NXP

NXP Sustainability

2023

Corporate Sustainability Report



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Introduction

Presenting our Corporate Sustainability Report and 2023 performance



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Introduction: A Letter From Our CEO

NXP is on a journey to advance a better world and bring forward a brighter, better future through innovation. As a global technology company, we have a special role to play by pioneering solutions that help shape a more sustainable future.

From automotive to industrial, smart home to smart city, mobile to communications infrastructure, we develop innovative solutions that address major global needs. Below are just a few examples of smarter and more sustainable solutions that NXP announced in 2023.

2023 Solutions
Automotive – NXP's MC33775 Battery Cell Controller and FS26 System Basis Chip get more from EV batteries, with the MC33775 enabling smaller batteries with the same range and the FS26 saving energy with ultra-low power modes.
Smart City – NFC, UCODE and JCOP® ID 2 find new strengths in sustainability, with our NFC chips tracking product history and performance in the circular economy, UCODE ICs providing real-time data on food product freshness and location, and JCOP ID 2 advancing document security, enabling longer lifespans of identity documents.
Industrial Solutions – We announced a major MOU and agtech partnership using i.MX 8M Plus and the launch of MCX N series MCUs and i.MX 91 applications processors, which combine platform longevity with low power consumption. NXP's AI/ML solutions help predictive maintenance preserve resources in every industrial sector, while an MOU with Honeywell aims to optimize and secure energy use in commercial buildings. A partnership with Aigen and Au-Zone Technologies uses i.MX 8M Plus to help reduce pesticide use. Our new MCX N Series balances performance and power, with 42x faster ML on our eIQ® Neutron NPU, reducing power consumption, while the i.MX 91 applications processor family is set to meet the energy-efficient needs of new Linux®-based IoT and industrial applications.

In addition to our breakthrough technologies, NXP's commitment to sustainability is further underscored by our ongoing efforts to achieve carbon neutrality in our operations by 2035. In 2023, we continued to increase our use of renewable electricity and invested in technology to reduce harmful greenhouse gas emissions. We also remain focused on our water usage and continue to improve on our water recycling level.



Kurt Sievers

President and CEO
NXP Semiconductors

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We remain committed to making measurable year-on-year progress in many other areas as well. Here are just a few examples:

2023 Highlights

Board Refreshment and Evolution – Julie Southern was appointed Chair of NXP's Board of Directors, and is a member of the Board's Nominating, Governance and Sustainability Committee.

Sustainable Portfolio – In 2023, we developed an initial framework that allows us to quantify how our products enable a more sustainable world through innovation. We calculated the manufacturing carbon footprint of our products and have a better understanding of how they contribute to sustainability in use. This baseline guides our strategic portfolio choices and investments related to sustainability so we can focus on areas where NXP can truly make a difference.

Carbon Emissions – In 2023, we ramped up our efforts to reduce our carbon emissions, both through investing in technology to reduce the emission of greenhouse gases (GHGs) and by increasing the utilization of renewable electricity. For 2023, more than 39% of the electricity used to manufacture our products came from renewable sources, compared with 35% in 2022.

Diversity, Equality and Inclusion – In 2023, 88% of our managers completed unconscious bias training, creating more awareness about unconscious bias and enabling an inclusive environment. In progressing toward our aspirational 2025 representation goals, we increased the percentage of women in R&D roles to 20% – an increase of one percentage point over the prior year – and sustained the representation results from the prior year of women in our indirect labor (IDL) and executive populations.

Ethics and Compliance – In 2023, we published a standalone Anti-Bribery and Corruption Policy. Ethics and compliance topics were also included in the fourth cycle of our Winning Culture Survey. We had a favorability rating of 95% for a question related to NXP's commitment on ethical business practices, which was the highest scoring question on the survey.

Human Rights – Our focus on human rights extends beyond our sites to include the people who work in our supply chain. In 2023, we refreshed and updated our human rights management system to further reflect the objectives set in our Human Rights Policy and provide clear guidance on conducting human-rights due diligence across our value chain.

Health and Safety – Providing our team members with a safe and healthy work environment remains a top priority at NXP. In 2023, we established a global team to standardize ergonomics initiatives and reduce ergonomic injuries across the company. Furthermore, we created a team responsible for promoting a cohesive safety-awareness campaign. We also maintained our low injury rate of 0.10 (per 100 full-time employees/working hours), keeping us well below the semiconductor industry average.

NXP is committed to our ESG journey and dedicated to driving further advancements. We will continue to review our sustainability activities regularly to ensure that we are taking the appropriate actions to achieve our ambitious, long-term goals, which will require the ongoing dedication of all our team members, partners, customers and other stakeholders.

The future is not set in stone, and everyone has a role to play in shaping it. We are on this journey together, and although the road ahead may be challenging at times, the journey will be worth it if we can contribute to making a better, more sustainable world for generations to come.

Best regards,
Kurt Sievers

President and CEO
NXP Semiconductors



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Introduction: An ESG Message From Our Chief Sustainability Officer

The key to a more sustainable future is making continual progress. Progress in technology, innovation, representation, collaboration — all of which serve as the foundation of NXP's sustainability mission and strategy.

Our passion for progress stems from our unwavering belief in NXP's ability to create a better world and commitment to our global community. We develop solutions and design products aimed at major global needs, from energy efficiency and greener mobility to food security and secure communications. We also recognize our responsibility to help foster inclusion and protect human rights in the workplace.

In 2023, we increased our renewable electricity usage to 39%, up from 35% in 2022, and we continue to install abatement tools across our sites and upgrade or replace equipment to further reduce electricity and natural-gas usage — part of our ongoing efforts toward achieving carbon neutrality by 2035. For the first time, as part of our ongoing Climate Transition Plan, we determined our broader Scope 3 emissions and developed Scope 3 reduction targets, which are due to be validated by the Science Based Target initiative (SBTi) in 2024. In addition, we took a deep dive into our technology portfolio and roadmap, and developed a framework that establishes how our products enable a more sustainable world. This framework enables us to work closely with team members, partners and customers to help identify and focus on the areas where NXP can make the most difference.

Other ways we continued our ESG progress in 2023 included:

NXP published a new Biodiversity Policy, which contains various commitments to help us and our partners contribute to the protection of biodiversity. These commitments include conducting local risk assessments of our business operations and requesting that our business partners align with these biodiversity commitments. Furthermore, we pledge to base assessments of biodiversity on international guidance, such as the Taskforce on Nature-related Financial Disclosures (TNFD).

In 2023, we incorporated an environmental metric to NXP's Supplier Rating System, which is used to regularly assess supplier performance and inform sourcing decisions. This addition raises suppliers' awareness that their Scope 1 and 2 carbon emissions have a critical impact on NXP's sustainability goals.

We increased our Employee Resource Group (ERG) footprint by establishing two new chapters of "No eXtra Planet" in the United States and India along with two new chapters of our "Emerging Professionals / Young Community" ERG in France and India.

Looking Ahead

At NXP, we have the privilege to drive positive change and sustainable growth. We will remain steadfast in the pursuit of our sustainability mission, regularly reviewing our progress towards our goals to ensure that we are taking meaningful actions.

This mission also remains a guiding principle as we integrate sustainability in all aspects of our products — from definition to manufacturing — while staying true to our core values, which are built on a foundation of trust and respect.

Along with our global team members, I'm inspired by the work we have accomplished so far and energized to propel our journey forward.

Best regards,
Jennifer Wuamett



Jennifer Wuamett

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

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Introduction: 2023 ESG Highlights

Environmental

Assessed and Reported on All **Scope 3** Emission Categories

51% Water Recycled

24% Decrease in Absolute Scope 1 and 2 Emissions Since 2021 Baseline

39% Renewable Electricity Use

86% Waste Recycled

Published our First **Biodiversity** Policy

Social

20% Women in R&D Positions

70% of Team Members are Viewed as Highly Engaged

Improved Global Employee Voluntary Turnover to an **All-Time Low**

Established the NXP **Human Rights** Working Group

Conducted **Unconscious-Bias** Training for People Managers

Maintained a Low Total Case Incident Rate of **0.10**

Governance and Economic Impact

Certified as a **Great Place to Work** in China, India, Mexico and the US

100% Certified Conflict-Free 3TG Smelters

100% of Suppliers Signed the Supplier Code of Conduct Statement

Reviewed and Updated the NXP Human Rights **Due Diligence** System

50% of Board Directors have ESG Experience

Published a Standalone **Anti-Bribery** and **Anti-Corruption** Policy

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Introduction: 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 (UNGC) and align with the United Nations Sustainable Development Goals (SDGs).

Data presented in this Report covers the 2023 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 Annual General Meeting website.

Scope

The information and data in this Report covers our worldwide locations and joint ventures for which we have operational control. Environmental data includes owned, controlled and leased manufacturing sites, which accounts for the majority of our environmental footprint. Some environmental data includes non-manufacturing sites, which is specified in the relevant section.

Our reporting reflects the current size and scope of NXP's business lines, which have evolved over the years. For more information, visit our NXP History webpage.

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 and our Sustainability Stories magazine website, or you can contact our team directly at csr@nxp.com.



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Introduction: 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. In 2023, we consulted with all of the stakeholders in the following table to assess our ESG focus areas. For more information on this assessment, see the Approach section of our Sustainability Strategy chapter of this Report.

Stakeholder Engagement Process

	Stakeholder Group	Engagement Style	Purpose of Engagement	How Outcomes are Accounted For
External Stakeholders	**Civil Society Organizations / Non-Governmental Organizations (CSOs/NGOs)**	Dialogue, multi-stakeholder projects and conferences.	To align business and civil society's expectations on sustainability due diligence and collaborate to support affected stakeholders.	Update our policies and actions to include best practices that serve affected stakeholders.
	Customers	Conferences, customer product launches, trade shows and dedicated sustainability- or business-review meetings. Customer-satisfaction survey and review of customer ESG documentation.	Understand and align with customer expectations. Collaborate to create more sustainable products.	Comply with customer requirements and reduce the need for customer audits through alignment.
	Governments / Public Sector	Multi-stakeholder projects, meetings and conferences. Industry-association meetings.	Provide business/industry understanding on how relevant regulations will impact NXP and our stakeholders, so we can respond appropriately.	Update reporting and processes to comply with regulatory requirements.
	Industry Associations	Workgroup and meeting participation or leadership.	Share best practices among peers and stay aligned with industry expectations.	Update NXP's operations and plans with relevant industry codes and standards.
	Shareholders / Investors	Shareholder meetings, investor calls and conferences.	Align with investor expectations and priorities to add value to their initiatives and NXP activities.	Compile and share feedback with relevant teams when improvements are needed.
	Suppliers	Supplier due-diligence audits and surveys. Supplier review meetings.	Increase sustainability impact, including greenhouse-gas (GHG) emissions and performance, by encouraging cooperation throughout the supply chain.	Conduct supplier due-diligence audits, complete corrective action closures and coordinate initiatives. Scope 3 reduction activities.
Internal Stakeholders	**NXP Team Members**	Engage with team members through a variety of tools. Quarterly Pulse meetings, surveys, Employee Resources Groups (ERGs), town hall-style meetings, Innovation Summit and Growth Week.	To highlight and celebrate innovation within NXP. Gain insights into the priorities, concerns and suggestions of our NXP team members to help foster a culture of success and innovation, and to be recognized as a good employer and responsible social citizen.	Compile and summarize feedback from team-members for review by leadership. Leadership then chooses adjustments and improvements based on identified needs and priorities.
	NXP Sustainability Subject Matter Experts (SMEs)	Regular meetings. Working groups, surveys and projects.	Utilize the expertise of sustainability practitioners within NXP to improve our overall ESG Program.	Incorporate suggestions from sustainability SMEs as feasible and escalate to ESG Management Board as needed.

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The table below gives examples of how we engaged with internal and external stakeholders in 2023. Frequency and type of engagement varies by stakeholder group and is tailored to stakeholder requirements.

2023 Sustainability Stakeholder Engagement Results

Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Customers	Participated in conferences, customer product launches and trade shows, as well as regular business-review meetings and sustainability-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 as well as life-cycle analysis and carbon footprint of products.	Shared our mid- and long-term ESG/ Sustainability goals with our customers and provided updates on our sustainability/ ESG roadmaps. Signed sustainability agreements and responded to sustainability surveys. Continued to work on carbon-neutrality projects, including the increased use of renewable electricity. Continued working on Scope 3 reporting and setting up systems to report carbon foot-printing of products.
European Partnership for Responsible Minerals (EPRM)	Participated in member meetings, conferences and outreach meetings with governments and authorities. Provided input for the Governance Board.	Sharing of best due-diligence practices, greater understanding of actual conditions in mines and the mineral supply chain, along with ideas for improving those conditions.	Provided support to mine sites in Conflict-Affected and High-Risk Areas (CAHRAs) by financing “on the ground” projects. Provided information for case studies.
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.
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 in community engagement by visiting vocational schools in rural Indonesia to raise awareness on the rights of 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-sectoral setting.
Organisation for Economic Co-operation and Development (OECD)	Joined the Multi-Stakeholder Steering Group (MSG) for the Responsible Minerals Implementation Programme.	Challenges related to responsible mineral sourcing.	Provided guidance and support to operational aspects of the OECD’s Responsible Minerals Implementation Program.

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Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Responsible Business Alliance (RBA)	Attended monthly and quarterly calls as a Board member and an 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. Participated in expert panel discussions on Ethical Recruitment and ESG Reporting at the annual RBA Responsible Business Conference.
Responsible Labor Initiative (RLI)	Attended monthly workgroup meetings and, as a Board delegate, attended quarterly Steering Committee meetings. Supported the RLI in external stakeholder engagement and meetings and participated in expert panels at the annual RBA Responsible Business Conference.	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's practices at various forums organized by the RLI. Participated in external stakeholder engagement process organized by the RLI.
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. Discussed best practices within the industry.	Upgraded tools for new Conflict Minerals Reporting Template (CMRT) and updated Extended Minerals Reporting Template (EMRT). Verified best practices.
SEMI Semiconductor Climate Consortium (SCC)	Continued our ongoing engagement as a founding member of the Semiconductor Climate Consortium.	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. Participated in all five working groups, with particular focus on Scope 1, Scope 2 and Baselining and Ambition Setting. Supported adoption and publication of industry-wide ambition statements. Future focus on leveraging joint learning and accelerating the progress toward carbon neutrality.

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Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
Shareholders / Investors	Our Chairman and other members of our Board of Directors, individuals from our Management Team, including our Chief Sustainability Officer, and representatives from 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.	The Board of Directors reconfirmed our mid- and longer-term ESG goals and approved our 2023 Annual Incentive Plan (AIP) with the ESG scorecard. Continued to align with SBTi by assessing our Scope 3 emissions. 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.
Suppliers	Conducted supply-chain social-responsibility audits (all of which were onsite) and collaborated with industry peers through the Responsible Business Alliance Validated Assessment Program (VAP).	Top three supplier audit nonconformances: Freely Chosen Employment, Emergency Preparedness and Working Hours.	Continued to close Supplier Corrective Action Plans. Increased supplier training, with a focus on NXP's priority requirements and the top three nonconformances.
Team Members	Our annual Winning Culture Survey captures the sentiment of team-member engagement as it evolves. In 2023, NXP surveyed all NXP team members and additional categories and statements were added in the areas of innovation, growth, ethics and sustainability aligning with enterprise focus areas.	Ninety percent of NXP team members provided feedback in the 2023 Winning Culture Survey. Results were extremely positive, with the percentage of favorability for all categories above the 75th percentile technology benchmark. The largest category increases were in engagement and growth, with 70% of team members being highly engaged. Opportunity areas emerged around risk-taking, process effectiveness and team-member feelings of belonging.	Several initiatives were launched in 2023 to support feedback received from NXP team members, including a refresh of our onboarding process, increasing our ERG footprint by establishing new chapters, conducting Growth Week (described on our Team Member Engagement webpage) and holding an Innovation Summit. In early 2024, we plan to identify areas where risk-taking and process effectiveness can be improved.
UN Global Compact (UNGC)	Completed the new Communication on Process questionnaire on corporate action and performance related to the Ten Principles of the UN Global Compact and the Sustainable Development Goals.	Increased due diligence of environmental risks within the supply chain.	Continued to increase our efforts to engage 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.

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Stakeholder	Engagement	Feedback	Outcomes and Follow-Up
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. Conducted due-diligence exercises relating to the recruitment of migrant workers and the supply chain for migrant labor. Supported engagement with vocational schools and helped conduct awareness training for students in schools that are a recruitment source for migrant workers.	Continuous-improvement opportunities for supply-chain compliance and capacity-building. Increased transparency to the migrant-worker supply chain.	Continued to strengthen supply-chain compliance and supplier capacity-building while also advancing NXP's Auditable Standards for Social Responsibility. 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. Together with Verité, NXP provided training to the graduating class of vocational schools in Indonesian villages. The training focused on their rights as potential migrant workers. The school faculties welcomed the engagement activity.
World Semiconductor Council (WSC)	Chaired the Responsible Sourcing and the Health and Safety workgroups, and attended WSC meetings, several workgroup meetings and various expert calls.	Best practices for responsible sourcing of minerals and Health and Safety practices. Need for a follow-up of the voluntary perfluorinated compound (PFC) emission-reduction program. Discussed the industry-wide challenges of polyfluoroalkyl substances (PFAS) with governments and authorities.	Continued our application of best practices to advance our Health and Safety programs. Kept track of legal developments, including PFAS, and aligned with other industry initiatives. Published an update in the WSC joint statement.

Sustainability Strategy

Prioritizing ESG issues for a more sustainable world



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Sustainability Strategy: Overview

A lot has changed in the 17 years since our founding, in 2006. There is greater awareness, inside our company and throughout our stakeholder community, of how ESG can strengthen us as a corporation, hold us more accountable and make our business more transparent.

Our efforts to promote sustainability have yielded positive results. We've achieved reductions in emissions and now use more renewable electricity and recycle more of our water and waste than we did a decade ago.

Our commitment to sustainability goes beyond how we use resources like energy and water, by addressing how we treat people, too. We are committed to ensuring a safe and healthy workplace for our team members, and are proud to report our injury rates remain among the lowest in the industry.

On the topic of human rights, our Social Responsibility Team has helped guide our actions and decision-making for more than ten years. In 2023, we reviewed and updated the NXP Human Rights Due Diligence System, which provides clear guidance for conducting human-rights due diligence across the value chain of our business. Also in 2023, we formed the Human Rights Working Group – a cross-functional internal team with representatives from Legal, Human Resources, Procurement, Trade Compliance and the Sustainability Office – to develop a strategic plan for addressing the ongoing changes in regulatory requirements and stakeholder expectations as they relate to human rights.

We have grown considerably since 2006 and continue to align with new challenges and embrace new opportunities. Our current focus is on integrating sustainability initiatives into our business and leveraging the many technologies we develop to enable a more sustainable world.

We view the future with optimism, while maintaining a clear-eyed understanding of the challenges brought on by rapid technological change. We are confident that, by furthering our legacy of sustainable innovation, and continuing to apply our technologies in ways that help advance global sustainability, we can shape the future and inspire people, while also positioning ourselves for sustained success.

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.

NXP in Action

NXP Taiwan won first place in the ESG Integrated Performance/Foreign Enterprise/Excellent Category at the 19th Annual ESG Award Ceremony, organized by Global Views Monthly in 2023. The judges recognized NXP Taiwan for its sustainability strategy, low-carbon transition and performance across ESG topics. NXP Thailand was also the first runner up for the "Outstanding in Corporate Governance" Award.

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Sustainability Strategy: Approach

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 sustainability strategy.

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.

Green Innovation Bond

On April 29, 2020, NXP became one of the first semiconductor companies to issue a green innovation bond, raising $1 billion 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, 2021 for $1 billion and one on May 16, 2022 for another $1 billion. All the proceeds from these offerings are allocated to Eligible Green Projects defined in our Green Innovation Bond Framework, which aligns with the UN Sustainable Development Goals (SDGs). For each of our green innovation bonds, we have issued a corresponding report: 2020, 2021 and 2022.

ESG Focus Areas

In 2023, NXP updated our assessment to determine whether we are still prioritizing the most material sustainability topics[1]. Our assessment process included inputs from external and internal stakeholders as well as our executive management team. The assessment also includes industry-relevant sustainability standards, ESG rating reports, peer disclosures, research papers and other relevant documents related to impacts, risks and opportunities of the semiconductor industry.

The outcomes of the update didn't result in substantial changes to NXP's ESG focus areas. The following table includes the list of our priority topics.

Environmental	Social	Governance	Business
Climate-Change Mitigation and Emissions	Employee Health and Safety	Business Conduct	Sustainable Products
Energy Management	Human Rights	Corporate Governance	
Water Consumption and Efficiency			

[1] The terms "materiality" and "material" in this Report and other ESG and sustainability-focused disclosures differ from the same terms used in disclosures for securities or other laws.

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Sustainability Strategy: Approach

Sustainable Development Goals

Aligning with the applicable UN Sustainable Development Goals (SDGs) helps NXP create a foundation for shaping worldwide economic progress in harmony with social justice. NXP reports on the measures implemented for relevant goals and where our business model can contribute to realizing the goals. The following table lists where information related to the SDGs is located in this Report.



Ensure healthy lives and promote well-being for all at all ages

- Environment, Health and Safety: Health and Safety
- Team Members: Compensation and Benefits, Team-Member Retention
- Social Responsibility: Human Rights, Supplier Engagement
- Data and Indices: ESG Performance, SASB Index, TCFD Index



Ensure availability and sustainable management of water and sanitation for all

- Environment, Health and Safety: Environment Overview, Water
- Social Responsibility: Human Rights, Supplier Engagement



Ensure access to affordable, reliable, sustainable and modern energy for all

- Our Business: Sustainable Product Solutions
- Environment, Health and Safety: Environment Overview, Emissions, Energy
- Data and Indices: ESG Performance, TCFD Index



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Team Members: Overview, Team-Member Engagement, Diversity, Equality and Inclusion, Compensation and Benefits, Development and Growth, Future Talent, Team-Member Retention
- Social Responsibility: Human Rights, Supplier Engagement, Supplier Engagement



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Our Business: Sustainable Product Solutions



Make cities and human settlements inclusive, safe, resilient and sustainable

- Our Business: Sustainable Product Solutions



Ensure sustainable consumption and production patterns

- Our Business: Sustainable Product Solutions
- Product Stewardship: Environmental Product Compliance, Responsible Mineral Sourcing
- Environment, Health and Safety: Environment Overview, Waste, Hazardous Materials



Take urgent action to combat climate change and its impacts

- Our Business: Sustainable Product Solutions
- Environment, Health and Safety: Environment Overview, Emissions, Energy
- Data and Indices: Scope 1 Chemicals List, TCFD Index

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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 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

Environment

Carbon neutral by 2035[2]

Reduce carbon emissions by 35% in 2027 (2021 baseline) and achieve 50% renewable electricity[3]

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

Social

25% women in R&D by 2025

50% underrepresented minorities in our US workforce

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

[2] NXP's strategic approach is to reduce its Scope 1 and Scope 2 emissions by 2035 by prioritizing the implementation of technically and socio-economically feasible solutions. We intend to offset any remaining Scope 1 and Scope 2 emissions.
[3] We aim to achieve our renewable electricity goal through power purchase agreements, the use of unbundled renewable energy certificates (iRECs) and, in select cases, self-generation.

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Progress Toward Our ESG Goals

	Goals	Progress in 2023
Innovation	Design and manufacture technology that positively impacts the planet and society	We conducted a thorough review of the entire portfolio, in order to classify and assess how our products contribute to sustainability. As part of that process, we identified ways to design and manufacture technology so it has a positive impact on the planet and society.
	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 and greenhouse-gas (GHG) emissions.
Environmental	Carbon neutral by 2035[4]	We decreased our absolute Scope 1 and 2 emissions by 24% compared to our baseline year of 2021.
	Reduce carbon emissions by 35% in 2027 (2021 baseline)	We decreased our absolute Scope 1 and 2 emissions by 24% compared to our baseline year of 2021.
	50% renewable electricity by 2027	We used 39% renewable electricity, an increase of 4 percentage points compared to 2022, and an increase of 22 percentage points compared to 2014.
	60% of wastewater recycled by 2027	We recycled 51% of wastewater, an increase of 2 percentage points compared to 2022, and an increase of 15 percentage points compared to 2014.
	90% of waste recycled by 2027	We recycled 86% of waste, an increase of 3 percentage points compared to 2022, and an increase of 13 percentage points compared to 2014.
Social	25% women in R&D by 2025	There are 20% women in R&D, an increase of 1 percentage points compared to 2022.
	50% underrepresented minorities in our US workforce	There are 52% underrepresented minorities in our US workforce, an increase of 1 percentage points compared to 2022.
	Zero tolerance of forced labor and human-rights abuses	We increased the number of supply-chain due-diligence audits, and we reviewed and updated the NXP Human Rights Due Diligence Management System to reflect recent changes in the regulatory landscape for human rights and prepare NXP for further changes in this area.
	Zero workplace injuries	We maintained a low Total Case Incident Rate (TCIR) of 0.10, and remain well below semiconductor-industry averages.
Governance	Work with our supply-chain partners to reduce their environmental footprint	We surveyed our top-tier suppliers, to gauge their environmental footprints, and included their performance in our supplier rating to derive action plans.
	Integrate ESG into our business so we can foster ownership and accountability	We continued to drive the company wide ESG Program involving all functions and with clear roles and responsibilities, embedding sustainability in all the relevant areas of our business.

[4] By 2035, NXP will have implemented technical solutions to reduce its Scope 1 and Scope 2 carbon emissions. NXP intends to offset any remaining Scope 1 and Scope 2 emissions.

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Sustainability Scorecard for 2023

We believe that having a diverse workforce makes our operations stronger. We recognize that our operations have an impact on the environment and are committed to reducing that impact, by being good stewards of our planet and helping to create a more sustainable world.

Since 2022, so as to reinforce our corporate commitment to these ideals, we have added a sustainability component to our short-term Annual Incentive Plan (AIP). As part of this effort, our Human Resources and Compensation Committee (HRCC) introduced a sustainability scorecard, which contains multiple metrics intended to measure our year-on-year progress toward our long-term aspirations relating to people and the environment. We encourage all team members to participate in this progress and, as a result, have made the scorecard part of the AIP for all team members. The sustainability component has a weighting of 20% in our AIP.

The following table lists the goals identified in our 2023 annual sustainability scorecard, explains why we chose each goal and describes the progress we've made toward meeting each goal within the past twelve months.

2023 Sustainability Scorecard Goal	Why Chosen	Achievement	2023 Performance
Women Representation Increase women representation to 26.75% of overall indirect labor (IDL) population by year-end 2023	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 illustrate our commitment and make measurable progress, we established an aspirational goal for women representation of 30% by 2025 with interim milestones of achievement.	As of year-end 2023, women represented 25% of our indirect labor (IDL) population, which was below our target for the year. This result was impacted by significantly lower hiring activity than planned in 2023. Though we did not meet our intended target, we were able to grow the population of women in indirect labor by 5%, higher than the overall 3% population growth rate. Of those team members that we hired during 2023, 30% were women which was a year over year improvement.	**Not Achieved**
Retention Retain global team members at a rate of ≥90% worldwide by year-end 2023	Retention is crucial for both team members and NXP as it promotes stability and continuity within the organization, leading to increased innovation, productivity and efficiency. Retention also reflects a positive work culture and employee morale, as it demonstrates that NXP values and invests in our workforce, leading to higher job satisfaction and motivation.	Our 2023 retention rate was 93.5% globally, a marked improvement over previous years. This is a strong reflection of our focus on culture, growth, development and engagement.	**Achieved**
Well-Being Drive well-being strategy, network and tools focused on physical, emotional and financial well-being; design and implement team-member feedback survey to measure progress of well-being initiatives	At NXP, creating an innovation and growth culture means focusing on the personal growth of our team members from every perspective, including physical, mental, emotional and financial wellness. We aim to achieve this goal through our voluntary well-being program, which is uniquely designed to fit the personal needs and goals of our entire population.	We implemented a global well-being program at NXP focusing on team member well-being. Engagement in the program was higher than expected across all regions. Feedback was positive as measured by our Winning Culture Survey and above the external benchmark.	**Achieved**

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2023 Sustainability Scorecard Goal	Why Chosen	Achievement	2023 Performance
Reduce Carbon Emissions Reduce carbon emissions to ≤1,036 kTons CO_2e by year-end 2023 (Scope 1 and 2, IPCC 2006 standard)	Our roadmap to carbon neutrality includes annual emission-reduction targets to put NXP on a clearly defined path to reduce emissions in line with the goals of the Paris Agreement.	As of year-end, we exceeded our carbon emissions reduction goal and reduced our absolute carbon emissions to 842 kTons CO_2e (IPCC2006). This result was due in part to investments in equipment and processes related to reducing emissions. However, it was also impacted by lower than expected production levels. Considering the effect of unexpected lower production, the HRCC adjusted the scoring of this goal to target level of performance versus the above target performance that was achieved on an absolute basis, determining that target level performance was achieved, but not exceeded.[5]	**Achieved**
Renewable Electricity Increase use of renewable electricity usage to >39%	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. Renewable electricity is also an important component of our roadmap to carbon neutrality.	As of year-end, we achieved 39% usage of renewable electricity which is on target for this year. This achievement is driven by additional purchases of green electricity in 2023 in multiple manufacturing sites.	**Achieved**
Water Recycling Recycle an average 49.8% of water in manufacturing	We acknowledge water as an important part of our production processes and understand that, as a good steward, we should limit our use of water and seek to reuse it where possible. Since it's not currently technically feasible to drastically reduce the amount of water we use in manufacturing, we focus instead on increasing our recycling rate, so we use less incoming water.	As of year-end, we recycled 51% of the water we used as a result of projects initiated across our sites to reach our 2027 target.	**Achieved**
Sustainable Technology Set a baseline for NXP's sustainability product portfolio by establishing the level of eligibility according to EU taxonomy of at least 80% of the NXP portfolio and mapping against the NXP sustainability framework	One of the key pillars of NXP's sustainability strategy is our product portfolio. Going forward, NXP will need to provide a quantifiable measure of how our products impact sustainability objectives and how we invest our capital and operating expenditures regarding sustainability.	We were successful in evaluating our products for their sustainability contribution, however it was not completed by year end. Additionally, product portfolio mapping to the EU taxonomy was slightly below the 80% target.	**Not Achieved**

[5] For the year 2023, this metric includes our Scope 1 and 2 emissions using the Intergovernmental Panel on Climate Change (IPCC) 2006 methodology. For all other reporting and our future goals, we use the IPCC 2019 methodology.

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Roadmap to Carbon Neutrality

Our goal to be carbon neutral by 2035 presents multiple layers of complexity, given that we use renewable and non-renewable electricity, fossil fuels, perfluorinated compounds (PFCs) and heat-transfer fluids (HTFs). The picture becomes even more complex when we consider increases in semiconductor production which, in turn, increase our GHG emissions. In 2022, we committed to setting Science Based Targets (SBTs). We compiled the required data and defined the targets in 2023, and will begin the validation process with Science Based Targets initiative (SBTi) in 2024.

By 2027, our mid-term goal is to reduce Scope 1 and 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 reductions in emissions. We have a solid roadmap in place for achieving our mid-term, 2027 goals. Our ability to achieve our 2035 goal will depend on the availability of renewable electricity in some of the countries where we operate, so we can reduce our Scope 2 emissions further, and on the effectiveness of the technical solutions we plan to implement to reduce our Scope 1 emissions.

We take a three-pronged approach to carbon reduction: 1) reduce, remove or replace chemicals with a high global-warming potential (GWP) in our manufacturing processes, 2) lower our absolute and normalized energy consumption and 3) execute our carbon-free energy transition plan. This approach helps us achieve carbon neutrality while reducing or even eliminating our carbon offsets in the future.

In 2024, we will continue to prepare for the EU Corporate Sustainability Reporting Directive (CSRD), including the requirement that we publish a Climate Transition Plan. We intend to publish a Climate Transition Plan consistent with CSRD requirements no later than 2026. As part of our Climate Transition Plan, we have set goals for our Scope 3 emission reduction initiatives and plan to have our climate goals validated by the SBTi in 2024. This process is underway and the outcome is necessary to finalize a Climate Transition Plan. Our progress will be reported in future Reports.

Scope 1 and 2 Key Decarbonization Levers		
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 and Purchase 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	

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

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Our Sustainability 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. NXP has had third-party consultants with ESG and sustainability expertise present to the Board of Directors to help the Board make business decisions that best align with sustainable development.

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. Specific aspects of ESG oversight are delegated to the Audit and Human Resources Compensation Committees for ESG matters within their core areas of expertise.

- **Nominating, Governance and Sustainability Committee** – Oversight of policies and practices relating to significant ESG issues
  - Oversee policies and practices related to climate and sustainability initiatives
  - Review sustainability initiatives and goals including progress toward achieving those goals
  - Review and approve the annual Corporate Sustainability Report as well as other ESG-related reports requiring Board-level oversight
  - Review stakeholder feedback related to sustainability on an annual basis

- **Audit Committee** – Oversight of financial disclosure processes and controls, and internal and external assurance over ESG reporting
  - Oversee disclosure controls and procedures over ESG disclosures and any assurance being provided by independent auditors
  - Ensure NXP prepares appropriately for legislative and regulatory developments affecting ESG reporting in financial reports

- **Human Resources and Compensation Committee** – Oversight of human-capital policies and programs, DE&I and compensation, including the alignment of ESG goals to incentive-pay programs
  - Oversee alignment of Sustainability Strategy with compensation programs
  - Select from goals identified as strategic ESG goals by the Nominating, Governance and Sustainability Committee
  - Incorporate ESG goals into compensation programs and design such programs, if relevant

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, together with and under the supervision of NXP's Board of Directors, are responsible for implementation of NXP's sustainability strategy, policies and goals.

NXP's ESG Management Board, which is comprised of Management Team members and other senior leaders, oversees the implementation of sustainability 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 Chief Operations and Manufacturing Officer. The ESG Management Board meets regularly to ensure our ESG performance is in line with our strategy and goals.



