

# STRONG FOR *tomorrow*

**FIRST CHOICE  
FOR ADVANCED  
APPLICATIONS**

# NON-FINANCIAL REPORT

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sustainability

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# NON-FINANCIAL REPORT

## Embedding and managing sustainability

### STATEMENT OF THE MANAGEMENT BOARD

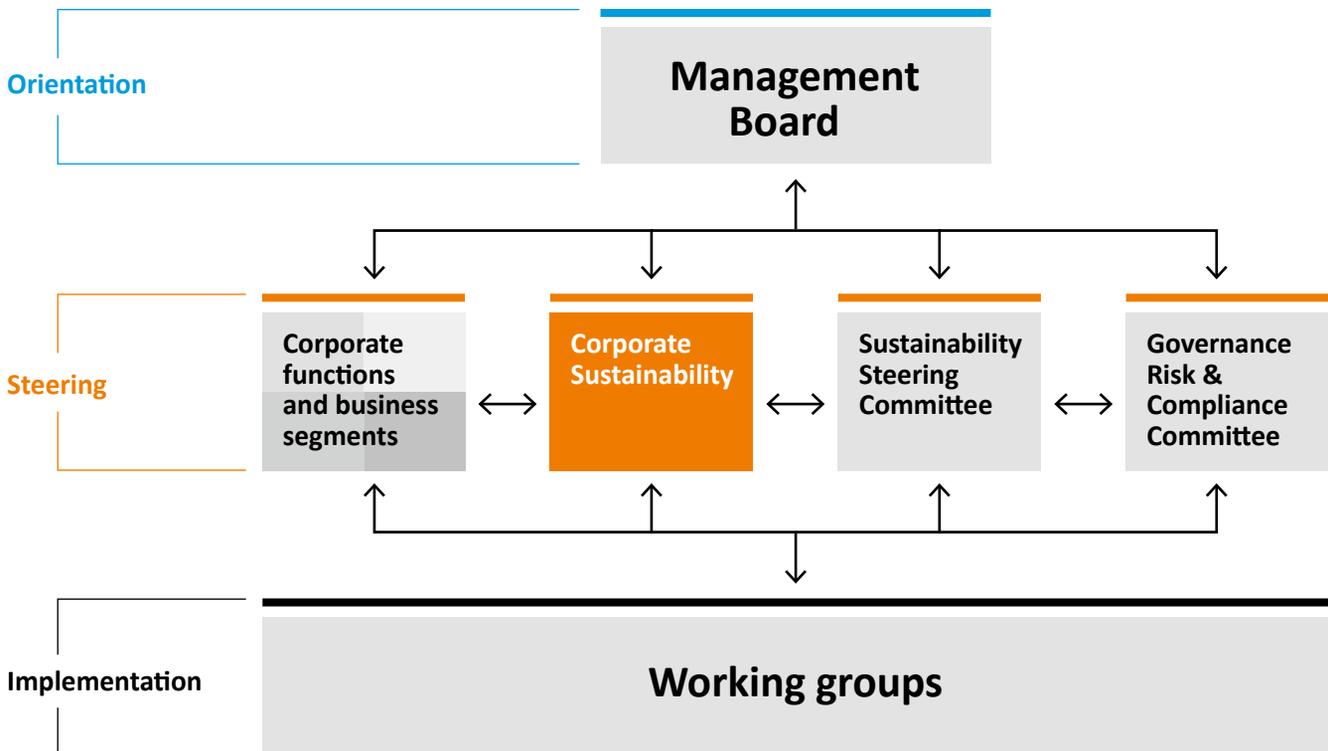
AT&S is committed to sustainability in all its facets. With this condensed report for the Group as a whole and for Austria Technologie und Systemtechnik AG (in the following referred to as the “parent company”), we not only meet the reporting obligation in accordance with the Sustainability and Diversity Improvement Act (Section 243b, Section 267a and Section 243c of the Austrian Commercial Code, UGB). Rather, our objective is to provide transparency for all stakeholder groups. On the following pages, we describe the development of the sustainability strategy and the

resulting fields of action in detail. The material topics are allocated to these strategic fields of action with management concepts, due diligence processes and indicators.

### BUSINESS MODEL AND GOVERNANCE STRUCTURE STAND FOR SUSTAINABILITY

Today AT&S high-end printed circuit boards and substrates already form the central nervous system of nearly all electronic devices and are just as versatile and complex as the electronic devices themselves. High-end interconnect solutions enable powerful and high-tech applications for our customers and are employed in the mobile devices, IC substrates, automotive, industrial and medical segments. This makes AT&S the technology and quality leader in the printed circuit board and substrate industry. AT&S is

## Management structure



a global player with production sites in Austria, India, China and South Korea and additional sales service companies around the globe. Working with passion and diligence every day, an average of 10,239 employees make the success of AT&S and its customers worldwide possible. Independent of the evolving technologies, AT&S offers the interconnect technology of the future.

The sustainability dimensions are firmly embedded in this business model. All decisions are made taking into account social, environmental and economic aspects and, of course, compliance with legal requirements.

The Corporate Sustainability team is responsible for the development of the sustainability strategy in close alignment with the Management Board of the AT&S Group, the business segments and all other corporate functions, and for the coordination of the sustainability agenda. The team is also represented in relevant steering committees and reports directly to the AT&S Group Management Board.

## PARTNERSHIPS – MORE EFFECTIVE TOGETHER

AT&S is convinced that working together, we are more effective as a society. AT&S therefore relies on strong partnerships and is committed to the UN Sustainable Development Goals (SDGs), the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, the International Labour Organization (ILO), the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI). In addition, we continuously work on the increasing integration of climate-related information in accordance with the EU guideline for the disclosure of climate-related information and the Task Force on Climate-related Financial Disclosures (TCFD). This report was prepared based on the standards of the Global Reporting Initiative (GRI), “Core” option.

## VALUE CREATION PROCESS – RESPONSIBILITY STARTS WITH THE SUPPLY CHAIN

For a high-end interconnect solution provider, growth and value creation are central to economic success. AT&S recognises its responsibility along the entire value chain, uses opportunities and risks and is committed to excellence in the printed circuit board and substrate industry based on the best customer service and innovative, sustainable solutions. In doing so, it is not enough to focus on selected processes; rather, the entire value chain must be viewed in an integrated manner.

### In procurement, it is not just the price that counts

This integrated approach starts with sourcing raw materials such as copper and gold, but also covers the production of key materials such as laminates and chemicals, the choice of equipment as well as purchased energy and water supply. Therefore, AT&S needs sustainable partnerships within the value chain with partners who pursue the same goals. That is why in addition to price, non-financial factors such as delivery reliability, quality, business ethics, respect for human rights and compliance with environmental standards also count in the selection of our suppliers.

### Storage, production and transport are direct spheres of influence

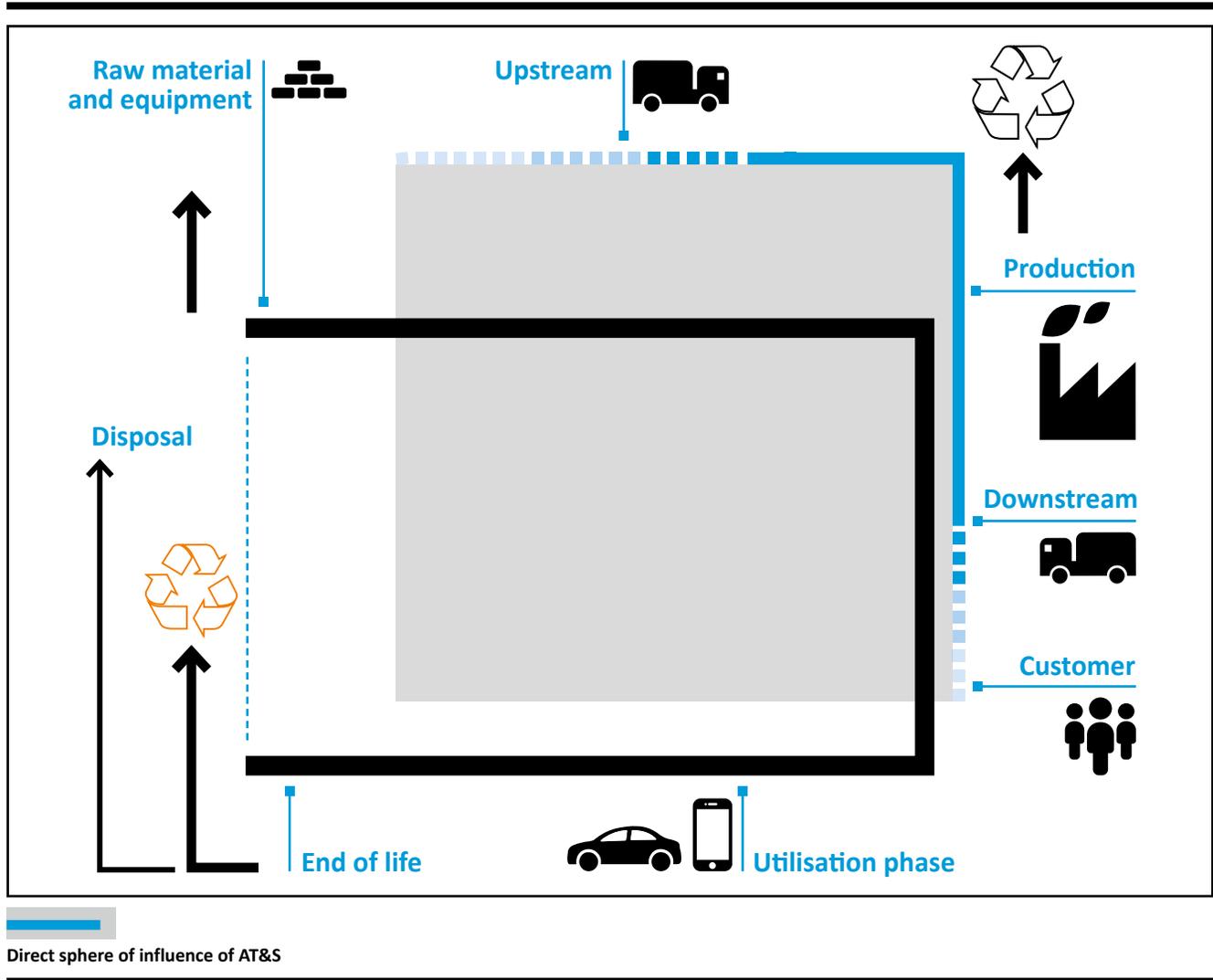
Spheres of influence include the transport and storage of precursor materials, the production and packaging of products and, in part, the delivery to customers. Appropriate storage of the materials before the start of production as well as careful handling in production are indispensable for the entire manufacturing process. AT&S always strives for best-in-class approaches in all processes. To contribute to a sustainable value chain AT&S aims to continuously improve processes and build strong partnerships with our employees and supplier companies. This includes permanent efforts to reduce the consumption of water, energy and raw materials to a minimum through targeted efficiency projects. Certifications and standards that are well established

at all production sites indicate clearly that we take our responsibility regarding quality, the environment, occupational safety, energy, data security and customer orientation seriously. Regular recertification audits ensure that the standards are maintained. *The table on the following page* shows an overview of all standards and norms of the AT&S Group.

