

ENABLING THE DIGITAL WORLD
開拓數碼世界

ASM 
Pacific Technology
(STOCK CODE 股份代號: 0522)

ASM Pacific Technology Limited

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016



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ABOUT THIS REPORT

This Environmental, Social and Governance Report (“ESG”) covers the environmental, social and governance impacts, policies and initiatives of ASM Pacific Technology Limited (“ASMPT” or the “Group”) for the period between 1 January 2016 and 31 December 2016, unless where otherwise expressly indicated. The reporting period aligns with the Group’s financial year. This report is prepared with reference to the core option requirements outlined in the Global Reporting Initiative G4 reporting guidelines.

This is ASMPT’s first ESG Report covering its sustainability strategy and practices. It provides an overview of the Group’s approach, priorities, targets and performance reviews in key areas. This report covers ASMPT’s global operations in Greater China, Asia, Europe and both North and South America over which the Group has management control. The reported numbers of 2016 will form a baseline for trend analysis in subsequent reports.

Through this report, ASMPT reinforces its sustainability commitment with its various stakeholders, which include its customers, investors, shareholders, business partners, employees and vendors. The report underscores the environmental, social and economic aspects that impact ASMPT’s business. These aspects enable the Group to prioritise and focus on issues that matter most and to address them through the Group’s policies and initiatives.

In line with ASMPT’s continued commitment to environmental sustainability, no hard copies of this report have been printed.



CHAIRMAN'S MESSAGE

I am pleased to present ASMPT's 2016 ESG Report, our first-ever standalone report to date.

This report describes the Group's sustainability journey and our efforts to embrace good practices on issues relating to the environment, for example, waste water management, energy, emissions, as well as social aspects, which include employment, health, development and training, the community and others.

As technology transition in our industry is moving at an ever increasing pace, we have sought to build a diverse product portfolio by investing ahead of the curve. Our strategy over the years has been to deliver the best innovative products that make a difference for our customers. We believe we have put in place the right products with the right technologies to ride the continuing wave of technology transition to advanced packages. We have an unparalleled advanced packaging portfolio, which no other equipment supplier in the world is able to match.

The Group has made good progress and as we expand our footprint in the global markets, we remain vigilant and stand ready to react swiftly to the economic situation and technology demands. ASMPT recognizes that our success is built to a large extent on the efforts of our dedicated employees. As such, strong emphasis is placed on their well-being and safety, talent retention and development, and succession planning in order for our employees to reach their full potential and excel in their work and career. Being a socially responsible organisation, ASMPT not only promotes but also encourages our employees to do their part in supporting the community through volunteer work and projects. The Group contributes to charitable causes and partners with various non-government and charitable organizations to give back to the communities we operate in. Since 2012, the Hong Kong Council of Social Service has been awarding the Caring Company logo to ASMPT annually in recognition of the Group's demonstration of corporate social responsibility.

Continuous efforts are being made to improve our operating efficiency and our stewardship of resources as we strive to build a sustainable future that will create long-lasting value to our business, to our stakeholders, to the community and to the environment. We are committed to addressing the issue of global warming by driving reduction programmes in energy consumption in all our manufacturing facilities worldwide. Moving forward, ASMPT will continue to implement sustainability programmes and measures to improve the economic, environmental and social well-being of the communities we operate in.

Orasa Livasiri

Chairman

17 May 2017

ABOUT ASMPT

As a global technology and market leader, ASMPT (HKEX stock code: 0522), develops and provides leading edge solutions and materials for the semiconductor assembly and packaging industries. Its surface mount technology solutions are employed in a wide range of end-user markets including electronics, mobile communications, automotive, industrial, LED and alternative energy. Our continuous investments in research and development help to provide our customers with innovative and cost-efficient solutions and systems that enable them to achieve higher productivity, greater reliability and enhanced quality.

Listed on the Hong Kong Stock Exchange since 1989, ASMPT is currently one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under Hang Seng Composite Industry Indexes, the Hang Seng Hong Kong 35 Index and the Hang Seng Global Composite Index. To learn more about ASMPT, please visit our website at www.asmpacific.com.

