

ams OSRAM: Modern Slavery Statement (UK) 2021

This statement has been published in accordance with section 54 (1) of the UK Modern Slavery Act 2015. It sets out the steps ams OSRAM has taken during fiscal year 2021, to identify and address modern slavery and trafficking risks. The reporting period for this statement is fiscal year 2021 (January 1 to December 31, 2021).

ams-OSRAM AG is publishing this statement on behalf of the [ams OSRAM Group \(ams OSRAM in the following\)](#). Although not all ams OSRAM companies are subject to the Act, ams OSRAM takes a group-wide approach to its human rights commitments.

ams OSRAM operates in the UK market through its UK-based affiliates ams R&D UK Ltd., ams Sensors UK Ltd., Incus Laboratories Ltd., VividQ Ltd, ILOF – INTELLEGENTLAB ON FIBER LIMITED, RGI Light Ltd., Ring Automotive Ltd. and OSRAM Ltd. All entities are covered by the ams OSRAM policy framework and management processes outlined below.

1. The ams OSRAM structure, operations and supply chains

ams OSRAM is a leading provider of light emitters and optical sensors in the global market for optical technologies. Operational implementation of our business largely takes place via the two segments Semiconductors and Lamps & Systems, which serve our end customers in the consumer, automotive, and industrial & medical technology markets. Geographically, our activities are split into three regions or regional markets: EMEA (Europe, Middle East and Africa), Americas and APAC (Asia/Pacific). The ams OSRAM Group manufactures its products at 23 locations in the three regions mentioned.

As of December 31, 2021, ams OSRAM employed 24,499 employees (previous year: 29,753 employees), who generated revenue of EUR 5,038 million (previous year: 3,504 million) with a large number of products and solutions.

Our external procurement volume stands at EUR 2.9 billion and our global supplier network comprises just under 14,700 suppliers. We source most of our materials from Germany, Austria, China, Singapore, Malaysia and the USA. The largest material fields by volume are contract manufacturing, production and test equipment for semiconductors and pre-materials for opto semiconductors.

For further information on the products, company structure and supply chains of ams OSRAM, please refer to the [ams OSRAM Annual Report 2021](#) and [Sustainability Report 2021](#).

2. Risks of modern slavery and human trafficking in our operations and supply chains

As an international company with diverse products and complex global value chains, we know that our business relationships present the risk of human rights violations, including slavery and human trafficking, especially for more potentially vulnerable groups, such as migrant and temporary workers.

Specific risk factors for ams OSRAM include the following:

- **Sector and industry:** The electronics industry, where ams OSRAM operates, is perceived as a high risk industry globally.
- **Products and services:** The ams OSRAM product portfolio requires the use of materials that could be classified as potential conflict minerals due to their origin (Democratic Republic of Congo and neighboring countries or conflict-affected and high-risk areas (CAHRAs) as defined in EU Regulation 2017/821). To a very small extent, cobalt and MICA are used in our products. ams OSRAM also procures services such as cleaning, construction and logistics that are subject to higher modern slavery risks.
- **Geography:** We have significant production facilities in countries with higher risks of modern slavery, including China, Malaysia and the Philippines.
- **Workforce profile:** ams OSRAM uses recruitment agencies, labour providers and labour brokers in recruiting permanent, temporary and contract workers. Our direct and indirect workforce includes groups that are potentially more vulnerable to modern slavery, such as those in low skilled roles or migrant workers. We consider the risks of modern slavery practices to be more significant for groups that are not employed directly by ams OSRAM, such as indirectly employed (contract) workers and workers employed by local service providers.

In 2019, we conducted a modern slavery risk assessment for OSRAM with external expert support to gain greater insight into the relevant risks and existing management capabilities in key OSRAM entities. Following the acquisition of OSRAM by ams and the resulting changed risk profile of the combined entity, we will conduct further due diligence in 2022 to assess human rights and modern slavery risks and management capabilities for ams OSRAM.

3. Our policies and due diligence processes

We do not tolerate any form of modern slavery, child labour, forced labour or human trafficking, whether within our own business or at our suppliers and business partners. Our policies, governance and due diligence processes support us in identifying and addressing such risks and impacts.

Going forward, we will regularly review our due diligence processes to identify and address human rights and modern slavery risks to people in the ams OSRAM operations, supply chains and business relationships.

