



ESG Update Camtek Ltd.

2023



About This Update

Last year Camtek Ltd; a publicly traded company (Symbol: CAMT) with securities listed on NASDAQ and the Tel Aviv Stock Exchange (TASE) published its first sustainability report with reference to the 2021 GRI Standards and the SASB Semiconductors industry standard version 2018-10. The scope of the report include all Camtek's operations globally and locally.

This is an update regarding Camtek's modifications and improvements regarding ESG matters for the period January 1st, 2023, to December 31st, 2023.

Shibolet ESG provided support and consultancy services to prepare the report. The process was led by Dr. Liad Ortar (L.Ortar@Shibolet-esg.com), head of the firm, and Mark Steinsapir (Marksteinsapir@gmail.com).

For questions regarding this report or Camtek's environmental, social, and governance activities, please contact Iris Hirsch (irish@camtek.com).

About Camtek

Camtek’s systems inspect IC and measure IC features on wafers throughout the production process of semiconductor devices, covering the front and mid-end and up to the beginning of assembly (Post Dicing). Camtek’s systems inspect wafers for the most demanding semiconductor market segments, including Advanced Packaging, Heterogenous Integration (HI), Compound Semiconductors, Memory, CMOS Image Sensors, Power, RF and MEMS, serving the industry’s leading global IDMs, OSATs, and foundries.

Camtek’s world-class sales and customer support infrastructure is organized around eight subsidiaries based in the US, Europe, Japan, China, Hong Kong, Taiwan, Korea and Singapore.



FRT Metrology Acquisition

On November 1st, 2023, Camtek Ltd. Concluded the acquisition of FormFactor, Inc.'s FRT Metrology business. FRT Metrology, based in Germany, develops and manufactures surface metrology tools are used for production, development, and quality control.

This acquisition is expected to leverage Camtek's and FRT's advanced technologies of Advanced Packaging and Silicon Carbide that require new inspection and metrology steps in the semiconductor manufacturing processes. Camtek, with the addition of FRT's unique hybrid multi-sensor SurfaceSens™ technology, expects to provide customers with broader and more comprehensive solutions for inspection and metrology.

*Due to the recentness of FRT Metrology's acquisition, only information regarding human resources will be reported in this update. More information on FRT Metrology may be included in future ESG reports and updates.

