

A close-up photograph of a microchip assembly process. Several fine, gold-tipped probes are positioned over a grid of microchips. A bright, circular light spot is visible where the probes meet the chip surface. The background is a warm, blurred gradient of orange and red.

# Responsible Sourcing

Fast Forward  
2021 Sustainability Report

# Responsible Sourcing

For the full report visit [micron.com/sustainability](https://micron.com/sustainability)

[Supply Chain Risk Assessment](#) / [Human & Labor Rights](#) / [Responsible Minerals](#) / [Supplier Environmental Impact](#) / [Supplier Diversity](#)

## We are one link in an intricate technology supply chain that spans the globe.

By accelerating continuous improvement and promoting transparency and collaboration, we can drive progress in human rights and environmental stewardship across our industry.

Micron manages a complex supply chain that includes a variety of materials, equipment and services required to support our operations, from office supplies to highly specialized design components. Given Micron's 8,230 suppliers in 40 countries in 2020 and the changing sourcing environment, managing our supply base is a critical and

complex undertaking. Supplier geography continues to diversify, which increases resilience but also complicates the process of ensuring that all suppliers adhere to our global standards.

These challenges require a dedicated and tenacious team to guide our supplier evaluation and approval process and ensure that new and existing suppliers meet our expectations, including those related to social and environmental criteria. Micron works closely and continuously with suppliers to assess risk, drive corrective

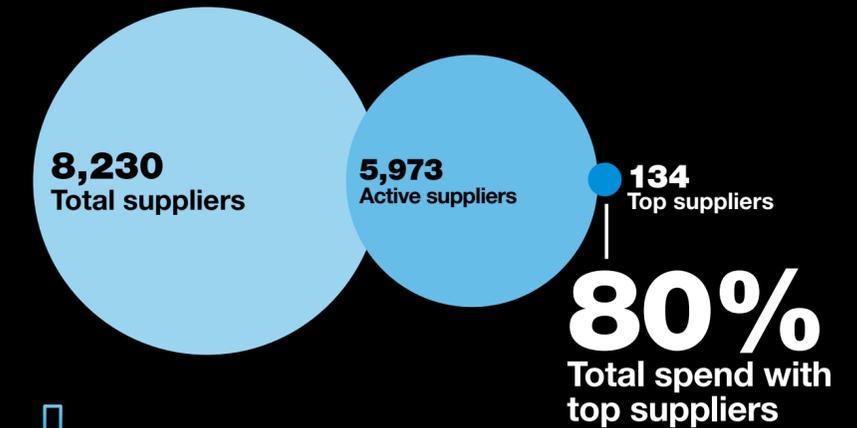
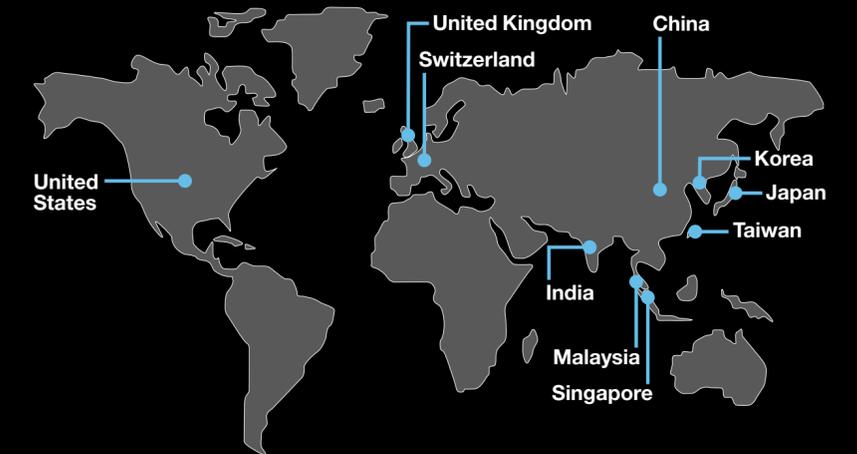
actions and encourage improvement. We communicate expectations to our tier 1 suppliers — those we source from directly — through our [supplier requirements standard](#), previously known as our supplier quality requirements document. Through this and other communications, we strive to have responsible practices replicated throughout our supply chain.



