

Company Name Applied Materials
Industry ICT (Own operations and Supply Chain)
UNGP Core Score (*) 4.5 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
1	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
0	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
0	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1.5	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
4.5	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: General HRs commitment: The Company states in its Human Rights Policy that it 'is unequivocally committed to protecting human rights wherever we do business and to conducting business in an ethical and responsible manner'. [Human Rights Policy, 15/07/2020] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: UNGPs • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: ILO Core: The Company's code of conduct describes the principles that the Company follows and discloses that it 'prohibits the use of child labor, and the use of forced, bonded, or indentured labor practices in our operations. Additionally, we forbid harsh or inhumane treatment, including corporal punishment or the threat of corporal punishment.' Also, the Company states that 'All members of our workforce share the responsibility for promoting mutual understanding and cooperation and for creating and maintaining a work environment in which discrimination and harassment are not tolerated.' However, no commitment found on respecting worker's rights of freedom of association and to bargaining collectively. [Standards of Business Conduct, 2020: appliedmaterials.com] • Not met: UNGC principles 3-6 • Not met: Explicitly list ALL four ILO for ICT suppliers: The Company states that 'Our vendors and suppliers are expected to comply with Applied Materials' Standards of Business Conduct, as well as with the Labor, Health and Safety, Environment, Management Systems and Ethics standards described in the Responsible Business Alliance's (RBA) Code of Conduct.' Applied Materials 'adopted the RBA Code of Conduct' in 2005. This document states that 'Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used [...] Child labor is not to be used in any stage of manufacturing [...] Participants should be committed to a workforce free of harassment and unlawful discrimination [...] In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities'. However, it is not clear whether the Company is requiring to respect those rights in all contexts, as it indicates 'in conformance with local law'. In these cases, companies are expected to require alternative mechanisms or equivalent workers bodies where the right to freedom of association and collective bargaining is restricted under law. [Standards of Business Conduct, 2020: appliedmaterials.com & Supplier Code of Conduct (RAB 6.0), 01/2018: responsiblebusiness.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core • Met: Respect H&S of workers: Applied Materials discloses that 'conducts its business operations in a manner that preserves the environment and protects the health and safety of workers, customers and neighbouring communities'. [Environmental, Health and Safety policy, 08/11/2018: appliedmaterials.com] • Met: H&S applies to ICT suppliers: The Company expects its suppliers to follow the guidelines of the RBA code of conduct. The RBA Code of Conduct includes health and safety requirements, including the following topics: Occupational Safety; Emergency Preparedness; Occupational Injury and Illness; Industrial Hygiene; Physically Demanding Work; Machine Safeguarding; Sanitation, Food, and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Housing; and Health and Safety Communication. [RBA Code of Conduct, 01/2018: responsiblebusiness.org] <ul style="list-style-type: none"> • Not met: working hours for workers • Not met: Working hours for ICT suppliers: The RBA code of conduct states that 'Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days'. No evidence found, however, of requirement to meet international standards (ILO) or regular working week hours. [Supplier Code of Conduct (RAB 6.0), 01/2018: responsiblebusiness.org]
A.1.4	Commitment to engage with stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to stakeholder engagement • Not met: Regular stakeholder engagement: The Company indicates: 'Responsibility, accountability and integrity are foundational to our success. [...] They are vital to our culture of mutual trust and respect, which nurtures constructive and cooperative partnerships with all of our stakeholders—from our workforce to our customers, our suppliers and the public.' However, no evidence found in relation to regular affected stakeholder engagement activities. [Human Rights Policy, 15/07/2020] Score 2 <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to remedy Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with ICT suppliers to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Senior responsibility for HR Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for ICT in supply chain
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Not met: Identifying risks in ICT suppliers: The Company reports in its Human Rights Policy: 'In 2018 and 2019, we worked with one of our customers to conduct a multi-step assessment of Forced Labor and Bonded Labor risks in our supply chain. We conducted a deep dive assessment of the supply chains of three of our Asia-based suppliers to assess their foreign or migrant worker hiring practices, which included mapping the journeys of foreign or migrant workers and assessing any hiring practice risks revealed by the mapped journeys.' However, this indicator looks for evidence of which are the potential human rights risks and impacts that should be later assessed for saliency. [Human Rights Policy, 15/07/2020] Score 2 <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Including in ICT supply chain • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including ICT suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: Applied Materials has an Ethics Helpline in which workers can raise complaints related to policy violations on Company's operation. It indicates in its Human Rights Policy: 'Applied Materials operates global business ethics helplines that allow anyone to raise a concern using our global business ethics helpline' [Standards of Business Conduct, 2020: appliedmaterials.com & Human Rights Policy, 15/07/2020] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Met: Channel is available in all appropriate languages: The Ethic Helpline is available 24 hours a day, seven days a week and in 22 different Countries in local languages. [Standards of Business Conduct, 2020: appliedmaterials.com] • Met: Expect ICT supplier to have equivalent grievance systems: The Company, that expects its suppliers to follow the RBA code of conduct, states that 'Participants shall adopt or establish a management system whose scope is related to the content of this Code. The management system should contain the following elements: Ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement.' [Supplier Code of Conduct (RAB 6.0), 01/2018: responsiblebusiness.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Grievance mechanism for community: The Company states in its Human Rights Policy: 'Applied Materials operates global business ethics helplines that allow anyone to raise a concern using our global business ethics helpline'. [Human Rights Policy, 15/07/2020] Score 2 <ul style="list-style-type: none"> Met: Describes accessibility and local languages: The Ethics Helpline is available 24 hours a day, seven days a week and in 22 different Countries in local languages. [Standards of Business Conduct, 2020: appliedmaterials.com] Not met: Expects ICT supplier to have community grievance systems Not met: ICT supplier communities use global system
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Describes how remedy has been provided Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> Not met: Changes introduced to stop repetition Not met: Approach to learning from incident to prevent future impacts Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found.

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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