

2008

CORPORATE RESPONSIBILITY REPORT





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CORPORATE RESPONSIBILITY

At AMD, corporate responsibility guides our company's culture and drives everything we do. Our success in business is built on a core value of respect for people. From our employees around the world, to our customers and partners, to the families who live in the communities where we operate - people come first and foremost.

We strive to serve the needs of customers through innovative technologies that break new ground, such as accelerated computing. Accelerated computing is a framework that improves how hardware and software interact to support emerging application areas and evolving workloads while providing energy efficiency, great performance, and competitively priced computer systems. We believe that accelerated computing embodies a rapidly approaching paradigm shift that will create many opportunities to customize computer systems by providing targeted, precise solutions for different kinds of workloads, whether at work, home, or play.

ABOUT OUR REPORT

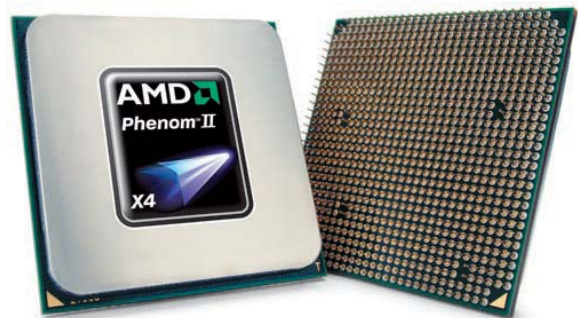
This report provides information on programs addressing environmental protection, social responsibility, and economic performance at Advanced Micro Devices, Inc. (AMD) and consolidated subsidiaries. Operational data for 2008 contained in this report is for AMD majority-owned and operated facilities located in Sunnyvale, California; Austin, Texas; Markham, Ontario; Dresden, Germany; Penang, Malaysia; Singapore; and Suzhou, Peoples Republic of China for the period January 1, 2008 through December 31, 2008. Financial information is for AMD's fiscal years ended December 31, 2006, December 29, 2007 and December 27, 2008. Additionally, the report includes information for newly formed GLOBALFOUNDRIES, formerly AMD's wafer manufacturing and associated wafer manufacturing research and development operations. GLOBALFOUNDRIES was launched March 3, 2009 and is a semiconductor foundry formed by a joint venture between AMD [NYSE: AMD] and Advanced Technology Investment Company (ATIC).



AMD has produced annual reports on the company's environmental, health, and safety (EHS) operations since 1995. The company added aspects of economic and social responsibility in our first Sustainability Progress Report covering 2000. Sustainability and later Corporate Responsibility reports were issued annually through 2005. Sustainability-related information was posted on AMD's website in 2006 and 2007 and is currently maintained with the most up-to-date data at: www.amd.com/corporateresponsibility.

AMD incorporates elements of the Global Reporting Initiative (GRI) and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises in this report.

With the exception of financial information, operating data provided in this report has not been verified. Operating data is collected from many different global locations using well established processes that include a rigorous review of the data and explanation of trends.



CEO STATEMENT - HIGHLIGHTS OF REPORT, CHALLENGES



TO OUR STAKEHOLDERS:

We are pleased to share with you our 2008 Corporate Responsibility Report. Despite the demands of a financially challenging year, AMD continued to demonstrate our unwavering commitment to being a responsible corporate citizen. This report builds

upon the last eight years, as AMD has delivered on our commitment to open communications with stakeholders through our Corporate Responsibility Report and our Global Climate Protection Plan. Together, these reports discuss our commitment to:

- create products that enable our customers to produce energy-efficient technology;
- adhere to strong corporate governance;
- improve transparency;
- improve working conditions throughout our supply chain;
- enhance the communities where we do business; and
- reduce our environmental impact.

From developing procedures for integrating environmental and social considerations into our supply chain management to implementing strategic education initiatives in the communities where we do business, corporate responsibility at AMD is comprised of many internal and external-facing initiatives. The basic, underlying philosophy of our corporate responsibility is to build better relationships and ensure a greater level of transparency in how we conduct business. Our internal focus is on creating an environment that promotes creativity, diversity, collaboration, and accountability for employees. Externally, our efforts touch many stakeholders including customers, partners, suppliers, investors, and more.

Some of our key accomplishments in 2008 included:

- Forming the AMD Foundation and launching its signature education initiative, AMD Changing the Game, to promote the use of youth game development as a tool to inspire learning and improve science, technology, education and math (STEM) skills.
- Transitioning the day-to-day operations of our digital inclusion initiative, 50x15, to the 50x15 Foundation, while remaining an active partner to ensure 50x15's sustainability and expansion.
- Publishing our eighth Global Climate Protection Plan which outlines our strategy, goals and progress toward reducing our impact on the global climate.
- Achieving outstanding progress with respect to most of the 2010 goals we set for our environmental performance.

- Opening our new Lone Star campus in Austin, Texas which achieved LEED Gold certification from the U.S. Green Building Council in early 2009.
- Working to improve the financial condition of the company by laying the groundwork for GLOBALFOUNDRIES, a leading-edge semiconductor manufacturing company.
- Announcing "Fusion," AMD's business philosophy that guides our next-generation solutions through technology integration, customer intimacy and industry impact.

In addition to these accomplishments, we were recognized by several organizations for our continued commitment to being a responsible corporate citizen including:

- The Global 100 Most Sustainable Corporations in the World by Corporate Knights and Innovest Strategic Value Investors.
- The Dow Jones Sustainability World Index for the seventh consecutive year.
- U.S. EPA Climate Protection Award in recognition of our continued commitment to protecting the global climate through energy-efficient product innovation, facility design and management, and industry education.
- The 100 Best Corporate Citizens by Corporate Responsibility Officer (CRO) Magazine in 2009.

These accomplishments and the recognition were achieved within a year that was also marked by challenging global financial markets. Despite the challenges, AMD made bold moves to strengthen the company and create a more flexible operating model. In addition to the creation of GLOBALFOUNDRIES, we divested "non-core" portions of our business and we implemented restructuring plans to reduce our break-even point. Throughout these changes, we continued to invest in and deliver one of the strongest product and technology roadmaps in AMD's history. We have a rich history of innovation leadership, delivering many of the technologies that now form the basis of everyday computing. AMD is now a product design and development company with an incredible talent pool of engineers and a broad collection of IP that can be applied to solving all of our customers' needs.

I am proud of the way our employees have responded to these challenging times and embraced change as we seek to become more agile. We remain firmly committed to being responsible to our stakeholders and we look forward with interest and anticipation to the opportunities and challenges that lie ahead.

Best regards,

A handwritten signature in black ink that reads "Dirk Meyer". The signature is written in a cursive, flowing style.

Dirk Meyer
President and CEO

COMPANY PROFILE



ABOUT AMD – INSPIRED BY CUSTOMERS, DRIVEN BY COMPETITION, MEASURED BY SUCCESS

Founded in 1969 and based in Sunnyvale, California, Advanced Micro Devices, Inc. (AMD) is an innovative technology company dedicated to collaborating with customers and technology partners to ignite the next generation of computing and graphics solutions at work, home and play.

Headquarters: Sunnyvale, California

Established: 1969

Employees: 14,700 worldwide (as of 12/27/2008)

New York Stock Exchange Listing: AMD

2008 Sales: \$5.8 Billion

In 2008, AMD operated manufacturing facilities in Germany, Malaysia, People's Republic of China, Singapore, and the United States with sales offices in major cities around the globe. Deriving approximately 88 percent of our revenue from international markets in 2008, we are truly a company of the world. Shares of the company trade on the New York Stock Exchange under the symbol AMD.

Moving Forward - Significant Changes

AMD began a major multi-year transformation to refocus company resources on our core business of computational products. Beginning in 2005, AMD divested its Flash memory operations into a Flash memory joint venture between AMD and Fujitsu Semiconductor named Spansion, Inc. In October 2006, AMD acquired ATI Technologies (ATI), a world leader in the design and manufacture of innovative 3D graphics, PC platform technologies and digital media silicon solutions. ATI offered leading-edge performance solutions for the full range of PC and Mac desktop and notebook platforms, workstation, set-top and digital television, game console and handheld

device markets. In 2007, we completed the integration of ATI, thus positioning the company to pursue many new and fast-growing markets.

Also in 2007 we evolved our strategy – known as Asset Smart - to create a business model with the goal of delivering profitability and leadership in core x86 computing and graphics business. As part of that strategy, we began divesting non-core assets and putting a model in place that would help ensure our continued access to leading-edge manufacturing without having to shoulder the increasingly prohibitive costs of semiconductor manufacturing.

To fulfill the strategy, AMD underwent several organizational changes:

- In October 2008, we completed the sale of our Digital Television business unit to Broadcom Corporation.
- In the first quarter of 2009, we completed the sale of certain graphics and multimedia technology assets and intellectual property that were formerly part of our Handheld business unit to Qualcomm Incorporated. In January 2009, approximately 170 AMD employees accepted employment with Qualcomm.
- On March 2, 2009 AMD closed a strategic transaction with the Advanced Technology Investment Company (ATIC) and Mubadala Development Company of Abu Dhabi, launching a U.S.-headquartered semiconductor foundry known as GLOBALFOUNDRIES. GLOBALFOUNDRIES manufactures semiconductor products and provides certain foundry services to AMD. As a result of this transaction, approximately 2,800 employees moved to GLOBALFOUNDRIES.



AMD believes that being a responsible company is a continuous journey that creates long-term shareholder value by managing economic, social, and environmental risks and opportunities. By institutionalizing these three aspects – embedding them into strategies, policies, processes, and standard business practices - AMD and GLOBALFOUNDRIES can maximize their value to society.

Building on its AMD legacy, GLOBALFOUNDRIES has integrated corporate responsibility into its operating model and associated policies and practices. More information about GLOBALFOUNDRIES' Corporate Responsibility program is available here.

www.globalfoundries.com

In addition, more detailed information about AMD's overall global climate strategy and initiatives is available in AMD's Global Climate Protection Plan.

AMD PRODUCTS AND PLATFORMS

We are a global semiconductor company with facilities around the world. Within the global semiconductor industry, we offer primarily:

- x86 microprocessors, for the commercial and consumer markets, embedded microprocessors for commercial, commercial client and consumer markets, and chipsets for desktop and notebook PCs, professional workstations and servers; and
- graphics, video and multimedia products for desktop and notebook computers, including home media PCs and professional workstations, servers and technology for game consoles

In 2008 we continued our focus on developing integrated computing solutions, or computing platforms, which combine microprocessors, GPUs, chipsets and core software. In 2008 we launched AMD Business Class, an initiative dedicated to developing AMD processor-based commercial desktop and notebook platforms designed specifically for businesses, the "Puma" platform for notebooks, the "Yukon" platform for ultrathin notebooks and the "Dragon" platform for desktop PCs.

In May 2009, we put into place a new organizational structure designed to optimize AMD's operations to drive further integration of our industry-leading x86 processor and graphics technologies through platform and silicon integration.

Computation Solutions Group

AMD microprocessors power millions of personal computers (PCs), workstations, and servers of home and business users around the world. We currently offer single-core and multi-core microprocessor products for servers, workstations, notebooks and desktop PCs.

Our current microprocessors are designed with both 32-bit and 64-bit processing capabilities. Quad-Core AMD Opteron™ processors with Direct Connect Architecture for servers and workstations deliver outstanding performance within a consistent footprint and thermal envelope for a stable platform and simple upgrades. Enterprise customers and small and medium businesses can deploy AMD Opteron processor-based servers and workstations for enhanced power efficiency, optimal virtualization capability, cloud computing capability and significant savings in total cost of ownership.

Our Embedded products range from high-performance AMD Opteron™ and AMD Athlon™ processors with Direct Connect Architecture for enterprise-class storage and networking equipment

to highly versatile and efficient Mobile AMD Sempron™ and AMD Turion™ 64 X2 processors for unique high-performance, small form factor applications. We design embedded connectivity devices to address customer needs in PC-adjacent markets such as network attached storage, telecommunications and networking equipment, internet access

devices and other similar applications. Typically these embedded processors are used in products that require high to moderate levels of performance where key features include low cost, mobility, low power and small form factor. Our embedded microprocessor products also include the AMD Geode™ product family.

*7 of the 10 fastest supercomputers
in the world are powered by
AMD processors*

Our portfolio of chipset products (the primary input/output device on a platform) includes IGP (Integrated Graphics Processor) and discrete chipsets targeting both the desktop and notebook PC segments. In March 2008, we introduced the AMD 780G Series chipset powered by ATI Radeon HD 3100 integrated graphics. This chipset was designed for significant enhancements in gaming and high-definition experiences for mainstream PC customers. In June 2008, the AMD-7 Series chipsets came to the notebook segment; the AMD M780G chipset delivered the same great graphics features to AMD-based notebooks. These chipsets were some of the first to add

integrated support for the High Definition Multimedia Interface (HDMI) to address the trend toward HD in many flat panel monitors and televisions. In August 2008, we introduced the AMD 790GX chipset. This new desktop chipset matched ATI Radeon HD 3400 integrated graphics, improved power management and PCIe support for diverse configurations.

Graphics Products Group

AMD provides 3D graphics and video and multimedia products developed for use in desktop and notebook PCs, including home media PCs, professional workstations and servers and customized visual processing technology for the game console market. The primary product is the Graphics Processing Unit (GPU). The GPU off-loads the burden of graphics processing from the CPU, and uses its highly-parallel architecture to accelerate a broad range of applications. In this way, a dedicated GPU and CPU work in tandem to increase overall speed and performance of the system. The discrete GPUs for desktop and notebook PCs include the ATI Radeon™ HD 4000 series and the ATI Mobility Radeon™ HD 4000 series of products. Our products for the professional workstation market consist of our ATI FirePro™ and ATI FireStream™ product families.

Our PCTV products incorporate a wide variety of features to allow consumers to add broadcast TV to their PCs, to watch and record TV on their PCs, listen to FM radio stations and watch DVD movies, and includes ATI Theater™ technology and ATI TV Wonder™ products. Our customized GPUs process the graphics in the Microsoft® Xbox 360™ and Wii™ from Nintendo.

MANAGEMENT STRATEGY AND ANALYSIS



“Only two companies in the world develop and deliver x86 microprocessors in volume. Only two companies in the world deliver leading-edge 3D graphics. Only AMD does both.”

– Dirk Meyer, AMD president and CEO

2009 marks AMD's 40th anniversary as a semiconductor industry innovator that designs and markets products and platforms to enable the next-generation of technology solutions at work, home and play. With the close of our Asset Smart transactions, we continue transforming AMD into a stronger, more agile innovation engine.

We have established a systematic approach to managing the risks and opportunities associated with changing market and business conditions in our core areas of business. We leverage our engagement with a variety of stakeholders to help set a strategic course that includes innovative products and an unwavering commitment to our customers.

- Risk Management
- Public Policy
- Product Innovation
- Stakeholder Engagement
- Supply Chain Management
- Quality Management

Corporate Strategy Discussion

The world is undergoing a fundamental shift from focusing on raw performance to a sharper focus on value. We are well positioned to benefit because, in our business, ‘when you think value, you think AMD.’ User experiences are no longer defined solely by the speed of technology but by how well the overall system performs on the most relevant workloads and usage models.

