

Policy Statement of Nexperia Germany GmbH

on human rights and environment-related due diligence obligations

1. Foreword: Our Commitment

As an international company Nexperia has the responsibility to respect human rights, to prevent human right violations and to contribute to the protection of the environment. We have a strong focus on sustainability and social responsibility being part of everyday work of all employees worldwide. Our commitment towards Sustainability is described in our [Sustainability Policy](#). This Policy Statement is complementary to our [Code of Conduct](#), our [Supplier Code of Conduct](#), our [Sustainability Policy](#) as well as the [Nexperia Slavery and Human Trafficking Statement](#) and addresses our employees, business partners, and the relevant regulatory authorities. It describes the essential steps and measures we take to identify, prevent, and mitigate potential human rights and environmental risks in our business activities. The Policy Statement applies to the business activities of Nexperia Germany GmbH throughout its entire value chain.

International standards and guidelines are decisive for our commitment and when doing business and aligned with our Code of Conduct, which complies with the principles of the RBA Code of Conduct. They together build the binding framework for our employees, business partners and suppliers. We require all employees to behave in line with our Code of Conduct. We further expect our business partners to pass on our commitment to respect human rights and the environment towards their business partners and to behave ethically and with integrity as described in the [Code of Conduct](#) and the [Supplier Code of Conduct](#).

2. Driving positive change¹

Since the foundation of our company in 2017, Nexperia has been committed to its corporate social responsibility, including human rights, environment, ethics, and health & safety and is committed to social and environmental causes². Hence, we know that as a relevant global market player, we can and will intensify this commitment. The technological possibilities obtaining global supply chain transparency and impacting them in close cooperations are improving rapidly. At the same time, international standards and regulatory developments create a "level playing field" to promote corporate commitment to labor and human rights and protecting the environment. An important lever is the German Act on Corporate Due Diligence (Lieferkettensorgfaltspflichtengesetz) to prevent and mitigate human rights and environmental violations in a company's own business and in supply chains.

¹ Cf. Sustainability Report: [Sustainability | Nexperia](#)

² Cf. Code of Conduct: [Code of Conduct | Nexperia](#)

Our Executive Management Team actively sets the goals, measures, and progress of our sustainability ambitions through regular reviews as well as current events and makes overarching decisions on the further development of the strategy regarding changing risk situations.

In the interest of our customers, shareholder, financial partners, employees, suppliers as well as other stakeholders we are taking appropriate technical and organizational measures to disclose and responsibly manage human rights and environmental risks as well as ethical and health & safety risks in our business processes. To manage these measures, we conduct risk analysis as part of our group-wide risk management process. An analysis of country- and industry- specific risks completed in 2023 indicates a key focus on countries in East Asia where both Nexperia and Nexperia's suppliers have business activities. While we can and do effectively engage in human rights-related practices in our own business operations, we can only indirectly influence our supply chains by supporting and monitoring our direct contracted supply chain partners in their Social Responsibility due diligence obligations. When selecting a potential supplier, we assure our values and principles are shared, and require our business partners to comply with Nexperia's Supplier Code of Conduct.

A joint team of experts from different departments (procurement, quality, sustainability, environment health and safety, legal) is responsible for the overall human rights due diligence process in accordance with our Code of Conduct. Our Ethics Committee is appointed to investigate on internal and external complaints related to ethics. The Committee members are supported by the Ethics Liaison Officers of the various Nexperia locations. Our Head of Sustainability is appointed to investigate on internal and external human rights and environmental complaints.

3. Risk analysis

Within the risk analysis in 2023 for global supply chains of goods and services and own operations of Nexperia Germany GmbH, we used established global human rights and environmental indices. The risk analysis was conducted by an index analysis on country specific risks followed by a text-based analysis on industry specific risks. Risks were categorized into no risk, low risk, medium risk, severe risk, and critical risk.

By examining 26 supplier countries as well as our sites, we evaluated potential risks, according to the used indexes such as Freedom Index, Sustainable Development Index and Global Slavery Index. A country with at least one severe risk, based on an internationally recognized index, is further examined through a text-based assessment. With regards to this additional text-based research we obtained wider understanding of the potential risks and vulnerable regions and industries. For the risk analysis of supplier countries, we included the spend of Nexperia Germany GmbH with the supplier. Based on this detailed index and text-based risk analysis we were able to identify high risk supplier countries for our procurement and operations activities.

