

ASML FOUNDATION

OVERVIEW 2021

AND

ANNUAL PLAN 2022

Veldhoven

March 2022

OVERVIEW 2021

General

The Foundation's aim is to optimize the chances of underserved (young) people, by supporting educational initiatives that develop their talents and unlock their potential to enable an inclusive and equitable participation in society.

Because of ASML Foundation's strong link with ASML, we mainly support projects in ASML regions (Asia, US and Europe), and more specifically in ASML countries. This is not only to emphasize the connection between ASML and the ASML Foundation, but also to provide ASML employees with the opportunity to become involved in ASML Foundation projects as volunteers.

Developments / Achievements 2021

Projects

General

In 2021, the Foundation received 98 project requests (102 in 2020), of which 35 were discussed by the Board, and 22 were accepted for funding. Although the number of accepted projects remained the same as in 2020, the total committed donations doubled to a little over 2 million EUR (in line with the agreed budget). The increase can be attributed to five projects with committed donations of over 100,000 EUR each, and two projects of over 300,000 EUR per donation.

With the doubling of the budget in 2021, we were able to provide significant support to a number of organizations that we deem important for our ultimate goal: equal opportunities through and system change in education.

With the increase in the height of the donations, expectations in terms of involvement, for example as a member of an advisory board, but also as a sparring partner, increase as well. Sparring we do more and more, but as a board we have decided - in order to not compromise our independence - to not join an advisory board (or other board) of an organization that we financially support.

The average donation per project was about 91,000 EUR (2020:43, 000 EUR).

2021 Mission and strategy

As per the 2021 Annual Plan, we have revisited our mission and strategy in the spring of 2021, which revision was approved by the Supervisory Board in its meeting of June 22, 2021.

Mission:

The ASML Foundation aims to unlock the potential of underserved (young) people by enabling a diverse, inclusive, lifelong and equitable participation in society through education¹

with primary focus on *impactful* education and training programs that meet the following criteria:

- Target audience: underserved (young) people (i.e. from lower socio-economic background, with neurodiversity and girls/ women)
- Target geographically: ASML countries
- Target subjects:
 - Longer term programs focusing on basic skills (incl. digital skills); 21st century - and lifelong learning skills, and specific programs that contribute to social inclusion / equality for certain groups, which programs are:
 1. Preferably preventive and with focus on the long term ("system change), but also addressing low hanging fruit; and

¹ Used to be: *Improving lives through inclusive and quality education and training (with big focus on technology and females).*

2. whereby the possibility to share lessons learned / or applying a multiplier is a 'pre' to further increase impact.
- Target results:
 - A measurable and sustainable improvement in opportunities for the participants.

Looking at the criteria mentioned above, we see the following results in 2021:

Target audience: the majority of the projects supported concerns youngsters from the age of 0 to 18 (-ish)

ASML countries: 91% of the projects funded are executed in ASML countries, and mainly the closer communities around ASML offices. The two projects in non-ASML countries (Bangladesh and Uganda) were submitted by ASML employees.

The total percentage of ASML related projects is therefore 100%, compared to 91% in 2020. 50% of the projects are in the Netherlands; 36% in the US, the remaining 3 in Asia (2) and in Africa (1). Although the lack of resources in Asia also plays a role, the small number of project requests from Asia is in our opinion mainly due to Covid: next to the fact that several projects have been put on hold, the lack of travel and therewith the decreased awareness of the Foundation has certainly impacted the number of project requests we receive(d) from Asia. In the past, the number of Asian projects would be at least one third and sometimes even half of the total; now it's not even 10%.

In rural China however, we again agreed to support Plan International in their project: STEM – Girls Can do IT. The project is not only successful in reaching its goal to educate about 1000 girls in STEM topics in rural China and to also raise gender equality awareness among the participants, but it also generated attention from other NGO's and local authorities because of the learning methods used. Internationally it raised the interest of UNICEF, mainly due to the practical approach to create awareness for gender equality. Expectations are that the approach will also be used by other organizations.

And we also have a number of enthusiastic ASML employees who are dedicated to act as role models for the participants of the project.

