



Act with
purpose
for a
better world

2023

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT



In this time of rapid technological evolution, we are finding smarter ways to stay ahead. It's not just about moving fast—it's about moving with purpose.

As a global supplier of wafer fabrication equipment and services, Lam's technology is at the core of the semiconductor industry's most exciting innovations. To ensure a sustainable future as we help transform the world with technology, we aspire to incorporate environmental, social, and governance (ESG) principles across our business. From the way we power our global operations to our approach to designing next-generation products, we remain dedicated to acting with purpose for a better world. With this report, we are proud to share impactful stories and data that demonstrate our ESG progress throughout 2023.¹

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¹ Unless stated otherwise, the data in this report reflect our performance as of Dec. 31, 2023.



Purpose-driven progress for a better world

For decades, one statement has held true: ‘There’s never been a more exciting time to be in the semiconductor industry.’ Each new generation has delivered the technological progress that was only imagined by those that came before. And today, we are at the dawn of the next era of innovation—Artificial Intelligence (AI).

AI is expected to be a powerful demand driver for our industry, and it is already changing the world. Here at Lam, we recognize the role technology plays in shaping the future. That is why we strive to integrate our Guiding Principle, ‘Act with purpose for a better world,’ into all that we do.

This new era of AI will elevate technological complexity to the next level. So, we’re leveraging virtual solutions that accelerate problem-solving and harnessing AI as a tool for our scientists and engineers. By utilizing simulation in place of physical experimentation, we can dramatically reduce our R&D emissions and use fewer chemicals.

We recognize the threat of a changing climate and know the biggest opportunity to reduce our environmental impact is through our products and services. This year, our Chief Technology Officer assumed responsibility for sustainability at Lam so that we can drive innovations to reduce our carbon footprint.

We also leverage our global reach to promote progress beyond Lam. Our human rights program incorporates international principles and the Responsible Business Alliance standards – fostering an environment for Lam and our supply chain to operate within the Core Values of our company.

Delivering on our technology roadmaps will only happen with an educated and motivated workforce. For our own employees, Lam offers wide-ranging internal leadership development programs to provide tailored opportunities for growth throughout their career.

We also know our efforts to develop talent must extend into the communities in which we operate. To build the future workforce, we are collaborating with leading universities and governments, including recently with the government of India to deploy our advanced software solutions to train up to 60,000 semiconductor engineers over the next decade.

For many of us at Lam, our love of technology started at an early age. In 2023, we kicked off our three-year, \$10 million commitment to *FIRST*® Global, an organization which brings together students from around the world to participate in a collaborative robotics competition. I was honored to watch as they built on their passion for STEM and created connections across cultures.

Our employees also acted as mentors to *FIRST* teams – and this was just one of thousands of volunteer activities. Overall, our employees increased their volunteer hours in 2023 by 45 percent over the prior year to more than 30,000 hours.

The opportunities ahead are exciting, but what is truly motivating is imagining the future – and then proving it’s possible. Lam’s employees thrive on collaborating to overcome the toughest challenges and unleash the power of innovation for a better world.

And while it’s been said before, it remains true: there has never been a more exciting time for the industry—and I know for Lam, the best is yet to come.

Tim Archer
President and CEO, Lam Research



Positioning our company—and global chipmakers—for success.

Lam Research is headquartered in **Fremont, California**, with:

14

primary locations worldwide

12

manufacturing facilities

7

labs dedicated to research and development (R&D)

Our operations bring together **~17,200+ employees** who are distributed across¹:

- 44.8% United States (U.S.)
- 21.1% Southeast Asia & India
- 10.7% Taiwan
- 8.5% South Korea
- 7.4% Europe
- 4.7% China
- 2.8% Japan

LAM RESEARCH AROUND THE WORLD



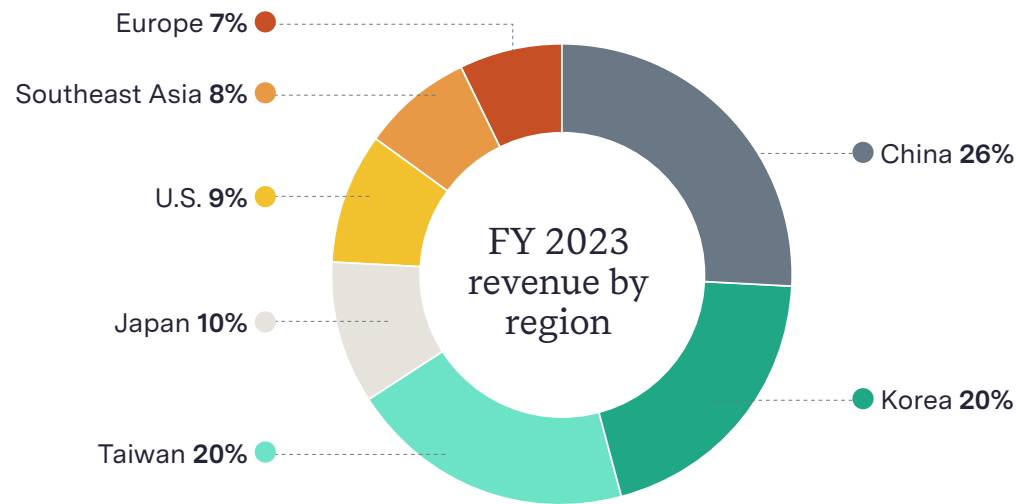
¹ Minimal rounding has been applied to these data.



Financial performance by fiscal year (FY)

(IN THOUSANDS, EXCEPT PERCENTAGES AND PER SHARE DATA)	FY 2021 ¹	FY 2022 ²	FY 2023 ³	CHANGE FROM FY 2022 TO FY 2023
Revenue	\$14,626,150*	\$17,227,039	\$17,428,516	1.2%
Gross margin	\$6,805,306	\$7,871,807	\$7,776,925	(1.2)%
Gross margin as a percent of total revenue	46.5%	45.7%	44.6%	(1.1)%
Total operating expenses ⁴	\$2,323,283	\$2,489,985	\$2,602,065	4.5%
R&D expenses	\$1,493,408	\$1,604,248	\$1,727,162	7.7%
R&D as a percent of operating expenses	64.3%	64.4%	66.4%	2.0%
Net income	\$3,908,458	\$4,605,286	\$4,510,931	(2.0)%
Net income per diluted share	\$26.90	\$32.75	\$33.21	1.4%

* Throughout this report, \$ refers to U.S. dollars.



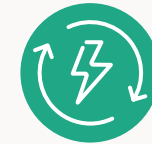
¹ Ending June 27, 2021.
² Ending June 26, 2022.
³ Ending June 25, 2023.
⁴ Includes R&D expenses.

Culture and approach

Our Mission is to drive semiconductor breakthroughs that define the next generation. To fulfill this mission, we focus on nine Core Values that shape our global culture and guide our day-to-day business approach:



Achievement



Agility



Honesty and integrity



Inclusion and diversity



Innovation and continuous improvement



Mutual trust and respect



Open communication



Ownership and accountability



Teamwork





Achieving ESG progress

We set near- and long-term targets to keep us focused on our pursuit of ESG progress and accountable for our performance each year. Unless stated otherwise, we aim to complete each of our ESG goals by 2025. In 2023, we continued to build momentum across our ESG pillars. We also received recognition from our customers and independent raters and rankers, including being named among the World's Most Ethical Companies by Ethisphere. Lam was the only wafer fabrication equipment maker and one of only two companies in the semiconductor category to be included on the list in 2023.



ESG PILLAR	GOAL	STATUS	TIMEFRAME
Governance	<ul style="list-style-type: none"> Continue to expand our disclosure and alignment with industry-recognized frameworks and standards. 		Annual
Product innovation	<ul style="list-style-type: none"> 83% of customers measured by emissions have science-based targets (SBTs).¹ 		Annual
Sustainable operations	Achieve net zero emissions by 2050, including by meeting the following targets:		
	<ul style="list-style-type: none"> Achieve 100% renewable electricity by 2030. 		Annual
	<ul style="list-style-type: none"> Reduce absolute Scope 1 and 2 (market-based) greenhouse gas emissions 25% by 2025 and 60.6% by 2030 from a 2019 baseline. By 2040, achieve net zero operations. 		Cumulative from baseline
	<ul style="list-style-type: none"> Achieve 12 million kilowatt-hours in total energy savings from a 2019 baseline. 		Cumulative from baseline
	<ul style="list-style-type: none"> Achieve zero waste to landfill for hazardous waste. 		Annual
Workplace	<ul style="list-style-type: none"> Achieve 80 million gallons of water savings in water-stressed regions from a 2019 baseline. 		Cumulative from baseline
	<ul style="list-style-type: none"> Build on our high-performance culture with best-in-class employee engagement at the global benchmark as measured by our annual employee survey. 		Annual
	<ul style="list-style-type: none"> Maintain an Occupational Safety and Health Administration (OSHA) recordable injury rate at or below 0.4 annually. 		Annual
	<ul style="list-style-type: none"> Increase the proportion of women (globally) and underrepresented employees (U.S.) across the company. 		Annual
Responsible supply chain	<ul style="list-style-type: none"> Achieve more than 90% compliance with our social and environmental expectations across our top suppliers.² 		Annual
	<ul style="list-style-type: none"> Engage with at least 50% of our top suppliers on environmental sustainability opportunities. 		Annual
	<ul style="list-style-type: none"> Increase engagement with suppliers on social and environmental topics through assessment, training, and capacity building. 		Annual
	<ul style="list-style-type: none"> 46.5% of suppliers³ measured by emissions have science-based targets (SBTs).¹ 		Cumulative from baseline
Community	<ul style="list-style-type: none"> Determine key targets for larger-scale impact aligned to a new strategic focus. 		Annual
	<ul style="list-style-type: none"> Implement measurement of outcomes for key program and large-scale grants. 		Annual
	<ul style="list-style-type: none"> Increase annual unique participation rate in all employee giving programs from 10% to 30%. 		Annual
	<ul style="list-style-type: none"> Contribute 40,000 employee volunteer hours annually. 		Annual

¹ Please refer to [about this report](#) for a detailed description of how we calculate this goal.

² Top suppliers are defined as the top 100 direct suppliers, who account for approximately 96% of related spend and 95-98% of supply chain emissions, with some variability year over year.

³ Includes indirect and direct suppliers. Please see the [Glossary](#) for a more detailed definition of both.

2023 ESG scores and recognitions

KEY INDEX	BEST POSSIBLE RANKING	2020	2021	2022	2023
Dow Jones Sustainability Index North America	Listing indicates top 20% sustainability performance	Unlisted	Listed	Listed	Listed
CDP Climate Change questionnaire	A	B	B	B	B
CDP Water Security questionnaire	A	B	B	B	B
ISS ESG Corporate Rating	Excellence (A+)	C	C	C	C
MSCI USA	AAA	AA	AA	AAA	AAA
Sustainalytics ESG Risk Rating	Negligible (0)	17	14.7 low risk	13.7 low risk	13.6 low risk



CUSTOMER RECOGNITIONS

Intel—EPIC Outstanding Supplier Award with supplier diversity distinction

Micron—Outstanding Performance in Supplier Diversity Award

TSMC—Excellent Performance Award



WORKPLACE AND INDUSTRY RECOGNITIONS

Forbes

- America’s Best-in-State Employers Oregon: #11
- America’s Most Cybersecure Companies: #31
- America’s Best Employers for Diversity: #82
- World’s Best Employers: #541

Fortune

- Fortune 500: #240
- World’s Most Admired Companies: #5 in the semiconductor industry

Newsweek

- America’s Most Responsible Companies: #54
- America’s Greatest Workplaces for Diversity: 5/5 stars
- America’s Greenest Companies: 4/5 stars

Ethisphere—World’s Most Ethical Companies

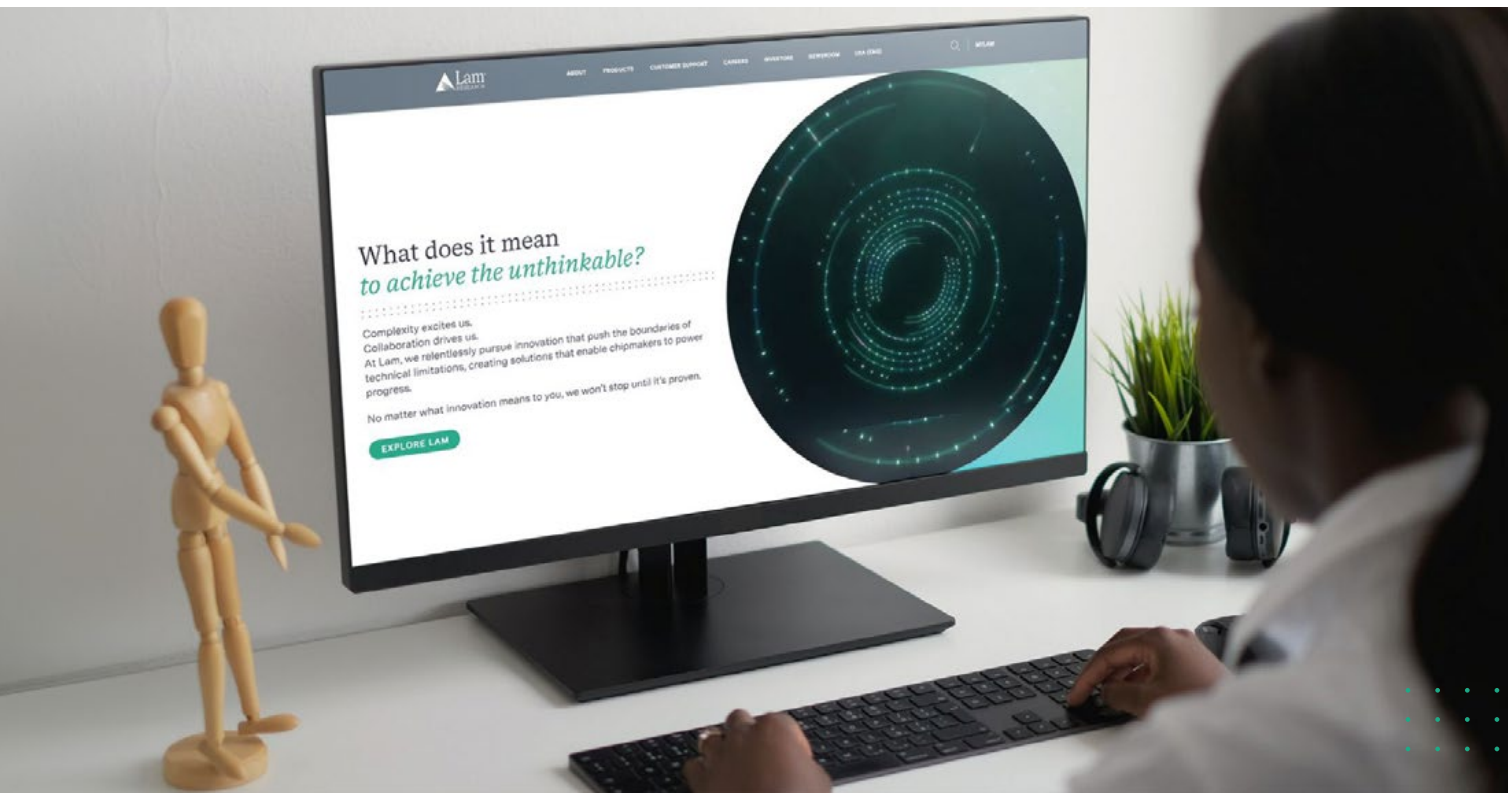
JUST 100—America’s Most JUST Companies: #95

Time—World’s Best Companies: #65

USA Today—America’s Climate Leaders

Human Rights Campaign—Corporate Equality Index: 100/100

Have a question about a term in this report? View the [Glossary](#) for clarification. [→](#)



Semiverse™ Solutions and the virtual path toward a \$1T industry

The semiconductor industry has always been a cornerstone of technological evolution, with personal computers, smartphones, and data centers all defining major periods of expansion and innovation.

With new advancements in smart mobility, automation, and artificial intelligence now added to the mix, we see our industry at the dawn of another era of rapid innovation. The future will be more complex and more expansive, with an increasing array of devices demanding a higher volume of chips. The culmination: a \$1 trillion market opportunity, with growth taking place on a global scale.

“As the semiconductor ecosystem races to scale to address the criticality of chips, the virtual-physical fabrication world made possible with Semiverse™ Solutions opens the door for exciting new opportunities for collaboration, workforce development, and advanced technology breakthroughs.”

David Fried

corporate vice president and leader of Semiverse™ Solutions at Lam

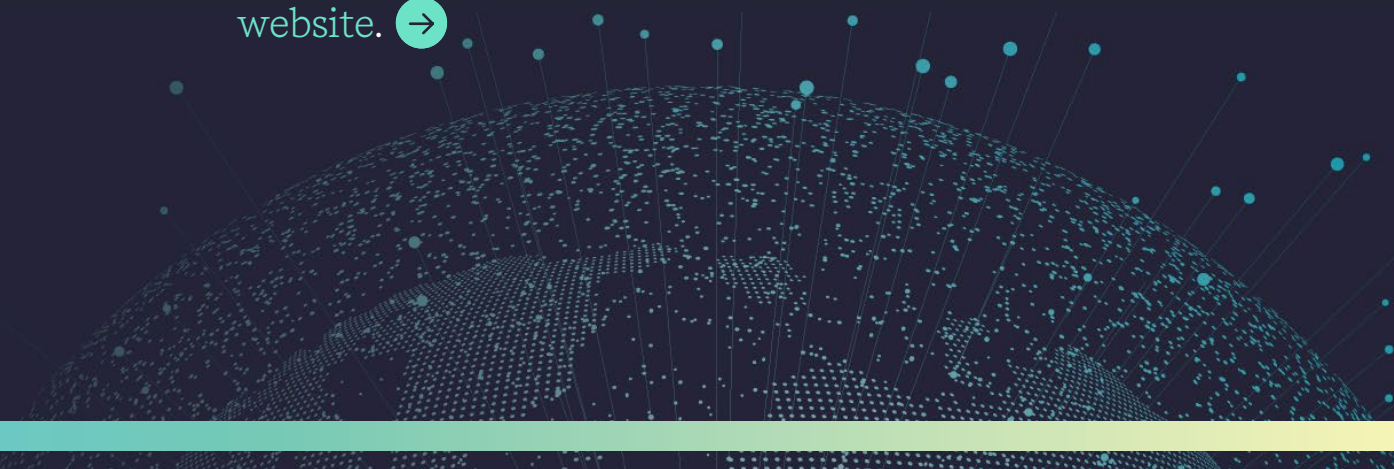
As companies build new facilities in new locations and governments invest in semiconductor competitiveness, the industry is becoming more geographically diverse. Such a shift requires a comprehensive approach to support a larger, more distributed sector while addressing both environmental and economic sustainability. At Lam, we're harnessing the power of virtual-world technologies to navigate these real-world challenges. Our ambition is to create a symbiotic, physical-virtual semiconductor ecosystem that enhances efficiency and reduces environmental footprints and costs. Moreover, this model is expected to foster unparalleled collaboration, accelerating innovation across a new industry landscape.

Through this vision, we unveiled our new Semiverse™ Solutions business in 2023, which includes a portfolio of advanced software platforms to solve process modeling, design automation, and integration challenges. Also included are solutions that enable advanced plasma, fluid, electromagnetic, and particle simulations. Together, these tools provide the building blocks for an interconnected ecosystem of virtual tools and digital twins.

With this launch, we are powering sustainable innovation. Lam employees can use these solutions to refine new processes and explore promising ideas—not only more rapidly, but with fewer physical resources and at significantly lower costs. By combining human expertise with the computing power of machines, we enable faster, cheaper experimentation. And through virtual experimentation and simulation, engineers can reduce electricity usage, process gas, and chemical waste. This is critical for reducing our impact on the environment as we discover the next semiconductor breakthroughs.

Semiverse™ Solutions will also play a key role in our strategy to facilitate a pipeline of future semiconductor talent, an initiative we announced at the White House via a joint statement with the U.S. and Indian governments in June 2023. Using our SEMulator3D® software, we intend to facilitate a virtual nanofabrication environment to help train India's next generation of semiconductor engineers. The initiative will include program management and customized course curriculum development, with the program aiming to educate up to 60,000 students over 10 years.

Learn more about how we're leveraging Semiverse™ Solutions to help overcome our industry's biggest challenges via our [website](#). →





Business and governance

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Business and governance

We're integrating environmental, social, and governance (ESG) principles across our business and leading the company forward with purpose.

2023 HIGHLIGHTS

Updated [Lam's Code of Conduct](#) to improve ease of use and guide ethical decision making.

Created a [cross-functional Government Funding Working Group](#) to guide Lam's efforts in leveraging government funding.

Formalized [Lam's Public Policy Advisory Committee](#) to oversee the LAMPAC and support thoughtful policymaking.



GOAL	STATUS	2023 PROGRESS
Continue to expand our disclosure and alignment with industry-recognized frameworks and standards.		Our efforts to increase disclosure maintained or improved our ratings and rankings with third parties.





Our ESG approach

Lam’s innovations have a major impact and reach. The tools we develop and the advancements we drive are critical to the production of the world's most advanced chips, facilitating technology in the realms of communication, transportation, clean energy infrastructure, and healthcare.

We integrate ESG principles into our business to contribute to a better world. Doing so strengthens our organization, driving us to proactively manage and mitigate risks; deepen our values-based culture; and become even more collaborative, innovative, and efficient. Our [ESG approach](#) centers on stakeholder engagement, goal setting, and accountability for our performance over time. In that regard, we aim to remain in step with expectations and legal requirements around transparency and disclosure; as well as industry-recognized frameworks, best practices, and standards.



Our ESG mission is to *elevate human prosperity and protect the environment* in our operations, supply chain, and the products we create.

Where we focus our ESG efforts

Our ESG initiatives encompass many aspects of Lam’s business—from the way we manage our workforce and supply chain to how we develop new products. To ensure a focused approach, we’ve organized our ESG program around six pillars that reflect areas where Lam can make the most meaningful impact.



BUSINESS AND GOVERNANCE

Integrate ESG into our business operations and foster ownership and accountability as we advance our ESG strategy and goals.



PRODUCTS AND CUSTOMERS

Innovate with sustainability in mind and design for environment principles to be a partner of choice for our customers and support their ESG goals.



SUSTAINABLE OPERATIONS

Minimize our environmental impact through investments in energy, water, waste, and greenhouse gas (GHG) emissions reductions.



OUR WORKPLACE

Build an inclusive, diverse, and engaged workplace while achieving top performance in health and safety.



RESPONSIBLE SUPPLY CHAIN

Ensure an ethical and responsible business ecosystem focused on human rights and the environment.



OUR COMMUNITIES

Be a responsible corporate citizen with programs focusing on transformative learning, resilient communities, and inclusive societies.

Learn more about our ESG strategy via our [website](#).





SUPPORTING GLOBALLY RECOGNIZED SUSTAINABILITY PRINCIPLES AND GOALS

We are not alone in our dedication to improving sustainability and enhancing the quality of life of communities worldwide. Since 2022, Lam has been a proud member of the United Nations Global Compact (UNGC). The organization is the world's largest corporate sustainability initiative, bringing together thousands of participating businesses to take shared responsibility for achieving a better, more sustainable world. As a member, Lam supports the UNGC's Ten Principles for labor, environment, anti-corruption, and human rights.

We also support the advancement of the UN's Sustainable Development Goals (SDGs), which represent an international effort to tackle the world's most pressing issues. As global citizens, we see the framework of the SDGs as another method of measuring Lam's progress and ensuring our ESG initiatives serve the greater good. We aim to drive progress on the SDGs throughout Lam's operations and supply chain, including through our workforce, our products, and our social impact platform. View the [Key Data and Frameworks](#) to learn how Lam is working to accelerate progress toward priority SDGs.

