

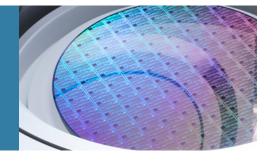
# **Partnering With Integrity**

Standards of Business Conduct for Business Partners



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### A Message to Our Business Partners

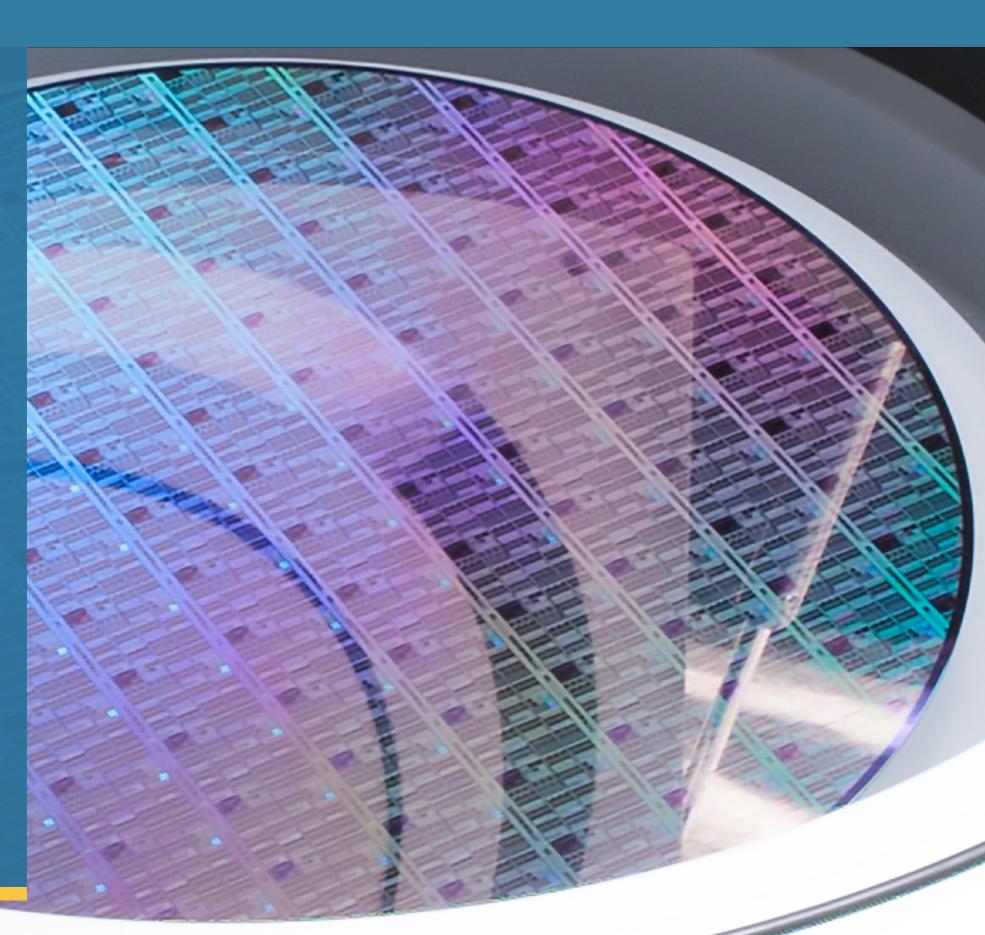
At Applied, our decades-long commitment to high-performing products, technologies, and services has yielded innovations that have not only transformed industries, but transformed communities.

We take pride in our success and recognize that our reputation as the leader in materials engineering solutions used to produce virtually every new chip and advanced display in the world is a function of a pioneering spirit and a passion for doing business the right way. It is also dependent on a network of trusted business partners including suppliers, sales intermediaries, consultants, and contingent workers who are committed to the same high standards.

Our Standards of Business Conduct for Business Partners ("these Standards") provide a framework for *Partnering With Integrity* and set forth the expectation that our business partners will work with integrity and in accordance with the law everywhere they operate.

In addition to setting forth the standards and practices that our business partners must meet, these Standards also provide information about resources available to respond to questions or concerns that might arise in the course of their engagement with us.

