



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 facilities and operations relating to environmental, social, and economic performance. This report covers calendar year 2015.

Content

Our report is informed by the Global Reporting Initiative (GRI) G4 Guidelines, which provide a globally relevant framework for a standardized approach to reporting environmental, social, and economic performance. We have included a GRI G4 Guideline Index to show our alignment with GRI reporting elements and to document our progress at integrating sustainability into our business. As we continue to refine our reporting process, we are working to further align our report with the GRI framework.

A cornerstone of our approach is to use the GRI materiality assessment process to identify key issues and topics. Content for this 2015 report was developed based on an in-depth 2013 materiality assessment that identified business risks and opportunities relevant to Lam Research. There have been no significant changes to our business that are likely to materially impact this assessment since it was developed. However, each year we refresh our materiality assessment to accommodate changes. These updates enable us to continue to manage the environmental and social aspects of the business.

Further information on the material topics prioritized in this report are found in the Company Overview section.

Boundaries

Data reported in this document are for Lam Research. This information covers subsidiaries, except for a few places where we are still harmonizing our global systems to incorporate all of our data worldwide. Other exceptions and limitations are noted throughout the report.

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 and San Jose, California; Tualatin, Oregon; and Villach, Austria. We have manufacturing facilities in the U.S. (California and Oregon), Austria, and Korea. In addition, service, technical support, and sales personnel are located in Asia, Europe and the Middle East, and the U.S.

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 investor.lamresearch.com.





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Letter from Our CEO

Lam's Core Values guide decisions in every aspect of our business and drive us to look beyond the achievement of company goals and objectives to include sustainable business practices. As such, we view environmental, social, and economic responsibility as a natural expression and extension of being a values-based company.

Our Corporate Social Responsibility Report for 2015 documents the significant progress we've made in our CSR target areas, demonstrating our ongoing commitment to these important activities. Our efforts to drive performance in these areas are increasing our ability to deliver the results that meet the needs of our customers and other stakeholders. As we continue to work with our customers to set aggressive new sustainability targets, we are collaborating across our supply chain to develop environmentally friendly and safe products.

For 2015, CSR highlights include:

- We signed the <u>American Business Act on Climate Pledge</u> at the White House, setting new targets to reinforce our commitment to environmental programs; during the summit, I joined leaders from many industries in sharing ideas and learning about climate action.
- We implemented innovative safety programs, including a mobile application that collects proactive and reactive safety data at both Lam and customer facilities to enhance our safety culture.
- We continued to reach out to our communities, supporting more than 700 non-profit organizations around the world with employee volunteerism and monetary donations.

As the company continues to grow, we are streamlining our processes to ensure they can quickly scale to accommodate changes in the industry and in our business. Our new global systems for better people management and for addressing environmental, health, and safety concerns allow us to monitor operations and identify opportunities to improve performance. These systems enhance our sustainability programs and help us meet commitments to our customers through predictable results. Looking forward, we see opportunities to further develop and improve our processes, using sustainable approaches that deliver more value to our customers and also contribute to our industry and communities.

Martin B. Anstice
President and Chief Executive Officer





Company Overview

As a leading supplier of wafer fabrication equipment and services to the global semiconductor industry, Lam Research develops innovative solutions that help our customers build smaller, faster, more powerful, and more power-efficient electronic devices—the kind that are driving the proliferation of technology into our everyday lives.

Our Products

To produce the tiny, complex chips used in products such as cell phones, computing devices, and entertainment gadgets, semiconductor manufacturers require highly sophisticated processes and equipment. Lam's products play a key role in the fabrication of integrated circuits (ICs), allowing chipmakers to build device features that are more than 10,000 times smaller than a grain of sand. In fact, nearly every leading-edge IC today has been made using Lam Research equipment.

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. Our customer support offerings are designed to deliver value throughout the equipment lifecycle, from system installation, production ramp, and new technology upgrades through end-of-life asset 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.

Our CSR Philosophy

Lam is working to solve our customers' toughest challenges and make a difference in the communities where we do business. Our success as a company is based on a solid foundation of technical achievement, close collaboration with our customers, and delivering on commitments. Lam's unwavering focus on mutual success with customers and partners and our Core Values—including Innovation and continuous improvement, Achievement, Teamwork, and Honesty and integrity—have allowed us to build on what has made us successful in the past and apply those strengths going forward.

Material CSR Topics

To identify key CSR topics, Lam worked with stakeholders to review the key corporate responsibility issues that might impact our business. As part of this process, we met with employees across all of our functional groups to understand their concerns as well as those of our external stakeholders, including customers, shareholders, suppliers, policymakers, and communities.

Potential material topics across our products and markets, the environment, and community were assessed through a formal process that included the use of a survey, interviews, and technical review 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.

Material CSR Topics

Products and Markets	Environment	Community
Design for environment	Regulatory compliance	Charitable giving
Customer data protection and privacy	Energy efficiency	• Ethics
Product compliance	 Greenhouse gas emissions 	Employee wellness
New product pipeline	Emerging regulations	Community engagement
Business continuity		 Occupational health and safety
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Governance

Everything we do is guided by our Mission, Vision Objectives, and Core Values. This framework is the foundation of our global company culture and directs our efforts as we strive to embed our CSR program in every aspect of our business. In particular, our values-based culture unifies our employees around the world and provides a consistent approach to our strategic and operational priorities. Using these values helps us to be a trustworthy business partner, serve as a good neighbor to our local communities, be a steward for the environment, and foster a culture of innovation.

Lam Culture

Mission

Lam Research is dedicated to the success of our customers by being the world-class provider of innovative technology and productivity solutions to the semiconductor industry.

Vision Objectives

- Number one in customer trust
- Number one in market share
- A company where successful people want to work
- Best-in-class products and services
- Financial performance to:
 - o Fund the solutions our customers require
 - o Provide the return our shareholders expect

Core Values

What we believe, practice, and reward

- Achievement
- Honesty and integrity
- Innovation and continuous improvement
- Mutual trust and respect
- Open communication
- Ownership and accountability
- Teamwork
- Think: customer, company, individual

Board of Directors

We have 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. For more information regarding governance, please see our most recent Annual Report.