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Sustainability Strategy: Governance

NXP ESG Governance Model

Board of Directors
Ultimate ESG Oversight

↓

Management Team ESG Management Board
Chaired by Chief Sustainability Officer

↓

NXP ESG Program

Eight Pillars of NXP's ESG Program

- Sustainable Manufacturing
- Supplier Management
- People
- Strategic Business Model
- Reporting
- Customers
- Brand and Reputation
- Governance

Our Business

Advancing a better, safer and more sustainable world



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Our Business: Overview

Advancing a Better, Safer and More Sustainable World

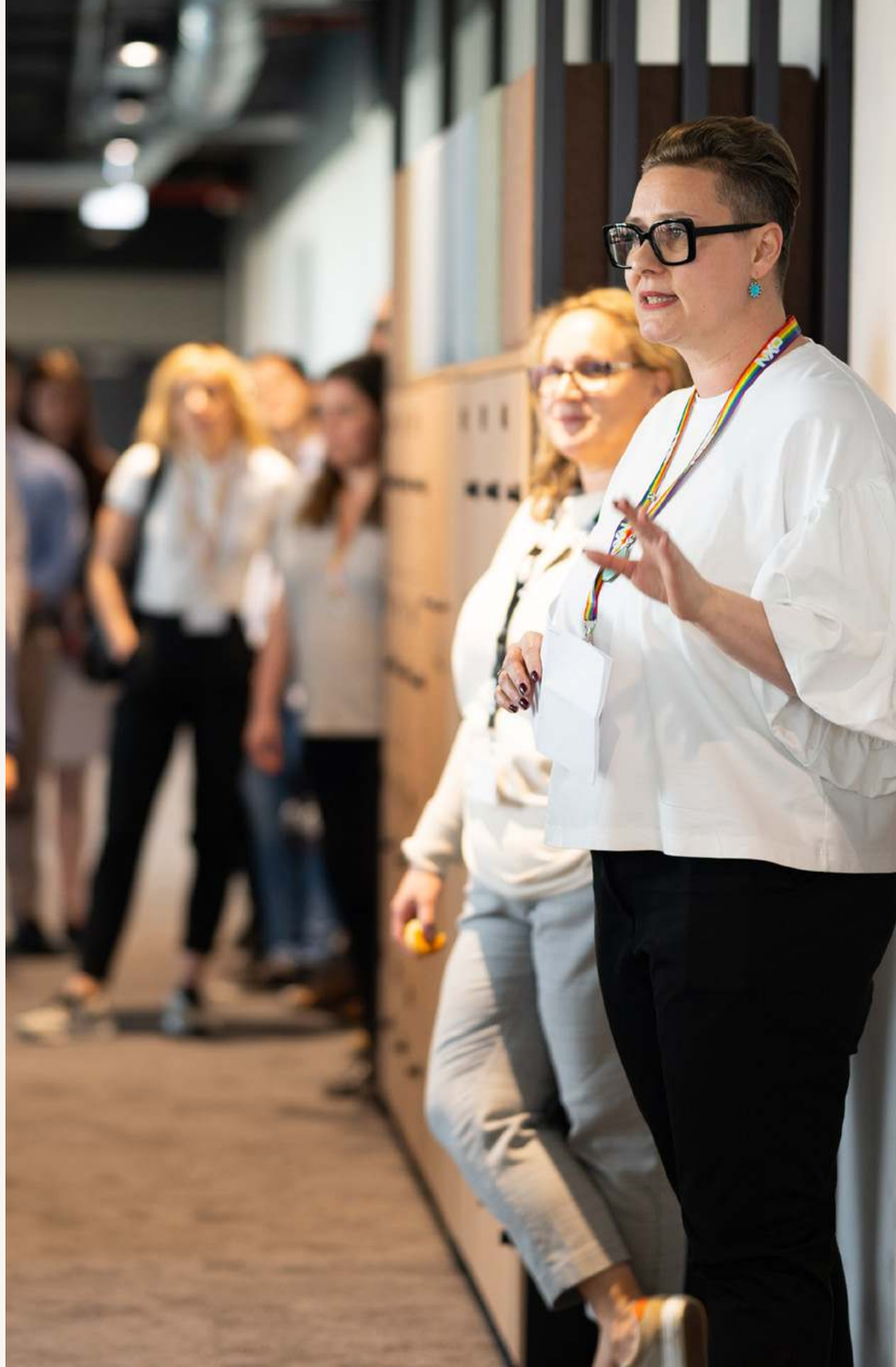
NXP is pushing boundaries and building solutions that advance the capabilities of people, organizations and the world at large. We design purpose-built, rigorously tested technologies that enable devices to sense, think, connect and act intelligently to improve people's daily lives.

+60	~34,200	+30	$13.28 B	~9,500
Years of Combined Experience and Expertise	Team Members	Countries Worldwide	2023 Revenue	Patent Families Owned

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 the range of batteries used by electric vehicles (EVs) or optimize commercial energy use, 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.



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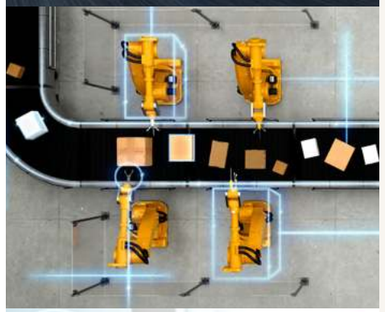
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End Markets



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**

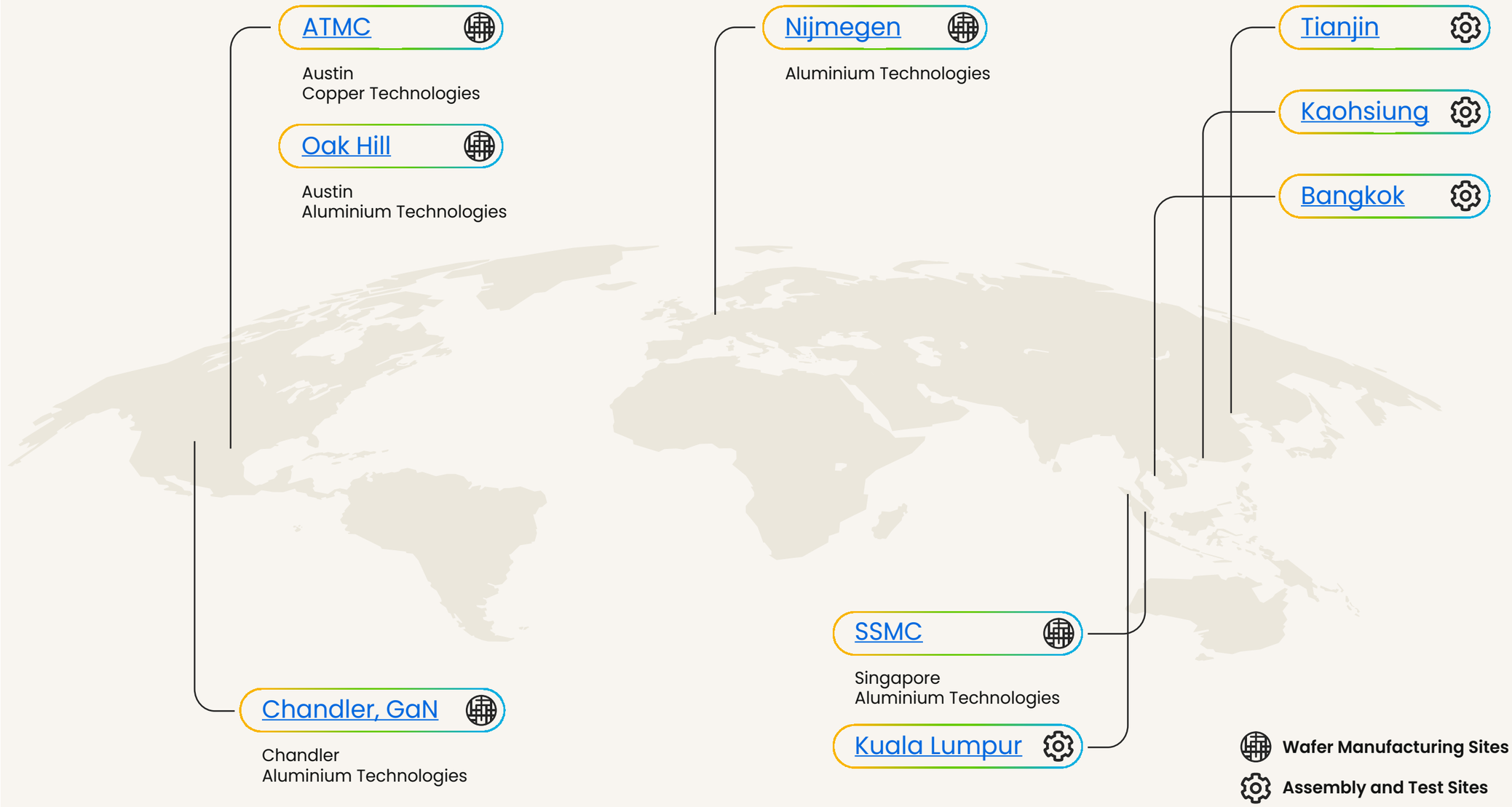
Everything safe and secure

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.

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Our Business: Total Quality

LRQA Certified **ISO 9001**	**ANAB** ANSI National Accreditation Board Accredited **ISO/IEC 17021-1** Management Systems Certification Body	**LRQA** Certified **IATF 16949-2016**

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. See the Quality Certifications website for more details.

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

Total Quality Vision
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 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.



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Our Business: Sustainable Product Solutions

Product Portfolio

Over the past twelve months, we conducted a thorough review of the entire portfolio, with the aim of classifying and assessing each NXP product on its contribution to environmental sustainability. The review helped us perform a baseline analysis of the portfolio and will help guide our strategy for future portfolio choices and investments. As part of the review, we considered the portfolio features and criteria that will support sustainability while also meeting our company's growth vectors, brand and purpose. Our Sustainable Portfolio framework also takes into account the EU Taxonomy Regulation, which classifies economic activities in terms of their sustainability. As a result, the NXP Sustainable Portfolio includes an initial assessment of the potential economic activities that are relevant to us and demonstrates our commitment to designing and manufacturing environmentally friendly products.

2023 Product Solutions

At the core of our solutions is our commitment to our global community. We understand that smart, 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 in battery management, power conversion and distribution, which helps prolong the EV range and extend the useful lifetime of EV components.

High-precision measurements in NXP's MC33775 Battery Cell Controller enable automakers to safely charge and extract more power from EV batteries. Announced in 2023, this solution allows automakers to use fewer resources by designing in smaller batteries that achieve the same range.

The FS26 System Basis Chip, part of an extensive power-management IC family also announced in 2023, provides ultra-low power modes and advanced system wake-up mechanisms to safety-critical applications, which can save energy in EV applications while keeping everyone safe on the road.

NXP provides EV solutions that are used throughout the electric powertrain, and our connected EV system solutions put carmakers on the fast track to building greener innovations. Our EV solutions are designed to help improve energy management, range and efficiency, and to enhance safety through software updates that are seamlessly connected to the cloud and delivered directly to the vehicle.

Smart Home – Enabling Little Actions for Big Impacts

In 2022, we introduced 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 and access-management solutions. With MIFARE 2GO, transit agencies also benefit from reduced cash handling, decreased card lifecycle management (less paper and plastic) and lower infrastructure costs, while offering time savings for passengers. Public and private institutions can also increase safety by controlling access.

At the edge of the network, in the IoT, our sustainable technologies help promote energy efficiency. Our Green IoT innovation enables smart farming, so it takes less energy to grow larger quantities of quality agricultural 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.

We're also working with other technology leaders to support the EU's plan for products that are more environmentally sustainable and support circular economies. For example, our NFC chips are used to generate product histories and performance

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Our Business: Sustainable Product Solutions

logs that are readily and securely accessible to manufacturers, consumers and recyclers, to help businesses, consumers and authorities make better, more informed purchasing and recycling decisions.

Labels with our UCODE ICs can provide real-time updates on a given food product's location, within the supply chain or in retail outlets. This data, combined with intelligent algorithms that estimate trends in demand, can help suppliers avoid the kinds of overproduction and overstocking situations that lead to food waste.

Our JCOP® ID 2 secure eID solution is designed to help make personal identity documents more secure, while also complying with the most recent governmental requirements and supporting future changes. The JCOP ID 2 solution includes advanced security features designed to help governments protect the lifespan of personal identity documents.

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. We recently signed a Memorandum of Understanding (MOU) with Honeywell to help optimize the way commercial buildings sense and securely control energy consumption.

Partnering with Aigen, an agtech firm, and Au-Zone Technologies, a company specializing in embedded technologies and computer vision, we are testing a solar-powered, medium-sized robotic platform for weed detection and management. The aim is to reduce the use of pesticides and improve the efficiency of farms. NXP's i.MX 8M Plus solution is being used to analyze high-resolution data from cameras, mounted on farm equipment, to identify weeds.

We also recently announced our i.MX 91 applications processor family. Built on more than two decades of leadership in developing multi-market applications processors, the i.MX 91 family delivers the energy-efficient performance required for the next generation of Linux®-based IoT and industrial applications.

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

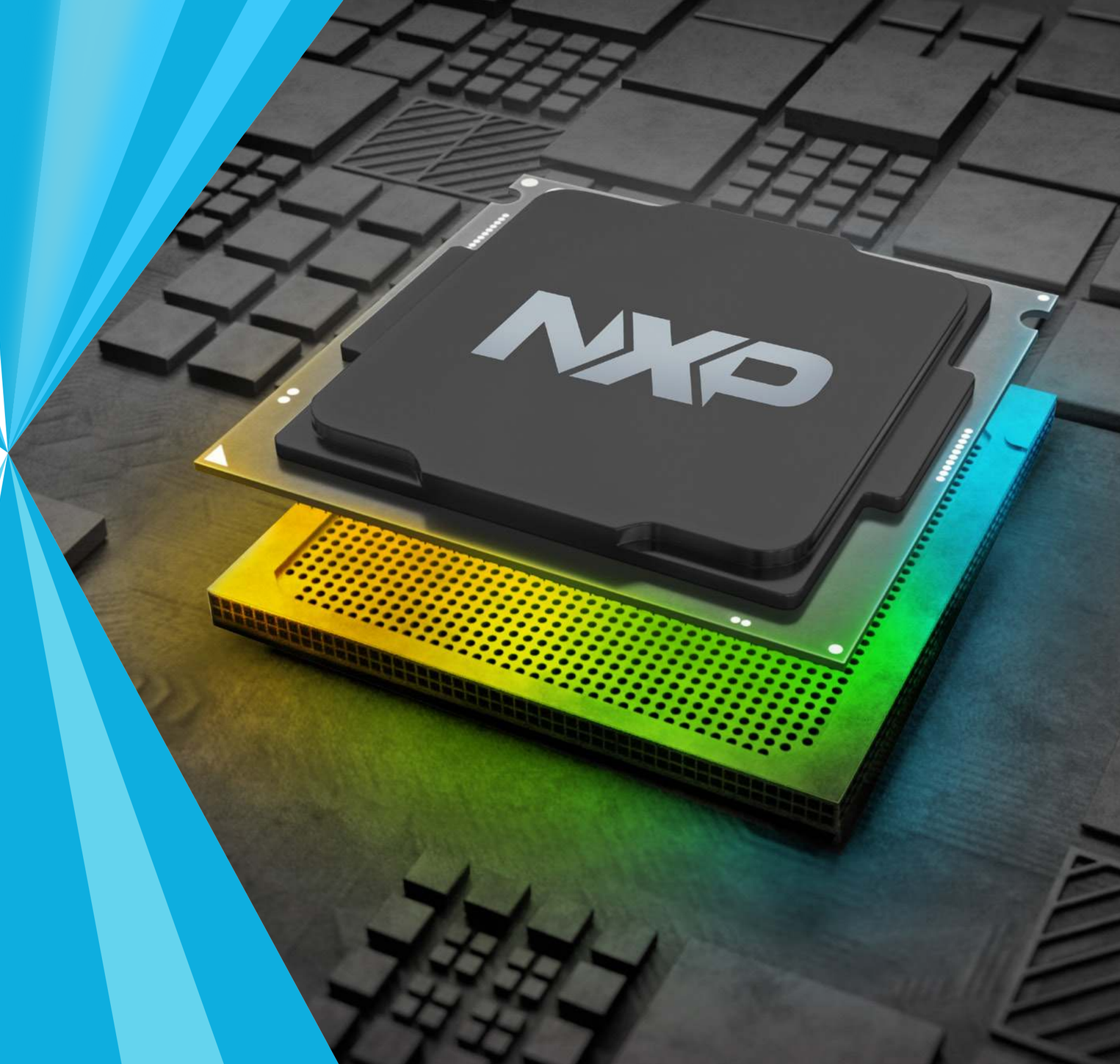
When it comes to addressing environmental and social challenges, the importance of data cannot be overstated. Seamless data management is crucial to solving these challenges – from tracking progress to evaluating impacts and making informed predictions. Building on our deep technological expertise, we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

Product Stewardship

Minimizing the environmental and social impact of each product we design and produce



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Product Stewardship: 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 in this area.

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

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Product Stewardship: Environmental Product Compliance

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. An 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 53 notifications, covering about 4,000 products, to the SCIP database. These products appear in the public ECHA SCIP Database.

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. Learn more at our Environmental Certifications website.



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Product Stewardship: Environmental Product Compliance

Environmental Product Compliance Performance

EU RoHS-Compliant Products

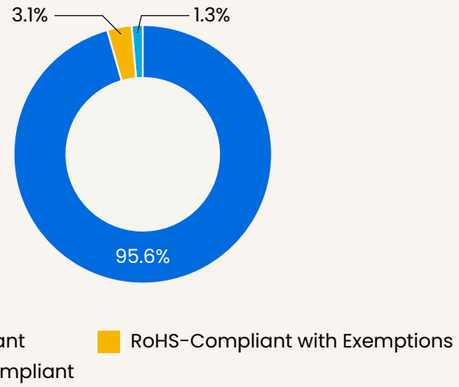
NXP's RoHS-compliant semiconductor devices contain no more than 0.1% lead (Pb) by weight per homogeneous material, unless exempt by the EU Restriction of Hazardous Substances (RoHS) Directive (2011/65/EU).

NXP's Pb-free initiative commits to the removal of lead (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 parts that contain Pb for those who require it. Our customers who use NXP's Pb-containing components 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.

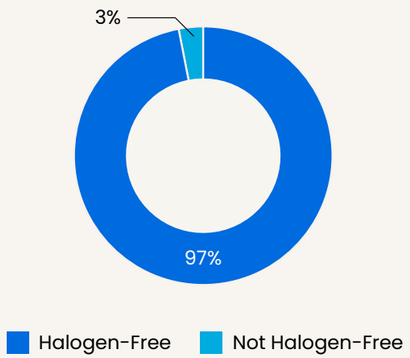
Halogen-Free Products

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].

2023 RoHS Product Portfolio



2023 Halogen-Free Product Portfolio





[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.

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Pb-Free and Halogen-Free Products

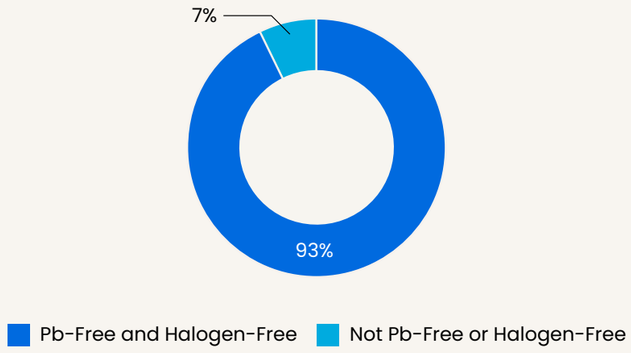
We offer products that are Pb-free (also known as lead-free) and halogen-free because we believe it is important to develop eco-friendly products and integrate environmental safety aspects into the life-cycle of product development.

EU REACH Products

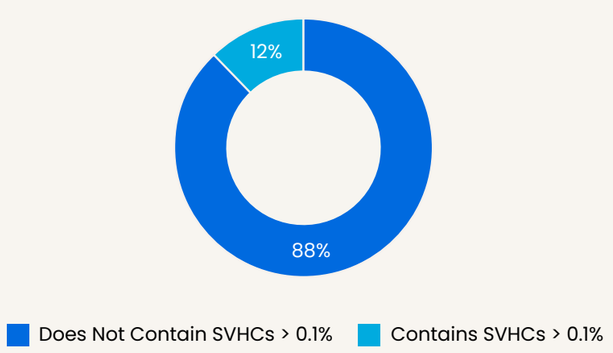
NXP products do not contain EU REACH SVHCs except where noted in the appendix of our 2023 EU REACH Statement, which lists the materials in our products that may contain substances in excess of 0.1% by weight.

Together with our suppliers, we identified eight 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 12% of our product materials[2].

2023 Pb-Free and Halogen-Free Product Portfolio



2023 REACH SVHCs in Product Portfolio



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.

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Product Stewardship: Responsible Mineral Sourcing

Responsible Mineral Sourcing Goal

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

Responsible Mineral Sourcing Performance

100%
Certified Conflict-Free 3TG Smelters[3]

Collection and Reporting of **Cobalt Smelters** using the Extended Minerals Reporting Template (EMRT)

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 nonconformant 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.

[3] This data point is reported annually and primarily reflects the 2023 calendar-year data. However, unlike most of the data in this Report, it does not align with the 2023 calendar year (January 1 to December 31), but aligns instead with our Conflict Minerals Specialized Disclosure Form (Form SD) and Conflict Minerals Reporting Template (CMRT) filing.

Since 2017, the systems and processes we have put in place drive our supply-chain to be Conflict-Free. 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 our 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 Co-operation 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. We remain a strategic partner and participate in EPRM activities.

To learn more about NXP's Responsible Mineral Sourcing Policy and to access reports that include our Conflict Minerals Reporting Template (CMRT), our Extended Minerals Reporting Template (EMRT) and our Conflict Minerals Specialized Disclosure Form (Form SD), please visit our Responsible Minerals Sourcing website.

Environment, Health and Safety

Optimizing and improving our environmental, health and safety performance



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Environment, Health and Safety: Management

Certification

In accordance with criteria from the International Organization of Standardization (ISO), our Environment, Health and Safety (EHS) management system is certified to both ISO 14001 and ISO 45001 at all our manufacturing sites as well as our headquarters. All of the manufacturing sites are audited both externally and internally for third-party certification. Our non-manufacturing sites follow our internal procedures related to Environment, Health and Safety and are also periodically audited based on local regulations and according to our internal standards.

Governance

Our EHS Management Board is responsible for environmental management, including strategy, approval and resourcing. The EHS Management Board is chaired by the Chief Operations and Manufacturing Officer and supported by senior leaders in business lines and staff functions. The Board defines the development, approval, purpose, value, strategies, policies, goals and metrics used to gauge the success of each plan.

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, health and safety impacts and risks worldwide.

Our EHS Team performs formal reviews with management at all our manufacturing sites on a monthly basis, to examine data, discuss the progress of improvement projects and set expectations for the next period. 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.

Risk Assessments, Self-Assessments and Audits

Risk Assessments

Environmental 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 impacts using programs, procedures and engineering controls.

Health and Safety 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

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, health and safety 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. During annual EHS self-assessments, each site completes a checklist that evaluates the Management System elements of the ISO 45001 and ISO 14001 standards. To address issues, each site creates a corrective action plan and closes out the nonconformances accordingly.

Audits

The EHS and Social Responsibility Teams use external audit firms to conduct internal EHS audits. These selected firms are experts in the standards for EHS Management Systems and NXP Social Responsibility Standards. 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 2023, NXP successfully completed all the required surveillance measures at three sites and our corporate headquarters, in accordance with the ISO 14001 and ISO 45001 standards. At all of the audited sites, LRQA audited 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.

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Environment, Health and Safety: Management

We take Notices of Violations (NOVs) seriously. We work quickly to identify corrective actions and take steps to minimize the chance of reoccurrence. In 2023, we received one NOV for a minor infraction resulting in a fine less than $1,000. We resolved the infraction quickly, and otherwise maintained an exceptional compliance record.

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 the environment. This includes job- 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, chemical management and safety, emergency response, ergonomics, shipping of hazardous materials and other topics related to the environment, health and safety. 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. We completed over 99% of our safety-training programs in 2023.

Validation

NXP's data-management system tracks and calculates our environmental, health and safety performance at each manufacturing site. On a quarterly basis, the EHS Teams validate 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 the current reporting period
- Determine whether changes in data are significant
- Seek explanations for any significant data changes
- Compare related data (e.g., number of illnesses and injuries versus lost workdays)
- Investigate significant events

The EHS Teams at each manufacturing site meet regularly with the senior manufacturing management to review performance, the progress of improvement projects and expectations for each project milestone. 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.

When the data from prior reporting years exceeds a 2% change in total values, we will restate values and give an explanation in the related section. We have revised the 2021 and 2022 N_2O values in the Scope 1 Chemical List to align with adoption of the 2019 Refinement Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. For more details, see the Emissions section in this Report. Otherwise, there are no restatements in this 2023 Report.



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Environment, Health and Safety: Environment Overview

Long-Term Environmental 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 Mid-Term Environmental Goals

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

50%
Renewable Electricity Use

60%
of Wastewater Recycled

90%
Waste Recycled

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

2023 Environmental Performance

24%
Decrease in Absolute Scope 1 and 2 Emissions since 2021 Baseline

39%
Renewable Electricity Use

51%
Wastewater Recycled

86%
Waste Recycled

Assessed and Reported on All Scope 3 Emission Categories

As an environmentally responsible manufacturer committed to continuous improvement, we strive to optimize our use of natural resources, emissions to the environment and achieve operational efficiencies. To support these objectives, we maintain and implement an environmental management system. Key environmental principles are embedded in our Sustainability Policy.

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Environment, Health and Safety: Environment Overview

Biodiversity

NXP is committed to protecting and preserving biodiversity in our operations and business relations. As a practical step, we've adopted a dedicated Biodiversity Policy in 2023, where we introduce new measures that include the following:

- Local risk assessments to assess potential adverse impacts on biodiversity.
- Request to all business partners to establish a biodiversity policy and consider local biodiversity assessments, as part of NXP's Supplier Code of Conduct.
- Commitment to better understand NXP's biodiversity and nature-related dependencies, impacts, risks and opportunities based on international guidance such as the Taskforce on Nature-Related Financial Disclosures (TNFD).

In addition, we continue to support and encourage activities that help address the ongoing climate and biodiversity crisis through our corporate sponsorships and exemplary team-member volunteerism.





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Environment, Health and Safety: Emissions

Long-Term Emissions Ambitions

Carbon Neutral by
2035

Collaborate with our Suppliers on Their **Environmental Footprint**

2027 Mid-Term Emissions Goal

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

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

2023 Emissions Performance

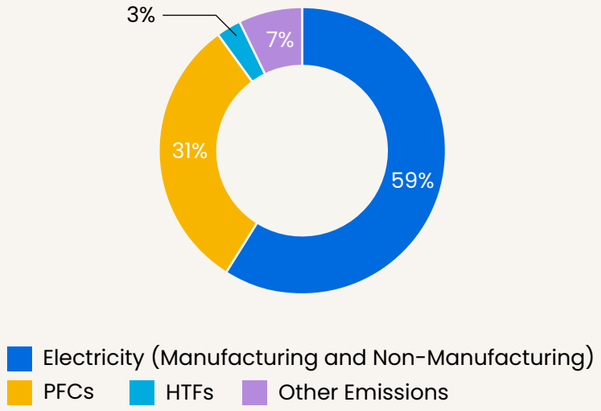
24%
Decrease in Absolute Scope 1 and 2 Emissions Since 2021 Baseline

Assessed and Reported on All Scope 3 Emission Categories

As semiconductor technology evolves, manufacturing processes become 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, may translate to an increase in emissions. We work to offset this by continually optimizing our processes and increasing abatement of process emissions.

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

2023 Scope 1 and 2 Greenhouse Gas Emissions by Type



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Environment, Health and Safety: 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.[1] The picture becomes even more complex when we consider increases in semiconductor production which, in turn, increase our GHG emissions. In 2022, we committed to setting Science Based Targets (SBTs).[2] We compiled the required data and defined the targets in 2023, and will begin the validation process with Science Based Targets initiative (SBTi) in 2024.

By 2027, our mid-term goal is to reduce Scope 1 and 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 reductions in emissions. We have a solid roadmap in place for achieving our mid-term, 2027 goals. Our ability to achieve our 2035 goal will depend on the availability of renewable electricity in some of the countries where we operate, so we can reduce our Scope 2 emissions further, and on the effectiveness of the technical solutions we plan to implement to reduce our Scope 1 emissions.

In 2024, we will continue to prepare for the EU Corporate Sustainability Reporting Directive (CSRD), including the requirement that we publish a Climate Transition Plan. We intend to publish a Climate Transition Plan consistent with CSRD requirements no later than 2026. As part of our Climate Transition Plan, we have set goals for our Scope 3 emission reduction initiatives and plan to have our climate goals validated by the SBTi in 2024. This process is underway and the outcome is necessary to finalize a Climate Transition Plan. Our progress will be reported in future Reports.

Scope 1 and 2 Key Decarbonization Levers		
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 and Purchase 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	



[1] NXP's strategic approach is to reduce its Scope 1 and Scope 2 emissions by 2035 by prioritizing the implementation of technically and socio-economically feasible solutions. We intend to offset any remaining Scope 1 and Scope 2 emissions.
[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

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Environment, Health and Safety: Emissions

Carbon Footprint

2023 Absolute Emissions Performance

Scope 1 and 2 Emissions

23%
Decrease from 2022

24%
Decrease from 2021 Baseline

42%
Decrease from 2014

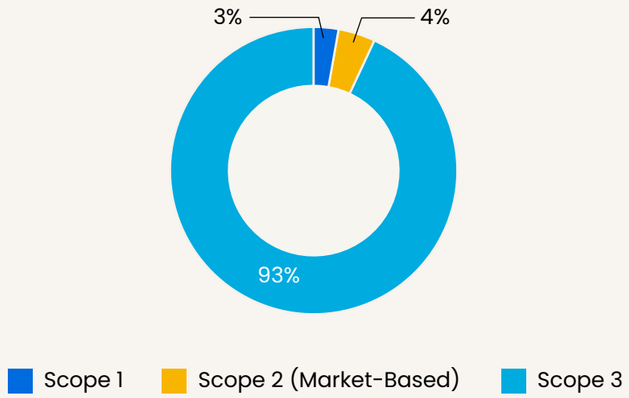
Scope 3 Emissions

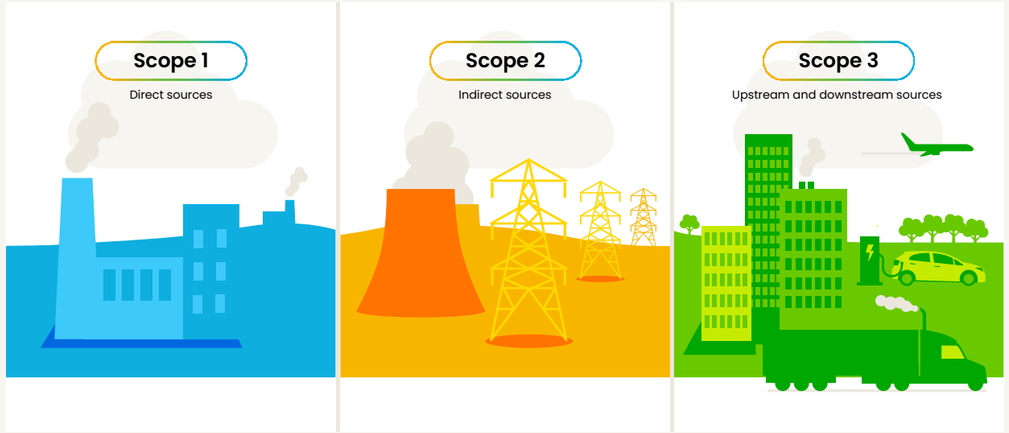
36%
Decrease from 2022

11.86
Million tCO_2e Total Scope 3 Emissions in 2023

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 Scope 3 (upstream and downstream emissions). 2023 marked the first time we made a detailed inventory of all 15 categories of Scope 3, mapping NXP's footprint throughout our entire value chain. Our Scope 3 emissions are understandably larger than our Scope 1 and 2 emissions, given that Scope 3 emissions represent an impact beyond our operations. While we will remain focused on our Scope 1 and 2 decarbonization efforts, we will also work to establish methods to reduce our Scope 3 footprint, and will have validated Scope 1, Scope 2 and Scope 3 SBTs in 2024.

2023 Proportion of Scope 1, 2 and 3 Emissions





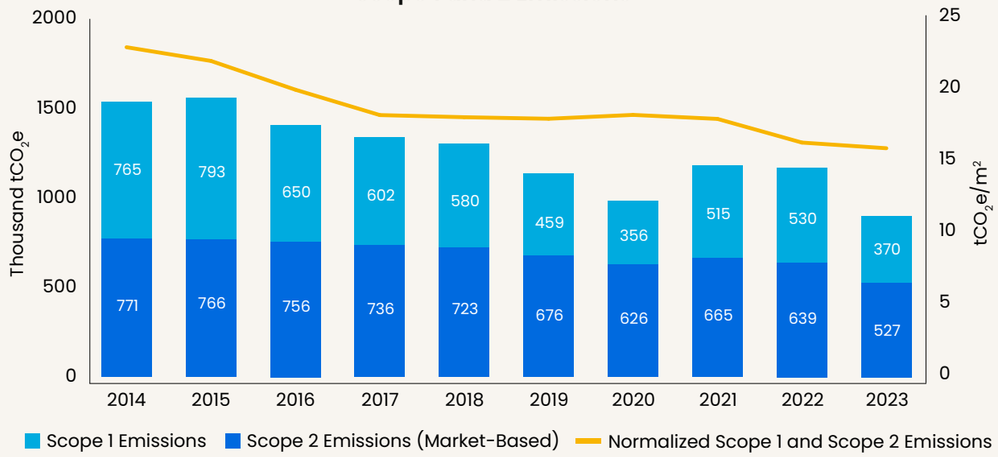
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Scope 1 and 2 Carbon Footprint Performance

Due to increased renewable electricity purchase, lower factory utilization and emission reduction projects, our absolute Scope 1 and 2 emissions decreased 23% compared to 2022. A decade of collective effort has significantly reduced our Scope 1 and 2 emissions. Since 2014, we've lowered absolute emissions by 42%. By 2027, our mid-term goal is to reduce Scope 1 and 2 absolute emissions by 35% from a 2021 baseline. So far, we have decreased Scope 1 and 2 emissions by 24% since 2021.

Scope 1 and 2 Emissions[3]



[3] Market-based emissions reflect actual data from energy providers.



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Scope 1 Emissions

2023 Scope 1 Absolute Emissions Performance

30%
Decrease from 2022

28%
Decrease since 2021 Baseline

52%
Decrease from 2014

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 only includes data from manufacturing sites.

Our Scope 1 emissions include PFC emissions, HTF emissions, 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).

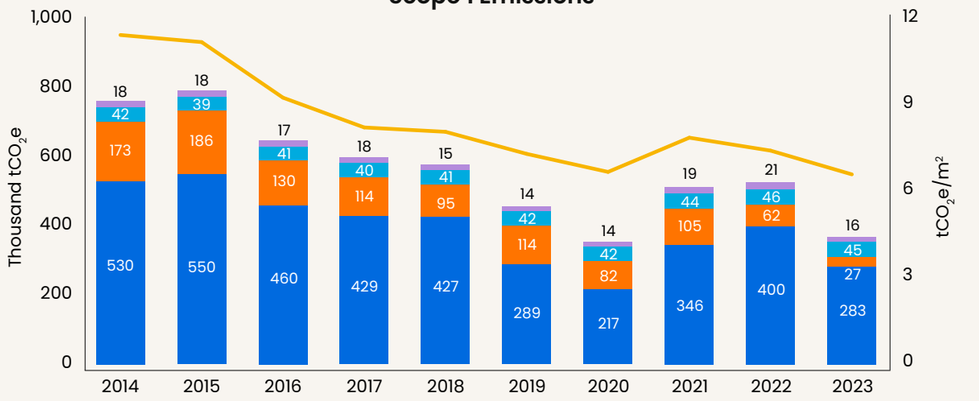
In 2023, NXP completed adoption of the 2019 Refinement to the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. The goal of the IPCC's 2019 document was to update and refine the 2006 IPCC Guidelines. The 2019 Refinement is important because it provides 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[4].

Having adopted the 2019 Refinement, we have updated some of our historical data. As a result, some of the N_2O 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 2014 through 2020 data and IPCC 2019 Tier 2c for 2021 through 2023 data. To make comparison easier, we report N_2O values for 2021, 2022 and 2023 using both IPCC 2006 and IPCC 2019 methodologies in the N_2O subsection of this chapter. In future, we will only report using IPCC 2019 methodology for totals after 2021. For additional information on our updated IPCC calculation methodology, please see our discussion of N_2O emissions on the following pages.

In 2023, our absolute Scope 1 emissions decreased by 30% compared to 2022. Since 2014, our efforts to optimize our processes, upgrade tools and install abatement equipment have lowered our absolute Scope 1 emissions by 52%.

Scope 1 Emissions[5]



We use IPCC 2006 Tier 2a for 2014 through 2020 data and IPCC 2019 Tier 2c for 2021 through 2023 data.

[4] 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
[5] The Scope 1 Chemicals List section of the Data and Indices chapter of this Report lists the chemicals included in each Scope 1 category.

