NXP Sustainability

2024

Executive Summary:

2024 Corporate Sustainability Report

Introduction

NXP has been committed to corporate responsibility and sustainability within our organization and throughout our stakeholder community since our founding in 2006. As we continue to evolve our sustainability programs, we're emphasizing two aims: expanding the ways our technologies contribute to a more sustainable world and ensuring our sustainability initiatives are effectively integrated into our business.

In this Executive Summary, we discuss the sustainability progress we've made and our key achievements in 2024. For more detailed information, please read our full 2024 Corporate Sustainability Report.

About NXP

NXP Semiconductors N.V. (NASDAQ: NXPI), headquartered in Eindhoven, the Netherlands, is the trusted partner for innovative solutions in the automotive, industrial and IoT, mobile and communications infrastructure markets. Learn more at our About NXP webpage.

Together, we pioneer solutions.

We anticipate tomorrow's needs — navigating a changing world by bringing together technology's brightest minds. Together we are building a more sustainable future.

60
Years of Combined Experience and Expertise

~33,100
Team Members

30
Countries Worldwide

$ 12.61 B
2024 Revenue

~9,500
Patent Families Owned

"Through collaboration, innovation and ownership, we will continue to drive meaningful change."

Kurt Sievers
President and CEO,
NXP Semiconductors

At NXP, it's our belief that we can make the future brighter through collaborative innovation. We gain inspiration from the innovative spirit of our team members, our customers and our partners, and we take a collaborative approach to facing global challenges as we strive for a sustainable future.

The global landscape continues to change and pose significant challenges. We view this ongoing evolution as an opportunity, giving us the chance to innovate our business and continue our long-standing track record of developing smarter, more sustainable solutions while anticipating the world's changing needs.

"As we venture further into a rapidly evolving world, NXP remains committed to shaping a future where people and the planet thrive together."

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

Our sustainability principles guide us toward a brighter future, with transparency and accountability being fundamental to our approach. As our 2024 accomplishments demonstrate, continuous progress is attainable, one step at a time.

Our work is far from over, but I am inspired by our global team members who work every day to enable a smarter, safer and more sustainable world through innovation. We will continue to take the steps that make meaningful change in our industry.

2024 Highlights

Environmental

Validated Scope 1, 2 and 3 emission reduction targets with **SBTi**

39% decrease in Absolute Scope 1 and 2 emissions compared to 2021

44% renewable electricity use

Completed **Solar Installations** at 4 sites

55% water recycled

89% waste recycled

Social

Certified as a **Great Place to Work** in 17 countries

90% of team members are proud to work at NXP

Expanded targeted **Development Programs** for all team members

Turnover rate remains **Below** competitive benchmarks

243 engineers Received "My First Patent Awards"

Achieved an all-time low total case Incident Rate (TCIR) of **0.07**

Governance

Completed a **Living Wage** gap analysis for all NXP team members

50% of Board directors have sustainability experience

100% of suppliers signed the Supplier Code of Conduct statement

100% certified conflict-free 3TG smelters

Reviewed and updated the NXP **Supplier Code of Conduct**

96% of team members feel NXP is committed to ethical practices

Aspirational Goals

Our sustainability aspiration is to enable a better, safer, more secure and more sustainable world through innovation. That aspiration has given rise to a series of global goals that inform our efforts and enable us to gauge our performance, celebrate our accomplishments and address opportunities for improvement. Our aspirations include the following:

Innovation	Environment	Social	Governance
Design and develop manufacturing technologies that positively impact the planet and society	Ensure efficient and responsible use of natural resources[1]	Foster an inclusive environment and improve representation of women in our global workforce	Work with our supply-chain partners to reduce their environmental footprint
Develop higher-performing, more energy-efficient products	**35%** reduction in Scope 1 and 2 emissions by 2027 and 55% by 2030; Carbon neutrality by 2035	Zero tolerance of forced labor and human-rights abuses	Integrate sustainability into our business strategy
	35% reduction in Scope 3 by 2033	Zero workplace injuries	
	50% renewable electricity by 2027[2]		
	60% wastewater recycled by 2027		
	90% waste recycled by 2027		

[1] NXP's 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. This carbon neutrality goal is not aligned with SBTi.

