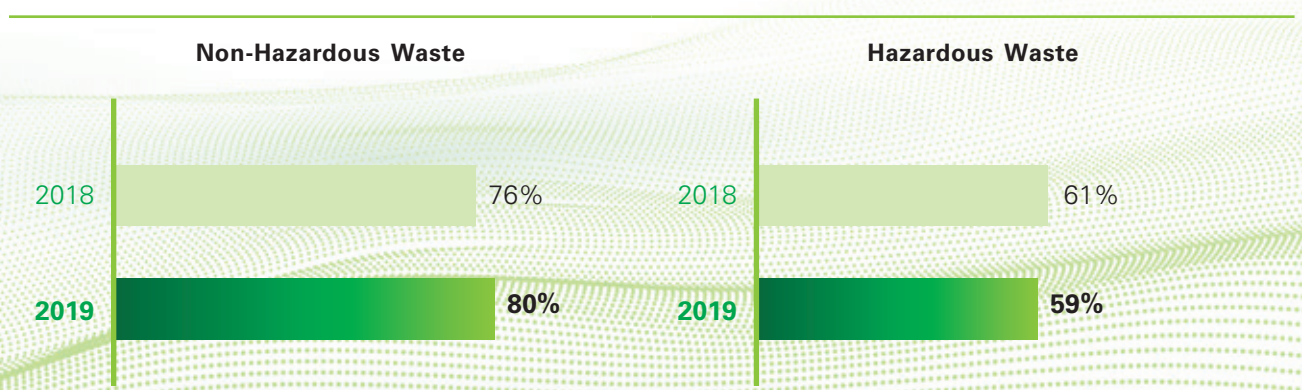
Over the years, the Group has implemented waste reduction and recycle programmes to manage resources more effectively and minimise wastage. Our products are made using reusable and recyclable materials, where possible, and we encourage reusable and returnable packaging for shipments from our suppliers. One example of such programmes is our chassis of cast mineral, which is made up mostly of natural materials that require 20% to 40% less energy in its production and up to 80% less energy in recycling. Our annual and interim reports is printed on environmental-friendly paper and we strongly encourage employees to cut unnecessary printing.

The Group recorded a generation of 3,948 tonnes non-hazardous waste and 7,586 tonnes hazardous waste in 2019. Of this, 80% of non-hazardous and 59% of hazardous waste were recycled, with the remainder being disposed of by accredited vendors. One category of hazardous waste had less hazardous content in 2019 and was treated as general waste, which led to a reduction in hazardous waste percentage in 2019 as compared with 2018.

**Waste Management**



**Recycled**

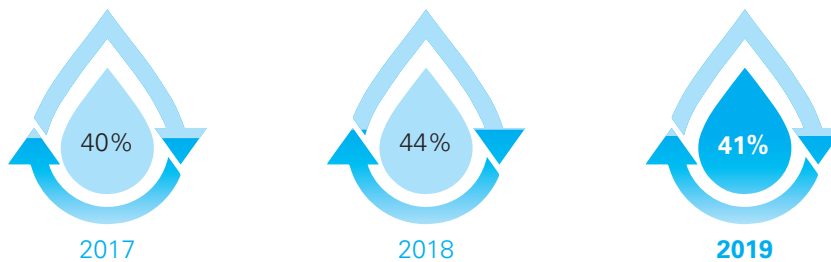


### Industrial Water Usage

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

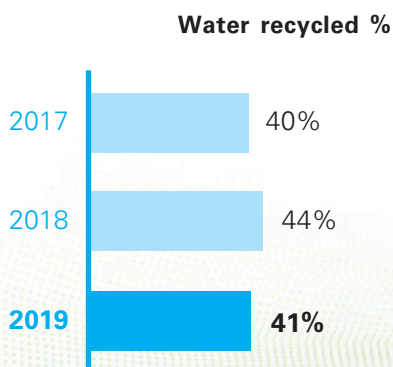
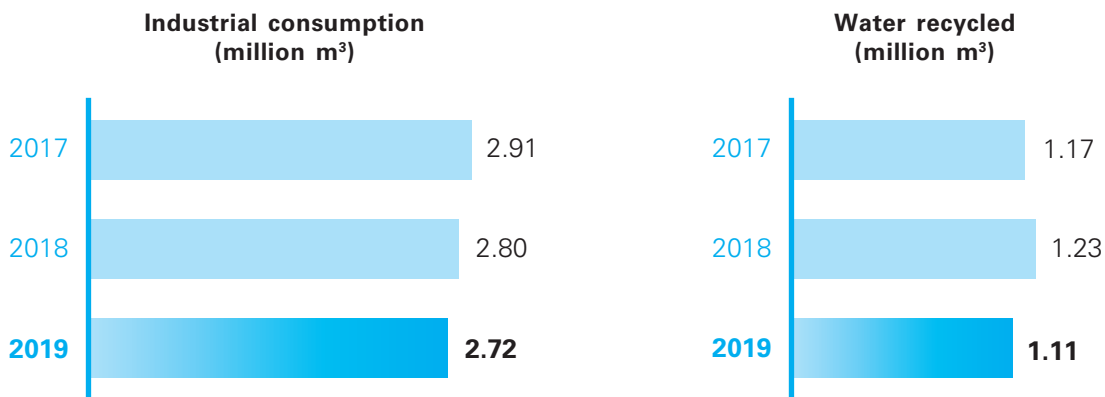
To achieve a higher recycle percentage, the Group has also introduced biological treatment in its water treatment facilities. In 2019, as much as 41% of purchased water was recycled.

