SUSTAINABILITY
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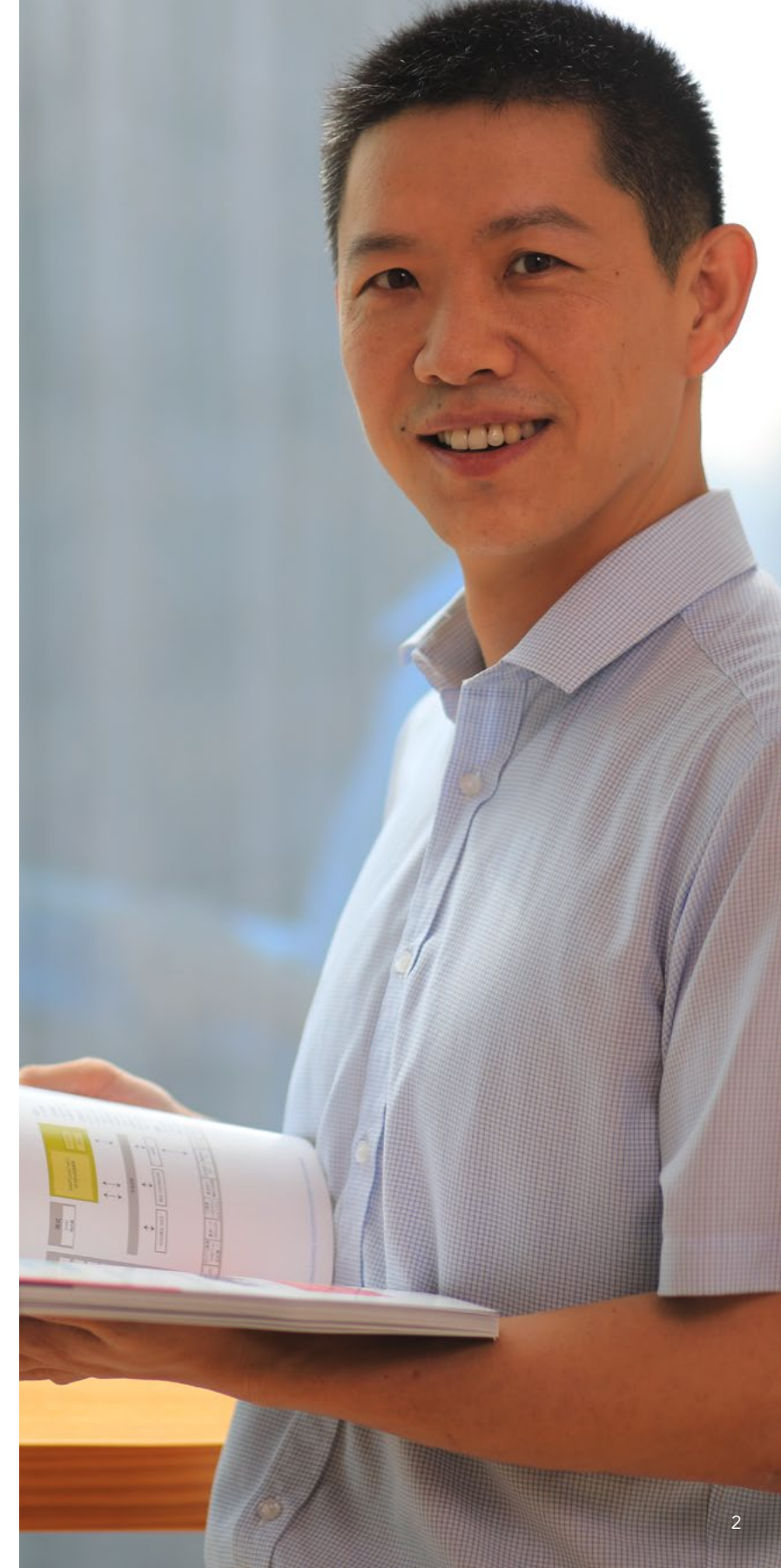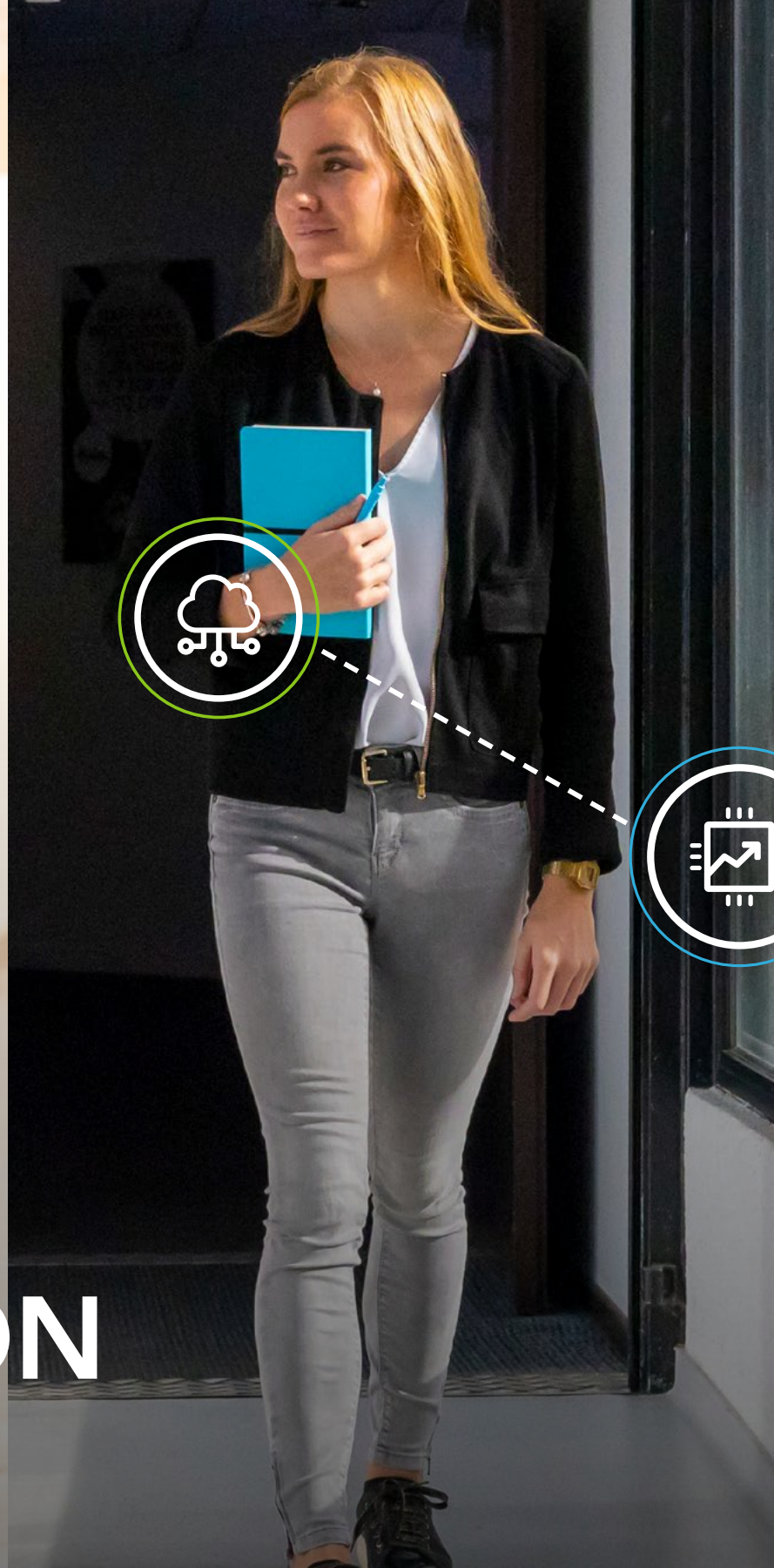
2022

NXP CORPORATE SUSTAINABILITY REPORT

NXP

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INTRODUCTION

A LETTER FROM OUR CEO

KURT SIEVERS
President and CEO,
NXP Semiconductors

At NXP, our core values of innovation, expertise, collaboration, ownership, and growth stand on a foundation of trust and respect. These principles guide us in everything we do; they define our culture and inform our way of working.

Our collective and individual expertise differentiates us in the marketplace, and enables us to create innovative solutions to advance a more sustainable world.

To progress on our sustainability journey, we work collaboratively across the company and with our customers, suppliers, other partners, and stakeholders.

We take ownership and hold ourselves accountable to our environmental, social, and governance goals, including achieving carbon neutrality by 2035. As further demonstration of our commitment, we incorporated sustainability goals into our Annual Incentive Plan.

What's more, we recognize that, to leverage our team's passion and winning spirit as we work toward our goals, we must ensure meaningful opportunities for growth and sustainable development.

From automotive to industrial, smart home to smart city, mobile to communications infrastructure, we develop innovative solutions to address major global needs. Below are just a few examples of solutions that NXP announced in 2022.

2022 SOLUTIONS

MCX portfolio of microcontrollers, which advance innovation in smart homes, factories and cities and across many emerging industrial and IoT edge applications

S32K39 series of automotive microcontrollers, which are optimized for electric vehicle (EV) control applications

S32Z and S32E processor families, which are critical to the next generation of safer and more efficient vehicles

RW612 and K32W148 devices, which are part of NXP's expanding portfolio of end-to-end Matter solutions, and help make smart homes more efficient and sustainable

A LETTER FROM OUR CEO

In addition to our breakthrough technologies, we remain constant in our commitment to sustainability and to making measurable year-on-year progress in many other areas as well. This dedication is reflected in our most recent MSCI ESG rating – upgraded from AA to AAA and largely driven by improvements in our corporate governance and management of conflict minerals – and in the many achievements of our team members. Here are just a few examples:

2022 ACCOMPLISHMENTS

Appointments – In early 2022, to further our ESG mission and underscore NXP's commitment to advancing a better, more sustainable world, we created a Chief Sustainability Officer role and named Jennifer Wuamett to that position in an extension of her existing responsibilities as General Counsel and ESG Management Board Chair.

Green Innovation Bond – In May 2022, we issued a third Green Innovation Bond for $1 billion USD, allowing the broader community to invest in our sustainability activities. Our 2022 Green Innovation Bond Report shares how we applied the proceeds and, where feasible, provides insight regarding the potential impact on global sustainability.

Diversity, Equality, and Inclusion – To drive results and progress towards achieving our 2025 representation goals, we grew our executive women population by 3 percentage points over the prior year, and women in R&D roles increased by 2 percentage points in 2022, a year in which we grew our overall population by 11%. We also announced the creation of the NXP Diversity Council.

Human Rights – Our new Human Rights Policy reaffirms our steadfast commitment to all international labor and human-rights laws and norms, along with the business practices and technologies that contribute to protecting and respecting human rights worldwide.

Health and Safety – Providing our team members with a safe and healthy work environment remains a top priority at NXP. In 2022, we conducted a global team-member safety survey, a follow-up to our 2019 survey, to seek feedback on opportunities for improvement. Overall, 94% of respondents said that safety concerns are a high priority for NXP, and 98% of respondents felt that safety starts with them. We will continue to address individual site opportunities based on the results. We maintained our low injury rate of 0.10 (per 100 employees/working hours), keeping us well below the semiconductor industry average.

Carbon Footprint – In 2022, we continued our efforts to limit the emission of greenhouse gases (GHGs), and succeeded in reducing our normalized carbon footprint (Scope 1 & 2 emissions) by 9% compared to 2021. We also increased our renewable electricity usage from 31% in 2021 to 35% in 2022.

Looking Ahead

Innovation is an integral part of improving every aspect of daily life, whether it's how we manage our health and wellness, how we access goods, services, and information, or how we work and play.

That's why I'm proud that at NXP, we bring together bright minds to create breakthrough technologies that make the connected world better, safer, and more secure.

We look forward to creating new possibilities and building innovative solutions that advance society and contribute to the sustainable future of our planet.

AN ESG MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

JENNIFER WUAMETT
NXP Executive Vice President, General Counsel, and Chief Sustainability Officer

NXP is committed to enabling a better, safer, more secure, and more sustainable world through innovation. Our environmental, social, and governance (ESG) mission and strategy are dedicated to continuous improvement – from designing and manufacturing technology that positively impacts the planet and society, to achieving carbon neutrality in our operations, increasing the number of women globally and underrepresented minorities in the United States, and preventing human rights abuses throughout our supply chain.

Last year we announced our mid- and long-term ESG goals, including reducing our carbon footprint 35% by 2027 and becoming a carbon-neutral company by 2035. In March, to accomplish our ambitions for reducing carbon emissions, we signed on to the Science Based Targets initiative (SBTi) as part of our commitment to fight climate change and limit global warming to 1.5 °C. Also in 2022, we developed a comprehensive roadmap for carbon reduction and exceeded our goal of limiting our carbon emissions to less than 1,250 kTons of CO_2e and maintaining our average company-wide use of renewable electricity at greater than 29%. We ended 2022 at 1,099 kTons of CO_2e and increased our renewable electricity usage to 35%.

NXP considers water a limited and scarce resource. We are working to reduce our impact on water supplies by increasing our water-recycling rates. In 2022, we created an updated roadmap to take this recycling journey to the next level and lay the groundwork for achieving our longer-term goal of reaching a water recycling rate of 60% by 2027.

Contributing to our roadmaps for carbon reduction and water recycling were the hundreds of project proposals we generated from across our Global Operations Team in 2022.

AN ESG MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER

Other ways we continued our ESG progress in 2022 include:

ESG Oversight and Governance

Sustainability is integral to NXP's long-term business strategy, and our Board of Directors has ultimate oversight responsibility for ESG matters. Our ESG Management Board – comprised of several of our CEO's direct reports – oversees the execution of our ESG strategy and ensures appropriate resourcing. Additionally, in 2022, we announced our underlying ESG program structure, built around seven pillars (People, Sustainable Manufacturing, Supplier Management, Strategic Business Model, Reporting, Brand and Reputation, and Governance), along with the responsible owners for each of these areas and supporting project leaders. As further demonstration of our commitment, we've also incorporated sustainability goals into our Annual Incentive Plan.

Shareholder Engagement

When looking for sound investments, today's investors go beyond baseline financial factors to consider sustainable and ethical business practices, too. We believe that regular engagement with our shareholders helps them understand their investment in NXP and helps us identify and respond to their questions and concerns. In 2022, in addition to regular investor engagements with our CEO, CFO, and other executives, we facilitated ongoing dialogue between the governance and stewardship groups of our major shareholders and key members of our Board of Directors. These discussions focused on management oversight, corporate governance, human capital management, and environmental, social, and governance (ESG) topics. As a result, we gained valuable feedback and answered important shareholder questions on governance topics and other ESG-related issues.

Internal Engagement

Members of NXP's "No eXtra Planet" Employee Resource Group (ERG) are environmental-protection enthusiasts, concerned about the ongoing climate and biodiversity crisis. The group creates opportunities for team members across the globe to actively engage in and support NXP's journey to climate neutrality through ongoing dialogue and grassroot actions.

In 2022, as part of supporting NXP team-member growth and development, the leaders and core members of the ERG participated in a two-day workshop on leading climate initiatives to gain skills for driving positive change toward a more sustainable future through innovation.

No eXtra Planet and the Sustainability Office also spearheaded a multitude of Earth Day activities around the world as part of their initiatives to act locally, think globally.

Looking Ahead

We are committed to our ESG journey and dedicated to driving further advancements. We will continue to regularly review our progress towards our ESG goals to ensure we are taking appropriate actions as we focus on short-term objectives and pursue our longer-term strategies.

We are passionate about enabling a better, safer, more secure world, and are excited to continue working with our partners and stakeholders to 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 a number of global voluntary sustainability reporting frameworks. We developed this Report with reference to the Global Reporting Initiative (GRI) Standards. This report also aligns with other leading reporting frameworks, such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). We report annually with our Communication on Progress to the United Nations Global Compact and align with the United Nations Sustainable Development Goals (SDGs).

Data presented in this Report covers the 2022 calendar year (January 1 to December 31), unless otherwise stated.

ADDITIONAL DISCLOSURES
We provide additional ESG information in three documents: our Form 10-K, our Proxy Statement, and our Statutory Annual Report – which is prepared in accordance with Dutch law and the International Finance Reporting Standards. These three documents are available on our Investor Relations website.

SCOPE
This report covers our worldwide locations and joint ventures for which we have management control. Environmental data includes 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 a number of 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
In preparing this Report, 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 online survey, focusing on ESG topics, of over 250 internal and external stakeholders, including shareholders, customers, suppliers, and industry associations. The survey posed a total of 30 ESG- and economy-related questions. In addition to the survey, we also reviewed several of our peer's sustainability disclosures, and included current reporting frameworks, applicable standards and rating agencies, such as CDP, GRI, SASB, MSCI, ISS ESG, and Sustainalytics. This comprehensive stakeholder assessment yielded the current and emerging focus areas shown below.

The results from the 2021 stakeholder assessment continue to inform our reporting. In 2022, we incorporated feedback from various stakeholder engagements from throughout the year, but our list of current focus areas remains unchanged since 2021. In the coming years, we plan to conduct additional assessments to determine topic materiality.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Current Focus Areas		
Environmental Impact and Climate Change	Health and Safety	Cybersecurity
	Human Rights	Ethics
	Non-Discrimination	Responsible Supply Chain
Emerging Focus Areas		
Carbon Neutrality	Diversity, Equality, and Inclusion	
Product Sustainability		

Contact Us

We value everyone's 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, our Sustainability Stories magazine, or you can contact our team directly at CSR@nxp.com.

2022 ESG HIGHLIGHTS
ACCOMPLISHMENTS AND AWARDS DEMONSTRATING
CONTINUOUS IMPROVEMENT

2022 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS

ENVIRONMENTAL

Developed Roadmaps for Carbon Neutrality and Water Recycling

9% Decrease in Normalized Scope 1 & 2 Emissions from 2021

35% Renewable Electricity Use

Joined the **Semiconductor Climate Consortium** as a Founding Member

48% of Wastewater Recycled

83% of Waste Recycled

11% Decrease in Hazardous Waste

SOCIAL

97% Favorability from Winning Culture Survey Respondents

2+ Percentage-Point Increase of Women Team Members in R&D and Executive Positions

2 Percentage-Point Increase of US Underrepresented Minority Representation

Of US New College Graduate Hires, **35%** were Women and **66%** were Underrepresented Minorities

19 Employer Awards and Recognitions from 10 Countries and Regions

Maintained a low Total Case Incident Rate (TCIR) of **0.10**

Published NXP's First **Extended Minerals Reporting Template (EMRT)**

GOVERNANCE AND ECONOMIC IMPACT

AAA MSCI ESG Rating

$1B USD Green Innovation Bond

Added a Sustainability Component to our **Short-Term Annual Incentive Plan** for All Employees

Published NXP's First **Human Rights Policy**

99% of Suppliers Signed the NXP Supplier Code of Conduct Conformity Statement

King Willem I Award For **Sustainable Entrepreneur-ship**

KLM Royal Dutch Airlines **Sustainability Award**

OUR BUSINESS
ADVANCING A BETTER, SAFER,
AND MORE SUSTAINABLE WORLD

OVERVIEW

NXP Semiconductors N.V. (NASDAQ: NXPI), headquartered in Eindhoven, the Netherlands, is a leader in secure connectivity solutions for embedded applications in the following end markets: Automotive, Industrial and Internet of Things (IoT), Mobile, and Communications Infrastructure.

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 and IoT, Mobile, and Communications Infrastructure.

Advancing a Better, Safer, and More Sustainable World

NXP is pushing boundaries and 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.

+60 Years of Combined Experience and Expertise	~34,500[1] Team Members	+30 Countries Worldwide	$13.21 B USD 2022 Revenue	~9,500 Patent Families Owned

[1] On December 31, 2022, we had approximately 34,500 employees, including approximately 1,500 employees in our joint venture.

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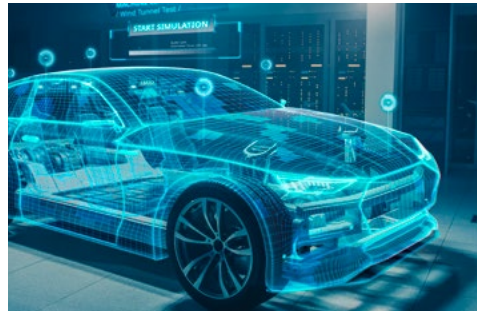
AUTOMOTIVE
We provide the foundation for vehicles that can sense, think, connect, and act with confidence, so drivers enjoy more convenience, safety, and comfort while on the road. Our technologies are enabling the future of safe and secure mobility, and support greener driving through enhanced efficiency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

COMMUNICATIONS 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 RF power technologies.

NXP's Unrivaled Technology Portfolio for the Secure Edge

SENSE	THINK	CONNECT	ACT
Everything Aware	Everything Smart	Everything Connected	Everything Efficient

🔒 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, and more sustainable.

OVERVIEW

WORLDWIDE MANUFACTURING SITE LOCATIONS

ATMC
Austin
Copper Technologies

Oak Hill
Austin
Aluminium Technologies

Chandler, GaN
Chandler
Aluminium Technologies

Nijmegen
Aluminium Technologies

Tianjin

Kaohsiung

Bangkok

SSMC[2]
Singapore
Aluminium Technologies

Kuala Lumpur

- Wafer Manufacturing Sites
- Assembly and Test Sites
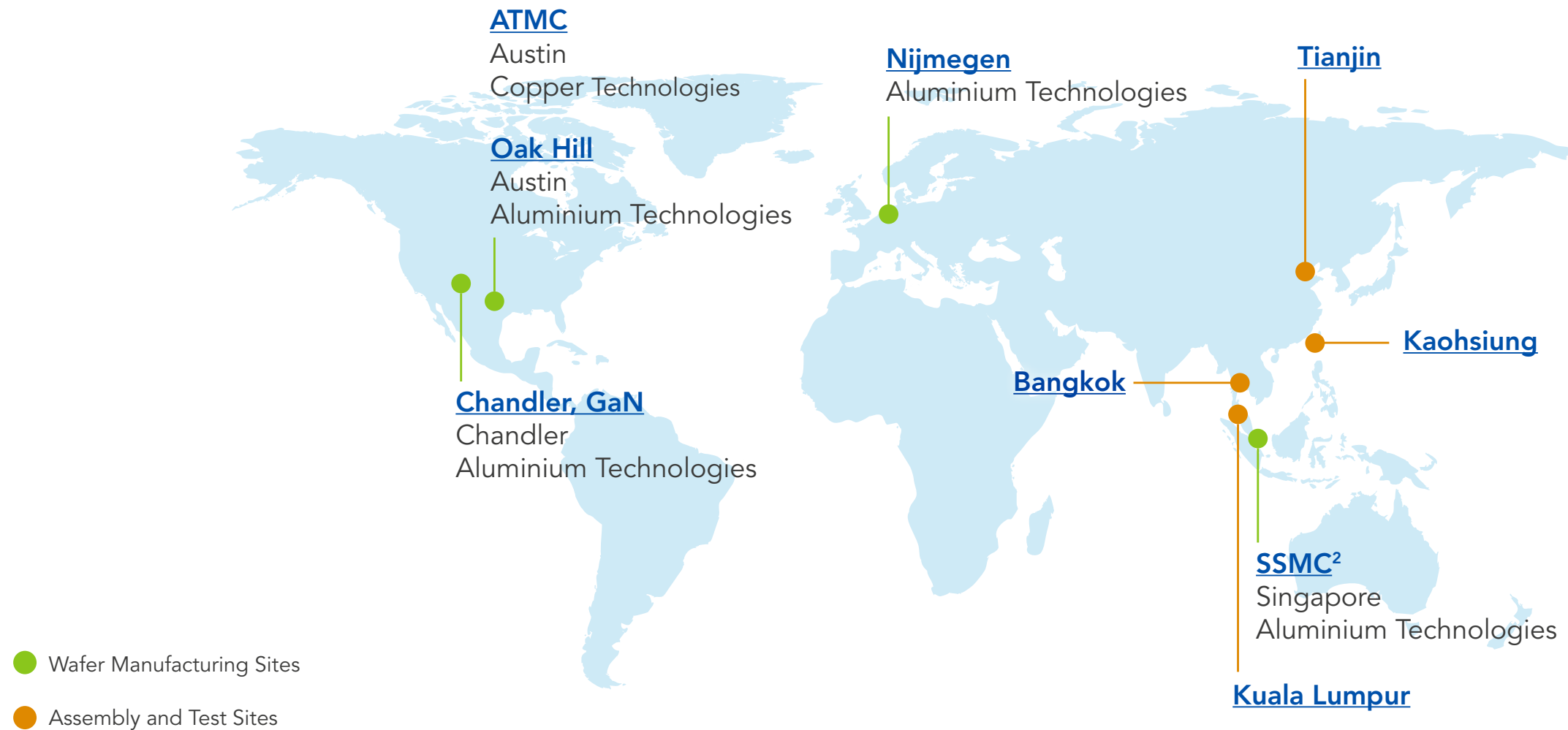
[2] SSMC is a Joint Venture

STAKEHOLDER ENGAGEMENT

Stakeholder feedback is an important part of our environmental, social, and governance (ESG) strategy, helping us evolve our processes and culture while also guiding product development.

INTERNAL STAKEHOLDER ENGAGEMENT
We share our progress with our teams around the world to foster active engagement with and adoption of our ESG activities. We also recognize that sustainability and green engineering are important topics for our current and future team members. We encourage the support of Employee Resource Groups (ERGs) to further the Corporate efforts through local activities. There are ten ERGs to date that focus on a variety of topics, including the Black Achievement & Leadership Team (BALT), Women in NXP (WiN), and No eXtra Planet, which uses its activities and communications to encourage participation in environmental events and activities such as world Earth Day, green mobility, and eco-friendly business practices.

We communicate with our team members through numerous platforms and channels, including town halls, meetings, our intranet and internet sites, internal messages, social media, blog posts, and newsletters that report on NXP's sustainability efforts and other key business activities. In 2022, we continued to publish NXP's Sustainability Stories magazine, which chronicles our journey toward making the world smarter and more sustainable.

We conduct confidential team-member pulse surveys to gauge how our team members view 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, by acknowledging their viewpoints and demonstrating respect for our shared priorities, when making business decisions. We believe this approach reflects our commitment to transparency and accountability, and ultimately contributes to long-term value.

We communicate NXP's sustainability efforts and other key business activities through numerous platforms and digital channels, including events, customer meetings, our website, social media, blog posts, and newsletters. In 2022, we published two new issues of our Sustainability Stories magazine, covering a variety of topics, including advancements in automotive innovation, our Diversity, Equality, and Inclusion (DE&I) efforts, and employee initiatives.

STAKEHOLDER ENGAGEMENT

The table below gives examples of how we engaged with internal and external stakeholders in 2022. Frequency and type of engagement varies by stakeholder group and is tailored to stakeholder requirements.

2022 Sustainability Stakeholder Engagement			
Stakeholder	**Engagement**	**Feedback**	**Outcomes and Follow-Up**
SEMI Semiconductor Climate Consortium (SCC)	Joined as a founding member.	Collaboration on best practices and innovation to accelerate the semiconductor industry's efforts to reduce the emission of greenhouse gases.	Leveraged expertise and resources in various portions of the supply chain to continue to expand NXP's capability to positively impact our carbon footprint. The SCC expects to announce a governing committee and several working groups in early 2023.
Shareholders	In 2022, our Chairman and other representatives from our Board of Directors, our Management Team, Investor Relations, Corporate Sustainability, and other internal groups met to discuss ESG issues with our shareholders. Conducted proactive outreach with our major active shareholders and had interactive discussions with those who had specific ESG requests.	Inquiries regarding our carbon-neutrality programs, our commitment to the Science Based Targets initiative (SBTi), the ability to adequately monitor Scope 3 emissions, focus on emerging regulatory requirements such as the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD), increased reporting transparency on gender pay differential, increased disclosure on Diversity, Equality, and Inclusion (DE&I) metrics, and aligning ESG goals with compensation.	Expanded the Nominating and Governance Committee, and renamed it the Nominating Governance, and Sustainability Committee, to emphasize committee oversight for our Sustainability Program, its policies, and goals. In 2022, the Board of Directors approved our mid- and longer-term ESG goals and the alignment of our 2022 Annual Incentive Plan (AIP) with the ESG scorecard. Committed to SBTi targets in 2022. Updated supplier questionnaires to determine NXP's upstream Scope 3 emissions and began to prepare for emerging regulatory requirements. This Report includes additional disclosures on DE&I.
Team Members	Continued our commitment to team-member engagement by using our annual Winning Culture Survey to ask a select group of team members, from around the world, about a variety of factors.	2022 Winning Culture Survey results were positive in most areas, including favorability, collaboration and accountability, and showed team members feel engaged, have pride in the company, and believe that NXP is a great place to work. Areas of focus included talent growth and development and employee well-being.	NXP introduced new Talent and Development programs and Global Recharge Days. To view specific details about these programs, refer to the "Driving Team-Member Engagement" section in this year's report.

STAKEHOLDER ENGAGEMENT

2022 Sustainability Stakeholder Engagement			
Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Suppliers	Continued to conduct onsite and remote social-responsibility audits, and collaborated with industry peers through the Responsible Business Alliance Validated Assessment Program (VAP). Increased social-responsibility training for suppliers.	Top three supplier audit nonconformances: Freely Chosen Employment, Emergency Preparedness, and Working Hours.	Supplier Corrective Action Plans are 88% closed. Increased supplier training, with a focus on NXP's priority requirements and the top three nonconformances.
Customers	Participated in conferences, customer product launches, and trade shows, as well as regular business-review meetings. Conducted a customer-satisfaction survey, using the Net Promoter Score method, and performed a separate customer survey focused on ESG requirements. Hosted education and training events. Responded to questions and requests relating to compliance, legal, and regulatory issues, as well as general sustainability inquiries.	Alignment with customer priorities for emerging regulatory requirements. Need for more detailed sustainability reporting with emphasis on climate change and the carbon footprint of products.	Published our mid-term and long-term ESG/Sustainability goals and shared them with our customers. Continued to work on carbon neutrality roadmaps including the increase of renewable electricity use. Started working on future Scope 3 reporting and setting up systems to report on product carbon foot-printing.
Responsible Business Alliance (RBA)	Attended monthly and quarterly calls as a Board member and RBA Full Member.	Alignment with the industry and member companies on salient issues regarding labor and human rights.	Worked with the RBA to develop a tool that will help us map our supply chain beyond Tier 1. Provided input to a gap analysis between the RBA's due-diligence schemes and proposed human-rights due-diligence regulation in the EU and the US. Participated in strategy sessions to define the RBA's approach to climate change and environmental issues in the supply chain.
Responsible Labor Initiative (RLI)	Attended monthly workgroup meetings and, as a Board delegate, attended quarterly Steering Committee meetings.	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.

STAKEHOLDER ENGAGEMENT

2022 Sustainability Stakeholder Engagement			
Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Responsible Mineral Initiative (RMI)	Attended annual member meeting, monthly plenary meetings, smelter engagement team meetings, and various conference calls organized by the RMI.	Tools and resources to make sustainable decisions about mineral sourcing.	Upgraded tools for new Conflict Minerals Reporting Template (CMRT) and updated Extended Minerals Reporting Template (EMRT).
Global Business Initiative (GBI)	Attended two peer-learning meetings for members, various ad hoc meetings, and conference calls organized by the GBI. Promoted NXP's work on access to remedy for vulnerable migrant workers.	Multi-industry human-rights best practices for businesses.	Enhanced and strengthened human-rights due diligence across NXP value chain, in preparation for upcoming mandatory regulations. Continued to learn and share successes and challenges in implementing the UN Guiding Principles, in a multi-sectorial setting.
European Partnership for Responsible Minerals (EPRM)	Participated in Governance Board meetings, bi-annual member meetings, 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.
UN Global Compact (UNGC)	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. Created a link between the UN's Sustainable Development Goals (SDGs) and NXP's ESG Program.
World Semiconductor Council (WSC)	Chaired the Responsible Sourcing and the Health and Safety workgroups, and attended two WSC meetings, several workgroup meetings, and various expert calls.	Best practices for responsible sourcing of minerals and Health and Safety practices.	Applying best practices to advance our Health and Safety programs. Annual collection of Health and Safety data from member companies. Kept track of legal developments and aligned with other industry initiatives. Published an update in the WSC joint statement.

STAKEHOLDER ENGAGEMENT

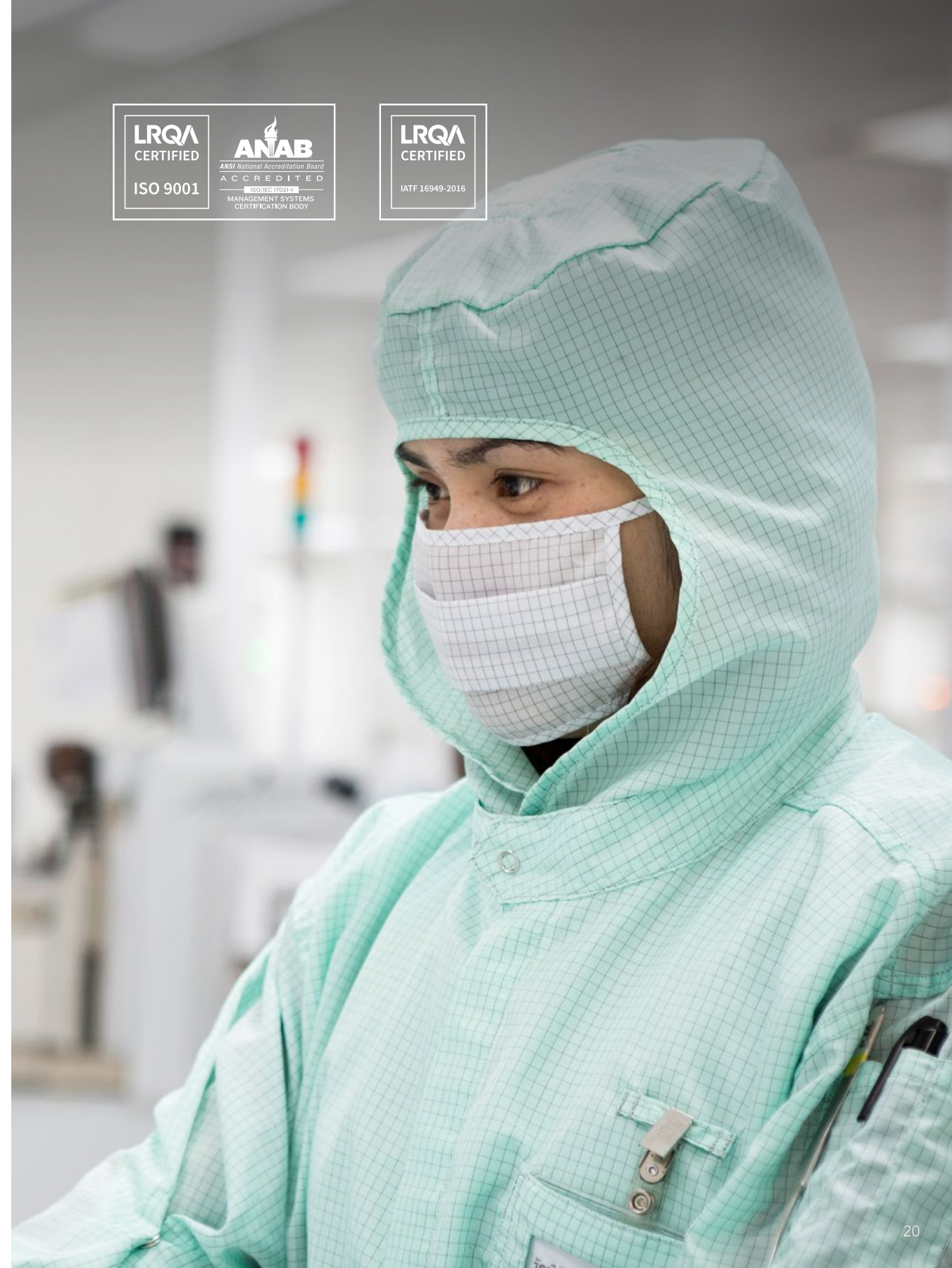| 2022 Sustainability Stakeholder Engagement			
Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
European Semiconductor Industry Association (ESIA)	Chaired ESIA Responsible Sourcing workgroup, actively participated in several Environment, Safety, and Health workgroups, the EU Taxonomy workgroup, and the EU Human-Rights Due-Diligence workgroup.	Shared insights on various EU initiatives and proposed regulations.	Participated in several consultations from the EU Commission on new regulations concerning sustainability and human rights. Completed business-impact assessments for proposed regulations.
Cumulus	Conducted due-diligence exercises relating to migrant workers and broker supply chain of selected suppliers.	Increased transparency to the migrant-worker supply chain.	Used the Cumulus database's mapping capabilities to better understand the complexities of multi-tiered labor recruitment in the supply chain, and how to reduce the risks associated with this type of recruitment.
Verité	Conducted third-party audits on social responsibility, supported by consultation and collaboration, to review NXP's Social Responsibility program. Supported capacity-building in NXP's Social Responsibility programs at NXP sites and in the supply chain.	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.

TOTAL QUALITY

We are committed to operating according to stringent, internationally recognized requirements for quality and reliability. All our manufacturing sites are ISO 9001 certified, and our sites that manufacture automotive products are IATF 16949 certified, too.

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

TOTAL QUALITY MINDSET

First–time–right development, designs, and qualifications

Deliver zero defects to our customers

Provide flawless customer support

We believe Total Quality is 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

INNOVATING TO SAVE ENERGY
AND IMPROVE HOW WE LIVE

PRODUCT SOLUTIONS CONTRIBUTING TO SUSTAINABILITY

At the core of our solutions is our commitment to our global community. We understand that smart and innovative technologies can help bring us all to a more sustainable future. For this reason, we develop solutions aimed at major global needs – from energy efficiency and greener mobility to food security.

This section highlights some of the ways we've addressed these global needs, by introducing innovations across key markets.

AUTOMOTIVE – CONNECTED EXPERIENCE; USING LESS AND SAVING MORE
Electric vehicles (EVs) have become a major part of the transition to greener mobility. Efficiency is a vital part of optimizing EV applications, such as battery management, power conversion, and distribution, because it helps prolong the useful lifetime of EV components.

Our EV components are used throughout the electric powertrain, and our connected EV system solutions — which include the GreenBox real-time development platform and the Goldbox vehicle network reference design — put carmakers on the fast track to building greener innovations. Our EV solutions help improve energy management, extend range, add efficiency, and, by enabling seamless connectivity and safety-critical software updates delivered directly to the vehicle, help keep both the car and the driver safe.
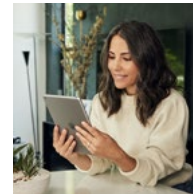
SMART HOME – ENABLING LITTLE ACTIONS FOR BIG IMPACTS
In 2022, we introduced Ultra Wideband (UWB) radar for presence detection. In smart homes, presence detection lets light, sound, and other functions follow you from room to room, so you only use energy where it's really needed.

Our Machine Learning (ML) and Artificial Intelligence (AI) solutions, supported by our i.MX 8M Plus microprocessors, can help save energy in other, unexpected ways, too. Our smart refrigerator system, for example, can track the freshness of fruits, vegetables, and other perishables. That helps reduce food waste, and makes it easier for households to save on groceries and send less unused food to land-fills. Extend that benefit across entire communities, and there's more food available for emergencies and humanitarian purposes, and less energy used to produce and deliver food overall.

SMART CITY – FOCUSING ON EFFICIENCY
MIFARE 2GO brings mobile ticketing to the busiest cities in the world, making it more convenient to use public transport. With MIFARE 2GO, transit agencies benefit from reduced cash handling, decreased card lifecycle management (less paper and plastic), and lower infrastructure costs, while offering time savings for passengers.

At the edge of the network, in the Internet of Things (IoT), our sustainable technologies help promote energy efficiency. Our Green IoT innovation enables smart farming, so it takes less energy to grow a larger quantity of quality products. What's more, to make logistics more environmentally friendly, we're using our expertise in mobile robotics to help create low-power industrial drones and rovers that can be used for rapid response and zero-contact delivery.

PRODUCT SOLUTIONS CONTRIBUTING TO SUSTAINABILITY
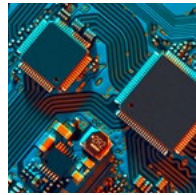
INDUSTRIAL – BRINGING THE HEALTH OF PEOPLE AND MACHINERY
TO THE FOREFRONT

Agriculture, raw materials, manufacturing, energy grids, supply chains – in every industrial sector, significant resources are dedicated to the creation and maintenance of mission-critical applications. We believe predictive maintenance, which helps keep industrial processes up and running, is an important part of using those resources wisely and extending product life. Our AI and ML solutions make predictive maintenance even more seamless, by making it easier to monitor status, avoid downtime, streamline repairs, and, ultimately, keep industry moving.

A growing number of our solutions are integrated into medical products that make healthy living more achievable. Whether it's in a medical facility or at home, NXP-enabled monitoring systems provide accurate status and alerts, which can help save lives by delivering remote diagnostics and prompting earlier action and treatment.

MOBILE – ENABLING SMART WEARABLE TECHNOLOGY

Consumers around the world are increasingly comfortable with wearable devices, and are using these devices to track and monitor their health and well-being. Technology needs to keep pace with demand, delivering the right mix of battery life, precision, connectivity, and security. Our i.MX RT crossover microprocessors balance high performance with power efficiency, and offer as much as three weeks of battery life on a single charge.

COMMUNICATIONS INFRASTRUCTURE – CONNECTING THE DOTS WITH
DATA CENTER PRODUCTIVITY

When it comes to addressing environmental and social challenges, the importance of data cannot be overstated. Seamless data management is crucial to solving these challenges – from tracking progress to evaluating impacts and making informed predictions. Building on our deep technological expertise, we are creating solutions that make data centers more efficient, more secure, and more flexible.

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 for updates, news, and other insights.

NXP in Action

We know first-hand the power of bringing together bright minds to address the challenges we face.

We experience it every day as a company, on our journey toward a smarter, safer and more sustainable world. We also know that, given the platform, our communities are likely to join us on that journey.

Our annual HoverGames Challenge is a virtual coding and hardware challenge, held over several months, to address some of society's biggest challenges, including disaster management, health crises, environmental protection, and wildlife preservation. Each edition is unique and has its own rules and judging criteria. In 2022-23, the challenge explores how drones and rovers can help achieve a sustainable food ecosystem. Find out more about HoverGames here.

GREEN INNOVATION BOND

On April 29, 2020, NXP was one of the first semiconductor companies to issue a green innovation bond, raising $1 billion USD in proceeds for climate-related and environmental initiatives for both R&D and other green projects. Since then, we have issued two more such bonds — one on May 4, 202 for $1 billion USD and one on May 16, 2022 for another $1 billion USD. All the proceeds of these offerings are allocated to Eligible Green Projects defined in our Green Innovation Bond Framework.

In the Economy section of our Sustainability and ESG website, we've posted our 2022 Green Innovation Bond Report, which describes how we applied the proceeds and, where feasible, provides insight regarding the potential impact on global sustainability.

GREEN INNOVATION BOND: ALLOCATION BY UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

Green innovation bond
$1,000,000,000 USD 3.4% notes, due May 1, 2030

Allocation by SDG		Amount in $ Millions USD		
		2019	2020	2021
7 AFFORDABLE AND CLEAN ENERGY	1. Energy efficiency in power adaptors 4. Significantly reducing power consumption of 5G networks 5. Edge processing reducing the need for energy–hungry cloud services 6. Smart buildings	160.8	144.8	86.3
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	7. Green project related to our manufacturing and non–manufacturing facilities	1.5	3.7	–
11 SUSTAINABLE CITIES AND COMMUNITIES	2. Smart mobility 3. Preventing emissions through automated and connected traffic	209.9	264.6	128.4
Total		**372.2**	**413.1**	**214.7**

Green innovation bond
$1,000,000,000 USD 2.5%, due May 11, 2031

Allocation by SDG		Amount in $ Millions USD	
		2021	2022
7 AFFORDABLE AND CLEAN ENERGY	1. Energy efficiency in power adaptors 4. Significantly reducing power consumption of 5G networks 5. Edge processing reducing the need for energy–hungry cloud services 6. Smart buildings	258.5	138.4
11 SUSTAINABLE CITIES AND COMMUNITIES	2. Smart mobility 3. Preventing emissions through automated and connected traffic	389.9	213.3
Total		**648.3**	**351.7**

GREEN INNOVATION BOND

Green innovation bond
$1,000,000,000 USD 5.0%, due January 15, 2033

Allocation by SDG		Amount in $ Millions USD
		2022
7 AFFORDABLE AND CLEAN ENERGY	1. Energy efficiency in power adaptors 4. Significantly reducing power consumption of 5G networks 5. Edge processing reducing the need for energy–hungry cloud services 6. Smart buildings	390.5
11 SUSTAINABLE CITIES AND COMMUNITIES	2. Smart mobility 3. Preventing emissions through automated and connected traffic	609.5
Total		**1000.0**

TAXATION

We comply with all applicable tax laws

We align our profit allocation with international (OECD) tax principles

We use tax incentives to directly support innovation and R&D

We have zero tolerance for tax evasion

We have no presence in countries on the EU's list of non-cooperative jurisdictions

We are open and transparent with tax authorities

Since our founding as a company, NXP has applied a tax strategy that is sustainable, transparent, and fully aligned with well-known and widely recognized international tax principles. In keeping with this approach, this section on taxation describes the same policies as in prior years.

We believe sustainability is about "doing the right thing," and that's why we are a responsible, accountable taxpayer. At the same time, transparency helps us offer insights for a better-informed public debate, and invites public examination. The result is an approach to taxes that helps us contribute to the overall welfare of society.

To further enhance sustainability, we disclose how we manage our tax obligations. Our quantitative tax effects are detailed in our published financial documents.

Also, to demonstrate transparency with our stakeholders, we will soon begin disclosing country-specific tax information, in keeping with the EU directive on public, country-by-country reporting.

OUR APPROACH TO TAX

NXP's 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. 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.

NXP aims to support stable, transparent, and predictable tax systems that incentivize long-term investments and economic growth. NXP consistently maintains strict adherence with the applicable tax laws of the jurisdictions where it operates, always taking into consideration the ultimate purpose of these laws.

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 UN's Sustainable Development Goals (SDGs).

NXP invests in R&D, manufacturing, and go-to-market activities using a cross-functional model, leveraged by multiple organizations globally. The resulting supply chain and product development are the foundation of NXP's structure for transfer pricing.

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, which 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 intragroup transfers that involve cross-border payments within the group. To ensure that all intragroup parties involved get a fair remuneration for the services they render, internal cross-border transactions use the same pricing structure as transfers occurring between independent parties.

Given the increased importance of transfer pricing as a method for reaching a fair profit allocation between jurisdictions, NXP continuously reviews NXP's taxation strategy to make sure it is aligned with the businesses in the respective legal entities through which the company operates. Furthermore, NXP benchmarks and compares intragroup transfer prices to ensure that we use what's known as a policy of "arm's length transfer pricing," which means the price is comparable to what it would have been if the parties weren't related.

TAXATION

NXP is fully committed to the Action Plan promoted by the OECD to prevent Base Erosion and Profit Shifting (BEPS). 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.

NXP does not have a 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. Upon business acquisition, NXP's Tax Team ensures that the acquired structure aligns with NXP's Transfer Pricing Policy.

TAX GOVERNANCE

NXP reviews and approves tax plans and targets annually, consistent with industry-wide, best-in-class control and governance frameworks. 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.

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 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. To ensure the identification and resolution of tax issues in a timely fashion, NXP's global framework operates through regional and functional dimensions.

The Tax Team continuously monitors the processes for tax accounting, tax compliance, and reporting, to identify and manage potential risks. The Team documents every stage of the process. When the Team identifies potential risks, NXP's Tax Team applies critical and professional reasoning on an issue-by-issue basis to balance the acceptable risk limits as they relate to taxes. In addition, to support transparent financial reporting, NXP follows Generally Accepted Accounting Principles (GAAP), 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, or 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, grounded on ethical integrity, collaboration, and mutual respect. For all requests of information or audits, we provide the required documentation in a timely manner. An example of NXP fostering and maintaining long-term relationships with tax authorities is the participation of NXP in a cooperative compliance program available for large taxpayers headquartered in the Netherlands.

Furthermore, NXP provides feedback and insights to governments and international organizations, such as the OECD and local tax authorities, from our perspective as a multinational corporation and a member of the semiconductor industry.

An example of NXP engaging with stakeholders is NXP's participation in the European Business Tax Forum (EBTF), a leading body of European businesses dedicated to raising the standards on responsible tax practices and transparency.
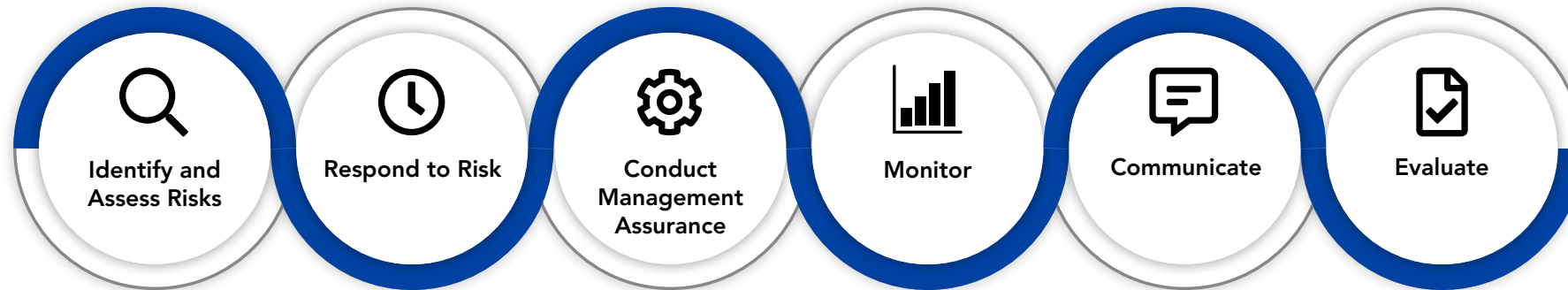
ENTERPRISE RISK MANAGEMENT

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 key risks impacting NXP's strategic objectives.

The objectives of our ERM process are as follows:

• Identify our key risks in a timely manner, based upon quantitative and qualitative factors
• Mitigate risk and keep risk impact at acceptable levels, particularly those risks that could result in a strategic impact event
• Ensure there is an effective risk-management framework in place which covers our key risks and is supported by risk-monitoring mechanisms
• Prioritize and align risk-management efforts, to use resources effectively
• Ensure risk-management governance, including quarterly reporting and evaluation

Key ERM activities include:

Identify and Assess Risks — Respond to Risk — Conduct Management Assurance — Monitor — Communicate — Evaluate

Our procedures include plans for reasonable coverage of potential key 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 key risks. The NXP Management Team oversees, identifies, and manages the key risks NXP faces in executing its strategy, defines risk appetite, and manages risks accordingly.

The ERM function helps NXP management make risk management more efficient and effective, by providing and maintaining a risk-management framework, as well as a risk-monitoring mechanism, and by facilitating 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 is a reflection of the semiconductor industry as a whole. Our risk appetite is different for different risks and therefore the level of mitigation varies. For mitigation of the operational, financial disclosure, and compliance risks we rely on our framework of business controls, process, and authorizations.

BUSINESS CONTINUITY

NXP takes ongoing actions to avoid business interruptions that may affect our team members, customers, suppliers, communities, investors, or other stakeholders. We also prepare for potential interruptions, so as to avoid or minimize their impact, and so we can ensure continued business operations. Whenever business disruptions do occur, NXP provides those affected with timely and accurate information. We regularly review our Business Continuity and Crisis Management Programs, and our response to interruptions, to identify lessons learned and implement actions for continuous improvement.

THE COVID-19 PANDEMIC
In 2022, Corporate and Site Business Continuity Teams continued to monitor developments and impacts related to the COVID-19 pandemic. They provided assistance to NXP team members, and monitored adherence to internal and governmental health and safety protocols, to assure worker protection and continuance of business operations.

RUSSIA-UKRAINE CONFLICT
Our Business Continuity and Crisis Management Teams worked to anticipate and respond to risks related to the conflict between Russia and Ukraine. First, we worked to ensure the safety of team members and confirm contingency plans for operations in Europe. We also evaluated risks to our supply chain, including energy and raw materials. Corporate and Site Business Continuity Teams took proactive steps to avoid or minimize the potential for disruptions from our suppliers and to our business operations.

PROGRAM AND TEAMS
NXP's Business Continuity Program 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 program, visit this link.

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, supplies (such as wafers, chemicals, and gases), structures, manufacturing tool-sets, facility systems, and utility infrastructure. 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, escalate issues to the Corporate Team for additional assistance.
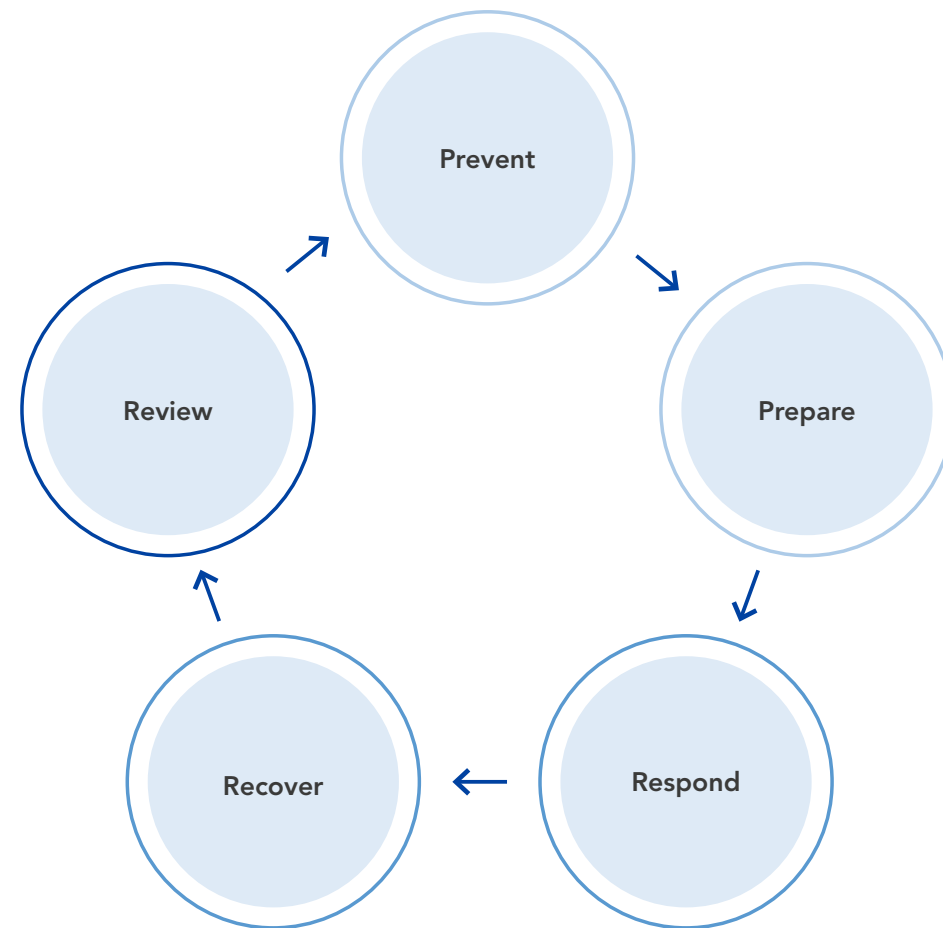
BUSINESS CONTINUITY

Site Assets Risk Management

Sites, Utilities, and Natural Hazards

Product Supply Continuity

Product Delivery

NXP Global Crisis Management and Business Continuity

Protection of Information

IT Systems

Procurement Continuity

Material Delivery

BUSINESS IMPACT AND RISK 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, including natural-hazard events. 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 potential events.

TRAINING AND TESTING

Teams conduct regular training and testing/drills. This builds awareness and spreads knowledge about how to handle disruptive events. Training covers key roles and responsibilities, crisis-management protocols, 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 disruptions caused by events such as equipment failures, externally provided products, processes and services, natural disasters, fires, utility interruptions, labor shortages, and IT issues and cyber-attacks.

NOTIFICATION

We utilize multiple internal and external alert systems to notify us if there are incidents at or near our sites so responses can begin quickly at the local, regional, or global level. We also use a geographic information system that includes the latitudes and longitudes of our suppliers so we can identify incidents that may affect them.

Teams are notified whenever events happen, and this immediately triggers an assessment and action-planning process. If the event may impact our supply or business continuity, we take immediate mitigation actions. Proactive and timely communication with our customers is a key part of this process.

GOVERNANCE

A STRUCTURED APPROACH TO ENSURE
CORPORATE EXCELLENCE

OVERVIEW

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 (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

NXP is committed to effective corporate governance that strengthens the accountability of the Board of Directors (the 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 CEO, 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 our stakeholders.

EXPERTISE
The Board, with the support of the Nominating, Governance, and Sustainability 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 2022, we added one new independent director, Mr. Chunyuan Gu. Mr. Gu has expertise in the areas of environmental, social, and governance (ESG) issues, human capital, and risk management, among others.

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 nine non-executive directors (90%), including the chairman, are independent directors under the applicable Nasdaq listing standards, the Board's rules of procedure, and the DCGC. Our Board, excluding the Executive Director, has an average tenure of approximately five years. Six of our non-executive directors have been members of the Board for four years or less.

BOARD DIRECTORSHIPS AND BOARD MEMBERSHIPS
The Nominating, Governance, and Sustainability 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

Board of Directors	Kurt Sievers President and Chief Executive Officer, NXP Semiconductors N.V.	Sir Peter Bonfield (Chair) Former Chief Executive Officer, British Telecom plc	Annette Clayton President and Chief Executive Officer, Schneider Electric SE North America	Anthony Foxx Former Chief Policy Officer, Lyft Inc.	Chunyuan Gu Former President of Asia/ME/Africa, ABB Ltd	Lena Olving Former President and Chief Executive Officer, Mycronic AB	Julie Southern Former Chief Commercial Officer, Virgin Atlantic Airways Ltd	Jasmin Staiblin Former Chief Executive Officer, Alpiq	Gregory Summe Managing Partner, Glen Capital Partners	Karl-Henrik Sundström Former Chief Executive Officer, Stora Enso
Diversity and Tenure										
Ethnic Diversity				x	x					
Gender Diversity			x			x	x	x		
Age	54	78	59	51	64	66	63	53	66	63
Director Since	2020	2010	2021	2021	2022	2019	2013	2019	2015	2019
Knowledge and Expertise										
Executive Leadership	x	x	x	x	x	x	x	x	x	x
Industry and Technology Experience	x	x	x	x	x	x		x	x	x
Strategic Planning	x	x	x	x		x	x	x	x	x
Financial Expertise				x		x	x	x	x	x
Manufacturing and Operations	x		x		x	x		x	x	x
International Experience	x	x	x		x	x		x	x	x
Human Capital	x	x	x			x	x	x	x	
Risk Management			x	x	x	x		x	x	x
IT and Cybersecurity	x		x			x		x		x
Corporate Governance		x	x					x	x	x
ESG Expertise			x	x	x					x
Board Committees										
Audit						x	Chair	x		x
Compensation		x	x				x			Chair
Nominating and Governance		x			x				Chair	

Each of the directors attended >75 of the aggregate Board meetings, and meetings of committees of which they were a member, during the periods for which they served in 2022.

