



2020 NXP CORPORATE SUSTAINABILITY REPORT





SUSTAINABILITY AT NXP

It's how we support the idea that what we do today helps determine our future, our ability to thrive as a company and a member of a broader community. It defines how we treat each other and the planet, and influences everything we do, at every level of the organization.

March 2021



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Navigating the Report

In each chapter, we explain our approach to the subject, measure our performance, and highlight our results.

If you're more interested in getting straight to the details, we provide them in the Appendixes.



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The year 2020 was, by nearly any measure, one of unprecedented challenges. It required all of us at NXP to work

differently, by engaging more closely than ever with our employees, partners, and customers, and by playing an even greater role in driving societal change.

Whether in the current environment or the post-pandemic future to come, the need for cutting-edge technology is boundless. From safety and security to convenience and connectivity, NXP accelerates breakthroughs that advance the world – including innovative product solutions that help support the sustainability goals and objectives of our stakeholders.

This report demonstrates our commitment to sustainability and our dedication to measurable year-on-year progress. As we look back on a turbulent year, it's important to celebrate the progress we made by working with our employees and partners in the public and nonprofit sectors. With that in mind, I am pleased to share with you some of what we achieved in the past 12 months:

2020 Accomplishments

Products – NXP technologies enabled critical, life-saving solutions, including ventilators urgently needed to support the sickest COVID-19 patients. The ability to play an active role in fighting the ongoing pandemic by delivering precise and reliable medical-grade components was made possible by the collaboration of our employees, our suppliers, and our customers.

In April, NXP issued one of the semiconductor industry's first Green Innovation Bonds. The bond will help us develop even smarter chips, so we can further reduce energy consumption in end products such as power adapters, electric/hybrid vehicles, traffic-management systems, edge processors, mobile networks, and building heating, cooling, and lighting.

Diversity, Equality and Inclusion – We appointed a Head of Diversity, Equality and Inclusion to ensure our working environment supports equal access to opportunities.

Health and Safety – Employee health and safety remains a top priority for NXP, and we enacted world-class protocols across our sites to protect our employees in response to the COVID-19 pandemic.

We are especially pleased to report our lowest-ever injury rate of 0.08 (per 100 employees/working hours). In 2019, the semiconductor industry averaged between 0.5 and 0.8.

Human Rights – In response to the pandemic, we surveyed 41 high-risk suppliers to evaluate their protection of workers' human rights and verify that their workers were safe and protected.

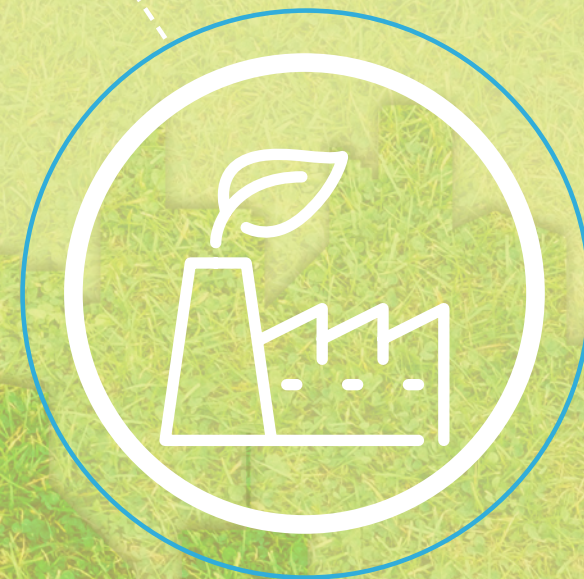
We received high rankings on social responsibility from two non-profit organizations that benchmark performance in the Information and Communication Technologies (ICT) industry. We were ranked #5 among 44 companies by the Corporate Human Rights Benchmark and #8 among 49 companies by Know the Chain.

Carbon Footprint – We met our 2020 goal to reduce our carbon footprint by 30%. In addition, we have reduced our absolute emissions of PerFluorinated Compounds (PFCs), which are greenhouse gases, by 66%.

Sustainability Policy – We revised our Sustainability Policy to provide more information on our products, our employees, and our commitment to human rights.

Sustainability is a journey, not a destination. As we proceed on this journey, we will continue working with our partners to create a more sustainable world – together.

Kurt Sievers
President and CEO, NXP Semiconductors



ABOUT THIS REPORT

COMMITMENT TO TRANSPARENCY



ABOUT THIS REPORT

In this report, we provide an overview of the economic, environmental, and social aspects of NXP’s business activities and products, and address many different readers, inside and outside the company. This is part of our commitment to transparency and sustainable business practices, and provides us an opportunity to summarize how we put our Sustainability Policy into everyday practice.

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Structure

Demand for Environmental, Social and Governance (ESG) disclosures has grown and a collection of reporting standards has emerged from a variety of organizations. To help us structure our reporting activities and organize this document, we follow a number of globally recognized standards. For example, we follow the Global Reporting Initiative (GRI) Standards and include our United Nations Communication on Progress, the Sustainable Accounting Standards Board (SASB), and an ESG performance summary. Data presented in this report covers the 2020 calendar year (January 1 to December 31).

Scope

The scope of this report includes our worldwide locations and joint ventures for which we have management control. Environmental data covers leased and owned internal manufacturing sites, which accounts for the majority of our environmental footprint.

In the past several years, a number of changes in our business have influenced our reporting:

- 2015 Sold the bipolar business that included the Jilin China factory
- 2015 Divested the NXP RF division
- 2015 Merged NXP with Freescale Semiconductor
- 2017 Divested the NXP Standard Products Business
- 2019 Acquired Marvell’s Wi-Fi and Bluetooth Connectivity Assets

Material Topics

We value feedback from all of our stakeholders and take suggestions into account when reviewing our key Sustainability issues and their impact on our business. We interview stakeholders, research best practices, study the legislative landscape, and review the results from our participation in various industry associations. As a result, each category that we report on meets three criteria: it is significant, it has a current or potential impact on the company, and it is a matter over which we, as a company, have a reasonable degree of control.

Through our engagements, we have identified the following material topics:

Products

- Minimal Environmental Impact
- Contribute to a Sustainable Society

Environment

- Carbon, Energy, Water Footprint
- Chemical Management (Process and Products)
- Circular Economy

Social

- Human Capital
- Supply Chain Responsibility
- Responsible Sourcing
- Worker Voice and Access to Remedy
- Workplace Safety

Tell Us What You Think

We value your input. Please contact NXP’s Sustainability team at CSR@nxp.com.



2020 HIGHLIGHTS

Reporting on the successes of our 2020 efforts

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30% carbon footprint reduction goal met

#8 out of 49 in KTC human rights ranking

Diversity, Equality and Inclusion head appointed

Life-saving COVID-19 solutions enabled by NXP technologies

47% water recycling rate

#5 out of 44 in CHRB human rights ranking

90% "winning culture" survey response rate

19.2 (low risk) Sustainalytics ranking improvement

66% PFC emission reduction since 2010

41 COVID-19 human rights due-diligence supplier surveys

0.08/100 FTE historic low injury rate

Best Employer in the Netherlands

27% renewable electricity

161 Xianjiang Uyghur human-rights supplier surveys

Sustainability policy revised

Leading Employer Award in Austria and Germany

PFOA phased out of operations

99% suppliers signed NXP supplier Code of Conduct

100% conflict-free certified smelters

Green Innovation Bond issued

B- and **Prime** ISS ESG ranking improvement

30% female representation on the Board of Directors

36% female global workforce representation

ISO 45001 H&S management system transition

100% renewable energy at Nijmegen wafer fab

Outperformer title from State Street Global Advisors



RESPONDING TO COVID-19

PROTECTION AND GIVING BACK



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NXP’s priority has been protecting the health and safety of our employees. Early in the COVID-19 pandemic, we activated our crisis-management plan and quickly established a dedicated Crisis Management Team consisting of executives and people from various groups, including Environment, Health and Safety, Human Resources, and Communications. Through this team, in concert with NXP country and site leaders, we implemented stringent health and safety protocols to safeguard employees and help minimize the spread of the virus on a local, regional, and global level.

Early Global Response:

- Transitioned all employees whose jobs could be done remotely to working from home
- Enacted world-class health and safety protocols at all NXP sites
- Prohibited all visitors and non-essential employees from entering NXP sites
- Prohibited all business travel
- Closely monitored, tracked, and reported community COVID-19 data for the countries and cities where NXP employees live and work
- Regularly updated our most senior leadership-team members on the status and health of our workforce
- Launched an online information hub that included information about our COVID-19 policy, frequently asked questions, recommendations for working from home, ergonomic guides, and access to wellness resources

Protecting Our Employees

With the support of our Information Technology teams, we quickly and successfully transitioned everyone with a job that could be done remotely to working from home. We provided guidance on relevant topics, such as setting up a home office and staying connected, along with access to wellness resources, such as ergonomic self-assessments. We also let employees transfer their NXP-owned chairs and computer equipment to their home offices.

To keep our manufacturing operations running, more than half of our employee population continued working in our wafer fabs and assembly and test sites. Additionally, engineers working in our high-security environments, employees needing access to labs and equipment, and those ensuring the day-to-day operations of NXP facilities maintained access to our sites.

Our sites implemented robust safety protocols, including screening measures for anyone coming onsite and mandatory use of Personal Protective Equipment (PPE), such as masks and goggles. We also installed sanitization stations, increased cleaning frequency, limited the capacity of conference rooms, staggered shift changeovers and breaks to prevent crowding, increased air-flow capacity, installed higher-grade HVAC filters, and increased the frequency of filter replacement.

We conducted three pulse surveys in 2020 to gauge how our employees were adapting to the new way of working and understand what NXP might do to help.

Once COVID-19 restrictions are eventually lifted and the majority of office-based employees begin returning to onsite work, we will offer eligible employees the option to follow a flexible work arrangement.

Safeguarding Our World

NXP products enable life-saving solutions for health care and medical devices such as ventilators, which are vital for the sickest of COVID-19 patients. In 2020, we collaborate with distributors to prioritize the delivery of medical-device components throughout our global supply chain.

NXP also produces products used in other critical infrastructure sectors, including utilities, transportation, communication, and information technology. Our mobile wallet is just one example of a technology with life-saving potential, as it limits the need to handle cash or touch the payment terminal, thereby reducing the spread of germs.



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Giving Back to Our Communities

In 2020, NXP employees around the world worked together and with customers and local communities to fight COVID-19. We also supported underserved populations in certain communities where a large number of our employees live and work, through corporate giving.



NXP donated laptops and desktop computers to schools for virtual learning

We worked with NXP country leaders to identify charitable organizations and determine funding amounts. In selecting areas to assist, we chose places that met a number of criteria, including the following:

- Insufficient number of primary care providers
- High infant-mortality rate, high poverty, or high elderly population
- Economic disruption complicates already difficult challenges, such as inconsistent access to food, health education, medical treatment, and educational support
- Rapid increases in demand for food and basic essentials, while support from donations, volunteers, and government is stagnant or diminishing

At the local level, NXP's in-kind donations and employee volunteerism covered a number of activities:

- We donated PPE, including employee-made face shields and masks, to local healthcare workers and support staff
- We donated tablets and other computer equipment to several groups, including students, for online education, to nursing home residents, as a way to help them stay connected to loved ones, and to those in financial need, to enable digital access
- Employees volunteered their time to raise and donate funds to support medical care and help people otherwise affected by the COVID-19 pandemic



Employees made and donated protective face shields for healthcare workers



Employees donated money for a modular hospital to treat COVID-19 patients



NXP supported quick, secure transport to and from hospitals, around the clock



NXP donated bibs, gowns, and other PPE to frontline healthcare workers

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Shareholder and Stakeholder Engagement

Total Quality



OUR BUSINESS

SECURE CONNECTIONS FOR A SMARTER WORLD



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NXP Semiconductors N.V. (NASDAQ: NXPI) is a global semiconductor company creating solutions that enable secure connections for a smarter world. NXP focuses on research, development, and innovation in its target markets.

Headquartered in Eindhoven, the Netherlands, we have 60 years of combined experience and expertise. We operate in more than 30 countries worldwide, employ approximately 29,000 people (11,000+ engineers), and own approximately 9,500 patent families.

Secure Connections for a Smarter World

NXP semiconductors N.V. enables secure connections for a smarter world, advancing solutions that make lives easier, better, and safer. As the world leader in secure connectivity solutions for embedded applications, NXP is driving innovation in the target markets of automotive, industrial & IoT, mobile, and communication infrastructure.

+60 Years of Combined Experience and Expertise

+26,000
Customers

~29,000
Employees

+30
Countries Worldwide

\$8.61B USD
2020 Revenue

As a global top-ten semiconductor company, we use our leadership in technology to accelerate breakthroughs that advance the world.





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Our four primary target markets are automotive, industrial and Internet of Things (IoT), mobile, and communication infrastructure. Through our product offering and roadmaps, we recognize the major societal trends of everything being connected and increased automation, while addressing the need for added cyber security, energy efficiency, and safety.

Automotive



We provide the foundation for vehicles that can sense, think, connect, and act with confidence, so drivers enjoy more convenience, safety, and comfort while on the road. Our technologies are building the future of safe and secure mobility, and support greener driving through enhanced efficiency and the transition to electric driving.

Industrial & IoT



We power optimal performance across industries by automating intelligence and increasing security at the edge of the network. Connected devices and advanced manufacturing demand flexible, scalable, and sustainable solutions. Our broad range of secure, connected solutions simplify edge processing and protect interactions with the cloud. We also enable machine learning, so devices can be equipped to sense, think, and act.

Mobile



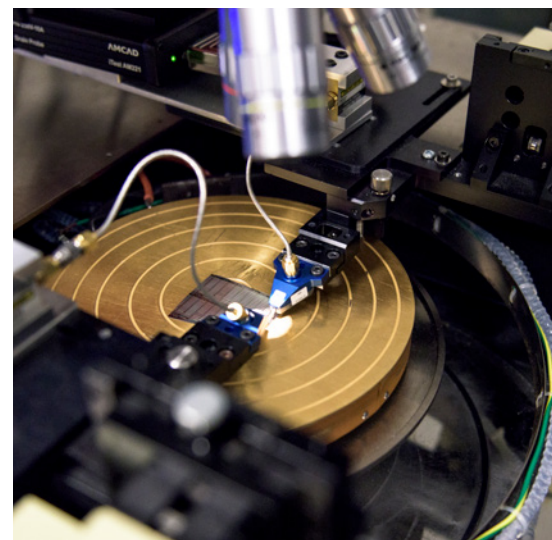
We support today's on-the-go lifestyle with innovative solutions, such as the mobile wallet, so consumers can securely connect their devices to the world around them. With technologies like secure elements, end-to-end services, and UWB technology, we enhance mobility while ensuring privacy.

Communication Infrastructure



We deliver real-time responsiveness at the speed of 5G, whenever and wherever data happens. Our solutions power the 5G-connected, edge-computing infrastructure that supports adaptive communication networks across the world, leveraging differentiated processing and Radio Frequency (RF) technology.

Major Technology Vectors For Any Smart Device





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Worldwide Manufacturing Locations

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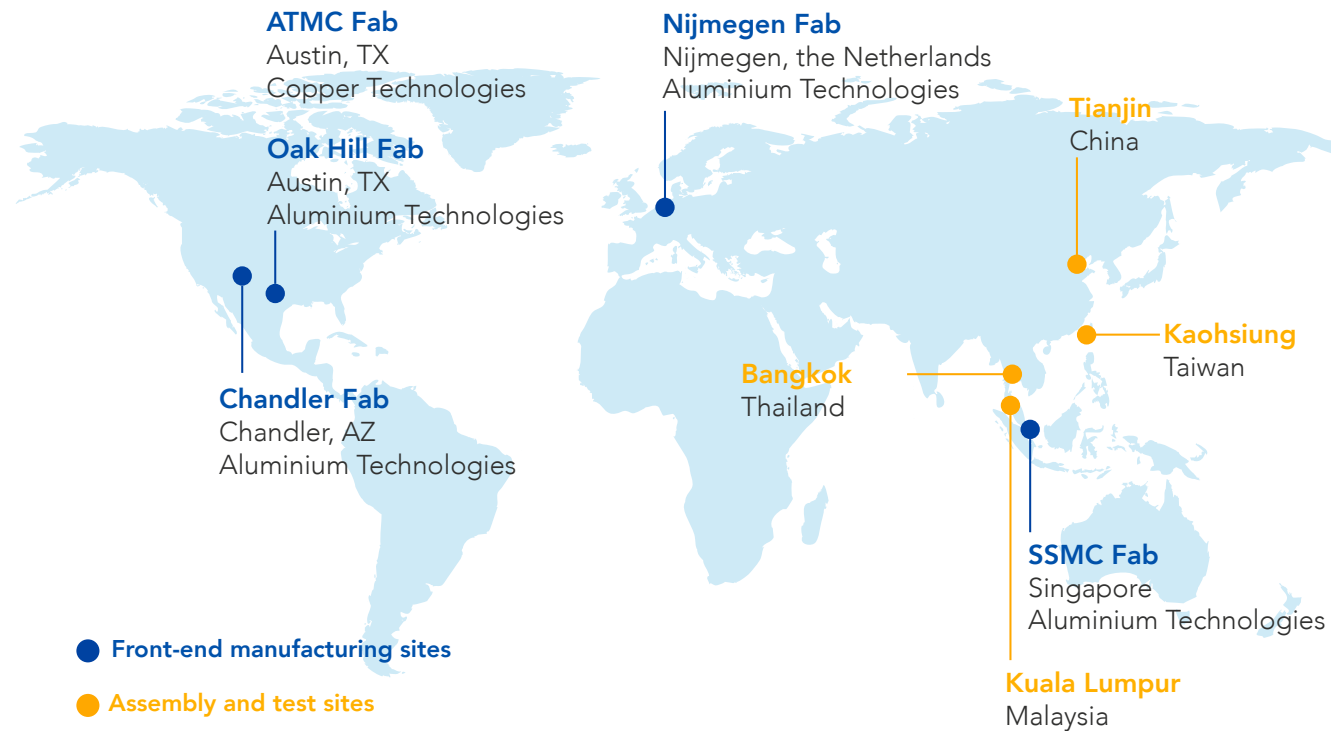
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NXP has expanded its process for shareholder engagement to better address and support the focus on corporate performance in Environmental, Social and Governance (ESG). During 2020, representatives from our Board of Directors, Investor Relations, Corporate Sustainability, and other business groups met to discuss ESG topics with our shareholders. We believe that our approach of year-round open engagements regarding ESG issues drives increased corporate accountability, facilitates increased transparency, enables improved decision-making, and ultimately creates long-term shareholder value.

Ways We Incorporated Shareholder Feedback in 2020

Strengthened Oversight

Established an ESG Management Board to provide guidance, strategy, and oversight. This board, co-chaired by NXP's CFO and General Counsel, with participants from the Sustainability, Legal, Human Resources and Investor Relations organizations, enables direct, two-way communication with the Board's Nominating and Governance Committee.

Direct Shareholder Engagement

Throughout the year, our Chairman of the Board and/or the Chairs of our Compensation and Nominating and Governance Committees held direct meetings with the governance teams of several of our major active shareholders.

ESG Strategic Focus

An ESG advisory service interviewed our shareholders and analyzed our ESG scores and those of our peer groups. Eight strategic focus areas were identified to address shareholder needs and improve our ESG scores.

ESG Reporting Platform

Onboarded an ESG reporting platform to publish multiple frameworks, standards, and ad hoc requests.

Other ESG Milestones

Our ESG disclosures will continue to evolve. In 2020, we included information on human capital in our 2020 Annual Report on Form 10-K, expanded the ESG information in our 2020 Proxy Statement and the Corporate Sustainability Report, and published our first Sustainability Accounting Standards Board (SASB) report.





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The views of our stakeholders are important considerations when making operational and strategic decisions. We engage with stakeholders who have an effect on, an interest in, or are impacted by our operations. We dynamically tailor our engagement strategies, methodologies, and communications to the unique interests of these people and organizations. The method and frequency of engagement varies by stakeholder type.

Internal Stakeholder Engagement

We maintain an open-door policy, allowing employees to communicate and engage with management and human resources.

Our employees are trained on our Code of Conduct, our policies, and our programs, including social responsibility, prevention of harassment and discrimination, anti-corruption, and security awareness.

We conduct anonymous employee pulse surveys, to gauge how our employees view the company's vision and strategy, their work environment, work relationships, and job satisfaction.

We manage employee performance using an objective and fair process that employees participate in annually.

We communicate with our employees through various channels, including town halls, meetings, the internet, internal messages, social media, blog posts, and newsletters.

External Stakeholder Engagement

We use the results from our Customer Scorecard and Satisfaction Survey to analyze trends in overall performance for each key attribute.

Our Investor Relations team hosts quarterly earnings calls with our stakeholders.

We use supplier communication, capacity building, audits, and scorecards to help ensure supplier compliance with the NXP Supplier Code of Conduct and purchasing agreement.

We participate in industry associations so we can make recommendations on policies that relate to the semiconductor industry.

We strengthen our ties to academia by supporting university programs, participating in joint research and development initiatives, and networking with the academic community.

We use community engagement, in the form of ongoing financial assistance and employee volunteerism, to support local nonprofit organizations and educational institutions and thereby strengthen local communities.





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NXP Sustainability Stakeholder Engagement in 2020

Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Employees	Conducted Employee Safety Survey for wafer fab and assembly and test sites.	Top two employee requests: increase communication and expand management support.	Each site deployed a response plan to raise awareness and more deeply involve management in the conversation.
Suppliers	Conducted supplier audits, including random, privately held worker interviews.	Top three nonconformances: Freely Chosen Employment, Emergency Preparedness, and Working Hours.	Supplier Corrective Action Plans are either closed or in process. Increased training in top three nonconformances.
Responsible Business Alliance (RBA)	Attended monthly and quarterly calls as a Board member and RBA Full Member.	Ensure alignment with the industry on salient issues regarding labor and human rights.	RBA requires members to audit 5% of high-risk suppliers. RBA Code of Conduct (CoC) and Validated Assessment Program (VAP) standards incorporated into NXP Supplier CoC and Auditable Standards.
Responsible Labor Initiative (RLI)	Attended monthly workgroup meetings and quarterly Steering Committee meetings (as Board delegate).	Guidance on definition of fees, gap analysis on various guidance standards, labor-agent training, and mapping the labor-agent recruiting corridor.	Updated our Auditable Standards per the gap analysis, nominated our labor agents for RLI training, and cross-referenced the recruitment corridor with NXP labor agents.
Responsible Mineral Initiative (RMI)	Attended annual member meeting, ad hoc meetings, and various conference calls organized by the RMI.	Tools and resources to make sustainable decisions about mineral sourcing.	Developed tools to cover new EU legislation and cobalt due diligence.
Global Business Initiative (GBI)	Attended two virtual meetings, various ad hoc meetings, and conference calls organized by the GBI.	Multi-industry best practices on business and human rights.	Enhancing and strengthening human-rights due diligence across NXP value chain.



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Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
European Partnership for Responsible Minerals (EPRM)	Attended annual member meeting, various conferences, and ad hoc meetings.	Sharing of best due-diligence practices and greater understanding of actual conditions in mines and mineral supply chain.	Created knowledge platform on supply-chain due diligence regarding responsible mineral sourcing, and launched a Due Diligence Check tool. Provided support to mine sites in Conflict-Affected and High-Risk Areas (CAHRAs) by financing "on the ground" projects.
UN Global Compact (UNGC)	Participated in Annual Communication on Progress .	Increase due diligence of environmental risks within the supply chain.	Continued to increase our efforts in engaging with the supply chain to implement a sustainable environmental program.
World Semiconductor Council (WSC)	Chaired the Responsible Sourcing and the Health and Safety workgroups, attended three WSC meetings, several workgroup meetings, and various expert-led webinars.	Best practices for responsible sourcing of minerals and Health and Safety practices.	Applying best practices from experts to advance our Health and Safety programs. Annual collection of Health and Safety data from member companies. Use of the OECD guidance document and RMI processes as a requirement for due-diligence procedures used in semiconductor supply chains.
European Semiconductor Industry Association (ESIA)	Chaired ESIA Responsible Sourcing workgroup and actively participated in several Environment, Safety & Health (ESH) workgroups.	Status of various EU initiatives, including the EU Conflict Minerals regulation, work on PFCs, PFOS, chemical management, health & safety, energy savings, environmental resource efficiency and EU legislation.	Updated NXP's Responsible Minerals Policy to broaden the scope to all minerals and all CAHRAS. Maintained excellence in Health and Safety performance record and met voluntary targets for emission reduction.
Cumulus	Conducted bi-annual due-diligence exercise relating to selected suppliers' migrant workers and broker supply chain.	Increased transparency to the migrant-worker supply chain.	Learning more about how migrant workers are hired, and the complexity of labor supply chains, in order to identify modern slavery risks related to forced/bonded labor and human trafficking.
Verité	Conducted third-party audits on social responsibility, supported by consultation and collaboration, to review NXP's Social Responsibility.	Continuous-improvement opportunities for the NXP Social Responsibility program.	Strengthening supply-chain compliance and supplier capacity building, and advancing NXP's Auditable Standards for social responsibility.



TOTAL QUALITY

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Total Quality is a core value of NXP. We are committed to operating according to stringent, internationally recognized [requirements](#) for quality and reliability. All our manufacturing sites are certified ISO 9001 and (where automotive products are manufactured) IATF 16949.

Our Total Quality Vision aligns our thinking, flowing from top management to every NXP employee:

Total Quality Vision

When customers think of NXP, we want them to think Total Quality



First-time-right development, designs, and qualification



Deliver zero defects to our customers



Provide flawless customer support

Enabled by Quality Mindset & Culture

Total Quality is our **foundation** for enabling a Smart, Safe, and Secure world.

We see Total Quality as both a mindset and a culture. We demonstrate our commitment to Total Quality by continuing our journey toward zero defects and exceptional customer support. This includes bringing innovative products to market on time while eliminating quality excursions, improving our responsiveness to customers, lowering our incident rate, and enhancing our quality standards. We recognize that incorporating these objectives enables NXP to use our quality and reliability to drive corporate growth. Ultimately, our goal is to exceed customer expectations.



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Product Solutions

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Taxation

Business Continuity



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PRODUCT INNOVATIONS THAT SAVE
ENERGY AND IMPROVE HOW WE LIVE



PRODUCT SOLUTIONS CONTRIBUTING TO SUSTAINABILITY

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NXP's passion for innovation in smart products and smart energy reflects trends in the automotive market and the global trend toward urbanization. Innovation helps us keep our edge and helps our customers differentiate their products, with new ways to improve how we live. As we look to the future, we're focused on the megatrends of energy efficiency, connected devices, security, safety, and health.

Research and Development (R&D)

Like other technology companies, we face intense pressure to design quickly and meet tight time-to-market deadlines. Our R&D investments help us meet these challenges, by giving us new ways to develop products that perform with better energy savings than their predecessors.

We maintain a strong global R&D network, with six testing/R&D sites. We have roughly 8,900 dedicated R&D professionals, and design-engineering teams, spread across organizations and continents, all working toward a common goal: bring innovative ideas to market in the right way and at the right time.



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Products That Save Energy



Our smart chips are designed to help save energy and reduce CO₂ emissions in the end-products that use them. Here are some examples:

Smart Mobility

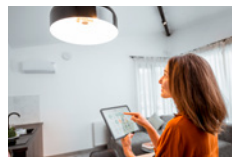


Electric vehicles are ramping up in volume, but their limited range is still cited as a main purchasing obstacle. Our smart solutions enable the efficient use and regeneration of energy through battery control, resulting in extended efficiency and range, and in the case of hybrid vehicles, lowering emissions, too.

On October 20, 2020, Volkswagen and NXP jointly announced that Volkswagen adopted NXP's battery-management system to help increase vehicle range, extend battery longevity, and enhance safety.

Our chip architectures enable Advanced Driver Assistance Systems (commonly referred to as ADAS systems), and offer a range of features, from simple cruise control to fully autonomous driving. Driver-assistance features can reduce fuel consumption, since onboard systems do a better job of smoothing out the ride and saving fuel. Onboard systems also automatically respect speed limits, while vehicle-to-vehicle and vehicle-to-infrastructure communication systems help reduce traffic congestion.

Smart Buildings



The demand for electricity in buildings has grown rapidly in the last 25 years, accounting for nearly 60% of total growth in global electricity consumption. Significant amounts of energy can be saved using smart control systems for air conditioning, heating, lighting, and other interior functions. Improving the operational efficiency of buildings by using real-time data can lower total energy consumption, because the equipment's usage can adapt to human presence, activity, and preference settings. Artificial intelligence can make these systems self-learning and more autonomous, minimizing energy consumption further. NXP develops the systems and components that enable smart buildings and homes.

5G Networks Reducing Power Consumption



Base stations for wireless communication transmit huge amounts of data over long distances. The power amplifiers and antennas that enable transmission and reception typically consume many kilowatts (kW) of electric power per station, radiating energy in an omnidirectional way (360°). The new 5G standard for cellular is expected to increase energy consumption further, since many more base stations are required to run a 5G network. NXP has developed a driver device in the high-frequency range of 5G (mmWave) that saves energy by focusing the beams between the base station and the mobile device, so wireless transmissions use less power.

On October 12, 2020 NEC selected NXP to supply modules to be used in a 5G antenna Radio Unit (RU) for one of Japan's leading Mobile Network Operators (MNOs).

Edge Processing – Reducing the Need for Energy-Hungry Cloud Services



Our edge processing portfolio for automotive, industrial, and IoT offers excellent power efficiency and battery life. Our smallest microcontrollers consume as little as one microwatt (μW) in certain standby conditions. This high degree of power efficiency provides years of battery life. New R&D projects are aimed at achieving benchmark power consumption in our microcontrollers.

Power Conversion



Electronic devices used by many consumers worldwide depend on power adapters to convert the high-voltage power that comes from the energy grid to a lower voltage level. These solutions help our customers comply with existing and future regulations to reduce emissions and increase energy efficiency.



GREEN INNOVATION BOND

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In April 2020, we became one of the first semiconductor companies to offer a [Green Innovation Bond](#). The bond is designed to support climate-related and environmental initiatives by funding R&D investments and other projects related to our manufacturing and non-manufacturing activities. We believe that the proceeds from the Green Innovation Bond will contribute to the sustainability of our business while also improving the sustainability of the smarter world we are helping to create.

Green Bond Proceeds

When selecting projects to fund with bond proceeds, we use the Green Innovation Bond Eligibility Criteria and comply with international regulations and social standards. Our governance model includes experts from across the company to ensure alignment with the framework.

As of December 31, 2020, 78.5% of the net proceeds were allocated for the financing and refinancing of eligible green projects.



Green Bond Allocations

	2019	2020
7 AFFORDABLE AND CLEAN ENERGY <ul style="list-style-type: none"> • Energy efficiency in power adapters • Significantly reducing power consumption of 5G networks • Smart buildings • Use edge processing to reduce need for energy-hungry cloud services 	1.5M USD	3.7M USD
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE <ul style="list-style-type: none"> • Projects relating to manufacturing and non-manufacturing activities 	209.9M USD	264.6M USD
11 SUSTAINABLE CITIES AND COMMUNITIES <ul style="list-style-type: none"> • Smart mobility • Use automated and connected traffic solutions to reduce emissions 	160.8M USD	144.8M USD
Total	372.2M USD	413.1M USD

New and Existing Projects Funded by Green Bond Initiative in 2019 and 2020

Net proceeds allocated to existing eligible projects	64.2%
Net proceeds allocated to new eligible projects	14.3%
Total net proceeds allocated to eligible projects	78.5%
Future Funds to be Allocated from Green Bond Initiative	214.7M USD

Status as of December 31, 2020

Impacts of the Green Innovation Bond

Smart Mobility



NXP is developing motor control solution, equipped with a small electric motor or generator, for use in cars with a regular combustion engine. This

hybrid power drive assists the combustion engine by adding torque at low speeds, thereby increasing fuel economy by 10-20% compared to a combustion-only engine.¹

Edge Processing



Edge processing brings data processing and storage closer to where it's needed, at the "edge" of the network, so there's less need to send data to and

from the cloud. This increases performance and saves bandwidth, while improving power efficiency and extending battery life. NXP is helping customers use machine learning to perform local data processing, so they're less dependent on the cloud and, as a result, save energy and minimize security risks. We are also developing ways to make edge computing even more efficient, with increasingly autonomous features that can turn on and off automatically, as needed.

Manufacturing and Non-Manufacturing Activities



The Toulouse site in France has test and measurement equipment that generates heat, so cool air is needed even during winter. The in-place chillers, originally

installed in the 1970s, were not designed to measure energy use. By upgrading to new chillers equipped with energy meters, Toulouse reduced electricity consumption by 10-20%, depending on seasonal temperature. The site now also recovers the heat generated by the new chillers and redirects it to work areas of the lab. As a result, the amount of natural gas used for heating has dropped by 80%. Removing the cooling towers used by the legacy chillers also saves 11,000 m³ of water per year.



¹ <https://www.sciencedirect.com/science/article/pii/S1110016817301539>



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Over the past few years, our investors and other stakeholders have shown increased interest in how we approach and manage our tax programs, and we expect this trend to continue. As a result, we are increasing the disclosures around our tax policies. We use the framework for expanded disclosure as set forth in the Global Reporting Initiative’s GRI 207 standard. We have detailed our quantitative tax effects in our published financial documents and plan to disclose country-specific information in future.

Aligning with UN Sustainable Development Goals (SDGs)

Our tax strategy — that is, the way we approach, manage, and assess the risk of taxation — is grounded in the corporate objective to act as a socially responsible company. We consider the purpose of tax regulation in a given jurisdiction and maintain strict adherence with applicable tax laws.

Through this wider tax focus, NXP’s contribution is indirectly supportive of the funding of SDGs, especially those that address the global challenges related to economic, social, and environmental sustainability.

We pursue a tax strategy that is sustainable, transparent, and supports NXP’s business priorities while maintaining our focus on the UN SDG. NXP’s tax structures follow various recommendations, including those of the Organization for Economic Cooperation and Development (OECD), to avoid tax advantages by using hybrid business structures to artificially minimize tax liabilities. NXP aims to support stable, transparent, and

predictable tax systems that incentivize long-term investment and economic growth. We believe that operating within this framework creates a constant contribution to the advancement of the SDGs.

Tax Approach

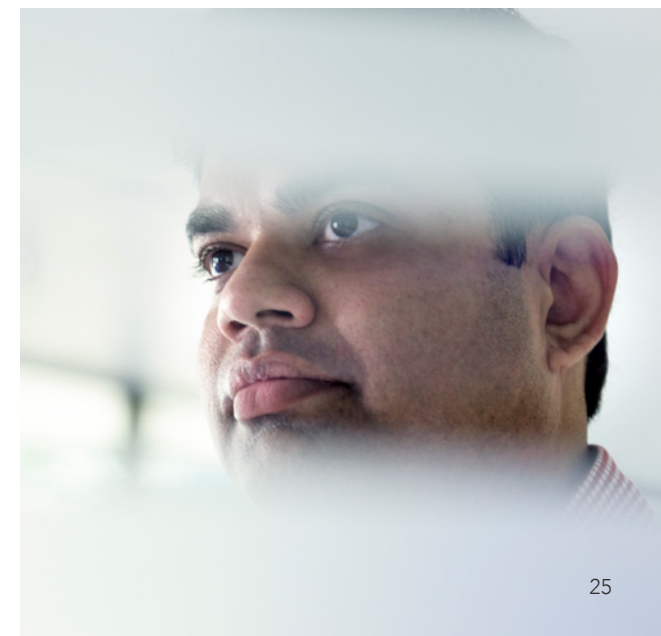
NXP is a socially responsible company in the tax field. Since its establishment as a standalone entity in 2006, NXP has been committed to complying with the taxation laws, including the intention of the laws, of the jurisdictions where it operates. Through our Tax department, we assure our relevant stakeholders that our tax obligations are properly, effectively, and correctly handled and also disclosed in the annual and quarterly reports.

As a multinational enterprise, we operate in many different tax jurisdictions and frequently deal with intergroup transfers that involve cross-border payments within the group. To avoid potential tax issues with these internal, cross-border transactions, internal transfers use the same pricing structure as transfers coming from independent parties. This policy of using the same price for intergroup and independent transfers, in what’s known as “arm’s length transfer pricing” prevents us from shifting profit to low-tax jurisdictions.

The NXP Code of Conduct (CoC) serves as an ethical framework for taxes, and is effectively embedded within the tax strategy and across the tax organization. The CoC promotes a corporate culture of integrity, provides guidance, and details the behavior expected from everyone, including NXP employees and all third parties we do business with,

to act in a manner consistent with it. This ethical framework is fully embraced and supported by the NXP Board of Directors, the Management Team, and the entire tax organization. The result is a tax structure that is fully transparent and complies with internationally accepted taxation principles.

NXP’s taxation strategy is aligned with the businesses in the respective legal entities through which the company operates. We invest in research and development, manufacturing, and go-to-market activities using a cross-functional model, leveraged by multiple organizations globally. The resulting product development and extended supply chain is the basis for NXP’s transfer-pricing structure. Considering our product-development framework, NXP leverages the available tax incentives and tax regulations in the various jurisdictions where it operates.





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Governance, Risk Assessment, and Mitigation

Governance

Within NXP, the Tax department is led by a Senior Vice President (SVP), reporting directly to the Chief Financial Officer (CFO). The CFO is responsible for updating the Audit Committee of the Board of Directors on a regular basis, with support from the Tax department leadership. NXP reviews and approves tax plans and targets annually, consistent with industry-wide, best-in-class control and governance frameworks.

Specifically, the NXP Tax department is responsible to ensure the following:

Tax Department Responsibilities

Fact-based tax accounting and policy advice is available in a timely manner throughout NXP

The proper treatment, coordination, and monitoring of tax filings and audits

The development of tax-related control policies, directives, and tactics to provide clear operational guidelines throughout the organization

The deployment of effective, efficient, and proper tax accounting procedures

The development of a robust tax-accounting control framework which assures compliance with the US's 2002 Sarbanes-Oxley Act (SOX)

Throughout NXP, the regional and functional tax-management teams liaise with relevant counterpart organizations, such as Finance, Accounting, Legal, and IT, to assure the deployment and implementation of approved tax strategies.

The NXP Tax department consists of approximately 20 people who manage both regional and functional requirements. The directors of each legal entity in each country are accountable for ensuring compliance. The regional and functional tax-management teams engage with external tax advisors and/or local tax authorities in line with approved tax strategy. Furthermore, the regional tax teams review processes to guarantee NXP's transfer-price methodology is effectively executed.

The following examples illustrate how we ensure our tax strategy is properly embedded in the organization:

Tax Strategy Embedded in the Organization

The Tax department is a centralized organization

The Tax department participates in mergers and acquisitions (M&A) and/or internal restructuring projects

Regional and functional Tax leads hold weekly meetings

The CFO and the Tax department's leadership hold bi-weekly meetings

Current and emerging trends are discussed at bi-weekly Base Erosion and Profit Shifting (BEPS) meetings within the Tax department

Regular presentations on various tax topics





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Risk Assessment and Mitigation

NXP operates on a global basis, and is potentially exposed to numerous risks, including those related to taxation. The risks include, but are not limited to, unfavorable changes in the respective tax laws and regulations to which NXP is subject, the interpretation of tax law or regulations, the conclusion or amendment of existing tax treaties by regional tax administrations, the unpredictable variation in foreign exchange rates, and possible geopolitical conflicts, including the increase of barriers to international trade. When evaluating the acceptable risk limits for taxes, we apply critical and professional reasoning on an issue-by-issue basis.

Within NXP’s global framework, such risks are identified and managed by continuously monitoring the filing process. By operating through regional and functional dimensions, the likelihood of identifying and resolving tax issues in a timely fashion is ensured. Tax accounting processes identify controls to define mitigation procedures for each identified risk. We document the control, mitigation, and execution for each identified risk. As an additional measure, tax payments are systematically forecasted and any material deviations between forecast and actuality are analyzed and managed on a weekly basis.

Anyone can confidentially lodge a complaint concerning potential violations using various reporting channels, such as management, an ethics liaison, or the NXP Ethics Committee. Complaints can also be submitted using the phone or web option of the SpeakUp line, which is hosted by an independent third party and facilitates anonymous reporting. A strict policy of non-retaliation is in force to protect any employee who reports potential violations. Processes for informing senior management about allegations include periodic internal reports, although we have no reports of tax-related violations thus far.

Engaging with Tax Authorities and Stakeholders

NXP is committed to open and transparent relationships with tax authorities. For all requests of information or audits, we provide the required documentation in a timely manner. NXP is also committed to fostering and maintaining long-term relationships, grounded on ethical integrity, collaboration, and mutual respect.

Through stakeholder engagements, NXP can provide commentary and insight from our perspective as a multinational company and a member of the semiconductor industry. Our engagement includes such activities as providing comments to the OECD’s public-discussion papers, open discussions with relevant country authorities, participation in multiple associations, maintaining an extensive network with other companies, and collaboration with external tax advisors, including the “Big Four” tax-advisory firms.





BUSINESS CONTINUITY MANAGEMENT

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NXP prepares and plans for interruptions affecting all or part of the organization, so we can minimize the effects of potential incidents and ensure the ability to continue business operations.

The Business Continuity Management Plan is modeled on two documents, the International Organization for Standardization's ISO 22301 and the International Automotive Task Force's IATF 16949 Section 6.1.2.3. The NXP Business Continuity Management includes all NXP businesses, activities, and sites under NXP control.

Objectives

- Provide an effective, fit-for-purpose structure for responding to an incident, with predetermined roles and responsibilities to ensure immediate and appropriate emergency actions are taken
- Expedite business recovery by identifying key business activities and other activities required for organizational survival or short-term recovery
- Identify and establish suitable alternatives for means of operation, supplier sources, and resources
- Train personnel and drill on emergency and recovery procedures
- Define methods for communicating effectively with key stakeholders, including employees, customers, suppliers, investors, media, and regulators

Governance

NXP's Business Continuity Management Office (BCMO) is the global coordinator for the Business Continuity Plan. The BCMO is responsible for providing guidance and standardization for development of the Business Continuity Plan, along with testing and maintaining a solution for centralized access to the plan. The BCMO provides periodic status reports to senior management.

Corporate Business Continuity Team (CBCT)

The CBCT is a cross-functional team of senior leaders from Technology and Operations, Supply Chain, Procurement, Human Resources, Finance, Legal, Communication and Public Affairs, IT, Site Services, Security, Quality, Sustainability, and Environment, Health and Safety (EHS). The team manages the Corporate Business Continuity and Crisis Management programs. It also provides direction, guidance, and support to all the other Corporate and local teams within the Business Continuity Management Organization.

Site Business Continuity and Crisis Management Teams

The Site Business Continuity and Crisis Management Teams consists of representatives from various organizations at each site. The local team identifies potential risks that can have a major impact on structures, factory tool-set availability, facility systems, and utility infrastructure, as well as regional risks, including natural hazards, and other supply risks, such as wafers, chemicals, and gases. The team is also responsible for strategic, tactical, and operational decisions while implementing their specific business-continuity plans.





