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onto

Environmental Social Governance Report

2022

Published April 2023

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Introduction

This report has been prepared using the Global Reporting Initiative (GRI) Sustainability Guidelines: Core Option[1]

This 2022 report is the third published report for Onto Innovation (NYSE: ONTO) after being formed out of a merger between Nanometrics Incorporated and Rudolph Technologies, Inc. on October 25, 2019. Please note that any data presented prior to 2020 should be considered as collective proforma data. This report continues the journey started in 2020 to add additional information in future editions.

This report builds on our 2021 report published in April 2022, which included specific ESG practices, social programs, Standards of the Sustainability Accounting and Standards Board, the Responsible Business Alliance (RBA) Code of Conduct, industry norms, and Onto Innovation's internal policies that were also used as guidance for this ESG Report.

In addition, we will continue to provide updated information in a range of reports, documents, and filings, such as our Annual Report on Form 10-K, and through our active participation in industry groups, community organizations, environmental initiatives, and Onto Innovation's charitable matching program, to name a few.

This report was audited by the Company's internal auditors. While there is currently no plan to seek external assurance for this report, we do not preclude the possibility of seeking external assurance for later ESG Reports where appropriate.

For any questions, please reach out to investors@ontoinnovation.com.

[1]GRI core option index provided on pages 48-54

Business Overview

CEO Message

I am very happy to introduce our third annual ESG report outlining the progress we achieved in 2022 and our initiatives related to our focus and management of environmental, social, and governance policies over the next few years. Onto Innovation addresses semiconductor manufacturing challenges with our goal to increase our customers' manufacturing yield, while reducing scrap, and consequently, the resources required to produce their products. While responding to unprecedented demand for our products in 2022, we remained steadfast in our commitment to fulfill our mission to reduce our own greenhouse gas emissions and carbon footprint while managing our company with respect to diversity and inclusion.

I am proud to share the progress of our Environmental, Social and Governance journey in this 2022 ESG Report. We have made significant strides that are likely to exceed our stated objectives in 2020 to reduce our overall environmental impact by 30% from 2020 to 2025. In 2022 alone, while our facilities were working full-time to meet customer demand, in the U.S. we reduced our carbon footprint by 29% per person. In addition, we reduced our water consumption by 55% over the prior year and we increased the amount of renewable energy to 32% of the electrical power we used. We also believe that our company functions more efficiently when opportunities are equitable for everyone and that our local communities should be supported using a portion of our resources.

In 2021, we formed 10 RISE (Reimagining Initiatives for Society and the Environment) teams. These teams are formed at each location globally, and they are designed to promote local charitable giving, including employee donations and volunteer hours. Our RISE teams' philanthropy and volunteer programs provide financial and human services that improve the quality of life in the communities in which we operate. Onto Innovation supports these efforts by encouraging employee participation in RISE team initiatives and provides them with paid time-off and resources so that these charitable efforts are successful. We are committed to creating positive impacts in communities around the world by contributing to local, national and international organizations that address important community issues such as food and water insecurity, disadvantaged children and senior citizens, healthy living and environmental protection. Through our RISE teams, we support many of our local communities with holiday gift and food donations, as well as fundraisers benefiting those who are in need. Moving forward, we look to continue these efforts while also building upon earlier relationships with STEM mentoring programs and organizations assisting disadvantaged youths.

As you will see in this third annual ESG report, we have set aggressive environmental goals for our operations and diversity goals for our workforce, while applying a solid governance structure. We believe this innovative approach to our customers' environmental goals and internal innovations like our RISE teams will continue to build a broader engagement within Onto Innovation and extend that engagement to our local communities. Of course, our accomplishments in 2022 were made possible through the contributions of our global team.

MICHAEL PLISINSKI, CEO

About Onto Innovation

Onto Innovation is a leader in process control, combining global scale with an expanded portfolio of leading-edge technologies that include: Un-patterned wafer quality; 3D metrology spanning chip features from nanometer scale transistors to large die interconnects; macro defect inspection of wafers and packages; metal interconnect composition; factory analytics; and lithography for advanced semiconductor packaging.

Our breadth of offerings across the entire semiconductor value chain combined with our connected thinking approach results in a unique perspective to help solve our customers' most difficult yield, device performance, quality, and reliability issues. Onto Innovation strives to optimize customers' critical path of progress by making them smarter, faster and more efficient.

With headquarters and manufacturing in the U.S., Onto Innovation supports customers with a worldwide sales and service organization. Additional information can be found at www.ontoinnovation.com.

While Onto Innovation does not explicitly apply the Precautionary Principle or approach (102-11), we do strive to promote and maintain our organization in a safe and environmentally responsible manner through a focus on mitigating against any potential injury to employees, damage to property or equipment as well advancing environmentally sound operations.

Facilities

MANUFACTURING AND R&D

Massachusetts: HQ
16 Jonspin Road
Wilmington, Massachusetts 01887

35 Upton Drive
Wilmington, Massachusetts 01887

Arizona
3280 E. Hemisphere Loop
Suite 146
Tucson, Arizona 85706

California
1550 Buckeye Drive
Milpitas California 95035

Minnesota
4900 West 78th Street
Bloomington, Minnesota 55435

R&D

New Jersey
550 Clark Drive
Budd Lake, New Jersey 07828

Oregon
9025 NE Von Neumann Drive
Suite 100
Hillsboro, Oregon 97006

20706 NE High Desert Lane
Bend, Oregon 97701

Texas
1100 W. Campbell Road
Richardson, Texas 75080

Washington
35030 SE Douglas Street
Suite 100
Snoqualmie, Washington 98065

China
Room 2512, China Overseas Plaza
The Intersection of Weijin Road and Wujiayao Street
Hexi District, Tianjin 300074

Vision, Mission, and Core Values

VISION

Advancing Manufacturing Innovation.

Faster. Smarter. Together.

MISSION

To deliver comprehensive process solutions to the world's advanced manufacturers through collaboration and innovation.

CORE VALUES

Passion

Integrity

Collaboration

Results

Key Markets Served

Semiconductor Advanced Nodes

- Logic and Memory Wafer Fabs: Metrology and Inspection

Advanced Packaging and Specialty Devices

- Back-End Packaging: 2D/3D Inspection, Substrate Lithography
- Specialty Device Wafer Fabs: Metrology and Inspection
- Bare Wafer Manufacturing: Elemental composition, Edge/Backside Inspection

Software and Services

- Metrology and Inspection Tools: Analytical Software
- Wafer Fabs: Fabwide Advanced Process Control Software
- Service Contracts, Tool Upgrades, Refurbishment

MARKET BREAKDOWN OF REVENUE
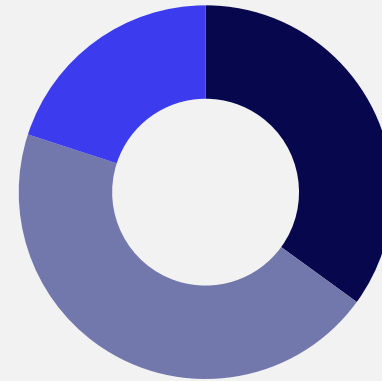
2021

2022

- Semiconductor Advanced Nodes
- Advanced Packaging & Specialty Devices
- Software & Services

GEOGRAPHIC BREAKDOWN OF REVENUE

2021

2022

- Taiwan
- China
- S. Korea
- USA
- Japan
- Europe
- SE Asia

Corporate Governance

Our board of directors and management are committed to responsible corporate governance to ensure that Onto Innovation is managed for the long-term benefit of its stakeholders.
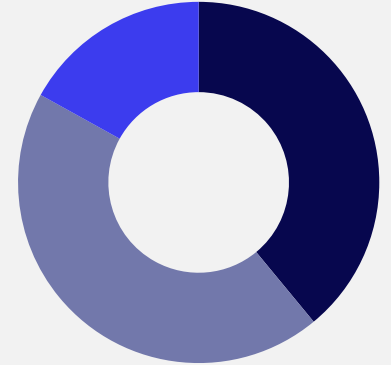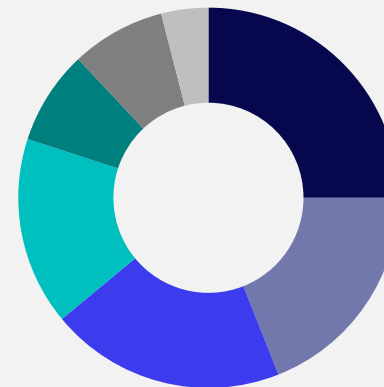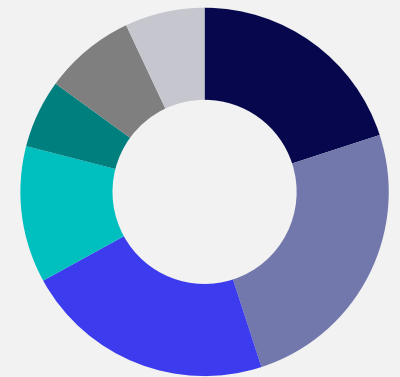
GOVERNANCE HIGHLIGHTS:

Separate Chair and CEO roles	Majority voting for all directors	Regular executive sessions of independent directors
Risk oversight by full board and committees	Annual board, committee, and director evaluations	Committees composed entirely of independent directors
Stock ownership requirements for directors and executive officers	Anti-hedging, short sale, and pledging policy	No poison pill

BOARD COMMITTEE STRUCTURE:

- The Audit Committee oversees of the integrity of our financial statements, accounting policies and procedures and our compliance with legal and regulatory requirements.