### Recycled Purchased Water



### Water Consumption in Industrial Processes

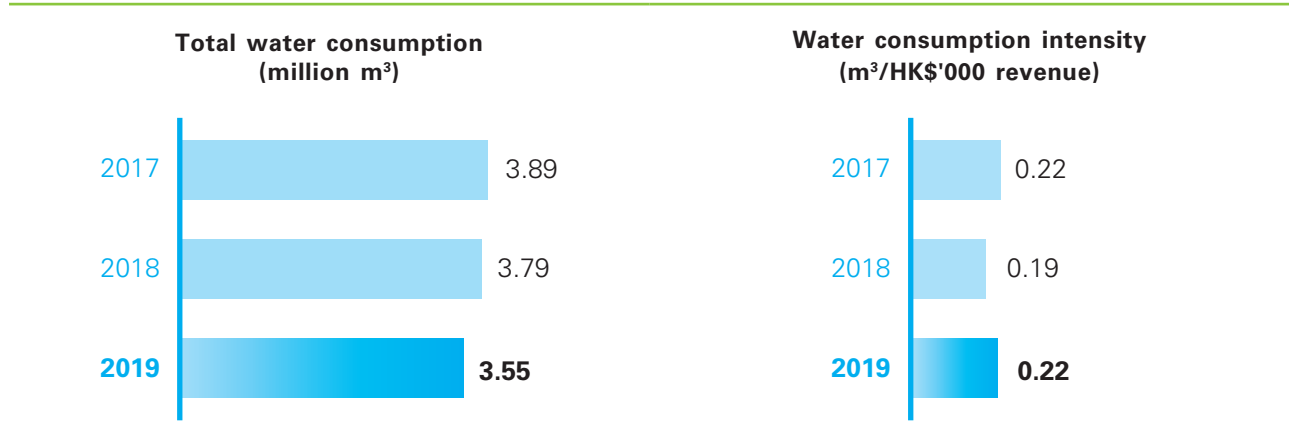
Regarding industrial use, there was a 3% decrease in net water consumption and a 10% decrease in recycling quantity.





**Total Water Consumption**

In 2019, there was a 6% decrease in total water consumption (million m<sup>3</sup>) due to the reduction in production volume. However, consumption intensity increased by 16% with respect to each HK\$'000 revenue (m<sup>3</sup>/HK\$'000 revenue) as a result of a decrease in sales.



**Use of Resources**

Whenever possible, we try to utilise reusable and recyclable materials in our products and reduce the use of raw materials by designing products with lower weight and volume. We also look for improvements in our manufacturing processes and the use of materials to reduce machine fabrication hours and conserve resources and energy.

Our manufacturing operations optimise logistics within the production plants by designing exceptionally compact assembly lines to minimise long transport routes and making the production floor infrastructure — that is, water, electricity, lighting and air-conditioning, as efficient as possible.

ASM Pacific Technology

# ATS Goes Green

#CountOnMe

Effective 1 January 2020, mineral water distribution for all internal activities has ceased.

- We encourage employees hosting our external stakeholders such as visitors and customers to self-help.
- Please utilize the water dispensers available and bring your own drink ware.
- Say no to single-use plastics!

**Bring your own drinkware today, no act is too small to make a difference.**

ATS Goes Green

Lvl 1 - Pantry

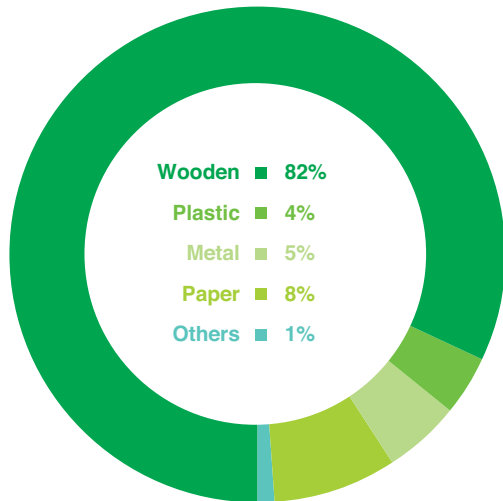
Lvl 3 - Outside 3B

Lvl 4 - Engrg. Office 1

Lvl 5 - Pantry

Where feasible, the Group uses recyclable crates to package our large industrial equipment products and employs cardboard boxes as common packaging materials. The use of plastics is kept to a minimal in our packaging.

### Packaging Material Types Distribution

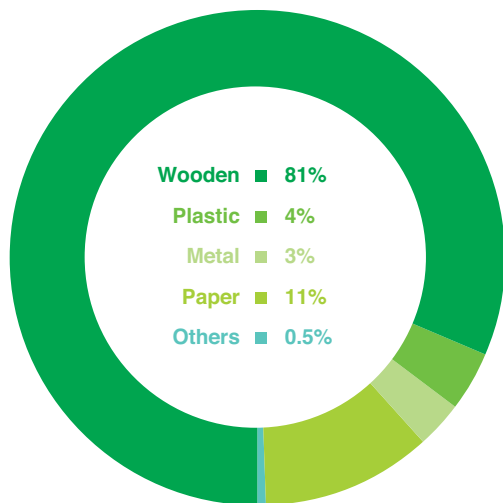


2018 Total Packaging Material Consumption:

**5,486** tonnes

2018 Total Packaging Material Consumption Intensity (tonnes/HK\$'000 revenue):

**0.00028**



2019 Total Packaging Material Consumption:

**3,732** tonnes

2019 Total Packaging Material Consumption Intensity (tonnes/HK\$'000 revenue):

**0.00023**

In 2019, there is a 32% decrease in total packaging material consumption (tonnes). Total packaging material consumption intensity decreased by 18% (tonnes HK\$'000 revenue).



