



# Applied Materials Diversity and Inclusion Report 2017



# Diversity and Inclusion

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## OUR COMMITMENT

Applied Materials' innovations make possible the technology shaping the future. To achieve this, we employ some of the best, brightest and most talented people in the world who work together as part of a winning team.

Diversity and inclusion are essential to building winning teams and driving innovation. Virtually every nationality, culture and background is represented within Applied Materials, and we believe it is a competitive advantage to have diversity in a company focused on innovation. We rely on teams of people who not only look different but think differently and bring different perspectives and experiences to share their best thinking and engage in real collaboration in an environment of mutual respect.

At Applied Materials, we are building upon a culture that values diversity and inclusion. Recently, we have made progress in our efforts to increase the representation of women globally and underrepresented minorities in the U.S. We still have more to do and believe in sharing our goals for diversity and inclusion as well as our progress.

## DEFINING DIVERSITY AND INCLUSION

At Applied Materials, diversity goes beyond age, nationality, ethnicity, religion, gender, sexual orientation, and mental and physical abilities. Diversity also includes individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviors.

For us, inclusion means that all employees feel they belong and can contribute fully to the organization's success and are entitled to a work environment in which all individuals are treated respectfully and have equal access to opportunities and resources.

Inclusion is important because it brings to life the benefits of diversity. Inclusion makes our team members feel welcomed, valued, and respected. Being inclusive helps us create an exceptional place to work where our people thrive and feel engaged—a culture where we can all achieve our best.



“Together we can ensure that Applied Materials remains the place where successful women and men from all cultures and backgrounds want to grow their careers as part of our winning team.”

**GARY DICKERSON**  
President and CEO

## DIVERSITY AND INCLUSION AS A COMPETITIVE ADVANTAGE

Following a remarkable 50 years of success, we are at a unique and exciting time in Applied’s history. As we seize opportunities related to transformative technologies such as big data and artificial intelligence, we are actively seeking to bring onboard new team members with diverse backgrounds, experiences and perspectives. When we are inclusive we communicate more openly and candidly to share our unique insights and ideas. This results in more dynamic and innovative teams, which are a catalyst for breakthrough innovation and solutions.

We believe that diverse and inclusive teams:

- **Foster better decision making**
- **Create a richer culture for our team members**
- **Heighten performance to enable world-class results**
- **Attract and retain the best talent**

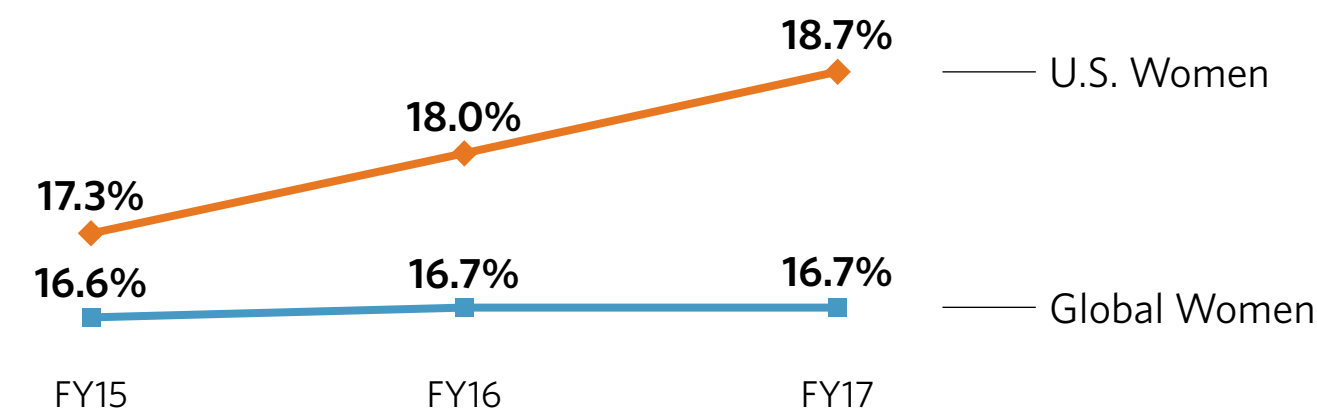
## THE LANDSCAPE AND OUR DIVERSE WORKFORCE

Applied Materials 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. Our highly technical workforce applies for new patents at the rate of more than four a day and draws new technical talent from the world’s leading science and engineering universities as well as the global semiconductor and display industries. We face fierce competition for talent in our industries and diversity of the available talent pool among graduates with advanced degrees in science continues to be challenging, particularly with respect to women and U.S. underrepresented minorities.