*Acquisition announcement

*Closing of acquisition

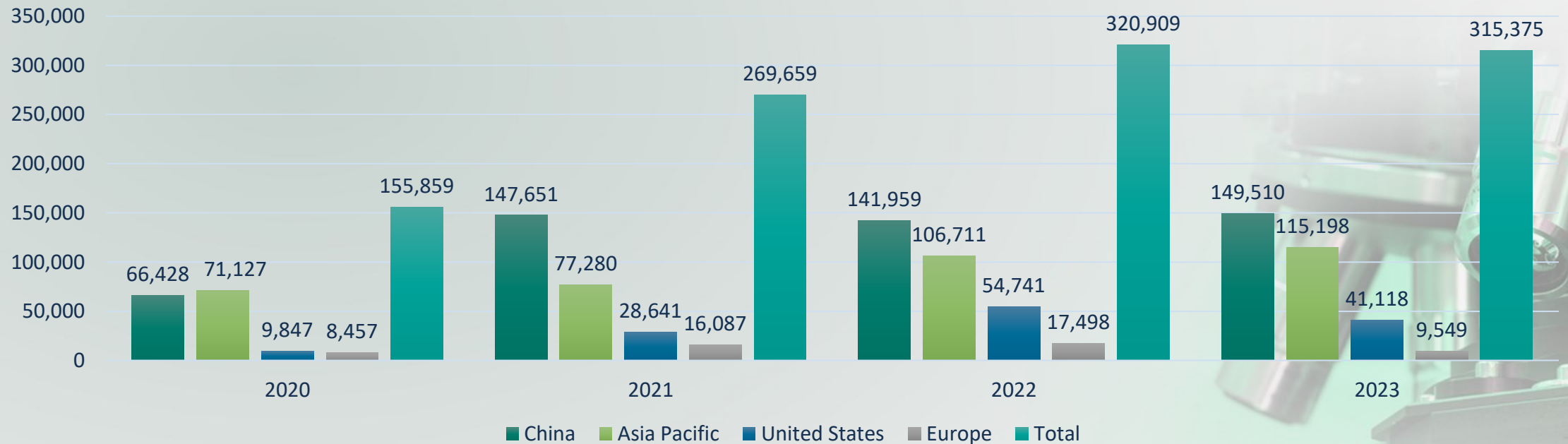
Annual Sales Performance



Camtek’s inspection and metrology systems can detect defective ICs reliably at high-throughput, ensuring that only known-good-die are delivered to its customers’ final products.

Camtek’s growth in the last several years is mainly driven by the growth in advanced packaging technologies and its position in this market segment as a leading provider of inspection and metrology solution, enable its customers to meet stringent demands of defect-free products, as well as supporting demand growth and time to market.

Sales Distribution by Geography (U.S. Dollars (In thousands))



ESG AT CAMTEK	ENVIRONMENT	SOCIAL	GOVERNANCE
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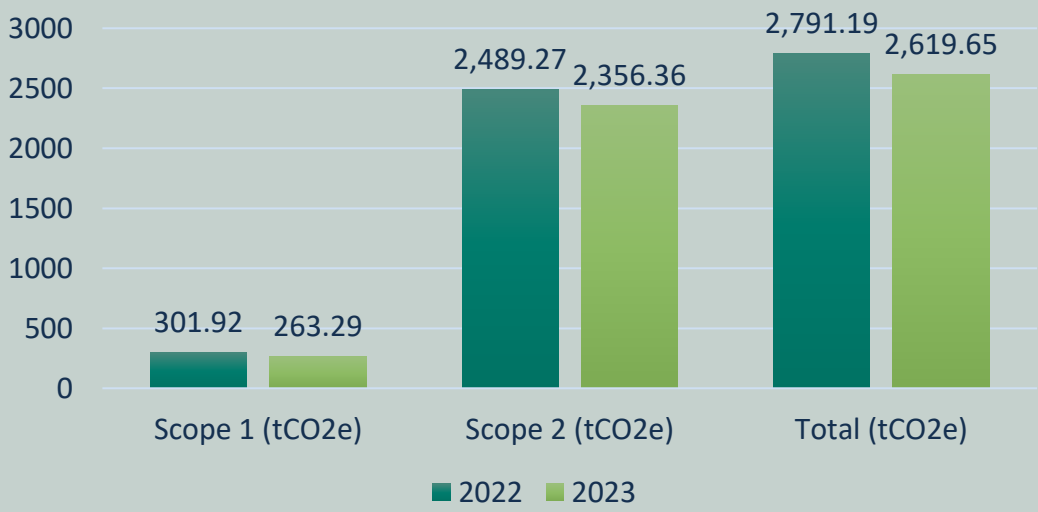
Carbon Footprint

Camtek's operations are non-polluting— No greenhouse gases (GHG), air pollutants, or environmental nuisances are released into the environment during the product manufacturing process. The facilities also do not adversely affect the surrounding biodiversity.

Thus, direct GHG emissions (Scope 1) are limited to the company's leased vehicle fleet. The main footprint of Camtek's operations results from its energy consumption (Scope 2).



Camtek's Emissions 2022-2023*



In 2023, Camtek reduced its carbon footprint by 6%.

Given the vast number of suppliers, calculating Camtek's Scope 3 GHG emissions is a significant challenge that will be gradually overcome in future reports.

*As a result of revised calculation methodologies and updated emission factors, the total emissions figures have been recalculated.

