

Cohu Poway Green Initiatives

Updated April 2018

Cohu, Inc. views environmental protection as management’s responsibility, as well as the responsibility of every employee. We collectively and individually are taking action to reduce our environmental impact, with intention to:

- Conduct our operations in compliance with applicable laws, regulations, and standards concerning environmental protection, and provide a mechanism for self-monitoring to ensure compliance and continual improvement.
- Minimize environmental risks for our employees and the communities in which we operate.
- Reduce and (where possible) eliminate waste through recycling and resource conservation, as well as implement and enforce safe and responsible handling and disposal of all waste.

Waste Reduction and Recycling Highlights

Our solid waste reduction program includes recycling for shipping materials—specifically packing peanuts, plastic bags, (cardboard) shipping boxes, (wooden) pallettes, and (wooden) shipping containers. Our goal is to consistently keep our monthly solid waste below 10 tons.

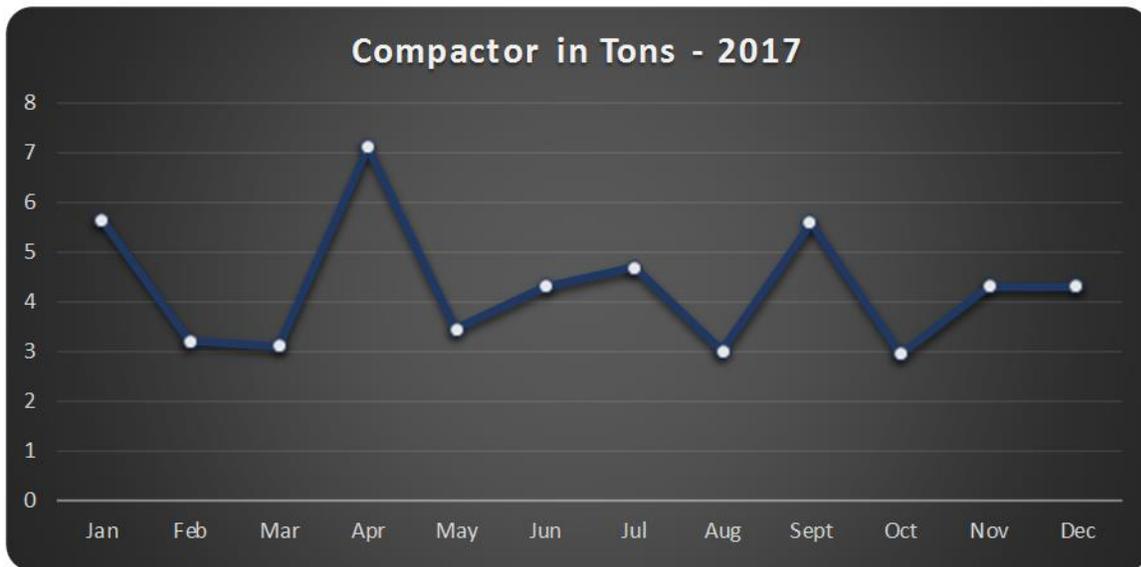


Figure 1 – 2017 Trash Tonnage. Data from EDCO Disposal

By keeping recyclable materials out of solid waste, we have been able to keep our monthly trash output well below our 10 tons/month maximum output goal, (see Figure 1).

All metal waste from our manufacturing processes is directed to an appropriate recycling facility to reduce solid waste (trash) and redeem a small cash reimbursement. Metal waste includes product components as well as building materials.

Our Facilities, IT, and Manufacturing departments have made concerted efforts to channel all electronic waste (wiring, motors, circuit boards, lamps, batteries, computers, etc.) to a vendor for safe disposal and recycling where applicable.

Bins for recycling aluminum cans and plastic or glass bottles are available in all break rooms and the company cafeteria to encourage recycling, and to collect CRV reimbursement where applicable.

Bins for recycling paper, metal, cardboard, glass, e-waste, and packing materials are placed strategically around the offices, labs, manufacturing floor, break rooms, cafeteria, and shipping and receiving docks to facilitate appropriate disposal. We also have “sharps” biohazard disposal containers in all restrooms.

Energy Conservation

Our commitment to energy reduction and conservation encompasses individual as well as large-scale facilities changes. Our goal has been to reduce the entire Poway site’s average monthly greenhouse gas emissions by five percent from that of 2015. Recent efforts have included:

- Installing reflective ceramic roofing tiles to help maintain (consistent) building temperature.
- Installing LED lighting in approximately 40% of occupied space, replacing fluorescent lighting fixtures for a savings of 27% in lighting energy consumption. Beginning in 2016, that equates to approximately 18,562 Kwh/year or to 13,000 pounds of CO₂.
- Replacing old air conditioning units with those 8% more efficient (2016/17).
- Upgrading the A/C energy management systems to power off all units during non-scheduled work periods and increase efficiency of temperature control in individual zones (2017).

