

4 Environmental Concerns

SUSS MicroTec is committed to its responsibility toward the environment, including climate protection. Our responsibility ranges from development to purchasing components to manufacturing our machines and the subsequent deployment at our customers to reconditioning our used machines.

4.1 Environmental management

The ISO 14001:2015 certification serves as the framework for our environmental management system. At SUSS MicroTec, we are continuously working on the implementation and further development of our environmental management. A shared certification of the quality and environmental management systems of the German production companies SUSS MicroTec Lithography GmbH and SUSS MicroTec Photomask Equipment GmbH + Co. KG was completed successfully in February 2020 and confirmed with a repeat audit in February 2021.

4.2 Environmental protection and increasing energy efficiency

A significant success factor is the development of innovative, high-quality machines, which aims to reduce consumption, among other things. This, for example, concerns special highly developed photo resists that are applied to surfaces. By reducing the consumption of these coatings and other chemicals in our coaters and development machinery, we will be able to protect the environment and reduce our customers' production costs. The highly sensitive photo resists that are used for our machines usually contain photochemical compounds that are sensitive to the environment and entail high costs and energy consumption for manufacturing and disposal. In the further development of our coaters, we constantly strive to optimize the applied processes regarding the quantity of coating that is used.

On March 31, 2020, we acquired PiXDRO, the inkjet printer division of Meyer Burger (Netherlands) B. V. and expanded our lithography product portfolio. PiXDRO produces and distributes semi and fully automated devices for inkjet printing-based coating processes. Unlike other coating methods, with this innovative and particularly environmentally friendly process nearly 100 percent of the material used is applied to the wafer at a very high throughput rate, thereby leading to a considerable reduction of waste or even avoiding generating it altogether.

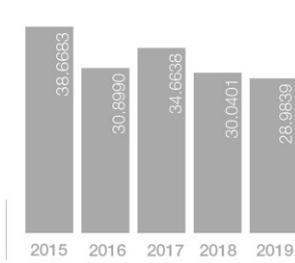
For our customers, this enables significant savings on the materials used and lower cleaning and disposal costs, and related significant cost savings, while also reducing the environmental impact.

Additional components for sustainability in our production are the long lifetime of our products as well as repurchasing and proper reconditioning of used machines. Our employees take great care constructing our high-quality machines so that they are designed for a long service life. With our subsidiary SUSS MicroTec ReMan, we offer our customers the opportunity to obtain used machines that we have carefully overhauled at a favorable price, also with an eye toward their greater resource efficiency. This way, we ease pressure on the procurement budgets of our customers, extend the life expectancies of used machines, and conserve valuable resources.

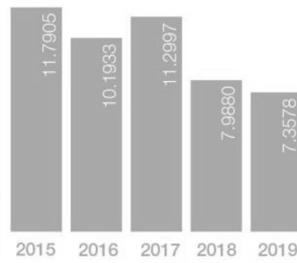
4.3 Objectives in the environmental area

We are not only interested in increasing the energy efficiency of our products or finished products manufactured with them. Rather, every SUSS MicroTec employee bears responsibility to protect our natural resources and to treat them with care, for example in the consumption of electricity or other consumables, in day-to-day work. Just like production, building management is also encouraged to work in a non-destructive manner and to reduce energy consumption, for example, electricity, gas, heating oil or compressed air. Also in 2020, the ECON monitoring system kept tabs on consumption and was the basis for a possible improvement of the site's energy management.

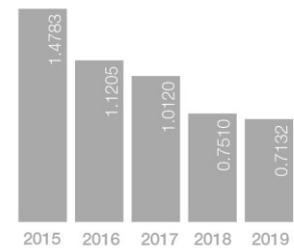
Development of the consumption of electricity, gas, and heating oil at the Garching, Sternenfels, and Hauterive production locations:



power consumption Garching, Sternenfels, Hauterive in kWh in relation to total sales in € thousands



gas consumption Garching in m³ in relation to total sales in € thousands



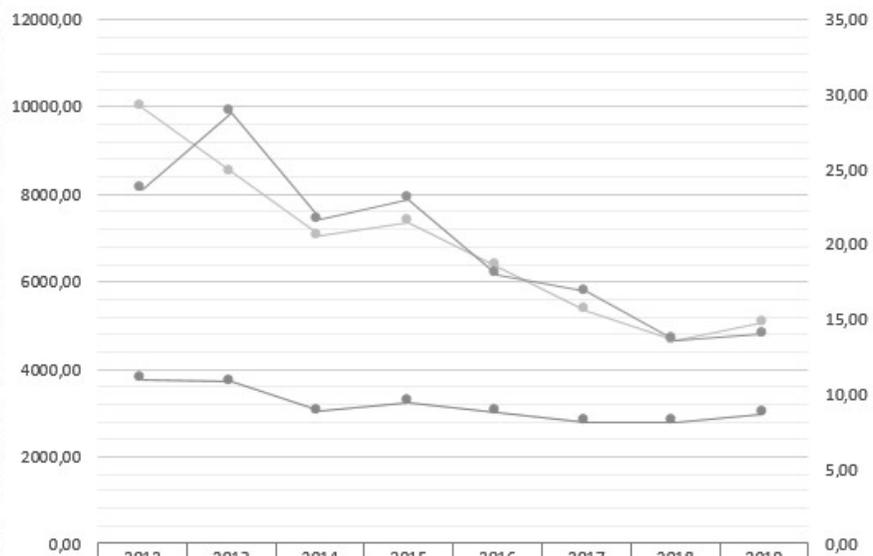
oil consumption Sternenfels and Hauterive in litre in relation to total sales in € thousands

For the period from 2012 to 2020, the Company strove to reduce energy usage at the Garching and Sternenfels sites by 16 to 18 percent. This goal is defined relative to changes in sales (environmental efficiency of economic output) and the number of employees (environmental efficiency of employment).

