

SUSTAINABILITY REPORT 2022 ANNEX

Make Possible[®] a Better Future



Data and Disclosures

Applied Materials is driven to make possible a better future for everyone. In developing our [2022 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 [2022 Annual Report](#) and CDP Climate and Water reports.

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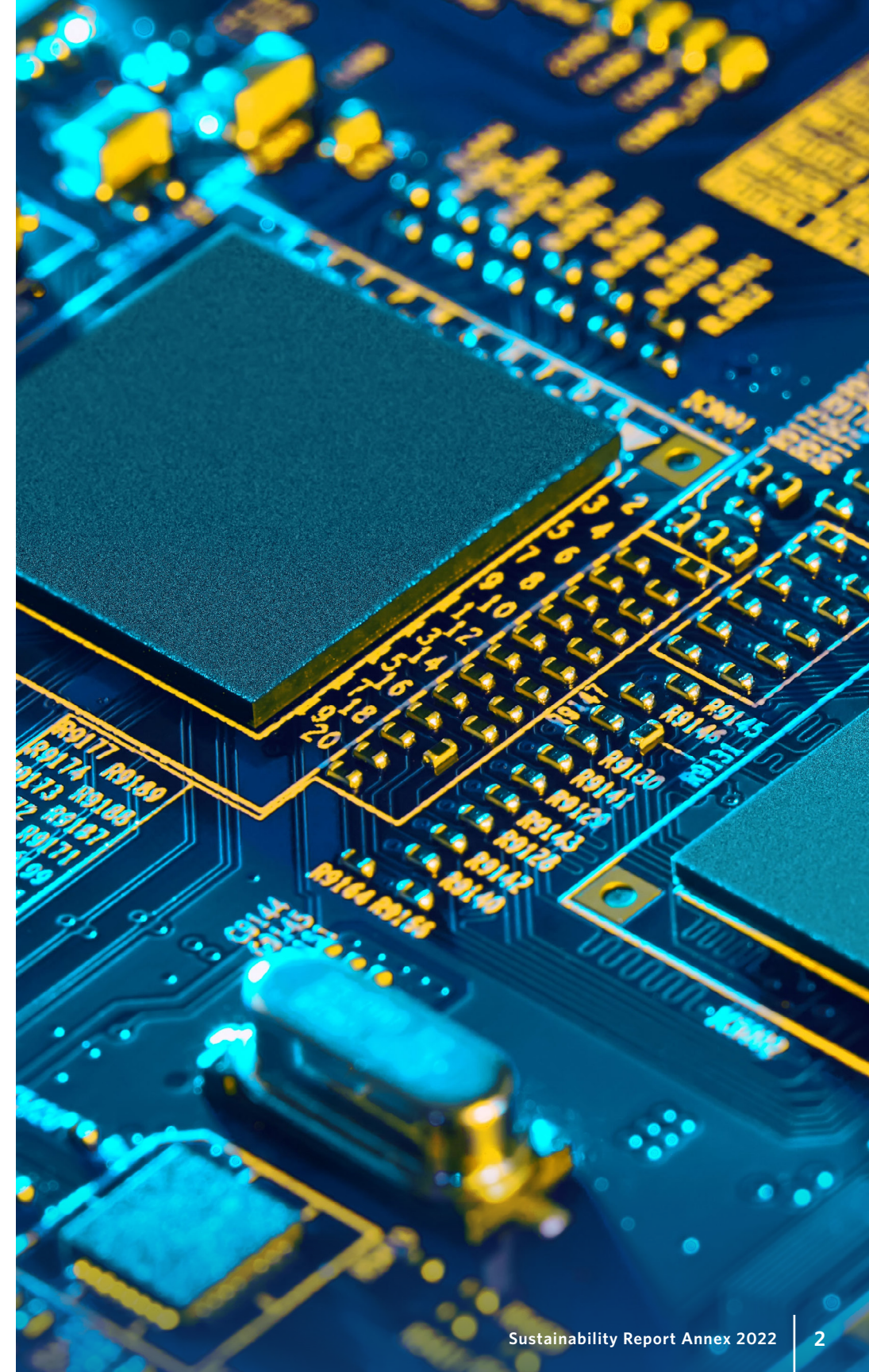
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About Applied Materials

	FY 2022	FY 2021	FY 2020
Company Profile			
Revenue (\$Billions)	\$25.8	\$23.1	\$17.2
Net income (\$Billions)	\$6.5	\$5.9	\$3.6
R&D (\$Billions)	\$2.8	\$2.5	\$2.2
Number of patents	~17,300	~15,700	~14,300
Number of locations/countries	>120 locations in 24 countries	>115 locations in 19 countries	>110 locations in 19 countries

Find more information about Applied Materials in our [2022 Annual Report](#).

