



axcelis

2025
Sustainability
Report —

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Letter from the CEO

At Axcelis, we take great pride in the enabling role we play in industries and sectors that are shaping the future, from smartphones to quantum computers to electric vehicles. We also take great pride in our environmental commitments, and we believe sustainability is a journey. In this report, we will detail our sustainability journey to date, key milestones achieved, and the road ahead.

First, as underscored by our Science-Based Targets initiative (SBTi) and reporting commitments, we remain dedicated to our net zero goals and short-, medium- and long-term sustainability objectives. We understand the necessity and importance of responding to the challenges presented by climate change as well as the opportunities for innovation, adaptation, and decarbonization.

We have taken key foundational steps to build a strong sustainability program over several years and I am happy to report that we are continuing to make progress on all fronts. This is exemplified by our enhanced reporting; integration of key frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD); SBTi commitment, three successive years of CDP disclosure; improved greenhouse gas (GHG) emissions management; efficient energy, water, and waste management, and identification of climate risks and opportunities.

We are proud of our achievements to date. At the Beverly headquarters, we purchased 19,216,394 kWh of electricity in 2024 – achieving a 100% reduction in market-based Scope 2 emissions by purchasing renewable energy certificates (RECs) that procure energy from zero-emission sources, such as hydro and wind. Meanwhile, the AAOC manufacturing facility in Korea consumed a total of 2,055,753 kWh of electricity in 2024. Axcelis was also able to purchase RECs to procure 100% of the energy required at the AAOC facility from renewable sources. Axcelis has also purchased RECs to cover 100% of electricity used for field operations in the United States and South Korea.

Although our Scope 1 emissions increased in 2024 compared to the year prior – primarily due to more thorough data collection and the inclusion of additional office and warehouse locations in Scope 1 measurements – we have continued to reduce company-wide Scope 1 emissions from the 2022 baseline year by 39.3%. In 2024, company-wide Scope 2 location-based emissions were 6,143 metric tonnes of CO₂e, a decrease of 2.1% from 2023. We also made progress in cataloging and analyzing our Scope 3 emissions, using an improved methodological approach to build on our initial Scope 3 inventory conducted in 2023.

Letter from the CEO

As we move forward, we will continue to build on our strong sustainability platform by investing in the future. In addition to our environmental achievements and sustainability milestones, we are equally proud of our workforce programs (professional development, inclusion and belonging, recruitment), and community and charitable initiatives.

Axcelis' commitment to industry-leading innovation, expanding suite of high-performance products and exceptional customer service has never been stronger. Powered by our culture, people and track record, we are well positioned for continued success while shaping a truly sustainable future together.



**Russell J.
Low, PhD**

Russell J. Low

Introduction

Axcelis' corporate sustainability agenda is founded upon good corporate citizenship, effectively addressing climate change, compliance with existing and new regulations, alignment with the highest global standards and continual improvement.

In 2024, we published a comprehensive sustainability report aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This enabled us to analyze climate risks and opportunities over the short-, med- and long- term, and our report included a preliminary analysis of climate-related governance, strategy, risk management, key performance indicators and targets.

As this year's report shows, we have continued to build on the strong foundation we established in 2023 and 2024, by further advancing on our Scope 3 (Use Phase) efforts and SBTi commitment, successfully completing our third CDP response, initiating our decarbonization plans and completing the first phase of the climate risk assessment.

We also continue to monitor and respond to the corporate sustainability regulations enacted in the U.S. (California Climate Laws – SB 253/Climate Corporate Data Accountability Act-CCDAA, SB 261/Climate-Related Financial Risk Act-CRFRA, SB 219) and across the European Union (EU). In particular, we are monitoring the Carbon Border Adjustment Mechanism (CBAM), the EU Deforestation Regulation (EUDR), the Corporate Sustainability Due Diligence Directive (CSDDD), and the Corporate Sustainability Reporting Directive (CSRD), including the impact of the simplification process completed in May, 2025.



SECTION ONE

Climate and Environment

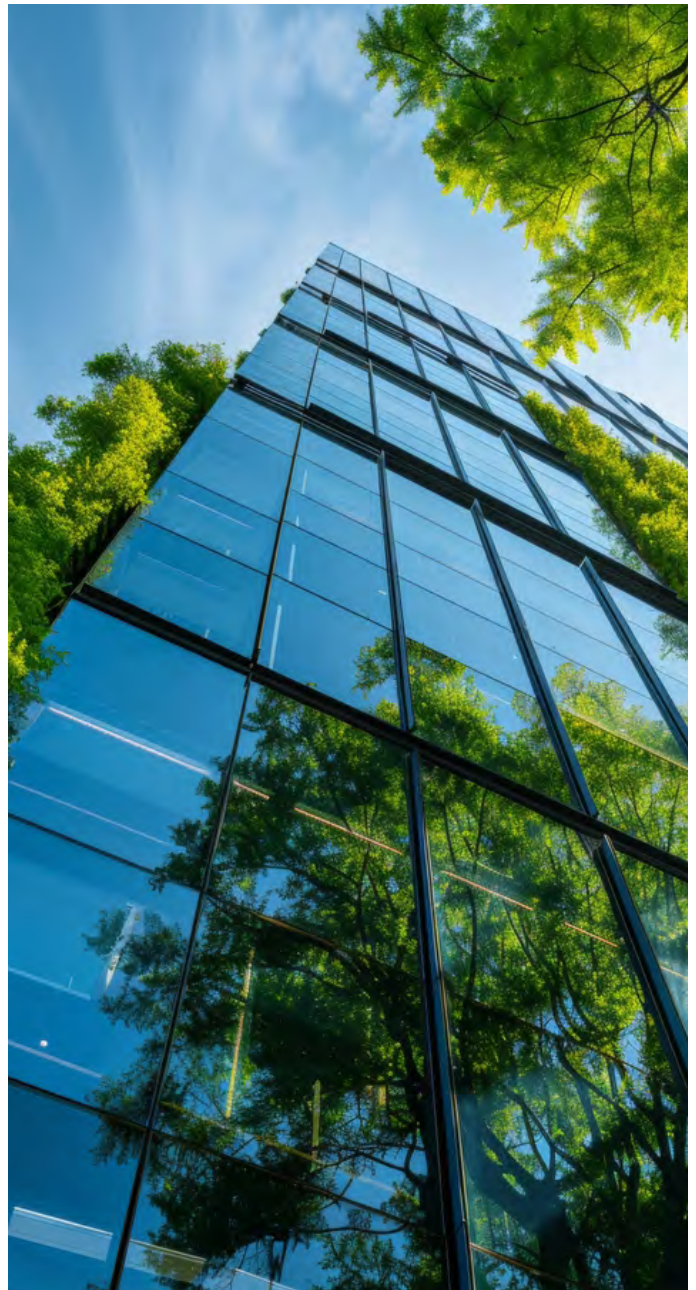
axcelis

Path to Net Zero

As a founding member of the Semiconductor Climate Consortium, Axcelis Technologies, Inc. has committed to the Science Based Targets Initiative (SBTi) and the industry path to Net Zero by 2050. SBTi is a recognized leader in the global effort to mitigate the climate crisis, and it mobilizes the private sector to take the lead on urgent climate action.

Environmental and Occupational Health and Safety Goals and Management Systems

The Axcelis executive officers and the VP of Environmental, Health and Safety (EHS) and Facilities (the Leadership Team) are responsible for setting and reviewing annual occupational health and safety and environmental objectives, targets and goals. These objectives, targets and goals are designed to appropriately control the occupational health and safety risks and minimize the environmental impacts of Axcelis' activities, products and services, including Axcelis' contribution to climate change. Our annual objectives, targets and goals are incorporated into our EHS management systems each year. Progress to achieve these goals, as well as review of the effectiveness of the EHS management systems, is conducted on a quarterly basis as part of Axcelis' business-wide management review process.



Axcelis Environmental and Health and Safety Policies

Axcelis understands that sustained high performance is dependent, among other factors, on the maintenance of a high level of environmental performance and employee health and safety. Axcelis also understands that climate change is a relevant issue for our business and the global community in which we operate. In support of this principle, Axcelis Technologies has adopted an EHS policy in which we commit to the following:

- Eliminating hazards and reducing health and safety risks to prevent occupational injuries and illnesses that may affect our employees, visitors and contractors.
- Establishing medium- and long- term goals and objectives in accordance with SBTi and in helping the semiconductor industry achieve net zero emissions by 2050.
- Compliance with all EHS regulations, legislation and other requirements applicable to our business and its environmental aspects or health and safety hazards.
- Conserving natural resources.
- Continual improvement of our EHS management and performance.
- Ensuring workers are provided the opportunity to consult on and participate in the Environmental Health and Safety Management System (EHSMS).
- Setting appropriate, achievable objectives and targets for the prevention of occupational injuries, illnesses and pollution.
- Periodically reviewing our EHS objectives and targets.
- Maintaining records regarding EHS policies, procedures and performance.

The Axcelis Environmental Health and Safety Leadership Team (AELT) is responsible for the overall performance of the EHSMS and for setting and reviewing EHS objectives, targets and goals. EHS staff will assist the AELT in ensuring that Axcelis' EHS objectives, targets and goals, and Axcelis' EHSMS appropriately achieve environmental performance and control the health and safety risks associated with our activities.

The Axcelis EHS policy is communicated to all personnel working at Axcelis facilities and is available to visitors and the public. The Axcelis EHS policy is included in the Axcelis Technologies, Inc. Supplier Code of Conduct, and all direct suppliers as well as our full supply chain are expected to comply with the Axcelis EHS policy as if they had adopted the policy directly.



Controlling Axcelis' Impact on the Environment

Each year, Axcelis identifies and evaluates the environmental aspects of our activities, as well as planned, new, or modified projects, products, and services that we can control and influence in order to determine those that may have a significant impact on the environment. These are referred to as "environmental aspects." When determining environmental aspects, Axcelis considers all potential conditions, including abnormal conditions and reasonably foreseeable emergency conditions. The following environmental aspects are identified as "Significant Environmental Impacts":

- ⤵ Electricity consumption
- ⤵ Natural gas and other fuel consumption
- ⤵ Fossil fuel consumption from employee commuting
- ⤵ Contribution to global climate change



2024

Axcelis conducts quarterly evaluations to ensure that the identification and current performance of Significant Environmental Impacts are understood. We set goals and track performance for our Significant Environmental Impacts and other environmental factors, including water, waste, and air emissions. Our 2024 goals and results are set forth below.