BOARD OF DIRECTORS

Knowledge and Experience of the Board of Directors	
Executive Leadership	Executive-management experience with large or international organizations
Industry and Technology Experience	Experience with and understanding of the technology industry, including the semiconductor and automotive industries
Strategic Planning, Growth, Mergers, and Acquisitions	Planning knowledge of corporate strategy and strategic planning, and experience with mergers, acquisitions, and other strategic transactions
Financial, Audit, and Accounting Expertise	Financial, audit, and accounting expertise and experience with corporate finance, including financial experts as named in the company filings and experience as a CFO, Auditor, Corporate Treasurer, or CEO of a public company
Manufacturing and Operations	Experience with sophisticated, large-scale international manufacturing operations
International Experience	Living and working in various regions, in the USA, Europe and/or Asia, and/or experience with businesses with substantial international operations
Corporate Governance, Legal, Global Compliance Experience	Knowledge of corporate-governance issues applicable to companies registered with the US Securities and Exchange Commission (SEC) and listed on the Nasdaq, and experience within international regulatory affairs or legal sectors
Human Capital/Talent Development	Experience with human-resources management and culture development in large, international organizations, in particular in overseeing succession planning, talent development, and executive-compensation programs
Risk Management	Experience in assessing and managing enterprise risks
IT and Cybersecurity	Experience in understanding and managing information technology and cybersecurity threats
ESG Expertise	Experience in understanding and addressing strategic environmental, social, and governance issues
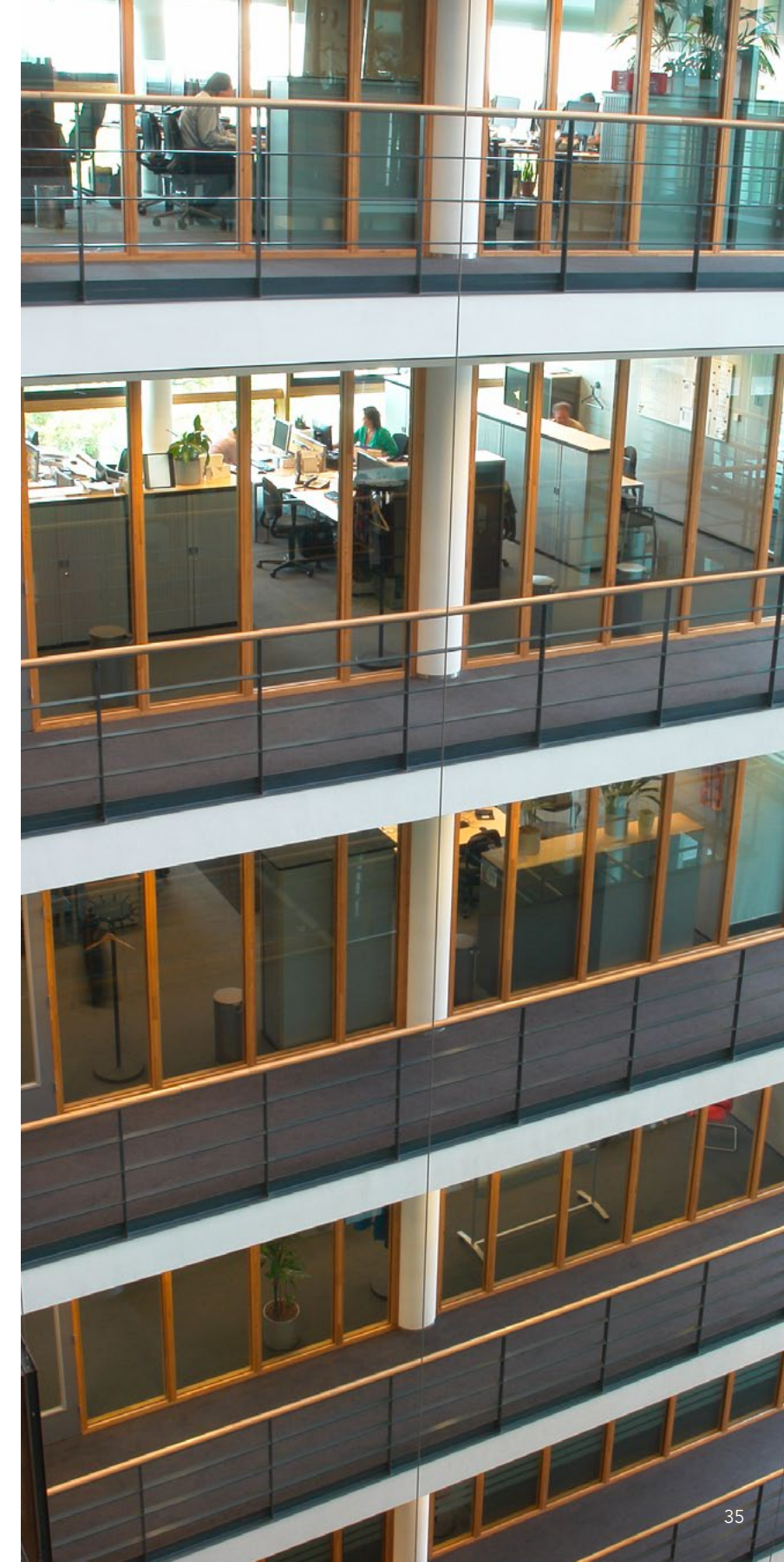
BOARD OF DIRECTORS

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 Human Resources and Compensation Committee, and the Nominating, Governance, and Sustainability Committee. The scope and responsibilities of each committee are documented in written charters.

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 oversees integration of a broad set of ESG considerations into business functions, and delegates aspects of ESG oversight to the Audit and Human Resources Compensation Committees for ESG matters within their core areas of expertise.

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

- **Audit Committee** – 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

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.

ETHICS

2022 ETHICS REPORTING PERFORMANCE

121
Opened Reports Received by the Ethics Committee

96%
Closed Reports

62%
Substantiated Reports
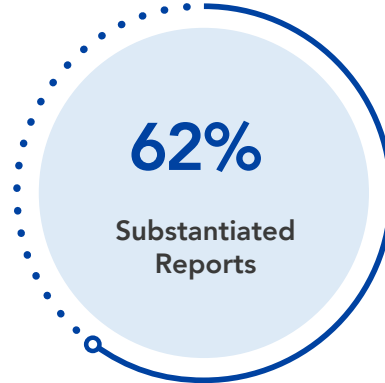
The most-reported types of violations included violations of internal policies, theft, conflict of interest, and harassment.

We aim to compete in an ethical and lawful manner, comply with international trade regulations, practice transparency, maintain accurate business records, and never engage in bribery or corruption or insider trading. To protect our company's reputation, we have policies related to these and many other topics that we expect everyone who works for NXP to comply with.

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 or the NXP intranet.

The Code addresses business and personal integrity, use of company assets, employment at NXP, and external activities, and provides guidance on reporting potential violations. The Code was last revised in 2021. To incorporate the Code into our way of working, we train our team members on the principles of the Code.

ETHICS TRAINING

In October 2022, the annual Code of Conduct training was rolled out to our team members. The training was offered in 11 languages and focused on NXP values and expectations as set forth in the Code. The 2022 training addressed several topics, including trade compliance, fair competition, the use of social media, and speaking up in NXP. Team members were required to acknowledge receipt and understanding of the Code. A test is part of the training and team members need to pass the test to receive certification.

NXP's goal is 100% completion by all enrolled individuals. In 2022, we achieved a completion rate of 98.6%. Since the training window opened in Q4, we did not reach our 100% completion rate at the end of 2022. In 2023, as we continue to work towards a 100% completion rate, we will determine whether those who did not yet complete the training should be given an exemption, due to long-term sick leave, parental leave, or other extenuating circumstances.
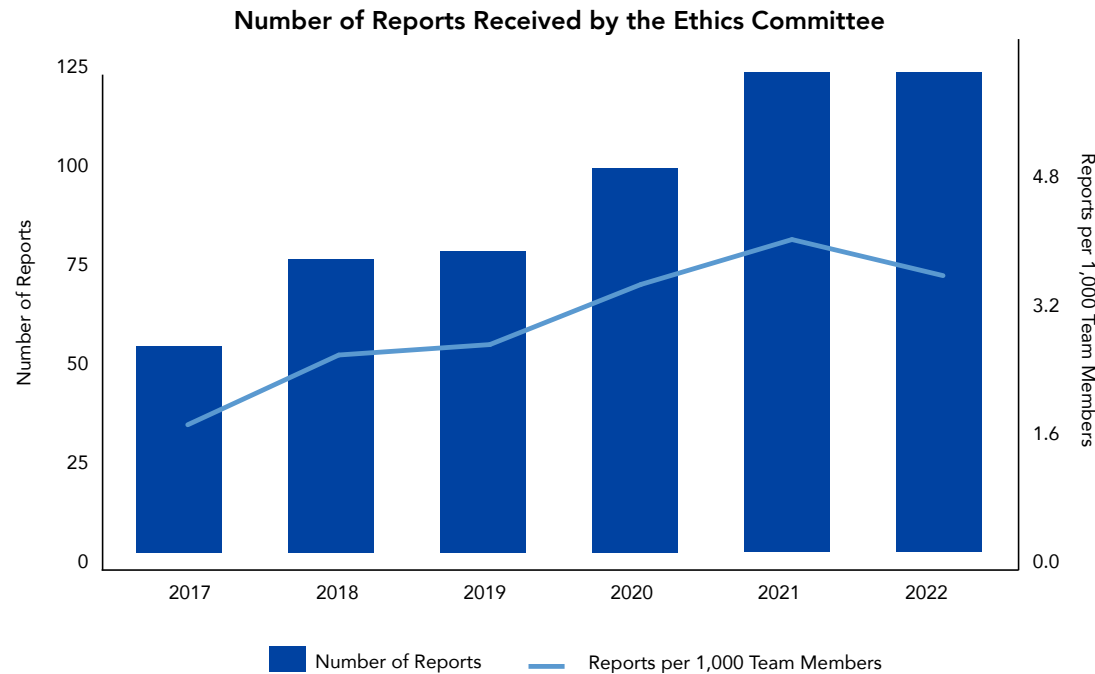
ETHICS

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 five 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, the Chief Financial Officer, the Chief Human Resources Officer, and the Audit Committee of the Board regarding allegations and investigations that are in progress or completed.

SpeakUp

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

Seen something?
Say something
Safely.

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 the 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 parties.

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 is protected from retaliation in the form of harassment, adverse employment, or career consequences.

In recent years, we have increased our communication about the importance of speaking up and the available reporting channels. In 2022, our reporting levels remain high, indicating that our reporting channels are effective.

Number of Reports Received by the Ethics Committee

Legend: Number of Reports — Reports per 1,000 Team Members

ANTI–BRIBERY AND CORRUPTION

NXP values 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, as well as any 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 the Code and will lead to severe disciplinary action.

PRIVACY

NXP recognizes the importance of protecting and safeguarding personal data in today's connected world. We respect the privacy of everyone involved in doing business for or with NXP, and ensure personal data is handled in a fair, lawful, and ethical way. We take appropriate steps to protect the personal data in our possession. We take the principles of data protection, such as data minimization and purpose limitation, seriously.

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 report data breaches to the relevant authorities.

PRIVACY POLICIES

NXP has a Privacy Policy and a Privacy Statement. The Privacy Policy provides guidelines and outlines the minimum requirements on privacy and data protection for NXP. The Privacy Statement describes the types of personal data we process and why we process this data. It outlines the rights individuals have regarding personal data and how those rights can be exercised, and describes how we respond to inquiries relating to data, including requests to delete personal information. Other guidelines relating to privacy include our Data-Breach Procedure and Data-Retention Policy.

THIRD PARTIES AND DATA TRANSFERS

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 the case of international data transfers, ensure data transfer mechanisms, such as the modernized standard contractual clause, are in place.

GOVERNANCE

We run a dedicated Privacy-and-Data-Protection Program to ensure we stay compliant with applicable privacy laws and regulations. Located throughout the organization, Privacy Champions have been designated who align with the Privacy Team on privacy matters that occur in their department. Our Privacy Champions ensure that any activities that involve the processing of personal data are identified and that, if required, data-protection and privacy impact assessments are performed. To keep a record of processing activities, we use OneTrust, a tool that helps us map the data we process as a company.

TRAINING

Privacy Champions are trained on general privacy topics and meet virtually on a monthly basis to share knowledge and discuss the latest developments regarding privacy and data protection. 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

OUR APPROACH

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

NXP's cybersecurity initiatives focus on strengthening our Core IT infrastructure and services against external threats, securing our manufacturing operations from compromise, limiting damage through processes and controls, and protecting our intellectual property.

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 a 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, intellectual-property protection, and regulatory compliance. 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 risk assessments, 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/IEC 27001 with certain additional certifications, such as Common Criteria Evaluation Assurance Level (CC EAL) 6+, Payment Card Industry Data Security Standard (PCI DSS), and Groupe Speciale Mobile Association (GSMA) Security, for dedicated functions. We also maintain insurance coverage for cybersecurity risk.

TRAINING

Training on cybersecurity-related areas is an ongoing exercise. The NXP IT Service Desk, along with all NXP team members, is trained to identify cybersecurity issues and to escalate them to correct owners. We deliver periodic cybersecurity updates, awareness materials, and a catalog of trainings to cover different user needs.

Safeguarding our confidential information and ensuring compliance with legal obligations benefits all of NXP. To help our employees understand the important role they play in protecting confidential information, we released the NXP eMedia Policy and Monitoring Notice in 2022. The eMedia Policy details the responsibilities we all have to protect NXP information and systems. The eMedia Policy includes a Monitoring Notice, which informs all team members that their activities are monitored when using NXP eMedia. The eMedia Policy is available in 12 languages, and a mandatory online training was provided to all users with access to NXP information systems in 2022.

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 to then initiate the 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 the relevant business line(s) to lead mitigation activities.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

ENABLING A BETTER, SAFER, MORE SECURE, AND MORE SUSTAINABLE WORLD THROUGH INNOVATION

OVERVIEW

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 environmental, social, and governance (ESG) performance.

We recognize that stakeholder interest and expectations regarding our ESG efforts have evolved considerably over the last sixteen 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 have achieved significant reductions in emissions 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 electricity.

Another way we address ESG is by focusing on health and safety. We are committed to ensuring a safe and healthy workplace for our team members, partners, and visitors, and our injury rates remain among the industry's lowest.

For more than a decade, our Social Responsibility Team has helped us demonstrate respect for human rights through our activities and decision-making. In 2022, in close cooperation with teams from the United Nations, we published our first Human Rights Policy, and have since formalized the NXP Human Rights Management System. The Management System provides clear guidance on how Human Rights due diligence is to be conducted across the value chain of our business.

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 we will continue to apply our technologies in ways that help advance global sustainability. We embrace the opportunity to both inspire people and shape the future while also positioning ourselves for sustained success.
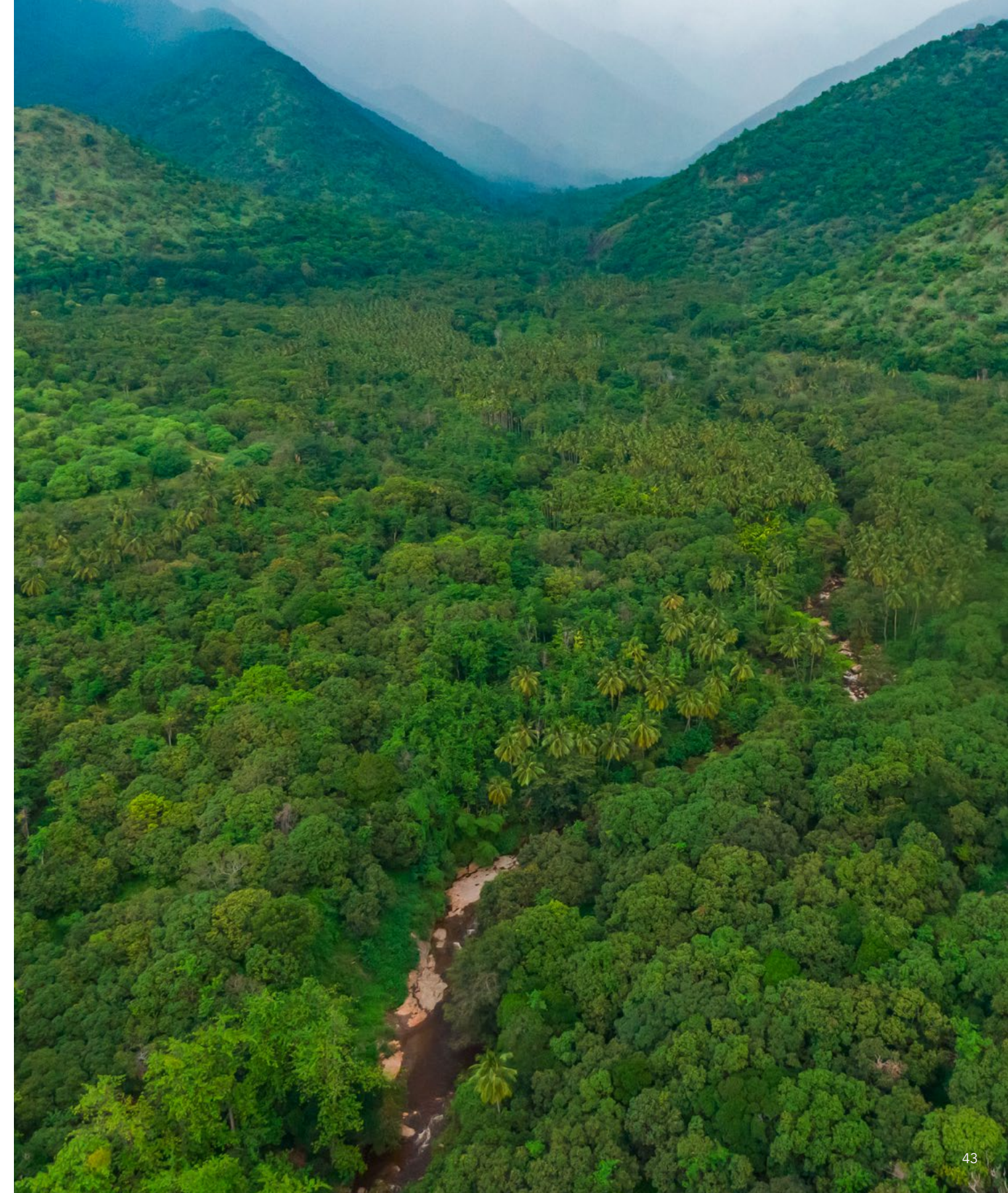
APPROACH TO ESG

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.

APPROACH TO ESG

ESG MISSION: ADVANCING A MORE SUSTAINABLE WORLD

		STRATEGY	**GUIDING PRINCIPLES**
	INNOVATION	Innovate advancements that enable a better, safer, more secure, and more sustainable world.	Push boundaries and explore new approaches to develop innovative and sustainable products and solutions.
	ENVIRONMENTAL	Optimize our use of resources and the beneficial social impacts associated with our operations.	Pursue continual improvements to protect our planet.
	SOCIAL	Leverage our global and increasingly diverse team to actively drive our sustainability mission.	Respect human rights and promote an ethical, safe, and healthy work environment. Foster an environment of trust and respect, where team members collaborate to drive innovation, and are able to contribute to their full potential.
	GOVERNANCE	Collaborate with our stakeholders on global sustainability initiatives. Ensure accountability, and build trust through transparency in our business practices and operations.	Proactively assess risk and build resilience through robust governance systems, including appropriate goals and processes.
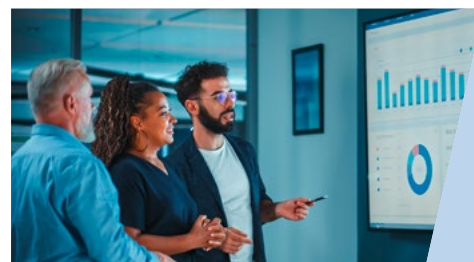
ESG GOALS

Our ESG mission is to enable a better, safer, more secure, and more 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.

INNOVATION

Design and manufacture technology that positively impacts the planet and society

Develop higher-performing, more energy-efficient products

ENVIRONMENTAL

Carbon neutrality by 2035

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

Optimize natural resources by 2027
- 50% renewable electricity
- 60% of wastewater recycled
- 90% of waste recycled

SOCIAL

25% women in R&D by 2025

50% underrepresented minorities in our US workforce by 2025

Zero tolerance of forced labor and human-rights abuses

Zero workplace injuries

GOVERNANCE

Work with our supply-chain partners to reduce their environmental footprint

Integrate ESG into our business so we can foster ownership and accountability
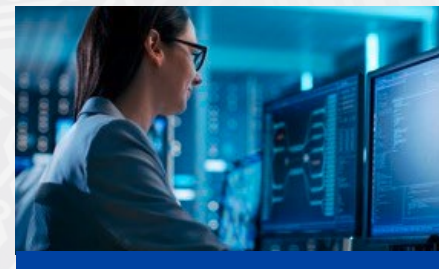
ESG GOALS

PROGRESS TOWARD OUR ESG GOALS

		GOALS	PROGRESS IN 2022
	INNOVATION	Design and manufacture technology that positively impacts the planet and society	We work to reduce the environmental impact of our facilities and our supply chain, and we consider ways to decrease the use of raw materials in our designs.
		Develop higher-performing, more energy-efficient products	We strive to increase the energy efficiency of our products. With each new generation, we aim for higher performance in a smaller footprint, with the goal of saving on raw materials.
	ENVIRONMENTAL	Carbon neutral by 2035	In 2022, we decreased our absolute Scope 1 & 2 emissions by 1% compared to our baseline year of 2021.
		Reduce carbon emissions by 35% in 2027 (2021 baseline)	In 2022, we decreased our absolute Scope 1 & 2 emissions by 1% compared to our baseline year of 2021.
		50% renewable electricity by 2027	In 2022, we used 35% renewable electricity, an increase of 4 percentage points compared to 2021, and an increase of 21 percentage points compared to 2012.
		60% of wastewater recycled by 2027	In 2022, we recycled 48% of wastewater, an increase of 1 percentage point compared to 2021, and an increase of 16 percentage points compared to 2012.
		90% of waste recycled by 2027	In 2022, we recycled 83% of waste, an increase of 7 percentage points compared to 2021, and an increase of 10 percentage points compared to 2012.
	SOCIAL	25% women in R&D by 2025	In 2022, there were 19% women in R&D, an increase of 2 percentage points compared to 2021.
		50% underrepresented minorities in our US workforce	In 2022, there were 51% underrepresented minorities in our US workforce, an increase of 2 percentage points compared to 2021.
		Zero tolerance of forced labor and human-rights abuses	In 2022, we took the following steps to ensure zero tolerance of forced labor and human-rights abuses: • Increased the number of supply-chain due-diligence audits • Focused due-diligence audits on supply-chain risks identified during COVID-19 • Published our Human Rights Policy, which includes a stronger focus on our salient human-rights risks • Updated the NXP Human Rights Management System to reflect continued changes in the human-rights regulatory landscape
		Zero workplace injuries	We maintained a low Total Case Incident Rate (TCIR) of 0.10 in 2022, and remain well below semiconductor-industry averages.
	GOVERNANCE	Work with our supply-chain partners to reduce their environmental footprint	In 2022, we surveyed our suppliers, to gauge their environmental footprints, and used the results to derive action plans.
		Integrate ESG into our business so we can foster ownership and accountability	In 2022, we established an ESG Program that addresses all the relevant areas of our business and also identifies roles and responsibilities.

ESG GOALS

SUSTAINABILITY SCORECARD FOR 2022
We know that, as a large, multinational company, our operations are stronger when we leverage workforce diversity. We are also committed to reducing the environmental impact of our operations while being good stewards of our planet and doing our part to create a more sustainable world.

In 2022, we added a sustainability component to our short-term Annual Incentive Plan (AIP) to reinforce our corporate commitments is these areas. Our Human Resources and Compensation Committee (HRCC) approved the introduction of a sustainability scorecard. The scorecard contains multiple metrics and targets that support measurable year-on-year progress toward our long-term environmental and people-related aspirations. It is important to us that all team members participate in this progress. Therefore, the scorecard is applicable to the AIP for all team members and the target weighting of the sustainability component is set at 20% of our AIP.

The following table lists our 2022 Sustainability Scorecard Goals, explains why we chose them, and describes the progress we made toward meeting those goals over the past twelve months.

2022 Sustainability Scorecard Goal	Why It Was Chosen?	Achievement	2022 Performance
Roadmap for Carbon Neutrality **Publish carbon neutrality commitment, submit Science Based Targets initiative (SBTi) commitment letter and develop a comprehensive roadmap**	After engaging with external and internal stakeholders, climate change, in particular carbon neutrality, emerged as an important environmental topic to be addressed in a transparent and measurable way. We also received feedback from shareholders that committing to the science-based targets is important. A roadmap with the interim steps to achieve the long-term goals are a fundamental part of that SBTi commitment.	We sent a formal commitment letter to SBTi, stating a goal of carbon neutrality by 2035 using science-based targets. We developed a roadmap for Scope 1 & 2 emissions with specific actions to achieve the given goal recognizing that key steps and investments must be taken along the journey.	**ACHIEVED**
Renewable Electricity **Attain renewable electricity usage ≥29%**	Because we have global manufacturing operations, including wafer fabrication and assembly and test, we recognize the importance of using renewable electricity to power our facilities around the world. It is also an important component of our roadmap toward carbon neutrality.	As of year-end, we have achieved 35% usage of renewable electricity.	**ACHIEVED**
Minimize Impact on Global Water Supplies **For the countries and regions where we have manufacturing, assembly, and/or test facilities, update water-recycling goals**	We acknowledge water as an important part of our production processes and understand that, as a good steward, we should look to limit our use or reuse. Since it's not currently technically feasible to drastically reduce the amount of water we use in our manufacturing processes, we focus instead on increasing our water recycling rate so we use less incoming water.	We established a detailed roadmap of actions and investments to improve water management through future investments and process improvements.	**ACHIEVED**

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ESG GOALS

2022 Sustainability Scorecard Goal	Why Chosen?	Achievement	2022 Performance
Reduce Carbon Emissions **Reduce carbon emissions to ≤1250 kTons CO_2e by end of 2022**	Our roadmap to carbon neutrality includes annual emission-reduction targets to put NXP on a clearly-defined path to reduce emissions that are in line with the Paris Agreement goals.	As of year-end, we reduced our absolute carbon emissions to 1,099 kTons CO_2e.[1]	✓ **ACHIEVED**
Worker Safety **Conduct a global safety survey and ensure team members are properly trained on safety**	A safe and healthy workplace protects workers from injury and illness. It can raise employee morale, increase productivity, and improve quality, while also lowering injury/illness costs, reducing absenteeism, and minimizing turnover. While safety is important for all our team members, we especially focus on those who work in our various factories around the world. We want to maintain our historically low injury rate and remain among the best in the industry for this metric.	We conducted safety surveys to identify areas of safety risk. As a result, we developed and conducted safety training for 99% of relevant team members and implemented corrective actions where needed.	✓ **ACHIEVED**
Diversity & Inclusion **Increase women in global indirect labor by ≥10% by end 2022**	Inclusion is a foundational part of our values of trust and respect. We recognize the importance of representation, value diversity, equality and inclusion, and respect the unique talents, experiences, backgrounds, cultures and ideas of our team members. To make measurable progress, we established aspirational goals for women representation by 2025 with interim milestones of achievement.	We focused on improving our representation within the indirect labor (IDL) portion of the workforce by increasing the diversity of qualified candidates, introducing more acts of engagement and inclusion, and ensuring retention of diverse talent. We accomplished an overall net increase of 20% in our women in IDL in the period December 31, 2021 to December 31, 2022.	✓ **ACHIEVED**
Cultural Transformation **Demonstrate that we have made innovation and growth essential components of our corporate culture**	Our diverse and talented team members drive the innovation that sets our company apart and fuels our success in the market. We aim to create a clear purpose, connecting to the underlying values that define the way we work and the everyday behaviors that demonstrate those values.	The purpose and values were defined through engaged leadership ideation. The values were further defined and connected to demonstrable behaviors built on a foundation of trust and respect. These values are now embedded in our people systems and programs from enabling performance to NXP manager training.	✓ **ACHIEVED**

[1] This metric includes our Scope 1 & 2 emissions using the Intergovernmental Panel on Climate Change (IPCC) 2006 methodology for Perfluorinated Compounds (PFC) emissions.

ESG GOVERNANCE

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 oversees integration of a broad set of ESG considerations into business functions, and delegates aspects of ESG oversight to the Audit and Human Resources Compensation Committees for ESG matters within their core areas of expertise.

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

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, which is comprised of Management Team members and other senior leaders, oversees the implementation of ESG strategy and policy, and ensures appropriate resourcing. The ESG Management Board is chaired by our General Counsel and Chief Sustainability Officer, and supported by our Chief Financial Officer, Chief Strategy Officer, Chief Technology Officer, Chief Human Resources Officer, and Executive Vice President (EVP) of Global Operations. The ESG Management Board meets regularly to ensure our ESG performance is in line with our strategy and goals.

NXP ESG GOVERNANCE MODEL

Board of Directors
Ultimate ESG Oversight

ESG Management Board
Chaired by Chief Sustainability Officer

NXP ESG Program

Sustainable Manufacturing

Supplier Management

People

Strategic Business Model

Reporting

Brand and Reputation

Governance

NXP ESG Program - Seven Pillars
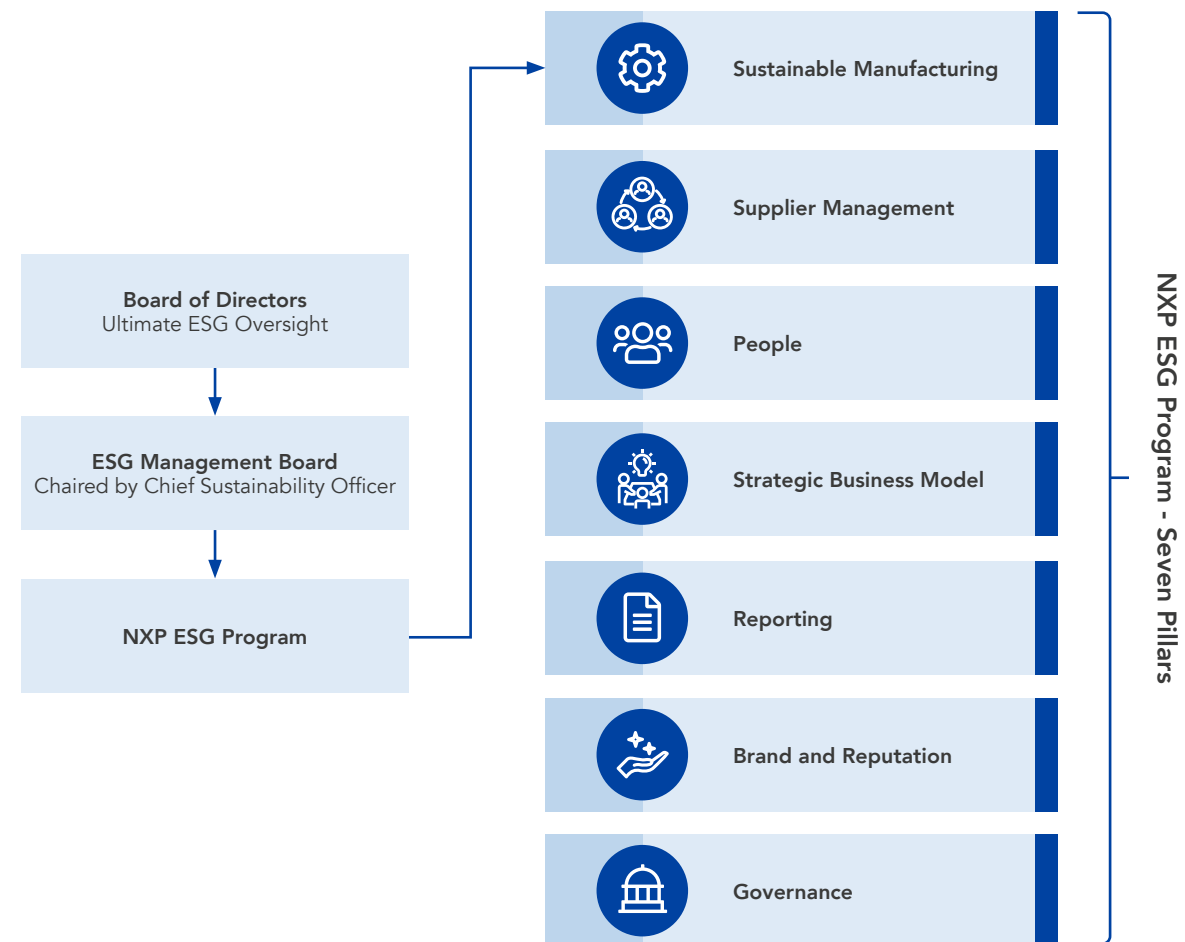
OUR TEAM MEMBERS
THE HEART OF NXP

OVERVIEW

~34,500
Team Members[1]

34%
of Team Members
Dedicated
to R&D

37%
of Team Members
are Women

9,497
Online Training
Courses
Completed
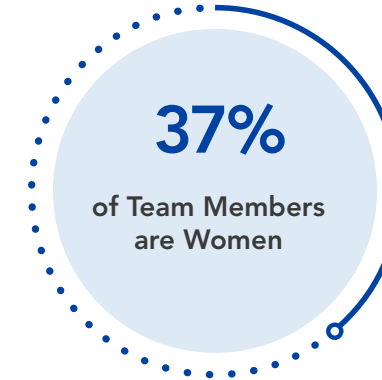
NXP's complete workforce footprint is given in "Appendix A: ESG Performance."

OUR TEAM MEMBERS: THE HEART OF NXP
Our diverse and talented team members drive the innovation that sets our company apart and fuels our success in the market.

OUR PURPOSE
Our purpose is to bring 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 with and develop our team members, and how we push the boundaries of creativity and innovation. Our values build on a strong foundation of trust and respect for one another. We hold ourselves accountable to these values by ensuring they are reflected in our talent programs, including hiring, learning and development, our performance evaluation process, our rewards programs and our promotions.

HIGH PERFORMANCE

| INNOVATION | EXPERTISE | COLLABORATION | OWNERSHIP | GROWTH |

TRUST AND RESPECT

[1] On December 31, 2022, we had approximately 34,500 employees, including approximately 1,500 employees in our joint venture.

OVERVIEW

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 — all at a pace that is unique to the individual.

OUR POLICIES AND PROGRAMS

Across the globe, we have policies and programs to find and retain the best talent, with a specific focus on the following:

• 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

DRIVING TEAM-MEMBER ENGAGEMENT

Engaging and developing 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, we regularly conduct our global Winning Culture Survey. We invite NXP team members to share their feedback on a variety of factors, including engagement, strategy, culture, leadership, continuous improvement, collaboration, execution, ownership, work environment, support, and diversity, equality, and inclusion. Surveys are administered by a third party to ensure confidentiality.

Our 2022 survey solicited input from our indirect-labor (IDL) team members, meaning those team members not directly involved in production of a product. The survey results showed positive momentum, with an increase in favorability to 97% when compared to responses from our previous survey cycle. The results show that collaboration and ownership are the cornerstones of NXP's culture and that our team members are engaged, feel pride in the company, and believe that NXP is also a great place to work.

89%
Response Rate

85%
Engagement

83%
Great Place to Work

88%
Proud

84%
Valued

DRIVING TEAM-MEMBER ENGAGEMENT

Year-over-year, NXP saw improvements in 33 of the original 34 items in the survey. The third-party administrator of the survey reported that 88% of the survey items scored more positively than the 75th percentile benchmark, composed of companies operating in the technology sector.

Insights from our survey equip us to improve the team-member experience as well as our policies and processes. Using team-member feedback, we have created and improved company and/or country and region-specific programs and made updates to our tools and resources. This includes:

• **Focusing on talent growth and development** – To lift organizational performance and engagement, we have created development programs for all team members, including the following new 2022 programs:

  – New Manager Essentials, an online, self-paced series of courses to help new managers, including manager assimilation, which features two in-person meetings with the team and a debrief with the manager.

  – NXP Manager Intensive, an in-person, three-day leadership development program that teaches managers how to effectively lead and manage their teams from within the framework of NXP's values.

  – An updated Enabling Performance process that supports everyday, spontaneous feedback.

For an in-depth look at the development programs we offer team members, please refer to the "Building Thought Leadership" and "Enabling Talent Development and Growth Opportunities" sections.

• **Introducing global "Recharge Days"** – To recognize the ongoing hard work of our team members and continue to support their well-being, we introduced NXP Recharge Days, which feature no-meeting days in the days before/after company holidays to encourage NXP team members to take time off to recharge. In 2022, we selected holidays within each of our three regions, allowing for time off several times a year for our teams to rest, recharge, and refocus. The well-being of our team members remains a priority for NXP and our global Recharge Days are one of the many benefits that support the integration of work with life commitments.

Looking Ahead

NXP remains committed to actively listening to team-member feedback and we will continue to provide ways for our team members to share input on their experiences and ideas on how we improve engagement.

DRIVING TEAM-MEMBER ENGAGEMENT

EXTERNAL AWARDS AND RECOGNITION

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

Austria

- For the fourth year in a row (2019 - 2022), 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 by growing their skills and network.
- NXP was officially certified as a "Family Friendly Employer" by the Austrian federal ministry. Certification reflects our conformance with various requirements, and confirms that we have a strategy, with targets, for becoming even more family friendly.

Mainland China

- In 2022, NXP was awarded the 2021 Tianjin Economic-Technological Development Area (TEDA) Top 100 Enterprises Award, recognizing enterprises in TEDA that are outstanding and contribute to local government and economic development.
- NXP received the 2022 ASPENCORE World Electronics Achievement Award by AspenCore Media Group, recognizing the company as Processor/DSP/FPGA provider of the year.

France

- NXP received the 2022 Top 25 Companies in France Award, recognizing the company as one of the best companies at which to grow your career in France, as judged by the online professional network, LinkedIn.

Germany

- NXP Germany was presented with a 2022 Stevies Award, recognizing the effectiveness of our Virtual Showroom, which connects NXP with our audiences and allows them to experience the company's breakthrough technologies in a new, interactive way.

Malaysia

- NXP was recognized for being one of 46 companies honored with the 2022 MY AMCHAM CARES award. The award recognizes NXP Malaysia's support of corporate sustainability initiatives throughout 2022, based on the five pillars of Strategy, Sustainability, Communication, Measurability, and Partnership.
- NXP was awarded the Certificate of Recognition for Excellence in Corporate Social Responsibility by the American Malaysian Chamber of Commerce. The certificate demonstrates understanding of the link between business operations and society by conducting business in a way that creates long-term economic and social values.

DRIVING TEAM-MEMBER ENGAGEMENT

Mexico
- In November 2022, the Mexican Chamber of Electronics, Telecommunications, and Information Technologies (CANIETI) honored NXP for 30 years of partnership and active collaboration. Together with CANIETI, NXP Mexico has consistently participated with the local "triple helix" of industry, academia, and government in many initiatives around Science, Technology, Engineering, and Math (STEM) education, social initiatives, and collaboration with peers for the benefit of the Guadalajara high-tech ecosystem and society overall.

Netherlands
- For the third year in a row (2020 - 2022), NXP was awarded the title of Most Attractive Employer in the Netherlands by Kantar, the international research partner of the Dutch staffing agency Randstad.
- NXP received the 2022 Konig Willem I Prijs Award, naming the company as the winner of the large-business category for sustainable entrepreneurship.

Taiwan
- NXP Taiwan received the Outstanding Foreign Firms Award from the General Chamber of Commerce in Taiwan. The Minister of Economic Affairs (MOEA) in Taiwan nominated NXP for this honor, which recognizes the company's contribution to the semiconductor industry in Taiwan and NXP's commitment to investing in the region. The award is known as the Oscar of Taiwan's business sector.
- NXP was one of only ten companies to receive the 2022 National Industrial Relations Excellence Award in Taiwan, recognizing our collaborative and healthy working relationship with the union representing our team members.
- NXP received the 2022 National Charity Award and the 2022 Waste Recycle Award from the Ministry of Economic Affairs Authority in Taiwan.
- NXP received a 2022 EE Award from EE Times Asia, which recognizes companies that help with "creating the future with the electronics industry and changing the world with engineers."

Thailand
- NXP Manufacturing Thailand received a certificate from the Metropolitan Health and Wellness Institution (Department of Health), recognizing the company's commitment to supporting the health of women of childbearing age and driving action to promote the consumption of vegetables, fruits, and other nutritious foods.

United States
- NXP was recognized as one of the 2022 Best Large Employers in Texas, as determined by the Forbes media company and Statista, a statistics portal for market and consumer data.
- The online recruiting platform, Handshake, recognized NXP with a 2022 Early Talent Award, acknowledging the company's best-in-class talent engagement in the Software and Technology category.

BUILDING THOUGHT LEADERSHIP

Our talented and innovative team members create breakthrough technologies that make the connected world better, safer, and more secure.

INVESTING IN R&D

NXP targets investment of approximately 16% of revenue in non-GAAP[2] R&D every year, primarily focused on the team members who create our intellectual property, products, and customer solutions. NXP's breakthrough technologies help to create a connected world that is better, safer, and more secure – targeting edge devices for the automotive, industrial, smart home, communications, infrastructure, and mobile markets.

DEVELOPING THOUGHT LEADERS

2022 R&D TEAM-MEMBER ADVANCEMENTS

49 Technical Directors Named

7 Program Directors Named

1 Program Senior Director Named

9 Fellows Named

957 Individual Patents Awarded

14% of R&D Team Members Promoted

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[2] Reconciliations of non-GAAP R&D to GAAP R&D can be found in the "Investor Relations" section of our website at
https://investors.nxp.com/financial-information/financial-information-0

BUILDING THOUGHT LEADERSHIP

Our commitment to developing thought leaders is evidenced by the more than 10,000 team members (representing 34% of our NXP workforce and 56% of our IDL workforce) who are specifically dedicated to R&D. Through broad exposure to job-based development activities, we were able to advance 14% of these team members in 2022 through internal promotions. In addition, we hired 3,185 new R&D team members, and named 49 technical directors, one program senior director, seven program directors, and nine fellows.

To enable in-depth analysis of the current R&D workforce baseline and support 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 have been transitioned into the new job profiles, providing valuable data on the R&D population and helping us to better assess and develop the skills and capabilities of these team members across NXP. The new insights establish the baseline for internal discussions. For example, R&D Talent 2027 was one of the topics shared during our 2022 Strategic Planning Alignment (SPA) meetings, in which the NXP Management Team discussed strategic plans for the next five years. As a follow up to the SPA, workforce planning insights were discussed with the R&D Management Team for the longer-term strategy of building R&D talent for the future.

To further develop the R&D community, we expanded 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, cryptography, security, artificial intelligence, and ideation.

Many of our R&D team members participated in an NXP school and other development activities listed below.

- The **NXP Architecture and System Engineering (ASE) School** continues to offer ASE 1 (Basic) and ASE 2 (Advanced) courses. The ASE School was created to develop top technical experts, architects, and systems engineers and help them deliver top-rated hardware and software solutions according to current and future market demands. Ultimately, the ASE School offers exposure to the latest technology trends through enriching technical sessions and thought-provoking workshops led by internal experts and selected external partners. The desired result is to expand our pool of technical talent and make our current and future Architectural or System Engineers more effective. To date, we have 461 nominations and 131 graduations for the ASE School.

- The **NXP Safety Academy** helps team members explore safety products and enablement collateral to simplify compliance with the ISO 26262 standard. Coursework helps team members understand safety deliverables and evaluate how they can help accelerate time to market. Safety documents are often large and complex, so understanding what type of information is included and how to use the information helps us save the customer valuable development time. Four different on-demand learning paths have been defined to give team members the opportunity to gain expertise and more quickly design safety-critical automotive applications. In total, approximately 13,000 training modules have been completed.

BUILDING THOUGHT LEADERSHIP

- We launched the NXP School of Artificial Intelligence (AI) in mid-June 2022 and already have 143 nominations. The School of AI aims to empower NXP engineers by equipping them with cutting-edge AI technology concepts and allowing them to develop an edge over industry peers to lead NXP forward. These engineers will be able to learn and apply AI concepts in their respective domains. The long-term vision is to produce 100 AI-trained technologists every year. The first cohort includes 50 participants in Level 1 (AI Basic Learning).

- The NXP School of Ideation is a course curriculum designed to bring out the best ideas and stimulate the flow of innovation at NXP via various workshops. Launched in mid-2022, the school offers various online and in-person workshops that have already been attended by more than 170 participants. In each workshop, students learn to deeply understand a problem (and be sure it is a problem worth solving), come up with a range of possible solutions, and then test those solutions. Students use a structured process to learn how to turn their abilities and ideas into practice.

We also offer trainings and regular webinars, allowing our R&D community to grow their knowledge and stay up to date with the latest technology 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. We also introduced the Distinguished Lecturer Series (DLS) as an extension of the 2XP webinars that gives people external to NXP, including professors, suppliers, and customers, a way to discuss exciting, emerging technical developments with our R&D community. In 2022, there were 21 2XP sessions (with three presentations each) and 12 Distinguished Lecturer sessions, which collectively engaged more than 2,700 attendees.

Some other examples of programs and initiatives on a global or local scale that stimulated innovation and growth in 2022:

- We continued the Technical Leadership Program in India, which had 81 team members participate. Thirty-one of the participants were part of a mentoring program that paired them with technical NXP leaders.

- NXP continued to engage with startup incubators such as Startup Autobahn and Silicon Catalyst to nurture new and emerging technologies that have the opportunity to drive the next wave of innovation and growth for the semiconductor industry and society at large.

- We hosted the Artificial Intelligence in Mobility (AIM) event, an online smart-car race challenge (season two) that had more than 450 platform registrations, and participation from more than 220 premiere institutions from throughout India, giving us 100-plus qualifying teams. Fifteen teams impressed the panel at the pre-finale round and, from there, just four teams moved on to the Grand Finale stage.

- Via the NXP University Council, we continued to drive cooperation with the academic world and build an active network between NXP and universities. The Council supports local teams to establish cooperation contracts, support recruitment, and promote NXP products for student use.

- To stimulate knowledge transfer, we continued to have a number of NXP Fellows who act as part-time professors at several universities, which creates another strong link between the university and NXP, and is beneficial for all involved.

BUILDING THOUGHT LEADERSHIP

We continue to build momentum with our support for Project and Program Managers (PMs). In Q4 2022, we launched the fifth group for the R&D Project Leadership Program and kicked off the PM Masterclass 1 session in August 2022. Looking ahead to 2023, we will launch additional PM Masterclass 1 sessions and intend to introduce the PM Masterclass 2 session for higher-level team members.

Our process for new product introductions is 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. For example, the company organized a summit for our key PM leaders, during which we focused on harmonization, the PM role model, community building, and skill building. Our consistent focus on R&D and innovation resulted in NXP being awarded 957 individual patents during 2022.

NXP PM DEVELOPMENT PROCESS:
PM UNIVERSITY OVERVIEW[3]

Trainings			
Masterclass 1	PM Leadership Academy	Masterclass 2	Masterclass 3
G3, G4	G5, G6		G7

Development	
Mentoring Program	Online Course

Looking Ahead
NXP anticipates expanding our schools to include the School for System on a Chip (SoC) Development, as well as continuing its focus on invention and innovation as a key competitive advantage.

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[3] The terms G3, G4, G5, etc. refer to job grades within NXP.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

At NXP, inclusion is key to living our core values, which are built on a foundation of trust and respect. We recognize the importance of representation, 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 Vice President and Head of Diversity, Equality, and Inclusion (DE&I).

In 2022, we continued making progress on our DE&I journey. We started the year by reflecting on our year-over-year progress toward achieving our 2025 aspirational representation goals, and our efforts to embed inclusion deeper within the organization.

KEY HIGHLIGHTS FOR THE YEAR
- **Implementation of DE&I questions within the Winning Culture Survey** – In conjunction with our third-party survey partner, we introduced new diversity, equality, and inclusion questions to our team-member survey, to gain better insight into the team-member experience and the sense of belonging. 89% of IDL team members participated in the survey. Collaboration, ownership, and DE&I were the three categories with the highest favorability ratings. After evaluating the survey results across a variety of demographics, we learned we had a few pockets of team members within the company that didn't feel a strong sense of belonging and inclusion. We conducted focus sessions with team members from these groups and determined recruitment, retention, development, belonging, and communications were opportunity areas. We collaborated with the focus teams to develop a robust action plan aimed at improving these areas of opportunity and fostering a stronger sense of inclusion and belonging.

- **Unconscious bias training for people managers** – This year, we announced our plan to deliver unconscious-bias training to all people managers within the company. The NXP Management Team (MT) kicked-off the initiative by completing their session at the start of the year, with additional sessions being held for members of our Employee Resource Groups (ERGs). Training delivery will be an ongoing initiative until we reach our full 2,800-plus manager population.

- **Establishing a Diversity & Inclusion Council** – We created a Diversity & Inclusion Council in August 2022, with the purpose of serving as an advocate, resource, and governing entity to advance NXP's global, strategic diversity, equality, and inclusion initiatives. The council includes many of the most senior leaders within the company, including the President and CEO, Chief Human Resources (HR) Officer, Chief Sustainability Officer, Executive Vice President of Global Operations, Head of Strategy, Vice President and Head of DE&I, along with business and strategy leaders and ERG members.

- **Focus on Diverse Hiring Practices** – We continued our practice of requiring diverse candidate slates for management roles and, where applicable, increased the award amounts for our Employee Referral Program when qualified women or under-represented minorities are hired via an internal referral. We conduct a monthly review with our leaders and Talent Acquisition Team to ensure alignment to this process.

- **Introduced an Exit Interview Process** – To gain a better understanding of what's contributing to the attrition rate of women globally and minority team members within the United States, we implemented an exit-interview process where these team members at specific job levels are given the opportunity to provide direct feedback to the VP and Head of DE&I prior to exiting the company. An invitation to participate in an exit interview is extended to the team member upon termination notification.

- **Participated in the Bloomberg Gender Equality Index** – For the second year in a row, we engaged in the Bloomberg Gender Equality Index to demonstrate our commitment to promoting gender equality, transparent reporting, and an inclusive workplace, while helping to establish a comparable data set within our industry.

- **Increased our ERG footprint** – Our new ERG, United Veterans, supports our active-duty and retired US military veterans.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

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

LEADERSHIP		Leadership commitment and ownership
BUILDING		Building and sustaining a qualified, diverse talent pipeline and equitable processes
FOSTERING		Fostering an inclusive culture and a sense of belonging to attract and retain the best talent by: • Welcoming and embracing our team members' diversity and fostering respect for everyone's differences • Leveraging the diversity of thought and life experiences • Cultivating a collaborative work environment where team members feel valued and are comfortable being their true selves

We also support and adhere to all diversity-related legal and compliance requirements, which vary by country and region.

POLICY
The NXP Diversity, Equality, and Inclusion Policy 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 based solely on suitability for the job and other 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.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

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

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 DE&I GOALS

40% Women in Overall Global Workforce

30% Women in Global IDL Workforce

20% Women in Executive Positions

25% Women in R&D Positions

50% Minority Representation in the United States

2022 DE&I PERFORMANCE

37%
Women in Overall Global Workforce

25%
Women in Global IDL Workforce

16%
Women in Executive Positions[4]

19%
Women in R&D Positions

51%
Minority Representation in the United States[5]

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[4] Executive positions are defined as individuals at the level of Vice President and above.
[5] Minority representation includes employees who self-identify as Asian, Hispanic or Latino, Black or African American, American Indian or Alaska Native, Pacific Islander, or two or more races. We also include within minority representation employees who have not self-identified an ethnicity.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

In a competitive hiring market, our overall team-member population grew by 11% compared to 2021. Of this increased population, we saw an increase of 1 percentage point with women in the global IDL workforce, 2 percentage points with women in R&D positions, and 3 percentage points with women in executive positions. Women in the global workforce remained the same in 2022 compared to 2021. While we present gender representation data by men and women, we acknowledge this is not fully encompassing of all gender identities.

Workforce by Gender (HC)

Year	Women	Male
2018	36%	64%
2019	37%	63%
2020	36%	64%
2021	37%	63%
2022	37%	63%

Male   Women
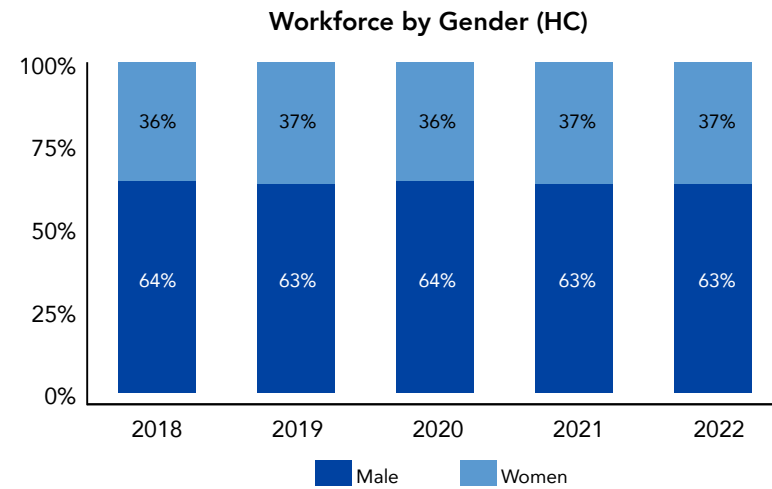
GENDER REPRESENTATION
Women represent 37% of our global workforce, and we continue to strive for noticeable improvements in hiring women across all global sites. Additionally, we are committed to increasing, developing, and promoting more women into technical and leadership positions within our organizations.

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's leadership team ensures we are making improvements, where needed.

Our 2025 aspirational representation goals highlight our commitment to increasing the representation of women and under-represented populations at NXP. With regional hiring targets, diverse interview panels, and inclusive leadership trainings and practices, we increase our ability to advance representation and promote inclusion.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

RACE AND ETHNICITY REPRESENTATION

In the United States, we monitor race and ethnicity representation to ensure we are attracting, developing, and retaining diverse team members.

Over the course of 2022, our Asian American population increased by 1 percentage point compared to 2021. We also increased the percentage of Black/African American team members within the company by 1 percentage point, while attrition decreased from 17.6% in 2021 to 12.7% in 2022, for this group of team members. Similarly, our population of Hispanic/Latino team members also grew by 1 percentage point.

A breakdown of NXP's United States (US) population, as of December 31, 2022:

United States Race and Ethnicity	Unit	2022
White (Not Hispanic / Latino)	%	49%
Asian (Not Hispanic / Latino)	%	22%
Hispanic / Latino	%	16%
Black or African American (Not Hispanic / Latino)	%	6%
Native American or Alaska Native (Not Hispanic / Latino)	%	1%
Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	0.2%
Two or More Races (Not Hispanic / Latino)	%	1%
Undeclared	%	6%

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.

NXP encourages what we call "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 formal team meetings. Inclusion Insights are intended to serve as regular reminders about the importance of being inclusive at work, at home, and in all aspects of our lives. The initiative is becoming more and more of a standard practice across the organization. Anticipated outcomes include better engagement, increased collaboration, high performance, and innovation. Team-member feedback suggests the practice is effective. Inclusion creates an environment in which all team members feel welcomed, valued, accepted, respected, and included, and enables everyone to perform at their best.

We continually look for ways to advance inclusion within the company. In November, we spotlighted the contributions of men, positive male role models, and focused on men's health and well-being in connection with "Movember." Movember is an international cause that encourages men to grow a mustache to increase awareness and raise funds for men's health – specifically prostate cancer, testicular cancer, mental health, and suicide prevention.

FOSTERING TEAM-MEMBER ENGAGEMENT VIA ERGs

An instrumental part of our approach to DE&I are the voices of our team members and their engagement in driving inclusion and supporting our strategic initiatives for diversity, equality, and inclusion.

NXP's ERGs are instrumental in enabling 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 2022, we:

- Established United Veterans, a new ERG which supports our active-duty and retired military veterans in the US
- Grew ERG membership overall, year-over-year, by 24%

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

NXP now has nine primary ERGs, with 23 chapters represented in Asia, Europe, Mexico, and the United States.

NXP PRIMARY ERGs

| Asian Cultural Team | Black Achievement Leadership Team | Emerging Professionals / Young Community | EQUAL | Hispanic Education Awareness Team | Interconnection | No eXtra Planet | United Veterans | Women in NXP |

Membership and participation in ERGs is open to all NXP team members, and global engagement is encouraged. Each ERG has defined mission/vision statements and goals, as well as executive oversight and sponsorship.

To track the progress of our growing ERGs, we measure membership, team-member engagement, and programming for each group. To measure employee experiences with the ERGs, team members provide direct feedback to ERGs through surveys sent to participants.
- Based on this feedback, 2022 performance by our ERGs increased by 18% compared to 2021.
- In 2022, the ERGs collectively hosted more than 100 events, including professional-development workshops, networking sessions, and cultural-awareness activities. For example, our Interconnection ERG celebrated Eid al-Adha by inviting team members to enjoy traditional Muslim food and learn more about the holiday.

In addition to planning events and organizing efforts within the countries and regions where 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 2022, thousands of NXP team members around the world participated in more than 65 virtual and onsite IWD events. Another example of global collaboration is NXP's first Pride flag-raising across our global sites. Additional annual observances celebrated by our ERGs include Black History Month, Pride Month, Hispanic Heritage Month, and Global Diversity Awareness Month.

When possible, our ERGs also partner with external organizations committed to advancing STEM education, community wellness, and sustainable environmental practices. For example, in 2022, our ERGs raised and donated funds and led 12 volunteer opportunities. This year, our ERGs partnered with:
- El Buen Samaritano, Texas
- For Our City Day Chandler, Arizona
- Green Corn Project, Texas
- Huston Tillotson University's Austin Pre-Freshman Engineering Program (AusPREP), Texas
- National Society of Black Engineers Fresh Start, Texas
- Out Youth, Texas
- Valley of the Sun United Way, Arizona
- The National Expert Organization on Girls in STEM (VHTO), Netherlands

NXP engages regularly with our ERG leaders, meeting several times a year to share regular updates about our focus on and progress in DE&I, while listening for areas of opportunity to consider. In 2022, for example, based on input from ERG leaders, we invited select ERG leaders to attend an in-depth workshop on executive coaching and development. The workshop, led by an external facilitator, focused on executive presence, engagement, effectiveness, and insights, and included role-playing and coaching sessions with opportunities for direct and focused feedback.

EMBRACING DIVERSITY, EQUALITY, AND INCLUSION

DE&I COMMITMENT

NXP's commitment to DE&I is also reflected in our collaboration with universities. We are committed to increasing representation of women and other under-represented groups in the communication material we use with universities and at career fairs. To promote recruiting from diverse talent pipelines, our ERGs collaborate with our internal Talent Acquisition Team.