Policies and governance

We outline our approach to respecting human rights in the [ams OSRAM Code of Conduct](#). We support internationally recognized human rights standards at all of our locations and are committed to the principles of the United Nations Human Rights Charter, which we actively support as a member of the [UN Global Compact](#). We will implement an obligation on all ams OSRAM employees to comply with the Code of Conduct in his/ her area of responsibility.

In the past, there were specific human rights related policies both at ams (Ethics and Labor Policy) and at OSRAM (Human Rights Policy). A Group-wide Human Rights Policy is currently being developed and will be published in 2022. This will be based on the Universal Declaration of Human Rights and the United Nations' Guiding Principles for Business and Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the principles of the UN Global Compact.

The [Code of Conduct for ams OSRAM Group Suppliers](#) sets out our expectations for our suppliers of goods and services. The Code contains an explicit ban on all forms of modern slavery, forced labour and human trafficking. It also requires that no internal or external worker is subject to unethical recruitment practices such as excessive fees or costs for recruitment. The Code stipulates that suppliers should use reasonable efforts to address social and environmental risks in their own supply chain, and make reasonable efforts that their suppliers adhere to do similar requirements as set out in our Code.

The ams OSRAM Corporate Human Resources department is responsible for coordinating the company's response to human rights and modern slavery risks. The department reports directly to the Management Board on these topics and the head of the department is member of the ams OSRAM Management Team which acts as Sustainability Council and addresses sustainability issues periodically or when appropriate.

Assessing modern slavery risks

Modern slavery risks are relevant primarily to our previously identified salient human rights risk areas of "Working conditions of employees" and "Working conditions and livelihoods in the supply chain". We are aware that the acquisition of OSRAM by ams requires us to assess the human rights and modern slavery risk profile for the recently combined Group, and we will introduce relevant processes in fiscal year 2022.

This includes the adaptation to ams OSRAM of the continuous human rights risk monitoring and management process designed and tested at OSRAM in 2019. The process brings together a range of data sources and corporate functions, enabling ams OSRAM to identify and address both function-specific and cross-functional risks such as forced labour and modern slavery. In 2022, we will pay particular attention to new risks and impacts at the former ams units, as well as those that may have arisen due to COVID-19 and will continue to be relevant in future.

Human rights risks, including modern slavery, are part of the enterprise risk management process. Questions regarding human rights risks have also been included in the company level control questionnaire, which is used in the annual evaluation of the local control system of all consolidated entities by the relevant local management. The results of this process will be reported in the sustainability report.

Assessing modern slavery risks in our supply chains

ams OSRAM procurement follows a three step approach towards assessing human rights risks – including modern slavery risks – in supply chains and determining the need for further monitoring measures:

1. As a member of the Responsible Business Alliance (RBA), ams OSRAM uses the RBA tool for a systematic categorization and assessment of sustainability and human rights related category risks. We match our information on suppliers' sourcing origin, addressed category and spend, with publicly available risk KPIs by the World Bank, ILO, UNICEF and the Walk Free Foundation to cluster our suppliers in different risk profiles.
2. Suppliers in high risk countries, as indicated in the RBA tool, are required to fill out a self-assessment covering the expectations of the Code of Conduct for ams OSRAM Group Suppliers. We use an online self-assessment platform enabling us to collect and monitor relevant supplier data, including human rights and labour aspects, in real time. We request our suppliers to confirm that they reject all forms of forced labour and unethical recruitment practices, and whether they have measures in place to prevent these, by signing our Code of Conduct for Suppliers.
3. Suppliers in the quartiles of high risk and high leverage are then subject to a further Self-Assessment provided from the RBA and depending from the result, to RBA Validated Audit Reports. These include an assessment of child and forced labour risks, ensurance of fair remuneration and working hours, safe working environment and others.

We also take a deeper supply chain view with regard to responsible minerals, including conflict minerals, having worked on investigations into country of origin and conducting due diligence checks of the smelters in our supply chain for a number of years. Please see "Mitigation and remediation measures – supply chains" below for further detail.

We are aware that risks of modern slavery practices exist beyond our direct suppliers. We therefore collaborate closely with our external manufacturers and only allow approved component and material manufacturers to be used.

The COVID-19 pandemic prompted us to focus on the resilience of our global supplier network. An intensive consultation process took place, aimed at minimizing the economic and therefore social fallout in our supply chain and working with our suppliers to come up with sustainable solutions. With only a few exceptions, we managed to keep the supply chain running and therefore ensured the continuation of the business relationships, albeit with lower volumes.

