



## Advanced Micro Devices (AMD) Statement on Human Trafficking and Forced Labor

### 1. SUMMARY

AMD has a long-standing commitment to upholding high standards of corporate responsibility. This commitment extends to respecting the human rights of individuals directly impacted by AMD's global operations. We are also mindful of this commitment throughout our business relationships.

Our values and approach to human rights issues are guided by the Universal Declaration of Human Rights (1948), the United Nations (UN) Guiding Principles on Business and Human Rights (2011) and the UN Global Compact Principles (2000). Our membership in the Electronic Industry Citizenship Coalition (EICC) and adoption of the EICC Code of Conduct (2015) further augments our efforts.

[AMD's Worldwide Standards of Business Conduct](#) outlines our expectations for ethical conduct and human rights commitments for AMD employees, agents and contractors. Training on these standards is periodically required for all AMD employees, agents and contractors. In addition, AMD has adopted the [EICC Code of Conduct](#) in our own manufacturing operations and as our Supplier Code of Conduct. We believe that these industry-wide standards are efficient and effective ways to integrate social, environmental, and ethical responsibilities into the electronics industry supply chain. The EICC Code is substantially consistent with our Worldwide Standards of Business Conduct and provides additional clarity on AMD's expectations of our suppliers with regard to labor, health and safety, environmental policies, as well as ethical practices and management systems.

AMD is committed to respecting human rights. AMD prohibits the use forced labor in providing its products or services, and prohibits physical abuse, or harassment or retaliation against employees reporting such behavior. AMD strictly forbids forced labor practices and human trafficking in any AMD operation or in the operations of our suppliers that provide services or products directly associated with AMD products. In addition, AMD promotes its efforts to identify and eradicate forced labor and human trafficking in its Corporate Responsibility Report.

Finding forced labor or human trafficking in either our supply chain or our own business operations would constitute a severe violation of our standards of business conduct. The following outlines AMD's policies and practices for identifying and eliminating these practices, if found, in our supply chain as well as AMD's attempts to influence the behavior of the broader electronics industry.

### 2. DUE DILIGENCE

Pursuant to our own policies and the [California Transparency in Supply Chains Act of 2010 \(SB657\)](#) and the [United Kingdom Modern Slavery Act of 2015](#) (Chapter 30, Part 6, Provision 54), AMD has established policies and programs aimed at prohibiting forced labor and human trafficking in our supply chain and in our business operations as outlined below.

#### A. Definitions

AMD has adopted internationally recognized definitions of forced labor and human trafficking. Further, AMD recognizes that forced labor and human trafficking can occur through more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.





**Forced Labor:** The International Labor Organization’s [fundamental Convention on Forced Labor](#) prohibits all forms of forced or compulsory labor, which is defined as ***“all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”***

**Human Trafficking:** The [United Nations](#) defines trafficking in persons as: ***“the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.”***

#### **B. Scope of diligence activities**

AMD is a semiconductor design firm. In 2015, AMD announced a joint venture that, upon close, will result in its back-end manufacturing assets being transferred to a joint venture, in which AMD will retain a 15% interest. Absent a controlling role in any manufacturing facilities, AMD’s global workforce is primarily made up of highly trained professionals with engineers as the largest demographic. The risk of forced labor and human trafficking is primarily in AMD’s supply chain. The company utilizes several approaches to communicate our expectations regarding the prohibition of such practices to our manufacturing suppliers.

#### **C. Description of AMD’s manufacturing supply chain**

“Manufacturing Suppliers” contribute materials that directly impact and become a part of AMD products. This includes wafer fabrication, outsourced assembly and test (OSAT), direct materials (substrates, lids, capacitors, memory), and boards inclusive of components. The majority of AMD’s manufacturing suppliers have multi-year business relationships with the company.

The largest portion of AMD’s overall supplier spending is with its fabrication foundry partners. Manufacturing suppliers operate facilities in a diverse range of countries around the world. The predominance of manufacturing supplier facilities are located in Asia. AMD utilizes tools provided by EICC to assess risks of forced labor and human trafficking in the countries where our manufacturing supplier’s factories are located.