2024 Targets	Category	2024 Results	Status
Complete > 99.5% of EHS training per schedule, on time	Health & Safety	Training was completed on time at an average rate of 99.79% in 2024	Achieved
Achieve a near miss-to-injury ratio of > 1.55 : 1	Health & Safety	Near misses to accidents reported ratio increased to 1.79: 1 in 2024	Achieved
Achieve OSHA recordable equivalent rate of ≤ 0.66 per 100 employees	Health & Safety	Safety performance improved marginally to ≤ 0.72 per 100 employees in 2024	Did Not Achieve
Close EHSMS corrective actions in less than 30 days	Health & Safety	Corrective actions were resolved in an average of 25.6 days	Achieved
Product safety / average days to containment for personnel safety insight cases < 5 days	Health & Safety	Cases contained in an average of 3 days	Achieved

Greenhouse Gas Emissions

Axcelis recognizes that emissions from our operations contribute to climate change. We support the goals of the Paris Agreement, made under the United Nations Framework Convention on Climate Change, as well as the Sustainable Development Goals (SDGs).

We are committed to measuring and minimizing the impact our operations have in this area, where feasible. To do this, we use the Greenhouse Gas (GHG) Protocol Corporate Standards, which is the international standard for corporate GHG accounting and reporting. The GHG Protocol classifies a company's GHG emissions into three "Scopes."

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Axcelis tracks 100% of Scope 1 and 2 emissions for our Beverly, MA, headquarters, the newly built Axcelis Logistics Center (ALC) in Beverly, MA; the Axcelis Asia Operations Center (AAOC) in Pyeongtaek, South Korea; and all warehouse and office locations in each country where we operate. We strive to ensure our Scope 1 emissions are minimized to the greatest extent practical. In addition to direct fuel burning, Axcelis' Scope 1 emissions include fugitive emissions of perfluorinated process chemicals (PFCs) used in product manufacturing. Axcelis has greatly reduced the use of these materials and has instituted a means of recycling sulfur hexafluoride (SF6) gas used in the final test process of high-energy implanters. Additionally, Axcelis' "ship from cell" manufacturing process eliminates the final test process in the factory, which reduces our use of SF6 gas and overall emissions. In the ship from cell process, individual ion implanter modules are built and tested at the cell-build level prior to shipping directly to the customer for first integration at the customer site.

Scope 1 Emissions

Axcelis' company-wide Scope 1 emissions increased in 2024 compared to the year prior, for a number of reasons. Primarily, the increase from 3,411 metric tonnes of carbon dioxide equivalent (CO2e) in 2023 to 3,884 metric tonnes of CO2e in 2024 is a result of more thorough data collection and the inclusion of additional office and warehouse locations in Scope 1 measurements. This constitutes a 13.9% increase from 2023 to 2024; however, Axcelis is continuing to reduce company-wide Scope 1 emissions from the 2022 baseline year by 39.3%. The year-over-year company-wide increase of 28.4% in Scope 1 emissions at our Beverly, MA, headquarters is a result of increased utilization of our Combined Heat and Power (CHP) plant following an extended downtime for repairs that occurred in 2023.

In 2024, Axcelis' company-wide Scope 1 GHG emissions from fuel burning, including CO₂, N₂O and CH₄, comprised 3,549 metric tonnes of CO₂e. In tackling SF₆ emissions, Axcelis set a target in 2022 of emitting less than 271 metric tonnes CO₂e at the Beverly facility. While we did not achieve this aggressive target in 2024, our SF₆ emissions decreased from the year prior by 15.3% to 276 metric tonnes of CO₂e. At the Korea AAOC, SF₆ emissions remained steady at 53 metric tonnes of CO₂e.

When normalized using our 2024 revenue of \$1.02 billion, company-wide Scope 1 emissions were 3.81 metric tonnes per \$1M in revenue, and Axcelis' Beverly headquarters were 3.50 metric tonnes per \$1M in revenue. This is compared against the 2023 figures of 3.02 and 2.24 metric tonnes per \$1M in revenue, respectively.

Scope 1 GHG Emissions from Fuel Burning

3549

metric tonnes of CO₂

SF₆

↓ **15.3%**

Decrease

Scope 2 Emissions

In 2024, Axcelis adopted revised emissions factors for calculating Scope 2 emissions (the indirect emissions generated from the purchase of energy). The new emissions factors provided by Carbon Footprint Ltd. have also been retroactively applied to Axcelis' 2022 and 2023 carbon inventories. Axcelis uses conversion factors from the U.S. EPA's eGrid Power Profiler system to determine location-based emissions for its U.S. locations, and Carbon Footprint Ltd. conversion factors for other global locations. Market-based Scope 2 emissions have been calculated separately, reflecting renewable energy purchase agreements. Axcelis' 2024 company-wide Scope 2 location-based emissions were 6,143 metric tonnes of CO₂e, a decrease of 2.1% from the year prior. When normalized using total revenue of \$1.02 billion in 2024, location-based emissions were 9.83 metric tonnes per \$1M in revenue, an increase of 15.5% from the previous year.

Scope 2 company-wide, market-based emissions were 261 metric tonnes of CO₂e in 2024. This is an 84.5% reduction from 1,669 metric tonnes of CO₂e in 2023. At the Beverly headquarters, Axcelis purchased 19,216,394 kWh of electricity in 2024, however we achieved a 100% reduction in market-based Scope 2 emissions by purchasing renewable energy certificates (RECs) that procure energy from zero-emission sources, such as hydro and wind.

The AAOC manufacturing facility consumed a total of 2,055,753 kWh of electricity in 2024. Axcelis was able to purchase RECs to procure 100% of the energy required at the Korean AAOC facility from renewable sources.

Market-Based Electricity Emissions

261

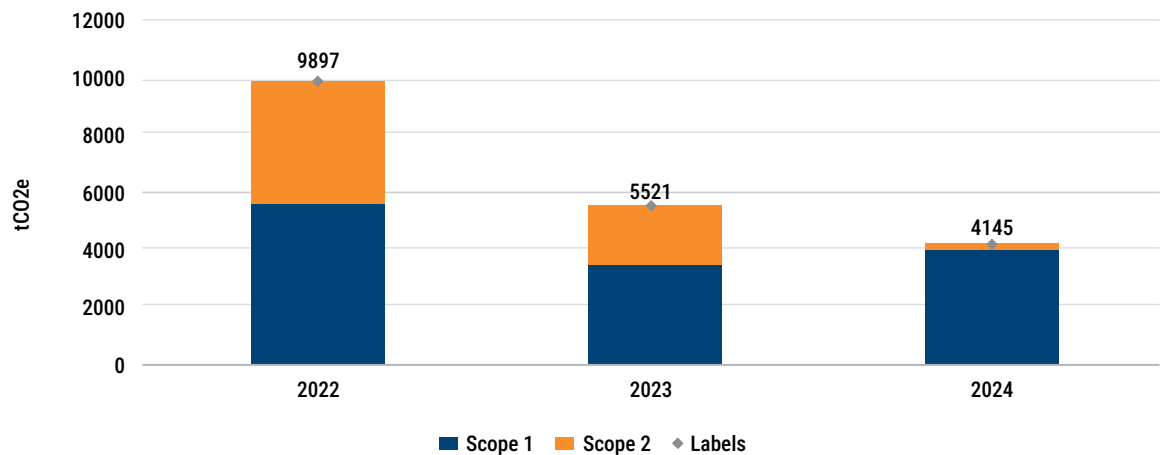
metric tonnes of CO₂e

22.3 GWh

Facility Electricity Consumed

¹ The most recent conversion factor for The Energy Administration of the Ministry of Economic Affairs was used for Taiwan locations.

All other Axcelis global facilities consumed 1,000,905 kWh of electricity in 2024, an increase of 35.7% from 2023. Location-based CO₂e equivalent Scope 2 emissions increased by 33.9% across all other global facilities, from 317 to 424 metric tonnes from 2023-2024. Conversely, market-based emissions decreased by 22.6% from the previous year, taking into account increases in renewable energy procurement in U.S. and Korean facilities.



Scope 3 Emissions

Axcelis understands the importance of tracking emissions throughout the value chain and beyond our boundaries. The GHG Protocol defines Scope 3 emissions as “all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.”

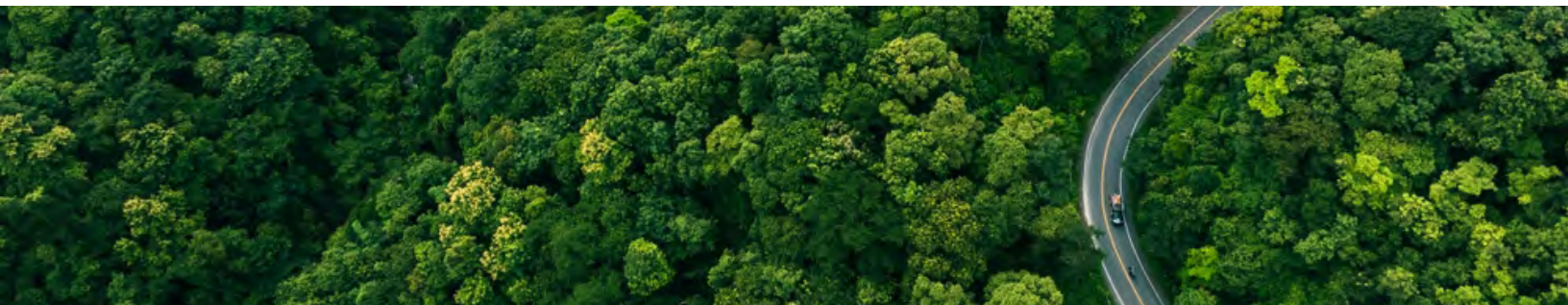
In 2024, we undertook our first detailed and comprehensive inventory of 2022 Scope 3 emissions (covering all applicable categories). This effort is an integral part of our SBTi commitment, and we set our Scope 3 baseline as 1,523,733 tons of CO₂e using our 2022 estimated results. Given that Scope 3 emissions are neither directly made by the company nor the outcome of energy purchased by the company, we can only estimate these amounts.

2022 Baseline Scope 3 Emissions

1,523,733

Tons of CO₂e

All estimates involve assumptions and are subject to risks and uncertainties. Actual Scope 3 emissions may differ materially from those expressed in this report. Readers are cautioned not to place undue reliance on these estimates, which reflect management’s analysis using assumptions that we currently believe are reasonable. We assume no obligation to update these estimates to reflect changes in factors or assumptions, except as may be required by law.



