

# Semiconductor Manufacturing International Corp (SMIC)

**TICKER**  
981

**MARKET CAPITALIZATION**  
US\$32.9 billion

**HEADQUARTERS**  
China

**DISCLOSURES**

UK Modern Slavery Act: Not applicable

Australia Modern Slavery Act:  
Not applicable

California Transparency in Supply Chains Act:  No

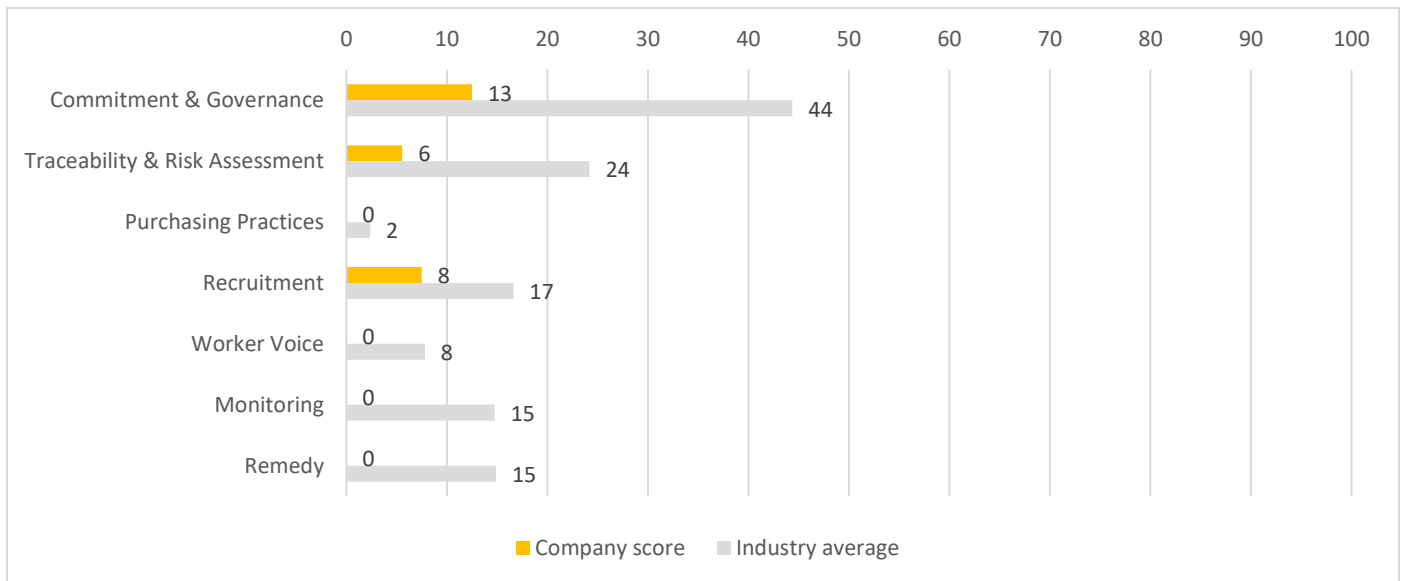
**OVERALL RANKING**

**51** out of **60**

**OVERALL SCORE**

**5** out of **100**

**THEME-LEVEL SCORES**



**KEY DATA POINTS**

**SUPPLIER LIST**

No

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**RISK ASSESSMENT**

No

**REMEDY FOR SUPPLY CHAIN WORKERS**

No

**ENGAGED WITH KNOWTHECHAIN<sup>1</sup>**

No

**HIGH-RISK SOURCING COUNTRIES**

Likely China and/or Malaysia<sup>2</sup>

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## SUMMARY

Semiconductor Manufacturing International Corp (SMIC), a semiconductor foundry company that supplies to companies such as NXP Semiconductors and Qualcomm, ranks 51<sup>st</sup> out of 60 companies. The company's score is based on its disclosure of the use of the Responsible Business Alliance Code of Conduct as its supply chain standard, which prohibits forced labour and the charging of worker-paid recruitment fees. However, the company does not disclose other steps taken to address forced labour risks in its supply chains. The company is encouraged to improve its performance and disclosure across all themes, in particular Commitment & Governance, Traceability & Risk Assessment, and Monitoring.

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## LEADING PRACTICES

None.

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## OPPORTUNITIES FOR IMPROVEMENT

**Commitment & Governance:** While the company discloses its use of the Responsible Business Alliance code of conduct, the company is encouraged to establish and disclose a managerial structure with clear responsibilities and accountability for the implementation of its supply chain policies that address forced labour, and provide oversight of such policies at the board level.

**Traceability & Risk Assessment:** The company is encouraged to assess and disclose forced labour risks across different tiers of its supply chains and disclose how it engages with relevant stakeholders to address forced labour risks identified. In addition, the company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, information on its below-first-tier suppliers, and the countries from which it sources raw materials at high risk of forced labour.

**Monitoring:** While the company states that it has selected some suppliers for on-site audits, the company is encouraged to adopt and disclose a supplier monitoring process to verify that its suppliers are compliant with its supply chain policies. Implementing specific practices, such as interviewing workers and, in particular, using worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities), may help the company detect forced labour risks in its supply chains. Disclosing information on the results of its monitoring efforts, such as a breakdown of findings, assures stakeholders that the company has strong monitoring processes in place.

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<sup>1</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

<sup>2</sup> Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labour. KnowTheChain (June 2020), "[2020 KTC ICT Benchmark Report](#)."