



Information on Stockholder Proposal 7 – Amendments to the Code of Ethics and report on the board members' compliance with the amended code

Investor Briefing for the Netflix, Inc. AGM on 6 June 2024

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Executive Summary

The lack of strong diversity, equity, and inclusion policies, coupled with allegations against a board director, is raising **serious governance concerns at Netflix**.

The Netflix Code of Ethics does not meet industry standard practices and notably trails behind its peers in its commitment to fostering diversity, equity, and inclusion.

Coupled with allegations put forward by renowned media against one of Netflix's board directors regarding their purported tolerance of abusive conduct, this issue raises significant governance concerns.

Given the backdrop of the #MeToo movement, which has shed light on instances of harassment in the entertainment and media industry and considering Netflix's emphasis on diversity as a cornerstone of its corporate identity, these circumstances pose tangible risks to the company's brand and reputation, ultimately threatening the sustained value for shareholders in the long run.

Amidst heightened scrutiny in the industry,
Netflix needs to revise its Code of Ethics and
evaluate board compliance to fortify brand
integrity and protect long-term shareholder
value.

Consequently, it is imperative for Netflix to revise its Code of Ethics and to evaluate the compliance of board directors with the revised standards.

This step is indispensable for addressing governance concerns, ensuring alignment with Netflix's organizational culture and values across the board.

Taking this reasonable action, allows the company to fortify its brand integrity and reputation, thereby safeguarding long-term shareholder value.

Why change is warranted:

Despite recent adjustments,
Netflix's Code of Ethics does
not meet industry practice and
lags behind peers.

Key issues finally addressed but adjustments fall short

Before the recent adjustments (as adopted September 6, 2023), Netflix's Code of Ethics did not mention the issues of non-discrimination, harassment, and whistleblower protection at all. Still, the updated version fails to meet industry standards.

Non-discrimination policies typically detail conditions of employment and protected classes. Netflix uses expressions like "in any form", "any improper conduct", or "harassment or discrimination of any kind" that remain too vague and lack specificity.

Without clear definitions or examples, individuals may interpret the policy differently, increasing the likelihood of inappropriate conduct and leading to inconsistent enforcement of the policy. In the most adverse scenario, individuals who are affected by abusive behavior may not feel comfortable to voice their concerns, as they may perceive that the policy does not adequately cover how they are being treated.

Peers significantly outperform Netflix

Of 18 companies from 2023 Netflix Peer Group assessed, 14 score in the top range ("excellent") for their Non-discrimination and anti-harassment policies, while Netflix receives the lowest score ("poor").

Among the best scoring peers are PayPal Holdings, Inc. and Meta Platforms, Inc. as well as entertainment companies such as Paramount Global, Warner Bros. Discovery, Inc., and The Walt Disney Company. All provide grounds of discrimination and definitions of harassment in a comprehensive manner, which Netflix fails to do.

To avoid limiting the policy by not naming all grounds of discrimination exhaustively, best practice policies make use of phrasing like "Any other basis prohibited under applicable law" or "any other legally protected characteristic" (see e.g., Meta or PayPal).

Why change is warranted:

In view of reported allegations against board member Mathias Döpfner, there are doubts whether each of the directors meets standards of ethics and diversity.

Detailed allegations raised by renowned media

The board of directors and its members serve as role models for a company. Their actions, decisions, and behavior can significantly influence the organizational culture and set the tone for how the company operates and is perceived by others.

In 2021, the New York Times reported concerns regarding the company culture at Axel Springer, where Netflix board director Mathias Döpfner serves as chairman and CEO. The Financial Times (FT) provided more details one year later on an alleged abuse of power involving an editor-in-chief and Döpfner's response to the situation.

The purported conduct of concern by Döpfner, as reported by the FT, involves:

- Retaining the then editor-in-chief despite multiple accusations related to his misuse of power in the context of intimate relationships with subordinate female employees, assessed by an external audit firm as 'severe managerial misconduct'.
- Disclosure of information to the accused editor during an external probe that enabled him to identify witnesses.
- Rejecting the allegations of sexism and instead responding to the situation with a counterinvestigation and threats of taking legal action against an individual who provided testimony.

