



# 2024 Modern Slavery Report

Combating Forced Labor and Ensuring Transparent Supply Chains



NXP Sustainability

2024



# Table of Contents

- A Message From Kurt Sievers, CEO ..... 3
- 2024 Highlights ..... 6
- Introduction..... 9
  - Our Operations .....11
  - Our Team Members .....12
  - Our Supply Chain .....13
  - Our Aspirations .....14
- Labor and Human-Rights Commitment .....15
- Human-Rights Due Diligence .....19
  - Identify and Assess .....26
  - Integrate and Act .....33
  - Track .....50
  - Communicate .....58
- Looking Forward .....61
- Conclusion ..... 64



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- Looking Forward
- Conclusion





# A Message From Kurt Sievers, CEO



● **A Message From Kurt Sievers, CEO**

○ 2024 Highlights

○ Introduction

○ Labor and Human-Rights Commitment

○ Human-Rights Due Diligence

○ Looking Forward

○ Conclusion

## A Message From Kurt Sievers, CEO

Building a brighter future is only possible through trust, collaboration and respect. At NXP, these are the core values that guide us each day as we work together to enable a better world. We continue to be united by the basic freedoms set forth by the United Nations Universal Declaration of Human Rights.

NXP operates on a global scale, with over 30,000 NXP team members and 10,000 suppliers worldwide. It is our responsibility to recognize and engage respectfully with all these various stakeholders, guided by our belief that everyone is entitled to fairness and dignity.

NXP's approach to labor and human rights starts with informed awareness and collaborative action. As detailed in our 2024 Modern Slavery Report, our expectations and aims are clearly defined to hold ourselves, as well as our customers, supply-chain partners and team members, accountable as we strive for inclusivity, acceptance and equality.

I'm proud to share that, in 2024, we conducted a living-wage gap analysis to further underscore our commitment to human rights and fair labor practices. We determined that almost all 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.

NXP continues to leverage our due diligence to strengthen and build a collaborative and consultative relationship with our suppliers, allowing for better alignment with our standards and expectations. As part of this initiative, we completed a review and revision of the NXP Auditable Standards on Social Responsibility as well as our Supplier Code of Conduct. NXP also consulted our partner, the non-governmental organization (NGO) Dignity In Work For All, in the revision.

In an effort to further strengthen and enhance our existing human-rights due-diligence framework and practices, we also completed an NXP readiness and preparedness mapping to comply with the European Union's Corporate Sustainability Due Diligence Directive (CSDDD). We also became a senior adviser to the Organisation for Economic Co-operation and Development (OECD) Responsible Business Conduct department.



**Kurt Sievers**

CEO  
NXP Semiconductors



## A Message From Kurt Sievers, CEO

NXP was once again a featured speaker at the United Nations Responsible Business and Human Rights Forum, where we addressed the importance of using a collaborative approach between business and stakeholders when addressing the challenges of ending modern slavery. We continued to share our work externally at other events, including the Global Summit on Collaborative Approaches to Combat Forced Labor and the Global Child Forum.

### 2024 Achievements

NXP Ranked **37** of 1,802 Companies in the Global Child Forum Benchmark

Conducted **16** On-Site Supply-Chain Audits

**100%** 100% Certified Conflict-Free 3TG Smelters

When it comes to protecting workers' and human rights, lasting impact can only be made through a united front. Our customers, employees, supply-chain partners and other stakeholders can demonstrate respect for human rights through everyday initiatives and constant re-evaluation. I'm proud of the work we've done thus far, and look forward to our ongoing collaboration.

