



Enabling a smarter,  
safer, and more  
connected future.

Human Capital Report  
2023

12-Month Period Ending December 31, 2023  
Version: March 25, 2024

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## Cohu, Inc. Human Capital Report

Cohu, Inc. and our subsidiary companies operate in numerous countries globally and we are committed to upholding the human rights of workers and treating them with dignity and respect to the standards of the international community. We fully support the EICC/RBA<sup>1</sup> tenants of human rights and have implemented the Cohu Human and Labor Rights Policy<sup>2</sup> reflecting these standards, and undergo periodic third-party audits (through RBA) to measure the effectiveness of our policy. Select illustrative metrics are listed below which reflect relevant data for calendar year 2023.

### 2023 Highlights

- Improved diversity in the U.S. through hiring
- Decreased voluntary turnover in each region
- Conducted quarterly compliance training with topics on prevention of harassment and discrimination in the workplace, diversity, inclusion and belonging; data privacy, and anti-bribery and avoiding conflicts of interest
- Increased cumulative training hours to 51,700 for employees globally, also increasing the investment in training, seminars and educational assistance fees to \$924,000
- Continued our excellent employee safety record, with a 2023 global recordable incident rate of 0.39, which is 67% below our industry benchmark<sup>3</sup>

<sup>1</sup> Responsible Business Alliance is an industry coalition dedicated to responsible business conduct in global supply chains

<sup>2</sup> See <https://www.cohu.com/wp-content/uploads/2022/01/Cohu-Human-and-Labor-Rights-Policy-Ver-1.24.22.pdf>

<sup>3</sup> Latest published Industry benchmark of 1.2 (recordable incidents per 100 employees, per year) is based on 2022 U.S. Bureau of Labor Statistics Injury, Illness and Fatality statistics for our industry (NAICS Code 334515)

Topic/Metric	Description	Cohu (2023)
<b>Freely Chosen Employment</b>	All employment with Cohu is voluntary in nature and employees are free to terminate their employment relationship at any time.	There is no compulsory, forced, bonded, indentured, slave or trafficked labor in any Cohu operation or facility globally.
<b>Child Labor Avoidance</b>	Other than through legitimate workplace apprenticeship programs sponsored by local governments or educational institutions, our policy prohibits, and Cohu and does not, employ workers younger than 18 years of age. This is monitored and confirmed through the hiring process and through periodic audits.	There were no violations of Cohu’s policy on underage workers in 2023.
<b>Non-discrimination</b>	Cohu provides work environments that are free of harassment and unlawful discrimination and is committed to providing workplaces that are productive, pleasant and based on mutual respect. Cohu has implemented explicit company policies that prohibit harassment and unlawful discrimination or retaliation in any form for making harassment or discrimination claims. <sup>4</sup>	During 2023, we had no substantiated claims of this type. Cohu conducts annual training on discrimination and harassment prevention and managing bias in the workplace along with quarterly ethics and business conduct training.

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

Topic/Metric	Description	Cohu (2023)
<b>Freedom of Association</b>	Open and direct communication between workers and management is the most effective way to resolve workplace issues. It is Cohu’s policy to respect the rights of workers to associate freely and to join or not join labor unions or workers’ councils or to collectively bargain in accordance with local laws. Cohu provides numerous communication channels for employees to engage directly with management from regular all-employee meetings at various facilities, to round-table sessions with senior executives, as well as multiple anonymous question forums and hotlines.	This is supported by the metric that in 2023 approximately 14% of Cohu workers were represented by a union or workers council.
<b>Work-Life Balance</b>	Cohu supports employees to balance their career and personal lives through a variety of programs including part-time work schedules, flex-time, remote and hybrid work arrangements. Additionally, Cohu provides paid and unpaid leaves to employees to act as caregivers and to enjoy being new parents; to recover from personal illness or injury; and to complete civic responsibilities such as military service, voting or jury duty.	All such programs remain in effect.
<b>Occupational Health, Safety and Compliance</b>	Cohu has a global policy and is committed to providing and maintaining a safe and healthy workplace and to improving the environmental quality of our operations and surrounding communities. Cohu complies with all environmental, health and safety (“EHS”) regulations that apply to our operations globally. We develop and implement safe work procedures to ensure occupational health and safety for all our global employees, and we monitor the impact our operations have on the environment. Employees share in the responsibility for maintaining a safe and healthy work environment and training is provided about local EHS practices and requirements. Cohu has local safety reporting procedures at each of its operating sites.	<p>Policy remains in effect. In 2023, Cohu’s global recordable incident rate was 0.39 which is 67% below our industry benchmark.<sup>5</sup></p> <p>We completed an RBA audit at one of our principal manufacturing sites, Laguna, Philippines, with no findings and achieved RBA’s highest rating of Platinum with a VAP score of 200.</p>

