

Acting responsibly for human rights and environmental protection

Policy statement on compliance with human rights and environmental due diligence obligations in accordance with Section 6 (2) of the German Act on Corporate Due Diligence Obligations in Supply Chains (“Lieferkettensorgfaltspflichtengesetz – LkSG”)

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1 About this policy statement

This policy statement emphasises our commitment to respecting human rights, which is already outlined on a higher level in our Code of Conduct.

It also serves to ensure compliance with human rights and environmental due diligence obligations in accordance with Section 6 (2) of the German Act on Corporate Due Diligence Obligations in Supply Chains of 16 July 2021 (*“Lieferkettensorgfaltspflichtengesetz – LkSG”*).

The principles set out here apply to our own business activities and all Siltronic employees worldwide. In addition, we also expect our business partners in the supply and value chain to commit to complying with the principles set out here and to implement appropriate processes to respect human rights. This also includes providing information on request about how the mentioned principles are complied with.

We will review this policy statement on an annual basis and update it if necessary. The latest version of the policy statement is published on the Internet at www.siltronic.com.

2 Siltronic – a globally operating company

Siltronic is a global manufacturer of wafers made of high-purity silicon.

We work with around 4,000 suppliers worldwide at our four production sites in Germany, Singapore and the USA. Our most important suppliers and procurement areas focus on the raw material polysilicon, specific auxiliary and operating materials for production processes, energy, IT and logistics services, as well as capital goods. We ship our wafers to our customers in Europe, Asia and the USA.

3 Commitment to human rights

As a global company, Siltronic operates in an international market and multicultural environment. We see the diversity of people as an enrichment and are aware of our responsibility and role model effect. We treat each other respectfully, honestly and openly and are committed to respecting human rights and acknowledge our responsibility within our supply chain.

We are fully committed to internationally proclaimed human rights. Within our sphere of influence, we actively promote compliance with these rights and actively oppose all forms of human rights violations. We strictly reject all forms of child labour and forced labour.

Frameworks

As a supplier to the electronics industry, Siltronic is guided by the code of conduct of the industry initiative Responsible Business Alliance (RBA), through which companies in the electronics industry worldwide challenge and promote a sense of social and ecological responsibility as well as ethical business practices. Siltronic is a member of the Responsible Business Alliance (RBA).

Siltronic implements the ten principles of the United Nations Global Compact Initiative for the protection of human rights, social and environmental standards and the fight against corruption and publishes an annual Communication on Progress Report.

Our strategy for implementing human rights and environmental due diligence is based on the following international frameworks:

- UN Guiding Principles on Business and Human Rights
- United Nations Universal Declaration of Human Rights
- Conventions and Recommendations of the International Labour Organization (ILO)
- OECD Guidelines for Multinational Enterprises
- Ten principles of the UN Global Compact
- 17 Sustainable Development Goals of the United Nations
- Code of Conduct of the Responsible Business Alliance (RBA)
- German Diversity Charter

We adhere to applicable national legislation as minimum standards. In cases where international due diligence obligations from the above-mentioned frameworks go beyond local legal requirements, we endeavor to promote the principles behind the international standards without coming into conflict with local requirements.

We have summarized our fundamental commitment to respecting human rights in our Code of Conduct.

4 Expectations of our business partners

We want to work in partnership with our business partners to challenge and promote the implementation of human rights due diligence obligations.

We expect our suppliers and partners to comply with the applicable laws and the principles set out in the international frameworks. Additional relevant standards and principles are set out in our Code of Conduct, in the Code of Conduct of the Responsible Business Alliance (RBA) and in this policy statement.

Our suppliers must respect the fundamental rights of their employees, in particular promote equal opportunities and equal treatment and must not tolerate any form of discrimination. They must not employ employees against their will or force them to work. They shall ensure appropriate remuneration, comply with the specified limits on maximum working hours, recognize employees' freedom of association and prevent all forms of child and forced labour. Our suppliers shall take responsibility for the health and safety of their employees and take precautionary measures against accidents, as well as train their employees in occupational safety issues. Our suppliers shall minimize their environmental impact and continuously improve their environmental performance. In particular, our suppliers must avoid environmental impacts that could lead to the violation of human rights.

