



Lam Research Corporate Social Responsibility Report for 2016

REPORTING AND ADDITIONAL INFORMATION

ABOUT THIS REPORT

Lam Research Corporation (Lam Research, Lam, or the company) has developed this Corporate Social Responsibility (CSR) Report to provide an overview of the company’s products, services, and operations relating to environmental, social, and economic performance. This document covers calendar year 2016.

Our report is informed by the Global Reporting Initiative (GRI), which provides a globally relevant standard for reporting environmental, social, and economic performance. We have included a GRI Index at the end of the report to show our alignment with GRI reporting elements and to document our progress at integrating sustainability into our business.

MATERIALITY

We used the GRI materiality assessment process to determine the content of the report and identify key issues and topics. Content for this 2016 report was developed based on an in-depth 2013 materiality assessment that identified risks and opportunities relevant to Lam Research.

In this materiality assessment to identify key CSR topics, Lam worked with stakeholders to review the material corporate responsibility issues that were of the greatest importance to both Lam and our stakeholders. To prioritize key issues, we met with employees across our functional groups to understand their concerns as well as those of our external stakeholders, including customers, shareholders, suppliers, policymakers, and communities. To collect this information, we

leveraged the use of a survey, interviews, and technical reviews by management advisors. Based on this feedback, more than 74 material topics were identified, from which a list of 15 priority topics emerged. We continue to use this process to inform our approach to CSR and the direct actions that we take.

BOUNDARIES

Data reported in this document are for Lam Research. This report covers subsidiaries, unless otherwise noted. In addition, this document excludes information for our joint venture with Manz AG to develop Talus Manufacturing Ltd., a global refurbishment center in Taiwan.

COMPANY DATA

Lam Research is headquartered in Fremont, California, and maintains a network of facilities throughout Asia, Europe, and the United States to meet the needs of our global customer base. Our research and development (R&D) facilities are located in Fremont, California; Tualatin, Oregon; Bangalore, India; and Villach, Austria. We have manufacturing facilities in the United States (California, Oregon, and Ohio), Austria, South Korea, and Taiwan. In addition, service, technical support, and sales personnel are located in Asia, Europe, the Middle East, and the United States.

Incorporated in 1980, Lam Research is a Delaware corporation and an S&P 500® company whose common stock trades on the Nasdaq Global Select MarketSM under the symbol LRCX. For more information, please visit www.lamresearch.com.

LAM’S APPROACH TO CSR

Our Core Values guide the decisions we make in every aspect of our business, informing not only what we do, but also how we do it. These values shape the way we define success in the marketplace as we create solutions for our customers; invest in our employees; incorporate environmental, social, and economic responsibility across our business; give back to our communities; and deliver value to our shareholders.



MATERIAL CSR TOPICS

Products and Markets	Environment	Community
<ul style="list-style-type: none">• Business continuity• Customer data protection and privacy• Design for environment• New product pipeline• Product compliance• Product safety	<ul style="list-style-type: none">• Emerging regulations• Energy efficiency• Greenhouse gas emissions• Regulatory compliance	<ul style="list-style-type: none">• Charitable giving• Community engagement• Employee wellness• Ethics• Occupational health and safety

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LETTER FROM OUR CEO

Technology continues to redefine the world and what is possible for companies and individuals everywhere. The semiconductor industry today touches nearly every person on the planet as our customers continue to push the limits of what is possible and aspire to change the world through their products and services.

Success is no longer defined exclusively by improving chip performance – it’s about delivering solutions to the most pressing problems of the world, from energy-efficient smart homes to predictive medicine to transportation solutions such as autonomous cars.

Now more than ever, Lam’s unique strengths in innovation, integrity, teamwork, and achievement are positioning us to play an important role in this transformation. These strengths are also how we integrate sustainability into our business. We employ our Core Values and commitment to our communities to organize how we approach sustainability.

Solving New Challenges: This year, we held a crowdsourcing campaign to collect ideas and feedback around opportunities to reduce energy use and greenhouse gas emissions across our product portfolio. This campaign allowed us to “think outside the box” and work collaboratively to build on ideas. Throughout the six-week campaign, we had more than 600 participants and received over 240 ideas. Lam gave awards for the top three ideas based on their feasibility, innovativeness, and energy impact.

Reducing Environmental Impacts: We made significant progress toward our long-term goals to improve our environmental and energy performance.

We have reduced our greenhouse gas emission intensity by over 20% from a 2012 baseline and realized significant energy savings from energy efficiency projects in our facilities.

Promoting STEM Education: Many Lam employees are passionate about inspiring the next generation of scientists and promoting science, technology, engineering, and math (STEM) programs. Beyond just giving money, they generously contribute their time. In 2016, we had more than 400 students visit our facilities around the world to learn about our work. This provides invaluable opportunities for students to get hands-on exposure in addition to book learning, and it also reminds us all how exciting science can be.

Engaging Employees in Wellness: In 2016, we implemented new wellness programs to empower our employees to cultivate healthy lifestyle choices. Since April 2016, nearly 2,000 employees worldwide are actively participating in the global wellness platform.

Going forward, we hope to continue accelerating our efforts around sustainability through a focus on innovation and continuous improvement across all aspects of our business. We would like to recognize the contribution of our employees and thank them for their ongoing commitment to sustainability.

A handwritten signature in black ink, appearing to read 'M. B. Anstice'.

Martin B. Anstice
President and Chief Executive Officer



COMPANY OVERVIEW

Innovation in the silicon world and the integrated circuit roadmap are enabling the global technology and applications revolution. Ubiquitous connectivity, advanced computation, and mass cost-effective storage are driving applications such as augmented reality, virtual reality, artificial intelligence, and machine learning. As a global supplier of innovative wafer fabrication equipment and services to the semiconductor industry, Lam is a fundamental enabler of the silicon roadmap. As a trusted, collaborative partner to the world’s leading semiconductor companies, we combine superior systems engineering capability, technology leadership, and unwavering commitment to customer success to accelerate innovation through enhanced device performance. In fact, today, nearly every advanced chip is built with Lam technology.

From smartphones and tablets to televisions and automobiles, it’s hard to go more than a few hours without using a semiconductor-enabled device. Lam is contributing to the revolutionizing of our lives, with devices enabled by the Internet of Things (IoT) widespread in connected homes, connected vehicles, and connected cities.

2016 HIGHLIGHTS

- Revenue: ~\$6.4 billion
- Employees: ~8,200
- Locations: 24 offices¹ in 16 countries globally
- R&D: ~\$940 million

OUR PRODUCTS AND SERVICES

We design, manufacture, refurbish, and service semiconductor processing systems used by chipmakers to manufacture integrated circuits (ICs). In fact, nearly every leading-edge device inside the latest electronic products has been made using Lam Research equipment.

Our focus is to help our customers solve their most difficult challenges. Collaborating with our customers, we deliver solutions to address technology inflections including vertical scaling and multi-patterning in order to meet the demand for leading edge devices.

Lam’s market-leading products are used in several steps that are repeated multiple times throughout the chipmaking process, including thin film deposition, plasma etch, photoresist strip, and wafer cleaning. We also offer a host of customer support offerings that deliver value throughout the equipment lifecycle, including system installation, production ramp, new technology upgrades and servicing, and end-of-life asset recovery and management.

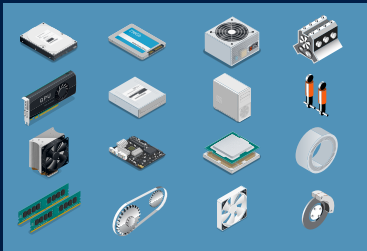
By drawing on multiple areas of expertise, including engineering, R&D, manufacturing, and customer support, we continue to develop the new capabilities required by the industry across the value chain.