Management Team

Our management team 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 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. As we look to the future, we continue to focus on setting goals and objectives around sustainability to further drive performance throughout Lam.

Ethics

Lam believes that upholding integrity in everyday operations is the responsibility of every employee. Lam has a Code of Ethics and Global Standards of Business Conduct that establish guidelines to promote honest and ethical conduct. Periodic ethics training is required of all employees, and updates are supplied in the quarterly ethics newsletters. We hold all employees accountable to Lam's Code of Ethics and Global Standards of Business Conduct, and violations may result in disciplinary action, up to and including termination.

Data Security

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/IEC 27001 certification for information security. This achievement confirmed our information management security system and program are compliant with globally understood best practices for protecting information. As part of the data security program, our management team receives regular updates on the results of audits to ensure compliance and continuous improvement.





Workplace

Our People

Our company's success is dependent upon the commitment and innovation of our people. The talent they bring to the workplace each day is a big part of what makes us great. As the company continues to grow, our team is expanding. In 2015, our global workforce grew by ~6 percent to ~7,300 employees worldwide.

At Lam, we value our employees' drive to succeed and their focus on fulfilling our Core Value of "Innovation and continuous improvement." The challenges, innovative solutions, advanced technologies, and supportive culture are just a few of the factors that keep our employees engaged. Our ability to attract, develop, and retain employees is essential for us to continue meeting our business goals. In 2015, we retained over 95 percent of our employees and promoted from within for 58 percent of the open director positions against a target of 60 percent.

Investment in Our People

At Lam, we strive to foster a culture that provides opportunities for employees to develop and grow personally as well as professionally. In an effort to ensure that we had a consistent and transparent approach to employment processes and practices in our locations around the world, we undertook a comprehensive review of our HR systems and processes in 2015. Based on the results, we consolidated 16 human capital management systems into one global system with 26 global processes and implemented globally consistent job grades and job titles. In addition to creating more consistency going

forward, this work will better enable us to track our progress on a number of CSR metrics.

Our employees receive regular training and have numerous opportunities for professional development. We have a number of initiatives that contributed to the success of our organization, including:

- Educational Reimbursement For training needs
 where we do not have an internal program, we
 provide reimbursement of up to \$15,000 per year to
 support employee growth and development. In 2015,
 we authorized \$995,000 in educational reimbursement
 to our employees.
- First-Time Manager Training We work to give our new managers the tools that they need to succeed by sharing lessons learned and insights in a four-day training to help them make the leap from growing their 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.

Compensation and Benefits

Lam Research provides competitive compensation and benefit programs, and these are frequently evaluated to ensure our ability to attract and retain top talent. We have 401(k) retirement savings plans for all full-time employees in North America. As part of this plan, we match employee contributions at the rate of 50 percent of the first 6 percent of earnings contributed. Employees are fully vested in the company matching contributions the moment they begin participating in the 401(k) retirement savings plan, and investments are directed by participants.

New College Graduates at Lam Research India

At Lam Research, we are committed to helping bright, enthusiastic new college graduates (NCGs) transition to successful and rewarding careers in the workplace. Below, some of our NCGs working at Lam Research India share a few thoughts on their experiences.

What helped you transition to the workplace?

Before joining Lam Research, I was concerned about making the transition from college life to a corporate environment. Fortunately, the company provided my peers and me with "Campus to Corporate" training, which helped us understand the key differences we would encounter in the workplace and make a smooth and comfortable transition.

What do you like about working at Lam?

The culture is absolutely awesome. It provides a good work-life balance, and knowledgeable and helpful colleagues are always there to support me. This makes me feel more comfortable and motivates me. In addition, I like having lunch with my colleagues; we have a good time taking breaks together.

I like the interaction with other groups, which provides expert knowledge and support that enables us to solve a wide variety of technical challenges. This helps me learn how to think outside the box and has been the best part of working here.

To learn more about NCG opportunities at Lam, please visit the College Programs section of our website.



Bring Our Children to Work Day



"I'd like to work here if I got to wear the marshmallow suit." said an inspired 11-year-old participant of Bring Our Children to Work Day 2015 (when asked if he would want to work at Lam). The kids wore the "marshmallow suits," more commonly known in the semiconductor industry as bunny suits or cleanroom suits, during a facility tour that was part of the day's activities. The

event for kids aged 8 to 17 was held at Lam's Tualatin, Oregon, campus and was supported by more than 70 parents and guardians, as well as many employee volunteers.

Approximately 130 kids participated in a variety of interactive sessions, including executive presentations, educational talks, tours of Lam's labs, tool demonstrations, and hands-on activities such as spin art and wafer cleaving. The children also had the opportunity to shadow their parents and find out what they do at work. "It was great to have my daughter onsite so she could visualize where I go to work every day. It gave her a perspective of what I do and the people I interact with on a daily basis," said one of our business operations analysts of her 10-year-old daughter's visit to the Tualatin facility. "Now she has an idea of what a semiconductor is and how I play a role in helping run the business."

To see a video of the kids' day of adventure, click here.



Labor

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 2015, 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.

Commitment to Diversity

The differences our people bring to the Lam Research community contribute to our success. We are committed to building diverse, cross-functional teams across our global business footprint. Through these teams, employees exchange and promote new ideas, interact with each other, and learn about different cultural perspectives.

Diversity plays an important role in our business as we work to stay ahead of the competitive international market. We recognize that every employee possesses unique viewpoints and experiences that are important for unlocking new innovations and achieving our mission of being a world-class provider to the semiconductor industry. To promote diversity, we work with several organizations that specialize in the training, placement, and support of women, minorities, veterans, and people with disabilities across our global offices.