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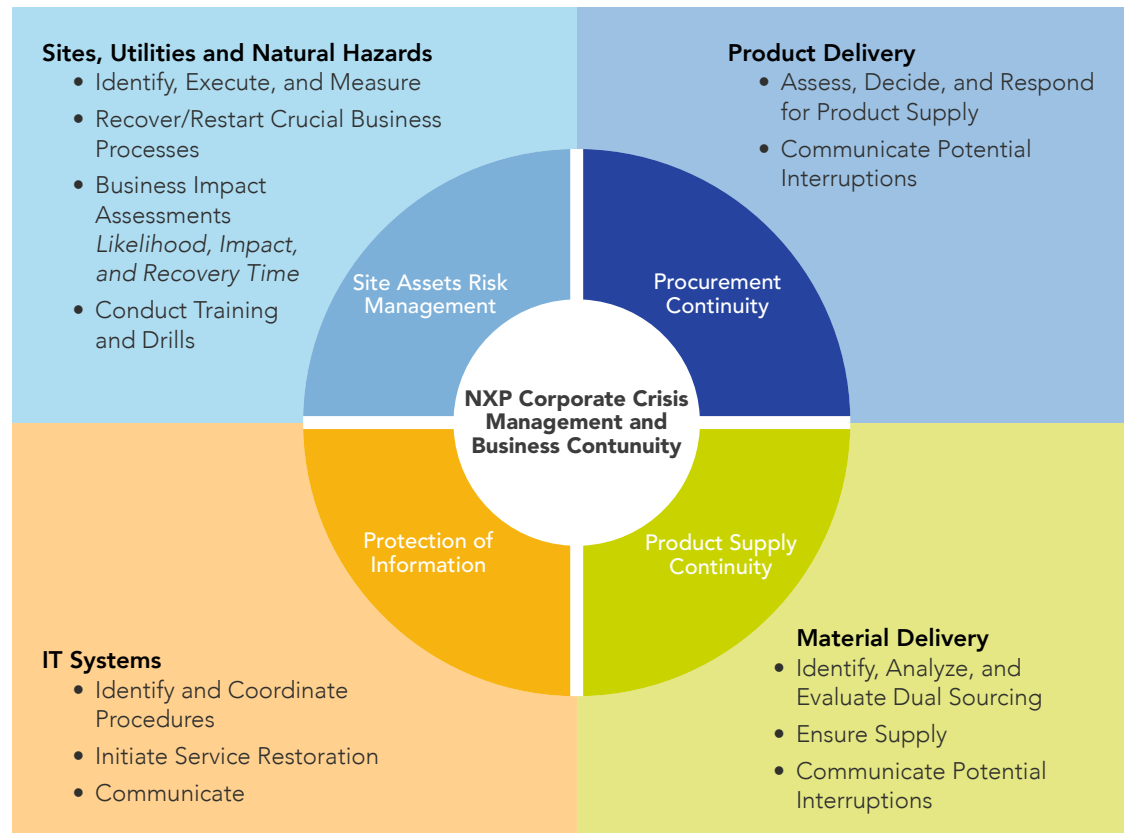
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Approach

Our comprehensive approach to business continuity and risk management includes an executive-level team that receives reports from individual site teams with specific business-resumption activities. During a crisis, all groups interact with each other and, if necessary, escalate issues to the Corporate Crisis Management Team.





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Due Diligence

Business-Impact Assessments

When assessing how an event will impact the business, we focus on likelihood, impact, and recovery time. Each attribute receives a numerical score (we use data from Maplecroft - an insurance risk analytics company) and assessments are reviewed at least yearly. Each site team defines, executes, and measures the results of risk-mitigation actions in order to reduce the likelihood and/or impact of identified risks.

The results of our natural-hazard scores for each manufacturing site, shown below, are incorporated into the full business-impact assessment. The scores demonstrate likelihood of occurrence, without scores for recovery time.

	Singapore	Arizona US	Texas US	the Netherlands	Malaysia	China	Thailand	Taiwan
Flood Hazard Index	10	10	10	9	10	10	6	8
Seismic Hazard Index	9	9	10	9	8	8	9	3
Extra-Tropical Cyclone Hazard Index	10	10	10	8	10	10	10	10
Tropical Storm and Cyclone Hazard Index	10	10	10	10	10	10	10	2
Tsunami Hazard Index	6	10	10	10	10	10	10	8
Wildfire Hazard Index	10	10	10	10	10	10	9	9

1-2	Almost Certain
3-4	Likely
5-6	Possible
7-8	Unlikely
9-10	Very Unlikely

Source: <https://portal.maplecroft.com/portal/>

Training and Testing

Site teams conduct internal audits and periodic tests based on training. This builds awareness and spreads knowledge about how to handle disruptive events.

Training

Our manufacturing sites and our main design and office sites prepare for crisis management using on-the-job training or site-developed online trainings that cover key roles and how to handle site-specific scenarios.

Drills

Our sites conduct drills, at least annually, to test the effectiveness of the continuity plan for a wide range of potential disruptions. This includes interruptions caused by equipment failures, by externally provided products, processes, and services, by natural disasters, fires, utility interruptions, or labor shortages, and disruptions within the infrastructure, including IT issues and cyber-attacks.

Notification

Emergency alerts notify us if there are earthquakes, typhoons, floods, explosions, or other events. We also have a geographic information system that includes the latitudes and longitudes of the manufacturing locations of our various suppliers of materials. Teams receive emails whenever events happen, and this immediately triggers a due-diligence assessment and an action-planning process. We reach out to factories and vendors in the proximity of the crisis, and if there might be an impact to our supply continuity, we take mitigation actions. Proactive and timely communication with our customers is part of this response.

CHAPTER TOPICS

Governance

Board of Directors Composition

Ethics Management



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A STRUCTURED APPROACH TO ENSURE
CORPORATE EXCELLENCE



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NXP is committed to effective corporate governance that strengthens the accountability of the Board of Directors (Board) and Management. The Board supports the Management Team by reviewing and resolving matters related to our fundamental business strategies, policies, and operations, and by supervising Management's actions.

We conduct our operations in accordance with internationally accepted principles of good governance and best practice, while ensuring compliance with the corporate-governance requirements applicable to the countries in which we operate.

Board Composition

NXP has a one-tier board structure, consisting of one or more executive directors and non-executive independent directors. Board members serve one-year terms and are elected or re-elected every year by the shareholders at the Annual General Meeting. The number of executive and non-executive directors is determined by the Board. The Board is collectively responsible for the management, general, and financial affairs of NXP, as well as our policy and strategy. The executive director of the Board — that is, our President and Chief Executive Officer — is responsible for day-to-day management and for preparation and execution of Board resolutions, to the extent these tasks are not delegated to a committee of the Board.

Expertise and Diversity of our Board

Our directors have a wide variety of relevant skills, professional experience, and backgrounds. Their diverse viewpoints and varying perspectives help us represent the interests of all stakeholders.

Expertise

Board composition is regularly evaluated to ensure we have the necessary skills and experience to match our business and strategic needs.

Diversity

Among other qualities that serve the best interests of NXP and our stakeholders, the Board is committed to supporting, valuing, and leveraging diversity in its composition. This includes gender and ethnic/cultural diversity. The Board takes into account the overall profile and selection criteria for appointments of suitable candidates. In particular, to ensure a balance in gender representation, the Board applies our policy that there be a mix of men and women on the board, with neither gender accounting for more than 70% of seats.





GOVERNANCE AND BOARD OF DIRECTORS

Throughout 2020, the Board consisted of ten directors, one executive director, and nine non-executive independent directors. The chart below illustrates the skills and expertise that these directors contribute to effective leadership and oversight as of December 31, 2020.

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Name	Gender	Age	Race/Ethnicity	Appointed	Position	Meeting Attendance ¹	Board Committees			Knowledge and Experience												
							Audit	Compensation	Nominating & Governance	Executive Leadership	Strategic Planning, Growth, Mergers and Acquisitions	Industry and Technology	Financial, Audit, and Accounting	International	Corporate Governance, Legal, Global Compliance	Manufacturing and Operations	Human Capital & Talent Development	Risk Management	IT & Cybersecurity	Environment, Social and Governance		
Kurt Sievers ²	Male	51	White / Caucasian	2020	Executive Director, President & CEO	100%				✓	✓	✓		✓			✓	✓		✓		
Sir Peter Bonfield	Male	77	White / Caucasian	2010	Chairman of the Board	100%		✓	✓	✓	✓	✓		✓	✓			✓				
Kenneth A. Goldman	Male	72	White / Caucasian	2010		100%			✓	✓	✓	✓	✓	✓		✓	✓					✓
Josef Kaeser	Male	64	White / Caucasian	2010		100%			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lena Olving	Female	65	White / Caucasian	2019		100%		✓		✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓
Peter Smitham	Male	79	White / Caucasian	2015		100%		Chair		✓	✓	✓	✓	✓	✓			✓				
Julie Southern	Female	62	White / Caucasian	2013		100%		Chair		✓	✓		✓					✓				
Jasmin Staiblin	Female	50	White / Caucasian	2019		100%		✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Gregory L. Summe	Male	66	White / Caucasian	2015		100%			Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Karl-Henrik Sundström	Male	61	White / Caucasian	2019		100%		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
										10	10	9	8	8	7	7	7	5	5	2		

¹ Attendance is reflected for the five Board meetings/calls held in 2020. For those directors who are members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, attendance also reflects the nine Audit Committee meetings/calls, the eight compensation meetings/calls, and the four Nominating and Governance Committee meetings/calls.

² Effective May 27, 2020, NXP's Annual General Meeting of Shareholders appointed Mr. Kurt Sievers as Executive Director and President/CEO, succeeding Mr. Richard Clemmer.



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Knowledge and Experience of the Board of Directors

International Living and working in various regions, in the US, Europe and/or Asia, and/or experience with businesses with substantial international operations

Executive Leadership Executive management with large or international organizations

Industry and Technology Understanding of the technology industry, including the semiconductor and automotive industries

Strategic Planning, Growth, Mergers & Acquisitions Planning knowledge of corporate strategy and strategic planning, mergers, acquisitions, and other strategic transactions

Corporate Governance, Legal, Global Compliance Corporate-governance issues applicable to SEC-registered companies listed on the Nasdaq and international regulatory affairs or legal sectors

Financial, Audit & Accounting Financial, audit & accounting with corporate finance, including financial experts as named in the company filings

Manufacturing and Operations Sophisticated, large-scale international manufacturing operations

Risk Management Assessing and managing enterprise risks

Human Capital/Talent Development Human resources management and culture development in large international organizations, overseeing succession planning, talent development, and executive compensation programs

IT and Cybersecurity Managing information technology and cybersecurity threats

Environment, Social and Governance (ESG) Understanding and addressing strategic environmental, social and governance issues





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Independence of the Board

The executive director, NXP's President and CEO, Kurt Sievers, is not an independent director. The nine non-executive directors (90%), including the chairman of the Board, are independent directors. This complies with the applicable Nasdaq listing standards, the Board's rules of procedure and the Dutch Corporate Governance Code (DCGC). Our Board, excluding the executive director, has an average tenure of approximately 6 years. Three of our non-executive directors have been members of the Board for four years or less.

Board Refreshment

The Board, with the support of the Nominating and Governance Committee, maintains an appropriate balance with respect to the expertise, experience, and diversity on the Board. Evaluations of Board composition consider a number of matters, including director independence, skill set, experience, expertise, and diversity, to ensure the Board remains effective and well-qualified.

Board Directorships and Board Memberships

The Nominating & Governance Committee has determined that members of the Board shall have no more than four board memberships in public companies in addition to service on the NXP Board.

Responsibilities

The Board is collectively responsible for management oversight, financial affairs, policy, and strategy, and receives regular updates from management. The Board holds annual strategic-planning sessions with senior management to discuss strategies, key challenges, risks, and opportunities for our business.

Board Role in Risk Oversight

Once a year, NXP conducts a formal risk assessment to identify, analyze, and report on enterprise risks. The results of this risk assessment are reported and discussed with the Board. The Board is responsible for overseeing NXP's risk-management processes, including identifying and managing potential economic, environmental, and social impacts. While our Board generally has ultimate oversight responsibility of NXP's risk management processes, the Board delegates the responsibility to its committees to oversee the risk-management processes associated with their respective areas of responsibility and expertise.





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Board Committees

The Board delegates certain oversight functions to board committees, which meet regularly and report back to the Board. The three standing committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. The scope and responsibilities of each committee are documented in written charters.

Audit Committee

Members	Key Oversight Responsibilities
Julie Southern (Chair) Jasmin Staiblin Karl-Henrik Sundström	Integrity of financial statements as well as accounting and financial reporting processes
	Effectiveness of internal control over financial reporting
	Compliance with applicable legal and regulatory requirements
	Information technology risks, including cybersecurity
	Qualifications and the performance of the independent registered public accounting firm for US public reporting purposes and the external auditor for purposes of Dutch law
	Performance of Internal Audit group
Number of Meetings During 2020: 9	Processes and procedures related to risk assessment and risk management
	Related party transactions

Compensation Committee

Members	Key Oversight Responsibilities
Peter Smitham (Chair) Sir Peter Bonfield Lena Olving Karl-Henrik Sundström	CEO and senior-management compensation, including corporate goals, and performance relevant to such compensation
	Board and committee compensation
	Relationship between compensation policies, practices, and risk management
	Management-team succession plans
	Executive compensation, equity and benefits-related plans
Number of Meetings During 2020: 8	Human-capital management, including diversity, equality and inclusion, workforce trends, and university-relations program

Nominating and Governance Committee

Members	Key Oversight Responsibilities
Gregory L. Summe (Chair) Sir Peter Bonfield Kenneth A. Goldman Josef Kaeser	Matters of corporate governance
	Nomination and/or re-nomination of director candidates
	Approval of agenda items for annual shareholder meetings
	Annual self-evaluation of the Board and its committees
Number of Meetings During 2020: 4	Review of top-identified risks and oversight proposals to the Board
	Initiatives and reporting on Environment, Social and Governance topics

All members of the Audit, Compensation and Nominating and Governance Committees are independent directors, as defined in the applicable Nasdaq listing standards, applicable SEC rules, and the DCGC.



ETHICS

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2020 Ethics Reporting Results



We strive to achieve the highest standards of ethical conduct in all our business dealings. Our Code of Conduct ([CoC](#)) and related policies, available in 10 languages, guide us to conduct ourselves in a professional manner toward our customers, partners, competitors, vendors, government regulators, shareholders, fellow employees, and the community at large. Our CoC outlines our core principles and establishes the expectations we have about how we conduct business. The CoC covers business integrity, personal integrity, company assets, employment at NXP, and external activity, and gives assistance in reporting potential violations. The CoC applies to all of our executive officers, directors, employees, and contractors, and we expect all third parties we do business with to act in a manner consistent with our CoC.

We emphasize making ethical decisions, never engaging in corruption, bribery, or insider trading, avoiding conflicts of interest, competing in an ethical and lawful

manner, complying with international trade regulations, practicing transparency, and maintaining accurate business records. To protect our company's reputation, we have policies related to these issues and we expect employees to comply with them.

Our commitment to promote a culture of integrity means anyone can voice concerns without fear of retaliation. Grievances can be confidentially [lodged](#) using various reporting channels, such as management, an ethics liaison, or the NXP Ethics Committee. Grievances can also be submitted using the phone or web option of the SpeakUp line, which is hosted by an independent third party and facilitates anonymous reporting. Employees are encouraged to report potential violations of our CoC using any of our reporting channels. We have a strict non-retaliation policy to protect those who report potential violations.

Ethics Training

NXP employees and contractors receive annual training on the CoC. NXP launched the CoC training at the end of November 2020. The CoC training is offered in 10 languages and focuses on NXP values and expectations as set forth in our CoC. The training from 2020 addressed several topics, including the protection of intellectual property, the protection of personal data, and NXP's commitment to diversity, equality, and inclusivity. Employees need to complete a final test at the end of the course. A 100% score is required in order to receive a certificate and for the course to be marked complete. During this test, the employee needs to acknowledge their receipt and understanding of the CoC.

NXP requires a 100% completion rate for all enrolled individuals. In the two-month period between the launch of CoC training and the end of 2020, our completion rate was 96%, below our 100% requirement. In 2021, we will determine whether the enrolled individuals did not complete the training due to an exemption, such as sick leave or maternity/paternity leave, and will follow up with those individuals who did not have an exemption until we reach a completion rate of 100%.



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Ethics Committee

The NXP Ethics Committee reviews grievances and oversees investigations into alleged violations of the CoC. The Ethics Committee includes senior leaders from Legal, Internal Audit, Human Resources, and Sustainability from the Americas, Europe, and Asia-Pacific regions. The Ethics Committee meets bi-weekly to discuss all reports received and to monitor the progress of ongoing investigations.

Allegations Approach and Management

The general approach to all complaints is based on an initial assessment of the grievance, the appointment of an investigation team with the right expertise and skill set to gather all relevant evidence, and an in-depth investigation to define appropriate remedial action(s) in the quickest possible timeframe. While it's difficult to set a fixed timetable for resolution, since complaints vary in scale and complexity, most can be dealt with in under two months. Based on the findings of the investigation, a decision is made about whether the grievance is substantiated. If the grievance is substantiated, we take appropriate follow-up actions. These actions can include education, organizational changes, counseling, reprimands, suspension, and/or termination, depending on the nature and severity of the finding and the party's willingness and ability to rectify the issue.

The NXP Ethics Committee reports quarterly to the General Counsel, Chief Financial Officer, Chief Human Resources Officer, and the Audit Committee of the Board of Directors about allegations, internal reports, and details about key investigations that are in progress or completed.



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Sustainability Commitment and Policy

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SUSTAINABILITY

GUIDING US ON WHO WE ARE, WHO WE WANT TO BECOME,
AND WHAT WE STRIVE TO ACCOMPLISH



SUSTAINABILITY



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Vision, Strategy, and Guiding Principles

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Vision

Achieve sustainability excellence through innovation and performance, recognized by our stakeholders

Strategy

- Provide best-in-class customer experiences
- Anticipate changing societal expectations and set actionable targets
- Be transparent and add value for all our stakeholders
- Manage risks and compliance through solid processes and perfect execution
- Add to a responsible and sustainable society by active collaboration in global sustainability initiatives
- Optimize resources and competencies

Guiding Principles



Provide a safe working environment, promote good health, and minimize the environmental impact of our activities



Develop and manage products in ways that minimize risk to health and the environment and maximize value to customers



Implement working practices that are safe, secure, and in which every employee is treated with respect and dignity



Protect the interest and reputation of our key stakeholders by having an effective business-continuity management process



Ensure that sustainability is ingrained in our business conduct at all levels and in the way we interact with society at large





SUSTAINABILITY COMMITMENT AND POLICY

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Sustainability Commitment

For NXP, the goal of delivering “Secure Connections for a Smarter World” involves working practices that are responsible and sustainable. We provide a safe working environment, promote good health, and strive to minimize the environmental impact of our activities. We also work hard to do more than just comply with existing standards; we actively strive to establish a global benchmark for sustainability in our industry.

NXP fosters ethical principles and respect for the environment, employees, and the communities in which we work. As a business, our goal is economic success. However, we also go to great lengths to ensure that sustainability is ingrained in our business conduct at all levels. This policy impacts the way we manage our company and the way we interact with society at large.

Sustainability Policy

Values

NXP’s core values consist of raising the bar, engaging curiosity, taking initiative, working together, and developing deep core competence, driven by a Total Quality mindset. These values form the basis of our customer-focused passion to win.

Ethics

The NXP Code of Conduct (CoC) defines the principles and high standards that we apply to our business practices and those of our global supply chain. The CoC is incorporated in all employee contracts, encouraging respectful and professional standards of behavior across our global network of sites.

Human Rights

NXP believes that business can only flourish in societies where human rights are protected and respected. NXP recognizes that business has the responsibility to respect human rights and is capable of contributing to ensuring and protecting human rights worldwide. We have formal grievance and remedy processes to enable anyone — including NXP employees, employees in NXP’s supply chain, and other external stakeholders — to report concerns about human rights.

Employees

NXP has a global workforce that is highly diverse, both geographically and culturally. NXP is committed to providing a workplace that is safe and secure, where employees are consulted and engaged, and where everyone is treated with respect and dignity.

Products

NXP is committed to creating the highest-quality products and packages. As part of our goal to deliver Secure Connections for a Smarter World, these products are developed to provide a positive contribution to society. With each new product generation, we aim to reduce the environmental impact of use and disposal.

Operations

NXP continually strives to improve our operations and minimize our impact on the environment. We conserve natural resources, minimize our emissions, responsibly source our minerals, and work to phase out hazardous substances in our products and processes.

Compliance

For our products and processes, NXP complies with applicable legislation, regulations, and codes of practice, often going beyond specified standards. NXP has a management system covering Environment, Health and Safety (EHS), Social Responsibility, and Product Compliance, and this system is continuously improved. Where laws and regulations do not provide adequate controls, NXP adopts its own detailed standards.

Local Initiatives

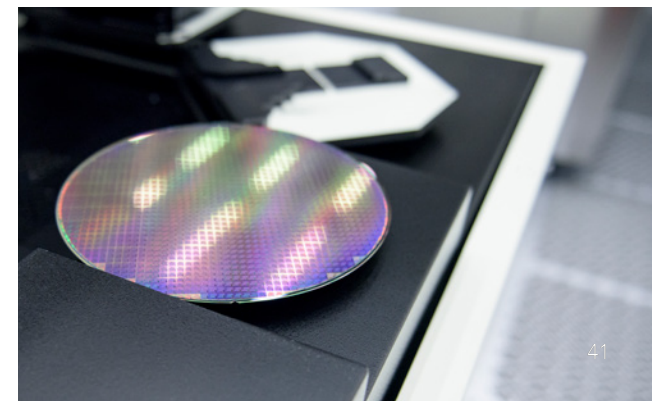
NXP works closely with partners and individuals to establish meaningful relationships that support and strengthen the communities in which we operate.

Dialog

NXP actively participates in industry platforms and engages in open, ongoing dialogs with employees, customers, investors, authorities, the public, and other key stakeholders to continuously improve our sustainability performance.

Transparency

NXP publishes sustainability results both internally and externally, presenting our targets and measurements on a range of metrics.





SUSTAINABILITY ORGANIZATION

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Sustainability is managed and implemented by the CEO and the NXP Management Team, under the supervision of NXP’s Board of Directors. In addition to the Environmental, Social, and Corporate Governance (ESG) Management Board, NXP also has an Environment, Health and Safety (EHS) Management Board, which includes members of the Management Team and other senior leaders. The ESG and EHS Management Boards are responsible for strategy, approval, and proper resourcing. The efforts of the ESG and EHS Management Boards are supported by NXP’s Chief Financial Officer, General Counsel, Chief Technology and Operations Officer, and representatives from Investor Relations, Legal, Human Resources, the Sustainability Office, Facilities and EHS councils (which include senior managers from our worldwide sites), the Business Continuity Management Office, and the Insurance and Risk Management Department.

The Nominating and Governance Committee of NXP’s Board of Directors is responsible for overseeing NXP’s policies related to Environment, Social and Governance (ESG). The Nominating and Governance Committee is updated on these efforts on a quarterly basis by representatives of the ESG Management Board, and reports on these efforts in the plenary meetings of NXP’s Board of Directors.

While the ESG and EHS Management Boards approve the strategy and targets, the Sustainability and EHS Office focuses on policies, goals, program development, and measurable improvement plans, all while monitoring and controlling operational functions.

The Sustainability Office meets regularly with the ESG and EHS Management Boards to discuss and review NXP’s performance and that of suppliers. Any issues of nonconformance are handled by the Sustainability Office and, if needed, issues are escalated to the either the ESG or the EHS Management Board.





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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Aligning with the applicable UN Sustainable Development Goals (SDGs) helps NXP create a foundation for shaping worldwide economic progress in harmony with social justice. NXP reports on which measures have been implemented for relevant goals and where our business model can contribute to realizing those goals.

By incorporating the SDGs into our strategy, we establish long-term sustainable development in our products, operations, and engagements.

NXP's sustainability programs are aligned with nine of the SDGs.

Products

Developing technology to advance toward a more sustainable world

Operations

Creating innovative solutions to reduce our environmental footprint and protect employees

Engagements

Working with our supply chain and communities to further contribute to the SDGs





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Responding to the United Nations Sustainable Development Goals (SDGs)

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Minimize the use of hazardous substances and reduce emissions to air, water, and soil.



Promote the advancement in Science, Technology, Engineering, and Math (STEM) education globally.



Manage and conserve water use and ensure high standards of effluent and wastewater treatment.

Operations

NXP minimizes the use of hazardous substances through phase-out programs wherever technically possible. We mitigate the risks through engineering controls and process optimization to reduce emissions to air, water, and soil.

Engagements

NXP supports employee and community programs for health and wellness with a focus on increasing physical activity and promoting a healthy lifestyle. There is global participation in company-organized initiatives aimed at serving our local communities through employee volunteerism.

Engagements

NXP collaborates with schools and institutions to bring quality education to the next generation. Through our community engagement, sponsorships, employee volunteerism, and employee giving, we are committed to promoting educational endeavors that encourage students to learn about STEM subjects.

Operations

Our goal for 2020 was to reduce our normalized water consumption by 30% from a 2010 baseline. We consumed about the same amount of water now as we did in 2010 on a normalized basis. However, we have increased our water recycling rate by 19% since 2010, and are close to using the same amount of recycled water as non-recycled water.

We promote environmental management with the goal of helping resolve social issues, such as maintaining clean water supplies for our communities. Our projects focus on the reduction of water consumption in manufacturing and increased onsite water reuse/recycling.

We monitor and manage the quality of wastewater discharged into the communities in which we operate by utilizing onsite water-treatment facilities and continuous monitoring/testing as required by local authorities. We treat our discharge water before it is returned.



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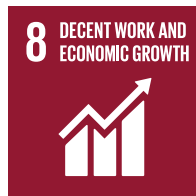


Manage and conserve the consumption of energy in our operations and offices.

Operations

In 2020, we aimed to develop energy-efficient manufacturing processes and reduce our normalized electricity consumption by 30% from a 2010 baseline. We consume about the same amount of electricity now as we did in 2010 on a normalized basis. However, we have increased our renewable energy consumption to 27% and, in 2020, our Nijmegen wafer fab became the first manufacturing facility to run on 100% renewable energy.

Annually, each site has energy-conservation projects to reduce our energy consumption. In addition, NXP will gradually increase our consumption of renewable energy based on the available options in the areas in which we operate.



Protect labor and human rights while working in safe and secure environments for our own employees, in our supply chains, and our communities.

Operations

The NXP Sustainability Policy and NXP's Supplier Code of Conduct require decent and safe working conditions along with decent living quarters, wages, and benefits.

Working hours must not be more than 60 hours per week, except in emergency or unusual situations. Workers must have at least one day off after six consecutive work days.

NXP's goal is to have zero work-related injuries, using the standard of the US Occupational Safety and Health Administration (OSHA) for measuring and reporting. For a semiconductor company, NXP has a low Total Case Injury Rate (TCIR). We did not meet our goal of zero work-related injuries. However, we did record a historical low injury rate of 0.08 in 2020.

NXP trains, audits, and re-audits our factories and our supply chain to verify that the health and safety of workers complies with the NXP Social Responsibility Auditable Standards.

Engagements

Engage with external stakeholders to analyze our Social Responsibility and Human Rights programs, and to use NXP-led initiatives to improve the lives of workers who may have suffered human-rights abuses.



Provide clean and environmentally sound technologies and operations that address societal demands, foster innovation, and build sustainable infrastructures.

Products

NXP technology solutions support sustainable energy management for green cities and homes. These applications include smart appliances, smart building designs, and smart homes, using technology to making them more connected, convenient and secure. NXP is committed to taking a leadership role for the next generation of Industrial IIoT (IIoT) and Industry 4.0 applications, enabling greater machine safety, connectivity, and productivity.

Operations

NXP's chemical-management projects aim to create new ways to reduce certain chemicals and replace them with environmentally friendly alternatives. For example, we are introducing the newest abatement systems in our factories to reduce our emissions of PerFlourinated Compounds (PFCs), which are categorized as direct (Scope 1) emissions. We have also designed and implemented new tools in our testing procedures to reduce the amount of emissions from heat-transfer fluids that contribute to Scope 1 emissions.



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Implement industry-leading practices to deliver state-of-the-art solutions for automotive safety and security.

Products

NXP technology solutions make systems smarter and more secure. This includes real-time communication systems for the vehicle-to-vehicle infrastructure and secure smart cards for more intelligent urban transportation.

In the coming years, leading cities worldwide will begin deploying Intelligent Roadside Units (RSUs), powered by NXP technologies, to help reduce traffic congestion, increase safety, improve emergency-response times, and more.



Manage and efficiently use chemicals, natural resources and reduce waste through prevention and reduction.

Products

NXP implements due-diligence processes to reasonably assure that all minerals in our products are obtained, produced, and used in a socially responsible manner. We partner with responsible suppliers to source minerals that do not contribute to human-rights abuses.

We design and provide products that meet all relevant regulatory and customer-defined restrictions on the use of substances. We deliver products that are responsibly sourced and produced without using banned chemical substances.

Operations

NXP's goal is to phase out hazardous substances in a responsible manner. NXP's 2020 goal for recycling was to recycle 90% of generated waste. We did not meet our goal of 90% recycled waste, with a 69% recycle rate at the end of 2020.



Develop energy-efficient technology and mitigate climate-change risks within our operations.

Products

NXP technology helps reduce CO₂ emissions by lowering the energy consumption in end products, by doing things like improving the flow of traffic, enabling electric driving, and making end-user electronics more energy-efficient.

Our chips lower emissions by reducing energy consumption and by enabling automated, vehicle-to-vehicle traffic communication. Smart solutions in battery control and energy management enable efficient use and regeneration of energy, resulting in lower emissions in electric and hybrid vehicles.

We also increase the energy efficiency of power adapters, thereby reducing power consumption in 5G networks and enabling energy-friendly edge processing for IoT devices.

Operations

We met our 2020 goal of reducing our normalized carbon footprint by 30% from a 2010 baseline.

We continually work to optimize site-emission reductions, increase the number of abatement projects, and substitute chemicals to reduce emissions from our processes.

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Employee Overview

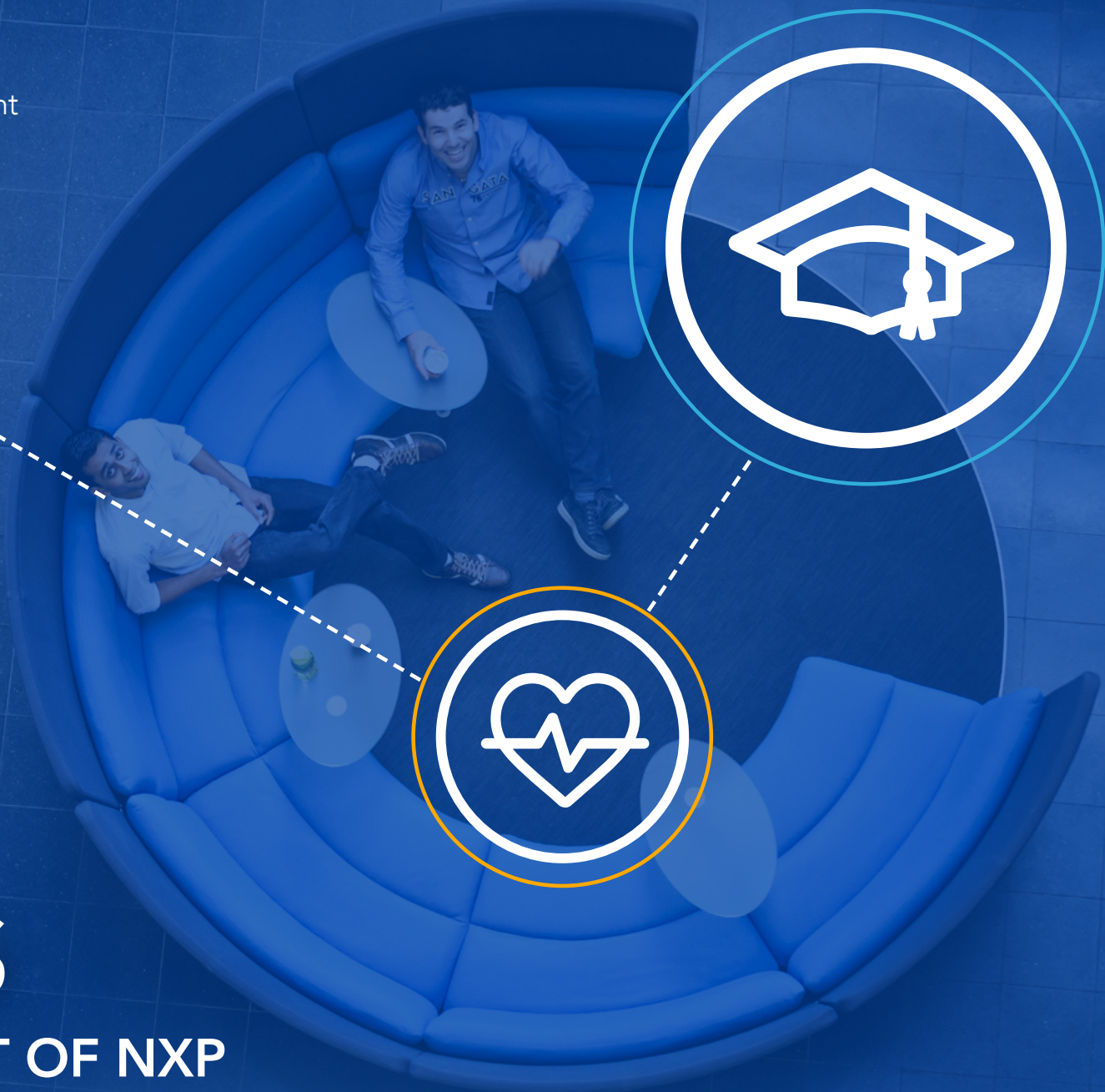
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Compensation, Engagement and Development

Employee Demographics

Human Rights

Health and Safety



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OUR PEOPLE: THE HEART OF NXP



EMPLOYEE OVERVIEW

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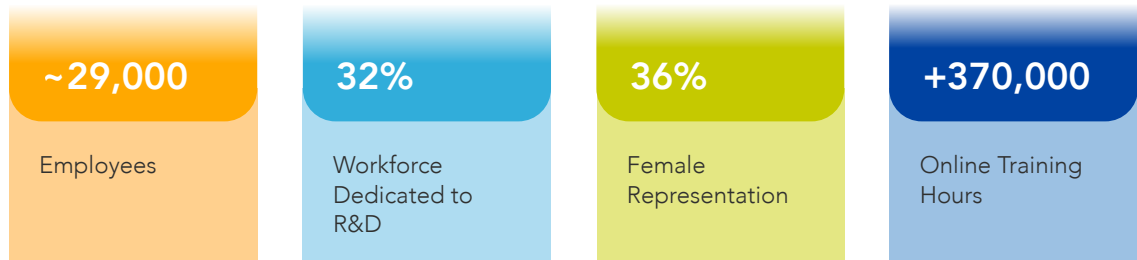
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At NXP, our diverse and talented employees drive the innovation that sets our company apart and fuels our success in the market. Our employees are the ones who bring our ideals to life, letting us build on our customer-focused passion to win, our core values, and our commitment to innovation, personal accountability, trust, transparency, and collaboration.

We have a long history of empowering our people to develop their skills and expand their capabilities. When it comes to engagement and development, we want employees to grow and progress, and reach across job types, functions, organizations, and geographies at a pace that is uniquely suited to their abilities and aspirations.

In all our locations worldwide, we have policies and programs to find and retain the best talent possible. We focus on building thought leadership, providing opportunities to develop talent, rewarding individual and collective performance, ensuring health, safety, and human rights, and investing in future talent. We diligently monitor our talent pool, assess turnover trends closely, and gather and analyze employee feedback.

In addition, we are committed to having a diverse workforce, as evidenced by our recent creation of the global Diversity, Equality and Inclusion (DE&I) Leader position.

We are proud of the steps we're taking to create a progressive, inclusive culture that brings out the best in our employees worldwide.

Our Workforce

As a technology company with manufacturing, assembly, and test facilities, we employ Direct Labor (DL) — people who directly support the production process — and Indirect Labor (IDL) — people who are not directly involved in the conversion of materials into finished products. Our IDL population includes individual contributors, managers, and executives in other functions, such as R&D or General, Sales and Administrative (GS&A).





CORPORATE VALUES AND EMPLOYEE ENGAGEMENT

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NXP's core values, which build on the Total Quality concept of continuous improvement, are the foundation of what makes us an extraordinary company.

We create long-term value for our stakeholders by engaging, developing, and recognizing the worth of our employees. Our values guide our decision-making process and speak to how we operate. They represent our inherent beliefs in human ingenuity and guide how we respond to each employee's contribution, so they can help push the boundaries of creativity and innovation. To hold ourselves accountable, and ensure that our actions align with our words, we use these values as part of our performance evaluations.

Engaging Employees Through the Annual Employee Survey

To assess and improve the engagement of our employees, NXP conducts a yearly global employee survey called the Winning Culture Survey. We invite NXP employees to share their views on a variety of factors, including engagement, strategy, culture, leadership, innovation, collaboration, execution, accountability, work environment, and support.

The CEO and his Leadership Team review the results of employee surveys and discuss the results with members of the Board of Directors. The data gained from surveys helps set company priorities. Managers in each organization also use survey results, along with feedback and dialog with employees, to identify and execute specific action plans.

During the fall of 2020, we surveyed our DL and IDL populations, with a participation rate of 90%. In 2018, the participation rate for the IDL population on its own was 83%.

External Awards & Recognition

NXP is honored to have received external awards and recognition for the ways we manage human capital:

- NXP received the 2019 and 2020 Leading Employer Award in Austria and Germany, presented by The Institute of Research & Data Aggregation
- NXP was named Best Employer in the Netherlands in 2020 by Randstad, an independent research firm that asks random people where they would most like to work
- NXP was one of only seven companies to receive the 2020 National Industrial Relations Excellence Award in Taiwan
- NXP received the 2020 National Charity Award from the Ministry of Economic Affairs in Taiwan
- NXP was honored with the 2020 Prevention of COVID-19 Infection Award from the Department of Health in Thailand
- NXP was a recipient of the 2020 Outstanding Foreign Investment Enterprise Award, presented by the government of Tianjin in China





THOUGHT LEADERSHIP

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Together with our employees, we accelerate breakthroughs that help to advance the world.

NXP invests approximately 17% of revenue in Research and Development (R&D) every year, primarily focused on the employees who create our intellectual property, products, and customer solutions. We are committed to being a company of thought leaders, as evidenced by the nearly 8,900 employees (32% of our workforce) who are specifically dedicated to R&D.

Through broad exposure to job-based development activities, we were able to advance 11% of these employees in 2020 through internal promotions. In addition, we hired 1,328 new R&D employees, named 22 technical directors and five new fellows, one of which is our first female fellow. Our R&D activities resulted in NXP being awarded more than 1,400 individual patents in 2020 alone.





DIVERSITY, EQUALITY AND INCLUSION

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At NXP, we foster a culture of inclusion, comprised of talented individuals from diverse backgrounds. We collaborate globally, cultivate innovation, drive effective decision-making, and deliver sustainable growth.

Our global workforce demonstrates our high regard for diversity, equality and inclusion by respecting unique experiences, backgrounds, cultures, and ideas regardless of race, gender, sexual orientation, nationality, and social or economic background. We invite every employee to bring their whole self to work, without exception. This is what makes us who we are at NXP.

Commitment

In 2020, after being named President and CEO, Kurt Sievers emphasized our commitment to diversity by stating,

“At NXP, we aim to create an inclusive work environment and we will not tolerate racism, discrimination, or harassment of any kind. We have programs in place focused on diversity, equality and inclusion.”

To further demonstrate our commitment, NXP is contributing more resources to increasing cultural intelligence globally, an effort led by NXP’s Head of Diversity, Equality and Inclusion. For maximum visibility, the position has a dual reporting structure to the President and CEO as well as the Executive Vice President and Chief Human Resources Officer.

Strategy

We follow a three-part strategy for achieving global diversity, equality and inclusion:

- Demonstrating leadership commitment and accountability
- Fostering a more diverse, equal, and inclusive environment
- Building and sustaining a qualified, diverse talent pipeline and management process

We also support and adhere to all diversity-related legal and compliance requirements, which vary by country. In the United States, for example, we partner with the labor and employment law firm, Ogletree Deakins, Nash, Smoak & Stewart, P.C., to achieve these goals.

Approach

To demonstrate our commitment to diversity, equality and inclusion, we

- Welcome and embrace our employees’ diversity and foster respect for everyone’s differences
- Cultivate a collaborative and inclusive work environment where employees feel valued and are comfortable being their true selves
- Leverage the diversity of thought and life experiences to retain and attract the best talent





DIVERSITY, EQUALITY AND INCLUSION

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Fostering Employee Engagement via Employee Resource Groups

As part of our commitment to diversity, equality and inclusion, we give employees a voice and invite them to help drive our efforts in this important space.

NXP's Employee Resource Groups (ERGs) serve as enablers of inclusion in our corporate culture, as we work to ensure diversity of thought throughout our company and bring unique perspectives and skills to help those in our local communities.

Our ERGs have defined mission/vision statements, goals, and executive oversight and sponsorship. In addition to planning events and organizing efforts within the countries and regions in which they operate, NXP ERGs identify ways to partner across geographic locations and teams. An example of this collaborative effort is the company's annual International Women's Day Celebration, which celebrates the social, economic, cultural, and political achievements of women.

Today, we have six primary ERGs, with representation in Asia, Europe, and the United States:

- Asian Cultural Team
- Black Achievement Leadership Team
- Emerging Professionals / Young Community
- Equal LGBTQ
- Hispanic Education Awareness Team
- Women's Leadership Team

Membership and participation in ERGs are open to all employees and global engagement is encouraged.

When possible, our ERGs also partner with external organizations committed to furthering diversity, inclusion and equality. For example, our Black Achievement Leadership Team established 2020 partnerships with three outside groups:

- Black Girls Code
- Huston Tillotson University's Austin Pre-freshman Engineering Program (AusPREP)
- National Society of Black Engineers Student Chapter at Arizona State University (NSBE ASU)

Developing our Diverse Workforce

In addition to supporting our ERGs, NXP participates in professional-development conferences that promote the continued growth of our diverse workforce.

Over the last eight years, employees have engaged in a variety of training opportunities, including the Texas Conference for Women, the Watermark Conference for Women, the Arizona Women's Conference, and the Global Semiconductor Alliance's Women's Leadership Initiative.

To support our strategy and ensure that we are making progress in diversity, equality and inclusion, we monitor specific statistics for workforce representation, including those that relate to gender representation on a global basis and, in the US, reflect ethnicity and nationality.





DIVERSITY, EQUALITY AND INCLUSION

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Gender Representation

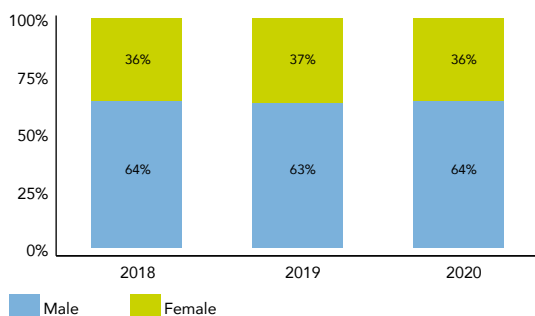
At NXP, women represent more than 36% of our global workforce. That is higher than the average for the semiconductor industry. We are committed to developing and promoting more women into technical and leadership positions and aim to increase the number of women within our organization on a worldwide basis.

We monitor gender statistics globally, across all roles, and look for continuous improvements.

We are working to increase female representation globally and, as part of this effort, are evaluating practices at the country level. The leadership team in each country considers how we can make the necessary improvements.

We report Head Count (HC) using the gender representations of male and female, but acknowledge this does not fully encompass all gender identities.

Workforce by Gender



Workforce Gender by Role (HC)

	2018	2019	2020
Executive			
Female	10%	14%	13%
Male	90%	86%	87%
People Manager			
Female	17%	16%	16%
Male	83%	84%	84%
Individual Contributor – IDL			
Female	23%	23%	24%
Male	77%	77%	76%
Individual Contributor - DL			
Female	62%	62%	58%
Male	38%	38%	42%

Race and Ethnicity

In the US, we acknowledge the unique nature of the local workforce and monitor race and ethnicity representation to ensure we are attracting and developing diverse teams.

A breakdown of NXP's US population, as of December 31, 2020.

Race and Ethnicity (US Only)	Representation
White (Not Hispanic or Latino)	52%
Asian (Not Hispanic or Latino)	21%
Hispanic or Latino	14%
Unknown	8%
Black or African American (Not Hispanic or Latino)	4%
Two or more races (Not Hispanic or Latino)	1%
American Indian or Alaska Native (Not Hispanic or Latino)	0.4%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.2%



COMPENSATION AND BENEFITS

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While being market-competitive is foundational to NXP's rewards philosophy, our ambitions for our compensation and benefits programs are far greater.

In determining appropriate compensation, NXP relies on third-party data to establish fair, equitable, and competitive compensation and benefits programs. We provide total rewards packages, which include base pay as well as opportunities to earn bonuses and stock awards. In addition, to meet the specific needs of our employees and their families, we offer benefits programs that vary by country/region and include an Employee Stock Purchase Plan, retirement programs, healthcare and insurance benefits, allowances, paid time off, family leave, flexible work schedules, and other employee-assistance programs.

NXP's compensation programs are designed to attract the best talent and drive the best performance across all areas of our diverse workforce. We believe rewarding high performance alone is not enough – equally important is our investment in each employee's future. NXP's compensation practices empower leaders to recognize individual and team accomplishments through a variety of programs. Rewards decisions are linked to the performance-evaluation process, which includes an assessment of specific achievements as well as the values demonstrated to deliver those achievements.