Raw Materials



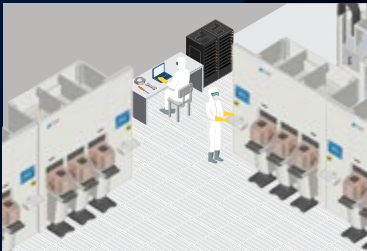
Parts



Lam Equipment



Customer Manufacturing Site



Consumer Use



THE SEMICONDUCTOR VALUE CHAIN

As an initial part of the value chain, we source upstream material, manufacture parts, and assemble these into our products at Lam manufacturing centers. Our equipment is used by our customers in their fabrication facilities to make chips that are used in an increasingly connected world.

1. Offices with at least 50 full-time employees



OUR VALUES

Every day, our employees are working to solve our customers’ toughest challenges, as well as striving to make a difference in the communities where we do business.

Our success as a company is based on an unwavering focus on our Core Values as a solid foundation to enable the innovative technology, trusted productivity, and speed to solutions that our customers expect.

These values guide decisions in every aspect of how we conduct our business and drive us to look beyond the achievement of annual company goals and objectives. We view environmental, social, and economic responsibility as a natural expression and extension of being a values-based company.

Around the world, our Core Values enhance collaboration beyond the boundary of Lam to unite us with our partners and customers so that together, we can find the solutions to the tough challenges facing the industry today. We frequently reference the Core Values as part of our decision-making process for everything from developing targets as part of our annual roadmaps to awarding scholarships to students in our communities who demonstrate these values. For example, in 2016, we awarded 11 students with Lam’s Core Values scholarships. Each of the recipients achieved outstanding academic results, consistently modeled leadership and service at school and in their communities, and embodied strong values.

We believe our Core Values create an environment where employees reach their full potential and that this represents a sustainable competitive advantage for our company.

EMBRACING INNOVATION

New market technical demands and advancements in our field challenge us to continuously innovate and improve. It is no longer sufficient to make a faster chip at a lower cost; our customers are aspiring to change the world, and we must deliver products that enable them to do just that.

At the core of our future success is the ability to respond to these challenges, from developing radical breakthroughs to innovating around new and improved products or services, while continuing to evolve our business to support customer needs and increase Lam’s competitive differentiation.

Not only is innovation essential to serving our customers, it is also imperative to long-term sustainability. We have been focusing on continuing to scale our business from manufacturing, supply chain, and service capabilities. We are focused on continuous improvement, continually looking for opportunities to deliver on commitments and improve performance.

At Lam, innovation and continuous improvement starts with a culture that supports and encourages the same in our employees and in all facets of our business.

Core Values



Achievement



Honesty and integrity



Innovation and continuous improvement



Mutual trust and respect



Open communication



Ownership and accountability



Teamwork



Think: customer, company, individual



WORKPLACE

OUR PEOPLE

Our company’s success starts with our innovative and talented employees. The commitment they bring to the workplace each day is at the heart of our success, fueling our progress and the unique and powerful ways we serve our customers and communities.

At Lam, we know that our ability to attract, develop, and retain employees is essential to what we do, and how we do it, every day. Our employees are enabling the innovation behind the most advanced consumer technology devices and computing architectures. We aim to create a collaborative, supportive culture that enhances innovation and employee satisfaction.

In 2016, our workforce grew by greater than 12% to 8,200 employees worldwide. We also retained more than 95% of our employees and promoted from within for 82% of our open director positions. We are particularly proud to have appeared on the Forbes list of America’s Best Employers this year. The recognition demonstrates that we are succeeding in our Vision Objective of being “A company where successful people want to work.” Inclusion as one of America’s Best Employers is a meaningful honor for us, especially since it is a direct result of feedback from employees and industry peers.



Work Environment

Lam strives to provide a work environment that allows all employees to do their best work and achieve their full potential. As we look to the year ahead and expectations for our continued growth, we continue to look for ways to provide our employees with tools, information, and systems that are scalable, consistent, and easily accessible.

To ensure consistency in our employment processes, our employment policies and practices are streamlined into a single global approach. This provides Lam employees anywhere in the world with a consistent experience when applying for positions, making employee changes, and transferring employees seamlessly to leverage specialized skill sets for our customers.

In 2016, we launched eight internal country-specific Global Human Resources websites to provide employees accessible information on local activities, resources, benefits, and new programs. The sites are updated on a regular basis, providing a great resource for our employees.

To help to ensure that new employees accelerate productivity in their new roles and optimize their success at Lam, we also redesigned our New Employee Onboarding program. Now, we have designed a comprehensive new employee assimilation program, making available to all employees a personalized integration plan covering their first year and a buddy connecting them to additional resources, Lam’s culture, and the broader team. As a result, new employees become productive members of the team faster. In addition, new employees feel more comfortable speaking up, expressing the Core Values, and offering important information to their team.

Looking to the year ahead and our continued growth, we plan to expand this program to use automation and just-in-time tips to help hiring managers and new employees with the integration process.

Training

Lam’s commitment to achievement, innovation, and continuous improvement means that we are committed to investing in our workforce. Our employees receive regular training on core topics such as manager and situational leadership. We also provide specialized training suited to an employee’s role as well as function within the broader organization. In the last year, we provided 312,000 trainings across 1,191 courses.

Example programs include:

- First-Time Manager Training – We work to give our new people managers the tools that they need to succeed by sharing lessons learned and insights through a four-day program designed to help them make the leap from growing their own career to helping others shape theirs. This supports the continued growth of the company and the large number of managers that we promote from within.
 - o **173** new managers attended Manager Bootcamp
- Situational Leadership® Courses – To help our employees develop strong teams and work with a range of viewpoints, we offer Situational Leadership® training. This helps us focus management attention where it is needed most and strengthens their most important working relationship – the one between employees with their manager.
 - o **143** managers attended Situational Leadership courses
- Through a partnership with San Jose State University, we provide engineers with an opportunity to receive a Master’s of Science in Engineering. The program helps our employees gain the technical skill sets that they need to understand complex Lam systems and includes assessing performance, identifying problems, and implementing design solutions. To ensure the program is a success, we are involved in each step, from having Lam PhDs help determine the curriculum to hosting the classes on our Fremont campus.

- Edge – Lam has partnered with professors from UC Berkeley to design and launch Edge, a comprehensive leadership development program. Edge is structured to provide executives across business groups and regions with world-class learning. This 12-month program includes a mix of class sessions, professional coaching, peer learning, and daily practices in targeted development areas. We believe that accelerating the capabilities of our leadership team is our single biggest lever for scaling the company, increasing our competitive differentiation, and continuing our multi-year outperformance trajectory.

When employees seek professional development beyond the scope of our internal programs, we reimburse their education expenses up to \$15,000 per year. In 2016, we authorized more than \$1M in educational reimbursement for employees – because ensuring our success in the future means investing in our people now.

Compensation and Benefits

Our growth means that it has been an exciting and busy time for Lam. Recognizing our people for the contributions that they make is an important part of our business. We provided a monetary performance bonus to 99.6% of eligible employees in recognition of their hard work throughout the year.

We also expanded our retirement savings program to allow our employees to contribute an additional \$25,000 after taxes to their 401(k). Through this program, we want to make sure that employees are prepared for life after Lam.

Finally, we are very proud that many of our employees choose to invest in Lam. Through our Employee Stock Purchase Program (ESPP), employees who work 20 hours or more per week may contribute up to 15% of their earnings and are eligible to purchase shares at a discount of at least 15%.

Commitment to Inclusion and Diversity

Lam is committed to fostering diversity and inclusion, and we strive to maintain a culture and set of Core Values that attract and celebrate diversity in our workforce around the world. We recognize that every employee has unique viewpoints and experiences, which are important for unlocking new innovations and achieving our mission of being a world-class equipment provider to the semiconductor industry. Lam invests in initiatives and practices to

attract, engage, and retain employees with diverse backgrounds, perspectives, talents, and experiences. We believe that diversity promotes creativity, innovation, and mutual respect – all of which are central to our Core Values. We also recognize that maintaining a commitment to diversity and inclusion requires continual focus and effort. We are committed to building on our ongoing efforts to maintain and further promote an inclusive and diverse workplace.

