

SUSTAINABILITY REPORT **2021 ANNEX**

Make Possible[®] *a Better Future*



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Data and Disclosures

Applied Materials is driven to make possible a better future for everyone. In developing our 2021 Sustainability Report, we compiled key data and disclosures in accordance with Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) frameworks, and the Task Force on Climate-related Financial Disclosures (TCFD). Further information and disclosures can be found in Applied's 2021 Annual Report and CDP Climate and Water reports.

About Applied Materials

	FY2021	FY2020	FY2019
Company Profile			
Revenue (\$billions)	\$23.1	\$17.2	\$14.6
Net income (\$billions)	\$5.9	\$3.6	\$2.7
R&D (\$billions)	\$2.5	\$2.2	\$2.1
Number of patents	-15,700	~14,300	~13,300
Number of locations / countries	>115 locations in 19 countries	>110 locations in 19 countries	100 locations in 18 countries

Find more information about Applied Materials in our 2021 Annual Report.



Environmental Metrics

Each year, Applied Materials continues to review and refine our environmental metrics calculation methodology.

Occasionally we restate historical data when improvements are made. If metrics are restated, we have flagged this in the applicable table and provided a footnote to explain the rationale for the update.

Greenhouse gas (GHG) emissions are calculated following the GHG Protocol, covering all greenhouse gases included in the Kyoto Protocol: CO₂, CH₄, N₂O, HFCs, PCFs, SF₆, and NF₃. The report includes all

Scope 1 and Scope 2 emissions following an operational control boundary, excluding mobile sources. 2021 emissions are calculated using eGRID factors, IEA 2019/2020, EIA CBECS factors, IPCC AR5 and 2018 EPA EEIO factors with an inflation adjustment for 2019. Informed estimations are used where primary data is limited or not available. An overview of our 2019 Scope 3 emissions calculation methodology can be found [here](#).

	UNITS	CY 2021	CY 2020	CY 2019
CLIMATE/GHG EMISSIONS				
Total Scope 1 ^(A)	MT CO ₂ e	43,982	49,083	53,494 ²
Total Scope 2 (market-based) ¹ ^(A)		49,290	79,939	82,521
Scope 1 ² + Scope 2 ^(A)		93,272	129,023	136,016 ²
Scope 3 ³ ^(A)	TOTAL	—	—	12,101,823
	Category 1: Purchased Goods & Services	—	—	1,862,516
	Category 2: Capital Goods	—	—	61,953
	Category 3: Fuel & Energy Related Activities ⁴	—	—	36,012
	Category 4: Upstream Transportation & Distribution	—	—	155,478

¹ Scope 2 (location-based) emissions in CY2021 = 149,301 tCO₂e; previous market-based emissions have been updated due to refined supplier data.

² Scope 1 2019 data is being restated due to a corrected error in the emissions factor used in the calculations.

³ Scope 3 emissions for calendar year 2020 and 2021 will be published in the 2022 Sustainability Report.

⁴ Well-to-tank (WTT) emissions from Transmission & Distribution (T&D) losses are not included.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

Environmental Metrics CONT.

		UNITS	CY 2021	CY 2020	CY 2019
CLIMATE/GHG EMISSIONS CONT.					
Scope 3 (continued) ^(A)	Category 5: Waste from Operations	MT CO ₂ e	—	—	531
	Category 6: Business Travel		—	—	97,953
	Category 7: Employee Commuting		—	—	76,751
	Category 8: Upstream Leased Assets		—	—	2,601
	Category 9: Downstream Transportation & Distribution ⁵		—	—	191,577
	Category 11: Use of Sold Products ⁶		—	—	9,610,156
	Category 12: End of Life Treatment of Sold Products ⁷		—	—	713
	Category 15: Investments ⁸		—	—	5,584
GHG Intensity ^(A)		Total Scope 1 & Scope 2 in MT CO ₂ e per employee	3.4	5.4	6.2 ²
		Total Scope 1 & Scope 2 in MT CO ₂ e per million dollars of revenue	4.0	7.5	9.3 ²

² Scope 1 2019 data is being restated due to a corrected error in the emissions factor used in the calculations.

⁵ Scope 3 category 9 was estimated using a ton-mile calculation based on total shipped units in 2019 with an average weight per unit. The average distance per unit was estimated using the most common shipping locations. The mode of transport breakdown was estimated based on available outbound shipping data.

⁶ Scope 3 category 11 was calculated based on total shipped units in 2019 using the SEMI S23 standard to model Applied semiconductor tools' annual energy consumption across product categories, multiplied by an average 10-year product lifespan. Emissions in this category include the energy, chemicals and gases used by Applied products as well as the ancillary equipment required to power Applied products. The category also includes emissions from the combustion of natural gas in point-of-use abatement systems where applicable. Category 11 emissions do not yet include emissions from refurbished tools, nor from Applied's Display business (which represented 11% of total net sales in 2019). We will work to add these emissions estimates in future reporting years.

