



Applied Materials' Statement under the California Transparency in Supply Chains Act

Under the California Transparency in Supply Chains Act of 2010 (Cal. Civil Code §1714.43), many manufacturers and retail sellers doing business in California must disclose information regarding their efforts to address the risk of slavery and human trafficking in their supply chains.

Applied Materials is a leading provider of innovative manufacturing equipment and services to the semiconductor, display and related industries. Our ability to manufacture products depends on the timely supply of parts and assemblies that meet defined specifications, which generally entails very close interaction with our suppliers, including regular visits to supplier sites.

Applied Materials is committed to conducting business in an ethical and responsible manner and is unequivocally opposed to slavery and human trafficking. These values are reflected in our [Human Rights Statement of Principles](#), which states in part that “We condemn and are committed to ending forced and bonded labor in all its forms, including child labor, indentured labor, slavery and human trafficking,” as well as our [Standards of Business Conduct](#). This prohibition is also reiterated in the company’s Human Resources Policy Manual under the Global Policy against Child and/or Forced Labor.

In addition, Applied Materials is a member of the Responsible Business Alliance (RBA, a non-profit coalition committed to supporting the rights and wellbeing of workers and communities throughout the global electronics supply chain, and has adopted the RBA Code of Conduct (RBA Code). The RBA Code is based in part on international labor and human rights standards that similarly condemn child labor, forced labor and human trafficking.

Applied requires all members of our global supply chain to comply with the company’s Standards of Business Conduct as well as the RBA Code. We promote adherence in several ways, including the following:

- Agreements with suppliers require compliance with these codes and applicable laws;
- A reminder of our compliance requirements is emailed annually to suppliers along with a copy of the Standards of Business Conduct and RBA Code;
- Web-based comprehensive training on our Standards of Business Conduct and the RBA Code is provided to Applied personnel and suppliers, and we conduct monthly supplier webinars to focus on particular requirements of our Standards of Business Conduct and the RBA Code;
- Pursuant to our SuCCESS2030 (Supply Chain Certification for Environmental and Social Sustainability) program, the top 80% of direct suppliers and 10% of high-risk indirect suppliers (based on company spend) are requested to complete self-assessments on an annual basis to measure their compliance with these and other similar requirements;



- Consistent with RBA membership requirements, we have implemented a process to identify any high-risk major suppliers and to perform third-party audits of at least 50% of high-risk direct suppliers and 10% of high-risk indirect suppliers; and
- We have internal accountability standards and procedures in the event an employee or supplier fails to meet company prohibitions on slavery and trafficking. Failure to cooperate may result in disciplinary action for our employees and business partners, up to and including termination.
- Further, Applied Materials operates a 24-hour ethics helpline, which is run by an independent third party, that allows anyone to raise a concern. We take all reports seriously and conduct internal investigations and implement corrective actions where warranted.

This statement was last updated on September 30, 2022. For future updates to our policies and practices covered under the Act, please check back to this site.