**Kurt Sievers**  
CEO  
NXP Semiconductors  
June 2025



● **A Message From Kurt Sievers, CEO**

○ 2024 Highlights

○ Introduction

○ Labor and Human-Rights Commitment

○ Human-Rights Due Diligence

○ Looking Forward

○ Conclusion

# 2024 Highlights





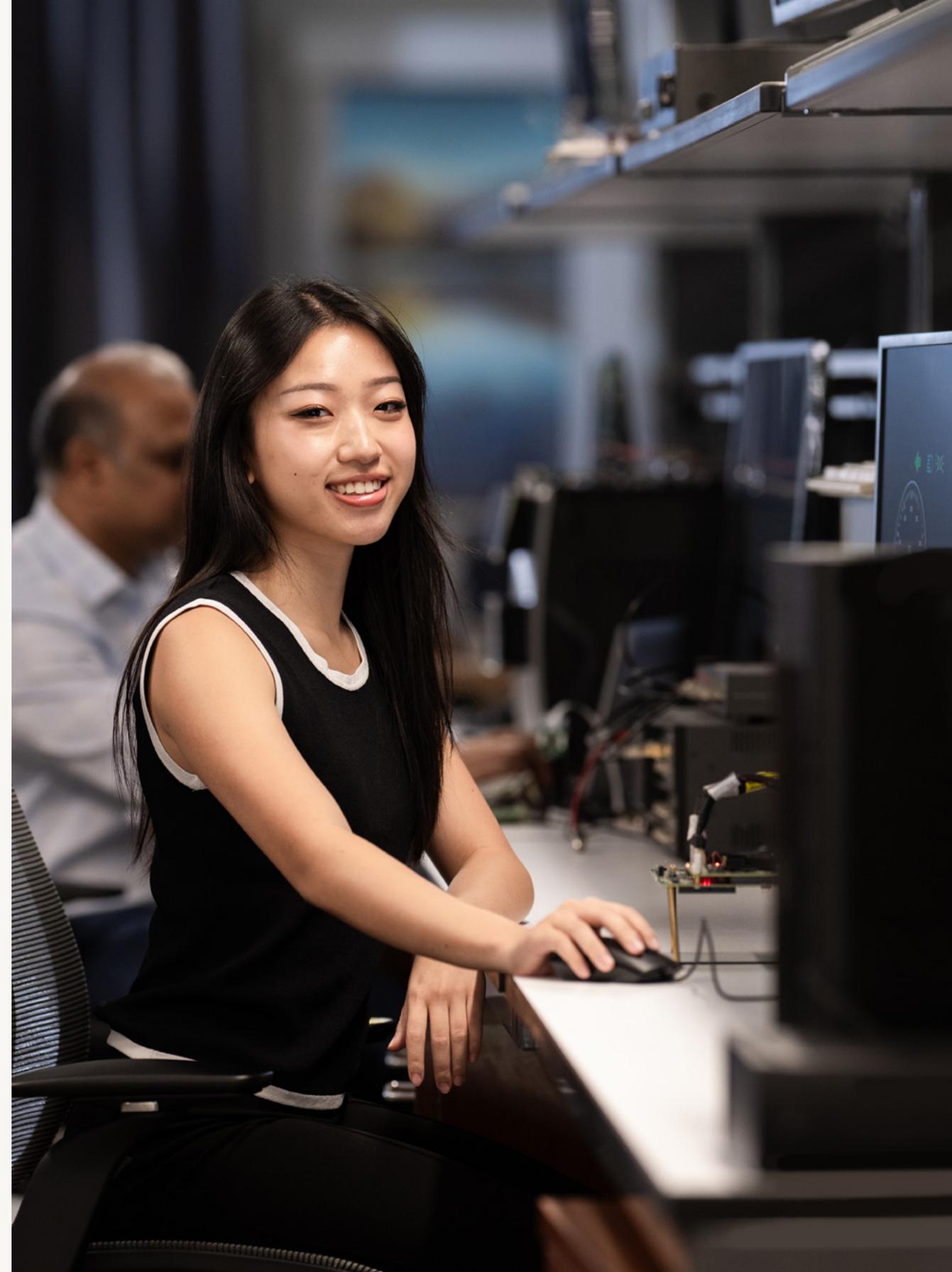
## 2024 Highlights

In 2024, we continued on our work in addressing labor and human-rights issues. We completed 100% of our due-diligence audits onsite, with a focus on labor-agent due-diligence. This year, NXP also conducted a Living Wage gap analysis using an industry- recognized and widely accepted living-wage benchmark.