LEVERAGING THE RESPONSIBLE BUSINESS ALLIANCE (RBA) TO ENHANCE OUR ESG EFFORTS

Composed of more than 230 companies, the RBA is the world's largest industry coalition dedicated to responsible business conduct in global supply chains. As a member, Lam supports the RBA's mission and vision and strives to uphold the RBA's Code of Conduct. In recent years, we've increasingly leveraged RBA tools to support a variety of ESG-related practices, including enhancing human rights due diligence and sustainability in our supply chain, strengthening our culture of ethics and compliance, and supporting effective environmental management. View [Responsible supply chain](#), [Business and governance](#), and [Sustainable operations](#) to learn more about each of the above topics.

Aligning our reporting with industry-leading frameworks

We align our reporting and priority ESG topics with the Global Reporting Initiative's (GRI) Universal Standards and with the Sustainability Accounting Standards Board (SASB) Standard for the Technology and Communications Sector: Semiconductor Industry. View the [Key Data and Frameworks](#) to reference our GRI and SASB frameworks.





Holding ourselves accountable

Lam is a large and complex organization with hundreds of teams pursuing projects around the world. To promote business and ESG progress and ensure alignment in our efforts, effective leadership, oversight, and accountability are key. Our Board of Directors (Board) and executive leaders believe in the power of strong corporate governance to deliver benefits for our company and stakeholders over the long term. We have processes for ESG governance in place that establish clear responsibilities for the oversight, management, and implementation of our ESG strategy. These responsibilities start at our Board and extend throughout the organization. We have also tied our executive compensation program to certain aspects of Lam’s ESG goals to ensure that our executive leaders are accountable for driving ESG progress and are rewarded for their achievements.



How our leaders engage the Board around ESG topics

Leaders throughout our organization provide the Board and its committees with regular updates to ensure their awareness of key ESG topics. Our Board engagement processes include the following:

- **The chief technology and sustainability officer** provides ESG updates via presentations or written reports to the full Board or the Nominating and Governance Committee four times per year.
- **The corporate vice president of global trade and government affairs** provides quarterly updates on political activities and an annual update on political policy and contributions to the Nominating and Governance Committee.
- **The chief legal officer** provides updates on critical enterprise risks to the full Board.
- **The chief compliance officer** provides quarterly ethics and compliance updates to the Audit Committee and an annual update to the full Board.
- **The chief information security officer** provides quarterly information security updates to the Audit Committee and an annual update to the full Board.
- **The chief human resources officer** provides quarterly human capital management updates to the Compensation and Human Resources Committee and an annual update on employee engagement to the full Board.



Learn more about our corporate governance practices and executive compensation program in our [2023 Annual Report](#). You can also visit our [website](#) for a library of corporate governance documents and additional information about ensuring Board effectiveness, Board diversity, and more. [→](#)



ESG governance at Lam



Evolving our leadership

In 2023, Lam announced several new executive appointments to position the company for future innovation and long-term growth. This included naming:

- **Tina Correia** as group vice president, chief accounting officer and business finance
- **Pearl Del Rosario** as vice president, chief compliance officer
- **Neil Fernandes** as senior vice president, global customer operations
- **Rick Gottscho** as executive vice president, strategic advisor to the CEO with a focus on the innovation ecosystem
- **Pat Lord** as executive vice president, chief operating officer
- **Vahid Vahedi** as senior vice president, chief technology and sustainability officer
- **Sesha Varadarajan** as the senior vice president of the global products group

We also announced two new members of our Board: **John M. Dineen**, who brings extensive experience in global management and operations, and **Dr. Ho Kyu Kang**, who brings a deep knowledge of our industry, technology, and customers.

Board diversity

Lam’s Board shares our company’s Core Values of inclusion and diversity. In identifying potential director candidates outside the company, the Nominating and Governance Committee actively seeks qualified candidates who reflect diverse backgrounds, skills, and experiences—including diversity in terms of geography, gender identity, LGBTQ+ identity, age, race and ethnicity, and classification as a member of an underrepresented minority—to include in the pool from which Board nominees are chosen.

Learn more about our Board demographics in [Our workplace](#). →





Engaging key stakeholders

In our evolving industry, there are always new opportunities, challenges, and trends. That means the issues that are top of mind for our stakeholders can also shift over time. We maintain open communication channels with our communities, customers, employees, industry organizations, policymakers, stockholders, and other stakeholders to inform our decision-making around pertinent ESG, business, and industry topics. In 2023, we increased our engagement with key stakeholders through meetings, industry forums, and other touchpoints. Visit our [website](#) to learn more about our targeted stakeholder engagement approach.

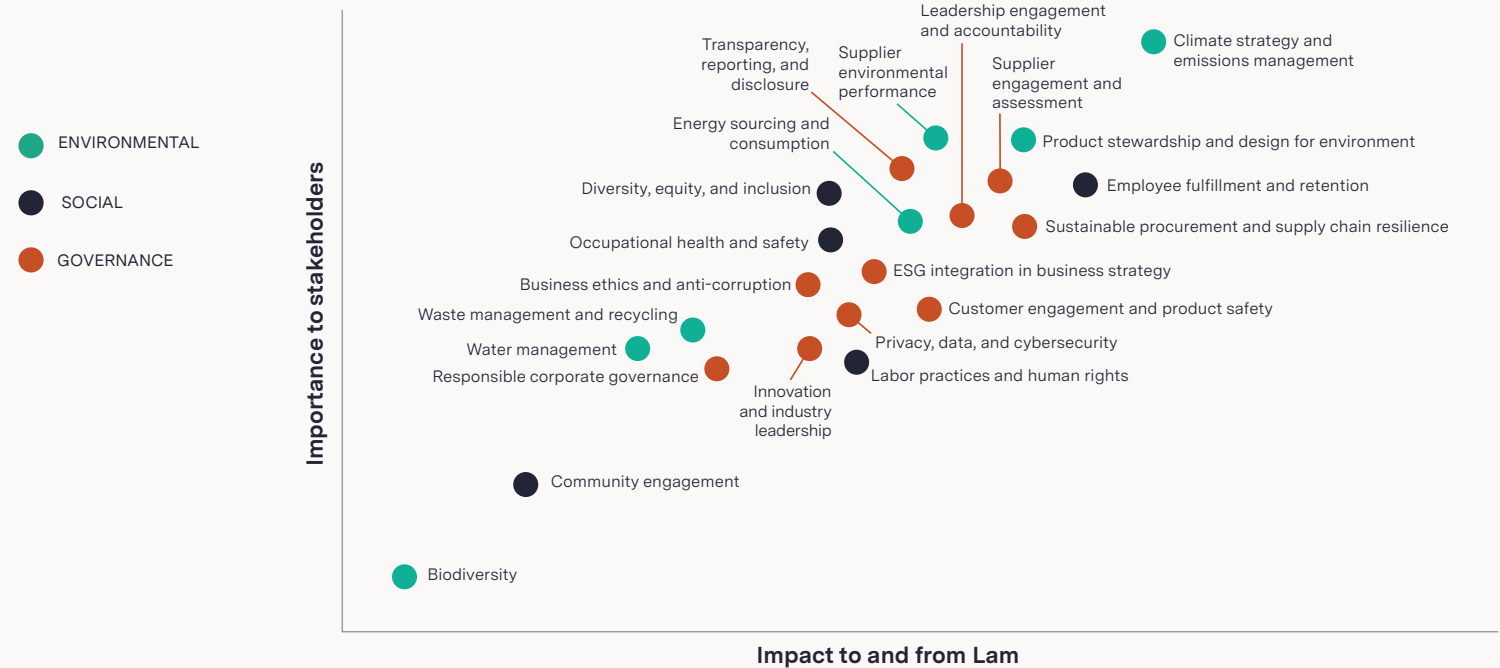
FOCUSING ON OUR MATERIAL ESG ISSUES¹

Among our most impactful tools for stakeholder engagement are our in-depth ESG materiality¹ assessments, which we conduct every three to five years or more frequently if there's a notable shift in our industry or business. During this process, we gather insights from a diverse group of internal and external stakeholders, which guide and affirm Lam's ESG approach. We conducted our latest assessment in 2022 using a double materiality methodology, in line with guidance from the Sustainable Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).

Through surveys and interactive interviews, participants assessed ESG topics based on their importance to stakeholders and potential impacts both to and from Lam. We also integrated results from an ESG materiality employee survey to further incorporate our employees' perspectives. The results were reviewed by both executive management and the Board.

Based on the results, we identified the following topics as being most impactful and strategically important to Lam's ESG program: climate strategy and emissions management, supplier engagement and assessment, employee fulfillment and retention, product stewardship, inclusion and diversity, supplier environmental performance, and leadership accountability.

ESG materiality matrix



Learn more about the potential business impacts of our most impactful and strategically important ESG topics and how we addressed them in 2023:

Learn more about our climate strategy and emissions management approach in [Sustainable operations](#). →

Learn more about how we engage and assess suppliers in [Responsible supply chain](#). →

Learn more about our approach to employee fulfillment and retention in [Our workplace](#). →

Learn more about our focus on product stewardship in [Product innovation](#). →

¹ The identification of a topic or other matter as "material" for purposes of this report does not, and should not be interpreted to, mean that it is material for any other purpose, including for the purpose of our financial statements or the documents we file with the U.S. Securities and Exchange Commission.



Reinforcing a culture of ethics and compliance

Making a positive impact begins by acting with honesty, integrity, mutual trust, and respect—the Core Values we strive to exemplify through our actions each day. These values underpin a culture that promotes ethical behavior and compliance with all pertinent regulations and laws. Our [Code of Conduct](#) (Code) outlines the behavior we expect from every employee and provides our employees with guidance on making ethical decisions, preventing harassment and discrimination, and more. In 2023, we updated the Code to align it with Lam’s Core Values, make it more user-friendly, and address key risks. The Code is the cornerstone of Lam’s Ethics and Compliance (E&C) program.

Our E&C program at a glance

Organized around five pillars—governance, operations, third-party management, training and communications, and enforcement—which align with guidance from the U.S. Department of Justice

Managed by a global E&C team, which is led by our chief compliance officer

Strengthened by our global and regional E&C Steering Committees, which meet regularly to foster engagement in ethics and compliance topics, promote an ethical culture, and provide strategic and operational guidance

Amplified through Ethics Ambassadors, employees outside the E&C team who are trained to help promote an ethical culture and drive progress on ethics and compliance initiatives across business units and regions

Visit our [website](#) to learn more about our E&C program. 



For the first time in 2023, Lam was honored to be named among Ethisphere’s list of the World’s Most Ethical Companies. Ethisphere is a global leader in defining and advancing the standards of ethical business practices. Lam is the only wafer fabrication equipment maker and one of only two companies in the semiconductor category included on the 2023 list.



“Ethics and compliance are deeply rooted in our company’s Core Values and are part of our shared responsibility to make the world a better place.”

Tim Archer
president and CEO at Lam

Raising awareness during E&C Week

In September 2023, Lam held our annual Ethics and Compliance Week to celebrate and reinforce our dedication to ethics and compliance.

Throughout the week, global employees engaged in workshops and other ethical culture-building activities. Three employees from India, Ireland, and the U.S. earned Lam’s Ethics Award for going above and beyond in their efforts to strengthen our ethical culture and promote our Core Values.

This year, we added an extra incentive for employees to engage in Ethics and Compliance Week activities. As employees achieved key participation and engagement metrics in various activities, the E&C team pledged funds to benefit our community partner *FIRST*® Global. As a result of employee participation during the week, the E&C organization donated \$10,000 to benefit the organization. View [Our communities](#) to learn more about our three-year commitment to *FIRST* Global.





GOVERNANCE

Our governance efforts ensure that the personnel, resources, and autonomy are in place to operate an effective E&C program. The pillar also emphasizes oversight—including Board engagement and the responsibilities of senior management—and a dedication among Lam’s leadership to modeling ethical and compliant conduct. Lam’s chief compliance officer leads our E&C team and reports to our chief legal officer with dotted-line reporting to the Board’s Audit Committee.

OPERATIONS

Our operations pillar focuses on risk management, policies and procedures, and our approach to ensuring compliance and due diligence around mergers and acquisitions. We proactively assess internal and external risks on an ongoing basis, in addition to testing and monitoring the effectiveness of key compliance controls. This work is essential for business continuity and resilience, especially as the industry’s regulatory, geographic, and technological landscape continues to evolve.

In 2023, we updated our Code which supports Lam’s Core Values and details the behavior we expect of each member of our workforce at Lam and its subsidiaries. Our Human Rights Policy further underscores our focus on respecting human rights and treating our workers and business partners with

dignity and respect. The policy aligns with several internationally recognized standards, including the Universal Declaration of Human Rights, the UN’s Guiding Principles on Human Rights, and the RBA’s Code of Conduct.

Our current human rights management process is built on the RBA framework. It leverages our annual completion of self-assessment questionnaires (SAQs), together with participation in RBA’s Validated Assessment Program (VAP) to drive continuous improvement. The SAQs cover labor, ethics, health and safety, environmental stewardship, and management systems. Leveraging third-party management systems allows us to monitor our operations and supply chain for potential human rights-related risks. In 2023, an internal cross-functional team completed SAQs for all Lam sites with significant manufacturing operations, each of which received a low-risk score. We also received a Platinum score on the RBA VAP closure audit at our Livermore, California, facility.

If a risk is identified through our SAQ process, Lam has mitigation systems in place to document, track, and address those risks.

Following the adoption of our Human Rights Policy in 2022, we reviewed our business and operational practices to identify opportunities to implement a human rights program.

The assessment used existing human rights frameworks from the UN and RBA to assess human rights practices and policies across the majority of our manufacturing sites and at the corporate level. We identified the following activities as key areas of opportunity: increasing employee awareness of human rights issues, continuing to expand and deepen third-party due diligence, and establishing clear roles and responsibilities for human rights across the business. These will be areas of focus for our program management in 2024.

THIRD-PARTY MANAGEMENT

Our third-party management pillar focuses on due diligence, controls, and monitoring to identify and mitigate ethics and compliance risks created by Lam and outside parties, such as customers and suppliers. This work begins with screening, risk identification, and evaluation during the selection and onboarding process. It extends throughout the lifespan of our third-party engagements and includes providing support for our business teams and carrying out ongoing monitoring efforts such as risk-based reviews.

Learn more about our approach to conducting due diligence in Lam's supply chain in [Responsible supply chain](#). →





TRAINING AND COMMUNICATIONS

Our training and communication pillar emphasizes education and tailored messaging to promote a culture of ethics and compliance. We deliver training to increase awareness of our policies and procedures through a combination of in-person and virtual sessions, as well as online training modules. All employees must complete regular training to reinforce their understanding of our Code and related policies. We also provide training sessions for various business functions that are tailored to their pertinent risks. In 2023, we rolled out a new online anti-corruption training for targeted employees and continued mandatory ethical leadership training for our people managers. This builds on our manager resource center, which provides people managers with practical guidance for identifying and handling ethical challenges.

We complement our ethics and compliance training with regular communications to raise awareness of our Ethics Helpline and other resources. The E&C team solicits employee feedback and uses multiple channels to address both inquiries and trending ethics and compliance topics. In 2023, we continued to distribute global bulletins and regional newsletters to help employees effectively recognize and respond to potential ethical issues and compliance risks. We further engaged them in these topics during Ethics and Compliance Week and other in-person and virtual events. Additionally, we continued to provide managers with communications on trending ethics and compliance risk areas through a recurring section in our manager newsletter.

ENFORCEMENT

Our enforcement pillar focuses on reporting and investigations, as well as incentives and discipline related to compliance. All employees have the right and responsibility to raise concerns to their managers, senior management, human resources representatives, or members of the E&C team. Employees and third parties—including contractors, suppliers, and customers—can make a report via our Ethics Helpline, either by phone or online. The Ethics Helpline is operated by an independent third party and is available to anyone who has a question or concern related to a potential violation of Lam’s policies, or external regulations or laws. Concerns may be reported anonymously, where allowed by law, and reports are treated confidentially.

In 2023, the E&C team investigated allegations related to a range of claim types, including conflicts of interest, improper disclosure of confidential information, expense abuses, and policy violations. The team provided quarterly updates regarding investigations to the Board’s Audit Committee, as well as our CEO. As part of our focus on transparency, accountability, and ensuring a safe reporting culture, the E&C team also shared data with employees on its 2022 investigations. The data included trends compared to 2021 on report volume, claim types, claims by geography, anonymous reporting rate, the rate at which the E&C team concluded a violation occurred (substantiation rate), and the most severe corrective action taken for substantiated cases.



Learn more about our reporting process by visiting our [Ethics Helpline](#) page. →





Protecting data and intellectual property

Ideas and information form the cornerstone of Lam’s innovation pipeline. Therefore, one of our primary objectives is to safeguard the intellectual property and data of our company, employees, customers, and suppliers. Lam maintains International Organization for Standardization (ISO) 27001 certification for information security at our corporate headquarters in Fremont, California. We have also enlisted the expertise of an independent, third-party evaluator to assess our security capabilities against the National Institute of Standards and Technology Cyber Security Framework.

MAINTAINING DATA PRIVACY

The ability to collect, process, and use employee data and business contact information is necessary to our day-to-day business, and we strive to protect this information. Doing so requires a collaborative effort across multiple functions within our organization. Lam’s various data privacy notices explain how, when, and why employee and business contacts’ information may be used and processed. [Our Protected Health Information Policy](#) and [Privacy Statement](#)—in addition to other policies—further outline Lam’s approach to data privacy for employees enrolled in our health plans.

PROMOTING INFORMATION SECURITY AWARENESS

Our ability to maintain information security requires the vigilance of every employee. To foster awareness, we actively involve our employees in various training sessions and discussions throughout the year. In October 2023, we organized a Cybersecurity Awareness Month for all employees, which we aligned with the annual Cybersecurity Month campaign organized by the U.S. Department of Defense. Lam’s events during the month included webinars, as well as internal and external discussions aimed at educating and empowering our workforce to prevent, identify, and report security incidents.

Throughout 2023, we continued to mandate annual cybersecurity training for all employees, which we supplemented with our onboarding training for new employees across Asia and the U.S. Additionally, we enhanced our annual information security training to better resonate with employees in the current digital landscape. We also introduced a new training program tailored to our Product Development and Application Development teams. These initiatives represent our ongoing efforts to elevate information security awareness and compliance, which we intend to expand upon in the years ahead.



Our Information Security program is built around three pillars:



Product security and engineering

to enhance security measures during the development of products and applications



Governance, risk, compliance, and identity access management

to ensure robust management of internal and external user access and compliance with regulatory standards



Security Operations Center

to serve as the nerve center for detecting, analyzing, and responding to potential cybersecurity threats

Learn more about how we govern and manage our Information Security program via our [website](#).



Engaging policymakers and enabling our business

We use our expertise to help inform sound public policy in support of our industry and business. Our Global Trade and Government Affairs (GTGA) group is led by Rich Ashooh, corporate vice president, GTGA, and is responsible for Lam’s strategic engagement with both international and domestic policymakers, including those from Congress, the U.S. executive branch, and regulatory bodies at the local, state, and federal levels. In 2023, the GTGA group focused on maintaining compliance with domestic and international regulatory requirements. The group also established Lam’s Public Policy Advisory Committee (PPAC) to oversee the Leading American Microelectronics Political Action Committee (LAMPAC) and support thoughtful policymaking.

Our lobbying, as well as political activities, policies, and spending, are overseen by the Board's Nominating and Governance Committee and governed by Lam’s Code, as well as our Political Activity and Government Affairs procedures.

As a matter of company policy, Lam makes no direct political contributions of any kind to political parties, candidates, or committees. Additionally, Lam does not:

- Make payments to influence the outcome of ballot measures.
- Engage in independent political expenditures in direct support of or opposition to campaigns.
- Engage in indirect political spending, including through its supply chain, consultants, or third-party political organizations such as 501(c)(4) entities or 527 groups, such as governors associations and super PACs.

Visit our [website](#) to learn more about our governance approach and policies, including our Corporate Public Policy Engagement and Political Activity Statement and our Trade Association Fees and Dues Statements. [→](#)

ENSURING REGULATORY COMPLIANCE

Amid an evolving regulatory landscape, our GTGA group works to monitor emerging regulations and engage in policy discussions globally. In 2023, we focused on modernizing our compliance mechanisms to support these ongoing efforts, in line with our broader digital transformation initiative. We also continued our programs directed at compliance with export controls issued by the U.S. Department of Commerce's Bureau of Industry and Security on advanced semiconductor manufacturing equipment to the People's Republic of China.

FORMALIZING THE LAMPAC

The LAMPAC serves as a non-partisan federal political action committee for Lam employees and is dedicated to supporting federal candidates of all political ideologies who are committed to strengthening our nation's semiconductor ecosystem and fostering economic growth. To ensure proper administration of the LAMPAC and maintain compliance with state and federal regulatory requirements, only authorized GTGA personnel may be involved in the making of political contributions by the LAMPAC.

The LAMPAC is registered with the Federal Election Commission (FEC) and subject to federal campaign finance laws, including those related to monitoring prohibitions and limitations on donations. Any donations to or from the LAMPAC will be publicly disclosed via the [FEC's website](#). Lam also employs external legal counsel to advise the LAMPAC regarding compliance with laws and regulations. In 2023, we established a PPAC comprised of senior executives to provide guidance to the LAMPAC. The PPAC also serves as a venue to consider Lam’s positions on major public policy issues.

Complying with global taxation

Our approach to global taxation is to comply with applicable legal, regulatory, and internal control requirements.

Visit our [website](#) to learn more.

GLOBAL TRADE AND GOVERNMENT AFFAIRS (GTGA) FOCUS AREAS



Business operations



Industrial policy



Export controls and trade policy



Public policy



Collaborating to advance the interests of U.S. companies in global commerce

Lam engages with industry groups and peers to share knowledge and best practices and advocate for the semiconductor and technology industries. In 2023, we enhanced our collaboration with the National Foreign Trade Council (NFTC), the premier association for leadership, expertise, and influence on international tax and trade policy issues. Representatives from Lam participate in various working groups through NFTC, with Lam holding a seat on the organization’s board.

SUPPORTING INDUSTRY COMPETITIVENESS

In 2022, the U.S. government established the CHIPS and Science Act to help strengthen American semiconductor manufacturing, supply chains, and national security by investing in science and technology, the development of the workforce of the future, and R&D. Today, Lam is targeting opportunities under the [U.S. CHIPS and Science Act](#), as well as local, state, and international incentive programs, to support our roadmap for future innovation and growth.

In 2023, Lam created a cross-functional Government Funding Working Group to guide these efforts and provide updates to various functional areas and executive leaders. One of the group’s first initiatives was to establish a set of Guiding Principles to govern its activities moving forward. They include:

- **Pursue** Lam’s critical path
- **Prioritize** customer objectives
- **Protect** Lam’s structure
- **Promote** collaboration

Within the larger Government Funding Working Group, we have also created a steering committee composed of members of Lam’s CEO staff. The committee guides the direction and decisions of the Government Funding Working Group to ensure alignment between Lam’s strategic objectives and funding opportunities. We plan to continue this work in 2024 to further position Lam for future success.





Product innovation

IN THIS SECTION:

Innovating smart, sustainable solutions	23
Delivering lifecycle solutions	25
Ensuring safe, high-quality products	26
Sparking industry insights	27

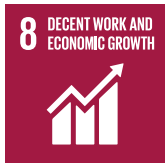




Product innovation

We're developing products with purpose and accelerating technological breakthroughs to help our industry be more sustainable in the years to come.