At Axel Springer, Politico's New Owner, Allegations of Sex, Lies and a Secret Payment

A high-flying German media giant is ahead on digital media but seems stuck in the past when it comes to the workplace and dealmaking.

Source: https://www.nytimes.com/2021/10/17/business/media/axel-springer-bild-julian-reichelt.html

Women spoke up, men cried conspiracy: inside Axel Springer's #MeToo moment

German publisher's chief Mathias Döpfner fought to protect his top editor from misconduct claims

Source: https://www.ft.com/content/0317edd2-cf37-4d32-9e03-e7288904126c

Why change is warranted:

To safeguard brand and reputation, it is crucial for a company that highlights diversity as a key selling point to address any governance concerns regarding it.

Ensure each board director's alignment with the Netflix culture

In light of the allegations against board member Mathias Döpfner, publicly available information is required about an investigation to assess the consistency of these actions with Netflix's corporate culture.

Given the current lack of specificity in the Code of Ethics regarding such behavior, it remains unclear whether the allegations are unfounded or whether the alleged behavior is considered to be in line with Netflix's values and its overall commitment to ethical corporate practices.

A strong policy would enable the ascertainment of whether the reported allegations lack merit or warrant further examination.

A reasonable task to mitigate brand and reputational risks

Since streaming is now an established business, Netflix is self-funding and expects sustained positive free cash flow, revising the policy to undertake a thorough compliance review seems to be a manageable step that will mitigate potential risks to brand and reputation.

It ensures that all board directors adhere to standards and aligns Netflix's corporate behavior with the values promoted in its productions.

This proactive measure will help to bolster trust among stakeholders and demonstrates Netflix's commitment to diversity, equity, and inclusion to continue attracting key talent and productions from diverse backgrounds and vulnerable groups.

Please find more details and best practice examples in the annex.

Annex 1: Netflix Code of Ethics (before September 6, 2023)

Source: https://s22.q4cdn.com/959853165/files/doc downloads/governance docs/73.pdf

NETFLIX

Code of Ethics

The Board of Directors of Netflix, Inc. (the "Company") has adopted this Code of Ethics (this "Code") for its directors, officers and other employees (individually, "Netflix Party" and collectively, "Netflix Parties"). As used herein, the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions are sometimes also referred to as the "Senior Financial Officers".

This Code has been reasonably designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits
 to, the Securities and Exchange Commission and in other public communications made by the Company;
- · Compliance with applicable governmental laws, rules and regulations;
- . The prompt internal reporting to an appropriate person or persons identified in this Code of violations of this Code; and
- · Accountability for adherence to this Code.

I. Honest and Ethical Conduct

Netflix Parties are expected to act and perform their duties ethically and honestly and with the utmost integrity. Honest conduct is considered to be conduct that is free from fraud or deception. Ethical conduct is considered to be conduct conforming to accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships as discussed in below.

II. Conflicts of Interest

A conflict of interest exists where the interests or benefits of one person or entity conflict or appear to conflict with the interests or benefits of the Company. While it is not possible to describe every situation in which a conflict of interest may arise, Netflix Parties must never use or attempt to use their position with the Company to obtain improper personal benefits. Any Netflix Party who is aware of a conflict of interest, or is concerned that a conflict might develop, is required to discuss the matter with a higher level of management or the General Counsel promptly. Senior Financial Officers may, in addition to speaking with the General Counsel, also discuss the matter with the Audit Committee.

III. Disclosure

Senior Financial Officers are responsible for ensuring that the disclosure in the Company's periodic reports is full, fair, accurate, timely and understandable. In doing so, Senior Financial Officers shall take such action as is reasonably appropriate to (i) establish and comply with disclosure controls and procedures and accounting and financial controls that are designed to ensure that material information relating to the Company is made known to them; (ii) confirm that the Company's periodic reports comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (iii) ensure that information contained in the Company's periodic reports fairly presents in all material respects the financial condition and results of operations of the Company.