Addressing modern slavery risks

Mitigation and remediation measures – own operations

The global and local Human Resources teams as well as our environmental protection and health and safety management system address a range of human rights risks at our production sites and larger research and development sites, though we recognise this is not yet all-encompassing. In countries with known modern slavery risks, ams OSRAM has taken additional precautionary measures such as certifying Foshan production site (China) against the leading social compliance standard amfori BSCI which also addresses forced and child labour risks.

As a member of the Responsible Business Alliance (RBA) we work to the standards set out in the RBA Code of Conduct or local law, whichever is more strict. The code includes requirements on freely chosen employment, prohibiting forced, bonded or indentured labour as well as slavery, human trafficking and child labour.

Our Malaysian facilities are regularly audited by customers based on the RBA Code of Conduct. ams-OSRAM International GmbH holds an annual internal review to discuss and address any findings. Changes to policies and processes are implemented, if necessary. Furthermore, we have implemented in Malaysia a yearly Human rights refresher program for all levels of employees which is conducted once per year.

Based on our 2019 modern slavery risk assessment, we identified specific countries and focus areas for further action. These include communication and awareness-raising on how to spot signs of modern slavery and what to do if there is a concern. The whistleblowing system "Tell ams OSRAM," which was introduced throughout the Company in April 2021, is a key element of the compliance management system. Employees and third parties can report – anonymously, if they wish – indications of breaches of legislation governing anti-corruption, competition and antitrust law, the prevention of money laundering, data protection and export controls, but also human rights and labor conditions via "Tell ams OSRAM" During the COVID-19 pandemic, we undertook a range of steps to help safeguard jobs and support our employees. Since March 2021, ams OSRAM maintained a joint global task force team at headquarters and local crisis management teams or task forces at the locations. The global task force team consists of representatives of the business units, of Operations, the General Managers of the major locations and representatives of corporate functions. External resources, such as company doctors, were consulted if

required. The task force is led by a specifically designated person from HR and reports regularly to the Management Board on all aspects of the crisis.

We also took global and local health and safety measures to prevent clusters of COVID-19 infection at ams OSRAM and offer vaccinations against coronavirus to employees. Please see our [Sustainability Report 2021](#) (6.2 – Occupational Health and Safety) for further detail.

Mitigation and remediation measures – supply chains

We require all suppliers with a purchasing volume of EUR 50,000 or higher to sign the [Code of Conduct for ams OSRAM Group Suppliers](#) (CoC for suppliers) with its explicit ban on all forms of modern slavery, forced labour and human trafficking. The CoC for suppliers is also part of the prequalification process for new suppliers and is provided to all suppliers – irrespective of purchasing volume – when purchase orders are placed.

Our risk assessment processes for suppliers in line with the CoC for suppliers are set out above.

Our work with suppliers in fiscal year 2021 continued to be affected by the COVID-19 pandemic. We focused on the resilience of our global supplier network as well as avoiding supply chain imbalances and extended delivery times. This required a great deal of coordination with our suppliers.

Due to ongoing COVID-19 restrictions, only a small number of corporate responsibility audits (CRA) took place. They identified non-compliance in the areas of working hours and health and safety as the most common failures in fiscal year 2021. Where audits of suppliers highlight areas of non-compliance, action plans are drawn up that are designed to remedy the identified failures and improve the performance of the supplier over the long term.

We have also put in place due diligence processes in order to properly assume our responsibilities with regard to the protection of human rights in the context of conflict minerals. Conflict minerals, for ams OSRAM, covers 3TGs (tantalum, tin, tungsten and gold), cobalt and MICA.

We strive for full transparency with regard to conflict minerals, including cobalt and MICA, for our entire purchasing volume and have committed to the OECD Due Diligence Guidance for Responsible Mineral Supply Chains. We use automated testing tools to meet the requirements regarding conflict materials in our supply chain.

ams OSRAM is also a member of the Responsible Minerals Initiative (RMI). The sharing of information and insights within the RMI help us to continuously improve our due diligence on conflict minerals. RMI training materials are available to our suppliers via an online training portal. When purchasing raw materials, ams OSRAM makes sure it uses qualified sources. For example, all our directly commissioned smelters for conflict minerals are RMI-certified. More information on how ams OSRAM conducts due diligence on conflict minerals is available in the [Sustainability Report 2021](#).

