



Enabling a smarter,
safer, and more
connected future.

Sustainability
Report
2021





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About this Report

Cohu has evaluated its sustainability initiatives under a framework promulgated by the Sustainability Accounting Standards Board¹. Based on Cohu's SICS Industry Code, we referenced the appropriate SASB Standard for "Electrical and Electronic Equipment"² as well as other environmental and social factors that we consider most relevant to our business³. We have calculated our approximate greenhouse gas emissions using a tool published by the U.S. EPA⁴ and as further described below.

This report covers Cohu's principal global operating sites, comprising twelve (12) sites⁵ located in the United States, Europe and Asia, and including all manufacturing and research and development sites. Energy usage of incidental sales offices was estimated based on the square footage of such sites, but water usage data was not available at such sites, and we believe that such usage is immaterial to our overall water consumption. The figures provided below and human capital information are for calendar year 2021.

¹ See <https://www.sasb.org/>

² See <https://www.sasb.org/find-your-industry/>

³ The report does not address every element of the SASB standard for Electrical and Electronic Equipment, rather it addresses the sustainability topics that we have deemed most relevant to our business and for which data is available

⁴ <https://www.epa.gov/climateleadership/simplified-ghg-emissions-calculator>

⁵ We consolidated and exited two sites during the year and had 10 principal operating sites by year-end 2021

About Cohu

We deliver leading-edge solutions to enable a smarter, safer, and more connected future.

Who we are

We are a leading supplier of equipment and services for back-end semiconductor manufacturing, including a one-stop-shop for test and handling equipment, thermal subsystems, test contacting, vision & metrology and MEMS test solutions.

Innovation

We are leading the charge to make 5G more accessible to everyone, delivering connectivity everywhere around the globe and bringing autonomous driving to our cities. Our employees and teams around the world are challenged every day to design, build and deliver technical and business solutions to meet our customer requirements.

Industry Leaders

We are the leading supplier of semiconductor test handlers and contactors. We have market leadership in RF power amplifier/front-end module testing. We are one of the fastest growing providers of inspection & metrology solutions and, with the goal to further improve our customers' quality, we are investing in the data analytics market.



1947
Founded



Poway, CA
Headquarters



3,074
Employees
(Worldwide)



23,500+
Equipment
Installed Base



\$887M +39% YoY
Revenue

Message from our CEO

We are committed to ensuring the safety of our employees, 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.



Sales grew 39% year-over-year while reducing our proportional energy usage by 18%



Luis Müller, CEO and President

2021 Highlights

- Reduced principal operating sites from 14 to 10
- 18% reduction in energy to revenue ratio⁶, while growing revenue by 39% year-over-year
- Two operating sites have on-site solar power and our new Kolbermoor, Germany building is certified as a “KfW Efficiency House 70” energy efficient building
- Published for the first time our Scope 1 and 2 Greenhouse Gas Emissions data
- Established and published sustainability goals
- Hired a greater percentage of female employees than our current 28% representation, and 39% of U.S. employees identify as being from underrepresented communities
- Returned 4.5% of profits⁷ globally to eligible non-executive employees, which driven by our record 2021, amounted to \$7.8M
- Continued our excellent employee safety record, with a 2021 global recordable incident rate of 0.2, which is 78% below our industry benchmark⁸

⁶ Energy usage per \$ million of Revenue was 23,421 kWh and 28,640 kWh, in 2021 and 2020, respectively

⁷ Our profit-sharing plan is based on internal non-GAAP Pre-Tax Income metrics

⁸ Industry benchmark of 0.9 (recordable incidents per 100 employees, per year) is based on 2020 U.S. Bureau of Labor Statistics Injury, Illness and Fatality statistics for our industry (NAICS Code 334515)



Environmental Impact



Environmental Impact

Energy usage and overall carbon emissions from operations.

Energy Consumed

Cohu consumed 20.8 Mil kWh⁹ of total energy. Energy consumption includes energy from all sources, including energy purchased from sources external to Cohu and energy produced by Cohu itself (self-generated). For example, purchased electricity, and heating, cooling, and steam energy are all included within the scope of energy consumption. Energy consumption includes only energy directly consumed by Cohu during the reporting period.

Grid Electricity

100% of electricity consumed was grid electricity. The percentage is calculated as purchased grid electricity consumption divided by total energy consumption.