Our diversity and inclusion activities include community outreach, targeted programs, employee engagement, and designed activities. With our community outreach, we promote diversity in the STEM pipeline from elementary schools to universities and professional organizations. In 2016, some of our activities included a Girls and STEM Job Shadow program, support for the Hispanic Foundation of Silicon Valley’s Latinos in Technology Scholarship program, and sponsorship of the YWCA Tribute to Women awards. We have also established a former military hiring program promoting the targeted hiring and placement of veterans. In addition to our formal initiatives, we support university sponsorships and professional networking events for our employees.



These and any future activities are in support of Lam’s ongoing efforts to promote diversity and inclusion. We have and continue to build cross-functional teams from around the world that reflect the communities where we work and the customers we serve. These teams allow employees to exchange and promote new ideas, interact with each other, and learn new cultural perspectives.

New Graduates
Over the last two years, approximately 25% of new hires globally have been new college graduates. To identify the right talent, teams of professional recruiters and employees are dedicated to answering questions at job fairs, making classroom presentations, and hosting poster sessions where graduate and undergraduate engineering students pitch their research projects to interested Lam

sponsors. Over an academic year, we are actively engaging with more than 50 universities globally. This includes events at well-known research schools – such as the Massachusetts Institute of Technology (MIT) and Stanford University in the United States, Tsinghua University in China, and National Taiwan University – as well as many schools located near our offices, such as San Jose State University in the United States, University Visvesvaraya College of Engineering in India, and Dalian University of Technology in China. In 2015 we launched a rotation program to give newly hired engineers an opportunity to explore different facets of our business from the Field, Operations, and Product groups. Based on the range of experiences provided through this 18-month program, our new college graduates can select the team that offers the best match for their skill and passion. Through this process, we can find the best fit for new graduates and the one that will keep them engaged and delivering value for years to come.

LIVE WELL

We know that the health and well-being of our employees are critical to our sustainable success. Through our Live Well program, we aim to support our employees in enriching ways both at work and in the community. Our approach to employee wellness continues to evolve and includes a focus on preventing health challenges as well as helping address difficulties employees may face at work or at home. Our program is global and strives to support the physical and mental health of our employees.



The Live Well program is oriented around four pillars that contribute to an employee’s overall well-being: Eat, Move, Be Mindful, and Learn. The simplicity of these pillars helps to make wellness relatable and achievable. Many initiatives support these four pillars, like health screenings, stress seminars, blood pressure kiosks, fitness team challenges, and our Live Well Lunch and Learn series, which brings employees together to discuss and learn a wellness topic over healthy snacks.

In 2016, we launched an online well-being platform to empower employees around the world to cultivate healthy lifestyles. Since April 2016, nearly 2,000 employees worldwide are actively participating in the global wellness platform.

By offering employees these opportunities to communicate and improve their health together, we believe wellness and collaboration will continue to flourish at Lam.



PILLARS OF LAM’S LIVE WELL PROGRAM

Eat	We have been working to ensure that our employees always have access to healthier food options. In support of this, we have diversified the food served in our vending machines and onsite cafés. All our vending machines have at least 50% healthy options, and our cafés and markets always have fruit and healthy snacks available for purchase. To call attention to these healthy options, we use our Lam-specific “Live Well” branding.
Move	To motivate employees in working together to support health, we held a global Fit City Challenge, in which 56% of our employees participated. As part of the Challenge, employees around the world formed teams and logged their exercise minutes over the course of six weeks. As the teams advanced by logging more minutes, they were connected to health resources in their communities. Across our 19 locations, 1,200 employees participated on 174 teams.
Be Mindful	Although we can’t always manage the sources of stress our employees have, we are focused on giving them tools to help manage stress. We provide stress management workshops to promote the importance of coping with daily stress, not just in the workplace, but in all facets of life. One example is our November 2016 stress management workshop, “What Can You Do About It?”. The workshop presented tools for how to cope with stress in a challenging situation and how to reframe stress as a positive energy. The workshop also addressed the concept of “proactive restoration” through physical activities like breathing, movement, and mindfulness.
Learn	To encourage our employees to learn more about wellness, we held Health Fairs in our California and Oregon locations. At these events, we tapped non-profits and other local health-related groups to share resources and conduct onsite seminars. For example, one of our partners, the American Heart Association, presented on heart health and healthy cooking demos. In addition, we provided biometric screenings to identify the risks of diabetes, heart disease, hypertension, and other illnesses to promote a better understanding of individual health.



COMMUNITY

At Lam Research, we apply our Core Values to employee engagement inside and outside the company, including with our community. Positively involving our employees and giving back to our communities is central to our culture. Through the Lam Research Foundation, we support programs that fit into our philanthropic areas of focus: STEM education and quality of life.

Between 2000 and 2017, Lam Research has donated \$30.2M to the Lam Foundation. In 2016, through our partnership with the Silicon Valley Community Foundation, we directed \$2.1M to non-profit organizations in our communities around the world to support the programs and activities that our employees care about. On the strength of these programs, for the last several years Lam has been recognized as a top corporate philanthropist by both the *San Francisco Business Times* and the *Silicon Valley Business Journal*.

In addition to our corporate philanthropy, Lam employees contribute directly to the community with their time and resources. In 2016, our employees volunteered more than 6,000 hours and donated nearly \$700,000 to benefit more than 800 global community organizations. Lam matches employee commitments with a dollar-for-dollar donation match and \$10 for every employee hour volunteered.

EDUCATION AND STEM

The achievement of students and young leaders in our communities around the world is important to us. We support programs that focus on math, science, literacy, education quality improvement, achievement

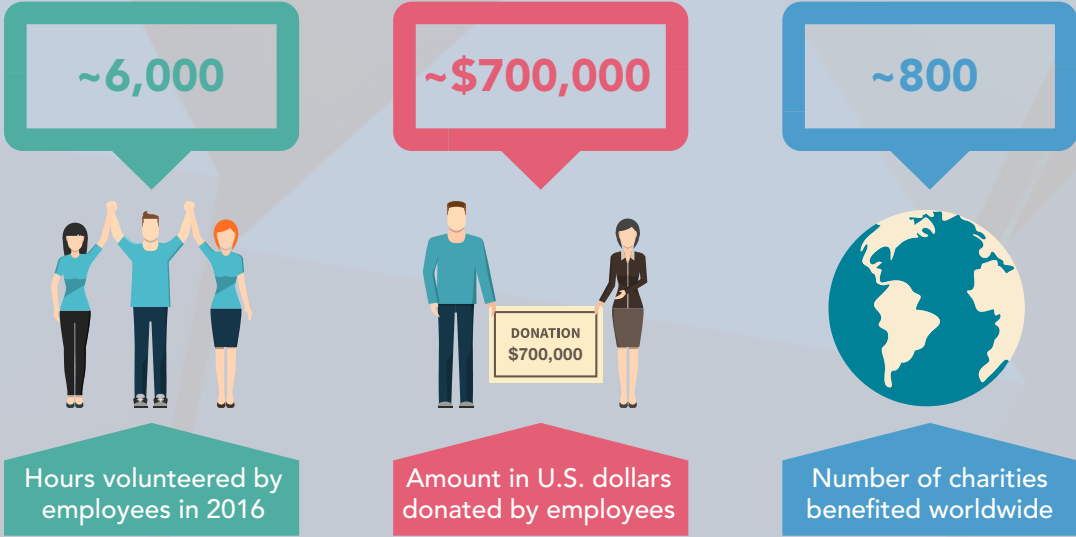
or gender gap challenges, secondary education preparedness, tutoring/mentoring, after-school programs, and workforce readiness. We contribute to educational programs that motivate and excite students from kindergarten through high school. Through programs like Project Lead the Way, FIRST Robotics, the Lam Research Core Values Scholarship program, and other education-based activities, Lam contributed to the educational growth of thousands of students in 2016.

Lam employees dedicate their time and technical expertise to make STEM programs a success. We are invested in sharing our passion for science and encouraging lifelong learning. Enthusiasm for science is a common theme with all our STEM partners as we engage with students.