We are honored to have been acknowledged for our commitment to these issues and are proud to have been included in several events that let us discuss best practices and share our experiences of working within a multi-tiered business value chain. NXP participated in the Global Summit on Collaborative Approaches to Combat Forced Labor and has a senior advisory role to the OECD's Responsible Business Conduct department.

NXP was also invited to speak at the United Nations Responsible Business and Human Rights Forum, in Bangkok. We spoke at the session titled, "Navigating Global Norms: Collaborative compliance strategies in Southeast Asia." We addressed the importance of using a collaborative approach between business and stakeholders when addressing the challenges of ending modern slavery, with a particular emphasis on the ethical recruitment of migrant workers in the Southeast Asia region.

At the Forum, NXP took part in stakeholder consultation meetings organized by the International Organization for Migration (IOM), The United Nations Development Program (UNDP) and the Centre for Responsible Business Conduct of the Organization for Economic Co-operation and Development (OECD).



- A Message From Kurt Sievers, CEO
- **2024 Highlights**
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- Looking Forward
- Conclusion





# 2024 Highlights

A Message From Kurt Sievers, CEO

**2024 Highlights**

Introduction

Labor and Human-Rights Commitment

Human-Rights Due Diligence

Looking Forward

Conclusion

## 2024 Human-Rights Performance

### Human-Rights Due Diligence

16 Onsite Supply-Chain Due-Diligence Audits in 2024

### External Engagement

NXP continues to be called on to share and consult on practical approaches to labor and human-rights challenges. NXP ranked 37 of 1,802 companies in the Global Child Forum Benchmark

### Due-Diligence Results

Instances of Working-Hour Challenges and Insufficient Rest Days

### Labor and Human-Rights Commitments

Completed a Living Wage gap analysis for all employees of NXP. Conducted a mapping of the EU Corporate Sustainability Due Diligence Directive (CSDDD) to determine NXP readiness

## Supply-Chain Compliance Goals

**100%**

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

**85%**

85% Closure Rate for Corrective Action Plans

**100%**

100% Certified Mineral Smelters

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

## 2024 Supplier Engagement Performance

**100%**

of Key Suppliers Signed the NXP Supplier Code of Conduct Conformity Statement

**85%**

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

**100%**

Certified Conflict-Free 3TG Smelters

Completed revisions to the NXP Supplier Code of Conduct and the NXP Auditable Standards on Social Responsibility

# Introduction





A Message From  
Kurt Sievers, CEO

2024  
Highlights

**Introduction**

- Our Operations
- Our Team Members
- Our Supply Chain
- Our Aspirations

Labor and Human-  
Rights Commitment

Human-Rights Due  
Diligence

Looking Forward

Conclusion

# Introduction

## Report Overview

This Report summarizes the ways we worked to protect and respect human rights during 2024. It follows the international reporting norms stated by the United Nations, in the Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights. It also aligns with guidance and standards from the International Labour Organization (ILO).

Prepared by the NXP Sustainability Office, under the supervision of the Sustainability Management Board and is approved by the Nominating, Governance and Sustainability Committee of the Board of Directors, this Report is part of NXP's Corporate Social Responsibility and Human Rights Program, which reflects the highest possible standards of ethical business conduct and is designed to ensure we protect and respect human rights.

This Report also reflects NXP's Human Rights Policy and the NXP Code of Conduct (the Code), two documents that are approved by our Board of Directors and express our dedication to social responsibility and human rights. In further support of our commitment to these issues, we are a full member of the Responsible Business Alliance (RBA), making us part of the world's largest industry coalition dedicated to responsible business conduct in global supply chains and, as a signatory of the UN Global Compact, we remain accountable by publicly reporting our [Communication on Progress](#).