Encouraging Well-Being

We recognize that the overall well-being of our employees is vital to success in their careers and lives. We define well-being broadly as encompassing everything from career, social, and financial to physical, emotional, and community well-being. Given this definition, we are now working with our steering committee, advisory council, global committees, and champions to develop programs that achieve our objectives, namely to provide a culture of well-being that empowers our employees to lead a healthy lifestyle.

We are actively identifying areas to influence the well-being of employees and have been introducing new programs. Our wellness portal actively encourages personal fitness and nutrition, provides resources such as health coaching, and even promotes challenges among employees or teams. Going forward, we anticipate having participation data to track the performance of our new well-being programs.

In 2015, we have had notable success encouraging well-being as part of the Global Corporate Challenge. As part of this challenge, Lam had 273 teams of up to seven employees who tracked their exercise – walking, biking, running, swimming, dancing, etc. – and converted the activity to steps. More than 1,900 employees at Lam in North America, Austria, Korea, and Taiwan organized clubs and recorded more than 1.6 billion steps, which equates to 650,000 miles (that is more than traveling to the moon and back!).

Award-Winning Health and Wellness Programs

Lam Research Austria received the "BGF-Gütesiegel" award for workplace health promotion from the Austrian Federal Ministry of Health in recognition of the health and wellness programs at our Villach site. "Our leadership believes that health is an important prerequisite for success at work and at home," explains Lam's local compensation and benefits manager. Villach has a four-part approach to providing support and services to employees:

- Occupational health programs: onsite vaccinations, flu shots, health screenings, new-hire health checks, smoking cessation, and walking activities
- Healthy exercise: onsite fitness center, classes run by fitness trainer
- Support and psychological coaching: referral to external resources for assistance with mental health issues
- Balanced nutrition: onsite café offering healthy choices



Community Outreach

We created the Lam Research Foundation and Community Engagement programs to show our commitment to positively impacting people around the world. Through these programs, Lam extends its Core Values into the communities where our employees live and work. Positively engaging and giving back to our communities are central to our philanthropy philosophy. Our programs support education and quality of life and include employee gift matching, disaster relief and recovery assistance, and



Since 2000, Lam Research has donated \$27.2 million to our foundation. In 2015, through our partnerships with the East Bay Community Foundation and the Silicon Valley Community Foundation, \$2.8 million was distributed to

non-profit organizations around the world to support our core program areas and activities that are important to our employees. In addition, Lam employees volunteered 7,800 hours and donated more than \$600,000 in 2015. On the strength of these programs, for the last several years, Lam has been recognized annually for being a top corporate philanthropist by both the San Francisco Business Times and the Silicon Valley Business Journal.

Education

We contribute to a number of local, national, and international programs that enhance science, technology, engineering, and math (STEM) education. The educational programs we support are designed to motivate and excite students in kindergarten through college about STEM subjects, as well as provide them with a variety of options to be active and healthy. Through programs like FIRST Robotics, the Lam Research Core Values Scholarship program, Project Lead the Way, and other education-based activities, Lam contributed to the educational growth of thousands of students in 2015.

Lam employees also dedicate their time and technical expertise to making STEM programs a success. We are invested in sharing our passion for science and encouraging lifelong learning. Across the STEM organizations with which our employees work, the enthusiasm for science is a common thread as we engage the next generation.

High School Engineering Program

Students served: High school Location: Fremont, California

Since 2000, the Lam Research Foundation has funded an in-school engineering program within the Fremont, California, school district that has grown from four classes in two high schools to 30 classes in nine high schools—reaching more than 900 students. This four-year course is designed to prepare students to pursue an engineering degree and provides opportunities to engage and network with corporate and community partners. Our involvement with Project Lead The Way (PLTW)—a STEM K-12 educational program—has allowed employees to expand interaction with students beyond the long-time company funding.

In support of the PLTW program, Lam hosted more than 50 students from American High School in Fremont for an engineering-focused, activity-filled afternoon at our headquarters. The goal of the visit was for students to learn about the variety of engineering careers available to them and to interact with our technologists. Sessions included software controls and tool demonstrations, visits to training labs, and a manufacturing facility tour. The students really enjoyed and appreciated the opportunity to engage in these activities, with several attendees commenting that, "Lam would be a pretty cool place to work."



Driving an Interest in STEM

Students served: University Location: Berkeley, California

Inspired by employee-driven volunteerism, Lam Research sponsored the Cal Formula SAE (Society of Automotive Engineers) racecar program at the University of California, Berkeley. In addition to financial support, the students benefit from Lam employee engineering expertise and mentorship. The program joins students from the Cal Mechanical Engineering department and other disciplines such as business administration, electrical engineering, and computer science.

The student team—with advice from Lam and other corporate mentors—designs and builds formula-style racecars and competes against other colleges worldwide, participating in the Formula SAE Lincoln competition every summer in Nebraska. The competition then tests their engineering skills and creativity, with teams judged by experts in the industry.



Core Values Scholarships

Every year, the Lam Research Foundation awards \$10,000 scholarships to selected graduating seniors at area high schools in Fremont, California; Livermore, California; and Tualatin, Oregon. These scholarships support the students during enrollment at a college of their choice. Since this program started in 2003, the foundation has awarded more than \$800,000 in scholarships that have benefited 70 students. Community leaders and representatives from Lam select the recipients based on academic achievement, school and community involvement, and demonstration of Lam's Core Values.