For example, to support NXP's aspiration to improve gender representation:

- The Women in NXP China chapter participated in a video campaign for new college graduates where they shared their experiences on NXP's inclusive culture and development opportunities.
- In the EMEA region, we organized panel discussions with local female NXP engineers in March 2022, helping to connect female university students with role models.
- Another initiative, called "Women in Technology," was started in 2022 in India. This is a year-long program, designed for women in engineering studies, that consists of specialized training by industry experts for a total of 50 women. The aim is to encourage young women and mentor them for a successful career in the industry.

Also, the Black Achievement and Leadership Team ERG partnered with National Society of Black Engineers (NSBE) chapters to host Leveling Up Workshops, an internally developed, career exploration workshop which provides guidance, support, and early access to tools, tips, and NXP resources to students.

DEVELOPING OUR DIVERSE WORKFORCE

Our premier Leadership Development Program targets leaders at the director level and above. Within the cohort of 2022 program participants, we've reached our target of having women and under-represented minorities account for 40% of the participants.

Through our ERGs, NXP regularly facilitates training on DE&I topics. As an example, our Young Community and EQUAL ERGs collaborated on a panel to discuss diverse representation and positive action. These ERG-led sessions give our global team members the opportunity to engage in open discussions and create awareness of inclusive behaviors.

Our ERG-hosted events are aimed at promoting career development, enhancing business knowledge, and building leadership skills.

For example:

- Our Asian Cultural Team ERG hosted a discussion with NXP Executive Vice President, Ron Martino, and NXP Fellow, Tu-Anh Tran, where they discussed the key to successful leadership and contributing to a high-performance culture. Also, in 2022, our ERGs welcomed more than 20 external speakers and organizations for professional development and networking events.
- Our Black Achievement and Leadership Team ERG hosted a session with NXP CFO, Bill Betz, titled "All About Finance," which allowed Bill to share inputs about his role at NXP along with information about the current financial climate and the company's financial strategy.

Our ERGs initiate mentorship platforms within NXP. For example, our Women in NXP India chapter launched Building Pathways, an internal networking platform for team members to share inspiring stories and provide guidance on career and well-being.

NXP also engages in professional development conferences that enable the continued growth of our diverse workforce. In 2022, NXP team members have participated in the Texas Conference for Women, the Black in Tech Conference, and the Global Semiconductor Alliance's Women's Leadership Initiative.

Looking Ahead

NXP will continue to enhance our diversity, equality, and inclusion efforts, define processes, and embed strategies that will ultimately help us sustain a diverse workforce and an inclusive environment. We will:

- Build upon the inclusive behaviors we've established within the company by continuing our practice of starting formal meetings with an Inclusion Insight and expanding our Inclusion Insights library
- Make progress toward achieving our 2025 representation targets

PROVIDING COMPETITIVE AND FAIR COMPENSATION AND BENEFITS

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

COMPENSATION
NXP provides team members with total rewards packages consisting of base salary and short-term incentives for all team members, as well as equity-based long-term incentives for other team members. We offer locally competitive benefits aimed at supporting team members' financial, physical, and mental well-being.

Rewarding performance is a critical element of our overall program. NXP is committed to managing all reward-based compensation programs, including merit increases, Annual Incentive Program (AIP) payouts, Sales Incentive Program (SIP) payments and long-term incentive awards, to deliver on our pay-for-performance philosophy.

Since 2022, we have linked a portion of our executive and employee compensation to our ESG goals. For more information, see our 2023 Proxy Statement and the "ESG Goals" section of this Report.

NXP has policies and procedures in place to promote pay equity. We perform pay reviews twice a year, alongside NXP's rewards processes, to ensure we are delivering pay decisions with an appropriate focus on fairness. We developed this proactive process to evaluate each reward-based compensation program in real time, to provide leaders with feedback to create more visibility into fair and equitable compensation while decisions are being made. We also analyze potential compensation recommendations or changes within functional areas and departments in order make appropriate adjustments and promote pay equity. Review results are presented to our CEO and Chief Human Resources Officer, reflecting our commitment to evaluate compensation-related decisions based on a variety of factors, including, where applicable, gender, race, and ethnicity.

We believe that pay decisions should be made based on three factors: external considerations (i.e., market conditions), employee performance/contributions and internal equity. NXP utilizes third-party data to formulate compensation and benefits programs that are fair, equitable, and competitive. We then empower leaders to recognize both individual and team accomplishments through a variety of compensation programs. Each year, we conduct a formal assessment of the individual's specific achievements and the demonstrated behaviors – consistent with our values – to deliver those achievements.
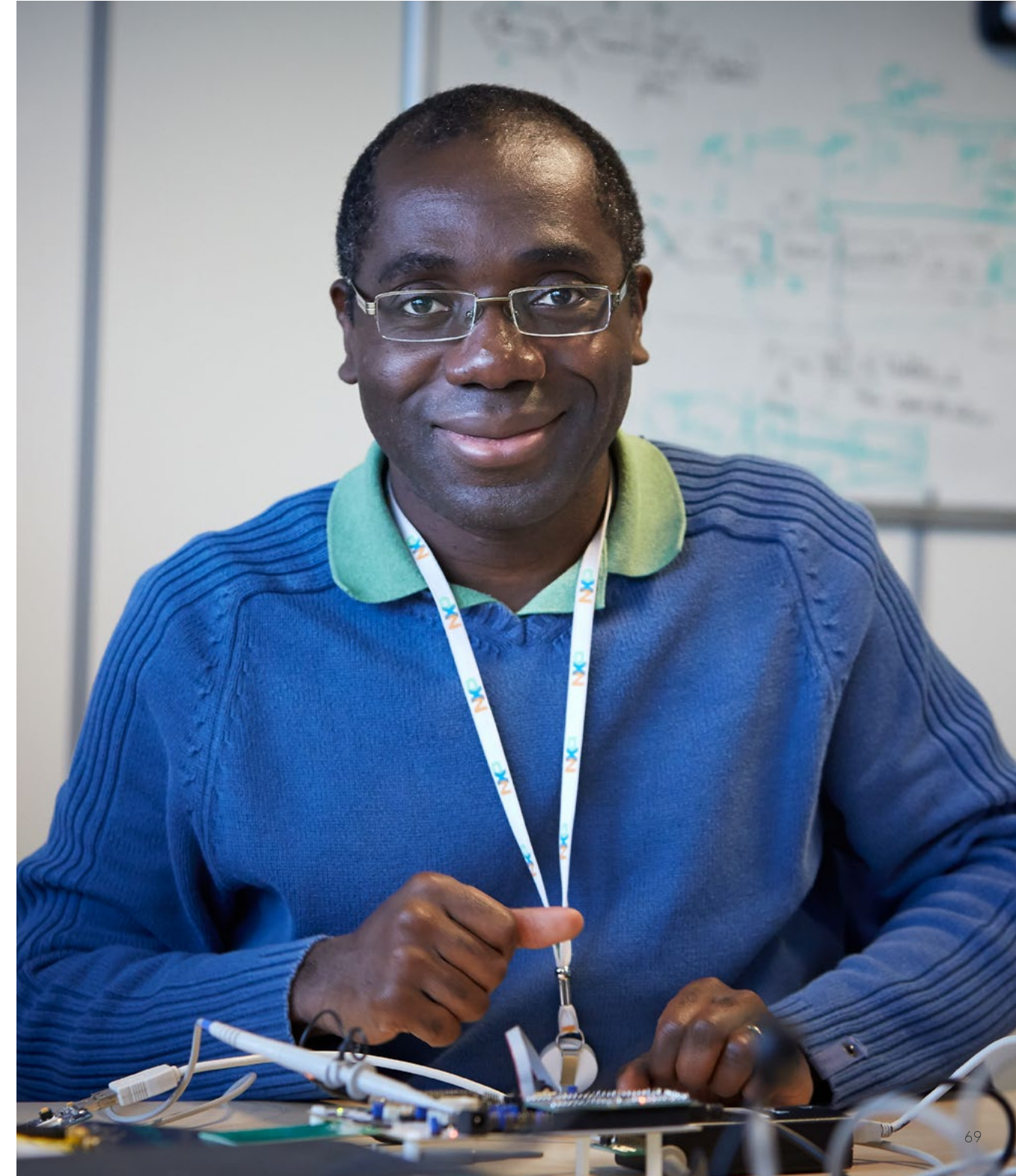
PROVIDING COMPETITIVE AND FAIR COMPENSATION AND BENEFITS

BENEFITS

NXP helps our team members maintain their health and financial well-being by providing benefits that may include an employee stock purchase plan (where eligible team members can purchase NXP shares through payroll deductions at 85% of fair market value), life insurance, business-travel accident insurance, personal accident insurance, paid maternity and paternity leave, personal time off, tuition reimbursement, certain local allowances, and other employee-assistance programs.

We also offer a global Flexible Work Arrangement program, which offers eligible team members the ability to work a combination of onsite 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 promote overall well-being and greater work-life integration for our team members.

NXP's benefits programs vary by country and region. Below 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 a benefits program that includes medical, dental, and vision insurance, in addition to any statutory benefits. We offer competitive matching contributions for retirement, as well as car allowances and lease programs for our Sales team members. In the United States, we have medical and mental-health benefits for team members who are transgender, and we also offer up to five visits of back-up care (for children or the elderly), tutoring for children, onsite gyms or gym allowance, onsite health checks and flu shots, and time off for community service and voting.

APAC Benefits Overview
NXP supports team members in APAC countries with benefit programs tailored to the specific country. This can include annual health and wellness checks, medical-insurance coverage, hospital coverage, and certain allowances, 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 cafeterias serving food, for the convenience of our team members. Certain sites also offer onsite health centers and designated areas for sporting activities and religious practices. NXP supports cultural events with gifts and time off for Diwali, the 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 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 supplemental medical, dental, and vision coverage, in addition to the in-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, meals, and other work-related costs. We also support health/sports-related activities and cultural events for our team members.

Looking Ahead

- We will continue to focus our total rewards programs on attracting, motivating, retaining, and rewarding our talented team members
- We continuously explore ways to improve our processes and systems to ensure the best investment in our people
- We will integrate programs with a focus on employee well-being

ENABLING TALENT DEVELOPMENT AND 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. We believe that, by utilizing the 70/20/10 model, learning can achieve new levels through experience, collaboration, and education.

OUR APPROACH: THE 70/20/10 MODEL

70%

Learning Through On-the-Job Experience – On-the-job learning begins for team members on day one, with orientation, and continues, throughout their time at NXP, with regular and ongoing programs for growth and development, offered at both the local and global level. We work to create developmental opportunities for our team members through challenging 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 skills, develop leadership competency, provide on-the-job learning experience, and fuel the career growth of our team members.

20%

Learning Through Others – We believe some of the best career learning is gained by working with and observing others, mentoring, and continuous feedback. 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 to enhance team-member development. We also have a deliberate and continuous feedback process for making sure that learning and improvement is a daily habit.

10%

Learning Through Education – Coursework is a vital tool, blending internally designed and externally sourced courses and learning resources to provide our team members learning opportunities, in support of key business processes, requirements, and initiatives. We also provide all team members with access to a complete library of on-demand resources for skills development and micro learning. We support continuing educational endeavors by providing tuition-assistance programs in various countries and regions – including China, India, the United Kingdom, and the United States – 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 AND GROWTH OPPORTUNITIES

GLOBAL ONLINE TRAINING[6]

Global Online Learning	Unit	2021	2022
Overview			
Training Courses Completed	Hours	8,852	9,497
Online Training Hours	Hours	89,591	168,229
Average Online Training Hours	Hours	3.0	5.1
Average Online Training Hours by Role			
IDL	Hours	7.0	8.0
DL	Hours	0.2	0.6
Average Online Training Hours by Gender			
Women	Hours	2.2	4.1
Men	Hours	3.5	5.7

[6] Online training metrics include mandatory compliance training and team-member-elected training.

OUR LEARNING AND DEVELOPMENT PROGRAMS

NXP has a wide variety of learning and development programs for our team members across the globe, including new offerings, introduced in 2022, and others to come in 2023.

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

- **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 these values and principles in their day-to-day activities. Annual Code of Business Conduct training is mandatory for all team members and contractors with an active email address.

- **Leadership Development Program** – Designed for more senior leaders to continue to develop leadership capability at NXP. This is a six-month, in-person experience designed to enhance leadership effectiveness. Leaders participate in intensive, small-group coaching, workshops, and on-the-job practice. Together, class participants focus on their individual business challenges and leadership skills to achieve significant business results and, in the process, develop career-long relationships. Leaders attend a total of four two-day in-person workshops, scheduled across six to nine months, and, in between sessions, apply their learning in practice and participate in peer coaching.

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

- **New Manager Essentials** – New Manager Essentials is an online learning journey that provides foundational knowledge for all new managers, whether newly promoted or newly hired into the role of people leadership. Through this program, managers study the NXP strategy and key skills, such as communication, collaboration, and psychological safety. In addition, managers learn the core processes which they will use to lead throughout the year.

- **NXP Citizen Data Scientist Program (CDSP)** – Aims to modernize our workforce with the latest training and tools for data science. The CDSP is a 14-week introduction to data science and machine learning, requiring no previous experience in these fields. Team members who participate benefit from live and prerecorded lectures, mentoring from experienced data scientists, and cooperative hands-on development of a solution to a real and pertinent NXP business problem. The program culminates in a two-day live Hackathon event, whereby each team finalizes a proof-of-concept solution to their use case and delivers a short presentation. Over the last four years, this program has helped to upskill 73 Citizen Data Scientists from 12 countries and regions in 13 business domains, exploring 48 unique use cases.

- **NXP Manager Intensive** – A three-day, in-person experience designed to support managers in their role to foster high-performance and engagement. Managers learn how to enact and live the NXP values through nine core management practices. Throughout this interactive workshop, participants share experiences and learning with a cohort of up to 30 managers.

- **NXP Mentoring Program** – We believe that every NXP team member has wisdom and experience to share with others. NXP is launching a global mentoring platform that will let team members and leaders sign up to either become or find a mentor. The platform will enable team members to locate peer mentors, subject-matter-expertise mentors, career mentors, leadership-development mentors, and reverse mentors, as well as program-specific mentors, such as our School of Architecture and Women's Network.

- **NXP R&D Academy** – To further develop the R&D community, we expanded 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, artificial intelligence, and ideation. To learn more about our work in this space, refer to the "Building Thought Leadership" section earlier in this chapter.

- **NXP Smarties** – Competency-aligned development guides that team members can use to self-assess their behaviors against the 14 Korn Ferry Leadership Architect competencies, aligned to our NXP Values, and get tips on how to further develop those competencies.

ENABLING TALENT DEVELOPMENT AND GROWTH OPPORTUNITIES

We also offer a variety of sessions to benefit key audiences. For example:

- **Business and Function-Specific Training** – We offer training on a 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 2022, team members participated in a number of training courses with a focus on growing and developing.
    - Mandatory Training: All team members go through a variety of programs related to Environment, Health and Safety, Ethics, Quality, and Technical Training.
    - Voluntary Training: We offer soft-skills training, for things like critical thinking and decision-making, along with training on leadership skills, including our NXP Manager Intensive Program, and site-specific learning activities, such as our Team Effectiveness Program.
  - **Assembly and Test** – Team members participated in more than 2,100 courses/sessions, totaling 36,000 hours of training, which included:
    - Programs such as Total Quality, a Green Belt and Black Belt Program, and 3x5 Why Problem-Solving. In 2022, the Assembly and Test Team certified two master black belts and 13 green belts.
    - Manufacturing-site learning activities, such as Leader as a Teacher, people spotlight, career roadshow, the SPOT ONE program on the transformation of a new era, Employee Assistance Program courses, and the Seven Habits of Highly Effective people.
  - **Front-End Operations** – Throughout 2022, team members participated in more than 61,840 hours of training, which included:
    - Programs such as Total Quality, a Green Belt and Black Belt Program, and 3x5 Why Problem-Solving.

- Manufacturing-site learning activities, such as soft-skills development training through our ERGs, Front-End Operations overview classes (all systems and theories), external training, including vendor and higher-education courses, along with mentor assignments and tracked engagements for every new engineer in Operations.
  - **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 29 Franklin Covey personal-development workshops for Sales Operations team members, focused on building and maintaining extraordinary productivity habits, unconscious bias, and leadership effectiveness. In 2022, 250 team members participated in these sessions.
    - In 2022, additional sales training included early-in-career and new-hire training in the Americas, leadership development training for Sales leaders, Sales Operations tools training, and technical training focused on products and solutions for customer application engineers. The team also renewed the training section of the NXP Sales portal to include multiple new offerings and a new-hire curriculum for Sales team members.
- **Periodic Webinars** – Team members are offered the opportunity to attend live sessions to build their communication and professional skills such as the "Art of Feedback" and "Giving and Receiving Feedback with a Growth Mindset."
- **Self-Service Resources** – Courses on topics that help team members develop personally and professionally are featured in a centralized portal that houses all NXP learning opportunities.

- **Team-Effectiveness Workshops** – During these sessions, team members learn to understand more about themselves and others using psychometric tools. In addition to learning to work better with colleagues, they learn how to have more open, positive conversations, use their strengths with confidence, improve their development areas, and understand the value they bring to projects.

Our customers are key to what we do. 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 skill.

Looking Ahead

In 2023, NXP is excited to launch a global Learning Management System that will enable full distribution of content creation and learning assignments. This will enable NXP to get the right learning to the right people at the right time.

INVESTING IN FUTURE TALENT

NXP's strong commitment to our new-in-career and internship program is a key contributor to developing the next generation of talent, including engineers, in our industry and our company. In addition to recruiting interns, working students, and new college graduates for engineering roles, the company also hires for general and administrative positions in Finance, Human Resources, Sales, and other areas.

INTERNS
Our internship programs focus on the technical advancement and skills development students need as they prepare to enter the professional workforce. In 2022, we continued to welcome university students to NXP. We granted more than 1,100 internships to university students and converted 39% of our interns into NXP team members.

NEW COLLEGE GRADUATES
Our internship programs build a highly capable and energetic pipeline of new college graduates. In 2022, we were pleased to welcome more than 1,000 IDL new college graduates, an increase over the 644 new college graduates we hired in 2021. These hires represent 23% of our overall IDL hiring activity, in which 35% of new college graduate hires were women and 66% were underrepresented minorities in the US.
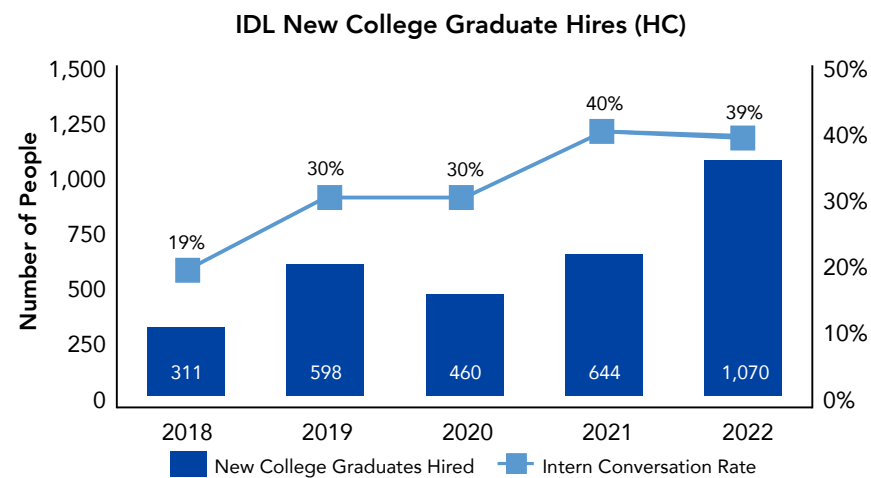
IDL New College Graduate Hires (HC)

Year	New College Graduates Hired	Intern Conversation Rate
2018	311	19%
2019	598	30%
2020	460	30%
2021	644	40%
2022	1,070	39%

INVESTING IN FUTURE TALENT

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 invest in people as well as technology. Quite often, these partnerships translate into new and exciting solutions for our customers and markets.

To drive deeper awareness and engagement with our university partnerships, NXP maintains a University Relations Council, which has the goal of driving a coherent and aligned approach towards university partnerships by linking recruitment, global sales and marketing, and R&D programs. In 2022, we strengthened this global and local collaboration and successfully implemented many initiatives and activities.

Our 2022 university funding and support was diverse, and allowed us to support advanced research programs and sponsorships, including the following:

- **~80 university projects led by NXP** – Projects in countries and regions across the globe, including Austria, Belgium, China, Czech Republic, France, Germany, India, Netherlands, Romania, the United Kingdom, and the United States, led by NXP and supported by various business lines and functions. As part of this engagement, NXP sponsors students, professorships, and lab equipment.
- **70-plus projects with the Semiconductor Research Consortium (SRC)** – Projects engaged NXP liaisons in Canada, India, and the United States with university professors and students on advanced silicon design, production, and manufacturing processes. These programs also provided students with a path for technology transfer and expertise in the industry.
- **EcoCar** – A United States Department of Energy program that allows NXP to work with 12 universities across the US to develop more economical, environmentally friendly, and connected vehicles.
- **2022 NXP Cup** – Invites participants to an autonomous robotics and automotive challenge. Participants build, program, and race a model car against other teams, aiming for the fastest time with precise maneuvering. The 2022 event engaged more than 100 university teams in Europe. The virtual events and live finals drew more than 2,300 views on YouTube.
- **NXP HoverGames** – A virtual coding and hardware challenge, incorporating NXP technology in drones. The challenge takes place over several months and addresses some of the biggest challenges facing society, such as disaster management, health crises, environmental protection, and wildlife preservation. NXP has engaged more than 313 teams (registrations ongoing), with a large number of participants from India and the United States.
- **2022 NXP Smart Car Race Design Challenge** – Engineering students in India spent two days focused on artificial intelligence in mobility. Participants raced their driverless vehicle prototypes on a virtual racetrack, using skills in the areas of coding, AI algorithms, sign recognition, sensors, 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 each were short-listed for the two-day grand finale of live races, with an in-depth evaluation from external judges.
- **National University Students Intelligent Car Race** – By sponsoring the "Intelligent Vision" segment of this event, hosted by Chinese universities, NXP provided 680 students and 354 teachers, from 200+ universities, with our specially designed products for image classification.

INVESTING IN FUTURE TALENT

UNIVERSITY AMBASSADOR PROGRAM

As we engaged virtually with universities throughout the COVID-19 pandemic, we've learned that students seek connections with our company that go beyond the recruiting team.

To help foster connections with students that go beyond the recruiting team, our University Ambassador Program invites all team members to raise awareness at universities and encourages young professionals to join NXP.

As University Ambassadors, 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, to ask about their experiences as an NXP team member. There is a direct benefit to those participating, and students and ambassadors are often both enriched.

NEW-IN-CAREER DEVELOPMENT PROGRAM

We believe early success in a career significantly drives the future success of our company. The first months of a new job can seem daunting. With this in mind, the company has a New-in-Career Development Program focused on supporting emerging professionals in their transition to the working 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, our culture, and our 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.

As part of this program, new-in-career hires also receive an onboarding gift to make them feel welcome and a part of the NXP team.

COUNTRY AND REGION-SPECIFIC PROGRAMS FOR FUTURE TALENT

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

Our Campus Connect Program in India helps NXP reach out to university faculty and students to share a technical overview of current topics of interest in the semiconductor, electronics, and embedded sectors. 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 university talents and experienced industry experts. Ultimately, the program helps pave the way for a seamless transition into their career.

We also have a Virtual Campus Connect Program in EMEA, which is a virtual event aimed at university students and graduates from our tier-one universities in the EMEA region. This initiative gives students and graduates the chance to learn more about NXP's breakthrough innovations, our culture, our values, and our career opportunities.

Similar virtual sessions have been held in China, the UK, and the US, where NXP ambassadors shared company insights with targeted universities, reaching 20,000 students and graduates, and garnering approximately 200 direct applications.

FOCUSING ON TEAM-MEMBER RETENTION

NXP aims to retain team members and minimize turnover. The graph below shows our turnover rate from the past five years.

Global Voluntary Turnover
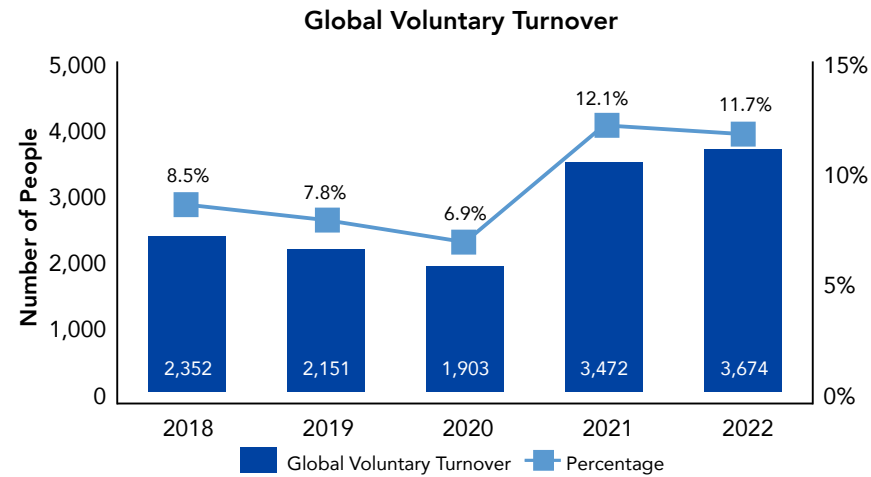
Voluntary turnover varies by country, and our turnover rate remains below the competitive benchmark in each country where we have team members. 2021 and 2022 had higher turnover rates than previous years, but these increases can be explained by conditions in the individual markets where our team members reside. We continue to drive programs 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** – We incorporate flexibility into our work style by allowing qualified team members work onsite and remotely. 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 allows for constructive and meaningful social interactions.

- **Continuous focus on well-being** – We continue to support the physical, mental, financial and overall well-being of our team members. Each country has well-being embedded into its internal communications, team-building activities, and local celebrations. This year, we also introduced global Recharge Days, which encourage NXP team members to take time off or enjoy no meetings in the days surrounding select company holidays and local celebrations. In 2022, these days coincided with regional holidays, allowing for paid days off several times a year for our teams to rest, recharge, and refocus. We also offer benefits programs throughout the world that are aimed at physical, emotional, and financial well-being.

- **Consistent communications and business updates** – This includes 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 are thriving.

Looking Ahead

NXP will continue to focus on team-member well-being and on offering rewards programs that are designed to retain team members.

HEALTH AND SAFETY

LONG–TERM AMBITION

Achieve **Zero Workplace Injuries** and **Illnesses**

2022 HEALTH AND SAFETY PERFORMANCE

Maintained a Low Total Case Incident Rate (TCIR) of **0.10**

ISO 45001 Management System Certified

Continued Focus on **Worker Safety Councils**

NXP is committed to ensuring a safe and healthy workplace for our team members, partners, and visitors. Despite increased demand for our products in 2022, which led to an increase in production activity, we maintained a low injury rate that remains 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 and Safety Management System, and have developed robust Health and Safety programs and initiatives to safeguard our team members, partners, and visitors. As part of that certification, every manufacturing site has an employee worker safety council, which allows all levels of employees to be involved in our Environment, Health, and Safety (EHS) Management System process, from incident investigation and identifying hazards to assessing risks and opportunities.

In 2022, as a follow-up to our 2019 survey, we conducted a global employee safety survey, inquiring about opportunities for improvement and asking how comfortable employees are about raising safety concerns. Overall, 98% of employees felt that safety starts with them, and 94% felt that safety concerns are a high priority for NXP. We will continue to address individual site opportunities based on the results.

We continued to manage the impact of the COVID-19 pandemic on our team members and workplaces. While many sites have moved forward due to the prevalence of vaccines, some sites and team members were still impacted by the COVID-19 pandemic in 2022. We continue to monitor at the local level and adjust our policy as needed.

8 DECENT WORK AND ECONOMIC GROWTH

HEALTH AND SAFETY

HEALTH PROGRAMS
We are committed to maintaining an EHS culture that fosters a healthy and productive work environment. "Health" encompasses medical and physical well-being, as well as emotional and 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 preventative 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 source 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 other workplace concerns. NXP also offers a variety of internal and external online resources addressing various life events.

SAFETY PROGRAMS
All our manufacturing sites have Health and Safety experts who specialize in supervising protective measures and creating safe and ergonomically friendly workplaces. All areas of the workplace are incorporated, including areas of production, offices, labs, 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 an activity or a behavior may pose an imminent danger

• Unannounced safety walkthroughs, performed by trained managers, to identify potential issues and recognize positive 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 AND SAFETY

GOVERNANCE

The governance of Health and Safety lies within the EHS Management Board, which consists of executives and senior leaders who define the development, approval, purpose, value, strategies, policies, and goals, along with the metrics used to gauge the success of each plan.

Corporate EHS and the Global EHS Leadership Team collectively establish risk-mitigation strategies and 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, investigate all incidents, and conduct root-cause analyses. The corrective actions taken are communicated to all our global sites for continuous improvement.

Each manufacturing site engages a Safety Committee/Worker Council, which includes designated team members who are encouraged to consult and participate in the EHS Management System process. These committees perform periodic walkthroughs to evaluate safety and potential areas of risk, in order to continuously improve and demonstrate our commitment to safety. These 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 on a global scale. All manufacturing sites, as well as our 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 and 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 join 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 AND SAFETY

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 RBA Self-Assessment questionnaire that, among other topics, addresses health and safety as well as elements of the management systems.

AUDITS
The EHS and Social Responsibility teams use external audit firms to conduct internal EHS-related audits. These selected firms are experts in the standards for EHS Management Systems and NXP Social Responsibility Standards.

Internal EHS audits are typically conducted approximately 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, assesses two manufacturing sites per year as determined by LRQA. In 2022, NXP was recertified to the ISO 45001 standards with a more detailed audit at five locations, including our headquarters. LRQA used a combination of onsite and remote audits, as dictated by internal and/or local gathering requirements, to audit a sampling of compliance and management systems. A formal report was issued, and corrective actions are being tracked until LRQA indicates 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 and 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 manufacturing 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 AND SAFETY

RESULTS
In 2022, 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 a low Total Case Incident Rate (TCIR) of 0.10 in 2022, and remain well below the semiconductor-industry averages published by the Semiconductor Industry Association (SIA) and the European Semiconductor Industry Association (ESIA), which, based on the latest data available, ranges from 0.38 to 1.03. NXP's low injury rate is attributed to the robust Health and Safety programs we have in place at all our manufacturing sites and our EHS awareness initiatives at many of our office and R&D sites.

Injury Rate
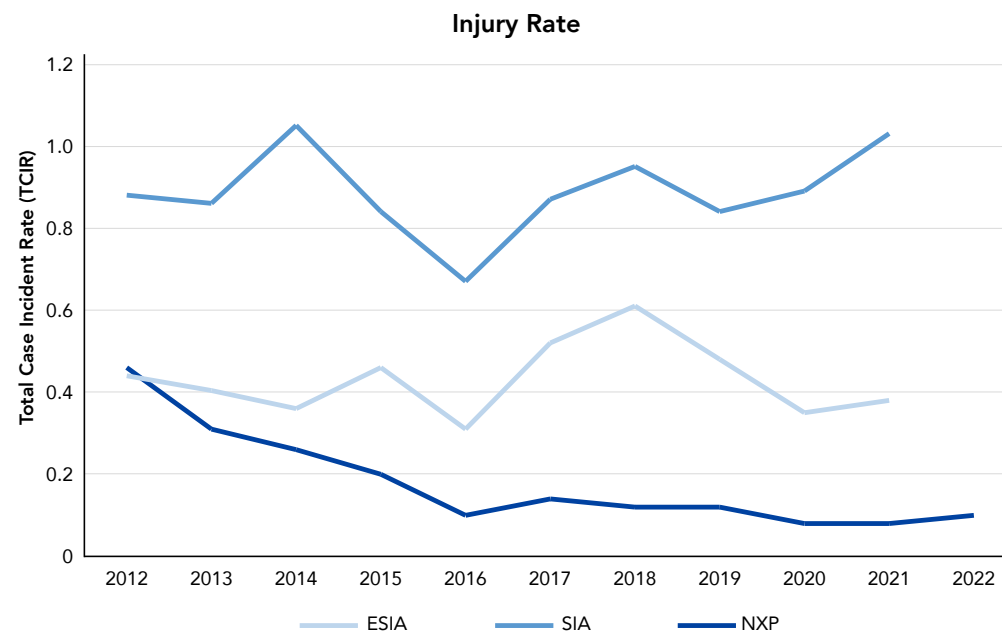
TCIR is a measure used by the US Occupational Safety and Health Administration (OSHA) to monitor industry safety. It is defined as the number of work-related recordable injuries per hundred full-time workers during a one-year period. Tracking TCIR allows our EHS Teams to identify patterns across different manufacturing and non-manufacturing sites.

OCCUPATIONAL ILLNESSES AND INJURIES
Each year, the number of occupational illnesses and injuries and the number of hours worked vary. We continue to maintain our benchmark-low number of occupational illness and injuries. We attribute this to our ongoing focus on preventative measures. In 2022, we saw a slight uptick in recordable injuries as we returned to pre-COVID-19 pandemic staffing levels. We will continue to investigate all work-related injuries to determine root causes and corrective/preventative actions.
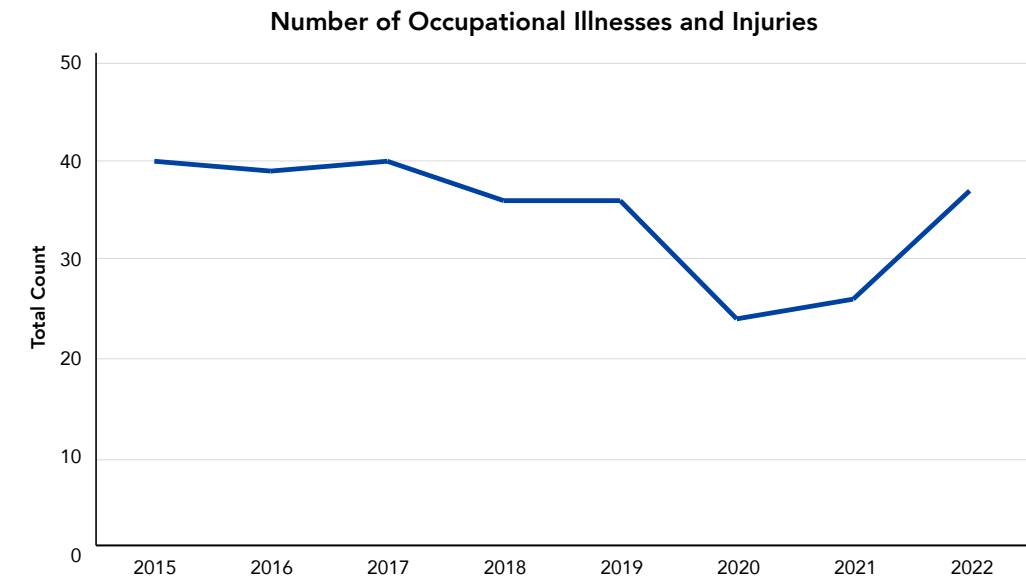
Number of Occupational Illnesses and Injuries

HEALTH AND SAFETY

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.

Although our severity rate ticked up in 2022, the overall severity rate continues to trend downward. An increase in severity rate can be due to just one or two incidents where additional medical time off is needed. We continue to look for preventative measures to reduce the number of incidents. 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 historically ranges from five to eight.

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 actions.

Severity Rate

Injury Occurrence by Workplace Environment
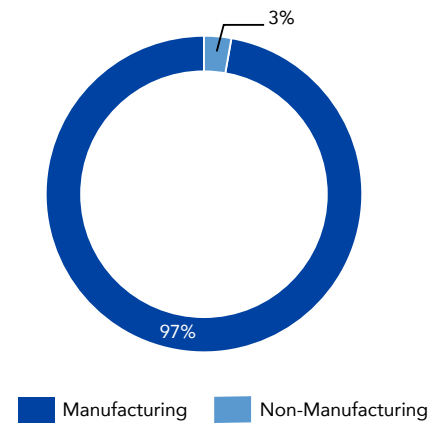
Injury by Category
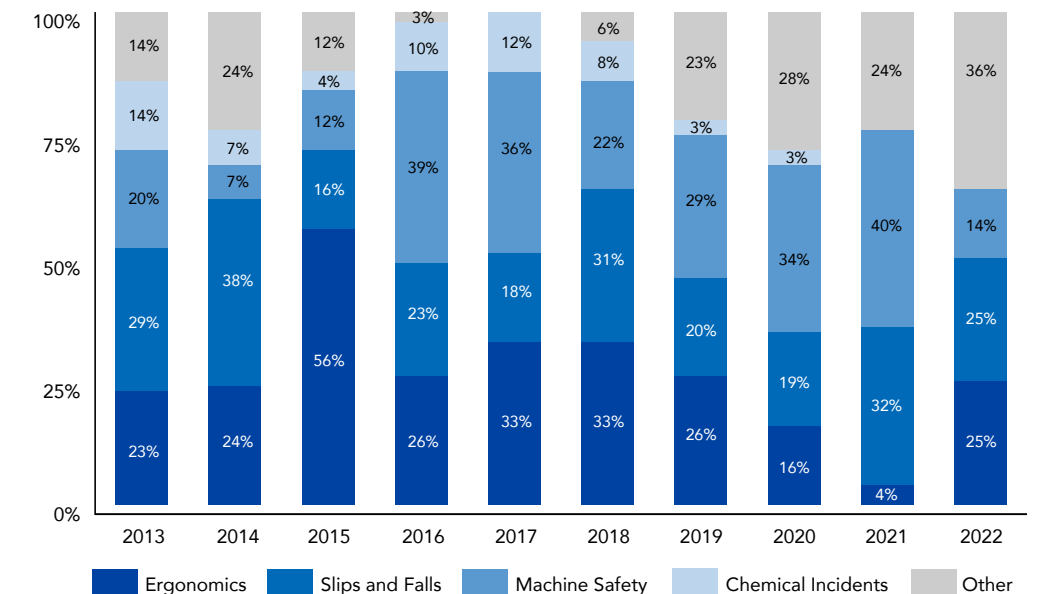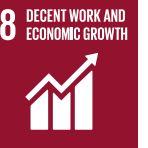
NXP in Action

The Oak Hill site in Austin, Texas, has maintained its OSHA VPP Star status since 1990. OSHA's Voluntary Protection Programs (VPP) recognize employers and workers in the private industry and federal agencies who have implemented effective management systems for health and safety, and maintain injury and illness rates below national Bureau of Labor Statistics averages for their respective industries.

HUMAN RIGHTS

2022 HUMAN-RIGHTS PERFORMANCE

Human-Rights Due Diligence
14 Supply-Chain Due-Diligence Audits in 2022

External Engagement
Sharing Practical Approaches to Labor and
Human-Rights Challenges

Due-Diligence Results
Instances of Working-hour Challenges, Recruitment-Related Fees
Paid by Workers, and Insufficient Rest Days

Labor and Human-Rights Commitments
Published NXP's first Human Rights Policy in 2022

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 respect human rights through our own actions and decision-making and we expect our suppliers and partners to do the same.

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. This commitment is reflected in the NXP Human Rights Policy published in 2022. The Policy was prepared by the NXP Sustainability Office, under the supervision of the ESG Management Board and approved by the Board of Directors.

HUMAN-RIGHTS DUE DILIGENCE
To identify potentially adverse human-rights impacts and put in place prevention and mitigation measures, in 2022, we updated the NXP Human Rights Management System. The Management System provides clear guidance on how human-rights due diligence is to be conducted across our business value chain. 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, and consultation and engagement with workers, management, and other key stakeholders, as well as measurement and public reporting.

HUMAN RIGHTS

NXP examines human-rights risks on a continual basis, and relies on stakeholder feedback and engagement when evaluating these risks.

IDENTIFY AND ASSESS
- Supplier risk assessment
- Self-assessment questionnaire
- Audit
- Collaboration and engagement with stakeholders and human-rights experts
- Review and assessment of previous due-diligence results

INTEGRATE AND ACT
- Policies, standards, and tools
- ESG Management Board
- Capacity-building
- Collaboration with Purchasing Team
- Monthly post-audit follow-up calls

TRACK
- 30/60/90-day post-audit follow-up calls
- Verification audits
- Monthly key performance indicators (KPIs)
- Survey
- Private worker interviews

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

HUMAN RIGHTS

SALIENT HUMAN-RIGHTS RISK ASSESSMENT

In our operations and our supply chain, we use indirect labor, direct labor (including foreign migrant workers), temporary workers, and agency 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 and engagement with key stakeholders – including industry associations, expert groups, and non-governmental organizations (NGOs) – and the results from our supplier assessments and audits. The following are the issues within NXP and our supply chain we determined are most critical to labor and human rights.

HUMAN RIGHTS

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, based on our own experiences, shared industry best practices, and emerging issues, trends, and developments.

NO FEES
- A 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.
- A grievance mechanism is in place to confidentially report policy violations.

RETENTION OF DOCUMENTS
- A clear policy states workers are not required to surrender personal documents.
- Personal, lockable, secured storage units are available in facilities and/or dormitories/housing.
- A grievance mechanism is in place to confidentially report policy violations.

FAIR TREATMENT OF VULNERABLE WORKERS
- The well-being and health and safety of workers must be ensured during pandemic and post-pandemic conditions.
- Workers must not be discriminated against, regardless of pandemic circumstances.
- Workers must continue to be given adequate protection from exposure to hazards, including the pandemic illness.
- A grievance mechanism is in place to confidentially report unfair treatment of workers.

WORKING HOURS AND REST DAYS
- There is a 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 are in place to identify and administer the policy.
- The 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 are allowed at least a 20-minute rest break every four hours worked as well as a defined meal break.
- Workers are provided with legally mandated holidays and vacation days.
- A grievance mechanism is in place to confidentially report policy violations.

HUMAN RIGHTS

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.
- A comprehensive policy for child labor clearly states the minimum age for workers.
- A comprehensive policy prohibits young workers under the age of 18 from performing work that may jeopardize their health or safety, including night-shift and overtime work.
- An age-verification process is in place with inspection of validity of at least two identity documents, to be returned to worker.
- Personal-record systems are 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.
- A grievance mechanism is in place to confidentially report policy violations.

ACCURATE CONTRACTS

- Contracts 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.
- Contracts are written in a language that the worker understands prior to employment. If amendments are made prior to employment, the 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.
- A grievance mechanism is 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.
- There is a grievance mechanism to confidentially dispute wage and benefit-related payments.

HUMAN RIGHTS

SALIENT HUMAN-RIGHTS ISSUES: 2022 RESULTS

	Our Operations	Our Supply Chain
No Fees	Workers did not pay fees.	35% of audited suppliers charged hiring fees. All but two suppliers refunded these fees. Dialogue to close the one nonconformance is ongoing.
Retention of Documents	Personal documents are retained by workers.	Of 14 suppliers, all have returned personal documents to workers.
Fair Treatment of Vulnerable Workers	While the hiring of foreign migrant workers at NXP slowed due to the ongoing COVID-19 pandemic and border closures, NXP continued to comply with our Employer Pays policy, which ensures these workers are treated with respect and dignity during recruitment and hiring.	The resumption of supplier audits enabled NXP to interview workers and gauge their well-being during the pandemic. No serious issues have been reported, even though workers were provided with the NXP anonymous phone line to report any concerns or impacts to their rights.
Working Hours and Rest Days	At one site, the 60-hour working limit was exceeded for approximately 900 workers, or 30% of the site's direct-labor workforce, for a period of one week. This was due to the continued labor shortage, challenges in hiring foreign migrant workers, and a border closure during a significant increase in production demand. The site was able to resolve the issue quickly by efficiently allocating the workforce to support production.	64% of audited suppliers did not monitor working hours and rest days, resulting in nonconformances against NXP's requirements. Four suppliers have yet to close this nonconformance.
Young Workers	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.
Accurate Contracts	Accurate contracts issued to all workers in their native language.	42% of audited suppliers had inaccurate contracts. All suppliers, except one, have closed this nonconformance.
Fair Wages	No discrepancies in wages or benefits.	21% of audited suppliers had discrepancies in wages and benefits. All suppliers have closed this nonconformance.

HUMAN-RIGHTS ACHIEVEMENTS

NXP's Social Responsibility Program was again recognized in 2022 for its work in addressing modern-day slavery issues within NXP operations and our supply chain.

The Asia-Pacific UN Forum on Business and Human Rights invited NXP to be a featured panelist in a session about access to remedy for vulnerable workers during the COVID-19 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 such as the COVID-19 pandemic and post-pandemic challenges. We also offered a proposal for how businesses can collaborate with governments and civil-society organizations to address human-rights challenges for foreign migrant workers and how these workers can get access to grievance mechanisms and remedies.

GIVING BACK TO OUR COMMUNITIES

We believe in making a positive difference in the communities where 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 emphasize education, poverty, hunger, health, and well-being within their respective communities.

ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)
Our community-outreach activities 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 the COVID-19 pandemic

Quality Education

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

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GIVING BACK TO OUR COMMUNITIES

RESPONDING TO HUMANITARIAN SUPPORT EFFORTS
As a global company, NXP is committed to responding to and supporting our team members and those impacted during times of crisis and humanitarian need. When the Russia-Ukraine war unfolded, the company's Crisis Management Team began monitoring the situation closely and developed contingency plans to address employee safety and propose options for offering assistance.

NXP donated $250,000 USD to the United Nations Refugee Agency (also known as the United Nations High Commissioner for Refugees or UNHCR). Local teams across NXP also organized a number of spontaneous relief initiatives to show support and compassion for the people of Ukraine.

Examples of this support include:

Belgium
• Donated 60 laptop and 15 desktop computers to the Digital for Youth organization, to help ensure that young refugees from Ukraine had access to education.

Czech Republic
• Hosted three bake sales during the year to benefit the Red Cross and local Ukrainian refugees.
• Donated $10,000 USD to transition a local kindergarten gym into a fully functioning classroom for use by 17 Ukrainian refugee and local families for the duration of the Ukrainian crisis.
• Donated laptops to several local organizations working with socially disadvantaged kids and Ukrainian refugees.
• Donated $10,000 USD to the Naděje charity organization to provide local accommodations, furniture, and other needed items for 30 refugee mothers and their children.
• Collected and donated much-needed supplies and goods for Ukraine, including food, hygiene and cosmetic supplies, and inflatable mattresses and sleeping bags. Donations went to support various charitable organizations, including ADRA International.

Netherlands
• Supported Ukrainian refugees in several ways, including converting a local nursing home into a refugee shelter (with tables, chairs, and 110 beds), donating 140 laptops to aid children's study needs, and partnering with local organizations to collect goods and clothing (i.e., Jeans Donation Drive) to benefit women, men, and children.

United Kingdom
• Donated £2,500 to Disaster Emergency Committee Ukraine Appeal.

GIVING BACK TO OUR COMMUNITIES

TEAM MEMBERS IN ACTION

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

Throughout the year, team members supported a variety of community and/or non-profit organizations. They gave their time and resources to events that promoted STEM education, offered food, clothing, computer equipment, and basic necessities to those in need, helped to beautify the environment, supported local blood drives, and more.

The following list is just a sampling of the selfless acts team members performed in 2022.

INVESTING IN STEM EDUCATION

Mainland China
- Graduated the first NXP class from Tianjin University (TJU) in June 2022. Based on TJU course architecture, the course combined theory with NXP's application examples, practical experience, and technology trends from the market. Students in the NXP class benefited from the company's strong positions in AI and the Internet of Things (IoT), which are supported by a full product portfolio and extensive technology.

Germany
- Supported mint: pink, a program that helps high school-age girls develop an interest in STEM work.

India
- Launched Artificial Intelligence in Mobility (AIM), a new initiative focused on creating awareness and enthusiasm in the field of artificial intelligence via a smart-car race for engineering students. Technical leaders taught students how to program embedded controllers and encouraged participants to explore the world of AI for automated driving.
- Hosted Campus Connect, which helps create strong partnerships with universities by offering students technical information on various topics of interest in semiconductors, electronics, and embedded-system design.
- Presented Tech Start Up, an annual challenge for technology startups in India that emphasizes NXP technologies and applications. The platform offers participants opportunities to collaborate with industry leaders, boost their growth prospects, and increase their global visibility and network scalability.
- Promoted Women in Technology (WiT), a new, year-long program, hosted by industry experts, that offers specialized training to 50 women engineering students. The aim is to encourage young women and mentor them toward a successful career in the industry.
- Hosted the Young Innovator Design Challenge (YIDC), a one-of-a-kind challenge for the children of NXP India team members, featuring themes that encourage participants to design embedded innovations using NXP semiconductor chips and microbit kits.
- Offered a financial contribution to Indian Institute of Technology of Hyderabad (IITH) to support a STEM training program for youth in higher education.
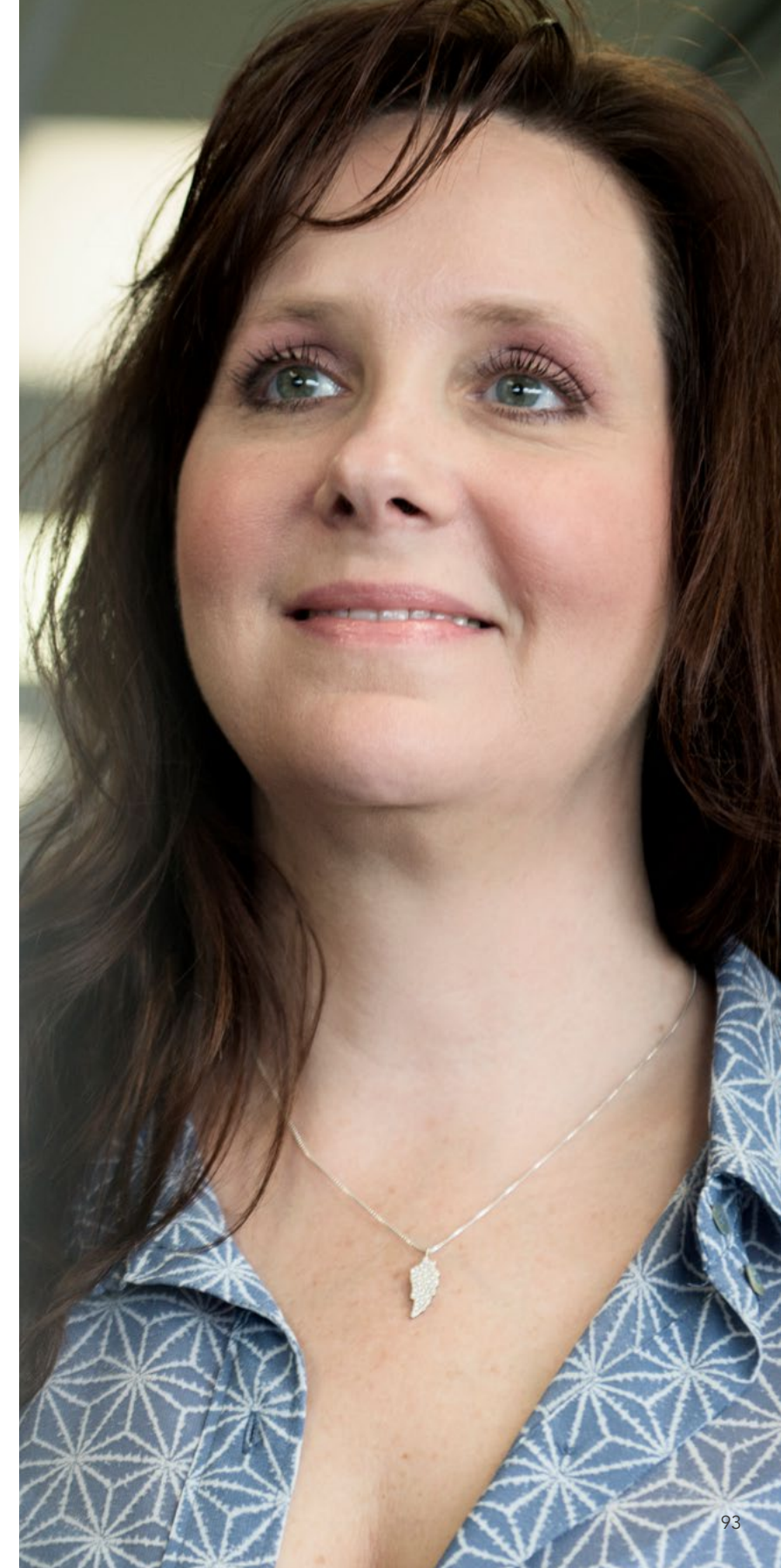
GIVING BACK TO OUR COMMUNITIES

Malaysia
- Collaborated with Monash University to support technical-degree students, working on their final-year projects, and PhD candidates. This collaboration creates a talent pipelines for NXP Malaysia, as candidates have the opportunity to be converted into NXP positions at the end of each project or program.

Mexico
- Sponsored, for the seventh year in a row, the Technovation Challenge, which gives girls ages 10 to 18 programming and entrepreneurship experience by having them design, over a three-month period, a mobile application that solves a community problem.

Netherlands
- Contributed to Project Computational Thinking, which helps teachers stimulate the development of computational thinking in schools. The project involved 20 schools, the Junior Technovium educational institution, the Devlab research alliance, the Fontys and HAN Universities of Applied Sciences, and NXP. Twenty NXP team members also volunteered for the project.

- Hosted the NXP Weekend School, during which children ages 10 to 14 are welcomed onto the NXP campus to learn about a variety of professions. In a targeted half-day session, NXP explains what a semiconductor chip is, what it can do, how many details it contains, and how small these details must be to fit. The children also tour the facility and learn how to make flashing lights from LEDs.

- Participated in Girls Day, where the company opens its doors to girls ages 10 to 15 to introduce them to science and technology. The students toured the facility, witnessed product demonstrations, enjoyed lunch, and heard team members talk about their experiences working in a high-tech company like NXP.

- Engaged students in a high-tech summer camp, in partnership with local organization Stichting Meneer Rick. More than 100 students were introduced to the world of technology, played sports and games, and learned about NXP and other companies.

GIVING BACK TO OUR COMMUNITIES

Taiwan
- Partnered with the mentoring programs of two top-tier STEM universities, National Cheng Kung University (NCKU) and National Tsing Hua University (NTHU), to develop the students' skills for their future careers. Over a six-month period, students used classroom training to enhance their knowledge of the semiconductor industry while also working on personal development and professional preparation.
- Sponsored two Maker + Hacker competitions, organized by three leading universities, National Taiwan University (NTU), NTHU, and National Yang Ming Chiao Tung University (NYCU). Nearly 500 participants, competing in 88 teams from different universities, took part in the competitions.

United Kingdom
- Operated a STEM team, whose primary goal is to help inspire our young people to have a genuine passion for STEM, our industry and NXP, and to provide guidance, direction, and support to help maximize potential. The team hosts an annual work-placement program, where young people visit the site each week during the academic year. During the visits, the students have mentors, who support them in developing a STEM-based activity that is shared with local high schools. The project culminates in a competition, with the finals held at the NXP Glasgow site.
- Supported the 2022-23 Girls in STEM program, helping four girls interested in engineering careers develop a drone-based workshop. Other activities included flying-car competitions with local high schools, supporting career fairs and innovation days, and providing support for teams of partner schools entering national STEM competitions, such as Teentech and the Landrover Challenge.

United States
- Partnered with local FIRST Robotic Competition (FRC) teams to host STEM-based summer camps:
  - NXP Austin partnered with the Westlake High School FRC 2468 team to host summer 2022 STEM camps for the children of NXP team members.
  - NXP Chandler held a summer 2022 STEM camp in partnership with Red Mountain High School's FRC 2403 team. The three week-long camps introduced third- to fifth-grade students to robotics concepts using Lego EV3 and Sphero programmable robots, and introduced sixth- to ninth-grade students to higher levels of programming, computational thinking, and software development.
- Awarded a Grant to the Chandler Public Library. The grant from NXP Chandler helped build the library's STEAM Experience installation, which is an immersive experience, housed in specially prepared cases, that offers interactive STEAM activities that let children ages 6 to12 create, play, and learn. NXP volunteers supported the laser cutting and assembling of the cases.
- Sponsored The Tech Challenge, a program of The Tech Museum in San Jose, that invites students in grades 4 through 12 to use an engineering design process to solve a real-world scenario.
- Engaged NXP Encourage Resources Groups in activities to promote STEM awareness and engagement:
  - The Black Achievement & Leadership Team (BALT) ERG in Austin partnered with NASA and the Austin Professional's chapter of the National Society of Black Engineers to host a workshop in their FreshStart Program. The interactive workshop introduces STEM concepts to youth and provides parents with insights on how to support their student's STEM journey.
  - The Hispanic Education Awareness Team (HEAT) employee resource group chapter in Austin volunteered at El Buen Samaritano's youth summer STEM camp. Volunteers performed live demos of NXP-powered products and taught students about the semiconductor manufacturing process using a volunteer-made coloring book.

GIVING BACK TO OUR COMMUNITIES

GIVING

Austria
- Donated meal coins and money to benefit the Caritas kindergarten class in Graz to help purchase new classroom furniture.
- Contributed to the creation of the Herberstein Animal Park's Tierisch ("beast") App, which shares insights on park wildlife and quizzes visitors. The app features NFC technology from NXP Gratkorn.
- Donated used laptops to a school project in Ghana.
- Made an annual donation to the local Red Cross organization.

Mainland China
- Donated 100 laptops to local organizations – including Educating Girls of Rural China and the Pride from the Mountains organization – to support the online learning needs of students when schools were closed during the COVID-19 pandemic.
- Donated clothing, books, and stationery to students in Guangdong Yao Autonomous County Yuexiu Elementary School and Qinghai Huangnan autonomous prefecture.
- Provided financial donations to benefit the anti-epidemic program of Shanghai Overseas Chinese Foundation.
- Donated 100 new jackets to the Shanghai West Tianmu Road government for distribution to elderly people in need.
- Participated in a blood donation drive, organized by the Shanghai Blood Center, that engaged more than 35 Shanghai team members.
- Donated RMB 25,000 to the Red Cross of China. The funds were donated by NXP in Tianjin and will be used to improve the living conditions of local people in remote mountainous regions.

Czech Republic
- Hosted four blood-donation events, with each event providing about ten liters of blood, an amount that can save as many as 30 lives.
- Provided financial support to two local organizations: the Tree of Life, a mobile treatment unit supporting those who are terminally ill, including some children, and Salamander, a local organization for nature preservation in the Beskydy region.
- Donated $2,000 USD to be used toward the purchase of a van for HOPE, a local charity that offers daily support to autistic adults.
- Donated gently used books to be sold, with the proceeds benefiting the local ADRA International charity organization.

France
- Continued to promote the inclusion of disabled people through the sale of products crafted by those with disabilities in Toulouse, Sophia-Antipolis, Caen, and Saclay. The teams also organize an annual Christmas toy donation for disabled children.

GIVING BACK TO OUR COMMUNITIES

Germany
- Participated in regular blood-donation drives with the local Red Cross.
- Donated pasta, baby food, clothing, 30 blankets, and 16 backpacks to the local Hanseatic Help charitable organization.
- Hosted an annual Christmas donation benefiting many local charities, including the Alsterdorf Foundation in Hamburg, the Kinderhaus Rabe in Dresden, and brotZeit in Munich.

