Company Name: NXP Semiconductors
Date: 30 August 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

**INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING**

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

- NXP Labor & Human Rights Commitment ("policy document") states: "We are committed to the abolition of child labor, and we do not accept any form of discrimination based on race, national origin, color, gender, religion, age, pregnancy, sexual orientation, physical or mental disability, or political affiliation. NXP forbids charging fees to employees throughout every stage of employment and prohibits retention of personal or government-issued documents. NXP allows the freedom of association and the right to collective bargaining."
- NXP Supplier Code of Conduct (includes): "Recognized standards, such as the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGP), standards, conventions and guidelines issued by organizations such as the International Labour Organization (ILO), TheOrganization for Economic Cooperation and Development’s (OECD), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI), have been used as references in preparing the NXP Supplier Code of Conduct..."

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

NXP requires its Tier 1 suppliers to sign the following declaration committing to them to the above:
25. SUSTAINABILITY DECLARATION

25.1 Supplier recognizes having been made fully acquainted with the NXP Supplier Code of Conduct, (https://www.nxp.com/docs/en/supporting-information/NXP-Supplier-Code-of-Conduct-EN.pdf) as may be amended from time to time. Supplier hereby commits to comply with all requirements contained therein as further specified in Appendix 6 below.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

• In 2021 NXP created an ‘ESG Management Board’ (committee) comprised of Management Team members, and other senior leaders, to lead and coordinate enterprise-wide implementation of ESG strategy and policy, including supply chain, labor and human rights. 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.

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

• From NXP’s 2021 corporate sustainability report, page 46: “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.”

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;
• See Appendix H, Top 100 Supplier List in PPENDIX H NXP 2021 corporate sustainability report, page 204.

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.
• See 2021 High-Risk Suppliers by Country and Region from Annual Risk Assessment in NXP 2021 corporate sustainability report, page 143

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

From NXP 2021 corporate sustainability report, pages 137-139): “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...”

SUPPLY CHAIN MANAGEMENT

<table>
<thead>
<tr>
<th>Country Risk</th>
<th>Relevant Topic</th>
<th>NXP Weighted Country Risk Score</th>
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<tbody>
<tr>
<td>Human Rights</td>
<td>Labor &amp; Health</td>
<td>60%</td>
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<td>Risk Index</td>
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<td>&amp; Regulatory</td>
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<tr>
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<td>Environmental</td>
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<tr>
<td>Risk Index</td>
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</tbody>
</table>

Scale used in Maplecroft Scorecard: NXP’s Risk Score

0.0 < Score ≤ 2.5: Low 1
2.5 < Score ≤ 5.0: Medium 5
5.0 < Score ≤ 7.5: High 7
7.5 < Score ≤ 10.0: Extreme 10
4.2 details on forced labour risks identified in different tiers of its supply chains; and

See answer 4.1

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

See 2021 NXP corporate sustainability report, Stakeholder Engagement chapter (pages 15 – 18) and Human Rights Chapter (page 83): “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 out 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.”

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers’ and

5.3 the percentage or number of supply chain workers that are being paid a living wage.
6.1 commits to responsible buying practices in its contracts with suppliers;

- See NXP 2021 corporate sustainability report Supply Chain Management chapter (page 133 – 147) and the Product Stewardship chapter (pages 148 – 152), in particular NXP’s commitment to responsible minerals.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

- From NXP’s 2021 corporate sustainability report, Supplier Engagement chapter (pages 135 – 136): “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.” and “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.”

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

- From NXP’s 2021 corporate sustainability report, Human Rights chapter, page 83. NXP worked proactively to address and remedy situations that may have resulted in the potential of coerced or forced labor, including employment fees and retention of worker documents.

### INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer (“Employer Pays Principle”);

- From NXP’s 2021 corporate sustainability report, Human Rights chapter (page 81). Our commitment includes a) Clear policy prohibits charging fees to workers and ensures compliance; b) If workers are found to have paid fees to gain employment, reimbursement to workers must
be completed within 30 days of discovery; and c) Grievance mechanism in place to confidentially report policy violations.

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

- From NXP’s 2021 corporate sustainability report, Human Rights chapter (page 83): “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.”

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

- From NXP’s 2021 corporate sustainability report, Supply Chain Management chapter (page 147): “In 2021, we found three priority violations on No Fees for foreign migrant workers, hired 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.”

**INDICATOR 8: RESPONSIBLE RECRUITMENT**

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

**INDICATOR 9: FREEDOM OF ASSOCIATION**

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

- See NXP Supplier of Code: Page 1 states that this document is informed by “Recognized standards, such as the Universal Declaration of Human Rights (UDHR), standards issued by organizations such as the International Labour Organization (ILO), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI).” Further this policy, NXP’s human rights policy and other relevant
documents are regularly updated to reflect evolving stakeholder expectations regarding these issues. NXP is also a member of the Responsible Business Alliance (RBA) which holds its members to account for their human rights in supply chain performance.

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

- From NXP’s 2021 corporate sustainability report, GRI index (page 192): “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.”

**INDICATOR 10: GRIEVANCE MECHANISM**

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company’s supply chains is available to its suppliers’ workers and their legitimate representatives across supply chain tiers; and

- From NXP 2021 corporate sustainability report, Supply Chain Management chapter (page 143): “Suppliers are required to have workplace grievance mechanisms in place that ensure the confidentiality, anonymity, and protection of whistle-blowers 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.”

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers’ workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

**INDICATOR 11: MONITORING**

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;
From NXP’s 2021 corporate sustainability report, Supply Chain Management chapter (page 140): “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.”
11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

See NXP 2021 corporate sustainability report, Supply Chain Management chapter (pages 142 – 146).

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers’ rights and priorities).
**INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS**

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company’s supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company’s supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

**NON-SCORED RESEARCH**

**Reporting Legislations**

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

**High Risk Sourcing**

*Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company’s website as well as third party sources to identify relevant information.*