University Relationships

In addition to scholarships, Lam collaborates with universities and industry associations by funding research, building relationships, and supporting graduate and undergraduate students. Examples of some of the ways we work together are:

- Advancing research—Provide research grants, support fellows programs, donate equipment, and jointly publish scientific papers
- Assisting students—Sponsor thesis competitions, offer internships, and fund scholarships and university programs for students

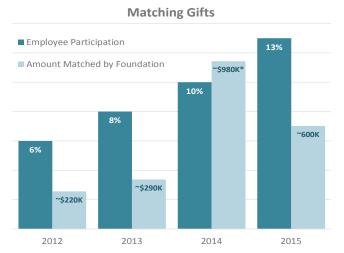
Employee Gift Match Program

Our Employee Gift Match Program further encourages community involvement and supports the causes and organizations that are important to employees, such as hunger, the environment, and animal welfare. The Lam Research Foundation matches monetary donations dollar-for-dollar and volunteer time at \$10 per hour up to a total of \$2,000 per year for each regular full-time employee. In 2015, the Foundation matched more than \$600,000 in employee charitable contributions.

Community Engagement/Quality of Life

Lam is committed to positively impacting communities around the world by supporting programs that share our Core Values. The Foundation contributes to local, national, and international organizations—like Second Harvest Food Bank, Korea Childhood Leukemia Foundation, International Committee of the Red Cross, Foundation for Tigard-Tualatin Schools, 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. In 2015, more than 700 global community organizations were supported by Lam employee volunteerism and monetary donations.

Lam organizes employee engagement and volunteer opportunities and makes resources available to enable employees to become actively involved in their communities. Activities include helping needy families and children (school supplies, holiday food, toy drives, etc.), supporting environmental restoration and sustainability, and organizing onsite blood drives.





Employees volunteered

7,800

hours and donated more than

\$600,000

\$350,000 total donations to countries outside of the U.S.



Supported more than 700 global charitable organizations





"Active" in Our Communities

From cycling to walking, employees from around the world maintain healthy lifestyles, while making a difference at the same time.

Cause: Multiple Sclerosis Location: Oregon

Coming together for a good cause, Lam employees and their families and friends participated in the National Multiple Sclerosis (MS) Society's annual Bike MS Willamette Valley ride in Oregon this past summer. One of our staff engineers, who has a personal connection with the cause, acted as the captain of "Team Lam." Along with others, he has also been raising money to help acquire a three-wheeler recumbent bike for a cycling teammate who can no longer ride his two-wheeler due to MS.



In 2014, Team Lam raised \$16,000 with 16 riders. In 2015, participation increased to 58 riders and a contribution of more than \$63,000, placing our team among the top three fundraisers. In total, more than \$760,000 was raised to fund research for a cure and help those impacted by MS in the Oregon and Southwest Washington areas.

Cause: Children, Youth, and Family Services **Location: Singapore**



A group of nearly 80 Lam Research Singapore employees and their families participated in the Children's Society "Walk for Our Children 2015" event. The annual walkathon raises funds to help support 10 centers that aim to bring relief and happiness to children in need and provide children, youth, and family services. The three-kilometer walk was held in collaboration with the children's theme park KidZania Singapore along with other partners. Employees who took part in the charity walk commented that the fundraiser was a great way to contribute to the community as well as spend quality time with family and coworkers.





Products, Services, and Supply Chain

Lam Research is committed to delivering products and services that are safe, compliant with regulations, meet our customers' challenges, and lower both Lam's and our customers' environmental impact. We develop innovative solutions to address our customers' challenges and strive to deliver the best products and services on the market.

To continue our current growth trajectory, Lam invests in the enhancement of our products and services. In 2015, our R&D spend represented more than 15 percent of our annual operating revenue. The results of these investments were also evident as we registered new patents. Our R&D investment has led to technology and productivity solutions that benefit our customers through lower product defect rates, enhanced yields, faster processing times, reduced costs, and environmental benefits.

Focusing on Design and Innovation

The semiconductor industry is characterized by innovation and rapid change. Demand for greater performance has long been addressed by scaling feature dimensions to pack more capability into each chip. At the same time, the increased consumption and storage of data have led to development of new 3D memory architectures to increase the bit density. These smaller features and new device architectures increase both the complexity of the manufacturing process and the power consumed by semiconductor manufacturing equipment. Having higher

power consumption adds to our customers' costs and the strain on environmental resources. Therefore, we are committed to consistently increasing product and service offerings that enable customers to reduce energy usage, chemical consumption, and greenhouse gas emissions in their operations.

When our engineers set out to redesign a product, they focus on the performance and productivity our customers require while considering ways to better manage power consumption and other resources used in manufacturing. We keep a list of potential sustainability enhancements for all of our products and with each subsequent release of our tools, evaluate which improvements to incorporate. To help our customers reduce their long-term energy use, Lam has developed an ecological (ECO)-mode option for our current 300 mm products. ECO-mode communicates between the process module and peripheral equipment in the system to register when the process module is in standby mode and allows the peripheral equipment to enter a low-energy state. The energy savings from using a standby mode rather than running continuously can be significant.

In 2015, we also worked with our customers to drive product improvements. We reviewed areas of particular concern to our customers, which drove innovation around our deposition, etch, and clean equipment to help our customers meet their sustainability targets.

Our products also meet the applicable environmental regulations and standards in the markets we serve. We are 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 (EHS) 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 the Chinese RoHS regulations.

We work collaboratively with regulators to provide quantitative and qualitative information that helps make the industry more transparent. This enables regulators to better understand the full complexity of our products since our tools are made using thousands of components. Time and again, the collaborative approach taken by Lam and that of the SEMI group has been recognized by regulators for providing objective information that informs the most

effective regulations. We consistently receive awards and appreciation for our technical engagement, and in 2012, Lam Research received the International SEMATECH Manufacturing Initiative (ISMI) Supplier ESH Leadership Award for providing 51 percent of the industry's (etch) data points to the Environmental Protection Agency to assist with the modification of the greenhouse gas reporting rule.



Reducing Solvents from Spin Wet Clean Products

Our Spin Wet Clean products clean wafers repeatedly during semiconductor device manufacturing and are a critical part of the process to ensure high product yields and reliability. Unwanted microscopic materials—some no bigger than the tiny device structures themselves—need to be removed, and this process typically uses lots of solvents.

To reduce our environmental impact, we continue to evaluate our solvent waste streams to identify potential green chemistry alternatives and recycling opportunities, as well as treatment and disposal options.

