



# 2021 NXP CORPORATE SUSTAINABILITY REPORT



# TABLE OF CONTENTS

OVERVIEW
2021 HIGHLIGHTS
OUR BUSINESS
ECONOMY
GOVERNANCE
ESG
EMPLOYEES
ENVIRONMENT
SUPPLIER ENGAGEMENT
PRODUCT STEWARDSHIP
APPENDICES

<b>OVERVIEW</b>	3
A Letter From Our CEO	4
An ESG Message	6
About This Report	7
Responding to COVID-19	8
<b>2021 HIGHLIGHTS</b>	9
<b>OUR BUSINESS</b>	11
Engagement	15
Quality	19
<b>ECONOMY</b>	20
Product Solutions Contributing to Sustainability	21
Green Innovation Bond	23
Taxation	24
Enterprise Risk Management	26
Business Continuity Management	27
<b>GOVERNANCE</b>	30
Board of Directors	32
Ethics	36
Anti-Bribery and Corruption	38
Privacy	39
Cybersecurity	40
<b>ENVIRONMENT, SOCIAL AND GOVERNANCE</b>	41
Approach	43
Goals	45
Governance	46
<b>EMPLOYEES</b>	47
Overview	48
Engagement	50
Thought Leadership	53
Diversity, Equality and Inclusion	55
Compensation and Benefits	62
Development	64
Future Talent	69
Talent Retention	72
Community Outreach	74
Human Rights	78
Health and Safety	84
<b>ENVIRONMENT</b>	90
Overview	91
Management	92
Emissions	93
Energy	112
Water	119
Waste	125
Packaging	130
Hazardous Chemicals and Materials	131
<b>SUPPLIER ENGAGEMENT</b>	133
Overview	134
Supplier Code of Conduct	136
Supply Chain Management	137
<b>PRODUCT STEWARDSHIP</b>	148
Environmental Product Compliance	149
Responsible Minerals	152
<b>APPENDICES</b>	153
ESG Performance	154
SASB Disclosure	176
TCFD Report	185
UNGC	189
GRI Index	190
Sustainability Policy	200
Scope 1 Chemical List of Emissions	203
Top 100 Supplier List	206



# OVERVIEW



# A LETTER FROM OUR CEO

## OVERVIEW

[A Letter From Our CEO](#)  
An ESG Message  
About This Report  
Responding to COVID-19

## 2021 HIGHLIGHTS

OUR BUSINESS  
ECONOMY  
GOVERNANCE  
ESG  
EMPLOYEES  
ENVIRONMENT  
SUPPLIER ENGAGEMENT  
PRODUCT STEWARDSHIP  
APPENDICES



**KURT SIEVERS**

President and CEO,  
NXP Semiconductors

Looking back at 2021, we faced many external challenges – from the ongoing COVID-19 pandemic, to the surge in semiconductor demand and associated supply shortage, to the historic snowstorm in Texas that forced us to idle our Austin wafer fabs under extreme conditions in an unprecedented manner.

Throughout this truly unparalleled time, the resilience, passion, and winning spirit of the NXP team ensured the consistency and continuity of the company. I am extremely proud of the actions taken across all our locations to protect our team members, meet customer commitments, and give back to the communities in which we live and work as we continue to advance our world.

We remain steadfast in our commitment to sustainability and making measurable year-on-year progress. I am deeply proud of what our team members achieved in the past 12 months.

## 2021 ACCOMPLISHMENTS

### PRODUCTS

At NXP, we recognize we can be a powerful change agent as we continue to deliver innovative solutions that advance a more sustainable future.



**AUTOMOTIVE** Achieved a number of important successes in automotive electrification, part of our strategic priority to create leading solutions for clean, sustainable, power-efficient electric vehicles (EVs) and EV infrastructure like charging stations. Our battery-management solutions are now used by two of the three largest EV makers in their high-voltage systems, and now power large eBus fleets in China, electric bikes in India, and energy-storage projects in the United States.

Provided solutions that save energy in vehicles by improving the onboard networks that manage power. We reduce the switching losses of electric motors and make it possible to turn off electronic units when not in use. What's more, our CAN, LIN, FlexRay, and Ethernet solutions reduce the amount of wiring needed for the control network, thereby creating lighter, more energy-efficient vehicles.



**GREEN INNOVATION BOND** In May 2021, to help finance our development of ever-smarter chips that reduce energy consumption and emissions, we launched our second Green Innovation Bond. We expect the proceeds from this USD \$1 billion bond will be fully allocated at the end of 2022 and invested in projects such as increasing the energy efficiency of power adapters, extending smart mobility, preventing emissions through automated and connected traffic solutions, and reducing the amount of power consumed by smart buildings, the edge processors of cloud services, and 5G cellular networks.



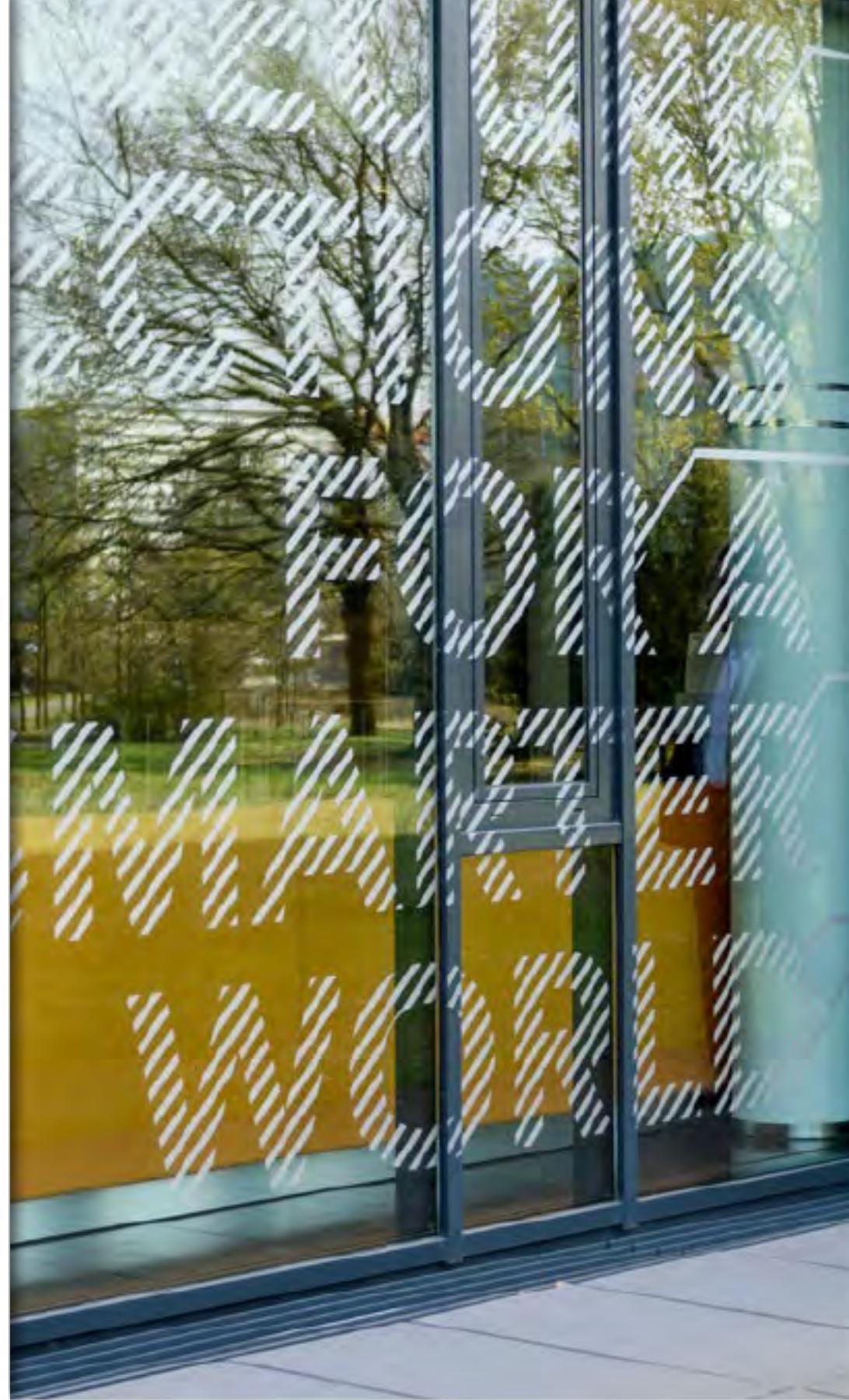
**SMART TECHNOLOGY** Launched our high-performance i.MX applications processor with dedicated hardware to accelerate machine learning applications in vision, voice and audio; in addition to launching the industry's first-ever crossover microcontroller to run at 1Gigahertz. This enables smart devices to lower their energy footprint by analyzing the data at the edge, right where it is generated. Processing data at the edge reduces reliance on energy-consuming cloud communication, while also increasing data privacy. To complement our devices, NXP also released eIQ®, an easy-to-use machine learning software development toolkit for manufacturers to easily add intelligence to smart home and industrial devices for enabling energy efficient productivity enhancement.

Introduced our innovative crossover microcontroller that enables fully charged wearables and smartwatches to last as long as 21 days in some cases - three times longer than previously possible. Longer-lasting battery in wearables and smartwatches is not only a matter of convenience to users, but it is also a giant leap in reducing carbon footprint, especially with fast-growing use of wearables and smart watches.

*continued on next page*

**OVERVIEW**

[A Letter From Our CEO](#)  
[An ESG Message](#)  
[About This Report](#)  
[Responding to COVID-19](#)

**2021 HIGHLIGHTS****OUR BUSINESS****ECONOMY****GOVERNANCE****ESG****EMPLOYEES****ENVIRONMENT****SUPPLIER ENGAGEMENT****PRODUCT STEWARDSHIP****APPENDICES**

## A LETTER FROM OUR CEO

### 2021 ACCOMPLISHMENTS *continued*

#### DIVERSITY, EQUALITY AND INCLUSION

In 2021, our overall employee population grew by nearly 8% compared to 2020. We hired ~8,000 employees, of which ~3,300 were women. Hence, the number of women at NXP grew by 1% to 37%, thanks to our focus in 2021 on workforce diversity. We also achieved a 1% increase in the number of women in R&D.

#### HEALTH AND SAFETY

Employee health and safety remains a top priority for NXP, and we continue to maintain stringent protocols across our sites to protect our team members in response to the COVID-19 pandemic. Additionally, we maintained our lowest-ever injury rate of 0.08 (per 100 employees/working hours) for the second year in a row, keeping us well below the semiconductor industry average.

#### CARBON FOOTPRINT

In 2021, we continued our efforts to limit the emission of greenhouse gases (GHGs) and succeeded in reducing our normalized carbon footprint (Scope 1 & 2) by 11% compared to 2020.

### LOOKING FORWARD

We're living in a transformational time, where the significance of our industry is undeniable. The current supply/demand situation only underscores how vital semiconductors are for our lives, critical infrastructure, industries, and the sustainable future of our planet.

I'm inspired by our team's collective innovation and passion, which combined with our expertise and ongoing collaboration with customers, partners, and industry colleagues, will enable us to create the future we all envision.

# AN ESG MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

## OVERVIEW

A Letter From Our CEO

An ESG Message

About This Report

Responding to COVID-19

## 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

### GOVERNANCE

### ESG

### EMPLOYEES

### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES



**JENNIFER  
WUAMETT**

Executive Vice President,  
General Counsel,  
Corporate Secretary and  
Chief Sustainability Officer

At NXP, we are committed to improving people's lives by enabling a better, safer, more secure, and sustainable world that is socially and environmentally advanced. To ensure progress and accountability to our environment, social and governance (ESG) mission, we are pleased to announce our mid- and long-term ESG goals, including goals regarding carbon neutrality and diversity. Please see the "ESG Goals" section of this report for more.

Our ESG mission and strategy is dedicated to continuous improvement – from designing and manufacturing technology that positively impacts the planet and society, to achieving carbon neutrality in our operations, to increasing the number of women globally and under-represented minorities in the United States, as well as preventing human rights abuses throughout our supply chain.

Collaboration with stakeholders is key to the continuous improvement of our ESG program, and it's been gratifying to watch our stakeholders become increasingly interested in the outcomes and impacts of our ESG initiatives. We aim to continue earning their trust by being transparent about our business, our practices, and our operations as they relate to ESG. In 2021, we increased our ESG focus in a number of ways.



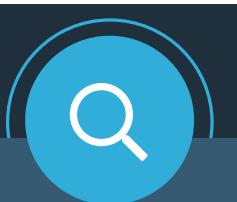
### Shareholder Engagement and ESG Oversight

Members of NXP's Board of Directors and Management Team increased engagement with various shareholders to gain their perspective and hear their expectations relating to ESG. We also added two directors to our Board with relevant ESG experience.



### Internal Engagement and Governance

Recognizing that our ESG efforts require the support of teams and individuals across the company, we strengthened our ESG governance by expanding our ESG Management Board to include, in addition to myself and our Chief Financial Officer, our Chief Strategy Officer, Chief Technology Officer, Chief Human Resources Officer, and EVP of Global Operations.



### ESG Transparency

Transparency is another important element in our approach to ESG, and we were recognized in 2021 for our enhanced ESG reporting practices. Three ratings organizations – MSCI, ISS ESG, and Sustainalytics – placed us above average among our peers, and MSCI raised our rating from B+ to AA.

## WHAT'S NEXT

We have now announced our mid- and long-term ESG goals, including goals regarding carbon neutrality and diversity. We will regularly review our progress towards these goals to ensure we are taking appropriate actions as we focus on short-term objectives and pursue our longer-term strategies.

We are committed to our ESG journey and will continue to drive advancements. Our passion to enable a better, safer, more secure world is part of NXP's DNA, and we are excited to help advance a more sustainable future!

# ABOUT THIS REPORT

This Corporate Sustainability Report reflects our commitment to transparency and sustainable business practices. It explores the environmental, social, and governance (ESG) aspects of our business activities and products and allows us to share how we put sustainability into action.

## APPROACH

The structure of this report is informed by several global voluntary sustainability and reporting frameworks. We follow Global Reporting Initiative (GRI) standards and the Value Reporting Foundation's, Sustainability Accounting Standards Board (SASB) 2018 Semiconductors Standard. We report annually with our Communication on Progress to the United Nations Global Compact and align with the United Nations Sustainable Development Goals (SDGs). We also issue our first-ever Task Force on Climate-Related Financial Disclosures (TCFD) report.

Data presented in this report covers the 2021 calendar year (January 1 to December 31).

## ADDITIONAL DISCLOSURES

We include additional ESG information in our 2021 Annual Report on Form 10-K, 2021 statutory annual report prepared in accordance with Dutch law and the International Finance Reporting Standards, and the 2021 proxy statement for our 2021 Annual General Meeting. These documents are available on our Investor Relations website.

## CONTACT US

We value your input and invite you to join us on our ongoing sustainability journey. We post updates on our work at our [Smarter World Blog](#), our Sustainability [website](#), or you can contact our team directly at [CSR@nxp.com](mailto:CSR@nxp.com).

## SCOPE

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

Our reporting reflects the current size and scope of NXP's business lines, which have evolved over the years through several significant mergers, acquisitions, and divestments:

## 2015

- Sold the bipolar business that included the Jilin China manufacturing site
- Divested the NXP RF division
- Merged NXP with Freescale Semiconductor

## 2017

- Divested the NXP Standard Products Business

## 2019

- Acquired Marvell's Wi-Fi and Bluetooth Connectivity Assets

## ESG FOCUS AREAS

We endeavor to include a comprehensive set of topics that are significant and relevant to our company and our stakeholders. In 2021, to understand our stakeholders better, we conducted a rigorous ESG focused online survey of over 250 internal and external stakeholders (shareholders, customers, suppliers, industry associations, among others). The ESG survey included a total of 30 questions for topics within the Environment, Social, Governance and Economy category. We also reviewed eight

of our peer's sustainability disclosures, and included current reporting frameworks, and applicable standards and rating agencies, such as CDP, GRI, SASB, MSCI, ISS ESG, and Sustainalytics as input to our analysis. All of the inputs of this comprehensive effort yielded the following list of current and emerging ESG topics:

As a result, the 2021 report provides more information regarding these topics than in previous years.

## Focus Areas



## Emerging Focus Areas



# RESPONDING TO COVID-19

## OVERVIEW

A Letter From Our CEO  
An ESG Message  
About This Report  
[Responding to COVID-19](#)

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

NXP has always prioritized the health and safety of our team members. Throughout the pandemic, we have monitored developments, consulted external experts, and worked with NXP country and site leaders to establish and maintain stringent protocols to safeguard team members on a local, regional, and global level.

## SAFEGUARDING OUR HEALTH

Vaccinations are a crucial weapon in the fight against COVID-19. In the first half of 2021, as several countries launched their vaccination programs, case counts improved in several parts of the world but, sadly, worsened in others. In India, for example, record-high case numbers rapidly overwhelmed the medical system. To assist our India team members and their families, we acted quickly. We provided in-home medical and critical-care support, obtained much-needed oxygen concentrators, established a crisis command center to connect team members with health, logistics, and other experts, and set up a secure, safe location to expedite vaccinations.

Elsewhere, several thousand team members and their family have been inoculated through NXP-specific vaccination drives in Asia and Europe. The company also donated to the United Nations Children's Fund (UNICEF) in support of the COVID-19 Vaccines Global Access (COVAX) initiative, to help ensure global equitable access to COVID-19 vaccines. In all locations, NXP continues to encourage vaccination through local government and health resources.

## SUPPORTING OUR COLLEAGUES

Local NXP team members have worked in several ways to support their colleagues, families, and communities during the pandemic. For example, India NXP team members initiated a fundraiser in support of colleagues who lost family members to COVID-19. Donations were matched by the company. Team members in NXP Bangkok donated 110 beds for use in field hospitals. They also donated oxygen concentrators, blankets, and bedsheets to support community members in quarantine, arranged for daily calls from a physician, and provided medicine, food, and personal protective equipment (PPE) to fellow team members diagnosed with COVID-19 and isolating at home while waiting for hospital treatment. Local NXP teams

also donated masks and other PPE to nearby hospitals where there were shortages and gave laptops to local students to help ensure access to online learning.

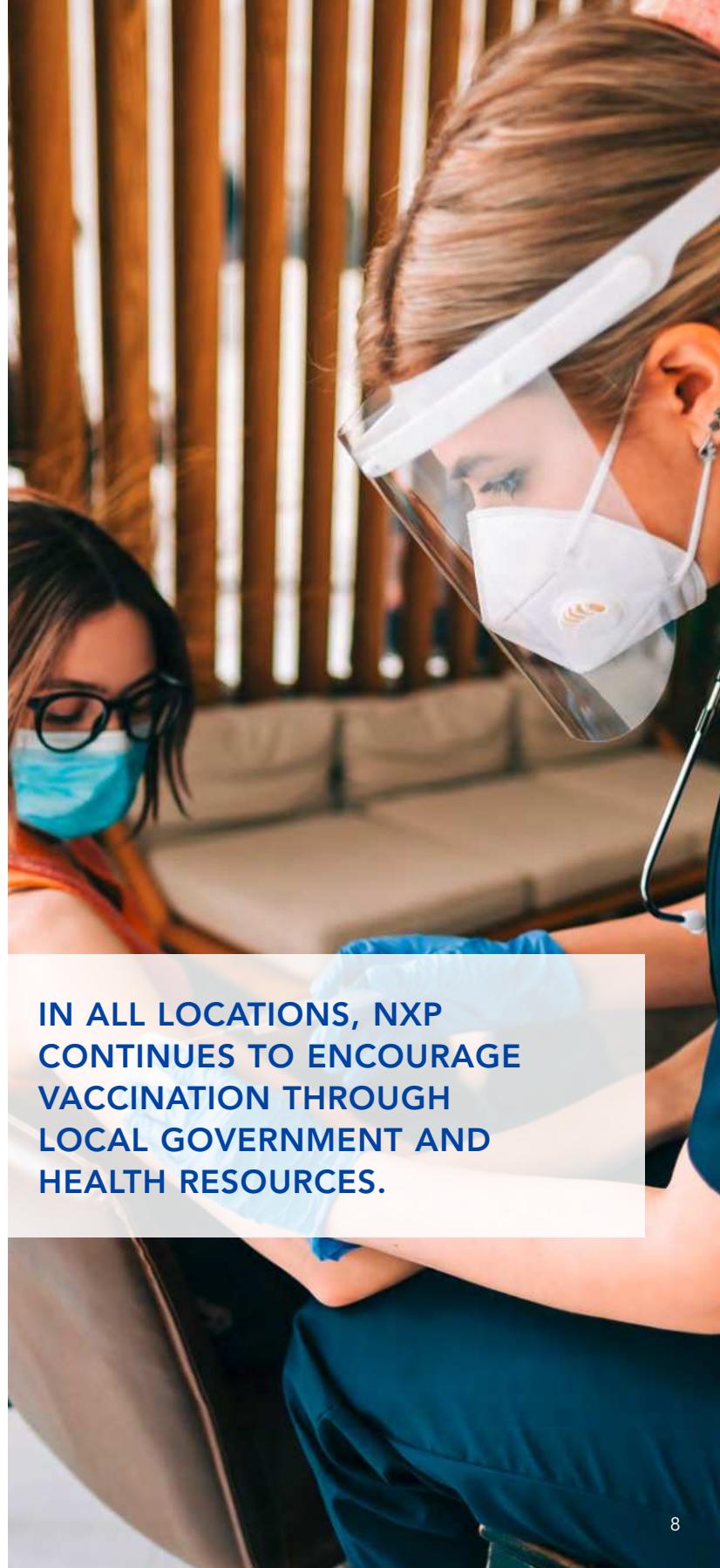
Throughout the year, we also provided ongoing support for the physical, mental, and overall well-being of our team members. Every month we shared information, tips, and best practices focused on a specific theme of well-being. People managers also received training and access to related resources, and team members had opportunities to participate in virtual seminars and exercise classes, run/walk challenges, team-building activities, in-country celebrations, and other events.

## RETURNING TO OFFICE

At the start of the pandemic, many team members transitioned to working from home, allowing us to better protect both our team members who were required to come to our sites for essential operations as well as our team members who could perform their job duties remotely. As conditions improved in our communities around the world, we began enacting plans to return all team members to our NXP sites. We continue to adjust those plans, along with our Health & Safety protocols, to account for developments such as the emergence of variants.

Recognizing that the needs of our team members have shifted over the course of the last two years, we remain committed to flexible work arrangements, and will continue to offer the option to work a combination of on-site and remotely if the job allows once the pandemic ends. Hybrid working models give employees the benefit of in-person interactions with their colleagues while also enjoying the conveniences of working remotely. In 2022, we will continue to follow the advice of health organizations, doctors, and scientists as we plan for the balance of our workforce to return to the office.

2021 was a difficult year, particularly as we mourn the loss of colleagues, family, and friends to the virus. To the NXP team, we express our admiration for their resilience and for the care and concern they've shown for others throughout the pandemic. This compassion and sense of community are among the company's greatest assets.



**IN ALL LOCATIONS, NXP CONTINUES TO ENCOURAGE VACCINATION THROUGH LOCAL GOVERNMENT AND HEALTH RESOURCES.**

A close-up photograph of a car's headlight, which is brightly illuminated, casting a blue glow. Three dashed lines extend from the top left of the headlight to three circular icons: a recycling symbol (green border), two people holding hands (orange border), and a bar chart (blue border).

# 2021 HIGHLIGHTS

ACCOMPLISHMENTS AND AWARDS DEMONSTRATING  
CONTINUOUS IMPROVEMENT

# 2021 ESG HIGHLIGHTS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## ENVIRONMENT



**76%**  
Waste recycled

**31%**  
Renewable energy use

Alternative dicing tapes without phthalates



**11%**  
Decrease in normalized Scope 1 & 2 emissions from 2020



**11%**  
Decrease in normalized water consumption from 2020



**Excellence In Wastewater Pretreatment Award**  
for Austin, Texas

## SOCIAL



**1%** Increase Hispanic/Latino and Black/African American representation in US



**1%** Increase of women team members in R&D



**Best Places to Work Award** in Austin, Texas



**Leading Employer Award** in Austria



**National Industrial Relations Excellence Award** in Taiwan



**Most Attractive Employer** in the Netherlands by Randstad



**0.08** maintained historically low injury rate (TCIR)

## GOVERNANCE & ECONOMIC IMPACT



**\$1B**  
Green Innovation Bond



**1,150**  
Patents Awarded



**AA**  
MSCI ESG Rating



Updated NXP Code Of Conduct



Kimberly Clark **Greenovation** Award



eIQ Machine-Learning Software voted **Best In Show** at Embedded World



**2** additional directors joined our BoD with relevant ESG experience



# OUR BUSINESS

ADVANCING A BETTER, SAFER, SECURE  
AND MORE SUSTAINABLE WORLD



# OUR BUSINESS

OVERVIEW

2021 HIGHLIGHTS

## OUR BUSINESS

Engagement

Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

NXP Semiconductors N.V. (NASDAQ: NXPI), headquartered in Eindhoven, the Netherlands, is a leader in secure connectivity solutions for embedded applications in the automotive, industrial & IoT, mobile, and communication infrastructure markets.

We believe that technology can help us get things done faster – in ways that are easier, more reliable, safer, and use less energy – and can create opportunities for more people to participate in business, culture, and community.

Whether we reduce the amount of energy consumed by smart devices, extend EV battery ranges, or make 5G more efficient, our collective efforts contribute to a more sustainable future.

This winning strategy enables us to capture growth opportunities in the end markets we focus on, Automotive, Industrial & Internet of Things (IoT), Mobile and Communication Infrastructure.

### ADVANCING A BETTER, SAFER, SECURE AND MORE SUSTAINABLE WORLD

NXP is pushing boundaries, building solutions that enhance the capabilities of people, organizations, and the world at large. We are committed to keeping our customers ahead of the competition and helping them prepare for change. We design purpose-built, rigorously tested technologies that enable devices to sense, think, connect and act intelligently to improve people's daily lives.



<sup>1</sup>December 31, 2021 we had approximately 31,000 employees, which includes approximately 1,500 employees in our joint venture.



# OUR BUSINESS

OVERVIEW

2021 HIGHLIGHTS

## OUR BUSINESS

Engagement  
Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## 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 enabling the future of safe and secure mobility and support greener driving through enhanced efficiency and the transition to electric driving.



## INDUSTRIAL AND 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

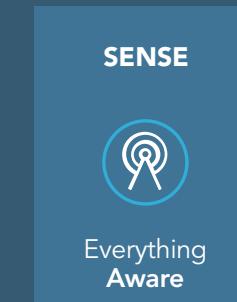
We support today's on-the-go lifestyle with innovative solutions, such as the mobile wallet, so consumers can securely connect their devices to the world around them. With technologies like secure elements, end-to-end services, and Ultra-Wideband (UWB) technology, we enhance mobility while ensuring privacy.



## 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 worldwide, leveraging differentiated processing and Radio Frequency (RF) power technologies.

## NXP'S UNRIValed TECHNOLOGY PORTFOLIO FOR THE SECURE EDGE



Everything **safe and secure**

Easy-to-implement, **scalable system solutions**

While this describes NXP today, we are also focused on the future. As part of our daily operations, we explore the challenges ahead and evaluate opportunities to help advance our world by making it better, safer, more secure, and sustainable

# OUR BUSINESS

## WORLDWIDE MANUFACTURING LOCATIONS

OVERVIEW

2021 HIGHLIGHTS

### OUR BUSINESS

Engagement  
Quality

ECONOMY

GOVERNANCE

ESG

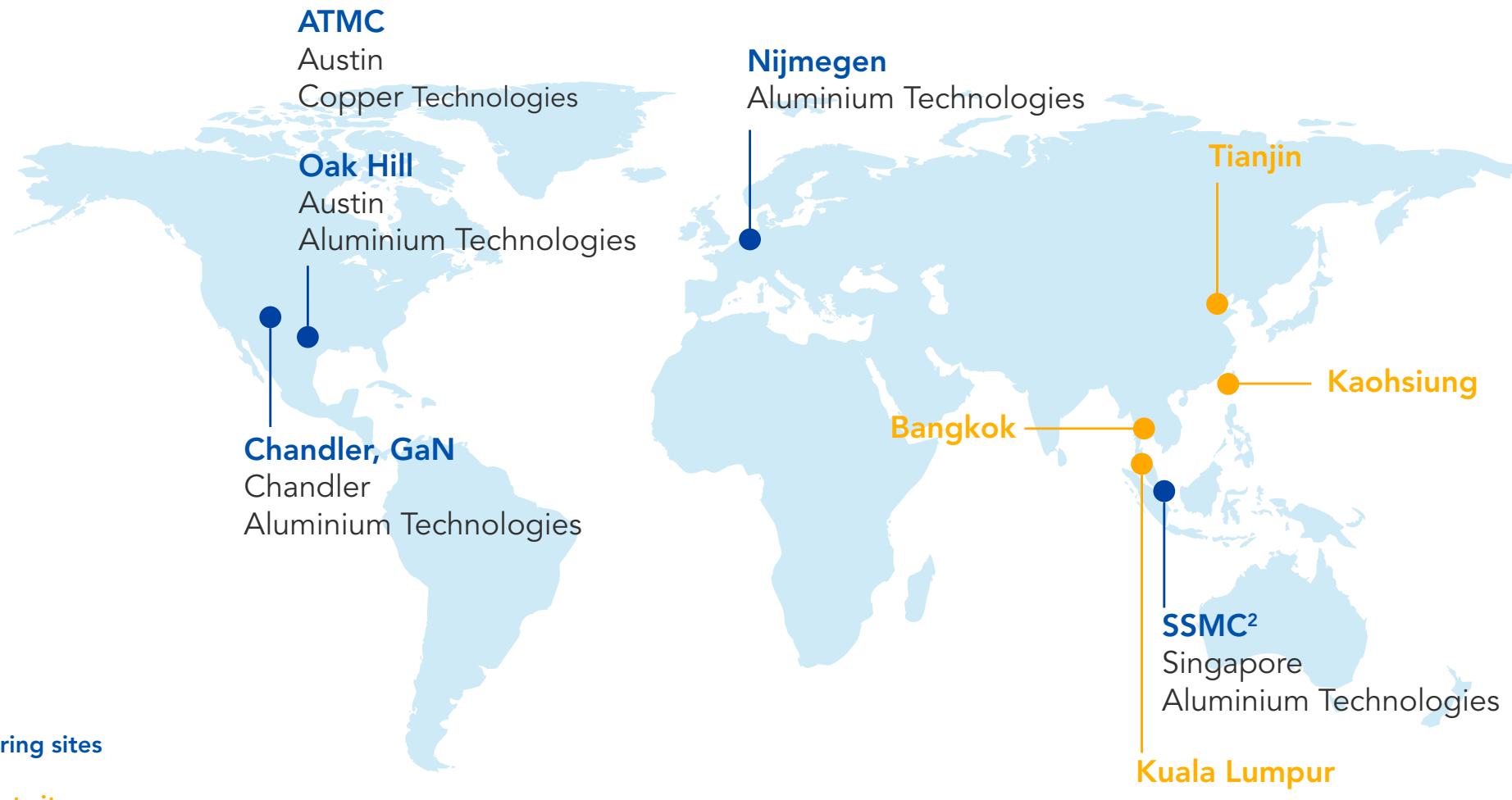
EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



<sup>2</sup>SSMC is a Joint Venture

# STAKEHOLDER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

Engagement

Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

Stakeholder feedback is an important part of our ESG strategy, helping us evolve our processes and culture, and while guiding product development.

## INTERNAL STAKEHOLDER ENGAGEMENT

We communicate with our team members through numerous platforms and channels, including town halls, meetings, the internet, internal messages, social media, blog posts, and newsletters that report on NXP's sustainability efforts and other key business activities. In 2021, we published the inaugural issue of NXP's Sustainability Stories magazine, largely in response to the growing interest in NXP's sustainability efforts.

We conduct confidential team member pulse surveys to gauge our team members' views of the company's vision and strategy, the work environment, work relationships, and job satisfaction.

## EXTERNAL STAKEHOLDER ENGAGEMENT

Throughout the year, we engage formally and informally with our stakeholders to explore ESG focus areas, along with trends and developments relevant to our industry. We endeavor to consider the views of our stakeholders when we make business decisions by acknowledging their viewpoints and demonstrating respect for our shared priorities. We believe this approach reflects our commitment to transparency and accountability, and ultimately contributes to long-term value.

Despite COVID-19 and pandemic-related challenges, we've continued to engage with our customers in a variety of ways. With NXP Live 2021, we opened our virtual doors and welcomed customers to learn more about our innovations. The event included the launch of our virtual Technology Showroom, where customers accessed interactive demos. Other 2021 events included the opening of our Global AIoT Application Innovation Center in Tianjin, China, and introduced NXP Technology Days, a series of technical, customer-oriented training sessions about connectivity and automotive.

The tables on the following pages show examples of how we engaged with internal and external stakeholders in 2021. Frequency and type of engagement varies by stakeholder group and is tailored to stakeholder requirements.





# STAKEHOLDER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

Engagement  
Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## 2021 Sustainability Stakeholder Engagement

Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
<b>Shareholders</b>	<p>Throughout the year, our Chairman and other representatives from our Board of Directors, Investor Relations, Corporate Sustainability, and other internal groups met to discuss ESG issues with our shareholders.</p> <p>We conduct proactive outreach with our major active shareholders and as well as reactive discussions who may have specific ESG requests.</p>	Inquiries regarding carbon neutrality, science-based targets, the ability to adequately monitor Scope 3 emissions, and aligning ESG goals with compensation.	<p>In 2022, the Board of Directors approved the alignment of our 2022 Annual Incentive Plan with the Sustainability scorecard.</p> <p>Announced our goal to achieve carbon neutrality by 2035 and reduce our carbon footprint by 35% (Scope 1 and 2) by 2027 (baseline 2021).</p> <p>We have committed to the Science Based Target Initiative (SBTi) in 2022.</p>
<b>Team Members</b>	As part of our ESG focused survey, selected global team members were surveyed regarding ESG focus areas that they found most important to address.	Top results from the ESG focused survey included sustainable products, cybersecurity, human rights, climate change, and water conservation.	<p>NXP approved mid- and long-term goals addressed in the Environment chapter.</p> <p>To address increased team member interest in our cybersecurity program, we included a section in this years' report.</p>
<b>Suppliers</b>	<p>Continued to conduct onsite and remote social responsibility audits, and collaborated with industry peers through the Responsible Business Alliance Validated Assessment Program (VAP).</p> <p>Increased Tier 2 supplier social responsibility training.</p>	Top three supplier audit nonconformances: Freely Chosen Employment, Emergency Preparedness, and Working Hours.	<p>Supplier Corrective Action Plans are 89% closed.</p> <p>Increased supplier training in the top three nonconformances.</p>
<b>Responsible Business Alliance (RBA)</b>	Attended monthly and quarterly calls as a Board member and RBA Full Member.	Alignment with the industry on salient issues regarding labor and human rights.	<p>RBA requires members to audit 25% of high-risk suppliers.</p> <p>The updated RBA Code of Conduct (CoC) version 7.0 and Validated Assessment Program (VAP) standards were incorporated into the NXP Supplier CoC and Auditable Standards.</p>

# STAKEHOLDER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

Engagement

Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## 2021 Sustainability Stakeholder Engagement

Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
<b>Responsible Labor Initiative (RLI)</b>	Attended monthly workgroup meetings and quarterly steering committee meetings (as a 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 RLI's revised definition of fees.  Shared NXP practices at various forums organized by the RLI.
<b>Responsible Mineral Initiative (RMI)</b>	Attended annual member meeting, ad hoc meetings, and various conference calls organized by the RMI.	Tools and resources to make sustainable mineral sourcing decisions.	Developed tools to cover new EU legislation and cobalt due diligence.
<b>Global Business Initiative (GBI)</b>	Attended two virtual meetings, various ad hoc meetings, and conference calls organized by the GBI.	Multi-industry human-rights best practices for businesses.	Enhancing and strengthening human-rights due diligence across NXP value chain, in preparation for upcoming mandatory regulations.
<b>European Partnership for Responsible Minerals (EPRM)</b>	Chaired Governance Board meetings, participated in bi-annual member meeting, conferences, and outreach meetings with governments and authorities.	Sharing of best due-diligence practices, greater understanding of actual conditions in mines and the mineral supply chain, and ideas for improving those conditions.	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.
<b>UN Global Compact (UNGC)</b>	Participated in Annual Communication on Progress.	Increased due diligence of environmental risks within the supply chain.	Continued to increase our efforts in engaging with our supply chain to implement a sustainable environmental program.
<b>World Semiconductor Council (WSC)</b>	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 & Safety practices.	Applying best practices to advance our Health and Safety programs. Annual collection of Health and Safety data from member companies.  Completed the biennial WSC member survey on responsible minerals sourcing and published results in the WSC joint statement.

# STAKEHOLDER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

Engagement  
Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## 2021 Sustainability Stakeholder Engagement

Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
<b>European Semiconductor Industry Association (ESIA)</b>	Chaired ESIA Responsible Sourcing workgroup, actively participated in several Environment, Safety & Health (ESH) workgroups and lead the Sustainable Corporate Governance task force.	Status of various EU legislation and initiatives, including the EU Conflict Minerals regulation, work on PFCs, PFOS, chemical management, Health & Safety, energy savings, and natural resource efficiency.	Participated in several consultations from the EU Commission on new regulations relating to sustainability.  Completed business-impact assessments on new chemical legislation, including phase-out scenarios.  Maintained excellence in Health and Safety performance record and met voluntary targets for emission reduction.
<b>Cumulus</b>	Conducted bi-annual due-diligence exercise relating to migrant workers and broker supply chain of selected suppliers.	Increased transparency to the migrant-worker supply chain.	Utilized the Cumulus database mapping capabilities to further understand the complexities, and address potential risks of multi-tiered labor supply chain recruitment.
<b>Verité</b>	Conducted third-party audits on social responsibility, supported by consultation and collaboration, to review NXP's Social Responsibility program.	Continuous-improvement opportunities for supply chain compliance and capacity building.	Strengthening supply-chain compliance and supplier capacity building, and advancing NXP's Auditable Standards for Social Responsibility.  Enhanced remote audit protocols during the pandemic.



# TOTAL QUALITY

OVERVIEW

2021 HIGHLIGHTS

## OUR BUSINESS

Engagement

Quality

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

We are committed to operating according to stringent, [internationally recognized requirements](#) for quality and reliability. All manufacturing sites are certified ISO 9001 and IATF 16949, (where automotive products are manufactured).

Our Total Quality Mindset aligns our thinking and approach, flowing from top management to every NXP team member:



First-time-right development, designs, and qualifications



Deliver zero defects to our customers



Provide flawless customer support

We believe Total Quality is both a mindset and a critical component of how we operate. 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 quality 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.





# ECONOMY

## PRODUCT INNOVATIONS THAT SAVE ENERGY AND IMPROVE HOW WE LIVE

# PRODUCT SOLUTIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

**Product Solutions**

Green Innovation Bond

Taxation

Enterprise Risk Management

Business Continuity

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



9  
INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



11  
SUSTAINABLE CITIES  
AND COMMUNITIES

We use innovation to enable a better, safer, more secure, and sustainable world.

We are passionate about technology and believe it

can be a powerful catalyst for change. We also recognize that advances in technology can bring with them new challenges for sustainability. For this reason, we make the principals of sustainability — such as energy efficiency, safety, and security — central to our work in product development.

In this section, we highlight recent innovations in the healthcare, automotive, industrial & IoT, mobile, and communication infrastructure markets.



## HEALTHCARE – SMART MONITORING AND DATA MANAGEMENT

As COVID-19 continues to disrupt lives and the global economy, technology companies such as NXP play a vital role in the battle against the pandemic. One of our healthcare

solutions, used for Continuous Temperature Monitoring (CTM), offers a convenient way to track COVID-19 symptoms. The solution is built using an NXP NHS3100 NTAG®SmartSensor, an integrated circuit, optimized for temperature monitoring and logging, that includes an NFC interface and a direct connection to the battery. The high degree of integration yields a compact, energy-efficient solution that can be tailored for use in specific healthcare applications.



## AUTOMOTIVE – SMART SOLUTIONS FOR INCREASED PERFORMANCE

NXP is helping global automakers transition their vehicle fleets from internal combustion engines to electric ones. Our smart solutions help manage the batteries that power hybrid and electric vehicles, resulting in higher overall efficiency. Our battery-management solutions can boost performance and extend the vehicle range of e-vehicles by 28%<sup>3</sup>, while our platooning technology has been shown to deliver net fuel savings of up to 8%<sup>4</sup> in hybrids. What's more, our battery-management systems are supplemented by motor-control solutions that can increase fuel economy by up to 20%<sup>5</sup>.



## INTELLIGENT EDGE – OPTIMIZING ENERGY THROUGH MACHINE LEARNING

Devices in our edge-processing portfolio for automotive, industrial, and IoT offer excellent power efficiency and long-lasting battery life. They're designed to handle data processing and machine learning at the edge of the network, reducing energy required to transmit data for processing in the cloud. Our smallest microcontrollers consume as little as one microwatt<sup>6</sup> in certain standby conditions, which means they can provide years of battery life.

Optimizing energy use at the chip level is becoming an increasingly crucial part of designing energy-efficient edge systems. NXP's innovative Energy Flex architecture, designed to extend battery life and reduce energy waste in portable and plugged-in devices, makes our latest processors even more energy efficient, using a unique combination of techniques, including heterogeneous domain processing and 28nm FD-SOI process technology.

**NXP in Action**

## ADVANCED V2X APPLICATION SCENARIOS FOR COLLISION-FREE DRIVING



Every year, more than 1.3 million people are killed in road accidents across the world, and more than 50% of those fatalities are cyclists, pedestrians, and motorcyclists. Technologies such as "Vehicle-to-Everything" (V2X) communication and driver-assistance systems can help significantly reduce these numbers and are already in standard use in select passenger cars today.

V2X technology can reduce road fatalities even further when it's built into smart electric bicycles. To help protect cyclists, NXP and Riese & Müller built a prototype e-bike that can transmit information about its position, speed, and direction of travel to other V2X-enabled vehicles in the vicinity. In just seconds, the V2X module can calculate distances between the bike and other vehicles, as well as any changes in position. In the event of a dangerous situation between a bike and a car, both the cyclist and the driver would receive a timely collision warning. For more information can be found [here](#).

<sup>3</sup><https://cecas.clemson.edu/~avahidi/wp-content/uploads/2016/10/chen.pdf>

<sup>4</sup>[https://www.researchgate.net/publication/224190659\\_An\\_experimental\\_study\\_on\\_the\\_fuel\\_reduction\\_potential\\_of\\_heavy\\_duty\\_vehicle\\_platooning](https://www.researchgate.net/publication/224190659_An_experimental_study_on_the_fuel_reduction_potential_of_heavy_duty_vehicle_platooning)

<sup>5</sup><https://www.sciencedirect.com/science/article/pii/S1110016817301539>

<sup>6</sup><https://www.nxp.com/company/about-nxp/sustainability/sustainable-products-solutions:DESIGN-FOR-SUSTAINABILITY>

# PRODUCT SOLUTIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

[Product Solutions](#)

Green Innovation Bond

Taxation

Enterprise Risk Management

Business Continuity

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## SMART BUILDINGS AND HOMES – SELF LEARNING, ENERGY MANAGEMENT



Changing how we manage energy in residential and commercial spaces represents one of the most important opportunities to curb energy consumption and emissions. For example, we can save significant amounts of energy with air conditioning, heating, lighting, and other interior functions by deploying smart control systems that use real-time data to lower total energy consumption and adapt to human presence, activity, and preferences. Artificial intelligence can make these systems self-learning and more autonomous, reducing energy consumption even further. Our components and solutions help bring these ‘smart’ capabilities into homes, cities, and the energy infrastructure.

## CONNECTING OUR WORLD – REDUCING ENERGY TO GO MORE PLACES



Reducing energy consumption is an important goal for the telecom infrastructure. Base stations for wireless communication transmit huge amounts of data over long distances, because the power amplifiers and antennas that enable transmission and reception typically consume many kilowatts of electric power per station and radiate energy.

In 2021, NXP achieved a major industry milestone for 5G energy efficiency with the integration of Gallium Nitride (GaN) technology into our multi-chip module platform, making us the first to announce RF solutions for 5G massive MIMO that combine the high efficiency of GaN with the compactness of multi-chip modules. These compact modules reduce power consumption while supporting wideband performance. The result is a very energy-efficient way to deliver more data to more places, in the shortest amount of time. The new portfolio will reduce the size and weight of radio units, and help the operators of mobile networks lower the cost of deploying 5G on cellular towers and rooftops.

## LEARN MORE

Like our customers, partners, and other stakeholders, we view sustainability as a journey. To learn more about how our latest products and solutions help support that journey, please visit [www.NXP.com](http://www.NXP.com) for updates, news, and other insights.

## NXP in Action

### EXTREME TECH CHALLENGE



NXP is a proud supporter of XTC, a US-based nonprofit whose mission is to empower tech startups that are finding new ways to address global challenges. The XTC is the world’s largest ecosystem and competition for purpose-driven technology inspired by the United Nations’ 17 Sustainable Development Goals (SDGs). Lars Reger, NXP’s Executive Vice President and Chief Technology Officer, represents NXP as a founding board member and, along with other senior NXP leaders, was among the 100 judges in 2021 who drove multi-round evaluations, selected 80 startup finalists, and ultimately crowned the winners.

We believe the XTC serves as a critical incubator that helps us realize our passion and belief that technology matters. Through our participation, we aim to inspire our current and future workforce and business partners. We invite creative thinkers, entrepreneurs, startups, and the innovators of tomorrow to join us in taking on this challenge.

For more about XTC visit [extremetechchallenge.org](http://extremetechchallenge.org).

# GREEN INNOVATION BOND

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

Product Solutions

[Green Innovation Bond](#)

Taxation

Enterprise Risk Management

Business Continuity

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## ALLOWING THE BROADER COMMUNITY TO INVEST IN OUR SUSTAINABLE ACTIVITIES

On April 29, 2020, NXP was one of the first semiconductor companies to issue a green innovation bond, with a debt offering that raised \$1 billion of proceeds for eligible green projects. On May 04, 2021, following the success of the first offering, NXP issued a follow-up bond of \$1 billion.

In our 2021 [Green Innovation Bond Report](#), we share how we applied the proceeds and, where feasible, provide insight regarding the potential impact on global sustainability.

## GREEN INNOVATION BOND ALLOCATION BY SDG

### Green Innovation Bond

USD 1,000,000,000 3.4% notes, due May 1, 2030

Allocation by sustainable development goals	Amount in millions USD		
	2019	2020	2021
 <ul style="list-style-type: none"> <li>Energy efficiency in power adaptors</li> <li>Significantly reducing power consumption of 5G networks</li> <li>Edge processing reducing the need for energy-hungry cloud services</li> <li>Smart buildings</li> </ul>	160.8	144.8	86.3
 <ul style="list-style-type: none"> <li>Green project related to our manufacturing and non-manufacturing facilities</li> </ul>	1.5	3.7	–
 <ul style="list-style-type: none"> <li>Smart mobility</li> <li>Preventing emissions through automated and connected traffic</li> </ul>	209.9	264.6	128.4
<b>Total</b>	<b>372.2</b>	<b>413.1</b>	<b>214.7</b>

### Green Innovation Bond USD 1,000,000,000 2.5% 2031

Allocation by sustainable development goals	Amount in millions USD
	2021
 <ul style="list-style-type: none"> <li>Energy efficiency in power adaptors</li> <li>Significantly reducing power consumption of 5G networks</li> <li>Edge processing reducing the need for energy-hungry cloud services</li> <li>Smart buildings</li> </ul>	258.5
 <ul style="list-style-type: none"> <li>Smart mobility</li> <li>Preventing emissions through automated and connected traffic</li> </ul>	389.9
<b>Total</b>	<b>648.3</b>

# TAXATION

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

### ECONOMY

Product Solutions

Green Innovation Bond

#### Taxation

Enterprise Risk Management

Business Continuity

## GOVERNANCE

### ESG

### EMPLOYEES

### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES



Compliant with all applicable taxation laws



Profit allocation aligned with international tax principles (OECD)



Tax incentives directly support innovation and R&D



Zero toleration for the facilitation of tax evasion



No presence in blacklisted countries defined by the European Union



Open and transparent with tax authorities

NXP is a socially responsible company in the tax field devoted to sustainability and transparency. Since the company's establishment as a standalone entity in 2006, NXP has been committed to complying with tax laws, including the intention of the laws, of the jurisdictions where we operate. Transparency and accountability regarding the taxes paid to governments are foundational aspects of sustainability. As such, we appreciate the importance our stakeholders assign to how NXP approaches and manages its tax obligations, and its disclosures regarding tax policies.

We currently detail NXP's quantitative tax effects in our annual published financial documents. The voluntary disclosure of country-specific tax information is also being considered, in light of the recently announced EU directive on public country-by-country reporting.

## OUR APPROACH TO TAX

NXP follows a tax strategy that is sustainable, transparent, and fully aligned with well-known recognized international tax principles. The NXP Code of Conduct serves as an ethical framework for taxes, and is effectively embedded within the tax strategy and across the tax organization.

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.

NXP aims to support stable, transparent, and predictable tax systems that incentivize long-term investment and economic growth. NXP's tax structures are based on global standards and frameworks supported by the Organization for Economic Cooperation and Development (OECD). We believe that operating within this framework creates a constant contribution to the advancement of the Sustainable Development Goals (SDGs) of the United Nations.

NXP's taxation strategy is aligned with the businesses in each of 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 form 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. The most important tax incentives NXP is eligible for are the ones that drive and promote innovation and R&D activities. For example, as a Dutch multinational focused on research and development, NXP qualifies for the innovation box regime provided by Dutch tax law. The regime reduces the nominal tax rate for qualified income associated with R&D from 25% to 9%. The effective Dutch tax rate for NXP is well above 15%.

## NXP'S APPROACH TO TRANSFER PRICING

As a multinational enterprise, NXP operates in many different tax jurisdictions and frequently deals 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," ensures that all parties get a fair remuneration for the services they render.

NXP is fully committed to the Action Plan promoted by the OECD to prevent Base Erosion and Profit Shifting (BEPS). In this sense, NXP does not have presence in black-listed jurisdictions as defined by the European Union and does not use artificial structures to achieve tax advantages or minimize tax liabilities. Moreover, NXP ensures its alignment with the arm's length principle and other international tax principles by frequently benchmarking and comparing the transfer prices used intra-group with the prices set by independent parties in comparable situations. Lastly, to monitor current and emerging trends in the international tax field, regular meetings are held within the tax department to ensure we act appropriately upon them.

# TAXATION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

Product Solutions

Green Innovation Bond

**Taxation**

Enterprise Risk Management

Business Continuity

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## TAX 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.

The NXP Tax department is a centralized organization that manages both regional and functional requirements. The organization regularly engages with external tax advisors and/or local tax authorities to provide assurances that our tax obligations are properly, effectively, and correctly handled and also disclosed in the annual and quarterly reports. Furthermore, fact-based tax accounting and policy advice is available in a timely manner throughout NXP.

## RISK ASSESSMENT AND MITIGATION

NXP has a low appetite for tax risk. Nevertheless, NXP operates on a global basis, and is potentially exposed to numerous risks, including those related to taxation. 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, we operate through regional and functional dimensions. This way of working ensures the identification and resolution of tax issues in a timely fashion. The tax team continuously monitors the processes for tax accounting, tax compliance, and reporting, so as to identify and manage potential risks. The team documents every stage of the process. In addition, NXP follows Generally Accepted Accounting Principles (GAAP), which are designed to support transparent financial reporting, and has implemented a robust, effective, and efficient tax-accounting control framework that assures compliance with the US 2002 Sarbanes-Oxley Act (SOX).

Potential violations of NXP's tax policy can be confidentially reported using various reporting channels, such as management, an ethics liaison, the NXP Ethics Committee, or can be submitted using the phone or web option of our [SpeakUp](#) line, a system hosted by an independent third party that facilitates anonymous reporting. A strict policy of non-retaliation is in force to protect any team member who reports potential violations.

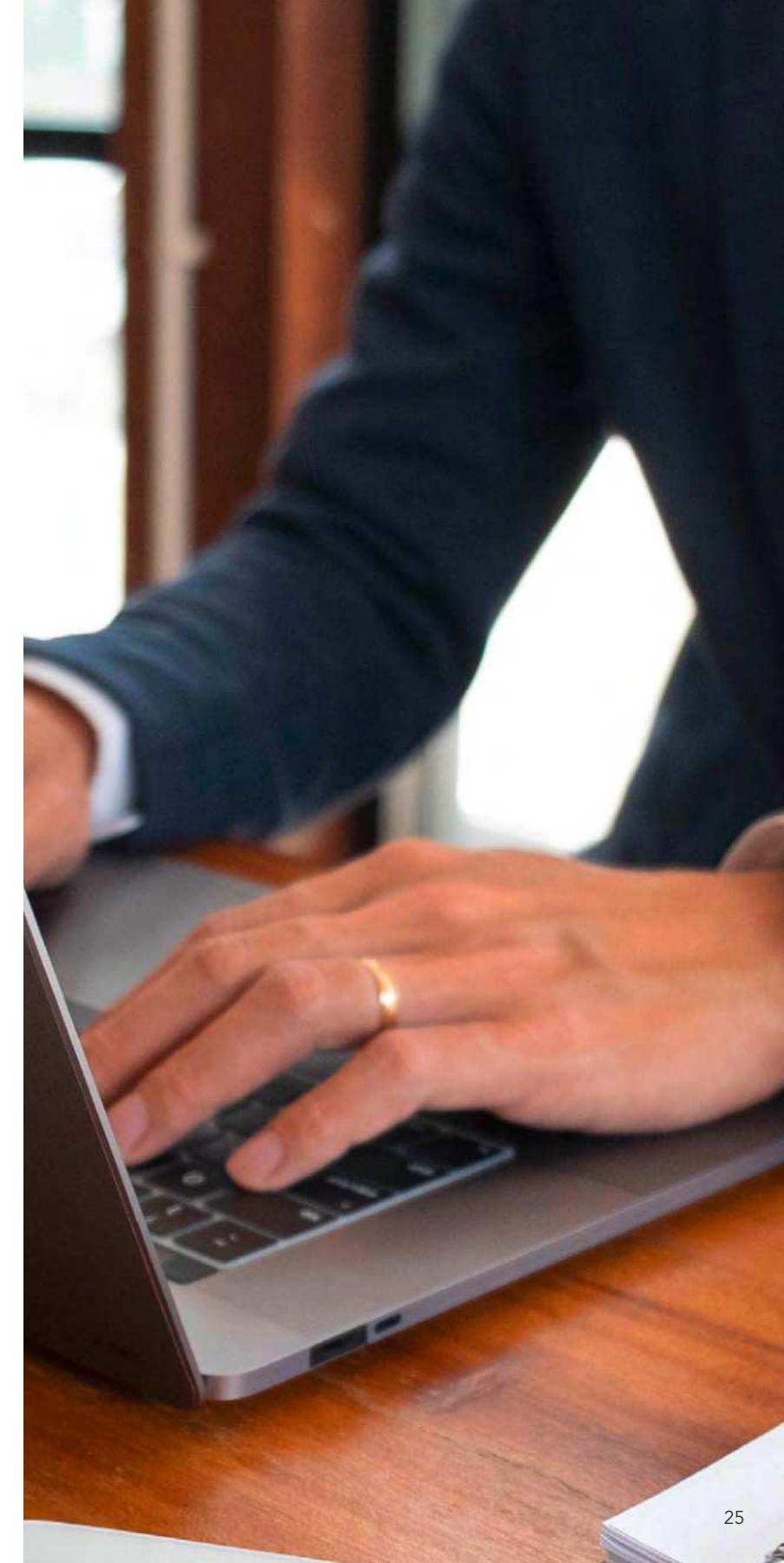
## ENGAGING WITH TAX AUTHORITIES AND STAKEHOLDERS

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. One example of this is the fact that NXP participates in the Netherlands in a cooperative compliance program with the Dutch tax authorities.

In our willingness to engage with stakeholders and other entities, we participate in the annual [Total Tax Contribution Project](#), a study of the largest companies in the EU, EFTA, and UK. We also provide feedback and insights to governments and international organizations, such as the OECD, from our perspective as a multinational corporation and a member of the semiconductor industry.

## LOOKING FORWARD

In 2022, we are increasing our stakeholder engagement by joining the European Business Tax Forum. Our membership positions NXP to share our insight on responsible tax practices and transparency with a leading body of European businesses dedicated to raising the standards of the public tax debate.



# ENTERPRISE RISK MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

Product Solutions  
Green Innovation Bond  
Taxation

[Enterprise Risk Management](#)  
Business Continuity

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

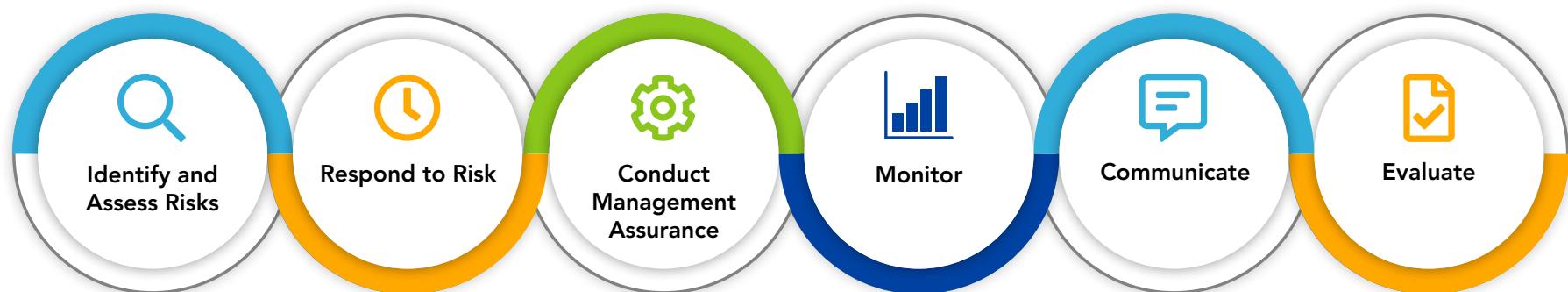
APPENDICES

Our management is directly responsible for executing our process for Enterprise Risk Management ("ERM"), which helps us promptly identify, evaluate, prioritize, respond to, and manage material business risks impacting NXP's strategic objectives.

The objectives of our ERM process are to:

- Enhance our understanding of risks across the organization and their impact on our strategy
- Improve our ability to respond to risks, particularly those that could result in a strategic impact event
- Ensure there is an effective system of management for key risks
- Prioritize and align risk-management efforts, to use resources effectively
- Provide reasonable assurance, in line with the three lines of defense model, to stakeholders that we have a system in place to manage risk, comply with legal requirements, and safeguard the integrity of the NXP's financial reporting and related disclosures.

Key ERM activities include:



Our procedures plan for reasonable coverage of potential risks but, despite the thoroughness of the process, unforeseen events that impact the strategy may occur.

## RISK MANAGEMENT GOVERNANCE

The Board of Directors oversees NXP's processes and procedures related to risk assessment and risk management, and reviews NXP's top identified risks, while the NXP Management Team oversees, identifies, and manages the top risks NXP faces in executing its strategy, defines risk appetite, and manages risks accordingly.

The ERM function enables NXP management to make risk management more efficient and effective by providing and maintaining a risk-management framework, a risk-monitoring mechanism and facilitating the execution of the ERM process. The framework includes a yearly risk assessment and quarterly reviews.

## MANAGING RISK ACCORDING TO OUR RISK APPETITE

We believe that our appetite for risk is consistent with that of our semiconductor peers, and a reflection of the semiconductor industry as a whole. Our risk appetite is different for the identified risks and therefore the level of mitigation varies. For mitigation of the operational, financial disclosure, and compliance risk we rely on our framework of business controls, process, and authorizations. We also follow the Tone at the Top principle, which says that, when management upholds honesty, integrity, and ethics, team members are more likely to do the same. The top-down approach is especially relevant to the mitigation of more strategic risks.



# BUSINESS CONTINUITY MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

Product Solutions

Green Innovation Bond

Taxation

Enterprise Risk Management

[Business Continuity](#)

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

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

## PLANS AND TEAMS

We conduct scenario planning to help minimize the potential effects of incidents that may impact all or part of the organization, and ensure NXP can continue operating safely and efficiently.

NXP's Business Continuity Management Plan is inclusive of all NXP businesses, activities, and manufacturing sites, and is modeled on the International Organization for Standardization's ISO 22301 standard and the International Automotive Task Force's IATF 16949 Section 6.1.2.3. For a detailed overview of NXP's Business Continuity Plan, visit our [website](#).

The Corporate and Site Business Continuity Teams consist of representatives from various business functions and organizations. Teams identify potential risks that can have a major impact on product availability, on supplies (such as wafers, chemicals and gases), on structures, manufacturing site tool-sets, facility systems, and utility infrastructure, as well as regional risks, including natural hazards. The teams are also responsible for strategic, tactical, and operational decisions while implementing their specific business-continuity plans. The Corporate team includes executive-level representatives who receive reports from individual Site teams with specific business-resumption activities. During an event, all groups interact with each other and, if necessary, issues are escalated to the Corporate team for additional assistance.



### All Hands-on Deck – COVID-19

Corporate and Site Business Continuity Teams met weekly, or as situations dictated, to monitor developments and impacts related to COVID-19. They also coordinated assistance to NXP team members and monitored adherence to health and safety protocols, to assure worker protection and continuance of business operations.



### Weathering the Austin Winter Storm

Before, during, and after the unprecedented Winter Storm Uri, Corporate and Site teams met at least once a day to ensure worker and facility safety, coordinate with local government agencies, and achieve the fastest possible recovery of production. This helped reduce the overall impact of the storm and allowed NXP to restart full manufacturing operations in line with or faster than peer semiconductor companies.

Part of NXP's Business Continuity Plan is to conduct regular system reviews and event debriefs, and share lessons learned with other locations, so that we can continuously improve. The events of 2021 prompted us to make changes in several areas, including winter-weather pre-planning, emergency power systems, internal communication processes, staffing models, response-equipment supplies, and documented procedures.