Renewable Energy

18% of Cohu’s energy usage was from renewable energy sources (3.7 Mil kWh)¹⁰. Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass.

Direct Energy Consumed

20.8 Mil kWh, 100% grid



Greenhouse Gas Emissions

9,950 metric tons CO₂-e



Use of Renewable Energy

18% (3.7 million kWh)



Water Consumed

46.7 Mil Liters



Greenhouse Gas Emissions

Our Scope 1 and 2 emissions were approximately 9,950 metric tons CO₂-e for all global locations. We report our greenhouse gas emissions using a U.S. EPA reporting tool¹¹. We collect activity data and calculate Scope 1 emissions (direct emissions from owned or controlled sources) and Scope 2 emissions (indirect emissions from the generation of purchased energy). Scope 3 data is not available at this time. The organizational boundary that we have used is both 100% financial control and 100% operational control, and thus approximates 100% of emissions from all our direct operations. We collected actual energy usage data from each of our principal operating sites and estimated emissions from our incidental sales and services offices based upon square footage occupied.

Water Consumed

Cohu consumed 46.7 Mil Liters of water.

⁹ All uses of “Mil” means millions; “K” means thousands
¹⁰ Cohu relies upon its energy providers/utilities for this data
¹¹ See Note 4 above

Hazardous Waste Generated

Cohu has improved its data collection of hazardous waste generated from each of its sites.

Some of Cohu’s manufacturing sites generate hazardous waste: Poway, CA; Lincoln, RI; Osaka, Japan and Laguna, Philippines. The total amount of hazardous waste was 124K kg and 44% (54.7K kg) of such waste was recycled.

All hazardous waste was handled and recycled or disposed of in accordance with local laws and regulations.

Hazardous Reportable Spills

Cohu did not have any reportable hazardous waste spills.

Non-hazardous Waste Generated

Cohu does not presently track total non-hazardous waste generated. However, we do track recycling initiatives. Cohu recycled approximately 825K Kg of paper, plastic, wood and other non-hazardous waste.

Hazardous Waste Generated



124K Kg
44% was recycled

Hazardous Waste Spills



None

Waste Recycled



825K Kg

Energy Management Highlight

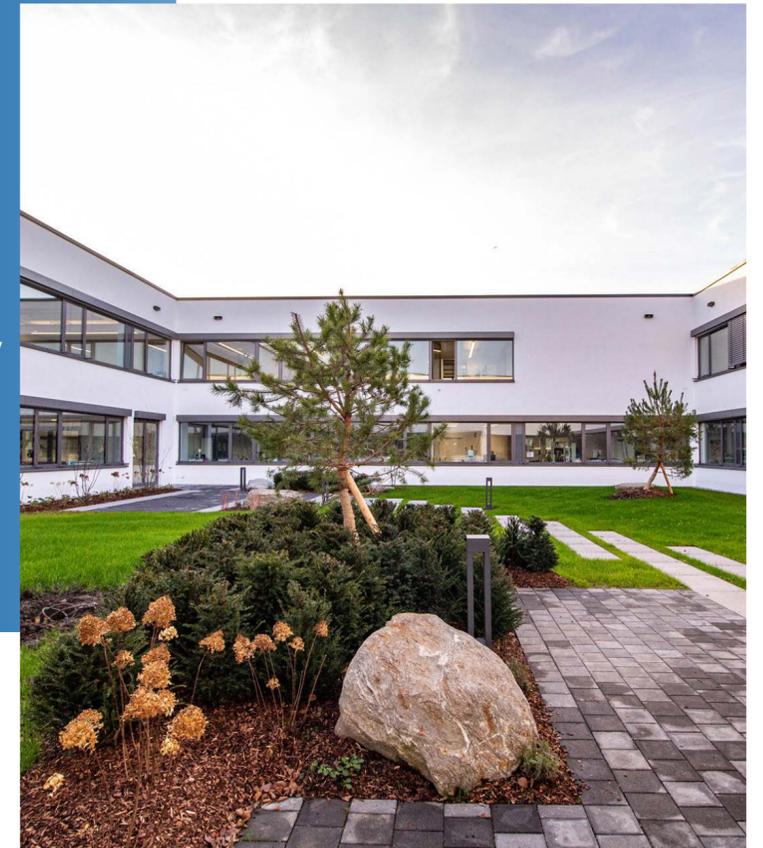
Kolbermoor, Germany

We expanded the Kolbermoor Innovation Center in 2021 with sustainability at the forefront.

