



2022 Sustainability Goals

We are committed to ensuring the safety of our colleagues, customers and business partners, and we strive to operate our business in an environmentally responsible way to conserve the world's natural resources. To encourage action and continuous improvement within our global organization, we have adopted and published for the first time in 2022 our corporate sustainability goals. We look forward to engaging with our stakeholders on our progress going forward.

Topic	Goal	2021 Baseline ¹
<i>Climate Change</i>		
(1) Reduce GHG emissions	Review strategies to reduce GHG emissions relative to our 2021 baseline (on a proportion of revenue basis) at our principal operating sites.	Scope 1 and 2 emissions were approximately 9,950 metric tons CO₂-e for all global locations, or 11.2 metric tons CO₂-e per \$ million of Revenue.
(2) Renewable energy sources	Investigate renewable energy sources on-site and off-site.	18% (3.7 Mil kWh) of energy usage was from renewable sources.
(3) Infrastructure	Invest in more energy efficient facility infrastructure technology.	Two operating sites (Kolbermoor, Germany and Osaka, Japan) have on-site solar power.
(4) Water usage	Investigate and deploy water use reduction measures where feasible.	Total water consumed was 46.7 Mil Liters.
(5) Waste management	Implement best practices in waste management to increase the amount of waste that is recycled.	825K Kg of paper, plastic, wood and other non-hazardous waste were recycled. The total amount of hazardous waste was 124K kg, of which 44% (54.7K kg) was recycled. All hazardous waste was handled and recycled or disposed of in accordance with local laws and regulations.

¹ References to "Mil" means millions; "K" means thousands

<i>Safety</i>														
(1) Employee safety	Strive for an injury-free workplace at all Cohu facilities and, in aggregate across our sites, remaining below the most recent U.S. Bureau of Labor Statistics Injury, Illness and Fatality statistics for our industry.	<table border="1"> <thead> <tr> <th colspan="3">U.S. Bureau of Labor Statistics 2020 Injury, Illness & Fatality Rates</th> </tr> <tr> <th>Industry</th> <th>NAICS code</th> <th>Total recordable cases⁽¹⁾</th> </tr> </thead> <tbody> <tr> <td>Instrument manufacturing for measuring and testing electricity and electrical signals</td> <td>334515</td> <td>0.9</td> </tr> <tr> <td>Cohu's 2021 Injury, Illness & Fatality Rates</td> <td></td> <td>0.2</td> </tr> </tbody> </table> <p><small>⁽¹⁾The incidence rates represent the number of injuries and illnesses per 100 full-time workers and were calculated as: $(N/EH) \times 200,000$, where N = number of injuries and illnesses EH = total hours worked by all employees during the calendar year 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year)</small></p>	U.S. Bureau of Labor Statistics 2020 Injury, Illness & Fatality Rates			Industry	NAICS code	Total recordable cases ⁽¹⁾	Instrument manufacturing for measuring and testing electricity and electrical signals	334515	0.9	Cohu's 2021 Injury, Illness & Fatality Rates		0.2
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<i>Diversity and Inclusion</i>														
(1) Racial/ethnic group representation of employees	For U.S. employees, maintain excellent record of diversity among U.S. employees	<p>At year-end 2021, 39% of U.S. employees identify from underrepresented communities.²</p> <p>At year-end 2021, Cohu's Board of Directors had 2 members who identify from underrepresented communities (25% of total).</p>												
(2) Female representation	Continue to increase female representation in the global workforce and our management team. Strive for global new hire representation to be greater than current incumbent employee female representation	<p>At year-end 2021, female representation was 28%, while among 2021 new hires female representation was 33%.</p> <p>At year-end 2021, Cohu's Board of Directors had 3 female members (37.5% of total).</p>												
<i>Innovation</i>														
(1) R&D investment	R&D investment ³ at least 35% of total Operating Expenses	R&D expense as a percentage of total Operating expenses was 36%.												
(2) Patents	Protect IP and pursue patents as appropriate	26 Patents applied for; 9 patents issued.												