We believe the future is about platforms and we are uniquely positioned to combine our technology assets to deliver a superior user experience. Although today's users want mobility, many do not want to sacrifice the full-feature PC experience. AMD collaborated with HP to develop a notebook platform for the ultrathin market that offers a feature-rich experience at an affordable price. The HP Pavilion dv2 Entertainment Notebook PC was launched to industry accolades and received a CES Best of Show from Laptop Magazine earlier this year.

Regardless of the form factor, today's user demands an experience that is visually-rich and media intensive. In 2008, we combined two ATI Radeon HD 4800 series Graphics Processing Units (GPUs) with an advanced cross-GPU connection to create a more scalable architecture that delivers greater power efficiency and higher frame rates. In 2009, we plan to introduce even higher performing integrated solutions.

Today's data centers are moving to consolidation and cloud computing to improve their hardware utilization and energy-efficiency to reduce costs. With innovations designed to deliver leading virtualization and power capabilities, our Quad-Core AMD Opteron™ processor introduced in 2008 offers improved performance in workloads that matter most to our customers. In June 2009, we launched the industry's first x86 six-core processor for 2-, 4-, and 8-socket servers, the Six-Core AMD Opteron. This new processor is designed to offer a substantial performance leap compared to our Quad-Core AMD Opteron. With the same socket infrastructure, customers with existing Opteron processors will essentially drop-in the Six-Core Opteron processor, load a new BIOS and upgrade their dual- or quad-core servers to six cores, thereby dramatically increasing the utilization of their data center.

Cloud Computing

Cloud computing, in a nutshell, is the delivery of some aspect of IT (infrastructure, platforms or applications) as a service that is accessed via Internet standards and infrastructure.

For more information see *Cloud Computing*. <http://sites.amd.com/us/topic/cloud/Pages/about.aspx>

aligned with our strategic business initiatives. Our business resilience and preparation is routinely reviewed and our management plans updated accordingly.

Policies and Practice

AMD faces a variety of potential risks and disruptions to our operations and business that are discussed in our financial Annual Report. Our risk management processes include an integrated approach that focuses on policies and procedures, management systems, such as EHS and Quality, and Business Continuity Management (BCM). Our Crisis Management plans are designed to provide a quick, decisive and coordinated response to a crisis in order to protect people and the environment and, to the extent possible, maintain normal business operations.

Through our policies and detailed procedures we seek to address many social, environmental and ethical risks. For example, our

Worldwide Standards of Business Conduct outline our corporate policies related to Social, Environmental, and Ethical (SEE) risks with more detailed procedures defined by specific policies such as our Code of Ethics for financial officers and other policies.

We use our existing systems to manage risks through proper planning, communications and training. For example, environmental, health, and safety risks are considered throughout the EHS management system which includes our global EHS Standards and an assessment/audit process to ensure conformance.

AMD's Business Continuity Management (BCM) process encompasses identification and analysis of risks to the corporation, the mitigation of those risks, and the preparation to effectively manage crises when or if they occur. Our BCM process is part of a broad spectrum of AMD management disciplines, working as teams to effectively manage risks.



RISK MANAGEMENT

Approach

AMD has an obligation to our stakeholders to understand and effectively and deliberately manage our business risks to ensure that we will continue to compete and succeed in the marketplace. We accomplish this through a systematic approach to managing risk of loss, disruption or interruption of mission critical activities that are

PUBLIC POLICY

Approach

As a global company, we believe corporate responsibility includes being an informed, active participant in the development of public policies that affect our business and our industry in the countries

AMD is a strong advocate for policies that are designed to protect consumers from anti-competitive business practices and to ensure open markets. For example, we've worked with government procurement authorities around the world to promote competitive and transparent purchasing practices that are performance-based and consistent with the World Trade Organization's Government Procurement Agreement—the global standard for fair and open government procurement policies.

These efforts are helping to bring the benefits of competition—innovation, choice and cost savings—to many governments around the world and to the taxpayers who support them.

Learn more about AMD's efforts to advance fair and open competition.

<http://breakfree.amd.com/en-us/procurement.aspx>



and communities in which we operate. Good public policy begins with diverse and committed stakeholders participating in open and transparent proceedings to carefully examine issues and bring different perspectives and experiences to promote effective solutions.

Policies and Practice

Our commitment to public policy participation includes working with governments, non-governmental organizations (NGOs), trade associations and other groups to deepen our understanding of issues and diverse perspectives, as well as to share our experience and expertise as part of an informed public policy development process.

AMD is actively engaged in a number of public policy efforts that involve our business, our industry, and users of technology everywhere. Some of the public policy priorities for AMD include:

- Fair and Open Competition
- Environmental Protection and Energy Efficiency
- Trade and Market Access
- Principal Industry and Business Associations

Fair and Open Competition - Fair and open competition in the marketplace is fundamental to the ability for individuals and companies to innovate and bring new technologies and choice to technology consumers.

Environmental Protection and Energy Efficiency - AMD is working with industry peers and governments to address immediate and long-term energy issues associated with computing and semiconductor manufacturing. Our efforts include working with the policymakers and stakeholders in North America, Europe, and Asia to:

- Establish "green procurement" guidelines for government technology acquisitions
- Develop standards for energy-efficient computers and data center equipment and operations
- Address issues related to sustainable manufacturing and product life-cycle management.

During 2007-2008, AMD co-hosted several public policy forums with government authorities, including events with the U.S. Environmental Protection Agency's Energy Star program; Natural Resources Canada—the Canadian federal government's environmental authority; the California Air Resources Board; and the U.S. Department of Energy.

To drive positive attention and results, we also actively participated in similar public-private collaborations in China, Japan, Europe and other regions.

Learn more about AMD's efforts in this area at AMD Green.

Trade and Market Access - Non-discriminatory access to markets, including the reduction or elimination of tariff and non-tariff barriers, is a crucial element of technology innovation and realization of the benefits of competition in the global economy. Protectionist policies and heavily subsidized industries are an impediment to investment in research and innovation, thus undermining market competition.

Trade policies are also important to address the global digital divide. By reducing unreasonable regulatory impediments to trade, governments can help more people harness the power of computing and the Internet to generate economic growth and opportunity, enhance education, and increase access to health care and other qualities of life.

AMD is an active participant in responsible trade policy development through our leadership in the World Semiconductor Council, as well as other international and national organizations focused on addressing trade issues to ensure market access.

Principal Industry and Business Associations - The global proliferation of standards and regulatory initiatives focused on electronic products has necessitated a significant collaborative effort by industry to monitor and contribute to their development. AMD's participation in industry, trade, and business groups helps shape the future of the global semiconductor industry. Company personnel participate on committees at all levels for a wide variety of groups establishing national and international standards, evaluating the potential impact of proposed regulatory initiatives and promoting sustainable business practices. In addition to AMD's participation in technical standards-setting bodies including International Electrotechnical Commission Technical Committees and Ecma International (a European association for standardizing information and communication systems), company personnel are active members of the Information Technology Industry Council, Digital Europe, Information Technology Association of Canada, USITO, the U.S. Semiconductor Industry Association, the World Semiconductor Council, and Semiconductor Equipment and Materials International, as well as other important bodies.



PRODUCT INNOVATION

Approach

The lifeblood of a technology company is the technology and product pipeline. The extremely high cost of leading-edge technology development makes it necessary for AMD and others to seek

development partners to leverage resources and expertise. We realize that the value derived from research and development investments

generally improves with participation from strategic partners, and we support the nurturing of long-term partnerships with our customers, other technology companies, and academia.

Policies and Practices

As an innovation leader, AMD is delivering differentiated products that combine our core technology assets to drive the next-generation of applications for work, home and play. We believe that the opportunity for success and long-term growth is inherent in a flexible operating model, strong product portfolio and roadmap, and world-class customers.

50 percent of Internet DNS traffic is efficiently and quickly routed via AMD-powered servers

AMD is dedicated to collaborating with customers and partners to develop platform solutions that deliver superior performance-per-watt to reduce energy use, increase power efficiencies, and solve customer problems. We believe this focus on power consumption is not only good for AMD, but also for the industry, and for consumers and customers who care about the world we live in.

We depend on third-party companies for the design, manufacture and supply of motherboards, BIOS software and other components that support our microprocessor offerings. In addition, we continue to work with other third parties to obtain graphics chips in order to provide our customers with a greater choice of technologies to best meet their needs.

Intellectual Property - Like all technology companies, we rely on a variety of legal instruments including patents, cross-licensing and technology exchange agreements and intellectual property rights to protect our products and technologies from unauthorized third-party copying and use. As of December 27, 2008, we had more than 7,000 patents in the United States with another 1,900 patent applications pending. In certain cases, we have filed corresponding applications in foreign jurisdictions. We expect to file future patent applications in both the United States and abroad on significant inventions, as deemed appropriate.

Research & Development - We consciously focus our research and development efforts on projects that support our mainstream markets. In 2008, we spent \$1.8 billion on research and development projects.

We conduct product and system research and development activities for our microprocessor products in the United States with additional design and development engineering teams located in Germany, Singapore, China, Japan, Malaysia, Taiwan and India. We conduct research and development activities for our graphics and chipset products at design centers located throughout the world, including the United States, Canada, India and China.

Our microprocessor research and development is focused on product design and system development, to deliver the next generation of microprocessors with improved system performance and performance-per-watt characteristics. We have devoted significant resources to product design and work with other industry leaders, public foundations, universities and industry consortia to conduct early stage research and development.

With respect to graphics, our primary research and development objective is to develop products and technologies that meet the ever-changing demands of the PC industry on a timely basis. We are also focusing on delivering a range of integrated platforms to serve key markets, including commercial clients, mobile computing, and gaming and media computing. Longer term, we are focused on developing solutions for specialized uses that are comprised of microprocessors (CPUs) and graphics processors (GPUs).

As a result of the formation of GLOBALFOUNDRIES, AMD's former wafer manufacturing process technology research and development efforts have been transferred to our new foundry partner. AMD and GLOBALFOUNDRIES have spent considerable time working together to ensure a smooth transition of highly successful processes that historically enabled AMD to achieve consistently high wafer yields using advanced submicron technologies.

Integrating EHS factors into manufacturing process technology development historically has been a component of AMD's overall research strategy. In the future, AMD will work with GLOBALFOUNDRIES and our other foundry partners to ensure that EHS factors are integrated into future wafer manufacturing technologies for AMD products.



STAKEHOLDER ENGAGEMENT

Approach

As a global business, a wide range of stakeholders affect and are affected by our operations and products. At AMD, we believe in the spirit of true collaboration. In this respect, we strive to maintain open and frequent communications with the people, businesses, and organizations that help us achieve success in everything we do. We believe regular dialogue with stakeholders is mutually beneficial, providing perspectives and interests that help inform our decisions, shape our programs, and influence our collaborations.

Policies and Practices

For AMD, an engaged workforce is a business imperative. Engaged employees think and act beyond getting the job done thereby boosting innovation and ingenuity. Engagement significantly impacts customer satisfaction, revenue, and stockholder value. While AMD measures engagement through a variety of methods, our baseline engagement data is gathered through an annual, global, all-employee survey, the results of which are used to create tangible action plans. As engagement involves the entire AMD community, all AMD managers are responsible for working with their teams to complete relevant plans to address identified areas of concern. In 2009, our engagement efforts are focused on ensuring that all of our employees can contribute to AMD's strategy while receiving robust skill and career development.

In our dealings with external stakeholders, AMD focuses on building relationships and improving transparency. Our success depends on providing customers with the innovative products they desire, supported by excellent customer service and uncompromising quality. Customer loyalty and satisfaction are key indicators of our focused customer-centric approach to business. We conduct customer surveys twice per year to understand the key drivers and opportunities for continuous improvement relative to customer satisfaction and loyalty. We use survey data to provide regional stakeholders, account teams, and business units with an overall understanding of customers' concerns and to prioritize activities that improve the customer experience. Our surveys are global and are available in multiple languages to facilitate understanding and enhance responsiveness. Results of these surveys are business confidential.

Our community partners, schools, industry associations and government partners used AMD facilities for more than 500 hours of meetings in 2008.

We continue to proactively engage our investor base to educate them about AMD and our corporate strategy as well as to improve our long-term shareholder base. We also discuss how to improve our information exchange and address the issues raised by these organizations more efficiently with several leading socially responsible investing research organizations such as Sustainable Asset Management, oekom research AG, EIRIS, and IW Financial.



AMD Eco-Project

In June 2008, AMD Japan launched a program to promote “green IT” by planting one mangrove tree seedling for every AMD-based personal computer sold as an “Eco-Model.” Several key customers, including HP, Fujitsu, NEC, Thirdwave and BenQ participated with AMD in this beneficial program. In addition to these key customers, AMD partnered with IKAW-AKO, an environmental non-governmental organization that focuses on restoring mangrove forests as a way to reduce shoreline loss that results from typhoons and high waves as well as provide a habitat for a variety of marine species including shrimp, mud crab, oysters and fish. As part of the program, our customer partners track and report to AMD the number of Eco-Models sold and AMD arranges for mangrove tree planting each quarter in cooperation with IKAW-AKO. To date, AMD’s Eco-Project has been responsible for planting 25,000 seedlings and restoring approximately 10 hectares (or 25 acres) of mangrove forest.

Evaluations of AMD by socially responsible investor research groups provide deeper insight into company operations that help strengthen relationships with local and global stakeholders. As part of AMD's connection with the community, some sites hold periodic meetings, inviting the local community to discuss and address questions or concerns about AMD's operations.

We maintain relationships with a wide range of stakeholders and we actively manage these relationships to help ensure their relevance and value. In addition to our Annual Report, Corporate Responsibility Report, Global Climate Protection Plan, and other published corporate information on AMD's Web site, we engage stakeholders in the following ways:

How we engage

Employees

- Strategic executive communications outreach in various forms throughout the year
- Quarterly all-employee meetings (in-person and webcast worldwide) covering company strategy and business updates
- Quarterly divisional communication meetings cascading information to teams throughout the company
- Cascade toolkits to facilitate further executive-team communications
- Product launch and company events intended to educate and excite employees about major company achievements
- Community involvement efforts and events
- Viewpoint Program featuring more focused, in-depth look at featured topics
- Leadership Roundtables - small group open forum for AMD leaders and employees
- Intranet site (AMD Central) featuring strategic and business information, corporate and regional news, department informational pages, and more.
- Targeted and all-employee e-mail communications as needed
- Additional webcasts, video series, blogs, forums, etc.
- E-newsletters covering various types of corporate, product, employee, and regional news
- Quarterly employee pulse surveys
- Yearly employee engagement survey (through HR)
- Additional event or topic-specific surveys

Investors

- Reports filed with U.S. Securities and Exchange Commission
- Meetings with and presentations to investor groups
- Responses to inquiries from investor research groups
- Stockholder support through AMD's Investor Relations department
- Annual stockholder meeting

Customers

- Accelerate Magazine
- Performance-based surveys/customer satisfaction surveys
- Responses to inquiries from customers on product content and other information
- Quarterly business reviews
- Technical review meetings
- Distribution conferences
- Reseller summits
- Customer report cards
- Customer Connection Newsletter
- Enterprise Customer Advisory Council
- PC user forums and presentations to user groups
- Social media
- Participation in enthusiast overclocking events
- Webcasts
- AMD Market Builder™ Channel Portal
- AMD Tigon™ Channel Newsletter
- Annual AMD Executive Forum
- Custom surveys to our database on request

Suppliers

- Strategic Supplier Process (SSP)
- Supplier Quality Audits and ratings including follow-up meetings

Communities and NGOs

- Charitable contributions
- Product donations
- Volunteerism
- Participation in community organizations and committees
- Maintaining relationships with local leaders
- Participation through industry and trade groups
- Supporting regional quality of life issues
- Public policy development

Governments

- Meeting with regulators and officials
- Participation in the legislative development process via industry associations
- Participation in voluntary environmental initiatives

Academic Institutions

- Research funding
- Student co-ops and mentoring
- Funding for targeted engineering programs, key design competitions and scholarships
- University Campus Team program manages long-term relationships with select universities, helps recruit top university talent, and nurtures relevant research opportunities

SUPPLY CHAIN MANAGEMENT

Approach

Our integrated approach to supply chain management ensures alignment with our corporate strategy to deliver high quality products and services while maintaining and enhancing long-term, mutually beneficial and ethical supplier relationships. We are committed to the support of industry-wide efforts to integrate social, environmental, and ethical responsibilities into the electronics industry supply chain practices. As a global manufacturer, we want to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.