# BUSINESS CONTINUITY MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

Product Solutions  
Green Innovation Bond

Taxation

Enterprise Risk Management

[Business Continuity](#)

GOVERNANCE

ESG

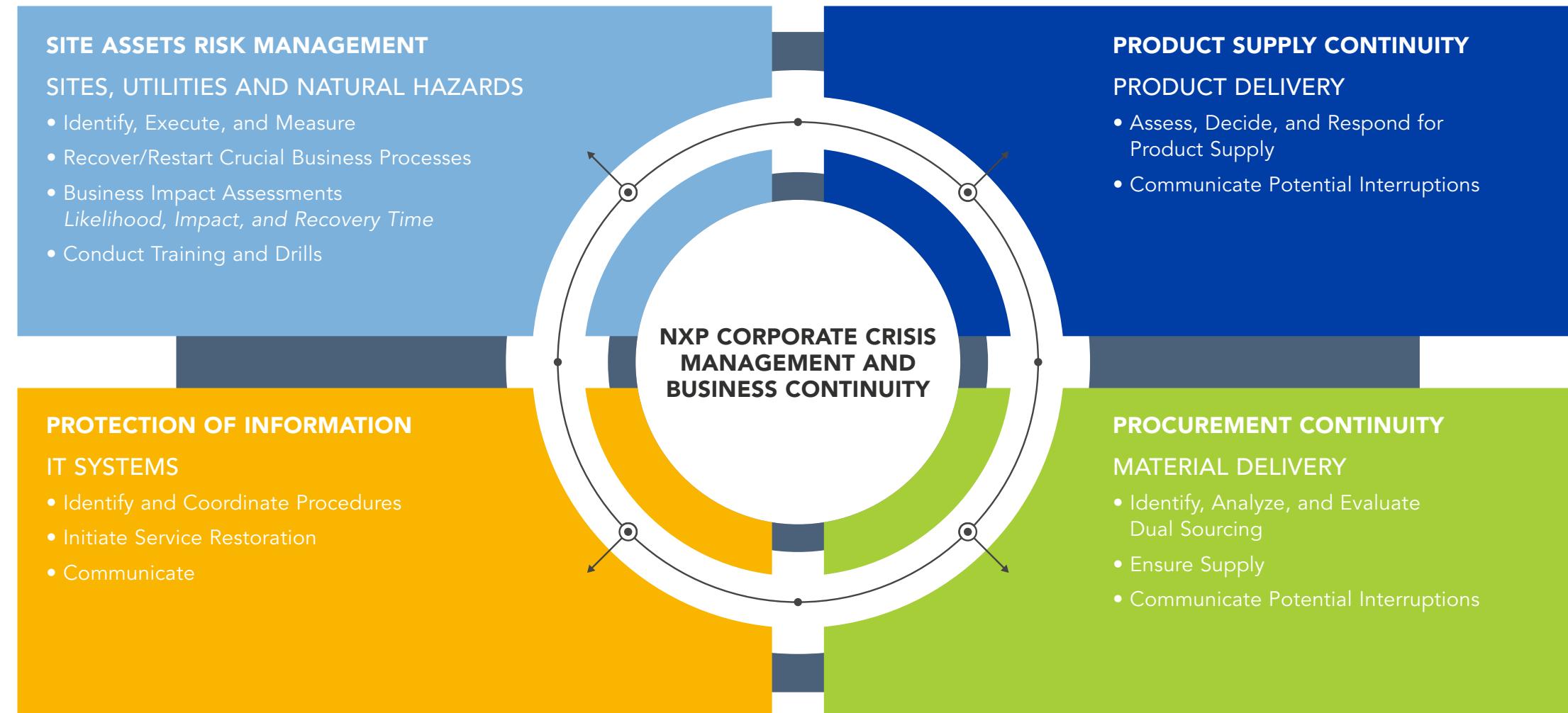
EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## BUSINESS-IMPACT ASSESSMENTS

When assessing how an event may impact the business, we focus on likelihood, impact, and recovery time. Each attribute receives a numerical score, either assigned by Business Continuity team members, or from insurance risk analytics (such as data from Maplecroft). Assessments are reviewed at least annually. 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.

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)

Product Solutions

Green Innovation Bond

Taxation

Enterprise Risk Management

[Business Continuity](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

## BUSINESS CONTINUITY MANAGEMENT

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

### TRAINING AND TESTING

Site teams conduct regular training and testing/drills. This builds awareness and spreads knowledge about how to handle disruptive events. Our manufacturing sites and main design and office sites prepare for events using on-the-job training and/or site-developed trainings that cover key roles and how to handle site-specific scenarios.

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, externally provided products, processes, and services, natural disasters, fires, utility interruptions, or labor shortages, and infrastructure disruptions, including IT issues and cyber-attacks.

**SITE TEAMS CONDUCT REGULAR TRAINING AND TESTING/DRILLS. THIS BUILDS AWARENESS AND SPREADS KNOWLEDGE ABOUT HOW TO HANDLE DISRUPTIVE EVENTS.**

### NOTIFICATION

Site-level and community-level emergency alerts notify us if there are chemical spills, fires, earthquakes, typhoons, floods, explosions, and other events so responses can begin quickly, at the site, local and/or regional level. We also have a geographic information system that includes the latitudes and longitudes of the manufacturing locations of our various suppliers. Teams receive emails whenever events happen, and this immediately triggers a due-diligence assessment and an action-planning process. We reach out to manufacturing sites and vendors in the proximity of an emergency, and if there may be an impact to our supply continuity, we take mitigation actions. Proactive and timely communication with our customers is part of this response.

# GOVERNANCE

A STRUCTURED APPROACH TO ENSURE  
CORPORATE EXCELLENCE



# GOVERNANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

Board of Directors

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

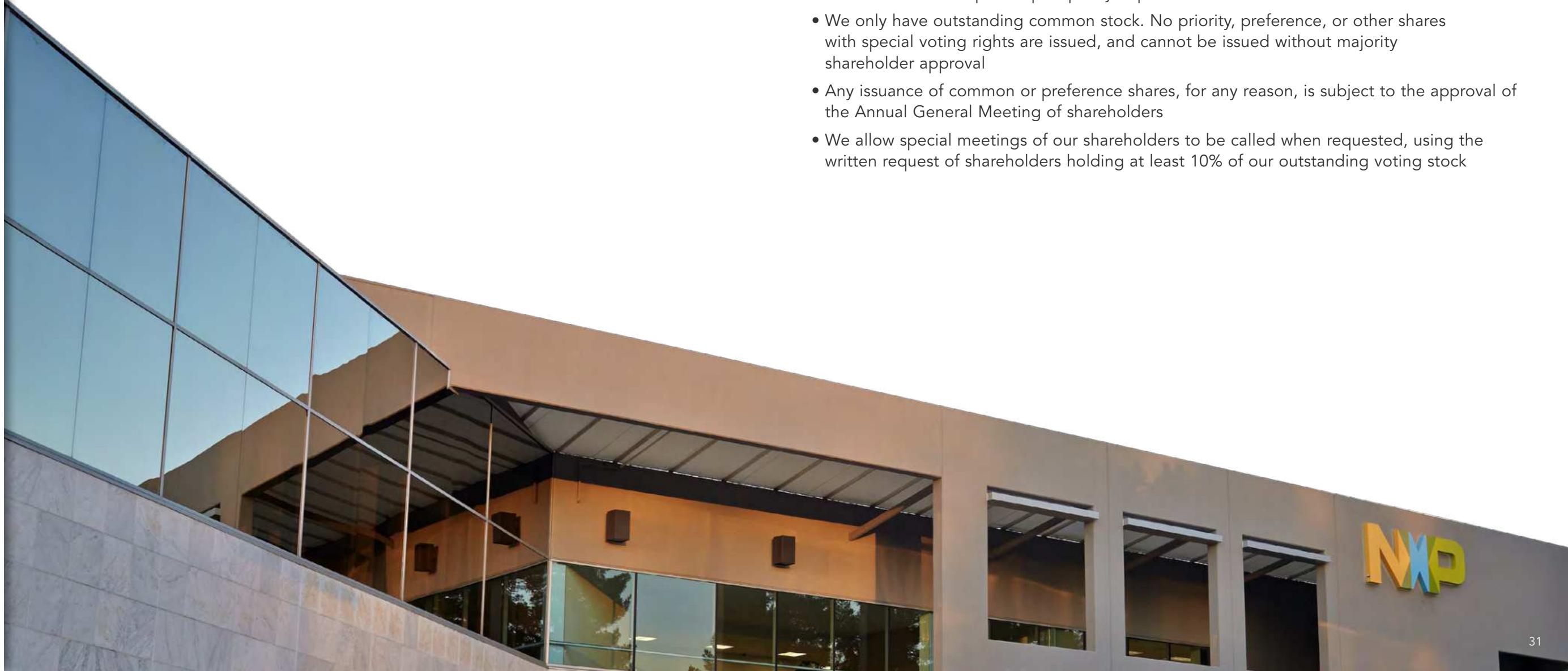
PRODUCT STEWARDSHIP

APPENDICES

We are subject to a variety of requirements for corporate governance and best-practice codes, but the most relevant are those in the Netherlands and the United States. The current Dutch Corporate Governance Code (the "DCGC"), dated December 8, 2016, applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere. The code is based on a "comply or explain" principle.

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 in the countries in which we operate.

- We have a transparent corporate structure, with approval rights of our general meeting of shareholders for any significant change in the identity or nature of our company or business
- Each share of our common stock confers the right to cast one vote at the Annual General Meeting of shareholders
- We have a one-tier board structure
- Our directors are appointed for one-year terms and are elected or re-elected every year by the shareholders at the Annual General Meeting of shareholders
- We do not have a "poison pill" policy in place
- We only have outstanding common stock. No priority, preference, or other shares with special voting rights are issued, and cannot be issued without majority shareholder approval
- Any issuance of common or preference shares, for any reason, is subject to the approval of the Annual General Meeting of shareholders
- We allow special meetings of our shareholders to be called when requested, using the written request of shareholders holding at least 10% of our outstanding voting stock



# BOARD OF DIRECTORS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

**Board of Directors**

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

NXP is committed to effective corporate governance that strengthens the accountability of the Board of Directors (Board) and management. 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, who is also 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 Board committee.

## BOARD COMPOSITION

The number of executive and non-executive directors is determined by the 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

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. In 2021, we added two new directors with relevant Environment, Social & Governance (ESG) experience.

## DIVERSITY

The Board is committed to supporting, valuing, and leveraging diversity in its composition. This includes gender and ethnic/cultural diversity, to ensure a balance in representation. The Board comprises a mix of men and women, with neither gender accounting for more than 70% of seats.

## INDEPENDENCE OF THE BOARD

The Executive Director, NXP's President and CEO, Kurt Sievers, is not an independent director. The eleven non-executive directors (92%), including the chairman, are independent directors under 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 5 years. Five of our non-executive directors have been members of the Board four years or less.

## 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.



# BOARD OF DIRECTORS

## OVERVIEW

### 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

### Board of Directors

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

## ESG

## EMPLOYEES

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

Kurt Sievers	Sir Peter Bonfield (Chair)	Annette Clayton	Anthony Foxx	Kenneth A. Goldman	Josef Kaeser (Vice-Chair)	Lena Olving	Peter Smitham	Julie Southern	Jasmin Staiblin	Gregory Summe		Karl-Henrik Sundström
President and Chief Executive Officer, NXP Semiconductors N.V.	Former Chief Executive Officer, British Telecom plc	President and Chief Executive Officer, Schneider Electric SE North America	Former Chief Policy Officer, Lyft Inc.	Former Chief Financial Officer, Yahoo!, Inc.	Former President and Chief Executive Officer, Siemens AG	Former President and Chief Executive Officer, Mycronic AB	Former Member, Permira Advisors LLP	Former Chief Commercial Officer, Virgin Atlantic Airways Ltd	Former Chief Executive Officer, Alpiq	Managing Partner, Glen Capital Partners	Former Chief Executive Officer, Stora Enso	
<b>Ethnic Diversity</b>												
<b>Gender Diversity</b>												
Age (per 31 December 2021)	52	77	58	50	72	64	65	79	62	51	65	61
Director Since	2020	2010	2021	2021	2010	2010	2019	2015	2013	2019	2015	2019
Executive Leadership	x	x	x	x	x	x	x	x	x	x	x	x
Industry & Technology Experience	x	x	x	x	x	x	x	x	x	x	x	x
Strategic Planning	x	x	x	x	x	x	x	x	x	x	x	x
Financial Expertise				x	x	x	x	x	x	x	x	x
Manufacturing & Operations	x		x		x	x	x			x	x	x
International Experience	x	x	x			x	x	x		x	x	x
Human Capital	x	x	x			x	x	x	x	x	x	x
Risk Management			x	x		x	x			x	x	x
IT and Cybersecurity	x		x			x	x			x		x
Corporate Governance		x	x		x	x		x		x	x	x
ESG Expertise			x	x	x							x
<b>BOARD COMMITTEES</b>												
Audit									Chair	x		x
Compensation	x	x					x	Chair				x
Nominating and Governance		x		x	x	x					Chair	

Each of the directors attended at least 75% of the aggregate Board meetings, and meetings of committees of which they were a member during the periods for which they served in 2021.

# BOARD OF DIRECTORS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

*Board of Directors*

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## 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



# BOARD OF DIRECTORS

## 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](#).

### Environment, Social, Governance (ESG) Board Oversight

Our ESG strategy is aligned with and incorporated into the company's long-term business strategy. NXP's Board of Directors has ultimate oversight responsibility for ESG matters. The full board focuses on significant ESG matters, with board committees undertaking oversight of ESG issues relevant to their responsibilities, and then integrating committee work on these issues in their reports to the full board.

ESG program oversight is delegated to the Nominating, Governance and Sustainability Committee, which integrates the broad set of ESG considerations into business functions, and delegates aspects of ESG oversight to the Audit and Compensation committees for ESG matters within their core areas of expertise.

**Nominating, Governance and Sustainability Committee** – Oversight of sustainability policies, goals, and programs

**Audit** – Oversight of ESG disclosure processes and controls, and internal and external assurance over ESG reporting

**Human Resources and Compensation Committee** – Oversight of human capital management policies, programs, and initiatives, including company culture, talent development, employee retention, diversity and inclusion, and compensation, including the alignment of ESG goals to incentive pay programs diversity and inclusion, and compensation, including the alignment of ESG goals to incentive pay programs.

The Nominating, Governance and Sustainability Committee receives quarterly updates from representatives of the ESG Management Board, and in turn, reports on these efforts in plenary meetings of NXP's Board of Directors.



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

**Board of Directors**

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## 2021 ETHICS REPORTING RESULTS

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)

Board of Directors

[Ethics](#)

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

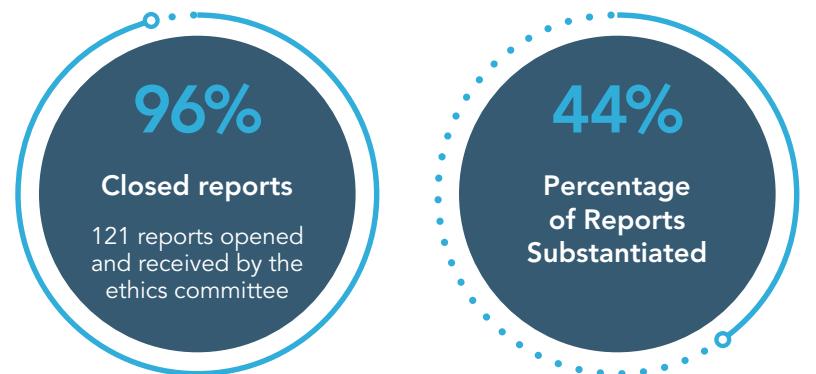
EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



Most reported violation types included theft, conflict of interest and harassment.

NXP emphasizes making decisions which are ethical, never engaging in corruption, bribery, or insider trading, and avoiding conflicts of interest. We also aim to compete in an ethical and lawful manner, comply with international trade regulations, practice transparency, and maintain accurate business records. To protect our company's reputation, we have policies related to these and many other topics, and we expect everyone who works for NXP to comply with these guidelines.

### CODE OF CONDUCT

NXP's Code of Conduct (the [Code](#)) sets out the principles that guide us as we work to fulfill our ambitions as a responsible and ethical company. It serves as a framework and details the behavior expected from every team member, director, contractor, or anyone else who works on behalf of NXP. The Code is available in 12 languages and can be found on [www.NXP.com](http://www.NXP.com) or the NXP intranet.

The Code addresses business and personal integrity, use of company assets, employment at NXP, external activities, and provides guidance on reporting potential violations. Updates to the Code in 2021 focused on data protection, trade compliance, and added artificial intelligence. The updated Code was communicated to all team members through an email, an introduction video, and an article on our company intranet. Team members were required to acknowledge receipt and understand the Code. To incorporate the Code into our way of working, we train our team members on principles of the Code.

### ETHICS TRAINING

In November 2021, the annual Code of Conduct training was rolled out to our team members. The training was offered in 12 languages and, focused on NXP values and expectations as set forth in our Code. The 2021 training addressed several topics, including anti-bribery and corruption, conflicts of interest, (sexual) harassment, and speaking up at NXP. Team members were required to acknowledge receipt and understanding of the Code. A test is part of the training and a 100% score is required for completion and certification.

NXP's goal is 100% completion by all enrolled individuals. At the time this report was prepared, we achieved a completion rate of 97.9%. Since the training window opened at the end of the year, we did not yet reach our 100% completion rate. In 2022, we will determine whether those who did not complete the training yet should be given an exemption, for instance because of long-term sick leave or maternity/paternity leave. We will continue to work towards a 100% completion rate.



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

Board of Directors

**Ethics**

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

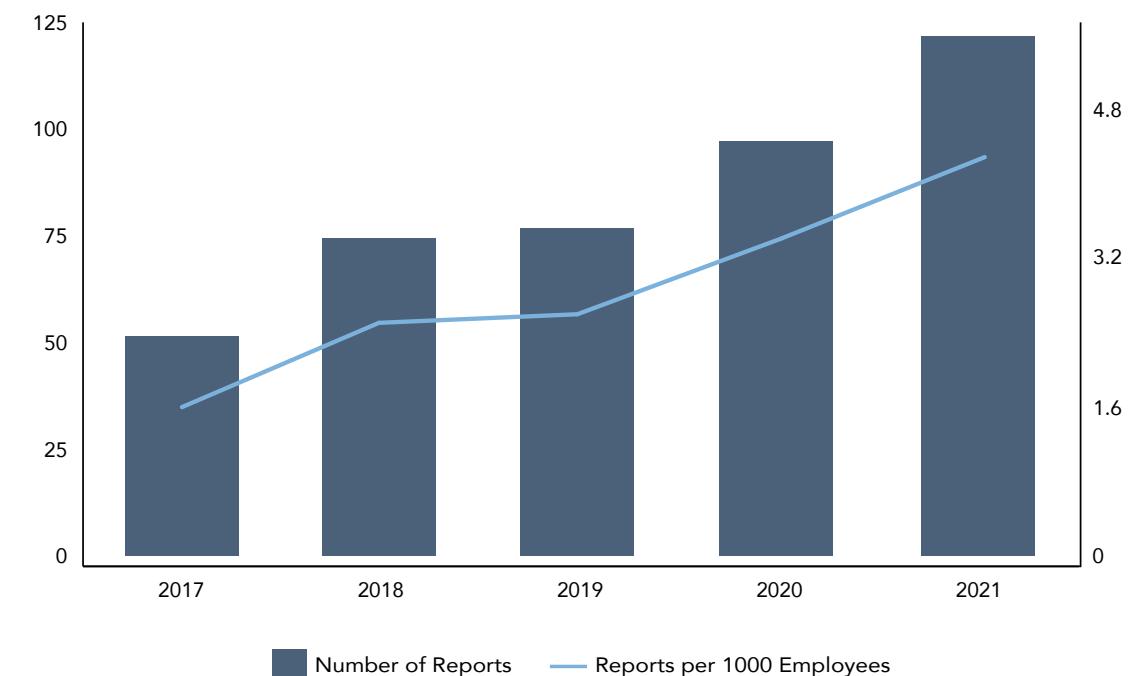
## ALLEGATIONS APPROACH AND MANAGEMENT

All reports are assessed and discussed by the NXP Ethics Committee. After the initial assessment of a report, an investigation team is appointed with the right expertise and skill set to conduct an in-depth investigation. Based on the findings of the investigation, a decision is made about whether the report can be substantiated. If so, we take appropriate follow-up actions. These actions can include education, organizational changes, counseling, reprimand, suspension, and/or termination, depending on the nature and severity of the finding and the party's willingness and ability to rectify the issue. While it is difficult to set a fixed timetable for resolution, since complaints vary in scale and complexity, most can be dealt with in under two months.

## ETHICS COMMITTEE

The NXP Ethics Committee reviews reports and grievances and oversees investigations into alleged violations of the Code. The Ethics Committee consists of six senior leaders from Legal, Internal Audit, Human Resources, and Sustainability. Members are based in 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. The Ethics Committee reports quarterly to the General Counsel, Chief Financial Officer, Chief Human Resources Officer, and the Audit Committee of the Board of Directors regarding allegations and investigations that are in progress or completed.

**Number of Reports Received by the Ethics Committee**



## SPEAKUP



**SpeakUp**

0800-1693502  
www.speakupfeedback.eu/web/fust8ma/gb  
access code: 07526

We are committed to promoting a culture of integrity, and encourage our team members, as well as external business partners and third parties, to express any concerns they have related to potential

violations of the Code, NXP policies, or the law. Concerns and grievances can be confidentially lodged using various reporting channels, such as management, ethics liaisons, or the NXP Ethics Committee. There are dedicated ethics liaisons regionally and in each country. Concerns and grievances can also be submitted using the phone or web option of SpeakUp, a system hosted by an independent third party that facilitates anonymous reporting. Team members are encouraged to report potential violations of our Code using any of our reporting channels.

Our SpeakUp reporting channels are communicated to all team members through our Code, dedicated intranet web pages, trainings, our website, and various other means. SpeakUp can be used by any employee, contractor, business partner, stakeholder, or other third party.

All concerns raised are taken seriously. We apply the highest standards of confidentiality in the handling of all reports received. We have a strict non-retaliation policy to protect those who report concerns and grievances. Anyone who reports a concern in good faith are protected from retaliation in the form of harassment or adverse employment or career consequences.

In recent years, we have increased our communication about the importance of speaking up, and the available reporting channels. We have seen an increase in reports, indicating that our reporting channels are effective.

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)

Board of Directors

Ethics

[Anti-Bribery and Corruption](#)

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## ANTI-BRIBERY AND CORRUPTION

At NXP, we value integrity, transparency and professionalism when dealing with customers, suppliers, government officials, and other third parties. It is our policy to compete fairly and engage in business practices that comply with the anti-bribery and corruption laws and regulations that apply to NXP, such as the Foreign Corrupt Practices Act ("FCPA") in the United States, and the Anti-Bribery Act 2010 in the United Kingdom ("UKBA").

We take a zero-tolerance approach to any form of bribery and corruption, regardless of the identity or position of the originator or recipient of the bribe. Bribes, other improper or unauthorized payments, and acts that create the appearance of promising, offering, giving or authorizing such payments are not tolerated.

This applies to all of our team members, directors, officers and organizations, and third parties acting on behalf of NXP, and to all transactions in any country where we operate and do (or seek to do) business. Any violation is deemed a serious violation of our Code and will lead to disciplinary action.

### AN EFFECTIVE ANTI-BRIBERY AND CORRUPTION (ABC) POLICY

In 2021, to measure the effectiveness of the ABC Policy, NXP worked with academic researchers to measure the effectiveness of three different versions of the NXP ABC Policy.

Study participants included more than 1,500 team members from Sales, Procurement, Marketing, and Management, working in multiple jurisdictions. Participants were divided into four groups. Each group was given either a Long Policy, a Short-Law Policy, a Short-Designed Policy or, in the case of the control group, No Policy.

The goal was to identify which version of the policy was most effective in regards to:

- Building knowledge in relation to anti-bribery and corrupt practices,
- Perception of social norms relating to anti-bribery and corruption,
- Behavioral situations in which bribery and corruption risks must be considered according to our ABC Policy.

Results of the study will help NXP select the most effective version of the ABC Policy.

# PRIVACY

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

Board of Directors

Ethics

Anti-Bribery and Corruption

Privacy

Cybersecurity

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

Keeping track of private data is essential in today's world. NXP recognizes the importance of protecting the personal data that we have in our possession. We respect the privacy of everyone involved in doing business for or with NXP, and take appropriate steps to protect personal data. We take principles such as data minimization and purpose limitation serious.

Data breaches are unfortunate, and can have a significant impact on individuals and corporations alike. Proper data management makes data breaches easier to detect, and helps with damage control. NXP's policies require that we promptly record and respond to data breaches. Where required by law, we also reports data breaches to the relevant authorities.

## PRIVACY POLICIES

NXP has a Privacy Policy and a Privacy Statement. The Privacy Policy includes information on Privacy and Data Protection guidelines and regulations. The Privacy Statement describes our processing activities, individual's rights, and how those rights can be exercised, and require that we promptly respond to inquiries relating to data, including requests to delete personal information. Other guidelines relating to privacy include our Data Breach and Data Retention policies.

## GOVERNANCE

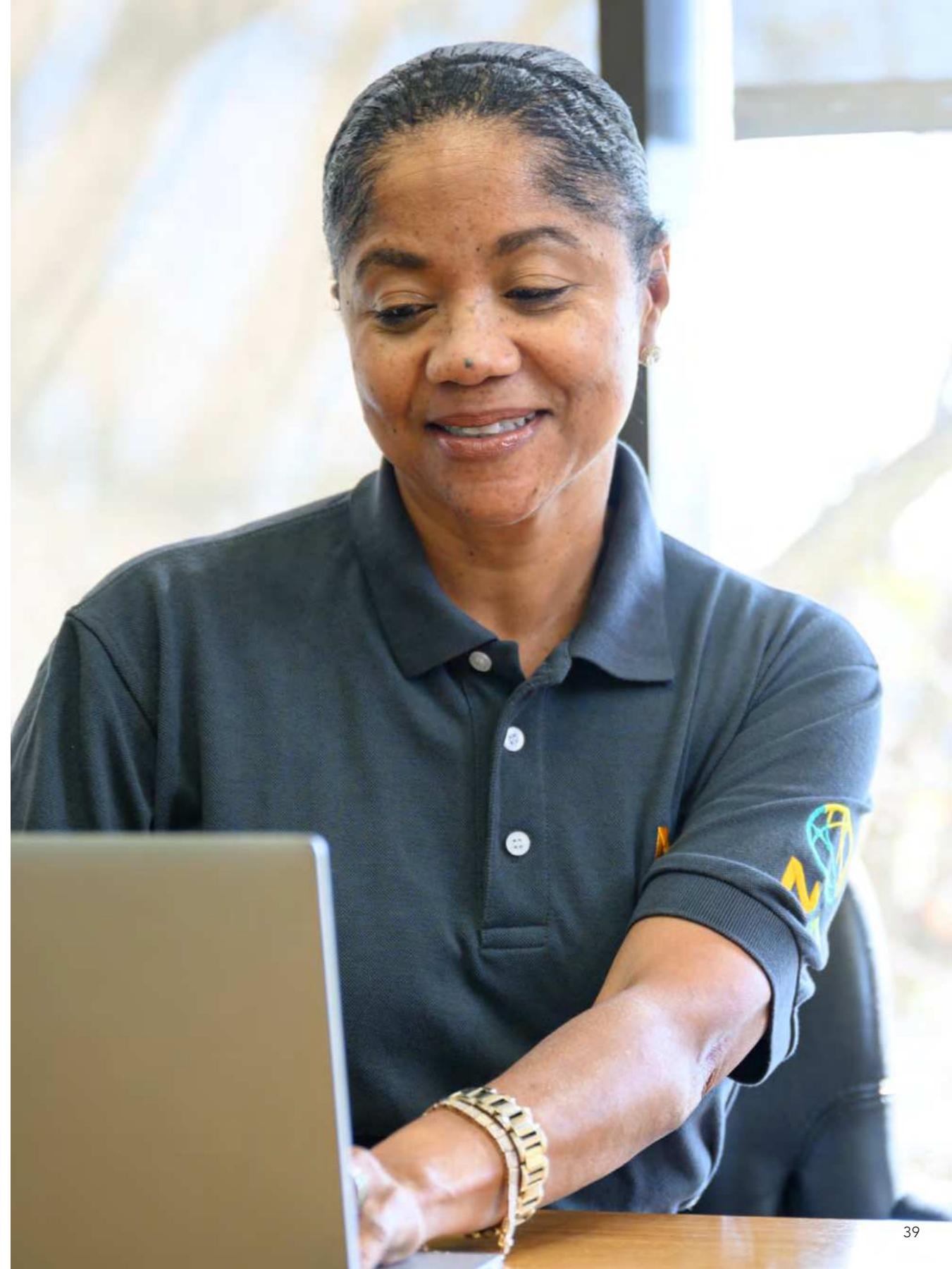
We take measures to ensure that third parties who process personal data on our behalf do so in accordance with applicable laws and regulations. We conclude Data Processing Agreements and – in case of data transfers – put in place data transfer mechanisms, such as standard contractual clauses. To ensure these agreements are entered into correctly, we have a Privacy Focus Team, which consists of Commercial Legal Counsels and Privacy Officers.

## MONITORING

To keep a record of processing activities, we use OneTrust, a tool that helps us map the data we process as a company. We also have Privacy Champions who ensure that the processing activities they identify are mapped into OneTrust. Located throughout the organization, Privacy Champions align with the Privacy Team on privacy matters that occur in their organization.

## TRAINING

Privacy Champions receive monthly training on general privacy topics and the use of the OneTrust tool. There is also a general privacy training available for all NXP team members. Departments that deal with aspects of Data Protection and Privacy in their day-to-day activities receive additional training from the Privacy Team.



# CYBERSECURITY

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

### Board of Directors

### Ethics

### Anti-Bribery and Corruption

### Privacy

### Cybersecurity

## ESG

## EMPLOYEES

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

In 2021, we conducted a survey to evaluate potential risks that could affect our business, and cybersecurity was identified as a focus topic from an ESG perspective. In response to this feedback, we added cybersecurity to our Corporate Sustainability Report, replicating cybersecurity information provided in other external documentation.

## OUR APPROACH

As a leading technology company, we are committed to helping strengthen internet security, and to implement measures that protect our company against illicit activities, including cyberattacks and malware.

On a day-to-day basis, NXP identifies vulnerabilities, breach attempts, and possible criminal activity by third parties. These activities are covered by our process for cybersecurity risk management. To date, we have experienced no cybersecurity incidents that resulted in any material adverse effect to our business or operations.

## GOVERNANCE

NXP's Audit Committee has oversight responsibility for reviewing the effectiveness of NXP's governance and management of Information Technology (IT) risks, including those relating to business continuity, cybersecurity, malware, regulatory compliance, and data management. NXP senior leadership regularly briefs the Audit Committee on cybersecurity matters and briefs the full Board on these issues at least annually.

NXP's program for IT Risk Management is a component of NXP's overall process for Enterprise Risk Management. NXP's Chief Information Security Officer manages the cybersecurity risks identified in the Enterprise Risk Management process. This includes performing an initial risk assessment, prioritizing the most likely and impactful risk elements, and recommending appropriate measures to mitigate the risk.



## CERTIFICATIONS

NXP is certified and externally audited to ISO 27001 with certain additional certifications such as Common Criteria 6+, PCI DSSm and GSMA Security for focused functions. We also maintain insurance coverage for cybersecurity risk.

## TRAINING

We offer a number of training initiatives as part of our program for cybersecurity training and compliance. The NXP IT Service Desk, along with all NXP team members, are trained to identify cybersecurity issues and to escalate them to correct owners. We deploy simulated attacks and related trainings at least quarterly. We deliver a cybersecurity orientation to all of our new team members, and maintain a library of cybersecurity learning sessions that is available to all team members.

## MONITORING

We use a multi-layer approach to identify and mitigate information security risks. On a tactical level, we maintain a 24x7 Security Operating Center that actively monitors for and identifies cybersecurity threats and initiates appropriate mitigation processes. The Security Operating Center reports to the Chief Information Security Officer. When handling high-severity security incidents, we create a Computer Security Incident Response Team. If a potential threat or risk is elevated, we establish a task force with representatives from Security, IT, Communications, Legal, and businesses to lead mitigation activities.





# ENVIRONMENT, SOCIAL & GOVERNANCE

DELIVER LONG-TERM VALUE FOR STAKEHOLDERS  
BY MAINTAINING AN ESG MINDSET

# ENVIRONMENT, SOCIAL & GOVERNANCE

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)

Approach

Goals

Governance

[EMPLOYEES](#)[ENVIRONMENT](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

As a company focused on innovation, we are known for our ability to solve problems and address societal challenges, and we are proud of the progress we've made since our founding in 2006 regarding our environment, social and governance (ESG) performance.

We recognize that stakeholder interest and expectations regarding our ESG efforts have evolved considerably over the last fifteen years. Employees, governments, shareholders, and other stakeholders have enthusiastically embraced ESG as a way of strengthening corporate accountability and transparency.

Since our founding, NXP has experienced considerable growth and evolved dramatically as a company. At the same time, we have continued to advance the scope of our ESG efforts to align with new challenges and opportunities. Today, we are focused on integrating ESG into our business and leveraging our technology to enable a more sustainable world.

We continue to build on our ESG accomplishments. For example, we are committed to ensuring a safe and healthy workplace for our team members, partners, and visitors, and in 2021, our injury rates remained among the industry's lowest.

Another way we address ESG is by focusing on our carbon footprint. We have achieved significant reductions in emissions for each year we've been in business, even as production has increased. For the past 11 years, we have also increased our consumption of renewable energy.

Since 2013, our Social Responsibility team has worked diligently to eliminate human-rights abuses at NXP and in our supply chain. The team was recognized in 2016 when the Thomson Reuters Foundation, the philanthropic arm of the largest international multimedia news provider, awarded NXP with the Stop Slavery Award in the "Policy and Implementation" category. The award was the first global recognition for businesses that have excelled in efforts to limit the risk of forced labor from their supply chains.

In our view, the rapid pace of technological change is not without its challenges, but we look to the future with optimism. We believe in furthering our legacy of sustainable innovation, and will continue to apply our technologies in ways that help advance global sustainability. We embrace the opportunity to inspire people and shape the future while also positioning ourselves for sustained success.



## OUR APPROACH TO ESG

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

Approach

Goals

Governance

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

We endeavor to provide a safe and healthy working environment, to use resources effectively and efficiently, and to be accountable and transparent regarding the impacts of our activities. We also strive to exceed existing standards and stakeholder expectations, and actively contribute to industry best practices.

### POLICY

We work diligently to ensure that we approach our business from an ESG point of view while delivering long-term value for our stakeholders. Our Sustainability [Policy](#) influences the way we manage our company and the way we interact with society at large.

We have a long-standing commitment to operational sustainability, underscored by a history of continuous performance improvements. Below, we outline our ESG mission and the key components of our longer-term ESG strategy.



# OUR APPROACH TO ESG

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

Approach

Goals

Governance

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## INNOVATION



## ESG MISSION

Enabling a better, safer, more secure and sustainable world through innovation

## STRATEGY

Innovate advancements that enable a better, safer, more secure and sustainable world



## ENVIRONMENTAL



Optimize our use of resources and the beneficial social impacts associated with our operations



## SOCIAL



Leverage our global and increasingly diverse team to actively drive our sustainability mission



## GOVERNANCE



Collaborate with our stakeholders on global sustainability initiatives. Ensure accountability and build trust through transparency in our business practices and operations

## GUIDING PRINCIPLES

Push boundaries and explore new approaches to develop innovative and sustainable products and solutions

Respect human rights, promote an ethical, safe, and healthy work environment, and pursue continual improvements to protect our planet

Foster an environment of trust and respect, where team members collaborate to drive innovation, and are able to contribute to their full potential

Proactively assess risk and build resilience through robust governance systems, including appropriate goals and processes

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[Approach](#)[Goals](#)[Governance](#)[EMPLOYEES](#)[ENVIRONMENT](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

# OUR ESG GOALS

Our ESG mission is to enable a better, safer, more secure, and sustainable world through innovation. That mission has given rise to a series of aspirational goals that inform our efforts and enable us to gauge our performance and celebrate our accomplishments.

## ESG PERFORMANCE & REWARD PROGRAM

Beginning in 2022, NXP will incorporate Sustainability goals into our annual incentive plan. Including key sustainability goals as part of our annual incentive plan will enhance team member accountability regarding key aspects of our ESG performance and our efforts to achieve continuous improvement.



### INNOVATION

Design and manufacture technology that positively impacts the planet and society

Develop higher performing, more energy-efficient products



### ENVIRONMENTAL

Carbon neutrality by 2035

Carbon reduction goals are aligned to our SBTi commitment

Reduce carbon emissions by 35% in 2027 (2021 baseline)

Optimize natural resources by 2027

- 50% renewable energy
- 60% wastewater recycled
- 90% waste recycled



### SOCIAL

25% women in R&D by 2025

50% under-represented minorities in our U.S. workforce

Zero tolerance of forced labor and human rights abuses

Zero workplace injuries



### GOVERNANCE

Partner with our supply chain to reduce their environmental footprint

Integrate ESG into our business to foster ownership and accountability



# ESG GOVERNANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

Approach

Goals

Governance

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

Our ESG strategy is aligned with and incorporated into the company's long-term business strategy. NXP's Board of Directors has ultimate oversight responsibility for ESG matters. The full board focuses on significant ESG matters, with board committees undertaking oversight of ESG issues relevant to their responsibilities, and then integrating committee work on these issues in their reports to the full board.

ESG program oversight is delegated to the Nominating, Governance and Sustainability Committee, which integrates the broad set of ESG considerations into business functions, and delegates aspects of ESG oversight to the Audit and Compensation committees for ESG matters within their core areas of expertise.

**Nominating, Governance and Sustainability Committee** – Oversight of sustainability policies, goals, and programs

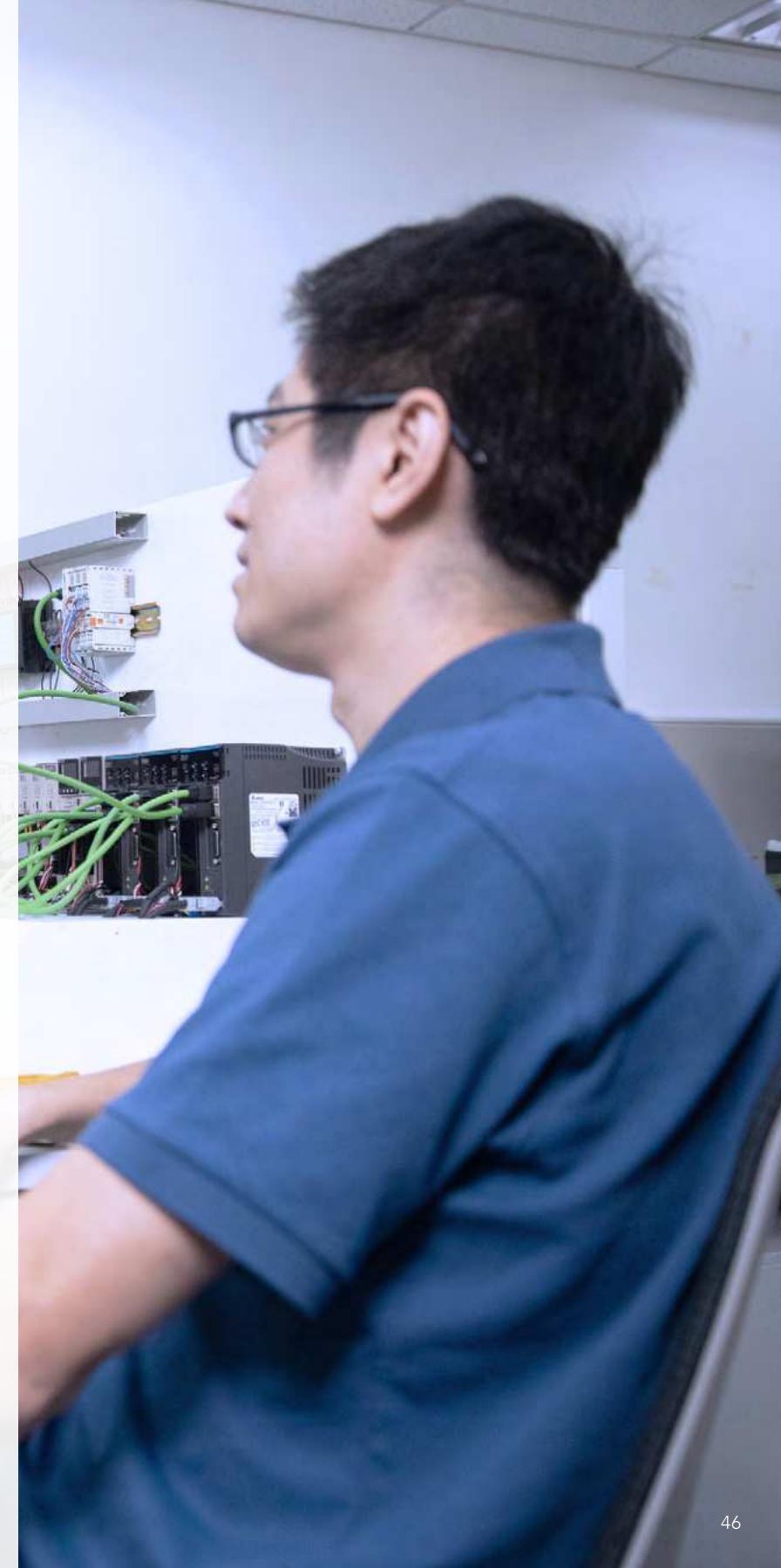
**Audit** – Oversight of ESG disclosure processes and controls, and internal and external assurance over ESG reporting

**Human Resources and Compensation Committee** – Oversight of human capital management policies, programs, and initiatives, including company culture, talent development, employee retention, diversity and inclusion, and compensation, including the alignment of ESG goals to incentive pay programs diversity and inclusion, and compensation, including the alignment of ESG goals to incentive pay programs.

The Nominating, Governance and Sustainability Committee receives quarterly updates from representatives of the ESG Management Board, and in turn, reports on these efforts in plenary meetings of NXP's Board of Directors.

The CEO and the NXP Management Team, under the supervision of NXP's Board of Directors, are responsible for implementation of NXP's ESG strategy, policies and goals.

NXP's ESG Management Board comprised of Management Team members and other senior leaders, leads the implementation of ESG strategy and policy, and ensures appropriate resourcing. The ESG Management Board is chaired by our General Counsel, and supported by our Chief Financial Officer, Chief Strategy Officer, Chief Technology Officer, Chief Human Resources Officer, and EVP of Global Operations, and includes other representatives from Investor Relations, Legal, Human Resources, and Sustainability. The ESG Management Board meets monthly to review our ESG performance against our strategy and goals.





# TEAM MEMBERS

## OUR TEAM MEMBERS: THE HEART OF NXP

# OUR TEAM MEMBERS: THE HEART OF NXP

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

[Overview](#)

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



NXP's complete workforce footprint is found in Appendix A

At NXP, our diverse and talented team members drive the innovation that sets our company apart and fuels our success in the market.

## Our Purpose

Bringing together bright minds to create breakthrough technologies that make the connected world better, safer and more secure.

## OUR VALUES

Our values are our fundamental beliefs and guiding principles. They speak to how we operate, how we engage, develop and value our team members, and push the boundaries of creativity and innovation. We hold ourselves accountable to our values by including them in our performance evaluation process.

### High Performance



### Trust & Respect

<sup>7</sup>December 31, 2021 we had approximately 31,000 team members, which includes approximately 1,500 team members in our joint venture.

## OUR TEAM MEMBERS: THE HEART OF NXP

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

### EMPLOYEES

[Overview](#)

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES

We have a long history of empowering our team members to develop their skill sets and expand their capabilities. When it comes to engagement and development, we want our team members to grow, progress, and advance across job types, functions, organizations, geographies, and levels at a pace that is unique to them.

### OUR POLICIES AND PROGRAMS

Across the globe, we have policies and programs to find and retain the best talent possible. We focus on these elements in building talent:

- Driving team member engagement
- Building thought leadership
- Embracing diversity, equality and inclusion
- Providing competitive and fair compensation and benefits
- Enabling talent development and growth opportunities
- Investing in future talent
- Focusing on team member retention
- Giving back to our communities

We monitor our talent pool, turnover trends, and analyze team member feedback. In addition, we are committed to having a diverse workforce, as evidenced by the many advancements we've made in this space over the last 18 months. We are progressing along our journey to further foster a progressive and inclusive culture for our talented team members across the world.



# DRIVING TEAM MEMBER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

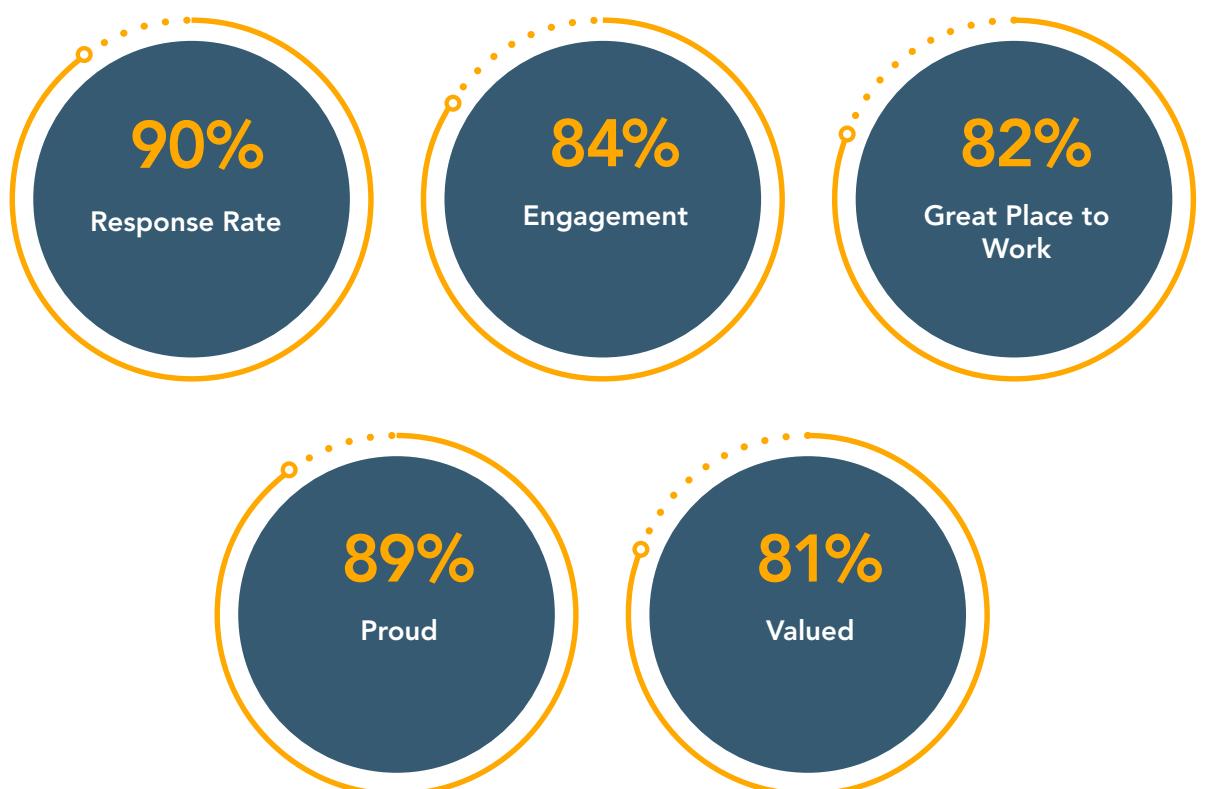
## APPENDICES

Engaging, developing, and valuing our team members is how we create long-term value for our stakeholders.

### ENGAGING TEAM MEMBERS THROUGH SURVEYS

To assess and improve team member engagement, NXP regularly conducts our global Winning Culture Survey. We invite NXP team members to share their level of agreement on a variety of factors, including engagement, strategy, culture, leadership, continuous improvement, collaboration, execution, accountability, work environment, and support. Surveys are administered by a third party to ensure confidentiality.

The results of our end of 2020 survey tell us that our team members are engaged, feel pride in the company, and believe that NXP is a great place to work, among other things:



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[\*\*EMPLOYEES\*\*](#)[Overview](#)[Engagement](#)[Thought Leadership](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)[Development](#)[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)[\*\*ENVIRONMENT\*\*](#)[\*\*SUPPLIER ENGAGEMENT\*\*](#)[\*\*PRODUCT STEWARDSHIP\*\*](#)[\*\*APPENDICES\*\*](#)

## DRIVING TEAM MEMBER ENGAGEMENT

Insights from our survey equip us to improve the team member experience and work on our policies and processes. We've converted some team member feedback into company and/or country-specific programs and made updates to our tools and resources. This includes focusing on the well-being of our team members and introducing global flexible work arrangements.

To ensure consistent support for the physical, mental and overall well-being of our team members, we introduced a focused initiative across the globe. Each month of the year was defined by a well-being theme that was further explained and demonstrated through internal communications, team-building activities, and in-country celebrations, among other things. Results from a mid-year well-being poll showed that most team members found NXP's focus on well-being to be "just right", and requested more coverage on topics like health/wellness and general work/life balance.

To help team member achieve greater work/life balance and offer support, we incorporated flexibility into our way of working, allowing qualified team members to work a combination of onsite and from home. To participate, team members follow a defined process for their respective country. This new way of working offers a positive benefit to team members, while still supporting our collaborative style and allowing for constructive and meaningful social interactions.

### LOOKING FORWARD

In February 2022, we launched the 2022 Winning Culture Survey. The survey invites input from our indirect labor (IDL) population and introduces a new category focused on diversity, equality and inclusion to support our goal of creating a more inclusive environment and furthering a sense of belonging at NXP. We look forward to continued strong participation, as evidenced with our end of 2020 survey (where all-team member participation was 90%) and fall 2019 (where IDL participation was 83%).

After a thorough review of the 2022 results, the CEO, CHRO and members of the management team will determine the top priority focus area(s) for NXP. Each level of management in the organization will identify and act upon specific plans based on survey feedback and dialogue with their team members. Results and actions from the 2022 Winning Culture Survey will be discussed with the Board of Directors in June 2022.

# DRIVING TEAM MEMBER ENGAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

### Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## EXTERNAL AWARDS & RECOGNITION

NXP is honored to have received external awards and recognition for our commitment to human capital development. Some of the honors received include:

### Austria

- For the third year in a row (2021, 2020 and 2019), NXP received the Leading Employer Award in Austria – and was rated the number two semiconductor company in Austria by the Leading Employer Institute.
- NXP was recognized for its strong mentoring efforts and active participation in the Business Cross Mentoring program in Austria, which supports women who are high-potential managers in technical domains with growing their skills and network.

### Thailand

- NXP was recognized by the Thailand Ministry of Public Health for integrating additional measures of health and disease prevention in response to the COVID-19 pandemic.

### United States

- NXP was named a 2021 Best Place to Work in Austin by Comparably, which is given to companies based on team member satisfaction ratings that are based on leadership, diversity, meetings and more.
- NXP was named a 2021 JUST Company by JUST Capital, which ranks the performance of the United States' largest publicly traded companies on issues that matter most in defining just business behavior today. To finalize the list, JUST Capital tracked, analyzed and ranked 954 companies, covering 20 issues and 330 unique data points. NXP ranked 115 of the total companies and 6th of the 31 semiconductor and equipment companies.

### Mainland China and Taiwan

- NXP was one of only seven companies to receive the 2021 Industrial Relations Excellence Award in Taiwan, recognizing our collaborative and healthy working relationship with the union representing our employees.
- NXP received the 2021 Charity Award from the Economic Affairs Authority.



# BUILDING THOUGHT LEADERSHIP

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

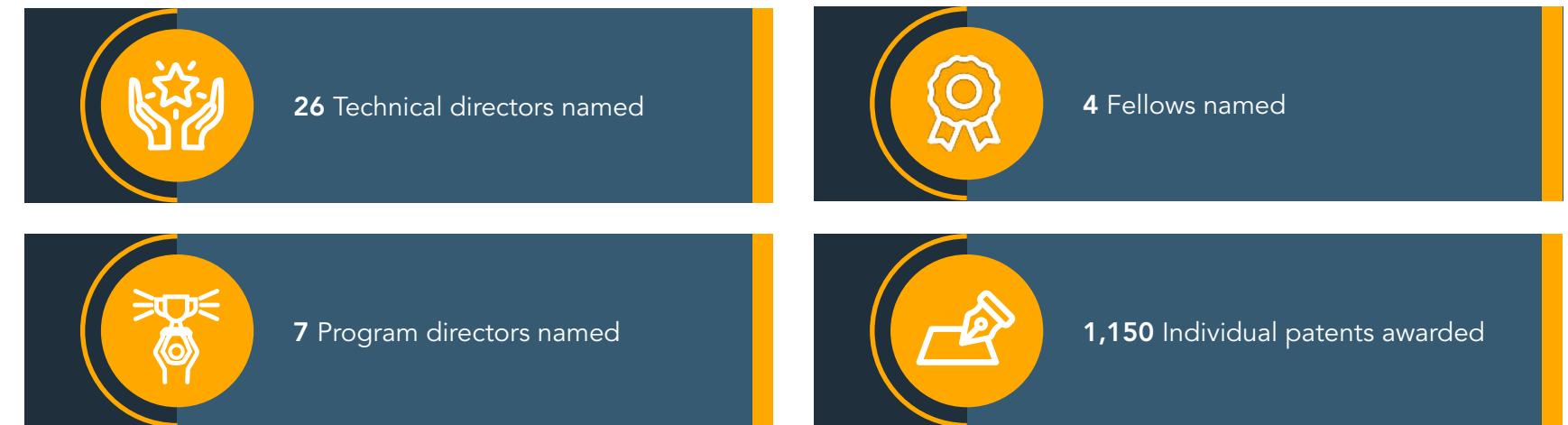
Our talented, innovative team members accelerate breakthroughs that help advance our world.

## INVESTING IN R&D

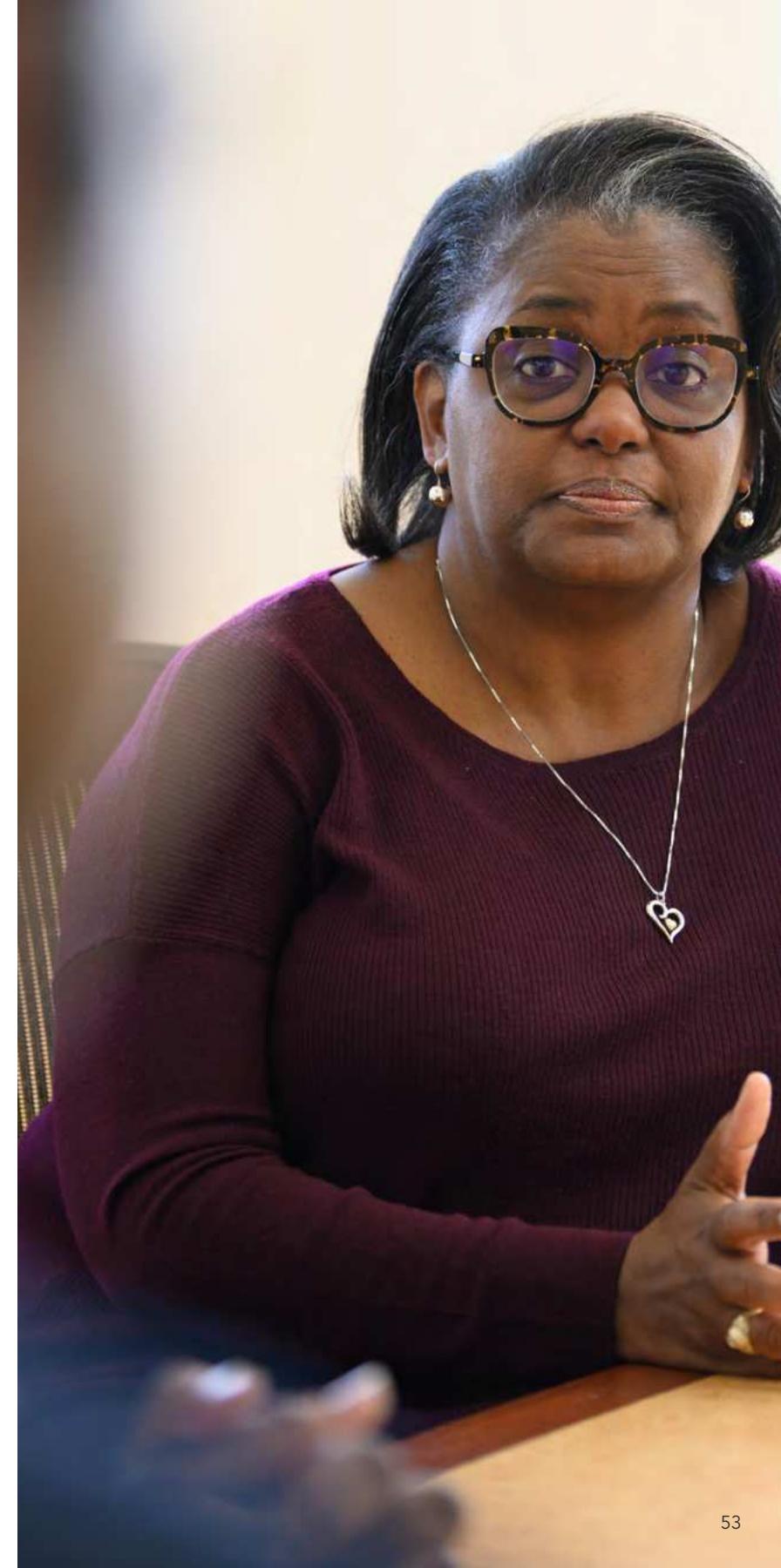
NXP targets investment of approximately 16% of revenue in non-GAAP<sup>8</sup> research and development (R&D) every year, primarily focused on the team members who create our intellectual property, products, and solutions for our customers. Through our innovations, NXP products help build future advancements in automotive, communication infrastructure, industrial, mobile, smart city and smart home technologies. We design purpose-built, rigorously tested technologies that enable devices to sense, think, connect and act intelligently to improve people's daily lives.

## DEVELOPING THOUGHT LEADERS

### 2021 LEADERSHIP PERFORMANCE



<sup>8</sup> Reconciliations of non-GAAP research and development to GAAP research and development can be found in the 2021 Q4 Historic Financial Model file in the Investor Relations section of our website at <https://investors.nxp.com/financial-information/financial-information-0>



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[\*\*EMPLOYEES\*\*](#)[Overview](#)[Engagement](#)[\*\*Thought Leadership\*\*](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)[Development](#)[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)[\*\*ENVIRONMENT\*\*](#)[\*\*SUPPLIER ENGAGEMENT\*\*](#)[\*\*PRODUCT STEWARDSHIP\*\*](#)[\*\*APPENDICES\*\*](#)

## BUILDING THOUGHT LEADERSHIP

We are committed to building thought leaders, which is evidenced by nearly 9,300 team members (representing 31% of our IDL workforce) who are specifically dedicated to R&D. Through broad exposure to job-based development activities, we have been able to advance 11% of these team members in 2021 through internal promotions. In addition, we hired 1,523 new R&D team members, named 26 technical directors, seven program directors and four new fellows.

To enable in-depth analysis of the current R&D workforce baseline for our strategic R&D workforce planning, we updated our R&D job structure with more defined job descriptions and specific skill domains. R&D team members are being transitioned into the new job profiles, so we can better assess and develop the skills and capabilities of these team members across NXP.

To further develop the R&D community, we launched the **NXP R&D Academy**, offering a variety of learning opportunities. We have dedicated development programs in the areas of architecture, functional safety, design quality, crypto and security. In 2021, we had nearly 3,400 team members attend either the NXP Architecture and System Engineering (ASE) School or the NXP Safety Academy.

The **NXP Architecture and System Engineering (ASE) School** was created to help nurture and develop top technical experts, architects and systems engineers to deliver top-rated hardware and software solutions per the current market demands. Ultimately, the ASE School offers exposure to the latest industry technology trends through enriching technical sessions and thought-provoking workshops led by internal experts and selected external partners. The desired result is a technical talent pool that is effective in their current role and future roles as Architectural or System Engineers.

The **NXP Safety Academy** helps team members explore safety products and enablement collateral to simplify ISO 26262 compliance, understand safety deliverables and how they can help accelerate time to market. Four different on-demand

learning paths have been defined to give team members the opportunity to gain expertise to more quickly design safety-critical automotive applications.

In addition, we offer trainings and regular webinars, allowing our R&D community to grow their knowledge and stay up to date with the latest developments and innovations. For example:

- We hosted the 2XP, a session that allows NXP experts to share their work and latest insights with their peers. In 2021, there were 32 sessions that brought together more than 3,600 attendees.
- In India, we introduced a dedicated program to grow Technical Leadership. In 2021, we had 81 team members participate, 31 of which were part of a mentoring program that paired them with technical leaders in the company.
- The NXP R&D Academy will further expand in the coming years with additional schools on artificial intelligence, SoC development and ideation.

In addition, NXP created a dedicated R&D Project Management (PM) Academy, including PM leadership training and PM mentoring – collectively, these sessions had more than 45 participants in 2021. Looking ahead to 2022, we intend to introduce a PM masterclass and setup for certification.

Our new product introduction (NPI) projects have become more and more complex, requiring large investment as well as successful, timely and efficient completion. Our PM talent is vital to our ability to drive these projects to completion, hence NXP has placed greater focus to further invest in skilled and capable project leaders. Our consistent focus on R&D and innovation resulted in NXP being awarded more than 1,150 individual patents during 2021.



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

### Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

At NXP, we value diversity, equality and inclusion, and respect the unique talents, experiences, backgrounds, cultures and ideas of our team members. We invite everyone to be their authentic selves at work, without exception. This is what makes us who we are at NXP. As an ongoing demonstration of our commitment, we invest in initiatives and resources to drive cultural awareness across the company, spearheaded by our Head of Diversity, Equality and Inclusion (DE&I).

NXP made significant progress on our DE&I journey in 2021. We started the year with increased transparency of our team member demographics by communicating our global gender and United States race and ethnicity representation data in our 2020 Corporate Sustainability Report, and defined internal goals to increase representation over time. Additionally, our Head of DE&I met with each member of our Management Team, as well as the Compensation Committee of our Board of Directors to discuss the 2021 DE&I strategy and plans. Our progress toward our representation goals was regularly reviewed with these leaders throughout the year.

To help define our aspirational and interim representation goals, we developed a tool to analyze our representation results in comparison to our hiring and attrition trends, and developed internal dashboards to help track progress towards our goals.

When it comes to hiring, we began requiring diverse candidate slates for management roles and increased our Employee Referral Program award amounts when qualified women or, in the United States, under-represented minorities, are hired via a referral for positions in specific countries.

To gain a better understanding of what's contributing to the attrition of women globally and minority team members within the United States, we implemented an exit interview process where team members at specified job levels are given the opportunity to provide direct feedback to the Head of DE&I prior to exiting the company.



Additionally, we participated in the Bloomberg Gender Equality Index for the first time to demonstrate our commitment to promoting gender equality, and an inclusive workplace, to help establish a comparable data set within our industry.

We also announced our global Diversity, Equality and Inclusion Policy to the company, and increased our DE&I communications and programming, including the launch of Inclusion Insights – a new practice of starting our formal meetings with a brief discussion focused on inclusion, regular contributions to our weekly company-wide newsletter, and through our Inclusive Language Project and Employee Resource Group (ERG) engagement activities.

We increased our ERG footprint by establishing a new chapter of Equal – our LGBTQ ERG in Europe and created two new ERGs: No eXtra Planet (which focuses on environmental sustainability) and Interconnection (which supports team members in Europe from multicultural backgrounds).