- The Compensation Committee oversees Onto Innovation's compensation practices and policies.

- The Nominating and Governance Committee assists with identifying prospective director nominees and oversees the Company's corporate governance policies.

- The M&A Committee assists the Board in evaluating potential strategic transactions.

Corporate Governance

Our board of directors is committed to progress in expanding diversity

Onto Innovation diversified the board of directors by welcoming an additional female director who is also an underrepresented minority in March 2022. The board of directors now has 37.5% female representation.

Christopher A. Seams

Leo Berlinghieri

Stephen D. Kelley

David B. Miller

Michael P. Plisinski

Karen M. Rogge

May Su

Christine A. Tsingos

Onto Innovation's corporate governance guidelines require that at least a majority of the board of directors be independent in accordance with NYSE listing standards. Currently, seven out of Onto Innovation's eight directors are independent and each of the committees of the board of directors is comprised solely of independent directors. Onto Innovation undergoes an annual board, committee and individual director self-evaluation process. The independent directors, guided by the independent chairman of the board, meet regularly without management present in executive session and as one of the array of issues addressed in such sessions perform an annual performance assessment of the chief executive officer.

Corporate Governance

Our board of directors plays an active role in overseeing risk

RISK OVERSIGHT

One of the board's primary responsibilities is reviewing the Company's strategic plans and objectives, including oversight of the Company's principal risk exposures.

Our **Audit Committee** assists the board in overseeing financial and legal risks and management's approach to addressing these risks. At least annually, the Audit Committee reviews and discusses with management the policies and systems used to address risk.

Our **Compensation Committee**, at least annually, reviews our compensation program to ensure that it does not encourage excessive risk-taking.

Our **Nominating & Governance Committee** oversees risks related to governance issues, such as succession planning. It also monitors and oversees legal compliance and compliance with the Company's Code of Business Conduct and Ethics.

Each of our committees regularly reviews with our board the risks that arise within the scope of the committees' responsibilities and our full board regularly assesses the major risks facing our Company and reviews mitigation options.

Corporate Governance

Executive compensation – pay for performance

Executive compensation is a key component of our corporate governance practices and our plans to drive long-term profitable growth. We've designed our compensation program to both attract and retain best-in-class executive management and to motivate our executive officers to achieve corporate objectives and create value for shareholders.

EXECUTIVE COMPENSATION HIGHLIGHTS

Competitive base salary increases: base salaries are set based on each executive officer's unique qualifications, role, responsibilities, individual performance, and measurable contribution to the Company's profitability and success.

Rigorous annual incentive goals: cash incentive compensation is tied to overall corporate performance, achievement of individual performance goals, and individual business unit performance.

An emphasis on performance-based long-term incentives: a substantial portion of executive compensation is in the form of long-term equity incentives that incentivize long-term service and creating shareholder value.

Clawback policy: the Company has adopted a policy that provides for reimbursement of incentive compensation previously awarded or paid to an executive officer in the event that financial results are restated or adjusted.

Grant date policy: the Company has adopted a policy on stock-based awards made to directors, officers, and employees that prohibits manipulation of award grant dates or the timing of our release of material nonpublic information with the intent of benefitting an award recipient.

Corporate Governance

The board of directors of Onto Innovation sets high standards for the company's employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance.

READ THE FULL CORPORATE GOVERNANCE GUIDELINES

Business Conduct and Ethics

The Code of Business Conduct and Ethics establishes basic principles to guide everyone at Onto Innovation because we recognize that our company's continued success depends upon our commitment to conduct business with honesty, integrity and in compliance with the law everywhere we operate.

READ THE FULL CODE OF BUSINESS CONDUCT AND ETHICS

BUSINESS OVERVIEW   SUSTAINABLE ENVIRONMENT   SOCIAL PROGRAMS   PRODUCT RESPONSIBILITY

Identifying Our Material Difference

Stakeholder Engagement

We aim to have genuine conversations with all our stakeholder groups to understand their concerns and listen to their ideas. To ensure communication with our industry peers, Onto Innovation has been a long-standing member of SEMI since 1977 and a member of the Responsible Business Alliance (RBA) since 2021 and a member of the Semiconductor Industry Association (SIA) since 2021. We regularly communicate with the following stakeholder groups in our daily operations:

Employees	Investors	Suppliers	Customers	Communities
Our talented employees are the lifeblood of Onto Innovation and we are committed to building a corporate culture of shared values where employees can thrive. Management regularly engages with employees in all-hands meetings, small group meetings and one-on-one meetings. Employees also provide feedback to management through regular employee surveys.	We reach out to investors on a frequent basis to report business performance. We also receive feedback on a wide range of issues, including business strategy, compensation, and governance. In addition to formalized investor outreach, including attending conferences and non-deal roadshows, we also value informal conversations with our investors through conference calls and in-person meetings.	Our products are comprised of highly technical components, which require skilled and specialized suppliers. We are committed to working with our suppliers to ensure compliance with applicable laws and norms for fair employment and safety through supplier screening practices. We also became an affiliate member of the Responsible Business Alliance (RBA) in July 2021 to begin requiring a set of environmental and social initiatives from our preferred suppliers.	We are proud to be a leading manufacturer of advanced process control solutions for our customers. We endeavor to maintain our position as a leading supplier to top semiconductor manufacturers by ensuring customer satisfaction. We do so by endeavoring to respond swiftly to their concerns, providing rigorous training to users of our systems and keeping our customers updated on system safety and optimization.	We see ourselves as an important part of the communities where we operate and have supported local community engagement at many levels. Our employees play an important role through our local RISE Teams, which promote environmental initiatives and local charitable giving, including employee donations and volunteer hours. We aim to be a responsible member of all the communities in which we operate.

Identifying Our Material Difference

Materiality Assessment

We have identified key areas of focus for the company as we advance our sustainability journey. The views of our company stakeholders, including both management and our board of directors, were solicited regarding over two dozen ESG topics in order to identify those topics most relevant to our employees. In performing the assessment, our stakeholders were asked to indicate for each topic:

Current Impact

Essentially a measure of severity (i.e., if the worst occurred today and the company were to find itself facing a material issue related to the topic, how significant would the impact be to the company).

Relevance

Essentially a measure of likelihood (i.e., to what extent Onto Innovation may face this as an issue in the conduct of its business).

The top three topics for each of the ESG categories as ranked by these company stakeholders are reflected on the chart.

TOPIC MATERIALITY ASSESSMENT

Relevance (likelihood)

High / Medium / Low

Product Sustainability
Product Responsibility
Talent / Career Management
Intellectual Property
Ethics and Compliance
Export Controls and Compliance
Energy Management
Packaging and Materials
Waste Management

Environmental Topic
Social Topic
Governance Topic

Low   Medium   High

Current Impact (severity)