We thank each of our business partners for their commitment to our values and for working together with us to Make Possible® a Better Future.



## Setting Expectations

We seek out business partners who share our values ...



### **Working and Collaborating With Integrity**

**SETTING** 

**EXPECTATIONS** 

A MESSAGE TO OUR

BUSINESS PARTNERS

We believe that our business partners are integral to helping us build and maintain trust with our community, regulators, and investors. The way we work is just as important as the work we do. One misstep, even if inadvertent, can have a profound impact to Applied's reputation as well as the reputations of businesses with which Applied interacts. That's why we expect all business partners throughout our supply chain to operate with integrity.

#### **Respecting Laws Around the World**

We expect our business partners to honor commitments, to use best efforts to meet all contractual obligations, and to conduct business with a full understanding of and in compliance with applicable laws, regulations, guidelines, industry codes, and these Standards.

In situations where a local law or regulatory requirement conflicts with a requirement in these Standards, business partners are expected to follow the more restrictive requirement. If it's not clear how to reconcile overlapping or conflicting requirements, we expect our business partners to seek guidance and authorization before proceeding.

We take non-compliance seriously, and we reserve the right to pursue legal or other remedies against any business partner who violates these Standards or applicable laws when conducting business on our behalf.

#### **Ethics Helpline**

Available 24 hours a day, seven days a week



Web: helpline.appliedmaterials.com



Phone: 1-877-225-5554



(See Ethics Helpline website to access phone numbers for locations outside of the United States.)

All reports are fairly and promptly investigated, and handled with sensitivity and discretion. Applied discloses information only to those who need to know in order to investigate

and resolve the issue, and we prohibit retaliation against anyone for asking questions or reporting issues in good faith.

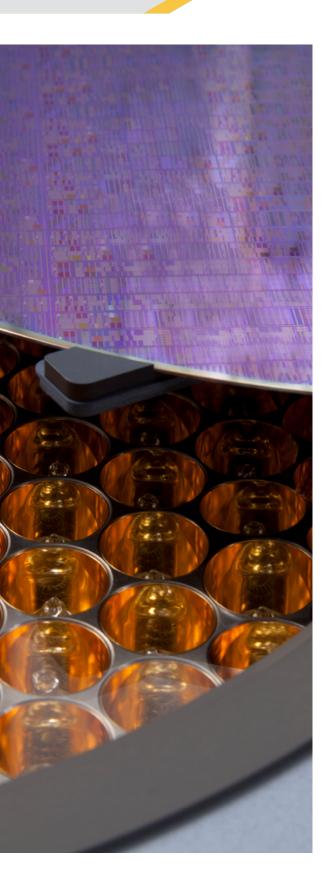
#### **Asking Questions and Reporting Concerns**

Applied is committed to creating a positive work environment – a place where every voice can be heard, issues can be raised and promptly resolved, and communication can flow across all levels of the organization. Openness and communication are critical in our diverse and global work environment. We strongly encourage business partners to come forward with any questions about these Standards or any general issues or situation-specific concerns. We also expect our partners to come forward if they see or suspect a violation of these Standards or the law in connection with the work they do for us.

Our business partners may report concerns through any channel they feel comfortable, including to their Applied contact, through Applied's Ethics Helpline, or by emailing <a href="mailto:ethics\_everywhere@amat.com">ethics\_everywhere@amat.com</a>. The Helpline can be accessed via web or phone, and reports may be submitted anonymously where permitted by law.







#### **Conflicts of Interest**

We're committed to making business decisions that are objective and impartial, and we expect no less from our business partners. Our partners should not try to gain an improper advantage or inappropriately influence an Applied employee's ability to make impartial and objective decisions on behalf of Applied. Business partners have an ongoing obligation to disclose any situation that creates, or could potentially create, a conflict of interest by contacting our Global Ethics & Compliance team at <a href="mailto:ethics\_everywhere@amat.com">ethics\_everywhere@amat.com</a>. This includes situations where an Applied employee (or a relative of an Applied employee) has a financial interest in or leadership position with the business partner, or where an employee of the business partner has a close personal relationship with an Applied employee.