In the US, we have started a close collaboration with members of the ASML Community Engagement ('CE') team, as well as with the ASML Diversity and Inclusion Officer. When identifying and selecting organizations and projects, we find it valuable to involve local colleagues, to ensure that the projects we support reflect the importance of certain topics and issues in the communities. Local involvement also helps to achieve a more structured approach in the US.

With respect to the Netherlands: we see an increasing awareness of the ASML Foundation. Not only in the Brainport Eindhoven region, but certainly also nationally.

Target subjects: Most projects we support in the Netherlands are focused on inclusion and equality. We supported several projects for youth with neuro diversity (autism, highly gifted youth). Projects offer for example opportunities for adequate education; others provide mentoring of and assistance for students with ASD on their path to an internship or work. The latter program is currently being executed at Fontys and TU/e, to be expanded to other schools/ faculties if proven effective.

In 2021 we received quite a number of autism related requests, especially from organizations in the Brainport area, and often for similar or complementary programs. As part of our approval process, we recommend exploring possible collaborations in such cases, whereby we facilitate the introduction. In other cases, we may require organizations to submit a joint project request, provided that this makes sense. In the meantime, a network between four parties providing programs for autistic youth has been established with purpose to structurally collaborate, which programs will help a total of about 350 youth with ASD annually towards appropriate education or a job.

We also supported a few programs for highly gifted youth. One of the programs concerns the development and distribution of learning materials for such children in elementary schools. These materials will be distributed in 60 schools in Southeast Brabant. We are currently exploring possibilities to expand the use of these materials, for example for secondary schools. If highly gifted children do not receive adequate education, they risk dropping out of school. The estimate – depending on the research done and definitions used - is that currently, about 7000 highly gifted children dropped out of school ('thuiszitters').

Furthermore, we supported a pilot investigating ways to prevent highly gifted children from dropping out of school, which was started a.o. because of the Foundation's observations that there are many and increasingly - overlapping - initiatives and programs for highly gifted children / youth, but no structural solution to prevent them from dropping out. The outcomes were sent to the Ministry of Education in February 2022 and were endorsed by many so-called 'HB experts'. Discussions with OCW on the way forward are in progress.

Besides the above-mentioned programs, we also provided financial support for programs in schools in lower socioeconomic areas in Southeast Brabant. An example is 'IMC Basis': a program offering exposure to many different professions, given by guest lecturers, whereby projects related to that specific profession and which focus on 21st century skills, are executed by the students. The program is included in the regular curriculum for groups 7 and 8. We provide support for 10 schools for two years.

A major program that we support in Eindhoven, which will be further implemented Brainport wide, is the prevention of illiteracy, initiated by the Eindhoven municipality as part of their 'Stadsplan Basisvaardigheden'. This plan addresses the full 'age scale' to tackle illiteracy, but the Foundation contributes specifically to the program for 0–4-year old's (and their parents), with the goal to prevent illiteracy. With this program, we hope to reach more than 10,000 children and their parents in the course of 3 years, enabling these children to start their school career at the same level of literacy as other children.

With respect to this program, we connected the municipality with the Brainport Partner Fonds, as well as with the national [Number 5 Foundation](#).

Another organization we decided to support in 2021 was [Stichting LeerKRACHT](#). One of its goals is to improve learning methods, among others related to basic skills like literacy and numeracy. Their main goal however is to improve teachers' skills, to ensure structural better education for all children in the Netherlands. We provided them with a donation of 300,000 EUR for three years.

Stichting LeerKRACHT expects that execution of the full program during the coming three years will reach 72,000 teachers and school leaders, and about 650,000 children.

We have also provided some funds to other organizations that have started initiatives for system change, including improving collaboration between various initiatives, but also between corporates, public organizations and NGO's.

We supported in total five projects (over 700,000 EUR) that focus on system change, which also includes increased collaboration in the fragmented landscape of education programs and initiatives. All in the Netherlands...

Furthermore, in the ASML US communities - the majority in Connecticut - we supported five STEM related programs, and three programs on inclusion: for children in underserved areas whose education is lagging due to Covid-19, but also a program specifically for Latin-American women to empower them for equal participation in society. For 2022, in collaboration with the US team, we have already selected a number of organizations we may want to work with, all focusing on inclusion/ diversity and STEM. The US team will further explore these possibilities.

