

2025 IMPACT REPORT

Powering Sustainable Growth

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On the Cover (April 2026)

The new Equipment and Process Innovation and Commercialization (EPIC™) Center, the world’s largest and most advanced facility for collaborative semiconductor process technology and manufacturing equipment research and development, is on track to open in late 2026. [Read More](#)



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Introduction

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Recognitions and Memberships



Message From Our CEO

This marks the 20th year of Applied Materials' impact reporting. It also marks the midpoint toward our bold 2030 sustainability goals, first announced in 2020. It is a moment to reflect on our progress and accelerate the work that keeps Applied at the center of the industry's most important technology inflections, driving sustainable growth across the semiconductor industry.

The world has entered a new era defined by artificial intelligence (AI), with unprecedented demand for performance, energy efficiency and cost-effective computing. As AI unlocks new applications, it fuels rapid growth in the need for advanced chips and the equipment and materials required to build them.

Applied delivers material innovation that changes the world. Our systems and solutions enable next-generation chip and packaging architectures that power AI and the technologies people rely on every day.

We are committed to delivering breakthrough technology to advance the energy efficient computing roadmap. Our EPIC™ platform is designed to move innovation from lab to fab up to 50% faster, helping the industry develop new architectures, materials and process

technologies that provide higher performance with lower power requirements.

In late 2026, our EPIC Center will begin operations, giving chipmakers and designers earlier access to next-generation process technology. Alongside global investments, we are expanding our ability to solve the industry's most critical manufacturing challenges and advance technologies that will reduce energy use across data centers, devices and AI workloads.

Sustainability remains central to our strategy and a valuable business driver. Implementation of our Net Zero 2040 Playbook™ is guiding environmental progress across our operations and the broader semiconductor industry. We are advancing toward our goal to source 100% renewable electricity for our global operations by 2030, reaching 75% through 2025. This year, we signed our largest virtual power purchase agreement to support the anticipated electricity needs of the new EPIC Center, thereby maintaining 100% renewable electricity for our U.S. operations.

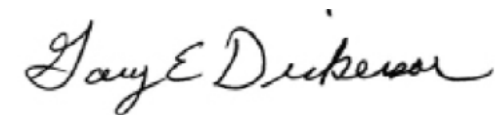
Our expanded ecoUP™ portfolio of products and ECO Services help customers improve efficiency, reduce environmental impact and

extend product lifecycles, deepening customer partnerships and opening new avenues for growth. Supported by our 3x30 product efficiency initiative, we have reduced product energy consumption by 17%, on average, progressing toward our 2030 target while also lowering chemical use and shrinking tool physical footprints.

Our people are the most important force behind everything we do. Attracting exceptional talent and giving them the environment to do their best work is one of our highest priorities. Breakthrough innovation happens when people are connected, collaborating and empowered to explore new ideas.

At Applied, our teams know their work has real impact. Together, we are advancing materials engineering that improves lives, strengthens communities and supports a more sustainable future.

As we look ahead, our opportunities for impact are greater than ever. We remain committed to delivering transformative innovation that solves our customers' highest-value challenges while benefiting people and the planet.

A handwritten signature in black ink that reads "Gary E. Dickerson".

Gary E. Dickerson
President and Chief Executive Officer

2025 Highlights



Advanced Scope 3 decarbonization—which represents more than 99% of our carbon footprint—by reducing product-use emissions intensity 5% year over year and 31% from our fiscal 2019 baseline



Delivered measurable product sustainability gains by improving energy efficiency across semiconductor tools, expanding the ecoUP™ and ECO Services portfolios, and enabling 95% to 99% destruction-removal efficiency for greenhouse gas (GHG) abatement technologies—directly reducing the carbon intensity of semiconductor chipmaking



Invested in scaling semiconductor equipment manufacturing capacity to support global market growth driven by AI, including developing a new advanced manufacturing facility in Arizona, expanding the joint lab with CEA-Leti in France and establishing an AI Center of Excellence in India



Expanded Applied's clean-energy portfolio by signing our largest virtual power purchase agreement (VPPA) to maintain matching 100% of electricity with renewable sources for our U.S. operations—including the estimated additional power needs of the EPIC Center once operational—while matching 75% of electricity with renewable sources globally through increased on-site solar generation and long-term clean-energy sourcing



Strengthened a skilled, future-ready global workforce through 2.2 million hours of learning and development, a unified management and leadership curriculum and expansion of emerging talent pathways



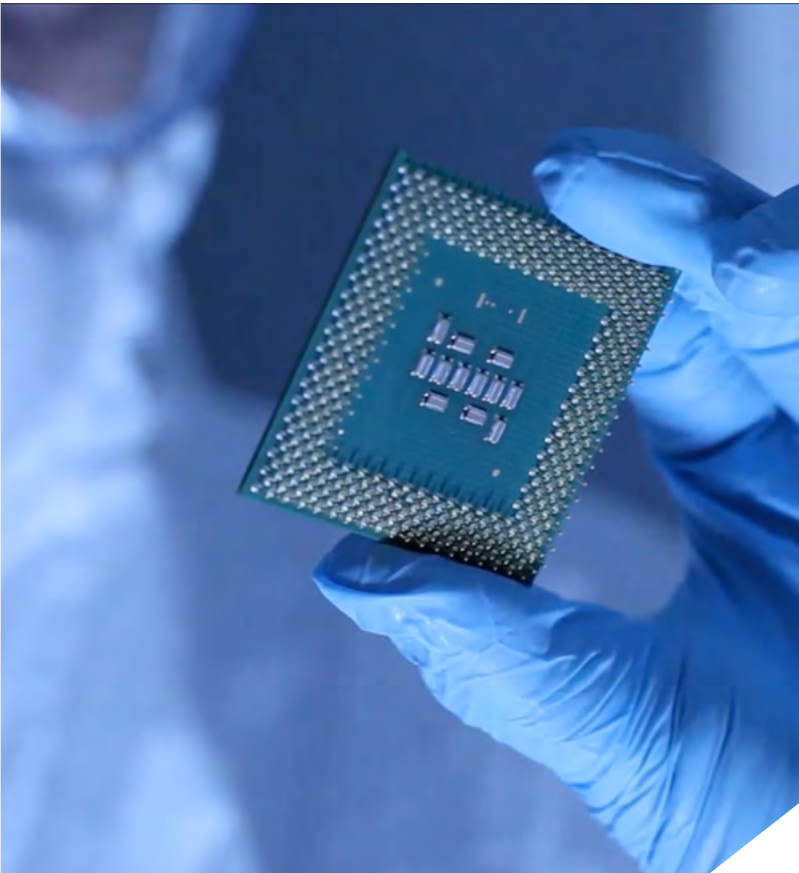
Elevated responsible manufacturing performance by advancing rigorous governance, enhancing training and increasing compliance across our operations and supply chain—highlighted by Applied Materials Singapore earning a Platinum rating under the Responsible Business Alliance's Validated Assessment Program with a perfect 200/200 score



Advanced a stronger, more resilient supply chain by assessing 202 supplier sites, expanding Responsible Business Alliance-aligned training and governance programs, increasing renewable-energy adoption among suppliers and continuing due diligence efforts to protect human rights and support responsible minerals sourcing



Deepened social impact through \$17.8 million in investments by Applied Materials and the Applied Materials Foundation in global communities, supporting more than 2,200 nonprofits and strengthening science, technology, engineering and math (STEM) pathways for semiconductor and AI careers



About Applied Materials

Applied Materials is the leader in materials engineering solutions that are at the foundation of virtually every new semiconductor and advanced display in the world. The technology we create is essential to advancing AI and accelerating the commercialization of next-generation chips. At Applied, we push the boundaries of science and engineering to deliver material innovation that changes the world.

Our products and services include:

- **Semiconductor Systems** used to fabricate silicon chips—the brains of data centers and the electronic devices used in almost every aspect of our lives
- **Applied Global Services™**, which provides services, spare parts, upgrades, remanufactured equipment and factory automation software to improve equipment and fab operation performance and productivity

We also manufacture products and serve customers in certain other industries, including manufacturing equipment for the display industry.

Our customers include foundries, integrated device manufacturers, and manufacturers of advanced displays and other technologies. They use our products and services to create components and systems that are incorporated into electronic devices or supplied to other companies for use in electronic devices.

Our Core Values

Our core values shape our daily actions, guide our business conduct and practices, and define our collaborative and innovative culture.



Most valued partner
Collaborate broadly to solve customer high-value problems faster and better



Responsibility and integrity
Operate with mutual trust and respect to make a positive contribution to the industry and community



Winning team
Achieve great results together in an environment where employees do their best work



World-class performance
Create a competitive advantage and deliver superior results that generate value and fuel growth

FY 2025 Quick Facts

\$28.4B

revenue

\$3.6B

R&D investment

>23,500

patents

~36,500

regular full-time employees

Our Value Chain

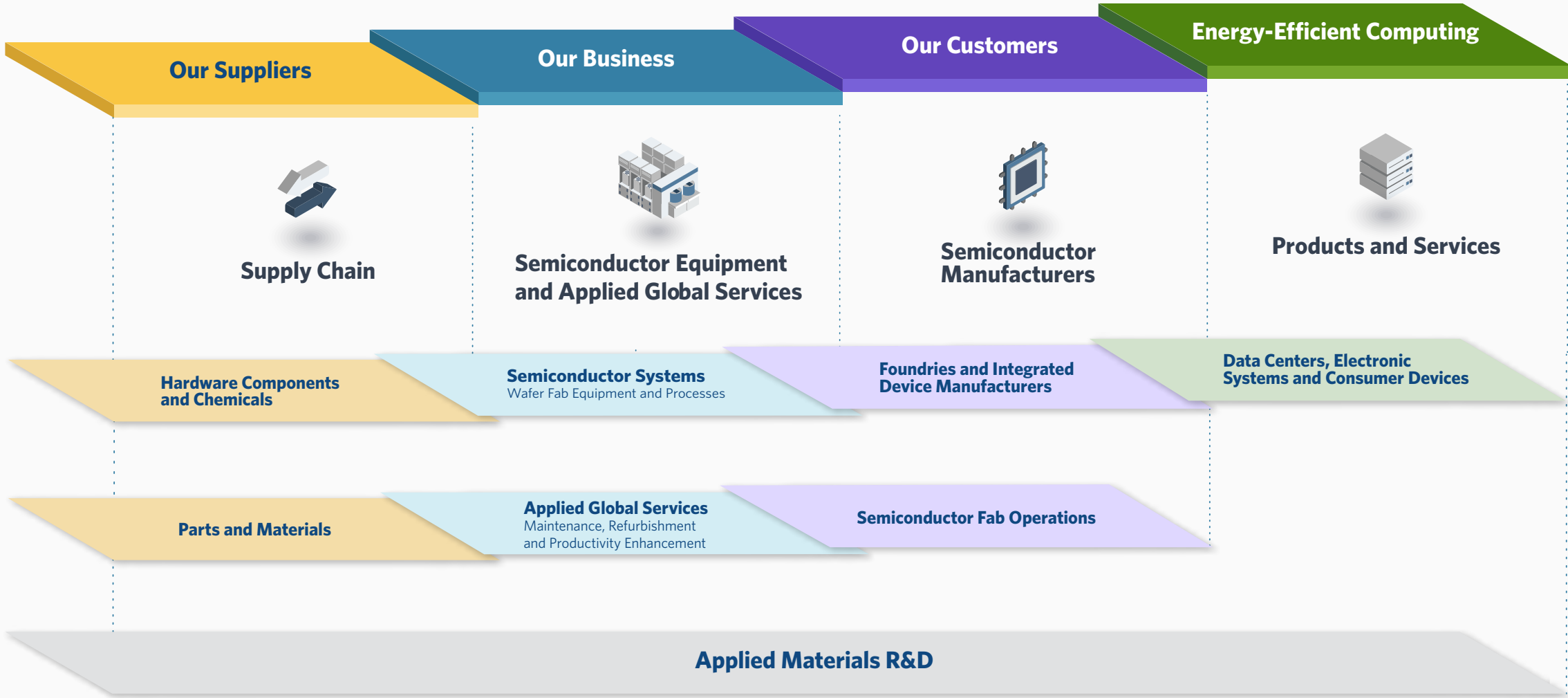
Delivering transformative, energy-efficient computing innovation requires close collaboration throughout Applied’s value chain.

Our customers make the products that are used in a wide variety of consumer and commercial electronics, such as personal computing devices, mobile devices, AI and data center servers, automobiles, connected devices and industrial applications.

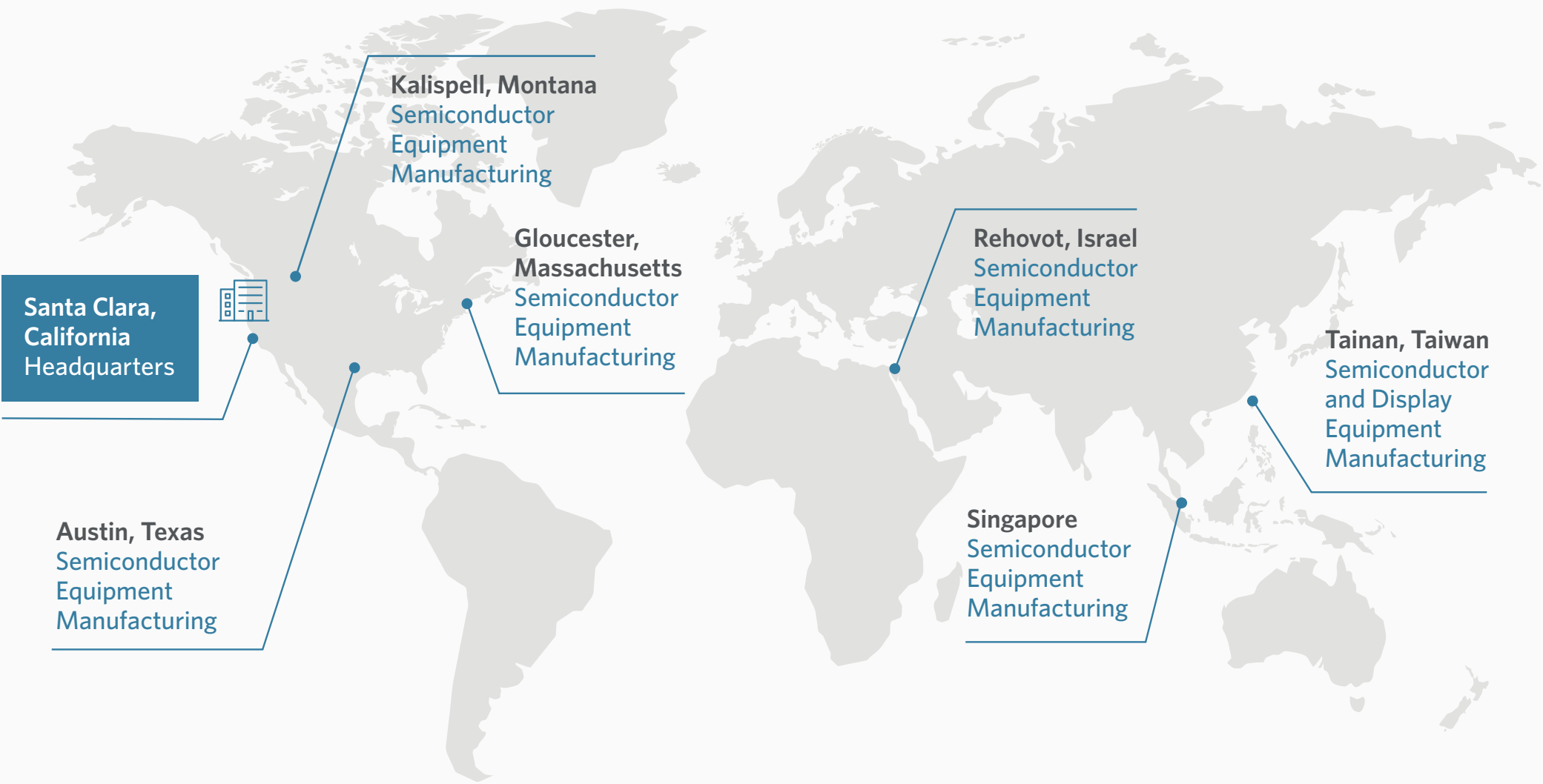
Applied sits at the foundation of these next-generation technologies as a world leader in the design, development, production and servicing of the critical wafer fabrication tools our customers need to manufacture semiconductors.

Across our business units, Applied is supported by a strong and diversified supplier network that provides a range of proprietary and commercial parts, components and subassemblies used to manufacture our products and provide our services.

Applied Materials Value Chain



Headquarters and Key Manufacturing Facilities



Worldwide Operations

Applied has a distributed manufacturing model that spans key technology regions. Our teams assemble, integrate and test proprietary and commercial parts, components and subassemblies used to manufacture systems—with major facilities and supply-chain activities across the U.S., Singapore, Taiwan, Israel and other locations in Asia and Europe.



Learn more about Applied Materials [manufacturing](#) and [research and development](#).

Regular Full-Time Employees by Region

North America	Europe, the Middle East and Africa (EMEA)	Asia-Pacific
15,211	4,441	16,837

Impact Vision and Strategy

Applied is committed to operating responsibly, protecting our planet’s resources and respecting the rights of people across our value chain.

We work to protect the health, safety and privacy of our employees and partners; advance a more responsible supply chain; and foster a connected, collaborative culture. This marks our 20th year of reporting on our impact efforts.

Our framework considers social and environmental impacts across the semiconductor ecosystem, from **our business** operations, products and services to how we engage and advance sustainability through our suppliers and customers across **our value chain**. Most significantly, it guides how we aim to accelerate **energy-efficient computing** to power sustainable growth on a global scale.

We prioritize **Ensuring Trust, Empowering People** and **Environmental Progress** as we enable breakthrough innovations that unlock AI and other technology inflections in a rapidly changing world. Applied has set bold 2030 goals to focus our actions on issues that are most material to Applied and our stakeholders, and we are collaborating across our value chain to decarbonize in line with the 1.5°C pathway—following what we call the Net Zero 2040 Playbook™.

Applied Materials Impact Framework

Our Business



Our Value Chain



Energy-Efficient Computing



Impact Materiality Assessment

Applied conducts impact materiality* assessments to identify the sustainability issues that matter most to our business in the short, medium and long term**, as well as those that are important to—or affect—our stakeholders.

These assessments are conducted through a structured stakeholder engagement process and external research analysis, which screens various external data sources to identify material sustainability issues specific to Applied’s industry and key external stakeholders (e.g., investors, competitors, customers, regulators).

We maintain strong governance processes, controls and procedures to monitor, manage and oversee sustainability-related risks and opportunities. In fiscal 2025, we did not experience any climate-related impacts that were material to our business performance.

Our most recent impact materiality assessment, completed in fiscal 2025, identified our key material issues as:

- [Climate change and GHG emissions](#)
 - [Human rights](#)
 - [Intellectual property and data security](#)
 - [Energy management](#)
 - [Employee health and safety](#)
- [Renewable and clean energy](#)
 - [Supply chain resilience](#)
 - [Innovation and technology](#)
 - [Workforce management](#)
 - [Ethical corporate behavior](#)

This 2025 Impact Report, including the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#), as well as our [CDP questionnaire](#) disclosure, provide more detailed information on the specific actions we are taking to identify, assess and manage these material issues and the associated risks and opportunities.

Materiality Matrix

Priority Zones

●

 High Priority

●

 Medium Priority

●

 Low Priority

Impact Categories

●

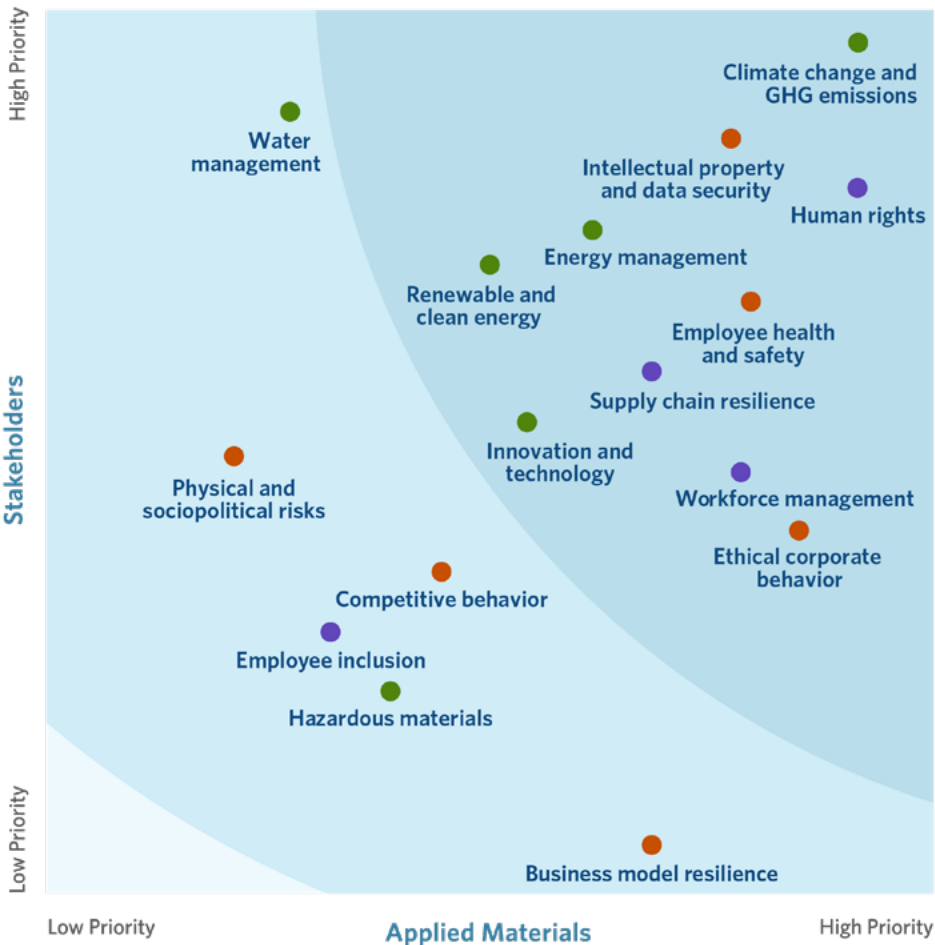
 Ensuring Trust

●

 Empowering People

●

 Environmental Progress



*The terms “material” and “materiality” as used in this report and the impact materiality assessment are different from those terms used in the context of filings with the U.S. Securities and Exchange Commission (SEC). Issues deemed material for the purposes of this report may not be deemed material for SEC reporting purposes.
**Time horizons for the impact materiality assessment are defined as: short term (1 year), medium term (2–5 years), and long term (>5 years).

Recognitions and Memberships



Select Memberships and Affiliations

- Boston College Center for Corporate Citizenship
- Business Ethics Leadership Alliance (BELA)
- Catalyze
- Chief Executives for Corporate Purpose
- Clean Energy Buyers Association (CEBA)
- Corporate Community Relations Consortium
- Corporate Eco Forum (CEF)
- DIGITALEUROPE
- IEEE International Roadmap for Devices and Systems™ (IRDS™) Community
- Interuniversity Microelectronics Centre (imec) Sustainable Semiconductor Technologies and Systems (SSTS)
- RE100
- Responsible Business Alliance (RBA)
- Responsible Minerals Initiative (RMI)
- SEMI
- Semiconductor Climate Consortium (SCC)—Founding member, Governing Council member
- Semiconductor Environmental Safety and Health Association (SESHA)
- The Climate Pledge



See more workplace recognitions in [Recruiting and Hiring](#) and philanthropic honors in [Community Impact](#).

Applied strives to be a most valued partner to our customers, and we are honored to have received the following recognitions in 2025:

- **Intel** EPIC Supplier Award
- **Micron** Technology Supplier Award for Outstanding Performance
- **TSMC** Award for Excellent Contribution in Green Manufacturing

Ensuring Trust

2025 Highlights

Corporate Governance

Global Ethics and Compliance

Cybersecurity and Data Protection

Environmental, Health and Safety

Public Policy



Applied’s technology is the foundation for nearly every computing device in use today. Achieving transformative innovation through high-velocity collaboration requires the deepest level of trust.