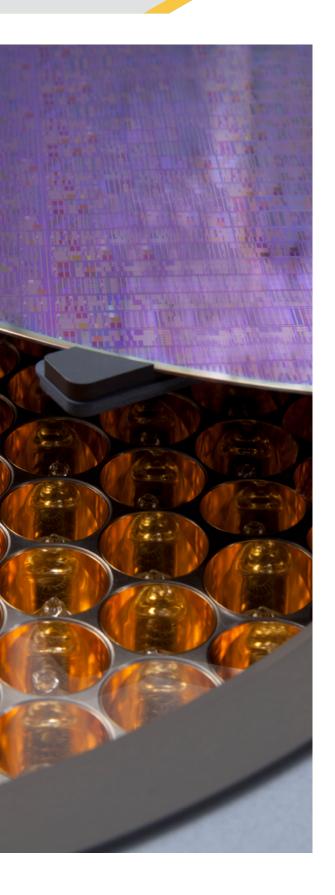
Business partners have an ongoing obligation to disclose any situation that creates, or could potentially create, a conflict of interest with Applied.

#### **Anti-Corruption**

Applied is committed to conducting business in accordance with the highest standards of business integrity and in compliance with the law everywhere we do business, including anti-corruption laws such as the United States Foreign Corrupt Practices Act (FCPA) and the United Kingdom Bribery Act (UKBA). We expect our business partners, including suppliers, sales intermediaries, and contingent workers, to maintain similar high standards and implement appropriate anticorruption policies and procedures to ensure compliance with the law.







#### Gifts, Meals, Entertainment, and Travel (GMET)

The exchange or provision of gifts, meals, entertainment, or travel ("GMET") may create a real or perceived conflict of interest, or could be viewed as a bribe under applicable laws or international standards. Applied expects its business partners to be knowledgeable of the applicable laws and requirements and also to comply with the following key principles when giving GMET to or receiving GMET from an Applied employee:

- Legitimate Business Purpose
- No Improper Influence or Appearance of Improper Influence
- Reasonable and Appropriate

- Open and Transparent
- Permitted Under Local Law and the Recipient's Policies
- Accurately Recorded

Applied has an internal Global Policy on Giving and Receiving Business Gifts, Meals, Entertainment and Travel ("GMET Policy") that establishes the restrictions and requirements around how Applied employees give and receive GMET in order to ensure compliance with the law, as well as Applied's Standards of Business Conduct and Applied's Global Anti-Corruption Policy. Business partners must obtain prior approval from Applied before providing GMET on Applied's behalf to a government official (including an employee of a government agency, government-owned or -controlled company, or a public institution).

Given their role in selecting and awarding business to potential business partners, Applied employees in the supply chain organization are generally held to a higher standard than other employees. Business partners should therefore avoid offering gifts to employees in the supply chain organization to avoid the appearance of a conflict of interest.

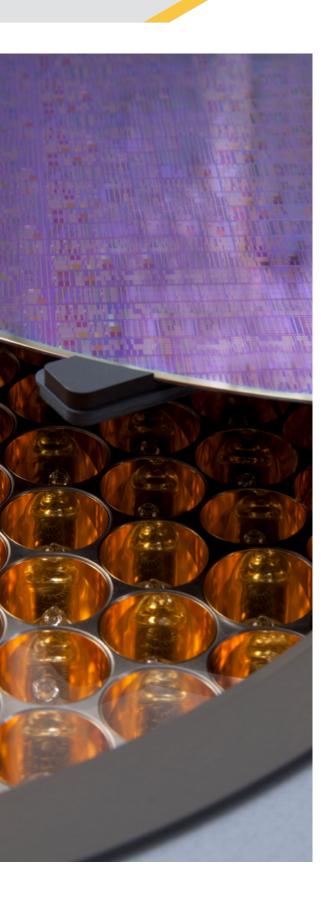
#### **Interactions With Government Officials**

We are committed to meeting the many special legal, regulatory, and contractual requirements that apply to our government work, including without limitation rules about bidding, accounting, invoices, subcontracting, employment practices, contract performance, GMET, protection of government property, purchasing, and other matters. We expect the same commitment to compliance from our business partners because many of these requirements flow down to those working on our behalf. Questions about these requirements should be raised promptly to our Global Ethics & Compliance team at ethics everywhere@amat.com.