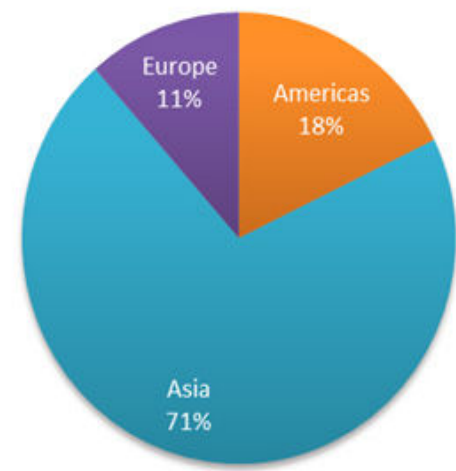
<sup>5</sup> See note 2

Topic/Metric	Description	Cohu (2023)
<p><b>Employee Engagement</b></p>	<p>We endeavor to communicate, and engage, with our employees through many global initiatives.</p>	<p>Highlights include:</p> <ul style="list-style-type: none"> <li>• Produced 4 quarterly videos with CEO/CFO presentations and executive interviews;</li> <li>• 56 “all hands” meetings held across global functional areas and business units;</li> <li>• Annual corporate objectives cascaded throughout the organization;</li> <li>• Regular executive leadership emails to global employees discussing organization changes or key leadership hires;</li> <li>• “Innovation Weeks” held at handler development centers to spur creative thinking, alignment and engagement with employees;</li> <li>• In support of goal to foster employee engagement, conducted a worldwide employee engagement survey to monitor employee satisfaction;</li> <li>• Periodic CEO skip level meetings at principal operating sites;</li> <li>• \$4.7M returned to employees in 2023 profit sharing;</li> <li>• Provided more than 51,700 cumulative training hours to employees globally investing approximately \$924,000 in training, seminars and educational assistance fees; and</li> <li>• Initiated an Emerging Leaders Program for more than 200 participants.</li> </ul>