2024 Scope 3 Emissions

2024	Results	% of S3 Total
Purchased goods & services	69,924	4.30%
Capital goods	3,777	0.20%
Fuel-and energy-related activities (FERA)	2,844	0.20%
Upstream transportation in operations	16,846	1.00%
Waste generated in operations	274	0.00%
Business travel	3,334	0.20%
Employee commuting	5,268	0.30%
Upstream leased assets	0	0.00%
Downstream transportation and distribution	30,130	1.80%
Processing of sold products	0	0.00%
Use of sold products (direct use)	1,496,779	91.80%
End-of-life treatment of sold products	760	0.00%
Downstream leased assets	0	0.00%
Franchises	0	0.00%
Investments	0	0.00%
Total	1,629,937	99.8%

We have estimated that our total 2024 Scope 3 emissions were 1,629,937 tons of CO₂e, accounting for 99.7% of our total carbon footprint. Within the ten applicable categories, we identified three that are responsible for approximately 97.7% of Axcelis' total scope 3 emissions. These include, in descending order of contribution:

- **Category 11** – Use of Sold Products;
- **Category 1** – Purchased Goods and Services; and
- **Category 9** –Downstream Transportation and Distribution

Total Carbon Footprint

1,634,081

Tons of CO₂e

99.7%

Total Carbon Footprint

The numbers reported differ slightly from those presented last year due to an improved methodological approach, which affected Purchased Goods and Services, End of Life, the Use Phase, and Fuel- and Energy-Related Activities (FERA). For Purchased Goods and End of Life, we were able to further analyze our products and drawings to build a more accurate material inventory – an effort that will continue in the coming years to further improve data accuracy. The Use Phase was impacted by two main changes: first, we now include only direct energy consumption, excluding utilities such as exhaust, compressed dry air, nitrogen, process cooling water, and heat loss; and second, we applied the updated set of emission factors for global direct energy consumption, as also reflected in Scope 2 reporting. Finally, FERA was affected by the changes in Scope 2 calculations, as this category is directly dependent on that data.



For Scope 3, Category 11, which comprises 91.8% of all Scope 3 emissions, the average annual energy consumption per machine sold during the year multiplied by their expected product lifespan was reported by Axcelis and multiplied by the emission factor for the energy mix of the country where the machines were sold. Axcelis has estimated that the product lifespan for our ion implant products is 25 years. The average energy consumption is determined by measuring the electrical energy consumed. Total electrical consumption is calculated using the SEMI S23 Guide for Conservation of Energy, Utilities and Materials Used by Semiconductor Manufacturing Equipment. SEMI S23 provides factors to convert utilities to kilowatt hours, and also provides utilization assumptions for calculating annual total electrical consumption.

Following this analysis, we are now working on defining key actions to reduce the power consumption of our implanters while also monitoring and expanding the use of renewable energy in our customer base. Additional steps will be taken to refine the data on our purchased goods and services by involving our supply chain, and by reducing the amounts of air-freighted products.

Water Management

Axcelis recognizes that water is a vital natural resource and makes efforts to minimize water use whenever possible. Axcelis headquarters uses water for evaporative cooling, laboratory processing, aqueous cleaning, cafeteria operations and other domestic uses. Occasionally, water is added to our closed-loop chilled water and process cooling systems.

In 2024, Axcelis set a goal to use less than 49.21 thousand cubic meters (13 million gallons) of water. Axcelis met this goal, with actual water consumption in 2024 at 49.02 thousand cubic meters (12.95 million gallons).

Of the total water usage at Axcelis headquarters in 2024, 53% was lost to evaporation from our evaporative cooling towers that serve the chilled water plant. The weather was a significant contributing factor, with the northern hemisphere experiencing the hottest meteorological summer on record. June, July and August were about 0.2 degrees Fahrenheit (about 0.1 degrees Celsius) warmer globally than any other summer in NASA's record.

Water Management

← → **12.95 MG**
Achieved Goal

Axcelis operates a small, industrial wastewater pre-treatment plant at our Beverly headquarters. The effluent (46,055 gallons, or 0.36% of all water used in 2024) from this plant is discharged to the South Essex Sewerage District, a publicly owned treatment works, under an industrial discharge permit. Axcelis has consistently complied with all aspects of its permit for at least the last six years.

Waste Management

Axcelis headquarters is a Small Quantity Generator of Hazardous Waste according to the regulations of the Massachusetts Department of Environmental Protection, found in 310 CMR, Part 30. In 2024, Axcelis headquarters generated 4.64 metric tonnes of federally regulated and MA regulated hazardous waste, combined – a slight increase of 2% from 4.55 metric tonnes in 2023. In addition, 0.13 metric tonnes of universal waste were diverted from hazardous waste streams for recycling. Including universal waste, 2.6% of all hazardous waste was diverted to recycling.

In 2024, Axcelis' Beverly headquarters generated 917.5 metric tonnes of solid waste, with 665.7 metric tonnes diverted to recycling, for a recycling percentage of 72.6% – a 22% increase in the recycling rate from the previous year. Solid waste disposal from our headquarters decreased by 44.9%, from 456.8 in 2023 to 251.8 metric tonnes in 2024.

Solid Waste Disposal (HQ)

↓ **44.9%**

Decrease

Energy Management in Manufacturing

In 2024, Axcelis worldwide consumed a total of 150,521 gigajoules of energy, which includes 69,179 gigajoules of purchased energy at our Beverly, MA headquarters. This compares to 50,794 gigajoules of energy consumed at the Beverly, MA headquarters in 2023 – a 36% increase. Axcelis has retired renewable energy credits (RECs) to cover 100% of its electricity purchases at the Beverly headquarters – 89.2% of these RECs came from hydroelectric power, and 19.8% came from carbon free wind energy. A total of 1,915,491 kWh (6,896 gigajoules) was generated onsite at Axcelis headquarters in a 250 kW capacity CHP.



Climate-Related Risks, Opportunities, and Time Horizons

Our inaugural Climate Risk Assessment (CRA) – conducted by an independent consulting firm – sought to identify the major risks and opportunities as well as key transition factors at a high level, factoring in short-, medium-, and long-term horizons. The CRA focused on Axcelis' core operations. The next phase will include more in-depth assessments of the (operational and value chain) risks and opportunities within the context of Axcelis' strategic planning, our Enterprise Risk Management system (ERM) and the next phase of our corporate sustainability and decarbonization roadmap.

Risks

Physical Risks

As a global company with a geographic footprint covering the United States, Europe, and Asia-Pacific, Axcelis' scope of exposure to physical risks is projected to vary geographically and temporally across value-chain and scenarios. The severity of potential impact varies by geographic location. Axcelis' headquarters, warehouse, and operational facilities in the U.S. and the Republic of Korea (South Korea) face limited-to-moderate exposure to key hazards such as increased precipitation, storms, flooding, and extreme heat, based on short-to-long-term scenarios. The historic and forecast regional climate information in this section are derived from publicly available sources, and the company has not engaged in any independent research on these topics.

² *Based on information obtained from the Aqueduct Water Risk Atlas (<https://wri.org/applications/aqueduct/country-rankings/?country=USA&indicator=bws>). None of this water was withdrawn from a region with high or extremely high baseline water stress.

- **Storms and Precipitation** – Extreme storms and increased precipitation represent the single greatest threat to the Beverly-Salem community. The average annual precipitation in the Northeast increased by 10% from 1895 to 2011, with precipitation from extreme heavy storms increasing by 70% since 1958. Forecasters expect to see continuing rainfall increases in the Beverly-Salem region, reaching 5.4” more rainfall per year by 2050. In South Korea, which faces increased precipitation due to climate change and the monsoon season, 6” more rainfall is projected by 2050. In general, precipitation trends are higher on Korea’s southern coast as compared to the northernmost inland regions.
- **Extreme Heat** – While the Northeastern U.S. is not generally susceptible to extreme heat waves, the region has experienced record highs in recent summers and will face increased temperatures over the coming decades. The Beverly-Salem Climate Action Plan notes an increase in overall temperatures, including having 7 days annually over 90 degrees from 1971 to 2000, and the 2050 projection of having 31 days over 90 degrees. In South Korea, temperatures could increase by as much as 2.5°C by 2050 on a high carbon pathway.
- **Sea-Level Rise** – Massachusetts has experienced a faster rate of sea level rise than the global average, with Boston rising 8 inches since 1950 and the Northeast region rising 12 inches since 1900. Coastal flooding risk is a concern as the area has already experienced 1 foot of sea-level rise over the last century, and current projections estimate a 3 feet sea-level rise by 2050. Massachusetts’ coastline is over 1,519 miles, and the state has developed the “ResilientCoasts” Initiative to build resilience in its 78 coastal communities, including Essex County. Meanwhile, South Korea faces sea level and coastal erosion risk due to its extensive shoreline (1,499 miles). Relative sea level rise has been observed over the past century with an annual average increase of approximately 2.4 millimeters per year since the 1990s. Based on the latest IPCC projections, global sea levels may rise between 0.18 meters (0.59”) under a low emissions scenario, and 0.23 meters (0.75”) under a high emissions scenario.

It is worth noting that the Commonwealth of Massachusetts, the Beverly-Salem community and the Government of South Korea have all embarked on ambitious climate action and mitigation plans – the Clean Energy and Climate Plan (Massachusetts), the “Resilient Together” Climate Action Plan (Beverly-Salem), the “ResilientCoasts” Initiative (Massachusetts) and the National Climate Change Adaptation Plan (South Korea) – that are focused on resilience over the med- and long- term.

- **Secondary Locations** – Axcelis’ core operational facilities face less exposure to extreme climate scenarios when compared to secondary office locations, which face greater short and long-term risks. For example, the office locations in Arizona, California, Texas, and Oregon are situated in “very high” and “relatively high” risk zones, which average 98.99 in the FEMA Risk Index, based on key hazards (such as wildfire, earthquake and riverine flooding in California locations). Medium- and long- term scenarios anticipate further climate stressors such as extreme heat (Chandler, AZ, will average a high of 89.6 by 2040 and 90.7 by 2050). However, given that these are secondary locations – not primary manufacturing/operational locations – the overall material impact on Axcelis’ business will be limited.