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.



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. To better align with financial reporting, this year we have restated all environmental data in terms of Applied's Fiscal Year (November - October). We are also incorporating some updates to historical data due to methodology improvements to ensure consistent comparison across years.

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 2 emissions following an operational control boundary and uses [Emissions First principles](#) for market-based calculations. Emissions are calculated using eGRID factors, IEA, EIA CBECS, IPCC AR6 and EPA EEIO factors. Informed estimations are used where primary data is limited or unavailable. An overview of our 2022 Scope 3 emissions calculation methodology can be found [here](#).

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ENVIRONMENTAL METRICS		UNITS	FY 2022	FY 2021	FY 2020	FY 2019
Climate/GHG Emissions						
Total Scope 1		MT CO ₂ e	66,553	47,821	55,506	64,965
Total Scope 2 (location-based)			161,303	147,087	138,521	144,371
Total Scope 2 (market-based)			72,933	65,573	77,433	78,677
Scope 1 + Scope 2			139,486	113,394	132,939	143,642
GHG Intensity		Total Scope 1 & Scope 2 in MT CO ₂ e per employee	4.2	4.1	5.5	6.5
		Total Scope 1 & Scope 2 in MT CO ₂ e per million dollars of revenue	5.4	4.9	7.7	9.8
Scope 3^{1,2}	Total	MT CO ₂ e	24,103,449	20,680,519	—	12,765,684
	Category 1: Purchased Goods & Services		3,810,964	3,146,985	—	1,862,516
	Category 2: Capital Goods		179,156	148,968	—	61,953
	Category 3: Fuel & Energy Related Activities		56,544	52,142	—	36,012
	Category 4: Upstream Transportation & Distribution		752,299	528,876	—	224,136
	Category 5: Waste from Operations		1,941	1,975	—	531
	Category 6: Business Travel		52,538	22,383	—	97,953
	Category 7: Employee Commuting ³		31,902	24,343	—	76,751

¹ Some Scope 3 categories may exclude recent acquisitions that occurred in FY2022, which are estimated to have a nominal impact on the overall footprint and will be integrated in the following reporting year.

² In Scope 3 spend-based calculations, EPA EEIO factors include related transportation and distribution margins.

³ Scope 3 Category 7 (Employee Commuting) currently excludes employee work-from-home emissions.

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ENVIRONMENTAL METRICS		UNITS	FY 2022	FY 2021	FY 2020	FY 2019
	Category 8: Upstream Leased Assets	MT CO ₂ e	3,860	3,715	—	2,601
	Category 9: Downstream Transportation & Distribution		229,937	144,619	—	191,577
	Category 11: Use of Sold Products ⁴		18,821,840	16,460,624	—	10,203,120
	Category 12: End of Life Treatment of Sold Products		940	845	—	713
	Category 13: Downstream Leased Assets		2,870	3,989	—	3,330
	Category 15: Investments ⁵		158,658	141,055	—	4,492
Energy						
Electricity consumption		MWh	464,044	429,484	404,673	400,850
Total renewable electricity			319,180	223,529	152,835	154,848
U.S. renewable electricity rate		%	100%	73%	50%	51%
Global renewable electricity rate		%	69%	52%	38%	39%
Total energy		MWh	597,500	560,776	525,292	527,125
Energy intensity		MWh of energy consumed per employee	18.1	20.6	21.9	23.9
		MWh of energy consumed per million dollars of revenue	23.2	24.3	30.5	36.1
Water						
Total water withdrawal		Thousand m ³ %	2,359	2,249	2,104	2,016
City water purchased			2,221	2,149	2,088	1,990
Groundwater			138	100	16	26
Total water consumption			443	424	418	404
Domestic water ⁶			363	364	340	327
Irrigation			80	60	78	77
Water withdrawal in water-stressed areas			13%	12%	12%	13%
Water withdrawal intensity per employee			0.07	0.08	0.09	0.09
Water withdrawal intensity per M\$ Revenue			0.09	0.10	0.12	0.14

⁴ Scope 3 Category 11 was calculated 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 include emissions from Applied's Display business (which represented 5% of total net sales in FY2022) nor from refurbished systems.