Target results: The programs we approved in 2021 will reach about 775,000 beneficiaries in the next 3 to 4 years². The goal and impact of the projects vary: from instilling interest in technology in (young) children, to filling a gap in education for children from underserved areas, to system change in education (methods). We monitor the results / impact by means of annual evaluation reports.

To increase impact, we focus more and more on collaboration, knowledge sharing and – if applicable – multiplying successful projects, like the literacy project.

The strategy to achieve the mission

We continued to:

1) *Support organizations in a structural (long term) way*

To increase efficiency, but moreover to increase impact, we like to work with a number of ‘core partners’, for a longer term. As a result of the new way forward however, about 50% of the projects supported in 2021 were with new organizations. This is especially the case in the Netherlands with 64% new organizations; organizations that are important to reach our goals of inclusion/ diversity and system change in education.

In the US, we mainly still work with the same partners, mostly in the STEM area.

We carefully choose with whom we want to work, and we check, using our local employees and/ or external network (and sometimes also via the compliance department), whether organizations submitting requests, would be good partners to work with, especially from a reputation point of view.

86% of the projects that we funded in 2021, were for a longer term (mostly 3 years). In 2020 this was 68%. Some of the short-term projects are ‘try outs’ for a longer-term relationship or are contributions to experimental / innovative projects.

2) *Increase of involvement of local ASML ambassadors to advise on and help with project selection*

As mentioned above, in the US we increasingly rely on our local colleagues and ambassadors. And in Asia, we are still lagging, due to Covid-19 and due to a lack of resources. As we have to deal with various countries, we have to find ambassadors / local connections for each.

3) *Support projects submitted by ASML employees for a maximum of 25% of the budget*

Six projects were submitted by employees (with a value of almost 425,000 EUR): about 21% of total budget and thus in line with agreed target.

4) *Support innovative projects³*

This year we supported four innovative projects (5 in 2020). Unlike past years, only one of these involves technology, the other three relate to inclusion.

5) *Bigger / more impactful project(s) in the Brainport region*

As mentioned in last year’s Annual Plan, focus of the Foundation was again the Brainport area in 2021, not in the last place due to the pandemic.

More than two third of the projects supported in the Netherlands take place in the Brainport / wider Southeast Brabant region.

Last year, the Foundation supported [TechMeUp](#): an organization facilitating retraining of vulnerable people (goal is 50% women), for a future career in technology. TechMeUp has connections with ASML recruitment, for possible placement of TechMeUp graduates.

6) *Support education projects in developing countries executed by children of ASML employees*
We received and paid one request which will be executed in 2022.

² This is a ball-park figure and is based on input from the NGO’s we support.

³ Innovative projects: projects that approach education in a different way than traditional education systems, or that are piloting a different approach to education in general, or specifically in the country of execution.

Conclusion:

In our opinion, the change in mission and strategy is successful, as we see a clear trend of increasing grant requests focusing on inclusion, diversity and equality of underrepresented and vulnerable youth.

Visits to local ASML offices and to projects

There have been no visits to local ASML offices, and this had its impact on projects in Asia.

With respect to project visits: apart from some visits and physical meetings in the Netherlands, contacts with projects abroad are only virtual.

Volunteering Program

Volunteering possibilities in 2021 were limited again. A total of 396⁴ ASML employees performed a number of volunteering activities during 2021, but several activities were canceled due to Covid-19 restrictions. Most activities were either with the elderly or were 'green' activities, in nature. We increasingly collaborate with Green ASML for such activities.

In the US, volunteering activities consisted often of collecting food for local Foodbanks, In Asia, there were several - online - tech education activities.

We still see an increasing interest for volunteering among our employees, also in supporting ASML Foundation projects. We certainly hope that 2022 will provide more opportunities to volunteer.

Last year we decided to not hold a physical, nor a digital volunteer fair. The first because of the uncertainty caused by the pandemic, the latter because experience learned that it takes too much time, effort and money with very limited results.

Hopefully this year we will be able to continue our tradition of a volunteer fair in June in the Plaza garden.