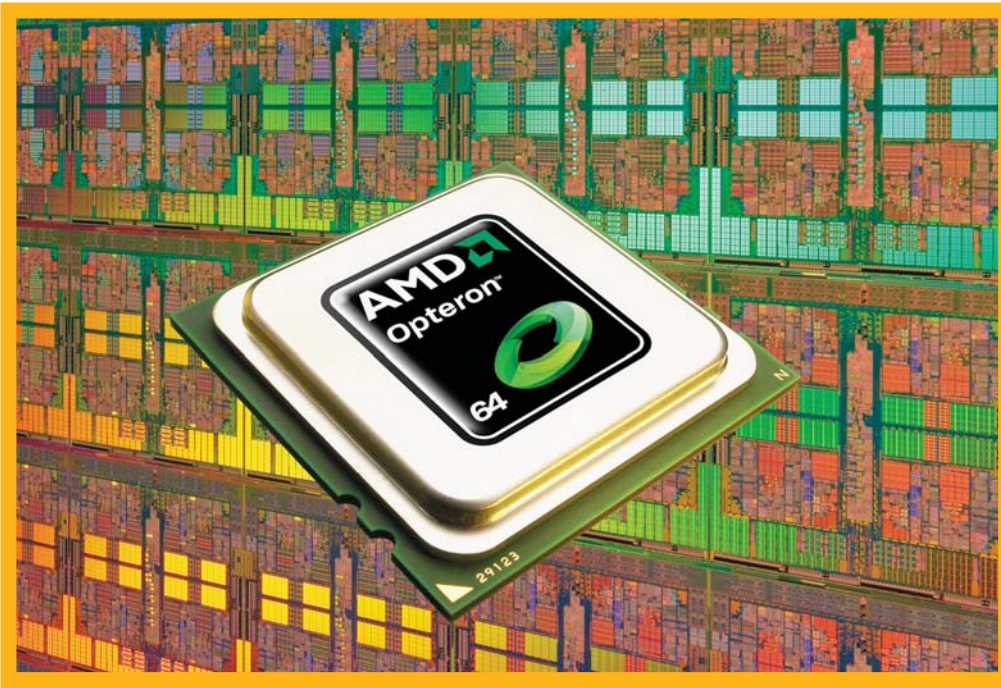
Policies and Practice

Supplier Social and Environmental Responsibility (SER) – The objective of our supplier SER initiative is to work with our strategic suppliers to improve social and environmental conditions in the electronics industry supply chain. We have prioritized the implementation of our supplier SER program using a risk-based approach to target our top-tier strategic suppliers - suppliers who are integral to AMD's long-term success, or that have solutions to help AMD be competitive in the marketplace. We are working to establish supplier management systems that are consistent with the Electronics Industry Citizenship Coalition's (EICC) <http://www.eicc.info/> Code of Conduct and the Institute for Supply Management's (ISM) Corporate Social Responsibility (CSR) Principles in the Supply Chain.

Procurement Training - AMD must not only establish systems for our supply base, but be responsive to our customers. As part of our periodic training for sourcing personnel, we have introduced the EICC Code of Conduct, its principles and values to AMD and our customers. Also, we are in the process of reviewing and updating our strategic sourcing process, a process that rates and provides feedback on supplier performance. SER is included in top tier supplier performance evaluations and discussed when strategic business reviews are held with our top tier suppliers.

Supplier Performance Recognition – Supplier(s) who demonstrate leadership in performance and specific leadership in other areas of the supplier/customer relationship may be recognized for that differentiated value and continuous improvement.





QUALITY MANAGEMENT

Approach

An extension of the company's customer-centric focus is the belief that customers should experience excellence when designing-in, manufacturing with, or supporting systems that include AMD products.

Policies and Practice

The company uses a multi-dimensional and cross-functional approach to produce high quality and highly reliable products. AMD's quality management system incorporates supplier quality control, stringent raw material and manufacturing process control systems, and final testing to ensure operational consistency, efficiency, and the ability to meet customer requirements. World Class Supplier,

World Class Manufacturing, customer quality, and other quality processes drive continuous improvement in all aspects related to developing, manufacturing, and supporting products. In 2008, all AMD manufacturing sites were ISO 9001:2000 registered; and these registrations have been maintained over time. Certificates for AMD manufacturing locations are available at <http://www.amd.com>.

CORPORATE ETHICS AND GOVERNANCE



ETHICS AND COMPLIANCE

Approach

AMD believes that the integrity of an organization begins with every employee's personal and professional commitment to a set of core values that guides actions and decision-making. We are committed to the highest standards of ethics and integrity in all aspects of our business, and we continue to act appropriately to maintain the trust of our stakeholders.

Policies and Practices

AMD's ethics and compliance policies and practices include the following:

- Board of Directors
- Principles of Corporate Governance
- Worldwide Standards of Business Conduct
- Code of Ethics
- Corporate Compliance Committee
- Stock Ownership Guidelines
- Internal Audit
- Global Internal Controls and Compliance Committee
- AMD Political Action Committee

In January 2009, AMD was named for the third consecutive year to the 2009 Global 100 Most Sustainable Companies in the World list. The annual Global 100, unveiled each year at the World Economic Forum in Davos, Switzerland is a list of role models in sustainable business practices.

In March 2009, AMD was listed on the Corporate Responsibility Officer magazines "100 Best Corporate Citizens", a list solely based on publicly-available information for Russell 1000 companies.



Board of Directors

AMD's Board of Directors is responsible for selecting the Chief Executive Officer of the Company, monitoring the operating performance and financial condition of the Company, and overseeing the Company's adherence to corporate standards. These standards are reviewed by the Board and AMD staff and updated periodically as needed.

Our Board consists of nine members and four Committees that are responsible for review and oversight of company strategy and practices. The committees include the Audit and Finance Committee, Compensation Committee, and the Nominating and Corporate Governance Committee. Committee members and their

chairs are appointed by the Board annually. In accordance with AMD's principles of corporate governance, a majority of members of the Board must meet the criteria for independence as required by applicable law and the New York Stock Exchange standards. More information regarding AMD's Board of Directors is available on the Corporate Governance page at <http://www.amd.com/InvestorRelations>.

The actions of our Board and employees are governed by a set of interrelated principles and practices that forms a systematic and comprehensive structure for all compliance activities while providing a consistent vehicle for reporting illegal activities through the AMD AlertLine (1-800-381-6221). The AMD AlertLine is a toll-free, multi-lingual service that accepts anonymous reports and is accessible 24 hours a day, seven days a week. The service is available to all AMD employees worldwide.

Principles of Corporate Governance

AMD's Board has developed a set of Principles of Corporate Governance as a framework for its oversight activities devoted to protecting and advancing the long-term interests of shareholders and other stakeholders—including employees, customers, suppliers, creditors, and the communities where we operate. In accordance with AMD's Principles of Corporate Governance, a majority of members of the Board must meet the criteria for independence as required by applicable law and the New York Stock Exchange standards. All Board members except two – Dirk Meyer, CEO, and Waleed Al Mokarrab - meet the independence requirements. AMD's Principles of Corporate Governance are available on the Corporate Governance page at <http://www.amd.com/InvestorRelations>.

Worldwide Standards of Business Conduct

AMD's Worldwide Standards of Business Conduct (WWSBC) support our commitment to high ethical standards and compliance with laws, regulations, and company policies. These standards apply to all AMD directors and employees and are one of the key components of the company's compliance and ethics program. They reiterate our values and outline guidelines on a broad range of workplace, business practice and conflicts of interest principles such as employment and labor practices, privacy, employee safety and health, business and accounting practices, political activities and contributions, insider trading, antitrust laws, and the Foreign Corrupt Practices Act. The WWSBC are currently available in eight languages: English, Japanese, German, Malay, Chinese (Mandarin), Spanish, Portuguese and Russian. All employees worldwide receive copies of and training on the WWSBC. AMD's WWSBC are available on the Corporate Governance page at <http://www.amd.com/InvestorRelations>.

Code of Ethics

AMD's Code of Ethics supports the commitment of our Corporate Officers and key finance executives to the highest ethical standards and compliance with laws, regulations, and company policies applicable to corporate financial transactions, reporting and disclosure. Our executives are vested with the responsibility and in some cases, the authority to protect, balance and preserve the interests of the Company's stakeholders. AMD Executives fulfill this responsibility, in part, by prescribing and enforcing appropriate policies and procedures for the company's finance organization and by enforcing and adhering to the principles set forth in this code. AMD's Code of Ethics is available on the Corporate Governance page at <http://www.amd.com/InvestorRelations>.

Corporate Compliance Committee

AMD's Corporate Compliance Committee is the AMD internal group responsible for oversight of AMD's Worldwide Standards of Business Conduct (WWSBC) and related policies / procedures (e.g., Foreign Corrupt Practices Act, conflict of interest rules). The Committee was first approved by the AMD Board of Directors in 2005 and provides regular ethics/compliance activity reports and status updates to the Audit and Finance Committee.

Stock Ownership Guidelines

AMD believes that Executive Officers and members of the Board of Directors should own and hold common stock of the Company to further align their interests and actions with the interests of the Company's stockholders. Therefore, the Board of Directors adopted Stock Ownership Guidelines based on relevant market competitiveness. The guidelines specify the number of shares executives must own and vary according to officer level. AMD Stock Ownership Guidelines are available on the Corporate Governance page at <http://www.amd.com/InvestorRelations>.

Internal Audit

AMD's Internal Audit function is an Agent of AMD's Board of Directors with direct reporting responsibilities to the Board's Audit and Finance Committee as well as the Chief Financial Officer. The Internal Audit group brings a systematic, disciplined approach to such activities as risk management, systems and process controls, and governance processes to drive efficiency and consistency in our business processes and help organizations accomplish their objectives. The group has unrestricted access to all functions, property, records and personnel to conduct their reviews and make recommendations for improving or changing business practices and/or policies.

Perhaps most important, Internal Audit provides a fresh perspective to improving the quality and consistency of our systems, processes, and operations across the company.

Global Internal Controls and Compliance Organization

AMD's Global Internal Controls and Compliance Organization (GICCO) implements internal controls and processes based on assessment of AMD financial and supporting IT and business processes, assessment of risks to financial statements and related assertions. GICCO coordinates SOX activities from a financial management perspective

ensuring that financial risks are addressed by controls that are formalized and available for external and internal audits. GICCO coordinates management's approach to the Sarbanes-Oxley Act of 2002 (SOX), including scoping and risk assessment, and performs evaluation of SOX audit findings for financial reporting purposes. Annually, GICCO issues the AMD Internal Control Assessment Document (ICAD). GICCO further educates and trains employees about the SOX. Particular emphasis is placed on the importance of every employee's individual responsibility to help AMD reach SOX compliance and ensure the reliability of financial reporting and compliance with laws and regulations.

50x15 - Digital Inclusion with a Deadline

The 50x15 Foundation was formed in 2005 to create a partner-based, global initiative with the goal of enabling affordable Internet access and computing capabilities to 50 percent of the world's population by the year 2015. The Foundation's structure and governance model offer the flexibility and autonomy necessary to leverage the strengths and resources of diverse organizations to achieving the goals of 50x15.

The incredible social impact of technology is evident in the changes to education, communication, transportation, and business - particularly in the developed world. However, we understand that technology is only as powerful as it is accessible



and we recognize that approximately 80 percent (see Worldwide Internet Usage: <http://50x15.amd.com/en-us/>) of the world's

population do not have access to the Internet. We also recognize our obligation as a technology solutions provider to help break down barriers to technology adoption and provide a sustainable solution for digital inclusion.

In 2009, AMD is transitioning the day-to-day operations of 50x15 to the Foundation while remaining an active partner to ensure 50x15's sustainability and expansion. The Foundation will apply special focus to digital inclusion projects in Africa in 2009, a region where the economic, education and geographic conditions have consistently resulted in both impact and scale.

AMD Political Action Committee

The AMD Political Action Committee (PAC) was established in 2005 as a means for eligible employees and individual shareholders in the United States to participate in the political process and to help inform candidates about policy matters affecting the semiconductor industry and AMD. The bi-partisan AMD PAC is managed by a voluntary Advisory Board comprised of AMD employees. The Board has established and follows contribution guidelines that consider, for instance, candidates' elected representation of AMD employees, leadership on prioritized policy matters and voting history.

The AMD PAC regularly files public reports with the U.S. Federal Elections Commission (FEC) that contain information about contributions, expenditures and other operational matters. The public disclosure reports of the AMD PAC may be found on the FEC website.

www.fec.gov/

AMD remained on the Dow Jones Sustainability World Index in 2008, the Dow Jones Sustainability United States Index, and the Dow Jones Sustainability North American Index. Additionally, AMD remained on the Calvert Social Index[®]. All of these indices recognize companies with proactive policies and practices that meet globally recognized corporate



responsibility standards.

SOCIAL PERFORMANCE



The greatest assets of our company are the people who work here. AMD remains steadfastly committed to the health, safety and well-being of the engineers, technicians, sales, marketing and support professionals that make up our global workforce.

We live by our values of integrity and respect for people by embracing diversity, by encouraging a healthy balance of work and family life, and by supporting the communities in which we operate.

We know that our success is measured by our ability to positively affect the people around us and that starts at home.

- Helping People Succeed
- Employee Health & Safety
- AMD in the Community

HELPING PEOPLE SUCCEED

Approach

AMD was founded on the central belief of putting people first. The AMD workforce is our greatest asset and the ultimate source of our competitive advantage. Our company's strength depends on recruiting, nurturing, and retaining the best talent. With a culture formed around the values of respect for people, integrity, and responsibility, we maintain high standards in our human resource policies and practices and remain steadfastly committed to the health, safety and well-being of our workforce.

Policies and Practice

Creating an environment for innovation means fostering creativity and experimentation. Innovation happens when people feel free and open to think, act, and solve problems in new and different ways. We live our Corporate Values by embracing diversity, by encouraging a healthy employee balance of work and family life, and by supporting employees' mental and physical health, all with an unwavering commitment to basic human rights.

