

## 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 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 Responsible Business Alliance (RBA), formally named the Electronic Industry Citizenship Coalition (EICC), and adoption of the RBA Code of Conduct (2015) further augments our efforts.

[AMD's Worldwide Standards of Business Conduct](#) (WWSBC) 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 [RBA Code of Conduct](#) in our contracted 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 RBA Code is substantially consistent with our Worldwide Standards of Business Conduct and provides additional clarity on AMD's expectations of our manufacturing suppliers regarding their labor, health and safety, environmental policies, as well as their ethical practices and management systems.

AMD is committed to respecting human rights. AMD prohibits the use of forced labor in providing our 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 manufacturing suppliers<sup>i</sup> that provide services or products associated with AMD products. These commitments are articulated in our WWSBC and through the RBA Code of Conduct which we share with our manufacturing suppliers annually. In addition, AMD promotes our efforts to identify and eradicate forced labor and human trafficking in our 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 AMD's standards of business conduct. The following outlines AMD's policies and practices for identifying and eliminating these practices, if found in our supply chain, and AMD's attempts to positively 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 2016, AMD closed a joint venture that resulted in our back-end manufacturing assets being transferred to a joint venture, in which AMD retains 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. AMD therefore considers that the risk of forced labor and human trafficking is primarily in AMD’s manufacturing supply chain. The company utilizes several approaches to communicate and enforce our expectations regarding the prohibition of such practices by our manufacturing suppliers.

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

“Manufacturing suppliers” contribute materials that 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 manufacturing supplier spend is with our fabrication foundry partners. Manufacturing suppliers operate facilities in many countries around the world, with a majority of facilities located in Asia. AMD utilizes tools provided by RBA, in addition to our own review process, to assess risks of forced labor and human trafficking in those countries where our manufacturing suppliers’ factories are located.

#### D. Establishing clear expectations

AMD is an active member of the Responsible Business Alliance (RBA), formally named the Electronic Industry Citizenship Coalition (EICC), and was a leader in the development of the 2015 revision to the RBA Code of Conduct that significantly strengthened its standards for prohibiting forced labor and human trafficking.

AMD has adopted the RBA Code of Conduct and requires conformance with this code in our contracts with manufacturing suppliers. AMD issues an annual [“assurance letter”](#) to manufacturing suppliers outlining our corporate responsibility expectations and specifically references compliance with the California Transparency in Supply Chains and the UK Modern Slavery Acts.

The RBA 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 current regarding responsible social, ethical and environmental conduct. This assurance letter establishes AMD's expectation and requirement that our manufacturing suppliers comply with applicable laws and regulations as well as the RBA 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, regulations and the RBA Code of Conduct, and reinforce our expectations regarding responsible social, ethical and environmental conduct.

#### E. Manufacturing supplier risk assessments

As a part of AMD's manufacturing supplier management process, before engaging a potential manufacturing supplier, AMD examines certain risk criteria to evaluate whether AMD reasonably believes the potential manufacturing supplier is likely to conform to the RBA Code of Conduct. This approach relies on several sources of information including but not limited to:

- A. The RBA Risk Assessment tool. This is a service provided through our RBA membership that evaluates risks of forced labor and human trafficking by location.
- B. The RBA [Supplier Self-Assessment Questionnaire](#) (SAQ). This is a detailed self-evaluation questionnaire regarding the manufacturing supplier's work policies, practices, employee demographics and other information designed to assess potential conformance to the RBA Code.
- C. The RBA [Supplemental Validated Audit Process](#) (SVAP) On Forced Labor. The SVAP is a program based exclusively on identifying the risk of forced labor at an Employment Site (e.g., factory) or Labor Provider (e.g., labor agent or recruitment agency).

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

#### F. Manufacturing supplier audits

Based on the results of the risk assessment, AMD may require a manufacturing supplier to engage a third-party specially trained in social and environmental auditing to conduct an on-site audit of manufacturing supplier conformance to the RBA Code of Conduct. In some cases, AMD may rely on RBA qualified third party audit reports that were previously conducted at the manufacturing supplier's request or at the request of another party. AMD will only accept audit reports that adhere to the RBA 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 RBA Code of Conduct with our manufacturing suppliers during regular business reviews. AMD's manufacturing supplier business reviews are an effective venue for accountability regarding responsible social, ethical and environmental conduct because senior management of both AMD and the manufacturing supplier participate in these meetings and the awarding of future business is directly impacted by the results of such reviews.

If AMD discovers that a manufacturing supplier is not compliant with either the RBA Code of Conduct or AMD’s WWSBC, AMD requires that the manufacturing supplier rectify these in a reasonable manner. Discovery of forced labor or human trafficking is considered a severe violation of AMD policy that requires the manufacturing supplier’s immediate corrective actions. Such actions may include, without limitation, requiring the manufacturing supplier to implement remediation plans, onsite compliance auditing, employee compensation at manufacturing supplier’s expense, and/or termination of AMD’s contract with the manufacturing supplier.