In consideration of the external environment that is rapidly evolving, we will continue to work with our stakeholders to assess key areas that the company should address through its business.
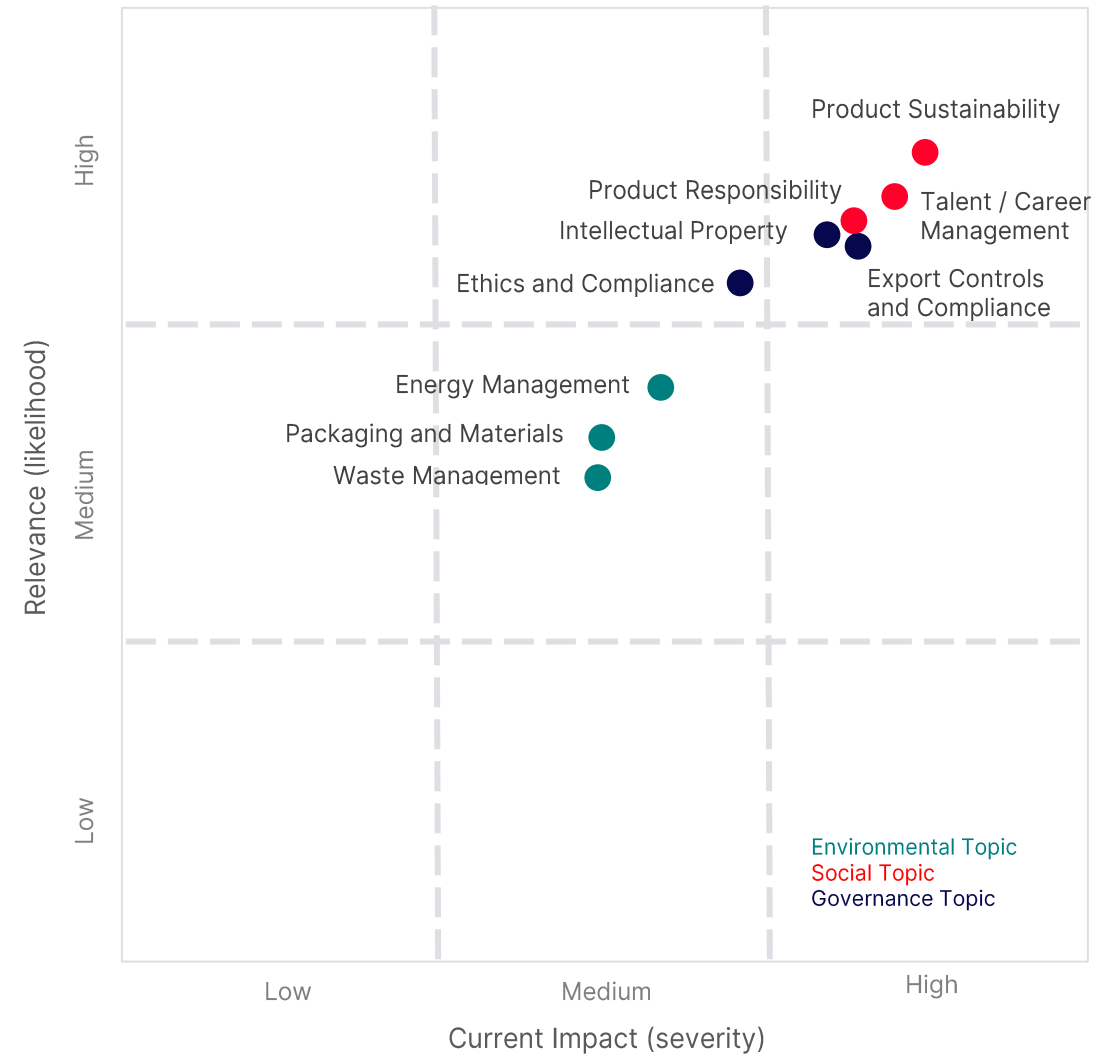
Identifying Our Material Difference

Key Topics

Environmental	INSIDE ONTO	INDUSTRY INFLUENCE	GLOBAL IMPACT
Packaging and Materials	●	●	●
Energy Management	●		●
Waste Management	●		●
Social			
Product Sustainability	●	●	
Talent / Career Management	●		
Product Responsibility		●	
Governance			
Export Controls and Compliance	●	●	
Intellectual Property	●	●	
Ethics and Compliance	●	●	

Sustainable Environment

Sustainable Environment Initiatives

Our goals are to initiate dynamic solutions to reduce greenhouse gas (GHG) emissions in our operations and to help our customers minimize their impacts by providing the most resource efficient products and services possible.

Ensuring Safe Work Environments	Maximizing Energy Efficiency and Reducing Greenhouse Gas Emissions	Designing for the Environment
Establishing environmental, health, and safety (EHS) policies and procedures, evaluating chemicals against stringent safety parameters and employing appropriate engineering controls when warranted. We are establishing a systematic approach to risk assessments and joined the Responsible Business Alliance (RBA) in 2021.	Reducing our impact on the environment by conserving energy throughout our operations and supporting renewable energy sources. During the 2022 calendar year we increased renewable energy usage to 32% in our U.S. operations far ahead of schedule of our 30% goal by 2025.	Designing safe, long-lasting, reusable or recyclable products to minimize the use of natural resources and allow our customers to create sustainable products. Environmental sustainability is considered into our product design workflow.
Reducing Waste	**Conserving Natural Resources**	**Risk Assessment and Management**
Reducing product and packaging waste through material minimization, reuse and recycling.	Minimizing our resource consumption by using recycled materials, green energy and reducing our carbon footprint. In 2022, we reduced our U.S. carbon footprint per person by 29% while we substantially increased renewable energy usage to 32%.	The purpose of risk management is to identify and evaluate the hazards and risks faced by the organization, and to responsively monitor and manage those risks. As part of our formal risk management process, we monitor potential environmental, health and safety regulatory issues. All identified risks will be addressed based on assigned risk level.

Climate Change

Our goals are to initiate dynamic solutions to reduce greenhouse gas (GHG) emissions in our operations and to help our customers minimize their impacts by providing the most resource efficient products and services possible.

Our climate change management approach:

CONSERVE	AUDIT	RENEW	PRODUCE	REDUCE	MEASURE	ADVOCATE
Implementing energy conservation measures across our facilities.	Conducting energy audits and monitoring energy consumption.	Increase rene wable energy usage.	Enhancing our product offerings to enable customers to reduce their GHG emissions.	Encouraging and enabling employees and business partners to reduce GHG emissions associated with their jobs and commutes. Encouraging virtual work when possible.	Tracking and enhancing our efforts in identification of Scope 1 (direct emissions) and Scope 2 (electricity consumption) GHG emissions annually.	Advocating for local, national and international policies that help reduce GHG emissions.

Carbon Footprint

We initiated a plan to reduce our U.S. carbon footprint by 30% by 2025 compared to our aggregated baseline established in 2020. In 2022, we reduced our U.S. carbon footprint by 29% per person versus prior year. We have now reduced our carbon footprint by over 38% versus our aggregated baseline.

CARBON FOOTPRINT PER PERSON
2017 - 2022
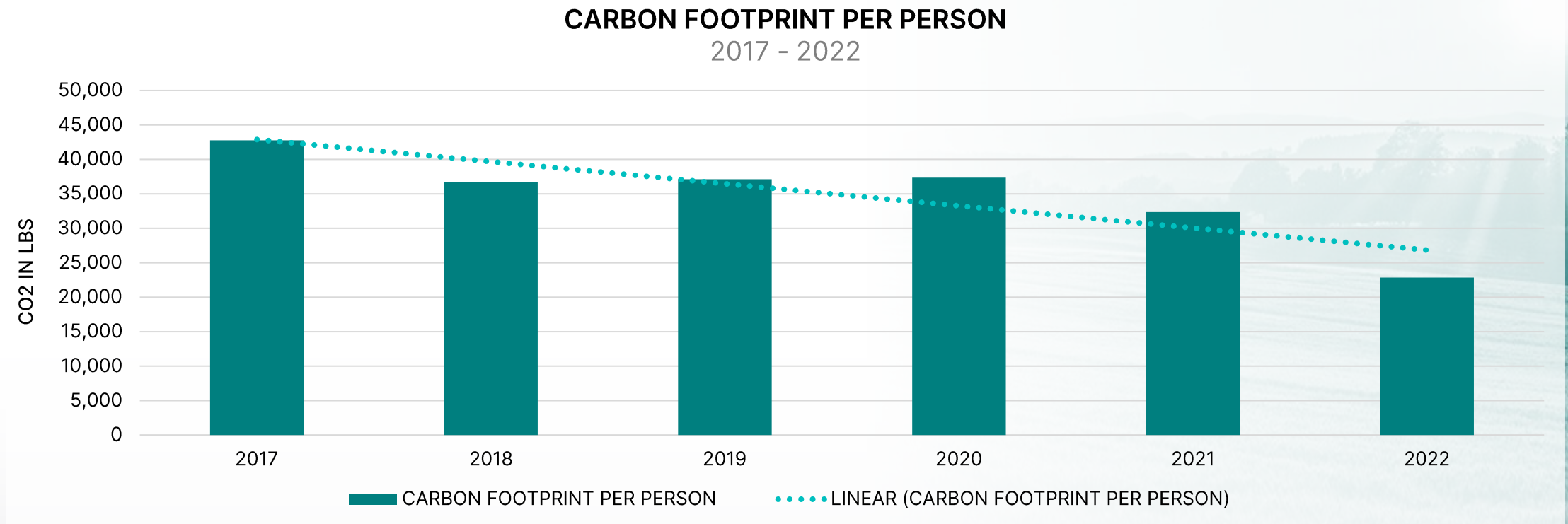
Source: EPA model utilized with other assumptions
*Actual CO2 data not available in 2020 due to remote work.
**Pandemic impacts are taken into account for 2021 calculations.

Energy and Low Carbon Design Approach

Our approach to climate change is multi-faceted. Whether designing a tool, an operating system, or a manufacturing process, we consider the environmental impact—alongside cost, durability, form, and functionality.