Energy

Reducing Energy Needs

Camtek is connected to the main electric grid, and sources 100% of its electricity consumption. **In 2023, the company's energy consumption was 3,862,886 kWh.**

Excluding the electricity used by the new electric vehicles, total emissions would be 3,815,080 kWh, a 2% reduction from 2022. However, during 2023 28 new electric and plug-in vehicles were added, and their inclusion drops the total reduction to ~1%."

Camtek monitors the electrical consumption of its systems, and invests significantly in reducing their energetic needs, despite the growing computing requirements of evolving systems' models.

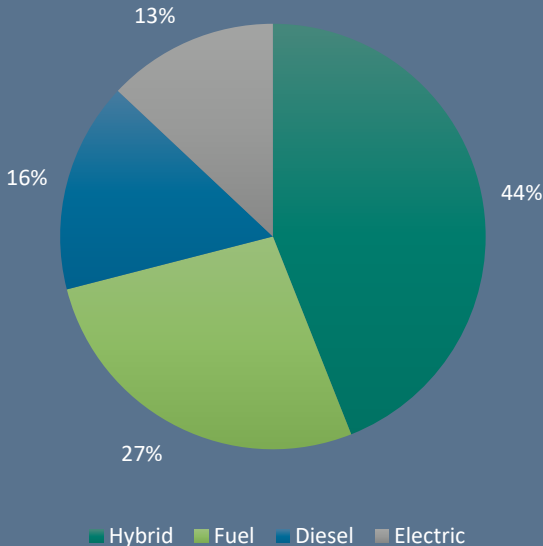


Transportation

Camtek leases 100 vehicles and owns a small number of forklifts and additional transportation vehicles. The company consumed a combined total of **112,661 liters** of gasoline and diesel.

In 2023, Camtek installed 20 charging stations and increased its EV fleet from 1% to 13%. Additionally, the company has also increased the amount of hybrid/plug-in cars.

Camtek Leased Vehicles (end of 2023)(%)



In 2023, Camtek reduced its fuel consumption by 8%.



Water & Effluents

Camtek does not consume water as part of its production process, nor does it create any effluents.

The company offices are connected to the main water network, and all the water that is consumed onsite is for corporate office use.

In 2023, water consumption was 8,919 m³, representing a 34% reduction from 2022 (13,593.36m³). The difference is a results of a leak in an underground pipe that was fixed in 2023.

Similarly, the only sewage the company creates is from our sanitary facilities and it goes to the standard municipal sewage system.