Update other (small) initiatives

Collection of winter coats for the homeless

For the second year, ASML and ASML Foundation supported the Samen voor Eindhoven initiative to collect winter coats for those in need in the Brainport Eindhoven region. Together with other organizations, 2,200 coats – with a substantial contribution from ASML – were collected.

Angel Tree action

For the fourth year in a row now, the so-called 'Angel Tree' initiative was held at ASML NL: roughly 750 presents were collected for children whose parents are dependent on the various Foodbanks in the Brainport region.

This year we decided to transfer the ownership of the project to a group of 'ASML volunteers', with some guidance from the sideline.

Communication / websites

In 2021, we regularly issued articles on the Foundation and its activities on ASML media, including in ASML's weekly newsletter and in the monthly CE newsletter if relevant.

To further promote the Foundation we - virtually - spoke at a number of events, such as the onboarding sessions. And from time to time, we attend for example project launches (external), which also raises awareness of the ASML Foundation.

With respect to external communication we tend to be restrictive in communicating the support we provide, and mostly leave the initiative with our beneficiaries.

In 2021, we updated and upgraded our website.

Asset management

All ASML Foundation's assets are managed by ABN MeesPierson (AMP) per a moderate - conservative investment profile (customized), in line with the Triodos MeesPierson Sustainable Investment policy.

⁴ Including the participants of the Tutoring and the Welcome Online initiatives.

Supervisory Board

Per the Supervisory Board meeting held on June 22, 2021, Ellen Kuppens was appointed to the Supervisory Board of the ASML Foundation as successor of Carla Smits-Nusteling, who resigned per the Supervisory Board meeting of March 9, 2021.

Financials

Budget for Committed Donations

The agreed 2021 budget was:

1,600,000 EUR	(ASML contribution)
350,000 EUR	(ab. 4% assumed return on investments)
100,000 EUR	(assumed gifts)
-/- <u>50,000 EUR</u>	(assumed costs volunteering)

2,000,000 EUR

The 2021 actual budget (income) was:

1,600,000 EUR	(ASML)
926,000 EUR	(return on investment – 9.9% net)
286,000 EUR	(gifts) ⁵
-/- <u>22,000 EUR</u>	(expenses volunteering)

2,790,000 EUR (2020: 1,056,000 EUR)

The total committed donations in 2021 were a little over 2,000,000 EUR (2020: 950,000 EUR).

In 2021, ASML increased its contribution with 1 million EUR to 1.6 million EUR, resulting in a total budget of about 2 million EUR annually. Depending on the return on investments and - to a lesser extent - the gifts received throughout the year, the actual budget can vary.

With the increase of our budget, we will be able to provide more substantial support to organizations that are relevant for our ultimate goal of - summarized - equal opportunities through and system change in education.

With respect to the volunteering expenses: although not at all comparable with the participation rate before the pandemic, we have seen the volunteering activities pick up in the months when this was possible. Total expenses were 22,000 EUR, compared to 2020 a decrease of 15,000 EUR. In 2020 however, we provided extra support to Samen voor Eindhoven as they basically had to cancel most of their activities due to Covid-19.

Plan 2022

Budget 2022

The proposed budget for 2022:

1,600,000 EUR	(ASML contribution)
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⁵ Donations (= gifts) to the Foundation are higher than previous years due to 1) a significant contribution from recruitment / referral activities (€ 40,000); and 2) a major one-off gift of almost 100,000 EUR from Maarten Romers, who was a long-serving board member of the PLM Europe User Association. After liquidation of the association, its assets were divided among the board members, and Maarten donated his share to the ASML Foundation.

400,000 EUR	(ab. 4% assumed return on investments) ⁶
125,000 EUR	(assumed gifts)
<u>-/- 60,000 EUR</u>	(assumed costs volunteering) ⁷
2,065,000 EUR	

Costs

Costs related to the ASML Foundation, such as costs for IT or promotional expenses, will be paid by the Foundation, but will not be deducted from the Foundation's donation budget. ASML pays the salary of the Foundation's Director, its senior assistant and its data analyst/coordinator (per May 1), as well as other compensation and benefits. The two external ASML Foundation Board members and the Supervisory Board members do not receive a fee for their (Supervisory) Board membership but may declare expenses incurred as board member of the ASML Foundation.