Globally, the representation of women in our workforce has remained relatively flat. However, by focusing our efforts on increasing the number of women in our U.S. population, we have seen steady positive movement.

**Applied U.S. and Global Women Workforce Trend**

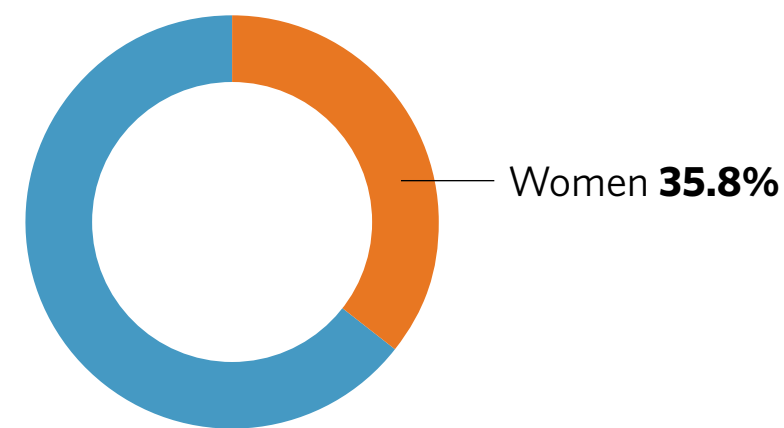


“We want all of our team members at Applied to know that they are valued as they bring all aspects of themselves to work and contribute their best in different ways.”

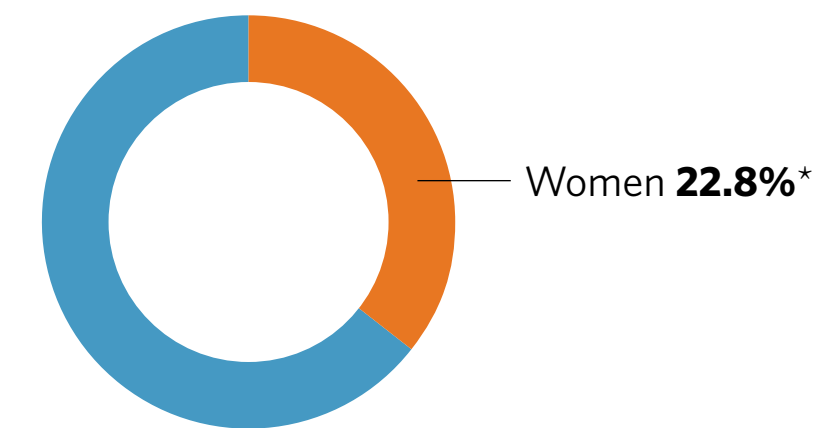
**MADONNA BOLANO**  
Group Vice President, Human Resources

In the U.S., our current hiring initiatives focused on new college graduates are also helping us build momentum as these recruits bring an even greater percentage of talented women to our workforce.