We also strive to make careers in science tangible and relevant to the next generation. We frequently open our doors and invite our communities to learn about the work that we do. In 2016, we hosted more than 400 students at events such as Manufacturing Day, Student Technology Tour with the 100 Black Men of The Bay Area Organization, and Girls and STEM Job Shadow.

Lam also collaborates with universities and industry associations to fund research, build relationships, and support graduate and undergraduate students. Some of the ways we work together are:

- Advancing university research – Provide research grants, support Fellows programs, donate equipment, and jointly publish scientific papers
- Assisting students – Support thesis competitions, offer internships, and fund scholarships and university programs



Manufacturing Day

Each October on National Manufacturing Day, U.S. manufacturers host free educational events, tours, and job fairs to expand knowledge about careers in the sector and the economic impact of the manufacturing industry. At these events, the public has an opportunity to learn about the products being made in their local communities, students can learn about careers in manufacturing, and school teachers and administrators can better match their curricula to real world job opportunities.

In 2016, our three U.S. manufacturing facilities in Fremont, CA, Livermore, CA, and Tualatin, OR, hosted hundreds of visitors. Technology demonstrations of 3D printing and one-on-one talks with new college graduate employees gave students a glimpse into the daily life of working at Lam. We see Manufacturing Day as an opportunity cultivate and motivate our future workforce. It introduces a new generation to the kind of work that we do and the opportunities that will be available to them in the future.



Watch our video about Manufacturing Day

Girls and STEM Job Shadow

To honor the International Day of the Girl, employees at our Fremont headquarters hosted a Girls and STEM Job Shadow event. More than a dozen volunteers shared their experiences and held conversations with female high school students about fulfilling their potential, closing the gender gap, and building successful careers in the technology industry. More than 70 students from six local high schools participated in the day, which included Q&A with new college graduates at Lam and hands-on STEM activities featuring Lam Research technology.

In Tualatin, a group of volunteers including our Women in Engineering employee group hosted Girls, Inc. of the Pacific Northwest for a tour of manufacturing operations, STEM-based group activities, and a discussion with some of our new employees just embarking on their careers.



Student Scholarships and Thesis Awards

Our Core Values Scholarship provides recognition and reward for exemplary high school students from eleven high schools around our facilities in California and Oregon. Every year, one senior student from each high school is selected to receive this prestigious award, which follows them over the course of four years in college. Since its inception in 2003, we have provided more than \$800,000 in scholarship funds to more than 80 students, fueling the leaders of tomorrow by supporting their educational and professional dreams today. Beyond academic accomplishment, recipients embody certain Lam Research Core Values: achievement, ownership and accountability, mutual trust and respect, honesty and integrity, innovation and continuous improvement, open communication, and teamwork.



The Lam Research Tsinghua University Thesis Award program was founded in 2013. It is given annually to drive and raise enthusiasm for the semiconductor industry among college students. To date, more than 50 students have received this award. In 2016, Lam presented awards to 17 students for their outstanding theses in the research of semiconductor technology.



QUALITY OF LIFE

Lam is committed to creating a positive impact in communities around the world by supporting programs that share our Core Values. We support underserved populations or community shortcomings such as hunger, food or water security, disadvantaged children or senior citizens, economically disadvantaged communities, health improvement, and environmental protection. Through our Foundation, Lam contributes to local, national, and international organizations – such as Second Harvest Food Bank, Korea Childhood Leukemia Foundation, Foundation for Tigard-Tualatin Schools, Give2Asia, Singapore Children’s Society, Boyo Social Welfare Foundation, and many others – that help to improve people’s lives.

In addition to grants for social service needs, Lam supports regional disaster relief efforts through matching gifts and Foundation giving for initial response, recovery, and rebuilding. Sadly, 2016 was a year during which many regions were affected by natural disasters, and Lam employees responded by providing support for relief efforts in Taiwan, Ecuador, and Japan.

Lam organizes employee engagement and volunteer opportunities and actively encourages employees to become involved in their communities. Activities include helping families and children in need with school supplies, holiday meals, and toy drives; supporting environmental restoration and sustainability; and organizing onsite blood drives.

Korea Children’s Day

In South Korea, every May 5th is designated as Children’s Day. This is a day on which children of all ages are valued, entertained, and taught a sense of national pride. For Children’s Day in 2016, Lam Research in Korea partnered with the Korea Childhood Leukemia Foundation (KCLF) to deliver gifts to children with leukemia. Over 35 Lam volunteers donated, wrapped, and delivered more than 150 toys to bring smiles to children during their treatment.



Delivering Joy Around the World

Giving back to our local communities is a year-round mission at Lam, and we capped off the end of 2016 with our “Deliver Joy” holiday giving activities. More than 1,400 Lam employees around the world gave more than 1,900 hours of their time for volunteering during the holiday campaign. We saw an increase of 30% in volunteer hours and a 16% increase in total contributions from the previous year. Through employee donations, business group sponsorships, and the Lam Foundation Employee Gift Match program, which matches both donations and volunteer time, more than \$625,000 was raised toward giving back to our local communities during the 2016 holiday season.



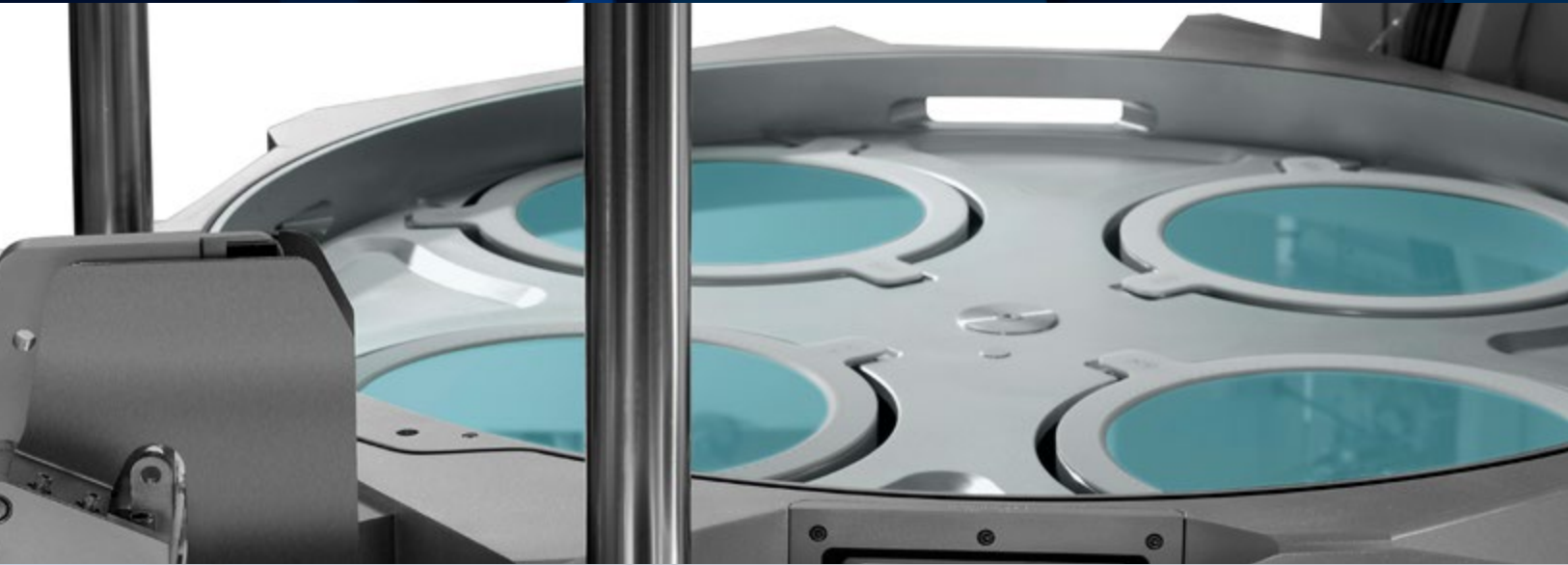
At Lam Research Italy, employees collected clothing for the homeless, delivering several boxes of donations for the Italian Red Cross.