Grievance mechanism and remedy

All employees and external parties can report potential human rights violations or concerns – including modern slavery – via a dedicated channel in our confidential notification system [“Tell ams OSRAM”](#). “Tell ams OSRAM” is open to anyone who feels harmed or negatively affected by the activities of ams OSRAM or those doing business with ams OSRAM. This includes but is not limited to: employees of ams OSRAM, our suppliers, service providers and business partners (including temporary workers and contractors) in any country, local communities around our sites and our suppliers’ sites, as well as end users of ams OSRAM products or services. Reporters can raise any human rights related violations and concerns – anonymously if they wish to – including on forced labour and child labour.

All reports to “Tell ams OSRAM” are followed up. Retaliation against reporters will not be tolerated. If there is plausible and substantiated suspicion of wrongdoing, an internal compliance investigation is conducted by the Compliance department following a formalized process established in the Compliance Guideline. If needed, remediation measures are implemented and their implementation monitored. In the event of misconduct on the part of our employees, ams OSRAM may take disciplinary action in accordance with applicable labor law provisions. In the event of misconduct on the part of our business partners, we will recommend implementing remediation measures with further close monitoring and, as the case may be, even the termination of current contracts. ams OSRAM reports on raised human rights concerns and how they were dealt with in the sustainability report.

4. Effectiveness

A key avenue for assessing the effectiveness of our actions to address modern slavery risks is our dedicated grievance mechanism “Tell ams OSRAM”, our notification system for human rights violations (as well as for compliance and data privacy

violations). “Tell ams OSRAM” has been solidly promoted among our employees through compliance trainings and communication measures. A focus area for improvement is to enhance the promotion of “Tell ams OSRAM” among third parties potentially impacted by ams OSRAM’s activities and business relationships.

In fiscal year 2021, we received 25 indications of breaches of human rights and fair labor conditions via “Tell ams OSRAM”, up from two reports in fiscal year 2020. They were systematically recorded and analyzed. A breach of human rights or fair labor conditions was not identified in any of these cases.

Our continuous human rights risk monitoring and management process outlined above, once implemented fully, will also serve to assess the effectiveness of our actions to address human rights and modern slavery risks. This includes analyzing and addressing results related to human rights and modern slavery of the enterprise risk management process.

Our key objective is the avoidance of human rights abuses. As well as investigating each notification of a potential breach of human rights, our goal is to systematically analyze notifications of suspected cases and derive appropriate measures from them. This is how we aim to raise awareness of this important topic within the organization and prevent human rights violations.

5. Training and capability building

Raising awareness on human rights, including modern slavery and human trafficking, is an important cornerstone of our due diligence procedures.

In fiscal year 2021, we used various prevention methods to raise awareness. As part of our activities to promote respect for human rights, we also pursue region- and country-specific topics like the Human rights refresher program in Malaysia.

A global e-learning module on human rights has been available to all OSRAM employees on our internal learning platform for OSRAM. Further adaptation and roll-out of human rights trainings are planned for 2023.

6. Moving forward

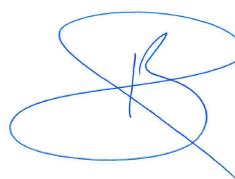
For ams OSRAM, human rights due diligence in general and modern slavery due diligence more specifically, is a process of continuous improvement and learning. To strengthen our approach in the next two years, ams OSRAM strives to:

- Further implement our continuous human rights monitoring and management system, due diligence process and measures, for the ams OSRAM Group with a specific focus on modern slavery risks;
- Further strengthen our communication, awareness-raising and capability-building activities among employees, suppliers and business partners on modern slavery risks and their mitigation. This includes strengthening our communication on and building trust in “Tell ams OSRAM” as a human rights grievance channel;
- Further strengthen our assessment and management of modern slavery risks in our supply chains, specifically considering higher risk service providers and our deeper supply chains (beyond Tier 1);
- Report transparently and regularly on mitigation and remediation actions taken to address modern slavery risks and impacts; further strengthen our reporting on the effectiveness of our efforts to combat modern slavery, via relevant performance indicators such as gender pay gap, indication of breaches of human rights and fair labor conditions via “Tell ams OSRAM”, confirmed cases of breaches of human rights and fair labor conditions, number of human rights trainings conducted for ams OSRAM employees.

Signatures



Alexander Everke
Chairman of the Management Board, CEO



Ingo Bank
Member of the Management Board, CFO