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Scope 1 Emissions by Type

PFC Emissions

2023 PFC Absolute Emissions Performance

29%
Decrease from 2022

18%
Decrease from 2021 Baseline

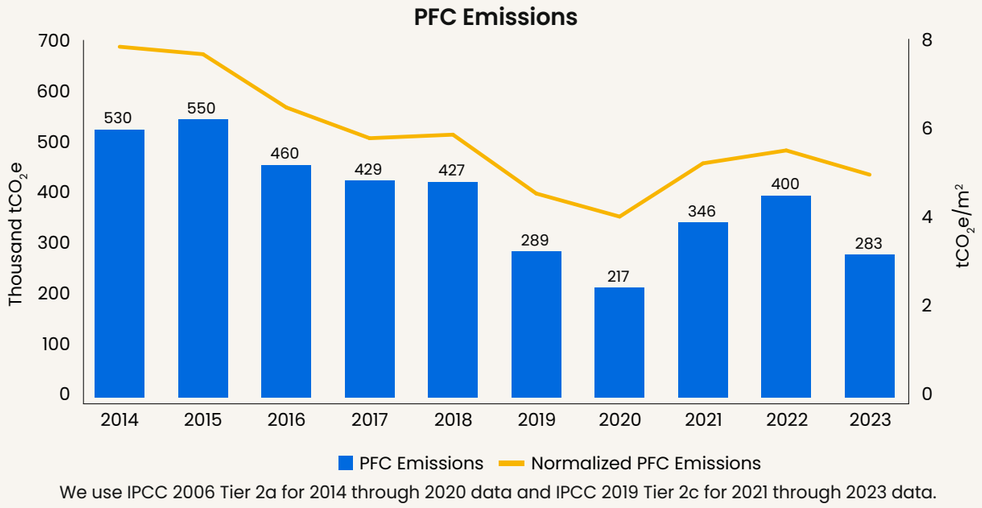
47%
Decrease from 2014



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 the European Union – 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).

Our PFC usage today is significantly lower than it was ten years ago, because we have engaged in purposeful efforts to minimize usage, where feasible, and to update abatement infrastructure. As a result of our ongoing efforts to optimize our processes, upgrade tools and install abatement equipment, absolute PFC emissions decreased by 29% in 2023 compared to 2022. Since 2014, our absolute PFC emissions have decreased by 47%.



We use IPCC 2006 Tier 2a for 2014 through 2020 data and IPCC 2019 Tier 2c for 2021 through 2023 data.

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HTF Emissions

2023 HTF Absolute Emissions Performance

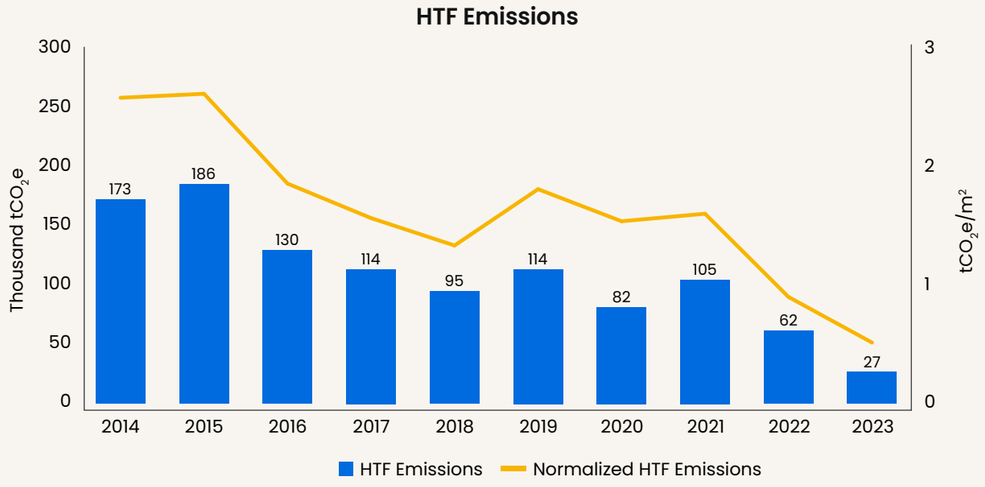
57%
Decrease from 2022

74%
Decrease from 2021 Baseline

84%
Decrease from 2014

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.

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 2014, absolute HTF emissions have decreased by 84%. Compared to 2022, HTF emissions have decreased by 57%.



NXP in Action

To confirm that semiconductor packages are hermetically sealed, semiconductor manufacturers typically use what's called a Gross Leak Test, which involves submerging the package in an HTF-based coolant. It's an effective test, but the HTF-based coolant has a high global-warming potential (GWP) if released into the environment. Reducing or even eliminating the use of the HTF-based coolant, while still producing reliable results, requires the invention of a new method. Our team in Malaysia succeeded in doing just that. Through their hard work and determination, multiple lab tests and close alignment with customers, they were able to replace the Gross Leak Test with an alternative that doesn't require an HTF, yet is just as effective.



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Fossil-Fuel Emissions

2023 Fossil-Fuel Absolute Emissions Performance

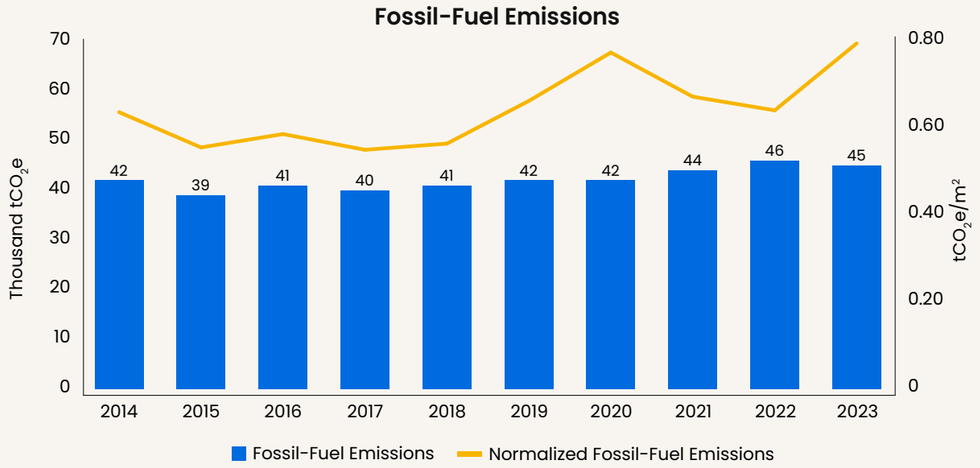
2%
Decrease from 2022

2%
Decrease from 2021 Baseline

6%
Decrease from 2014

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.

In 2023, our absolute emissions from fossil fuels decreased by 2% compared to 2022, and increased 6% compared to 2014. While our absolute emissions of fossil fuels remain relatively stable, our normalized consumption went up due to lower loading in our factories.







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N_2O Emissions

2023 N_2O Absolute Emissions Performance

24%
Decrease from 2022

20%
Decrease from 2021 Baseline

12%
Decrease from 2014

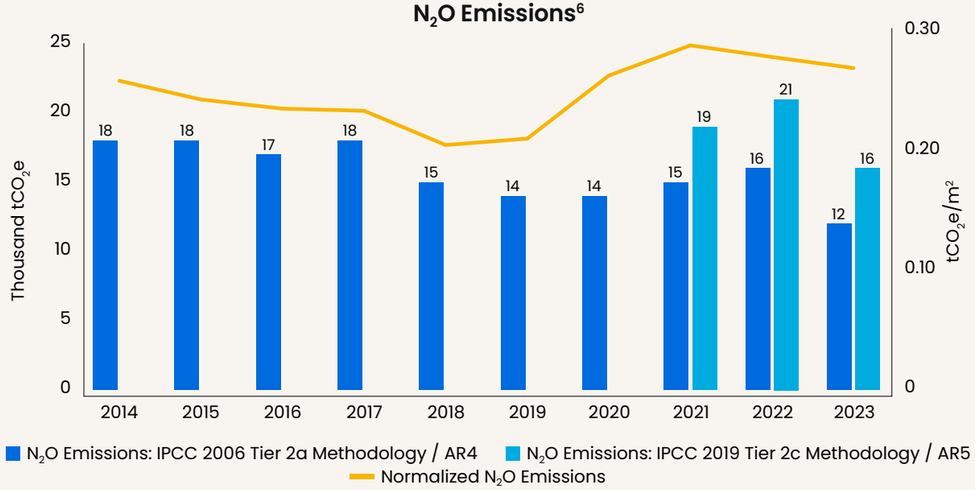
N_2O is used at several points in the manufacturing process, including chemical vapor deposition of silicon dioxide, doped or undoped silicon oxynitride, diffusion, rapid thermal processing and chamber seasoning.

Transitioning from IPCC 2006 to IPCC 2019 has changed the calculation for N_2O emissions, resulting in an increase in total N_2O emissions by an average of 28% 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 and 2 emissions, as well as our 2035 goal of carbon neutrality.

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 2023, our absolute N_2O emissions decreased by 24% compared to 2022 and 12% compared to 2014. This decrease is a result of our lower factory utilization in 2023.

N_2O Emissions[6]



[6] Normalized N_2O emissions in this chart use the IPCC 2006 Tier 2a methodology for data leading up to and including 2020, and the IPCC 2019 Tier 2c methodology, with Global Warming Potentials of the IPCC Assessment Report #5 (AR5), as of 2021.

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Scope 2 Emissions

2023 Scope 2 Absolute Emissions Performance

17%
Decrease from 2022

21%
Decrease from 2021 Baseline

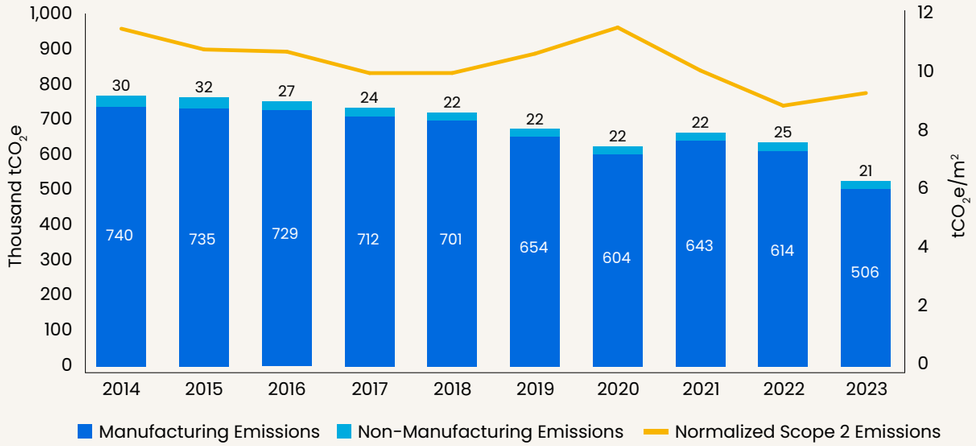
32%
Decrease from 2014

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. Our Scope 2 emissions includes data from both manufacturing and non-manufacturing sites.

Our efforts in the past ten years to conserve electricity, obtain renewable energy 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 2014, our absolute Scope 2 emissions have decreased by 32%. In 2023, our absolute Scope 2 emissions decreased by 17% compared to 2022.



Scope 2 Market-Based Emissions[7]



[7] Market-based numbers reflect actual data from energy providers.

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Scope 3 Emissions

We understand that our impact extends beyond our operations and recognize the importance of addressing emissions along the entire value chain, not just within the bounds of our company. The Greenhouse Gas Protocol defines Scope 3 emissions as indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company and divides the upstream and downstream emissions into 15 categories.

2023 marks the first time we took a comprehensive, detailed inventory of our Scope 3 emissions for all 15 categories. In so doing, we followed the calculation guidance laid out by the GHG Protocol. At the same time, as part of the commitment to the Science Based Targets initiative (SBTi) we made in 2022, we determined our Scope 3 emissions baseline with the aim of setting targets in 2023.

Cataloging Scope 3 emissions is a complex endeavor that presents specific challenges. It necessitates cooperation from multiple actors along the entire value chain, both inside and outside our company, and involves assumptions on the use of our products in their end markets. During our assessment, we considered all sites and activities where NXP retains operational control, including our own manufacturing sites and our joint venture, to be in scope of our measurements.

NXP embraces the challenge of measuring our Scope 3 emissions and, due to the complex nature of the process, we do not consider the assessment of our Scope 3 emissions to be a one-time effort. We view it as an ongoing activity, where we gain more granularity into all categories over time, and focus on the ones that contribute the most to our emissions. In the coming years, we will continue to review our calculations, refine our methodologies and evaluate whether the underlying assumptions made earlier in the project are still accurate.

Upstream Categories

- **Category 1** Purchased Goods and Services
- **Category 2** Capital Goods
- **Category 3** Fuel- and Energy-Related Activities not Included in Scope 1 or 2
- **Category 4** Upstream Transportation and Distribution
- **Category 5** Waste Generated in Operations
- **Category 6** Business Travel
- **Category 7** Employee Commuting
- **Category 8** Upstream Leased Assets

Downstream Categories

- **Category 9** Downstream Transportation and Distribution
- **Category 10** Processing of Sold Products
- **Category 11** Use of Sold Products
- **Category 12** End-of-life Treatment of Sold Products
- **Category 13** Downstream Leased Assets

Not Material Categories

- **Category 14** Franchises
- **Category 15** Investments

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Scope 3 Emissions Performance

2023 Scope 3 Emissions Performance

11.86
Million tCO_2e Total Scope 3 Emissions

36%
Decrease from 2022 Baseline

In 2023, our total Scope 3 emissions were 11,857,054 tCO_2e and account for 93% of our total carbon footprint, underscoring the importance of responsible environmental stewardship that goes beyond the strict boundaries of any given company. As a result of the ongoing implementation of energy-consumption reduction measures in our products, slight updates to our calculation methodologies, and lower loading in our factories, our total Scope 3 emissions decreased in 2023 compared to 2022.

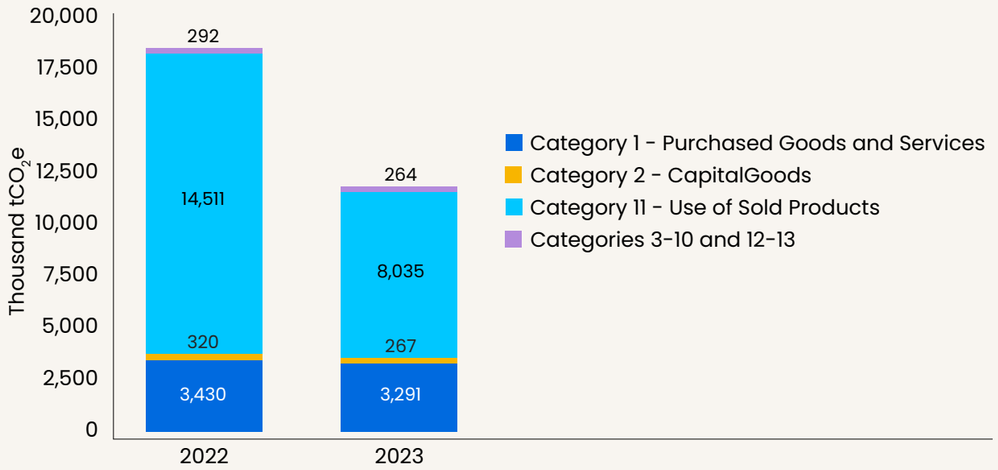
Within the 15 GHG Protocol categories, we identified three which, combined, are responsible for approximately 98% of NXP's total Scope 3 emissions. These include, in descending order of contribution: Category 11 - Use of Sold Products, Category 1 - Purchased Goods and Services and Category 2 - Capital Goods. During our assessment, we also concluded that two categories (Category 14 - Franchises and Category 15 - Investments) are not material to NXP at this time.



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Scope 3 Emissions by Category[8]



Top Scope 3 Emission Categories
To account for all 15 categories defined by the Greenhouse Gas Protocol, we gathered input from inside and outside the company. For those categories we consider to be hotpots or where data was readily available, we used activity-based calculations to determine emissions. For other categories, we used spend data or a hybrid approach to calculate emissions. Reporting emissions is an ongoing pursuit, and we aim to have more precise data in coming years.

Three categories make up approximately 98% of our Scope 3 emissions, and we cover them in more detail here. Information about NXP's results in the remaining categories can be found at the ESG Performance section of the Data and Indices chapter of this Report.

Category 1 — Purchased Goods and Services
Category 1 includes emissions from the extraction, production and transportation of goods and services purchased or acquired by NXP. In 2023, the main contributors were materials and semi-finished goods used in our front- and backend manufacturing processes. Emissions from this category were estimated at 3,291,179 tCO_2e for 2023, which represents 28% of our total Scope 3 footprint.

[8] Categories 14 and 15 are not material for NXP at this time.

Category 2 — Capital Goods
Category 2 includes all upstream emissions from the production of capital goods, mainly tools and equipment, purchased or acquired by NXP. Emissions from the use of these goods are accounted for either in Scope 1 or Scope 2. In 2023, emissions from production of capital goods were approximately 266,665 tCO_2e, which represents 2% of our total Scope 3 footprint.

Category 11 — Use of Sold Products
Category 11 was the largest contributor to our Scope 3 emissions in 2023, responsible for an estimated 8,035,180 tCO_2e emissions, which represents 68% of our total Scope 3 footprint.

Emissions from the use of sold products are calculated for the entire life-cycle of products sold in a year, and come from the greenhouse-gas emissions resulting from the production of electricity needed to operate the semiconductors manufactured by NXP. When estimating product lifespans, we took into account industry standards, such as the AEC Q100 standard for the automotive industry, and, where available, reviewed data in our products' end markets, to best assess how our products are used.

Products from our RF business make up a large portion of the emissions in this category, because they have long lifetimes in the field and tend to be powered on continuously. According to our benchmarking, however, our RF products are still among the best in energy-efficiency in this market. For this reason, we still consider them to be an important step in building a sustainable future, even if they have higher emissions than the rest of our portfolio.

NXP in Action

Although business travel is not one of the main contributors to our Scope 3 footprint, we still consider it to be an important emission category. In 2023, we participated in airline programs that offset our business travel-related emissions and, as a result, received a certificate, representing an offset of one ton of greenhouse gases, from the German branch of myclimate, an international organization for climate protection.

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Non-GHG Emissions

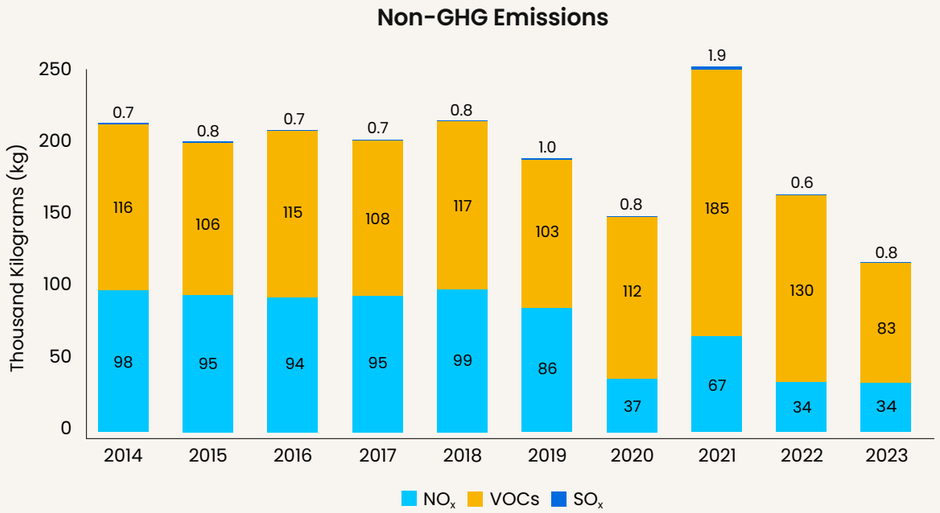
2023 Non-GHG Absolute Emissions Performance

NOx	SOx	VOCs
2% Decrease from 2022	**21%** Decrease from 2021	**36%** Decrease from 2022
66% Decrease from 2014	**7%** Decrease from 2014	**28%** Decrease from 2014



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. We aim to reduce our use of non-GHG emissions by installing and updating abatement equipment at select sites.



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Long-Term Emissions Ambitions

100% Renewable Electricity, Contributing to Our 2035 Goal of Being Carbon Neutral

2027 Mid-Term Emissions Goal

50% Renewable Electricity Use

2023 Emissions Performance

39% Renewable Electricity Use

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.



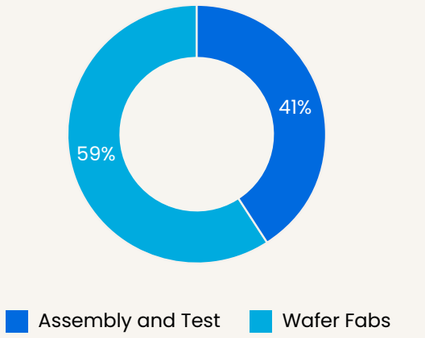
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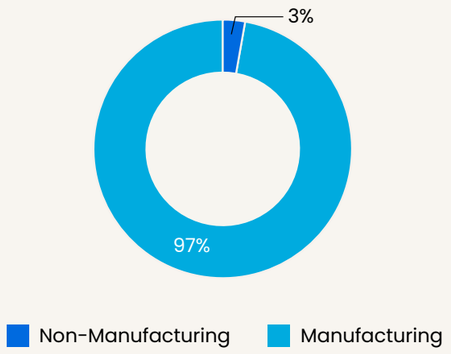
Electricity Overview

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.

2023 Manufacturing Electricity Consumption



2023 Manufacturing and Non-Manufacturing Electricity Consumption



Electricity Results

2023 Total Absolute Electricity-Consumption Performance

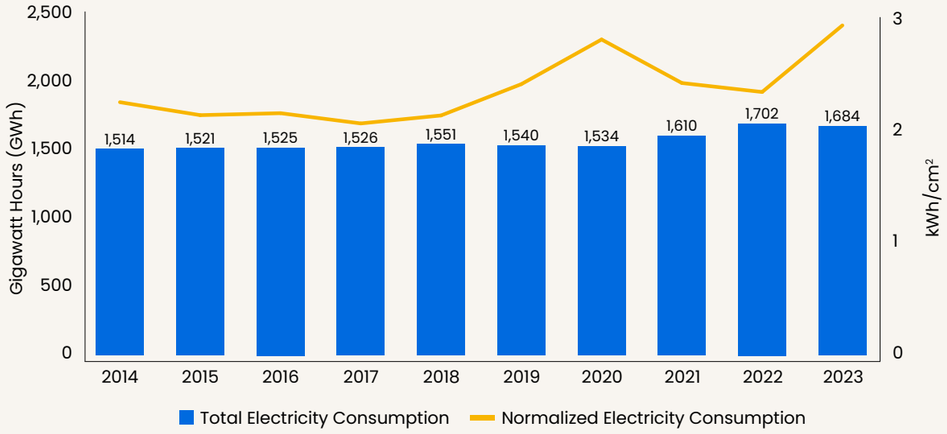
1%
Decrease from 2022

5%
Increase from 2021 Baseline

11%
Increase from 2014

We produce increasingly complex products that involve many more processing steps, requiring greater electricity consumption. Our ongoing efforts to conserve electricity and optimize our manufacturing processes have helped us use electricity more efficiently. Compared to 2014, our absolute electricity consumption has increased only 11%. In 2023, our absolute electricity consumption decreased by 1% compared to 2022.

Manufacturing and Non-Manufacturing Electricity Consumption



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Electricity Consumption

This sub-section includes data from manufacturing and non-manufacturing sites.

Manufacturing

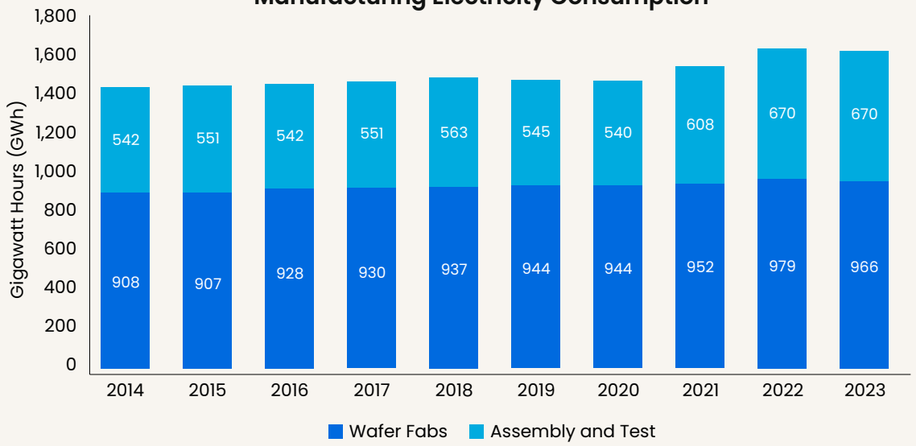
To reduce our consumption of electricity, our manufacturing sites continually optimize processes and replace or upgrade equipment. Examples of this ongoing work include the following:

- 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

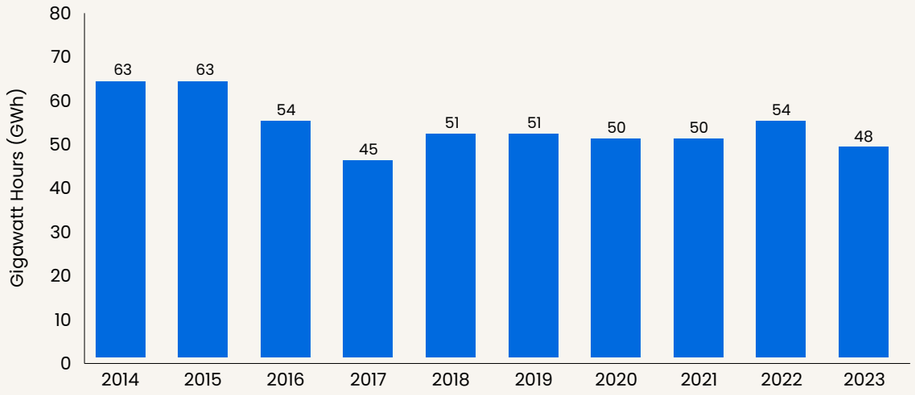
Non-Manufacturing

Electricity at our offices and R&D sites represents 3% of our total consumption. In 2023, our absolute non-manufacturing electricity consumption decreased by 10% compared to 2022 and 24% compared to 2014. Our non-manufacturing electricity consumption decreased by 24%, mainly due to site consolidation 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



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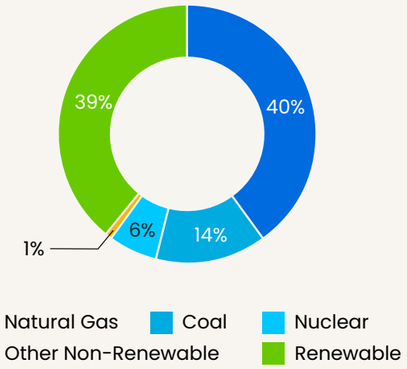
Environment, Health and Safety: Energy

Electricity Sources[9]

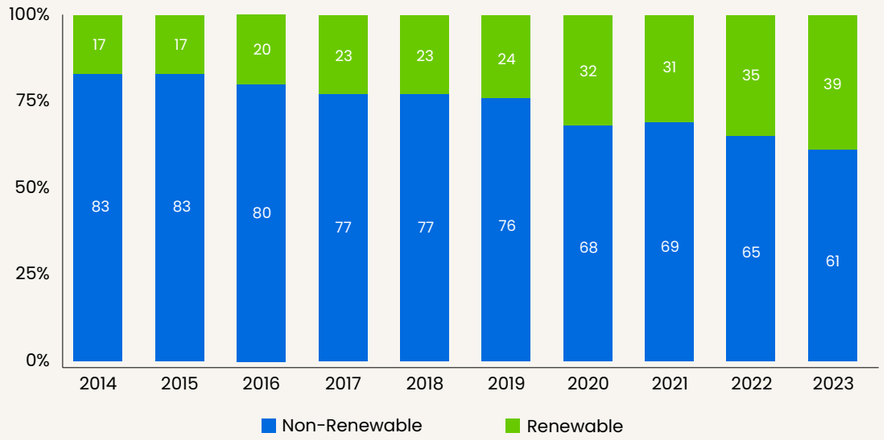
This section includes manufacturing sites only.

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

2023 Electricity Sources[10]



Renewable and Non-Renewable Electricity Sources



Renewable Electricity
Since 2015, we have steadily increased our use of electricity that comes from renewable sources. In 2023, 39%[11] of our overall electricity use was from renewable energy sources. Overall, our renewable electricity usage increased by 4 percentage points compared to 2022, to a total of 39% renewable electricity for the company overall in 2023. Since we set our renewable energy target in 2021, our renewable electricity usage has increased by 9 percentage points.

NXP in Action

To increase our access to renewable energy, solar installations are underway in our Bangkok, Thailand, Kuala Lumpur, Malaysia and Kaohsuing, Taiwan locations. This renewable electricity will be used to offset some of the higher carbon-content electricity available from local utilities. We are evaluating similar installations at our other locations.

[9] 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.
[10] These values reflect energy sources from the grid as well as purchased international renewable energy credits (iRECs). Our numbers for grid sources are market-based and reflect the most recent data available from utility companies. As a result, grid data may not exclusively reflect the 2023 calendar year.
[11] 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.

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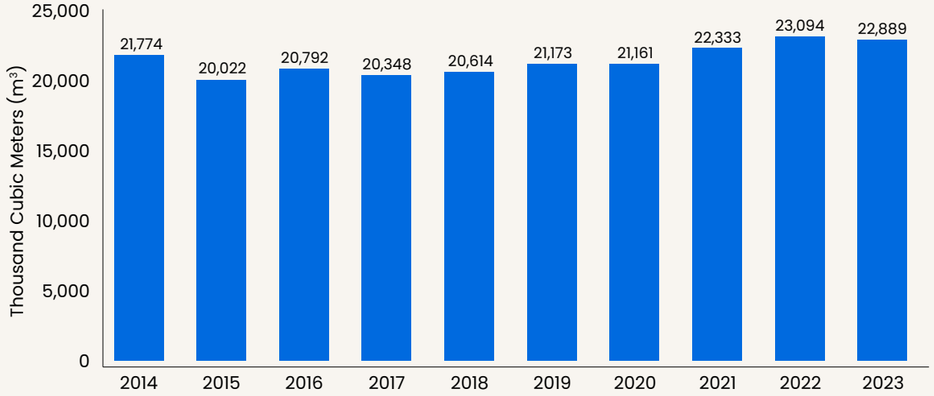
Direct Energy Consumption

Our direct energy consumption metrics include data from manufacturing sites only.

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. Our consumption has remained relatively stable over the past few years, but has increased in part due to factory expansion. In 2023, our absolute natural-gas consumption decreased 1% compared to 2022, however consumption increased by 2% compared to our baseline year, 2021, and by 5% compared to 2014.

Natural-Gas Consumption



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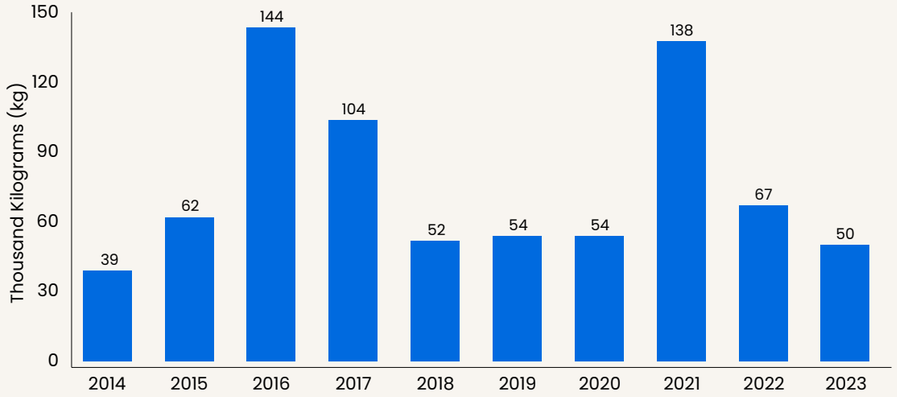
Diesel Fuel

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 25% less diesel in 2023 compared to 2022 and 64% less since our baseline year, 2021.

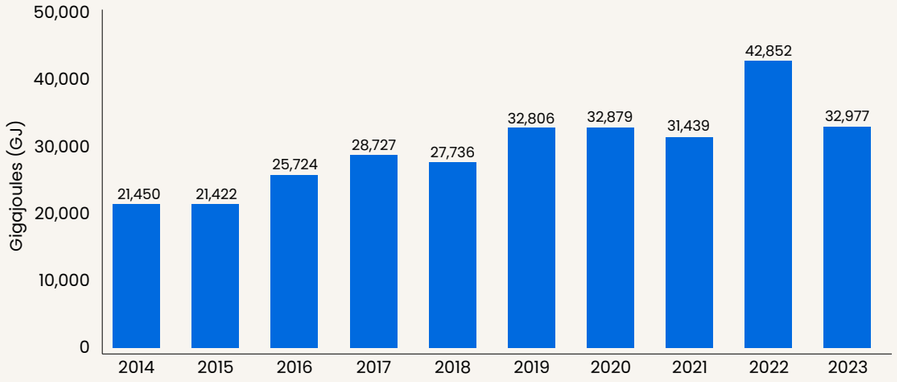
Other Fossil Fuels

Other fossil fuels we use include gasoline, liquefied petroleum gas (LPG) and town gas. 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 geographic 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. However, this accounts for a relatively small portion of our overall carbon footprint. In 2023, our consumption of other fossil fuels decreased by 23% from 2022, but has increased by 54% since 2014. Since our 2021 baseline, other fossil fuel emissions have increased by 5%.

Diesel-Fuel Consumption



Other Fossil-Fuel Consumption



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Long-Term Water Ambition

Minimize Impact on Global Water Supplies

2027 Mid-Term Water Goal

60% of Water Recycled

2023 Water Performance

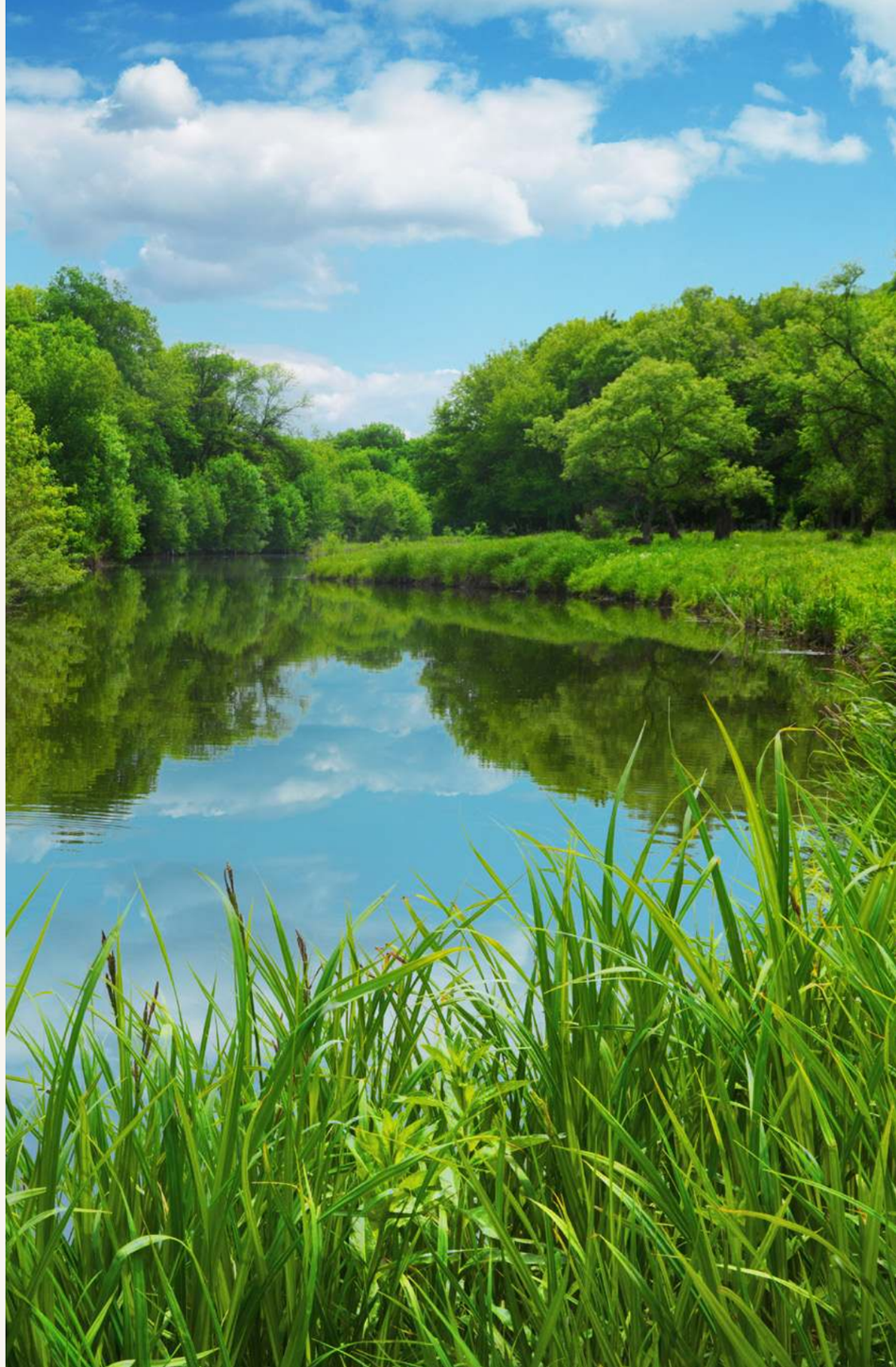
51%
of Water Recycled

15
Percentage-Point Increase from 2014

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.