Our engineers have found new ways to reduce solvent usage and have achieved a 99 percent reclaim efficiency by creating a unique chamber design in our Spin Wet Clean products. Through our innovative design, we utilize separate levels in the chamber for processing that allow for the separation of unwanted materials and process solvent. Now instead of using a solvent once, our products typically reuse the solvent for 24 hours or longer, which can save our customers up to \$6 million a year in chemistry costs.





Product Environmental Health and Safety

Lam products are tools and equipment used by our customers as part of their manufacturing process. At any given location, some of our largest customers might be using hundreds of tools and pieces of equipment. These tools and equipment used in the semiconductor industry have both chemical and physical hazards. Therefore, product EHS design is used to mitigate the impacts of our products on both health and safety and the environment. Our design activities include instituting engineering controls to manage potential risk factors in our customers' manufacturing processes.

Lam has dedicated resources working full time that continue to integrate EHS controls in our products. Product EHS engineers are involved throughout the design lifecycle to ensure our products meet applicable regulations and standards in the markets we serve. Our program around product EHS design mirrors that of our internal EHS standards and reflects our commitment in this area.

To improve our EHS performance as well as the industry's, we have also collaborated with our customers and industry peers to share best practices. Starting two decades ago and stretching to the present, we worked with stakeholders across the industry to develop, implement, and improve the SEMI Environmental, Health, and Safety Guideline for Semiconductor Manufacturing Equipment. This set of standards is broadly used across the semiconductor industry and serves as a model for other industries.

In alignment with the industry, Lam Research adopted SEMI standards as our primary design guidelines. To ensure the continual improvement of our program, we frequently have third-party auditors test our products and validate the adequacy of our designs. We make sure that our third-party evaluations are rigorous by applying high pre-qualification standards. As part of our process, we only use third parties that are qualified to conduct assessments of semiconductor equipment to ensure our vendors are competent and credible. These measures have helped make Lam's products and semiconductor fabrication safer and more environmentally friendly.

Product and Service EHS Partnerships

Our approach to EHS does not end with product EHS design but extends into the safe and responsible service of our equipment. When we provide equipment to our customers, it is equally important to us to include safety training and documentation to the entire network of our field service and process engineers and to any customers who require it.

As part of Lam's EHS value proposition, Lam field personnel conduct routine EHS assessments and provide that data to both Lam and our customers in the spirit of prevention and continual improvement. This approach has been well received by our customers and has contributed to both improved safety performance as well as formal customer awards that have recognized our innovative safety leadership.

We are continually looking for further opportunities to partner with our customers in creating incident- and injury-free environments. In 2015, Lam provided education and training to a key customer to help enhance the customer's knowledge of process safety management techniques, which resulted in a risk-reduction initiative for the customer. To accomplish this, we brought together Lam and the customer's industrial hygiene and EHS engineers to conduct focused risk assessments, which were supplemented by process safety management training. Our customer said of this experience, "Lam is leading semiconductor equipment manufacturers in safety culture, performance, and collaboration with its customers. Over the past year, we have engaged closely with Lam on proactive safety programs to improve our safety knowledge and culture."

We also work collaboratively with our customers to improve safety performance by providing their EHS teams the same training we provide to our field and process engineers. By bringing customer EHS teams to our training facilities, we are providing an in-depth look at product safety controls, critical areas to inspect, and how to troubleshoot tool performance. After one of these engagements, one of our customers reported, with respect to the attendees, "This helped them better understand the opportunities and

constraints of the equipment, and we are now able to work in partnership with Lam to identify areas for collaboration." We plan to continue this effort with more customers moving forward.

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 extensively on our top tier of 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.

Supply Chain Initiatives

We strive to incorporate our supply chain expectations into our contracts and reinforce them by our data collection, training, and auditing program. This year, we undertook a comprehensive evaluation of our supply chain program. As part of this process, we conducted an intensive benchmarking of peers to understand their key issues and identify potential gaps in our program. As part of this, Lam continues to use its Supplier Scorecard to assess our suppliers' abilities to meet our expectations on items including cost, delivery, and quality. Scores ranged from one to five, one being the top score. These scores are published internally every month for tracking purposes.

Supplier Diversity

Lam Research strives to consider supplier diversity and is taking active steps to improve current practices. In 2015, we put a plan in place to further address supplier diversity by dedicating internal resources to create an internal policy and putting a process together to collect data and initiate a supplier diversity dashboard.

Human Trafficking

Lam believes that we comply with the California Transparency in Supply Chain Act and is preparing to meet the requirements of the UK human trafficking regulations.

Conflict Minerals

To address growing international concern over the violence and human rights abuses fueled by mining operations controlled by armed militias in the Democratic Republic of Congo and neighboring countries, the United States has adopted legislation under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act pertaining to certain "conflict minerals," including tin, tantalum, tungsten, and gold (and their derivatives).

Lam's Anti-Slavery and Human Trafficking Policy Statement

Lam Research is committed to compliance with applicable laws and regulations, including the prevention of slavery and human trafficking, in its business operations. We also contractually require direct product suppliers to conduct their operations in a manner that complies with all applicable laws and regulations.

To verify compliance with its global supply chain standards, Lam Research:

- Verifies prospective direct product suppliers
- Periodically audits direct product supplier operations
- Requests a written certification from major direct product suppliers that the materials incorporated into their products comply with applicable laws and regulations, including laws regarding slavery and human trafficking of the country or countries in which they are doing business
- Trains front-line employees and managers with direct responsibility for supply chain management on how to identify and mitigate risks of human trafficking and slavery

The verification and audit are conducted by Lam Research employees, and audits may be announced or unannounced. Direct product suppliers, employees, and contractors who fail to comply with Lam's expectations are subject to corrective action, up to and including termination.