# Social

## Employment

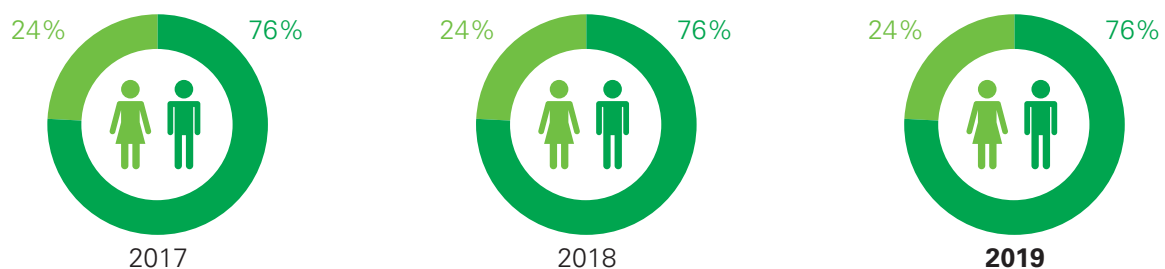
As of 31 December 2019, we have a total headcount of over 15,200 employees across 30 countries. Among our employees, 27% are aged below 30, 61% aged between 30 and 50, and 12% aged above 50. 24% of our employees are female.

The Group aspires to be “a great place to work” and towards this goal, the Group is constantly working to provide a conducive environment at work and offers a wide variety of learning and training opportunities for our staff. We recognise that having an inclusive, engaged and skilled workforce is crucial to the success of the organisation. We provide an array of training and development opportunities to nurture talent and help them reach their full potential. We are committed to the well-being of our employees and strive to provide a work environment and culture that motivate and empower every employee to be creative and innovative, able to work independently as well as in teams. We ensure fair employment practices and offer equal opportunities for employment and promotion for all staff. The Group believes that regardless of gender, ethnicity, age, religious beliefs, nationality, marital status, disability, gender identity and expression, sexual orientation and/or other aspects, employees can make significant contributions based on their expertise, experience and dedication. We have zero tolerance towards sexual harassment in the workplace and do not condone inappropriate conduct. There was no reported incidence of sexual harassment in 2019.

The Group recognises the importance of fair compensation for our motivated and dedicated employees. As such, we have a well-structured and open compensation system and annual performance appraisal that is integral to the success of the Group. Attracting, motivating and retaining talent on a global basis is central to our compensation strategy.

We pursue a competitive remuneration strategy commensurate with individual skills, education, responsibility and working experience and benchmarked against the industry and market in which we operate. Salary and career development reviews are conducted annually to ensure competitiveness. Our competitive pay package comprises both short-term and long-term incentive plans. For instance, discretionary bonuses and incentive shares are granted to eligible employees based on the Group’s financial results and individual performance. In addition, the Group provides other employees’ benefits such as contributions to mandatory provident fund schemes, medical and training subsidies.

### Total Workforce by Gender



### Total Employment by Age Group and Geographical Region

	Below 30			30 to 50			Above 50			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	26.0%	21.7%	<b>17.2%</b>	41.1%	42.0%	<b>43.3%</b>	2.8%	3.4%	<b>3.6%</b>	69.9%	67.1%	<b>64.1%</b>
<b>Rest of Asia</b>	6.9%	8.2%	<b>7.7%</b>	9.4%	9.8%	<b>9.8%</b>	2.1%	2.3%	<b>2.7%</b>	18.4%	20.3%	<b>20.2%</b>
<b>Europe, Middle East and Africa</b>	1.3%	1.4%	<b>2.1%</b>	5.2%	5.4%	<b>6.5%</b>	4.1%	4.6%	<b>4.9%</b>	10.6%	11.4%	<b>13.5%</b>
<b>North and South America</b>	0.1%	0.1%	<b>0.2%</b>	0.7%	0.7%	<b>1.1%</b>	0.3%	0.4%	<b>0.9%</b>	1.1%	1.2%	<b>2.2%</b>
<b>Total Workforce</b>	34.3%	31.4%	<b>27.2%</b>	56.4%	57.9%	<b>60.7%</b>	9.3%	10.7%	<b>12.1%</b>	100%	100%	<b>100%</b>

### Total Employment by Employment Type

	Full Time			Part Time			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	69.92%	67.04%	<b>64.10%</b>	0.01%	0.01%	<b>0.00%</b>	69.93%	67.05%	<b>64.10%</b>
<b>Rest of Asia</b>	18.35%	20.30%	<b>20.20%</b>	0.00%	0.01%	<b>0.00%</b>	18.35%	20.31%	<b>20.20%</b>
<b>Europe, Middle East and Africa</b>	9.71%	10.43%	<b>12.50%</b>	0.92%	1.01%	<b>1.00%</b>	10.63%	11.44%	<b>13.50%</b>
<b>North and South America</b>	1.09%	1.20%	<b>2.20%</b>	0.00%	0.00%	<b>0.00%</b>	1.09%	1.20%	<b>2.20%</b>
<b>Total</b>	99.07%	98.97%	<b>99.00%</b>	0.93%	1.03%	<b>1.00%</b>	100%	100%	<b>100%</b>

## Employee Turnover

The Group's workforce decreased from 16,000 employees in 2018 to 15,200 employees by the end of 2019, a 5% decrease year-on-year, attributed in part by our deliberate decision to further optimise our Greater China operations and reduce excess headcount through productivity improvements. Our employee turnover for 2019 remained stable — a drop of 0.4% to 14.6% as against 15% in 2018. The turnover rates for both genders were at about the same level.