RELEVANT SDGS



2023 HIGHLIGHTS

Expanded the availability of ECO Mode to many of our new product lines and customers' existing tools in the field.	Identified a wafer-less auto-cleaning process for our etch products with the potential to reduce nitrogen trifluoride (NF₃) emissions by up to 85% .	Engaged 945 total attendees during five sessions of Lam's University Collaboration Showcase .	Received a record number of proposals from researchers at global universities through Unlock Ideas .
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GOAL	STATUS	2023 PROGRESS
83% of customers measured by emissions have science-based targets (SBTs).	<input type="checkbox"/>	• 10% of customers measured by emissions have set SBTs.





Innovating smart, sustainable solutions

In labs around the world, Lam engineers are putting their collective expertise to work to push the boundaries of semiconductor development and design. Every tool, component, and process we create has a specific purpose. Together, they add up to an expanding portfolio of solutions that are enabling chipmakers to be more productive, efficient, and sustainable than ever before.

As we work with our customers to seize opportunities and navigate challenges, we are also collaborating internally to optimize our processes and tools. We are prioritizing this work, as it plays a vital role in our ability to mitigate environmental risks that could adversely affect our business and stakeholders. It is also a business imperative; increasingly, our ability to deliver products with environmental features is a key factor for customers working toward their own climate goals. In 2023, we focused on driving progress across three aspects of sustainable product innovation to deliver meaningful, measurable results. We are proud of our efforts to further technologies that are accelerating our industry's path to a reduced-carbon future.



REDUCING ENERGY CONSUMPTION

By finding ways to make our tools more energy efficient, we can help our company and customers reduce both energy consumption and costs. One of our initial solutions is ECO Mode, which can signal a tool’s abatement controls or put its peripheral components into idle mode when not in use. In 2023, we enhanced ECO Mode by improving communication between our process tools and peripheral components. We also expanded the availability of ECO Mode to many of our new product lines and customers’ existing tools in the field. While doing so, we worked to increase customer awareness around ECO Mode to promote broader adoption. This could have a meaningful impact, as we estimate that the use of ECO Mode can potentially reduce peripheral energy use by 40% in an idle state. Another way we’re working to reduce the energy usage of our products is by adopting new cryo gases that demonstrate more than a 40% throughput increase and selectivity improvement, translating to an equivalent reduction in energy use per wafer.

2023 ENERGY SAVING HIGHLIGHTS

- ~40%** estimated peripheral energy saved in idle state with ECO Mode
- ~40%** estimated reduction in energy consumption via throughput improvements with new etch gases
- ~3.6%** estimated tool energy savings from a newly introduced “green” heater-chiller for Sabre deposition products

REDUCING GHG EMISSIONS AND IMPROVING AIR QUALITY

High GWP gases that occur post-abatement are a major contributor to the semiconductor industry’s emissions. Our approach is to work with a variety of gas vendors to identify low-GWP solutions while working with our customers to qualify new GHG-reduction opportunities. As part of this process, we leverage Fourier Transform Infrared technology to measure reactions within the chamber and GHG emissions released after abatement. In the near term, we’re working toward the reduction or removal of several high-GWP gases, such as NF₃, sulfur hexafluoride (SF₆), and nitrous oxide (N₂O). We’re also working to protect air quality by mitigating emissions from nitrogen oxide (NO_x) and other air pollutants of concern. Our 2023 initiatives included:

- Introducing new cryo gases that can result in up to a 90% reduction in emissions pre- and post-abatement while avoiding high-GWP byproducts and enabling lower system energy usage¹
- Furthering a project to reduce N₂O usage by our customers in carrying out undercoat and pre-treat steps using our tools, which has demonstrated a 30% reduction in N₂O emissions¹
- Identifying a wafer-less auto-cleaning process for our etch products with the potential to reduce NF₃ emissions by up to 85%¹

LEVERAGING EQUIPMENT INTELLIGENCE[®] ECO SENSORS

In our labs, we have completed the installation of Equipment Intelligence[®] ECO sensors that enable us to closely monitor and produce in-depth reports of the energy and resource consumption of our tools. We currently use both physical and virtual sensors that provide real-time data on our tools’ usage of electricity, process cooling water, various process gases, and more. We’re creating an ECO Dashboard to capture insights that will enable us to drive environmental improvements.

Helping our customers bring three-dimensional (3D) chipmaking to scale

In the 3D era of chipmaking, production can be resource-intensive, costly, and complex. Our latest innovations are designed to help chipmakers advance their 3D roadmaps with solutions that are more efficient, productive, and precise. In 2023, we introduced Coronus DX, a bevel deposition solution that enables more predictable manufacturing and significantly higher yields. We also earned the prestigious Edison Award for best new products in materials science, claiming a bronze medal for our recently launched Argos, Prevos, and Selis selective etch products.

¹View [about this report](#) for a more detailed discussion of our emissions accounting methodology.

2023 EMISSIONS REDUCTION HIGHLIGHTS

- Up to **50%** estimated reduction in NO_x emissions through our deposition abatement project¹
- ~90%** estimated reduction in process gas emissions via new cryo gases used in etch applications¹
- ~30%** estimated reduction in N₂O emissions demonstrated in our undercoat and pre-treat project¹

ENGAGING WITH CUSTOMERS AROUND SBTI

Our percentage of customers with SBTs or aligned methodologies decreased from 16.9% in 2022 to 10% in 2023. This is partially due to our updated methodology for measuring this goal, which is described in the [about this report section](#). We are engaging with customers, many of whom have net zero goals, to better understand their approaches, opportunities, and challenges along their path to net zero.



HOW CSBG SUPPORTED CIRCULARITY IN 2023

~\$600M

worth of annual materials savings enabled by re-cleaning services

~\$200M

worth of annual materials savings enabled by repair and refurbishment services

35K+

tons of carbon dioxide equivalent (CO₂e) avoided and 2K+ tons of aluminum production avoided since 2019 by upgrading existing tools onsite

44%

of shipped electrostatic chucks (ESCs) were refurbished, representing an 80% increase since 2019

~550 tCO₂e

reduction in annual emissions associated with refurbishment of ESCs

Delivering lifecycle solutions

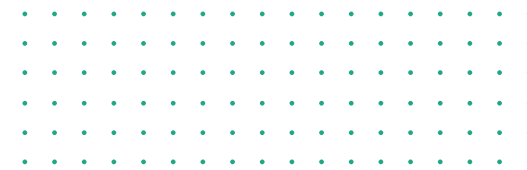
We strive to serve as a partner to our customers, helping them meet evolving demands and extend the life of Lam products. Our Customer Support Business Group (CSBG) supports Lam’s customers across the equipment lifecycle, providing comprehensive services and solutions to increase productivity, circularity, and more. By providing solutions such as high-quality spare parts and Reliant™ tools, the group helps customers optimize both quality and cost. Our CSBG offerings also reduce the emissions, energy, and raw resource usage required to manufacture new tools.

Lam’s CSBG is dedicated to enhancing product circularity and helping customers make progress toward their sustainability goals. In 2023, the group continued to seek ways to increase the percentage of each tool that can be reused. CSBG focused on refurbishment and re-clean services to extend the life of existing tools and spare parts and enhanced its Reliant® systems offerings by providing higher-efficiency, radio frequency generators and turbo pumps. The group also expanded the circularity of its upgrade products by offering a rework of major subsystems.

At the end of 2023, Lam’s installed base included

90K+

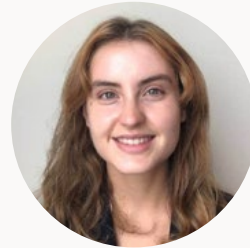
chambers, an increase of more than 7% from 2022





Q&A: A collaborative hack for sustainable innovation

To enable a greener future, technological and sustainable innovation must work hand in hand. In 2023, members of Lam's Employee Sustainability Community (LESC) hosted an Eco Hackathon for employees, prompting them to brainstorm new ways to integrate sustainability into Lam's operations and products. Here's what LESC Board Member Delphine Troast had to say about helping to create and facilitate the event:



Delphine Troast

LESC Board Member
Process Engineer 2

What prompted you and other LESC members to host the Eco Hackathon?

Our vision was to connect engineers across disciplines to solve some of Lam's toughest problems. We wanted to help educate engineers about current technical opportunities in the environmental, social, and governance space, while enabling them to gain a new point of view on their roles.

What were some of the event's focus areas?

After an introduction by Lam leaders, we hosted a brainstorming session and final presentations by each team. The teams generated ideas around using tools to predict the carbon footprint of a process, implementing systems to track and reduce plastics, adopting methods to reduce GHG emissions and improve heating and cooling systems, integrating alternative abatement strategies, and more.

The event included an overview of design for environment (DfE) principles. Why do you think it's helpful for Lam engineers to embrace a DfE approach?

Our concerns about our throughput or gas consumption often stem from a financial perspective, but there's an environmental link. DfE is ultimately about bridging those connections and showing how integrated our problem-solving approach can be.

How will you apply learnings from the event?

We plan to continue to organize events for co-workers to collaborate and share ideas that help push our business forward. Many of the projects featured in Eco Hackathon 2023 coincide with initiatives in-flight at Lam, and new ideas generated through this event are being embedded into plans for Lam's future sustainability priorities.

Ensuring safe, high-quality products

Lam operates at both a global and an atomic scale. We work with complex machines that tower overhead and with technologies thousands of times smaller than what can be seen with the naked eye. Our reputation is based on our ability to deliver these products with unmatched consistency and precision.

A laser focus on product quality and safety is essential to what we do. We have organizational structures in place to support this work, with our cross-functional Quality Leadership team overseeing our design teams to ensure the safety and quality of every product they create. We take a systematic approach to continuously improve our products and strive to quickly address any adjustments that need to be made. Lam is also certified under [\(ISO\) 9001](#)¹, an international standard that provides a framework for an effective quality management system.

¹ Lam holds ISO 9001 certification for its Fremont and Livermore, California; Tualatin, Oregon; Osan, South Korea; Villach, Austria; and Penang, Malaysia sites.





Sparking industry insights

Lam is in the business of moving technology forward, and we know we can go further by being receptive to new perspectives and ideas. Through our office of the chief technology and sustainability officer, we engage leading universities, researchers, and Lam’s global engineering community to collaborate on innovative solutions for the industry’s grand challenges. In 2023, we continued our Seminar Series, in which we invited our engineering community to share their work and insights with Lam peers. We also participated in a variety of seminars, webinars, and other events with university research communities, from a panel at the University of California’s Diversity in Tech Symposium to several guest lectures at the Indiana Institute of Science to a seminar series at Stanford University.

By building strong relationships with universities, we’re expanding our pipeline of future talent. In the years ahead, this will be critical to meeting chipmakers’ projected demands. In June 2023, we took a major step forward by unveiling our new Semiverse™ Solutions business and announcing an initiative to use Lam’s SEMulator3D® software to deliver a virtual nanofabrication environment and help train the next generation of semiconductor engineers. Simulating real-world labs virtually democratizes engineering skills training while delivering safety and sustainability benefits along the way. View the [Introduction](#) to learn more about how we’re spurring a revolution in engineering education with Semiverse™ Solutions.

Coming together for our Engineering Technology Conference

Imagine the possibilities that can happen by bringing hundreds of Lam engineers and leaders together in one place. That’s exactly what we did in 2023 during Lam’s first in-person Engineering Technology Conference (ETC) since 2019. The three-day event took place in Portland, Oregon, and included approximately 400 attendees. The conference’s objectives were to inspire Lam’s global technical community, build connections to fuel cross-functional collaboration, create opportunities for learning and knowledge sharing, and stimulate innovation.

Participants had opportunities to hear keynotes from Lam’s senior leaders, showcase their own innovations, and learn through various breakout sessions—including classes from our Leap technical training and certification program. We also held an in-person ceremony for Lam’s Technical Awards, during which we honored our new Lam Fellows. We were thrilled to see such strong participation and an inspiring, collaborative environment that brought together many of our industry’s brightest minds.



••• In a post-ETC survey,

••• **90%**

••• of participants indicated they were excited

••• about Lam’s future direction, and

••• **93%**

••• agreed that the new connections they made

••• would be valuable in their work.



HELPING BOLD IDEAS TAKE SHAPE

Lam’s academic research programs enable us to drive innovation, provide insights on emerging technologies, and connect with faculty and students. One of our ongoing initiatives is Unlock Ideas, an annual call for proposals to fund academic research collaborations on novel or disruptive ideas. In 2023, we received a record 119 proposals through the program from more than 60 universities throughout the world.

For the sixth year, we also hosted our University Collaboration Showcase, which brings Lam employees together to share results from our university research collaborations and Unlock Ideas projects. The 2023 showcase included five virtual sessions that engaged more than 945 attendees from 12 countries. The events included lightning pitches by Unlock Ideas award winners and Lam technical liaisons, as well as interactive panel discussions and a Q&A. Lam Korea also held its third Unlock Ideas Showcase, in which it invited students from more than 16 universities to participate in virtual activities that included career sessions, a technical talk, and a fireside chat.



Because of our collaboration with Lam, we get to work on industrially relevant problems that faculty in academia are unaware of. Our scientific approach and output are the same, but the collaboration makes it more impactful.”

Feedback from a 2023 Unlock Ideas faculty participant

Providing thought leadership and support through the CHIPS and Science Act

As part of the CHIPS and Science Act of 2022, the U.S. Department of Commerce (DOC) has funded four R&D efforts: the National Semiconductor Technology Center, National Advanced Packaging Manufacturing Program, a Manufacturing USA Institute focused on advanced digital twin technologies and the CHIPS R&D Metrology Program. Lam is committed to the long-term R&D efforts necessary to help establish and sustain a viable domestic semiconductor ecosystem through public-private consortium initiatives enabled by these programs, and we continue to provide thought leadership on matters relating to microelectronics R&D, manufacturing, and policy.

The U.S. Department of Defense also established the Microelectronics Commons program under CHIPS, a national network of prototyping innovation hubs that will interface with the DOC R&D programs. The Commons creates a direct pathway to commercialization for U.S. microelectronics researchers and designers—enabling them to take their innovations from “lab to fab.” Lam will participate in this initiative as a member of the Northwest AI Hub led by Stanford University.

Another federal funding initiative is the National Science Foundation’s (NSF) Regional Innovation Engines, which aim to catalyze and foster innovation ecosystems across the U.S. Lam is a partner in the NSF Development Engine for Advancing Semiconductor Technologies in the Northwest, which is being led by Oregon State University.

Learn more about how we're leveraging the CHIPS and Science Act to support our roadmap for the future in [Business and Governance](#).

2023 ACADEMIC PROGRAMS BY THE NUMBERS

119

Unlock Ideas proposals received in collaboration with faculty at 67 universities in 14 counties

945

total attendees from 12 countries engaged in Lam’s University Collaboration Showcase

16+

universities represented in our virtual Unlock Ideas Showcase at Lam Korea





Sustainable operations

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Embracing smart energy solutions	36
Practicing water stewardship	38
Minimizing and managing waste	41





Sustainable operations

We're taking a purposeful approach to reduce our environmental impact and advance our journey toward net zero.

RELEVANT SDGS



2023 HIGHLIGHTS

Reduced **Scope 1 emissions** through reduction of a high-GWP coolant in our manufacturing testing process by 70% on a per tool basis.

Achieved **2.8 million kilowatt-hours (kWh)** in energy savings through efficiency projects across our sites.

Saved **20.1 million gallons** of water globally in water-stressed regions.



GOAL	STATUS	2023 PROGRESS
Achieve net zero emissions by 2050, including by meeting the following targets:		
• Achieve 100% renewable electricity by 2030.		• Sourced 50% renewable electricity globally in 2023.
• Reduce absolute Scope 1 and 2 (market-based) greenhouse gas (GHG) emissions 25% by 2025 and 60.6% by 2030 from a 2019 baseline. By 2040, achieve net zero operations.		• 51% decrease year-over-year and 48% increase from a 2019 baseline for Scope 1 and 2 (market-based) GHG emissions.
Achieve 12 million kWh in total energy savings from a 2019 baseline.		• Achieved 2.8 million kWh in annual energy savings, for a cumulative 9.8 million kWh in savings towards our 2025 goal.
Achieve zero waste to landfill for hazardous waste.		• Diverted 99.97% of hazardous waste from landfills in 2023.
Achieve 80 million gallons of water savings in water-stressed regions from a 2019 baseline.		• Achieved 65.9 million gallons of water savings from a 2019 baseline, including 20.1 million gallons in 2023.



Moving toward net zero

What does it mean to operate with purpose? At Lam, it means we take steps to make a positive impact on the world. For example, Lam’s technologies are at the center of breakthroughs from education to artificial intelligence, as well as innovations that are contributing to a low-carbon economy. However, in producing and distributing our products, we also use natural resources and generate GHG emissions. Rather than avoiding this reality, we’re working to responsibly manage our environmental impact while challenging ourselves to reduce it over time.

As we navigate the potential business impacts of climate change, Lam could face operational, regulatory, or reputational risks, much like many other companies worldwide. At Lam, we’re focused on opportunities to accelerate climate progress by optimizing our operations and engaging our customers, suppliers, and industry peers. Our long-term vision is to achieve net zero emissions by 2050. To get there, we’ve established a net zero roadmap outlining our strategy to achieve time-based targets that keep us on track. Our near-term emissions reduction targets are validated by the Science-Based Targets initiative (SBTi) and align with efforts to limit global warming. In 2023, we continued to pursue these targets through initiatives to optimize our tools and processes and reduce our usage of energy, water, and generation of waste.

We also made progress by further integrating our emissions tracking and reduction efforts within our core business functions. This has enabled us to increase internal alignment around our net zero initiatives so we can push them forward with greater efficiency. In line with this approach, we developed an internal calculator to quantify emissions associated with process gas usage in our tools, which will enhance our understanding and enable more employees from process and product development teams to quantify the climate impact of their recipe development. This work included establishing a cross-functional team to advise on the calculator and conducting training with engineers focused on areas such as product and recipe development. We plan to launch the calculator across our organization in 2024.

We periodically evaluate Lam’s climate-related risks and take action to address them as needed. Learn more about our climate change risk analysis and alignment with the Task Force for Climate-related Disclosures (TCFD) via our [Key Data and Frameworks](#).



RECENT PROGRESS

2021

- Announced SBTi intention and net zero pathway

ACHIEVED

2022

- Achieved SBTi approval for three near-term emissions-reduction targets

ACHIEVED

NEXT STOPS

2025

- Reduce absolute Scope 1 and 2 (market-based) GHG emissions by 25% from a 2019 baseline
- Achieve 12M kWh in total energy savings from a 2019 baseline
- 46.5% of suppliers and 83% of customers measured by emissions have science-based targets (SBTs)

THE ROAD AHEAD

2030

- Reduce absolute Scope 1 and 2 (market-based) GHG emissions by 60.6% from a 2019 baseline
- Achieve 100% renewable electricity
- 95% of top direct suppliers measured by spend have SBTs

2040

- Achieve net zero operations (Scope 1 and 2)
- Achieve absolute reduction in supply chain emissions (goal to be set)

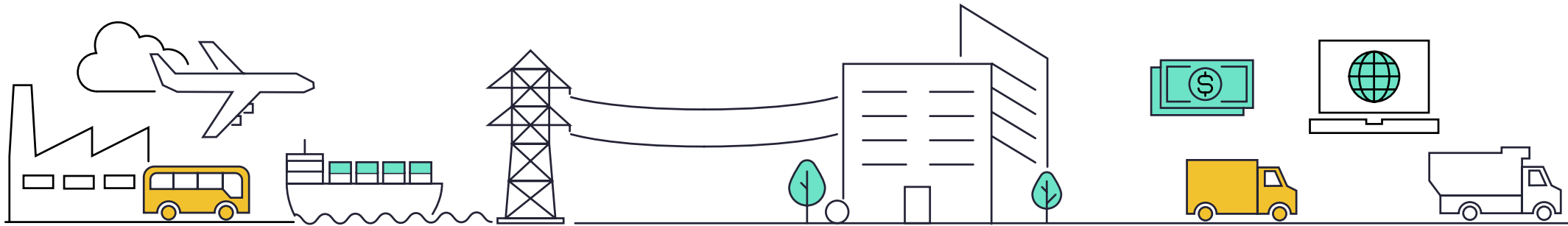
2050

- Achieve net zero emissions



ZEROING IN ON OUR VALUE CHAIN EMISSIONS

Achieving net zero emissions requires an in-depth understanding of where our emissions occur. To drive meaningful progress, we're working to address each category of emissions using a value-chain approach. For detailed information on our emissions management process, please reference our [annual Climate Change submission to CDP](#).



UPSTREAM ACTIVITIES

Scope 3

indirect

Total GHG emissions:

1,675,406

metric tons carbon dioxide equivalent (MTCO₂e)

KEY CONTRIBUTORS:

- Purchased goods and services
- Upstream transportation and distribution

HOW WE'RE MOVING THE NEEDLE:

Engaging suppliers to support them in setting SBTs and reducing their climate impacts

LAM FACILITIES AND OPERATIONS

Scope 2

market-based indirect

Total GHG emissions:

64,050

MTCO₂e

KEY CONTRIBUTOR:

- Purchased electricity for Lam facilities and operations

HOW WE'RE MOVING THE NEEDLE:

Maximizing energy efficiency and investing in renewable electricity and renewable energy credits (RECs)

Scope 1

direct

Total GHG emissions:

190,124

MTCO₂e

KEY CONTRIBUTORS:

- Process chemistries
- Natural gas consumption
- Refrigerants

HOW WE'RE MOVING THE NEEDLE:

Optimizing our processes, products, and facilities to make them more energy- and resource-efficient

DOWNSTREAM ACTIVITIES

Scope 3

indirect

Total GHG emissions:

5,487,740

MTCO₂e

KEY CONTRIBUTORS:

- Downstream transportation and distribution
- Use of sold products

HOW WE'RE MOVING THE NEEDLE:

Engaging customers and identifying opportunities to reduce energy and emissions associated with the use of our products

Learn more about key contributors to each Scope in the [Performance Summary](#). →





Emissions from our facilities and operations

While Scope 1 and 2 emissions make up a relatively small portion of our total GHG footprint, they represent an area where we have the most control for driving emissions reductions. In recent years, we’ve worked to address these areas through several targeted initiatives:

SCOPE 1 (DIRECT)

- Optimizing our processes and products
- Investing in emissions controls and energy-efficiency technologies
- Updating manufacturing and lab operations
- Evaluating lower-GWP process gas alternatives

SCOPE 2 (MARKET-BASED, INDIRECT)

- Maximizing energy efficiency through capital and strategic energy management projects
- Purchasing RECs
- Investing in large-scale projects to transition to renewable electricity

In 2023, our Scope 1 priority was to address a previously unknown source of emissions that we discovered in 2022. Since identifying the source—a high-GWP coolant used in our manufacturing tests—our teams have collaborated on an “all-in” effort to eliminate it. By the end of 2023, we eliminated 70% of this coolant per tool shipped, significantly reducing Lam’s Scope 1 emissions.

To address our Scope 2 emissions, we implemented strategic energy management projects at several sites throughout the U.S. Our process included developing energy teams who completed “energy treasure hunts” to identify potential energy-saving opportunities, at these sites. We also realized the full capacity of our 2022 solar installation in Malaysia and continued to purchase RECs to address a portion of our energy use.