**End users are primarily responsible for the utilisation phase and disposal of the end devices**

Exercising influence during the utilisation phase requires strong partnerships with our customers. Regarding proper disposal after the utilisation phase, AT&S calls upon end users to act responsibly.

**Value creation process**



## Standards and certificates

Certification	Description	Leoben	Fehring	Nanjangud	Ansan	Shanghai	Chongqing
ISO 9001:2015	Certification of quality management systems to prove high quality standards of products	X	X	X	X	X	X
EN 9100:2018	European quality standard for the aerospace industry	X	X	-	-	-	-
DS/EN ISO 13485:2016	International quality standard for the design and production of medical devices	X	X	-	-	-	-
DIN EN ISO 50001:2011	International standard for energy management to increase energy efficiency	X	X	X	-	-	-
OHSAS 18001:2007 (ISO 45001)	Standard for the management of occupational health and safety to minimise risks and increase productivity	X	X	X	X	X	X
ISO 14001:2015	Global standard for environmental management systems, to optimise processes, reduce costs and minimise risks	X	X	X	X	X	X
IATF 16949:2016	Globally recognised standard in automotive industry	X	X	X	X	X	-
ISO/IEC 27001:2013	International standard for information security	X	X	-	-	-	-
NADCAP Accreditation	Accreditation for a uniform quality standard in the aerospace industry to harmonise production and audit processes of aircraft components	X	-	-	-	-	-
AEO Certificate	Authorised Economic Operator of the European Union	X	X	-	-	-	-
UL Listing	Standard to ensure electrical and mechanical safety of electronic components	X	X	X	X	X	X
Sony Green Partner Certificate	Sony Green Partner	-	-	-	-	X	-

However, as far as it is in our sphere of influence, AT&S does not shy away from its obligations when it comes to disposal, but ensures that waste is adequately disposed of by either returning it to the processes as part of a circular economy or by recycling it through a variety of procedures. The goal is to keep the impact of our business activities on people and the environment to a minimum and to go beyond legal minimum requirements.

## THE SUSTAINABILITY STRATEGY IS DERIVED FROM THE CORPORATE STRATEGY

Sustainability is firmly embedded in our corporate strategy and part of our AT&S mission. As a globally operating company, it is essential to view the big picture: we aim to be the first choice for advanced applications. The strategic levers to achieve this goal are expanding technology leadership through innovative solutions, sustainable, profitable growth, creation of stakeholder value and sustainable management. Based on this holistic and future-oriented mindset, AT&S, as a leading provider of high-end interconnect solutions, aims to reconcile the interests of business, ecology and social development.

### Stakeholder survey as a central component of the sustainability strategy

We developed the sustainability strategy in line with our Group-wide strategic orientation. AT&S attached great value to involving all important groups of stakeholders including employees, customers, suppliers and shareholders. The results of the stakeholder survey conducted during the 2018/19 financial year and the topics resulting from the materiality analysis take into account the impact of AT&S's operating activities, our supply chain and our products, and are central elements of the sustainability strategy. In the financial year 2019/20, the results of the materiality matrix were reflected upon together with the Management Board, taking into account the feedback of key customers. In the course of this process we came to the conclusion that both communication and digitalisation are tools rather than drivers. Both are material instruments in achieving the strategic goals and support the other material topics, but are not an end in itself. Therefore, communication and digitalisation are not listed as separate material topics in this year's non-financial report.

### UN Sustainable Development Goals and global trends considered

Other influencing factors beyond that were of course also considered. AT&S makes a clear commitment to the Sustainable Development Goals (SDGs) of the United Nations. These goals have been incorporated in the sustainability strategy insofar as the

impact of AT&S's activities on all 17 goals and their 169 subgoals were assessed in detail. In doing so, three SDGs were rated as central and another six as relevant. These nine SDGs which are essential to AT&S are accentuated *in the illustration below*. AT&S thus takes both the responsibility and the opportunity to contribute to climate protection, sustainable production and reduction of inequality within the meaning of the SDGs.

## WE FOLLOW! The SDGs that guide us\_

→ We have rated 9 of the 17 SDGs as relevant to us.



Moreover, global developments and trends, the risk report 2020 of the Global Economic Forum as well as the consideration of the Taxonomy Report of the technical expert group of the EU on sustainable finance, the EU Guideline for the reporting of climate-related information and the Task Force on Climate-related Financial Disclosures (TCFD) were considered in the strategy development process.

**Integration of non-financial opportunities and risks into the existing opportunities and risk management**

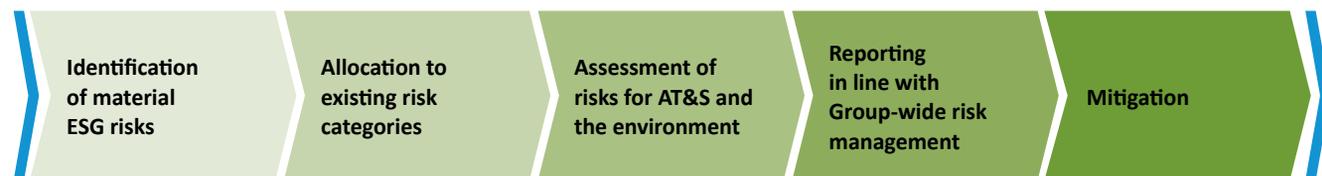
The integration of non-financial opportunities and risk management into the existing Group-wide risk management was one of the milestones in the financial year 2019/20 (see page 107 ff. of the annual report 2019/20). Based on a comprehensive risk catalogue consisting of more than 600 risks, the non-financial risks were filtered. These are the risks related to the environment, social matters and responsible governance – so-called ESG risks. A clear distinction was made between causes, risks and the impact on the operating activities of AT&S and on the environment. In the next step, these risks were assigned to existing risk categories, a reference was established between qualitative and quantitative risk assessment and all risks were assessed both in the short-term horizon of one year and in the medium-term 5-year horizon. The process is shown *in the illustration below*. The overview of non-financial opportunities and risks including risk categories, mitigation measures and allocation of the topics are shown in *the table on page 50*.

Material risks are risks which in line with this risk assessment process result in a risk level greater than three in the one-year period for the environment before further mitigation measures and which are caused directly by the operations of AT&S, our supply chain or products. For a detailed risk assessment with a focus on the operating activity of AT&S including notes on the risks levels and management, please refer to the Group Management Report, Section “Opportunities and Risks”.

In addition, other relevant risks such as occupational accidents or corruption are also listed. While these risks are of course part of the risk assessment process, they were assessed at a lower risk level. This is due to the fact that the mitigation measures are so well established within the company that either the probability of occurrence or the expected impact on the environment and AT&S are considered to be low. In accordance with the EU Guidelines for reporting climate-related information and the TCFD, climate-relevant risks are also part of the risk assessment. In addition to the physical risks, caused by chronic or acute effects of climate change and global warming on the operating activities of AT&S and the environment, risks and opportunities arising from the transition to a low-carbon, climate-resilient economy are also considered.

AT&S considers this transition an opportunity and accordingly developed the energy strategy with ambitious decarbonisation targets. This way, we counter potential transitional risks, which could arise from future laws and regulations as well as customer requirements. At the same time, we use the opportunity to position ourselves as a climate-resilient company and to benefit from reputation gains. We counter technological risks with sustainable innovations and, as a first step, with our life cycle assessment project.

**Risk management\_**



Overview of material and other relevant risks

	Risk category	Risk	Mitigation	Opportunities	NaDiVeG issues
Material risks	OPERATIONAL	Inefficient use of resources	Energy strategy, projects to increase efficiency and effectiveness, water recycling	Cost reduction, climate-resilient business model, industry benchmark, image improvement	Environmental issues
	ORGANISATION	Discrimination and low diversity of staff	Diversity strategy, Code of Conduct	Inclusive, diverse employer, competitive advantage, increased profitability, innovative strength and employee motivation, low fluctuation	Social issues, employee issues
	MARKET	Use of AT&S products in unethical applications	Code of Conduct, commitment to RBA, internal guideline, training	Protection of human rights, avoidance of support of armed conflicts and environmental degradation, image improvement, increased employee motivation	Environmental issues, social issues, respect for human rights
	PROCUREMENT	Non-compliance with ESG-relevant requirements	Supplier Code of Conduct, clear processes for careful selection of suppliers, supplier audits, commitment to RBA & RMI	Protection of human rights, image improvement, increased attractiveness of the company for sustainable financing, avoidance of support of armed conflicts, increased employee motivation	Social issues, employee issues, environmental issues, respect for human rights
Other relevant risks	OPERATIONAL	Disruption of operations/ pandemics	Business continuity management, OHSAS 18001/ISO 45001, highest safety standards	Image improvement, strong crisis management, strong cohesion and loyalty of staff	Employee issues, social issues
	OPERATIONAL	Occupational accidents	OHSAS 18001/ISO 45001, protective clothing, handling of dangerous goods, training	Increased employee motivation, low fluctuation	Employee issues
	ENVIRONMENT	Extreme weather events, natural disasters	Business continuity management, OHSAS 18001/ISO 45001, employee sensitisation and training	Strong cohesion, loyalty of staff, stronger adaptability	Environmental issues, social issues
	ENVIRONMENT	Global warming	Energy strategy, projects to increase efficiency and effectiveness, employee sensitisation and training	Cost reduction, climate-resilient business model, industry benchmark, image improvement	Environmental issues, social issues
	ORGANISATION	Corruption and unethical behaviour	Code of Conduct, anti-corruption guideline, capital market compliance, training, GRC Committee	Image improvement, trustful partnerships, competitive advantage	Employee issues, combat corruption and bribery

In addition, we included risks in our assessment process which are not, or only partially, caused by AT&S. These include pandemics, extreme weather events and global warming. We are, however, aware that AT&S, like any other company or individual, also contributes to these phenomena. Moreover, such events may have considerable effects on both AT&S and relevant stakeholder groups and are therefore also deemed to be relevant.

**Deriving fields of action from the strategy process**

As shown *in the illustration on the following page*, four strategic fields of action were derived from the strategy development process: environment & resources, sustainable innovation, employees & society, sustainable supply chain.