#### H. Training

Manufacturing supplier relationship managers and their leadership in AMD’s procurement organization are required to complete three modules of the RBA’s Supply Chain Responsibility (SCR) training on a biennial basis.

1. SCR - Part 1: Understanding Supply Chain Responsibility
2. SCR - Part 2: Industry Standards
3. SCR - Part 3: Responsible Supply Chain Management (For Brand Supply Chain Managers)

In addition, every AMD employee, agent and contractor is required to take training on conformance with AMD’s WWSBC. Regarding the prohibition on forced and trafficked labor practices, AMD’s standards are substantially equivalent to the RBA Code of Conduct. In the event an employee, agent or contractor violates these standards, AMD will take immediate and appropriate action, which may include termination of employment, or cancelation of the agency contract.

AMD manufacturing suppliers have access to information and training regarding AMD’s conformance expectations and methods through [RBA’s eLearning Academy](#). RBA’s eLearning Academy contains online learning modules that cover compliance with the RBA Code of Conduct, as well as modules specifically related to the California Transparency in Supply Chains Act. Manufacturing suppliers may also access modules focused on hiring procedures designed to eliminate forced and trafficked labor.

#### I. Reporting

AMD publishes an annual [corporate responsibility update and website](#) with the most recent information on its manufacturing supplier responsibility program including the due diligence activities described in this statement. Our goal is to deliver high-quality products while ensuring that working conditions throughout our supply chain are safe and that workers are treated with respect and dignity. These metrics were selected to demonstrate AMD’s knowledge of our manufacturing suppliers, understanding of areas for potential exploitation and the results of our risk management program.

Supply Chain Responsibility	2018
<b>Setting Expectations</b>	
Manufacturing Suppliers <sup>1</sup> (#)	32
Manufacturing Supplier Facilities (#)	59
Supplier Assurance Letter Acknowledgements <sup>2</sup> (%)	100%
Suppliers Adopting the RBA Code of Conduct <sup>3</sup> (%)	97%
AMD supplier relationship managers completing RBA	100%

training <sup>4</sup>	
Risk Management	
Self-Assessment Questionnaire <sup>5</sup> (SAQ) Completed (%)	99%
Supplier Facilities with RBA VAP Audits <sup>6</sup> (%)	39%
RBA Audit Priority Findings <sup>7</sup> (#)	1
Supply Chain Workforce Overview	
Total Workers at Manufacturing Suppliers <sup>8</sup> (#)	221,035
Student Workers (%)	0.5%
Young Workers <sup>9</sup> (%)	0.9%
Foreign Migrant Workers, or FMW (%)	8.8%
Suppliers using 3 <sup>rd</sup> party Labor Brokers (#)	12 suppliers / 20 facilities
SVAP Survey completion <sup>10</sup> (%)	92%
<b>AMD's supply chain risk assessment process did not identify any elevated risk for forced labor practices at our manufacturing supplier facilities in 2018.</b>	

1. Manufacturing Suppliers includes suppliers who contribute materials that directly impact and become a part of AMD products. This includes wafers, outsourced assembly and test (OSAT), direct materials (substrates, lids, capacitors, memory), and boards inclusive of components.
2. AMD shares our expectations for supplier responsibility through an [annual assurance letter](#).
3. The Responsible Business Alliance (RBA) [Code of Conduct](#) is a set of social, environmental and ethical industry standards.
4. RBA [e-Learning Academy](#) Supply Chain Responsibility (SCR) training – parts 1, 2 and 3.
5. The RBA provides its members with a risk assessment template that they may use called the [Self-Assessment Questionnaire](#) (SAQ)
6. The RBA [Validated Assessment Program](#) (VAP) is the leading standard for onsite compliance verification and effective, shareable audits.
7. Where [VAP](#) audits uncover non-compliances to the protocol, those findings are rated by severity as “minor,” “major” or “priority.”
8. As reported by each manufacturing supplier through their annual SAQ.
9. Any worker under the age of 18, but above the national minimum working age for the facility location.
10. The RBA [Supplemental Validated Audit Process](#) (SVAP) is a program based exclusively on identifying the risk of forced labor at an Employment Site (e.g., factory) or Labor Provider (e.g., labor agent or recruitment agency).

### 3. EFFECTIVENESS

AMD has found no instances or evidence of behaviors that would constitute the existence of modern slavery conditions in our supply chain in the year immediately preceding the effective date of this declaration. AMD is committed to ensuring an ethical and responsive supply chain.

Effective Date: June 1, 2019

Dr. Lisa Su

President and CEO