

NXP Semiconductors NV (NXP)

TICKER
NXPI

MARKET CAPITALIZATION
US\$59.4 billion

HEADQUARTERS
Netherlands

DISCLOSURES

[UK Modern Slavery Act:](#) Yes

[Australia Modern Slavery Act:](#)

[California Transparency in Supply Chains Act:](#) Yes

Yes

OVERALL RANKING

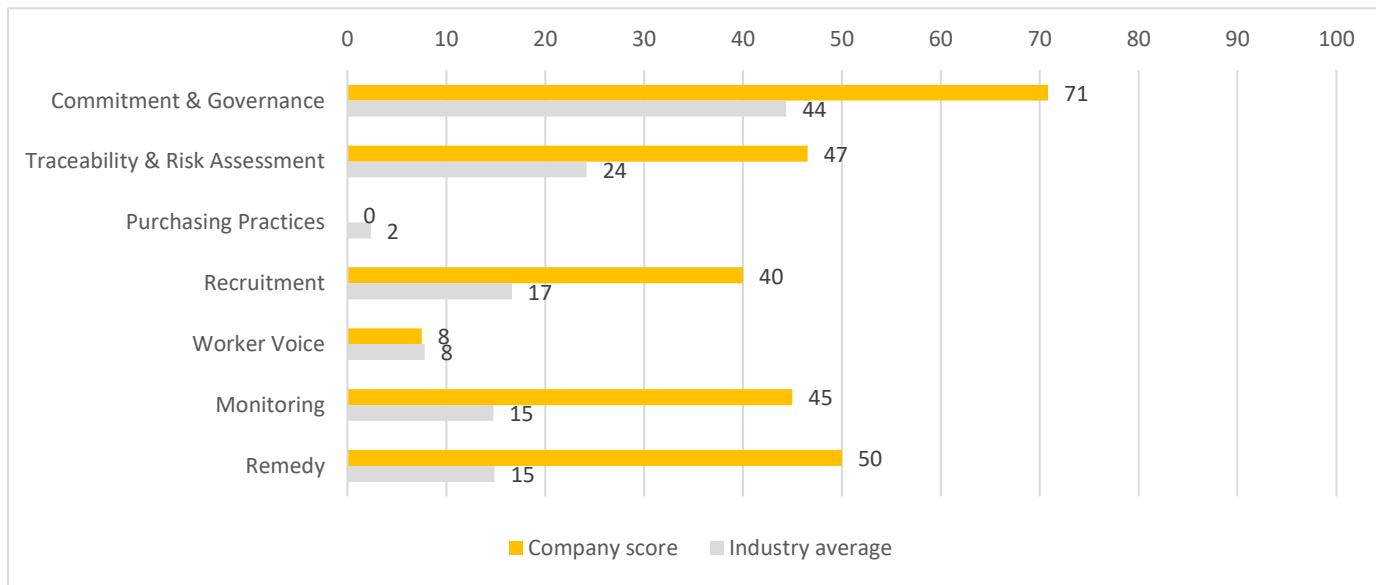
10 out of 60

([2020 Rank:](#) 8 out of 49)

OVERALL SCORE

39 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

SUPPLIER LIST

Yes (Names only, not addresses)

NO-FEE POLICY

Yes (Employer Pays Principle)

RISK ASSESSMENT

Yes

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

ENGAGED WITH KNOWTHECHAIN¹

Yes

HIGH-RISK SOURCING COUNTRIES

 China and Malaysia

SUMMARY

NXP Semiconductors NV (NXP), supplier to companies such as Amazon, Cisco, and Microsoft, ranks 10th out of 60 companies. Since 2020, the company improved on the themes of Commitment & Governance and Recruitment, disclosing that it has used Verité's Cumulus tool to conduct a due diligence assessment on 21 of its suppliers, resulting in the mapping of 32 receiving agents and 40 sending agents. However, the company did not improve across other themes. The company performed particularly poorly on the themes of Purchasing Practices, where it scored zero, and Worker Voice. As such, its rank dropped by 2 places since 2020.² Notably, the company is the second highest-scoring European company in the benchmark. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice.

LEADING PRACTICES

Recruitment: NXP reports on its progress with tracing labour agencies used in its supply chains. It discloses it has used Verité's Cumulus tool to conduct a due diligence assessment on 21 of its suppliers, resulting in the mapping of 32 receiving agents and 40 sending agents and covering the recruitment of 11,463 migrant workers.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: While the company discloses a first-tier supplier list that includes the names of its top 100 suppliers, the company is encouraged to additionally disclose the addresses of its suppliers. The company is further encouraged to demonstrate a strong understanding of its supply chains by disclosing data on its supply chain workforce, such as the percentage of women, migrant workers, and the percentage of workers being paid a living wage.

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.