We consistently and diligently refine our benefits programs to ensure that what we offer to NXP employees and their families is competitive with our technology peers. Our benefits provide our employees with options that fit their lifestyle and elevate their quality of life. These benefits are developed to ensure local requirements and competitive norms are followed in each country.

NXP is committed to managing all reward-based compensation programs, including merit increases, annual incentive-program payouts, and long-term incentive awards, in a manner that delivers on our strong pay-for-performance philosophy. We have developed a proactive process to evaluate each program in real time and provide leaders with feedback to ensure fair compensation in each role. We use analytical tools to assess potential areas that need further review, prior to completing a reward process, in order to promote pay equity. This creates real-time opportunities to make appropriate adjustments. We use this process globally to evaluate pay-related decisions based on a variety of factors, including gender and, in the US, ethnicity.

While NXP believes it has strong policies and procedures in place to promote pay equity, regular review of our practices – performed twice yearly alongside the rewards process – remains key to our success in reaching this goal.





TALENT DEVELOPMENT

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NXP has a long history of empowering our people to develop their skill sets and expand their capabilities.

We have a strong commitment to ongoing learning, and we recognize that successful development often happens when multiple learning approaches come together. **This reflects our belief in the 70/20/10 rule**, which states that people gain 70% of their knowledge from job-related experience, 20% from interactions with others, such as coworkers and managers, and 10% from formal learning events.

70%

Learning through on-the-job experience begins on day one with orientation and continues throughout the lifecycle of employment with regular and ongoing programs for the growth and development of key talent, offered at both the local and global level. We work to create developmental opportunities for our associates through stretch assignments, project roles, cross-functional interactions, cross-geography engagements, and both temporary and longer-term job rotations – all of which are used to stimulate core-skill and leadership-competency development, to provide on-the-job learning experience, and to fuel employee career growth.

20%

We believe some of the best career learnings are gained by working with others. Learning new skill sets by working side-by-side with the industry's best is not only a foundational learning strategy we use at NXP to develop talent, but also an opportunity accessible to all who work with us at NXP.

There are many programs our associates can use to build relationships with peers and mentors at NXP to enhance learning.

10%

Learning through formal education is also a vital tool used by the Talent Development team at NXP. Drawing on a blend of internally designed and externally sourced courses and learning resources, we bring real-time education to our employees in support of key business processes, requirements, and initiatives. We also provide all our populations with a complete library of on-demand skills development and micro-learning resources. Moreover, we encourage the pursuit of continuing education by providing tuition-assistance programs.

Online Training

Online training metrics include mandatory compliance training, employee elected training, or both.

Overview	2020
Total Online Training Hours	374,717
Average Online Hours	12.6
Average Online Training Hours by Role	2020
IDL	19.9
DL	1.5
Average Online Training Hours by Gender	2020
Female	9.9
Male	14.3

We value external collaboration as a way to share our expertise with customers and design partners while also creating a development opportunity for our own people. We host and engage regularly in external training, conferences, and other industry events that help us stay connected with the growth of the industry and ensure our talent maintains cutting-edge skills and competitive knowledge.



COMMUNITY OUTREACH

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We believe in making a positive difference in the communities in which we work and live. We are committed to supporting these efforts across the globe and encourage our employees to give generously of their time, resources, and talents to benefit local communities. Many major NXP sites have their own volunteer and donation programs that focus on education and other pressing needs within their respective communities, including poverty, hunger, and health and well-being.

Alignment With the Sustainable Development Goals (SDGs)

NXP is committed to supporting the UN Sustainable Development Goals (SDGs) and our Global Community Engagement efforts provide alignment with four of the SDGs.



No Poverty

- Volunteer work to build and improve housing for families
- Donation drives and volunteer support for the homeless, disadvantaged youth, and poverty-stricken communities



Zero Hunger

- Food-pantry donations, fundraisers, and volunteer service
- Food assistance for the homeless and disadvantaged



Good Health and Well-Being

- Donations and/or participation in health fundraising events (heart disease, cancer, diabetes)
- Financial support and volunteerism for individuals impacted by COVID-19



Quality Education

- STEM mentoring and skills-based training
- Community school-supply drives and fundraisers





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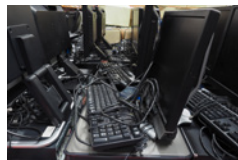
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STEM Education



United States

NXP employees in Austin, Texas regularly volunteer and mentor with Code2College, a non-profit organization providing access and opportunities in STEM to those students from underrepresented backgrounds in technology. Using education, exposure and experience, Code2College enhances student preparation for rigorous, technical careers and embodies NXP's spirit of nurturing and inspiring bright, young minds.



Germany

NXP Hamburg conducted an onsite IT equipment raffle, allowing employees the opportunity to purchase recycled technology and donate the proceeds to a local high school. The financial donations allowed the school to purchase a much-wanted 3D printer that will enhance classroom teaching and interdisciplinary projects, as well as allow the students to participate in the international "F1 in School" STEM competition in which students use software tools to design and manufacture a miniature Formula 1 car.

Giving



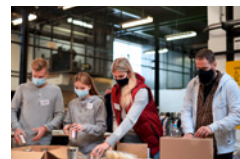
Netherlands

NXP employees in Eindhoven donated bicycles for refurbishment at the NXP High Tech Campus' bicycle-repair shop. The repaired bicycles were then donated to low-income families, in coordination with the Dutch nonprofit Stichting Financiën.



China

Employees contributed funds to purchase school uniforms and stationery for students in the Qinghai province.



Malaysia

The Kuala Lumpur team provided humanitarian support, including food, lodging, medical care, and other assistance, for 58 migrant workers who were successfully repatriated to their respective home countries during the COVID-19 lockdown.



United States

NXP employees in the Chandler, Arizona site raised funds and wore red to support the Phoenix American Heart Association Heart Walk, an annual event that promotes heart-disease prevention and heart-health awareness.

Volunteering



France

NXP employees from the Sophia Antipolis site helped clean up beaches and clear debris from nearby homes after heavy rains and flooding hit Saint Martin de Vesubie.



United States

NXP employees in Austin, Texas volunteered with The Trail Foundation to plant native tree saplings to populate "Grow Zones" designated by the City of Austin Parks and Recreation and Watershed Protection Departments.



United States

NXP employees in San Jose, California supported the Habitat for Humanity East Bay/Silicon Valley with a local community build project that included painting, landscaping, and a team building fund.



FUTURE TALENT

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NXP's strong commitment to its internship programs is a key contributor to growing the new generation of engineers in our industry and company.

Interns

Our internship programs focus on the students' need for technical advancement and skill development as they prepare to enter the professional workforce. In 2020, we transitioned to a virtual internship program, so we could continue building the talent pipeline in spite of the COVID-19 pandemic.

NXP granted more than 690 internships to university students in 2020.

New College Graduates

Our internship programs build a pipeline of highly capable and energetic new college graduates. In 2020, we welcomed approximately 473 new college graduates as hires – representing 35% of our overall hiring activity for Indirect Labor (IDL) – and 30% of those hires were female.

University Partnerships and Engagement

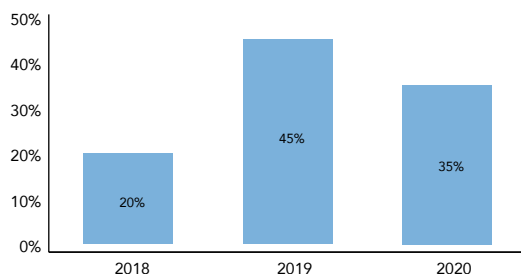
Through our partnerships with universities across the world, we fund advanced research programs and demonstrate our commitment to investing in the future of not just technologies, but students' knowledge and skills as well. Quite often, these partnerships translate into new and exciting solutions for our customers and markets.

Our 2020 university activities were diverse and allowed us to support research through several advanced programs and sponsorships:

- More than 50 university research programs in 13 countries, totaling 4M USD
- More than 70 projects with the Semiconductor Research Consortium (SRC), totaling 1.2M USD. Through these projects, we have been able to collaborate directly with university professors and students on advanced silicon design, production, and manufacturing processes. In addition, these programs provide students with a path for technology transfer and expertise for the industry

- EcoCar, a United States Department of Energy program that allows us to work with 12 universities across the United States to develop vehicles that are more economical, environmentally friendly, and connected. We funded 100,000 USD and hosted the annual winter workshop at NXP facilities in Austin, Texas, where we provided training and hands-on technology classes for students.
- NXP Hover Games Challenge, which focused on using our technology to find creative ways to fight fires and uncover solutions for the COVID-19 pandemic. We funded 150,000 USD for the program.
- The NXP Cup Challenge in Europe, our own event that had 10,000 students compete, using remote-controlled cars built with our technology, to overcome obstacles and speed trails.
- Stanford University's SystemX Alliance, a research collaboration of business and university teams focused on advanced topics from silicon design, the Internet of Everything, and technological advancements in medicine.

IDL University Hires (HC)





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The nature of the NXP workforce includes Direct Labor (DL) and Indirect Labor (IDL). DL includes employees who are directly involved in the production of goods, while IDL consists of individual contributors, managers, and executives in other functions, such as R&D or general, sales and administrative (GS&A).

On December 31, 2020, the total extended workforce was 33,480. Of those, 27,730 were NXP employees, 1,454 were employees of joint ventures, and 4,296 were contingent laborers working across three regions and 30+ countries. Our IDL employees, approximately 40% of the population, have similar representation by region while our DL population is primarily in our factories in APAC.

NXP directly hires recruited foreign migrant workers with support from NXP-approved labor agencies that help with document processing, such as visa applications and renewals, as well as dormitory accommodations.

The employee demographics data, represented as total NXP headcount, is as of December 31, 2020.

Note: the information on the following pages are representative of the total NXP headcount and not the Full-Time Equivalent employee count as disclosed in the NXP 2020 10-K filing.





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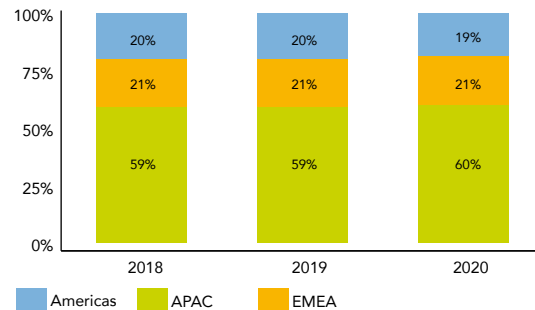
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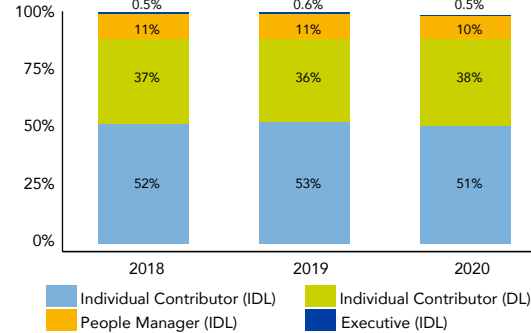
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NXP Workforce Footprint

Workforce by Region (HC)

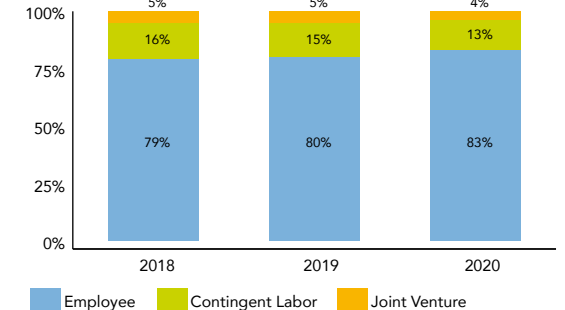


Workforce by Role (HC)



Extended Workforce Footprint

Extended Workforce By Type (HC)



Workforce Type by Region (HC)

	2018	2019	2020
Americas			
IDL	28%	27%	24%
DL	7%	7%	12%
APAC			
IDL	41%	42%	44%
DL	89%	90%	84%
EMEA			
IDL	31%	31%	32%
DL	3%	3%	4%

Extended Workforce Type by Region (HC)

	2018	2019	2020
Americas			
Employee	82%	84%	86%
Joint	0%	0%	0%
Contigent	18%	16%	14%
APAC			
Employee	79%	79%	82%
Joint	7%	7%	7%
Contigent	14%	14%	11%
EMEA			
Employee	77%	79%	83%
Joint	2%	2%	0.1%
Contigent	21%	19%	16%



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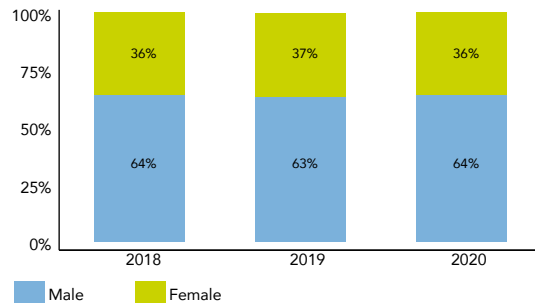
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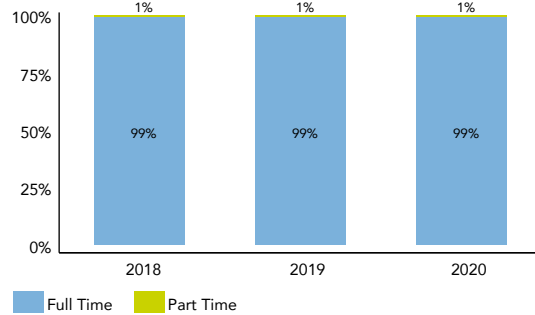
Gender Representation

We report Head Count (HC) using the gender representations of male and female, but acknowledge this does not fully encompass all gender identities.

Workforce by Gender (HC)



Workforce by Time (HC)



Workforce Time by Gender (HC)

	2018	2019	2020
Full-Time			
Female	36%	37%	36%
Male	64%	63%	64%
Part-Time			
Female	17%	21%	21%
Male	83%	79%	79%

Female Workforce by Region (HC)

	2018	2019	2020
Americas			
Female	12%	12%	12%
APAC			
Female	79%	79%	79%
EMEA			
Female	9%	9%	9%

Male Workforce by Region (HC)

	2018	2019	2020
Americas			
Male	25%	25%	24%
APAC			
Male	47%	48%	48%
EMEA			
Male	28%	28%	28%

Workforce Gender by Role (HC)

	2018	2019	2020
Executive			
Female	10%	14%	13%
Male	90%	86%	87%
People Manager			
Female	17%	16%	16%
Male	83%	84%	84%
Individual Contributor - IDL			
Female	23%	23%	24%
Male	77%	77%	76%
Individual Contributor - DL			
Female	62%	63%	58%
Male	38%	38%	42%





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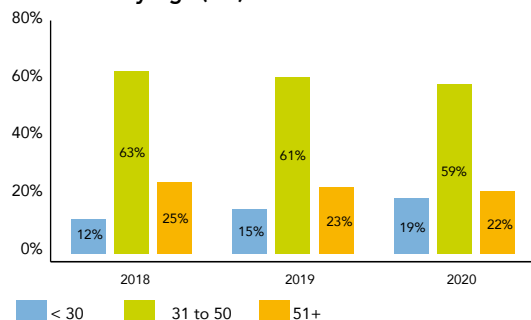
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Age Representation

Workforce by Age (HC)



Workforce Role by Age (HC)

	2018	2019	2020
Executive			
<30	0%	0%	0%
31 to 50	0.2%	0.2%	0.2%
51+	0.4%	0.4%	0.4%
People Manager			
<30	0.1%	0.1%	0.1%
31 to 50	7%	7%	6%
51+	4%	4%	3%
Individual Contributor			
<30	12%	15%	19%
31 to 50	56%	54%	53%
51+	20%	19%	18%

US Workforce Race and Ethnicity

Race and Ethnicity

	2018	2019	2020
Race and Ethnicity			
White (Not Hispanic or Latino)	56%	52%	52%
Asian (Not Hispanic or Latino)	20%	21%	21%
Hispanic or Latino	14%	13%	14%
Unknown	5%	8%	8%
Black or African American (Not Hispanic or Latino)	4%	4%	4%
Two or more races (Not Hispanic or Latino)	1%	1%	1%
American Indian or Alaska Native (Not Hispanic or Latino)	0%	0.4%	0.4%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.2%	0.2%	0.2%





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Talent Acquisition

Hires by Region (HC)

	2018	2019	2020
Americas			
IDL	27%	21%	19%
DL	8%	2%	2%
APAC			
IDL	47%	47%	56%
DL	92%	97%	97%
EMEA			
IDL	26%	31%	25%
DL	0.2%	0.5%	0.1%

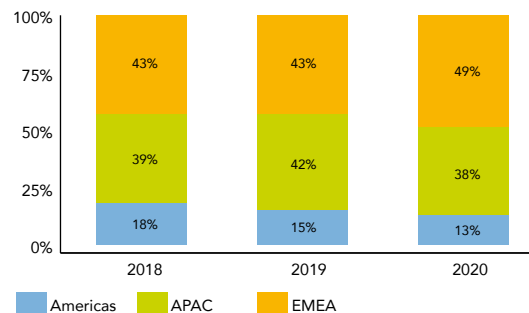
Hires by Gender (HC)

	2018	2019	2020
IDL			
Female	24%	23%	23%
Male	76%	77%	77%
DL			
Female	61%	66%	56%
Male	39%	34%	44%

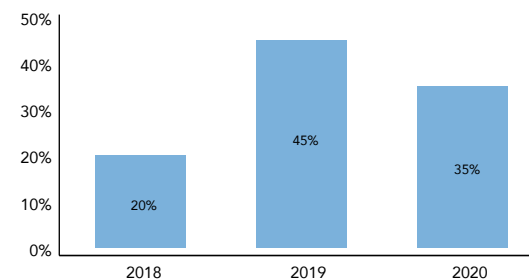
Hires by Age (HC)

	2018	2019	2020
IDL			
<30	28%	40%	44%
31 to 50	61%	50%	45%
51+	11%	10%	11%
DL			
<30	63%	66%	61%
31 to 50	35%	34%	39%
51+	1%	0.4%	1%

R&D Hires by Region (HC)



IDL University Hires (HC)





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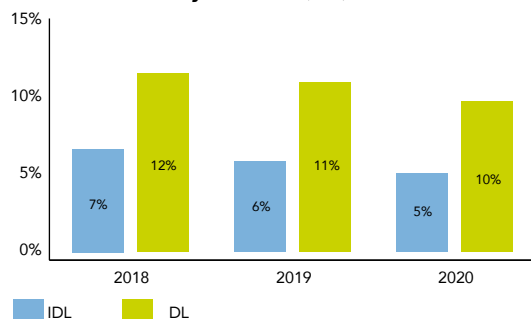
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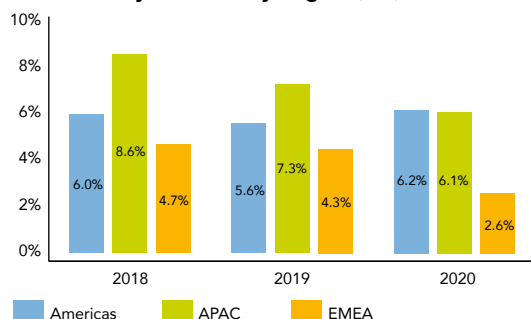
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Voluntary Turnover

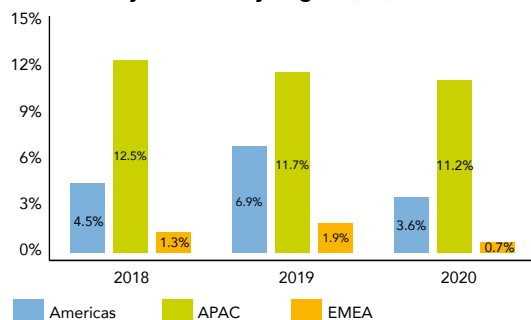
IDL & DL Voluntary Turnover (HC)



IDL Voluntary Turnover by Region (HC)



DL Voluntary Turnover by Region (HC)



Voluntary Turnover by Gender (HC)

	2018	2019	2020
IDL			
Female	24%	22%	21%
Male	76%	78%	79%
DL			
Female	60%	59%	63%
Male	40%	41%	37%

Voluntary Turnover by Age (HC)

	2018	2019	2020
IDL			
<30	27%	24%	22%
31 to 50	55%	59%	60%
51+	18%	17%	18%
DL			
<30	51%	52%	45%
31 to 50	41%	37%	44%
51+	8%	11%	11%

Online Training

Online-training metrics includes online mandatory compliance training as well as employee-elected training.

Overview	2020
Total Online Training Hours	374,710
Average Online Hours	12.6
Average Online Training by Role	2020
IDL	19.9
DL	1.5
Average Online Training by Gender	2020
Female	9.9
Male	14.3





HUMAN RIGHTS

CATEGORIES

- Human Rights Due Diligence
- Salient Human Rights Issues
- Human Rights Achievements

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2020 Human Rights Highlights

#5

Corporate Human Rights Benchmark Ranked NXP Fifth Among 44 ICT Companies

#8

Know the Chain Ranked NXP Eighth Among 49 ICT Companies

Due-Diligence Results

No Fees, Retention of Documents or Discrepancies in Wages Were Found

NXP and our business partners must not be involved in any form of human-rights abuses. 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 exploitation. We are committed to the abolition of child labor, and we do not accept any form of discrimination based on race, national origin, color, gender, religion, age, pregnancy, sexual orientation, physical or mental disability, or political affiliation. NXP forbids charging fees to employees throughout every stage of employment and prohibits retention of personal or government-issued documents. NXP allows the freedom of association and the right to collective bargaining.

No Fees

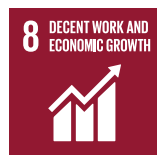
NXP has had a no-fees policy for all workers, including temporary, migrant, intern, contract, direct employee, and all other types of worker, for internal operations since 2013, and for suppliers since 2016. This policy ensures workers are not required to pay fees, deposits, or debt repayments for their recruitment or employment. Examples of fees include application, recruiting, hiring, placement, and processing fees of any kind at any stage, as well as additional fees, such as pre-departure fees for tests and medical exams, documentation, and government-issued documents, as well as all transportation (such as transportation when a worker returns to their sending country at the end of employment). If NXP discovers that any fees have been paid by workers, either in our company or our supply chain, these fees must be reimbursed to the worker by their direct employer.

No Retention of Documents

NXP, suppliers, and labor agents may not withhold personal documents, travel/residency permits, or government-issued documents unless required by law. Personal, lockable storage facilities must be provided for the safekeeping of such documents.

Working Hours and Rest Days

A work week must not be more than 60 hours per week, or the maximum set by local law, whichever is stricter, except in emergency or unusual situations, such as natural disasters or national holidays in which mass workers travel to their hometowns. These situations must be approved by executive management. Workers are allowed legally mandated time off, including breaks, holidays, vacation days, and other types of time off, such as maternity leave.





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Young Workers

Child labor is prohibited. The term “child” refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is stricter. Subject to compliance with local laws and regulations, the use of legitimate workplace apprenticeship or internship programs which employ young workers between the ages of 16 and 18, and comply with all laws and regulations, is supported. However, young workers must not perform work that may be likely to jeopardize their health or safety, including, for example, night shift, overtime, or hazardous work.



Employment Contracts

Employment contracts must be written in a language understood by the worker and must be provided prior to departure or hiring. Contracts must also clearly outline the working conditions, including the nature of work, details of working hours/work shifts and rest days, wages, benefits, and duration of the contract. No substitutions or changes are allowed in the employment agreement unless the changes are made to meet local law and provide similar or better terms. All workers must be provided a copy of the employment contract and any amendments. If housing accommodations are part of the contract, they must meet country housing and safety standards and the housing standards found in the NXP Auditable Standards. Workers are free to leave work or terminate their employment at any time without penalty, upon providing reasonable notice. Any legal limitations on the movement of foreign workers are indicated in the employment contract. However, no undue restrictions on a worker’s freedom of movement are permitted during or outside working hours. Workers are guaranteed unrestricted access to toilets and drinking water.

Compensation and Benefits

Compensation and benefit practices must comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. Workers must be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure are prohibited. Workers must be offered vacation time, leave periods, and holidays consistent with applicable laws and regulations. Wages must be paid in a timely manner in which there is no delay in accordance with local legal requirements and contractual agreement. No worker is paid less than the legal minimum wage with equal pay for equal work. If the country does not have a legally set minimum wage, the industry prevailing wage must apply as the standard. All overtime hours must be paid at the appropriate overtime rate applied to the base wage as required by applicable laws and regulations or employment contract, whichever is higher. For each pay period, employees must be provided with an understandable wage statement that includes sufficient information to verify accurate compensation for work performed and in which deductions for room and board have consent of the worker. Workers must not be forced or required to participate in a forced savings or loan scheme where repayment terms are indicative of debt bondage or forced labor. Deductions required by applicable law and regulations, such as taxes and social insurance, must be understood by the worker.



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Humane Treatment

Harsh or inhumane treatment of workers, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse is not tolerated. Nor is there to be the threat of any such treatment. Free and easily accessible channels for workers to anonymously report violations of policy on fair treatment must be available. In addition, there must be a non-retaliation policy for reporting incidences of unfair treatment that is clearly communicated to workers.

Non-Discrimination

Workers must be free of harassment and unlawful discrimination. Discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status in hiring and employment practices, such as wages, promotions, rewards, and access to training, is prohibited. Workers must be provided with reasonable accommodation for religious practices. In addition, workers or potential workers may not be subjected to medical tests or physical exams that could be used in a discriminatory way.

Freedom of Association and Collective Bargaining

The rights of workers to associate freely, join or not join labor unions, seek representation, or join workers' councils in accordance with local laws must be respected. Workers or their representatives must be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, discrimination, intimidation, or harassment. Within the framework of applicable laws, regulations, and prevailing labor relations and employment practices, workers have the right to be represented by labor unions or other worker organizations, and to engage in collective bargaining.



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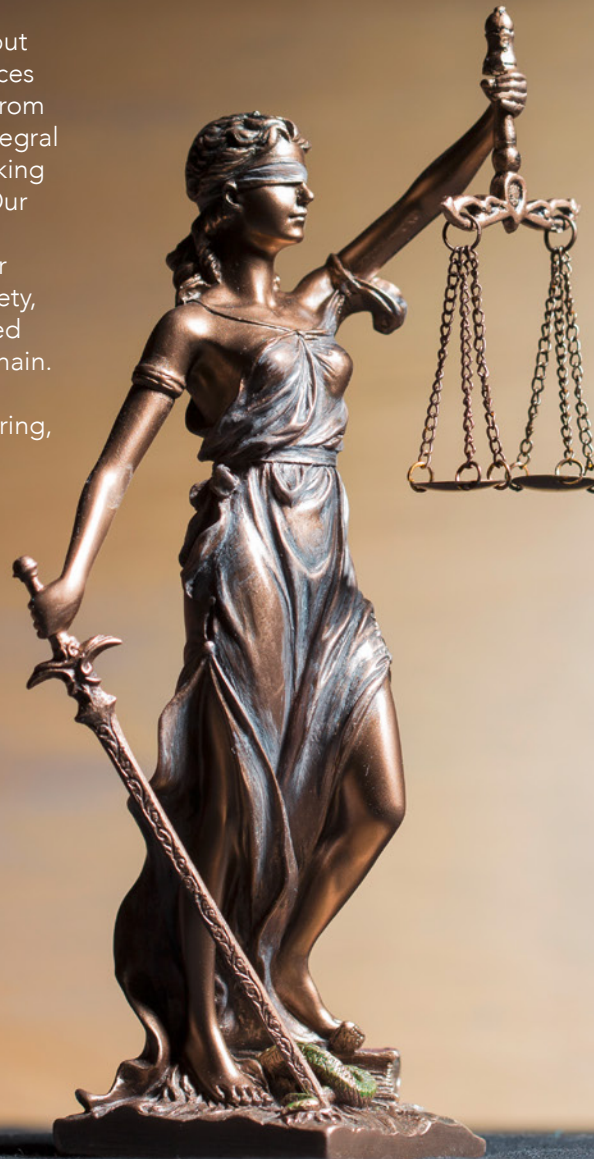
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Human Rights Due Diligence

To prevent and mitigate adverse human rights impacts, we use input from internal and external resources to prevent human rights abuses from occurring. Due diligence is an integral part of our business decision-making and risk-management systems. Our in-place due-diligence processes respect the way we manage labor and human rights, health and safety, and environmental risks associated with our operations and supply chain. Such due diligence includes risk assessments, compliance monitoring, remediation, measurement, and public reporting. NXP examines human-rights risks on a continual basis and relies on stakeholder feedback and engagement when evaluating these risks.



Identify & Assess

- Supplier risk assessment
- Self-assessment questionnaire
- Audit
- Collaboration and engagement with stakeholders and human-rights experts



Integrate & Act

- Policies, standards, and tools
- Social Responsibility Board
- Capacity building
- Collaboration with Purchasing
- Monthly post-audit follow-up calls
- Collaboration and engagement with stakeholders and human-rights experts



Track

- 30/60/90-day post-audit follow-up calls
- Verification audits
- Monthly KPIs
- Survey
- Private worker interviews



Communicate

- Speak-Up [hotline](#)
- Worker-management dialogs and focus-group discussions
- Internal and supplier grievance mechanisms
- Annual reporting



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Human Rights Salient Assessment

In our operations and supply chain, we use indirect labor, direct labor, temporary, and agency workers as well as migrant workers recruited through labor agencies. We involve all relevant functions and businesses across NXP and engage with external stakeholders to identify practices that may lead to a greater risk of non-compliance with our policies and standards.

The NXP Social Responsibility and Purchasing teams identify salient human-rights risks using our own risk analysis, collaboration with key stakeholders such as industry associations, expert groups, and NGOs, along with results from supplier assessments and audits. The issues that we have determined to be most critical, specifically related to labor and human rights within NXP and in our supply chain are given on the following pages.



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We minimize human-rights risks by making improvements to our policies, strategies, collaborative capacity building, self-assessments, and audits within NXP and our supply chain.

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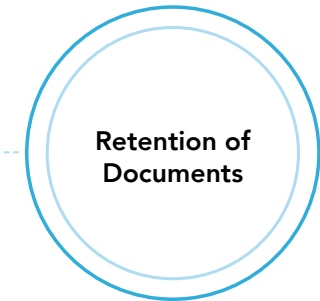
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- Clear policy prohibits charging fees to workers and ensures compliance
- May not charge fees for job-placement services
- If workers are found to have paid fees to gain employment, reimbursement to workers must be completed within 30 days of discovery
- Grievance mechanism in place to confidentially report policy violations

- Clear policy that workers are not required to surrender personal documents
- Personal, lockable, secured storage units available in facilities, dormitories/housing, or both
- Grievance mechanism in place to confidentially report policy violations



- Clear policy to manage and limit worker hours to no more than 60 hours per week or the legal limit, whichever is stricter, and all overtime work is voluntary
- Record systems and mechanisms in place to identify and administer the policy
- Regular work week cannot exceed 48 hours and the daily scheduled work cannot exceed 12 hours a day
- Workers receive at least one day off per every seven days worked with not more than six consecutive days of work
- Workers allowed at least a 20-minute rest break every four hours worked as well as a defined meal break
- Workers provided with legally mandated holidays and vacation days
- Grievance mechanism in place to confidentially report policy violations



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- The term "child" refers to any person under the age of 15 or under the minimum age for employment in the country, whichever is greater
- Comprehensive policy for child labor that clearly states the minimum age for workers
- Comprehensive policy in place to prohibit young workers under the age of 18 from performing work that may jeopardize their health or safety, including night shift and overtime work
- Age verification process with inspection of validity of at least two identity documents, to be returned to worker
- Personal record systems in place as a means of identification and verification
- If workers are discovered to be below the legal age limit, workers will be protected and provided the opportunity for completion of education
- Grievance mechanism in place for anonymous reporting of non-compliance



- Contract may not violate relevant laws or place a worker at risk
- Prior to departure or hiring, workers are provided with an accurate written employment contract with details of working conditions including nature of work, wages, benefits, and duration of contract
- Contract written in a language that worker understands prior to employment. If amendments are made prior to employment, contract must provide equal or better terms of employment
- Workers provided with copy of contract
- Contracts ensure workers are free to leave their employment, upon giving reasonable notice, without penalty per applicable law and regulations
- Grievance mechanism in place to confidentially report policy violations





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- Workers cannot receive less than the legal minimum wage for all regular hours worked. If legally minimum wage is not set, then industry prevailing wage will be the standard
- Overtime rates are to be applied to the base wage as required by law or employment contract, whichever is higher. (Where the law is silent, the premium must be at least an additional 50% per hour of the base wage for piece rate and hourly work, or an additional 50% per hour of the average earnings)
- Workers have pay slips in a language they understand, with clear details regarding regular and overtime hours worked and rates
- Wages are paid a minimum of 14 days after the end of the working period
- Deductions as a disciplinary measure are prohibited
- Grievance mechanism to dispute wage and benefit-related payments is available



- Workers must be ensured their well-being and health and safety during a pandemic
- Workers must not be discriminated against, regardless of pandemic circumstances
- Workers must be given adequate protection from exposure to hazards, including the pandemic illness
- Grievance mechanism in place to confidentially report unfair treatment of workers





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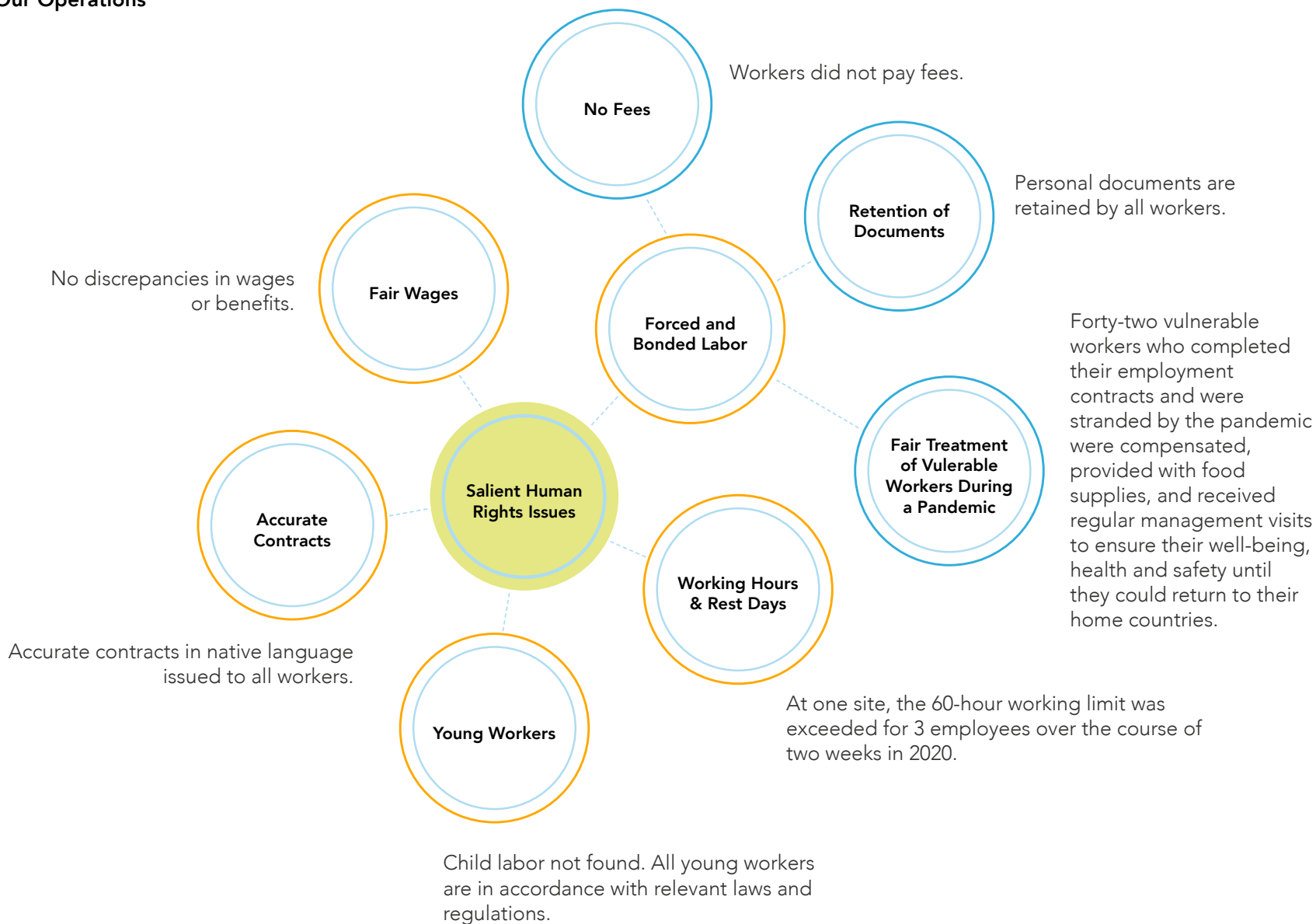
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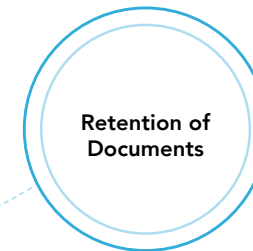
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Five nonconformances identified from audits had discrepancies in wages and benefits. All nonconformances have been closed.



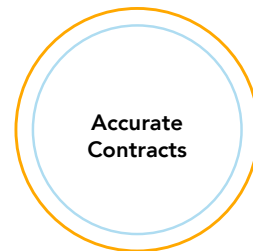
One nonconformance identified from an audit charged fees and has since repaid the fees to the workers.



One nonconformance identified from an audit lacked a policy for not retaining workers' personal documents and has since implemented a formal policy.



Pulse surveys of high-priority suppliers to obtain salient data on how the pandemic may have affected their workers' rights. Remote audits was a new methodology employed to collect critical information to continue our due-diligence efforts even during a pandemic.



Thirteen nonconformances identified from audits did not monitor working hours and rest days and/or have processes in place. Seven of the identified nonconformances have been closed.

Three nonconformances identified from audits had inaccurate contracts. All nonconformances have been closed.



Child labor not found in our supply chain. All young workers are in accordance with relevant laws and regulations.



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Human Rights Achievements

NXP's Social Responsibility program was recognized in 2020 for our work within NXP operations and our supply chain on human rights.

In November, NXP was a featured panelist at the Annual UN Forum on Business and Human Rights. It was the third year in a row that NXP has been invited to share our insights and best practices with the group. In a special session on lessons learned from the pandemic, we explained how internally we were able to help migrant workers (the most vulnerable in the company's workforce across 26 countries), who were unable to return home because of travel restrictions. It was an honor to be recognized for our humanitarian efforts at the UN's annual event on business and human rights.

Corporate Human Rights Benchmark (CHRB) is a not-for-profit company created to publish and promote open and public benchmarks of corporate human-rights performance. Among 44 ICT companies evaluated, NXP was ranked fifth for our work on the themes Traceability and Risk Assessment as well as Monitoring.

Know the Chain (KTC) is a nonprofit organization founded to help improve workers' lives. Among the 49 Information and Communications Technology (ICT) companies evaluated, NXP was ranked eighth in 2020 for our strong disclosure on our forced-labor policies and practices among our peers across all themes. Also of note is that NXP was one of two companies with the highest score on the theme Traceability & Risk Assessment, and was the highest-scoring European company in the benchmark.

NXP in Action

In May 2020, during the COVID-19 pandemic, 42 foreign migrant workers (39 Indonesians, 3 Nepalis) from our NXP facility in Kuala Lumpur, Malaysia, who had completed their employment contracts and/or voluntarily resigned, were left stranded in Malaysia as a result of Malaysia's Movement Control Order (MCO), international border closures, and flight cancellations. NXP Malaysia provided support to the stranded workers to ensure that their well-being and health and safety were protected during the pandemic lockdown. Support to the workers included the following:

- *Salary advances to all affected workers. Final salary payment can be made to workers only after-tax clearance by the Malaysian authorities. During the pandemic lockdown, the final tax clearance was delayed by the relevant authorities.*
- *NXP Malaysia coordinated with the Indonesian embassy to provide food supplies to workers throughout the duration. Supervisory staff in NXP Malaysia also contributed funds and food supplies.*
- *The NXP Malaysia Human Resources team visited affected workers regularly to provide updates on repatriation and to check on worker well-being.*

All stranded workers returned home by the middle of July 2020.



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CATEGORIES

- Health and Safety Overview
- Governance
- Certification
- Assessments and Audits
- Training
- Validation
- Results

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2020 GOAL

ACHIEVE ZERO WORKPLACE INJURIES AND ILLNESSES

2020 Health and Safety Highlights



Employee Health and Safety During COVID-19

The COVID-19 pandemic placed our global Health and Safety teams under extreme pressure to keep essential workers healthy and safe while also transitioning non-essential workers to a work-from-home setting.

Although COVID-19 challenged the Health and Safety team to implement new protocols and introduce new ways of working, the team remained committed to maintaining a healthy and safe workplace while still focusing on our goal of zero injuries and occupational illnesses.

Each site faced unique challenges and collaborated to implement best practices for a variety of situations, including the following:

Work-From-Home Transition

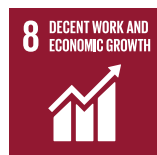
- Quickly and safely transitioned the majority of non-manufacturing employees from the office to work-from-home settings
- Provided tools and resources, such as ergonomic self-assessments, guidance, and online support
- Let employees use their NXP office equipment, such as desks, chairs, monitors, keyboards, mice, and headsets, in their home working environment

Protection of Essential Employees

- Onsite temperature checks, self-assessments
- Onsite evaluations to assess need for increased air-flow capacity, higher-grade filters, and more frequent filter replacement
- Increased Personal Protective Equipment (PPE) supplies for all employees and implemented more frequent cleaning
- New hand-sanitation stations
- Reduced or eliminated meeting-room capacity
- Staggered shift changes and breaks to prevent crowding and maintain social distancing

Communication and Support

- Executive team regularly addressed employee population
- Daily communication with the COVID-19 task force
- Open and frequent communication with our customers and suppliers
- Guidance and protocols provided to country leaders
- Monitored employee well-being through continuous communication and global rate monitoring and tracking





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Employee Health and Safety Overview

Health

We are committed to a culture that fosters a healthy and productive workforce. Health and wellness encompass physical and emotional health, social support, and spiritual wellness.

Health Programs

Medical

All our manufacturing sites employ occupational-health specialists, and most have onsite clinics. Most of our non-manufacturing sites employ occupational-health specialists as well. We contract doctors at certain locations for job-related medical services for our employees. We offer comprehensive health-insurance plans and many of our sites organize annual physicals and preventive health screenings, including flu shots.

Physical

Several of our global sites offer subsidized gym-membership plans, access to fitness classes, and/or onsite fitness facilities. In addition to physical fitness, we offer programs and guidance on nutrition, weight loss, and avoiding unhealthy habits, such as smoking, drinking, and drug use.

Emotional/Mental

Employees are offered resources and assistance programs to find and/or consult with specialists for mental well-being and help in dealing with major life events.

Safety

Safety experts supervise protective measures and create safe and ergonomically friendly workplaces, including areas of production, other technical areas, and office workplaces.

Our proactive safety initiatives include the following:

- Employee Emergency Response Teams regularly trained
- Safety committees/councils include non-management employees
- Multiple grievance mechanisms in place for directly or anonymously raising safety concerns to management
- Safety walkthroughs performed by trained managers
- Monthly meetings with global Environment, Health and Safety (EHS) leadership
- Discussions held regarding any accidents or incidents, including first aid, near misses, and high-potential incidents
- Prevention measures and safety practices adapted to different situations



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Health and Safety Governance

The governance of Health and Safety lies within the Environment, Health and Safety (EHS) Management Board, which consists of executives and senior leaders who define the development, approval, purpose, value, strategies, policies, goals, and metrics for improvement plans. The EHS Management Board is chaired by the Chief Technology and Operations Officer and supported by NXP's General Counsel, Legal, Human Resources, Sustainability, Facilities, Business Continuity Management, Supply Chain, External Manufacturing, Risk Management, IT, and Sales & Marketing teams, and by the Global EHS Director.

Corporate EHS and the EHS Standards Committee establish risk-mitigation strategies and also develop and deploy standards, programs, and procedures to reduce risks to health and safety worldwide.

