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# A LETTER FROM CHUCK DEL PRADO

# CHARLES D. (CHUCK) DEL PRADO

Chairman of the Management Board, President and Chief Executive Officer





Our company is a leading provider of deposition equipment and process solutions, primarily for the deposition of thin films in the semiconductor industry. We are a leader in atomic layer deposition (ALD) technologies. ALD has become a critical technology for the manufacture of virtually all leading-edge semiconductor devices. We believe that growth prospects for the single wafer/minibatch ALD market remain strong. We aim to realize profitable, sustainable growth by leveraging our ALD and other key technologies, to create long-term value for our customers, shareholders and our society.

Our technology solutions help semiconductor manufacturers create the advanced logic and memory computer chips that make advances in computing, medicine, transportation, communications and education possible, giving people greater choices for how they live their lives.

We aspire to be a leader in responsible, sustainable business practices.

And as our ambitions and the expectations of our customers, business partners and other stakeholders increase, we are continuing to strengthen the way we manage our social and environmental performance and non-financial opportunities and risk.

# IN 2015, FOR EXAMPLE, WE:

- continued our partnership with universities as part of our focus on innovation;
- > invested €93.0 million in research and development;
- have driven expanded accountability into our supply chain with our Supplier Code of Conduct and Supplier assessment process;
- made performance against the Electronics Industry Citizenship Coalition (EICC) Code of Conduct a corporate objective;
- reduced our injury rate for a fifth straight year in a row;
- further strengthened safety leadership principles and behaviors across the company.

But our commitment to responsible business does not stop there. We will maintain our strong focus on R&D to Drive Innovation™, creating value for our company, our stockholders and society, by delivering superior performance, while reducing energy consumption and delivering smart technologies to help improve the quality of life of people everywhere. We also have a ZERO HARM! philosophy in our company. This targets responsibly managing our energy and water consumption, our product footprint and our enabling technologies. We also hold our suppliers to high standards.

This report provides details on our key initiatives and ambitions for corporate responsibility, including further reductions in water consumption and greenhouse gas emissions, and improving our stakeholder engagement. We will continue to focus on improving our performance and governance.

Please read through this report to get an insight into our corporate responsibility strategies, goals, progress and aspirations.



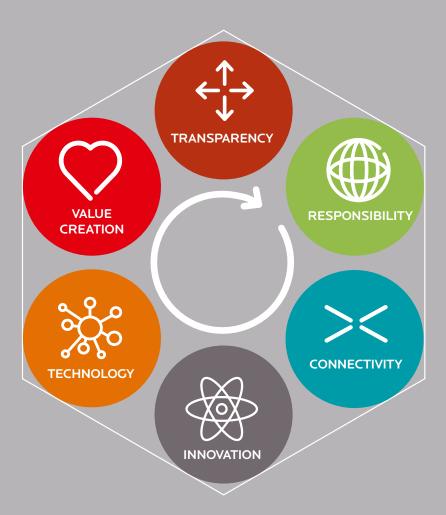
Regards,

Charles D. (Chuck) del Prado,
President & Chief Executive Officer



# **OUR VALUE CREATION STORY**

We are passionate about making scientific breakthroughs but we don't believe in innovation simply for the sake of innovation. We believe new discoveries are only truly valuable if they make a difference to people's lives and society as a whole.



# WE'RE CREATING VALUE FOR EVERYONE

We provide leading-edge technologies that enable electronic devices to deliver superior performance while reducing their energy consumption. Adding more processing power to smaller and smaller devices means our customers can expand the use of smart technology into products that help improve the quality of life of people everywhere.

Corporate responsibility is an integral part of our strategy. What it means in practice is that we are committed to creating added value for all our stakeholders while meeting our responsibilities towards the environment and society. We set high goals for ourselves.

We want to be a leader in corporate responsibility, not only in our industry, but across all industries.

In our journey towards integrated reporting, our value creation story plays an essential role. We want to connect the dots between our vision, strategy and long-term value creation in the context of our external environment. In this year's report, we've highlighted six key themes showing how we believe what we do helps create a better future for everyone.

For more information on these themes, and our corporate strategy, we've included references in this report to relevant sections in our **Statutory annual report** and our **corporate website**.







# WE'RE BUILDING RELATIONSHIPS BASED ON TRUST

We are in constant touch with our stakeholders so we can understand their needs more fully and precisely. By remaining transparent when we communicate, we encourage open, honest dialogue, which creates greater respect, stronger connections and better collaboration. Above all, it builds relationships based on trust.

But it's not just about what our stakeholders say, it's also about what we do. Actions speak louder than words. We take pride in seeing our commitments through – whether that's

a promise to an internal colleague, an external customer or another key stakeholder.

We believe strongly in the fact that this enables us to create mutually beneficial relationships with our stakeholders. These close relationships are the basis for developing groundbreaking innovations and technologies that enable people across the world to explore their own potential.

Read more about our stakeholder engagement on page 17.







# IMPROVING THE QUALITY OF LIFE

We believe that we have a responsibility to develop technologies that create a future where people can benefit from innovations, giving them greater choices in their own lives and maybe even saving the lives of others.

Making changes for the better means striving to be a leader in responsible, sustainable business. And to achieve that means demanding the highest ethical standards not just across our business, but across those of our suppliers too.

We strive for causing ZERO HARM! to people and the planet from our operations, while meeting and surpassing all applicable regulations. That's an ambitious goal but it's the right goal, and we are an ambitious company.

We want to be a positive force for good in the world.







# WE'RE CONNECTING PEOPLE

Today, people want the choice to be fully connected at all times wherever they are.

To meet this need, our customers rely upon new technologies, like ours, to create faster and more economical devices.

Our technologies are being used everywhere to enable innovations in areas as diverse as health, safety and energy. And as smart devices start to connect seamlessly with the world and each other, they are generating vast amounts of new data. This data becomes information which provides insights and opportunities to help connect people in a positive way.

So while we are passionate about creating advanced technologies, we never lose sight of what our innovations are ultimately for – to help make things better for people, families and society.







# WE'RE CO-CREATING THE FUTURE

The greatest contribution we can make to society is to keep innovating. Through innovation, we can help create smaller and more powerful devices that have the potential to transform what is currently possible in areas as diverse as health, safety and energy.

But we can't achieve these innovations alone – it takes a team.

From one end of our value chain to the other, we co-create with universities, industry groups, and most importantly with our customers. We jointly develop technology roadmaps, helping us to bring new technologies and processes to market faster.

These partnerships help to form teams made up of some of the smartest professionals working in the semiconductor sector today. Together, we are stronger. Together, we can achieve more than we ever thought possible.

Read more about our investment and partnership for innovation on page 37.







# WE'RE HELPING TO SOLVE BIG CHALLENGES (IN A SMALL WAY)

Smarter devices mean more processing power. More processing power means smaller transistors. Smaller transistors mean new materials and three-dimensional structures which require our advanced technology to create the building blocks of the future.

As we are driving innovations at the atomic scale, we are helping to solve some of the biggest challenges facing the world, like the global energy puzzle.

We need advanced technology if we are going to make the transition from carbon-based energy sources to more sustainable solutions. Our precision layering technologies underlie advanced applications like solar power, energy storage and the smart grids that will power tomorrow.

We believe we have a responsibility not only to help people make the most of their potential, but also help them through enabling and environmentally-friendly technology.

Read more about our markets and products in our Statutory annual report.







# WE'RE INVESTING IN PEOPLE

To create the scientific breakthroughs of the future, we need the best talent in the world. But you cannot manufacture talent. You need to find, attract and engage them first. Our goal is to cultivate and nurture the next wave of technical experts and management of ASMI.

One of the ways we develop talent is through our New College Graduate (NCG) program. The NCG program provides a way for talented individuals to make a successful transition between academic life and the commercial

world. It is designed to make it easier for high achievers to get the resources, freedom and support they need to become more productive faster and to realize their full potential.

Programs like this are crucial in building the knowledge and skills our people need, giving them the best possible start in their working lives while setting the foundation for their future careers. By investing in people, we are investing in our future success.

Read more about how we invest in our people in our Statutory annual report.



# **ASMI AT A GLANCE**

# **KEY FIGURES**

	2012	2013	2014	2015
NET SALES* IN EUR MILLION	370	452	546	670
OPERATING RESULT* IN EUR MILLION	12	45	93	111
INITIAL PATENTS FILED	64	61	66	85
DILUTED NET EARNINGS PER SHARE IN EUR**	0.28	0.71	2.49	2.93
EMPLOYEES	1,636	1,503	1,635	1,597

<sup>\*</sup> Data for wafer processing operations

# **ENVIRONMENTAL SCORECARD**

OBJECTIVES	UNIT	RESULTS 2015
GREENHOUSE GAS (GHG) REDUCING MEASURES	METRIC TON EQUIV CO <sub>2</sub> (MTCO <sub>2</sub> E)	94% OF TARGET
WATER USAGE REDUCTION (M <sup>3</sup> )	M <sup>3</sup>	248% OF TARGET
RECYCLED SOLID WASTE DIVERSION RATE	PERCENT (%) OF TOTAL SOLID WASTE	65%
COMPLIANCE WITH DISCHARGE REQUIREMENTS	TOTAL COUNT	ZERO VIOLATIONS

# SOCIAL SCORECARD

	2012	2013	2014	2015
RECORDABLE INJURY CASE RATE	0.54	0.30	0.35	0.34







98%

EMPLOYEES TRAINED IN ETHICS



24

NUMBER OF COUNTRIES IN OUR SUPPLY CHAIN

<sup>\*\*</sup> Note: excluding effects sale of share ASMPT



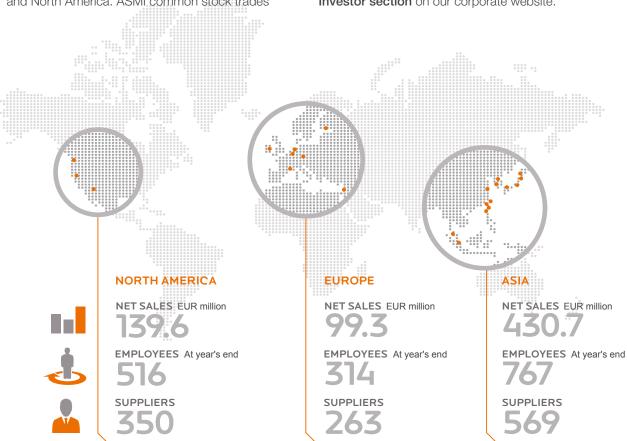
# **OUR COMPANY**

ASMI is a leading supplier of semiconductor wafer processing equipment. We have a strong position in leading-edge technologies, and our customers include all of the top semiconductor device manufacturers. Our portfolio of Atomic Layer Deposition (ALD) products is an enabling technology for our customers, helping them to build faster, cheaper and more powerful semiconductors that bring greater opportunities for people to understand more, improve creativity and share more easily.