⁷ Based on total units sold in 2019.

⁸ Revenue for 2 (out of 27) companies were estimated using the average of the others. Exited investments were excluded.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

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	UNITS	CY 2021	CY 2020	CY 2019
ENERGY				
Electricity Consumption ^(A)	MWh	434,021	404,613	399,468
Total Renewable Electricity ⁹		245,849	145,292	144,432
U.S. Renewable Electricity Rate	%	80.0%	41.1%	41.8%
Global Renewable Electricity Rate		56.6%	36.6%	36.5%
Total Energy	MWh	565,823	527,112	527,798
Energy Intensity	MWh of energy consumed per employee	20.8	21.9	24.0
	MWh of energy consumed per million dollars of revenue	24.5	30.6	36.2
WATER				
Total Water Withdrawal ^(A)	Thousand m ³	2,512	2,035	1,962
City water purchased		2,174	2,017	1,940
Groundwater		338	17	23
Total Water Consumed		341	68	86
Domestic water ¹⁰		291	—	—
Irrigation		50	68	86
Water Withdrawal in Stressed Areas ^(A)	%	12%	14%	14%

⁹ Global Renewable Electricity rate is being restated to exclude our Gloucester facility wind turbine generation as these RECs are sold.

¹⁰ Domestic water consumption assumes negligible water consumption in office buildings.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

Environmental Metrics CONT.

	UNITS	CY 2021	CY 2020	CY 2019
WASTE¹¹				
Non-hazardous recycling diversion rate	%	76%	75%	79%
Total non-hazardous waste	Thousand MT	22.5	15.0	12.1
Non-hazardous: landfill + incineration		5.4	3.7	2.2
Non-hazardous: diverted		12.8	11.2	9.9
Non-hazardous: composted		4.2	—	—
Total hazardous waste		0.4	0.5	0.4
Total waste generation		22.9	15.5	12.5
PRODUCT RESPONSIBILITY				
Refurbished tools	Count	150	147	155

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¹¹ 2020 waste data is being restated due to an error in underreporting.

Social Metrics

Additional workforce diversity data and trends can be found in our recently published [Changes in Diversity 2016-2019 Report](#).

	FY 2021	FY 2020	FY 2019
Global Workforce ^(A)			
Total Workforce	30,130	25,775	23,234
Regular full-time employees	27,223	24,031	22,014
Temporary workers	2,793	1,637	1,114
Interns	114	107	106
Female Representation of the Global Workforce ^(A)			
Women on Applied Materials' Board of Directors	40%	30%	30%
Total Women in Workforce	18.1%	17.8%	17.4%
Women Executives (Vice Presidents and Directors)	12.2%	11.2%	11.0%
Women Managers (People Managers)	16.3%	15.5%	14.9%
Women Professionals (Business, Engineering, and Sales Career Bands)	26.0%	25.8%	25.3%
Women Engineering Employees ¹	13.9%	13.2%	12.7%

¹ Engineers are those in roles within the Engineering Career band only. Customer Engineers and Engineering Technicians are excluded from this metric.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

Social Metrics CONT.

	FY 2021	FY 2020	FY 2019
Female Representation in U.S. Workforce ^(A)			
Total Women in the Workforce	20.8%	20.2%	19.5%
Women Executives (Vice Presidents and Directors)	12.7%	11.6%	11.3%
Women Managers (People Managers)	19.0%	17.4%	16.1%
Women Professionals (Business, Engineering, and Sales Career Bands)	26.8%	26.9%	26.1%
Women Engineering Employees ¹	13.5%	12.9%	12.4%
Female Representation by Region			
AMER	20.8%	20.2%	19.5%
APAC	15.6%	15.7%	15.6%
EMEA	18.3%	16.7%	16.5%
Ethnicity and Race Representation in the U.S. Workforce ² ^(A)			
White	45.6%	48%	49.8%
Asian	37.1%	37.3%	36.8%
Hispanic or Latino	9.2%	8.4%	7.8%
Black or African American	4.5%	3.9%	3.7%
Employees with two or more races	1.8%	1.4%	1.4%
American Indian or Alaska Native	0.3%	0.2%	0.3%
Native Hawaiian or Pacific Islander	0.7%	0.3%	0.2%

¹ Engineers are those in roles within the Engineering Career band only. Customer Engineers and Engineering Technicians are excluded from this metric.

² In FY21, 0.9% of employees did not disclose race/ethnicity.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

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HIRING AND RECRUITMENT	FY 2021	FY 2020	FY 2019
U.S. Employee New Hires ^(A)			
Female new hires (excludes NCG female hires) ³	24.5%	26.9%	26.1%
U.S. Intern Program ^(A)			
Female intern hires	53.1%	60.2%	44.4%
U.S. New College Graduate (NCG) Program ^(A)			
Female NCG hires	30.9%	36.2%	33.3%
GLOBAL VOLUNTARY TURNOVER⁴	FY 2021	FY 2020	FY 2019
Global Total ^(A)			
Total global voluntary turnover	7.0%	4.8%	5.4%
Global Turnover by Gender ^(A)			
Global female turnover	7.1%	5.1%	7.2%
Global male turnover	6.9%	4.8%	5.0%

³ Historical data has been updated and streamlined to address all data scenarios for precision in reporting of NCG hires.