In addition, each manufacturing site's EHS Team collaborates closely with the onsite manufacturing teams to review safety metrics within our factories. Every incident is closely scrutinized, with a root-cause analysis. The corrective actions taken are communicated to our global sites for continuous improvement.

Each Safety Committee/Worker Council includes designated employees who are encouraged to consult and participate in the EHS Management System process. These committees perform periodic walkthroughs to evaluate safety and potential areas of risk to continuously improve and demonstrate our commitment to safety. The committees meet regularly to assist with hazard identification and risk assessments, investigate incidents, implement EHS policies, identify opportunities for continual improvement of the EHS Management Systems, and take an active role in safety awareness and training.

Certification



We ensure the health and safety of our employees through advanced management systems and certification. All manufacturing sites, as well as the corporate headquarters, are [certified](#) to ISO 45001 and are audited both externally and internally for third-party certification. Our non-manufacturing sites follow our internal procedures related to Health and Safety and are also periodically audited. These audits help us control our risks and improve performance while protecting employee well-being.

In 2020, our Occupational Health and Safety Management System successfully transitioned from the older OHSAS 18001 standard to the ISO 45001 standard. While both standards focus on worker health and safety, the transition to ISO 45001 allows us to take a more proactive, risk-based approach instead of merely focusing on controlling hazards, as prescribed by OHSAS 18001.

Other key benefits associated with ISO 45001 include a greater focus on health and safety as an inherent part of business, and a greater emphasis on worker participation and consultation, ensuring workers are able to participate in all parts of the EHS Management System process, including risk and hazard identification, incident investigation, and EHS awareness. As a result our workers are empowered to help create a safe work environment.



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Risk Assessments, Self-Assessments, and Audits

Risk Assessments

We conduct annual risk assessments to evaluate the in-place management system and identify any potential risks or safety hazards. Each year we consider the likeliness of a given occurrence and proactively mitigate risks and hazards through programs, procedures, and engineering controls.

Self-Assessments

During their annual EHS site self-assessments, each site completes a checklist that evaluates the Management System elements of the ISO 45001 standard (previously the OHSAS 8001 standard). To address issues, each site creates a corrective action plan and closes out the findings accordingly. As part of their membership in the Responsible Business Alliance (RBA), each NXP factory also completes an annual RBA Self-Assessment questionnaire that addresses health and safety as well as management systems.

Audits

The EHS and Social Responsibility teams use external audit firms to conduct joint internal audits. These selected firms are experts in the standards for EHS management systems and NXP Social Responsibility Standards. However, due to COVID-19 restrictions in 2020, EHS and Social Responsibility audits were conducted separately. Internal audits are typically conducted every 30 months and audit findings are categorized according to severity.

Our registrar, Lloyd's Registrar Quality Assurance (LRQA), conducts third-party audits each year to evaluate corporate EHS and, on average, two sites per year. LRQA determines which sites are audited each year.

In 2020, LRQA audited NXP sites for the transition to the ISO 45001 certification. A sampling of compliance and management systems were audited via remote auditing. A formal report was issued, and corrective actions were tracked until LRQA indicated that the corrective action had been satisfactorily closed.

Global Training

- Chemical handling
- Chemical management and safety
- Emergency response drills
- Ergonomics
- Training related to job function

Validation

The Sustainability Office validates the information entered in the Health and Safety database. Validation consists of the following steps:

- Check for completeness of data (locations and parameters)
- Compare data from the reporting period with data from previous periods
- Determine whether changes in data are significant
- Seek explanations for significant data changes
- Compare related data (e.g. number of illnesses and injuries versus lost workdays)
- Investigate notable events

The EHS teams at each factory meet weekly with the senior management to review performance results, the progress of improvement projects, and expectations for each project milestone.

To ensure reliable and accurate reporting, we conduct internal audits of our factories, large offices, and R&D sites, checking for proper reporting procedures and data trails.



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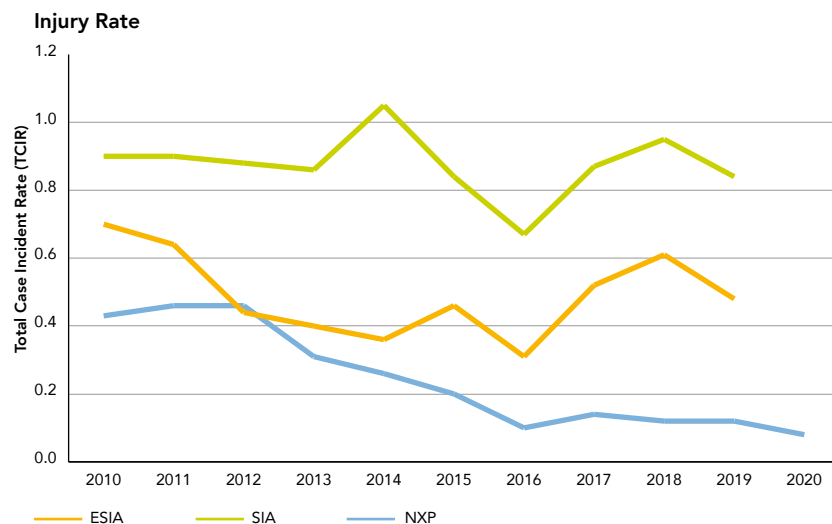
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Results

In 2020, there were no incidents that resulted in fines or sanctions in connection with non-compliance of health and safety laws or regulations. There were no fatal work-related accidents for our workers or contractors.

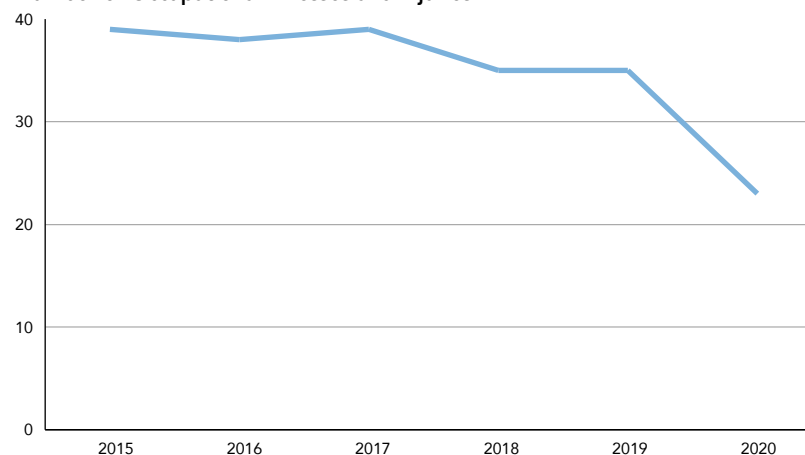
Injury Rate

Our 2020 injury rate of 0.08 is our lowest ever recorded. It is also well below the semiconductor-industry averages published by the European Semiconductor Industry Association (ESIA) and the Semiconductor Industry Association (SIA), which range from 0.5 to 0.9.



The decrease in our TCIR is directly related to the decrease in the number of occupational illnesses and injuries while maintaining a consistent workforce population in 2020.

Number of Occupational Illnesses and Injuries



The Total Case Incident Rate (TCIR), a measure used by the Occupational Safety and Health Administration (OSHA) in the US to monitor industry safety, is defined as the number of work-related injuries per hundred full-time workers during a one-year period. Tracking TCIR allows our EHS teams to identify patterns across different facilities.



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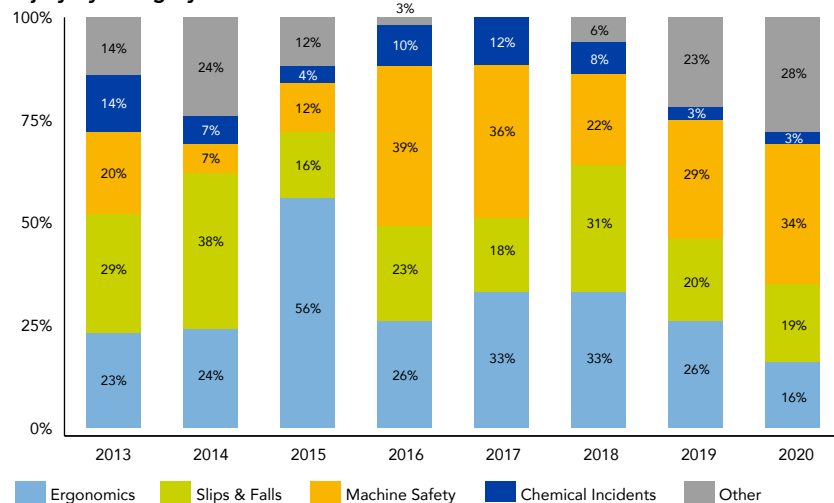
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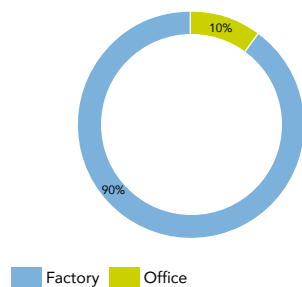
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We continue to emphasize the importance of providing a safe workplace by not only measuring our injury rate but also identifying trends, conducting year-on-year analyses, and categorizing injury types to help identify corrective action.

Injury by Category



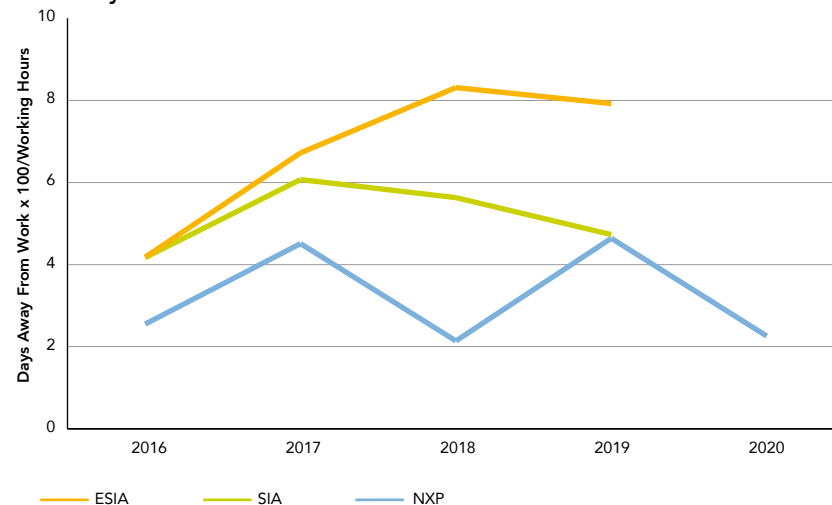
Injury Occurrence by Workplace Environment



Severity Rate

The severity rate is the average of the number of lost days per recordable incident, which indicates how serious the injury was. In 2020, our severity rate significantly decreased compared to 2019. The severity rate can increase due to a work-related injury of a single incident, since it may require more time off. In addition, as the absolute number of injuries decreases, the types of injuries and the severity rate will vary. Our successful efforts to share and communicate issues and root causes across all sites are reflected in our ability to remain below the industry average which ranges from 4.7 to 7.9 for severity rate.

Severity Rate



NXP in Action



Thailand's Ministry of Public Health (MOPH) recognized NXP's Bangkok assembly and test site for integrating additional measures of health and disease prevention in response to the COVID-19 pandemic. In presenting their award, MOPH cited our management team and leaders, who engaged with public and private agencies to implement COVID-19 prevention measures. Our actions, which included promoting employee health check-ups and incorporating adjustments from the analyzed results, helped ensure the well-being of our employees.

CHAPTER TOPICS

Environment Overview
Management
Emissions
Energy
Water
Waste
Packaging
Hazardous Materials
Substances of Concern



ENVIRONMENT

CONSERVING OUR NATURAL RESOURCES, MINIMIZING WASTE,
AND CONTINUOUSLY MONITORING OUR PROGRESS



ENVIRONMENT OVERVIEW

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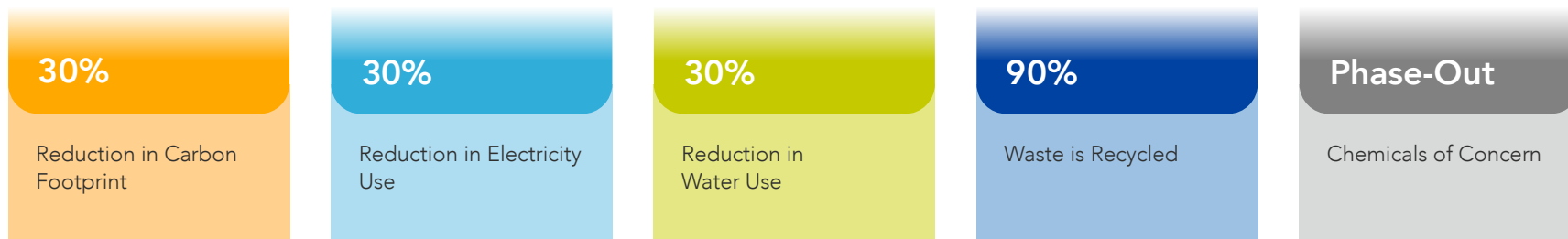
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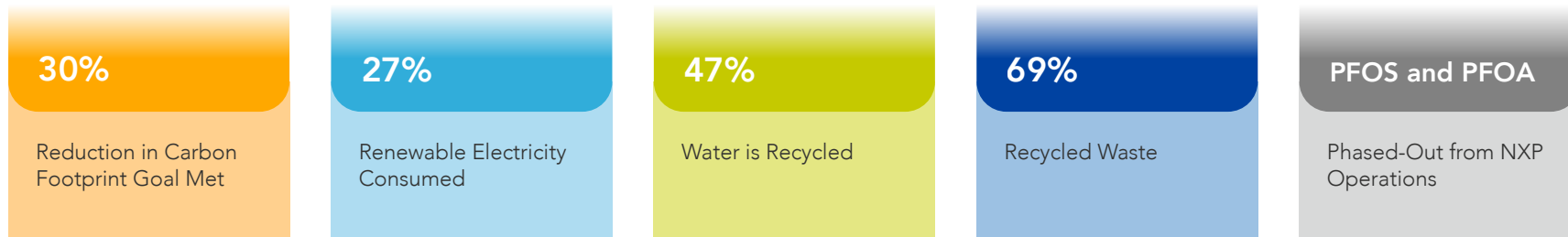
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2020 Environment Highlights



As part of our commitment to preventing pollution and conserving the earth's natural resources, we make the environment a key pillar in our Sustainability Policy and our sustainability strategy. We drive continuous improvement of our processes to protect the environment by designing, implementing, and maintaining a management system and programs to achieve our objectives.

NXP did not receive any Notices of Violation (NOVs) or record any significant spills, fines, or sanctions for noncompliance with environmental laws or regulations in 2020.





ENVIRONMENTAL MANAGEMENT

CATEGORIES

- Certification
- Governance
- Assessments and Audits
- Training
- Validation

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Certification



In accordance with criteria from the International Organization of Standardization (ISO), our system for environmental management is [certified](#) to ISO 14001 at all our manufacturing sites. Certification began in 2000 and was completed for all sites in 2010.

Environmental Governance

Key environmental principles are embedded in our Corporate Sustainability Policy, a document signed and approved by our CEO. The Sustainability Policy is developed and deployed by the Sustainability Management team.

Environmental governance lies within the Environment, Health and Safety (EHS) Management Board, which consists of executives and senior leaders and is responsible for strategy, approval, and proper resourcing. The EHS Management Board is chaired by the Chief Technology and Operations Officer and supported by NXP's General Counsel, Legal, Human Resources, Sustainability, Facilities, Business Continuity Management, Supply Chain, External Manufacturing, Risk Management, IT, Sales & Marketing, and EHS teams.

NXP's Sustainability and EHS Management teams set strategies, policies, goals, and metrics for each year and review progress monthly. Corporate EHS and the EHS

Standards Committee establish risk-mitigation strategies and also develop and deploy standards, programs, and procedures to reduce risks to the environment.

The EHS Office performs monthly formal reviews with all manufacturing facilities to examine data, discuss the progress of improvement projects, and set expectations for the next period.

Risk Assessments, Self-Assessments, and Audits

Risk Assessments

All NXP manufacturing facilities conduct annual internal risk assessments for the environment. These risk assessments meet the requirements of ISO 14001 and evaluate potential risks and environmental hazards. The results of these assessments help us weigh potential risks against their likeliness of occurrence and guide us as we proactively mitigate risks and hazards through programs, procedures, and engineering controls.

Self-Assessments

As part of our membership in the Responsible Business Alliance (RBA), each NXP factory annually completes an RBA Self-Assessment questionnaire that includes both environmental questions and management systems. This self-assessment evaluates each site's greatest social and environmental risks so they can incorporate a management system to prevent violations.



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Audits

NXP Corporate EHS conducts internal audits at each manufacturing site. Internal audits are conducted in the presence of a senior EHS manager from another facility and a third-party consultant. Internal audits are conducted every 30 months and findings are categorized according to severity. The corrective actions for these findings are formally reported and tracked through an internal audit-management system.

Our auditing partner, Lloyd's Register Quality Assurance (LRQA) conducts third-party audits at an average of two sites each year, as determined by LRQA. With each audit, compliance and management systems are reviewed, a formal report is issued, and corrective actions are tracked until they are successfully closed.

Larger offices and R&D sites conduct annual self-assessments, and are audited by a third party approximately every five years.

Each NXP manufacturing facility undergoes a Social Responsibility audit conducted by an NXP-approved third-party audit firm. As part of these audits, NXP facilities are required to demonstrate compliance with the environment section of the NXP Auditable Standards on Social Responsibility.

Training

Employee training is conducted worldwide each year to ensure all employees have the knowledge and skills needed to minimize environmental risks. This includes on-the-job training, specialized trainings in environmental matters, quality controls, and chemical management. Environmental training and awareness include workers being part of incident investigations and helping to plan management systems.

Validation

An EHS Management System tracks and calculates our environmental performance per facility. The Sustainability Office does a monthly validation of reported data for every facility that a) we own, rent or lease and manage, b) has 50 or more employees, and c) is reported in our financial reporting.

Validation consists of the following steps:

- Check for completeness of data (locations and parameters)
- Compare data from the previous period with data from current reporting period
- Determine whether changes in data are significant
- Seek explanations for any significant data changes
- Investigate significant events

To ensure reliable, accurate, and complete reporting, EHS also conducts internal data audits of the manufacturing sites as well as the larger office and R&D sites. The audits check for proper reporting procedures and data trails.





EMISSIONS

2020 GOAL REDUCE NORMALIZED SCOPE 1 & 2 EMISSIONS BY 30% FROM A 2010 BASELINE

CATEGORIES

- Carbon Footprint
- Scope 1 Emissions
 - PFC
 - HTF
 - Fossil Fuels
 - N₂O
- Scope 2 Emissions
- Scope 3 Emissions
- Non-Greenhouse Gas Emissions

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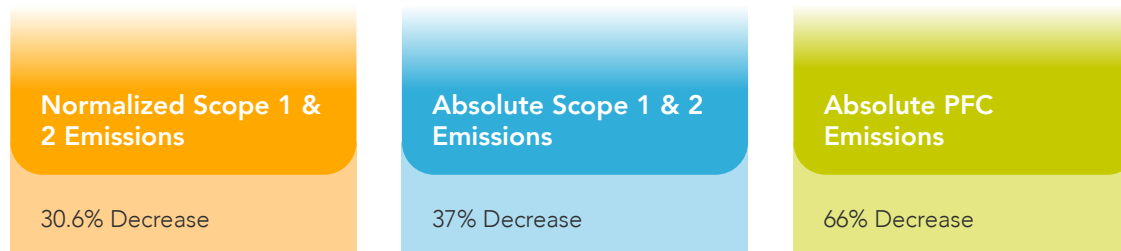
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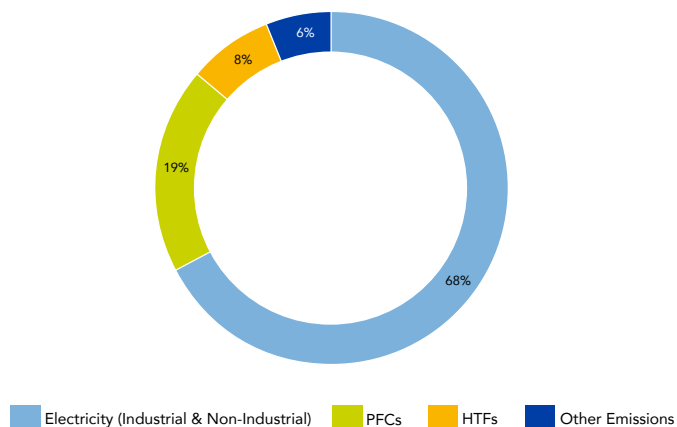
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2020 Performance Since 2010



Semiconductor manufacturing is not considered a major contributor to global warming, but our operations do directly and indirectly emit Greenhouse Gases (GHGs). The three main contributors to our carbon footprint are emissions from purchased electricity, the emission of PerFluoroCarbons (PFCs), and the emission of Heat-Transfer Fluids (HTFs). We set reduction targets on these three contributors as they are essential for NXP operations.

Emissions by Type



Strategy

Electricity	PFCs	HTFs
Increase consumption of renewable energy	Install PFC abatement equipment	Substitute chemicals to reduce HTF emissions
Optimize building operations and product-testing processes	Replace or minimize use of GHGs	Design new equipment to capture emissions
Power-down equipment when not in use	Optimize processes	
Use efficient lighting technologies and schedules	Reduce leakage	





EMISSIONS

Carbon Footprint

We measure our carbon footprint according to the GHG Protocol, a set of internationally recognized standards for quantifying and reporting GHG emissions. We report on all three of the categories defined by the GHG Protocol: Scope 1 (direct emissions), Scope 2 (indirect emissions, owned), and Scope 3 (business travel and product transportation).

In 2020, our normalized Scope 1 and Scope 2 emissions decreased by approximately 30% and our absolute emissions decreased by 37% from a 2010 baseline.



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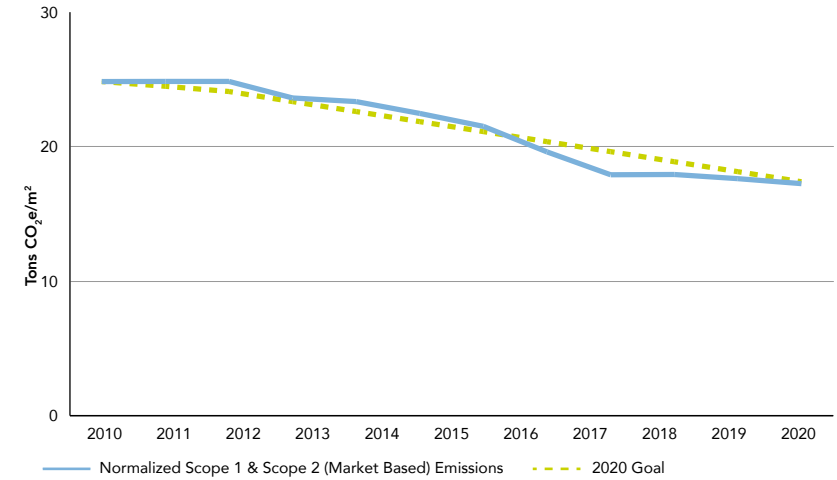
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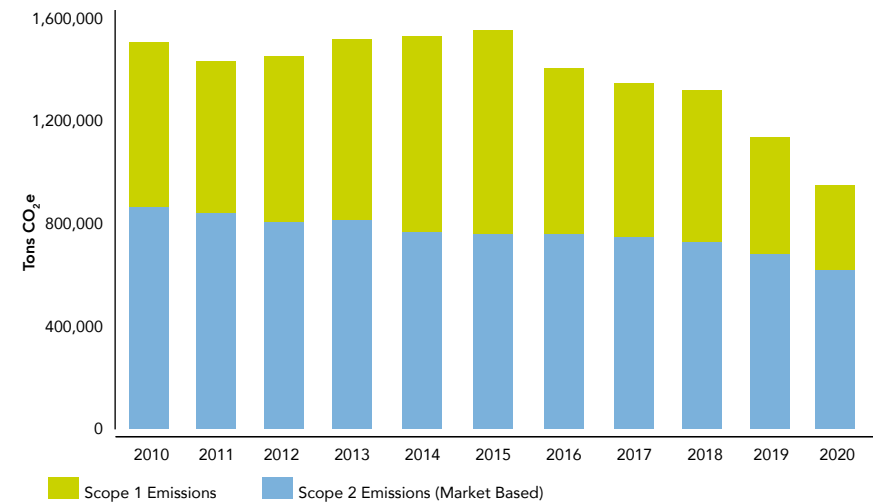
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Normalized Scope 1 and Scope 2 Emissions



Absolute Scope 1 and Scope 2 (Market Based) Emissions



Market-based numbers reflect actual data from energy providers.



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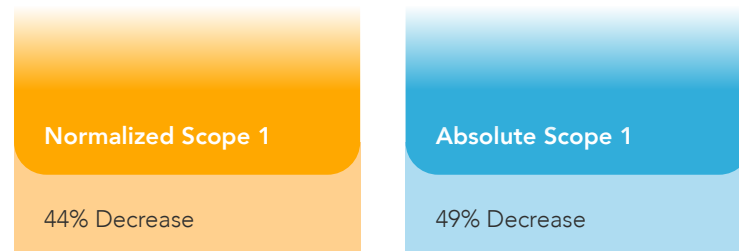
Scope 1 Emissions

The GHG Protocol defines Scope 1 emissions as direct emissions from company-owned and controlled resources, including stationary combustion (fuels, heating sources) and process emissions (from onsite manufacturing).

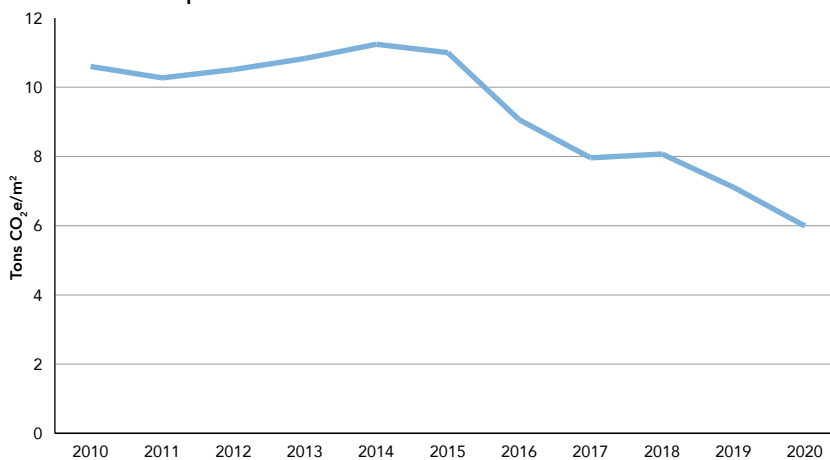
Our Scope 1 emissions include PFCs, HTFs, emissions from the consumption of fossil fuels, and emissions of so-called Kyoto gases, including Nitrous Oxide (N₂O) and Sulfur Hexafluoride (SF₆).

In 2020, the normalized Scope 1 emissions decreased by 44% and the absolute emissions decreased by 49% from a 2010 baseline.

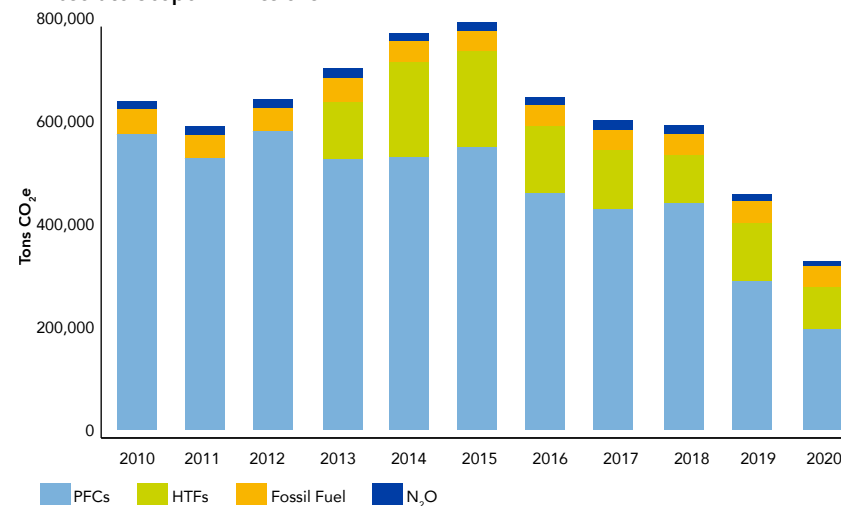
2020 Scope 1 Performance Since 2010



Normalized Scope 1 Emissions



Absolute Scope 1 Emissions



Appendix D lists the breakdown of chemicals within Scope 1 categories.



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Scope 1 Emissions by Type

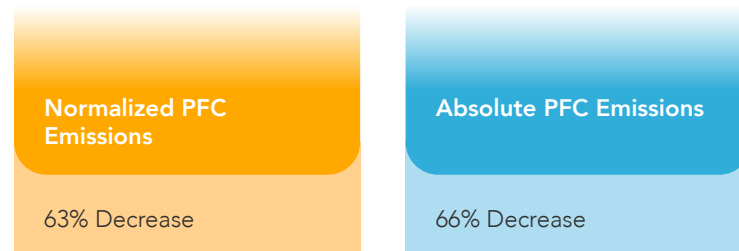
PFCs

At present, there are no viable alternatives for the PFCs used to etch integrated circuitry onto silicon wafers and to clean the internal chambers of deposition equipment.

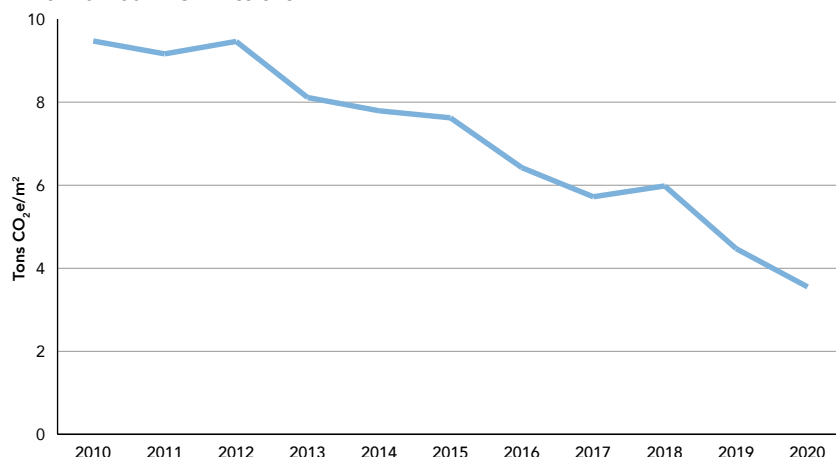
In 2020, our normalized PFC emissions decreased by 63% from a 2010 baseline and the absolute PFC emissions decreased by 66% from a 2010 baseline. This reduction is significant because we produce increasingly complex products that involve many more manufacturing steps that use PFCs. Installing the most up-to-date abatement technology and upgrading existing process tools each year has resulted in continuous year-on-year reduction of PFC emissions.

We recognize the undesirable impact PFCs have on the environment. To voluntarily reduce PFC emissions, we signed the Memorandum of Understanding in the US and the Memorandum of Agreement in Europe. We also support the New 2010-2020 Global Semiconductor Industry Voluntary Agreement supported by all members of the World Semiconductor Council (WSC).

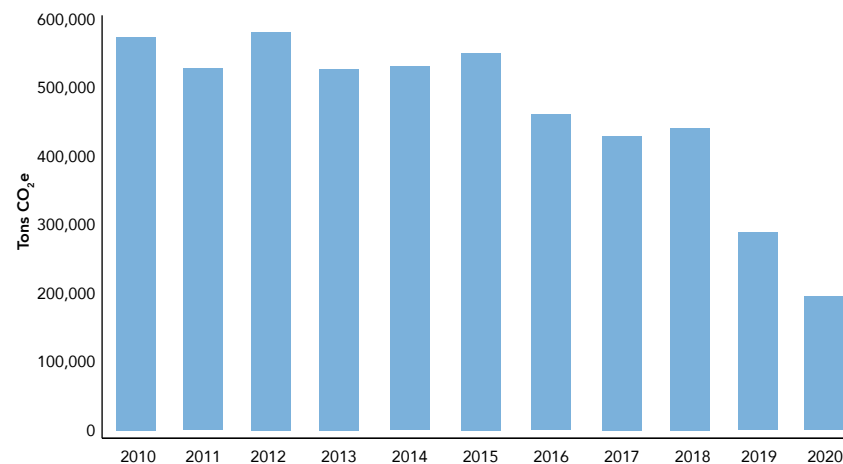
2020 PFC Performance Since 2010



Normalized PFC Emissions



Absolute PFC Emissions



Based on the Intergovernmental Panel on Climate Change (IPCC) Tier 2a methodology



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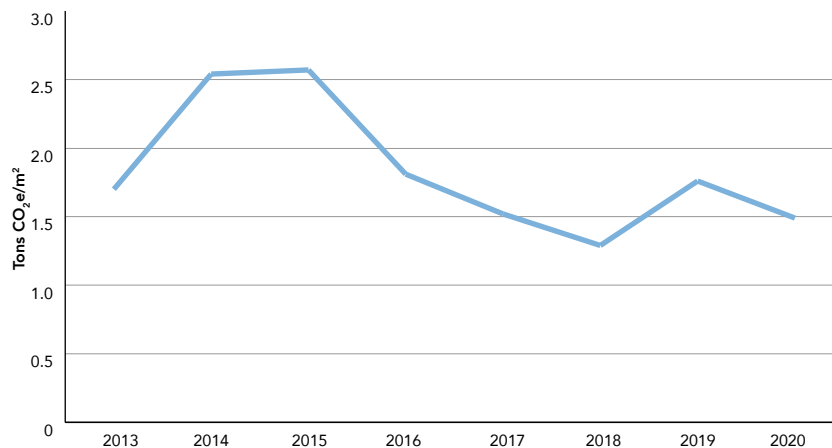
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HTFs

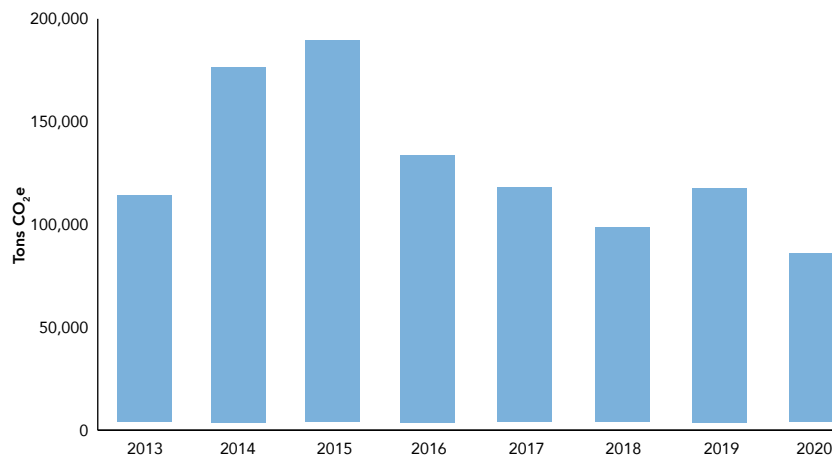
HTFs are used in manufacturing processes and device testing to maintain a particular temperature. The majority of HTFs are used to test hermetically sealed Radio Frequency (RF) products while the remainder are used in manufacturing processes.

In 2020, our normalized HTF emissions decreased by 12% and absolute emissions decreased by 25% compared to 2013. This is significant progress because the demand for products that require HTFs for device manufacturing and testing has increased.

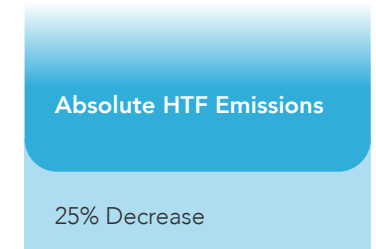
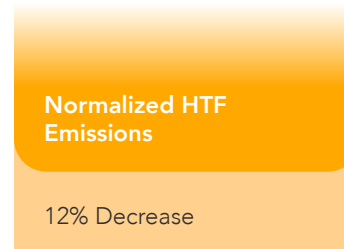
Normalized HTF Emissions



Absolute HTF Emissions



2020 HTF Performance Since 2013



NXP in Action

The Kuala Lumpur site uses HTFs to test hermetically sealed RF products. During these tests, HTFs are released into the atmosphere through both vapor-diffusive loss and fluid drag-out. A three-phase project successfully reduced these emissions.

- **Phase One:** Substituted an HTF with a high global-warming potential with one that has a lower global-warming potential. This reduced the emissions by 10%.
- **Phase Two:** Minimized the surface area of the testing tray to capture more fluid and thereby reduce drag-out losses. This reduced emissions by another 20%.
- **Phase Three:** Designed a semi-automated, closed-loop system to collect HTF emissions. This resulted in an additional 40% reduction.



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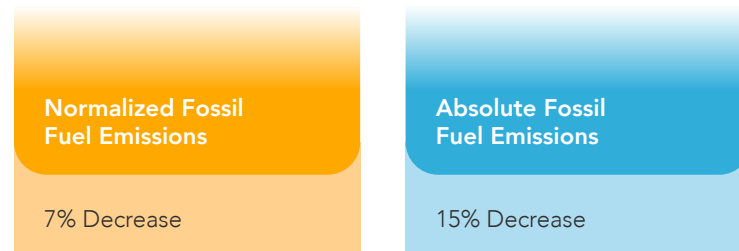
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Fossil Fuels

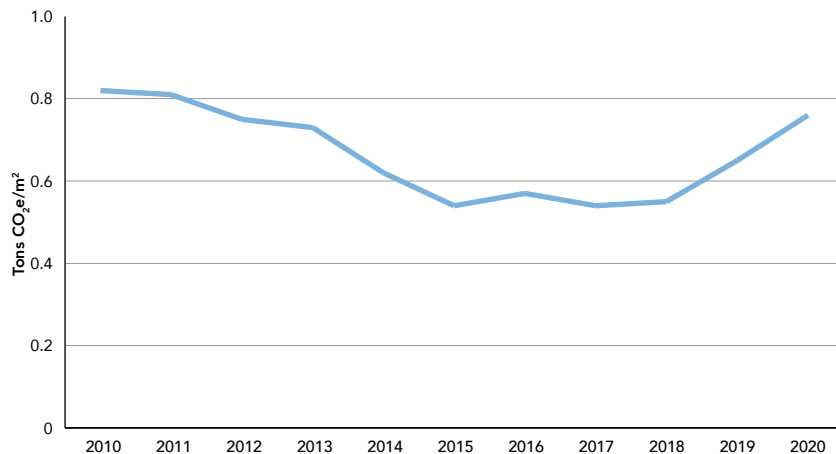
We use fossil fuel, in the form of natural gas, to heat and control humidity in our clean rooms.

In 2020, the normalized fossil fuel emissions decreased by 7% while the absolute emissions decreased by 15% from a 2010 baseline. Our use of natural gas depends strongly on both the external temperature and the internal production activity of the manufacturing facilities.

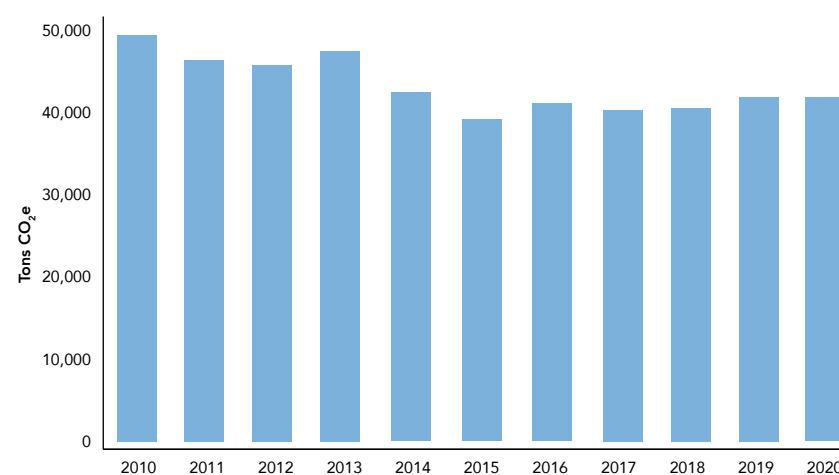
2020 Fossil Fuel Performance Since 2010



Normalized Fossil Fuel Emissions



Absolute Fossil Fuel Emissions





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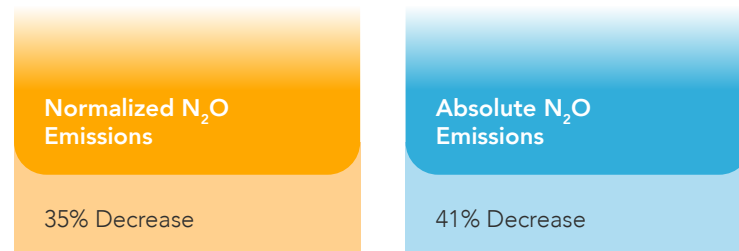
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N₂O

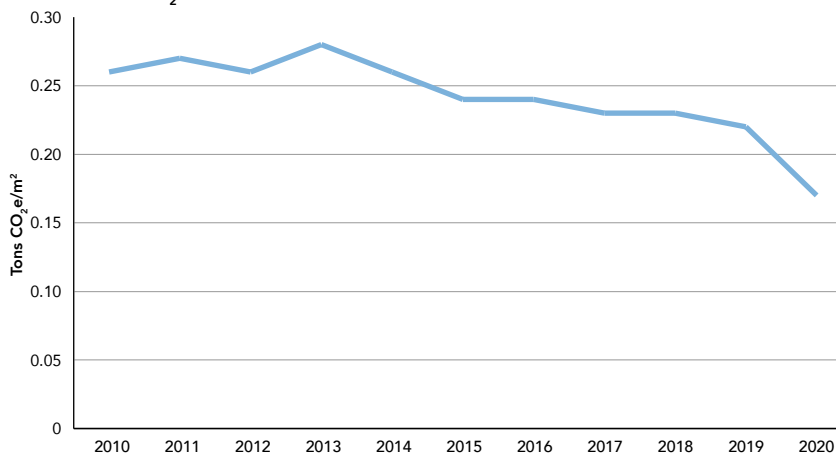
N₂O is used at several points in our manufacturing process, including chemical vapor deposition of silicon dioxide and doped or undoped silicon oxynitride, diffusion, rapid thermal processing, and chamber seasoning.

In 2020, the normalized N₂O emission decreased by 35% and the absolute emission decreased by 41% from a 2010 baseline. For several years now, we have been installing the most up-to-date abatement technology and upgrading existing process tools. As a result, we have seen a continuous year-on-year reduction in N₂O emissions.

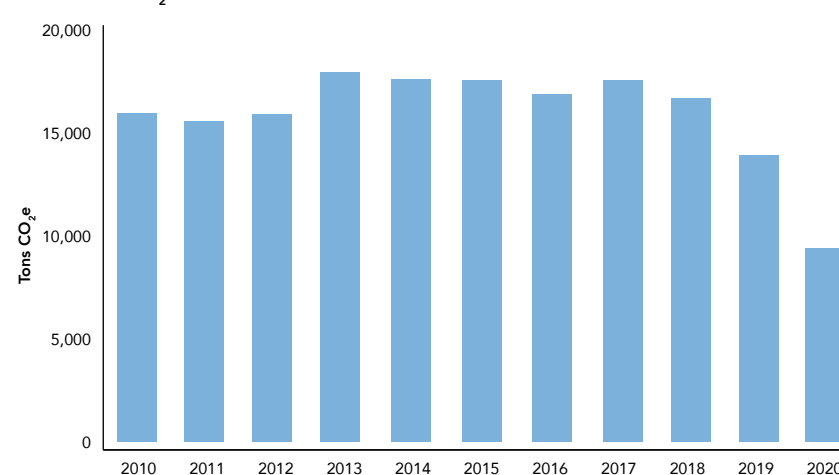
2020 N₂O Performance Since 2010



Normalized N₂O Emissions



Absolute N₂O Emissions





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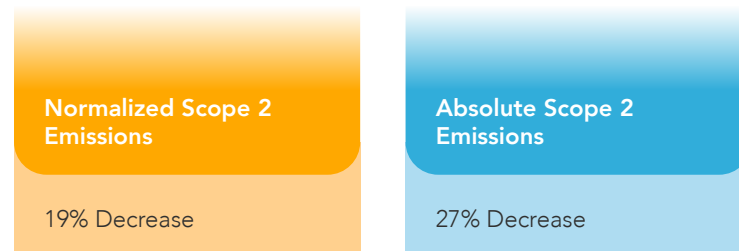
Scope 2 Emissions

The GHG Protocol defines Scope 2 emissions as indirect emissions from the generation of purchased energy supplied by a utility provider.