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Our water-related metrics include data from manufacturing sites only. Many of our manufacturing 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.

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, published by the data-analysis company Verisk Maplecroft, 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.

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.

2023 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	3.8
Nijmegen, Netherlands	7.7	Kuala Lumpur, Malaysia	2.8
Oak Hill, Austin, Texas, US	5.7	Tianjin, Mainland China	0.0
SSMC, Singapore	0.0		

Water Withdrawal

2023 Absolute Water-Withdrawal Performance

1%
Decrease from 2022

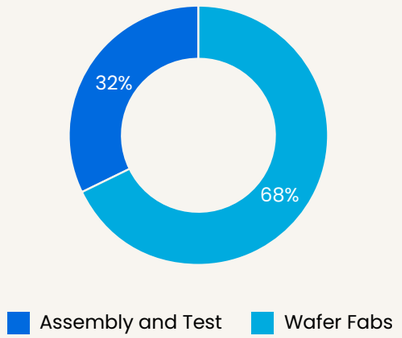
8%
Increase from 2021 Baseline

11%
Increase from 2014

As semiconductor technology evolves, manufacturing processes become 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. Total water withdrawal can also increase due to factory expansion.

In 2023, our absolute water withdrawal decreased by 1% compared to 2022. Semiconductor wafer fabrication represents 68% of our total manufacturing water withdrawal, while assembly and test represent 32%.

2023 Water Withdrawal



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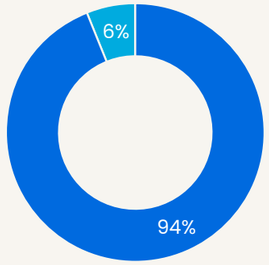
At our manufacturing sites, water mostly comes from nearby municipal facilities. The Nijmegen and Oak Hill facilities are our only manufacturing sites that extract well water, together representing 6% of our total water withdrawal.

Recycled water represented 51% of our total water use in 2023, meaning we used about 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.

Our decade-long focus on water conservation has emphasized the use of more efficient tools, taking advantage of opportunities to increase water recycling and finding ways to optimize processes. A large part of our water consumption is fixed, such as the use of water for chillers, plating and cleaning. As a result of the lower loading in our factories, the normalized consumption went up. In addition to our water recycling efforts, we are looking at options to reduce the overall water consumption.

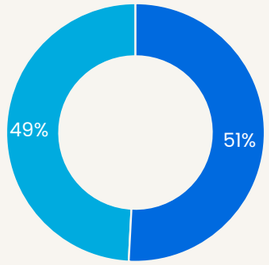


2023 Water Withdrawal by Type



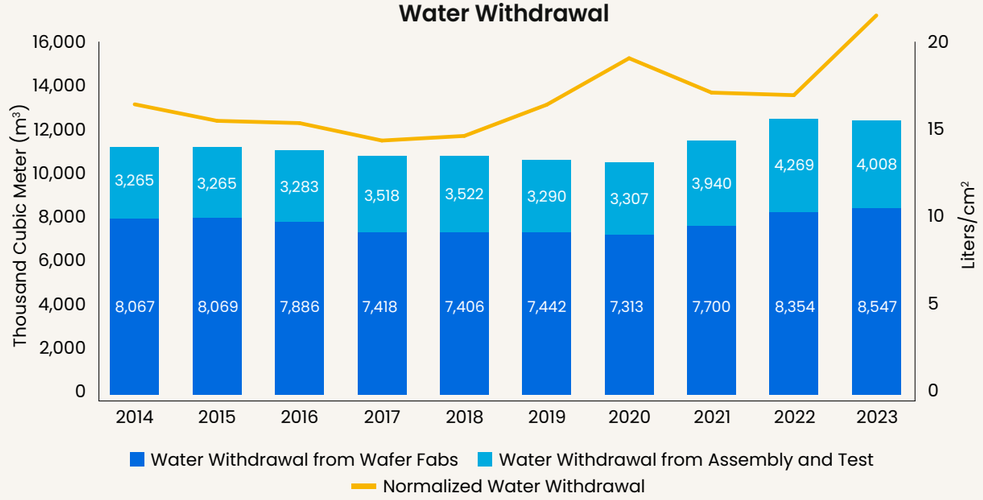
Purchased Third-Party Water
Extracted Ground Water

2023 Water Recycling



Recycled
Non-Recycled

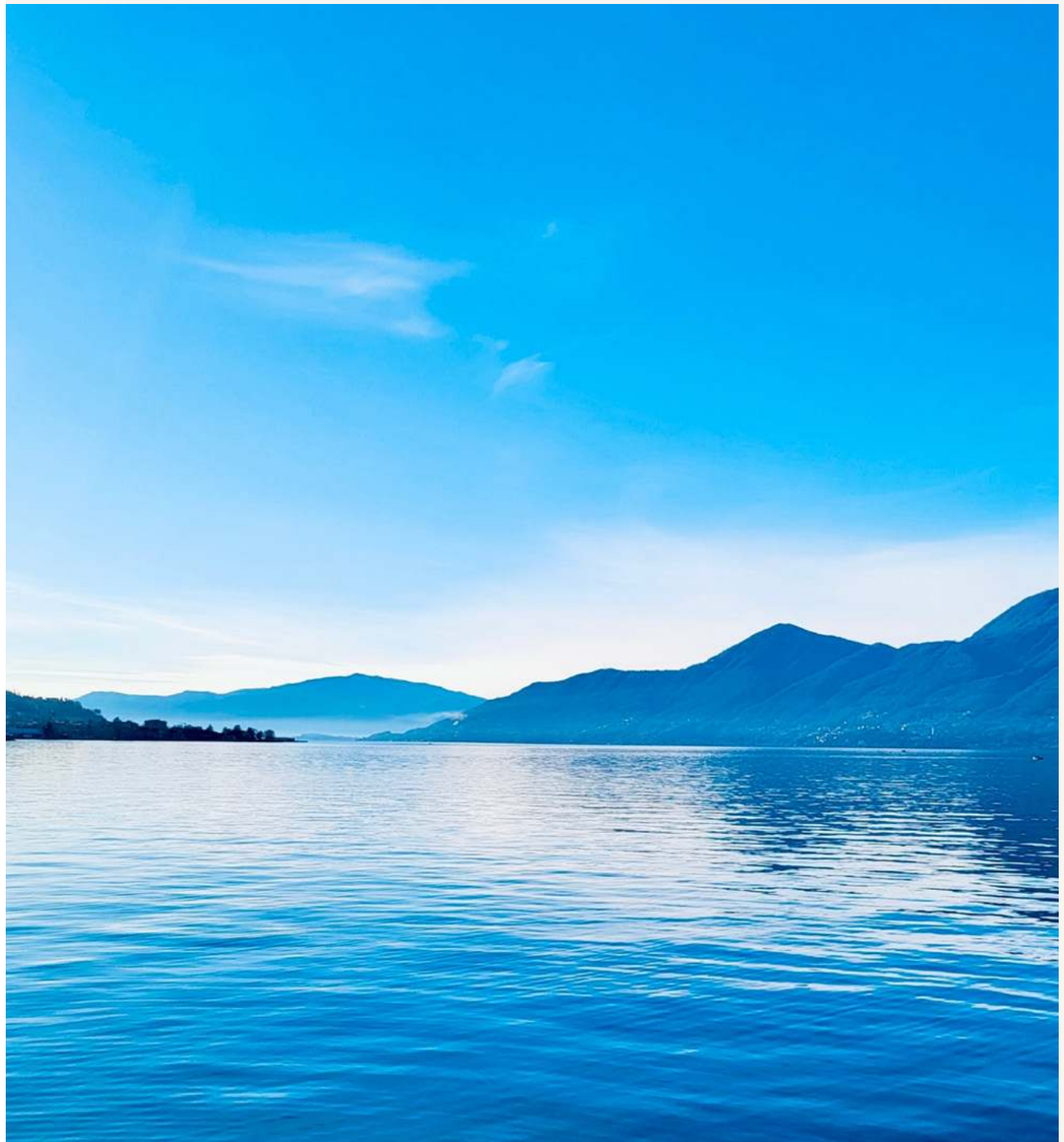
Water Withdrawal



Water Withdrawal from Wafer Fabs
Water Withdrawal from Assembly and Test
Normalized Water Withdrawal

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Water Recycling

2023 Water-Recycling Performance

51% of Water Recycled

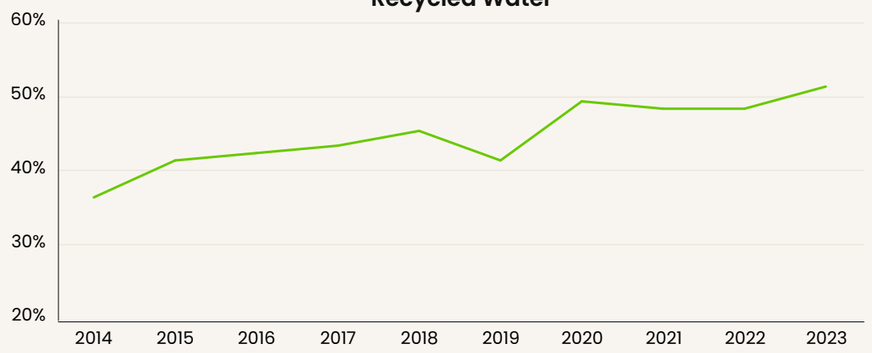
2
Percentage-Point Increase from 2022

3
Percentage-Point Increase from 2021 Baseline

15
Percentage-Point Increase from 2014

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 2014, our percentage of water recycling has increased by 15 percentage points, and 2 percentage points compared to 2022. As of year-end 2023, we recycle 51% 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.

Recycled Water[12]



[12] Recycled-water data only includes manufacturing sites.

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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.

We set our effluent discharge standards to meet or exceed local discharge requirements based on the profile of the receiving water body. Our water-pollutant identification and classification process also varies by region and site. Three approaches we use to assess potential water pollutants include: 1) internal parameter/chemical monitoring before discharge; 2) third-party sampling and reporting of results; and 3) regulatory agency sampling and reporting of results.

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. We do not measure evaporation directly, but recognize that the weather can impact evaporation rates. In 2023, lower evaporation rates, related to weather in affected areas, may have increased our wastewater discharge although our rate of water retrieval was lower.

NXP did not receive any excursions, fines or penalties in 2023 related to wastewater discharge.

Wastewater Discharge	Unit	2022	2023
Total Wastewater Discharge	m^3	8,753,231	8,896,447

NXP in Action

The two manufacturing sites in Texas, Austin and Oak Hill, received the city of Austin's 2023 award for Excellence in Wastewater Pretreatment (based on 2022 performance). The award honors significant industrial water users who exhibit environmental stewardship by proactively preventing pollution and managing wastewater discharge. This is the ninth consecutive year for Austin to receive the award and the eighth for Oak Hill.

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Environment, Health and Safety: Waste

Long-Term Waste Ambition

Develop Collaborative **Circular-Economy** Solutions

2027 Mid-Term Waste Goal

90% of Waste Recycled

2023 Waste Performance

86% of Waste Recycled

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. The waste-related metrics in this Report include data from predominantly manufacturing sites.

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. We understand that reducing or eliminating waste streams not only contributes to greater operational efficiencies but also contributes to a more sustainable circular economy. Our long-term ambition is to collaborate with our supply chain to develop better, more sustainable products.



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Environment, Health and Safety: Waste

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



Promoting a Circular Economy

Moving toward a circular economy, by finding ways to keep products and materials in circulation through processes like maintenance, reuse, refurbishment and recycling, benefits the environment, our communities and our company. We believe that meaningful change toward a more sustainable and circular future must come with a systematic approach to our efforts, and must guide the decisions we make. NXP works to advance the circular economy vision by doing the following:

- Striving to decrease the amount of our generated waste, increase the rate of recycling and investigate viable reuse methods for manufacturing byproducts
- Accounting for sustainability in our design processes, and taking measures to produce high-quality products with extended life-cycles for our customers
- Continuously seeking ways to develop more sustainable means of production

Waste Results

2023 Total Waste Performance

1%
Decrease from 2022

17%
Decrease from 2021 Baseline

21%
Increase from 2014

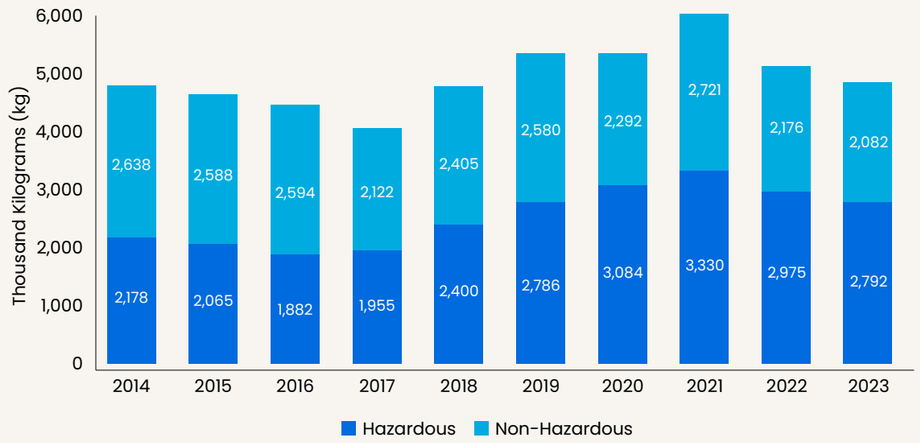
Our total waste generation includes regular ongoing waste generated by our manufacturing sites (including manufacturing, office and cafeteria waste), as well as one-time waste. We consider one-time waste to be those waste streams that are not generated as part of normal operations but rather by unique, one-time projects. One-time waste accounted for less than 1% of total waste generation in 2023 and is not included in our normal waste metrics and analysis unless otherwise indicated.

In 2023, our efforts to reduce, reuse and recycle the waste produced by our manufacturing processes improved our overall waste performance. Compared to 2022, our hazardous waste decreased by 6%. Additionally, our total amount of waste sent to landfill decreased by 19% and our total amount of non-hazardous waste sent to landfill decreased by 16%. We continue to review opportunities for further improvement.

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Waste Directed to Disposal

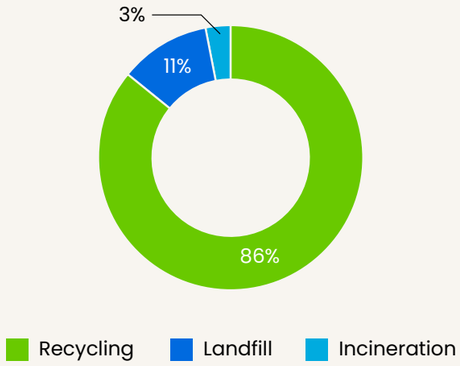


We have waste-reduction management programs in place at our sites to handle hazardous and non-hazardous waste in an environmentally responsible manner.

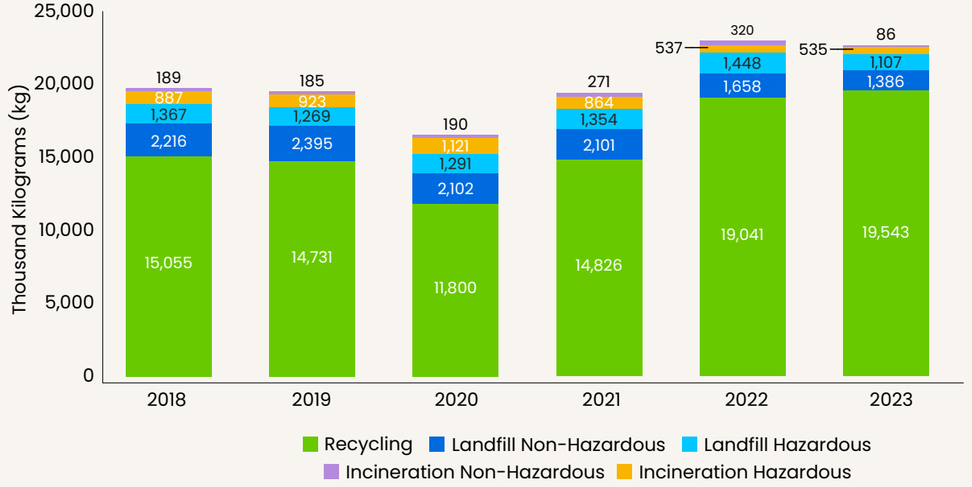
For any waste that requires special handling, we ship it to vendors equipped with the knowledge and expertise to properly reclaim, recycle or destroy it. All our waste handling is done according to local rules and regulations.

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.

2023 Waste by Disposal Method and and Recycling[13]



Disposal and Diversion of Total Waste[13]



[13] Recycling percentage includes waste-to-energy incineration.

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Recycling

2023 Recycling Rate Performance

86% of Waste Recycled

3
Percentage-Point Increase from 2022

10
Percentage-Point Increase from 2021 Baseline

13
Percentage-Point Increase from 2014

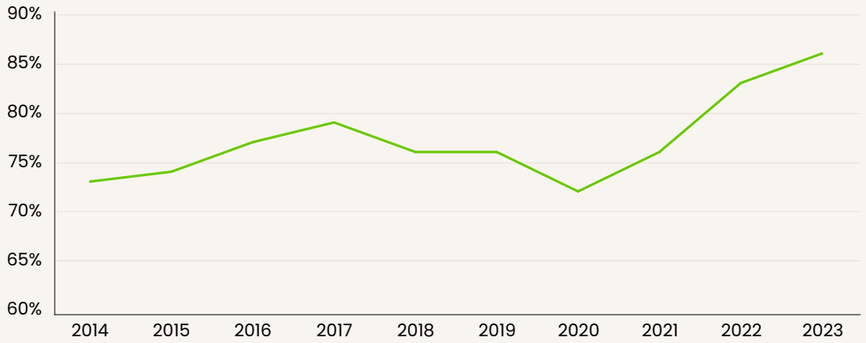
We collect and recycle a variety of materials, including office waste (paper, cardboard and beverage containers), cafeteria waste (food and other compostable items), items from support operations (scrap metal, wood, coolant chemicals and calcium-fluoride cakes used in wastewater treatment) and manufacturing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

In 2023, we recycled 86% of our total waste (hazardous and non-hazardous), an increase of 3 percentage points compared to 2022. Our recycling rate includes waste-to-energy activities, which involves the conversion of non-recyclable waste materials into usable heat, electricity or fuel through incineration. If we exclude waste-to-energy, the 2023 recycle rate is 79%. We increased the recycle rate by continuing to search for recycling vendors who can add to our recycling opportunities.

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Recycling Rate



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 and silver) and non-precious metals (copper, nickel and 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.

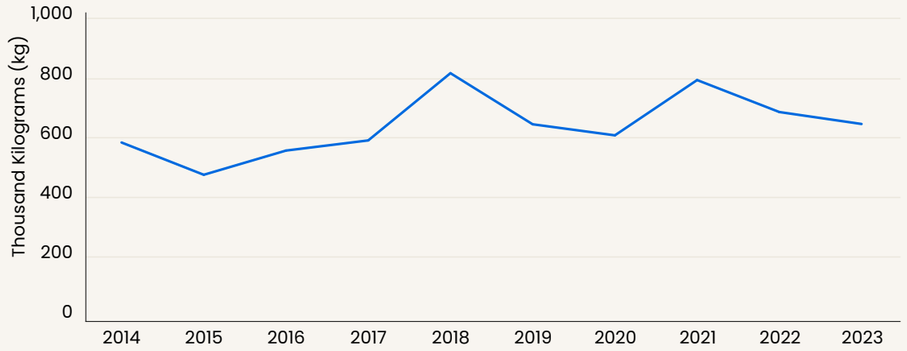
In 2023, our e-scrap went down mainly due to process-yield improvements implemented during the year. Since 2015, we have implemented various programs to improve the identification and collection of e-scrap, but the overall approach is to decrease the amount of e-scrap by increasing efficiencies in process yield.

NXP in Action

The waste by-product of chip manufacturing, usually called “sludge,” consists of water and particles of various materials that could be hazardous to the environment if not contained. Reducing and repurposing sludge is a thorny technical challenge for the semiconductor industry.

NXP’s facility in Taiwan is making meaningful progress addressing this challenge. The team is working with a third-party partner to process its sludge and extract minerals, including recovering refined copper which is sold and used by other manufacturers. The facility has increased their waste recycling rate to above their 92% target, while processing remaining waste in innovative ways.

E-Scrap Reclaimed[14]



[14] This data is collected on an annual basis, but is not aligned with the calendar year.

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Environment, Health and Safety: Hazardous Materials

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.



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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.

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 and proactive 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).

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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Environment, Health and Safety: Health and Safety

Long-Term Ambition

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

2023 Health and Safety Performance

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

ISO 45001 Management System Certified

Oak Hill Site Achieved **Super Star Among Stars Recognition** Level in OSHA VPP

Overview

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.



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Environment, Health and Safety: 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. NXP has a global focus on reducing work-related ergonomics injuries and strains, allowing for a more ergo-friendly work environment. 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 alcohol 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 the following:

- 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



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Environment, Health and Safety: Health and Safety

Safety Committee/Worker Council

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.

Contractor Health and Safety

NXP is committed to ensuring a safe and healthy workplace for all people, including our contractor workforce. At our manufacturing sites, all contractors are required to demonstrate completion of necessary safety training before working on site. This training is reviewed by NXP EHS professionals before badging is approved. In addition, the EHS and Industrial Facilities organizations work closely together to identify any risks, discuss PPE, risk mitigation and NXP oversight for all contracting companies that may conduct hazardous work.

Results

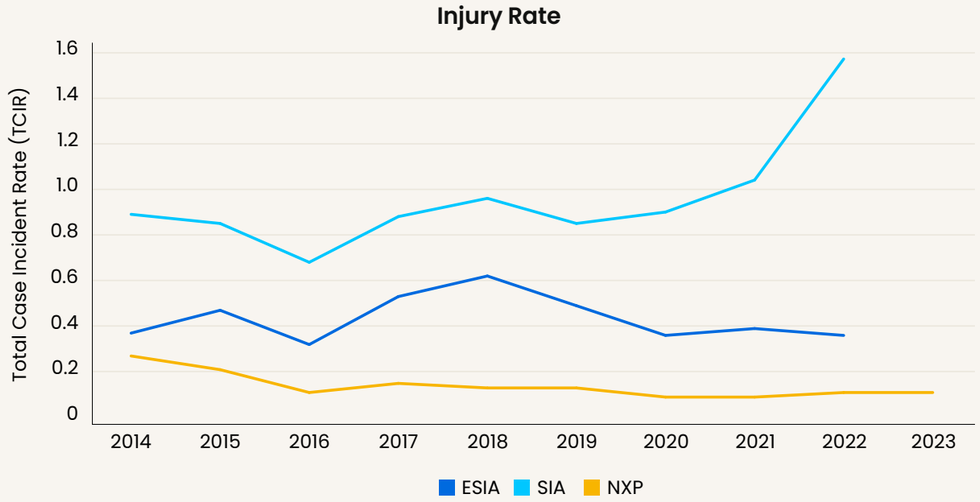
In 2023, there were no incidents that resulted in fines or sanctions in connection with noncompliance of Health and Safety laws or regulations. There were no fatal work-related accidents for our workers or contractors. The main types of employee injuries include slips and falls, machine safety and ergonomics. Each incident is documented and corrective and/or preventative measures are put in place.

Injury Rate

We maintained a low Total Case Incident Rate (TCIR) of 0.10 in 2023 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, range from 0.35 to 1.56. NXP's low injury rate is attributed to the robust Health and Safety programs and training we have in place at all our manufacturing sites and our EHS awareness initiatives at many of our office and R&D sites.

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.





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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 low number of occupational illnesses and injuries. We attribute this to our ongoing focus on preventative measures. We will continue to investigate all work-related injuries to determine root causes and corrective/preventative actions.

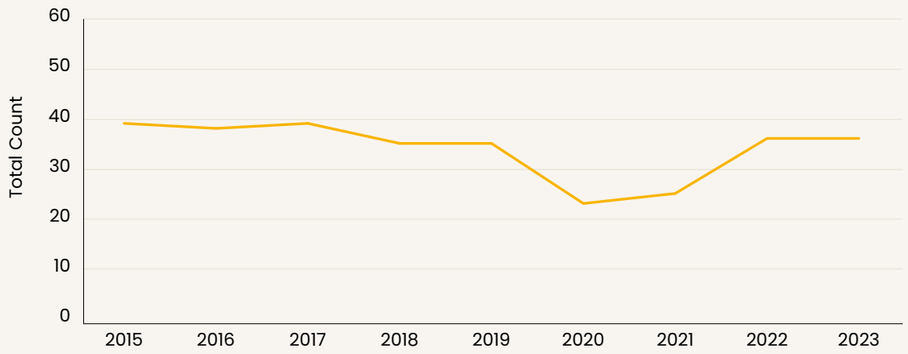
Severity Rate

The severity rate indicates the seriousness of injuries. It is a calculation that describes the number of lost days compared to the number of incidents experienced. The severity rate can increase due to a work-related injury of a single incident, since it may require more time off. In addition, as the absolute number of injuries decreases, the types of injuries and the severity rate will vary.

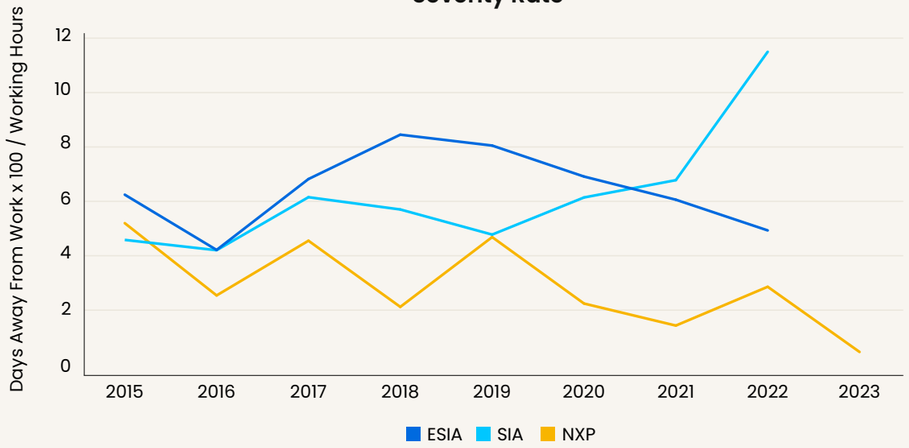
Our severity rate remained low in 2023. Our focus on risk reduction and incident management across all sites is reflected in our ability to remain below the industry average for severity rate, which historically ranges from five to eight. We continue to emphasize the importance of providing a safe workplace 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.



Number of Employee Occupational Illnesses and Injuries



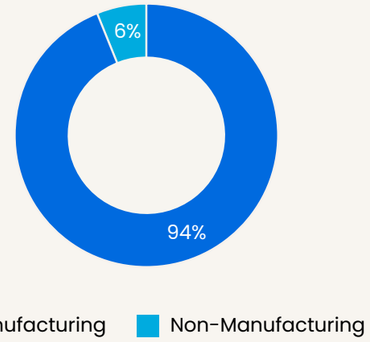
Severity Rate



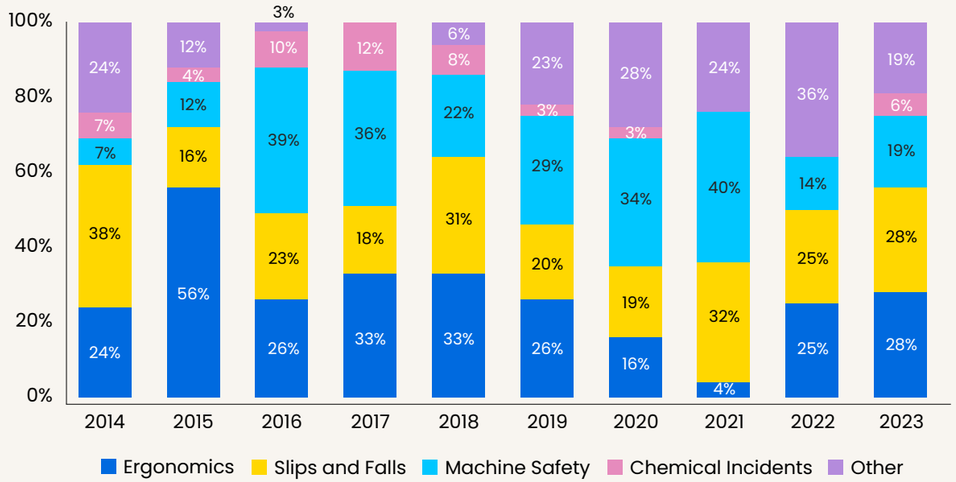
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Environment, Health and Safety: Health and Safety

2023 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 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. In 2023, the Oak Hill site achieved Super Star Among Stars Recognition Level in OSHA VPP by having a TCIR and DART (days away, restricted or transferred) 75% below industry average.

Team Members

Highlighting the heart of NXP



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Team Members: Overview

~34,200	36%	36%	387,179
Team Members	of Team Members Dedicated to R&D	of Team Members are Women	Online Training Courses Completed

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



Our Values
Our values are our fundamental beliefs and guiding principles. They speak about how we operate, how we engage with and develop our team members and how we push the boundaries of creativity and innovation. Our values rest on a strong foundation of trust and respect. We hold ourselves accountable to these values by ensuring they are reflected in our talent programs, including talent acquisition, enabling performance, rewards and recognition, climate, communications, development, assessment and succession.

Our Purpose

Our purpose is to bring together bright minds to create breakthrough technologies that make the connected world better, safer and more secure.

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Team Members: 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:

- Team-member engagement
- Thought leadership
- Diversity, equality and inclusion
- Compensation and benefits
- Development and growth
- Future talent
- Team-member retention
- Community outreach



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Team Members: Team-Member Engagement

90%	88%	89%	91%	85%
Response Rate	Engagement	Great Place to Work	Proud	Valued

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, innovation, growth, continuous improvement, collaboration, ownership, work environment, ethics, sustainability and diversity, equality and inclusion. Surveys are administered by a third party to ensure confidentiality.

In our 2023 survey, we solicited input from all NXP team members. Ninety percent of team members participated in the survey with Ethics, Collaboration, Engagement and DE&I being the four categories with the highest favorability ratings. The survey results showed an increase in team-member engagement, with 70% of our team members being highly engaged. The results also show NXP's commitment to shape the organization's culture through our values, with 89% believing that NXP is a great place to work. Lastly, when it comes to Sustainability, NXP achieved an 89% overall favorability which speaks to the company's focus on environmental sustainability, social responsibility and community contributions.

Year-over-year, NXP saw improvements in more than 50% of the survey items. The third-party administrator of the survey reported that 85% of the survey items scored more positively than the 75th percentile benchmark, composed of companies operating in the technology sector.



Looking Ahead

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

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Team Members: Team-Member Engagement

Engaging Team Members in Events

NXP believes that learning, developing and growing is vital for personal fulfilment and success – individually and as a company.

In 2023, the company launched its first-ever Growth Week, a testament to our commitment to fostering an innovation and growth culture. The global event promoted high-energy engagement through external keynote speakers, panel discussions, webinars and in-person workshops. During this event, 17,000 team members participated in the 11 global virtual sessions, while 7,700 team members participated in 170 face-to-face sessions along with approximately 27% site participation.

Growth Week is just one example of how team members are engaged in site, country-specific and global events throughout the year to promote collaboration and engagement.



External Awards and Recognition

NXP is honored to have received external awards and recognition around the globe in acknowledgement of our ongoing commitment to the engagement, development and success of our team members in 2023. Some of the honors received include the following:

- In 2023, NXP partnered with a third-party vendor to launch the Great Place to Work Survey, inviting team members to share insights that speak to the company's workplace culture and team-member experience. A great place to work is one where employees trust their managers and leaders, are proud of their work, like collaborating with their colleagues, and experience an engaging workplace environment. The survey launched in four countries and culminated with NXP being certified as a 2023 **Great Place to Work in** China, India, Mexico and the United States. In 2024, NXP plans to continue the momentum and survey team members in 13 additional countries.
- For the fifth year in a row (2019 – 2023), **NXP received the Leading Employer Award in Austria**, and was rated the number-two semiconductor company in Austria by the Leading Employer Institute.
- NXP Taiwan was selected as a **2023 Best Companies to Work for in Asia**, honoring the company's unwavering dedication to employee satisfaction, well-being and development, and fostering a positive work environment that promotes growth and excellence.

To view a detailed list of NXP awards by country see our Awards and Recognition website.

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Team Members: Thought Leadership

Our talented and innovative team members create breakthrough technologies that make the connected world better, safer and more secure. We do this through a deliberate investment in building thought leaders throughout the company, especially in R&D.

Investing in R&D

NXP targets investment of approximately 16% of revenue in non-GAAP[1] R&D every year, primarily focused on the team members who create our intellectual property, our products and our customer solutions. NXP's breakthrough technologies help 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

2023 R&D Team-Member Advancements

12%	71	8	5	9	2
of R&D Team Members Promoted	Technical Directors Named	Program Directors Named	Program Senior Director Named	Fellows Named	Senior Fellows Named

Our commitment to developing thought leaders is evidenced by the around 12,000 team members representing 36% of our NXP workforce and 57% of our indirect labor workforce who are specifically dedicated to R&D. Through broad exposure to job-based development activities, we were able to advance 12% of these team members in 2023 through internal promotions. In addition, we hired more than 1,493 new R&D team members in 2023 and named eight program directors, five program senior directors, 71 technical directors, nine fellows and two senior fellows.

We continue the in-depth analysis of the current R&D workforce while building toward the strategic R&D workforce of the future based on the updated R&D job structure as introduced last year. As a follow-up to the Strategic Planning Alignment (SPA) of 2022, insights on workforce planning were discussed with the R&D Management Team as part of our longer-term strategy for building future R&D talent.

In 2023, the key focus for developing thought leadership was on creating the framework to build the technical leaders we'll need for our future and exploring our site strategy for the longer term.