AWARDS & RECOGNITION

Some of the awards and recognitions received from various stakeholders and organizations include:

- ✓ Awarded the “Caring Company” Logo by the Hong Kong Council of Social Service since 2012
- ✓ Awarded the “18 Districts Caring Employers” Award in Hong Kong since 2012
- ✓ “2015 Hong Kong Awards for Industries – Technology Achievement Grand” Award
- ✓ Munich factory was awarded “Factory of the Year 2016” Award by *Produktion/AT* Kearney
- ✓ Ranked among “Top 10 of Best Managed HK Companies in 2016” by *Finance Asia*
- ✓ Ranked among “Top 10 of Best at Investor Relations in 2016” by *Finance Asia*
- ✓ Ranked among “Top 5 of the 10 BEST Chip Making Equipment Suppliers in 2016” by VLSI Customer Satisfaction Survey
- ✓ Ranked among “Top 3 of Assembly Equipment in 2016” by VLSI Customer Satisfaction Survey
- ✓ Ranked among “Top 4 of Test Equipment in 2016” by VLSI Customer Satisfaction Survey
- ✓ 2016 *Corporate Governance Asia* – “Best Investor Relations Company”

SUSTAINABILITY AT ASMPT

Creating and delivering sustainable values to ASMPT stakeholders are fundamental to us. This requires us to monitor our supply chain, develop responsible products, reduce our environmental impact, ensure customer satisfaction, be an employer of choice and support the communities in which we operate.

The Group's sustainability framework is built on four pillars, which are as follows:

- **SUPPORTING OUR COMMUNITIES**

We practise good corporate citizenship and contribute to the social well-being of the communities where we operate.

- **MANAGING ENVIRONMENTAL IMPACT**

We commit to environmental sustainability, ensuring that our operations are carried out in a responsible manner.

- **CREATING VALUES THROUGH INNOVATION**

We create values, focusing on R&D to deliver new cutting-edge technology and product innovations to enable the digital world. At the same time, we strive to integrate sustainability to our innovations through the efficient use of resources, recycling measures and re-engineering of manufacturing processes.

- **NURTURING OUR EMPLOYEES**







We believe employees are the best assets of the organization and we are committed to building a future ready workforce that allows them to grow and excel.

The Group believes these four pillars will not only enable us to retain our leadership position, but also empower us to contribute effectively to the communities in which we operate.



STAKEHOLDER ENGAGEMENT

ASMPT is committed to establishing strong and mutually beneficial relationships with our diverse base of stakeholders, which include our customers, investors, business partners, employees and vendors. We maintain active engagement with our stakeholders through open and transparent communication channels to understand their concerns, secure their buy-in and manage their expectations promptly, thereby earning their trust and understanding over time. Engagement with our stakeholders also helps the Group to identify the opportunities, issues and risks that may affect our business and performance.

Key Stakeholders	Expectations	Solutions	Engagement Channels
Communities 	To have a company that is a responsible and caring corporate citizen, serving the communities.	The Group strives to effectively contribute to communities and facilitate active participation of our staff and their family members in our community engagement initiatives.	<ul style="list-style-type: none"> Employee community involvement programmes Corporate sponsorships and donations Scholarships and internships
Customers 	To have high quality and on-time delivery of systems and services. To have environmentally responsible and ethical business operations.	The Group strives to innovate and deliver products and services of high quality and on-time delivery performance.	<ul style="list-style-type: none"> Regular meetings and email correspondences Site visits Trade shows Customer training and support
Employees 	To provide a conducive environment where there is personal development to achieve career growth and work-life balance. To treat employees with respect and dignity.	The Group adopts human resource policies and practices that promote fairness, a safe and comfortable working environment, reward good performance, ensure career growth and provide work-life balance. Staff can also leverage the open communication platforms such as networking sessions to provide feedback to the management.	<ul style="list-style-type: none"> Emails Intranet Internet Staff broadcasts Staff publications and videos Networking sessions Team building activities Family Day Annual Company Dinner Regular management communications Town hall meetings Performance reviews Employee engagement survey In-house recreational facilities
Government and Regulators 	To ensure that the Group complies with local laws, policies and regulations and addresses pertinent issues.	The Group strives to comply with all applicable laws and lays down policies and procedures to ensure adherence and sustainability of our business.	<ul style="list-style-type: none"> Regular performance reporting Maintain communications with government and regulators
Investors/ Shareholders 	To receive accurate and timely information on the Group's operational and financial performance and future plans.	The Group strives to create long-term shareholder value by generating optimum returns on investment, practising good corporate governance, providing transparency and disclosure, while delivering sustainable and long-term growth.	<ul style="list-style-type: none"> Annual General Meetings Annual and Interim Reports Announcements and Circulars Quarterly updates on financial results Investor conference calls Investor meetings and roadshows Investors' feedback channel via our corporate website
Suppliers 	To comply with terms and conditions of the Group's procurement policies and procedures. Adoption of the Electronic Industry Citizenship Coalition ("EICC") Code of Conduct.	The Group treats all suppliers fairly and with respect. There is zero tolerance on violation.	<ul style="list-style-type: none"> Supplier Code of Conduct Supplier management meetings and engagements Email correspondences Supplier Assessment System Supplier audits