# **ASMI WORLDWIDE**

Headquartered in Almere, the Netherlands, we have approximately 1,600 employees in Europe, Asia and North America. ASMI common stock trades

on the Euronext Amsterdam Stock Exchange (symbol ASMI). For more information, visit our Investor section on our corporate website.



### **OUR BUSINESS**

Our innovative technologies and products are used by all of the top semiconductor manufacturers in the world, primarily for the deposition of thin films. We are a truly global company. Based in 14 countries, we benefit from the advantages of bringing together great minds in the world to help our customer's progress along their technology roadmap.

# **OUR PRODUCTS AND TECHNOLOGIES**

We provide advanced wafer processing equipment. Our equipment is used for the deposition of thin films. ASMI's key technology portfolio includes processes such as Atomic Layer Deposition (ALD), Plasma Enhanced ALD (PEALD), Epitaxy, Plasma Enhanced Chemical Vapor Deposition (PECVD), Low Pressure Chemical Vapor Deposition (LPCVD) and Oxidation/Diffusion.



# **OUR BUSINESS MODEL** AND VALUE CREATION

Innovation is the key to our success. We continuously develop new materials and technologies, addressing many of the key process areas of the semiconductor industry. Our value is in providing innovative processing solutions and equipment for the deposition of thin films that enable our customers to achieve their technology roadmaps on time.

# **OUR CORE STRENGTHS AND** PARTNERSHIPS WITH STAKEHOLDERS

Our core strengths are in Atomic Layer Deposition (ALD), Plasma Enhanced ALD (PEALD), Epitaxy, Plasma Enhanced Chemical Vapor Deposition (PECVD), Low Pressure Chemical Vapor Deposition (LPCVD) and Oxidation/Diffusion. These technologies enable the industry to move to smaller line widths and to create more powerful transistors using new materials.

As one of the world's leading wafer processing equipment technology providers, we have established partnerships with technical institutes, universities, and customers for continued leading-edge innovation. We work collaboratively with our supply chain, employees, and the communities that we operate in across the world. This enables us to deliver technologies and solutions that result in greater efficiencies for business and greater opportunities for society.

"WE COLLABORATED WITH A KEY CUSTOMER TO COMPLETE A COMPREHENSIVE AUDIT OF OUR EHS AND CR SYSTEMS AT ALL OF OUR KEY SITES GLOBALLY AND MET ALL AGREED UPON GOALS."



#### **ASM BUSINESS MODEL**

# **INPUT**

HUMAN

MANUFACTURING
Spends for manufacturing and components with suppliers
(EUR million)

>300

INTELLECTUAL

R&D investment (EUR million)

NATURAL Electrical power usage (KwH)

30,303,776

FINANCIAL

Stakeholder groups engaged

# THE VALUE CHAIN

UNIVERSITY RESEARCH/R&D INSTITUTES

**MATERIALS SUPPLIERS**  FAB EQUIPMENT SUPPLIERS

ASMI

SEMI-CONDUCTOR **SUPPLIERS** 

**INDUSTRY** 

# **OUR BUSINESS**

**PRE-CURSOR EXPLORATION** 

**PROCESS FEASIBILITY** 

**BASIC MATERIALS R&D** 

HELSINKI - FINLAND

**PROCESS INTEGRATION TESTING** 

**PROCESS DEVELOPMENT** 

**PROCESS INTEGRATION** 

LEUVEN - BELGIUM

PRODUCT DEVELOPMENT

**PRODUCT MARKETING** 

**PRODUCT MANUFACTURING** 

PHOENIX - USA, TOKYO - JAPAN, CHEONAN - SOUTH KOREA, ALMERE - NETHERLANDS, SINGAPORE - SINGAPORE

# OUTPUT

HUMAN

Revenue/employee increase

26%

**INTELLECTUAL** 

Patents filed

85

**FINANCIAL** 

Net sales/revenue (EUR million)

**MANUFACTURING** 

New orders (EUR million)

608

**NATURAL** 

Greenhouse gas emissions (in mtCO<sub>2</sub>e-Scope 1/Scope 2 only)

SOCIAL

Employees trained in ethics

98%



# **ABOUT THIS REPORT**

#### **GLOBAL REPORTING INITIATIVE**

We believe that providing robust information that is simple to compare and meets global reporting norms increases everyone's understanding of how we create value for our shareholders and society. This corporate responsibility report was prepared with reference to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines.

# THE SCOPE OF THIS REPORT

As part of our ongoing dialogue with stakeholders, this report covers all aspects of our efforts to manage our business responsibly and the non-financial dimensions of our performance not covered in our **Statutory annual report** and on **our website**. Our goal is to provide increased levels of transparency about our activities. As a result of business impact and stakeholder priority assessments, we have identified the material aspects and determined their relative business impact in the value chain, as well as their impact on our own operations, supply chain, customers of our products and the communities in which we operate.

# THE DATA IN THIS REPORT

Except where otherwise indicated herein, the data provided in this report focuses solely on our front-end wafer processing operations for the fiscal year ending on December 31, 2015.

# TOWARDS INTEGRATED REPORTING

We continue to integrate sustainability information into our **Statutory annual report** and other investor communications. Additional information about ASMI's operations and financial statements is available in our 2015 **Statutory annual report**.

# **PLEASE GET IN TOUCH**

We appreciate your feedback. If you have any questions, want to comment on anything in this report, or give us your ideas about our reporting in general, please **contact us**.

### SAFE HARBOR STATEMENT

In addition to historical information, some of the information posted or referenced in this report contains statements relating to our future business and/or results, including, among others, statements regarding future revenue, sales, income, expenditures, sufficiency of cash generated from operations, maintenance of majority interest in ASM Pacific Technology Ltd., business strategy, product development, product acceptance, market penetration, market demand, return on investment in new products, facility completion dates and product shipment dates, corporate transactions, restructurings, liquidity and financing matters, outlooks, and any other nonhistorical information. These statements include certain projections and business trends, which are 'forwardlooking'. We caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements.

You can identify forward looking statements by the use of words like 'may', 'could', 'should', 'project', 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'forecast', 'potential', 'intend', 'continue' and variations of these words or comparable words. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. You should be aware that our actual results may differ materially from those contained in the forwardlooking statements as a result of certain risks and uncertainties. These risks and uncertainties include, but are not limited to, economic conditions and trends in the semiconductor industry and the duration of industry downturns, currency fluctuations, the timing of significant orders, market acceptance of new products, competitive factors, litigation involving intellectual property, shareholder or other issues, commercial and economic disruption due to natural disasters, terrorist activity, armed conflict or political instability, epidemics and other risks indicated in our most recently filed Annual report and other filings from time to time. The risks described are not the only ones. Some risks are not yet known and some that we do not currently believe to be material could later become material. Each of these risks could materially affect our business, revenues, income, assets, liquidity and capital resources. All statements are made as of the date of posting unless otherwise noted, and we assume no obligation to update or revise any forwardlooking statements to reflect future developments or circumstances.





ASMI is committed to the vision of **ZERO HARM!** This means we strive to prevent all injuries to our employees and our customer employees, reduce our environmental impact, and make positive contributions to society. Through technological innovation we help create value for society. We meet the expectations of our stakeholders by engaging with them on what matters to them. And by committing to the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and implementing it as our Supplier Code of Conduct we can better measure and report progress on responsible business.

# **CR AT ASMI**

ASMI was founded in 1968, at the birth of the semiconductor industry. We continue to develop leading-edge technologies which help to create electronic devices with ever improving performance and reduced energy consumption. By continually increasing processing power by shrinking transistor dimensions, our customers are able to further expand smart technology into products that are helping to improve the quality of life for people everywhere.



### **ASMI MISSION**

Our mission is to provide our customers with the most advanced, cost-effective, and reliable products, service and global support network in the semiconductor industry, and beyond.



### **CR VISION**

As a truly global citizen, our vision of ZERO HARM! means we strive to prevent all injuries, reduce our impact to the environment, and make positive contributions to society.



### **CR STRATEGY**

- > Continue our strong focus on R&D and innovation to create value for society through technology.
- > Manage all aspects of our business responsibly to meet or exceed stakeholder expectations.
- > Hold our suppliers to the same standards that we hold ourselves to.



Our continued strong investment in research and development drives scientific advancement. We work closely with our research partners and customers to go beyond what was previously thought possible. Our technology enables the astonishing leaps in solutions that are transforming communications, medicine and information technology. Creating science fact out of science fiction.

# **BEING A RESPONSIBLE AND** TRANSPARENT COMPANY

We believe that being a responsible company creates value for our company, our stakeholders and society. And we believe that our commitment to being a responsible company strengthens our brand. A stronger ASMI brand helps us build stronger relationships with all our stakeholders. Stronger relationships with our stakeholders - customers, employees and investors - help drive innovation and strengthen our product portfolio. Doing the right thing is good for society and good for business.

#### **OUR MISSION**

Our mission is to provide our customers with the most advanced, cost-effective, and reliable products, service and global support network in the semiconductor industry, and beyond.

### **CR VISION**

As a truly global citizen, our vision of **ZERO HARM!** means we strive to prevent all injuries, reduce our impact to the environment, and make positive contributions to society.