⁴ Historical data has been updated to reflect the streamlined definition of voluntary turnover.

^(A) 2021 data assured by ERM CVS. See our data assurance statement on page 83 of the [Sustainability Report](#).

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LEARNING AND DEVELOPMENT	FY 2021	FY 2020	FY 2019
Total Workforce (includes all regular full-time, temporary, and interns)			
Total learning hours ⁵	1,740,492	1,436,271	1,407,932
Total individual learners ⁵	42,223	33,759	32,087
Average training hours per person ⁵	41	43	44
Regular Full-Time Employees			
Total learning hours	1,598,502	1,353,985	1,336,812
Total individual learners	27,335	23,214	21,850
Average training hours	58	58	61
Percentage of employees completed training/learning hours	99%	98%	99%
Contingent Workers			
Total learning hours	141,990	82,286	71,120
Average training hours	10	8	7

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⁵ FY 2020 figures adjusted to include contingent workers.

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EMPLOYEE HEALTH AND SAFETY	FY 2021	FY 2020	FY 2019
Employee Health and Safety			
Total Case Incident Rate (TCIR) ^(A)	0.45	0.33	0.43
Days Away, Restricted, or Transferred Rate (DART) ^(A)	0.35	0.23	0.29
Lost Time Severity Rate (LTSR)	4.44	3.70	3.63
Fatalities ^(A)	0	0	0
COMMUNITY IMPACT			
Community Giving and Investments ^(A)			
Total community investments	\$13.7M	\$14.9M	\$10.8M
Total community investments by Applied Materials, Inc	\$3.1M	\$3.8M	\$2.8M
Total community investments by the Applied Materials Foundation (excludes administrative)	\$10.6M	\$11.1M	\$8.0M
Total giving through the Foundation Match Program (employee gifts plus match)	\$8.9M	\$7.4M	\$6.6M
Total Volunteer Time Grant hours logged ⁶ (calendar year)	9,995	8,183	15,174
Total contributions issued by the Applied Materials Foundation based on Time Grant hours (calendar year).	\$30,200	\$28,400	\$49,000

⁶ Volunteer and Time Grant Hours were reduced by the COVID-19 pandemic and stay-at-home orders, which employees were encouraged to follow.

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TOPIC	CODE	ACCOUNTING METRIC	2021	2020	2019	NARRATIVE RESPONSE/REPORT LOCATION
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions	43,982 MT CO ₂ e	49,083 MT CO ₂ e	53,494 MT CO ₂ e	Additional emissions data available in the Environmental Metrics table above, page 3
		Amount of total emissions from perfluorinated compounds	10,154 tCO ₂ e	n/a	n/a	Data not tracked at this time
	TC-SC-110a.2	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		See 2020 and 2019 sustainability reports		See the “Climate & Energy” section of our 2021 Sustainability Report , pages 53-57
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed	565,823 MWh	527,112 MWh	527,798 MWh	Additional energy data available in the Environmental Metrics table above, page 3
		Percentage of energy consumed that was supplied from grid electricity	75.6%	75.2%	74.9%	
		Percentage of energy consumed that is renewable energy	43.4%	27.6%	27.4%	

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TOPIC	CODE	ACCOUNTING METRIC	2021	2020	2019	NARRATIVE RESPONSE/REPORT LOCATION
Water Management	TC-SC-140a.1	Total water withdrawn	2,512 Thousand m ³	2,035 Thousand m ³	1,962 Thousand m ³	Additional water data available in the Environmental Metrics table above, page 5
		Percentage of water withdrawn in regions with high or extremely high baseline water stress	12%	14%	14%	See “Water Management” section in our 2021 Sustainability Report , page 64
		Total water consumed	341 Thousand m ³	n/a	n/a	Domestic water consumption assumes negligible water consumption in office buildings
		Percentage of water consumed in regions with high or extremely high baseline water stress	14%	n/a	n/a	
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing	433 MT	493 MT	437 MT	Additional waste data available in the Environmental Metrics table above, page 6
		Percentage of hazardous waste recycled	22%	n/a	n/a	
Employee Health and Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards				See “Occupational Health and Safety” under “Invest in People” in our 2021 Sustainability Report , page 49-50
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations				In 2021, Applied received three non-serious notices of violation worldwide; the associated penalties were immaterial.