#### **D. Establishing clear expectations**

AMD is an active member of the Electronic Industry Citizenship Coalition (EICC) and AMD’s Senior Director of Corporate Responsibility served as the Chairman of the Board for two years (2013 and 2014). AMD was a leader in the development of the 2015 revision to the EICC Code of Conduct that significantly strengthened its standards for prohibiting forced labor and human trafficking.

AMD has adopted the EICC [Code of Conduct](#) and requires conformance with this Code in its contracts with manufacturing suppliers. In addition, AMD issues an annual “assurance letter” to suppliers outlining our corporate responsibility expectations.

The EICC Code of Conduct is based on international labor, environmental and human rights standards which include strict prohibition of forced labor and human trafficking. Section A.1 of the Code states, among other standards, that: ***“Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used.”***





Each year, AMD communicates with manufacturing suppliers in writing to ensure that AMD's expectations and requirements are clear and up-to-date with regard to responsible social, ethical and environmental conduct. This annual letter establishes AMD's expectation and requirement that its suppliers comply with applicable laws and regulations as well as the EICC Code of Conduct, whichever is more stringent. Additionally, AMD's standard contractual terms and conditions for the procurement of goods and services require conformance to applicable laws and regulations, the EICC Code of Conduct, and reinforce our expectations regarding responsible social, ethical and environmental conduct.

#### **E. Supplier risk assessments**

As a part of AMD's supplier management process, AMD assesses suppliers that meet certain risk criteria to evaluate their potential conformance to the EICC Code of Conduct. This approach relies on several sources of information including but not limited to:

- A. The [Maplecroft Risk Assessment tool](#). This is a third party service provided through our EICC membership that evaluates risks of forced labor and human trafficking by location.
- B. The EICC [Supplier Self-Assessment Questionnaire](#). This is a detailed self-evaluation questionnaire regarding our supplier's work policies, practices, employee demographics and other information designed to assess potential conformance to the EICC Code.

AMD uses the risk assessment to prioritize our monitoring and conformance activities with our suppliers.

#### **F. Supplier audits**

Based on the results of the risk assessment, AMD may require a supplier to engage a third-party specially trained in social and environmental auditing to conduct an on-site audit of supplier conformance to the EICC Code of Conduct. In some cases, AMD may rely on EICC qualified third party audit reports that were previously conducted at the supplier's request or at the request of another party. AMD will only accept audit reports that adhere to the EICC standardized process which include specific procedures to determine the presence of forced labor and human trafficking.

#### **G. Accountability and corrective actions**

AMD discusses conformance to the EICC Code of Conduct with our suppliers during regular business reviews. AMD's supplier business reviews are an effective venue for accountability with regard to responsible social, ethical and environmental conduct because senior management of both AMD and the supplier participate in these meetings and the awarding of future business is directly impacted by the results of such reviews.

In the event that violations of the EICC Code of Conduct or AMD's Standards of Business Conduct are discovered, AMD requires that the supplier rectify these in a timely manner. Discovery of forced labor or human trafficking is considered a severe violation of AMD policy that requires the supplier's immediate corrective actions. Such actions may include, without limitation, the termination or reduction of business with supplier, required remediation plans, onsite compliance auditing, employee compensation at supplier's expense, and/or termination of AMD's contract with the supplier.

#### **H. Training**

AMD suppliers have access to information and training regarding conformance expectations and methods through [EICC's eLearning Academy](#). EICC's eLearning Academy contains online learning modules that cover compliance with the





EICC Code of Conduct, as well as modules specifically related to the California Transparency in Supply Chains Act. Suppliers may also access modules focused on hiring procedures designed to eliminate forced and trafficked labor.

Training focused on EICC Code conformance is available to AMD procurement staff. In addition, every AMD employee is required to take training on conformance with AMD's Worldwide Standards of Business Conduct. With regard to the prohibition on forced and trafficked labor practices, these standards are substantially equivalent to the EICC Code of Conduct. In the event an employee violates these standards, AMD will take immediate and appropriate action, which may include termination of employment.

### **I. Reporting**

AMD publishes an annual [corporate responsibility report and website](#) with the most recent information on its supplier responsibility program including the due diligence activities described in this statement.