Learn more about our energy efficiency efforts in [Embracing smart energy solutions.](#) →





2023 SCOPE 1 AND 2 EMISSIONS HIGHLIGHTS

254,174

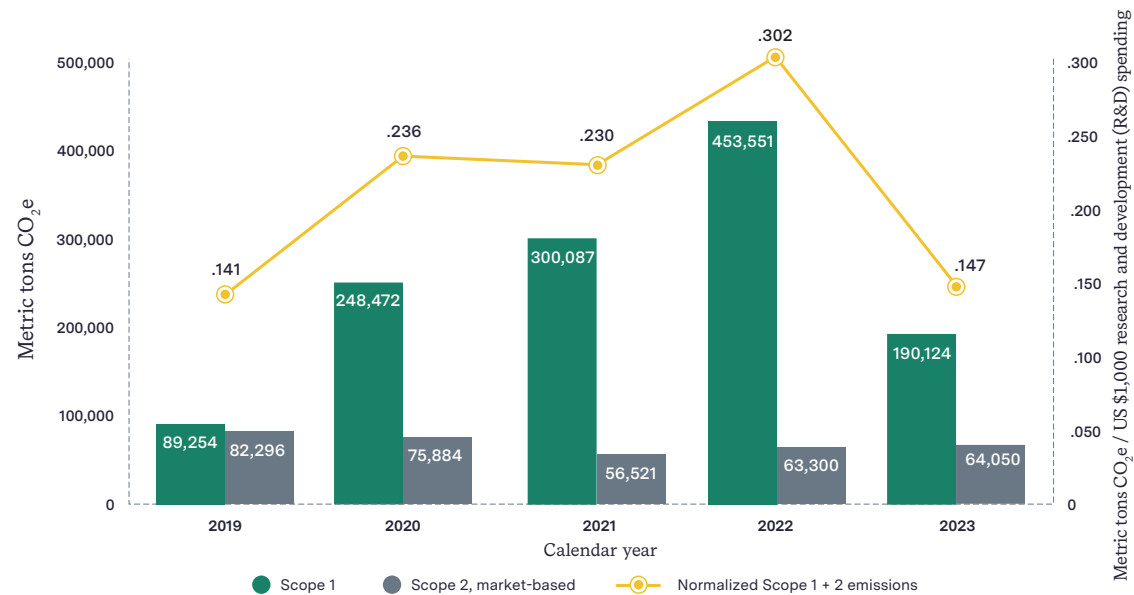
combined MTCO₂e
(market-based) emissions

51%

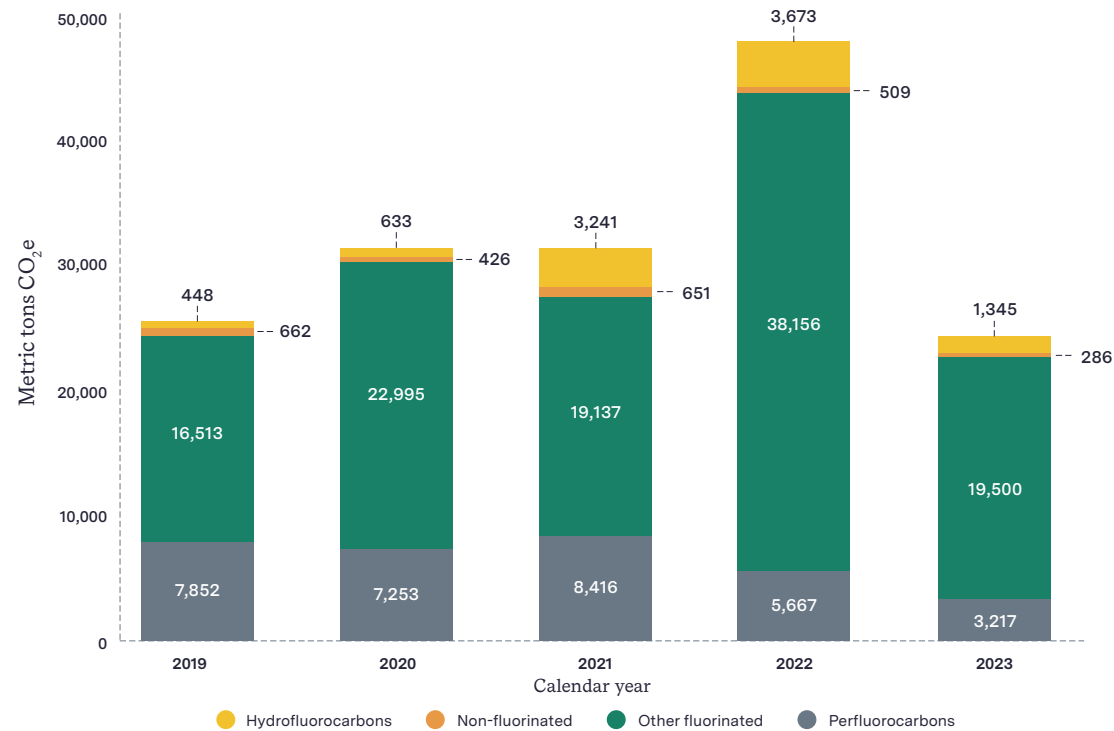
decrease year
over year



Scope 1 and 2 GHG emissions by year



Process chemistry emissions by type





2023 SCOPE 3 EMISSIONS HIGHLIGHTS

23%

of Lam's Scope 3 is from upstream emissions

77%

of Lam's Scope 3 is from downstream emissions

97%

of Lam's GHG footprint is made up of Scope 3 emissions

Learn more about how we're addressing upstream Scope 3 emissions in [Responsible supply chain](#), and about how we're addressing downstream Scope 3 emissions in [Product innovation](#). →



Upstream and downstream emissions

While Scope 3 emissions represent the majority of Lam's carbon footprint, they are generated by sources outside our direct control. We address them by engaging suppliers and customers to set their own science-based emissions-reduction targets and identify opportunities to reduce their GHG emissions. We also offer sustainable upgrades within our customers' fabs. In 2023 we engaged suppliers in our Climate Pledge and worked with them to build capacity and knowledge of renewable energy and energy efficiency. We also connected with customers to raise their awareness of ECO Mode, which optimizes energy and reduces GHG emissions, while expanding ECO Mode capabilities to many of our new product lines and our existing tools in the field.

In 2023, we saw a 29% decrease in our Scope 3 emissions from 2022. The primary reductions were in Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products) and were likely driven by a decrease in customer demands in 2023. The emissions intensity for products sold decreased by 7% from 2022.

View [about this report](#) for a full description of our emissions accounting methodology. →

Moving our industry forward together

When it comes to reducing GHG emissions, every company must do its part. Our industry can maximize progress by working together. Lam is a founding member of SEMI's Semiconductor Climate Consortium (SCC), the first global, ecosystem-wide collaborative of semiconductor companies dedicated to reducing industry-based emissions. In 2023, we drove this work forward with Lam representatives holding key leadership and advocacy roles on working groups dedicated to reporting, climate equity, and Scope 1 and 3 emissions.

Our efforts to build industry awareness and knowledge are critical as we work to solve climate-related challenges. For example, we're collaborating around the topic of Scope 1 emissions, which—given chipmakers' reliance on process chemistries and natural gas abatement—is a particularly challenging area for our industry to address. Our team is actively leading the discussion via the SCC Scope 1 working group, in which we are building a common understanding of the issue while assessing low-GWP process chemistries and evaluating various abatement technologies.



Lam Research's commitment to sustainability and industry collaboration propels our SEMI Sustainability efforts. The team includes some of the most knowledgeable professionals I have worked with. They bring leadership to our SCC Governing Council and actively engage with several of our sustainability-related working groups. This enables our vast and interconnected ecosystem to improve its overall sustainability posture."

Mousumi Bhat, PhD

vice president of global sustainability programs at SEMI executive director, Semiconductor Climate Consortium

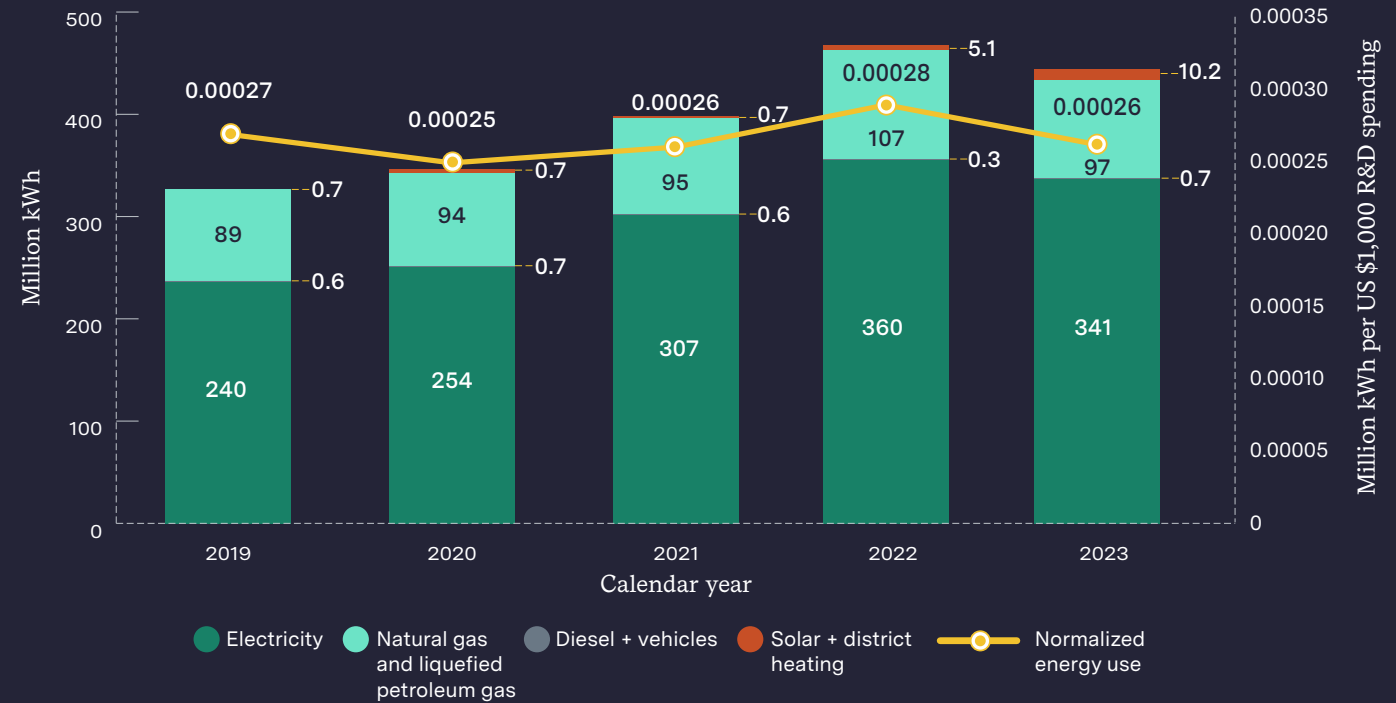


Embracing smart energy solutions

We require energy to power all aspects of our operations—from our offices to our manufacturing lines to our clean rooms and tools—and the energy we use is a key contributor to our Scope 1 and 2 GHG emissions. To address this challenge, we’re leveraging investments in renewable energy, as well as initiatives to increase energy efficiency across our sites.



Energy usage by type



Our strategy for environmental management

Lam holds ISO 14001 multi-site certification for environmental management, which covers our sites in Villach, Austria; Tualatin, Oregon; and Fremont and Livermore, California. We also hold individual certifications for our Eaton, Ohio site. Moreover, as an engaged member of the Responsible Business Alliance (RBA), we complete voluntary self-assessment questionnaires (SAQs) across our manufacturing sites. In 2023, all Lam sites achieved low-risk scores on their SAQs, which cover both environmental and social factors.





CULTIVATING AN ENERGY-SAVING MINDSET

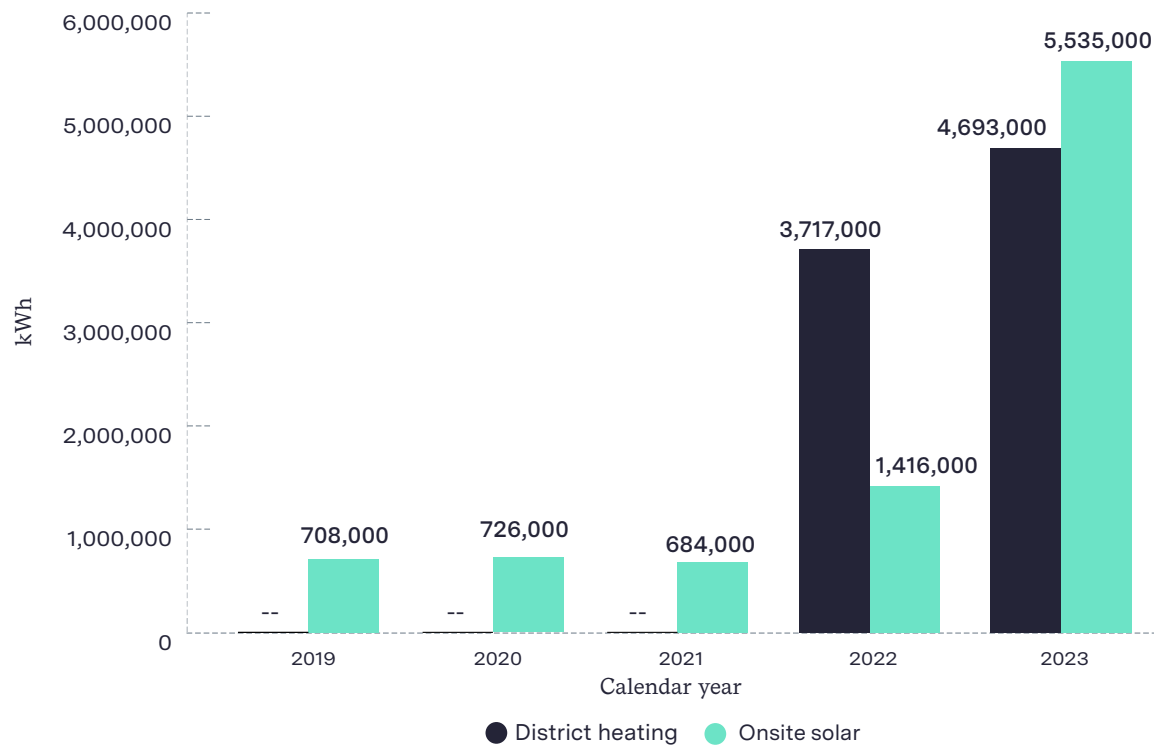
Even a small adjustment in our equipment or processes can add up to big energy savings over time. With this in mind, we focused on identifying and implementing energy-saving initiatives across our sites in 2023. During the year, our facilities in Tualatin, Oregon, and Fremont and Livermore, California, enrolled in utility-led strategic energy management programs, in which coaches worked with our onsite teams to guide them in implementing low- or no-cost measures to reduce energy consumption. Our Tualatin, Oregon, team completed 73 small- to mid-sized projects through the program, while our Fremont and Livermore, California, teams completed four large projects. Collectively, these initiatives led to more than 2 million kWh of energy savings, keeping us on track to achieve our goal of reaching 12 million kWh of total energy savings by 2025.

During the year, we continued to see energy savings from our previous investments, including a variable-speed-drive air compressor that we installed in Tualatin, Oregon, in 2021. Continuing to focus on the energy intensity of this system, the team further evaluated the compressed air dryers and replaced them with a more efficient option.

EMBRACING RENEWABLES

We've set a goal to achieve 100% renewable electricity across Lam's sites by the end of the decade. Our teams are making strides toward this target. For example, our Villach, Austria, site, which uses 100% renewable electricity through a combination of onsite solar and purchased electricity, now generates approximately 2 megawatt-hours (MWh) per day.

Global renewable energy consumption over time



2023 ENERGY HIGHLIGHTS

~2.8M kWh

saved through energy efficiency projects globally

~13 MWh

renewable electricity generated each day at our Malaysia facility

~2 MWh

renewable electricity generated each day at our Villach, Austria, facility





Practicing water stewardship

At Lam, we rely on water to operate many systems, including our chillers, house scrubbers, process cooling water systems, and soft water treatment plants. We're dedicated to using this resource as responsibly and efficiently as possible, especially in regions that are deemed water stressed.

Nearly half of our water use occurs in water-stressed regions. This factor—along with riverine flooding and sea level rise—poses potential physical climate risks to our operations. In response, we built a recent facility with these potential risks in mind. We also continue to find opportunities to mitigate potential impacts via water-efficiency projects and by vetting new construction for water-related risks. In 2022, these efforts helped us surpass our original water-saving goal three years ahead of schedule. We have since raised the bar with a new goal to achieve 80 million gallons of water savings from a 2019 baseline by 2025. Based on our progress in 2023, we are on track to achieve this target.

One of our focuses during the year was to build synergy around our water-saving efforts, from Fremont, California, to Korea and beyond. While these facilities may be thousands of miles apart, they are among the six sites that we identified in 2019 as existing within water-stressed regions. Our strategy is to enhance water savings in these locations—and throughout our organization—by adopting and disseminating best practices across Lam's global sites.

Water usage in water-stressed regions (2023)¹

	MILLION GALLONS	% OF TOTAL USAGE
Fremont, California	128.5	31.9%
Malaysia	37.1	9.2%
Korea ²	23.6	5.9%
Livermore, California	6.8	1.7%
India	1.1	0.3%
TOTAL	197.2	48.9%

Minor rounding has been applied to these data.

¹ Water-stressed regions as identified through the World Resources Institute (WRI) Water Risk Atlas.

² Two of Lam's six water-stressed sites are located in Korea.

In 2023, we set ourselves up for progress toward our new water-savings goal by completing a multi-year wastewater reclamation project in Fremont, California. The reclamation system is now fully implemented and currently saving approximately 18.3 million gallons per year, although we expect this to increase as we continue to add load to the system. Our teams also earned recognition for their ongoing water stewardship efforts, with our Springfield, Ohio, site receiving the 2023 Evoqua Water Sustainability Award. The site currently achieves approximately 137,000 gallons of water savings per day after implementing projects related to water efficiency, reclamation, and reuse. Meanwhile, for the 10th consecutive year, our Tualatin, Oregon, site was presented with Clean Water Services' Pretreatment Excellence Award for its efforts to help protect the Tualatin River Watershed.

Learn more about our approach to responsible water management via our [website](#) and our [annual Water Security Submission to CDP](#). 





Recognizing environmentalism among our employees

Lam’s Environmental Stewardship Awards recognize employees who have gone above and beyond to model sustainable practices, reduce Lam’s environmental impact, promote environmental and community action, and more. We received a range of nominations in 2023, including for employees who led water reuse and reclamation projects, picked up trash, and developed new recycling programs at our sites. Our individual and team winners included:



Individual winner: Stephen Witt

Water stewardship is a focus at Lam, and we’re proud to see our employees taking up the cause. As a facility engineer at our Springfield, Ohio, site, Stephen led two water reclamation and reuse projects that enable Lam to save approximately 50 million gallons of water per year. They included a reverse osmosis project focused on water recovery, as well as a water reclamation project that resulted in the site receiving Evoqua’s Water Sustainability Award.

Team winner: Lam Manufacturing Malaysia Facilities Team

Making any new site operational requires a considerable amount of effort and time. Yet, our Facilities team in Malaysia raised the bar on sustainability within the first year of opening our new manufacturing site’s doors. Rather than solely focusing on making the site operational, the team launched several energy-efficiency projects, including reducing cooling in the office, reducing fan loads in the clean room, and reducing lighting and cooling during off hours. Their efforts reflect Lam’s Core Values and have directly supported our sustainability goals.

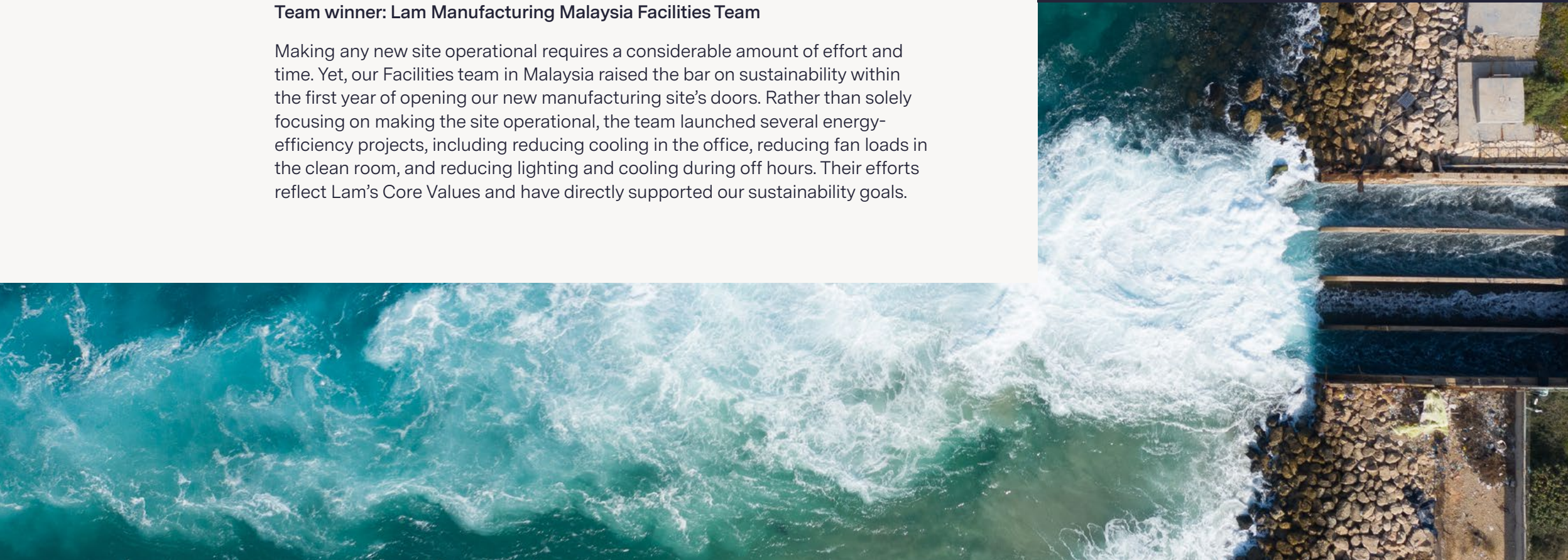
2023 WATER SAVING HIGHLIGHTS

~137K

gallons of water saved per day in Springfield, Ohio

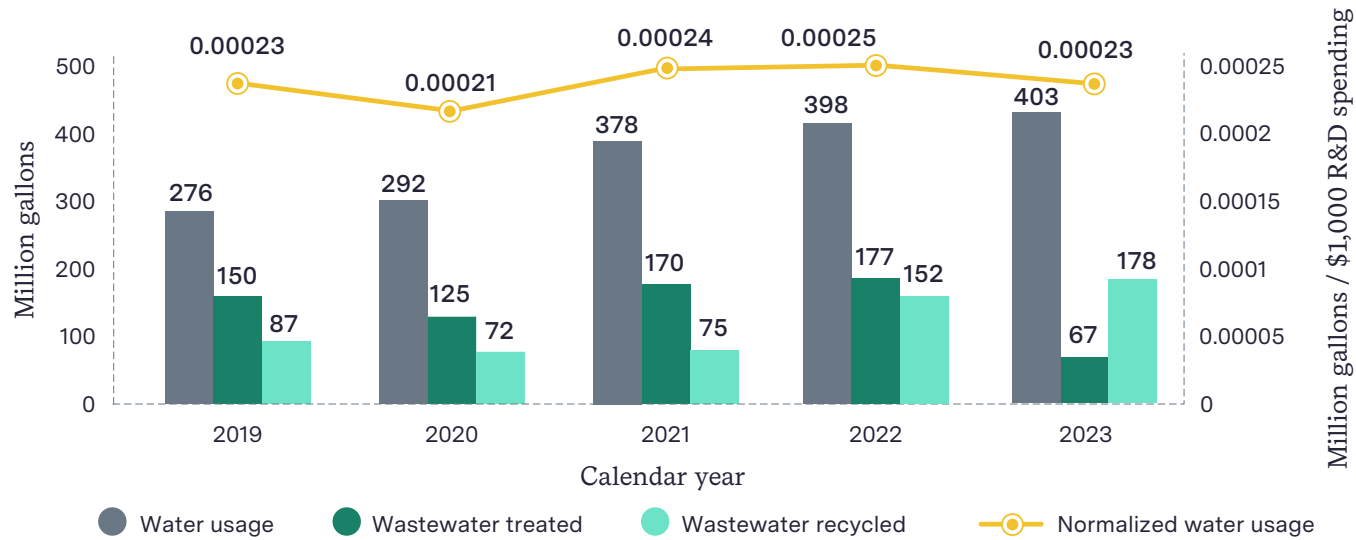
20.1M

gallons of water savings in water-stressed regions, including ~50K gallons saved per day in Fremont, California





Water use, treatment, and recycling by year



Creating a buzz around biodiversity

More than 4,000 native bee species currently live throughout the U.S. Efforts to protect biodiversity among these species support the effective pollination of many local plants and crops. On our 75+ acre Tualatin, Oregon, campus, our Facilities team has worked to track and support native bee populations for several years. To date, they've added five pollinator gardens, including two that were planted by employees in 2023. The gardens feature native plants that attract local bees and help them thrive. We also collaborate with an external volunteer who visits the campus to document the variety of bees found in our area. Building on these efforts, we established a community garden for our Tualatin employees by salvaging old shipping crates to serve as the planters.