- Talent Management
- Diversity
- Compensation and Benefits
- Employee Performance Management
- Employee Education and Training
- Human Rights

Despite our best efforts, AMD has faced challenging business conditions for the past two years that led to a series of workforce restructuring activities during 2008 and into 2009. The combination of revenue shortfalls and an uncertain economic environment required us to take a close look at our cost structure which resulted in staff reductions. We reduced AMD's total workforce by 10 percent starting in mid-April 2008 and continuing into the third quarter of 2008. In November 2008, following a hard look at every program and activity across the company to ensure we were focused on only those activities that would yield the fastest path to profitability, we announced a further headcount reduction of approximately 500



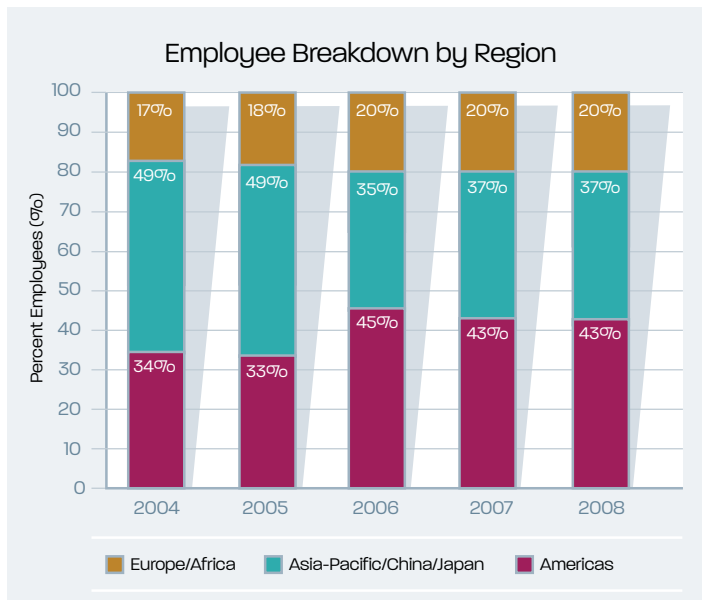
employees across various regions and organizations. Following a similar review in January 2009, we reduced the AMD “product company” global headcount by approximately 1,000 positions during the first quarter of 2009, including some by attrition and a previously communicated divestiture.

AMD offered eligible employees severance packages in line with industry standards and current regional employment regulations, and made every reasonable effort to reduce the hardships on impacted employees, such as providing, continued health care coverage for a prescribed period of time (depending on regional practices) and career transition services.

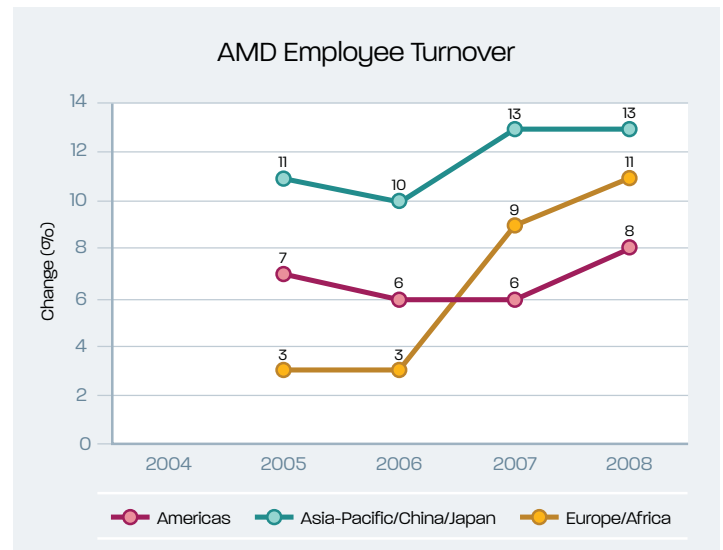
Talent Management

At AMD, our talent management activities support both the complex and dynamic nature of the semiconductor industry and the culture of AMD. We cannot execute on our business strategies without managing the flow of strategic talent to ensure that we have the right people with the right skills and capabilities in the right roles at the right time.

Identifying talent needs and skills has become a regular part of AMD’s business strategy discussions. We manage our talent pipeline through regular meetings with AMD’s senior executives and the human resource leaders for the business units to better identify and mitigate risk areas in our talent pipeline.

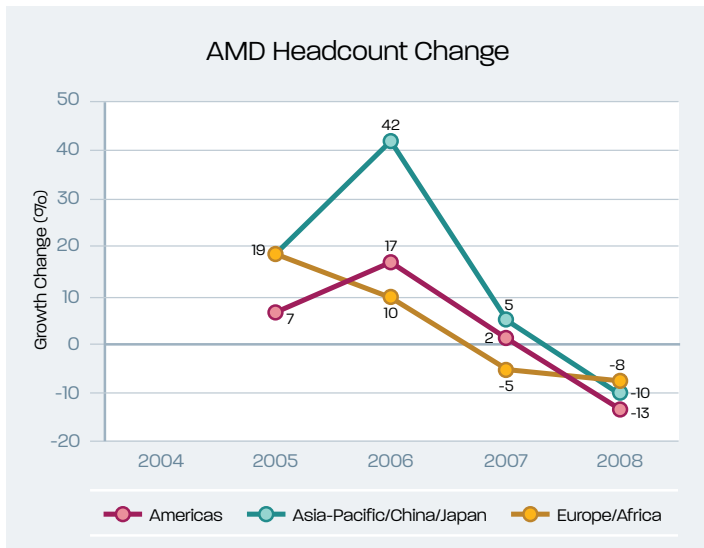


At the end of 2008, AMD employed approximately 14,650 people globally, distributed geographically as shown in the graph. Between 2005 and 2006 the geographic breakdown of our workforce changed appreciably with the divestiture of Spansion and the purchase of ATI Technologies. Since 2006, AMD’s workforce by geographic region has remained relatively constant. Changes in the organizational structure of the company with the sale of our Digital Television business to Broadcom (2008), the transfer of approximately 2800 employees to GLOBALFOUNDRIES (2009), and the sale of part of our handheld business unit to Qualcomm Incorporated (2009), has changed the regional distribution of our workforce. We expect the most significant change to be a reduction in the percentage of our workforce located in Europe with the transfer of employees to GLOBALFOUNDRIES.



Employee turnover reflects the percent of employees who voluntarily leave to pursue other opportunities or retire. As reflected in the graph, AMD’s global turnover varied by geographic region. In 2008, AMD’s employee turnover rate in Asia-Pacific/China/Japan remained unchanged from 2007 at 13 percent. AMD employee turnover in Europe/Africa and the Americas each increased two percent. The increase in the Americas to eight percent reflects only a slight upward trend when compared to 2004 when business conditions were significantly different and turnover was seven percent. Increased turnover the Europe/Africa reflects the challenge of competition in this region.

In 2009, we anticipate that employee turnover will level off as a result of the transfer of wafer manufacturing and associated personnel to GLOBALFOUNDRIES and improving business conditions expected in the second half of 2009.



Headcount change reflects the net increase or decrease in AMD employment. As reflected in the graph, all three geographic regions experienced a net decrease in headcount since 2006, a reflection of both challenging business conditions that resulted in headcount reductions and attrition.

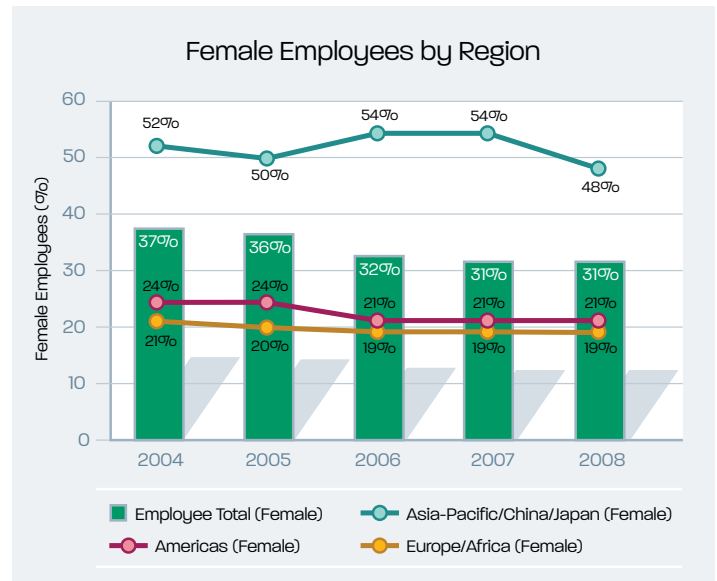
In 2009, we anticipate that employee turnover and headcount change will level with the transfer of wafer manufacturing and other personnel to GLOBALFOUNDRIES and anticipated business conditions expected in the second half of 2009.

Diversity

Just as AMD's technology represents an ideal combination of different design principles, AMD's workforce is comprised of minds drawn from all over the world. Honoring our employees as individuals is the cornerstone of our culture. We respect differences and diversity as qualities that enhance our efforts as a team.

AMD believes that diversity and cultural differences are qualities that enhance creativity and innovation. We seek talent from all over the globe and all walks of life to create a workplace where the sharing of diverse experiences, backgrounds, cultures, and points-of-view creates a better experience for our employees and better products for our customers.

In compliance with applicable laws and regulations, employee policies and processes are created and implemented to promote equal opportunity without regard to race, religion, age, ancestry, color, mental or physical disability, medical condition, gender, gender identity, sexual orientation, marital status, veteran status, family leave care status, political affiliation/status, third party affiliation, or national origin.



The female employee base at AMD has remained relatively unchanged for several years. Recent organizational changes may impact the distribution of female employees particularly in Europe. However, we do not expect a significant change in this distribution in the near future.

Compensation & Benefits

The nature of the semiconductor industry requires that the company maintain a talent pipeline by attracting and retaining a well-trained, highly-skilled, and highly educated workforce. To remain competitive, AMD constantly monitors the wage structure of the semiconductor and related technology industries at operating locations. AMD is committed to paying competitive wages and providing benefits that help foster employee health and financial security. Employee compensation is established in accordance with local laws and often adjusted for talent in high demand.

Eligible employees worldwide share in the company's success through a range of compensation programs. Global compensation programs include equity and bonus plans.

The company's competitive portfolio of employee benefits includes country-specific program offerings such as comprehensive coverage for health and dental care, retirement savings programs, holiday and vacation time, life and disability insurance, and a variety of work/life balance programs including family care leave, sick childcare assistance, and alternative work plans. Our employee benefits programs meet and often exceed that which is required by law.

AMD also promotes a learning environment through educational programs such as tuition assistance, and numerous internal employee and management development classes. AMD's employees also benefit from various types of employee assistance programs to help resolve personal and professional issues.

Employee Performance Management

AMD's Global Performance Management System creates a work environment that encourages and supports high performance individuals and teams. Through the performance management process, we communicate desired results to our employees, monitor progress, provide feedback and reward results. This process continuously improves organizational performance by raising performance standards, raising competency, and eliminating poor performance.

Employee Education & Training

Attracting and retaining a highly skilled and motivated workforce is critical to AMD's success. Providing opportunities for personal and professional development enhances the company's appeal in the competition for experienced workers and retention of valuable employees. AMD is committed to development programs, whether in prosperous or uncertain times.

AMD provides a wide array of technical, management, and leadership training programs for employees to enhance their knowledge and further contribute to the company's success. Learning and development initiatives are linked to specific business strategies and goals. Employees also have access to a variety of e-learning opportunities through internally and externally developed courses, including:

- **GlobeSmart®**, a Web-based tool that provides easy access to an extensive knowledge base on how to conduct business effectively with people from other countries.
- **Skillsoft®**, the largest e-learning vendor in the world offering thousands of e-learning courses, e-books, and executive summaries.
- Live, as well as on-demand, digital video presentations by some of the most renowned authorities in the fields of leadership and management such as Steven Covey, Jack Welch, Tom Peters, Marcus Buckingham, Peter Senge, Marshal Goldsmith, Rosabeth Moss Kanter, and many others.

The company provides a variety of programs for employee enrichment and development including:

- **Executive Assessment** to determine knowledge and skills development needed for VP and above
- **Executive Coaching** to build on strengths and address development needs and specific organizational issues
- **Mentoring** to enhance the development of new or less-experienced employees
- **First-line Supervisor Development** to educate new managers about legal, safety and environmental policies, and company products and markets

Management/leadership development is provided through the AMD Leadership Pipeline programs and processes:

- **License to Lead** for newly promoted managers
- **Experienced Manager Academy** for top talent experienced managers
- **Advanced Leadership Development Program** to accelerate our high potential talent to more senior levels of management
- **Directors Leadership Academy** to enhance the leadership skills and business acumen of all directors at AMD
- **MTS Leadership Program** to help AMD technical professionals increase their effectiveness as technical leaders and provide the core skills necessary for their position

In 2007/2008 the leadership of the company articulated a new competency model, centered on the enduring AMD values. The model defined roles, such as growing organizational capabilities, leading the organization and executing, as well as competencies and behaviors required for success at each management level, such as cultivating performance excellence, constructing scalable processes and operations, managing performance, problem solving/analysis and communication. The model also builds a common language for performance, clarifies expected behavioral requirements across various roles and functions, and creates a common foundation for all people processes.

HUMAN RIGHTS

AMD respects the rights of employees to associate freely. Our labor practices and policies are intended to attract, motivate, and retain talent. AMD strictly forbids child labor and forced/compulsory labor practices, which is consistent with our fundamental belief in honoring peoples' rights as individuals. Furthermore, AMD believes that cultural self-determination is an inalienable individual right to freely determine political status, and to pursue social, economic, and cultural development.

Our position on key human rights issues such as harassment, discrimination, working hours, forced/compulsory labor, child labor, compensation and freedom of association are addressed in AMD's Worldwide Standards of Business Conduct (WWSBC). The WWSBC apply to all employees and all employees receive a copy of and training on the standards. AMD's WWSBC are also aligned with the Electronics Industry Citizenship Coalition (EICC) Code of Conduct and the Institute of Supply Management's Principles for Social Responsibility.

AMD believes that open communication and direct engagement between workers and management are some of the most effective ways to resolve workplace issues. We support open communication through a variety of meetings between employees and management and through an open-door policy, without fear of reprisal, intimidation or harassment.



ENSURING A SAFE AND HEALTHY WORKPLACE

Approach

AMD is committed to providing a safe and healthy workplace for employees, contractors, and visitors, and a safe environment for neighboring communities. We aim to ensure a better tomorrow through responsible operations and providing opportunities for employees to achieve a healthy, balanced lifestyle. Health and safety professionals at each of our manufacturing facilities help ensure that a systematic approach to health and safety is an integral part of all our facilities' operations and culture. As a result, we have long been committed to the implementation of safe work practices and striving to ensure that our control processes are the best they can be.

Policies and Practices

For more than 10 years, our global EHS standards have required sites to conform to a consistent set of "best practices", in addition to meeting all applicable local, regional, and national requirements.