Publication of this Report is part of our commitment to continuous improvement in how we approach labor and human rights. Portions of the Report's contents draw on data from our recently reviewed and updated Human Rights Due Diligence Management System, which we use to regularly engage with and seek feedback from key stakeholders, including our team members, our supply chain, our customers, our shareholders, industry and government regulators, UN agencies and members of non-governmental organizations (NGOs), civil society organizations (CSOs) and academia. Our use of the term "modern slavery" in this Report reflects the definitions of the UN and the ILO, which refer to practices such as forced labor, debt bondage and human trafficking. In disclosing the efforts and actions we took during the year to ensure modern slavery is not taking place in our operations and supply chains, we are guided by the California Transparency in Supply Chains Act of 2010, the United Kingdom Modern Slavery Act of 2015 and the Australia Commonwealth Modern Slavery Act of 2018.



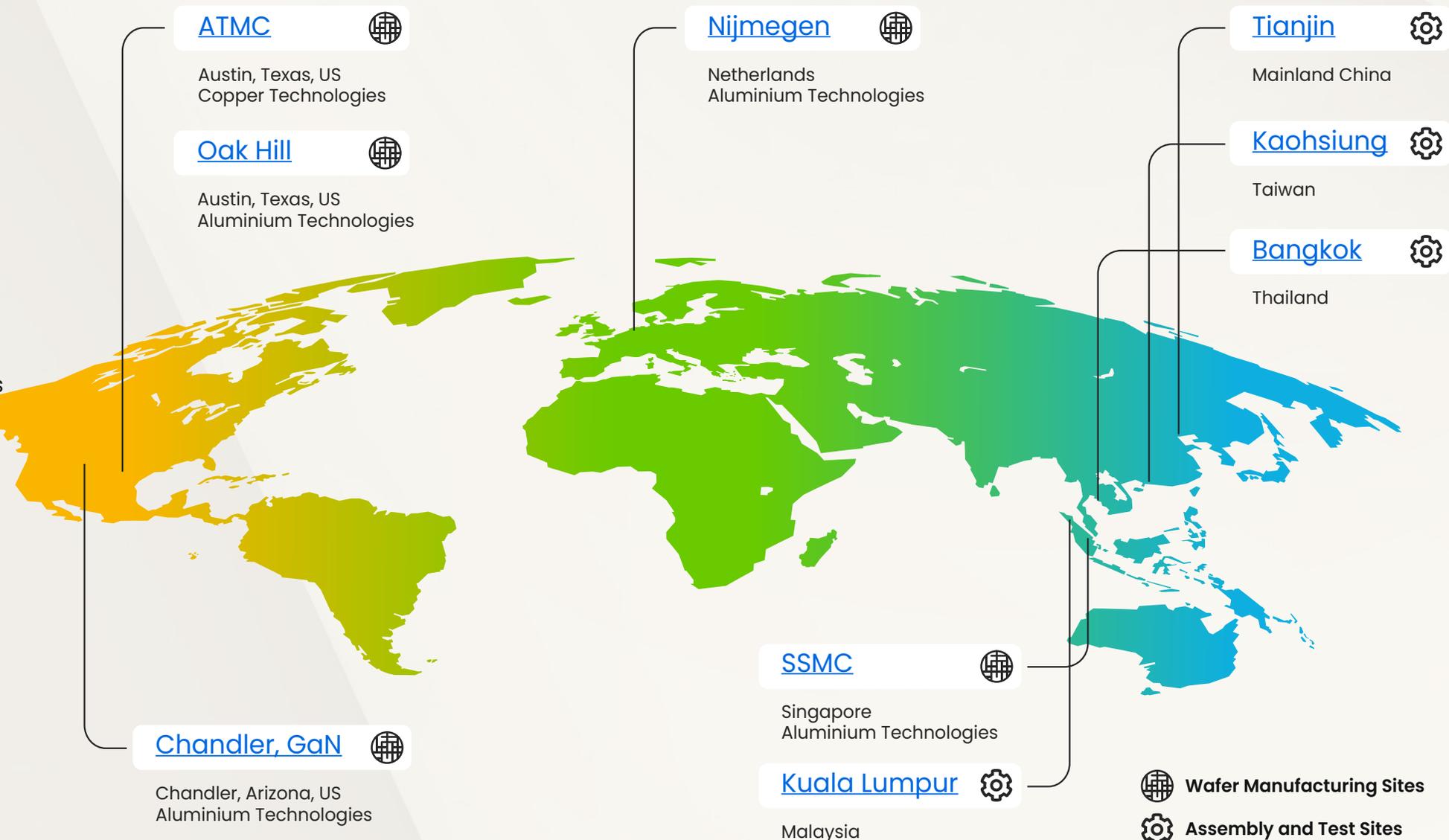
# Introduction: Our Operations

As a global company and significant player in the semiconductor industry, NXP has a responsibility to protect and respect human and labor rights around the world, both in our operations and in our business value chain, through ongoing stakeholder engagement, capacity-building, due diligence and continuous improvement.

