AMD

Advanced Micro Devices, Inc. ("AMD")
Climate Change Policy Updated November 2024

Approach

As the high performance and adaptive computing leader, AMD has a role to play in helping to tackle environmental challenges and to advance environmental solutions – including making our products more energy efficient and powering the research that support the transition to a low-carbon economy.

Our environmental programs and initiatives extend across our value chain, and include specific topics like energy consumption, GHG emissions, water consumption, wastewater discharge, air pollution, waste management, and product life cycles.

Scope

This policy applies to the AMD value chain including our global operations, supply chain and products. It applies to our employees, contractors and business partners.

Commitments

Beyond compliance with laws and regulations, AMD is committed to taking actions to advance climate protection. Our operational goals are set in accordance with science-based targets[i] since 2014. We prioritize environmental sustainability efforts across our global value chain by focusing on key topics that have the greatest impact on our business and society.

1) Within AMD Operations, we aim to:

- Reduce our Scope 1 and 2 GHG emissions to align with a 1.5°C scenario through the procurement of renewable energy and other actions.
- Conserve our water resources and comply with our internal Pollution Prevention Standard.
- Reduce the amount of waste produced through pollution prevention practices and divert waste from the landfill through recycling, composting and reuse.

2) Across our Manufacturing Suppliers[ii], we partner to:

- Track energy consumption, increase the amount of renewable energy sourced, and establish GHG reduction goals related to AMD purchased goods and services (Scope 3 emissions).
- Understand water risks at the locations where AMD products are manufactured, track water use, reuse and goals.
- Address the generation of waste in our supply chain, including the generation of materials classified as hazardous or non-hazardous, and the associated recycling rate.

3) Within AMD product design and use, we aim to:

- Collaborate closely with our customers and partners on product design and system-level energy efficiency to advance environmental sustainability, including by reducing environmental impacts and energy use.
- Help conserve natural resources by engineering our products for longer life; reducing the number of devices and silicon wafers potentially needed to begin with; incorporating the recyclability of materials and the use of recycled content in our packaging; offering product takeback initiatives; and, in some cases, designing for backward compatibility with our customers' existing systems.
- Enable innovative solutions that optimize renewable energy generation, enhance smart solutions, and power cutting-edge climate and scientific research.

Goals

We set ambitious goals and publicly report annually on our progress. Our commitments will be achieved through specific targets:

- 50% reduction in absolute GHG emissions from AMD operations (i.e. Scope 1 and 2 emissions) by 2030 (base year 2020);
- 30x increase in energy efficiency for AMD processors and accelerators powering servers for artificial intelligence training and high-performance computing from 2020-2025;[iii]
- 100% of AMD Manufacturing Suppliers have public emissions reduction goals by 2025; and
- 80% of AMD Manufacturing Suppliers source renewable energy[iv] by 2025.

Implementation

AMD will continue to:

- Engage with senior management and stakeholders on climate-related risks and opportunities.
- Conduct staff and supplier trainings and/or outreach as part of our communications and capacity-building efforts.
- Utilize supplier manufacturing facility assessments and third-party audits.
- Coordinate a cross-functional product energy efficiency team to assess regulations, standards and AMD product designs.
- Source renewable energy for AMD operations and encourage our suppliers to do the same.
- Provide tools and resources for customers to evaluate ways to reduce energy use and GHG emissions through advancements in product energy efficiency.
- Comply with certifications and standards, such as RoHS and REACH in the EU, which establish high requirements for quality, safety, and environmental protection.
- Pursue continuous improvement of our environmental practices, policies and programs.

Our Global Environment, Health and Safety (EHS) Policy applies to our worldwide operations and extends to AMD supply chain manufacturing. Our EHS Standards are consistent with widely recognized management systems, such as ISO 14001, covering key environmental elements, including global climate protection; pollution prevention and resource conservation; waste management; stormwater protection; and industrial wastewater management. AMD conducts periodic EHS risk assessments at the site and corporate level as required by the Standards.

We expect our Manufacturing Suppliers, as well as ourselves, to operate in accordance with the AMD Supplier Code of Conduct and its expectations and requirements, which include elements of ISO 14001 and Eco Management and Audit Systems (EMAS) standards. Our standard contractual terms and conditions for the procurement of goods and services require conformance to applicable laws and regulations.

In addition, the AMD Worldwide Standards of Business Conduct reinforces our company's adherence to regulatory requirements and expectations to go beyond compliance on environmental and other issues.

Engagement

Across our facilities, we strive to apply the highest level of integrity and stewardship. We require all employees to take our Global Health, Safety, Security, and Environment Workplace Orientation training.

We engage with industry peers, government regulators, civil society organizations and other groups to advance climate protection for the IT sector and beyond. For example, AMD works closely with Original Equipment Manufacturers (OEMs) during product design and after product launch to increase the proportion of products meeting various eco-labels and standards. We also invest in strategic partnerships with researchers and scientists to apply AMD high-performance computing to the advancement of climate change research by analyzing massive and complex data sets. Finally, we actively participate in industry efforts, such as the Responsible Business Alliance and Semiconductor Climate Consortium.

We share our annual climate and ESG progress through public reporting that is aligned with the Global Reporting Initiative (GRI), the GHG Protocol, CDP, the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, AMD undergoes third-party external assurance of our GHG emissions aligned with ISAE 3000 or other international standards.

Governance
The highest level of ESG oversight (including risks and opportunities) at AMD resides with our Board of Directors. The Nominating and Corporate Governance Committee maintains formal oversight of the company's focus on ESG, including climate. The Audit and Finance Committee oversees the company's voluntary and required ESG reporting and associated regulatory compliance. Each of these groups receives reports from and engages with management on ESG matters at least annually.

The Corporate Responsibility team is responsible for implementation of the climate policy and reviewing it at least annually.

November 6, 2024

Footnotes

[i] In the AMD Corporate Responsibility Report and other AMD climate-related disclosures, AMD references this operational GHG reduction goal (market-based emissions) as a "science-based target" that is aligned with a 1.5°C scenario. Per the California Climate and Carbon Disclosure Requirements (AB-1305), the basis for this statement is the AMD GHG goal is aligned with the Science-based Target initiative's (SBTi's) 1.5-degree minimum target ambition of 4.2% linear annual reduction. The SBTi criteria considers multiple climate scenario models from the IAMC and IEA. Interim progress by AMD toward the goal is disclosed in the AMD CR Report as measured by metric tCO2e of Scope 1 and 2 GHG emissions (market-based). The AMD 2020 base year value is 61,754 metric tCO2e and the 2030 target year value is 30,877 metric tCO2e (a 50% reduction).
[ii] "Manufacturing Suppliers" are defined as suppliers that AMD buys from directly and that provide direct materials and/or manufacturing services to AMD.
[iii] Includes AMD high-performance CPU and GPU accelerators used for AI-training and high-performance computing in a 4-Accelerator, CPU-hosted configuration. Goal calculations are based on performance scores as measured by standard performance metrics (HPC: Linpack DGEMM kernel FLOPS with 4k matrix size; AI-training: lower precision training-focused floating-point math GEMM kernels such as FP16 or BF16 FLOPS operating on 4k matrices) divided by the rated power consumption of a representative accelerated compute node, including the CPU host + memory and 4 GPU accelerators.
[iv] AMD defines renewable energy as energy from a source that is not depleted when used, such as wind or solar power. AMD does not require a minimum amount of renewable energy to be sourced by Manufacturing Suppliers to be included in the goal. Data is provided by AMD suppliers and has not been independently verified by AMD.