Micron - Taichung City, Taiwan

**\$104M** Purchased from diverse suppliers in FY20

### Top 10 Supplier Locations by Micron Spend



Total cost of goods sold  
**\$14.88B**

## Supply Chain Risk Assessment

**We monitor our global supply network against supply events 24/7, review possible supply risk scenarios against unplanned interruptions and work with our supply base to improve and lower their overall risk profiles.**

Micron's supply chain risk and resilience program has global processes, partners with best-in-class, third-party risk service providers, and has a team of highly skilled professionals in place applying continuous improvement to ensure a resilient, compliant and sustainable supply chain. Profiling and managing the relative operational risks of each of our strategic suppliers allow us to continuously manufacture and deliver products to our customers while upholding industry and Micron standards relating to sustainability.

Micron performs a supplier risk assessment that aligns with one of our guiding documents, [Integrity Matters: The Micron Code of Business Conduct and Ethics](#), and with the [RBA code of conduct](#). We evaluate the results of the assessment to generate a risk score. We then require any supplier with a high risk score or deficiency in a program or process to develop plans to address the issues. In addition, we expect suppliers to comply with or report to the following:

- Annual RBA self-assessment questionnaire for a company's headquarters and all facilities, or Micron's sourcing compliance assessment
- RBA audit or equivalent for any facility identified as high risk
- U.S. Foreign Corrupt Practices Act
- U.K. Bribery Act

- California Transparency in Supply Chains Act of 2010
- U.K. Modern Slavery Act of 2015
- Updated conflict minerals reporting template in case any new smelters are added or existing smelters change status
- E.U. Registration, Evaluation, Authorisation and Restriction of Chemicals, updated and provided every six months or as any product change requires
- E.U. Restriction of Hazardous Substances, updated and provided every 12 months or as any product change requires
- CDP (formerly the Carbon Disclosure Project)
- Sustainability/corporate social responsibility or equivalent report

Micron requests that suppliers provide transparency through supply visibility mapping and supplier assessments, including the following information:

- Data points such as manufacturing locations, emergency contacts, manufacturing recovery time and locations of critical sub-tier suppliers
- Business continuity processes and programs at manufacturing locations
- Event impact notification responses associated with Micron's supply chain
- Programs and policies related to ethics, environment, forced labor and safety

As part of these assessments, Micron uses a software system to make it easier to manage supplier inputs and data. This practice improves the coverage, resources and processes used to uphold high expectations for our suppliers. In fiscal year 2020 (FY20), Micron assessed over 1,400 new suppliers, up from 900 in FY19.

