

An abstract graphic of a circuit board with various lines, dots, and shapes in shades of blue and white, spanning the top half of the slide.

Managing Supply Chains Through the Lens of ESG

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Agenda

- Introductions
- The Journey to Responsible Sourcing
- Applied Materials – SuCCESS2030
- Discussion: ESG + Supply Chains
- Best Practices and Key Takeaways



About the Presenters



Kim Vu

Senior Manager, SuCCESS2030
Applied Materials



Karen Alonardo

Vice President, ESG Solutions
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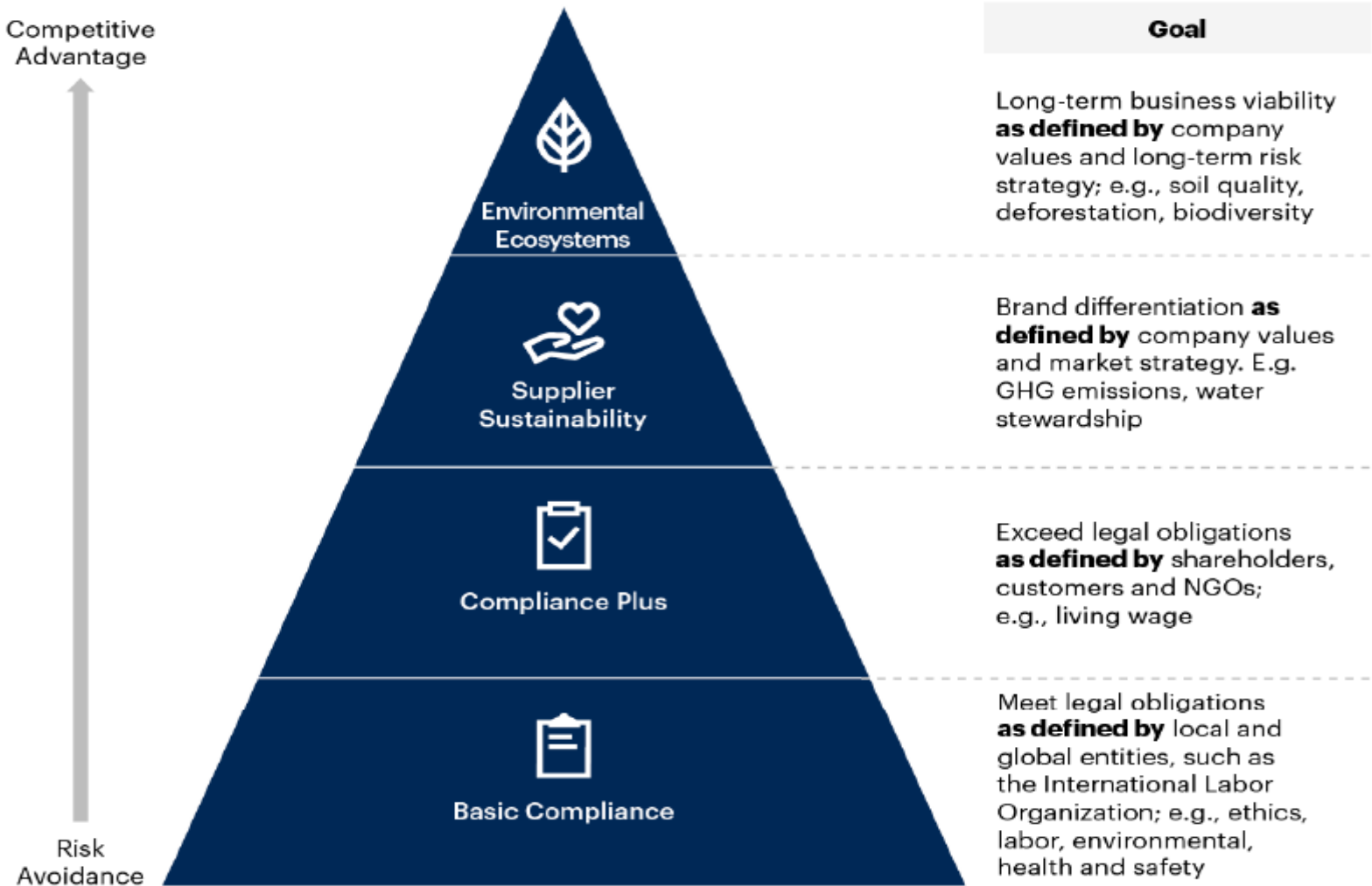