More than 200 employees at Lam Research India participated in the “We Are With You – Elders” donation drive to purchase and distribute sweaters, blankets, socks, bedsheets, chairs, and scarves for 11 local seniors homes.



Lam Research Taiwan held a gift collection to fulfill Wish Cards for local underserved children. More than 50 employees participated and collected 107 gifts in this drive. A group of employees then wrapped and delivered the gifts to The Mustard Seed Mission.



PRODUCTS AND SERVICES

Lam leverages our expertise in semiconductor device processing to develop technology and productivity solutions that have strategic relevance to enable a new generation of technology innovations. Our customers benefit from lower defect rates, enhanced yields, faster processing time, new materials, and/or reduced cost – all while solving pressing sustainability challenges. Lam is committed to delivering products and services that are safe, compliant with regulations, address customer and industry grand challenges, and lower both Lam’s and our customers’ environmental impact.

RESEARCH AND DEVELOPMENT

The key focus of our research and development is the effort that we put into understanding and enabling the needs of our customers. We have active discussions with customers around the world as part of our input to product roadmap development and business planning processes. Based on their feedback, we have invested nearly two-thirds of our operating income towards R&D to research, innovate, and create new products or enhance existing products and processes, an industry benchmark. As a result of our investments, more than 20 new products and services were developed and transitioned to customers in 2016.

Much of this research is pushing new boundaries and focusing on new device architectures. For example, in 2016, we teamed up with SK hynix, Stanford

University, and Versum Materials to build artificial neural network devices. This new initiative will pave the way for the development of neuromorphic chips: semiconductors that imitate the thinking processes of a human brain.

This year, we also opened a new 173,000 sq. ft. research and development facility, the Lam Research Dr. Richard A. Gottscho Laboratory, named for our Executive Vice President and Chief Technology Officer in recognition of his critical contributions over the past 20 years to our research and development. The lab was built according to Energy Star® standards, fulfilling an environmental goal to build all new buildings to meet certain standards for energy performance. The state-of-the-art cleanroom, lab, and meeting spaces will provide a place to rapidly produce prototypes and drive agile innovation. Here we will be able to develop new technologies, next-generation solutions, and strengthen customer support.

Click below to see how the building was built and take a virtual tour.



FOCUSING ON DESIGNING FOR THE ENVIRONMENT

Our customers are under enormous pressure to reduce their energy consumption and carbon footprint. With energy demand outstripping supply at many manufacturing facilities, customers are calling on the industry to reduce the long-term energy consumption of products by upwards of 30%. To meet our customers’ expectations, we have pledged to consistently expand product and service offerings that enable customers to reduce energy usage, chemical consumption, and greenhouse gas emissions in their operations for each wafer that they process. For example, Lam offers ECO-mode operation, high-efficiency peripherals, and productivity improvements to reduce the energy used per wafer produced. We are encouraged by the success of these solutions, and we will continue to seek ways to make our products and services more sustainable.

In doing so, we recognize that our employees are our greatest asset. To provide a platform for increased innovation across the organization, Lam held a System & Facilities Energy Reduction Crowdsourcing Campaign to promote “think outside the box” approaches and develop creative solutions for this challenging problem. More than 600 employees participated in the campaign, which generated over 240 unique ideas. The program was supported by a panel of expert commentators who provided input and guidance during the process. Lam gave awards to the top three ideas based on their feasibility, innovativeness, and energy impact. Special awards were also given to significant contributors who helped drive collaboration by providing valuable feedback and recommendations to teams that entered concepts in the campaign.

PRODUCT COMPLIANCE EHS

Lam Research products are used worldwide in semiconductor fabrication processes. Due to the nature of the technologies employed, our equipment has both chemical and physical hazards. To manage potential risk factors, Lam uses engineering controls in the design and development of all our products. These controls are the responsibility of product Environmental Health and Safety (EHS) engineers.

Product EHS engineers are involved throughout the design lifecycle to ensure our products meet regulations and standards in the markets we serve. Our product EHS design program mirrors our internal EHS standards and reflects our commitment in this area.

As an EHS leader in our industry, Lam strives to advance best practices both internally and externally through collaboration with our customers and industry peers. For the last two decades, Lam has worked with stakeholders to develop, implement, and continuously improve the SEMI EHS Guidelines for Semiconductor Manufacturing Equipment. This set of standards is broadly used across the semiconductor industry and serves as a model for other industries.

Lam also helps lead the SEMI Equipment Suppliers group to address new product regulations impacting the industry, including the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) in Europe and later RoHS regulations in China. Our efforts have helped make Lam products and the semiconductor industry safer and more environmentally friendly.

PRODUCT LONGEVITY

We are committed to delivering strategically relevant solutions to our customers to extend the product lifecycle. One way to ensure the longevity of our products is through our Customer Support Business Group (CSBG), which provides system upgrades, refurbished systems, spare parts, and services.

SPARES

Lam has a robust product lifecycle program that ensures the availability of spare parts for the entire installed base. Spare parts obsolescence is proactively identified; alternate parts are developed and are then offered to customers to ensure the continued functioning of the installed base.

We have also made improvements in packaging our spare parts. New designs eliminate the waste of excess packaging material and incorporate recyclable materials. For some of our most common parts, the packaging will transition to 100% recycled/100% recyclable material with zero volatile organic compounds (VOC), which is an order of magnitude cleaner than our previous generation of packaging materials.

SYSTEMS UPGRADES AND REFURBISHMENT

Given the increase in the semiconductor consumption driven by a range of applications, including, for example, artificial intelligence, the Internet of Things, virtual reality, and automotive applications, we anticipate an increasing need to extend the lifetime of our existing systems. To meet this demand, we use systems upgrades to extend the technology and useful life of existing products. Additionally, when equipment is decommissioned from customer sites, we will often buy it back and refurbish and repurpose those machines for ongoing use by other customers.





OPERATIONS: ENVIRONMENT AND SAFETY

CURBING GREENHOUSE GAS EMISSIONS

Lam Research is committed to curbing our greenhouse gas emissions via energy reduction initiatives and renewable energy sources. Inspired by this commitment, Lam Research is actively pursuing the following 2020 energy goals:

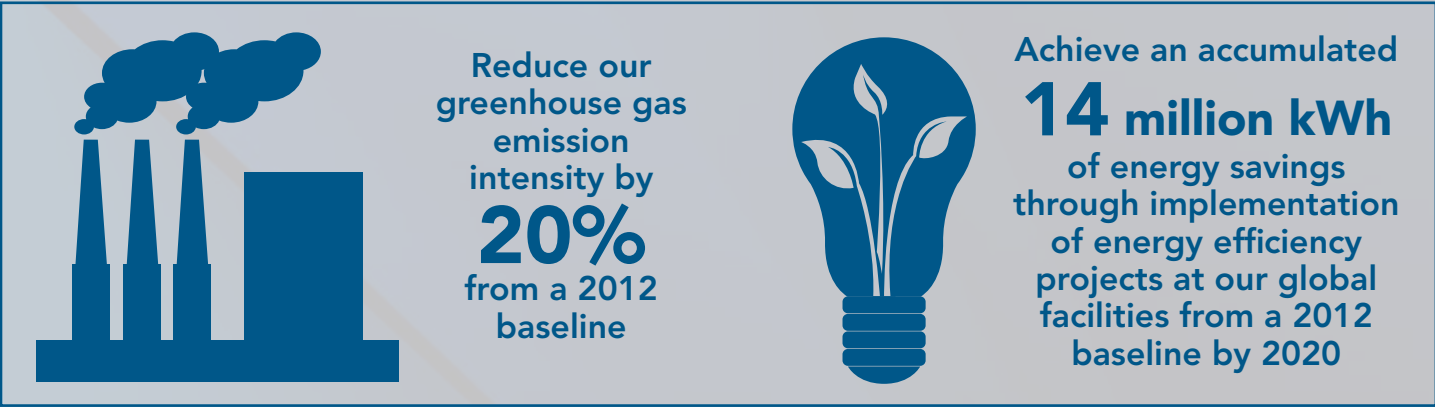
- To reduce our greenhouse gas intensity by 20% from a 2012 baseline¹
- To achieve an accumulated 14 million kWh of energy savings through implementation of energy efficiency projects among our global facilities
- To have 25% of our domestic operations rely on renewable energy sources
- To build all new buildings to EPA Energy Star® standards

- To consistently expand the product and service offerings that would enable customers to curb greenhouse gas emissions (and chemical consumption) within their operations

These energy goals stand on past successes and warrant continual improvement.