We incorporated green electricity, self-producing energy by a photovoltaic system, and heating pumps on the roof. Energy efficient lighting and heating and energy-saving LCD screens were also installed.

The building is certified as a “KfW Efficiency House 70” energy efficient building.

We are ISO 14001-certified at this facility.





Our Solutions



Products and Services

Focus on creating products that enable healthier lifestyles, greater longevity, and a more habitable planet.

Product Lifecycle Management

Cohu is proud to support the manufacturing and testing of semiconductor components and technologies that save energy, enable the reduction in greenhouse gas emissions and create a lower carbon economy.

Enabling Renewable Energy

We have identified five key customers that provide semiconductor solutions to manage and reduce power consumption and enable solar and wind power generation. We are enabling these important technologies including power management devices, controllers, inverters, motor drivers and gate drivers. We are proud to be a key supply chain partner to these customers.

Providing Internet Coverage for the World

Low-earth satellite-based internet constellations are bringing high-speed broadband to areas and people that lack reliable internet access creating life-changing socioeconomic opportunities, access to educational resources and healthcare.

Our RF/Satellite Communication Test and Inspection Cell is being utilized for testing of high-performance RF devices deployed in these satellites and ground-based transceivers. We are enabling accurate signal integrity and temperature control with our testers, handlers, inspection & metrology and contactors. We are proud to have enabled internet service following the Tonga earthquake and during the ongoing crisis in Ukraine.



Vehicle Electrification Reducing CO2 Emissions

Our solutions are installed at the top semiconductor automotive manufacturers. Our test and inspection solutions are being utilized to test driver-assistance applications increasing safety, powering battery management systems for electric vehicles providing a clean energy source and emitting zero toxic emissions which reduces environmental pollution and noise.

Enabling the Fight Against the Pandemic

We partnered with our customers and prioritized the manufacturing and shipping of our products in the fight against the COVID-19 pandemic. Our testers, handlers, contactors and inspection & metrology solutions are being utilized in life-saving medical devices and applications: patient monitors, ventilators, IR thermometers, digital x-rays, rapid sepsis testing and biometers to measure contactless temperature.

Innovation

Cohu designs differentiating energy efficient products and services for the semiconductor test industry, inherently delivering sustainable benefits. Lower energy consumption reduces our customers' operating costs and lessens the environmental impact of greenhouse gas emissions from their manufacturing and test facilities.

In 2021, R&D expense as a percentage of total Operating expenses was 36%. 26 Patents were applied for; 9 patents issued.

Improving Efficiency

Our DI-Core Data Intelligence System delivers real-time online performance monitoring and process control of the entire fleet of equipment to improve utilization. Predictive Maintenance provides early warning to replace parts or to service equipment in order to improve overall equipment efficiency.

Cohu's unique T-Core active thermal control (ATC) technology dynamically removes heat from devices during testing to optimize temperature control, minimizing test time and yield loss.

Remote Intervention Support

Cohu's field service engineers are supporting customers remotely through the use of visual technology to carry out remote interventions. Our engineers are able to walk our customers step-by-step through the troubleshooting process supported by visual aids ensuring that critical equipment downtime at a customer site can be solved remotely and effectively.

Our solution has been shown to reduce travel for service interventions, reduce our carbon footprint and improve response time for faster resolution.

Compact Low-Power Technology Highlight

Semiconductor Tester

Our Diamond_x product line was designed to deliver cost reductions in both capital and operating costs.

Our air-cooled architecture and instruments do not require compressed air or chilled water. Diamond_x consumes 2.8 kVA of electrical power, ~75% less power requirement versus a comparable liquid cooled test system.

The Diamond_x includes compact low-power (CLP) technology which uses less energy to operate. Cohu's CLP technology greatly reduces greenhouse gas emissions.





People and Culture



People and Culture

We make every effort to create a culture where everyone feels welcomed, valued and respected.

Employee Diversity & Inclusion

Cohu and our subsidiary companies operate in a number of countries globally and we are committed to upholding the human rights of workers and to treat them with dignity and respect to the standards of the international community. We fully support the EICC/RBA tenants of human rights and have implemented the Cohu Human and Labor Rights Policy ⁽¹²⁾ reflecting these standards. Select illustrative metrics are listed below which reflect relevant data for calendar year 2021.

