SEMI and McKinsey & Co. Present

COVID-19 INSIGHTS: MICROELECTRONICS INDUSTRY IMPACT AND BEST PRACTICES

March 26, 2020

SEMI speeds the time-to-better business results for its members across the global electronics design and manufacturing supply chain.

CONNECT - COLLABORATE - INNOVATE - GROW - PROSPER
Agenda

4:00 - Impact on SEMI Companies
  • Ajit Manocha, President & CEO, SEMI

4:10 - Worldwide Supply Chain Impacts
  • Mark Patel, Sr. Partner & Semiconductor Practice Lead McKinsey & Co.
  • Sven Smit, Chairman and Director, McKinsey Global Institute, and Senior Partner Amsterdam
  • Didier Chenneveau, Partner, Supply Chain Practice, McKinsey & Co.

4:40 - SEMI Communities in Action
  • Mike Ciesinski, VP, Technology Communities, SEMI

4:45 - Concluding Remarks
  • Ajit Manocha, SEMI

4:50 - Q&A
AJIT MANOCHA
PRESIDENT & CEO, SEMI

- Expanding scope and programs at SEMI to represent the broader electronics manufacturing and design supply chain
- More than 35 years in the semiconductor industry
- Former CEO of GLOBALFOUNDRIES
- Held senior operations leadership roles at Philips Semiconductors and Spansion
- Granted patents on semiconductor manufacturing processes at AT&T Bell Labs
- 2020 inductee into Silicon Valley Engineering Hall of Fame
SEMI COVID-19 Response

- We hope you are safe and healthy!

- SEMI is working hard to support the industry
  - Resources available on [www.semi.org/coronavirus](http://www.semi.org/coronavirus)
  - Advocating with regional governments
  - Rescheduling events – Safety top priority
  - Conducting a number of member surveys
    - 2 on general sentiments
    - 3 in operational areas

[www.semi.org/coronavirus](http://www.semi.org/coronavirus)
Most companies (77%) expect output will meet 75% (or more) of their original plan.
Top Concerns: Supply, Safety, Recovery

“Uneven local shutdowns, employee safety and long-term financial health”

“Keeping supplies coming in and shipments going out”

“When will the semiconductor market recover”
Latest Developments: Closures, Shipment Delays, Revenue Impacts

How has your company’s situation changed since February? [Check all that apply]

- Closures/reduced staffing: 82
- Shipment delays: 76
- Revenue impacts: 60
- No changes: 28
- New business opportunities: 20

Chart: Number of companies that selected a specific response
Total participants: n=213
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Visit the “SEMI Responds” Website

- SEMI Events Updates
- Best Industry Practices
- EHS Leadership Committee
- Fab Owners Alliance
- IT Leadership
- SEMI Global Offices

- Regional Perspectives
- Funding Opportunities
- SEMI Advocacy
  - Understanding State and regional mandates & guidance
- FAQ

www.semi.org/coronavirus
EHS Leadership Committee

Focus: Employee Best Practices & Communications Policies

• Employees
  • Employee Policies
    • Compulsory WFH
    • Rotating schedules
    • On-line training
  • Facilities and Meetings
    • Strict policies on site visits
    • Temperature checking & health questionnaires
    • Promoting teleconferencing
  • Business Travel
    • No travel unless business critical
    • Self quarantine after travel

• Communications
  • Internal
    • Company Email
    • Internal website
    • Supply chain portal(s)
  • External
    • Company website
    • Media releases

• Other
  • Escalation and De-Escalation Strategies and Tactics
IT Leadership Group

Focus: Infrastructure, Hardware and Software

• Hardware
  • Equipping employees with laptops and workstations as needed and as available
  • Allowing peripherals to be removed from offices

• Teleconferencing and VPN
  • Communication infrastructures proving strong
  • Teleconferencing platforms seem to be resilient
  • Buying additional bandwidth
  • Buying more licenses for VPNs and teleconferencing capability for WFH
  • New VPN schemes have been necessary for some countries

• Security
  • Significant uptick in phishing attempts
    • Topics: medical leave, compensation

• Employees
  • Social distancing
  • Implementing A and B shifts
  • Alternating workforces each week
  • Help desk calls initially high; but have moderated
**Fab Owners Alliance Community**

**Focus: Share Industry Best Practices**

- **Fabs**
  - Thermal screening (FLIR) introduced
  - Additional disinfection underway
  - Vendor access restricted
  - Employee separation
    - 20-60 min shift changes to minimize overlap in gowns, etc.
- **Travel**
  - Restricted to critical company business
  - 14 day quarantine

- **Employees**
  - Social distancing
  - Limited use of cafeterias
  - Rotating work schedules

- **Business Continuity**
  - Tracking materials supply closely
  - Shortages of disinfectants and masks
  - School closures impacting workforce availability and productivity
Visit the “SEMI Responds” Website
www.semi.org/coronavirus

A MESSAGE FROM OUR CEO

Hello SEMI members,

First and foremost, I hope this finds you all healthy and safe. With recent developments occurring every day on the COVID-19 pandemic worldwide, we must do our utmost best to ensure that SEMI is taking every possible precaution to protect your business, and every employee in the electronics manufacturing supply chain, to help you navigate through these challenging times.

Our SEMI Resources webpage lists best practices for company policies, communications, and working from home, based on recent calls with members led by our Environmental, Health and Safety (EHS) and Information Technology (IT) task forces. These resources provide tips on health and safety, employee policies, business travel and communications, while the IT taskforce’s insights on computing hardware for the staff, inventory, network, security and employee policies. SEMI similarly recommends the biweekly member briefs. Our aim is to help our member companies make informed business decisions during these highly challenging and uncertain conditions, and your contributions to this effort will benefit this industry as a whole.

As SEMI continues to monitor the safety of our members, exhibitors, visitors and employees as our top priority, we continue to track COVID-19 developments worldwide and advise from the World Health Organization (WHO) and the CDC. To ensure that SEMI and our events stay in line with the latest advice, SEMI will immediately notify event exhibitors, visitors and speakers. You can find the latest information on changes to our event schedule on our Coronavirus Status Rollercoaster webpage.

The team at SEMI is proud to serve you and is absolutely committed to doing all that we can to help the industry rise to meet this newest challenge.

Sincerely yours,

Art Merlino
President and CEO, SEMI
Closing Remarks

• SEMI is proactively working to ensure our members and the broader industry are supported worldwide

• We see the industry rising to the challenge and sharing best practices

• Join with the industry in supporting the healthcare system by donating masks, gloves and additional supplies