**FY2017 U.S. New College Graduate Hiring**



**FY2017 U.S. Regular Hiring**



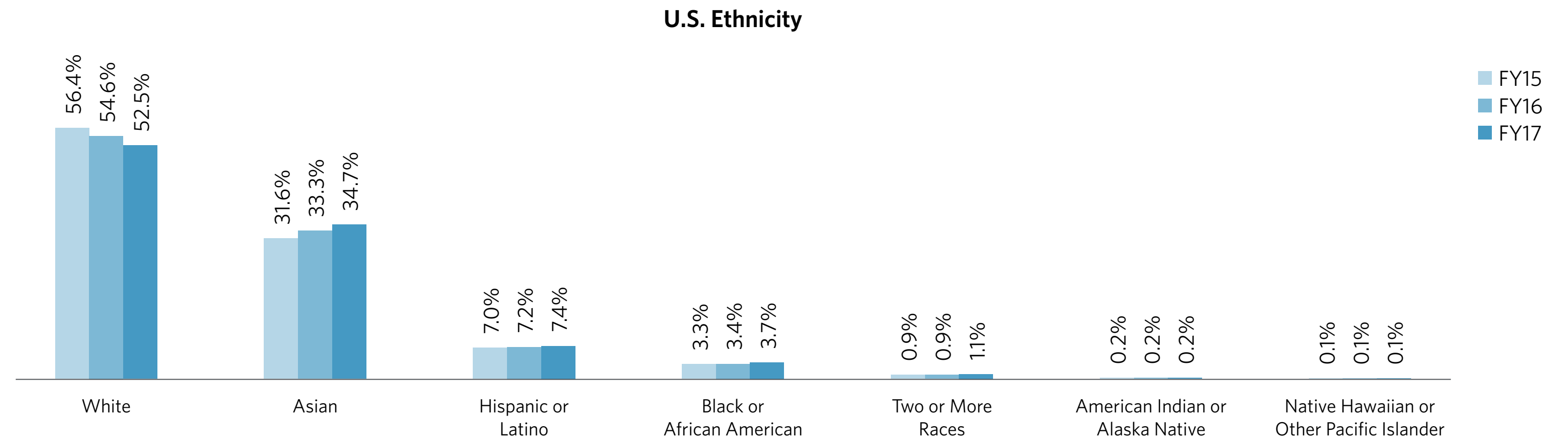
\*Excludes New College Graduate hiring



“Inclusion is the only scalable way to build diversity within an organization. Diversity in thinking, perspectives and ideas is even more important for Applied now as the speed of innovation is heating up. A strong commitment to diversity and support for inclusion fosters the best in individuals and teams, leading to world-class results.”

**SRINIVAS SATYA**  
India Country President

In the U.S., the number of underrepresented minorities (URM\*) in our workforce also trended upward between FY15 and FY17. We seek out talent at an increasingly broad range of colleges and universities with strong engineering and science programs, including those in the U.S. with relatively high percentages of Black/African American and Hispanic/Latino students.



\*URM = underrepresented minorities (all non-white and non-Asian ethnicities)

### OUR DIVERSITY GOALS

Based on our 2017 workforce demographics, we set new goals for increasing our global diversity and ensuring we have an inclusive work environment:

- **Increase women’s representation globally**
- **Increase women’s representation in our U.S. workforce to 21% by 2021**
- **Increase underrepresented minorities representation in our U.S. workforce**
- **Demonstrate improvement in the inclusion measurement on our Organizational Health Index survey of employees**



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“Applied has had an amazing 50-year history, and we are currently reshaping who we are so we can be even more successful in the decades ahead. This requires new ideas and perspectives, different people with different backgrounds and experiences.”

**SUNDAR RAMAMURTHY**  
Group Vice President,  
Metal Deposition and Packaging

## OUR DIVERSITY STRATEGY

Our strategy to increase diversity and inclusion at Applied Materials includes:

### Eliminating bias in our employee lifecycle by:

- Continually examining and refreshing our benefits programs and HR policies
- Assessing potential bias in our staffing, performance management, rewards and talent management processes
- Closing identified bias gaps

### Engaging employees in an inclusive work environment by:

- Integrating an emphasis on diversity and inclusion in new hire orientation and all employee development programs
- Measuring inclusion in our annual employee survey
- Identifying specific actions that foster a more inclusive work environment

### Expanding the diversity of our workforce by:

- Assessing and expanding the leadership and technical pipeline of women and underrepresented minorities
- Targeting recruiting efforts to increase a diverse candidate pool
- Defining and implementing key performance indicators (KPIs)