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

**EMPLOYEES**

Overview

Engagement

Thought Leadership

**Diversity, Equality and Inclusion**

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

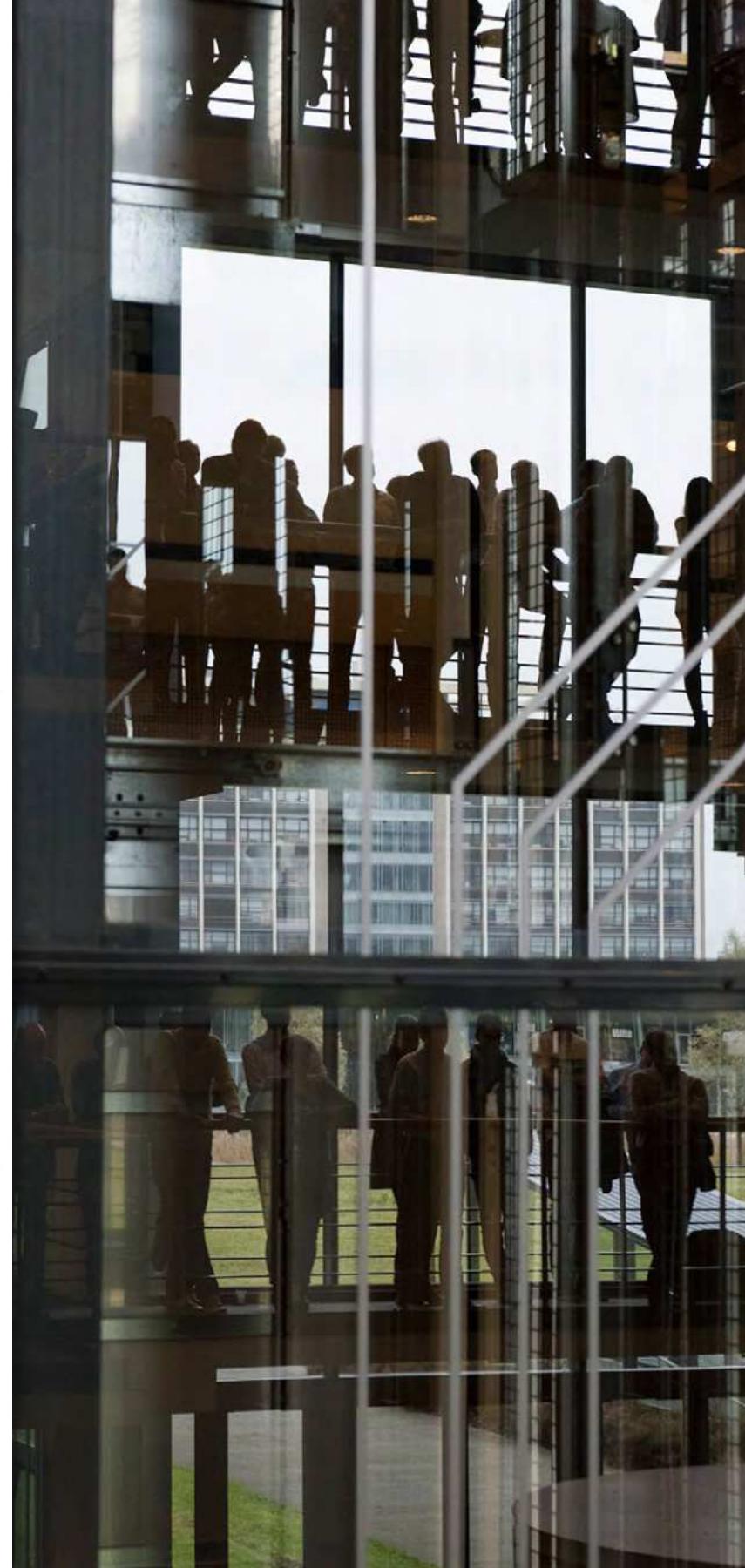
Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

## APPROACH

NXP's approach to diversity, equality and inclusion is centered around the following:



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 Ogletree Deakins, Nash, Smoak & Stewart, P.C. to achieve these goals.

# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

**EMPLOYEES**

Overview

Engagement

Thought Leadership

**Diversity, Equality and Inclusion**

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## REPRESENTATION GOALS

To support our diversity, equality and inclusion approach and demonstrate our commitment to transparency and accountability, we have established aspirational 2025 DE&I goals to improve our gender representation globally and minority race and ethnicity representation in the United States.

We continue to focus on hiring, development, and retention across all global sites to meet our 2025 representation goals among our team member population:

## 2025 DIVERSITY, EQUALITY AND INCLUSION GOALS



## 2021 DIVERSITY, EQUALITY AND INCLUSION PERFORMANCE



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

### Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

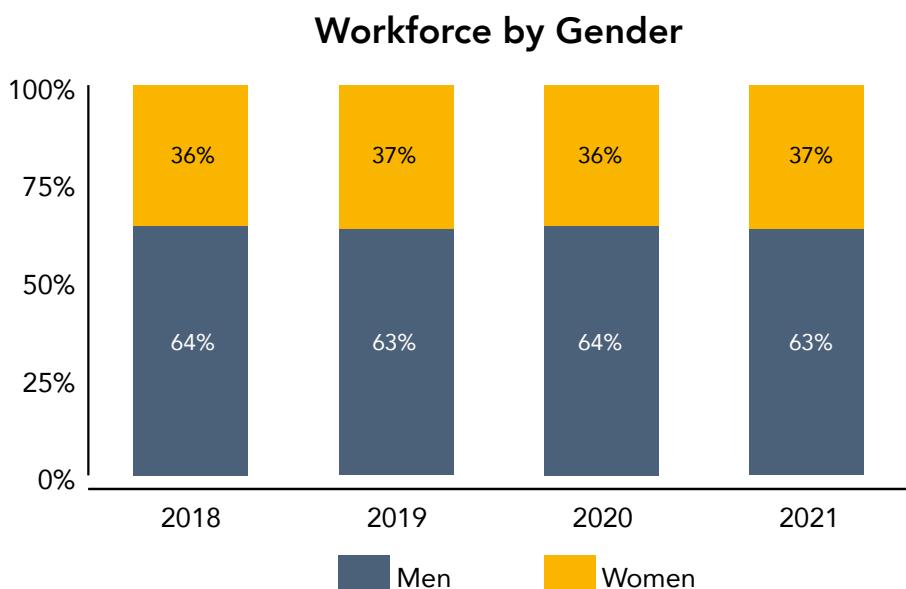
## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

In a competitive hiring market, our overall team member population grew by nearly 8% compared to 2020. Of this increased population, with the exception of the representation of women in executive positions, we saw a 1% increase for each of the goals in 2021 when compared to 2020. While we present gender representation headcount (HC) data by men and women, we acknowledge this is not fully encompassing of all gender identities.



## GENDER REPRESENTATION

At NXP, women represent 37% of our global workforce (up 1% year over year), and we continue to strive for noticeable improvements in hiring women across all global sites. Additionally, we are committed to increasing, developing, and promoting more women into technical and leadership positions within our organizations.

To that end, we monitor gender statistics globally, across all roles, and look for continuous improvements, which include an evaluation of the practices at the country level. Each country leadership team focuses on how to ensure we are making improvements, where needed.



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

Overview

Engagement

Thought Leadership

**Diversity, Equality and Inclusion**

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## RACE AND ETHNICITY REPRESENTATION

In the United States, we monitor race and ethnicity representation to ensure we are attracting, retaining and developing diverse team members, acknowledging the unique nature of the United States workforce dynamics.

A breakdown of NXP's United States population, as of December 31, 2021:

Race and Ethnicity (United States Only)	Representation
<b>White (Not Hispanic or Latino)</b>	51%
<b>Asian (Not Hispanic or Latino)</b>	20%
<b>Hispanic or Latino</b>	15%
<b>Undeclared</b>	7%
<b>Black or African American (Not Hispanic or Latino)</b>	5%
<b>Two or More Races (Not Hispanic or Latino)</b>	1%
<b>Native American or Alaska Native (Not Hispanic or Latino)</b>	0.6%
<b>Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)</b>	0.2%

## POLICY

In 2021, NXP announced our global Diversity, Equality and Inclusion [Policy](#), which outlines our key belief that every team member should be treated with respect. We do not tolerate discrimination based on race, national origin, social origin, color, gender, religion, age, pregnancy, sexual orientation, physical or mental disability, or political affiliation, among other things. Nor do we tolerate physical, verbal, sexual or psychological harassment, bullying, abuse, or threats of any kind.

We are committed to providing an inclusive working environment for our team members, and we recruit, hire, and promote solely based on suitability for the job, and objective and non-discriminatory criteria. By working to foster a diverse, equal, and inclusive environment where everyone feels welcomed, valued, and accepted as they are, we increase collaboration, advance innovation, and enable our team members to unlock their full potential.

## ENGAGING OUR TEAMS THROUGH INCLUSION INSIGHTS

Culture change happens over time, and it requires intent and observed behavioral changes. As NXP looks to foster a more inclusive culture within the company on a global scale, inclusion must be a demonstrated part of our day-to-day activities.

As such, NXP launched Inclusion Insights to embed inclusive practices throughout our company every day. An inclusion insight is a one-to-five-minute exchange about a specific inclusion topic at the beginning of a meeting. They are intended to serve as regular reminders to each of us about the importance of being inclusive at work, at home and in all aspects of our lives.

Expected outcomes include better engagement, increased collaboration, high performance and innovation. Inclusion creates an environment in which all team members feel welcomed, valued, accepted, respected and included, and enables everyone to perform at their best.



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

## FOSTERING TEAM MEMBER ENGAGEMENT VIA EMPLOYEE RESOURCE GROUPS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

### EMPLOYEES

Overview

Engagement

Thought Leadership

#### Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

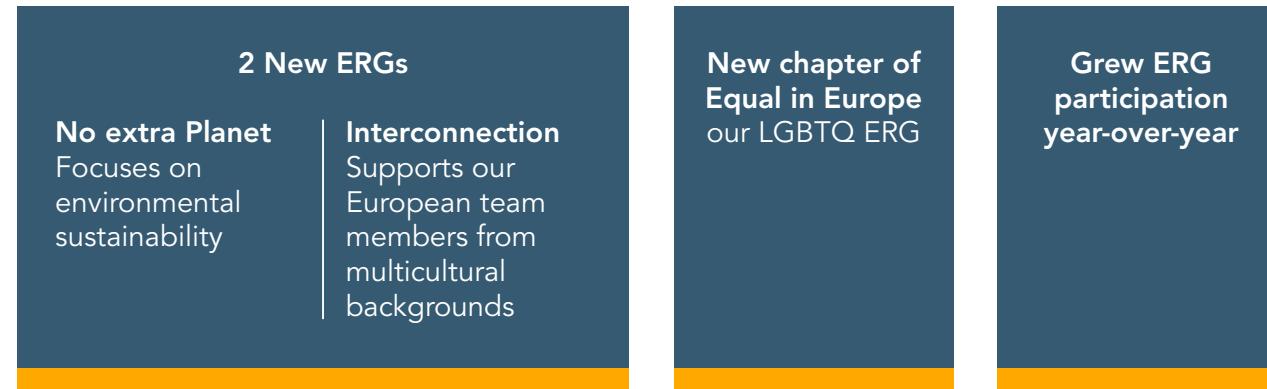
### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES

## 2021 EMPLOYEE RESOURCE GROUP PERFORMANCE



The center of our diversity, equality and inclusion approach is to give team members a voice and engage them to help drive our focus in this important space.

NXP's Employee Resource Groups (ERGs) enable our culture and inclusive work environment, as we work to ensure diversity throughout our company, and bring unique perspectives and skills to help those in our communities.

In 2021 we increased our ERG footprint by establishing a new chapter of Equal - our LGBTQ ERG - in Europe and created two new ERGs: No eXtra Planet (which focuses on environmental sustainability) and Interconnection (which supports team members in Europe from multicultural backgrounds). We now have eight primary ERGs, with representation in Asia, Europe, Mexico and the United States.



Asian Cultural Team



Black Achievement  
Leadership Team



Emerging  
Professionals /  
Young Community



Equal

Hispanic Education  
Awareness Team

Interconnection



No eXtra Planet



Women in NXP



# EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

Membership and participation in ERGs are open to all NXP team members, and global engagement is encouraged. Each ERG has defined mission/vision statements, goals, and executive oversight and sponsorship. To track the progress of our growing ERGs, we measure membership, team member engagement and programming for each group. In 2021, the ERGs collectively hosted more than 160 events, including professional development workshops, networking sessions and cultural awareness activities.

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 sites and teams. An example of this collaborative effort is the company's annual observation of International Women's Day (IWD), which celebrates the social, economic, cultural and political achievements of women. In 2021, thousands of NXP team members around the world participated in more than 50 virtual and on-site IWD events. Additional annual observances celebrated by our ERGs include Black History Month, Pride Month and Hispanic Heritage Month.

When possible, our ERGs also partner with external organizations committed to advancing STEM education, community wellness and sustainable environmental practices. For example, in 2021 our ERGs partnered with:



Breakthrough Central Texas



Huston Tillotson University's  
Austin Pre-freshman  
Engineering Program  
(AusPREP)



Out in Science, Technology, Engineering  
and Mathematics



El Buen Samaritano



Latinitas



VHTO



The Refuge

## DEVELOPING OUR DIVERSE WORKFORCE

Through our ERGs, NXP regularly facilitates training on diversity, equality and inclusion topics. As an example, Women in NXP and EQUAL ERGs collaborated on a LGBTQ allyship workshop for team members in India. These ERG-led sessions give our global team members the opportunity to engage in open discussions and create awareness of inclusive behaviors.

Furthermore, our ERGs host events aimed at promoting career development and building leadership skills. For instance, YOUNG! NXP the Netherlands, hosted a meet and greet with NXP President and CEO Kurt Sievers, where they discussed authentic leadership and career growth. Also in 2021, our ERGs welcomed more than 30 external speakers and organizations for professional development and networking events.

In addition, NXP engages in professional development conferences that enables the continued growth of our diverse workforce. Over the last nine years, NXP team members have participated in 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.

We also created an internal resource hub to provide resources on topics such as diversity, inclusion, intercultural collaboration, microaggressions, bias, and allyship.

To further foster an equal and inclusive culture, in 2022, we are integrating unconscious bias training into our team member development process.



National Society of Black Engineers



Society of Hispanic Professional Engineers



Society of Women Engineers

# PROVIDING COMPETITIVE AND FAIR COMPENSATION AND BENEFITS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

### Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

NXP's competitive compensation and benefits programs are designed to attract the best talent, and drive the best performance across all areas of our diverse workforce.

## COMPENSATION

NXP provides team members with total reward packages consisting of base salary, short-term incentives, and equity-based long-term incentives for some team members, as well as competitive benefits aimed at supporting team members' financial, physical, and mental well-being.

Rewarding performance is a critical foundation for our overall program. NXP is committed to managing all reward-based compensation programs, including merit increases, annual incentive program (AIP) payouts, and long-term incentive awards, to deliver on our pay-for-performance philosophy.

NXP has policies and procedures in place to promote pay equity, and diligent reviews are performed twice a year alongside the rewards processes. We also developed a proactive process to evaluate each reward-based compensation program in real-time, and provide leaders with feedback to ensure fair and equitable compensation. We continue to use analytical tools, to assess potential compensation recommendations that need further review prior to these recommendations becoming effective, in order to make appropriate adjustments and promote pay equity. We use this process globally to evaluate compensation-related decisions based on a variety of factors, including gender and, in the United States, race and ethnicity.

NXP relies on third-party data to establish fair, equitable and competitive compensation and benefits programs. We then empower leaders to recognize both individual and team accomplishments through a variety of compensation programs. Reward decisions are linked to a team member's performance evaluation. A formal assessment of both specific achievements, and the individual's demonstrated behaviors – consistent with our values – to deliver those achievements, is performed annually.



# PROVIDING COMPETITIVE AND FAIR COMPENSATION AND BENEFITS

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

### Overview

### Engagement

### Thought Leadership

### Diversity, Equality and Inclusion

### Compensation and Benefits

### Development

### Future Talent

### Talent Retention

### Community Outreach

### Human Rights

### Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## BENEFITS

NXP helps our team members maintain their health and financial well-being by supplying benefits that may include an employee stock purchase plan, life insurance, business travel accident insurance, personal accident insurance, paid maternity and paternal leave, personal time off, tuition reimbursement and other employee assistance programs.

In addition, we offer a global Flexible Work Arrangement program, which offers eligible team members the ability to work a combination of on-site and remotely. Although our way of working focuses on meaningful face-to-face interactions, we have incorporated flexibility into our work arrangements in a way that allows us to maintain the focus on strong and effective teamwork, collaboration and community.

In some countries, we also support part-time work schedules, helping to support the overall well-being, and greater work-life balance for our team members.

NXP believes our team members are the most important resource we have and supporting team members with our total rewards program is one of the reasons we remain successful against our competitors.

NXP's benefits programs vary by country and region. Here is an overview of some of the benefits we offer in each region.

### Americas Benefits Overview

NXP supports team members in Brazil, Canada, Mexico and the United States by offering benefit programs that includes medical, dental and vision insurance, in addition to any statutory benefits. We offer competitive retirement match contributions, and car allowances and lease programs for our sales team members. In the United States, we also offer up to five visits of back-up care (for children or the elderly), tutoring for children, on-site gym or gym allowance, and community service time off, which provides team members with paid time off that can be used to volunteer with non-profit organizations.

### APAC Benefits Overview

NXP supports team members in APAC countries with benefit programs tailored to the specific country and can include annual health and wellness checks, medical insurance coverage, hospital coverage and on-site or free COVID immunizations, in addition to any statutory benefits. Retirement benefits are available at each site, with a mixture of pension plans and defined contribution plans. At several NXP manufacturing sites, we supply allowances for the purchase of rice, as well as canteens serving food to offer convenience to our team members. Certain sites also offer on-site health centers and designated areas for sporting activities and religious practices. NXP supports cultural events with gifts and time off for Diwali, Dragon Boat Festival and Chinese New Year.

### EMEA Benefits Overview

NXP supports team members in EMEA countries with life insurance, personal accident insurance and retirement (in line with local market practice), in addition to any other statutory benefits. We have a variety of car allowance and lease programs in the countries where our customers are present. In several countries, including France, the United Kingdom, and sites in Eastern Europe, NXP provides additional medical, dental and vision coverage, in addition to the country social programs. NXP pays for all team member benefits, while team members pay the additional fees to cover their families. In some countries, we provide allowances that assist team members with commuting, meal, and other work-related costs. We also support health/sports-related activities and cultural events for our team members.



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)

## EMPLOYEES

[Overview](#)[Engagement](#)[Thought Leadership](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)

### Development

[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

# ENABLING TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

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

We have a strong commitment to continuous learning, and we understand that development happens when multiple learning approaches come together. By utilizing the 70/20/10 model, learning can achieve new levels through experience, collaboration, and education.

## OUR APPROACH

A photograph of a woman with dark hair tied back, wearing a blue t-shirt. She is pointing her right index finger upwards towards the top left corner of the slide. She is holding a green marker in her right hand. The background is a light-colored wall.

70%

**Learning through on-the-job experience (70%)** – begins on day one with orientation, and continues throughout employment with regular and ongoing programs for the growth and development of our talent, offered at both the local and global level. We work to create developmental opportunities for our team members 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, provide on-the-job learning experience, and fuel the career growth of our team members.

A photograph of a woman with dark hair tied back, wearing a blue t-shirt. She is pointing her right index finger upwards towards the top left corner of the slide. She is holding a green marker in her right hand. The background is a light-colored wall.

20%

**Learning through others (20%)** – we believe some of the best career learnings are gained by working with others and through on-the-job work experience. Learning new skill sets from the industry's best is both a foundational learning strategy, and an opportunity we use at NXP to develop talent. There are many programs our team members can use to build relationships with peers and mentors and enhance team member development.

A photograph of a woman with dark hair tied back, wearing a blue t-shirt. She is pointing her right index finger upwards towards the top left corner of the slide. She is holding a green marker in her right hand. The background is a light-colored wall.

10%

**Learning through education (10%)** – is a vital tool blending internally designed and externally sourced courses and learning resources to provide learning opportunities to our team members, in support of key business processes, requirements and initiatives. We also provide a complete library of on-demand skills development and micro learning resources to all team members. We support continuing educational endeavors by providing tuition assistance programs in various countries – like China, India, the United Kingdom, and the United States, among others – where we cover a portion of the costs for team members to pursue degrees and/or certifications in approved fields of study.

# ENABLING TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

### Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

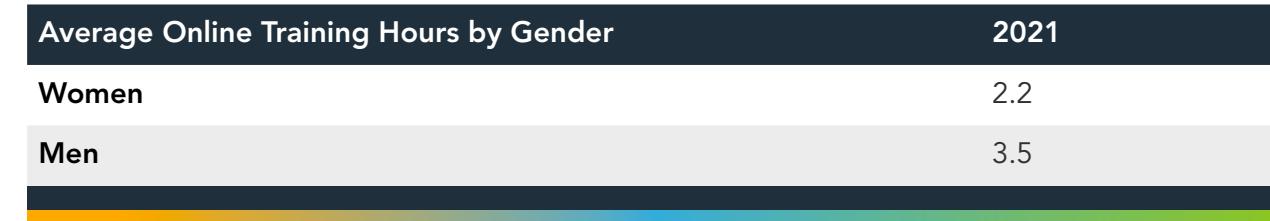
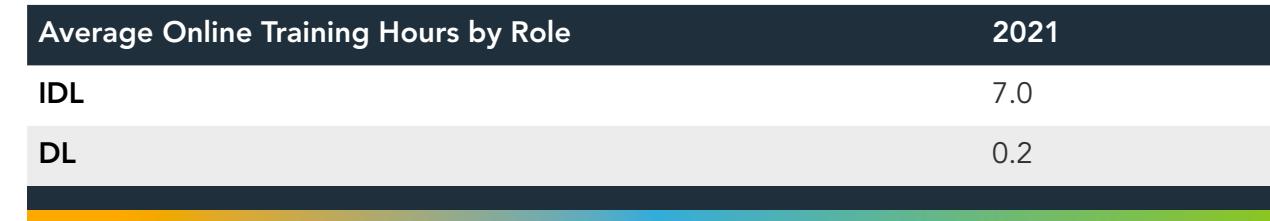
## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

### GLOBAL ONLINE TRAINING<sup>9</sup>



<sup>9</sup>Online training metrics include both mandatory compliance training and team member elected training



# ENABLING TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview  
Engagement  
Thought Leadership  
Diversity, Equality and Inclusion  
Compensation and Benefits

### Development

Future Talent  
Talent Retention  
Community Outreach  
Human Rights  
Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## OUR TRAINING & DEVELOPMENT PROGRAMS

NXP has a wide variety of training programs for our team members across the globe, including new offerings that were introduced in 2021 and others to come in 2022.

Examples of our current training and development programs include the following (in alphabetical order):

### BI-MONTHLY WEBINARS FOR TEAM MEMBERS

Live opportunities for team members to engage with internal learning leaders, and understand skill topics covered in Development Power Hour Guides.

### BUSINESS AND FUNCTION-SPECIFIC TRAINING

Variety of topics, including project management, business intelligence and technical skills. Below are just a few examples of training that falls within this focus area:

#### NXP Operations

Throughout 2021, the Operations team members participated in more than 145 courses, totaling approximately 40,000 hours of training. With a focus on growing and developing Operations team members, training in this area is centered around:

- Mandatory Training: All team members within Operations go through a variety of programs related to Environment, Health & Safety, Ethics, Quality, and technical training.
- Voluntary Training: Soft-skills training (i.e., communication, conflict management) as well as leadership and site-specific learning activities are also offered.
- Wafer Fabrication teams: added a new Training Program Manager as well as two new programs in 2021:
  - Engineering Leadership Rotation Program: a leadership skill development program for the management pipeline
  - Engineering Review Board program: a development program for team members aspiring to grow from a technician to an engineering role
- Assembly and Test teams:
  - Training programs such as problem solving, process improvement/ "Kaizen" concepts

- Manufacturing site learning activities such as Train the Trainer, Leader as Trainer, and Learning Friday

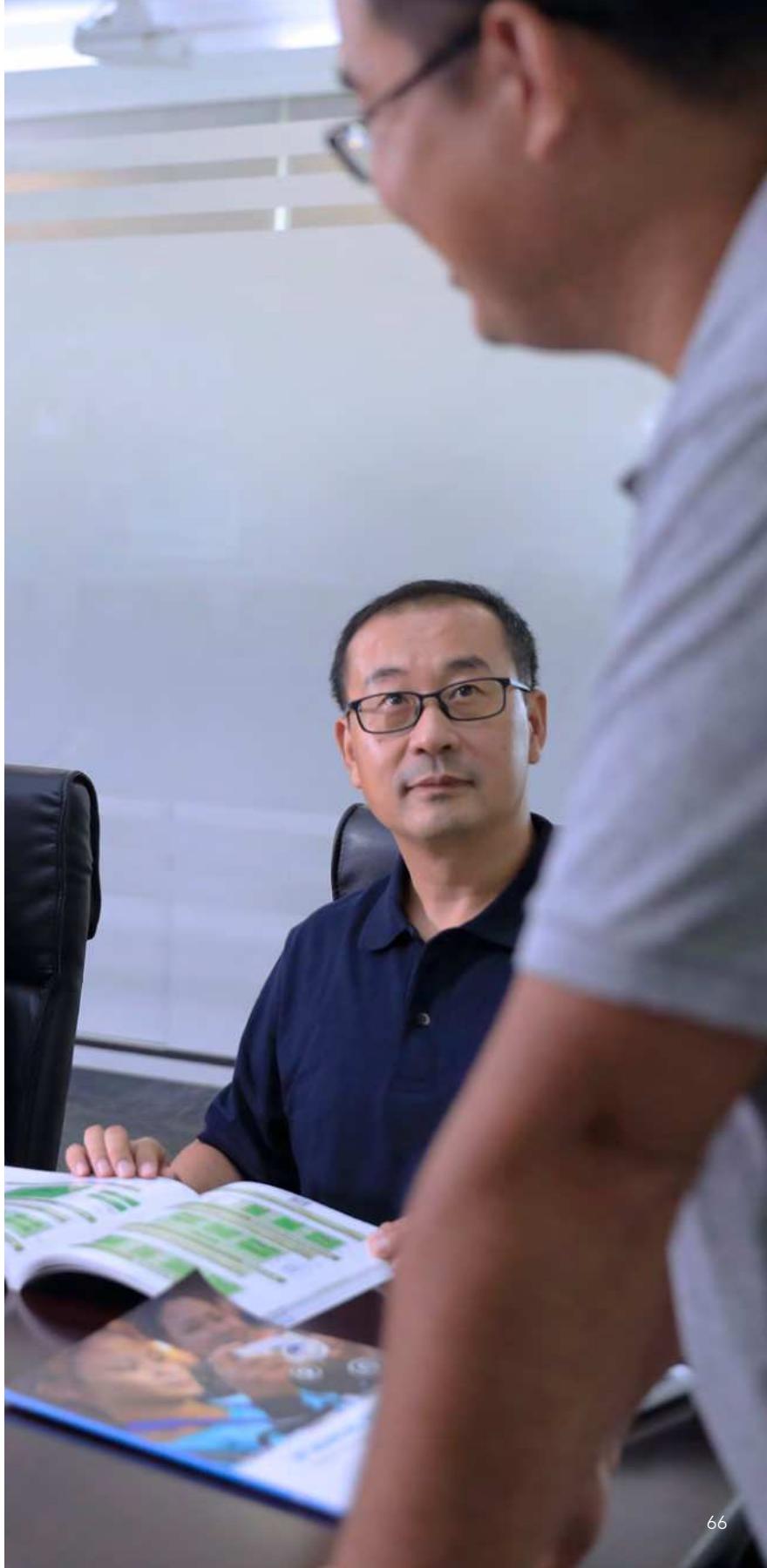
#### NXP R&D Academy

To further develop the R&D community, we offer a variety of learning opportunities under the NXP R&D Academy. We have dedicated schools for architecture, functional safety, design quality and crypto and security. In addition to these larger programs and special training, we offer training and regular webinars, allowing our R&D community to grow their knowledge and stay up to date with the latest developments and innovations. The NXP R&D Academy will further expand in the coming years with additional schools on artificial intelligence, SoC development and ideation.

#### NXP Sales

NXP business units and functions created specific training courses to increase the knowledge and awareness of Sales team members. For example:

- NXP hosted 25 Franklin Covey workshops for Sales Operations team members that were focused on building and maintaining extraordinary productivity habits, unconscious bias, and leadership effectiveness. In 2021, more than 215 team members participated in these sessions.
- In 2021, sales training included information technology, legal and intellectual property, sales processes/tools, as well as technology and operations. Training also included focused topics such as change management, customer quality complaints, emergency response, health and safety, security awareness, and six sigma training, among others. Collectively, these trainings accounted for more than 1.6 million viewing hours in 2021.





# ENABLING TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

### Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## CODE OF CONDUCT

NXP is committed to being an ethical company and a responsible business partner and employer. Therefore, it is important that everyone who works for NXP understands and adheres to the values and principles reflected in the Code of Conduct (the Code), and incorporates them in our day-to-day activities.

In 2021, we revamped our Code to reflect the changing circumstances of the dynamic industry in which we operate. In addition to making the Code more accessible, we have also increased the focus on relevant topics, including trade compliance, data compliance and added artificial intelligence to the Code. We also share information on how team members can report potential violations, anonymously if so desired, via NXP's [SpeakUp](#) line, hosted by an independent third-party.

All reported cases are taken seriously and are brought to the attention of the NXP Ethics Committee, which is comprised of senior leaders from Legal, Internal Audit, Human Resources and Sustainability. Members are based in the Americas, Europe and Asia-Pacific, who are independent from the people/business involved in any reported cases. Investigations are carried out in a confidential manner and communication is limited to those with a need to know.

The investigation team shares its findings with the NXP Ethics Committee, and subsequently, the Ethics Committee works together with the relevant business owners on follow-up actions, if any. Each quarter the Ethics Committee reports to the Audit Committee of the Board of Directors on all reports and investigations.

In 2021, NXP revamped its Code to reflect the changing circumstances of the dynamic industry in which we operate by focusing on relevant topics such as trade compliance, data compliance and artificial intelligence.

## LEARNING & DEVELOPMENT NEWSLETTER

Targeted development messages and resources on various topics delivered directly to team members' email.

## NEW IN CAREER DEVELOPMENT PROGRAM

Provides team members who are new in their career with the necessary knowledge and tools to understand more about NXP, our strategy, culture and values. You can read more about this program below in the "Investing in Future Talent" section.

## NEW MANAGER ASSIMILATION PROGRAM

A suite of information and self-service tools that help managers assimilate into a new management role, or as a manager of a new team.

## NXP SMARTIES

Competency-aligned development guides that team members can use to self-assess their behaviors against the 38 Korn Ferry Leadership Architect™ competencies, and get tips on how to further develop that competency.

## SELF-SERVICE RESOURCES

Topics that help team members develop personally and professionally, featured in a centralized portal that houses all NXP learning opportunities.

## TEAM EFFECTIVENESS WORKSHOPS

Help team members understand more about themselves and others using psychometric tools. Team members learn to work better with colleagues, have more open, positive conversations, use their strengths with confidence, improve their development areas, and understand the value they bring to projects.

# ENABLING TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)

## EMPLOYEES

[Overview](#)[Engagement](#)[Thought Leadership](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)

### Development

[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

NXP also partners in some countries with external institutions and entities to professionally develop our team members. For example, in France, we engage 500 – 600 team members in external training each year, equating to 10,000 to 12,000 training hours. The type of training varies from extensive training for team members engaged in an apprenticeship with our company, to highly technical content training, to soft skills content.

Our customers are key to what we do, and we value collaborating externally as a way of sharing our expertise with our customers and design partners, but also as a development opportunity for our own team members. 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 and competitive knowledge and skills. In 2021, we engaged with more than 65,000 customers in 394 unique sessions across the globe, totaling 430 hours of training.

### LOOKING FORWARD

As we look ahead to 2022, we aim to continue increasing the professional growth and development opportunities for team members through the Manager Effectiveness Program. This program creates a consistent management culture at NXP through expected leadership behaviors that are designed to champion a safe, engaging and inclusive environment that provides our teams with a focused purpose and prioritized outcomes. Through this program, we aim to increase manager effectiveness by using the established enterprise development resources, and country best practices.



# INVESTING IN FUTURE TALENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

### Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

NXP's strong commitment to our internship programs is a key contributor to developing the new generation of talent, including engineers, in our industry and company.

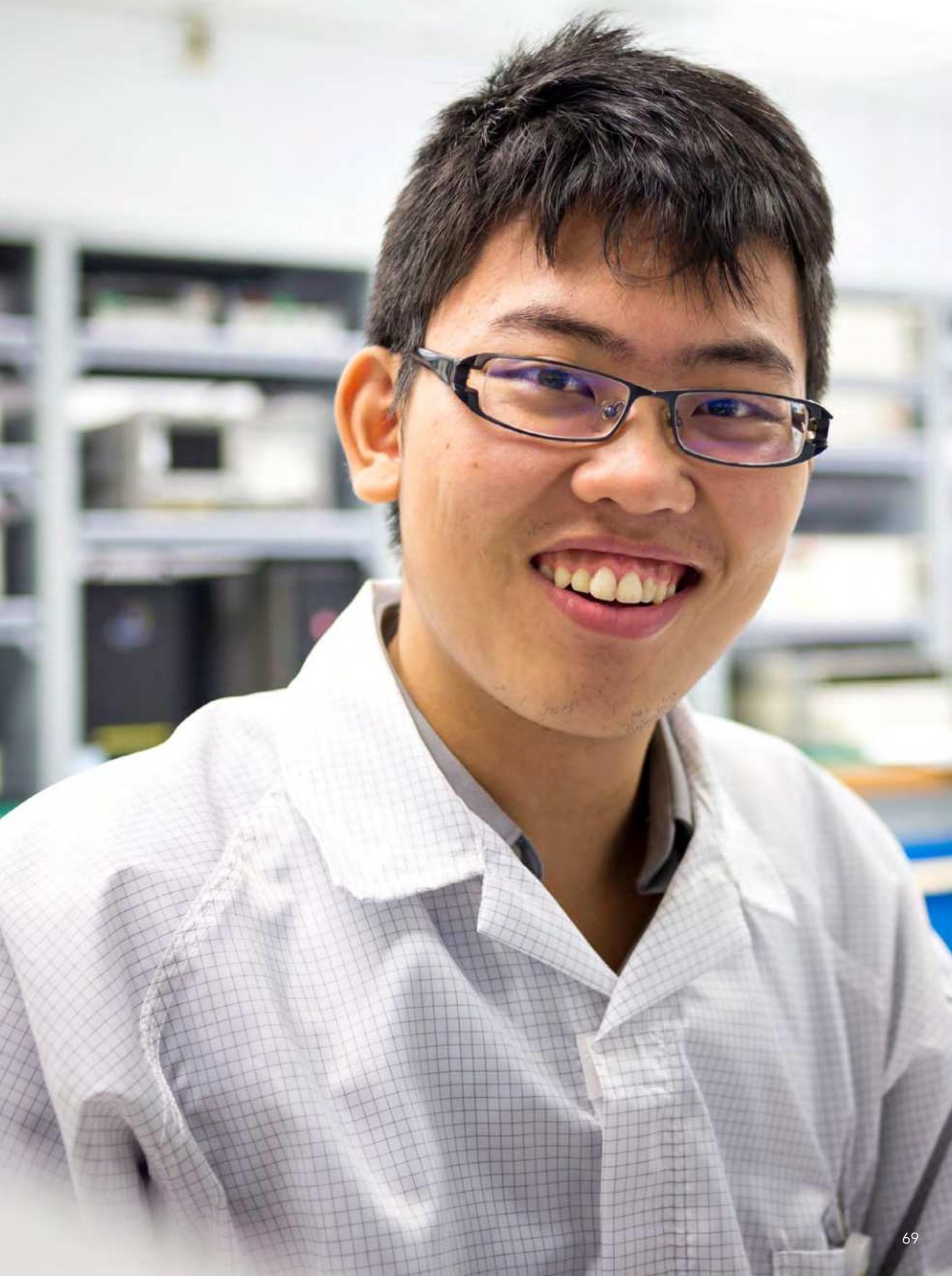
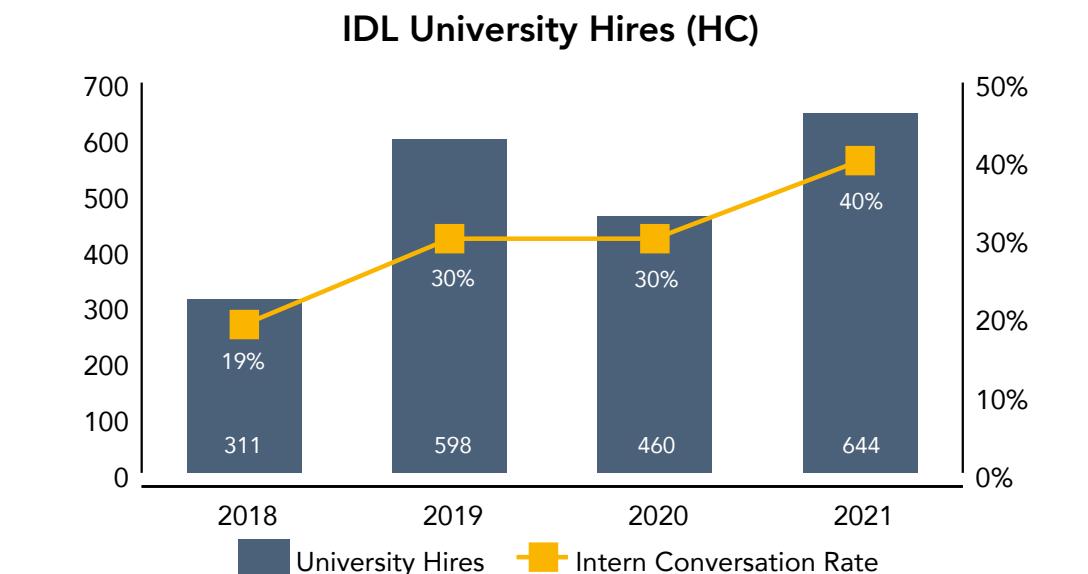
### INTERNS

Our internship programs focus on the students' technical advancement and skills development that are needed as they prepare to enter the professional workforce. In 2021, despite the challenges of the COVID-19 pandemic, we continued to welcome university students to NXP through a virtual internship program, allowing us to keep building the talent pipeline despite the global challenges we faced.

In 2021, NXP granted more than 800 internships to university students and converted 40% of our interns into an NXP team member.

### NEW COLLEGE GRADUATES

Our internship programs build a highly capable and energetic new college graduate pipeline. In 2021, we were pleased to welcome approximately 644 new college graduates, an increase over the 470 new college graduates we hired in 2020. These hires represent 24% of our overall IDL hiring activity, in which 30% of the new college graduate hires were women.



# INVESTING IN FUTURE TALENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

Overview  
Engagement

Thought Leadership

Diversity, Equality and Inclusion  
Compensation and Benefits

Development

**Future Talent**

Talent Retention  
Community Outreach  
Human Rights  
Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## UNIVERSITY PARTNERSHIPS AND ENGAGEMENT

Through our partnerships with universities across the world, we fund and support advanced research programs and projects that demonstrate our commitment to investing in the future of not only technology, but also the students' knowledge and skills. Quite often, these partnerships translate into new and exciting solutions for our customers.

To drive deeper awareness and engagement with our university partnerships, NXP created a University Relations Council, whose goal is to drive a coherent and aligned approach towards university partnerships by linking recruitment, global sales and marketing, and R&D programs.

Our 2021 university funding and support was diverse, and allowed us to support advanced research programs and sponsorships, including the following:

~80



**~80 university projects:** in countries across the globe, including Austria, Belgium, Czechia, France, Germany, Ireland, Netherlands, Poland, Romania, Sweden, Switzerland and the United Kingdom, among others, led by NXP, with support from most business lines and functions.

+70



**+70 projects** with the Semiconductor Research Consortium (SRC): projects engaged NXP liaisons in Canada and the United States with university professors and students on advanced silicon design, production, and manufacturing processes. In addition, these programs provided students with a path for technology transfer and expertise for the industry.

**EcoCar:** a US Department of Energy program, allowed NXP to work with 12 universities across the United States to develop more economic, environmentally friendly, and connected vehicles. NXP looks forward to the final's ceremony and the selection of winners in 2022.



**2021 NXP Cup:** invites participants to an autonomous robotics and automotive challenge. Participants design and build a car, design the software program, and race a pro-level autonomous car against other teams while aiming for the fastest time and precise maneuvering. The 2021 virtual event engaged more than 100 university teams in Europe. The virtual and live finals event drew more than 3,000 views on YouTube.



**2021 NXP Smart Car Race Design Challenge:** the Indian engineering student community focused two days on artificial intelligence in mobility, where students were invited to showcase and race their driverless car prototypes on a virtual racetrack, using skills in the areas of coding, AI algorithms, sign recognition, sensor, motion detection camera vision, image processing and more. More than 620 registered for the event from more than 24 states and 87 universities. Seventeen teams of 57 students were short-listed for the two-day grand finale of live races, with an in-depth evaluation from external judges.

# INVESTING IN FUTURE TALENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

### Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

### UNIVERSITY AMBASSADOR PROGRAM

As we've engaged virtually with universities throughout the pandemic, we've learned that students seek connections within our company that go beyond the recruiting team.

To facilitate these interactions, NXP created the NXP University Ambassador Program, inviting all team members to help raise awareness at universities to inspire and encourage young professionals to join NXP. As a University Ambassador, team members can connect with potential student hires in a variety of ways, such as speaking at job fairs, hosting guest lectures at universities, and engaging with students who are interested in getting hands-on experience through our internship program. In addition, students can reach out directly to our University Ambassadors through campaigns organized by NXP. There is a direct benefit to those participating, and we have found both students and ambassadors to be enriched.

### NEW-IN-CAREER DEVELOPMENT PROGRAM

At NXP, we believe that the success of our team members who are new in their career significantly drives the future success of our company. The first months of a new job can seem daunting. With this in mind, we developed a global, self-paced program focused on supporting emerging professionals in their transition to the professional world.

The aim of the New-in-Career Development Program is to provide our team members who are new in their career with the necessary knowledge and tools to understand more about NXP, our strategy, culture, and values. In addition, team members receive guidance on developing the professional skills they will need to successfully drive their development and reach their career goals.

### CUSTOMIZED COUNTRY-SPECIFIC PROGRAMS FOR FUTURE TALENT

NXP empowers our leaders and teams to create and launch programs that target the individual and specific needs of future talent in a specific country or region.

Our Campus Connect Program in India allows NXP to reach out to university faculty and students to share a technical overview of current topics of interest in the semiconductor, electronics, and embedded system design sector (hardware/software). The program aims to provide opportunities for academia, through multiple focused tracks of technical webinars, hackathons, and proof-of-concept solutions, to solve current problems, and create a partnership between the brightest talents at college and experienced industry experts. Ultimately, the program helps pave the way forward for a seamless transition into their career.



# FOCUSING ON TEAM MEMBER RETENTION

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview  
Engagement  
Thought Leadership  
Diversity, Equality and Inclusion  
Compensation and Benefits  
Development  
Future Talent

### Talent Retention

Community Outreach  
Human Rights  
Health and Safety

ENVIRONMENT

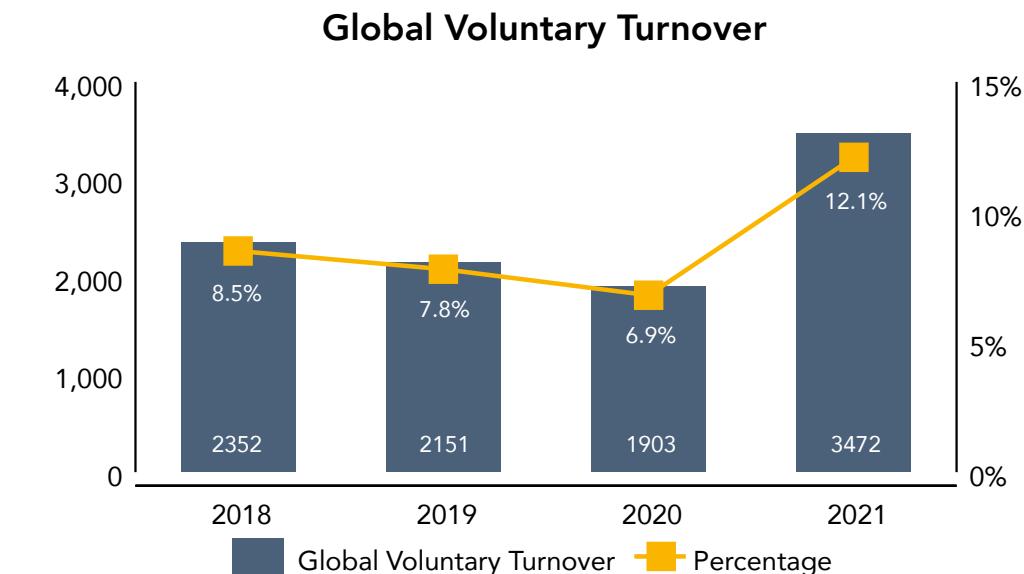
SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

In 2021, workplaces across the globe were met with the challenge of team member turnover, with terms like "The Great Resignation" and/or "The Big Quit" to describe the economic trend that showed itself via mass voluntary resignations.

While it's true that NXP saw a year-over-year increase in team member turnover, we also saw voluntary turnover stabilize in March, and have remained relatively flat, and since down over the second half of 2021 versus the first half of 2021.



To address our concerns, we launched several initiatives centered around retention actions for strategic roles and top-performing talent, as well as programs targeting all team members, including the following:

- Global flexible work arrangements:** Taking lessons from COVID-19, the company incorporated flexibility into our work style, allowing qualified team members to work a combination of onsite and from home. Participating team members follow a defined process for their respective country. This new way of working offers a positive benefit to team members, while still supporting our collaborative style, and allowing for constructive and meaningful social interactions.
- Continuous focus on well-being:** To ensure consistent support for the physical, mental, and overall well-being of our team members, we introduced a focused initiative across the globe. Each month of the year was defined by a well-being theme that was further explained and demonstrated through internal communications, team-building activities, and in-country celebrations, among other things. Results from a mid-year well-being poll showed that most team members found NXP's focus on well-being to be "just right" and requested more coverage on topics like health/wellness and general work/life balance.
- Consistent communications and business updates:** quarterly town hall meetings, small group sessions between NXP team members and leaders, and regular well-being check-ins led by NXP managers to ensure team members were doing well.
- Expanded our hiring practices:** to ensure that when we identified qualified internal or external talent for a role, based on their capabilities, even if they were not located in a country or market where we originally planned for the role.



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

**EMPLOYEES**

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

**Talent Retention**

Community Outreach

Human Rights

Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES



## FOCUSING ON TEAM MEMBER RETENTION

- **Focused attention on our global manufacturing team members:** which consists of a workforce that is required to operate high-end, expensive equipment, we ensure that these team members are well paid (above entry-level pay in the market in which they operate), incented to perform with periodic bonus programs, invited to special events to build community, and support with employee development programs (tool certifications and personal development). We also have strong onboarding programs to orient the new team members to NXP and train them for their jobs. So, while these roles might be entry-level within the NXP job hierarchy, the individuals who perform them are skilled, and run complex processes on tools every day.

We spend significant time to build and maintain good relationships with our direct labor (DL) team members. In some countries, there is presence of official employee representatives, like Works Councils (EMEA) and/or unions. Where applicable, NXP is continuously in conversation with these employee representatives to ensure that any issues raised are addressed and solved in collaboration with these groups.

Examples of the many initiatives/efforts ongoing to maintain our relationships with these team members include:

- Participating in the NXP Winning Culture Survey every other year, which provides DL team members an opportunity to share their thoughts and provide feedback on their work environment, development opportunities, management, among other things. The leadership team then takes the top 1–3 issues for the DL population and implements action plans to address the issues. One example is the reinstatement of the Engineering Review Board (ERB) in the United States. An individual can apply to the ERB and have their experience reviewed, and ultimately qualify to be a candidate for an engineering position (higher job grade). This initiative was very positively received.

- NXP has opportunities to participate in our annual incentive program as our focus throughout the organization allows equitable AIP participation and payout opportunities across job levels and employee types, including our DL population.
- Proactive requests for information and feedback through suggestion boxes, regular roundtable discussions, allows us to hear directly from team members about what's working well and/or opportunities for improvement, outside of the bi-annual Winning Culture Survey.
- Increased the size of our DL workforce across all of our factories to reduce overtime, and provide sufficient resources to keep production at appropriate levels.
- In our Asia factories, we provided direct access to COVID-19 vaccinations in 2021, and are now working towards providing them boosters. The focus on Asia was due to limited availability of the vaccination in those countries. By NXP providing our team members (and many of their family members) access to the vaccines, we were able to keep them healthy and safe.
- As we continue to focus on retention, we will examine the many aspects required to offer a positive and inclusive environment to our team members. NXP has not experienced any material strikes or labor disputes, and we consider our team member relations to be strong and stable.

# GIVING BACK TO OUR COMMUNITIES

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview  
Engagement  
Thought Leadership  
Diversity, Equality and Inclusion  
Compensation and Benefits  
Development  
Future Talent  
Talent Retention  
**Community Outreach**  
Human Rights  
Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

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

## ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

As part of our community outreach efforts, NXP activities aligns with the UN Sustainable Development Goals (SDGs), with a specific focus on the following four SDGs:



### No Poverty

- Donations and volunteerism to support poverty-stricken communities and disadvantaged youth
- Clothing donation drives



### Zero Hunger

- Food-pantry volunteer service, donations, and fundraisers



### Good Health and Well-Being

- Financial support and volunteerism to help those impacted by COVID-19



### Quality Education

- STEM skills-based training
- Mentoring and volunteering at local schools and organizations
- Donating equipment and supplies to support learning and development opportunities

## TEAM MEMBERS IN ACTION

NXP team members are passionate about having a positive impact on our local communities. Across the globe, our teams are generous with their time, resources, and talents to make a difference in the areas in which we work and live.

Although the COVID-19 pandemic changed the way some of our team members were able to get involved, in 2021, we are pleased to share the examples below of these selfless moments of outreach and contribution.



# GIVING BACK TO OUR COMMUNITIES

## OVERVIEW

### 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

### GOVERNANCE

### ESG

## EMPLOYEES

### Overview

### Engagement

### Thought Leadership

### Diversity, Equality and Inclusion

### Compensation and Benefits

### Development

### Future Talent

### Talent Retention

### Community Outreach

### Human Rights

### Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## INVESTING IN STEM EDUCATION

### France

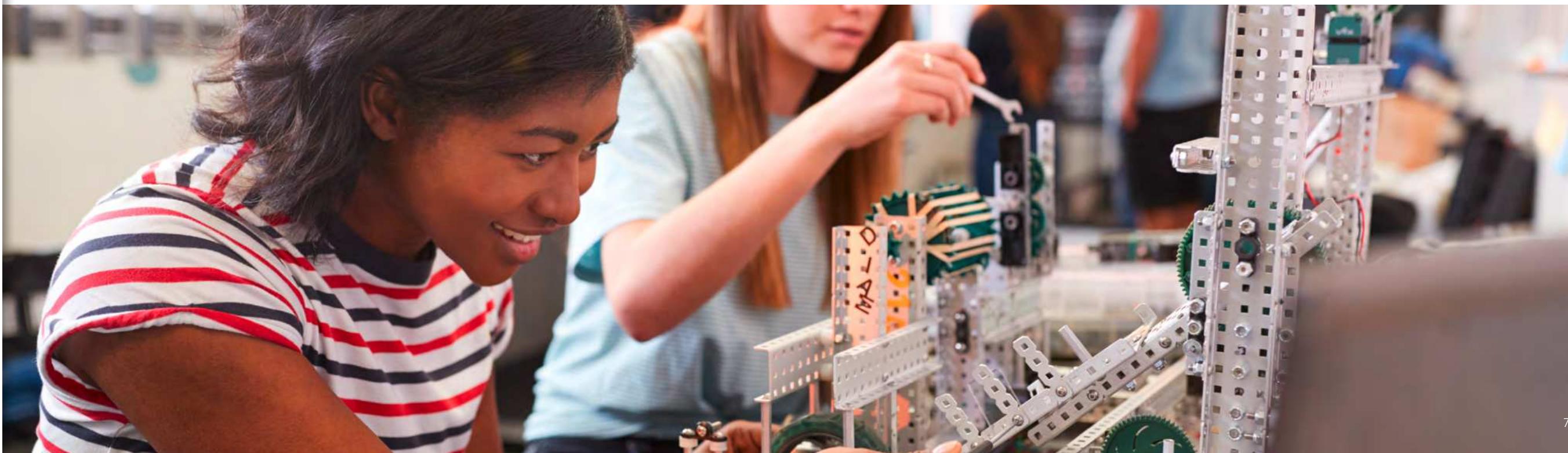
NXP Caen and Sophia-Antipolis actively supported "Innovation Week" activities that were dedicated to STEM education promotion. In addition to having a dedicated booth with demonstrations of technology using NXP products, team members shared their personal stories and passion to develop the STEM culture with kids, teens, and adults.

### Mainland China and Taiwan

NXP Taiwan worked in partnership with two, tier-one STEM universities, NXKU's Career Coaching Program and NTHU's Talent Program, to develop the student's skills for their future careers. Through classroom training over a period of six months, students enhanced their semiconductor industry knowledge, personal development, and professional preparation.

### United States

NXP Austin team members regularly volunteer and mentor with Code2College, a non-profit organization providing access and opportunities in STEM to those students from underrepresented backgrounds. Code2College believes that its approach to Education, Exposure and Experience can enhance student preparation for rigorous, technical careers, while mitigating some key factors that lead to students dropping out from their STEM career path. By opening doors and offering opportunities to these students, Code2College embodies NXP's spirit of nurturing and inspiring bright, young minds.



# GIVING BACK TO OUR COMMUNITIES

## GIVING

### OVERVIEW

#### 2021 HIGHLIGHTS

#### OUR BUSINESS

#### ECONOMY

#### GOVERNANCE

#### ESG

#### EMPLOYEES

##### Overview

##### Engagement

##### Thought Leadership

##### Diversity, Equality and Inclusion

##### Compensation and Benefits

##### Development

##### Future Talent

##### Talent Retention

#### Community Outreach

##### Human Rights

##### Health and Safety

#### ENVIRONMENT

#### SUPPLIER ENGAGEMENT

#### PRODUCT STEWARDSHIP

#### APPENDICES

### Austria

NXP team members in Austria:

- Donated their meal coins (or money) to benefit the Caritas kindergarten class in Graz to help purchase new classroom furniture.
- Contributed to the creation of the new "Tierisch Cool Quiz App," which features NXP's NFC technology from Gratkorn, which quizzes visitors and share insight on the wildlife seen throughout the animal park Herberstein.

### Mainland China and Taiwan

NXP team members in China:

- Donated 20 laptops to the Educating Girls of Rural China organization.
- Donated clothing, toys, and stationery to students at Yunnan Cha Yuan Primary School (云南省茶园小学) in Shenzhen.
- Provided financial donations to benefit the China rural poverty alleviation program.
- NXP team members in Taiwan donated 20 used laptops to Christian Mountain Children's Home to support the online learning needs of students when schools were closed during the COVID-19 pandemic.

### France

NXP team members from Toulouse, Sophia-Antipolis, Caen and Saclay organized a Christmas Market to promote the inclusion of disabled people through the sale of products crafted by those with disabilities, and a Christmas toy donation for disabled children.

### India

NXP team members in India:

- Donated to the Prime Minister National Relief Fund in India, which provides support for people affected by natural and man-made disasters.
- Supported The Giving Tree, each donating a small gift to a local orphanage for children in celebration of Christmas.

### The Netherlands

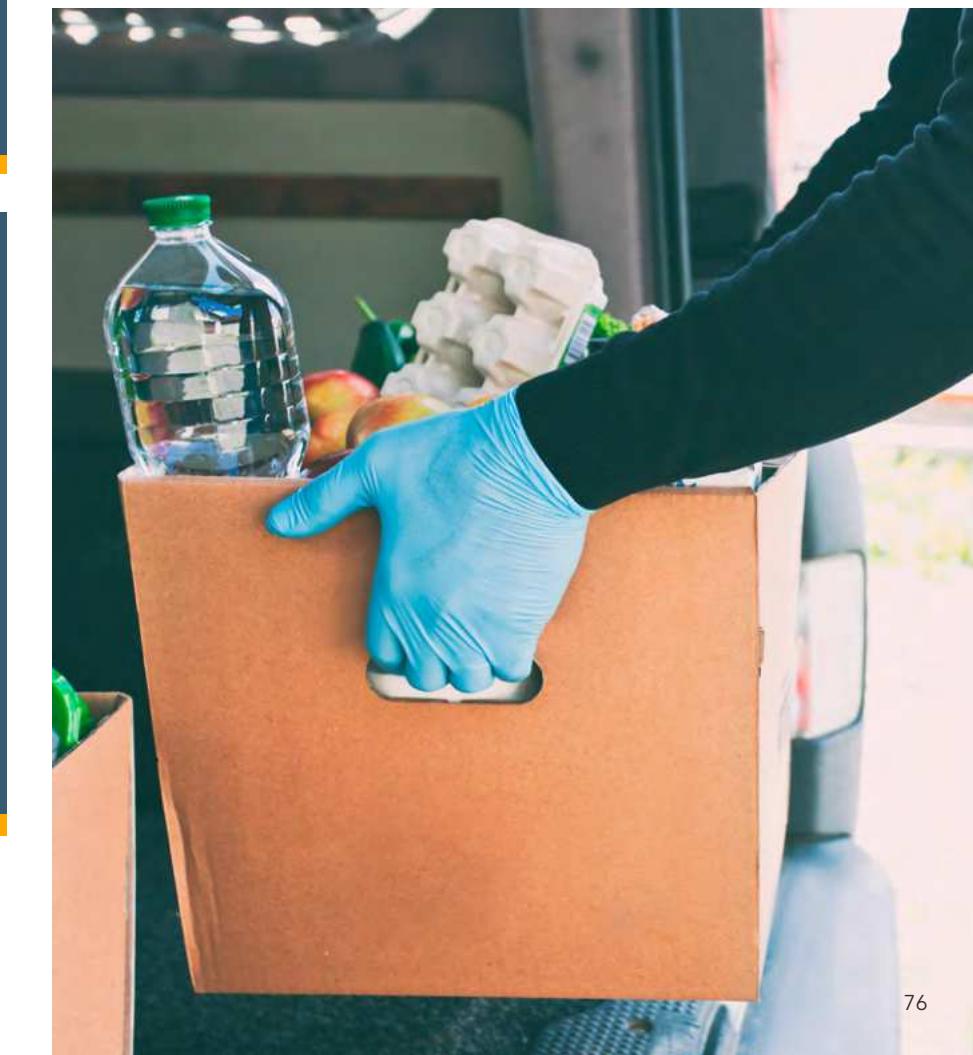
NXP team members in the Netherlands:

- Donated bicycles for refurbishment at the NXP bicycle-repair shop. As a result, more than 100 bicycles have been refurbished and donated.
- Raised funds to help purchase a sustainable support van to help three aid organizations (Stichting Present, Vincentius Nijmegen and Quiet Nijmegen) provide transportation to those in need.
- Donated 25 laptops for secondary school-age children who have been evacuated to the Netherlands from Afghanistan and are engaged in studies with local teachers during the day.

### United States

NXP team members in the United States provided financial contributions and support to local organizations that give services to those in need, including:

- Ballet Austin: allows breast cancer survivors to participate in Pilates and gently transition back toward emotional and physical health
- Second Harvest Food Bank: donations help kids and families have access to nutritious food



# GIVING BACK TO OUR COMMUNITIES

## OVERVIEW

### 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

### GOVERNANCE

### ESG

### EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

### Community Outreach

Human Rights

Health and Safety

### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES

## VOLUNTEERING

### India

NXP team members in India supported the educational growth and development of children in partnership with the following organizations in 2021:

- Provided special education opportunities for children with visual impairment, in partnership with the Saksham organization
- Worked with local organizations, including Nai Disha, Diksha, National Workers Welfare Trust, Samridhi Kasvahalli Centre, to educate underprivileged children
- Shared professional education with underprivileged youth in collaboration with the Joining Hands organization

### Mainland China and Taiwan

NXP team members in China supported several volunteer projects in 2021, including:

- Visited a local sanitation facility and completed a local garbage clean up activity in Chongqing
- Planted 500 saplings in the Shanghai Pudong Software Park in Shanghai
- Hiked to the third peak of Shenzhen, which is known as the most beautiful ladder in Meishajian Yantian mountain, collecting plastic waste along the way
- NXP Taiwan team members sponsored the cleaning and maintenance of the NXP Park located in Kaohsiung Nanzih Technology Industrial Park, which offers a public place for people to relax

### Malaysia

NXP Malaysia team members:

- Volunteered and collaborated with the government to set up an on-site vaccination center for 20 companies. NXP was recognized by the Malaysian government and our peers for taking a leadership role
- Volunteered in a public-private collaboration initiative at a local apartment complex that benefited and offered help to 17,000 residents, including 800 migrant workers of NXP



## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

- Overview
- Engagement
- Thought Leadership
- Diversity, Equality and Inclusion
- Compensation and Benefits
- Development
- Future Talent
- Talent Retention
- Community Outreach
- Human Rights**
- Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## 2021 HUMAN-RIGHTS PERFORMANCE

**Human-Rights Due Diligence**

Twice the number of supply-chain due-diligence audits in 2021 compared to 2020

**External Engagement**

Sharing practical approaches to labor and human-rights challenges

**Due-Diligence Results**

Working-hour challenges and recruitment-related fees paid by workers in our supply chain

NXP recognizes that our operations can impact the human rights of our team members, workers in our supply chain, and the people in our host communities. We endeavor to demonstrate respect for human rights through our everyday activities and decision-making, and aim to address human rights consistent with stakeholder expectations of our industry.