Transition Risks

A Regulatory

There are a number of new reporting requirements and wide-ranging regulatory initiatives taking shape across the sustainability landscape in the U.S. and the EU.

- ⤵ **Short-Term (0-5 years)** – Axcelis must respond to new reporting requirements and relevant regulatory requirements in the U.S. (California Climate Laws – SB253/CCDAA, SB261/CRFRA, SB219, EPA PFAS rule), and in Europe, such as the CBAM, EUDR, CSRD and CSDDD. While the EU simplification process has introduced some changes, Axcelis must continue to monitor new developments in its efforts to ensure compliance.
- ⤵ **Medium-Term (5-10 years)** – As regulations in the U.S. and EU are enforced, Axcelis must fully align its reporting and disclosure practices in its efforts to remain fully compliant.
- ⤵ **Long-Term (10-30 years)** – The sustainability regulatory landscape continues to change. Therefore, Axcelis may face new requirements as the company heads towards the 2040 and 2050 milestones.

B Manufacturing Processes

Axcelis' manufacturing process involves emission-intensive process chemicals, and we must address new regulatory requirements focused around phenol, isopropylated phosphate (3:1) or "PIP (3:1)" and per- and polyfluoroalkyl substances, or "PFAS." Similarly, Axcelis' manufacturing process consumes significant amounts of water in the Beverly location, and we may be required to adopt new, less intensive technologies. While Axcelis' Beverly headquarters is not situated in a water-stressed state (such as California, New Mexico, Colorado or Nebraska), it is worth noting that Massachusetts experienced significant drought conditions as recently as 2022, ranking it as one of the driest periods on record over the past 139 years.

C Climate Technology and Tariffs

As Axcelis shifts to low-carbon technologies and expands its suite of renewable energy solutions, we may face challenges related to overall integration, interoperability, and ROI timeframes. Also, the introduction and implementation of tariffs may increase prices across all clean energy technologies, while undercutting broader adoption due to higher expenses. The U.S. still relies on the imported components for clean energy technologies such as solar panels, wind turbines and batteries, with the vast majority sourced from Asian countries such as China, Vietnam, Thailand, Malaysia and Cambodia. A steady pace of transition may offset these potential challenges. Similarly, new rules governing tax credits for energy and climate projects may impact the timing of certain mitigation and decarbonization projects.

D Carbon Pricing

Carbon pricing has emerged as a key factor in the climate mitigation debate, and there are currently over 60 carbon tax and emissions trading programs at the regional, national, and sub-national levels. Axcelis must continue monitoring these developments in key jurisdictions (such as the EU) to determine the potential impact of a carbon tax on its operations.

E Transportation and Shipping

Like all global corporations, Axcelis relies on maritime and air freight for shipment of goods. Axcelis' upstream and downstream transportation emissions account for 2.6% of its Scope 3 emissions. Low-carbon shipping options are being developed in parts of the global shipping industry, but they are not yet readily available. Additionally, severe weather events may pose a risk to air and maritime transportation, resulting in potential shipping delays in short-, med-, and long- term scenarios.

F Market

An increasing number of Axcelis' leading customers are implementing aggressive climate-related policies, decarbonization, and energy efficiency plans, and this shift may impact the scope and nature of our corporate sustainability plans as well as our market share.

G Reputation

Axcelis' reputation – among peers, the investor community, current and potential customers, staff and recruits – may be negatively impacted if we do not fully address climate change and sustainability overall.

Opportunities

A Emissions Reduction and Decarbonization

Having committed to SBTi, Axcelis is well positioned to benefit from a long-term decarbonization and Net Zero strategy while continually reducing GHG emissions.

B Scope 3 Emissions

Axcelis' Scope 3 emissions primarily comprise sold products, purchased goods and services, upstream and downstream transportation and distribution. We have an opportunity to reduce upstream and downstream emissions through ongoing, internal efforts that are focused on our supply chain. At the same time, we may benefit from supplier and customer-based decarbonization activities.

C Climate Technology and Energy Efficiency

As Axcelis implements its decarbonization plan, we will have an opportunity to integrate new energy-efficient technologies and renewable energy solutions into our global facilities while also securing RECs and pursuing joint Power Purchase Agreements (PPAs).

D Products and Services

Axcelis will benefit from emerging technologies and improved manufacturing processes (through internal and external efforts), and this could enable us to effectively address various energy, water, and chemical impacts. In addition, Axcelis' market-leading ion implanters, which are optimized for silicon carbide (SiC) power management chip fabrication, are enabling technologies for the transition to electrical energy in transportation, heating and other energy-consuming applications.

E Facilities

As part of our potential expansion beyond the existing facility infrastructure, Axcelis has an opportunity to pursue improvements to existing facilities as well as LEED-certified options, which could further reduce the company's carbon footprint and improve energy efficiency.

F Collaboration

Axcelis may benefit from the progress made by key customers and suppliers on overall corporate sustainability initiatives, climate mitigation efforts, net zero plans, and renewable energy utilization. Strategic collaboration may enable the company to further enhance its overall response to climate change and sustainability.

G Reputation

By fully addressing climate change and climate-related issues through a comprehensive sustainability program, including a decarbonization plan, Axcelis could enhance its reputation amongst peers, the investor community, current and potential customers, and staff and recruits.

Axcelis and Biodiversity

Axcelis understands the importance of assessing its overall impact on local biodiversity and takes measures to minimize any potential impact while supporting conservation efforts (protected species and land) in its locations in the U.S., Asia-Pacific, and Europe. The company's commitment is founded on knowledge and awareness. Axcelis recognizes that there are 180 species of animals and 273 species of plants that are protected under the Massachusetts (MassWildlife) Natural Heritage & Endangered Species Act (M.G.L. c. 131A). A total of nine endangered species are listed in Essex County. The company also understands that the 453 native species are listed as endangered (E), threatened (T), or of special concern (SC) and are tracked in the Massachusetts Department of Fish and Game/Division of Fisheries & Wildlife (MassWildlife) database. In South Korea, Axcelis recognizes that there are a total of 1,742 nationally protected species designated by the Ministry of Environment (267 species), the Ministry of Oceans and Fisheries (83 species), the Cultural Heritage Administration (461 species), and the Korea Forest Service (931 species/rare and special plants). Based on Axcelis' operational activities and geographical footprint within the Commonwealth of Massachusetts and South Korea, Axcelis follows relevant local and federal regulations related to natural resource conservation and wildlife preservation.

SECTION TWO

Health and Safety

axcelis

Employee Health and Safety

The Axcelis Health and Safety Management System is based on the principles outlined in the ISO 45001 Occupational Health and Safety Management Systems standard. As such, our system is intended to result in continual improvement of employee health and safety performance, fulfillment of legal and other requirements, and achievement of employee health and safety objectives.

Major components of our system include top management leadership and commitment, consultation and participation of workers, identification of hazards and controls, risk assessment, evaluation of opportunities for improvement, establishing plans/objectives/targets for continuous improvement, documentation of policies and procedures, communication, training and awareness on health and safety matters, performance evaluation, periodic compliance audits, and management review. Our 2024 goals and results are set forth below:

2024 Targets	Category	2024 Results	Status
Complete > 99.5% of EHS training per schedule, on time	Health & Safety	Training was completed on time at an average rate of 99.79% in 2024	Achieved
Achieve a near miss-to-injury ratio of > 1.55 : 1	Health & Safety	Near misses to accidents reported ratio increased to 1.79: 1 in 2024	Achieved
Achieve OSHA recordable equivalent rate of ≤ 0.66 per 100 employees	Health & Safety	Safety performance marginally improved to ≤ 0.72 per 100 employees in 2024	Did Not Achieve
Close EHSMS corrective actions in less than 30 days	Health & Safety	Corrective actions were resolved in an average of 25.6 days	Achieved
Product safety / average days to containment for personnel safety insight cases < 5 days	Health & Safety	Cases contained in an average of 3 days	Achieved

2024

In 2024, Axcelis' worldwide OSHA recordable incident rate equivalent (applying U.S. OSHA recordable criteria to all employees, regardless of country) was less than 0.72 recordable incidents per 100 full-time employee equivalents. While we did not reach our goal of less than 0.66 recordable incidents, we are currently reviewing recommendations for corrective action.

Axcelis invests heavily in EHS training for our global workforce. In 2024, Axcelis successfully delivered 27,328 individual EHS, HR, and Legal and Ethics training courses through our online Learning Management System. Monthly reports regarding the training performance of all employees are sent to the Leadership Team. To drive timely completion, our CEO directly contacts employees with low training completion rates in order to reinforce the importance of completing their assigned training on time. Training completion is also included in our annual employee performance review process. In 2024, on average, employees completed 99.79% of all training assignments that were due on or before year-end.

EHS Training Delivered

27,328

Successful Individual

99.8%

Completed Training
Assignments

Other health and safety metrics are tracked and reviewed with the Leadership Team on a quarterly basis. These metrics include the ratio of near-miss reports (which are strongly encouraged), as well as accidents that result in first aid or greater; the number of days a corrective action, related to an accident or other incident, is open before it is resolved; and the number and content of health and safety communications that are delivered to employees. Axcelis has experienced no legal proceedings associated with employee health and safety violations in more than six years, and, accordingly, has incurred no monetary losses as a result.

Customer Safety

Axcelis is equally committed to the safety of our customers. The product material provided to customers includes an “Essential Health and Safety Manual” that outlines the key safety considerations for our equipment. Customers also receive detailed Operations and Preventive Maintenance manuals that provide safe operating and maintenance information for our equipment, recommended operator experience, personal protective equipment, and hazardous energy control procedures for each task, among other safety-related information.

Our system sales terms include credits that customers can use to receive product training from Axcelis. This training covers the use and maintenance of each ion implanter model, including safety training in an overview of the equipment and task-specific safety training.

Safety Data Sheets (SDS) that conform to the Globally Harmonized Standard are provided to all customers for all substances, mixtures included within our products (such as lubricants or cooling fluids), and for substances and mixtures that are sold to support continued use and servicing of the equipment. SDS are provided to customers in their local language, upon request.