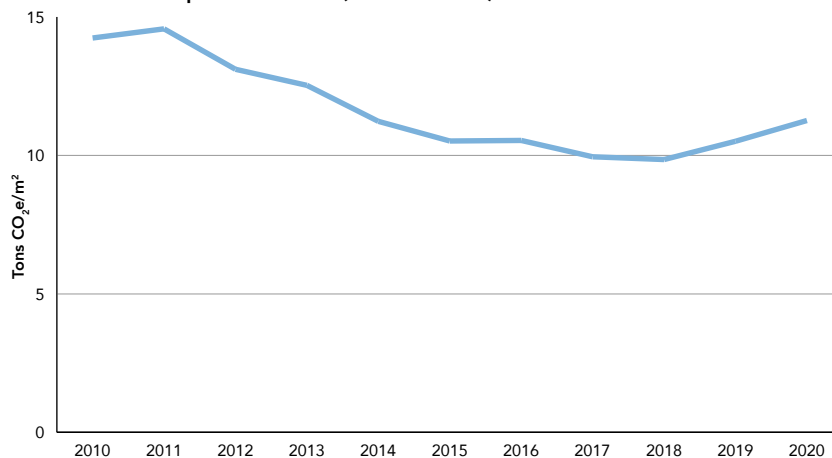
Our Scope 2 emissions come from purchased electricity. We use market-based calculations for CO₂, which represent actual emission data from energy providers.

In 2020, the normalized Scope 2 emissions decreased by 19% and absolute emissions decreased by 27% from a 2010 baseline. We have decreased our absolute emissions even though our current products are more complex and require additional manufacturing steps, meaning they require more electricity to manufacture and test. Furthermore, over the last decade, the footprint of each device on the wafer has continued to shrink, increasing the number of devices per wafer and reducing the total number of wafers needed. Due to the nature of the manufacturing processes, the normalized Scope 2 emissions has increased in recent years.

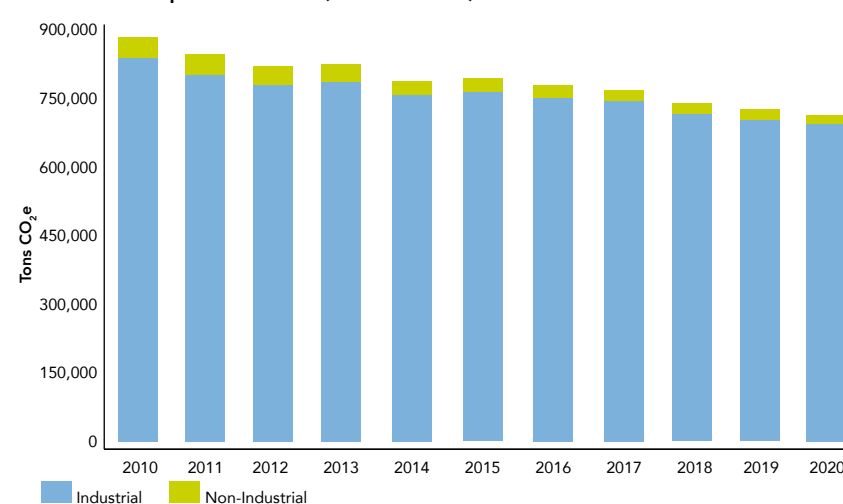
2020 Scope 2 Performance Since 2010



Normalized Scope 2 Emissions (Market Based)



Absolute Scope 2 Emissions (Market Based)



Market-based numbers reflect actual data from energy providers.



EMISSIONS

Scope 3 Emissions

The GHG Protocol defines Scope 3 emissions as indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company. Our Scope 3 emissions include business travel and product transport and are measured as CO₂ equivalents (CO₂e).

In 2020, Scope 3 emissions from business travel and product transport decreased by 75% from a baseline of 2010.

2020 Scope 3 Performance Since 2010

Business Travel Emissions

95% Decrease

Product Transport Emissions

51% Decrease

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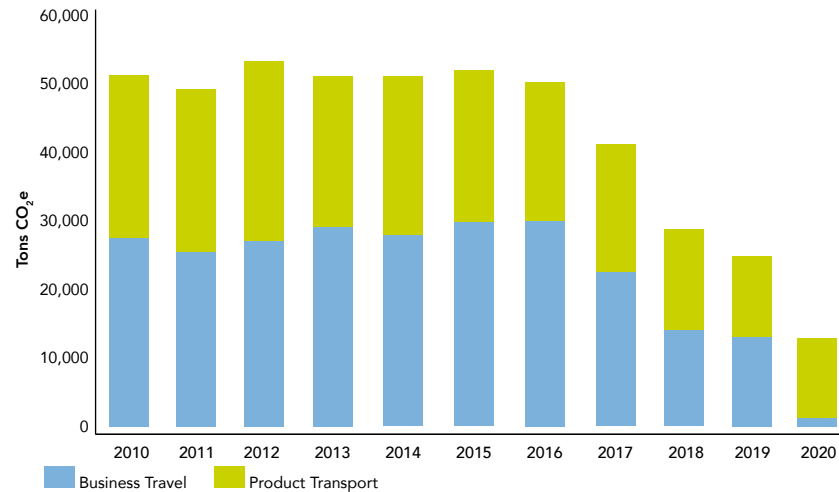
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Scope 3 Emissions





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Business Travel

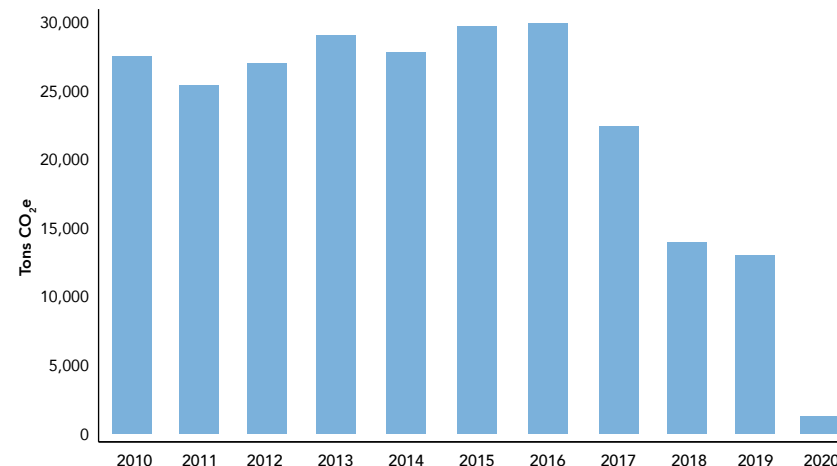
In 2020, due to the COVID-19 pandemic, business travel essentially stopped. Emissions from business travel amounted to 1,258 CO₂e in 2020, compared to 13,008 tons of CO₂e in 2019.

Product Transportation

In 2020, our CO₂ emissions from product transportation were estimated at 11,561 tons CO₂e (based on kilograms per kilometer). This includes transporting semi-finished products between factories and transporting fully finished products to warehouses and customers.

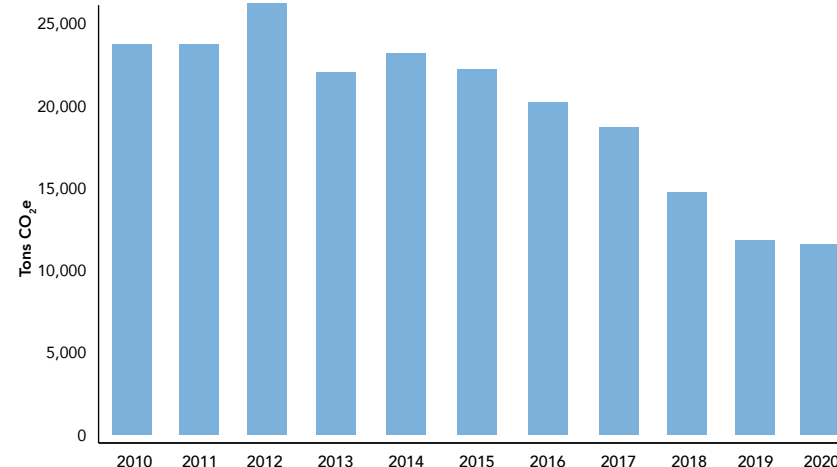
In 2020, product transportation emissions decreased by 51% from a 2010 baseline.

Business Travel Emissions



Flight emission factors provided by the UK Department of Environment, Food and Rural Affairs (DEFRA) as of 2013.

Product Transportation Emissions



Airfreight CO₂ calculation is 0.567 kg per km as set by the Intergovernmental Panel on Climate Change (IPCC).



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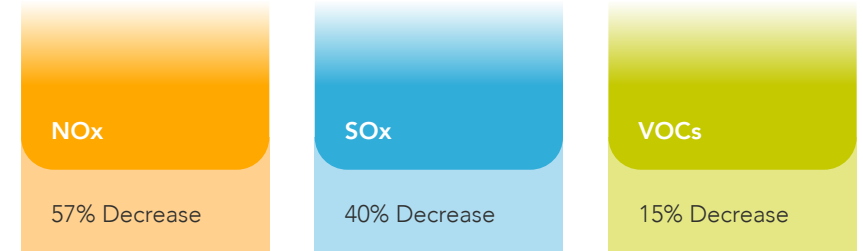
Non-Greenhouse Gas Emissions

NOx, SOx, and VOCs

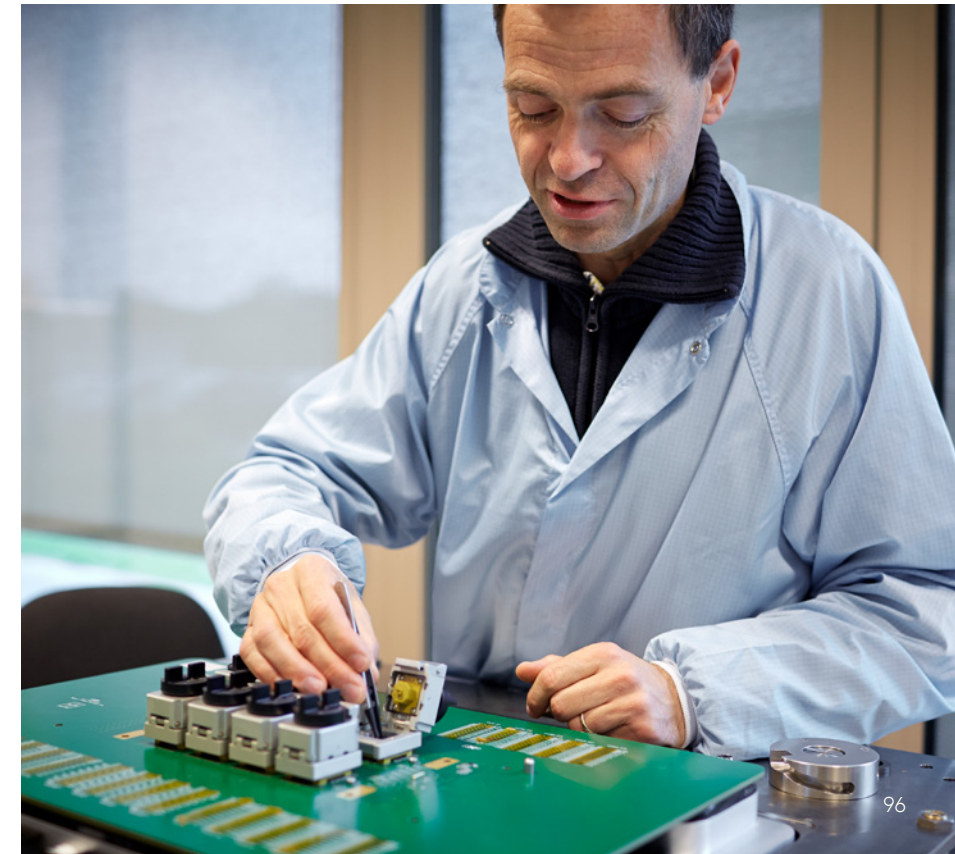
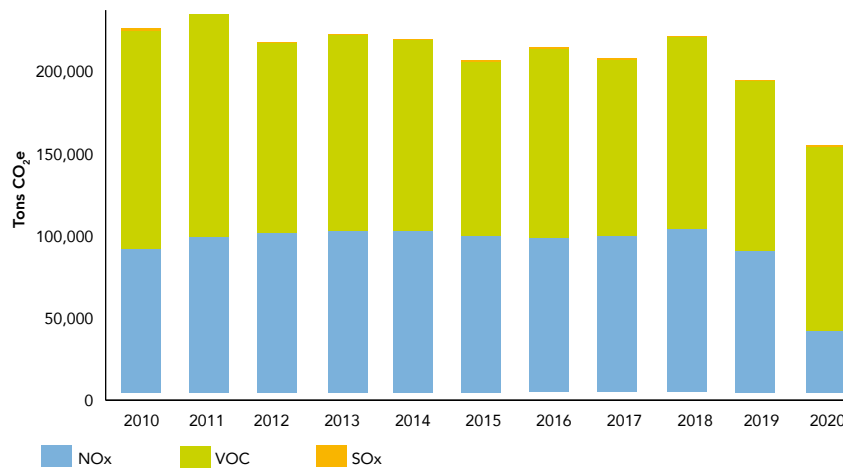
Our Non-Greenhouse Gas Emissions of atmospheric pollutants, which include nitrogen oxides (NOx), sulfur oxides (SOx) and Volatile Organic Compounds (VOCs), mostly come from our manufacturing process, but some come from our boilers and the use of chemicals, such as solvents in the photolithography process.

In 2020, NOx emissions decreased by 57%, SOx by 40%, and VOC by 15% from a 2010 baseline.

2020 Performance Since 2010



NOx, SOx, VOC Emissions



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ENERGY

2020 GOAL REDUCE 30% NORMALIZED ELECTRICITY CONSUMPTION FROM A 2010 BASELINE

CATEGORIES

- Electricity
- Industrial Electricity
 - Electricity Energy Sources
 - Renewable Energy
- Non-Industrial Electricity
- Energy Consumption
 - Natural Gas
 - Diesel
 - Other Fossil Fuels

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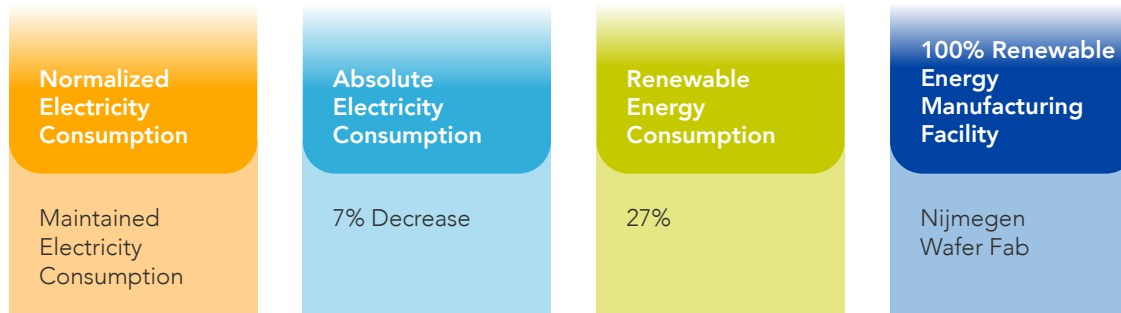
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2020 Performance Since 2010



We use electricity and natural gas, and a small amount of diesel to run our emergency generators.





ENERGY

Electricity

Semiconductor manufacturing is an electricity-intensive process. As a result, our wafer-fabrication sites represent the majority of our electricity use. Non-industrial electricity is only 3% of NXP's total consumption.

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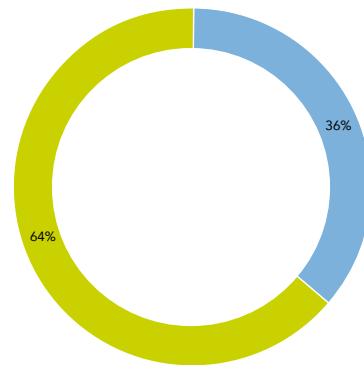
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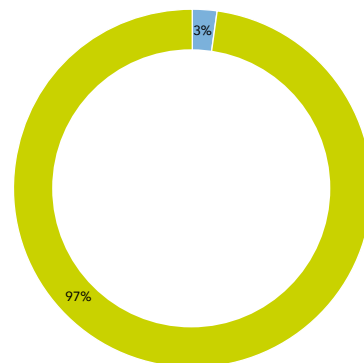
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Industrial Electricity Consumption



Assembly & Test Wafer Fabs

Industrial vs Non-Industrial Electricity Consumption



Non-Industrial Industrial





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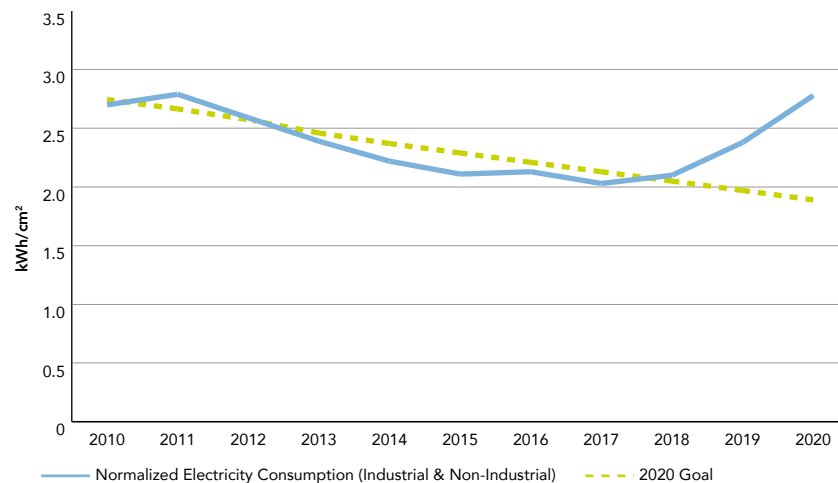
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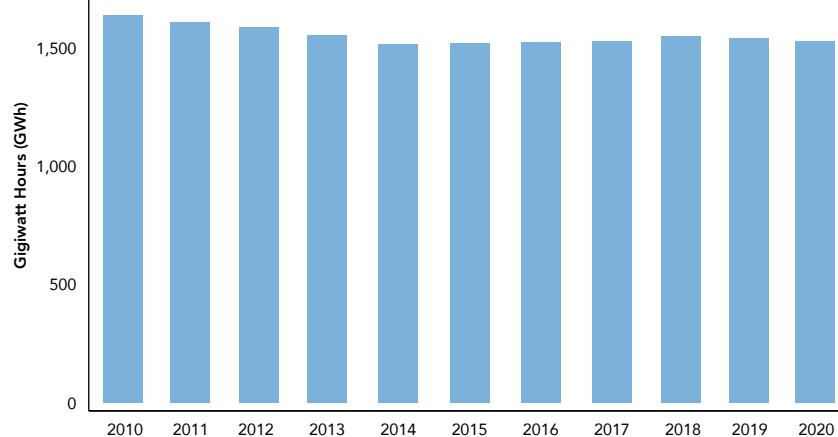
Results

We consume about the same amount of electricity now as we did in 2010 on a normalized basis. This is due to the nature of the manufacturing processes and the fact that it's difficult to adjust the energy consumption of our large infrastructure when production volumes go down. In the past decade, as device sizes have decreased, we've been able to put more devices on a single wafer, so we can process fewer wafers while maintaining the same production capacity. At the same time, however, our products have become increasingly complex, requiring many more manufacturing steps and, as a result, more electricity. Even so, our absolute electricity consumption has maintained a steady decrease over several years. This is significant, since it shows how hard we've worked to make manufacturing more energy efficient overall.

Normalized Industrial and Non-Industrial Electricity Consumption



Absolute Industrial and Non-Industrial Electricity Consumption





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Industrial Electricity Consumption

To reduce electricity consumption, our industrial sites continually optimize processes and replace or upgrade equipment. Here are some examples of this ongoing work:

- Reducing air-flow velocity in clean rooms
- Reducing and optimizing exhaust and air-extraction systems
- Upgrading air dryers
- Optimizing the water flows of cooling towers
- Purchasing energy-efficient chillers, compressors, and vacuum pumps
- Powering equipment off when not in use
- Upgrading to LED lighting

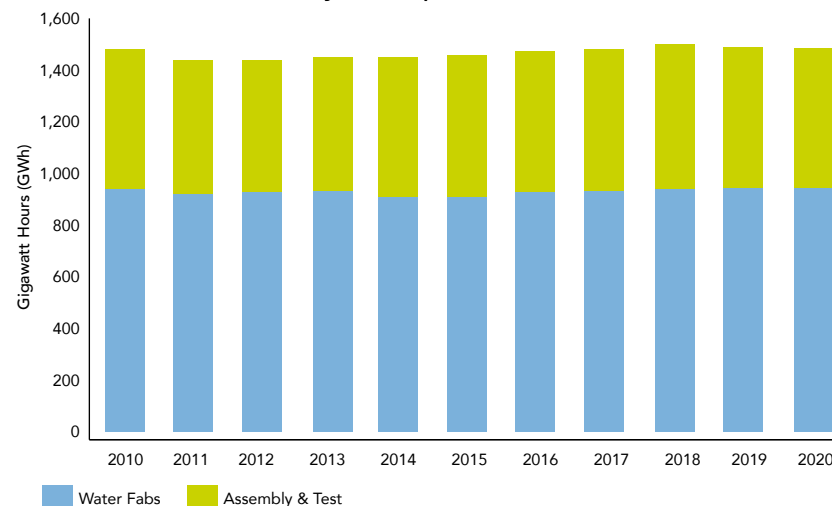
NXP in Action

In China, the Tianjin assembly and test site replaced 3,354 fluorescent bulbs with LED bulbs rated at 14 watts or lower, for a savings of 100,000 kWh and counting.

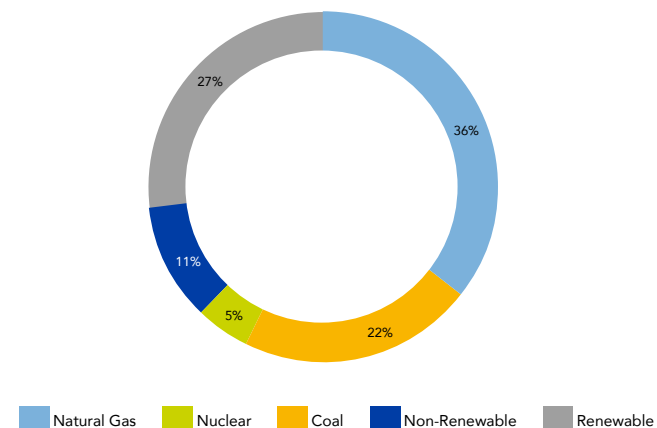
Electricity Energy Sources

Electricity can be generated from a variety of energy resources, and these resources vary depending on site location and country. Using a mix of resources gives us more flexibility and improves reliability.

Absolute Industrial Electricity Consumption



2020 Electricity Energy Sources





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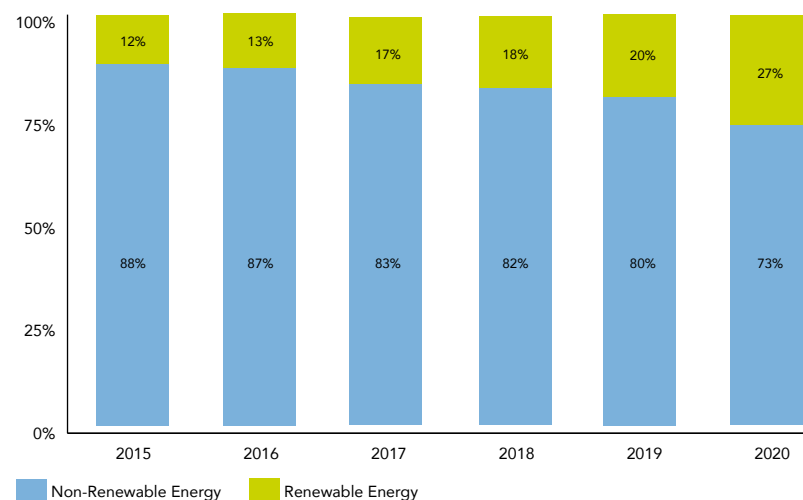
Renewable Energy

Since 2015, we have steadily increased our use of electricity that comes from renewable sources.

In 2020, 27% of our overall electricity use was from renewable energy sources. In the Netherlands, the Nijmegen wafer fab became the first NXP manufacturing facility to run on 100% renewable energy.

We continue to look for new ways to increase our use of renewable energy sources through power purchase agreements.

Renewable and Non-Renewable Energy Sources

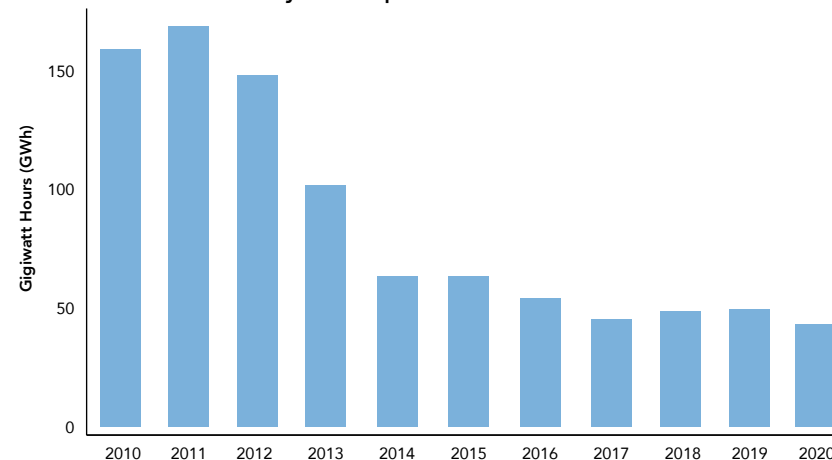


Non-Industrial Electricity Consumption

Electricity consumption at our offices and R&D centers is 3% of our total consumption. In 2020, we achieved a 73% reduction in the absolute electricity consumption for non-industrial sites from a 2010 baseline, mainly because we used less non-industrial office space.

Various site-specific projects, such as switching to LED bulbs and communicating more about energy conversation, have helped contribute to the reduction in non-industrial electricity use.

Non-Industrial Electricity Consumption





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Energy Consumption

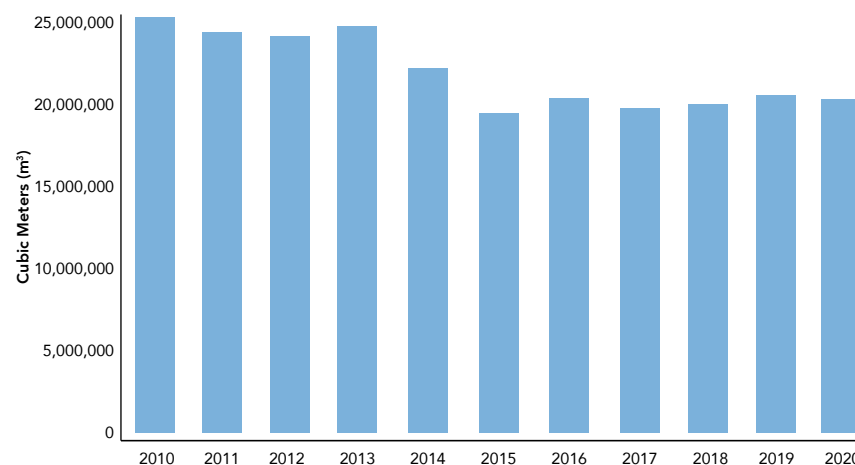
Natural Gas

We mostly use natural gas to heat buildings, generate steam for humidity, and run our abatement equipment. In 2020, the absolute natural gas reduction was 18% from a 2010 baseline.

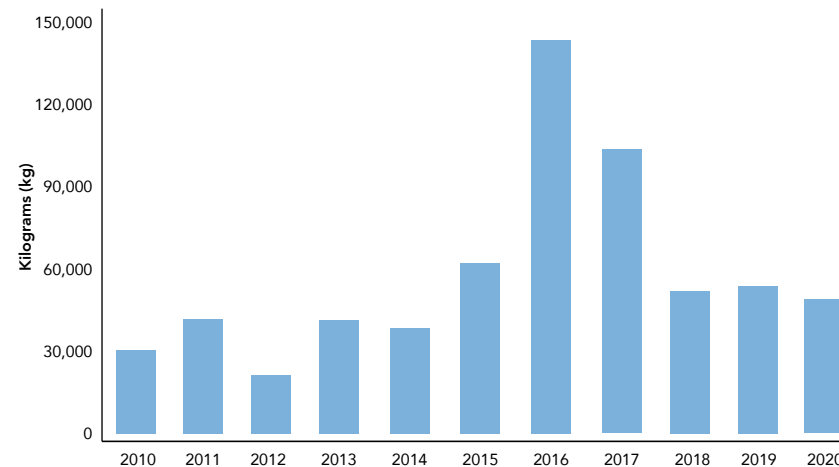
Diesel

In case of power interruptions, we have diesel-driven emergency generators that support essential safety systems. Our consumption of diesel fluctuates depending on how often we test or need to use these emergency safety systems.

Natural Gas Consumption



Diesel Consumption





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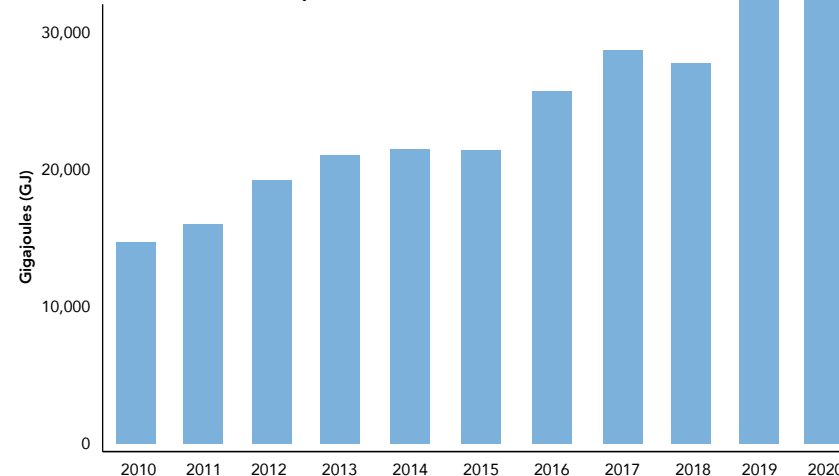
Other Fossil Fuels

This category includes gasoline, liquefied petroleum gas (LPG), and town gas. Since 2016, our use of LPG and town gas has steadily increased.

LPG (propane) is a relatively clean-burning fossil fuel that, compared to gasoline, produces fewer emissions and is safer to use indoors. We use LPG to run forklifts and in some of our onsite cafeterias.

Town gas, also known as coal gas, is a manufactured gaseous fuel made from coal, and is used for heating in some geographical regions, including Asia. We use town gas as part of the recent factory expansion at our Systems on Silicon Manufacturing Company (SSMC) wafer fab in Singapore.

Other Fossil Fuel Consumption





WATER

- CATEGORIES**
- Results
 - Recycling
 - Water Stress Scores
 - Wastewater

A LETTER FROM OUR CEO

2020 GOAL

30% REDUCTION OF NORMALIZED WATER CONSUMPTION FROM A 2010 BASELINE

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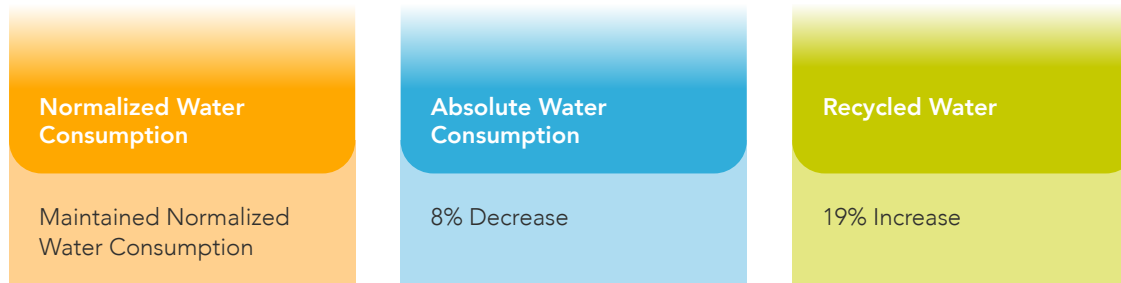
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2020 Performance Since 2010



Water is a critical natural resource and is strategically important to both our business and the communities where we operate.

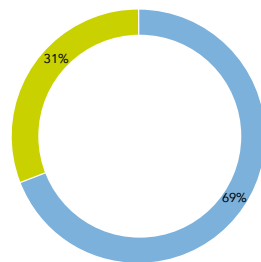
includes a focus on efficiency, recycling, and high standards for wastewater treatment and discharge.

Our 2020 results show that we are close to using the same amount of recycled water as non-recycled water.

Semiconductor manufacturing, especially wafer fabrication, is a water-intensive process that produces wastewater and can impact the environment. Our water-conservation strategy

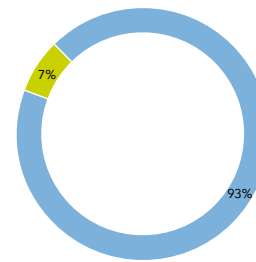
At our manufacturing sites, water mostly comes from nearby municipal facilities. The Nijmegen facility is the only place where we use well water, representing 7% of total consumption.

Water Consumption



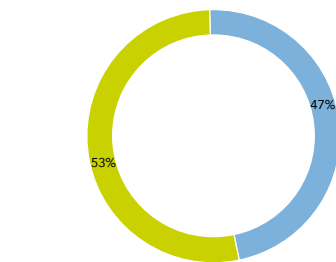
Water Fabs Assembly & Test

Water Retrieval



Purchased Extracted

2020 Water Recycled



Recycled Non-Recycled





WATER

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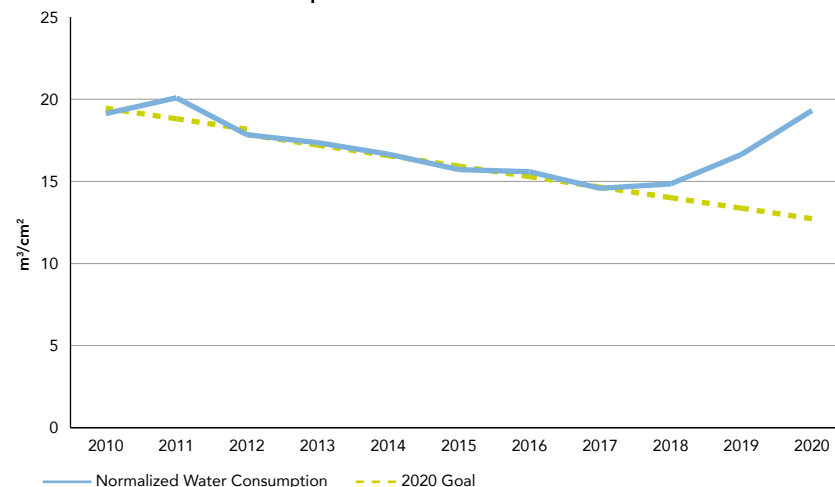
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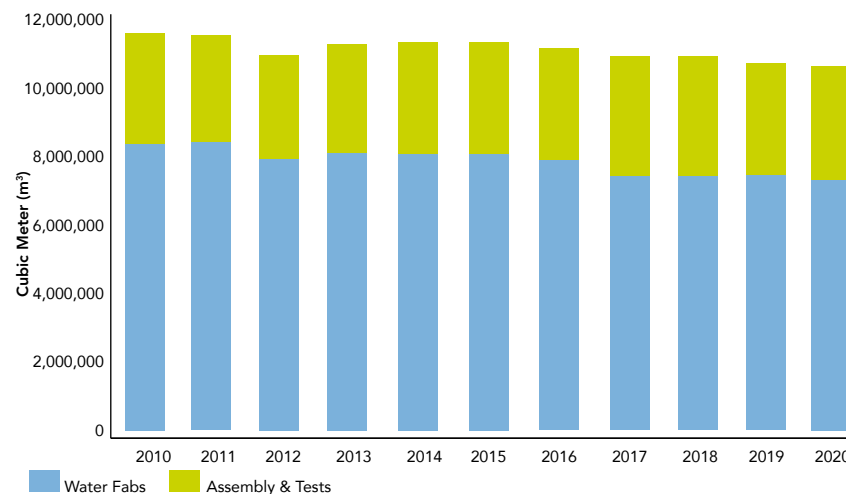
Results

We consume about the same amount of water now as we did in 2010 on a normalized basis. This is mainly due to the fact that our manufacturing processes use roughly the same amount of water, in batch process tanks and vessels, even when production goes down. Also, as with electricity, the number of wafers we process has gone down, since we're able to fit more devices onto a single wafer, but because our products have become more complex, each wafer goes through more manufacturing steps and, consequently, uses more water. Nonetheless, our absolute water consumption has maintained a steady decrease, indicating the success of our water-conservation projects and our efforts to increase tool efficiency.

Normalized Water Consumption



Absolute Water Consumption



NXP in Action

The Tianjin assembly and test site upgraded the pipes and valves on pumps used to control the flow of water to certain tools. The upgraded pumps now stop the flow when the tools are idle, saving more than 5,000 m³ of water in just two months.



WATER

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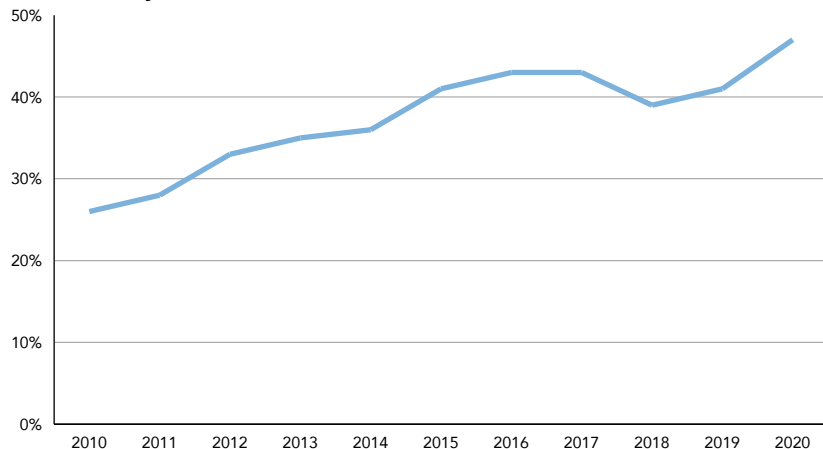
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Water Recycling

Between 2010 and 2020, we increased our rate of water recycling by 19% and now recycle 47% of our water.

Industrial Recycled Water



NXP Global Water Stress Scores

Water scarcity is an issue that can impact our business and, ultimately, our revenue. Many of our operations are located in semi-arid regions that may become increasingly vulnerable to prolonged droughts. As the impacts of water consumption vary by location, our sites research and manage ways to reduce consumption and increase recycling.

Our work in this area is guided by the Water Stress Index (WSI), an evaluation tool used by the United Nations and other organizations to study the relationship between water use and water availability.

The WSI is published by the data analyst Verisk Maplecroft. It quantifies baseline water stress where water naturally collects, at the catchment level, while also identifying localized variations within the catchment boundaries. A risk category is assigned to each catchment based on the ratio of water use to renewable supply, so it's easier to visualize the inherent water stress in the area. Within catchments, the map reflects different levels of combined demand for domestic, industrial, and agricultural water.





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Water Stress Index Scores

Wafer Fab		Assembly and Test	
ATMC, Austin, Texas, US	5.6	Bangkok, Thailand	5.2
Chandler, Arizona, US	1.0	Kaohsiung, Taiwan	5.0
Nijmegen, The Netherlands	8.0	Kuala Lumpur, Malaysia	3.5
Oak Hill, Austin, Texas, US	5.6	Tianjin, China	0.01
SSMC, Singapore	0.8		

Water stress index scores are divided into four risk categories: extreme (0.0-2.5), high (>2.5-5.0), medium (>5.0-7.5), and low (>7.5-10.0). Countries are assigned a rank, based on their relative position in each index. The index is based on mean annual water stress, and therefore the seasonality of water stress is not captured.

NXP in Action

Water is the chemical most frequently used in wafer manufacturing. Ultra-pure water is used to remove particles or contaminants that can lead to defective or low-quality products. Our Chandler, Arizona wafer fab increased tool efficiency by installing valves to adjust the rate of water flowing into each tool. Improving the water efficiency of these tools delivered a savings of 590 m³ of water per week (~30,600 m³ annually).





WATER

Wastewater

Our sites comply with local permits when discharging wastewater. This includes releasing wastewater into municipally owned treatment systems.

Removing pollutants at the source minimizes our impact. We use onsite water-treatment facilities to treat wastewater, so the water we discharge is cleaner than the water we receive. These onsite facilities continuously monitor and test water, as required by local authorities. All sites surpass local permitting thresholds.

In 2020, our sites began reporting wastewater discharge. We estimate that 95% of our water consumption is treated and discharged. We attribute the 5% difference to evaporation. 2021 will allow us to compare two full years of data and we will begin reporting accordingly.

NXP did not receive any excursions, fines, or penalties in 2020 related to wastewater discharge.

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We report the waste generated by manufacturing as well as our office and one-time waste.

Semiconductor manufacturing generates hazardous and non-hazardous waste. We continuously look for ways to reduce manufacturing waste by improving yield, optimizing processes, and minimizing the waste of scrap material.

For example:

- We recycle or reuse spent materials, including sulfuric acid waste, which we collect and then sell to other companies for their use
- We work to expand our list of recycling vendors in local regions
- We identify recycling vendors who can recover precious metals from our e-scrap and finished die
- We replace single-use plastic in our cafeterias, cafés, and pantries with sustainable and reusable alternatives

Results

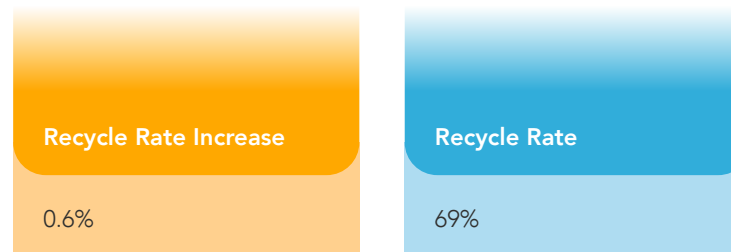
Our industrial waste includes regular ongoing waste generated by wafer fabs and assembly operations waste, as well as one-time waste.

We consider one-time waste as those waste streams that are generated not part of normal operations but rather by unique, one-time projects, such as building construction and roofing debris resulting from site demolition.

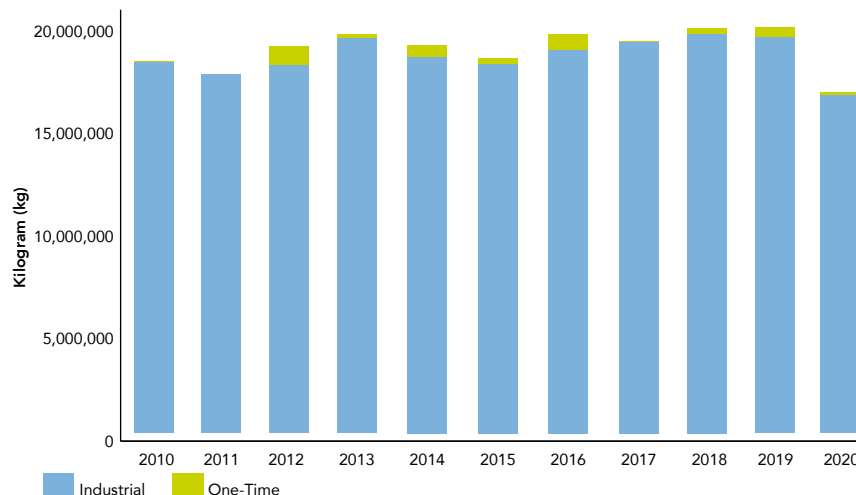


2020 GOAL RECYCLE 90% OF SOLID WASTE FROM A 2010 BASELINE

2020 Performance Since 2010



Industrial and One-Time Waste





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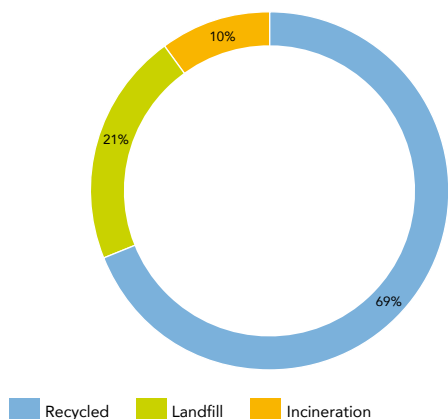
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We have waste-reduction programs in place at our sites to handle and manage hazardous and non-hazardous waste in an environmentally responsible manner.