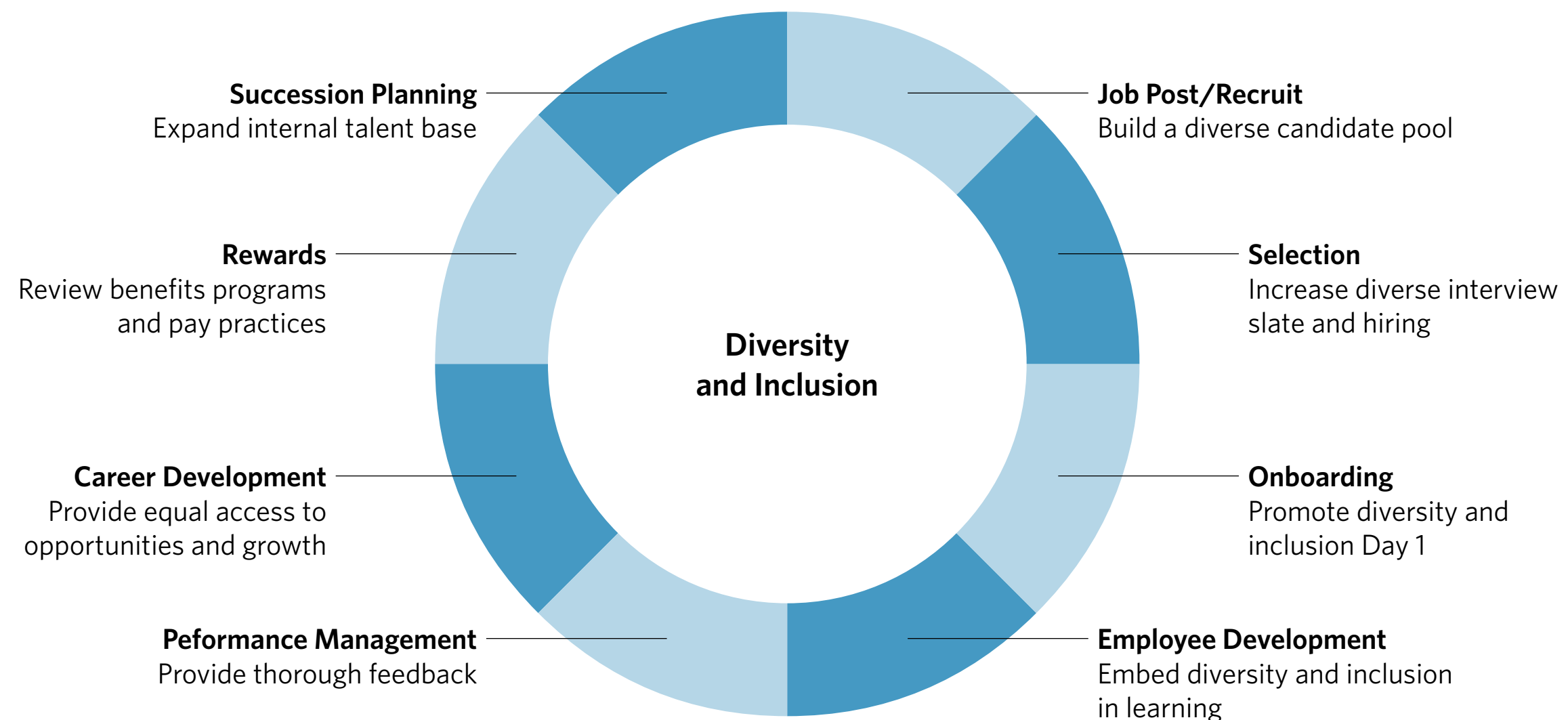


“You need a tremendous variety of different ideas to be able to solve the problems of today. At Applied, we have people from all over the world who have lots of different experiences. And those experiences shape the way they solve problems and how they think.”