Product Lifecycle Management

Substances of Concern

All of Axcelis' products include at least some IEC 62474-declarable substances. Chemicals on the list of IEC 62474-declarable substances that are applicable to Axcelis' products are regulated by EU Registration, Evaluation, and Authorization of Chemicals (REACH) Regulation (EC/1907/2006), EU Regulation No. 517/2014 on fluorinated greenhouse gasses (EU F-Gas), EU Restriction of Hazardous Substances Directive 2011/65/EU (EU RoHS) and its amendments, or China's Administrative Measures for Restriction of the Use of Hazardous Substances in Electrical Appliances and Electronic Products (China RoHS). Axcelis maintains compliance programs for all of the regulations listed above and takes steps to proactively monitor and address all emerging regulations such as the EPA's significant new use rule, introduced in January, 2024, governing Per- and Polyfluoroalkyl Substances (PFAS) in manufacturing.

As a component of our EU REACH compliance program, Axcelis provides web-based reporting to our customers on Substances of Very High Concern (SVHC) or Candidate List Substances, which are known to be included in our products. We monitor the inclusion of SVHC in our products from purchased parts and components. We also require our suppliers to notify us if SVHC, regardless of the amount or concentration, are included in parts and components they sell to Axcelis.

Axcelis incorporates OEM chillers into our products that contain limited amounts of refrigerants, which are regulated by the EU F-Gas regulation. Axcelis has made efforts to minimize the quantities of F-Gas refrigerants in the chillers we select to be incorporated into our products. For chillers that are shipped to the EU, Axcelis or its customers utilize the 10 tonnes per year of CO₂e exemption for the F-Gases included in the chillers. The EU has issued a revised F-Gas regulation.

Because our products are considered Large Scale Stationary Industrial Tools under EU RoHS, Axcelis' products are exempt from EU RoHS requirements. Axcelis maintains a China RoHS compliance program that discloses reportable content and applies product labeling in conformance with the China RoHS regulation.

Product Lifecycle Support

As part of our commitment to our customers, Axcelis seeks to ensure that our products remain productive and cost efficient throughout their life cycle, which can exceed 25 years. During a product's lifecycle, we strive to recognize the "voice of the customer" and to provide continuous improvements through upgrades and service offerings. Axcelis has received several awards from customers who recognize the contributions we have made to their success through these aftermarket offerings.



Product Safety and Sustainability

Axcelis is committed to delivering safe and effective products to our customers. Many of our customers actively solicit continuous improvement in both the safety and environmental impact of our ion implantation systems. Each Axcelis product is evaluated against guidelines published by our trade organization, SEMI (formerly called Semiconductor Equipment and Materials International). SEMI's S2 Guideline, called "Environmental Health and Safety Guideline for Semiconductor Manufacturing Equipment," requires a review of equipment by a third-party evaluator which, based on the results of the evaluation, certifies that the product conforms to the guidelines outlined in the SEMI document.

Axcelis also seeks to ensure that our products comply with all environmental and safety laws and regulations that are applicable to our systems, in the countries in which our systems are located. Customers use our systems in the United States, Europe, and Asia. The European Union has taken a leadership role in safety regulation, and Axcelis ensures its systems comply with the European Union's Machinery Directive (2006/42/EC), the Directive's "Essential Health and Safety Requirements Relating to the Design and Construction of Machinery," and the European Union Electromagnetic Compatibility (EMC) Directive (2014/30/EU).

Axcelis evaluates the use of utilities by our ion implantation systems according to the SEMI S23 Guideline, "Guide for Energy, Utilities, and Materials Use Efficiency of Semiconductor Manufacturing Equipment," and continually looks for process improvements to reduce consumption.

Materials Sourcing

Axcelis relies on outside vendors to manufacture many of the components and subassemblies of our products. Some of these components and subassemblies contain critical materials as defined by the National Research Council. We obtain many of these components and subassemblies from a limited group of suppliers. Axcelis consistently manages its supply chain in order to ensure appropriate and timely access to the components and subassemblies necessary to manufacture our products. On an as-needed basis, in order to reduce or address a possible risk, we will either seek alternative sources for supplies or decide to manufacture the components or subassemblies internally.

Total Production

While Axcelis does not publicly report the number of ion implanters shipped per year, revenue for 2024 was \$1.02 billion, of which systems revenue was \$782.6 million (77%). We use Axcelis' total annual revenue as a denominator for normalizing annual greenhouse gas Scope 1, 2 and 3 emissions for comparison against our own performance and the performance of peers.

SECTION THREE

Culture, Engagement, Inclusion and Belonging

axcelis

Axcelis is dedicated to building and maintaining a diverse workforce, fostering a culture built on the principles of inclusion and equity, 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 and services for our customers. Axcelis’ commitment to a broad view of diversity extends to our Board of Directors, our leadership team, and all teams and functions across our global locations.

As a global company, an inherent diversity exists as we come together with backgrounds in different cultures and countries. Our ultimate goal is to ensure that Axcelis’ workforce reflects the communities in which our work is done, in all of our locations around the world.

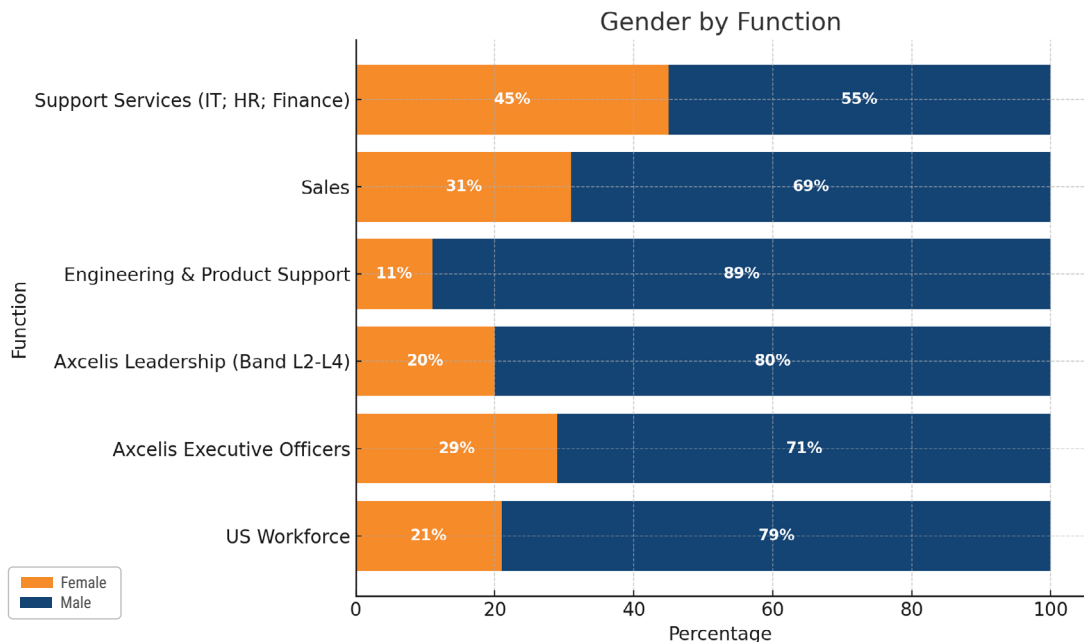
Note:

This disclosure discusses the demographic makeup of our U.S. workforce, which is of interest to our employees and our shareholders. Demographic changes at Axcelis reflect (i) the communities around Axcelis work locations, and (ii) efforts to source and attract a broad pool of talent for job openings. We ensure that all hiring, promotion, compensation, and other employment decisions at Axcelis are based on individual merit and performance, and not on gender, ethnicity, or other extraneous factors.

Where We Are Now

Gender Representation in the U.S. Workforce.

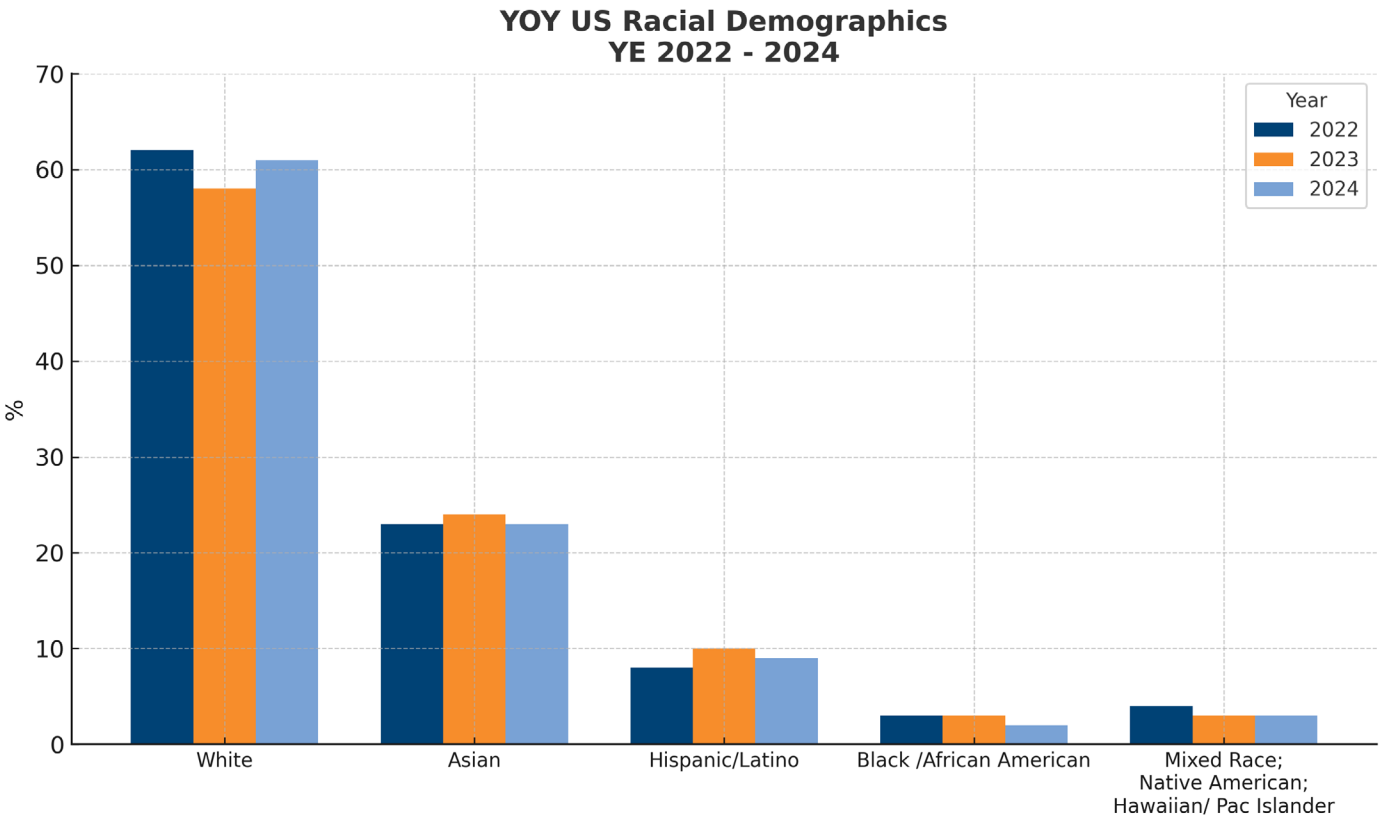
The chart below shows the gender representation in Axcelis’ U.S. workforce and its functional groups.