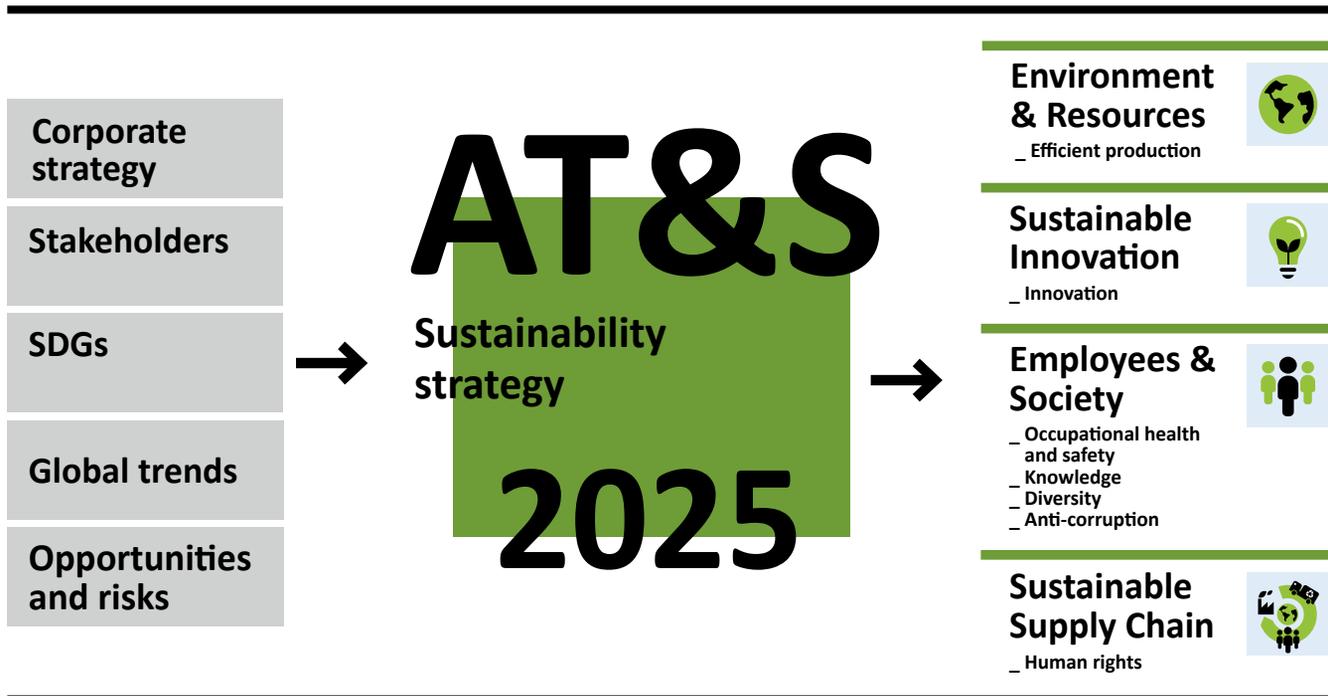
The sustainability strategy underlines the stringent approach of the definition of fields of action, setting clear and ambitious goals and initiating concrete measures to achieve these goals. This is complemented by transparent management and control of the degree of target attainment. The strategy is intended to

make an essential contribution to mitigating the negative impact of AT&S's operating activities on the topics. At the same time, positive aspects should be maximised and opportunities used as best possible. Details regarding the qualitative and quantitative goals, management concepts, due diligence processes and key figures, as well as reference to the SDGs are provided in the following chapters. The report is structured according to strategic fields of action, to which the material topics are assigned as shown *in the illustration below*.

In some areas it is not fully possible to clearly allocate the material topics to the strategic fields of action or chapters. For example, efficient production is possible only partially due to innovative solutions. Since all our measures regarding energy, CO<sub>2</sub>, water and waste are aimed at making production more efficient and countering inefficient use of resources, efficient production is part of the chapter Environment & Resources.

These overlaps are even clearer in the strategic fields of action Employees & Society and Sustainable Supply Chain. The material topic human rights, for example, could be allocated to both Employees & Society and to Sustainable Supply Chain. We chose to allocate human rights to the Supply Chain because the risk of human rights violations within the AT&S system boundaries is relatively low in comparison with the supply chain. This is attributable to the direct controllability within the company and the well-established mitigation measures. Therefore, the corresponding control measures, goals and indicators in the area of human rights are allocated to the supply chain. In addition, we report on measures to prevent human rights violations within AT&S in the section Employees & Society.

## Four strategic fields of action and allocated material topics\_



# Environment & Resources

Environment & Resources is a strategic field of action of AT&S, to which the material topic efficient production technologies is allocated. This is consistent with our analysis of the UN Sustainable Development Goals (SDGs). The impact of AT&S's operating activities on the environment and resources, and consequently the effectiveness of the measures taken by AT&S, is the greatest on SDGs 6, SDG 8, SDG 9, SDG 12, and SDG 13.

Sustainability is always associated with an increasing scarcity of resources. While the economy is growing, the aim is to reduce material resource consumption. This can only be achieved with maximum efficiency.

As a producing business with a large number of wet chemical processes, the topics of climate protection and water are also of great importance to us. Details on AT&S's contribution to achieving the above-mentioned SDGs are summarised *in the following table*.

## PRODUCTION EFFICIENCY MINIMISES ENVIRONMENTAL IMPACT AND RESOURCE CONSUMPTION WHILE CREATING MAXIMUM VALUE

AT&S attaches great importance to manufacturing high-end products based on efficient processes and technologies which stand for premium quality and reliability. This comprises minimum energy, material and water consumption and the prevention of emissions and waste while creating maximum value. The environmental impact is kept to a minimum based on a holistic approach. The certification according to the international quality and environmental standards ISO 9001 and ISO 14001 at all production sites is only one example showing that the high quality and environmental awareness is embedded in the Group-wide management systems. In addition to annual recertification audits to maintain these standards, we also possess further industry- and location-specific certifications for the automotive sector (ISO/TS 16949), aviation (AS/EN 9100) and the medical sector (DS/EN 13485).

### SDGs The contribution of AT&S in the area of Environment & Resources

	<p>Decoupling of economic growth from environmental impact through global efficiency measures, higher productivity, technological development and innovation. The copper recycling project and a number of Lean Six Sigma projects around the world contribute to this goal.</p>
	<p>Taking into account a resilient infrastructure and sustainable industrialisation, we see economic development strongly associated with SDG 17 and SDG 13. This aspect is reflected in the energy strategy, which can only be achieved through strong partnerships, higher resource efficiency and eco-friendly technologies.</p>
	<p>Stringent sustainability management with respect to environment, waste, chemicals and energy in accordance with ISO 14001 and ISO 50001. This includes efficient use of resources, careful disposal, waste prevention and recycling, and the prevention of emissions into the air, water and soil.</p>
	<p>Transparent sustainability reporting on all aspects of sustainability.</p>
	<p>Based on the ISO 14001 certification at all locations and our REACH and RoHS compliance, we commit to the prevention of water pollution as well as releasing chemicals and hazardous substances. We achieve maximum efficiency of water consumption in regions where water is scarce through the highest possible water recycling rates.</p>
	<p>The AT&amp;S energy strategy and the climate protection measures derived from it are central aspects of the sustainability strategy.</p>

### Our journey to a climate-resilient, low-carbon future

With a focus on the market and megatrends, and taking into account the needs of our stakeholders, AT&S is now taking more drastic climate protection measures as part of our sustainability strategy and the energy strategies derived from it.

Our goal is to cover at least 80% of the Group's energy requirements from renewable energy sources by 2025 and to replace all fossil fuels within our own production sites around the globe (Scope 1 emissions) by 2030. As a result of climate change and the associated global warming as well as growing resource and water scarcity, the demands on the part of customers, politics and society in this context are expected to intensify in the future.

AT&S recognises that this is a very ambitious goal. At the same time it is a categorical imperative if we are to grow profitably in the long term. Building on the existing goal of reducing relative energy consumption by 5% annually, long-term goals are defined for the first time as part of the energy strategy.

The targets and measures we set with respect to energy and CO<sub>2</sub> in the past few years help us achieve this goal. Even though energy efficiency does not directly pay into the achievement of our long-term goal, energy efficiency measures are most useful from both an economic and an ecological perspective and therefore a crucial element of the AT&S energy strategy. Our locations in Austria and India are already certified according to the energy management standard ISO 50001, with the locations in China and South Korea expected to follow in the coming financial year. Energy audits have already been performed at all locations. Appropriate measures were derived from the resulting energy savings potential, and implemented. Optimum was-

Our goal for 2025

80%  
renewable energy

te heat utilisation, heat recovery from air compressors, variable speed control of motors, the use of heat pumps, regular identification and elimination of compressed air leaks, building insulation and reduction of natural gas consumption for heat and steam generation are only a few examples. Overall, savings of 13.4 GWh or 10.9 kt of CO<sub>2</sub> were thus realised throughout the Group during the financial year 2019/20 compared with 12 GWh or 9.3 kt of CO<sub>2</sub> in the previous year. On a cumulative basis, the energy efficiency measures of the past years have already led to savings of 46.4 GWh.

AT&S attaches great importance to a modern, sustainable infrastructure, with efficient use of resources and increased utilisation of clean, eco-friendly energy. It therefore goes without saying that the results of the energy audits are taken into ac-

Energy savings

13.4 GWh

count in the expansion of the plants in South Korea and Chongqing. We thus ensure maximum energy efficiency in the planning phase of new plants.

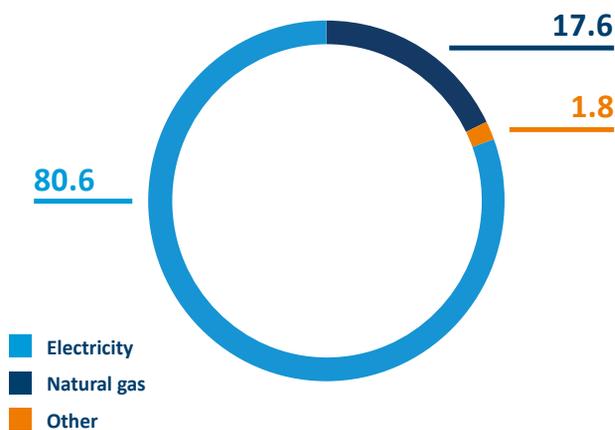
As part of the energy strategy, further levers to accomplish goals are now being added to the energy efficiency measures already taken or planned all over the world. Innovative solutions and resilient partnerships in energy procurement are as important to us as taking completely new paths. Collaboration with internal research and development, engineering and maintenance specialists as well as external stakeholders such as research partners, machine manufacturers and neighbour companies enables us to generate new solutions supporting the implementation of the goals. All measures are evaluated taking into account profitability and feasibility. This is the only way we can achieve technological modernisation and ensure a climate-resilient, low-carbon economy and efficient use of natural resources.

With the AT&S energy strategy we aim to make our contribution to reaching the 2-degree goal and are considering joining the Science Based Targets initiative. In doing so, we would put our goal of decarbonising our production processes to the test and define additional goals if necessary. Until then, we will adhere to our previous key indicators and try to expand them. For example, Scope 3 emissions were added to our reporting for the financial year 2019/20, and transparency was increased in the area of energy sources in order to illustrate the complexity of the climate and energy target for our stakeholders.

CO<sub>2</sub> emissions are reported in accordance with the Greenhouse Gas (GHG) Protocol. Scope 1 emissions refer to all direct emissions; in our case, this comprises the use of natural gas, liquefied gas, diesel and heavy oil. Scope 2 emissions refer to purchased electricity while Scope 3 covers all indirect emissions, which are not directly related to the company. The calculation of Scope 1 emissions is

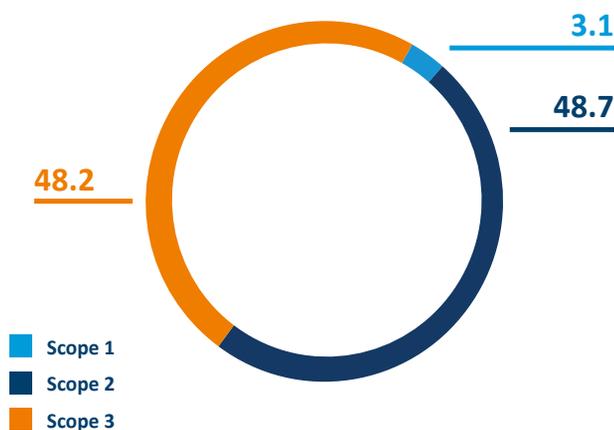
Energy consumption by energy source

in %



Split of carbon footprint by Scope

in %



based on the factors of the Federal Economic Agency. The other CO<sub>2</sub> indicators are based on the conversion factors of the ecoinvent database version 3. All CO<sub>2</sub> figures refer to CO<sub>2</sub> equivalents.