Senior Financial Officers will not knowingly (i) make, or permit or direct another to make, materially false or misleading entries in the Company's, or any of its subsidiary's, financial statements or records; (ii) fail to correct materially false and misleading financial statements or records; (iii) sign, or permit another to sign, a document containing materially false and misleading information; or (iv) falsely respond, or fail to respond, to specific inquiries of the Company's independent auditor or outside legal counsel.

IV. Compliance

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each Netflix Party to adhere to the standards and restrictions imposed by those laws, rules and regulations, and in particular, those relating to accounting and auditing matters. Any Netflix Party who is unsure whether a situation violates any applicable law, rule, regulation or Company policy should discuss the situation with the General Counsel.

V. Internal Reporting

Netflix Parties shall take all appropriate action to stop any known misconduct by fellow Netflix Parties that violate this Code. To this end, Netflix Parties shall report any known or suspected misconduct to the General Counsel or, in the case of misconduct by a Senior Financial Officer, also to the Chair of the Company's Audit Committee. In addition, Netflix Parties are encouraged to use the Company's confidential internal reporting system to report breaches of this Code. Information concerning the Company's confidential internal reporting system can be located on the Company's Intranet. The Company will not retaliate or allow retaliation for reports made in good faith.

VI. Accountability

Any violation of this Code may result in disciplinary action, including termination, and if warranted, legal proceedings. This Code is a statement of certain fundamental principles, policies and procedures that govern the Nettlix Parties in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity. The General Counsel and/or the Audit Committee will investigate violations and appropriate action will be taken in the event of any violation of this Code.

VII. Waivers and Amendments of the Code

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly disclosed pursuant to applicable laws and regulations. Any waiver or modification of the Code by a Senior Financial Officer will be promptly disclosed to stockholders if and as required by law or the rules of the stock exchange or over the counter trading system on which Netflix's stock is traded or quoted.

Annex 2: Netflix Code of Ethics (adopted September 6, 2023)

Source: https://s22.q4cdn.com/959853165/files/doc_downloads/2023/09/netflix-code-of-ethics-9-6-2023.pdf

On September 6, 2023, the Board of Directors of Netflix, Inc. approved revisions to the company's Code of Ethics. The Code was a amended to add, expand and update the treatment of a number of topics, including conflicts of interest, compliance with laws, accountability, internal reporting, confidential information and work environment. Certain non-substantive, administrative and stylistic changes were also made. This Code amendment did not relate to or result in any waiver, whether explicit or implicit, of any provision prior to the amendment.

Entertaining With Ethics & Integrity The Netflix Code of Ethics

At Netflix, we aspire to entertain the world and to do so ethically, sustainably and responsibly. Cultivating a culture where all employees are expected to act ethically and with integrity is important to our long-term success. The Netflix Code of Ethics (which you're reading, and sometimes referred to as the "Code") supports this goal and we all play a starring role.

You Play A Starring Role In This Production

The Code applies to members of the Board of Directors, officers and employees of Netflix, Inc., as well as its subsidiaries around the world ("Netflix" or "company"). We also expect others who are authorized and identified as acting on behalf of Netflix to follow the Code in connection with their work for us. A failure to adhere to the Code by anyone connected to Netflix is taken seriously and could end our relationship.

You May Have A Speaking Part (Duty to Report)

Ethics and compliance are for everyone. If you are aware of potentially unethical or illegal conduct, you have a duty to speak up. Please reach out to your manager or HRBP, or you can use our confidential reporting system (go/hotline). If you have concerns involving the company's "Senior Financial Officers" (i.e., the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), please directly notify the Chair of the Netflix Audit Committee. Netflix will not allow retaliation in any form, including for reporting any improper conduct.

Sneak Preview - What's Covered In The Code

The Code is intended to prevent wrongdoing and promote the following types of conduct:

- · Acting ethically and honestly;
- · Avoiding conflicts of interest (whether actual or apparent);
- Providing, as required by law, full, fair, accurate, timely and understandable public disclosures;
- · Complying with applicable laws, rules and regulations;
- · Protecting the company's confidential information;
- Ensuring accountability for making decisions consistent with this Code;
- Promoting an ethical, inclusive and respectful work environment; and
- Speaking up and reporting any actions and/or behaviors inconsistent with the Code.