Axcelis is committed to two strategies to ensure our workforce reflects a broad pool of talent, including diverse talent. First, we engage in robust outreach and sourcing strategies to encourage female candidates to apply for our technical and leadership positions. Second, the company’s selection and hiring process is always merit-based, with the best qualified person chosen for a job. These two strategies are compatible and consistent with our goal to be a welcoming workplace for employees of all backgrounds.

Racial Demographics in the U.S. Workforce.

This chart illustrates year-over-year shifts in U.S. racial demographics for the years ending 2022 through 2024.



Board of Directors

We are proud of the diversity of skills, experience, education, and backgrounds represented by the Axcelis Board of Directors. For detailed biographical information, please refer to Axcelis' [Proxy Statement](#).

- Jorge Titinger
- Tzu-Yin Chiu, Ph.D.
- Gregory B. Graves
- John T. Kurtzweil
- Russell Low, Ph.D.
- Jeanne Quirk
- Necip Sayiner, Ph.D.
- Thomas St. Dennis



What We Are Doing

Inclusive Recruiting Efforts

The growth of our business has led to new positions at Axcelis. Though all employment decisions (including hires) are strictly merit-based, we view job openings as a chance to cast a wide recruiting net. Our goal is to ensure we reach the broadest possible pool of talent, which includes diverse talent.

➤ Regular U.S. Jobs

- 78% (88) of the 113 U.S. jobs were filled by men, while 22% (25) were filled with women (consistent with 2023).
- 15% (17) of the 113 U.S. jobs were filled by Asians, 2% (2) were filled by Blacks, 4% (5) were filled by Hispanics, 65% (74) were filled by Whites, and 13% (14) were filled by persons of other or unknown races.

➤ Entry-Level Jobs

We recognize the importance of having Entry-Level positions available to attract a more diverse candidate pool, and we regularly hire college students to work as co-ops and interns at Axcelis for a semester.

We are pursuing some specific initiatives to ensure equal employment opportunity and nondiscrimination in our hiring, and we will:

- Continue to engage in robust college recruitment and use college job postings,
- Fund co-op and intern positions to increase opportunities at Axcelis,
- Partner with military talent recruiting agencies for field service positions to hire former military personnel, and
- Emphasize work location/work schedule flexibility in job postings and during the interview process, opening the possibility of engaging more employees with caregiving responsibilities and more applicants in a variety of geographic areas.

Creating an Inclusive Culture

It is critical that our work environments are welcoming and inclusive. We have identified initiatives to enhance our development of the desired culture, including:

- Providing additional support for high-potential employees through mentorship and career development training,
- Supporting Employee Resource Groups, and
- Ensuring that employees receive positive reinforcement about our culture of inclusion.

A foundational step in creating an inclusive culture is to avoid any discriminatory behavior. Axcelis has adopted a broad anti-discrimination policy that references the following personal characteristics as “protected.” None of these characteristics can or may have any impact on any employment decision or on any Company selection process.

- ⊗ 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.

All global employees must take biennial training on harassment. We also provide extensive training for managers on how to make hiring, promotional, compensation, and termination decisions in objective and unbiased ways. In the future, we expect to expand our employee training offerings.

Pay Equality

One outcome of discrimination can be an unexplained disparity in the compensation of different groups. Axcelis annually reviews all employee compensation against market medians for the position, and periodically undertakes reviews comparing incumbent base pay against market and peer compensation data.

Talent Review and Succession Planning

Axcelis conducts an annual talent review process, which involves an evaluation of current leadership, identification of high-potential employees, the establishment of development action plans for individuals and for functional groups, and succession planning. Individual action plans may incorporate leadership development training, 360 evaluations, exposure to new skills, and participation in mentoring relationships.

Board Searches

The Axcelis Board is currently composed of diverse perspectives, skills, experience and backgrounds. As we engage in future Board searches, we will seek Board candidates who have deep experience that is relevant to the international business issues that Axcelis faces. 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 and maintain a versatile and highly qualified workforce will not happen unless we invest in future generations. Axcelis is engaged with and provides support to a variety of initiatives that are designed to create opportunities for individuals to enter, and succeed in, technical careers. These include the SEMI Workforce Development Committee, the Boston Museum of Science, the Maria Mitchell Women in Science Symposium, the Massachusetts Bay United Way, and others.

Axcelis' commitments reflect its alignment with several of the SDGs, including SDG-8 (Decent Work and Economic Growth). Further information on Axcelis' SDG alignment can be found on page 46.

Recruiting And Managing A Global And Skilled Workforce

Our business depends on our ability to attract and retain qualified, experienced employees, including foreign nationals. U.S. employment of foreign nationals requires compliance with U.S. immigration laws, which Axcelis strictly adheres to. Axcelis also participates in the U.S. government's E-Verify program to ensure all U.S. employees are authorized to work in the country. Employment of individuals outside of the U.S. is required to meet our business and customer obligations. Axcelis manages risks in offshore employment (for example, compliance with non-U.S. laws and regulations) by employing experienced Human Resources and Finance staff in the applicable country and accessing external legal counsel and other experts, as needed.

Axcelis' Commitment To Learning And Development

Axcelis is committed to developing a culture of learning and development. We recognize that each employee has different skills, strengths, and perspectives. Our goal is to create a culture that respects and capitalizes on these differences. We support our employees by helping them learn, grow, and succeed, so they can contribute to and shape the future success of Axcelis. By linking our talent and learning strategy to Axcelis' Strategic Plan, we will effectively serve our customers and drive tangible business results, which will positively impact our revenue growth plans.

To continue competing in a global environment, Axcelis is committed to continually:

- ⊗ Invest in our employees' career growth by developing our internal talent,
- ⊗ Develop our leadership pipeline by identifying the next generation of leaders at Axcelis, and
- ⊗ Attract and retain world class and emerging talent.

We will identify the skills and knowledge needed for a successful future. Through a learning model based on 70% work experiences, 20% feedback and relationships, and 10% formal training, Axcelis will provide mentoring, management and leadership programs, tuition reimbursement benefits, and other development opportunities, learning tools, and resources to all Axcelis employees.

Through our programs and resources, all Axcelis employees will have the tools they need to be successful in their current and future roles.

Axcelis Cares – Our Charitable Activities And Scholarships



The mission of Axcelis Cares is to develop, maintain, and implement a strategy of community involvement for Axcelis within the communities in which we do business. Axcelis Cares is comprised of three components:

- ⌚ The Community Outreach Committee organizes employee participation in events such as the Salvation Army Angel Tree, Pathways for Children Book Drive, Food Drive for Beverly Bootstraps, JP Morgan Corporate Challenge Team, Step Up for Colleen 5K, American Diabetes Association, Tour de Cure and the United Way Gratitude Project.
- ⌚ The Corporate Sponsorship Committee supports organizations such as the Peabody Essex Museum, Leap for Education, Essex County Community Foundation, Salem Hospital, and Community Giving Tree.
- ⌚ The Scholarship Committee provides tuition assistance to two dependents of Axcelis employees who are graduating high school seniors.

Specific organizations and programs supported by Axcelis' headquarters in 2024 are discussed below. Other Axcelis locations around the globe also participate in local charitable programs.

Beverly Bootstraps

Axcelis maintains a strong commitment to Beverly Bootstraps, a non-profit organization in Beverly, Massachusetts, our headquarters location. Beverly Bootstraps offers emergency and long-term assistance including access to food, housing stability, adult and youth programs, education, counseling and advocacy. Axcelis has supported Beverly Bootstraps for 20 years. Over the course of 2024, a team of volunteers from across Axcelis worked to support their Winter Wishes Holiday Gifts program to provide two families with new clothes, games, and toys.

Axcelis Scholarship Program

The Axcelis Scholarship Program has for almost 20 years provided tuition assistance to the dependents of Axcelis employees who are selected in an application process. In 2024, the program provided a scholarship of \$8,000 to two winning students to be funded at the rate of \$2,000 per year. Since the inception of the Scholarship Program in 2004, Axcelis has provided scholarships to over 40 students.

Salvation Army Angel Tree

For more than 18 years, Axcelis has sponsored the Massachusetts Salvation Army's Angel Tree program, which provides holiday presents for children of needy families during the holidays. Axcelis Cares sponsors the program and Axcelis employees generously purchase gifts for all the little "angels".

SECTION FOUR

Governance

axcelis

Ethical Standards and Legal Compliance

The Axcelis ethics policy applies to our directors, executive officers, and all other employees. This policy promotes ethical actions and legal compliance. We provide employee training on ethics and a variety of compliance topics, including the Foreign Corrupt Practices Act, export controls regulation, employment laws, and insider trading regulation.

No reports of ethical or legal compliance violations were received by the company in 2024, nor were any such incidents otherwise identified by the company in 2024.

Independent Chairperson of the Board or Lead Director

The Governance Guidelines adopted by our Board of Directors require that either the Chairperson of the Board is an independent director or, if not, a Lead Director is appointed by the Board. The responsibilities of Chairpersons and Lead Directors are specified in our Governance Guidelines.

Executive Officer and Director Stock Ownership Guidelines

Axcelis' Executive Officer and Director Stock Ownership Guidelines require that our independent directors own shares having a value at least equal to three times the amount of the annual base Board retainer (which is currently \$65,000). Our Chief Executive Officer is required to own shares having a value equal to three times his or her base salary. Executive Officers with the title of "Executive Vice President" are required to hold the lesser of 16,250 shares or shares having a value equal to 150% of such officer's base salary. Executive Officers with the title of "Senior Vice President" are required to hold the lesser of 8,750 shares or shares having a value equal to 100% of such officer's base salary. Until the guideline ownership is achieved, each Executive Officer is encouraged to retain at least 50% of the net shares obtained through the company's stock plans. Directors and Executive Officers have five years to meet the guideline ownership.