**GINO ADDIEGO**  
Senior Vice President,  
Engineering, Operations and Quality

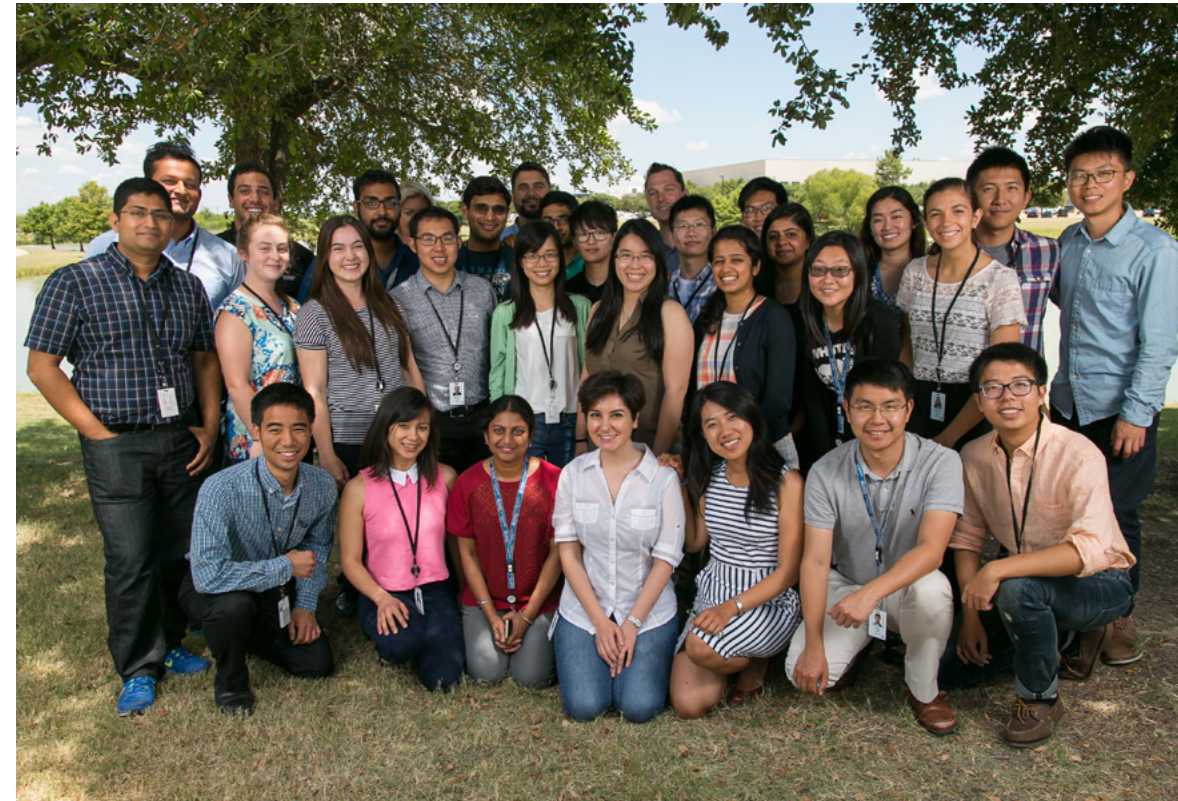
## SUPPORTING A CULTURE OF DIVERSITY AND INCLUSION

Our efforts to support diversity and inclusion as part of the employee experience begin the moment we post a job or recruit job candidates and extend all the way through our benefits programs and pay practices.



## HIRING INITIATIVES

We are committed to increasing the diversity of our candidate pools, both in the U.S. and around the globe, through inclusive and forward-looking hiring initiatives. We dedicate time and resources to finding and bringing on board candidates from a wide range of backgrounds. Our talent acquisition strategies include partnering with a recruiter focused on hiring women, veterans, minorities and individuals with disabilities; use of recruiting software specifically designed to identify such candidates; and onsite networking and informational events to attract college students pursuing STEM (Science, Technology, Engineering and Math) careers.



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“In an era of unlimited possibilities, our ability to champion diversity and to learn from everyone makes me believe this: Our best is yet to come.”

**BRIAN TAN**  
Regional President, Southeast Asia

## **WOMEN IN LEADERSHIP**

Our Women in Engineering Talent Development Program offers resources to support the career growth of female engineers—including opportunities to participate in conferences, professional skill development workshops, roundtables focused on career development and mentoring programs. We also sponsor employee attendance at conferences focused on women’s leadership development, including the IEEE Women in Engineering International Leadership Conference, Watermark Conference for Women, Texas Conference for Women, and Massachusetts Conference for Women.

Over the years, our female employees have been regularly recognized for their leadership in the community and their industry contributions. Since 1985, at least one Applied employee or executive each year has been honored with the prestigious Silicon Valley YWCA TWIN (Tribute to Women in Industry) Award. This award honors an exclusive group of women who have demonstrated innovation, creativity and excellence in the workplace and beyond. In addition, Applied women executives regularly appear on the National Diversity Council’s Top 50 Most Powerful Women in Technology list, which honors top female leaders in the industry.

## **COMMUNITY ENGAGEMENT**

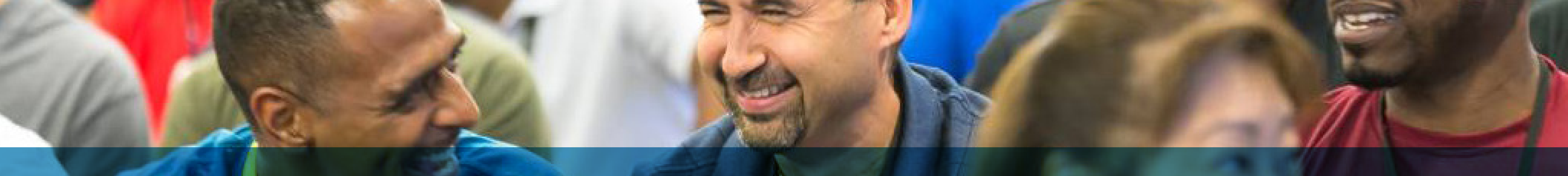
We have a long history of supporting nonprofit organizations and educational institutions focused on providing women and young people of diverse backgrounds with educational opportunities. Notable organizations and programs we support include Mexican American Engineers and Scientists, Society of Women Engineers, Youth Science Institute and City Year. We have also supported the Breakthrough Collaborative partnership in Santa Clara and Austin for the past 16 years, helping local students become the first in their families to attend college.