⁵ Scope 3 Category 15 (Investments) currently excludes project finance and debt investments; managed investments and client services are not applicable.

⁶ Domestic water consumption assumes negligible water consumption in office buildings.

ENVIRONMENTAL METRICS		UNITS	FY 2022	FY 2021	FY 2020	FY 2019
Waste						
Non-hazardous landfill diversion rate		%	72%	67%	73%	75%
Total non-hazardous waste		Thousand MT	19.1	18.1	14.1	11.9
Non-hazardous: landfill			4.7	4.8	2.3	2.1
Non-hazardous: incineration			0.3	0.7	1.3	0.5
Non-hazardous: recycled			13.9	12.5	10.4	8.9
Non-hazardous: composted			0.2	0.1	0.1	0.4
Total hazardous waste			0.5	0.5	0.4	0.5
Total waste generation			19.6	18.6	14.5	12.4

Social Metrics

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

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SOCIAL METRICS	FY 2022	FY 2021	FY 2020	FY 2019
Global Workforce				
Total workforce	36,737	30,130	25,775	23,234
Regular full-time employees	33,306	27,223	24,031	22,014
Temporary workers	3,264	2,793	1,637	1,114
Interns	167	114	107	106
Female Representation of the Global Workforce				
Women on Applied Materials' Board of Directors	36%	40%	30%	30%
Total Women in Workforce	19.3%	18.1%	17.8%	17.4%
Women Executives (Vice Presidents and Directors)	12.5%	12.2%	11.2%	11.0%
Women Managers (People Managers)	16.8%	16.3%	15.5%	14.9%
Women Professionals (Business, Engineering and Sales Career Bands)	27.5%	26.2%	25.8%	25.3%
Women Engineering Employees ¹	15.2%	13.9%	13.2%	12.7%
Female Representation in U.S. Workforce				
Total Women in Workforce	21.7%	20.8%	20.2%	19.5%
Women Executives (Vice Presidents and Directors)	12.9%	12.7%	11.6%	11.3%
Women Managers (People Managers)	19.2%	19.0%	17.4%	16.1%
Women Professionals (Business, Engineering and Sales Career Bands)	28.2%	26.8%	26.9%	26.1%
Women Engineering Employees ¹	14.9%	13.5%	12.9%	12.4%
Female Representation by Region				
AMER	21.8%	20.8%	20.2%	19.5%
APAC	16.9%	15.6%	15.7%	15.6%
EMEA	19.6%	18.3%	16.7%	16.5%
Ethnicity and Race Representation in the U.S. Workforce²				
White	43.6%	45.6%	48%	49.8%
Asian	35.4%	37.1%	37.3%	36.8%
Hispanic or Latino	10.1%	9.2%	8.4%	7.8%

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

² In FY22, 2.2% of employees did not disclose race/ethnicity.

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SOCIAL METRICS	FY 2022	FY 2021	FY 2020	FY 2019
Black or African American	5.4%	4.5%	3.9%	3.7%
Employees with two or more races	1.9%	1.8%	1.4%	1.4%
American Indian or Alaska Native	0.3%	0.3%	0.2%	0.3%
Native Hawaiian or Pacific Islander	1.0%	0.7%	0.3%	0.2%

Hiring and Recruitment

U.S. Employee New Hires

Female new hires (excludes NCG female hires) ¹	23.9%	22.8%	23.6%	26.1%
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U.S. Intern Program

Female intern hires	46.9%	53.1%	60.2%	44.4%
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U.S. New College Graduate (NCG) Program

Female NCG hires	38.3%	31.1%	38.3%	33.3%
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¹ New College Graduates (NCG) are now defined as employees hired or rehired within two years of graduation (Technical diploma, or Associates, Bachelors, Masters, PhD, or post-doc degree). Due to this updated definition, we are restating FY20 and FY21 for consistency.