CEO Performance Review Process

Our Governance Guidelines specify the process by which an annual Chief Executive Officer performance review is developed and submitted to the full Board for their consideration, with input from the Chief Executive Officer, the Chairperson or Lead Director, and all other Board members.

Annual Board Assessment and Director Evaluation

Our Governance Guidelines and the charter of the Nominating and Governance Committee address the requirement for annual Board self-assessment processes, which cover meeting agendas, schedules, presentations, access to and communications with senior management, and the Board's contribution as a whole. The annual process also includes an assessment by each director of their own and each other director's individual performance, using specified criteria.

Refreshing our Board

Our Governance Guidelines require annual Board self- and peer-evaluations prior to the re-election nomination process. These evaluations, along with other assessments, are considered in the annual Board nomination process.

Our Governance Guidelines provide that no director may be nominated for a term that begins on or after his or her 75th birthday. This retirement policy has no exemptions or conditions. Since its adoption in 2015, seven incumbent directors have not been eligible for re-nomination as a result of the retirement policy. Our Governance Guidelines also require that a director tender his or her resignation upon a substantial change in principal occupation or business association, and if he or she receives a greater number of votes “withheld” in an uncontested election than votes “for” his or her election.

Prohibition on Directors and Officers Hedging or Pledging Stock

Our policies prohibit directors and executive officers from pledging Axcelis stock in a margin account or otherwise entering into transactions designed to hedge or offset any decrease in the market value of Axcelis stock. The company’s policies also prohibit the purchase of publicly traded options on Axcelis securities and place limitations on the use of standing or limit orders to purchase or sell Axcelis securities.

Protections for Minority Stockholders

Our charter and bylaws protect all stockholders by requiring advance notice of stockholder proposals. They also prohibit stockholders from calling a special meeting, acting by written consent, or filing governance litigation outside of Delaware. These provisions help to ensure that minority stockholders have notice and an opportunity to vote on all matters properly brought before them, and that claims are heard by sophisticated Delaware courts.

Executive Compensation

As discussed in detail in our proxy statement, Axcelis adopts best practices with respect to executive compensation, including

- ⤵ The implementation of pay for performance in compensation structure and terms,
- ⤵ Implementation of executive claw back rights,
- ⤵ Requiring a termination of employment for any change of control benefit and eliminating excise tax indemnifications,
- ⤵ Imposing multi-year equity award vesting,
- ⤵ Utilizing peer benchmarking,
- ⤵ Capping incentive payouts, and
- ⤵ Eliminating any executive perquisites.

Compliance and Public Policy Engagements

Commitment to Global Compliance

Axcelis is committed to compliance with all applicable laws, as stated in our policies, including our Ethical Business Conduct at Axcelis policy and our Corporate Social Responsibility Policy. This includes a commitment to fairly share our corporate profits with every country in which we do business through a subsidiary, by establishing, maintaining, and regularly re-evaluating appropriate transfer pricing arrangements.

Intellectual Property Protection and Competitive Behavior

Axcelis has experienced no legal proceedings associated with anti-competitive behavior regulations in more than five years, and thus has incurred no monetary losses as a result.

Other Political Contributions

Axcelis does not make direct corporate donations to political candidates or other political advocacy organizations.

Sustainable Development Goals (SDGs)

Axcelis committed to the SDGs and the creation of a climate-neutral, resilient, inclusive and sustainable world. With this in mind, and in keeping with its activity, Axcelis is focused on SDG-5 (Gender Equality), SDG-7 (Affordable and Clean Energy), SDG-8 (Decent Work and Economic Growth), SDG-9 (Industry, Innovation and Infrastructure), SDG-10 (Reduced Inequalities), and SDG-13 (Climate Action).



Our Trade Organization

Axcelis is an active member of our trade organization, SEMI International, which represents companies in the semiconductor equipment and materials industries. SEMI informs and coordinates its members and the industry, cultivates collaboration, drives action, and synchronizes innovation to speed business results. SEMI's Global Advocacy arm represents the interests of the semiconductor industry's design, manufacturing, and supply chain businesses worldwide. SEMI promotes its positions on public issues via press releases, position papers, presentations, social media, web content, and media interviews. SEMI Global Advocacy focuses on five priorities: taxes, trade, technology, talent, environment, health & safety.

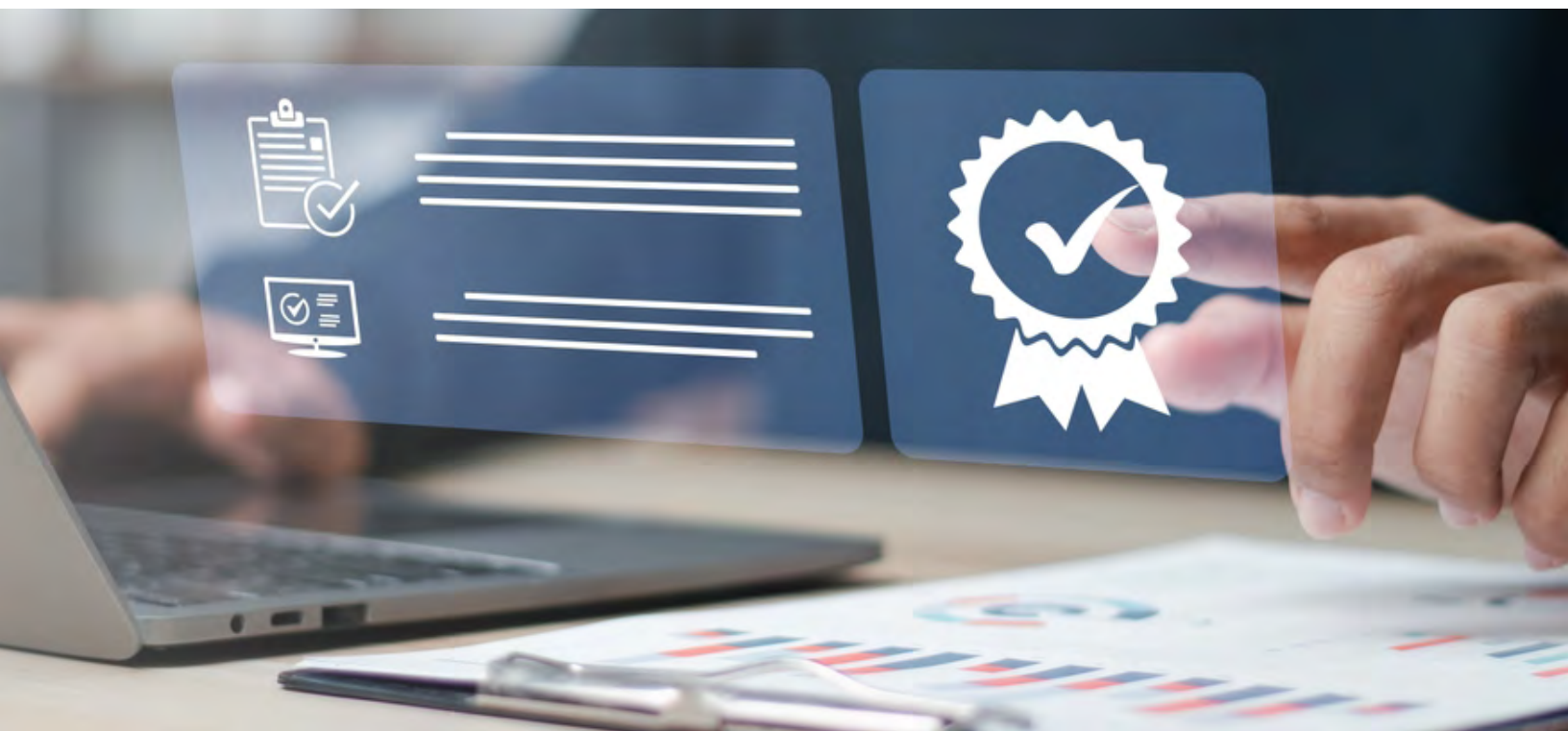
Axcelis ISO Certifications

Axcelis USA Headquarters

Axcelis' corporate headquarters and factory operations in Beverly, Massachusetts, USA ("Axcelis Headquarters") has been registered to the ISO 14001 Environmental Management Systems standard since 2000. Axcelis Headquarters is currently registered to the ISO 14001:2015 version of the standard, with an expiration date of February 24, 2028. Axcelis Headquarters also obtained registration to the ISO 45001:2018 Occupational Health and Safety Management Systems standard in April 2022. The expiration date of this registration is April 17, 2028. The scope of both the Environmental and Safety ISO certifications is: "Manufacture of semiconductor manufacturing equipment and similar products." These certificates cover operations at the headquarters plant at 108 Cherry Hill Drive, Beverly, MA, and at the Axcelis Logistics Center located at 1-5 Sam Fonzo Drive, Beverly, MA.

Korean Operations

In November 2021, Axcelis opened the Axcelis Asia Operations Center (AAOC) manufacturing facility in Pyeongtaek, South Korea. This facility provides Axcelis with additional manufacturing capacity, targeting increased efficiency for shipments to customers in South Korea and elsewhere in Asia. In June 2022, all operations in South Korea obtained registration to the ISO 45001:2018 Occupational Health and Safety Management Systems standard, just 7 months after opening the AAOC. The scope of the Korea registration is: "All activities for the manufacture and provision of parts and services of semiconductor manufacturing ion implantation equipment and similar products." In September 2023, all operations in South Korea obtained registration to the ISO 14001:2015 Environmental Management Systems standard. The expiration date of this registration is September 26, 2026.



SECTION FIVE

ANNEXES

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ANNEX 1 – TCFD Index

TCFD REQUIREMENTS	
TCFD – METRICS & TARGETS	AXCELIS RESPONSE
a. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process	- Axcelis’ approach to climate-focused metrics is informed by its climate risk assessment (methodology, scenario analyses, statistical analysis), as well as its Enterprise Risk Management (ERM). - Axcelis’ ERM allows us to evaluate and prioritize emerging and ongoing risks, including climate risks, which could be substantive depending on probability, magnitude and anticipated time horizons. Climate change risk is separately identified from environmental and occupational health and safety compliance risks, given its higher uncontrollable factors. Trends and mitigation actions on these higher risks are reported to the Board quarterly. - The first phase of the climate risk assessment identified high-level climate risks, transition risks, and opportunities across Axcelis’ core operations and value chain. It included an analysis of physical risks (climate-related hazards) and transitional risks (modeled from 2020 to 2050) along Axcelis’ operations as well as scenario analyses (IPCC RCP 2.6, 4.5 and 8.5 scenarios) that consider impacts over the short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years). - Climate-related risks were assessed using statistical analysis and the likelihood of various climate-related events using CMIP5 models in Axcelis’ primary geographic locations (facilities and offices) within the United States, Europe and Asia-Pacific.
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please refer to the detailed greenhouse gas emissions information reflected in Section I, “Climate and Environment”.
c. Describe the targets used by the company to manage climate-related risks and opportunities, and performance against targets.	Axcelis has established the following targets: Axcelis committed to set science-based GHG emission reduction targets in line with the SBTi. Axcelis embarked on a path to net zero by 2050, reducing Scope 1, 2 and 3 emissions to reach Science Based Targets (< 1.5o C) by 2030.