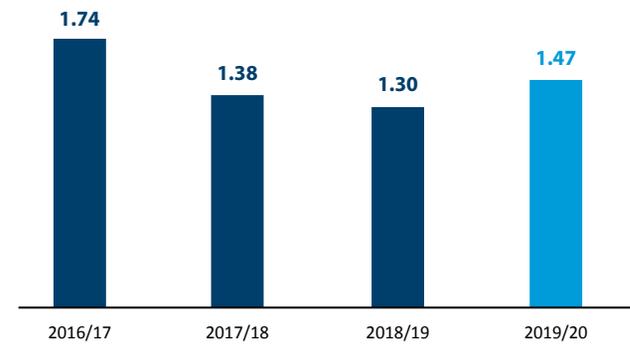
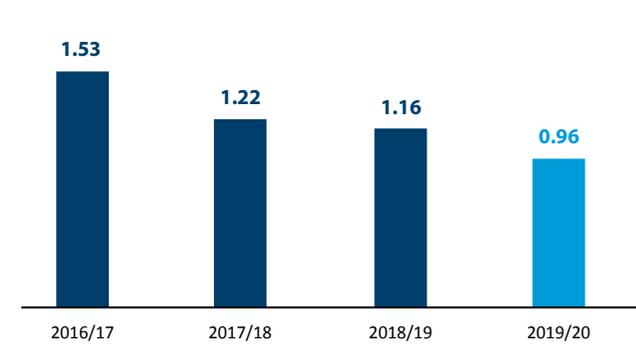
The chart above on the left shows that electricity is AT&S’s main energy source, resulting in a high Scope 2 share of CO<sub>2</sub> emissions at 48.7%. At the same time, Scope 3 emissions, which are reported in greater detail for this financial year, are substantial at 48.2%. The reporting of Scope 3 emissions was significantly improved in the financial year 2019/20. Scope 3 emissions now also cover air travel of AT&S employees, the transport of our products to customers as well as 72.4% of the purchasing volume and consequently the CO<sub>2</sub> emissions of essential materials. Scope 3 emissions are also generated in the production of direct and indirect energy sources, which are now also included in Scope 3 reporting. This also explains the increase in Scope 3 emissions compared to the previous years.

At the same time, this results in a decline in Scope 2 emissions as the conversion factors used also had to be adjusted accordingly.

Despite energy savings of 13.4 GWh, we did not manage to reduce relative energy consumption in 2019/20 compared with the previous year. Rather, we recorded an increase of 12.4%, which is primarily attributable to the AT&S growth strategy and the related technology developments. The expansion and qualification of production lines as well as the development of new technologies require resources, without directly generating added value. In addition, the financial year 2019/20 saw a challenging market environment and the COVID-19-pandemic. However, based on the planned extensive measures as part of the energy and climate strategy we are confident that these are only temporary effects.

Energy consumption

	Absolute energy consumption (in GWh)			Relative energy consumption (in kWh per € GVA)		
	2019/20	2018/19	Change in %	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	518.2	500.2	3.6	1.68	1.53	10.0
Automotive, Industrial, Medical segment & Others	146.5	147.3	(0.6)	1.02	0.87	16.1
<b>Total Group</b>	<b>664.6</b>	<b>647.5</b>	<b>2.6</b>	<b>1.47</b>	<b>1.30</b>	<b>12.4</b>
thereof attributable to parent company	70.0	71.1	(1.6)	0.69	0.62	11.0

**Relative energy consumption**  
in kWh per € GVA**Relative carbon footprint (Scope 1 + 2)**  
in kg CO<sub>2</sub> per € GVA**Carbon footprint (Scope 1 + 2)**

	Absolute carbon footprint (Scope 1 + 2) (in kt CO <sub>2</sub> )			Relative carbon footprint (Scope 1 + 2) (in kg CO <sub>2</sub> per € GVA)		
	2019/20	2018/19	Change in %	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	346.5	462.7	(25.1)	1.12	1.41	(20.5)
Automotive, Industrial, Medical segment & Others	86.8	111.9	(22.4)	0.60	0.66	(9.4)
<b>Total Group</b>	<b>433.3</b>	<b>574.6</b>	<b>(24.6)</b>	<b>0.96</b>	<b>1.16</b>	<b>(17.4)</b>
thereof attributable to parent company	17.6	20.9	(15.5)	0.17	0.18	(4.7)

**Carbon footprint (Scope 3)**

	Absolute carbon footprint (Scope 3) (in kt CO <sub>2</sub> )*			Relative carbon footprint (Scope 3) (in kg CO <sub>2</sub> per € GVA)*		
	2019/20	2018/19	Change in %	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	309.8	5.3	>100	1.00	0.02	>100
Automotive, Industrial, Medical segment & Others	92.6	5.8	>100	0.64	0.03	>100
<b>Total Group</b>	<b>402.4</b>	<b>11.1</b>	<b>&gt;100</b>	<b>0.89</b>	<b>0.02</b>	<b>&gt;100</b>
thereof attributable to parent company	32.1	0.6	>100	0.32	0.01	>100

\* The strong increase results from the inclusion of the following categories in addition to the transportation of products to customers as of the financial year 2019/20: purchased goods and services, fuel- and energy-related activities (not included in Scope 1 or 2) and business travel.

Accordingly, energy expenses also increased by roughly € 2 million as explained in the consolidated statement of profit or loss in the notes to the consolidated financial statements.

The reduction of the relative carbon footprint (Scope 1 + 2) by 17.4% year-on-year is primarily attributable to the removal of fuel and energy-related Scope 3 emissions as of the financial year 2019/20. Without the change in factors, the relative carbon footprint would also increase by 3.6% in comparison to the previous year.

The relative indicators refer to the gross value added (GVA), which is calculated based on EBIT plus depreciation/amortisation and wage and salary expenses.

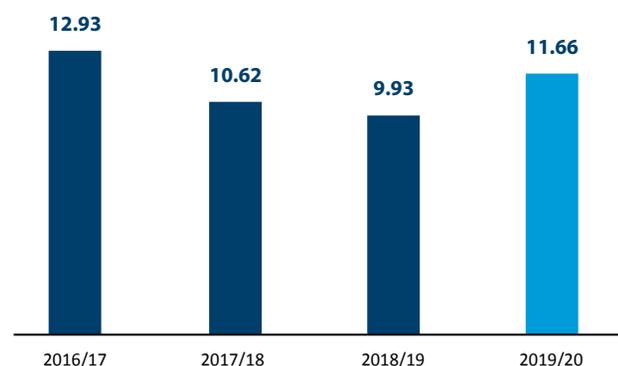
### Reduction of water consumption and waste as further central elements of the sustainability strategy

As part of its sustainability efforts, AT&S not only strives to make a significant contribution to climate protection, but also pursues the efficient use, sustainable withdrawal and provision of water, as well as the prevention and recycling of waste.

The production of printed circuit boards and IC substrates requires a large number of wet chemical and water-intensive processes. Due to exothermal chemical production processes, water is also used to cool machinery. In addition to cooling water, deionised and ultra-pure water is produced, which is used as process water in production. Wastewater is treated in a chemical-physical wastewater system or fed through purification or biofilter facilities and cooling towers. This way we reduce potential environmental impacts at all locations to a minimum.

### Relative water consumption

in litres per € GVA



We are aware that a conflict of objectives exists between the energy targets and the reduction of water consumption. Therefore, we will focus on developing a water strategy which is consistent with the energy strategy in the financial year 2020/21. In the course of the strategy development, we will also define long-term goals in the area of water. Until then, we will adhere to the existing target of a 3% reduction of water consumption in comparison to the target of the previous year. In any case, it is obvious to us that the water recycling rate at production sites located in high-risk areas according to the Aqueduct Water Risk Tool must be increased continuously. This will affect above all our locations in Shanghai and Nanjangud. Here, AT&S can also build on extensive measures of the past few years. The water recycling rates at these locations already amount to up to 25% and 80%, respectively. Nonetheless, water consumption increased in relation to gross value added in the financial year 2019/20, up 17.4% to 11.66 litres per € of gross value added. This means that the 3% reduction target

### Water consumption

	Absolute water consumption (in m <sup>3</sup> million)			Relative water consumption (in litres per € GVA)		
	2019/20	2018/19	Change in %	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	4.70	4.28	9.8	15.22	13.06	16.6
Automotive, Industrial, Medical segment & Others	0.58	0.65	(10.2)	4.03	3.84	4.9
<b>Total Group</b>	<b>5.28</b>	<b>4.93</b>	<b>7.2</b>	<b>11.66</b>	<b>9.93</b>	<b>17.4</b>
thereof attributable to parent company	0.18	0.30	(39.7)	1.80	2.65	(31.9)

### Relative waste amount

in kg per € GVA



was not met in the financial year 2019/20. Similar to the increase in relative energy consumption, this is also attributable to our growth strategy, the technology development and the market environment.

The reduction of the quantity of waste, in particular hazardous waste, is another central element of the sustainability strategy and contributes significantly to achieving SDG 12, sustainable consumption and production, and indirectly to SDG 6 by preventing emissions and reducing wastewater.

In the financial year 2019/20, the quantity of relative total waste increased by 15.2% after declining continuously in the previous years. In particular, the share of hazardous waste rose. This is addressed by the copper recycling project initiated in the last financial year.

Copper is an indispensable raw material in the production of printed circuit boards, which, at 4,066 tonnes, accounts for the largest share of production materials used.

Copper-containing material flows are incurred in the production of the conductive pattern. A large part of them is fed to the company's internal wastewater treatment plants. Before disposing of the copper-containing sludge created in this process, a wide variety of chemicals are used to treat the waste.

The goal of the current copper recycling project is to make the production of AT&S printed circuit boards as resource-friendly as possible while preventing waste as much as possible. The aim is to move from a linear usage of copper throughout the process to a cycle of reuse of copper, preventing waste and increasing raw material efficiency.

As part of the project, detailed analyses were conducted to evaluate possibilities to manage the flows of recyclable materials more efficiently. The focus was put on hazardous waste and acids. In addition to enhancing raw material efficiency by recovering copper-containing acids from production processes, the project also leads to a reduction of the chemicals used and the waste produced, which is largely classified as hazardous waste.

We are confident that we can scale these measures and systems in such a way in the future that the amounts of copper sludge produced at the sites in Hinterberg and Nanjangud correspond in the future. Subsequently, the concept will be rolled out to the other locations.