5 Our due diligence obligations

We have defined responsibilities and implemented suitable processes to fulfil our human rights due diligence obligations in our company and in our value chain. Key elements are

- the publication of this policy statement as amended from time to time;
- conducting human rights and environmental risk analyses as part of the existing risk management;
- the implementation of preventive and remedial measures at Siltronic and its supply chain;
- the provision of opportunities for Siltronic employees and third parties to point out violations and their subsequent processing;
- annual reporting on the implementation of our due diligence obligations.

Responsibility for compliance with and monitoring of human rights due diligence obligations lies with Siltronic's Executive Board, and thus at the highest management level. The Corporate Responsibility, Human Resources, Environment, Health & Safety, Legal & Compliance and Strategic Procurement departments steer the implementation of due diligence obligations within the framework of defined processes as part of Siltronic's Integrated Management System. The local implementation of the due diligence obligations is carried out by those responsible at the respective sites.

The head of the Corporate Responsibility department is appointed by the Executive Board as Siltronic's Human Rights Officer and reports directly to the Executive Board.

5.1 Risk management

The risk analysis for identifying, assessing and prioritizing human rights and environmental risks is integrated into the overall process of corporate risk management in order to embed human rights due diligence in the company and raise awareness at a broad level within the company.

The non-financial risks are determined and assessed on a recurring basis for each location. In particular, Siltronic utilizes the instruments of the Responsible Business Alliance (RBA) industry initiative for this purpose.

We report the results of the risk assessments to the Executive Board of Siltronic on a regular basis. This applies to our own area of activity as well as to our supply chain, in particular to direct suppliers, and to indirect suppliers on an ad hoc basis.

5.2 Risk analysis

Since 2014, we have carried out human rights and environmental risk analyses in our own business area as well as in our supply and value chain at least once a year or as required. The processes for assessing human rights risks are integrated into the company-wide Risk Management System.

In particular, Siltronic utilizes the tools of the Responsible Business Alliance (RBA) industry initiative by means of online platforms, site-specific self-assessments in the form of self-assessment questionnaires and external audits within the company and at business partners in the supply chain. These tools are designed to identify the relevant social, environmental and ethical risks within the company and in supply chains. The analyses are carried out both at company level and at the level of the production facilities. Results from online research in the media and databases are also included in the assessments.

In 2023, Siltronic carried out risk analyses of human rights and environmental risks in its own company and in the supply chain. Country risks, product- and industry-specific risks and company-specific risks were analyzed. As part of the risk analysis, risks were assessed and prioritized based on their impact (extent, scope, irreversibility) and their probability of occurrence. As a result, prioritized risks in the areas of working hours, occupational health and safety and climate change were identified for 2023. Measures for prevention or mitigation were defined, responsibilities have been assigned.

5.3 Prevention and remedy

Based on the results of our risk analyses, we initiate suitable preventive measures for relevant risks in our own company and at our business partners.

In cases where we violate human rights or contribute to such violation in the course of our business activities, we are committed to implementing effective remediation measures. We also actively endeavor to remedy any negative impacts that we have caused or contributed to.

5.3.1 Prevention and remedy at Siltronic

The principles documented in our Code of Conduct form a binding framework for the responsible behavior of our employees in their daily work. The Code of Conduct is based on internationally recognized frameworks, in particular the Responsible Business Alliance (RBA), as well as OECD and ILO guidelines. These guidelines have an impact on Siltronic's organizational structure and processes. The main organizational measures for implementing the ethical principles are

- a) an Integrated Management System (IMS),
- b) centralized management of corporate responsibility and human rights topics with a specialist function and a direct reporting channel to the Executive Board,
- c) the coordination of EHS topics by a separate department that deals with environmental protection, health protection, plant safety and occupational safety, and
- d) the structure of recurring reporting to the Management Board and Supervisory Board.