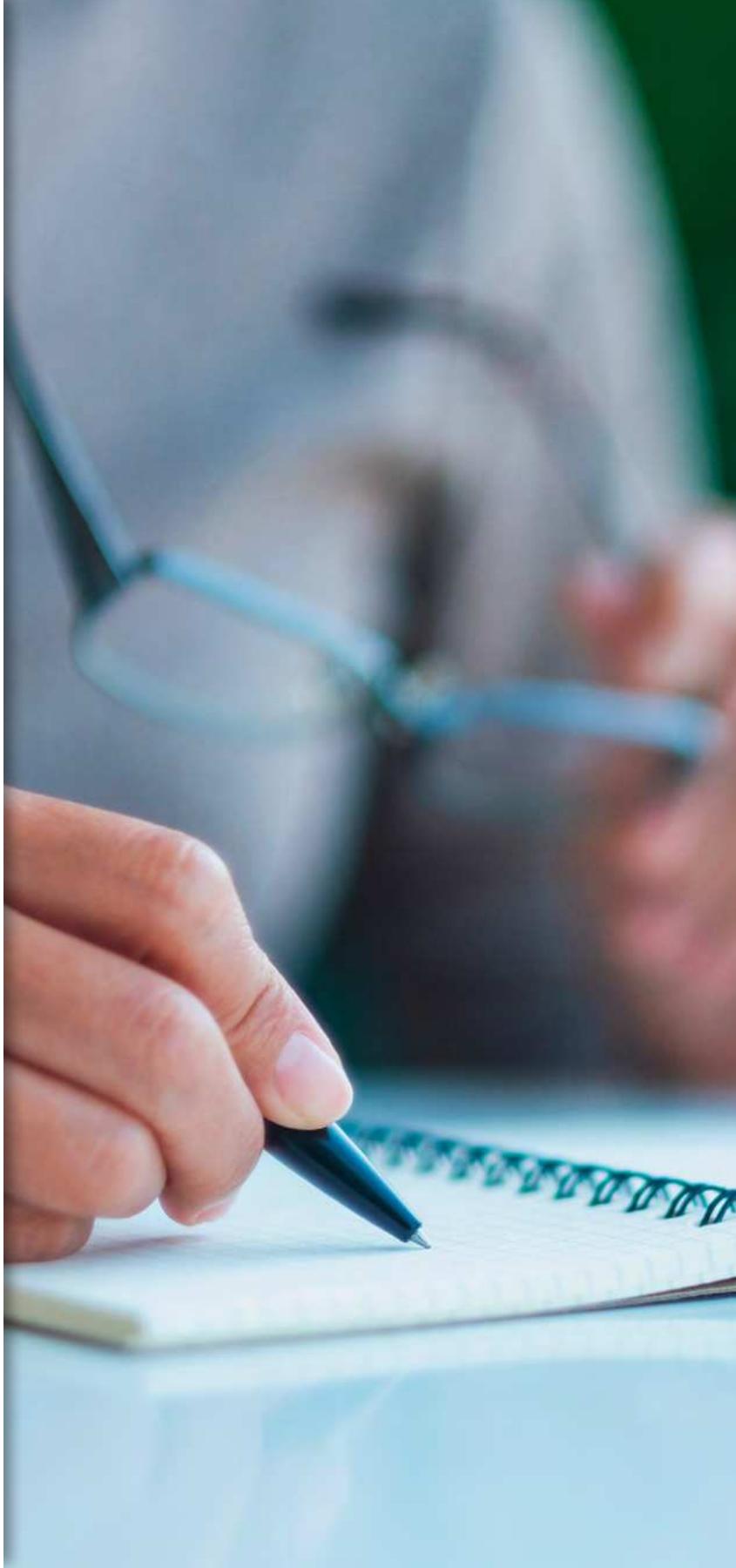
**LABOR AND HUMAN RIGHTS COMMITMENTS**

NXP collaborates closely with our business partners to proactively and transparently identify and address potential human-rights allegations and prevent or address credible human-rights abuses. The scope of this commitment includes, but is not limited to, 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. Our Labor and Human Rights Commitment is available [here](#).

**HUMAN-RIGHTS DUE DILIGENCE**

To identify potentially adverse human-rights impacts and put in place prevention and mitigation measures, we use input from internal and external resources to inform our approach and responses. 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, consultation and engagement with workers, management, and other key stakeholders, as well as measurement and public reporting. NXP examines human-rights risks on a continual basis, and relies on stakeholder feedback and engagement when evaluating these risks.



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)**EMPLOYEES**[Overview](#)[Engagement](#)[Thought Leadership](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)[Development](#)[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)**ENVIRONMENT****SUPPLIER ENGAGEMENT****PRODUCT STEWARDSHIP****APPENDICES**

## HUMAN RIGHTS

### IDENTIFY & ASSESS



- Supplier risk assessment
- Self-assessment questionnaire
- Audit
- Collaborate and engage with stakeholders and human-rights experts
- Review and assess previous due-diligence results

### INTEGRATE & ACT



- Policies, standards, and tools
- Social Responsibility Board
- Capacity building
- Collaboration with Purchasing
- Monthly post-audit follow-up calls
- Collaborate and engage 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



- SpeakUp hotline
- Worker-management dialogs and focus-group discussions
- Internal and supplier grievance mechanisms
- Annual reporting

# HUMAN RIGHTS

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)

## EMPLOYEES

Overview  
Engagement  
Thought Leadership  
Diversity, Equality and Inclusion  
Compensation and Benefits  
Development  
Future Talent  
Talent Retention  
Community Outreach  
[Human Rights](#)  
Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

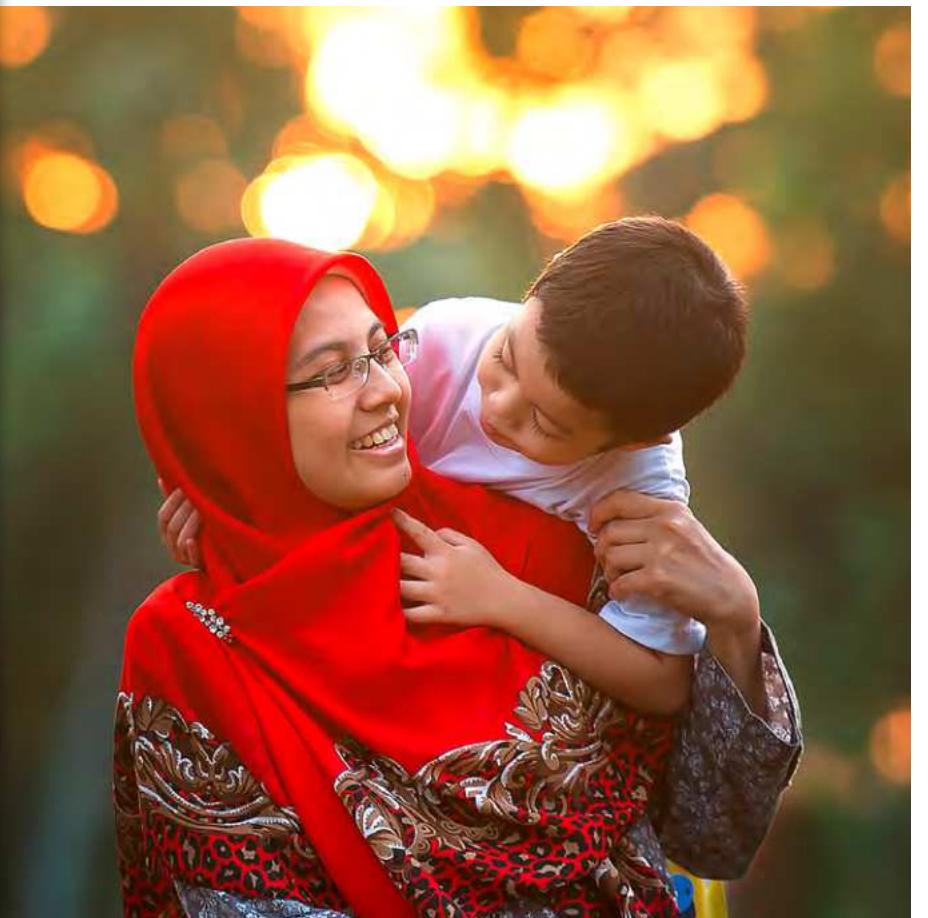
## PRODUCT STEWARDSHIP

## APPENDICES

### SALIENT HUMAN-RIGHTS RISK ASSESSMENT

In our operations and our supply chain, we use indirect labor, direct labor, temporary workers, and agency workers (including foreign migrant workers). We engage with all relevant functions and businesses across NXP and our supply chain, to identify practices that may lead to non-compliance with our policies and standards.

The Social Responsibility and Procurement teams identify salient human-rights risks using our own risk analysis, our collaboration with key stakeholders — including industry associations, expert groups, and NGOs — and the results from our supplier assessments and audits. The following are issues within NXP and our supply chain that we determined to be most critical to labor and human rights.



# HUMAN RIGHTS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

**EMPLOYEES**

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

**Human Rights**

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

We minimize human–rights risks by making continuous improvements to our policies, strategies, collaborative capacity building, self–assessments, and audits within NXP and our supply chain in response to our own experiences, shared industry best practices, and emerging issues, trends, and developments.

## NO FEES



- Clear policy prohibits charging fees to workers and ensures compliance
- 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

## RETENTION OF DOCUMENTS



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

## FAIR TREATMENT OF VULNERABLE WORKERS DURING A PANDEMIC



- 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

## WORKING HOURS AND REST DAYS



- 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 six days worked
- 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



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[\*\*EMPLOYEES\*\*](#)[Overview](#)[Engagement](#)[Thought Leadership](#)[Diversity, Equality and Inclusion](#)[Compensation and Benefits](#)[Development](#)[Future Talent](#)[Talent Retention](#)[Community Outreach](#)[Human Rights](#)[Health and Safety](#)[ENVIRONMENT](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)**YOUNG WORKERS**

- 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 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 to confidentially report policy violations

**ACCURATE CONTRACTS**

- 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
- 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 contract related information

**FAIR WAGES**

- 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 wage slips in a language they understand, with clear details regarding regular and overtime hours worked and rates
- Wages are paid within 14 days after the end of the working period
- Deductions as a disciplinary measure are prohibited
- Grievance mechanism to confidentially dispute wage and benefit-related payments



# HUMAN RIGHTS

## OVERVIEW

### 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

### GOVERNANCE

### ESG

### EMPLOYEES

#### Overview

#### Engagement

#### Thought Leadership

#### Diversity, Equality and Inclusion

#### Compensation and Benefits

#### Development

#### Future Talent

#### Talent Retention

#### Community Outreach

#### Human Rights

#### Health and Safety

### ENVIRONMENT

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES

## SALIENT HUMAN-RIGHTS ISSUES: 2021 RESULTS

	Our Operations	Our Supply Chain
<b>No Fees</b>	Workers did not pay fees	33% of suppliers audited charged hiring fees. All but one supplier refunded these fees. Dialogue to close the one nonconformance is ongoing
<b>Retention of Documents</b>	Personal documents are retained by workers	Of six suppliers, one has yet to return personal documents to workers
<b>Fair Treatment of Vulnerable Workers During a Pandemic</b>	NXP hired 16 migrant workers from Nepal at our site in Malaysia. These workers were recruited from an employer whose factory was closed due to the pandemic. The workers paid recruitment-related fees to the original employer. After attempts to contact the former employer to repay the fees failed, NXP reimbursed the workers directly	The resumption of more supplier audits enabled NXP to interview workers to understand their well-being during the pandemic. While no serious issues were reported, workers have been provided with the NXP anonymous phone line to report any concerns or impacts to their rights
<b>Working Hours and Rest Days</b>	At one site, the 60-hour working limit was exceeded for approximately 180 workers, or 6% of the site's direct-labor workforce for a period of 14 weeks. This was due to the labor shortage, challenges in hiring foreign-migrant workers, and border closures	83% of suppliers audited did not monitor working hours and rest days. One supplier has not closed this nonconformance
<b>Young Workers</b>	No child labor. All young workers are in accordance with relevant laws and regulations	No child labor. All young workers are in accordance with relevant laws and regulations
<b>Accurate Contracts</b>	Accurate contracts in native language issued to all workers	50% of suppliers audited had inaccurate contracts. All suppliers have closed this nonconformance
<b>Fair Wages</b>	No discrepancies in wages or benefits	83% of suppliers audited had discrepancies in wages and benefits. All suppliers have closed this nonconformance

## HUMAN RIGHTS ACHIEVEMENTS

NXP's Social Responsibility program was again recognized in 2021 for its work in addressing modern-day slavery issues within NXP operations and our supply chain.

For the fourth consecutive year, the Annual UN Forum on Business and Human Rights invited NXP to be a featured panelist in a session about lessons learned from the pandemic. We described our work in the supply chain and our efforts to help foreign migrant workers, who are some of the most vulnerable to human-rights abuses during a crisis like the COVID-19 pandemic. We also shared our thoughts on how businesses can collaborate with governments and civil-society organizations to address human rights.

The secretariat of the [Bali Process](#), an official international forum concerned with issues relating to human smuggling, trafficking, and related transnational crimes, invited NXP to a special session, attended by representatives of Bali Process member states, where we discussed in more detail the insights we shared at the State of Play of Forced Labor in the Electronics Sector conference.

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

- Overview
- Engagement
- Thought Leadership
- Diversity, Equality and Inclusion
- Compensation and Benefits
- Development
- Future Talent
- Talent Retention
- Community Outreach
- Human Rights
- Health and Safety**

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## LONG-TERM AMBITION



Achieve Zero Workplace Injuries and Illnesses

## HEALTH &amp; SAFETY OVERVIEW

NXP is committed to ensuring a safe and healthy workplace for our team members, partners, and visitors. Although there was strong increase in the demand for our products in 2021 and, as a result, increased production activity, we maintained our historically low injury rate and remained among the lowest in the industry.

We continuously assess safety risks to ensure they are mitigated where possible. We are certified to ISO 45001, the Occupational Health & Safety Management System, and have developed robust Health & Safety programs and initiatives to safeguard our team members, partners, and visitors. In 2021, we continued to manage the impact of COVID-19 on our team members and workplaces. See the Responding to COVID-19 section for more on these activities.

## 2021 HEALTH &amp; SAFETY PERFORMANCE



0.08 Maintained Our Historically Low Injury Rate



ISO 45001 Management System Certified



Mitigating Impacts of COVID-19



# HEALTH & SAFETY

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

Health and Safety

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## HEALTH PROGRAMS

We are committed to maintaining an Environment, Health & Safety (EHS) culture that fosters a healthy and productive work environment. Health encompasses medical, physical, and emotional/mental wellness as described below.

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 team members. 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



Team members 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. In addition, our Human Resources team members are available to help address concerns. NXP also offers a variety of internal and external online resources addressing various life events.

## SAFETY PROGRAMS

We have Health & Safety experts at our manufacturing sites who supervise protective measures and create safe and ergonomically friendly workplaces, including areas of production, offices, and other technical areas.

Our proactive safety initiatives include:

- Employee Emergency Response Teams that perform regular training and drills
- Active participation of non-management team members in site-level safety committees/councils
- Multiple grievance mechanisms available to team members that enable anyone to report safety concerns directly or anonymously to management
- Stop-work authority, which lets any team member intervene when they believe a colleague's behavior may pose an imminent danger
- Unannounced safety walkthroughs, performed by trained managers, to identify potential issues and recognize actions that contribute to our EHS culture
- Incident analysis, including near-misses, first aid, and high-potential events to identify opportunities for improvement
- Prevention measures and safety practices adapted to suit different situations

# HEALTH & SAFETY

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

**EMPLOYEES**

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

**Health and Safety**

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## GOVERNANCE

The governance of Health & Safety lies within the Environment, Health & 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.

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 manufacturing teams to review safety metrics and scrutinize every incident and conduct a root-cause analysis. The corrective actions taken are communicated to our global sites for continuous improvement.

Each Safety Committee/Worker Council includes designated team members who are encouraged to consult and participate in the 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 continuous 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 team members by using advanced management systems and certifications that enable adoption and consistent implementation at a global scale. All manufacturing sites, as well as corporate headquarters, are certified to the ISO 45001 standard for Occupational Health and Safety, and are audited both externally and internally for third-party certification.

Our non-manufacturing sites follow our internal procedures related to Health & Safety and are also periodically audited. These audits help us control our risks and improve performance while protecting the well-being of our team members.

The benefits of ISO 45001 include a greater emphasis on worker participation and consultation, ensuring workers are able to participate in all parts of the Management System process, including risk and hazard identification, incident investigation, and awareness programs. As a result, all team members are empowered to help create a safer work environment.



# HEALTH & SAFETY

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

Overview

Engagement

Thought Leadership

Diversity, Equality and Inclusion

Compensation and Benefits

Development

Future Talent

Talent Retention

Community Outreach

Human Rights

**Health and Safety**

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## EVALUATION

### 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 likelihood of a given occurrence and proactively mitigate risks and hazards through programs, procedures, and engineering controls.

### SELF-ASSESSMENTS

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

### AUDITS

The EHS and Social Responsibility teams use external audit firms to conduct internal audits. These selected firms are experts in the standards for EHS Management Systems and NXP Social Responsibility Standards. As part of these audits, NXP's manufacturing sites are required to demonstrate compliance with the Health and Safety section of the [NXP Auditable Standards on Social Responsibility](#).

Due to COVID-19 restrictions in 2021, EHS and Social Responsibility audits were either conducted remotely or postponed, depending on the local effects of the pandemic. Internal audits are typically conducted every 30 months and audit nonconformances 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 2021, a sampling of compliance and management systems were audited via remote auditing. A formal report was issued, and corrective actions are being tracked until LRQA indicates that they have been satisfactorily closed.

## TRAINING

Company-wide, NXP trains our team members to ensure they are equipped with the skills and knowledge to perform their functions safely. This includes job-specific and site-specific training, on-the-job training, and specialized training that includes chemical handling, chemical management and safety, emergency response, ergonomics, and other safety-related topics.

### VALIDATION

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

- Check for completeness of data (sites 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 manufacturing site meet weekly with the senior management to review performance, the progress of improvement projects, and expectations for each project milestone.

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



# HEALTH & SAFETY

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

## EMPLOYEES

- Overview
- Engagement
- Thought Leadership
- Diversity, Equality and Inclusion
- Compensation and Benefits
- Development
- Future Talent
- Talent Retention
- Community Outreach
- Human Rights
- Health and Safety**

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

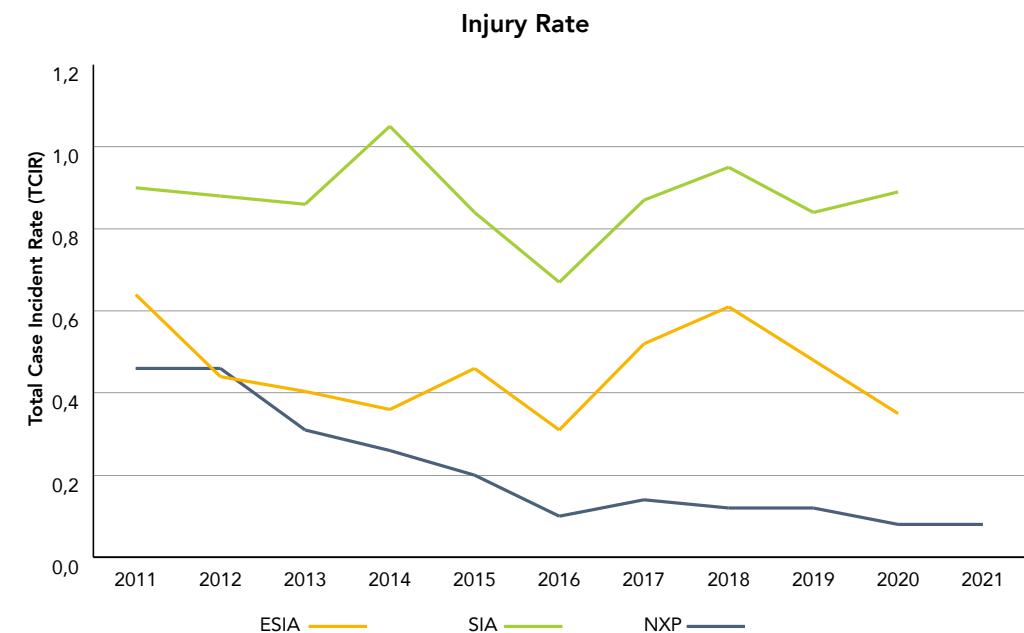
APPENDICES

## RESULTS

In 2021 there were no incidents that resulted in fines or sanctions in connection with noncompliance of health and safety laws or regulations. There were no fatal work-related accidents for our workers or contractors.

## INJURY RATE

We maintained our historic low injury rate (TCIR) of 0.08 in 2021, and remains well below the semiconductor-industry averages published by the Semiconductor Industry Association (SIA) and the European Semiconductor Industry Association (ESIA), which ranges from 0.35 to 0.89. NXP's low injury rate is attributed to the robust Health & Safety programs we have in place at all our manufacturing sites.

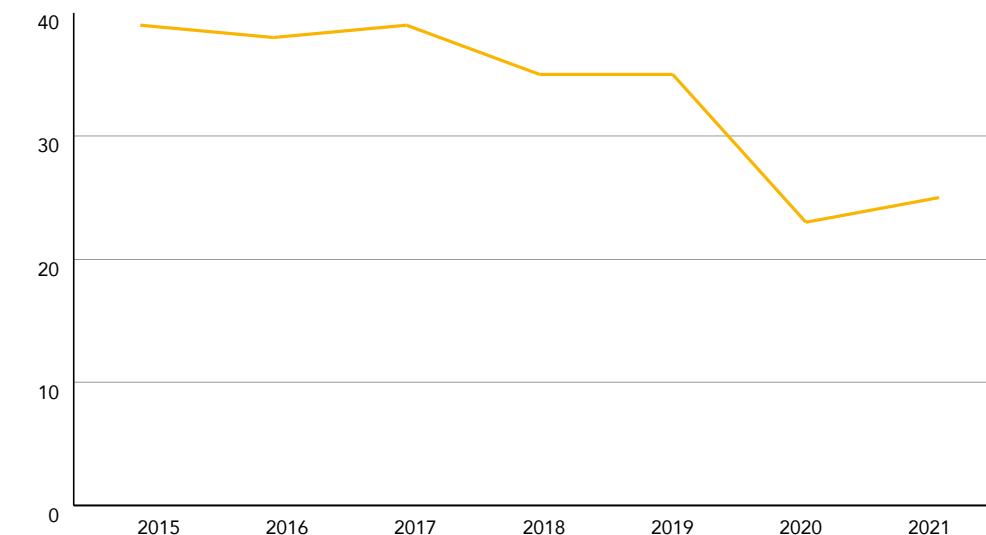


The Total Case Incident Rate (TCIR), a measure used by the Occupational Safety and Health Administration (OSHA) in the United States, to monitor industry safety, is defined as the number of work-related recordable injuries per hundred full-time workers during a one-year period. Tracking TCIR allows our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

## OCCUPATIONAL ILLNESSES AND INJURIES

Each year, the number of occupational illnesses and injuries and the number of hours worked varies. We have experienced a decrease in the number of occupational illness and injuries since 2015 that we attribute to our ongoing focus on preventative measures.

**Number of Occupational Illnesses and Injuries**



# HEALTH & SAFETY

## OVERVIEW

### 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

### EMPLOYEES

Overview  
Engagement  
Thought Leadership  
Diversity, Equality and Inclusion  
Compensation and Benefits  
Development

Future Talent

Talent Retention

Community Outreach

Human Rights

### Health and Safety

## ENVIRONMENT

## SUPPLIER ENGAGEMENT

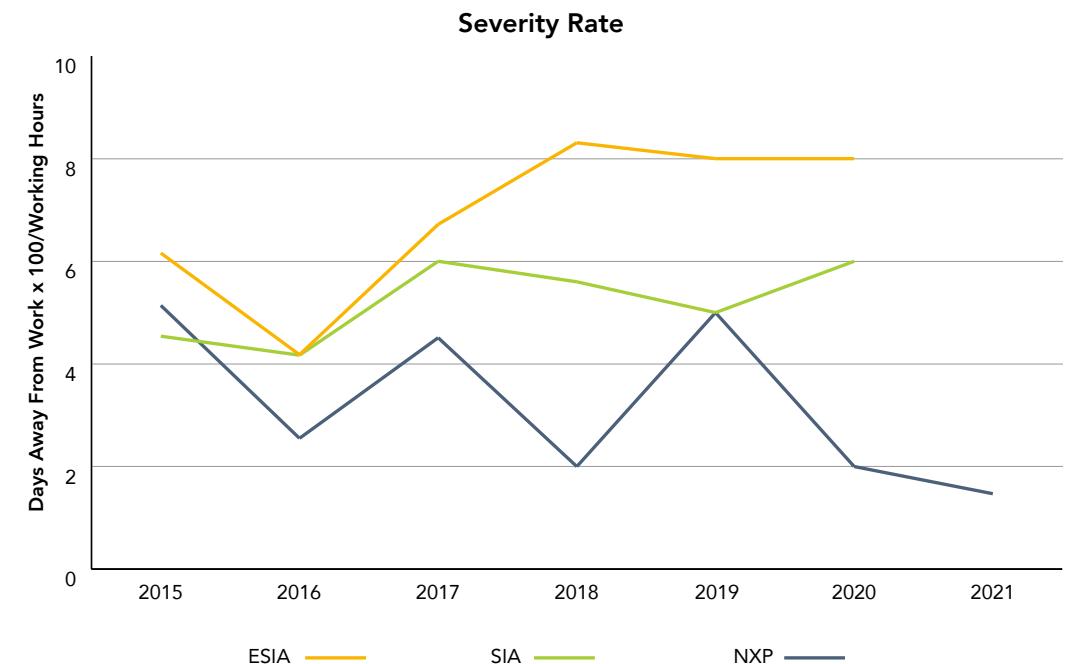
## PRODUCT STEWARDSHIP

## APPENDICES

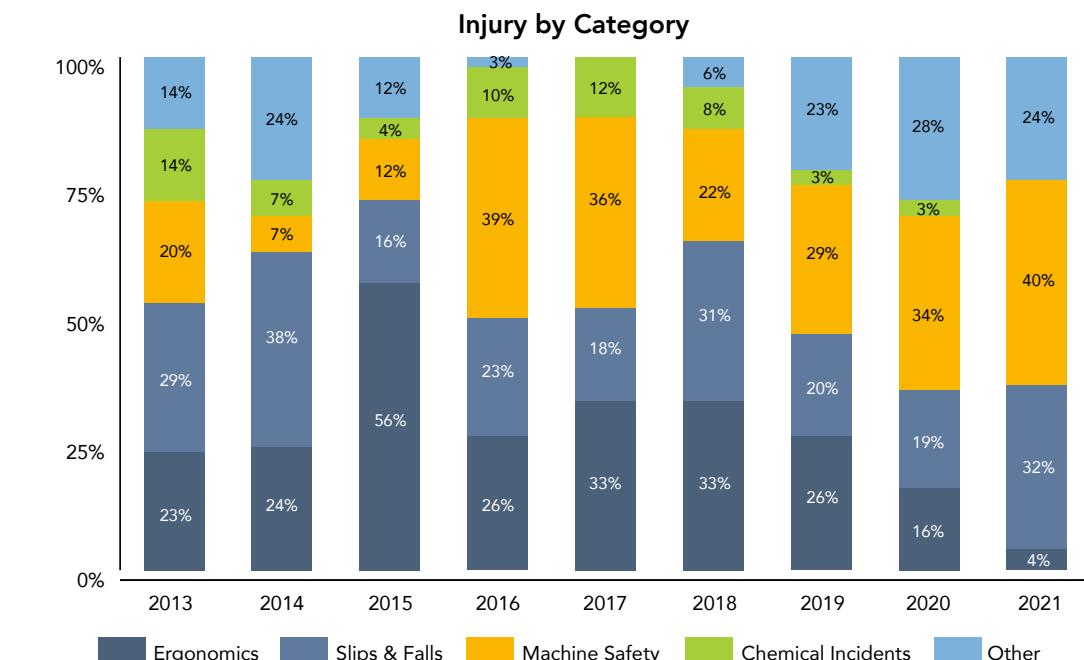
### SEVERITY RATE

The severity rate indicates the seriousness of injuries. It is a calculation that describes the number of lost days compared to the number of incidents experienced. 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.

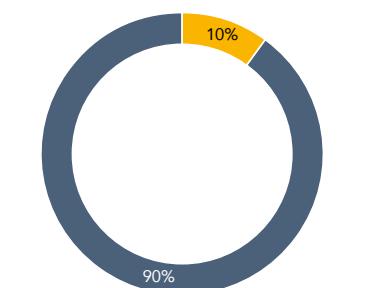
Our severity rate went down again in 2021, resulting in a continuous decrease. Our successful efforts to share and communicate issues and root causes across all sites are reflected in our ability to remain below the industry average for severity rate, which ranges from 6 to 8.



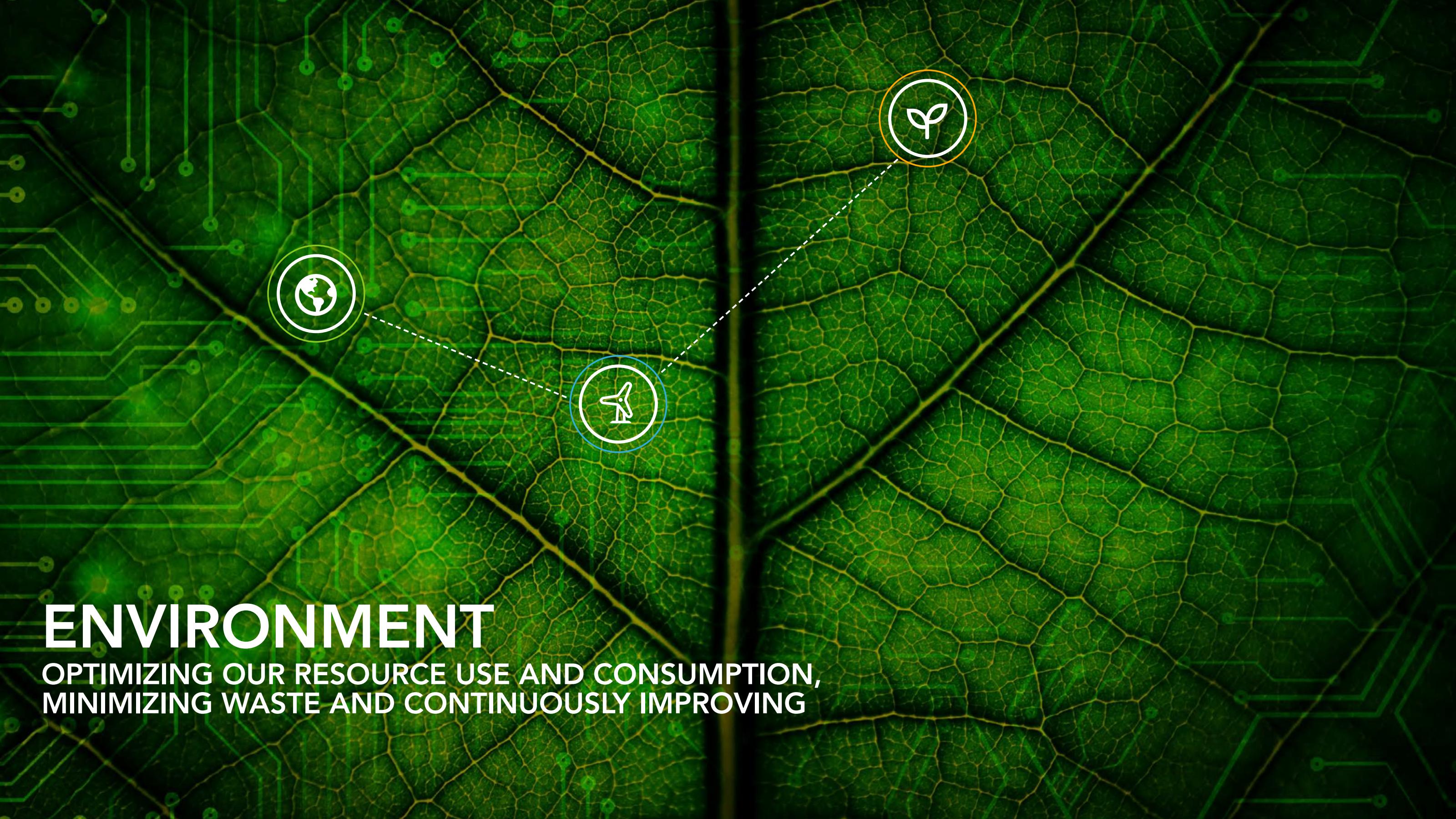
We continue to emphasize the importance of providing a safe workplace by not only measuring our injury rate but also identifying trends, conducting year-on-year analyses, and categorizing injury types to help identify corrective action.



### Injury Occurrence by Workplace Environment



■ Manufacturing ■ Non-Manufacturing



# ENVIRONMENT

OPTIMIZING OUR RESOURCE USE AND CONSUMPTION,  
MINIMIZING WASTE AND CONTINUOUSLY IMPROVING

# ENVIRONMENT OVERVIEW



## OVERVIEW

### 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

## GOVERNANCE

### ESG

### EMPLOYEES

### ENVIRONMENT

#### Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

### SUPPLIER ENGAGEMENT

### PRODUCT STEWARDSHIP

### APPENDICES

## ENVIRONMENTAL LONG-TERM AMBITIONS



Carbon Neutral by 2035



Minimize Impact on Global Water Supplies



Develop Collaborative Circular Economy Solutions



Reduce Use of Targeted Chemicals of Concern



Collaborate with our Suppliers to Reduce their Environmental Footprint

## 2027 ENVIRONMENTAL MID-TERM GOALS



35% Reduction in Scope 1 & 2 Carbon Footprint (2021 Baseline)



50% Renewable Energy Use



60% of Wastewater Recycled

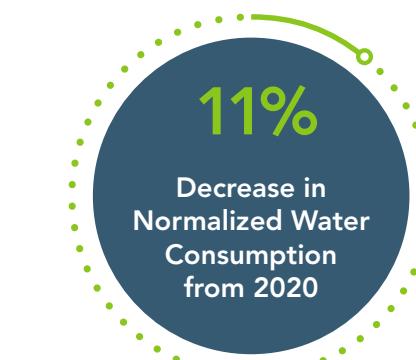
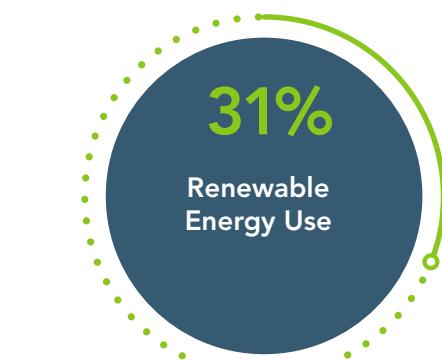
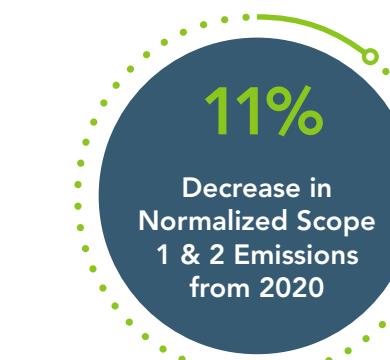


90% Waste Recycled



Work with Our Supply Chain to Reduce Impacts and Measure Our Portion of their Carbon Footprint

## 2021 ENVIRONMENTAL PERFORMANCE



As an environmentally responsible manufacturer committed to continuous improvement, we strive to optimize our use of natural resources, minimize releases to the environment, and achieve operational efficiencies. We maintain and implement an environmental management system and several programs to support these objectives.

Key environmental principles are embedded in our Sustainability [Policy](#).

# MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

**Management**

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## CERTIFICATION



In accordance with criteria from the International Organization of Standardization (ISO), our environmental management system is certified to ISO 14001 at all our manufacturing sites.

## GOVERNANCE

Our Environment, Health & Safety (EHS) Management Board is responsible for environmental management, including strategy, approval, and resourcing, chaired by the EVP of Operations, and supported by senior leaders in business lines and staff functions.

NXP's Sustainability and EHS teams manage annual strategies, policies, goals, and metrics, and reviews progress monthly. Corporate EHS and the EHS Standards Committee establish risk-mitigation strategies and also develop and deploy standards, programs, and procedures to reduce environmental risks.

Our EHS team performs monthly formal reviews with all manufacturing sites 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 sites conduct internal environmental risk assessments annually. To meet the requirements of ISO 14001, we evaluate potential risks associated with our manufacturing processes, including materials handling as well as energy, water and waste management, to proactively identify, mitigate, and manage potential environmental hazards using programs, procedures, and engineering controls.

## SELF-ASSESSMENTS

As part of our membership in the Responsible Business Alliance (RBA), each of our eight manufacturing sites are required to complete an annual RBA Self-Assessment that covers environmental systems and management systems. Conducting self-assessments helps us evaluate potentially significant social and environmental risks at our manufacturing sites and apply appropriate mitigation and controls as needed.

### AUDITS

The EHS and Social Responsibility teams use external audit firms to conduct internal audits. As part of these audits, NXP's manufacturing sites are required to demonstrate compliance with the Environment section of the [NXP Auditable Standards on Social Responsibility](#).

Due to COVID-19 restrictions in 2021, EHS and Social Responsibility audits were conducted remotely or postponed depending on the local effects of the pandemic. Internal audits are typically conducted every 30 months and audit nonconformances are categorized according to severity.

Our registrar, Lloyd's Registrar Quality Assurance (LRQA), also conducts third-party audits each year to evaluate corporate EHS, and an average of two manufacturing sites per year. LRQA selects which manufacturing sites are audited each year. Corrective actions are tracked until LRQA indicates that our corrective actions are satisfactorily closed. In 2021, a sampling of compliance and management systems were audited remotely. A formal report was issued, identifying a few minor nonconformances around document updates and business continuity.

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

NXP received four Notices of Violation (NOVs) in 2021, primarily related to minor administrative deficiencies. These violations were quickly corrected, and preventive methods were put in place to minimize any chance of reoccurrence.

## TRAINING

We offer company-wide training to ensure our global workforce is equipped with the skills and knowledge to perform their functions safely and with zero harm to the environment. This includes job-specific and site-specific training, on-the-job training, and specialized training that includes the prevention of stormwater pollution, management of hazardous waste and wastewater, handling of chemicals, shipping of hazardous materials, and other topics related to the environment. Training and awareness includes engaging our team members in incident investigations, to identify potential improvements, and to assist in the implementation and ongoing improvement of management systems.

## VALIDATION

NXP's data-management system tracks and calculates our environmental performance per manufacturing site. On a monthly basis, the Sustainability Office validates the reported data for every site that a) we own, rent, lease, or manage, b) has 50 or more team members, and c) is included in our financial reporting.

Validation consists of the following steps:

- Check for completeness of data (sites 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 our manufacturing sites as well as our larger office and R&D sites. The audits check for proper reporting procedures and data trails.

## OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

## Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## LONG-TERM EMISSIONS AMBITIONS



Carbon Neutral by 2035



Collaborate with our Suppliers to Reduce their Environmental Footprint

As semiconductor technology evolves, manufacturing processes are becoming more complex. Smaller, faster semiconductors require more process steps to produce, which means production consumes more energy and requires more processing chemicals. That, in turn, translates to an increase in Scope 1 & 2 absolute emissions. We work to offset this by continually optimizing our processes and increasing our abatement of process emissions.

## 2027 MID-TERM EMISSIONS GOALS



35% Reduction in Scope 1 &amp; 2 Carbon Footprint (2021 Baseline)



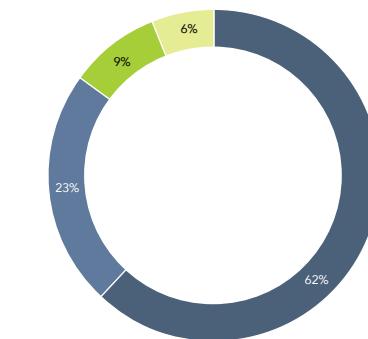
50% Renewable Energy Use



Work with Our Supply Chain to Reduce Impacts and Measure Our Portion of their Carbon Footprint

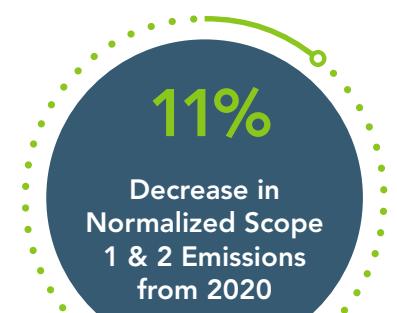
Our manufacturing sites generate Scope 1 (direct) and Scope 2 (indirect) Greenhouse Gas (GHG) emissions. The three main contributors to our carbon footprint are emissions from purchased electricity and from the use of PerFluoroCarbons (PFCs) and Heat-Transfer Fluids (HTFs).

## Greenhouse Gas Emissions



Electricity (Manufacturing &amp; Non-Manufacturing)    PFCs    HTFs    Other Emissions

## 2021 EMISSIONS PERFORMANCE



Electricity, PFCs, and HTFs are essential to semiconductor manufacturing. We have set reduction goals for both Scope 1 & 2, since it's not currently feasible to eliminate these sources of emissions from our production processes.

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

**Emissions**

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

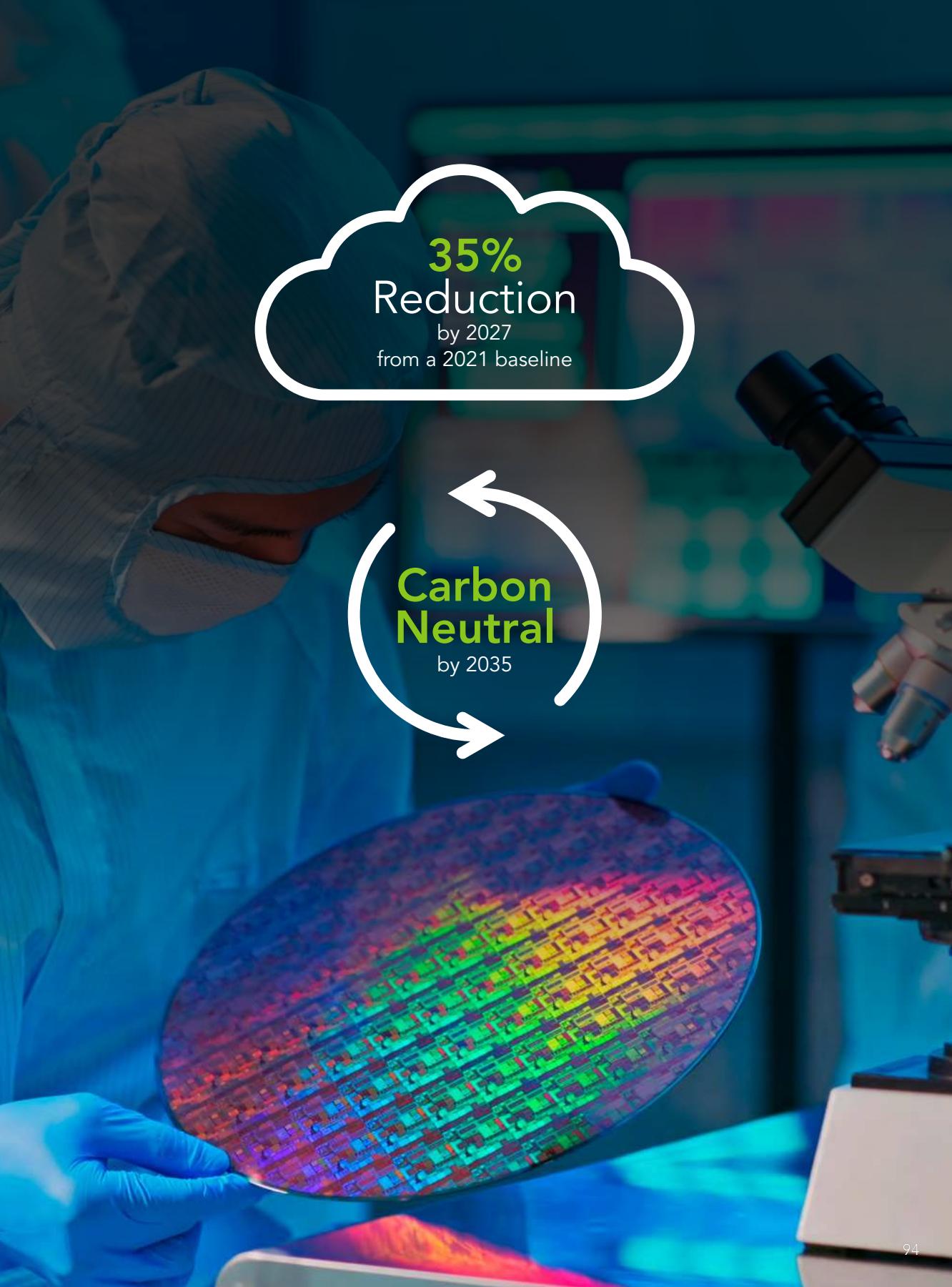
## GOALS

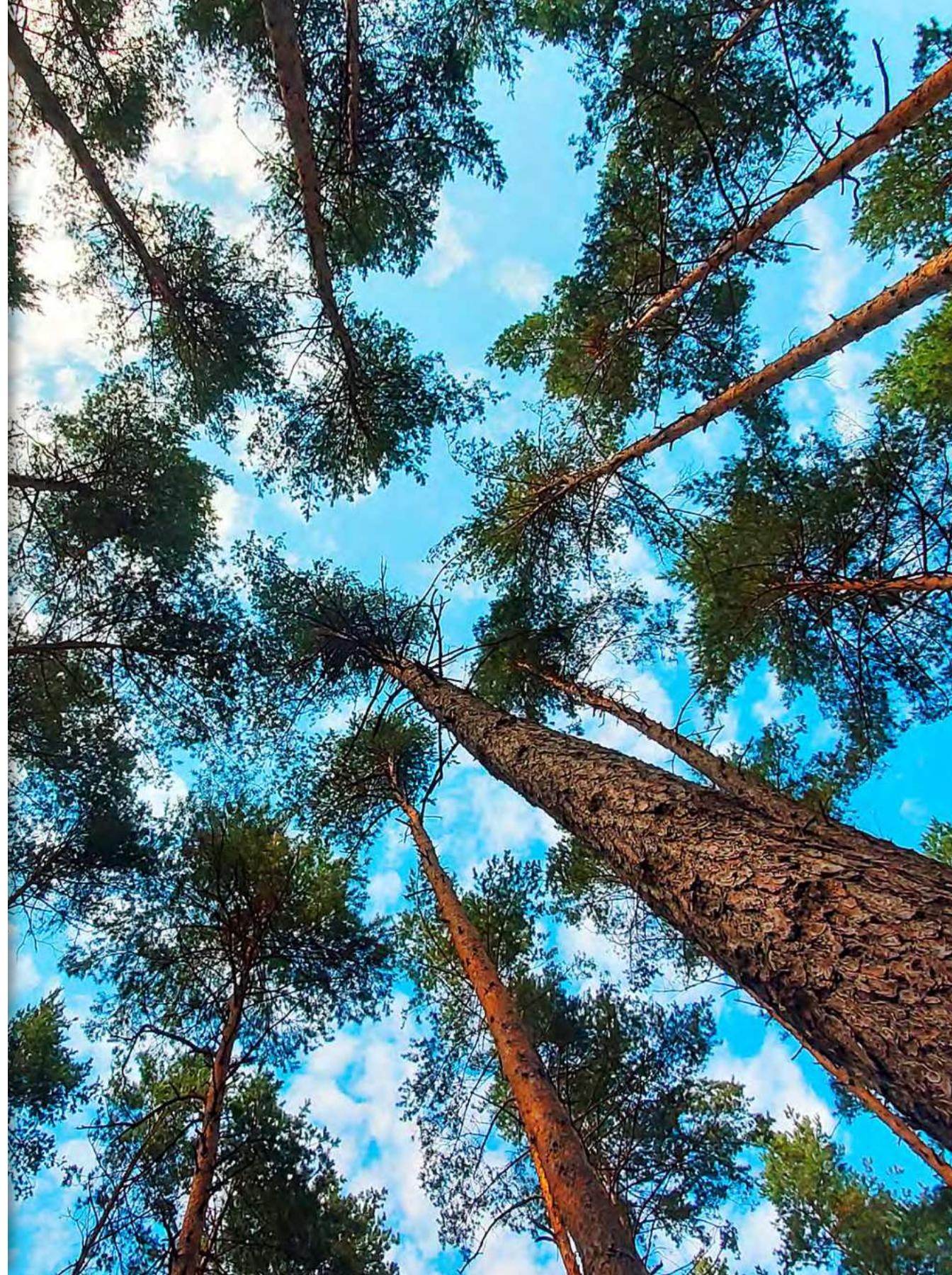
Our goal to be carbon neutral by 2035 presents multiple layers of complexity when considering our use of electricity derived from fossil fuels, PFCs, and HTFs. The picture becomes even more complex when we consider annual increases in semiconductor production which, in turn, increase our three main GHG contributors. To keep ourselves accountable, we have committed to Science Based Targets initiative<sup>10</sup> (SBTi) in 2022 and have identified the following mid-term goals.

By 2027, our mid-term goal is to reduce Scope 1 & 2 emissions by 35% from a 2021 baseline. To reach our mid-term goal, we will address Scope 1 reduction by focusing on designing and/or installing equipment to reduce emissions, substituting chemicals, and optimizing manufacturing processes. Since electricity is our largest GHG contributor, our mid-term goal is to increase our renewable energy use to 50% and thereby decrease our Scope 2 emissions. To help achieve our 2027 goal, we created a task force to identify opportunities for additional emissions reduction.

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

<sup>10</sup> Science-based targets provide guidance to companies regarding their efforts to reduce emissions in line with goals of the Paris Agreement. <https://sciencebasedtargets.org>



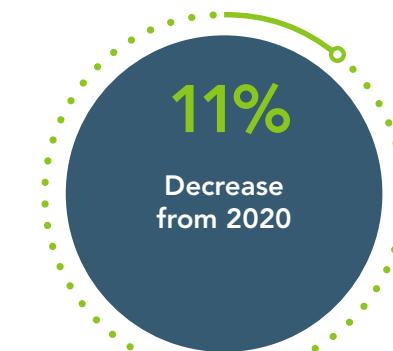
[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

## EMISSIONS

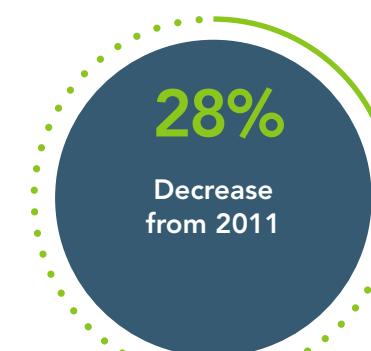
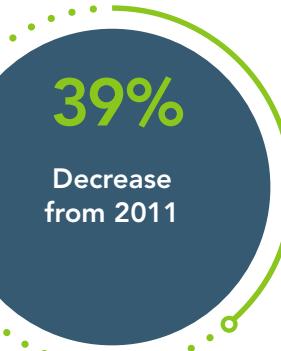
### CARBON FOOTPRINT

#### SCOPE 1 & 2 EMISSIONS PERFORMANCE

##### Normalized Emissions



##### Absolute Emissions



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 protocol's defined categories: Scope 1 (direct emissions), Scope 2 (indirect emissions, owned), and partial Scope 3 (business travel and product transportation).

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

### CARBON FOOTPRINT

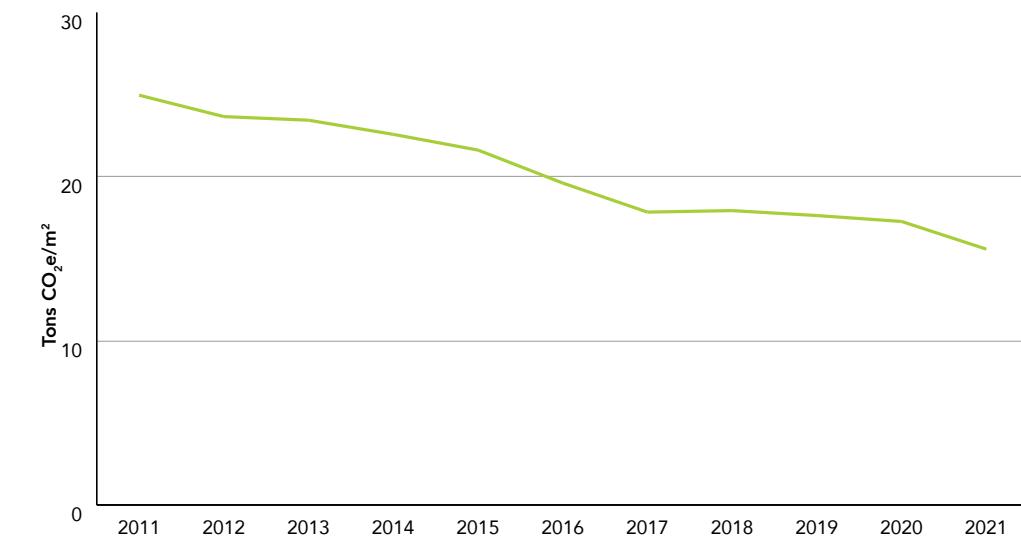
In 2021, the demand for our products increased 22% compared to 2020. That meant our electricity, PFC<sup>11</sup>, and HTF consumption increased as well. As a result, our absolute Scope 1 & 2 emissions increased 8% compared to 2020. However, our normalized Scope 1 & 2 emissions decreased by 11% from 2020. While a 22% production increase is significant, it was our efforts in 2021 to conserve electricity, optimize our processes, upgrade tools, and install abatement equipment, that resulted in only an 8% increase for absolute Scope 1 & 2 emissions.

A decade of collective effort has significantly reduced our Scope 1 & 2 emissions. Since 2011, we've lowered normalized emissions by 39% and absolute emissions by 28%.

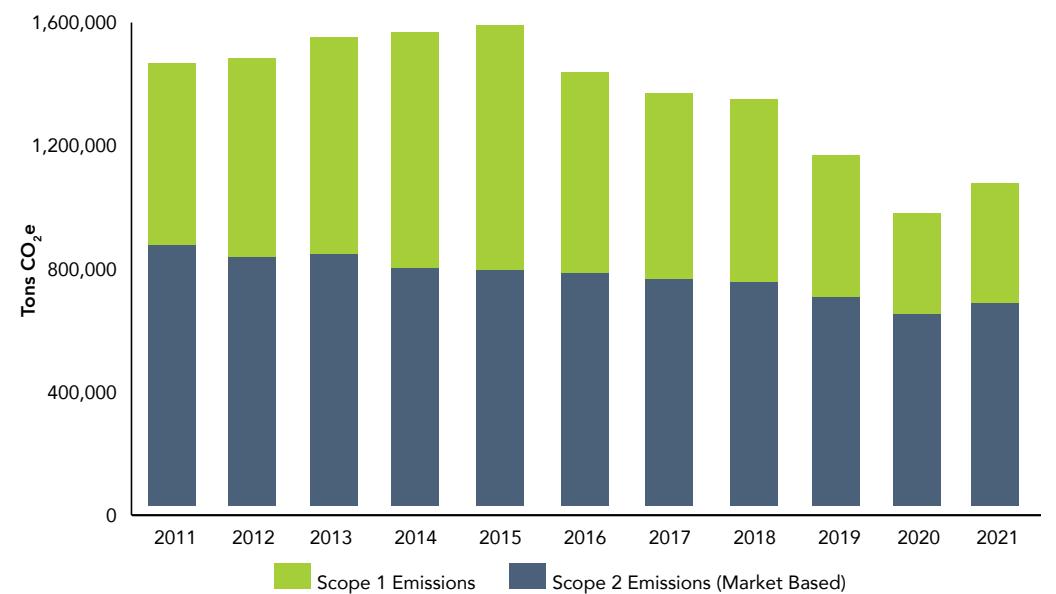
<sup>11</sup>We use IPCC 2006 for PFC reporting, but will transition to IPCC 2019 in 2022.



Normalized Scope 1 and Scope 2 Market Based Emissions



Absolute Scope 1 and Scope 2 Market Based Emissions



Market-based emissions reflect actual data directly from energy providers.

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## SCOPE 1 EMISSIONS

### SCOPE 1 EMISSIONS PERFORMANCE

#### Normalized Emissions

3%

Decrease  
from 2020

#### Absolute Emissions

18%

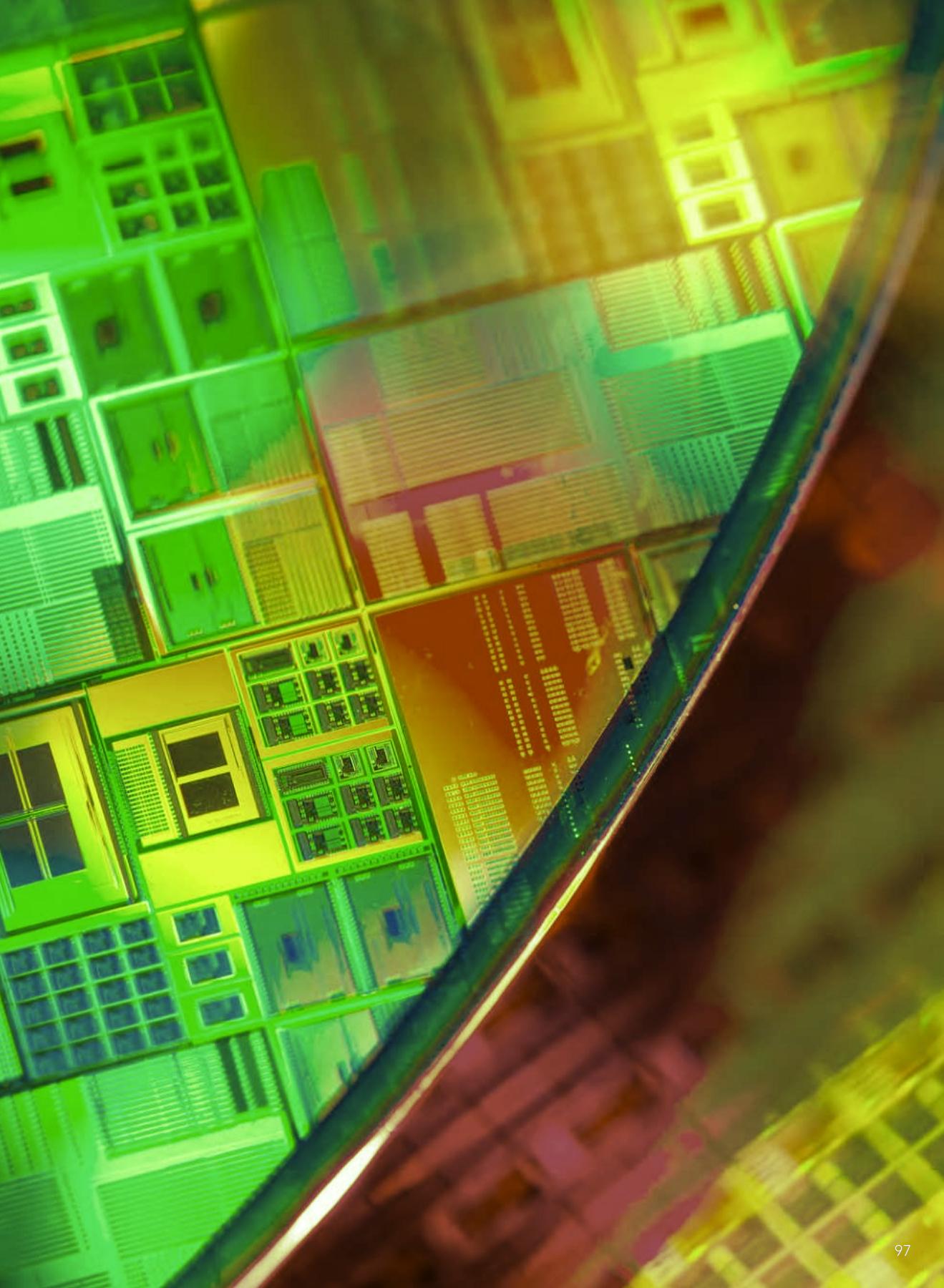
Increase  
from 2020

43%

Decrease  
from 2011

34%

Decrease  
from 2011



# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

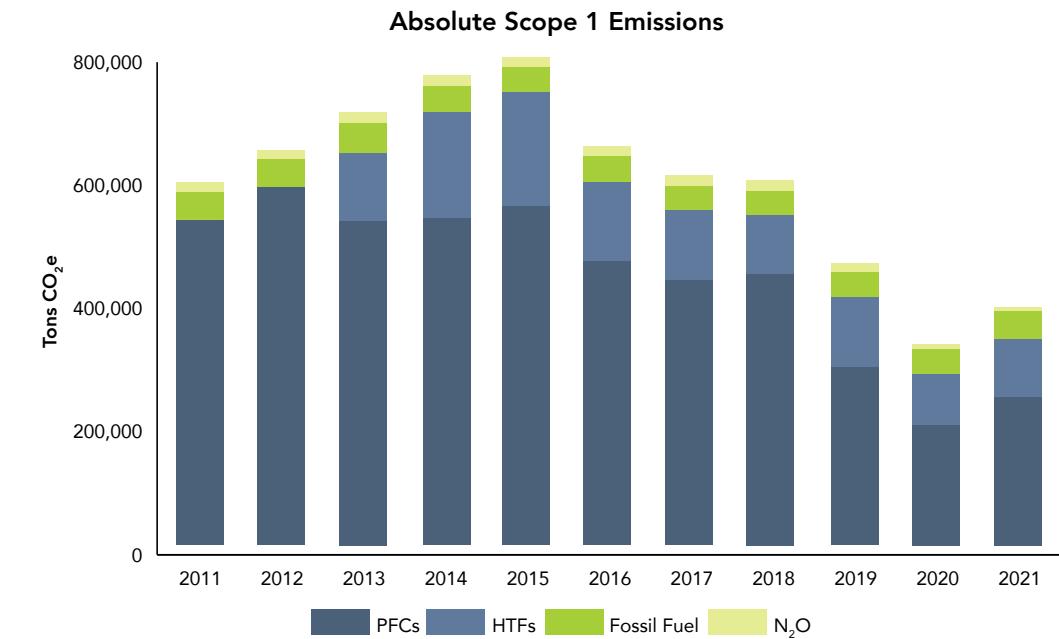
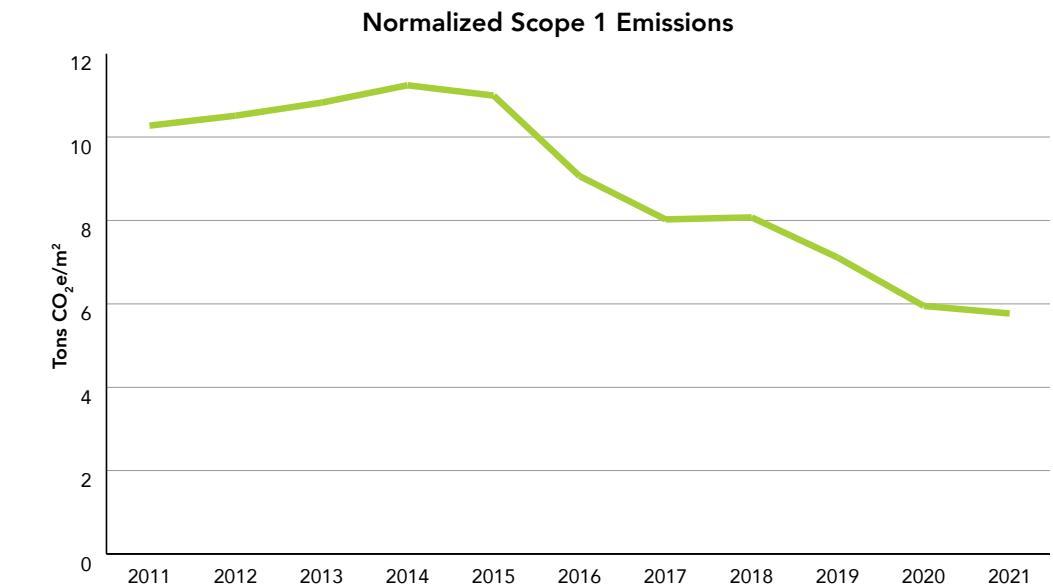
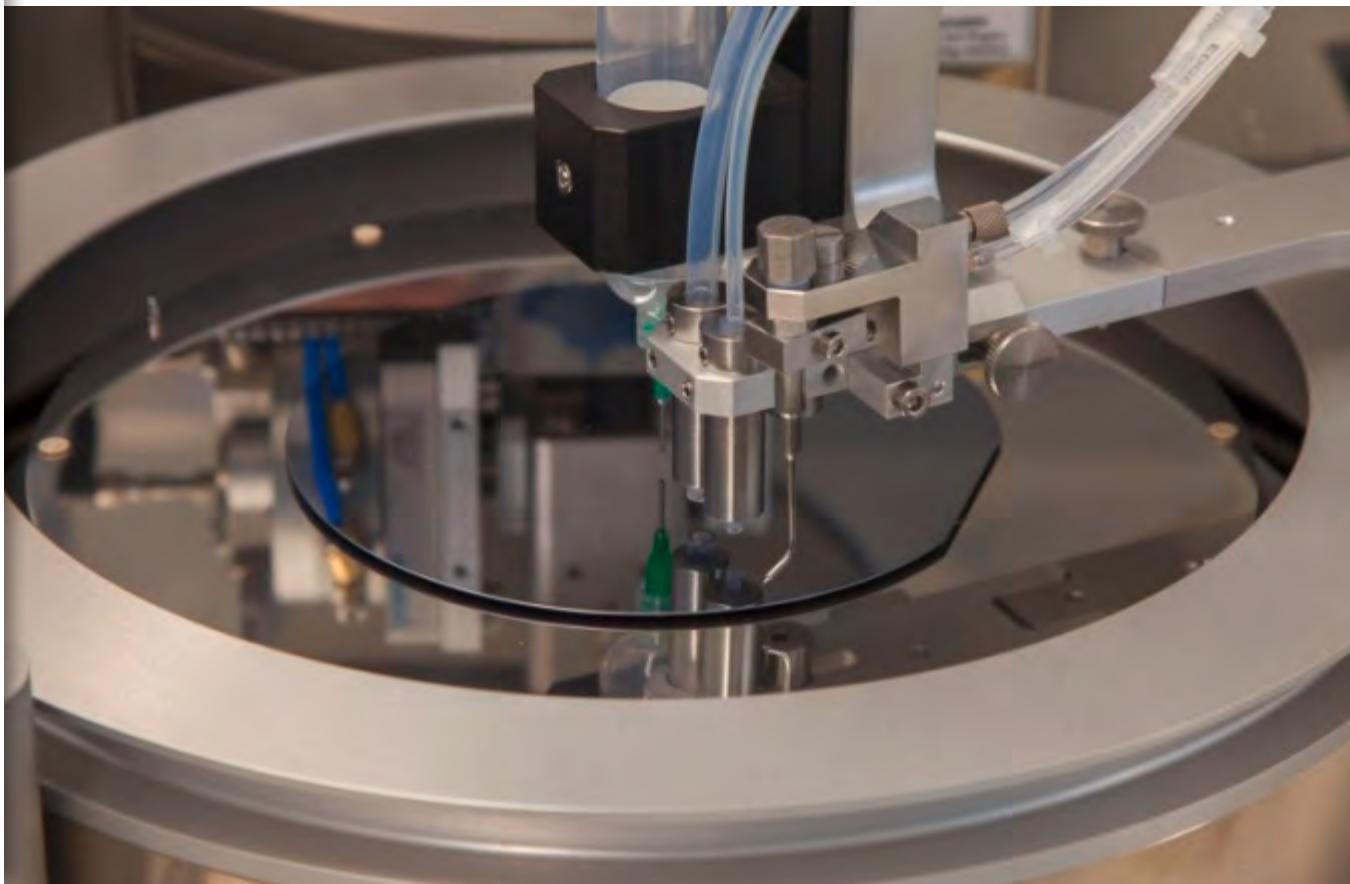
### SCOPE 1 EMISSIONS

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

Our Scope 1 emissions include PFCs, HTFs, emissions from the consumption of fossil fuels, and emissions of so-called Kyoto gases, including Nitrous Oxide ( $N_2O$ ) and Sulfur Hexafluoride ( $SF_6$ ).