Applied Materials stands as a world leader in the semiconductor industry. Our customers depend on us to be their most valued partner, solving their highest-value problems faster and better than anyone else. We meet each challenge with integrity and respect, building mutual and lasting trust.

Ethical corporate behavior and intellectual property (IP) and data security are among our highest priority material issues. Our strong commitment to responsibility and integrity protects our people and relationships; safeguards IP, data privacy and systems; and builds resilience as we scale energy-efficient computing to enable the AI era.

Applied’s safety-first culture empowers transparent issue reporting across our organization and enables us to best support the health and safety of our employees, partners and the environment. We continuously evaluate and sharpen our internal processes and oversight to protect the confidence our stakeholders place in us.

In the markets in which we operate, we advocate for policies and issues that protect our people and advance the business interests and values of both our company and our industry.

Applied Ventures

Applied Ventures is the venture capital arm of Applied Materials. For more than a decade, Applied Ventures has invested in startups that are pioneering innovations in the broader semiconductor industry, including sustainability-related advancements. Learn more about our portfolio of companies at [Applied Ventures](#).

2025 Highlights

- 

Elevated supply chain security and resilience through expanded audits, secure collaboration tools and broad supplier adoption of cybersecurity contract language, while leading industry development of the standardized cybersecurity assessment framework
- 

Expanded cybersecurity and data-protection maturity, with 52 business-critical sites certified to ISO/IEC 27001:2022, strengthening the secure digital infrastructure essential for advancing semiconductor innovation
- 

Reinforced a stronger health and safety culture, achieving 92% completion rate of Human and Organizational Performance (HOP) Basic training by employees and 77% completion rate of HOP Fundamentals training by managers
- 

Strengthened partnerships that advance responsible, sustainable AI ecosystems, including launching an AI Center of Excellence in India in partnership with the Government of Tamil Nadu and convening European leaders at Applied’s “Summit to Advance Semiconductor Leadership Europe” in Germany
- 

Advanced high-velocity co-innovation infrastructure to accelerate energy-efficient computing, including opening the Materials-to-Fab Center at Arizona State University and signing a Memorandum of Understanding to expand a joint lab with CEA-Leti in France

Corporate Governance

The work we do impacts the devices that people rely on every day. We are committed to accelerating our growth responsibly and delivering material innovation that makes real improvements to people’s lives and respects our planet.

Applied’s cross-functional Net Zero Leadership Council reports to the CEO and Board of Directors and is responsible for overseeing the execution of our sustainability strategy. Led by the Head of Sustainability Strategy, the Net Zero Leadership Council sets annual objectives and milestones that advance our long-term sustainability goals through the company’s annual strategic review process, with a particular emphasis on the Net Zero 2040 Playbook™. Progress toward these objectives and milestones is reported quarterly to both the CEO and Executive Leadership Team. Performance against annual sustainability objectives is incorporated into the corporate scorecard and directly linked to executive compensation.

Quarterly updates on sustainability objectives are also provided to the Corporate Governance and Nominating Committee (CGNC) of our Board of Directors, further ensuring accountability and continuous improvement. The CGNC also receives periodic reports on human rights and

environmental, health and safety (EHS) initiatives and advancements, along with an annual comprehensive EHS review.

The Human Resources and Compensation Committee of our Board of Directors oversees corporate culture and human capital management programs, while material supply chain issues are addressed by the full Board of Directors.

Intellectual property and data security, along with governance matters relating to ethical corporate behavior, are each identified as priority material issues and are discussed in their respective sections of this report.

All content in this annual Impact Report undergoes a rigorous review process involving the CGNC, the Global Internal Audit team and the Sustainability Strategy team, with feedback and guidance from the Net Zero Leadership Council and additional leaders at Applied. More detailed information on our governance processes is available in our latest [CDP questionnaire](#).

Charitable Contribution Governance

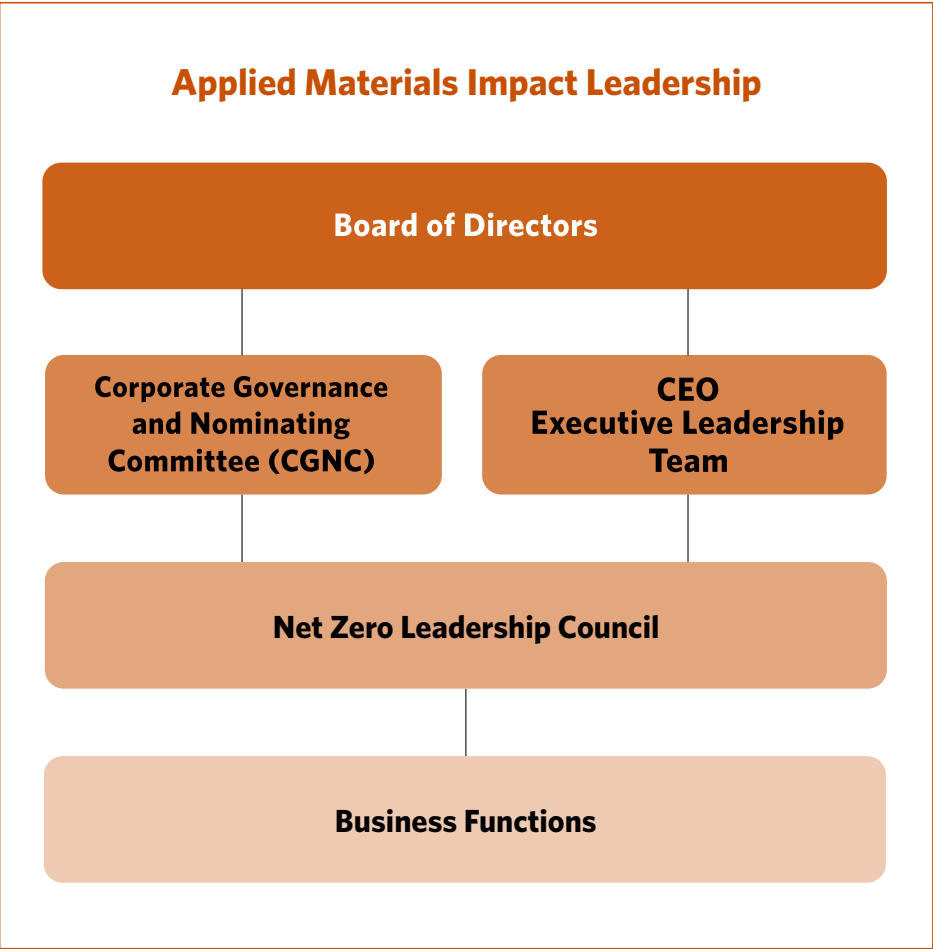
Community impact and grantmaking activities are supported by funding from the Applied Materials Foundation and Applied Materials. The Foundation is governed by its own board of directors and is audited annually by a third-party auditor. Our head of Community Impact provides progress updates to the CGNC on Applied’s and the Foundation’s charitable contributions.



For more information

[Investor Relations](#)—Applied’s Corporate Governance Guidelines, Certificate of Incorporation, Bylaws, Board committee charters and other governance frameworks

[2026 Proxy Statement](#)—Information on Board and corporate governance policies and practices



Global Ethics and Compliance

Applied prioritizes ensuring the highest ethical standards are met in our interactions with colleagues, business partners and the communities where we work and live, and fosters a world-class compliance culture to ensure our business is conducted transparently and in compliance with the law everywhere we do business.

The Audit Committee of our Board of Directors, which is responsible for oversight of our compliance program, receives quarterly reports on key initiatives and indicators, including potential violations of law and company policies.

Our core compliance teams sit within the Legal and Compliance Organization and are responsible for the day-to-day leadership and global execution of the compliance program across four main areas:

- **Global Ethics and Compliance**—Oversees administration of our Standards of Business Conduct; Global Anti-Corruption Policy; Global Conflicts of Interest Policy; and Global Policy on Giving and Receiving Business Gifts, Meals, Entertainment and Travel
 - **Global Trade**—Ensures compliance with applicable laws and regulations related to sanctions, imports and exports in every country in which we do business
- **Privacy and Data Governance**—Responsible for safeguarding the data of our employees and trusted business partners, and ensuring compliance with rapidly evolving data laws and regulations, and emerging technology
 - **IP Risk Management**—Responsible for the operationalization of strategy, policy, processes and training to protect Applied's IP and make Applied a safe choice for our global stakeholders



Engaging Our Employees

Every employee at Applied has an essential role in helping the company deliver on its core values. To support them in doing so, Global Ethics and Compliance provides practical, relevant and engaging training content that sets clear expectations and enables our employees to make responsible business decisions.

Applied’s 2025 Global Compliance Awareness Campaign focused on the theme “Speaking Up.” Featuring 19 live events across the globe, including a company-wide town hall panel, the campaign attracted more than 7,000 real-time participants and more than 18,000 page views of the campaign’s online content.

In addition, all employees were once again asked to complete the global Legal Compliance 101 training, and Applied

achieved a 94% compliance rate in fiscal 2025. Applied also launched a companion training course for our Board of Directors.

Within our business units, nearly 70 designated Compliance Champions foster ethical practices and model compliance behavior. Compliance Champions promote IP protection best practices through training and awareness and act as local contacts for employee questions and concerns.

Employees, customers and other stakeholders can access our 24-hour, anonymous toll-free [Ethics Helpline](#), which is also accessible via an online portal. In fiscal 2025, we received over 300 individual reports, tips and inquiries that were referred to our investigation teams. Substantiated reports resulted in various remedial actions, including employee education, training and coaching, as well as employee and vendor terminations.



Standards of Business Conduct

Our Standards of Business Conduct (SBC) and Standards of Business Conduct for Business Partners (SBC BP) outline the core values and compliance expectations for our global workforce and network of trusted partners, respectively. The SBC, available in 14 languages for employees, and the SBC BP, available in five languages for business partners, reinforce the uncompromising standards that guide our interactions and govern our operations.

Each year we ask our employees to certify their compliance with the SBC and repledge their commitment to leading with integrity.

Responsible Business Alliance Code of Conduct

Applied is a member of the Responsible Business Alliance (RBA), the world’s largest industry coalition dedicated to social responsibility in global supply chains. The RBA Code of Conduct provides standards related to labor, health and safety, environment, ethics and management systems, including responsible minerals sourcing.

Applied is committed to complying with the RBA Code of Conduct. In addition, Applied vendors and suppliers are required to comply with both Applied’s SBC BP and the RBA Code of Conduct and to acknowledge their compliance with these requirements annually.

See the [Human Rights](#) section for more information on our Responsible Manufacturing Program, which provides training on compliance with the RBA Code of Conduct within our manufacturing operations. See the [Supply Chain Responsibility](#) section for details on how we work to ensure compliance with the RBA Code of Conduct across our supply chain.

Ethics and Compliance Program Advancements

- Developed processes to assess and mitigate the risk of employee expense fraud using data analytics
- Published a new Global Conflicts of Interest Policy and an updated version of the Global Policy on Giving and Receiving Business Gifts, Meals, Entertainment and Travel
- Created a multi-year strategic communications plan and launched a campaign to increase the frequency of publication of Ethics and Compliance materials
- Published several manager toolkits aimed at facilitating conversations between managers and their teams on compliance-related topics

Recognized Compliance Leader

Applied Materials earned Ethisphere’s 2025-2026 Compliance Leader Verification™, an independent award recognizing our commitment to compliance program excellence.



[Standards of Business Conduct for Employees \(English and Alternative Languages\)](#)

[Standards of Business Conduct for Business Partners \(English and Alternative Languages\)](#)

Cybersecurity and Data Protection

In a dynamic and evolving digital landscape, IP and data security remains among our top strategic and material priorities. We devote robust resources toward protecting our IP and our partners' IP and making Applied a safe choice for our global stakeholders. We maintain both defense-in-depth-based controls and the capacity for rapid detection and response.

Some of our efforts include maintaining detailed response procedures and escalation protocols, employing third-party auditors to help ensure the effectiveness of internal controls, and providing robust employee training on how to recognize security threats. For example, we educate all employees on cyber threats with mandatory information security and privacy training as part of their new-hire orientation and every two years thereafter.

In addition to ongoing cyber-awareness training and education, we host an annual Cybersecurity Awareness Month campaign to engage our employees globally in learning how to identify and appropriately respond to cyber risks. Our 2025 "Be Cyber Safe" campaign covered Applied security topics as well as personal security tips.

Governance and Certifications

Our Chief Information Security Officer reports quarterly to the Audit Committee of the Board of Directors on our IP and data security programs, policies, controls, key risks and notable incidents. Notable cybersecurity incidents are also reported to the Audit Committee Chair promptly upon management becoming aware of their occurrence.

Applied's Generative AI Task Force, established in 2023, has strategic oversight and broad business unit participation to explore business use cases, conduct security and privacy reviews, and implement necessary controls for this rapidly expanding technology. In fiscal 2025, we improved our AI application review by leveraging



the National Institute of Standards and Technology’s vendor-provided tools to assess models and applications. In addition, Applied enabled major AI development platforms. We continue to partner with industry groups, government agencies and third-party experts to further improve our controls.

Applied commissions independent third-party assessments under the National Institute of Standards and Technology Cybersecurity Framework every other year to validate control maturity, while consistently maintaining one of the highest BitSight security ratings among industry peers.

Fifty-two of our business-critical locations globally now hold [ISO/IEC 27001:2022 certification](#) for information security, aligning our data security management systems and programs with global best practices. We engage third-party vendors to independently assess, proactively monitor and reduce attack surface risk, to provide an outside-in view of Applied’s cybersecurity posture.

While we have not directly experienced a material information security incident in the past five years, we maintain a cybersecurity risk insurance policy as a matter of good practice.



Supply Chain Cybersecurity

Our commitment to IP and data security extends into our supply chain. We operate a Supply Chain Cybersecurity Program to increase awareness, to assess and help improve supplier security controls, and to mitigate risk to Applied.

The Supply Chain Cybersecurity Program is sponsored by our head of Global Supply Chain and Chief Information Officer and is managed by a cross-functional team encompassing Global Supply Chain, AGS Commodity Business Management, Global Information Security, Information Security Risk Management, the Legal and Compliance Organization, and Global Sourcing and Procurement.

In 2025, the global supply chain cybersecurity incident volume continued its upward trend, exceeding already elevated levels from 2024. Applied strengthened supplier resilience through expanded on-site audits. We continue to maintain robust systems to ensure the cyber integrity of supplier-provided components. We also deployed a new secure collaboration solution to improve protection and compliance when sharing sensitive engineering documentation.

As a leader in the Semiconductor Manufacturing Cybersecurity Consortium, Applied spearheaded the development of a standardized assessment framework, formally launched at SEMICON West 2025.

Intellectual Property Protection

At Applied, we believe that empowering our workforce and suppliers with the right knowledge is key to protecting our innovations—and those of our partners. That’s why we developed and implement our Valuable Intellectual Property (VIP) program, which drives our strategy, policies and awareness efforts to safeguard company, customer and supplier IP.

The VIP team partners across the enterprise to apply lessons learned, strengthen controls and continuously improve how we protect IP.

In 2025, we increased IP protection through enhanced technical controls, expanded employee awareness through multiple training campaigns, and deepened supplier collaboration by streamlining and automating assessments on IP protection, privacy and cybersecurity.

These efforts help us promote best practices across our workforce and supply chain while reinforcing Applied’s role as a most valued partner.

Data Privacy and Governance

Respecting privacy is foundational to earning trust. At Applied, we are committed to protecting the personal information of our employees, customers and business partners. Our dedicated privacy and data protection team drives continuous improvement in our governance programs, adapting to evolving global regulations and emerging technologies like generative AI.

In 2025, we advanced awareness and understanding among employees and partners of our improved AI governance framework through focused education and communications.



See [Applied’s Privacy Policy](#) for more information concerning our collection, use, storage and disclosure of personal information.

Environmental, Health and Safety

Employee health and safety is a key material issue and a mission-critical priority across our global operations. Our vision is to inspire a proactive environmental, health and safety (EHS) culture where every employee is engaged and cares for one another.

Our global EHS strategy is focused on maintaining a consistently high standard across our global operations, reducing our EHS risk profile and making a positive impact on our employees and in our communities through our world-class safety standards and practices.

We continually strive to improve the environmental, health and safety performance of our products, processes and operations and to create a culture of safety and ensure product compliance and business resilience by embedding safe practices into our daily work.

At Applied, EHS includes Occupational Health and Safety, Product Safety, the Global Emergency Response Team and Business Continuity Planning. Our EHS Center of Excellence, made up of subject matter experts in environment, industrial hygiene, safety and health, helps drive operational excellence and propel a

proactive, safety-first culture to enable Applied to efficiently and effectively scale its workforce to meet growing market demand.

Operating Philosophy

Our EHS operating philosophy, Human and Organizational Performance (HOP), aims to foster an environment where every employee puts safety first and feels safe speaking out when they see something that does not meet our EHS standards.

The HOP principles are incorporated into our daily operations, with operational learning tools integrated into our routine activities.

Across Applied, leaders and employees are trained on the HOP principles and are supported by learning teams located in each region. The learning teams focus on operational learning and facilitating continuous safety improvements everywhere Applied operates. In fiscal 2025, 92% of employees



completed required HOP Basic training, and 77% of Applied’s managers completed HOP Fundamentals training. Additionally, 91% of managers completed an updated Managing Safety at Applied training, which also includes the Hop curriculum.

Applied employees are required to report any environmental, health and safety incidents within 24 hours, which can be done through our integrated EHS management software platform, Benchmark Gensuite®.

Launched at Applied in 2024, Gensuite provides an intuitive user interface that makes it faster and easier for employees to report issues and enables more robust performance analytics and reporting. We continue to implement additional capabilities with Gensuite, including leveraging the power of AI to generate predictive analytics to help us better understand—and more proactively prevent—incidents and injuries.

To further advance consistency in recording work-related injuries and illnesses across our sites, Applied has embedded American

Society for Testing and Materials (ASTM) E2920 requirements into our systems and processes, including Gensuite. The ASTM E2920 standard covers both employees and contractors and establishes a basis for meaningful comparison across companies and geographies.

As part of this ASTM E2920 framework integration, we also implemented quality assurance/quality control protocols, standardized terminology across our regions and trained our EHS leads on recordability criteria.

Occupational Health and Safety

We are committed to complying with or exceeding all applicable and relevant regulatory requirements regarding the health and safety performance of our operations and processes.

We use the definitions set by the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA) for recordable injuries and illnesses, as well as lost-time and restricted-work cases. These definitions are implemented globally for data gathering and analysis through Gensuite, and we set both corporate- and site-level targets and objectives, which are embedded into annual performance objectives. These key safety metrics are made available to all business units on our safety performance dashboards. At the end of each year, we analyze the results and reset targets for the coming year.

Total Recordable Incident Rate (TRIR)

Applied previously tracked and reported Total Case Incident Rate (TCIR) as a common method for reporting workplace injuries. Beginning in fiscal 2025, we track and report this metric as Total Recordable Incident Rate (TRIR) to align with OSHA's safety metric.

EHS Industry Leadership

Applied Materials is recognized as a leader for its safety culture and proactive contributions to global standards, including active participation in the Semiconductor Environmental Safety and Health Association (SESHA) and SEMI. Our Vice President of EHS and a Senior Applications Specialist were named to the SESH Board of Directors in 2025.

Applied expanded its industry engagement with deeper involvement in the Western Occupational Safety and Health (WOSH) Network, National Safety Council (NSC) Networks, and Asia-Pacific Health, Safety and Environment (HSE) forums, enabling greater benchmarking and best-practice sharing.

Also starting in fiscal 2025, we transitioned our reporting of Lost Time Severity Rate (LTSR) to Lost Time Incident Rate (LTIR), a standard OSHA metric that measures how often incidents occur that lead to lost workdays. Injury severity is assessed and reported according to ASTM E2920. These standardized metrics and guidelines provide greater consistency for reporting, measuring, evaluating and comparing safety performance across companies.

Work-Related Injury Rates		
Rate	FY 2025 Goal	FY 2025 Result
Total Recordable Incident Rate*	≤0.40**	0.40
Days Away, Restricted or Transferred Rate	0.29	0.29
Lost Time Incident Rate***	0.20	0.18
ASTM E2920	New Goal	0.63
Fatalities	Maintain Zero Fatalities	0

*Reported as Total Case Incident Rate prior to FY 2025.
**Industry benchmark is 0.60.
***Reported as Lost Time Severity Rate prior to FY 2025.

Product Safety

Applied develops and implements comprehensive product design, manufacturing, labeling and testing policies and programs to ensure our products meet applicable and relevant legal, industry and customer requirements.

Our product release process considers applicable product safety requirements during the design phase. SEMI S2 addresses most of these obligations and is the design basis for our internal product specifications. Third-party assessments validate that our products meet applicable safety requirements.

Applied monitors safety during the product lifecycle and conducts risk assessments following the SEMI S10 Safety Guideline for Risk Assessment and Risk Evaluation Process to identify, estimate and reduce risks associated with our products.

Our Product Safety group supports Applied businesses and other Applied functions with the design of products and services to drive compliance with our EHS policy and procedures.

Addressing PFAS in the Semiconductor Industry

In line with Applied’s commitment to minimize the environmental impact of our operations and supply chain, we have adopted a “PFAS Responsible” approach to addressing per- and polyfluoroalkyl substances (PFAS).

While Applied Materials does not manufacture PFAS, we recognize that limited and responsible use of PFAS requires industry-wide collaboration. Applied serves as a member of the SEMI PFAS Initiative, and we actively participate in industry groups that share information about the use of PFAS throughout the semiconductor industry.

We remain committed to providing customers with the information they need to meet their legal compliance obligations. Accordingly, we conduct biannual due diligence surveys of our supply chain to identify PFAS-containing parts in our products.

Although regulations to restrict future PFAS use have been proposed or enacted in the European Union, the United States and other jurisdictions, there are currently no restrictions affecting Applied’s ability to meet customer commitments.

For more information, please see Applied’s [Statement on PFAS](#).

Business Continuity Planning

Our Global Business Continuity Planning (BCP) team, operating within our EHS organization, oversees Applied’s global BCP policy. The goal of Global BCP is to ensure the continuation of operations amid technological disruptions, human-induced crises and natural disasters, with employee safety as top priority.

At Applied, all critical operations and functions have comprehensive Business Continuity Plans in place, which undergo annual review, testing and certification by management. The Global BCP team supports business continuity plan creation and program implementations, with critical stakeholders ranging from country presidents to business unit executives and functional leaders.

Our global Emergency Response Team (ERT), also within EHS, serves as first responders to emergencies, such as those involving gases, chemicals, illnesses and injuries. This allows Applied to quickly contain potential hazards and minimize harm to personnel, the environment and company property.

The global ERT and BCP team are crucial for protecting Applied’s employees, facilities, business, brand and customer obligations and maintaining a competitive advantage. In addition, we focus on maintaining regulatory compliance, security, and protecting current and future revenue streams in the event of a major disruption.



Public Policy

Applied works with policymakers on issues vital to our company, customers and industry, primarily focusing on technology, innovation, global trade, taxation, R&D, workforce and sustainability.

Our activities include:

- Supporting policies, partnerships and R&D incentives for advanced technologies
- Advocating for the protection and expansion of access to clean energy
- Advocating for international trade
- Supporting science, technology, engineering and math (STEM) education and workforce development policies
- Consulting on reporting standards and advocating for global interoperability

United States

Applied continues to advocate for policies that advance funding and tax incentives to accelerate research and innovation throughout the semiconductor supply chain. In fiscal 2025, Applied announced a partnership with Apple and Texas Instruments (TI) to strengthen U.S. chip manufacturing. Applied is supplying its American-made chipmaking equipment from Austin, Texas, to TI’s U.S. factories.

