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### 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
- Mihir Mysore, Partner, Crisis Response & Risk Mgmt., McKinsey & Co.
- 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





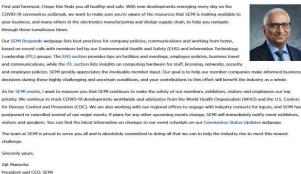
# **SEMI COVID-19 Response**

- We hope you are safe and healthy!
- SEMI is working hard to support the industry
  - Resources available on www.semi.org/coronavirus
  - Advocating with regional governments
  - Rescheduling events Safety top priority
  - Conducting a number of member surveys
    - 2 on general sentiments
    - 3 in operational areas



#### A MESSAGE FROM OUR CEO

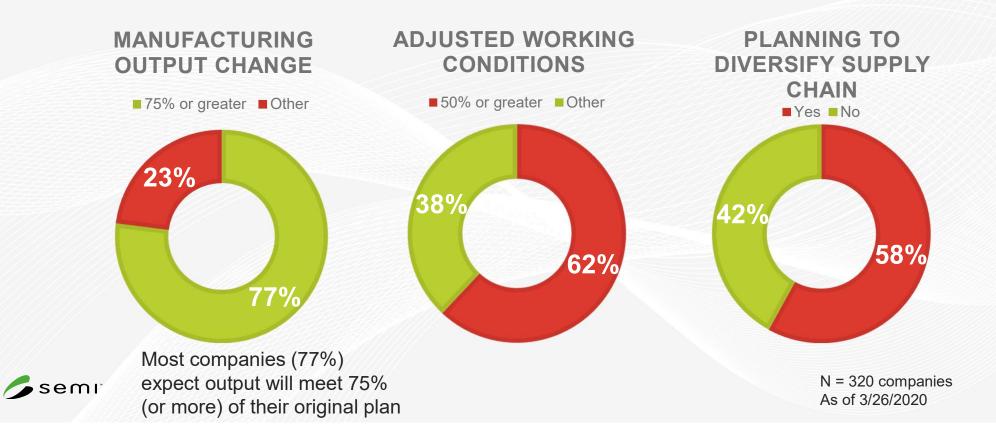
#### Mi members,



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# **COVID-19 Industry Survey: Initial Findings**



# **Top Concerns: Supply, Safety, Recovery**

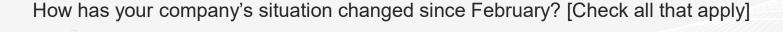


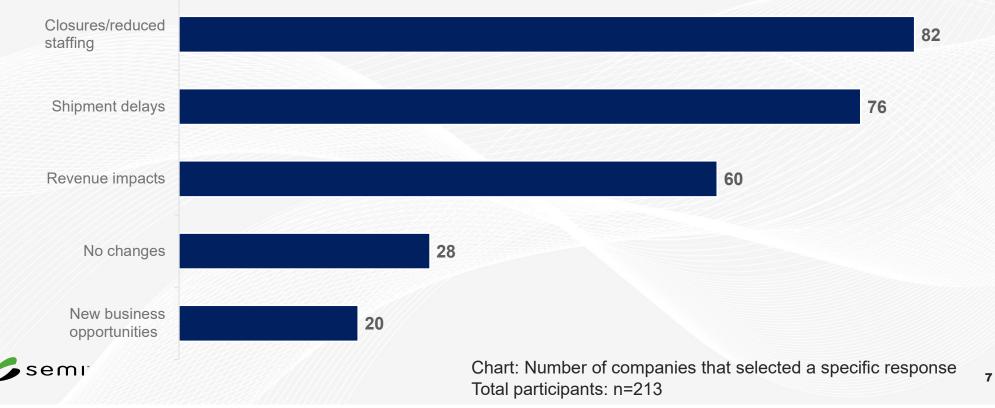
"Uneven local shutdowns, employee safety and long-term financial health"

"Keeping supplies coming in and shipments going out"

"When will the semiconductor market recover"

## Latest Developments: Closures, Shipment Delays, Revenue Impacts





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# **McKinsey & Company Perspectives**

Mark Patel, Partner



# **SEMI** Communities in Action

Mike Ciesinski, VP Technology Communities



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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

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# **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

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## **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 gowning, 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 new developments emerging every day on the COVID-19 coronavirus outbread, we want to make sure you're aware of the resources that SEM is making available to your business, and many others in the electronics manufacturing and design supply chain, to help you navigate through these fundations times.

Our SEMI Responds 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 (DEB) and Information Technology Leadership (TL) groups. The EHS section provides tips on facilities and meetings, employee policies, business travel and communications, while the TL section lists insights on computing hardware for staff, licensing, networks, security



and employee policies. SEM greatly appreciates the invaluable member input. Our goal is to help our member companies make informed busin decisions during these highly challenging and uncertain conditions, and your contributions to this effort will benefit the industry as a whole.

As for SEMI events, I want to reassure you that SEMI continues to make the safety of our members, exhibitors, visitors and employees our top priority. We continue to track COVID-19 developments worldwide and advisories from the World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention (CDC). We are also working with our regional offices to engage with industry contacts for inputs, and sEMIs opstopred or cancellod several of our major events. If plans for any other upcoming overhis change, SEMI will immediately notifie event exhibitors, visitors and speakers. You can find the latest information on changes to our event schedule on our Coronavirus Status Update webpage.

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

Sincerely yours, Ajit Manocha President and CEO, SEMI



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# **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



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