Lam Research does not directly purchase the minerals used in its products that are covered by this legislation or have any direct relationship with the mines or smelters that process them. Since 2012, we have been working with our suppliers to determine the sources of any of these minerals that are used in our products. It is our goal that we use only responsibly sourced minerals in our products.

In support of our policy regarding conflict minerals, Lam Research:

- Complies with reporting obligations under Section 1502 and files a form SD with the SEC
- Communicates its expectations for conflict-free materials sourcing to suppliers
- Works with suppliers to provide due diligence information to assist in responsible sourcing decisions and supply chain transparency
- Collaborates with customers, suppliers, and industry groups on industry-wide solutions to facilitate transitions to conflict-free materials sourcing in the future

We believe these actions will help Lam ensure responsibly sourced minerals are procured.



EHS Management System

A key element at the core of our business is our effort to ensure a safe and healthy workplace while reducing our environmental footprint. This is accomplished through the deployment and continual improvement of our integrated EHS Management System. Our objectives for the system are to protect people, property, and the environment and to reduce risk.

Our EHS Management System is grounded in four major pillars: planning, execution, validation, and rapid problemsolving. Our management system is enhanced by Lam's strong leadership and commitment to EHS, policies, procedures, and enabling business processes. We strive to continually refine our management system by gathering input from internal and external stakeholders and incorporating lessons learned across industries.

The EHS Management System architecture was established using rigorous international standards and is externally certified to ISO 14001, the environmental management system standard, and 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), and the Eco Management and Audit Scheme (EMAS). In addition, our management system architecture meets the Occupational Safety and Health Administration's (OSHA's) Safety and Health Achievement Recognition Program (SHARP) criteria and was awarded for exemplary injury and illness prevention program performance.

Since the 2012 integration with Novellus Systems, Lam has made a concerted effort to ensure our EHS-related business processes are streamlined and scalable to accommodate the information management needs of our expanding business. We have an information management system roadmap that outlines our multi-year initiatives to improve everything from incident reporting to our chemical management system. For the last three years, we have met all of our initiatives, and our systems continue to improve and mature.

EHS Information Management System Roadmap

2013	2014	2015
Safety Data Sheets Global Management System EHS Event Tracking System (ETS) Risk-Mgmt. By-Walking Around (RMBWA) System	Training, Tracking, and Reporting System Site Incident Prevention Plan (SIPP) System	Chemical Information Mgmt. System (CIMS)
Global chemical information documentation to meet 29 CFR 1910.1200 Hazardous Communication requirements Global chemical information documentation to meet 29 CFR 1910.1200 Hazardous Communication requirements EHS proactive inspection program to collect and track inspection findings and participation	Training delivery, tracking, and reporting system to help meet legal, customer, and ISO requirements Training delivery, system designed to assist with approval and control of activities that could lead to business interruption or cause injury/ environmental excursion	System designed to facilitate efficient chemical approval and inventory and track employee participation for customer and Lam safety requirements RMBWA mobile app to collect and track enables safe and responsible work practices by documenting pre-job planning and verification of customer and Lam safety requirements
Remain in compliance and make information more readily available to Lam and customers Remain in compliance accountability, ownership for safety; data integrity related to compliance requirements; increase transparency due to business reporting feature; decrease in incidents due to better RCCAs Incident prevention and objective evidence of employee participation and management commitment (legal/ISO requirements)	Increase compliance level and business unit ownership for training completion; reduced manual administration of Excel training reports Explicit business process for thorough review and accountability for responsible execution of high-risk activities	Efficiency gain for employees to stakeholder approval, resulting report and in quicker cycle time for product groups and support organizations; objective evidence for multiple legal requirements Allow employees to proactively mitigate, report and track to completion corrective and preventive actions on their mobile devices Make safety easy and further empower employees to employees to employees to employees to proactively employees to proactively employees to proactively employees to proactively employees to employees to proactively employees to proactively easy and further empower employees to enable safe and responsible work practices

Health and Safety

Safety 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 chip-manufacturing tools are installed. Since we know that behavior and training are the most important factors in preventing incidents, we have established a rigorous health and safety program, reinforcing that safety is the responsibility of every employee, contractor, customer, supplier, and visitor. Through the EHS Management System, we closely monitor our performance and constantly look for opportunities to improve.

Lam has made significant improvements in its EHS programs over the last five years. To sustain our performance, we recognize that employee participation and management engagement is paramount. In 2015, Lam deployed executive safety councils for our four main risk areas, which are global operations, global field service, global labs, and products.

Proactive Risk Mitigation and Awareness

While recognizing that even a single incident is one too many, we continue to maintain a strong record on our safety performance. Lam's 2015 OSHA recordable incident rate was 0.32 incidents per 100 employees. This is approximately a third of the semiconductor equipment manufacturer industry average of 0.9.

We believe that much of our success in reducing the OSHA recordable rate is from the implementation of our proactive prevention and awareness programs that we use to track

performance. We have a number of leading metrics, such as our overall inspection rates and "good catches," to further a culture of proactively managing EHS risks. Last year, the number of overall employee- and management-driven inspections rose over 450 percent from 8,152 to 37,007. We also routinely measure participation in the Safety Awareness for Everyone program, which is awareness training to keep safety information fresh. Below is a snapshot of some of our key risk reduction and awareness programs.

- Risk Management by Walking Around (RMBWA):
 This program goes beyond safety to be 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 also conducted in office areas, engineering labs, manufacturing locations, and customer sites to help them meet their EHS objectives.
- 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.
- 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.