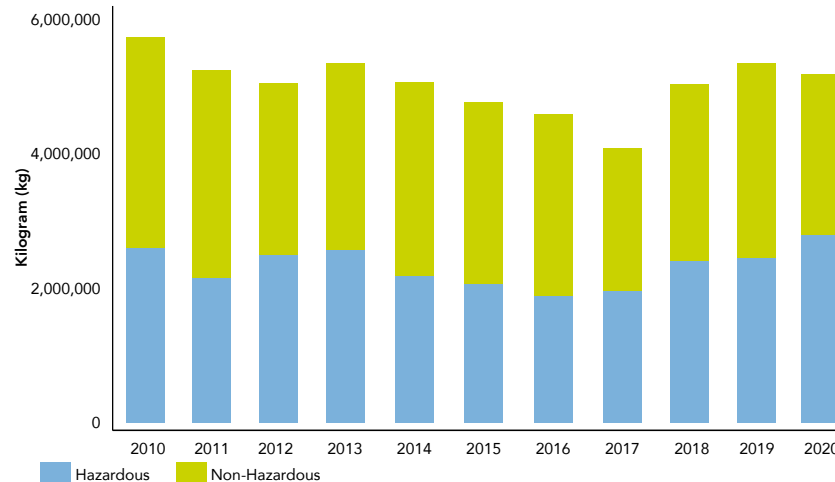
For any waste that requires special handling, we ship it to vendors equipped with the knowledge and expertise to properly reclaim, recycle, or destroy it. All our waste handling is done according to local rules and regulations.

We audit our waste-management vendors regularly to ensure they are meeting all regulatory requirements, handling waste responsibly, and managing disposal with minimal impact on the environment.

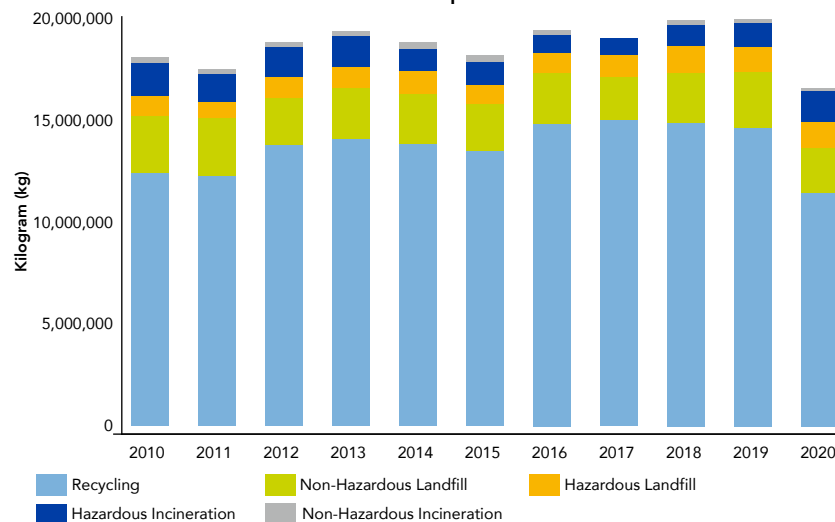
Waste Disposal Method



Hazardous vs Non-Hazardous Waste



Hazardous and Non-Hazardous Waste Disposal Method



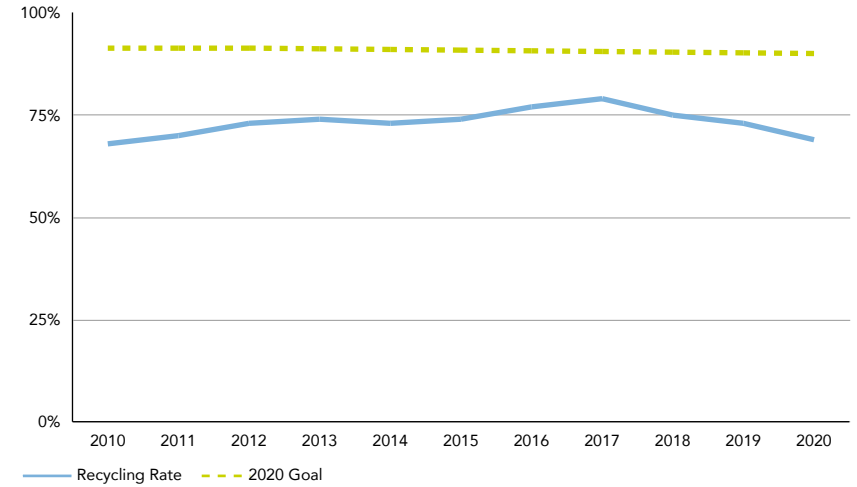


WASTE

Recycling

In 2020, our recycling rate was 69% compared to 68.4% in 2010. We have lost some of the gains we made earlier in the decade because, in the past few years, the recycling landscape has changed. Some vendors have stopped accepting certain waste streams, while others either don't support a given type of waste or lack sufficient demand to accept it. We continue to search for alternative recycling vendors to increase our recycling opportunities.

Recycling Rate



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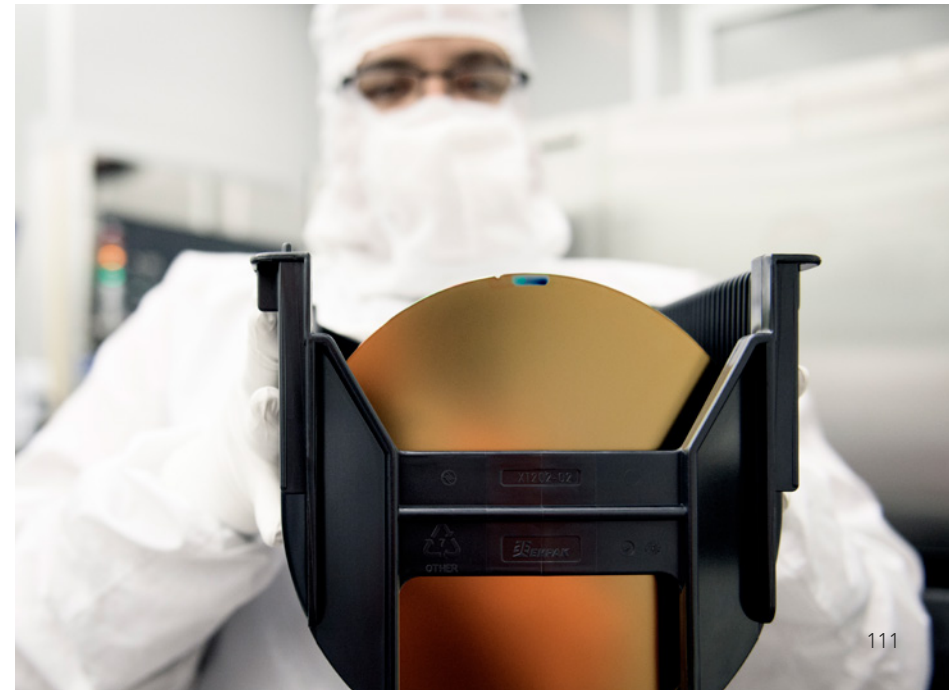
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NXP in Action

The two wafer fabs in Austin, Texas, have found ways to make use of spent materials. This goes beyond recycling and reuse, in terms of saving energy, since it avoids reprocessing the material before it can be used again.

- Spent sulfuric acid can be used for wastewater treatment and deep-well injection, which places liquids deep underground for disposal. Both Austin facilities produce 680,000 kg of spent sulfuric acid each year.
- Spent hydrofluoric acids are treated onsite and neutralized with calcium hydroxide to create calcium fluoride. As a result, 300,000 kg of calcium fluoride per year is used in other industries instead of being sent to a landfill
- Spent photo chemicals, used as a solvent in our manufacturing process, goes into cement kilns and are burned as fuel.





WASTE

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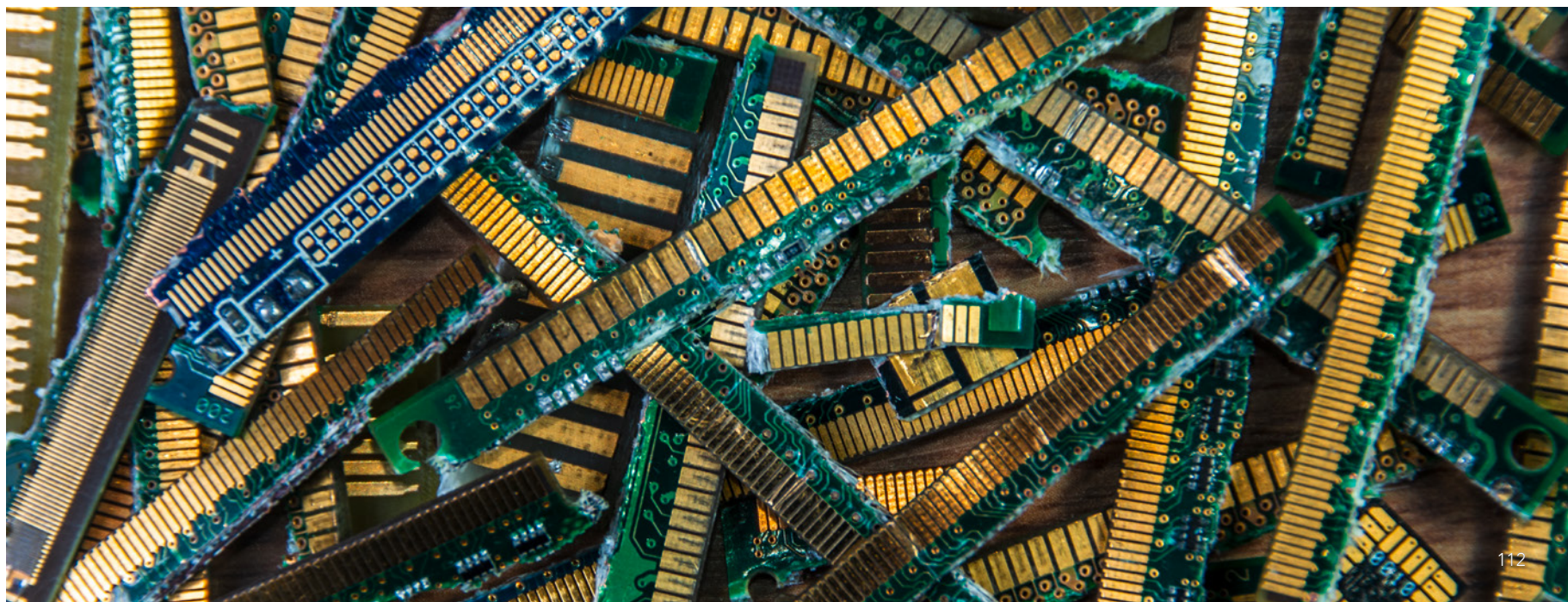
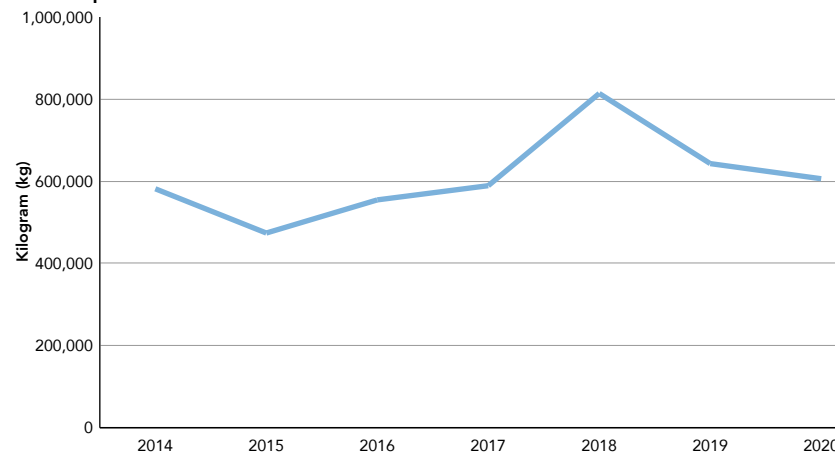
E-Scrap Reclaim

Semiconductor manufacturing includes dealing with leftover scrap material, such as failed products and test devices, as well as used metal, engineering materials, silicon, and chemicals.

Some of this scrap material contains precious metals (gold, silver, palladium, platinum) and non-precious metals (copper, tin, nickel). The e-scrap program ships scrap waste to processing plants that reclaim and recover these valuable (and potentially toxic) metals. This helps keep e-waste out of landfills.

Our assembly and test sites have remained relatively consistent in the amount of e-scrap reclaimed over the past several years.

E-Scrap Reclaimed





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The packaging we use for shipping consists mainly of paper and cardboard (1,325 tons) as well as plastic (2,523 tons). We also use a small amount of wood, in the form of wooden pallets, to ship our products. The 2020 packaging data represents 55% of our sites. We intend to include all NXP sites in future reports.

We use special packaging materials to protect our products from damage during shipment. We are committed to using specially designed packaging tubes and shipping trays that save on space and weight and are easy to recycle.

We advise our customers on the possibilities for recycling our packaging. We know that most of our larger customers already have recycling programs in place, but we don't have accurate figures on how much of our packaging they actually recycle.

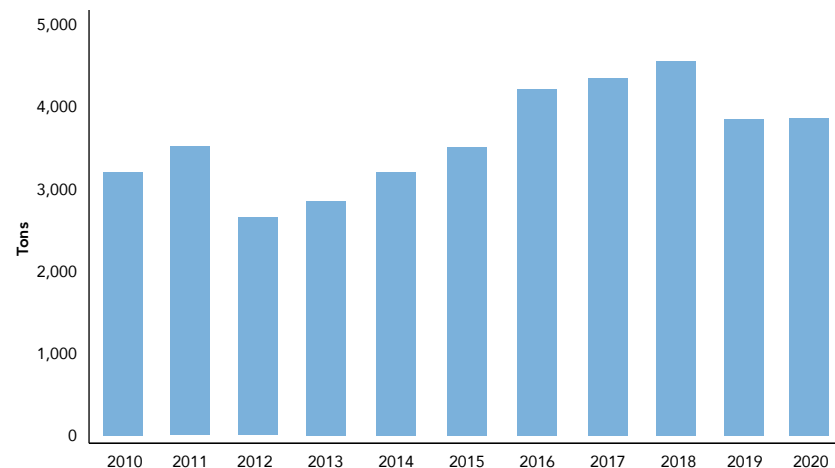
NXP in Action

Through a collaboration with the European company LivingPackets, NXP is bringing efficiency, security, and connectivity to the shipment process with an intelligent package.

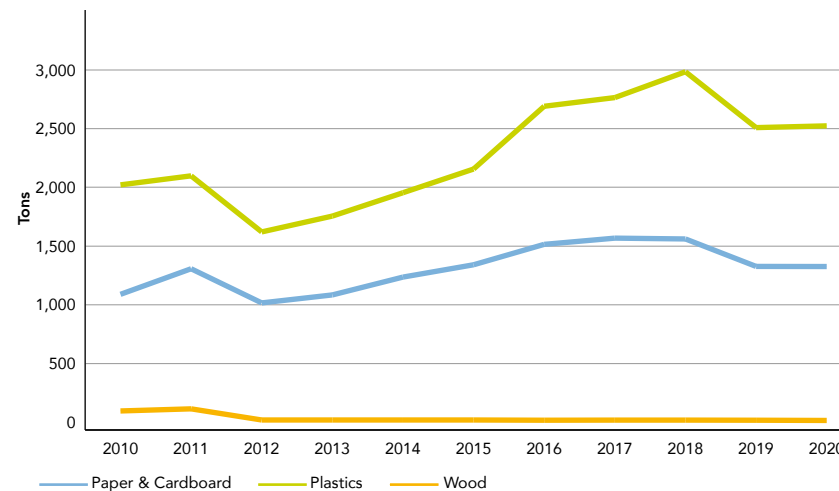
The package reduces CO₂ emissions because, unlike cardboard boxes with printed labels, it's reusable and recyclable, so there's less waste. An onboard tablet, powered by NXP technology, lets the package display electronic shipping labels, so there's no need to stock, print, or affix traditional labels. Dedicated security features help prevent tampering, and the package uses wireless connectivity to let recipients identify themselves with their mobile devices before accepting and unlocking the package. Once the package is opened, the sender receives a secure-delivery alert.



Packaging



Packaging Types





HAZARDOUS CHEMICALS AND MATERIALS

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Compared to other industry sectors, the semiconductor industry uses a wider variety of chemicals and materials, but typically in lower volume and in a highly controlled way. We use various chemicals and materials in our wafer fabs, our assembly and test facilities, and in our final products. Some of these chemicals and materials are highly specific and vital to our process technologies and products. We have several programs in place to regulate our use of hazardous chemicals and materials, and we follow some of the toughest standards in the industry for protecting our customers, our employees, and the environment.

NXP must always comply with all relevant in-place legislation and aims to stay ahead of new chemical legislation and customer requirements. As a result, chemical management is one of the cornerstones of our EHS program.

Our chemical-management programs have two primary goals. First, we must control the risks posed by chemicals used in our production processes, in terms of worker health and safety and also environmental effects, such as pollution, climate change, and ozone depletion. Second, we must ensure that any products and shipping materials we supply pose no or negligible risk, due to the presence of hazardous chemicals, to customers or the environment.

Ozone-Depleting Substances (ODS)

As of 2007, we phased out the use of all ODS in our manufacturing processes and these substances are now prohibited at our manufacturing sites. When an air-conditioning system that uses ODS refrigerants is scheduled for replacement, we replace it with a new system that doesn't use ODS. The majority of air conditioners that use ODS refrigerants have either been replaced or are in the process of being replaced wherever possible and practical.





SUBSTANCES OF CONCERN

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NXP is committed to the safe handling of all substances of concern. We continually search for alternative substances and aim to discontinue using all substances of concern except those that don't have a safe, proven manufacturing alternative.

Governance

An internal Chemical Management committee meets monthly to review current and pending regulations, such as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the Restriction for Hazardous Substances (RoHS), as well as the requirements of various governmental organizations, including the European Union and, in the US, the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA). The goal is to not only remain compliant but also, where possible, exceed legal and safety requirements. The Chemical Management committee consists of cross-functional team members representing areas of sustainability, including management, Environment, Health and Safety, and Environmental Product Compliance. Working collaboratively, the committee has succeeded in implementing global processes and procedures that serve to keep our employees safe and minimize our environmental impact.

PFOS/PFOA Commitment

NXP complies with the World Semiconductor Council's (WSC's) Voluntary Agreement for PerFluoroOctyl Sulfonates (PFOS). In 2017, we eliminated all manufacturing uses of PFOS. In 2020, we also eliminated all manufacturing use of PerFluoroOctanoic Acid (PFOA).

Implemented Processes and Procedures

NXP Corporate Chemical Control Standard

Provides direction regarding chemical controls, approval of chemicals, reporting, and other requirements to or by Corporate EHS.

Approval Requirements for New Chemicals

Before any new chemicals are purchased or brought onsite, EHS approval is required across multiple systems.

Prohibited and Restricted Chemicals Standard

Corporate EHS maintains a list of chemicals that are either prohibited in manufacturing or restricted, meaning their use is limited and accompanied by detailed risk-mitigation measures. This list is reviewed and approved by managers via an electronic waiver system. The list is based on current and future regulations (e.g. RoHS, REACH) and also reflects customer requests. Onsite teams review and evaluate local restrictions and regulations regarding chemicals.

SDS Management

Safety Data Sheets are managed in a corporate system that allows for cross-company reporting. Employees are able to view all site-applicable data sheets.

Environmental Product Centralized Database

We use databases to register and classify more than 400 substances that we use in roughly 2,500 process chemicals and preparations, along with more than 2,000 product-related materials and subparts used by our manufacturing operations. We update these databases frequently to ensure they reflect the latest information.

CHAPTER TOPICS

Supplier Engagement Overview

Supplier Code of Conduct

Supply Chain Management



SUPPLIER ENGAGEMENT

ENGAGING WITH OUR SUPPLY CHAIN ON
SOCIAL AND ENVIRONMENTAL ISSUES



SUPPLIER ENGAGEMENT OVERVIEW

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Supply Chain Goals



2020 Supplier Engagement Highlights



Additionally, we conduct annual risk assessments across the supply chain, and audit those key suppliers identified as high priority using a third-party audit firm.

Looking forward, our goal is to continue to decrease the number of audit nonconformances and, more importantly, the number of priority violations. These results help determine the effectiveness of our standards within the supply chain. We also plan to enhance our supply-chain engagement, by capacity building beyond our Tier-1 suppliers and introducing a Vendor Collaboration Portal, to strengthen the effectiveness of communication and collaboration with our suppliers.

We pursue mutually beneficial relationships with our suppliers and contractors. We take a collaborative and consultative approach to ensuring their continuous commitment to observe the applicable rules of law, and to support and respect ethical business, environmental, and human-right practices. NXP is committed to ensuring that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that our products and processes are environmentally responsible.

NXP has business relationships with more than 10,000 suppliers globally. Regardless of region, NXP recognizes that innovative thinking, collaboration, and transparency create long-term sustainability. We proactively work with our suppliers to:

- Respect human rights and ethical standards
- Mitigate employee safety risks
- Reduce environmental and social impacts
- Mitigate sustainability risks
- Improve operational efficiency

Our suppliers range from external manufacturing partners, direct materials suppliers, labor agents, and tool and machine manufacturers to logistics providers, packaging services, and onsite service providers for NXP facilities and the supplier's facility. We hold our suppliers accountable for responsible conduct and performance by requiring them to comply with applicable laws and regulations as well as the NXP Supplier Code of Conduct.



NXP SUPPLIER CODE OF CONDUCT

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NXP's suppliers commit in all their activities on behalf of NXP to operate in full compliance with the laws, rules, and regulations of the countries in which they operate. In addition, NXP's suppliers are expected to comply with the [NXP Supplier Code of Conduct](#).

The NXP Supplier Code of Conduct is based on the NXP Code of Conduct and the [NXP Auditable Standards on Social Responsibility](#). It also draws on internationally recognized standards to advance social and environmental responsibility.

The NXP Supplier Code of Conduct consists of standards relating to labor and human rights, health and safety, environment, business ethics, and elements of an acceptable system for managing code conformity. The NXP Supplier Code of Conduct uses the structure of and contains language from the Responsible Business Alliance (RBA) Code of Conduct, version 6.0, and is also based on recognized standards, including the Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO) standards, Social Accountability International, OECD Guidelines for Multinational Enterprises, and the Ethical Trading Initiative (ETI). Using the listed references, the NXP Supplier Code of Conduct also includes elements, modifications, and inputs from both internal and supplier audit observations.

The NXP Supplier Code of Conduct is owned by the Sustainability Office and is approved by the Social Responsibility board, which consists of executive and non-executive NXP leaders.

Last updated in 2018, the Supplier Code of Conduct is reviewed annually to determine the need for revision based on changing social and regulatory landscape, industry changes, and customer requirements and expectations.

Suppliers must adopt or establish a management system that is related to the content of the NXP Supplier Code of Conduct. The management system must be designed to ensure (a) compliance with applicable laws, regulations, and customer requirements related to the supplier's operations and products; (b) conform to the NXP Supplier Code of Conduct; (c) identify and mitigate operational risks related to the NXP Supplier Code of Conduct; and (d) communicate the requirements to their suppliers.





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NXP’s purchasing policies require our suppliers to commit to compliance with NXP standards and the laws of the country or countries where suppliers conduct business. In 2015, we inserted language into our supplier contracts that requires suppliers to abide by the NXP Supplier Code of Conduct. Suppliers submit a signed conformance letter stating that they abide by the NXP Supplier Code of Conduct prior to conducting business with NXP. If no contract is in place, or the contract does not contain the Supplier Code of Conduct language because the contract was executed prior to 2015, then NXP asks for a separate signed document that requires the supplier to abide by the NXP Supplier Code of Conduct.

Key suppliers undergo an annual Supplier Risk Assessment. We identified 131 suppliers that were considered high priority (>49% score). High-priority suppliers may be required to complete an NXP Self-Assessment Questionnaire and participate in an onsite audit.

NXP works with suppliers to meet our standards. We provide suppliers with opportunities to rectify problems and implement a corrective action plan. It is our goal to collaborate with our suppliers to make an impact within the supply chain. In the rare instance that a supplier is unable or unwilling to meet our requirements and work on a corrective action plan, NXP will escalate according to management processes to determine the status of our relationship with the supplier, and may terminate the relationship. In 2020, throughout the COVID-19 pandemic, we engaged actively with our suppliers to understand their pandemic-related challenges.

CATEGORIES

- Assessments and Risks
 - Remote
 - Onsite
- Training
- Validation
- Remediation From Audits
- Resolving Grievance Issues
- Results
 - High-Risk Suppliers
 - Supplier Audit Results





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Managing Recruitment Practices

NXP suppliers must have adequate and effective written recruitment and employment policies and procedures to ensure compliance with laws in the sending and receiving countries. Suppliers must ensure workers are not required to pay fees, deposits, or have debt repayments for their recruitment or employment. Suppliers cannot require workers to participate in any form of forced savings or loan program where repayment terms are indicative of debt bondage or forced labor. Suppliers must provide the workers prior to departure or hiring, with accurate written details, in the workers native language, of working conditions in the host country, including nature of work, wages, benefits, and duration of contract. Suppliers must not require workers to surrender personal documents. Suppliers must also ensure the same requirements are in place with their employment agencies. Suppliers must ensure that workers are free to leave their employment upon giving reasonable notice, with no penalty. Suppliers must not place unreasonable restrictions on movement of workers and their access to basic liberties. Suppliers must clearly communicate to their employees the NXP's Supplier Code of Conduct or comparable requirements pertaining to recruitment of workers. If applicable, suppliers must regularly evaluate the employment agencies on their performance and conformance against these requirements.

To ensure suppliers follow ethical guidelines when recruiting workers, NXP has adopted an Employer Pays policy. This policy is a clear contractual agreement with partners in our supply chain. It requires that the supplier is responsible for payment of all recruitment fees and expenses. Such fees and expenses include, but are not limited to, expenses associated with recruitment, processing, or placement of workers.

Additional details on NXP's efforts to investigate ethical recruitment practices are available in our ethical recruitment [documentary](#).

Supply-Chain Due Diligence in China

Minority Uyghur forced-labor risks in the Xinjiang Uyghur Autonomous Region (XUAR).

In preparation for the pending Uyghur Forced Labor Prevention Act (H.R. 6210), which was approved in the U.S. House of Representatives on September 22, 2020, NXP conducted a survey of 161 of our Asian-based suppliers, covering 86% of NXP's total procurement spend, to determine if any products, goods, or services supplied to NXP originate from the XUAR region. The response rate for the survey was 98%. At least five suppliers indicated they or their supply chains operate in the XUAR region. NXP is following up with all five to determine if this situation affects products that are being supplied to NXP.

Supply-Chain Human-Rights Due Diligence During a Pandemic

The COVID-19 pandemic severely impacted how we conduct our human-rights due diligence. Global lockdowns and border closures meant that supply-chain due-diligence audits and worker-engagement activities, such as worker interviews, had to be temporarily suspended. NXP implemented several alternative solutions and methodologies.





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Risk Assessments and Audits

Approximately 10,000 suppliers are included in our annual risk-assessment analysis. The risk assessment identifies suppliers that are at risk of having human-rights issues relating to forced/bonded labor, the migrant worker index, fair wages, humane treatment, child labor, and/or health and safety.

As part of our annual risk assessment, NXP engages with advisory firms Verisk Maplecroft and Verité Cumulus to identify potential forced-labor and human-trafficking risks in our supply chains. Verisk Maplecroft screens our supply chain for inherent risk and uses predictive models to evaluate areas such as forced labor, child labor, and working conditions. Verité Cumulus provides NXP with online technology to identify forced-labor and human-trafficking risks with our labor agents. Verité Cumulus also maps and assesses our labor agents, in both the receiving and sending countries, and their recruitment practices.

Three risk criteria are considered when assessing a supplier: geographical risk, product risk, and business criticality. Each criterion has a scale of 1 (lowest risk) to 10 (highest risk). All three criteria are scored, and the product of these scores becomes the supplier's overall risk score.

Geographical risk is a key factor in determining overall risk levels, as suppliers in countries with weak regulations, inadequate enforcement of labor rights, and/or ineffective business ethics and environment laws tend to have a high-risk exposure. Each country gets a score from each index: labor

rights and protection, corporate governance, legal and regulatory environment, and climate-change vulnerability. The set of weights reflect best-practice benchmarks from the industry and non-governmental organizations, as well as sensitivity analysis.

Use of migrant workers is a critical risk element when it comes to labor and human rights. To account for this risk, country outcome from the quantitative approach is increased by one level. Taiwan, China, Malaysia, Singapore, Japan, and Korea tend to employ the highest number of migrant workers.

Product risk is a criterion that measures the risk of a supplier and the materials used in our products, and therefore is the closest in the value chain to NXP's end products and customers. External manufacturers have the highest level of product risk exposure to NXP's customers, while material suppliers who provide directly to NXP end products are the second highest product risk.

To assess business criticality risk, we divide suppliers into three categories — high, medium, and low — based on annual spend.

The assessment is refreshed yearly upon updates from Verisk Maplecroft indices. High-risk suppliers are mostly in Asia, where the top three high-risk countries are Taiwan, China, and Malaysia.

Pulse Surveys

We had our high-priority suppliers complete pulse surveys to obtain salient data on how the pandemic has affected their business and operations, and how workers' rights, health and safety, and well-being were being addressed. The information collected from the survey was related specifically to vulnerable migrant workers who may have been affected by operational shutdowns. The survey also requested information on how workers' dormitories were being managed, to ensure continued health and safety and protection from the spread of the virus.

The results of the pulse survey provided NXP with a short list of suppliers to engage with remote due-diligence assessments and audits.





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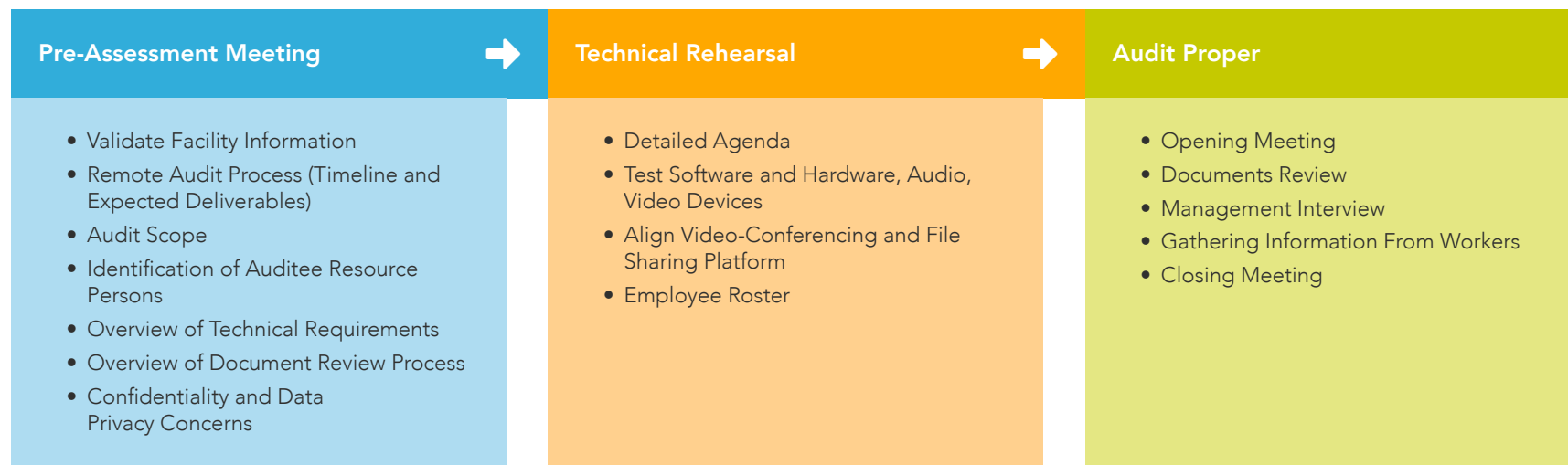
Remote Audits

We normally conduct onsite audits but, due to the COVID-19 pandemic, and its accompanying border closures and limits on external visitors to supplier facilities, we had to find an alternative. We worked with our third-party auditing firm, Verité, to develop a new protocol for remote audits, so we could continue our due-diligence work with suppliers.

Conducting a Remote Audit

Under normal circumstances, a typical onsite audit takes only two or three days to complete. Remote audits, however, are spread over an 18-day period that includes pre-assessment meetings, technical rehearsals, and the audit proper. Most of that time is spent on pre-audit preparations and desktop document reviews.

During the pre-assessment period, the audit team and the supplier hold videoconferences to validate collected information, agree on a timeline, discuss confidentiality, and address data-privacy concerns. Technical rehearsals serve to confirm that the supplier has access to the videoconferencing platform selected for the audit, and that interview sessions, held with randomly selected workers, will take place in a location with adequate privacy. During the audit proper, the audit team conducts the actual interviews with supplier management and workers, and reviews any documents and data, such as employee personnel files and pay slips, that can't be shared in advance.





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Follow-Ups and Corrective Action Plans

If the audit results in a nonconformance, the supplier must submit an action plan for correction and prevention within a set period of time.

With a priority violation, the supplier is given the opportunity to improve performance, but the response to and resolution of the violation is non-negotiable. If there is immediate risk of life, the supplier has 24 hours to complete corrective action. Otherwise, the supplier has seven days to submit a corrective plan and 30 days to complete the plan. Unresolved priority violations can result in the withdrawal or termination of business.

Other nonconformances can be registered as either major or minor. The list of major and minor nonconformances is issued to the supplier within two weeks of the closing meeting. All corrective actions must be approved by NXP and, unless otherwise negotiated or approved, must be fully closed within 90 days. Within that 90-day period, the supplier must update the NXP team every 30 days.

Effectiveness of Remote Audits

Remote audits have given us a way to perform due diligence during the COVID-19 pandemic, but they are only a temporary solution, not suited for long-term replacement of onsite audits for several reasons. To begin with, remote audits are limited in scope, focusing primarily on labor, human rights, and ethics. They leave out the assessment of environment, health and safety issues, since extensive facility inspections aren't feasible with a remote process. Also, certain documents cannot be shared in advance, and screen sharing makes it hard to review data and records effectively. What's more, it's easier, during an in-person interview, to keep people engaged, ask follow-up questions, and observe body language and facial expressions.

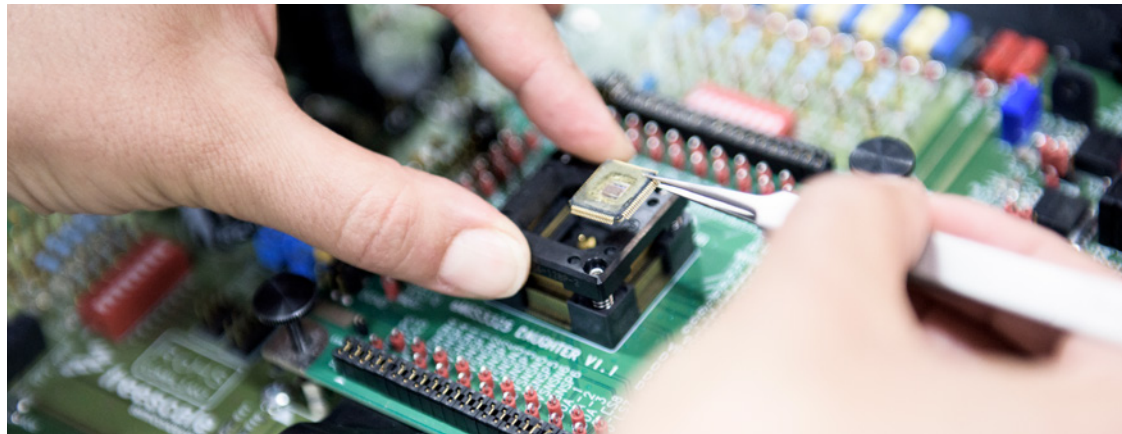
Moving forward, we see remote audits as a useful tool for follow-up or verification audits with suppliers who performed well in their initial audit, and as a good alternative for suppliers who already have a mature and strong social-responsibility program in place.

Onsite Audits

NXP's Social Responsibility audit is a collaborative and consultative process aimed at guiding suppliers and ensuring they meet the NXP Supplier Code of Conduct as well as the requirements of the NXP Auditable Standards. The Auditable Standards apply to all NXP suppliers, contractors, onsite service providers, labor agents, and external manufacturers.

Audits of our suppliers can be announced or unannounced and are conducted by an approved third-party audit firm and accompanied, at a minimum, by an NXP-certified RBA Lead Auditor. It is NXP's principle to understand the issues that arise during an audit, verify that the audit is conducted per the NXP auditable standards, and provide consultation after the audit if the supplier has challenges.

NXP supplier audits analyze three main aspects of social responsibility: documentation reviews, management and private worker interviews, and physical inspection of all facilities, including any dormitories. Audits also include interviews with labor agents and onsite service providers, such as janitorial, canteen, security, and other services. The NXP Social Responsibility Audit program is conducted in accordance with a defined process flow.





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Supplier Risk Assessment

The process starts with an annual NXP Supplier Risk Assessment to evaluate which suppliers have a high priority to be audited by NXP.

Training

Once a supplier is selected for an audit, NXP consults with selected suppliers to determine if additional training is needed.

Self-Assessments

The supplier completes the NXP Supplier Self-Assessment and sends it back to NXP, including any applicable policies and documentation.

Onsite Audit

The onsite audit is led by a team of auditors from a third-party audit firm qualified by NXP and accompanied by an NXP RBA-trained auditor. Depending on the size and complexity of the supplier's operations, a typical audit requires two or three full days. The scope of the audit covers labor and

human rights, environment, health and safety, business ethics, management systems, and compliance with the NXP Supplier Code of Conduct. These audits are conducted so suppliers can improve their processes and procedures in these areas. The audits are not intended to pass or fail a supplier, but rather to guide the supplier in a collaborative approach.

Supplier Corrective Action Plan

Onsite audits use the same classifications as remote audits for corrective action plans: priority violation, major nonconformance, and minor nonconformance.

Resolution of priority violations is non-negotiable. Major and minor nonconformances must also be approved by NXP. Corrective actions must be fully closed within 90 days unless otherwise negotiated and approved.

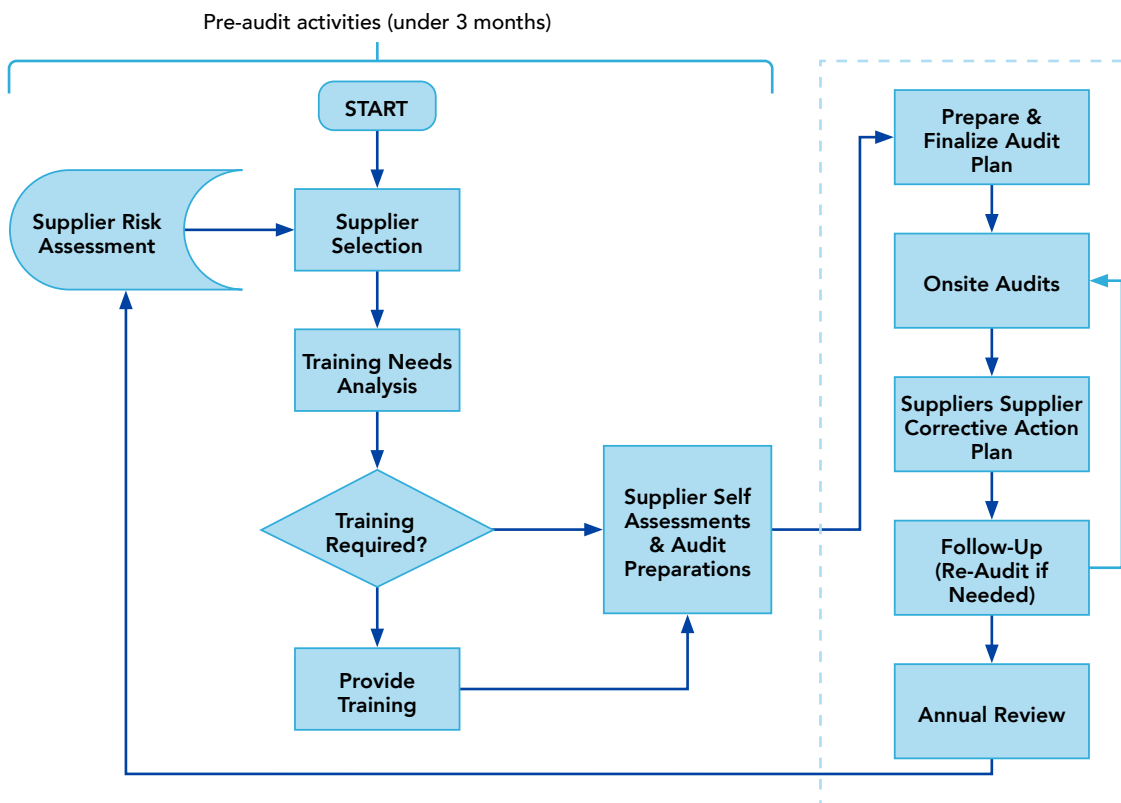
Follow-Up

NXP may conduct verification audits to assess whether a supplier has fully addressed all corrective and preventive actions. These audits are scheduled after corrective actions are submitted by the supplier and approved by NXP.

Annual Review

Upon completion of the annual audit cycle, NXP conducts a review to determine if any suppliers that were audited in the preceding year will be required to be re-audited in the next year. A re-audit is required based on the severity of audit results.

This [video](#) has more about our Social Responsibility Audit.





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Training

Training focuses on our suppliers and their onsite service providers. The mode of training can be a one-to-one consultation training, a two-hour classroom training, or a webinar session conducted by the NXP Social Responsibility team with support from site subject-matter experts. The training is the full requirement of the NXP Supplier Code of Conduct. Supplier training is done:

- Before a supplier's upcoming NXP Social Responsibility Audit
- During the supplier's corrective action plan closure timeline
- When a supplier requests training

Coaching the supplier on best practices and providing RBA's e-learning academy are also a part of our supplier trainings.

Validation

Each year we report publicly on our supplier's annual top audit nonconformances. Each month key performance indicators are reported to the Sustainability Office on topics such as violations and nonconformances from the supplier audits, signed conformance letters from our supply chain, corrective action plan closure rate, and quarter-over-quarter risk indicators within our supply chain.

NXP monitors improvement by measuring the number of priority violations, repeat audits, frequency of nonconformances, and closure rate of all nonconformances. NXP measures our supplier's improvement by monitoring and approving the Corrective Action Plan. The Corrective Action Plan is a tool for communicating to NXP how issues will be resolved. An effective Corrective Action Plan includes remediation plans that fix the nonconformance and create a management system to prevent the issue from reoccurring.

Reports are reviewed frequently throughout the year by the Environment, Social and Governance (ESG) Management Board, which is composed of NXP executive and non-executive leadership. The ESG Management Board discusses the progress that has been made, areas for improvement, and new targets. Quarterly reviews are conducted with the Ethics Committee, and monthly reviews are conducted with the Quality leadership team. Monthly, sometimes weekly meetings are held with purchasing managers to discuss supplier audit results, the corrective action plan, and the supplier's progress toward closing out their nonconformances.

NXP in Action

The Social Responsibility team increased their engagement with suppliers to close out findings from audits and provide dedicated and specific training and consultation. This dedicated focus resulted in a significant corrective action closure rate of 97%, exceeding the NXP target of an 80% closure rate.





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Remediation From Audit Nonconformances

NXP is committed to collaborating and consulting with our suppliers and their workers to remedy any adverse impacts.