### Waste amount

	Absolute waste amount (in kt)			Relative waste amount (in kg per € GVA)		
	2019/20	2018/19	Change in %	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	31.6	29.5	7.1	0.10	0.09	13.7
Automotive, Industrial, Medical segment & Others	16.2	16.0	1.6	0.11	0.09	18.6
<b>Total Group</b>	<b>47.8</b>	<b>45.5</b>	<b>5.1</b>	<b>0.11</b>	<b>0.09</b>	<b>15.2</b>
thereof attributable to parent company	5.7	5.7	1.1	0.06	0.05	14.1

## Essential materials for the production of our products

Efficient production can be seen from material usage. Overall, we recorded an increase in the purchasing volume of copper, laminates and chemicals in the financial year 2019/20, while that of gold and palladium was down on the previous year. The purchasing volumes of gold and palladium decreased above all

at the production site in Shanghai, by 7.1% and 10.4%, respectively, the main reasons being lower production volumes and a change in product mix. The increase in the volume of copper, laminates and chemicals purchased is attributable to stocking up the inventories during the COVID-19-pandemic. This ensured that production could proceed smoothly.

### Purchase of significant materials

Total Group

	Unit	2019/20	2018/19	Change in %
Gold	kg	508	547	(7.1)
Palladium	kg	154	171	(10.4)
Copper	t	4,066	3,764	8.0
Laminate	million m <sup>2</sup>	13.8	12.8	8.0
Chemicals	thousand t	147.1	138.0	6.6

### Purchase of significant materials

attributable to parent company

	Unit	2019/20	2018/19	Change in %
Gold	kg	99	117	(15.2)
Palladium	kg	0	0	n.a.
Copper	t	396	367	7.9
Laminate	million m <sup>2</sup>	1.3	1.3	(5.2)
Chemicals	thousand t	9.5	9.4	1.2

### Classification of chemicals purchased

in %

		2019/20*	2018/19*	Change in %
Explosive	GHS01	–	–	n.a.
Flammable	GHS02	0.22	0.21	3.2
Oxidising	GHS03	2.83	2.88	(1.8)
Compressed gas	GHS04	1.78	1.86	(4.2)
Corrosive	GHS05	79.11	79.33	(0.3)
Toxic	GHS06	0.61	0.66	(7.7)
Irritant	GHS07	32.02	32.75	(2.2)
Health hazard	GHS08	4.59	4.57	0.5
Environmental hazard	GHS09	2.07	2.07	0.1
Non-hazardous	–	12.18	11.28	8.0

\* Since one chemical can be included in several hazardous substance categories, the total of all categories is greater than 100%.

We permanently strive to reduce the environmental impact of AT&S's business activities to a minimum and to continuously improve our reporting in order to both offer our stakeholders more transparency and to enable better control. Compliance with EU Regulation 1907/2006, better known as the REACH Regulation, for all our products is a matter of course for us. (REACH stands for registration, evaluation, authorisation and restriction of chemicals and has been in force since 2007.) The same applies to the EU's RoHS Directive, which governs the use of hazardous substances in electrical and electronic equipment.

In the financial year 2019/20, we are reporting the GHS classification for purchased chemicals for the first time. GHS stands for Globally Harmonised System and refers to a standardised classification and labelling of hazardous substances. This globally harmonised classification defines the danger of chemical products and comprises health and safety advice in handling them.

The additional reporting of the GHS classification shows that the total quantity of purchased chemicals increased by 6.6% year-on-year, but the share of non-hazardous chemicals was 8% higher than in the previous year, while toxic chemicals were reduced by 7.7%.

## Sustainable Innovation

Industrialising leading-edge technologies is our mission. Only with a strong team that stands for our innovative strength will this be possible. This is why our research and development departments and our engineering teams account for 11.4% of our total staff.

In the course of defining the strategic fields of action and assessing the impact of AT&S's operations on non-financial issues and the UN Sustainable Development Goals (SDGs), there were substantial overlaps with the area of Environment & Resources. This is due to the fact that many projects and programmes to achieve our climate and energy goals, waste reduction, resource efficiency or material recycling require innovative approaches in addition to efficiency and effectiveness. Nonetheless it is important to us to focus on the topic of innovation as a separate strategic field of action – not only because innovation is highly relevant according to our materiality matrix from a company

**SDGs**

**The contribution of AT&S in the area of Sustainable Innovation**



Our research and development departments and our engineering teams make a significant contribution to the decoupling of economic growth from environmental impact through global efficiency measures, higher productivity, technological development and innovation. One major contribution comes from the planned life cycle assessment project.



Our research and development departments and our engineering teams make a significant contribution to the decoupling of economic growth from environmental impact through global efficiency measures, higher productivity, technological development and innovation.



Certain approaches to waste prevention and recycling require innovative solutions.



Innovative solutions can also play an important role in the course of developing a water strategy.



The AT&S energy strategy and the climate protection measures derived from it are central aspects of the sustainability strategy. New, innovative solutions can leverage the achievement of the climate and energy target.



Global partnerships with universities, NGOs and agencies, as well as an active exchange of expert knowledge and know-how are integral parts of expanding sustainable development.

perspective and from the perspective of our stakeholders, but also because it is indispensable to embed sustainability in the innovation strategy and all research and development processes. In addition, SDG 17 plays an important part in innovation because especially in the area of research and development strong partnerships and joint development projects with customers as well as research institutions and suppliers are essential for successful project execution and the industrialisation of new ideas.

## SUSTAINABILITY IS ALREADY FIRMLY EMBEDDED IN THE R&D PROCESSES

In order to do business responsibly in the interests of future generations, it is necessary to consider sustainability aspects in the innovation strategy and in the processes. The AT&S innovation process ensures that only leading-edge technologies reach the industrialisation phase. When evaluating projects, non-financial criteria are assessed along with market and strategy. For example, process efficiency, energy and resource consumption as well as positive effects on health and safety at work have the same weighting in the assessment.

The innovation revenue rate (IRR) is an indicator of our innovative strength. It reflects the proportion of total revenue that AT&S generates with product groups that have been on the market for less than three years. In order to further expand our technology leadership, AT&S has defined the clear goal of achieving an annual IRR of at least 20%. In the financial year 2019/20, this target was once again exceeded by far with an IRR of 30.8%.

### Innovation revenue rate

30.8%  
(previous year: 35.3%)

The costs of research and development projects total € 94.8 million in the financial year 2019/20. This corresponds to a research rate of 9.5%.

### Research rate (relative to revenue)

9.5%  
(previous year: 7.4%)

### Number of patents

326  
(previous year: 279)

The number of patents granted amounts to 326 at the end of the financial year 2019/20, while we recorded 61 new applications. The section "Research and Development" of the Management Report provides further details on due diligence processes, innovation revenue rate and patents including year-on-year comparisons.

## OUR INNOVATION AWARD BOOSTS INNOVATIVE STRENGTH AND SUSTAINABILITY

To continuously drive effectiveness and efficiency and to generate innovative ideas, products and technologies with minimal development times and a rapid market launch, we give centre stage to the best and brightest minds at AT&S. We call on all resourceful and motivated employees from all areas across the globe to submit projects in the course of the annual Innovation Awards. This not only promotes knowledge transfer, team spirit and motivation, but also offers an opportunity across departments and locations to actively participate in the innovation process. The Innovation Award has been presented since 2015.

The evaluation criteria for the Innovation Award are based on the innovation process and also include economic, social and ecological aspects. In the financial year 2019/20, 23 projects were submitted for the Innovation Award: 19 technical projects and 4 administrative projects. All of the 8 finalist projects scored above average in the three clustered assessment criteria quality, environment, health, safety, values and people. Four even scored higher than three in all three sustainability categories and thus above average. This is, from our perspective, another

indication of the growing importance of environmental and social responsibility, which permeates the entire organisation. Moreover, a sustainability award was presented for the most sustainable project in the financial year 2019/20. This underlines the importance of sustainability for AT&S and contributes to raising awareness among the workforce. An expert jury rates the projects submitted and chooses the winners from the project teams, many of which work together across locations.

One of the winning projects of the Innovation Award 2019/20 is the “virtual printed circuit board”. The project successfully developed a virtual, simulation-based tool set which contributes to accelerating product development and increasing the reliability of our products, thus minimising risk. At the same time, any simulation means a reduction in resources used and higher security for the end customer. This project would therefore also be a candidate for the Sustainability Award, which, however, went to a project team from Fehring this year. They developed an inexpensive and efficient solution to prevent waste of resources caused by the carryover of chemicals and valuable materials such as gold in wet processes. In addition, the process was realised maintaining maximum energy efficiency.

## WE SET THE COURSE TOWARDS LIFE CYCLE ASSESSMENT

During the financial year 2019/20 we started to increasingly address the carbon footprint of our materials. This is shown by our Scope 3 emissions, which are reported for the first time in depth in the section Environment & Resources in the financial year 2019/20.

A research and development project is planned for the financial year 2020/21 in cooperation with external partners. The goal is a realistic introduction of a life cycle assessment at the process, technology or even product group level.

## DIGITAL TRANSFORMATION IS GAINING FURTHER MOMENTUM

The Digital Transformation Programme (DTP) continued to gain momentum in the financial year 2019/20 with the support of the Fraunhofer Institute Austria. After a detailed analysis of the content, another field of action was added. The DTP consequently comprises six fields of action now: management and organisation development, employee development, Industry 4.0 technology, data use and automation of production and administrative processes. Internal experts have been defined as “Digital Leaders” for these fields of action; they are responsible for and will drive the respective fields of action.

The number of projects submitted to the AT&S Innovation Award is also a good indicator of the topicality and importance of digitalisation. Once again, we recorded an increase in submissions which have digitalisation character in the financial year 2019/20. 39% of the projects submitted support digital transformation, compared with 26% in the previous year.

## DIGITALISATION AND DATA SECURITY ARE NO CONTRADICTION

Data protection is gaining increasing importance in a digital world. To protect our intangible assets and information of our key stakeholder groups, we continue to consistently pursue the path of ISO 27001 certification of our Information Security Management System. After the successful certification of our headquarters, the two plants in Austria and the branch offices in Europe across all company processes, the locations outside Europe will now follow. This certification is driven by our Information Security Organisation and brings clearly noticeable improvements in our employees’ handling of confidential data.

# Employees & Society

The strategic field of activity Employees & Society covers all measures related to our social responsibility. The material topics anti-corruption, diversity, health and safety and knowledge are allocated to this segment, and the focus here is on SDG 8, SDG 4, SDG 6, SDG 10, SDG 16 and SDG 17. In this context, SDG 8 must be viewed with a clear focus on respecting human rights, our responsibility as an employer and, consequently, our strict rejection of any form of child and forced labour. As previously stated, respect for human rights, as a material topic including management approach, due diligence process and key indicators, is allocated to the Sustainable Supply Chain and is addressed in that chapter. Nevertheless, we must also underline the importance of complying with social standards and respecting human rights as a basis for SDG 8 and decent work when it comes to our responsibility as an employer. All of this goes hand in hand with SDG 16 and our zero-tolerance policy towards any form of corruption. Details on our contributions to the relevant SDGs are provided in [the following table](#).