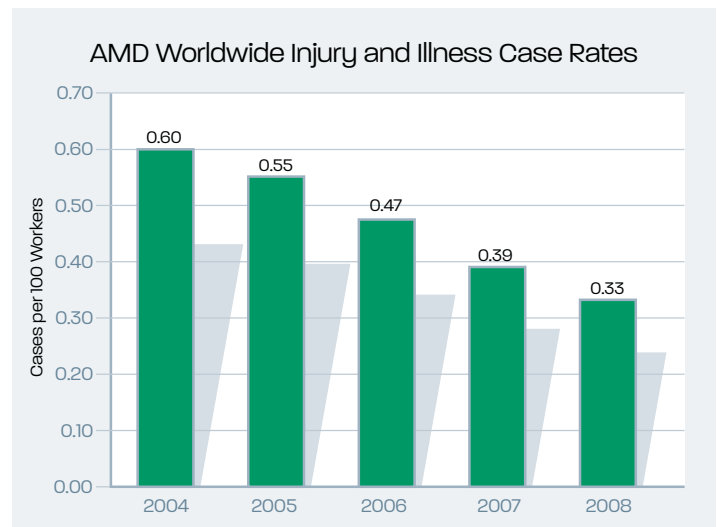
AMD's goal is to continually reduce occupational injury and illness case rates. We accomplish this through a variety of programs and processes that have been established based on industry

performance standards, regular review of the effectiveness of our programs and processes, and the commitment of our employees.

- Health and Safety Performance
- Health and Safety Standards
- Health and Safety Management System
- Well-being Program
- Industry Collaboration

Health and Safety Performance

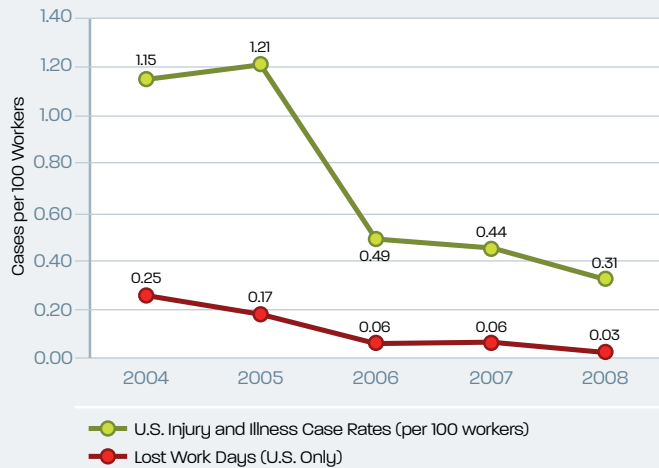
AMD collects and tracks a variety of health and safety performance indicators. These indicators are used to monitor trends and help determine changing or additional training needs for employee groups. Performance indicators such as Occupational Injury and Illness case rates and Lost Work Day case rates are based on U.S. Department of Labor Occupational Safety and Health Administration (OSHA) guidelines. With operations worldwide, AMD facilities in different geographic regions track occupational injury and illness statistics in



accordance with local laws. However, to ensure consistent external reporting, all AMD sites use the OSHA guidelines for reporting corporate data.

Overall, AMD reduced its global Occupational Injury and Illness case rate by 20 percent in 2008 compared to 2007. In the U.S., Occupational Injury and Illness and Lost Work Day case rates declined 42 percent and 50 percent, respectively, from 2007 to 2008. We believe the decrease is mostly attributable to continued focus and communication of AMD's EHS Standards, site programs, and ongoing injury and illness prevention activities at individual sites.

U.S. Occupational Injury, Illness and Lost Work Days Case Rates



In the U.S., Occupational Injury and Illness and Lost Work Day case rates declined 42 percent and 50 percent, respectively, from 2007 to 2008. We believe the decrease is mostly attributable to continued focus and communication of AMD's EHS Standards, site programs, and ongoing injury and illness prevention activities at individual sites.

AMD processors were trusted to power crash safety test simulations for almost two million new cars that hit the road in the U.S. in 2008

Health and Safety Standards

We have developed a comprehensive set of Global EHS Standards that apply to all our sites and operations worldwide. These standards address topics such as:

- Employee well-being
- Injury and illness prevention
- Emergency preparedness and response
- Electrical safety
- Equipment safety
- Chemical safety
- Ergonomics

The standards require each manufacturing site to develop and also maintain auditable programs to address worker health and safety.

Health and Safety Management System

Our experienced EHS professionals strive to ensure that potential hazards are identified and addressed throughout the life of our facilities, worldwide. Our management system approach to health and safety looks at all aspects of an operation to identify and manage potential hazards with engineering and administrative controls.

Aspects of our health and safety program include the following:

- AMD maintains programs to assist sites in ensuring compliance to local and regional EHS regulations and conforming to our AMD EHS Standards. We conduct periodic third party EHS regulatory compliance audits at our larger sites. Corrective action measures are documented and tracked through completion by Global EHS and site management. Periodic assessments of site programs and practices for conformance to our EHS Standards are also conducted. Deficiencies and best practice improvement opportunities are identified and tracked through completion.
- Prior to buying new manufacturing equipment, EHS professionals conduct a detailed evaluation of all safety features and any potential dangers. EHS works with both the manufacturer and AMD equipment engineers to address any deficiencies. We also have procedures in place to facilitate the safe installation and use of all equipment.
- Before a new manufacturing-process chemical is ordered, EHS professionals review and approve the chemical before it arrives on site. Based on the review, we ensure the necessary controls are in place to use and store the chemical safely, so that it does not pose a health risk to employees or to the community.
- Each of our manufacturing facilities maintains an Emergency Response Team that receives specific first responder training for medical, chemical and fire emergencies. The teams are comprised of employees from many different areas of the company who volunteer to receive the training and to voluntarily respond to emergencies as needed.
- We closely monitor the effectiveness of our control measures with the use of continuous gas monitoring systems in wafer fabrication areas and health surveillance programs designed to ensure that employees that have potential exposure to chemical or physical hazards are not adversely affected by their work environment.
- AMD employees receive training to carry out their job responsibilities safely and effectively. Our management

system is designed to provide all workers with effective instruction to maintain a safe and healthy workplace and to prevent industrial accidents, injuries, and illnesses.

- AMD's Well-being Council is a cross-functional group that drives broader cross-organizational collaboration to optimize and integrate the well-being of employees and the corporation. The Council focuses on five key elements to maintaining a healthy, well-balanced lifestyle: **Health, Nutrition, Fitness, Relationships, and Career.**
- Our health and safety practices are regularly reviewed and evaluated as part of a compliance audit process. Programs are evaluated against AMD's standard and applicable laws and regulations.

Our assembly, test, mark, and pack (ATMP) facilities in Penang, Malaysia; Singapore; and Suzhou, China have health and safety management systems that are certified to the Occupational Health and Safety Assessment Series 18001 standard. All of our manufacturing facilities maintain integrated environmental, health and safety management systems.

Well-Being Program

The health and well-being of our employees are fundamental to AMD's culture and success. At AMD, we know that employee well-being is a personal commitment - a choice - that is the key to positive emotional, physical, and mental health. For these reasons, we are committed to providing a variety of resources our employees need to help them achieve a balanced state of well-being. Information and articles related to well-being are a regular feature in our employee communications.

- **Health** - AMD offers a variety of health promotions and benefits throughout the year.
 - Screening programs such as cholesterol and glucose are offered each year.
 - Each fall, free flu immunizations are provided in North America.
 - On-site travel clinics at several locations provide immunization and illness prevention for our international travelers. International SOS is available if our employees traveling internationally have a medical emergency far away from home.
 - Ergonomics evaluation for furniture and equipment selection and purchases.

- CBT (computer based training) course to educate employees about good ergonomic principles as well as how to properly adjust their computer, laptops, computer workstations and other equipment to minimize the risk of injury.
- As part of AMD's injury and illness prevention program, early reporting of work-related injuries is required and immediate intervention is provided.

- **Nutrition** - AMD cafeterias offer a wide variety of healthy options such as:
 - Healthy menus
 - Healthy grab and go kiosks
 - Organic foods
 - Fresh foods
 - Fruit

Nutrition awareness is supported by wellness articles featured on AMD's Intranet and cafeterias at some of our facilities provide menu selections that are labeled with nutritional content.

- **Fitness** - Throughout the year, physical fitness is encouraged through a variety of programs and benefits:
 - Step It Up Walking and Be Lean programs that promote physical activity and weight management.
 - Health and fitness promotion activities such as Bike to Work week, National Fitness Day, World Health Day or other activities promoting fitness.
 - Fully equipped fitness centers are available at many locations and membership is free.
 - Collaborating with AMD's **Go Green** Program to promote walking and biking to work.
 - Collaborating with AMD's sponsorships to promote the Lance Armstrong Foundation Live**STRONG** Challenge. In 2008, AMD Austin and Sunnyvale teams had approximately 150 members bike, run or walk in the event. The teams raised more than \$50,000. In preparation for the event, the AMD fitness centers put together training programs and other useful information to help the beginner walker to the avid biker prepare for this challenge.

- **Relationships** - Balancing all aspects of our lives includes our personal and professional relationships. AMD's Global Employee Assistance Program (EAP) understands the many challenges employees face, such as relationship issues, change and stress management, substance abuse, depression, parenting concerns and simply finding a balance between work and home. Stress, anxiety, worry, and aggression have all increased in recent years, often the result of work/life balance issues, financial conditions or business conditions. To address this growing health concern, the Global EAP offers stress reduction and stress management seminars and webinars as well as individual counseling. Additionally, many of our locations offer private areas/rooms for employees to decompress, meditate or pray.
- **Career** - Many people associate well-being with health and nutrition. However, career is an equally important element of well-being – especially considering today's predominantly career-centric society. Career development is critical to having an engaging, meaningful and rewarding work experience. AMD offers a wide variety of resources through our Learning and Development department to assist with personal and professional development. For more information about AMD's career development opportunities see Careers. <http://careers.amd.com/en-us/default.aspx>



AMD IN THE COMMUNITY PUTTING PEOPLE FIRST

Approach

AMD is built upon the value of putting people first—our employees, our customers, our shareholders, our neighbors and our communities around the world. Our first priority is to invest in long-term programs, primarily in education, that promote successful communities and an improved quality of life. We have a long-standing heritage of strategically investing our core assets of time, money, technology, and volunteer expertise in organizations to help solve issues at the local level. As a result, our involvement helps strengthen our communities while enriching the lives of thousands of AMD volunteers around the globe.

Policies and Practices

AMD first recognized the importance of investing in communities more than 25 years ago, when the company's board of directors voted to set aside funds for charitable contributions. Since then, AMD has maintained a strong commitment to our communities worldwide, even during challenging financial times.

- AMD Foundation
- Corporate Contributions
- Employee Involvement
- University Education

Education is the primary focus for our community support and strategic philanthropy. As the great equalizer, education improves a community's quality of life by opening doors for its youth and creating a sustainable economic climate for years to come.

Industry Collaboration

We actively participate in industry-wide efforts to promote and improve responsible EHS management and policy development. AMD's EHS professionals also maintain a presence at both national and local levels in professional groups like the Semiconductor Environmental, Safety and Health Association, and the American Association of Occupational Health Nurses.

We have also been involved in major industry worker health studies, such as an SIA-funded study performed by researchers from the University of California at Davis that evaluated reproductive health concerns in the semiconductor industry. Based on the study's findings and recommendations, which were published in 1992, we voluntarily eliminated the use of certain ethylene-based glycol ethers because of the suggestion that the use of such chemicals may involve reproductive risk.

In late 2004, the SIA decided to proceed with a full retrospective epidemiology study focusing on cancer risks to those working in the semiconductor industry. On August 2, 2005, the SIA announced the selection of Vanderbilt University to conduct the study. AMD is an active participant in the process. The study is scheduled to be completed in 2010.

AMD strategically invests in all levels of education – primary/secondary and university - to support the development of science, technology, engineering and math (STEM) skills necessary to navigate an ever-increasing technology driven world. AMD Changing the Game, an initiative of the AMD Foundation, promotes the use of youth game development as a tool to inspire learning and improve STEM skills.

We contribute primarily to organizations that enhance education initiatives but we also support programs in our communities that contribute to their overall quality of life. We use a variety of vehicles to support our commitments to education and quality of life.

AMD FOUNDATION

In 2008, AMD formed the AMD Foundation with a mission to connect and empower individuals with knowledge, thereby opening doors to opportunity. Foundation assets are specifically invested in the

following areas through 501(c)(3) nonprofits and schools that are located near a major AMD site.

The 50 million Wii™ consoles shipped to date use AMD graphics technology

AMD Changing the Game

AMD Changing the Game is an initiative of the AMD Foundation that is designed to help youth harness the power of digital games with social content, while learning critical education and life skills. Through the process of developing and playing their own issue-themed games, AMD Changing the Game participants can improve STEM skills and possibly pursue a career one day in game development or a similar technical field.

Promoting IT Technology for Social Benefits - AMD Changing the Game

The AMD Foundation launched AMD Changing the Game in June 2008 to help educate young people and effect positive social change in an increasingly technology-driven society. AMD Changing the Game capitalizes on the dynamic entertainment and educational potential of digital gaming. By working with nonprofit organizations, foundations and other companies, AMD Changing the Game uses digital game design to teach youth between the ages of 13 and 18 essential STEM (science, technology, engineering, and math) and life skills.

In January 2009 AMD announced the availability of Let the Games Begin: A Toolkit 4 Making Social Issue Games, The toolkit is designed to help nonprofit organizations create social issue games on such topics as the environment, energy consumption, poverty and health. Produced by Games for Change with support from the AMD Foundation's AMD Changing the Game initiative, the toolkit includes examples of successful games with social content as well as in-depth presentations by key game-design experts. The toolkit is free of charge and available at www.gamesforchange.org/ toolkit. To learn more about AMD Changing the Game go to <http://www.amd.com/changingthegame>