By the end of 2016, we achieved:

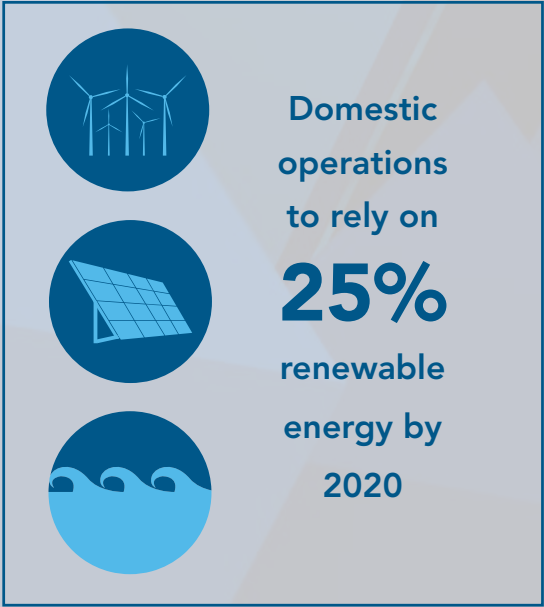
- 20.7% reduction in greenhouse gas intensity from our 2012 baseline
- 26% of our 2020 energy savings goal
- 18% of our domestic operations rely on renewable energy sources, thanks in part to the extensive use of renewables by utilities in California and Oregon
- Construction of our new R&D facility in Fremont in conformance with Energy Star® standards
- Design-for-environment solutions in our product and service offerings as described in the Products and Services section above



1. Intensity is calculated annually by dividing greenhouse gas emissions by R&D spend.

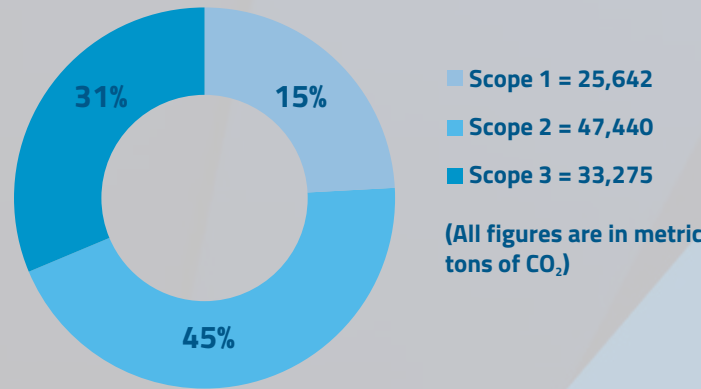
To focus Lam’s efforts, we target three major areas of greenhouse gas emissions:

- **Scope 1:** Direct emissions from Lam’s manufacturing operations and facilities, specifically through our use of fluorinated gases in R&D activities, natural gas for heating buildings, and fuel consumption for emergency generators.
- **Scope 2:** Emissions from energy consumed through the purchase of electricity to power our manufacturing and R&D operations and office buildings. As illustrated in the chart, Scope 2 generates the bulk of Lam’s greenhouse gas emissions; based on this, Lam’s 2020 goals are predominantly motivated by Scope 2 energy demands.
- **Scope 3:** Indirect emissions from employee travel. Lam’s commitment to curbing greenhouse gas emissions extends beyond conventional determinants. We recognize the emissions associated with our employees’ work commute, so we provide our employees with alternative commute option programs such as public transit reimbursement, carpool connections, and biking. Additionally, Lam accommodates employees’ choice to sometimes work from home and consequently, eliminate the work commute.



Lam’s Global Energy Team consistently works to identify, track, execute, and manage global projects to reduce our emissions footprint. For instance, as part of our Energy Charter, we prioritize projects with a return on investment of two years or less that can be scaled and translated to other locations. Through this process, our team has identified opportunities such as making operational control modifications, shifting to more efficient lighting, improving manufacturing efficiency, and proactively managing building energy use.

2016 GREENHOUSE GAS EMISSIONS



Scopes 1, 2, and parts of 3 are data for the United States and Europe. Scope 3 emissions from business travel represents our worldwide operations.

REDUCE, REUSE, AND RECYCLE

Solid waste at Lam’s facilities is segregated with the primary intention of diverting waste from landfills. Lam is committed to pursuing opportunities to increase recycling and material reuse. During 2016, we had the following environmental conservation accomplishments.

- Over 44,000 pounds of electronic waste was collected and recycled. Almost 8,000 pounds was collected during a dedicated Earth Day campaign.¹
- Our Tualatin campus increased its diversion rate for hazardous waste to 92.6% (up from 87.4% in 2015).
- Our Tualatin campus generated a total 163 metric tons of hazardous waste in 2016, most of which was copper sulfate wastewater. More than 90% of this hazardous waste was sent to a treatment and disposal facility that treats copper sulfate waste to generate a reusable, virgin copper compound.
- During the closure of our San Jose facility, we set a target of diverting 90% of the unneeded materials from landfills. We achieved this target by successfully diverting 390 metric tons of recyclables. Much of what was not recycled was donated to Resource Area For Teaching (RAFT), an organization that collects and distributes donated materials to more than 600,000 local children.



ADDRESSING WATER

High-quality clean water is necessary in our R&D and manufacturing processes. Lam’s Facilities teams around the world have been instrumental in taking action to reduce water usage, exploring new technologies, and investing in efficiency upgrades in accordance with emerging best practices. Furthermore, we explore and take advantage of opportunities to utilize non-potable water in other company functions, for example in landscaping.

We strive to be responsible water stewards in the communities where we operate. Below are some accomplishments from 2016:

- We were honored by Washington County in Oregon for our perfect water compliance records in the Tualatin River Watershed in 2016. Throughout the year, we met or exceeded discharge permit requirements, including reporting responsibilities, discharge flow limits, and permit sampling parameters, thanks to our team’s attention to minimizing and mitigating environmental impacts.
- In Fremont, we received a Certificate of Merit from the Union Sanitary District for two of our major R&D and manufacturing buildings, a distinction we have earned for several consecutive years. The District (which provides water collection, treatment, and disposal services for our Fremont campus) recognized Lam for our 100% compliance record, implementation of pollution prevention measures, and demonstration of our awareness and understanding of environmental issues.

SAFETY

The safety of our employees is of the utmost importance at Lam, from our offices, factories, and R&D centers to our field teams working at customer sites where our products are installed and maintained. Human behavior is an important factor in the prevention of incidents, so we have established a rigorous program to reinforce the mindset that safety is the responsibility of every employee, contractor, customer, supplier, and visitor. Working together to ensure that safety challenges are identified and resolved through consultation, education, and awareness forms the basis of our strong record on safety performance.

We believe that all workplace injuries and incidents are preventable. With continued investment in accident and injury reduction programs, we strive to achieve an EHS incident-free workplace and ensure that our employees return home safely every day. One metric to measure our success against this goal is the Occupational Safety and Health Administration (OSHA) recordable incident rate. In 2016, Lam had 0.28 incidents per 100 employees, a 15% decrease from the previous year and a continuation of a downward trend in yearly incidents, putting us well under the industry average of 0.90.

Much of our success in reducing the OSHA recordable rate is due to our proactive prevention and awareness programs. These programs were implemented in 2015 to better understand our safety performance by utilizing a Lam-created EHS data management system.