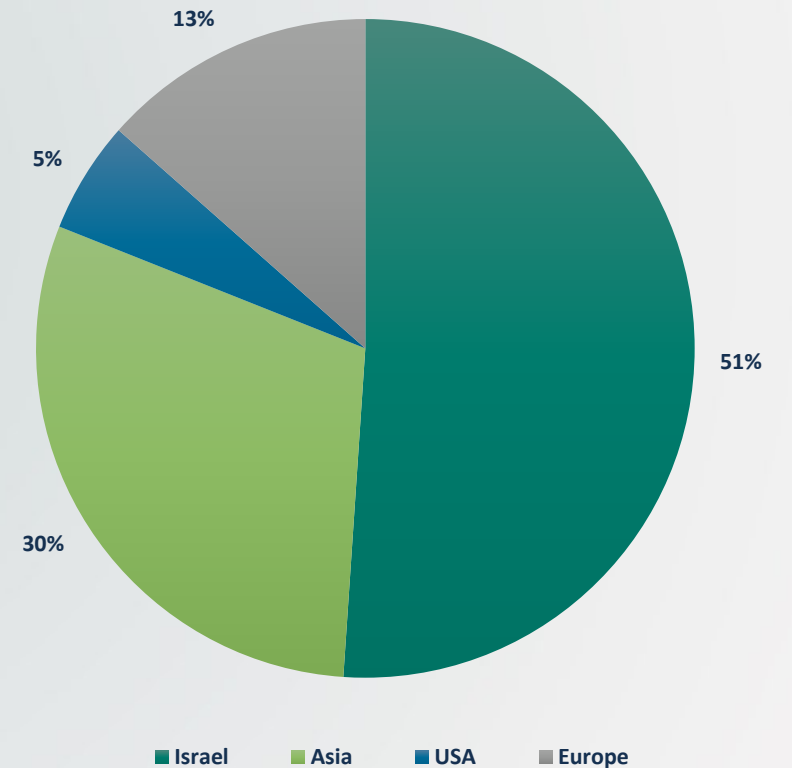
Employee Overview



Camtek offers its global workforce a complete employee experience that includes an inclusive approach, competitive compensation packages, extensive welfare and wellbeing activities, and career development opportunities and feedback mechanisms that support, challenge, and reward employees. The goal is for employees to feel that the company offers them all the possibility of realizing all their professional aspirations, while ensuring a safe and healthy work environment for them and for their families.

At the end of 2023, Camtek employed 564 people, 288 at the headquarters in Israel, and 276 in the rest of the world. During 2023, the company acquired FRT. This acquisition added 80 employees to the headcount.

2023 EMPLOYEES ACCORDING TO REGION



33 contract employees (only in Israel). Their main tasks are consulting, programming, cleaning, and security

70 new employees (excluding FRT)

2 Employees had parental leave

Inclusion at Camtek

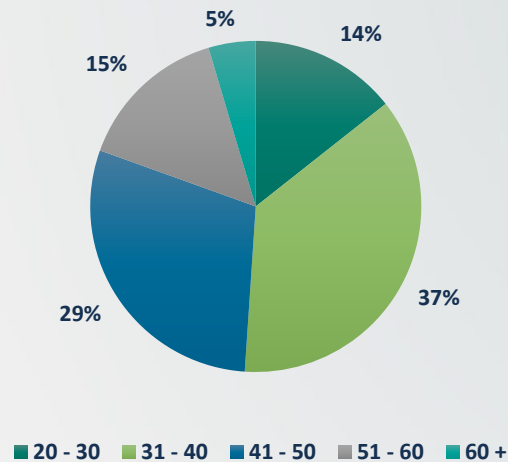
Camtek strives to foster an open and inclusive environment. The company embraces employees of all ages, genders, ethnicities, and socio-economic backgrounds, and the recruitment process focuses exclusively on the professional experience and qualifications of applicants.

Camtek is also proud that its global headquarters are located in Israel's peripheral areas, offering significant livelihood opportunities to populations living in locations with fewer prospects for gainful employment. By doing so, Camtek is contributing to reducing Israel's spatially defined economic disparity, which is among the largest in the OECD.

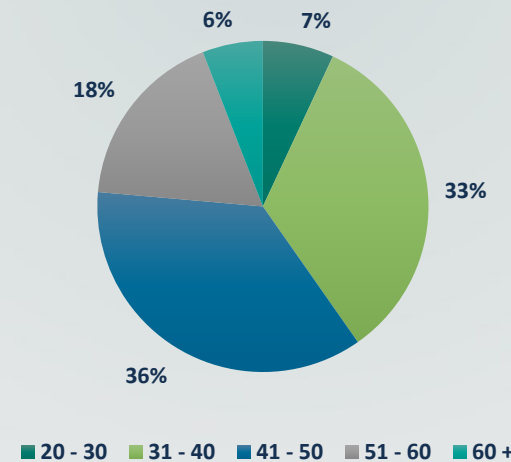
Creating an age-friendly environment

The company features individuals in their 20s and at the start of their Camtek career as well as those that are over 60 and have been with the company for decades.