[2] We aim to achieve our renewable electricity goal through the use of unbundled renewable energy certificates, power purchase agreements and, in select cases, self-generation. This goal is not aligned with SBTi.

Progress Toward Our Global Sustainability Aspirations

Aspirations	Progress in 2024
Innovation	
Design and develop manufacturing technologies that positively impact the planet and society	We improved our product portfolio assessment process to better understand how our products enable sustainable solutions and identified opportunities to maximize positive impact.
Develop higher-performing, more energy-efficient products	We strove to continuously increase the energy efficiency and performance of our products with the goal of reducing our use of raw materials and lowering our greenhouse-gas (GHG) emissions.
Environmental[3]	
Ensure efficient and responsible use of natural resources[4]	We decreased our absolute Scope 1 and 2 emissions by 39% compared to our baseline year of 2021.
35% reduction in Scope 1 and 2 emissions by 2027 and 55% by 2030	We decreased our absolute Scope 1 and 2 emissions by 39% compared to our baseline year of 2021.
35% reduction in Scope 3 by 2033	We decreased our Scope 3 emissions by 47% compared to our baseline year of 2022.
50% renewable electricity by 2027[5]	We used 44% renewable electricity, an increase of 13 percentage points compared to our baseline year of 2021.
60% waste water recycled by 2027	We recycled 55% of wastewater, an increase of 7 percentage points compared to our baseline year of 2021.
90% waste recycled by 2027	We recycled 89% of waste, an increase of 13 percentage points compared to our baseline year of 2021.

[3] Lower factory loading caused 2024 emissions to be significantly lower than expected.
[4] NXP's 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. This carbon neutrality goal is not aligned with SBTi.
[5] We aim to achieve our renewable electricity goal through the use of unbundled renewable energy certificates, power purchase agreements and, in select cases, self-generation. This goal is not aligned with SBTi.

Aspirations	Progress in 2024
People	
Foster an inclusive environment and improve representation of women in our global workforce	Women made up 36% of our global workforce, the same percentage as 2023.
Zero tolerance of forced labor and human-rights abuses	We updated the NXP Supplier Code of Conduct and Auditable Standards on Social Responsibility to reflect evolving industry and stakeholder expectations and prepare for further regulatory changes.
Zero workplace injuries	We maintained a low Total Case Incident Rate (TCIR) of 0.07, and remain well below semiconductor-industry averages.
Governance	
Work with our supply-chain partners to reduce their environmental footprint	We continued to survey our top-tier suppliers to gauge their environmental footprints, and include their performance in our supplier rating to derive action plans.
Integrate sustainability into our business strategy	We continued to drive the company-wide Sustainability Program involving all functions and with clear roles and responsibilities, embedding sustainability in all the relevant areas of our business, including decision making.

Environmental Highlights

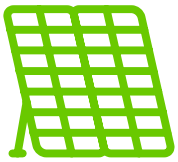
Climate Change

The semiconductor sector has energy-intensive processes and resource demands. At the same time, the sector, as an enabler of innovation and digital transformation, plays a critical role in addressing climate risks and unlocking solutions for a more sustainable future. Recognizing this, NXP strives to integrate climate considerations into our operations and value chain.

Emissions

Completed Solar Installations at

4 Sites



NXP has established a well-defined roadmap to reduce emissions across our operations and value chain, ensuring measurable progress toward achieving our climate related aspirations, while supporting global efforts to limit warming to maximum 1.5°C. This roadmap includes both mid- and long-term targets. To achieve our ambitions, we take a variety of approaches to minimize our impact. For example, in 2024, our Nijmegen site introduced an innovative technology that turns perfluorocarbons (PFCs) into different chemicals that can be reused in other manufacturing processes.