GOVERNANCE

Sustaining good governance at ASMPT is an important part of our business. Our Code of Business Conduct applies to all employees and suppliers, where applicable. A dedicated ESG committee comprising members from different regions and functional groups was set up since 2015. This committee reviews and monitors the Group's ESG policies and practices on a regular basis, ensuring compliance with legal and regulatory requirements. It is led by the Compliance Director who reports to the Group Chief Financial Officer, a member of the Group's senior management. The ESG committee also regularly updates the Group's Executive Committee (which comprises members of the senior management of the Group) on matters relating to sustainability risks, sustainability management performances as well

as recommendations and follow-up measures.

ASMPT is committed to maintaining good corporate governance and business integrity in all our business activities. The Group complies with all applicable legislations and requirements. We also adopt a proactive international tax compliance management process that is intended to ensure adherence with our tax obligations in all locations where the economic activities of our operations take place. In addition, we have in place an adequate and effective risk management framework that enhances our business resilience and agility. Appropriate measures to protect privacy and to comply with privacy and information security laws and regulatory requirements are also in place.

The Board of Directors is responsible for performing the corporate governance duties. One of the Board functions is to provide independent and effective leadership to supervise the management of the Group's business and affairs and to grow responsibly in a profitable and sustainable manner and in the best interest of our shareholders. The Board also develops and reviews the Group's policies and practices on corporate governance including the Group's risk management framework. Details of the Group's corporate governance practices for the year ended 31 December 2016 are set out in the Corporate Governance Report that has been published in the Company's 2016 Annual Report.



ENVIRONMENT



ENVIRONMENTAL PROTECTION

ASMPT is committed to complying fully with all applicable environmental laws and regulations. Our environment charter highlights our commitment to safeguarding the environment through energy efficient practices and technologies, resource conservation, recycling and pollution prevention.

The Group sets guidelines on environmental design requirements for product development and has a comprehensive checklist for our product development teams to ensure that relevant environmental factors have been taken into consideration at the product design

stage. We have a Design for Excellence (“DFE”) programme in place which is a “health check” initiative for our products at the machine level on various design aspects since 2005. Under this programme, Environmental Aspect and Design for Manufacturing are two of the critical design approaches to be assessed at product design stage. New products will be assessed according to a set of stringent criteria with grades given in order to drive improvement in product design with regards to environmental performance.

ASMPT monitors closely the product lifecycle which consists of product

design, manufacturing, storage, packing and delivery, use and reuse, and disposal so as to minimise its impact on the environment. The Group is ISO 14001 certified for our environmental management system at our main business locations in China, Hong Kong, Germany, United Kingdom, Singapore and Malaysia.

In 2016, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to environmental protection that would have a significant impact on the Group.

EMISSIONS & ENERGY CONSUMPTION

As the global leading integrated solutions provider in the semiconductor and electronics industries, ASMPT takes responsibility to ensure that any potential adverse impacts of our operations on the environment are identified and addressed accordingly. The Group is well aware of the climate change issues due to global warming and is committed to addressing it through the reduction of energy consumption and carbon emission. To further promote this exercise, a corporate-level committee has been set up to drive the energy consumption reduction programmes in all the manufacturing facilities.



Double-glazed low-energy transparent glass for energy-saving



Our greenhouse emissions were derived primarily from fuel consumptions, corporate vehicles and electricity usage.

Some of the actions we have taken to improve energy efficiency and reduce energy consumption include replacing old chiller plant for efficiency upgrade;

replacing fluorescent tubes with LED lights; adopting variable speed drive technology in constant speed air compressors for energy saving; adopting controls for air-conditioning systems, and so on. Results of the efforts made have been encouraging and the Group is working towards achieving a 5% reduction in energy consumption by the end of 2018.