Before providing GMET on Applied's behalf to a government official, email ethics\_everywhere@amat.com with details of the GMET.





#### **Insider Trading**

We can only achieve our goals if each of us is open and honest in our interaction and protect the information that drives our success. Through work with us, business partners may learn of information about Applied or other publicly traded companies that is: (1) not available to the general public ("non-public") and (2) potentially important in deciding to buy, sell or hold securities ("material"). Business partners must never trade in securities while aware of material non-public information ("inside information") nor disclose inside information to others so that they may trade in such securities ("tipping") – these practices are prohibited under our policy and the law.

#### **Maintaining Accurate Books and Records**

Good business records drive good business decisions, and good business decisions inspire trust. We expect our business partners to promote financial and reporting integrity by:

- Creating and maintaining records that comply with all applicable laws, regulations and generally accepted accounting principles.
- Recording all transactions honestly, completely, and accurately.
- Never making, or inducing others to make, false or misleading entries in any record or document related to our Company or our business.

#### **Trade Compliance**

WINNING

We have global operations that support customers around the world, and our continued compliance with import and export regulations ensures that we can honor our customer commitments. We expect our business partners to comply with all laws and regulations that relate to the crossborder transfer of goods, services, and technologies. We also expect our business partners who facilitate international trade on Applied's behalf to:

- Screen customers, business partners and transactions to ensure compliance with all applicable requirements.
- Obtain all necessary licenses and approvals.
- Report complete, accurate and detailed information.
- Never participate in international boycotts which are not sanctioned by the U.S. government.









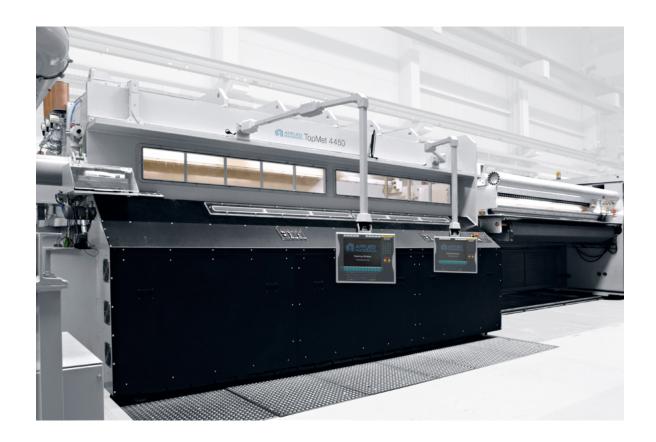
### **Confidential Information and Intellectual Property**

Information, innovation and know-how drive our competitive advantage in the marketplace. We expect our business partners to treat our confidential information, including our intellectual property (e.g., patents, trademarks, copyrights and trade secrets), with the utmost care and consistent with all applicable contractual and legal requirements. Specifically, we require our confidential information to be:

- Used only for legitimate business purposes for the benefit of Applied.
- Appropriately and responsibly labeled, managed (with access limited to those with a need-to-know), stored, and disposed of.
- Protected from unauthorized or malicious disclosure or breach.
- Protected from inadvertent disclosure or breach (e.g., taking care in public places such as elevators, public transportation and restaurants to not discuss or make viewable such information).

#### **Data Privacy**

We understand our obligation to protect the business data and personal information of our business partners, and we expect our business partners to honor their commitment to protect the personal information and data of our workforce, customers, and other third parties with whom we do business. Business partners must comply with all applicable data protection, cybersecurity, and privacy laws and rules; meet Applied's minimum supplier security standards; and handle personal information with a high standard of care and security. Data breaches must be reported immediately.