SBTi Validation

In 2024, we reached a significant milestone by completing the Science Based Targets initiative (SBTi) validation process. This validation reflect our commitment to climate action. Our validated targets include:

- **55%** reduction in Scope 1 and 2 emissions by 2030 (2021 baseline) - aligned with a 1.5°C pathway
- **35%** reduction in Scope 3 emissions by 2033 (2022 baseline) - aligned with a well-below 2°C pathway

Energy

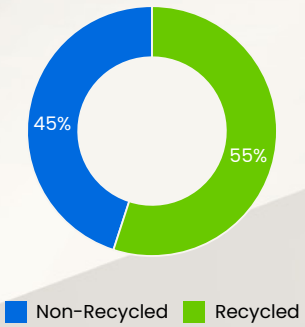
44%
Renewable Electricity Use

We are driving a shift to renewable energy sources. To do this, we are exploring regional opportunities for renewable energy supply, securing power purchase agreements and improving on-site generation efficiency with advanced technologies. To date, we have completed renewable electricity installations at four of our nine manufacturing sites.

Water

We implement projects that collect and recycle water at our manufacturing sites. This reduces the amount of incoming water consumption, reduces our reliance on local water supplies and makes our operations more efficient. We are also committed to returning water to the environment that is as clean as, or cleaner than, what we sourced. The two manufacturing sites in Texas, Austin (ATMC) and Oak Hill, received the city of Austin's 2024 award for Excellence in Wastewater Pretreatment (based on 2023 performance).