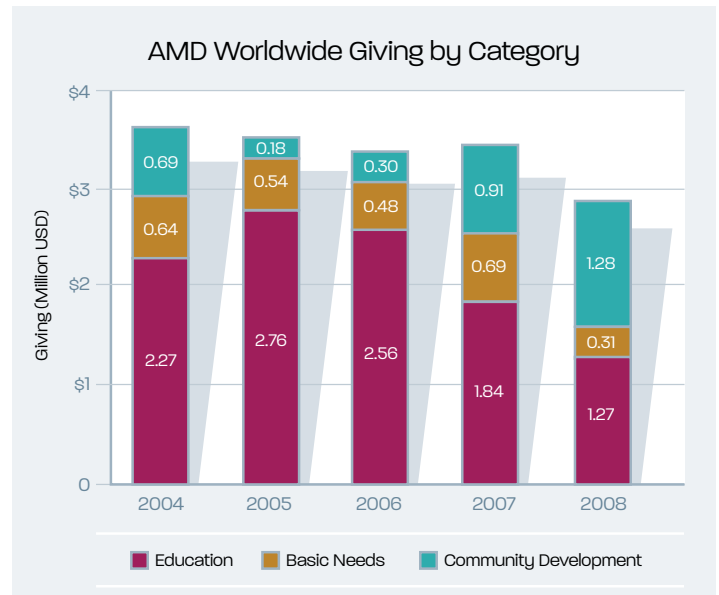
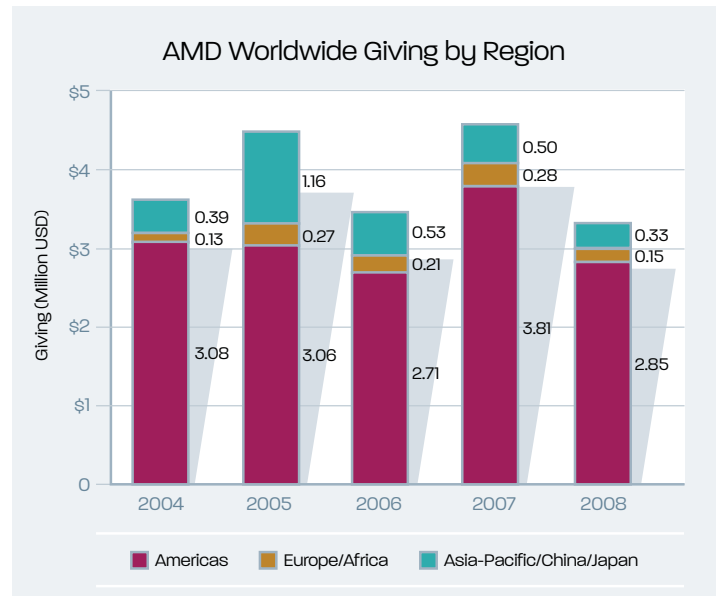
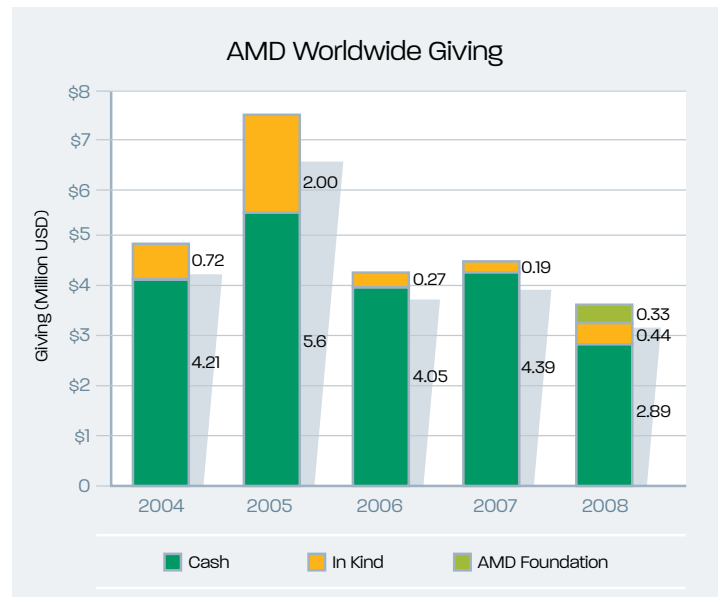
AMD Employee Giving Program

AMD supports employees' community interests by matching their personal donations of time and money to local organizations and schools. Through the Grant Incentive for Volunteer Efforts (GIVE) program, AMD contributes a grant to eligible organizations for up to \$15 per hour that our U.S.- and Canada-based employees and their spouses spend volunteering. AMD also matches employee contributions to broaden their impact through the Matching Gifts program. As part of this program, AMD matches 50 percent of the first \$3,000 in charitable contributions made by each employee in a calendar year. Some major AMD sites in locations other than the United States and Canada have also implemented their own employee giving programs that are tailored for their region.

Corporate Contributions

AMD contributes annually through grants and AMD-based technology donations to support critical services administered by nonprofit organizations, schools and universities located near AMD facilities in communities throughout the world. The majority of our donations target existing programs with longstanding community partners. We also proactively seek out new opportunities with local organizations that creatively help support our giving areas.

In some cases, AMD donates goods or products to fulfill a specific charitable need in the community. In 2008, we donated reusable



technology, equipment and furniture, as well as other in-kind contributions around the world.

In 2008, our global grants (direct) and in-kind contributions totaled \$3.3 million while contributions through the AMD Foundation totaled \$330,000. Approximately 50 percent of our total global contributions in 2008 were directed toward education with the remainder directed toward a variety of quality of life initiatives.

Employee Involvement

An essential element of AMD's approach to community involvement is employee volunteerism. We encourage our employees to volunteer, and AMD supports their efforts in a variety of ways—by coordinating company-sponsored volunteer events, connecting employees with volunteer opportunities in their local communities, and matching employees' charitable gifts of time and money.

In addition to participating in AMD-sponsored volunteer events, many of our employees around the world regularly give their personal money, time, and talents to enrich their local communities. Our employees in the U.S. and Canada can find rewarding volunteer opportunities located near their home, office, or even virtually using AMD's online tool, Volunteer Match, with a database of more than 30,000 activities. In other locations, AMD employees organize volunteer projects with local nonprofit organizations.

In 2008, AMD employees contributed 6522 hours of their personal time in support of education and quality of life initiatives and donated 1592 units of blood through on-site blood drives. This level of involvement equates to seven percent of the AMD workforce volunteering in one or more initiatives.

	2004	2005	2006	2007	2008
Volunteer Hours	7167	9476	4305	6852	6522
Units of Blood Donated	2794	2448	1233	1267	1592

University Education

At the university level, AMD funds numerous programs via contributions, faculty endowments, student scholarships and the use of AMD technology. In 2008, our contributions to university education included more than \$690,000 in grants and approximately \$10,000 in in-kind contributions.

In North America, we have an active university co-op program, bringing students from local and national universities into the workplace, and AMD employees serve as adjunct faculty, guest lecturers and advisory committee members to bring real-world technology to the classroom. AMD also works with other companies, non-governmental organizations, and governments to support engineering and technical curricula that will help educate and empower the next generation of innovators.

ENVIRONMENTAL PERFORMANCE - AMD GREEN



OUR COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

AMD Green is our integrated environmental, health and safety stewardship commitment that encompasses AMD products, operations and employees. It is our commitment to customers, partners, communities and employees to pursue performance-per-watt leadership, energy efficiency, and environmental responsibility in our products and operations.

AMD actively participates in industry-wide efforts to promote and improve responsible EHS management and policy development. This dedication to environmental stewardship influences our products, operations, and employees in collaboration with partners around the world.

- **Products:** Designing processors and chipsets that use less power and generate less heat for a smaller environmental footprint, yet provide stellar performance-per-watt.
- **Operations:** Designing and operating our global facilities as responsible environmental stewards, by achieving LEED Gold certification for our new Lone Star campus in Austin, Texas (USA) and powering the AMD Dresden (Germany) site (now a

part of GLOBALFOUNDRIES) with ultra-efficient tri-generation plants.

- **Climate Protection:** Maintaining a well-defined strategy for reducing our impact on the global climate.

AMD's Global Climate Protection Plan, published annually since 2001, demonstrates our dedication to reducing our impact on the environment. AMD was honored to receive the 2008 Climate Protection Award from the U.S. Environmental Protection Agency for our continued commitment to protecting the global climate through energy-efficient product innovation, facility design and management, and industry education.

Environmental, Health and Safety Management Systems

AMD is committed to reducing the impact of our operations on the environment and providing a safe and healthful workplace for our employees. We maintain management systems at our manufacturing facilities that are based on a single set of global environmental, health and safety (EHS) standards. These performance-based standards are the foundation of EHS management systems at each of our manufacturing facilities and are applied equally across our operations.

Periodic assessments are conducted to determine the conformance of manufacturing facility operations to our global standards. These assessments are often coordinated with periodic compliance audits and audits for management system certification. Corrective actions identified during any assessments or audits are managed until closed.

All AMD owned and operated manufacturing facilities are certified to the International Standards Organization's 14001 standard for Environmental Management Systems. Additionally, several of our manufacturing facilities are certified to the Occupational Health and Safety Assessment Series 18000 for health and safety management systems.

Each of our manufacturing facilities tracks a variety of operational indicators such as energy and water consumption, waste generation, air emissions and other metrics relevant to measuring operational performance from an EHS perspective. We maintain a central database for managing this information and share this data with other internal stakeholders to identify and track continuous improvement opportunities.



PRODUCT STEWARDSHIP

Design for Environment, Health, and Safety at AMD

Approach

As a leading global provider of innovative solutions for the computing and graphics markets, AMD strives to provide platforms and products that are designed with consideration for environmental, health and safety (EHS) factors to help customers decrease the EHS impacts of their final products.

Policies and Practices

Design for Environment, Health, and Safety (DfEHS) is a general design principle that integrates environmental, health and safety considerations into design processes to decrease a product's overall EHS impact along its life cycle.

AMD applies DfEHS strategies beginning with research and development programs and continuing into the design of manufacturing technologies. These strategies also are integrated into product design, where we can have the greatest influence on the products' EHS impacts.

Including EHS considerations into the product design can reduce a product's impact during both the active use phase (by decreasing its energy consumption, for example) and at end-of-life (through reducing or eliminating hazardous substances contained in the product).

Designing a product to reduce EHS impacts requires consideration of many issues during the overall design process, including the following key aspects:

- **Product Energy Efficiency** – Designing the Circuit
- **Product Content** – Choosing Material for AMD Products
- **Product Extendability and End-of-Life** – Product Life Cycle Considerations
- **Product Packing** – Designing the Packing for Shipping AMD Products

As a component manufacturer, AMD's products are not eligible for currently available eco-labels, such as Energy Star. However, AMD products can enable our customers to achieve eco-labels such as Energy Star and to comply with green procurement programs such as EPEAT.

Product Energy Efficiency

AMD is dedicated to developing platform solutions that deliver superior performance-per-watt to reduce energy use, increase power efficiencies, and solve customer problems. We believe this focus on power consumption is not just good for AMD, but for the industry, and for consumers and customers who care about a sustainable future.

The challenge of global climate change and the need to ensure a sustainable future in the face of increasing material and energy constraints are resulting in increased media attention and consumer awareness. As part of this awareness, the energy consumption of computers has received increased attention because of practical

considerations, such as the desire for ever-increasing battery life in mobile platforms, as well as governmental initiatives that drive the development of increasingly energy-efficient products.

As the world's focus on the importance of climate protection and energy efficiency grows, AMD continues to make energy efficiency a priority for our products as well as our facilities and operations. Advances in technology result in proven, measurable benefits for businesses and consumers, including decreased carbon emissions, reduced power usage and greater energy security.

More detailed information about AMD's overall climate strategy including our product energy efficiency initiatives is available in AMD's Global Climate Protection Plan.

Product Content

Material content is the greatest contributor to a component's potential end-of-life EHS impact. As such, it's a constant focus for AMD. Because our products (microprocessors, graphics processors, graphics cards, chipsets, etc.) require ultra high purity input materials, the use of recycled materials as a manufacturing input is rarely feasible. Materials used in manufacturing AMD products are closely monitored and managed to meet regulatory requirements and customer needs.

- **Lead** - Lead in electronic products has come under increased regulatory scrutiny due to the growing number of electronic products requiring end-of-life treatment and disposal. AMD began formulating a strategy to address lead and other substances of concern in 1999 and offers products that are compliant with the European Union and China RoHS restrictions. AMD is partnering with its suppliers and investing engineering resources to introduce "Lead-Free" products to the market. To qualify as "Lead Free", a part/product must not contain lead above 1000 ppm in homogeneous materials within the part/product, as defined in the EU RoHS (Restriction of Hazardous Substances) directive, 2002/95/EC.
- **REACH** - In addition to lead, AMD is actively addressing other chemical regulatory requirements, such as the European Union's Registration, Evaluation, Authorization and restriction of Chemical substances (REACH) law. These requirements primarily affect material suppliers and wafer manufacturing operations, and we are collaborating with our supplier partners to address REACH requirements.

Halogens – In 2007, AMD developed a strategy and roadmap to identify halogen-free alternatives to existing materials

for products introduced in 2009 and beyond. Over the last two years, AMD has been actively evaluating and testing alternative materials to ensure product performance, quality, and reliability. Beginning in early 2009, new microprocessor products introduced by AMD are Halogen Free, where "Halogen Free" is defined as complying with the restriction of brominated and chlorinated compounds per the IEC 61249-2-21:2003 standard (no other halogens – fluorine, iodine, or astatine – are restricted in this standard). To qualify as "Halogen Free", a part/product must not contain concentrations of bromine or chlorine above the threshold level (900ppm bromine, 900 ppm chlorine, 1500 ppm bromine and chlorine) for each homogeneous material within the part/product.

- **PFOS and PFOA** - Perfluorooctane sulfonate (PFOS) and Perfluorooctanoic acid (PFOA) are contained in small amounts in some photoresists and antireflective coatings (ARCs) used to make AMD products. When the U.S. Environmental Protection Agency (EPA) began investigating the potential environmental and health concerns related to PFOS in 2000, AMD took the issue of PFOS very seriously. Through our participation in external consortia, we are funding research and development focused on developing alternative materials, as well as enhancing environmental management practices. We are also participating in the World Semiconductor Council's worldwide voluntary commitment to reduce use and emissions of PFOS.

Product Extendibility and End-of-Life

In addition to reducing a product's end-of-life impact through product content considerations, AMD products can also extend the useful life of computers and motherboards.

With the introduction of the AMD Opteron™ and AMD Athlon™ 64 microprocessors in 2003, AMD began offering customers a sustainable computing solution capable of addressing their current and future needs on the same system, thereby extending the useful life of that system. AMD64 technology allows users to run both 32- and 64-bit applications on the same computing platform.

AMD's common core strategy and same socket technology is our strategic initiative dedicated to extending the life of computing platforms and infrastructure. For example, Quad-Core AMD Opteron processors are designed to minimize changes to software and data center infrastructure to protect IT investments, prolong hardware life, and simplify IT management. Our Same Socket Technology enables seamless hardware upgrades from our Dual Core AMD Opteron to the Quad-Core AMD Opteron, as well as our upcoming six-core AMD

Opteron processor that improves hardware longevity. In June 2009, we launched the industry's first x86 six-core processor for 2-, 4-, and 8-socket servers, the Six-Core AMD Opteron. This new processor is designed to offer a substantial performance leap compared to previous AMD products. With the same socket infrastructure, customers with existing AMD Opteron processors will essentially drop-in the Six-Core AMD Opteron, load a new BIOS and upgrade their dual- or quad-core servers to six cores, thereby dramatically increasing the utilization of their data center while saving time, costs and environmental impacts by increasing performance and overall value to the customer.

Product Packing

In the semiconductor world, "packing material" refers to the material used to protect AMD's products when they are shipped to customers. Our designers seek out environmentally preferable packing materials and methods to minimize packing materials that meet product protection, cost, material properties (like electrostatic dissipative protection), and compliance with industry standards.

We specify the packing materials used for our products, including recycling of materials and use of recycled content for our packing materials. We have requirements that limit the presence of certain heavy metals, such as lead and cadmium, marking plastic parts with the appropriate SPI (Society of the Plastics Industry) International Resin Codes and using water-based inks and dyes. Additionally, products shipped to OEMs are often shipped in recyclable trays. We use unbleached cardboard boxes for shipping products, and we transitioned from Polyvinyl Chloride (PVC) to cardboard for the outer packing of our Processor-In-a-Box product. AMD no longer employs PVC in our packing materials.

SUSTAINABLE MANUFACTURING AND OPERATIONS

Approach

Incorporating EHS considerations into our overall operations helps minimize our environmental footprint while providing a safe and efficient operating environment. AMD has adopted LEAN techniques intended to reduce waste and improve cycle time across all functions and departments within AMD, including manufacturing. Manufacturing processes are continually evaluated to improve efficiency and reduce costs.

Policies and Practice

Environmental information is collected from company-owned and operated assembly and test, major research and development and major administrative/design sites worldwide, as well as AMD wafer foundry operations. Electricity use, water use, and waste generation are the primary environmental performance indicators we use to show the company's overall environmental performance. These and many more indicators are collected and evaluated annually with the help of our global EHS data management software.