#### **Cybersecurity**

We protect the security of our technology systems and networks from cybersecurity threats, hacking, service denial attacks, ransom demands, and data exfiltration attempts by adhering to policies and procedures, including incident response processes. We urge our business partners to understand the basics of cybersecurity and take appropriate action. Applied's Minimum Cybersecurity Requirements guide our business partners to a basic cybersecure competency. No measures will provide 100% protection, but these guidelines will help improve our partners' ability to recover quickly from a cyberattack and minimize the damage to IT systems. Any potential incident that involves and impacts Applied's intellectual property or confidential information, or causes a supply disruption, must be reported as soon as possible.

### Applied's Minimum Cybersecurity Requirements

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Log Monitoring

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Patch & Software

Management

- Perform regular full backups of important business data; schedule incremental backups; test backup process at least annually
- Develop escalation process to notify Applied Materials or your Applied customer focal contact at amat\_supplier\_cybersecurity@amat.com during information security incidents
- Maintain and monitor audit logs of sensitive systems, data, and files for unauthorized access
- Patch operating systems and software routinely. Have emergency patching process when new vulnerabilities are identified
- Allow only authorized software on corporate devices
- Install/update all anti-virus, anti-spyware, and anti-malware software; enable real-time detection and update; enable web and email
- software/hardware firewalls

 $(\circlearrowleft)$ **Backup & Incident Data Protection** 

Cybersecurity

Requirements

Management

- Use encryption for sensitive business information and regularly purge old data files
- Minimize client data resident on systems to what
- **Develop Cyber** Team

**Access Reviews** 

- Designate an individual or team responsible for information security.
- Create policies and procedures for cybersecurity and ensure secure research, collaboration, and administration
- Identify and control who has access to your sensitive information: limit system and local admin accounts - perform regular access reviews
- Require individual user accounts and enable Multi-Factor Authentication (MFA) for email, remote and admin users. Limit access based on need-to-know

- Enable Network Segmentation and



(શ≣) **Awareness and Training** 

 Train and continually reinforce importance of cybersecurity awareness and following policies and procedures on managing sensitive information

WINNING

**TEAM** 



### **Environmental Stewardship and Sustainability**

We count on our global workforce and business partners to make choices that are good for our business, our communities and our planet. We protect the environment where we live and work. We expect our business partners to follow our lead and honor our commitment to sustainability and comply with all applicable environmental laws, regulations, guidelines, and Standards (including these). Business partners must also obtain any required environmental permits, licenses, or registrations, and follow all applicable operational and reporting requirements. We encourage our business partners to reduce, reuse, and recycle, dispose of waste in environmentally sound ways, and immediately report any situation that threatens the environment in connection with their operations.





**TEAM** 





#### **Human Rights**

We are committed to protecting human rights throughout our global operations and supply chain. Our commitment and approach are detailed in our Human Rights Statement of Principles. We expect our business partners to follow our lead and comply with laws and standards that:

- Promote a diverse workforce, reasonable working hours, fair wages, safe working conditions, and individual security.
- Prohibit forced labor, the employment of underage children, slavery, and human trafficking.
- Acknowledge freedom of association, and refrain from discriminating against employees based on their engagement in any lawful association.
- Set work schedules in accordance with local laws and consistent with the Responsible Business Alliance Code of Conduct, whichever is more stringent.



### **DID YOU KNOW?**

Employees should not work more than 12 hours in one 24-hour period. Employees also shall not work more than the legal limit or 60 hours in one week (whichever is stricter), including overtime, and shall be provided at least one day off per seven days of work.

#### **Responsible Business Alliance (RBA) Code of Conduct**

As a member of the Responsible Business Alliance (RBA), Applied is committed to complying with the RBA Code of Conduct. We expect our business partners to drive compliance with the RBA Code of Conduct through their supply chains. The RBA Code of Conduct provides standards related to labor, health and safety, environment, ethics (including responsible minerals sourcing), and management systems.