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TOPIC	CODE	ACCOUNTING METRIC	2021	2020	2019	NARRATIVE RESPONSE/REPORT LOCATION
Recruiting and Managing a Global and Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	n/a	n/a	n/a	Applied Materials does not disclose the percentage of employees who are foreign nationals or located offshore
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	n/a	n/a	n/a	This information is not tracked at this time
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	n/a	n/a	n/a	This information not applicable to Applied Materials who is a semiconductor equipment manufacturer
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials				See “Supplier Assessments and Audit” and “Responsible Minerals Sourcing” in our 2021 Sustainability Report , pages 77-78; see also our 2021 Conflict Minerals Report
Intellectual Property Protection and Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	n/a	n/a	n/a	n/a
Activity Metrics	TC-SC-000.A	Total production	3,525	2,891	2,011	Production data includes semiconductor equipment
	TC-SC-000.B	Percentage of production from owned facilities	85%	85%	85%	

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DISCLOSURE	RESPONSE AND REFERENCES
Governance	
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>Applied’s Corporate Governance and Nominating Committee (CGNC) oversees the ESG program, which includes sustainability and climate-related strategy, and is engaged on these topics throughout the year to foster continuous improvement and accountability.</p> <p>The Director of ESG and Managing Director of Environmental Health and Safety (EHS) report to the CGNC on the progress of our sustainability-related initiatives, including climate-related issues, on a quarterly basis. A more in-depth ESG update is delivered to the CGNC on an annual basis and includes discussion of progress on climate and energy goals and initiatives across the value chain.</p> <p>For additional information, review the ESG Governance section of our 2021 Sustainability Report and the company’s CDP Climate response¹ questions C1.1a and C1.b.</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Applied Materials’ CEO and his executive team review, assess and provide input on the company’s ESG strategy through the annual strategic review process. Progress on our corporate 2030 ESG goals, which include Applied’s GHG emissions, renewable energy, and product efficiency goals, are included in our Corporate Scorecard, which is tied to executive compensation. Applied Materials’ Director of ESG presents progress on these goals and a discussion of emerging climate and energy issues and opportunities to the CEO and the executive leadership team on a quarterly basis, for monitoring and review.</p> <p>Applied monitors potential climate-related risks on an annual basis, with responsibility for identifying company-wide and site-specific risks resting with a core team of global emergency response, crisis management and business continuity personnel, as well as local facilities teams. Our risk identification, mitigation and management plans help ensure our ability to recover quickly from climate-related events and effectively support our customers’ and suppliers’ operations.</p> <p>In 2020 Applied initiated a climate risk assessment, which involved a cross functional group of stakeholders, including the Managing Director of EHS; VP Finance; Director Treasury; Senior Director Corporate Finance; Chief Accounting Officer; VP Corporate Asset Services; VP Communications, Public Affairs & Workplace; Senior Director Government Affairs; VP Investor Relations; VP Business Operations; VP Manufacturing; and others.</p> <p>For additional information, review the company’s CDP Climate response¹ questions C1.2a and C2.2.</p>

¹ Published following the July 27, 2022 CDP deadline.

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DISCLOSURE	RESPONSE AND REFERENCES
<p>Strategy</p> <p>a) Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.</p>	<p>In 2020–2021, Applied engaged a third party to complete a comprehensive climate risk assessment, including scenario analysis, across physical and transitional risks, modeled from 2020 to 2050 using RCP 2.6, 4.5 and 8.5 climate models. Key findings from the assessment included²:</p> <p>Physical Risks:</p> <ul style="list-style-type: none"> Some locations, primarily in the U.S. and India, may be exposed to higher climate-related physical risks associated with wildfires, water stress and flooding. Water stress represented the highest physical risk factor across the majority of global sites. These risks could also apply to Applied’s supply chain and logistics. <p>Transition Risks:</p> <ul style="list-style-type: none"> Policy: Future regulatory restrictions on process chemicals used in some of Applied’s semiconductor tools that are emission intensive and may require process modifications in order to meet future emissions constraints. Technology: Applied’s products consume large amounts of energy and water when used in customer fabs. Any policy efforts to drastically mitigate these downstream impacts may require Applied to transition to less energy- and water-intensive technologies. Market: Customers that are exposed to increasing energy and water constraints in their manufacturing operations as a result of climate-related policy action may shift their purchasing behaviors towards more resource-efficient products. Reputation: If Applied does not take meaningful action to address climate-related issues, it could be at a disadvantage reputationally with its customers and investors. <p>Opportunities:</p> <ul style="list-style-type: none"> Products & Services: Applied is in the process of developing technologies and solutions that reduce the energy, water and chemical impacts of manufacturing semiconductor chips; Applied is strongly positioned to respond to demand from customers for resource-efficient products. Substantial climate impact reductions can be attained through collaboration with customers on addressing goals related to emissions, energy, water and hazardous gas consumption. <p>For additional information, review the “Climate and Energy” and “Design for Sustainability” sections of the 2021 Sustainability Report and the company’s CDP Climate response¹ questions C2.3 and C2.4.</p>

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¹ Published following the July 27, 2022 CDP deadline.