ASMPT's new building in Singapore, which was completed in 2016, has been awarded the Green Mark Gold Award status by the Singapore Building and Construction Authority (BCA). This accolade was

awarded to us for adopting features that are more climatic responsive, energy effective, resource efficient and create a healthier indoor environment in our building. The eco-friendly building utilizes the latest variable speed drive technology for chillers and air compression system as well as double-glazed low-energy transparent glass for energy saving purpose. It is also empowered with a highly intelligent building management system that monitors security, control access, fire zones, power consumption and compressed air system amongst others to help reduce carbon emission.

WASTE MANAGEMENT

ASMPT actively carries out waste-reduction measures with the aim to create a sustainable society. To promote the reuse of parts, "Recycled Materials Collection Day" is organised on a regular basis during which the wastes collected are reviewed either for internal reuse or disposal through external waste recycle channels. Separate recycled bins for paper, glass, plastic are placed at strategic locations of various plants to ensure employees do their part to protect the environment.

The waste reduction and recycle programmes implemented have enabled the Group to manage resources more effectively and minimise wastage.

Products are made using reusable and recyclable ingredients, where possible, and we encourage reusable and returnable packaging for the shipments from our suppliers. One example is our chassis of cast mineral consists mostly of natural materials that requires 20 to 40% less energy in its production and up to 80% less energy in recycling. ASMPT encourages employees to reduce unnecessary printing and our annual reports are printed on environmental-friendly paper.

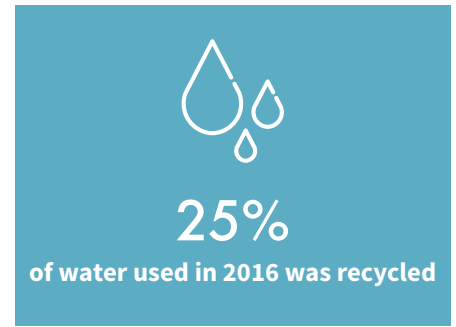
In 2016, the Group recycled almost 89% non-hazardous and 93% hazardous waste respectively, with the remaining disposed of by accredited vendors.



WATER USAGE

At ASMPT, a large volume of water is needed in the manufacturing process of lead frames and precision machinery products. To prevent water pollution and effective usage of water, the Group has installed water treatment and recycling facilities in its lead frame manufacturing plants in China, Malaysia and Singapore to process waste water.

Enhancement work has been done to improve the water treatment efficiency such as introducing biological treatment and recycling facilities in order to achieve a higher recycle percentage. With the new initiatives, a 5% improvement on the daily waste water collection for recycling treatment is expected. In 2016, as much as 25% of water used was recycled.



USE OF RESOURCES

We strive to reduce the use of raw materials by designing products with reduced weight and volume. In addition, we continually improve our manufacturing processes to reduce machine fabrication hours and use of materials in order to conserve resources and energy. Our manufacturing operations continuously

optimise logistics within the production plant by designing exceptionally compact assembly lines to minimise long transport routes and making the production floor infrastructure (i.e. water, electricity, lighting and air-conditioning) as efficient as possible.





SOCIAL

EMPLOYMENT

The Group recognises human capital as one of our most important assets, and having an inclusive, engaged and skilled workforce is critical to our success. By upholding fair employment practices and growing the capabilities of our workforce, we aim to create a work culture that motivates and empowers every employee to be innovative, creative and able to think out of the box.

As a global organisation, ASMPT embraces workforce diversity and implement fair employment practices in our operations. Equal opportunities for employment, advancement and

promotion are provided to all staff. The Group believes that, regardless of gender, ethnicity, age, religious beliefs, nationality, marital status, disabilities, sexual orientation and/or other aspects, employees can make a significant contribution based on their talent, expertise and experience.

ASMPT has a well-structured and open annual performance appraisal system. The remuneration of ASMPT employees is in line with the market rate and commensurate with individual qualifications, working experience and contribution. Salary review is conducted

annually to reflect competitiveness. Discretionary bonus and incentive shares may be granted to eligible staff based on the Group's financial results and individual performance. Other benefits for our employees include contributions to mandatory provident fund schemes, medical and training subsidies. All full-time employees received an annual performance review in 2016.

As of 31 December 2016, the Group had a global workforce of approximately 14,400 employees, out of which about 23% are female.



We not only nurture and support our employees build and strengthen their competencies. We also seek to provide a fun and fulfilling work environment where our employees are motivated and empowered to be innovative.