Global Voluntary Turnover

Global Total

Total global voluntary turnover	8.5%	7.0%	4.8%	5.4%
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Global Turnover by Gender

Global female turnover	9.0%	7.1%	5.1%	7.2%
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Global male turnover	8.4%	6.9%	4.8%	5.0%
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Learning and Development

Total Workforce (includes all regular full-time, temporary and interns)

Total learning hours	2,046,238	1,740,492	1,436,271	1,407,932
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Total individual learners	45,859	42,223	33,759	32,087
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Average training hours per person	45	41	43	44
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Regular Full-Time Employees

Total learning hours	1,869,669	1,598,502	1,353,985	1,336,812
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Total individual learners	32,890	27,335	23,214	21,850
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Average training hours per person	57	58	58	61
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Percentage of employees completed training/learning hours	98%	99%	98%	99%
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Contingent Workers				
Total learning hours	176,569	141,990	82,286	71,120
Average training hours per person	14	10	8	7

Health and Safety				
Employee Health and Safety				
Total Case Incident Rate (TCIR)	0.35	0.45	0.33	0.43
Days Away, Restricted, or Transferred Rate (DART)	0.24	0.35	0.23	0.29
Lost Time Severity Rate (LTSR)	2.59	4.44	3.70	3.63
Fatalities	0	0	0	0

Community Impact				
Community Giving and Investments				
Total community investments	\$11.2M	\$13.7M	\$14.9M	\$10.8M
Total community investments by Applied Materials, Inc.	\$2.8M	\$3.1M	\$3.8M	\$2.8M
Total community investments by the Applied Materials Foundation (excludes administrative)	\$8.4M	\$10.6M	\$11.1M	\$8.0M
Total giving through the Foundation Match Program (employee gifts plus match)	\$9.1M	\$8.9M	\$7.4M	\$6.6M
Total Volunteer Time Grant hours logged ^{3,4} (calendar year)	12,138	9,995	8,183	15,174
Total contributions issued by the Applied Materials Foundation based on Time Grant hours ⁴	\$34,500	\$30,200	\$28,400	\$49,000

³ Volunteer hours and time grants were reduced by the COVID-19 pandemic and stay-at-home orders, which employees were encouraged to follow.

⁴ The reporting period for Volunteer hours and Volunteer Time Grant hours logged changed to fiscal year in FY22. Prior years are based on calendar year. FY22 data will have some overlap with 2021 data.

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Topic	Code	Accounting Metric	FY 2022	FY 2021	FY 2020	FY 2019	Narrative Response / Report Location
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions	66,553 MT CO ₂ e	47,821 MT CO ₂ e	55,506 MT CO ₂ e	64,965 MT CO ₂ e	Additional emissions data available in the Environmental Metrics table above, page 3
		Amount of total emissions from perfluorinated compounds	37,733 MT CO ₂ e	19,453 MT CO ₂ e	28,902 MT CO ₂ e	38,675 MT CO ₂ e	Additional emissions data available in the Environmental Metrics table above, page 3
	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 previous sustainability reports here .				See the "Climate & Energy" section of our 2022 Sustainability Report , pages 48-51
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed	597,500 MWh	560,776 MWh	525,292 MWh	527,125 MWh	Additional energy data available in the Environmental Metrics table above, page 4
		Percentage of energy consumed that was supplied from grid electricity	77%	75%	76%	75%	
		Percentage of energy consumed that is renewable energy	53%	40%	29%	29%	
Water Management	TC-SC-140a.1	Total water withdrawn	2,359,000 m ³	2,249,000 m ³	2,104,000 m ³	2,016,000 m ³	Additional water data available in the Environmental Metrics table above, page 4
		Percentage of water withdrawn in regions with high or extremely high baseline water stress	13%	12%	12%	13%	See the "Water Management" section of our 2022 Sustainability Report , page 55
		Total water consumed	443,000 m ³	424,000 m ³	418,000 m ³	404,000 m ³	Domestic water consumption assumes negligible water consumption in office buildings
		Percentage of water consumed in regions with high or extremely high baseline water stress	11%	11%	11%	13%	

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Topic	Code	Accounting Metric	FY 2022	FY 2021	FY 2020	FY 2019	Narrative Response / Report Location
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing	514 MT	491 MT	424 MT	470 MT	Additional waste data available in the Environmental Metrics table above, page 5
		Percentage of hazardous waste recycled	28%	18%	n/a	n/a	Tracking of this information started in FY2020
Employee Health and Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards					See the "Occupational Health and Safety" of our 2022 Sustainability Report , page 43
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations					In 2022, Applied received two notices of violation (NOV) worldwide. One NOV carried no fine, while the other resulted in a fine of \$2,796.00
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	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	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	n/a	This information is 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 the "Supplier Assessments and Audit" and "Responsible Minerals Sourcing" in our 2022 Sustainability Report , pages 68-70; see also our 2023 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	This information is not tracked at this time
Activity Metrics	TC-SC-000.A	Total production	~4400	~3,600	~2000	~1800	Production data covers semiconductor systems
	TC-SC-000.B	Percentage of production from owned facilities	85%	85%	85%	85%	