Non-discrimination

Cohu provides work environments that are free of harassment and unlawful discrimination and is committed to providing workplaces that are productive, pleasant and based on mutual respect. Cohu has implemented explicit company policies that prohibit harassment and unlawful discrimination or any retaliation for making such claims in good faith ⁽¹³⁾. During 2021 we had no substantiated harassment or discrimination claims. Cohu conducts annual non-discrimination, harassment prevention and managing bias in the workplace training. In 2022 we are implementing quarterly ethics and business conduct training programs.

Freely Chosen Employment

All employment with Cohu is voluntary and employees are free to terminate their employment relationship at any time. In 2021, there was no compulsory, forced, bonded, indentured, slave or trafficked labor in any Cohu operation or global facility.

¹² See <https://www.cohu.com/wp-content/uploads/2020/12/Cohu-Human-and-Labor-Rights-Policy-Ver-12.1.20.pdf>

¹³ See <https://cohu.gcs-web.com/static-files/be2ba29b-3a98-4987-9695-4d9a03173556>



2021 Highlights

- Hired a greater percentage of female employees than current 28% representation, and 39% of U.S. employees identify as from underrepresented communities
- Improved management diversity in the U.S. through hiring
- Increased female members on our Board of Directors
- Returned 4.5% of profits globally to eligible non-executive employees, which driven by our record 2021, amounted to \$7.8M
- Continued our excellent employee safety record, with a 2021 global recordable incident rate of 0.2, which is 78% below our industry benchmark

Child Labor Avoidance

Other than through legitimate workplace apprenticeship programs sponsored by local governments or educational institutions, we prohibit employment of workers younger than 18 years of age. This is monitored and confirmed through the hiring process and through periodic audits. There were no violations of Cohu's policy on underage workers in 2021.

Freedom of Association

Open and direct communication between workers and management is the most effective way to resolve workplace issues. Cohu respects the rights of workers to associate freely and to join or not labor unions or workers' councils in accordance with local laws. Cohu provides numerous communication channels for employees to engage directly with management from regular all-employee meetings at various facilities, to round-table sessions with senior executives, multiple anonymous question forums and hotlines. This is supported by the metric that in 2021 approximately 16% of Cohu workers were represented by a union or workers council.



Work-Life Balance

Cohu supports employees to balance their career and personal lives through a variety of programs including part-time work schedules, flex-time, remote and hybrid work arrangements. Additionally, Cohu provides paid and unpaid leaves to employees to act as caregivers and to enjoy being new parents; to recover from personal illness or injury; and to complete civic responsibilities such as military service, voting or jury duty.

We support and partner with our employees participating in philanthropy and community service including charitable activities, educational and financial support, and blood donation drives.

We encourage and support employees in the quest to live a healthier lifestyle through Wellness Programs, team sporting activities and a bike-to-work program.

Employee Metrics

We improved our management diversity in 2021; 33% of our new hires were female, which was a greater percentage than the current 28% representation as well as hiring Black/African American employees at a greater rate than represented in the current U.S. workforce.



Note - continuing table adds to greater than 100%

Race/Ethnicity (U.S.)	% of Total
Underrepresented groups*	39%
White	61%

Race/Ethnicity	2021 U.S. New Hires%	Continuing U.S. Employees %
White	60%	61%
Asian	19%	25%
Hispanic/Latino	10%	10%
Black/African American	8%	2%
Native Hawaiian/Pacific Islander	3%	1%
Two or more races	-	1%
Native American/Alaskan	-	0.2%

Cohu tracks race/ethnicity only in the US

* Includes employees who identified as Native American/Alaskan, Asian, Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander

Global Workforce by Region



Board Diversity



In 2021, we improved our percentage of female and ethnically/racially diverse board members.

Support through the Global Pandemic

We continued to support our employees in managing family and health challenges related to the COVID-19 pandemic impact through flexible and remote work scheduling where possible. We focused on safeguarding the collective well-being of our stakeholders - employees, customers and vendors - to ensure business continuity.