² The climate-related risks listed here are examples that we identified and analyzed in our climate risk assessment process. The inclusion of these examples does not characterize the probability, materiality, or potential financial impact of these risks and opportunities.

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DISCLOSURE	RESPONSE AND REFERENCES
Strategy	
<p>b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.</p>	<p>Applied has teams dedicated to global emergency response, crisis management and business continuity, including extensions to local facilities' teams that help our business to be prepared to respond and recover quickly from climate-related events and effectively support our customers' and suppliers' operations.</p> <p>As customer preferences shift toward resource-efficient products, Applied has and continues to develop technologies that enable customers to meet current and future environmental obligations to their own customers, regulators and other stakeholders. For example, Applied is actively producing technologies to reduce the power consumption of semiconductor chips, improve the energy density of batteries, and deliver solar PV panels. As a part of our 3x30 goals, our teams are developing tools and services to improve the overall energy efficiency of semiconductor fabrication facilities.</p> <p>For additional information, review the "Climate and Energy" and "Design for Sustainability" sections of the 2021 Sustainability Report and the company's CDP Climate response¹ question C3.3.</p>
<p>c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>With the recent completion of its third-party climate risk assessment, Applied is starting to work with key internal stakeholders to evaluate the results from this assessment.</p> <p>Applied has measures in place to mitigate various site-level climate risks, from expanding our global emergency response, crisis management and business continuity teams to implementing facilities upgrades, to having proper insurance policies in place. We have also started to consider climate-related risks in the selection and expansion of new facilities, such as potential energy costs and interruptions, access to renewable energy, and water constraints.</p> <p>Applied's 3x30 goals and strategy are enabling the transition to a low carbon economy through the modeling and identification of energy and emissions-reducing measures across our semiconductor products and customers' fab operations. Simultaneously, our supply chain SuCCESS2030 teams are scaling up their engagement with key suppliers on tracking and managing GHG emissions, energy usage, and water.</p> <p>Transition risks related to projected increases in carbon pricing were also evaluated but generally deemed as relatively low risk based on Applied's sector, business performance, locations and benchmarking of our existing climate-related goals and strategy against industry peers.</p> <p>For additional information, review the "Climate and Energy," "Design for Sustainability," and "Supply Chain Responsibility" sections of the 2021 Sustainability Report and the company's CDP Climate response¹ C3.3 and C3.4</p>

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Risk Management

a) Describe the company's processes for identifying and assessing climate-related risks.

In 2020–2021, Applied engaged Trucost (S&P Global) to conduct our first physical and transition risk assessment. The assessment process included a blend of internal stakeholder interviews and industry benchmarking and research to identify and evaluate a set of physical and transition climate-related risks. Physical climate risks were modeled for our top 32 global facilities for the period 2020-2050 using RCP 2.6, 4.5 and 8.5 climate scenarios. Transition risks related to carbon pricing were compiled by Trucost using a blend of publicly available carbon pricing data across 100 geographies, low/medium/high price increase scenarios based on existing climate commitments and 2°C pathways and Applied-specific business growth modeling. Other research and benchmarking mechanisms were integrated in the other transition risk aspects, such as reputational and technology-related risks.

In addition, starting in 2021 Applied is using the Datamaran platform to systematically evaluate and prioritize ESG-related topics (including climate, energy and renewable energy topics) in terms of significance to its stakeholders. The results were informed through Applied internal stakeholder input along with Datamaran's aggregated research and benchmarking of external stakeholder sources (reports, regulations, media, etc.)

Both the climate risk assessment and corporate responsibility materiality assessments will be rerun approximately every two years to capture evolving trends and changes or growth of the business.

For additional information, review the company's [CDP Climate response](#)¹ question C2.2.

b) Describe the organization's processes for managing climate-related risks.

We use a risk assessment structure as an opportunity to identify processes or conditions of concern. The core team of global emergency response, crisis management and business continuity personnel identify site-level and other acute risks, including those associated with climate change. Our aim is to anticipate risks, establish mitigation plans and be prepared for fast recovery should a catastrophic event occur. Applied monitors transitional risks, including potential regulatory changes covering climate change and their potential impact on our business operations.

Risks are prioritized based on probability and impact. For example, a low-probability event with high enough impacts is flagged as a risk. Once risks are prioritized, Applied identifies key risks and begins planning for different scenarios and impacts with our business continuity teams to develop Business Continuity Plans and complete drills and exercises on an annual basis in an effort to remain prepared to support our business, customers and supplier operations.

At the asset level, our site facilities and business continuity teams identify local physical risks and concerns to business units and operations. These teams use the ISO 14001 EMS, PSI Behavior Change Framework or Private Sector Preparation, or variations of these frameworks, with tool development to identify site-specific concerns. We also utilize a physical risk assessment process to identify and monitor those facilities that are most susceptible to acute and chronic risks based on their geographical location.

For additional information, review the company's [CDP Climate response](#)¹ question C2.2.