### Employee Turnover Rate based on Gender, Age Group and Geographical Region

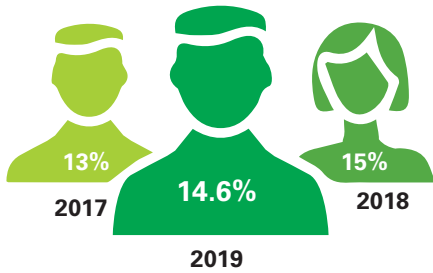
#### Male

	Below 30			30 to 50			Above 50			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	26.7%	32.4%	<b>31.3%</b>	5.3%	8.4%	<b>8.1%</b>	7.5%	5.3%	<b>6.1%</b>	13.3%	15.9%	<b>14.2%</b>
<b>Rest of Asia</b>	40.7%	38.7%	<b>36.8%</b>	11.7%	12.8%	<b>14.8%</b>	4.2%	4.7%	<b>6.3%</b>	21.3%	22.0%	<b>21.6%</b>
<b>Europe, Middle East and Africa</b>	10.0%	10.7%	<b>17.9%</b>	2.9%	4.0%	<b>5.0%</b>	4.8%	6.1%	<b>7.1%</b>	4.4%	5.6%	<b>7.6%</b>
<b>North and South America</b>	33.3%	60.0%	<b>41.2%</b>	3.6%	8.2%	<b>9.6%</b>	2.4%	0.0%	<b>8.1%</b>	4.6%	7.3%	<b>11.0%</b>
<b>Group Total</b>	28.7%	33.0%	<b>31.7%</b>	6.1%	8.6%	<b>8.8%</b>	5.5%	5.3%	<b>6.7%</b>	13.6%	15.7%	<b>14.5%</b>

#### Female

	Below 30			30-50			Above 50			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	22.3%	24.6%	<b>29.7%</b>	4.2%	5.5%	<b>8.8%</b>	11.4%	5.8%	<b>9.1%</b>	12.9%	11.8%	<b>14.5%</b>
<b>Rest of Asia</b>	39.4%	31.7%	<b>26.1%</b>	10.8%	13.3%	<b>11.3%</b>	6.1%	9.3%	<b>7.9%</b>	21.5%	20.9%	<b>17.3%</b>
<b>Europe, Middle East and Africa</b>	19.6%	14.0%	<b>20.7%</b>	4.7%	7.8%	<b>10.0%</b>	4.9%	4.6%	<b>8.3%</b>	4.9%	8.1%	<b>11.9%</b>
<b>North and South America</b>	100%	0.0%	<b>0.0%</b>	0.0%	4.9%	<b>6.7%</b>	0.0%	11.8%	<b>20.0%</b>	4.4%	6.7%	<b>10.3%</b>
<b>Group Total</b>	26.5%	26.3%	<b>27.7%</b>	5.5%	7.2%	<b>9.3%</b>	6.8%	6.7%	<b>9.1%</b>	13.5%	13.7%	<b>14.9%</b>

**Attrition Rate**



The oldest age category (above 50) had the lowest turnover rate for both genders, averaging at 7.9%. On the other hand, the turnover rate for the youngest age category (Below 30) was the highest, which was in line with the general market and industry trends. Similarly, that trend manifested itself in Asia, as compared with other regions. This was due to bullish economic conditions in 2019, which was further exacerbated by the tight labour market and high labour demand that resulted in frequent job-hopping and hence the high turnover rate for this particular age group.

In North and South America, the turnover rate for male employees below 30 years old dropped significantly from 60% to 41%. The relatively high turnover rate for this group was due to the low single-digit headcount and any turnover would result in a high percentage change.

**Health and Safety**



The Group is fully committed to the safety and well-being of all our employees. We believe that it is a fundamental responsibility of the Group to provide a safe work environment. We are constantly benchmarking ourselves against international best practices and accreditation by internationally recognised standards, such as ISO 45001 in our Longgang facilities (Shenzhen, China), OHSAS 18001 in our various facilities in Hong Kong, China and Germany, as well as OHSAS 18001/SS 506 in Singapore.

Our facilities implemented various containment measures in response to the safety and health challenges posed by COVID-19. Government authorities had visited our facilities in Shenzhen and Huizhou to examine our preventive measures and work resumption plan and they highly recognised our efforts and results. Television and other media in these cities had also reported on ASMPT’s preparedness for COVID-19 in our plants.

The Group has in place safety and health management systems that help to track, manage and report occupational injuries and illnesses. The Group has set up workplace health and safety committees for the Asia-Pacific and European sites. These are high level committees comprising representation from across the employee spectrum, where they were empowered to anticipate, identify and assess potential workplace safety and health situations and events regularly, on top of driving local safety compliance such as emergency plan and response procedures.

As a responsible employer, the Group remains fully committed to minimise workplace risks and continuously improve our workplace safety performance. We endeavour to provide all necessary medical treatment and support to rehabilitate any affected employee, where appropriate. The Group strongly encourages our employees to be proactive in reporting cases of injuries and illnesses. We actively engage them to work with us to achieve the goal of zero injury in all facilities and compliance with the health and safety rules and regulations of the countries in which we operate. We also identify, evaluate and ensure minimum hazardous exposure of our employees to physically demanding tasks such as manual material handling and lifting, prolonged hours of standing and unnecessarily repetitive assembly tasks.

The Group continues to invest heavily in safety. For example, the facilities in our Hong Kong office at Gateway ts adopted the design for safety approach where safety considerations were identified and incorporated right from the start, rather than supplemented during or after the construction phase, as can be seen from the preliminary stage of designing and building our facilities, and continuing throughout the facilities' lifecycle. We adopt high hygiene standards at the workplace through regular cleaning, daily cleaning of public and commonly-used areas, and the provision of clean drinking water and freshly-cooked food at our staff cafeterias in all our key locations.

In addition, our employees receive regular training to maintain a positive workplace safety mindset. The Group invests heavily on grooming local employees to take on internal safety auditing roles and the roles of lead safety auditors so as to maintain our high standards of workplace safety and health and ensure regulatory compliance. Regular training is also given to our employees to stay abreast of best practices and regulatory guidelines and directives. For example, topics on fundamental hazard identification and occupational health and safety are included in our new hire orientation programmes to impress upon our employees the importance of health and safety at work.

The Group expects the same rigorous safety standards from our independent service contractors, for instance, by requiring mandatory safety compliance and training when they are working for the Group.

### Lost Days Due To Work Injury

In 2019, there was no work-related fatality recorded. There was a total of 51 work injury cases reported among our global operations in over 30 countries. Of the 51 cases, 44 cases occurred in the workplace while the remaining 7 occurred outside the workplace. For 2019, there were 1,291 lost days, as compared with 1,340 lost days in 2018, led by a significant drop in the male employee category from 1,264 lost days to 1,056 lost days. The total lost days for both genders worked out to a lost day rate of 0.032% against the total work days for the Group. This was similar to the rate recorded in 2018.