Our current climate change initiatives:

RENEWABLE ENERGY

Transition to renewable energy

LOW CARBON DESIGN

Transition product materials, manufacturing processes to low carbon alternatives

ENERGY EFFICIENCY

Reduce on-peak energy use

Renewable Energy & Gas Consumption

We prioritize the use of renewable energy, starting with our domestic sites. We are transitioning to 30% renewable energy by 2025 for the electricity at our offices, manufacturing, and laboratories, which will reduce facilities' emissions. In 2022, our average use of renewable energy in U.S. reached 32%.
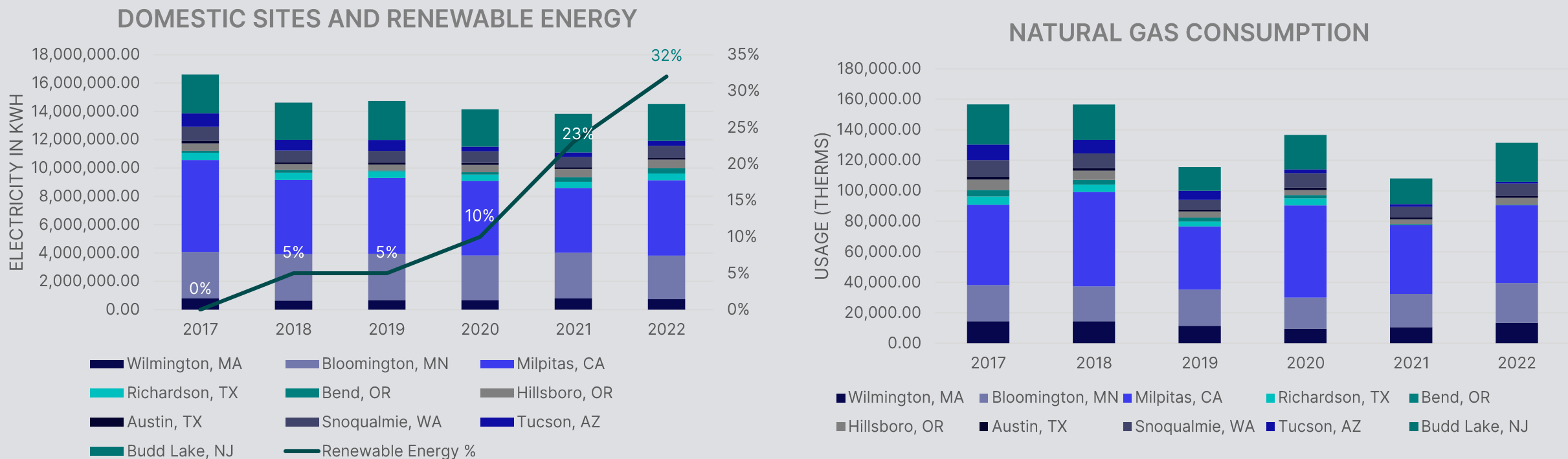
* Data source: PG&E, National Grid, CenterPoint Energy, Cascade Energy, Xcel, Reading, Pacific Power, Constellation, Jersey Central Data, etc.

Energy Conservation

Our 2025 goal is to conserve our energy beginning with manufacturing sites and reducing usage globally. We will also be managing our overall energy on-peak consumption by controlling our on-peak usage.

MANUFACTURING COMPLEX SITES
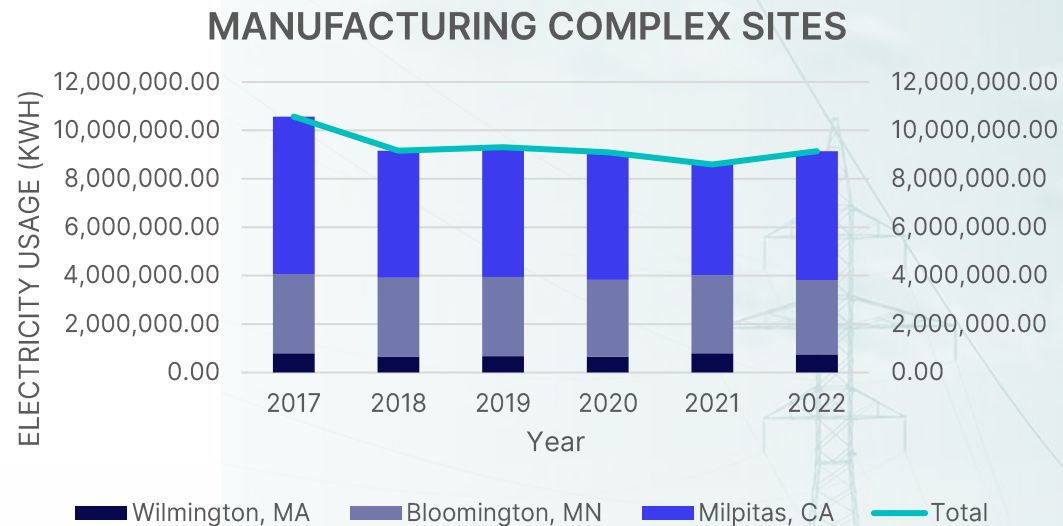
Source: PG&E, Xcel, Readings

We plan on accomplishing this through a variety of efforts:

- Routine monitoring of our energy use
- Conducting energy audits
- Optimizing utilities used in our operations
- Selecting energy efficient options whenever possible

Overall energy usage at our U.S. manufacturing sites has decreased 13% since 2017. Our goal is to reduce electrical energy usage 30% by 2025.

Water Use Reduction

Our 2025 sustainability goal is to reduce freshwater use by 30% vs the 2020 base year. In 2022, we reduced our U.S. water consumption by 55% compared to the prior year and 63% compared to the 2020 base year.
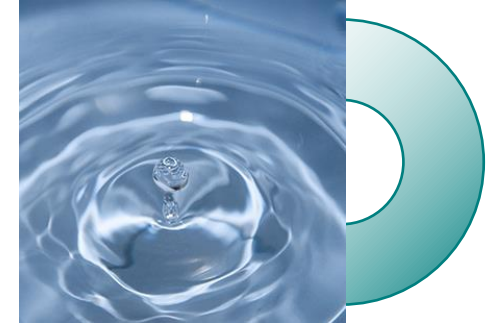
WATER USAGE BY SELECTED SITES

Legend: Wilmington, MA | Bloomington, MN | Milpitas, CA | Richardson, TX | Bend, OR | Hillsboro, OR | Austin, TX | Snoqualmie, WA | Tucson, AZ | Budd Lake, NJ
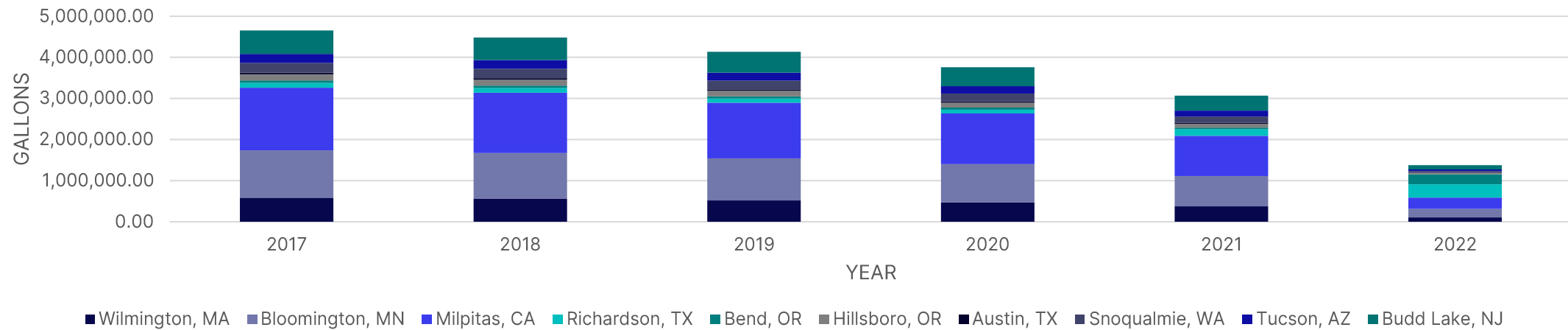
Initial steps we've taken:

- Landscaping on our major sites have been improved and/or replaced with low water usage plants, grasses and trees.
- Recycled water with a drought-resistant and sustainable water source for landscape irrigation, thus directly reducing freshwater demand

Further improvements to be implemented:

- Irrigation system control upgrades
- Low flow water fixtures for new construction and renovations
- Recycled water to be used when possible

Waste Management

Our goal is to reduce hazardous waste landfill by 30% by 2025.

Onto Innovation carefully monitors and manages hazardous and non-hazardous waste generation as a result of our operations. We report our impact and have operational programs in place to ensure that we comply with applicable laws and regulations. Solid waste at Onto Innovation's U.S. sites is segregated with the primary intention of diverting waste from landfills and other disposal sites through recycling and reuse. Hazardous waste sent to landfill was reduced from 80% in the base year 2020 to 30% in 2022, far ahead of our established goal.