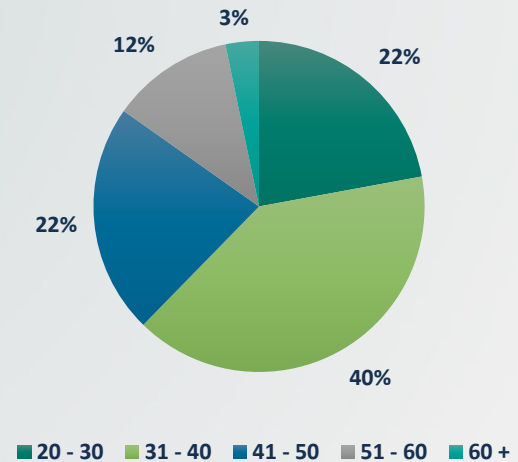
OVERALL AGE DISTRIBUTION 2023



ISRAEL AGE DISTRIBUTION 2023



ROW AGE DISTRIBUTION 2023

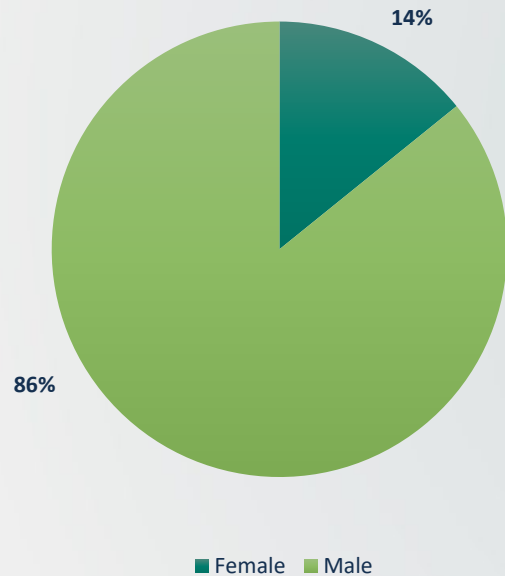


Tackling the industry's gender imbalance

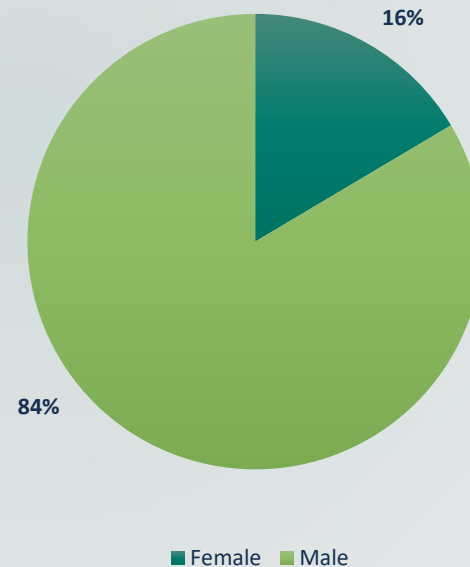
The semiconductors industry continues to see a major underrepresentation of women in the workforce. **14% of Camtek's workforce are women.** The company recognizes the great disparity in female representation and is investing efforts to address it.

Among these activities are the company's equal pay strategy, and efforts to promoting the inclusion of minorities and women in the high-tech sector. Camtek hopes that such efforts will bear fruit in the coming years.

OVERALL



MANAGEMENT



As outlined in the Code of Ethics and Business Conduct, Camtek has zero tolerance for any kind of harassment or discrimination. There were no reported incidents of discrimination in 2023

Health and Safety

Safety and Health Management

Camtek Ltd. operates a safety and health management system in order to maintain a safe working environment and to prevent, to the extent possible, work accidents and adverse effects on the health of the employees, contract workers, and any other visitor to the site. Camtek has an integrated quality policy and conducts periodic risks assessment.

As the main operations of the company relate to electricity usage, the company hires external risk auditors to conduct electrical risk assessments. All related electrical work at the company is performed by certified electricians.