Alina Scarlett

Supply Chain Program Manager
Applied Materials

Gartner's Journey to Responsible Sourcing: Key Elements to Consider

Responsible Sourcing Scope Definition



Attribution: Gartner, The Journey to Responsible Sourcing: Key Elements to Consider, Sarah Watt, Miguel Cossio, 22 January 2021

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Applied Material's "SuCCESS2030"

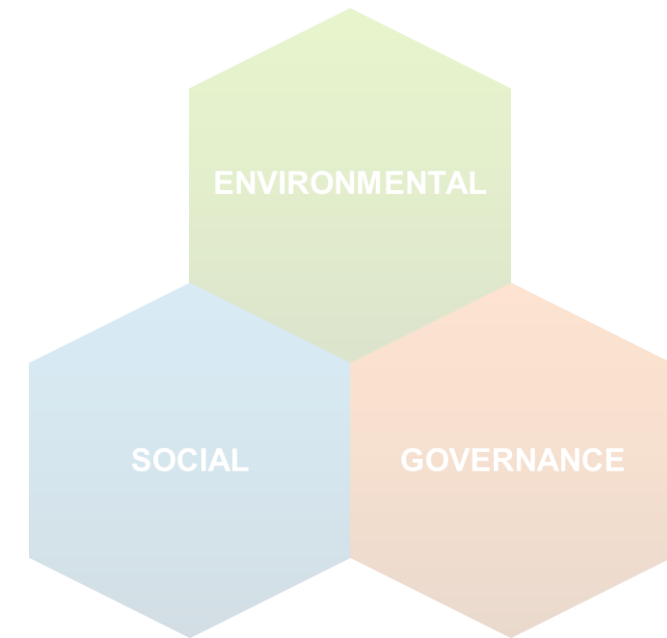


SUPPLY CHAIN CERTIFICATION FOR
ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

"SuCCESS2030 (Supply Chain Certification for Environmental and Social Sustainability) will optimize material and parts selection, procurement, packaging, warehousing, transportation and recycling to reduce energy and emissions and conserve resources. The initiative also aims to promote ethics, human rights, diversity and inclusion throughout the supply chain."

The SuCCESS2030 initiative strengthens Applied Materials' ESG supply chain strategy and supports:

- Ethical labor practices
- Responsible minerals sourcing
- Programs promoting adherence to industry-wide doctrines
 - RBA (Responsible Business Alliance) Code of Conduct
 - SEMI guidelines
 - Applied Materials' Standards of Business Conduct.



Source: "Applied Materials Launches Sustainable Supply Chain Initiative" July 21st, 2020 <http://www.appliedmaterials.com/company/news/press-releases/2020/07/applied-materials-launches-sustainable-supply-chain-initiative>

Discussion

How does
ESG impact
responsible sourcing?



Key Discussion Questions

- What E, S and G risks exist in supply chains?
- What are the commonly used measurement criteria?
- How do we set an obtainable program scope?
- How do we ensure repeatability?



Key Takeaways

- Building an ESG-focused, **responsible sourcing program is a journey**
- Many organizations start with basic compliance, with **aspirations of sustainability**
- Having a supply chain that follows ESG and sustainable practices not only **mitigates risk**, but also **differentiates brand value**
- Partnering with **accepted industry doctrines** helps guide the way and establish credibility





Questions for Discussion



Thank You!