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Risk Management	
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.</p>	<p>Within Applied Materials, our Enterprise Risk Management (ERM) program provides perspective into existing and potential risks. The ERM program is overseen by the Board's Audit Committee, with a focus on identifying the most significant strategic, operational, financial, legal and compliance risks. Climate-related risks have been evaluated as a part of this process, but have not been identified as among the top risks that could impact Applied.</p> <p>Applied defines substantive climate-related risks as risks that could materially and adversely affect Applied's business, financial condition, results of operations and/or cause reputational harm. Our risk assessment processes allow us to evaluate and prioritize the impacts of emerging and ongoing risks, which would be considered substantive based on factors like probability, magnitude and anticipated time horizons, depending on the scenario.</p> <p>We are in the process of integrating the results of the recent climate risk assessment into our overall risk management program and are actively engaging with relevant teams to evaluate risk mitigation measures.</p> <p>For additional information, review the company's CDP Climate response¹ question C2.1.</p>

¹ Published following the July 27, 2022 CDP deadline.

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DISCLOSURE	RESPONSE AND REFERENCES
Metrics and Targets	
<p>a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Applied’s risk assessment processes allow us to evaluate and prioritize the impact of emerging and ongoing risks, which would be considered substantive based on factors like probability, magnitude and anticipated time horizons, depending on the scenario.</p> <p>Climate risks were assessed by Trucost using a multitude of factors including statistical analysis of the likelihood of various climate-related events using CMIP5 models in the geographic locations of Applied facilities from 2020-2050, as well as an assessment of the water, capital and labor intensities across these locations. Transition risks were evaluated based on Trucost’s projections of carbon prices and the potential impact of these on Applied’s project operating expenditures and profit margins, as well as projected supplier EBITDA exposure to increased carbon prices, from 2030 to 2050.</p> <p>For additional information, review the company’s CDP Climate response¹ questions C2.1b, C4.1, C4.1a, C4.1b, C4.2 and C4.2a.</p>
<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>See the Environmental Metrics section above, page 3.</p> <p>For additional information, review the company’s CDP Climate response¹ questions C6.1, C6.3 and C6.5.</p>
<p>c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.</p>	<p>Applied has several climate-related goals addressing impacts across its value chain:</p> <ul style="list-style-type: none"> ▪ Attain 100% renewable electricity in the U.S. by 2022 and globally by 2030 ▪ Reduce Scope 1 and Scope 2 GHG emissions 50% by 2030, from 2019 baseline ▪ Reduce equivalent energy consumption for semiconductor products by 30% by 2030 ▪ Reduce chemical consumption for semiconductor products by 30% by 2030 ▪ A Scope 3 science-based emissions reduction target is in the process of being set (expected to be submitted to SBTi in the second half of 2022) <p>For additional information, review the “Climate and Energy” and “Innovate for Progress” sections of our 2021 Sustainability Report and the company’s CDP Climate response¹ question C4.2.</p>

¹ Published following the July 27, 2022 CDP deadline.

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
GRI 102: General Disclosures		
Organizational Profile		
102-1 Name of the organization	Applied Materials (AMAT)	
102-2 Activities, brands, products, and services		2021 Annual Report, Business, pages 4-9
102-3 Location of headquarters	Santa Clara, California, United States	Worldwide locations
102-4 Location of operations		2021 Annual Report, Properties, page 30 Worldwide locations
102-5 Ownership and legal form		2021 Annual Report, Market for Registrant's Common Equity, Related Stockholder Matters, pages 32-33 Amended and Restated Certificate of Incorporation of Applied Materials, Inc.
102-6 Markets served		2021 Annual Report, Properties, page 30 Worldwide locations
102-7 Scale of the organization	Annex, About Applied Materials, page 2; Social Metrics, page 7; SASB Index, pages 12-14	2021 Annual Report, pages 4, 30, 34
102-8 Information on employees and other workers	Annex, Social Metrics, page 7	
102-9 Supply chain	Supply Chain Responsibility, pages 75-81	
102-10 Significant changes to the organization and its supply chain	There have been no significant changes to our company or supply chain.	

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
102-11 Precautionary principle or approach	Climate and Energy, Climate Risk, page 55 Water Management, page 64 Innovate for Progress, Product Safety, pages 74 Supply Chain Responsibility, Supplier Assessments and Audit, page 77	2021 Proxy Statement , pages 11-12 Corporate Governance Addendum , page 2
102-12 External initiatives	Supply Chain Responsibility, Supplier Assessments and Audit, page 77	Statement under the California Transparency in Supply Chains Act Standards of Business Conduct Responsible Minerals Sourcing Policy
102-13 Membership of associations	Corporate Governance, Business and Trade Associations, page 17	2021 U.S. Trade, Business and Civic Associations Membership
Strategy		
102-14 Statement from senior decision-maker	Message from Our CEO, page 2	
Ethics and Integrity		
102-16, 102-17	Ethics and Compliance, pages 13-15	Standards of Business Conduct
Governance		
102-18, 102-19	Corporate Governance, page 11	2021 Proxy Statement , pages 7-14 Corporate Governance Guidelines Corporate Governance Addendum