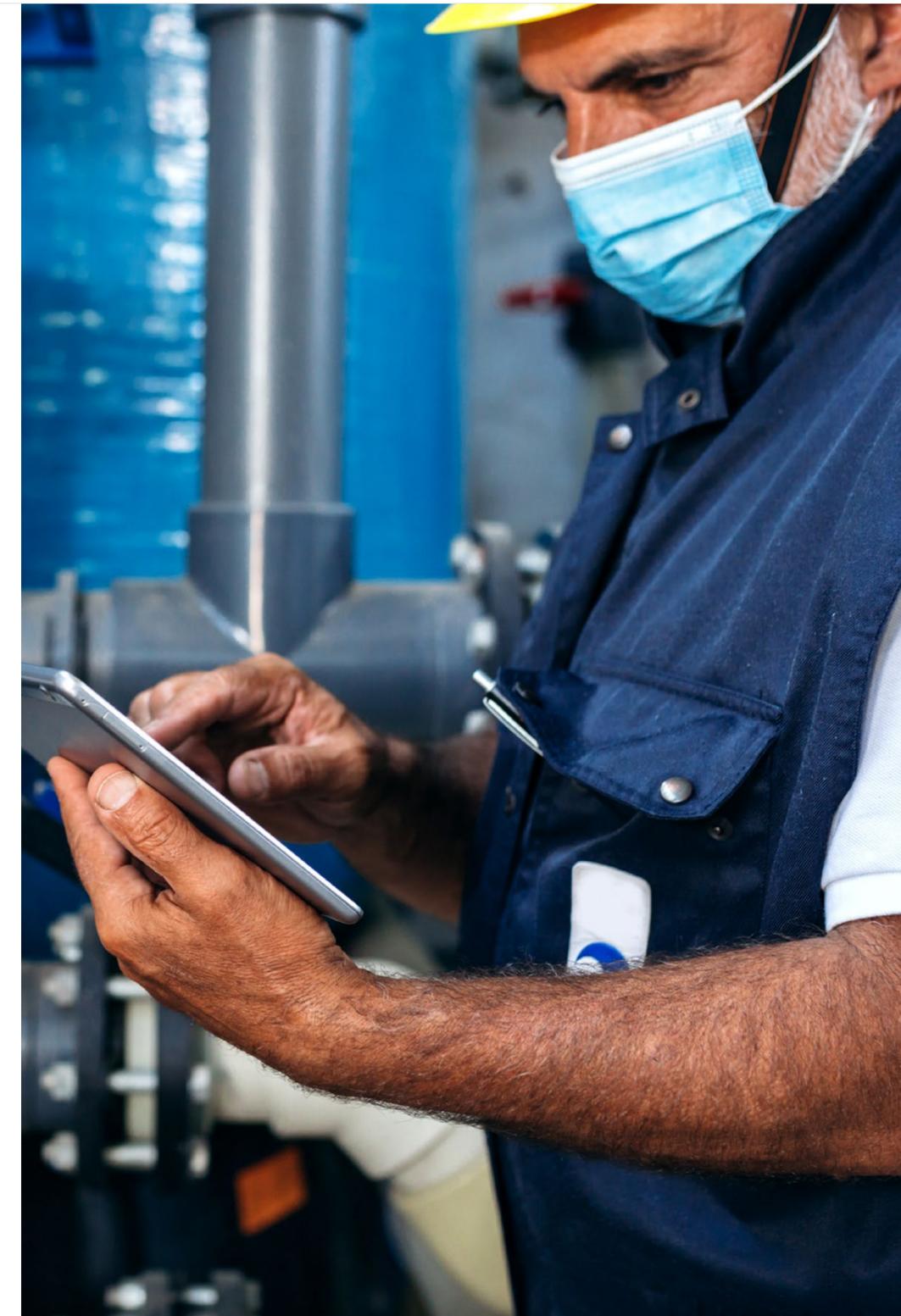
As a check on this and other processes, we maintain a [compliance hotline](#) for anonymous reporting of violations in