The achievement of targets will be monitored annually within the framework of a carbon footprint. For the period from 2012 to 2019, the reduction in CO₂ equivalent with a simultaneous increase in sales and the absolute number of employees was approximately 18 percent, thereby already met the targets for the period until 2020. In the 2019 fiscal year, we nevertheless recorded an increase in consumption values compared to the previous year. A reason for this was the commissioning of a new and much more heavily used application cleanroom at the Sternenfels site, which correspondingly led to an increase in energy needs. The carbon footprint for 2020 can first be calculated after obtaining the consumption data for 2020.

CO₂-Accounting Relation to sales and employees

2017		Verlauf
Total	2801,5 tCO ₂ e	
per sales	16,8 gCO ₂ e/€	
per employee	5,35 tCO ₂ e/staff	
Total %	-25,64%	
per sales %	-28,90%	
per employee %	-46,50%	
2018		Verlauf
Total	2778,4 tCO ₂ e	
per sales	13,6 gCO ₂ e/€	
per employee	4,65 tCO ₂ e/staff	
Total %	-26,25%	
per sales %	-42,42%	
per employee %	-53,51%	
2019		Verlauf
Total	2992,3 tCO ₂ e	
per sales	14,0 gCO ₂ e/€	
per employee	5,07 tCO ₂ e/staff	
Total %	-20,57%	
per sales %	-40,86%	
per employee %	-49,25%	



4.4 Measures

SUSS MicroTec has implemented various measures to improve its energy balance in order to achieve the climate and energy efficiency objectives in addition to developing energy-efficient processes and machines over the years. However, the planned measures for 2020 were shelved due to the uncertainties regarding the preservation of liquidity due to COVID-19. The deferred investments will be carried out in the next two years.

Some of the most important investments of previous years included the optimization of the pump systems for heating and air conditioning, replacing refrigeration machines with heat recovery and open-air cooling as well as energy-efficient illumination systems. A few years ago already, the Company put into operation a cogeneration unit at the Garching site to produce both electricity and heat. This facility employs useful heat, which is a by-product of generating electricity with gas, to heat production areas and to cool cleanrooms in the summer. At the Sternenfels site, we switched to energy-efficient LED lighting systems and more energy-efficient vacuum and compressed air technology, among other things. We carried out efficiency-enhancing insulation measures as part of a roof renovation.

SUSS MicroTec also made a contribution to climate protection with a comprehensive renovation involving cooling technology at the Sternenfels site in 2018 and 2019. Two individual chillers were replaced by a central chiller using the climate-friendly refrigerant propane. The cooling network featuring demand-dependent control and pump technology ensures a high degree of energy efficiency.

The risk of an accident with possible negative effects on the environment is held to a minimum through high quality standards as early as during machine design, the careful and responsible manufacture and installation of the machines, and through the targeted training of operators.

4.5 Material risks in the environmental area

In addition to diverse opportunities, the materiality analysis has identified no Company-threatening risks in the environmental area. However, missing our environmental targets for the reduction of energy usage would pose the fundamental risk of rising energy costs for the Company.

Customer satisfaction is a key component of our business success and, of course, our corporate strategy. A noteworthy risk would exist for our business development if we would not succeed in satisfying customer wishes on a long-term basis, for example with regard to quality, energy efficiency, and media consumption.

5 Employee-Related Concerns

The employees at SUSS MicroTec are key to our business success and make a significant contribution to the value of our Company. To us as a Company it is therefore very important that our employees are healthy and dedicated. Correspondingly, we perform our HR work and HR development actively at all hierarchical levels and strive to improve continuously.

At the same time, the COVID-19 pandemic has presented us with further challenges. Aspects such as keeping our employees healthy, implementing special hygiene and distancing measures, and creating new workplaces and work time models suddenly shifted the focus of our work. We successfully overcame these challenges, managed to maintain production with an adjusted shift model, and prevented damage to our employees through the implemented hygiene measures, which also allowed us to keep the associated stress and incidence rate among them at a very low level. You can find further aspects of our COVID-19 management under Note 5.2 "HR responsibility in the age of COVID-19."

We have employees around the globe in development, production, administration, sales, and service, which constitute an important network for the exchange of knowledge across locations as well as intercultural collaboration. We encourage using flat hierarchies for making decisions. All of our employees, regardless of their age, education, gender or origin, always have an opportunity to get involved and to develop according to their abilities and inclinations.