Minimizing and managing waste

A core component of sustainability is to avoid needless waste. In line with our ISO 14001 multi-site certification, we strive to minimize our impact on the planet by making the most of the resources we use. Our sites generate both hazardous and non-hazardous waste in the process of developing, manufacturing, and transporting products. We actively monitor and manage this waste in line with industry best practices and standards.

MAKING NON-HAZARDOUS MATERIALS GO FURTHER

Most of our waste is non-hazardous, such as wooden pallets, packaging, and other forms of municipal waste. When managing these materials, we look for opportunities to increase circularity through projects focused on waste reduction, recovery, recycling, and reuse. For example, when opening a new facility, our teams seek out all local recycling streams. We also stay up to date on emerging technologies that help us avoid contributing to landfill waste.

2023 Non-hazardous waste highlights

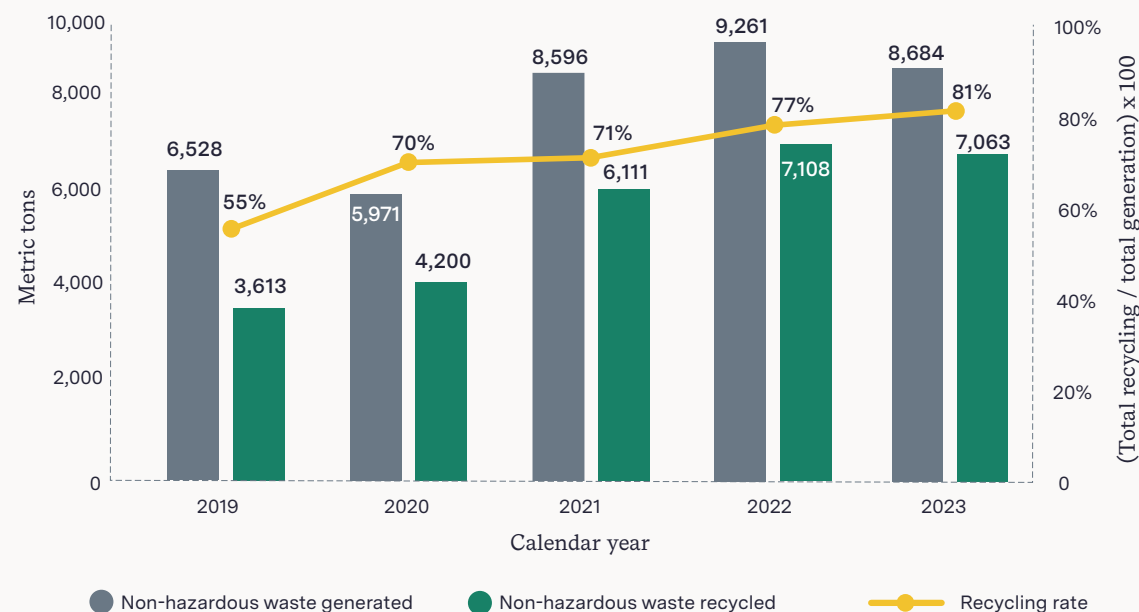
8,684 MT

non-hazardous waste generated

81%

recycling rate

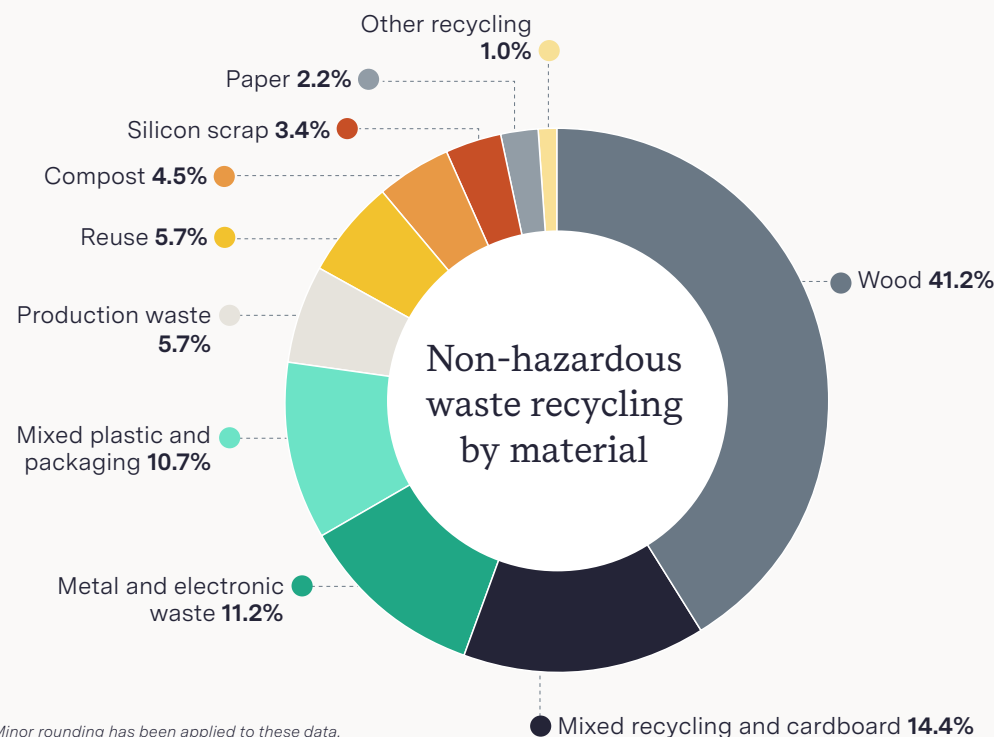
Non-hazardous waste generation and recycling



Promoting circularity with our Employee Resource Group (ERGs)

In Korea, Lam's Employee Sustainability Community ERG has developed an e-waste recycling program to educate employees about properly disposing of everything from batteries to televisions. Many employees in Korea—and worldwide—also volunteered in sustainability-focused community events to celebrate Earth Month in 2023.

Learn more about how Lam employees are working to support resilient communities in [Our communities.](#) →



Minor rounding has been applied to these data.



99.97%

hazardous waste diverted from landfills in 2023

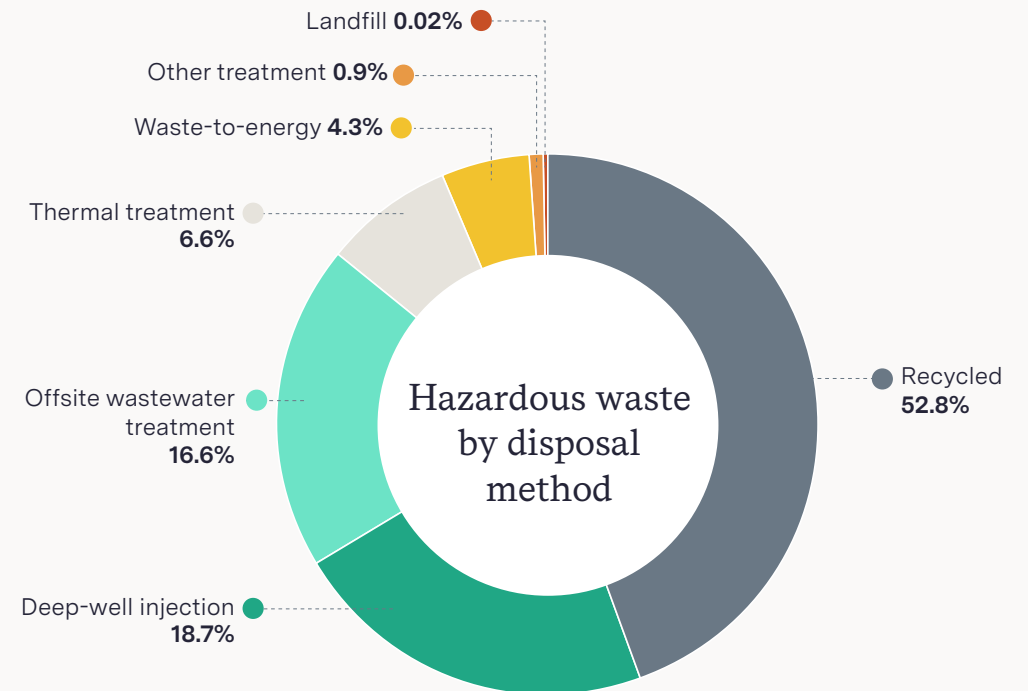
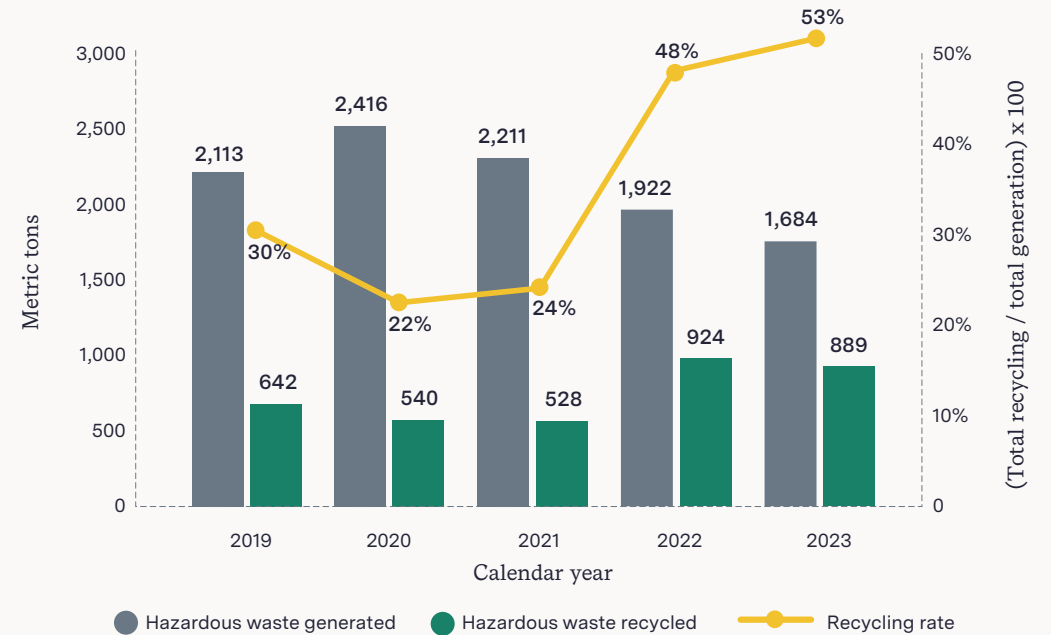
RESPONSIBLY MANAGING HAZARDOUS WASTE

While it makes up a smaller portion of Lam’s overall waste streams, hazardous waste is something we carefully manage within our operations. This waste occurs from chemicals used in semiconductor manufacturing and R&D, and can include lab debris and other corrosive or flammable byproducts.

Learn more about how we responsibly manage hazardous waste via our [website](#). →

You can also visit [Product innovation](#) to learn more about how we’re working to protect air quality and reduce the use of chemicals of concern. →

Hazardous waste generation and recycling



Minor rounding has been applied to these data.



SUSTAINABLY MANAGING CHEMICAL WASTE AND AIR POLLUTION

Our site Environmental Health and Safety and Product Safety groups work together to ensure our workers understand how to use our tools as safely and productively as possible and in compliance with Lam's established safety procedures. This begins even before chemicals arrive at Lam's sites, as we use a chemical information management system to track and monitor our chemical inventories and approve use-based chemical requests. Once onsite, our teams prioritize proper transportation, storage, and inventory management to track where and how chemicals are used and manage potential risks.

We also use our expertise to assess the effectiveness, availability, and environmental impacts of various chemicals that we use. As global chemical regulations evolve, we are proactively working with our supply chain partners, chemical suppliers, and chemical management systems to ensure Lam's ongoing compliance and preparedness. One of the benefits of proactive chemical management is our ability to help prevent air pollution. In this regard, we are making progress by optimizing our processes and tools.

In 2023, Global EHS developed a Refrigerant Management Technical Standard that requires the use of low-GWP (less than or equal to 150) refrigerants for new units containing 50 pounds or more of charge weight.

Demonstrating our commitment to waste stewardship in Tualatin

There's no one way to tackle the problem of waste. Understanding this, our team in Tualatin, Oregon, is taking a multi-faceted approach. One example is their 2023 initiative to increase the recycling of hard plastics, which has historically been a challenging waste stream to address. Another issue they noticed was the number of safety glasses that were used by visitors, only to be discarded after a single use. Though the team found that re-using the glasses wouldn't result in any financial savings, they knew it would reduce the environmental impacts of waste. The site now uses a cleaning process to sanitize and reuse the glasses, a small adjustment that will add up over the long term.

The site also collaborates with Tualatin Riverkeepers, a local environmental nonprofit organization. Using the Oregon Redemption Center's BottleDrop program, Lam raises donations for the group by collecting and donating empty cans and bottles. The site contributed more than \$9,000 in donations by the end of 2023.





Our workplace

IN THIS SECTION:

Creating a workplace that supports success **46**

Fostering and leading inclusive teams **50**

Maintaining a safe workplace **55**





Our workplace

We are purposefully cultivating a safe, inclusive, and growth-oriented workplace to unlock the full potential of our teams.

RELEVANT SDGS



2023 HIGHLIGHTS

- Achieved a 91% response rate on our 2023 employee engagement survey, putting us 16% above the global benchmark.
- Held workshops to reaffirm Lam's values and expectations while integrating Values-based Competencies across the organization.
- Launched new Employee Resource Groups (ERGs) in Korea and China.



GOAL	STATUS	2023 PROGRESS
Build on our high-performance culture with best-in-class employee engagement at the global benchmark as measured by our annual employee survey.		• Ended the year with an engagement score of 76, two points below the global top 25% benchmark.
Maintain an Occupational Safety and Health Administration (OSHA) recordable injury rate at or below 0.4 annually.		• Realized a recordable injury rate of .33.
Increase the proportion of women (globally) and underrepresented employees (U.S.) across the company.		• Increased the proportion of women in our global workforce by 2.5%. Decreased the proportion of underrepresented employees (U.S) by 5.4%.



Creating a workplace that supports success

Lam is a place where people solve the unsolvable—a place for those who welcome challenges and enjoy tackling them as a team. In a highly competitive market, our ability to attract, advance, and retain driven, talented employees is critical to our business. We seek out people who are motivated to push themselves and our industry forward. Then, we strive to support them by providing comprehensive benefits and inclusive opportunities to advance their skills and careers. Our workplace is grounded in our Core Values and shaped by the insights and diverse contributions of Lam employees. In 2023, we integrated their feedback to intentionally develop and refine programs that are tailored to our teams’ unique needs. Our goal is to support our employees today while creating a workplace that will carry Lam into the future.

CULTIVATING A CULTURE OF GROWTH

One of the things we value at Lam is a spirit of continuous improvement. We look for employees who regularly challenge themselves to deepen their knowledge and build new skills. We support these employees by providing a range of opportunities and tools to help them take their careers to the next level. One example is Grow, a leadership development program for all new managers that was reimaged in 2023. The updated program is designed to deliver content that is both more localized and globally accessible while targeting foundational leadership skills.

We also piloted Elevate, a leadership development program aimed at helping employees hone their leadership skills and further their professional goals at Lam. The program spans 18 months and involves online learning groups and business simulations, as well as in-person networking opportunities and events. In addition, we rolled out iLearn, an intelligent learning platform providing content on customer service, leadership development, productivity and collaboration, project management, technology, and other topics. The platform offers certifications, boot camps, live events, skill benchmarks, and coaching simulations, which are available to all global Lam employees.

Throughout our organization, we are proud to offer a growing range of employee development opportunities to support our expanding global footprint. Other examples from 2023 include:

- Director- and supervisor-level development programs in Taiwan
- Workshop for new managers in Japan
- Coaching program for supply chain managers in Malaysia

Development opportunities tailored to our peoples’ needs

ELEVATE

A new leadership development program focused on building and honing leadership skills and advancing diverse participants’ professional goals



COACHING AT LAM

A program to help new managers get off to a strong start. Coaching is also offered as an ad-hoc opportunity based on HR request



MENTORING AT LAM

A program that supports graduates, rising stars, future leaders, new managers, and employees assimilating into the company or a new role by pairing them with a trusted advisor and role model



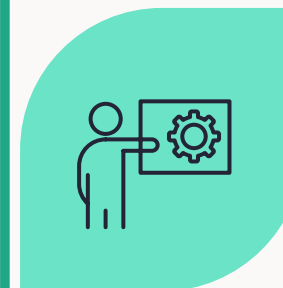
LEAD

A program to help experienced managers take their leadership skills to the next level



GROW

A training program giving new managers skills needed to successfully move from individual contributor to people leader



LEAP

A technical training and certification program for new hires and Lam engineers



I LEARN

An intelligent platform that provides tailored learning journeys for employee skill building and career development



~2,200

employees participated in our Mentoring program, with a 98% satisfaction rate from mentees

1,270

learners in instructor-led programs in the U.S., Asia, and Europe

1,490

employees enrolled in Leap, with 600+ certificates awarded

300+

employees participated in coaching, with 96% reporting they are more effective at work

200+

learners in our Grow pilot program, with an average satisfaction rate of 93%

6,400

total iLearn users who collectively completed 9,200 learning hours and 10,700 courses

- Manager forum in Singapore
- New Site Leader Development program in China
- New Manager Learning Labs 2.0 in India
- Training on fundamental people practices for all people managers in Korea

REAFFIRMING LAM'S VALUES AND WORKPLACE EXPECTATIONS

Our Core Values are the building blocks of Lam's culture, which propels us forward as a unified team. It's important to us that they never become stagnant, because they're not just words and ideas; they're actionable tenets we expect every employee and leader to model. To help ensure this, our Global Employee and Labor Relations team reaffirmed Lam's culture and Core Values throughout the year. The team's initiatives included engaging approximately 1,900 U.S. manufacturing and logistics employees in about 80 in-person Workplace Conduct Workshops to reinforce our foundational workplace conduct expectations. We also continued to host global Culture Workshops to enhance recently hired employees' awareness of the importance and value of our culture and Core Values, with more than 700 employees engaging in these sessions during the year.

Positioning Lam as a skills- and values-based organization

To further ingrain our Core Values into employees' daily routines, the global Learning team launched the first phase of a new Values-based Competencies project in 2023. The goal of the project is to pair Lam's Core Values with observable and measurable behaviors tailored to our employees' levels and roles. The Values-based Competencies we identified are specific to Lam's culture and aligned with our pathway forward. By integrating our Core Values across the employee lifecycle, we are enhancing our ability to attract, develop, and retain top talent.

Within this scope, the Learning and Talent Acquisition teams launched tools for hiring managers and interview panels to embed Values-based Competencies into their evaluation process. When combined with the STAR (situation, task, action, and result) methodology, this will enable interviewers to identify candidates who embrace Lam's Core Values and better understand a candidate's behaviors. We also adjusted the wording of our performance management assessments to facilitate values-centered performance discussions. Lam's performance and review process applies to all employees and includes self, peer, and manager assessments.

Current employees can assess their proficiency in our Values-based Competencies using a new interactive eLearning module. Upon completion, the module presents curated learning opportunities to help employees address any identified gaps. Building on this work, we launched an [external web page](#) where employees can access additional information and potential candidates can review our Values-based Competencies to prepare for the application and interview process. This is an ongoing project, which we intend to expand upon throughout 2024.





HELPING EMPLOYEES LIVE WELL

Both on and off the job, we want to ensure our people have the resources to live full, healthy lives. For example, many employees have flexibility in their workplace modalities, with Lam offering partial remote work options, including onsite flex and virtual flex. From enabling people to take time away for rest and leisure to expanding access to holistic and preventive care, we support our employees' well-being.

In 2023, we introduced a new virtual physical therapy program for employees and covered dependents in the U.S. This program is at no cost to participants and provides a safe, convenient, and cost-effective solution for many musculoskeletal conditions commonly seen in U.S. manufacturing populations. Another U.S. initiative was to continue to provide financial support through our market-leading Student Loan Assistance Program. Globally, all new parents continue to be eligible for paid parental leave in all regions.

We also continued to build awareness and engagement around our global benefits and well-being programs, including by launching education campaigns in the U.S. and Singapore with a focus on value and accessibility. Our ERGs further bolstered these efforts by providing additional forums to promote well-being programs and resources.

We also continue to facilitate Mental Health First Aid training certification for key Human Resources and management staff in the U.S. In 2023, we certified 15 employees through our relationship with Kaiser.



Recognizing our employees' dedication to delivering great results

Part of what keeps an employee highly engaged is the understanding that they are a valued part of the team. With that in mind, we look for opportunities to celebrate our employees' exceptional performance throughout the year. Our Above and Beyond program enables employees to recognize colleagues who demonstrate Lam's Core Values and deliver outstanding work.

GOING ABOVE AND BEYOND IN 2023

~170K

recognition moments, +12% year-over-year

94%

of employees received recognition with 49% peer-to-peer awards

87%

of managers submitted an award

Lam provides benefits that promote workplace inclusion, such as those that support the LGBTQ+ community and other diverse groups. Learn more about how we support LGBTQ+ employees, as well as their families, via our [U.S. Benefits website](#). →

You can also visit our [website](#) to learn more about our career opportunities and workplace approach. →





USING EMPLOYEE INSIGHTS TO GUIDE OUR APPROACH

Employees have a unique understanding of what’s working in our organization and how we can enhance their satisfaction and success. We value these insights, and we regularly engage our employees to build a sense of connection and trust. One of our key touchpoints is our annual employee survey, which we conduct globally and anonymously via an external survey firm. The survey helps us measure our performance and map our pathway ahead, enabling Lam to remain a place where talented people want to join, stay, and grow.

The 2023 survey achieved a high response rate of 91%, putting us well above the global top tier benchmark. We also saw a year-over-year improvement in our Inclusion Index score, which represents the combined scores of three questions related to inclusion, authenticity, and equal opportunity. The survey revealed strong, supportive managers as one of Lam’s key strengths.