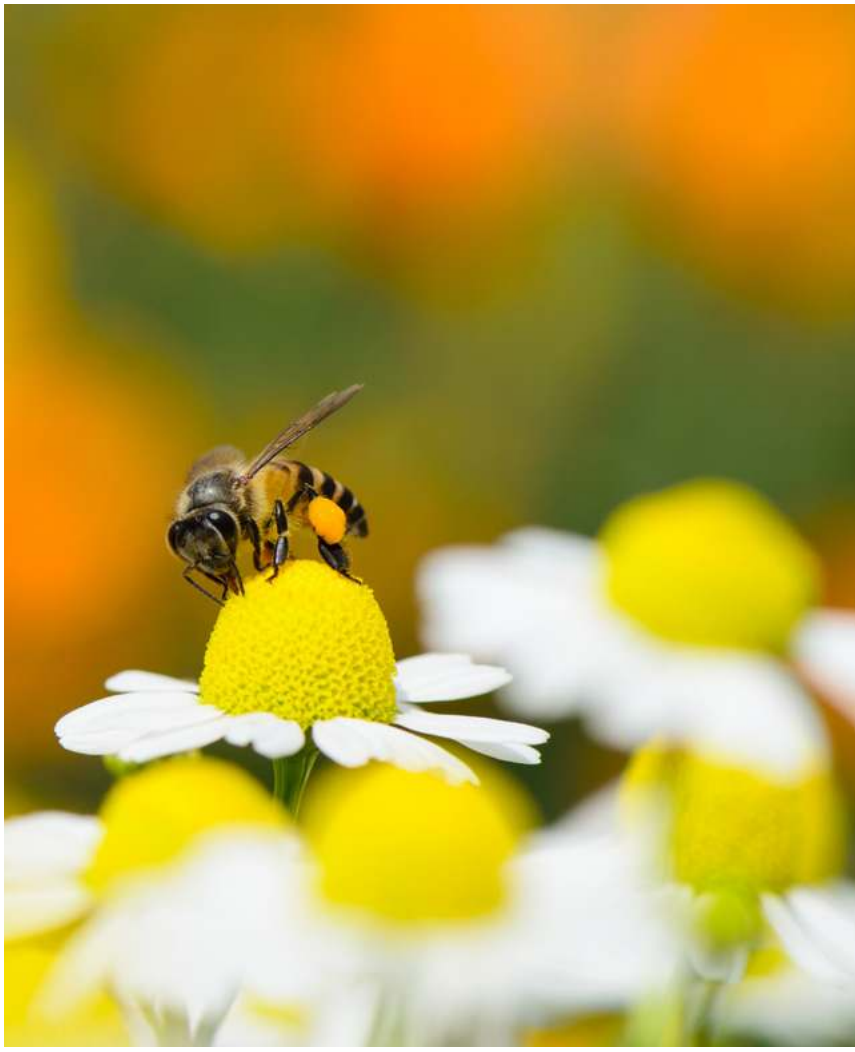
2024 Water Recycling



Biodiversity

Started Our First Biodiversity Assessment

Building on our Biodiversity Policy, published in 2023, we developed a methodology to identify and assess the type of biodiversity impacts and dependencies (if any) of our current operations. The methodology, based on the Taskforce on Nature-Related Financial Disclosures (TNFD) and their Locate, Evaluate, Assess, and Prepare (LEAP) approach, is applicable to all of our sites. As a pilot, we started the assessment of our Nijmegen site and plan to use the learnings to guide the roll out to our other sites globally in 2025.



Resource Use and Circular Economy

89%
Waste Recycled

We regularly review our processes and practices related to resource inflows and resource outflows to guide our efforts to make our business more circular. For instance, at NXP's facility in Kaohsiung, Taiwan, our team members repurposed molding scrap waste made of silica to use as a plastic alternative. This helps reduce our reliance on petroleum and bypasses the energy-heavy recycling processes of traditional plastics.

Social Highlights

Our Team Members

At the heart of NXP's success is our talented global team of over 33,000, whose expertise, creativity and dedication drive the innovation that sets us apart. We are committed to empowering our team members across the globe by fostering a high-performance, growth-oriented, collaborative and inclusive workplace that enables team members to thrive and contribute to our shared performance.

Engagement

69%
of Indirect-Labor Team Members are Viewed as **Highly Engaged**

To assess and improve engagement, we consistently invite team members to share their feedback through the Winning Culture Survey. In our 2024 survey, 87% of our indirect-labor team members participated, reflecting a highly engaged workforce. The majority of the survey items ranked above the seventy-fifth percentile benchmark for the technology sector.

Development and Growth

We are deeply committed to continuous learning and recognize that true growth happens through diverse approaches. NXP offers a wide range of learning and development programs, including new programs launched in 2024, designed to support team members globally. These offerings include an "Executive Presence" program to improve presentation capabilities and a "Women's Leadership Program" for mid-career women to develop leadership skills.

Our Employee Resources Groups (ERGs) additionally facilitate inclusion training and host events to promote career development. They also initiate mentorship platforms like Building Pathways by Women in NXP India and NXP participates in professional-development conferences such as the Texas Conference for Women and the Black Engineer of the Year (BEYA) Conference.

Great Place to Work

17 Countries
Certified as a Great Place to Work

In 2024, NXP continued its partnership with Great Place to Work, inviting team members to share insights that speak to the company's workplace culture and team-member experience. We launched the survey in 13 additional countries and received Great Place to Work certification in all 17 participating countries. To view all of NXP's Great Place to Work awards, you can view the Awards and Recognition page of our website.

Health and Safety

ISO 45001
Management System Certified

We began an internal effort to increase safety awareness at all of our manufacturing sites via various programs which recognize team members who have fully embraced the safety-oriented mindset. We ended the year achieving an all-time low total case incident rate (TCIR) of 0.07. In 2025, we will increase our efforts to ensure we foster a positive culture of safety, which ultimately will help to reduce injuries further.

Governance Highlights

Corporate Responsibility

Ethics, due-diligence and corporate responsibility are important to NXP and our sustainability program. 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.

Ethics

96% of Team Members Feel NXP is Committed to Ethical Practices

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. In recent years, we have increased our communication about the importance of speaking up and the available reporting channels. In our 2024 Winning Culture Survey, 96% of team members feel strongly favorable that NXP is committed to ethical business practices, demonstrating the impact of our ethics policies and program.