Act Ethically and Honestly

At Netflix, you are expected to act ethically, honestly and otherwise with integrity. Your conduct should be free from fraud or deception, and aligned with relevant standards of professional conduct. We also expect you to follow internal guidance and guidelines like our Global Anti-Corruption Policy.

Truth, transparency, and candor generally lead to actions that are in the best interests of Netflix. If you are not comfortable "sunshining" your behavior (i.e., transparently disclosing the activity to your manager or co-workers), that should be a sign that the behavior could be problematic. In this event, you should discuss this with your manager prior to engaging in the behavior.

Avoid Conflicts of Interest

We love that our employees are creative and entrepreneurial individuals with varied interests and talents outside of work. Your work at Netflix is intended to support our business needs, not your personal pursuits. So anything you do for Netflix, while getting paid by Netflix, should be done with that goal in mind. It is critical to avoid situations where it seems, looks or feels like there is a conflict between your personal and Netflix's interests, whether that's in the form of personal favors, gifts/entertainment, financial gains, or other things of value. Please refer to our Conflict of Interest Guidelines for more information and examples of potential conflicts. Also, talk with your manager or HRBP about any concerns or questions you may have concerning possible conflicts of interest.

Make Appropriate Public Disclosures

Senior Financial Officers are responsible for ensuring that disclosures in Netflix's periodic reports and filings are full, fair, accurate, timely, and understandable. Senior Financial Officers must take such action as is reasonably appropriate to: (i) establish and comply with disclosure controls and procedures and accounting and financial controls that are designed to ensure that material information relating to Netflix is made known to them; (ii) confirm that Netflix's periodic reports comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (iii) ensure that information contained in Netflix's periodic reports fairly presents in all material respects the financial condition and results of operations of Netflix. Senior Financial Officers must not knowingly: (i) make, or permit or direct another to make, materially false or misleading entries in Netflix's financial statements or records; (iii) fail to correct materially false and misleading financial statements or records; (iii) sign, or permit another to sign, a document containing materially false and misleading information; or (iv) falsely respond, or fail to respond, to specific inquiries of Netflix's independent auditor or outside legal counsel.

Comply with Laws and Regulations

We seek to comply with all applicable laws, rules and regulations where we operate. We understand that it's impossible to know every law, rule and regulation that may apply. Know that we have Practices & Policies covering many specific areas discussed in the Code. Also, the Legal team can always assist with your questions as well.

Protect Confidential Information

As part of our culture of freedom and responsibility, everyone at Netflix is entrusted with information that is commercially sensitive, confidential, or not publicly known. We expect you to make smart, thoughtful

decisions about what, how, when and to whom you communicate such confidential business information—and to protect such information, whether or not it is marked "confidential." Because we provide broad access to information within the company, you should assume everything is confidential and should not be disclosed outside of Netflix, unless you are absolutely positive that it is not confidential. If you have any questions concerning the nature of information (i.e., whether it is confidential or not), please talk with your manager before sharing it with others outside of Netflix.

Ensure Accountability for the Code

Everyone is accountable for complying with the Code. Any violation of this Code may result in disciplinary action, including termination, and if warranted, legal proceedings. This Code is a statement of our fundamental principles, policies and procedures. It is not intended to and does not create any rights for any employee, customer, supplier, competitor, shareholder, or any other person or entity. Depending on the nature of the issue, appropriate internal teams (e.g., Employment Legal, Ethics & Compliance, etc.) will investigate violations and appropriate action will be taken in the event of any violation of this Code. Certain matters may require escalation to the Chief Legal Officer and/or the Audit Committee depending on severity.

Promote an Ethical, Inclusive & Respectful Work Environment

It's critically important to us that everyone at Netflix is treated equally, respectfully, and feels safe in their workplace. We do not tolerate harassment or discrimination of any kind. If you become aware of any activity that causes you concern—including if you feel harassed or discriminated against (or if you see it happen to someone else)—you should report it to your manager, HRBP, or use our confidential reporting system (go/hotline).