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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 Senior Director of ESG reports to the CGNC on a quarterly basis on the progress of our sustainability-related initiatives, including climate-related issues, progress on climate and energy goals and initiatives across the value chain.</p> <p>For additional information, review the ESG Governance section of our 2022 Sustainability Report and the company's CDP Climate response* questions C1.1a and C1.1b.</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 (3x30 goals), are included in our Corporate Scorecard, which is tied to executive compensation. Applied Materials' Senior 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. Company-wide risks are identified through a climate risk assessment conducted by a third-party and overseen by the ESG team, while site-specific risks are monitored by a core team of global emergency response, crisis management, business continuity personnel, and 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. Further, an evaluation of risks associated with climate is now included in Applied's Enterprise Risk Management (ERM) survey, which is conducted on an annual basis with key leadership stakeholders.</p> <p>Applied conducted a climate risk assessment during 2020-2021, which engaged 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. A refresh of the full climate risk assessment is expected by 2024.</p> <p>For additional information, review the company's CDP Climate response* questions C1.2a and C2.2.</p>
Strategy	
<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. Applied defines timeframes as:</p> <ul style="list-style-type: none"> ▪ Short-term: 0-5 years ▪ Medium-term: 5-10 years ▪ Long-term: 10-30 years <p>Key findings from the climate risk assessment included**:</p> <ul style="list-style-type: none"> ▪ Physical Risks: <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 over medium-to-long-term timeframe. 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.

* Published following the July 26, 2023, CDP deadline.

** The climate-related risks listed 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
	<ul style="list-style-type: none"> Transition Risks (medium-to-long-term): <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 reputational disadvantage with its customers and investors. Opportunities: <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 over the short-to-medium-term. Substantial climate impact reductions can be attained through collaboration with customers and suppliers on addressing goals related to emissions, energy, water and hazardous gas consumption over the short-to-medium-term. <p>For additional information, review the “Climate and Energy” and “Design for Sustainability” sections of the 2022 Sustainability Report and the company’s CDP Climate response* questions C2.3 and C2.4.</p>
<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 ensure our business is prepared to respond and recover quickly from climate-related events and effectively support our customers’ and suppliers’ operations. While no individual weather event can be tied to climate change, our business continuity teams are tracking weather-related incidents to Applied’s business operations over time.</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 increase the effectiveness of abatement systems. As part of our 3x30 goals, our teams are developing tools and services to improve the overall energy efficiency of semiconductor fabrication facilities.</p> <p>To date, we have not identified any material climate-related risks with the potential to have a substantive financial or strategic impact on our business. For additional information, review the “Climate and Energy” and “Design for Sustainability” sections of the 2022 Sustainability Report and the company’s CDP Climate response* 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 completion of its third-party climate risk assessment, Applied is starting to work with key internal stakeholders to evaluate the results of 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 and having proper insurance policies in place. We have also started to consider climate-related risks more directly 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 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 2022 Sustainability Report and the company’s CDP Climate response*.</p>

* Published following the July 26, 2023, CDP deadline.

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Risk Management	
a) Describe the company's processes for identifying and assessing climate-related risks.	<p>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. Additional research and benchmarking mechanisms were integrated in the other transition risk aspects, such as reputational and technology-related risks. A refresh of the full climate risk assessment is expected by 2024.</p> <p>In addition, Applied uses the Datamaran platform to systematically evaluate and prioritize ESG-related topics (including those related to climate, energy and renewable energy) in terms of significance to its stakeholders on an annual basis. The results were informed by Applied internal stakeholder input along with Datamaran's aggregated research and benchmarking of external stakeholder sources (reports, regulations, media, etc.)</p> <p>For additional information, review the company's CDP Climate response* question C2.2.</p>
b) Describe the company's processes for managing climate-related risks.	<p>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 prepare so we can ensure a quick recovery in the event of a catastrophe. Applied monitors transitional risks, including potential regulatory changes covering climate change and their impact on our business operations.</p> <p>Risks are prioritized based on probability and impact. For example, a low-probability event with high impact 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 annually to remain prepared to support our business, customers and supplier operations.</p> <p>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.</p> <p>For additional information, review the company's CDP Climate response* question C2.2.</p>
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	<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. An evaluation of risks associated with climate is now included in Applied's ERM survey, which is conducted on an annual basis with company leadership.</p> <p>Applied defines substantive climate-related risks as risks that could materially and adversely affect Applied's business, financial condition, operations and/or reputation. Our 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>For additional information, review the company's CDP Climate response* question C2.1.</p>