AMD has utilized a normalization factor for the company's wafer manufacturing operations to measure relative changes in key environmental data as a function of manufacturing. The normalization factor is a Manufacturing Index (MI) derived from the number of wafers processed, the complexity of the fabrication process, and the wafer size. Normalized environmental data is used to compare year-to-year resource efficiency for AMD's aggregated worldwide and some single-site operations. Wafer manufacturing data is used for normalizing worldwide data because these processes are resource intensive and dominate the environmental key performance indicator measurements. Direct site-to-site comparisons are less meaningful due to differing types of products, product complexity, facility design, and other operations performed at each site. Water use, electricity use, and waste generation are normalized because these data are most affected by increases or decreases in our production processes. With the transfer of our wafer manufacturing to GLOBALFOUNDRIES, we expect to develop a new normalization factor for AMD.



Go Green is AMD's comprehensive commuter benefits program. Employees choose between five modes of alternative commutes: carpool, vanpool, cycle, transit and connect (telecommute). Using the web-based GreenRide[®] software program, commuters are able to quickly search for bike routes and bike buddies, carpools and vanpools, and other transit options. Go Green has avoided approximately 1.4 million miles of driving since July 2007. Participants rideshare, take public transit, bicycle and/or telecommute to protect the planet and save money. Other results: 1.3 million pounds of CO₂ emissions avoided, 70,000 gallons of fuel conserved and an estimated \$800,000 of driving costs saved. For more details on our Go Green program see AMD's Global Climate Protection Plan. http://www.amd.com/us-en/assets/content_type/DownloadableAssets/2008_GCPP.pdf

For the purpose of this report, we have segregated our data into several different categories defined by the type of activities that occur at the facility:

- **Wafer Manufacturing** – In 2008, AMD's wafer manufacturing facilities included AMD Fabs 36 and 38 located in Dresden,

Germany, which manufacture microprocessor wafers.

AMD Fabs 36 and 38 became part of GLOBALFOUNDRIES in March 2009. In addition to AMD-owned and operated wafer manufacturing facilities, we subcontract with wafer foundries to supplement our internal production output. In 2009 and beyond, AMD will rely on subcontract foundry operations for all wafer manufacturing.

- **Assembly, Test, Mark & Pack (ATMP)** – ATMP facilities perform assembly, test, mark, and/or pack services for AMD products. AMD owns and operates these facilities at three locations in the Asia-Pacific region - Penang, Malaysia; Singapore; and Suzhou, China. These facilities are unique with respect to resource use and waste generation. Water and chemical use is relatively low and the use of these resources does not correlate well with manufacturing output. Conversely, energy use is most dependent upon the testing sequence and complexity of the product. In general, more complex products require more complex and energy-intensive testing sequences. Variability in the types of products processed at each site makes defining a meaningful normalization factor difficult. Consequently, resource use and waste generation data for these individual sites have not been normalized.
- **Non-Manufacturing** – AMD designs microprocessor and graphics products at several different facilities worldwide. However, for the purpose of this report, we have included our large design facilities and administrative offices in Austin, Texas and Markham, Ontario, as well as our corporate headquarters and design center located in Sunnyvale, California.

Subcontract manufacturers supplement our internal microprocessor wafer manufacturing and assembly and test capacity. Our graphics products are outsourced to subcontract manufacturers and ATMP providers. Because these facilities are outside of our operational control, AMD includes limited subcontract manufacturer information in our environmental performance data. We are evaluating Scope 3 emissions data from our foundry suppliers.

Our Sustainable Manufacturing and Operations program is comprised of three general areas, all addressed in the following sections:

- Measuring Performance
- Design for EHS in Manufacturing Technology Design
- Green Building

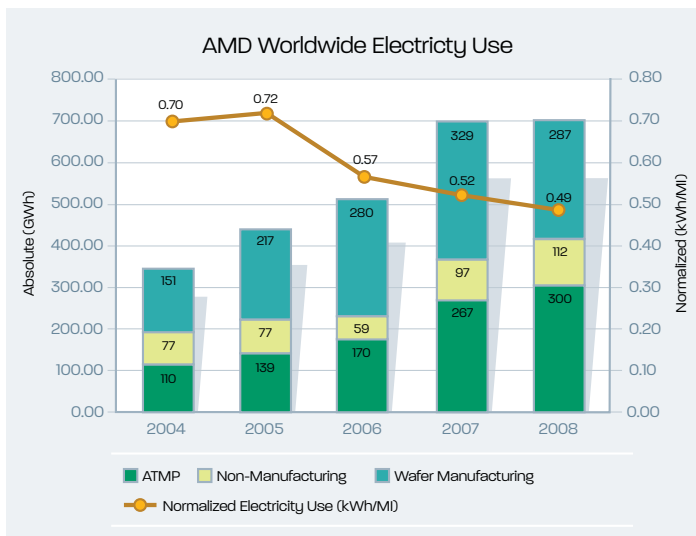
Measuring Performance

AMD is committed to operating our facilities efficiently and to identifying and pursuing resource conservation and pollution

prevention opportunities. We have established worldwide goals to help drive continuous improvement. Our initiatives cover operations at AMD sites all around the world.

We have also established greenhouse gas reduction goals. Detailed information about these goals is available in our section on Global Climate Protection Goals.

- Electricity Conservation** - Most of AMD's energy use is in the form of electricity, with a smaller portion coming from on-site fuel consumption, steam, and cooling and heating water lines. Because both fossil fuel extraction and the generation of electricity impact the environment, we continually look for opportunities to decrease the amount of electricity consumed, and use electricity from more efficient and renewable sources.



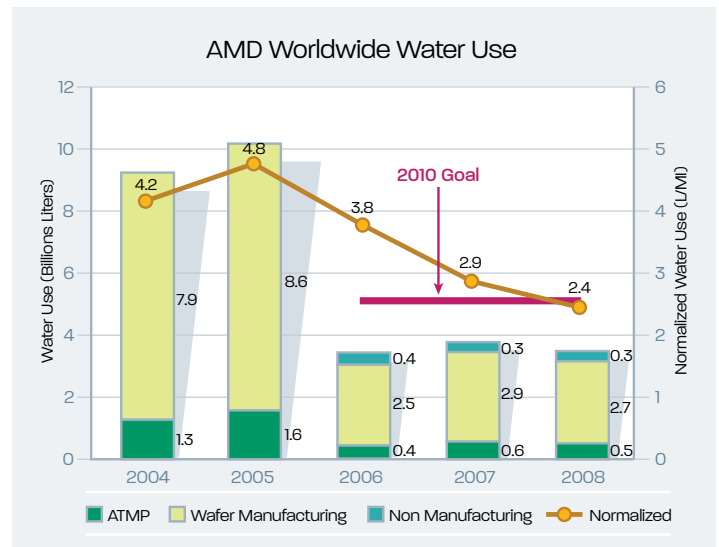
Eighty-four percent (84%) of AMD's 2008 electricity use is attributable to wafer manufacturing operations (now a part of GLOBALFOUNDRIES) and Assembly Test Mark and Pack (ATMP) operations. Electricity use in 2008 remained relatively unchanged at 699 GigaWatt-hours (GWh) compared to 692 GWh in 2007, despite an increase in manufacturing index in Dresden, Germany. Normalized electricity use declined seven percent in 2008 compared to 2007 demonstrating an increase in operational energy efficiency. Our manufacturing sites continue to identify and implement energy conservation opportunities such as the optimization of chillers in Penang, Malaysia, more efficient use of waste heat in Dresden, Germany, and lighting retrofits in Markham, Ontario. For more specific information on AMD's worldwide electricity use and associated energy conservation projects, please refer to AMD's Global Climate Protection Plan.

AMD's electricity use will drop significantly in 2009 as a result of the transfer of wafer manufacturing operations to GLOBALFOUNDRIES. Additionally, since AMD's manufacturing index is based on wafer manufacturing productivity, we anticipate defining a normalization factor that is aligned with AMD's future operations.

For more detailed information regarding energy conservation at AMD including site initiatives, please refer to our Global Climate Protection Plan.

Water Conservation - AMD uses water at all of its sites for normal sanitary, cafeteria, and facility upkeep. Water for all of our manufacturing operations is obtained from municipal sources. None of AMD's manufacturing sites have on-site wells.

Most of our water use occurs in the wafer fabrication process. Wastewater from our wafer fabrication process generally requires simple pH adjustment prior to discharge to local water treatment plants.



Manufacturing Water Use Reduction Goal: Achieve a 33 percent reduction in normalized water use by 2011, against a baseline of 2006.

Goal Progress: The graph shows absolute and normalized water use from 2004 through 2008. Absolute water use declined eight percent compared to 2007, returning to near 2006 levels. Normalized water use decreased 36 percent from 2006 to 2008, achieving our goal. The decrease was attributable to increased production at our 300 mm wafer manufacturing facilities in Dresden, Germany, which came on line in late 2006 and uses even more water efficient technologies than older fabs.

The significant drop in water use from 2005 to 2006 reflects the divestiture of Spansion which included several water-intensive wafer manufacturing operations.

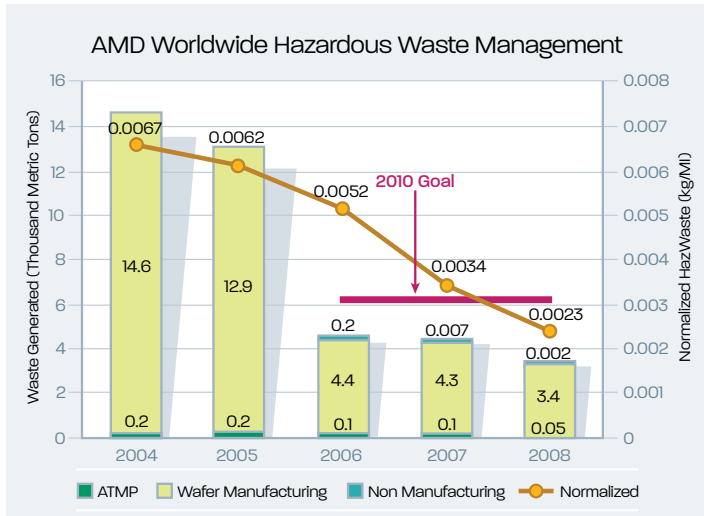
In 2009, AMD's water use is expected to decline significantly, as a result of the transfer of wafer manufacturing operations to GLOBALFOUNDRIES.

Additionally, since AMD's manufacturing index is based on wafer manufacturing productivity, we anticipate defining a normalization factor that is aligned with AMD's future operations. For more detailed information regarding water use and conservation at AMD, please refer to the Performance Indicator Table at www.amd.com/corporateresponsibility

Hazardous Waste Reduction

AMD's manufacturing processes produce a number of waste streams that are classified as hazardous by local and national regulations. We are continually looking for ways to reduce the amount of waste produced and increase the amount of waste recycled.

Hazardous waste reduction is just one element of the pollution prevention and resource conservation programs established at each AMD site to reduce the generation of waste and the consumption of raw materials and natural resources.



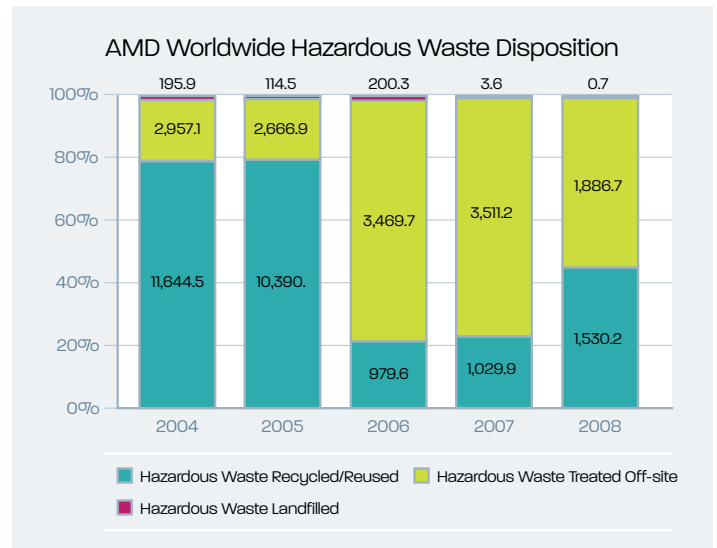
AMD Global Hazardous Waste Reduction Goal: Reduce normalized hazardous waste generation 40 percent by 2011, against a baseline of 2006.

Goal Progress: The above graph shows absolute and normalized hazardous waste generation. Absolute hazardous waste generation declined 25 percent in 2008 compared to 2007. Hazardous waste generation normalized to production decreased 30 percent in

2008 compared to 2007 and 54 percent compared to 2006, effectively achieving our goal. The decrease in normalized hazardous waste generation is attributable to a combination of decreased generation of hazardous waste and increased production at our wafer manufacturing facilities in Dresden, Germany (now a part of GLOBALFOUNDRIES).

Due to the divestiture of wafer manufacturing to GLOBALFOUNDRIES in 2009, we anticipate another precipitous drop (greater than 90 percent) in hazardous waste generation, even greater than the change shown in the graph from 2005 to 2006, which was the result of AMD's divestiture of Spansion. Additionally, since AMD's manufacturing index is based on wafer manufacturing productivity, we anticipate defining a normalization factor that is aligned with AMD's future operations.

AMD Global Hazardous Waste Recycling Goal: Increase the amount of hazardous waste recycled by 25 percent (as a percent by weight of total hazardous waste generated) by 2011 against a baseline of 2006.

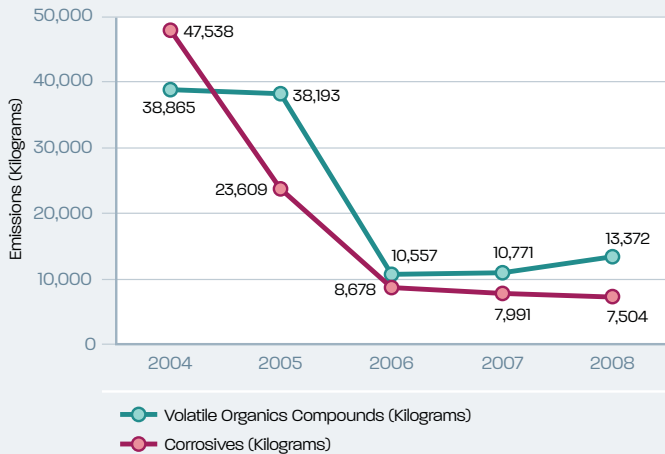


Goal Result: AMD recycled 45 percent of the hazardous waste generated in 2008, representing an increase of 24 percent when compared to 2006 where 21 percent of hazardous waste was recycled.

For more detailed information regarding hazardous waste generation and disposition at AMD, please refer to the Performance Indicator Table at www.amd.com/corporateresponsibility

- **Air Emissions** - Our manufacturing operations result in volatile organic compounds (VOC) and corrosive emissions. Emission control technologies such as thermal oxidation and scrubbers are used to treat permitted emissions. We work closely with the regulatory agencies to ensure that all emissions from our manufacturing operations are properly permitted and that

AMD Worldwide VOC and Corrosive Air Emissions



necessary control technologies are in place to meet permit conditions.