We control operational processes via our Integrated Management System (IMS). The IMS describes processes and responsibilities and defines Group-wide standards for amongst others quality, energy, occupational and plant safety, as well as health and environmental protection. Siltronic is certified according to these standards: ISO 14001:2015 for environmental protection, ISO 45001:2018 for occupational health and safety, ISO 50001:2018 for energy management at the German sites and IATF 16949:2016 for quality management.

We are constantly working to create a safe and healthy working environment and implement uniformly high standards at all our sites.

We expect our employees to comply with the requirements of the Code of Conduct. To this end, we provide our employees with regular training on the Code of Conduct and special compliance topics such as human rights due diligence obligations.

We have installed a compliance management system to prevent, identify, process and, if necessary, sanction company-related legal violations. Siltronic's Compliance Organization is responsible for this. The company has appointed compliance officers in all active units.

If violations, deviations or potential for improvement are reported or recognized, they are processed in defined processes, evaluated with a root cause analysis and, if necessary, corrective or preventive measures are initiated and implemented.

These measures are reviewed regularly, at least once a year and on an ad hoc basis.

5.3.2 Prevention and remediation in the supply chain

When selecting and evaluating our business partners, we take human rights and selected environmental criteria into account and implement appropriate control measures.

In our Code of Conduct, we document our expectations of suppliers regarding the careful treatment of their employees and the environment and oblige them to comply with the principles of the UN Global Compact and Responsible Business Alliance (RBA) initiatives via our purchasing conditions. We also ask our suppliers to enforce these principles in their own value chain.

As part of our supplier management processes, we analyze and evaluate our supply chain with regard to potential risks and compliance with obligations. If necessary, corrective or improvement measures are developed and followed up with the suppliers. The digital whistleblower system is also available to employees of our partner companies to draw attention to possible violations of relevant human rights or environmental risks that have arisen as a result of business activities by Siltronic or a business partner.

Based on the results of our risk analyses, we determine focus suppliers for a necessary, more detailed investigation. In addition to suppliers with a high procurement volume or high-risk potential, service providers whose employees work in our global production facilities together with our own staff are also particularly important to us in this context. We use the Responsible Business Alliance's (RBA) online self-assessment tool (SAQ) to precisely assess the risks of these focus suppliers.

Independently of the risk-based analyses of our suppliers, we take reports of human rights violations and changes in the law as an opportunity to specifically examine our supply chain. Depending on the significance of the supplier and the risk for Siltronic, we carry out these audits with the help of independent third parties (VAP audits by the Responsible Business Alliance (RBA)) or with our own qualified auditors.

In addition, we attach great importance to our suppliers acquiring certificates with which they have the suitability of their management systems externally confirmed, including for social and environmental aspects. These have a relevant influence on the evaluation of our suppliers. These measures are reviewed regularly, at least once a year and on an ad hoc basis.

We organize training sessions with selected suppliers to raise awareness of the issue of human rights due diligence obligations.

5.4 Complaints procedure

All internal and external persons can report possible violations of the law or compliance and (imminent) violations of human rights via established whistleblower channels.

Employees can discuss their complaints with their line manager or with representatives of the Works Council or use one of the available digital whistleblowing systems. Siltronic offers a platform for reporting potential violations at www.siltronic.com, where whistleblowers can also submit their report anonymously if they wish. Alternatively, there are other publicly available whistleblowing systems, such as at the Responsible Business Alliance (RBA).

We have also appointed an external ombudsman as a protected channel for reporting violations, to whom our employees and third parties can anonymously report violations of legal regulations.

Any information received is promptly analyzed by the Chief Compliance Officer and the Human Rights Officer as part of a defined process and, if necessary, immediate, corrective or preventive measures are defined and implemented.

The rules of procedure for Siltronic's complaints procedure under the LkSG are published at www.siltronic.com/de/unternehmen/compliance/ombudsmann.

5.5 Reporting and documentation requirements

Siltronic reports at least annually on opportunities and risks as well as on the objectives, processes and results of our measures to implement human rights due diligence obligations along the value chain.

We publish this information at www.siltronic.com and on a platform of the Federal Office of Economics and Export Control (BAFA).

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