Worker Voice

Suppliers are required to have workplace grievance mechanisms in place that ensure the confidentiality, anonymity, and protection of whistleblowers. The grievance mechanism must be available in the workers' languages. Suppliers must train their workers on the grievance mechanism and communicate the process to them, so workers can raise concerns without fear of retaliation. Suppliers must state in a policy that they will not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an allegation of misconduct or wrongdoing, or who helps management or any other person or group investigate an allegation. The supplier's grievance mechanism must also be made available to their own suppliers.

During a supplier audit, the auditor tests the grievance mechanism thoroughly. During a private worker interview, questions regarding the knowledge of ways to report a grievance are discussed. After the interview, the auditor provides the worker with the NXP third-party grievance card, which they can use at any time and for any reason to make an anonymous report in the local language. NXP acknowledges that we are putting the worker in a vulnerable situation with a private interview, where potential negative impacts could occur, such as retaliation or discrimination. NXP addresses this by providing the NXP grievance mechanism and an agreement with the supplier that retaliation or discrimination will not occur. Any cases of retaliation reported will initiate an investigation and, if substantiated, will prompt NXP to take appropriate measures, including possible termination of business with that supplier.

Resolving Issues Raised From our Grievance Mechanisms

We monitor and assess compliance and investigate each allegation. All reports are brought to the attention of the NXP Ethics Committee. The Ethics Committee then assembles an investigation team with experts not connected to the people or business involved. The investigation team shares its findings with the Ethics Committee, which subsequently works together with the relevant business owners on possible follow-up actions. If a problem is detected, we analyze the root cause and modify the relevant internal control system to prevent a possible recurrence. Acknowledgments are sent as soon as possible after receiving the complaint and investigation records are updated regularly.

We track the company's compliance performance and report progress on a quarterly basis to the Chief Financial Officer, General Counsel, Chief Human Resources Officer, and the Audit Committee of our Board of Directors.

NXP in Action

Engaging with migrant workers prior to departure and after arrival is another opportunity for NXP to listen to worker voices and verify that our standards are being followed. NXP conducts interviews with migrant workers before and after their arrival at NXP, to gain more knowledge of the recruitment process, learn if any fees were paid, confirm that they were trained, and ensure they understand their contract and know who their contact is if they have any concerns.



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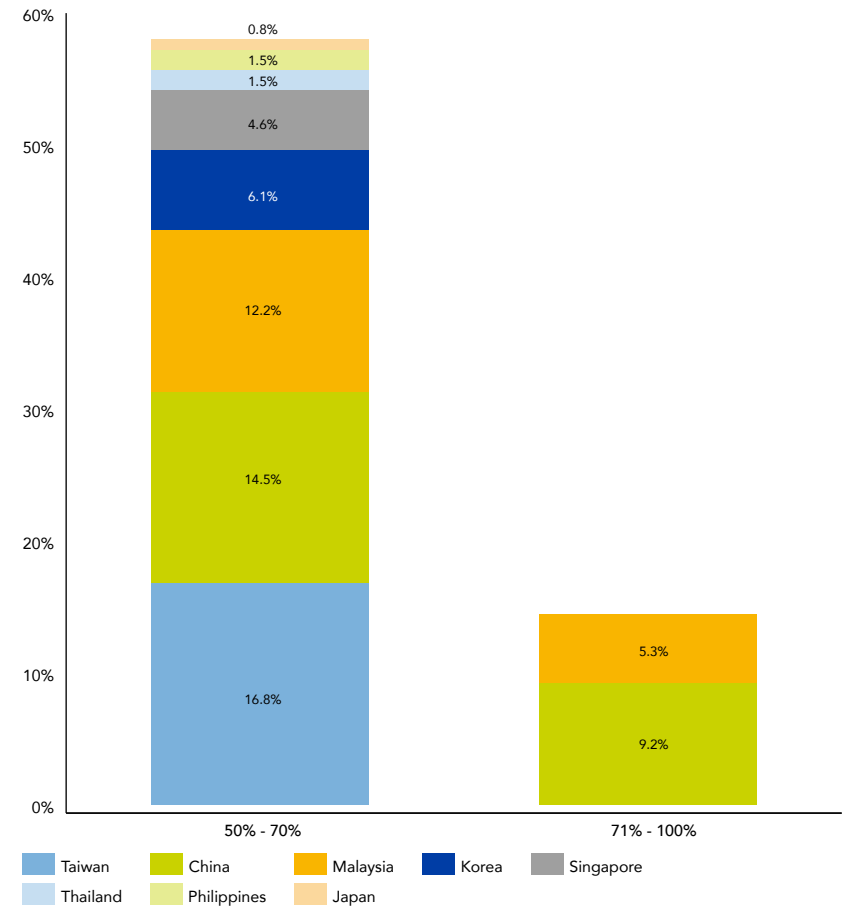
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High-Risk Suppliers

We annually conduct a supplier risk assessment to determine our audit schedule for high-risk suppliers. Risk is assigned according to three scoring categories: <49% (low risk), 50% - 70% (medium risk) and 71%-100% (high risk). In the 2020 assessment, 131 suppliers scored above 49%, 76 suppliers scored above 70%, and 19 suppliers scored 100%. For those suppliers that scored greater than 70%, the top three countries were Taiwan, China, and Malaysia.



2020 High-Risk Suppliers by Country from Annual Risk Assessment





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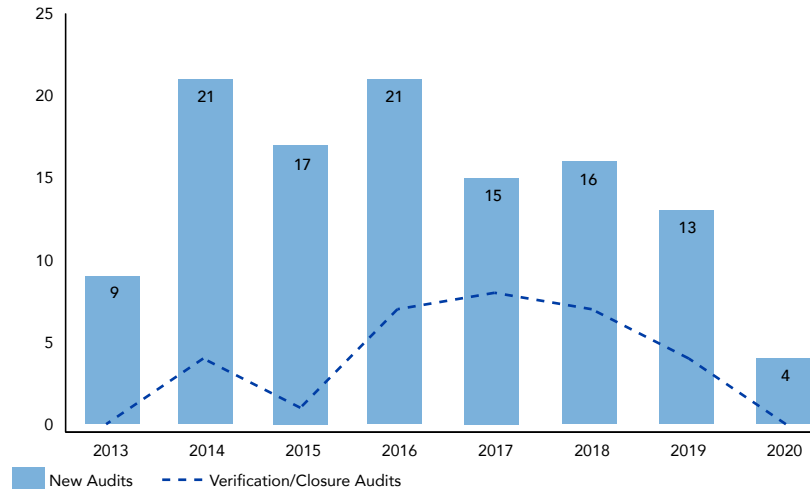
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Supplier Audit Overview

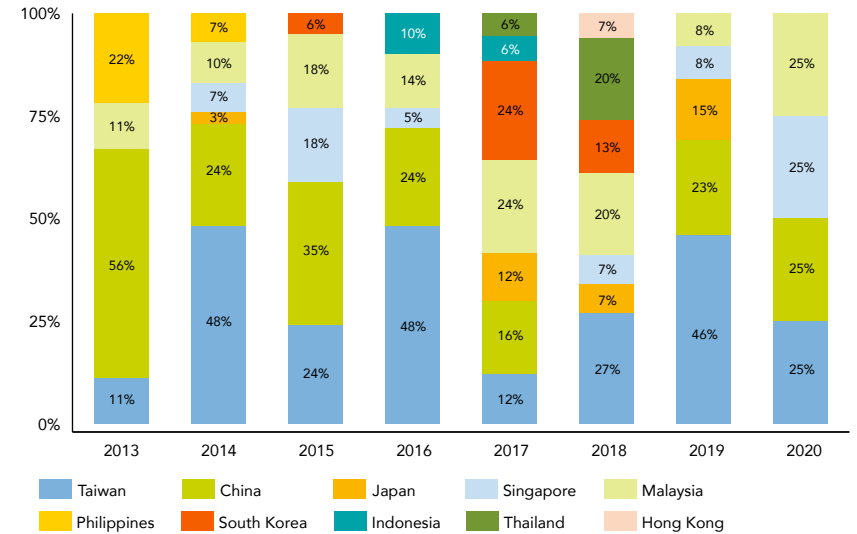
We began our supplier audit program in 2013 and have since audited 147 suppliers. Verification audits began in 2014.

New Supplier Audits & Verification Audits

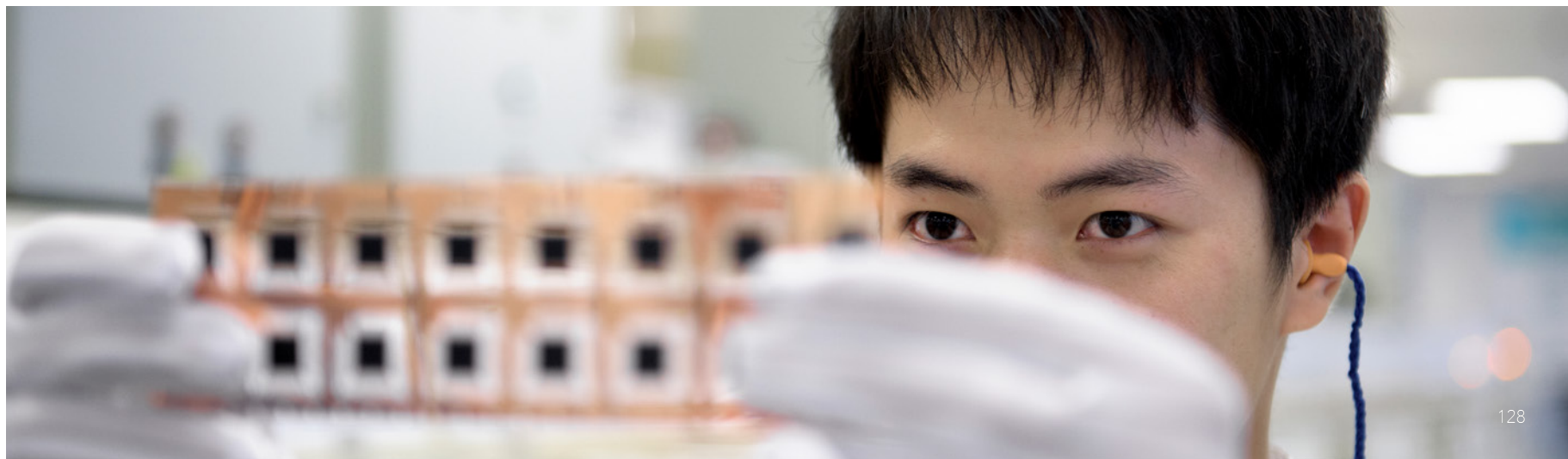


In 2020, we conducted two announced onsite audits and two remote audits for new suppliers. The four audits were located in Taiwan, Malaysia, China, and Singapore, respectively. We conducted no verification audits in 2020.

Supplier Audits by Country



During an audit, worker interviews are conducted in private and at random. To determine the number of worker interviews to be conducted, we take the square root of the worker population. In 2020, 104 random worker interviews were conducted, covering a 25% male and 75% female population with varying lengths of service and age range.





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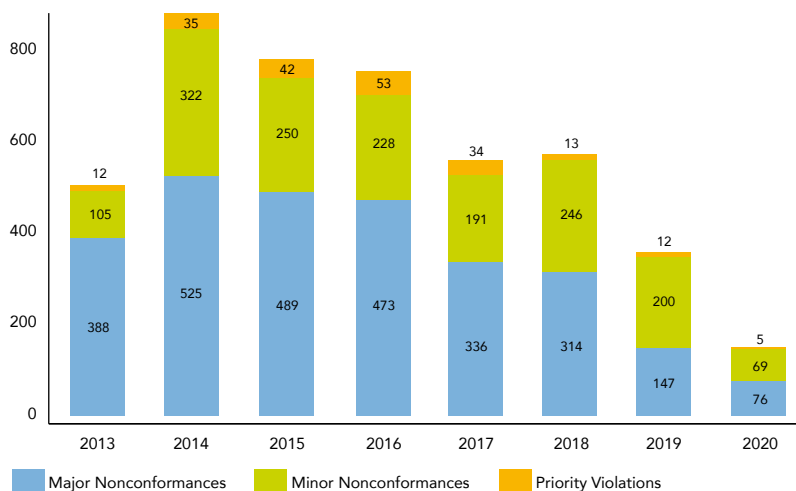
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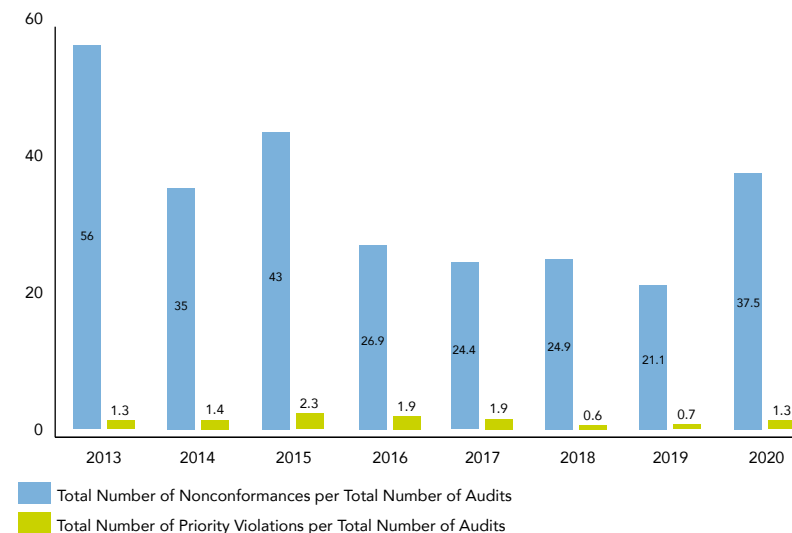
Supplier Audit Nonconformance Results

COVID-19 impacted our ability to conduct supplier audits in 2020. While the number of nonconformances decreased compared to previous years, the number of audits conducted impacts the average nonconformances per audit. We saw an increase in 2020 compared to 2019, for both the number of nonconformances per number of audits and the number of priority violations per number of audits. Audits conducted in 2020 addressed suppliers who have not been previously audited to a social responsibility standard. We will continue to work with our suppliers as they implement our standards into their business practices and management systems.

Number of Nonconformances by Rating

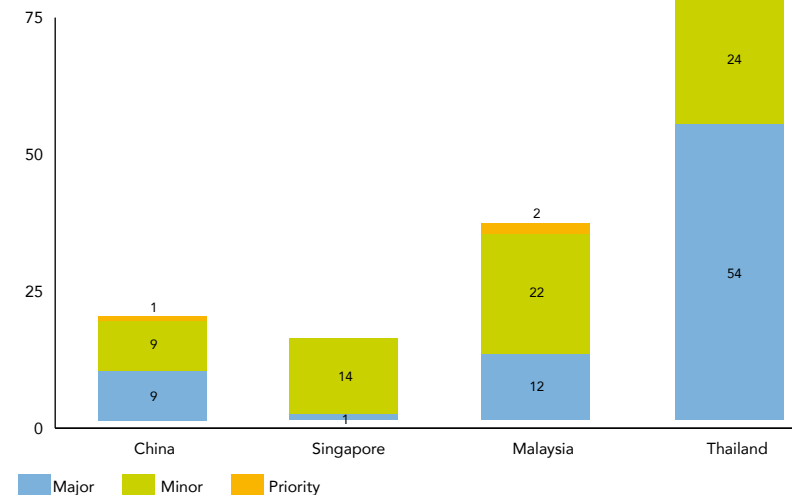


Number of Nonconformances per Number of Audits



Identifying the total number of nonconformances per country helps the team determine country risks, complete the annual supplier risk assessment, and prioritize future audit planning.

2020 Nonconformances by Country





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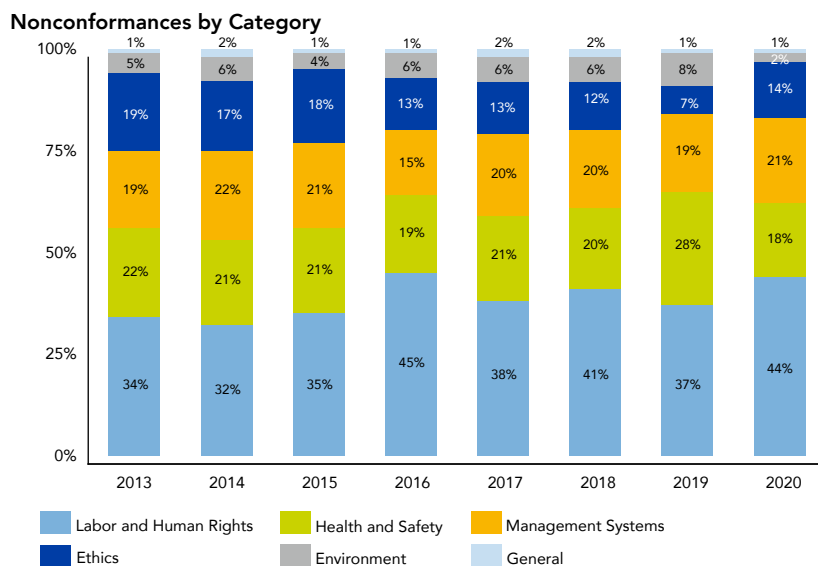
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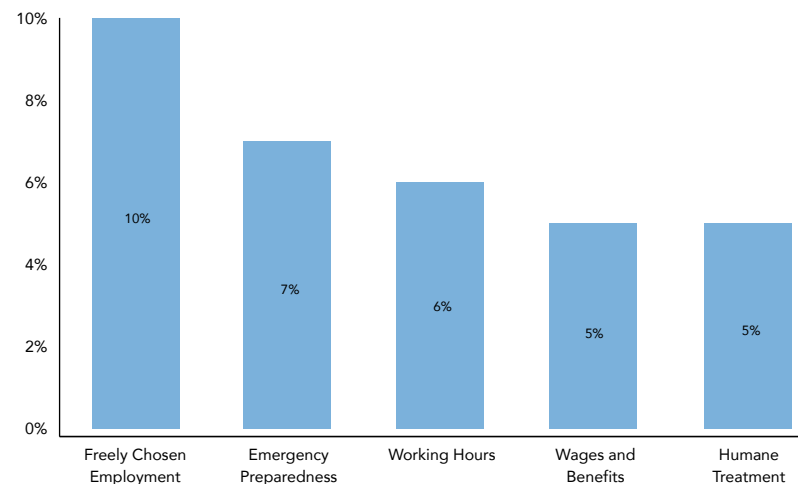
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Calculating the nonconformances by using the five categories of our standards helps NXP identify trends, provide a strategic focus, and adjust our engagement plan to continue improving our supply chain. Two of the four audits conducted in 2020 were remote audits that evaluated only Labor and Human Rights, Ethics, and Management Systems. Even though the two remote audits did not evaluate all five categories as compared to 2019, we were still able to identify a trend that both Labor and Human Rights and Health and Safety are a reoccurring category among the two-year comparison.



Over the course of eight years of auditing our supply chain, the top five nonconformances from over more than 4,500 findings allows us to target specific topics. Even though 2020 included remote audits and did not evaluate all five categories, Freely Chosen Employment is the most frequently reoccurring nonconformance.

Top 5 Nonconformances by Category 2013-2020



The four audits conducted in 2020 uncovered five priority violations but did not show a reoccurring theme.

Priority Violations by Category	2020
Accurate Employment Contract	1
Day of Rest	1
Working Hours	1
Non-Discrimination	1
Occupational Safety	1



SUPPLY CHAIN MANAGEMENT

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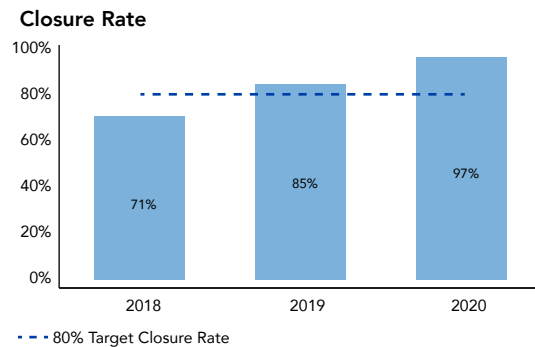
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Audit Closure Rate

In 2018, we set a goal to close out 80% of our supplier nonconformances within the 90-day timeframe. We chose this key performance indicator as a baseline threshold since we understand that some corrective actions, such as monetary investments, typically require 90 days to complete.

In 2013, when we began auditing suppliers, our closure rate was around 40%. Through continuous collaboration with our suppliers, our closure rate has continued to increase year over year. The closure rate for 2020 was 97%, compared to 71% in 2018. Because COVID-19 limited our ability to conduct audits in 2020, the team focused on helping our suppliers close out their corrective action plans, resulting in a higher closure rate.



- - - 80% Target Closure Rate



CHAPTER TOPICS

Environmental Product Compliance

Responsible Mineral Sourcing



PRODUCT STEWARDSHIP

MINIMIZING THE ENVIRONMENTAL AND SOCIAL IMPACT
OF EACH PRODUCT WE DESIGN AND PRODUCE



ENVIRONMENTAL PRODUCT COMPLIANCE

CATEGORIES

- Environmental Product Compliance
- Responsible Mineral Sourcing

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Environmental Product Compliance

We aim to eliminate hazardous substances from our products, and we go beyond what is required by local, regional, and global laws in doing so. Included in our scope are directives such as Restriction on Hazardous Substances in Electrical and Electronic Equipment (RoHS), Registration, Evaluation and Authorization of CHemical substances (REACH), Waste from Electrical and Electronic Equipment (WEEE), and End of Life Vehicle (ELV).

Changes in legislation, updates to the list of exemptions, and the arrival of new chemical substances make compliance a moving target. To see the most current information, please use the links below.

- [Environmental Compliance Overview](#)
- [EU RoHS Statement](#)
- [China RoHS](#)
- [REACH Statement](#)
- [ELV Statement](#)
- [WEEE Statement](#)
- [EU Packaging Statement](#)
- [California Proposition 65 Statement](#)
- [US Conflict Minerals Overview and Reports](#)

Results

RoHS-Compliant Products

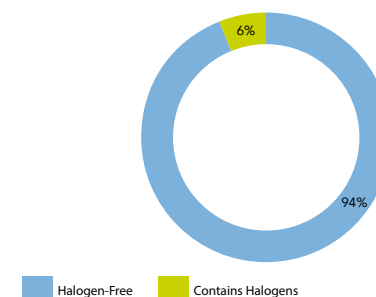
NXP's semiconductor devices contain no more than 0.1% lead (Pb) by weight per homogeneous material, unless exempted by the RoHS Directive.

NXP's Pb-free initiative commits to the removal of Pb from our entire product portfolio without impacting technical specifications or customer manufacturing processes. For many years, the majority of our DIP, SIL, and QFN packages have been Pb-free. While most customers have shifted to Pb-free products, we continue to manufacture a few that contain Pb for those who require it. Our customers who incorporate NXP's Pb products into their end products are responsible for declaring a compliance status.

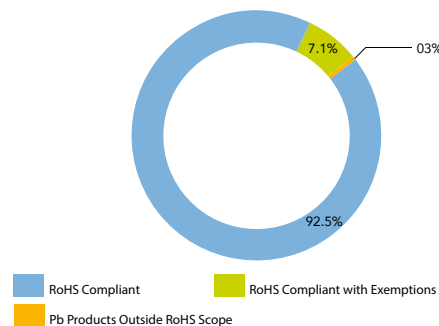
Halogen-Free Products

Our goal is to maximize the number of products that are free of halogens, a chemical category that includes chlorine, bromine, and antimony. The threshold for halogen-free is set at 900 ppm at the homogeneous level.

2020 Halogen-Free Product Portfolio



2020 RoHS Product Portfolio





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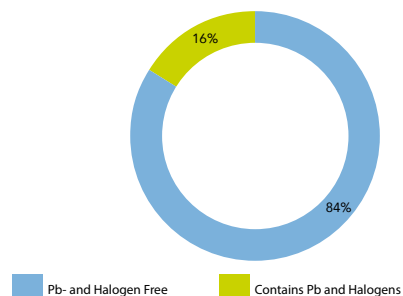
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Pb-Free and Halogen-Free Products

We offer products that are both Pb-Free and Halogen-Free because we think it's important to develop eco-friendly products and to integrate environmental safety aspects into the life-cycle of product development.

2020 Pb- and Halogen-Free Product Portfolio

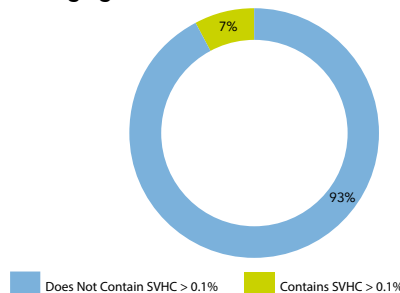


EU REACH Products

NXP products and packaging do not contain EU REACH Substances of Very High Concern (SVHCs) except where noted in the appendix of our EU REACH statement, which lists the materials in our products and packaging that may contain substances in excess of 0.1% by weight.

Together with our suppliers, we identified eight SVHCs substances in excess of 0.1% by weight that may be contained in some of the materials that are used in manufacturing. It was determined that the chemicals declared are in their original molecular form, are contained as a small residue within the materials, and cannot be released under normal or reasonably foreseeable conditions. As a result, we still declare these substances in excess of 0.1% by weight for 7% of our product and packaging materials.

2020 REACH SVHCs in Product and Packaging Portfolio



WEEE-Relevant Substances

The latest EU directive regarding Waste Electrical and Electronic Equipment, Directive 2012/19/EU, applies to “producers” of certain electrical and electronic equipment.

We are primarily a component manufacturer, so our current products are generally not considered within the scope of the WEEE Directive until they are incorporated into a final product.

Some NXP products use plastic encapsulations that contain brominated flame retardants, which are considered a WEEE-relevant substance. NXP products that do not contain brominated flame retardants are easily identifiable by the Halogen-free logo on the packaging label.

ELV-Compliant Products

NXP declares that our semiconductor products meet the requirements of EU Directive 2000/53/EC and its amendments. NXP devices do not contain cadmium, mercury, or hexavalent chromium above the allowable limits per homogeneous level. Devices that contain Pb meet the criteria per exemption.

Other Regulations

NXP also tracks and verifies compliance with other major [legislation](#) in the countries and regions where we operate. This includes China RoHS, California Proposition 65, EU Parliament and Council Directive 94/62/EC for Packaging and Packaging Waste, US Conflict Minerals, and Ozone-Depleting Substances in the Montreal Protocol.



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New Product Design

To address current and future requirements for compliance during the design phase, we've made the Environmental Compliance organization part of the management systems for new product and new technology introductions. Checklists of currently banned materials, as well as chemicals that may be problematic for particular markets, are considered early in the design phase, and this translates into more resilient and marketable products for our customers.

Supplier Requirements

To a large extent, NXP relies on our suppliers and their subcontractors to verify substances present in the raw materials, parts, and products they supply to NXP, and to use appropriate methods, such as internal design controls, declarations, and analytical testing, to ensure accuracy and completeness and attest that information is correct to the best of their knowledge.

Suppliers must meet the requirements of the NXP ECO-Products Substance Control for Products and Packaging specification. We require suppliers to provide material content declarations and annual analytical test reports that are performed by a third-party laboratory certified to the IEC 62321 standard. Also, all declarations and reports must be specific to the material's homogeneous material level.





RESPONSIBLE MINERAL SOURCING

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Responsible Mineral Sourcing Goal

Smelters are 100% Certified Conflict-Free for Tungsten, Tantalum, Tin, and Gold (3T&G)

2020 Performance Highlights

100% Certified 3T&G Smelters

Cobalt Smelter Declarations

We are committed to ensuring that our products do not contain minerals derived from sources that come Conflict-Affected or High-Risk (CAHR) areas. Our website includes our policy for Responsible Mineral Sourcing, along with various reports on minerals, such as our Conflict Minerals Reporting Template (CMRT), our Cobalt Reporting Template (CRT), and our Conflict Minerals Specialized Disclosure Form (Form SD).

We conform with the OECD's Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High-Risk Areas and we expect our suppliers to adhere to these same requirements. NXP does not knowingly use minerals derived from conflict regions.

NXP participates in multi-stakeholder initiatives, such as the Responsible Minerals Initiative (RMI) and the European Partnership for Responsible Minerals (EPRM). Participation provides tools to map the minerals and verify that smelters and refiners source minerals ethically. Our engagement with EPRM not only includes due-diligence platforms and tools, but also provides support for "on the ground" projects at small-scale mining sites that have been identified as CAHR.

NXP does not generally use minerals in their raw form or purchase them directly from mining companies or smelters, so we engage with our suppliers to report the smelters that source the minerals they use. We then validate supplier information against the list of "conflict-free" smelters, as designated by the Responsible Minerals Assurance Process (RMAP). We encourage our suppliers to direct their smelters to participate in the RMAP. We monitor information from the Responsible Minerals Initiative (RMI), which records changes in smelter status and identifies those smelters who refuse to participate in audits, so we can take appropriate action.



CHAPTER TOPICS

ESG Performancy Summary

SASB Report

UN Global Compact

GRI Index

Scope 1 Chemical List of Emissions

Top 100 Supplier List



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GETTING STRAIGHT TO THE DETAILS



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NXP's ESG Performance 2020

Revenue by Country (USD millions)

Greater China (including Asia Pacific)	5,124
EMEA (Europe, the Middle East and Africa)	1,538
Americas	977
Japan	647
South Korea	326
Total Revenue	8,612

Revenue by End Market (USD millions) Unaudited

Automotive	3,825
Industrial & IoT	1,836
Mobile	1,248
Communications Infrastructure & Other	1,703
Total Revenue	8,612

Environmental Product Stewardship Portfolio

Percent of RoHS Compliant Product Portfolio	92.5%
Percent of RoHS Compliant with Exemptions Product Portfolio	0.3%
Percent of REACH Compliant Product Portfolio	93%
Percent of Halogen-Free Product Portfolio	94%
Percent of Pb and Halogen-Free Product Portfolio	84%
Percent of Conflict-Free Minerals Product Portfolio	100%

Environment

Overview

ISO 14001 Certified Sites	100% (9 manufacturing sites)
Number of Spills	0
Number of Environmental Fines	0
Energy Efficiency Policy	Yes
Emissions Reduction Initiatives	Yes
Environmental Supply Chain Management	Yes
Environmental Quality Management Policy	Yes
Sustainable Packaging	Yes
Waste Reduction Policy	Yes
Water Policy	Yes
Climate Change Policy	Yes
Climate Change Opportunities Discussed	Yes
Risks of Climate Change Discussed	Yes

NXP's ESG Performance 2020

Greenhouse Gas (GHG) Emissions

GHG Scope 1 (Tons CO ₂ e)	329,101
GHG Industrial and Non-industrial Scope 2 (Tons CO ₂ e)	619,380
GHG Industrial Scope 2 Market-Based (Tons CO ₂ e)	600,652
GHG Scope 3 (Tons CO ₂ e)	12,819
Business Travel (Tons CO ₂ e)	1,258
Product Transportation (Tons CO ₂ e)	11,561

N ₂ O Emissions (Tons CO ₂ e)	9,425
SF ₆ Emissions (Tons CO ₂ e)	14,700
HFC Emissions (Tons CO ₂ e)	526
PFC Emissions (Tons CO ₂ e)	195,180
HTF Emissions (Tons CO ₂ e)	82,100

NOx Emissions (Tons CO ₂ e)	37,203
SOx Emissions (Tons CO ₂ e)	1,181
VOC Emissions (Tons CO ₂ e)	112,188

Energy

Electricity Used (kWh)	1,527,376,925
Percent of Renewable Energy	27%
Amount of kWh through Renewable Energy Certificates	0
Purchased Renewable Energy (kWh) - Nijmegen	134,697,109
Purchased Renewable Energy (kWh) - Oak Hill, Austin, TX	1,440,000
Amount of kWh through Power Purchase Agreement	136,137,109
Natural Gas (m ³)	21,134,687
Diesel (kg)	48,835
Other Fossil Fuel (GJ)	32,879

Water

Water Withdrawal (m ³)	10,619,711
Municipal Water Withdrawal (m ³)	9,927,988
Extracted Water Withdrawal (m ³)	691,723
Water Recycled (m ³)	8,772,461
Percent of Water Recycled	47%
Water Discharged (m ³)	Approximately 5% due to water evaporation, the remaining is water discharge.

Waste Management

Total Waste (kg)	16,637,833
Hazardous Waste (kg)	2,791,866
Hazardous Waste Sent to Landfill (kg)	1,290,831
Non-Hazardous Waste (kg)	2,384,769
Non-Hazardous Waste Sent to Landfill (kg)	2,194,599
Total Waste Sent to Landfill (kg)	3,485,430
Percent of Recycled Waste (kg)	69%



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Social

Overview

Equal Opportunity Policy	Yes
Fair Remuneration Policy	Yes
Employee Sustainability Training	Yes
Health and Safety Policy	Yes
ISO 45001 Certified Sites	100% (9 manufacturing sites)
Human Rights Policy	Yes
Policy Against Child Labor	Yes
UN Global Compact Signatory	Yes
Responsible Business Alliance (RBA) Full Member	Yes
SDGs Target Policy	Yes
Flexible Work Schedule & Location	Yes
Employee Engagement Survey	Yes
Public Policy Condemning Workplace Sexual Harassment	Yes
Frequency of Employee Sexual-Harassment Training	At least every 2 years, but in some cases more frequently subject to applicable law

Employees

Number of Employees (HC)	27,730
Percent of Employees in Americas (HC)	19%
Percent of Employees in APAC (HC)	60%
Percent of Employees in EMEA (HC)	21%
Percent of Employees in R&D (HC)	32%
Percent of Part-Time Employees (HC)	0.66%
Number of Joint Venture Employees (HC)	1,454
Number of Contingent Labor Employees (HC)	4,296
Percent of IDL Voluntary Turnover (HC)	5%
Percent of DL Voluntary Turnover (HC)	10%

NXP's ESG Performance 2020

Diversity

Percent of Female Representation (HC)	36%
Percent of Female Individual Contributor (HC)	38%
Percent of Female People Management (HC)	16%
Percent of Female Executive Management (HC)	13%
Percent of Female IDL New Hires (HC)	23%
Percent of Female DL New Hires (HC)	56%
Percent of Female IDL Voluntary Turnover (HC)	21%
Percent of Female DL Voluntary Turnover (HC)	63%
Conduct Gender Based Compensation Review	Yes
Strategy for Recruiting Women	Yes
Action Plan to Increase Women in Leadership	Yes
Employee Groups for Women	Yes

Employee Training

Hours of Online Training	374,717
--------------------------------	---------

Health and Safety

Number of Accidents - Employees	23
Number of Accidents - Contractors	8
Severity Rate - Employees	2.26
Recordable Incident Rate (TCIR) - Employees	0.08
Number of Fatalities - Employees	0

Supply Chain

Supply Chain Management	Yes
Number of Social Responsibility Supplier Audits	4



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Governance

Overview

Business Ethics Code of Conduct	Yes
Anti-Bribery Policy.....	Yes
Employee Protection / Whistle Blower Policy.....	Yes
Consumer Data Protection Policy	Yes

Board Structure

Number of Board of Directors.....	10
Unitary or Two Tier Board System	Unitary
Number of Employee Representatives on Board of Directors	0
Classified Board System.....	No
Number of Board of Directors with Financial, Audit and Accounting Expertise	8
Number of Corporate Executive Officers on Board of Directors	1
Percent of Corporate Executive Officers on Board of Directors.....	10%

Board Independence

Number of Non-Executive Board of Directors	9
Percent of Non-Executive Board of Directors.....	90%
Number of Independent Board of Directors	9
Percent of Independent Board of Directors.....	90%
CEO Duality.....	No
Independent Chairperson.....	Yes
Independent Lead Director	N/A
Presiding Director	No
Former CEO or its Equivalent on Board of Directors.....	No

NXP's ESG Performance 2020

Board of Directors & Executive Diversity

Number of Women on Board of Directors.....	3
Percent of Women on Board of Directors.....	30%
Female Chief Executive Officer.....	No
Female Board of Directors Chairperson.....	No
Number of Board of Directors with Executive Leadership.....	10
Chief Executive Officer Appointed from Within.....	Yes
Number of Female Executives	1
Percent of Female Executives.....	17%
Age of the Youngest Board of Director	50
Age of the Oldest Board of Director	79
Age Range of Board of Directors.....	29
Average Age of Board of Directors	64.5
Age Limit of Board of Directors	No
Average Tenure of Board of Directors (Years).....	6.3
Date Executive Director Appointed to the Board of Directors.....	May 2020

Board Meetings

Number of Board Meetings.....	5
Percent Board Meeting Attendance.....	>75%
Percent of Independent Directors Board Meeting Attendance	>75%
Number of Board of Directors Attending Less than 75% of Meetings.....	0

Audit Committee

Number of Directors on the Audit Committee	3
Number of Independent Directors on the Audit Committee.....	3
Percent of Independent Directors on the Audit Committee	100%
Independent Audit Committee Chairperson	Yes
Number of Non-Executive Directors on the Audit Committee.....	3
Number of Audit Committee Meetings.....	9
Percentage of Audit Committee Meeting Attendance	>75%



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Compensation Committee

Number of Directors on the Compensation Committee 4
 Number of Independent Directors on the Compensation Committee..... 4
 Percent of Independent Directors on the Compensation Committee 100%
 Independent Compensation Committee Chairperson Yes
 Number of Non-Executive Directors on the Compensation Committee..... 4
 Number of Compensation Committee Meetings..... 8
 Percent of Compensation Committee Meeting Attendance >75%
 Appointed Outside Compensation Advisors Yes
 Clawback Provision for Executive Compensation Yes

Nominating and Governance Committee

Number of Directors on the Nomination Committee 4
 Number of Independent Directors on the Nomination Committee..... 4
 Percent of Independent Directors on the Nomination Committee 100%
 Independent Nomination Committee Chairperson Yes
 Number of Non-Executive Directors on the Nomination Committee..... 4
 Number of Nomination Committee Meetings..... 4
 Percent of Nomination Committee Meeting Attendance >75%

ESG/Sustainability Committee The Nominating and Governance Committee oversees ESG/Sustainability matters.

Non-Executive Director Responsible for ESG/Sustainability No
 Executive Director Responsible for ESG/Sustainability Yes
 Executive Compensation Linked to ESG/Sustainability No
 Board of Directors Compensation Linked to ESG/Sustainability No

Shareholder Rights

Percent Ownership Required for Special Meeting..... 10%
 Poison Pill Plan No
 Blank Check Preferred Authorized..... N/A
 Dual Class Unequal Voting Rights - Common Shares..... No

Other

Political Donations 0



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Greenhouse Gas Emissions							
TC0201-01.01-.02	Identify direct emissions of Greenhouse Gas (GHG) emissions (Scope 1), including the six Kyoto gases	Tons CO ₂ e	651,653	602,190	594,502	458,866	329,101
TC0201-01.03	Identify the amount of PFCs in total GHG emissions	Tons CO ₂ e	460,331	429,492	440,506	288,565	195,181
TC0201-02.04	Discuss scope of reduction targets and what activities and investments are required to achieve plans, as well as any limiting factors that might affect achievement of the targets.				Our stated goal for 2020 was to reduce our normalized carbon footprint by 30% from a baseline year of 2010. We met that goal. In addition, NXP strives to aggressively reduce our absolute emissions, which means reducing emissions regardless of the expended growth of production. Our production normalizer is based on the square meter of silicon wafers produced. Our reduction strategies differ according to the emission source, as each comes with its own unique opportunities for reduction. Limiting factors include an increase of our production space, product changes the increase emissions that we, as a supplier, are required to adopt, or if demand changes and our emissions are directly related to an increase in volume produced.		
TC0201-02.05	Identify percentage of emissions within the scope of the reduction plan and the percentage reduction from base year. Identify absolute/intensity based. Identify activities that were completed during fiscal year and those that are ongoing. Discuss source of mechanism for achieving the target.				From 2010 to 2020, our normalized Scope 1 emissions decreased by 44%. PFCs are the largest contributor to our Scope 1 emissions and, since 2010, our normalized total PFC emissions have decreased by 63%, even though many of our products have become more complex, requiring additional manufacturing steps and hence more PFCs. To achieve these results, each year we have invested in our operations and technology processes, improved chemical processes to reduce the amount of emissions, and converted certain tools to remote, plasma-reducing PFC emissions.		
TC0201-02.06	Disclose if emissions have been recalculated or the target base year has been reset.				The target base year has not been reset and our calculations methods have remained the same following the methodology of the Intergovernmental Panel on Climate Change (IPCC).		



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Energy Management in Manufacturing							
TC0201-03.09	Disclose total energy purchased from sources external to the organization or self-generated.	GJ	5,489,275	5,495,728	5,573,326	5,536,710	5,498,117
TC0201-03.10	Calculate energy consumption by using High Heat Value (HHV) from Intergovernmental Panel on Climate Change (IPCC).		We refer to market-based energy-conversion factors if provided by the supplier. If market base is not provided, we use International Energy Agency (IEA) information.				
TC0201-03.11	Identify self-generated consumption to prevent double counting.		N/A				
TC0201-03.12	Identify percentage of total energy consumption that is grid generated.	%	100% purchased grid electricity.				
TC0201-03.13	Identify percentage of total energy consumption that is renewable energy.	%	100% purchased grid electricity with renewable energy representing 27% of total energy consumption.				
TC0201-03.14	Identify sources of renewable energy, such as geothermal, wind, solar, hydroelectric, and biomass.		100% purchased grid electricity with renewable energy from wind, solar, and hydroelectric sources.				
TC0201-03.15	Disclose the application of conversion factors such as HHVs for fuel usage and kilowatt hours (kWh) to gigajoules (GJ).		Our internal Environment, Health and Safety (EHS) data-management system uses conversion factors for total energy consumption.				
Water & Waste Management in Manufacturing							
TC0201-04.16	Disclose amount of water withdrawn from freshwater sources.	m ³	11,168,959	10,936,125	10,927,872	10,732,132	10,619,711
TC0201-04.17	Identify percentage of water recycled as the volume recycled divided by the volume of water withdrawn.	%	43	43	38	44	47
TC0201-04.18	Analyze operations for water risks and identify locations with high or extremely high baseline water stress, indicating percentage of total water withdrawn.	%	According to the World Resources Institute's (WRI) Water Risk Atlas tool, only one facility is in scope, representing 6.8% of water withdrawn.				
TC0201-05.19	Disclose amount of hazardous waste.	Metric Tons	1,882	1,955	2,400	2,440	2,792
TC0201-05.20	Identify percentage of hazardous waste recycled by dividing the total of what is reused, recycled, remanufactured or sent externally for further recycling by the total weight of hazardous material.	%	We recycle hazardous waste, but regional variations in the designation of hazardous materials and how hazardous waste is classified make it difficult to quantify this activity.				
TC0201-05.21	Disclose if e-waste is recycled or transferred to entities with third-party certification.		We send our e-waste to third parties who obtain all necessary environmental permits required by local governments.				



