



Applied Materials Launches Sustainable Supply Chain Initiative

July 21, 2020

- *SuCESS2030 (Supply Chain Certification for Environmental and Social Sustainability) is the company's 10-year roadmap for creating a more sustainable supply chain*
- *Initiative is a key part of Applied's broad commitment to ESG goals and targets announced today*
- *Key suppliers pledge to adopt shared goals and strategies for reducing emissions, conserving resources and promoting ethics, human rights, diversity and inclusion*

SANTA CLARA, Calif., July 21, 2020 (GLOBE NEWSWIRE) -- Applied Materials, Inc. today unveiled a major new initiative aimed at creating a more sustainable and just supply chain for semiconductor and display manufacturing.

SuCESS2030 (Supply Chain Certification for Environmental and Social Sustainability) will optimize material and parts selection, procurement, packaging, warehousing, transportation and recycling to reduce energy and emissions and conserve resources. The initiative also aims to promote ethics, human rights, diversity and inclusion throughout the supply chain.

"As part of Applied Materials' commitment to sustainability, we are extending our focus beyond our own operations to include our supply chain, where we expect positive impacts will be magnified throughout the industry," said Stephen Gustafson, Vice President, Operations and Aftermarket Quality. "Thank you to our suppliers for joining us in this shared initiative."

"The industry-leading SuCESS2030 initiative being announced today aligns with Intel's 2030 [corporate responsibility goals](#) and is core to building a responsible and sustainable end-to-end supply chain for the future of semiconductors," said Shaheen Dayal, Vice President of Fab Technology Sourcing at Intel. "Together, we are invested and share the growing sense of urgency to address broad challenges no one can tackle alone and can only be solved by collaborating across major organizations, industries, and countries."

Under the SuCESS initiative, Applied's assessment of supplier performance and capabilities will now require the following shared commitments:

- Reducing supply chain carbon emissions by moving to intermodal shipping that reduces the industry's reliance on air freight, with an interim emissions reduction target of 15% by 2024.
- Transitioning the supply chain to recycled content packaging, with a target of 80% by the end of 2023.
- 100% elimination of phosphate-based pre-treatment of metal surfaces by 2024.
- Development of a diversity and inclusion strategy that captures key metrics and meaningful actions to increase the percentage of spend with women- and minority-owned businesses and increase the representation of women and other underrepresented groups with demonstrated improvement by 2024. Work with our trade associations to significantly grow the pipeline of diverse talent available to the industry by 2030.
- Compliance with the Responsible Business Alliance Code of Conduct 6.0 and Applied Materials' [Standards of Business Conduct](#) and [Human Rights Policy](#).

The initiative is part of a broad commitment to ESG principles and targets that the company's President and CEO, Gary Dickerson, [outlined today](#) during a keynote address at the 50th annual SEMICON West.

The SuCESS initiative strengthens Applied's ESG supply chain strategy, which includes supporting ethical labor practices, responsible minerals sourcing and other programs in adherence to industry-wide doctrines including the RBA (Responsible Business Alliance) Code of Conduct, SEMI guidelines and Applied's Standards of Business Conduct.

The initiative will be managed through the new Applied Materials SuCESS Office which will oversee metrics and conduct compliance audits, training and coordination with participating companies. Applied is also adding a new Sustainability category to its annual Supplier Excellence Awards program beginning in 2021.

Joining Applied in supporting the SuCESS initiative are key suppliers from around the world including: Advanced Energy, Benchmark Electronics, Inc., Foxsemicon Integrated Technology Inc., NGK INSULATORS, LTD., Ultra Clean Holdings, Inc. and VAT.

Supply Chain Comments

"Applied Materials' SuCESS initiative is aligned with our continuing commitment to conserve resources through reduced energy and water use and improved recycling practices," said Yuval Wasserman, CEO of Advanced Energy. "AE's early participation with Applied Materials' initiative is consistent with our adherence to ISO 14001 environmental management standards."

"As an organization, we are committed to providing a safe and respectful workplace for our employees and conducting business in a socially responsible and sustainable way," said Jeff Benck, President and CEO of Benchmark. "Applied Materials is helping the semiconductor supply chain

become more mindful of how we can continue to preserve and protect our resources, and we're excited to contribute to the SuCCESS initiative."

"We welcome any measures that help us reduce our carbon footprint," said Kevin Chiu, CEO and President of Foxsemicon Integrated Technology. "We will support Applied Materials' SuCCESS initiative by evolving our logistics mix to include a greater percentage of intermodal shipping options."

"Our sustainability mission is to preserve the global environment, foster the development of industry, create a brighter energy future and contribute to the wellbeing and happiness of people around the world," said Hiroto Matsuda, Sr. Vice President, Group Vice Executive, Process Technology Business Group at NGK INSULATORS, LTD. "Having recently celebrated 101 years in business, we are well aligned to support Applied Materials' SuCCESS initiative."

"Supply chain resiliency is about more than speed of operation and just-in-time delivery," said Jim Scholhamer, CEO of Ultra Clean Holdings. "Today's supply chain leaders recognize we have a shared responsibility as environmental stewards that demands we pool our innovation to overcome collective challenges. We thank Applied Materials for leading this effort."

"We are dedicated to using natural resources sustainably, in a way that reduces negative impacts on the environment," said Mike Allison, CEO of VAT. "The Applied Materials SuCCESS initiative serves as an important call to action for the industry to continue to embrace responsible supply chain practices."

About Applied Materials

Applied Materials, Inc. (Nasdaq: AMAT) is the leader in materials engineering solutions used to produce virtually every new chip and advanced display in the world. Our expertise in modifying materials at atomic levels and on an industrial scale enables customers to transform possibilities into reality. At Applied Materials, our innovations make possible the technology shaping the future. Learn more at www.appliedmaterials.com.

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