#### **Find Out More:**

**RBA Code of Conduct** 

**Applied Materials Responsible Minerals Sourcing Policy** 





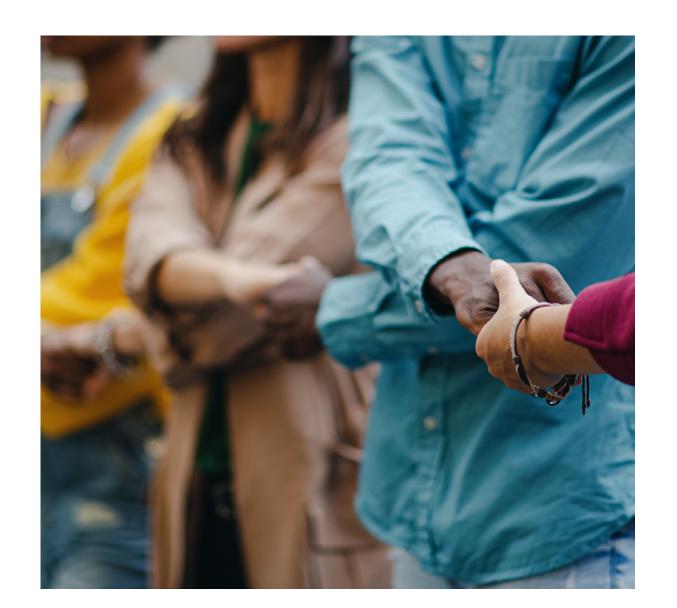


#### **Diversity and Inclusion**

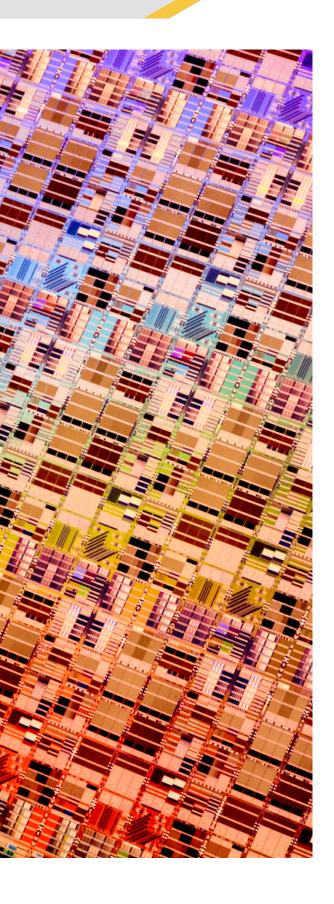
At Applied, we celebrate diversity, respect others, and do our part to create an equitable and inclusive work environment. We expect our business partners to do the same. We also expect that they share our commitment to diversity, and to foster an inclusive culture to increase employment opportunities for women, minorities, veterans, and people with disabilities.

#### **Anti-Harassment**

We believe in maintaining a positive work environment and preserving the right of every individual to work free from discrimination and harassment, including sexual harassment, bullying, and abusive conduct. Our business partners are expected to not only adhere to all applicable laws but also to ensure their workplace is free from discrimination and harassment based on protected characteristics such as race, color, religion, sex (including sexual orientation or gender identity or expression), national origin, age, disability, genetic information, or veteran status.



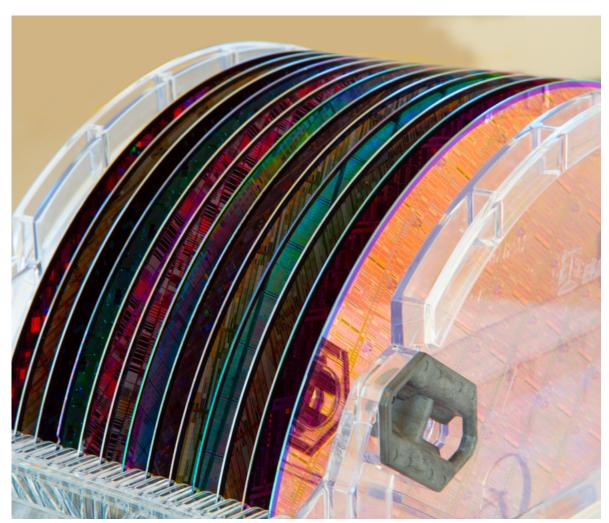




#### **Health and Safety**

People are our greatest asset, so safety is our highest priority. At Applied, we ensure our workplace is safe for our employees and contingent workers and expect our business partners to do the same. Our business partners are expected to maintain and promote the safety, health, and general well-being of their workers and ours by ensuring effective safety training, instituting protective safety measures, and complying with all applicable health and safety laws, regulations, and policies.

