

**OVERVIEW** 



GOVERNANCE CONSTRUCT



PROGRAM MANAGEMENT



**PRIORITIES** 

ANNUAL PROCESS





**Environmental, Social and Governance** (ESG) Management System

June 27, 2022

# **Overview: MKS ESG Management System**



# **Purpose**

MKS' vision is to enable technologies that transform our world. How we do that
is important to us, and that is why Environmental, Social and Governance (ESG) is
an integral part of how we manage and operate the company. Our MKS ESG
Management System helps guide us on delivering on our objectives in an ethical
and sustainable way, for our employees, customers, suppliers and shareholders.

#### **Framework**

This document provides an overview of the MKS ESG Management System. It
outlines our ESG governance structure, how we manage our ESG program, our
high-level focus areas, and our annual ESG strategy process.

# **ESG Governance Construct: Responsibilities**



The MKS ESG Program is managed by a cross-functional Steering Committee. The ESG Steering Committee meets throughout the year to review global progress on the ESG initiatives and provides updates to the MKS Executive team and Board of Directors' Nominating and Corporate Governance Committee.

- Set the MKS ESG strategy, ensuring it ties to the MKS Vision, Mission and Guiding Principles
- Define annual ESG objectives
- Develop plans and the tactics to achieve the annual ESG objectives
- Communicate ESG objectives and achievements internally and externally
- Monitor ESG industry treads and map into ESG objectives and programs as needed

# **ESG Governance Construct: Team Structure**



### **Executive Sponsor**

- President & CEO
  - Responsibilities: champions the MKS ESG Program efforts; conduit to the MKS Board of Directors

#### **Program Leader**

- Vice President, Investor Relations
  - Responsibilities: manage the MKS ESG Program at the Corporate level

#### **Steering Committee**

- Vice President, Investor Relations
- Senior Vice President & General Counsel
- Senior Vice President & Chief Human Resources Officer
- Senior Vice President & Chief Operating Officer
- Senior Director, Marketing Communications
  - Responsibilities: set the MKS ESG Program strategy, define annual ESG objectives, provide guidance on high-level tactics to achieve the stated objectives, communicate ESG Program and monitor ESG industry trends

#### **Global Team**

- Representatives from HR, Legal, Operations, EHS, Finance, Marketing
  - Develop plans and the tactics to achieve the annual ESG objectives, ensure compliance with ESG policies, monitor ESG industry trends



# **ESG Program Management**



#### **Annual Management Plan**

- Objective: manage ESG Program globally
  - Confirm ESG strategy continues to align with MKS Mission, Vision and Guiding Principles
  - Set annual goals and metrics, with a high-level plan to achieve goals
  - Track progress and fine-tune programs and tactics as needed
  - Communicate progress internally and externally

### **External Reporting**

- Objective: improve ESG rankings and reduce operational and financial risk
  - Track external ESG rating agency requirements and MKS results
  - Review results and feedback and implement programs/tactics as needed, as part of ESG Continuous Improvement program
  - Communicate progress and required information internally and externally as needed

#### **Continuous Improvement Plan**

- Objective: increase ESG compliance and strengthen program by reviewing all input/feedback.
   Identify, correct, and eliminate ESG deficiencies by implementing and/or modifying policies, programs and tactics
  - Communicate ESG program to global employees and stress the importance of the program for our key stakeholders
  - Develop feedback loop to identify ESG deficiencies
  - Prioritize improvement plans
  - Execute plans with objectives/measurements
  - Track improvements and communicate internally and externally as needed



# **ESG Priorities**



### **Our Commitment to the Environment and our Community**

- Administered through: MKS website; compliance with applicable laws, regulations, standard and certifications
- Significant area of focus: the Environment
  - Commitment to Sustainable Business Practices
  - EHS
  - Quality Policy
  - Compliance
  - Product Safety and Certifications
  - Supporting Green Energy Development by offering products for clean energy applications, environmental and sustainable applications, and products that are sustainable, in and of themselves
  - MKS Service and Repair Program
  - The Community
- Significant area of focus: the Community
  - Charitable Contributions
  - Employee Donations Match
  - Volunteerism
  - STEM and Women in Technology support

# **ESG Priorities**



#### **Our Commitment to Innovation**

- Administered through: product development; MKS website
- Significant areas of focus
  - Innovative products and solutions
  - Quality Policy
  - MKS Service and Repair Program

#### **Supplier Partners**

- Administered through: MKS Supplier Code of Conduct; Conflict Minerals Policy; MKS website
- Significant areas of focus
  - Supplier Code of Conduct and Compliance Reporting
  - Conflict Minerals
  - Supply Chain Business Continuity Program

# **ESG Annual Process**



#### **Develop Plan**

- Review previous year's ESG results and feedback
- Identify opportunities for improvements
- Develop goals and adjust metrics as needed
- Finalize plan with MKS Executive team

#### **Implement Plan**

- Review plan with ESG working team
- Develop tactical plan
- Communicate internally and externally as needed
- Commence plan actions

#### **Review Results**

- Monitor throughout the year, adjusting tactics and programs as necessary
- Communicate results/metrics internally and externally as needed
- Update ESG content across all internal and external materials
- Report annual results to MKS Executive team and Board of Directors