India
- Donated to the Prime Minister National Relief Fund, which provides support for people affected by natural and man-made disasters.
- Supported Joy of Giving Week and The Giving Tree by donating small gifts to children studying in Nai Disha School and Old Age-Home.

Japan
- Donated foreign-currency coins and bills collected from team members' overseas business trips to UNICEF.

Malaysia
- Donated $20,000 USD worth of essential supplies to support those impacted by unprecedented flash floods – benefiting 127 individuals who were stranded in their homes and 267 individuals who had property damage to property, vehicles, and more.

Netherlands
- Donated more than 175 laptops to Allemaal Digital, a foundation established at the start of the pandemic to collect laptops and tablets, refurbish them, and give them to people in financially vulnerable situations.

Singapore
- Volunteered at the Willing Hearts Soup Kitchen, helping to prepare vegetables and distribute meals to those in need.

Taiwan
- Donated 15 laptops to YongAn Children's Home to benefit children in need.
- Worked with the local government and a clinic to set up an onsite vaccination station, and organized three sessions for our team members, suppliers, and companies in the Nanzih Technology Industrial Park.
- Organized an onsite blood-donation drive in July 2022 and November 2022.

Thailand
- Donated 200 fingertip oxygen meters and 200 digital thermometers to Health Center 53, Laksi District, Bangkok Metropolitan Administration, for distribution to those with confirmed COVID-19 cases in the community.
- Donated personal protective equipment (PPE), including 50 raincoats, 50 pairs of rain boots, 100 pairs of safety glasses, and 200 pairs of rubber gloves, to the Laksi district office and government body for flood relief in Bangkok and the surrounding area.

United Kingdom
- Donated a range of healthy foods, to be given to people in the local community who struggle to afford good-quality produce.
- Raised £2,000 in a charity raffle to benefit the Woman's Aid organization.
- Donated jackets and coats to the Emergency Accommodation Shelter to support homeless people and families.

GIVING BACK TO OUR COMMUNITIES

United States

• Donated (collectively) more than $50,000 USD to support various community initiatives, including the following:

– Provided school supplies for K-12 students across the Chandler Unified School District and ICAN, a free after-school program that serves East Valley youth.

– Raised more than $2,500 USD in school supplies for the Texas-based Foundation Community's back-to-school drive to support their free after-school and summer learning programs.

– Raised funds for I Live Here I Give Here's Amplify Austin Day, the biggest day of giving in Central Texas to support local nonprofits.

– Donated to Arizona Sustainability Alliance's Food Tech for the Future, a program dedicated to creating and supporting regenerative local food systems.

– Supported the Vietnam Veterans of America through a clothing and shoe drive, where team members donated new and gently used items.

– Donated to Code2College, a non-profit providing access and opportunities in STEM to students from underrepresented backgrounds.

– Raised funds for El Buen Samaritano, a nonprofit ensuring access to healthcare, education, and essential needs to the Latino community of Central Texas, in partnership with the HEAT ERG.

GIVING BACK TO OUR COMMUNITIES

VOLUNTEERING

Mainland China
- Completed a local garbage clean-up activity at the Chongqing Garden Expo.

Czech Republic
- Volunteered at spring and fall garden clean-up events to support the local Iskerka organization, which helps people with mental disorders.
- Planted hundreds of trees to help ensure the sustainability of the Beskydy mountain range.

Germany
- Partnered with RWTH AACHEN UNIVERSITY in Germany to share HoverGames Drone Kits (KIT-HGDRONEK66). The team continues to discuss ways NXP technology can help people in need.

India
- Provided special education opportunities for children with visual impairment, in partnership with the Saksham Foundation charitable organization.
- Worked with local organizations, including Nai Disha, Diksha, National Workers Welfare Trust, and the Samridhi Kasvahalli Centre, to educate underprivileged children.
- Supported a scholarship program for underprivileged children seeking higher technical education in collaboration with the Joining Hands youth organization.

Japan
- Participated in cleanup activities to beautify the area surrounding the work site.

Malaysia
- Collaborated with Monash University to support technical-degree students, working on final-year projects, and PhD candidates. This collaboration creates talent pipelines for NXP Malaysia, as candidates have the opportunity to be converted into NXP positions at the end of each project and program.
- Collaborated with NGO Yayasan Basmi Kemiskinan/ Poverty Eradication Foundation (YBK) to identify and support individuals who are underprivileged and living in poverty.

Netherlands
- Celebrated Earth Day by learning about the art of beekeeping, engaging in a nature walk while clearing litter, and helping to make the site more beautiful.
- Participated in a local Cycling for Charity competition, with seven rounds of sponsored cycling, to benefit the Oncology Fund of Radboud University Medical Center.
- Supported the Swim to Fight Cancer organization, with seven NXP team members from Nijmegen and Eindhoven participating in a 1500-meter swim to raise money for cancer research.

GIVING BACK TO OUR COMMUNITIES

Singapore
• Volunteered to prepare ingredients, distribute meals, and prepare 144 food bags for distribution to those in need. Duties included food sorting and quality check, collating, and packing.

United States
• Sponsored Keep Austin Beautiful Day, an annual event of cleaning and restoring Austin's green spaces. NXP volunteers cleaned Longhorn Shores, a public park on Lady Bird Lake.

• Volunteered with Austin Habitat for Humanity to build homes in East Austin, providing two local families with an affordable path to homeownership.

• Partnered with Valley of the Sun United Way to assemble 150 STEAM kits, designed to inspire the next generation of artist-engineers by teaching them the magic of circuits and electricity.

• Sponsored and participated in the Gazelle Foundation's Run for the Water race to provide clean water to the people of Burundi.

• Raised funds and participated in the Lymphoma Research Foundation's annual Arizona walk to raise awareness to eradicate lymphoma and serve those touched by this disease.

• Volunteered with Feed My Starving Children for their annual Hope Filled Holiday event to hand-pack meals to be distributed to food partners around the world.
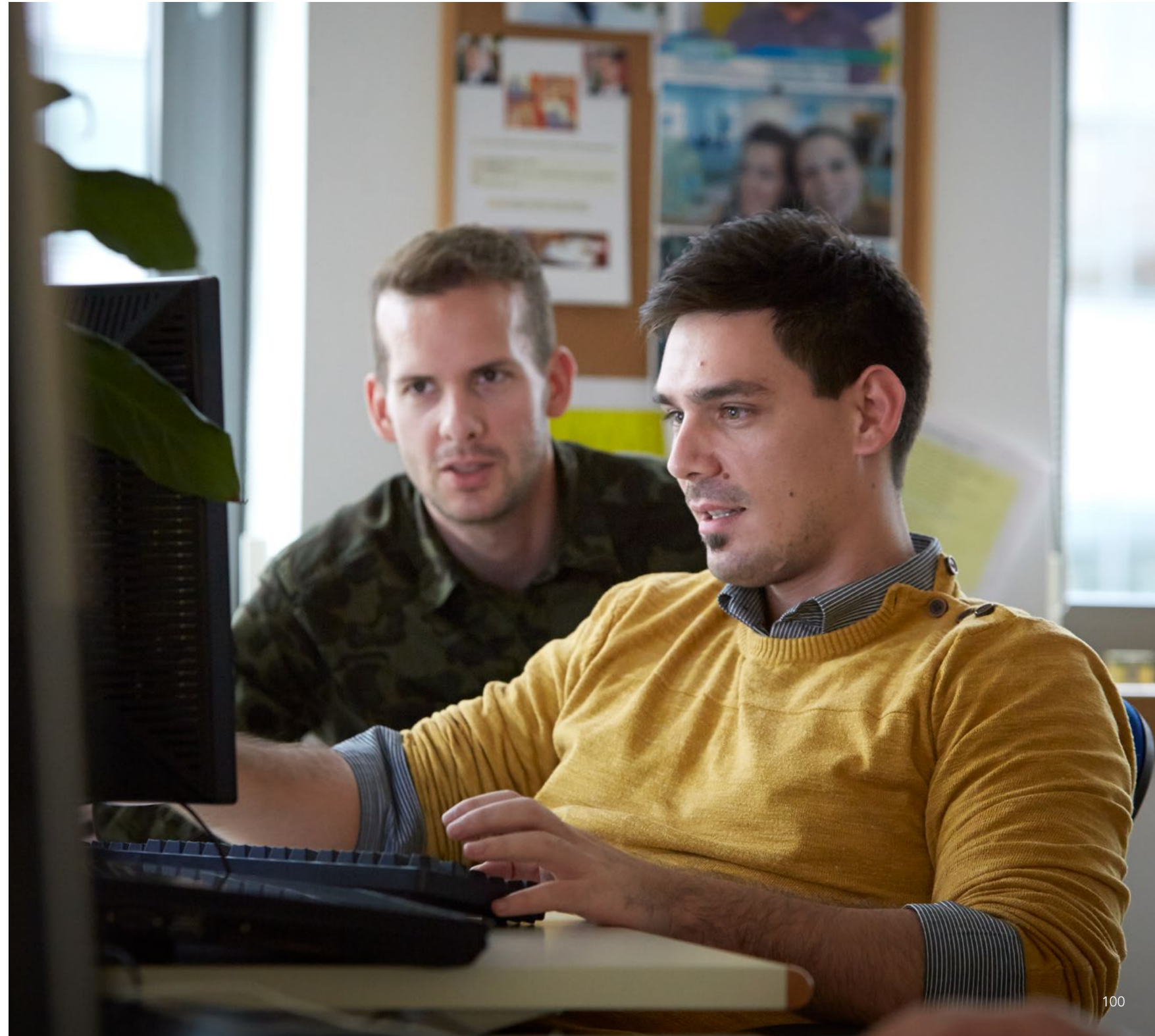
TEAM-MEMBER DEMOGRAPHICS

The NXP workforce includes:

• DL team members, who are directly involved in the production of goods and typically work in our fabs

• IDL team members, who are professional team members at the individual contributor, manager, and executive[7] level in non-fab functions, such as R&D and General, Sales, and Administrative (GS&A)

On December 31, 2022, our total extended workforce was 39,731 team members, representing 33,037 NXP employees, 1,492 joint-venture (JV) employees, and 5,202 people working as contingent labor across three regions and 30+ countries. Note: this is representative of total NXP headcount (HC) and not a Full-Time Equivalent (FTE) count, as disclosed in the NXP International Financial Reporting Standards (IFRS) filing.

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

Demographics data, given on the following pages, is represented as total NXP HC and is current as of December 31, 2022.

Legend

HC – Headcount

IDL – Indirect Labor

DL – Direct Labor

FT – Full Time

PT – Part Time

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[7] Executive positions are defined as Vice President and above.

TEAM-MEMBER DEMOGRAPHICS

Social[8]	Unit	2019	2020	2021	2022
Overview					
Equal-Opportunity Policy	Yes/No	Yes	Yes	Yes	**Yes**
Fair-Remuneration Policy	Yes/No	Yes	Yes	Yes	**Yes**
Team-Member Sustainability Training	Yes/No	Yes	Yes	Yes	**Yes**
Health-and-Safety Policy	Yes/No	Yes	Yes	Yes	**Yes**
Percentage of ISO 45001-Certified Manufacturing Sites	%	100%	100%	100%	**100%**
Number of ISO 45001-Certified Manufacturing Sites	#	9	9	9	**9**
Human Rights Policy[9]	Yes/No	Yes	Yes	Yes	**Yes**
Policy Against Child Labor	Yes/No	Yes	Yes	Yes	**Yes**
UN Global Compact Signatory	Yes/No	Yes	Yes	Yes	**Yes**
Responsible Business Alliance (RBA) Full Member	Yes/No	Yes	Yes	Yes	**Yes**
SDGs Target Policy	Yes/No	Yes	Yes	Yes	**Yes**
Flexible Work Schedule and Location	Yes/No	Yes	Yes	Yes	**Yes**
Team-Member Engagement Survey	Yes/No	Yes	Yes	Yes	**Yes**
Public Policy Condemning Workplace Sexual Harassment	Yes/No	Yes	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	At least every 2 years, but in some cases more frequently subject to applicable law	At least every 2 years, but in some cases more frequently subject to applicable law	**At least every 2 years, but in some cases more frequently subject to applicable law**

[8] The sum of percentages may not add up to 100% due to rounding.
[9] We published our first, stand-alone Human Rights Policy in 2022. Previously, human rights clauses were embedded within existing policies and commitments.

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Workforce Footprint						
Extended Workforce - Total		HC	34,817	33,480	36,223	**39,731**
Employees		HC	27,759	27,730	29,861	**33,037**
		%	80%	83%	82%	**83%**
Joint Venture		HC	1,651	1,454	1,487	**1,492**
		%	5%	4%	4%	**4%**
Contingent Labor		HC	5,407	4,296	4,875	**5,202**
		%	16%	13%	13%	**13%**
Employees	Americas	%	20%	19%	18%	**18%**
	APAC	%	59%	60%	61%	**61%**
	EMEA	%	21%	21%	20%	**21%**
Joint Venture	Americas	%	—%	—%	—%	**—%**
	APAC	%	91%	99%	100%	**100%**
	EMEA	%	9%	1%	—%	**—%**
Contingent Labor	Americas	%	20%	20%	18%	**15%**
	APAC	%	54%	53%	59%	**60%**
	EMEA	%	26%	27%	23%	**25%**
Contingent Labor by Type						
External Temp		%	24%	33%	31%	**30%**
Contractor		%	76%	67%	69%	**70%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Employee Type by Region						
Indirect Labor (IDL)	Americas	%	27%	24%	22%	**21%**
	APAC	%	42%	44%	46%	**46%**
	EMEA	%	31%	32%	32%	**32%**
Direct Labor (DL)	Americas	%	7%	12%	12%	**13%**
	APAC	%	90%	84%	84%	**83%**
	EMEA	%	3%	4%	4%	**4%**
Employee by Role						
Individual Contributor (DL)		%	36%	38%	41%	**39%**
Individual Contributor (IDL)		%	53%	51%	50%	**52%**
People Manager (IDL)		%	11%	10%	9%	**9%**
Executive (IDL)		%	0.6%	0.5%	0.5%	**0.5%**
R&D Employee by Region						
Americas		%	25%	23%	21%	**19%**
APAC		%	35%	36%	39%	**41%**
EMEA		%	40%	41%	40%	**40%**
Percent R&D of Total NXP Footprint		%	32%	32%	31%	**34%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Employment Type						
Full-Time (FT)		%	99.4%	99.3%	99.5%	**99.5%**
Part-Time (PT)		%	0.6%	0.7%	0.5%	**0.5%**
FT Employment by Gender	Women	%	37%	36%	37%	**37%**
	Men	%	63%	64%	63%	**63%**
PT Employment by Gender	Women	%	21%	21%	19%	**18%**
	Men	%	79%	79%	81%	**82%**
Employee by Gender						
Women		%	37%	36%	37%	**37%**
Men		%	63%	64%	63%	**63%**
Employee Gender by Region						
Women	Americas	%	12%	11%	11%	**12%**
	APAC	%	79%	79%	80%	**78%**
	EMEA	%	9%	9%	9%	**11%**
Men	Americas	%	25%	24%	22%	**22%**
	APAC	%	48%	48%	51%	**51%**
	EMEA	%	28%	28%	27%	**27%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Employee Gender by Role						
Executive	Women	%	14%	13%	13%	16%
	Men	%	86%	87%	87%	84%
People Manager	Women	%	16%	16%	16%	18%
	Men	%	84%	84%	84%	82%
Individual Contributor	Women	%	39%	38%	39%	39%
	Men	%	61%	62%	61%	61%
IDL	Women	%	22%	23%	24%	25%
	Men	%	78%	77%	76%	75%
DL	Women	%	62%	58%	56%	55%
	Men	%	38%	42%	44%	45%
R&D	Women	%	16%	16%	17%	19%
	Men	%	84%	84%	83%	81%

United States Race and Ethnicity	Unit	2019	2020	2021	2022
White (Not Hispanic / Latino)	%	52%	52%	51%	49%
Asian (Not Hispanic / Latino)	%	21%	21%	20%	22%
Hispanic / Latino	%	13%	14%	15%	16%
Black or African American (Not Hispanic / Latino)	%	4%	4%	5%	6%
Native American / Alaska Native (Not Hispanic / Latino)	%	0.4%	0.5%	0.6%	0.6%
Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)	%	0.2%	0.2%	0.2%	0.2%

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
United States Race and Ethnicity *Continued*						
Two or More Races (Not Hispanic / Latino)		%	0.5%	0.6%	0.9%	**1%**
Undeclared		%	8%	8%	7%	**6%**
United States Employee Race and Ethnicity by Role						
Executive	White (Not Hispanic / Latino)	%	68%	68%	63%	**64%**
	Asian (Not Hispanic / Latino)	%	9%	9%	10%	**13%**
	Hispanic / Latino	%	6%	6%	6%	**7%**
	Black or African American (Not Hispanic / Latino)	%	5%	5%	6%	**7%**
	Native American or Alaska Native (Not Hispanic / Latino)	%	— %	— %	— %	**— %**
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	— %	— %	**— %**
	Two or More Races (Not Hispanic / Latino)	%	— %	— %	1%	**1%**
	Undeclared	%	13%	12%	14%	**7%**
People Manager	White (Not Hispanic / Latino)	%	59%	60%	59%	**57%**
	Asian (Not Hispanic / Latino)	%	19%	19%	18%	**20%**
	Hispanic / Latino	%	8%	9%	9%	**11%**
	Black or African American (Not Hispanic / Latino)	%	3%	3%	3%	**3%**
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.3%	0.3%	0.2%	**0.3%**
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	— %	— %	**0.1%**
	Two or More Races (Not Hispanic / Latino)	%	0.1%	0.2%	0.5%	**0.7%**
	Undeclared	%	10%	9%	9%	**8%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Individual Contributor (IDL)	White (Not Hispanic / Latino)	%	53%	51%	51%	49%
	Asian (Not Hispanic / Latino)	%	23%	27%	27%	30%
	Hispanic / Latino	%	11%	9%	10%	10%
	Black or African American (Not Hispanic / Latino)	%	3%	2%	3%	3%
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.4%	0.3%	0.4%	0.2%
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	0.4%	0.1%	0.1%	0.1%
	Two or More Races (Not Hispanic / Latino)	%	0.6%	0.6%	0.9%	1%
	Undeclared	%	9%	9%	9%	7%
Individual Contributor (DL)	White (Not Hispanic / Latino)	%	38%	50%	47%	44%
	Asian (Not Hispanic / Latino)	%	13%	10%	10%	9%
	Hispanic / Latino	%	32%	28%	27%	29%
	Black or African American (Not Hispanic / Latino)	%	12%	8%	10%	12%
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.6%	0.9%	1%	2%
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	0.9%	0.6%	0.6%	0.6%
	Two or More Races (Not Hispanic / Latino)	%	0.9%	0.8%	1%	2%
	Undeclared	%	3%	3%	3%	3%

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Employee by Age						
<31 years old		%	15%	19%	22%	**25%**
31–50 years old		%	61%	59%	57%	**55%**
51+ years old		%	23%	22%	21%	**20%**
Employee Age by Role						
<31 years old	Executive	%	— %	— %	— %	**— %**
	People Manager	%	0.1%	0.1%	0.1%	**0.1%**
	Individual Contributor	%	15%	19%	22%	**24%**
31–50 years old	Executive	%	0.2%	0.2%	0.2%	**0.1%**
	People Manager	%	7%	6%	6%	**6%**
	Individual Contributor	%	54%	53%	51%	**50%**
51+ years old	Executive	%	0.4%	0.4%	0.3%	**0.3%**
	People Manager	%	4%	3%	3%	**3%**
	Individual Contributor	%	19%	18%	17%	**17%**
Employee Attrition						
Voluntary Turnover						
Global Employee Voluntary Turnover		%	7.8%	6.9%	12.1%	**11.7%**
	Americas (IDL and DL)	%	5.8%	5.6%	9.1%	**10.4%**
	APAC (IDL and DL)	%	9.7%	8.9%	15.7%	**14.7%**
	EMEA (IDL and DL)	%	4.2%	2.5%	4.3%	**3.8%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Global IDL Employee Voluntary Turnover		%	5.9%	5.1%	7.9%	7.5%
	Americas (IDL)	%	5.6%	6.2%	8.6%	9.4%
	APAC (IDL)	%	7.3%	6.1%	9.9%	9.0%
	EMEA (IDL)	%	4.3%	2.7%	4.5%	3.9%
Global DL Employee Voluntary Turnover		%	11.0%	9.8%	18.4%	18.1%
	Americas (DL)	%	6.9%	3.6%	10.5%	13.1%
	APAC (DL)	%	11.7%	11.2%	20.3%	19.5%
	EMEA (DL)	%	1.9%	0.7%	2.1%	2.9%
	Women	%	22%	21%	23%	24%
	Men	%	78%	79%	77%	77%
IDL Voluntary Turnover						
	<31 years old	%	24%	22%	28%	25%
	31–50 years old	%	59%	60%	55%	56%
	51+ years old	%	17%	18%	16%	19%
	Women	%	59%	63%	55%	60%
	Men	%	41%	37%	45%	40%
DL Voluntary Turnover						
	<31 years old	%	52%	45%	53%	58%
	31–50 years old	%	37%	44%	38%	35%
	51+ years old	%	11%	11%	9%	8%

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Involuntary Turnover						
Global Employee Involuntary Turnover		%	3.9%	3.2%	3.8%	**1.5%**
	Americas (IDL and DL)	%	5.8%	5.4%	4.6%	**1.4%**
	APAC (IDL and DL)	%	3.5%	4.1%	4.1%	**1.2%**
	EMEA (IDL and DL)	%	3.2%	5.4%	2.2%	**2.8%**
Employee Hiring						
IDL	Americas	%	21%	19%	19%	**19%**
	APAC	%	47%	56%	56%	**47%**
	EMEA	%	31%	25%	25%	**34%**
DL	Americas	%	2%	2%	11%	**16%**
	APAC	%	97%	97%	89%	**83%**
	EMEA	%	0.5%	0.1%	0.6%	**2%**
Employee Hiring by Type						
IDL	Women	%	23%	23%	27%	**29%**
	Men	%	77%	77%	73%	**71%**
IDL New College Graduate	Women	%	31%	32%	30%	**35%**
	Men	%	69%	68%	70%	**65%**
DL	Women	%	66%	56%	53%	**56%**
	Men	%	34%	44%	47%	**44%**

TEAM-MEMBER DEMOGRAPHICS

Social	Unit	2019	2020	2021	2022
United States Hiring by Race and Ethnicity					
White (Not Hispanic / Latino)	%	22%	47%	42%	32%
Asian (Not Hispanic / Latino)	%	37%	32%	18%	26%
Hispanic / Latino	%	6%	10%	17%	18%
Black or African American (Not Hispanic / Latino)	%	2%	2%	11%	9%
Native American or Alaska Native (Not Hispanic / Latino)	%	— %	0.4%	1%	1%
Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	— %	0.4%	0.3%
Two or More Races (Not Hispanic / Latino)	%	0.8%	0.4%	3%	3%
Undeclared	%	32%	9%	7%	12%
United States New College Gradate Hiring by Race and Ethnicity					
White (Not Hispanic / Latino)	%	35%	29%	33%	35%
Asian (Not Hispanic / Latino)	%	39%	43%	44%	39%
Hispanic / Latino	%	9%	11%	10%	13%
Black or African American (Not Hispanic / Latino)	%	3%	2%	4%	5%
Native American or Alaska Native (Not Hispanic / Latino)	%	— %	— %	— %	0.6%
Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	— %	— %	— %
Two or More Races (Not Hispanic / Latino)	%	4%	2%	7%	4%
Undeclared	%	10%	14%	3%	4%

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Hiring by Age						
<31 years old	IDL	%	40%	44%	49%	**48%**
	DL	%	66%	61%	66%	**68%**
31–50 years old	IDL	%	50%	45%	44%	**45%**
	DL	%	34%	39%	32%	**29%**
51+ years old	IDL	%	10%	11%	6%	**7%**
	DL	%	0.4%	0.7%	2%	**3%**
R&D Hiring by Region						
Americas		%	15%	13%	11%	**14%**
APAC		%	42%	38%	61%	**47%**
EMEA		%	43%	49%	29%	**39%**
IDL Talent Hiring						
University		%	45%	35%	24%	**23%**
Global NXP Intern Conversion Rate		%	30%	30%	40%	**39%**
Global Employee Promotion Rate		**%**	**7%**	**7%**	**8%**	**11%**
IDL		%	8%	8%	11%	**13%**
DL		%	5%	4%	4%	**7%**

TEAM-MEMBER DEMOGRAPHICS

Social		Unit	2019	2020	2021	2022
Training						
Total NXP Online Training Hours		Hours			89,591	**168,229**
Global Online Courses Completed by Executives		Courses			123	**110**
Global Online Courses Completed by People Managers		Courses			2,197	**2,551**
Global Online Courses Completed by Individual Contributor (IDL and DL)		Courses			6,532	**6,836**
Global Online Learning Courses Completed by Employees (Total Courses per Employee)		Courses			8,852	**9,497**
Total Online Training (Average Hours)	IDL	Hours			7.0	**8.0**
	DL	Hours			0.2	**0.6**
Online Training by Gender	Women	Hours			2.2	**4.1**
	Men	Hours			3.5	**5.7**

Health and Safety					
Occupational Illness and Injuries	#	35	23	25	**36**
Total - Injury Count NXP Contractors	#		8	7	**12**
Severity Rate	Rate	4.64	2.26	1.47	**2.86**
Total Case Incident Rate (TCIR)	Rate	0.12	0.08	0.08	**0.10**
Fatalities - Employees	#	0	0	0	**0**

Supply Chain					
Supply-Chain Management - Social Responsibility	Yes/No	Yes	Yes	Yes	**Yes**
Total Number of Audits	#	17	4	6	**14**

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

OVERVIEW

ENVIRONMENTAL LONG-TERM AMBITIONS

Carbon Neutral by **2035**

Minimize Impact on **Global Water Supplies**

Develop Collaborative **Solutions for Circular Economy**

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**

2022 ENVIRONMENTAL PERFORMANCE

1%
Decrease in Absolute Scope 1 & 2 Emissions Compared to 2021

9%
Decrease in Normalized Scope 1 & 2 Emissions Compared to 2021

35%
Renewable Electricity Use

48%
of Wastewater Recycled

83%
Waste Recycled

Updated Supplier Questionnaires to Determine NXP's Upstream Scope 3 Emissions

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. To support these objectives, we maintain and implement an environmental management system and several programs.

Key environmental principles are embedded in our Sustainability Policy.

MANAGEMENT

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, and Safety (EHS) Management Board is responsible for environmental management, including strategy, approval, and resourcing. The EHS Management Board is chaired by the Executive Vice President (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 review progress monthly. Corporate EHS and the Global EHS Leadership Team collectively establish risk-mitigation strategies and develop and deploy standards, programs, and procedures to reduce environmental risks.

Our EHS Team performs formal reviews with all manufacturing sites on a monthly basis, 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 material 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 is required to complete an RBA Self-Assessment that covers environmental and management systems. Conducting self-assessments helps us evaluate potentially significant social and environmental risks at our manufacturing sites so we can apply appropriate mitigation and controls as needed.

AUDITS

The EHS and Social Responsibility Teams use external audit firms to conduct internal EHS audits. Internal EHS audits are typically conducted every 30 months and audit nonconformances are categorized according to severity.

Our registrar, Lloyd's Registrar Quality Assurance (LRQA), conducts annual third-party audits to evaluate corporate EHS and, on average, two manufacturing sites as determined by LRQA. In 2022, NXP was recertified to the ISO 14001 standards with a more detailed audit at five locations, including our headquarters. LRQA used a combination of onsite and remote audits, as dictated by internal and/or local gathering requirements, to audit a sampling of compliance and management systems. A formal report was issued, and corrective actions are being tracked until LRQA indicates that they have been satisfactorily closed.

Larger offices and R&D sites conduct annual self-assessments and are audited by a third party approximately every five years. We take Notices of Violations (NOVs) seriously. We work quickly to identify corrective actions and take steps to minimize the chance of reoccurrence. In 2022, we received two NOVs, both relating to minor deficiencies. One resulted in a pending conditional fine, due to an inability to close a storm drain in case of an incident.

TRAINING

We offer company-wide training to ensure our global workforce is equipped with the skills and knowledge to perform their functions safely and without harming 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 assist in the implementation and ongoing improvement of management systems.

VALIDATION

NXP's data-management system tracks and calculates our environmental performance at each manufacturing site. On a quarterly 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. NXP has updated some environmental data from previous reporting periods. Where the updated data exceeds a 5% change, we have included an explanation in the related section.

EMISSIONS

LONG-TERM EMISSIONS AMBITIONS

Carbon Neutral by **2035**

Collaborate with our Suppliers on their **Environmental Footprint**
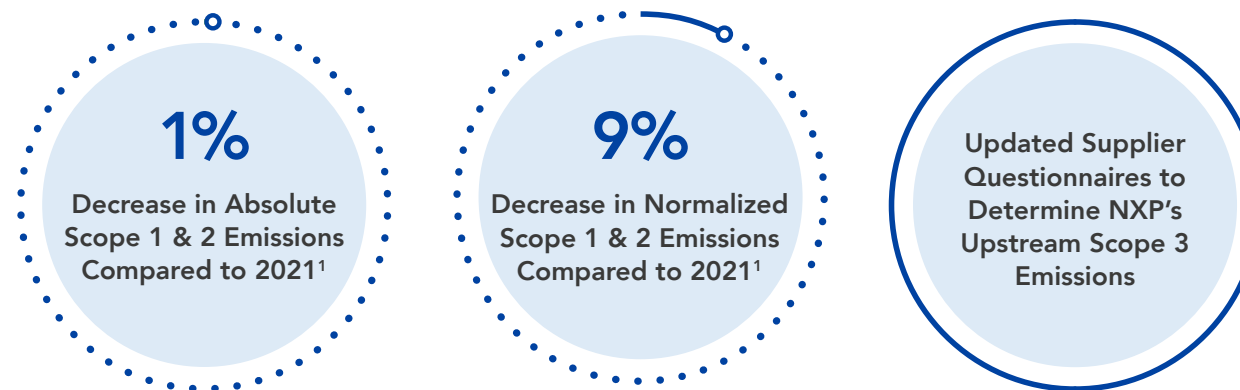
2027 MID-TERM EMISSIONS GOALS

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

Work with Our Supply Chain to Reduce Impacts and Measure NXP's Portion of their **Carbon Footprint**

2022 EMISSIONS PERFORMANCE

1%
Decrease in Absolute Scope 1 & 2 Emissions Compared to 2021[1]

9%
Decrease in Normalized Scope 1 & 2 Emissions Compared to 2021[1]

Updated Supplier Questionnaires to Determine NXP's Upstream Scope 3 Emissions

[1] We have updated our calculation of PFC emissions and, by extension, the totals of our Scope 1 emissions. We use the IPCC 2006 methodology for data leading up to and including 2020, and the IPCC 2019 methodology for 2021 and all the years following.

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 emissions. We work to offset this by continually optimizing our processes and increasing our abatement of process emissions.

Our manufacturing sites generate Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (GHG) emissions. The main contributors to our carbon footprint are emissions from purchased electricity, perfluorinated compounds (PFCs), and heat-transfer fluids (HTFs).

Greenhouse Gas Emissions

- 54% — Electricity (Manufacturing and Non-Manufacturing)
- 34% — PFCs
- 5% — HTFs
- 8% — Other Emissions
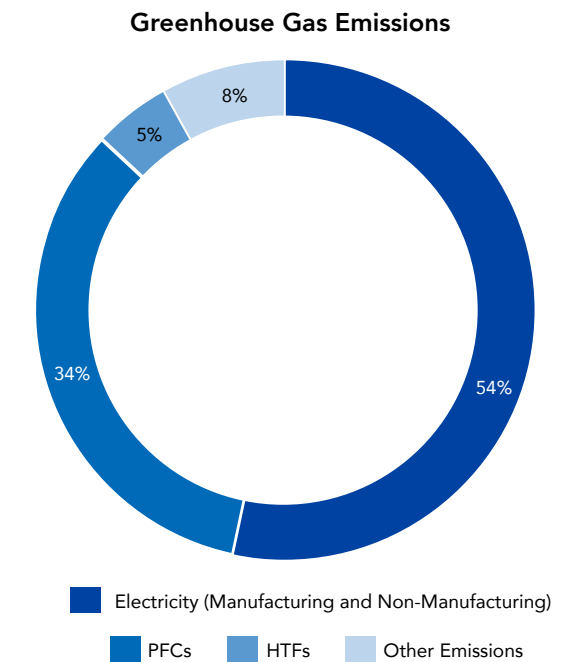
Electricity, PFCs, and HTFs are essential to semiconductor manufacturing. Since it's not currently feasible to eliminate the sources of these emissions from our production processes, we have set reduction goals for both Scope 1 & 2 emissions.

EMISSIONS

GOALS

Our goal to be carbon neutral by 2035 presents multiple layers of complexity, given that we use renewable and non-renewable electricity, fossil fuels, PFCs, and HTFs. The picture becomes even more complex when we consider annual increases in semiconductor production which, in turn, increase our GHG emissions. In 2022, to keep ourselves accountable, we committed to aligning our targets with the Science Based Targets initiative (SBTi)[2]. We are compiling data for SBTi validation and have identified the a number of mid-term goals.

By 2027, our mid-term goal is to reduce Scope 1 & 2 absolute 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, another of our mid-term goals is to increase our renewable electricity 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.

Strategy		
Electricity	**PFCs**	**HTFs**
Increase Percentage of Renewable Electricity	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	Phase Out Non-Critical Uses of HTFs
Use Efficient Lighting Technologies and Schedules	Install PFC Abatement Equipment	

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[2] The SBTi provides guidance to companies regarding their efforts to reduce emissions in line with the goals of the Paris Agreement. https://sciencebasedtargets.org

EMISSIONS

CARBON FOOTPRINT

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

2022 SCOPE 1 & 2 EMISSIONS PERFORMANCE

Normalized Emissions

9%
Decrease
from 2021

33%
Decrease
from 2012

Absolute Emissions

1%
Decrease
from 2021

20%
Decrease
from 2012
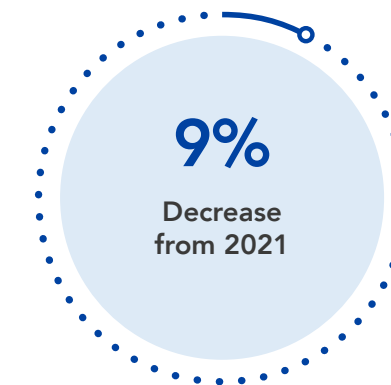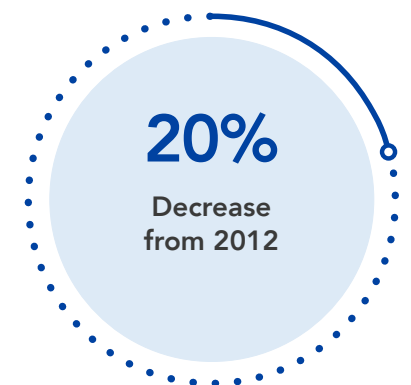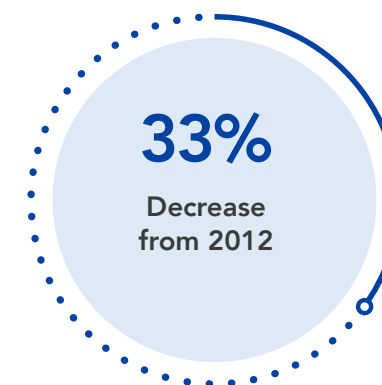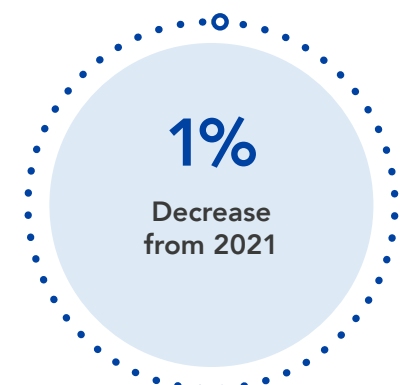
EMISSIONS

CARBON FOOTPRINT

In 2022, the demand for our products increased 9% compared to 2021. That meant our electricity, PFC[3], and HTF consumption increased as well. However, due to conservation and reduction projects, our absolute Scope 1 & 2 emissions decreased 1% compared to 2021 and our normalized Scope 1 & 2 emissions decreased by 9% from 2021. While a 9% production increase is significant, our ongoing efforts to conserve electricity, optimize our processes, increase renewable electricity use, upgrade tools, and install abatement equipment, resulted in a decrease for absolute and normalized Scope 1 & 2 emissions.

A decade of collective effort has significantly reduced our Scope 1 & 2 emissions. Since 2012, we've lowered normalized emissions by 33% and absolute emissions by 20%.

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[3] We used IPCC 2006 methodology for PFC reporting in 2021, but have transitioned to IPCC 2019 methodology in 2022. For the "Emissions" section of this Report, we report both values using both IPCC 2006 and IPCC 2019 methodologies for displaying PFC data in this section. Moving forward, we will only report using IPCC 2019 methodology.

Normalized Combined Scope 1 & Scope 2 Market-Based Emissions
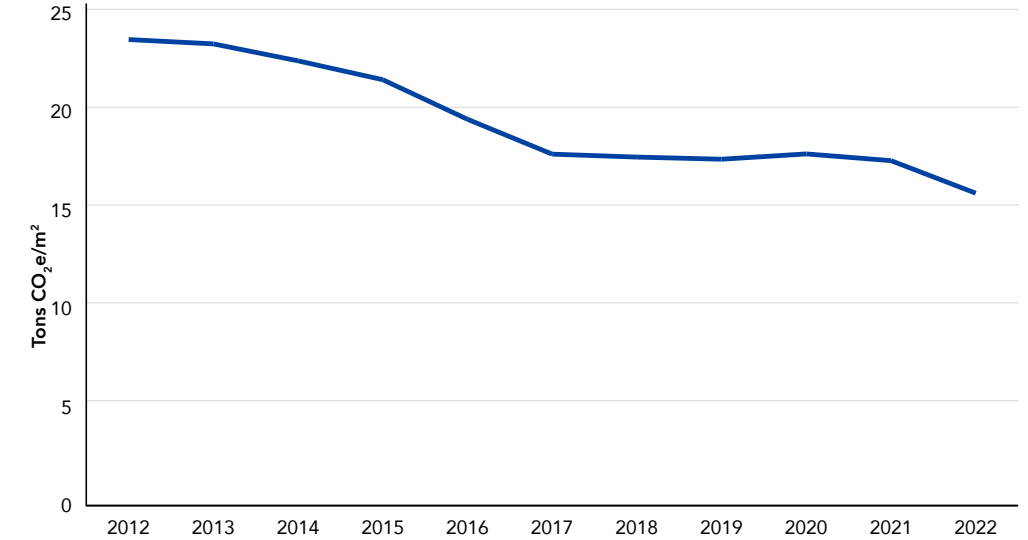
Absolute Scope 1 & Scope 2 Market-Based Emissions
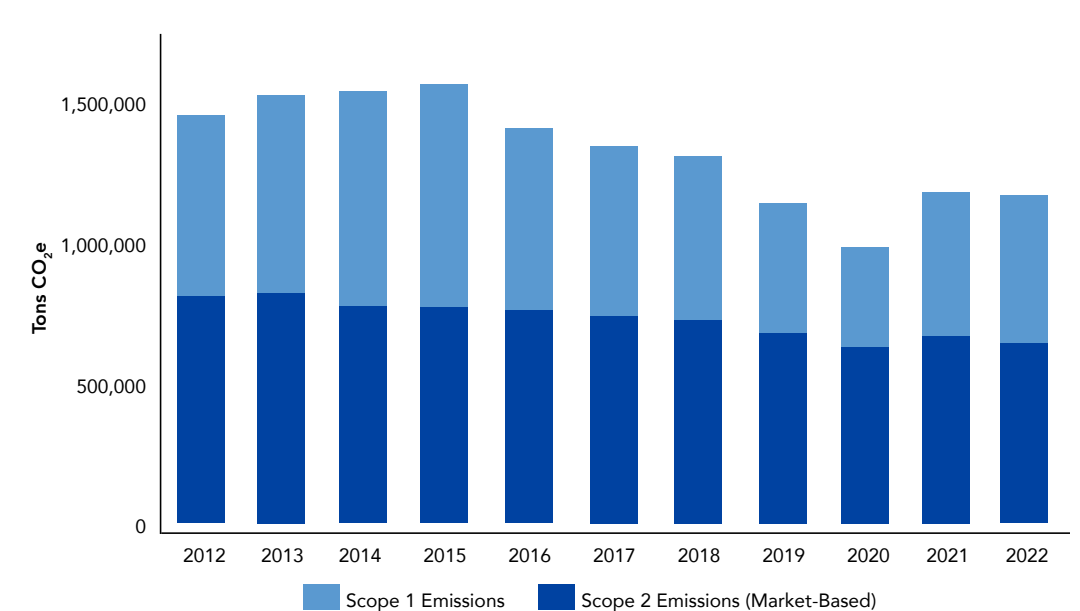
Market-based emissions reflect actual data from energy providers.

EMISSIONS

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 gases identified in the Kyoto Protocol, including Nitrous Oxide (N_2O) and Sulfur Hexafluoride (SF_6).

2022 SCOPE 1 EMISSIONS PERFORMANCE

Normalized Emissions

6%
Decrease
from 2021

32%
Decrease
from 2012

Absolute Emissions

3%
Increase
from 2021

18%
Decrease
from 2012

EMISSIONS

SCOPE 1 EMISSIONS

In 2022, NXP adopted the 2019 Refinement to the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. The goal of the IPCC's 2019 document was to update and refine the 2006 IPCC Guidelines. The 2019 Refinement is important because it provides two things:

- Supplementary methodologies for sources and sinks of greenhouse gases for areas that currently have gaps and where new technologies and production processes necessitate revised methodologies. The additions also address sources and sinks that were not well covered by the 2006 IPCC Guidelines.

- Updated default values of emission factors and other parameters, based on the latest available scientific information, where there are significant differences from the default values presented in the 2006 IPCC[15].

Having adopted the 2019 Refinement, we have updated some of our historical data. As a result, the PFC emissions and, by extension, our Scope 1 emissions, differ from what were previously reported. To be specific, we now use IPCC 2006 Tier 2a for 2012 through 2020 PFC data and IPCC 2019 Tier 2c for 2021 and 2022 PFC data. To make comparison easier, we report PFC values for 2022 and 2021 using both IPCC 2006 and IPCC 2019 methodologies in the "Emissions" section of this 2022 Report. In future, we will only report using IPCC 2019 methodology. For additional information on our updated IPCC calculation methodology, please see our discussion of "PFCs," on the following pages.

In 2022, demand for our products increased by 9% compared to 2021. 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 3%, our normalized Scope 1 emissions decreased by 6% compared to 2021.

Since 2012, our efforts to optimize our processes, upgrade tools, and install abatement equipment have lowered our absolute Scope 1 emissions by 18% and our normalized Scope 1 emissions by 32%.

Normalized Scope 1 Emissions

Y-axis: Tons CO_2e/m^2

Absolute Scope 1 Emissions

Y-axis: Tons CO_2e

Legend: PFCs | HTFs* | Fossil Fuel | N_2O
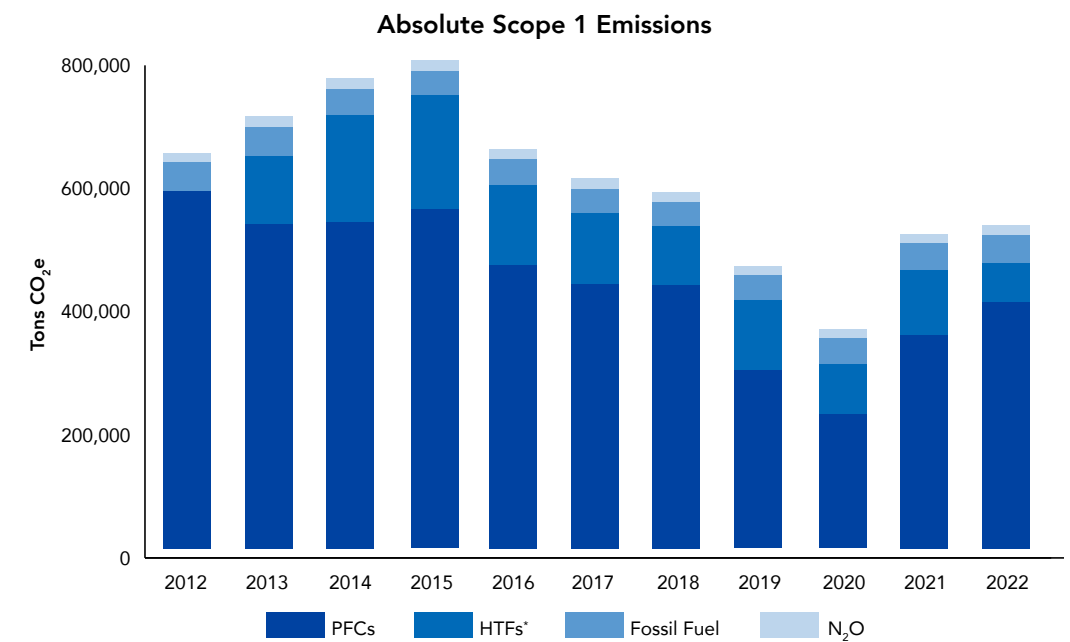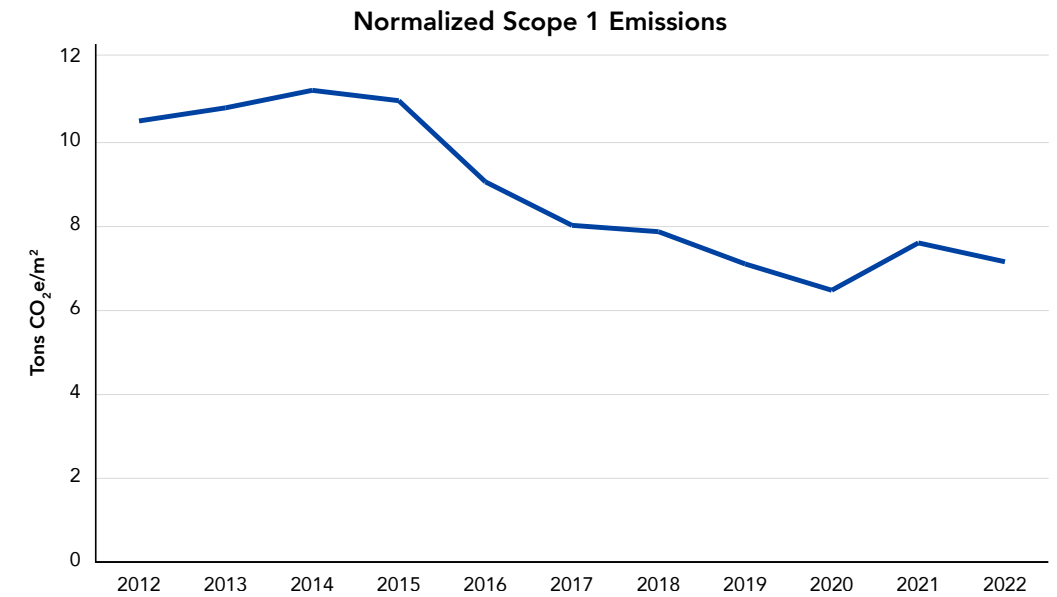
*HTF emissions begins reporting in 2013

Appendix G lists the chemicals included in each Scope 1 category.

EMISSIONS
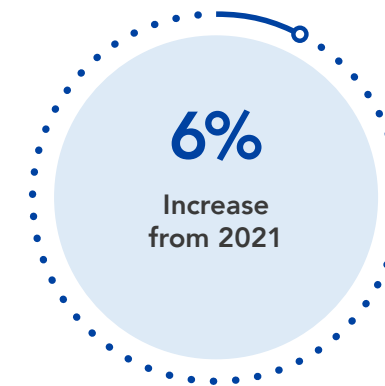
SCOPE 1 EMISSIONS BY TYPE

PFCs

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

2022 PFC EMISSIONS PERFORMANCE

Normalized Emissions	Absolute Emissions
6% Increase from 2021	**16%** Increase from 2021
42% Decrease from 2012	**31%** Decrease from 2012
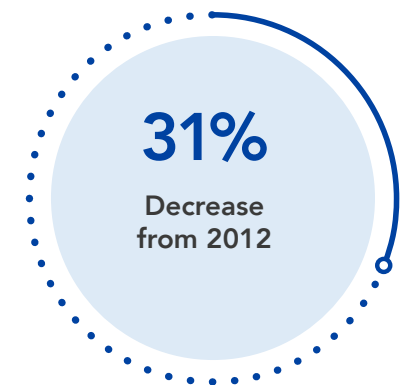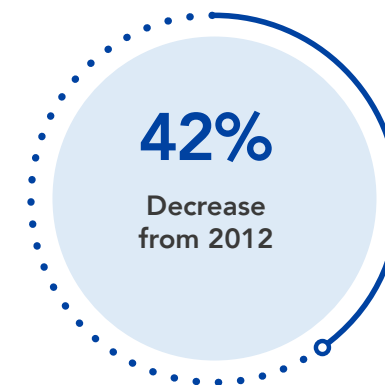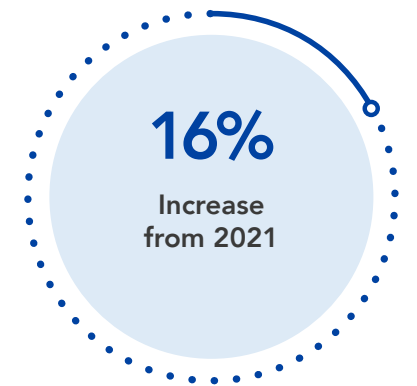
EMISSIONS

PFCs

Transitioning from IPCC 2006 to IPCC 2019 has changed the calculation for PFC emissions, resulting in an increase in total PFC emissions of 20% for 2021 and 19% for 2022 compared to the total values calculated using the IPCC 2006 methodology. Even so, we remain confident that we can meet our 2027 goal of 35% reduction in Scope 1 & 2 emissions, as well as our 2035 goal of carbon neutrality.

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 2012, and these added processing steps require more PFCs. Also, over the past several years, we have updated the manufacturing processes that use PFCs as etch gases, so we can produce finer, smaller semiconductor devices, and these newer processes add to our overall PFC use.

In 2022, demand for our products increased by 9% compared to 2021. Higher demand, combined with our newer, more PFC-intensive processes, raised our PFC usage. As a result, our absolute PFC emissions increased by 16%, and our normalized PFC emissions increased by 6% compared to 2021. Additionally, after conducting an inspection, in 2022, we concluded that the PFC reporting at one of our manufacturing locations was incomplete. We updated our reporting methodology and updated our PFC data for previous years.

Our ongoing efforts to optimize our processes, upgrade tools, and install abatement equipment, resulted in a continuous decrease of PFC emissions, despite using more PFCs in our manufacturing processes. Since 2012, our absolute PFC emissions have decreased by 31% and our normalized PFC emissions have decreased by 42%.

The following charts illustrate the differences in calculation methodologies. The original results, using the IPCC 2006 Tier 2a methodology, will continue to be used for historical values up until 2020. The results using the IPCC 2019 Tier 2c methodology, for 2021 and 2022 data, include revised emission factors, with further refinement by process type.

In future, we will use the IPCC 2006 Tier 2a methodology for data leading up to and including 2020, and will switch to the IPCC 2019 Tier 2c methodology, with Global Warming Potentials of the IPCC Assessment Report #5 (AR5), as of 2021.

We've chosen to use the IPCC 2019 Tier 2c methodology because it provides an updated and sound scientific basis for supporting the preparation and ongoing improvement of national GHG inventories, and that makes our calculations for PFC emissions more accurate. However, the IPCC 2019 Tier 2c methodology requires a higher level of data granularity than we have available for the years leading up to and including 2020. For this reason, we only report using the IPCC 2006 Tier 2a methodology for those years.
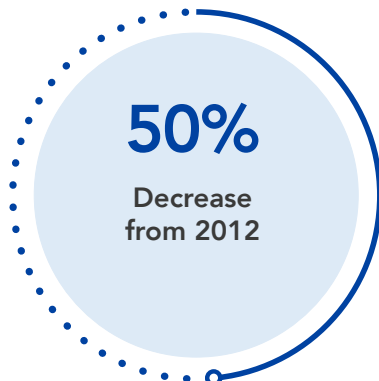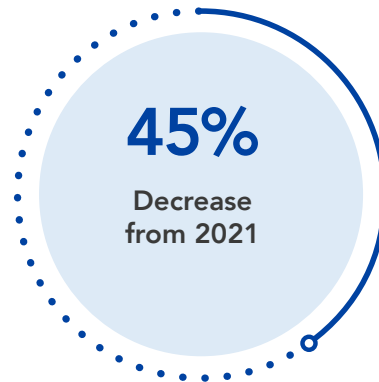
Normalized PFC Emissions

Tons CO_2e/m^2

— IPCC 2006 Tier 2a Methodology / AR4   — IPCC 2019 Tier 2c Methodology / AR5

Absolute PFC Emissions

Tons CO_2e

■ IPCC 2006 Tier 2a Methodology / AR4   ■ IPCC 2019 Tier 2c Methodology / AR5
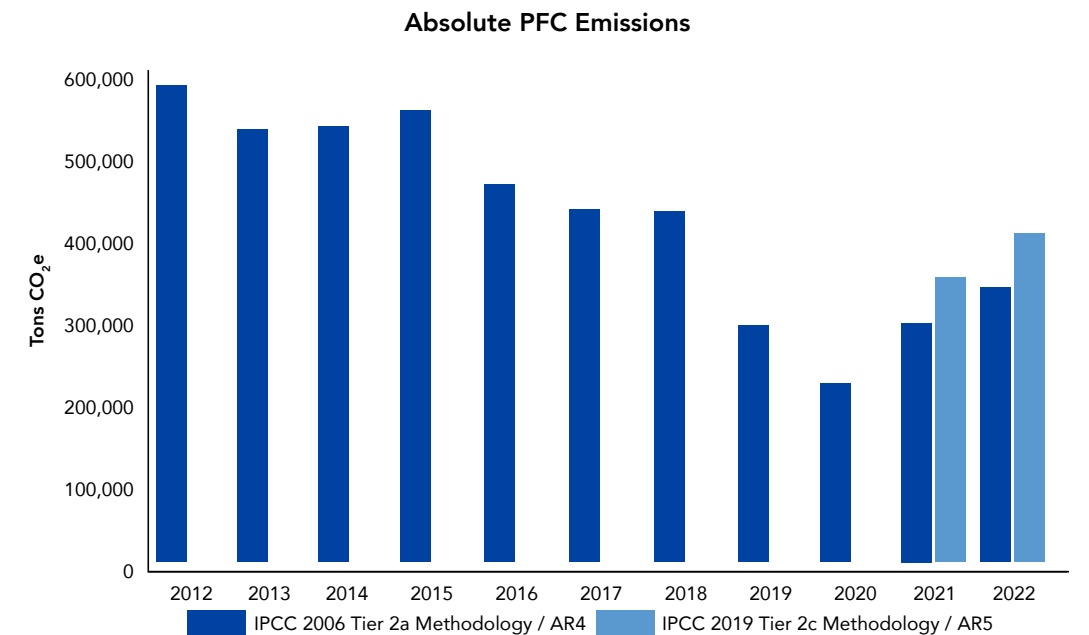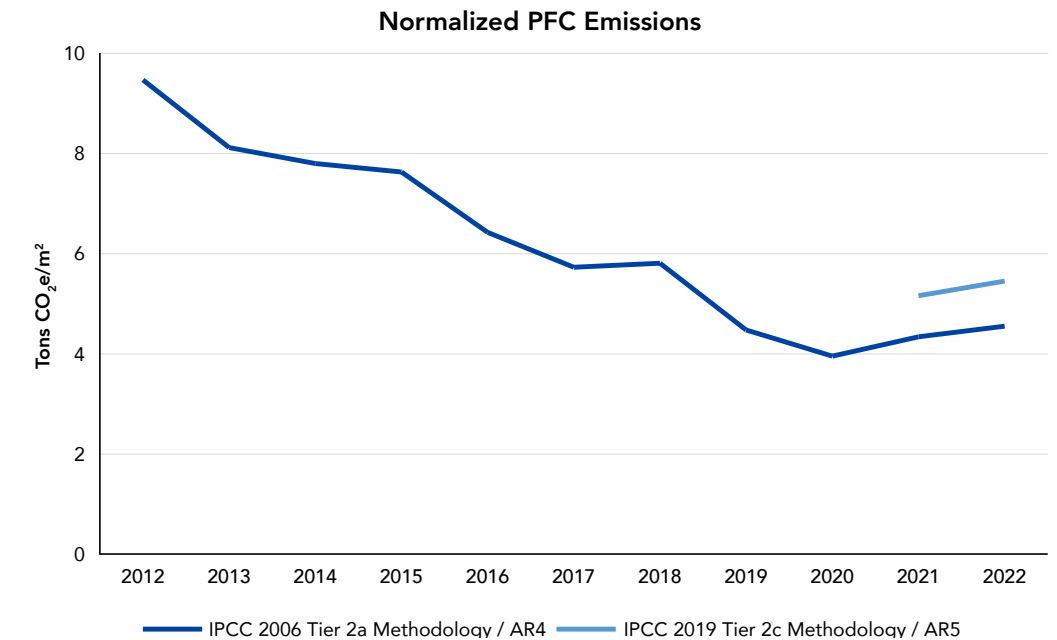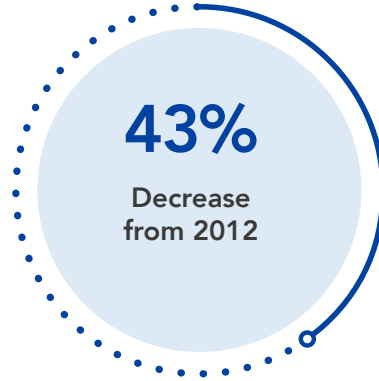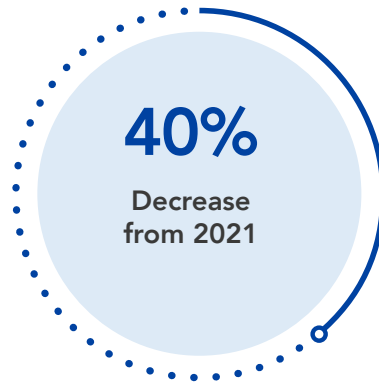
EMISSIONS

HTFs

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

2022 HTF EMISSIONS PERFORMANCE

Normalized Emissions

45%
Decrease
from 2021

50%
Decrease
from 2012

Absolute Emissions

40%
Decrease
from 2021

43%
Decrease
from 2012

EMISSIONS

HTFs
To address HTF emissions, our team members have designed and implemented new tools to create a semi-automated, closed-loop system that collects emissions from vapor-diffusive loss and fluid drag-out. Since 2013, when we began reporting HTF emissions, absolute HTF emissions have decreased by 43% and normalized emissions by 50%.