Our sustainability strategy and activities are inspired by widely recognized international frameworks, including the UN Sustainable Development Goals (SDGs). We set out to create a working environment that is safe and healthy, to use resources in a way that is both effective and efficient and, when it comes to the impacts of our activities, to be both accountable and transparent. At the same time, we work to exceed the expectations of our stakeholders and use our experience to help shape industry best practices.

Our company continues to build on its history of sustainable innovation and technologies that improve efficiency and advance global sustainability. We are excited by the progress we've already made and look to the future with a sense of optimism, while keeping in mind the ways that rapid technological change can create new challenges. It is our deeply held belief that we can continue to shape the future and inspire people, while also ensuring our sustained success as an organization.

## Worldwide Manufacturing Site Locations



A Message From Kurt Sievers, CEO

2024 Highlights

**Introduction**

**Our Operations**

Our Team Members

Our Supply Chain

Our Aspirations

Labor and Human-Rights Commitment

Human-Rights Due Diligence

Looking Forward

Conclusion



# Introduction: 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.

**Our Purpose**

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

## Policies and Programs

We are also committed to protecting the human rights, as well as the health and safety, of our team members. To that end, our well-established Corporate Social Responsibility and Human Rights Program includes a comprehensive set of requirements for sustainable business, and these requirements are incorporated into our core business practices.