To further develop the technical community, we expanded the NXP Academy, offering a variety of learning opportunities, development programs and specialized training in the areas of architecture and systems engineering, functional safety, design quality, crypto and security, artificial intelligence and ideation.



[1] Reconciliations of non-GAAP R&D to GAAP R&D can be found on our Investor Relations website.

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Team Members: Thought Leadership

In 2023, many of our R&D team members participated in an NXP school and other development activities. Here are some examples:

- The **NXP Crypto & Security School** was created in 2015, with the mission to increase the awareness and create a common language when we talk about secure products. This program makes the expertise and know-how of the security experts of the Competence Center Crypto & Security available to a wider audience in NXP on topics such as cryptography, security architecture, secure design processes, secure implementations and security certifications. As of year-end 2023, the Crypto & Security School had conducted 234 trainings (either live online or in-person) and has trained 6,140 NXP team-members.
- In India, we hosted season four of the **Young Innovator Design Challenge (YIDC)**, a platform for the children of NXP employees, designed to encourage their creativity and increase their interest in Science, Technology, Engineering and Math (STEM). This year's theme was Green More Pollute Less – Protect, Prosper & Preserve through Electronic Innovation. We had 93 registrations across India, more than 75 idea submissions, 48 projects prototypes and 16 winners across different categories.
- Strong support for Project and Program Managers (PMs) continued in 2023. For example, in the fourth quarter of 2023, we launched the seventh group for the **R&D Project Leadership Program**. As of year-end 2023, 96 senior PMs had successfully concluded the program. For 2024, three new groups are planned, and we will launch additional PM Masterclass sessions with a new provider.
- The NXP process for new product introductions is complex, requiring a large investment as well as successful, timely and efficient completion. Our PM talent is vital to our ability to drive these projects to completion and, as a result, NXP is emphasizing further investment 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. To further stimulate Invention Disclosure submissions, we introduced a new "My First Patent Award" to recognize individuals who have an initial patent granted. To continue engaging our Master Inventors (employees who have reached the level of 25+ patents), we introduced an additional recognition ("Principal Inventors") for those who reach 50+ patents.

View a detailed list of NXP R&D development activities at our Building Thought Leadership website.



Looking Ahead

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

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Team Members: 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 (DE&I) 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.

Our global team members are instrumental to our success. Collectively, we push the boundaries of innovation and create new technologies that make the connected world smarter, safer, and more secure. To continually advance as a company, we recruit, select, develop and advance a highly skilled, collaborative, diverse and inclusive team with a winning mindset. Creating breakthrough technologies and spawning new ideas is enabled through diverse thinking, different experiences and varied backgrounds.

In 2023, 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, our efforts to embed inclusion deeper within the organization and the areas where additional focus is needed.



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Team Members: Diversity, Equality and Inclusion

Key Highlights for the Year

- **Implementation of DE&I questions within the Winning Culture Survey** – For the second year in a row, in conjunction with our third-party survey partner, we included diversity, equality and inclusion questions in our team-member survey. The all-team-member survey gave better insight into team-member experience, engagement and sense of belonging. There was an increase in favorability for DE&I as compared to last years' results. We look to continue advancing our DE&I efforts to enable an environment where all team members feel a greater sense of belonging.
- **Unconscious-bias training for people managers** – Last year, we announced our plan to deliver unconscious-bias training to all people managers within the company. The NXP Management Team kicked-off the initiative by completing their session at the start of 2022, with additional sessions held for members of our Employee Resource Groups (ERGs). In 2023, we delivered the training to our entire Human Resources (HR) organization and launched it enterprise-wide to our people managers. This will be an ongoing initiative to ensure we train people managers who are either new to the company or have moved into roles with people-management responsibility.
- **Leveraging our Diversity & Inclusion Council** – Our Diversity & Inclusion Council serves as an advocate, resource and governing entity to advance NXP's global, strategic diversity, equality and inclusion initiatives. The council includes the President and CEO, Chief Human Resources Officer, Chief Sustainability Officer, Executive Vice President of Global Operations and Head of Strategy, Vice President and Head of DE&I along with business and strategy leaders and ERG members. In 2023, the council met on a quarterly basis to review progress toward our aspirational representation targets, retention of our team members, development initiatives, pay equity and to discuss potential additional initiatives.
- **Focus on diverse hiring practices** – We continued our practice of requiring diverse candidate slates for select roles. We also increased the award amounts for our Employee Referral Program, where applicable, 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.
- **Continued our exit-interview process** – To gain a better understanding of what contributes to the attrition rate of women globally and minority team members within the United States, we continued our exit-interview process by inviting team members at specific job levels to provide direct feedback to the Head of DE&I prior to exiting the company. The invitation to participate in an exit interview is extended to the team member upon termination notification.
- **Recognized for our Diversity & Inclusion efforts** - In September 2023, NXP was recognized as one of the three finalists for the Global Semiconductor Alliance (GSA) Women's Leadership Initiative (WLI) Designing the Difference Award. This award recognizes companies that are making a significant and measurable impact on advancing the industry through diversity and inclusion.
- **Increased our ERG footprint** – NXP increased its Employee Resource Group footprint by establishing two new chapters of the Emerging Professionals/ Young Community in France and India, as well as two new chapters of No eXtra Planet in the US and India.



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Team Members: 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. In alignment with the NXP Code of Conduct, 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.

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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.

In 2023, our overall team-member population was 32,738 (employee headcount). Of this population, we saw an increase in the representation of women in R&D positions, but remained flat or slightly under the prior-year results in other categories. We continue to focus on hiring, developing and retaining team members across all global sites to support our 2025 representation goals. While we present gender representation data by men and women, we acknowledge this is not fully encompassing of all gender identities.

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

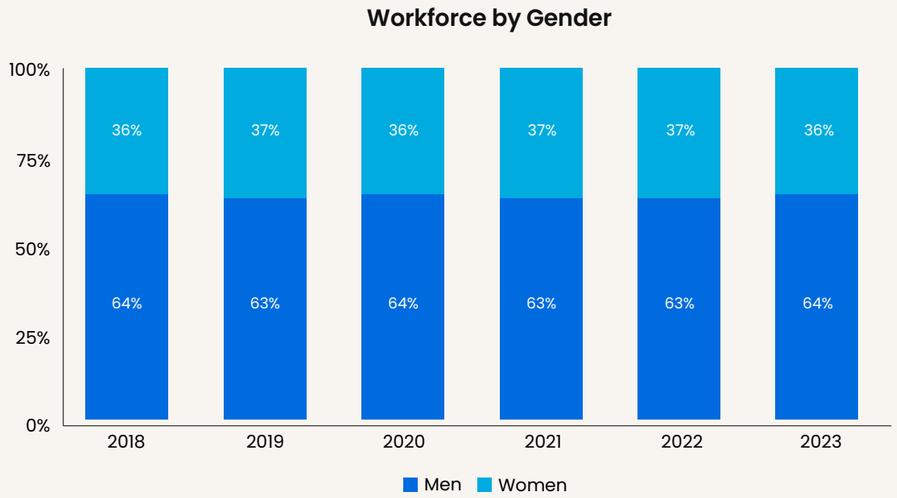
2023 DE&I Performance

36% Women in Overall Global Workforce	**25%** Women in Global IDL Workforce	**16%** Women in Executive Positions[2]	**20%** Women in R&D Positions	**52%** Minority Representation in the US[3]

[2] Executive positions are defined as individuals at the level of Vice President and above.
[3] 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.

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Gender Representation

Women represent 36% 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.

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 other underrepresented 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.



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Race and Ethnicity Representation

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

Over the course of 2023, we saw our Asian American population increase by two percentage points compared to 2022. We saw a one-percentage-point decline in our Black/African American team-member population, as well as a one-percentage-point reduction in our Hispanic/Latino team members from the prior year.

A breakdown of NXP's US population, as of December 31, 2023:

US Race and Ethnicity	2023
White (Not Hispanic / Latino)	48%
Asian (Not Hispanic / Latino)	24%
Hispanic / Latino	15%
Black or African American (Not Hispanic / Latino)	5%
Native American or Alaska Native (Not Hispanic / Latino)	0.6%
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 deliberate, demonstrated part of our day-to-day activities.

We continued our practice of "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.

Throughout the year, team members shared the positive impact that being more mindful about their interactions with others, perspectives, and behaviors has had. Anticipated outcomes include better engagement, increased collaboration, higher performance and advanced innovation. Inclusion creates an environment in which all team members feel welcomed, valued, accepted, respected and included, and enables everyone to perform at their best.

Among our inclusion efforts are the following:

- Sharing our global recognition calendar
- Spotlighting the various countries in which we operate during our global recognition of Diversity Week, where we shared information about company history, business accomplishments and opportunities for community engagement
- Promoting cultural enrichment events and activities, along with some cultural fun facts
- Spotlighting the contributions of men, positive male role models and focusing on men's health and well-being in connection with "Movember"
- Celebration of International Women's Day across the globe

Fostering Team-Member Engagement via ERGs

An instrumental part of our approach to DE&I are our team-member voices, their engagement in driving inclusion and their efforts to support our strategic initiatives for diversity, equality and inclusion.

NXP's Employee Resource Groups (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 2023, we:

- Increased our number of ERG chapters from 23 to 27 by establishing two new chapters of the Emerging Professionals / Young Community groups in France and India, as well as two new chapters of No eXtra Planet in the US and India.
- Grew ERG global representation. NXP now has nine primary ERGs, with 27 chapters represented in Asia, Europe, Mexico and the United States.

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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. In 2023, the ERGs collectively hosted more than 250 events, including professional-development workshops, networking sessions and cultural-awareness activities.

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. Examples of these collaborative efforts include the following:

- The company's annual observation of International Women's Day (IWD), which celebrates the social, economic, cultural and political achievements of women. In 2023, thousands of NXP team members around the world participated in more than 55 virtual and onsite IWD events.
- NXP's raising of the Pride flag across our global sites.
- Additional annual observances celebrated by our ERGs include Black History Month, Pride Month, Hispanic Heritage Month, Global Diversity Awareness Month, Asian Heritage Month, and Diversity Week.

When possible, our ERGs also partner with external organizations committed to advancing STEM education, community wellness and sustainable environmental practices. For example, in 2023, our ERGs raised and donated funds and led 20 volunteer opportunities.

This year, our ERGs partnered with more than 20 nonprofit organizations, including the following:

- El Buen Samaritano, Texas
- For Our City Day Chandler, Arizona
- Huston Tillotson University's Austin Pre-Freshman Engineering Program (AusPREP), Texas
- National Society of Black Engineers Fresh Start, Texas
- one•n•ten, Arizona
- Si Se Puede Foundation, Arizona
- The National Expert Organization on Girls in STEM (VHTO), Netherlands
- The Trail Conservancy, Texas
- Valley of the Sun United Way, Arizona
- Elles Bougent, France

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 2023, 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.

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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.

Below are a few examples of 2023 activities to support NXP's aspiration to improve gender representation:

- The Taipei office held a Woman in Tech Day, bringing together nearly 40 women students from various schools with backgrounds in Electrical Engineering and Computer Science. They gathered to discuss their careers, challenges and any uncertainties they might encounter along the way.
- NXP Mexico hosted workshops for Beautiful Patterns, a program by Insituto Tecnológico y de Estudios Superiores de Monterrey (ITESM, or Monterrey Institute of Technology and Higher Education in English), which is an interdisciplinary effort that seeks high-impact solutions to the complex sociotechnical challenges of women's STEM education.
- The Black Achievement and Leadership Team (BALT) ERG in the United States continued its partnership with the National Society of Black Engineers (NSBE) chapters to host Leveling Up Workshops, an NXP-developed, career exploration workshop that provides university students with guidance, support and early access to tools, tips and NXP resources.



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Developing our Diverse Workforce

Our Leadership Development Program (LDP), described in the Development and Growth chapter, targets leaders at the director level and above. Within the cohort of 2023 program participants, we've achieved our target of having women and other underrepresented minorities account for 40% of the participants.

Through our ERGs, NXP regularly facilitates training on DE&I topics. As an example, our BALT and EQUAL ERGs collaborated on a presentation to discuss fostering cultural diversity and inclusion in the workplace. 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 aim to promote career development, enhancing business knowledge and building leadership skills. For example:

- BALT United States conversation with Jens Hinrichsen, NXP Executive Vice President and General Manager Advanced Analog, who shared his career journey, development pathway and leadership wisdom.
- Hispanic Education Awareness Team (HEAT) United States Lunch and Learn with Jaime Pla, Senior Vice President and General Manager Advanced Interfaces & Sensors Product Line, to discuss key elements of taking action to support your career development.
- Women in NXP (WiN) Americas executive coffee chat with Chief Human Resources Officer Chris Jensen, where he provided insights on career advice, collaboration and traits of success.
- WiN India Speed-O-Mentoring session with leaders including Sourav Roy (NXP Fellow) and Ashish Bhattad (Senior Director Secure Connected Edge), which covered leadership, technical-skills growth and microaggressions at work.
- Young Community Germany Career Insights Session with Torsten Spinty, Senior Vice President Advanced Analog Finance, to give insights on how young professionals can get a jumpstart on their career development.
- Young Community Netherlands and Germany hosted the first round of the new “One Day with an Executive” initiative, an opportunity for young professionals to spend a day with NXP leaders. In this first round, team members were matched with one of six participating executives and spent a day shadowing the leaders as they attended meetings, customer calls and worked through their daily agendas. Participant feedback indicated the initiative provided valuable experiences and insights into new functions, executive leadership responsibilities and qualities and provided new perspectives.

In addition to these efforts, 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 2023, NXP team members participated in the Texas Conference for Women, the California Conference for Women, Black Engineer of the Year (BEYA) 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

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Team Members: 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 team members where long-term retention is appropriate.

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 team-member compensation to our ESG goals. For more information, see our 2024 Proxy Statement and the Goals section of the Sustainability Strategy chapter 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. Summarized results of this analysis 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 through our Enabling Performance process.

Benefits

In 2023, NXP introduced **Wellbeing@NXP**, aimed at helping our team members maintain their physical health, mental health and financial well-being through our various programs offered at the local level. Through an app-based portal, we support challenges throughout the year and provide daily tips, journeys and online programs for employees to maintain their well-being. We encourage team members to create connections with others who are working on similar well-being initiatives. They also have the ability to connect with specific programs within the overall benefits offerings.

NXP offers a wide range of global 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 the following:

- A global Flexible Work Arrangement program, which allows 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.
- Annual recharge days that allow employees globally to either enjoy a local holiday or enjoy a meeting-free day to catch up on their goals. In 2023, seven Recharge Days were recognized throughout the company.
- In some countries, we support part-time work schedules, helping to promote overall well-being and greater work-life integration for our team members.

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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 offer consistent benefits packages for salary and hourly team members who work at least 20 hours per week. 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 full- and part-time team members 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- and sports-related activities and cultural events for our team members.

Looking Ahead

- We will continue to have our total rewards programs focus on attracting, motivating, retaining and rewarding our talented team members.
- We will continue to examine our compensation programs and pay decisions through the lens of pay equity.
- We will 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 team-member health and well-being.

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Team Members: Development and Growth

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, team members can achieve new levels through experience, collaboration and education.



Our Approach: The 70/20/10 Model

Learning Through On-the-Job Experience (70%)

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 and fuel the career growth of our team members.

Learning Through Others (20%)

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 are daily habits.

Learning Through Education (10%)

Coursework is a vital tool, blending internally designed and externally sourced courses and learning resources to provide our team members with 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.

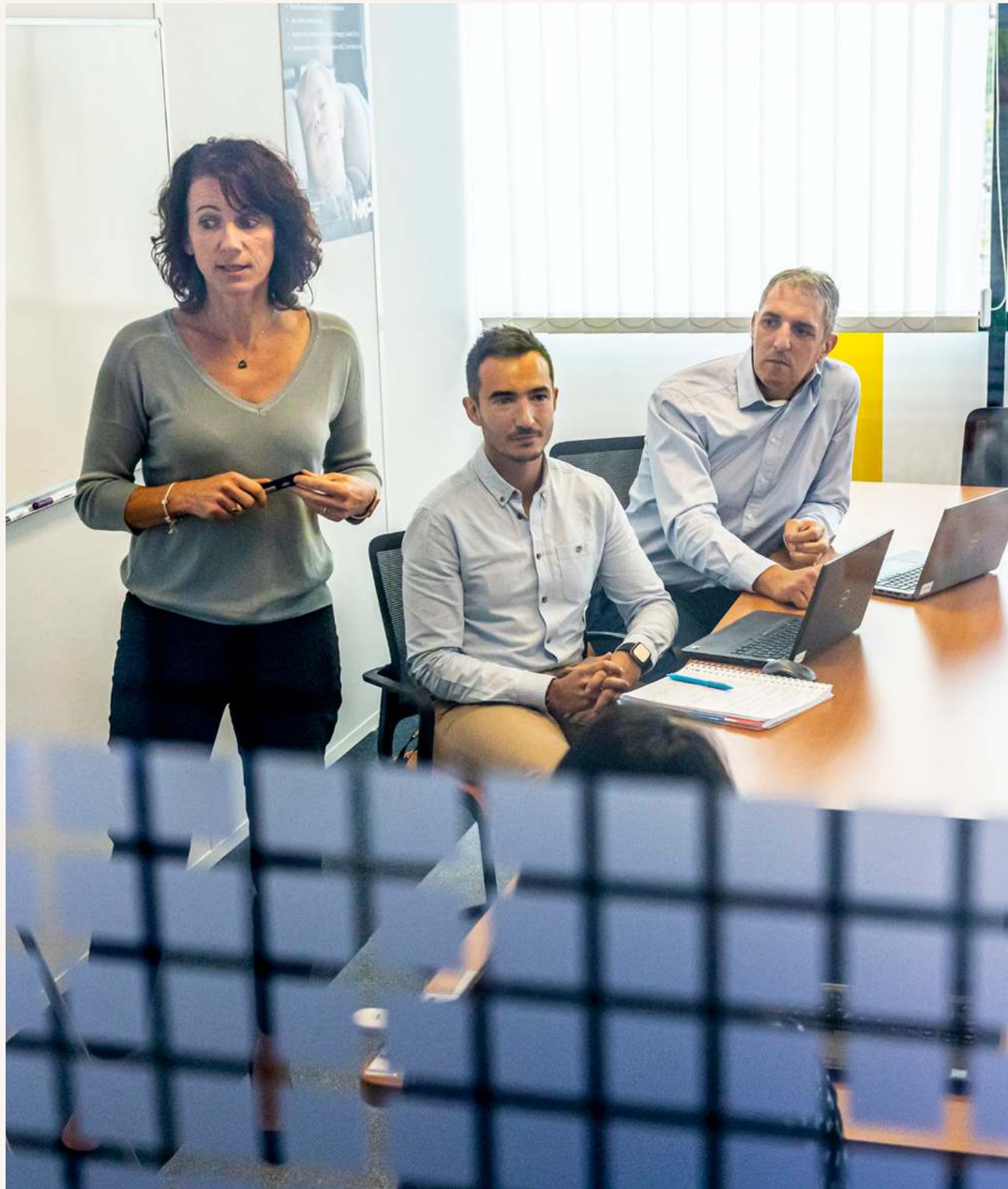
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Team Members: Development and Growth

Global Online Learning[4]

In 2023, NXP saw an increase of 168% in global online training compared to 2022, and introduced new face-to-face training opportunities. See the chart below for details on our online learning.

Global Online Learning	Unit	2021	2022	2023[5]
Overview				
Training Courses Completed	Number	8,852	9,497	**387,179**
Online Training Hours	Hours	89,591	168,229	**451,356**
Average Online Training Hours	Hours	3.0	5.1	**13.7**
Average Online Training Hours by Role				
Indirect Labor (IDL)	Hours	7.0	8.0	**17.6**
Direct Labor (DL)	Hours	0.2	0.6	**4.6**
Average Online Training Hours by Gender				
Women	Hours	2.2	4.1	**9.5**
Men	Hours	3.5	5.7	**14.5**



[4] Online training metrics include mandatory compliance training and team-member-elected training.
[5] Due to changes in our internal training system, 2023 numbers are calculated slightly differently than for earlier years.

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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 2023 and others to come in 2024.

Examples of our current programs include the following:

- **Executive Presence** – Led by an external executive coach, this virtual program consists of cohorts of 10 team members who participate in one three-hour workshop lecture, two three-hour role-play sessions, where participants present to a mock executive audience and receive peer and facilitator feedback (five participants per session), and a 1:1 coaching session. This program is designed for team members who want to improve presentation skills or who often present to executives, and emphasizes the importance of feedback, of tailoring presentations to the audience and overall effectiveness and professionalism.
- **NXP Engage!** – A voluntary program that allows employees to engage with and learn from people across functions. This program provides opportunities to connect and build a broader (global) network at NXP. It supports the 20% of development that happens by "learning through others."
- **Women's Leadership Program** – Designed for mid-career women team members, this six-month virtual program aims to develop a pipeline for key women talent and add diversity to our potential executive leaders. In the program, piloted in July 2023 with 30 participants, team members are led by an external guide through curriculum, discussions, coaching and mentoring sessions and group meet-ups. Select senior leaders at NXP also present their career journey and provide key insights into their leadership journey. Topics throughout the program include sharing our leadership stories, defining authentic leadership, influencing up, down, and across and more.

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

- **Business and Function-Specific Training** for specific audiences on a wide variety of topics, including project management, business intelligence and technical skills. For example, our Assembly and Test and Front-End Operations team members participated in more than 2,000 courses/sessions, totaling 47,000 hours of training in 2023.
- **Team-Effectiveness Workshops** invite team members 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. In 2023, we delivered 106 Insights Discovery sessions to team members across the globe.
- In 2023, NXP launched the global **Workday Learning Management System**, which enables full distribution of content creation and learning assignments from the company's employee system of record and allows the company to get the right learning to the right people at the right time.

Our customers are key to what we do. We value external collaboration, not only as a way to share our expertise with our customers and design partners but also as a development opportunity for our own team members. To that end, we regularly host and engage in external training, conferences and other industry events that help us stay connected with the growth of the industry and ensure our talent maintains cutting-edge and competitive knowledge and skills.

Looking Ahead

- NXP will offer a refresh training of NXP Manager Intensive to alumni, providing them with an opportunity to reflect and build upon their learnings and key takeaways from the program.
- Leveraging the results from our annual Winning Culture Survey, we will provide all team members with the opportunity to learn more about our NXP values, as well as offer resources and tools for personal and professional development aligned to those values.

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Team Members: Future Talent

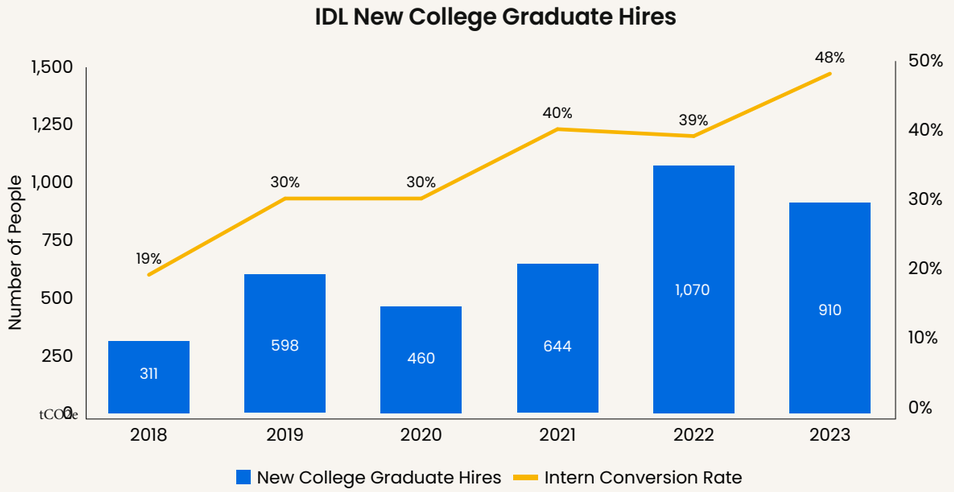
NXP's strong commitment to our new-in-career and internship programs is a key contributor to developing the next generation of talent, including engineers, in our industry and our company. In addition to recruiting interns, working students and new college graduates for engineering roles, the Company 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 2023, we continued to welcome university students to NXP. We granted more than 1,380 internships to university students and converted 48% of our interns into NXP team members as new college graduates.

New College Graduates

Our internship programs build a highly capable and energetic pipeline of new college graduates. In 2023, we were pleased to welcome more than 910 IDL new college graduates, a slight decrease compared to the 1,070 new college graduates we hired in 2022. These hires represent 44% of our overall IDL hiring activity, in which 36% of new college graduate hires were women and 76% were underrepresented minorities in the US.







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Team Members: 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 toward university partnerships by linking recruitment, global sales and marketing and R&D programs. In 2023, we strengthened this global and local collaboration and successfully implemented many initiatives and activities.

In 2023, we took a diversified approach to university funding and support. This allowed us to support advanced research programs and sponsorships as well as encourage innovation that helps to make a difference. For example, the NXP Foundation gave major donations to the Graz University of Technology (Austria), the Eindhoven University of Technology (Netherlands), Arizona State University (Arizona), Maricopa Community College (Arizona), Prairie View Agricultural and Mechanical University (Texas) and Austin Community College (Texas).

Find more information about NXP's university partnerships and engagements at our Future Talent website.

University Ambassador Program

In partnership with our 16 in-country University Relations Councils across the globe, and to help foster connections with students who 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.

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 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, with students and ambassadors often finding themselves 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

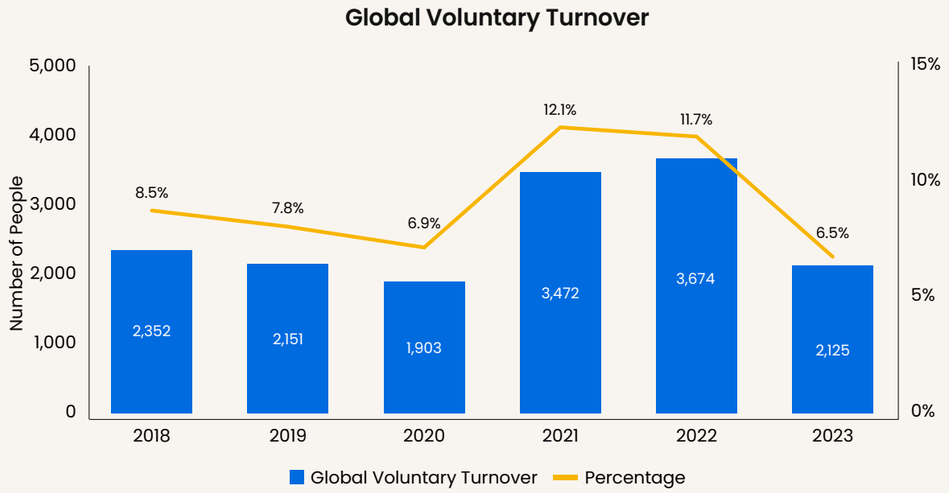
NXP empowers our leaders and teams to create and launch programs that target the individual needs of future talent in a specific country or region. Learn about programs we've launched in specific countries at our Future Talent website.



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Team Members: Team-Member Retention

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





Voluntary turnover varies by country and our turnover rate remains below the competitive benchmark in each country where we have team members. The 2023 turnover rate was an all time low of 6.5%[6]. 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 to work onsite and remotely. Participating team members follow a defined process for their respective country. This 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 realizing that team members' well-being is crucial to our overall effectiveness as a company. Each country has well-being embedded into its internal communications, team-building activities and local celebrations. In 2023, we continued 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 2023, these days coincided with regional holidays, allowing for seven coordinated opportunities for team members 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 designed to retain team members.

[6] We began formally measuring attrition in 2018.

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Team Members: Community Outreach

We believe in making a positive difference in the communities where we live and work. We are committed to supporting these efforts worldwide 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 focusing on topics such as education, poverty, hunger, health and well-being within their respective communities.

Alignment with the United Nations Sustainable Development Goals

Our community-outreach activities focus on the following four sustainable development goals (SDGs):

No Poverty

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

Zero Hunger

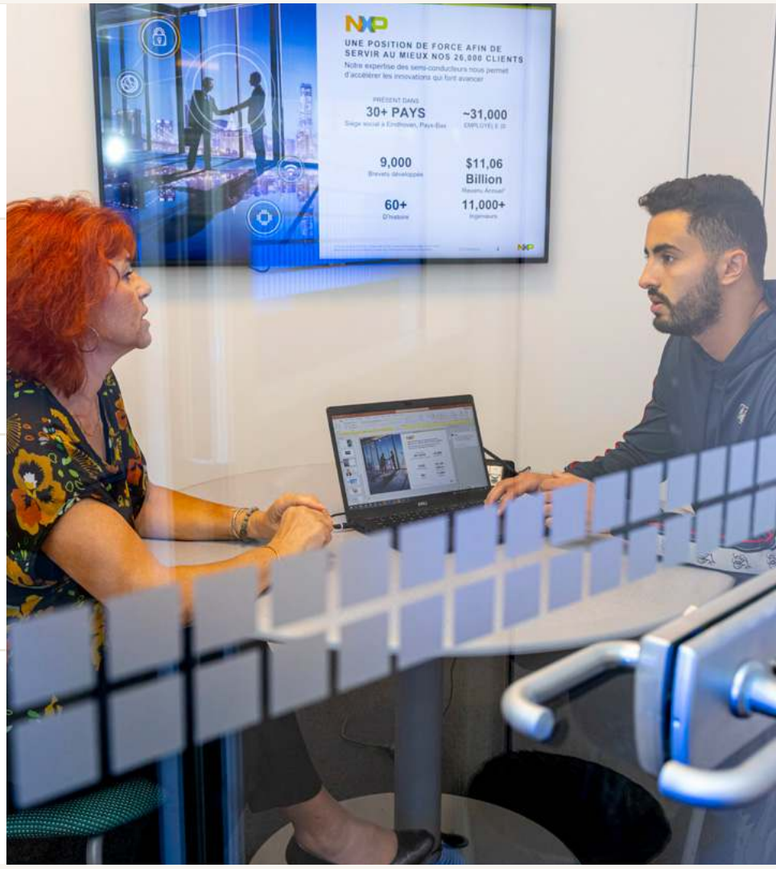
- Food-pantry volunteer service, donations and fundraisers

Good Health and Well-Being

- Supported health-related events and initiatives to benefit the communities in which we live and work

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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Team Members: Community Outreach

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.

In 2023, NXP introduced NXP Gives Back, a new workplace giving and volunteering platform that makes it easier for team members to give, volunteer and make a bigger impact in their communities. Using the platform, team members in Canada, the United Kingdom and the United States were able to financially support qualifying community organizations, as well as log their time spent volunteering with organizations, among other things.

View a detailed list of 2023 community-outreach activities that center around investing in STEM education, giving monetary contributions and donation of goods and services as well as volunteer outreach, at our Giving Back to Our Communities website.

Looking Ahead

In 2024, NXP will expand the opportunity for team members to use its NXP Give Back platform across the world.



Social Responsibility

Ensuring human rights and engaging with our supply chain on sustainability issues



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2023 Human-Rights Performance

Human-Rights Due Diligence

15 Supply-Chain Due-Diligence Audits in 2023

External Engagement

NXP Continues to be Called on to Share Practical Approaches to Labor and Human-Rights Challenges. NXP Ranked **38 of 1,108** Companies in the Global Child Forum Benchmark

Due-Diligence Results

Instances of Working-Hour Challenges, Recruitment-Related Fees **Paid** by Workers and Insufficient Rest Days

Labor and Human-Rights Commitments

Established the NXP Human Rights **Working Group** to Drive the Next Phase of NXP Human Rights Program. Reviewed and Updated the NXP Human Rights Due Diligence Management System

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.

In 2023, NXP established the NXP Human Rights Working Group, consisting of cross-functional representation from Legal, Human Resources, Procurement, Corporate Trade Compliance and the Sustainability Office. The key charter and responsibilities of the Working Group are as follows:

- Provide a strategic plan for how NXP will address the continuously evolving landscape of human rights-related regulatory requirements and stakeholder expectations
- Review NXP preparedness with respect to these requirements, including an annual human-rights performance review (from our different perspectives), and report findings to the ESG Board
- Provide input on changes/updates to the existing human-rights management system, policies and standards

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Human-Rights Due Diligence

In 2023, to identify potentially adverse human-rights impacts and put in place prevention and mitigation measures, NXP reviewed and updated its Human Rights Due Diligence Management System. The management system helps ensure NXP implements a human-rights and environmental due-diligence program that will continually identify and address the salient human-rights risks of NXP's business and operations, as well as the risks of our value chain. The management system also helps us comply with relevant regulatory, NXP and customer requirements as well as the requirements of the International Labour Organization(ILO) Core Conventions, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Organization of Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and other industry codes, such as the Responsible Business Alliance (RBA) Code of Conduct version 7.0. 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 and remediation as well as consultation and engagement with workers, management and other key stakeholders in addition to measurement and public reporting.

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



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Elements of Due-Diligence Process		NXP's Approach Actions
Identify and Assess	We evaluate actual and potential human-rights impacts.	• 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	We use assessment findings to guide our growth.	• Policies, standards and tools • ESG Management Board • Capacity-building • Collaboration with Purchasing Team • Monthly post-audit follow-up calls
Track	We gauge progress by monitoring our actions and responses.	• 30/60/90-day post-audit follow-up calls • Verification audits • Monthly key performance indicators (KPIs) • Survey • Private worker interviews
Communicate	We share how we are addressing our impacts.	• SpeakUp hotline • Worker-management dialogues and focus-group discussions • Internal and supplier grievance mechanisms • Annual reporting

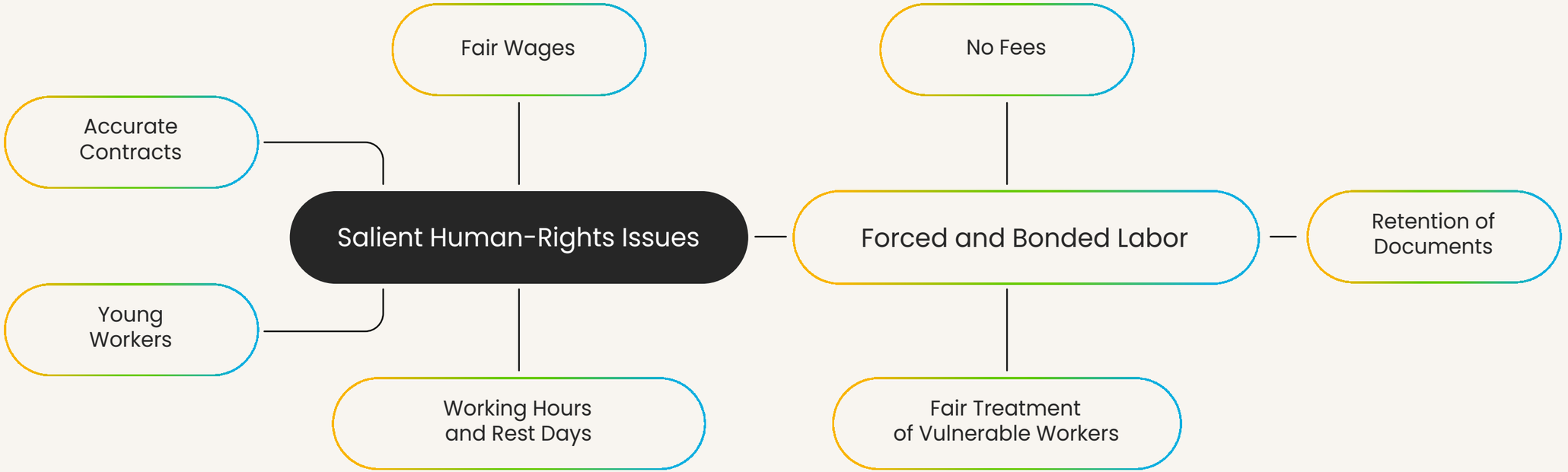
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Social Responsibility: Human Rights

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.