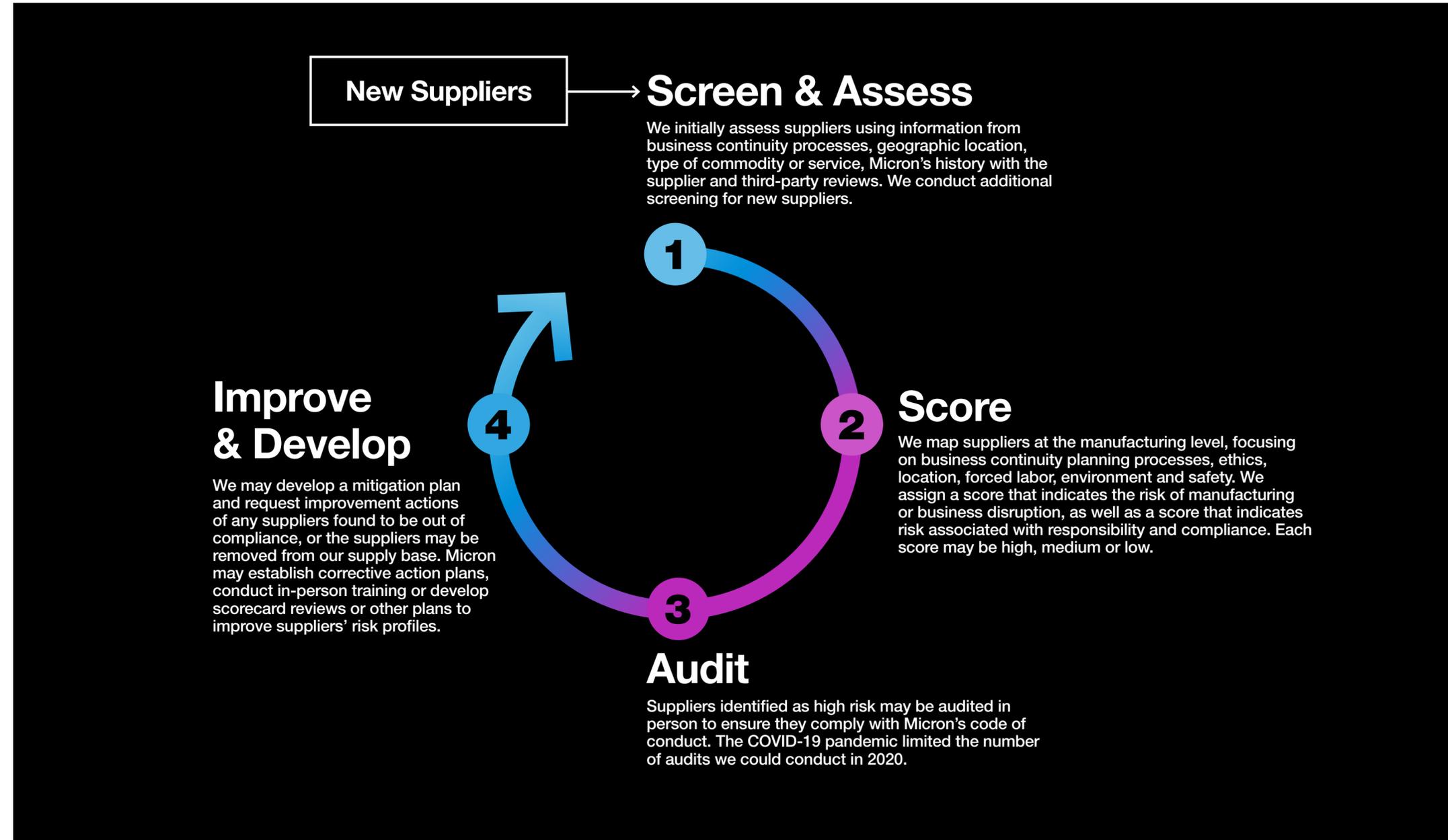
our supply chain. We also offer a training program focused on responsibilities and expectations for our suppliers, including Micron's code of conduct, RBA requirements and product compliance standards. More than 1,500 supplier representatives, including new suppliers and incumbent strategic partners, participated in this virtual training in 2020, and more than 3,500 have participated since FY18. We also introduced a more tailored training for indirect service and product suppliers that covers only training topics relevant to their areas.

While compliance is an important aspect of a responsible supply chain, Micron is evolving to reach beyond compliance and toward greater engagement with suppliers. This approach is particularly significant as we grow our business, respond to evolving trade pressures around the world and seek suppliers in new locations. In some areas, newer businesses may not be familiar with industry standards for suppliers such as the RBA code of conduct. We are proactive in communicating our expectations and mitigating risk up front, rather than having to correct issues later.

As a result, in 2020, we introduced a new supplier onboarding process incorporating increased due diligence. We use a third-party partner to do background screenings and verify all supplier data. If we uncover violations of our sourcing standards, we give suppliers 30 days to address any gaps — with Micron's guidance — before they can be approved. Otherwise, they are removed from our approved supplier list.