After conducting an inspection, in 2022, we concluded that the HTF reporting at one of our manufacturing locations was incomplete. We updated our reporting methodology and updated our 2021 HTF data. Earlier years were not impacted by this change.
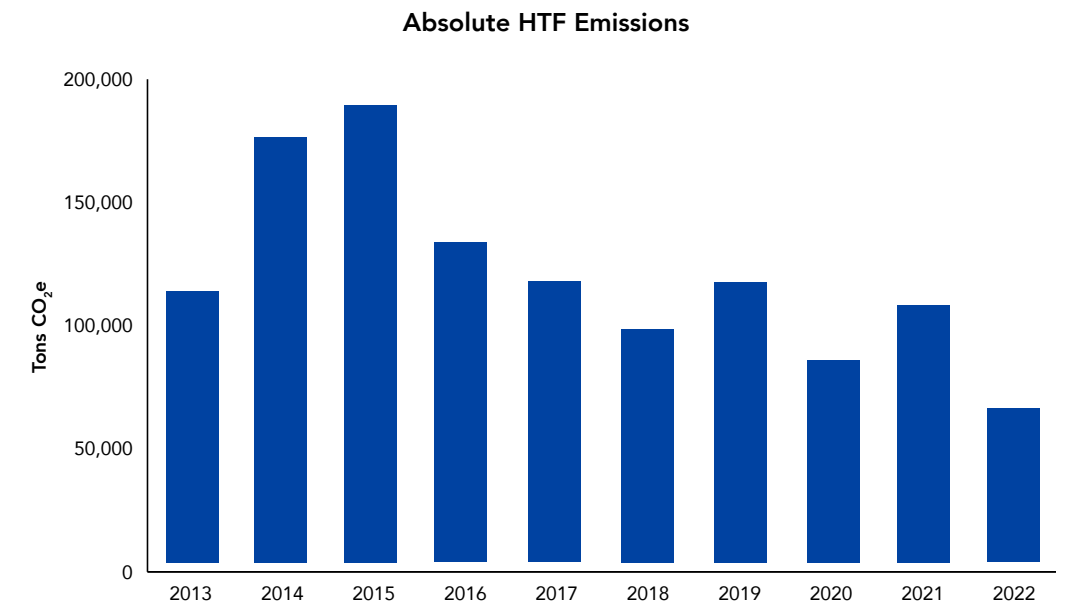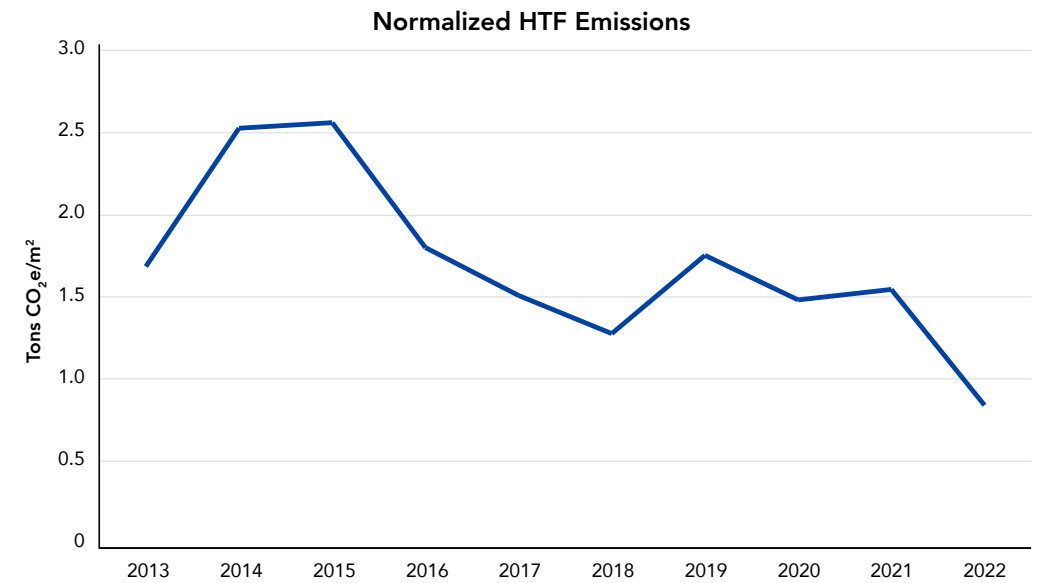
Normalized HTF Emissions
(Tons CO_2e/m^2)

Absolute HTF Emissions
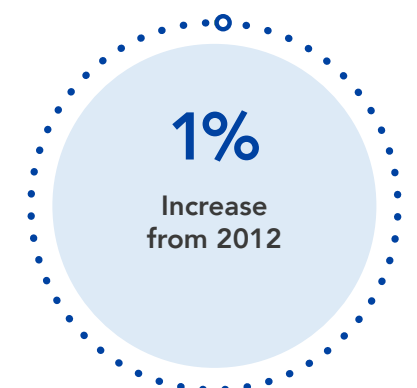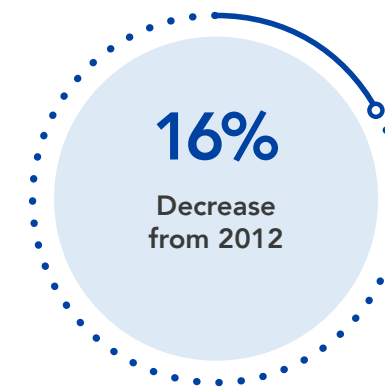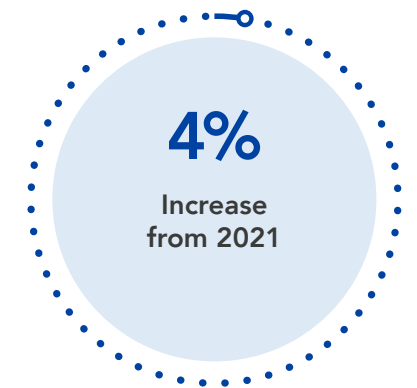(Tons CO_2e)

EMISSIONS

FOSSIL FUELS

Our use of natural gas varies each year depending on outdoor temperatures and manufacturing levels. We burn natural gas to power furnaces and generators used to heat and control humidity in our clean rooms.

2022 FOSSIL-FUEL EMISSIONS PERFORMANCE
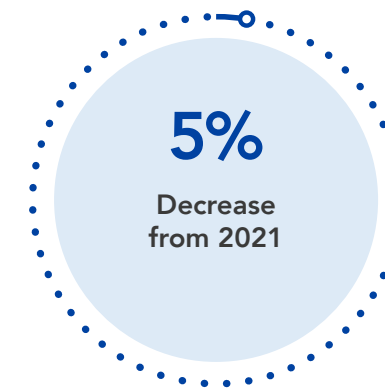
Normalized Emissions

5%
Decrease
from 2021

16%
Decrease
from 2012

Absolute Emissions

4%
Increase
from 2021

1%
Increase
from 2012

EMISSIONS

In 2022, our manufacturing sites experienced colder weather, and our production increased by 9% compared to 2021. As a result, our consumption of fossil fuels increased and our absolute emissions increased by 4% compared to 2021. However, our normalized fossil fuel consumption decreased by 5% compared to 2021.

Our consumption of fossil fuels also varies each year depending on weather conditions but, since 2012, we have increased absolute emissions by 1% and decreased normalized emissions by 16%.
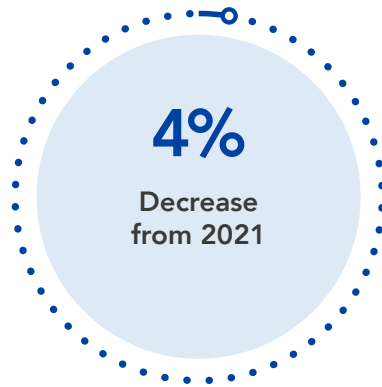
Normalized Fossil-Fuel Emissions
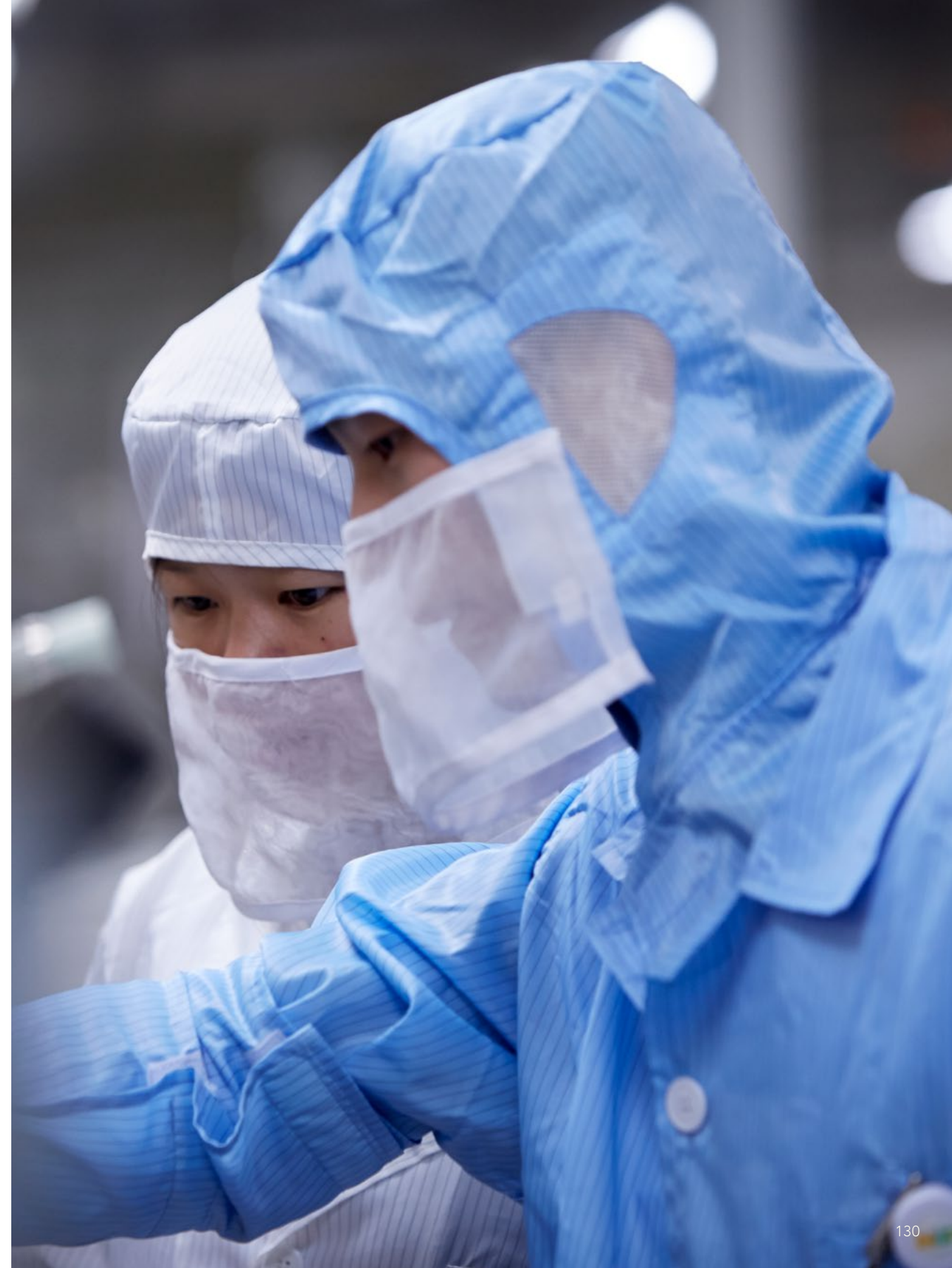

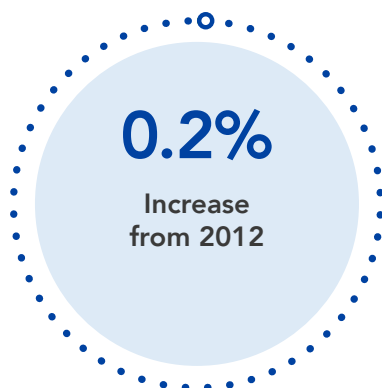**Absolute Fossil-Fuel Emissions**
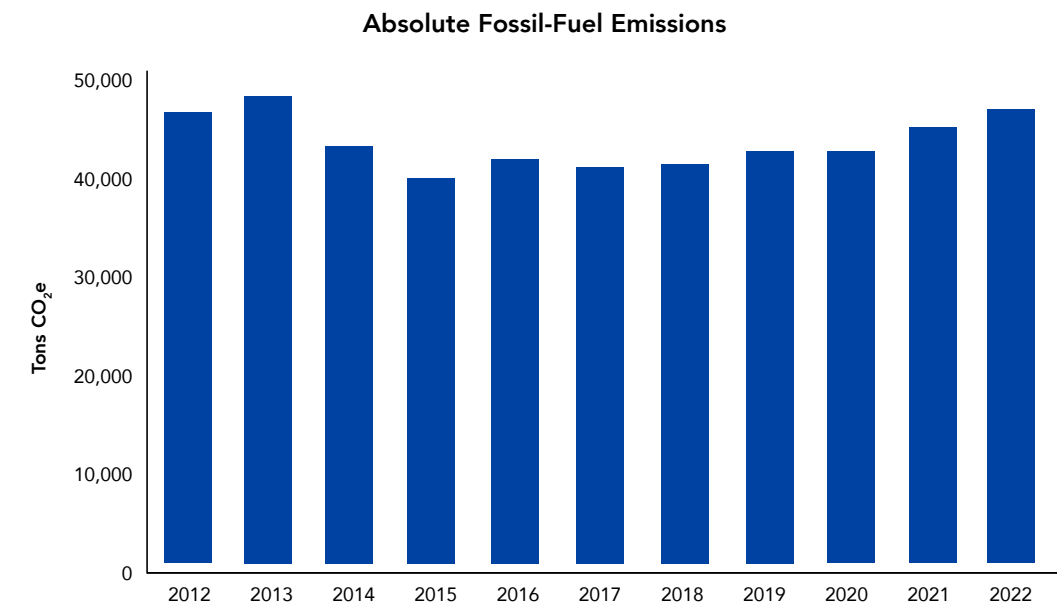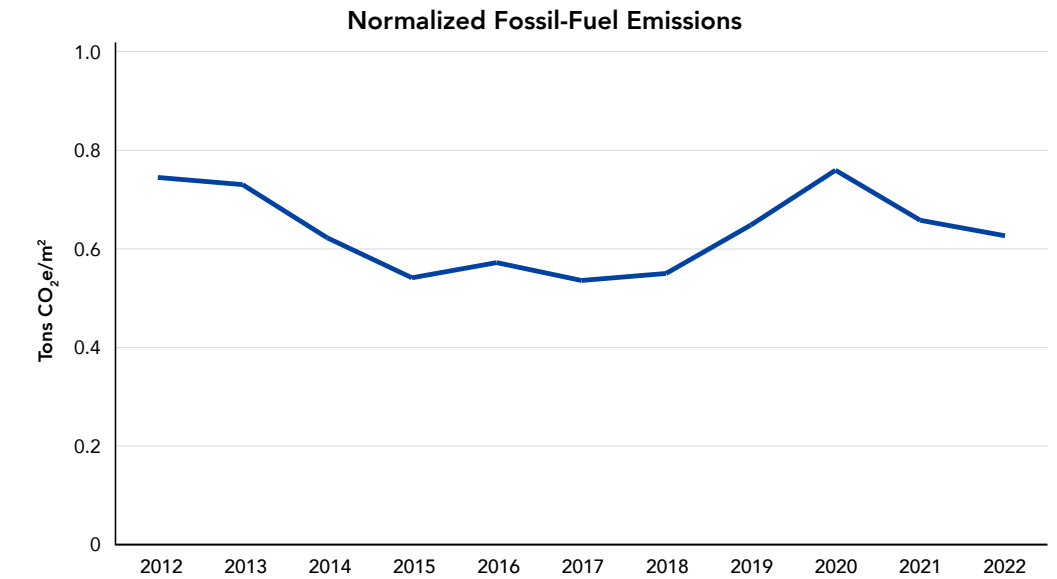
EMISSIONS

N_2O

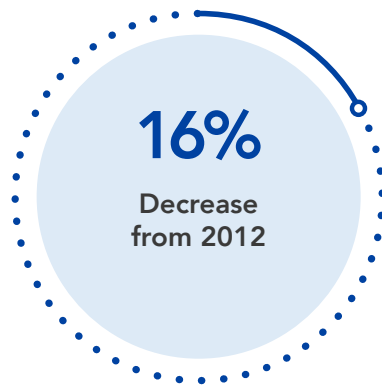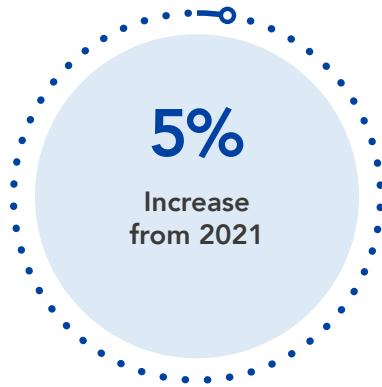N_2O is used at several points in the manufacturing process, including chemical vapor deposition of silicon dioxide, doped or undoped silicon oxynitride, diffusion, rapid thermal processing, and chamber seasoning.

2022 N_2O EMISSIONS PERFORMANCE

Normalized Emissions

4%
Decrease
from 2021

16%
Decrease
from 2012

Absolute Emissions

5%
Increase
from 2021

0.2%
Increase
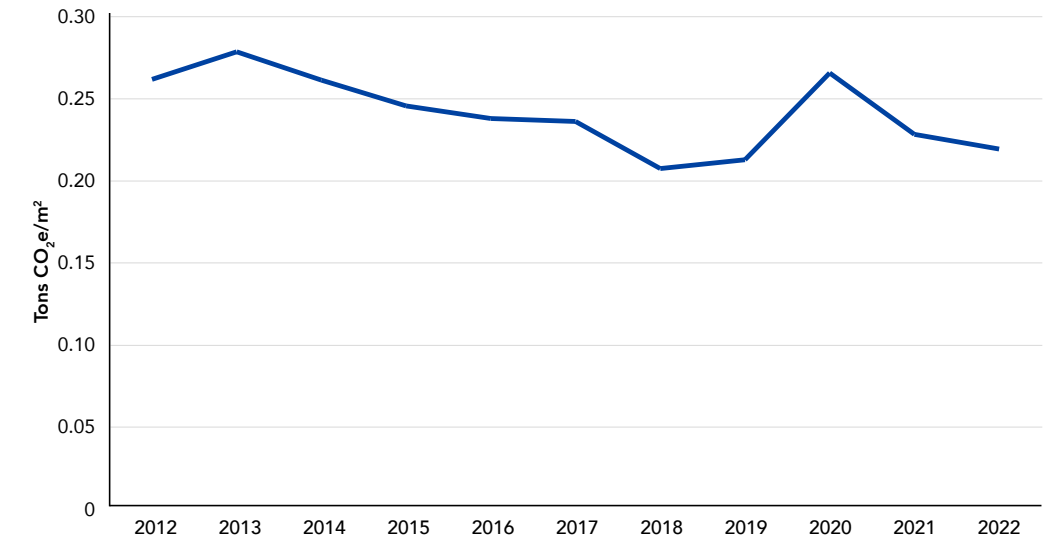from 2012

EMISSIONS

N_2O

In 2022, our production increased by 9% compared to 2021 and, since N_2O is used in multiple areas, our consumption of N_2O also increased. As a result, we saw an increase of absolute N_2O emissions by 5% from 2021 and an increase in absolute emissions by 0.2% from 2012.

For several years, however, we have been installing the most up-to-date abatement technology and upgrading existing process tools. Our ongoing efforts to upgrade our abatement technology and process tools have yielded a decrease in normalized N_2O emissions by 4% compared to 2021 and a decrease in normalized emissions by 16% compared to 2012.

After conducting an inspection, in 2022, we concluded that the N_2O reporting at one of our manufacturing locations was incomplete. We updated our reporting methodology and updated our 2021 N_2O data. Earlier years were not impacted by this change.

Normalized N_2O Emissions
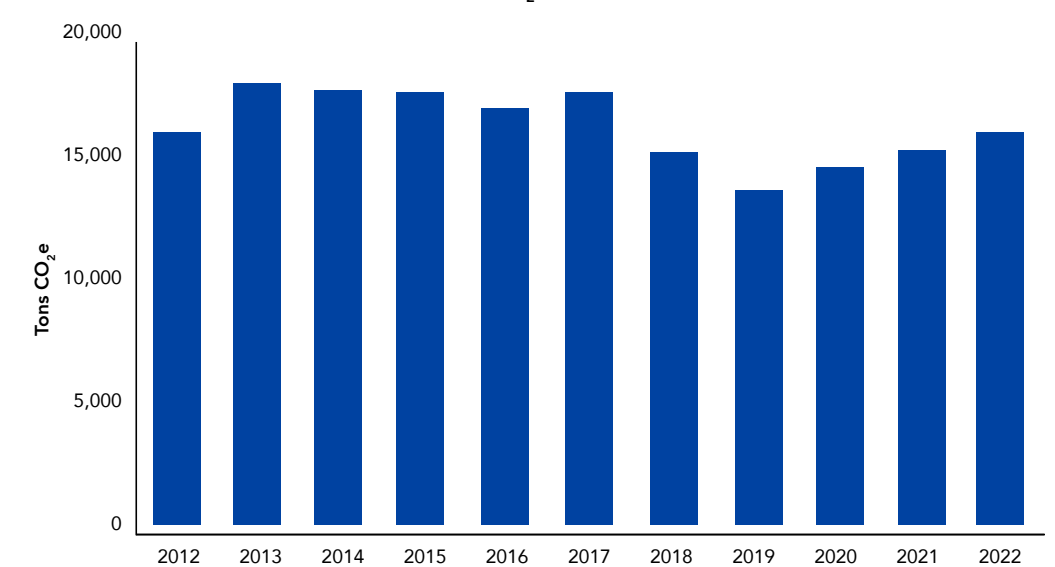
Tons CO_2e/m^2

(Line chart, years 2012–2022, values ranging from approximately 0.26 in 2012, peaking ~0.28 in 2013, declining to ~0.21 in 2018, rising to ~0.265 in 2020, then declining to ~0.22 in 2022)

Absolute N_2O Emissions

Tons CO_2e

(Bar chart, years 2012–2022, values ranging from approximately 16,000 in 2012, ~18,000 in 2013, ~17,500 in 2014–2017, ~15,000 in 2018, ~13,500 in 2019, ~14,500 in 2020, ~15,000 in 2021, ~16,000 in 2022)

EMISSIONS

SCOPE 2 EMISSIONS
The GHG Protocol defines Scope 2 emissions as indirect emissions from the generation of purchased energy supplied by a utility provider. At present, all of our Scope 2 energy use consists of electricity. We use our energy providers' actual, market-based emission data when we calculate our Scope 2 emissions.

2022 SCOPE 2 EMISSIONS PERFORMANCE

Normalized Emissions

12% Decrease from 2021

34% Decrease from 2012

Absolute Emissions

4% Decrease from 2021

21% Decrease from 2012
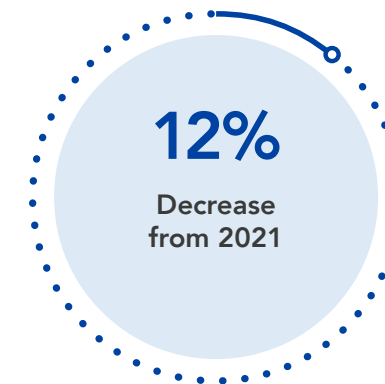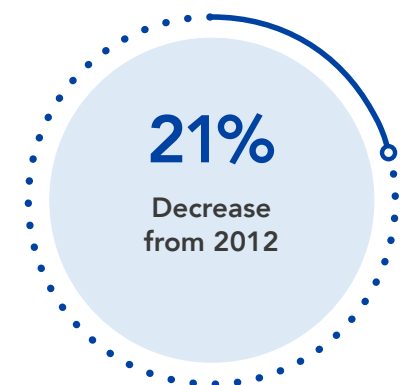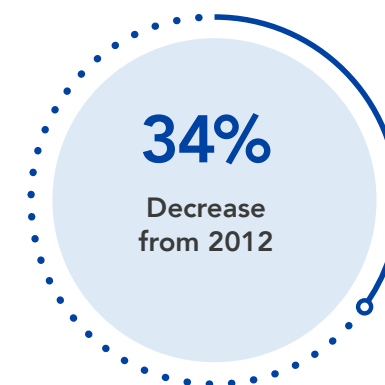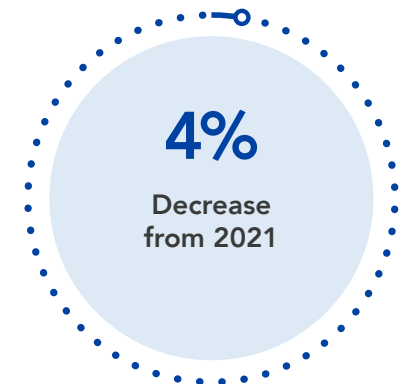
EMISSIONS

SCOPE 2 EMISSIONS

We produce increasingly complex products that involve many more processing steps, all of which require electricity. Although demand for our products increased in 2022 by 9% compared to 2021, causing an uptick in overall electricity use, our absolute Scope 2 emissions decreased by 4%. Also, our normalized Scope 2 emissions decreased by 12% compared to 2021. These improvements reflect our increased focus on energy conservation and the use of renewable electricity.

Our efforts in the past ten years, to conserve electricity and optimize our process tools, have produced a continuous decrease in Scope 2 emissions, even though many of our processing steps are more complex and require more electricity to run. Since 2012, our absolute Scope 2 emissions have decreased by 21% and our normalized Scope 2 emissions by 34%.

Normalized Scope 2 Market-Based Emissions
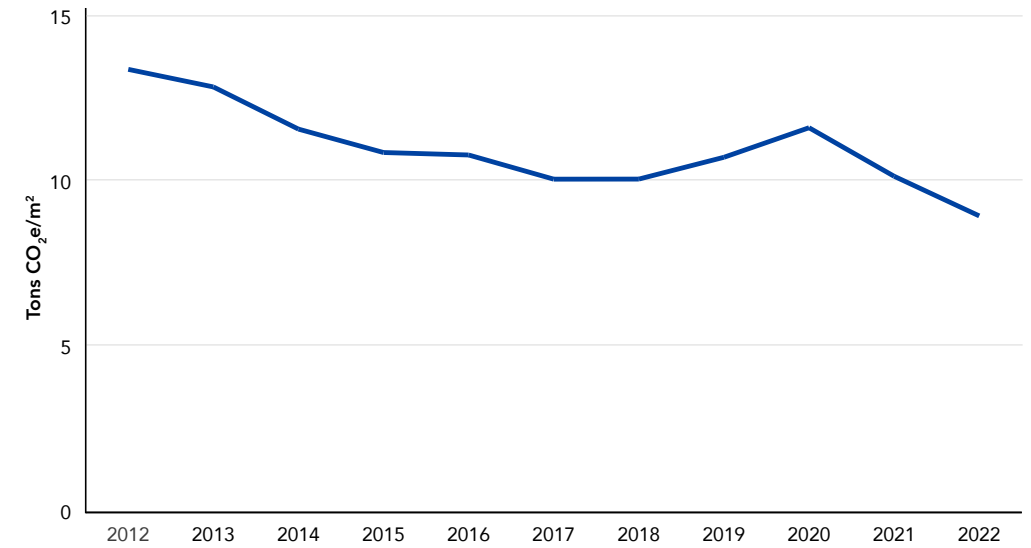
Absolute Scope 2 Market-Based Emissions
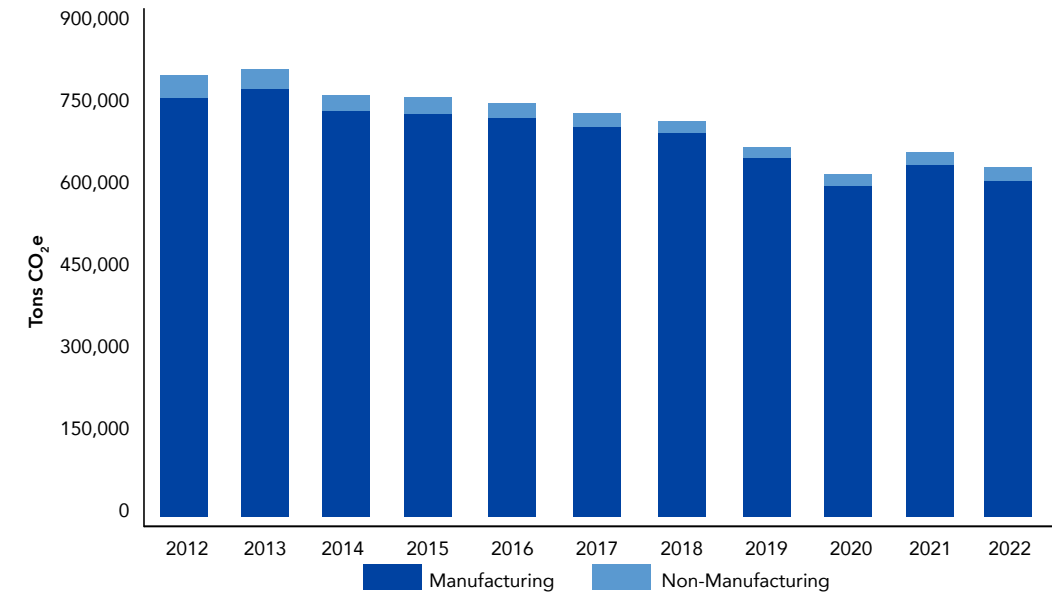
Market–based numbers reflect actual data from energy providers.

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EMISSIONS

SCOPE 3 EMISSIONS

2022 SCOPE 3 EMISSIONS PERFORMANCE

Business-Travel Emissions

606%
Increase
from 2021

30%
Decrease
from 2019

66%
Decrease
from 2012

Product-Transport Emissions

2%
Increase
from 2021

22%
Increase
from 2012
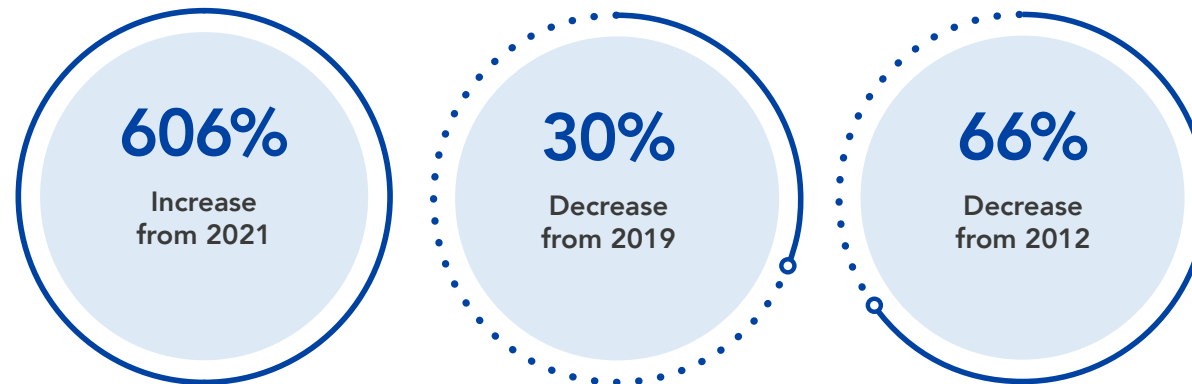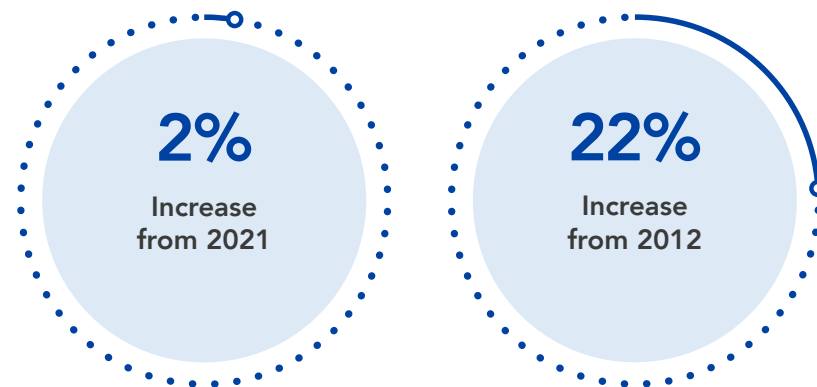
The GHG Protocol defines Scope 3 emissions as indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company. Our Scope 3 emissions are currently limited to business travel and product transport. We continue to work with our supply chain to further quantify Scope 3 emissions.

Our Scope 3 emissions are reported on two types of travel: business travel and product transportation. As we return to pre-pandemic levels of business travel, we expect to see an increase in Scope 3 emissions. However, compared to 2019, we are still showing a marked decrease. We will continue to explore ways to minimize our Scope 3 emissions.

Scope 3 Emissions
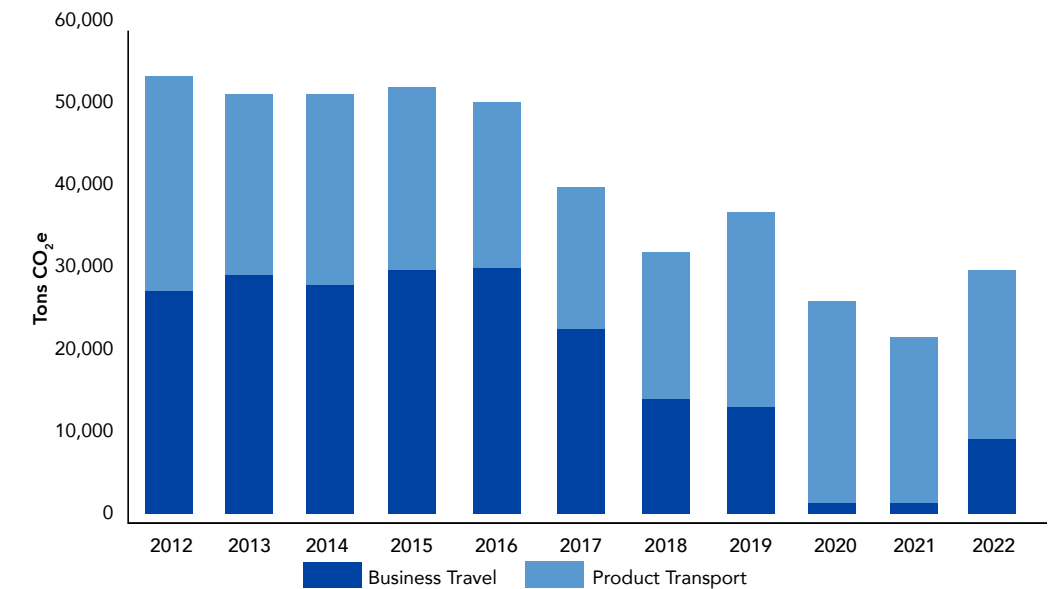
Tons CO_2e — Business Travel, Product Transport (2012–2022)

EMISSIONS

SCOPE 3 EMISSIONS

BUSINESS TRAVEL
In 2020 and 2021, the COVD-19 pandemic essentially stopped all travel. In 2022, however, as pandemic-related restrictions began to ease, our emissions from business travel began returning to previous levels, totaling 9,098 tons of CO_2e. This is still lower than 2019, before the pandemic began. We have updated the business-travel emissions for 2021 because additional data became available after publication of the 2021 Report.

PRODUCT TRANSPORTATION
Emissions from product transportation include transporting semi-finished products between manufacturing sites, and transporting fully finished products to warehouses and customers. In 2022, our CO_2e emissions from product transportation were estimated at 20,555 tons CO_2e (based on kilograms per kilometer).

Having updated our calculation methodology to align with industry best practices, we are restating our product-transport emissions for 2017, 2018, 2019, 2020, and 2021. The 2021 data also includes updates we received after publication of the 2021 Report.

Business-Travel Emissions

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

Product-Transportation Emissions
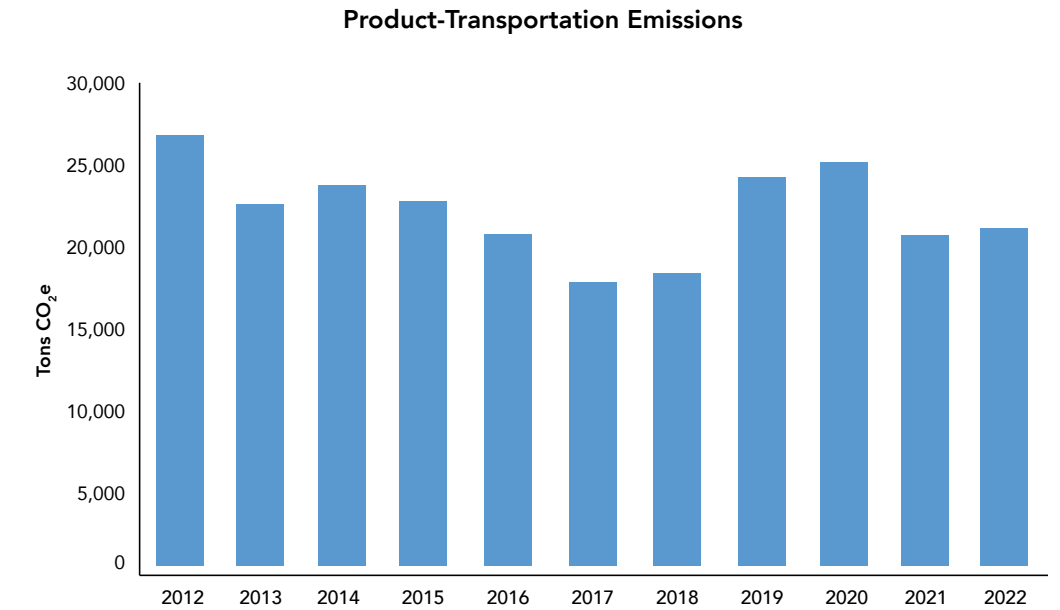
Air-freight CO_2e calculation is 0.567 kg/km as set by the Intergovernmental Panel on Climate Change (IPCC).

EMISSIONS

NON-GREENHOUSE GAS EMISSIONS

2022 NON-GHG ABSOLUTE EMISSIONS PERFORMANCE

NOx

48%
Decrease from 2021

64%
Decrease from 2012

SOx

67%
Decrease from 2021

10%
Decrease from 2012

VOCs

30%
Decrease from 2021

13%
Decrease from 2012
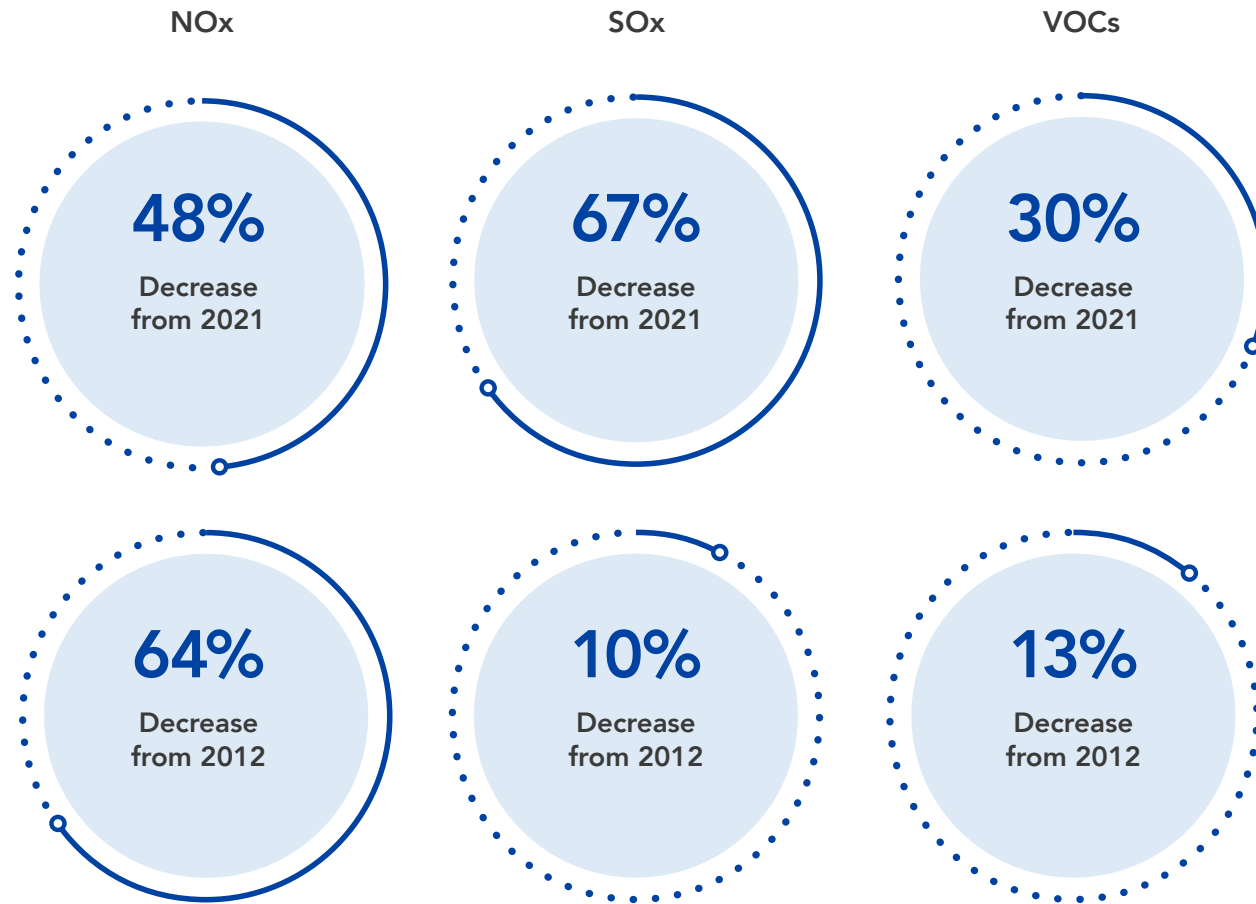
NOX, SOX, AND VOCs

Our non-greenhouse gas (non-GHG) 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 have seen a significant reduction in non-greenhouse gas emissions. This includes decreases in emissions related to NOx, SOx, and VOCs compared to 2021 levels. However, we still have an increase in VOCs since 2012, due in part to the expansion of the Systems on Silicon Manufacturing Company (SSMC) facility in Singapore.

NOx, SOx, and VOC Emissions
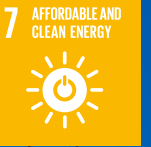
ENERGY

Long-Term Energy Ambition
100% Renewable Electricity, Contributing to Our 2035 Goal of Being Carbon Neutral

2027 Mid-Term Energy Goal
50% Renewable Electricity Use

2022 ENERGY PERFORMANCE

35%
Renewable Electricity Use

3%
Decrease in Normalized Electricity Consumption from 2021

12%
Decrease in Normalized Scope 2 Emissions from 2021
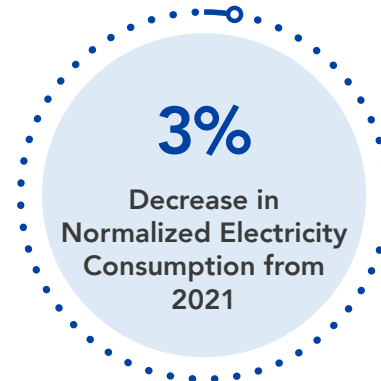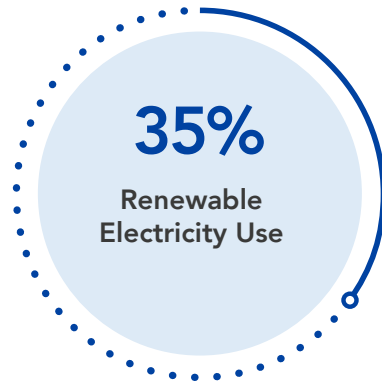
Primary sources of energy for our manufacturing, testing, and office sites come from the electrical grid. We purchase renewable electricity when available, and continue to purchase electricity from fossil-fuel sources in jurisdictions where reliable and abundant alternative energy sources are not available.

We use natural gas to power heating, cooling, and humidity-management equipment critical to manufacturing and test processes, and diesel fuel for emergency generators. The emissions from these fossil fuels are included in the totals of our Scope 1 emissions.

ENERGY
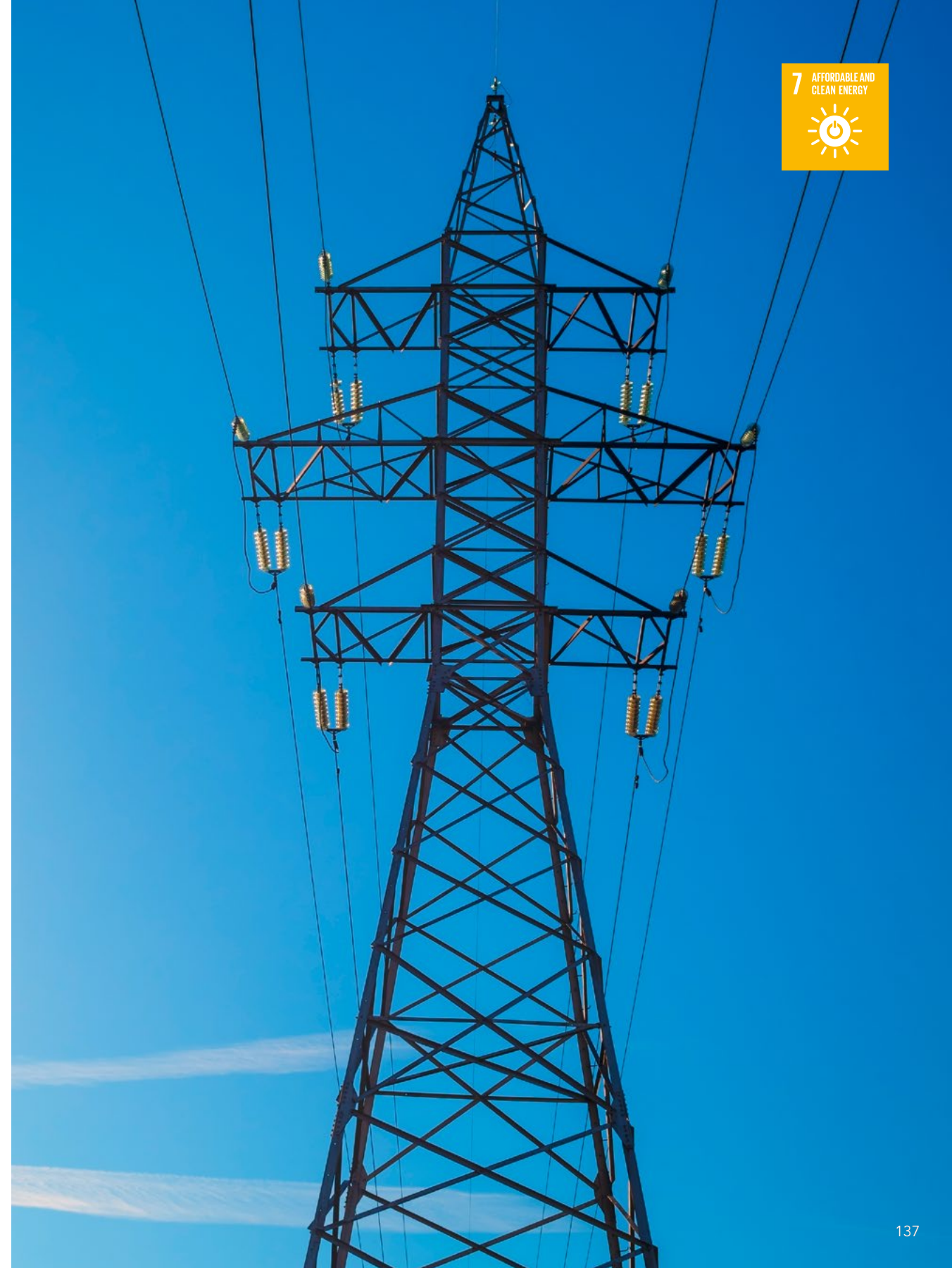
ELECTRICITY

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.

2022 Manufacturing Electricity Consumption

41%

59%

■ Assembly and Test   ■ Wafer Fabs

2022 Manufacturing vs Non-Manufacturing Electricity Consumption
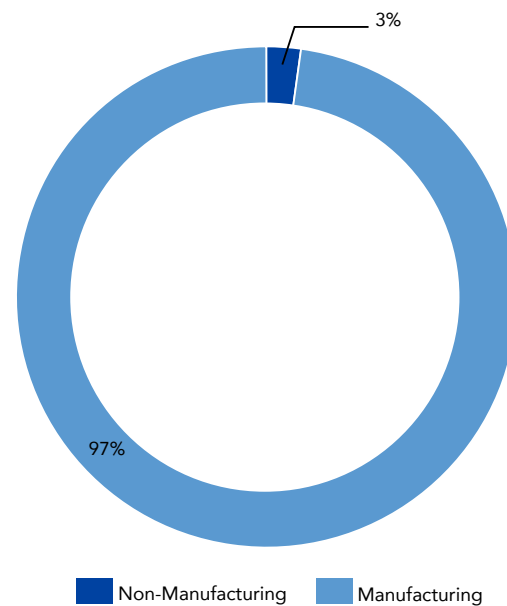
3%

97%

■ Non-Manufacturing   ■ Manufacturing

ENERGY

ELECTRICITY RESULTS

2022 TOTAL ELECTRICITY-CONSUMPTION PERFORMANCE
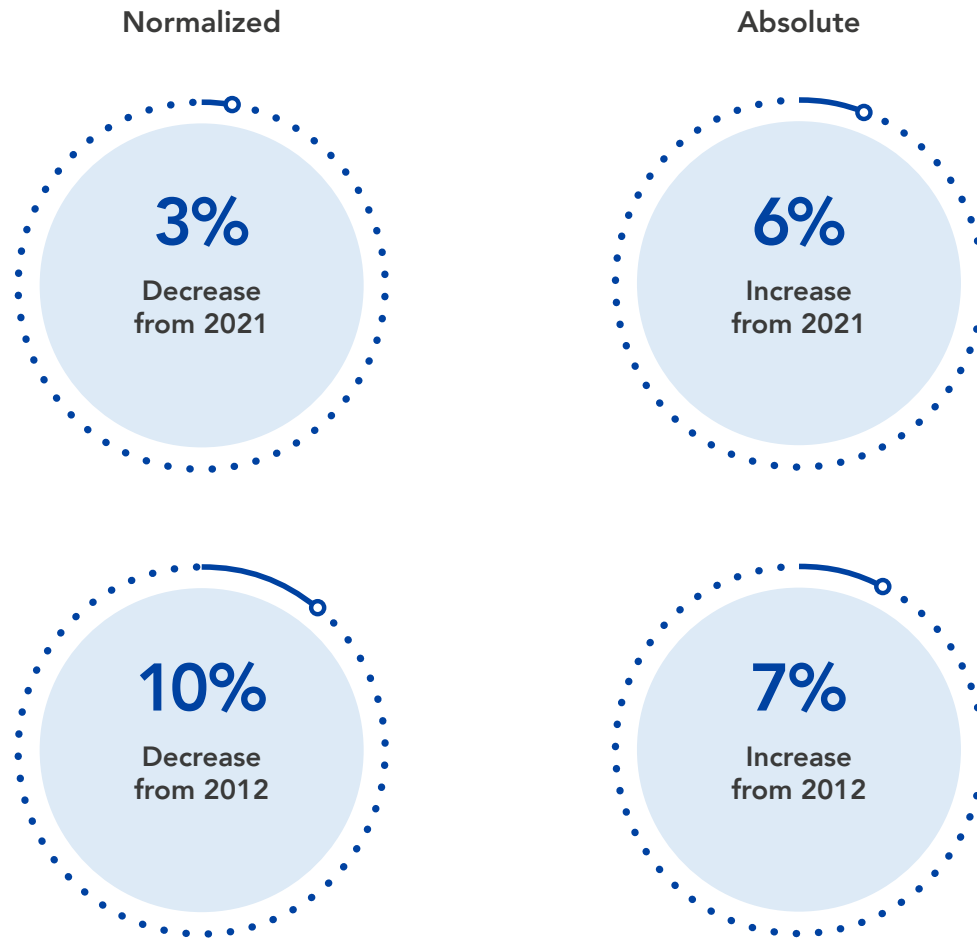
Normalized

3%
Decrease
from 2021

10%
Decrease
from 2012

Absolute

6%
Increase
from 2021

7%
Increase
from 2012

We produce increasingly complex products that involve many more processing steps, requiring greater electricity consumption. In 2022, we continued our expansion of our Systems on Silicon Manufacturing Company (SSMC) wafer fab in Singapore, as well as a remote facility in Tianjin, China. This, coupled with an increase in product demand of 9% in 2022, resulted in our absolute electricity consumption increasing by 6%, while our normalized electricity decreased by 3% compared to 2021.

Our ongoing efforts to conserve electricity and optimize our manufacturing processes have helped us use electricity more efficiently, in spite of increases in our manufacturing capacity and higher demand for our products. Compared to 2012, our absolute electricity consumption has increased only 7%, despite high product demand, and our normalized electricity consumption has decreased by 10%.

Normalized Manufacturing and Non-Manufacturing Electricity Consumption

Absolute Manufacturing and Non-Manufacturing Electricity Consumption

ENERGY

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

NON-MANUFACTURING
Electricity at our offices and R&D sites represents 3% of our total consumption. In 2022, our absolute non-manufacturing electricity consumption increased by 7% compared to 2021 as a result of team members returning to the office in sites where improvements relating to the COVID-19 pandemic made this possible.

Since 2012, our non-manufacturing electricity consumption has decreased by 64%, 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.
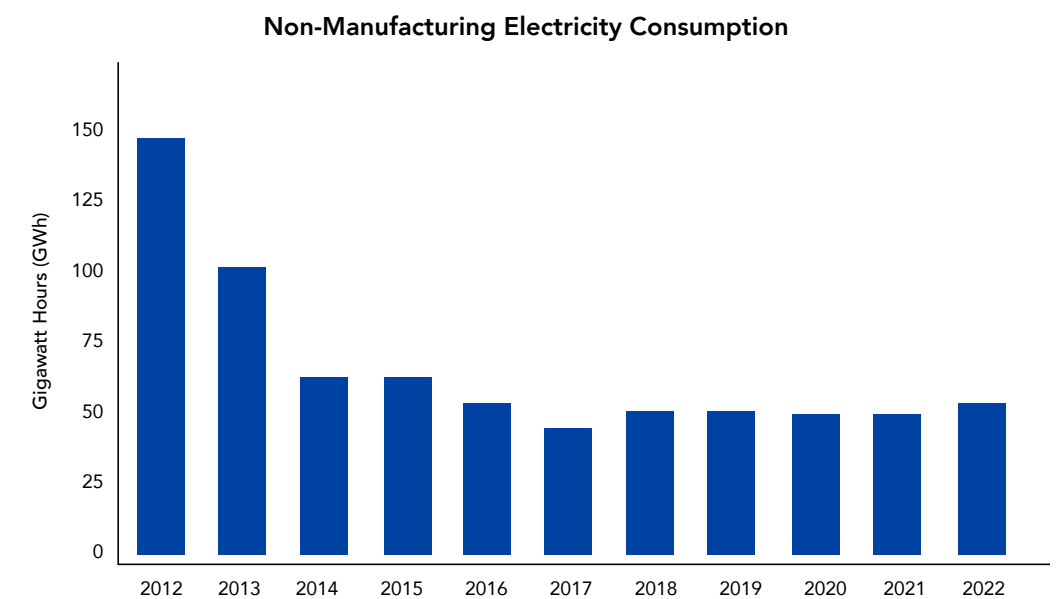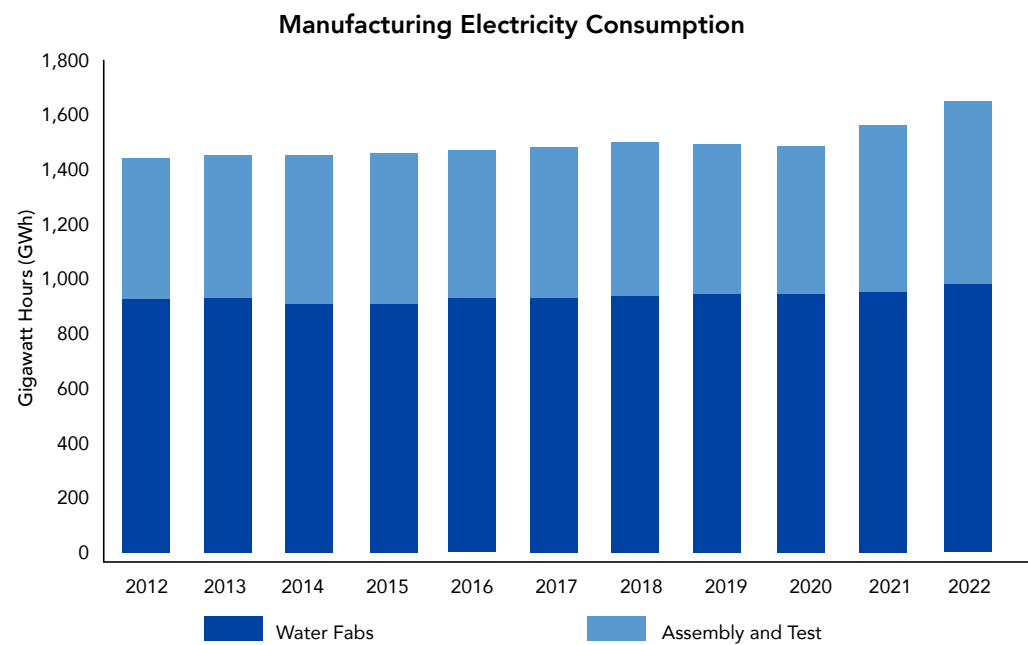
Manufacturing Electricity Consumption

Non-Manufacturing Electricity Consumption

ENERGY

ELECTRICITY ENERGY SOURCES[4]

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

2022 Electricity Energy Sources From the Grid

- Natural Gas 36%
- Coal 22%
- Nuclear 5%
- Other Non-Renewable 3%
- Renewable 35%
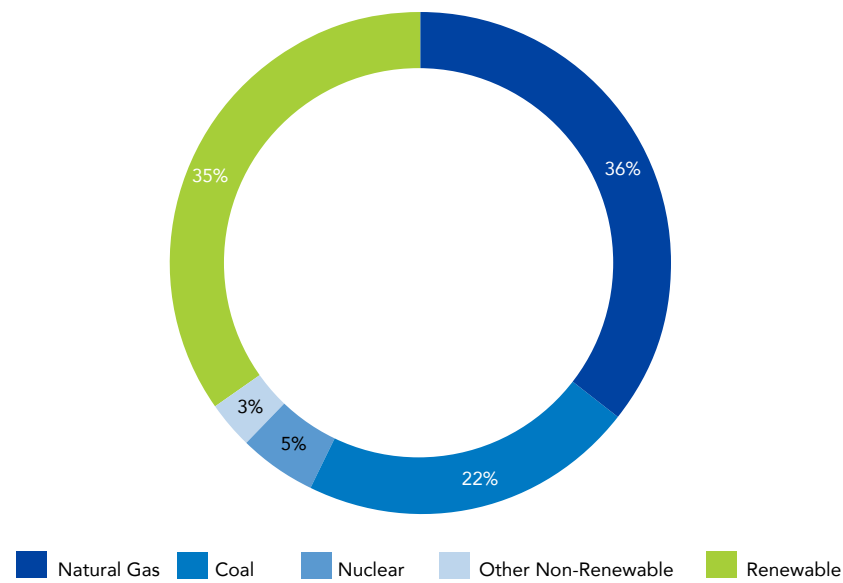
The sum of percentages may not add up to 100% due to rounding.