Human rights

Over 34,500 Regular Employees Included in Living -Wage Analysis

In 2024, to enhance our commitment to human rights and fair labor practices, NXP conducted a living-wage gap analysis. We concluded that the vast majority of our full-time regular employees globally were paid at or above the living wage as defined by Fair Wage Network. We will continue to evaluate our living-wage performance annually.

Supplier Engagement

In 2024, we launched a vendor-collaboration portal to improve communication with suppliers and updated our Supplier Code of Conduct and Auditable Standards on Social Responsibility. NXP also shared our social responsibility work at the Asia-Pacific UN Forum on Business and Human Rights and has become a senior adviser to the OECD's Responsible Business Conduct department.

Responsible Mineral Sourcing

100%
Certified Conflict-Free 3TG Smelters

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. In addition to partnering with certified conflict-free 3TG smelters, in 2024 we mapped our supply chains for additional minerals, such as cobalt and copper, to ensure responsible mineral procurement.

Sustainability Oversight

All Employees have Compensation Tied to a Sustainability Scorecard

We have, since 2022, connected our sustainability efforts to employee remuneration by adding a sustainability component to our short-term Annual Incentive Plan (AIP). These sustainability aspirations are approved by the Nominating, Governance and Sustainability Committee and the Human Resources and Compensation Board Committee. NXP's Management Team is responsible for implementation.

Sustainable Product Highlights

2024 Product Solutions

We understand that smart, innovative technologies can help enable a more sustainable future. 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 – Battery passport and tire tracking

Our NCJ37x battery passport and tire-tracking technologies drive sustainability by maximizing resource efficiency and reducing waste. The battery passport tracks components, ensures transparent lifecycle data and supports informed decisions, promoting a circular economy. Tire tracking, using UCODE tags and SubGHz technology, monitors tire pressure and temperature, enabling refurbishment, improving fuel efficiency and reducing CO_2 emissions.

Smart Home – Smarter and more sustainable buildings with Honeywell

NXP's i.MX chipsets technology drive smarter, more sustainable buildings by enhancing energy efficiency and safety. AI-powered analytics in Honeywell's systems optimize energy use by predicting needs and automating adjustments to heating, cooling and lighting. Ultra Wideband (UWB) solutions also enable precise energy-saving controls, efficient evacuations and vital sign monitoring, while boosting sustainability and safety.

Smart City – Smart supply chain/logistics management

NXP's SubGHz technology and UCODE and NFC tags drive real-time data on product location, condition and movement across vast distances — all with minimal energy use. Logistics companies can refine routes, cut idle times and slash fuel consumption by avoiding unnecessary delays, resulting in a significant reduction in carbon emissions.

Industrial and IoT – UCODE and NFC tags

Our energy-management solutions cut e-waste and CO_2 emissions in IoT, gaming and telecom. UCODE tags reduce single-use packaging by enabling reuse, while NFC tags improve medication safety, adherence and supply-chain integrity.

Mobile – i.MX RT

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. Wireless charging through NFC makes battery recharging intuitive and efficient, and at the same time marks the arrival of sleeker, more streamlined and more sustainable devices. Devices can adjust and control the characteristics of the charge pad, so each charge uses the most efficient profile while also helping to extend battery life.

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, visit www.nxp.com for updates, news and other insights.

NXP Semiconductors N.V. (NASDAQ: NXPI) is the trusted partner for innovative solutions in the automotive, industrial & IoT, mobile, and communications infrastructure markets. NXP's "Brighter Together" approach combines leading-edge technology with pioneering people to develop system solutions that make the connected world better, safer, and more secure. The company has operations in more than 30 countries and posted revenue of $12.61 billion in 2024. Find out more at www.nxp.com.

For more information about NXP's Sustainability activities, please read our full 2024 Corporate Sustainability Report.