We manage waste in the following ways:

- Source separation by providing appropriately-marked containers for employees to separate recyclable materials
- Composting options and offering compostable service wares
- Reducing paper waste by implementing print on demand and encouraging the use of online documentation
- Packaging redesigns to reduce the overall packaging content for shipping tools and other products
- Increasing recycled materials on our packaging
- Reusing or repurposing materials identified to have continued life or valuable use elsewhere in the business
- Capturing wood waste for recycling when crating materials are no longer useable
- Collection and recycling of the various metal and electronic waste streams
- Diverting hazardous waste away from landfill

HAZARDOUS WASTE DISPOSAL BY SITE
2019 - 2022

Legend:
- Location
- Wilmington, MA
- Bloomington, MN
- Milpitas, CA
- Richardson, TX
- Bend, OR
- Hillsboro, OR
- Austin, TX
- Snoqualmie, WA
- Tucson, AZ
- Budd Lake, NJ
- Land Filled
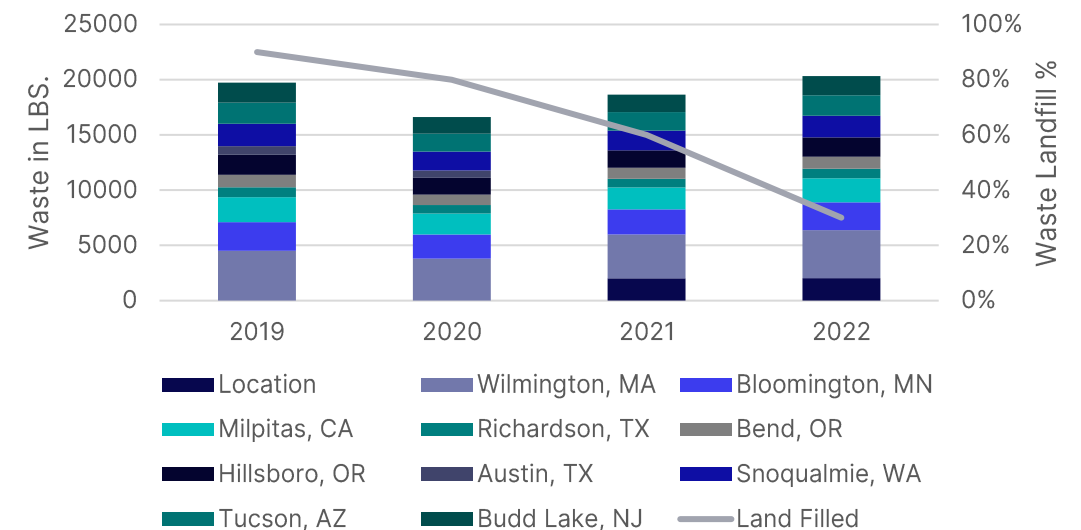
Source: CERS Data and waste vendor assumptions
Robust waste management process initiated in 2019

Packaging and Materials

Our products require proper protection during transport because they are sensitive to environmental elements, improper handling and contact with chemicals. We are committed to shipping sustainably.

Wood packaging materials (crates)

We source wood from suppliers that is harvest trees legally and from forests that are managed and replenished while maintaining biodiversity.

We prohibit the use of fumigation via methyl bromide for all wood packaging materials, since methyl bromide is toxic to humans and depletes the ozone layer.

All incoming crates are diverted from landfills by being either reused or recycled into other products.

Impact to the Environment

Onto Innovation's commitment for decreased impact to the environment:

- Reduce our carbon footprint by 30% by 2025 compared to our aggregated baseline established in 2020. In 2022, carbon footprint per person in U.S. was reduced by 38% compared to the 2020 base year.

- Increase our use of renewable energy: 30% of our energy will be purchased from renewable sources by 2025. In 2022, average renewable energy in U.S. increased to 32%.

- Reduce our on peak energy use.

- Reduce hazardous waste/materials landfills 30% by 2025. In 2022, we reduced this amount in U.S. from 80% in 2020 base year to 30%.

- Increase recycled and/or biodegradable materials in our packaging.

- Use life cycle assessments to estimate the greenhouse gas emissions associated with the different life cycle stages of our products and to help prioritize the best ways to reduce these emissions.

- Establish a breakdown of greenhouse gas emissions by life cycle phase for various Onto Innovation products.

- Identify our environmental impact through annual sustainability materiality assessments. We have established priorities and implemented initiatives.

- Reduce freshwater use 30% by 2025. In 2022, water usage in U.S. was reduced by 63% compared to the 2020 base year.
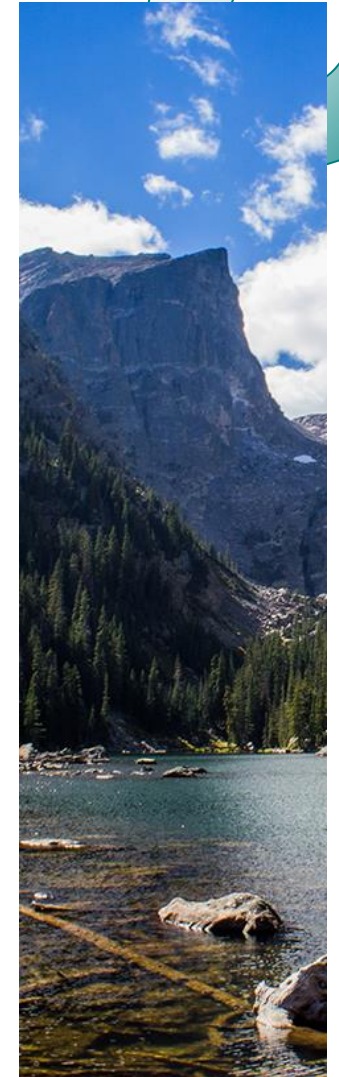
Social Programs

Employee Health and Safety

We have implemented safety programs across our organization based on our core values and corporate culture. A safe and healthy work environment not only minimizes work-related injuries and illnesses but also enhances the quality and consistency of Onto Innovation's products and services while improving employees' retention and engagement.

Our commitment to employees

Ongoing employee input and education are essential to identifying and solving health and safety opportunities in the workplace. We are committed to providing our employees with equal opportunity, fair treatment and an environment free from unlawful discrimination.

Establishing a culture of safety

Our safety culture is established through the execution of a proactive system by selecting, developing, and expecting employees to proactively recognize and manage risks, meet compliance requirements, and continually improve. Our robust health and safety policies help us meet applicable state and federal regulations such as OSHA regulations. Some of our initiatives to sustain employee health and safety include EHS training for new hires, annual re-training, safety committees, ability to report hazards through our "Report a Hazard" portal in addition to routine inspection and audit processes.

Health and safety programs

We believe in safety through awareness, responsibility, and teamwork. Therefore, we have a rigorous health and safety program that uses awareness, responsibility, risk assessment/management, and teamwork to reinforce that safety is the responsibility of every employee, contractor, customer, supplier, and visitor. We believe that all workplace injuries are preventable. With continued investment in injury prevention and education programs, we strive to achieve an incident-free workplace and ensure that our employees return home safe every day. Our Injury Illness Prevention Plan is designed to report incidents comprehensively and escalate them to managers at the appropriate level. We track all incidents and near misses.

Our calculated OSHA incident rate in 2022 was 0.42 which is below the industry average.

Employee Health and Safety

Our culture of safety is fostered by selecting, developing, and expecting employees to proactively recognize and manage risks, meet compliance requirements, and continually improve.

We aim to protect the health and safety of everyone throughout our entire operation, including in our offices, manufacturing sites, R&D labs, and our field teams working at customer sites. Through injury prevention and education programs, we strive to achieve an incident-free workplace and ensure that our employees return home safe every day.

Our rigorous health and safety program includes:
- Awareness
- Recognition and responsibility
- Risk assessment and management
- Teamwork

These measures reinforce that safety is the responsibility of every employee, contractor, customer, supplier and visitor.

We believe that all workplace injuries and safety incidents are preventable.

Our 2022 OSHA recordable injury rate was 0.42, which is less than combined industry average (2017 – 2022).

2022 ALL INCIDENTS – PARETO BY TYPE
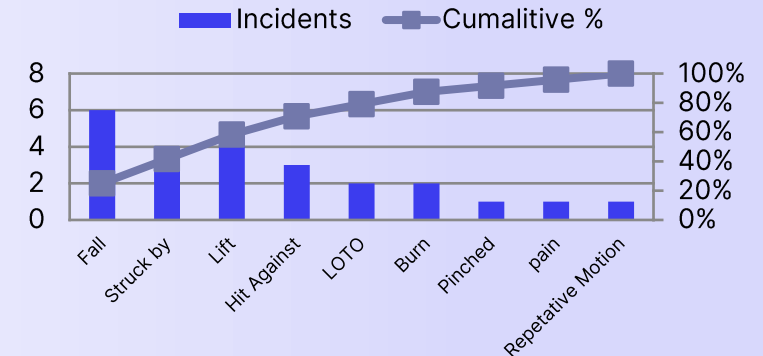
RECORDABLE INCIDENT RATE, USA
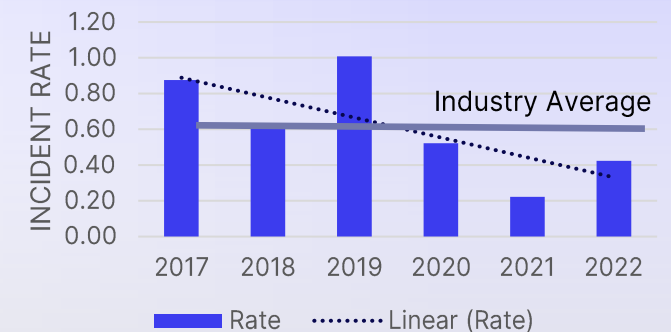
Corporate Culture

Onto Innovation team members are involved in all aspects of our business. The company's core values of Passion, Integrity, Collaboration and Results unite the team and are a common goal and foundation to everything that is done.