	No. of Lost Days								
	Male			Female			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	776	532	<b>636</b>	148	38	<b>138</b>	924	570	<b>774</b>
<b>Rest of Asia</b>	75	310	<b>135</b>	45	20	<b>86</b>	120	330	<b>221</b>
<b>Europe, Middle East and Africa</b>	109	412	<b>284</b>	34	18	<b>8</b>	143	430	<b>292</b>
<b>North and South America</b>	0	10	<b>1</b>	0	0	<b>3</b>	0	10	<b>4</b>
<b>Total</b>	960	1,264	<b>1,056</b>	227	76	<b>235</b>	1,187	1,340	<b>1,291</b>

In the EU, accidents that happened while travelling to and from work have been classified as "lost days due to work injury" even though it occurred outside the workplace. Such commuting-related incidents contributed almost 50% of total lost days during the Reporting Period and must be reported under European regulations.

Although there was almost a threefold increase in lost days for female employees from 76 days to 235 days, it was attributed to 2 cases of work injury and accounted for almost 80% of all the lost days in that category. Both employees had since recovered well and reintegrated into the workforce.

## Development and Training

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

In 2019, the average training hours completed per employee were 16.6 hours, an improvement from 15.2 hours in 2018, representing a 9.2% increase. From the total training hour perspective, it was 251,876 hours in 2019 as against 243,055 hours in 2018, representing an increase of 8,821 hours or 3.6% in percentage terms.

### Percentage of Employees trained

	Management			Engineer			Office Staff			Production Staff			Overall		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	62%	55%	<b>62%</b>	57%	59%	<b>63%</b>	91%	87%	<b>92%</b>	79%	95%	<b>97%</b>	76%	83%	<b>85%</b>
<b>Rest of Asia</b>	69%	68%	<b>60%</b>	69%	66%	<b>64%</b>	74%	64%	<b>67%</b>	78%	77%	<b>59%</b>	74%	71%	<b>62%</b>
<b>Europe, Middle East and Africa</b>	90%	82%	<b>76%</b>	87%	72%	<b>73%</b>	83%	71%	<b>77%</b>	86%	63%	<b>56%</b>	86%	71%	<b>71%</b>
<b>North and South America</b>	98%	13%	<b>38%</b>	84%	40%	<b>65%</b>	89%	7%	<b>31%</b>	100%	34%	<b>58%</b>	92%	25%	<b>52%</b>
<b>Total</b>	70%	61%	<b>62%</b>	65%	62%	<b>66%</b>	89%	81%	<b>85%</b>	79%	90%	<b>85%</b>	77%	79%	<b>77%</b>

### Percentage of Employees trained (by Gender)

	Male			Female			Overall		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	73%	81%	<b>83%</b>	87%	89%	<b>93%</b>	76%	83%	<b>85%</b>
<b>Rest of Asia</b>	71%	69%	<b>56%</b>	82%	76%	<b>74%</b>	74%	71%	<b>62%</b>
<b>Europe, Middle East and Africa</b>	87%	73%	<b>71%</b>	81%	62%	<b>68%</b>	86%	71%	<b>71%</b>
<b>North and South America</b>	93%	29%	<b>55%</b>	90%	6%	<b>32%</b>	92%	25%	<b>52%</b>
<b>Total</b>	74%	77%	<b>75%</b>	86%	83%	<b>85%</b>	77%	79%	<b>77%</b>



**Average training hours completed per employee**

	Management			Engineer			Office Staff			Production Staff		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	5	9	<b>11</b>	11	11	<b>12</b>	15	13	<b>15</b>	15	18	<b>21</b>
<b>Rest of Asia</b>	13	19	<b>8</b>	21	20	<b>16</b>	11	14	<b>10</b>	5	7	<b>6</b>
<b>Europe Africa</b>	17	14	<b>18</b>	16	20	<b>21</b>	13	14	<b>26</b>	8	5	<b>6</b>
<b>North and South America</b>	5	2	<b>8</b>	24	27	<b>29</b>	4	2	<b>8</b>	8	4	<b>4</b>

**Average training hours completed per employee (by Gender)**

	Male			Female		
	2017	2018	2019	2017	2018	2019
<b>Greater China</b>	13	14	<b>17</b>	15	16	<b>16</b>
<b>Rest of Asia</b>	10	13	<b>11</b>	13	14	<b>9</b>
<b>Europe Africa</b>	14	16	<b>18</b>	12	10	<b>20</b>
<b>North and South America</b>	14	12	<b>17</b>	4	2	<b>2</b>

In 2019, the HR team of the Semiconductor Solutions Segment (“SEMI”, formerly known as Back-end Equipment Segment) set up its own Program Management Office (“PMO”), with key HR leaders from various entities spearheading and internalising our HR digital transformation efforts. The PMO serves as the collective voice for the SEMI’s HR team to design and drive the HR technology roadmap, manage and coordinate HR technology portfolio, develop and sustain data architecture, and to drive changes for the adoption of technology across HR and the Group.

The Group believes in grooming local talents from the locations in which we operate. As such, we collaborate closely with local universities and technical institutes through internship programmes, scholarship opportunities, competitions and visits. For example, in 2019, 551 students had benefited from our scheme and programmes. For the second year running, we partnered with Nanyang Technological University Career and Attachment Office in organising the Insider Series, which runs exclusive co-facilitated workshops by our Singapore office facilitators to enable university students to gain insights on the industry and spur meaningful discussions and exchange of innovative ideas. In 2015, we established our ASM Technology Award with the objective of recognising and rewarding students with outstanding Final Year Projects that demonstrated excellence in technology and innovation. The 2019 awardees together with their supervising professors joined our Technology Tour to Singapore and explored in greater depth the advanced technologies and business development of the Group. They also visited other high-technology companies during the tour.