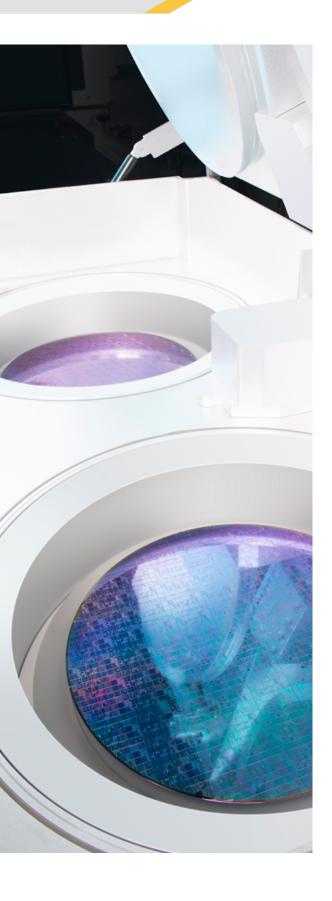




#### **Applied's Brand and Assets**

Our name is our brand and our promise. Business partners cannot use Applied's name or logo, or disclose their business relationship with our Company unless expressly authorized to do so. We also require that our business partners not issue press releases or other publicity related to our relationship without prior written consent. Business partners must never speak to the press on behalf of our Company. Use of our facilities for any purpose other than performance of work authorized by our contract(s) is strictly prohibited.





#### **Product Quality**

We are committed to quality in our products, services and technologies. As part of this commitment, our business partners must:

- Follow all procedures and processes, updating when necessary and communicating changes.
- Make doing the right thing a part of everyday routine.
- Never take shortcuts or make exceptions that could compromise the quality or safety of our products or reputation.
- Identify and mitigate risks, address problems in a transparent and honest manner, and implement sustainable solutions.
- Maintain a focus on prevention and continuous improvement.

### **Product Safety**

Applied products are sold globally and must conform to various product safety laws, regulations, codes, standards and guidelines, including but not limited to applicable material content restriction regulations such as REACH, RoHS, TSCA, WEEE and related regulations. To meet applicable requirements, Applied requires business partners to meet our product safety specification, 0250-27105, the Applied Materials Minimum Product EHS Requirements document.

#### **Relationships With Other Third Parties**

We strive to do business with business partners that share our values. We evaluate and engage with qualified business partners on an objective and fair basis by practicing due diligence and negotiating in good faith. We expect our business partners to observe similar practices in the selection of their business partners and in the performance of their contracts – especially with respect to complying with all applicable laws, honoring human rights, promoting environmental stewardship, sourcing materials responsibly, and speaking up about unlawful or unethical behavior.

#### **Fair Competition**

We believe in free and open competition, and we never engage in improper practices that may restrain trade. We expect our business partners to comply with all applicable antitrust and competition laws, including never seeking to gain an improper advantage through unethical or illegal business practices. In particular, we avoid any discussions with competitors that could be viewed as: an agreement to restrain trade in any way; formal or informal agreements with business partners that may unfairly restrict competition; or participate in other abusive behavior. To ensure that business partners are acting in compliance with competition laws, all agreements must be formally documented.



### **Closing Message**

At Applied, integrity has been at the core of who we are, what we do, and how we do it since our founding. We remain committed to carrying on our legacy of excellence and making possible a better future. Our ultimate success depends on our business partners.

We look to them to demonstrate compliance with the principles of our Standards of Business Conduct for Business Partners and always follow the law and the highest standards of integrity.

If you are one of our business partners: Thank you for reading and committing to these Standards.

#### **Ethics Helpline**

Available 24 hours a day, seven days a week

Web: helpline.appliedmaterials.com



Phone: 1-877-225-5554



(See Ethics Helpline website to access phone numbers for locations outside of the United States.)

All reports are fairly and promptly investigated, and handled with sensitivity and discretion. Applied discloses information only to those who need to know in order to investigate and

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