To ensure a mutually respectful relationship between employee and the company, Onto Innovation develops policies and practices aimed at treating all employees fairly and communicating the organization's expectations of them.

Ongoing and open communication is critical to the success of the business and Onto Innovation employees. The Company has various communication vehicles and channels to not only share updates on the business but also provide opportunities for employees to ask questions, share observations and make recommendations.

Whole-self Benefits

Career

Physical

Mental

Financial

Community

All full time Onto Innovation employees across the globe are eligible for generous benefit plans for themselves and eligible dependents. These vary across global regions and are benchmarked regularly to ensure the company is providing not only competitive but also wholistic coverages and protections. The Company pays the majority, or all, of the costs for these benefits.

Onto Innovation values the whole-self wellness of its employees. Whole-self wellness includes not only physical wellness but also nutrition, mental well being, ergonomics and financial well being. The company sponsors ongoing wellness initiatives including health and wellness education and training, wellness activities and friendly competitions.

Employee Workforce Profile

In 2022, our workforce was greater than 1,500 employees across the Americas, Europe and Asia.

The company is committed to diversity of thought and of our workforce. To continue and further achieve this, Onto Innovation has been an active participant and leader in workforce diversity programs and initiatives partnering with SEMI, McKinsey & Company as well as the Massachusetts High Technology Council.

Global Employee Gender 2022

- 17%
- 83%

■ Male ■ Female

Our gender diversity goal is to increase our global female representation to 20% of the employee population by 2025.

Regional Locations

- 4%
- 37%
- 59%

■ U.S. ■ Asia Pacific ■ Europe

Our employees are not represented by, or subject to, a collective bargaining agreement or union.

Talent and Career Management

At Onto Innovation, our employees are our strength, and their talent continues to set us apart.

In 2022, Onto conducted our third employee engagement survey. This effort is crucial to understanding our engagement success. Over 83% of Onto's employees contributed to the effort. Over 91% of Onto Team members feel their manager treats employees with respect and over 87% responded that they are comfortable discussing concerns with their managers. Overall, Onto's employees have high regard for their managers which contributes strongly to our engagement.

Also this year, Onto created our Global Mobility initiative. The focus is to promote employee development and growth opportunities across our global business. We are proud to announce that in 2022, 18% of our employees were promoted or moved laterally into new opportunities. This program exposed our team to next level challenges, new technical and business domain areas, and cross-regional opportunities.

Onto Innovation is proud of these programs, as well as a continued focus on enhanced Global Total Rewards programs. Together, these initiatives helped decrease Onto's voluntary attrition by over 10% globally in 2022.

WE SUCCEED, GROW AND PROSPER TOGETHER AS A TEAM.

Giving

To maximize the impact of employee charitable giving, we provide matching funds to the charitable organizations employees personally support.

Our Contributions

The Onto Innovation team has contributed to 140 various non-profit organizations. Our company match program has doubled these gifts to further reinforce their impact and reach. In 2022, our total contribution was $118,000 including matching funds.

EMPLOYEE MATCHING FOCUS

7%

24%

1%

68%

- Education
- Community
- Wellness
- Environment
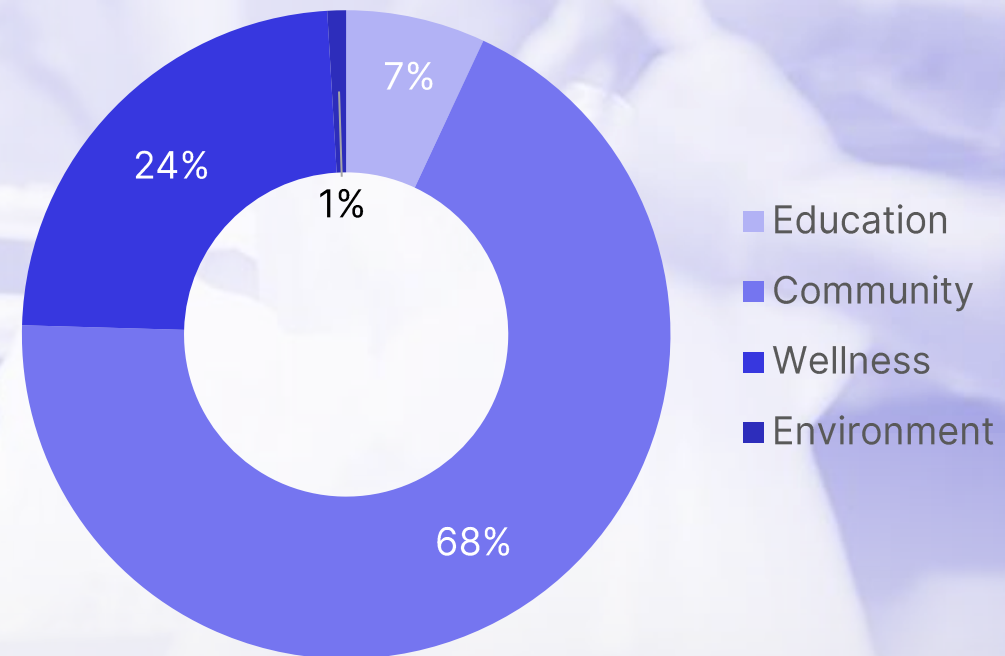
Human Rights

As a global company, we are committed to enhancing the well-being of people and communities around the world.

Our Employees

Our employees' human rights are respected across our global operations, and we are committed to abiding by the international human rights standards defined by the United Nations Global Compact and the Universal Declaration of Human Rights. We aspire to create an inclusive and respectful work environment; one in which employees recognize each other's worth and dignity.

Our Community

As an employer and a corporate citizen, we are aware of our role in the communities in which we operate. We believe in respecting human rights of world and local communities, and we respect the rights of local communities and those who live and work there consistent with international human rights standards. We strive to create positive impacts on adjacent communities through local engagement and charitable programs.

Community Involvement

Ten employee-driven teams have been very active since 2021 across the globe to identify and lead initiatives for the local community and the environment.

Sample of RISE Team initiatives in 2022:

Tree Planting in Hillsboro, Oregon	Park Cleaning in Korea	Holiday Toy Drive in Bloomington, Minnesota	Flower Farming in Korea	Fish Rescue in Bend, Oregon
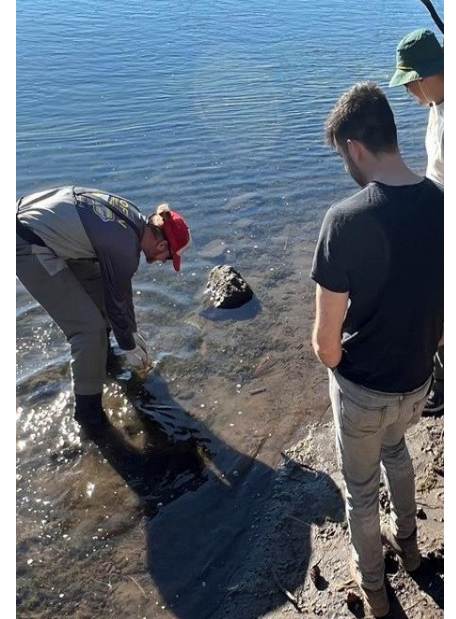
Ethics and Compliance

Fair Labor Practices	Against Child Labor	Against Forced Labor and Anti-Human Trafficking	Non-Discrimination and Anti-Harassment	Protecting Privacy
All employment must be in full compliance with all applicable laws and regulations, including those concerning hours, compensation, opportunity, and working conditions. We respect each employee's right to make an informed decision, free of coercion, about membership in associations.	We support, follow, and comply with child labor laws across our operations and value chain. Our approach is consistent with the ILO labor standards outlined in ILO Conventions No. 138 and 182.	We do not accept or condone any aspect of forced or compulsory labor. We strictly prohibit our employees, suppliers and other business partners from engaging in human trafficking-related activities.	We base employment decisions on merit, considering qualifications, skills and achievements. We do not tolerate discrimination or harassment, and our Harassment- and Bullying-Free Workplace Policy further outlines our expectations.	We are committed to protecting the privacy of those who entrust us with their personal information, including our customers, consumers, website visitors, employees and all those who do business with us. Whenever possible, we explain how personal information can be corrected, updated or deleted. We keep personal information secure.