In 2021, the demand for our products increased by 22% compared to 2020. As a result, we used larger amounts of processing chemicals that are classified as Scope 1 emissions. While our absolute Scope 1 emissions increased by 18%, our normalized Scope 1 emissions decreased by 3% from 2020.

Since 2011, our efforts to optimize our processes, upgrade tools, and install abatement equipment have lowered our absolute Scope 1 emissions by 34% and our normalized Scope 1 emissions by 43%.



\*HTF emissions begins reporting in 2013

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

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

## EMISSIONS

### SCOPE 1 EMISSIONS BY TYPE

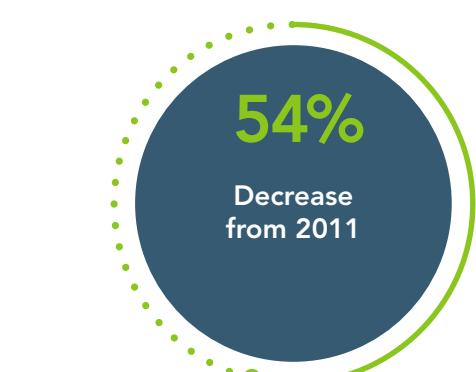
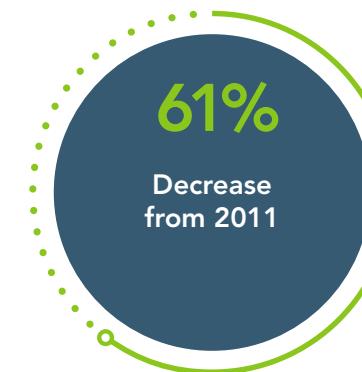
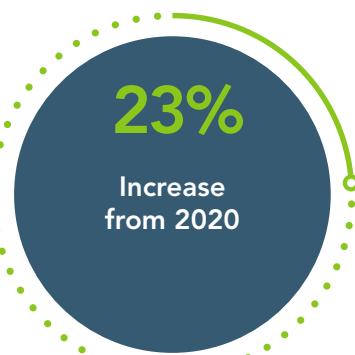
PFCs

#### PFC EMISSIONS PERFORMANCE

##### Normalized Emissions



##### Absolute Emissions



PFCs are critical to semiconductor manufacturing. At present, there are no viable alternatives for the PFCs used in the manufacturing process to etch integrated circuitry onto silicon wafers and to clean the internal chambers of deposition equipment. We use a variety of controls to minimize the impact of PFCs on the environment.

NXP is a signatory to the Memorandum of Understanding in the United States, and the Memorandum of Agreement in Europe, which both seek voluntary reductions in PFC emissions. We also support the Global Semiconductor Industry PFC voluntary agreement supported by all members of the World Semiconductor Council (WSC).

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

**Emissions**

Energy

Water

Waste

Packaging

Hazardous Materials

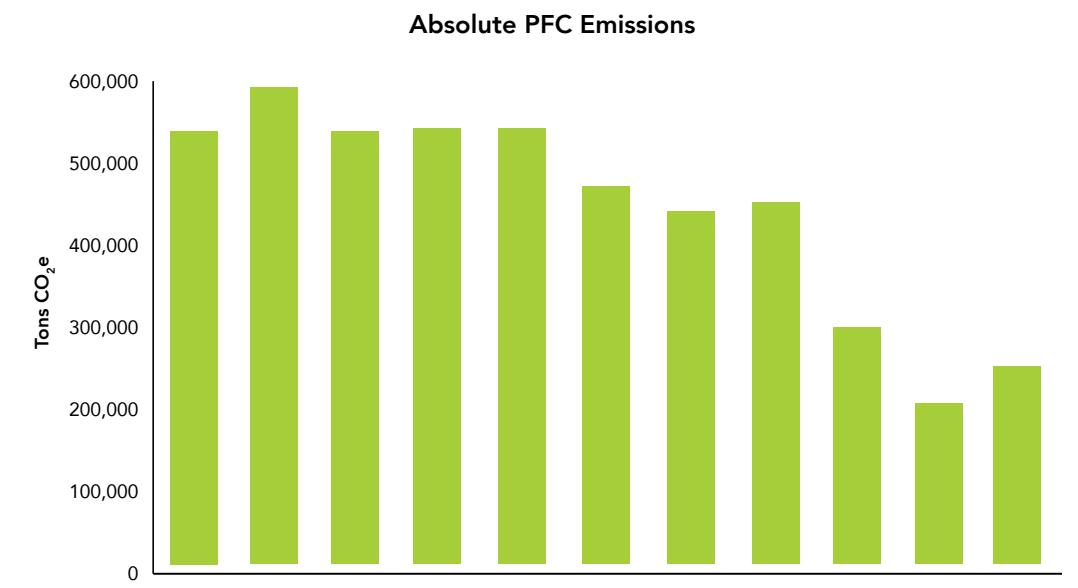
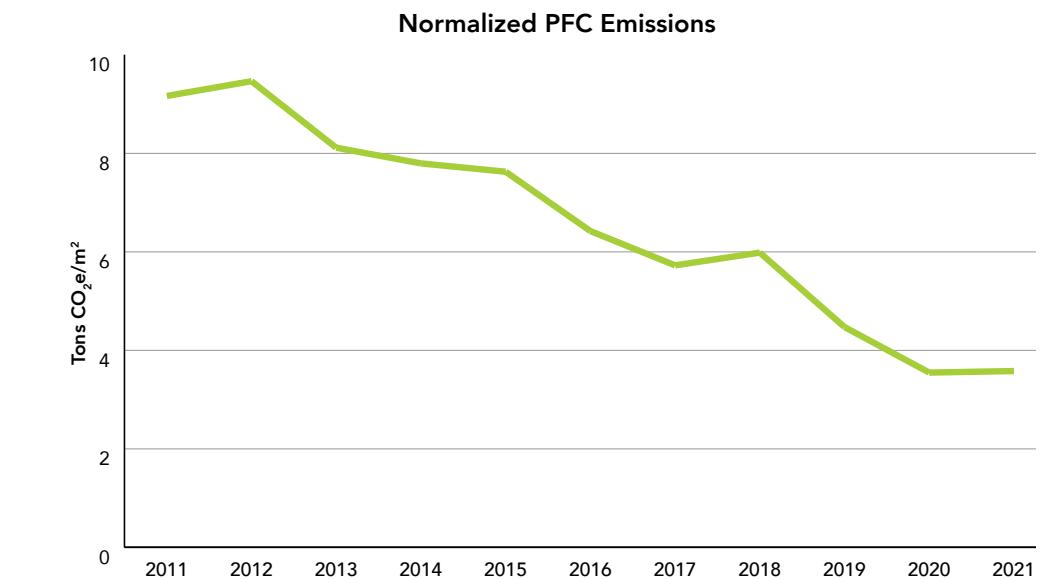
SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

Our PFC usage today is significantly higher than it was ten years ago, because we produce increasingly complex products that involve more processing steps compared to 2011, and the added processing steps mean we use more PFCs, too. The demand for our products in 2021 increased by 22% versus 2020 and, as a result, our PFC usage increased, resulting in an increase of our absolute PFC emissions by 23%, and our normalized PFC emissions by 1% compared to 2020.

Our ongoing efforts to optimize our processes, upgrade tools, and install abatement equipment, resulted in a continuous decrease of PFC emissions, regardless of the increased PFC usage in our more complex manufacturing processes. Since 2011, our absolute PFC emissions have decreased by 54% and our normalized PFC emissions have decreased by 61%.



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

# EMISSIONS

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)

## ENVIRONMENT

[Overview](#)[Management](#)

### Emissions

[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

HTFs

### HTF EMISSIONS PERFORMANCE

#### Normalized Emissions

**5%**Decrease  
from 2020

#### Absolute Emissions

**15%**Increase  
from 2020**17%**Decrease  
from 2011**14%**Decrease  
from 2011

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.



# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

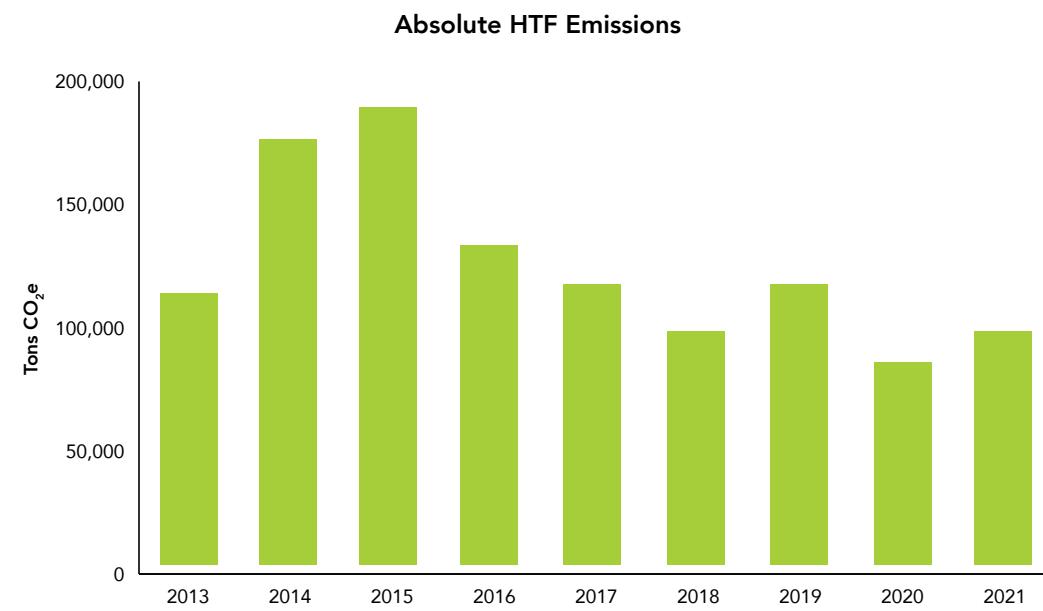
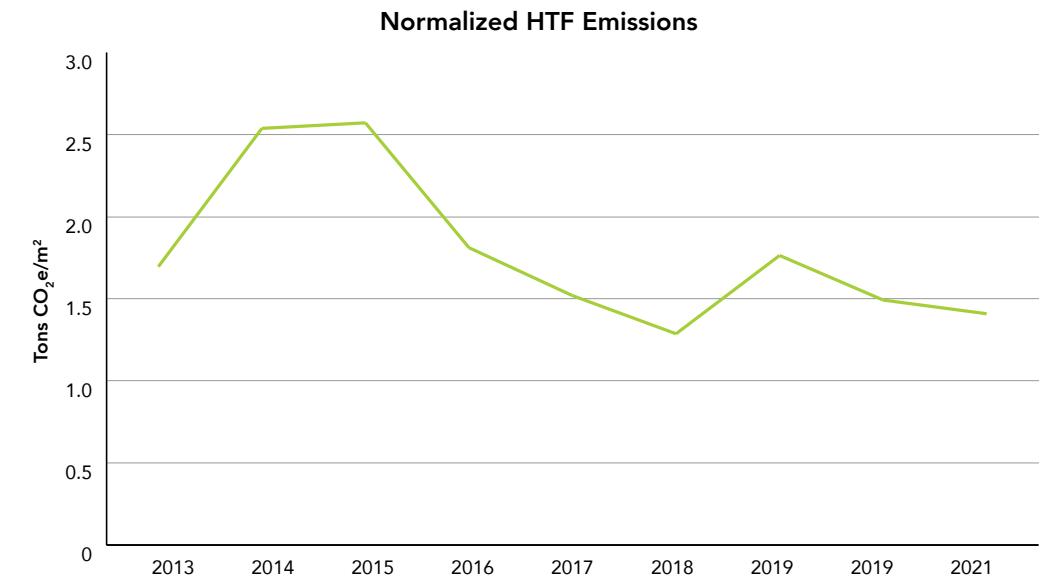
## PRODUCT STEWARDSHIP

## APPENDICES

### HTFs

Since the majority of HTFs are used in the manufacturing and testing processes of our RF products, when demand for RF products rose by 96% compared to 2020, our use of HTF also increased. With the increased consumption of HTF, our absolute HTF emissions rose by 15% in 2021, but our normalized HTF emissions decreased by 5% from 2020, despite the increase in production.

To address HTF emissions, our talented team members have designed and implemented new tools to collect emissions from vapor-diffusive loss and fluid drag-out, by designing a semi-automated, closed-loop system. Since 2013, absolute HTF emissions have gone down by 14% and normalized emissions by 17%.



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

## EMISSIONS

### FOSSIL FUELS

#### FOSSIL-FUEL EMISSIONS PERFORMANCE

##### Normalized Emissions

**14%**Decrease  
from 2020

##### Absolute Emissions

**5%**Increase  
from 2020**20%**Decrease  
from 2011**5%**Decrease  
from 2011

Our use of natural gas correlates with external temperature and manufacturing levels. We burn natural gas to power furnaces and generators used to heat and control humidity in our clean rooms.

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

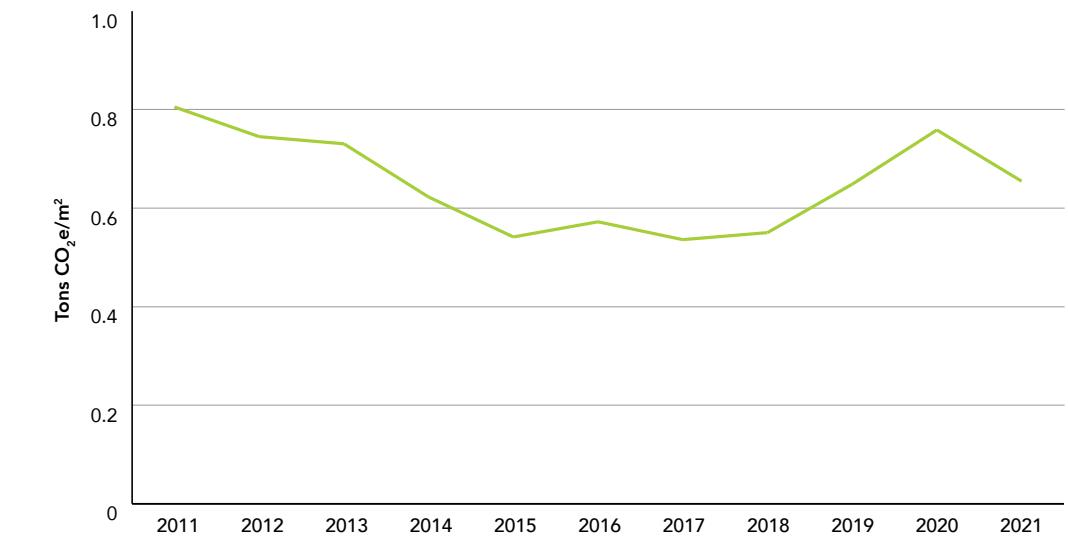
### FOSSIL FUELS

In 2021, our manufacturing sites experienced lower external temperatures, and our production increased by 22% compared to 2020. As a result, our consumption of fossil fuels increased and our absolute emissions increased by 5% compared to 2020. However, our normalized fossil fuel consumption decreased by 14% compared to 2020.

Our consumption of fossil fuels varies each year depending on weather conditions, but since 2011 we have decreased absolute emissions by 5% and normalized emissions by 20%.



**Normalized Fossil Fuel Emissions**



**Absolute Fossil-Fuel Emissions**



# EMISSIONS

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)

## ENVIRONMENT

[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

**N<sub>2</sub>O**

### N<sub>2</sub>O EMISSIONS PERFORMANCE

#### Normalized Emissions

**21%**Decrease  
from 2020

#### Absolute Emissions

**3%**Decrease  
from 2020**59%**Decrease  
from 2011**53%**Decrease  
from 2011

N<sub>2</sub>O is used at several points in the manufacturing process, including chemical vapor deposition of silicon dioxide, doped or undoped silicon oxynitride, diffusion, rapid thermal processing, and chamber seasoning.



# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

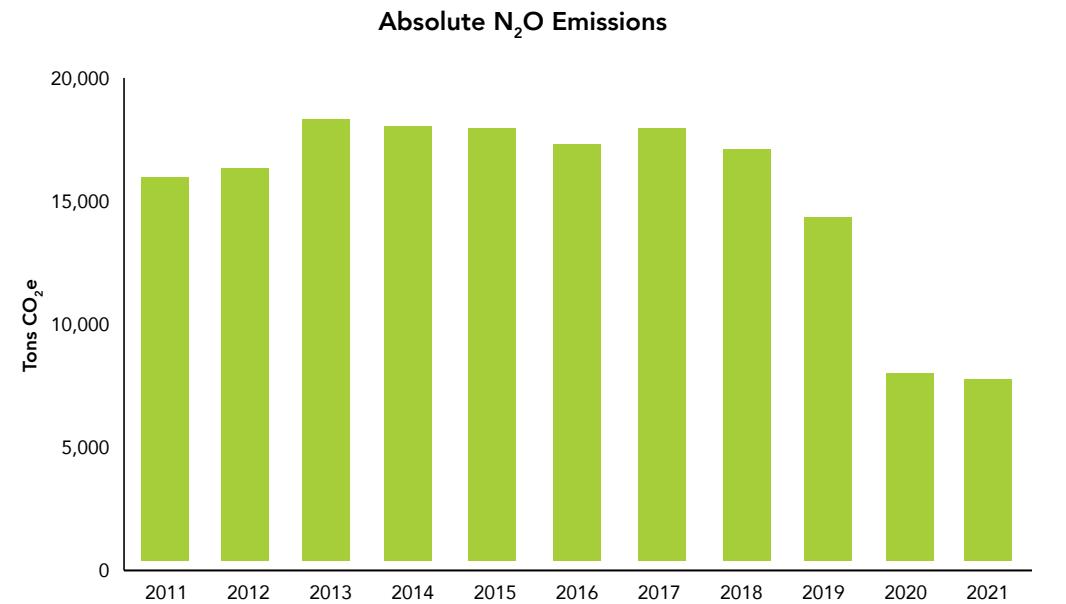
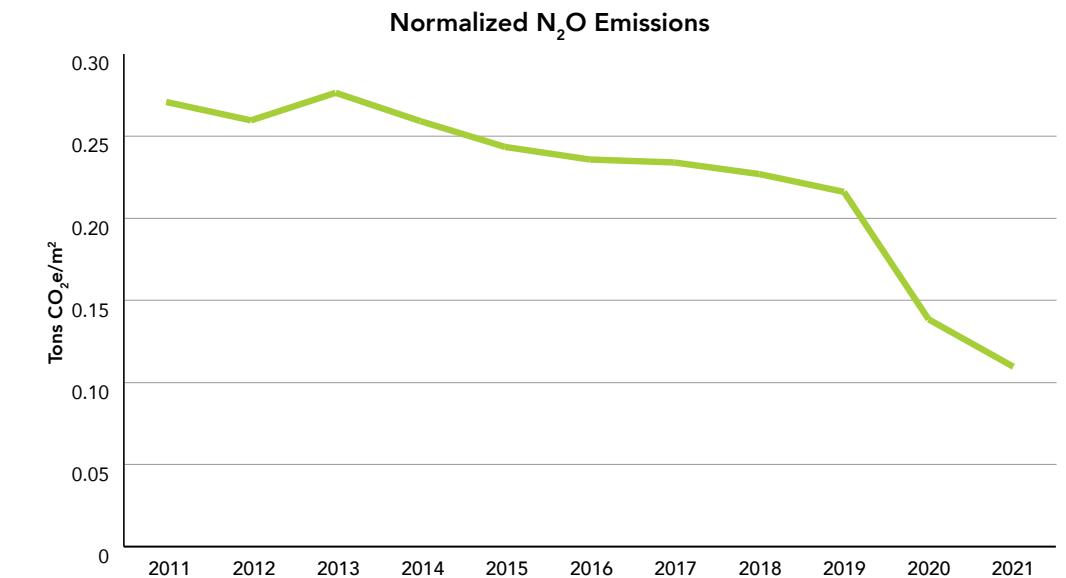
## PRODUCT STEWARDSHIP

## APPENDICES

### N<sub>2</sub>O

In 2021, our production increased by 22% compared to 2020, and since N<sub>2</sub>O is used in multiple areas, our consumption of N<sub>2</sub>O increased. For several years, however, we have been installing the most up-to-date abatement technology and upgrading existing process tools. As a result, we saw a reduction of absolute N<sub>2</sub>O emissions by 3% and normalized N<sub>2</sub>O emissions by 21% compared to 2020, even with increased N<sub>2</sub>O consumption due to product demand.

Our ongoing efforts to upgrade our abatement technology and process tools have yielded a decrease of absolute emissions by 53% and normalized emissions by 59% since 2011.



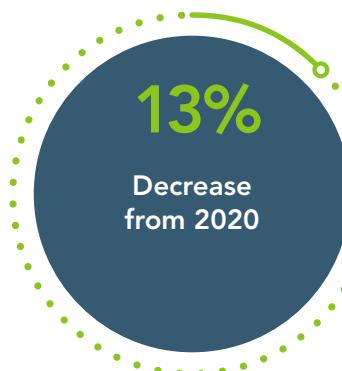
[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

## EMISSIONS

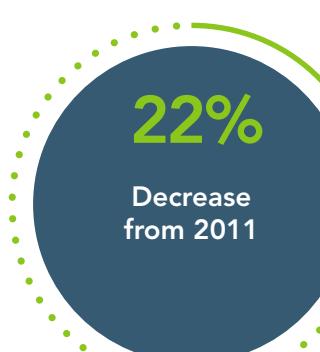
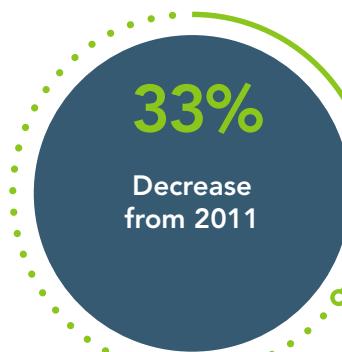
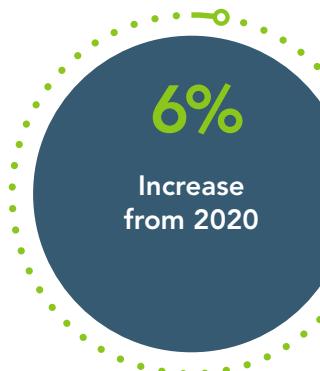
### SCOPE 2 EMISSIONS

#### SCOPE 2 EMISSIONS PERFORMANCE

##### Normalized Emissions



##### Absolute Emissions



The GHG Protocol defines Scope 2 emissions as indirect emissions from the generation of purchased energy supplied by a utility provider. We use our energy providers' actual emission data (market-based) when we calculate our Scope 2 emissions.

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

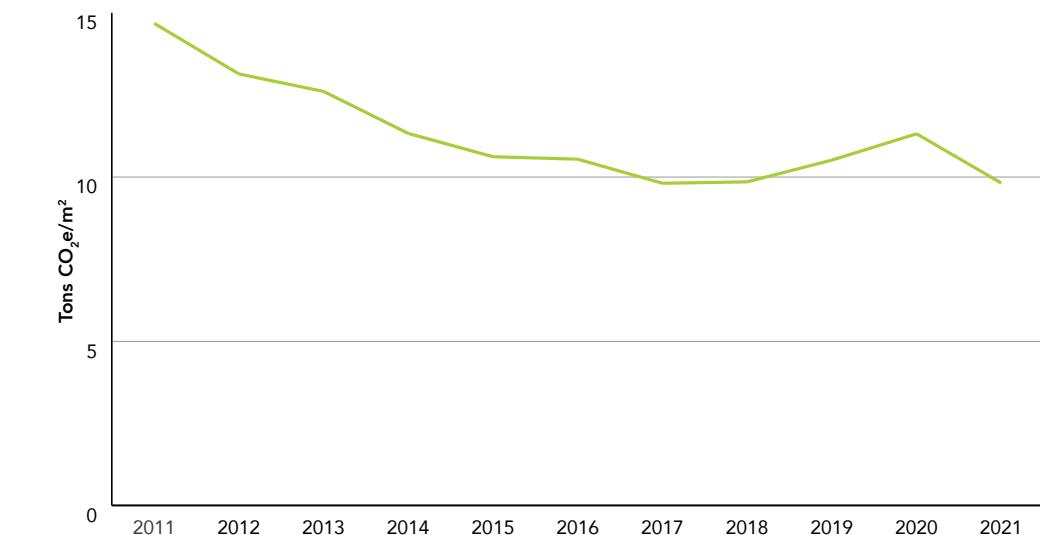
### SCOPE 2 EMISSIONS

We produce increasingly complex products that involve many more processing steps, all of which require electricity. Also, the demand for our products in 2021 increased by 22% versus 2020, resulting in an additional uptick in electricity usage. As a result, in 2021, our absolute Scope 2 emissions increased by 6%, but, because our production increased, our normalized Scope 2 emissions decreased by 13% compared to 2020.

Our efforts in the past ten years to conserve electricity and optimize our process tools resulted in a continuous decrease of Scope 2 emissions, regardless of the increased electricity required for our more complex processing steps. Since 2011, our absolute Scope 2 emissions have decreased by 22% and our normalized Scope 2 emissions by 33%.



**Normalized Scope 2 Emissions (Market Based)**



**Absolute Scope 2 Emissions (Market Based)**



Market-based numbers reflect actual data from energy providers.

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

### Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## SCOPE 3 EMISSIONS

### SCOPE 3 EMISSIONS PERFORMANCE

#### Business Travel Emissions

**56%**  
Decrease  
from 2020

#### Product Transport Emissions

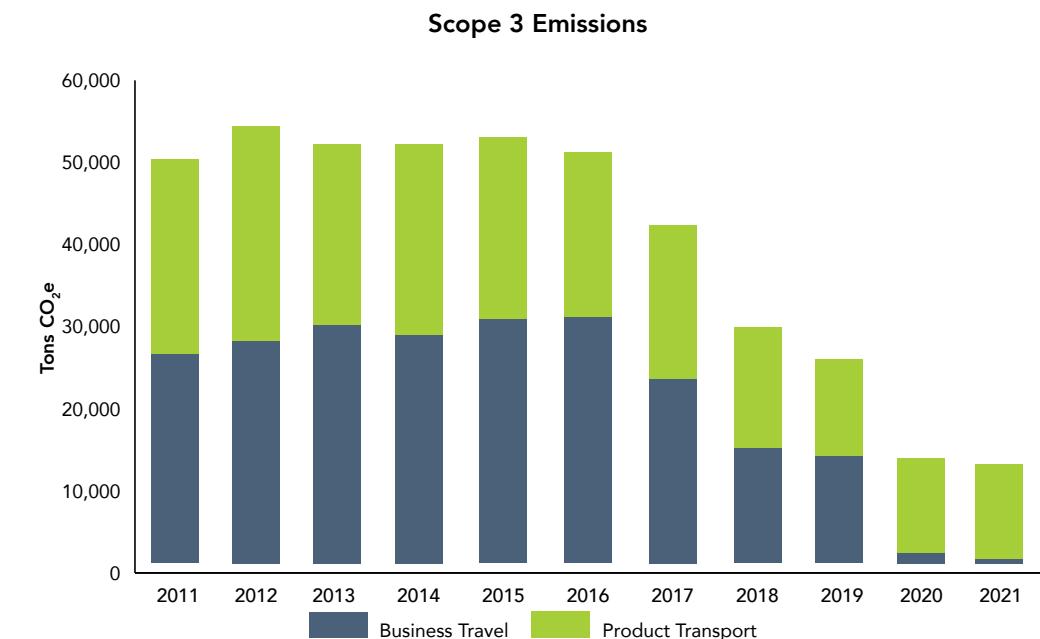
Level from 2020

**98%**  
Decrease  
from 2011

**51%**  
Decrease  
from 2011

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 is limited to business travel and product transport.

Our Scope 3 emissions are reported on two types of travel: business travel and product transportation. The COVID-19 pandemic has significantly reduced emissions from business travel, but emissions from product transportation emissions have remained stable.



# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

**Emissions**

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

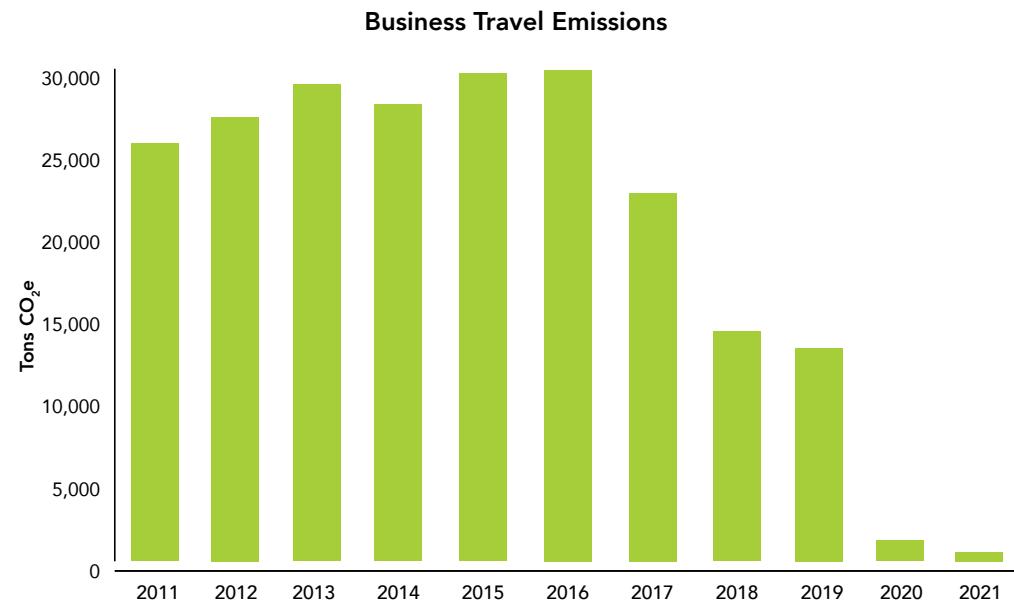
## SCOPE 3 EMISSIONS

### BUSINESS TRAVEL

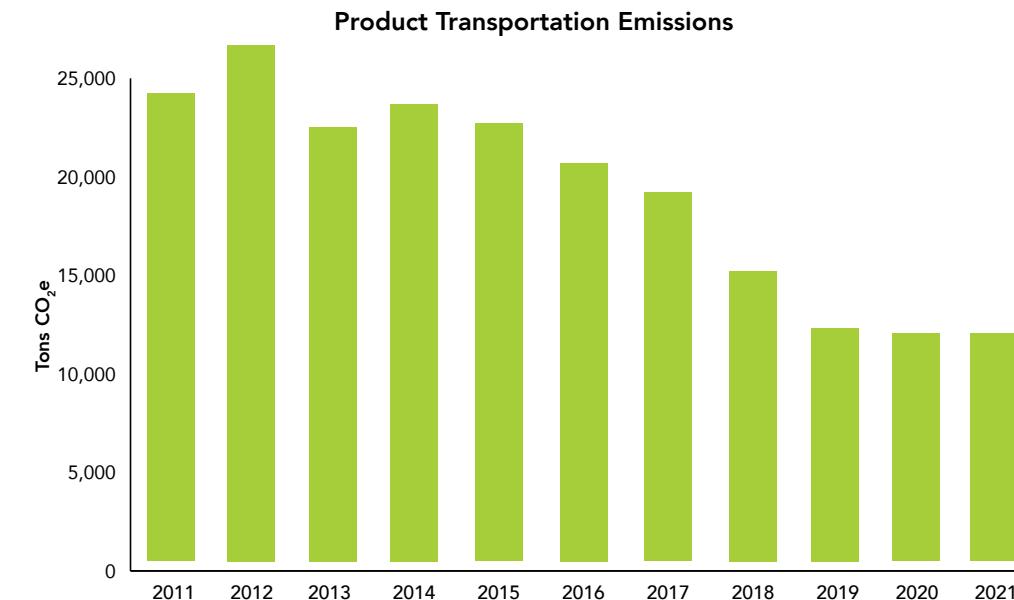
In 2019, our team members were already traveling less than in previous years, but the COVID–19 pandemic essentially stopped all travel for 2020 and 2021. For comparison, in 2019, our business travel emissions totaled 13,008 tons of CO<sub>2</sub>e, which at the time was our lowest recorded over eight years. In 2021, however, our business travel totaled just 555 tons of CO<sub>2</sub>e, approximately a 96% decrease from 2019.

### PRODUCT TRANSPORTATION

Emissions from product transportation include transporting semi-finished products between manufacturing sites, and transporting fully finished products to warehouses and customers. In 2021, our CO<sub>2</sub> emissions from product transportation were estimated at 11,561 tons CO<sub>2</sub>e (based on kilograms per kilometer), but with a 22% production increase in 2021, we expect an increase when the data becomes available in mid–2022. 2021 emissions data for transportation will be updated in the 2022 Corporate Sustainability Report.



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



Air-freight CO<sub>2</sub> calculation is 0.567 kg/km as set by the Intergovernmental Panel on Climate Change (IPCC).

# EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

**Emissions**

Energy

Water

Waste

Packaging

Hazardous Materials

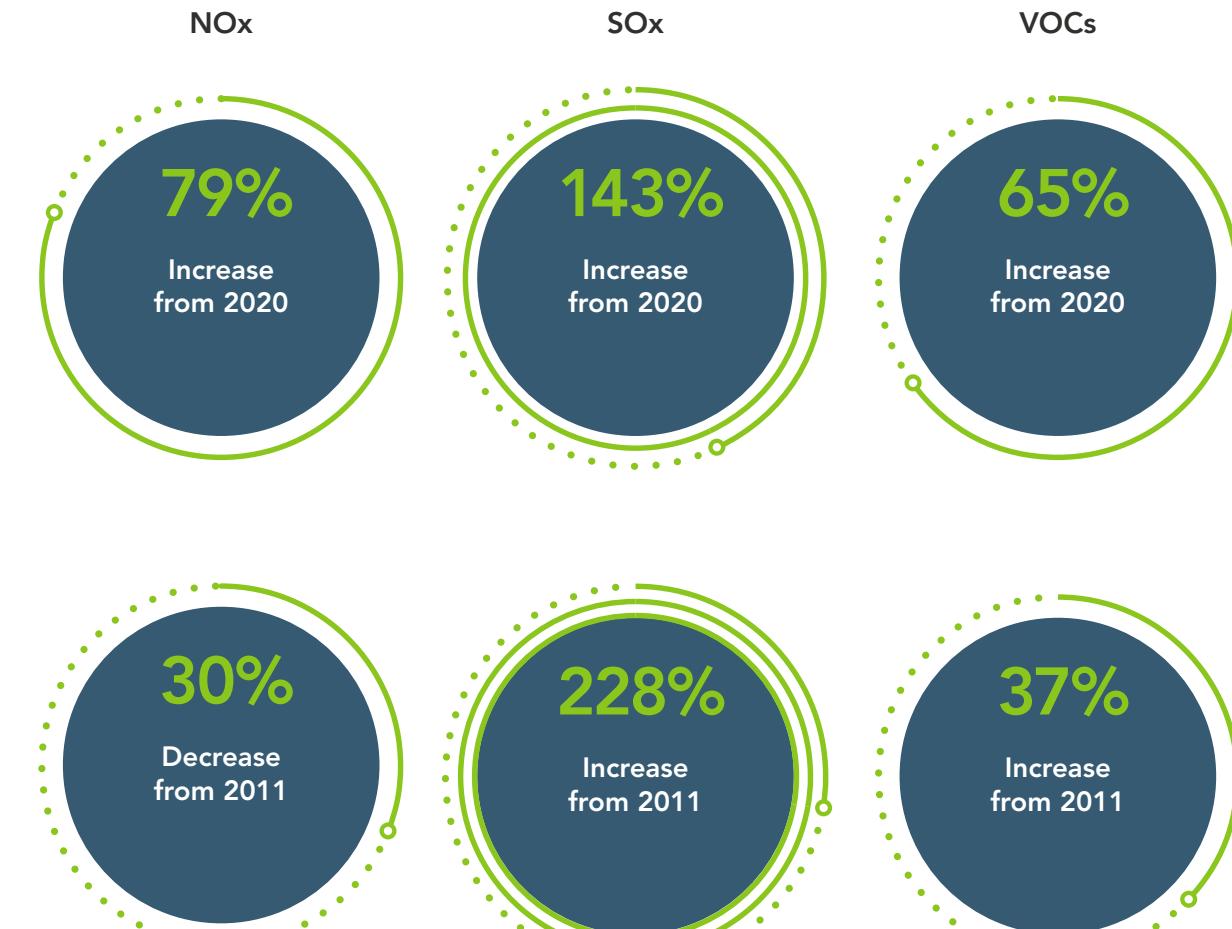
SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## NON-GREENHOUSE GAS EMISSIONS

### NON-GHG ABSOLUTE EMISSIONS PERFORMANCE



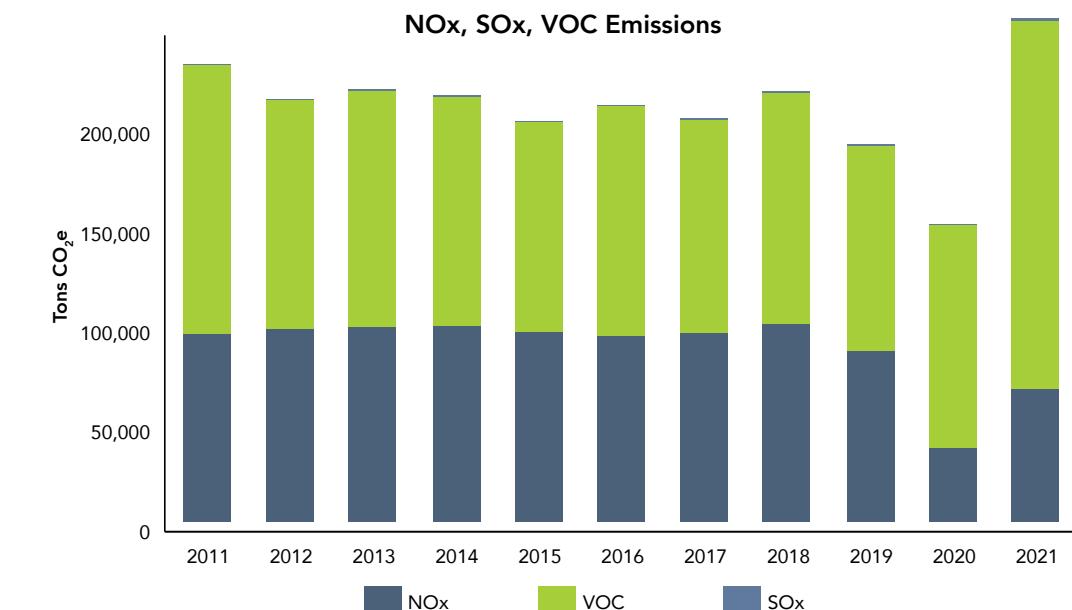
## NOX, SOX, AND VOCs

Our Non-Greenhouse Gas Emissions, which include nitrogen oxides (NOx), sulfur oxides (SOx) and Volatile Organic Compounds (VOCs), mostly come from our manufacturing processes, including the use of chemical solvents in the photolithography process, but also from our boilers and emergency generators.

Since 2011, we had seen a significant reduction in non-greenhouse gas emissions, but in 2021, several events significantly increased these emissions.

During the unprecedented winter storm in Austin, Texas, we lost all, or most of the electricity supplied to our two manufacturing sites for six days. This forced us to depend on diesel fuel to power our emergency generators and run critical safety systems. As a result, our global consumption of diesel fuel went up by 171% for the year, and we increased our emission of NOx, SOx and VOC combustion by-products. The normal total NOx, SOx and VOC emissions from our two Austin factories had been ~46,000 kilograms in 2020, compared to ~77,000 kilograms in 2021 – a 66% increase of all three combined.

In 2021, our production increased by 22% compared to 2020, and we expanded our Systems on Silicon Manufacturing Company (SSMC) wafer fab in Singapore. Expanding the SSMC facility had the largest impact on our increased VOCs as those production areas ramped up.





OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## Long-Term Energy Ambitions

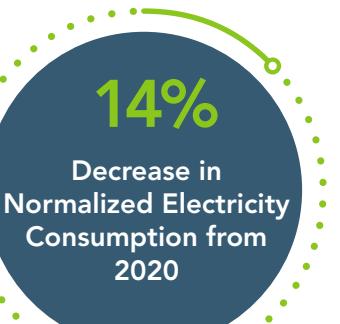
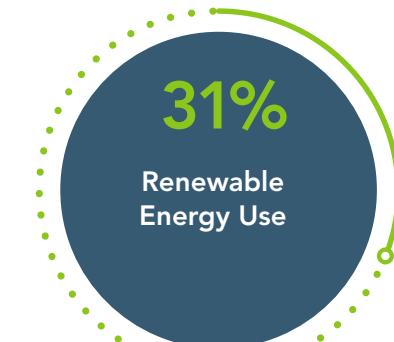
100% Renewable Energy, Contributing to our 2035 Goal of Being Carbon Neutral



## 2027 Mid-Term Energy Goals

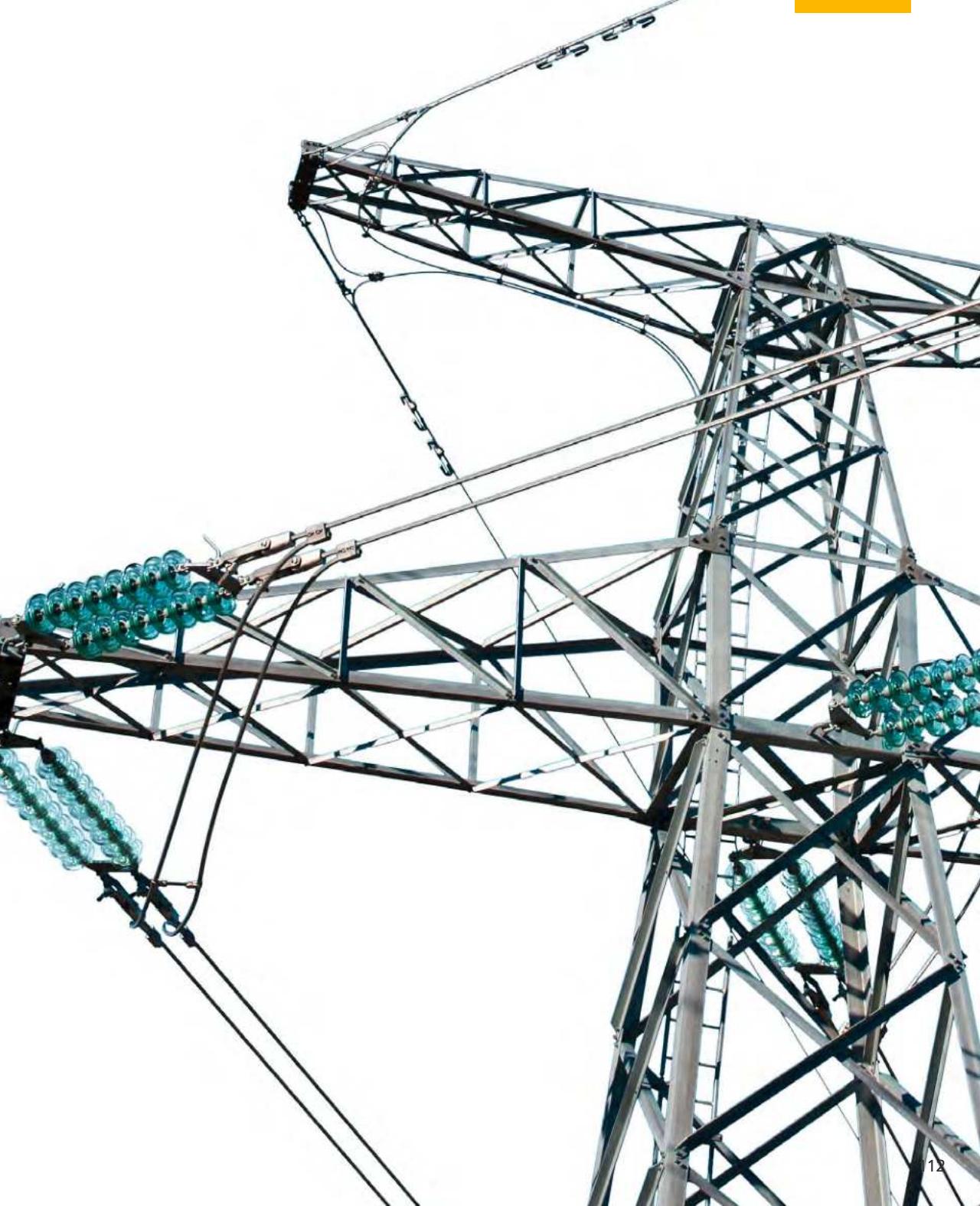
50% Renewable Energy Use

## ENERGY PERFORMANCE



Primary sources of energy for our manufacturing, testing, and office locations come from the electrical grid. We purchase renewable energy when available and continue to purchase electricity from fossil-fuel sources in jurisdictions where reliable and abundant alternative sources of energy are not available.

We use natural gas to power heating, cooling, and humidity management equipment critical to manufacturing and test processes, and diesel fuel for emergency generators.



# ENERGY

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)

## ENVIRONMENT

[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)

## SUPPLIER ENGAGEMENT

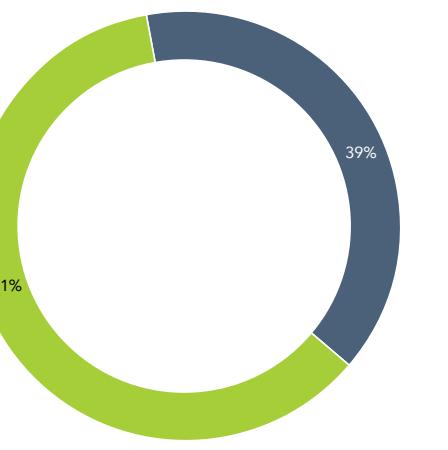
## PRODUCT STEWARDSHIP

## APPENDICES

### ELECTRICITY

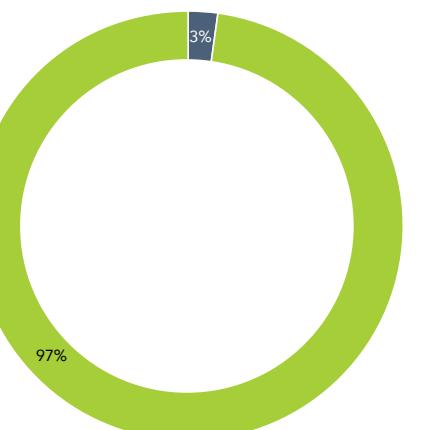
Semiconductor manufacturing is an electricity-intensive process, with wafer-fabrication requiring more electricity than assembly and test. Electricity consumed at our non-manufacturing sites accounts for only 3% of NXP's total consumption.

2021 Manufacturing Electricity Consumption



Assembly & Test      Wafer Fabs

2021 Manufacturing vs Non-Manufacturing Electricity Consumption



Non-Manufacturing      Manufacturing



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

Emissions

**Energy**

Water

Waste

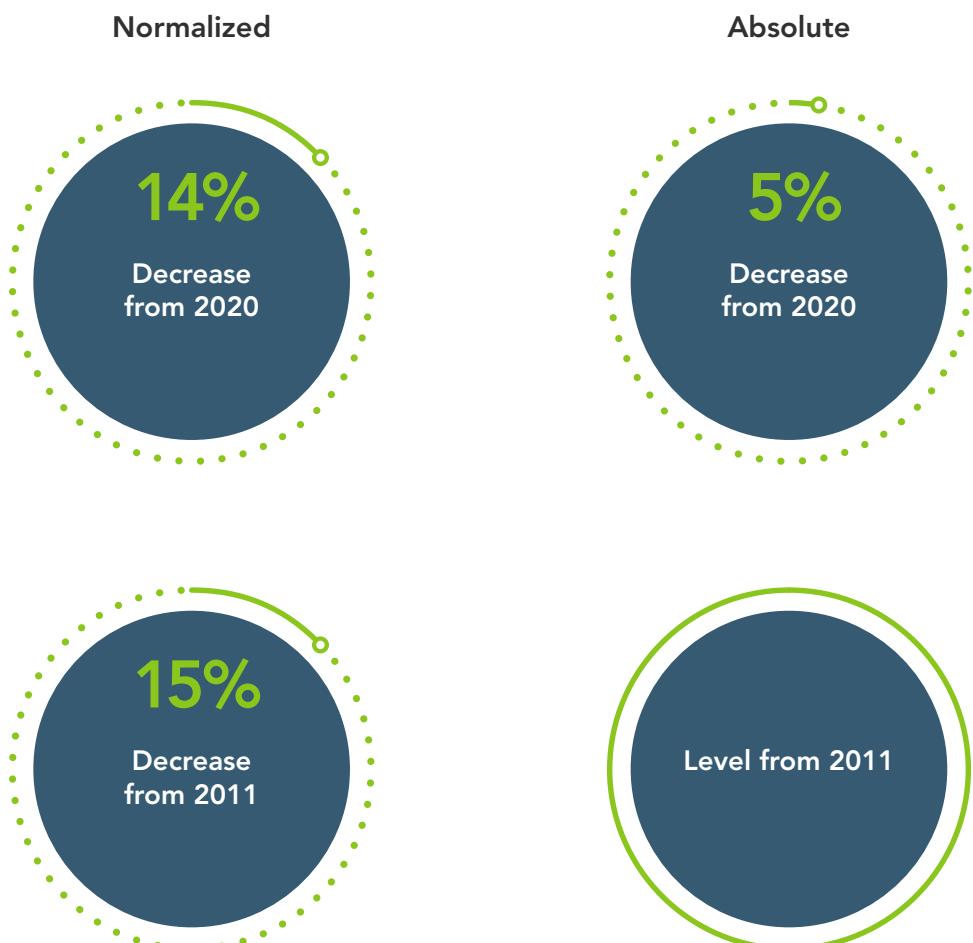
Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

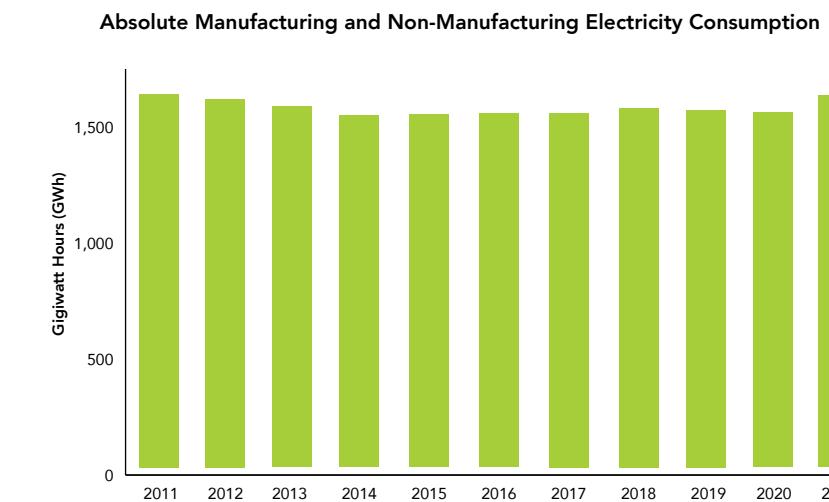
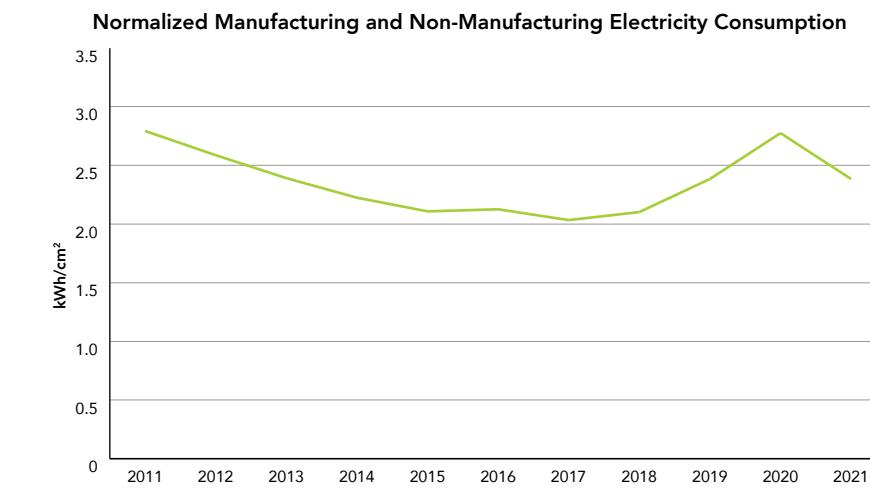
PRODUCT STEWARDSHIP

APPENDICES

**RESULTS****ELECTRICITY CONSUMPTION PERFORMANCE**

We produce increasingly complex products that involve many more processing steps, requiring greater electricity consumption. Also, in 2021 we expanded our Systems on Silicon Manufacturing Company (SSMC) wafer fab in Singapore, and our product demand increased by 22%. As a result, our absolute electricity consumption increased by 5%, and our normalized electricity decreased by 14% compared to 2020.

Our years of collective efforts conserving electricity, and optimizing our processes has kept our absolute electricity consumption level and reduced our normalized electricity by 15%, compared to 2011.



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

Emissions

**Energy**

Water

Waste

Packaging

Hazardous Materials

**SUPPLIER ENGAGEMENT****PRODUCT STEWARDSHIP****APPENDICES****ELECTRICITY CONSUMPTION – MANUFACTURING**

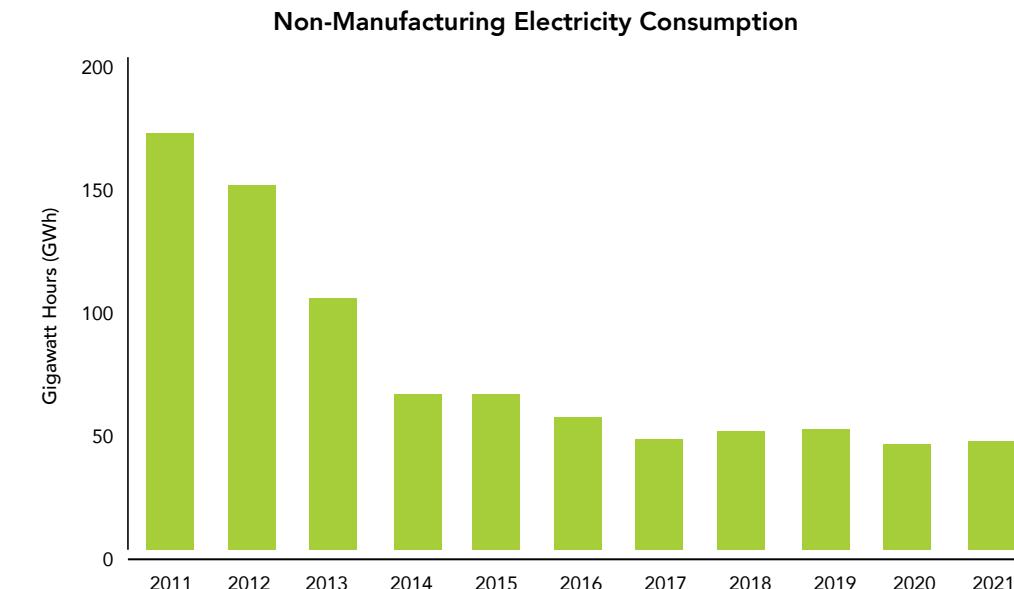
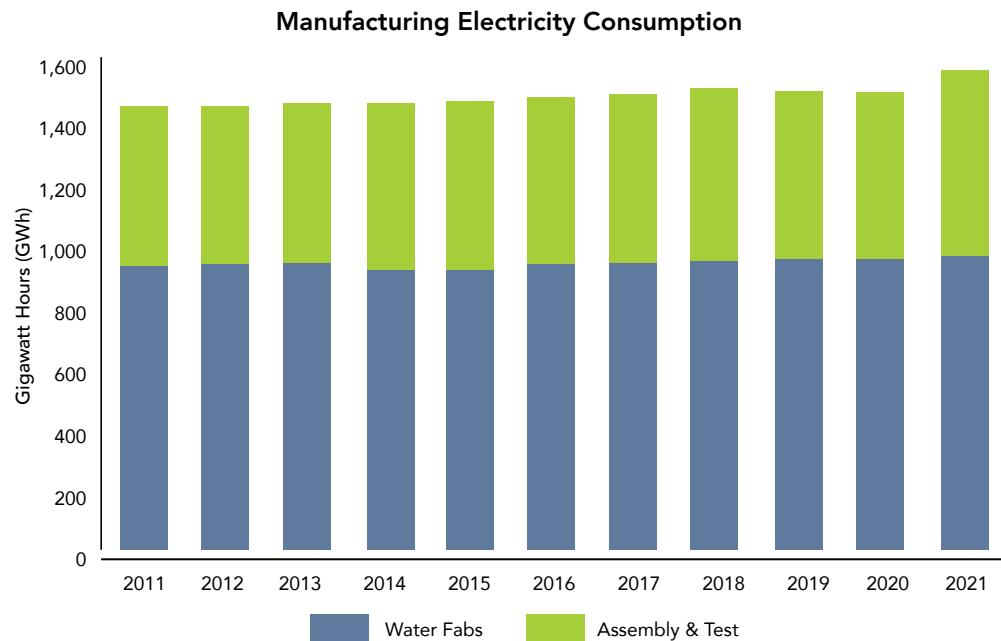
To reduce electricity consumption, our manufacturing sites continually optimize processes and replace or upgrade equipment. Examples of this ongoing work include:

- 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

**ELECTRICITY CONSUMPTION – NON-MANUFACTURING**

Electricity at our offices and R&D sites represents 3% of our total consumption. In 2021, our absolute electricity consumption increased by 2% compared to 2020 as a result of team members returning to the office in sites where COVID-19 conditions improved.

Since 2011, our non-manufacturing electricity consumption has decreased by 74%, mainly due to site consolidations and various site-specific projects, such as switching to LED bulbs and communicating more with team members about energy conservation.



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

Emissions

**Energy**

Water

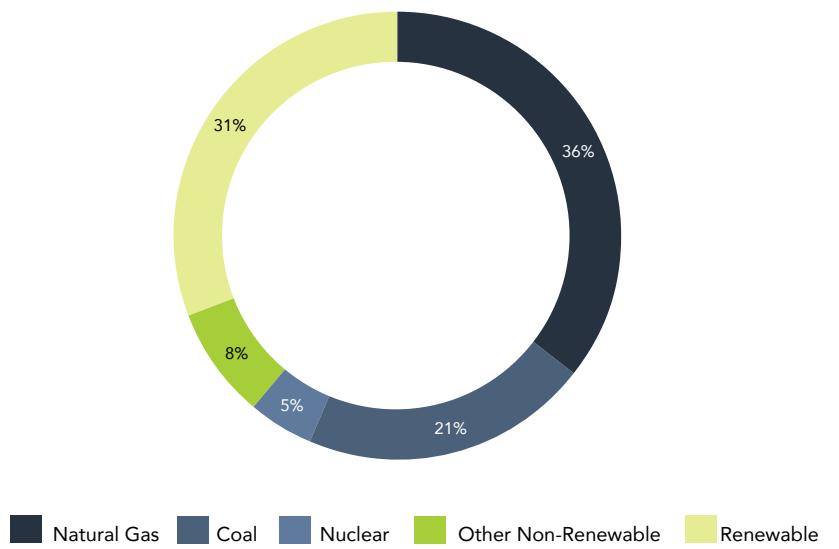
Waste

Packaging

Hazardous Materials

**SUPPLIER ENGAGEMENT****PRODUCT STEWARDSHIP****APPENDICES****ELECTRICITY ENERGY SOURCES**

Electricity is generated from a variety of energy resources in the grid, and these resources vary depending on location and country. Currently, we use a mix of energy sources because of its availability, stability, and reliability. However, our goal is to transition to 100% renewable energy.