GOPS Safety Review Board (SRB)

- Membership: Global Manufacturing, Global Logistics, Global Workplace Solutions, Supply Chain
- Frequency: Quarterly
- Agenda: Metrics, significant incidents, trends, lessons learned, best-known methods (BKMs)

Global Field Safety Council (FSC)

- Membership: Customer Support Business Group, Global Quality, Global Field Operations, Regional Safety Committees
- Frequency: Bi-weekly
- Agenda: Metrics, significant incidents, trends, lessons learned, BKMs

Global PG Lab Safety Team (LST)

- Membership: Lab Operations, Concept & Feasibility Technology, Metryx, Silfex, Global Products Engineering, Pilot Engineering
- Frequency: Quarterly
- Agenda: Metrics, significant incidents, trends, lessons learned, BKMs

Product Safety Management Review (PSMR)

- Membership: Product Environmental Safety & Compliance, Central Engineering, Systems Safety Engineering
- Frequency: Monthly
- Agenda: Metrics, product safety issues, emerging requirements, policy change

Site Incident Prevention Plan (SIPP): We use this
process to evaluate non-standard or high-risk
activities and plan for success. A SIPP is a structured
approach undertaken in advance of coordinating
and scheduling facilities, processes, tools, and other
work activities to mitigate risks and prevent EHS
events and business interruptions.

In order to enhance the effectiveness of our programs, we are increasingly using mobile applications to assist employees in pre-job planning and risk mitigation. Mobile applications have made prevention initiatives easier and traceable and information more accessible. The data show the new applications are a success, and we have seen a significant increase in employee and management engagement. As a result, we are collecting more data and mitigating more workplace hazards than ever before for both Lam and our customers. The data provide us with new insights into our programs and how to target better performance. In addition, we are able to share the prevention data with our customers in a manner that is mutually beneficial to our joint EHS mission. Looking forward, we will assess how we can use new technologies to further our EHS performance.



Safety Awareness For Everyone

Lam is committed to the safety and health of our employees, customers, neighbors, and environment

We believe:

- All injuries and incidents are preventable
- Safety is the responsibility of every employee, contractor, customer, supplier, and visitor
- Behavior and training are the most important factors in preventing incidents

We expect:

- Rapid communication and problem-solving for all safety issues
- Application and reinforcement of EH&S and job-specific training
- Active participation by all in risk identification and control







Environmental Stewardship

Over the last four years, Lam charted progress against a 2012 baseline and achieved notable success in several areas of environmental stewardship, including reducing our energy intensity by 21 percent and our hazardous waste generation intensity by 74 percent. Based on our past environmental stewardship, we have set new targets. We pledge to target the following by 2020:

- Increase renewable energy consumption in our domestic operations to 25 percent
- Reduce our greenhouse gas emission intensity by 20 percent from a 2012 baseline
- Achieve an accumulated 14 million kW-hrs of energy savings intensity through implementation of energy efficiency projects at our global facilities from a 2012 baseline
- Build all new buildings to EPA Energy Star® standards
- Consistently increase the product and service offerings that enable customers to reduce energy usage, chemical consumption, and greenhouse gas emissions in their operations

To measure and monitor progress against our targets, Lam Research has a website to track performance at our facilities around the world.

Concentrating on Climate Change

Greenhouse gas emissions are generated by our use of natural gas for heating, fluorinated gases in R&D activities, and electricity in our manufacturing operations and office buildings. The majority of our emissions are primarily from our utilities usage in our laboratories. However, due to our use of fluorinated gases, Lam facilities in California and

Oregon are subject to annual greenhouse reporting and CO_2 emissions limits.

We have committed to leading on climate change and to further build on our past environmental stewardship success. As part of the American Business Act on Climate Pledge, Lam Research identified and publically committed to new ambitious climate change targets. To meet these targets, we have taken a number of actions to reduce our emissions and, by extension, our energy use. Lam has a Global Energy Team to identify, track, execute, and manage global projects. As part of our Energy Charter, we prioritize projects with a return on investment of two years or less, which can scale and translate 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.



Taking the American Business Act on Climate Pledge

Martin Anstice, Lam president and CEO, and Dave Hemker, senior VP and CTO, were honored to join U.S. President Barack Obama, government officials, and business leaders for the President's climate forum in Washington, D.C. on October 19, 2015. Our participation in the event provided a unique opportunity to share our views and learn from other leaders – while tackling environmental issues together for a better future.

To demonstrate our commitment to ongoing climate action, Martin, on behalf of Lam Research, joined more than 80 companies in signing the American Business Act on Climate Pledge. Later in the day, Dave joined participants representing a wide range of business, academic, technical, and scientific fields to consider how accelerating the transition to a low-carbon economy will produce multiple environmental benefits.



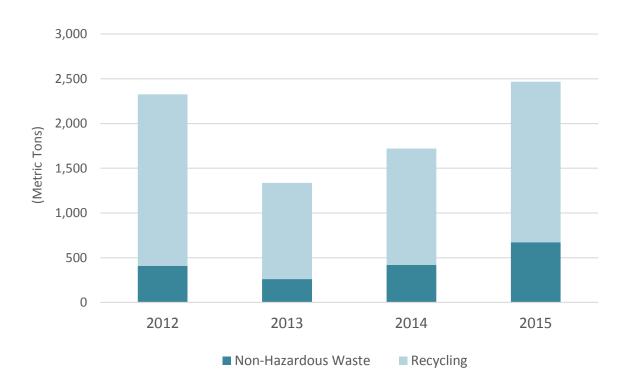
Further information on all the work we do on climate change can be found in our annual response to the Carbon Disclosure Project (CDP) questionnaire. The responses to the CDP provide further information on our approach to climate change management (governance, strategy, and targets), process for identifying risks and opportunities, and emissions calculations.

Refuse, Rethink, Reduce, Reuse, and Recycle

Waste is primarily generated in our R&D and manufacturing activities. To reduce our environmental impact, we are continually re-evaluating our approaches to see if we can continue to find more opportunities to refuse, rethink, reduce, reuse, and recycle.

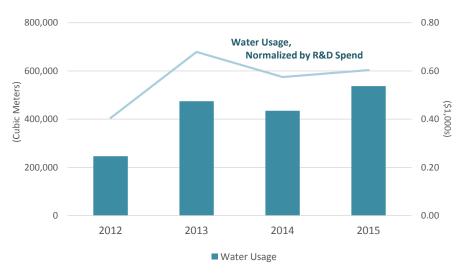
Solid waste at Lam's facilities is sorted to segregate recyclable materials and divert waste from disposal in landfills. Since 2006, the average landfill diversion rate at the company has risen from 54 percent to 73 percent or better, and we continue to see additional opportunities for recycling.