Code Waivers and Amendments

Netflix is committed to periodically reviewing and updating our policies and procedures, including the Code. Any amendment or waiver of any provision of this Code must be approved in writing by our Board of Directors and promptly disclosed as required by applicable laws and regulations. Any waiver or modification of the Code by a Senior Financial Officer will be promptly disclosed to shareholders if and as required by law or the rules of the stock exchange or over the counter trading system on which Netflix's stock is traded or quoted.

Conclusion

Our mission is to Entertain the World—and to do so ethically. This Code aligns with and supports that mission. No single document can cover every potential topic, scenario or situation you might face here. Therefore, you should use and apply the principles set forth in this Code to help guide you in your daily decision-making. If you ever find yourself in morally and/or ethically ambiguous territory, remember that candor, transparency and prior internal disclosure (aka sunshining) to your manager, HRBP, or executives of the company is always the best approach.

Adopted September 6, 2023

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Source: https://s22.q4cdn.com/959853165/files/doc_downloads/2023/09/netflix-code-of-ethics-9-6-2023.pdf

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Annex 4: Peer analysis – PayPal Holdings, Inc.

Source: https://www.paypalobjects.com/digitalassets/c/website/marketing/global/about/responsible-practices/Code-of-Conduct-2018.pdf

Commitment to Equality

COMMITMENT TO DIVERSITY AND INCLUSION

Respecting and embracing diversity is critical to our success. PayPal values the unique talents, personalities, work experiences, perspectives, culture, race, gender, ethnicity, sexual orientation and other differences each of us brings to the Company. To that end, all employees are expected to treat each other with mutual respect and foster a culture of inclusion.

OPEN, HONEST, ENVIRONMENT

We believe an open and honest environment will bring out the best in people. If you have any questions or concerns about your job or PayPal, you are encouraged to talk to your manager or any manager in your department or organization, or to contact any of the resources listed on page 13.

ENSURE EQUAL OPPORTUNITY

At PayPal, we practice good judgment by making decisions that are right for our Company and our customers, partners, employees and stockholders. We begin by hiring, promoting and compensating employees based on their ability to perform the job, without regard to race, religious creed or belief, color, ethnicity or national origin, ancestry, physical disability, mental disability, pregnancy or maternity status, medical condition, genetic information, marital status, civil partner status (where applicable), sex, gender, gender identity, gender expression, age, sexual orientation, and military and veteran status, or any other legally protected characteristic. We recognize and respect everyone as a unique individual and we do not tolerate employment discrimination in the workplace.

PAY EQUITY

We are committed to compensating all employees fairly and equitably and are committed to the principle of comparable pay for comparable work.

WE FOSTER A DIVERSE WORKPLACE AND TREAT OTHERS WITH DIGNITY, COURTESY AND RESPECT.



Maintain A Respectful Workplace

HARASSMENT, BULLYING AND DISCRIMINATION-FREE WORKPLACE

We strive to create a work environment free of all forms of discrimination, intimidation and harassment. We do not tolerate bullying, abuse, or any behavior that interferes with someone's work or that creates a hostile or uncomfortable work environment. No matter what form harassment takes – whether physical, sexual, verbal or non-verbal, in person, via email, social media, over the phone, or online – it is unacceptable.

We all have a responsibility to know what bullying and harassment are so we can report it promptly when we see it. We are committed to creating an environment where such issues may be reported without threat of retailation. While the definition of harassment may vary by jurisdiction, examples include racial slurs, remarks about sexual preferences and orientation, off-color jokes, bullying, sexual advances, degrading comments and intimidating or threatening behavior. Harassment can occur in multiple settings, including between members of the same sex or the opposite sex; between vendors, contingent workers, or employees; and in the office or at off-site work-related events.

APPROPRIATE DRESS FOR THE WORKPLACE

We recognize that non-verbal communication such as the visible display of certain flags, banners, emblems, and symbols on clothing worn in the workplace may interfere with others' work or create a hostile or uncomfortable work environment. You are required to dress appropriately for your role and the environment in which you work, taking into account our Company's values. While we want to foster a workplace where employees are comfortable in what they wear, you should avoid wearing clothing with words, symbols or images that could reasonably be regarded as having the purpose or effect of creating an intimidating, hostile or offensive environment for your colleagues.