Enhanced Safety Measures

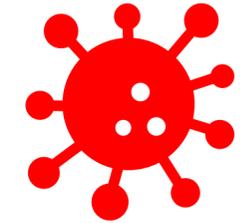
To ensure the safety of our employees we put site protocols in place including COVID onsite testing, screenings, limits on occupancy and distributing PPE (personal protective equipment).

Vaccine Support

Cohu provides supplemental paid time off to receive COVID-19 vaccinations and boosters, to recover from any adverse reactions as well as to cover time away from work for required isolation or quarantine periods related to COVID-19 diagnosis or exposure. In Asia, we partnered with our customers and suppliers to speed up the immunization of our employees and set up onsite voluntary vaccination drives.

Mental Health and Well-being

Many in-person programs were transitioned to virtual programs and activities to encourage our employees to develop a positive lifestyle and promote a work-life balance while staying connected to their colleagues.



Supporting our Medical Community

We support and encourage our employees' volunteer work in our communities. In 2021, 138 Cohu Filipinos employees completed a 5K/10K Virtual Run for a Cause Fundraiser to support their local medical community.

The proceeds from the Fundraiser were used to purchase valuable medical equipment for COVID-19 patients which were delivered to Ospital ng Cabuyao in Laguna.



Co-operative and Internship Programs

We are committed to developing the next generation of semiconductor experts and offering students the opportunity to gain insights into the semiconductor world.

Cohu has a long history of partnerships with more than eleven (11) global higher education institutions, in Malaysia, the Philippines, United States and Germany, offering students apprenticeship and internship opportunities. Our programs are designed to give students practical work experience and exposure to innovative technologies. Many co-ops and interns join us full-time upon graduation.

Outstanding Co-Op Employer Award

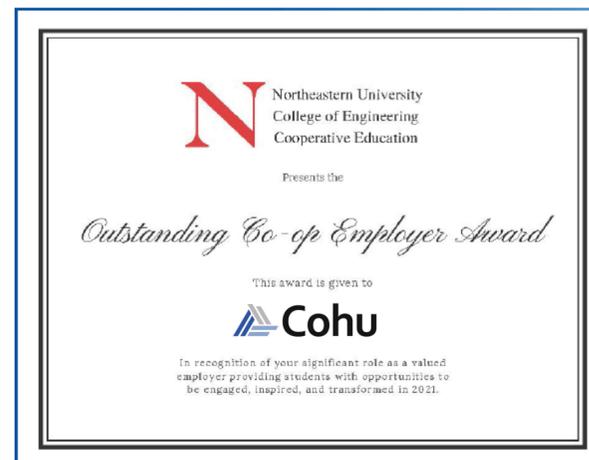
Cohu is an employer-partner of Northeastern University College of Engineering in Boston. Together, we offer students a unique opportunity to integrate their academic knowledge with hands-on work experience, helping to build a foundation of skills and experience in the semiconductor test industry. In 2021, we were honored to be awarded their Outstanding Co-op Employer Award.



Supporting STEM

Our mission at Cohu is to make girls and young women aware of the career opportunities available in our industry. We are proud to have supported German Girls' Day in our Kolbermoor, Germany facility. Our mechatronics apprentice team held an Open House Workshop where female students, aged 12 years and older, had the opportunity to obtain firsthand insights into engineering career opportunities.

The participants had the opportunity to test their technical skills with hand-on exercises.





Corporate Responsibility



Business Ethics

Corporate responsibility is an integral part of our business strategy and operating philosophy.

Corporate Responsibility

At Cohu, corporate responsibility is an integral part of our business strategy and operating philosophy. A firm commitment to ethical behavior is embedded in our business processes and practices. We view our corporate responsibility as having integrity in all we do including respecting our people and the environment and holding ourselves to the highest ethical standards and compliance criteria at all levels of our organization. We firmly believe that this provides the foundation to create a culture of accountability and the best opportunity to create long term, sustainable value for our stakeholders and the global community.

Ethics and Compliance Management System

Cohu's ethics and compliance management system is multifaceted including periodic employee reminders and certification to our Code of Business Conduct and Ethics, internal mechanisms for reporting and following up on suspected violations, formal procedures for upward reporting to Cohu's Audit Committee, periodic training and employee awareness programs (including FCPA training), cybersecurity training, quarterly compliance certifications by senior management and written anti-corruption policies.