Though the monthly energy usage fluctuates throughout the year due to outside temperature variances, **the yearly energy consumption has decreased consistently to a total over 39% since 2015 (see inset, Figure 3).**

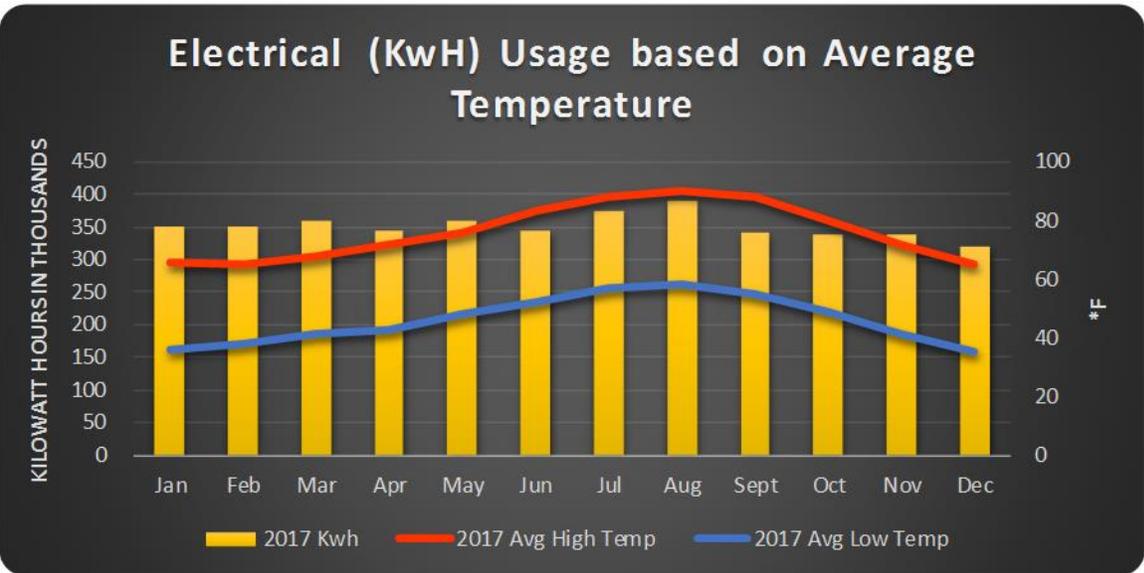
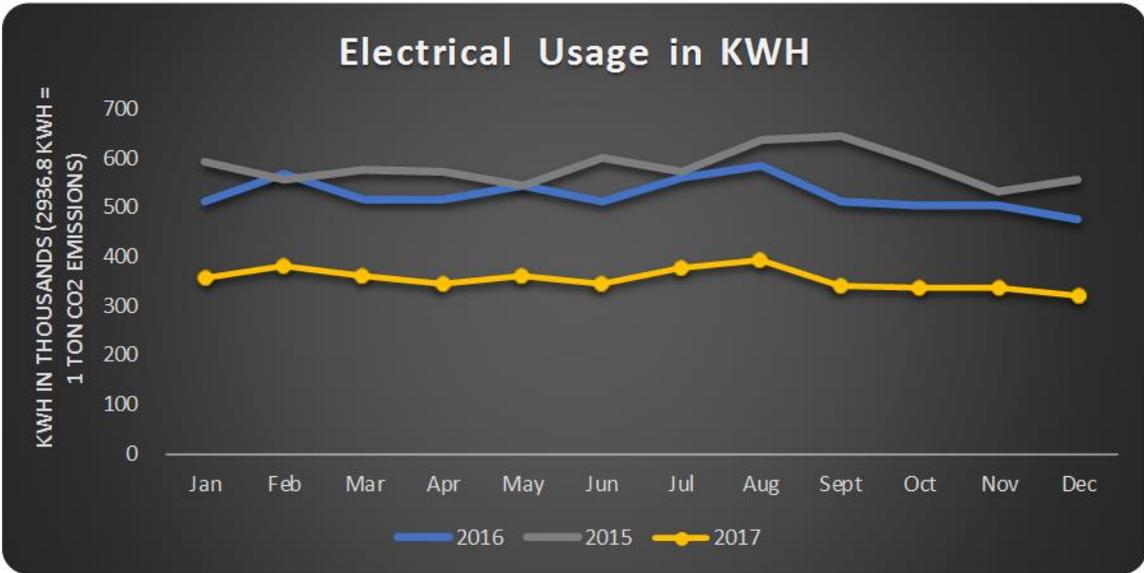


Figure 3 - Cohu, Inc. Poway, CA Office Electricity Usage, 2015-current, compiled from SDGE daily Kwh billing, and 2017Kwh usage compared to average temperatures in Poway, CA.

