

ANALOG DEVICES – Response to Davos meeting request

Thank you for your further outreach. Anelise and Gregory are not available for a meeting. On this topic, I would like to point you to our Statement on Misuse, Grey Market and Counterfeiting of Products, which is available for viewing on our website under [Legal Notices](#).

Additionally, as we have stated in other media reports, following Russia's invasion of Ukraine, and in compliance with U.S. and EU sanctions, Analog Devices ceased business activities in Russia, and in the Russian-backed regions of Ukraine and Belarus, and promptly instructed all of our distributors to halt shipments of our products into these regions. Any post-sanctions shipment into these regions is a direct violation of our policy and the result of an unauthorized resale or diversion of ADI products.

Combatting unauthorized resale or diversion, and the unintended misuse of products and technologies, is a challenge that the entire semiconductor industry faces, and one that ADI takes very seriously. This challenge is also recognized worldwide, including by the United Nations. To meet this challenge, ADI has reviewed our internal controls, practices, and distribution channels, as well as our processes to manage grey market activity and product misuse. We are strengthening our efforts to identify and counter this activity, including implementing enhanced monitoring and audit processes, and taking enforcement action where appropriate. We are also enhancing our monitoring of grey market activity overall. We believe these measures will help to reduce unauthorized resale, diversion, and unintended misuse of our products.

Regards,

Janene Asgeirsson

Vincent Roche
Chief Executive Officer
Analog Devices
One Analog Way
Wilmington, MA 01887
USA

CC: Analog Devices' Executive Team and Board

11/11/22

RE: Analog Devices' business operations in Russia

Dear Mr. Roche,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organisations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Analog Devices Inc.'s (ADI) stated policies on human rights and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

In its *2021 ESG Report*, ADI stated "human rights are the fundamental freedoms and standards of treatment to which all people are entitled" and "[r]espect for human rights is rooted in our values and applies wherever we do business."¹ The report also outlines ADI's human rights initiatives, including its Code of Business Conduct and Ethics, Code of Corporate Social Responsibility, and Anti-Slavery and Human Trafficking Statement.² In addition, ADI is a member of the Responsible Business Alliance, which provides a set of industry standards that incorporate international expectations found within the International Bill of Rights, Universal Declaration of Human Rights, UNGPs, International Labour Organisation International Labour Standards, and the OECD Guidelines for Multinational Enterprises.³

It has been eight months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, and forcible transfer of civilians). More than 15,000 Ukrainians have been killed or injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

¹ Analog Devices, "Future Forward, 2021 ESG Report," 2021
<https://www.analog.com/media/en/company-csr/2021-esg-report.pdf> (accessed November 7, 2022).

² Ibid.

³ Ibid.

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.⁴ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁵ Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁶

In response to this unprovoked and unjustified war,⁷ many companies have left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), ADI publicly stated it would suspend all sales and shipments to Russia in compliance with Western sanctions. The company also stated that it “promptly instructed all of its distributors to halt shipments of our products into

⁴ Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed October 28, 2022).

⁵ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 7, 2022).; The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 7, 2022); Rfi “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 7, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 7, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies,” June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 7, 2022).

⁶ Venable LLP, “Do You Contract with State Governments? If So, Beware of Emerging State Sanctions’ Obligations Related to Russia and Belarus,” *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed November 7, 2022).

⁷ The UN General Assembly condemned Russia’s “aggression against Ukraine” and demanded that Moscow “unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.”

Russia.”⁸ While we commend these statements, our research indicates that ADI’s technology is still being used to support the war effort and the company remains exposed to the Russian market.

According to a recent investigation conducted by the Royal United Services Institute (RUSI), ADI is one of the largest original manufacturers of dual-use goods found in Russian weapons systems.⁹ The study found ADI supplied more than 50 unique components to Russian weapons systems, 13 of which are considered dual use and require a licence to be exported.¹⁰ These dual-use components were primarily “microprocessors and microcontrollers, but also included mobile, communications equipment, telecommunication transmission equipment, and A/D converters.”¹¹

RUSI’s reporting also discovered 37 non-dual use components produced by ADI were used in Russian weapons systems, including “operational amplifiers, RS-232 transceivers, power management microchips, radio frequency switches and temperature sensors, among others.”¹² Though ADI stated it would stop all sales and imports of its products into Russia, customs records showed that from the start of the invasion through May, over 7,700 shipments of ADI’s components have been imported into Russia and nearly 900 shipments have been imported from ADI’s subsidiary, Maxim Integrated.¹³

These activities risk enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating ADI’s human rights commitments. It remains to be seen how directly ADI will be impacted by the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

We seek to understand how ADI has conducted and continues to conduct heightened HRDD, per its stated policy and the UNGPs concerning due diligence in conflict-affected areas, and how the findings of such a process have resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

With the above points in mind and in consideration of B4Ukraine’s [Declaration](#), we request an urgent dialogue with ADI’s relevant senior management and staff to discuss the company’s ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact Eleanor Nichol at

⁸ David Gauthier-Villars, Steve Stecklow, Maurice Tamman, Stephen Grey, and Andrew MacAskill, “SPECIAL REPORT-As Russian missiles struck Ukraine, Western tech still flowed,” *Reuters*, August 8, 2022, <https://www.reuters.com/article/ukraine-crisis-russia-missiles-chips/special-report-as-russian-missiles-struck-ukraine-western-tech-still-flowed-idUSL8N2ZJ087> (accessed November 7, 2022).

⁹ James Byrne, Gary Somerville, Joseph Byrne, Jack Watling, Nick Reynolds, and Jane Baker, “Silicon Lifeline: Western Electronics at the Heart of Russia’s War Machine,” *Royal United Services Institute*, August 2022, https://static.rusi.org/RUSI-Silicon-Lifeline-final-updated-web_1.pdf (accessed November 7, 2022).

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ David Gauthier-Villars, Steve Stecklow, Maurice Tamman, Stephen Grey, and Andrew MacAskill, “SPECIAL REPORT-As Russian missiles struck Ukraine, Western tech still flowed,” *Reuters*, August 8, 2022, <https://www.reuters.com/article/ukraine-crisis-russia-missiles-chips/special-report-as-russian-missiles-struck-ukraine-western-tech-still-flowed-idUSL8N2ZJ087> (accessed November 7, 2022).

enichol@businessforukraine.info to schedule a call at your earliest convenience before 25th November 2022. .

Sincerely,

Eleanor Nichol
Executive Director
The B4Ukraine Coalition