2023 Employee engagement survey at a glance

BY THE NUMBERS:

91%
participation rate, +16% above industry global benchmark

76
engagement score, -2 from 2022

76
Inclusion Index score, +1 from 2022

FOCUS AREAS:

- Leveraging our industry strengths to promote confidence in the company
- Expanding growth opportunities and resources to support career development
- Furthering our digital transformation journey and empowering employees to identify issues and propose solutions to support continuous improvement

KEY STRENGTHS:



MANAGER EFFECTIVENESS

Employees feel supported by their managers, would recommend them to others, and are having meaningful discussions with managers about career development.



FOSTERING AN INCLUSIVE CULTURE

Employees feel comfortable being themselves at work, believe their leaders value different perspectives, and feel that people have equal opportunities to succeed.



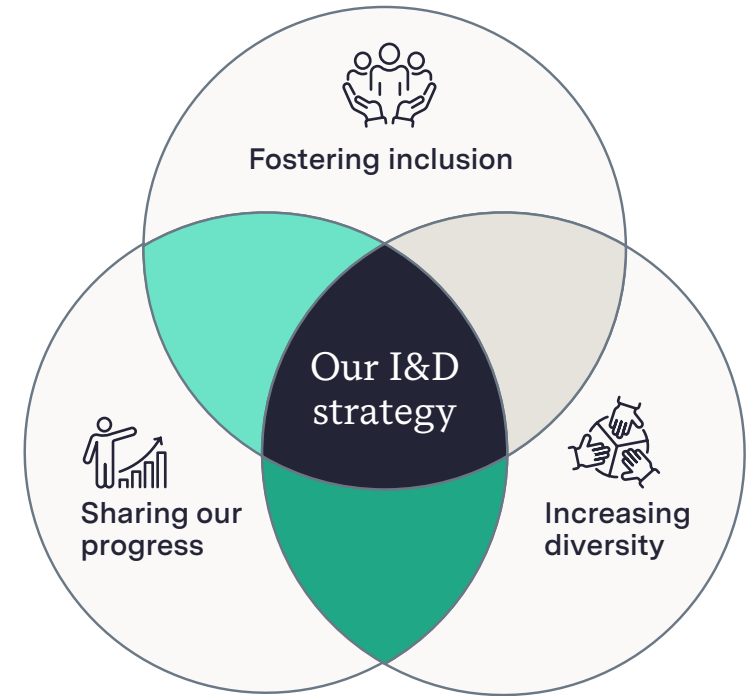


Fostering and leading inclusive teams

The more equitable opportunities we create at our company, the more talent we attract. That’s critical for Lam, where we need the brightest minds to come together in the pursuit of solving the industry’s grand challenges. We require a high level of expertise on our teams, as well as people with varied perspectives and complementary skills. Moreover, we need to ensure an environment where our employees are comfortable sharing and responding to novel ideas because they feel a sense of belonging and mutual trust. This is the recipe for a workplace that promotes innovation, delivers strong financial performance, and has the power to drive meaningful change. Creating a workplace that aligns with Lam’s Core Values of inclusion and diversity is also essential for employee recruitment, retention, advancement, and well-being.

Lam’s inclusion and diversity (I&D) strategy is led by our global head of I&D, with support from leaders throughout our organization. Through it, we continue to build and retain strong, diverse, and inclusive teams.

We strive to attract and retain a diverse workforce to enhance innovation and problem solving among our teams. Our I&D objectives include, but are not limited to, raising the proportion of women employees in our global workforce and of underrepresented groups in our U.S. workforce. Our efforts to support this goal in 2023 included growing our global network of ERGs and enhancing candidate outreach and experience.



Promoting equal opportunities, pay equity, and non-discrimination

We want Lam to be an environment where every employee has equal opportunities to advance their career and thrive. To ensure accountability, we regularly measure our progress in recruiting, hiring, and retaining a diverse workforce. We also conduct an annual pay equity assessment of our compensation practices and systems to promote fair and equitable compensation in our workforce. In addition, we leverage the expertise of a nationally recognized law firm and its data-driven statistical model to objectively analyze our pay practices and identify trends and patterns. We use this information to maintain and improve Lam's global compensation practices.

Lam is committed to equal opportunity and non-discrimination in all our employment practices. We prohibit unlawful discrimination, harassment, and retaliation in any aspect of employment, including recruiting, hiring, promotion, and compensation. Our Human Rights Policy aims to further ensure the protection, safety, and dignity of all Lam employees. Additionally, our Global Employment Practices Statement declares our support of workers’ rights to freedom of association and collective bargaining, to the extent permitted under local laws.





Workforce demographics snapshot

Board gender and ethnic diversity



ETHNIC DIVERSITY	FEMALE	MALE
Asian	1	4
White	2	4



Global and U.S. gender diversity

All Employees Global and U.S. Gender



Executives Global and U.S. Gender



Managers Global and U.S. Gender



Junior Managers Global and U.S. Gender



Technical Employees Global and U.S. Gender



Graduates U.S. Gender

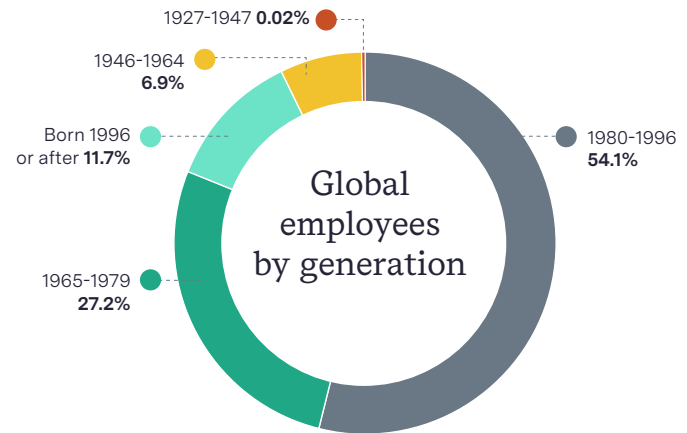
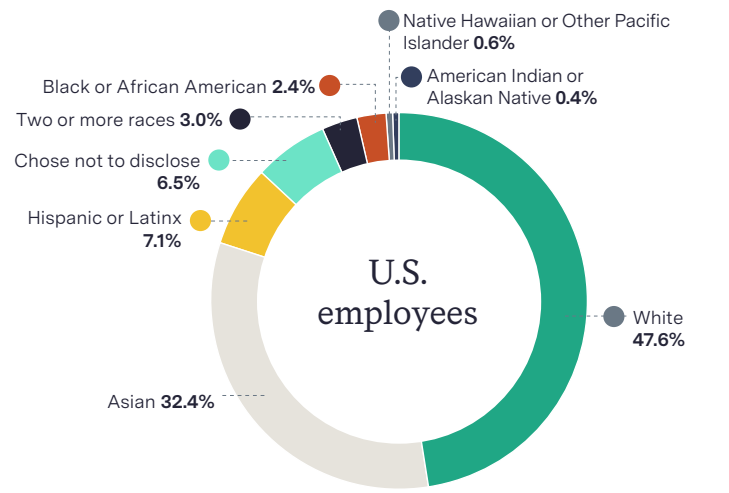


New Hires Global Gender

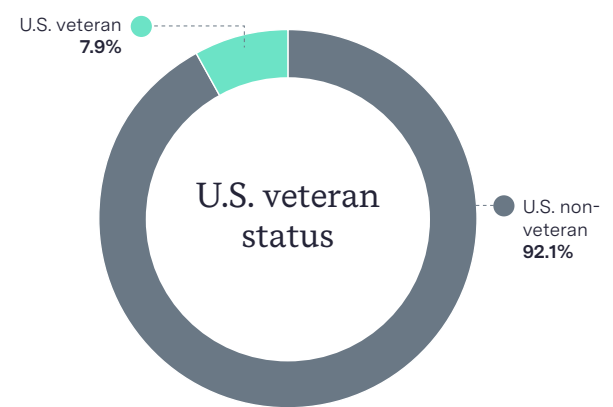
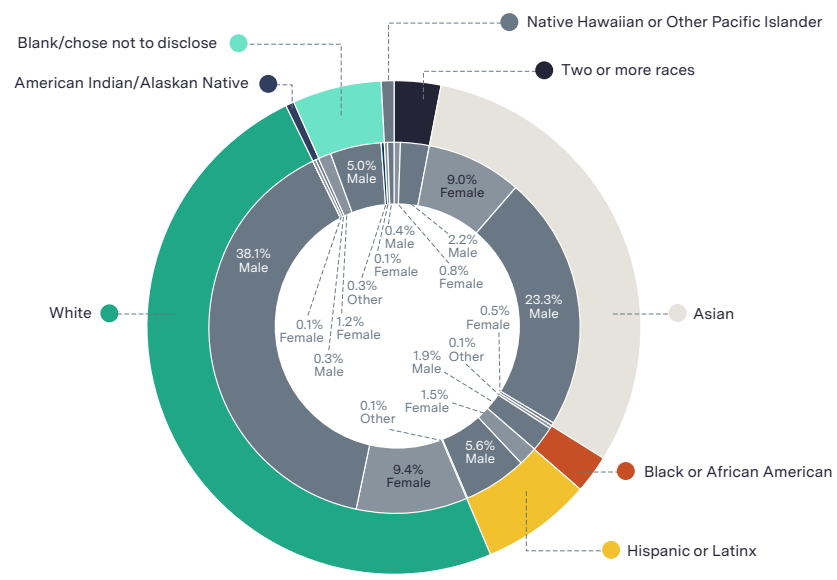




Workforce demographics snapshot



U.S. gender and ethnicity



Note: Minimal rounding has been applied to these data. Data do not include Talus.



Lam hosted a panel discussion on building women leaders with HerKey, India’s largest career engagement platform for women. The panel included women leaders with a decade or more of experience, who shared candid insights on navigating the path to leadership excellence. Key topics included the importance of resilience, balancing motherhood with professional careers, taking a break with intent, and continuously working toward future growth.

CULTIVATING A DIVERSE PIPELINE OF FUTURE TALENT

Attracting exceptional people is the first step to delivering exceptional results. To promote equitable opportunities in our industry, we work to engage talent from groups who have historically faced social barriers to entry into science, technology, engineering, and mathematics (STEM) careers.

We took a key step by implementing a tool created to optimize the talent acquisition and management process. The tool enables us to consider candidates for all roles in which they qualify, supplying us with more opportunities to match candidates to our company’s hiring needs and increasing candidate satisfaction.

In addition, we implemented new technology to create a faster application process and thereby improve the candidate experience.

Promoting equity and representation through industry events

To promote a more equitable STEM landscape, we participate in events throughout the year that align with our diversity and inclusion values.

Examples of our activities in 2023 include:

- **Sponsoring the Diversity in Tech Symposium**, a virtual event organized through the University of California’s EDGE in Tech Initiative. The theme of this year’s symposium was “Smarter Tech for a Resilient Future,” and it included a panel on advanced manufacturing, featuring Lam Chemical Engineer Xueying Zhao.
- **Sponsoring and participating in HBCU Engage**, an in-person forum aimed at enhancing partnerships and forging new collaborations with Historically Black Colleges and Universities (HBCUs). The 2023 event included more than 173 organizations, such as industry, government, and nonprofit institutions.
- **Participating in WE23**, the world’s largest conference for women in engineering and technology. The 2023 conference convened more than 21,600 women engineers, aspiring engineers, and allies through in-person events and virtual sessions viewed around the world.
- **Sponsoring the executive welcome reception at AFROTECH™**, the largest Black tech conference in the U.S., to help drive increased representation of Black individuals in STEM. The conference brought together a global community of innovators for a week of big ideas, tech innovation, networking, recruitment, and more.

Supporting diverse students and scholars

Great employees begin as driven students and scholars looking for opportunities to gain new experiences, connections, and skills. We support them by providing funding for academic scholarships and fellowships, with a focus on delivering opportunities to those who have historically been underrepresented in STEM careers. For example, Lam has long been a key partner for the National Consortium of Graduate Degrees for Minorities in Engineering (GEM), which provides graduate-level fellowships to underrepresented candidates in engineering and science. GEM also provides its fellows with exposure to industry internship programs, including our own, and we were proud to welcome 13 GEM fellows as part of our intern cohort during the year. We also embarked on the third year of our collaboration with the United Negro College Fund and continued our support for *FIRST* Global.



Learn more about how we’re supporting inclusive societies in [Our communities](#), and visit our [website](#) to read about our other university partnerships and programs. [➔](#)



GROWING OUR GLOBAL ERGS

Lam’s growing network of ERGs is integral to our I&D strategy. It also helps us engage employees in sustainability, community outreach, and mentorship initiatives throughout the year. These groups provide a sense of community for our employees while empowering them to learn and lead. Our ERGs are supported by members of our CEO Staff—who serve as executive sponsors for each group—and each ERG has its own charter, initiatives, and goals.

In 2023, we saw an uptick in ERG membership with higher global engagement, including a notable increase among our sites throughout Asia. To fuel this growth, we piloted ERG pop-up fairs at key locations in March. We then scaled the initiative to include ERG pop-ups in every region during Global Diversity Awareness Month in October. This enabled us to grow our ERG network by 19% and provided employees with greater awareness of the issues our ERGs are working to promote.

Our ERGs are an important part of Lam’s community engagement efforts. In 2023, they contributed 1,126 volunteer hours through 14 employee-led events.

Learn more in [Our communities.](#)

Our Employee Resource Group Network



Black Employee Network



Community of Latinos and African Americans for Student Success and Outreach



Lam Employee Sustainability Community



Lam India Women’s Network



Lam’s Veteran Community



New Professionals Network



PRIDE LGBTQ+ Allies



Women@Fremont



Women in Customer Support Business Group



Women in Engineering



Women in Global Operations (WGOPs) U.S. Korea, and Malaysia



Women in Korea



Women in Leadership at Lam



Women in Leadership Network, China



Women in Taiwan



Women of Southeast Asia

Throughout Asia, our ERGs are bringing women together to lead

In recent years, Lam has expanded its footprint throughout Asia. During this evolution, we’ve seen a growing community of women employees and leaders in the region emerge. Several years ago, we launched our first WGOPs group in Korea. In 2023, we built on that milestone by creating our new Women in Korea ERG. The group held its first workshop in June with more than 100 people in attendance. We also launched a new ERG in China, the Women in Leadership Network, which hosted a career development workshop with directors.

International Women’s Day is a time of global celebration at Lam, and our Malaysia WGOPs ERG celebrated with a variety of programs, including a talk about equity with site leaders and representatives from the Women’s Center for Change. Finally, our India Women’s Network ERG held a large event at the Bangalore International Center in December, featuring a panel with officials from the Indian government and Microsoft to discuss women’s leadership and support for women in technology.



Maintaining a safe workplace

Visit Lam’s offices, manufacturing plants, or clean rooms and you’ll notice that safety is always front of mind, from the way we unload our shipments to the protection we wear in our labs. We leverage strict safety protocols and controls to proactively mitigate risks while using training and engagement to reinforce a strong safety culture. Our global Environment, Health and Safety (EHS) policy applies to every employee and reiterates our commitment to providing a safe, injury-free workplace and minimizing our environmental impact. We also maintain a single site certification at our Fremont, California, headquarters for ISO 45001, the globally recognized standard for occupational health and safety management systems.

CONTINUOUSLY IMPROVING OUR SAFETY PERFORMANCE

We pursue an annual goal to achieve an OSHA recordable injury rate at or below 0.4. In 2023, we achieved that target with a rate of 0.33, a 6% reduction from the previous year. We also saw a 40% reduction in lost-time injuries from 2022. We attribute this progress to our ongoing focus on prevention-based education and emergency preparedness. Examples include our general health and safety training and our Safety Awareness for Everyone (SAFE) program, which we use to update employees when safety issues emerge. We also employ SAFE to prevent future issues by discussing previous incidents and sharing lessons learned.

We’re also seeing benefits from our ergonomic assessments and physical training program, with our Livermore and Fremont, California, locations now providing physical therapists on site. This enables us to identify potential injuries early and effectively intervene through real-time coaching, stretching, icing, and other techniques. In 2023, our Tualatin, Oregon, site completed the first full year of its collaboration with OSHA, which enables us to collaborate around safety topics with industry peers. We also conducted more than 249,000 Risk Management by Walking Around inspections globally, a process used to identify and track safety issues and implement corrective actions as needed.



Helping employees stay safe and sound

Whether employees are at home or work, we encourage them to keep a safety-first mindset. That was the idea behind Lam’s Safe and Sound Week in August 2023. The week included virtual and onsite activities held in Tualatin, Oregon, and Fremont and Livermore, California. We engaged employees through a safety fair, safety satisfaction survey, and daily quizzes. With an eye toward positive reinforcement, employees had the opportunity to nominate their colleagues for our Safety Hero award. This enabled us to shine a light on those who are modeling safety best practices each day.

20%

increase in Safe and Sound Week participation year-over-year

300+

safety quiz participants

180+

safety fair participants

170+

safety satisfaction survey respondents

2023 SAFETY PERFORMANCE

11%

Year-over-year improvement in our recordable injury rate

217K+

hours of employee safety training completed

249K+

Risk Management by Walking Around inspections

60.1%

injuries attributed to strains, sprains, slips, trips, and falls

0

fatalities

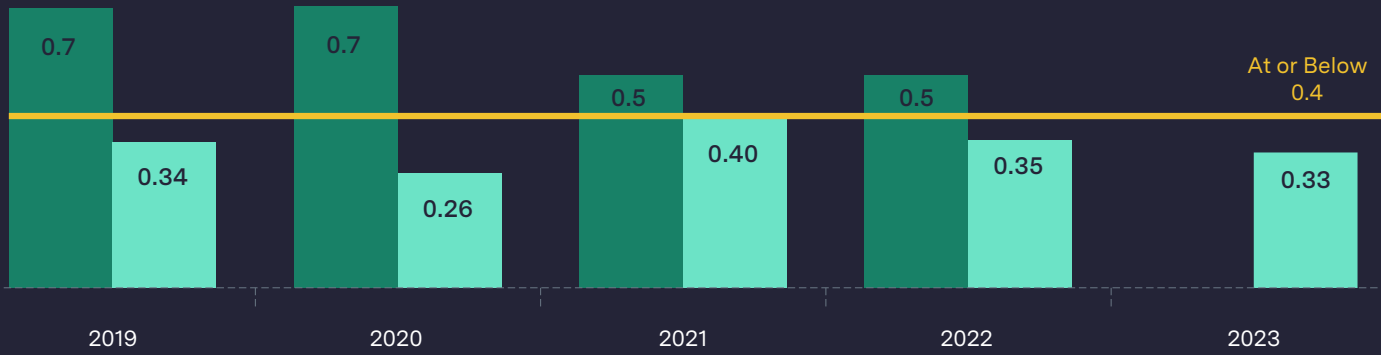




Recordable injury rate (Lam vs. industry)

Incidents per 100 employees per year

- Industry average
- Lam rate
- Lam target



Lam’s Safety Employee of the Month award recognizes those making transformative change by embodying our EHS safety culture. In 2023, we updated the award with a focus on engaging our manufacturing sites. Learn more about our EHS policies and how we are working to empower our people to stay safe via our [website](#).





Responsible supply chain

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Responsible supply chain

We are purposefully maturing our due diligence and engagement approach to promote an ethical, just, and lower-carbon supply chain.

RELEVANT SDGS



2023 HIGHLIGHTS

- Identified 40+ energy-efficiency opportunities while piloting energy assessments with suppliers in Korea and Japan.
- Received Climate Pledge acknowledgements from 96 of our top 100 direct suppliers.
- Enhanced due diligence by leveraging Responsible Business Alliance (RBA) self-assessments for human rights.



GOAL	STATUS	2023 PROGRESS
Achieve more than 90% compliance with our social and environmental expectations across our top suppliers. ¹		• Exceeded our goal with 94% of top suppliers responding to our conflict minerals survey.
Engage with at least 50% of our top suppliers on environmental sustainability opportunities.		• Engaged with 100% of top suppliers.
Increase engagement with suppliers on social and environmental topics through assessment, training, and capacity building.		• Deepened supplier engagement through our second-annual Supplier ESG Forum, monthly webinar series and newsletters, and energy assessments.
46.5% of suppliers measured by emissions have science-based targets (SBTs).		• 26% of suppliers as measured by emissions have SBTs.

¹ Top suppliers are defined as the top 100 direct suppliers, who account for approximately 96% of spend and 95-98% of supply chain emissions, with some variability year over year. Direct suppliers are defined as those who provide parts, assemblies and services to produce parts used to manufacture and support Lam's products. Indirect suppliers are all other goods and services used by Lam's daily operations that are not parts, assemblies or services directly tied to producing parts used to manufacture or support Lam's products.



Our comprehensive approach

Global supply chain operations have become increasingly complex, requiring companies to thoughtfully manage their suppliers. As Lam continues to expand its footprint, we are assessing our supply chain for risks that could impact our business. Our strategy centers on supplier engagement to build trust, further key business and ESG initiatives, and mitigate potential human rights risks. Lam’s capacity for these efforts is growing. In recent years, we’ve assembled a global team to mature and refine our supply chain ESG approach. The team is embracing new tools and technologies to enhance supplier engagement, data collection, and due diligence—helping us support suppliers’ efforts to enhance

their corporate responsibility practices while reducing Lam’s supply chain risks and advancing our ESG goals.

Our membership in the RBA is at the heart of these efforts. In 2023, we further leveraged RBA resources to assess human rights risks in our supply chain and support other focus areas. We also continued to support suppliers in setting science-based emissions-reduction targets while engaging and educating suppliers through webinars, newsletters, and other outreach initiatives.

SETTING EXPECTATIONS AND PROMOTING PROGRESS

We establish clear expectations at the beginning of the supplier lifecycle to set up both our company and our suppliers for success. Upon selection, we encourage suppliers to become RBA members and contractually require that suppliers adhere to the principles set forth in our [Global Supplier Code of Conduct](#) (GSCC). In 2023, we updated the GSCC to ensure close alignment with the RBA's Code of Conduct with reference to globally recognized bodies' guiding documents, such as the United Nations and the International Labor Organization. Throughout the supplier lifecycle, we continue to conduct due diligence using a risk-based approach, while working to facilitate ESG progress. Our expectations for our top direct suppliers include:

- Setting science-based emissions targets in line with Science-Based Targets initiative (SBTi) methodology
- Providing emissions and environmental data on an annual basis
- Completing RBA Corporate self-assessment questionnaires (SAQs) and Responsible Labor SAQs, addressing applicable non-conformances, and participating in RBA’s Validated Assessment Program upon request
- Responding to our annual Conflict Minerals Reporting Template (CMRT) survey request

ENGAGING SUPPLIERS AT EVERY STEP

We emphasize engagement at each step of the supplier lifecycle to conduct due diligence and drive mutual progress on key ESG topics. In 2023, we engaged over 128 suppliers through monthly webinars featuring industry experts. They discussed a range of topics from methods for managing GHG emissions and setting SBTs to human rights and the power of RBA tools. We've planned webinars on additional topics for 2024. We also continued our newsletter, which reinforces the topics featured in our webinar series.

Embedding ESG in supply chain management



ESG supply chain governance

is overseen by our global supply chain management executive leadership and implemented by our Supply Chain ESG team with support from a global, cross-functional team.



Our strategic framework

enables us to manage supply chain ESG performance across five pillars:

- Transparency
- Responsibility
- Training
- Risk assessments
- Governance



Our focus areas help us hold ourselves and our suppliers accountable for conducting business responsibly and ethically in respect to:

- Collaborating to advance climate action
- Upholding human rights
- Ethically sourcing raw materials
- Fostering supply chain diversity

Learn more about our supply chain governance and management approach via our [website](#).