Water Conservation

In 2013, we reached our target water usage goals after the implementation of a variety of water conservation actions. Our maintenance goal from that point was not to exceed the previous year’s usage levels. In 2015, we implement a new manufacturing process that required increased water usage. By the end of that year, we installed a closed loop system that

recycled the water used in the manufacturing process and our water usage dropped back to expected levels in 2016. 2017 saw water usage below the previous year levels.

Our water consumption has decreased by 45% from our 2013 levels with a spike in usage in 2015 due to a new manufacturing process (see Figure 4).

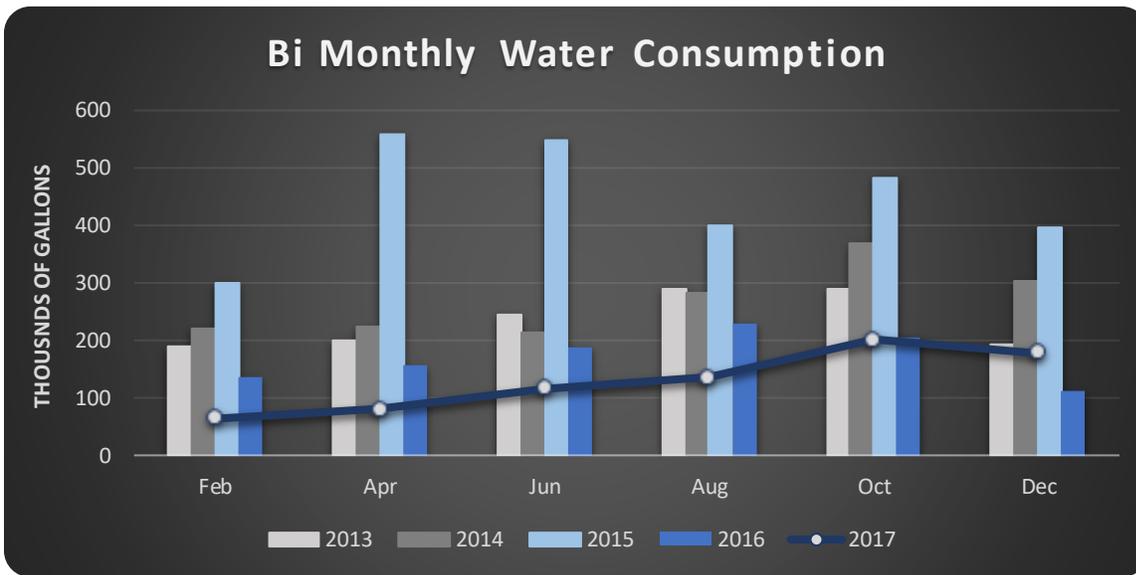


Figure 4 - Water Usage. Data compiled from City of Poway water billing 2013-current

Safety Training and Certification

Human Resources and Company Area Safety Coordinators plan, conduct, and audit regular training on our twelve safety programs. All employees receive core training on six programs, while others require more training based on their job description or volunteer positions. We follow OSHA retraining requirements for all programs, offering refresher courses every one to three years as needed.

Programs include: Ergonomics, Emergency Building Evacuation, Hazard Communication and Slip/Lift/Fall techniques, Forklift, PPE (personal protective equipment), Lockout/Tagout (LOTO), Hazardous Waste Handling, Hazardous Waste Containment, Electrical Safety, CPR (First Aid/First Responder/AED included), and Fire Extinguisher Use.

Adopted HAZMAT procedures cover removal and recycling of normal products in semiconductor handler manufacturing and test: propylene glycol, Dowtherm 400 and desiccant. All biohazard materials, like alcohol wipes/debris, paints, adhesives and aerosol cans, are sent out to a hazardous material handler.

Since inception of the Green Program in 2009, our Department of Environmental Health Unified Program Facility Permit has never lapsed nor been out of compliance. Our Facilities Manager arranges for recertification yearly.

To support employees in light of any safety related problems, Cohu offers appropriate workers' compensation to assist any employee injured on the job or due to job related issues.

Employee Contributions

Employees can contribute to energy conservation via our vanpool program sponsored by Enterprise Rideshare. By encouraging employees in common areas to utilize a group commute, we can save an estimated 25% on fossil fuels and emissions for a 30-mile commute. As of January 2018 we have one ride-share van in operation with between five and seven people per van. We are initiating a recruitment program to add another route this year.

Employees also can help reduce paper/Styrofoam waste by using their own beverage containers in our café for coffee or tea. We provide all employees reusable logoed water bottles and we have installed filtered water stations throughout the facility to discourage the use of disposable plastic water bottles.

Communication to Customers

Our product reference manuals include SDS (Safety Data Sheets) for all materials used in the operation or maintenance of our equipment. We also communicate any safety-related information about our products directly to our customers via Sales Account Managers, web-accessible Customer Service Bulletins, and website postings.