² Includes employees who identify as Native American/Alaskan, Asian, Black/African American, Hispanic/Latino and/or Native Hawaiian/Pacific Islander

³ Based on GAAP Operating Expenses, but excluding Applications Engineering for semiconductor tester products

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Forward-Looking Statements

Certain statements contained in this report may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding sustainability goals, plans and metrics, and any other statements that are predictive in nature and depend upon or refer to future events or conditions, and/or include words such as “may,” “will,” “should,” “would,” “expect,” “anticipate,” “plan,” “likely,” “believe,” “estimate,” “project,” “intend,” and/or other similar expressions among others. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance.

Actual results could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: despite reasonable efforts, our Sustainability goals may never be achieved; the ongoing global COVID-19 pandemic has adversely affected, and is continuing to adversely affect, our business, financial condition and results of operations; the COVID-19 pandemic has impacted, and is expected to continue to negatively impact, the operations of our key suppliers, customers and other business partners; we are making investments in new products and product enhancements, which may adversely affect our operating results and these investments may not be commercially successful; we have manufacturing operations in Asia and any failure to effectively manage multiple manufacturing sites and to secure raw materials meeting our quality, cost and other requirements, or failures by our suppliers to perform, could harm our sales, service levels and reputation; a failure to perform or unexpected downtime experienced by our sole contract manufacturer for certain semiconductor automated test equipment could adversely impact our operations; failure of critical suppliers to deliver sufficient quantities of parts in a timely and cost-effective manner could adversely impact our operations; we may not be able to increase prices to fully offset inflationary pressures on costs, such as raw and packaging materials, components and subassemblies, labor and distribution costs, which may impact our financial condition or results of operations; the semiconductor industry we serve is seasonal, volatile and unpredictable and increased cyclicalities could have an adverse impact on our sales and gross margin; the semiconductor equipment industry is intensely competitive; semiconductor equipment is subject to rapid technological change, product introductions and transitions which may result in inventory write-offs, and our new product development involves numerous risks and uncertainties; the seasonal nature of the semiconductor equipment industry places enormous demands on our employees, operations and infrastructure; a limited number of customers account for a substantial percentage of our net sales; majority of our revenues are generated from exports to foreign countries, primarily in Asia, that are subject to economic and political instability and we compete against a number of Asia-based test contactor, test handler and automated test equipment suppliers; we are exposed to the risks of operating in certain foreign locations from where Cohu manufactures certain products, and supports our sales and services to the global semiconductor industry; increasingly restrictive trade and export regulations may materially harm or limit Cohu’s business and ability to sell its products; the remaining indebtedness in connection with our financing of the Xcerra acquisition may have an adverse impact on Cohu’s liquidity, limit Cohu’s flexibility in responding to other business opportunities and increase Cohu’s vulnerability to adverse economic and industry conditions and the Tax Cuts and Jobs Act severely limits the deductibility of interest expense; we are exposed to other risks associated with additional potential acquisitions, investments and divestitures such as integration difficulties, disruption to our core business, dilution of stockholder value, and diversion of management attention; our financial and operating results may vary and fall below analysts’ estimates, or credit rating agencies may change their ratings on Cohu, any of which may cause the price of our common stock to decline or make it difficult to obtain other financing; we have experienced significant volatility in our stock price; there may be changes in, and uncertainty with respect to, legislation, regulation and governmental policy in the United States; and our business and operations could suffer in the event of cybersecurity breaches within our operational systems or products.

These and other risks and uncertainties are discussed more fully in Cohu’s filings with the SEC, including the most recently filed Form 10-K and Form 10-Q, and the other filings made by Cohu with the SEC from time to time, which are available via the SEC’s website at www.sec.gov. Except as required by applicable law, Cohu does not undertake any obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.