DIVERSITY BY AGE

	Below 30	30 to 50	Above 50	Total
Greater China	30%	38%	3%	71%
Asia (excluding Greater China)	5.5%	9%	2%	17%
Europe and Africa	1%	5.5%	4%	11%
North and South America	0.5%	1%	0.5%	1%
Total	37%	53.5%	9.5%	100%

HEALTH AND SAFETY



Occupational safety and health management trainings are conducted regularly to ensure employees are well-prepared during emergency.

At ASMPT, employee well-being and safety are always our number one priority. The Group is committed to minimising risks and providing a safe and secure workplace for all employees across its global operations. We comply with laws and regulations applicable to the countries in which we operate. We have a well-defined structure in managing workplace safety and health with the goal of having zero injury in all our facilities. The Group's occupational safety and health management systems have been certified in accordance with the internationally recognised standards - OHSAS 18001 for facilities in Hong Kong, China and Germany.



The Group makes every effort to minimise and avoid potential safety hazards. Practices such as proper design, engineering controls and administrative controls are adopted to eliminate or isolate the hazards. Qualified personal protective equipment and appropriate administrative controls such as safe work procedures are provided to

relevant employees where appropriate. We also identify, evaluate and ensure minimum hazardous exposure to physically demanding tasks including manual material handling, heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks to the employees. ASMPT believes that a

clean working environment can help to raise employees' efficiency. Hence, we endeavour to maintain a high level of hygiene in the workplace through regular office cleaning, daily cleaning of public and common areas and provision of clean drinking water, to name a few.

ASMPT identifies and assesses potential emergency situations and events on a regular basis. To minimise the impact of these situations and events, emergency plans and response procedures are established and implemented. These include measures such as emergency reporting, employee notification and evacuation procedures, emergency drills and disaster recovery plans. Our emergency drills are conducted regularly and our employees are trained to be vigilant and ready to respond to emergencies in a timely and efficient manner so as to minimise disruption to our customers.

We have also established procedures and systems in place to prevent, manage, track and report occupational injuries

and illnesses. ASMPT employees are encouraged to be forthcoming in reporting all injury and illness cases. The Group provides necessary medical treatment and facilitates the return of affected staff to work. Information on infectious diseases, which include updates, risk control measures and recommended actions, is disseminated to employees where applicable.

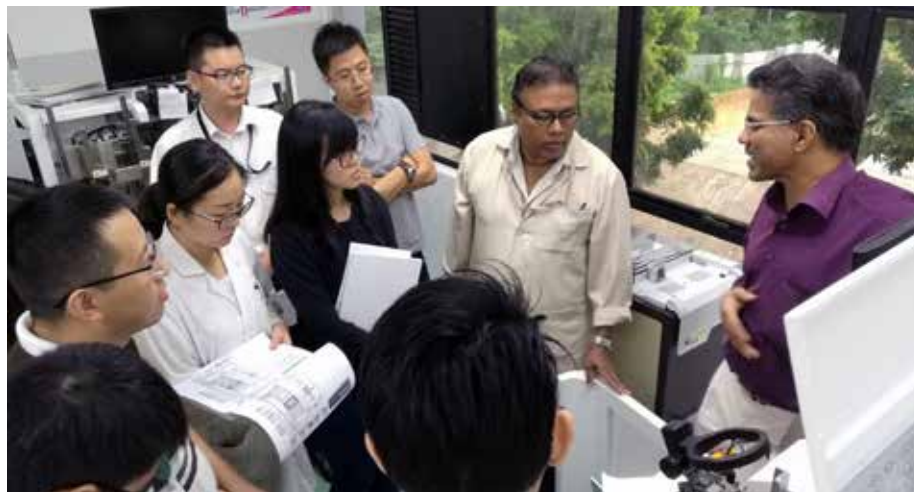
At the execution level, the Group has formulated workplace health and safety committees for Asia-Pacific and Europe. Comprising management and employees representatives, these committees help to monitor the health and safety programmes in the respective regions. New hires will also have to attend the New Hires Orientation Program, which

includes a segment on occupational health and safety organised by the Human Resource departments for the main plants and major offices. For independent contractors, safety training requirements are included in all contracts as ASMPT expects all contractors to undergo relevant safety training. Regular spot checks are conducted to ensure adherence to compliance.

In 2016, there were no fatal work-related accidents and zero occupational diseases. ASMPT continues to monitor, reinforce and fine-tune our safety standards and procedures for continuous improvement.