Export Controls and Compliance

As a supplier to the global semiconductor manufacturing community, Onto Innovation exports systems and related components to our customers around the world.

By its very nature, this results in our company being subject to the array of regulations which directly impact the export of our tools. At Onto Innovation, our management is committed to ensuring compliance with these laws, and as a result, the company has established processes, procedures and audits to safeguard against possible violations.

How we manage export controls and compliance:

We actively review the classification and licensing status of our equipment and related parts.

We maintain appropriate records and assess potential risks within our processes to drive compliance within this vital functional area.

Management of the Legal and Regulatory Environment

We believe that managing and promoting an ethical and fully compliant legal and regulatory environment is an integral part of our business operations, which ultimately benefits our company, our people and our society.

To this end, Onto Innovation complies with all applicable laws and regulations pertaining to the protection and safety of our employees and of the environment in which we operate. The Company's senior management and EHS team play a leading role in this regard, but responsibility for EHS compliance lies with all employees. Onto Innovation's EHS policies and training materials are readily available to all employees and are posted on our intranet site.

A chain of command for the resolution of EHS issues has been established, as follows:

Sr. Director, EHS → Senior Vice President, Global HR → Chief Executive Officer → Board of Directors

It is a stated goal of the Onto Innovation board to stay current on trends, legislation and key shareholder requirements pertaining to social responsibility matters, environmental sustainability and good corporate governance practices. We have established a cross-functional ESG executive leadership team that is responsible for proposing goals, developing and executing strategy, and embedding ESG into our operations management. This ESG leadership team provides regular updates to the Board and engages them to discuss ESG strategy, gain alignment on goals, and report on progress. Our Board is actively engaged in the Company's ESG oversight and has primary responsibility for our ESG priorities. Board committees provide further guidance and oversight on relevant ESG topics including the Compensation Committee on human capital management, the Audit Committee on information security and the Nominating & Governance Committee on ethics compliance.

Supply Chain Management

Onto Innovation's hardware systems start with our suppliers' products. When they do well, we do well. It follows naturally that we are committed to working with them to ensure their continued viability, which in turn reduces risks in the material that we obtain. For this report, we focus on direct suppliers. They fall into three categories: companies that provide high technology commercial products; manufacturers that assemble according to our specifications; and manufacturers that provide custom designed components.

Given the limited number of companies that produce our highly specialized parts and components, we pay special attention to the creation of lasting relationships with our suppliers. Our partnerships help us by reducing industry volatility and facilitating the development of current and future technology. As an example, we have worked with 25 of our top 30 suppliers for over 10 years.

All new suppliers are required to undergo screening and verification, which includes a questionnaire on their social impacts and governance. Our current questionnaire is designed to identify enterprises owned by women, veterans, and minorities, as well as small businesses, in support for these specific groups. In addition, we conduct onsite audits for critical suppliers looking deeper into their process and quality controls, management accountability, and compliance with environmental and social regulations. One of our goals is to promote the local economy. Currently, U.S. suppliers represent about 76% of our annual spend.

Product Responsibility

Product Responsibility Overview

We take very seriously the entire life cycle of a product – from product development to the raw materials used, commercial (third-party) components, production, and life extensions.

Design for Sustainability	Raw Materials	Suppliers	Manufacturing	Useful Life	Life Extensions	Trade-In Recycle
Onto Innovation practices both R&D life cycle as well as product life cycle concepts. Our R&D design for sustainability includes: systems; sub-systems; purchased components; and raw materials.	Our materials comply with applicable global standards. Onto Innovation utilizes Responsible Minerals Initiatives (RMI) to address issues related to the responsible sourcing of minerals in our supply chains.	Onto Innovation utilizes RBA's Code of Conduct standards to ensure that: working conditions in our facilities are a key component; our supply chains are safe; workers are treated with respect and dignity; and business operations are environmentally responsible and conducted ethically.	Onto Innovation collaborates with its customers around the globe to deliver comprehensive, state-of-the-art inspection, measurement, data analysis and lithography solutions for semiconductor manufacturing and advanced packaging processes that accelerate product and process development, increase yields and reduce costs to enable its customers to be first-to-market with premium products at premium prices.	The actual average lifetime of tools in the field is greater than 10 years, with over 1,200 units remaining operational for 20 years or more. Onto Innovation enables these extended lifetimes with refurbishment and upgrades.	Technology upgrades allow customers to access new, smaller design nodes without new equipment purchases, reducing materials impact and cost of ownership. Productivity upgrades have the same effect by increasing tool throughput or uptime, to reduce the total number of tools and utilities needed.	Tool upgrades improve tool availability by 1.1%. At a typical throughput of 107 wph and $2K per wafer, this can generate an additional $20.5M in revenue per year for a customer. Onto Innovation recycles materials such as aluminum, steel, copper, polycarbonate, PTFE, PVC, polyurethane that are used as part of the tool manufacturing process.

Designed for Sustainability

Initial Idea → Concept and Feasibility → Proof of Principle → Develop / Sustainability Alpha/Beta → Execute and Testing

R&D LIFE CYCLE

Launch

PRODUCT LIFE CYCLE

Lessons Learned — Product Recycle ← Product Usage & Service ← Manufacturing ← Suppliers ← Raw Materials / Sustainability ← Scale up
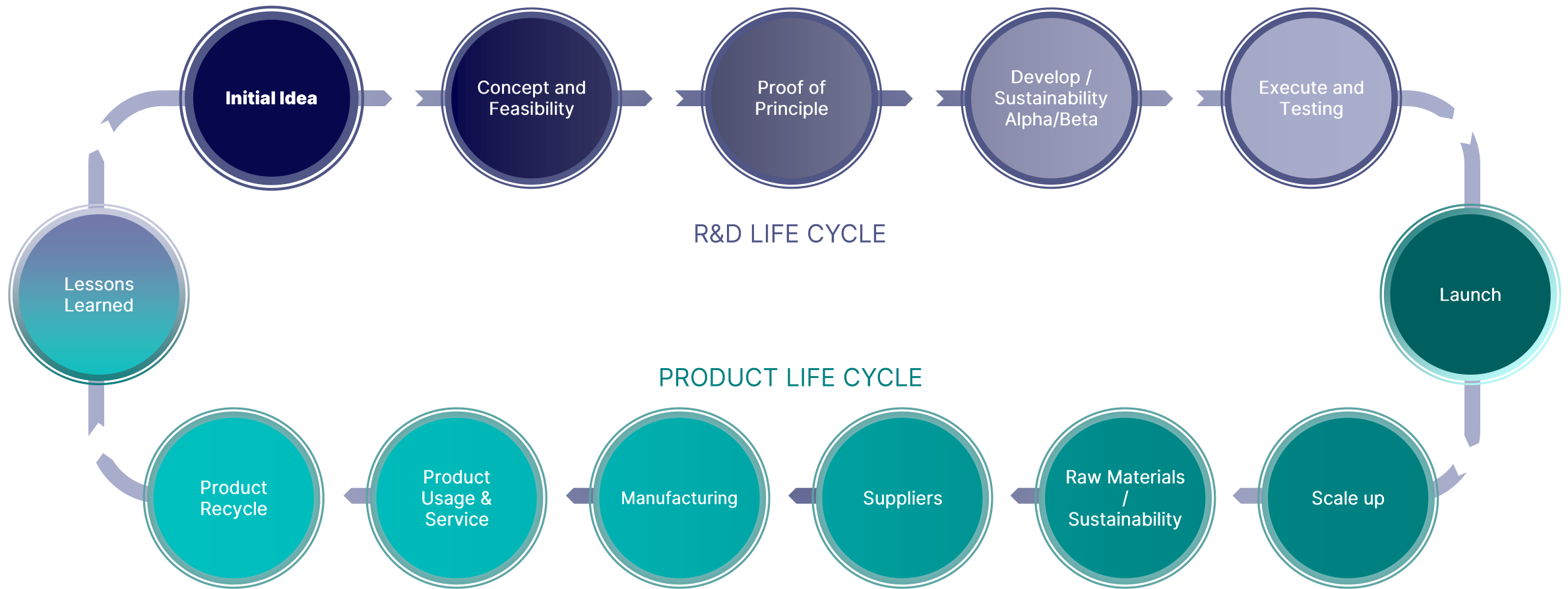
Raw Materials

RoHS

Our products are currently exempted from RoHS compliance per the Large Stationary Industrial Tools (LSIT) exception. Nevertheless, Onto Innovation does meet RoHS requirements on a best-efforts basis.

REACH

Onto Innovation products and product packaging sold in or delivered in the European Economic Area (EEA) do not contain substances of very high concern (SVHC) from the REACH Candidate List in a concentration above 0.1 percent weight by weight (w/w), based upon the Company's best knowledge.