In addition, Applied announced plans to invest more than \$200 million to create a new advanced manufacturing facility in Chandler, Arizona, to build critical components for semiconductor equipment. This investment will increase our major U.S. production facilities to four—adding to those in Texas, Massachusetts and Montana—and builds on the more than \$400 million Applied has invested in its U.S. equipment manufacturing infrastructure over the past five years.



In October 2025, Applied and Arizona State University (ASU) marked the official opening of the Materials-to-Fab Center inside the ASU MacroTechnology Works facility in Tempe, Arizona. This shared world-class \$270 million facility is designed to accelerate the transfer of innovations from ideation to fab prototype by bringing Applied’s semiconductor manufacturing equipment into a collaborative environment where the university, industry partners, startups, government entities and other academic institutions can work together. The opening was attended by the

Arizona Governor, ASU President, and other government and city leaders.

The centerpiece of Applied’s high-velocity innovation platform, the Equipment and Process Innovation and Commercialization (EPIC™) Center, remains on track to open in 2026. The EPIC Center is expected to be the world’s largest and most advanced facility for collaborative semiconductor process technology and manufacturing equipment R&D.



Europe

As an extension of the Applied global EPIC platform, Applied announced the next phase of a longstanding collaboration with CEA-Leti in France to accelerate innovation in specialty semiconductors.

Under a Memorandum of Understanding, Applied and CEA-Leti plan to expand their joint lab and develop materials engineering solutions to enable more energy-efficient solutions for AI data center infrastructure. The joint lab, established in 2024, focuses on device innovations for chipmakers serving ICAPS markets (IoT, Communications, Automotive, Power and Sensors). The upgraded lab is expected to strengthen the chipmaking ecosystem in France by further expanding the technology hub in Grenoble, a leading site for collaborative innovation across government, academia and industry.

Also in France, Applied marked its 10th anniversary of operations in Bernin with the inauguration of its newly expanded offices in April 2025, designed to foster even greater collaboration and innovation. The celebration event was attended by France’s Vice President of Economy, Industrial Development and Land Strategy and the Mayor of Bernin.

In June 2025, Applied convened more than two dozen Chief Executives and R&D leaders from across Europe to explore solutions for overcoming the semiconductor industry’s

most pressing challenges. The “Summit to Advance Semiconductor Leadership Europe,” held in Dresden, Germany, focused on accelerating innovation and strengthening competitiveness and technology leadership, with the goal of fostering new partnerships and collaboration opportunities to accelerate semiconductor innovation and strengthen Europe’s role in the global chip industry. The event was also attended by government officials from Saxony and Dresden and representatives of leading technology research institutes.

Alongside the Summit, Applied published a report, co-authored by leaders in the semiconductor and energy industries, outlining a new playbook to accelerate sustainable energy for AI. The report calls for increased collaboration between industry and governments to modernize the electrical grid and integrate intelligent computing to optimize energy use and distribution.

Applied continues to track the Corporate Sustainability Reporting Directive, the Corporate Sustainability Due Diligence Directive and the Ecodesign for Sustainable Products Regulation, among other sustainability-related regulations. We engage, as appropriate, with the European Financial Reporting Advisory Group, which developed the European Sustainability Reporting Standards that guide disclosures pursuant to the Corporate Sustainability Reporting Directive.



India

Applied is engaging with the Indian government as it aims to make India a global hub for semiconductors. In support of this vision, we are working to build greater collaboration among Applied’s engineers, suppliers, academia and other ecosystem partners to enable end-to-end product development in India.

The India Validation Center (IVC) in Bengaluru, the country’s only 300mm wafer processing facility, serves as a pivotal hub for accelerating validation of semiconductor equipment components and advancing talent development. Commissioned in 2024, the center expanded its capabilities in 2025, strengthening Applied’s strategic role in supporting the growth of India’s semiconductor ecosystem.

Applied Materials India has formed a partnership with the Government of Tamil Nadu to establish an AI Center of Excellence (CoE). The AI CoE will accelerate semiconductor process development, equipment manufacturing and research, and provide leadership and skills training in collaboration with industry and academic partners. Major areas of focus include equipment modeling, service products, Imaging and Process Control (IPC) algorithms and productivity enhancements to drive AI innovation in semiconductors.



Applied expanded its partnership with the Indian Institute of Technology (IIT) Madras by deploying the AppliedTwin™ platform to enhance semiconductor process modeling and virtual prototyping, thereby speeding up R&D and reducing costs. The collaboration also extends course access via the IIT Madras SWAYAM Plus online learning platform and includes practical workshops to strengthen industry-academia ties and talent development.

Applied inaugurated the Vacuum Chamber Test Stand at IIT Hyderabad to give students practical exposure to vacuum systems essential for semiconductor fabrication. The facility, combined with expert lectures, links academic study with industry needs. In addition, IIT Bhubaneswar launched a new Master of Technology program in Systems Engineering, developed in partnership with Applied, to support India’s semiconductor mission and workforce development.

The Applied Semiconductor Collaboration in Engineering and Technology (ASCENT) initiative encourages collaboration and innovation between our experts and academia. ASCENT’25 engaged with the IITs and Indian Institute of Science, attracting eight proposals from 11 problem statements, with IIT Madras and IIT Kharagpur emerging as the winners.

Applied was an active participant at SEMICON India 2025, where we hosted India’s Prime Minister at the Applied Materials booth and demonstrated our shared vision of building a collaborative, innovation-driven semiconductor ecosystem in India. Applied also participated in the SEMICON India CEO Roundtable alongside the Prime Minister and other key government dignitaries.

Singapore

Applied continues to strengthen its presence in Singapore, working with local partners to support the growth of next-generation technologies, including photonics and advanced packaging.

To advance the rapid rise of photonics driven by AI, Applied announced its collaboration with GlobalFoundries (GF) to establish a waveguide fabrication facility at GF Singapore. Applied will co-develop waveguide components with GF, drawing on decades of semiconductor expertise. This collaboration builds on Singapore’s growing photonics ecosystem—spanning materials, sensors, integration, assembly, testing and applications—and supports the country’s position as a leader in photonics innovation.



Taiwan

In November 2025, Applied Materials Taiwan inaugurated an International Logistics Center in the Southern Taiwan Science Park in partnership with Kaohsiung Customs under the Ministry of Finance. The facility champions key technologies, connecting manufacturing excellence to global markets through close collaboration with customers and industry partners.

In addition, Applied has consistently renewed and maintained its Authorized Economic Operator (AEO) status in Taiwan since first receiving the designation in 2015, demonstrating Applied’s commitment to a trusted partnership with customs authorities.

At SEMICON Taiwan 2025, Applied showcased its latest solutions with a focus on advanced packaging, heterogeneous integration and sustainability. Technical experts shared insights on how materials innovation powers AI and drives industry transformation.

Business and Trade Associations

Applied maintains memberships in various business and trade associations that advance issues aligned with our corporate strategy and the needs of our company, industry, employees and communities. Our membership in a group does not imply that we endorse the entirety of that group’s policy positions.

In 2025, Applied paid approximately \$1 million in trade association membership dues, of which 20% were specified by the associations as non-deductible lobbying expenditures. This total does not include conference or event sponsorships, programming activities or similar costs.

Applied reports on federal lobbying through the U.S. Lobbying Disclosure Act Database and files periodic reports with federal and state agencies, as appropriate.



Find more information on our business and trade association memberships and federal lobbying:
[2025 U.S. Trade, Business and Civic Associations membership list](#)
[2025 Federal Lobbying Expenditures](#)

Political Contributions

The Applied Materials Political Action Committee (AMPAC) contributes to federal candidates, political action committees and party committees that support issues of strategic significance to Applied Materials, in full compliance with applicable laws. Our State Contributions Committee oversees corporate political spending to advance strategic issues at the state and local levels.

AMPAC is funded solely through voluntary contributions from eligible employees, with Applied only covering administrative expenses. No corporate funds are used for AMPAC contributions.

Oversight of AMPAC’s activities and contributions is maintained by the AMPAC Board of Directors, which thoroughly reviews and approves all actions. Contribution decisions are based solely on corporate objectives, independent of personal political preferences of committee members or contributing employees.



Find more details on Applied’s political contributions, donation policies, mechanisms and compliance practices:
[2025 Political Contributions List](#)
[2025 Political Contributions and Activity Report](#)



Empowering People

2025 Highlights

Connected Coworkers

Human Rights

Community Impact



Our core values are the foundation of our culture. By living them every day, we achieve superior results and create lasting value for our business, our industry and the world.

At Applied, we strive to build genuine connections, welcome diverse perspectives and respect each person’s differences. We are committed to maintaining a safe, inclusive and professional workplace where everyone can grow and perform at their best.

Human rights and workforce management are among our highest-priority material issues. We invest in continuous employee development and growth and in building exceptional managers and leaders who serve as ambassadors of our culture.

We hold ourselves and our partners accountable to uphold human rights principles that enable everyone in our global workforce and supply chain to live and work with dignity, respect and safety. This commitment is formalized in our Human Rights Statement of Principles and is implemented and governed through our Responsible Manufacturing Program.

Leading with responsibility and integrity, Applied and the Applied Materials Foundation support initiatives that enable individuals to learn, grow and thrive, as well as those that strengthen the vitality and resilience of our communities and environment.

Applied unites the brightest minds to solve our customers’ highest-value problems, empowering people to deliver material innovation that has a positive impact on society. Central to our culture is our People Promise: “The work we do together advances the world’s technology.” At Applied, we push the boundaries of materials science and engineering for the benefit of people and the planet.



Applied’s culture is built on driving innovation, integrity and mutual respect across everything we do.

Learn more: [Life at Applied](#)

2025 Highlights



Expanded global workforce development for the AI economy by launching a unified Management and Leadership Development Curriculum, strengthening management capability across all levels and delivering 2.2 million hours of learning and development, with an average of 56 training hours per employee



Achieved a Platinum rating at the Applied Materials Singapore site under the Responsible Business Alliance Validated Assessment Program—the highest possible score, reflecting excellence in labor, environmental, ethics and management-system performance



Advanced responsible manufacturing and supply chain ethics by conducting internal assessments across key sites, training sourcing and procurement teams on the RBA Code of Conduct and auditing 202 supplier sites for compliance with human rights and sustainability standards



Strengthened global community impact through \$17.8M in strategic grants from Applied and the Foundation, matching employee support for more than 2,200 nonprofits and expanding employee engagement



Accelerated access to STEM education through a \$1M Foundation investment across 25 Generation Girl™ programs, and expanded the Momentum Fund™ to help financially vulnerable engineering students complete degrees and enter high-demand semiconductor careers

Connected Coworkers

Applied is committed to developing a workplace in which knowledge, creativity and talent for solving hard problems drive success. We foster an environment where everyone can realize their full potential and access opportunities based on performance and contribution.

Our superpower is great people, working together. We aim to attract and retain the best talent from everywhere, and we rely on—and value—contributions from every member of our team. Bringing together a broad mix of perspectives, skills and experiences ignites transformative innovation that advances the world’s technology.

We anchor our talent strategy in three priorities:

- **Building a connected and highly engaged culture** where everyone feels a sense of belonging and is fully empowered to realize their potential
- **Enabling high-performance employees** with pathways for individuals to continuously uplevel their skills and grow in their careers at Applied
- **Advancing capable leadership at all levels** to model, coach and inspire world-class collaboration and innovation

Driven by strong demand for our semiconductor systems and services, we are rapidly expanding our global workforce. Since 2019, our global workforce has grown approximately 62%. As we scale our global workforce, we aim to link company growth with employee career advancement. Our global voluntary turnover rate has dropped 13% since 2019, reflecting our efforts to foster a respectful, motivating culture at Applied.



View: Applied's [Workforce Metrics](#)

WE LIVE OUR VALUES WHEN:

We Solve Problems: We identify and solve problems that matter most, reframing obstacles into opportunities to drive positive change no matter how complex.

We Deliver With Excellence: We build high-performing teams that act with precision and velocity to deliver results that drive long-term competitiveness.

We Collaborate to Amplify Impact: We stay connected across organizations, constructively challenging each other, partnering effectively to amplify and celebrate our shared impact.

We Embrace Every Voice: We foster a culture of belonging, mutual trust and respect, leveraging diverse perspectives to fuel innovation and support each other.

We Stay Curious and Flexible: We embrace a growth mindset, continuously learning and adapting to meet evolving business needs.

We Lead With Integrity and Deliver Consistently: We build a culture where we follow through on commitments, uphold high standards, and consistently deliver results that build trust and drive impact.



Employee Engagement

Applied benefits from the unique perspectives and skills of both teams and individuals, which drive progress through effective collaboration and knowledge sharing. When employees feel trusted, valued and respected, their engagement rises, motivating them to support our company’s vision, mission and values.

In fiscal 2025, Applied engaged an independent third party to administer an anonymous all-employee survey, achieving an 84% participation rate with over 30,000 responses. The results were compared against a comprehensive global benchmark of large technology companies. These insights enhance our understanding of enterprise trends and enable us to assess the impact of initiatives.

One of the most impactful ways we support employee engagement and build a winning team is through our Employee Resource Groups (ERGs). These groups foster a unique sense of belonging, connect employees across the company, drive business impact and contribute to communities beyond Applied. All employees are invited to participate in ERG events and activities, creating opportunities for connection, growth and shared purpose.

Applied has 15 ERGs with 35 chapters in nearly every country where we do business. Our ERGs constantly evolve to meet the needs of employees and the business. We

encourage employees to participate in as many ERGs as they would like, helping to strengthen connections across their areas of interest and passion.

Applied’s ERGs are dedicated to creating a lasting business impact, including supporting talent attraction and onboarding. They also work together, and across our global sites, to produce integrated activities for employees to experience throughout the year, which helps drive a thriving on-campus culture that differentiates Applied as an employer and community partner.



Explore: [Employee Resource Groups](#)



Recruiting and Hiring

Applied’s culture reflects our [core values](#). To live these values—and to succeed as a global business—we source and attract a broad spectrum of highly qualified candidates and the best minds in the industry from various backgrounds. We continually sharpen our talent processes to strengthen cross-company growth and meet market needs.

We utilize technology, new sourcing channels, focused outreach campaigns and programmatic approaches to increase our ability to reach and hire the best talent. We actively participate in industry and campus recruiting and community events to expand our talent pools.

Emerging Talent Programs

Applied is committed to attracting, recruiting and inspiring emerging leaders who will bring bold creativity, fresh perspectives and innovative solutions to shape the future of our industry.

Through our emerging talent programs, we are working to connect students, U.S. veterans and active-duty military, and others seeking new technical career opportunities with roles at Applied.

For example:

- Our global university and community college programs are built on a cohesive strategy that aligns our school engagements, internships and new college graduate hiring.
- Our apprenticeship programs support the development of new technical talent and are registered and approved by the U.S. Department of Labor and Taiwan’s Ministry of Education.
- Our established U.S. military and veteran programs have earned Applied broad recognition as a military-friendly employer.

We continue to grow these programs to help cultivate future innovators and leaders through intentional development, a strong cultural foundation and purposeful work experience that accelerates career and organizational impact.



New College Graduates and Internships

Applied welcomes more than 1,000 recent college graduates and interns into our global university and community college programs each year.

The New College Graduate programs serve as a strategic talent pipeline aligned with our long-term business strategy. We offer program tracks across regions focused on building technical, professional and leadership skills in engineering, manufacturing and supply chain. These include:

- **Structured rotational and development programs**—intensive, multi-month training and development
- **Direct programs**—new employees start in a role and participate in quarterly training sessions
- **Hybrid programs**—combine multi-week training with ongoing quarterly sessions

Regardless of their roles, employees hired through the New College Graduate programs experience robust onboarding and learning opportunities to ensure a smooth transition from student life to a career at Applied. They receive feedback and coaching as they progress in their careers.



Learn more: [Applied Internship Program](#)

We also encourage their engagement across the Applied community and support building connections beyond their immediate teams to foster cross-company collaboration.

Our global internship program is a strategic initiative that supports workforce planning for critical roles, skills and geographic priorities. We aim to provide interns with impactful projects, exposure to Applied and the semiconductor industry, and opportunities that lead to full-time employment after successful internships.

Applied offers a wide range of internships worldwide for qualified students in both technical and business areas. Internships in the U.S., Europe and Asia are typically two to five months long and include meaningful business engagement.

All New College Graduate and internship programs provide hands-on experience to put theory into practice and build professional skills such as teamwork and communication. Participants gain an understanding of Applied’s culture, values and mission and have opportunities to engage with executive leadership within their organizations.

Apprenticeships

Applied has a strong framework and a growing global apprenticeship program.

Since 2023, we have expanded our U.S. Department of Labor-registered apprenticeship program from two to four job families. Program durations range from 18 months to three years depending on the track. As of June 2025, we’ve graduated assemblers, manufacturing technicians, process technicians and hardware technicians.

In Taiwan, we onboarded 20 apprenticeship hires as manufacturing technicians, working in partnership with Southern Taiwan University of Science and Technology.

All participants in the apprenticeship program graduate with certified completed coursework and hands-on training supported by mentors and managers. The program helps develop technical talent for the semiconductor industry, delivered in collaboration with government entities, industry partners, and colleges and universities.

The apprenticeship program is open to all applicants, welcoming individuals with a variety of backgrounds, experiences and perspectives.

Military and Veterans

Veterans bring a unique blend of experience, skills, leadership and discipline, which helps them thrive in the dynamic semiconductor industry.

Applied has a strong record as a destination employer for U.S. veterans, providing training and transition assistance to qualified military professionals and matching members of the armed services with rewarding career opportunities.

Applied is an active participant in the SEMI VetWorks employer network, is designated a Military Friendly® Employer for 2025 and is recognized as Vet Friendly by U.S. *Veterans Magazine*.

Workplace Recognitions

Applied received the Excellence in Achievement Award from the SEMI Foundation at SEMICON West 2025 in Phoenix, Arizona, in recognition of exceptional leadership and collaboration in developing the next generation of semiconductor talent.

Applied also received the 2025 Workforce Transformation Award from Workforce Singapore, recognizing our leadership in reskilling, job redesign, upskilling and building a future-ready talent pipeline.



Read more: [Applied Careers for Veterans](#)



Employee Benefits

Applied offers a comprehensive suite of health and wellness benefits to support the physical, emotional and financial wellbeing of our employees and their families. Our Total Rewards philosophy focuses on providing competitive, inclusive benefits; compensation; and recognition opportunities across our global workforce, with programs tailored to local requirements and employee needs.

Country-specific benefits websites provide employees and their families with clear, accessible information on available programs and participation processes. One example is the Lifestyle Account, which offers flexible reimbursement for eligible wellbeing expenses such as fitness activities and personal development programs. Initially launched for full-time employees in the U.S., its success is inspiring similar programs in other countries.



In 2025, Applied also piloted AiMEE, an HR AI tool that is designed to provide personalized HR support on benefits, policies and general HR guidance. The pilot was available to regular full-time U.S. employees and is being evaluated as part of Applied’s broader HR technology roadmap.

Promoting Health and Wellness

Promoting employee health and wellness remains a global priority. Across EMEA and Asia-Pacific, Applied hosted in-person and virtual events to raise awareness of the Employee Assistance Program and other wellbeing resources. In the U.S., employees participated in site-based activities and virtual webinars, including a focused Wellness Week in May 2025, to support education and engagement around available benefits.

Learning and Development

We are committed to ensuring all employees have the skills and support needed to work at a high velocity and deliver competitive advantage and superior results. Through robust learning and development programs, Applied is building strong coaching, mentoring and leadership capabilities across the company to help all employees reach their full potential.

Developing our managers and leaders is a critical component of achieving Applied’s growth goals and sustaining a high-performance culture. Our focus is on strengthening managerial and leadership

capability at every level of the organization. Applied’s Management and Leadership Development Curriculum, a comprehensive portfolio of programs for every leadership level, commenced in 2024 and gained momentum in 2025.

The curriculum balances conceptual learning with hands-on application and is deeply anchored in our values. Programs are tailored by leadership level, incorporate a “Leaders as Teachers” approach and integrate external perspectives to ensure we bring leading practices from both inside and outside the company.

Employee-Driven Learning and Development

Applied supports employees' career growth through ongoing learning programs that strengthen technical, professional and business skills. All training is aligned to common objectives and coordinated centrally through the Applied Global University.

As AI continues to transform every aspect of business, we are harnessing this shift to improve the precision, efficiency and impact of our learning programs—while equipping employees with practical skills to apply AI effectively in their roles. For example, Applied hosted a two-part AI Learning Day that explored both how AI is shaping the future and how Applied is using it to drive productivity. In addition, Applied’s AI Productivity Champions Cohort is a hands-on mentorship program designed

Total Learning Hours*

2,189,010

up 7% from fiscal 2024

Average Training Hours per Person

56

up 37% from fiscal 2024



Explore: Applied's country-specific [benefits](#)

*Additional learning details are available in the [Data and Disclosures](#) section.

to leverage AI for streamlining workflows and boosting productivity. Applied offers skill-based learning journeys to support the development of AI fluency across the workforce. In addition, targeted initiatives within individual organizations align AI learning efforts to specific business goals.

Our PATHWAY Personalized Employee Development program is designed for specific job families, enabling employees to customize their learning journey for career growth. A key component of the PATHWAY program is the role-based curriculum, developed by Applied subject matter experts, to provide foundational knowledge and skills required for each job role. Eligible employees must complete 40 hours of training annually, selecting curated courses aligned with nine critical Applied skills. The PATHWAY platform offers course ratings and levels to help employees choose the most suitable options for their learning needs.

In 2025, we enhanced the PATHWAY platform to deliver a faster, simpler and more flexible experience. We have also integrated certifications in key engineering roles into the platform. In fiscal 2025, 92% of eligible employees selected a PATHWAY skill goal—up from 37% in 2022, the year the program launched.

Applied also provides additional training for specific job families. For example, our Process Support Engineer (PSE) Academy offers process training and development curricula for specific business units, with additional programs in development. A key portion of the PSE training uses tool-interface simulators to increase hands-on exposure, accelerate learning and reduce risk to valuable lab tools.

Across all job functions, Applied maintains an uncompromising commitment to quality. We work to ensure every employee understands this commitment and takes personal responsibility for applying quality principles in their daily work. In fiscal 2025, we updated our Commitment to Quality training and translated it into five additional languages: Simplified Chinese, Traditional Chinese, Japanese, Korean and German. Through fiscal 2025, 31,444 employees (approximately 86% of our global workforce) completed the Commitment to Quality training.

In addition, the Global Quality Continuous Improvement team introduced the 8D (Eight Disciplines) Problem-Solving Framework, aligning with recognized industry standards and advancing a more structured, data-driven approach to problem-solving. In fiscal 2025, employees completed 29,844 courses and participated in 17 informational roadshows, which drew a global audience of 1,200 attendees.

Strengthening Proficiency in the Field

Our field service engineers and technicians serve as a vital link to Applied, working at customer sites worldwide to ensure optimal product performance and support. To strengthen this team, our Enhanced Knowledge Delivery (EKD) program improves the efficiency and effectiveness of their training by combining on-demand lessons, group learning sessions and assessments. EKD leverages the latest training theories and neuroscience research to promote learning and retention.

In addition, our Field Time to Proficiency Program evaluates and advances the capabilities of our field service organization. This program measures product-level proficiency, tracks new-hire time to proficiency and identifies upskilling priorities and progress. Using an automated scoring system, managers and leaders can monitor progress, address skill gaps and continuously improve proficiency across the organization.

Applied was inducted in the [Training Hall of Fame](#) after earning Top 10 Training APEX Awards by *Training Magazine* for four consecutive years.

Recognized as a Top Employer

- Military Friendly® Employer, 2026
- U.S. Veterans Magazine—Vet Friendly 2025
- Equality 100, Human Rights Campaign Foundation's Corporate Equality Index, 2025
- The Straits Times Best Employers, Singapore, 2020-2025
- CommonWealth Magazine Excellence in Talent Sustainability and Family-Friendly Workplace, Taiwan, 2025



Human Rights

We are committed to protecting human rights wherever we do business and have formalized our commitment in Applied’s Human Rights Statement of Principles.