* Published following the July 26, 2023, 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>Applied's comprehensive, annual tracking of environmental metrics (included in this Annex) such as greenhouse gas emissions, energy, and water also feed into the risk assessment process and help determine which parts of our business or value chain may have relatively more risks and opportunities.</p> <p>For additional information, review the company's CDP Climate response* 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 response* 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 to address impacts across its value chain:</p> <ul style="list-style-type: none"> • Attain 100% renewable electricity in the U.S. by 2022 (achieved) and globally by 2030 • Reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030 from 2019 baseline • Reduce equivalent energy consumption per wafer for semiconductor products by 30% by 2030 from 2019 baseline • Reduce equivalent energy consumption for semiconductor products by 30% by 2030 • Reduce the impact from chemical consumption per wafer for semiconductor products by 30% by 2030 from 2019 baseline <p>For additional information, review the "Climate and Energy" and "Innovate for Progress" sections of our 2022 Sustainability Report and the company's CDP Climate response* question C4.2.</p>

* Published following the July 26, 2023, CDP deadline.

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Applied Materials has reported in reference to the GRI Standards for the period of November 1, 2021 to October 31, 2022 using the GRI 1: Foundation 2021.

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1 Organizational Details	Applied Materials (AMAT)	
2-2 Entities included in the organization’s sustainability reporting	About This Report, page 73	
2-3 Reporting period, frequency and contact points	Applied Materials publishes our sustainability report annually. Our reporting period is November 1, 2021 through October 31, 2022. The sustainability report will be published in June 2023.	
2-4 Restatements of information	Applied has footnoted any restated data in the Environmental and Social data tables above, as well as throughout the 2022 Sustainability Report.	
2-5 External assurance	ERM CVS has conducted limited assurance of select environmental, social and community impact data metrics for FY2022. For more information on the scope and approach, please see the assurance statement referenced at the end of the 2022 Sustainability Report on page 74.	
Activities and workers		
2-6 Activities, value chain and other business relationships	World Location Map, page 6 Supply Chain Responsibility, pages 67-72 About Applied Materials, page 5 There have been no significant changes to our company or supply chain.	2022 Annual Report , pages 4-9, 20-21, 31
2-7 Employees	Annex, Social Metrics, page 6 Applied Materials will consider providing a more detailed breakdown of our workforce data by gender and region in future reporting cycles.	
2-8 Workers who are not employees	Annex, Social Metrics, page 6	
Governance		

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
2-9 Governance structure and composition	Corporate Governance, page 12	2023 Proxy Statement , pages 12-17 Corporate Governance Addendum Corporate Governance Guidelines
2-10 Nomination and selection of the highest governance body		2023 Proxy Statement , pages 1-12, 17 Corporate Governance Addendum Corporate Governance Guidelines
2-11 Chair of the highest governance body		2023 Proxy Statement , pages 1-12, 17 Corporate Governance Addendum Corporate Governance Guidelines
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, page 12	2023 Proxy Statement , pages xiii- xiv, 21 Corporate Governance Addendum Corporate Governance Guidelines
2-13 Delegation of responsibility for managing impacts	Corporate Governance, page 12 Environmental Health and Safety, EHS Policies, Systems and Governance, page 52	2023 Proxy Statement , pages xiv, 23-25 Corporate Governance Addendum Corporate Governance Guidelines
2-14 Role of the highest governance body in sustainability reporting	Corporate Governance, page 12	2023 Proxy Statement , pages xii-xiv
2-15 Conflicts of interest		2023 Proxy Statement , page 14 Standards of Business Conduct , page 15 Corporate Governance Addendum Corporate Governance Guidelines
2-16 Communication of critical concerns		2023 Proxy Statement , page 73 Corporate Governance Addendum Corporate Governance Guidelines
2-17 Collective knowledge of the highest governance body		2023 Proxy Statement , pages iii, 1-14 Corporate Governance Addendum Corporate Governance Guidelines Standards of Business Conduct , page 6
2-18 Evaluation of the performance of the highest governance body		2023 Proxy Statement , pages 18-19 Corporate Governance Addendum Corporate Governance Guidelines