5 See note 2

# Global Workforce Statistics

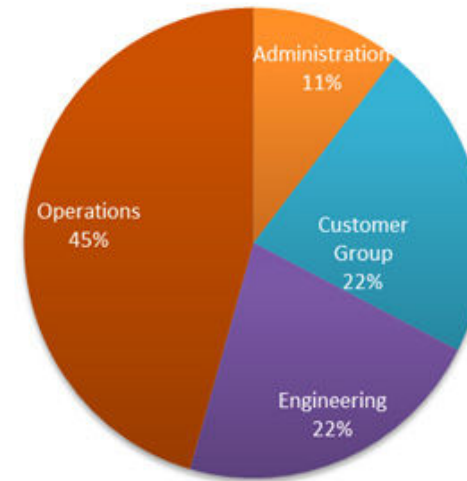
Global Workforce by Region



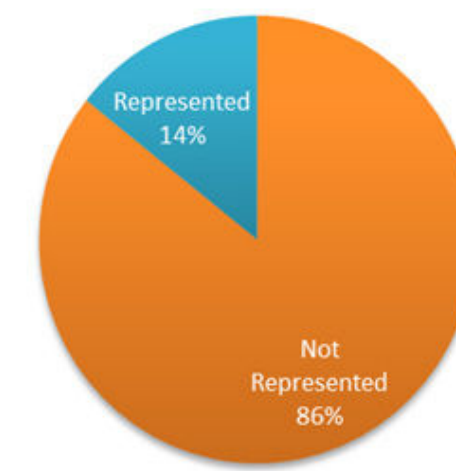
Global Workforce by Employment Type



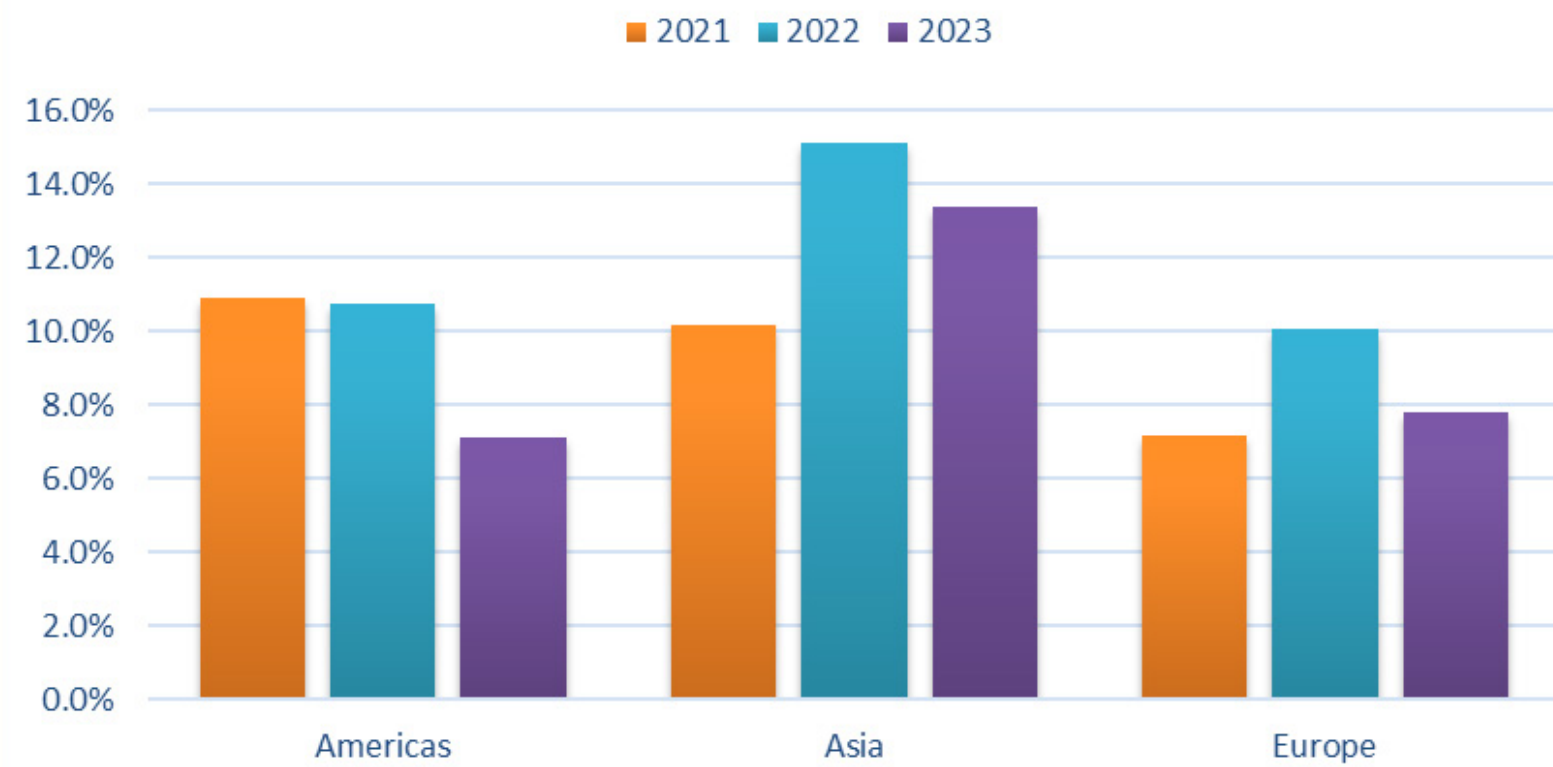
Global Employees by Function



Global Labor Relations

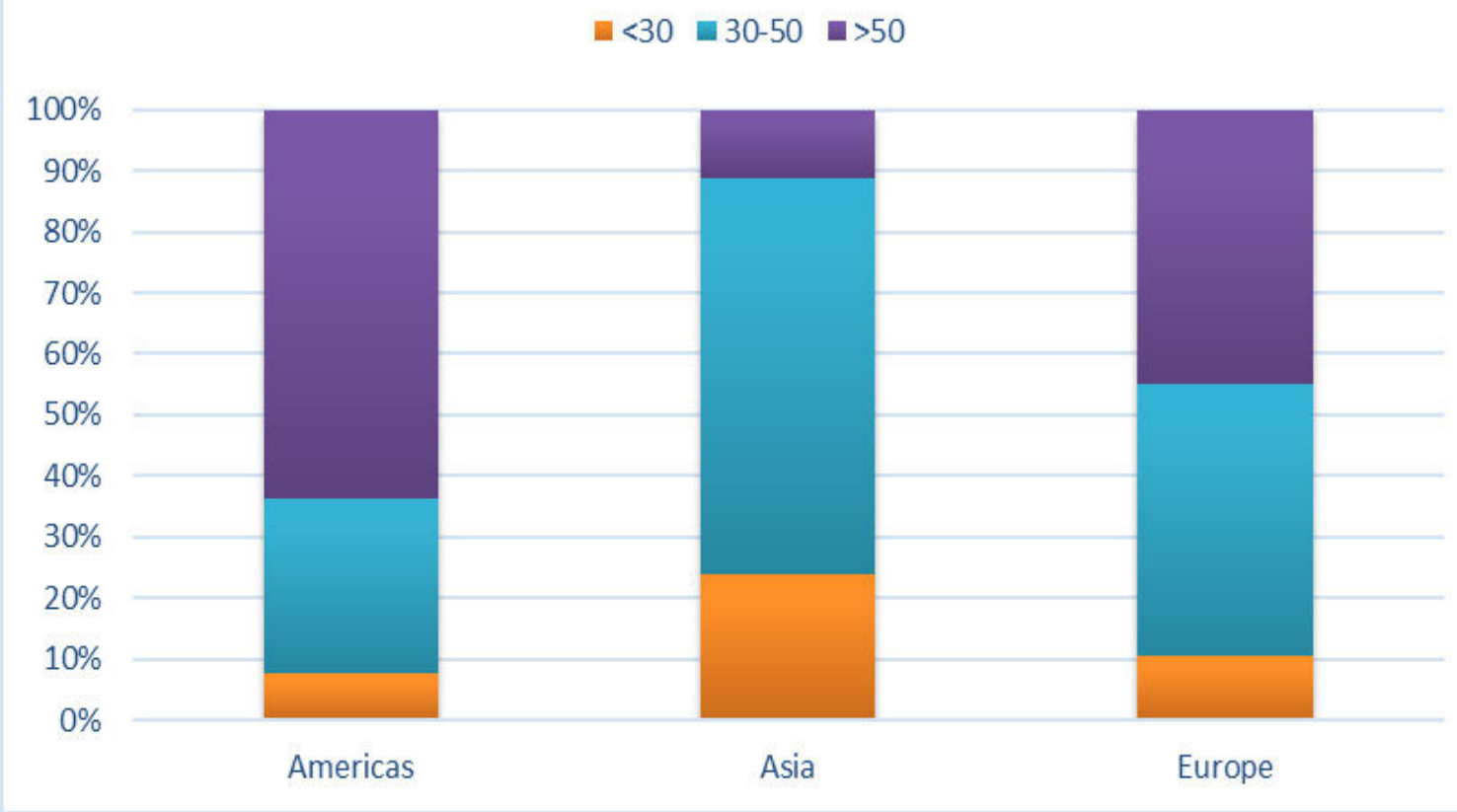


2021-2023 Voluntary Turnover by Region



# Global Workforce Demographics

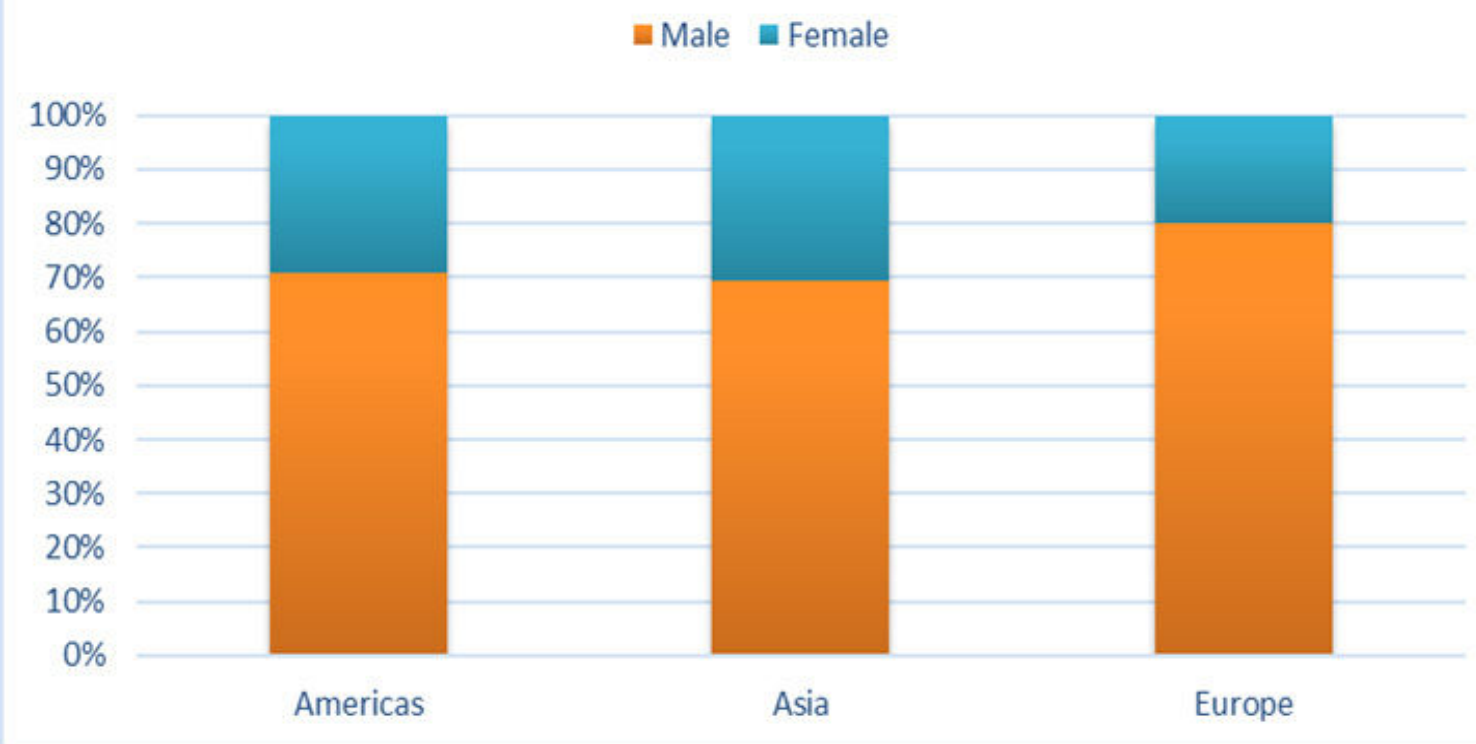
Employee Age by Region



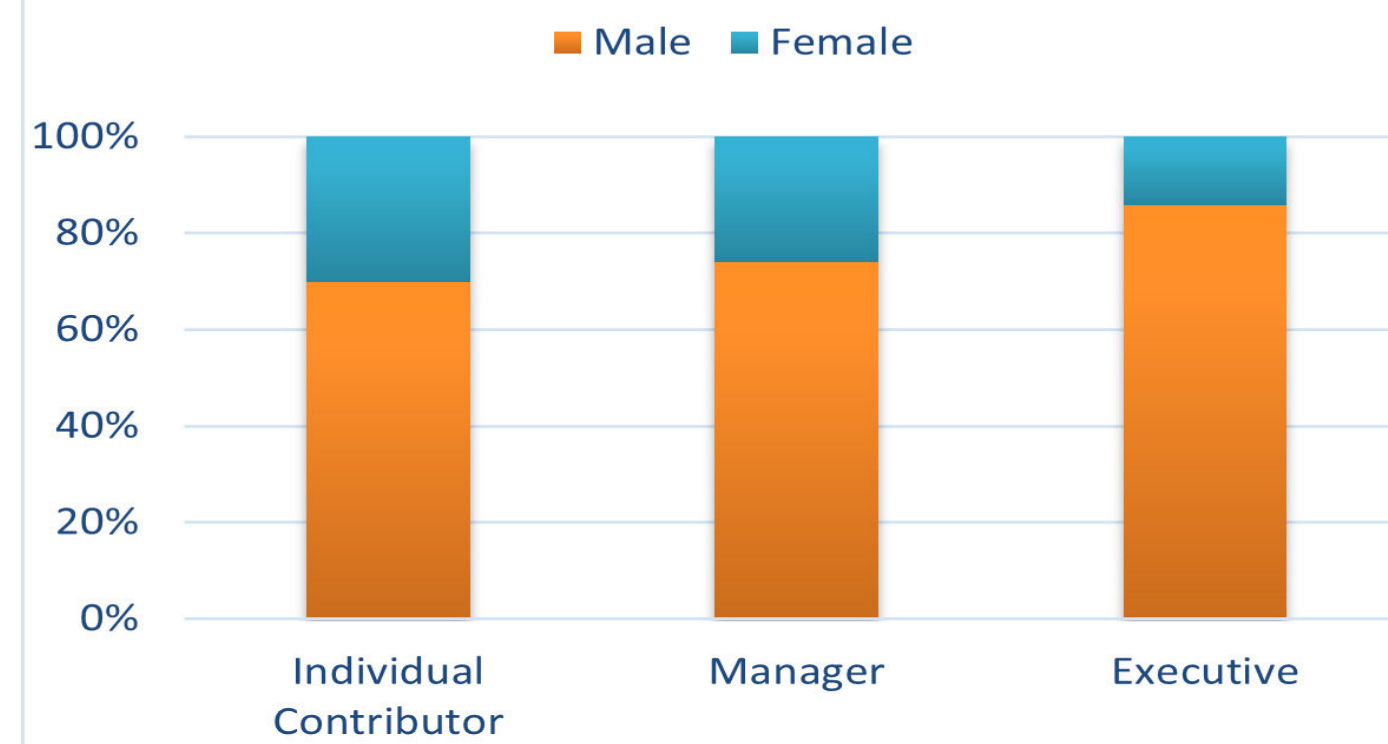
U.S. Employee Diversity



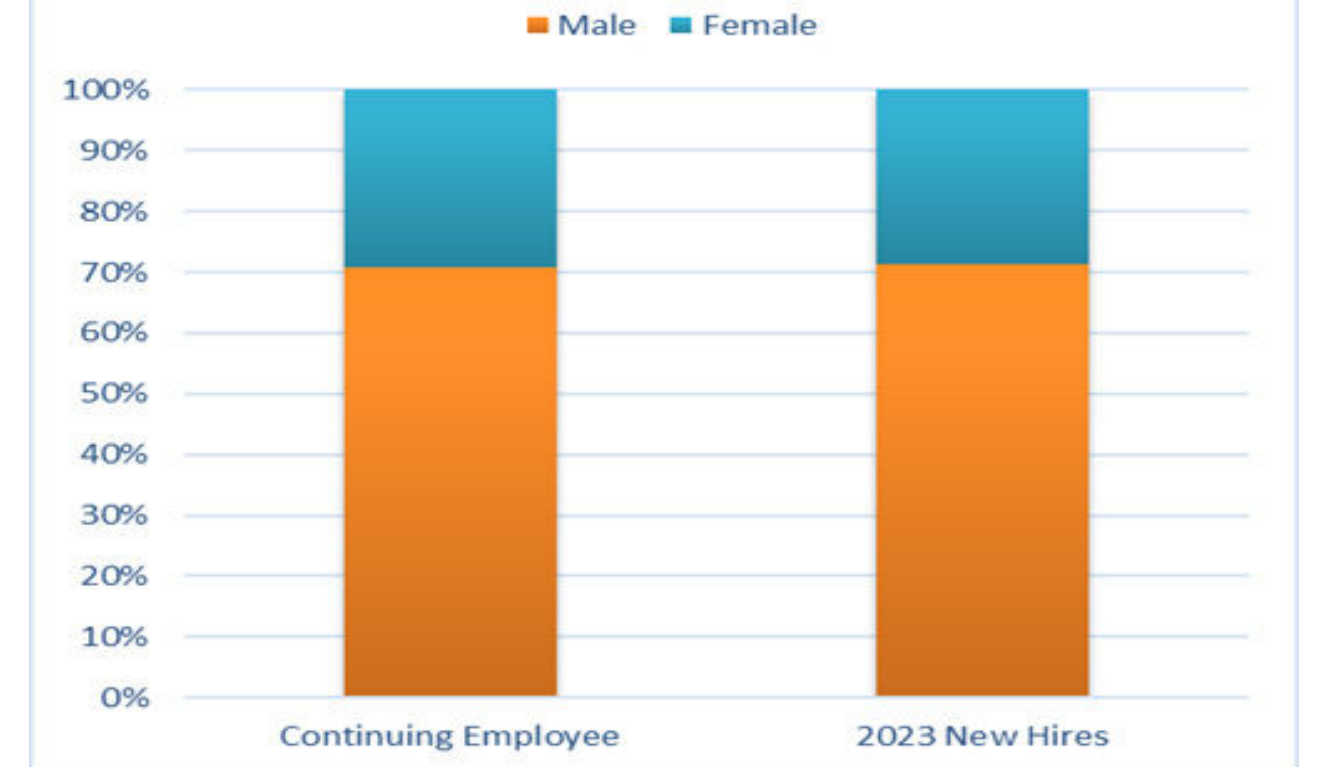
Employee Gender by Region



Gender by Organizational Level



Hiring by Gender



## Forward-Looking Statements

Certain statements contained in this report may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding planned