

ASML

Green Bond Framework

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Sustainability at ASML

Sustainability Strategy

At ASML, we aim to make positive contributions to a digital and sustainable future. We want to do more to become a leader in sustainability, using our innovation strengths to get there.

We believe digital technologies are the cornerstone of a sustainable society. Enabled by microchips, they form the heart of tools and solutions that can help society make progress and address global challenges, such as tackling climate change by reducing energy consumption and greenhouse gas (GHG) emissions.

We want to ensure sustainable impact while providing the best value for our stakeholders today and in the future as well as contribute to the United Nations Sustainable Development Goals (SDGs). Staying focused on what matters for our business and stakeholders, is the cornerstone of our strategy. Through our sustainability strategy we advance our corporate responsibility to create long-term value for our stakeholders

For more than a decade, we have been committed to sustainability through multifaceted sustainability programs. The evolution of our company and the increasing expectations on environmental, social and governance (ESG) aspects of sustainability have made us re-assess our sustainability strategy in 2021. We have used the outcome of the materiality assessment to reshape and reformulate our long-term sustainability ambition and targets for 2025 and beyond to strengthen the correlation between our stakeholder expectations and our sustainability strategies.

We are stepping up our focus on ESG sustainability, which we have expanded from five focus areas to a nine part strategy aimed at contributing to the United Nations’ SDGs.

Building on our achievements so far, we have increased our environmental ambitions. Our climate goal is to strive toward zero waste disposal to landfill by 2030 and net zero value chain emissions by 2040, focusing on our manufacturing and buildings, business travel and commuting, and on our supply chain and product use.



Environment – Our Carbon Footprint Strategy

At ASML, we’re committed to reducing our carbon footprint. In terms of carbon footprint, we identify three impact areas: the direct emissions from fossil fuels (scope 1) used on our premises, the indirect emissions from the electricity consumption (scope 2) on our premises, and the indirect emissions in our value chain (scope 3) from upstream supply chain and downstream use of our products by customers.

In our carbon footprint strategy, we have determined our ambition and set targets in all three areas.

Our scope 1 and 2 carbon footprint strategy is built on three principles: reducing energy consumption wherever

we can, using only green renewable energy, unless no other solution is possible or reasonably feasible, and compensating for the residual emissions. We are taking direct responsibility over the CO2 emissions from our own operations (scope 1 and 2), for which we aim to achieve net zero CO2 emissions by 2025.

We do this by, among other things, executing the more than 25 projects we have defined in our master plan aimed at direct energy saving of 100 TJ (or 2.5 kt). Over the 2010–2021 timeframe, we executed nearly 100 energy-saving projects that have resulted in a cumulative reduction of over 260 TJ. Over the same period, our natural gas consumption remained stable, despite significant growth in the number of clean rooms and offices (over 10,000 m² added since 2010).

As we grow as a company, we strive to optimize our real estate portfolio. Optimizing the use of every square meter in our portfolio contributes to reducing our environmental footprint – each square meter saved is a square meter we don't need to heat, cool, ventilate or light up. When building new offices and manufacturing sites, we take the opportunity to make our buildings as environmentally sound as possible. With an eye on future growth, for example, our new campus in Veldhoven, the Netherlands, is designed with a strong sustainability focus. Its design and use of materials will be assessed on sustainability performance using BREEAM guidelines with score of 'excellent'. For 2025, we strive to implement the most suitable green building certifications in new constructions – such as BREEAM, LEED and G-SEED – in the countries where we operate.

We recognize that environmental impact goes beyond our operations. Through close collaboration with our tier-1 suppliers we aim to achieve net zero emissions in our supply chain by 2030. In addition, through industry collaboration on a joint roadmap, we strive toward net zero emissions for our products' use at our customers (scope 3) by 2040.