Throughout the COVID-19 crisis, close engagement with suppliers has been essential. We shared the [Micron COVID-19 Playbook](#) that we developed to guide our internal response to the pandemic, helping suppliers implement best practices and ensure safe workplaces. We also sped up payments to small vendors so that they could better manage financial challenges stemming from the pandemic.





## Managing Risk in Our Supply Chain

Micron's responsible sourcing and resilience group oversees supply chain risk management, which includes environmental, human rights and geopolitical risks. This team continues to mature its mission of enabling a resilient, compliant and sustainable global supply chain, including screenings, assessments, investigations, risk profiling, development and auditing of new and incumbent suppliers.

## Human & Labor Rights

### Micron and our stakeholders support the advancement of human rights along our value chain.

The Micron Code of Business Conduct and Ethics aligns with the RBA code of conduct and explicitly highlights our commitment to respecting and protecting human rights wherever we operate. Micron actively works to uphold the highest level of labor ethics in our own operations, and we also expect our suppliers, contractors and other partners to adhere to our code, human rights policy and relevant laws, with a particular emphasis on child labor and forced labor.

Our commitment to these concerns is made public through our [slavery and human trafficking statement](#), which was updated and approved by Micron's board of directors for FY20. As part of our ongoing due diligence in this area, we regularly conduct supplier risk assessments to understand how well suppliers address the issues, with specific focus on operations in areas more at risk for human rights violations. Beyond these important issues, Micron also monitors the following human rights concerns as they relate to our supply chain:

- Working hours
- Fair wages and benefits
- Worker health and safety
- Nondiscrimination and anti-harassment
- Freedom of association

This oversight of human rights begins with anyone who works on a Micron site in any capacity, from security to construction work. It extends to the employees of our suppliers and to any people hired temporarily by suppliers, who in some parts of the world are foreign migrant workers. Many of Micron's

suppliers are located in Asia, which has areas that are at higher risk for human rights violations against foreign migrant workers and require additional diligence. For example, workers may have their passports withheld or be charged recruiting or administrative fees before being hired. These fees can amount to more than several months' pay and may require workers to take out loans, effectively forcing them to pay to have a job. In addition, most of these workers send the majority of their earnings back to their home countries to support their families, making the payment of loans and fees especially burdensome.

RBA code requirements limiting forced labor differ from the laws regarding fees, levies and working hours in many countries where we do business. While the variations add complexity, we enforce the more stringent standard if local laws and the RBA code are different. Micron is actively involved, along with other members of the RBA, in eliminating forced labor in our supply chain through training, dialogue with government officials and interviews with foreign migrant workers about their conditions. To avoid forced labor practices, Micron also works with recruitment agents in the countries of hire to make sure they follow proper procedures.

#### Top Supplier Audit Findings 2020

- Working hours
- Foreign migrant worker fees
- Discrimination
- Freedom of association
- Emergency exits

#### RBA Code of Conduct

We are an active member of the Responsible Business Alliance (RBA). The RBA is composed of leading electronics, retail, automotive and toy companies that have joined together to promote responsible working conditions, ethical business practices and environmental stewardship globally throughout their respective industry supply chains. The RBA plays a critical role in upholding a single set of expectations regarding social and environmental responsibility and a single process for demonstrating conformance. Members adhere to a common RBA code of conduct, which addresses supply chain performance expectations for labor, health and safety, environmental practices, ethics and management systems. Through RBA training materials, monitoring tools and third-party audits, we support the efforts of our key suppliers to maintain responsible operations. We also hold suppliers accountable when they fall short of expectations. To comply with the RBA code in our own operations, we have adopted a vigorous management approach that includes training our team members on code requirements and using third-party auditors to verify our actions. Our global RBA oversight team includes representatives from legal, human resources, environmental, health and safety, and supplier management functions. They monitor key RBA metrics across all of our manufacturing locations and review periodic reports on Micron's overall RBA performance.