 [Read Statement](#)

Our commitment to human rights is detailed in various company and industry policies and statements, including:

- [Applied’s Standards of Business Conduct \(SBC\) for Employees and Business Partners](#)
- [Applied’s Responsible Minerals Sourcing Policy](#)
- [Responsible Business Alliance \(RBA\) Code of Conduct, Version 8.0](#)
- [Applied’s position on the California Transparency in Supply Chains Act](#)

As a member of the RBA, Applied conducts internal RBA assessments of our suppliers, with forced labor as a critical focus area.

Applied Workers

We are committed to ensuring a workplace free from discrimination, harassment and retaliation, as outlined in our Human Rights Statement of Principles and Standards of Business Conduct. If employees experience or suspect discrimination, harassment or retaliation, they are encouraged to promptly report it—without fear of negative employment consequences—to their manager, Human Resources or the Legal and Compliance Organization. Concerns may also be reported anonymously via the [Ethics Helpline](#). Reports and concerns are investigated, and the reporting employee is informed of the outcome of the investigation.



Responsible Manufacturing Program

Our Responsible Manufacturing Program implements human rights governance across our manufacturing operations to comply with our Human Rights Statement of Principles and the RBA Code of Conduct.

Our Responsible Manufacturing Program assesses Applied’s manufacturing and R&D operations across key areas, including

labor, health and safety, environment, ethics and management systems. The program also provides training on the RBA Code of Conduct requirements and helps prepare sites for an RBA Validated Assessment Program (VAP) audit.

Responsibility of All

Protecting human rights is the shared responsibility of everyone who works with and at Applied. Upholding our Human Rights Statement of Principles is fundamental to how we operate as a company and is also expected of our business partners. See how we deliver on these principles:

- [Connected Coworkers](#)
- [Environmental, Health and Safety](#)
- [Employee Benefits](#)
- [Global Ethics and Compliance](#)
- [Learning and Development](#)
- [Pay Fairness](#)
- [Recruiting and Hiring](#)
- [Supply Chain Responsibility](#)

Some of the Responsible Manufacturing Program outcomes in fiscal 2025 include:

- Achieving a Platinum rating for our Singapore site under the RBA VAP. Platinum is the RBA’s highest level, indicating excellent performance and minimal findings
- Conducting internal assessments at our Austin, Texas and Gloucester, Massachusetts sites
- Updating onsite service provider contracts to reinforce RBA requirements
- Training our global sourcing and procurement teams on the RBA Code of Conduct to help drive compliance with indirect suppliers
- Developing an RBA basic training and an internal communications campaign for employees, each scheduled for launch in 2026, to build broader understanding of our RBA membership and commitments.



Pay Fairness

Applied is committed to compensating our employees fairly. To that end, we have structured our compensation program so that employees’ pay is based on relevant factors, such as employment role, organizational level and geographic location, and not on demographics.

To confirm that we live up to our commitment to pay fairness, we have engaged an independent third party to calculate pay ratios, comparing compensation for Applied employees both globally and in the U.S. In each instance, the ratio is based on total compensation, which reflects the sum of an employee’s base salary, any cash bonus and any stock award (where applicable based on role). The ratios compare compensation for employees who were in a similar role, level and location for fiscal 2025:

- Total compensation for women globally was 99% of total compensation for men.
- Total compensation for women in the U.S. was 100% of total compensation for men.
- Total compensation for racial or ethnic minorities in the U.S. was 101% of total compensation for non-minorities.

We will continue monitoring our compensation practices and provide information about Applied’s pay fairness efforts in future Impact Reports.

Goal and Progress

SuCCESS Goal

Goal

Drive compliance with RBA Code of Conduct and Applied Materials Standards of Business Conduct across our top 80% of direct suppliers by spend through site or desk audits

Progress*

Audited 202 supplier sites for RBA compliance through a combination of third-party and Applied audit teams; to maximize effectiveness and minimize assessment fatigue, Applied will conduct hands-on RBA training for suppliers in FY 2026

*Cumulative through FY 2025.

Supply Chain Responsibility

The Supply Chain Certification for Environmental and Social Sustainability (SuCCESS) Program, launched and established in 2020, serves as our 10-year strategic plan to advance a more sustainable supply chain. This initiative builds upon our commitment to ethical labor standards, environmentally responsible practices, responsible mineral sourcing and adherence to international human rights norms.

We maintain rigorous expectations for our supply chain partners, aligning them with the standards we set for our own operations. Supplier performance and capability assessments, led by the SuCCESS Program Office, require shared dedication across core focus areas—including environmental impact and labor practices—with most categories featuring clearly defined performance targets.

Sustainability criteria for suppliers are embedded within our Global Supplier Agreements and other contractual arrangements with both direct and indirect suppliers. These requirements also extend to the terms and conditions for logistics providers and purchase orders and feature prominently in our commonly used contracts for indirect services. In addition, sustainability is one of 13 factors used to determine a performance grade for strategic alignment assigned to each of our top suppliers by spend on their quarterly performance scorecard.

Oversight of metrics, compliance audits and coordination—including training with participating suppliers—is managed by our SuCCESS Program Office.



Supplier Audits, Risk Assessment and Remediation

To effectively evaluate employee working conditions within our supplier factories, Applied utilizes the [RBA](#) audit protocol during second- and third-party audits. This protocol assesses labor and working conditions, environmental practices, ethics compliance, and health and safety programs and practices. As part of these assessments, worker interviews are conducted confidentially and without management presence; these interviews are not recorded.

With thousands of supplier factories around the world, we prioritize onsite supplier audits based on spend and the identification of medium- to high-risk sites using country risk analysis via the RBA Risk Assessment tool.

Following audit completion, suppliers collaborate with our SuCCESS Program Office team to address and resolve any identified findings. Suppliers are required to remediate all priority and major findings within the RBA’s recommended timelines through further onsite, third-party audits.

Prospective Applied suppliers must also undergo a second-party audit, which is performed by a member of Applied’s supplier engineering staff who has successfully completed the RBA auditor course. Any gaps identified during this process must be addressed and closed in order for the prospective supplier to qualify as an Applied supplier.

Capability Building

Applied offers a structured program of webinars, trainings and assistance to help our suppliers close any gaps across our sustainability focus areas, including responsible factories, sourcing and product compliance. We also offer suppliers the option for Applied to oversee their sub-tier programs, including execution of their RBA audit programs.

Our SuCCESS Program Office meets at least annually with each tier-1 supplier to review requirements and answer questions, and suppliers can schedule additional time to meet with the head of the SuCCESS Program Office.

Responsible Minerals Sourcing

Applied Materials is committed to the responsible sourcing of minerals used in our products. Key to this commitment is our policy around tantalum, tin, tungsten and gold (3TG). We work with a third-party service provider to conduct supplier outreach and evaluation regarding use of 3TG in products furnished to Applied.

Applied’s due diligence approach on the source and chain of custody of necessary conflict minerals is designed to conform with the Organization for Economic Co-operation and Development (OECD) guidance. Our cross-functional Responsible Minerals Sourcing Compliance Team oversees

the implementation of our Responsible Minerals Sourcing program and briefs senior management about the results of our due diligence efforts.

Applied is a member of the Responsible Minerals Initiative (RMI), and we work to ensure that our suppliers conform with Responsible Minerals Assurance Process (RMAP) or cross-recognized standards. We serve as a co-chair of the RMI Smelter Engagement Team (SET), which oversees smelter engagement activities. In addition, Applied employees volunteer on the SET, and we lead a second-level SET team responsible for overseeing re-audits by smelters and refiners to maintain their RMAP conformance rate.

Supply Chain Fairness

All suppliers, regardless of certification or ownership status, must meet the same procurement standards and are judged and selected based on the merit of their proposals. In addition, all suppliers go through the same rigorous onboarding process. There is no special consideration or weighting based on ownership or diverse supplier status.



See: [Applied Materials Conflict Minerals Report](#)

Community Impact

Our vision is to Make Possible™ a Better Future through a thriving culture of purpose for employees and industry-leading strategic grantmaking that strengthens communities. Supported by Applied Materials and the Applied Materials Foundation, our approach is to listen to our communities and invest financial resources in high-value programs and initiatives that make a material impact and reflect our company values.

Our culture of purpose is built through strategic grantmaking and employee engagement campaigns and programs that strengthen employees’ connection to our local communities, bolster community resilience and expand pathways to opportunity. We are deepening relationships between our employees and the communities where we live and work.

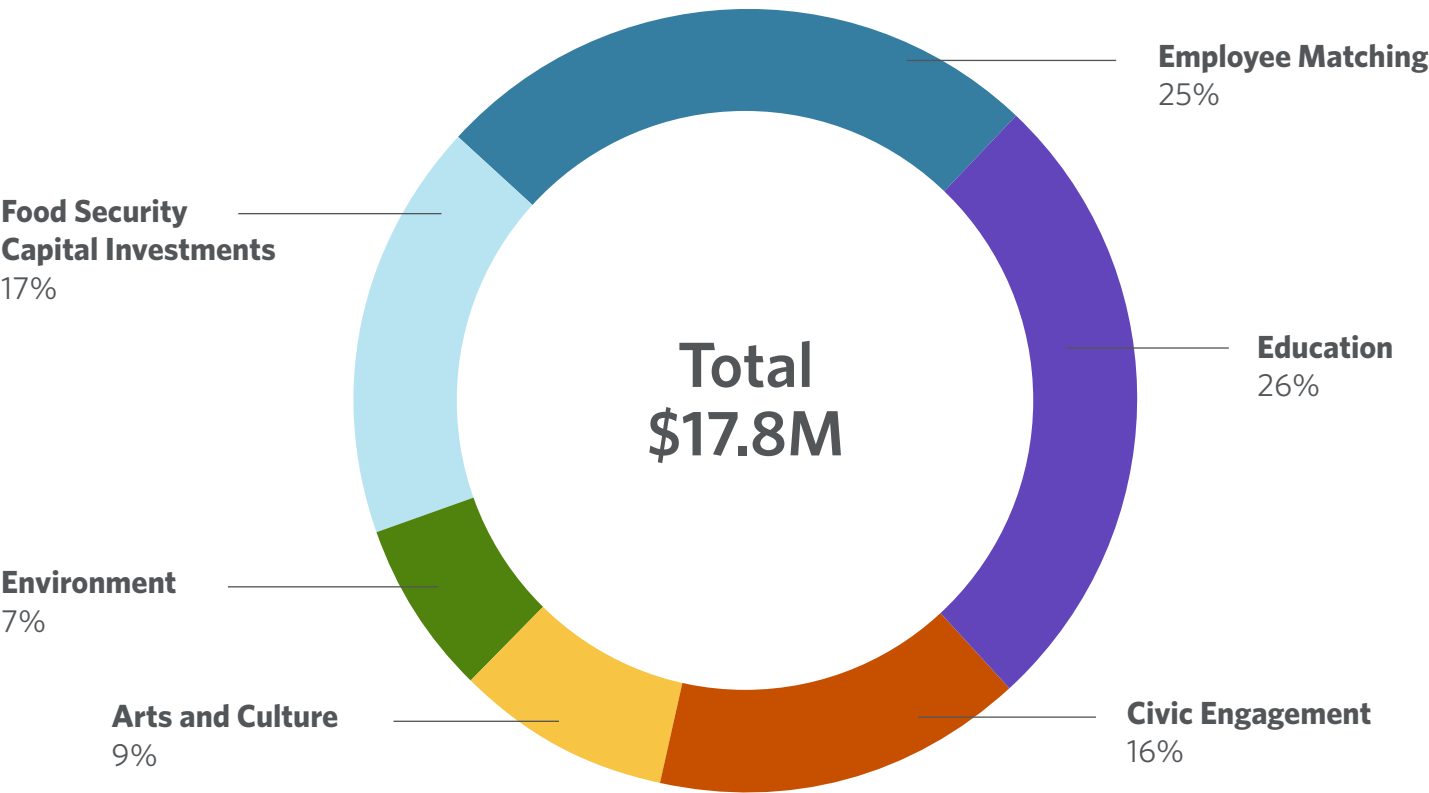


See: Grants awarded by [Applied Materials](#) and the [Applied Materials Foundation](#) in fiscal 2025

Strategic Grantmaking



Fiscal 2025 Community Impact Support



Investing for Impact

We recognize that the strength of our business depends on the vitality of our local communities. We prioritize grants to programs that improve community connections, build resilience and enhance vibrancy; address learning challenges to expand opportunity; enable professional development for educators; and prepare students for every stage of their learning journey.

To support this strategy, we invest in four key impact areas that are foundational to thriving communities:



Education

Supporting local organizations and schools that strengthen learning programs, develop educators and expand STEM opportunities, with a focus on key milestones along the K-12 pathway.



Environment

Supporting organizations that expand environmental education for youth—especially in underserved communities—to promote stewardship through hands-on learning and create opportunities for employees and families to participate in conservation efforts.



Civic Engagement

Listening to and collaborating with local organizations to combat hunger and ensure individuals and families have reliable access to healthy meals, strengthening food security and enabling resilient communities where everyone can thrive.



Arts and Culture

Collaborating with local arts organizations to expand access to meaningful cultural experiences for young people and families, sparking creativity, fostering shared community moments, and strengthening cultural connections that drive creative innovation across regions.

Employee Contributions

>2,200

nonprofits supported by employees through matching gifts from the Foundation

250

nonprofits supported by volunteer-hour generated donations

Local Engagement, Global Scale

We realize our vision by engaging employees in shaping a thriving, purpose-driven culture—one built through shared experiences that deepen satisfaction, belonging and retention. From their first days at Applied, U.S.-based team members are introduced to our Community Impact programs through a volunteer activity during orientation and receive grant funding to donate to a nonprofit of their choice. All new hires are invited and encouraged to participate in local community service activities.

Globally, Applied Giving offers full-time employees up to \$3,000 in matching funds per year to support eligible charitable organizations and schools, as well as \$100 Volunteer Time Grants for the first 10 volunteer hours with an eligible charitable organization or school per calendar quarter.

Each year, our Fight Against Hunger and EarthWorks employee engagement campaigns foster connections, collaboration and community across Applied while driving positive local impact where we live and work.

Investing in High-Value Community Issues

Food security is a critical global issue and foundational for a community to thrive. In fiscal 2025, the Applied Materials Foundation committed \$7.5 million—its largest gift yet—to Second Harvest of Silicon Valley’s capital campaign for a new headquarters in San Jose, California. The 215,000-square-foot facility, expected to open in 2027, will consolidate operations from three current locations and enable the organization to increase capacity for food distribution and crisis response.

In 2025, the Foundation also donated \$1.5 million to support a new 64,000 square-foot expansion facility for the Central Texas Food Bank to reach the northern counties in Central Texas. The new site will serve as a community resource for families, offering benefits assistance, nutrition education, workforce training programs and food distribution.

We made additional global grants to improve food access for students, including targeted support for U.S. community colleges, where food insecurity is significantly higher than the national average. Across all regions, we continue to expand food access for underserved

populations—especially youth—recognizing that food security is essential to students’ ability to learn and reach their full potential.

Our largest global employee engagement campaign, Fight Against Hunger, has supported food security in our local communities for more than 30 years. Each fall, employee teams and leaders coordinate events and activities, including donation drives, onsite and food bank volunteering, informational games and friendly competitions.

In 2025, North America employee donations, combined with a Foundation match, totaled more than \$3.36 million, supporting 62 food banks and providing more than 6 million nutritious meals across the U.S. and Canada.

Globally, employees in more than a dozen countries took action to address the most relevant needs of their local community. These efforts included food collection and packaging events in China, Israel, Japan and Singapore, as well as fundraising and volunteering campaigns supporting food-serving organizations in Belgium, Finland, France, Germany, India, Italy, Korea, Taiwan and the U.K.

Protecting Our Planet

A healthy environment is essential to the wellbeing of our communities and to the opportunities available for future generations. Through environmental grants in 2025, we supported programs that connected youth to

Applied Materials donated approximately \$200,000 to the Peninsula Open Space Trust (POST) as part of our commitment to advance environmental progress and achieve LEED Gold certification for the new [EPIC Center](#). Applied and the Applied Materials Foundation support POST’s mission to protect open space on the Peninsula and in the South Bay for the benefit of all.

outdoor learning, restored local ecosystems, expanded access to environmental science education and engaged students in citizen-science projects that build scientific literacy and environmental stewardship.

Nearly 1,000 Applied employees participated in our annual EarthWorks environmental campaign in spring 2025, expanding our collective impact as they explored the natural world and inspired action for environmental progress.

Some of the ways employees advanced impact through the 2025 EarthWorks campaign included:

- Teaming up to bike to work
- Learning about the environment through trivia games
- Planting trees
- Picking up trash along waterways and landscapes
- Planting drought-tolerant succulents



Learn more:
[2025 Fight Against Hunger Campaign](#)



Applied Materials and the Last Mile Education Fund received the 2025 Halo Award for Best Education Initiative from Engage for Good. The award recognizes the impactful work of the [Applied Materials Momentum Fund™](#).

In Singapore, Applied was recognized by the National Volunteer and Philanthropy Center as a Champion of Good 2025-2028—the highest honor within the organization’s Company of Good Recognition System.

Empowering STEM Education

To power the future and support the next generation of leaders and innovators, Applied and the Foundation invest in education-focused organizations and programs, including those that broaden exposure to, and support for, careers in science, technology, engineering and math (STEM). About 26% of our total community impact investment is focused on education, including K-12 programs that help children enter school ready to learn, support students in reading at grade level and help them succeed in math and sciences.

In 2025, Applied and the Foundation funded programs that advanced early literacy, increased access to hands-on STEM learning and supported innovative teaching approaches. Reflecting our deep relationships with local communities, we also provided key support to several public education foundations that offer training and resources to educators working to engage students in innovative learning opportunities.

Through the Generation Girl™ initiative, the Applied Materials Foundation collaborates with U.S. nonprofit organizations to create a future where young women can reach their potential. Since launching the initiative in 2018, the Foundation has invested over \$6 million in organizations and programs that provide girls access to high-quality STEM programs, support the development of girls’ feelings of self-efficacy and confidence, and help build the capacity of the nonprofits.



More than 65,000 students from across the U.S. have participated in Generation Girl-funded programs since 2018. During the 2024-2025 program year, the Foundation invested \$1 million in 25 programs at 23 organizations, supporting direct services, capacity-building and training, and professional development opportunities.

Applied also established a program that helps post-secondary students complete their education journey and prepare for their careers, particularly in STEM-related fields. The Applied Materials Momentum Fund™, powered by Last Mile Education Fund and Applied Materials, provides women majoring in engineering in the U.S. with timely, flexible financial support to cover unexpected expenses and helps ensure they can complete their bachelor’s and master’s degrees.

Since its launch in 2023, the Momentum Fund supported 253 scholars across 34 U.S. states and over 100 universities with more than \$875,000 in funding.

Building on the success of the Momentum Fund, the Last Mile Education Fund and founding partner Applied Materials announced the launch of the Semiconductor Pathways Fund in 2025. This new industry-wide initiative aims to close critical talent gaps in the U.S. semiconductor workforce by providing rapid, flexible awards to enable financially vulnerable college students to complete their degrees and enter high-demand roles.

Inspiring STEM Careers

Applied Materials sponsored a “content takeover” in the Spring 2025 issue of *Reinvented Magazine*, a nonprofit publication dedicated to inspiring interest in STEM.

“The Semiconductor Issue” featured articles explaining semiconductor technology and its role in making the world a better place. It included a hands-on activity guiding readers through creating a cookie transmitter, highlighted several Generation Girl nonprofit partners, and showcased five Applied Materials changemakers who shared personal insights into their lives and careers in engineering and innovation.



Read more: [Reinvented Magazine](#)

Name the EPIC Crane

Sunnyvale Elementary School District students took part in naming the world’s largest crawler crane, which was used to build the EPIC Center. The chosen name, “The Big Giraffe,” won its creator a building set.



“The Big Giraffe”



Environmental Progress

[2025 Highlights](#)[Goals and Progress](#)[Progress on GHG Emissions](#)[Net Zero 2040 Playbook™](#)[Product Efficiency](#)[Supply Chain Emissions](#)[Circular Economy](#)[Waste Management](#)[Water Management](#)

We are accelerating energy-efficient computing and reducing environmental impacts across our value chain—critical steps to enable sustainable AI and safeguard our planet’s future.

Our environmental progress strategy is anchored in the Net Zero 2040 Playbook™, a collaborative roadmap to reduce emissions within our operations and across the semiconductor ecosystem.

Guided by this playbook, we are advancing toward our Scope 1 and Scope 2 science-based emissions targets. Through a combination of energy-efficiency initiatives and increased renewable electricity sourcing across our worldwide operations, we continue to make progress even as our business grows. In the U.S., we continue to match 100% of electricity with renewable sources and secured our largest virtual power purchase agreement (VPPA). Globally, 75% of our electricity is matched with renewable sources.

We are also making meaningful progress on our Scope 3 science-based target, reducing product-use emissions intensity 5% year over year and achieving a 31% reduction from our fiscal 2019 baseline. This progress is essential because addressing our largest categories of Scope 3 emissions—those generated upstream in our supply chain and downstream through product use—remains our greatest opportunity to decarbonize the

semiconductor industry. We are targeting reductions through a strategic, collaborative approach across our value chain: accelerating grid decarbonization, innovating with customers, improving product efficiency through sustainable growth solutions and supporting suppliers in greater adoption of clean energy.

Increasingly, our largest customers are leveraging the playbook to navigate the evolving demands of hyperscalers, device manufacturers and others in a resource-constrained world. Through high-velocity collaboration, we can drive transformative innovation that powers sustainable growth for Applied, our customers, their customers and the entire semiconductor industry.



Details on our climate- and water-related risks and opportunities are detailed in our latest [CDP questionnaire](#).

2025 Highlights



Strengthened Scope 1 emissions management by deploying Applied’s solutions—including the iSystem™ Controller and Aeris™-G Plasma Abatement System—in our R&D labs as part of a cross-functional task force roadmap to reduce natural gas and process gas emissions



Secured our largest VPPA—a 105-MW agreement in Jack County, Texas—to help maintain matching 100% of electricity with renewable sources in the U.S. as we support the growing energy needs of next-generation semiconductor R&D.



Improved product sustainability performance by continuing progress toward our Scope 3 science-based target and [3x30 goals](#), achieving 17% average energy-efficiency gains across semiconductor tools from 2019 and expanding our sustainable growth solutions such as the ecoUP™ Vantage™ Radiance™ RTP system



Enabled ecosystem-wide decarbonization by working with suppliers and customers—collecting greenhouse gas (GHG) data from more than 100 supplier sites and collaborating through industry initiatives such as the Semiconductor Climate Consortium—to accelerate clean-energy adoption and value-chain emissions reductions



Advanced water stewardship by achieving greater than a 33% reduction in water-withdrawal intensity since 2019 and committing to comprehensive audits covering sites that represent approximately 80% of our total water withdrawal by 2027

Goals and Progress

Scope 1, 2 and 3 Science-Based Targets		
Goal	Progress*	Status
100% of electricity at Applied globally is matched with renewable sources by 2030 from 2019 baseline	75% of electricity at Applied globally, including 100% in the U.S., was matched with renewable sources [Ⓐ]	
50% absolute reduction in Scope 1 and Scope 2 (market-based) emissions by 2030 from 2019 baseline	Scope 1 and 2 (market-based) emissions are 0.1% above our 2019 baseline levels [Ⓐ]	
55% intensity-based reduction per million USD of value added of Scope 3 Category 11 emissions by 2030 from 2019 baseline for semiconductor products**	31% intensity-based reduction per million USD of value added of Scope 3 Category 11 emissions from our 2019 baseline***	
Partner with top 80% of direct suppliers by spend on transition to clean energy	55 of our top-spend supplier sites (25% of spend) reported using at least 80% clean energy	

3x30 Goals		
Goal	Progress*	Status
Reduce equivalent energy consumption per wafer pass (in kWh) for semiconductor products by 30% by 2030 from 2019 baseline	17% average improvement in energy consumption per wafer pass across all semiconductor products from 2019 baseline	
Reduce the impact from chemical consumption per wafer pass (in metric tons of CO ₂ e) for semiconductor products by 30% by 2030 from 2019 baseline	We have identified a pathway to meet this target. While high-impact chemicals are still needed to meet the industry demands for on-wafer performance improvement, Applied’s engineering teams are successfully bending the curve to improve efficiency faster than these demands increase.	
30% reduction in tool footprint per production unit ratio (sqm/wph) for semiconductor products by 2030 from 2019 baseline	We are on track to meet or exceed this target through a combination of productivity improvements and new product architectures	

In progress On target Completed

[Ⓐ] This symbol indicates the metric was assured by ERM CVS.