## THE AT&S CODE OF CONDUCT AS A FOUNDATION FOR DECENT WORK

All our principles with respect to business ethics, working conditions, health and safety as well as environmental topics directly and indirectly related to people and society are governed by our Code of Conduct. This code is based on the Responsible Business Alliance (RBA) and is applicable to all activities of AT&S around the globe. These ethical principles and compliance with all laws form the basis of our trustworthiness and credibility as well as for long-term partnerships and sustainable success.

Any form of misconduct, whether it is abuse of human rights, suspected corruption, inadequate working conditions or other violations of our Code Of Conduct on the part of AT&S stakeholders, can and should be reported via the AT&S “We Care” whistleblowing platform. Internal Audit is responsible for processing such reports confidentially. In the financial year 2019/20 five reports were filed,

SDGs

The contribution of AT&S in the area Employees & Society



AT&S is committed to respecting human rights and does not tolerate any form of child or forced labour. We also protect the rights of our employees through adequate working conditions, remuneration and working times, stable employment relationships and the freedom of association. For AT&S, decent work also includes high health and safety standards for our employees which we provide based on ISO 45001 and OHSAS 18001 certifications at all production sites. All of this is specified in our globally valid Code of Conduct.



AT&S is a responsible employer for roughly 10,000 employees, providing appropriate technical and professional qualification for all. It goes without saying that we do not tolerate any discrimination with respect to the training offered. Moreover, we continuously work on raising awareness of the importance of all sustainability dimensions.



It goes without saying that AT&S provides all employees worldwide with drinking water and clean sanitary facilities. In addition, we also support water supply projects in the neighbourhood of our plant in Nanjangud, India.



AT&S stands for economic inclusion, equal opportunities, anti-discrimination regardless of gender, skin colour, ethnicity and national origin, religion, age, sexual orientation, gender identity, pregnancy, political affiliation, trade union affiliation, marital status, type of personality, language skills, physical and mental abilities, education level, socio-economic background, former military affiliation, intercultural skills and perspective or learning differences.



AT&S commits to complying with the Austrian Code of Corporate Governance, thus ensuring a high level of transparency. Based on our Code of Conduct we reject any form of bribery or corruption and do not tolerate any form of violence, abuse or taking advantage of children. AT&S has established a whistleblowing platform for all of these cases.



AT&S maintains global partnerships with universities, NGOs and agencies in order to expand sustainable development.

all of them anonymously. Four of these reports required detailed investigations, but no further measures had to be initiated.

AT&S defends the rights to freedom of opinion and association as well as fair payment as a matter of principle, and, as a responsible employer, ensures compliance with the statutory working times.

At the end of the financial year 2019/20, AT&S employed 10,511 people; 2.3% of them are contract workers. AT&S strives to continuously lower the share of contract workers as we aim to be a stable and responsible employer. Compared with the previous year, we reduced the share of contract workers by another 42%.

The attrition rate was further decreased from 20.4% in the previous year to 15.3% – despite the fact that the attrition rate is generally higher at the Chinese locations, which is typical of the Chinese labour market. The attrition rate is an indicator of the satisfaction and motivation of our employees. Therefore, we conduct standardised employee surveys at the Chinese sites every year in order to keep the attrition rate to a minimum.

We remunerate our employees at market conditions and in accordance with the applicable laws, in Austria at least according to the collective agreement. The ratio of personnel costs to revenue was 25.2% in the financial year 2019/20, up 9.1% on the previous year. Details are provided in the explanations regarding the consolidated statement of profit or loss in the notes to the consolidated financial statements. In addition, our Group-wide bonus system governs performance-based remuneration, which depends on the economic performance (EBIT; ROCE), innovative strength (IRR) and the personal performance of employees.

## ZERO TOLERANCE OF CORRUPTION

AT&S pursues a zero tolerance policy towards any form of corruption. In order to meet the highest standards for our stakeholders at any time, in both technical and business terms, the Group's Anti-corruption Guideline entered into force in 2016. This guideline sets the standards for appropriate business practices and is valid for AT&S executives, representatives and employees. To raise awareness among everyone, the content of the guideline is conveyed to all employees through various communication channels. Following a risk-based approach, employees who have to undergo special anti-corruption training due to their position and activity are selected. 697 people received training during the financial year 2019/20, and took a final test to ensure that the content conveyed had been understood. This corresponds to an increase of 58% over the previous year.

Our Capital Market Compliance Guideline aims to prevent the abuse of compliance-relevant inside information in accordance with the applicable laws and the ACCG. This guideline is applicable to all AT&S employees and corporate bodies including the Supervisory Board. Capital market compliance training was converted to the new Learning Management System in the past financial year, which enables more comprehensive training including a final test. Of 225 persons pertaining to an area of confidentiality, 85% completed the training successfully in the financial year 2019/20. The training rate reported in the previous year was 100%.

### Headcount (at year-end)

number of people

		2019/20			2018/19		
		Male	Female	Total	Male	Female	Total
Category	White collar	2,236	741	2,977	1,941	684	2,625
	Blue collar	4,692	2,842	7,534	4,493	2,707	7,200
Region	Europe & USA	927	653	1,580	912	667	1,579
	Asia	6,001	2,930	8,931	5,522	2,724	8,246
Segment	Mobile Devices & Substrates	4,542	2,759	7,301	4,069	2,543	6,612
	Automotive, Industrial, Medical	2,236	717	2,953	2,230	751	2,981
	Others	150	107	257	135	97	232
Type of employment*	Full-time	6,891	3,384	10,275	6,387	3,187	9,574
	Part-time	29	173	202	39	184	223
<b>Total Group</b>		<b>6,928</b>	<b>3,583</b>	<b>10,511</b>	<b>6,434</b>	<b>3,391</b>	<b>9,825</b>
thereof attributable to parent company		898	630	1,528	884	647	1,531

\* Excl. inactive employees, e.g. parental or educational leave

## DIVERSITY – OR THE VALUE OF UNIQUENESS AND HOW WE PROMOTE IT

As a globally operating company, people of different ages, ethnic or national origins, physical and psychological abilities, sexual orientations, cultural and religious affiliations, political beliefs, marital status and education levels constantly meet at AT&S and provide for a diverse mix. We consider this diversity an enrichment for any team and organisation. It stimulates collaboration through different perspectives and should be taken as an opportunity for development. Numerous studies have shown that diversity has a positive impact on profitability and growth rates, increasing innovative strength, creativity and problem-solving skills. This leads to higher motivation among employees, causing attrition rates to decline and increasingly addressing talents.

### Ambitious diversity goals

In its diversity strategy, AT&S focuses on four areas: gender, culture & ethnicity, age & generations, and skills. On this basis, we aim to position ourselves as a diverse and inclusive employer that values the uniqueness of every single employee, promoting them as best possible. This is supported by the AT&S Code of Conduct,

which applies throughout the Group and rejects any form of discrimination. This commitment to diversity is now also found on our career page.

Our goal is to be an attractive employer for women, for people of any age, for people of different cultural, national or ethnic background as well as for people with disabilities. In a first step, we set the quantitative goal of achieving a total share of female employees of 45% by 2025. We aim to increase the share of women with management responsibility to 30%. To achieve this goal, we have taken a variety of measures, above all in recruitment and personnel development, which will be implemented starting in the financial year 2020/21.

At the end of the financial year 2019/20, the share of women at AT&S amounted to 34.1%, a slight decrease of 0.4 percentage points compared to the previous year. On the first management level, i.e., managers reporting directly to the Management Board of the AT&S Group, the share of women more than doubled from 5% in the previous year to 13.6%. AT&S employed people of 55 different nationalities at the end of the financial year. The average length of service, at 6.4 years,

### Diversity of employees (at year-end)

in %, total Group

		2019/20		2018/19	
		White collar	Blue collar	White collar	Blue collar
Gender	Female	24.9	37.7	26.1	37.6
	Male	75.1	62.3	73.9	62.4
Age group	<30 years	26.1	43.7	25.0	48.1
	30–50 years	64.9	51.7	67.0	47.8
	>50 years	9.0	4.6	8.0	4.1

### Diversity of employees (at year-end)

in %, parent company

		2019/20		2018/19	
		White collar	Blue collar	White collar	Blue collar
Gender	Female	34.6	46.7	34.9	47.5
	Male	65.4	53.3	65.1	52.5
Age group	<30 years	20.5	26.9	20.0	29.3
	30–50 years	54.2	42.6	59.3	44.0
	>50 years	25.3	30.5	20.8	26.7

hardly changed in comparison with the previous year, while the average age within the Group increased again slightly to 33.6 years. In the previous year, average company affiliation was also 6.4 years while the average age was 32.7 years. This year the age spread between the youngest and the oldest employees is 56 years. As of 31 March 2020 we employed 49 people with a disability worldwide, 80% of them at the Austrian locations. In the previous year we employed 48 persons with a disability, 81% of them in Austria.

### **The good news: many measures have already been implemented**

Diversity and social sustainability require interacting with all people as equals, regardless of gender, origin, religion, physical or mental disability. AT&S strives to overcome barriers of any kind. However, barriers go beyond physical constraints and restricted mobility, and often begin with language, for example. Like language, different cultural characteristics can also represent a barrier between people. Therefore it is in AT&S's interest to launch initiatives which counter such barriers. Consequently, we offer intercultural training and language courses aiming to convey different values, cultures and behaviour patterns of different countries to our employees. We currently offer language courses in German, English and Mandarin.

As an inclusive, diverse employer, AT&S is open to gender equality. For example, we reacted to a ruling of the Austrian Constitutional Court of 15 June 2018, which grants intersexual persons a right to an adequate designation in the register of persons and is based on Article 8 of the European Human Rights Convention. Consequently, AT&S advertises job vacancies in Europe in such a way that we address all genders using m/f/d. As mentioned before, the career page on our website includes a clear statement in accordance with our Code of Conduct and the Responsible Business Alliance (RBA) expressing that we value and promote diversity in all areas of the company.

The coordination of different areas of life such as work, spare time and family poses a challenge for many people. As a responsible employer, AT&S strives to support the compatibility of job and

family. This increases motivation while reducing attrition. AT&S therefore offers more than 100 different working time models. A child care facility was set up at the production site in India. But employees also face plenty of requirements and challenges in their everyday work. To enable them to overcome stress situations successfully and react competently in tense situations, AT&S offers courses and seminars on dealing with challenging situations.

### **Equality does not stop at our governing bodies**

Equality, non-discrimination and the promotion of women are core topics of diversity and fundamental framework conditions for a future-oriented employer, which also comprises the governing bodies of AT&S such as the Supervisory Board and the Management Board.

Therefore, we pursue the following targets when filling Supervisory Board mandates: At least 30% women and 30% men should be represented. The age spread of the Supervisory Board members should exceed 25 years and experience in international companies is mandatory. The expertise of the members should comprise at least technology/research, electronics/semiconductor industry, law, company and human resource management as well as sustainable management. With these targets, AT&S meets the requirement of Section 7 para. 86 of the Austrian Stock Corporation Act (AktG). The share of women in the Supervisory Board was raised from 16.7% to 25% with the election of Gertrude Tumpel-Gugerell. As in the previous year, one of the three Management Board positions is held by a woman. Regardless of job advertisement and position, vacancies are filled on the basis of best qualifications; all qualifications being equal, preference will be given to the underrepresented gender in the specific case. For further information regarding age and gender of the governing bodies, please refer to the Corporate Governance Report.