Our People are our greatest assets. In 2019, the Group continued to focus intensely on People as the Key Business Differentiator. To facilitate this, a Talent Council comprising Executives and Leaders representing the various business segments of the Group was formed. The Talent Council’s charter is to spearhead the People strategy for the Group and ensure that we are equipped for the next phase of growth. Another key highlight was the focus on developing our leaders. In November 2019, we held our third annual Executive Learning Forum. As part of our sustained efforts to develop future leaders, we have drawn up a leadership capability development roadmap, which included partnering with universities and learning institution/providers to deliver modalities of learning from coaching, workshop and online learning platforms — the Advanced Manager Program in China and Singapore for selected Directors and Senior Managers is one such example.

**Labour Practices**

ASMPT does not permit the employment of forced/coerced labour or of any person who is under the minimum age requirement as stipulated by local laws and regulations. Our commitment to human rights is well-supported by our ASMPT Code of Business Conduct and ASMPT Supplier Code of Conduct, which set the tone in relation to the Group’s stance against discrimination on the basis of race, colour, age, gender, ethnicity, religion, pregnancy, nationality, marital status, disability, gender identity and expression, sexual orientation and/or other aspects. The Code of Business Conduct is applicable to all employees of ASMPT. In 2019, there was no reported incidence of discrimination, child or forced labour.

The Group adheres to laws and regulations and special precaution is taken to ensure that relevant and appropriate checks on individual identity and employment eligibility are carried out before any employment is offered. Such checks may include examination of documentations such as passports, permits, working visas and personal identification documents issued by the relevant authorities.

ASMPT is committed to ensuring a friendly and caring working environment in our facilities. Every effort is made to not just meet but exceed established standards with regards to working conditions in the workplace. As a result, both our China plants in Shenzhen, namely, Shenzhen ASM Micro Electronic Technology Company Limited and ASM Materials China Limited have been awarded the “2018 - 2019 Harmonious Labour Relationship Promotion” by the China Association of Enterprises with Foreign Investment.

Our Singapore plant constantly maintains good relationships with organisations such as Singapore National Employers Federation for industry engagement and partners with Singapore Semiconductor Industry Association for sharing of best practices. We also subscribe to and benchmark against the Tripartite Standards to reinforce our adoption of Fair and Progressive Employment Practices on labour practices.

Our business partners work closely with us to conform to our human rights and labour practices and standards, including the prohibition of child labour in accordance with our Supplier Code of Conduct. At ASMPT, we underpin our expectations by conducting assessments and checks.



## Supply Chain Management

Our collaboration with our suppliers and external manufacturing Vendors and Partners (“EM Vendors”) play an important role in the achievement of our strategic goals. It challenges us to excel in dynamic semiconductor market conditions with short and sharp cycles of ups and downs. Prompt delivery of goods and services, technological services and advancement ensure smooth operations in fulfilling our customers’ orders.

Our robust procurement process encourages fair competition and applies a high level of objectivity and impartiality in supplier selection. Suppliers and EM Vendors are evaluated on five criteria of Quality, Costing, Delivery, Service and Technology. Performance requirements are communicated to suppliers and EM Vendors during quarterly reviews. These suppliers and EM Vendors can view their performances and our feedback on our “ASMPT Procurement — Suppliers” portal.



**Delivery**



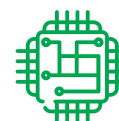
**Costing**



**Quality**



**Service**



**Technology**

The ASMPT Procurement — Suppliers (“APS”) portal is developed in-house and it is where we collaborate most closely with our suppliers and EM Vendors to promote agility in our supply chain. Via this APS portal, ASMPT shares our market predictions, upside and downside, with our suppliers and EM Vendors throughout the annual business cycles, and, in return, we expect them to prepare their supplies well in tandem with us to achieve short delivery time and sustain optimal inventory keeping for an efficient supply chain.

ASMPT selects and categorises our suppliers and EM Vendors into Certified Strategic Suppliers (“CSS”), Certified Preferred Suppliers (“CPS”), and Approved Firefighter Suppliers (“AFS”). CSS are suppliers who supply critical items and perform well on Technological Capabilities, Vendor Managed Inventory (“VMI”), On Time Delivery (“OTD”) and other support such as fast responses to ensure priority for capacity and supply, including sudden demand delivery that requires exceptional actions for compressed deliveries.

CPS are suppliers with lead-time between one to three months who from historical performance can respond well to fulfil our market demands with good VMI, OTD and Quality performances.

AFS are qualified on the basis of proven resourcefulness to source and deliver certain items with short lead-time, although typically at a premium. AFS serves the Group well, especially during market ramp up beyond 35% capacity that often poses challenges to regular supplies.

ASMPT has over 2,000 suppliers and EM Vendors in countries including China, Singapore, Malaysia and Europe. We are constantly reviewing our supply chain management processes to bring about sustainable results to our customers and stakeholders.

We continuously strive to build close and long-lasting business relationships with our suppliers and EM Vendors globally based on common ground and shared values, and upon which we build abiding trust and support for secured supplies and growing the business together. We expect all our vendors to adhere to the same high standards for ethics, labour rights, health and safety, and the environment as set out in ISO 14000 and the ASMPT Supplier Code of Conduct in areas such as supplier relationship, child labour, forced/coerced labour, human rights, environment, health and safety, bribery, corruption and fair competition.

Our ASMPT Supplier Code of Conduct, which clearly states our culture and belief, core values and business practices, aligns with the Responsible Business Alliance Code of Conduct and is updated regularly to ensure its relevance. ASMPT Supplier Code of Conduct is made available on the Group’s website.

**Product Responsibility**

ASMPT's three business segments SEMI, Materials and SMT Solutions, hold leading market positions. As a market leader, our customers count on us to ensure the safety of our products. We are committed to taking active steps to improve the environmental friendliness, production efficiency and cost effectiveness of our products. Our goal is to avoid or minimise potential harm to the environment wherever possible and to go beyond what is legally required.