*Cumulative through FY 2025 unless otherwise noted.

** The target addresses the direct electricity portion of Category 11 emissions per SBTi requirements.

*** Category 11 emissions do not include emissions from the use of equipment sold that is not part of our semiconductor business, such as display equipment, nor from the use of partial or incomplete semiconductor equipment sold.

Progress on GHG Emissions

Applied is advancing toward achieving our 2030 emissions goals, validated by the Science Based Targets initiative (SBTi) as aligned with the 1.5°C pathway.

While we continue to make steady progress toward our Scope 1 and 2 targets, our greatest opportunity lies in addressing Scope 3 emissions, which represent more than 99% of our carbon footprint. Driving reductions here can accelerate decarbonization across the semiconductor industry.

In fiscal 2025, Applied’s total absolute emissions were 20.7 million metric tons (MT) of CO₂e, representing an increase of 11% over fiscal 2024. This is primarily due to the mix of products sold during the year, which included a higher proportion of process-gas-intensive tools, and increased capital investment related to new facilities construction. However, GHG intensities continued to decline year-on-year across Scope 1, 2 and 3 emissions.

Scope 1: Direct Emissions From Our Operations

Applied’s Scope 1 emissions totaled 54,264 metric tons of CO₂e in fiscal 2025, a 7% increase from fiscal 2024.

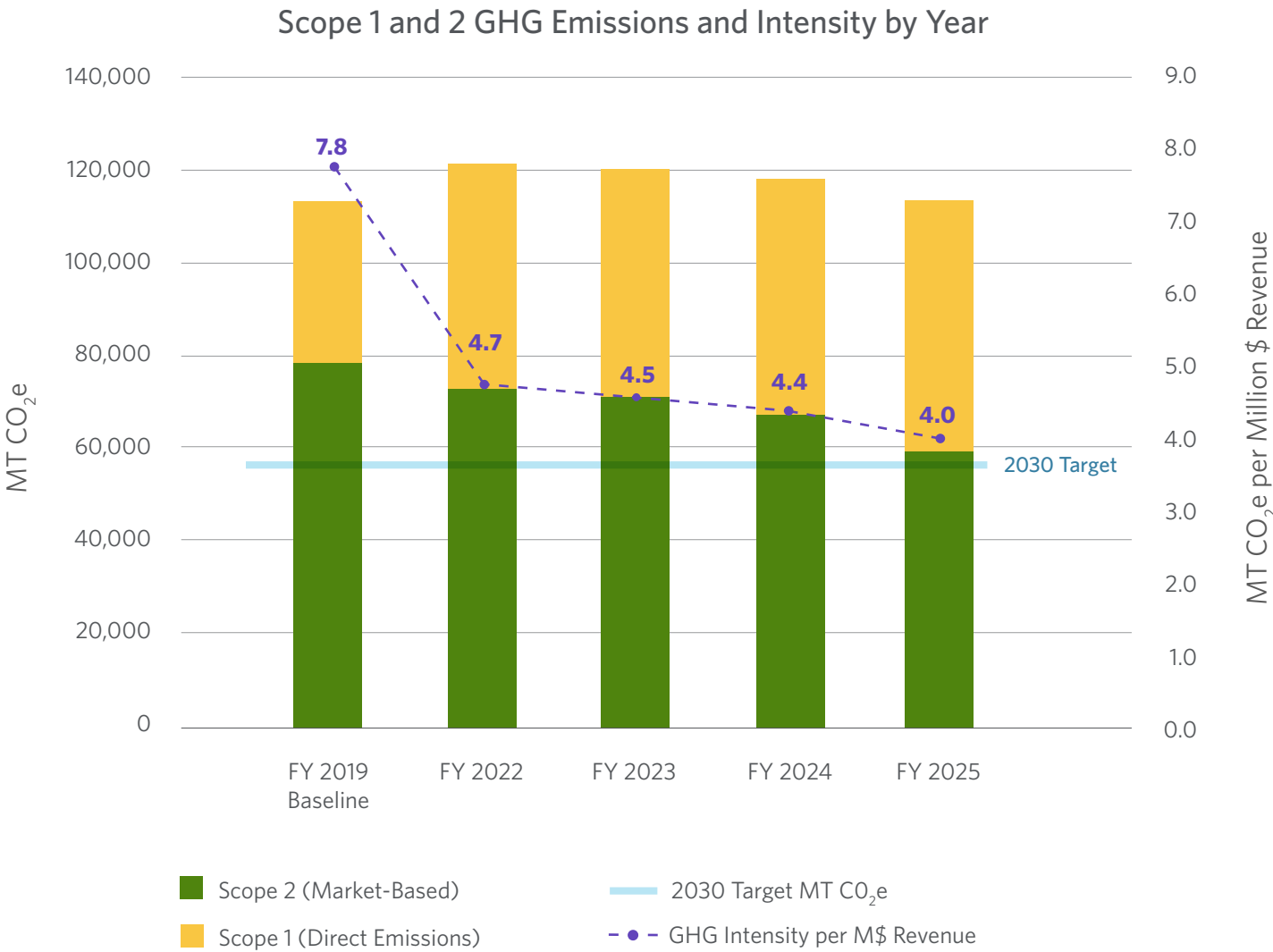
Our Scope 1 footprint is driven primarily by process-gas use for equipment testing in our R&D labs (49% of total Scope 1 emissions) and by natural-gas consumption (48% of total Scope 1 emissions) for process gas abatement and facility operations. The 2025 increase reflects higher process gas use associated with expanded R&D activity, along with normal year-to-year fluctuations in process gas consumption. Other Scope 1 categories—stationary combustion, mobile combustion and refrigerant—declined compared to fiscal 2024.

Applied formed a cross-functional Scope 1 task force in 2023, with two dedicated working groups focused on identifying strategies and priorities to reduce emissions from natural gas and process gases. The groups work with facilities teams to improve our existing footprint and integrate lower-emission designs into new facilities.

In fiscal 2025, the task force developed a roadmap to deploy Applied’s sustainable growth solutions—such as iSystem Controller

and Aeris-G Plasma Abatement System—in our R&D labs to reduce natural gas and process gas emissions in line with our targets.

In parallel, the facilities team provided the task force with an analysis of the top 10 opportunities across our HVAC systems to guide the transition to non-natural gas equipment, including electric boilers and heat-recovery systems.



Scope 2: Indirect Emissions from Energy Use

Applied’s Scope 2 market-based emissions decreased 12% from fiscal 2024, totaling 59,721 metric tons of CO₂e in fiscal 2025, a 24% reduction from our fiscal 2019 baseline.

The largest share of our Scope 2 emissions comes from the electricity required to operate our manufacturing sites and labs. Applied remains committed to reducing global energy use and matching 100% of global electricity with renewable sources for our worldwide operations by 2030.

In fiscal 2025, electricity consumption increased only about 1% from fiscal 2024, even as our revenue grew 4%, reflecting ongoing energy efficiency efforts by our Global Workplace Infrastructure team.

Because consumption remained relatively stable, the expansion of renewable electricity sourcing had a more pronounced effect, driving the 12% reduction in market-based emissions.

Applied’s energy-efficiency efforts, together with onsite renewable energy projects, saved more than 14.1 million kWh of electricity and reduced approximately 6,320 metric tons of CO₂e emissions across global operations in fiscal 2025.

Reducing Energy Use

In fiscal 2025, Applied’s total energy use increased about 1% year over year, and our GHG intensity declined 6% per regular full-time employee and 8% per million dollars of revenue.

Our GHG-intensity reduction reflects the systematic approach taken by Applied’s facilities teams to improve energy efficiency across our global headquarters and our manufacturing sites.

Major Applied sites use in-house controls and engineering expertise to monitor and optimize energy management systems, while our global engineering team reviews, analyzes and shares best practices with facilities teams to drive further reductions. We also use an advanced maintenance management system to optimize HVAC system performance and reduce our carbon footprint.

Local facilities teams implement site-specific efficiency measures. In fiscal 2025 in Santa Clara, California, for example, the team continued converting to LED lighting with smart controls; replaced inefficient heating and cooling coils and three-way valves with two-way valves to improve system performance; and adjusted fans to non-occupancy mode during non-working hours, saving approximately 1.2 million kWh annually.

SPOTLIGHT

Employee Teams Drive Impact

Employee teams across the world help advance and embed Applied’s impact strategy through local sustainability programs, initiatives and community outreach. These groups are supported and sponsored by our global Sustainability Strategy team, which helps ensure local efforts align with and reinforce our impact strategy.

Cross-functional teams in India, Israel, Korea, Southeast Asia and Taiwan are connected through the Global Applied Impact Network (GAIN). Through GAIN, teams engage employees and help strengthen regional sustainability performance toward our 2030 goals.

In the U.S., employee teams in Austin, Texas and Gloucester, Massachusetts, promote sustainability awareness and encourage practices employees can adopt at work, at home and in their communities. For example, employees in Austin collected 70 gallons of spent batteries, organized a lake cleanup, hosted a lunch-and-learn screening of Food, Inc. and coordinated a holiday wrapping-supply swap.

By organizing and hosting special speaker events, volunteering activities, environmental projects and other engagement efforts, these teams spark connections, advance deeper understanding of environmental and social issues, and inspire action among our employees.



Because every kilowatt-hour saved reduces emissions, Applied engages employees through an energy-awareness campaign and ongoing lunch-and-learn sessions. Employees are encouraged to turn off unused equipment, report maintenance issues promptly, participate in recycling programs, and share ideas and success stories on the Global Workplace and Infrastructure portal to strengthen our culture of sustainability.

As Applied builds new facilities, we incorporate USGBC LEED principles and aim to achieve LEED Gold certification where feasible.

Transitioning to Renewable Sources

Applied matched 75% of global electricity with renewable sources across our operations in fiscal 2025—up from 73% in 2024—as we advance toward our goal of matching 100% of total electricity with renewable sources by 2030.

This target supports both grid decarbonization and reductions in our Scope 2 market-based emissions, contributing to our climate mitigation strategy and helping manage material climate-related risks. For example, increased use of onsite solar energy enhances resilience to physical climate risks and fluctuating energy prices, while greater adoption of renewable electricity reduces exposure to transition risks, including potential future carbon-pricing mechanisms.

Overall, Applied expanded our renewable-electricity sourcing by 4% year over year to 393,489 MWh. We also increased on-site solar generation by about 8,000 MWh in fiscal 2025, driven primarily by the Austin Logistics solar array that came online in January 2025 and additional onsite solar updates at our Xi’an, Singapore and Tainan facilities.

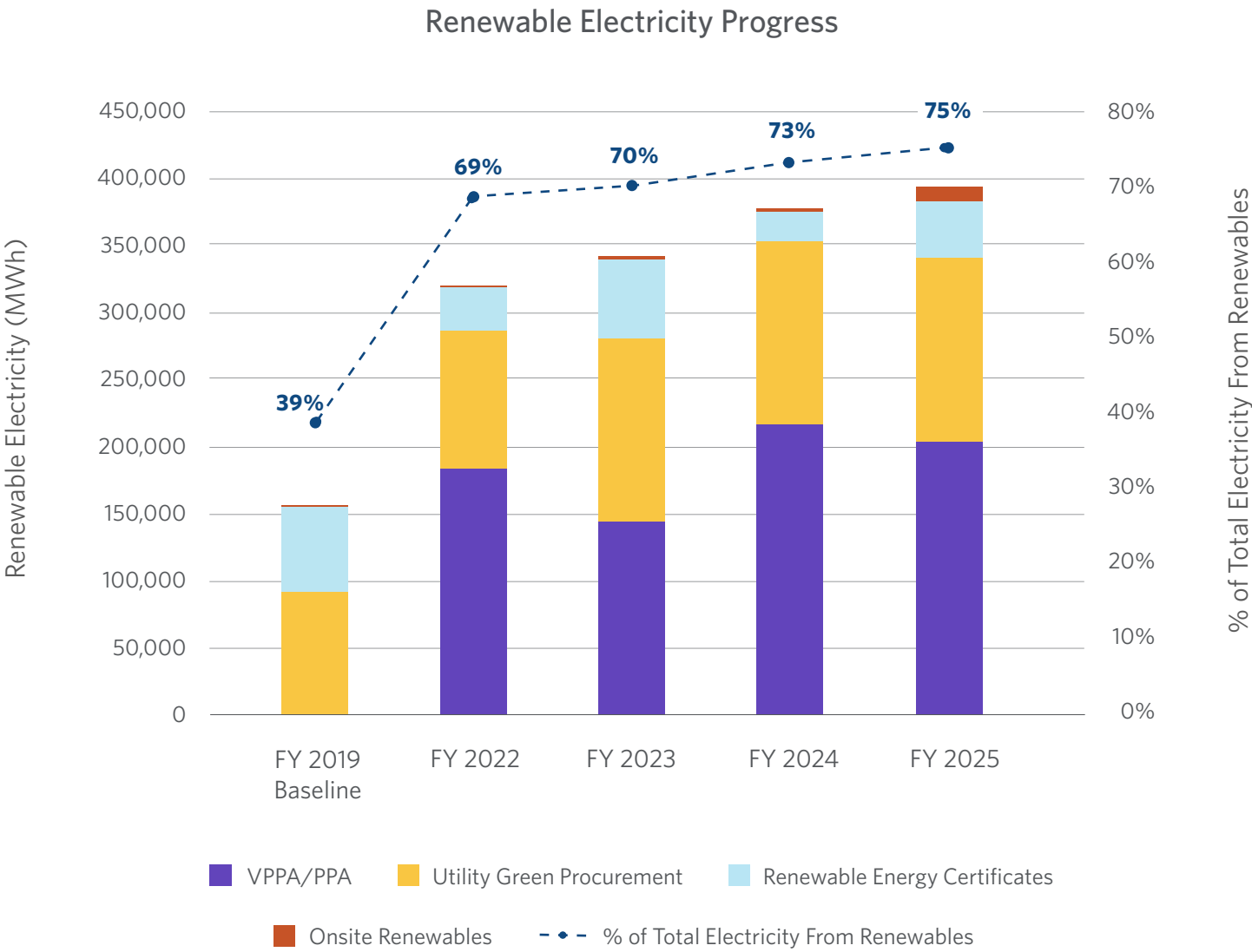
We continue to explore clean-energy options, including solar, wind, geothermal and small-module nuclear reactors. We remain an active member of the Clean Energy Buyers Association (CEBA) and the SEMI Energy Collaborative.

China

In Xi’an, China, 86% of electricity used at our campus came from renewable sources in fiscal 2025, supplied through an agreement with Beijing Electricity Trade Center.

Israel

Renewable electricity use at Applied Materials Israel increased from 17% in fiscal 2024 to 41% in fiscal 2025. This clean energy is supplied through a power purchase agreement (PPA) with Enlight Renewable Energy’s solar-plus-storage facilities, which delivered 18,920 MWh in fiscal 2025 (up from 8,348 MWh in fiscal 2024). The PPA is structured to scale over time and is contracted to reach 100% of Applied Materials Israel’s electricity consumption by 2030.



Excellence in Corporate Responsibility

Applied Materials was recognized as the top company in the Foreign Enterprise Group for excellence in corporate governance and commitment to sustainability, social engagement and environmental responsibility in 2025 by *CommonWealth Magazine* in Taiwan.

Singapore

In Singapore, our new 700,000-square-foot facility at Tampines Industrial Crescent features 100,000 square feet of rooftop solar panels that generated 1,768 MWh of clean energy in fiscal 2025. Applied received [ISO 50001 certification](#) for the energy management systems at the new facility.

Taiwan

In fiscal 2025, consistent with fiscal 2024, Applied received 2,928 MWh of wind power through our PPA in Taiwan with Energy Helper TCC Corporation.

A new 700 kW onsite solar array at our Tainan facility, online since September 2024, generated 942 MWh in fiscal 2025, offsetting about 3% of the building’s electricity consumption.

In 2025, Applied Materials Singapore achieved ISO 50001:2018 Energy Management System [certification](#) with zero outstanding nonconformities. This milestone resulted from a cross-functional effort to leverage data-driven insights and implement upgrades that optimized facility energy use, including enhanced solar panels and improved cooling and pumping systems.

U.S.

Since 2022, Applied has matched 100% of electricity with renewable sources in the U.S.

In fiscal 2025, Applied signed our largest VPPA supporting the Pinnington Solar Project in Jack County, Texas, to offtake 105 MW over 12 years (approximately 260,000 MWh annually) beginning in January 2027.

Our VPPA with the White Mesa Wind Project in Crockett County, Texas, operational since 2021, represented approximately 53% of our U.S. renewable energy portfolio and 46% of our total global renewable energy portfolio in fiscal 2025.

Our largest onsite renewable generation system, a 5.6 MWdc solar array covering 75% of our Austin (Texas) Logistics Service Center, came online in 2025, generating approximately 5,500 MWh from January through October 2025 and offsetting about 78% of the building’s electricity consumption while avoiding over 1,850 metric tons of CO₂e emissions.

We also maintain onsite solar generation capacity on the rooftop of a large facility in Sunnyvale, California, producing approximately 720 MWh in fiscal 2025.

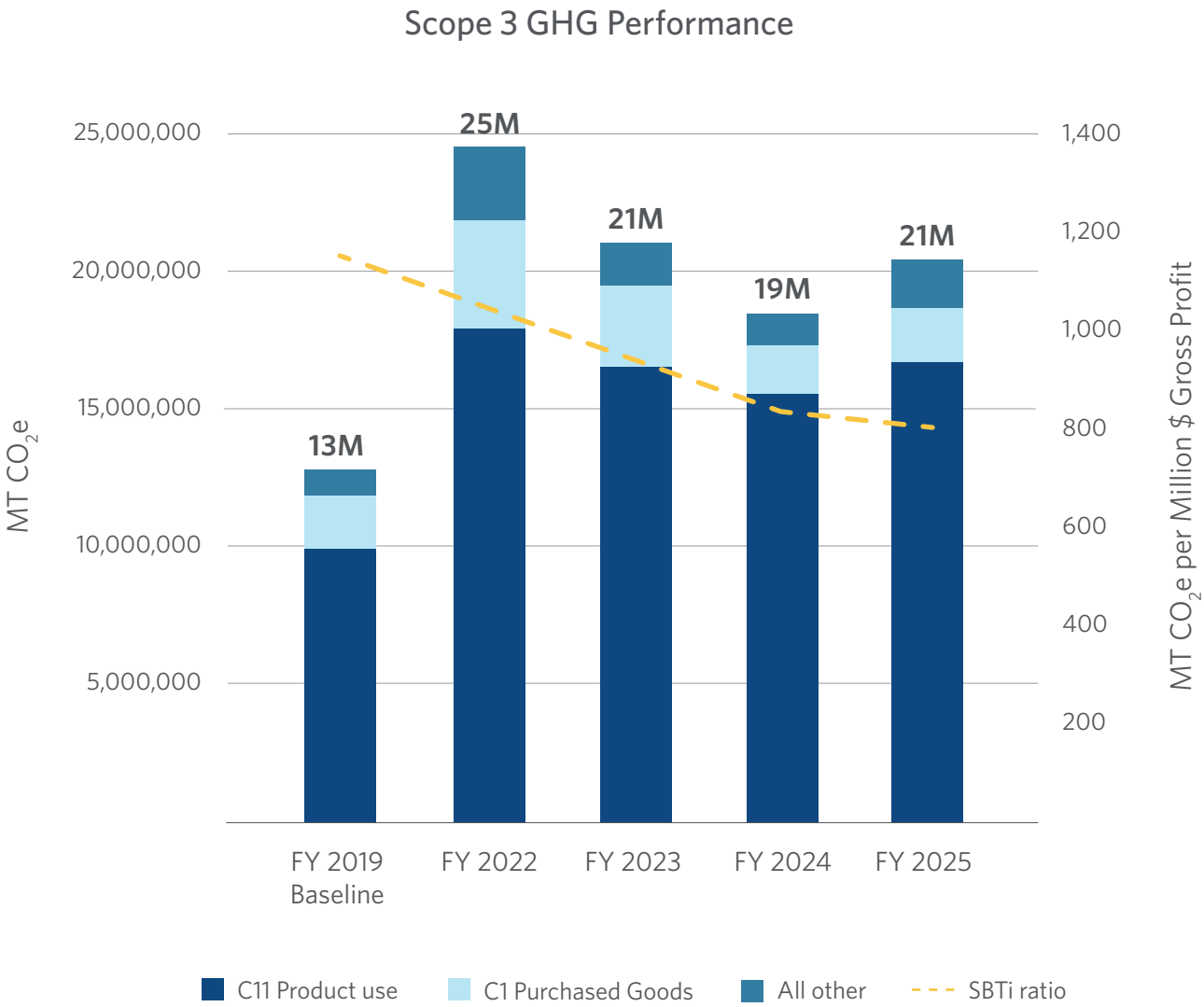
Scope 3: Value Chain Emissions

Applied’s absolute Scope 3 GHG emissions increased 11% in fiscal 2025 compared to fiscal 2024, primarily due to the mix of products sold during the year, which included a higher proportion of process-gas-intensive tools and increased capital investment related to new facilities construction.

Among the 15 categories defined by the GHG Protocol, Category 11 (Use of Sold Products) represents the largest share of our Scope 3 emissions (82% in 2025). Category 11¹ includes emissions from the electricity used to power semiconductor equipment in customer fabs over its estimated 10-year lifespan, as well as the chemicals and gases used during the chipmaking process.

Our absolute Category 11 emissions increased 7% in 2025 compared to fiscal 2024, driven primarily by product mix in sold products. At the same time, our Scope 3 Category 11 SBTi goal—which measures the intensity-based GHG emissions from direct electricity use across our products per million dollars in gross profit (value added)—decreased 5% year over year, reflecting a 31% reduction from our 2019 baseline.

Beginning in 2025, we incorporated primary supplier GHG data into our Category 1 Purchased Goods and Services calculation for suppliers that provided third-party-assured inventory data, improving the



accuracy of our reported emissions. This supplier-specific data represents 29% of our total Category 1 emissions and is a primary contributor to the increase reflected in this fiscal 2025 report. Applied will continue expanding the use of supplier data in our inventory as we receive more complete and higher-quality inventory data from suppliers.

[Read more: Applied's Scope 3 inventory methodology here](#)

¹ Category 11 emissions do not include emissions from the use of equipment sold that is not part of our semiconductor business, such as display equipment, nor from the use of partial or incomplete semiconductor equipment sold.