programs, anticipated changes in the makeup of our global workforce, diversity objectives, employee engagement, and/or that include words such as “may,” “will,” “should,” “would,” “expect,” “anticipate,” “plan,” “likely,” “believe,” “estimate,” “project,” “intend,” and/or other similar expressions among others. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Cohu has taken reasonable efforts to review this data; however, manually collecting, converting and consolidating data from various sites around the world is complex and human errors may occur. We voluntarily make this data available as we believe it is of interest to our stockholders, but provide this report on an “as is” basis with no warranty whatsoever as to its accuracy.

Actual results and future business conditions could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: new product investments and product enhancements which may not be commercially successful; the semiconductor industry is seasonal, cyclical, volatile and unpredictable; recent erosion in mobile, automotive and industrial market sales; our ability to manage and deliver high quality products and services; failure of sole source contract manufacturer or our ability to manage third-party raw material, component and/or service providers; ongoing inflationary pressures on material and operational costs coupled with rising interest rates; economic recession; the semiconductor industry is intensely competitive, subject to rapid technological changes, and experiences consolidation of key customers for semiconductor test equipment; a limited number of customers account for a substantial percentage of net sales; significant exports to foreign countries with economic and political instability and competition from a number of Asia-based manufacturers; our relationships with customers may deteriorate; loss of key personnel; risks of using artificial intelligence within Cohu’s product developments and

business; reliance on foreign locations and geopolitical instability in such locations critical to Cohu and its customers; natural disasters, war and climate-related changes, including related economic impacts; levels of debt; access to sufficient capital on reasonable or favorable terms; foreign operations and related currency fluctuations; required or desired accounting charges and the cost or effectiveness of accounting controls; instability of financial institutions where we maintain cash deposits and potential loss of uninsured cash deposits; significant goodwill and other intangibles as percentage of our total assets; increasingly restrictive trade and export regulations impacting our ability to sell products, specifically within China; risks associated with acquisitions, investments and divestitures such as integration and synergies; constraints related to corporate governance structures; share repurchases and related impacts; financial or operating results that are below forecast or credit rating changes impacting our stock price or financing ability; law/regulatory changes and including environmental or tax law changes; significant volatility in our stock price; the risk of cybersecurity breaches; enforcing or defending intellectual property claims or other litigation.

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