# **CR STRATEGY**

Our strategy is made up of three focus areas, we:

- > continue to focus strongly on R&D and innovation to create value for society through technology;
- manage all aspects of our business responsibly to meet or exceed stakeholder expectations;
- > hold our suppliers to the same standards that we hold ourselves to.

# STAKEHOLDER ENGAGEMENT

At ASMI, we maintain open and transparent communications with our stakeholders. Understanding our stakeholders, being responsive to them, remaining transparent and meeting their expectations – it is all part of managing responsibly.

# "WE BELIEVE THAT BEING RESPONSIBLE CREATES VALUE FOR OUR COMPANY, OUR STAKEHOLDERS AND SOCIETY."

We engage with them at every step in our value chain to hear what matters most to them. Then we design our corporate responsibility strategies. Our partnerships with stakeholders are crucial. They help us to meet customer, employee and shareholder expectations to Drive Innovation, Deliver Excellence, while striving to achieve ZERO HARM! to people and planet and making positive contributions to society or equivalent.

#### **OUR KEY STAKEHOLDER GROUPS**

- ) our customers:
- ) our shareholders and investors;
- our employees;
- ) our suppliers;
- ) communities.

By Communities, we mean regulators and governments, Non-Government Organizations (NGOs) and the local communities we operate in.

# STAKEHOLDER ENGAGEMENT

We engage with our stakeholders through various channels (see the table on the next page) so that we can listen carefully, gather input and analyze feedback to help establish priorities and strategies that help us to meet our goals.

ABOUT US



# HOW WE ENGAGE WITH STAKEHOLDERS AND HOW THAT BENEFITS US BOTH

STAKEHOLDERS	HOW WE ENGAGE WITH THEM	THE BENEFITS
CUSTOMERS	<ul> <li>Customers continuously provide feedback and guidance to our account support teams;</li> <li>Customer satisfaction surveys;</li> <li>Customer Training and Support Program.</li> </ul>	Enables us to identify areas for improvement. We prioritize customer requests about the quality and technology advancement of our products and services, which we track as part of company Key Performance Indicators.  See 'Integrated CR Strategy' on pages 16-25.
SHAREHOLDERS & INVESTORS	<ul> <li>Annual General Meeting of Shareholders (AGM);</li> <li>Communication with investors, analysts and the broader investment community through set quarterly conference calls, broker conferences and investor meetings;</li> <li>Investor feedback email at the Investors section on our corporate website.</li> </ul>	Helps us to understand shareholders' priorities, concerns and expectations.  See 'Integrated CR Strategy' on pages 16-25.
EMPLOYEES	<ul> <li>Through our open door policy, employees have access to management at all levels for communication up and down the organization;</li> <li>ASMI intranet websites, CONNECT (ASMI internal Newsletter), and Open Forums (and webcast);</li> <li>Open and transparent Safety and Environmental issue reporting system;</li> <li>SpeakUp! tool offers anonymous phone and email access to report concerns and issues.</li> </ul>	Means we can have an open dialogue with employees and understand their concerns, identify gaps, set appropriate performance goals in the future and drive continuous improvement.  See 'Environment' and 'Social' on pages 28-31, 32-40.
SUPPLIERS	<ul> <li>We have adopted the Electronic Industry Citizenship         Coalition (EICC) Code as our Supplier Code of Conduct         and set consistent supplier expectations;</li> <li>Annual communication and host training webinars         about EICC Code, policies and supplier compliance         expectations.</li> </ul>	Helps us to set consistent expectations for suppliers to control risk and improves efficiency across our global supply chain. Based on suppliers and industry benchmarking, it helps identify improvement areas and prioritize supply chain performance goals.  See 'Supply chain' on pages 41-44.
COMMUNITIES	Active engagement in regulatory, policy and compliance requirements with regulatory and policy makers globally, at major sites through participation in government committees and interaction with government committees and organizations (including the Transparency Benchmark of the Dutch Ministry of Economic Affairs annually).	Helps build credible, trustworthy relationships with regulatory bodies and policy makers supporting our goal to be a valued corporate citizen in the communities we operate in.  See 'Integrated CR Strategy' on pages 16-25.
	Our university program actively engages with leading educational institutions to develop advanced technology.	Creating partnerships with universities strengthens our ability to develop new advanced technology for the industry. See 'Social' on pages 32-40.
	> We participate and work with NGOs through industry consortium initiatives (SEMI, EICC, CDP, CFSI)*, joint projects, and multi-sector efforts.	Participating in industry consortia and working with NGOs promotes mutual understanding on various social and environmental issues while creating partnerships that advance technology.  See 'Integrated CR Strategy', 'Environment', and 'Social' on pages 16-25, 28-31, 32-40.
	Through organized employee community involvement programs, our people contribute to local communities by volunteering their time and donating funds to projects, local schools and nonprofits.	Active involvement with our communities, across the world, enables us to listen to and understand their needs, building positive and constructive relationships.  See 'Social' on pages 32-40.

<sup>\*</sup> SEMI = Semiconductor Equipment and Materials International, EICC = Electronics Industry Citizenship Coalition, CDP = Carbon Disclosure Project, CFSI = Conflict-Free Sourcing Initiative



#### IMPROVING STAKEHOLDER ENGAGEMENT

In 2015 we formalized how we will engage with our stakeholders and worked on improving our dialogue with them by conducting a stakeholder priority assessment. We also carried out market research and benchmarking to identify industry trends. The results generated opportunities for us to establish a better fit between what matters most to our stakeholders and our business strategies. Going forward, our goal is to make sure we have ways of identifying stakeholder concerns and priorities early and often so that they can feed in to the design of our future non-financial strategies and performance measurement.

#### **MATERIALITY**

Our approach to responsible management involves identifying and prioritizing the aspects that matter most to our business. These include any issues that involve the potential for significant risk or opportunity and any issues that are critical to our key stakeholders.

# THE GLOBAL REPORTING INITIATIVE

In 2015 we used the sustainability materiality steps and matrix based on the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Framework. We identified the environmental, social and economic material aspects which have the greatest impact on our business and generated the greatest level of interest among stakeholders within our value chain. These direct and indirect aspects may represent opportunities and risks, influencing how we develop our non-financial strategies. Assessing these aspects enables us to establish priorities, and then focus upon the ones that matter most. We can then measure and understand their implications in financial and non-financial terms while addressing them through our policies and programs.

#### ASSESSING OUR STAKEHOLDERS

Our materiality assessment was also informed by our ongoing market research, trend analysis, and stakeholder input and prioritization. In 2015 we conducted an assessment of our stakeholders to find out what mattered most to them. The assessment took into account both the impact on our business and the level of concern coming from multiple stakeholders. You can see the results in the materiality matrix, on page 21.

# **OUR MATERIALITY APPROACH**

**IDENTIFY** 

**PRIORITIZE** 

REPORT

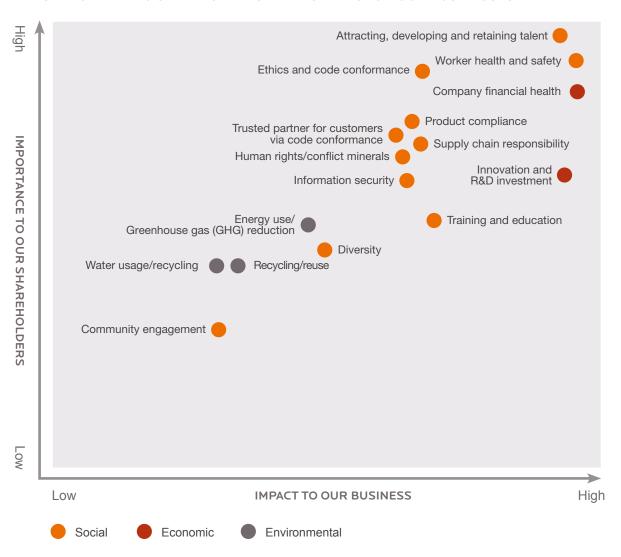


# KEY MATERIAL ASPECTS, THEIR STAKEHOLDERS AND BOUNDARIES

CATEGORY	WHAT MATTERS	KEY STAKEHOLDERS	PAGE(S)	BOUNDARY
SOCIAL	Attracting, developing and retaining talent	Shareholders and employees	34-35	Operations
SOCIAL	Worker health and safety	Employees and shareholders	35-36	Operations
ECONOMIC	Company financial health	Shareholders and customers	AR section Financial performance	Operations
SOCIAL	Ethics and code conformance	Community, shareholders, suppliers and employees	32-33, 42-43	Operations, supply chain
ECONOMIC	Innovation and R&D investment	Customers and shareholders	37-39	Operations
SOCIAL	Diversity	Employees, shareholders and community	35	Operations
SOCIAL	Training and education	Community, employees and shareholders	37-39	Operations, supply chain
SOCIAL	Human rights/conflict minerals	Community, shareholders and suppliers	43-44	Operations, supply chain
SOCIAL	Community engagement	Community, employees and shareholders	40	Operations
SOCIAL	Information security	Employees	36-37	Operations
SOCIAL	Supply chain responsibility	Shareholders and employees	41-44	Operations, supply chain
SOCIAL	Trusted partner for customers via code conformance	Customers and shareholders	22, 42-43	Operations, supply chain & customers
SOCIAL	Product compliance	Customers, shareholders and employees	27, 41-44	Operations, supply chain & community
ENVIRONMENTAL	Energy use/greenhouse gas (GHG) reduction	Community, customers, shareholders and employees	28-31	Operations, supply chain
ENVIRONMENTAL	Recycling/reuse	Community and shareholders	28-31	Operations, supply chain
ENVIRONMENTAL	Water usage/recycling	Community and shareholders	28-31	Operations



#### WHAT'S IMPORTANT TO STAKEHOLDERS AND ITS IMPACT ON OUR BUSINESSES



# MANAGING STAKEHOLDER **EXPECTATIONS**

Customers, shareholders and other stakeholders expect more of us each year. The bar keeps getting higher. We strive to meet these ever-increasing expectations by aligning the way we manage ASMI with international and industry standards such as the Electronic Industry Citizenship Coalition (EICC) Code of Conduct regarding environmental, health and safety, labor, ethics and management systems, and the UN Global Compact Principles regarding human rights and labor issues.