DEVELOPMENT & TRAINING

ASMPT regards employees as a key competitive advantage. We place strong emphasis on the development of our employees at all levels by providing opportunities for professional development and upgrading of capabilities such as job specific skills, generic management or supervisory skills, and language training through internal and external courses, attendance at conferences/seminars and events, professional memberships and on-the-job learning. These offerings support continuous improvement for the employees. The Human Resource departments across the global offices also work closely with the managers to recommend relevant courses for the employees. New employees from the main plants and major offices have to undergo an orientation programme to help them better adapt into the company.



Training opportunities are provided to employees of all levels to upgrade their skillsets and competencies.

In 2016, more than 80% of our total employees underwent trainings to upgrade their skillsets. The Group believes that continuing education is an important part in nurturing talents.

Hence, our employees are strongly encouraged to pursue professional development opportunities with ASMPT sponsoring eligible full-time employees for higher education courses.

LABOUR PRACTICES

It is the policy of ASMPT to prohibit in all of its operations the employment of forced labour or any person who is under the minimum age requirement as stipulated in local laws and regulations or under the age for completing compulsory education. We recognise apprenticeship and internship programmes that comply with local laws and regulations.

Our commitment to human rights is supported by our Code of Business Conduct, which sets the tone in relation to the Group’s stance against discrimination on the basis of gender, ethnicity, age, religious beliefs, nationality, marital status, disabilities, sexual orientation and/or other aspects. The rules of conduct apply to all employees of ASMPT. In 2016,

there were no reported incidences of discrimination, child or forced labour.

Relevant and appropriate checks of individual identity and employment eligibility will be made before any employment is offered. Some of these checks include examination of documentation such as passports, permits, working visas and personal identification documents issued by authorities.

We also oblige our business partners strictly to observe our human rights and labour practice standards including the prohibition of child labour in accordance to our Supplier Code of Conduct. We reinforce those expectations with periodic assessments and audits.



SUPPLY CHAIN MANAGEMENT

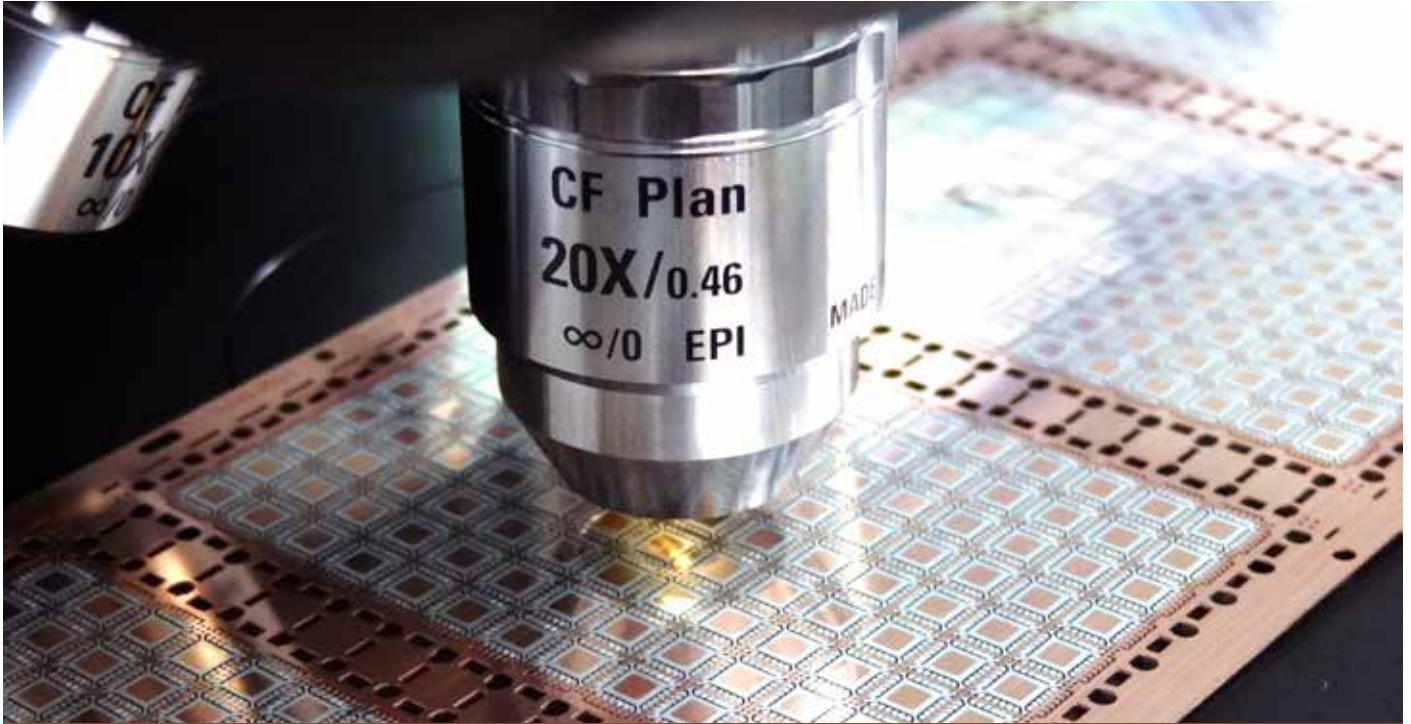
ASMPT has both direct and indirect economic impacts in the countries where we do business. We are committed to conducting all our businesses with integrity. Our procurement process encourages fairness and applies a high level of objectivity and impartiality in supplier selection. Suppliers are selected on the basis of their products, services, quality, technology, capability, cost effectiveness, business integrity, sustainability, growth potential and management system.