## **INTERNSHIP AND NEW COLLEGE GRADUATE PROGRAMS**

Our North America internship program brought nearly 100 students to our Santa Clara campus during summer 2017 to work in both engineering and corporate roles. Our interns not only learn about various career paths available, but also gain exposure to our diverse and inclusive workplace. Similar internship programs in our other locations around the world—including our Summer Student Program in Taiwan—help us find talented future employees from diverse backgrounds.

New College Graduate (NCG) programs are essential to attracting and retaining new talent. Our U.S. outreach efforts include sponsoring, hosting and participating in a wide range of activities, such as the Math Engineering and Science Achievement (MESA) Student Leadership Conference, the National Society of Black Engineers Regional Conference, the Society of Women





“One of the reasons why I think Applied is successful is because we include everybody’s ideas. We always have brainstorming sessions, and they are inclusive. Before we start, we remind everyone that every idea should be considered.”

**CISSY LEUNG**  
Vice President, Field Service Operations

Engineers Evening with Industry event and the University of California, Berkeley Engineering Department Networking and Professional Etiquette event.

Outside of the U.S., our recruiting strategy is also delivering results. The team in China conducted interviews at top universities, recruiting over 80 graduates to join the New Star Program—our first large-scale NCG campaign in China since 2000. Applied has a long history of investment and talent development in China, and the reinvigorated program is already enhancing our operations in a vitally important region.

### **EMPLOYEE RESOURCE GROUPS**

Our Employee Resource Groups (ERGs) create an open forum for exchanging ideas and strengthening bonds across and within our diverse communities at Applied. ERGs help foster diversity and inclusion through information-sharing and provide support, educational opportunities and career development resources. These groups promote cultural awareness and volunteerism while helping us stay connected to, recruit from and nurture talent within local communities worldwide. Each ERG has an executive sponsor acting as a mentor and ensuring open communication between these important groups and senior management.

Our first ERG—Leadership Encouraging Achievement through Diversity (LEAD), a Black Employee Network (BEN)—was established in 2001 at our Austin, Texas campus. Today, we fund eight ERGs with 16 divisions spread across our worldwide locations.

- » **Applied Pride (LGBTQ and Friends)**
- » **Asians in Motion (AIM)**
- » **Hispanics in Partnership (HiP)**
- » **Leadership Encouraging Achievement through Diversity/ Black Employee Network (LEAD/BEN)**
- » **Veterans Employee Team (VET)**
- » **Women’s Professional Development Network (WPDN)**
- » **Young Professionals Network (YPN)**
- » **GreenTeam Austin**



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“Diversity is an opportunity that we must not miss in order to continue leading the industry. For years the semiconductor industry enjoyed the fruits of a cross cultural and global workforce; now it is time for us to lead and take it to the next level.”

**OFER GREENBERGER**  
Israel Country President

## **DIVERSITY EVENTS**

Since 2010, we have held events that promote a culture of diversity and inclusion. In recent years, these have become large-scale events that have involved our Board of Directors, CEO and executive staff. These activities emphasize several key themes:

- **Being bold and speaking up**
- **Appreciating differences to stimulate learning and develop the best solutions**
- **Creating an inclusive and collaborative environment that is empowering and engaging**

In 2017, CEO Gary Dickerson kicked off our Austin location’s seventh annual Diversity Day celebration. The event, held over two days in May, included key executives, guest speakers and interactive workshops. Speakers and workshops alike encouraged employees to reflect on our global diversity as a major strength that enables both our shared success and social progress. In October, Santa Clara employees engaged in similar activities to mark the sixth annual Silicon Valley Diversity and Inclusion Day.

## **SUPPLY CHAIN DIVERSITY**

Our emphasis on global diversity also extends to our supply chain. We are committed to selecting diverse suppliers who provide products and services that meet our supplier-selection criteria and help us fulfill customer requirements. More information is available in the Supply Chain section of our Corporate Social Responsibility report.

## **VETERANS**

Applied is committed to recruiting exemplary candidates from the large pool of talented individuals who have served in the military. We currently employ approximately 700 U.S. veterans, and we are proud to be recognized as a Military-Friendly Employer, a Military Times Top 100 Best for Vets Employer and a U.S. Veterans Magazine Top Veteran-Friendly Employer.