# THE BENEFITS OF STAKEHOLDER **ENGAGEMENT**

We engage directly with our stakeholders so we can understand their expectations better and respond to them more effectively. We value stakeholder engagements as a way of identifying external developments and trends that may impact our business and strategy - in good ways or bad. This feedback helps to shape the way we manage our response to these issues across all corporate responsibility areas. Ultimately, it makes us stronger.

# **CLOSE RELATIONSHIPS WITH OUR CUSTOMERS**

We engage with customers as a way to meet their expectations more precisely and improve our CR programs. We regularly report our efforts and progress to our customers, and in turn they regularly evaluate us on our performance in all areas of corporate responsibility. In 2015 we conducted a customer satisfaction survey that covered many aspects of our interactions with our customers including key aspects of corporate responsibility.



The results validated actions taken by us in response to what we had learned from previous surveys and suggested areas where we can further improve.

#### **HOW CUSTOMERS ASSESS US**

As well as evaluating our corporate responsibility programs, our customers also conduct in-depth assessments of our organization, take part in process evaluations and assess our performance. The close relationships we have with our customers helps them to better understand ASMI processes, objectives and performance in key business areas and ensure that we can meet more than just their product expectations.

# TRUSTED PARTNER FOR CUSTOMERS THROUGH EICC COMPLIANCE

We know that our customers want to do business with companies that are managed ethically and responsibly. They actively encourage us to put in place the right management processes for corporate responsibility and to plan for the long-term following the right objectives and goals. At the same time, we want to be a trusted partner for our customers and the communities in which we operate. Trust is the basis for all responsible business.

As part of the semiconductor industry value chain, many of our customers are Electronic Industry Citizenship Coalition (EICC) members. Many of the material issues that impact our business and are priorities to our stakeholders, such as worker health and safety, labor and human rights, environmental standards and ethics, are embedded in the EICC Code of Conduct.

#### ADOPTING THE EICC CODE

We have adopted the EICC Code both for our operations and for our suppliers, by making it our Supplier Code of Conduct for supply chain risk assessment and management. By integrating this industry standard and its risk assessment tools. templates and auditing standards with our existing processes and management system, we will be better able to establish the right framework and metrics to measure and report our corporate responsibility progress. This, in turn, will meet what our stakeholders expect from us.

#### **COMPLYING WITH THE EICC CODE**

The EICC Code of Conduct sets out a structure for conducting our business responsibly in the areas of the environment, health and safety, labor, ethics and our supply chain. The Code is updated periodically, and we are committed to upgrading our management practices as the code evolves. Our corporate responsibility policy and management system helps us to manage compliance with the Code. For example, our global EICC Committee met regularly in 2015 to ensure we were driving the right programs, system and culture of EICC and corporate responsibility compliance. But that's not all - every one of our employees is responsible for adhering to the Code of Conduct.

# RISK ASSESSMENTS AND THIRD PARTY **EICC AUDITS**

Our risk assessment involves using the industry standard EICC self-assessment questionnaire (SAQ). The results that we get from the assessments drive our own internal programs for improvement. We also share the results with multiple customers as part of their Supply Chain risk assessments. At the end of 2015, all our sites continued to be rated 'low risk' both using the EICC management system and risk assessment tool and by the customers that engage with us in their supply chain assessments. In addition, in 2015 we had an independent third party conduct EICC audits of our operations and facilities. This is a continuation of our existing commitment and plan to periodically complete such audits across all areas of our operations. The audit results supported our belief that we have strong programs in place that ensure compliance to the EICC Code of Conduct. There were also some observations made for improvement which matched our own existing assessment of our progress.





#### SAFE WORKING CONDITIONS

The EICC Code of Conduct also establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. The code provides a credible process for evaluating and managing supply chains from the point of view of labor, ethics, environmental and sourcing.

#### **TAX PRINCIPLE**

We believe that tax should follow the business. Hence income is reported in the countries where value is created. We do not use artificial tax structures solely aimed at tax avoidance. Taxes are determined and paid in accordance with all relevant rules and regulations in the countries in which ASMI operates. ASMI aims to follow both the letter as well as the spirit of the law.

ASMI applies the "at arm's length" principle to determine transfer prices in accordance with domestic and international rules and standards, such as the OECD (Organization for Economic Cooperation and Development) guidelines for Multinational Companies. Our disclosures are made in accordance with the relevant local and or international regulations.

ASMI seeks an open and constructive dialog with the tax authorities in the countries where we operate. Our aim is to disclose all relevant facts and circumstances. We believe that this will enhance certainty on our respective tax position in view of the applicable tax rules and regulations.

# **GOVERNANCE, RISK MANAGEMENT AND STRATEGY**

# **OUR CORPORATE RESPONSIBILITY GOVERNANCE**

At ASMI, we are committed to upholding the high standards expected by our stakeholders for corporate governance and ethics practices. We believe the best way to meet the interests of our shareholders, customers and employees is by instilling a culture of responsibility in everything we do, and then supporting that culture with comprehensive policies and procedures. We have embedded all aspects of corporate responsibility in our management system. It starts with the Supervisory and Management Boards and the corporate governance standards they hold the company accountable to, and it involves everyone working for ASMI. Details of our current corporate governance commitment, standards and practices can always be found on our website.

# ENVIRONMENTAL, HEALTH, SAFETY, CORPORATE RESPONSIBILITY AND HUMAN **RESOURCES**

Our Management Board is actively engaged in corporate responsibility through the Vice President of Human Resources and the Vice President of Operational Excellence, who is directly responsible for the Environmental, Health, Safety and Corporate Responsibility organization.

Working together, these two organizations have key roles in the identification and creation of policy, managing our approach to key aspects of corporate responsibility and evaluating the results. These include aspects of environmental performance, employee health and safety, labor and ethics. But corporate responsibility is not limited to just these aspects. For example, Trade Compliance and Finance are addressed strategically and operationally within the relevant internal organizations.

#### ETHICS COMMITTEE AND EICC COMMITTEE

There are two committees that help us to develop policy and manage our approach to these key aspects of corporate responsibility. Both committees are comprised of cross-functional members representing different but related aspects of the business. The committees are:

- > Ethics Committee Chairperson, VP of Human Resources;
- > EICC Committee Chairperson, Director Global Environmental, Health and Safety/Corporate Responsibility (reporting to the VP of Operational Excellence).



# CORPORATE GOVERNANCE FRAMEWORK



#### **OUR DISCLOSURE ACTIVITIES**

The Disclosure Committee, consisting of senior managers from various functional areas across the company, assists the Management Board to oversee the company's disclosure activities. It ensures compliance with applicable disclosure and regulatory requirements arising under applicable laws.

### FIND OUT MORE

More information about our systems of management and control, which form the basis for how we run our company, is available in the corporate governance section of our Statutory annual report on our website.

The following information is available on our website:

- > Supervisory Board profile
- Supervisory Board Rules
- > Management Board profile
- Management Board Rules
- Audit Committee charter
- > Nomination, Selection and Remuneration Committee charter
- Code of Ethics
- > Whistleblower policy
- Anti-Fraud policy
- > Rules concerning insider trading
- Remuneration policy
- Conflict Minerals policy
- > Supplier Code of Conduct

# RISK MANAGEMENT & CORPORATE **RESPONSIBILITY STRATEGY**

There are many risks that could have an impact on our business. To manage these risks, we have established a culture of openness and transparency across ASMI. We proactively identify risks, and then manage and control them within our risk management and control framework. You can find out more about our risk management and control framework in our Statutory annual report.

Our materiality assessment helps to identify the strategic, operational, financial and compliance risks facing our current business and affecting future growth opportunities. We review the results of the assessment and take this into consideration when we set our corporate responsibility strategies. The following key strategic, operational, financial and compliance risk and material concerns and strategies were identified in the materiality assessment.

#### **Technology and innovation**

The semiconductor and the semiconductor equipment industries face rapid change towards more complex and leading-edge technologies. Our ability to keep investing in R&D and innovation, and to respond rapidly to new product and technology requirements is critical to our business success. To help us to keep innovating, our strategy is to continue to invest and partner with top universities and research institutions. You can read more details in 'Investment and Partnership for Innovation' on page 37 of this report.

# **Talent and human resources**

Our business and future business success relies on our employees. That means we need to keep attracting, developing, and retaining highly-qualified talented people in a very competitive market. For this reason, we consider talent management a strategic focus for ASMI. You can read more in 'Social' on page 32 in this report.



# **Supply chain**

Our commitment to be responsible and transparent goes beyond our own operations and extends into our supply chain. As part of the semiconductor value chain, we depend on our global suppliers to manufacture and deliver our products and spare parts to our customers. Managing and controlling supply chain risks that could affect business continuity means we have to actively assess risks while developing high quality, transparent and close supplier relationships. Supply chain responsibility is one of our strategic focus areas to maintain a resilient value chain for ourselves and our customers. You can read more about our supply chain responsibility in 'Supply chain' on page 41 of this report.

ABOUT US





In striving for our vision of **ZERO HARM!** to people and the planet, we focus on health and safety, the environment, labor, ethics and supply chain management. Our commitment to sustainability begins at the product development requirements phase and runs through our entire product life cycle. In 2016 we will further improve in the areas of EICC compliance, our environmental objectives, sustainability in the product life cycle, and succession planning and talent review.

# **CORPORATE RESPONSIBILITY POLICY**

Our key philosophy is ZERO HARM!. We believe that business should strive for no harm to people and to reduce its impact to the environment. This is consistent with our guiding principle 'Drive Innovation, Deliver Excellence'. Our stakeholders expect us to deliver to these ambitions in everything we do. It is an ambitious goal, but we are an ambitious company. Our global corporate responsibility policy establishes our commitment and expectations regarding health and safety, the environment, labor, ethics and supply chain management. Each of these areas of management is further supported by policies, systems, programs and metrics to ensure that our ongoing progress is on track to meet our longer-term objectives. The full text of our CR policy is available on our website.