## Responsible Minerals

**Micron has long been a leader in programs to address and report on conflict minerals. Like many technology companies, Micron relies on the use of tin, tungsten, tantalum and gold (3TG) in the manufacture of our products.**

These materials, known as conflict minerals, are abundant in the Democratic Republic of the Congo (DRC) and surrounding countries, a region that has endured sustained conflict and human rights violations. We recognize that these and other raw materials are subject to controversy based on social and environmental concerns regarding how they are obtained. With this in mind, our program assesses and reviews other rare earth elements, metals and materials used in our processes to understand global risks related to human rights, potential restrictions, availability, pricing and implications to manufacturing processes and products while focusing expanded due diligence on worldwide 3TG minerals.

Micron is committed to ensuring that minerals used in the manufacture of our products do not directly or indirectly fund violence or human rights abuses in the DRC or adjoining countries. We have adopted a goal of sourcing entirely from smelters and refiners validated by third-party audits as conforming with the Responsible Minerals Initiative (RMI) [Responsible Minerals Assurance Process](#) or similar cross-recognized programs from the [Responsible Jewellery Council](#) or London Bullion Market Association ([LBMA](#)). To this end, we seek to align with international best practices on due diligence set forth in the Organisation for Economic Co-

operation and Development's [Due Diligence Guidance for Responsible Supply Chains of Minerals From Conflict-Affected and High-Risk Areas](#) and comply with [Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act](#), which requires publicly traded U.S. companies to track, monitor and report annually on conflict minerals in supply chains.

Collaboration among government, industry and communities is key to achieving conformance in our supply chain. Reflecting this philosophy, Micron is a founding member of the RMI, a consortium that works across the minerals industry to develop a common approach for addressing conflict mineral supply chains and protocols that may expand to include other minerals. The RMI includes a third-party auditing process, due diligence tools and a public database documenting where each smelter or refiner stands in its conflict-free journey. Micron is a member of the RMI's smelter engagement working group and has supported expansion of the RMI's cobalt reporting program, which we expect to be implemented in 2022. Because Micron does not produce batteries, we do not use significant amounts of cobalt. Even so, we have investigated potential cobalt use within our supply chain.

To help Micron achieve our responsible mineral policy objectives, we require suppliers to comply with our responsible mineral programs by doing the following:

- Providing a complete, updated conflict minerals reporting template (CMRT) that discloses the source of conflict minerals that may be present in products sold to Micron, including the smelters from which the conflict minerals originated
- Updating CMRTs within two weeks of any smelter or refiner changes within the entire supply chain
- Adopting a conflict mineral policy dedicated to achieving a conflict-free supply chain

- Participating in and facilitating audits of facilities, conflict mineral policies, conflict mineral procedures and associated records
- Directing their own suppliers to adopt conflict mineral policies

Micron implements policies and procedures to help ensure that our existing suppliers rely on smelters and refiners that are conflict-free, and we only engage with new suppliers that make similar commitments. We require suppliers to remove nonconformant smelters within 13 weeks when they fall out of approved status, but they often resolve issues sooner.

Throughout 2020, all the smelters and refineries in Micron's supply chain conformed with responsible minerals sourcing standards. We are committed to transparency and publish an annual [conflict minerals report](#) on our due diligence and progress toward a conflict-free supply chain.



## Supplier Environmental Impact

**As an industry leader, Micron has significant opportunity to partner across our industry to influence the environmental profile of suppliers.**

A limited number of equipment manufacturers supply the technologies used in Micron's plants and those of our peers. Micron steers the industry toward innovations that reduce water and energy use. And we also help our

suppliers to understand our sustainability efforts and to identify and address sustainability-related risks, including those pertaining to climate change and other environmental impacts. In much the same way as we assess suppliers for risk, we survey high-risk and critical suppliers' programs to improve energy efficiency; reduce greenhouse gases (GHGs); and control, treat and minimize solid waste, wastewater and air emissions. The RBA audit process used with our suppliers assesses these impacts.