Connecting with our suppliers and celebrating their success

In October 2023, Lam gathered with a select audience of suppliers during our second-annual Supplier ESG Forum. This in-person event included an overview of our ESG strategy and net zero roadmap, as well as a presentation from the chief strategy officer of the RBA. We invited a variety of speakers to represent the perspectives of our company, our investors, and the semiconductor industry. The forum provided an opportunity to celebrate our suppliers and align on priorities.



Setting up our suppliers and company for success



GETTING OFF TO A STRONG START

As part of onboarding, direct and select indirect suppliers are required to:

- Pass our Uyghur Forced Labor Prevention Act list-based screening
- Acknowledge and agree to adhere to the principles in Lam’s [Global Supplier Code of Conduct](#)
- Complete a screening process to confirm human rights and business ethics compliance



MONITORING PROGRESS

On an ongoing basis, we use various tools to assess progress, including:

- Quality Management System audits that assess suppliers based on performance, quality, and human rights risks
- RBA Online’s toolkit, including training modules, Corporate SAQs, Facility Risk SAQs, Responsible Labor SAQs, and country risk profiles to support human rights risk monitoring
- The Responsible Mineral Initiative’s (RMI) CMRT, Extended Minerals Reporting Template, training, and Reasonable Country of Origin Inquiry data for conflict mineral monitoring
- Our supplier scorecards, which monitor supplier performance across many metrics, including ESG



DRIVING MUTUAL SUCCESS

We offer a variety of opportunities to build supplier capability including:

- Webinars, events, and training opportunities
- Newsletters, external net zero resources, and access to subject matter experts
- Energy audits for select suppliers

Our supplier engagement strategy:

Lay the foundation for a productive supplier relationship:

- Communicate our expectations
- Collect data to inform our strategy
- Foster collaboration and build momentum toward our respective goals



Build capacity for progress:

- Mature our methodology and enhance data accuracy
- Identify potential emissions-reduction opportunities and human rights risks
- Provide resources, training, and coaching opportunities



Act on opportunities to drive measurable improvements:

- Reduce value chain emissions
- Hold suppliers accountable
- Measure our impact and adjust our strategy as needed





Collaborating to advance climate action

Activities in our supply chain contribute to our Scope 3 emissions, which represent the majority of our GHG footprint. To achieve net zero, we must work closely with our top suppliers to help them drive emissions reductions. We've set annual and near-term targets to keep us on track to achieve this goal by 2050, including supporting 46.5% of our suppliers (by emissions) to set SBTs by 2025. In 2023, 26% of suppliers have set SBTs. We continued to pursue these goals by engaging and educating suppliers on environmental topics throughout the year. We also asked top suppliers to commit to climate action and used our ESG survey to collect information about our top suppliers' climate performance. We deploy our ESG survey to top suppliers on an annual basis to gather Scope 1, 2, and 3 emissions

information in support of our climate goals. Since 2022, we have received ESG survey responses from 92 of our top suppliers, with 96 of them acknowledging our Climate Pledge.

One of the actions our suppliers can take to reduce their emissions is to minimize their energy usage. To help them, we piloted energy assessments with Lam's top suppliers in Korea and Japan. Through the completion of five energy assessments, we identified more than 40 energy-efficiency opportunities. Many of them, such as implementing energy-saving lighting or compressor pumps, could offer a rapid return on investment for participating suppliers.

2023 CLIMATE ENGAGEMENT HIGHLIGHTS

96

of our top direct suppliers have acknowledged Lam's Climate Pledge since 2022

92

of our top direct suppliers have responded to our ESG survey

40+

energy-efficiency opportunities identified while completing energy assessments of five suppliers' operations in Korea and Japan

47%

of supplier survey respondents indicated they are using some renewable energy

38%

of survey respondents published annual sustainability reports





Upholding human rights

We are firm in our belief that every individual deserves safe working conditions in which they can expect to be treated with dignity and respect. Our dedication to supporting and protecting human rights encompasses our global operations, as well as our supply chain. This work aligns with our Core Values and helps us ensure compliance with Lam's [GSCC](#) and RBA's Code of Conduct. Lam's global Human Rights Policy applies to all employees, and we expect our suppliers, as well as our business and community partners, to adopt similar practices. We also expect our suppliers and sites to comply with laws that include, but are not limited to, the U.K. Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010.

We ask our top suppliers to complete the RBA's Responsible Labor SAQs, which further inform our risk mapping and prioritization efforts. Through the process, we have identified three countries where our top suppliers operate that are inherently high-risk for child labor and migrant labor. We use country-level risk data to inform our overall supplier engagement and assessment strategy. We also apply RBA guidelines to address specific supplier risks on a case-by-case basis. The process may include requesting corrective action plans to improve policies and practices and ensuring that follow-up closure audits are completed. This has allowed us to streamline and scale our due diligence processes. In addition, we regularly audit critical suppliers through our quality management system. These onsite audits assess suppliers' performance, quality, and human rights practices, and we completed 72 audits in 2023. Overall, our increased use of RBA tools and regular audits have improved our ability to analyze, interpret, and migrate global human rights risks.

Training is essential to ensure our teams and suppliers understand the importance of proactively managing and monitoring human rights risks within our supply chain. In 2023, we saw a 300% increase in the completion rate of our human rights training by expanding access for employees across our Global Supply Chain Management, E&C, Legal, and Global Trade teams. We also ask our top suppliers to complete RBA's online human rights module, which helps them flag and appropriately respond to potential risks.

Ethically sourcing raw materials

The semiconductor industry uses various minerals, including conflict minerals such as tin, tantalum, tungsten, and gold. While Lam does not directly source these minerals, they are present in some items that we purchase from our suppliers. We conduct due diligence in accordance with recognized international standards to determine whether these conflict minerals were sourced from countries associated with conflict in the Democratic Republic of the Congo. Lam is a member of the RMI, a multi-stakeholder organization that helps address human rights issues in the mining of conflict minerals and other minerals of concern. We leverage RMI's Conflict Minerals Reporting Template (CMRT) for our conflict mineral filings disclosed to the U.S. Securities and Exchange Commission.

Visit our [website](#) to learn more about our approach to sourcing parts and materials containing raw materials via our Conflict Minerals Policy Statement and our [2023 Conflict Minerals Report](#). →

94%
response rate from our top direct suppliers to our conflict minerals survey in 2023





Fostering supply chain diversity

Consistent with Lam's Core Values, we recognize the value that diverse suppliers bring to help us deliver on our core priorities and enrich our experience in the process. During our supplier onboarding process, we implement measures to identify diverse suppliers, including minority-, women-, LGBTQ+-, and veteran-owned businesses, as well as businesses owned by people with disabilities. We also include diverse qualifications in our Supplier Scorecard and track spending with diverse direct and indirect material suppliers on a periodic basis. We continue to encourage diverse suppliers to collaborate with Lam and hope to broaden our diverse supplier network in the coming years.



In 2023, Micron president and CEO Sanjay Mehrotra presented the Outstanding Performance in Supplier Diversity Award to Lam CEO Tim Archer. The award recognizes top-performing suppliers across Micron's business, based on its fiscal year scorecard evaluation, and Lam received the highest score among its peers. Learn more about our approach to cultivating a diverse supplier network via our [website](#).

2023 SUPPLY CHAIN SNAPSHOT

~1,500

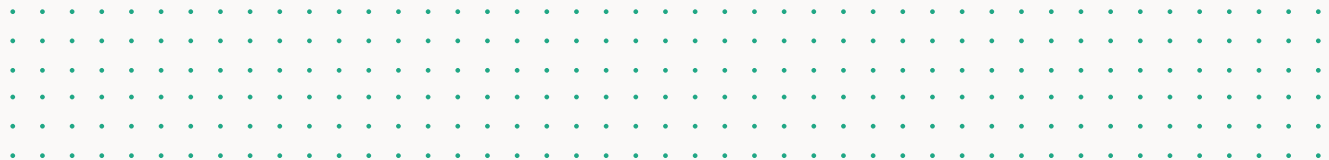
supplier families in 34 countries

26%

Suppliers with SBTs

25

suppliers initiated RBA Corporate SAQs





Our communities

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Our communities

Guided by our principle to act with purpose for a better world, we are working with our charitable partners and employees to support communities that are empowered, inclusive, and resilient.

RELEVANT SDGS



2023 HIGHLIGHTS

- Completed the first year of our **three-year, \$10 million commitment to FIRST Global**.
- Volunteered **30,677 hours**, a **45% increase** over 2022.
- Achieved nearly a **4X increase** over the previous year in **volunteer participation** in Asia, with regional employees logging **7,394 hours**.



GOAL	STATUS	2023 PROGRESS
Determine key targets for larger-scale impact aligned to a new strategic focus.		<ul style="list-style-type: none"> Achieved by launching our Powering Breakthroughs Together social impact framework with strategic focus areas to guide our giving and signature program initiatives.
Implement measurement of outcomes for key program and large-scale grants.		<ul style="list-style-type: none"> Continued to develop, refine, and test our reporting process for key programs and large-scale grants.
Increase annual unique participation rate in all employee giving programs from 10% to 30%.		<ul style="list-style-type: none"> Increased annual unique employee participation rate from 18% in 2022 to 20% in 2023.
Contribute 40,000 employee volunteer hours annually.		<ul style="list-style-type: none"> Contributed 30,677 employee volunteer hours in 2023.



Powering breakthroughs together

When people are empowered to collectively reimagine tomorrow, they can help create a better world for generations to come. Our social impact strategy aligns with our internal work to fuel innovation, enhance sustainability, and help make science, technology, engineering, and mathematics (STEM) industries more inclusive. We know we can create the greatest impact by supporting charitable organizations and communities at the local level while coordinating our efforts throughout the world. Lam’s social impact platform, Powering Breakthroughs Together, provides a framework for this endeavor across three key areas:

- **Transformative learning:** We invest in programs that push the boundaries of education to carve out new pathways for learners, innovators, and creative thinkers.
- **Resilient communities:** We support efforts that help communities build resilience in the face of adversity through strong relationships, enhanced technological capacity, preparedness, and recovery planning.
- **Inclusive societies:** We provide investments to organizations working to change inequitable systems and increase access to resources and opportunities that help communities reach their full potential and flourish.

OUR COMMUNITY IMPACT IN 2023

2,128 charitable organizations supported

1,935 employees volunteered a total of 30,677 hours

20% employee participation rate in all giving programs through our community engagement platform

\$6.8M donated by the Lam Foundation, including \$1.3M in corporate matches for employee monetary donations and volunteer time

Lam’s social impact manifesto

For more than forty years, we’ve defied conventions.

Challenged assumptions.

Pushed the boundaries of technical limitations.

But we know, technology alone doesn’t enable breakthroughs.

People do.

They think big to build better communities.

To create safer, more sustainable systems.

To relentlessly pursue innovation that delivers real impact.

When people are empowered to collectively reimagine tomorrow, we power a better world for generations to come.

Visit our [website](#) to learn more about our community engagement approach. →



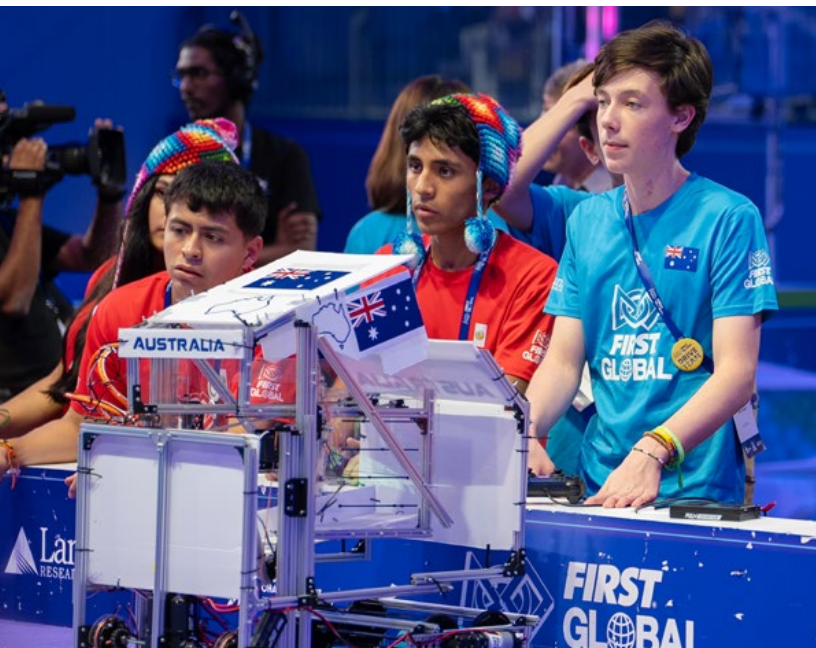


Transformative learning

Innovation does not happen in a vacuum. It is most often the result of tireless effort, unyielding curiosity, and purposeful collaboration. We aim to accelerate this process by investing in opportunities and tools to help build foundational elements, cultivate adaptations, and spark discoveries. Through our philanthropic contributions, we strive to support organizations that:

- Push the boundaries of traditional approaches to education, to introduce new ways of learning, foster new discoveries, shift mindsets, and empower growth
- Inspire the next generation of innovators to solve the world’s most pressing problems through engineering or technology
- Equip people with the knowledge and skillsets needed to succeed in the innovation workforce of the future

In 2023, we provided more than \$4.5 million in support of transformative learning programming globally. This funding touched the lives of thousands of students—from Malaysia to Taiwan to the U.S.



POWERING TRANSFORMATIVE LEARNING IN 2023

FIRST Global

During the 2023 *FIRST* Global Challenge, more than a thousand high school students came together to compete in a collaborative robotics tournament themed around an issue of global importance: harnessing the power of hydrogen. The four-day event brought teams of students from nearly 200 countries to Singapore for the annual STEM competition. Lam served as the challenge’s title sponsor and had a strong presence of employee volunteers from throughout the world. The event was part of our three-year, \$10 million commitment to *FIRST* Global, the first year of which we completed in 2023. Outside of the competitions, we were excited to welcome *FIRST* Global students to one of our manufacturing plants in Malaysia to hear from local Lam leaders and engineers.

Based on self-evaluations by *FIRST* Global students...

94%

gained key technical skills

91%

want a career using science or tech

90%

became more confident in their ability to brainstorm and innovate creative solutions

94%

gained an appreciation for the talents of others worldwide

84%

gained an understanding of energy and climate challenges and want to help address them



National Central Library

Lam provided funding for the National Central Library's literacy programs in Taiwan, including provisions for approximately 600 English books to remote schools. Through these financial resources, we helped to support local students as Taiwan makes the shift to becoming a bilingual country by 2030.

Penang International Science Fair

For the third year, Lam sponsored the Penang International Science Fair in Malaysia. The two-day event brings students together with industry leaders to showcase opportunities for STEM careers. In addition to the competition, this year’s event also featured interactive exhibits and workshops.

Engaging employees to support future innovators

At our Fremont, California, headquarters, our Women in Leadership at Lam ERG has collaborated with Family Giving Tree to host community backpack-packing events for the past seven years. In 2023, they continued the tradition, and their work was featured once again on the local news. Their efforts inspired Lam employees in Tualatin, Oregon, to work with the Tigard-Tualatin Schools Foundation for their own backpack drive in 2022, which they continued in 2023 for the second year. Building on these initiatives, Lam employees in Villach, Austria, launched another local backpack drive during the year, with a charitable organization called Diakonie de La Tour.

2,180

backpacks packed by 240 employee volunteers in 2023



Resilient communities

We look to bolster programs that help communities recover from natural disasters, adapt to changing conditions, and mitigate future risks. Our work in this area consists of supporting organizations that are focused on:

- Implementing disaster preparedness and recovery plans that strengthen communities
- Engaging and connecting with community members to support the adoption, maintenance, and evolution of preparedness, recovery, and relief efforts
- Helping rebuild communities impacted by natural disasters or adverse conditions
- Curbing climate change and mitigating its impact

In 2023, we engaged employees worldwide to take part in community-resilience initiatives, from planting trees and picking up litter to helping communities expand equitable access to affordable homes.

POWERING RESILIENT COMMUNITIES IN 2023

National Nature Trust

Through Lam Foundation funding, we bolstered Korea's National Nature Trust's efforts to protect the environment through reforestation, habitat restoration, and other projects to preserve natural assets.

Direct Relief

Lam is proud to support organizations such as Direct Relief that provide critical resources when disasters occur in communities around the world. In 2023, we provided financial support for the organization's medical aid campaign in response to deadly earthquakes in Turkey and Syria.

Home is the Foundation

On behalf of our Eaton and Springfield, Ohio, sites, Lam provided financial support to Home Is The Foundation (H.I.T.), a nonprofit organization addressing the critical shortage of affordable housing options in rural Preble County, Ohio. We funded H.I.T.'s Senior Home Repair program, which provides essential home repairs to the area's elderly adults.

Activating our employees to build community resiliency for Earth Month

During April 2023, Lam employees celebrated Earth Month in full force, helping build resilient communities through environmentally focused volunteer activities around the world:



In the U.S., we hosted 12 litter clean-up events in locations that included Fremont and Livermore, California; Tualatin, Oregon; Boise, Idaho; Austin, Texas; Waltham, Massachusetts; and Springfield and Eaton, Ohio.



In Europe, we volunteered at a river clean-up event in Austria and hosted a lake clean-up event in Switzerland.



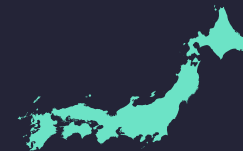
In Korea, we supported local reforestation efforts by planting more than 1,800 trees in Seoul Grand Park.



In Taiwan, we worked with the Tse-Xin Organic Agriculture Foundation to plant 1,000 trees, with the specific intention of improving coastline resiliency.



In China, we celebrated Earth Month by plogging—an activity that involves jogging while picking up trash—with employees participating in events in Shanghai, Wuhan, and Hefei.



In Japan, we made a positive local impact through environmental clean-ups at Miura Beach and Kumamoto Garden.





Inclusive societies

We invest in programs that endeavor to facilitate equitable access and opportunity, level the playing field, and help communities reach their full potential. Our efforts to support community well-being focus on:

- Eliminating barriers that prevent vulnerable, marginalized, and/or disadvantaged groups from fully participating in social institutions (after-school programs, education systems, workplaces, etc.)
- Leveling the playing field for underserved and underrepresented communities' long-term economic and physical well-being
- Driving systemic change to break the cycle of inequities and/or designing new systems, processes, and procedures with inclusion in mind

In 2023, we supported inclusion initiatives through targeted investments to enhance equitable access to food security and expand opportunities for students from grade school to college and beyond.

GIRLS INC. OF THE PACIFIC NORTHWEST

With an aim to increase equitable representation in the future innovation workforce pipeline, we invested in Girls, Inc.'s Eureka! initiative. The program provides hands-on STEM activities and leadership development opportunities to more than 150 girls in grades eight through 12 in the Portland, Oregon, and Vancouver, Washington, areas.

LIFTING DISADVANTAGED STUDENTS IN BANGALORE, INDIA

Through our Lam India corporate social responsibility program, we provided financial support for the Gubbachi Learning Community organization's education intervention efforts for the Government Higher Primary School, Mullur. More than 120 first through third grade students from local, underserved migrant families benefited from programs designed to improve grade-level proficiency and increase literacy and numeracy skills.

UNITED NEGRO COLLEGE FUND (UNCF)

We continued our support of UNCF, an organization working to increase the number of underrepresented students who earn college degrees. The Lam Foundation provided \$200,000 to fund scholarships for more than 30 students attending historically black colleges and universities.



Bringing employees together to enable equitable access to food

To help our communities thrive, we need to ensure that people can meet their basic needs.. Throughout the year, our employees around the globe donated their time to help create a more inclusive society through food security service activities for the disadvantaged. For example, in collaboration with Rise Against Hunger, we hosted events to pack a total of nearly 60,000 meals for remote communities in Fremont and Livermore, California, and Tualatin, Oregon. Our employees also attended local events to sort, pack, and distribute nourishing food to communities near Lam locations in Taiwan, Korea, Japan, and throughout the U.S.





Our all-in engagement approach

The more people we involve in our community outreach efforts, the more good we can do. That's why we've focused on increasing opportunities for employees to get involved. We've made progress through our Lam Cares ambassador program, which enables employees to champion community involvement for their teams, departments, and regions. Our Lam Cares ambassadors work closely with other employee groups, such as our Green Teams and ERGs. Throughout 2023, they collaborated to uplift communities during Earth Month and through our annual Deliver Joy campaign. To further encourage employee involvement, Lam provides monetary matching gifts, matching dollars for employee volunteer time, and resources for our teams to mobilize and volunteer.



Delivering Joy worldwide

Each November and December, as the year winds down, Lam employees ramp up their efforts to uplift their communities. In 2023, we continued our annual Deliver Joy campaign with more than 100 volunteer events tailored to meet our communities' needs. It was a massive endeavor, with employees setting a record number of Deliver Joy volunteer hours for the second consecutive year. Highlights included:

- Cooking meals for more than 50 people at the Westbahnhoffnung Villach nonprofit in Austria
- Tying blankets for foster kids through Project Lemonade and hosting an onsite blood drive in collaboration with the American Red Cross in Tualatin, Oregon
- Building a custom, Barbie-themed playhouse for Habitat for Humanity in Fremont, California
- Collecting ~1,200 uniforms for disadvantaged students in India designed to encourage physical activity and play
- Wrapping gifts for foster children at the Shin-Yokohama office in Japan
- Organizing a book drive to provide ~600 books to three Adream schools that we've supported for several years in China, with nine employees also visiting the Adream schools to provide lessons on STEM topics
- Throwing a party for children in foster homes in Korea
- Hosting a terrarium-making workshop for children with FaithActs in Singapore and donating school supplies to the Singapore Children's Society

\$1.2M

in employee donations and Lam Foundation matching gifts during our 2023 Deliver Joy campaign





Go behind the scenes to hear how we're fueling community engagement

Our Community Relations team saw impressive growth in its employee engagement program in 2023. Lam's Manager of Global Employee Volunteerism and Giving, Jenny Cook, helped spearhead many of these efforts. Here's her perspective on Lam's community outreach efforts and the way they've evolved.

How does Lam's global footprint shape your team's approach to engaging employees in community initiatives?

It's important to engage with local community partners, as each region faces specific social challenges. Lam has offices across multiple continents, so it's not a one-size-fits-all approach. We feel a responsibility to make a positive impact where our employees live and work. In addition to targeted financial donations, we encourage employees to volunteer their time.

Lam completed the first year of its sponsorship of *FIRST* Global. How has that initiative supported your engagement efforts?

When we launch a signature initiative, it's all hands on deck. An important piece of that is employee engagement. In 2023, over 60 employees volunteered through the initiative. That included 32 employees who served in a skills-based capacity, spending several months mentoring teams of high-school students from places including Cambodia, Eritrea, and Nicaragua as they built robots for the competition. The 2023 *FIRST* Global Challenge was held near our Singapore office, so many local employees gave their time to support students coming to the competition from all over the world.

The growth of Lam's community engagement efforts is impressive. How have you worked to get more teams in more regions involved?

Our Lam Cares ambassador program has been key to our growth. We have an internal network of champions across locations and business units who plan events and engage local team members. We have also up-leveled our annual volunteer campaigns. They're such a fun opportunity to engage, and we're seeing organic growth from folks who don't want to miss out!

What is next as you continue to build toward your 2025 goals?