RENEWABLE ELECTRICITY

Since 2015, we have steadily increased our use of electricity that comes from renewable sources. In 2022, 35% of our overall electricity use was from renewable energy sources. Our Nijmegen wafer fab, in the Netherlands, runs on 100% renewable electricity. We continue to look for new ways to increase our use of renewable electricity sources through power purchase agreements.

Our total electricity consumption increased by 6% compared to 2021 due to significant production increases in the Asia-Pacific region. Our manufacturing sites in the Asia-Pacific region use a lower percentage of renewable electricity and, at the same time, the electricity consumption at these sites increased by 10% compared to 2021. At our Tianjin facility in China, we increased our renewable electricity percentage from 27% in 2021 to 74% in 2022. Overall, renewable energy as a portion of electricity from the grid increased by 4 percentage points to a total of 35% renewable electricity for the company overall.

Occasionally, utility companies revise their reported percentage of renewable energy. When this happens, we use the utility's revised information to update our historical figures.

Renewable Energy Sources From the Grid

Year	Non-Renewable Energy	Renewable Energy
2012	86%	14%
2013	83%	17%
2014	83%	17%
2015	83%	17%
2016	80%	20%
2017	77%	23%
2018	77%	23%
2019	76%	24%
2020	68%	32%
2021	69%	31%
2022	65%	35%
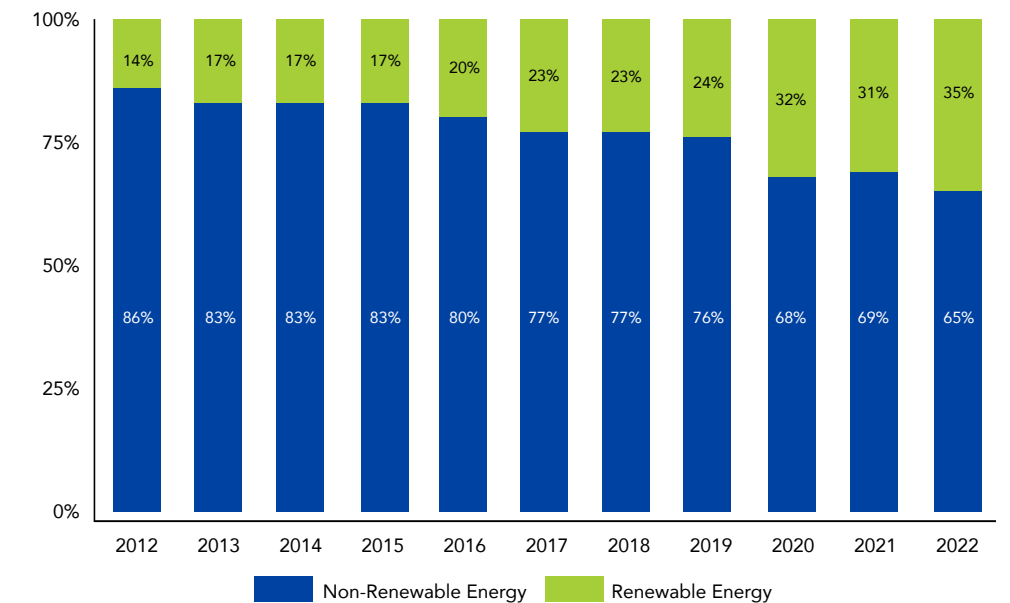
[4] Renewable-energy information from utility providers is published after the release of our annual Corporate Sustainability Report. Utility providers are approximately one year behind our reporting schedule. We make adjustments as needed for the previous reporting year's data on renewable energy.

ENERGY

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 2022 absolute natural-gas consumption increased 3% from 2021. Compared to 2012, our consumption has decreased 3%.

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. We used 52% less diesel in 2022 compared to 2021. The significant decrease reflects the 2021 winter storm in Austin, Texas, which affected two of our manufacturing facilities and required extended use of our emergency generators.

Natural-Gas Consumption

Diesel-Fuel Consumption
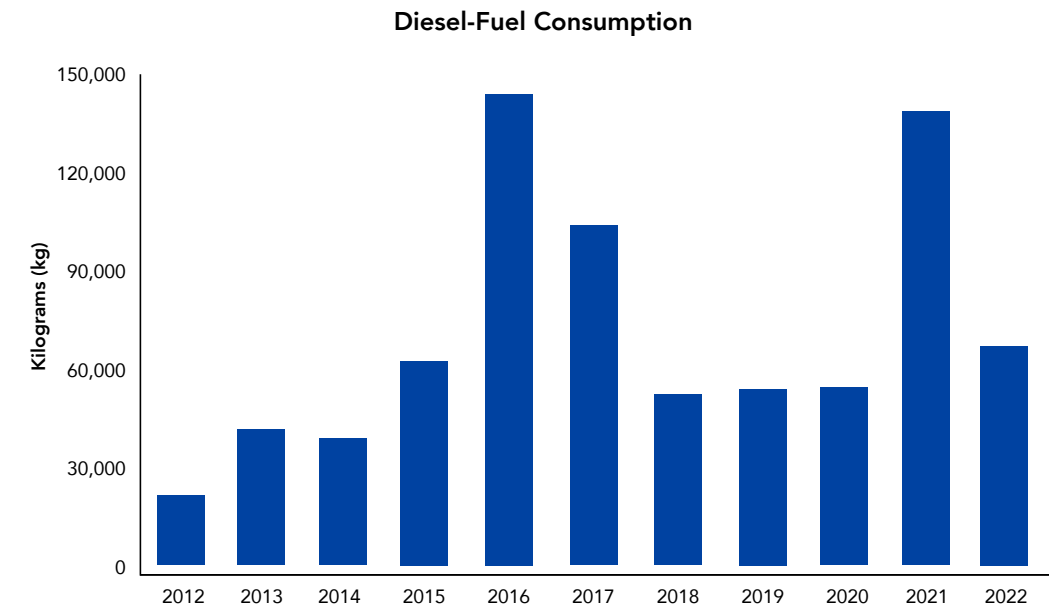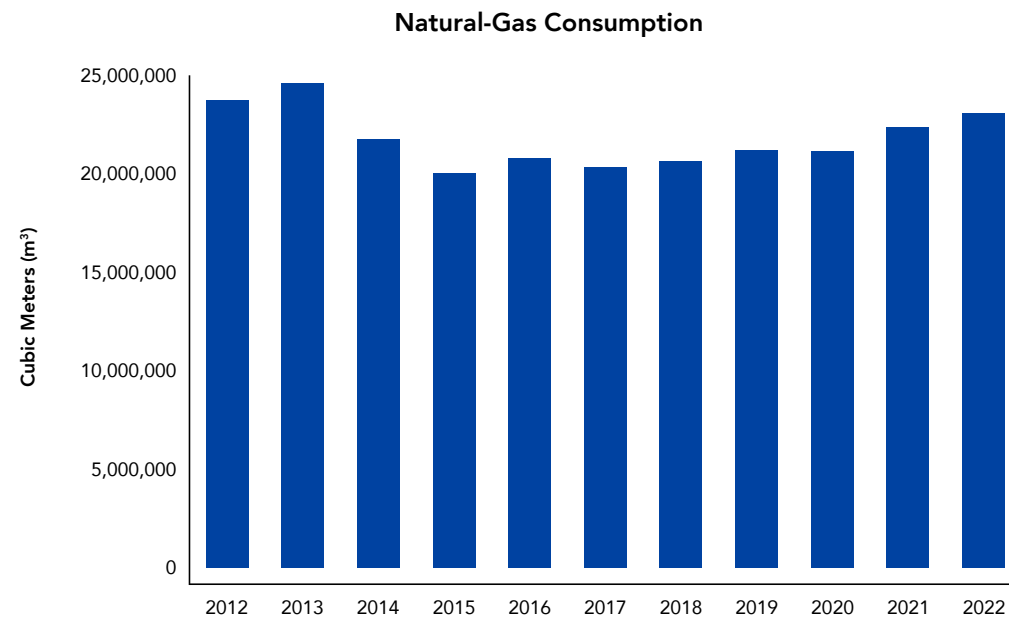
ENERGY

OTHER FOSSIL FUELS

Other fossil fuels we use include gasoline, liquefied petroleum gas (LPG), and town gas. In 2022, our consumption of other fossil fuels increased by 36% from 2021, and has increased by 123% since 2012.

LPG 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 SSMC wafer fab in Singapore, which accounts for the increase in other fossil-fuel consumption in 2022.

Other Fossil-Fuel Consumption

WATER

Long-Term Water Ambition
Minimize Impact on Global Water Supplies

2027 Mid-Term Water Goal
60% of Wastewater Recycled

2022 WATER PERFORMANCE

48%
Wastewater Recycled

1%
Decrease in Normalized Water Consumption from 2021

4%
Decrease in Normalized Water Consumption from 2012

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 we are identifying best practices associated with water recycling and conservation in order to reach our mid-term goal.

6 CLEAN WATER AND SANITATION

WATER

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.

2022 Water Stress Index (WSI) Scores			
Wafer Fabrication Site	Score	Assembly and Test Site	Score
ATMC, Austin, Texas, US	5.7	Bangkok, Thailand	5.3
Chandler, Arizona, US	0.0	Kaohsiung, Taiwan	4.2
Nijmegen, Netherlands	7.9	Kuala Lumpur, Malaysia	3.4
Oak Hill, Austin, Texas, US	5.8	Tianjin, Mainland China	0.0
SSMC, Singapore	2.8		

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 and regions 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, and five are identified as extreme or high risk. These manufacturing sites may become increasingly vulnerable to water scarcity.

WATER

Semiconductor wafer fabrication represents 66% of our total manufacturing water consumption, while assembly and test represent 34%.

At our manufacturing sites, water mostly comes from nearby municipal facilities. The Nijmegen and Oak Hill facilities are our only manufacturing sites that extract well water, representing 6% of our total water consumption.

Recycled water represented 48% of our total water use in 2022, meaning we are close to using the same amount of recycled water as non-recycled water. We identified a mid-term goal for water recycling, with a target of recycling 60% of our water by 2027. Setting a mid-term goal reflects our understanding that increasing the amount of water we recycle generates positive results for NXP and our communities.

2022 Water Consumption

34%

66%

Water Fabs | Assembly and Test

2022 Water Retrieval

6%

94%

Purchased | Extracted

2022 Water Recycling

52%

48%

Recycled | Non-Recycled

146

WATER

WATER CONSUMPTION

2022 WATER-CONSUMPTION PERFORMANCE

Normalized Consumption
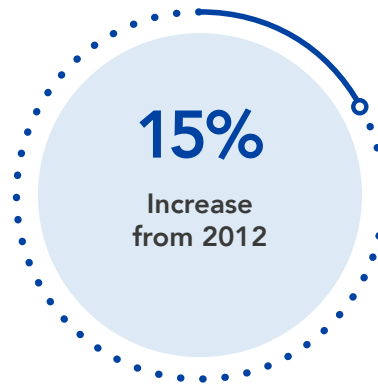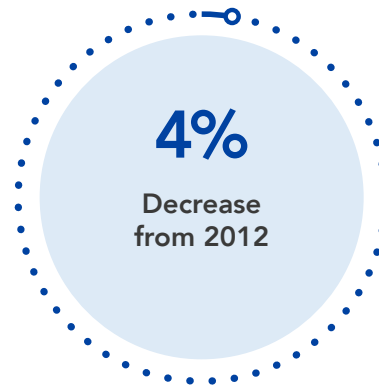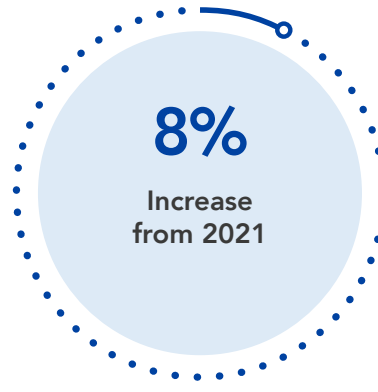
1%
Decrease
from 2021

4%
Decrease
from 2012

Absolute Consumption

8%
Increase
from 2021

15%
Increase
from 2012

Our decade-long focus on water conservation, which has emphasized the use of more efficient tools, taking advantage of opportunities to increase water recycling, and finding ways to optimize processes, has kept our absolute water consumption lower and has helped us achieve a 1% decrease in normalized water consumption compared to 2012.

Normalized Water Consumption

Absolute Water Consumption

As semiconductor technology evolves, manufacturing processes are becoming more complex. Smaller, faster semiconductors require more process steps to produce, which in turn increases the amount of water used for cleaning, so as to ensure product quality and process safety. In 2022, the demand for our products increased 9% compared to 2021. As a result of this demand, our absolute water consumption increased by 8% compared to 2021. However, our normalized water consumption decreased by 1% from 2021.

WATER

WATER RECYCLING

2022 WATER-RECYCLING PERFORMANCE

48%
of Water Recycled

1
Percentage-Point
Increase from 2021

16
Percentage-Point
Increase from 2012

Recycled Water: Manufacturing

(line chart showing recycled water percentage by year, x-axis: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022; y-axis: 20% to 60%)
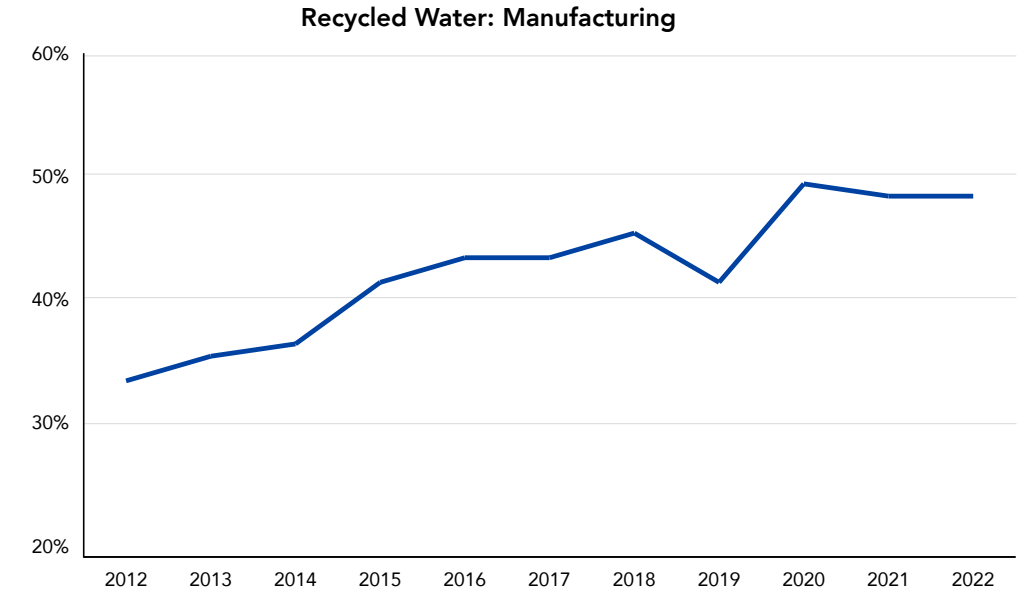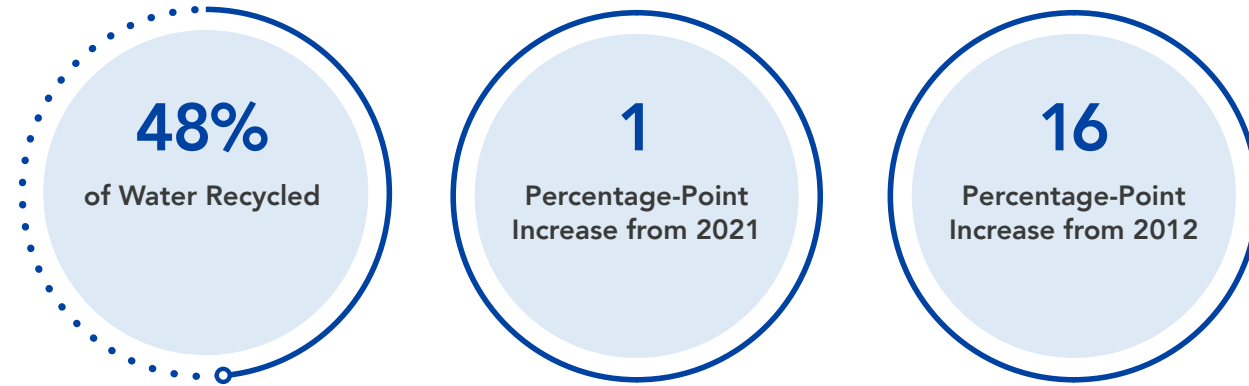
We implement projects that collect and recycle water at our manufacturing sites. This reduces the amount of incoming water consumption and reduces our reliance on local water supplies. Since 2012, our percentage of water recycling has increased by 16 percentage points.

In 2022, our production increased 9% compared to 2021, and, as a result, total water consumption increased, too. Meanwhile, the percentage of water recycled increased by 1 percentage point compared to 2021.

We currently recycle 48% 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.

![NXP]

INTRODUCTION

2022 ESG HIGHLIGHTS

OUR BUSINESS

ECONOMY

GOVERNANCE

ESG

OUR TEAM MEMBERS

ENVIRONMENT
Overview
Management
Emissions
Energy
Water
Waste
Packaging
Hazardous Chemicals and Materials
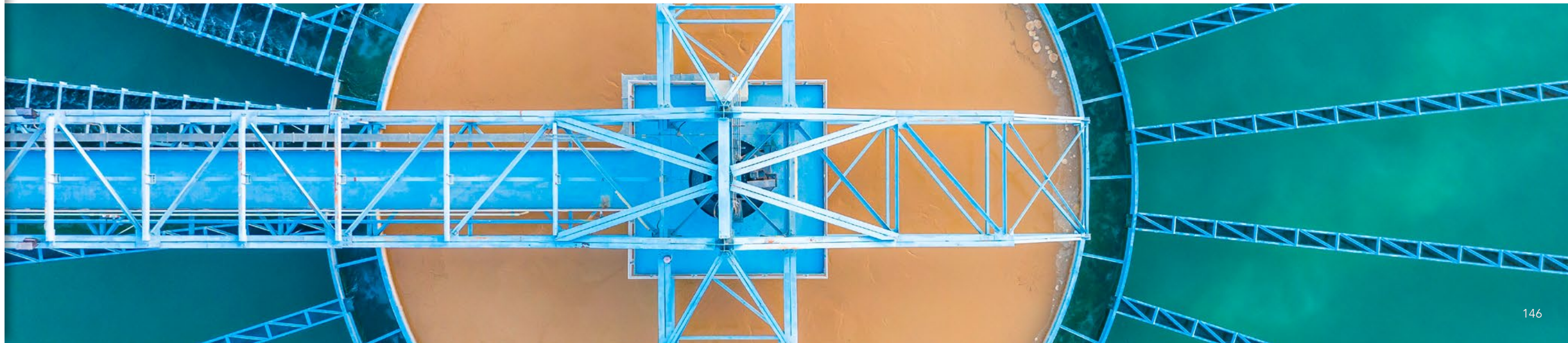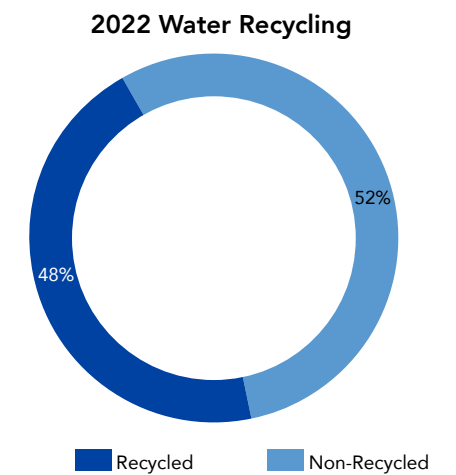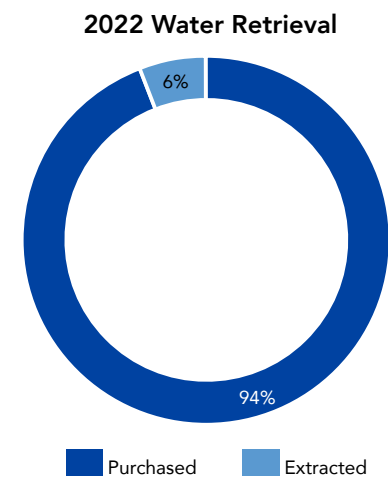
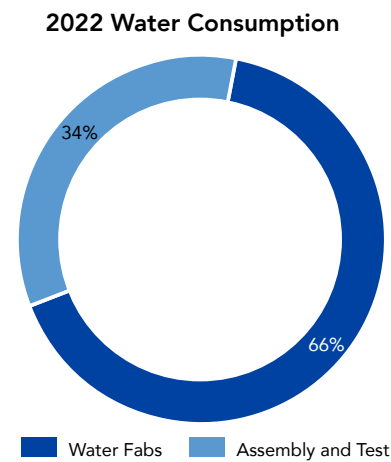SUPPLIER ENGAGEMENT

PRODUCT STEWARDSHIP

APPENDICES

WATER

WASTEWATER

We are committed to returning water to the environment that is as clean as, 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 aim to discharge wastewater that is cleaner than what local regulations require.

In late 2020, we included wastewater discharge in our data-management system and, as of 2022, publicly disclose our wastewater discharge.Our total wastewater discharge is less than our total water retrieval because a certain amount of water is lost due to evaporation (caused by cooling towers and condensed-air humidifiers in our factories), landscape irrigation, and as part of non-hazardous sludge disposal.

NXP did not receive any excursions, fines, or penalties in 2022 related to wastewater discharge.

Wastewater Discharge	Unit	2022
Total Wastewater Discharge	m^3	8,753,231

NXP in Action

The two manufacturing sites in Texas, Austin and Oak Hill, received the city of Austin's 2022 award for Excellence in Wastewater Pretreatment (based on 2021 performance). The award honors significant industrial water users who exhibit environmental stewardship by proactively preventing pollution and managing wastewater discharge. This is the eighth consecutive year for Austin to receive the award, and the seventh for Oak Hill.

WASTE

Long-Term Waste Ambition
Develop Collaborative Circular Economy Solutions

2027 Mid-Term Waste Goal
90% of Waste Recycled

2022 WASTE PERFORMANCE

83%
of Waste Recycled

11%
Decrease in
Hazardous Waste

19%
Decrease in
Non-Hazardous
Waste Sent to
Landfill

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 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
We continue to 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 repurposed as an input to the system.

We will continue to work with our supply chain to purchase goods and services locally, and to find alternate uses for materials we have as by-products. We believe we play a crucial role in helping our supply chain adopt circular-economy principles. Going forward, we plan to continue 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. As part of this approach, we do the following:

• Recycle/reuse spent materials, such as sulfuric-acid waste, and then sell the materials 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

WASTE

WASTE RESULTS

Our total waste generation includes regular ongoing waste generated by our manufacturing sites (including manufacturing, office, and cafeteria 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 2022, and is not included in our normal waste metrics and analysis unless otherwise indicated.

In 2022, our production increased and, as a result, we generated more waste. However, our efforts to reduce, reuse, and recycle the waste produced by our manufacturing processes improved our overall waste performance. Compared to 2021, our hazardous waste decreased by 11%, our total amount of waste sent to landfill decreased by 9%, and our total amount of non-hazardous waste sent to landfill decreased by 19%. We continue to review opportunities for further improvement.

2022 TOTAL WASTE PERFORMANCE

18% Increase from 2021

23% Increase from 2012
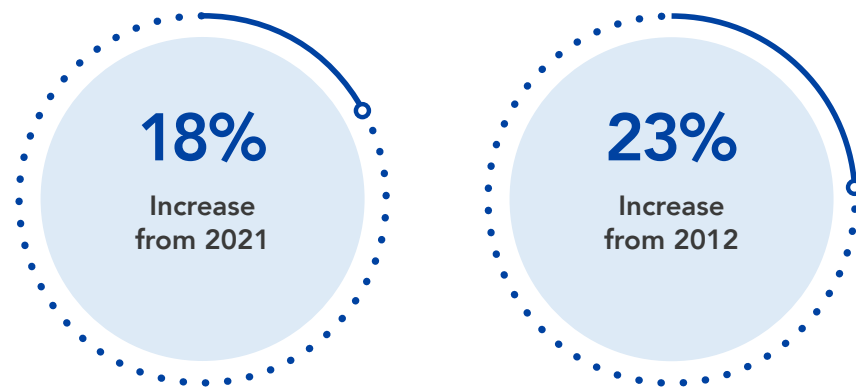
NXP in Action

The Bangkok, Thailand manufacturing site found a composting factory that recycles vegetable waste and grease-trap waste.

Manufacturing and One-Time Waste

Hazardous and Non-Hazardous Waste

WASTE

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

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

We 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.

2022 Methods of Disposing of Manufacturing Waste

6%
14%
83%

Recycled   Landfill   Incineration
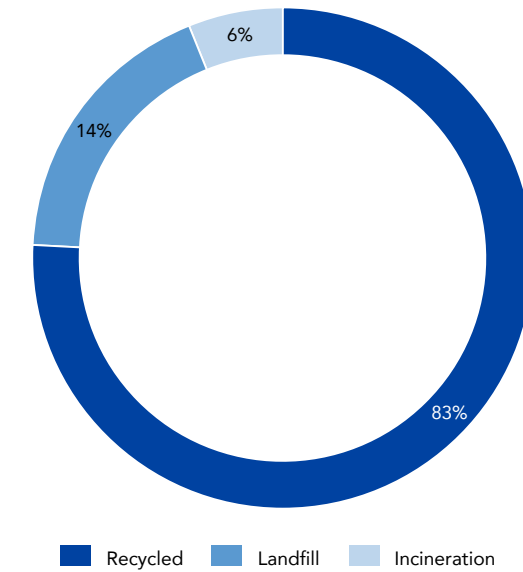
Disposal Methods for Manufacturing and One-Time Waste

Kilogram (kg)

25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Recycling   Landfill Non-Hazardous   Incineration Non-Hazardous
Incineration Hazardous   Landfill Hazardous
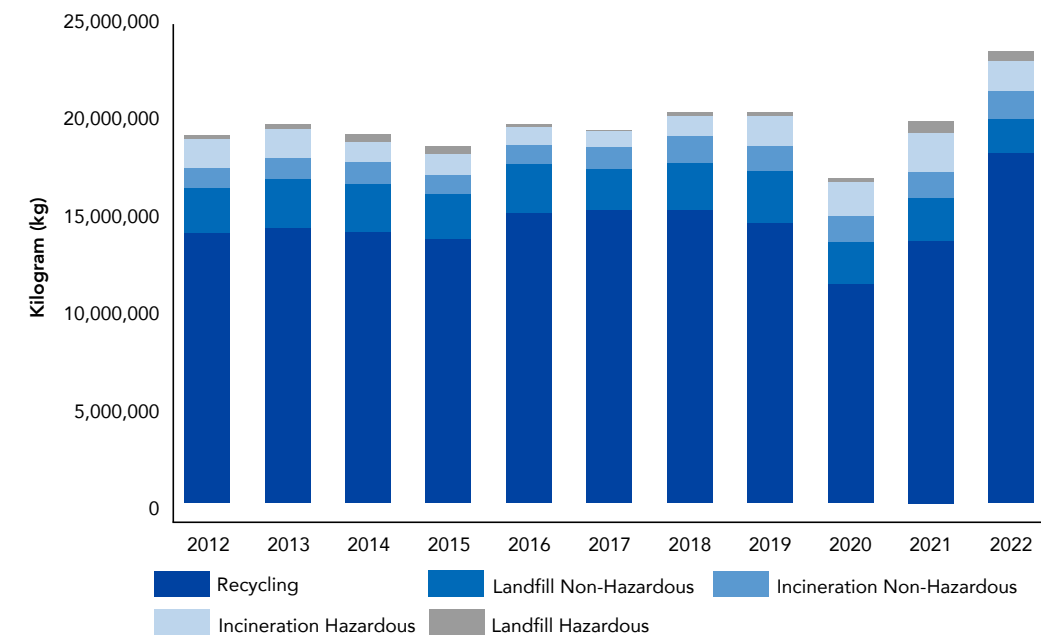
WASTE

RECYCLING

2022 RECYCLE RATE PERFORMANCE

83%
of Waste Recycled

7
Percentage-Point
Increase from 2021

10
Percentage-Point
Increase from 2012
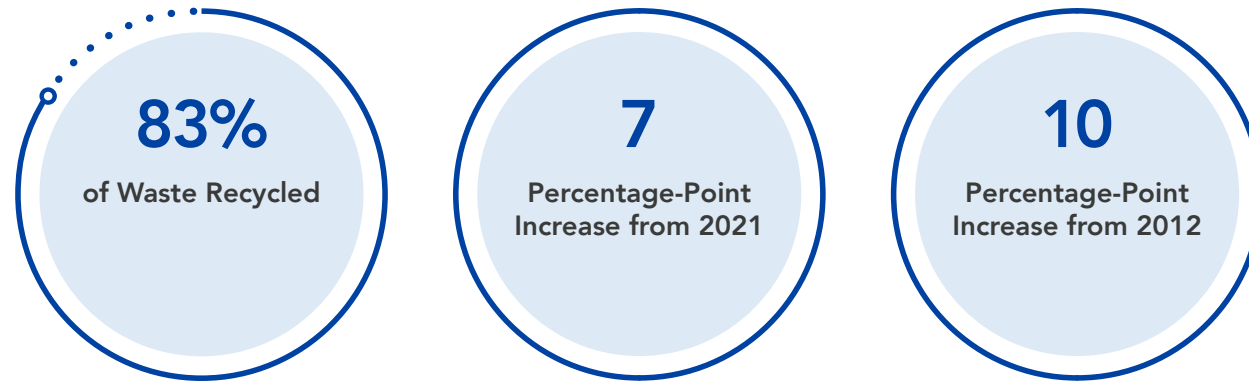
We collect and recycle a variety of materials, including office waste (paper, cardboard, beverage containers), cafeteria waste (food and other compostable items), items from support operations (scrap metal, wood, coolant chemicals, calcium-fluoride cakes used in wastewater treatment), and manufacturing materials (spent acids and solvents, waste molding compound, plating hazardous waste, etc.).

In 2022, we recycled 83% of our total waste (hazardous and non-hazardous), an increase of 10 percentage points compared to 2021. Our recycling rate reflects 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 2022 recycle rate is 78%. We increased the recycle rate by continuing to search for recycling vendors who can add to our recycling opportunities.

NXP in Action

When the Chandler, Arizona manufacturing site's recycling partner stopped accepting wafer boxes and plastic drums in 2021, the site quickly found a new partner and, as a result, reduced the amount of waste sent to landfill in 2022. The new recycler only accepts material in cubic-yard containers, so the site now cuts wafer boxes and large, 30- and 55-gallon drums into pieces that fit the specified shipping containers. To further reduce the weight and volume of waste sent to landfill, the site also found a company that accepts Calcium Fluoride (CaF2) cake, a byproduct of semiconductor manufacturing found in waste sludge, which the company uses in paving and road projects.

Several new recycling streams were implemented in 2022, which helped raise our recycling rate, as described in our "NXP in Action" callouts.

NXP in Action

The Kaohsiung,Taiwan manufacturing site installed more efficient equipment for sludge drying and found a vendor that thermally recycles the waste sludge.

Recycling Rate
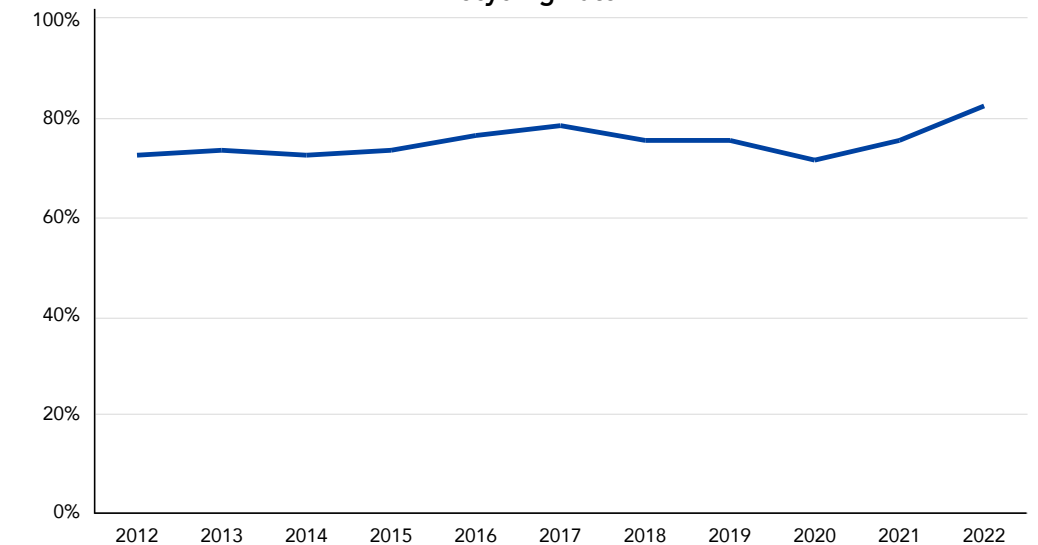
NXP in Action

The Kuala Lumpur, Malaysia manufacturing site increased the recycling rate by improving recovery, segregation, monitoring, and confirmation that certain wastes are recycled.

WASTE

E–SCRAP RECLAIM

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

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

In 2022, although production increased 9% compared to 2021, our e-scrap went down, mainly due to process-yield improvements implemented during the year. Since 2015, we have implemented various programs to improve the identification and collection of e-scrap, but the overall approach is to decrease the amount of e-scrap by increasing efficiencies in process yield.
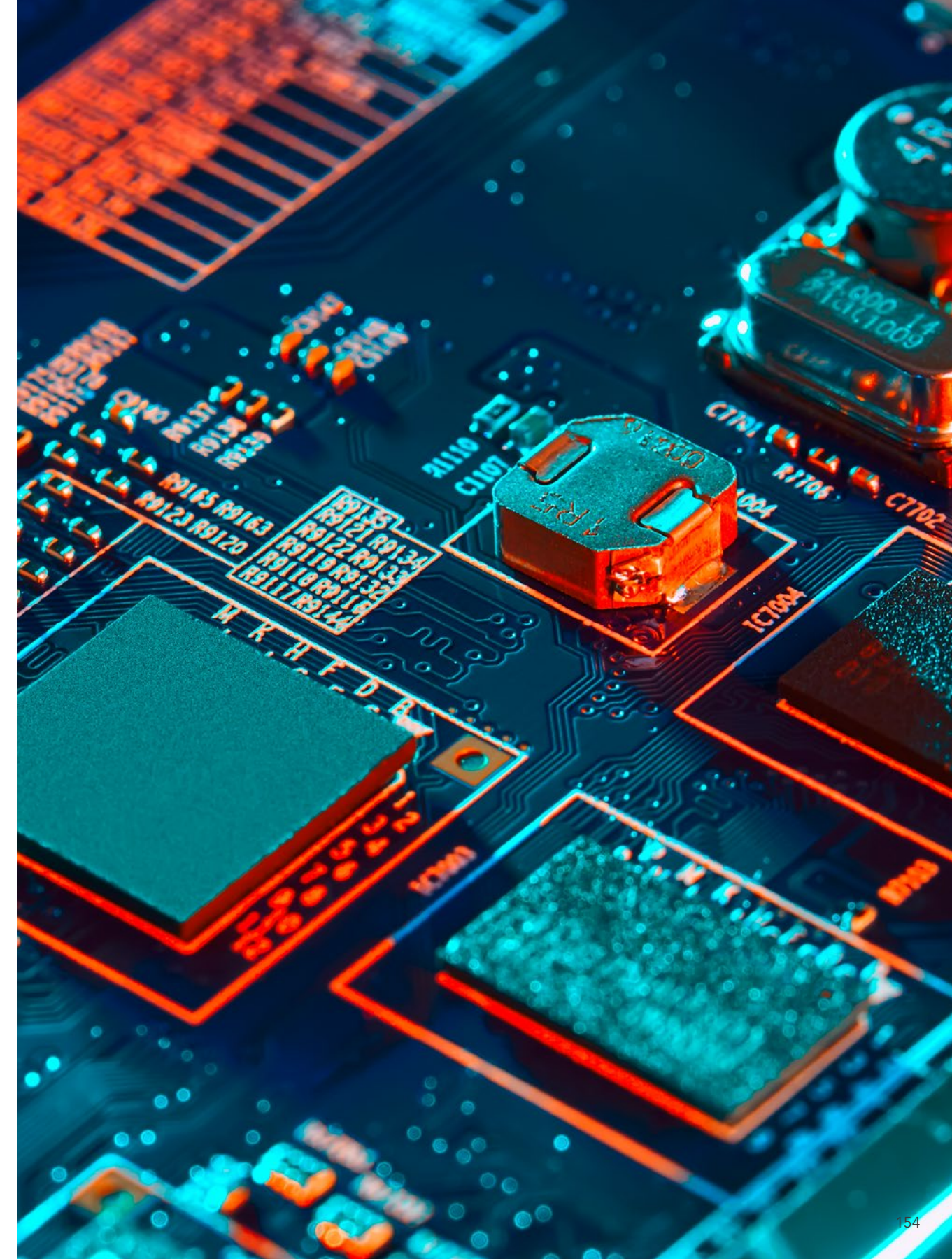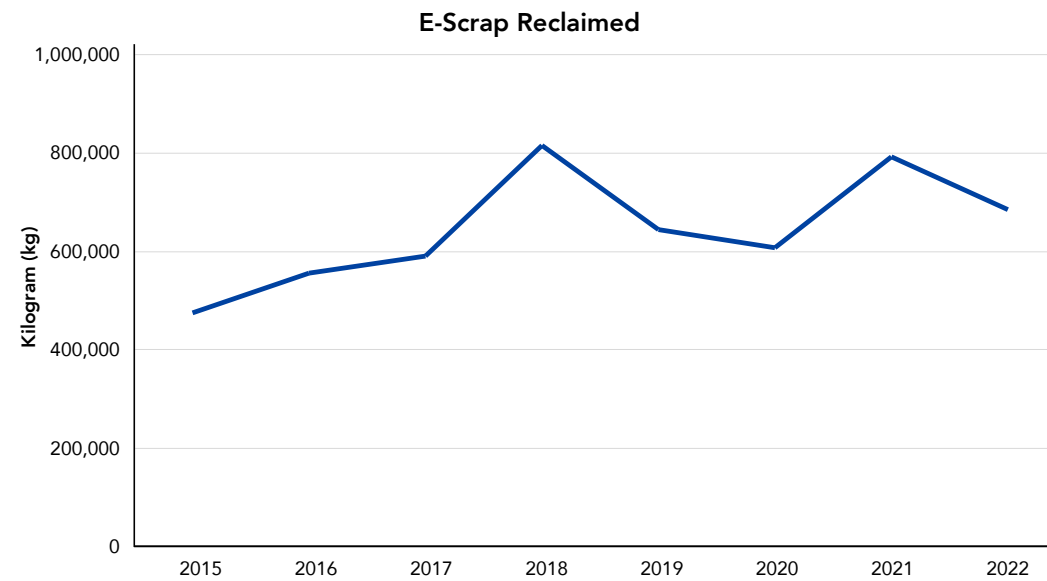
E-Scrap Reclaimed

PACKAGING

The packaging we use for shipping consists mainly of paper, cardboard, and plastic. We also use a small amount of wood, in the form of wooden pallets, to ship our products. The 2022 packaging data represents approximately half our sites. We will continue to improve data collection related to packaging for all our sites.

In 2022, our manufacturing production increased 9% from 2021 and, subsequently, our packaging increased slightly as well. Packaging isn't always directly proportional to our production, due to packaging efficiencies and product dimensions.

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.
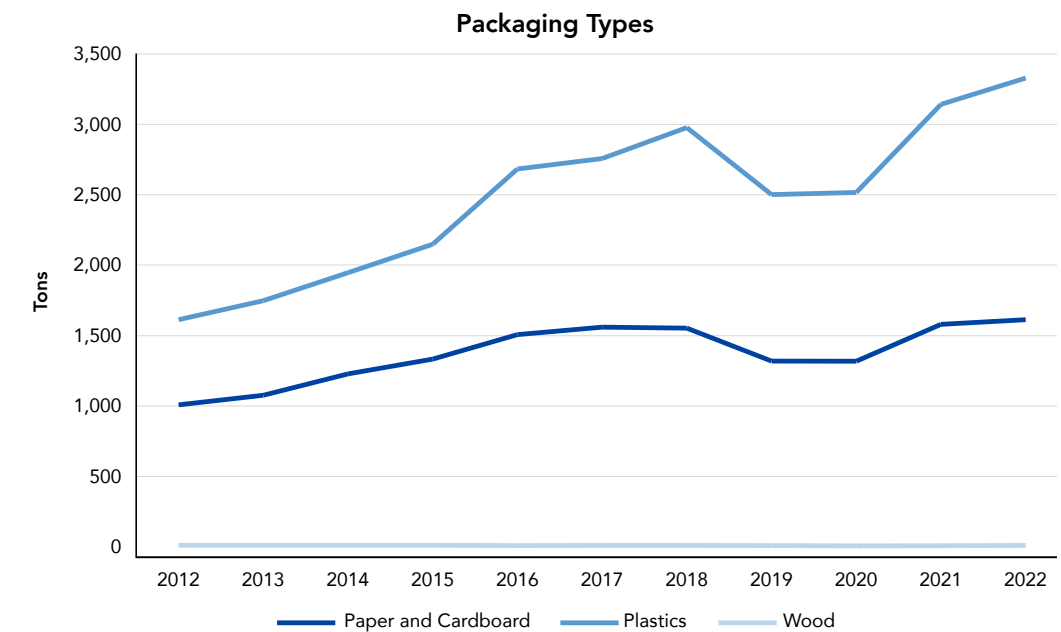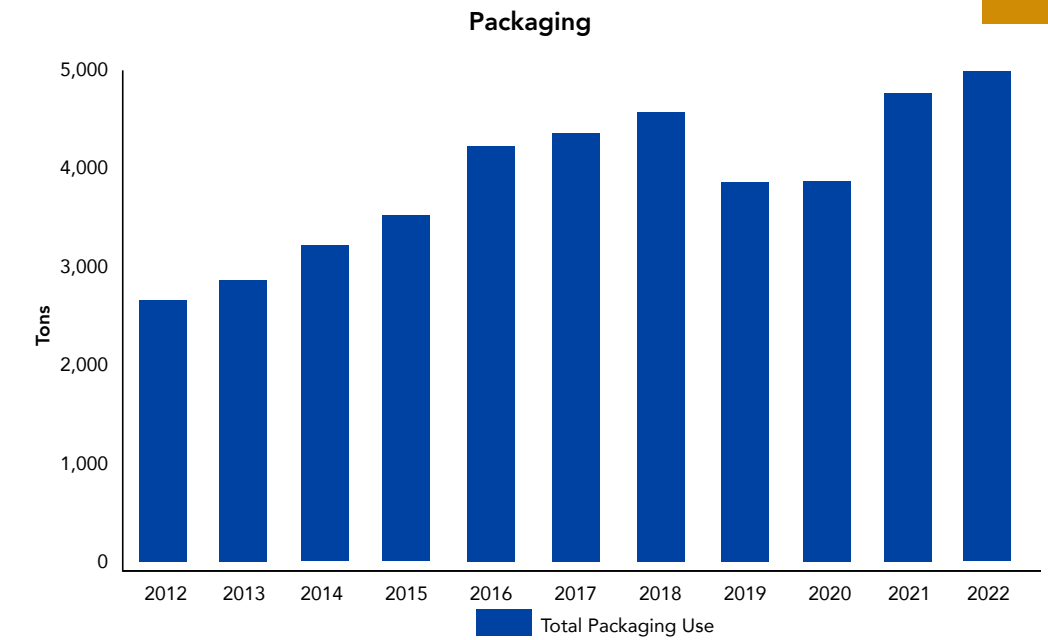
Packaging

Tons (axis): 0, 1,000, 2,000, 3,000, 4,000, 5,000
Years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022
Legend: Total Packaging Use

Packaging Types

Tons (axis): 0, 500, 1,000, 1,500, 2,000, 2,500, 3,000, 3,500
Years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022
Legend: Paper and Cardboard — Plastics — Wood

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HAZARDOUS CHEMICALS AND MATERIALS

Long-Term Hazardous Chemicals and Materials Ambition
Reduce Use of Targeted Chemicals of Concern

2022 Hazardous Chemicals and Materials Performance
Eliminated Phthalates from Our Dicing Tapes

The semiconductor industry as a whole uses a wide variety of chemicals and materials in wafer fabs, assembly and test facilities, and in 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, our 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.

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 industrial work areas to ensure hygiene monitoring, which includes monitoring the ambient air and team-member 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 are guided by two primary objectives. First, we must control the risks posed by chemicals used in our production processes, in terms of team-member 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
Ozone-depleting substances (ODSs) are long-lived gases, containing chlorine and/or bromine, that destroy ozone when they reach the earth's protective ozone layer in the stratosphere. Some ODSs do more damage than others. The ozone-depleting potential (ODP) of an ODS indicates its relative harmfulness to the ozone layer. The higher the ODP number, the more damage the ODS does in the ozone layer. Some greenhouse gases, including HFCs, do not contain chlorine and, as a result, have a zero ODP rating. These gases are referred to as non-ODP substances and, in some cases, can be used to replace ODSs.

As of 2007, we phased out the use of all ODSs 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 already been replaced or are being replaced wherever possible and practical.

NXP in Action

As part of our strategy to phase out chemicals that are potentially hazardous, we have eliminated the presence of phthalates in the dicing tapes used by our assembly and test sites. In 2021, we successfully completed the testing of alternative materials and, in 2022, removed all remaining affected dicing tapes. This is a major accomplishment, because each change in chemistry requires rigorous approval and qualifications in order to meet our strict quality standards.

HAZARDOUS CHEMICALS AND MATERIALS

SUBSTANCES OF CONCERN
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, Authorisation 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.

Our 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 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 previous years, we made notable 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 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 the safety expert conduct a dedicated risk assessment, reviewing all EHS aspects, such as exposure to humans, environment and/or safety. 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. Any onsite usage is reviewed and approved by managers via an electronic waiver system. The list of prohibited and restricted chemicals is based on current and future regulations (e.g., REACH, RoHS), and also reflects customer requests. Onsite teams review and evaluate local restrictions and regulations regarding such chemicals.

Management of Safety Data Sheets – Safety Data Sheets are managed in a corporate system that allows for global NXP reporting. Local 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 substances used in our products. Following the same approach as with process chemicals, restrictions of product substances are based on current and upcoming regulations (e.g., REACH, RoHS), and customer requests. Our system uses comprehensive information on substances, product structure data, the latest legislative guidance, and customer restrictions to calculate, track, and report on the compliance of our materials.

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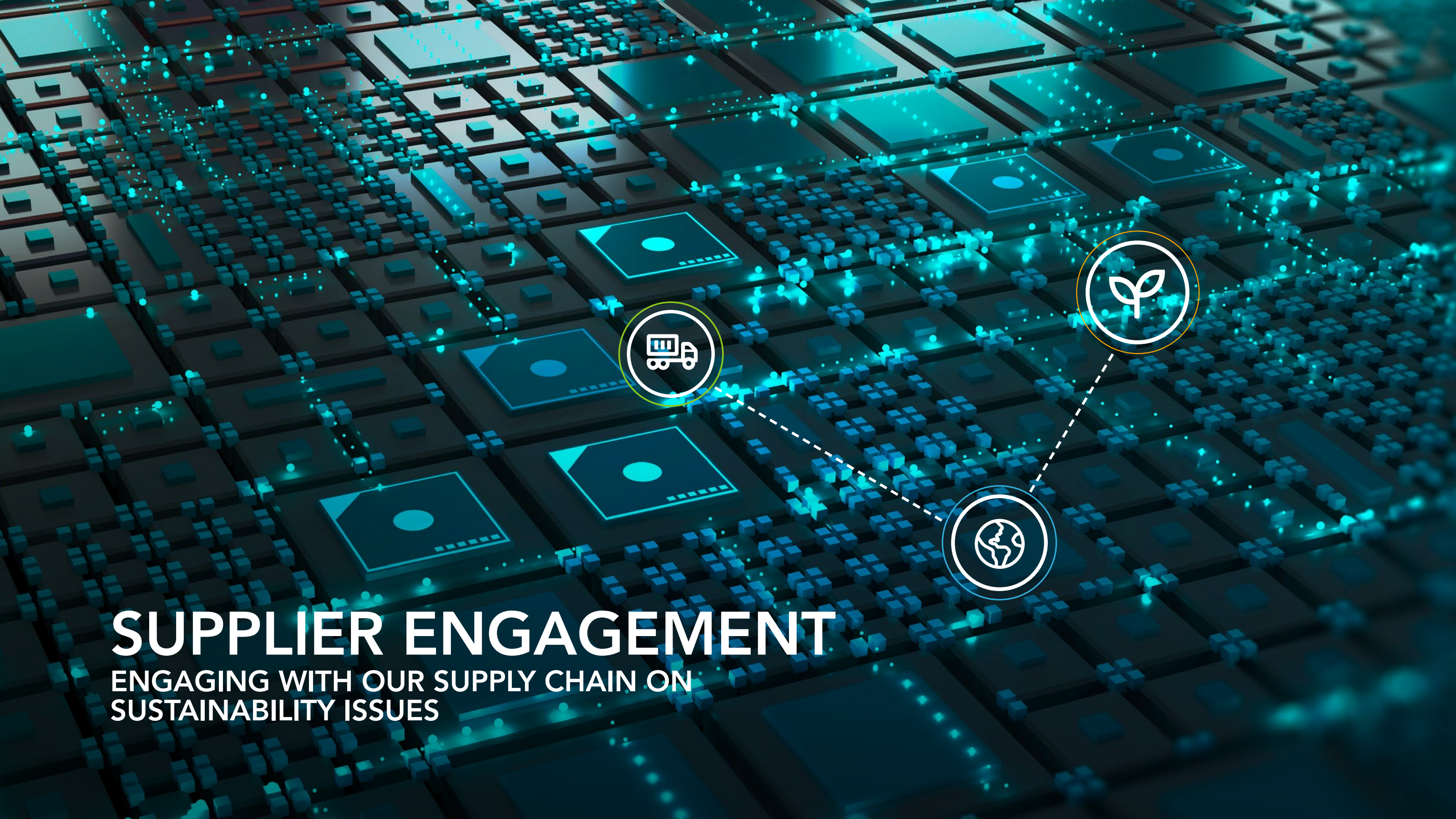
SUPPLIER ENGAGEMENT

ENGAGING WITH OUR SUPPLY CHAIN ON SUSTAINABILITY ISSUES

OVERVIEW

SUPPLY-CHAIN GOALS

100% Key Suppliers Sign Supplier Code of Conduct Conformity Statement

85% Corrective Action Plan Closure Rate

100% Certified Mineral Smelters

Supply-Chain **Due Diligence** and **Collaboration**

2022 SUPPLIER ENGAGEMENT PERFORMANCE

99%
of Suppliers Signed the NXP Supplier Code of Conduct Conformity Statement

88%
Closure Rate on Corrective Action Plans for Supplier Audits Past 90-Day Maturity

99%
Certified Mineral Smelters

Follow-Up Due-Diligence Surveys with External Manufacturing Partners and Wafer Suppliers on the Use of Polycrystalline Silicon Originating from Regions Deemed High Risk for Forced Labor

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 and direct materials suppliers to labor agents, tool and machine manufacturers, logistics providers, packaging services, and onsite service providers for NXP and supplier facilities.

We take a collaborative approach to supplier and contractor relationships, observe applicable rules of law, and demonstrate respect for ethical business, environmental, and human-rights practices. To help drive continuous improvement, we conduct annual risk assessments and audit those suppliers identified in the risk-assessment process.

Looking Ahead

Our goal is to continue working closely with suppliers who have had audit nonconformances or priority violations, to ensure they fully understand our standards and are equipped with the skills and knowledge to avoid recurrence. Engagement with high-priority suppliers will continue to be an important activity, too, since it helps us understand the business and operational challenges they face, and helps us evaluate the adequacy and effectiveness of our standards and policies. In 2023, we will launch a vendor-collaboration portal, a project delayed by the COVID-19 pandemic. The portal will increase two-way communication between us and our supply chain, and will help us maintain policies described in the NXP Supplier Code of Conduct and elsewhere.

SUPPLIER CODE OF CONDUCT

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 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, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and guidelines from Social Accountability International (SAI), 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 had a major revision and update in 2021 in response to regulatory updates, customer requirements and 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 supplier's management system must be designed to (a) ensure 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 and expectations to their own suppliers.

NXP in Action

In 2022, after a suspension of two years due to the COVID-19 pandemic, we restarted capacity-building activities with our supply-chain partners. In Malaysia, for example, we provided in-person training to 152 suppliers, covering the requirements of NXP's Supplier Code of Conduct and recommendations on how to comply with those requirements. The training program also gave us a way to get feedback from suppliers about their concerns and challenges.

Our capacity-building activities also included our internal Procurement Team. We conducted a virtual training session for 50 team members, covering the requirements of NXP's Supplier Code of Conduct, our program for social-responsibility audits in the supply chain, and our requirements for restricted substances and responsible minerals.

SUPPLY-CHAIN MANAGEMENT

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 2022, 267 suppliers received a risk-assessment score above 49%, indicating high or priority risk, and, as a result, may be required to complete an NXP Self-Assessment Questionnaire and/or participate in an audit.

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

In 2022, the 14 supplier audits we completed identified a total of 710 nonconformances. Of those nonconformances, 530 reached the 90-day maturity mark. We closed 466 of those 530 nonconformances, yielding a closure rate of 88% for audits at or beyond the 90-day mark, and exceeding our goal of an 85% closure rate. We did not terminate business with any of these suppliers, in light of their willingness to take the steps needed to close their corrective and preventative action plans.

The number of nonconformances increased because we conducted more audits in 2022 compared to 2021, but also because our audits focused on high-priority suppliers that we knew were having challenges conforming to our requirements. We engaged actively with our suppliers to understand how the COVID-19 pandemic and post-pandemic challenges impacted their businesses and the well-being of their employees.

Using data obtained from the supply-chain pulse survey, conducted at the onset of the COVID-19 pandemic in 2020, we continued to engage, through our due-diligence audit program, with those suppliers whose survey answers suggested business impact from the COVID-19 pandemic.

ASSESSMENTS AND AUDITS

As part of our annual risk-assessment analysis, we endeavor to assess all 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 help us highlight topics that may require a new or different approach.

Given the scale of this annual effort, NXP partners with 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 of labor agents involved in the recruitment of migrant workers. Verité Cumulus also maps and assesses labor agents, in both the receiving and sending countries and regions, along with their recruitment practices.

RISK ASSESSMENT

Our supplier risk assessment, developed jointly with our procurement and sustainability teams, is reviewed and updated to reflect changing perspectives in environment, labor, and human-rights requirements. Our supplier risk assessment considers three risk criteria: country, product, and spend. Country Risk assesses countries, regions, and all other locations in which NXP has a footprint. Each criterion has a scale of one (lowest risk) to ten (highest risk). The overall supplier risk score is the product of the three individual scores, expressed as a percentage. A higher percentage implies a higher risk exposure.

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

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SUPPLY-CHAIN MANAGEMENT

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 higher risk exposure. Our Country Risk scores include specific indices, from our third-party partner, Maplecroft, which correlate to the NXP Supplier Code of Conduct and provide 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.

The table below presents the criteria used to assess country risk.

Maplecroft Report	Index	Definition	Relevant Topic in NXP Supplier Code of Conduct	Index Weighting
Human-Rights Risk Atlas	Labor Rights and Protection	Measures the risk of association with, and involvement in, violations of labor rights within a given country. Includes the following indicators: child labor, forced labor, trafficking, freedom of association, freedom of collective bargaining, discrimination in the workplace, and working conditions.	Labor and Health and Safety	60%
Legal and Regulatory Environment Risk Atlas	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 the following indicators: shareholder protection, ethical behavior of firms, strength of auditing and reporting standards, efficacy of corporate boards, and corruption-risk index.	Business Ethics	20%
Legal and Regulatory Environment Risk Atlas	Legal and 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%
Climate Change and Environmental Risk Atlas	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
Extreme: 0.0 < Score ≤ 2.5	10
High: 2.5 < Score ≤ 5.0	7
Medium: 5.0 < Score ≤ 7.5	5
Low: 7.5 < Score ≤ 10.0	1

SUPPLY-CHAIN MANAGEMENT

Product/Service Risk
How close a supplier's materials or services are 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 based on the risk score, which we compile internally, using data from years of auditing, third-party guidance, benchmarking, and standards.

Category	Risk Score
External Manufacturing Suppliers (Foundry and Subcontractor)	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	

Onsite 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 the table below.