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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. We make these improvements based on our own experiences from our due-diligence work, 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 a 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.

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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.

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Salient Human-Rights Issues: 2023 Results		
	Our Operations	**Our Supply Chain**
No Fees	Workers did not pay fees.	33% of audited suppliers had nonconformances related to hiring fees. The one supplier with a recruitment-fee finding has fully repaid their affected workers and implemented policies and procedures to prevent recurrence. Findings of other suppliers were related to lack of policies and procedures.
Retention of Documents	Personal documents are retained by workers.	Of 15 suppliers and two labor agents, three suppliers were found to lack in policies and procedures to prevent the retention of workers' personal documents. One supplier has resolved this finding.
Fair Treatment of Vulnerable Workers	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	All workers worked in compliance with the 60-hour-per-week work schedule and received one rest day after six days of work.	40% 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.	Three cases of child labor findings in relation to lack of policies and/or procedures on child labor.
Accurate Contracts	Accurate contracts issued to all workers in their native language.	33% of audited suppliers had inaccurate contracts. All suppliers, except one, have closed this nonconformance.
Fair Wages	No discrepancies in wages or benefits.	27% of audited suppliers had discrepancies in wages and benefits. All suppliers have closed this nonconformance.

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Human-Rights Achievements

NXP's Social Responsibility Program was again externally recognized in 2023 for its work in addressing modern-day slavery issues within NXP operations and our supply chain. NXP was part of a stakeholder meeting organized by the RBA in partnership with the European Parliament's Responsible Business Conduct Working Group, IMCO S&D and the NGO Anti-Slavery International, dedicated to the EU Forced Labor Regulation. NXP presented a case study on Remediation of Forced Labor through collaboration.

The RBA invited NXP to participate in two expert panels at the Responsible Business 2023 Conference, in Santa Clara, California. In the first panel, focused on Ethical Recruitment, NXP shared our approach to ethically recruiting foreign migrant workers and our continued efforts to engage with the rights holders involved.

The second panel focused on how the industry is approaching the challenges and opportunities posed by the upcoming EU requirements for ESG reporting.

NXP was also invited to speak at the 12th UN Forum on Business and Human Rights. We spoke at the session titled, "Saliency 2.0: Why Human Rights Saliency Assessments Matter for Effective UN Guiding Principles Implementation and Their Evolution." We shared that NXP has been performing human-rights saliency assessments on our own operations and in our supply chain for the better part of the last 12 years and explained that we have seen the assessment process evolve from risk assessments to audits and, most recently, to capacity-building and stakeholder engagements. These assessments have helped us prioritize our action plans, so we can effectively manage and mitigate the salient human-rights risks we identify.

NXP in Action

NXP continues to explore how to advance our human-rights work through community and stakeholder engagement. In 2023, in conjunction with due-diligence work on our recruitment agencies in Indonesia, NXP, together with our third-party partner, Verité, took the opportunity to visit two vocational schools in rural villages in Yogyakarta, in Central Java. These sites were chosen because NXP had, through our Indonesia recruitment agencies, previously recruited potential job candidates from these schools. The main goal of each visit was to engage with the students and to provide awareness training on what their rights are, upon graduation, if they choose to become migrant workers. It is critical to help this group of stakeholders understand their rights so they avoid becoming victims of exploitation from unethical recruitment agents, even though they may or may not be recruited by NXP. In total, around 50 students attended the training conducted. Alumni of both schools who had previously worked and completed their employment contracts at NXP were also invited to attend the training to provide accounts of their experiences as migrant workers in NXP.



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Social Responsibility: Supplier Engagement

Supply-Chain Compliance Goals

100%
of Key Suppliers Sign Supplier Code of Conduct Conformity Statement

85%
Closure Rate for Corrective Action Plans

100%
Certified Mineral Smelters

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

2023 Supplier Engagement Performance

100%
of Suppliers Signed the NXP Supplier Code of Conduct Conformity Statement

80%
Closure Rate on Corrective Action Plans for Supplier Audits in 2023

100%
Certified Mineral Smelters

Participated in RBA's Project to Map and Assess Risk in the Poly-Silicon Supply Chain that is Critical for the Semiconductor Industry

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 began development of 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.

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Social Responsibility: Supplier Engagement

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 RBA's Code of Conduct version 7.0, the Universal Declaration of Human Rights (UDHR), UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work, the 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. It 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.

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 2023, 227 supplier locations received a risk-assessment score equal to or 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 2023, we completed 15 supplier audits and two labor-agent audits. From our supplier audits, we identified a total of 537 nonconformances. We closed 427 of those nonconformances, yielding a closure rate of 80%. We did not terminate business with any of these suppliers, in light of their willingness to take the steps needed to close their corrective action plans.

The number of nonconformances decreased in 2023 compared to 2022 even though we conducted more audits in 2023. This is due to maturity in some of the suppliers we audited.



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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.

$$\text{Risk Score} = \frac{[\ (\text{Country Risk}) \times (\text{Product or Service}) \times (\text{Spend})\ ] \times 100}{1{,}000}$$



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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

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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), medium risk ($100,000 to $500,000) and low risk (under $100,000).



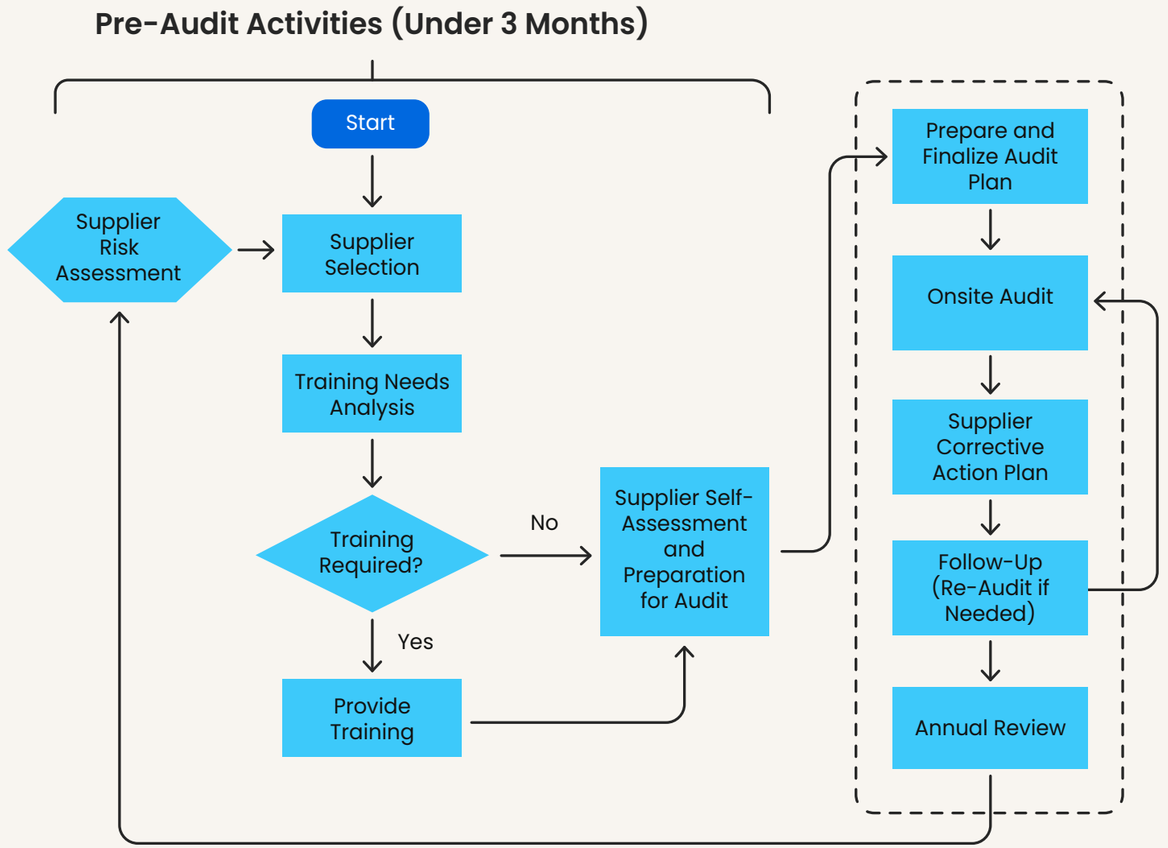
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Audits

NXP's Corporate Social Responsibility and Human Rights 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: 1) documentation reviews, 2) management and private worker interviews and 3) 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. NXP's Corporate Social Responsibility and Human Rights Audit Program is conducted in accordance with a defined process flow described in our "Pre-Audit Activities" illustration.



NXP in Action

In 2023, we participated in an RBA special project to map and assess risk in the poly-silicon supply chain that is critical for the semiconductor industry. The project resulted in low exposure risk for the semiconductor industry and further outreach needs to be carried out for two suppliers.

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Risk Assessment
The supplier-audit 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 three 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 are 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.

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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 transitioned back to 100% onsite audits in 2023. We will, however, continue to keep the remote audit protocols on standby in case they are needed or if there is an escalation of a pandemic-related crisis similar to what we saw during the COVID-19 pandemic.

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 gave us a way to perform due diligence during the COVID-19 pandemic, but they were only a temporary solution, not suited for long-term replacement of onsite audits, for several reasons. To begin with, remote audits are limited in scope, focusing primarily on labor, human rights and ethics. They leave out the assessment of environment, health and safety (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.

Remote audits can be a useful tool for follow-up or verification audits with suppliers who performed well in their initial audit and are 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.

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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 2023, through our trading relationships with our key suppliers in the RBA-Online platform, we tracked and followed up with suppliers who had initiated and completed the RBA VAP audits and ensured that progress was made in the closure of the VAP audit findings. 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. We reviewed and monitored 23 RBA VAP audits initiated by other RBA members with the same supply base in 2023.

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 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 with the Ethics Committee and raised to the ESG Management Board in case of significant findings. 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 to 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, such as retaliation or discrimination could occur. 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 2023.

[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.

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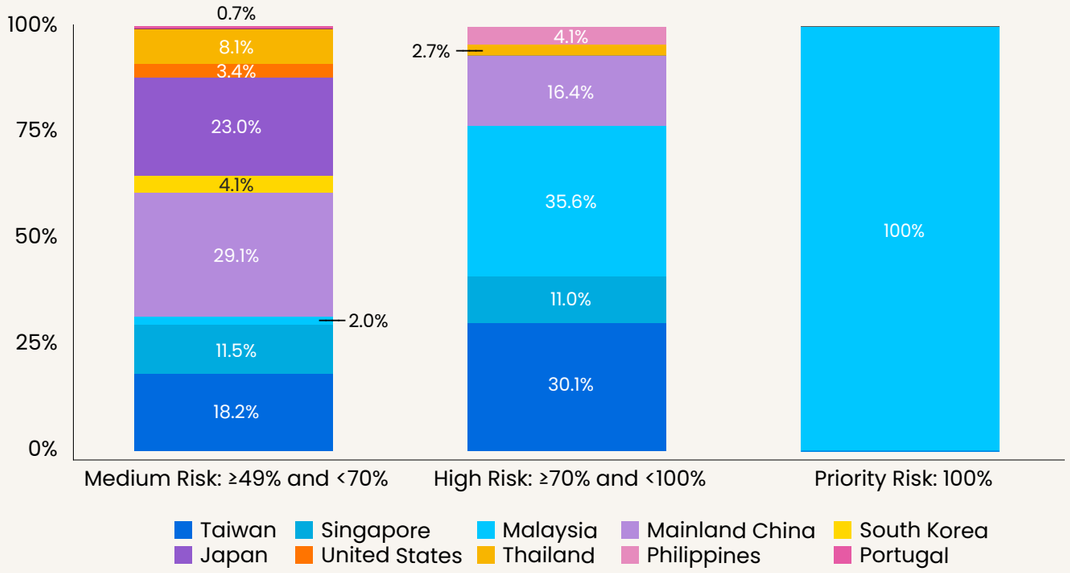
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Supplier Assessment and Audit Results

2023 Supplier Risk Assessment

We annually conduct a supplier risk assessment to determine our audit schedule for high-risk supplier locations. Risk is calculated according to three scoring categories – country, product and spend risks – and assigns a risk factor as either medium risk (≥49% and <70%), high risk (≥70% and <100%) or priority risk (100%). In 2023, we assessed 6,426 supplier locations and identified 148 medium-risk, 73 high-risk and 6 priority-risk supplier locations. The 2023 supplier risk assessment identified priority-risk supplier locations in Malaysia.

2023 Medium-, High- and Priority-Risk Scores for Supplier Locations by Country and Region from Annual Risk Assessment





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Supplier-Audit Overview

Since 2013, when we began our Corporate Social Responsibility and Human Rights Audit Program, we have conducted 201 supplier audits. That includes labor-agent audits as well as verification audits, which began in 2014.

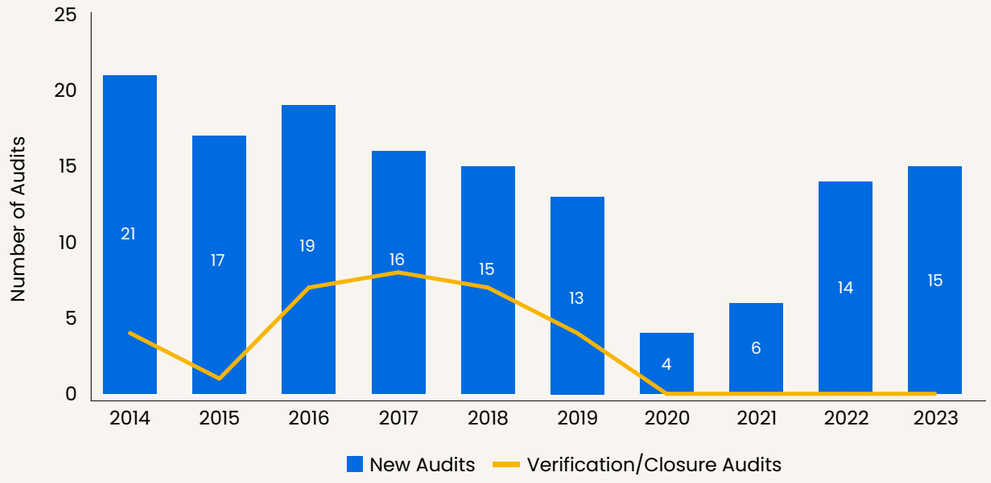
In 2023, we conducted 15 announced onsite audits for suppliers located in Japan, Mainland China, Malaysia, South Korea and Taiwan.

As part of our membership in the RBA, in addition to the 15 supplier audits we conducted ourselves, we also reviewed and monitored 23 RBA VAP audits initiated by other RBA members with the same supply base. It is RBA policy that the initiating member work to close any corrective actions resulting from an audit but, if the initiating member fails to do so, the RBA may ask another member with the same supply base to intervene. In 2023, NXP was not asked by the RBA to help close any of the corrective actions identified in audits initiated by other members.

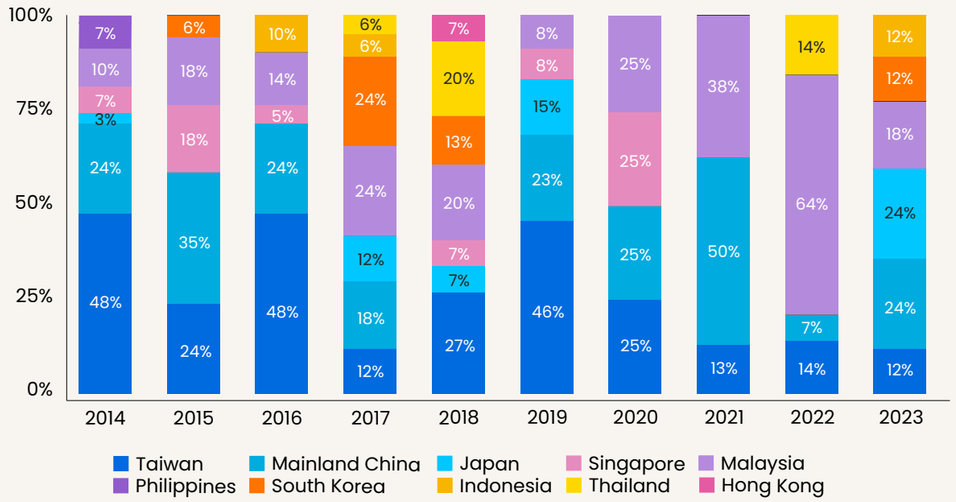
An NXP auditor is present at all our onsite audits. This demonstrates our commitment to social responsibility and human rights and also lets us observe, in person, how management treats workers.

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 2023, 424 random worker interviews were conducted, involving 46% men and 54% women with varying lengths of service and age range.

New Supplier Audits and Verification/Closure Audits



Supplier and Labor-Agent Audits by Country and Region



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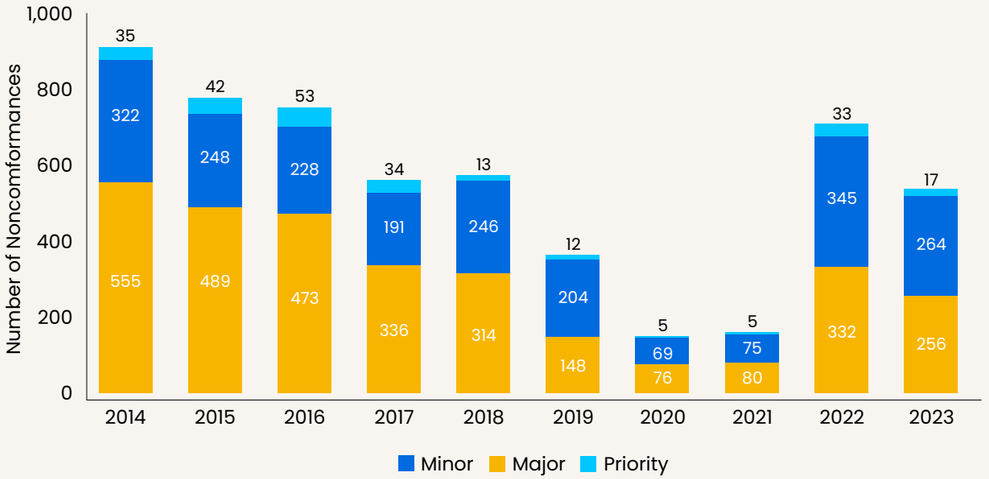
Supplier Audit Nonconformance Results

Audits conducted in 2023 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 had 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.

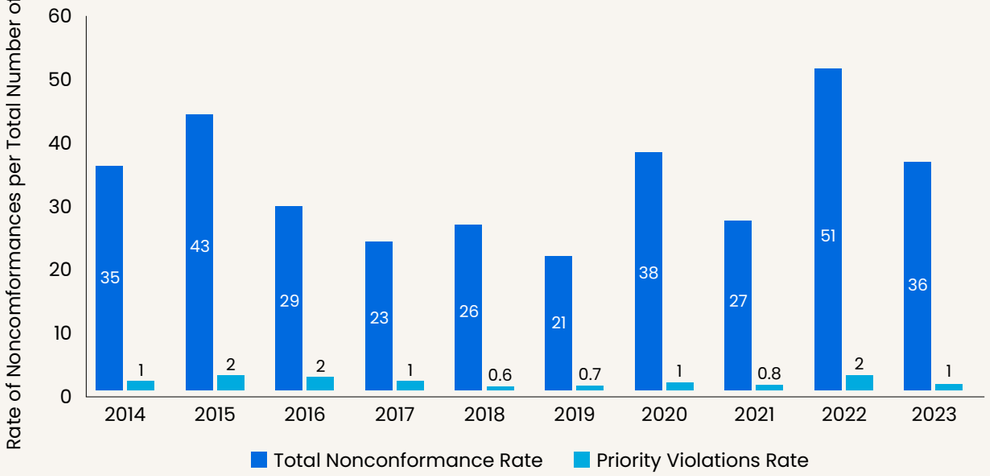
Two ratios – the number of nonconformances identified compared to the number of audits conducted and the number of priority violations identified compared to the number of audits conducted – are lower in 2023 compared to 2022. There are several reasons for this. We conducted 15 audits in 2023 compared to 14 in 2022 and this points to improved performance maturity in the supply chain, and the impact from the COVID-19 pandemic has stabilized, enabling suppliers to re-focus on improving and maintaining their performance. In addition, we also audited in geographies, such as Japan and South Korea, where the maturity levels are often higher.



Number of Nonconformances by Rating



Average Number of Nonconformances per Audit



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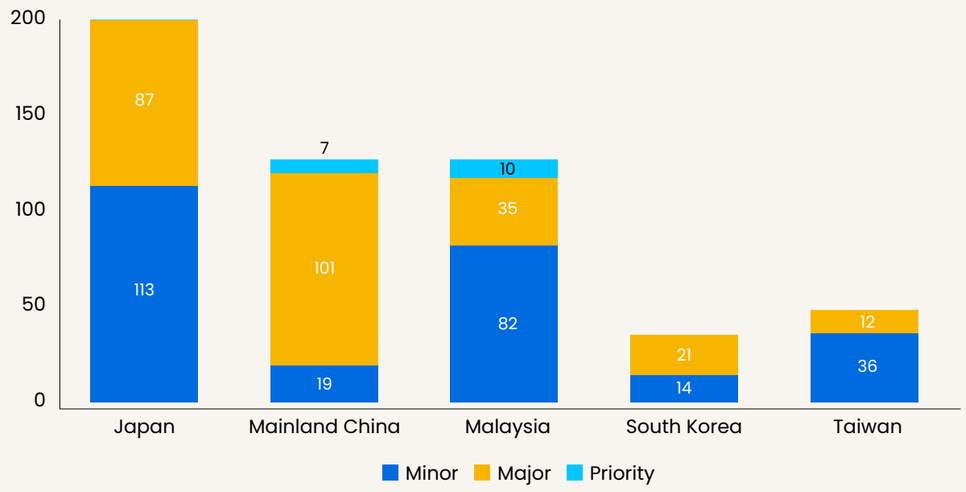
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Identifying the total number of nonconformances per country/region helps the Audit Team determine country risks, complete the annual assessment of supplier risk and strategize the priorities of future audit planning. In 2023, our supply-chain audits focused on Mainland China, where the recent lifting of strict COVID-19 border restrictions allowed us to conduct onsite supplier assessments.

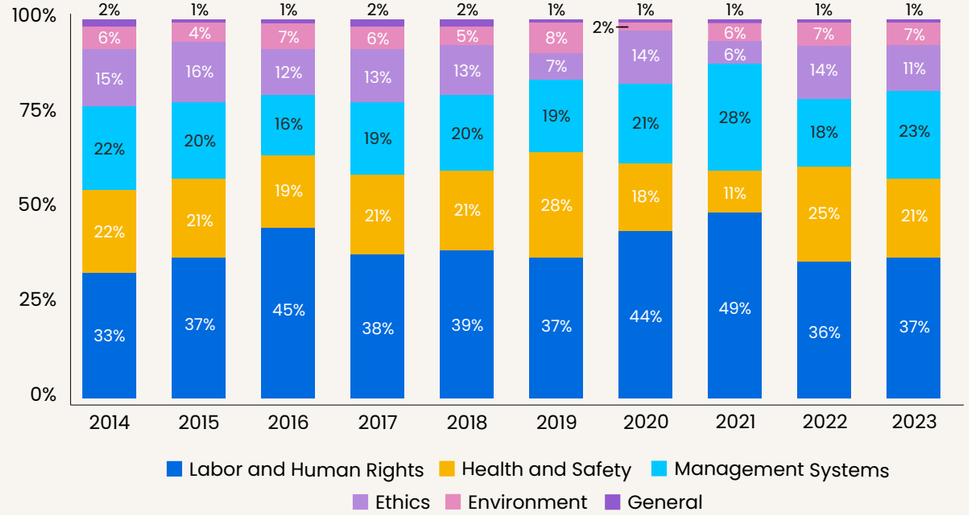
Calculating nonconformances using our five categories of standards helps us to identify trends, provide a strategic focus and adjust our engagement plan to continue improving our supply chain.

With the shift back to 100% onsite audits in 2023, 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 reoccur in our findings, onsite audits have made it easier to observe and assess actual practices. In addition, being able to engage with and interview workers, face-to-face, allows us to better assess their well-being.

2023 Nonconformances by Country and Region



Nonconformances by Category

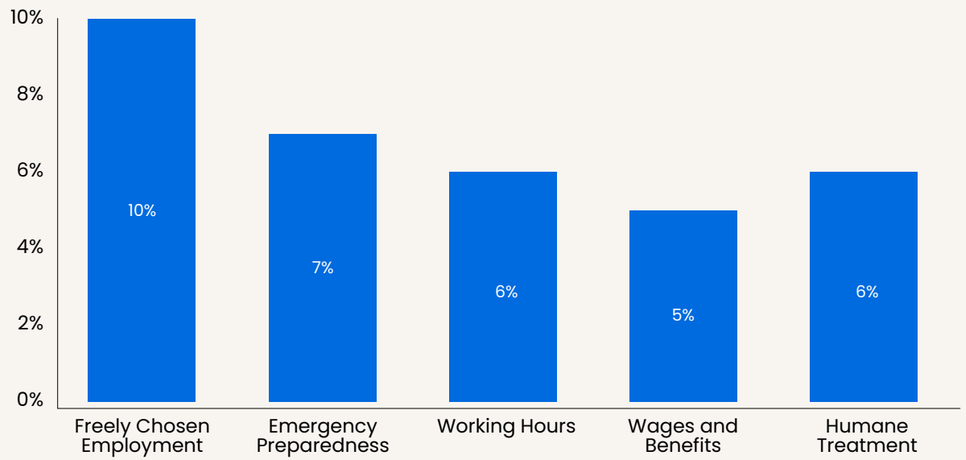


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After eleven years of auditing our supply chain and identifying more than 5,000 nonconformances, we target the top five subcategories as illustrated below. Freely Chosen Employment is still the most frequently reoccurring nonconformance.

Top Five Nonconformances by Subcategory 2013-2023





The 15 audits conducted in 2023 uncovered 17 priority violations.

Top Three Subcategories of Priority Violations	2023
Working Hours	5
Emergency Access	4
Legal Benefits	3

In 2023, the top three categories of priority findings were Working Hours, Emergency Access and Legal Benefits.

- **Working Hours** – The five priority findings for Working Hours were identified at suppliers in Mainland China and Malaysia, where workers were found to have worked more than 60 hours per week, including overtime work.
- **Emergency Access** – The four priority findings for Emergency Access were identified in situations where emergency exits were blocked.
- **Legal Benefits** – The three priority findings for Legal Benefits were identified at suppliers in Malaysia, for 1) not meeting legal requirements for minimum wages, 2) not meeting legal requirements for overtime wage payment and 3) not providing legally mandated benefits to workers.

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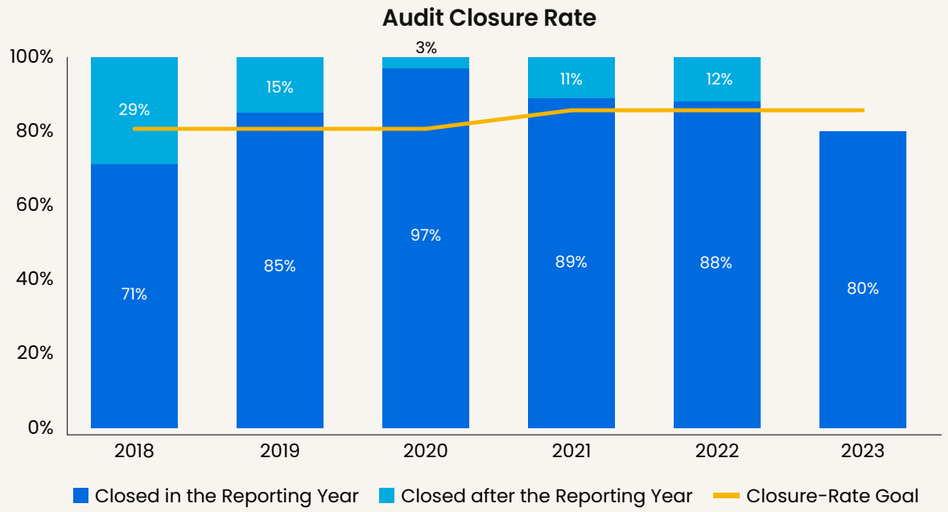
Social Responsibility: Supplier Engagement

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 2023 was 80%. NXP is committed to working with suppliers to reach 100% closure in their corrective actions and this is clearly demonstrated by 100% closure of all audit findings from 2018 to 2022.

While it is our stated goal to achieve the targeted closure rate, indicated by the line in the chart, ultimately we aim for 100% closure on all audit nonconformances found within a 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 all the remaining findings from 2021 and 2022 audits.





Governance

Creating a structured approach
to ensure corporate excellence



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Governance: 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, as amended on December 20, 2022, 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.

Corporate Governance Highlights

- 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





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Governance: 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. 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 2023.

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 2023, we added one new independent director, Mr. Moshe Gavrielov. Mr. Gavrielov 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 four years. Eight 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.



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Governance: Board of Directors

Board of Directors	 **Kurt Sievers** President and CEO, NXP Semiconductors N.V.	 **Annette Clayton** President and CEO, Schneider Electric SE North America	 **Anthony Foxx** Former Chief Policy Officer, Lyft Inc	 **Moshe Gavrielov** Former President and CEO of Xilinx, Inc.	 **Chunyuan Gu** Former President of Asia/ME/ Africa, ABB Ltd	 **Lena Olving** Former President and CEO, Mycronic AB	 **Julie Southern** Former Chief Commercial Officer, Virgin Atlantic Airways Ltd	 **Jasmin Staiblin** Former CEO, Alpiq	 **Gregory Summe** Managing Partner, Glen Capital Partners	 **Karl-Henrik Sundström** Former CEO, Stora Enso
Ethnic Diversity			x		x					
Gender Diversity		x				x	x	x		
Age	54	60	52	69	65	67	64	53	67	64
Director Since	2020	2021	2021	2023	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	x
Manufacturing and Operations	x	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	x	
Risk Management		x	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					x
Board Committees										
Audit		x			x			x		Chair
Compensation		x		x		x			Chair	x
Nominating, Governance and Sustainability			Chair	x			x		x	

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Governance: 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	Planning knowledge of corporate strategy and strategic planning and experience with mergers, acquisitions and other strategic transactions
Financial Expertise	Financial, audit and accounting expertise and experience with corporate finance, including financial experts as named in the company filings and experience as a Chief Financial Officer, 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 US, the EU and/or Asia, and/or experience with businesses with substantial international operations
Human Capital	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
Corporate Governance	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
ESG Expertise	Experience in understanding and addressing strategic environmental, social and governance issues

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, which can be viewed at our Board Committees website.

ESG Board Oversight

For information on Board oversight on ESG matters, see the Governance section of our Sustainability Strategy chapter of this Report.

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Governance: Ethics

2023 Ethics Reporting

133
Reports Received by the Ethics Committee

93%
Closed Reports

49%
Substantiated Reports

We aim to compete and operate in an ethical and lawful manner, comply with applicable national and international laws and 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.

In 2023, we published a standalone Anti-Bribery and Corruption Policy. Ethics and compliance topics were also included in the fourth cycle of our Winning Culture Survey. We had a favorability rating of 95% for a question related to NXP's commitment on ethical business practices, which was the highest scoring question on the survey. This question scored more positively than the 75th percentile benchmark, composed of companies operating in the technology sector.

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. The English version can be found on www.nxp.com, while versions in other languages are available via 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 November 2023, the annual online Code of Conduct training was rolled out to our team members, including employees, contractors and temporary workers. The training was offered in 11 languages and focused on NXP values and expectations as set forth in the Code. The topics of the Code of Conduct training vary every year and the 2023 training addressed several topics, including anti-bribery and anti-corruption, (sexual) harassment, conflicts of interest, security and protection of NXP (confidential) information and speaking up in NXP. Team members were required to acknowledge receipt and understanding of NXP's Anti-Bribery and Anti-Corruption (ABC) Policy and the Code. The training includes a test that team members must pass to receive certification.

NXP's goal is 100% completion by all enrolled individuals. In 2023, we achieved a completion rate of 96%. Since the training window opened at end of Q4 and the due date was at the end of December, 2023, we did not reach our 100% completion rate by the end of 2023. In 2024, as we continue to work toward 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 leave of absence because of sick leave, parental leave or other extenuating circumstances.

Allegations Approach and Management

We follow up on all reports and concerns relating to the Code of Conduct. All NXP team members are welcome to submit a report or share concerns via one of the reporting channels, which include the NXP Ethics Committee, a local Ethics Liaison or, if anonymity is desired, the Speak Up system administered by a third party. All reports are assessed and discussed by the NXP Ethics Committee. After the initial assessment of a report, an investigation team, with the right expertise and skill set to conduct an in-depth investigation, is appointed. 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.

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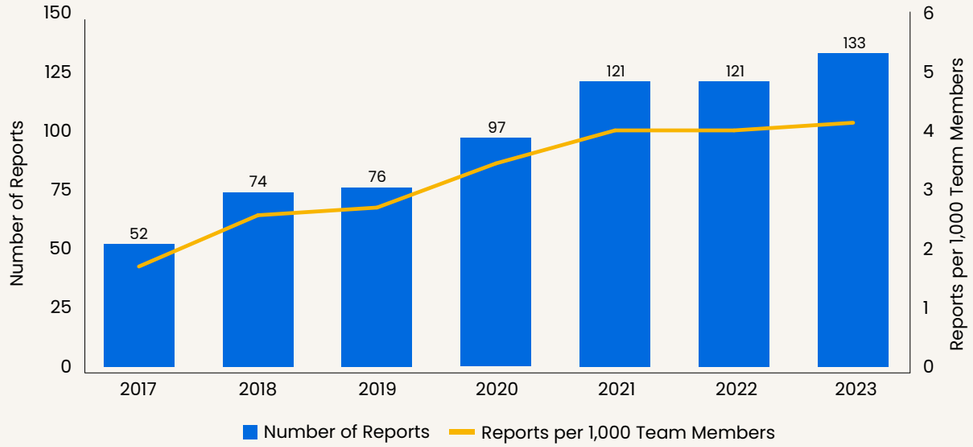
Governance: Ethics

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, is chaired by NXP's Chief Ethics Officer and supported by a secretary.

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 the number, type, materiality and follow-up of the allegations and investigations that have been received.

Number of Reports Received by the Ethics Committee



The most-reported types of violations over 2023 included violations of internal policies, theft and harassment.

SpeakUp

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.

Seen something? Say something. Safely.
SpeakUp
0800–1693502
www.speakupfeedback.eu/web/fust8ma/gb
access code: 07526

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, which is 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 and investigated. 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, which can take 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. Also, in 2023, our reporting levels were actively used throughout the organization, indicating that our reporting channels are effective.

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Governance: 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. To further enhance the understanding of NXP's Anti-Bribery and Anti-Corruption requirements, NXP has a standalone Anti-Bribery and Anti-Corruption (ABC) Policy. The ABC Policy was deployed in 2023 and applies to all of our team members, directors, officers and organizations, as well as to any third parties acting on behalf of NXP, and applies 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 ABC Policy and our Code and will lead to severe disciplinary action.



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Governance: 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. 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. We record the activities of business processes that handle personal data. If required, we perform impact assessments for data protection and privacy. We track regulatory developments for privacy and data worldwide, including laws and regulations in other data-related domains, such as the Artificial Intelligence Act. We have designated Privacy Champions, located throughout the organization, who align with the Privacy Team regarding the privacy matters that occur in their department.

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.



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Governance: Cybersecurity

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. At the time of this reporting, 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 their 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, in 2022, to all users who have access to NXP information systems.

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 cybersecurity threats, identifies them and initiates 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.