The second major risk is associated with remote operation. As part of Camtek's daily activities, machines are operated remotely. When putting a machine to action from remote without direct observation, there is a risk that at the same time, someone is conducting various technical tasks inside the machine, jeopardizing their safety. To avoid these incidences, a special safety protocol was prepared, and suitable signs are hung in front of the machine.

Camtek has a safety mobile app through which the company's safety delegates (representatives from each department) can report in real-time on any safety-related incident.

There are no hazardous materials in the facility. The full health and safety policy can be found [here](#).

During 2022 and 2023 there were no safety-related accidents or illnesses.

Safety Training

Upon arrival, each new employee receives personal training on the company's safety policy. They receive a full set of the company's guidelines and a specific safety guidance according to their designated role. Once a year all employees are asked to 'refresh' their acquaintance with the guidelines and undergo a knowledge test.

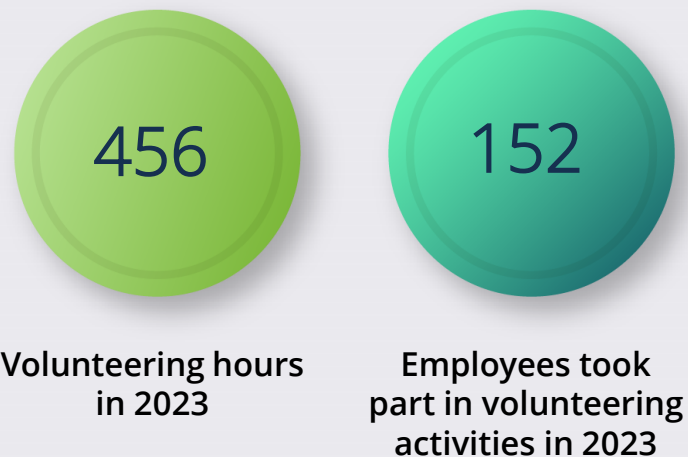
Health

Camtek subsidizes complementary private insurance for workers and their families in Israel, and abroad for employees.

Community

Camtek is an involved member of the community of the neighboring city of Midgal HaEmek. The company has longstanding relationships with various schools and non-profits. The company's social contributions are focused on education, environmental preservation, funding various programs, donating goods, and providing other services, with the involvement of the company's dedicated and caring employees. Below are some of the highlights.

While continuing to support local schools, senior homes, and non-profit organizations, community war efforts also spurred a significant increase in volunteerism. Both the number of **volunteering hours and participating employees rose by over 40%**.





Supply Chain: Procurement

Sustainable Procurement

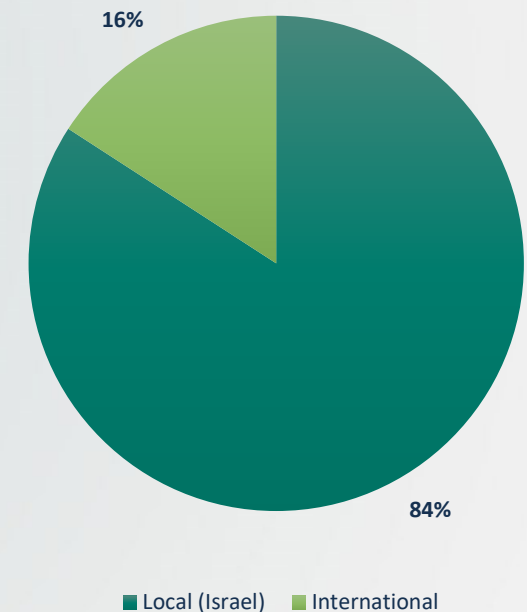
Camtek recognizes the responsibility that it has over its entire supply chain, with an emphasis on the responsible sourcing of the materials that make up its systems.

The company is committed to supporting the aims and objectives of the Dodd-Frank Act concerning conflict minerals sourcing by working to educate the suppliers and manufacturers of its products about conflict minerals, and helping our suppliers understand the due diligence steps they can take to investigate the source of any conflict minerals in the products Camtek manufactures. More details can be found in the company [conflict minerals policy](#) on the website.