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance, ESG Oversight and Management, pages 11 Environmental Health and Safety, EHS Policies, Systems and Governance, pages 60-61	2021 Proxy Statement , page xiii Corporate Governance Addendum
102-21 Consulting stakeholders on economic, environmental, and social topics	Public Policy, Policy Engagement, pages 16-17 Public Policy, Business and Trade Associations, page 17 Design for Sustainability, Customer Partnerships to Drive Industry-Wide Change, page 71	2021 Proxy Statement , pages xiii, 13 Corporate Governance Addendum
102-22, 102-23, 102-24		2021 Proxy Statement , pages iii, 1-10, 14-15 Corporate Governance Guidelines Corporate Governance Addendum
102-25 Conflicts of interest	Ethics and Compliance, Standards of Business Conduct, page 14	2021 Proxy Statement , page 7 Standards of Business Conduct Corporate Governance Guidelines , pages 3-4, 9
102-26, 102-27, 102-28	Message from Our CEO, page 2 Corporate Governance, page 11	2021 Proxy Statement , pages 1-6, 10, 24, 49 Corporate Governance Guidelines , pages 6, 8 Corporate Governance Addendum

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
102-29 Identifying and managing economic, environmental, and social impacts	Our Sustainability Vision and Strategy, page 5 Invest in People, pages 30-51 Protect Our Planet, pages 52-64 Innovate for Progress, pages 65-81	2021 Proxy Statement , pages xii, 13
102-30 Effectiveness of risk management processes	Occupational Health and Safety, pages 49-50 Climate and Energy, Climate Risks, page 55 Environmental Health and Safety, Water Management, page 64 Product Safety, page 74 Supply Chain Responsibility, Supplier Assessments and Audit, page 77	2021 Proxy Statement , page 11 Corporate Governance Guidelines , pages 6-7
102-31, 102-32	Corporate Governance, ESG Oversight and Management, page 11	2021 Proxy Statement , pages xii
102-33 Communicating critical concerns	Ethics and Compliance, Reporting Ethics Concerns, page 13	2021 Proxy Statement , page 13 Corporate Governance Guidelines , pages 6-7
102-35 Remuneration policies	Our Culture of Inclusion, pages 35-43 Annex, Social Metrics, pages 7-11 Employee Safety and Support During COVID-19, page 48	2021 Proxy Statement , pages 16-17, 24-27, 38-40 Corporate Governance Guidelines , pages 5-7
102-36, 102-37, 102-38, 102-39		2021 Proxy Statement , pages 28-38, 46

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
Stakeholder Engagement		
102-40 List of stakeholder groups		Corporate Governance Addendum
102-41 Collective bargaining agreements	Applied Materials participates in collective bargaining agreements at certain of its sites in Germany and the Netherlands. Employees at certain sites in Germany, France and the Netherlands have formal representation on works councils, and one of Applied’s sites in Italy has trade union representatives.	
102-42, 102-43, 102-44	Corporate Governance, ESG Oversight and Management, page 11 Public Policy, pages 16-17 Public Policy, Business and Trade Associations, page 17 Design for Sustainability, Customer Partnerships to Drive Industry-Wide Change, page 71	2021 Proxy Statement , page 13 Corporate Governance Addendum
Reporting Practice		
102-45 Entities included in the consolidated financial statements		2021 Annual Report , page 64
102-46 Defining report content and topic boundaries	Our Sustainability Vision and Strategy, page 5	

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
102-47 List of material topics	Corporate Responsibility Materiality Assessment, page 8	
102-48 Restatements of information	Annex, Environmental Metrics, page 3 Applied has footnoted any restated data in the Environmental and Social data tables above	
102-49 Changes in reporting	N/A	
102-50 Reporting period	FY2021	
102-51 Date of most recent report	July 2021	
102-52 Reporting cycle	Applied Materials publishes sustainability reports on an annual basis.	
102-53 Contact point for questions regarding the report	corporate_responsibility@amat.com	
102-54 Claims of reporting in accordance with the GRI Standards	This report adheres to the GRI Standards: Core option	
102-55 GRI content index	Annex, GRI Content Index, pages 21-31	
102-56 External assurance	2021 Sustainability Report, page 83 ERM CVS has conducted limited assurance of selected environmental, social, and community impact data metrics for FY2021. For more information on the scope and approach, please see the assurance statement referenced.	