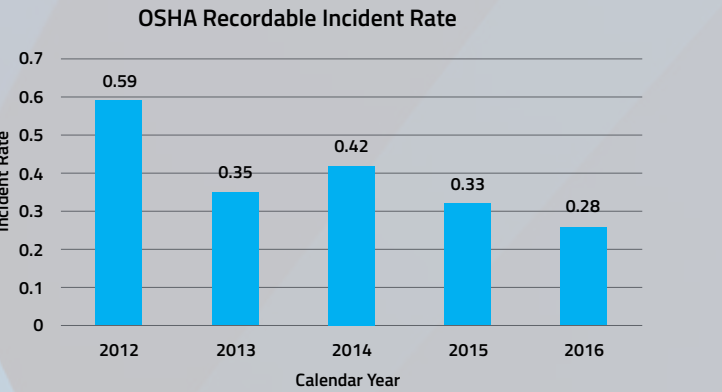
Through in-depth study of the data collected across all aspects of our business, we are able identify leading indicators, pinpoint opportunities for improvement, and drive corrective actions.

RISK MANAGEMENT BY WALKING AROUND (RMBWA)

A key element of our proactive prevention and awareness programs is our employee- and management-driven RMBWA inspections. These RMBWA inspections not only help us identify and track corrective actions for potential EHS risks, they drive active engagement in our EHS programs. The number of overall RMBWA inspections increased by over 100%, from 37,301 in 2015 to 77,256 in 2016. We also use the inspection findings to identify areas of focus and training and to inform what topics we include in our regular EHS updates to employees.

ELECTRONICS INDUSTRY CITIZENSHIP COALITION REPORTING

Lam Research evaluates annually our corporate headquarters in Fremont and our major manufacturing sites in Livermore, Tualatin, and Villach using the Electronics Industry Citizenship Coalition (EICC) self-assessment questionnaire. This assessment covers a set of standards on social, environmental, health and safety, and ethical issues. We use this tool to gauge our progress and continuously improve in these areas. In 2016, we scored 92.5% (lowest risk) on the questionnaire.



1. Data are collected from the following locations: Fremont, Livermore, and San Jose.

SUMMARY

Performance Area	Calendar 2015	Calendar 2016
Company Overview		
Locations worldwide	16 countries	16 countries
Number of full-time employees	~7,300	~8,200
Revenue	\$5.9B	\$6.4B
R&D spend in thousands (as percentage of revenue)	~\$894,500 (15.2%)	~\$940,800 (14.8%)
Workplace		
Employee retention rate	95%	95%
Average service years	8.6	8.3
Giving by the Lam Research Foundation	\$2.1M*	\$2.1M
EHS Management System		
Risk Management by Walking Around inspections	37,301	77,256
OSHA recordable incident rate ¹	0.33	0.28
Greenhouse gas emissions Scopes 1 and 2 (MTCO ₂ e) ²	67,655	73,082
Greenhouse gas emissions Scope 3 (MTCO ₂ e) ³	32,156	33,275
Hazardous waste diversion ⁴	18%*	18%
Recycling diversion ⁴	70%*	61%
Water usage (cubic meters) ⁴	537,548	609,101
Number of environmental fines	0	0

*These figures have been updated from our CSR Report for 2015. The previous Foundation giving figure was over-reported due to double counting that resulted from the transfer of our account from the East Bay Community Foundation to the Silicon Valley Community Foundation and from a switch to a new online giving platform. The previous diversion rates for hazardous waste and recycling were modified due to unit conversion discrepancies.

1. Data are collected from the following manufacturing locations: Fremont, Livermore, Tualatin, and Villach.
2. Scopes 1 and 2 data are for the United States and Europe.
3. Parts of Scope 3 data are for the United States and Europe. The portion of Scope 3 emissions that come from business travel represent worldwide operations.
4. Data are collected from the following locations: Fremont, Livermore, San Jose, Tualatin, and Villach.

GRI INDEX

UNIVERSAL STANDARDS

- 102-1 – Name of the organization
 - [Lam Research Corp.](#)
- 102-2 – Activities, brands, products, and services
 - [Products Overview](#)
 - [2016 10-K: Business](#)
- 102-3 – Location of headquarters
 - Lam Research is headquartered in Fremont, California, and maintains a network of facilities throughout Asia, Europe, and the United States to meet the needs of our global customer base.
- 102-4 – Countries of operation
 - [2016 10-K: Properties](#)
- 102-5 – Ownership and legal form
 - [2016 10-K: Business](#)
- 102-6 – Markets served
 - [2016 10-K: Business](#)
- 102-7 – Scale of the organization
 - [2016 10-K: Business](#)
- 102-8 – Information on employees and other workers
 - [2016 10-K: Employees](#)
 - [Our People](#)
- 102-9 – Supply chain
 - Sourcing the specialized components and products needed for our process equipment and services requires our supply chain to stretch around the globe. As a result, we focus our supplier management efforts on our top tier of direct suppliers that support our manufacturing operations. We implement a collaborative approach to working with our supply chain and strive to actively share best practices in order to mitigate our collective challenges. Our supply chain is held to the same Core Values to which we hold ourselves, and we are committed to rewarding integrity and continuous improvement.
 - Through events like Lam’s Supplier Day, we celebrate the invaluable support and contributions of our suppliers. In 2016, we recognized ten companies with our Supplier Excellence Award. Winners embodied the qualities we strive for in a supplier: overall performance, quality, technology collaboration and innovation, capacity readiness and responsiveness, and speed to solutions.
- 102-10 – Significant changes to the organization and its supply chain
 - [2016 10-K: Business](#)
 - [Reporting and Additional Information](#)
- 102-11 – Precautionary principle or approach
 - [2016 10-K: Business](#)
- 102-12 – External initiatives
 - [EICC Code of Conduct](#)
 - [Energy Star](#)
 - [ISO 9001](#)
 - [ISO 14001](#)
- 102-13 – Membership of associations
 - [Indo American Chamber of Commerce](#)
 - [Innovation Tri-Valley](#)
 - [Joint Venture Silicon Valley](#)
 - [National Association for Environmental Management](#)
 - [National Association of Foreign Trade Zones](#)
 - [National Safety Council](#)
 - [SEMI](#)
 - [Silicon Valley Leadership Group](#)
 - [Silicon Valley Tax Directors Group](#)
 - [Technology Association Oregon](#)
 - [Tualatin Chamber of Commerce](#)
- 102-14 – Statement from senior decision-maker
 - [Letter from Our CEO](#)
- 102-15 – Key impacts, risks, and opportunities
 - [Letter from Our CEO](#)
 - [2016 10-K: Risk Factors](#)
- 102-16 – Values, principles, standards, and norms of behavior
 - [Mission, Vision, Core Values](#)
 - [Global Standards of Business Conduct \(internal\)](#)
 - [Supply Chain Codes](#)
 - [Lam Research Commitment to Supply Chain Diversity](#)
 - [Lam Research Anti-Slavery and Human Trafficking Policy Statement](#)
 - [Lam Research Conflict Minerals Policy Statement](#)
- 102-17 – Mechanisms for advice and concerns about ethics
 - Lam believes that upholding integrity in everyday operations is the responsibility of every employee. We hold all employees accountable to Lam’s Code of Ethics and Global Standards of Business, which establish guidelines to promote honest and ethical conduct. Periodic ethics training is required of all employees, and updates are supplied in quarterly Ethics Newsletters.
 - If an ethics complaint is reported to our third-party hotline, it is investigated and reported up to the Board of Directors (Board). Through this process, Lam carefully tracks incidents and works to resolve them.
 - [Code of Ethics](#)
 - [EthicsPoint](#)
- 102-18 – Governance structure
 - [Board of Directors](#)
 - [Executive Biographies](#)
- 102-19 – Delegating authority
 - Our management team, who puts our Mission and Vision Objectives into practice, is responsible for the company’s CSR programs and regularly reviews performance, risks, and opportunities. The management team considers CSR as part of the 3–5 year strategic plans, from which corporate objectives and initiatives are set.