AMD closely monitors air emissions. In 2008, our VOC emissions increased 24 percent due primarily to increased wafer manufacturing activities in Dresden, Germany, while corrosive air emissions decreased six percent.

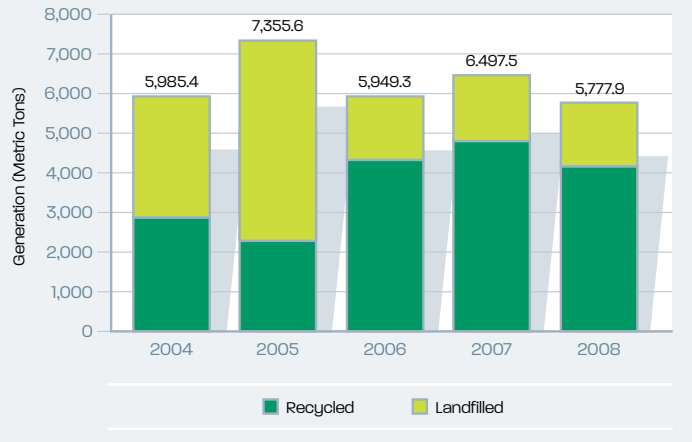
For more detailed information regarding AMD's VOC and corrosive air emissions, please refer to the Performance Indicator Table at www.amd.com/corporateresponsibility

Solid Waste Reduction - Solid or "non-hazardous" waste refers to office, cafeteria, landscaping, and more innocuous process wastes that are less harmful - similar to the trash we generate in our homes.

While this waste poses less potential risk to people and the environment than hazardous waste, non-hazardous waste is still an environmental concern. Since non-hazardous waste production is not closely tied to manufacturing activity, AMD does not normalize this indicator to production.

AMD has launched numerous recycling projects at AMD sites for office materials like paper, cardboard, toner cartridges, batteries, aluminum and plastic as well as manufacturing wastes like sulfuric acid, scrap wafers, thermocouples, and chemical vapor deposition targets.

AMD Worldwide Non-Hazardous Waste Generated



AMD Global Non-Hazardous Waste Recycling Goal: Achieve a 10 percent increase in the amount of nonhazardous waste recycled (as a percent of total nonhazardous waste generated) by 2011, using 2006 as a baseline.

Goal Progress: The amount of non-hazardous waste recycled globally declined slightly to 73 percent in 2008 compared to the 2006 baseline of 74 percent. The decrease in recycling resulted from a decline in recycling at our non-manufacturing facilities.

For more detailed information regarding non-hazardous waste generation and disposition at AMD, please refer to the Performance Indicator Table at www.amd.com/corporateresponsibility

Compliance - Since 2004, we have been inspected by environmental regulatory agencies on numerous occasions. The inspections have resulted in a total of four non-compliances in five years, all of which were resolved with no fines or adverse actions, and none for 2008. In 2007, we received one notice of noncompliance at the Austin Lone Star campus in March 2007 for storm water runoff during construction. The issue was immediately resolved and no fines were issued.

Design for EHS in Manufacturing Technology Design

Incorporating EHS considerations into design and development of manufacturing technology helps to minimize EHS impacts of manufacturing activities - once new technology is transferred into mass production.

An inherently safe and environmentally benign process that improves manufacturing performance while lowering operational costs is the ultimate goal of applying Design for Environmental, Health and Safety (DfEHS) to manufacturing technology. "End-of-pipe" solutions are sometimes necessary, but are the least attractive when compared to reduction at the source.

AMD's EHS staff and technology designers share information relevant to EHS considerations for new manufacturing processes. Cross-functional teams also evaluate information about EHS issues associated with advanced semiconductor manufacturing, including new developments in manufacturing technology design.

AMD's EHS standards require the evaluation of EHS impacts prior to the use of new chemicals or manufacturing equipment at any AMD site for research, manufacturing, support, or facility operations.



Green Building

AMD's commitment to environmental stewardship extends to integrating sustainable building principles into facility design and construction projects. AMD is a member of the U.S. Green Building Council. We work closely with architects, engineers and other experts to develop new sites responsibly. Each new facility design seeks to integrate key responsible design features from prior designs that improve resource conservation and operating efficiency.

Our new Lone Star campus located in Austin, Texas exemplifies this approach. AMD worked closely with a team of nationally recognized ecological, architectural, engineering, and environmental building experts to analyze the unique characteristics of the property and identify specific development methods to protect the environment, safeguard employees' health, and conserve natural resources. The campus, which officially opened in July 2008, was designed to and achieved LEED (Leadership in Energy and Environmental Design) Gold certification by the U.S. Green Building Council in January 2009.

The Lone Star campus integrates a number of sustainable building principles, including an extensive rainwater collection system

In May 2009 AMD, along with the Greater Austin Chamber of Commerce and the U.S. Green Building Council Central Texas – Balcones Chapter, hosted 150 attendees at a symposium on green building in central Texas. The symposium included an overview of current green building trends and explored how green building is becoming a more feasible and attractive option for new construction. Attendees also toured AMD's Lone Star Campus to see first hand the green building techniques employed in the construction of the campus.

designed to provide water to irrigate native landscaping and provide water to the site's cooling towers. At the time of its construction, this system was reported to be the largest roof water collection system of its kind in the world, with a capacity of more than 1.2 million gallons. Other sustainable building practices included replanting native vegetation harvested from the site prior to development, preserving



as much green space as possible, and incorporating natural interior lighting and energy use reduction features. The campus is designed to reduce energy use and CO₂ emissions by 15-20 percent compared to a traditional building through proper building orientation, heating, cooling and lighting methods.

CLIMATE PROTECTION AND ENERGY EFFICIENCY

Approach

AMD's senior executives approved a formal commitment to global climate protection on February 20, 2001. The executives renewed that commitment with the following version approved on August 28, 2006 and reviewed annually:

"Global climate change presents a range of complex risks to the global community and our common vision of a prosperous future. AMD recognizes our responsibility as a global citizen to reduce our direct impacts on the environment and to inspire and enable others to do the same. We do this through the development of energy efficient technology and the responsible design and operation of our facilities. Our commitment, strategy, and progress are reviewed annually at the executive level of the corporation."

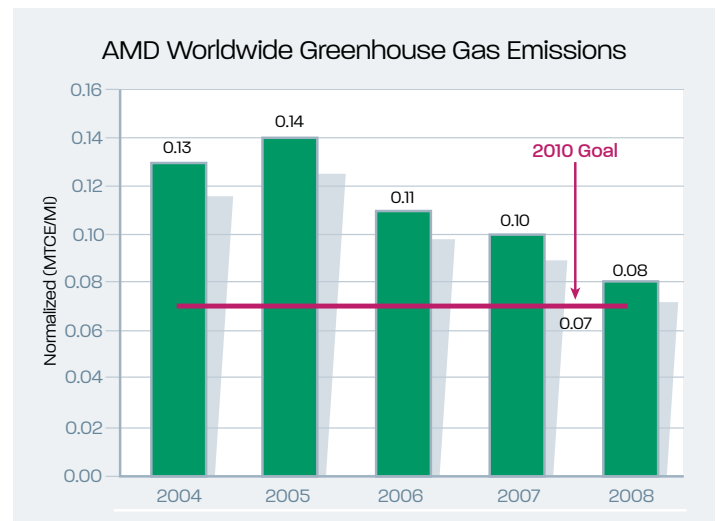
Policies and Practice

AMD's annual Global Climate Protection Plan clarifies and documents the company's strategy and goals to address our impacts on the climate. The following sections provide a brief summary of AMD's climate protection program. More detailed information is available in our Global Climate Protection Plan and Performance Indicator Table.

- AMD's Global Climate Protection Goals
- Energy Efficient Sources

AMD's Global Climate Protection Goals

In May 2008, AMD received a 2008 Climate Protection Award from the U.S. EPA. This award program was established in 1998 to recognize exceptional leadership, outstanding innovation, personal dedication, and technical achievements in protecting the climate. EPA noted AMD's long-standing commitment to climate protection and active participation in EPA programs over the past decade, exemplified by achievement of a Climate Leaders goal, early and continued commitment to PFC reduction, energy efficiency projects, energy efficiency commitment in product design, and leadership in green power procurement.



AMD set global climate protection goals in three areas:

• Reducing Greenhouse Gas Emissions

Reduce normalized greenhouse gas emissions (as measured by kilogram carbon equivalent emissions/manufacturing index) 33 percent by year-end 2010 relative to the 2006 baseline.

AMD's normalized greenhouse gas emissions decreased about 13 percent from 2007 to 2008, mainly as a result of higher productivity at the 300 mm wafer manufacturing fab in Dresden, Germany (now a part of GLOBALFOUNDRIES), which is powered using highly efficient trigeneration. AMD's normalized greenhouse gas emissions in 2008 were about 22 percent lower than in the 2006 baseline year. For more specific information on AMD's greenhouse gas emissions, please refer to AMD's Global Climate Protection Plan.

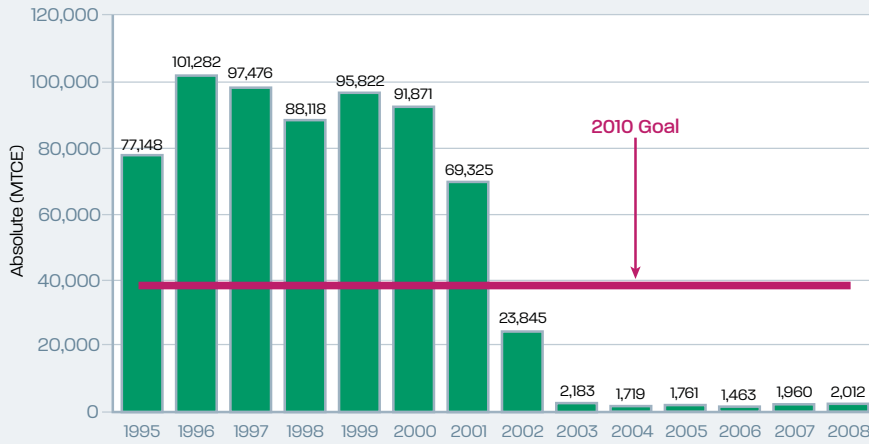
In 2009, we anticipate the GHG's will decline by approximately 50 percent when compared to 2008, as a result of the transfer of wafer manufacturing operations to GLOBALFOUNDRIES and an expected change in our normalization factor.

• Reducing PFC Emissions

Reduce absolute perfluorocompound (PFC) emissions (metric tons of carbon equivalent emissions) by 50 percent by 2010 (relative to a baseline year of 1995). This goal has been achieved; AMD's 2007 PFC emissions are more than 98% below the 1995 baseline year.

AMD set a goal to reduce absolute (PFC) emissions measured in Metric Tons of Carbon Equivalent Emissions (MTCE) by 50 percent by the year 2010 using 1995 as the baseline year. AMD's goal supports

AMD Worldwide PFC Emissions



the World Semiconductor Council (WSC) goal of a 10 percent industry-wide reduction of annual PFC emissions by the year 2010 compared to the baseline year of 1995.

The graph above shows PFC emissions from AMD controlled facilities from 1995 to 2008 relative to the 2010 goal, which we surpassed in 2002. This goal has been achieved; AMD's 2008 PFC emissions are more than 98% below the 1995 baseline year. For the wafer manufacturing operations in Dresden, PFC emissions are expected to stay at de minimis levels for the foreseeable future. For more specific information on AMD's PFC emissions, please refer to AMD's Global Climate Protection Plan.

In 2009, we anticipate having significantly lower PFC emissions when compared to 2008 as a result of the transfer of wafer manufacturing operations to GLOBALFOUNDRIES.

● **Reducing Manufacturing Energy Use**

Reduce normalized energy use (as measured by kilowatt-hours/manufacturing index) 40 percent by year-end 2010 relative to the 2006 baseline.

Most of AMD's energy use is in the form of electricity, with a smaller portion coming from heating and cooling water lines, on-site fuel consumption and steam. Because both fossil fuel extraction and the generation of electricity impact the environment, we continually look for opportunities to decrease the amount of energy consumed, and use energy from more efficient and renewable sources.

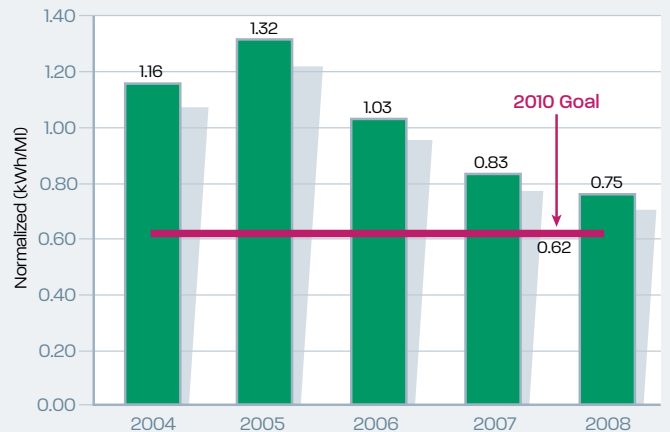
AMD's normalized energy use declined 9 percent in 2008 compared to 2007, representing the third consecutive year of improved efficiency. AMD's normalization factor, based on wafer manufacturing

productivity, increased in 2008 compared to 2007 as a result of increased productivity at the 300 mm manufacturing facility in Dresden, Germany which is now a part of GLOBALFOUNDRIES. For more specific information on AMD's worldwide energy use and associated energy conservation projects, please refer to AMD's Global Climate Protection Plan.

In 2009, AMD's worldwide energy use will decline significantly with the transfer of wafer manufacturing operations to GLOBALFOUNDRIES. Additionally, we anticipate defining a new normalization factor that is aligned with AMD's future operations.

For additional details regarding our progress toward these goals, please refer to AMD's Global Climate Protection Plan.

AMD Worldwide Normalized Energy Use



Energy Efficient Sources

To meet our Global Climate Protection goals, AMD obtains its energy from more efficient sources and has implemented numerous projects to increase the energy efficiency of our manufacturing and design operations. Highlights include partnering with two tri-generation facilities in Dresden (Germany) and being one of the largest industrial purchasers of green energy in Austin, Texas (USA).

- **Tri-Generation Energy** - Energy Center I (EVC I) and Energy Center II (EVC II) are specially designed tri-generation facilities that supply the electrical, heating, and cooling demands of the GLOBALFOUNDRIES wafer manufacturing facilities in Dresden, Germany. During its initial nine years of operation, EVC I achieved a total average energy efficiency of more than

72 percent. EVC II began operating in 2005 and to date has achieved a total average efficiency of almost 82 percent, 10 percent higher than EVC I.

- **Green Power** - In 2001, AMD's Austin, Texas facilities became one of the first corporate purchasers of renewable energy through Austin Energy's GreenChoice® Program. AMD continues today as one of Austin's largest industrial users of GreenChoice energy, and our new Austin facility (AMD's Lone Star Campus) has committed to operate using 100 percent GreenChoice energy through the year 2015.

AMD received the 2002 Green Power Leadership Award from the U.S. EPA and the U.S. Department of Energy (DOE). As of January 6, 2009, AMD was listed as the 19th largest Fortune 500 purchaser of renewable energy.

In February 2008, AMD, along with fourteen other large companies with operations in California, joined the Green Power Group California Affiliates. The Green Power Group is a project originated by the World Resources Institute to share best practices for purchasing and developing new sources of renewable energy.



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