"BUSINESS SHOULD OPERATE STRIVING FOR **ZERO HARM!** TO PEOPLE AND PLANET. THIS IS AN AMBITIOUS GOAL BUT WE ARE AN AMBITIOUS COMPANY."



# INTEGRATION WITH OUR **PRODUCT LIFE CYCLE**

In our product life cycle, we consider sustainability starting from the product development requirements phase. Product sustainability includes requirements such as product safety to workers and customers, how efficient our chemical consumption is, how efficient we are at utilizing our facilities, greenhouse gas emission efficiency during the production phase, and how we manage the 'end of life' of our products. The way we govern our product life cycle management process ensures that we track performance against these requirements at the design, validation and production phases.

# RECENT EXAMPLES OF PRODUCT **SUSTAINABILITY**

In a 2015 product beta release, the product development team demonstrated that they had reduced precursor chemical consumption by more than 1.3 times the industry benchmark. This breakthrough will not only lead to reduced cost of ownership for customers, but will also reduce the amount of process chemicals required and effluent produced. Similarly, product safety assessments carried out at several product maturity levels ensure our products are safe to operate and maintain at our ASM locations and at our customer locations. In 2015 we also increased our refurbishment business so that equipment reaching its 'end of life' could be refurbished and put back in the marketplace. This reduced the amount of equipment our customers had to dispose of while helping them improve their recycling and reuse efforts.

# **OUR OBJECTIVES FOR 2016**

In 2016 we will make further progress towards globalizing and unifying our responsible business practices. This will help ensure greater cohesion and effectiveness. Specifically, we will focus on our ability to manage and measure performance relating to:

- > EICC compliance in our supply chain;
- > updating and expanding our environmental objectives with a new five-year plan;
- > improve our focus on sustainability during the product life cycle;
- > focus on succession planning and talent review.





We manage our consumption of resources, our product environmental footprint, and our enabling technologies responsibly. We are certified to the ISO 14001 standard for our Environmental Management System and we participate in the Carbon Disclosure Project. We continue to reduce our greenhouse gas emissions, water consumption and the amount of waste we send to landfill. And our 'Good Catch' initiative enables employees to help us improve our environmental management system and performance.

## **OUR APPROACH**

Our approach to environmental stewardship starts with our philosophy of **ZERO HARM!**. We believe that we can make the world a better place through responsibly managing our energy and water consumption, our product environmental footprint, and our enabling technologies.

# MANAGING ENERGY RESPONSIBLY

Our research and development is at the cutting edge of driving down energy demands for computing power by increasing the number of calculations per kilowatt hour. As we help our customers reduce transistor size, through our research and development and the equipment we manufacture, we are supporting greater energy efficiency that can be realized in a wide range of different applications throughout the world by everyone.

#### **ISO 14001 STANDARD**

But our technology is just one way we can achieve ZERO HARM!. We also strive to reduce our own environmental footprint. We are certified to the ISO 14001 standard for our Environmental Management System and, in 2015, we successfully maintained that certification following annual third-party assessments and audits.

#### 'GOOD CATCH'

We don't just rely on our accreditation, we actively ensure everyone commits to responsible environmental management through our global and site committees, dedicated environmental professionals at our sites, and a robust reporting and suggestion system we call 'Good Catch'. 'Good Catch' enables our employees to report a suggestion for improvement for any aspect of our environmental management, confident in the knowledge that their suggestion will be reviewed by our global Environmental, Health & Safety (EHS) team.

# **KEY FOCUS AREAS**

In 2013 we established a three-year environmental performance targets cycle. We based it on four key areas that are consistent with environmental measures for the semiconductor industry. They are: greenhouse gas (GHG) emissions, water consumption, recycled solid waste and unplanned discharges. In 2015 we concluded our three-year cycle and achieved two out of four goals - we exceeded our water consumption reduction goal and had zero discharge violations. We also came very close to achieving our GHG goal, but fell short of our recycling goal.



#### **ENVIRONMENTAL TARGETS FOR 2016-2020**

In 2015 we conducted market research and industry benchmarking, and set new environmental targets for 2016-2020. They are:

- > to further reduce our greenhouse gas emissions by 5% per euro of R&D spend below 2015 levels by 2020.
- > to reduce water use by 10% per euro of R&D spend below 2015 levels by 2020.
- > to identify product packaging reuse and recycling opportunities so that we can send less than 10% of all waste to landfill by 2020.
- > to have all new construction projects exceed the energy efficiency standards of local jurisdictions.

In 2016 we also will quantify Scope 3 greenhouse gas emissions with key logistic suppliers for productrelated transportation emissions and further identify reduction targets to pursue by 2020.

# **CHALLENGES, OPPORTUNITIES AND MANAGING RISK**

Over the last three years, we have made significant progress towards our environmental targets. This progress has been made in the face of challenges such as rapid business growth in Asia, globalization of our manufacturing operations, and with a manufacturing transition to outsourcing. Growth in Asia was driven by increased new product development, which required multiple product and infrastructure installations at our engineering sites. These additional equipment installations meant increased energy consumption, which we had to offset with further reduction projects.

# MANAGING OUR GREENHOUSE **GAS EMISSIONS**

We track and manage our GHG emissions and we have participated in the Carbon Disclosure Project (CDP) for the past three calendar years. We do not anticipate that global climate change will present a significant physical risk to our current product development and manufacturing operations based at our locations in the US, Japan, South Korea, the Netherlands and Singapore. However, we recognize our role in society and our stakeholders' desire for us to be a responsible corporate citizen, so we constantly identify opportunities to reduce our energy consumption and greenhouse gas emissions. Our approach to managing climate change risks is to set strategies, objectives and internal reporting goals under our Environmental Management Systems (EMS).

# **ROUTINE REVIEWS OF ENVIRONMENTAL RISKS**

All of the following ASM sites - Almere, Netherlands, Phoenix, United States, Tokyo, Japan, Singapore, and Cheonan. South Korea - are certified to the ISO 14001 standard for their Environmental Management System (EMS). Under this system, structured programs are put in place to routinely conduct significant environmental aspects and impact assessments. Reviews are conducted at least on an annual basis and during significant business and operational changes. These 'aspects and impacts' are taken into consideration when we set global and regional environmental targets and objectives.

#### MANAGING RISKS

The environmental risks identified are aligned with specific operations and aspects at each site so that we can put in place a focused strategy and improvement programs. Once the environmental risks are identified in each region and site, our local senior management is engaged in a comprehensive review of the aspects and impacts before setting targets and priorities for the improvement programs. At a regional level and at site level, we prioritize risks and opportunities taking into account factors such as the contribution to ASMI's global environmental performance, fiscal planning, future business impact assessments, and resource allocation for success.

# ANTICIPATING FUTURE CHANGES IN LEGISLATION

We don't currently see any pending regulatory changes in the regions and countries in which we operate that pose significant risks to our operations or ability to manage our environmental performance. We do see potential challenges in possible future changes to the Restriction of Hazardous Substances Directive (RoHS) as adopted by the European Union. Currently, ASMI products are excluded from applicability under Article 2.4(d), but there is a potential this could change in the near future. We are already planning for this possible change through RoHS-compliant article declarations from our suppliers, and integrating and improving controls within our Product Life Cycle (PLC).



#### **PERFORMANCE**

In 2015 we surpassed our water consumption target, and had zero unplanned discharges to the environment. We fell slightly short of our goal to implement sustainable greenhouse gas reduction projects, achieving 95% of our targeted goal, and we achieved 65% recycling diversion away from landfill against our target of 85%.

# REDUCTION IN WATER CONSUMPTION IN PHOENIX, ARIZONA

Our performance was strong in meeting the water goal due to focused improvements in air emission control equipment at our Phoenix, Arizona site. These efforts reduced water consumption in 2015 by 11% from 2014 levels and by over 12% since we set the baseline in 2012, significantly surpassing our 5% reduction goal.

#### **REDUCING GREENHOUSE GAS EMISSIONS**

In 2013 we established a three-year greenhouse gas (GHG) reduction target of 5% or more from existing operations against a 2012 baseline. By 2015, at the end of the 3-year cycle, we accomplished the implementation of sustainable reductions equaling 4.74% or 95% of our goal. At the same time,

our absolute level of GHG emissions increased 2.7% during that period. This was because we increased electrical consumption and the resulting Scope 2 emissions as a result of new equipment installation in support of product development, engineering and R&D. The new equipment consumes more electricity, and our electrical consumption accounts for approximately 99% of our combined Scope 1 and Scope 2 GHG emissions. We are looking carefully at this area for opportunities to improve our performance.

#### **CONSTRAINTS ON RECYCLING**

Recycling solid waste ended the three-year goal cycle at a 65% diversion from landfill rate - short of our goal of an 85% landfill diversion rate. Some regions continue to be constrained by lack of available recycling capabilities. We are working closely with a recycling vendor that did not maximize separation of combined waste to an acceptable level to encourage them to increase their efficiency.

#### **PERMIT COMPLIANCE**

In 2015 we did not violate any environmental permits or authorizations due to unintended discharges.

