

KnowTheChain 2022 ICT Benchmark

Additional Disclosure

Company Name: AMD

Date: September 7, 2022

Within this document AMD is providing disclosure for and limiting this response to questions that KnowTheChain identified as areas for additional disclosure. Additional information about AMD Supply Chain Responsibility is publicly available at <https://www.amd.com/en/corporate-responsibility/supply-chain-responsibility>

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

We are disclosing capacity building measures with our manufacturing suppliers¹. Suppliers are prioritized based on supply chain audit results. In 2021, with other RBA members, AMD co-sponsored the RLI Supplier Training on Responsible Recruitment Due Diligence.

We believe we can have the most impact on addressing the systemic causes of forced and bonded labor by working with multi-stakeholder initiatives and leveraging relationships with our manufacturing suppliers. Through our membership in the [Responsible Labor Initiative \(RLI\)](#), we share resources and tools with our suppliers to help address the root causes of this complex issue. Migrant workers can be vulnerable to conditions of forced labor. Collaboration with our suppliers on responsible recruitment is critical to meeting our requirements and international expectations on addressing forced labor risk.

We nominated select AMD sub-suppliers to attend the RLI Supplier Training on Responsible Recruitment Due Diligence training. Aligned with the AMD Supplier Code of Conduct (the "Code") labor standards on freely chosen employment, the training provides practical guidance and tools for companies to implement responsible recruitment due diligence and follows the due diligence process developed by the Organisation for Economic Co-operation and Development (OECD).

The training focused on key risk areas in the recruitment of foreign migrant workers which are document retention, contract terms and conditions, and recruitment fees and related costs. As a result of their attendance, two AMD suppliers implemented training at their companies and updated their recruitment policies. Both companies also chose to train workers on their internal policies, rights and access to factory complaint channels. Combined, their trainings reached over 1,450 workers in 2021. We continue to make this workshop available to AMD manufacturing suppliers.

<https://www.amd.com/en/corporate-responsibility/supply-chain-responsibility#together>

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant

¹ AMD manufacturing suppliers are suppliers that AMD buys from directly and that provide direct materials and/or manufacturing services.

stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

We are disclosing information on how forced labor is addressed at the AMD Board of Directors level:

On an annual basis our company's Chair and CEO is briefed on the effectiveness of AMD's due diligence to prevent, detect and if necessary, remediate risks of forced labor in the supply chain. Additionally, ESG issues are reported to the full AMD Board of Directors at least on an annual basis, and at least annually the report addresses the company's Supply Chain Responsibility Program.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

AMD is disclosing the names of our primary manufacturing suppliers which include: GlobalFoundries, Micron, Samsung Electronics, SPIL, SK Hynix, TF-AMD and TSMC.

INDICATOR 4: RISK ASSESSMENT

4.2 details on forced labour risks identified in different tiers of its supply chains; and

We are disclosing information on how we identify forced labor risks in different tiers of the supply chain:

Absent a controlling role in any manufacturing facilities, our global workforce is primarily made up of highly trained professionals with engineers as the largest demographic. We therefore consider that the risk of forced labor and human trafficking is primarily in our manufacturing supply chain.

Manufacturing supplier risk assessments: We examine certain risk criteria to evaluate whether we reasonably believe the potential manufacturing supplier is likely to conform to the Code. This approach relies on several sources of information including but not limited to:

1. RBA Risk Assessment Platform. At minimum on an annual basis AMD conducts a supplier risk analysis to evaluate supply chain risks, including risk of forced labor by country and supply chain. Forced labor indices in the portal include the Walk Free Foundation's Global Slavery Index - Proportion in Slavery. This tool is used to prioritize our monitoring and conformance due diligence activities with our manufacturing suppliers.
2. 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. Indicators in the SAQ used to determine high-risk manufacturing suppliers include the use of labor agent(s) to recruit and hire migrant workers. If these suppliers have not had an audit, they are prioritized for one.
3. The RLI Labor Migration Corridor Database. This database available to RLI members provides data on high-risk migration corridors and average employment fees.

<https://www.amd.com/system/files/documents/statement-human-trafficking-forced-labor.pdf>
(pg. 4)

We are disclosing forced labor risks identified in manufacturing suppliers and sub-tier supply chains:

In 2021, 32 initial RBA Validated Assessment Program (VAP) audits were conducted at manufacturing suppliers and sub-tier supplier facilities. The average initial RBA initial VAP audit score for AMD suppliers in 2020-2021 was 26 percent better than the overall RBA average over the same time period. In 2021, 8 suppliers had a finding in Freely Chosen Employment: 5 suppliers had a finding related to workers paying employment fees prohibited in the Code of Conduct, 2 suppliers lacked sufficient policies to prevent forced labor and 1 supplier lacked sufficient management process to prevent forced labor. Each supplier underwent a remediation process as described in 7.3.