Social

As a multinational technology company, we impact many people's lives, both directly and indirectly. Driven by our values and commitment to corporate responsibility, we want to have a positive role in society – for our employees, the communities around us, and everyone involved in our innovation ecosystem and supply chain. We aim to provide the best possible employee experience, wanting the talent we need to choose to work for us and want to stay with us for the long run. We foster a culture where different identities, backgrounds, talents and passions are valued and celebrated, and we enable our leadership to bring out the best in people – leading through trust, empowerment and accountability. We also play an active role in the communities around us. We aim to be a valued and trusted partner, improving the quality of life for all, with a special focus on people in underserved communities. We strengthen innovation and nurture young entrepreneurship in our industry and innovation ecosystem. We collaborate closely with our customers and partners in our value chain to help them achieve their goals and realize new technology and applications. We strive to meet industry social, ethical and environmental standards, and we require our suppliers to meet them as well.

Governance

With the growth of the company, organizational structures have become more complex. We champion good, integrated corporate governance, of which independence, accountability and transparency are the most significant elements. These are also the elements on which a relationship of trust, respect and mutual benefit between us and our stakeholders – shareholders, customers, suppliers, employees and society – can be built. Continuous stakeholder engagement, in which we embrace open dialogue and knowledge-sharing through various channels and at a variety of levels, is important in our innovation-driven industry and helps us to identify areas of improvement. To achieve our ambitions within the timeframe set, we focus on strengthening our organization's governance structure to ensure that each project on our ESG sustainability roadmap is embedded in operational business plans and is best-equipped to meet its targets.

Green Bond Framework

Rationale for Green Financing

We are committed to sustainability and through our ESG Sustainability strategy, we aim to advance sustainability activities in all areas of the business. The net proceeds of the bond issued under this Green Bond Framework, will be used to finance existing or new sustainable real estate buildings, owned by ASML, that meet the Eligibility Criteria. We believe that these real estate projects support our ESG Sustainability Strategy and contribute to the UN SDGs.

Through the setup of a Green Bond program, we want to contribute to the financing of the transition toward carbon neutral operations, and broaden our investor base to reach further like-minded investors.

Basis of this Framework

ASML has established this Green Bond Framework as an overarching platform under which the company intends to issue Green Bonds to finance and/or refinance green projects with a positive environmental benefit.

This Green Bond Framework is based on the International Capital Markets Association (“ICMA”) Green Bond Principles (“GBP”), 2021 version¹.

The Green Bond Framework has four core components:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

This Green Bond Framework also follows the recommendation of the GBP regarding External Review.

This Framework may be further revised or updated to remain consistent with changes in corporate strategy, market or regulatory developments on a best effort basis. This Framework will apply to any Green Bonds issued by ASML and will be in force as long as any Green Bonds are outstanding.

Use of Proceeds

An amount equal to the net proceeds of ASML’s Green Bonds will be used to finance and/or refinance, in whole or in part, new or existing commercial real estate projects (“Eligible Green Projects”) as defined below.

Eligible Green Projects may consist of capital expenditures and asset values. Capital expenditures qualify for refinancing with a maximum three-year look-back period. Asset values qualify for refinancing without a specific lookback period.

¹ To be found [here](#)