The company is also increasing its efforts to assess the social and environmental actions of its suppliers, most of which are multinational companies with established ESG policies and practices.

This commitment to sustainable procurement also includes concerted efforts to procure locally as much as possible. In 2023, **84% of Camtek's procurement budget was spent on local suppliers.**

Procurement Sources
(% of budget)



Ethics and Human Rights

Camtek is committed to the highest levels of ethics and business conduct, as embodied by its values of respect and transparency, and promotion of diversity and inclusion. The company has a [Code of Ethics and Business Conduct](#) published on the company website and expects that all employees will adhere to it.

In addition, Camtek has a [conflict minerals policy](#) that is publicly available on its website.

Policies are reviewed annually and include guidelines for reporting concerns.

There were no reported breaches of ethical or business conduct in 2023.



Data Tables & Indexes

ESG AT CAMTEK

ENVIRONMENT

SOCIAL

GOVERNANCE

Data Tables

Table 1: Employees according to gender

Overall Gender Distribution	2022	2023
Female	64	80
Male	387	484
Total	451	564

Management Gender Distribution	2022	2023
Female	9	14
Male	60	71
Total	69	85

Table 2: Employees according to region

Employees per region	2022	2023
Israel	285	288
Asia	137	169
USA	20	31
Europe	9	76
Total	451	564

GRI Index

Table 1: GRI data tables with reference to the GRI 2021 Universal Standard.

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 2: General Disclosures 2021	2-1 Organizational details	2	
	2-2 Entities included in the organization’s sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	2	
	2-6 Activities, value chain and other business relationships	3-4	
	2-7 Employees	10-12	
	2-8 Workers who are not employees		
	2-9 Governance structure and composition	See 2022 Report – Nothing to update	
	2-10 Nomination and selection of the highest governance body	See 2022 Report – Nothing to update	
	2-11 Chair of the highest governance body	See 2022 Report – Nothing to update	
	2-12 Role of the highest governance body in overseeing the management of impacts	See 2022 Report – Nothing to update	
	2-13 Delegation of responsibility for managing impacts	See 2022 Report – Nothing to update	
	2-14 Role of the highest governance body in sustainability reporting	See 2022 Report – Nothing to update	
	2-15 Conflicts of interest	Annual 20F p. 53-54, Code of Ethics and Business Conduct pp. 6-8	
	2-17 Collective knowledge of the highest governance body	See 2022 Report – Nothing to update	
	2-19 Remuneration policies	Annual 20F pp. 50-52	
	2-20 Process to determine remuneration	Annual 20F pp. 48-49, 50-52	
	2-22 Statement on sustainable development strategy	See 2022 Report – Nothing to update	
	2-23 Policy commitments	16, Code of Ethics and Business Conduct	
	2-27 Compliance with laws and regulations	See 2022 Report – Nothing to update	
	2-28 Membership associations	See 2022 Report – Nothing to update	
2-29 Approach to stakeholder engagement	See 2022 Report – Nothing to update		

GRI Index

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See 2022 Report – Nothing to update	
	3-2 List of material topics	See 2022 Report – Nothing to update	
	3-3 Management of material topics	See 2022 Report – Nothing to update	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual F20 p. 26	
	201-2 Financial implications and other risks and opportunities due to climate change	Annual F20 pp. 6-9, 13, 15	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	15	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 302: Energy 2016	302-1 Energy consumption within the organization	6	TC-SC-130a.1
	302-4 Reduction of energy consumption	6	
	302-5 Reductions in energy requirements of products and services	6	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	9	
	303-3 Water withdrawal	9	TC-SC-140a.1
	303-5 Water consumption	9	TC-SC-140a.1

GRI Index

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7	TC-SC-110a.1
	305-2 Energy indirect (Scope 2) GHG emissions	7	
	305-5 Reduction of GHG emissions	6-7	TC-SC-110a.2