 SPOTLIGHT

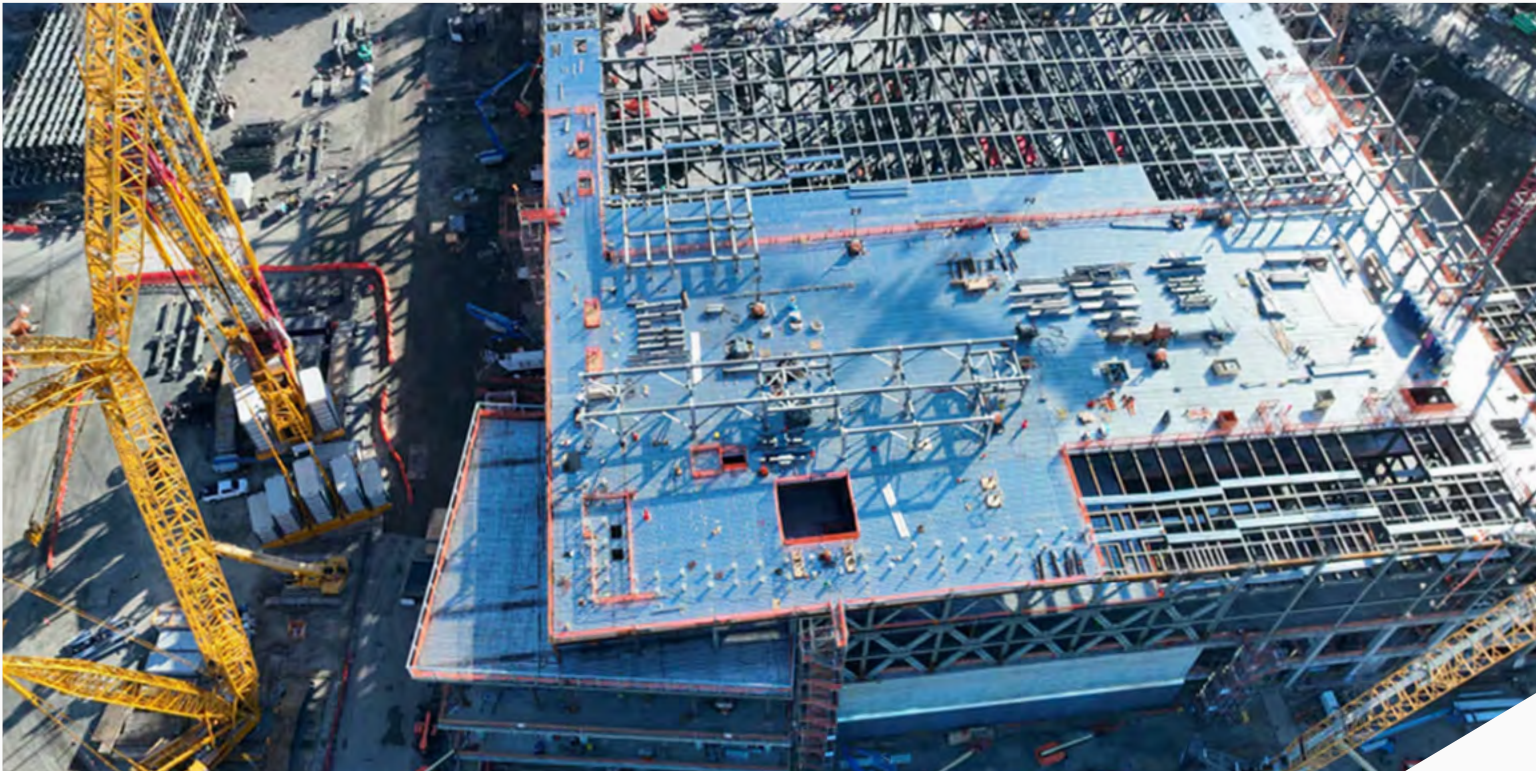
EPIC™ Center On Track to Open in Late 2026

Construction of the EPIC™ Center, which is expected to be the world's largest and most advanced facility for collaborative semiconductor process technology and manufacturing equipment R&D, remains on track to begin operations in late 2026 and achieve LEED Gold certification from the U.S. Green Building Council (USGBC) in 2027. All LEED Design Phase credits were approved by USGBC in 2025.

The EPIC Center is the core of a high-velocity innovation platform, accelerating the development and commercialization of foundational technologies critical to the global semiconductor and computing industries. Representing the largest-ever U.S. investment in advanced semiconductor equipment R&D, the EPIC Center will feature state-of-the-art cleanrooms designed for collaborative innovation with chipmakers, universities and ecosystem partners.

To meet the electricity demands of this high-velocity collaboration facility, Applied has secured its [largest virtual power purchase agreement](#) (VPPA). This milestone will help maintain matching 100% of electricity with renewable sources for our U.S. operations while further diversifying our renewables portfolio. In addition, the EPIC Center will feature an onsite solar array expected to generate approximately 4 million kWh annually to support operational needs.

As part of a decarbonization strategy, the building is equipped with an all-electric central volatile organic compound (VOC) abatement unit, and the central facilities equipment has been electrified, eliminating stationary combustion Scope 1 emissions associated with central boilers. The EPIC Center is designed to recycle/reuse approximately 40% of its water.



Inside, we are installing high-efficiency systems (cleanroom design, make-up air systems, chiller system and premium efficiency electric motors) that are expected to save about 112 million kWh of electricity annually, compared with traditional alternatives. The facility will also feature an advanced Heat Recovery System (HRS), which uses the building's internal heat to help control the cleanroom environment. The HRS minimizes the use of traditional water-cooling towers, allowing for additional water consumption savings. The EPIC Center features a first-of-its-kind (for Applied facilities) dual-chilled water system that provides energy-efficient cleanroom humidity control, heat recovery for building heating and optimized cooling towers.

Additionally, the EPIC Center is designed to track real-time sustainability performance metrics, enabling benchmarking against Applied's global facilities and other semiconductor sites.



Watch: The rise of the [EPIC Center](#)



In March 2025, Applied Materials China formally moved into its newest office building in Shanghai, which has received both the WELL Building Standard certification and the U.S. Green Building Council's LEED Gold certification. The new building reflects Applied's efforts to create a healthy and comfortable working environment for our employees and supports our commitment to sustainable development.

Net Zero 2040 Playbook

Applied’s Net Zero 2040 Playbook provides a clear roadmap for customers and suppliers to decarbonize semiconductor manufacturing and accelerate a global transition to cleaner energy. The building blocks to address our projected 2040 baseline of 35* million metric tons of CO₂ equivalent (MT CO₂e) include:

Accelerating Grid Decarbonization

Beyond our own power needs, Applied is committed to helping drive this global clean energy transition. Our Net Zero 2040 pathway depends in large part on grid decarbonization, with the potential to cut 2040 emissions in half—approximately 18 million metric tons of CO₂e. Ensuring clean energy is accessible in the markets where our business and customers operate is essential to achieving our net zero aspirations. Applied is a founding sponsor of the SEMI Energy Collaborative (EC), a network of corporations, providers, aggregators and experts working to address key policy barriers and accelerate renewable energy investment in the Asia-Pacific region.

Innovating With Customers

Customers with net zero goals account for over 60% of Applied’s fiscal 2025 product volume, contributing to a projected reduction of approximately 7 million metric tons of CO₂e by 2040 beyond those achieved purely through grid decarbonization. We collaborate closely with customers to achieve fab-wide emissions savings and energy reductions, supporting those with established net zero strategies as well as those still developing plans. The EPIC Center will be central to this high-velocity collaboration, bringing together customers, university partners, suppliers and peers to accelerate innovation and commercialization of energy-efficient, next-generation technologies.



*Covers 90% of Applied’s Scope 3 per the SBTi Net Zero standard (90% product-use emissions, 10% supply chain).

Improving Product Efficiency

Applied is working to reduce our products’ energy, chemical and physical footprints. Our growing portfolio of sustainable growth solutions is designed to help customers decarbonize their fabs and meet their science-based targets as they advance toward net zero. By increasing adoption of energy- and carbon-efficient products and services, we estimate a reduction of about 8 million metric tons of CO₂e by 2040, helping customers reduce climate-related risks while maximizing fab performance and realizing greater returns on investment. We are monitoring how carbon pricing mechanisms can incentivize the adoption of such solutions at customer fabs.

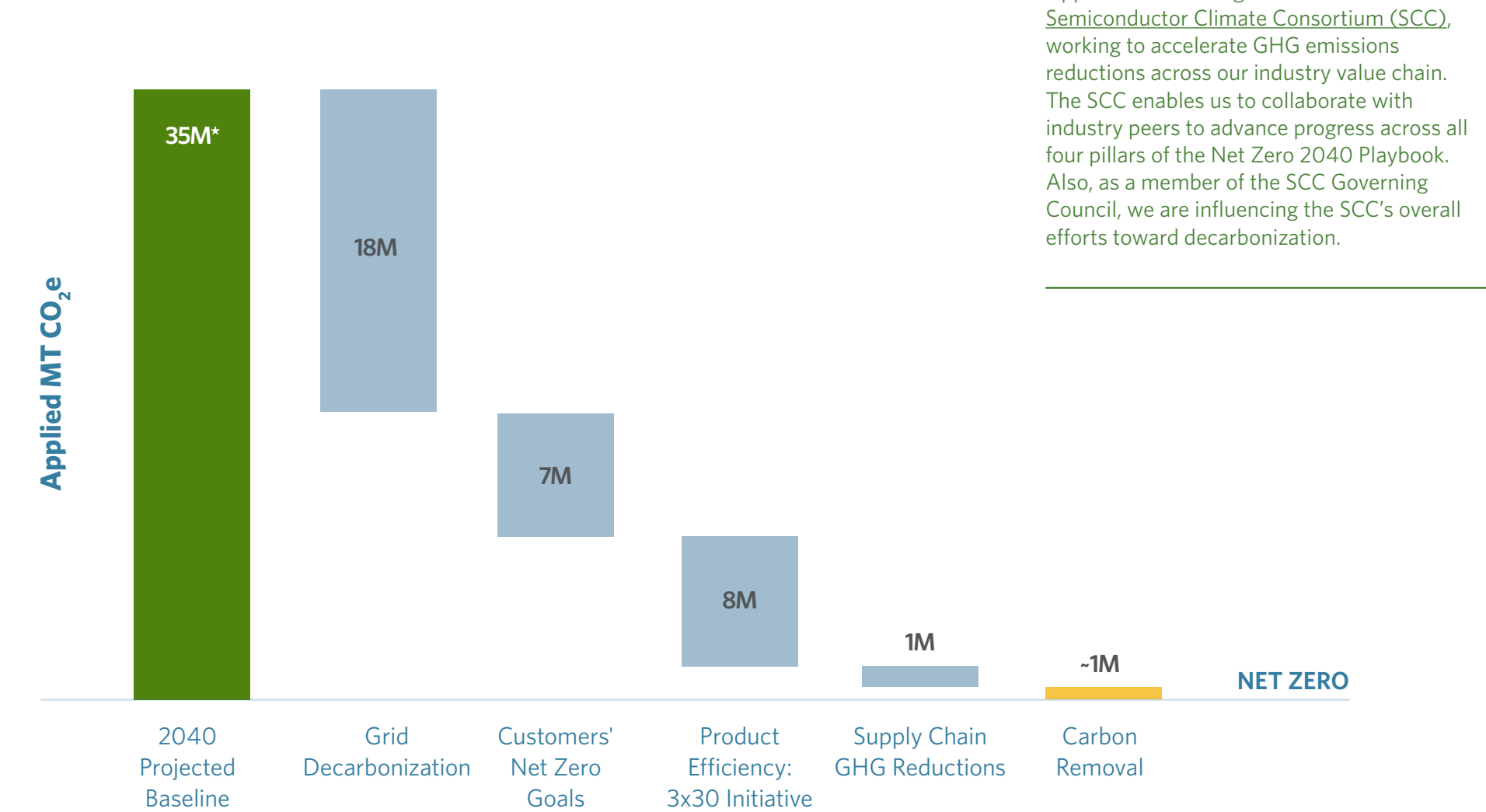
Transforming Our Supply Chain

Our supply chain represents an opportunity to drive environmental impact across our industry. By empowering suppliers with tools, resources and training—through initiatives like Schneider Electric’s Catalyze program—we can accelerate their transition to clean energy. We estimate this value chain transformation could reduce about 1 million metric tons of CO₂e by 2040.

We expect the remaining approximately 1 million metric tons of CO₂e not addressed through these measures will be mitigated through carbon removal solutions, such as nature-based approaches or engineered carbon capture.

Applied’s Net Zero 2040 Playbook and our [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) constitute our climate transition plan to meet our science-based targets. In addition, Applied is progressing toward adoption of the International Sustainability Standards Board IFRS S2 disclosure framework to further enhance transparency.

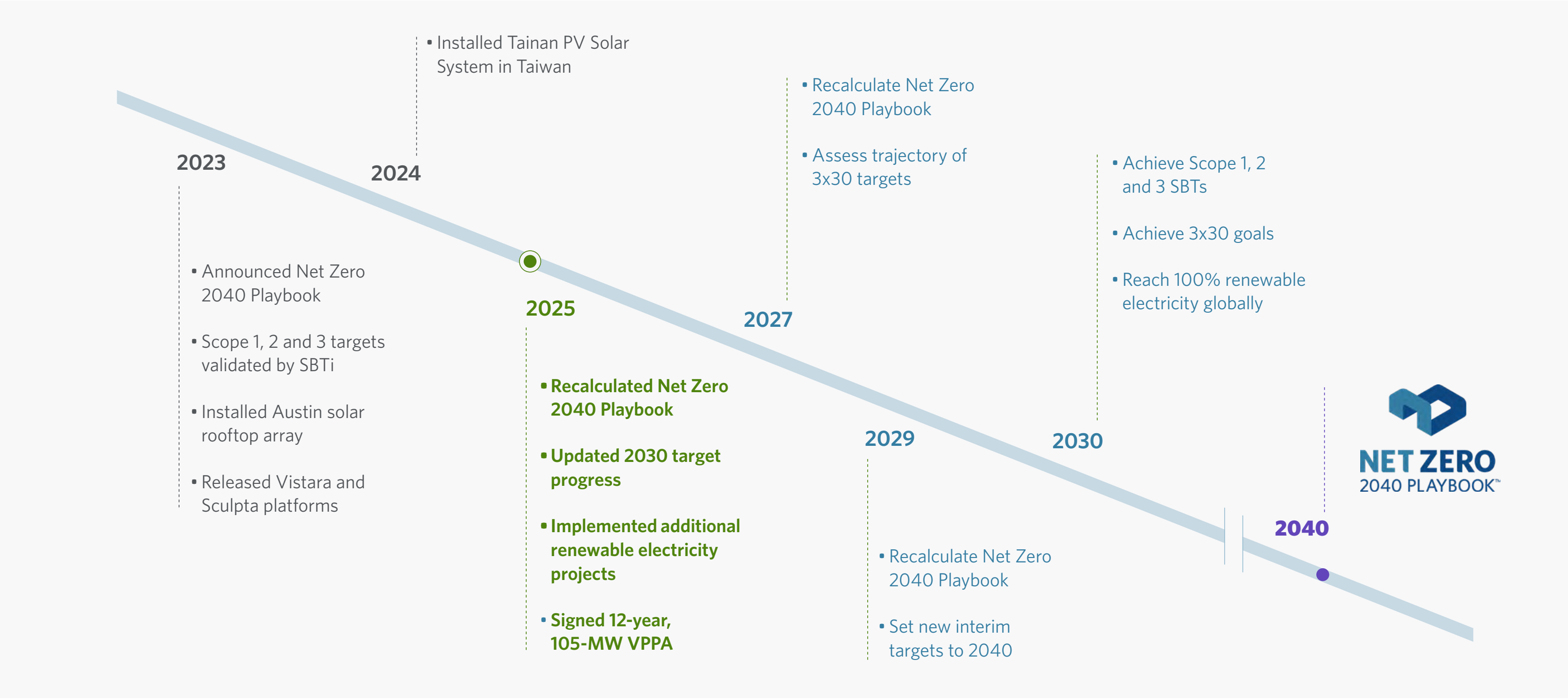
Applied’s Net Zero 2040 Playbook



Applied is a founding member of the [Semiconductor Climate Consortium \(SCC\)](#), working to accelerate GHG emissions reductions across our industry value chain. The SCC enables us to collaborate with industry peers to advance progress across all four pillars of the Net Zero 2040 Playbook. Also, as a member of the SCC Governing Council, we are influencing the SCC’s overall efforts toward decarbonization.

*Covers 90% of Applied's Scope 3 per the SBTi Net Zero standard (90% product-use emissions, 10% supply chain).

Progress Toward Net Zero



Product Efficiency

A key element of our sustainability strategy, as reflected in our Net Zero 2040 Playbook, is driving efficiencies in our products so they use less electricity and process chemistry, resulting in fewer emissions for each wafer processed.

Applied prioritizes sustainable design principles in the earliest stages of product development to create systems that consume fewer resources and advance purpose-built products adoption by our customers—many of whom have set their own net zero emissions targets.

In 2020, Applied established bold 3x30 goals focused on reducing the equivalent energy consumption, chemical impact and fab footprint of our systems by 30% by the end of this decade. We achieved an average 17% improvement in energy consumption per wafer pass across all semiconductor products, from our 2019 baseline, through a combination of efficiency upgrades and improvements to our fab equipment and subfab equipment, reflecting continued improvement led by our Sustainability Center of Excellence.

Our comprehensive sustainable design approach encompasses three core elements:

- **Sustainability Center of Excellence**, which supports product design teams in developing more sustainable technologies and processes. This commitment is reflected in our expanding portfolio of sustainable growth solutions for fab and subfab environments, including the 2025 release of the ecoUP Vantage™ Radiance™ RTP system and ecoUP RadOx™ RTP on both the Vantage™ and Centura™ platforms. These innovations deliver up to 20% savings in energy consumption per wafer, advanced thermal management, reduced chemical usage and improved process uniformity, compared to their original counterparts—all contributing to a lower environmental footprint.

Recognized for Product Efficiency

Applied Materials was honored with the Excellent Contribution in Green Manufacturing Award at the TSMC 2025 Supply Chain Management Forum—marking our 16th consecutive year of recognition.



See: [Sustainable Growth Solutions](#)

- **Data-driven approach** using metrics and transparent, industry-standard methodologies to measure, validate and drive product and process improvements. For example, our proprietary modeling tool enables us to quantify the energy use, chemical impact and footprint of past, present and future tools to advance hardware design improvements. At customer sites, products like our digital twin platform, EcoTwin™, enable customers to optimize their recipe designs to reduce consumption.
- **Customer partnerships** to innovate efficiencies in our tools and processes, accelerate industry-wide sustainability and deliver broad benefits to the planet. For example, Applied works with customers to measure and quantify direct process emissions from our products in high-volume production fabs. By using proprietary hardware and established analytical methods, we have measured Aeris-G performance at various customer sites, validating destruction removal efficiencies from 95% to over 99%.

Our systems-view approach considers factors beyond the direct carbon footprint of Applied’s tools operating in subfabs, helping our customers create a roadmap to reduce subfab GHG emissions. Through modeling, we can help identify reduction opportunities during process development to provide customers with real-time actionable sustainability insights to inform decision making.

iSystem Controller

The iSystem Controller is an intelligent software solution that monitors and modulates subfab components based on real-time chemistry flow and usage requirements. The iSystem Controller signals subfab components—such as pumps and abatement systems—to enter idle mode when not needed, for example, during an inert purge in a chamber. This capability enables customers to reduce energy-related costs by approximately 20% during high-volume manufacturing, with even higher savings possible during lower utilization periods.

In addition, the iSystem Controller collects GHG emissions data and provides subfab data management and reporting capabilities for all connected equipment. A centralized dashboard delivers integrated data, allowing customers to track energy savings and monitor and optimize the performance of subfab equipment.

The iSystem Controller has been designed to work seamlessly on both Applied and non-Applied process tools. Also, the iSystem Controller supports both 200mm and 300mm tools.



Applied takes a “PFAS Responsible” approach to addressing per- and polyfluoroalkyl substances in our products, supply chain and industry.



Read: [Addressing PFAS in the Semiconductor Industry](#)

Sustainable Energy Abundance for AI

AI, driven by advanced semiconductor technologies, offers tremendous opportunity to address global macroeconomic, geopolitical and climate-related challenges—but the infrastructure required to support this potential will significantly increase global energy demand.

As an industry, we must cost-effectively and sustainably generate an abundant energy supply that enables advanced computing infrastructure to scale without limits. To this end, Applied Materials has released a new playbook, [Sustainable Energy Abundance for AI](#), to accelerate grid decarbonization, energy-efficient computing and monetizing new opportunities for semiconductors.

Supply Chain Emissions

Our supply chain represents approximately 10% of our overall carbon footprint, but its role in transforming the footprint of our industry is exponentially greater since many of our supply chain partners also supply our customers and peers. Advancing a more energy- and carbon-efficient supply chain reduces the overall impact of the semiconductor industry to enable more sustainable innovation.

In 2020, our SuCCESS Program Office was launched and established a 10-year roadmap for creating a more sustainable and just supply chain for semiconductor manufacturing, and we are seeing the positive results of this focused effort.

Each year, we survey our top 80%-spend suppliers, requesting information on their GHG goals and emissions data, and engage third-party support as needed to help calculate emissions. Using the survey data, along with insights from one-on-one conversations, we work with these suppliers to develop emissions reductions plans, including strategies for clean energy transition.

In fiscal 2025, 24 parent-company suppliers (15% of spend) reported having science-based targets, and 55 of our top-spend supplier sites (25% of spend) reported using at least 80% clean energy.

To help enable global semiconductor suppliers to enter the renewable electricity market, Applied is a corporate sponsor of the Catalyze program, managed by Schneider Electric. The Catalyze program aims to foster collaboration among suppliers and corporate sponsors and provides critical renewable-market resources and support to any company that supplies to a program sponsor. Some Applied suppliers are participating in potential VPPA cohort purchasing groups and have initiated Renewable Energy Certificate procurement through the Catalyze program.

Applied also actively collaborates with suppliers, customers and peers through organizations like the RBA's [Responsible Environment Initiative](#), [CEBA](#), [RE100](#) and [The Climate Pledge](#) to further accelerate emissions reductions and broad adoption of clean energy.



Circular Economy

Across our global operations, Applied is working to reduce our overall packaging use and extend the life of our systems and tools to help customers get the most from their investments.

Applied Global Services™ (AGS) provides integrated solutions to optimize equipment and fab performance and productivity. Through its corrective and preventive service contracts, AGS ensures Applied’s installed equipment is working at its optimal performance with the lowest environmental footprint.

