

Progress to UN Global Compact Principles

Statement of support



Ladies and gentlemen,

ams has been a statutory member of the UN Global Compact coalition since 2009 and has been actively reporting progress towards the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption since then. This year we are communicating our detailed progress through the ams Communication on Progress 2020 Report.

ams is a worldwide leader in sensor solutions focused on optical, image and audio sensing. For us, "Sensing is Life" and our passion is in creating sensor solutions that make devices smarter, safer, convenient and more environment-friendly. Our global business activities are governed by our company code of conduct, a binding set of principles for all of our employees as well as our global network of partners and customers.

Each day we hold ourselves accountable to delivering to the highest business, strategic, ethical and environmental standards. We made significant progress towards the 10 Principles in 2019 underpinning our commitment:

ISO 14001 Environmental Management System certification: The ams manufacturing facilities in Austria and the Philippines have been DIN EN ISO 14001 certified for many years. We successfully received ISO 14001 Environmental Management System certification for the 3 production locations in Singapore in 2019.

1.2 GWh electrical energy reduction: We reduced the electrical energy usage at our headquarters in Austria by 1.2GWh in 2019.

Carbon Disclosure Project (CDP): ams has been a proud member of the CDP since 2009. We publish information on our emissions footprint annually.

Building a diverse and inclusive workforce: As a company, we recognize the importance of having a workforce that both reflects and complements our customer base. To this end, we continue to invest in building a world-class workforce where all employees are treated equally. With the introduction of our Women in Network (WIN), we have created a safe, supportive network for women to connect, communicate and share experiences internally. The leadership team gets direct feedback on the barriers which our female employees are confronted with. This enables us to take action and to actively engage with them on challenges and opportunities.

Fostering innovation through employee learning and growth opportunities: Employees are our greatest asset, and as a company we have the responsibility to invest and grow our talent. We recently launched the ams Virtual University, an innovative platform for continuous learning, across 15 countries. Employees can choose from a menu of approximately 14,500 courses across technical, personal, professional leadership and management fields. We are partnering with Cornell University's online professional development arm, eCornell as well as LinkedIn Learning and Semitracks to ensure we deliver an outstanding learning experience.

Working with non-profits to support non-privileged communities: Helping and supporting the local communities is part of the ams DNA. Our initiatives have touched tens of thousands of people. From our sponsorship of the Austrian national team for the Homeless World Cup, where we have expanded the program to allow participants to gain important skills for job-searching, to a multi-year co-operation with the SOS Children's Villages that supports children in need, ams is committed to not just providing funds but to offering employee expertise and time to create opportunities and make these initiatives happen.

As we move forward with the expected combination of ams and Osram, we plan to align the corporate responsibility initiatives of both companies in the anticipated integration process with a view to further promote corporate responsibility at the combined company.

Best Regards,

Alexander Everke, CEO

Thomas Stockmeier, COO



PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights

PRINCIPLE 2

Business should ensure that they are not complicit in human rights abuses.

PRINCIPLE 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

ACTIONS

- We support and respect the protection of internationally proclaimed human rights for all.
- We have a Global Compliance Board to ensure that we are conducting our business operations in full compliance with all national and international regulations and laws.
- Our business Code of Conduct and supplier agreements are compliant with the International Human Rights Bill Core values and leadership program.
- ams selects suppliers based on their capabilities to provide competitive solutions but also based on their commitment to sustainability and the fulfillment of our Code of Conduct. We have a rigorous supplier audit system which incorporate self-assessment through to on-site audits. We continuously review progress and diligently set and agree goals and expectations for continuous improvement.
- We prohibit any form of employee discrimination.
- Our Company Core Values and Leadership Principles describe our core values and the leadership qualities we expect from all employees.
- Our company Code of Conduct is a binding set of principles and behaviors for all of our employees. It outlines our expectations regarding employee behavior towards all employees, customers and suppliers.
- We have long established avenues where employees can voice any of their grievances anonymously and directly into executive management from anywhere in the world through our Global Employee Communications Platform.



PRINCIPLE 4

Business should support the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

Business should support the effective abolition of child labour

PRINCIPLE 6

Business should support the elimination of discrimination in respect of employment and occupation

ACTIONS

- Our company Code of Conduct is a binding set of principles and behaviors for all of our employees. It outlines our expectations regarding employee behavior towards all employees, customers and suppliers.
- We have long established avenues where employees can voice any of their grievances anonymously and directly into executive management from anywhere in the world through our Global Employee Communications Platform.
- Our Code of Conduct prohibits any form of forced and compulsory child labor.
- We comply with the employment rights set out in international conventions of the United Nations (UN), the International Labor Organisation (ILO), the Organisation for Economic Cooperation and Development (OECD) and the UN Global Compact Initiative.
- We introduced a new diversity program, the Women in Network (WIN), a supportive network for women to connect, communicate and share experiences internally. Our goal is to make women more visible within the company and to help them gain the necessary skills to advance within the organization.
- We recently launched the ams Virtual University, an innovative platform for continuous learning, across 15 countries. Employees can choose from a menu of approximately 14,500 courses across technical, personal, professional leadership and management fields. We are partnering with Cornell University's online professional development arm, eCornell as well as LinkedIn Learning and Semitracks to ensure we deliver an outstanding learning experience.
- Our MyNeo (new employee orientation) onboarding program was implemented in 2019. It was created to support the integration of new employees into the company in a consistent and effective manner.
- We have increased our social engagements substantially and are proud sponsors of the Austrian national team for the Homeless World Cup. We also entered into a multi-year co-operation with the SOS Children's Villages that supports children in need.



PRINCIPLE 7

Precautionary approach to environmental protection

PRINCIPLE 8

Support initiatives for greater awareness of environmental responsibility

PRINCIPLE 9

Development and diffusion of environmentally friendly technologies

ACTIONS

- Our manufacturing sites in Premstaetten (Austria), Calamba (Philippines), Ang Mo Kio/ Woodlands/ Tampines (Singapore) are all ISO 14001 certified.
- Our headquarters in Austria runs on 100% renewable electricity (hydropower).
- We reduced the electrical energy usage at our headquarters in Austria by 1.2GWh in 2019.
- All our products are free of SVHC Substances as outlined in the REACH Directive 2006/1907/EC.
- ams has a policy in place prohibiting the use of minerals from illegal mining and all of our products are conflict-minerals free.
- We decreased the industrial grade chemicals that are used in the preparation of ultrapure water, the treatment of wastewater and for exhaust air purification by 7.8% in 2019.
- We decreased our process chemicals usage by 10% in 2019 through process optimization and solvent recycling.
- We are in compliance with California Proposition 65.



PRINCIPLE 10

Action against corruption

ACTIONS

- We have a zero-tolerance policy to bribery and corruption and all forms of it are strictly prohibited and are non-negotiable. This is detailed in our anti-corruption Compliance Codex.
- Our Compliance Codex is an integral part of the yearly employee performance review process. All employees must complete mandatory compliance and anti-corruption trainings using our e-learning tool.
- All new employees are automatically signed up to complete all anti-corruption mandatory trainings that are built into our new employee orientation program.
- We use an online tool to track completion of compliance trainings and the system sends reminders to employee when deadlines for completion are approaching. We update our training materials regularly.
- All violations are reported to our Compliance Board and dealt with accordingly.
- We are committed to the highest level of honesty and integrity in all of our business relationships.