**2021 Electricity Energy Sources From the Grid**

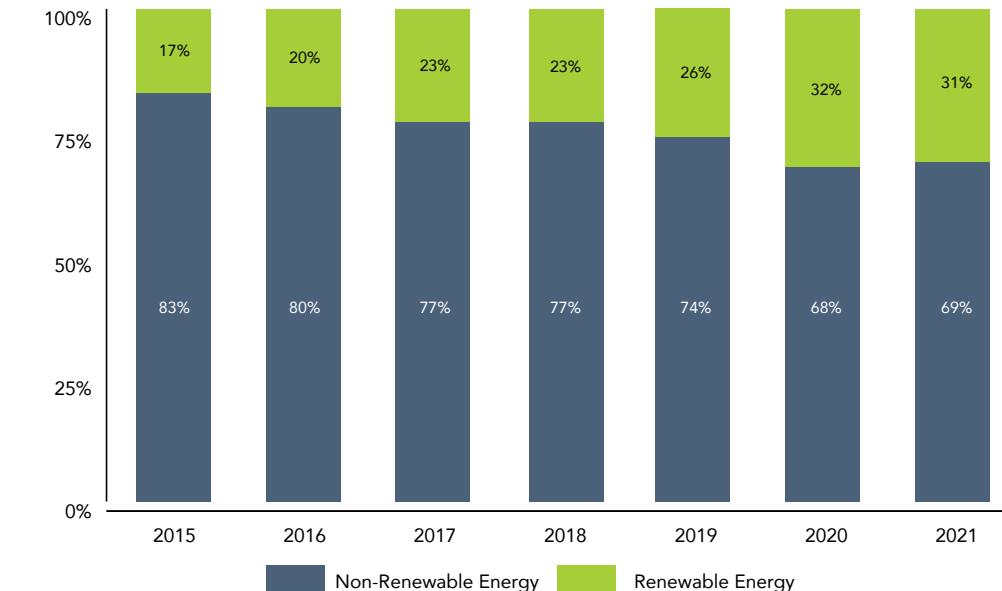
In 2021, 31% of our overall electricity use was from renewable energy sources, and our Nijmegen wafer fab, in the Netherlands, runs on 100% renewable energy.

**RENEWABLE ENERGY**

Since 2015, we have steadily increased our use of electricity that comes from renewable sources. In 2021, 31% of our overall electricity use was from renewable energy sources, and our Nijmegen wafer fab, in the Netherlands, runs on 100% renewable energy. We continue to look for new ways to increase our use of renewable energy sources through power purchase agreements.

Our total electricity consumption increased by 5% compared to 2020. However, renewable energy as a portion of the electricity from the grid decreased by 1 percentage point. Our manufacturing sites located in the Asia-Pacific region contain a lower percentage of renewable energy and, at the same time, the electricity consumption at these sites also increased by 12% compared to 2020. The Asia-Pacific combination of higher electricity consumption and lower percentage of renewable energy reduced our total percentage of renewable energy.

Over the last year, some utility company's reports have been revised and is now publishing a higher percentage of renewable energy than what was previously published. We have since updated our percent of renewable energy in this year's report to reflect these changes, and thus percentages reported in this 2021 report are higher than what was reported in the 2020 report. We anticipate needing to update the previous year's renewable energy percentage again in future, since utility companies tend to issue their reports several months after we publish our annual Corporate Sustainability Report.

**Renewable Energy Sources From the Grid**

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

## Energy

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

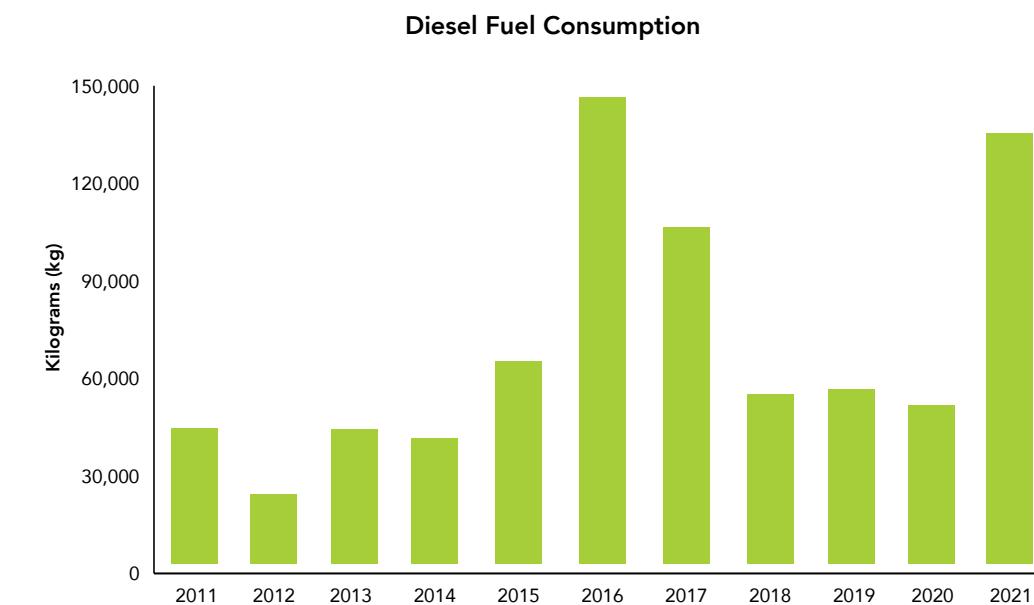
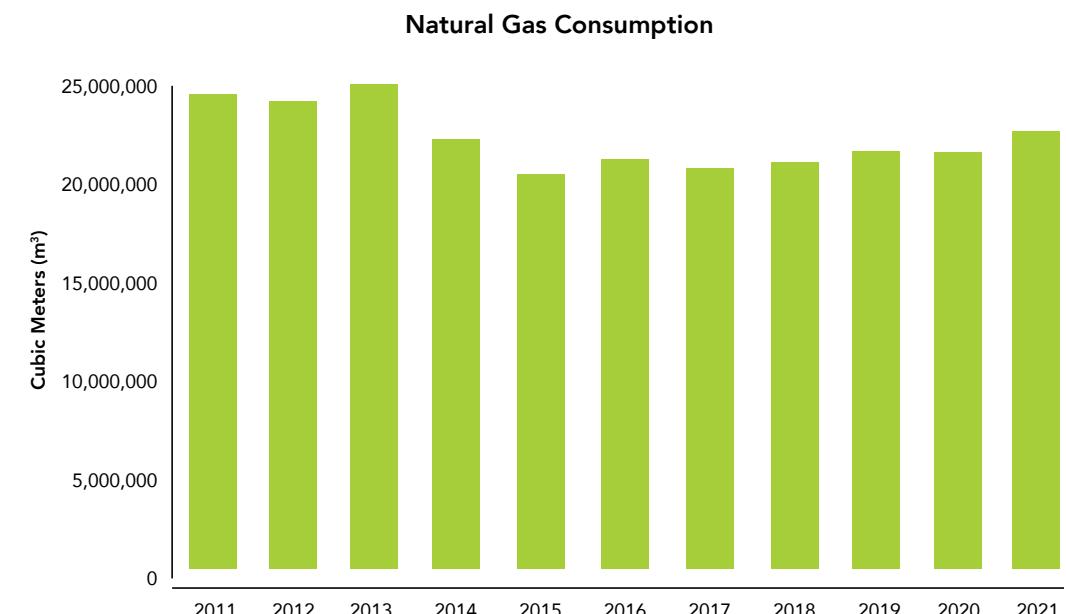
## ENERGY CONSUMPTION

## NATURAL GAS

We mostly use natural gas to heat buildings, generate steam for humidity, and run our emissions-abatement equipment. Our use of natural gas depends strongly on both external weather and our internal production activity. Due to colder weather and increased production, our 2021 absolute natural gas consumption increased 5% from 2020. Compared to 2011, our consumption has decreased 8%.

## DIESEL FUEL

In case of power interruptions, we have diesel-driven emergency generators that support essential safety systems. Our consumption of diesel fuel fluctuates depending on how often we test or need to use these emergency safety systems. In 2021, our total use of diesel increased significantly because of the unprecedented winter storm in Austin, Texas. The two manufacturing sites in Austin lost their supplies of power and natural gas for extended periods of time. As a result, boilers had to switch from natural gas to diesel, and safety and emergency support functions had to run on backup power provided by emergency generators using diesel.



## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

[Energy](#)

Water

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

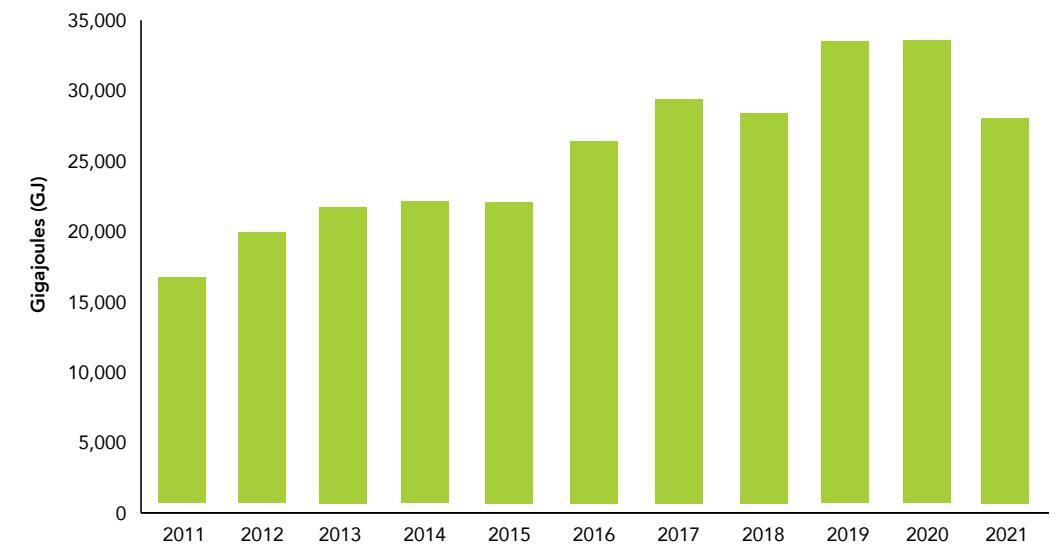
## OTHER FOSSIL FUELS

Other fossil fuels includes gasoline, liquefied petroleum gas (LPG), and town gas. In 2021, our consumption of other fossil fuels decreased by 17% from 2020, but has increased by 71% since 2011.

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 expansion at our Systems on Silicon Manufacturing Company (SSMC) wafer fab in Singapore.

Other Fossil Fuel Consumption



# WATER

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## Long-Term Water Ambitions

Minimize Impact on Global Water Supplies



## 2027 Mid-Term Water Goals

60% of Wastewater is Recycled

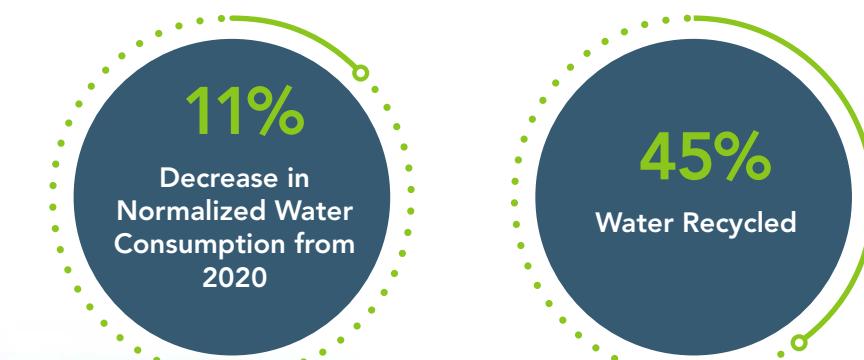
Semiconductor manufacturing, especially wafer fabrication, is a water-intensive process. It also creates wastewater that is discharged from our manufacturing sites. Our global water strategy includes a focus on conservation, recycling, and high standards for wastewater treatment and discharge.

We understand that, in addition to impacting our manufacturing sites, water availability also impacts other industrial, agricultural, and residential users in the communities where we operate. By using less water, we can help increase the supply for others in our communities.

Since drastically reducing the amount of water used within our manufacturing processes is not currently feasible, we anticipate that our demand for water will increase in line with our increases in production. To reduce the amount of incoming water we consume, we focus on a mid-term goal of increasing our water recycling rate to 60% by 2027.

Many of our manufacturing and testing sites are located in semi-arid regions that may become increasingly vulnerable to prolonged droughts associated with evolving changes to the climate, which may lead to resource scarcity. Each manufacturing site is addressing the impacts of water scarcity based on their location, and are identifying best practices associated with water recycling and conservation in order to reach our mid-term goal.

## WATER PERFORMANCE



# WATER

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

Energy

**Water**

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

### NXP GLOBAL WATER STRESS SCORES

The Water Stress Index (WSI) evaluation tool is 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 analysis company 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.

Water Stress Index (WSI) Scores			
Wafer Fabrication		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		

WSI 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). The index is based on mean annual water stress, and therefore the seasonality of water stress is not captured. Countries are assigned a rank according to their relative position in each index.

According to the WSI evaluation tool, many of our manufacturing and testing sites are located in semi-arid regions with some identified as extreme and high risk. These manufacturing sites may become increasingly vulnerable to water scarcity.



# WATER

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

Emissions

Energy

[Water](#)

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

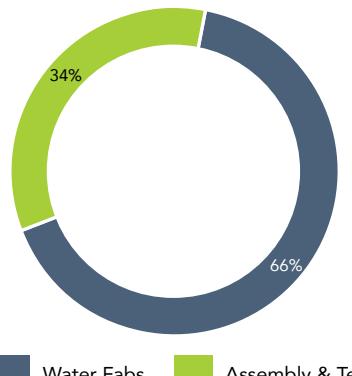
APPENDICES

Semiconductor wafer fabrication represents 66% of our total water consumption.

At our manufacturing sites, water mostly comes from nearby municipal facilities. The Nijmegen facility is our only manufacturing site that extracts well water, representing 6% of our total water consumption.

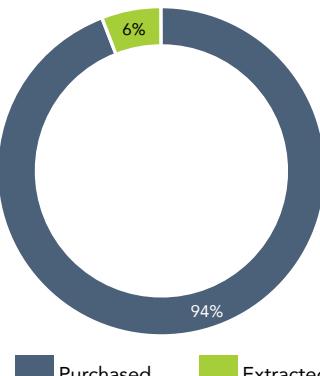
In 2021, we are close to using the same amount of recycled water as non-recycled water. We have identified water recycling rate as a mid-term goal, in which we aspire to recycle 60% of our water by 2027, because increasing the amount of water we recycle will generate positive results for NXP and our communities.

2021 Water Consumption



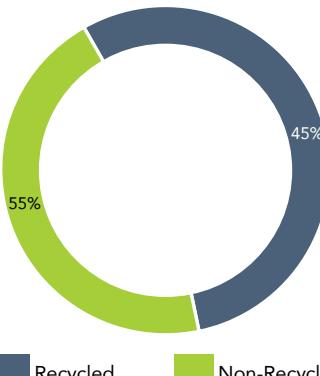
Water Fabs    Assembly & Test

2021 Water Retrieval

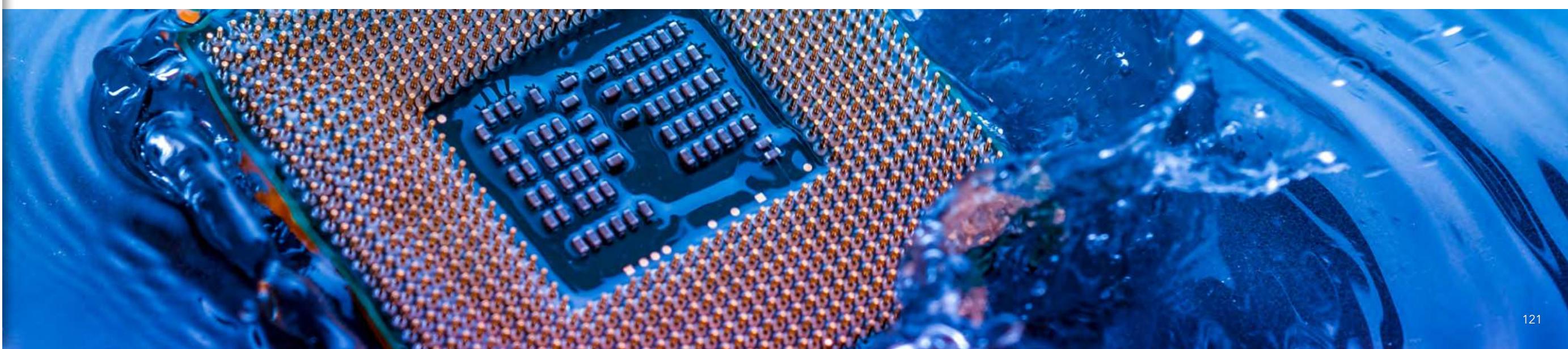


Purchased    Extracted

2021 Water Recycled



Recycled    Non-Recycled



OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

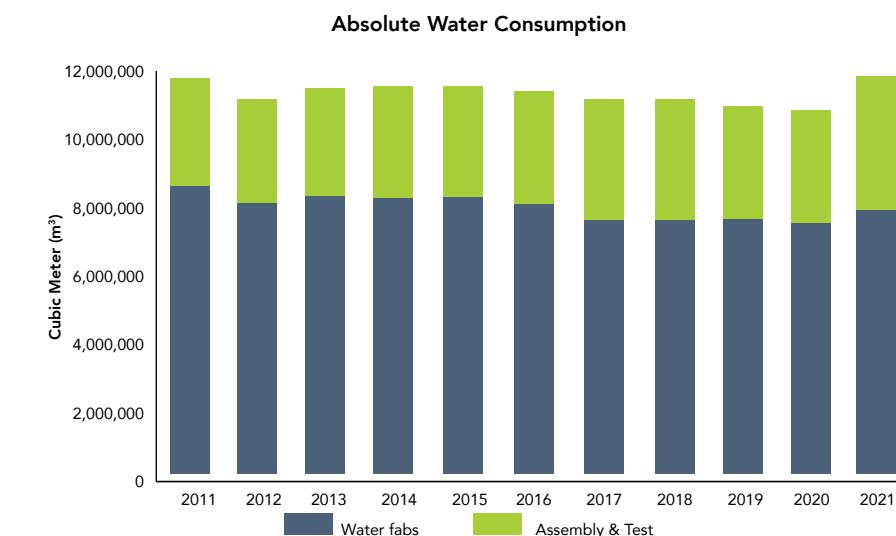
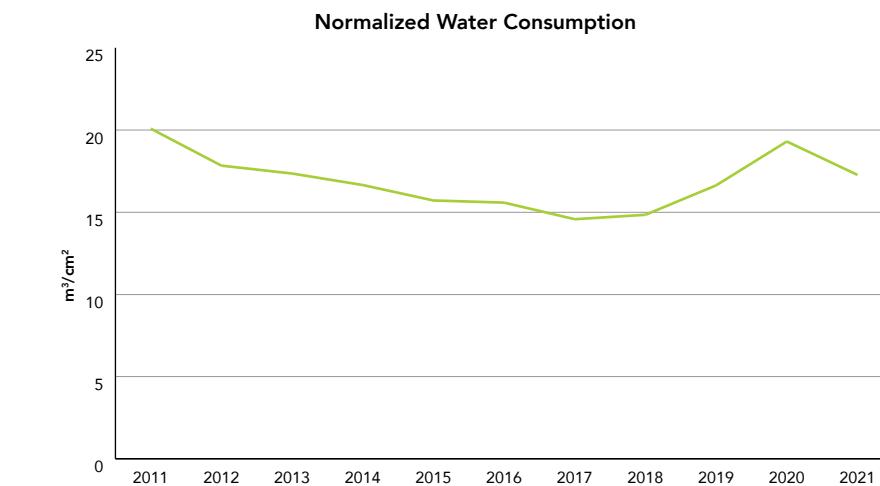
## WATER CONSUMPTION

## WATER-CONSUMPTION PERFORMANCE

Our decade-long focus on water conservation, which emphasized the use of more efficient tools, taking advantage of opportunities to increase water recycling, and finding ways to optimize processes, kept our absolute water-consumption level low and helped us achieve a 14% decrease in normalized water consumption compared to 2011.



The manufacturing processes used to produce semiconductors are becoming more complex. Smaller, faster semiconductors require more processing steps to produce, which in turn increases the amount of water used for cleaning, ensure product quality and process safety. In 2021, the demand for our products increased 22% compared to 2020. As a result of this demand, our absolute water consumption increased by 9% compared to 2020. However, our normalized water consumption decreased by 11% from 2020.



# WATER

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

## ENVIRONMENT

Overview

Management

Emissions

Energy

**Water**

Waste

Packaging

Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

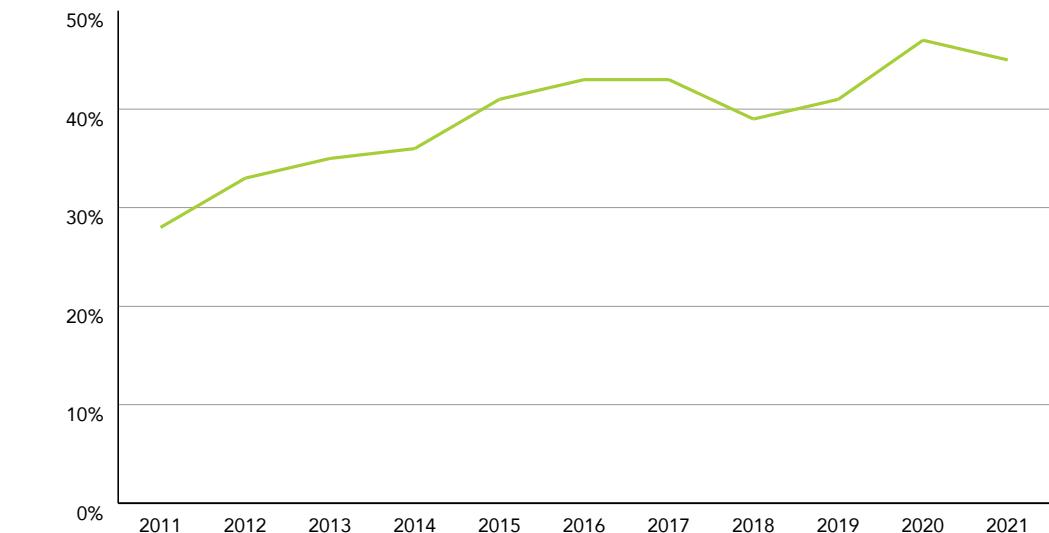
## APPENDICES

### WATER RECYCLING

#### WATER RECYCLING PERFORMANCE



#### Recycled Water: Manufacturing



We implement projects that collect and recycle water at our manufacturing sites. This reduces the amount of incoming water consumption and reduces our reliance on local water supplies. Since 2011, our rate of water recycling has increased by 17%.

In 2021, our production increased 22% compared to 2020, and, as a result, total water consumption increased. However, total water recycled went down by 2 percentage points from 2020.

We currently recycle 45% of our water, and have created a task force to identify new opportunities for water recycling, so we can achieve our 2027 goal of 60% recycled water.



# WATER

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)

## ENVIRONMENT

[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

### WASTEWATER

We are committed to returning water to the environment that is as clean, or cleaner than what we sourced. We employ onsite water-treatment facilities to treat wastewater outflows, and ensure any chemical constituents from our wastewater that could potentially impact the environment are avoided. Our facility teams continuously monitor and test our water, as required by local authorities, and perform better than local wastewater discharge permit requires.

In late 2020, we included wastewater discharge in our data-management system, and we plan to include detailed measurements for water discharge and evaporation in our future reports.

NXP did not receive any excursions, fines, or penalties in 2021 related to wastewater discharge.

### NXP in Action

The two manufacturing sites in Austin, ATMC and Oak Hill, both received the City's 2021 award for Excellence in Wastewater Pretreatment. The award honors significant industrial water users who exhibit environmental stewardship by proactively preventing pollution and managing wastewater discharge. This is the seventh consecutive year that ATMC has received this award, and the sixth for Oak Hill.



# WASTE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## Long-Term Waste Ambitions

Develop Collaborative Circular Economy Solutions

Semiconductor manufacturing generates hazardous and non-hazardous waste streams, including lithography-related solvents, metal plating waste, specialty cleaners, spent sulfuric acid, ammonium sulfate, and calcium fluoride. Our operations also generate paper, plastic, metal, and kitchen waste, along with general office waste. We also have one-time waste from construction and/or other one-time manufacturing activities.

We understand that reducing or eliminating waste streams not only contributes to greater operational efficiencies but also contributes to a more sustainable circular economy.

## GOALS

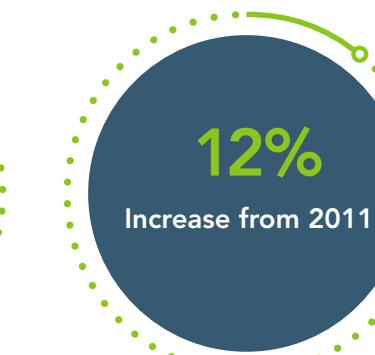
NXP continues to actively evolve our approach to the sourcing, consumption, and disposal of materials critical to the manufacturing and testing of our products. We have set a mid-term goal of recycling 90% of our waste by keeping products and materials in use via reuse, resale, repurposing, and recycling.

Our long-term ambition is to collaborate with our supply chain to develop better, more sustainable products. We know we can add value by looking at our entire supply chain and asking, at each point in the chain, if any or all waste can be an input back into the system.



90% of Waste Recycled

## WASTE PERFORMANCE



We will continue to work with our supply chain to purchase goods and services locally, and find alternate uses for materials we have as by-products. We believe we play a crucial role in being a driver and an enabler to our supply chain in their adoption of circular-economy principles. Going forward, we plan to conduct additional product lifecycle analyses with the aim of identifying additional opportunities to reduce environmental impacts, unlock potential value, and enable the setting of future performance goals.

## APPROACH

We are committed to reducing the amount of waste we send to landfill, and work to recycle/reuse the waste we generate. We continue to collaborate with our supply chain to identify opportunities for waste reduction or alternative use, and look for ways to reduce manufacturing waste by improving yield, optimizing processes, and minimizing the waste of scrap material.

For example:

- Recycle/reuse spent materials, such as sulfuric-acid waste, to then sell to other companies for their use
- Expand our list of recycling vendors in local regions
- Identify recycling vendors who can recover precious metals from our e-scrap and finished product
- Replace single-use plastic in our cafeterias, cafés, and pantries with sustainable and reusable alternatives

## OVERVIEW

## 2021 HIGHLIGHTS

## OUR BUSINESS

## ECONOMY

## GOVERNANCE

## ESG

## EMPLOYEES

## ENVIRONMENT

## Overview

## Management

## Emissions

## Energy

## Water

## Waste

## Packaging

## Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

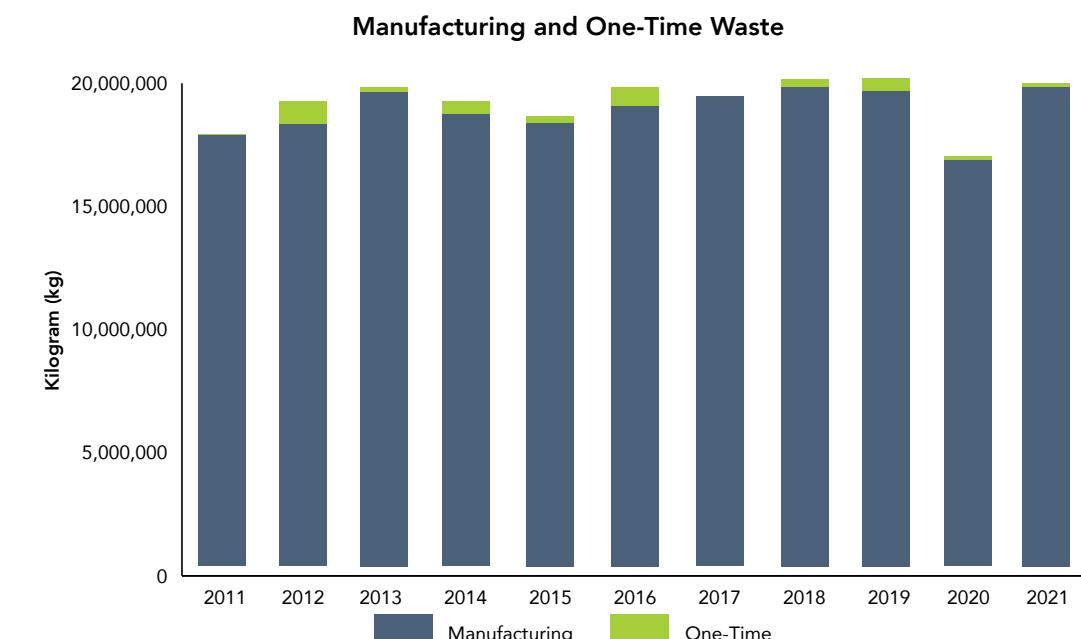
## APPENDICES

## RESULTS

Our total waste generation includes regular ongoing waste generated by our manufacturing sites (including manufacturing, office and canteen waste), as well as one-time waste. We consider one-time waste to be those waste streams that are not generated as part of normal operations, but rather by unique, one-time projects. One-time waste accounted for less than 1% of total waste generation in 2020 and 2021; therefore, it is not included in our normal waste metrics and analysis, unless otherwise indicated.

In 2021, our production increased by 22% from 2020 and, as a result, our total waste generation increased by 18%. Since 2011, our total waste generation has increased by 12%.

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



# WASTE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

Emissions

Energy

Water

**Waste**

Packaging

Hazardous Materials

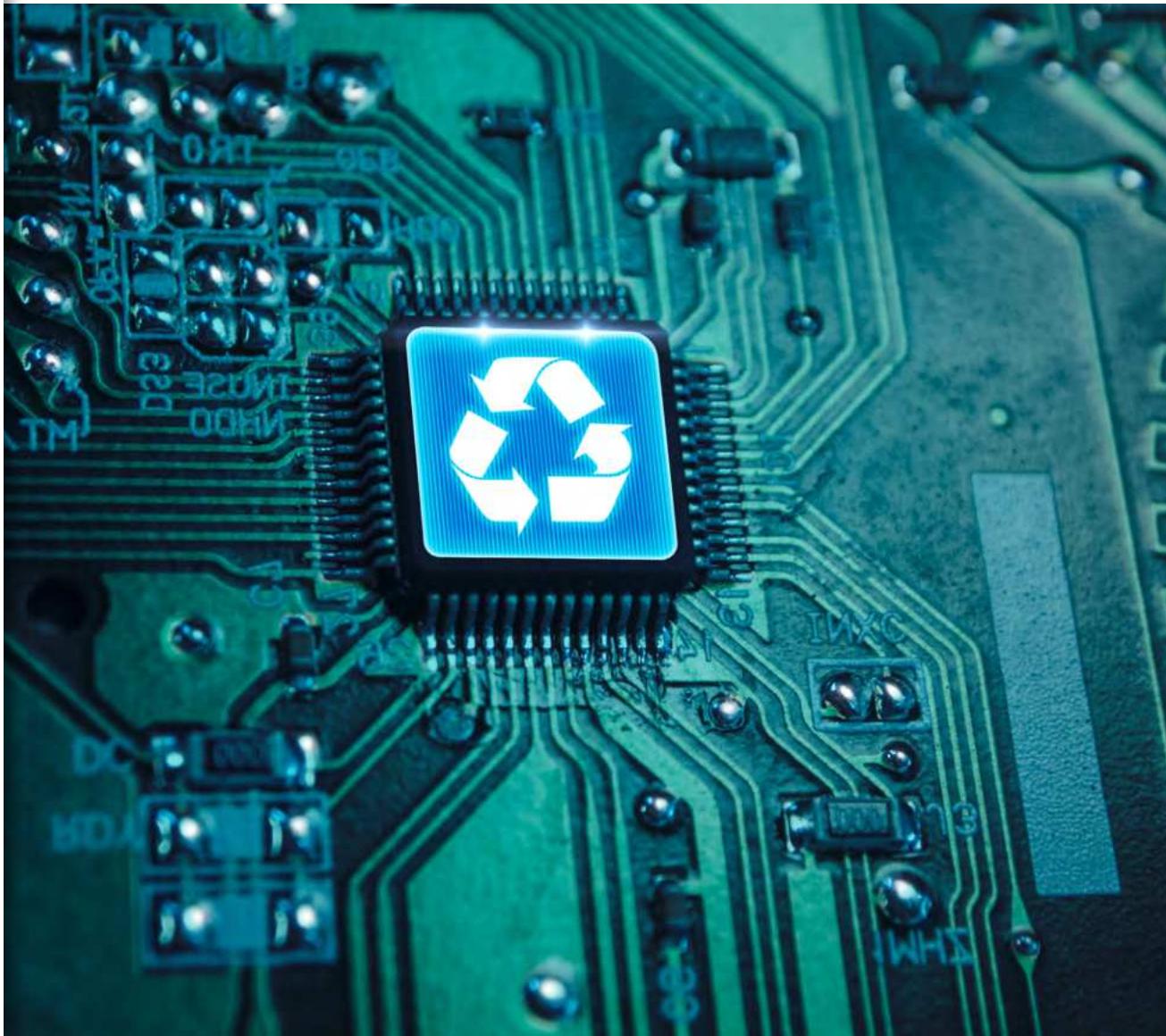
SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

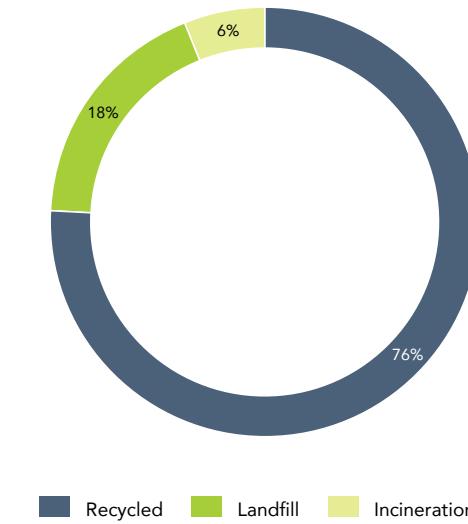
APPENDICES

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.

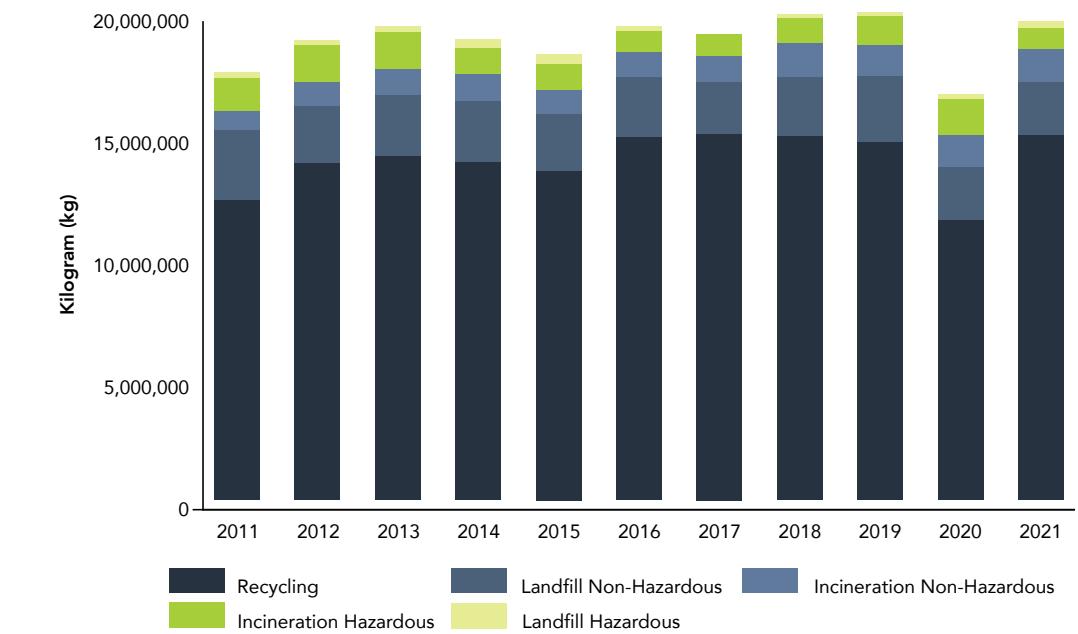
We regularly audit our waste-management vendors to confirm they are meeting compliance requirements, handling waste responsibly, and managing disposal with minimal impact to the environment.



**2021 Methods of Disposing of Manufacturing Waste**



**Manufacturing and One-Time Waste Disposal Method**



# WASTE

## OVERVIEW

### 2021 HIGHLIGHTS

### OUR BUSINESS

### ECONOMY

### GOVERNANCE

### ESG

### EMPLOYEES

## ENVIRONMENT

### Overview

### Management

### Emissions

### Energy

### Water

### Waste

### Packaging

### Hazardous Materials

## SUPPLIER ENGAGEMENT

## PRODUCT STEWARDSHIP

## APPENDICES

## RECYCLING

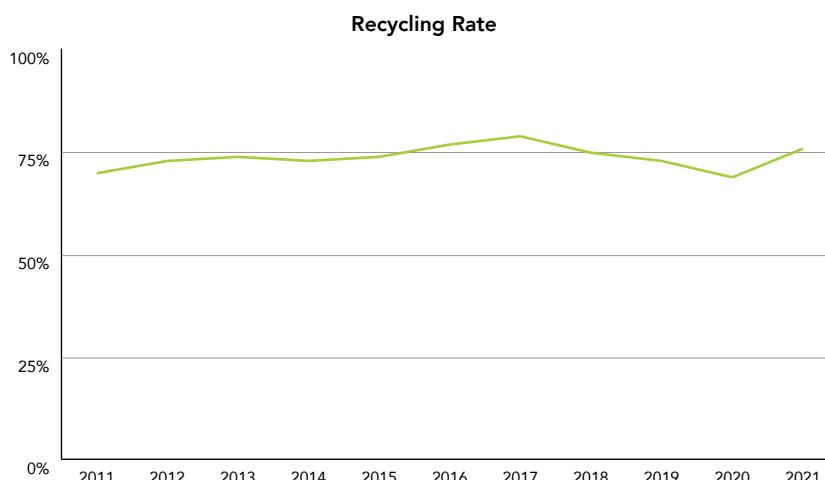
### RECYCLE RATE PERFORMANCE



We collect and recycle a variety of materials, including office waste (paper, cardboard, beverage containers), canteen waste (food and other compostable items), items from support operations (scrap metal, wood, coolant chemicals, calcium-fluoride cakes used in wastewater treatment) and manufacturing materials (spent acids and solvents, waste molding compound, plating hazardous waste, etc.).

In 2021, we recycled 76% of our total waste (non-hazardous and hazardous), an increase of 7 percentage points from 2020 and 6 percentage points from 2011. Our recycling rate includes waste-to-energy activities, which include the conversion of non-recyclable waste materials into usable heat, electricity, or fuel through incineration. If we exclude waste-to-energy, the 2021 recycle rate is 69%.

We have lost some of the gains we made in the last ten years, because some vendors stopped accepting certain waste streams, or, 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. Several new recycling streams were implemented in 2021, which helped increase our recycling rate, as described in the NXP In Action section.



### NXP in Action

The Bangkok, Thailand manufacturing site found a vendor who can recycle coolant chemicals. Finding a local vendor who will accept and recycle this kind of waste has been difficult.

### NXP in Action

The Chandler, Arizona manufacturing site found a vendor to recycle the calcium-fluoride filters used to treat wastewater. The calcium-fluoride cakes are now being used in cement manufacturing and building products, and as a soil stabilizer in landscape materials.

### NXP in Action

The Tianjin, China manufacturing site found two recycling vendors, one to recycle hazardous waste from our plating process, and another to recycle waste from our mold compounds. This second vendor will also use our organic liquid waste to generate steam, as part of a waste-to-energy process.

# WASTE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

Emissions

Energy

Water

**Waste**

Packaging

Hazardous Materials

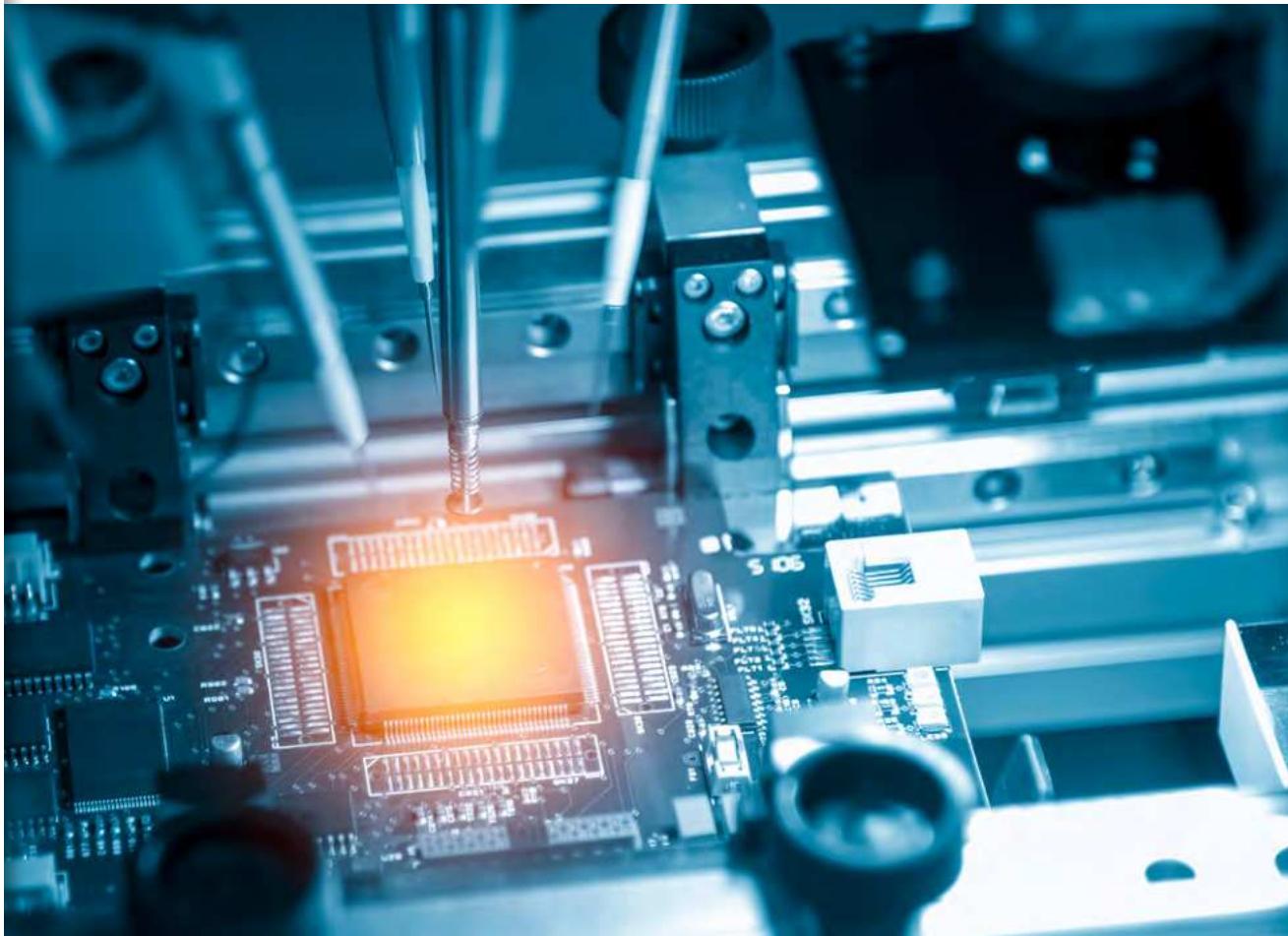
SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

## E-SCRAP RECLAIM

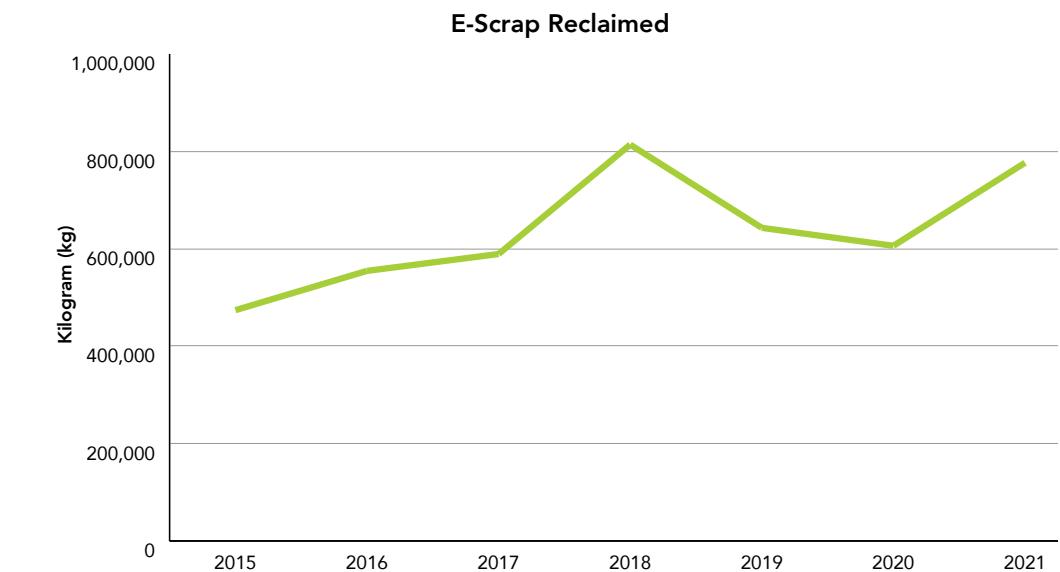
### E-SCRAP RECLAIM PERFORMANCE



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

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

In 2021, our e-scrap reclaim rate increased 28% from 2020 and 64% from 2015. In 2021, production increased 22% compared to 2020, corresponding to the increased amount of reclaim compared to 2020. Since 2015, we have implemented programs to improve the identification and collection of e-scrap, resulting in the longer-term increases achieved.



# PACKAGING

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

**ENVIRONMENT**

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

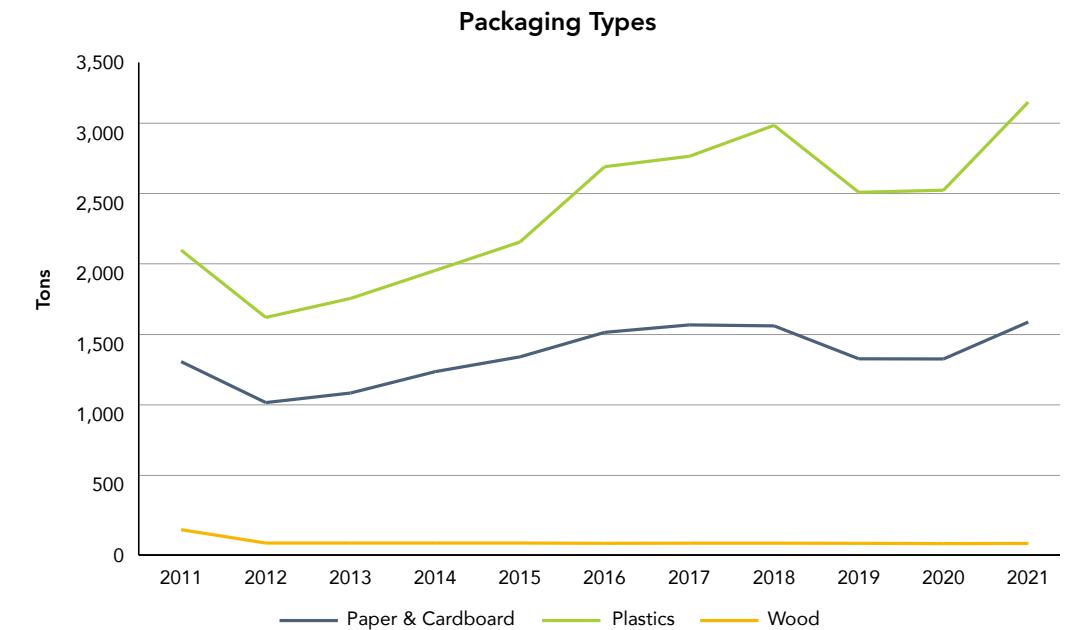
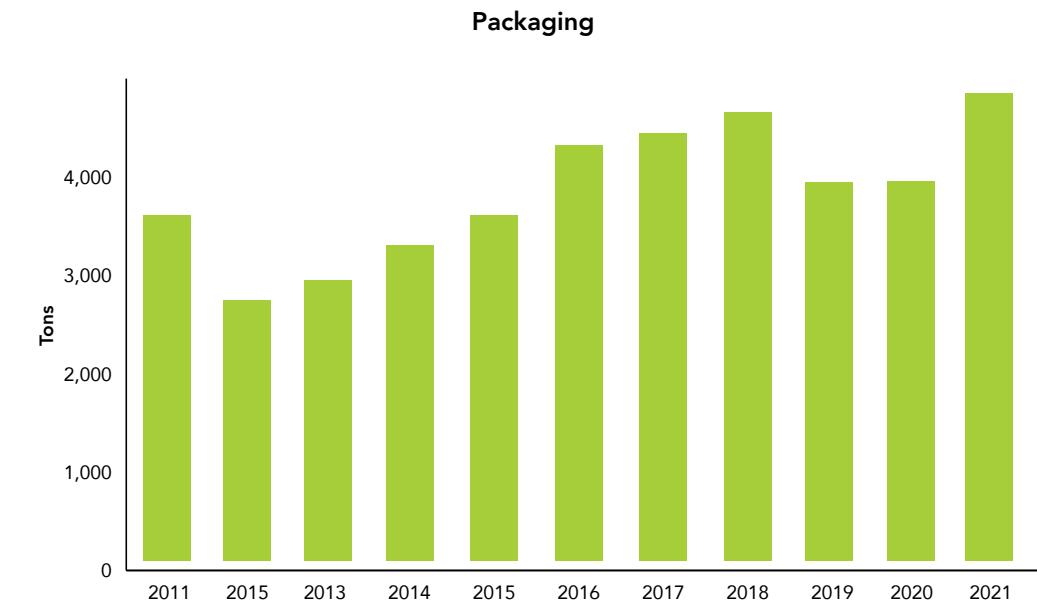
APPENDICES

The packaging we use for shipping consists mainly of paper and cardboard as well as plastic. We also use a small amount of wood, in the form of wooden pallets, to ship our products. The 2021 packaging data represents approximately half of our sites. We will continue to improve data collection related to packaging for all of our sites.

In 2021, our manufacturing production increased 22% from 2020 and, subsequently, our packaging increased as well.

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 also easy to reuse and 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 receive accurate figures on how much of our packaging is actually recycled.



# HAZARDOUS CHEMICALS AND MATERIALS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

Overview

Management

Emissions

Energy

Water

Waste

Packaging

Hazardous Materials

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES



## Long-Term Hazardous Chemicals and Materials Ambitions

Reduce Use of Targeted Chemicals of Concern

### 2027 MID-TERM HAZARDOUS CHEMICALS AND MATERIALS GOALS



90% Waste Recycled

### 2021 HAZARDOUS CHEMICALS AND MATERIALS PERFORMANCE



The semiconductor industry as a whole uses a wide variety of chemicals and materials in wafer fabs, assembly and test facilities, and in the final products sold. Some of these chemicals and materials are highly specific and vital to specific process technologies and/or products. At NXP, we have several programs in place to regulate our use of hazardous chemicals and materials, and we follow some of the most rigorous standards in the industry for protecting our team members, customers, and the environment.

We focus on select chemicals to minimize and/or phase-out based on regulatory or other potential risks. Specific near-term challenges for the semiconductor industry include addressing concerns related to per- and polyfluoroalkyl substances (PFAS), Hydrofluorocarbons (HFCs), Phthalates, and die-bond epoxies.

Protecting our team members' health and safety, as well as the environment, is of utmost importance. NXP takes a multi-tiered approach when working with chemicals. That includes finding safer and/or alternative materials, providing engineering controls to separate team members from potential emissions, providing Personal Protective Equipment (PPE), creating standard operating procedures that take into consideration operational risks, providing training and awareness to enhance personal safety, and routine monitoring of manufacturing work areas to ensure hygiene monitoring, which includes monitoring the ambient air and team members' health to ensure all controls are functioning and effective.

Our mid-term goal for 2027 is to recycle 90% of all waste, including hazardous waste. Much of the waste NXP currently generates, while considered hazardous, is often clean enough for use as "virgin" raw materials in other industries. NXP works with vendors to redirect these waste streams, as applicable to other companies, while increasing our recycling percentage.

NXP must always comply with all relevant legislation, and aims to stay ahead of new chemical legislation and customer requirements. 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 team members health and safety, as well as 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 our 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.

#### NXP in Action

NXP has worked to eliminate the use of phthalates in our dicing tapes in many of our assembly and test sites as part of our strategy to phase out chemicals that are potentially hazardous. In 2021, we successfully completed testing an alternative material, and can now remove all remaining affected dicing tapes by the end of May 2022. This is a big accomplishment, because each change in chemistry requires rigorous approval and qualifications in order to meet the strict quality standards of our customers.

# SUBSTANCES OF CONCERN

[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[Overview](#)[Management](#)[Emissions](#)[Energy](#)[Water](#)[Waste](#)[Packaging](#)[Hazardous Materials](#)[SUPPLIER ENGAGEMENT](#)[PRODUCT STEWARDSHIP](#)[APPENDICES](#)

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 regularly to review current and pending regulations, such as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the Restriction of Hazardous Substances (RoHS), as well as the requirements of various governmental organizations, including the European Union and, in the United States, 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 from Sustainability, 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 team members safe, and minimize our environmental impact. The Chemical Management committee reports progress to the Environment, Health & Safety (EHS) Management Board.

## 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 made great progress in also eliminating all manufacturing use of PerFluoroOctanoic Acid (PFOA), with the exception of a small amount (less than 1 kg annually) that is being phased out of the Oak Hill manufacturing site over the next two years.

## PROCESSES AND PROCEDURES

**NXP Corporate Chemical Control Standard** – Provides direction regarding chemical controls, approval of chemicals, transport of chemicals, reporting, and other requirements to or by Corporate EHS.

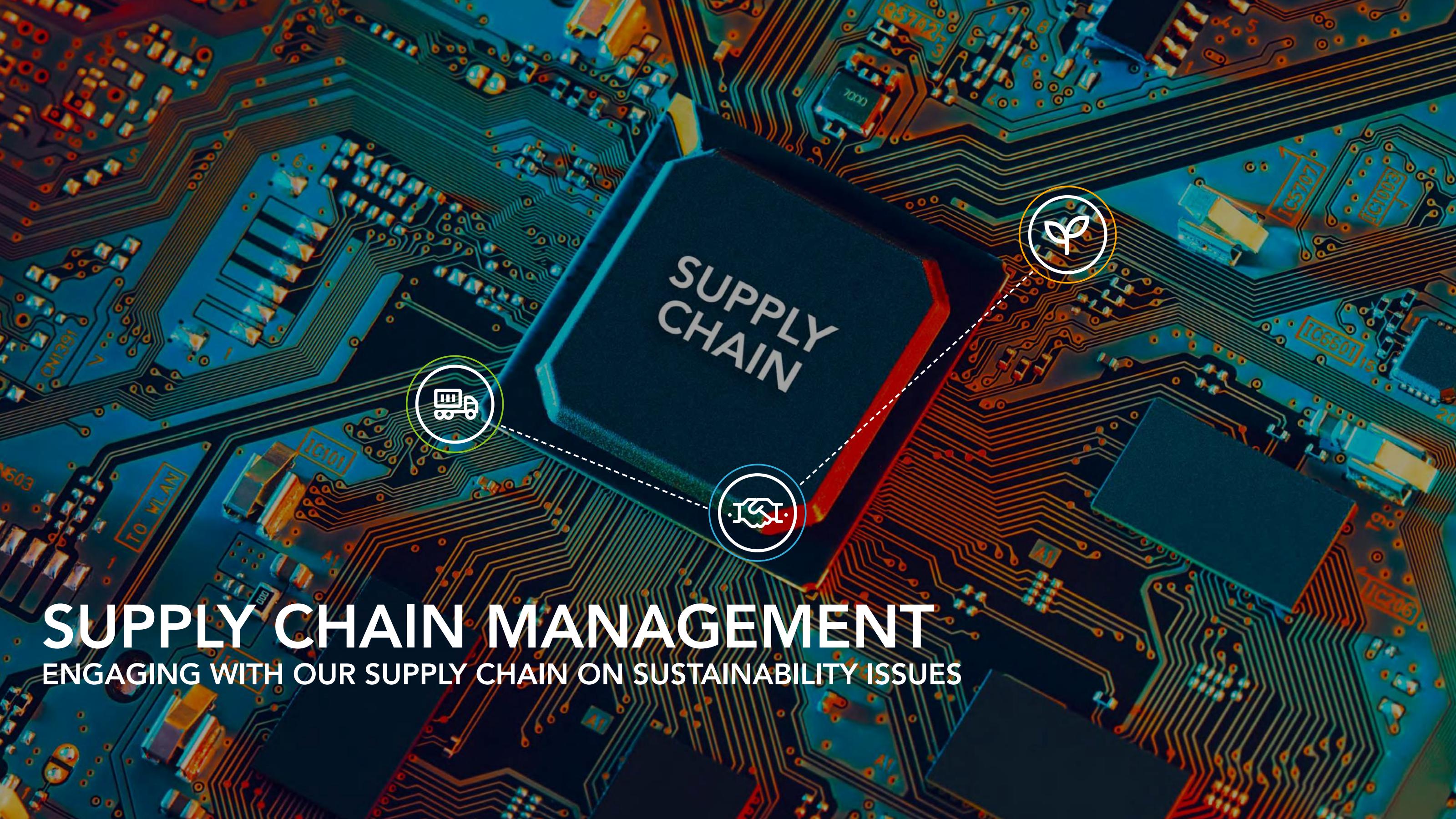
**Approval Requirements for New Chemicals** – Before any new chemicals are purchased or brought onsite, EHS approval is required across multiple systems. During the chemical review, the local industrial hygienist and safety expert conduct a dedicated risk assessment, where all EHS aspects, such as exposure to humans, environment and/or safety is reviewed. The EHS teams also review environmental regulations to ensure that new chemicals are not in violation of governmental requirements.

**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 to specific applications 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 such chemicals.

**SDS Management** – Safety Data Sheets are managed in a corporate system that allows for global NXP reporting. Site team members are able to view all site-applicable data sheets as needed for their job functions.

**Environmental Product Centralized Database** – We use databases to register and classify more than 500 substances used in roughly 2,500 process chemicals and preparations, along with more than 20,000 product-related materials used by our manufacturing processes. We update the database frequently to ensure they reflect the latest information. Our product-compliance system calculates and tracks substance amounts in our materials against the latest legislative and customer restrictions.





# SUPPLY CHAIN MANAGEMENT

## ENGAGING WITH OUR SUPPLY CHAIN ON SUSTAINABILITY ISSUES

# SUPPLIER ENGAGEMENT OVERVIEW

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct  
Supply Chain Management

## PRODUCT STEWARDSHIP

## APPENDICES



100% Key Suppliers Sign Supplier CoC Conformity Statement



85% Closure Rate on Audit Corrective Action Plan

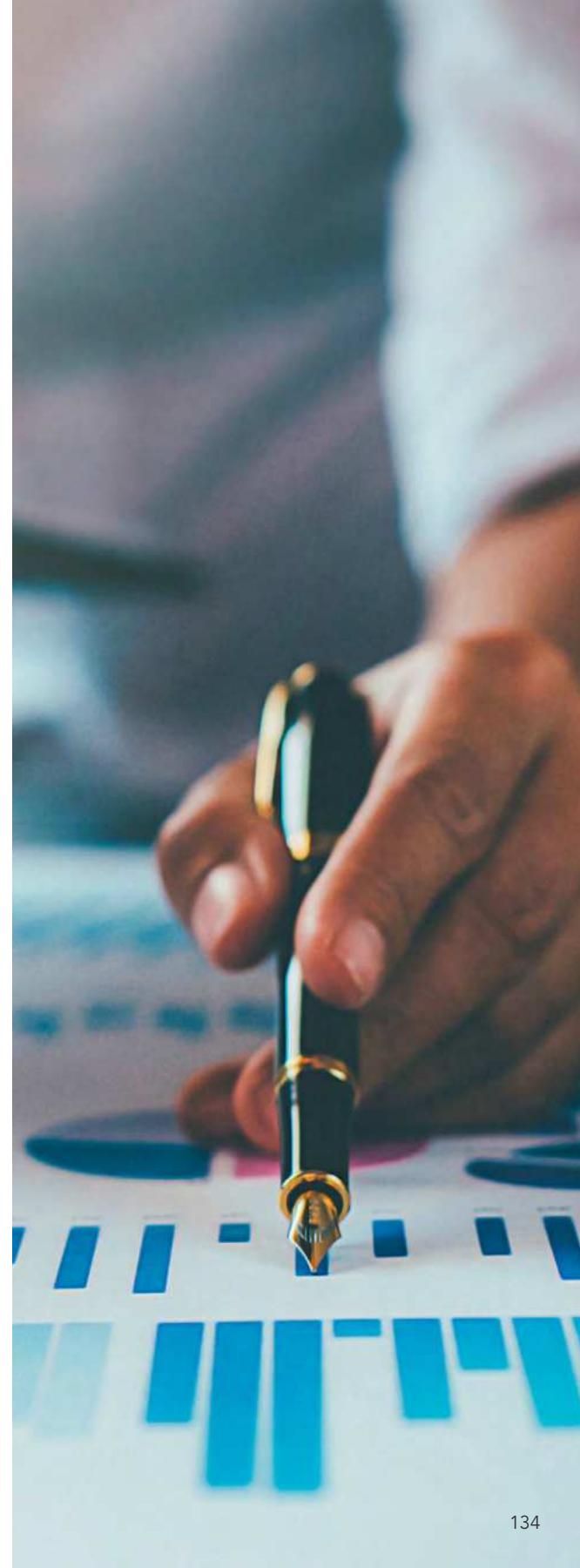
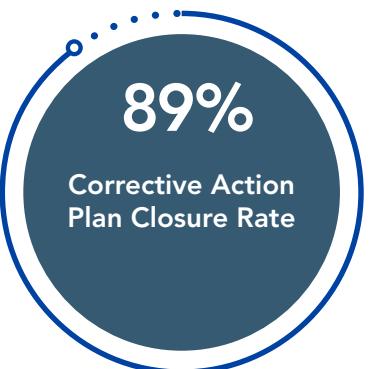


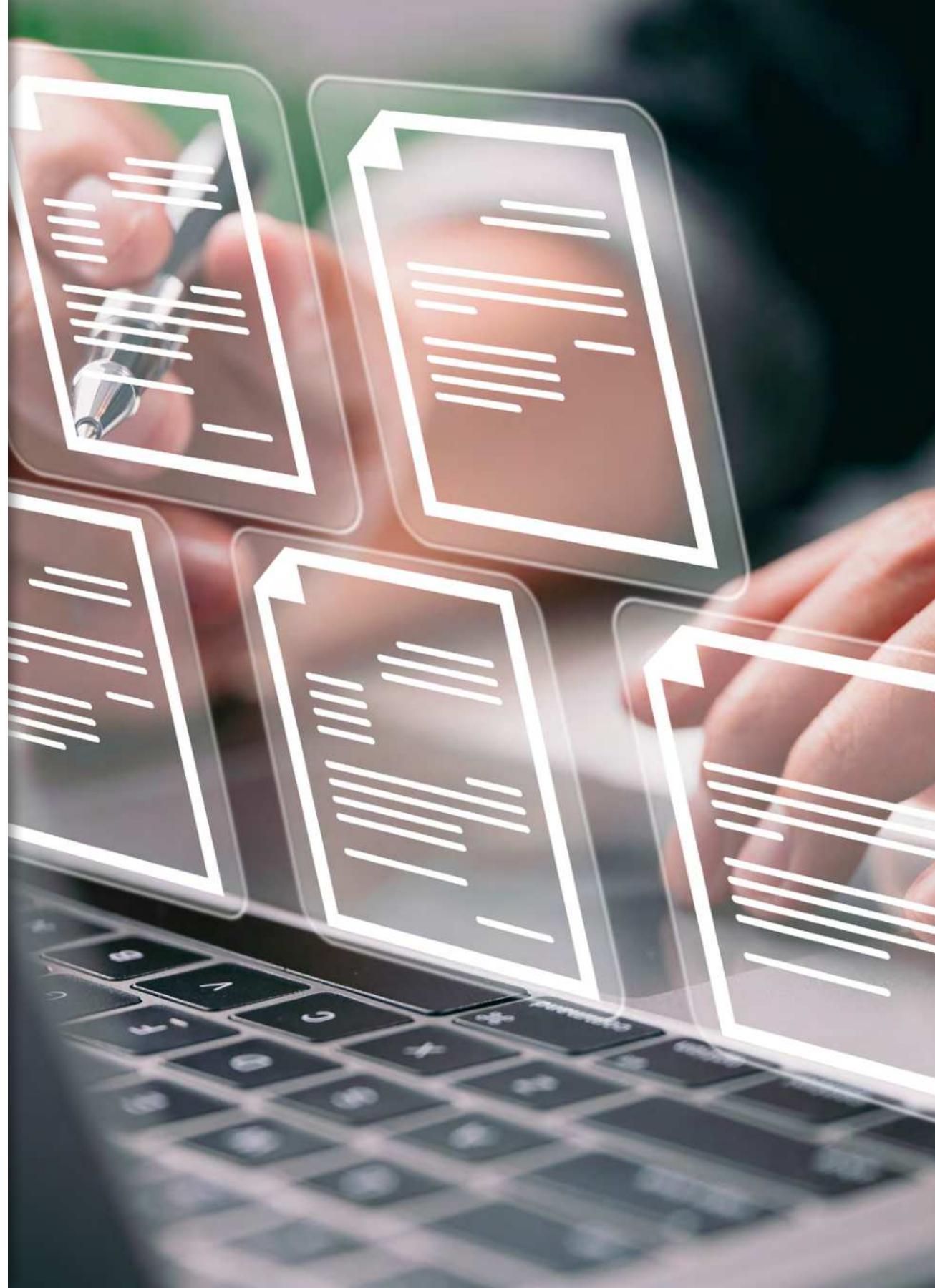
100% Certified Mineral Smelters



Supply Chain Due Diligence and Collaboration

## 2021 SUPPLIER ENGAGEMENT PERFORMANCE



[OVERVIEW](#)[2021 HIGHLIGHTS](#)[OUR BUSINESS](#)[ECONOMY](#)[GOVERNANCE](#)[ESG](#)[EMPLOYEES](#)[ENVIRONMENT](#)[\*\*SUPPLIER ENGAGEMENT\*\*](#)[Overview](#)[Supplier Code of Conduct](#)[Supply Chain Management](#)[\*\*PRODUCT STEWARDSHIP\*\*](#)[\*\*APPENDICES\*\*](#)

## **SUPPLIER ENGAGEMENT OVERVIEW**

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. Our suppliers range from external manufacturing partners, direct materials suppliers, labor agents, tool and machine manufacturers, logistics providers, packaging services, and onsite service providers for both NXP facilities and suppliers' facilities.