Our Supplier Code of Conduct, which is based on the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, sets out clear expectations that we have of our vendors in areas such as supplier relationships, child labour, forced labour, human rights, environment, health and safety, as well as bribery and corruption. The contents of our Code of Conduct were developed to be consistent with our culture, values and business practices, and are updated periodically to ensure

relevance. A copy of the Supplier Code of Conduct is available at our website. We monitor suppliers’ compliance through periodic assessments and audits and communicate the results to them. We will continue to work closely with our key vendors and seek their support in creating a sustainable supply chain.



PRODUCT RESPONSIBILITY



All equipment will have to go through stringent checks and certifications to ensure the safety of our customers.

As a market leader in the supply of semiconductor assembly and packaging equipment and materials as well as surface mount technology solutions, ASMPT is always striving to make our products more environmentally friendly. During the product design stage, our product development teams not only have to ensure that the products will have better environmental performance, they also have to adhere to our Design for Excellence (“DFE”) programme, which was introduced in 2005. The DFE programme serves as a “health check” initiative for our products at the machine level on various design aspects.



In addition, our products are made of reusable and recyclable ingredients, where possible. For instance, our SIPLACE pick-and-place machines can be disassembled energy-efficiently, and any parts that are no longer usable can be properly disposed of or recycled. In the area of resource conservation, we constantly strive to design products with reduced weight and volume and

continue to improve our manufacturing processes to reduce machine hours and use of materials.

Recognising that intellectual property is an important asset, ASMPT ensures that intellectual property rights are protected and respected. Security measures and confidentiality agreements are implemented in order

to maintain the confidentiality of proprietary information belonging to the Group and our partners, and to prevent unauthorised access to the same. Agreements relating to collaborations with third parties are reviewed by our legal team to outline in advance the ownership of, and rights to, intellectual property before the commencement of collaborative work.

We also protect our intellectual property by safeguarding our trade secrets, know-hows and goodwill. This is done by applying for registration of the trade and brand names, as well as technologies and process improvements that relate to ASMPT's new developments. Employees are encouraged to submit information disclosure statements in respect of their new inventions, and these inventors are given due recognition.

As the industry leader, ASMPT strives to deliver the highest value and innovative solutions to our customers through products and solutions with advanced technologies and excellent quality. The Group is ISO 9001 certified for our quality management system at our main business locations in China, Hong Kong, Germany, United Kingdom, Singapore and Malaysia. Upholding our product quality standards, we provide assurance of our products through:

- Comprehensive systematic plan and approach to develop and launch innovative and right products that surpass customers' expectations and technologies

- Best-in-class manufacturing process flow to produce and deliver quality products on time and at optimum cost
- Provide efficient and effective pre and post-sales services to achieve total customer satisfaction
- Effective feedback system to respond quickly to customers' requirement
- Full dedication and support from all ASMPT employees in achieving our objective of continually improving the quality of our systems and services

ASMPT put customers' safety as top priority. As such, all equipment has to go through stringent tests and certifications by both the Quality and Reliability Departments. We build trust with our customers by having in place a holistic recall procedure. The process will immediately kick-in to recall the equipment should any customer's personal and environment safety be at risk.