Bribery and Corruption

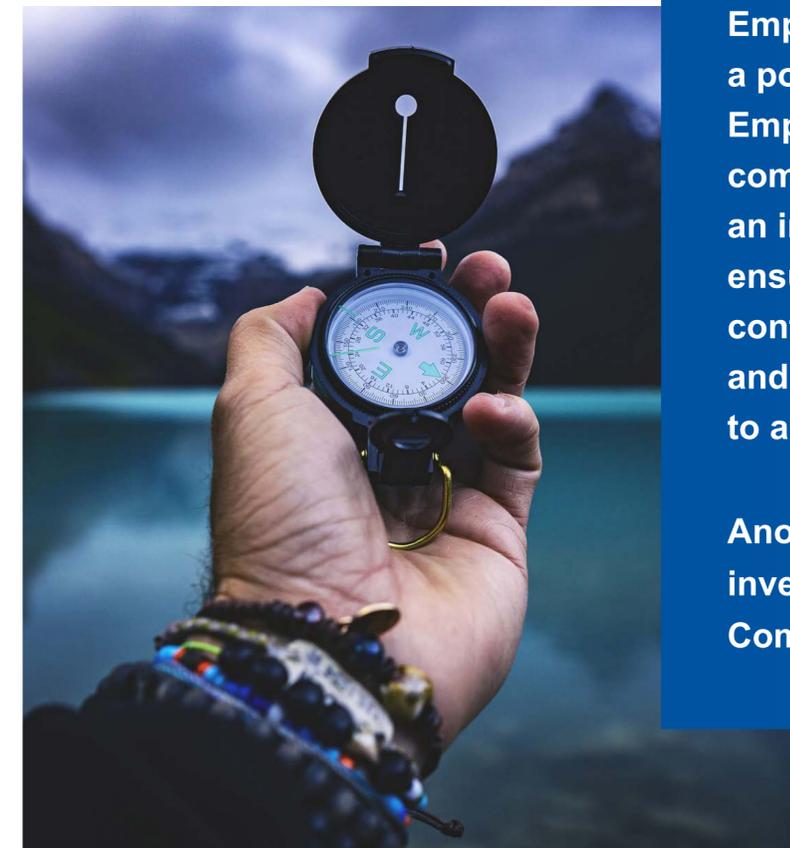
Cohu did not have any claims, legal proceedings or monetary losses associated with bribery or corruption.

Anti-Competitive Behavior

Cohu did not have any claims, legal proceedings or monetary losses associated with anti-competitive behavior regulations.

Political Activity

Cohu did not make any direct monetary contributions to any political campaign, nor incur any direct expenses for lobbying to influence any laws. Cohu may occasionally be a member of business associations where such associations may lobby on industry issues.



EthicsPoint

Employee input is essential to maintain a positive, safe and ethical environment. Employees are encouraged to communicate comments and concerns through EthicsPoint, an independent internet-based reporting system ensuring communications are completely confidential and anonymous. EthicsPoint tool and access is made easily visible and available to all of our global employees.

Anonymous reports and the results of any investigations are reported to the Audit Committee of the Board of Directors.

Responsible Sourcing

A firm commitment to ethical behavior is embedded in our business processes and practices.

Conflict Materials

Cohu Inc. supports taking responsible steps to ensure that the products received from our supply chain are responsibly sourced. Furthermore, Cohu supports efforts to increase transparency in the supply chain and supports regulations that ensure companies conduct business with integrity, respect for human rights and performing to the highest ethical standards.

At Cohu, we support efforts to prevent the use of conflict minerals that finance or benefit armed groups in The Democratic Republic of the Congo or adjoining countries. Conflict minerals include tin, tungsten, tantalum and gold (3T&G), each of which are necessary to the production of our products. Cohu companies do not source these minerals in their raw form. These minerals are contained within certain electronic components and products that we purchase.

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act imposes new supply chain reporting requirements on publicly traded companies to promote transparency regarding the use of conflict minerals. This rule requires public companies such as Cohu to publicly disclose if any conflict minerals (defined as Tantalum, Tin, Gold or Tungsten) are in their products and if any of these minerals originated in the Democratic Republic of the Congo (DRC) or surrounding countries. Accordingly, Cohu companies require their suppliers to submit a Conflict Minerals Reporting Declaration disclosing if any conflict minerals contained in products delivered to us.