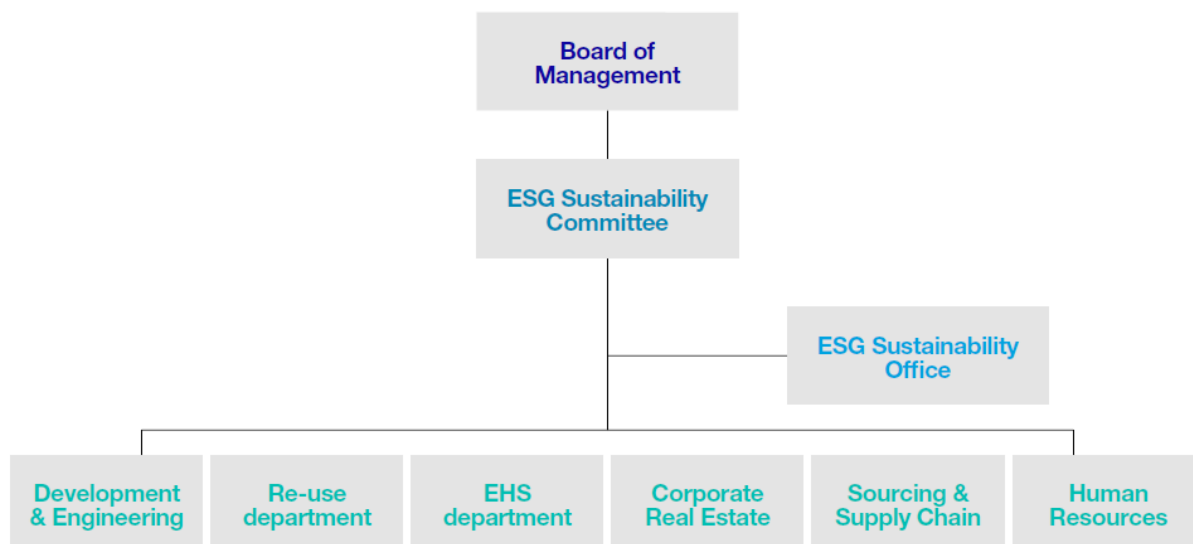
GBP Category	Eligibility Criteria	Contribution to UN SDG	EU Economic Activity and EU Environmental Objective
<p>Green Buildings</p>	<p>Acquisition, Construction, Development, Management and Refurbishments of:</p> <ul style="list-style-type: none"> - Buildings that have or are expected to receive: <ul style="list-style-type: none"> - BREEAM "Very Good" or above certification - LEED "Gold" or above certification - G-SEED - Buildings built before 31st December 2020 with an EPC label ≥ "A" - Buildings built before 31st December 2020 belonging to the top 15% of the national or regional building stock expressed as operational primary energy demand (PED) - Buildings built after 31st December 2020 with energy performance at least 10% lower than the threshold set for Nearly Zero-Energy Building (NZEB) regulation - Buildings that have been refurbished resulting in a reduction of primary energy demand (PED) of at least 30% in comparison to the baseline performance - Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulation 	  	<p>EU Economic Activities:</p> <ul style="list-style-type: none"> - Construction of new buildings (7.1) - Renovation of existing buildings (7.3) - Acquisition and ownership of buildings (7.7) <p>Contribution to EU Environmental Objective: Substantial Contribution to Climate Change Mitigation</p>

Process for Project Evaluation and Selection

ASML manages ESG sustainability through a robust framework, governed by several levels to drive accountability and execution, which include Board of Management, ESG Sustainability committee, ESG Sustainability office, topic specific action owners and experts.

The Board of Management approves and signs off our ESG Sustainability strategy. They are responsible for policymaking and the supervision of ASML's ESG Sustainability Strategy, as well as its compliance with legal and reporting requirements. This includes addressing the principal risks and opportunities related to the strategy. The Board of Management meets regularly to give guidance on relevant issues, including climate related risks and opportunities.

The ESG Sustainability Committee ("ESG SC") comprises members of the Board of Management and senior management executives and is headed by our CEO and COO. The ESG SC aims to optimize coordination and alignment at companywide level. The ESG SC gives guidance on relevant issues, including climate related risks and opportunities.



The ESG SC has delegated the responsibilities regarding this green bond framework to a Green Bond workgroup, to oversee the implementation and execution of the Green Bond framework and related financing transactions, including the allocation of financing proceeds and selection of relevant assets/capital expenditures. It will be comprised of the Vice President of Corporate Real Estate, the Vice President of Treasury and Director of ESG Sustainability Strategy. Our Corporate Real Estate team/experts together with the ESG Sustainability Strategy experts, will recommend the allocation of eligible projects for approval by the workgroup. The workgroup will meet at least once a year. Any additional meetings will be scheduled as needed.

The Green Bond workgroup is, responsible for:

- Reviewing the content of ASML’s Green Bond Framework and updating it to reflect any changes in corporate strategy, market or regulatory developments on a best effort basis;
- Excluding projects that no longer comply with the Eligibility Criteria as set out in the Use of Proceeds section or have been disposed of and replacing them on a best efforts basis;
- Taking into account that the environmental and social risks potentially associated with the Eligible Green Projects are properly mitigated via the due diligence processes conducted by ASML, and comply with official national and international environmental and social standards, local laws and regulations, on a best effort basis;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements;
- Reporting transparently on project-related controversies, if any, on a best effort basis;
- Liaising with relevant business segments and other stakeholders on the above.