Observing applicable rules of law; respect for ethical business, environmental, and human-right practices; and continuous improvement, we take a collaborative approach to supplier and contractor relationships, where we focus on continuous improvement in our supply chain, by conducting annual risk assessments, and audit those suppliers identified through our risk assessment.

### **LOOKING FORWARD**

Our goal is to continue working closely with suppliers who have had audit nonconformance or priority violations, to ensure they fully understand our standards and are equipped with the skills and knowledge to avoid recurrence. The results of these efforts help determine the effectiveness of our standards within the supply chain. Work in 2022 will also focus on a launching a vendor collaboration portal to increase two-way communication between NXP and our supply chain such as changes to NXP's Supplier Code of Conduct and other policies.

#### **NXP in Action**

In 2021, we engaged in capacity building and other activities that strengthened our supply-chain partnerships, and provided opportunities for our customers to participate. One such capacity building activity was a collaboration with a customer on a webinar focused on Managing Labor and Human Rights Risks in the Supply Chain. A total of 35 participated, representing nine supply chain partners in the interactive webinar session.

# NXP SUPPLIER CODE OF CONDUCT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

Overview

[Supplier Code of Conduct](#)

Supply Chain Management

PRODUCT STEWARDSHIP

APPENDICES

We hold our suppliers accountable for responsible conduct and performance by requiring them to comply with applicable laws and regulations and the [NXP Supplier Code of Conduct](#).

The NXP Supplier Code of Conduct is owned by the Sustainability Office, approved by the ESG Management Board, and is based on the NXP Code of Conduct, the Responsible Business Alliance's (RBA) Code of Conduct version 7.0, the Universal Declaration of Human Rights (UDHR), UN Guiding Principles, International Labour Organization (ILO) standards, Social Accountability International (SAI), the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Ethical Trading Initiative (ETI). The NXP Supplier Code of Conduct also includes elements, modifications, and clarifications from audits conducted internally and externally, as well as the [NXP Auditable Standards on Social Responsibility](#).

The Supplier Code of Conduct is reviewed annually, and updated in 2021, in response to regulatory updates, customer requirements or expectations, industry best practices, and inputs from internal and supplier audits.

Suppliers must adopt or establish a management system that is related to the content of the NXP Supplier Code of Conduct. The suppliers' 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 own suppliers.



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

Supply Chain Management

## PRODUCT STEWARDSHIP

## APPENDICES

### SUPPLY CHAIN DUE DILIGENCE

Our suppliers submit a signed conformance letter stating that they abide by the NXP Supplier Code of Conduct, and are promptly notified with updates to our requirements.

Suppliers undergo an annual supplier risk assessment, in which 225 suppliers scored greater than 49% in their risk assessment score in 2021. These suppliers may be required to complete an NXP Self-Assessment Questionnaire and/or participate in an audit.

NXP works with suppliers to help them achieve and maintain our standards and expectations. Our preference is to work with suppliers to address potential deficiencies, develop, and implement a corrective action plan.

In 2021, our due-diligence supplier audits identified 160 nonconformances, in which we closed 143, resulting in an 89% closure rate. We did not terminate business with any suppliers due to their cooperation and collaboration in taking the necessary steps towards closing their corrective and preventative action plans. We engaged actively with our suppliers to understand how the pandemic impacted their businesses, and the well-being of their employees. Using data obtained from the supply-chain pulse survey in 2020, NXP continued to engage through our due-diligence audit program, with those suppliers whose survey answers suggested business impact from the pandemic.

### NXP in Action

Scrutiny of goods produced using forced labor continued, as the United States and other jurisdictions banned their importation. The concerns for the semiconductor industry extended to potential risk of forced labor relating to poly-silicon and silica-based materials, a critical ingredient in the production of semiconductor wafers. In light of this new concern, NXP extended the due-diligence survey to include our poly-silicon and silica-based materials supply chain. The initial results showed no risk of forced labor. NXP will continue to evaluate and evolve our due-diligence practices to ensure that our supply chain remains free from forced labor.

### ASSESSMENTS AND AUDITS

#### RISK ASSESSMENT

Our supplier risk assessment, developed jointly with our procurement and sustainability teams, are reviewed, and updated to reflect the evolving environment, labor, and human rights landscape. Our supplier risk assessment considers three risk criteria: country, product, and spend. Each criterion has a scale of 1 (lowest risk) to 10 (highest risk). The overall supplier risk score is the product of the three individual scores, expressed as a percentage, which higher percentages implies a higher risk exposure.

$$\text{Risk Score} = \frac{[(\text{Country Risk}) \times (\text{Product or Service}) \times (\text{Spend})] \times 100}{1000}$$





# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

## APPENDICES

### COUNTRY RISK

The geographical location of a supplier is a key factor in determining risk level, as suppliers in countries with weak regulations, inadequate enforcement of labor rights, and/or ineffective business ethics and environmental laws tend to have high risk exposure. Our Country Risk scores include specific indices from Maplecroft, a third-party partner, which correlates to the NXP Supplier Code of Conduct, and provides an overall weighted Country Risk score.

Use of migrant workers is also a critical element when it comes to labor risk. To account for this, the calculated Country Risk score may be increased by one level after a review by the Sustainability team.

Maplecroft Report	Index	Definition	Relevant Topic in NXP Supplier CoC	NXP Weighted Country Risk Score
<b>Human Rights Risk Atlas</b>	Labor Rights & Protection	Measures the risk of association with, and involvement in, violations of labor rights within a given country. Includes six indicators: child labor, forced labor, trafficking, freedom of association, freedom of collective bargaining, and discrimination in the workplace	Labor and Health & Safety	60%
<b>Legal &amp; Regulatory Environment Risk Atlas</b>	Corporate Governance	Quantifies the quality of corporate governance, based on the quality of existing legal structures, and the extent to which the law is enforced. Includes four indicators: shareholder protection, ethical behavior of firms, strength of auditing and reporting standards, efficacy of corporate boards, and corruption-risk index	Business Ethics	20%
<b>Legal &amp; regulatory environment risk atlas</b>	Legal & Regulatory Environment	Identifies and monitors the strategic and operational risks presented by variations in regulatory and government policy, the costs associated with corruption, and lack of respect for the rule of law	Governance	10%
<b>Climate Change &amp; Environmental Risk Atlas</b>	Climate Change Vulnerability	Evaluates vulnerability of populations to extreme, climate-related events, and changes in major climate parameters over the next 30 years	Environment	10%

Scale used in Maplecroft Scorecard	NXP's Risk Score	
0.0 < Score ≤ 2.5	Extreme	10
2.5 < Score ≤ 5.0	High	7
5.0 < Score ≤ 7.5	Medium	5
7.5 < Score ≤ 10.0	Low	1

# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

## APPENDICES

### PRODUCT/SERVICE RISK

A supplier's materials or services, closest to our products, influences the risk they represent in our value chain. External manufacturers pose the highest level of product risk to NXP. Material suppliers, and manufacturing service subcontractors, pose the second-highest product risk.

The risk level for indirect-spend suppliers, which includes sourcing of all goods and services for NXP business and operations, such as equipment suppliers and indirect service providers, depends on the type of product or service provided. NXP groups suppliers as follows based on the risk score, we compile internally, using data from years of auditing, third party guidance, benchmarking and standards.

Category	Risk Score
External Manufacturing Suppliers (Foundry and Subcon)	10
Category 1	7
Direct Material Suppliers	
Warehousing	
Logistics	
HR-related Services (Recruitment Agencies)	
Construction and Renovation Services	
Category 2	3
Capital Goods (Plant and Machinery)	
Maintenance Repair and Operations	
Category 3	1
Professional Services (Consultancy, Advisers)	
IT-related Services	
Office Services (Telecommunications, Office Products)	
Utilities (Gas, Electricity, Water)	
Travel-management Services	

### ON-SITE CONTRACTOR ASSESSMENT

Service providers and contractors who work on the premises are assigned a risk rating according to the type of service, as shown in table below.

Type of Service	Risk Score
Canteen, Cleaning, Employee Transportation, Security, Temporary Hire (Operators), Warehouse Services, Waste Management, Facility Management (structural)	10
Other: Hardware Maintenance, IT, On-Site Service, Time Hire, Facility Management (incidental)	1



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

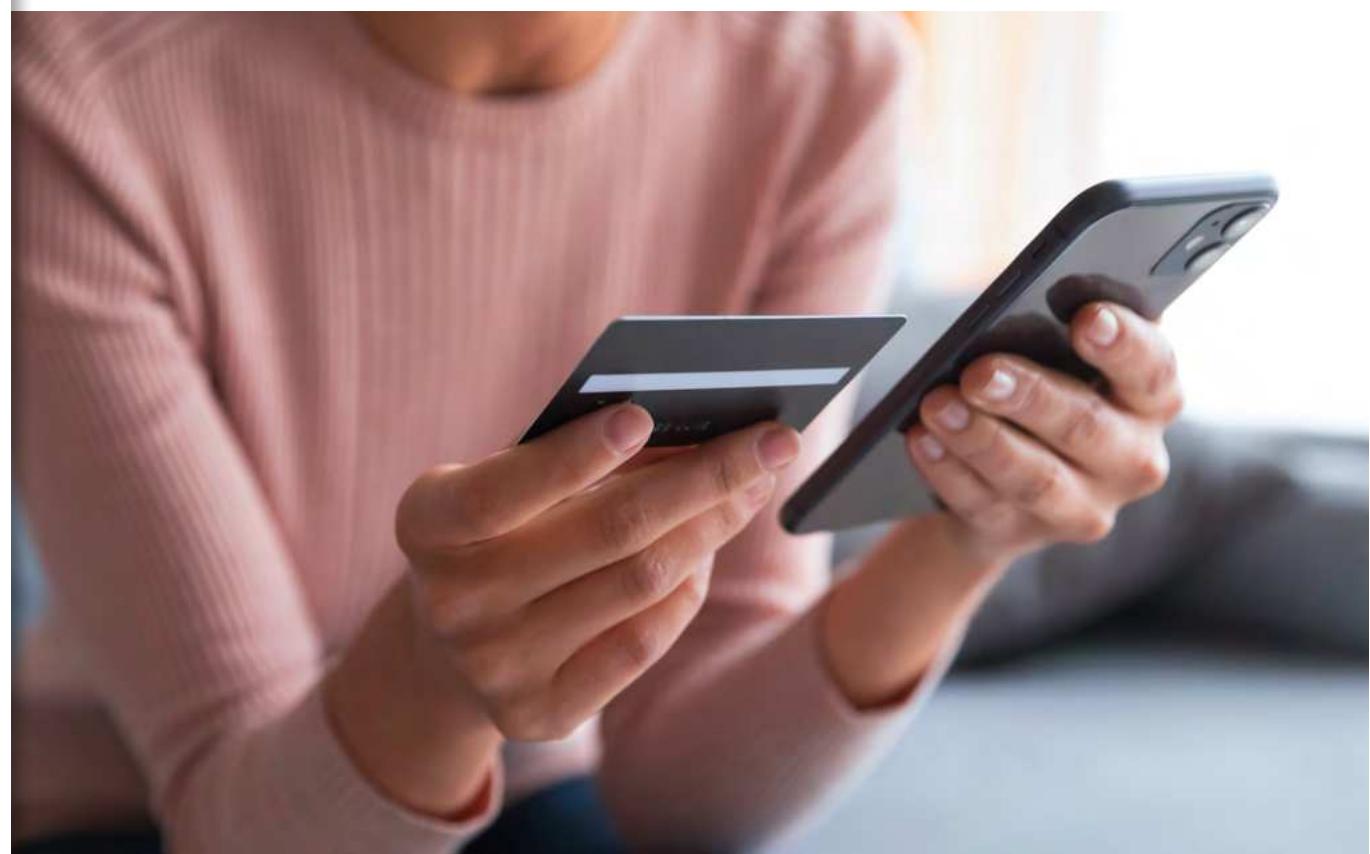
ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)



## SPEND RISK

To assess business criticality risk, we group suppliers into three categories based on annual spend (USD): high risk (above \$500,000), medium risk (\$100,000 to \$500,000), and low risk (under \$100,000).

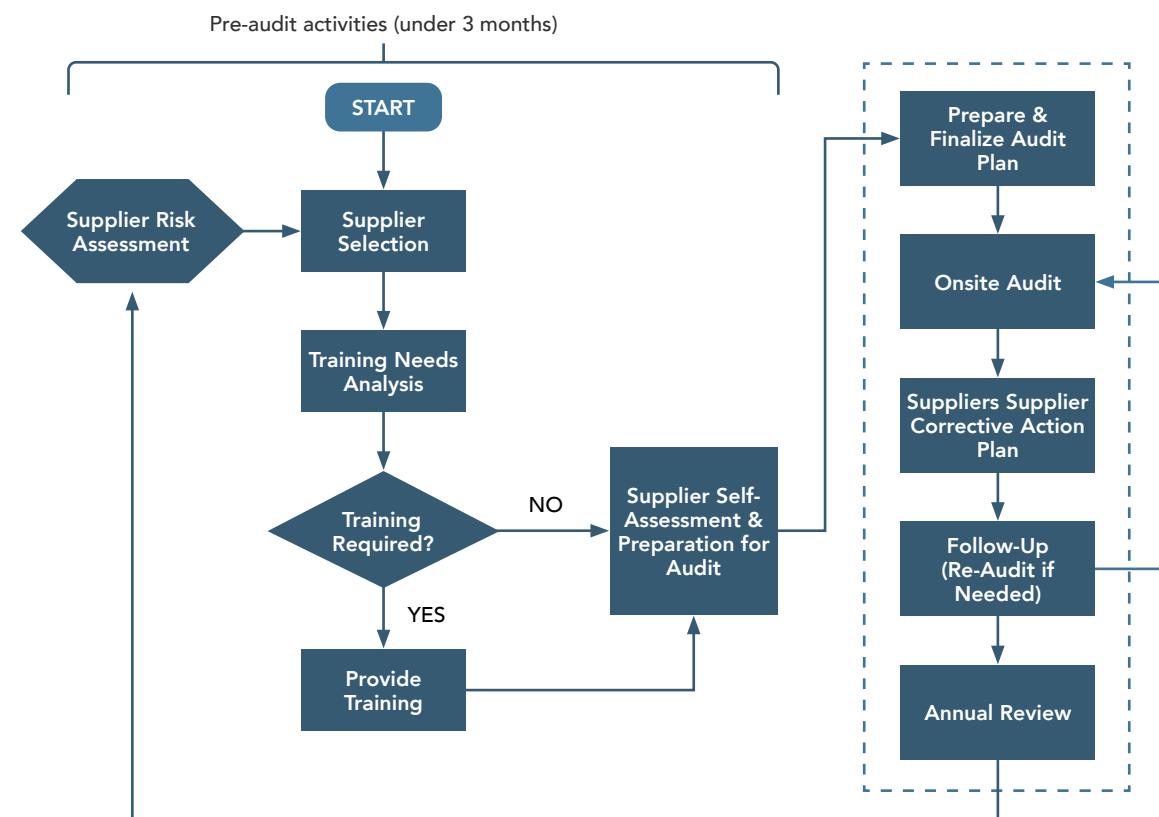
As part of our annual risk-assessment analysis, we endeavor to assess all 10,000 of our suppliers. Yearly risk assessments enable NXP to identify and monitor trends and developments, relating to human rights, forced/bonded labor, the migrant worker index, fair wages, humane treatment, child labor, and/or health and safety, and highlight topics that may require a new or different approach.

Given the scale of this annual effort, NXP deploys two advisory firms, Verisk Maplecroft and Verité Cumulus, to identify potential issues relevant to our supply chains. Verisk Maplecroft's database provides input that we use to screen 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.

## AUDITS

NXP's Social Responsibility Audit program 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 on Social Responsibility. 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. The NXP Supplier Code of Conduct and the Auditable Standards apply to all NXP suppliers, contractors, onsite service providers, labor agents, and external manufacturers.

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 (onsite audit only). 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:





# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

## APPENDICES

### 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-ASSESSMENT

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

### ONSITE/REMOTE AUDIT

The audit is led by a team of auditors from a third-party audit firm qualified by NXP and accompanied by an RBA-trained NXP auditor. Depending on the size and complexity of the supplier's operations, a typical audit requires two or three full days (onsite audit), and ~18 days (remote audit).

### CORRECTIVE ACTION PLAN

If the audit yields a nonconformance, the supplier must submit a corrective action plan within two weeks of issuance of the final audit report. An effective corrective action plan includes remediation plans that fix the nonconformance, and create a management system to prevent the issue from reoccurring. Audits use classifications for corrective action plans: priority violation, major and minor nonconformance.

- Priority violation – The supplier is given the opportunity to improve performance, but the response and resolution of the violation is non-negotiable. If there is immediate risk of life, the supplier has 24 hours to complete the corrective action. Otherwise, the supplier has seven days to submit a corrective action plan and 30 days to complete the plan. Unresolved priority violations may result in the withdrawal or termination of business.
- Major and/or minor nonconformances – 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 NXP every 30 days.

### 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, based on the severity of the previous audit results.

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

### REMOTE AUDITS

Before COVID-19, we typically conducted up to an average of 20 onsite audits per year. We are pleased that in 2021 we managed to conduct eight audits using a combination of onsite, RBA VAP and/or remote audit formats. 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.

Under normal circumstances, a typical onsite audit takes only two or three days to complete. Remote audits, however, are significantly more complex, and usually 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.

Pre-Assessment Meeting	Technical Rehearsal	Audit Proper
Validate Facility Information	Detailed Agenda	Opening Meeting
Remote Audit Process, Timeline and Expected Deliverables	Test Software and Hardware, Audio,	Documents Review
Audit Scope	Video Devices	Management Interview
Identification of Auditee Resource Persons	Align Video-Conferencing and File Sharing Platform	Gathering Information from Workers
Overview of Technical Requirements	Employee Roster	Closing Meeting
Overview of Document Review Process		
Confidentiality and Data Privacy Concerns		



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

Supply Chain Management

## PRODUCT STEWARDSHIP

## APPENDICES

During the pre-assessment period, the audit team and the supplier hold videoconference calls 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 documents and data, such as employee personnel files and pay slips, that can't be shared in advance.

### LIMITATIONS 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, and health and safety, since extensive facility inspections aren't feasible with a remote process. Also, certain documents cannot be shared in advance, and screen sharing makes it difficult 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.

We do 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

Onsite audits of our suppliers can be announced or unannounced, 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 if the supplier has challenges.

### RESPONSIBLE BUSINESS ALLIANCE VALIDATED ASSESSMENT PROGRAM (VAP) AUDITS

As a member of the Responsible Business Alliance (RBA), NXP has at its disposal, tools and programs initiated by the RBA, including the Validated Assessment Program (VAP). The VAP is similar to NXP's onsite audit protocol, but with the RBA Code of Conduct as the audit criteria. VAP audits evaluate social, ethical, health and safety, and environmental performance of RBA members and their supply chain as measured against their audit criteria.

In 2021, we extended our audit program by incorporating two RBA VAP audits at two of our suppliers who have demonstrated maturity in their social-responsibility performance. Moving forward, NXP will look to employ RBA VAP audits at more of our mature suppliers. More details of the RBA VAP protocols can be found [here](#).

The goal of the VAP is to help streamline a process that has frequently resulted in audit fatigue for suppliers subjected to multiple, similar audits by industry members. A VAP audit may be initiated by any RBA member, and audit results are available to any other member company working with that supplier. Report sharing is predicated on a Trading Relationship in the RBA-Online system<sup>12</sup> between the member company and the audited supplier. It is the responsibility of the member company initiating the VAP audit to review, approve, and verify corrective actions from the audit.

### 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, and each month we report key performance indicators to the Sustainability Office on topics such as violations and nonconformances from our supplier audits, signed conformance letters, closure rate for corrective action plans, and quarter-on-quarter risk indicators within our supply chain. NXP monitors improvement by measuring the number of priority violations, repeat audits, frequency of nonconformances, and the nonconformance closure rate.

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 and sometimes weekly meetings are held with procurement managers to discuss the results of a supplier audit, the corrective action plan, and the supplier's progress toward closing out their nonconformances.

<sup>12</sup> RBA-Online is an online sustainability data-management system designed to help RBA members, and their suppliers manage and share information from audits and self-assessment questionnaires at the corporate, facility, and supplier levels.

# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

## APPENDICES

### WORKPLACE GRIEVANCE MECHANISMS

Suppliers are required to have workplace grievance mechanisms in place that ensure the confidentiality, anonymity, and protection of whistleblowers who may report any complaints, issues, or concerns. 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.

We expect suppliers to investigate, respond and close out all complaints, issues and concerns reported through the grievance mechanism. During a supplier audit, the auditor tests the grievance mechanism thoroughly. During a private worker interview, questions regarding the 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 ALLEGATIONS RAISED FROM OUR GRIEVANCE MECHANISMS

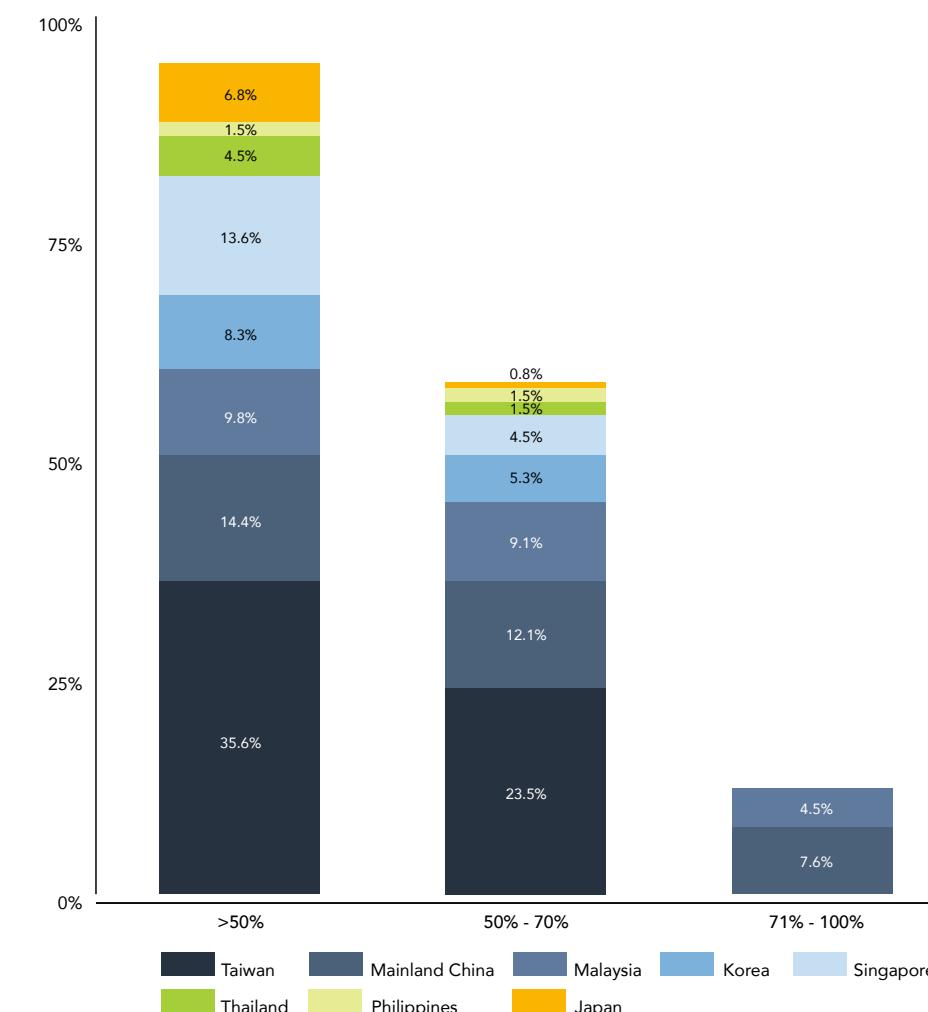
We monitor and assess compliance and investigate every allegation. These investigations may involve the NXP Ethics Committee. If a problem is detected, we analyze the root cause and modify the relevant internal control system to prevent a possible recurrence. Acknowledgments are sent as soon as possible after receiving the complaint and investigation records are updated regularly. No allegations were received in 2021.

### RESULTS

#### HIGH-RISK SUPPLIERS

We annually conduct a supplier risk assessment to determine our audit schedule for high-risk suppliers. Risk is calculated according to three scoring categories, country, product and spend risks, which assigns a risk factor as either > 50% (medium risk), 50% - 70% (high risk), or 71% - 100% (priority risk). In the 2021 risk assessment, 225 suppliers were assessed and identified 132 medium-risk suppliers, 77 high-risk suppliers, and 16 priority-risk suppliers.

2021 Medium-, High-, and Priority-Risk Suppliers by Country and Region from Annual Risk Assessment



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

### Supply Chain Management

## PRODUCT STEWARDSHIP

## APPENDICES

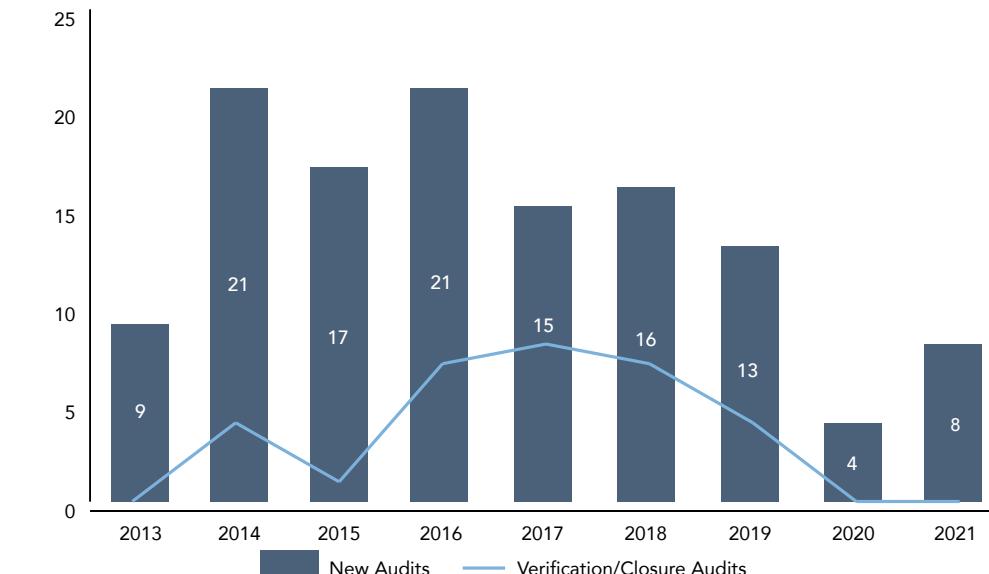
### SUPPLIER AUDIT OVERVIEW

We began our supplier audit program in 2013 and have since audited 156 suppliers. Verification audits began in 2014.

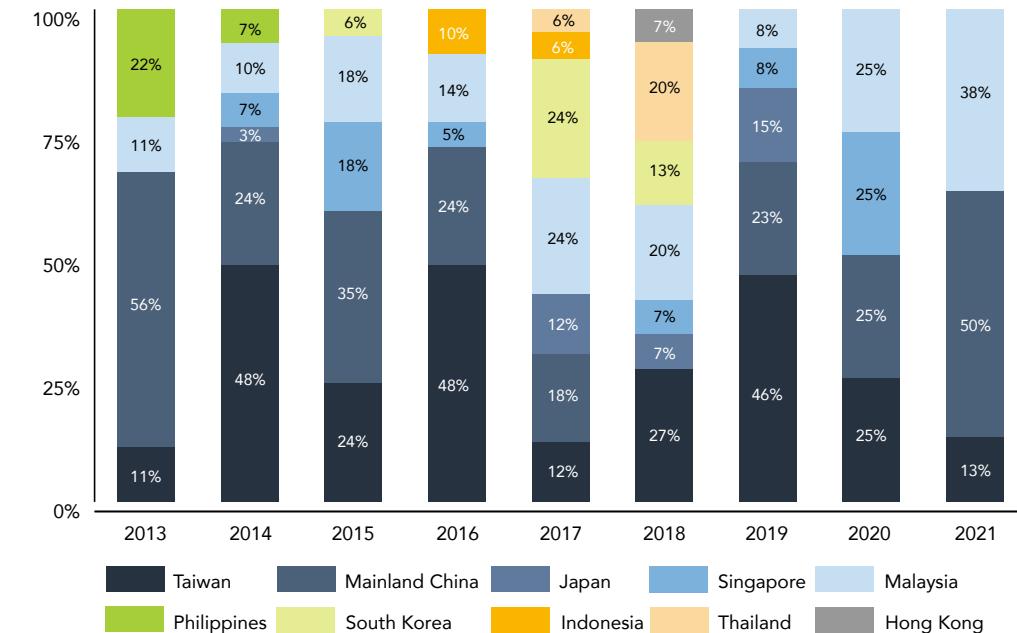
In 2021, we conducted three announced onsite audits and six remote audits for new suppliers, located in Malaysia, Mainland China, and Taiwan. Two of the three onsite audits, were conducted using the Responsible Business Alliance (RBA) Validated Audit Program (VAP), directly initiated by NXP. We conducted no verification audits in 2021.

In addition to the eight audits directly initiated and managed by NXP, we also had access to and monitored nine supplier RBA VAP audits that were initiated by other RBA member companies that share the same supply base.

### New Supplier Audits & Verification Audits



### Supplier Audits by Country and Region



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

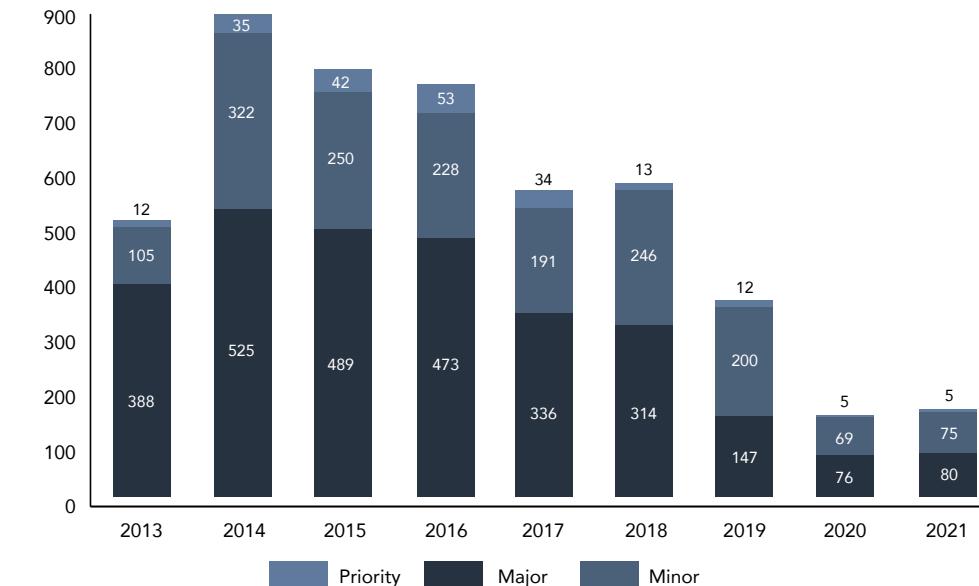
## APPENDICES

### SUPPLIER AUDIT NONCONFORMANCE RESULTS

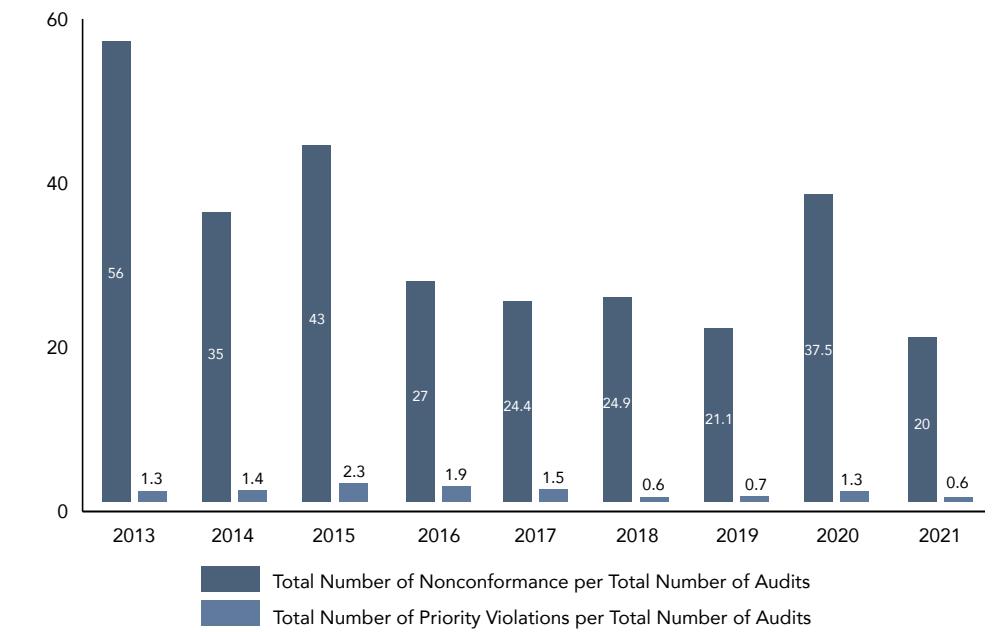
Audits conducted in 2021 addressed suppliers who have previously been audited to a social responsibility standard. We are seeing a maturity in social responsibility practices at suppliers we had previously audited and they have been able to improve on their previous performance. We will continue to work with our suppliers as they implement our standards into their business practices and management systems.

The number of audits naturally increases the overall total number of nonconformances. Our approach is to divide the number of nonconformances per number of audits, as well as the number of priority violations per number of audits. While the number of nonconformances increased compared to 2020, we saw a decrease in 2021 compared to 2020, for both ratios.

Number of Nonconformances by Rating



Number of Nonconformances per Number of Audits



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

### Supply Chain Management

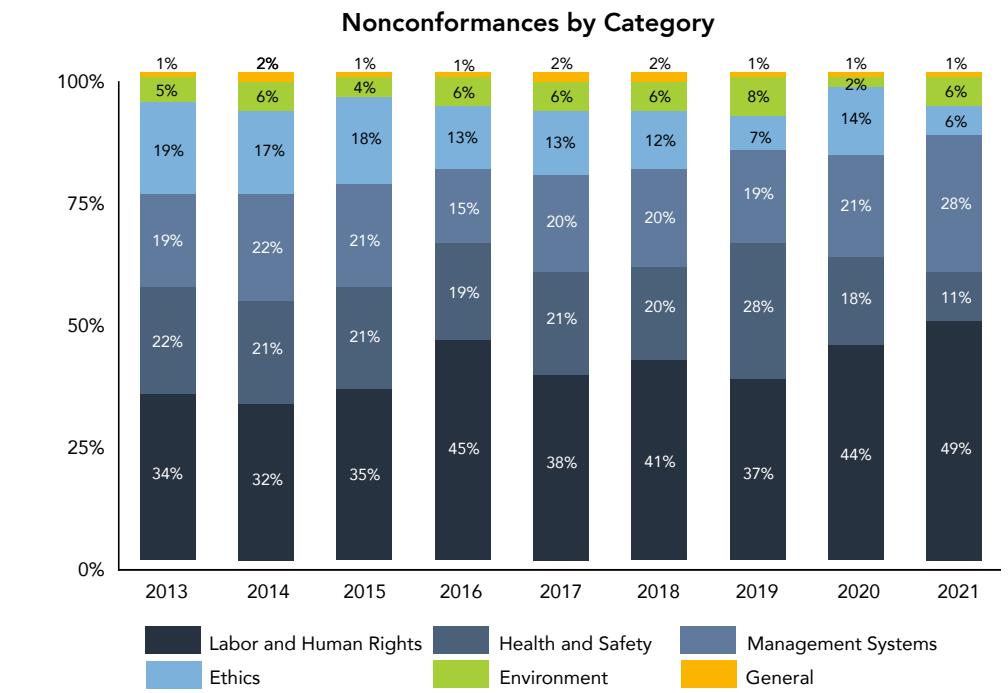
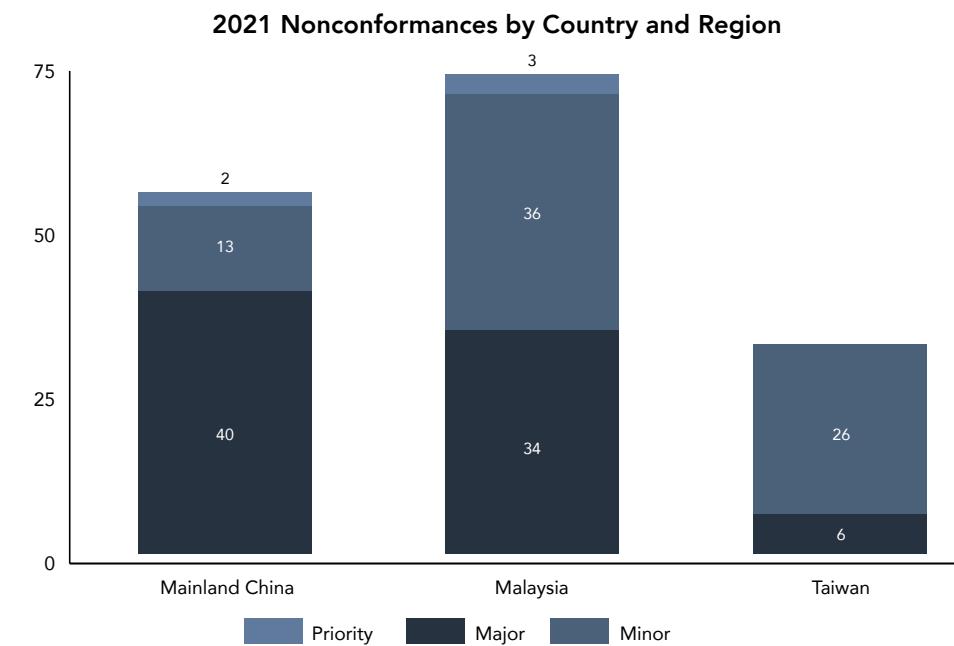
## PRODUCT STEWARDSHIP

## APPENDICES

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.

Calculating nonconformances using our five categories of standards helps us to identify trends, provide a strategic focus, and adjust our engagement plan to continue improving our supply chain.

While we continued to employ mostly remote audits during the ongoing pandemic, we were still able to identify a trend that both Labor and Human Rights and Health and Safety are a reoccurring category.



# SUPPLY CHAIN MANAGEMENT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

## SUPPLIER ENGAGEMENT

Overview

Supplier Code of Conduct

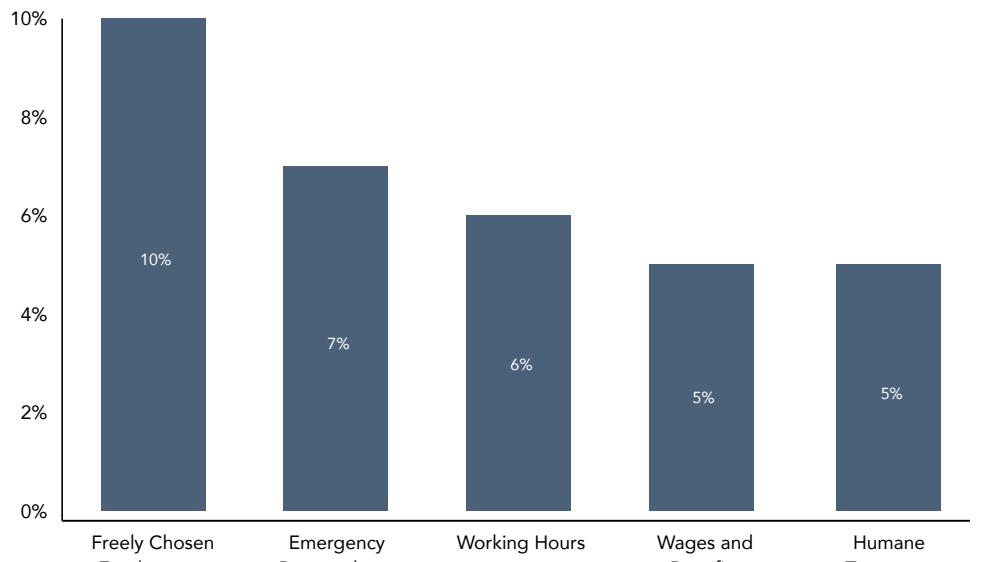
[Supply Chain Management](#)

## PRODUCT STEWARDSHIP

## APPENDICES

After eight years of auditing our supply chain and more than 4,500 nonconformances, we target the top five as illustrated below. Although 2021 included remote audits and did not evaluate all five categories, Freely Chosen Employment is still the most frequently reoccurring nonconformance.

Top Five Nonconformances by Category 2013-2021



The eight audits conducted in 2021 uncovered five priority violations.

Priority Violations by Category

2021

No Fees	3
Priority Working Hours	1
Retention of Workers Original Documents	1

In 2021, we found three priority violations on No Fees for foreign migrant workers, hired by subcontractors, at one of our suppliers in Malaysia. The workers paid recruitment fees, had their wages deducted to pay off the foreign worker levy, and had their passports withheld. The other priority violation was at a supplier in China, where the medical fees had to be paid by the worker upon recruitment.

## AUDIT CLOSURE RATE

In 2018, we set a goal to close 80% of our supplier nonconformances within the 90-day timeframe. In 2021, we set a new goal at an 85% closure rate. We chose this 5% increase after reviewing improvements in closure-rate performance from audits performed in 2019 and 2020. We continue to provide a 15% threshold since we understand that some corrective actions, such as monetary investments and pandemic-related labor shortages that impact working hours, typically require more than 90 days to close.

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 2021 was 89%, compared to 97% in 2020. The 8% drop was primarily due to almost double the number of audits completed in 2021 compared to 2020. The lower closure rate is also attributed to the demand on the supply-chain during the ongoing pandemic and production ramp up to overcome the semiconductor shortage. These two trends created challenges in working hours and labor supply at our suppliers in 2021.

Closure Rate



While it is our goal to achieve the targeted closure rate, ultimately we aim for a 100% for all audit nonconformances within the calendar year. We continue to work with audited suppliers to fully close out the remaining open nonconformances in the subsequent year. In 2021, not only did we close 89% of 2021's audit nonconformances, we also closed out the remaining 3% of 2020's open nonconformances. At the end of 2021, we have one nonconformance that has remained open since 2019. We continue to address the nonconformity with the supplier.

A close-up photograph of a microscope stage holding a glass slide. Three dashed lines point from the text below to circular icons: a green icon with a microchip symbol, a blue icon with a globe symbol, and an orange icon with a cloud symbol.

# PRODUCT STEWARDSHIP

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

# ENVIRONMENTAL PRODUCT COMPLIANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

[Environmental Product Compliance](#)  
Responsible Minerals

APPENDICES

## OUR APPROACH

As an innovative and responsible manufacturer, NXP aims to prevent use of hazardous substances in our products. In addition, we ensure responsible sourcing of minerals to prevent use of materials linked to human rights abuses.

## NEW PRODUCT DESIGN

To address current and future requirements for compliance during the design phase, we established the Environmental Compliance Organization for Products (ECO-Products) as part of the management systems for introducing new product and technologies. Checklists of currently banned materials, as well as chemicals that may be problematic for particular markets, are considered early in the design phase. This translates to products that are more resilient and more marketable for our customers.

## SUPPLIER REQUIREMENTS

We rely on our suppliers and their subcontractors to help us identify and verify potential 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 ISO/IEC 17025 standard. Also, all declarations and reports must be specific to the material's homogeneous material level.

## REGULATORY COMPLIANCE

Like other technology companies, NXP is subject to and complies with a host of product regulations across multiple global jurisdictions. We also go beyond what is required by local, regional, and global laws.

NXP anticipates that sustained stakeholder interest in product responsibility issues may result in new or updated regulations and exemption lists. This, combined with the arrival of new chemical substances, means compliance remains a challenge. See below to learn more about NXP's efforts.

[Environmental Compliance Overview](#)

[EU RoHS Statement](#)

[China RoHS](#)

[REACH Statement](#)

[ELV Statement](#)

[WEEE Statement](#)

[EU Packaging Statement](#)

[California Proposition 65 Statement](#)

Responsible Mineral Sourcing [Overview and Reports](#)

## SUBSTANCES OF CONCERN IN PRODUCTS (SCIP)

### SCIP established under the Waste Framework Directive (WFD)

In 2021, NXP became subject to a new European Union (EU) reporting requirement known as the "Substances of Concern in articles as such or in complex objects (Products)" or "SCIP" database reporting.

The EU Directive 2008/98/EC on Waste, commonly known as the Waste Framework Directive (WFD), sets stringent requirements on waste management, recycling, and recovery of products manufactured in, supplied to, or imported to the European Economic Area. A new amendment of the Waste Framework Directive (Directive 2018/851) requires companies to provide information on articles supplied to the EU market containing Substances of Very High Concern (SVHCs) above 0.1%. This sparked the European Chemicals Agency (ECHA) to establish the SCIP database.

The EU aims to use the SCIP database in several ways. This includes:

- Decreasing the generation of waste-containing hazardous substances by supporting the substitution of substances of concern in articles placed on the EU market,
- Making information publicly available to further improve waste-treatment operations, and
- Enable authorities to monitor the use of substances of concern in articles and initiate appropriate actions over the whole lifecycle of articles, even at the waste stage

The ECO-Products team collaborated with NXP colleagues in EHS, Legal, and Trade Compliance to determine NXP's obligations regarding SCIP. Approximately 3,000 products (7% of our product portfolio) were identified and submitted to the SCIP database in the initial phase.

## 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 Directive 94/62/EC for Packaging and Packaging Waste, EU POP, US TSCA, US Conflict Minerals, and Ozone-Depleting Substances in the Montreal Protocol.

# ENVIRONMENTAL PRODUCT COMPLIANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

**PRODUCT STEWARDSHIP**

[Environmental Product Compliance](#)

Responsible Minerals

APPENDICES

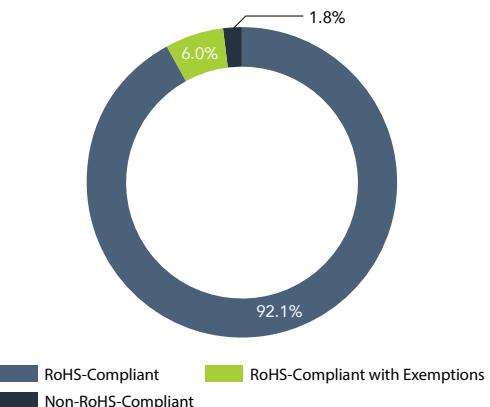
## 2021 ENVIRONMENTAL PRODUCT COMPLIANCE PERFORMANCE

### ROHS-COMPLIANT PRODUCTS

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

NXP's lead-free initiative commits to the removal of lead 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 lead-free. While most customers have shifted to lead-free products, we continue to manufacture some that contain lead for those who require it. Our customers who use NXP's lead-containing products in their end products are responsible for declaring compliance status.

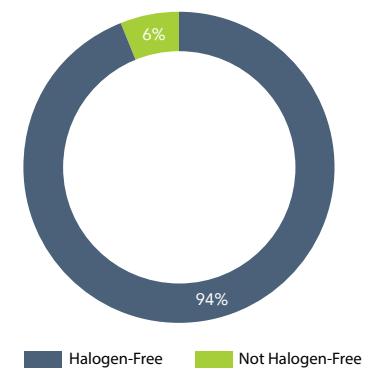
2021 RoHS Product Portfolio



### 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<sup>13</sup>.

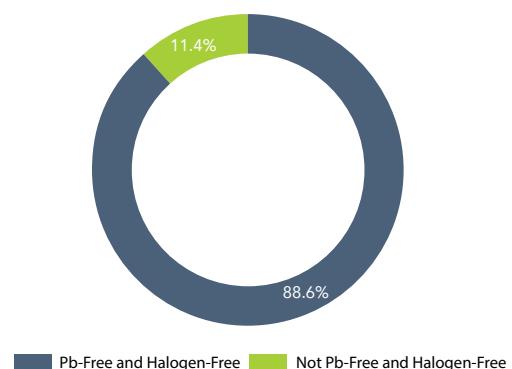
2021 Halogen-Free Product Portfolio



### LEAD-FREE AND HALOGEN-FREE PRODUCTS

We offer products that are lead-free and halogen-free because we believe it is important to develop eco-friendly products and integrate environmental safety aspects into the life-cycle of product development.

2021 Lead-Free and Halogen-Free Product Portfolio



<sup>13</sup>A product is deemed halogen-free if it contains less than 900 ppm of chlorine and bromine compounds combined by weight of homogeneous material. The halogens fluorine, iodine and astatine are not in scope.

# ENVIRONMENTAL PRODUCT COMPLIANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

[Environmental Product Compliance](#)

Responsible Minerals

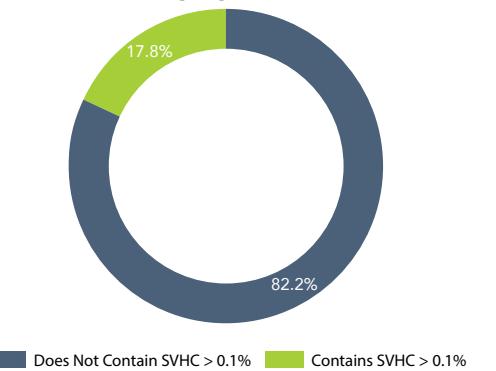
APPENDICES

## 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 seven 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. Nevertheless, we still declare these substances in excess of 0.1% by weight for 17.8% of our product and packaging materials<sup>14</sup>.

2021 REACH SVHCs in Product and Packaging Portfolio



## WEEE-RELEVANT SUBSTANCES

The latest Waste Electrical and Electronic Equipment (WEEE), Directive 2012/19/EU, applies to "producers" of certain electrical and electronic equipment.

We are primarily a component manufacturer, so our 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 our packaging label.

## ELV-COMPLIANT PRODUCTS

NXP declares that our semiconductor products are designed to meet the requirements of the EU End-of-Life Vehicle (ELV) Directive 2000/53/EC and its amendments. NXP's ELV-Compliant products do not contain cadmium, mercury, or hexavalent chromium above the allowable limits per homogeneous level. NXP's ELV-Compliant products that contain lead meet the criteria per exemption.



<sup>14</sup> Lead in glass/ceramic and BPA in substrate cores

# RESPONSIBLE MINERAL SOURCING

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

Environmental Product Compliance  
[Responsible Minerals](#)

APPENDICES

## RESPONSIBLE MINERAL SOURCING GOALS



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

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.

Since 2017, the systems and processes we have put in place have certified our supply-chain status as Conflict-Free<sup>15</sup>. All suppliers, including contractors and external manufacturers, are required to comply with [NXP's Supplier Code of Conduct](#), which includes requirements relating to conflict minerals and responsible mineral sourcing. If a smelter becomes Non-Conformant, NXP works proactively to resolve the issue with the smelter or remove them from our supply chain. We are also looking into expanding our awareness and education within the Global Procurement organization.

By working collaboratively with other stakeholders, we aim to create better social and economic conditions for mine workers and local mining communities. We also actively assist in supporting artisanal and small-scale miners on their journey to becoming responsible supply chain participants with greater access to the global market.

Obtaining data on conflict minerals requires ongoing vigilance. Our due-diligence activities are based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs.

NXP continues to monitor global efforts to address and incorporate other minerals, including voluntary information collection and reporting processes. Our ECO-Products processes and Environment, Health and Safety Management database support our efforts to collect 100% substance information for all of our products. The database allows us to track new minerals against our portfolio of products.

NXP has chaired the World Semiconductor Council's conflict-mineral teams since 2013 and has been a member of the Responsible Minerals Initiative (RMI) since 2014.

As the 2021 chair of the European Partnership for Responsible Minerals (EPRM), NXP worked with various industries, members of government and institutions, supply chains and Civil Society Organizations (CSOs).

To learn more about NXP's Responsible Mineral Sourcing policy and to access reports that include our Conflict Minerals Reporting Template (CMRT), our Cobalt Reporting Template (CRT), and our Conflict Minerals Specialized Disclosure Form (Form SD), please visit our [Responsible Minerals Sourcing website](#).

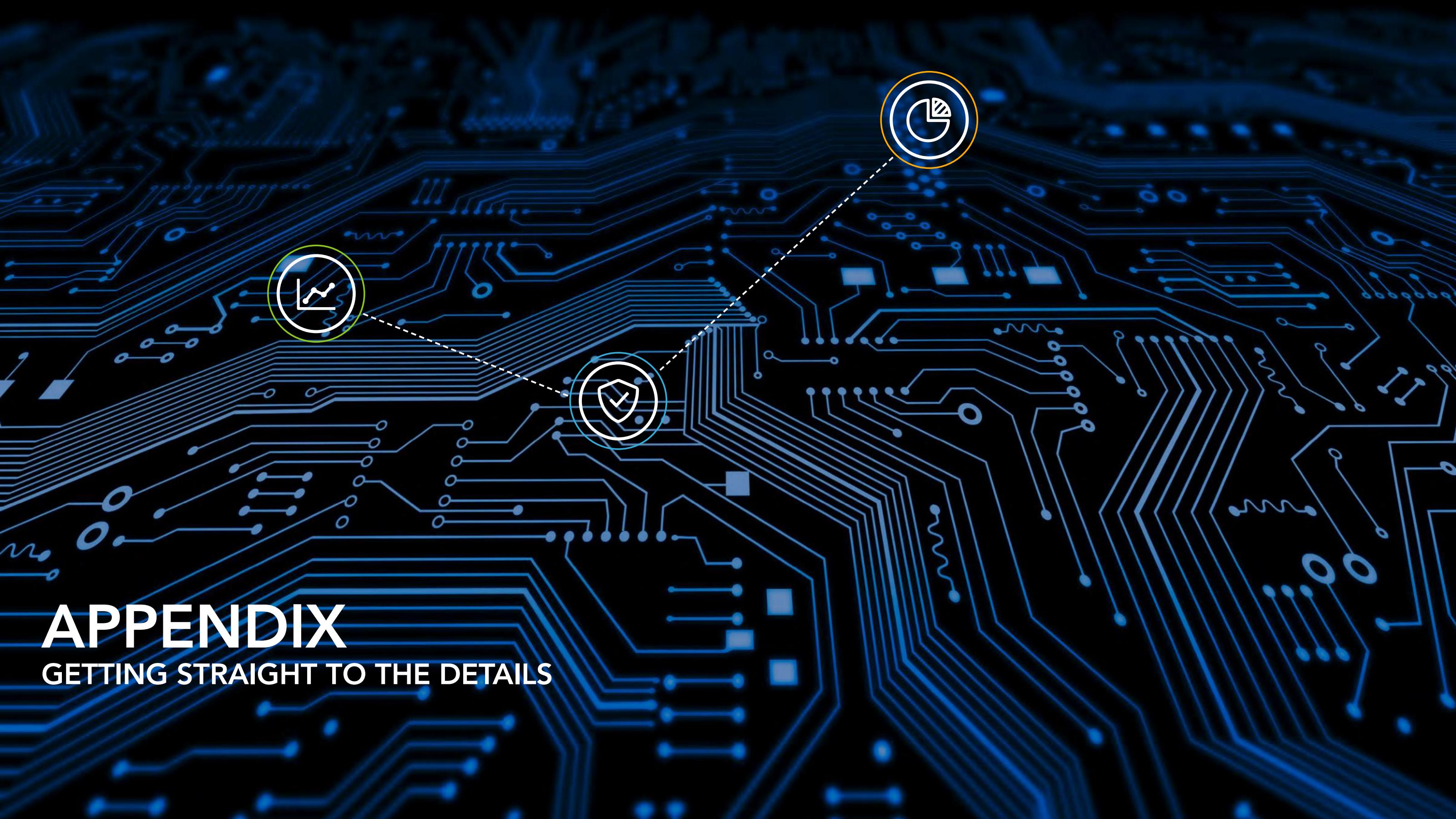
## RESPONSIBLE MINERAL SOURCING PERFORMANCE



NXP's responsible sourcing of minerals is an important part of our ongoing efforts to optimize resources and manage the environmental and social impacts of each product we design and produce. It is a priority that our products do not contain minerals derived from sources that may originate in Conflict-Affected or High-Risk Areas (CAHRAs).