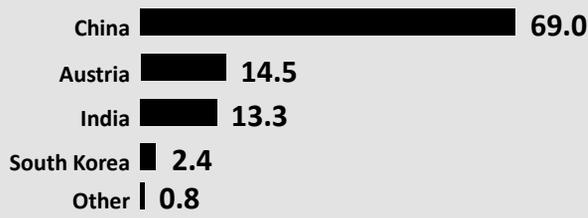
**Employees total\_**  
Absolute

**10,511**

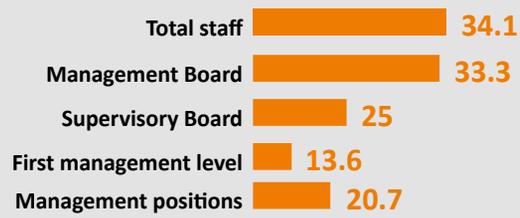
**Number of female employees\_**  
Absolute

**3,583** 

Proportionally represented in the following countries in %



Proportionally represented in in %



**Number of nationalities\_**  
Absolute

**55**



**Average age\_**  
of all employees in years

**34**



**Average age\_**  
by country in years



**32**  
China



**41**  
Austria



**32**  
India



**37**  
South Korea

## TECHNOLOGY LEADERSHIP IS ONLY POSSIBLE WITH KNOWLEDGE AND EXCELLENTLY TRAINED EMPLOYEES

As a result of the company's continuous development and strategic orientation, the complexity of activities and the demands placed on our employees also increase. To this end, we offer extensive professional, technical and personal development opportunities. We consider learning a lifelong process, which AT&S supports based on target group and competence-oriented training and development.

AT&S's open communication and feedback culture promotes dialogue with employees. The annual appraisal and development interviews are a key instrument in personnel development facilitating both individual development planning and the support of the communication and feedback culture. Our corporate values – open-mindedness, commitment and responsibility – serve as a platform for reflection in these interviews. They represent an important contribution to the promotion of individuals and personal development within the company. Appraisal interviews were conducted with 97% of the salaried employees in the financial year 2019/20. The completion rate of the development interviews, which take place in autumn, was 89%. The fulfilment rates were therefore at a similarly high level as in the previous year. The development needs determined have a direct influence on the preparation of the training offered.

The training offer is extensive, multi-faceted and tailored to the needs of the respective sites. In addition to numerous in-house training sessions held by our experts and workplace training, we also invested € 1.86 million in external training and development measures. These costs fall under the expense type "Other" in the consolidated statement of profit or loss in the notes to the consolidated financial statements.

In addition to local training requirements, there is also a growing need for global training for employees, parts of which are mandatory. In order to ensure this, AT&S uses a learning management system, which allows allocating content, recording progress and generating reports along with other advantages. In Europe, the entire and very comprehensive training catalogues can now be accessed via the Learning Management System, and training can be directly booked there. For global training, AT&S uses different forms of e-learning to keep up with the times in this area, too.

Along with employee development, AT&S also focuses on promoting young professionals in different areas including apprentice training in chemistry, physics, IT, mechatronics with a focus on manufacturing or automation technology, process technology, industrial business management and office administration. At the end of the financial year 2019/20, AT&S employed 41 apprentices, 40 in Austria and one in Germany. 6 apprentices successfully completed their apprentice training in the past financial year, while the final exam for another 5 apprentices had to be postponed to the financial year 2020/21 as a result of the measures taken by the Austrian Federal Government due to the COVID-19 pandemic. 13 new apprentices started their training.

Motivated people who already have professional experience or have completed science and technology studies at university have the opportunity at AT&S to gain international experience. As part of our International Trainee Program we continuously look for international talents for sales or technical positions. The trainee programme comprises 12-month vocational training in Austria followed by a 3-year international assignment to one of the AT&S production sites in China or India or one of our sales locations.

### Expenditures on external training

in thousand €

	2019/20	2018/19	Change in %
Mobile Devices & Substrates segment	997	639	56.1
Automotive, Industrial, Medical segment	393	408	(3.7)
Others	471	364	29.7
<b>Total Group</b>	<b>1,861</b>	<b>1,410</b>	<b>32.0</b>
thereof attributable to parent company	821	724	13.3

## THE HEALTH AND SAFETY OF OUR EMPLOYEES IS OUR FIRST PRIORITY

Only employees who are in good health and feel good at their workplace can do their job productively and to the best of their abilities. Satisfaction and well-being help employees to optimally unfold their capabilities, thus creating added value for the company. AT&S strives to promote employees' health and to prevent potential risks and hazards. In addition to preventive measures based on targeted training, AT&S meets the requirements of the RBA with respect to occupational health and safety. High safety standards which are certified in accordance with ISO 45001 or OHSAS 18001 apply at all sites. Management systems and due diligence processes such as continuous workplace inspections and evaluations are part of these certifications. If necessary, regulation measures are initiated.

As a result of the COVID-19 pandemic, the last quarter of the financial year 2019/20 was particularly challenging for our EHS teams, which did an outstanding job. All efforts were directed at maintaining operations at our locations or to restart as soon as possible, thus being a safe employer for roughly 10,000 employees. Top priority was always attached to our employees' safety. Therefore, all employees whose presence is indispensable at the site were equipped with protective masks and strict safety measures were taken.

Our two Chinese locations in Shanghai and Chongqing were initially affected. AT&S was one of the first companies allowed to reopen its plants after the lockdown imposed by the government. This was based on the fact that, according to the existing provisions of the emergency plan and crisis management, a task force was set up immediately. The main task of these teams included the monitoring and evaluation of information, analysis of guidelines, inventory and supply chain management, communication with customers and safety in production. Professionalism, team spirit, strict safety precautions and meeting all official requirements enabled us to resume production quickly. Mandatory protective masks, temperature measurements before entering the company premises, strict distancing rules at the workplace as well as separation walls and special procedures in the canteens are some of the measures taken to mitigate the risk of infection.

Later, we benefited from our experience at the Chinese sites in Europe and India. Where possible, employees at the European sites can increasingly work from home to reduce personal contact and minimize a potential transmission of the virus. AT&S provides the required equipment and technical support, which initially also posed challenges for our IT departments. In addition, we also provided all employees of the Austrian locations with protective masks for private use.

### Occupational safety

	Ratio of accidents (with ≥1 lost working day per 1 million working hours)			Ratio of average monthly lost working days (per 1,000 FTE)		
	2019/20	2018/19	Change	2019/20	2018/19	Change
Mobile Devices & Substrates segment	2.1	2.8	(0.6)	7.0	13.0	(6.0)
Automotive, Industrial, Medical segment & Others	3.2	4.0	(0.7)	4.3	7.0	(2.7)
<b>Total Group</b>	<b>2.5</b>	<b>3.1</b>	<b>(0.7)</b>	<b>6.2</b>	<b>11.2</b>	<b>(5.0)</b>
attributable to parent company	4.6	6.2	(1.5)	6.0	11.1	(5.1)

The site in India also focuses on maximum protection of the employees, which starts with a special seating order and halving the number of passengers on the company busses. In addition to specific seating rules at the canteen, mandatory face masks, the provision of hand sanitiser and continuous cleaning of entrance areas, door knobs and working surfaces, an emergency service was set up, which is on call round the clock for coronavirus emergencies. If an employee were to be tested positive for COVID-19, AT&S would pay for all medical expenses for the person affected and their family members.

Thanks to these and other measures taken by AT&S the company already had positive media coverage, pointing out the exemplary approach, extensive protective measures and the early response of AT&S to the challenges arising from the COVID-19 pandemic. The strong cohesion and great cooperation across locations is underpinned by AT&S's internal communication campaign ALL.TOGETHER.STRONG. The campaign supports the cohesion across plants and gives the employees insights into how the respective sites cope with production operations and virtual collaboration.

However, the health and safety of our employees is also an important focus in normal operations. Personal protective equipment from safety glasses to coats and safety shoes, noise measurements, annual fire drills, training and safety instructions especially with respect to dealing with dangerous substances, and regular breaks are only a few examples of the high safety standards at all AT&S locations. For employees who spend a large part of their everyday work sitting, a healthy, intact musculoskeletal system is important. Sitting for hours without any physical activity may increase the risk of cardiovascular diseases or osteoporosis. AT&S promotes employees' sports and community activities including tennis tournaments, biking and skiing trips or participation in various business runs. This helps minimi-

se physical and psychological stress and maintain good health. In coordination with the plant management, the works council offers health days at the Austrian sites. The offer ranges from various examinations such as lung function, eyesight, hearing, or measuring blood sugar levels and blood pressure to free-of-charge vaccinations such as TBE.

AT&S India also supported the participation of 119 employees in a running event, promoting team spirit and sports activities among the staff. In addition, a wellness programme for female employees, stress management training and health-supporting activities were held in the last financial year. Annual health checks and financial support in case of hospitalisation are also offered for employees at AT&S's plant in South Korea.

Occupational accidents declined from 3.1 to 2.5, while the average monthly days lost were nearly halved from 11.2 in the previous year to 6.2. At 0.9%, the rate of absences was also down on the previous year. No fatal accident occurred throughout the Group. This is a sign of a working occupational safety management and a high awareness level among employees. However, occupational accidents cannot be fully prevented. Even the slightest inattention may have a major effect. We continuously work on protecting our employees' health and on preventing work-related stress and occupational accidents as far as possible. All work safety indicators are location-related and include contract workers. Occupational accidents do not include accidents on the way to and from the workplace.

## OUR COMMITMENT IS WELL WORTH IT – AS PROVEN BY OUR NUMEROUS AWARDS

AT&S's excellence in its operating activities in general, and in the highest quality, production, environmental and social standards as well as best customer service in particular, is reflected by the roughly 20 awards and prizes we received from different stakeholder groups in the financial year 2019/20 alone. The National Green Plant Certificate and Production Safety Excellence Award for AT&S plant in Shanghai, the Environment Protection Credible Enterprise Award for the plant in Chongqing, the Arogya Seva Ratna Award for occupational health and safety, numerous awards from our customers, the ALC award as the best Styrian company in the category "International" and the Diversity Award of the Boston Consulting Group, which we received only recently, are only a few examples.

### Social commitment connects us with the communities of our locations

Apart from awards and prizes, some of which are attributable to the social commitment and ecological awareness of AT&S, the company also engages in social projects as part of various initiatives and institutions in the communities adjacent to our production facilities. For example, employees of AT&S Shanghai visited a retirement home. Annual family celebrations for young and old take place at both Chinese locations. Similar to the open house day at the headquarters, guided tours of the plant as well as a programme for children with game stations and fantasy tours are offered under the motto "AT&S Wonderland". All safety and data protection regulations are, of course, strictly complied with at these events.

Since the Chongqing plant was established in 2011, the company has participated in a wide range of social activities and projects. In December 2019, employees of AT&S Chongqing visited an elementary school in the Tong Nan district, one of the poorest regions in the southwest of China. Our employees gave the children winter jackets and school materials.