In support of this reporting requirement, all Cohu companies maintain ongoing activities to gather information to determine if their products have any conflict minerals content. Their Management Teams are familiar with conflict minerals rules and oversee 3T&G sourcing due diligence in addition to supplementary requirements embodied within the Cohu Supplier Code of Conduct.

Material Sourcing

A de minimis portion of Cohu's manufacturing processes utilize critical materials such as Cobalt, Palladium and Rhodium. In such cases, usage is monitored and buffer stock is maintained, and multiple suppliers are utilized where possible.

We have recently reviewed our critical materials supply chain for potential risks arising from Russia-Ukraine conflict and believe we have reasonably addressed any such risks. Cohu has ceased any sales and support to Russian entities. Cohu also uses generally available semiconductors (which such semiconductors may contain critical materials) in many of its systems and relies upon its suppliers to maintain a business continuity plan.

Cohu also maintains second sources where possible. Cohu could incur supply chain disruptions if a semiconductor supplier failed to maintain an effective business continuity plan and Cohu was unable to maintain a second source.

Supplier Code of Conduct

Cohu and all of its affiliated business units, are dedicated to conducting business in an ethical, legal, and socially responsible manner. Cohu expects its suppliers to share this commitment by complying with the Cohu Supplier Code of Conduct. In addition to adherence to legal requirements, the Code addresses subjects that are intended to encourage suppliers to advance environmental, social and environmental responsibilities, and business ethics throughout its operations. Cohu participates in the Responsible Business Alliance (RBA) and adheres to the RBA Code of Conduct for our operations and as our Supplier Code of Conduct.

Information Security Risk Management

Ensuring high standards of confidentiality, integrity, and availability of information.

Cybersecurity

Cohu has a multifaceted information security program with the goal of continuous improvement. The company conducts regular external audits and benchmarking based on the CIS (Center for Internet Security) and NIST (National Institute for Standards and Technology) control frameworks.

Board Oversight

Board oversight of information security matters is the responsibility of the company's Audit Committee. In 2021, management briefed the Board of Directors on information security matters three times.

No Material Breaches

Cohu maintains an information security risk insurance policy. In the last three years, there have been no material information security breaches, claims, expenses, penalties or settlements.

Employee Training

Cohu regularly trains and tests employees globally, using internal and external resources, on information security risks and compliance.



Cybersecurity Awareness Month

October 2021 was Cybersecurity Awareness Month. To further promote Cybersecurity awareness, Cohu offered virtual training sessions to employees to instruct them on how to identify cyber concerns and take the appropriate action. These security awareness training combined with simulated phishing attacks were hosted by our Security Awareness Partner.

In addition, all employees were provided with a 3rd generation USB Data Blocker to physically block data transfer/synching capabilities when charging their mobile or other devices.



2022

Sustainability Goals



2022 Sustainability Goals

Adopted and published our corporate 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.

Climate Change

Topic	Goal	2021 Baseline
(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.

Safety

Topic	Goal	2021 Baseline		
(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.	U.S. Bureau of Labor Statistics 2020 Injury, Illness & Fatality Rates		
		Industry	NAICS Code	Total Recordable cases ¹⁴
		Instrument manufacturing for measuring and testing electricity and electrical signals	334515	0.9
		Cohu's 2021 Injury, Illness & Fatality Rates		0.2

Diversity and Inclusion

Topic	Goal	2021 Baseline
(1) Racial/ethnic group representation of employees	For U.S. employees, maintain excellent record of diversity among U.S. employees.	At year-end 2021, 39% of U.S. employees identify from underrepresented communities.
		At year-end 2021, Cohu's Board of Directors had 2 members who identify from underrepresented communities (25% of total).
(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.	At year-end 2021, female representation was 28%, while among 2021 new hires female representation was 33%.
		At year-end 2021, Cohu's Board of Directors had 3 female members (37.5% of total).

Innovation

Topic	Goal	2021 Baseline
(1) R&D investment	R&D investment 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.

¹⁴ The incident rates represent the number of injuries and illnesses per 100 full-time workers were calculated as: (N/EH)x 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)

Forward-Looking Statements

Certain statements contained in this release and accompanying materials may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding including statements regarding risk management strategies for compliance, cybersecurity and critical materials, Sustainability goals, metrics and objectives, 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 cyclicity 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.