The four commonly known 'conflict minerals' are Tin, Tungsten, Tantalum, and Gold (3T&G). While NXP does not generally use minerals in their raw form, nor purchase them directly from mining companies or smelters, we require our suppliers to report the smelters that source the minerals we purchase. 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

<sup>15</sup> 100% per last SEC filing



# APPENDIX

## GETTING STRAIGHT TO THE DETAILS



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<b>Revenue</b>					
<b>Revenue by Country (USD millions)</b>					
Greater China (including Asia Pacific)		\$5,287	\$4,934	\$5,124	\$6,374
EMEA (Europe, the Middle East and Africa)		\$1,882	\$1,760	\$1,538	\$2,036
Americas		\$1,146	\$1,076	\$977	\$1,376
Japan		\$735	\$780	\$647	\$810
South Korea		\$357	\$327	\$326	\$467
<b>Total Revenue</b>		\$9,407	\$8,877	\$8,612	\$11,063

<b>Revenue by End Market (USD millions) unaudited</b>		2018	2019	2020	2021
Automotive		\$4,507	\$4,212	\$3,825	\$5,493
Industrial & IoT		\$1,813	\$1,599	\$1,836	\$2,410
Mobile		\$1,164	\$1,191	\$1,248	\$1,412
Communications Infrastructure & Other		\$1,787	\$1,875	\$1,703	\$1,748
Manufacturing Service Agreements		\$136	\$0	\$0	\$0
<b>Total Revenue</b>		\$9,407	\$8,877	\$8,612	\$11,063

<b>Environment</b>		2018	2019	2020	2021
<b>Overview</b>					
ISO 14001 Certified Sites					
Number of Spills		0	0	0	0
Environmental Fines (Number)		0	0	0	0
Energy Efficiency Policy		Yes	Yes	Yes	Yes



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

NXP's ESG Performance		2018	2019	2020	2021
Emissions Reduction Initiatives		Yes	Yes	Yes	Yes
Environmental Supply Chain Management		Yes	Yes	Yes	Yes
Environmental Quality Management Policy		Yes	Yes	Yes	Yes
Sustainable Packaging		Yes	Yes	Yes	Yes
Waste Reduction Policy		Yes	Yes	Yes	Yes
Water Policy		Yes	Yes	Yes	Yes
Climate Change Policy		Yes	Yes	Yes	Yes
Climate Change Opportunities Discussed		Yes	Yes	Yes	Yes
Risks of Climate Change Discussed		Yes	Yes	Yes	Yes

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP Carbon Footprint					
Total NXP Scope 1, 2 & 3 Emissions		1,346,848	1,161,639	962,211	1,057,828
Total NXP Scope 1, 2 & 3 Emissions Normalized (Tons CO <sub>2</sub> /m <sup>2</sup> )		18.3	18	17.5	15.7
PFCs		33%	25%	20%	23%
Heat Transfer Fluids		7%	10%	9%	9%
Fossil Fuel (Natural gas, Diesel)		3%	4%	4%	4%
N <sub>2</sub> O		1%	1%	1%	1%
Electricity (Manufacturing)		52%	56%	63%	61%
Electricity (Non-Manufacturing)		2%	2%	2%	2%
Product Transport		1%	1%	1%	1%
Business Travel		1%	1%	0.13%	0.05%



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### NXP's ESG Performance

2018

2019

2020

2021

#### SCOPE 1 Emissions (tons CO<sub>2</sub>)

PFCs	440,506	288,566	195,181	<b>240,370</b>
Heat Transfer Fluids	94,749	113,810	82,100	<b>94,628</b>
Fossil fuel	40,534	41,862	41,756	<b>43,992</b>
N <sub>2</sub> O	16,708	13,941	7,614	<b>7,359</b>
<b>Total Scope 1 Emissions</b>	<b>594,499</b>	<b>458,866</b>	<b>327,370</b>	<b>387,446</b>

#### SCOPE 2 Emissions (tons CO<sub>2</sub>)

Total Manufacturing	701,133	654,294	604,013	<b>641,164</b>
Total Non-Manufacturing	24,480	24,322	18,728	<b>18,199</b>
<b>Total Scope 2 Emissions (Market Based)</b>	<b>725,613</b>	<b>678,616</b>	<b>622,741</b>	<b>659,363</b>

#### SCOPE 3 Emissions (tons CO<sub>2</sub>)

Product Transport	14,740	11,836	11,561	<b>11,561</b>
Business Travel	13,998	13,008	1,258	<b>555</b>
<b>Total Scope 3 Emissions</b>	<b>28,738</b>	<b>24,844</b>	<b>12,819</b>	<b>12,116</b>

#### Energy

Total Manufacturing Electricity Consumption (kWh)	1,499,683,484	1,489,284,039	1,484,299,288	<b>1,557,781,615</b>
Total Non-Manufacturing Electricity Consumption (kWh)	48,462,692	49,389,370	43,077,637	<b>43,811,794</b>
Total Normalized Electricity Consumption (Manufacturing & Non-Manufacturing) (kWh/cm <sup>2</sup> )	2.1	2.4	2.8	<b>2.4</b>
Total Renewable Energy Consumption (kWh)	23%	26%	32%	<b>31%</b>



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<strong>Water</strong>					
	Total Water Consumption m <sup>3</sup>	10,927,872	10,732,132	10,619,711	<strong>11,598,982</strong>
	Total Normalized Water Consumption (Liter/cm <sup>2</sup> )	14.8	16.6	19.3	<strong>17.3</strong>
	Recycled Water	39%	41%	47%	<strong>45%</strong>
	Purchased (m <sup>3</sup> )	10,335,515	10,061,838	9,927,988	<strong>10,891,583</strong>
	Extracted (m <sup>3</sup> )	691,723	670,294	592,357	<strong>590,829</strong>
<strong>Waste</strong>					
	Total Regular Ongoing Waste (kg)	19,458,468	19,296,964	16,477,709	<strong>19,457,828</strong>
	Total One-Time Only Waste (kg)	303,759	506,020	160,124	<strong>164,389</strong>
	Total NXP Waste (kg)	19,941,339	20,009,539	16,637,833	<strong>19,622,217</strong>
	Total Hazardous Waste (kg)	2,399,557	2,440,443	2,791,866	<strong>3,371,875</strong>
	Total Non-Hazardous Waste (kg)	2,630,061	2,901,165	2,384,769	<strong>2,724,130</strong>
	Recycled	75%	74%	69%	<strong>76%</strong>
	Landfill	18%	19%	21%	<strong>18%</strong>
	Incineration	6%	7%	10%	<strong>6%</strong>
	E-scrap Reclaim (kg)	813,814	642,995	606,138	<strong>776,624</strong>



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<strong>Environmental Stewardship Product Portfolio</strong>					
	RoHS Compliant			93%	92%
	RoHS Compliant with Exemptions			7%	6%
	REACH Compliant			93%	82%
	Halogen Free			94%	94%
	Lead-Free and Halogen-Free			84%	89%
	Conflict Free Minerals	100%	100%	100%	100%
<strong>Social</strong>					
<strong>Overview</strong>					
	Equal Opportunity Policy		Yes	Yes	Yes
	Fair Remuneration Policy		Yes	Yes	Yes
	Team Member Sustainability Training		Yes	Yes	Yes
	Health and Safety Policy		Yes	Yes	Yes
	ISO 45001 Certified Sites	100% (9 manufacturing sites)			
<strong>Human Rights</strong>					
	Human Rights Policy		Yes	Yes	Yes
	Policy Against Child Labor		Yes	Yes	Yes
	UN Global Compact Signatory		Yes	Yes	Yes
	Responsible Business Alliance (RBA) Full Member		Yes	Yes	Yes
	SDGs Target Policy		Yes	Yes	Yes
	Flexible Work Schedule & Location		Yes	Yes	Yes
	Team Member Engagement Survey		Yes	Yes	Yes
	Public Policy Condemning Workplace Sexual Harassment		Yes	Yes	Yes
	Frequency of Team Member Sexual-Harassment Training (years)	At least every 2 years, but in some cases more frequently subject to applicable law			



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<strong>Workforce Footprint (HC)</strong>					
	Extended Workforce - Total	35,308	34,817	33,480	<strong>36,223</strong>
	Employees	27,978	27,759	27,730	<strong>29,861</strong>
	Joint Venture	1,677	1,651	1,454	<strong>1,487</strong>
	Contingent Labor	5,653	5,407	4,296	<strong>4,875</strong>
		16%	16%	13%	<strong>13%</strong>
<strong>EMPLOYEES</strong>					
	Americas	20%	20%	19%	<strong>18%</strong>
	APAC	59%	59%	60%	<strong>61%</strong>
	EMEA	21%	21%	21%	<strong>20%</strong>
<strong>ENVIRONMENT</strong>					
	Americas	— %	— %	— %	<strong>— %</strong>
	APAC	91%	91%	99%	<strong>100%</strong>
	EMEA	9%	9%	1%	<strong>— %</strong>
<strong>SUPPLIER ENGAGEMENT</strong>					
	Americas	21%	20%	20%	<strong>18%</strong>
	APAC	51%	54%	53%	<strong>59%</strong>
	EMEA	28%	26%	27%	<strong>23%</strong>
<strong>PRODUCT STEWARDSHIP</strong>					
	Contingent Labor by Type				
	External Temp	29%	24%	33%	<strong>31%</strong>
	Contractor	71%	76%	67%	<strong>69%</strong>



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### NXP's ESG Performance

2018

2019

2020

2021

#### Employee Type by Region

		Americas	28%	27%	24%	22%
	IDL	APAC	41%	42%	44%	46%
		EMEA	31%	31%	32%	32%
		Americas	7%	7%	12%	12%
	DL	APAC	89%	90%	84%	84%
		EMEA	3%	3%	4%	4%

#### Employee by Role

Individual Contributor (DL)	37%	36%	38%	41%
Individual Contributor (IDL)	52%	53%	51%	50%
People Manager (IDL)	11%	11%	10%	9%
Executive (IDL)	0.5%	0.6%	0.5%	0.5%

#### R&D Employee by Region

Americas	25%	25%	23%	21%
APAC	33%	35%	36%	39%
EMEA	42%	40%	41%	40%
R&D % of Total NXP Footprint	30%	32%	32%	31%

#### Employment Type (HC)

Full Time	99.4%	99.4%	99.3%	99.5%
Part Time	0.6%	0.6%	0.7%	0.5%



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

[ESG Performance](#)

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
FT Employment Type by Gender	Women	36%	37%	36%	37%
	Men	64%	63%	64%	63%
PT Employment Type by Gender	Women	17%	21%	21%	19%
	Men	83%	79%	79%	81%
Employee by Gender (HC)					
ESG	Women	36%	37%	36%	37%
	Men	64%	63%	64%	63%
Employee Gender by Region <sup>16</sup>					
EMPLOYEES	Women	Americas	12%	12%	11%
		APAC	79%	79%	79%
		EMEA	9%	9%	9%
ENVIRONMENT	Men	Americas	25%	25%	24%
		APAC	47%	48%	48%
		EMEA	28%	28%	28%

<sup>16</sup>The sums may not add up to 100% due to rounding of the figures



## APPENDIX A – 2021 ESG PERFORMANCE

### OVERVIEW

#### 2021 HIGHLIGHTS

#### OUR BUSINESS

#### ECONOMY

#### GOVERNANCE

#### ESG

#### EMPLOYEES

#### ENVIRONMENT

#### SUPPLIER ENGAGEMENT

#### PRODUCT STEWARDSHIP

#### APPENDICES

##### ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### NXP's ESG Performance

2018

2019

2020

2021

#### Employee Gender by Role

Executive	Women	10%	14%	13%	13%
	Men	90%	86%	87%	87%
People Manager	Women	17%	16%	16%	16%
	Men	83%	84%	84%	84%
Individual Contributor	Women	39%	39%	38%	39%
	Men	61%	61%	62%	61%
IDL	Women	22%	22%	23%	24%
	Men	78%	78%	77%	76%
DL	Women	62%	62%	58%	56%
	Men	38%	38%	42%	44%
R&D	Women	15%	16%	16%	17%
	Men	85%	84%	84%	83%

#### United States Race and Ethnicity (HC)

White (Not Hispanic or Latino)	56%	52%	52%	51%
Asian (Not Hispanic or Latino)	20%	21%	21%	20%
Hispanic or Latino	14%	13%	14%	15%
Black or African American (Not Hispanic or Latino)	4%	4%	4%	5%
Native American or Alaska Native (Not Hispanic or Latino)	0.5%	0.4%	0.5%	0.6%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.2%	0.2%	0.2%	0.2%



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

	NXP's ESG Performance	2018	2019	2020	2021
<b>United States Race and Ethnicity (HC) Continued</b>					
Two or More Races (Not Hispanic or Latino)					
2021 HIGHLIGHTS		0.6%	0.5%	0.6%	<b>0.9%</b>
OUR BUSINESS	Undeclared		5%	8%	8%
ECONOMY	<b>United States Employee Race and Ethnicity by Role<sup>17</sup></b>				
GOVERNANCE	White (Not Hispanic or Latino)	69%	68%	68%	<b>63%</b>
ESG	Asian (Not Hispanic or Latino)	12%	9%	9%	<b>10%</b>
EMPLOYEES	Hispanic or Latino	6%	6%	6%	<b>6%</b>
ENVIRONMENT	Black or African American (Not Hispanic or Latino)	5%	5%	5%	<b>6%</b>
SUPPLIER ENGAGEMENT	Native American or Alaska Native (Not Hispanic or Latino)	— %	— %	— %	— %
PRODUCT STEWARDSHIP	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	— %	— %	— %	— %
APPENDICES	Two or More Races (Not Hispanic or Latino)	— %	— %	— %	<b>1%</b>
ESG Performance	Undeclared	8%	13%	12%	<b>14%</b>
SASB Disclosure	White (Not Hispanic or Latino)	66%	59%	60%	<b>59%</b>
TCFD Report	Asian (Not Hispanic or Latino)	17%	19%	19%	<b>18%</b>
UNGC	Hispanic or Latino	8%	8%	9%	<b>9%</b>
GRI Index	Black or African American (Not Hispanic or Latino)	4%	3%	3%	<b>3%</b>
Sustainability Policy	Native American or Alaska Native (Not Hispanic or Latino)	0.2%	0.3%	0.3%	<b>0.2%</b>
Scope 1 Chemical List	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	— %	— %	— %	— %
Top 100 Supplier List	Two or More Races (Not Hispanic or Latino)	0.3%	0.1%	0.2%	<b>0.5%</b>
	Undeclared	4%	10%	9%	<b>9%</b>
People Manager					
	White (Not Hispanic or Latino)	66%	59%	60%	<b>59%</b>
	Asian (Not Hispanic or Latino)	17%	19%	19%	<b>18%</b>
	Hispanic or Latino	8%	8%	9%	<b>9%</b>
	Black or African American (Not Hispanic or Latino)	4%	3%	3%	<b>3%</b>
	Native American or Alaska Native (Not Hispanic or Latino)	0.2%	0.3%	0.3%	<b>0.2%</b>
	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	— %	— %	— %	— %
	Two or More Races (Not Hispanic or Latino)	0.3%	0.1%	0.2%	<b>0.5%</b>
	Undeclared	4%	10%	9%	<b>9%</b>

<sup>17</sup>In 2019, approximately 600 (HC) employees were reclassified from IDL to DL



## APPENDIX A – 2021 ESG PERFORMANCE

### OVERVIEW

	NXP's ESG Performance	2018	2019	2020	2021
2021 HIGHLIGHTS	White (Not Hispanic or Latino)	57%	53%	51%	<b>51%</b>
OUR BUSINESS	Asian (Not Hispanic or Latino)	23%	23%	27%	<b>27%</b>
ECONOMY	Hispanic or Latino	12%	11%	9%	<b>10%</b>
GOVERNANCE	Black or African American (Not Hispanic or Latino)	3%	3%	2%	<b>3%</b>
ESG	Individual Contributor (IDL)	Native American or Alaska Native (Not Hispanic or Latino)	0.5%	0.4%	0.3% <b>0.4%</b>
EMPLOYEES	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.1%	0.4%	0.1%	<b>0.1%</b>
ENVIRONMENT	Two or More Races (Not Hispanic or Latino)	1%	1%	1%	<b>1%</b>
SUPPLIER ENGAGEMENT	Undeclared	5%	9%	9%	<b>9%</b>
PRODUCT STEWARDSHIP	White (Not Hispanic or Latino)	39%	38%	50%	<b>47%</b>
APPENDICES	Asian (Not Hispanic or Latino)	12%	13%	10%	<b>10%</b>
ESG Performance	Hispanic or Latino	32%	32%	28%	<b>27%</b>
SASB Disclosure	Black or African American (Not Hispanic or Latino)	12%	12%	8%	<b>10%</b>
TCFD Report	Native American or Alaska Native (Not Hispanic or Latino)	1%	1%	1%	<b>1%</b>
UNGC	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	1%	1%	1%	<b>1%</b>
GRI Index	Two or More Races (Not Hispanic or Latino)	1%	1%	1%	<b>1%</b>
Sustainability Policy	Undeclared	3%	3%	3%	<b>3%</b>
Scope 1 Chemical List					
Top 100 Supplier List					



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<b>Employee by Age (HC)<sup>18</sup></b>					
< 30		12%	15%	19%	22%
>30 - <50		63%	61%	59%	57%
51+		25%	23%	22%	21%
<i>Employee Age by Role</i>					
ESG	Executive < 30	— %	— %	— %	— %
	People Manager < 30	0.1%	0.1%	0.1%	0.1%
	Individual Contributor < 30	11.8%	15.4%	19.3%	22.3%
	Executive >30 - <50	0.2%	0.2%	0.2%	0.2%
EMPLOYEES	People Manager >30 - <50	7.4%	7.2%	6%	5.7%
	Individual Contributor >30 - <50	55.8%	54%	52.7%	51.1%
	Executive 51+	0.40%	0.4%	0.4%	0.3%
	People Manager 51+	4.1%	3.8%	3.2%	3.1%
ENVIRONMENT	Individual Contributor 51+	20.4%	19%	18.2%	17.3%
	<b>Employee Attrition (HC)</b>				
	<i>Voluntary Turnover</i>				
SUPPLIER ENGAGEMENT	Global Employee Voluntary Turnover	8.5%	7.8%	6.9%	12.1%
	Americas (IDL & DL)	5.8%	5.8%	5.6%	9.1%
	APAC (IDL & DL)	10.8%	9.7%	8.9%	15.7%
	EMEA (IDL & DL)	4.6%	4.2%	2.5%	4.3%

<sup>18</sup>The sums may not add up to 100% due to rounding of the figures



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

NXP's ESG Performance		2018	2019	2020	2021
Global IDL Employee Voluntary Turnover		6.7%	5.9%	5.1%	<b>7.9%</b>
Americas (IDL)		6%	5.6%	6.2%	<b>8.6%</b>
APAC (IDL)		8.6%	7.3%	6.1%	<b>9.9%</b>
EMEA (IDL)		4.7%	4.3%	2.7%	<b>4.5%</b>
Global DL Employee Voluntary Turnover		11.6%	11%	9.8%	<b>18.4%</b>
Americas (DL)		4.5%	6.9%	3.6%	<b>10.5%</b>
APAC (DL)		12.5%	11.7%	11.2%	<b>20.3%</b>
EMEA (DL)		1.3%	1.9%	0.7%	<b>2.1%</b>

EMPLOYEES

Women	24%	22%	21%	<b>23%</b>
Men	76%	78%	79%	<b>77%</b>

ENVIRONMENT

IDL Voluntary Turnover	<30	27%	24%	22%	<b>28%</b>
	>30 - <50	55%	59%	60%	<b>55%</b>
	51+	18%	17%	18%	<b>16%</b>

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP	Women	60%	59%	63%	<b>55%</b>
	Men	40%	41%	37%	<b>45%</b>

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

DL Voluntary Turnover	<30	51%	52%	45%	<b>53%</b>
	>30 - <50	41%	37%	44%	<b>38%</b>
	51+	8%	11%	11%	<b>9%</b>



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### NXP's ESG Performance

2018

2019

2020

2021

#### Involuntary Turnover

Global Employee Involuntary Turnover	2%	4%	3%	<b>3.8%</b>
Americas (IDL & DL)	3%	6%	5%	<b>4.6%</b>
APAC (IDL & DL)	2%	4%	4%	<b>4.1%</b>
EMEA (IDL & DL)	2%	3%	5%	<b>2.2%</b>

#### Employee Hiring (HC)

ESG	Americas	27%	21%	19%	<b>19%</b>
EMPLOYEES	IDL	APAC	47%	47%	56% <b>56%</b>
		EMEA	26%	31%	25% <b>25%</b>
	DL <sup>19</sup>	Americas	8%	2.50%	2% <b>11%</b>
		APAC	92%	97%	97% <b>89%</b>
		EMEA	0.2%	0.5%	0.1% <b>0.6%</b>

#### Employee Hiring by Type

APPENDICES	IDL	Women	24%	23%	23%	<b>27%</b>
		Men	76%	77%	77%	<b>73%</b>
	IDL NCG	Women	27%	31%	32%	<b>30%</b>
		Men	73%	69%	68%	<b>70%</b>
	DL	Women	61%	66%	56%	<b>53%</b>
		Men	39%	34%	44%	<b>47%</b>

<sup>19</sup>The sums may not add up to 100% due to rounding of the figures



## APPENDIX A – 2021 ESG PERFORMANCE

### OVERVIEW

	NXP's ESG Performance	2018	2019	2020	2021
2021 HIGHLIGHTS	<i>United States Hiring by Race and Ethnicity</i>				
	White (Not Hispanic or Latino)	43%	22%	47%	42%
OUR BUSINESS	Asian (Not Hispanic or Latino)	22%	37%	32%	18%
ECONOMY	Hispanic or Latino	17%	6%	10%	17%
GOVERNANCE	Black or African American (Not Hispanic or Latino)	7%	2%	2%	11%
ESG	Native American or Alaska Native (Not Hispanic or Latino)	0.4%	— %	0.4%	1%
EMPLOYEES	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.4%	— %	— %	0.4%
	Two or More Races (Not Hispanic or Latino)	1.1%	0.8%	0.4%	3%
	Undeclared	9%	32%	9%	7%
ENVIRONMENT	<i>United States New College Graduate Hiring by Race and Ethnicity</i>				
SUPPLIER ENGAGEMENT	White (Not Hispanic or Latino)	29%	35%	29%	33%
PRODUCT STEWARDSHIP	Asian (Not Hispanic or Latino)	42%	39%	43%	44%
APPENDICES	Hispanic or Latino	10%	9%	11%	10%
ESG Performance	Black or African American (Not Hispanic or Latino)	4%	3%	2%	4%
SASB Disclosure	Native American or Alaska Native (Not Hispanic or Latino)	— %	— %	— %	— %
TCFD Report	Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	— %	— %	— %	— %
UNGC	Two or More Races (Not Hispanic or Latino)	2%	4%	2%	7%
GRI Index	Undeclared	13%	10%	14%	3%
Sustainability Policy					
Scope 1 Chemical List					
Top 100 Supplier List					



## APPENDIX A – 2021 ESG PERFORMANCE

### OVERVIEW

#### 2021 HIGHLIGHTS

#### OUR BUSINESS

#### ECONOMY

#### GOVERNANCE

#### ESG

#### EMPLOYEES

#### ENVIRONMENT

#### SUPPLIER ENGAGEMENT

#### PRODUCT STEWARDSHIP

#### APPENDICES

##### ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### NXP's ESG Performance

	2018	2019	2020	2021
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#### Hiring by Age<sup>20</sup>

<30	IDL	28%	40%	44%	<b>49%</b>
	DL	63%	66%	61%	<b>66%</b>
>30 - <50	IDL	61%	50%	45%	<b>44%</b>
	DL	35%	34%	39%	<b>32%</b>
51+	IDL	11%	10%	11%	<b>6%</b>
	DL	1%	0.40%	1%	<b>2%</b>

#### Hiring R&D by Region

Americas	18%	15%	13%	<b>11%</b>
APAC	39%	42%	38%	<b>61%</b>
EMEA	43%	43%	49%	<b>29%</b>

#### IDL Talent Hiring<sup>21</sup>

University	20%	45%	35%	<b>24%</b>
Global NXP Intern Conversion Rate	19%	30%	30%	<b>40%</b>

### Global Employee Promotion Rate

	6%	7%	7%	8%
--	----	----	----	----

IDL	7%	8%	8%	<b>11%</b>
DL	5%	5%	4%	<b>4%</b>

<sup>20</sup>The sums may not add up to 100% due to rounding of the figures

<sup>21</sup>The sums may not add up to 100% due to rounding of the figures



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<strong>Training (HC)</strong>					
Total NXP Online Training Hours <sup>22</sup>					
				374,717	89,591
Global Online Courses Completed by Executives					123
Global Online Courses Completed by People Managers					2,197
Global Online Courses Completed by Individual Contributor (IDL & DL)					6,532
Global Online Learning Courses Completed by Employees (Total Courses per Employee)					8,852
Total Online Training (Avg. Hours)		IDL			20
		DL			1.5
Online Training by Gender		Women			10
		Men			14
<strong>Health and Safety</strong>					
Occupational Illness and Injuries			35	35	23
Total - Injury Count NXP Contractors					25
NXP (Severity Rate)			2.14	4.64	2.26
NXP (TCIR)			0.12	0.12	0.08
Fatalities - Employees			0	0	0
<strong>Supply Chain</strong>					
Supply Chain Management - Social Responsibility			Yes	Yes	Yes
Total Number of Audits			23	17	4
					8

<sup>22</sup> 2020 data is overstated due to system timeout limitation



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

NXP's ESG Performance		2018	2019	2020	2021
<b>Governance</b>					
<b>Overview</b>					
	Business Ethics Code of Conduct		Yes	Yes	Yes
	Anti-Bribery Ethics Policy		Yes	Yes	Yes
	Employee Protection / Whistle Blower Policy		Yes	Yes	Yes
	Consumer Data Protection Policy		Yes	Yes	Yes
<b>Board Structure</b>					
EMPLOYEES	Size of the Board	11	9	10	12
	Unitary or Two-Tier Board System	Unitary	Unitary	Unitary	Unitary
ENVIRONMENT	# Employee Representatives on Board	0	0	0	0
	Classified Board System	No	No	No	No
SUPPLIER ENGAGEMENT	Number of Directors with Financial, Audit and Accounting Expertise	8	8	8	9
	# Corporate Executive Officers on the Board	1	1	1	1
PRODUCT STEWARDSHIP	% Corporate Executive Officers on the Board	9%	10%	10%	8%
<b>Board Independence</b>					
	# Non-executive Directors on the Board	10	8	9	11
	% Non-executive Directors on the Board	1	89%	90%	92%
	# Independent Directors	10	8	9	11
	% Independent Directors	1	89%	90%	92%
	CEO Duality	No	No	No	No
	Independent Chairperson	Yes	Yes	Yes	Yes



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

NXP's ESG Performance		2018	2019	2020	2021
Independent Lead Director		N/A	N/A	N/A	<b>N/A</b>
Presiding Director		No	No	No	<b>No</b>
Former CEO or its Equivalent on Board		No	No	No	<b>No</b>

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Board & Executive Diversity					
# Women on Board		1	1	3	<b>4</b>
% Women on Board		10%	10%	30%	<b>33%</b>
Female Chief Executive Officer or Equivalent		No	No	No	<b>No</b>
Female Chairperson or Equivalent		No	No	No	<b>No</b>
# Directors with Executive Leadership		11	9	10	<b>12</b>
CEO or Equivalent Appointed from Within		No	No	Yes	<b>Yes</b>
# Female Executives		0	0	1	<b>1</b>
% Female Executives		— %	— %	17%	<b>17%</b>
Age of the Youngest Director		51	58	50	<b>51</b>
Age of the Oldest Director		75	76	79	<b>79</b>
Board of Directors Age Range		24	18	29	<b>28</b>
Board Average Age		62	65	64.5	<b>63</b>
Board Age Limit		No	No	No	<b>No</b>
Average Board Tenure (Years)		6.3	7.2	5	<b>5</b>
Date Executive Director Appointed to the Board of Directors		January-09	January-09	May-20	<b>May-20</b>



## APPENDIX A – 2021 ESG PERFORMANCE

### OVERVIEW

	NXP's ESG Performance	2018	2019	2020	2021
<b>Board Meetings</b>					
# Board Meetings					
2021 HIGHLIGHTS		12	5	5	5
OUR BUSINESS	Board Meeting Attendance	>75%	>75%	>75%	>75%
ECONOMY	Independent Directors Board Meeting Attendance	>75%	>75%	>75%	>75%
GOVERNANCE	# Directors Attending Less than 75% of Meetings	2	1	0	0

### ESG

EMPLOYEES	Audit Committee	Size of Audit Committee	4	3	3	3
ENVIRONMENT	# Independent Directors on Audit Committee		4	3	3	3
SUPPLIER ENGAGEMENT	% Independent Directors on Audit Committee		100%	100%	100%	100%
PRODUCT STEWARDSHIP	Independent Audit Committee Chairperson		Yes	Yes	Yes	Yes
	# Non-executive Directors on Audit Committee		4	3	3	3
	Audit Committee Meetings		8	9	9	10
	Audit Committee Meeting Attendance		>75%	>75%	>75%	>75%

### APPENDICES

#### ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

#### Compensation Committee

The Nominating and Compensation Committee (NCC) was split into the Compensation Committee (CC) and Nominating and Governance Committee (NGC) in September 2019.

APPENDICES	Compensation Committee	Size of Compensation Committee	4	4	5
	# Independent Directors on Compensation Committee		4	4	5
	% Independent Directors on Compensation Committee		100%	100%	100%
	Independent Compensation Committee Chairperson		Yes	Yes	Yes
	# Non-executive Directors on Compensation Committee		4	4	5



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

NXP's ESG Performance		2018	2019	2020	2021
# Compensation Committee Meetings			6	8	7
Compensation Committee Meeting Attendance			>75%	>75%	>75%
Outside Compensation Advisors Appointed			Yes	Yes	Yes
Claw Back Provision for Executive Compensation			Yes	Yes	Yes

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

### Nominating and Governance Committee

The Nominating and Compensation Committee (NCC) was split into the Compensation Committee (CC) and Nominating and Governance Committee (NGC) in September 2019.

ESG

# Independent Director on Nomination Committee		4	4	5
% Independent Director on Nomination Committee		100%	100%	100%
Independent Nomination Committee Chairperson		Yes	Yes	Yes
# Non-executive Directors on Nomination Committee		4	4	4
# Nomination Committee Meetings		2	4	4
Nomination Committee Meeting Attendance		>75%	>75%	>75%

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### ESG/Sustainability Committee

The Nominating and Governance Committee oversees ESG/Sustainability Matters

Non-executive Director with Responsibility for ESG	No	No
Executive Director with Responsibility for ESG	Yes	Yes
Executive Compensation Linked to ESG	No	No
Board Compensation Linked to ESG	No	No



## APPENDIX A – 2021 ESG PERFORMANCE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

[ESG Performance](#)

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

	NXP's ESG Performance	2018	2019	2020	2021
<b>Shareholder Rights</b>					
Ownership Required for Special Meeting		10%	10%	10%	10%
Poison Pill		No	No	No	No
Blank Check Preferred Authorized				No	No
Dual Class Unequal Voting Rights - Common Shares		No	No	No	No
<b>Board &amp; Exec Activities</b>					
Political Donations			0	0	0



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

2021 NXP Semiconductor SASB Disclosure (Semiconductors)							
Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
<b>Greenhouse Gas Emissions</b>							
TC0201-01.01-02	Identify direct Greenhouse Gas (GHG) emissions (Scope 1), including the six Kyoto gases	Tons CO <sub>2</sub> -e	602,191	594,499	458,866	327,370	<b>387,446</b>
TC0201-01.03	Identify the amount of PFCs in total GHG emissions.	Tons CO <sub>2</sub> -e	429,493	440,506	288,566	195,181	<b>240,370</b>
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 2027 is to reduce our Scope 1 & 2 by 35% from a baseline year of 2021. 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.	Over the past decade, (baseline 2011), our normalized Scope 1 emissions decreased by 43%. PFCs are the largest contributor to our Scope 1 emissions and, since 2011, our normalized total PFC emissions have decreased by 61%, even though many of our products have become more complex, requiring additional processing steps and hence more PFCs. To achieve these results, we reduced consumption of PFC gasses, converted to lower global-warming potential gasses, and installed tools to reduce emissions.					
TC0201-02.06	Disclose if emissions have been recalculated or the target base year has been reset.	Our new goals for 2027 have a target base year of 2021. Our calculation methods have remained the same following the methodology of the Intergovernmental Panel on Climate Change (IPCC).					

Energy Management in Manufacturing							
Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
TC0201-03.09	Disclose total energy purchased from sources external to the organization or self-generated.	GJ	5,494,235	5,573,326	5,539,224	5,498,557	<b>5,765,736</b>
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.				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
TC0201-03.13	Identify percentage of total energy consumption that is renewable energy.	%	100% purchased grid electricity with renewable energy representing 31% 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 & Safety (EHS) data-management system uses conversion factors for total energy consumption.		
<b>Water &amp; Waste Management in Manufacturing</b>							
TC0201-04.16	Disclose amount of water withdrawn from freshwater sources.	m³	10,936,125	10,927,872	10,732,132	10,619,711	<b>11,598,982</b>
TC0201-04.17	Identify percentage of water recycled as the volume recycled divided by the volume of water withdrawn.	%	43%	39%	41%	47%	<b>45%</b>
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	1,955	2,400	2,440	2,792	<b>3,372</b>
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.				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

2021 NXP Semiconductor SASB Disclosure (Semiconductors)						2020	2021
Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
<b>Recruiting &amp; Managing a Global Skilled Workforce</b>							
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 2021, 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 2021, the percentage of employees who are located offshore from NXP's country of domicile is 18% of our workforce in the Americas, 14% in EMEA, and 61% 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 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 providers of immigration status 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.				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
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, protect and safeguard our risks to the extent possible.			
<strong>Employee Health &amp; Safety</strong>							
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 is certified 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 & Safety measures in general and, in particular, measures taken to protect clean-room workers in fabrication plants.		We emphasize Health & 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 & Safety violations.		In 2021, NXP was not assessed a fine for any Health & Safety violations.				
TC0201-08.32	Disclose civil actions and criminal actions taken by any entity.		In 2021, no civil actions were taken by any entity.				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance  
SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
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					
<b>Product Lifecycle Management</b>							
TC0201-09.35	List percentage of products by revenue that contain IEC 62474-declarable substances.	%	In 2021, ~62% of our finished product portfolio contained IEC 62474-declarable substances.  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.  The requirements for substance management are outlined in the ECO-Products Substance Control for Products and Packaging (NXPOAMS-1719007347-1991) document. <a href="https://www.nxp.com/docs/en/supporting-information/ECO-Products-Substance-Control-Products-Packaging.pdf">https://www.nxp.com/docs/en/supporting-information/ECO-Products-Substance-Control-Products-Packaging.pdf</a> .				
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.		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 NXPOAMS-1719007347-1991 document.  Nickel (a declarable IEC 62474 substance and skin sensitizer) is a common substance in lead frames and plating, which are items integrated into our products and not intended for direct skin contact.  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 according to their usage in the final product. Traceability of non-compliant materials and parts is guaranteed via the NXPOAMS-1719007347-2601 Traceability Requirement. The storage of materials is regulated by local organization. Specific information related to these materials, including the supplier, is maintained in the NXP Master Data Management system. In the SAP-BW system, NXP maintains the connection between the 12NC of the material and its supplier.  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.				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
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				

### Supply Chain Management & Materials Sourcing

TC0201-11.50	Identify products by revenue that contain critical materials	%	~92% of our finished products contain tin, tantalum, tungsten, and gold.				
TC0201-12.53	Identify those 3T&G smelters within the supply chain verified as conflict-free.	%	As of our last SEC filing, 100% of the suppliers identified were compliant with an audit program conducted by a third party. For additional information, please visit our website: <a href="https://www.nxp.com/company/about-nxp/sustainability/responsible-minerals-sourcing:CONFLICT-MINERALS">https://www.nxp.com/company/about-nxp/sustainability/responsible-minerals-sourcing:CONFLICT-MINERALS</a>				
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 as well as their due-diligence policies and measures. To verify compliance with these commitments, NXP conducts third-party audits. <a href="https://www.nxp.com/pip/CONFLICT-MINERALS">https://www.nxp.com/pip/CONFLICT-MINERALS</a>				

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, 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.



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
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.		<p>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.</p>				
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.		<p>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 400 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 &amp; Refiner report for all of their products and materials, not just those provided to NXP.</p>				
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.		<p>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 Conflict Minerals Reporting Template (CMRT). If the supplier uses a nonconformant smelter, we do not qualify the supplier until the issue is resolved. This process is reviewed and monitored by the Material Sourcing Board.</p>				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

**SASB Disclosure**

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### 2021 NXP Semiconductor SASB Disclosure (Semiconductors)

Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
TC0201-13.59	Discuss due-diligence practices, supply-chain auditing, supply-chain engagement, and partnerships with industry groups or non-governmental development organizations.		<p>We believe that engagement and active cooperation with other industry members with whom we share suppliers can help us identify risks in our supply chain. In particular, it helps us identify smelters and refiners and assess their due-diligence practices.</p> <p>In 2014, NXP joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC). Among other important social-responsibility initiatives, the RBA promotes responsible sourcing of minerals. NXP currently holds a position on the RBA's Board of Directors.</p> <p>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.</p> <p>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.</p> <p>Since 2013, NXP has chaired the Conflict Minerals Team of the World Semiconductor Council (WSC).</p>				



## APPENDIX B – 2021 SASB DISCLOSURE

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

[SASB Disclosure](#)

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

2021 NXP Semiconductor SASB Disclosure (Semiconductors)								
	Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
<strong>Intellectual Property Protection &amp; Competitive Behavior</strong>								
	TC0201-14.60	Disclose the number of patent litigation cases we were involved in, either as the patent holder or the patent challenger.	Count	1	6	7	7	4
	TC0201-14.61	Disclose the number of successful cases.	Count	1	6	4	0	0
	TC0201-14.62	Disclose the number of cases in which we were the patent holder.	Count	0	0	1	1	0
	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 – 2021 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

OVERVIEW

If greenhouse-gas emissions continue at current rates, global warming will accelerate, and temperature gains above 2°C (relative to the pre-industrial period) would have catastrophic economic and social consequences.

2021 HIGHLIGHTS

The growing demand for decision-useful, climate-related information from organizations across all sectors of the economy has given rise to several disclosure standards that support greater accountability and transparency. One such standard, established in 2015, is the Task Force on Climate-Related Financial Disclosures (TCFD), which defines a set of voluntary disclosures of climate-related financial risk. Using the TCFD format, companies can inform stakeholders of any risks relating to climate change that they face.

OUR BUSINESS

The TCFD structures their recommendations around four themes that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

ECONOMY

This is our first time including the TCFD's recommendations in our Sustainability Report. While we discuss risks related to climate-related matters, we do not include all the risks that may ultimately affect NXP in this regard. We will conduct more in-depth scenario analysis and will include the results in future reports. Some risks that are as yet unknown, or are believed not to be material, could ultimately have a major impact on our businesses, objectives, revenues, income, assets, liquidity, and/or capital resources.

GOVERNANCE

### Governance

Disclose the organization's governance around climate-related risks and opportunities.

ESG

a. Describe the board's oversight of climate-related risks and opportunities.

The Nominating and Governance Committee of NXP's Board of Directors is responsible for overseeing NXP's policies related to Environment, Social & 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.

EMPLOYEES

The Nominating and Governance Committee reviews and approves our carbon-footprint goals, strategy, roadmap, and budget.

ENVIRONMENT

A monitoring dashboard of top KPIs for our status on progress is reviewed on a quarterly basis.

SUPPLIER ENGAGEMENT

ESG is managed and implemented by the CEO and the NXP Management Team. In addition to the Environmental, Social & Governance (ESG) Management Board, NXP also has an Environment, Health & Safety (EHS) Management Board, which includes members of the Management Team and other senior leaders. 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.

PRODUCT STEWARDSHIP

The ESG and EHS Management Boards are responsible for setting the vision and strategy and for approving goals and 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.

APPENDICES

b. Describe management's role in assessing and managing climate-related risks and opportunities.

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.

ESG Performance

The Sustainability and EHS Office meets regularly with the ESG and EHS Management Boards to discuss and review NXP's performance.

SASB Disclosure

The EHS corporate team sets targets, conducts annual self-assessments and third-party audits, ensures timely closure of corrective-action plans, monitors and controls working hours and rest days, and conducts internal capacity building.

TCFD Report

The Site Steering Committee teams implement, measure, and validate policies, drive continuous improvement at their respective sites, and report progress to Site Management and the EHS corporate team.

UNGCR

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List



## APPENDIX C – 2021 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

**TCFD Report**

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

NXP has identified several climate-related risks and opportunities, which are generally described below. This is not a comprehensive list. NXP plans to further evaluate these risks and opportunities and the associated business impacts. As a result of our climate-related governance, risk management, and metrics and targets programs, NXP's strategy for climate-related risks and opportunities is resilient and able to react to changing factors over time. The programs are inter-related and provide regular and ongoing feedback to one other, so NXP can continuously improve the reduction of risk and the realization of opportunity.
- b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Semiconductor manufacturing is heavily dependent on electricity and water. Climate-related events may compromise the availability of electricity and/or water needed for manufacturing.
- c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Regulation: NXP business operations and supply-chain partners have a risk from increased climate-related regulations which may increase operational costs and limit the use of chemicals key to the manufacture of semiconductors.

Reputation & Market Share: NXP has both risk (through inaction) and opportunity (through action) for climate-related reputation and market-share factors. NXP is proactively identifying and acting on goals to contribute to the global effort to reduce climate-related impact. This also provides an opportunity to make more stakeholders aware of NXP's commitments and progress in this area. As more supply-chain partners, employees, potential employees, customers, investors, and members of the public become aware of our work in this area, there is the opportunity to contribute more positives to the company's reputation and market share.

Operations & Financial: NXP has both risk and opportunity for climate-related operational factors. Through our goals to reduce our carbon footprint, by reducing electricity and water usage and increasing our rate of recycling/reusing waste, NXP may realize operational cost savings and efficiencies. NXP also has risks to operations as a result of more severe weather events and/or natural disasters, which can directly impact our factory operations, physical assets, and supply chain. The resulting impacts to our capital expenditures may or may not result in the desired climate-related improvements. These climate-related factors are taken as inputs into quarterly expense and capital financial planning.

### Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

- a. Describe the organization's processes for identifying and assessing climate-related risks.

NXP maintains lists of identified risks to formally evaluate external and internal issues and identify how they may impact the strategic direction and business operations of the company, our customers, our suppliers, our communities, and other interested parties. We have begun to include climate-related risks within these assessments, and also within our Enterprise Risk Management program. We will expand on this during 2022. Risks are prioritized at the corporate and local levels for their scope and operational controls, and are reviewed annually. Updates are completed through risk-assessment reviews and with inputs from executive EHS board meetings, management reviews, functional staff meetings, and specialized councils. Existing and emerging regulatory requirements are taken as inputs to the risk assessments, as are benchmarks from other companies and other stakeholder input received from customers, investors, and the public.



## APPENDIX C – 2021 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

- b. Describe the organization's processes for managing climate-related risks.

- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Site and Corporate Business Continuity teams regularly review and update assessments of risks, including climate-related risks, and associated action plans. High-priority risks are documented and action plans identified to reduce the relative impact of the risks. These are used as input into formal goal planning, management review updates, and, if applicable, capital financial planning. Feedback obtained from management reviews, the Sustainability Office, ESG and EHS Management Boards, Business Continuity Teams, and other stakeholder input are also incorporated into the risk assessments and action plans.

### Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Our disclosure of climate-related metrics provides ten years of historical information for analysis of Scope 1, 2, and 3 emission. In each section, metrics include both absolute and normalized data to factor in our production index, aligning with our semiconductor peer group.

Scope 1 emissions includes an in-depth, ten-year analysis of our PFC, HTF, fossil-fuel, and N<sub>2</sub>O emissions.

Scope 2 emissions includes a ten-year analysis of electricity from our manufacturing and non-manufacturing facilities.

Scope 3 emissions includes a ten-year analysis of business travel and product transportation

Our discussion of our three biggest contributors to emissions — electricity, PFCs, and HTFs — includes a detailed description of how NXP measures and manages identified risks and opportunities.

Emission calculations follow the methodology of the Intergovernmental Panel on Climate Change (IPCC). Scope 2 emissions are calculated using the market-based methodology.

We discuss water, energy, and waste with equivalent levels of detail.

We make all environmental data available in our annual Corporate Sustainability Report or on our [website](#).



## APPENDIX C – 2021 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

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 emission of Heat-Transfer Fluids (HTFs). We set reduction targets on these three contributors as they are essential for NXP operations.

Scope 1 emissions includes an in-depth, ten-year analysis of our PFC, HTF, fossil-fuel, and N<sub>2</sub>O emissions.

Scope 2 emissions includes a ten-year analysis for electricity from our manufacturing and non-manufacturing facilities.

Scope 3 emissions includes a ten-year analysis for business travel and product transportation. We are working to enhance our collection of data related to this metric, with the goal of better understanding our suppliers' carbon impacts, starting with our key top-tier suppliers.

Our discussion of our three biggest contributors to emissions — electricity, PFCs, and HTFs — includes a detailed description of how NXP measures and manages identified risks and opportunities.

Emission calculations follow the methodology of the Intergovernmental Panel on Climate Change (IPCC). Scope 2 emissions are calculated using the market-based methodology.

We make all emission data available in our annual Corporate Sustainability Report or on our [website](#).

The discussion of our three biggest contributors to emissions — electricity, PFCs, and HTFs — includes a detailed description of how NXP measures and manages identified risks and opportunities.

Key climate-related targets related to GHG emissions include the following:

Targets for Scope 1 reduction address PFC and HTF emissions. At present, our constraints consist of no viable alternatives for the PFCs or HTFs used to etch integrated circuitry onto silicon wafers, clean the internal chambers of deposition equipment, and test products during the manufacturing process.

Targets for Scope 2 reduction address electricity use and an increase in renewable energy. Our current constraint is that semiconductor manufacturing is an electricity-intensive process. Renewable energy is not always readily available at every site, so we use a mix of energy sources for flexibility and reliability. We are steadily increasing our use of electricity that comes from renewable sources, and we continue to look for new ways to increase our use of reliable renewable energy sources.

We work to reduce emissions through process elimination or chemical substitution (where feasible), through process optimization, and by increasing abatement.

We make our climate-related data available in our annual Corporate Sustainability Report or on our [website](#).

### Looking Forward

We recognize the importance of global ambitions to reach net-zero emissions by 2050 and the increasing momentum in policy, technology, finance, and corporate commitments toward this goal. We have enhanced our transparency for the sustainability characteristics of our products and R&D investments and set carbon neutrality goals for our operations.



## APPENDIX D – UNITED NATIONS GLOBAL COMPACT

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

**UNGC**

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

In 2017, NXP became a signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative. Our UN Global Compact Communication on Progress can be found on the UN Global Compact [website](#).





## APPENDIX E – GRI INDEX

OVERVIEW

In 2017, NXP became a signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative. Our UN Global Compact Communication on Progress can be found on the UN Global Compact website.

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
<strong>General Disclosures</strong>			
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
GRI 102	102-6	Markets served	Form 10-K page #10
GRI 102	102-7	Scale of the organization	Our Business
GRI 102	102-8	Information on employees and other workers	ESG Performance
Supplier Engagement			
Top 100 Supplier List			
GRI 102	102-9	Supply chain	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.
In 2021, there were no significant changes to the ownership or supply chain.			
GRI 102	102-10	Significant changes to the organization and its supply chain	We did not have manufacturing site expansions, but we did utilize the space that became available from our expansion in 2020 at our Tianjin and SSMC manufacturing sites in 2021.
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



## APPENDIX E – GRI INDEX

### OVERVIEW

#### 2021 HIGHLIGHTS

#### OUR BUSINESS

#### ECONOMY

#### GOVERNANCE

#### ESG

#### EMPLOYEES

#### ENVIRONMENT

#### SUPPLIER ENGAGEMENT

#### PRODUCT STEWARDSHIP

#### APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

**GRI Index**

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

	Disclosure Number	Disclosure Number	Disclosure Title	Response
	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 #18
	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	ESG Governance
	GRI 102	102-21	Consulting stakeholders on economic, environmental, and social topics	ESG Governance
	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
	GRI 102	102-24	Nominating and selecting the highest governance body	Governance and Board of Directors
	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 ESG Governance
	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
	GRI 102	102-29	Identifying and managing economic, environmental, and social impacts	ESG Governance
	GRI 102	102-30	Effectiveness of risk management processes	ESG Governance
	GRI 102	102-31	Review of economic, environmental, and social topics	ESG Governance
	GRI 102	102-32	Highest governance body's role in sustainability reporting	ESG Governance



## APPENDIX E – GRI INDEX

### OVERVIEW

	Disclosure Number	Disclosure Number	Disclosure Title	Response
2021 HIGHLIGHTS	GRI 102	102-33	Communicating critical concerns	Ethics
OUR BUSINESS	GRI 102	102-34	Nature and total number of critical concerns	Ethics
ECONOMY	GRI 102	102-35	Remuneration policies	Governance and Board of Directors
GOVERNANCE	GRI 102	102-36	Process for determining remuneration	Governance and Board of Directors
ESG	GRI 102	102-37	Stakeholder involvement in remuneration	Proxy page #52
	GRI 102	102-38	Annual total compensation ratio	Proxy page #80
	GRI 102	102-39	Percentage increase in annual total compensation ratio	Proxy page #52
	GRI 102	102-40	List of stakeholder groups	Stakeholder Engagement
EMPLOYEES	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.
ENVIRONMENT	GRI 102	102-42	Identifying and selecting stakeholders	Stakeholder Engagement
SUPPLIER ENGAGEMENT	GRI 102	102-43	Approach to stakeholder engagement	Stakeholder Engagement
PRODUCT STEWARDSHIP	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.
APPENDICES	GRI 102	102-45	Entities included in the consolidated financial statements	Form 10-K page #68
ESG Performance	GRI 102	102-46	Defining report content and topic boundaries	About This Report
SASB Disclosure	GRI 102	102-47	List of material topics	About This Report
TCFD Report				Scope 1 emissions ( $N_2O$ emissions) are lower than compared to 2020 reported values based on updated information from one manufacturing site.
UNGC <a href="#">GRI Index</a>	GRI 102	102-48	Restatements of information	Renewable energy information from utility providers are published after the release of our annual Corporate Sustainability Report. Utility providers are approximately one year behind our reporting schedule, and each year we will make adjustments for the previous reporting year's renewable energy data.
Sustainability Policy	GRI 102	102-49	Changes in reporting	None
Scope 1 Chemical List				
Top 100 Supplier List				



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

	Disclosure Number	Disclosure Number	Disclosure Title	Response
2021 HIGHLIGHTS	GRI 102	102-50	Reporting period	The reporting period covers calendar year 2021.
OUR BUSINESS	GRI 102	102-51	Date of most recent report	Our 2020 report was released in March 2021.
ECONOMY	GRI 102	102-52	Reporting cycle	Annually
GOVERNANCE	GRI 102	102-53	Contact point for questions regarding the report	<a href="mailto:CSR@nxp.com">CSR@nxp.com</a>
ESG	GRI 102	102-54	Claims of reporting in accordance with the GRI Standards	About This Report
EMPLOYEES	GRI 102	102-55	GRI content index	As shown.
ENVIRONMENT	GRI 102	102-56	External assurance	The 2021 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.

### Economic Performance

GRI 103	103-1 - 103-3	Disclosure of management approach	Form 10-K page #65
GRI 201	201-1	Direct economic value generated and distributed	Form 10-K page #81
GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Form 10-K page #15
GRI 201	201-3	Defined benefit plan obligations and other retirement plans	Form 10-K page #87
GRI 201	201-4	Financial assistance received from the government	Form 10-K page #25

### Market Presence

GRI 103	103-1 - 103-3	Disclosure of management approach	Compensation and Benefits
GRI 202	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	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.



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
<b>Anti-corruption</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Anti-Bribery & Anti-Corruption
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 team members.
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.
<b>Tax</b>			
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
<b>Materials</b>			
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.



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

**GRI Index**

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
<b>Energy</b>			
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
<b>Water and Effluents</b>			
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
<b>Emissions</b>			
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



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
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
<b>Effluents and Waste</b>			
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
<b>Environmental Compliance</b>			
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 2021.
<b>Employment</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Employees
GRI 401	401-1	New employee hires and employee turnover	Future Talent and Talent Retention
GRI 401	401-2	Benefits provided to full-time employees	Compensation and Benefits
<b>Occupational Health and Safety</b>			
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



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
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.

### Training and Education

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

### Diversity and Equal Opportunity

GRI 103	103-1 - 103-3	Disclosure of management approach	Diversity, Equality and Inclusion
GRI 405	405-1	Diversity of governance bodies and employees	ESG Performance



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

[GRI Index](#)

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

Disclosure Number	Disclosure Number	Disclosure Title	Response
<b>Non-Discrimination</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Ethics
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.
<b>Freedom of Association and Collective Bargaining</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
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
<b>Child Labor</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
GRI 408	408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Slavery and Human Trafficking Statement</a>
<b>Forced or Compulsory Labor</b>			
GRI 103	103-1 - 103-3	Disclosure of management approach	Human Rights
GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Slavery and Human Trafficking Statement</a>



## APPENDIX E – GRI INDEX

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

[GRI Index](#)

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

	Disclosure Number	Disclosure Number	Disclosure Title	Response
<b>Human Rights Assessment</b>				
	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
<b>Supplier Social Assessment</b>				
	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
<b>Marketing and Labeling</b>				
	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 F - SUSTAINABILITY POLICY

## OUR COMMITMENT

For NXP, 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. Quality is our number one driver, and, 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 affects the way we manage our company and the way we interact with society at large.



## OUR 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 defines our principles and high standards, which are applied to our business practices and those of our global supply chain. This Code 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 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 human rights concerns.

### **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. These Secure Connections for a Smarter World are developed to provide a positive contribution to society. With each new product generation we aim to reduce the environmental impact of their 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 try to phase out hazardous substances in our products and processes.

### **Compliance**

For our products and processes, NXP complies with applicable legislation, regulations, codes of practice, often going beyond specified standards. NXP has a management system covering Environment, Health & Safety, Social Responsibility and Product Compliance that are 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, showing our targets and measurements on a range of metrics.



## APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

### OVERVIEW

NXP strives to be transparent with our stakeholders regarding our carbon footprint, specifically how NXP determines what is and is not considered Scope 1 Emissions. Below is the list of chemicals we identify as Scope 1 Emissions, and are subsequently reported as Scope 1 in the Emissions section of this report. Please contact NXP's Sustainability team at [CSR@nxp.com](mailto:CSR@nxp.com).

### 2021 HIGHLIGHTS

### OUR BUSINESS

	2017	2018	2019	2020	2021
<b>PerFluorinated Compounds in Tons CO<sub>2</sub> equivalent</b>					
C <sub>2</sub> F <sub>6</sub>	124,321	129,039	57,284	36,283	51,887
CF <sub>4</sub>	157,091	165,255	123,419	83,735	99,399
CHF <sub>3</sub>	37,549	36,265	32,598	23,260	26,707
SF <sub>6</sub>	25,897	25,194	23,495	14,700	17,485
NF <sub>3</sub>	35,441	35,013	30,918	22,311	28,600
NF <sub>3</sub> remote	8,833	9,118	8,517	6,517	7,604
C <sub>3</sub> F <sub>8</sub>	31,652	32,444	2,746	2,968	3,308
C <sub>4</sub> F <sub>8</sub>	8,322	7,671	9,521	5,010	4,978
C <sub>4</sub> F <sub>8</sub> O	0	0	0	0	0
CH <sub>2</sub> F <sub>2</sub>	36	40	62	12	39
C <sub>4</sub> F <sub>6</sub>	349	466	0	380	361
C <sub>5</sub> F <sub>6</sub>	0	0	6	4	3
<b>Total PFCs</b>	<b>429,492</b>	<b>440,507</b>	<b>288,566</b>	<b>195,180</b>	<b>240,370</b>

### APPENDICES

#### ESG Performance

#### SASB Disclosure

#### TCFD Report

#### UNGC

#### GRI Index

#### Sustainability Policy

#### [Scope 1 Chemical List](#)

#### Top 100 Supplier List

	2017	2018	2019	2020	2021
<b>N<sub>2</sub>O Emissions in Tons CO<sub>2</sub> equivalent</b>					
<b>Total N<sub>2</sub>O</b>	<b>17,554</b>	<b>16,708</b>	<b>13,592</b>	<b>7,615</b>	<b>8,741</b>
<b>Heat Transfer Fluids Tons CO<sub>2</sub> equivalent</b>					
R-22	631	332	197	150	188
R-123	46	27	22	32	5
R402A	22	0	0	0	0



## APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

	2017	2018	2019	2020	2021
Pure HFCs					
R-134a	2,185	1,399	766	2,505	3,258
R-23	0	52	93	121	0
HFCs Mixtures					
R-404A	4,908	119	135	93	155
R-407C	0	0	0	0	0
R-410A	95	95	244	113	35
R-422D	0	0	0	0	0
Perfluorocarbons					
FC40	91,282	68,895	89,478	54,481	73,784
Polyfluoroethers mixtures					
FC3283	7,766	18,490	17,544	19,307	11,954
FC72	0	0	0	0	0
FC770	0	1	4	22	22
HFE7100	1,070	1,027	931	675	801
HFE7200	24	131	144	119	78
HFE7500	46	42	51	109	67
Galdeon HT 80	0	0	0	0	0
Galdeon HT 135	740	0	682	610	318



## APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

OVERVIEW

	2017	2018	2019	2020	2021
Galden HT 200	3,294	2,544	1,638	2,268	3,522
Galden HT 270	210	510	810	480	0
Galden ZT 130	0	0	0	0	0
Galden HT110	913	599	791	804	231
Galden D02TS	0	0	0	0	0
Galden PFS-2	740	490	280	210	210
<b>Total HTFs</b>	<b>113,972</b>	<b>94,751</b>	<b>113,809</b>	<b>82,100</b>	<b>94,628</b>

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

Top 100 Supplier List

### ODPs and non-ODPs emissions in kg

Halogenated or Chlorinated Hydrocarbons (non-ODP) used in processes

HFC-32 (CAS 75-10-5)	0	0	0	0	0
HFC-41 (CAS 593-53-3)	0	0	20	7	20

Non-ODP refrigerants for cooling systems (e.g. air conditioning)

HFC-32 (CAS 75-10-5)	0	0	0	18	133
HFC-41 (CAS 593-53-3)	0	0	0	0	0
HFC-134 (CAS 359-35-3)	51	52	40	40	41
HFC-134a (CAS 811-97-2)	616	1,360	450	408	672

Ozone depleting substances (from cooling systems e.g. air conditioning)

HFC-22 (CAS 75-45-6)	405	60	32	8	8
HFC-123 (CAS 306-83-2)	91	45	0	45	45
<b>Total ODPs and Non-ODPs</b>	<b>1,163</b>	<b>1,517</b>	<b>542</b>	<b>526</b>	<b>919</b>



## APPENDIX H – TOP 100 SUPPLIER LIST

OVERVIEW

NXP pursues mutually beneficial relationships with our suppliers and contractors and engages collaboratively regarding their commitment to observe applicable rules of law and continuous improvement regarding ethical business, environmental and human right practices. The NXP Supplier List represents 98 percent of procurement expenditures for materials, manufacturing, and assembly of our products worldwide for fiscal year 2021.

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

Sustainability Policy

Scope 1 Chemical List

[Top 100 Supplier List](#)

### 2021 Top 100 Supplier List

AAM	GLOBALFOUNDRIES	LINXENS	SOITEC
ADVANCED ASSEMBLY MATERIALS	HANA MICRON	MATHESON TRI-GAS	SPIL
AIR LIQUIDE	HD MICROSYSTEMS	MITSUI HIGH-TEC	STATS CHIPPAC
AIR PRODUCTS	HDS	MSSCHRAMBERG	STMICROELECTRONICS
ALLTEK TECHNOLOGY	HENDON	MURATA	SUBTRON TECHNOLOGY
AMKOR	HENKEL	NANYA	SUMCO
ARDENTEC	HERAEUS	NEPES CORPORATION	SUMIKA
ASE	HID	NEXPERIA	SUMITOMO BAKELITE
ASMC	HONEYWELL	NGKED	TANAKA
AST	INNOV SEMIPAK MATERIALS	NIPPON GASES	TCI
BASS	ITW	NIPPON MICROMETAL CORPORATION	TECHNIC
CHANG WAH ELECTRONICS	JENTECH PRECISION INDUSTRIAL	ON SEMI	TECHNOPROBE
CHIPBOND	JSR CORPORATION	PEAK	TFME
CMC MATERIALS	KENLY PRECISION	POWERCHIP	TIAN JIN OU SI LANG KE JI YOU XIAN
CPAK	KES	RJR TECHNOLOGIES	TOZAI BOEKI KAISHA
DALSA	KES SYSTEMS AND SERVICE	RS TECHNOLOGIES	TRIO-TECH
DATANG NXP SEMICONDUCTORS	KETECA	SAMSUNG SEMICONDUCTOR	TSMC
DOU YEE	KINSUS INTERCONNECT TECHNOLOGY	SENJU METAL	UMC
DUPONT	KOSTAT	SHIN-ETSU	UMTC
ENTEGRIS	KOSTECSYS	SHIN-ETSU CHEMICAL	UTAC
EPAK	KYOCERA	SHINKO ELECTRONICS	VANGUARD
FUJIFILM ELECT MATERIALS	LEADING TECHNOLOGIES	SHOWA DENKO MATERIALS	VERSUM
FUJIMI	LG INNOTEK	SILTRONIC	WENSON
FURUKAWA	LINDE	SK HYNIX	WIN
GLOBAL WAFERS	LINTEC	SMIC	WOLFSPEED



# FORWARD-LOOKING STATEMENTS

OVERVIEW

2021 HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

EMPLOYEES

ENVIRONMENT

SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

## APPENDICES

ESG Performance

SASB Disclosure

TCFD Report

UNGC

GRI Index

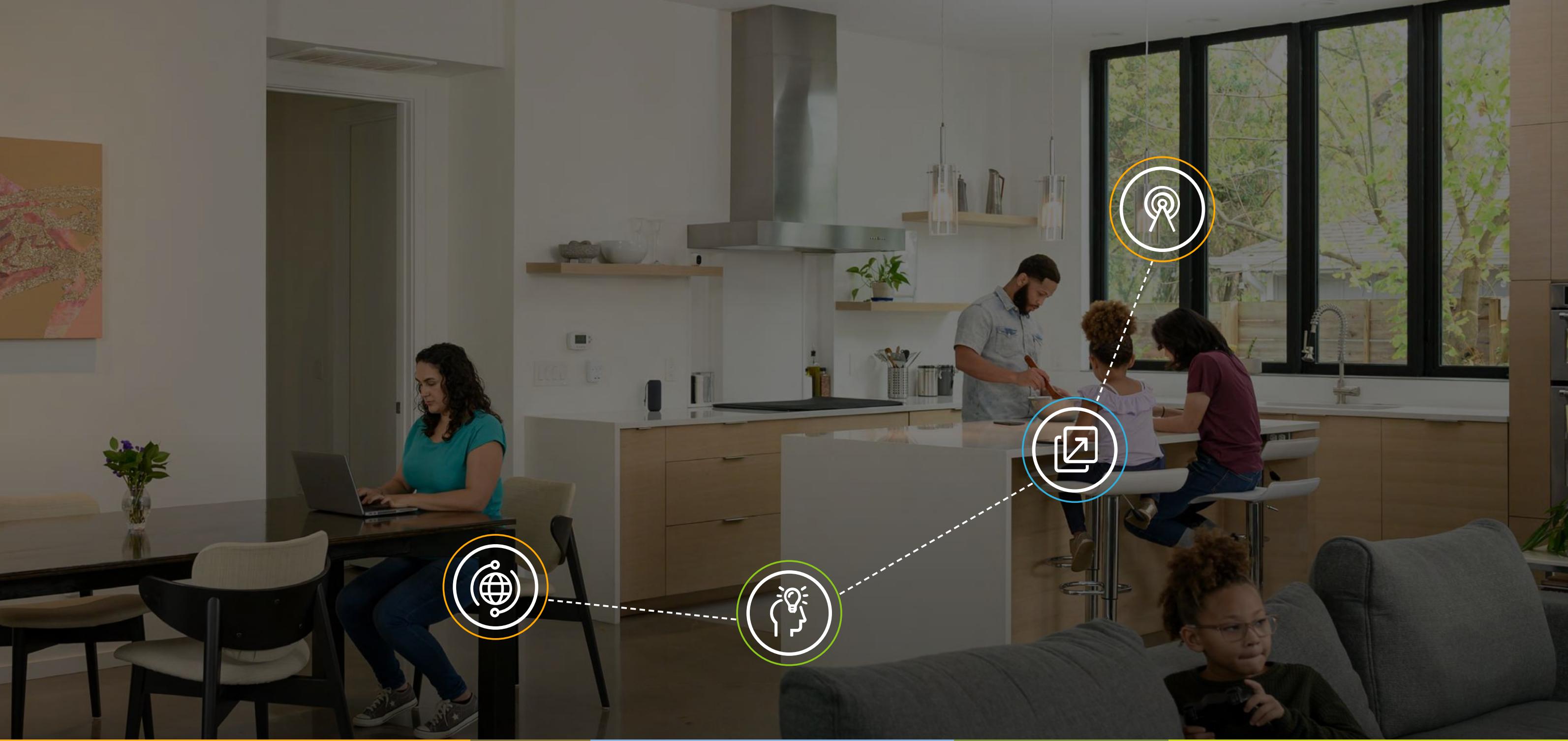
Sustainability Policy

Scope 1 Chemical List

[Top 100 Supplier List](#)

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were to arise, to correct them quickly; the ability to form strategic partnerships and joint ventures and to successfully cooperate with alliance partners; the ability to win competitive bid selection processes; the ability to develop products for use in customers' equipment and products; the ability to successfully hire and retain key management and senior product engineers; and, the ability to maintain good relationships with NXP's suppliers. In addition, this document contains information concerning the semiconductor industry and NXP's market and business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry and NXP's market and business segments may develop. NXP has based these assumptions on information currently available, if any one or more of these assumptions turn out to be incorrect, actual results may differ from those predicted. While NXP does not know what impact any such differences may have on its business, if there are such differences, its future results of operations and its financial condition could be materially adversely affected. There can be no assurances that a pandemic, epidemic or outbreak of a contagious diseases, such as COVID-19, will not have a material and adverse impact on our business, operating results, and financial condition in the future. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the initial publication date of this document. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does not have any intention or obligation to publicly update or revise any forward-looking statements after we distribute this document, whether to reflect any future events or circumstances or otherwise. For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our SEC filings are available on our Investor Relations website, [www.nxp.com/investor](http://www.nxp.com/investor) or from the SEC website, [www.sec.gov](http://www.sec.gov).



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