ASML established a clear decision-making process to determine the eligibility of the selected Eligible Green Projects, in accordance with the description of the eligibility criteria mentioned above.

Sustainability Policies

ASML’s sustainability policy outlines the company’s ESG commitment and the long-term vision and ambition. Below some examples of relevant codes and policies from ASML:

- ASML Sustainability Policy²

² To be found [here](#)

- Code of Conduct³
- Business Ethics and Human Rights⁴

Management of Proceeds

The net proceeds of the Green Bonds issued under this Framework will be managed by ASML using a portfolio approach.

ASML will allocate an amount equal to the net proceeds from the Green Bonds to an Eligible Green Project Portfolio that meets the Use of Proceeds eligibility criteria and is in accordance with the Project Evaluation and Selection process presented above.

ASML will strive, over time, to achieve a level of allocation to the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Bonds.

ASML intends, to the best of its abilities, to fully allocate the proceeds within 36 months after the issuance date of each Green Bond. Pending the allocation to the Eligible Green Projects, unallocated proceeds may be invested in any other treasury instruments.

Reporting

ASML will undertake and publish annual reporting on the allocation and impact of the portfolio of Eligible Green Projects. This reporting will start within one year after the first issuance of the Green Bonds, to be renewed annually until full allocation or in case of any material change. This reporting will be made publicly available on ASML's website.

ASML intends to report on an aggregated basis for all of the ASML Green Bonds outstanding.

ASML intends to align its impact reporting with the ICMA Handbook for 'Harmonized Framework for Impact Reporting', June 2021 version⁵.


Allocation Reporting

The allocation report may provide indicators such as:

- The total amount of ASML Green Bonds outstanding
- The amount of proceeds allocated to Eligible Green Projects
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- The geographical distribution of the projects

Impact Reporting



The impact report may provide indicators such as:

GBP Category	UN SDG	Potential Impact Indicators
Green Buildings		<ul style="list-style-type: none"> - Level of certification by property - Estimated annual GHG emissions reduced/avoided (t CO2 eq p.a.) - Estimated annual energy savings (MWh p.a.)

³ To be found [here](#)

⁴ To be found [here](#)

⁵ To be found [here](#)

	 	<ul style="list-style-type: none"> - Estimated ex-ante annual energy consumption in KWh/m2
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External Review

Second Party Opinion (Pre-issuance)

ISS ESG reviewed the alignment of ASML's Green Bond Framework with ICMA's 2021 Green Bond Principles. ISS ESG provided a Second Party Opinion (SPO).

Verification (Post-issuance)

ASML may request, a limited assurance report of the allocation of the Green Bonds proceeds to Eligible Green Projects, provided by an external independent third party.

Disclaimer

The information and opinions contained in this green bond framework (the **Green Bond Framework**) are provided as of the date of this Green Bond Framework and are subject to change without notice. This Green Bond Framework has been prepared and issued by ASML Holding N.V. (**ASML**) and is intended to provide non-exhaustive, general information. This Green Bond Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by ASML and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ASML as to the fairness, accuracy, reasonableness or completeness of such information. This Green Bond Framework represents current ASML policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

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In particular no assurance is given by ASML that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws, investment policy or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses which are the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

No assurance or representation is given by ASML as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third parties (whether or not solicited by ASML) which may be made available in connection with the issue and offering of any Green Bonds and in particular with the extent to which Eligible Green Projects may fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Green Bond Framework. Any such opinion or certification is not, nor should be deemed to be, a recommendation by ASML and its affiliates or any other person to buy, sell or hold any such Green Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

While it is the intention of ASML to apply the proceeds of any Green Bonds so specified to Eligible Green Projects in, or substantially in, the manner described in its Green Bond Framework, there can be no assurance that the relevant project(s) or use(s) which are the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Any event or failure to apply the proceeds of any issue of Green Bonds to any Eligible Green Projects as aforesaid and/or the withdrawal of any such opinion or certification or any such opinion or certification attesting that ASML is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Green Bonds and also potentially the value of any other notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Moreover, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such Green Bonds if ASML fails to adhere to this Green Bond Framework (whether or not related to the environment), whether by failing to fund or complete Eligible Green Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Green Bond Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Green Bond Framework, or otherwise.