Type of Service	Risk Score
Cafeteria, Cleaning, Employee Transportation, Security, Temporary Hire (Operators), Warehouse Services, Waste Management, Facility Management (Structural)	10
Other: Hardware Maintenance, IT, Onsite Service, Time Hire, Facility Management (Incidental)	1

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

SUPPLY-CHAIN MANAGEMENT

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 to determine and understand suppliers' maturity in managing social responsibility and how they 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, cafeteria, security, and other services. The NXP Social Responsibility Audit Program is conducted in accordance with the defined process flow shown on this page.
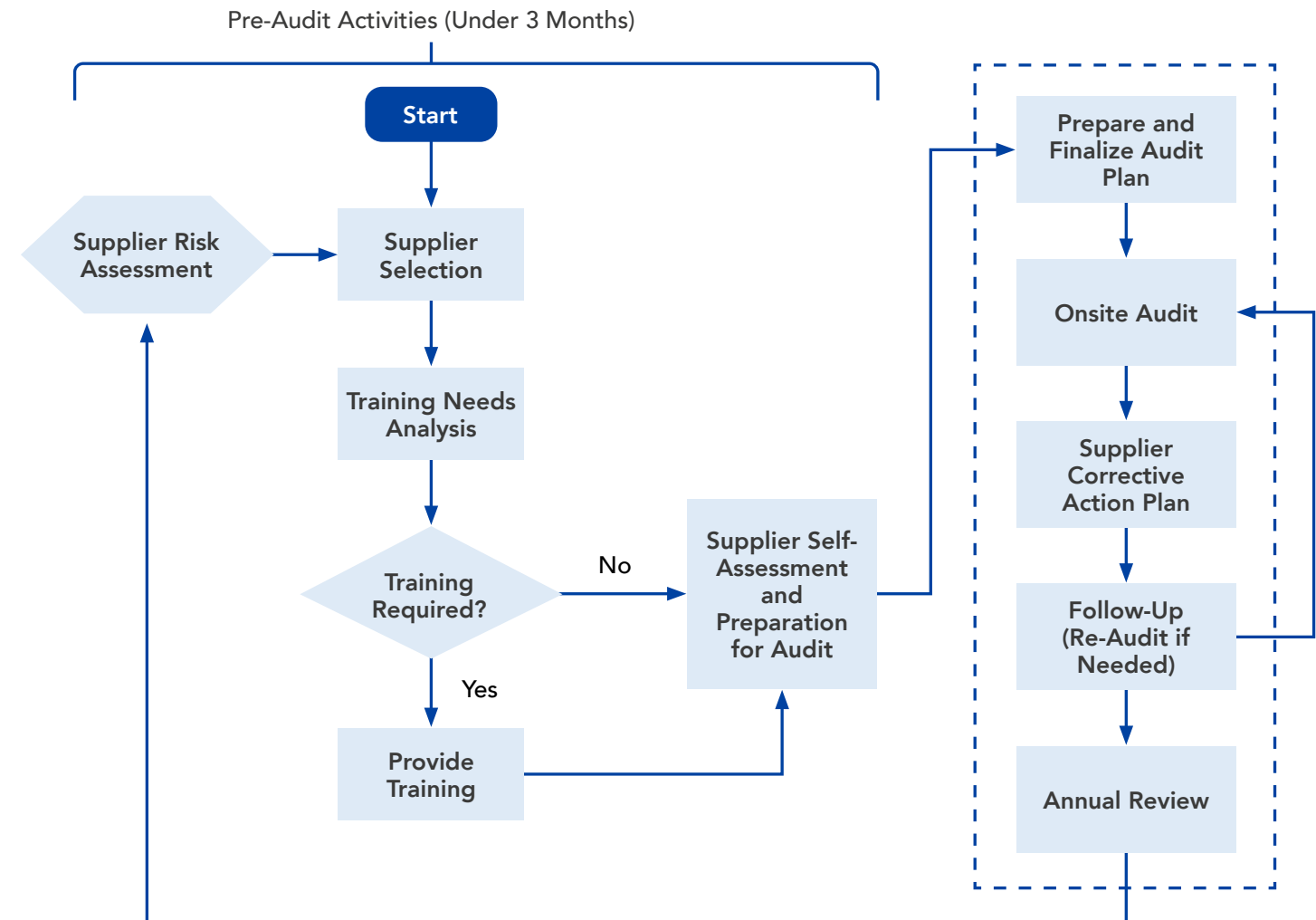
Pre-Audit Activities (Under 3 Months)

SUPPLY-CHAIN MANAGEMENT

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), or about 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 nonconformance, 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 nonconformance** – 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 preventative 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.

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 the site's 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 closure timeline of the supplier's corrective action plan
- When a supplier requests training

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

SUPPLY-CHAIN MANAGEMENT

REMOTE AUDITS

Before the COVID-19 pandemic, we typically conducted an average of up to 20 onsite audits per year. We are pleased to report that, as COVID-19 pandemic controls eased and borders reopened, we have started increasing the number of onsite audits and are closer to our pre-pandemic averages. In 2022, we managed to conduct 14 audits, using a combination of formats, including onsite and remote audits. We conducted more onsite audits in 2022 than in 2021, and conducted only two remote audits in 2022. We also 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 are 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, Hardware, and Audio	Documents Review
Audit Scope	Video Devices	Management Interview
Identification of Auditee Resource Personnel	Align Video-Conferencing with 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		

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 any 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, for several reasons, only a temporary solution, not suited for long-term replacement of onsite audits. To begin with, remote audits are limited in scope, focusing primarily on labor, human rights, and ethics. They leave out the assessment of environment, health, and safety (EHS) concerns, 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.

SUPPLY-CHAIN MANAGEMENT

RBA Validated Assessment Program (VAP) Audits
As a member of the 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 the 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, between the member company and the audited supplier, in the RBA-Online system[1]. It is the responsibility of the member company initiating the VAP audit to review, approve, and verify corrective actions from the audit.

VALIDATION
Each year we report publicly on our supplier's annual top audit nonconformances, and each month we report key performance indicators (KPIs) 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 Environmental, 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.

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 to, 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 2022.

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[1] 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

SUPPLIER ASSESSMENT AND AUDIT RESULTS

2022 SUPPLIER RISK ASSESSMENT

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 2022, we assessed 6,437 suppliers and identified 130 medium-risk suppliers, 118 high-risk suppliers, and 19 priority-risk suppliers. The 2022 supplier risk assessment identified priority-risk suppliers in two countries/regions, Mainland China and Malaysia.
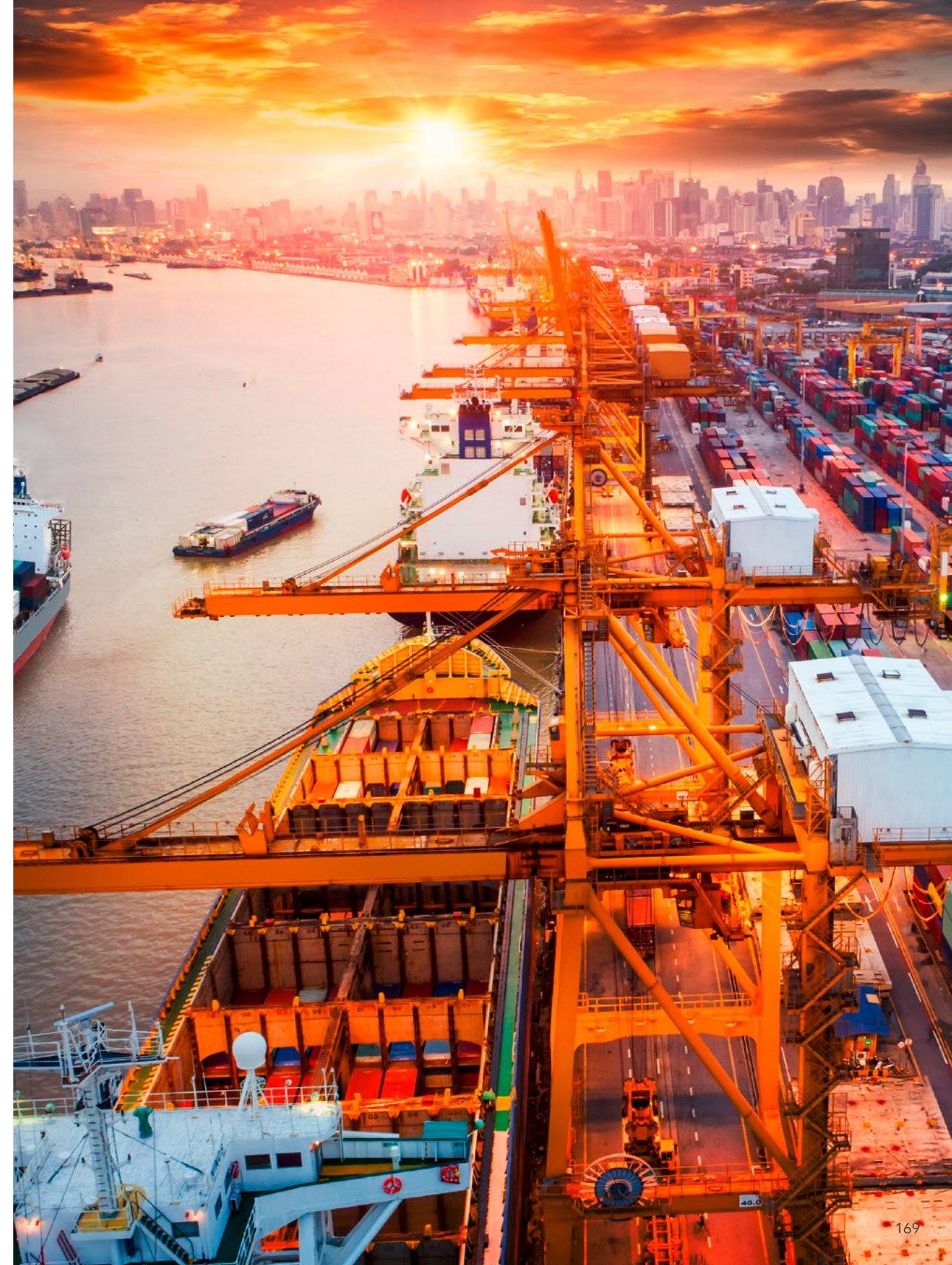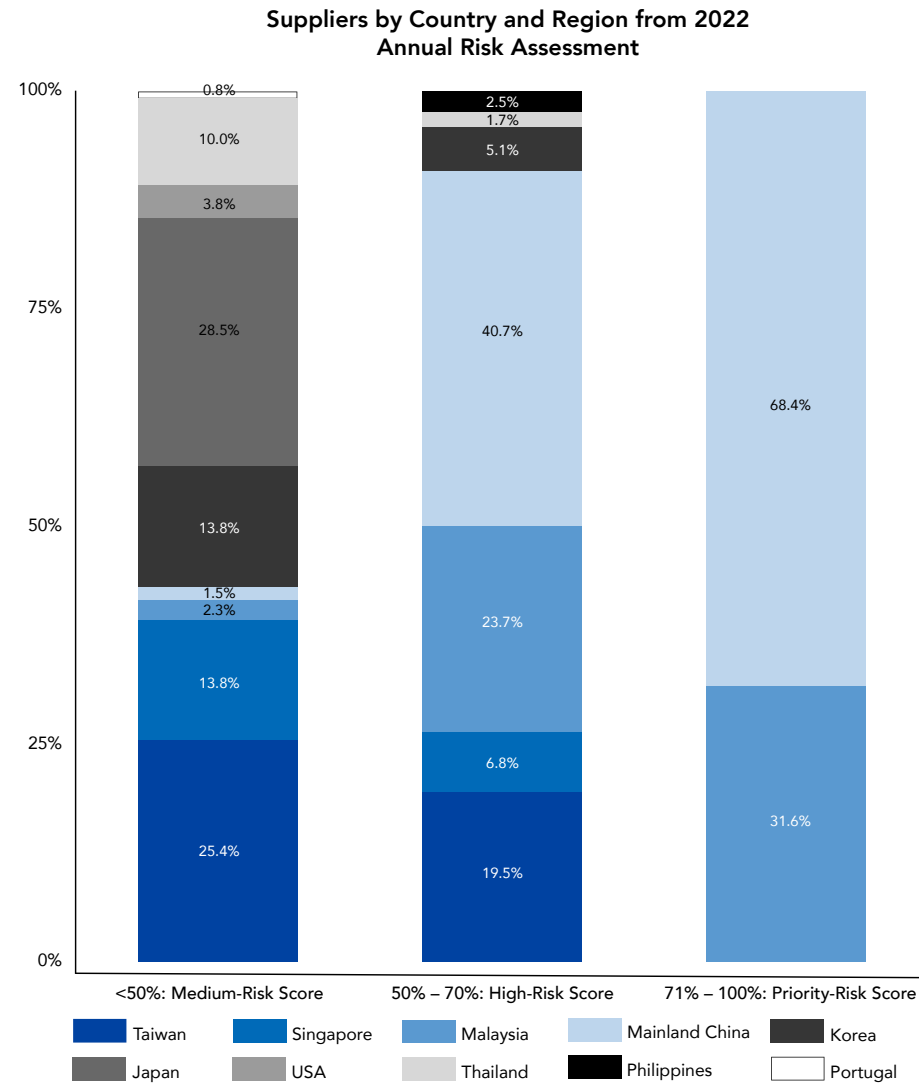
Suppliers by Country and Region from 2022 Annual Risk Assessment

Risk Category	<50%: Medium-Risk Score	50% – 70%: High-Risk Score	71% – 100%: Priority-Risk Score
Taiwan	25.4%	19.5%	
Singapore	13.8%	6.8%	
Malaysia	2.3%	23.7%	31.6%
	1.5%		
Mainland China	13.8%	40.7%	68.4%
Japan	28.5%		
	3.8%	5.1%	
USA	10.0%	1.7%	
Korea		2.5%	
Thailand			
Portugal	0.8%		

Legend: Taiwan, Singapore, Malaysia, Mainland China, Korea, Japan, USA, Thailand, Philippines, Portugal

SUPPLY-CHAIN MANAGEMENT

SUPPLIER-AUDIT OVERVIEW

Since 2013, when we began our Supplier-Audit Program, we have conducted 184 supplier audits. That includes labor-agent audits as well as verification audits, which began in 2014.

In 2022, we conducted 12 announced onsite audits and two remote audits for suppliers located in Mainland China, Malaysia, Taiwan, and Thailand.

In addition to the 14 supplier audits we conducted ourselves, we reviewed and monitored 15 RBA VAP audits initiated by other RBA members with the same supply base.

During an audit, worker interviews are conducted in private and at random. To determine the number of worker interviews to be conducted, we take the square root of the worker population. In 2022, 402 random worker interviews were conducted, involving 51% men and 49% women with varying lengths of service and age range.
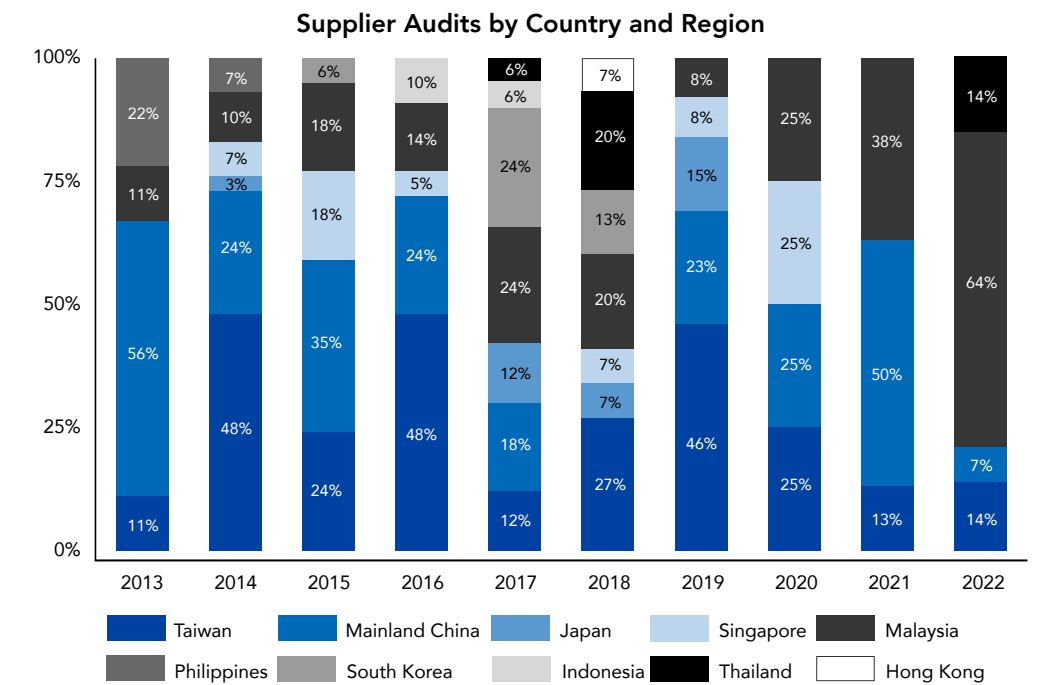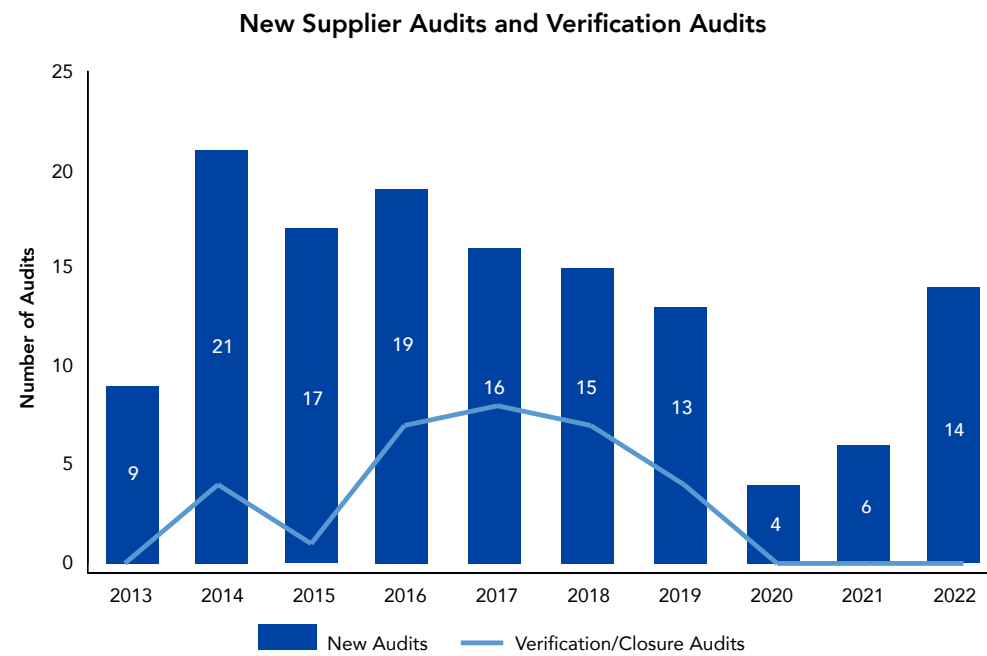
New Supplier Audits and Verification Audits

Supplier Audits by Country and Region

SUPPLIER-CHAIN MANAGEMENT

SUPPLIER AUDIT NONCONFORMANCE RESULTS

Audits conducted in 2022 addressed a selection of high-priority suppliers who had previously been audited to a social-responsibility standard. We chose to re-audit these suppliers to see if the NXP Supply Chain Program has enhanced social-responsibility performance and improved working conditions for their workers. At three of the five suppliers we had previously audited, we noted a maturity in social-responsibility practices and found they had improved on their previous performance. We will continue to work with our suppliers as they implement our standards into their business practices and management systems.

Two ratios – the number of nonconformances identified compared to the number of audits conducted, and the number of priority violations identified compared to the number of audits conducted – are higher in 2022 than in 2021. There are several reasons for this. To begin with, we conducted more audits in 2022, and this tends to increase the number of nonconformances we find. Also, our 2022 audits included a number of high-priority suppliers that we knew were facing challenges due to the COVID-19 pandemic. We based our selection, in part, on our 2020 supplier pulse survey, which was conducted during what proved to be the most challenging phase of the COVID-19 pandemic.
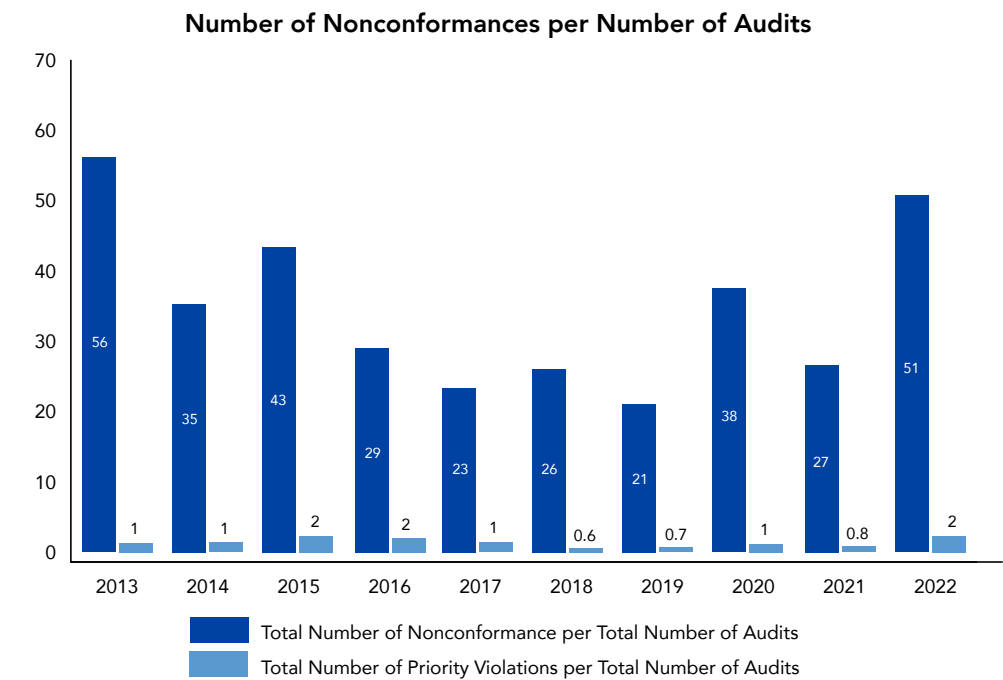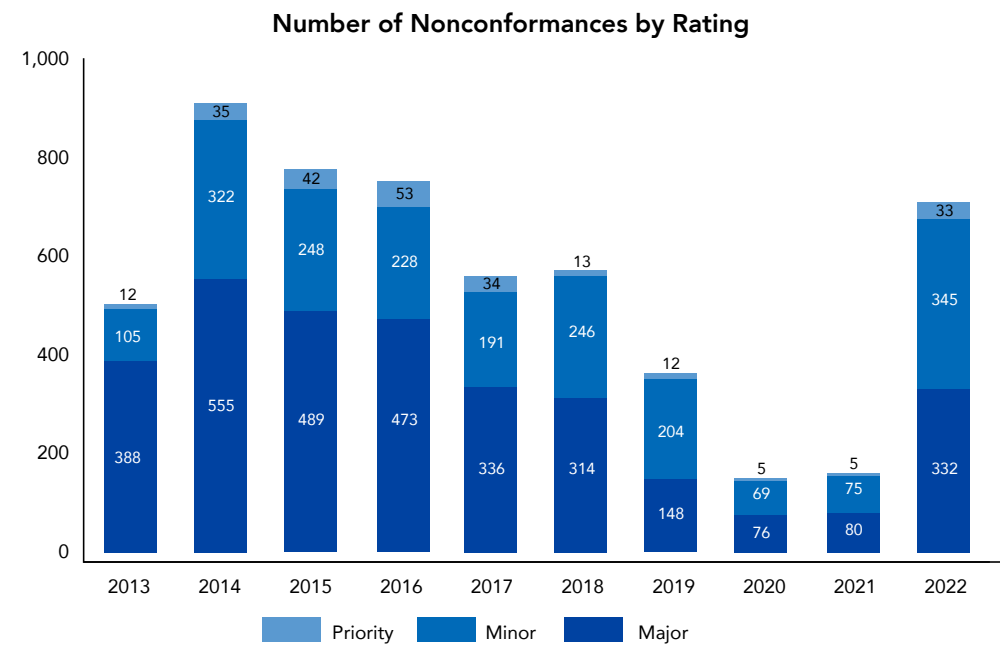
Number of Nonconformances by Rating

Year	Major	Minor	Priority
2013	388	105	12
2014	555	322	35
2015	489	248	42
2016	473	228	53
2017	336	191	34
2018	314	246	13
2019	148	204	12
2020	76	69	5
2021	80	75	5
2022	332	345	33

Legend: Priority, Minor, Major

Number of Nonconformances per Number of Audits

Year	Total Number of Nonconformance per Total Number of Audits	Total Number of Priority Violations per Total Number of Audits
2013	56	1
2014	35	1
2015	43	2
2016	29	2
2017	23	1
2018	26	0.6
2019	21	0.7
2020	38	1
2021	27	0.8
2022	51	2

SUPPLY-CHAIN MANAGEMENT

Identifying the total number of nonconformances per country/region helps the Audit Team determine country risks, complete the annual assessment of supplier risk, and strategize the priorities of future audit planning. In 2022, we focused our supply-chain audits on Malaysia, because we anticipated that tight COVID-19 pandemic restrictions would impact the businesses and operations of that country/region's suppliers and their workers.

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.

With the shift back to mostly onsite audits, we are better able to identify gaps and nonconformances that are harder to identify with remote audits. While two categories – Labor and Human Rights and Health and Safety – continue to dominate our findings, onsite audits have made it easier to observe and assess actual practices, and this has lead to an uptick in Health and Safety nonconformances. In addition, being able to engage with and interview workers, face-to-face, allows us to better assess their well-being.

2022 Nonconformances by Country and Region
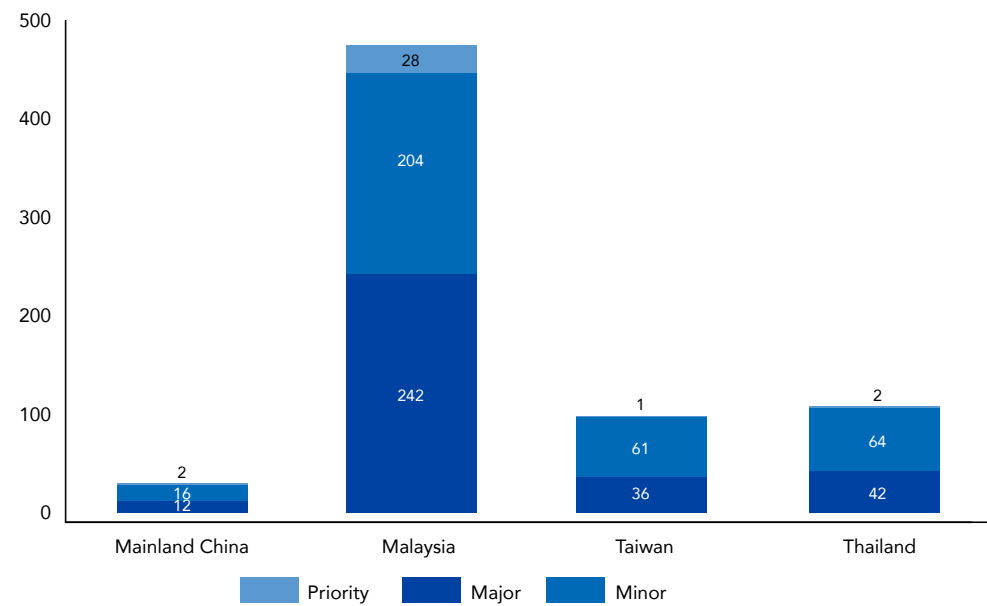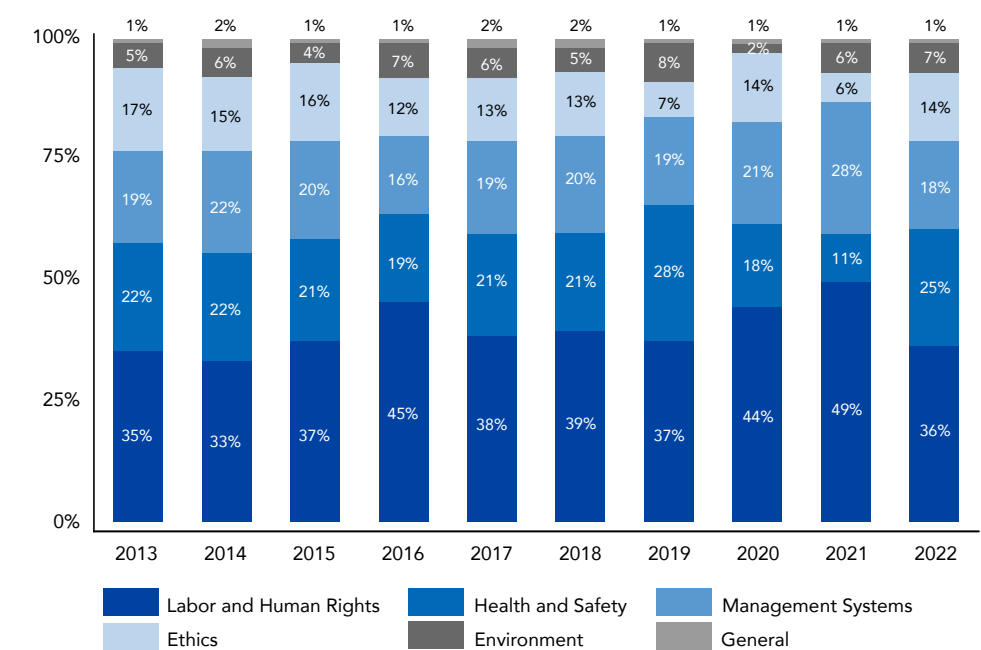
Country/Region	Major	Minor	Priority
Mainland China	12	16	2
Malaysia	242	204	28
Taiwan	36	61	1
Thailand	42	64	2

Legend: Priority, Major, Minor

Nonconformances by Category

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Labor and Human Rights	35%	33%	37%	45%	38%	39%	37%	44%	49%	36%
Health and Safety	22%	22%	21%	19%	21%	21%	28%	18%	11%	25%
Management Systems	19%	22%	20%	16%	19%	20%	19%	21%	28%	18%
Ethics	17%	15%	16%	12%	13%	13%	7%	14%	6%	14%
Environment	5%	6%	4%	7%	6%	5%	8%	2%	6%	7%
General	1%	2%	1%	1%	2%	2%	1%	1%	1%	1%

SUPPLY-CHAIN MANAGEMENT

After ten years of auditing our supply chain, and identifying more than 5,000 nonconformances, we target the top five as illustrated below. Although 2022 included two remote audits and did not evaluate all five categories, Freely Chosen Employment is still the most frequently reoccurring nonconformance.

Top Five Nonconformances by Category 2013-2022

Category	Percentage
Freely Chosen Employment	10%
Emergency Preparedness	7%
Working Hours	6%
Wages and Benefits	5%
Humane Treatment	5%
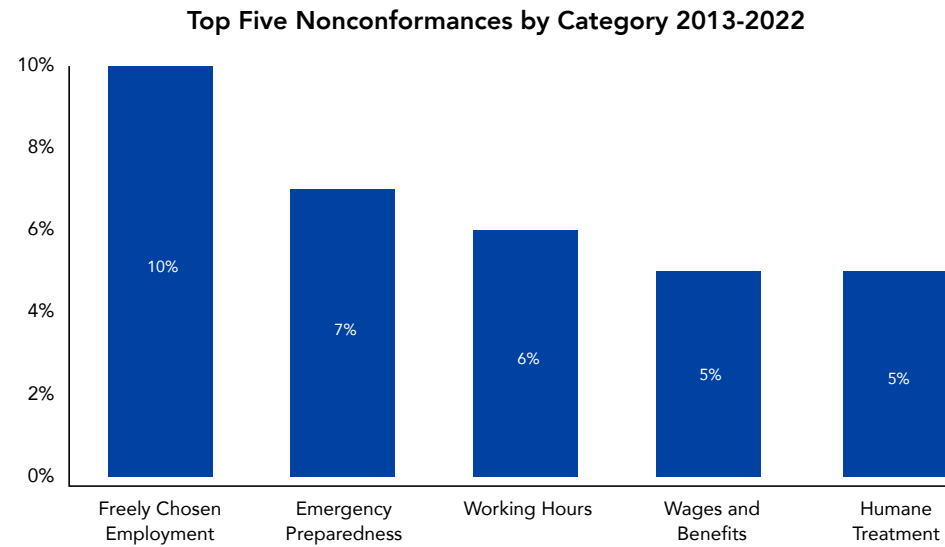
The 14 audits conducted in 2022 uncovered 33 priority violations.

Top Three Categories of Priority Violations	2022
No Fees	9
Working Hours	9
Rest Days	4

In 2022, the top three categories of priority findings were No Fees, Working Hours, and Rest Days.

- **No Fees** – We identified nine priority violations on No Fees and their related findings, for foreign migrant workers hired at five suppliers in Malaysia. The workers paid recruitment fees and had their wages deducted to repay any debts owed to labor agencies for advances on these fees.
- **Working Hours** – There were nine priority findings for Working Hours, identified in Malaysia (six), Mainland China (one), Taiwan (one), and Thailand (one), where workers were found to have worked more than 60 hours per week, including overtime work.
- **Rest Days** – The four priority findings for Rest Days were identified at three suppliers in Malaysia and one in Mainland China. Workers in these facilities had worked for six straight days without a rest day.
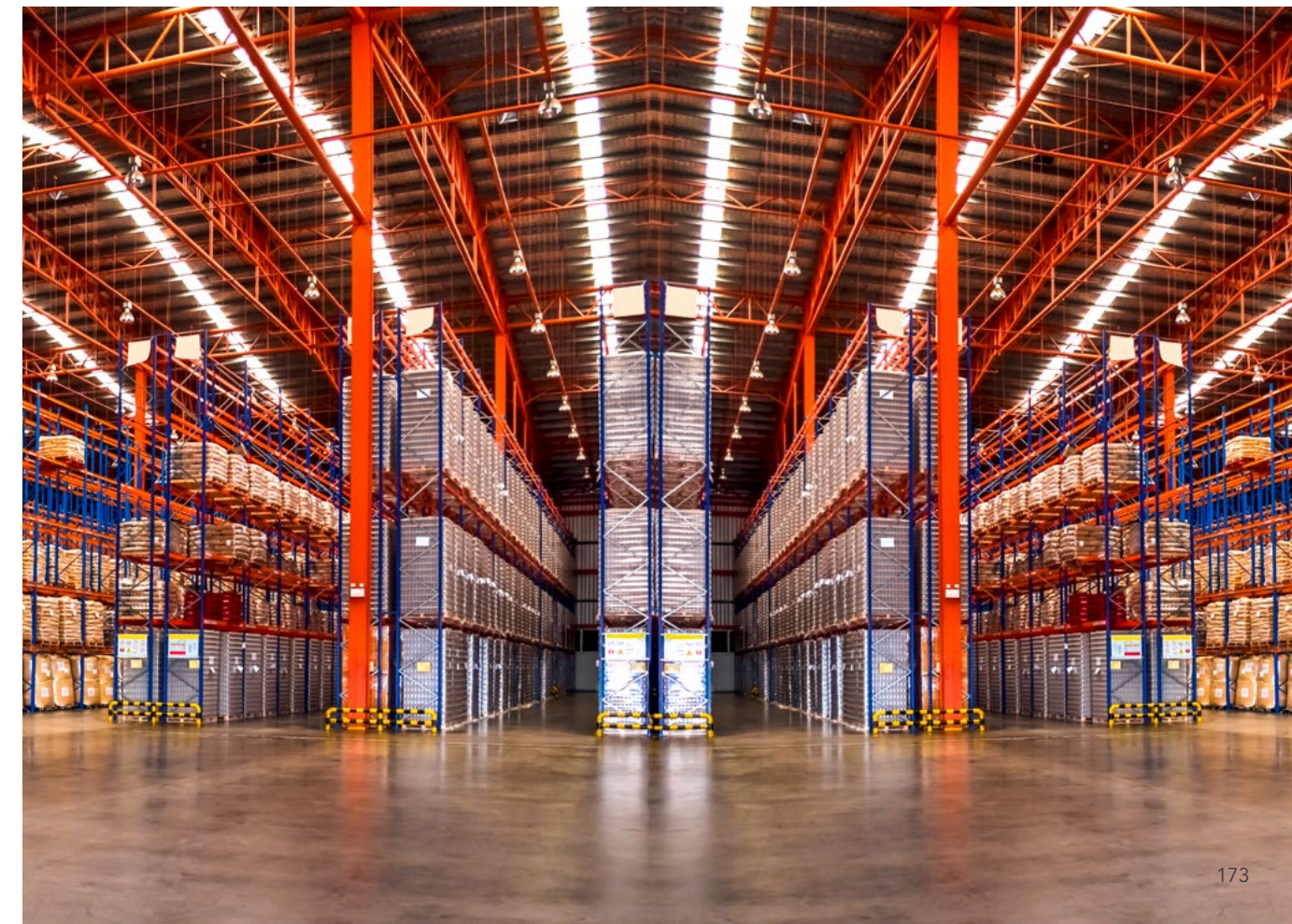
SUPPLY-CHAIN MANAGEMENT

AUDIT CLOSURE RATE

In 2018, we set a goal to close 80% of our supplier nonconformances within a 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 COVID-19 pandemic-related labor shortages, which 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 or remain high year over year.

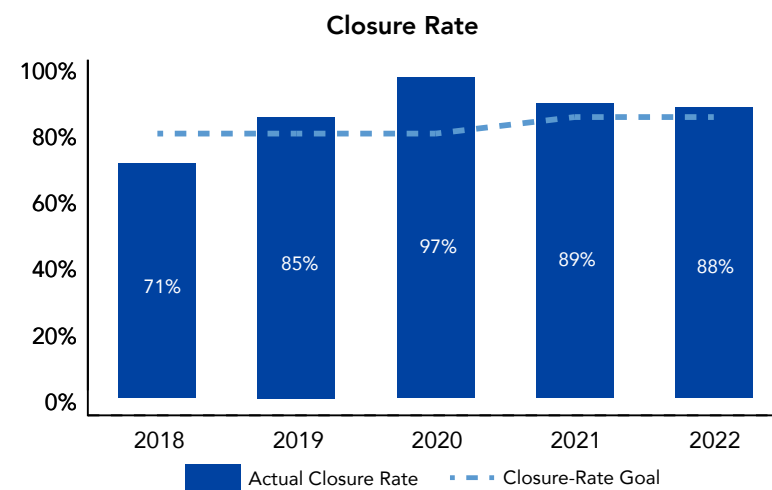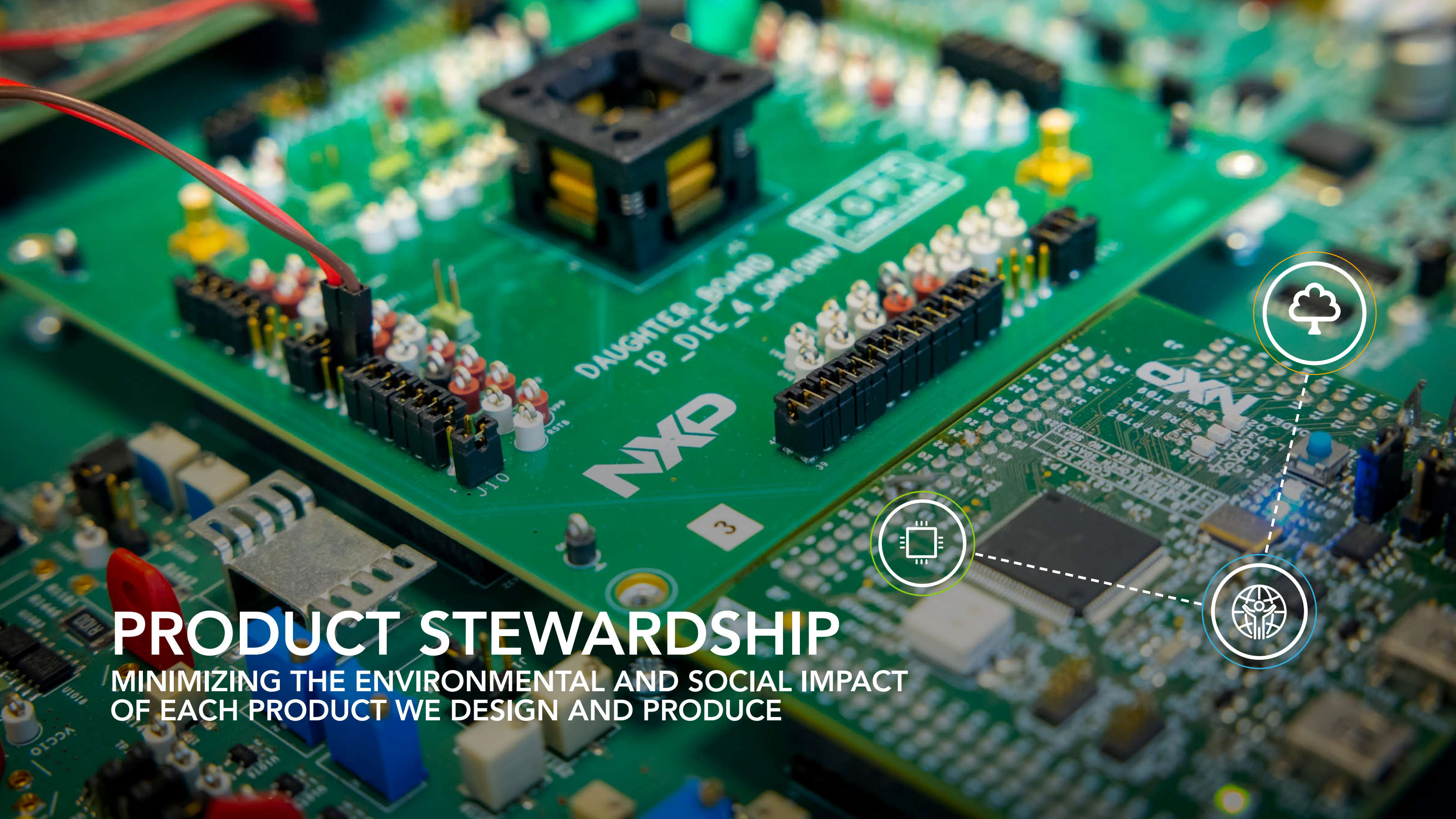The closure rate for 2022 was 88%, compared to 89% in 2021. The lower closure rate is largely due to the fact that we conducted nearly twice as many audits in 2022. The lower rate can also be attributed to increased strain on the supply chain during the pandemic, and the production ramp-up to overcome the semiconductor shortage. These overlapping trends created ongoing challenges at our suppliers, in terms of working hours and labor supply, in 2022. In particular, the labor supply had more nonconformances relating to recruitment practices, including recruitment fees being charged to workers — especially foreign migrant workers — and the retention of workers' personal documents. These types of audit findings require more time to investigate, since we need to determine the actual amount of recruitment fees charged to workers and the amount suppliers will reimburse to affected workers.

While it is our goal to achieve the targeted closure rate, indicated by the dotted line, ultimately we aim for 100% closure on all audit nonconformances found within the calendar year. We continue to work with audited suppliers to fully close the remaining nonconformances in the subsequent year. As of this reporting, we have closed the one remaining finding from 2019, and have five open nonconformances, associated with one supplier, from 2021. We continue to work with that supplier to close all five.

Closure Rate

Year	Actual Closure Rate
2018	71%
2019	85%
2020	97%
2021	89%
2022	88%

Legend: Actual Closure Rate; Closure-Rate Goal

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

ENVIRONMENTAL PRODUCT COMPLIANCE

OUR APPROACH
As an innovative and responsible manufacturer, NXP aims to prevent the use of hazardous substances in our products. In addition, we ensure responsible sourcing of minerals to prevent the 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 products 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 from third-party laboratories 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 may result in new or updated regulations and exemption lists. This, combined with the arrival of new chemical substances, means compliance remains a challenge and we will maintain on-going diligence. See below to learn more about NXP's efforts.

Regulatory Compliance Resources
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
Product Content Search

SUBSTANCES OF CONCERN IN PRODUCTS

SCIP ESTABLISHED UNDER THE WASTE FRAMEWORK DIRECTIVE
In 2021, NXP became subject to a new 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 WFD (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
- Enabling 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.

At present, NXP has submitted 46 SCIP notifications, covering about 3600 products, to the SCIP database. These products appear in the public ECHA SCIP Databases.

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 Persistent Organic Pollutants (POP), US Toxic Substances Control Act (TSCA), US Conflict Minerals, and Ozone-Depleting Substances in the Montreal Protocol.
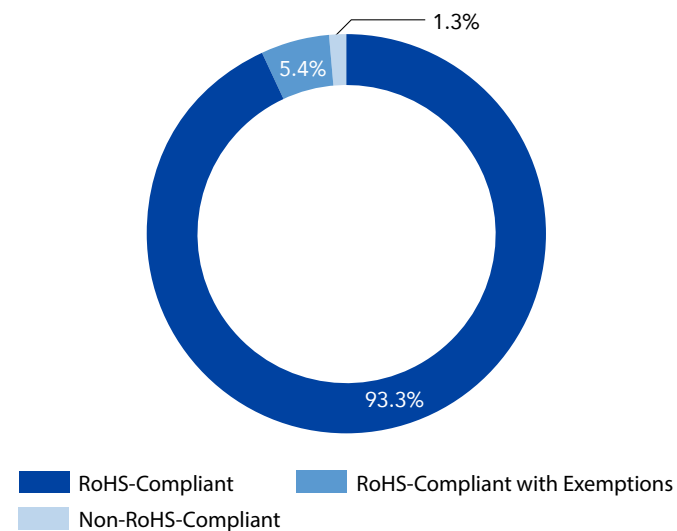
ENVIRONMENTAL PRODUCT COMPLIANCE

ENVIRONMENTAL PRODUCT COMPLIANCE PERFORMANCE

EU 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 EU RoHS Directive (2011/65/EU).

NXP's Pb-free initiative commits to the removal of Pb from our entire product portfolio without impacting technical specifications or customer manufacturing processes. For many years, the majority of our Dual In-Line Packages (DIPs), Single In-Line (SIL) packages, and Quad Flat No-Lead (QFN) packages have been Pb-free. While most customers have shifted to Pb-free products, we continue to manufacture some that contain Pb for those who require it. Our customers who use NXP's Pb-containing products in their end products are responsible for declaring compliance status. We only sell non-RoHS-compliant products, when required by our customers, for use in legally allowed applications.

2022 RoHS Product Portfolio

- 1.3%
- 5.4%
- 93.3%

■ RoHS-Compliant ■ RoHS-Compliant with Exemptions
■ Non-RoHS-Compliant

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.[1]

2022 Halogen-Free Product Portfolio

- 4%
- 96%

■ Halogen-Free ■ Not Halogen-Free

Pb-FREE AND HALOGEN-FREE PRODUCTS

We offer products that are Pb-free (also known as 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.

2022 Pb-Free and Halogen-Free Product Portfolio
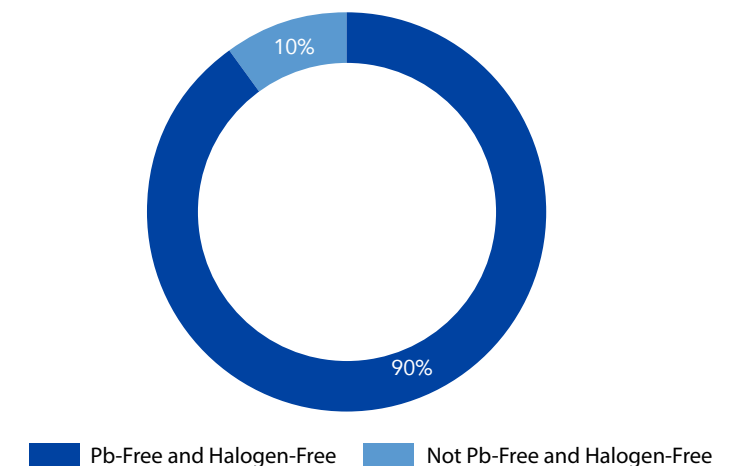
- 10%
- 90%

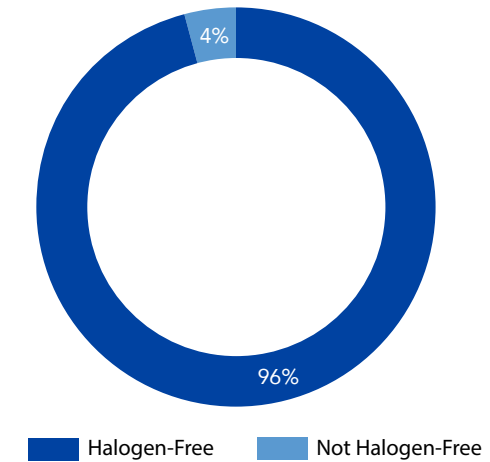■ Pb-Free and Halogen-Free ■ Not Pb-Free and Halogen-Free

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[1] 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

EU REACH PRODUCTS

NXP products do not contain EU REACH SVHCs except where noted in the appendix of our EU REACH Statement, which lists the materials in our products that may contain substances in excess of 0.1% by weight.

Together with our suppliers, we identified seven SVHCs 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 21% of our product materials[2].

2022 REACH SVHCs in Product Portfolio

21%

79%

■ Does Not Contain SVHC > 0.1%   ■ Contains SVHC > 0.1%
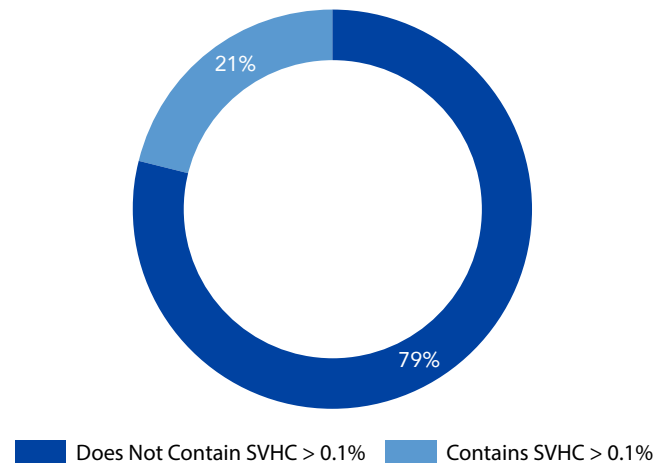
WEEE-RELEVANT SUBSTANCES

The latest Waste Electrical and Electronic Equipment (WEEE) document, 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 Pb meet the criteria per exemption.

[2] Lead in glass/ceramic and BPA in substrate cores

RESPONSIBLE MINERAL SOURCING

Responsible Mineral Sourcing Goal
100% Certified Conflict-Free for Tungsten, Tantalum, Tin, and Gold (3TG) Smelters

RESPONSIBLE MINERAL SOURCING PERFORMANCE

99%
Certified Conflict-Free 3TG Smelters[3]

Cobalt Smelter Declarations

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 minerals commonly referred to as "conflict minerals" are tin, tungsten, tantalum, and gold (3TG). While NXP does not generally use minerals in their raw form or 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 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[4]. 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 will 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 Organization for Economic Cooperation and Development (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 (EHS) 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 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 increase the proportion of responsibly produced and sourced minerals in global supply chains.

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.

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[3] This data point is reported annually, but primarily reflects 2021 calendar-year data to align with our Conflict Minerals Specialized Disclosure Form (Form SD) and Conflict Minerals Reporting Template (CMRT) filing.

[4] Per our Securities and Exchange Commission (SEC) filing of May 2022, 234 of the 237 smelters and refiners identified were certified ("Conformant"). At the time, three tin smelters were participating in the RMI RMAP program to become compliant ("Active"). Since the filing, these Active facilities have been removed from the NXP supply chain.

APPENDICES
GETTING STRAIGHT TO THE DETAILS

APPENDIX A – ESG PERFORMANCE

NXP's ESG Performance[1]	Unit	2019	2020	2021	2022
Revenue					
Revenue by Country					
Mainland China and Hong Kong	$ Millions USD	3,147	3,324	4,180	**4,700**
APAC (excluding Mainland China and Hong Kong)	$ Millions USD	2,894	2,773	3,471	**4,165**
EMEA (Europe, the Middle East, and Africa)	$ Millions USD	1,760	1,538	2,036	**2,582**
Americas	$ Millions USD	1,076	977	1,376	**1,758**
Total Revenue	**$ Millions USD**	**8,877**	**8,612**	**11,063**	**13,205**
Revenue by End Market (Unaudited)					
Automotive	$ Millions USD	4,212	3,825	5,493	**6,879**
Industrial and IoT	$ Millions USD	1,599	1,836	2,410	**2,713**
Mobile	$ Millions USD	1,191	1,248	1,412	**1,607**
Communications Infrastructure and Other	$ Millions USD	1,875	1,703	1,748	**2,006**
Total Revenue	**$ Millions USD**	**8,877**	**8,612**	**11,063**	**13,205**

Environment[2]					
Overview					
Percentage of ISO 14001-Certified Manufacturing Sites	%	100%	100%	100%	**100%**
Number of ISO 14001-Certified Manufacturing Sites	#	9	9	9	**9**
Number of Spills	#	0	0	0	**0**
Environmental Fines	#	0	0	0	**1[3]**

[1] The sum of percentages may not add up to 100% due to rounding.
[2] NXP has updated some environmental data from previous reporting periods. Where the updated data exceeds a 5% change, we have included an explanation in the related section.
[3] We take Notices of Violations (NOVs) seriously. We work quickly to identify corrective actions and take steps to minimize the chance of reoccurrence. In 2022, we received two NOVs, both relating to minor deficiencies. One resulted in a pending conditional fine, due to an inability to close a storm drain in case of an incident.

APPENDIX A – ESG PERFORMANCE

NXP's ESG Performance	Unit	2019	2020	2021	2022
Energy-Efficiency Policy	Yes/No	Yes	Yes	Yes	Yes
Emissions-Reduction Initiatives	Yes/No	Yes	Yes	Yes	Yes
Environmental Supply-Chain Management	Yes/No	Yes	Yes	Yes	Yes
Environmental Quality-Management Policy	Yes/No	Yes	Yes	Yes	Yes
Sustainable Packaging	Yes/No	Yes	Yes	Yes	Yes
Waste-Reduction Policy	Yes/No	Yes	Yes	Yes	Yes
Water Policy	Yes/No	Yes	Yes	Yes	Yes
Climate-Change Policy	Yes/No	Yes	Yes	Yes	Yes
Climate-Change Opportunities Discussed	Yes/No	Yes	Yes	Yes	Yes
Risks of Climate Change Discussed	Yes/No	Yes	Yes	Yes	Yes
NXP Carbon Footprint					
Total NXP Scope 1 & 2 Emissions	tCO_2e	1,134,481	982,123	1,175,998	1,164,959
Total NXP Scope 1 & 2 Emissions Normalized	tCO_2e/m^2	17.6	17.8	17.5	15.9
Carbon-Footprint Breakdown					
Perfluorinated Compounds (PFCs)	%	25%	22%	29%	34%
Heat Transfer Fluids (HTFs)	%	10%	8%	9%	5%
Fossil Fuel (Natural Gas and Diesel)	%	4%	4%	4%	4%
N_2O	%	1%	1%	1%	1%
Electricity (Manufacturing)	%	56%	60%	54%	51%
Electricity (Non-Manufacturing)	%	2%	2%	2%	2%
Product Transport	%	2%	2%	2%	2%
Business Travel	%	1%	—%	—%	1%

APPENDIX A – ESG PERFORMANCE

NXP's ESG Performance	Unit	2019	2020	2021	2022
SCOPE 1 Emissions					
PFCs[4]	tCO_2e	288,566	217,326	346,299	**400,261**
HTFs	tCO_2e	113,810	82,100	104,510	**62,499**
Fossil Fuels	tCO_2e	41,862	41,819	44,229	**46,068**
N_2O	tCO_2e	13,592	14,498	15,188	**15,956**
Other Scope 1 Emissions	tCO_2e	688	720	777	**1,102**
Total Scope 1 Emissions	**tCO_2e**	**458,518**	**356,462**	**511,004**	**525,886**
SCOPE 2 Emissions					
Total Manufacturing	tCO_2e	654,294	604,013	642,640	**613,620**
Total Non-Manufacturing	tCO_2e	21,669	21,648	22,354	**25,453**
Total Scope 2 Market-Based Emissions	**tCO_2e**	**675,963**	**625,661**	**664,994**	**639,073**
SCOPE 3 Emissions					
Product Transport	tCO_2e	23,682	24,577	20,153	**20,555**
Business Travel	tCO_2e	13,008	1,258	1,288	**9,098**
Total Scope 3 Emissions	**tCO_2e**	**36,690**	**25,835**	**21,441**	**29,653**
Energy					
Total Manufacturing Electricity Consumption	kWh	1,489,284,039	1,484,305,963	1,560,436,353	**1,648,387,555**
Total Non-Manufacturing Electricity Consumption	kWh	51,100,760	49,951,895	49,975,324	**53,643,676**

[4] We have updated our calculation of PFC emissions and, by extension, our Scope 1 emissions totals. We use the IPCC 2006 methodology for data leading up to and including 2020, and the IPCC 2019 methodology for 2021 and all the years following.

APPENDIX A – ESG PERFORMANCE

NXP's ESG Performance	Unit	2019	2020	2021	2022
Total Normalized Electricity Consumption (Manufacturing and Non-Manufacturing)	kWh/cm²	2.4	2.8	2.4	2.3
Total Renewable Electricity Consumption	%	24%	32%	31%	35%
Water					
Total Water Consumption	m³	10,732,132	10,619,711	11,639,498	12,622,808
Total Wastewater Discharge	m³				8,753,231
Total Normalized Water Consumption	liters/cm²	16.6	19.3	17.3	17.2
Recycled Water	%	41%	49%	48%	48%
Purchased Water	m³	10,061,838	9,927,988	10,901,858	11,816,162
Extracted Water	m³	670,294	691,723	737,640	806,646
Waste					
Total Regular Ongoing Waste	kg	19,503,067	16,503,773	19,415,128	23,005,443
Total One-Time Waste	kg	506,020	160,124	165,352	163,942
Total Waste	kg	20,009,087	16,663,897	19,580,480	23,169,385
Total Hazardous Waste	kg	2,786,255	3,084,046	3,330,375	2,974,599
Total Non-Hazardous Waste	kg	2,580,140	2,292,142	2,720,830	2,175,716
Recycled Waste	%	76%	71%	76%	83%
Waste Sent to Landfill	%	19%	21%	18%	14%
Waste Sent to Incineration	%	4%	5%	7%	6%
E-Scrap Reclaim	kg	642,995	606,138	790,784	683,553

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Environmental Stewardship Product Portfolio					
RoHS-Compliant without Exemptions	%		93%	92%	**93%**
RoHS-Compliant with Exemptions	%		7%	6%	**5%**
REACH-Compliant	%		93%	82%	**79%**
Halogen-Free	%		94%	94%	**96%**
Pb-Free and Halogen-Free	%		84%	89%	**90%**
Conflict-Free Minerals	%	100%	100%	100%	**99%**

Social					
Overview					
Equal-Opportunity Policy	Yes/No	Yes	Yes	Yes	**Yes**
Fair-Remuneration Policy	Yes/No	Yes	Yes	Yes	**Yes**
Team-Member Sustainability Training	Yes/No	Yes	Yes	Yes	**Yes**
Health-and-Safety Policy	Yes/No	Yes	Yes	Yes	**Yes**
Percentage of ISO 45001-Certified Manufacturing Sites	%	100%	100%	100%	**100%**
Number of ISO 45001-Certified Manufacturing Sites	#	9	9	9	**9**
Human Rights Policy[5]	Yes/No	Yes	Yes	Yes	**Yes**
Policy Against Child Labor	Yes/No	Yes	Yes	Yes	**Yes**
UN Global Compact Signatory	Yes/No	Yes	Yes	Yes	**Yes**
Responsible Business Alliance (RBA) Full Member	Yes/No	Yes	Yes	Yes	**Yes**

[5] We published our first, stand-alone Human Rights Policy in 2022. Previously, human rights clauses were embedded within existing policies and commitments.