Commitment and dedication to a well-functioning community also plays an important role at the AT&S location in Nanjangud. AT&S therefore supports school and water supply projects every year as well as medical care in the neighbouring villages. These and many other activities dedicated to education, health, water supply and hygiene have had a positive impact on the lives of many people. During the last financial year, for example, a river bank was developed for the people in the region, giving them access to fresh water for cleaning and religious practices.

At the Austrian locations, AT&S supports a variety of institutions with monetary and in-kind donations, for example in the areas of education, integration and healthcare. With the establishment of the AT&S social fund, AT&S also strengthens social involvement and mutual support at the Austrian locations. The fund is financed by employees and the company and is designed to benefit employees who are suffering financial hardship through no fault of their own. A committee specifically set up for this purpose makes an anonymised decision about the type and amount of support.

# Sustainable Supply Chain

The economic, ecological and social responsibility of AT&S goes far beyond its own system boundaries and includes responsible sourcing and functioning supply chain management. In general, we see a greater risk within the supply chain, whether it is a risk of compliance violations, human rights abuses, poor working conditions or environmental offences. This is attributable to the fact that all policies and measures within the AT&S system boundaries can be controlled directly, while the direct influence of AT&S within the supply chain decreases with the number of subcontractors.

**SDGs** **The contribution of AT&S in the area Sustainable Supply Chain**

	<p>We ensure compliance with ecological, ethical and social standards in all our business relationships, communicate them clearly in our Supplier Code of Conduct and examine compliance in supplier audits.</p>
	<p>Based on the AT&amp;S Supplier Code of Conduct, we promote sustainable sourcing practices, transparent sustainability management and maximum resource efficiency, and demand these from our suppliers.</p>
	<p>In our Supplier Code of Conduct we require our business partners to have an equally clear positioning regarding economic inclusion, equal opportunities and anti-discrimination.</p>
	<p>Based on the Supplier Code of Conduct and audits, we require responsible management, a clear rejection of any form of bribery, corruption or any form of violence, abuse or taking advantage of children from our business partners.</p>
	<p>AT&amp;S relies on globally effective partnerships with suppliers to achieve the sustainability goals.</p>

Therefore, sustainable supply chain management has been defined as a strategic field of action in the strategy process. The material topic human rights has been assigned to this area. When allocating the UN Sustainable Development Goals (SDGs), we identified those SDGs as central which emphasise the importance of responsible entrepreneurship of our business partners. We put great value on partnerships with suppliers who have an equally clear position as AT&S against human rights abuses, corruption and discrimination and comply with all applicable laws.

## COMPLIANCE WITH OUR CODE OF CONDUCT IS A KEY CONTROL ELEMENT IN SUPPLY CHAIN MANAGEMENT

One of the most effective instruments to call on our suppliers to comply with our standards is the AT&S Supplier Code of Conduct. It was prepared pursuant to the guidelines of the Responsible Business Alliance (RBA) and is publicly accessible on the AT&S website along with the General Terms and Conditions of Purchase and the Guidelines for the Regulation of Environmental Related Substances in accordance with the REACH Regulation. This code aims to achieve a balance between realising a profit and ethnic responsibility, and provides a framework of action for our suppliers. It comprises business ethics and management practices, occupational health and safety, labour and human rights as well as environmental protection. 80% of the purchasing volume of AT&S is distributed among 99 suppliers. At the end of the financial year 2019/20, 95% of them had already signed our Supplier Code of Conduct. Our clear objective is to have the code signed by 100% of these suppliers, whom we consider to be the most essential suppliers.

**Proportion of Code of Conduct signed**

95%

## OUR SUPPLIER AUDITS ENHANCE PARTNERSHIPS AND OFFER A DEVELOPMENT OPPORTUNITY

To further reduce procurement-specific risks, new suppliers are audited with respect to quality, supply chain management, ecological and social responsibility as well as business ethics and human rights. In the financial year 2019/20, an audit plan was developed based on an established, risk-based approach, and 55 audits were conducted accordingly. 34 of these audits comprised business ethics and respect for human rights alongside general social and ecological topics. A total of 13 slight deviations were registered in the areas of business ethics, working conditions and human rights in these 34 audits, of which four were related to working conditions and one to human rights. Together with the suppliers concerned we work on eliminating these deviations. In the previous year, 69 supplier audits were conducted, of which 58 comprised business ethics, working conditions and respect for human rights.

### Number of supplier audits

# 55 audits

## HOW WE ENSURE RESPECT FOR HUMAN RIGHTS UP TO THE SOURCING OF MINERALS

The extraction of valuable minerals is an intensive process involving a great number of social and ecological risks. The sourcing of and trade in minerals in particular can have considerable negative effects, including severe human rights violations, money laundering and conflicts. With our commitment to the Responsible Minerals Initiative (RMI) we help mitigate the negative impact of the production and processing of minerals within our supply chain.

The RMI acts in line with the United Nations and the OECD Guidelines for multinational enterprises, to which AT&S is also fully committed. AT&S thus also meets the requirements of EU Regulation 2017/821 and those of the Dodd Frank Acts Section 1502 of the US Congress. We comply with both the due diligence process of the RMI and the other definition of so-called conflict minerals, of which gold, tin and cobalt are used at AT&S.

AT&S contacts all gold, tin and cobalt suppliers at regular intervals, at least once a year and as necessary in case of suspicion. We demand transparent reporting using the CMRT (Conflict Minerals Reporting Template) of the RMI for the entire supply chain. RMI continuously publishes and updates the list of smelting plants and mines conforming to the rules, which have been audited. AT&S exclusively accepts an RMI-compliant supply chain. We are proud that we were able to report a 100% RMI-compliant supply chain last year, with a 100% response rate on the part of our suppliers.

### RMI compliance of our supply chain

# 100%

These requirements are also included in the Supplier Code of Conduct. It can be downloaded from the AT&S website along with the CMRT of the AT&S Group.

# GRI content index

GRI standard (2016)	Disclosure	Page in the report, URL or reason for omission
<b>Organisational profile</b>		
102-1	Name of the organisation	p. 192 of the annual report 2019/20
102-2	Activities, brands, products, and services	inside cover of the annual report 2019/20
102-3	Location of headquarters	inside cover of the annual report 2019/21
102-4	Location of operations	p. 100 f. of the annual report 2019/20
102-5	Ownership and legal form	p. 77 and 192 of the annual report 2019/20
102-6	Markets served	inside cover of the annual report 2019/20
102-7	Scale of the organisation	inside cover of the annual report 2019/21
102-8	Information on employees and other workers	p. 22; disclosure on fixed-term employment contracts internationally not consistently possible
102-9	Supply chain	p. 4 f.
102-10	Significant changes to the organisation and its supply chain	none
102-11	Precautionary principle or approach	p. 8 f. and 107 ff. of the annual report 2019/20
102-12	External initiatives	p. 4
102-13	Membership of associations	p. 4
<b>Strategy</b>		
102-14	Statement from senior decision maker	p. 3
102-15	Key impact, risks and opportunities	p. 8 f. and 107 ff. of the annual report 2019/20
<b>Ethics and integrity</b>		
102-16	Values, principles, standards and norms of behaviour	p. 4, 6 and 21
102-17	Mechanisms for advice and concerns about ethics	p. 21
<b>Governance</b>		
102-18	Governance structure	p. 3
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	p. 7
102-41	Collective bargaining agreements	p. 22
102-42	Identifying and selecting stakeholders	p. 7
102-43	Approach to stakeholder engagement	p. 7
102-44	Key topics and concerns raised	p. 7
<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	p. 122 of the annual report 2019/20
102-46	Defining report content and topic boundaries	p. 7 ff.
102-47	List of material topics	p. 9 f.
102-48	Restatement of information	none
102-49	Changes in reporting	p. 7
102-50	Reporting period	01/04/2019–31/03/2020
102-51	Date of most recent report	06/06/2019
102-52	Reporting cycle	annual
102-53	Contact points for questions regarding the report	Annual Report: Gerda Königstorfer Non-financial Report: Nadja Noormofidi
102-54	Claims of reporting in accordance with GRI Standards	p. 4
102-55	GRI content index	p. 32 f.
102-56	External assurance	p. 33 of the annual report 2019/20
<b>205 Anti-corruption</b>		
103-1;-2;-3	Management Approach	p. 21 f.
205-2	Communication and training about anti-corruption policies and procedures	p. 22
205-3	Confirmed incidents of corruption and actions taken	p. 21 f.

GRI standard (2016)	Disclosure	Page in the report, URL or reason for omission
<b>301</b>	<b>Materials</b>	
103-1;-2;-3	Management Approach	p. 17 f.
301-1	Materials used by weight or volume	p. 17 f.; distinction renewable/non-renewable not available
<b>302</b>	<b>Energy</b>	
103-1;-2;-3	Management Approach	p. 11 ff.
302-1	Energy consumption within the organization	p. 13; distinction renewable/non-renewable and consumption types not available
302-3	Energy intensity	p. 13 f.
302-4	Reduction of energy consumption	p. 12; for further information see CDP Climate Change Report ( <a href="http://www.cdp.net">www.cdp.net</a> )
<b>303</b>	<b>Water</b>	
103-1;-2;-3	Management Approach	p. 15 f.
303-1	Water withdrawal by source	see CDP Water Security Report ( <a href="http://www.cdp.net">www.cdp.net</a> )
<b>305</b>	<b>Emissions</b>	
103-1;-2;-3	Management Approach	p. 11 ff.
305-1	Direct (Scope 1) GHG emissions	p. 12 ff.
305-2	Energy indirect (Scope 2) GHG emissions	p. 12 ff.
305-3	Other indirect (Scope 3) GHG emissions	p. 12 ff.
305-4	GHG emissions intensity	p. 14 f.
305-5	Reduction of GHG emissions	p. 12; for further information see CDP Climate Change Report ( <a href="http://www.cdp.net">www.cdp.net</a> )
<b>306</b>	<b>Effluents and waste</b>	
103-1;-2;-3	Management Approach	p. 15 f.
306-1	Water discharge by quality and destination	see CDP Water Security Report ( <a href="http://www.cdp.net">www.cdp.net</a> )
306-2	Waste by type and disposal method	p. 16; distinction by disposal method not available
<b>403</b>	<b>Occupational Health and Safety</b>	
103-1;-2;-3	Management Approach	p. 27 ff.
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 27 f.; split by region, gender, permanent/temporary staff, occupational diseases and types of injury not available
<b>404</b>	<b>Training and Education</b>	
103-1;-2;-3	Management Approach	p. 26 f.
404-2	Programmes for upgrading employee skills and transition assistance programmes	p. 26 f.
404-3	Percentage of employees receiving regular performance and career development reviews	p. 26 f.
<b>405</b>	<b>Diversity and Equal Opportunity</b>	
103-1;-2;-3	Management Approach	p. 23 ff. and 36 ff. of the annual report 2019/20
405-1	Diversity of governance bodies and employees	p. 23 ff. and 36 ff. of the annual report 2019/20
<b>406</b>	<b>Non-discrimination</b>	
103-1;-2;-3	Management Approach	p. 21
406-1	Incidents of discrimination and corrective actions taken	p. 21
<b>414</b>	<b>Supplier Social Assessment</b>	
103-1;-2;-3	Management Approach	p. 30 f.
414-2	Negative social impacts in the supply chain and actions taken	p. 30 f.

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