When potential safety hazard is identified or customer's feedback on safety issues is received, the Field Service team will be activated. A detailed study will be carried out before the decision to recall the equipment is made. Based on our records, we are proud to say that none of

our equipment has ever been the subject of a recall. There have been a few cases of potential safety hazard which were resolved by our Field Service Engineers through product upgrade. Based on our experience, our Field Service Engineers have been able to handle almost 100% of equipment related issues.

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

In 2016, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to the use of the Group's products and services that would have a significant impact on the Group.

ANTI-CORRUPTION

ASMPT is committed to operating our business in an ethical, transparent and accountable manner. We have a zero tolerance policy on bribery and corruption. Our employees are prohibited from offering or accepting bribes or using other means to obtain an undue or improper advantage. They are responsible for promptly reporting any actual, attempted or apparent violations. This policy is established and set out in ASMPT Code of Business Conduct. This Code of Business Conduct is made known to all employees through the Group's intranet portal, notice boards, New Hires Orientation Program, internet webpage and regular compliance communications. The Group does not tolerate or condone any form of illicit and unlawful activities. The Code is reviewed periodically, and updated when and where applicable.

Apart from ASMPT Code of Business Conduct, our whistle-blower policy and procedures provide employees and external parties such as vendors and third party business partners with well-defined and accessible channels within the Group for reporting suspected or actual fraud, corruption, dishonest practices or other similar matters. The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees and business partners making such reports will be treated fairly. They will be protected from reprisal or against adverse employment action for concerns raised in good faith, and all reports will be kept confidential. All allegations of bribery and corruption will be investigated thoroughly, and appropriate corrective measures will be taken based on the findings. As the Group has zero-tolerance policy against

bribery and corruption, related briefings and training are conducted regularly to ensure our employees and suppliers are fully aware of such policy.

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

In 2016, the Group was not aware of any incident of non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

COMMUNITY INVESTMENT

ASMPT believes in active contribution to the communities in which we operate. We do our utmost to create impact through collaboration, employee volunteerism and charity giving. We encourage and facilitate active participation of our staff and their family members in our community engagement initiatives within their local communities as we believe that active employee volunteerism not only helps the community but also contributes to the holistic development of our people in terms of empathy, perspective and character building.

Our community initiatives focus on community well-being, empowering youth through education and encouraging eco-friendly initiatives. In 2016, the Group participated, sponsored and/or donated to 137 activities and approximately 160,000 hours of volunteer service to the communities where we operate.

In 2016, employees from the Hong Kong office actively participated in meaningful activities like New Territories Walk for Millions 2016, Parents' Day Party with the elderly and family members

organised by St James' Settlement, Organic Farming Day with the Elderly, Oxfam Trailwalker programme, and UNICEF Charity Runs. Since 2000, the Hong Kong office has participated in Oxfam's Trailwalker programme in terms of financial sponsorship and sending teams to support the Trailwalker drive. They have also organised blood donation drives together with Hong Kong Red Cross Society since 1991.

ASMPT has been awarded both the "Caring Company" Logo by the Hong Kong Council of Social Service and the





We contribute extensively to charitable causes and partner with various NGOs and charitable organizations to give back to communities where we operate.

“18 Districts Caring Employers” award in recognition of its commitment in caring for the community, employees and environment in Hong Kong since 2012. During the year under review, employees from the Singapore office took part in the “Race against Cancer” run to help raise funds for cancer treatment, welfare assistance, cancer rehabilitation, etc.

The Group believes in the power of education to positively impact the lives of individuals. It supports initiatives that promote access to quality education

and in particular ensure the future pipeline for the engineering industry as a whole. We support local universities and technical institutes in the region through internship programmes and scholarship opportunities that have benefited 41 students in 2016. One key initiative is the ASM Technology Award. Into its second year, this award aims to inspire smarter technology in the engineering profession through recognising and rewarding outstanding university students in Hong Kong whose final-year projects demonstrated excellence in

technology and innovation. A total of 10 teams from various universities in Hong Kong participated in the ASM Technology Award 2016 event. Educational cash awards were not only given to the top three winning teams but also to the top winning educational institution.



ASM Pacific Technology Limited

12/F Watson Centre
16-22 Kung Yip Street
Kwai Chung, New Territories
Hong Kong
Telephone (852) 2424 2021
Facsimile (852) 2481 3367

www.asmpacific.com

