

Nexperia Slavery and Human Trafficking Statement 2023

Introduction from the Executive Management Team

Nexperia is committed to improving its practices to combat slavery and human trafficking. The company will take all reasonable steps to ensure that slavery and human trafficking do not exist in our business or in our 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 that all employees have the freedom of association, the right to form and join unions and the right to collective bargaining. The company makes all effort to contribute to the abolition of child labor and the elimination of discrimination. Nexperia forbids suppliers and recruiters from charging fees to applicants during recruitment processes or from withholding government-issued documents.

Nexperia expects its suppliers to respect legal rights and obligations, 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, as well as recent due diligence and forced labor legislation. These steps are aimed at preventing slavery, human trafficking, child labor, and discrimination within our business and supply chains.

About Nexperia

Headquartered in the Netherlands, Nexperia is a global semiconductor company with a rich European history and over 14,000 employees across Europe, Asia, and the United States. As a leading expert in the development and production of essential semiconductors, Nexperia's components enable the basic functionality of virtually every electronic design in the world – from automotive and industrial to mobile and consumer applications.

The company serves a global customer base, shipping more than 100 billion products annually. These products are recognized as benchmarks in efficiency – in process, size, power and performance. Nexperia's commitment to innovation, efficiency and stringent industry

requirements are evident in its extensive IP portfolio, its expanding product range and its certification to IATF 16949, ISO 9001, ISO 14001 and ISO 45001 standards.

Organizational Structure

Our business is organized into four business groups: IC Solutions, Bipolar Discretes, MOS Discretes, Wide Band Gap and IGBT & Modules (WIM).



Supply Chains

Nexperia's supply chains are spread across the globe. The company requires suppliers, agents, and business partners to follow similar principles as described in the Nexperia Code of Conduct. The company expects and places strict requirements on its supply chains, which is reflected in Nexperia's Supplier Code of Conduct.

Policies

Nexperia is committed to ensuring that there are no modern slavery or human trafficking in its supply chains or any part of its business. The Code of Conduct and business ethics rules reflect the company's commitment to:

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

Due Diligence Processes

Nexperia's programs aims to ensure the company treats all people with respect and dignity. The initiatives are overseen by the general HR management, the Human Rights Office and compliance management structures. The approach is formalized in several policies that guide Nexperia's processes including standardized policies on human rights due diligence and recruitment processes for Nexperia. The company's human rights due diligence approach comprises five key elements and applies to all aspects of Nexperia's Code of Conduct and Supplier Code of Conduct:

1. Assessment to identify and prioritize risks
 - Regular double materiality assessment to identify and assess potential and actual positive and negative impacts on people and the environment in Nexperia's entire value chain.
 - At Nexperia's manufacturing sites, the company conducts regular RBA self-assessments and internal audits for labor, human rights, and social responsibility compliance according to the RBA's Validated Assessment Program (VAP). In addition, internal findings, information received via internal reporting channels and the anonymous whistleblower system, are also considered.
 - For suppliers, Nexperia conducts annual risk assessments and, based on the results, performs social responsibility audits.
2. Actions to create positive impacts
3. Tracking to measure our progress
4. Communication to share our progress
5. Engagement with stakeholders to increase our positive impacts

Risk Assessment and Management

In order to prevent and mitigate prioritized risks, Nexperia has set up a risk management process. Nexperia conducts a comprehensive risk analysis on a regular and ad-hoc basis on the company and its suppliers. This method includes an index analysis of country-specific risks followed by a text-based analysis of industry-specific risks. Nexperia categorizes risks into no risk, low risk, medium risk, severe risk, and critical risk. The categorized risks are then prioritized accordingly in the company's due diligence processes and measures.

Each year, the company selects 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. 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.

Training for Employees

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

Effectiveness in Combating Slavery and Human Trafficking

Nexperia is audited regularly. The audit results are used to measure the company's effectiveness and to allow for action if and where required. Additionally, the company's Human Rights Office reviews the effectiveness of the preventive and remedial measures and makes any necessary adjustments. This includes evaluating information from affected parties, obtaining feedback from target groups, and conducting spot checks and audits. In addition, Nexperia participates in industry initiatives on best practices and shared approaches, and we engage with internal interest groups such as employee initiatives and employee representatives, as well as other external stakeholders.

Memberships

Nexperia is taking an active part in initiatives, such as the UN Global Compact, the Responsible Business Alliance and the Responsible Minerals Initiative. Thereby, the company receives access to valuable resources, tools and programs., which help to increase Nexperia's efficiency by following a shared approach with industry peers, make sourcing decisions that improve due diligence for responsible sourcing and improve the company's framework on responsible business practices.


Xuezheng Zhang

Chief Executive Officer

10th of October 2024