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
2-19 Remuneration policies		2023 Proxy Statement , pages ix, xi, 26-27, 40-43, 50 Corporate Governance Addendum Corporate Governance Guidelines
2-20 Process to determine remuneration		2023 Proxy Statement , pages 41-56
2-21 Annual total compensation ratio		2023 Proxy Statement , pages 41—51, 65
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	Message from Our CEO, page 2	
2-23 Policy commitments		Standards of Business Conduct Human Rights Statements of Principles Responsible Minerals Sourcing Policy
2-24 Embedding policy commitments		Standards of Business Conduct Human Rights Statements of Principles
2-25 Process to remediate negative impacts		Standards of Business Conduct Human Rights Statements of Principles Occupational Health and Safety Overview
2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, page 14	Standards of Business Conduct , page 6
2-27 Compliance with laws and regulations	In 2022, Applied received two notices of violation (NOV) worldwide. One NOV carried no fine, while the other resulted in a fine of \$2,796.00.	Occupational Health and Safety Overview
2-28 Membership associations	Public Policy, Business and Trade Associations, page 18	2022 Applied Materials U.S. Trade, Business and Civic Association Memberships
2-29 Approach to stakeholder engagement		2023 Proxy Statement , pages v, 22—23 Corporate Governance Addendum
2-30 Collective bargaining agreements	Applied Materials participates in collective bargaining agreements at certain sites in Germany and the Netherlands. Employees at certain sites in Germany and the Netherlands have formal representation on works councils. One of Applied’s sites in Italy has trade union representatives.	

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
Material Topic Disclosures		
GRI 3: Material Topics		
3-1 Process to determine material topics	Corporate Responsibility Materiality Assessment, page 9	
3-2 List of material topics	Corporate Responsibility Materiality Assessment, page 9	
GRI 205: Anti-Corruption 2016		
3-3 Topic Management Disclosure	Ethics and Compliance, pages 11, 14	
205-1 Operations assessed for risks related to corruption	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.	Standards of Business Conduct , page 15
205-2 Communication and training about anti-corruption policies and procedures	Ethics and Compliance, pages 14-16	Standards of Business Conduct , page 15
GRI 302: Energy 2016		
3-3 Topic Management Disclosure	Environmental Health & Safety, Energy Management, pages 46, 53	
302-1 Energy consumption within the organization	Annex, Environmental Metrics, page 4	
302-2 Energy consumption outside the organization	Annex, Environmental Metrics, page 4	
302-3 Energy intensity	Annex, Environmental Metrics, page 4	
302-4 Reduction of energy consumption	Climate and Energy, Renewable Energy, page 50 Environmental Health & Safety, Energy Management, page 53 Annex, Environmental Metrics, page 4	
302-5 Reductions in energy requirements of products and services	Design for Sustainability, pages 57-62	
GRI 303: Water & Effluents 2018		
3-3 Topic Management Disclosure	Applied Materials 2022 CDP Water Security Submission Environmental Health and Safety, Water Management, page 55	
303-1 Interactions with water as a shared resource	Applied Materials 2022 CDP Water Security Submission Environmental Health and Safety, Water Management, page 55	
303-2 Management of water discharge-related impacts	Applied Materials 2022 CDP Water Security Submission Environmental Health and Safety, Water Management, page 55	
303-3 Water withdrawal	Annex, Environmental Metrics, page 4	
303-4 Water discharge	Annex, Environmental Metrics, page 4	
303-5 Water consumption	Annex, Environmental Metrics, page 4	

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
GRI 305: Emissions 2016		
3-3 Topic Management Disclosure	Climate and Energy, pages 46-49 Annex, TCFD Index, pages 11-14	
305-1 Direct (Scope 1) GHG emissions	Annex, Environmental Metrics, page 3	
305-2 Energy indirect (Scope 2) GHG emissions	Annex, Environmental Metrics, page 3	
305-3 Other indirect (Scope 3) GHG emissions	Annex, Environmental Metrics, pages 3-4	
305-4 GHG emissions intensity	Annex, Environmental Metrics, page 3	
305-5 Reduction of GHG emissions	Climate and Energy, pages 49-51	
GRI 306: Waste 2020		
3-3 Topic Management Disclosure	Environmental Health and Safety, Waste Management, page 54	
306-1 Waste generation and significant waste-related impacts	Environmental Health and Safety, Waste Management, page 54	
306-2 Management of significant waste-related impacts	Environmental Health and Safety, Waste Management, page 54	
306-3 Waste generated	Annex, Environmental Metrics, page 5	
306-4 Waste diverted from disposal	Annex, Environmental Metrics, page 5	
306-5 Waste directed to disposal	Annex, Environmental Metrics, page 5	
GRI 308: Supplier Environmental Assessment 2016		
3-3 Topic Management Disclosure	Supply Chain Responsibility, pages 57-58, 67-70	
308-1 New suppliers that were screened using environmental criteria	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, pages 68-70	
308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, page 68	
GRI 401: Employment 2016		
3-3 Topic Management Disclosure	Invest in Our People, pages 31-33, 42	
401-1 New employee hires and employee turnover	Annex, Social Metrics, page 7	
401-2 Benefits provided to FTEs that are not provided to temporary or PTEs		U.S. Total Rewards Summary
401-3 Parental leave	Taking Care of Our Employees, Employee Benefits, page 42	Applied Materials U.S. Benefits U.S. Total Rewards Summary , page 5
GRI 403: Occupational Health and Safety 2018		
3-3 Topic Management Disclosure	Occupational Health and Safety, page 43	Occupational Health and Safety Overview