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Recruiting & Managing a Global Skilled Workforce							
TC0201-06.22	Identify percentage of employees who are foreign nationals and require a visa to work in the country in which they are employed.	%	At the end of 2020, 2% of employees were foreign nationals.				
TC0201-06.23	Identify percentage of employees who are located offshore from the registrant's country of domicile, by region.	%	At the end of 2020, foreign nationals accounted for 19% of our workforce in the Americas, 14% in EMEA, and 59% in APAC. NXP is a global company with operations in over 30 locations. Although headquartered in the Netherlands, NXP's business model is to have significant presence in the US, Europe, and Asia. This requires access to talent in those areas but also allows us to be responsive and close to our customers in those markets. We view this as a strength and not a risk.				
TC0201-06.24	Discuss risks, from recruiting foreign nationals or offshore employees, which may arise from immigration, naturalization, or visa regulations, loss of control, threats to intellectual property, or cultural or political sensitivities.		At NXP, we value diversity, equality and inclusion, and respect the unique experiences, backgrounds, diverse cultures and ideas of our fellow employees, business partners, and customers around the world. We understand that each employee brings something unique to the company – different viewpoints, histories, experiences and paths of discovery. We invite every NXP employee to bring their whole self to work, without exception. NXP does not tolerate discrimination of any kind, including when making employment-related decisions. We uphold a code of business conduct and ethics and would not violate these commitments by rejecting a candidate based on citizenship or nationality. When recruiting foreign nationals in any jurisdiction, the greatest risks we face involve the uncertainties outside NXP's control. This includes the following: inability or significant delay to secure export licenses from the US government; inability or significant delay to secure work authorization documents, including valid work permit and immigration status; increasing or unpredictable challenges and costs associated with obtaining necessary licenses, work authorizations, or visas; and unpredictable and shifting political positions affecting each stage in the recruitment, hiring, and retention of foreign nationals. However, these risks do not outweigh the value provided by NXP's foreign-national employees.				
TC0201-06.25	Discuss Management's approach to addressing the identified risks of recruiting foreign nationals, including efforts such as local talent pools, political lobbying for immigration reform, outsourcing of operations, or joining/forming industry partnerships.		To address the risks identified in the above response, NXP does several things. We ensure that job postings include an overview of the position, including requirements and application instructions, to ensure applicants understand the position for which they are applying and the job requirements against which they will be assessed. We manage expectations around the hiring process when it comes to delays with securing work authorization documents (such as visas). We provide, to the best of our ability, up-to-date information regarding the immigration landscape and the costs and potential risks for delays and loss of work authorization. In some countries, we also engage immigration status providers to track initial needs for work permits, visas, and potential future renewals, and monitor for potential risk trends/developments that need to be accounted for. We engage internal and external resources to evaluate and prepare contingency plans in the event there are challenges or delays securing or maintaining work authorizations. From time to time, we participate in a variety of different initiatives and organizations, such as the Semiconductor Industry Association (SIA), to educate and advocate for sound policies in employment of foreign nationals and to safeguard our interests in this space.				
TC0201-06.26	Discuss Management's approach to addressing any additional risks associated with conducting offshore business activities, including efforts such as implementing safeguards for data security, piracy, and IP protection, and diversifying the locations of offshore operations.		NXP is a global company with manufacturing, R&D, and sales offices in over 30 countries. Our global footprint and experience, bolstered by our corporate policies and procedures and IT resources, protects and safeguards our risks to the extent possible.				



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Employee Health & Safety							
TC0201-07.27	Discuss efforts to assess, monitor, and reduce exposure of employees to human health hazards.						NXP assesses, monitors, and reduces exposure of our employees to human health hazards in our controls and procedures. These controls and procedures are detailed in our management system, which in 2020 transitioned from the OHSAS 18001 to the ISO 45001 standard. As part of this management system, we reduce risk by conducting risk assessments. Each risk assessment we conduct generates a list of controls to limit risk. For example, Personal Protective Equipment (PPE) and extensive training for our employees is provided to effectively control risks identified through the risk assessment. Continuous monitoring of the documented controls is ongoing, to verify that the controls are indeed working appropriately and that the risk to employees is minimized.
TC0201-07.28	Discuss management approach in the context of short- and long-term risks.						The management system described above, combined with our continuous monitoring of each in-place control serves to minimize both the short- and long-term risks identified by our risk assessments.
TC0201-07.29	Discuss risk assessments, participation in long-term health studies, ambient-air monitoring in clean rooms, implementation of technology to control worker exposure, worker use of personal protective equipment, automation of processes, and phasing out, substituting, or using alternative materials.						We monitor the ambient air in clean rooms and have safety professionals, including an onsite industrial hygienist, at all our manufacturing sites. We provide PPE for our employees and continuously invest in automation processes to reduce risks to our employees.
TC0201-07.30	Discuss health and safety measures in general and, in particular, measures taken to protect clean-room workers in fabrication plants.						We emphasize health and safety in all areas of the company, including a focus on work/life balance and proper ergonomic tools and training.
TC0201-08.31	Disclose the amount of all fines/settlements associated with health and safety violations.						In 2020, NXP was not assessed a fine for any health and safety violations.
TC0201-08.32	Disclose civil actions and criminal actions taken by any entity.						In 2020, no civil actions were taken by any entity.
TC0201-08.33	Describe the nature and context of fines and settlements.						N/A
TC0201-08.34	Describe any corrective actions as a result of each incident.						N/A



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Product Lifecycle Management							
TC0201-09.35	List percentage of products by revenue that contain IEC 62474 declarable substances.	%					In 2020, ~63% of our finished product portfolio contained IEC 62474 declarable substances.
TC0201-09.38	Discuss approach to managing the use of any substances listed as declarable substance groups or declarable substances in IEC 62474, including specific operational processes which take these substances into account.						<p>The IEC 62474 list of declarable substances is mainly based on EU legislation (EU RoHS, EU REACH Annex XVII, EU REACH, Candidate list, and EU POP). NXP meets or exceeds all of these legislated guidelines.</p> <p>The requirements for substance management are outlined in the ECO-Products Substance Control for Products and Packaging (NXPOMS-1719007347-1991) document. https://www.nxp.com/docs/en/supporting-information/ECO-Products-Substance-Control-Products-Packaging.pdf.</p> <p>We require our suppliers to provide a full Material Content Declaration ("MCD", in IPC-1752A format) for each component. Our internal system checks each supplier MCD and then calculates the compliance status of the components and products to the legal, industry, and NXP requirements described in the NXPOMS-1719007347-1991 document.</p> <p>Nickel (a declarable IEC 62474 substance and skin sensitizer) is a common substance in lead frames and plating, however these items are integrated into our products and not intended for direct skin contact.</p> <p>Our products and materials are clearly identifiable by a unique, 12-digit numerical code (12NC) and managed via the NXP data-management system. This system segregates and prevents mixing of RoHS-compliant and non-compliant materials applicable to its usage in the final product. Traceability of non-compliant materials and parts is guaranteed via the NXPOMS-1719007347-2601 Traceability Requirement. The storage of materials is regulated by local organization. Specific data related to these materials, including the supplier, are maintained in the NXP master data management system. In system SAP-BW, NXP maintains the connection between the 12NC of the material and its supplier.</p> <p>Lines are clearly marked as RoHS (lead-free) or leaded terminations. Products are certified as RoHS (lead-free) or leaded terminations. GENESIS Production flow papers also indicate which segregated line to follow and the components allowed for the build.</p>
TC0201-09.41	Describe the degree of overlap with IEC 62474 with the management and assessment of known or potentially toxic substances with reference to other regulations, industry norms, or accepted chemical lists.						NXP satisfies the reporting requirements of IEC 62474 and meets or exceeds the regulatory requirements found in EU RoHS, EU ELV, EU 94, EU REACH, and EU POP. NXP's prohibited and restricted substances are listed in Sections 6.2 and 6.3 of the NXPOMS-1719007347-1991 document.
TC0201-10	Describe processor energy efficiency at a system level for servers, desktops, and laptops.						N/A



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Supply Chain Management & Materials Sourcing							
TC0201-11.50	Identify products by revenue that contain critical materials.	%	~91% of our finished products contain tin, tantalum, tungsten, and gold.				
TC0201-12.53	Identify those 3T&G smelters within the supply chain that are verified conflict-free.	%	100% of the suppliers identified were compliant with an audit program conducted by a third party, Conformant. For additional information, please visit our website: https://www.nxp.com/company/about-nxp/sustainability/responsible-minerals-sourcing:CONFLICT-MINERALS				
TC0201-12.54	Define how we determine our suppliers and any third-party smelters to be conflict-free.		We conform with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High-Risk Areas, and we expect our suppliers to adhere to these same requirements. Suppliers must also adhere to NXP's Supplier Code of Conduct and provide, upon request, the source and chain of custody of minerals and their due-diligence policies and measures. To verify compliance with these commitments, NXP conducts third-party audits. https://www.nxp.com/pip/CONFLICT-MINERALS				
TC0201-13.56	Summarize our strategic approach to managing risks associated with the use of critical materials and conflict minerals in our products, including availability, access, price, and reputational risks.		NXP is a member of the Responsible Mineral Initiative (RMI). We validate supplier information against the list of "conflict-free" smelters, as designated by the Responsible Minerals Assurance Process (RMAP). The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. We encourage our suppliers to direct their smelters to participate in the RMAP. We monitor information from the RMI, which records changes in smelter status and identifies those smelters who refuse to participate in audits, so we can take appropriate action.				
TC0201-13.57	Identify which materials and minerals present a risk to our operations, the type of risk they represent, and the strategies used to mitigate that risk.		Our procurement organization has implemented escalation procedures for suppliers who (i) provide products that incorporate Covered Minerals from smelters or refiners who do not comply with a third-party audit program or (ii) have not provided details on the sourcing of Covered Minerals in their supply chain. Under these procedures, our procurement organization develops a list of corrective actions, including a timeline for compliance and a decision to continue or temporarily suspend trade with the supplier during the period of corrective action. Suppliers who do not make satisfactory progress addressing the identified corrective actions are reported to NXP's Chief Procurement Officer. NXP's due-diligence measures, with respect to identified smelters and refiners, are primarily based on multi-industry due-diligence initiatives. These measures evaluate the procurement practices of the smelters and refiners that process and provide Covered Minerals to our supply chain.				
			NXP's supply chain is complex. In most cases, there are a number of third parties in the supply chain between NXP's ultimate manufacture of the Covered Products and the original sources of Covered Minerals. We require our suppliers to identify the smelters and refiners of Covered Minerals in their supply chain. In most cases, our suppliers report this information using the broadly adopted Conflict Minerals Reporting Template (CMRT) developed by Responsible Minerals Initiative (RMI), a multi-industry initiative consisting of over 350 companies and industry associations. Due to the complexity of our supply chain, we rely on our suppliers for the accuracy and completeness of this information. In most cases, our suppliers submit a consolidated smelter and refiner report for all of their products and materials, not just products and materials provided to NXP.				



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
TC0201-13.58	Discuss relevant strategies, including diversification of suppliers, stockpiling of materials, expenditures in R&D for alternative and substitute materials, and investments in recycling technology for critical materials.						
TC0201-13.59	Discuss due-diligence practices, supply-chain auditing, supply-chain engagement, and partnerships with industry groups or non-governmental development organizations.						

Procurement's risk-mitigation strategy is to have multiple suppliers qualified for one part whenever possible. That way, if we permanently or temporarily suspend trade with a supplier, we can switch to an alternate source. In cases where this is not possible, we compensate for this with buffer inventory and other methods of stock management. In the case of onboarding new direct materials, suppliers must submit a CMRT. If the supplier uses a nonconformant smelters, we do not qualify the supplier until the issue is resolved. This process is reviewed and monitored by the Material Sourcing Board.

We believe that engagement and active cooperation with other industry members with whom we share suppliers can assist in the identification of risks in NXP's supply chain. In particular, it helps us identify smelters and refiners and assess their due-diligence practices.

In 2014, NXP joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC). The RBA promotes responsible sourcing of minerals, among other important social responsibility initiatives. NXP currently holds a position on the RBA's Board of Directors.

NXP is also a member of the Responsible Minerals Initiative (RMI), so NXP representatives regularly collaborate with other industry members on complementary programs and initiatives. Over the years, NXP has been an active member of the RMI's working groups and Steering Committee.

In 2016, NXP joined the European Partnership for Responsible Minerals (EPRM) as a strategic partner. The EPRM is a multi-stakeholder partnership in which governments, Non-Governmental Organizations (NGOs), and the private sector work together to create better social and economic conditions for mine workers and local mining communities, by increasing the number of mines that adopt responsible mining practices in Conflict-Affected and High-Risk Areas (CAHRA). Participation provides tools to map the minerals and verify that smelters and refiners source minerals ethically. Our engagement with EPRM not only includes due-diligence platforms and tools, but also provides support for "on the ground" projects at small-scale mining sites that have been identified as CAHRAs.

Since 2013, NXP has chaired the Conflict Minerals Team of the World Semiconductor Council (WSC).



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Code	Accounting Metric	Unit of Measure	2016	2017	2018	2019	2020
Intellectual Property Protection & Competitive Behavior							
TC0201-14.60	Disclose the number of patent litigation cases we were involved in, either as the patent holder or the patent challenger.	Count	2	1	6	7	7
TC0201-14.61	Disclose the number of successful cases.	Count	2	1	6	4	0
TC0201-14.62	Disclose the number of cases in which we were the patent holder.	Count	0	0	0	1	1
TC0201-15.63	Disclose the amount of all fines/settlements associated with anti-competitive behavior, such as those related to enforcement of US laws and regulations on price-fixing, anti-trust behavior, patent misuse, or network effects, and bundling of services and products to limit competition.	Count	0	0	0	0	0
TC0201-15.64	Disclose civil actions and criminal actions taken by any entity.	Count	0	0	0	0	0
TC0201-15.65	Describe nature and context of fines and settlements.	Count	N/A	N/A	N/A	N/A	N/A
TC0201-15.66	Describe corrective actions we have implemented as a result of each incident.	Count	N/A	N/A	N/A	N/A	N/A



APPENDIX C – UNITED NATIONS GLOBAL COMPACT

A LETTER FROM OUR CEO

In 2017, NXP became a signatory of the United Nations Global Compact, which commits us to promote environmentally responsible and ethical conduct in adherence to international principles.

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Our UN Global Compact Communication on Progress is found on the UN Global Compact [website](#).

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Disclosure Number	Disclosure Number	Disclosure Title	Response
General Disclosures			
GRI 102	102-1	Name of the organization	NXP Semiconductors (NASDAQ: NXPI)
GRI 102	102-2	Activities, brands, products, and services	Our Business
GRI 102	102-3	Location of headquarters	High Tech Campus 60, 4.19 5656 AG Eindhoven The Netherlands
GRI 102	102-4	Location of operations	Our Business
GRI 102	102-5	Ownership and legal form	Form 10-K page #12
GRI 102	102-6	Markets served	Our Business Form 10-K page #13
GRI 102	102-7	Scale of the organization	Our Business
GRI 102	102-8	Information on employees and other workers	Employee Demographics
GRI 102	102-9	Supply chain	Supplier Engagement Top 100 Supplier List Roughly 98% of our procurement is done with approximately 100 suppliers, of which are all critical to supporting semiconductor manufacturing. We define critical suppliers as those core to the supply strategy and could cause a major disruption to make or design output. When needed, we outsource the manufacturing of wafers or product assembly and testing.
GRI 102	102-10	Significant changes to the organization and its supply chain	In 2020, there were no significant changes to the ownership or supply chain. We did have facility expansions. The SSMC wafer fab expanded their clean room space by ~40%. The ECHO fab expanded their operations by ~50%.
GRI 102	102-11	Precautionary principle or approach	To reduce or avoid negative impacts on the environment, we apply precautionary principles in our operations where scientific evidence is insufficient or uncertain.
GRI 102	102-12	External initiatives	Stakeholder Engagement
GRI 102	102-13	Membership of associations	Stakeholder Engagement
GRI 102	102-14	Statement from senior decision-maker	A Letter From Our CEO
GRI 102	102-15	Key impacts, risks, and opportunities	Form 10-K page #21
GRI 102	102-16	Values, principles, standards, and norms of behavior	Ethics
GRI 102	102-17	Mechanisms for advice and concerns about ethics	Ethics
GRI 102	102-18	Governance structure	Governance and Board of Directors
GRI 102	102-19	Delegating authority	Governance and Board of Directors
GRI 102	102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Organization



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	Disclosure Number	Disclosure Number	Disclosure Title	Response
A LETTER FROM OUR CEO	GRI 102	102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Organization
ABOUT THIS REPORT	GRI 102	102-22	Composition of the highest governance body and its committees	Governance and Board of Directors
	GRI 102	102-23	Chair of the highest governance body	Governance and Board of Directors
2020 HIGHLIGHTS	GRI 102	102-24	Nominating and selecting the highest governance body	Governance and Board of Directors
RESPONDING TO COVID-19	GRI 102	102-25	Conflicts of interest	Governance and Board of Directors
	GRI 102	102-26	Role of highest governance body in setting purpose, values, and strategy	Governance and Board of Directors Sustainability Organization
OUR BUSINESS	GRI 102	102-27	Collective knowledge of highest governance body	Governance and Board of Directors
	GRI 102	102-28	Evaluating the highest governance body's performance	Governance and Board of Directors
ECONOMY	GRI 102	102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Organization
GOVERNANCE AND ETHICS	GRI 102	102-30	Effectiveness of risk management processes	Sustainability Organization
	GRI 102	102-31	Review of economic, environmental, and social topics	Sustainability Organization
SUSTAINABILITY	GRI 102	102-32	Highest governance body's role in sustainability reporting	Sustainability Organization
	GRI 102	102-33	Communicating critical concerns	Ethics
EMPLOYEES	GRI 102	102-34	Nature and total number of critical concerns	Ethics
	GRI 102	102-35	Remuneration policies	Governance and Board of Directors
ENVIRONMENT	GRI 102	102-36	Process for determining remuneration	Governance and Board of Directors
	GRI 102	102-37	Stakeholder involvement in remuneration	Proxy page 62
SUPPLIER ENGAGEMENT	GRI 102	102-38	Annual total compensation ratio	Proxy page 77
	GRI 102	102-39	Percentage increase in annual total compensation ratio	Proxy page 62
PRODUCT STEWARDSHIP	GRI 102	102-40	List of stakeholder groups	Stakeholder Engagement
	GRI 102	102-41	Collective bargaining agreements	Employees at any of our global locations have always had the freedom to associate and/or right to collective bargaining as provided by local statutes. In the countries where there are collective bargaining agreements, we are compliant with all agreements required by country laws and regulations. Approximately 30% of our employees are covered by collective bargaining agreements.



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A LETTER FROM OUR CEO	GRI 102	102-42	Identifying and selecting stakeholders	Stakeholder Engagement
ABOUT THIS REPORT	GRI 102	102-43	Approach to stakeholder engagement	Stakeholder Engagement
	GRI 102	102-44	Key topics and concerns raised	Through stakeholder engagement, we learned their top questions or issues were related to NXP products contributing to sustainability, human capital, diversity, equality and inclusion, renewable energy use, and labor and human rights.
2020 HIGHLIGHTS	GRI 102	102-45	Entities included in the consolidated financial statements	Form 10-K page #71
RESPONDING TO COVID-19	GRI 102	102-46	Defining report content and topic boundaries	About This Report
	GRI 102	102-47	List of material topics	About This Report
OUR BUSINESS	GRI 102	102-48	Restatements of information	Our 2019 Corporate Sustainability Report, in regards to our Scope 2 emissions, did not account for the amount of renewable energy purchased. Adjustments have been made and renewable energy is now accounted for in the 2020 Corporate Sustainability Report.
	GRI 102	102-49	Changes in reporting	None
ECONOMY	GRI 102	102-50	Reporting period	The reporting period covers calendar year 2020.
	GRI 102	102-51	Date of most recent report	Our 2019 report was released in April 2020.
GOVERNANCE AND ETHICS	GRI 102	102-52	Reporting cycle	Annually
	GRI 102	102-53	Contact point for questions regarding the report	CSR@nxp.com
SUSTAINABILITY	GRI 102	102-54	Claims of reporting in accordance with the GRI Standards	About This Report
	GRI 102	102-55	GRI content index	As shown.
EMPLOYEES	GRI 102	102-56	External assurance	The 2020 Corporate Sustainability Report is not assured through an assurance provider. We perform extensive internal due diligence to ensure the accuracy of the information and data presented in this report.
ENVIRONMENT	Economic Performance			
	GRI 103	103-1 - 103-3	Disclosure of management approach	Form 10-K
SUPPLIER ENGAGEMENT	GRI 201	201-1	Direct economic value generated and distributed	Form 10-K page #86
	GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Form 10-K page #27
PRODUCT STEWARDSHIP	GRI 201	201-3	Defined benefit plan obligations and other retirement plans	Form 10-K page #95
	GRI 201	201-4	Financial assistance received from the government	Form 10-K page #27



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Disclosure Number	Disclosure Number	Disclosure Title	Response
Market Presence			
GRI 103	103-1 - 103-3	Disclosure of management approach	Employee Compensation and Benefits
GRI 202	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Compensation and Benefits
GRI 202	202-2	Proportion of senior management hired from the local community	We focus on hiring the best and brightest individuals from the communities where we operate, for all levels of employment levels.
Anti-corruption			
GRI 103	103-1 - 103-3	Disclosure of management approach	Anti-Bribery & Anti-Corruption Policy
GRI 205	205-1	Operations assessed for risks related to corruption	We assess our worldwide operations and our suppliers for risks related to corruption. Our in-place policies and trainings mitigate these risks.
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	NXP Code of Conduct and training to all employees.
GRI 205	205-3	Confirmed incidents of corruption and actions taken	We track any anti-corruption allegations, conduct thorough review, and take appropriate remedial measures. We consider this confidential information and do not report it publicly.
Tax			
GRI 103	103-1 - 103-3	Disclosure of management approach	Taxation
GRI 207	207-1	Approach to tax	Taxation
GRI 207	207-2	Tax governance, control, and risk management	Taxation
GRI 207	207-3	Stakeholder engagement and management of concerns related to tax	Taxation
Materials			
GRI 103	103-1 - 103-3	Disclosure of management approach	Product Stewardship
GRI 301	301-1	Materials used by weight or volume	~91% of our finished product portfolio contains tin, tantalum, tungsten and gold.
GRI 301	301-2	Recycled input materials used	Most of the purchased materials required to manufacture our products must be of a very high purity. Where feasible, we reuse them for other manufacturing processes.
GRI 301	301-3	Reclaimed products and their packaging materials	We participate in various recycling programs, but we are not able to determine the percentage of products that our customers or end users handle or dispose of the NXP products they place in their products. We provide information about the substances within our components so customers and end users can make informed decisions regarding disposal.



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Energy			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environment
GRI 302	302-1	Energy consumption within the organization	Energy
GRI 302	302-3	Energy intensity	Energy
GRI 302	302-4	Reduction of energy consumption	Energy
GRI 302	302-5	Reductions in energy requirements of products and services	Energy
Water and Effluents			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environment
GRI 303	303-1	Interactions with water as a shared resource	Water
GRI 303	303-2	Management of water discharge-related impacts	Water
GRI 303	303-3	Water withdrawal	Water
GRI 303	303-4	Water discharge	Water
GRI 303	303-5	Water consumption	Water
Emissions			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environment
GRI 305	305-1	Direct (Scope 1) GHG emissions	Emissions
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Emissions
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Emissions
GRI 305	305-4	GHG emissions intensity	Emissions
GRI 305	305-5	Reduction of GHG emissions	Emissions
GRI 305	305-6	Emissions of Ozone-Depleting substances (ODS)	Hazardous Materials Scope 1 Chemical List
GRI 305	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions



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Disclosure Number	Disclosure Number	Disclosure Title	Response
Effluents and Waste			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environment
GRI 306	306-1	Water discharge by quality and destination	Water
GRI 306	306-2	Waste by type and disposal method	Waste
GRI 306	306-3	Significant spills	We did not record any significant spills.
GRI 306	306-4	Transport of hazardous waste	Waste
Environmental Compliance			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environment
GRI 307	307-1	Non-compliance with environmental laws and regulations	We did not receive any fines or sanctions for non-compliance with environmental laws and/or regulations in 2020.
Employment			
GRI 103	103-1 - 103-3	Disclosure of management approach	Employees
GRI 401	401-1	New employee hires and employee turnover	Employee Demographics
GRI 401	401-2	Benefits provided to full-time employees	Compensation and Benefits
Occupational Health and Safety			
GRI 103	103-1 - 103-3	Disclosure of management approach	Health and Safety
GRI 403	403-1	Occupational health and safety management system	Health and Safety
GRI 403	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
GRI 403	403-3	Occupational health services	Health and Safety
GRI 403	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
GRI 403	403-5	Worker training on occupational health and safety	Health and Safety
GRI 403	403-6	Promotion of worker health	Health and Safety
GRI 403	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
GRI 403	403-8	Workers covered by an occupational health and safety management system	Health and Safety
GRI 403	403-9	Work-related injuries	Health and Safety
GRI 403	403-10	Work-related ill health	The main type of employee injuries include slips and falls, machine safety, and/or ergonomics. Each incident is documented and corrective and/or preventative measures are put in place.



APPENDIX D – GRI INDEX

A LETTER FROM OUR CEO

Disclosure Number	Disclosure Number	Disclosure Title	Response
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Training and Education

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GRI 103	103-1 - 103-3	Disclosure of management approach	Talent Development
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GRI 404	404-1	Average hours of training per year per employee	Talent Development
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GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development
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GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	Corporate Values and Employee Engagement
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Diversity and Equal Opportunity

GRI 103	103-1 - 103-3	Disclosure of management approach	Diversity, Equality and Inclusion
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GRI 405	405-1	Diversity of governance bodies and employees	Employee Demographics
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Non-Discrimination

ECONOMY

GRI 103	103-1 - 103-3	Disclosure of management approach	Ethics
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GRI 406	406-1	Incidents of discrimination and corrective actions taken	We track any discrimination allegations, conduct thorough review, and take appropriate remedial measures. We consider this confidential information and do not report it publicly.
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GOVERNANCE AND ETHICS

Freedom of Association and Collective Bargaining

SUSTAINABILITY

GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
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GRI 407	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social Responsibility Auditable Standards
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Child Labor

GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
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GRI 408	408-1	Operations and suppliers at significant risk for incidents of child labor	Slavery and Human Trafficking Statement
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Forced or Compulsory Labor

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GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
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GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Slavery and Human Trafficking Statement
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Disclosure Number	Disclosure Number	Disclosure Title	Response
Human Rights Assessment			
GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
GRI 412	412-1	Operations that have been subject to human-rights reviews or impact assessments	Human Rights
GRI 412	412-2	Employee training on human-rights policies or procedures	Human Rights
GRI 412	412-3	Significant investment agreements and contracts that include human-rights clauses or that underwent human-rights screening	Supplier Engagement
Supplier Social Assessment			
GRI 103	103-1 - 103-3	Disclosure of management approach	Supplier Engagement
GRI 414	414-1	New suppliers that were screened using social criteria	Supplier Engagement
GRI 414	414-2	Negative social impacts in the supply chain and actions taken	Supplier Engagement
Marketing and Labeling			
GRI 103	103-1 - 103-3	Disclosure of management approach	Environmental Product Compliance
GRI 417	417-1	Requirements for product and service information and labeling	Environmental Product Compliance
GRI 417	417-2	Incidents of non-compliance concerning product and service information and labeling	NXP has not had any non-compliance with regulations concerning product information and labeling.
GRI 417	417-3	Incidents of non-compliance concerning marketing communications	NXP has not had any non-compliance with marketing communications.



APPENDIX E – SCOPE 1 CHEMICAL LIST OF EMISSIONS

A LETTER FROM OUR CEO

NXP strives to be transparent with our stakeholders regarding our carbon footprint. We specifically disclose how we determine what is and is not considered Scope 1 Emissions. Below is the list of chemicals we identify as Scope 1 Emissions and is reported in the Emissions section of this report.

ABOUT THIS REPORT

For more information, contact NXP's Sustainability team at CSR@nxp.com.

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Scope 1 Chemical List of Emissions

PerFluorinated Compounds (PFCs) in Tons CO₂ equivalent

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
C ₂ F ₆	336,911	279,181	281,044	204,650	191,902	190,753	141,692	124,321	129,039	57,284	36,283
CF ₄	130,032	146,767	176,444	182,609	199,433	214,911	170,016	157,091	165,255	123,419	83,735
CHF ₃	24,687	24,102	25,395	31,632	31,271	34,356	33,149	37,549	36,265	32,598	23,260
NF ₃	20,098	18,850	28,459	32,900	34,027	34,546	38,937	35,441	35,013	30,918	22,311
NF ₃ remote	8,109	9,753	9,105	9,612	12,125	12,607	11,868	8,833	9,118	8,517	6,517
C ₃ F ₈	24,516	25,079	27,796	30,239	29,641	31,123	30,418	31,652	32,444	2,746	2,968
C ₄ F ₈	4,167	5,136	6,505	7,378	7,332	9,260	8,534	8,322	7,671	9,521	5,010
C ₄ F ₈ O	0	0	0	0	0	0	0	0	0	0	0
CH ₂ F ₂	7	13	13	14	18	26	44	36	40	62	12
C ₄ F ₆	19	56	242	242	372	391	377	349	466	0	380
C ₅ F ₆	0	0	0	0	0	0	0	0	0	6	4
Total PFCs	548,546	508,937	555,003	499,276	506,121	527,973	435,034	403,595	415,312	265,071	180,481

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Hydrofluorocarbons (HFCs) in Tons CO₂ equivalent

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Halogenated or Chlorinated Hydrocarbons (Non-ODP) used in processes											
HFC-32 (CAS 75-10-5)	0	0	0	0	0	0	0	0	0	0	0
HFC-41 (CAS 593-53-3)	0	0	0	0	0	0	0	0	0	20	7
Non-ODP refrigerants for cooling systems (e.g. air conditioning)											
HFC-32 (CAS 75-10-5)	0	0	0	0	0	0	0	0	0	0	0
HFC-41 (CAS 593-53-3)	0	0	0	0	0	0	0	0	0	20	7
HFC-134 (CAS 359-35-3)	0	0	0	0	0	0	51	51	52	40	40
HFC-134a (CAS 811-97-2)	2062	1429	1950	510	1428	738	2428	616	1360	450	464
Ozone-Depleting (ODP) substances (from cooling systems e.g. air conditioning)											
HFC-22 (CAS 75-45-6)	197	98	1887	1158	24	24	362	405	60	32	8
HFC-123 (CAS 306-83-2)	316	136	0	182	182	0	0	91	45	0	45.2
Total HFCs	2,575	1,663	3,837	1,850	1,634	762	2,841	1,163	1,517	562	570

Sulfur Hexafluoride (SF₆) in Tons CO₂ equivalent

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total SF₆	25,365	18,505	25,627	27,413	24,169	22,256	25,298	25,897	25,194	23,495	14,700

N₂O Emissions in Tons CO₂ equivalent

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total N₂O	15,976	15,587	15,928	17,944	17,631	17,565	16,904	17,554	16,708	13,941	9,425



APPENDIX E – SCOPE 1 CHEMICAL LIST OF EMISSIONS

Heat Transfer Fluids (HTFs) Tons CO₂ equivalent

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
R-22	0	0	0	2,707	447	377	957	631	332	197	150
R-123	0	0	0	189	80	43	615	46	27	22	32
R402A	0	0	0	0	0	0	0	22	0	0	0
Pure HFCs											
R-134a	0	0	0	4,398	2,044	1,424	2,821	2,185	1,399	766	2,505
R-23	0	0	0	266	133	133	24	0	52	93	121
HFC Mixtures											
R-404A	0	0	0	94	45	45	7	4,908	119	135	93
R-407C	0	0	0	0	35	0	0	0	0	0	0
R-410A	0	0	0	0	0	0	0	95	95	244	113
R-422D	0	0	0	0	0	0	0	0	0	0	0
Perfluorocarbons	0	0	0	0	0	0	0	0	0	0	0
FC40	0	0	0	0	0	0	31,390	91,282	68,895	89,478	54,481
Polyfluoroether mixtures											
FC3283	0	0	0	20,322	19,083	16,030	20,975	7,766	18,490	17,544	19,307
FC72	0	0	0	5	5	0	0	0	0	0	0
FC770	0	0	0	5	5	0	0	0	1	4	22
HFE7100	0	0	0	1,896	1,882	1,234	938	1,070	1,027	931	675
HFE7200	0	0	0	150	214	97	189	24	131	144	119
HFE7500	0	0	0	28	40	14	10	46	42	51	109
Galden HT 80	0	0	0	0	0	0	20	0	0	0	0
Galden HT 135	0	0	0	0	250	650	900	740	0	682	610
Galden HT 200	0	0	0	906	1,764	2,118	1,194	3,294	2,544	1,638	2,268
Galden HT 270	0	0	0	240	90	600	408	210	510	810	480
Galden ZT 130	0	0	0	0	0	0	0	0	0	0	0
Galden HT110	0	0	0	1,434	2,736	1,656	966	913	599	791	804
Galden D02TS	0	0	0	76,800	143,250	160,650	67,800	0	0	0	0
Galden PFS-2	0	0	0	630	560	490	630	740	490	280	210
Total HTFs	0	0	0	110,070	172,663	185,561	129,844	113,972	94,751	113,809	82,100



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NXP pursues mutually beneficial relationships with its suppliers and contractors, using a collaborative and consultative approach to their continued commitment to observe the applicable rules of law and to support and respect ethical business, environmental, and human-right practices. The NXP Supplier List represents 98% of procurement expenditures for materials, manufacturing, and assembly of our products worldwide for fiscal year 2020.

SUPPLIER	QUALIFIED LOCATIONS	SUPPLIER	QUALIFIED LOCATIONS
AAM	KR - Seoul, SG - Singapore, TW - Lujhu Township	CARSEM SEMICONDUCTOR	CN - Jiangsu
AAMI	CN - Shenzhen, HK - Hong Kong, SG - Singapore	CHANG WAH ELECTRONICS	CN - Suzhou, JP - Kagoshima, TW - Kaohsiung
AIR LIQUIDE	DE - Gellep, FR - Chalon/Saone, NL - Arnhem, NL - Eindhoven, TW - Taipei, US - Chicago, IL, US - Dallas, TX, US - Kingman, AZ, US - La Porte, TX, US - Los Angeles, CA, US - Morrisville, PA, US - Phoenix, AZ, US - Pueblo, CO, US - Radnor, TN	CHIPBOND	TW - Hsinchu
ALLTEK TECHNOLOGY	TW - Taipei	CMC MATERIALS	NL - Arnhem, US - Aurora, US - Fort Worth
AMKOR	KR - Gwangju, KR - Incheon, PH - Laguna, PH - Muntinlupa, PT - Vila Do Conde, SG - Singapore, TW - Hsinchu, TW - Tao Yuan Hsein, US - Tempe, AZ, US - Chandler, AZ	CPAK	CN - Suzhou, JP - Tokyo, KR - Incheon, MY - Negeri Sembilan, MY - Seremban, SG - Singapore, TH - Samut Sakhon, TW - Taipei County, US - New Jersey, US - Paterson, CA
ARDENTEC	TW - Hsinchu	CREE	US - Durham, NC
ASE	CN - Shanghai, CN - Suzhou, CN - Wei Hai, HK - Hong Kong, KR - Gyeonggi-Do, KR - Paju, SG - Singapore, TW - Chung-Li, TW - Kaohsiung, TW - Taipei, US - Fremont, US - San Francisco, CA, US - Santa Clara, CA	DALSA	CA - Bromont
ASM	HK - Kwai Chung, US - Suwanee, GA	DATANG NXP SEMICONDUCTORS	CN - Nantong
ASMC	CN - Shanghai	DOU YEE	CN - Shang Hai, CN - Suzhou, KR - GangDong-Gu, MY - Kuala Lumpur, MY - Selangor, MY - Seremban, MY - Shah Alam, SG - Singapore
BASF	DE - Ludwigshafen, NL - Arnhem	DUPONT	CH - Lucern, CN - Dongguan, CN - Zhangjiagang, DE - Wiesbaden, FR - Lamotte, FR - Mourenx, JP - Komatsu, NL - Arnhem, SG - Singapore, W - Dayuan Shiang, TW - Taoyuan, US - Auburn, AL, US - Carrollton, TX, US - Hayward, CA, US - Marlborough, MA, US - Midland, MI
BASS	JP - Hitachi, US - Easton PA, US - Pinebrook, NJ, US - Torrance, CA	ENTEGRIS	DE - Dresden, NL - Arnhem, US - Burnett, TX, US - Chaska, MN, US - Colorado Springs, CO, US - Danbury, CT, US - West Haven, CT



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SUPPLIER	QUALIFIED LOCATIONS
FUJIFILM ELECT MATERIALS	BE - Zwijndrecht, NL - Arnhem, US - Atlanta, GA, US - Carrollton, TX, US - Mesa, AZ
FURUKAWA	TH - Ayutthaya, TH - Bangkok
GLOBAL WAFERS	IT - Novara, IT - Merano, JP - Niigata, KR - Cheonan (MKC), SG - Singapore, TW - Hsinchu, US - Sherman, TX, US - St.Peters, FL
GLOBALFOUNDRIES	DE - Dresden, SG - Singapore
HANA MICRON	KR - Asan
HDS	KR - Changwon, KR - Gyeongsangnam-Do
HENDON	AU - Adelaide
HENKEL	CN - Shanghai, CN - Yantai, KR - Seoul, MY - Ipoh, MY - Shah Alam, TH - Patumwan, Bangkok, TW - Tainan, US - Rancho Dominguez, CA, US - Rocky Hill, CT
HERAEUS	CN - Changshu, CN - Zhao Yuan, DE - Hanau, KR - Incheon, MY - Indapura, MY - Johor, SG - Singapore
HID	IE - Bail Na Habhann Co Galway, MY - Kulajaya Johor
HONEYWELL	DE - Seelze, NL - Arnhem, TW - Hsinchu, US - Bryan, TX, US - Chandler, AZ, US - Mansfield, TX, US - Spokane, WA,
IDT EUROPE GMBH	DE - Dresden
ITW	CN - Suzhou, JP - Amagasaki, MT - Zetjun, MY - Alor Gajah, MY - Klang, MY - Malacca, MY - Penang, MY - Selangor, TH - Ayutthaya, TH - Bangkok, TW - Kaohsiung, US - NC
JENTECH PRECISION INDUSTRIAL	TW - Gueishan, TW - Taipei, TW - Taoyuan

SUPPLIER	QUALIFIED LOCATIONS
JSR CORPORATION	JP - Saga, US - Sunnyvale, CA
KENJI TECHNOLOGY	MY - Puchong
KENLY PRECISION	TW - Taoyuan
KES	CN - Tian Jin, MY - Petaling Jaya
KINSUS INTERCONNECT	TW - Taoyuan Shin-Wu Shiang
KOSTECSYS	KR - Incheon
KYOCERA	JP - Ayabe, JP - Kirishima, JP - Shiga, MX - Tijuana, SG - Singapore, US - San Diego, CA
LEADING TECHNOLOGIES	TW - Taipei, US - Leechburg, PA, US - Pittsburgh, PA
LG INNOTEK	KR - Seoul
LINDE	CN - Henan, DE - Unterschleissheim, FR - Toulouse, NL - Arnhem, US - Alpha, NJ, US - Bethlehem, PA, US - Butte, MT, US - Kingman, AZ, US - La Porte, TX, US - Medford, OR, US - Morrisville, PA, US - Moses Lake, WA, US - Phoenix, AZ, US - Research Triangle Park, NC, US - Research Triangle Park, NC, US - Stewartville, NJ
LINTEC	JP - Gunma Prefecture, TW - Kaohsiung
LINXENS	FR - Mantes La Jolie, SG - Singapore, TH - Phra Nakorn Si Ayutthaya
MITSUI HIGH-TEC	CN - Tianjin, HK - Hong Kong, JP - Fukuoka, JP - Kitakyushu/Kibita, JP - Kumamoto, JP - Nogata, JP - Takaoka, MY - Selangor Darul Ehsan, MY - Shah Alam, SG - Singapore, TW - Kaohsiung
MS SUN TECHNOLOGY	TW - Hsin Chu City
MSSCHRAMBERG	DE - Schramberg



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SUPPLIER	QUALIFIED LOCATIONS
MURATA	JP - Fukui, JP - Izumo, JP - Miyazaki, JP - Okamotocho, JP - Shimane, SG - Singapore, TH - Bangkok, US - Irvine, CA , US - Smyrna, GA
NANYA	TW - Taoyuan
NEPES CORPORATION	KR - Chungju-Si
NEXPERIA	DE - Hamburg, MY - Seremban, PH - Cabuyao
NGKED	JP - Chiyoda Ku, JP - Mine, MY - Penang
NIPPON MICROMETAL CORPORATION	JP - Iruma, JP - Saitama, JP - Yorri, TW - Kuei-Shan Hsiang,
NITTO DENKO	CN - Shanghai, JP - Kameyama, JP - Toyohashi, TH - Bangkok, TW - Taipei,
ON SEMI	MY - Seremban Negeri Sembilan, US - Phoenix, AZ
PEAK	CN - Shenzhen, CN - Suzhou, MY - Kuala Lumpur, HK - Tsuen Wan Nt,, TW - Kaohsiung, US - Santa Clara, CA
PHOTRONICS	GB - Manchester, US - Austin, TX
POWERCHIP	TW - Hsinchu
PROBE	GB - Bellshill
RJR TECHNOLOGIES	US - Oakland, CA, US - Phoenix, AZ
RS TECHNOLOGIES	P - Osaki, Miyagi, JP - Shinagawa-Ku, US - Ardmore, OK
SAMSUNG SEMICONDUCTOR	KR - Asan Si, KR - Yongin Si, US - San Jose, CA
SHIN-ETSU	GB - Livingston, JP - Iwate, JP - Nagano, JP - Naoetsu, JP - Shirakawa, JP - Takefu, MY - Shah Alam, MY - Selangor, US - Phoenix, AZ, US - Vancouver, WA

SUPPLIER	QUALIFIED LOCATIONS
SHIN-ETSU CHEMICAL	JP - Echizen, JP - Gunma Prefecture, JP - Naoetsu, MY - Shah Alam, SG - Singapore,
SHINKO ELECTRONICS	JP - Nagano-Shi, JP - Takaoka, MY - Kuala Lumpur, MY - Shah Alam
SHOWA DENKO MATERIALS	CN - Shenzhen, CN - Suzhou, DE - Duesseldorf, HK - Hong Kong, JP - Chiba, JP - Hitachi, JP - Kameyama, JP - MinamiYuki, JP - Saga, JP - Shimodate,JP - Yoshinogari, MY - Kuala Lumpur, , MY - Penang, MY - Selangor, MY - Shah Alam, TH - Bangkok, TW - Taipei
SILICON LABORATORIES	SG - Singapore
SILTRONIC	DE - Burghausen, DE - Freiberg, SG - Singapore, US - Portland
SK HYNIX	KR - Cheongju-Si
SMIC	CN - Beijing, CN - Shanghai, CN - Tian Jin
SOITEC	CN - Shanghai, FR - Bernin, US - Peabody
SPIL	TW - Changhua, TW - Hsin-Chu, TW - Taichung
STATS CHIPPAC	SG - Singapore
STMICROELECTRONICS	CH - Plan-Les-Quates
SUBTRON TECHNOLOGY	TW - Hsinchu, TW - Hu-Kou Township
SUMCO	GB - London, JP - Imari, JP - Nagasaki, JP - Saga, JP - Yonezawa, US - Albuquerque, NM, US - Phoenix, AZ, US - San Jose, CA
SUMITOMO BAKELITE	BE - Genk, CN - Suzhou, JP - Hyogo, JP - Nogata, JP - Utsunomiya, SG - Singapore, TH - Bangkok, TW - Kaohsiung,



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SUPPLIER	QUALIFIED LOCATIONS
TANAKA	CN - Hangzhou, JP - Kyushu, JP - Tomioka, MY - Penang, SG - Singapore, US - Morgan Hill, CA
TCI	TW - Hsinchu, TW - Hu-Kou Township
TDK	JP - Akita, JP - Kitakami, Iwate Prefecture, TH - Bangkok, US - Lincolnshire, IL
TECHNIC	DE - Leverkusen, FR - Chalon/Saone, NL - Arnhem, SG - Singapore, TW - Hsinchu, US - Anaheim, CA, US - Cranston, RI
TECHNOPROBE	IT - Cernusco Lombardone (Lc), US - San Jose, CA
TFME	CN - Nantong, HK - Hong Kong
TIAN JIN OU SI LANG KE JI YOU XIAN	CN - Tianjin
TOPPAN PHOTOMASKS	US - Round Rock, TX
TOZAI BOEKI KAISHA	JP - Tokyo
TRIO-TECH	CN - Tian Jin, MY - Petaling Jaya, SG - Singapore
TSMC	CN - Shanghai, SG - Singapore, TW - Hsinchu, TW - Taichung City, TW - Tainan, US - Camas, WA US - San Jose, CA
UMC	SG - Singapore, TW - Hsinchu, TW - Tainan
UMTC	TW - Gueishan Township, TW - Hsinchu, TW - Hu-Kou Township, TW - Tao Yuan,
UTAC	CN - Dongguan, TH - Bangkok, TH - Chachoengsao, SG - Singapore
VANGUARD	TW - Hsin-Chu

SUPPLIER	QUALIFIED LOCATIONS
VERSUM	BE - Meise, JP - Kawasaki, KR - Pyeongtaek, KR - Shihwa, NL - Arnhem, NL - Amsterdam US - Allentown, NJ, US - Carlsbad, NM, US - Dallas, TX, US - Freeport, TX, US - Hometown, IL, US - Tempe, AZ, US - Yazoo, MS
WENSON	CN - Shenzhen, HK - Shaukeiwan
WIN	TW - Tao Yuan Shien
YOKOWO	GB - London, TW - Taipei



NXP

SECURE CONNECTIONS
FOR A SMARTER WORLD