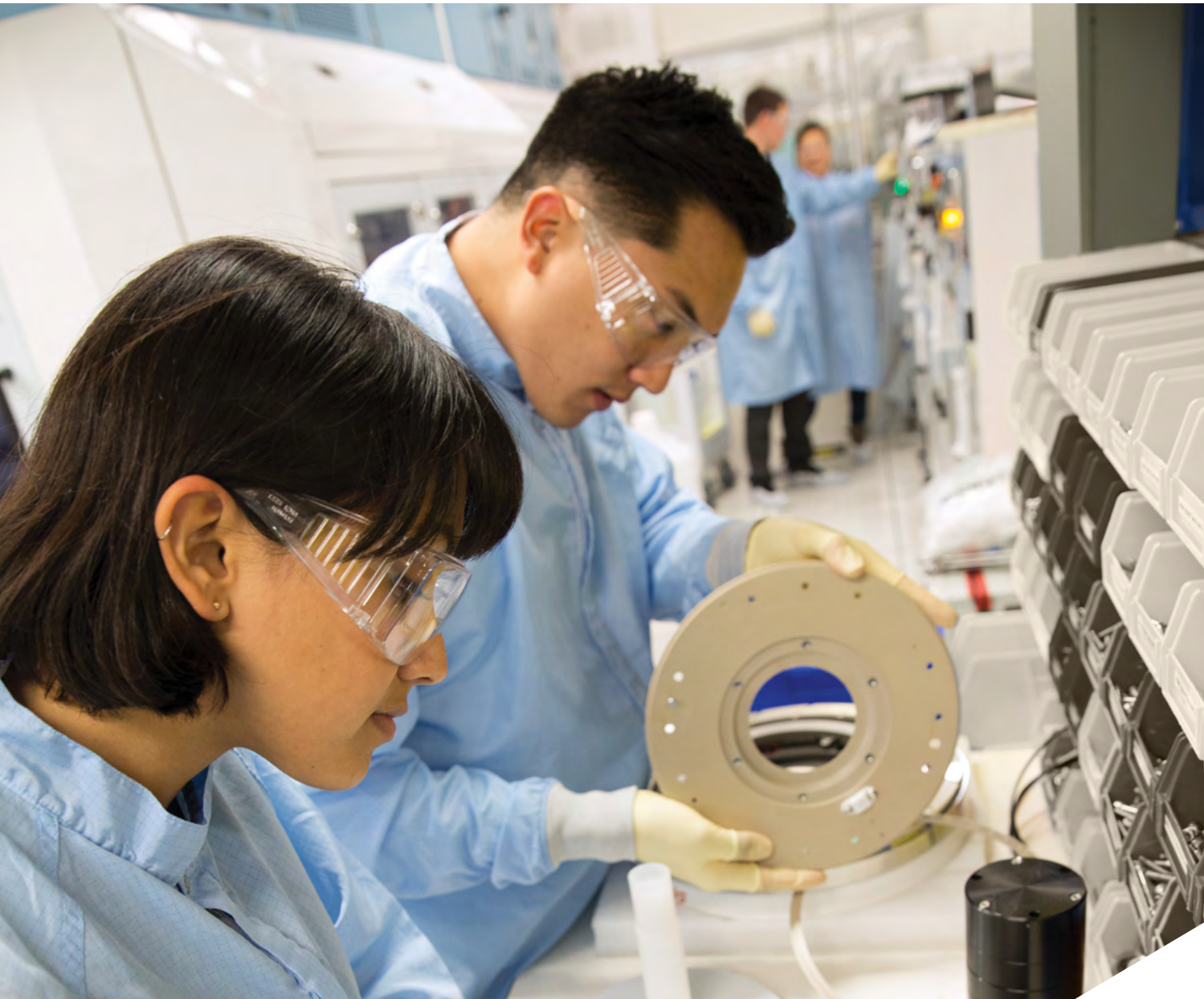
AGS works with our customers to understand their sustainability goals and manufacturing expectations and deploys diagnostic systems and tools, powered by AI, to fully understand how the equipment they purchased from Applied is performing. The team combines that insight with deep product knowledge to recommend software and hardware upgrades to help optimize equipment performance and minimize emissions.

In fiscal 2024, AGS launched ECO Services, a sustainability-focused offering that integrates process tools and subfab utilities with advanced eco-efficiency hardware, software and Internet of Things (IoT) sensors. This

service helps customers measure, optimize, reduce and monitor power and utilities consumption, as well as carbon emissions.

As part of this service, AGS evaluates customers' fabs and configurations, identifying opportunities and developing tailored solutions and services to reduce electricity, water and fuel consumption; cut carbon emissions; and lower costs. The service also includes continuous monitoring and consumption reporting, ensuring transparency and measurable progress toward sustainability goals.

ECO Services deployment began in fiscal 2025, delivering more than 645 metric tons of CO₂e savings and reducing customer subfab utility costs by up to 30%. Even greater savings are expected once full deployment is complete. These early results demonstrate our commitment to helping customers achieve meaningful sustainability outcomes while improving operational efficiency and reducing costs.



By the Numbers

>18,900

systems under service agreements

>138,000

recycled chamber kits per year

>45%

repairs done locally

>35 ^{years}

oldest tool under service

Total Kit Management™ Program

Applied’s Total Kit Management (TKM) program provides a customized kit of certified spares with best-in-class cleaning and coatings. Applied operates regional TKM processing facilities, which help reduce transportation costs and turnaround time. All parts are shipped in cases optimized for part dimensions to minimize freight costs while still protecting the parts. The cases are also reused for many cleaning cycles.

Our Forecast Parts Management (FPM) program leverages Applied’s global supply chain infrastructure and inventory to offer parts support specifically tailored to our customers’ operational needs. FPM allows greater supply assurance by placing the right inventory closer to customers’ fabs, which provides savings for our customers while reducing carbon emissions associated with transportation.

Supporting Customers Locally

AGS supports more than 54,900 installed Applied semiconductor, display and other manufacturing systems worldwide through a global distribution system in more than 195 locations and trained service engineers and recycling facilities located near customer sites. In 2025, 45% of repairs were performed within such facilities.

Keeping Systems and Parts in Use Longer

Applied’s systems are designed for long life, supporting upgrades, repairs, refurbishment and reuse. All newly manufactured parts are engineered for greater repairability, and, where possible, Applied uses refurbished parts to repair and remanufacture systems and parts.

As part of our work supporting customers in the field, AGS recovers parts and assemblies from our equipment for potential reconditioning and reuse. Applied has the capability to repair approximately 10,000 unique parts.

We maintain one of the industry’s largest global inventories of spare parts, with recovered parts searchable in our inventory management system and ready to be selected for cleaning and repair. Each recovered part goes through an exacting process of inspection, cleaning, refurbishment and repair to functionality.

Packaging Reduction and Reuse

Applied’s precision products require strong, durable packaging to prevent damage and absorb vibration during transport. Our Design for Distribution engineers work to meet those stringent requirements while reducing materials use, improving recyclability and increasing reusability.

Applied leverages AI and Product Lifecycle Management (PLM) data to predict the optimal packaging size and material for each part. Where feasible on inbound and outbound

shipments, we work with suppliers to replace plywood lids and panels on crates with more recyclable corrugated material. For example, one supplier reduced 20,627 kg of actual weight and 36,558 kg of dimensional weight by moving from wood to corrugated material. That shift resulted in estimated annual freight savings of approximately \$190,000 (based on the reduction in dimensional weight) and total packaging material savings of more than \$250,000 for the supplier.

Approximately 80% of our packaging materials are made from recyclable materials, including polyethylene, polypropylene, corrugated fiberboard, steel and wood. All wood used in our packaging is certified by the Forest Stewardship Council, Sustainable Forestry Initiative or the Programme for the Endorsement of Forest Certification.

Our supplier packaging specifications prohibit non-recyclable material, except laminated plastic bags used for moisture barrier protection, for which no viable alternative currently exists. Laminate accounts for less than 10% of packaging by weight.

Our packaging engineering team also designs and develops reusable and repairable packaging for parts. This solution features an external plastic composite case and an inner polyethylene foam assembly with slots for parts.

Waste Management

Applied is committed to minimizing waste across our global operations, with a particular focus on reducing non-recyclable, landfill-bound waste. In fiscal 2025, our landfill/incineration diversion rate remained steady at 75%, compared with 2024. Our total waste generation also remained essentially flat year over year.

Waste reduction, reuse and recycling programs are managed and monitored at the site level. For example, in Taiwan, the facilities group built pedestrian walkways using approximately 9 metric tons (9,000 kg) of recycled wood sourced from the site’s recycling area. In France, a composting pilot launched during our annual [EarthWorks](#) campaign has evolved into a full composting system sponsored and funded by the local municipal authority. Compost from the site’s organic waste—including fruits, vegetables and meal scraps—is used for local farming, reducing waste by approximately 0.2 metric tons (200 kg) in fiscal 2025.

We contract with licensed third parties to transport waste, including hazardous waste, for off-site disposal, consistent with applicable laws and regulations. Our Environmental, Health and Safety organization oversees the process and verifies all disposal sites and methods meet regulatory requirements. We evaluate potential vendors via the [CHWMEG](#) Facility Review Program, which provides environmental, operational and financial information on waste treatment, disposal, recycling and storage facilities.



Advancing Sustainable Food Services

Our Santa Clara headquarters integrates sustainability across food operations, achieving 54% locally sourced produce, serving fair-trade coffee at our coffee bars and prioritizing a plant-forward menu. All disposables are compostable, and a third-party service collects compost daily. Kitchens use phosphate-free, biodegradable detergents, avoid harsh chemicals and rely on automated dilution systems for safe handling. Sustainability practices are

reinforced through daily preshift briefings and targeted signage, including promotion of sustainable seafood.

In fiscal 2025, this site achieved approximately \$480,000 in savings by diverting 52% of our waste (1.4 million pounds) from landfill disposal. We also composted 57 metric tons of food waste, avoiding the release of approximately 1.9 metric tons of methane gas.

Water Management

Applied’s operations are not high-volume water consumers relative to the broader semiconductor industry, yet we strive to optimize our water use across our facilities.

Our strategy—focused on improving water efficiency, reuse and recycling where feasible—is supported by a cross-functional working group and a water management framework. To ensure we address our most material risks and opportunities, we designate priority sites as the locations that collectively represent at least 80% of our global water withdrawal. The priority locations include our largest water-consuming campuses and the sites that account for at least 90% of our withdrawal in high or emerging high water-stress regions.

In addition, Applied is committed to conducting comprehensive water audits at priority sites by fiscal 2027 to evaluate water balance; identify efficiency and reuse opportunities; and inform long-term water-management planning. Water stress is incorporated into our annual climate-risk monitoring process and shared with relevant facilities and business continuity teams.

Applied’s total water withdrawal increased 4% in fiscal 2025 compared to fiscal 2024, reflecting growth in our business activities and lab expansions. Water withdrawal intensity per million dollars of revenue remained essentially flat year over year and has decreased more than 33% compared to fiscal 2019. Withdrawal in water-stressed areas was 12% of our total water withdrawal in fiscal 2025 and also remained flat year over year, supported by efficiency projects implemented in Bengaluru, India, and Xi’an, China.

Local facilities teams manage onsite water use and conservation efforts, with oversight from the environmental, health and safety (EHS) organization. Sites in Bengaluru and Xi’an—both in extremely high water-stress regions—have implemented projects to reduce water use. The Bengaluru site shifted its municipal water source, improving treatment efficiency and saving an estimated 420 cubic meters annually.

In Xi’an, energy-saving sprinklers replaced hand-watering, reducing annual water use by about 1,350 cubic meters. In Tainan, Taiwan, recycled process-cooling water now supplies cooling towers, saving about 300 cubic meters of tap water annually.

Applied’s Vice President of Global EHS is responsible for ensuring that water-related risks and reduction opportunities are assessed as appropriate. Water reduction is covered under our EHS policy and ISO 14001 environmental management system, which call for identifying opportunities; making continual improvements in environmental preservation and natural-resource conservation; and meeting or exceeding all relevant regulatory requirements.



Further information on water management can be found in our latest [CDP questionnaire](#).



About This Report

About This Report

Third-Party Data Assurance Statement

About This Report

Published on behalf of Applied Materials, Inc. and its subsidiaries (collectively referred to as “Applied Materials,” “Applied” or “the company”), this 2025 Impact Report provides an overview of our sustainability strategy, actions, goals and progress made during Applied’s fiscal 2025, except where noted.

Applied has reported on its environmental responsibility annually since 2005 and published its first Citizenship Report in 2008. Data covers all global operations unless clearly marked otherwise.

Reporting Standards

Disclosures following the Sustainability Accounting Standards Board (SASB) Semiconductor Standard and the Task Force on Climate-Related Financial Disclosures (TCFD) Index, now integrated under the International Sustainability Standards Board’s IFRS S2 Climate-related Disclosures, are provided in the Data and Disclosures section.

Applied also supports the United Nations 2030 Sustainable Development Goals (SDGs), contributing progress toward Goal 5, Gender Equality; Goal 7, Affordable and Clean Energy; Goal 8, Decent Work and Economic

Growth; Goal 10, Reduced Inequalities; Goal 12, Responsible Consumption and Production; and Goal 13, Climate Action.

Additionally, this report is prepared in accordance with the Global Reporting Initiative (GRI), which can be viewed [here](#).

Forward-Looking Statements and Reporting Uncertainties

GHG emissions are calculated following the GHG Protocol using the best available data in the reporting year. Calculation methodology improvements are typically implemented annually and any changes are disclosed in the report and Data and Disclosures section through footnotes.

Limited assurance of select indicators included in the Impact Report and Data and Disclosures has been conducted by ERM CVS, whose assurance statement is provided on [page 61](#).

Further, Applied Materials manufacturing sites maintain ISO 14001:2015 and ISO 45001:2018 [certifications](#), which require annual third-party audits of our management systems and processes. Our Singapore

manufacturing site received ISO 50001 Energy Management certification in December 2025.

This report contains forward-looking statements, including those regarding our sustainability strategies, our goals and targets, industry outlooks and demand drivers, technology transitions, our development of new products and technologies, the plans and expectations for the EPIC Center, and other statements that are not historical facts. These statements and their underlying assumptions are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements include those discussed in the “Risk Factors” section of, and elsewhere in, our filings with the U.S. Securities and Exchange Commission, including our most recent Forms 10-K, 10-Q and 8-K. All forward-looking statements are based on management’s current estimates, projections and assumptions, and we assume no obligation to update them. 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.

Trademark Notice

Applied Materials and the Applied Materials logo are trademarks of Applied Materials, Inc., registered in the U.S. and other countries and regions.

Net Zero 2040 Playbook, Make Possible, EPIC, Centura, Aeris, ecoUP, iSystem, Vantage, Radiance, RadOx, Total Kit Management, Momentum Fund, Applied Global Services and Applied Ventures are trademarks of Applied Materials, Inc. and may be registered in the U.S. and in other countries and regions. Generation Girl is a trademark of the Applied Materials Foundation.

All other trademarks contained herein that are not owned by Applied Materials, Inc. and the Applied Materials Foundation are the property of their respective owners.

Third-Party Data Assurance Statement^{*}



Independent Limited Assurance Report

ERM Certification and Verification Services Limited (ERM CVS[™]) was engaged by Applied Materials, Inc. (“Applied Materials”) to provide limited assurance in relation to the Selected Information set out below and presented in the Applied Materials Impact Report 2025 (the “Report”).

ENGAGEMENT SUMMARY

Scope of our assurance engagement	Whether the following Selected Information for Fiscal Year 2025 (FY25) is fairly presented in the Report, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Selected Information	GHG Emissions • Total Scope 1 GHG emissions [mtCO2e] • Total Scope 2 location-based GHG emissions [mtCO2e] • Total Scope 2 market-based GHG emissions [mtCO2e] • Scope 1 + Scope 2 (market-based) GHG emissions [mtCO2e] • GHG intensity - Total Scope 1 and Scope 2 [mtCO2e/regular full-time employee and mtCO2e/million dollars of revenue]* • Reduction of Scope 1 and 2 (market-based) GHG emissions from 2019 baseline [%] • Total Scope 3 GHG emissions comprised of the selected categories [mtCO2e] ◦ 1-Purchased Goods and Services ◦ 2-Capital Goods ◦ 3-Fuel-and-Energy Related Activities ◦ 4-Upstream Transportation and Distribution ◦ 5-Waste Generated in Operations ◦ 6-Business Travel ◦ 7-Employee Commuting ◦ 8-Upstream Leased assets ◦ 9-Downstream Transportation and Distribution ◦ 11-Use of Sold Products ◦ 12-End of Life Treatment of Sold Products ◦ 13-Downstream Leased assets ◦ 15-Investments Energy • Total energy [MWh] • Total renewable electricity [MWh] • Electricity consumption [MWh] • Percentage of energy consumed that is renewable energy [%] • U.S. renewable electricity rate [%] • Global renewable electricity rate [%] • Energy intensity [MWh/regular full-time employee and MWh/million dollar of revenue]* Water • Total water withdrawal [Thousand m3] • Water withdrawal in water-stressed areas [%] Waste • Total non-hazardous waste [thousand mt]

ENGAGEMENT SUMMARY (CONTINUED)	
	• Total hazardous waste [thousand mt] • Total waste generation [thousand mt] • Non-hazardous landfill diversion rate [%] • Percentage of hazardous waste recycled [%] Workforce • Total workforce [#] • Workforce by category (contract type) [Regular full-time employees, temporary workers, and interns] [#] • Total women in workforce – Global by category (career level and engineering specifically) [Executives, managers, professionals] [%] • Ethnicity and race representation of the US workforce [%] • U.S. Representation by Gender and Race Ethnicity by Level (%) • Global workforce by gender and region [%] • Voluntary turnover – Global rate and global rate by gender [%] Health & Safety • Total recordable incident rate (TRIR) [#] • Days away, restricted, or transferred (DART) rate [#] • Fatalities [#] Community Impact • Total community investments [million dollars] • Total giving through the Foundation Match Program (employee gifts plus match) [million dollars] *Revenue data was not subject to verification; rather, ERM CVS placed reliance on audited financial statements to assure the intensity figures.
Reporting period	1 st November 2024 – 31 st October 2025
Reporting criteria	• Applied Materials’ internal reporting criteria and definitions • Sustainability Accounting Standards Board (SASB) • Occupational Safety and Health Administration (OSHA) recordkeeping requirement definitions and guidelines • WBCSD/WRI GHG Protocol (2004, as updated January 2015) for the Scope 1, 2 and 3 GHG emissions • Global Reporting Initiative (GRI) Reporting Standards 2018, 2020, 2021
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	Applied Materials is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report. ERM CVS’ responsibility is to provide a conclusion to Applied Materials on the agreed assurance scope based on our engagement terms with Applied Materials, the assurance activities performed and exercising our professional judgement.

OUR CONCLUSION

Based on our activities, as described on the next page, nothing has come to our attention to indicate that the Selected Information for FY 2025 is not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

OUR ASSURANCE ACTIVITIES

Considering the level of assurance and our assessment of the risk of material misstatement of the Report a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Report;
- Performing an analysis of the external environment, including a media search, to identify sustainability risks and issues in the reporting period that may be relevant to the assurance scope;
- Interviewing management representatives responsible for managing the Selected Information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Reviewing of a sample of qualitative and quantitative evidence supporting the Selected Information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated FY 2025 group data for the Selected Information which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting 2 in-person and 2 virtual visits to Applied Materials facilities/production sites in the United States, Taiwan, China, and Finland to review source data and local reporting systems and controls;
- Evaluating the conversion factors, emission factors and assumptions used; and
- Reviewing the presentation of information relevant to the assurance scope in the Report to ensure consistency with our findings.



May 8, 2026
Malvern, PA

ERM Certification & Verification Services Incorporated
www.ermcvs.com | post@ermcvs.com

THE LIMITATIONS OF OUR ENGAGEMENT

The reliability of the Selected Information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

OUR INDEPENDENCE, INTEGRITY AND QUALITY CONTROL

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Applied Materials in any respect.

^{*}The full data assurance statement, including the assured FY 2025 data appendix, is available [here](#).

Data and Disclosures

Company Overview

Environmental Metrics

Workforce Metrics

Employee Health and Safety Metrics

Community Giving and Investments

SASB Index

TCFD Index



In developing our 2025 Impact Report, we compiled key data and disclosures in accordance with Sustainability Accounting Standards Board (SASB) frameworks, the Task Force on Climate-Related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI) Standards.

Further information and disclosures can be found in [Applied’s 2025 Annual Report](#) and our [CDP questionnaire](#).

Company Overview

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Company Profile					
Revenue (\$Billions)	\$28.4	\$27.2	\$26.5	\$25.8	\$14.6
Net income (\$Billions)	\$7.0	\$7.2	\$6.9	\$6.5	\$2.7
R&D (\$Billions)	\$3.6	\$3.2	\$3.1	\$2.8	\$2.1
Number of patents (approximately)	23,500	22,000	19,600	17,300	13,300
Number of countries	25	24	24	24	18

Find more information about Applied Materials in our [2025 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.

This Data and Disclosures section provides recent performance against our 2019 baseline. For data from FY 2021 and FY 2020, please refer to the [previous sustainability reports](#). Find Applied's GRI Index [here](#).

Environmental Metrics

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

All data is reported in terms of Applied’s 2025 fiscal year (October 28, 2024–October 26, 2025). Occasionally we restate historical data when improvements are made. We have incorporated some updates to historical data due to methodology improvements and improved data availability to ensure consistent comparison across years. Restated data are identified in the footnotes. Intensity metrics are calculated using the regular full-time employee and revenue figures reported in Applied's annual reports on Form 10-K for the fiscal year. Greenhouse gas (GHG) emissions are calculated following the GHG Protocol, covering all greenhouse gases included in the Kyoto Protocol: CO₂, CH₄, N₂O, HFCs, PFCs, 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. A more detailed overview of our fiscal year (FY) 2025 Scope 1, 2 and 3 emissions calculation methodology can be found [here](#).

	UNITS	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Climate/GHG Emissions						
Total Scope 1 [Ⓐ]	MT CO ₂ e	54,264	50,775	49,053	48,633	35,225
Total Scope 2 (location-based) [Ⓐ]		168,086	175,667	170,299	161,303	144,672
Total Scope 2 (market-based) [Ⓐ]		59,721	67,681	71,469	72,933	78,677
Scope 1 + Scope 2 (market-based) [Ⓐ]		113,985	118,456	120,522	121,566	113,902
GHG Intensity [Ⓐ]	Total Scope 1 and Scope 2 in MT CO ₂ e per regular full-time employee	3.1	3.3	3.5	3.7	5.2
	Total Scope 1 and Scope 2 in MT CO ₂ e per million dollar revenue	4.0	4.4	4.5	4.7	7.8

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

Environmental Metrics (cont'd)

		UNITS	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Scope 3	Total [Ⓐ]	MT CO ₂ e	20,546,581	18,565,175	21,143,263	24,682,384	12,902,853
	Category 1: Purchased Goods and Services ^{1,2}		2,004,627	1,750,330	2,852,968	3,882,759	1,862,516
	Category 2: Capital Goods ¹		380,741	110,376	132,506	179,156	61,953
	Category 3: Fuel- and Energy-Related Activities		68,397	70,135	59,828	56,544	36,012
	Category 4: Upstream Transportation and Distribution ¹		630,549	453,540	950,522	1,998,985	567,080
	Category 5: Waste from Operations ³		3,655	4,016	3,144	3,186	531
	Category 6: Business Travel ¹		104,046	134,947	96,098	52,538	97,953
	Category 7: Employee Commuting ⁴		50,040	47,528	41,667	31,902	76,751
	Category 8: Upstream Leased Assets		7,285	6,505	6,619	3,860	2,601
	Category 9: Downstream Transportation and Distribution		164,646	200,452	86,304	229,937	191,577
	Category 10: Processing of Sold Products ⁵		n/a	n/a	n/a	n/a	n/a
	Category 11: Use of Sold Products ⁶		16,790,766	15,633,966	16,688,667	18,081,049	9,997,344
	Category 12: End of Life Treatment of Sold Products		405	462	636	940	713
	Category 13: Downstream Leased Assets		3,502	2,716	2,303	2,870	3,330
	Category 14: Franchises ⁵		n/a	n/a	n/a	n/a	n/a
	Category 15: Investments ^{1,7}		337,922	150,202	222,001	158,658	4,492

Ⓐ This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [Page 61](#) of the Impact Report.

1 The emissions factors were updated for the categories using a spend-based calculation (Categories 1, 2, 4, 15 and a portion of 6) using the Cornerstone Sustainability Initiative v1.4 supply chain emission factor dataset by NAICS.

2 In FY 2025 supplier-specific emissions factors were incorporated where available for the suppliers that provided third-party assured GHG emissions data.

3 Site-level waste data by disposal method was calculated using a combination of 2025 DEFRA factors, EPA WARM V16 and Ecoinvent 3.12.

4 Category 7 does not include employee work-from-home emissions.

5 Categories 10 and 14 are not applicable or relevant to Applied operations.

6 Category 11 emissions do not include emissions from the use of equipment sold that is not part of our semiconductor business, such as display equipment, nor from the use of partial or incomplete semiconductor equipment sold.