QUESTIO

Does sexual harassment necessarily involve physical contact or unwelcome touching?

ANSWER:

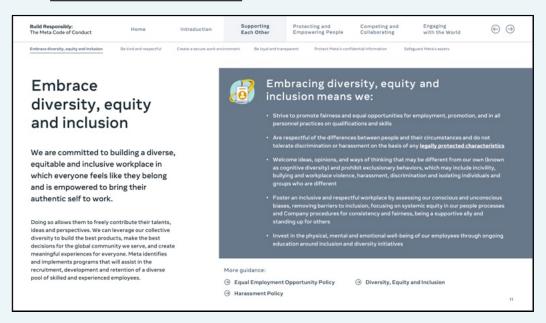
No. Sexual harassment can also be verbal or non-verbal. Words or gestures can be just as offensive as physical acts and contact. Jokes, stories and off-color comments can be sexually harassing and may create a hostile or uncomfortable work environment.

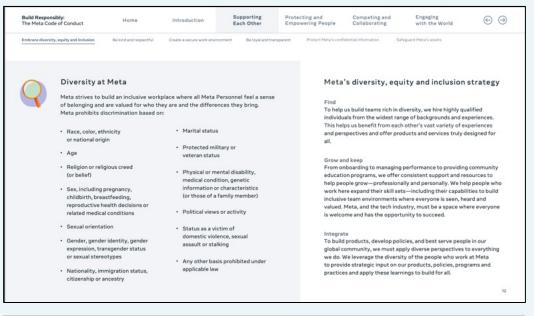


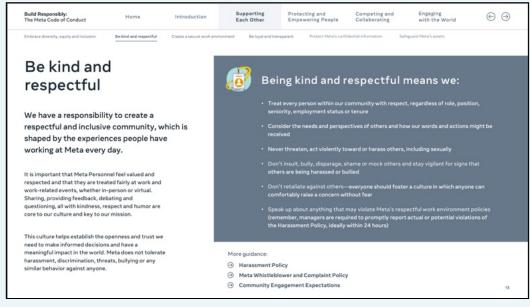
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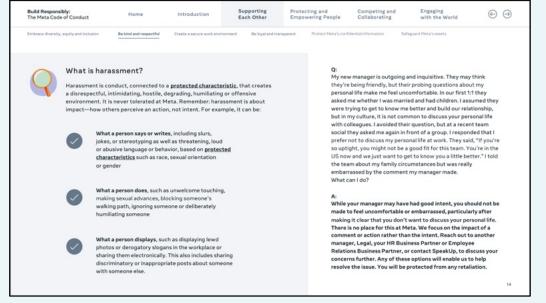
Annex 5: Peer analysis – Meta Platforms, Inc.

Source: https://about.meta.com/code-of-conduct/









Annex 6: Peer analysis – Paramount Global

Source: https://www.paramount.com/sites/q/files/dxihpe226/files/2024-01/Paramount Global Business Conduct Statement.pdf

conduct, regardless of whether the person is in a protected category.

In short, every employee has the right to feel safe when

· Making degrading and disparaging comments, jokes

or slurs related to race, color, age, gender, gender

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or offensive jokes, cartoons, letters, notes, images or invitations.

Reporting instances of harassment to a manager or someone from your Human Resources, Employee Relations, Legal Department, or OPENLINE; and not retaliating after an unwanted

overture or inappropriate conduct is rejected, or in response to the reporting of such conduct.

Adhering to Paramount's guidance on harassment whenever

utilizing social media.

whether by email, voicemail, social media, Slack, or other means!

Bullying or abusive conduct (regardless of whether

the person is in a protected category) includes the

epithets; threatening, intimidating, or humiliating verbal or physical conduct; and the gratuitous

severe and egregious.

sabotage of a person's work performance. A single act may not constitute bullying unless it is especially