# **ENVIRONMENTAL PERFORMANCE**



**GHG REDUCTION PROJECTS** 

mtCO<sub>2</sub>e/year Target project completions 2013-2015

mtCO,e/year Actual project completions 2013-2015



**RECYCLE DIVERSION RATE** 

Target 2015

Actual 2015



WATER USAGE REDUCTION

1.000 meters3 Target reductions 2015 per 2012 baseline

1.000 meters<sup>3</sup> Actual reductions 2015 per 2012 baseline



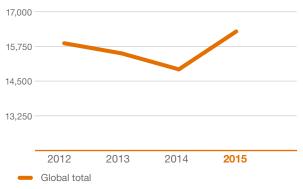
COMPLIANCE WITH DISCHARGE REQUIREMENTS

Target always

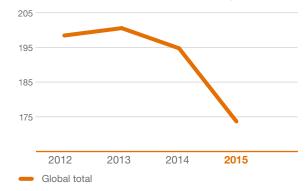
Discharge violations in 2015



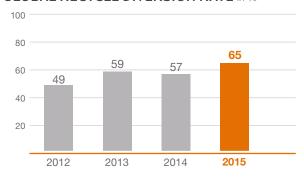
# GREENHOUSE GAS (GHG) EMISSIONS in mtCO2e



#### GLOBAL WATER CONSUMPTION in 1,000 m<sup>3</sup>



# **GLOBAL RECYCLE DIVERSION RATE** in %



**OBSERVING EARTH HOUR IN SINGAPORE** 



We are committed to minimizing our environmental impact across our operations, globally, with our ZERO HARM! philosophy. As part of our overall energy saving and environmental awareness efforts, employees at the ASM Singapore site organized an energy and environmental conservation initiative in coordination with Earth Hour on March 28, 2015. Earth Hour was developed by the World Wildlife Fund to create a global program that unites millions of people to show their concern for the environment by turning off their lights for an hour in a collective display of their commitment to create a better future for the planet. ASM Singapore employees have been supporting this global initiative for three years.





The greatest contribution to society that we make as a company is innovation. Our people are the differentiating factor that truly drives innovation forward in our industry. Driving our industry forward requires not only a strong focus on health and safety, but also a culture of ethical behavior while respecting labor and diversity. We have a strong focus on our people practices to attract, enable and engage employees and help them excel. We expand and deepen our focus on innovation through strategic partnerships. And our employees are committed to helping society through charity and community initiatives.

#### **OUR APPROACH**

In 2015 we continued our investment in Research and Development (R&D) totaling €93.0 million. These investments are not only good for business, they help create innovations that bring about greater opportunities for people, families and society. At the end of 2015, 26% of our staff were employed in R&D. This is an increase of 15% compared to the end of 2014. Our approach is to continue to seek out and employ the top minds in our field and to lead through innovation, both for our company growth and prosperity, and for society as a whole. For further information on our research and development, please refer to our Statutory annual report.

#### **ETHICS**

At ASMI, our Code of Ethics applies to our Supervisory and Management Boards, our Management Team, and to all our employees, worldwide. The Code is designed to promote honest and ethical conduct, as well as timely and accurate disclosure in our reporting.

### **BUILDING A CULTURE OF ETHICAL BEHAVIOR**

The true ethics of our company are found not only in our corporate commitments and policy statements, but in how our people behave every day. We are committed to build, and maintain an ethical culture that includes our entire workforce and our supply chain. All new employees are required to take ethics training. After their initial training, we require all our employees to take refresher training every two years.

# IMPROVING OUR SYSTEM OF ETHICS

Under the governance of our Ethics Committee, which reports to the Management Board, we continually track our performance against our goals and improve our ethics management system and performance. In 2015 the Ethics Committee made the following changes to our system of ethics:

# Value of zero ethics issues

The committee decided that absolute targets were not aligned with our value of having zero ethics issues. Instead they decided the focus should be on providing awareness and the ability to maintain confidentiality through anonymous reporting to ensure employees and suppliers alike feel protected if they make a report. Through our anonymous global reporting program, SpeakUp!, our employees and suppliers can report potential ethics issues or concerns anonymously and in their own language.



# Policies and procedures improvements

The committee introduced or updated three administrative policies or procedures. This was to ensure clearer instruction or requirements related to ethics. In one case, they made an update to improve alignment with the revised EICC Code of Conduct.

# **Employee newsletter improvements**

The committee published articles in our employee newsletter to improve communication and transparency with our workforce regarding ethics.

#### **ANNUAL ETHICS SCORECARD 2015**

CRITERIA	SCOPE	PERFORMANCE CRITERIA	2015 RESULT
TRAINING	NEW HIRES	Mandatory sign-off on having received, read, understood and agreed to the Code of Ethics	100%
TRAINING	ALL EMPLOYEES	Employees completion of bi-annual refresher training	98.4%
SOMBLINGS.	_ ALL	Reported concerns from anonymous global reporting program SpeakUp! (ethics, labor, human rights)	0
COMPLIANCE	EMPLOYEES	Reported concerns from other channels	2
AWARENESS	GLOBAL SITES	Published articles in internal employees newsletter	4

#### MANAGING CONCERNS

In 2015 no concerns were reported through our SpeakUp! system, but two cases were reported directly to the Ethics Committee. Both incidents were fully investigated and appropriate actions were taken according to internal policies. The Ethics Committee reviewed all concerns of the cases, and approved the actions taken.

# **PEOPLE**

People are important to us - our employees, our customers' employees, and the people in the communities and supply chain in which we operate. We respect and recognize the human element that goes into everything that makes ASMI a successful

and respected company. To ensure this priority is not compromised, we set and maintain high standards for the way we conduct our business. Our standards go beyond compliance with all national and international laws and regulations, referencing global norms, industry codes of conduct, and sound business ethics practices that apply to us. They are about mutual respect and support. They are about doing what is right for everyone in our value chain.

### **OUR GLOBAL STANDARDS**

Our Global Employment Standards summarize our position on key human rights issues and our approach to respecting human rights throughout our global operations and supply chain.





ABOUT US



The standards reflect the principles laid out by the United Nations in the Guiding Principles on Business and Human Rights.

#### **UPDATING OUR GLOBAL STANDARDS**

In 2015 we revised our Global Employment Standards to ensure we applied labor management programs globally on a consistent basis and to fully align with the newly-revised 2015 EICC Code of Conduct, which includes standards for responsible management in all areas of labor, health and safety. We monitor developments relating to the EICC code and we are committed to upgrading our management practices to stay compliant with the code as it evolves. Revisions included direct labor-related policies and procedures, and the way we engage with labor agencies and their monitoring processes.

# ATTRACTING THE RIGHT TALENT

We create exciting opportunities for rewarding careers in the communities in which we operate. Encouraging talented individuals to develop their careers strengthens both ASMI and local communities. To support our global recruitment activities, we have a comprehensive careers section on our corporate website which includes content and information that helps potential employees understand our business and to inspire them to reach out to us for employment opportunities. Our career website also includes information about our policies and best practices, and our innovation and technology leadership. To attract and select the best employees for our business, we use referrals, advertisements, search and selection agencies and social media.

# **INTERNSHIPS AT ASMI**

Our internship program provides a great way for talented college graduates to make the transition into the workplace. We select interns based on the quality of their application, with a typical internship period running for six months. In some cases, such as a thesis project, this period may be extended.

#### **OUR ONBOARDING PROGRAM**

We strongly believe in offering people a career, not just a position. We support personal and career development across the ASMI world, which begins as soon as a new employee joins us. All new employees are enrolled in our onboarding program. After the initial onboarding phase, we support them in their personal and career development through our global Talent Management program.

#### **DEVELOPING TALENT**

To help develop talent and progress careers, we use performance evaluation and development, succession planning, and employee learning and development programs. We have an established talent management competency set and a talent scorecard in place covering all ASM locations, worldwide. In 2015 we enhanced our talent scorecard and process with the assessment of performance, potential, mobility, available successors and career opportunities. And, to support succession planning, we developed and held talent reviews in five key business sectors. We also launched our Director and Senior Director training program, which provides participants with an intense training week and includes a module on team dynamics and a real-time business case.

# **OUR WORKFORCE**

At the end of 2015 we had a total workforce of 1,597 employees, representing 29 nationalities. The number of employees working in R&D grew 15%, demonstrating our continued drive and commitment to innovation.

# **RESPECTING LABOR**

We respect prevailing labor relations and employment practices, including the right to be represented by trade unions and other employee organizations within the framework of applicable laws and regulations globally. At the end of 2015, 10% of our staff was covered by collective bargaining agreements, globally.



#### **WORKFORCE**

	2012	2013	2014	2015
EMPLOYEES	1,636	1,503	1,635	1,597
NATIONALITIES	30	28	26	29
MALE	87%	87%	86%	86%
FEMALE	13%	13%	14%	14%

#### RESPECTING DIVERSITY

ASMI is an equal opportunity employer. We understand that every individual is unique. We recognize and respect the differences between individuals and we understand that these differences can include ethnicity, religious beliefs, national origin, age, gender, sexual orientation, family status, physical ability, experience and perspective.

#### A diverse perspective

Recruiting and developing a diverse workforce gives us a wide range of perspectives, and allows us to explore and adopt new ideas and innovations in technology. It also allows us to better understand and meet the needs of our diverse customers and communities. Workforce diversity continues to be part of the strategic objectives that help us drive for innovation. We benefit from this diverse perspective and the advantages of bringing talented people of all backgrounds together to create new breakthrough innovations, turning today's challenges into tomorrow's opportunities.

### **Breakdown of diversity figures**

In 2015 we continued to maintain a high diversity of nationalities throughout the company with 29 nationalities employed. The percentage of women in the company in the same time period was 14% of our workforce. In every area, we encourage female applicants to apply for open positions within the organization. In our 2015 Statutory annual report, the diversity of the Supervisory and Management Boards is discussed in a report from the Supervisory Board. Please reference the Statutory annual report for more information.

#### **HEALTH AND SAFETY**

We believe that we can achieve ZERO HARM! in our health and safety performance. Our employees, suppliers' and customers' employees - where ASMI equipment is operated and maintained – deserve to work in environments and with equipment that are free of harm. We believe that all injuries and incidents are preventable and we continue to challenge our systems to make this belief a reality.

### **HEALTH AND SAFETY PROGRESS**

In 2015 we made significant progress developing our health and safety program, progress that is reflected in our safety performance results. We conducted a top-to-bottom assessment of not just workplace hazards and risks, but also the culture and processes that drive our actions and interactions between employees, our products, customers and work environments.