7 Category 15 excludes project finance and debt investments; managed investments and client services are not applicable.

Environmental Metrics (cont'd)

	UNITS	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Energy						
Electricity consumption [Ⓐ]	MWh	523,317	515,600	486,978	464,044	400,850
Total renewable electricity [Ⓐ]		393,489	377,476	341,562	319,180	154,848
U.S. renewable electricity rate [Ⓐ]	%	100%	100%	100%	100%	51%
Global renewable electricity rate [Ⓐ]	%	75%	73%	70%	69%	39%
Total energy ⁸ [Ⓐ]	MWh	668,509	660,698	623,693	597,500	527,125
Energy intensity [Ⓐ]	MWh of energy consumed per regular full-time employee	18.3	18.5	18.3	18.1	23.9
	MWh of energy consumed per million dollar of revenue	23.6	24.3	23.5	23.2	36.1
Water						
Total water withdrawal [Ⓐ]	Thousand m³	2,612	2,510	2,388	2,359	2,016
City water purchased		2,603	2,501	2,387	2,221	1,990
Groundwater		4	4	1	138	26
Surface water (collected rainwater) ⁹		5	5	-	-	-
Total water consumption		616	554	535	443	404
Domestic water ¹⁰		521	463	439	363	327
Irrigation		90	86	96	80	77
Water withdrawal in water-stressed areas [Ⓐ]	%	12%	12%	12%	13%	13%

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

8 The total energy value for FY 2024 was updated to correct a calculation error.

9 Surface water (collected rainwater) was added as a new water withdrawal parameter in FY 2024 and is included in the calculation for total water consumption.

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

Environmental Metrics (cont'd)

		UNITS	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Water withdrawal intensity		Thousand m ₃ water withdrawal per regular full-time employee	0.07	0.07	0.07	0.07	0.09
		Thousand m ₃ water withdrawal per million dollar revenue	0.09	0.09	0.09	0.09	0.14
Waste							
Non-hazardous landfill diversion rate			75% ^(A)	75%	73%	72%	75%
Non-hazardous waste	Total non-hazardous waste	Thousand MT	17.4 ^(A)	17.4	18.0	19.1	11.9
	Non-hazardous: landfill		3.6	4.0	4.1	4.7	2.1
	Non-hazardous: incineration		0.7	0.4	0.8	0.3	0.5
	Non-hazardous: recycled		12.7	12.8	12.9	13.9	8.9
	Non-hazardous: composted		0.4	0.2	0.2	0.2	0.4
Total hazardous waste ¹¹			4.9 ^(A)	4.9	1.1	0.5	0.5
Total waste generation			22.3 ^(A)	22.3	19.1	19.6	12.4

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

11 Total hazardous waste values for FY 2024 were updated to correct a calculation error.

Workforce Metrics

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Global Workforce					
Total workforce [Ⓐ]	37,741	37,081	36,605	36,737	23,234
Regular full-time employees [Ⓐ]	36,489	35,707	34,328	33,306	22,014
Temporary workers [Ⓐ]	1,077	1,208	2,130	3,264	1,114
Interns [Ⓐ]	175	166	147	167	106
Global Voluntary Turnover					
Global Total					
Total global voluntary turnover [Ⓐ]	4.7%	4.3%	5.2%	8.5%	5.4%
Global Turnover by Gender					
Global female turnover [Ⓐ]	5.4%	5.0%	5.3%	9.0%	7.2%
Global male turnover [Ⓐ]	4.5%	4.1%	5.1%	8.4%	5.0%

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

Workforce Metrics (cont'd)

	FY 2025
Ethnicity and Race Representation in the U.S. Workforce (%) ¹	
White [Ⓐ]	39.5%
Asian [Ⓐ]	36.4%
Hispanic or Latino [Ⓐ]	10.5%
Black or African American [Ⓐ]	5.9%
Employees with two or more races [Ⓐ]	2.0%
American Indian or Alaska Native [Ⓐ]	0.3%
Native Hawaiian or Pacific Islander [Ⓐ]	0.7%

	FY 2025
Female Representation of the Global Workforce (%)	
Total Women in Workforce [Ⓐ]	20.7%
Women Executives (Vice Presidents and Directors) [Ⓐ]	14.4%
Women Managers (People Managers) [Ⓐ]	18.2%
Women Professionals (Business, Engineering and Sales) [Ⓐ]	28.3%
Women Engineering Employees [Ⓐ]	16.4%

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

¹ In FY 2025, 4.6% of employees did not disclose race and ethnicity.

Workforce Metrics (cont'd)

		Men	Women	Asian	Black	Hispanic/ Latino	Other URM	White
U.S. Representation by Gender, Ethnicity and Race by Level (%) ²								
Executives (VP+Director) [Ⓐ]	FY 2025	84.1%	15.7%	47.5%	1.6%	3.3%	1.7%	43.4%
Managers [Ⓐ]		78.7%	21.2%	34.0%	4.3%	9.2%	3.0%	45.7%
Professionals (Business, Engineering and Sales) [Ⓐ]		70.4%	29.2%	44.9%	3.7%	8.2%	2.9%	36.1%
Other Professionals (Customer Support, Technical and Manufacturing) [Ⓐ]		81.8%	17.9%	19.6%	11.5%	17.5%	3.9%	41.2%

	FY 2025
Male Representation by Region (%) [Ⓐ]	
APAC	81.3%
EMEA	79.7%
NA	76.4%

	FY 2025
Female Representation by Region (%) [Ⓐ]	
APAC	18.5%
EMEA	20.2%
NA	23.3%

	FY 2025
Not Declared Representation by Region (%)	
APAC	0.2%
EMEA	0.1%
NA	0.3%

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

² Total may not equal 100% due to undisclosed responses.

Workforce Metrics (cont'd)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Learning and Development					
Total Workforce (includes all regular full-time, temporary workers and interns)					
Total learning hours	2,189,010	2,036,618	2,053,104	2,046,238	1,407,932
Total individual learners	39,059	49,529	48,774	45,859	32,087
Average training hours per person	56	41	42	45	44
Regular Full-Time Employees					
Total learning hours	2,177,155	1,953,317	1,944,092	1,869,669	1,336,812
Total individual learners	38,558	35,646	34,264	32,890	21,850
Average training hours per person	57	55	57	57	61
Percentage of employees who completed training/learning hours	98.3%	99.8%	99.8%	98.0%	99.0%
Completed Training by Role ³					
Executive Level Vice Presidents	232	212	206	193	n/a
Executive Level Directors	2,627	2,365	2,185	2,126	n/a
Manager Level	4,014	3,476	3,469	3,193	n/a
Individual Contributors	32,481	29,593	28,404	27,472	n/a
Interns	604	165	142	100	n/a

3 Learner volume surpasses active full-time employee counts, driven by FY 2025 staffing fluctuations.

Employee Health and Safety Metrics

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Days Away, Restricted or Transferred Rate (DART) [Ⓐ]	0.29	0.31	0.33	0.24	0.29
Lost Time Incident Rate (LTIR)	0.18	0.20	0.20	-	-
Total Recordable Incident Rate (TRIR)	0.40 [Ⓐ]	0.41	0.43	-	-
American Society for Testing and Materials (ASTM) E2920 Rate ¹	0.63	-	-	-	-
Fatalities [Ⓐ]	0	0	0	0	0

Community Giving and Investments

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019
Total community investments [Ⓐ]	\$17.8M	\$14.5M	\$11.7M	\$11.2M	\$10.8M
Total community investments by Applied Materials, Inc.	\$4.3M	\$4.7M	\$3.1M	\$2.8M	\$2.8M
Total community investments by the Applied Materials Foundation (excludes administrative)	\$13.5M	\$9.8M	\$8.5M	\$8.4M	\$8.0M
Total giving through the Foundation Match Program (employee gifts plus match) [Ⓐ]	\$8.8M	\$8.6M	\$8.4M	\$9.1M	\$6.6M

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

¹ In FY 2025, Applied started reporting our American Society for Testing and Materials (ASTM) E2920 rate, and transitioned to reporting workplace injuries as Total Recordable Incident Rate (TRIR) in lieu of Total Case Incident Rate (TCIR). Please see [page 20](#) for more details.

SASB Index

Topic	Code	Accounting Metric	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019	Narrative Response / Report Location
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions [Ⓐ]	54,264 MT CO ₂ e	50,775 MT CO ₂ e	49,053 MT CO ₂ e	48,663 MT CO ₂ e	35,225 MT CO ₂ e	Additional emissions data available in the Environmental Metrics table above, page 64
		Amount of total emissions from perfluorinated compounds ¹	11,236 MT CO ₂ e	10,332 MT CO ₂ e	10,660 MT CO ₂ e	8,805 MT CO ₂ e	6,560 MT CO ₂ e	Additional emissions data available in the Environmental Metrics table above, page 64
	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 the “Environmental Progress” section of our Impact Report, page 41					
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed [Ⓐ]	668,509 MWh	660,698 MWh	623,693 MWh	597,500 MWh	527,125 MWh	Additional energy data available in the Environmental Metrics table above, page 64
		Percentage of energy consumed that was supplied from grid electricity	78%	78%	78%	77%	75%	
		Percentage of energy consumed that is renewable energy [Ⓐ]	59%	57%	55%	53%	29%	

[Ⓐ] This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

1 Perfluorinated compound (PFC) emissions were previously overstated due to inclusion of non-PFC gases NF₃ and SF₆. FY 2025 and prior years have been updated to report only perfluorinated compounds.

SASB Index (cont’d)

Topic	Code	Accounting Metric	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019	Narrative Response / Report Location
Water Management	TC-SC-140a.1	Total water withdrawn [Ⓐ]	2,612,000 m³	2,510,000 m³	2,388,000 m³	2,359,000 m³	2,016,000 m³	See the “Water Management” section of our Impact Report, page 57
		Percentage of water withdrawn in regions with high or extremely high baseline water stress [Ⓐ]	12%	12%	12%	13%	13%	See the “Water Management” section of our Impact Report, page 58
		Total water consumed	616,000 m³	554,000 m³	535,000 m³	443,000 m³	404,000 m³	Domestic water consumption assumes negligible water consumption in office buildings
		Percentage of water consumed in regions with high or extremely high baseline water stress	13%	12%	11%	13%	11%	
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing	4,908 MT [Ⓐ]	4,894 MT	1,071 MT	514 MT	470 MT	Additional waste data available in the Environmental Metrics table above, page 64
		Percentage of hazardous waste recycled	2% [Ⓐ]	5%	15%	28%	n/a	Tracking of this information started in FY 2020
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” section of our Impact Report, page 20					
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	In 2025, Applied received zero notices of violation (NOV) worldwide					
Recruiting and Managing a Global and Skilled Workforce	TC-SC-330a.1	Percentage of employees that require a work visa	n/a	n/a	n/a	n/a	n/a	Applied Materials does not disclose the percentage of employees who are foreign nationals or located offshore

Ⓐ This symbol indicates the metric was assured by ERM CVS. See our data assurance statement on [page 61](#) of the Impact Report.

SASB Index (cont’d)

Topic	Code	Accounting Metric	FY 2025	FY 2024	FY 2023	FY 2022	FY 2019	Narrative Response / Report Location
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	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	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 "Supply Chain Responsibility," page 34 ; see also our 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	n/a	This information is not tracked at this time
Activity Metrics	TC-SC-000.A	Total production units	~3,800	~4,100	~4,200	~4,400	~1,800	Production data covers semiconductor systems
	TC-SC-000.B	Percentage of production from owned facilities	~85%	~85%	~85%	~85%	~85%	

TCFD Index

We intend to further align with the International Financial Reporting Standards 2: Climate-related Disclosures (IFRS S2) in upcoming impact reports. Additional information is found in our [CDP questionnaire](#).

Topic	Response and References
Governance	
a) Describe the board’s oversight of climate-related risks and opportunities.	The Corporate Governance and Nominating Committee (CGNC) of the Board of Directors oversees the company’s sustainability program, including its climate strategy, and is engaged throughout the year to foster continuous improvement and accountability. The CGNC is briefed multiple times a year by the Head of Sustainability Strategy on the progress of Applied’s sustainability objectives, including emerging climate-related risks and opportunities, progress on climate and energy goals, and relevant initiatives across the value chain. For additional information, review the Corporate Governance section of the 2025 Impact Report and the company’s CDP questionnaire in section C4 Governance.
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Applied Materials’ CEO and his executive team review, assess and provide input on the company’s sustainability strategy through the annual strategic review process. Progress on our corporate sustainability goals, which include Applied’s Net Zero 2040 Playbook™ and interim 2030 GHG targets, are included in the Corporate Scorecard. Applied Materials’ Head of Sustainability Strategy presents progress toward climate goals and a discussion of emerging climate issues and opportunities to the CEO and the executive leadership team on a quarterly basis, for monitoring and review. An evaluation of climate risks is incorporated in Applied’s Enterprise Risk Management (ERM) survey, which is conducted on an annual basis with the executive team. Applied's Sustainability Strategy team conducts a more detailed TCFD-aligned climate risk assessment on an annual basis, engaging a broad group of stakeholders, including leaders from the Legal and Compliance Organization, Finance, Environmental, Health and Safety, Global Workplace and Infrastructure, Operations, Business Continuity Planning, Semiconductor Products and Supply Chain teams. For additional information, review the company’s CDP questionnaire in section C4 Governance.

TCFD Index (cont'd)

Topic	Response and References
Strategy	a) Describe the climate-related risks and opportunities the company has identified over the short, medium and long term. For the purposes of climate risk and opportunity assessment, Applied defines timeframes as: ▪ Short-term: 0-5 years ▪ Medium-term: 6-10 years ▪ Long-term: 11-30 years Potential climate-related issues identified across timeframes: Physical Risks: ▪ Magnitude of exposure to physical risks is projected to vary geographically and temporally across value-chain and scenarios. ▪ On average, Applied Materials is projected to face the greatest increase in exposure to extreme heat, drought and storms, particularly in Southeast Asia and Israel. ▪ Applied sites are also projected to face increased exposure to certain hazards such as flooding and wildfire, depending on their geographic location. ▪ Water stress exposure is expected to increase throughout Applied Materials’ value chain, with the most notable impacts in the Western U.S., Southeast Asia, Asia and Israel. Transition Risks and Opportunities: ▪ Exposure to carbon price increases could increase operating costs, particularly under a Low Carbon Pathway. ▪ Compliance costs are projected to increase under a Low Carbon Pathway, as regulatory requirements on process gases increase. ▪ Shifting customer demand for less emissions-intensive equipment may be either a risk or opportunity depending on Applied’s ability to ramp up R&D activities to meet this demand and produce products that support decarbonization. ▪ Demand for Internet of Things, Communications, Automotive, Power and Sensors (ICAPS) products is projected to increase as the demand for power electronics that enable grid transformation grows. Processes used to determine materiality of risk and opportunity impacts: ▪ Through a cross-functional stakeholder engagement process, Applied Materials identified and prioritized seven climate-related risks and opportunities for further analysis. Engagement approaches included interviews, workshops and surveys. ▪ Criteria used to prioritize analyzed risks and opportunities included the scale, scope, likelihood and mitigation approaches. For additional information, review the Environmental Progress section of the 2025 Impact Report and the company’s CDP questionnaire in section C3 Disclosure of risks and opportunities.

TCFD Index (cont'd)

Topic	Response and References			
Strategy (cont'd)				
b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	Description of potential impact of evaluated risks and opportunities:			
	Risk / Opportunity	Time-horizon	Financial planning areas potentially impacted	Potential strategies that may be impacted
	Exposure from extreme and chronic weather events	Long-term	Products and services, operations, supply chain, adaptation and mitigation activities	▪ New site selection ▪ Site-level capital allocation ▪ Acquisitions or divestments
	Water risk	Short-, medium- and long-term	Products and services, operations (especially R&D sites), supply chain	▪ Access to capital from financial lenders due to sites being in high climate-risk areas ▪ Supplier and customer engagement strategy to increase climate resilience ▪ Business continuity planning ▪ Water efficiency and conservation planning
	Carbon pricing	Medium-term	Operations	▪ Decarbonization efforts ▪ Compliance strategy for carbon-pricing mechanisms
	Regulations on process chemicals	Medium-term	Products, investment in R&D	▪ New product development ▪ Compliance strategy for fluorinated process gases ▪ R&D funding
	R&D pressure	Medium-term	Products, investment in R&D	▪ R&D funding ▪ New product development
	Product competitiveness	Medium-term	Products and services, supply chain, investment in R&D	▪ New product and service development ▪ Value chain decarbonization efforts and supplier engagement
	Customer demand	Medium-term	Products and services, investment in R&D	▪ New product and service development ▪ Market expansion ▪ Customer engagement to accelerate co-innovation
	For additional information, review the Environmental Progress section of the 2025 Impact Report and the company's CDP questionnaire in section C5 Business Strategy.			

TCFD Index (cont'd)

Topic	Response and References
Strategy (cont'd)	
b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning (cont'd).	Resulting actions across business, strategy and planning: - Applied has global teams dedicated to business continuity planning and emergency response, including extensions to local facilities’ teams that ensure our business is prepared to respond and recover quickly from climate-related events and effectively support customer and supplier operations. Resilience from climate-related events is also considered in the design and construction of new global facilities. While no individual weather event can be tied to climate change, our business continuity planning teams are tracking weather-related impacts to Applied’s business operations over time. - As customer preferences shift toward resource-efficient products, Applied has and continues to invest in developing technologies that enable customers to meet current and future environmental obligations with their own customers, regulators and other stakeholders. Applied is actively producing technologies to reduce the power consumption of semiconductor chips. The Sustainability Center of Excellence team is developing tools and services to improve the overall energy efficiency of semiconductor fabrication facilities, Applied products, and the effectiveness of abatement systems. - Through Applied's Net Zero 2040 Playbook, Applied has set its strategy and is organizing teams to make progress toward decarbonizing global global operations and its value chain through customer engagement, product innovation and supplier engagement. By doing so, Applied can proactively prepare and respond to climate-related market shifts, such as carbon pricing, emerging regulations and evolving customer needs. For additional information, review the Environmental Progress section of the 2025 Impact Report and the company’s CDP questionnaire in section C5 Business Strategy.
c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Resilience of strategies across scenarios: - Applied has measures in place to mitigate various site-level climate risks, from activating our global emergency response and business continuity teams, to implementing facilities upgrades and having proper insurance policies in place. Applied also considers potential climate-related risks in the selection and/or construction of new facilities. - 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 SuCCESS Program Office is scaling up their engagement with key suppliers on tracking and managing GHG emissions, energy and water consumption. - Applied’s progress toward our Net Zero 2040 Playbook mitigates the risk of rising carbon pricing. - Applied is working to mitigate compliance risks by pursuing reduction of fluorinated process gas use in products and the use of PFAS across components where commercially and technically feasible. In addition, Applied is working to test alternatives to such chemicals. - Applied continues to invest in R&D and delivery of products to the market with reduced emissions impacts, including the announcement of ecoUP Vantage™ Radiance™ RTP system and ecoUP RadOx™ RTP on both the Vantage™ and Centura™ platforms. - Applied is continuing our delivery of Internet of Things, Communications, Automotive, Power and Sensors (ICAPS) products, which are enabling improvements in power and grid decarbonization technologies. For additional information, review the Environmental Progress section of the 2025 Impact Report and the company’s CDP questionnaire in section C5 Business Strategy.

TCFD Index (cont'd)

Topic	Response and References																																		
Risk Management																																			
a) Describe the company’s processes for identifying and assessing climate-related risks.	Applied engages a third party to complete and update its climate risk assessment annually, which models prioritized physical and transition risks across a Low and High Carbon Pathway, as defined below:																																		
	Table 2: Scenarios used for analysis by risk																																		
	<table><tr><th></th><th>Category</th><th>Scenario used</th><th>Warming in 2050</th><th>Governing Body</th></tr><tr><td rowspan="3">Low Carbon Pathway</td><td>Physical risks</td><td>RCP2.6-SSP1</td><td><2°C</td><td>IPCC</td></tr><tr><td>Water risk</td><td>RCP2.6-SSP1</td><td><2°C</td><td>IPCC</td></tr><tr><td>Transition risks and opportunities</td><td>Net Zero Emissions by 2050 (NZE2050)</td><td>1.5°C</td><td>IEA</td></tr><tr><td rowspan="4">High Carbon Pathway</td><td>Physical risks</td><td>RCP8.5-SSP5</td><td>4°C+</td><td>NGFS</td></tr><tr><td>Water risk</td><td>RCP8.5-SSP3</td><td>4°C+</td><td>IPCC</td></tr><tr><td rowspan="2">Transition risks and opportunities</td><td>Stated Policies (STEPS)</td><td>2°C</td><td>IEA</td></tr><tr><td>Current Policies</td><td>3°C+</td><td>NGFS</td></tr></table>		Category	Scenario used	Warming in 2050	Governing Body	Low Carbon Pathway	Physical risks	RCP2.6-SSP1	<2°C	IPCC	Water risk	RCP2.6-SSP1	<2°C	IPCC	Transition risks and opportunities	Net Zero Emissions by 2050 (NZE2050)	1.5°C	IEA	High Carbon Pathway	Physical risks	RCP8.5-SSP5	4°C+	NGFS	Water risk	RCP8.5-SSP3	4°C+	IPCC	Transition risks and opportunities	Stated Policies (STEPS)	2°C	IEA	Current Policies	3°C+	NGFS
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	Transition risks and opportunities	Stated Policies (STEPS)	2°C	IEA																															
		Current Policies	3°C+	NGFS																															
- Applied conducts a cross-functional stakeholder engagement process to assess climate-related risks through a range of interviews, workshops and surveys. - Exposure to nine hazards (including storm, precipitation, hail, wind speed, flooding, extreme heat, wildfires, extreme cold and drought) and water risk is assessed for sites representing over 80% of Applied’s operational footprint and property value. - Projected impacts to operating costs due to carbon pricing were assessed under climate scenarios provided by NGFS. - Regulatory, R&D and product-related transition risks were evaluated both qualitatively and quantitatively across scenarios based on representative business data.																																			
For additional information, review the company’s CDP questionnaire in section C2 identification, assessment and management of dependencies, impacts, risks and opportunities and C5 Business Strategy.																																			

TCFD Index (cont'd)

Topic	Response and References
Risk Management	
b) Describe the company's processes for managing climate-related risks.	Refer to sections above describing Applied's actions and strategy to respond and prepare for climate-related transition risks. Applied uses a risk-assessment structure to identify processes or conditions of concern. 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 also monitors transition risks, including potential climate-related regulatory changes that may impact our business operations or products. Risks are prioritized based on scale, scope, likelihood and mitigation approaches. Once risks are prioritized, Applied begins planning for different scenarios and impacts with relevant teams and stakeholders to develop business continuity plans and complete drills and exercises annually to remain prepared to support our business, customers and supplier operations. At the asset level, our site facilities and business continuity planning teams identify local physical risks and concerns to business units and operations. These teams use the ISO 14001 EMS, PSI Behavior Change, Human and Organizational Performance (HOP) principles or variations of these frameworks to identify site-specific concerns. The physical climate and water risk assessment process is used 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 questionnaire in section C2 Identification, assessment and management of dependencies, impacts, risks and opportunities.
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	Applied's 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 climate-related risks is included in Applied's ERM survey, which is conducted on an annual basis with company leadership. 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. For additional information, review the company's CDP questionnaire in section C2 Identification, assessment and management of dependencies, impacts, risks, opportunities and C5 Business Strategy.

TCFD Index (cont'd)

Topic	Response and References
Metrics and Targets	
a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	Applied's comprehensive, annual tracking of environmental metrics (included in this Data and Disclosures section) such as greenhouse gas emissions, energy and water help inform which parts of our business or value chain may have greater exposure to relevant climate-related risks and opportunities, depending on how those metrics are trending. Business metrics relating to the probability, magnitude and duration of the potential impacts are also assessed. The Business Continuity Planning team also monitors and tracks any events that may disrupt Applied operations or impact employees, including certain potentially climate-related events such as storms, excessive heat events and water-related interruptions. The team monitors the frequency and impact of such events to the business (e.g., hours/days of operation disruption and the number of employees impacted). For additional information, review the company's CDP questionnaire in section C2 Identification, assessment and management of dependencies, impacts, risks, opportunities and C5 Business Strategy.
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See the Environmental Metrics section above, page 64. For additional information, review the company's CDP questionnaire in section C7 Environmental performance—Climate Change.
c) Describe the targets used by the company to manage climate-related risks and opportunities, and performance against targets.	Progress against various climate-related targets is reported in the Environmental Progress section of the 2025 Impact Report and the company's CDP questionnaire in section C7 Environmental performance—Climate Change.