We also require that key suppliers report to CDP, either by sending Micron their CDP submissions or reporting a subset of CDP information. We plan to expand our environmental

engagement through a formal partnership with the CDP supply chain program in 2021. Beyond encouraging suppliers to disclose their direct carbon footprints, we are working with them to find ways to reduce environmental impacts at Micron sites. In 2020, we piloted a program with a targeted group of capital equipment suppliers to identify how they could support Micron's internal environmental goals related to energy, emissions, water and waste. We now have a tracking system for projects supporting these goals and are establishing timelines and milestones to keep us moving forward.

## Micron Is Also Part of Many Other Companies' Supply Chains

We have deep experience interacting with supply chain partners as both a supplier and a customer, and we are subject to many of the same auditing protocols that our own suppliers are. All Micron sites have qualified for RBA platinum recognition with perfect audit scores. In addition, Micron Memory in Taiwan received the Factory of Choice award from the RBA in 2020.



Micron - Taichung City, Taiwan

## Supplier Diversity

**We believe the best innovation comes from diverse experiences, perspectives and backgrounds, and this belief extends to our supply chain and procurement programs.**

Micron's supplier diversity program is helping us build mutually beneficial partnerships with businesses that are majority-owned by women, underrepresented communities, people with disabilities, members of the LGBT community, and veterans. In 2020, we set an ambitious [commitment](#) to double Micron's annual spend with these businesses by FY23. Progress toward this goal will be measured against an FY20

baseline in spending with such businesses globally and made possible by our continued engagement with industry groups, nongovernmental organizations and corporate peers.

In 2020, we implemented new tools and processes that will allow us to find diverse suppliers more easily and increase their opportunities to participate in Micron's procurement events. We also revised expectations for suppliers, including supporting Micron's supplier diversity initiative and committing to use inclusive sourcing practices of their own. In addition, we incorporated tier 2 supplier diversity and reporting requirements into our supplier scorecards and evaluated a targeted group of our strategic partners on their reporting of tier 2 diverse spend.

We're working with industry organizations to establish best practices in supplier diversity and enhance the inclusion and competitiveness of diverse suppliers in the

semiconductor industry. Micron recently joined the National Minority Supplier Development Council, which aims to advance business opportunities for certified minority-owned businesses based in the United States. Outside the U.S., Micron is working with WEConnect International to identify and increase opportunities for women-owned businesses throughout Asia. Micron is also a member of the SEMI [Manufacturing Ownership Diversity](#) working group, which seeks to increase ownership diversity in the semiconductor supply chain. These partnerships reflect our long-term commitment to advocating for supplier diversity around the world.



Micron - Hyderabad, India

**“  
In FY20, Micron spent over \$104 million with diverse-owned businesses. To ensure continued progress, we are committing to doubling our spend with diverse businesses by FY23.”**

**Stefan Guth**  
Corporate Vice President and  
Chief Procurement Officer



Published in April 2021, this report covers the sustainability performance of Micron Technology, Inc., in fiscal year 2020 (Aug. 30, 2019, through Sept. 3, 2020), unless otherwise stated, and includes all of Micron's controlled entities. This 2021 Sustainability Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. GRI is the most widely accepted global standard for sustainability reporting and allows companies to measure, evaluate and communicate corporate sustainability information in a consistent and comparable manner. We are also reporting to the Sustainability Accounting Standards Board (SASB) Semiconductors Standard and provide an index aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Accompanying this report is our 2021 Sustainability Progress Summary, which contains selected highlights from the past year and stories of how Micron and our team members have taken action to meet urgent global challenges, such as COVID-19, inequality and climate change.

#### **About Micron Technology, Inc.**

We are an industry leader in innovative memory and storage solutions transforming how the world uses information to enrich life for all. With a relentless focus on our customers, technology leadership, and manufacturing and operational excellence, Micron delivers a rich portfolio of high-performance DRAM, NAND and NOR memory and storage products through our Micron® and Crucial® brands. Every day, the innovations that our people create fuel the data economy, enabling advances in artificial intelligence and 5G applications that unleash opportunities — from the data center to the intelligent edge and across the client and mobile user experience. To learn more about Micron Technology, Inc. (Nasdaq: MU), visit [micron.com](https://micron.com).

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