## Our Team-Member Demographics

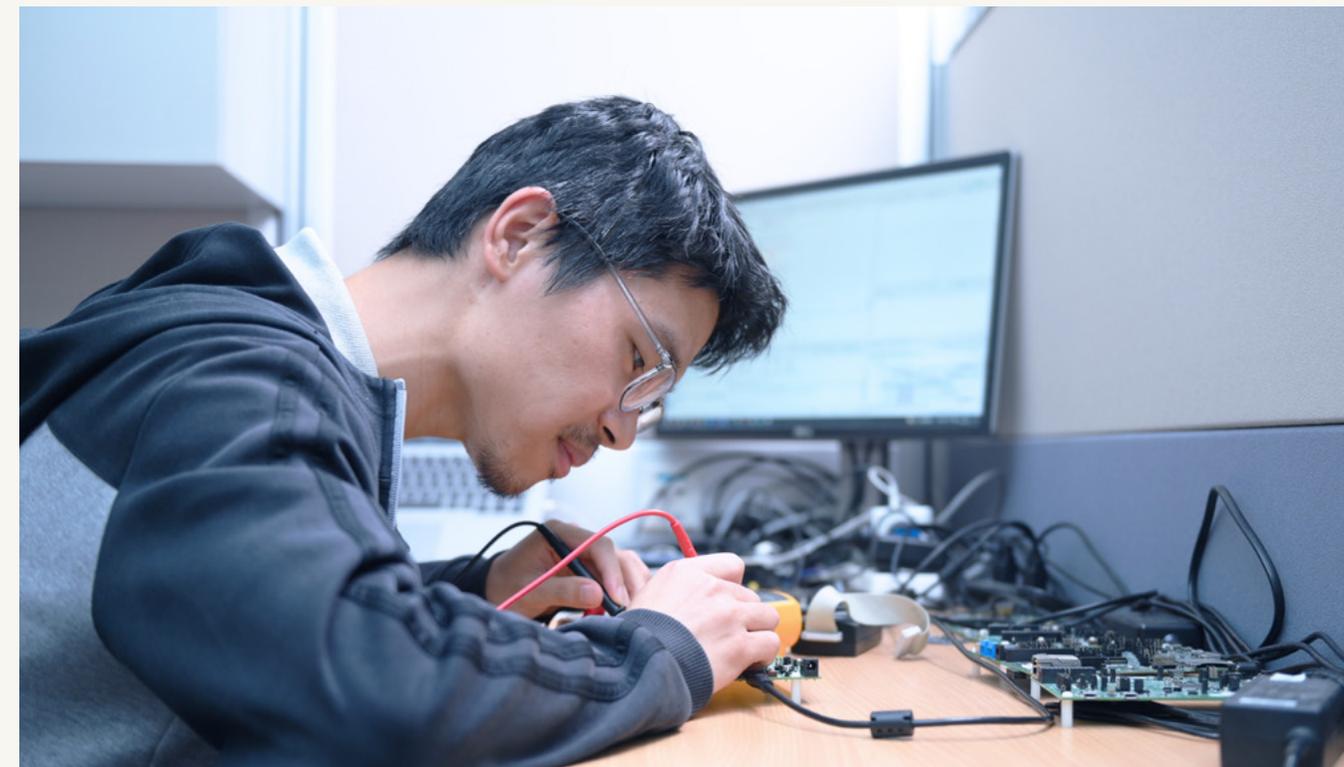
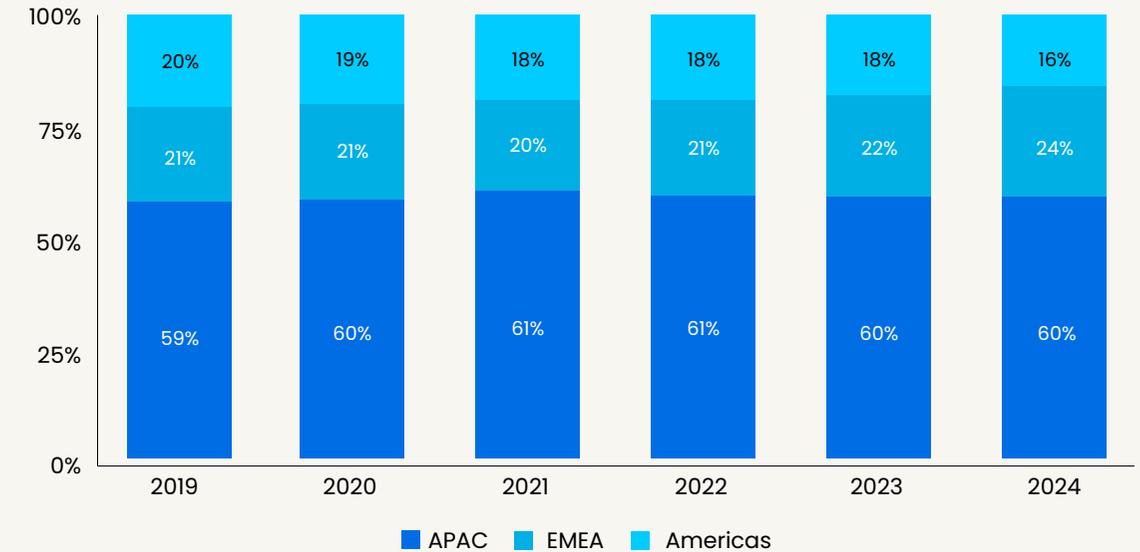
The NXP workforce includes:

- Direct labor (DL) team members, who are directly involved in the production of goods and typically work in our factories
- Indirect labor (IDL) team members, who are professional team members, at the level of individual contributor, manager or executive, in non-fab functions, such as R&D and General, Sales and Administrative (GS&A)

On December 31, 2024, our workforce was 33,057 team members, representing 31,637 NXP employees and 1,420 joint-venture (JV) employees across three regions and 30+ countries. This is representative of total NXP headcount (HC) and not a Full-Time Equivalent (FTE) count.

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

## Team-Member Footprint



A Message From Kurt Sievers, CEO

2024 Highlights

**Introduction**

- Our Operations
- Our Team Members**
- Our Supply Chain
- Our Aspirations

Labor and Human-Rights Commitment

Human-Rights Due Diligence

Looking Forward

Conclusion



A Message From Kurt Sievers, CEO

2024 Highlights

**Introduction**

Our Operations  
Our Team Members

**Our Supply Chain**

Our Aspirations

Labor and Human-Rights Commitment

Human-Rights Due Diligence

Looking Forward

Conclusion

## Introduction: Our Supply Chain

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.

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](#).

NXP recognizes that, regardless of region, collaboration and transparency contribute to long-term sustainability. We proactively work with our suppliers to ensure an ethical and sustainable workplace.

The NXP Top 100 Supplier List represents 99% of procurement expenditures in 2024 for materials, manufacturing and assembly of our products worldwide. The 2024 Top 100 Supplier List is available on our [website](#).

Managing the complexity of our interlinked global supply chains beyond our Tier 1 suppliers is a significant challenge, but in recent years we have gained a deeper understanding of the labor-agent network in our supply chain by engaging with the independent, non-profit organization Verité. Close collaboration with the RBA and its members, using their extensive and comprehensive supply chain due-diligence work and data, has also enhanced our efforts to map our supply chain beyond Tier 1.





# Introduction: Our Aspirations

As part of our commitment to prevent human-rights abuses, we make human rights and team-member health and safety key pillars in our Human Rights and Sustainability Policies and also make them prominent elements of our strategy and goal setting. The aspirational goals we set are meant to ensure continuous improvement in our Corporate Social Responsibility and Human Rights program, not only in our own operations but also in those of our supply-chain partners.

## Social-Responsibility Aspirations

NXP Goals	Supplier Goals
 No Priority or Major Nonconformances from Internal/Customer Audits	 100% of Key Suppliers Sign Supplier Code of Conduct Conformity Statement
 Work Week of No More Than 60 Hours, Including Overtime Work, and One Rest Day per Six Days Worked	 85% Closure Rate for Corrective Action Plans
	 100% Certified Mineral Smelters
	 Supply-Chain Due Diligence, Engagement and Collaboration

To read about our 2024 goal performance, see the [Track](#) section of the Human-Rights Due Diligence chapter of this Report.

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction**
- Our Operations
- Our Team Members
- Our Supply Chain
- Our Aspirations**
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- Looking Forward
- Conclusion

A photograph of three people standing on a balcony with a metal railing. On the left, a woman with long dark hair and glasses is looking towards the center. In the middle, a woman with long brown hair, wearing a black t-shirt and a floral skirt, is looking towards the right. On the right, a man with glasses and a grey polo shirt is leaning on the railing and looking towards the center. A laptop is visible behind him. The background shows a modern building with many windows. A blue graphic overlay is on the left side of the image.