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DISCLOSURE	2021 REPORT LOCATIONS AND NARRATIVE RESPONSES	APPLIED MATERIALS EXTERNAL REFERENCE
GRI 204: Procurement Practices		
103-1, 103-2, 103-3, 204-1	Our Sustainability Vision and Strategy, page 5 Supply Chain Responsibility, pages 75-81	
GRI 205: Anti-Corruption		
103-1, 103-2, 103-3, 205-1, 205-2	Ethics and Compliance, pages 13-15 We conduct periodic anti-corruption risk assessments across our global operations, utilizing the results to continually enhance our anti-corruption policies and procedures. In addition, we participate in RBA assessments and audits that include an evaluation of corruption risk.	<u>Standards of Business Conduct</u> , pages 20-21, 36-39
GRI 302: Energy		
103-1, 103-2, 103-3, 302-1, 302-3, 302-4, 302-5	Climate and Energy, pages 55-59 Environmental Health and Safety, Energy Management, page 62 Design for Sustainability, pages 68-71 Annex, Environmental Metrics, <u>pages 3-6</u>	
GRI 303: Water		
103-1, 103-2, 103-3, 303-1, 303-2, 303-3	Environmental Health and Safety, Water Management, page 64 Supply Chain Responsibility, pages 75-81 Annex, Environmental Metrics, <u>pages 3-6</u>	

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GRI 305: Emissions		
103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5	Climate and Energy, pages 55-59 Environmental Health and Safety, Energy Management, page 62 Supply Chain Responsibility, pages 75-81 Annex, SASB Index, pages 12-14 Annex, Environmental Metrics, pages 3-6	
GRI 306: Waste		
103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5	Environmental Health and Safety, Waste Management, page 63 Innovate for Progress, pages 65-81 Design for Sustainability, pages 68-71 Promoting the Circular Economy, pages 72-73 Enabling Recycling of Flexible Packaging, page 73 Annex, Environmental Metrics, pages 3-6	
GRI 307: Environmental Compliance		
103-1, 103-2, 103-3, 307-1	Environmental Health and Safety, EHS Policies, Systems and Governance, pages 60-61 Supply Chain Responsibility, pages 75-81	

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GRI 308: Supplier Environmental Assessment		
103-1, 103-2, 103-3, 308-1, 308-2	Corporate Governance, page 11 Environmental Health and Safety, pages 60-64 Supply Chain Responsibility, pages 75-81	
GRI 401: Employment		
103-1, 103-2, 103-3, 401-1, 401-2, 401-3	Corporate Governance, page 11 Invest in People, pages 30-51 Employee Safety and Support During COVID-19, page 48 Recruiting and Hiring, pages 33-34 Annex, Social Metrics, pages 7-11	
GRI 402: Labor/Management Relations		
103-1, 103-2, 103-3, 402-1	Employee Safety and Support During COVID-19, page 48	
GRI 403: Occupational Health and Safety		
103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9	Occupational Health and Safety, pages 49-50 Annex, Social Metrics, pages 7-11	Occupational Health and Safety Overview
GRI 404: Training and Education		
103-1, 103-2, 103-3, 404-1, 404-2, 404-3	Ethics and Compliance, Ethics Compliance and Training, page 15 Data and IP Security, page 18 Our Culture of Inclusion, Engaging Leaders as Champions of Change, 2021 Inclusion Highlights, pages 35-43 Learning and Development, pages 44-47 Annex, Social Metrics, pages 7-11	Learning and Development Overview

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GRI 405: Diversity and Equal Opportunity		
103-1, 103-2, 103-3, 405-1	Our Culture of Inclusion, pages 35-43 Annex, Social Metrics, pages 7-11	2021 Proxy Statement , page iii
GRI 408: Child Labor		
103-1, 103-2, 103-3, 408-1	Our Culture of Inclusion, pages 35-43 Annex, Social Metrics, pages 7-11	Statement under the California Transparency in Supply Chains Act Standards of Business Conduct , page 21
GRI 409: Forced or Compulsory Labor		
103-1, 103-2, 103-3, 409-1	Supply Chain Responsibility, pages 75-81	Statement under the California Transparency in Supply Chains Act Standards of Business Conduct , page 21 Applied Human Rights Statement of Principles
GRI 412: Human Rights Assessment		
103-1, 103-2, 103-3, 412-1, 412-2	Human Rights, page 51 Supply Chain Responsibility, pages 75-81	Statement under the California Transparency in Supply Chains Act Applied Human Rights Statement of Principles
GRI 413: Local Communities		
103-1, 103-2, 103-3, 413-1	Community Impact, pages 20-29	
GRI 414: Supplier Social Assessment		
103-1, 103-2, 103-3, 414-1, 414-2	Supply Chain Responsibility, pages 75-81	

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GRI 415: Public Policy		
103-1, 103-2, 103-3, 415-1	Public Policy, Policy Engagement, pages 16-17 Public Policy, Political Contributions, page 17	1H 2020 Semi-Annual Political Contributions 2H 2020 Semi-Annual Political Contributions Corporate Governance Addendum
GRI 416: Customer Health and Safety		
103-1, 103-2, 103-3, 416-1	Product Safety, page 74	
GRI 417: Marketing and Labeling		
103-1, 103-2, 103-3, 417-1	Product Safety, page 74	



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