A demonstration of this commitment commences during our product design stage where the product development teams have to ensure that the products adhere to our Design for Excellence (“DFE”) programme that was introduced in 2005. The DFE programme is an in-house programme to focus on the quality of our products based on various design aspects.

We improve our products across the entire lifecycle in all aspects over which we have influence to ensure product-related environmental protection. As an example, for our SMT equipment, the performance of our products has to increase steadily without compromising our aim to reduce energy consumption per component, which makes a significant contribution to energy efficiency.

Our SIPLACE pick-and-place machines can be dis-assembled quickly and efficiently, with their parts easily separated into recyclable and non-recyclable as well as disposable components.

Intellectual property is an important asset. We protect our intellectual property, trade secrets, know-how and goodwill. We apply for registration of our trade and brand names, as well as technologies and process improvements that relate to new developments. Employees are encouraged to submit information disclosure statements in respect of new inventions and inventors are given due recognition for their innovations.

Where intellectual property is deemed to be worthy of protection by its registration in various territories, such applications are filed and maintained by an experienced in-house intellectual property team, with the assistance of external expertise when appropriate. In the event of infringement of the Company's intellectual property rights, the Company may take legal action to prohibit further breach and obtain compensation in respect of such infringement.

To maintain the confidentiality of proprietary information belonging to the Group and our partners, and to prevent unauthorised access, we have in place security measures, confidentiality and non-disclosure agreements. Agreements relating to collaborations with third parties are reviewed by the Company's legal team to outline in advance the ownership of and rights to intellectual property before the commencement of collaborative work.

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

- Comprehensive systematic plan to develop, launch innovative and the right products that surpass customers' expectations and technologies
- Best-in-class manufacturing process flow to produce and deliver quality products on time and at optimum cost
- Provision of efficient and effective pre- and post-sales services to achieve total customer satisfaction
- Effective feedback system to respond quickly to customers' requests
- Full dedication and support from all ASMPT employees in achieving our objective of continually improving the quality of our systems and services



**Package  
Interconnection**



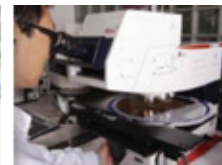
**Optics precision  
engineering**



**Vibration  
control**



**Laser dicing &  
grooving**



**SMT**



Our customers' safety is our top priority. All our equipment has to go through stringent tests and certifications by both the Quality and Reliability Departments. We build trust with our customers by having a holistic upgrading programme that will provide customers with immediate support should any issue arise with our products.

When any potential safety hazard is identified or customer's feedback on safety issues is received, the Field Service team will conduct a detailed study. In 2019, there were a few cases of potential safety hazard that were quickly resolved by our Field Service Engineers through product upgrade. As far as we are aware, our Field Service Engineers have been able to handle almost all of equipment-related issues.

We are also aware of the importance in handling personal information of our stakeholders and take great precaution in ensuring their confidentiality to avoid the misuse of these data. We have policies with appropriate security measures to manage our stakeholders' data.

In 2019, the Group was not aware of any incident of non-compliance with the relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters in respect of the use of the Group's products and services that would have a significant impact on the Group.

## Anti-Corruption

ASMPT has a strong commitment to ethics and integrity and we believe that doing the right thing each and every day is critical to our ongoing success. Observing the laws and respecting the legal system in every country where we do business is fundamental to ASMPT. We do not condone any form of illicit and unlawful activities. ASMPT has zero tolerance for bribery and corruption.

ASMPT Code of Business Conduct sets forth the standards by which we conduct our operations. Our Code of Business Conduct aligns the compliance guidance with local and other applicable international laws in all countries where we do business, including the following leading enforcement codes and guidance:

- Foreign Corrupt Practices Act USA
- Bribery Act UK
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Modern Slavery Act 2015 UK
- Responsible Business Alliance, which is the world's largest industry coalition dedicated to electronics supply chain responsibility

This Code of Business Conduct is reviewed periodically and updated when and where appropriate. It is made known to all employees through the Group's intranet portal, notice boards, new hire orientation programme, internet webpage and regular compliance communications. It is common knowledge among our employees that the Group is prohibited from offering or accepting bribes or using other means to obtain undue or improper advantage and they have an obligation to report any actual, attempted or apparent violations promptly without fear of retaliation.

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

The Whistleblower Programme and any report made thereunder are channelled through and monitored by the Compliance Officer who is independent and has a direct reporting line to the Audit Committee. The Audit Committee has oversight and management of ASMPT ethics and compliance programme and it receives quarterly updates of Whistleblower reporting from the Compliance Officer.

Related briefings and trainings on anti-corruption measures and practices are conducted regularly for our employees. Such briefings and trainings are also communicated to our vendors to make them fully aware of our anti-corruption policy.

Our Audit Committee provides Board-level oversight of the adequacy and effectiveness of our fraud risk management framework, policy and process and conducts reviews of significant investigations into incidents of alleged fraud and corruption and whistleblower complaints.