At our manufacturing facilities, we have invested in onsite hazardous waste treatment, which has reduced the overall quantities of hazardous waste.



Addressing Water

With much of our operations located in California and other regions prone to water scarcity, we are increasingly attentive to our water use since high-quality clean water is necessary to manufacture our products. With our business growth, water use has continued to increase. Our facilities teams around the world have been instrumental in exploring new technologies and are taking action to reduce water usage. We have consistently invested in efficiency upgrades and used non-potable water wherever possible. For example, many of our facilities use non-potable water for landscaping and have installed water efficiency upgrades in accordance with emerging best practices to reduce our potable water usage.



As water remains scarce, we have been evaluating the feasibility of creative and broad-reaching solutions. We are currently considering implementing a number of these projects and look forward to expanding our water efficiency efforts.



Performance Summary

Performance Area	Calendar 2014	Calendar 2015
Company Overview		
Locations worldwide	16 countries	16 countries
Number of full-time employees	~6,900	~7,300
Revenue	\$4.9 billion	\$5.9 billion
R&D spend	15.6%	15.2%
Workplace		
Employee retention rate	94%	95%
Average service years	7.6 years	8.6 years
Giving by the Lam Research Foundation	\$0.8 million	\$2.8 million
Eligible employee matching participation	10%	13%
EH&S Management System		
Risk Management by Walking Around Inspections	8,152	37,007
OSHA recordable incident rate	0.42	0.32
GHG Emissions Scope 1 and 2 (MTCO2e)	69,828	67,655
GHG Emissions Scope 3 (MTCO2e)	30,444	32,156
Hazardous waste diversion	4%	23%
Recycling diversion	76%	73%
Water usage (cubic meters)	435,097	537,548
Number of environmental fines	0	0

GRI G4 Guideline Index

GRI Indicator	Description	Status	Report Section
Strategy and Analysis			
G4:1	CEO message	Full	CEO Letter
Organizational Profile		·	
G4:3-9	Name of reporting organization; products and services; headquarters location; countries of operation; legal forms; markets served; scale of organization	Full	About This Report, Company Overview
G4:10	Employee headcount data	Full	Performance Summary
G4:11	Collective bargaining ¹	Full	
G4:12	Supply chain description	Full	Products, Services, and Supply Chain
G4:13	Significant changes during the reporting period	Full	About This Report
G4:14	Precautionary approach or principle	Full	Company Overview
G4:15	Externally developed economic, environmental, and social charters, principles and other initiatives	Partial	Products, Services, and Supply Chain
G4:16	Association memberships	Partial	Products, Services, and Supply Chain
Identified Material Aspe	cts and Boundaries		
G4:17	Operational structure	Partial	Governance
G4:18	Process for defining report content	Full	Company Overview
G4:19	Material aspects	Full	Company Overview
G4:20	Aspect boundary within the organization	Full	About This Report
G4:21	Aspect boundary outside the organization	Partial	About This Report
G4:22	Explanation of restatements	Full	About This Report
G4:23	Significant changes from previous reporting periods	Full	About This Report
Stakeholder Engagemer	nt		
G4:24	List of stakeholder groups engaged by organization	None	
G4:25	Basis for identification and selection of stakeholders	None	
G4:26	Approaches to stakeholder engagement, including frequency by type and group	None	
G4:27	Key topics raised through engagement (by group), and how the organization responded	None	
Report Profile			
G4:28	Reporting period	Full	About This Report
G4:29	Date of most recent previous report	Full	About This Report
G4:30	Reporting cycle	Full	About This Report
G4:31	Contact point for questions	Full	Last page
G4:32	"In accordance" option and GRI content index	Full	GRI Index
G4:33	External assurance ²	None	
G4:34	Governance structure	Partial	Governance
G4:56	Values, principles, standards and norms of behavior	Full	Company Overview
G4:58	Internal and external mechanisms for reporting concerns about ethical and unlawful behavior	Full	Governance
Specific Standard Disclo	sures		
Our Citizenship			
G4-EC1	Community investment	Full	Workplace
Environmental Stewards	hip		
G4-DMA, G4-EN3, G4-EN6, G4-EN7	Energy	Full	EHS Management System
G4-DMA, G4-EN8	Water	Full	EHS Management System
G4-DMA	Waste management	Full	EHS Management System
G4-DMA, G4-EN29	Compliance	Full	EHS Management System
Our People			
G4-DMA, G4-LA1	Employment	Partial	Workplace
G4-DMA, G4-LA6	Occupational health and safety	Partial	EHS Management System
G4-DMA, G4-LA10	Workforce training and education	Partial	Workplace
G4-DMA	Diversity and equal opportunity	Full	Workplace
Product Responsibility			
G4-DMA	Customer health and safety	Full	Products, Services, and Supply Chain
G4-DMA, G4-PR2	Customer privacy	Full	Governance
G4-DMA, G4-PR9	Compliance	Full	Products, Services, and Supply Chain
G4-DMA, G4-EN27	Environmentally responsible products and services	Full	Products, Services, and Supply Chain
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We do not currently employ unionized employees.
 We do not currently perform external assurance.

References

Lam Research:

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-socialresponsibility/overview

Code of Ethics:

investor.lamresearch.com/corporate-governance.cfm

Supply Chain Policies:

www.lamresearch.com/company/corporate-socialresponsibility/supply-chain

Lam Research AG Environmental Statement and Sustainability Report:

www.lamresearch.com/company/corporate-socialresponsibility/e-h-s

Electronic Industry Citizenship Coalition: www.eicc.info

Credits

Many employees supported 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: EHSCommunication@lamresearch.com.



Proud Member