Each year, initiatives in the strategic plan are linked to growth objectives and customer needs in our annual operating plans. Throughout the company, business unit plans are integrated and aligned with these goals, which ultimately flow down into individual employees' objectives. As CSR has become more integrated into our business, our annual operating plans have increasingly incorporated sustainability targets and actions that the company's business units are using to drive the program.

Managers of select groups have embedded sustainability goals and objectives in their annual operating plans. During the annual performance monitoring process, the discretionary bonus for employees in these groups is partially based on meeting or exceeding these goals and objectives.

102-20 – Executive-level responsibility for economic, environmental, and social topics

- The Board is regularly updated on progress and concerns around economic, environmental, and social topics.

102-21 – Consulting stakeholders on economic, environmental, and social topics

- Lam frequently collects input on sustainability topics from across the organization. During the quarterly EHS briefings to the executive team, key issues are flagged for discussion with the Board. In addition, the CSR Report is presented to the Board upon completion for review and recommendations.

102-22 – Composition of the highest governance body and its committees

- At the end of 2016, we had a Board of Directors consisting of nine members, seven of whom have been determined to be independent in accordance with Nasdaq criteria for director independence. The Board of Directors has three standing committees: audit, nominating and governance, and compensation.

102-23 – Chair of the highest governance body

- Executive Biographies
- 2016 Proxy Statement

102-24 – Nominating and selecting the highest governance body

- 2016 Proxy Statement

102-25 – Conflicts of interest

- 2016 Proxy Statement

102-26 – Role of highest governance body in setting purpose, values, and strategy

102-27 – Collective knowledge of highest governance body

- See 102-20 and 102-21

102-28 – Evaluating the highest governance body's performance

- 2016 Proxy Statement

102-29 – Identifying and managing economic, environmental, and social impacts

102-30 – Effectiveness of risk management processes

102-31 – Review of economic, environmental, and social topics

- See 102-19, 102-20, and 102-21
- Mission, Vision, Core Values

102-32 – Highest governance body's role in sustainability reporting

- See 102-19, 102-20, and 102-21

102-33 – Communicating critical concerns

102-34 – Nature and total number of critical concerns

- See 102-17, 102-19, 102-20, and 102-21

102-35 – Remuneration policies

102-36 – Process for determining remuneration

102-37 – Stakeholders' involvement in remuneration

- 2016 Proxy Statement

102-38 – Annual total compensation ratio

102-39 – Percentage increase in annual total compensation ratio

- This is considered confidential information at this time

102-40 – List of stakeholder groups

- Reporting and Additional Information

102-41 – Collective bargaining agreements

- None

102-42 – Identifying and selecting stakeholders

102-43 – Approach to stakeholder engagement

- Reporting and Additional Information

102-44 – Key topics and concerns raised

- Lam has worked closely to align our CSR program with what is expected by our customers and shareholders. Through outreach and discussions with customers and shareholders, we have learned more about their objectives and continue to evolve our approach.

102-45 – Entities included in the consolidated financial statements

- Reporting and Additional Information

102-46 – Defining report content and topic boundaries

- Reporting and Additional Information

102-47 – List of material topics

- Reporting and Additional Information

102-48 – Restatements of information

- None

102-49 – Changes in reporting

- As our CSR program continues to mature, Lam Research continues to add new data points to the indicators that we use to track performance.
- Reporting and Additional Information

102-50 – Reporting period

- Reporting and Additional Information

102-51 – Date of most recent report

- Lam Research Corporate Social Responsibility Report for 2015

102-52 – Reporting cycle

- Reporting and Additional Information

102-53 – Contact point for questions regarding the report

- If you have questions regarding this report or Lam's CSR activities, please contact: CSR@lamresearch.com.

102-54 – Claims of reporting in accordance with the GRI Standards

- GRI-referenced

102-55 – GRI content index

- GRI Index

102-56 – External assurance

- None

TOPIC-SPECIFIC STANDARDS

301 – Materials

- Circular Economy
- Operations: Environment and Safety

302 – Energy

- Operations: Environment and Safety

305 – Emissions

- Operations: Environment and Safety
- Products and Services

307 – Environmental compliance

- Operations: Environment and Safety
- The EHS Management System, which guides our environmental compliance program, was established using rigorous international standards and is externally certified to ISO 14001, the environmental management system standard, and to the Eco Management and Audit Scheme (EMAS).
- There were no significant non-compliance events with environmental laws and regulations.
- Products and Services
- Product Compliance EHS
- Lam is a Charter Member of SEMI, which provides a framework that guides the industry as well as Lam's commitment to protecting the environment, health, and safety through the design of our products. Lam has taken a leadership role in the SEMI equipment suppliers' group since 1994 to help address a series of new product regulations, including the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) in Europe, and later RoHS regulations in China.

401 – Employment

- Our People
- Live Well
- Fair and humane employment practices are a core business principle to ensure compliance with applicable laws and provide a productive and unbiased workplace. As outlined in our Global Employment Practices Policy, Lam Research supports freely chosen employment, avoidance of child labor, compliance with applicable wage and benefits laws, humane treatment of employees, non-discrimination, and freedom of association. During 2016, there were no filings alleging discrimination by Lam in a court or before a government agency that have resulted in an adverse finding to date.

403 – Occupational health and safety

- Operations: Environment and Safety
- Our EHS Management System is externally certified to OHSAS 18001, the international standard for occupational health and safety management systems. It also meets the key elements of ANZI-Z10-2005, the California Injury and Illness Prevention Plan (IIPP). In addition, our management system architecture meets OSHA's Safety

and Health Achievement Recognition Program (SHARP) criteria and was recognized for exemplary injury and illness prevention program performance.

- Some of our key risk reduction and awareness programs are as follows:
 - o **Risk Management by Walking Around (RMBWA):** This program goes beyond safety to a daily inspection of all EHS risks. We have area-specific training on "what" to look for and "how" to conduct an EHS inspection to reduce risk. This integrated inspection process is conducted in office areas, engineering labs, and manufacturing locations and also at customer sites to help them meet their EHS objectives.
 - o **Global Rapid Field Risk Assessment (RFRA):** RFRA is a tool to help our engineers assess and mitigate risks associated with non-standard tasks at customer sites. It is used in advance of those tasks and enables applying proper precautions to keep people safe.
 - o **Safety Awareness for Everyone (S.A.F.E.):** To keep our training engaging and continuously reinforce Lam's commitment to EHS, we share monthly EHS messages with our employees who work in a manufacturing, laboratory, operations, or field service environment. Furthermore, a global S.A.F.E. message is disseminated to all employees bi-annually, helping to ensure that our workplace remains one of the safest.

413 – Local communities

- Community

418 – Customer privacy

- We strive to maintain data protection and privacy, especially when it comes to our intellectual property and information concerning our customers. To demonstrate our commitment to ensuring data security, in 2012 Lam became one of the first semiconductor equipment manufacturers to achieve ISO 27001 certification for information security. This achievement confirmed that our information management security system and program are compliant with globally understood best practices for protecting information. More specifically, we use ISO 27001 compliant security procedures, such as virus protection software, intrusion prevention system, and emergency recovery processes, to mitigate our risks.

REFERENCES

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www.lamresearch.com

Products:
www.lamresearch.com/products/overview

Annual Reports:
investor.lamresearch.com/annuals-proxies.cfm

Corporate Social Responsibility:
www.lamresearch.com/company/corporate-social-responsibility/overview

Code of Ethics:
investor.lamresearch.com/corporate-governance.cfm

Supply Chain Policies:
www.lamresearch.com/company/corporate-social-responsibility/supply-chain

Lam Research Global EHS Sustainability Commitment Policy:
www.lamresearch.com/company/corporate-social-responsibility/e-h-s

CREDITS

Many employees supported the development of Lam’s CSR program and this reporting effort. We would like to thank them for their ongoing contributions as we continue to integrate CSR into our corporate culture.

CONTACT INFORMATION

If you have questions regarding this report or Lam’s CSR activities, please contact: CSR@lamresearch.com.



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