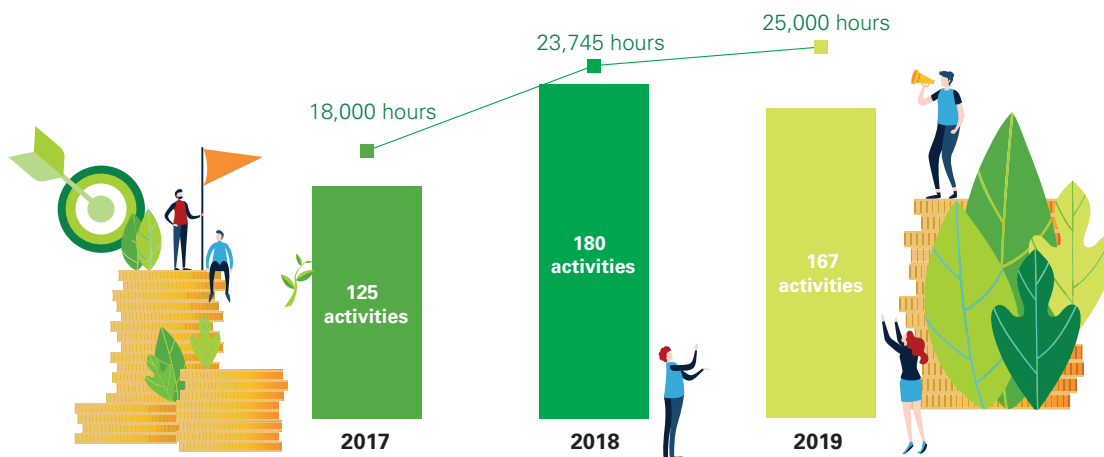
In 2019, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

## Community Investment

We encourage and advocate active contribution and participation within the communities that we operate in, particularly in three main areas: ensuring the well-being of our communities, empowering their youths through education, and encouraging eco-friendly initiatives.

The Group consciously supports various charities and non-profit organisations through monetary donations and staff volunteerism. In 2019, the Group participated in, sponsored and/or donated to 167 activities, contributing to approximately 25,000 hours of volunteer service to the communities, as compared with 180 activities and 23,745 hours in 2018. The slight reduction in the number of activities did not affect the total staff volunteer service hours. On the contrary, the total staff volunteer service hours increased to 25,000 hours in 2019, as compared with 23,745 hours in 2018. The Group had intensified its efforts on supporting existing volunteer projects and registered an increase of 1,255 hours from 2018. Although some activities were affected by social unrests in Hong Kong, other locations made up for the shortfall by contributing a higher number of volunteer service hours.

## Community Investment



In 2019, 350,000 hours were recorded for student internship programmes with over 70 local universities and technical institutes globally, providing opportunities to try out real work tasks on leading-edge technologies and benefitting 551 students in 2019. This was a significant increase as compared with 200,000 hours in 2018. The increase is mainly attributed to a sharp increase in internship programmes in China and in Europe, the Middle East, and Africa (EMEA).

The Group has continued its efforts through the years in building partnerships with local Non-Government Organisations to create shared values for the communities in which we operate.





Our HK operations have been awarded the “Caring Company” Logo by the Hong Kong Council of Social Service in recognition of our commitment in caring for the community, employees and environment in Hong Kong since 2012. The Promoting Happiness Index Foundation and the Hong Kong Productivity Council have bestowed on us the “Happiness-at-Work Label” by in recognition of our efforts in enhancing “Happiness-at-Work” through implementing activities in four areas, namely, “Corporate Love”, “Corporate Insight”, “Corporate Fortitude” and “Corporate Engagement” since 2017. In addition, we were awarded the “Merit Award — Enterprise Category” by Hong Kong Productivity Council in the 10th Hong Kong Corporate Citizenship Award Scheme in recognition of our excellence in fulfilling social responsibilities and integrating citizenship concept into our business model and operation. The Group has also received the “Certificate of Appreciation (Breastfeeding Friendly Workplace)” from UNICEF in recognition of our commitment to adopting family-friendly employment policies and providing a breastfeeding-friendly workplace to our employees.

In 2019, employees from our Hong Kong office actively participated in sport activities such as Muse Fearless Dragon Charity 10K Run and Olympic Day 3km Family Fun Run to support the disabled and handicapped. These activities allowed our employees to be with their families and provided opportunities for family reunions while contributing back to society. Many locations within the Group have since 1991 also organised blood donation drives together with their local Red Cross Society.

In Singapore, we pioneered our first Overseas Community Involvement Program with student leaders and employee volunteers in 2019. In collaboration with the School of Electrical and Electronic Engineering at Nanyang Technological University, we empowered our employees to drive positive changes through facilitating and engaging beneficiaries in STEM (Science, Technology, Engineering and Mathematics) learning and at the same time refurbishing existing facilities in rural villages in Vietnam, thereby strengthening the beneficiaries’ developmental health and well-being. These efforts have enriched the experiences of our employees and helped them grow and hone their leadership skills while creating a positive impact on the community. Our Hanoi office also donated necessities to the local rural villages.

In Malaysia, our employees are encouraged to achieve a work-life balance through an active lifestyle. They had organised a 21 kilometre half marathon in the hilly terrains of Gunung Pulai in 2019. The event has helped to strengthen our employees’ perseverance and single focus on achieving their team objectives.

In China, we continue to support the community by sponsoring local sports events in football, badminton, basketball, marathon and many other activities. We provided scholarships amounting to US\$32,000 in 2019 to qualified university students to support them in furthering their education. Our employees also visited several rural village schools in Heyuan. Besides from spending time teaching and caring for the children, our employees also donated necessities, scholarships and used books to the children in China. In recognition of our community service, our China plants in Shenzhen and Huizhou have also been recognised as a “Devoted Charitable Enterprise” and awarded a “Superb Charitable Organisation Certificate” by renowned local societies respectively.





In UK, our employees supported environmental initiatives by the removal of single-use plastics and the recycling of coffee grounds. In 2019, 15 UK employees participated in the “Tough Mudder” challenge. This was a gruelling obstacle challenge with all money raised being presented to the “Help for Heroes” Charity — a foundation specifically set up to support ex-forces service personnel whose injuries, illnesses and wounds have been sustained while serving in the British forces. Our UK employees have raised over US\$1,500 to the charity.

In Europe, 130 employees in our Germany office supported an annual Christmas activity in 2019 by donating Christmas gifts to children who are being cared for in local family support centres, which primarily provided invaluable support and care for immigrant families in the Munich region.

In America, 110 employees in our America office participated in donation activities for vulnerable groups in 2019. Donated items included food, winter clothing, toys and personal care items. The aim of these activities was to help alleviate hunger and poverty for those in need.

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