

Nexperia Slavery and Human Trafficking Statement

2022

Introduction from the Executive Management Team

Nexperia and its leadership are committed to improving its practices to combat slavery and human trafficking. We will take all reasonable steps to ensure that slavery and human trafficking do not exist in our business, or in supply chain. It is Nexperia's policy (see [Nexperia Code of Conduct](#)) that neither we nor our suppliers will engage in the trafficking of persons, or use any form of slave labor including forced, bonded, indentured or prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. Nexperia ensures all employees have the freedom of association, the right to collective bargaining, the abolition of child labor and ensures the elimination of discrimination. Nexperia forbids suppliers and recruiters from charging fees to applicants during recruitment processes or withholding government-issued documents.

Nexperia expects its suppliers to respect legal rights, including maintaining policies and procedures to prevent the use of forced labor. Suppliers are obliged to comply with [Nexperia's Supplier Code of Conduct](#) and all applicable laws, rules and regulations. Nexperia continues to update its policies, procedures and training as needed to ensure adequate security measures in its operations and supply chain.

Since its inception in 2017 Nexperia has undertaken steps to ensure compliance with various legislative requirements, such as Section 3 of the California Transparency in Supply Chains Act of 2010 or the United Kingdom (UK) Modern Slavery Act 2015, Chapter 30, Part 6, Provision 54. These steps are aimed at preventing slavery, human trafficking, child labor, and discrimination within our business and supply chains.

Our Business

Nexperia is the expert in high-volume production of discrete and MOSFET components and analog & logic ICs that meet the stringent standards set by the automotive industry. With an absolute focus on efficiency, Nexperia consistently produces the essential semiconductors required by virtually every electronic design in the world: more than 100 billion annually. Products that are benchmarks in efficiency – in process, size, power, and performance – with industry leading small packages that save valuable energy and space. With decades of experience, supplying to the world's biggest companies, Nexperia has over 15,000 employees across Asia, Europe, and the U.S., offering global support. The company's global annual revenue is approximately \$2,4 billion.

Organizational Structure

Our business is organized into five business groups: Analog & Logic ICs, Bipolar Discretets and MOS Discretets, IGBT & Modules, Power- & Signal Conversion.



Our Supply Chains

Our supply chains are spread across the globe. We require suppliers, agents, and business partners to follow similar principles as described in the Nexperia Code of Conduct. We expect and place strict requirements on our supply chains, which is reflected in Nexperia's Supplier Code of Conduct.

Our Policies on Slavery and Human Trafficking

We are committed to ensuring that there are no modern slavery or human trafficking in our supply chains or any part of our business. Our Code of Conduct and business ethics rules reflect our commitment to:

- Act ethically and with integrity in all our business relationships.
- Ensure legal compliance.
- Implement and enforce effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chains.

Due Diligence Processes for Slavery and Human Trafficking Prevention

As part of our initiative to identify and mitigate risk, a robust Social Responsibility Management System, that also includes a standard recruitment policy, is utilized throughout our business. Furthermore, suppliers are required to sign a Statement of Conformity with strict code of conduct (Nexperia Supplier Code of Conduct) outlining our guidelines and expectations to be able to work with us.

We use a Supplier Social Responsibility Risk Assessment Process to:

- Identify and assess potential risk areas in our supply chains.
- Monitor potential risk areas in our supply chains.

This way, we mitigate the risk of slavery and human trafficking occurring in our supply chains.

Training for Employees

To ensure awareness and vigilance regarding all forms of slavery and human trafficking, we provide training to our employees. This training focuses on recognizing and preventing these harmful practices. We also require our business partners to provide training to their employees, suppliers, and providers. All employees are required to be familiar with our Code of Conduct. We emphasize the importance of our Code of Conduct through internal newsletter articles, training, as well as awareness posters displayed in prominent locations throughout our work areas. For specific questions, guidance, and support the local ethics liaison officers may be contacted.

Our Effectiveness in Combating Slavery and Human Trafficking

We are audited regularly – both internally and by our customers. The audit results are used to measure our effectiveness and take action if and where required. Additionally, all our suppliers must commit to the Nexperia Supplier Code of Conduct. To check compliance and following our Social Responsibility Supplier Audit Program, each year we are going to select some of our high-risk suppliers for a social responsibility audit which will allow us to assess the risks and opportunities in our supply chain.

However, suppliers remain cautious about accepting external audits due to the lingering effects of the Covid-19 pandemic. While many companies have already adapted to the situation, Nexperia understands the challenges and will maintain a balanced approach to ensure supplier compliance with social responsibility standards while allowing for the constraints caused by the pandemic.

From last year's Social Responsibility Supplier Audit Program, we performed a total of 14 social responsibility audits and we encouraged six suppliers to perform Responsible Business

Alliance (RBA) Validated Assessment Program (VAP) audits which are also recognized. Therefore, a total of 20 supplier audit results were accepted and reviewed.

In the event of non-conformity, suppliers generally demonstrate collaboration and willingness to rectify the deficiencies in order to fully comply with Nexperia's social responsibility standards. This underlines the significance of social responsibility in any business. Nevertheless, addressing challenges in areas such as working hours or consecutive working days remains a persistent struggle in certain regions of the world.

Memberships



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally

A member of the Responsible Business Alliance (RBA) since 2017. We believe that the collaborative efforts, shared tools and practices of the RBA is the most efficient way for us to make progress.



A member of the Responsible Mineral Initiative (RMI), that provides tools and resources helping to make sourcing decisions that improve our due diligence for responsible sourcing.



United Nations
Global Compact

Nexperia is a signatory to the United Nations (UN) Global Compact.

Xuezheng Zhang

Chief Executive Officer

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