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
403-1 Occupational health and safety management system	Environmental Health and Safety, EHS Policies, Systems, and Governance, page 52	Occupational Health and Safety Overview
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 43 Environmental Health and Safety, EHS Policies, Systems, and Governance, page 52	Occupational Health and Safety Overview
403-3 Occupational health services	Occupational Health and Safety, page 43	Occupational Health and Safety Overview
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 43 Environmental Health and Safety, EHS Policies, Systems, and Governance, page 52	Occupational Health and Safety Overview
403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 43 Environmental Health and Safety, page 52	Occupational Health and Safety Overview
403-6 Promotion of worker health	Occupational Health and Safety, page 43	Occupational Health and Safety Overview
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 43 Environmental Health and Safety, EHS Policies, Systems, and Governance, page 52	Occupational Health and Safety Overview
403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 43 Environmental Health and Safety, page 52	Occupational Health and Safety Overview
403-9 Work-related injuries	Occupational Health and Safety, page 43 Annex, Social Metrics, page 8	Occupational Health and Safety Overview
GRI 404: Training and Education 2016		
3-3 Topic Management Disclosure	Learning and Development, page 40	
404-1 Average hours of training per year per employee	Annex, Social Metrics, pages 7-8	
404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Development, page 40	Learning and Development Overview
404-3 Percentage of employees receiving regular performance and career development reviews	Learning and Development, page 40	Learning and Development Overview
GRI 405: Diversity and Equal Opportunity 2016		
3-3 Topic Management Disclosure	Invest in People, pages 31-32 Our Culture of Inclusion, page 35	
405-1 Diversity of governance bodies and employees	Our Culture of Inclusion, page 36 Annex, Social Metrics, pages 6-7	2023 Proxy Statement , page iii-iv, 14-15

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Disclosure	2022 Report Locations and Narrative Responses	Applied Materials External Reference
GRI 408: Child Labor 2016		
3-3 Topic Management Disclosure	Human Rights, page 44 Supply Chain Responsibility, page 67	Human Rights Statements of Principles
408-1 Operations and suppliers at significant risk for incidents of child labor	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, pages 68-70	Statement under the California Transparency in Supply Chains Act Standards of Business Conduct
GRI 409: Forced or Compulsory Labor 2016		
3-3 Topic Management Disclosure	Human Rights, page 44 Supply Chain Responsibility, page 67	Human Rights Statements of Principles
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, page 67	Statement under the California Transparency in Supply Chains Act Standards of Business Conduct , page 21 Human Rights Statements of Principles Responsible Minerals Sourcing Policy
GRI 414: Supplier Social Assessment 2016		
3-3 Topic Management Disclosure	Supply Chain Responsibility, pages 67-68	
414-1 New suppliers that were screened using social criteria	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, pages 68-70	
414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Responsibility, Supplier Engagement, Training and Assessment, pages 68-70	
GRI 415: Public Policy 2016		
3-3 Topic Management Disclosure	Public Policy, page 17	Corporate Governance Addendum Corporate Governance Guidelines
415-1 Political contributions	Public Policy, Political Contributions, page 18	1H 2022 Semi-Annual Political Contributions 2H 2022 Semi-Annual Political Contributions
GRI 416: Customer Health and Safety 2016		
3-3 Topic Management Disclosure	Product Safety, page 66	
416-1 Assessment of the health and safety impacts of product and service categories	Product Safety, page 66	
GRI 417: Marketing and Labeling 2016		
3-3 Topic Management Disclosure	Product Safety, page 66	
417-1 Requirements for product and service information and labeling	Product Safety, page 66	



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