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NXP's ESG Performance	Unit	2019	2020	2021	2022
SDGs Target Policy	Yes/No	Yes	Yes	Yes	**Yes**
Flexible Work Schedule and Location	Yes/No	Yes	Yes	Yes	**Yes**
Team-Member Engagement Survey	Yes/No	Yes	Yes	Yes	**Yes**
Public Policy Condemning Workplace Sexual Harassment	Yes/No	Yes	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	At least every 2 years, but in some cases more frequently subject to applicable law	At least every 2 years, but in some cases more frequently subject to applicable law	**At least every 2 years, but in some cases more frequently subject to applicable law**

Workforce Footprint		Unit	2019	2020	2021	2022
Extended Workforce - Total		HC	34,817	33,480	36,223	**39,731**
Employees		HC	27,759	27,730	29,861	**33,037**
		%	80%	83%	82%	**83%**
Joint Venture		HC	1,651	1,454	1,487	**1,492**
		%	5%	4%	4%	**4%**
Contingent Labor		HC	5,407	4,296	4,875	**5,202**
		%	16%	13%	13%	**13%**
Employees	Americas	%	20%	19%	18%	**18%**
	APAC	%	59%	60%	61%	**61%**
	EMEA	%	21%	21%	20%	**21%**
Joint Venture	Americas	%	—%	—%	—%	**—%**
	APAC	%	91%	99%	100%	**100%**
	EMEA	%	9%	0.7%	—%	**—%**

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Contingent Labor	Americas	%	20%	20%	18%	15%
	APAC	%	54%	53%	59%	60%
	EMEA	%	26%	27%	23%	25%
Contingent Labor by Type						
External Temp		%	24%	33%	31%	30%
Contractor		%	76%	67%	69%	70%
Employee Type by Region						
Indirect Labor (IDL)	Americas	%	27%	24%	22%	21%
	APAC	%	42%	44%	46%	46%
	EMEA	%	31%	32%	32%	32%
Direct Labor (DL)	Americas	%	7%	12%	12%	13%
	APAC	%	90%	84%	84%	83%
	EMEA	%	3%	4%	4%	4%
Employee by Role						
Individual Contributor (DL)		%	36%	38%	41%	39%
Individual Contributor (IDL)		%	53%	51%	50%	52%
People Manager (IDL)		%	11%	10%	9%	9%
Executive (IDL)		%	0.6%	0.5%	0.5%	0.5%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
R&D Employee by Region						
Americas		%	25%	23%	21%	**19%**
APAC		%	35%	36%	39%	**41%**
EMEA		%	40%	41%	40%	**40%**
Percent R&D of Total NXP Footprint		%	32%	32%	31%	**34%**
Employment Type						
Full-Time (FT)		%	99.4%	99.3%	99.5%	**99.5%**
Part-Time (PT)		%	0.6%	0.7%	0.5%	**0.5%**
FT Employment by Gender	Women	%	37%	36%	37%	**37%**
	Men	%	63%	64%	63%	**63%**
PT Employment by Gender	Women	%	21%	21%	19%	**18%**
	Men	%	79%	79%	81%	**82%**
Employee by Gender						
Women		%	37%	36%	37%	**37%**
Men		%	63%	64%	63%	**63%**
Employee Gender by Region						
	Americas	%	12%	11%	11%	**12%**
Women	APAC	%	79%	79%	80%	**78%**
	EMEA	%	9%	9%	9%	**11%**

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Men	Americas	%	25%	24%	22%	22%
	APAC	%	48%	48%	51%	51%
	EMEA	%	28%	28%	27%	27%
Employee Gender by Role						
Executive	Women	%	14%	13%	13%	16%
	Men	%	86%	87%	87%	84%
People Manager	Women	%	16%	16%	16%	18%
	Men	%	84%	84%	84%	82%
Individual Contributor	Women	%	39%	38%	39%	39%
	Men	%	61%	62%	61%	61%
IDL	Women	%	22%	23%	24%	25%
	Men	%	78%	77%	76%	75%
DL	Women	%	62%	58%	56%	55%
	Men	%	38%	42%	44%	45%
R&D	Women	%	16%	16%	17%	19%
	Men	%	84%	84%	83%	81%
United States Race and Ethnicity						
White (Not Hispanic / Latino)		%	52%	52%	51%	49%
Asian (Not Hispanic / Latino)		%	21%	21%	20%	22%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Hispanic / Latino		%	13%	14%	15%	16%
Black or African American (Not Hispanic / Latino)		%	4%	4%	5%	6%
Native American / Alaska Native (Not Hispanic / Latino)		%	0.4%	0.5%	0.6%	0.6%
Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)		%	0.2%	0.2%	0.2%	0.2%
Two or More Races (Not Hispanic / Latino)		%	0.5%	0.6%	0.9%	1%
Undeclared		%	8%	8%	7%	6%

United States Employee Race and Ethnicity by Role

		Unit	2019	2020	2021	2022
	White (Not Hispanic / Latino)	%	68%	68%	63%	64%
	Asian (Not Hispanic / Latino)	%	9%	9%	10%	13%
	Hispanic / Latino	%	6%	6%	6%	7%
	Black or African American (Not Hispanic / Latino)	%	5%	5%	6%	7%
Executive	Native American / Alaska Native (Not Hispanic / Latino)	%	—%	—%	—%	—%
	Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)	%	—%	—%	—%	—%
	Two or More Races (Not Hispanic / Latino)	%	—%	—%	1%	1%
	Undeclared	%	13%	12%	14%	7%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
People Manager	White (Not Hispanic / Latino)	%	59%	60%	59%	57%
	Asian (Not Hispanic / Latino)	%	19%	19%	18%	20%
	Hispanic / Latino	%	8%	9%	9%	11%
	Black or African American (Not Hispanic / Latino)	%	3%	3%	3%	3%
	Native American / Alaska Native (Not Hispanic / Latino)	%	0.3%	0.3%	0.2%	0.3%
	Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)	%	—%	—%	—%	0.1%
	Two or More Races (Not Hispanic / Latino)	%	0.1%	0.2%	0.5%	0.7%
	Undeclared	%	10%	9%	9%	8%
Individual Contributor (IDL)	White (Not Hispanic / Latino)	%	53%	51%	51%	49%
	Asian (Not Hispanic / Latino)	%	23%	27%	27%	30%
	Hispanic / Latino	%	11%	9%	10%	10%
	Black or African American (Not Hispanic / Latino)	%	3%	2%	3%	3%
	Native American / Alaska Native (Not Hispanic / Latino)	%	0.4%	0.3%	0.4%	0.2%
	Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)	%	0.4%	0.1%	0.1%	0.1%
	Two or More Races (Not Hispanic / Latino)	%	0.6%	0.6%	0.9%	1%
	Undeclared	%	9%	9%	9%	7%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Individual Contributor (DL)	White (Not Hispanic / Latino)	%	38%	50%	47%	44%
	Asian (Not Hispanic / Latino)	%	13%	10%	10%	9%
	Hispanic / Latino	%	32%	28%	27%	29%
	Black or African American (Not Hispanic / Latino)	%	12%	8%	10%	12%
	Native American / Alaska Native (Not Hispanic / Latino)	%	0.6%	0.9%	1%	2%
	Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)	%	0.9%	0.6%	0.6%	0.6%
	Two or More Races (Not Hispanic / Latino)	%	0.9%	0.8%	1%	2%
	Undeclared	%	3%	3%	3%	3%

Employee by Age

		Unit	2019	2020	2021	2022
<31 years old		%	15%	19%	22%	25%
31–50 years old		%	61%	59%	57%	55%
51+ years old		%	23%	22%	21%	20%

Employee Age by Role

		Unit	2019	2020	2021	2022
<31 years old	Executive	%	—%	—%	—%	—%
	People Manager	%	0.1%	0.1%	0.1%	0.1%
	Individual Contributor	%	15%	19%	22%	24%
31–50 years old	Executive	%	0.2%	0.2%	0.2%	0.1%
	People Manager	%	7%	6%	6%	6%
	Individual Contributor	%	54%	53%	51%	50%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
	Executive	%	0.4%	0.4%	0.3%	0.3%
51+ years old	People Manager	%	4%	3%	3%	3%
	Individual Contributor	%	19%	18%	17%	17%
Employee Attrition						
Voluntary Turnover						
Global Employee Voluntary Turnover		%	7.8%	6.9%	12.1%	11.7%
	Americas (IDL and DL)	%	5.8%	5.6%	9.1%	10.4%
	APAC (IDL and DL)	%	9.7%	8.9%	15.7%	14.7%
	EMEA (IDL and DL)	%	4.2%	2.5%	4.3%	3.8%
Global IDL Employee Voluntary Turnover		%	5.9%	5.1%	7.9%	7.5%
	Americas (IDL)	%	5.6%	6.2%	8.6%	9.4%
	APAC (IDL)	%	7.3%	6.1%	9.9%	9.0%
	EMEA (IDL)	%	4.3%	2.7%	4.5%	3.9%
Global DL Employee Voluntary Turnover		%	11.0%	9.8%	18.4%	18.1%
	Americas (DL)	%	6.9%	3.6%	10.5%	13.1%
	APAC (DL)	%	11.7%	11.2%	20.3%	19.5%
	EMEA (DL)	%	1.9%	0.7%	2.1%	2.9%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
	Women	%	22%	21%	23%	24%
	Men	%	78%	79%	77%	77%
IDL Voluntary Turnover						
	<31 years old	%	24%	22%	28%	25%
	31–50 years old	%	59%	60%	55%	56%
	51+ years old	%	17%	18%	16%	19%
	Women	%	59%	63%	55%	60%
	Men	%	41%	37%	45%	40%
DL Voluntary Turnover						
	<31 years old	%	52%	45%	53%	58%
	31–50 years old	%	37%	44%	38%	35%
	51+ years old	%	11%	11%	9%	8%
Involuntary Turnover						
Global Employee Involuntary Turnover		%	3.9%	3.2%	3.8%	1.5%
	Americas (IDL and DL)	%	5.8%	5.4%	4.6%	1.4%
	APAC (IDL and DL)	%	3.5%	4.1%	4.1%	1.2%
	EMEA (IDL and DL)	%	3.2%	5.4%	2.2%	2.8%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Employee Hiring						
IDL	Americas	%	21%	19%	19%	**19%**
	APAC	%	47%	56%	56%	**47%**
	EMEA	%	31%	25%	25%	**34%**
DL	Americas	%	2%	2%	11%	**16%**
	APAC	%	97%	97%	89%	**83%**
	EMEA	%	0.5%	0.1%	0.6%	**2%**
Employee Hiring by Type						
IDL	Women	%	23%	23%	27%	**29%**
	Men	%	77%	77%	73%	**71%**
IDL New College Graduate	Women	%	31%	32%	30%	**35%**
	Men	%	69%	68%	70%	**65%**
DL	Women	%	66%	56%	53%	**56%**
	Men	%	34%	44%	47%	**44%**
United States Hiring by Race and Ethnicity						
White (Not Hispanic / Latino)		%	22%	47%	42%	**32%**
Asian (Not Hispanic / Latino)		%	37%	32%	18%	**26%**
Hispanic / Latino		%	6%	10%	17%	**18%**
Black or African American (Not Hispanic / Latino)		%	2%	2%	11%	**9%**
Native American / Alaska Native (Not Hispanic / Latino)		%	—%	0.4%	1%	**1%**
Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)		%	—%	—%	0.4%	**0.3%**

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NXP's ESG Performance		Unit	2019	2020	2021	2022
Two or More Races (Not Hispanic / Latino)		%	0.8%	0.4%	3%	3%
Undeclared		%	32%	9%	7%	12%
United States New College Gradate Hiring by Race and Ethnicity						
White (Not Hispanic / Latino)		%	35%	29%	33%	35%
Asian (Not Hispanic / Latino)		%	39%	43%	44%	39%
Hispanic / Latino		%	9%	11%	10%	13%
Black or African American (Not Hispanic / Latino)		%	3%	2%	4%	5%
Native American / Alaska Native (Not Hispanic / Latino)		%	—%	—%	—%	0.6%
Native Hawaiian / Other Pacific Islander (Not Hispanic / Latino)		%	—%	—%	—%	—%
Two or More Races (Not Hispanic / Latino)		%	4%	2%	7%	4%
Undeclared		%	10%	14%	3%	4%
Hiring by Age						
<31 years old	IDL	%	40%	44%	49%	48%
	DL	%	66%	61%	66%	68%
31–50 years old	IDL	%	50%	45%	44%	45%
	DL	%	34%	39%	32%	29%
51+ years old	IDL	%	10%	11%	6%	7%
	DL	%	0.4%	0.7%	2%	3%
R&D Hiring by Region						
Americas		%	15%	13%	11%	14%

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NXP's ESG Performance		Unit	2019	2020	2021	2022
APAC		%	42%	38%	61%	47%
EMEA		%	43%	49%	29%	39%
IDL Talent Hiring						
University		%	45%	35%	24%	23%
Global NXP Intern Conversion Rate		%	30%	30%	40%	39%
Global Employee Promotion Rate		%	7%	7%	8%	11%
IDL		%	8%	8%	11%	13%
DL		%	5%	4%	4%	7%
Training						
Total NXP Online Training Hours		Hours			89,591	168,229
Global Online Courses Completed by Executives		Courses			123	110
Global Online Courses Completed by People Managers		Courses			2,197	2,551
Global Online Courses Completed by Individual Contributor (IDL and DL)		Courses			6,532	6,836
Global Online Learning Courses Completed by Employees (Total Courses per Employee)		Courses			8,852	9,497
Total Online Training (Average Hours)	IDL	Hours			7.0	8.0
	DL	Hours			0.2	0.6
Online Training by Gender	Women	Hours			2.2	4.1
	Men	Hours			3.5	5.7

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Health and Safety					
Occupational Illness and Injuries	#	35	23	25	**36**
Total - Injury Count NXP Contractors	#		8	7	**12**
Severity Rate	Rate	4.64	2.26	1.47	**2.86**
Total Case Incident Rate (TCIR)	Rate	0.12	0.08	0.08	**0.10**
Fatalities - Employees	#	0	0	0	**0**
Supply Chain					
Supply-Chain Management - Social Responsibility	Yes/No	Yes	Yes	Yes	**Yes**
Total Number of Audits	#	17	4	6	**14**
Governance					
Overview					
Business Ethics Code of Conduct	Yes/No	Yes	Yes	Yes	**Yes**
Anti-Bribery Ethics Policy	Yes/No	Yes	Yes	Yes	**Yes**
Employee Protection / Whistle Blower Policy	Yes/No	Yes	Yes	Yes	**Yes**
Consumer Data Protection Policy	Yes/No	Yes	Yes	Yes	**Yes**
Board Structure					
Size of the Board	HC	9	10	12	**10**
Unitary or Two-Tier Board System	Unitary/ Two-Tier	Unitary	Unitary	Unitary	**Unitary**
Number of Employee Representatives on Board	HC	0	0	0	**0**

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Classified Board System	Yes/No	No	No	No	No
Number of Directors with Financial, Audit, and Accounting Expertise	HC	8	8	9	6
Number of Corporate Executive Officers on the Board	HC	1	1	1	1
Percentage of Corporate Executive Officers on the Board	%	11%	10%	8%	10%
Board Independence					
Number of Non-Executive Directors on the Board	HC	8	9	11	9
Percentage of Non-Executive Directors on the Board	%	89%	90%	92%	90%
Number Independent Directors	HC	8	9	11	9
Percentage of Independent Directors	%	89%	90%	92%	90%
CEO Duality	Yes/No	No	No	No	No
Independent Chairperson	Yes/No	Yes	Yes	Yes	Yes
Independent Lead Director	Yes/No	N/A	N/A	N/A	N/A
Presiding Director	Yes/No	No	No	No	No
Former CEO or Equivalent on Board	Yes/No	No	No	No	No
Board and Executive Diversity					
Number of Women on Board	HC	1	3	4	4
Percentage of Women on Board	%	11%	30%	33%	40%
Female CEO or Equivalent	Yes/No	No	No	No	No
Female Chairperson or Equivalent	Yes/No	No	No	No	No
Number of Directors with Executive Leadership	HC	9	10	12	10
CEO or Equivalent Appointed from Within	Yes/No	No	Yes	Yes	Yes

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Number of Female Executives	HC	0	1	1	1
Percentage of Female Executives	%	17%	17%	17%	17%
Age of the Youngest Director	Age	58	50	51	51
Age of the Oldest Director	Age	76	79	79	78
Board of Directors Age Range	Age	18	29	28	27
Board Average Age	Age	67	65	65	65
Board Age Limit	Yes/No	No	No	No	No
Average Board Tenure	Years	7.2	6.3	5.0	5.0
Date Executive Director Appointed to the Board of Directors	Date	January 2009	May 2020	May 2020	May 2020

Board Meetings	Unit	2019	2020	2021	2022
Number of Board Meetings	#	5	5	5	5
Board-Meeting Attendance	%	>75%	>75%	>75%	>75
Independent Directors Board-Meeting Attendance	%	>75%	>75%	>75%	>75
Number of Directors Attending Less Than 75% of Meetings	HC	1	0	0	0

Audit Committee	Unit	2019	2020	2021	2022
Size of Audit Committee	HC	3	3	3	4
Number of Independent Directors on Audit Committee	HC	3	3	3	4
Percentage of Independent Directors on Audit Committee	%	100%	100%	100%	100%
Independent Audit Committee Chairperson	Yes/No	Yes	Yes	Yes	Yes
Number of Non-Executive Directors on Audit Committee	HC	3	3	3	4
Audit Committee Meetings	#	9	9	10	13

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Audit Committee Meeting Attendance	%	>75%	>75%	>75%	>75%
Compensation Committee					
Size of Compensation Committee	HC	4	4	5	4
Number of Independent Directors on Compensation Committee	HC	4	4	5	4
Percentage of Independent Directors on Compensation Committee	%	100%	100%	100%	100%
Independent Compensation Committee Chairperson	Yes/No	Yes	Yes	Yes	Yes
Number of Non-Executive Directors on Compensation Committee	HC	4	4	5	4
Number of Compensation Committee Meetings	#	6	8	7	6
Compensation Committee Meeting Attendance	%	>75%	>75%	>75%	>75%
Outside Compensation Advisors Appointed	Yes/No	Yes	Yes	Yes	Yes
Claw Back Provision for Executive Compensation	Yes/No		Yes	Yes	Yes
Nominating, Governance, and Sustainability Committee					
Size of Nomination Committee	HC	4	4	5	3
Number of Independent Directors on Nomination Committee	HC	4	4	5	3
Percentage of Independent Directors on Nomination Committee	%	100%	100%	100%	100%
Independent Nomination Committee Chairperson	Yes/No	Yes	Yes	Yes	Yes
Number of Non-Executive Directors on Nomination Committee	HC	4	4	4	3
Number of Nomination-Committee Meetings	#	2	4	4	4
Nomination-Committee-Meeting Attendance	%	>75%	>75%	>75%	>75%

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NXP's ESG Performance	Unit	2019	2020	2021	2022
Environmental, Social, and Governance (ESG) Governance					
Non-Executive Director with Responsibility for ESG	Yes/No		No	No	**No**
Executive Director with Responsibility for ESG	Yes/No		Yes	Yes	**Yes**
Executive Compensation Linked to ESG	Yes/No		No	No	**Yes**
Board Compensation Linked to ESG	Yes/No		No	No	**No**
Shareholder Rights					
Ownership Required for Special Meeting	%	10%	10%	10%	**10%**
Poison Pill	Yes/No	No	No	No	**No**
Blank-Check-Preferred Authorized	Yes/No		No	No	**No**
Dual-Class Unequal Voting Rights – Common Shares	Yes/No	No	No	No	**No**

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

Statement of Use	NXP Semiconductors has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	a. Our legal name is NXP Semiconductors N.V. and our commercial name is "NXP" or "NXP Semiconductors" (NASDA Q: NXPI) b. We were incorporated in the Netherlands in 2006 as a Dutch public company with limited liability (naamloze vennootschap) c. Our principal executive office is at High Tech Campus 60, 5656 AG Eindhoven, the Netherlands d. Our Business: Worldwide Manufacturing Locations
	2-2 Entities included in the organization's sustainability reporting	a. Introduction: About This Report b. There is no difference between the entities included in financial reporting and sustainability reporting. Financial reporting is available on our Investor Relations website.
	2-3 Reporting period, frequency and contact point	a. The reporting period covers calendar year 2022, unless otherwise stated. NXP publishes Corporate Sustainability Reports on an annual basis. b. Our reporting period aligns with our annual financial reporting. Financial reporting is available on our Investor Relations website. c. Publication date: March 31, 2023 d. Contact point for questions about this Report or reported information: CSR@nxp.com Introduction: About This Report
	2-4 Restatements of information	NXP has updated some environmental data from previous reporting periods. Where the updated data exceeds a 5% change, we have included an explanation in the related section.
	2-5 External assurance	The 2022 Corporate Sustainability Report is not assured through an assurance provider. We perform extensive internal due diligence and data validation to ensure the accuracy of the information and data presented in this Report.
	2-6 Activities, value chain and other business relationships	a. Semiconductors b. Our Business Economy: Product Solutions Contributing to Sustainability Supplier Engagement See our Form 10-K, section "Item 1. Business." This document is available on our Investor Relations website. c. NXP operates owned manufacturing facilities primarily in the United States, Netherlands, Malaysia, Mainland China, Thailand, and Taiwan, as well as in Singapore together with our joint-venture partner Systems on Silicon Manufacturing Company (SSMC). d. No significant changes.
	2-7 Employees	Our Team Members: Team-Member Demographics

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APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	We currently report the headcount for contingent labor. Contingent labor includes temp-agency workers and contractors. Temp-agency workers – such as engineers, administrative assistants, and factory workers – are hired to supplement NXP staff. Contractors are often specialized consultants contracted to complete projects on behalf of NXP through a scope of work. In 2022, our external temp and contractor workforce was 5,202.
	2-9 Governance structure and composition	Governance: Overview, Board of Directors See our Proxy Statement, available on our Investor Relations website.
	2-10 Nomination and selection of the highest governance body	Governance: Board of Directors See our Proxy Statement, available on our Investor Relations website.
	2-11 Chair of the highest governance body	Governance: Board of Directors See our Proxy Statement, available on our Investor Relations website.
	2-12 Role of the highest governance body in overseeing the management of impacts	Environmental, Social, and Governance Our Business: Stakeholder Engagement Governance: Board of Directors Appendix D: TCFD Index
	2-13 Delegation of responsibility for managing impacts	Environmental, Social, and Governance Our Business: Stakeholder Engagement Governance: Board of Directors Appendix D: TCFD Index
	2-14 Role of the highest governance body in sustainability reporting	Our Corporate Sustainability Report is reviewed and approved by the Nominating, Governance, and Sustainability Committee of the Board of Directors.
	2-15 Conflicts of interest	Other than the compensation items described in our Proxy Statement, no decisions to enter into material transactions in which there were conflicts of interest with directors occurred during the financial year 2022. See our Proxy Statement, "Certain Relationships and Related Transactions" section for additional details. This document is available on our Investor Relations website.
	2-16 Communication of critical concerns	Governance: Ethics
	2-17 Collective knowledge of the highest governance body	NXP has had third-party consultants with environmental, social, and governance (ESG) and sustainability expertise present to the Board of Directors to help the Board make business decisions that best align with sustainable development. NXP has five Board members with relevant ESG experience.
	2-18 Evaluation of the performance of the highest governance body	See our Proxy Statement, "How Our Directors are Selected and Evaluated" section. This document is available on our Investor Relations website. Also see our "Corporate Governance" web page.

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-19 Remuneration policies	a. See our Proxy Statement, "How Our Directors are Compensated" and "Executive Compensation" sections. This document is available on our Investor Relations website. b. Environmental, Social, and Governance: Our ESG Goals
	2-20 Process to determine remuneration	See our Proxy Statement, "Executive Compensation" section. This document is available on our Investor Relations website. Also see our "Corporate Governance" web page.
	2-21 Annual total compensation ratio	See our Proxy Statement, "CEO Pay Ratio Disclosure" section. This document is available on our Investor Relations website.
	2-22 Statement on sustainable development strategy	Introduction: A Letter From Our CEO
	2-23 Policy commitments	Governance: Ethics Supplier Engagement Our Team Members: Human Rights See our Code of Conduct See our Human Rights Policy Appendix F: Sustainability Policy
	2-24 Embedding policy commitments	Governance: Ethics Supplier Engagement Our Team Members: Human Rights
	2-25 Processes to remediate negative impacts	Governance: Ethics Supplier Engagement Our Team Members: Human Rights
	2-26 Mechanisms for seeking advice and raising concerns	Governance: Ethics
	2-27 Compliance with laws and regulations	We take Notices of Violations (NOVs) seriously. We work quickly to identify corrective actions and take steps to minimize the chance of reoccurrence. In 2022, we received two NOVs, both relating to minor deficiencies. One resulted in a pending conditional fine, due to an inability to close a storm drain in case of an incident. The fine amount was 22,000 Euros.
	2-28 Membership associations	Our Business: Stakeholder Engagement
	2-29 Approach to stakeholder engagement	Our Business: Stakeholder Engagement
	2-30 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 and regions where there are collective-bargaining agreements, we are compliant with all agreements required by laws and regulations. Approximately 20% of our employees are covered by collective-bargaining agreements.

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Introduction: About This Report
	3-2 List of material topics	Introduction: About This Report
	3-3 Management of material topics	Introduction: About This Report Governance: Ethics, Cybersecurity Our Team Members: Human Rights, Health and Safety Environment Supplier Engagement
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See our Form 10-K, "Consolidated Statements of Operations," "Consolidated Statements of Changes in Equity," "Note 6 - Income Taxes," and "Operating Expenses" sections. This document is available on our Investor Relations website.
	201-2 Financial implications and other risks and opportunities due to climate change	See our Form 10-K, "Item 1A. Risk Factors" section. This document is available on our Investor Relations website. Appendix D: TCFD Index
	201-3 Defined benefit plan obligations and other retirement plans	See our Form 10-K, "Postretirement Benefits" section. This document is available on our Investor Relations website. Our Team Members: Providing Competitive and Fair Compensation and Benefits
	201-4 Financial assistance received from government	See our Form 10-K, "Notes to the Consolidated Financial Statements" chapter, including "Note 4 - Supplemental Financial Information and "Note 6 - Income Taxes". This document is available on our Investor Relations website.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	We do not currently disclose this information.
	202-2 Proportion of senior management hired from the local community	We do not currently disclose this information. We focus on hiring the best and brightest individuals from the communities where we operate, for all levels of employment.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	We do not think this disclosure is applicable to NXP's operations at this time.
	203-2 Significant indirect economic impacts	We do not currently disclose this information.
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	We do not currently disclose this information.
GRI 205: Anti-corruption 2016	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. Governance: Ethics
	205-2 Communication and training about anti-corruption policies and procedures	We define our anti-corruption policies and procedures in our Code of Conduct, and include our policies and procedures in team-member training. Governance: Ethics

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	We track any anti-corruption allegations, conduct thorough reviews, and take appropriate remedial measures. We consider this confidential information and do not report it publicly.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We do not currently disclose this information.
GRI 207: Tax 2019	207-1 Approach to tax	Economy: Taxation
	207-2 Tax governance, control, and risk management	Economy: Taxation
	207-3 Stakeholder engagement and management of concerns related to tax	Economy: Taxation
	207-4 Country-by-country reporting	We do not currently disclose this information.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	~90% of our finished product portfolio contains tin, tantalum, tungsten, and gold (3TG).
	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 purchased materials in other manufacturing processes.
	301-3 Reclaimed products and their packaging materials	We participate in various recycling programs, but are unable to determine the percentage of NXP products our customers or end users recycle. We provide information about the substances within our components so customers and end users can make informed decisions regarding disposal.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment: Energy
	302-2 Energy consumption outside of the organization	We do not currently disclose this information.
	302-3 Energy intensity	Environment: Energy
	302-4 Reduction of energy consumption	Environment: Energy
	302-5 Reductions in energy requirements of products and services	Environment: Energy
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment: Water
	303-2 Management of water discharge-related impacts	Environment: Water
	303-3 Water withdrawal	Environment: Water
	303-4 Water discharge	Environment: Water

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environment: Water
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	We do not think this disclosure is applicable to NXP's operations at this time.
	304-2 Significant impacts of activities, products and services on biodiversity	We do not think this disclosure is applicable to NXP's operations at this time.
	304-3 Habitats protected or restored	We do not think this disclosure is applicable to NXP's operations at this time.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	We do not think this disclosure is applicable to NXP's operations at this time.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment: Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Environment: Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Environment: Emissions
	305-4 GHG emissions intensity	Environment: Emissions
	305-5 Reduction of GHG emissions	Environment: Emissions
	305-6 Emissions of ozone-depleting substances (ODS)	Environment: Hazardous Chemicals and Materials Appendix G: Scope 1 Chemical List of Emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment: Emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment: Management, Waste Product Stewardship
	306-2 Management of significant waste-related impacts	Environment: Management, Waste Product Stewardship Supplier Engagement
	306-3 Waste generated	Environment: Waste Appendix A: ESG Performance
	306-4 Waste diverted from disposal	We are updating our data-collection methods for waste and plan to publish this disclosure in future Reports.
	306-5 Waste directed to disposal	We are updating our data-collection methods for waste and plan to publish this disclosure in future Reports.

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier Engagement Environment: Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Engagement Environment: Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our Team Members: Investing in Future Talent, Focusing on Team-Member Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Team Members: Providing Competitive and Fair Compensation and Benefits
	401-3 Parental leave	We provide our employees with parental leave that meets or exceeds local regulatory requirements, but our offerings vary by location. We do not currently disclose parental-leave data. For more details, please visit www.nxp.com/benefits.
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	We do not currently disclose this information.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our Team Members: Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Our Team Members: Health and Safety
	403-3 Occupational health services	Our Team Members: Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our Team Members: Health and Safety
	403-5 Worker training on occupational health and safety	Our Team Members: Health and Safety
	403-6 Promotion of worker health	Our Team Members: Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Team Members: Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Our Team Members: Health and Safety
	403-9 Work-related injuries	Our Team Members: Health and Safety
	403-10 Work-related ill health	The main types of employee injuries include slips and falls, machine safety, and ergonomics. Each incident is documented and corrective and/or preventative measures are put in place.

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our Team Members: Enabling Talent Development and Growth Opportunities
	404-2 Programs for upgrading employee skills and transition assistance programs	Our Team Members: Enabling Talent Development and Growth Opportunities
	404-3 Percentage of employees receiving regular performance and career development reviews	Our Team Members: Driving Team-Member Engagement
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Appendix A: ESG Performance
	405-2 Ratio of basic salary and remuneration of women to men	We do not currently disclose this information.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	We track any discrimination allegations, conduct thorough reviews, and take appropriate remedial measures. We consider this confidential information and do not report it publicly.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Team Members: Human Rights Supplier Engagement: Supply-Chain Management See our Human Rights Policy See our Auditable Standards on Social Responsibility, "L&H.7. Freedom of Association and Collective Bargaining" clause
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Labor and Human Rights Reporting
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labor and Human Rights Reporting
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	We do not think this is applicable to NXP's operations at this time.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	We do not think this is applicable to NXP's operations at this time.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	We do not think this is applicable to NXP's operations at this time.
	413-2 Operations with significant actual and potential negative impacts on local communities	We do not think this is applicable to NXP's operations at this time.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Engagement
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Engagement

APPENDIX B – 2022 GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard	Disclosure	Location
GRI 415: Public Policy 2016	415-1 Political contributions	We do not currently disclose this information.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	We do not think this is applicable to NXP's operations at this time.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We do not think this is applicable to NXP's operations at this time.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Stewardship: Environmental Product Compliance
	417-2 Incidents of non-compliance concerning product and service information and labeling	NXP has not had a non-compliance with regulations concerning product information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	NXP has not had a non-compliance with marketing communications.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	We do not currently disclose this information.

APPENDIX C – 2022 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Code	Accounting Metric	Unit of Measure	NXP 2022 Response
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Metric tons (t)CO_2-e	(1) 525,886 (2) 400,261
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Please see the "Environmental, Social, and Governance" chapter, the "Emissions" section of the "Environment" chapter, and "Appendix D: TCFD Index" of this Report.
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	(1) 6,127,312 total electricity (2) 100% (3) 35%
Water Management	TC-SC-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	(1) Total water withdrawn was 12,622,808. 72% was at manufacturing facilities located in regions with High or Extremely High Baseline Water Stress. (2) Total water consumed was 3,869,577. 71% was at manufacturing facilities located in regions with High or Extremely High Baseline Water Stress.[1]
Waste Management	TC-SC-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	Metric tons (t), Percentage (%)	(1) 2,975 (2) While we do not report the percentage of hazardous waste recycled, we do recycle hazardous waste. However, regional variations in the designation of hazardous materials and how hazardous waste is classified make it difficult to quantify this activity. Please see the "Waste" section of the "Environment" chapter of this Report for more details.
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	n/a	NXP uses controls and procedures to assess, monitor, and reduce the exposure of our employees to human health hazards. 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 generates a list of controls to limit risk. For example, personal protective equipment (PPE) and extensive training for our employees are 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. For more information, please see the "Health and Safety" section of the "Our Team Members" chapter of this Report.
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Reporting currency	In 2022, NXP did not incur monetary losses as a result of legal proceedings associated with employee health-and-safety violations.

[1] For this metric, High or Extremely High Baseline Water Stress is classified using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

APPENDIX C – 2022 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Code	Accounting Metric	Unit of Measure	NXP 2022 Response
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	(1) At the end of 2022, 3% of employees were foreign nationals. (2) At the end of 2022, the percentage of employees located offshore from NXP's country of domicile was 18% of our workforce in the Americas, 14% in EMEA, and 61% in APAC.
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%)	In 2022, ~21% of our finished-product portfolio contained IEC 62474-declarable substances. This percentage is based on the number of sellable parts, not revenue.
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Various, by product category	Metrics related to the energy-efficiency of a processor are not applicable to our business because NXP does not manufacture servers, desktops, or laptops.
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	n/a	See the "Product Stewardship" chapter, including the "Responsible Mineral Sourcing" section, of this Report. Also see the Responsible Minerals Sourcing webpage, which includes our Responsibly Sourced Minerals Policy, Conflict Minerals Reporting Template, and Conflict Minerals Report filed under Form SD with the US Securities and Exchange Commission.
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Reporting currency	In 2022, NXP did not incur monetary losses as a result of legal proceedings associated with anticompetitive-behavior regulations.

APPENDIX D – 2022 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

If emissions of greenhouse gases (GHGs) continue at current rates, global warming will accelerate. Temperature gains above 2 °C (relative to the pre-industrial period) would have catastrophic economic and social consequences.

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.

The TCFD structures their recommendations around four themes that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

2022 TCFD Index
Governance

Disclose the organization's governance around climate-related risks and opportunities.

a. Describe the board's oversight of climate-related risks and opportunities.	The Nominating, Governance, and Sustainability Committee of NXP's Board of Directors is responsible for reviewing the Company's policies and practices relating to significant issues of sustainability, environmental, social, and governance (ESG), and public issues of concern that affect investors and other key stakeholders, including climate-related risks and opportunities. The 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. A monitoring dashboard of top key performance indicators (KPIs) for our status on progress is reviewed on a quarterly basis. The Board and Board Committees consider climate-related issues when making decisions involving strategy, major plans of action, risk-management policies, annual budgets, and business plans. The Board and Board Committees consider climate-related issues when setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures. The Nominating and Governance Committee reviews and approves our carbon-footprint goals, strategy, roadmap, and budget. Please see our Nominating, Governance, and Sustainability Committee Charter for more details. Please see the "ESG Board Oversight" subsection of the "Board of Directors" section of the "Governance" chapter of this Report for more details.

APPENDIX D – 2022 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

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b. Describe management's role in assessing and managing climate-related risks and opportunities.	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. Climate-related risks and opportunities are included in the ESG and Sustainability function within the Company and are managed in the same way as other ESG matters. NXP's ESG Management Board, which is comprised of Management Team members and other senior leaders, oversees the implementation of ESG strategy and policy, and ensures appropriate resourcing. The ESG Management Board is chaired by our General Counsel and Chief Sustainability Officer, and supported by our Chief Financial Officer, Chief Strategy Officer, Chief Technology Officer, Chief Human Resources Officer, and Executive Vice President (EVP) of Global Operations. The ESG Management Board meets monthly to ensure our ESG performance is in line with our strategy and goals. The Nominating, Governance, and Sustainability 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. In addition to the ESG Management Board, NXP also has an Environment, Health, and Safety (EHS) Management Board, which includes members of the Management Team and other senior leaders. While the ESG and EHS Management Boards approve the strategy and targets, the Sustainability and EHS Corporate Teams focus on policies, goals, program development, and measurable improvement plans, all while monitoring and controlling operational functions.The Sustainability and EHS Corporate Teams meet regularly with the ESG and EHS Management Boards to discuss and review NXP's performance. The Sustainability and EHS Corporate Teams set targets, conduct annual self-assessments and third-party audits, ensure timely closure of corrective-action plans, monitor and control working hours and rest days, and conduct internal capacity-building. 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 Sustainability and EHS Corporate Teams. Please see the "Governance" chapter in this Report for more details.

APPENDIX D – 2022 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

2022 TCFD Index

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.	
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	While we discuss climate-related risks, we do not include all the risks that may ultimately affect NXP in this regard. We will conduct more in-depth scenario analysis and disclose subsequent 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. In 2022, NXP joined the SEMI Semiconductor Climate Consortium (SCC) as a founding member to contribute to and accelerate the semiconductor industry's efforts to reduce the emission of GHGs.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	

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 continue to include climate-related risks within these assessments, and within our Enterprise Risk-Management Program. We will expand on this in the future as we increase our understanding of how climate risks may impact our business. 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.

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b. Describe the organization's processes for managing climate-related risks.	Site and Corporate Business-Continuity Teams regularly review and update assessments of risks, including climate-related risks, and their associated action plans. We document high-priority risks and identify action plans to reduce the relative impact of those risks. Risk assessments and action plans 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, the ESG and EHS Management Boards, Business Continuity Teams, and other stakeholders is also incorporated into the risk assessments and action plans.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our disclosure of climate-related metrics provides current and historical information for analysis of our Scope 1, 2, and 3 emissions. In the "Environment" chapter of this Report, we include both absolute and normalized data to factor in our production index and align with our semiconductor peer group. Scope 1 emissions includes an in-depth, ten-year analysis of our emissions of perfluorinated compounds (PFCs), heat-transfer fluids (HTFs), fossil fuels, and N_2O. 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. Scope 1, 2, and 3 emissions metrics are used by NXP to ensure alignment with our climate-related strategy and risk-management process. All emissions are reported in alignment with the accounting standards of the GHG Protocol. In 2022, NXP adopted the 2019 Refinement to the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. Having adopted the 2019 Refinement, we have updated some of our historical data. As a result, the PFC emissions and, by extension, our Scope 1 emissions, differ from what were previously reported. To be specific, we now use IPCC 2006 Tier 2a for 2012 through 2020 PFC data and IPCC 2019 Tier 2c for 2021 and 2022 PFC data. We discuss water, energy, and waste with equivalent levels of detail. We make all environmental data available in this Report and/or on our website.

APPENDIX D – 2022 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

2022 TCFD Index

	GHG Disclosure	Unit	2019	2020	2021	2022
	Scope 1 GHG Emissions					
	PFCs	tCO_2e	288,566	217,326	346,299	**400,261**
	HTFs	tCO_2e	113,810	82,100	104,510	**62,499**
	Fossil Fuels	tCO_2e	41,862	41,819	44,229	**46,068**
	N_2O	tCO_2e	13,592	14,498	15,188	**15,956**
	Other Scope 1 Emissions	tCO_2e	688	720	777	**1,102**
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks.	**Total Scope 1 Emissions**	**tCO_2e**	**458,518**	**356,462**	**511,004**	**525,886**
	Scope 2 GHG Emissions					
	Total Manufacturing	tCO_2e	654,294	604,013	642,640	613,620
	Total Non-Manufacturing	tCO_2e	21,669	21,648	22,354	25,453
	Total Scope 2 Emissions (Market-Based)	**tCO_2e**	**675,963**	**625,661**	**664,994**	639,073
	Scope 3 GHG Emissions[1]					
	Product Transport	tCO_2e	23,682	24,577	20,153	**20,555**
	Business Travel	tCO_2e	13,008	1,258	1,288	**9,098**
	Total Scope 3 Emissions	**tCO_2e**	**36,690**	**25,835**	**21,441**	29,653

[1] Our Scope 3 emissions are currently limited to business travel and product transport. We continue to work with our supply chain to further quantify Scope 3 emissions.

2022 TCFD Index

c. Describe the targets used by the organization to manage climate-related risks and opportunities, and the organization's performance against these targets.	Our goal to be carbon neutral by 2035 presents multiple layers of complexity, given that we use renewable and non-renewable electricity, fossil fuels, PFCs, and HTFs. The picture becomes even more complex when we consider annual increases in semiconductor production which, in turn, increase our GHG emissions. In 2022, to keep ourselves accountable, we committed to aligning our targets with the Science Based Targets initiative (SBTi)are compiling data for SBTi validation and have identified the a number of mid-term goals. By 2027, our mid-term goal is to reduce Scope 1 & 2 absolute 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, another of our mid-term goals is to increase our renewable electricity 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. In 2022, the demand for our products increased 9% compared to 2021. That meant our electricity, PFC, and HTF consumption increased as well. However, due to conservation and reduction projects, our absolute Scope 1 & 2 emissions decreased 1% and our normalized Scope 1 & 2 emissions decreased by 9% compared to our baseline year, 2021. While a 9% production increase is significant, our ongoing efforts to conserve electricity, optimize our processes, increase renewable electricity use, upgrade tools, and install abatement equipment, resulted in a decrease for absolute and normalized Scope 1 & 2 emissions. In 2022, as part of our efforts to reduce our Scope 2 emissions and achieve our goal for renewable electricity, our renewable energy as a portion of electricity from the grid increased by 4 percentage points to a total of 35% renewable electricity for the company overall. We also have a mid-term goal to recycle 60% of wastewater by 2027. In 2022, we recycled 48% of wastewater, an increase of 1 percentage point compared to 2021, and an increase of 16 percentage points compared to 2012. Please see the "Goals" section of the "Environmental, Social, and Governance" chapter, and the "Emissions," "Energy," and "Water" sections of the "Environment" chapter of this Report for more details.

APPENDIX E – UNITED NATIONS GLOBAL COMPACT (UNGC)

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 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.

This policy and its resulting actions are regularly reviewed and updated to meet our stakeholders' needs.

Kurt Sievers
President and CEO, NXP Semiconductors

NXP Sustainability Policy, May 2020

APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

We strive to be transparent with our stakeholders regarding our carbon footprint, specifically how we determine what is and is not considered Scope 1 Emissions. Below is the list of chemicals we identify as Scope 1 Emissions, which are subsequently reported as Scope 1 in the "Emissions" section of the "Environment" chapter of this Report.

Scope 1 Chemical List of Emissions	Unit	2018	2019	2020	2021	2022
Perfluorinated Compounds (PFCs) in Tons CO_2e[1,2]						
C_2F_6	tCO_2e	122,836	57,284	37,599	43,836	**52,221**
CF_4	tCO_2e	162,521	123,419	91,538	117,939	**127,900**
CHF_3	tCO_2e	35,171	32,598	29,633	41,818	**45,564**
SF_6	tCO_2e	24,383	23,495	19,953	87,760	**103,255**
NF_3	tCO_2e	44,139	39,435	28,824	45,648	**60,553**
CH_3F	tCO_2e				14	**16**
C_3F_8	tCO_2e	30,410	2,746	2,968	1,385	**1,483**
C_4F_8	tCO_2e	7,451	9,521	6,396	7,518	**9,206**
C_4F_8O	tCO_2e	0	0	0	0	**0**
CH_2F_2	tCO_2e	33	62	21	152	**60**
C_4F_6	tCO_2e	466	0	380	225	**0**
C_5F_8	tCO_2e	1	6	14	4	**4**
Total PFCs	**tCO_2e**	**427,411**	**288,566**	**217,326**	**346,299**	**400,261**
N_2O Emissions in Tons CO_2e						
Total N_2O	**tCO_2e**	**15,115**	**13,592**	**14,498**	**15,188**	**15,956**

[1] We use IPCC 2006 Tier 2a for 2018 through 2020 PFC data and IPCC 2019 Tier 2c for 2021 and 2022 PFC data.
[2] The CH_3F compound is relevant to the IPCC 2019 Tier 2c standards that we use for 2021 and 2022 PFC data only, so we do not report this metric for 2020 and previous years.

APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

Scope 1 Chemical List of Emissions	Unit	2018	2019	2020	2021	2022
Heat-Transfer Fluids (HTFs) in Tons CO_2e						
R-22	tCO_2e	332	197	150	188	**181**
R-123	tCO_2e	27	22	32	5	**41**
R402A	tCO_2e	0	0	0	0	**0**
Pure HFCs						
R-134a	tCO_2e	1,399	766	2,505	3,258	**5,813**
R-23	tCO_2e	52	93	121	0	**19**
HFC Mixtures						
R-404A	tCO_2e	119	135	93	155	**49**
R-407C	tCO_2e	0	0	0	0	**0**
R-410A	tCO_2e	95	244	113	35	**0**
R-422D	tCO_2e	0	0	0	0	**0**
Perfluorocarbons						
FC40	tCO_2e	68,895	89,478	54,481	73,784	**34,096**

APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

Scope 1 Chemical List of Emissions	Unit	2018	2019	2020	2021	2022
Polyfluoroether Mixtures						
FC3283	tCO$_2$e	18,490	17,544	19,307	21,775	18,595
FC72	tCO$_2$e	0	0	0	0	0
FC770	tCO$_2$e	1	4	22	22	51
HFE7100	tCO$_2$e	1,027	931	675	801	388
HFE7200	tCO$_2$e	131	144	119	139	109
HFE7500	tCO$_2$e	42	51	109	67	128
Galden HT 80	tCO$_2$e	0	0	0	0	27
Galden HT 135	tCO$_2$e	0	682	610	318	477
Galden HT 200	tCO$_2$e	2,544	1,638	2,268	3,522	2,142
Galden HT 270	tCO$_2$e	510	810	480	0	180
Galden ZT 130	tCO$_2$e	0	0	0	0	0
Galden HT110	tCO$_2$e	599	791	804	231	203
Galden D02TS	tCO$_2$e	0	0	0	0	0
Galden PFS-2	tCO$_2$e	490	280	210	210	140
Total HTFs	**tCO$_2$e**	**94,751**	**113,809**	**82,100**	**104,510**	**62,638**

APPENDIX G – SCOPE 1 CHEMICAL LIST OF EMISSIONS

Scope 1 Chemical List of Emissions	Unit	2018	2019	2020	2021	2022
Emissions of Ozone-Depleting (ODP) and Non-ODP Substances in kg						
Halogenated or Chlorinated Hydrocarbons (Non-ODP) Used in Processes						
HFC-32 (CAS 75-10-5)	kg	0	0	0	0	0
HFC-41 (CAS 593-53-3)	kg	3	14	7	20	19
Non-ODP Refrigerants for Cooling Systems Such as Air Conditioning						
HFC-32 (CAS 75-10-5)	kg	0	0	18	133	69
HFC-41 (CAS 593-53-3)	kg	0	0	0	0	0
HFC-134 (CAS 359-35-3)	kg	52	40	40	41	0
HFC-134a (CAS 811-97-2)	kg	1,360	450	464	448	737
Ozone-Depleting Substances From Cooling Systems Such as Air Conditioning						
HFC-22 (CAS 75-45-6)	kg	60	32	8	8	56
HFC-123 (CAS 306-83-2)	kg	45	0	45.2	45	0
Total ODPs and Non-ODPs	**kg**	**1,520**	**536**	**582**	**695**	**881**

APPENDIX H – 2022 TOP 100 SUPPLIER LIST

We pursue mutually beneficial relationships with our suppliers and contractors. We support their commitment to observe applicable rules of law and encourage their ongoing efforts to improve ethical practices regarding business, the environment, and human rights. The NXP Top 100 Supplier List represents 98% of procurement expenditures in 2022 for materials, manufacturing, and assembly of our products worldwide.

2022 Top 100 Supplier List			
AAM	DUPONT	KENLY PRECISION	NGKED
ADVANCED ASSEMBLY MATERIALS	ENTEGRIS	KES	NIPPON MICROMETAL CORPORATION
AIR LIQUIDE	EPAK	KETECA	ON SEMI
ALLTEK TECHNOLOGY	FUJIFILM ELECT MATERALS	KINSUS INTERCONNECT TECHNOLOGY	PEAK
AMKOR	FUJIMI	KOSTAT	POWERCHIP
ARDENTEC	FURUKAWA	KOSTECSYS	PVS CHEMICALS
ASE	GLOBAL WAFERS	KYOCERA	RJR TECHNOLOGIES
ASMC	GLOBALFOUNDRIES	LEADING TECHNOLOGIES	SAMSUNG SEMICONDUCTOR
AST	HANA MICRON	LG INNOTEK	SENJU METAL
ATX	HDS	LINDE	SHANGHAI SIRUIXIN MATERIALS
BASS	HENDON	LINTEC	SHIN-ETSU
BEIFANG QITI CHANPIN	HENKEL	LINXENS	SHINKO ELECTRONICS
CHANG WAH ELECTRONICS	HERAEUS	MITSUI HIGH-TEC	SHOWA DENKO MATERIALS
CHIPBOND	HID	MOX GASES	SILTRONIC
CMC MATERIALS	HONEYWELL	MS SUN TECHNOLOGY	SK HYNIX
CPAK	IQE	MSSCHRAMBERG	SKYWORKS
DAEDUCK ELECTRONICS	ITW	MULTEK TECHNOLOGIES	SMIC
DALSA	JENTECH PRECISION INDUSTRIAL	MURATA	SOITEC
DATANG NXP SEMICONDUCTORS	JSR CORPORATION	NANYA	SPIL
DISCO	KENJI TECHNOLOGY	NEXPERIA	STATS CHIPPAC

APPENDIX H – 2022 TOP 100 SUPPLIER LIST

2022 Top 100 Supplier List			
STMICROELECTRONICS	TANAKA	TSMC	VERSUM
SUBTRON TECHNOLOGY	TCI	UMC	WENSON
SUMCO	TECHNIC	UMTC	WIN
SUMIKA	TFME	UTAC	WINBOND ELECTRONICS
SUMITOMO BAKELITE	TRIO-TECH	VANGUARD	WOLFSPEED

APPENDIX I – ACRONYMS AND ABBREVIATIONS

1 to 9	
12NC	12-Digit Numerical Code (NXP)
3TG	Tin, Tantalum, Tungsten, and Gold

A	
AI	Artificial Intelligence
AIM	Artificial Intelligence in Mobility Initiative (NXP)
AIP	Annual Incentive Plan (NXP)
APAC	Asia-Pacific
AR5	Assessment Report #5 (IPCC)
ASE	Architecture and System Engineering School (NXP)
ASE 1	Architecture and System Engineering School Basic (NXP)
ASE 2	Architecture and System Engineering School Advanced (NXP)
ATMC	Austin Technology and Manufacturing Center (NXP)
AusPREP	Austin Pre-Freshman Engineering Program (Huston-Tillotson University)

B	
BALT	Black Achievement Leadership Team (NXP)
BEPS	Base Erosion and Profit Shifting (OECD)

C	
CAHRA	Conflict-Affected and High-Risk Areas (EPRM)
CANIETI	Chamber of Electronics, Telecommunications, and Information Technologies (Mexico)
CAS	Chemical Abstracts Service
CC	Compensation Committee (NXP)
CC EAL	Common Criteria Evaluation Assurance Level
CDSP	Citizen Data Scientist Program (NXP)

CFO	Chief Financial Officer
cm	Centimeter
CMRT	Conflict Minerals Reporting Template (RMI)
CRT	Cobalt Reporting Template (RMI)
CSO	Civil Society Organization
CSRD	Corporate Sustainability Reporting Directive (EU)

D	
DCGC	Dutch Corporate Governance Code
DE&I	Diversity, Equality, and Inclusion (NXP)
DEFRA	Department of Environment, Food, and Rural Affairs (UK)
DIP	Dual In-Line Package
DL	Direct Labor
DLS	Distinguished Lecturer Series (NXP)
DSP	Digital Signal Processor

E	
EBTF	European Business Tax Forum
ECHA	European Chemicals Agency
ECO-Products	Environmental Compliance Organization for Products (NXP)
EHS	Environment, Health, and Safety
EICC	Electronics Industry Citizenship Coalition
ELV	End-of-Life Vehicle Directive (EU)
EMEA	Europe, the Middle East, and Africa
EMRT	Extended Minerals Reporting Template (RMI)
EPA	Environmental Protection Agency (US)
EPRM	European Partnership for Responsible Minerals
ERG	Employee Resource Group (NXP)

APPENDIX I – ACRONYMS AND ABBREVIATIONS

ERM	Enterprise Risk Management	
ESG	Environmental, Social, and Governance	
ESIA	European Semiconductor Industry Association	
ETI	Ethical Trading Initiative	
EU	European Union	
EV	Electric Vehicle	
EVP	Executive Vice President	

F

FCPA	Foreign Corrupt Practices Act
FPGA	Field-Programmable Gate Array
FRC	FIRST Robotic Competition (NXP)
FT	Full Time
FTE	Full-Time Equivalent

G

GAAP	Generally Accepted Accounting Principles (US)
GaN	Gallium Nitride
GBI	Global Business Initiative on Human Rights
GHG	Greenhouse Gas
GJ	Gigajoules
GRI	Global Reporting Initiative
GS&A	General, Sales, and Administrative
GSMA	Groupe Speciale Mobile Association

H

HC	Headcount
HEAT	Hispanic Education Awareness Team (NXP)
HFCs	Hydrofluorocarbons
HHV	High Heat Value
HR	Human Resources
HRCC	Human Resources and Compensation Committee (NXP)
HTFs	Heat-Transfer Fluids

I

IATF	International Automotive Task Force
IDL	Indirect Labor
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IITH	Indian Institute of Technology Hyderabad
ILO	International Labour Organization
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization of Standardization
ISO/IEC	International Organization of Standardization / International Electrotechnical Commission
IT	Information Technology
IWD	International Women's Day

J

JV	Joint Venture

K

kg	Kilogram
KPI	Key Performance Indicator

APPENDIX I – ACRONYMS AND ABBREVIATIONS

kTons	Kilotons	
kWh	Kilowatt Hours	

L		
LPG	Liquified Petroleum Gas	
LRQA	Lloyd's Registrar Quality Assurance	

M		
m	Meter	
ML	Machine Learning	
MOEA	Minister of Economic Affairs (Taiwan)	
MT	Management Team (NXP)	

N		
NASDAQ	National Association of Securities Dealers Automated Quotations	
NCC	Nominating and Compensation Committee (NXP)	
NCKU	National Cheng Kung University (Taiwan)	
NGC	Nominating and Governance Committee (NXP)	
NGO	Non-Governmental Organization	
NOV	Notice of Violation	
NOx	Nitrogen Oxides	
NSBE	National Society of Black Engineers (US)	
NTHU	National Tsing Hua University (Taiwan)	
NTU	National Taiwan University	
NXPI	NXP Semiconductors N.V.	
NYCU	National Yang Ming Chiao Tung University (Taiwan)	

O		
ODP	Ozone-Depletion Potential	
ODS	Ozone-Depleting Substance	
OECD	Organization for Economic Cooperation and Development	
OSHA	Occupational Safety and Health Administration (US)	

P		
PCI DSS	Payment Card Industry Data Security Standard	
PFAs	Polyfluoroalkyl Substances	
PFCs	Perfluorinated Compounds	
PFOA	Perfluorooctanoic Acid	
PFOS	Perfluorooctyl Sulfonates	
PM	Program Manager	
POP	Persistent Organic Pollutants (EU)	
PPE	Personal Protective Equipment	
PT	Part Time	

Q		
QFN	Quad Flat No-Lead Package	

R		
RBA	Responsible Business Alliance	
REACH	Registration, Evaluation, Authorisation, and Restriction of Chemicals	
RMAP	Responsible Minerals Assurance Process (RMI)	
RMB	Renminbi Currency (Mainland China)	
RMI	Responsible Minerals Initiative	
RoHS	Restriction of Hazardous Substances	

APPENDIX I – ACRONYMS AND ABBREVIATIONS

S	
SAI	Social Accountability International
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
SCC	Semiconductor Climate Consortium (SEMI)
SCIP	Substances of Concern in articles such as or In complex objects (Products) (EU)
SD	Specialized Disclosure Form for Conflict Minerals (RMI)
SDGs	Sustainable Development Goals (UN)
SEC	Securities and Exchange Commission (US)
SIA	Semiconductor Industry Association
SIL	Single In-Line Package
SoC	System on a Chip
SOx	Sulfur Oxides
SOX	Surbanes-Oxley Act (US)
SPA	Strategic Planning Alignment (NXP)
SRC	Semiconductor Research Consortium
SSMC	Systems on Silicon Manufacturing Company (Singapore)
STEM	Science, Technology, Engineering, and Math
SVHCs	Substances of Very High Concern
SVP	Senior Vice President

T	
TCFD	Task Force on Climate-Related Financial Disclosures
TCIR	Total Case Incident Rate (OSHA)
tCO_2e	Tons of CO_2 Equivalent
TEDA	Tianjin Economic-Technological Development Area (Mainland China)

TJU	Tianjin University (Mainland China)
TSCA	Toxic Substances Control Act (US)

U	
UDHR	Universal Declaration of Human Rights
UK	United Kingdom
UKBA	UK Anti-Bribery Act 2010
UN	United Nations
UNGC	UN Global Compact
UNHCR	UN High Commissioner for Refugees
US	United States
USD	US Dollar
UWB	Ultra-Wideband

V	
VAP	Validated Assessment Program (RBA)
VHTO	National Expert Organization on Girls in STEM (Netherlands)
VPP	Voluntary Protection Programs (OSHA)
VOCs	Volatile Organic Compounds

W	
WEEE	Waste Electrical and Electronic Equipment (EU)
WFD	Waste Framework Directive (EU)
WiN	Women in NXP
WiT	Women in Technology (NXP)
WRI	World Resource Institute
WSC	World Semiconductor Council
WSI	Water Stress Index (UN)

APPENDIX I – ACRONYMS AND ABBREVIATIONS

X

None

Y

YBK	Yayasan Basmi Kemiskinan/Poverty Eradication Foundation (Malaysia)
YIDC	Young Innovator Design Challenge (NXP)

Z

None

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements which include statements regarding NXP's business strategy, financial condition, results of operations, the expected material weakness in our internal control over financial reporting, including the timeline to remediate the expected material weakness, market data, as well as any other statements which are not historical facts. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include the following: market demand and semiconductor industry conditions; our ability to successfully introduce new technologies and products; the demand for the goods into which NXP's products are incorporated; potential impacts of the COVID-19 pandemic; trade disputes between the U.S. and China, potential increase of barriers to international trade and resulting disruptions to NXP's established supply chains; the impact of government actions and regulations, including restrictions on the export of US-regulated products and technology; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity to meet both NXP's debt service and research and development and capital investment requirements; our ability to accurately estimate demand and match our production capacity accordingly or obtain supplies from third-party producers to meet demand; our access to production capacity from third-party outsourcing partners, and any events that might affect their business or NXP's relationship with them; our ability to secure adequate and timely supply of equipment and materials from suppliers; our ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly; our ability to form strategic partnerships and joint ventures and to successfully cooperate with our alliance partners; our ability to win competitive bid selection processes; our ability to develop products for use in customers' equipment and products; the ability to successfully hire and retain key management and senior product engineers; the invasion of Ukraine by Russia and

resulting regional instability, sanctions and any other retaliatory measures taken against Russia, which could adversely impact the global supply chain, disrupt our operations or negatively impact the demand for our products in our primary end markets; and, the ability to maintain good relationships with NXP's suppliers. In case tax laws change, this could have an effect on our estimated effective tax rates. 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 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 date the statements were made. 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 or from the SEC website, www.sec.gov.