RBA

Onto Innovation is committed to sourcing conflict-free materials and we have asked our suppliers to join us in this commitment. As part of our commitment, we have joined the Responsible Business Alliance (RBA) and adopted its Code of Conduct. Onto Innovation also requires our next tier suppliers to acknowledge and implement the RBA Code.

Product Safety and Quality

Onto Innovation collaborates with its customers around the globe to develop innovative, data-driven solutions that increase the yield and profitability of their microelectronics and display manufacturing operations.

Onto Innovation collaborates with its customers around the globe to develop innovative, data-driven solutions that increase the yield and profitability of their microelectronics and display manufacturing operations. Onto Innovation's comprehensive, state-of-the-art measurement, inspection, data analysis and lithography solutions for semiconductor manufacturing and advanced packaging processes accelerate product and process development, increase yields and reduce costs to enable its customers to be first-to-market with premium products at premium prices. Onto Innovation emphasizes the need to consider safety during the product design process, rapidly investigate and solve product safety issues that occur on our equipment and continuously improve product safety performance.

Onto Innovation products are designed with the safety of the end-user in mind, according to applicable regulatory and industry standards such as SEMI S2/S8 and CE. With a global base of customers, we are mindful to comply with standards in regions where our customers are based.

We combine the scale of a global leader with an expanded portfolio of leading-edge technologies that include: unpatterned wafer quality; 3D metrology spanning the chip from nanometer-scale transistors to micron-level die-interconnects; macro defect inspection of wafers and packages; metal interconnect composition; factory analytics; and lithography for advanced semiconductor packaging. The breadth of this portfolio allows us to collaborate with customers about their process yields and process variations from bare silicon wafers through the wafer fab to the final back-end packaging. Onto Innovation's software brings understanding of how individual processes affect the overall product, enabling customers to improve product quality and reliability. We are committed to earning and maintaining the trust of our customers by always meeting their expectations and requirements. We pursue customer satisfaction through three key strategies: the use of problem solving tools such as the 8D methodology, a culture of continual improvement, and close customer engagement.

Onto customers can count on us for a seamless user experience. We are dedicated to addressing customer feedback and responding to incidents expeditiously. Whenever a safety incident is reported for a particular system, we share mitigation measures or solutions with other customers who have purchased the same system to prevent the recurrence of similar problems.

Our Milpitas, CA, Bloomington, MN, Wilmington, MA, Budd Lake, NJ, and Snoqualmie, WA locations are ISO 9001:2015 certified, a testament to our commitment to continually improve Onto products, services and processes.

Upgrades and Reuse

With over 9,500 operational units in our installed base, support for these tools to extend their lifetimes greatly reduces the environmental impact of our customers' operations.

We design systems for an expected design lifetime of 10 years for typical customer usage.

Actual average lifetime of tools in the field is over 10 years.

Over 1,200 operational units at customer sites for 20 years or greater.

We enable these extended lifetimes with refurbishment and upgrades.

Refurbishment

For manufacturers with non leading-edge node applications, e.g. sensors, IOT devices, power and analog devices, this enables economical production and reduces the environmental impact of a new tool build. These refurbished systems will also use repaired or refurbished parts as appropriate to further reduce material consumption and customers' cost of ownership.

Upgrades

• Technology upgrades allow customers to access new, smaller design nodes without new equipment purchases, reducing materials impact and cost of ownership.

• Productivity upgrades have the same effect by increasing tool throughput or uptime, to reduce the total number of tools needed.

Information Security

We rely heavily on information technology systems in all aspects of our operations, and data security plays an integral role in the protection of our proprietary information and that of our customers and suppliers. For these reasons, we take a number of steps to protect Onto Innovation's information technology systems from internal and external cybersecurity threats.

Our Cyber Security Council (CSC), which is made up of members of the management team, has oversight responsibility for the Company's information security and our information technology (IT) department's actions to identify, assess, mitigate, and remediate cybersecurity risks. The CSC receives quarterly reports from our vice president of IT on the Company's cybersecurity risk profile and cybersecurity program and reports to the board's audit committee on at least a quarterly basis. The CSC annually reviews and recommends the Company's information security policy and information security program to the board for approval.

Our vice president of IT manages our information security team, which implements our information security program by monitoring and running multiple layers of information security defense mechanisms to identify threats before they infiltrate our systems. Onto Innovation has not experienced any material cybersecurity incidents since its inception in 2020.

Our individual employees also play an important role in our information security systems. All employees are required to familiarize themselves with the company's information security policies and, at least annually, employees are required to participate in an information security training program, which is designed to help employees identify potential threats and train them on how to respond. Throughout the year, the information security department conducts phishing campaigns and other simulation hacking attacks with employees as a way of reminding them of their security obligations and ensuring that our SETA (security education and training awareness) has been effective.

To ensure that we're following best practices, we've also had our information security systems audited and certified. We are ISO 27001 certified for information security and undergo a regular audit each year to maintain our certification. To further protect our information and the information we steward, we also maintain a cybersecurity insurance policy.

Protecting Intellectual Property and Information

Onto Innovation's success depends to a great degree upon innovation, technological expertise and our ability to adapt our products to new technology. As a result, we have a policy of protecting our confidential information and other intellectual property as part of our ongoing research, development, and manufacturing activities. We also recognize the importance of intellectual property rights to our suppliers and customers and therefore strive to recognize and respect their intellectual property by treating it the same way that we treat ours.

Onto Innovation's efforts to protect intellectual property include:

- Requiring all employees to sign a confidentiality agreement that includes provisions to protect the intellectual property and confidential information they may receive while performing their responsibilities, including that from customers and suppliers;

- Ongoing employee training to assure awareness of the requirements to recognize and protect confidential information;

- Protecting our intellectual property rights under patent, trade secret, copyright, and trademark laws; and

- Negotiating non-disclosure agreements and other contractual confidentiality terms with counterparties with whom we share confidential information.

GRI Standard		General Disclosures	Section of Report and / or Explanation for Omission	Page
		Organizational Profile		
GRI 102: General Disclosures 2016	102-1	Name of the organization	Introduction	3
	102-2	Activities, brands, products, and services	About Onto Innovation	6
	102-3	Location of headquarters	About Onto Innovation	6
	102-4	Location of operations	About Onto Innovation	6
	102-5	Ownership and legal form	About Onto Innovation	6
	102-6	Markets served	Key Market Served	8
	102-7	Scale of the organization	Key Market Served	8
	102-8	Information on employees and other workers	Employee Workforce Profile	32
	102-9	Supply chain	Supply Chain Management	40
	102-10	Significant changes to the organization and its supply chain	Introduction	3
	102-11	Precautionary Principle or Approach	About Onto Innovation	6
	102-12	External Initiatives	Stakeholder Engagement	14
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	102-18	Governance Structure	Corporate Governance	9-13
	Stakeholder Engagement			
	102-40	List of stakeholder groups	Stakeholder Engagement	14
	102-41	Collective bargaining agreements	Employee Workforce Profile	32
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	14
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	14
	102-44	Key topics and concerns raised	Stakeholder Engagement	14

GRI Standard	General Disclosures		Section of Report and / or Explanation for Omission	Page
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	102-46	Defining report content and topic Boundaries	Materiality Assessment	15
	102-47	List of material topics	Key Topics	16
	102-48	Restatements of information	Introduction	3
	102-49	Changes in reporting	Introduction	3
	102-50	Reporting period	Introduction	3
	102-51	Date of most recent report	2022	3
	102-52	Reporting cycle	Annually	3
	102-53	Contact point for questions regarding the report	Introduction	3
	102-54	Claims of reporting in accordance with the GRI Standards	Introduction	3
	102-55	GRI content index	GRI Content Index	49 – 55
	102-56	External assurance	Onto Innovation has not sought external assurance for this Sustainability Report	3

GRI Standard	Environmental Disclosures		Section of Report and / or Explanation for Omission	Page
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GRI 302: Energy 2016	302-1	Energy consumption within the organization	Renewable Energy	22
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GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Carbon Footprint	20
	305-4	GHG emissions intensity	Carbon Footprint	20
	Water & Effluents			
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	103-2	The management approach and its components	Water Reduction	24
	103-3	Evaluation of the management approach	Water Reduction	24
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	Effluents & Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Waste Management	25
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GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Employee Health and Safety	30
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	Environmental Compliance			
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GRI 307: Environmental 2016	307-1	Non-compliance with environmental laws and regulations	Management of Legal & Regulatory Environment	37
	Supplier Social Assessment			
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GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management	40

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	103-2	The management approach and its components	Raw Materials	44
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GRI 301: Materials 2016	301-3	Reclaimed products and their packaging materials	Raw Materials	44
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Quality & Safety	45
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GRI 416: Customer Health & Safety 2016	416-1	Assessment of health & safety impacts of products & service categories	Product Quality & Safety	45
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Upgrades and Reuse	46
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	103-3	Evaluation of the management approach	Information Security	47
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Environmental Social Governance Report

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