In accordance with German Act on Corporate Due Diligence criteria and international standards we weighted and prioritized identified potential risks. In doing so, we considered the specifics of the respective business activity as well as the probability and severity of possible violations. A possible contribution of our company to breaches and our ability to prevent them were also considered. With regards to our risk analysis, we identified China, Malaysia, Philippines, and Hong Kong Special Administrative Region as countries with a high-risk potential. Resulting, we focus our risk management on the following topics:

1. Failure to comply with occupational health and safety law
2. Working hours not within legal limits
3. Disregard for legal minimum wages
4. Obstruction of freedom of association
5. Discrimination
6. Pollution several aspects: air, soil, water and noise
7. Waste water

4. Prevention and remedial measures

In order to prevent and mitigate human rights and environmental risks, such as those investigated in our risk analysis, we have set up a risk management process. We conduct a risk analysis and follow a risk assessment process with suppliers prior to supplier approval, including the examination of possible human rights and environmental risks. Our Supplier Code of Conduct forms the foundation of responsible partnerships and is an integral part of the supplier approval process and is signed by our suppliers. We require our suppliers to provide self-disclosures and evidence of their management of occupational safety, health, and environmental aspects in accordance with recognized international management standards (ISO 45001, ISO 14001). To check compliance and following our Social Responsibility Supplier Audit Program, we will each year select high-risk suppliers for a social responsibility audit. The supplier audit itself addresses the following high-risk clusters: corporate governance, compliance, and social and environmental responsibility. In case a supplier is found to not comply with the audit requirements or is otherwise acting unlawfully, the supplier is required to implement appropriate remedial measures in a defined period. Where required, a re-audit is scheduled to verify the supplier's corrective actions. If a supplier does not remedy the deficiencies identified, Nexperia will escalate the process – up to and including a possible termination of the business relationship.

Complex, globally branched supply chains are often difficult to trace back to the origins, for example of raw material extraction, via various intermediaries and intermediate products. This may cause human rights violations and environmental pollution of mining and smelting operations to remain undetected. That's why we seek to join forces with other manufacturing companies and participate in initiatives that use cross-industry standards to make supply chains transparent and responsible:

Responsible Minerals Initiative (RMI). Nexperia is an active member of the Responsible Minerals Initiative (RMI) since 2017, firmly upholding the high standards of this influential cross-industry initiative. We use RMI's tools to ensure transparency about the origins of

Conflict Minerals and cobalt, aiding our customers with essential information for compliance with the SEC (Dodd-Frank Act) and EU Conflict Minerals Regulation. A key aspect of our commitment is the reliance on third-party audits covered by the RMAP (Responsible Minerals Assurance Process) audit standard, as well as other cross-recognized standards within the RMI framework. Our practices align with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This comprehensive approach underscores our commitment to ethical practices and responsible mineral sourcing on a global scale.

Responsible Business Alliance (RBA). Since 2017, Nexperia has been an affiliate member of the RBA. We support their vision of a more sustainable global industry and participate in the collaborative effort to establish demanding labor and environmental standards and best business practices worldwide. To this end, we have integrated the RBA Code of Conduct into our own guidelines. Furthermore, we have pledged to oblige our suppliers to comply with Nexperia's Supplier Code of Conduct and to continuously become more sustainable together with our stakeholders.

Own operations. With regards to our own operations, we provide a yearly training to ensure that all employees familiarize themselves with the Code of Conduct, which clearly sets out our stance on human rights and the environment. The training is mandatory to all Nexperia employees. We regularly discuss within our company, for example in our international newsletter, human right and environmental topics and draw attention to the training's importance with educational posters in highly visible places in our work areas. All our processes are reviewed regularly to ensure efficiency and effectiveness.

5. Complaint mechanism

Our grievance mechanism allows anyone who is affected or aware of violations against our Code of Conduct to report them to our Speak Up Line. That means that complaints can be made on all human rights and environment-related violations such as violations of human and labor rights, health and safety violations, suspicion of bribery and improper conduct or corruption and conflict of interest, insider trading and environmental issues. We have our local email address: code.compliance@nexperia.com. Stakeholders can also report via our SpeakUp system via webservice (www.speakupfeedback.eu/web/nexperiaexternal) or via telephone (hotline of your respective country). A detailed FAQ can be found here. [Code of Conduct | Nexperia](#).



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