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	See 2022 Report – Nothing to update	
	306-2 Management of significant waste-related impacts	See 2022 Report – Nothing to update	
	306-3 Waste generated	See 2022 Report – Nothing to update	TC-SC-150a.1
	306-4 Waste diverted from disposal	See 2022 Report – Nothing to update	TC-SC-150a.1
	306-5 Waste directed to disposal	See 2022 Report – Nothing to update	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	10	
	401-3 Parental leave	10	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	13	TC-SC-320a.1
	403-2 Hazard identification, risk assessment, and incident investigation	13	
	403-3 Occupational health services	13	
	403-5 Worker training on occupational health and safety	13	
	403-6 Promotion of worker health	13	
	403-8 Workers covered by an occupational health and safety management system	13	
	403-9 Work-related injuries	13	
	403-10 Work-related ill health	13	

GRI Index

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	See 2022 Report – Nothing to update	
	404-3 Percentage of employees receiving regular performance and career development reviews	See 2022 Report – Nothing to update	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	11-12	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	11-12	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	14	

GRI Standard	Disclosure	Location	SASB Ref. No:
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	See 2022 Report – Nothing to update	

SASB Semiconductors Industry Standard

Table 1:
Sustainability
Disclosure
Topics &
Accounting
Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT	CODE	LOCATION
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantitative	Metric tons (t) CO ₂ -e	TC-SC-110a.1	7
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	TC-SC-110a.2	6-7
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SC-130a.1	6
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	TC-SC-140a.1	9
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-SC-150a.1	0
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	n/a	TC-SC-320a.1	13
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	Reporting currency	TC-SC-320a.2	0
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Percentage (%)	TC-SC-330a.1	Not applicable
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	TC-SC-410a.1	Not applicable
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	Various, by product category	TC-SC-410a.2	Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TC-SC-440a.1	Not applicable
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	TC-SC-520a.1	0

ESG AT CAMTEK	ENVIRONMENT	SOCIAL	GOVERNANCE
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SASB Semiconductors Industry Standard

Table 2:
Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT	CODE	LOCATION
Total production ⁸	Quantitative	See note	TC-SC-000.A	Confidential
Percentage of production from owned facilities	Quantitative	Percentage (%)	TC-SC-000.B	100%

Notes and Disclaimers

In addition to historical facts, this report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties and include information about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or the negative of these terms or similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to those discussed in the Risk Factors of our Annual Report on Form 20-F. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. The estimates and forward-looking statements contained in this annual report speak only as of the date of this annual report. Except as required by applicable law, we undertake no obligation to publicly update or revise any estimates or forward-looking statements whether as a result of new information, future events or otherwise, or to reflect the occurrence of unanticipated events.

Additionally, this report contains statements based on estimates and assumptions, which may require substantial discretion and forecasts about costs and future circumstances, as well as standards and metrics (including standards for the preparation of any underlying data) that are still developing and internal controls and processes that continue to evolve. We may also rely on certain third-party information in certain of our disclosures, which involves certain important risks. For example, third-party information may change over time as methodologies and data availability and quality continue to evolve.

These factors, as well as any inaccuracies in the third-party information we use, including in our estimates or assumptions, may cause results to differ materially and adversely from estimates and beliefs made by us or third parties, including regarding our ability to achieve any goals.

While we are not aware of any material flaws with the information we have used, except to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information.

While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with or reporting under the U.S. federal securities laws and regulations, even if we use the word "material" or "materiality" in this report or related statements. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance and we may not be able to anticipate in advance whether or the degree to which we may not be able to meet our plans, targets, goals, or other evolving expectations.

As a final note, website and document references throughout this report are provided for convenience only, and the content on the referenced websites or documents is not incorporated by reference into this document.

ESG AT CAMTEK	ENVIRONMENT	SOCIAL	GOVERNANCE
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Thank you