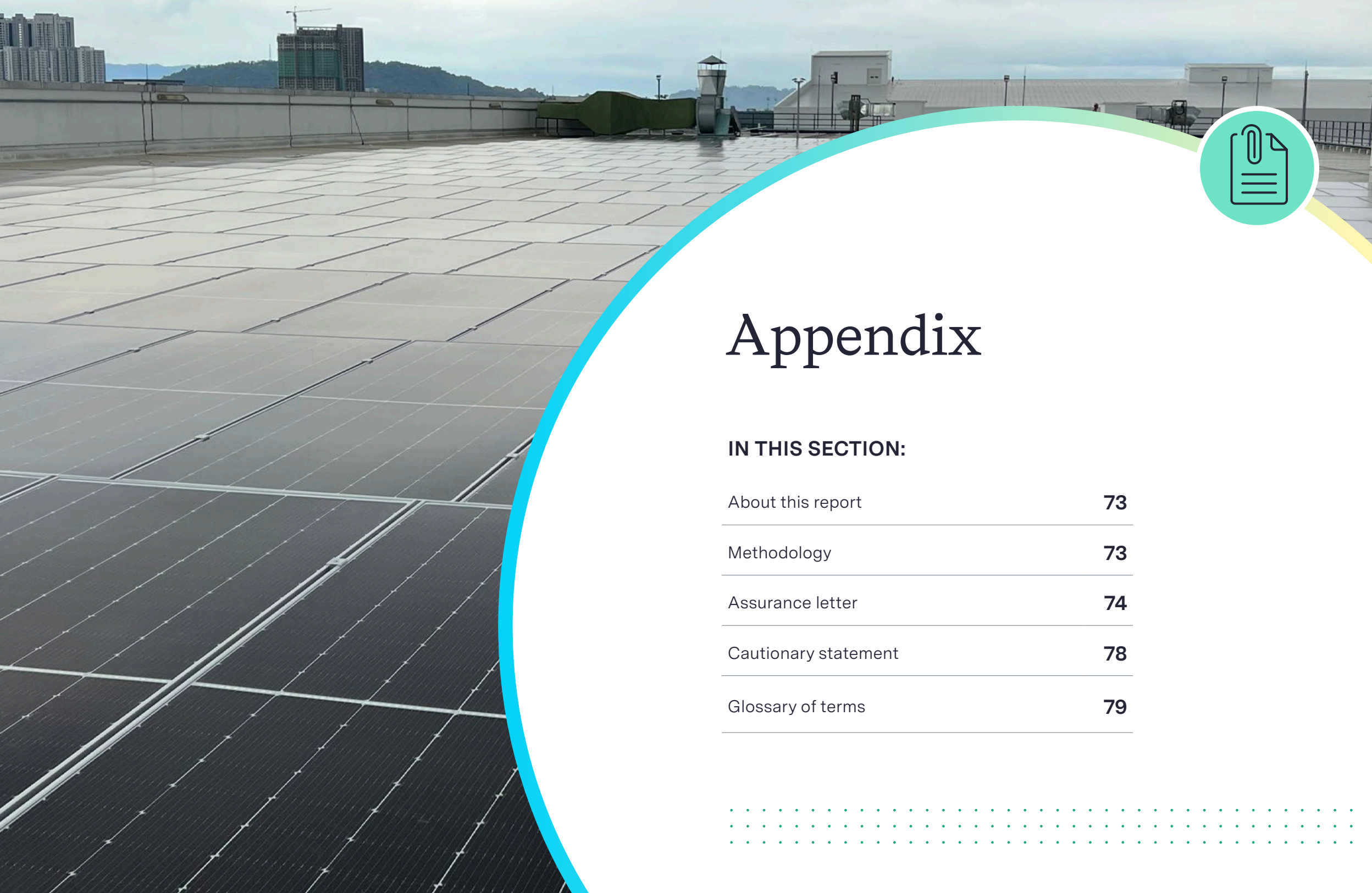
We look forward to strengthening our partnerships with Lam's ERGs to amplify their community engagement initiatives, identifying and building relationships with community partners, and driving even more internal engagement. This is part of our ongoing efforts to raise awareness of our community engagement initiatives, which are an important part of how we live our Core Values and strengthen Lam's culture.



Jenny Cook

manager of Global Employee Volunteerism and Giving





Appendix

IN THIS SECTION:

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About this report

Lam Research Corporation published this report to provide an overview of our company's products, services, and operations related to ESG performance. This report covers calendar year 2023, with some exceptions noted, including financial data that is from Lam's fiscal year (June 27, 2022–June 25, 2023). The report encompasses our wholly-owned subsidiaries across the globe, with some data limited to particular geographies, which we note throughout the report.

We self-declare that this report is completed In Reference to the Global Reporting Initiative (GRI) Universal Standards. A GRI index at the end of this report shows our alignment with GRI reporting elements and our priority ESG topics. We intend to continue to report annually. We also report in alignment with the Sustainability Accounting Standards Board (SASB) Standard for the Technology and Communications Sector: Semiconductor Industry. This alignment is detailed in the SASB index.

We have noted any significant changes in scope and boundary throughout the report that may vary from our 2022 report, published in 2023. External assurance is limited to financial data from the consolidated financial statements in our 2023 Annual Report on SEC Form 10-K and environmental and safety data, as outlined in the third-party assurance letter included in this report. This ESG report has been reviewed by the Nominating and Governance Committee of our Board and has been reviewed and approved by our president and CEO. For more information about our corporate governance, please reference our Proxy Statement.



Methodology

SCOPE 1, 2, AND 3

We calculate our Scope 1 and 2 methodology using the Greenhouse Gas (GHG) Protocol standard. Of the 15 Scope 3 categories, the following do not apply to Lam: upstream leased assets, downstream leased assets, and franchises. The primary contributors to our total Scope 3 GHG emissions include the use of sold products, purchased goods and services, and transportation and distribution. For the use of sold products, we use data from industry-standard S23 reports and include the energy use of the tool; customer-specific, location-based emissions factors; and a lifetime of 25 years for our tools. For purchased goods and services, we use spend-based data and emissions sourced from the Environmentally Extended Input-Output database, while increasing the availability of reliable primary data in the future.

In 2023, we made several changes to our Scope 3 methodology: we removed Enerdata forecasts and customer-specific climate goals from our customized emissions factor calculations for Category 11, use of sold products; we added well-to-tank emissions across all relevant categories; we reclassified and recalculated emissions from travel reports to align with U.S. Environmental Protection Agency (EPA) travel distances and Department for Energy Security and Net Zero emission factors; we improved our data collection around warehouse-related emissions; and we added previously excluded subsidiary data to our Category 1 purchased goods and services. These changes resulted in both increases and decreases in individual categories compared to previous years' calculations.

PRODUCT EMISSIONS ESTIMATES

To calculate estimates of product-related emissions reductions, we use data derived from SEMI S23 reports, tool sensors, and data logs to compare changes in energy use and chemical flows. For all process-related chemicals, we utilize the 5th assessment report global warming potentials and apply the Intergovernmental Panel on Climate Change Tier 2C methodology. For energy, we apply the most appropriate emissions factors such as those from the International Energy Association or EPA databases.

SUPPLIER AND CUSTOMER ENGAGEMENT GOALS

To calculate the percentage of suppliers (measured by emissions) who have set SBTs, we divide the estimated annual emissions associated with our suppliers who have set SBTs by the estimated annual emissions of all direct and indirect suppliers; estimated annual emissions are determined using a GHG protocol spend-based methodology and emissions factors derived from the Environmentally-Extended Input-Output (EEIO) database. The percentage of customers measured by emissions who have set SBTs is calculated by summing the emissions associated with category 11 Use of Sold Products for each customer with an SBTi or SBTi-aligned methodology and then dividing by the total emissions for category 11 use of sold products to get a proportion of emissions represented by customers with SBTi or SBTi-aligned methodology. Estimated annual emissions are determined using a GHG Protocol spend-based methodology and emissions factors derived from the EEIO database.



Assurance letter



WHEN TRUST MATTERS

Independent Assurance Report

DNV Business Assurance USA, Inc. (DNV) has been commissioned by the management of Lam Research Corporation (Lam Research) to carry out an independent limited level assurance engagement of Selected Information for calendar year 2023, as presented in Lam’s 2023 Sustainability Disclosures (the “Report”). The assurance was carried out April through May 2024.



Our Conclusion:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the criteria stated. This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular, the inherent limitations explained below.

Selected Information

The scope and boundary of our work is restricted to the performance indicators included within the Report (the Selected Information) listed below:

Organizational boundary

- All global facilities under Lam’s operational control

Data verified for the period January 1, 2023-December 31, 2023:

- GHG Emissions Scope 1 and 2
- Energy Consumption
- Energy Savings
- Water Usage
- Water Saving
- Waste & Waste Data Diversion Rate (including Hazardous Waste)
- Total Recordable Incident Rate (TRIR)

We do not express any conclusions on any other information that may be published on Lam’s website or Sustainability Report for the current reporting period or for previous periods.

Scope and Approach

We performed a **limited level** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed with the ISO IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains 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 competence, independence, and quality control

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any part of Lam’s data or report. This is our second year of providing assurance for Lam Research. We adopt a balanced approach towards all stakeholders when performing our evaluation.



Assurance letter (continued)



Scope and Approach Continued

The GHG emissions inventories have been evaluated against the following reporting criteria:

- World Business Council for Sustainable Development (WBCSD) / World Resources Institute (WRI) Greenhouse Gas Protocol, Corporate Accounting Standard REVISED EDITION
- WBCSD/WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

DNV used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both Lam and its stakeholders. DNV applied a materiality threshold of five percent for the GHG emissions (Scope 1 and 2) and Energy.

We understand that financial data, including financial data that feeds into the calculation of Selected Performance Indicators are subject to a separate independent audit process. DNV has relied on this information as accurate for the purposes of our scope of work. This includes but is not limited to any statements relating to sales, revenue, salaries, charitable contribution.

Data Verified

Greenhouse Gas Emissions – CY 2023

- | | |
|--------------------------------------|------------------------------|
| • Scope 1 Emissions | 190,124 MT CO ₂ e |
| • Scope 2 Emissions (location-based) | 132,144 MT CO ₂ e |
| • Scope 2 Emissions (market-based) | 64,050 MT CO ₂ e |

Water Used – CY 2023

- | | |
|---------------------|---------------------|
| • Total Water Usage | 403,068,596 Gallons |
|---------------------|---------------------|

Water Savings- CY 2023

- | | |
|-----------------------|--------------------|
| • Total Water Savings | 20,126,418 Gallons |
|-----------------------|--------------------|

Energy Consumption – CY 2023

- | | |
|-------------------------|-----------------|
| • Total Energy Consumed | 449,137,932 kWh |
|-------------------------|-----------------|

Energy Savings – CY 2023

- | | |
|---------------------------|------------------|
| • Energy Savings Achieved | 2,833,434 kWh/yr |
|---------------------------|------------------|

Waste – CY2023

- | | |
|--------------------------------|---------------------|
| • Total Hazardous Waste | 1,684 Metric tonnes |
| • Hazardous Waste Recycled | 53% |
| • Total Non-Hazardous Waste | 8,684 Metric tonnes |
| • Non-hazardous Waste Recycled | 81% |

Employee Health & Safety – CY 2023

- | | |
|---|------|
| • Total Recordable Incident Rate (TRIR) | 0.33 |
|---|------|

WHEN TRUST MATTERS

Responsibilities of Lam Research and DNV

Lam Research has sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the criteria
- Designing, implementing, and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements
- Measuring and reporting the Selected Information
- Contents and statements contained within the websites

In performing our assurance work, our responsibility is to the management of Lam Research; however, our assurance report represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report or website except for this Assurance Statement.

Level of Assurance

We are providing a 'limited level' of assurance. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance conclusion, so that the risk of this conclusion being in error is reduced but not reduced to very low. A 'reasonable level' of assurance would have required additional work at headquarters and site levels to gain further evidence to support the basis of our assurance conclusion. DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.



Assurance letter (continued)



Basis of Our Conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with Lam Research’s management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and the scope provided to us by Lam Research is prepared in line with the agreed upon procedures and criteria;
- Reading the Report and narrative accompanying the Selected Information within it with regard to the criteria;
- Reviewing global employee rosters at year-end at individual contributor, supervisor/manager, director, and executive leadership levels to determine percent breakdown by gender, ethnic composition, and special populations;
- Reviewing recordable incidents, lost time incident, number of employees, hours worked, employee categories (TRIR and LTIR);
- Replicating the TRIR and LTIR following the reporting criteria below:
 - OSHA Recording and Reporting Occupational Injuries and Illness
- Reviewing sample of recordable incidents and lost time incidents;
- Reviewing training stats from the LinkedIn learning platform; charitable contributions budget allocation and total volunteer hours.

The following methods were applied during the verification of Lam Research’s environmental footprint inventories and management processes:

- Review of documentation, data records and sources relating to the corporate environmental data claims and GHG emission assertions;
- Review of the processes and tools used to collect, aggregate and report on all environmental data and metrics;
- Assessment of environmental information systems and controls, including:
- Selection and management of all relevant environmental data and information;
- Processes for collecting, processing, consolidating, and reporting the relevant environmental data and information;
- Design and maintenance of the environmental information system;
- Systems and processes that support the environmental information system.
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative environmental data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether the organization conforms to the verification criteria

WHEN TRUST MATTERS

Independence

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

Inherent Limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.



Assurance letter (continued)



WHEN TRUST MATTERS

Basis of our conclusion Continued

In addition to the above, specific to the environmental indicators, the following steps were conducted for the Water and Waste:

- Water:
 - Review of the water consumption methodology;
 - Conduct data checks for the water data collected, transferred and calculated;
 - Perform sample-based assessment of data reported against the source data water consumed;
 - Evaluate whether assumptions and methodology used in cases of data estimation for whole year data are valid.
- Waste
 - Review of the waste segregation methodology and description of waste categorization;
 - Conduct data checks for the waste data collected, transferred and calculated;

DNV Business Assurance

DNV Business Assurance is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

<https://www.dnv.com/assurance/>

This Statement is for the sole use and benefit of the party contracting with DNV Business Assurance USA, Inc. to produce this Statement (the "Client"). Any use of or reliance on this document by any party other than the Client shall be at the sole risk of such party. In no event will DNV or any of its parent or affiliate companies, or their respective directors, officers, shareholders, employees or subcontractors, be liable to any other party regarding any statements, findings, conclusions or other content in this Statement, or for any use of, reliance on, accuracy, or adequacy of this Statement.

For and on behalf of DNV Business Assurance USA, Inc.
 Katy, TX
June 13th, 2024

Kyle Silon
 Digitally signed by Kyle Silon
 Date: 2024.06.12 10:32:20 -07'00'

Kyle Silon
 Lead Verifier

Xu, Yishuang
 Digitally signed by Xu, Yishuang
 Date: 2024.06.12 00:32:56 -07'00'

Yishuang Xu
 Verifier

Chaudhari, Tushar
 Digitally signed by Chaudhari, Tushar
 Date: 2024.06.13 06:39:58 +05'30'

Tushar Chaudhari
 Technical Reviewer



Cautionary statement

With the exception of historical facts, the statements contained in this ESG Report (“Report”) are forward-looking statements. Forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Certain, but not all, of the forward-looking statements in this Report are specifically identified as forward-looking by the use of words and phrases such as “aim,” “anticipate,” “aspire,” “believe,” “build,” “commitment,” “continue,” “could,” “expand,” “expect,” “future,” “goal,” “increase,” “intend,” “maintain,” “may,” “objectives,” “opportunities,” “path,” “plan,” “remain,” “should,” “strategy,” “strive,” “target,” “vision,” “will,” and “would.” However, our identification of certain statements as forward-looking does not mean that other statements not specifically identified are not forward-looking. Forward-looking statements include, but are not limited to, statements that relate to: economic, market, industry and industry segment expectations; the role of our technology and innovations in the semiconductor industry, the future and the world; our incorporation of ESG principles across our business; our environmental impact; our engagement with our customers and suppliers in their environmental and social efforts; our contributions to climate action; our ESG strategy and goals, including our goals related to achieving net zero emissions; our aim to drive progress on the sustainable development goals throughout our operations and supply chain; our efforts in exemplifying our Core Values; our ability to safeguard intellectual property, data, and business contact information and on-going training efforts; our targeting of government funding opportunities; our ambition to create a symbiotic, physical-virtual semiconductor ecosystem and the benefits to be realized thereby; our aspirations for transparency and disclosure; the role of ESG considerations in our operations and product development; our efforts to build a strong, inclusive and diverse workplace; our efforts to develop a responsible, diverse and ethical supply chain; our ethics and compliance initiatives; our efforts in ensuring the protection, safety, and dignity of our employees through our Human Rights Policy; our compliance with legal, regulatory, and internal control requirements with respect to taxation; our product innovation and continuous improvement; our investments in R&D; the performance, productivity, quality, safety, efficiency, or sustainability of our products; the technology areas that are strategically important to us; reductions in the emissions output of our products; the ability of our products and solutions to enable training of future engineers, accelerate problem solving, collaboration and innovation, and reduce environmental impact; our use of environmental principles in the product design process; our partnerships with customers to reduce energy consumption and costs; energy, water, or chemical usage savings, or emissions reductions, that might be achieved by us or by customers using our products; materials savings that might be achieved through our re-cleaning, repair, refurbishment or re-coating services; our commitment to diversity and inclusion; our commitment to acting responsibly and improving our sustainability performance over time; our initiatives to reduce our energy and water consumption and to reduce waste; our investments in transitioning to renewable energy, emissions controls and energy efficiency technologies; our engagement with customers and suppliers to set SBTs; our commitment to climate action; our management of water use and treatment; our management of hazardous and non-hazardous waste and our emissions; our ability to safely manage chemicals and our adoption of green chemistry practices; workplace flexibility; employee training opportunities; our commitment to equal opportunity and non-discrimination; our benefit programs; our goals with respect to increasing the proportion of underrepresented employees and women in our workforce; our ability to ensure the safety of our employees; expectations for safety performance; our vision to connect engineers across disciplines; our expanded future talent pipeline to meet projected demands; our support of employees; our continuous thought leadership; our ability to manage and mitigate risks in our operations, supply chain and engagements with third parties, including ethics and compliance risks and those with respect to human rights; our supplier due diligence; our aspiration to increase equitable representation in the future innovation workforce pipeline; our support of and engagement with charitable organizations and communities; and the impacts of our social impact platform. Such statements are based on current expectations and are subject to risks, uncertainties, and changes in condition, significance, value and effect. Some factors that may affect these forward-looking statements include: trade regulations, export controls, trade disputes, and other geopolitical tensions may inhibit our ability to sell our products; business, political and/or regulatory conditions in the consumer electronics industry, the semiconductor industry and the overall economy may deteriorate or change; the actions of our customers and competitors may be inconsistent with our expectations; supply chain cost increases and other inflationary pressures have impacted and may continue to impact our profitability; supply chain disruptions or manufacturing capacity constraints may limit our ability to manufacture and sell our products; and natural and human-caused disasters, disease outbreaks, war, terrorism, political or governmental unrest or instability, or other events beyond our control may impact our operations and revenue in affected areas; as well as the other risks and uncertainties discussed under the headings “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” within Item 1A and at the beginning of Part I, respectively, of our fiscal year 2023 Annual Report on Form 10-K; and other documents we file from time to time with the Securities and Exchange Commission, such as our quarterly reports on Form 10-Q and current reports on Form 8-K. Such risks, uncertainties and changes in condition, significance, value and effect could cause our actual results to differ materially from those expressed in this Report and in ways that are not readily foreseeable. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report and are based on information currently and reasonably known to us. We do not undertake any obligation to update any forward-looking statements, or to release the results of any revisions to these forward-looking statements, to reflect the impact of anticipated or unanticipated events or circumstances that occur after the date of this Report.



Glossary of terms

TERM	DEFINITION
Abatement controls	Measures taken to reduce or eliminate the presence of hazardous materials or pollutants.
Artificial intelligence (AI)	Technology that enables computers and digital devices to learn, read, write, create, and analyze.
Biodiversity	The biological diversity of flora and fauna species on Earth, a complex web of life that underpins the natural life processes on the planet. Human-caused environmental damage reduces biodiversity, and creating a healthy, sustainable society requires increasing biodiversity.
Carbon footprint	The amount of greenhouse gases and specifically carbon dioxide emitted by something (such as a person's activities or a product's manufacture and transport) during a given period.
Customer Support Business Group (CSBG)	Includes the Reliant product group (older technology sales and refurbished systems), upgrades, spares, and services.
Deposition	A process that selectively adds material to the surface of a wafer.
Direct suppliers	Direct suppliers are defined as those who provide parts, assemblies, and services to produce parts used to manufacture and support Lam's products.
Environmental, social, and governance (ESG)	ESG refers to a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts.
Etch	A semiconductor equipment process that selectively removes material from the wafer surface.
Fab	A site where semiconductor wafers are fabricated for the manufacture of chips.
Greenhouse gas (GHG)	Gases such as carbon dioxide and methane, which trap and hold heat in the atmosphere and contribute to climate change. Much of human activity emits GHG gases, such as burning fossil fuels for energy and transport, farming land for food production, and deforestation.
High global warming potential (GWP) gas	Gases with a higher GWP absorb more energy, per ton emitted, than gases with a lower GWP, and thus contribute more to global warming.
Indirect suppliers	Indirect suppliers are all other goods and services used by Lam's daily operations that are not parts, assemblies, or services directly tied to producing parts used to manufacture or support Lam's products.
Materiality	A process through which topics that represent the organization's most significant impacts on the economy, environment, and people are identified.



Glossary of terms (continued)

TERM	DEFINITION
Net zero	The overall balance between emitting and absorbing carbon in the atmosphere. Limiting catastrophic climate change requires companies and countries to become net zero, and many policies are based on achieving that within certain time frames.
Process chemistry	Process chemistry involves the development and optimization of production processes for chemical compounds, and the scaling up of laboratory reactions.
Renewable energy credits/certificates (REC)	An REC is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.
Science-based targets (SBT)	SBTs provide a clearly-defined pathway for companies and financial institutions to reduce GHG emissions in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.
Scope 1 emissions	Scope 1 emissions refer to direct GHG emissions that occur from sources that are controlled or owned by an organization.
Scope 2 emissions	Scope 2 emissions refer to indirect GHG emissions associated with any purchases of electricity, steam, heat, or cooling.
Scope 3 emissions	Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.
Self-assessment questionnaires (SAQ)	The Responsible Business Alliance (RBA) produces assessment tools to help members meet RBA standards and drive improvements. One such tool is the self-assessment questionnaire (SAQ), which is designed to help RBA members identify their greatest social, environmental, and ethical risks in their supply chains. The SAQ is primarily a tool for RBA members to own due diligence by providing a mechanism to assess their own risk management systems and identify gaps.
Semiconductor	A semiconductor is a material that can conduct electricity under certain conditions, such as temperature or chemical treatment.
Silicon	A nonmetal element with semiconducting properties, used in making electronic circuits.
Smart mobility	Using diverse transportation methods combined with tech to make traveling in and around cities more straightforward and greener.
Wafer	A thin slice of semiconductor (such as silicon) used as a base for an electronic component or circuit.



Continuing to make progress with purpose

We are proud of the stories we've captured throughout this report and look forward to building on our progress in the coming years.

GET IN TOUCH

If you have questions regarding this report or Lam's ESG activities, please contact us via ESG@lamresearch.com.

VIEW ADDITIONAL DATA AND DISCLOSURES

Visit [Key Data and Frameworks](#) for our Performance Summary, as well as our GRI, SASB, TCFD, and UNSDG indexes.

VIEW ADDITIONAL RESOURCES

Visit [Lamresearch.com](https://lamresearch.com) to learn more about our company and many of the areas discussed in this report. There, you can access our ESG Hub and investor resources, as well as information on our products, customer support offerings, career opportunities, and more.