#### **IMPROVEMENTS IN HIGH-RISK AREAS**

We focused our improvements in two of our highest risk areas - our service organization and our engineering labs. We established plans to evaluate our systems across the dimensions that have inputs or possible effects on the overall safety of our employees. These dimensions run across areas that are not just related to physical hazards, but also take into account management, culture, organizations and communications. They provided us with an in-depth assessment of inputs and outputs that directly affect the safety of our employees. In response, we implemented multi-point action plans to further improve the safety of almost every part of our service and engineering operations. Key customers provided feedback on our service safety plan and progress was shared throughout the year.

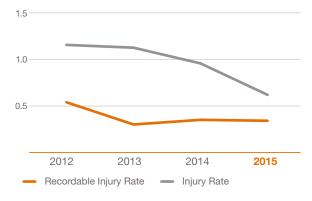
ABOUT US



#### **OUR SAFETY PERFORMANCE**

In line with our goal of **ZERO HARM!**, we focus on preventing all injuries and incidents. We measure our safety performance using key measures including an Injury Rate indicator and Recordable Injury Rate. The Injury Rate is a measure of all first aid or greater injuries per every 100 employees. The Recordable Injury Rate measures cases that require a response greater than first aid (or serious injuries) per 100 employees. As shown below, we continue to significantly reduce our Injury Rate, with a 35% reduction in the case rate compared to 2014.

#### **GLOBAL INJURY AND RECORDABLE RATES**



#### **GLOBAL SAFETY SURVEY**

In 2015 we conducted a global safety survey of all our service engineers, supervisors and managers with a 100% completion rate. The results were collected at the end of the third quarter, and analyzed in the fourth quarter. We will use the feedback we received to improve efforts we already have in progress and drive continuous improvement in 2016.

# SUPPORTING THE WELLBEING OF OUR EMPLOYEES

We care about our employees' health and offer many different options for supporting their wellbeing. We have a health or wellness committee that helps plan activities that support employee health at our facilities.

#### FITNESS REIMBURSEMENT PROGRAM

In the US, we sponsor health and wellness programs that target weight loss and control. In one of these programs, we provide tools to fight obesity and promote an overall healthy lifestyle, including a fitness reimbursement benefit to promote physical activity. This program reimburses employees for a significant portion of their membership fees at a fitness facility. In 2015 a total of 238 employees (approximately 46% of our US employees) participated in the fitness reimbursement program, including employees who took advantage of a special partnership with a major nationwide fitness center that provided full membership costs for the first year of joining.

#### **OUR 'WAY OF WELLNESS' PROGRAM**

In the US, we have a unique 'Way of Wellness' program where employees, and their co-insured spouse or partner, can benefit from reduced insurance premium contributions when they complete an annual physical exam with a medical doctor. In 2015, 97% of our US employees took advantage of this benefit, which helps employees proactively understand their health and maintain positive relationships with healthcare providers, leading to a more healthy and productive workforce. This is the highest participation rate we have achieved in the five years we have offered this program.

# INFORMATION SECURITY AND TRADE COMPLIANCE

As an innovation leader in advanced technology in the semiconductor industry, our breakthrough technologies, intellectual property and sensitive information about our customers, suppliers, and employees are our greatest technological assets. Any breach of information systems could adversely affect our finances and operating results. We understand that rising global security threats have increased the importance of effective IT security measures and have responded appropriately. Our response includes proper management processes and controls to protect against unauthorized systems access and loss of valuable information.



#### **EXTERNAL SECURITY ASSESSMENT**

In 2014, to ensure effective information security, we contracted with an external consulting firm to conduct a security assessment on our information systems. In 2015 the results were returned and identified risk areas. In response, we developed and executed corrective actions. We improved long-term information security strategies and program improvements in the following focus areas:

- ) information classification and controls:
- > employee training on information security;
- > cyber security.

Our goal is to drive continuous improvements in information security to protect our Intellectual property, mitigate risks and achieve data security for our customers, employees and other stakeholders.

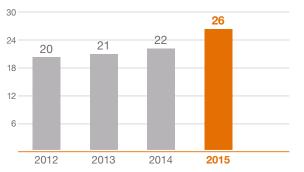
# PRODUCT AND TRADE COMPLIANCE

Being a good global corporate citizen, ASMI has an in-house Global Trade Compliance (GTC) team. The team is responsible for developing and maintaining an effective program, guidance, and enforcement to enable worldwide trade compliance with all applicable import and export laws and regulations of the United States and all other countries where ASMI operates. To provide the best support within the organization, the GTC team welcomes questions and information inquiries from employees and stakeholders. In addition, a bi-monthly newsletter also provides a detailed overview of recent international trade developments and events that are impacting ASMI business practice.

# INVESTMENT AND PARTNERSHIP FOR INNOVATION

Our greatest contribution to society is innovation that leads to faster computing, greater productivity and enhanced energy efficiency of electronics. In 2015 our investments in research and development came to a total of €93.0 million. The outcomes of our research and development efforts are technological innovations, which can be measured by the number of new patent filings we make. In 2015 we increased our intellectual property holdings with 85 initial patent filings. For further information on research and development, see our Statutory annual report.

#### EMPLOYEES IN R&D in %





# PARTNERSHIPS WITH UNIVERSITIES AND INDUSTRY ASSOCIATIONS

As part of our efforts to increase innovation, we continue to pursue and enhance strategic research and development partnerships with universities, industry groups and customers. This includes our long-term partnership with the Interuniversity MicroElectronics Center (imec) in Leuven, Belgium and the University of Helsinki, in Finland.

# SUPPORT OF UNIVERSITY AND **INDUSTRY PROGRAMS**

Our support of university and industry programs also included:

- > Sponsoring several PhD students at the University of Helsinki, and providing financial support for several other university programs in the Netherlands, Japan and Korea;
- > Continuing to participate in defining the Multi-annual Strategic Research Innovation Agenda (MASRIA) and Multi-Annual Strategic Plan (MASP) for the Electronic Components and Systems for European Leadership;
- > Membership in the Semicon Europe Semiconductor Technology Programs Committee;

- Membership in AENEAS, and on the CATRENE (Cluster for Application and Technology Research in Europe on NanoElectronics) board, support group and steering group; active participation and supporter in discussions for new European funding cluster PENTA (Pan European partnership in microand Nano-Technologies & Applications);
- > Continuing to participate in industry alliances such as SEMI (Semiconductor Equipment Manufacturer Industry) and SEAJ (Semiconductor Equipment Association Japan);
- Actively participating in several ECSEL (Electronics) Components and Systems for European Leadership) Key Enabling Technologies (KET) piloting projects to promote advanced scaling activities for 14 to 7nm technology nodes and beyond.

"ASMLIS WORKING AT THE CUTTING EDGE OF THE SEMICONDUCTOR INDUSTRY. YOU FEEL LIKE YOU ARE CONTRIBUTING TO EVERYBODY'S LIFE."



# **E-WASTE COLLECTION**

In 2015 the ASM Singapore Environmental and Safety organized employee awareness, energy conservation initiatives, and a home e-waste collection event. Employees were taught ways to reduce their environmental impact, such as reducing printing and photocopying, turning off printers, computers, monitors, microwaves and coffee machines at the end of the day or when unused for long periods, and using recycling facilities for all possible recyclable items. During the event, employees collected e-waste from their homes, and we helped deliver the e-waste to an authorized recycling center.



#### RECRUITING FOR TECHNOLOGY INNOVATION

To drive innovation, we must find and attract the world's top scientific minds. We attract, recruit and hire talented recent graduates with advanced degrees in physics, physical chemistry, chemistry, materials science and engineering through our New College Graduate (NCG) program. We work with a selected list of universities that focus on the education and training that fits our technology needs. We participate in career events introducing our company and attracting top technology talent to ASMI.

# TRAINING AND DEVELOPING **TALENTED PEOPLE**

We give the new college graduates we hire the resources, opportunities and support to succeed in their careers. They are trained and begin working at the leading edge alongside experienced innovators to resolve some of our toughest scientific challenges. Through our NCG program, participants are based at one of our innovation centers in Helsinki, Finland or Leuven, Belgium during the first two to three years of their career. After this, they have opportunities to apply their advanced knowledge in different product areas and at other global facilities.



Robin - An ASMI New College Graduate (NCG) success story

Robin was hired from Eindhoven University in May 2012 with a Master's Degree in Applied Physics. He joined ASM in the NCG Program in our research facility in Belgium as a Senior Process Engineer. In September of 2015, Robin returned to Almere as a Product Marketing Manager in our Thermal Products organization, where he continues to contribute to the growth of our company.



# SINGAPORE HEALTH AWARD FOR OUR WORKPLACE HEALTHY **PROMOTION ACTIVITIES**

In 2015 the ASM Singapore site received the Singapore Health Bronze level from the Singapore Health Promotion Board in recognition of our performance in promoting workplace health programs during prior years. This award was recognition for running programs including health screenings, mass physical activity or exercise events, and health workshops. In 2015 we organized various employee activities that promoted workplace health and inspired employees to achieve a better work-life balance. Hundreds of employees participated in the events, which included workshops on eating well, preventing low back pain, cholesterol health management, the best diet for hypertension, personal health screening, chronic medical conditions, empathic listening and stress management, office ergonomics and a blood donation drive.



#### **COMMUNITY INVOLVEMENT**

We have been an integral member of local communities in Europe since 1968, the US since 1976 and accross Asia since the 70s. We are pleased to provide support for programs that are important to our employees and that address important community needs in the communities where we operate. Below are some examples of programs we supported in 2015.



# CARING FOR LOW-INCOME HOUSEHOLDS IN SOUTH KOREA

In November 2015, ASM Korea employees participated in volunteer work by bringing heating briquettes to people living in impoverished conditions. ASM Korea donated a total of 20,000 briquettes that went to low-income households and the elderly living alone outside of Seoul. Volunteer employees personally delivered 6,000 of the briquettes to 40 households on one day. More than 120 employees took part in the volunteer work, which made the local TV station news. An ASM Korea representative interviewed for the broadcast said, "It is pleasing to give small charity and share our benevolence to our neighbors in need. As part of our value and culture, ASM will keep on thinking of ways we can contribute and give back to the society."