TCFD REQUIREMENTS	
TCFD – GOVERNANCE	AXCELIS RESPONSE
a. Describe the board’s oversight of climate-related risks and opportunities. b. Describe management’s role in assessing and managing climate-related risks and opportunities.	• Axcelis’ Board of Directors oversees the climate change risks and environmental, health and safety using our Enterprise Risk Management (ERM) system. • The ERM system is a method by which management assists our Board in meeting its risk oversight responsibility. Annually, management seeks to identify risks, including climate change risks and opportunities that influence our business, and rank them by potential severity and by susceptibility of the risk to control by the company. Risks with higher severity, or greater uncontrollable factors, are re-assessed by management on a quarterly basis. • Climate change risk is separately identified from environmental and occupational health and safety compliance risks, given its higher uncontrollable factors. Trends and mitigation actions on these higher risks are reported to the Board quarterly. • The Axcelis board receives a quarterly scorecard from the VP of EHS and Facilities on the progress of Axcelis’ sustainability objectives, including emerging climate-related risks and opportunities, progress on climate and energy goals, and relevant initiatives across the value chain. Escalation of climate-related issues are managed through this process and within the ERM framework. This sustainability report is also provided to the Board each year.
TCFD – STRATEGY	AXCELIS RESPONSE
a. Describe the climate-related risks and opportunities the company has identified over the short-, medium-, and long-term.	• Axcelis engaged an independent consulting firm to conduct a climate risk assessment based on an analysis of physical risks and transitional risks (modeled from 2020 to 2050) along our value chain as well as scenario analyses (IPCC pathways) that consider impacts over the short-, med-, and long- term. Axcelis defines timeframes as: • Short-term: 0-5 years • Medium-term: 5-10 years • Long-term: 10-30 years

Description of climate-related issues potentially arising across timeframes:

Physical Risks:

- As a global company with a geographic footprint covering the United States, Europe, and Asia-Pacific, Axcelis' scope of exposure to physical risks is projected to vary geographically and temporally across the value chain and various scenarios.
- The severity of potential impact varies by geographic location. Axcelis' headquarters, warehouse, and operational facilities (in the U.S. and South Korea) face limited to moderate exposure to key hazards such as increased precipitation, storms, flooding, and extreme heat, based on short- to long- term scenarios.
- Axcelis' core operational facilities face lesser exposure to extreme climate scenarios when compared to secondary office locations (in Arizona, California, Oregon, Texas), which face increased med- to long- term risk due to key hazards such as extreme heat, wildfires, and earthquakes. However, given limited personnel and operations in Axcelis' secondary locations, overall impact on the company's operations is limited.
- Water stress exposure is expected to increase throughout Axcelis' value chain, with the most notable impacts in Western and South/Southwest United States, southern Europe, Asia-Pacific and Southeast Asia.

Transition Risks:

- Please refer to pages 19-20.

Opportunities:

- Please refer to pages 20-21.

b. Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning. Description of potential impact of evaluated risks and opportunities.

- As noted, our inaugural climate risk assessment, conducted by an independent consulting firm, sought to identify the major risks and opportunities as well as key transition factors at a high level, factoring in short-, med-, and long- term horizons.
- The assessment focused on identifying high-level climate risks, transition risks, and opportunities across Axcelis' core operations and value chain. The key findings will be reflected in the annual strategic planning process as part of the overall corporate sustainability program.

- Axcelis did not identify any climate-related risks with the potential to have a substantive effect on Axcelis in the reporting year, or that are anticipated to have a substantive effect on the company in the near future. However, we will continue to assess the impact of climate risks on a continual basis within the context of our ERM and sustainability reporting.
- Furthermore, the next phase of the climate risk assessment will include more in-depth analysis of the risks and opportunities within the context of Axcelis' strategic planning, our Enterprise Risk Management system (ERM), and the next phase of our corporate sustainability program.

c. Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In an effort to build resilience in its strategy, Axcelis is taking the necessary steps to:

- Incorporate the key findings from the initial and successive climate risk assessments into its strategic planning process
- Dedicate resources to develop a climate transition plan
- Track and assess weather and climate-related trends on an ongoing basis
- Adopt "climate-resilient" best practices into (business continuity, emergency preparedness, facility management) plans
- Continue developing its corporate sustainability program in line with key reporting frameworks and standards
- Engage relevant stakeholders, including customers and strategic partners, as it pursues opportunities and manages risk

TCFD – RISK MANAGEMENT	AXCELIS RESPONSE
a. Describe the company's processes for identifying and assessing climate-related risks.	• Axcelis' ERM system provides a framework to identify and assess existing and potential risks – focusing on the most significant risks. • Annually, management seeks to identify risks, including climate change risks and opportunities, that influence our business, and rank them by potential severity and by susceptibility of the risk to control by the company. • Risks with higher severity, or greater uncontrollable factors, are reassessed by management on a quarterly basis.

- Climate change risk is separately identified from environmental and occupational health and safety compliance risks, given its higher uncontrollable factors. Trends and mitigation actions on these higher risks are reported to the Board quarterly.
- The key findings from the climate risk assessment will be integrated into this process with a goal of ensuring effective identification, assessment, and management of climate-related issues on an ongoing basis.

b. Describe the company's processes for managing climate-related risks.

- Assess climate risks with strategic, operational, financial, legal, and compliance impacts.
- Assess climate risks that could adversely impact Axcelis' business, financial condition, and reputation.
- Assess climate risks in line with Axcelis' short- and medium-term horizons, overall targets, and sustainability program.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.

- Climate-related risks, which are reported to the board and reviewed on a quarterly basis, are integrated into Axcelis' ERM and annual strategic planning process that covers risks and opportunities related to our technology, product development, marketing strategies, customer relationships, and operations.

ANNEX 2

Axcelis and the Sustainable Development Goals: Priority SDGs

SDG	Definition	SDG Alignment	Goals and Progress
	SDG 5 Achieve gender equality and empower all women and girls. End all forms of discrimination against all women and girls everywhere. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	Alignment Axcelis is dedicated to building and maintaining a diverse workforce, fostering a culture built on the principles of inclusion and equity, 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 and services for our customers. Axcelis' commitment to diversity extends to our Board of Directors, our leadership team, and all teams and functions across our global locations.	Goal - Axcelis is committed to advancing gender diversity across all levels of the organization. Progress - In 2024, Axcelis U.S. workforce was made up of 21% women and 79% men. Leadership roles were comprised of 20% women and 80% men. The Axcelis Board of Directors was comprised of one woman and seven men.
	SDG 7 Ensure universal access to affordable, reliable, sustainable energy services for all.	Alignment Axcelis is committed to ongoing investment in sustainable and renewable energy sources as part of our current and future energy mix.	Goal - By 2030, Axcelis aims to purchase 100% of electricity from renewable sources.



Progress - Axcelis has retired renewable energy credits (RECs) to cover 100% of its electricity purchases at the Beverly headquarters – 89.2% of these RECs came from hydroelectric power, and 19.8% came from carbon free wind energy. A total of 1,915,491 kWh (6,896 gigajoules) was generated onsite at Axcelis headquarters in a 250 kW capacity CHP.



SDG 8

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



SDG 10

Empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.

Alignment

Axcelis is dedicated to building and maintaining a diverse workforce, fostering a culture built on the principles of inclusion and equity, 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 and services for our customers. Axcelis' commitment to diversity extends to our Board of Directors, our leadership team, and all teams and functions across our global locations.

Goal - Axcelis aims to ensure our workforce reflects a broad pool of talent, including diverse talent.

Progress - As of 2024, Axcelis' U.S. workforce composition is as follows:

- 61% White
- 24% Asian
- 10% Hispanic/Latino
- 2% Black/African American
- 3% Mixed Race / Native American / Native Hawaiian / Pacific Islander



SDG 13

Take urgent action to combat climate change and its impacts.

Alignment

Axcelis supports SDG 13 through a range of corporate sustainability activities designed to reduce emissions. We support the SDGs and the goals of the Paris Agreement, and participate in industry consortia like SEMI to help the semiconductor industry achieve net zero emissions by 2050. We are aligned with international efforts to combat climate change and openly disclose our climate change response strategies, goals, and activities to stakeholders via CDP, SBTi, and more.

Goal - Axcelis has committed to SBTi and has undertaken a carbon footprint exercise as well as a climate risk assessment exercise. As part of its overall sustainability program and SBTi obligations, Axcelis embarked on a path to net zero by 2050, reducing Scope 1, 2 and 3 emissions to reach Science Based Targets (< 1.5o C) by 2030.

Progress - Axcelis' company-wide Scope 1 emissions increased in 2024 compared to the year prior by 13.9%; however, Axcelis is continuing to reduce company-wide Scope 1 emissions from the 2022 baseline year by 39.3%.

When normalized using 2024 revenue of \$1.02 billion, company-wide Scope 1 emissions were 3.81 metric tonnes per \$1M in revenue, compared to 3.02 metric tonnes per \$1M in revenue in 2023.

Scope 2 company-wide, market-based emissions were 261 metric tonnes of CO₂e in 2024.



This is an 84.5% reduction from 1,669 metric tonnes of CO₂e in 2023. At the Beverly headquarters, Axcelis purchased 19,216,394 kWh of electricity in 2024 - achieving a 100% reduction in market-based Scope 2 emissions by purchasing renewable energy certificates (RECs) that procure energy from zero-emission sources, such as hydro and wind. Axcelis was able to purchase RECs to procure 100% of the energy required at the Korean AAOC facility from renewable sources. Market-based emissions at all other global facilities also decreased by 22.6% from the previous year, taking into account increases in renewable energy procurement in U.S. and Korean facilities.

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