

Focus on Diversity and Inclusion



axcelis
2020

Axcelis is dedicated to building a diverse workforce, fostering a culture built on the principle of inclusion, and maintaining a workplace free from discrimination. We strongly believe that a diversity of experience, perspectives and backgrounds will lead to a better environment for our employees and better products for our customers. Axcelis' commitment to diversity covers our Board of Directors, our leadership team and all teams and functions across our global locations.

We encourage investors, employees, customers and suppliers to see diversity as multi-faceted, and to recognize the need to establish long-term goals that are tied to demographic realities and intrinsic fairness. Axcelis is implementing various initiatives to increase the presence of under-represented groups across our business and industry.

Where we are now¹

Employees. In 2020, the global Axcelis employee base is 83% male and 17% female. Our US workforce is increasingly ethnically diverse, reflecting the composition of local communities. Of all US employees, 20% identify as Asian, 5% as Hispanic and 2% as African/mixed race.

Leadership. Two of our seven executive officers are women, representing almost 30%. Having a female CEO is particularly notable, given that Pew Research reports only 5.1%, of S&P 1500 CEOs are female. Pew Research also reports that only 11.5% (651 out of nearly 5,700) of S&P 1500 named executive officers are female.² Looking at Axcelis leadership below the executive level (~175 top employees, referred to as "Leadership"), we are still mostly of European ethnicity (76%) and mostly male (85%). Asian leaders are largely in Asia (69%), although Asians comprise 33% of leaders in Beverly, up from 29% in 2019. The number of women in Leadership is flat to 2019 at 26 (15%), up from 19 in 2017.

Board of Directors. Axcelis had two female directors from 2014 until January 2017. The current Axcelis Board is the most diverse in our history, and is quite different than a typical public company Board of our size. Axcelis' current Board includes:

- Mary G. Puma, a female CEO;
- Arthur L. George, Jr., a retired executive from Texas Instruments, an African American;
- Dr. Tzu-Yin Chiu, CEO of Zing Semiconductor, an Asian American; and
- Jorge Titinger, a former executive at numerous semiconductor equipment and electronics companies, an Hispanic American.

Accordingly, four of our nine Board members, 44%, are from under-represented groups, with 33% minority men. According to a Harvard Law School publication, minority men account for only 11.5% of Fortune 500 Board seats.³

What we are doing

Growing Diversity through Hiring. We view open hiring requisitions as opportunities to increase diversity. As we address future openings, we will balance multiple diversity factors with other important skills and attributes that are expected to contribute to our business success. This openness is reflected in our increasingly diverse US workforce: 30% of US hires during 2019 and 1Q20 identified as Asian, in comparison to less than 20% of those hired prior to 2019.

We also consciously seek to hire younger personnel, since age is a form of diversity and necessary for succession planning. We offer co-op and intern positions. In addition, roles in our final test group frequently serve as entry level technical opportunities. Two of the 11 co-op students hired in 2019 (18%) were women, and two additional female interns were hired in 1Q20. We try to turn our co-op/interns into full time employees. Three co-ops were hired as full time entry level candidates upon graduation in 2019.

Training on Harassment. To attract and retain a diverse workforce, it is critical that our work environments are welcoming and inclusive. We ensure our workforce understands that we have no tolerance for discriminatory behavior that may interfere with the maintenance of a positive work environment. Axcelis' policies reference the following personal characteristics as "protected:"

- Race or color
- Nationality, national origin or ancestry
- Religion or creed
- Physical or mental disability
- Gender or sexual orientation
- Medical condition or physical appearance (including pregnancy)
- Active military or veteran status
- Age
- Genetic information
- Any other factor protected by federal, state, or local law

¹ Axcelis demographic data is as of April 2020.

² See Pew Research Center, Drew DeSilver, Women scarce at top of U.S. business – and in the jobs that lead there, April 30, 2018.

³ Harvard Law School Forum on Corporate Governance, Missing pieces Report: The 2019 Board Diversity Census of Women and Minorities on Fortune 500 Boards, Deb Dehass et al, Deloitte LLP, February 5, 2019.

In addition to required biennial training on harassment for all global employees, we also provide detailed training for managers on how to make hiring, promotional, compensation and termination decisions in objective and unbiased ways.

Pay Equality. One outcome of gender discrimination is the gender pay gap. Axcelis undertakes periodic gender pay audits to monitor the compensation of female employees relative to male employees in similar jobs to ensure pay equity.

Talent Review and Succession Planning. Axcelis conducts an annual talent review process, which involves an evaluation of current Leadership, an identification of high potential employees, the establishment of development action plans for individuals and for functions as a whole, and succession planning. Diverse employees are identified as part of this process. Individual action plans may incorporate leadership development training, 360 evaluations, exposure to new skills and participation in mentoring relationships.

Board Searches. Axcelis currently has 9 Board seats held by our CEO and 8 independent directors. The Board increased its size in recent years in anticipation of planned retirements. When a Board seat opens, we will seek Board candidates who have deep experience that is relevant to the international business issues that Axcelis faces, including leadership in relevant technology-driven global industries, ideally with exposure to a capital equipment business. We will look to fill our Board requirements from qualified candidates, considering all aspects of diversity.

Beyond Axcelis. We recognize that the conditions needed to achieve a representative workforce will not happen unless we invest differently in future generations. We need to encourage women and other under-represented groups to pursue STEM and business educations and careers. Axcelis supports the Massachusetts Bay United Way, the North Shore YMCA, SEMI Workforce Development and other initiatives which are designed to create opportunities for individuals to enter, and succeed in, technical careers.