# **FOSTERING TEENS' INTEREST IN TECHNOLOGY**

With an aging population in Europe, and a decreasing number of teenagers in science classes, the industry foresees a shortage of engineers within the next few decades. In order to address this issue, the Dutch industry has set up a collaboration program between the government and high schools called JetNet. JetNet aims to inspire children to learn more about technology and to stimulate them to consider a technical education and career. We support JetNet, and joined the platform in 2015 by developing a relationship with Almere High School, which wants to promote technology classes.

We organized lectures at the school, as well as on-site experiments and technical games during a 'students day'. We also held an exhibition project at the ASM site, giving students the opportunity to directly understand and respond to ASM's technological challenges. The activities were organized by talented engineers and sponsoring managers and received enthusiastic reactions from both the school, as well as from ASM employees. In 2016, we look forward to strengthening the collaboration between ASM and the Almere school system, by expanding our joint activities, possibly by facilitating one-week internships for the middle classes, and providing room for the students to participate in International Science Olympiads.



# SUPPORTING MILITARY VETERANS AND THEIR FAMILIES

Pat's Run is a race that raises money for a scholarship fund for US military veterans and their spouses. The race and the scholarship fund honor the sacrifice of Pat Tillman, an American football player who joined the US Army following the September 11, 2001 attacks on the US. Tillman was killed in Afghanistan. In the US, we have sponsored employees participating in Pat's Run for the past three years.

As part of our community support tradition, we paid the entry fees for employees and their guests to participate in the race. In 2015, 58 employees and their guests took part in the race.



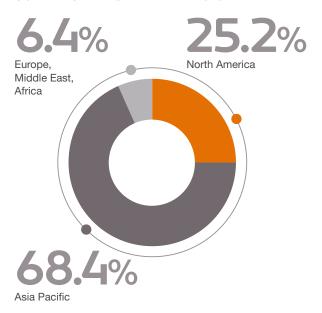


We hold ourselves to high standards and expect the same from our suppliers. Having adopted the EICC Code of Conduct as our Supplier Code of Conduct, we take responsibility for assessing our suppliers' performance through risk self-assessments and in some high-risk cases through on-site auditing. At the same time, we supported them by providing training in the areas of EICC compliance and Conflict Minerals.

# A DIVERSE GLOBAL SUPPLY CHAIN

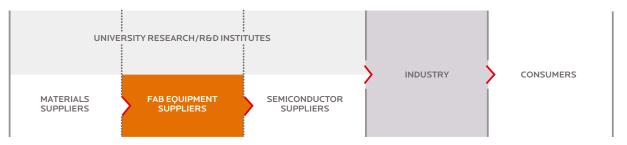
Our mission is to provide our customers with the most advanced, cost-effective and reliable products, service and global support network in the semiconductor industry and beyond. We rely on our supply chain partners to help us achieve this mission. Our supply chain consists of a wide range of complex and advanced technology suppliers across a broad commodity base in 24 countries worldwide. Our supply chain is diverse, not only in geography but also in categories of businesses. The main categories include contract manufacturers, metal fabrication, gas systems, robotics, heaters, electronics and high-tech chemistries, to name just a few. This diverse global supply chain helps us to stay innovative and flexible so we can keep meeting our customers' demands.

# SUPPLY CHAIN SPEND BY REGION





### THE VALUE CHAIN IN OUR INDUSTRY



#### **OUR APPROACH**

We assess our critical suppliers each year and we include checking their compliance with the EICC Code of Conduct in our assessment. This approach places maximum focus on the areas where we make the majority of our spending. It helps us ensure that our supply chain is operating ethically, that worker safety and fairness is being properly addressed, and that environmental responsibility is being well managed.

# INTEGRATING CORPORATE RESPONSIBILITY INTO OUR SUPPLY CHAIN

We are committed to conducting business responsibly throughout our supply chain. We believe that integrating corporate responsibility requirements into our existing supply chain management systems helps us to manage supply chain risk effectively. This approach creates business value while meeting our customers' requirements for supply chain responsibility and accountability.

# **DEVELOPING SUPPLY CHAIN COMPLIANCE**

We developed our supply chain code compliance process and integrated it with our supply chain management system, including commitment requirements and measures to help enforce supplier responsibility and accountability. Please see the chart on this page, for our supply chain code compliance process.

# SUPPLIER SELF-ASSESSMENTS **AND AUDITS**

We adopted the Electronic Industry Citizenship Coalition (EICC) Code of Conduct as our supplier code of conduct. By directly adopting the EICC code and establishing sustainable management systems matching the industry standard supplier assessment process, we have set high targets for our suppliers. To enhance overall supply chain accountability to the EICC code and standards, we follow the EICC-recommended risk assessment tools and processes and introduced EICC Self-Assessments Questionnaires (SAQ) to our critical suppliers. Building on our success in rolling out the supplier code of conduct, in 2015 we made this a global process and documented it as part of our supply chain risk assessment process.

### **GLOBAL SUPPLY CHAIN PROCESS**





# **CRITICAL SUPPLIER IDENTIFICATION PROCESS**

Using the identification process, we determine whether a supplier is critical or not by using criteria such as the amount we spend with them, how many similar or alternative suppliers exist, and the amount of time we would need to switch suppliers if we had to.

#### SUPPLIER EXPECTATIONS

At the beginning of 2015, our head of Global Supply Chain Management let all our critical suppliers know what our expectations are for supplier responsibility including compliance with the Supplier Code of Conduct, ASM Corporate Responsibility (CR) policy and ASM Conflict Minerals policy.

#### **SUPPLIER TRAINING**

As part of our supplier capability-building activities, we delivered EEIC Code, Supplier Expectation and Conflict Materials training webinars.

#### HIGH-RISK SUPPLIERS COMPLETED AUDITS

High-risk suppliers, whom we had identified through a 2014 Supplier Self-Assessment, completed thirdparty EICC audits in 2015.

#### SUPPLIER RISK SELF-ASSESSMENTS

Our supplier risk assessment process and selfassessments helps us to identify and measure social, environmental and ethical risks in our supply chain. This helps us to better understand how our suppliers are meeting the EICC code and standards. After analyzing risk assessment results, we work closely with our suppliers to implement corrective actions to ensure continuous improvement in complying with the EICC code. In 2015 more than 80% of our critical suppliers completed the required self-assessment, which is equivalent to more than 92% of our total baseline spend with critical suppliers.

# **RISK MANAGEMENT AND SUPPLIER CAPABILITY BUILDING**

We operate at multiple sites and have partnerships with suppliers from 24 countries. So we have to be prepared to respond quickly to a wide range of unplanned events. That means working proactively to ensure our supply chain is reliable by assessing and managing risks. Our supply chain risk management process consists of a combination of supplier risk assessments, supplier self-assessments, EICC audits, and training and capability building activities to help our supply chain to be both resilient and responsible.

We recognize that the EICC Code of Conduct is new to some of our suppliers. They need guidance and time to help ensure their management systems conform to industry standards. We not only communicate our expectations clearly at the beginning of each year, we also offer them free webinars to help them understand the code requirements, the measurement methods, and help to gradually build up their knowledge and enhance their management systems.

In 2016 we will continue to enhance our communication and training. We will partner with suppliers to develop their capability to conform to the code and improve their performance. This will help increase the resilience of our supply chain. We also plan to partner with suppliers to identify opportunities to reduce greenhouse gas (GHG) emissions in the supply chain and help us to continue to improve our performance and reduce our total environmental impact.

#### **CONFLICT MINERALS**

'Conflict minerals' are those mined in the Democratic Republic of Congo (DRC) or adjoining countries. Profits from the sale of these extracted minerals may directly or indirectly benefit those involved in rebel conflicts and human rights' violations. These minerals and the metals created from them (tin, tantalum, tungsten and gold) can make their way into the supply chains for products used around the world, including the semiconductor industry.

# **CONFLICT MINERALS POLICY AND** SUPPLY CHAIN DUE DILIGENCE

ASM does not directly source minerals from mines in the DRC or adjoining countries. To trace the origin of these metals would take the due diligence of gathering data from many tiers of the supply chain, including mines, traders, exporters, smelters, refiners, metal producers, component manufacturers and contract manufacturers. ASM is committed to sourcing components and materials from companies that are committed to protecting human rights, upholding ethics, environmental and social sustainability. In 2013, we published our Conflict Minerals Policy and engaged with critical suppliers with Reasonable Country of Origin Inquiries (RCOI). In 2014 we joined the most established and widely-recognized Conflict Free Sourcing Initiative (CFSI), which brings together the electronics, automotive and other industries



to jointly improve conditions in the extractives industry (www.conflictfreesourcing.org).

### **CONFLICT MINERALS DUE DILIGENCE**

We also launched our supply chain Conflict Minerals minerals due diligence process. In 2015 we continued to communicate, train and survey our active suppliers, and collected supply chain sourcing information on the sources of tin, tantalum, tungsten and gold with the industry standard Conflict-Free Sourcing Initiative template, the Conflict Minerals Reporting Template (CMRT). Using our due diligence process for supply chain conflict minerals, which includes our Conflict Minerals Policy, supplier communication, supplier survey and data verification and analysis, we identified the smelters our critical suppliers are sourcing from, and established the traceability to eventually achieve our goal of assuring DRC conflict-free products and components.

# **COMPLIANCE WITH US LEGISLATION**

As part of our compliance with US legislation, we filed our 2014 Conflict Minerals Report with the US Securities and Exchange Commission, in May 2015. The filing and current information on the due diligence process and our policy can be found on our website, in the Supply Chain section under Corporate Responsibility. As of 21 August 2015, ASMI no longer traded under US SEC governance, and will no longer be filing SEC reports. However, our commitment to the EICC Code of Conduct stands and we will continue our active participation and contribution to the Conflict Free Sourcing Initiative (CFSI), and our engagement with relevant other stakeholders including the European Parliament as well as international NGOs through the engagement of CFSI to ensure our industry alignment.