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Governance: Taxation

Taxation Standards	
	We comply with all applicable tax laws
	We align our profit allocation with international tax principles
	We use tax incentives to directly support innovation and R&D
	We have zero tolerance for tax evasion
	We have no active 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 in this section and summarize NXP's quantitative tax effects in NXP's financial disclosures. Moreover, since NXP is committed to tax transparency, we will soon disclose country-specific tax information.

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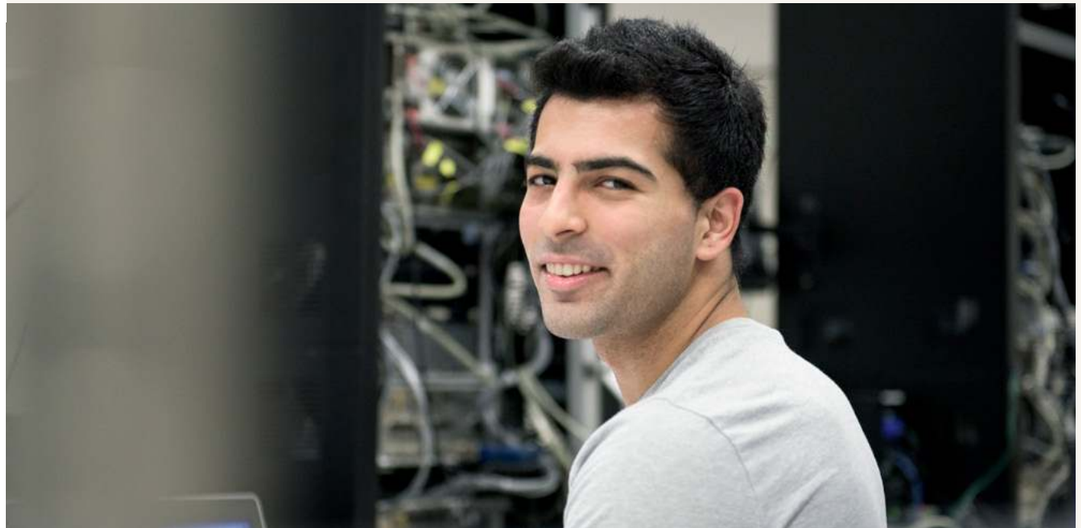
Approach to Tax

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. Hence, NXP's tax strategy also governs NXP's relationships with employees, customers and contractors.

NXP aims to support stable, transparent and predictable tax systems that incentivize long-term investments and economic growth. NXP is committed to complying with the letter, the intent and the spirit of the applicable tax laws of the jurisdictions where we operate.

NXP's tax structures are based on global standards and frameworks supported by the Organization for Economic Co-operation and Development (OECD). We believe that operating within this framework creates a constant contribution to the advancement of the UN Sustainable Development Goals (SDGs). Moreover, our approach to tax also supports NXP's sustainable development strategies.

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 form 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 we operate. 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 R&D, 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 25.8% to 9%. The effective Dutch tax rate for NXP is above 15%.

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 an internationally accepted taxable profit allocation between jurisdictions, NXP reviews its transfer pricing strategy yearly to make sure it is aligned with the value creation of its commercial activities. 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.

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 on them.

NXP does not have an active presence in black-listed jurisdictions[1] as defined by the EU and does not use artificial structures to achieve tax advantages or minimize tax liabilities. In this sense, all NXP entities are resident for tax purposes in the jurisdictions where they perform their business and generate profits. After a business acquisition, NXP's Tax Team ensures that the acquired structure will incorporate NXP's Transfer Pricing Policy.

[1] NXP Semiconductors Moscow is inactive as from mid-2022. NXP expects to formally liquidate its Russian entity in 2024.

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Governance: Taxation

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, reporting directly to the Chief Financial Officer. The Chief Financial Officer 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.

NXP's 2023 Tax Summary
• NXP-generated income before taxes was $3,352 million ($1,398 million taxable in the Netherlands and $1,954 million foreign tax base).
• NXP's worldwide income-tax expense was $523 million.
• NXP's effective tax rate was 16%.
• Netherlands tax incentives amounted to $111 million and foreign tax incentives received were $251 million.
• NXP benefited from $80 million in country-specific R&D tax credits as well as $43 million in direct R&D grants from different jurisdictions.

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, it 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.

Potential violations of NXP's Tax Policy can be confidentially reported using various reporting channels, such as management, an ethics liaison, the NXP Ethics Committee or our SpeakUp line, a system hosted by an independent third party that facilitates anonymous reporting via phone or web. 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 in ethical integrity, collaboration and mutual respect. For all requests of information or audits, we provide the required documentation in a timely manner. To foster and maintain long-term relationships with tax authorities, NXP seeks to participate in cooperative compliance programs available for large taxpayers. NXP currently participates in such a program in the Netherlands and is considering participating in similar programs elsewhere, such as in Singapore.

Furthermore, NXP seeks to engage constructively in national and international dialogue with governments, tax authorities, international organizations, business groups and civil society to support the development of effective tax systems, legislation and administration. As such, when any of these stakeholders asks for feedback and insights, NXP shares its view as a multinational corporation and member of the semiconductor industry. Furthermore, as a member of the European Business Tax Forum (EBTF), NXP participates in the Total Tax Contribution, a study of the largest companies in Europe whose purpose is to raise awareness and aid in understanding the contribution of large businesses in the public economy.

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Governance: 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 monitoring, reporting and evaluation.

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

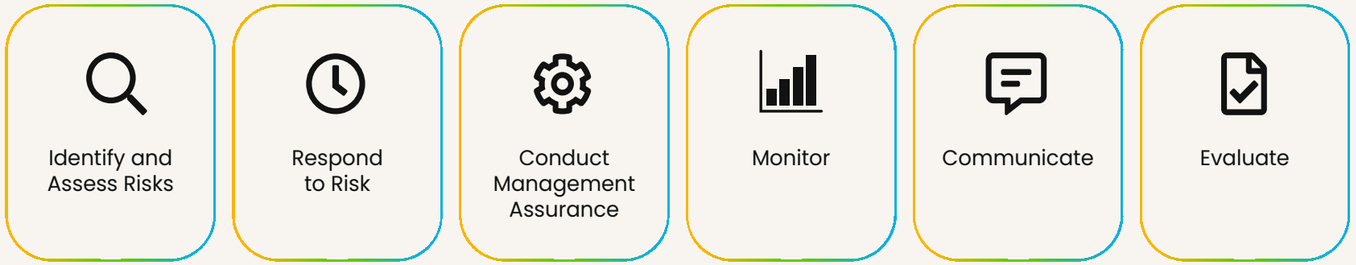
The Board of Directors oversees NXP's processes and procedures related to risk assessment and risk management, and reviews NXP's key risks. The NXP Management Team oversees, identifies and manages the key risks NXP faces in executing its strategy, defines risk appetite and manages risks accordingly.

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 identification and assessment along with quarterly monitoring, reporting and evaluation.

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.

Key ERM Activities

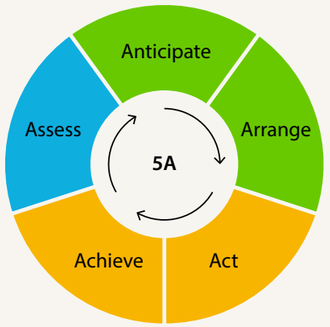


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Governance: Business Resilience

We take prudent actions to prevent and prepare for issues that may threaten the welfare of our team members, our customers, our communities and our investors. We cultivate a resilient culture through a Management System that is inclusive of all NXP businesses, activities and manufacturing sites and is modeled on the International Organization for Standardization's ISO 22301 and ISO 22316, as well as the International Automotive Task Force's IATF 16949 Section 6.1.2.3.

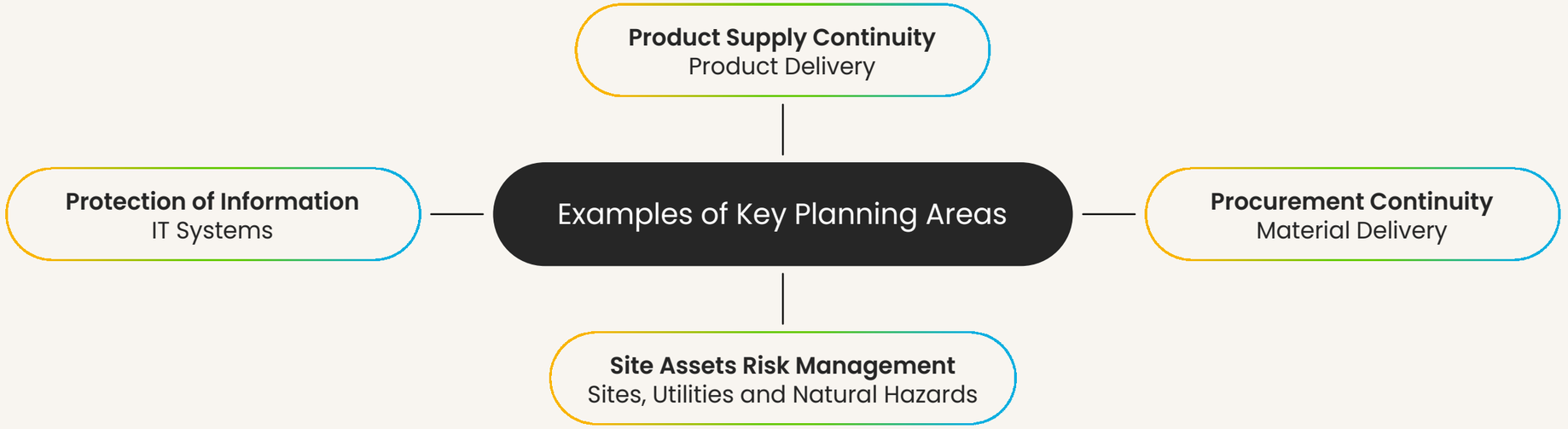
Business Resilience Teams are established at the global and local levels to anticipate and prevent issues, develop proactive plans and systems and continuously improve our operations. In the event of a major issue, local and/or global Crisis Management Teams are activated, as needed. NXP is committed to providing timely and accurate information to affected stakeholders. For a detailed overview of NXP's Business Resilience Program, see our Global Business Resilience and Crisis Management Overview.



Teams

The global and local Business Resilience Teams consist of representatives from various business functions and organizations. These Teams focus on driving collaboration, alignment and resilience expertise across functions, levels and locations, so we can accelerate NXP's ability to thrive and grow stronger. The primary mission for these Teams is to maximize opportunities and minimize risks. The Teams are also responsible for strategic, tactical and operational decisions while implementing their specific business-resilience plans.

Global and local Crisis Management Teams also consist of representatives from various business functions and organizations, as needed. These teams focus on responding to issues with the potential for very high risk. The executive-level Steering Committee receives reports on resilience and crisis situations and provides strategic and tactical direction. The executive-level Steering Committee includes the Chief Operations and Manufacturing Officer, Chief Technology Officer, General Counsel and Chief Sustainability Officer, Chief Strategy Officer, General Manager of Automotive Processing, General Manager of Secure Connected Edge and Chief Human Resources Officer. During a situation, all groups interact with each other and, if necessary, escalate issues to the global and executive teams for additional assistance.



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Governance: Business Resilience

Business-Impact and Priority Assessments

When assessing how a situation may positively or negatively affect the business, we focus on likelihood and impact. Each attribute receives a numerical score, assigned by Business Resilience or Crisis Team members, or from insurance or other external analytics. Assessments are reviewed at least annually. Each Team defines, executes and measures the results of action plans in order to minimize the risk or maximize the opportunity.

Plans

Teams document resilience and crisis plans, including regular training and exercises. The plans build awareness and spread knowledge about how to handle risks and opportunities. Training covers key roles and responsibilities, action protocols and how to handle site-specific scenarios.

We conduct risk exercises, at least annually, to test the effectiveness of plans 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, utilities, 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.

Geopolitics and Global Supply Chains

In 2023, NXP continued to monitor developments and impacts related to geopolitics and supply chains. We closely manage our strategy to ensure our procurement and product-supply operations are optimized for our business and our customers' needs, both in the short- and long-term.

Israel-Hamas Conflict

Our Crisis Management Teams worked to anticipate and respond to risks related to the 2023 conflict between Israel and Hamas. First, we worked to ensure the safety of team members in the area. Then we confirmed contingency plans for business operations. We also evaluated risks to our supply chain. NXP took proactive steps to avoid or minimize the potential for disruptions from our suppliers and to our business operations.



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Getting straight to the details



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NXP ESG Performance	Unit	2020	2021	2022	2023
Revenue					
Revenue by Country					
Mainland China and Hong Kong	$ Millions	3,324	4,180	4,700	**4,366**
APAC (excluding Mainland China and Hong Kong)	$ Millions	2,773	3,471	4,165	**3,741**
EMEA (Europe, the Middle East and Africa)	$ Millions	1,538	2,036	2,582	**3,096**
Americas	$ Millions	977	1,376	1,758	**2,073**
Total Revenue	**$ Millions**	**8,612**	**11,063**	**13,205**	**13,276**
Revenue by End Market (Unaudited)					
Automotive	$ Millions	3,825	5,493	6,879	**7,484**
Industrial and Internet of Things (IoT)	$ Millions	1,836	2,410	2,713	**2,351**
Mobile	$ Millions	1,248	1,412	1,607	**1,327**
Communications Infrastructure and Other	$ Millions	1,703	1,748	2,006	**2,114**
Total Revenue	**$ Millions**	**8,612**	**11,063**	**13,205**	**13,276**
Environment					
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	1	**1**[1]
Energy-Efficiency Policy	Yes/No	Yes	Yes	Yes	**Yes**

[1] We take Notices of Violations (NOVs) seriously. We work quickly to identify corrective actions and take steps to minimize the chance of reoccurrence. In 2023, we received one NOV for a minor infraction resulting in a fine less than $1,000. We resolved the infraction quickly, and otherwise maintained an exceptional compliance record.

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NXP ESG Performance	Unit	2020	2021	2022	2023
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**
Biodiversity Policy	Yes/No	No	No	No	**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**
Emissions					
Total Scope 1 and 2 (Market-Based) Emissions	**tCO_2e**	**982,123**	**1,180,209**	**1,169,506**	**897,536**
Normalized Scope 1 and 2 (Market-Based) Emissions	tCO_2e/m^2	17.8	17.6	15.9	**15.6**
Scope 1 and 2 (Market-Based) Emissions Intensity	tCO_2e/ $ Million	114	107	89	**68**
Total Scope 1, 2 (Market-Based) and 3 Emissions	**tCO_2e**			**19,722,642**	**12,754,590**
Scope 1 Emissions					
PFC Emissions	tCO_2e	217,326	346,299	400,261	**282,709**
HTF Emissions	tCO_2e	82,100	104,510	62,499	**26,808**
Fossil-Fuel Emissions	tCO_2e	41,819	44,229	46,068	**45,080**

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N_2O Emissions	tCO_2e	14,498	19,400	20,503	**15,569**
Other Scope 1 Emissions	tCO_2e	720	777	1,102	**8**
Total Scope 1 Emissions	**tCO_2e**	**356,462**	**515,215**	**530,433**	**370,174**
Scope 2 (Market-Based) Emissions					
Indirect Emissions from Manufacturing Sites	tCO_2e	604,013	642,640	613,620	**506,228**
Indirect Emissions from Non-Manufacturing Sites	tCO_2e	21,648	22,354	25,453	**21,134**
Total Scope 2 (Market-Based) Emissions	**tCO_2e**	**625,661**	**664,994**	**639,073**	**527,362**
Scope 3 Emissions[2]					
Category 1 - Purchased Goods and Services	tCO_2e			3,429,662	**3,291,179**
Category 2 - Capital Goods	tCO_2e			320,199	**266,665**
Category 3 - Fuel- and Energy-Related Activities	tCO_2e			93,645	**89,852**
Category 4 - Upstream Transportation and Distribution	tCO_2e			13,154	**10,313**
Category 5 - Waste Generated in Operations	tCO_2e			10,945	**9,544**
Category 6 - Business Travel	tCO_2e			9,092	**12,980**
Category 7 - Employee Commuting	tCO_2e			63,079	**64,805**
Category 8 - Upstream Leased Assets	tCO_2e			6,441	**6,768**
Category 9 - Downstream Transportation and Distribution	tCO_2e			13,306	**10,583**
Category 10 - Processing of Sold Products	tCO_2e			79,506	**56,351**
Category 11 - Use of Sold Products	tCO_2e			14,510,934	**8,035,180**
Category 12 - End-of-life Treatment of Sold Products	tCO_2e			2,524	**2,160**

[2] In previous years, we reported on only two of 15 Scope 3 categories. We now include all 15 categories. For more about our updated reporting, see the Emissions section of the Environment, Health and Safety chapter of this Report.

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Category 13 - Downstream Leased Assets	tCO_2e			649	**674**
Category 14 - Franchises	tCO_2e			Not Applicable	**Not Applicable**
Category 15 - Investments	tCO_2e			Not Applicable	**Not Applicable**
Total Scope 3 Emissions	**tCO_2e**			**18,553,136**	**11,857,054**
Non-Greenhouse Gas (GHG) Emissions					
Total NOx Emissions	kg	37,225	66,562	34,482	**33,844**
Total SOx Emissions	kg	783	1,901	633	**768**
Total VOC Emissions	kg	112,188	185,409	129,988	**83,427**
Energy[3]					
Direct Energy Use[4]					
Diesel-Fuel Consumption	GJ	2,351	5,987	2,916	**2,182**
Natural-Gas Consumption	GJ	717,517	756,588	783,985	**776,793**
Other Fossil-Fuel Consumption	GJ	32,879	31,439	42,852	**32,977**
Total Direct Energy Consumption	**GJ**	**752,747**	**794,014**	**829,753**	**811,952**
Indirect Energy/Electricity Consumption[5]					
By Manufacturing Site Type					
Wafer Fabs Electricity Consumption	kWh	944,090,629	952,005,983	978,844,757	**965,861,572**
Assembly and Test Electricity Consumption	kWh	540,215,334	608,430,370	669,542,798	**669,858,479**

[3] NXP does not sell energy in the form of electricity, heating, cooling or steam. Therefore, we have 0 MWh of sold energy.
[4] Direct energy use is included in our Scope 1 values and includes data from manufacturing sites only.
[5] Indirect energy use is included in our Scope 2 values.

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By Manufacturing Electricity Energy Sources					
Total Non-Renewable Electricity Consumption	kWh	1,016,135,214	1,080,042,298	1,066,090,528	**993,273,023**
Total Renewable Electricity Consumption	kWh	468,170,749	480,394,055	582,297,027	**642,447,028**
Total Manufacturing Indirect Energy Use/Electricity Consumption	**kWh**	**1,484,305,963**	**1,560,436,353**	**1,648,387,555**	**1,635,720,051**
Total Non-Manufacturing Indirect Energy Use/Electricity Consumption	**kWh**	**49,951,895**	**49,975,324**	**53,643,676**	**48,193,874**
Energy Consumption[6]					
By Consumption Type					
Electricity	GJ	5,343,497	5,617,569	5,936,364	**5,888,593**
Heating	GJ	0	0	0	**0**
Cooling	GJ	0	0	0	**0**
Steam	GJ	0	0	0	**0**
Fuel	GJ	752,747	794,014	829,753	**811,952**
By Renewables					
Renewable Energy Consumption	GJ	1,685,421	1,729,418	2,097,035	**2,314,217**
Non-Renewable Energy Consumption	GJ	4,410,823	4,682,165	4,669,082	**4,386,328**
Total Energy Consumption	**GJ**	**6,096,244**	**6,411,583**	**6,766,117**	**6,700,545**
Renewable Energy and Electricity[7]					
Renewable Electricity					
Renewable Electricity Consumption	kWh	468,170,749	480,394,055	582,297,027	**642,447,028**
Percentage of Renewable Electricity[8]	%	32%	31%	35%	**39%**

[6] This data includes manufacturing sites only.
[7] This data includes manufacturing sites only.
[8] We use our percentage of renewable electricity for our 2027 ESG goal.

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Renewable Energy						
Renewable Energy Consumption		GJ	1,685,421	1,729,418	2,097,035	**2,314,217**
Percentage of Renewable Energy[9]		%	28%	27%	31%	**35%**
Water						
Water Use at Manufacturing Sites						
Water Withdrawal	Surface Water	m^3	0	0	0	**0**
	Seawater	m^3	0	0	0	**0**
	Ground Water	m^3	691,723	737,640	806,646	**715,169**
	Produced Water	m^3	0	0	0	**0**
	Third-Party Water	m^3	9,927,988	10,901,858	11,816,162	**11,839,265**
	Total Water Withdrawal	**m^3**	**10,619,711**	**11,639,498**	**12,622,808**	**12,554,434**
Water Consumption		**m^3**			**3,869,577**	**3,657,987**
Water Consumption Intensity		m^3/$ Million			0.0003	**0.0003**
Water Discharge	Surface water	m^3			966,746	**825,603**
	Seawater	m^3			0	**0**
	Ground Water	m^3			0	**0**
	Produced Water	m^3			0	**0**
	Third-Party Water	m^3			7,808,289	**8,070,844**
	Total Water Discharge	**m^3**			**8,753,231**	**8,896,447**

[9] This percentage includes direct and indirect energy usage.

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NXP ESG Performance		Unit	2020	2021	2022	2023
Water Use at Manufacturing Sites in Regions with Water Stress[10]						
Water Withdrawal in Regions of Water Stress	Surface Water	m^3	0	0	0	**0**
	Seawater	m^3	0	0	0	**0**
	Ground Water	m^3	0	0	0	**0**
	Produced Water	m^3	0	0	0	**0**
	Third-Party Water	m^3	2,964,003	3,374,373	3,494,938	**3,553,191**
	Total Water Withdrawal	**m^3**	**2,964,003**	**3,374,373**	**3,494,938**	**3,553,191**
Percentage of Withdrawal in Regions of Water Stress		%	28%	29%	28%	**28%**
Water Consumption in Regions of Water Stress		**m^3**			**869,003**	**1,149,777**
Percentage of Consumption in Regions of Water Stress		%			22%	**31%**
Water Discharge in Regions of Water Stress	Surface Water	m^3			0	**0**
	Seawater	m^3			0	**0**
	Ground Water	m^3			0	**0**
	Produced Water	m^3			0	**0**
	Third-Party Water	m^3			2,625,935	**2,403,414**
	Total Water Discharge	**m^3**			**2,625,935**	**2,403,414**

[10] Regions of water stress are classified as such based on the High or Extremely High Baseline Water Stress categories using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

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Wastewater Recycling						
Total Wastewater Recycling		**m^3**	**8,748,915**	**8,817,566**	**9,961,142**	**10,876,297**
Percentage of Wastewater Recycling Rate[11]		%	49%	48%	48%	**51%**
Waste						
Total Regular Ongoing Waste		kg	16,503,773	19,415,128	23,005,443	**22,658,127**
Total One-Time Waste[12]		kg	160,124	165,352	163,942	**173,937**
Total Waste		kg	16,663,897	19,580,480	23,169,385	**22,832,064**
Total E-Scrap Reclaim[13]		kg	606,138	790,784	683,553	**662,853**
Regular Hazardous and Non-Hazardous Waste						
Total Hazardous Waste		kg		7,186,777	8,513,808	**8,340,735**
Total Non-Hazardous Waste		kg		12,305,068	14,586,129	**14,317,392**
Regular Waste Diverted from Disposal[14]						
Hazardous Waste	Onsite Recycling	kg		0	0	**0**
	Offsite Recycling	kg		3,856,402	5,539,209	**5,548,889**
	Total Diverted from Disposal	**kg**		**3,856,402**	**5,539,209**	**5,548,889**

[11] Our Wastewater Recycling and Water Recycling rates are the same value.
[12] One-time waste accounted for less than 1% of total waste generation in 2023 and is not included in our normal waste metrics and analysis unless otherwise indicated.
[13] This data is collected on an annual basis, but is not aligned with the calendar year.
[14] We currently do no report waste with preparation for reuse and other recovery operations.

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Non-Hazardous Waste	Onsite Recycling	kg		0	0	**0**
	Offsite Recycling	kg		9,507,521	12,315,919	**12,234,903**
	Total Diverted from Disposal	**kg**		**9,507,521**	**12,315,919**	**12,234,903**
Total Regular Waste Diverted from Disposal		**kg**		**13,433,503**	**17,918,599**	**17,873,792**
Recycling Rate (Regular Waste-Only)						
Hazardous Waste Recycling Rate		%		54%	65%	**67%**
Non-Hazardous Waste Recycling Rate		%		77%	84%	**85%**
Overall Waste Recycling Rate		**%**	**72%**	**76%**	**83%**	**86%**
Regular Waste Directed to Disposal[15]						
Hazardous Waste	Offsite Incineration with Energy Recovery	kg		1,112,663	988,901	**1,149,615**
	Offsite Incineration without Energy Recovery	kg		863,617	537,330	**535,428**
	Offsite Landfilling	kg		1,354,095	1,448,368	**1,106,803**
	Onsite Directed to Disposal	kg		0	0	**0**
	Total Directed to Disposal	**kg**		**3,330,375**	**2,974,599**	**2,791,846**

[15] We currently do no report waste with other disposal operations.

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Non-Hazardous Waste	Offsite Incineration with Energy Recovery	kg		349,680	197,012	**609,800**
	Offsite Incineration without Energy Recovery	kg		270,553	320,260	**86,463**
	Offsite Landfilling	kg		2,177,314	1,752,938	**1,386,226**
	Onsite Directed to Disposal	kg		0	0	**0**
	Total Directed to Disposal	**kg**		**2,797,547**	**2,270,210**	**2,082,489**
Total Regular Waste Directed to Disposal		**kg**		**6,127,922**	**5,244,809**	**4,874,335**
Environmental Stewardship Product Portfolio						
Percentage of RoHS-Compliant Products without Exemptions		%	93%	92%	93%	**96%**
Percentage of RoHS-Compliant Products with Exemptions		%	7%	6%	5%	**3%**
Percentage of REACH-Compliant Products		%	93%	82%	79%	**88%**
Percentage of Halogen-Free Products		%	94%	94%	96%	**97%**
Percentage of Pb-Free and Halogen-Free Products		%	84%	89%	90%	**93%**
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**

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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[16]	Yes/No	Yes	Yes	Yes	**Yes**
Policy Against Child Labor	Yes/No	Yes	Yes	Yes	**Yes**
UN Global Compact (UNGC)Signatory	Yes/No	Yes	Yes	Yes	**Yes**
Responsible Business Alliance (RBA) Full Member	Yes/No	Yes	Yes	Yes	**Yes**
Sustainable Development Goals (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[17]					
Extended Workforce - Total	HC	33,480	36,223	39,731	**38,589**
Employees	HC	27,730	29,861	33,037	**32,738**
	%	83%	82%	83%	**85%**
Joint Venture	HC	1,454	1,487	1,492	**1,454**
	%	4%	4%	4%	**4%**

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

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Contingent Labor		HC	4,296	4,875	5,202	**4,397**
		%	13%	13%	13%	**11%**
Employees	Americas	%	19%	18%	18%	**18%**
	APAC	%	60%	61%	61%	**60%**
	EMEA	%	21%	20%	21%	**22%**
Joint Venture	Americas	%	— %	— %	— %	— %
	APAC	%	99%	100%	100%	**100%**
	EMEA	%	1%	— %	— %	— %
Contingent Labor	Americas	%	20%	18%	15%	**11%**
	APAC	%	53%	59%	60%	**62%**
	EMEA	%	27%	23%	25%	**27%**
Contingent Labor by Type						
External Temp		%	33%	31%	30%	**26%**
Contractor		%	67%	69%	70%	**74%**
Employee Type by Region						
Indirect Labor (IDL)	Americas	%	24%	22%	21%	**21%**
	APAC	%	44%	46%	46%	**46%**
	EMEA	%	32%	32%	32%	**33%**

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Direct Labor (DL)	Americas	%	12%	12%	13%	**12%**
	APAC	%	84%	84%	83%	**84%**
	EMEA	%	4%	4%	4%	**4%**
Employee by Role						
Individual Contributor (DL)		%	38%	41%	39%	**37%**
Individual Contributor (IDL)		%	51%	50%	52%	**53%**
People Manager (IDL)		%	10%	9%	9%	**10%**
Executive (IDL)		%	0.5%	0.5%	0.5%	**0.5%**
R&D Employee by Region						
Americas		%	23%	21%	19%	**18%**
APAC		%	36%	39%	41%	**41%**
EMEA		%	41%	40%	40%	**41%**
Percent R&D of Total NXP Footprint		**%**	**32%**	**31%**	**34%**	**36%**
Employment Type						
Full-Time (FT)		%	99.3%	99.5%	99.5%	**99.3%**
Part-Time (PT)		%	0.7%	0.5%	0.5%	**0.7%**

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FT Employment by Gender	Women	%	36%	37%	37%	**36%**
	Men	%	64%	63%	63%	**64%**
PT Employment by Gender	Women	%	21%	19%	18%	**28%**
	Men	%	79%	81%	82%	**72%**
Employee by Gender						
Women		%	36%	37%	37%	**36%**
Men		%	64%	63%	63%	**64%**
Employee Gender by Region						
Women	Americas	%	11%	11%	12%	**12%**
	APAC	%	79%	80%	78%	**77%**
	EMEA	%	9%	9%	11%	**12%**
Men	Americas	%	24%	22%	22%	**21%**
	APAC	%	48%	51%	51%	**51%**
	EMEA	%	28%	27%	27%	**29%**
Employee Gender by Role						
Executive	Women	%	13%	13%	16%	**16%**
	Men	%	87%	87%	84%	**84%**
People Manager	Women	%	16%	16%	18%	**18%**
	Men	%	84%	84%	82%	**82%**

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Individual Contributor	Women	%	38%	39%	39%	**38%**
	Men	%	62%	61%	61%	**62%**
IDL	Women	%	23%	24%	25%	**25%**
	Men	%	77%	76%	75%	**75%**
DL	Women	%	58%	56%	55%	**56%**
	Men	%	42%	44%	45%	**45%**
R&D	Women	%	16%	17%	19%	**20%**
	Men	%	84%	83%	81%	**80%**
US Race and Ethnicity						
White (Not Hispanic / Latino)		%	52%	51%	49%	**48%**
Asian (Not Hispanic / Latino)		%	21%	20%	22%	**24%**
Hispanic / Latino		%	14%	15%	16%	**15%**
Black or African American (Not Hispanic / Latino)		%	4%	5%	6%	**5%**
Native American or Alaska Native (Not Hispanic / Latino)		%	0.5%	0.6%	0.6%	**0.6%**
Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)		%	0.2%	0.2%	0.2%	**0.2%**
Two or More Races (Not Hispanic / Latino)		%	0.6%	0.9%	1%	**1%**
Undeclared		%	8%	7%	6%	**6%**

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US Employee Race and Ethnicity by Role						
Executive	White (Not Hispanic / Latino)	%	68%	63%	64%	**63%**
	Asian (Not Hispanic / Latino)	%	9%	10%	13%	**17%**
	Hispanic / Latino	%	6%	6%	7%	**6%**
	Black or African American (Not Hispanic / Latino)	%	5%	6%	7%	**6%**
	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%	**1%**
	Undeclared	%	12%	14%	7%	**7%**
People Manager	White (Not Hispanic / Latino)	%	60%	59%	57%	**55%**
	Asian (Not Hispanic / Latino)	%	19%	18%	20%	**21%**
	Hispanic / Latino	%	9%	9%	11%	**11%**
	Black or African American (Not Hispanic / Latino)	%	3%	3%	3%	**3%**
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.3%	0.2%	0.3%	**0.4%**
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	— %	0.1%	**0.1%**
	Two or More Races (Not Hispanic / Latino)	%	0.2%	0.5%	0.7%	**1%**
	Undeclared	%	9%	9%	8%	**9%**

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Individual Contributor (IDL)	White (Not Hispanic / Latino)	%	51%	51%	49%	**47%**
	Asian (Not Hispanic / Latino)	%	27%	27%	30%	**32%**
	Hispanic / Latino	%	9%	10%	10%	**10%**
	Black or African American (Not Hispanic / Latino)	%	2%	3%	3%	**3%**
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.3%	0.4%	0.2%	**0.2%**
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	0.1%	0.1%	0.1%	**— %**
	Two or More Races (Not Hispanic / Latino)	%	0.6%	0.9%	1%	**1%**
	Undeclared	%	9%	9%	7%	**7%**
Individual Contributor (DL)	White (Not Hispanic / Latino)	%	50%	47%	44%	**45%**
	Asian (Not Hispanic / Latino)	%	10%	10%	9%	**9%**
	Hispanic / Latino	%	28%	27%	29%	**28%**
	Black or African American (Not Hispanic / Latino)	%	8%	10%	12%	**11%**
	Native American or Alaska Native (Not Hispanic / Latino)	%	0.9%	1%	2%	**2%**
	Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	0.6%	0.6%	0.6%	**0.6%**
	Two or More Races (Not Hispanic / Latino)	%	0.8%	1%	2%	**2%**
	Undeclared	%	3%	3%	3%	**4%**

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Employee by Age						
<31 years old		%	19%	22%	25%	**23%**
31–50 years old		%	59%	57%	55%	**56%**
51+ years old		%	22%	21%	20%	**21%**
Employee Age by Role						
<31 years old	Executive	%	— %	— %	— %	**— %**
	People Manager	%	0.1%	0.1%	0.1%	**0.2%**
	Individual Contributor	%	19%	22%	24%	**23%**
31–50 years old	Executive	%	0.2%	0.2%	0.1%	**0.2%**
	People Manager	%	6%	6%	6%	**6%**
	Individual Contributor	%	53%	51%	50%	**50%**
51+ years old	Executive	%	0.4%	0.3%	0.3%	**0.4%**
	People Manager	%	3%	3%	3%	**3%**
	Individual Contributor	%	18%	17%	17%	**17%**
Employee Attrition						
Voluntary Turnover						
Global Employee Voluntary Turnover		**%**	**6.9%**	**12.1%**	**11.7%**	**6.5%**
	Americas (IDL and DL)	%	5.6%	9.1%	10.4%	**5.7%**
	APAC (IDL and DL)	%	8.9%	15.7%	14.7%	**7.7%**
	EMEA (IDL and DL)	%	2.5%	4.3%	3.8%	**3.8%**

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Global IDL Employee Voluntary Turnover		**%**	**5.1%**	**7.9%**	**7.5%**	**4.1%**
	Americas (IDL)	%	6.2%	8.6%	9.4%	**4.3%**
	APAC (IDL)	%	6.1%	9.9%	9.0%	**4.2%**
	EMEA (IDL)	%	2.7%	4.5%	3.9%	**3.8%**
Global DL Employee Voluntary Turnover		**%**	**9.8%**	**18.4%**	**18.1%**	**10.4%**
	Americas (DL)	%	3.6%	10.5%	13.1%	**9.6%**
	APAC (DL)	%	11.2%	20.3%	19.5%	**10.9%**
	EMEA (DL)	%	0.7%	2.1%	2.9%	**3.0%**
IDL Voluntary Turnover	Women	%	21%	23%	24%	**26%**
	Men	%	79%	77%	77%	**74%**
	<31 years old	%	22%	28%	25%	**28%**
	31–50 years old	%	60%	55%	56%	**48%**
	51+ years old	%	18%	16%	19%	**24%**
DL Voluntary Turnover	Women	%	63%	55%	60%	**60%**
	Men	%	37%	45%	40%	**40%**
	<31 years old	%	45%	53%	58%	**55%**
	31–50 years old	%	44%	38%	35%	**36%**
	51+ years old	%	11%	9%	8%	**9%**

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Involuntary Turnover						
Global Employee Involuntary Turnover		**%**	**3.2%**	**3.8%**	**1.5%**	**1.8%**
	Americas (IDL and DL)	%	5.4%	4.6%	1.4%	**5.3%**
	APAC (IDL and DL)	%	4.1%	4.1%	1.2%	**1.0%**
	EMEA (IDL and DL)	%	5.4%	2.2%	2.8%	**1.0%**
Employee Hiring						
IDL	Americas	%	19%	19%	19%	**17%**
	APAC	%	56%	56%	47%	**39%**
	EMEA	%	25%	25%	34%	**44%**
DL	Americas	%	2%	11%	16%	**10%**
	APAC	%	97%	89%	83%	**87%**
	EMEA	%	0.1%	0.6%	2%	**2%**
Employee Hiring by Type						
IDL	Women	%	23%	27%	29%	**30%**
	Men	%	77%	73%	71%	**70%**
IDL New College Graduate	Women	%	32%	30%	35%	**36%**
	Men	%	68%	70%	65%	**64%**
DL	Women	%	56%	53%	56%	**57%**
	Men	%	44%	47%	44%	**43%**

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United States Hiring by Race and Ethnicity					
White (Not Hispanic / Latino)	%	47%	42%	32%	**35%**
Asian (Not Hispanic / Latino)	%	32%	18%	26%	**38%**
Hispanic / Latino	%	10%	17%	18%	**11%**
Black or African American (Not Hispanic / Latino)	%	2%	11%	9%	**3%**
Native American or Alaska Native (Not Hispanic / Latino)	%	0.4%	1%	1%	**1%**
Native Hawaiian or Other Pacific Islander (Not Hispanic / Latino)	%	— %	0.4%	0.3%	**— %**
Two or More Races (Not Hispanic / Latino)	%	0.4%	3%	3%	**2%**
Undeclared	%	9%	7%	12%	**10%**
United States New College Gradate Hiring by Race and Ethnicity					
White (Not Hispanic / Latino)	%	29%	33%	35%	**24%**
Asian (Not Hispanic / Latino)	%	43%	44%	39%	**59%**
Hispanic / Latino	%	11%	10%	13%	**7%**
Black or African American (Not Hispanic / Latino)	%	2%	4%	5%	**2%**
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)	%	2%	7%	4%	**1%**
Undeclared	%	14%	3%	4%	**6%**

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Hiring by Age						
<31 years old	IDL	%	44%	49%	48%	**60%**
	DL	%	61%	66%	68%	**69%**
31–50 years old	IDL	%	45%	44%	45%	**33%**
	DL	%	39%	32%	29%	**28%**
51+ years old	IDL	%	11%	6%	7%	**7%**
	DL	%	0.7%	2%	3%	**3%**
R&D Hiring by Region						
Americas		%	13%	11%	14%	**13%**
APAC		%	38%	61%	47%	**38%**
EMEA		%	49%	29%	39%	**49%**
IDL Talent Hiring						
University		%	35%	24%	23%	**44%**
Global NXP Intern Conversion Rate		%	30%	40%	39%	**48%**
New College Graduates Hired		HC	460	644	1,070	**910**
Global Employee Promotion Rate		%	7%	8%	11%	**10%**
IDL		%	8%	11%	13%	**12%**
DL		%	4%	4%	7%	**7%**

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Global Online Learning						
Total NXP Online Training Hours		Hours		89,591	168,229	**451,356**
Total Global Online Courses Completed		Courses		8,852	9,497	**387,179**
Global Online Courses Completed by IDL		Courses				**352,922**
Global Online Courses Completed by DL		Courses				**34,257**
Average Online Training Hours (All Employees)		Hours		3.0	5.1	**13.7**
Average Online Training by IDL and DL	IDL	Hours		7.0	8.0	**17.6**
	DL	Hours		0.2	0.6	**4.6**
Average Online Training by Gender	Women	Hours		2.2	4.1	**9.5**
	Men	Hours		3.5	5.7	**14.5**
Health and Safety						
Total Injury Count Employees		#	23	25	36	**36**
Total Injury Count Contractors		#	8	7	12	**11**
Severity Rate		Rate	2.26	1.47	2.86	**0.64**
Total Case Incident Rate (TCIR)		Rate	0.08	0.08	0.10	**0.10**
Employee and Contractor Fatalities		#	0	0	0	**0**
Proportion of Injury Occurrences by Workplace Environment						
Percentage of Manufacturing Injuries		%		90%	97%	94%
Percentage of Non-Manufacturing Injuries		%		10%	3%	6%

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Proportion of Injury Occurrences by Category					
Percentage of Ergonomics Injuries	%	16%	4%	25%	28%
Percentage of Slip-and-Fall Injuries	%	19%	32%	25%	28%
Percentage of Machine-Safety Injuries	%	34%	40%	14%	19%
Percentage of Chemical-Incident Injuries	%	3%	— %	— %	6%
Percentage of Other Injuries	%	28%	24%	36%	19%
Social Responsibility					
Social-Responsibility Management in the Supply Chain	Yes/No	Yes	Yes	Yes	**Yes**
Total Number of Audits[18]	#	4	6	14	**17**
Percentage of Certified Conflict-Free for Tungsten, Tantalum, Tin and Gold (3TG) Smelters	%	100%	100%	99%	**100%**
Percentage of Suppliers Who Signed NXP's Supplier Code of Conduct	%	99%	99%	99%	100%
Closure Rate from Reporting Year End	%	97%	89%	88%	80%
Closure Rate as of 2023 Year End	%	100%	100%	100%	80%
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**

[18] Total Number of Audits includes supplier audits and labor-agent audits.