Plan 2022

General

The ASML Foundation's mission as agreed in 2021 will remain the same in 2022:

- **Unlock the potential of underserved (young) people by enabling a diverse, inclusive, lifelong and equitable participation in society through education.**

The Foundation's goal is to support educational programs for a diverse group of (young) people, a.o.:

- 1) from a lower socioeconomic background;
- 2) with some type of neurodiversity (ASD / highly gifted);
- 3) from a certain descent (e.g. in US: BIPOC)

to optimize their chances by supporting educational initiatives that develop their talents and unlock their potential with - in short – the ultimate goal to be able to participate in society, at their level and within their capabilities. Important is to make sure that we address those issues that are considered 'urgent' in the various ASML countries.

To further grow our impact, the Foundation will increase its participation in relevant networks, and will pro-actively research which organizations, projects, topics are important to achieve our goals.

Furthermore, our goal for 2022 is to further system change, not only by financially supporting organizations with a focus on that topic, such as the [Maatschappelijke Alliantie](#) or Stichting LeerKRACHT, but also by emphasizing the importance/ necessity of collaboration between organizations and sharing of lessons learned with organizations that are active in the same fields, to tackle the increasing fragmentation; as well as by providing (financial) means to multiply successful approaches.

Our collaboration with the Brainport Partner Fund with respect to talent development, currently in relation to addressing literacy in the Brainport region, will also continue in the coming years.

Strategy to achieve our mission

This is more or less the same as in previous years:

- 1) Support organizations in a structural (long term) way
As mentioned, due to the shift in our mission, there is a need to look for new partners, not only in The Netherlands, but also in the US and in Asia. Projects that run for a longer period of time remain our goal, with preference for projects that focus on prevention.

⁶ 4% yield is target as agreed with AMP, resulting in about 400,000 EUR yield based on capital per 31 Dec. 2021.

⁷ Proposal is to increase the volunteering budget for 2022, as we are looking into a different approach to our volunteering program, for example by – pro-actively – organizing more activities.

- 2) Increase involvement of local ASML ambassadors to advise on and help with project selection
As mentioned earlier, in the US we increasingly work together with local ambassadors for the identification and selection of relevant projects.
For Asia, we will develop a plan to increase involvement of our Asian colleagues.
- 3) Allocate max 25% of the budget to employee projects
For motivation and involvement purposes, we like employees to submit projects, although limited in number, as their impact is often limited, and as they are mostly not in ASML countries.
- 4) Support innovative projects
We will also continue to support innovative projects, provided that they fit our mission.
- 5) Support education projects in developing countries executed by children of ASML employees

Another important theme for 2022 will be the setting up and implementation of an impact measurement system, as well as a Theory of Change. This is not only important from a reporting point of view, but also to validate our current strategy and direction, as well as the projects we select. With the new team member joining mid-April, we will be able to effectively implement this.

Volunteering

Also based on insights obtained in our network, we believe that we should bring volunteering to the next level. We will develop a plan for 2022 and beyond to achieve this. We are for example thinking about volunteering activities as part of the onboarding program, through which new hires will meet co-workers outside their department, participating in regional / national initiatives requiring volunteers, and increase the involvement of ASML employees in ASML Foundation projects.

We are also partnering with Green ASML, Young ASML and Women@ASML to identify and organize volunteering opportunities during the year, for example by entering into a partnership with one or two organizations needing volunteers on a regular basis, like the Stadsakkers (where volunteers grow vegetables for the Voedselbank).

Also in the US, we have started to increase volunteerism, mainly thanks to a number of dedicated CE team members.

And we will continue to promote the volunteering program in the Netherlands but certainly also abroad as a means to increase team cohesion after all those months working from home, thereby involving HR as well.

Awareness ASML Foundation

We are part of the 'Values in Action' communication initiative, whereby communication about the Foundation and relevant other departments (sustainability, ethics) are combined with goal to show that ASML's values are universal and are embedded in the company's processes (and to avoid an overload in internal communications).

In 2022, our goal is to increase the use of social media, to also promote our activities externally.

Veldhoven, March 28, 2022
Board of Management Stichting ASML Foundation

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