<https://www.amd.com/system/files/documents/statement-human-trafficking-forced-labor.pdf>
(pg. 5)

INDICATOR 7: RECRUITMENT-RELATED FEES

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

We are disclosing a process for ensuring supply chain workers are not forced to pay recruitment fees or other related fees for their employment in the first instance:

In the AMD Supply Chain Responsibility Supplier Guide, we share with our manufacturing suppliers our expectations and available resources. Training is made available to suppliers through the Responsible Business Alliance (RBA)'s e-Learning Academy, including preventing forced labor and implementing ethical recruitment practices. This training continues to be assigned to suppliers in high-risk labor migration receiving regions. We utilize the RLI migration corridor database to determine high-risk labor migration corridors.

Additionally, for suppliers in receiving countries in these corridors, we isolate questions from the RBA SAQ to identify suppliers that use labor agents to provide foreign or migrant workers and verify that they (i) reimburse workers for any fee paid by the workers related to hiring, transportation, testing, etc., (ii) provide 100% of workers a contract in their native language and (iii) have a policy stating personal documents are not to be held by the company. For any supplier that does not meet these criteria, AMD engages the supplier to reiterate the foregoing requirements and obtain evidence that these are promptly met. The audit is another tool used by AMD to verify compliance to the freely chosen employment requirement as listed in the AMD Supplier Code of Conduct.

Our public goal is to audit 100% of manufacturing suppliers by 2025 to verify compliance with the Code, and on an annual basis the company publicly reports on our progress to achieve this goal. In addition, AMD might audit some sub-tier suppliers based on their risk profile. AMD accepts the RBA Validated Assessment Program (VAP) audit which produces an in-depth evaluation of the social, ethical, occupational health and safety and environmental performance of the facility. AMD will only accept audit reports that adhere to the RBA standardized process which include specific procedures to determine the presence of forced labor, slavery and human trafficking.

<https://www.amd.com/system/files/documents/statement-human-trafficking-forced-labor.pdf>
(pg.4)

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

Remediation examples include engaging with all manufacturing suppliers and sub-tier suppliers in 2021 that had findings of the risk of forced labor. AMD works directly with these suppliers to ensure that (i) they have implemented immediate containment actions and (ii) all workers have been reimbursed. AMD obtains proof of reimbursement from the relevant supplier as evidence of remediation.

Two suppliers attended the RLI Supplier Training on Responsible Recruitment Due Diligence to put preventative measures in place. The training focused on key risk areas in the recruitment of foreign migrant workers which are document retention, contract terms and conditions, and recruitment fees and related costs. As a result of their attendance, two AMD suppliers implemented training at their companies and updated their recruitment policies. Both companies also chose to train workers on their internal policies, rights and access to factory complaint channels. Combined, their trainings reached over 1,450 workers in 2021. We continue to make this workshop available to AMD suppliers.

<https://www.amd.com/system/files/documents/statement-human-trafficking-forced-labor.pdf>
(pg. 5)

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

We are disclosing contact information in its Responsible Minerals Sourcing Policy:

Questions or feedback on this policy may be submitted to: conflictminerals@amd.com

<https://www.amd.com/system/files/documents/responsible-minerals-policy.pdf> (pg.2)

INDICATOR 11: MONITORING

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

We are disclosing more information about how the corrective action plan is addressed and closed:

Suppliers submitted evidence of repayment, including through RBA Priority Closure Audits required by AMD. Suppliers with forced labor risk findings were required to take an eLearning lesson on preventing forced labor and submit course certification and two suppliers attended the RLI Ethical Recruitment Due Diligence virtual training course.

<https://www.amd.com/system/files/documents/statement-human-trafficking-forced-labor.pdf>
(pg.5)

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

As part of our remedy process, AMD calculates and discloses the number of workers affected by risks of forced labor in our supply chain.

In 2021, 588 workers were affected across 7 manufacturing supplier and sub-tier supplier facilities. These workers paid recruitment and hiring fees and were not fully reimbursed within 90 days after commencement of employment, as per our requirement.

Additionally, as part of our remedy process, the company works with our manufacturing suppliers and sub-tier suppliers to reimburse inappropriately paid recruitment and hiring fees and discloses the number of workers who were fully reimbursed. As of December 31, 2021, based on evidence supplied by our suppliers to us, 100% of workers had been fully reimbursed for inappropriately paid recruitment and hiring fees.