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Data and Indices: ESG Performance

NXP ESG Performance	Unit	2020	2021	2022	2023
Board Structure					
Size of the Board	HC	10	12	10	**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**
Classified Board System	Yes/No	No	No	No	**No**
Number of Directors with Financial, Audit and Accounting Expertise	HC	8	9	6	**6**
Number of Corporate Executive Officers on the Board	HC	1	1	1	**1**
Percentage of Corporate Executive Officers on the Board	%	10%	8%	10%	**10%**
Board Independence					
Number of Non-Executive Directors on the Board	HC	9	11	9	**9**
Percentage of Non-Executive Directors on the Board	%	90%	92%	90%	**90%**
Number Independent Directors	HC	9	11	9	**9**
Percentage of Independent Directors	%	90%	92%	90%	**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**

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NXP ESG Performance	Unit	2020	2021	2022	2023
Board and Executive Diversity					
Number of Women on Board	HC	3	4	4	**4**
Percentage of Women on Board	%	30%	33%	40%	**40%**
Female CEO or Equivalent	Yes/No	No	No	No	**No**
Female Chairperson or Equivalent	Yes/No	No	No	No	**Yes**
Number of Directors with Executive Leadership	HC	10	12	10	**10**
CEO or Equivalent Appointed from Within	Yes/No	Yes	Yes	Yes	**Yes**
Number of Female Executives	HC	1	1	1	**1**
Percentage of Female Executives	%	17%	17%	17%	**17%**
Age of the Youngest Director	Age	50	51	51	**52**
Age of the Oldest Director	Age	79	79	78	**69**
Board of Directors Age Range	Age	29	28	27	**17**
Board Average Age	Age	65	65	65	**61**
Board Age Limit	Yes/No	No	No	No	**No**
Average Board Tenure	Years	6.3	5.0	5.0	**3.5**
Date Executive Director Appointed to the Board of Directors	Date	May 2020	May 2020	May 2020	**May 2020**
Board Meetings					
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	0	0	0	**0**

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NXP ESG Performance	Unit	2020	2021	2022	2023
Audit Committee					
Size of Audit Committee	HC	3	3	4	**4**
Number of Independent Directors on Audit Committee	HC	3	3	4	**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	4	**4**
Audit Committee Meetings	#	9	10	13	**10**
Audit Committee-Meeting Attendance	%	>75%	>75%	>75%	**>75%**
Compensation Committee					
Size of Compensation Committee	HC	4	5	4	**5**
Number of Independent Directors on Compensation Committee	HC	4	5	4	**5**
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	5	4	**5**
Number of Compensation Committee Meetings	#	8	7	6	**7**
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	**Yes**

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NXP ESG Performance	Unit	2020	2021	2022	2023
Nominating, Governance and Sustainability Committee					
Size of Nomination Committee	HC	4	5	3	**4**
Number of Independent Directors on Nomination Committee	HC	4	5	3	**4**
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	3	**4**
Number of Nomination-Committee Meetings	#	4	4	4	**4**
Nomination Committee-Meeting Attendance	%	>75%	>75%	>75%	**>75%**
Environmental, Social and Governance (ESG) Governance					
Non-Executive Director with Responsibility for ESG	Yes/No	No	No	No	**No**
Executive Director with Responsibility for ESG	Yes/No	Yes	Yes	Yes	**Yes**
Directors with ESG Experience	HC		4	5	**5**
Executive Compensation Linked to ESG	Yes/No	No	No	Yes	**Yes**
Board Compensation Linked to ESG	Yes/No	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	**No**
Dual-Class Unequal Voting Rights – Common Shares	Yes/No	No	No	No	**No**

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Data and Indices: Scope 1 Chemicals List

We strive to be transparent with our stakeholders regarding our carbon footprint, and specify how we determine what are and are 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, Health and Safety chapter of this Report.

Scope 1 Chemical List of Emissions	Unit	2019	2020	2021	2022	2023
Perfluorinated Compounds (PFCs) in tCO_2e						
C_2F_6	tCO_2e	57,284	37,599	43,836	52,221	**27,699**
CF_4	tCO_2e	123,419	91,538	117,939	127,900	**88,367**
CHF_3	tCO_2e	32,598	29,633	41,818	45,564	**38,898**
SF_6	tCO_2e	23,495	19,953	87,760	103,255	**71,885**
NF_3	tCO_2e	39,435	28,824	45,648	60,553	**48,538**
CH_3F	tCO_2e			14	16	**10**
C_3F_8	tCO_2e	2,746	2,968	1,385	1,483	**1,168**
C_4F_8	tCO_2e	9,521	6,396	7,518	9,206	**6,120**
C_4F_8O	tCO_2e	0	0	0	0	**0**
CH_2F_2	tCO_2e	62	21	152	60	**20**
C_4F_6	tCO_2e	0	380	225	0	**0**
C_5F_8	tCO_2e	6	14	4	4	**4**
Total PFCs	**tCO_2e**	**288,566**	**217,326**	**346,299**	**400,261**	**282,709**
N_2O Emissions in tCO_2e						
Total N_2O	**tCO_2e**	**13,592**	**14,498**	**19,400**	**20,503**	**15,569**

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Scope 1 Chemical List of Emissions	Unit	2019	2020	2021	2022	2023
Heat-Transfer Fluids (HTFs) in tCO_2e						
R-22	tCO_2e	197	150	188	181	**72**
R-123	tCO_2e	22	32	5	41	**61**
R402A	tCO_2e	0	0	0	0	**0**
Pure HFCs						
R-134a	tCO_2e	766	2,505	3,258	5,813	**4**
R-23	tCO_2e	93	121	0	19	**30**
HFC Mixtures						
R-404A	tCO_2e	135	93	155	49	**21**
R-407C	tCO_2e	0	0	0	0	**0**
R-410A	tCO_2e	244	113	35	0	**7**
R-422D	tCO_2e	0	0	0	0	**0**
Perfluorocarbons						
FC40	tCO_2e	89,478	54,481	73,784	34,096	**3,969**

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Scope 1 Chemical List of Emissions	Unit	2019	2020	2021	2022	2023
Polyfluoroether Mixtures						
FC3283	tCO_2e	17,544	19,307	21,775	18,595	**16,684**
FC72	tCO_2e	0	0	0	0	**0**
FC770	tCO_2e	4	22	22	51	**0**
HFE7100	tCO_2e	931	675	801	388	**284**
HFE7200	tCO_2e	144	119	139	109	**86**
HFE7500	tCO_2e	51	109	67	128	**85**
Galden D02 TS	tCO_2e	0	0	0	0	**0**
Galden HT 80	tCO_2e	0	0	0	27	**0**
Galden HT 110	tCO_2e	791	804	231	203	**236**
Galden HT 135	tCO_2e	682	610	318	477	**0**
Galden HT 200	tCO_2e	1,638	2,268	3,522	2,142	**2,862**
Galden HT 270	tCO_2e	810	480	0	180	**120**
Galden PFS-2	tCO_2e	280	210	210	140	**420**
Galden ZT 130	tCO_2e	0	0	0	0	**0**
Total HTFs	**tCO_2e**	**113,809**	**82,100**	**104,510**	**62,638**	**26,808**

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Scope 1 Chemical List of Emissions	Unit	2019	2020	2021	2022	2023
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	14	7	20	19	**0**
Non-ODP Refrigerants for Cooling Systems Such as Air Conditioning						
HFC-32 (CAS 75-10-5)	kg	0	18	133	69	**12**
HFC-41 (CAS 593-53-3)	kg	0	0	0	0	**0**
HFC-134 (CAS 359-35-3)	kg	40	40	41	0	**0**
HFC-134a (CAS 811-97-2)	kg	450	464	448	737	**0**
Ozone-Depleting Substances From Cooling Systems Such as Air Conditioning						
HFC-22 (CAS 75-45-6)	kg	32	8	8	56	**41**
HFC-123 (CAS 306-83-2)	kg	0	45	45	0	**1,414**
Total ODPs and Non-ODPs	**kg**	**536**	**582**	**695**	**881**	**1,467**

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Data and Indices: GRI Index

Statement of Use	NXP Semiconductors has reported the information cited in this Global Reporting Initiative (GRI) content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	2023 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 or "NXP Semiconductors" (NASDAQ: 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: Overview - Worldwide Manufacturing Site 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 2023, 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 15, 2024 d. Contact point for questions about this Report or reported information: csr@nxp.com Introduction: About This Report
	2-4 Restatements of information	When the data from prior reporting years exceeds a 2% change in total values, we will restate values and give an explanation in the related section. We have revised the 2021 and 2022 N_2O values in the Scope 1 Chemical List to align with adoption of the 2019 Refinement Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. For more details, see the Emissions section in this Report. Otherwise, there are no restatements in this 2023 Report.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 2: General Disclosures 2021	2-5 External assurance	The 2023 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: Overview, Sustainable Product Solutions Social Responsibility 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 Taiwan Semiconductor Manufacturing Company (TSMC). d. No significant changes.
	2-7 Employees	Data and Indices: ESG Performance
	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 2023, our external temp and contractor workforce was 4,397.
	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.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Strategy: Governance Introduction: Stakeholder Engagement Data and Indices: TCFD Index
	2-13 Delegation of responsibility for managing impacts	Sustainability Strategy Introduction: Stakeholder Engagement Data and Indices: 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 2023. 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 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 website.
	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. Sustainability Strategy: 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 website.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 2: General Disclosures 2021	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 Sustainability Strategy: Approach
	2-23 Policy commitments	Governance: Ethics Social Responsibility See our Code of Conduct See our Human Rights Policy See our Auditable Standards on Social Responsibility Appendices: Sustainability Policy
	2-24 Embedding policy commitments	Governance: Ethics Social Responsibility
	2-25 Processes to remediate negative impacts	Governance: Ethics Social Responsibility
	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 2023, we received one NOV for a minor infraction resulting in a fine less than $1,000. We resolved the infraction quickly, and otherwise maintained an exceptional compliance record.
	2-28 Membership associations	Introduction: Stakeholder Engagement
	2-29 Approach to stakeholder engagement	Introduction: Stakeholder Engagement
	2-30 Collective bargaining agreements	Employees at all 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 23% of our employees are covered by collective-bargaining agreements.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Strategy: Approach
	3-2 List of material topics	Sustainability Strategy: Approach
	3-3 Management of material topics	Sustainability Strategy: Approach Governance: Ethics, Cybersecurity Environment, Health and Safety Social Responsibility
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. Data and Indices: 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. Team Members: 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.

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GRI Standard	Disclosure	2023 Disclosure/Location
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. This is also included in our Anti-Bribery and Anti-Corruption (ABC) Policy. Governance: Ethics
	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	Governance: Taxation
	207-2 Tax governance, control and risk management	Governance: Taxation
	207-3 Stakeholder engagement and management of concerns related to tax	Governance: 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	~97% 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.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment, Health and Safety: Energy Data and Indices: ESG Performance
	302-2 Energy consumption outside of the organization	We do not currently disclose this information.
	302-3 Energy intensity	Environment, Health and Safety: Energy Data and Indices: ESG Performance
	302-4 Reduction of energy consumption	Environment, Health and Safety: Energy Data and Indices: ESG Performance
	302-5 Reductions in energy requirements of products and services	Environment, Health and Safety: Energy Data and Indices: ESG Performance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment, Health and Safety: Water Data and Indices: ESG Performance
	303-2 Management of water discharge-related impacts	Environment, Health and Safety: Water Data and Indices: ESG Performance
	303-3 Water withdrawal	Environment, Health and Safety: Water Data and Indices: ESG Performance
	303-4 Water discharge	Environment, Health and Safety: Water Data and Indices:ESG Performance
	303-5 Water consumption	Environment, Health and Safety: Water Data and Indices: ESG Performance
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.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
	305-2 Energy indirect (Scope 2) GHG emissions	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
	305-3 Other indirect (Scope 3) GHG emissions	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
	305-4 GHG emissions intensity	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
	305-5 Reduction of GHG emissions	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
	305-6 Emissions of ozone-depleting substances (ODS)	Environment, Health and Safety: Hazardous Materials Data and Indices: Scope 1 Chemicals List
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Environment, Health and Safety: Emissions Data and Indices: ESG Performance
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment, Health and Safety: Management, Waste Product Stewardship
	306-2 Management of significant waste-related impacts	Environment, Health and Safety: Management, Waste Product Stewardship Social Responsibility: Supplier Engagement
	306-3 Waste generated	Environment, Health and Safety: Waste Data and Indices: ESG Performance
	306-4 Waste diverted from disposal	Environment, Health and Safety: Waste Data and Indices: ESG Performance
	306-5 Waste directed to disposal	Environment, Health and Safety: Waste Data and Indices: ESG Performance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social Responsibility: Supplier Engagement Environment, Health and Safety: Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Social Responsibility: Supplier Engagement Environment, Health and Safety: Management

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Team Members: Future Talent, Team-Member Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Team Members: 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 our NXP Benefits website. Team Members: Compensation and 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	Environment, Health and Safety: Health and Safety
	403-2 Hazard identification, risk assessment and incident investigation	Environment, Health and Safety: Health and Safety
	403-3 Occupational health services	Environment, Health and Safety: Health and Safety
	403-4 Worker participation, consultation and communication on occupational health and safety	Environment, Health and Safety: Health and Safety
	403-5 Worker training on occupational health and safety	Environment, Health and Safety: Health and Safety
	403-6 Promotion of worker health	Environment, Health and Safety: Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Environment, Health and Safety: Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Environment, Health and Safety: Health and Safety
	403-9 Work-related injuries	Environment, Health and Safety: 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. Environment, Health and Safety: Health and Safety

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Team Members: Development and Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	Team Members: Development and Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	We do not currently disclose this percentage, but we disclose other information about performance and career development reviews in this Report. Team Members: Team-Member Retention
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Data and Indices: ESG Performance Governance: Board of Directors
	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	Social Responsibility 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 website
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 website
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.

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GRI Standard	Disclosure	2023 Disclosure/Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social Responsibility: Supplier Engagement
	414-2 Negative social impacts in the supply chain and actions taken	Social Responsibility: Supplier Engagement
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 did not have a non-compliance with regulations concerning product information and labeling in 2023.
	417-3 Incidents of non-compliance concerning marketing communications	NXP did not have a non-compliance with marketing communications in 2023.
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.

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SASB Topic	Code	Accounting Metric	Unit of Measure	2023 NXP 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) 370,174 (2) 282,709
	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 Sustainability Strategy chapter, the Emissions section of the Environment, Health and Safety chapter and TCFD Index of the Data and Indices chapter 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) 6,700,545 (2) 88% (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 (m^3), Percentage (%)	(1) Total water withdrawn was 12,554,434. Of that, 28% was at manufacturing facilities located in regions with High or Extremely High Baseline Water Stress. (2) Total water consumed was 3,657,987. Of that, 31% 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) 8,341 (2) 67%

1 Regions of water stress are classified as such based on the High or Extremely High Baseline Water Stress categories using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct. In our 2022 Report, we used the Overall Water Risk indicator, but now use the Water Stress indicator in the Water Risk Atlas tool to calculate the percentage of water withdrawal and consumption in regions with High or Extremely High Baseline Water Stress.

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SASB Topic	Code	Accounting Metric	Unit of Measure	2023 NXP Response
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 Environment, Health and Safety 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 2023, NXP did not incur monetary losses as a result of legal proceedings associated with employee health-and-safety violations.
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 2023, 4% of employees were foreign nationals. (2) At the end of 2023, the percentage of employees located offshore from NXP's country of domicile was 18% of our workforce in the Americas, 15% in EMEA and 60% in APAC.

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SASB Topic	Code	Accounting Metric	Unit of Measure	2023 NXP Response
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%)	In 2023, ~19% 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 website, 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 2023, NXP did not incur monetary losses as a result of legal proceedings associated with anticompetitive-behavior regulations.

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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.

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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 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. 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 Governance section of the Sustainability Strategy chapter of this Report for more details.

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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 sustainability 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 sustainability 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 Chief Operations and Manufacturing Officer. The ESG Management Board meets regularly to ensure our ESG performance is in line with our strategy and goals. 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. In addition to the ESG Management Board, NXP also has an Environment, Health and Safety (EHS) Management Board. 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.
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.	

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	Type of Risk and Opportunity	**Time Horizon**	**Description**
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Acute Physical Risk: Severe Storms and Heavy Precipitation	Short-term (1-5 years)	At some some of our sites, there is a risk of severe storms and heavy precipitation. This can include hail, rain, snow, high winds, lightning, flooding and tornadoes. The potential impact is primarily on our own operations.
	Acute Physical Risk: Cyclones and Tropical Storms	Short-term (1-5 years)	At one of our sites, there is a risk of cyclones and tropical storms. This can include high winds, heavy rain, lightning, flooding, high currents and tornadoes. The potential impact is primarily on our own operations.
	Market Opportunity: Low-carbon products	Short-term (1-5 years)	One of NXP's key climate-related opportunities is to provide products for a carbon-free and low-carbon world. Semiconductor solutions enable the provision of green energy and the electrification of various sectors and help optimize power conversion for maximum energy efficiency. Supplying these kinds of energy-saving solutions has a potentially beneficial impact on our operations and the operations of downstream stakeholders.
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Our climate-related acute physical risks have the potential to impact revenue through decreased production capacity and may also impact the well-being of our team members. Our climate-related market opportunity has the potential to impact our product strategy and R&D, as well as our revenue from increased product demand. Some risks that are as yet unknown, or are currently believed not to be material, could ultimately have an impact on our businesses, objectives, revenues, income, assets, liquidity and/or capital resources.		
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We plan to conduct climate-related risk and opportunity assessments using scenario analysis. We will disclose subsequent results in future Reports.		

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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.	Various teams collaborate to assess climate risks and opportunities. This assessment is completed at least annually. For climate-related risks specifically, our Business-Resilience Team conducts our most comprehensive assessment of physical risks, with the aim of more thoroughly assessing transition risks in the near future. This assessment of physical risks evaluates physical climate-related risks through site-specific risk data provided by a third party, stakeholder interviews, surveys and other methods. Risks are prioritized at the corporate and local levels by their scope and operational controls. We will expand on this in the future as we increase our understanding of how climate risks may impact our business.
b. Describe the organization's processes for managing climate-related risks.	Site and corporate Business-Resilience 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. All significant risks and opportunities are escalated depending on the management team member responsible for the risk and opportunity type. Risk assessments and action plans are used as input for formal goal planning, management review updates and, if applicable, capital financial planning. Feedback obtained from management-team reviews, the Sustainability Office, the ESG and EHS Management Boards, Business-Resilience Teams and other stakeholders is also incorporated into 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.	The results of our climate-related risk assessment, along with other risks identified by the Business-Resilience Team, inform the risks considered by the Enterprise Risk Management function within NXP.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	

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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, Health and Safety chapter of this Report, we include both absolute and normalized data to factor in our production index (square meters of manufactured wafers) and align with our semiconductor peer group.

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 Scope 3 (upstream and downstream emissions). 2023 marked the first time we made a detailed inventory of all 15 categories of Scope 3, mapping NXP's footprint throughout our entire value chain. Our Scope 3 emissions are understandably larger than our Scope 1 and 2 emissions, given that Scope 3 emissions represent an impact beyond our operations. While we will remain focused on our Scope 1 and 2 decarbonization efforts, we will also work to establish methods to reduce our Scope 3 footprint, and will also set Scope 1, Scope 2 and Scope 3 SBTs in 2024.

We discuss water, energy and waste with equivalent levels of detail. We make all environmental data available in this Report and on our Environment, Health and Safety website.

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks.

GHG Disclosure	Unit	2020	2021	2022	2023
Total Scope 1 and 2 (Market-Based) Emissions	**tCO_2e**	**982,123**	**1,180,209**	**1,169,506**	**897,536**
Normalized Scope 1 and 2 (Market-Based) Emissions	tCO_2e/m^2	17.8	17.6	15.9	**15.6**
Scope 1 and 2 (Market-Based) Emissions Intensity	tCO_2e/ $ Million	114	107	89	**68**
Total Scope 1, 2 (Market-Based) and 3 Emissions	**tCO_2e**			**19,722,642**	**12,754,590**
Scope 1 Emissions					
PFC Emissions	tCO_2e	217,326	346,299	400,261	**282,709**
HTF Emissions	tCO_2e	82,100	104,510	62,499	**26,808**
Fossil-Fuel Emissions	tCO_2e	41,819	44,229	46,068	**45,080**
N_2O Emissions	tCO_2e	14,498	19,400	20,503	**15,569**
Other Scope 1 Emissions	tCO_2e	720	777	1,102	**8**
Total Scope 1 Emissions	**tCO_2e**	**356,462**	**515,215**	**530,433**	**370,174**

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	Scope 2 (Market-Based) Emissions					
	Indirect Emissions from Manufacturing Sites	tCO_2e	604,013	642,640	613,620	**506,228**
	Indirect Emissions from Non-Manufacturing Sites	tCO_2e	21,648	22,354	25,453	**21,134**
	Total Scope 2 (Market-Based) Emissions	**tCO_2e**	**625,661**	**664,994**	**639,073**	**527,362**
	Scope 3 Emissions					
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks.	Category 1 - Purchased Goods and Services	tCO_2e			3,429,662	**3,291,179**
	Category 2 - Capital Goods	tCO_2e			320,199	**266,665**
	Category 3 - Fuel- and Energy-Related Activities	tCO_2e			93,645	**89,852**
	Category 4 - Upstream Transportation and Distribution	tCO_2e			13,154	**10,313**
	Category 5 - Waste Generated in Operations	tCO_2e			10,945	**9,544**
	Category 6 - Business Travel	tCO_2e			9,092	**12,980**
	Category 7 - Employee Commuting	tCO_2e			63,079	**64,805**
	Category 8 - Upstream Leased Assets	tCO_2e			6,441	**6,768**
	Category 9 - Downstream Transportation and Distribution	tCO_2e			13,306	**10,583**
	Category 10 - Processing of Sold Products	tCO_2e			79,506	**56,351**
	Category 11 - Use of Sold Products	tCO_2e			14,510,934	**8,035,180**
	Category 12 - End-of-life Treatment of Sold Products	tCO_2e			2,524	**2,160**
	Category 13 - Downstream Leased Assets	tCO_2e			649	**674**
	Category 14 - Franchises	tCO_2e			Not Applicable	**Not Applicable**
	Category 15 - Investments	tCO_2e			Not Applicable	**Not Applicable**
	Total Scope 3 Emissions	**tCO_2e**			**18,553,136**	**11,857,054**

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c. Describe the targets used by the organization to manage climate-related risks and opportunities, and the organization's performance against these targets.	**Climate-Related Mid-Term Targets** Emissions: Reduce carbon emissions by 35% in 2027 (2021 baseline) Energy: 50% renewable electricity by 2027 Water: 60% of wastewater recycled by 2027 **2023 Results** Emissions: We decreased our absolute Scope 1 and 2 emissions by 24% compared to our baseline year of 2021. Energy: We used 39% renewable electricity, an increase of 4 percentage points compared to 2022, and an increase of 22 percentage points compared to 2014. Water: We recycled 51% of wastewater, an increase of 2 percentage points compared to 2022, and an increase of 15 percentage points compared to 2014. We also have short-term targets for most of our mid-term goals. These are included in our Annual Incentive Plan (AIP), and are tied to the compensation of all NXP employees. Please see the Goals section of the Sustainability Strategy chapter, and the Emissions, Energy and Water sections of the Environment, Health and Safety chapter of this Report for more details.

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Disclosing additional information and resources



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In 2017, NXP became a signatory to the United Nations Global Compact (UNGC), the world's largest corporate-sustainability initiative. In 2023, we completed the new Communication on Process questionnaire on corporate action and performance related to the Ten Principles of the UN Global Compact and the Sustainable Development Goals. Our UN Global Compact Communication on Progress can be found on the UN Global Compact website.

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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.

Our Policy

Value

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.

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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 99% of procurement expenditures in 2023 for materials, manufacturing and assembly of our products worldwide.

2023 Top 100 Supplier List			
AAM	FURUKAWA	MS-SCHRAMBERG	SOITEC
ADVANCED ASSEMBLY MATERIALS	GLOBAL WAFERS	MULTEK TECHNOLOGIES	SPIL
AIR LIQUIDE	GLOBALFOUNDRIES	MURATA	STATS CHIPPAC
ALLTEK TECHNOLOGY	HD MICROSYSTEMS	NANYA	STMICROELECTRONICS
AMKOR	HDS	NEXPERIA	SUBTRON TECHNOLOGY
ARDENTEC	HENKEL	NGKED	SUMCO
ASE	HERAEUS	NIPPON MICROMETAL CORPORATION	SUMIKA
ASMC	HONEYWELL	ON SEMI	SUMITOMO BAKELITE
AST	INNOV SEMIPAK MATERIALS	PEAK	TANAKA
ATX	ITW	PHOENIX SILICON INTERNATIONAL	TCI
BASS	JENTECH PRECISION INDUSTRIAL	PHOTRONICS	TDK
BEIFANG QITI CHANPIN	JSR CORPORATION	POWERCHIP	TECHNIC
CHANG WAH ELECTRONICS	KENJI TECHNOLOGY	PROBE	TECHNOPROBE
CHIPBOND	KENLY PRECISION	RESONAC	TFME
COHERENT	KES	RJR TECHNOLOGIES	TOPPAN PHOTOMASKS
CPAK	KETECA	RS TECHNOLOGIES	TRIO-TECH
DALSA	KINSUS INTERCONNECT TECHNOLOGY	SAMSUNG SEMICONDUCTOR	TSMC
DATANG NXP SEMICONDUCTORS	KOSTAT	SENJU METAL	UMC
DISCO	KOSTECSYS	SHANGHAI SIRUIXIN MATERIALS	UTAC
DUPONT	KYOCERA	SHENZHENSHI BOSITE KEJI YOUXIAN GON	VACUUM ENGINEERING & MATERIALS
ENTEGRIS	LEADING TECHNOLOGIES	SHIN-ETSU	VANGUARD
EPAK	LINDE	SHINKO ELECTRONICS	VERSUM
FEINMETALL	LINXENS	SILTRONIC	WENSON
FUJIFILM ELECT MATERALS	MGC PURE CHEMICALS	SKYWORKS	WIN
FUJIMI	MITSUI HIGH-TEC	SMIC	WOLFSPEED

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1 to 9	
3TG	Tin, Tantalum, Tungsten and Gold
5G	Fifth Generation (Cellular)

A	
ABC	Anti-Bribery and Anti-Corruption (NXP)
AI	Artificial Intelligence
AIP	Annual Incentive Plan (NXP)
ANSI	American National Standards Institute
APAC	Asia-Pacific
AR5	Assessment Report #5 (IPCC)
ATMC	Austin Technology and Manufacturing Center (NXP)
AusPREP	Austin Pre-Freshman Engineering Program (Huston-Tillotson University)

B	
B	Billion
BALT	Black Achievement Leadership Team (NXP)
BEPS	Base Erosion and Profit Shifting (OECD)
BEYA	Black Engineer of the Year Conference

C	
CAHRA	Conflict-Affected and High-Risk Areas (EPRM)
CAS	Chemical Abstracts Service
CC EAL	Common Criteria Evaluation Assurance Level
CEO	Chief Executive Officer
cm	Centimeter
CMRT	Conflict Minerals Reporting Template (RMI)
CSO	Civil Society Organization
CSRD	Corporate Sustainability Reporting Directive (EU)

D	
DART	Days Away, Restricted, or Transferred (OSHA)
DCGC	Dutch Corporate Governance Code
DE&I	Diversity, Equality and Inclusion (NXP)
DIP	Dual In-Line Package
DL	Direct Labor

E	
EBTF	European Business Tax Forum
ECHA	European Chemicals Agency
ECO-Products	Environmental Compliance Organization for Products (NXP)
EHS	Environment, Health and Safety
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)

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EPRM	European Partnership for Responsible Minerals
ERG	Employee Resource Group (NXP)
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESIA	European Semiconductor Industry Association
ETI	Ethical Trading Initiative
EU	European Union
EV	Electric Vehicle

F	
FCPA	Foreign Corrupt Practices Act
FT	Full Time

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
GSA	Global Semiconductor Alliance
GSMA	Groupe Speciale Mobile Association
GWh	Gigawatt Hours
GWP	Global Warming Potential

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

I	
IATF	International Automotive Task Force
IDL	Indirect Labor
ILO	International Labour Organization
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
IREC	International Renewable Energy Credit
ISO	International Organization of Standardization
ISO/IEC	International Organization of Standardization / International Electrotechnical Commission
IT	Information Technology
ITESM	Monterrey Institute of Technology and Higher Education
IWD	International Women's Day

J
None

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K	
kg	Kilogram
KPI	Key Performance Indicator
kTons	Kilotons
kWh	Kilowatt Hours

L	
LDP	Leadership Development Program (NXP)
LPG	Liquified Petroleum Gas
LRQA	Lloyd's Registrar Quality Assurance

M	
m	Meter
M	Million
ML	Machine Learning
MSG	Multi-Stakeholder Steering Group (OECD)
MWh	Megawatt Hour

N	
NASDAQ	National Association of Securities Dealers Automated Quotations
NCC	Nominating and Compensation Committee (NXP)
NGO	Non-Governmental Organization
NOV	Notice of Violation
NOx	Nitrogen Oxides
NSBE	National Society of Black Engineers (US)
NXPI	NXP Semiconductors N.V. (NASDAQ)

O	
ODP	Ozone-Depleting Potential
ODS	Ozone-Depleting Substance
OECD	Organization for Economic Co-operation 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

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REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RF	Radio Frequency
RMAP	Responsible Minerals Assurance Process (RMI)
RMI	Responsible Minerals Initiative
RoHS	Restriction of Hazardous Substances

S	
SAI	Social Accountability International
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
SBTs	Science Based Targets
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
SIP	Sales Incentive Program (NXP)
SoC	System on a Chip
SOx	Sulfur Oxides
SPA	Strategic Planning Alignment (NXP)
SSMC	Systems on Silicon Manufacturing Company (Singapore)
STEM	Science, Technology, Engineering and Math
SVHCs	Substances of Very High Concern

T	
TCFD	Task Force on Climate-Related Financial Disclosures
TCIR	Total Case Incident Rate (OSHA)
tCO_2e	Tonnes of CO_2 Equivalent
TNFD	Taskforce on Nature-Related Financial Disclosures
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
UNGP	UN Guiding Principles on Business and Human Rights
US	United States
UWB	Ultra-Wideband

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

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VOCs	Volatile Organic Compounds

W	
WEEE	Waste Electrical and Electronic Equipment (EU)
WFD	Waste Framework Directive (EU)
WiN	Women in NXP
WLI	Women's Leadership Initiative (GSA)
WRI	World Resource Institute
WSC	World Semiconductor Council
WSI	Water Stress Index (UN)

X	
None	

Y	
YIDC	Young Innovator Design Challenge (NXP)

Z	
None	

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