# Labor and Human-Rights Commitment

# Labor and Human-Rights Commitment

NXP and our business partners must not be involved in any form of human-rights abuses. This includes 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.

We are committed to the abolition of child labor and we prohibit discrimination based on race, national origin, color, gender, religion, age, pregnancy, sexual orientation, physical or mental disability and/or political affiliation. NXP also prohibits the practice of charging fees to workers at any stage of employment and the retention of personal or government-issued documents. NXP respects workers' rights, including the freedom of association and the right to collective bargaining.

If any human-rights abuses or priority nonconformances are found in our due diligence, NXP is committed to carrying out full remediation efforts.



## No Fees

NXP has had a no-fees policy for all workers, including temporary, migrant, intern, contract, direct team-member and all other types of workers, for internal operations since 2013 and for suppliers since 2016. This policy ensures workers are not required to pay fees, deposits or debt repayments for their recruitment or employment.

Examples of fees include application, recruiting, hiring, placement and processing fees of any kind at any stage, as well as additional fees, such as pre-departure fees for tests and medical exams, documentation and government-issued documents, as well as all transportation (such as transportation when a worker returns to their sending country at the end of employment).

If NXP discovers that any fees have been paid by workers, either in our company or our supply chain, these fees must be fully reimbursed to the worker by their direct employer.

## No Retention of Documents

NXP, suppliers and labor agents may not withhold personal documents, travel/residency permits or government-issued documents unless required by law. Personal, lockable storage units must be provided for the safekeeping of such documents.

## Working Hours and Rest Days

A work week must not exceed 48 hours of regular time or 60 hours of regular work including overtime, or the maximum set by local law, whichever is stricter, except in emergency or unusual situations, such as natural disasters or national holidays. These situations must be approved by executive management.

Workers are allowed legally mandated time off, including breaks, holidays, vacation days and other types of time off, such as maternity leave. Workers shall have at least one scheduled day off every seven days and not work more than six consecutive days. All overtime must be voluntary.



# Labor and Human-Rights Commitment

A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

**Labor and Human-Rights Commitment**

Human-Rights Due Diligence

Looking Forward

Conclusion

## Child Labor and Young Workers

Child labor is prohibited. The term “child” refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is stricter.

Subject to compliance with local laws and regulations, the use of legitimate workplace apprenticeship or internship programs, which employ young workers between the ages of 16 and 18 and comply with all laws and regulations, is supported. However, young workers must not perform work that may be likely to jeopardize their health or safety, such as night-shift, overtime or hazardous work.

## Employment Contracts

Employment contracts must be written in a language understood by the worker and must be provided prior to departure or hiring. Contracts must clearly outline the working conditions, including the nature of work, details of working hours/work shifts and rest days, wages, benefits and duration of the contract. No substitutions or changes are allowed in the employment agreement unless the changes are made to meet local law and provide similar or better terms.

All workers must be provided a copy of the employment contract and any amendments. If housing accommodations are part of the contract, they must meet country housing and safety standards as well as the housing standards found in the [NXP Auditable Standards on Social Responsibility](#).

Workers are free to leave work or terminate their employment at any time without penalty, upon providing reasonable notice. Any legal limitations on the movement of foreign workers are indicated in the employment contract. However, no undue restrictions on a worker’s freedom of movement are permitted during or outside working hours. Workers are guaranteed unrestricted access to toilets and drinking water.

## Compensation and Benefits

Compensation and benefit practices must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Workers must be compensated for overtime at pay rates greater than regular hourly rates as required by applicable laws and regulations or employment contract, whichever is stricter.

Deductions from wages as a disciplinary measure are prohibited. Workers must be offered vacation time, leave periods and holidays consistent with applicable laws and regulations.

Wages must be paid in a timely manner in which there is no delay, in accordance with local legal requirements and contractual agreement. No worker is paid less than the legal minimum wage and there is equal pay for equal work. If the country does not have a legally set minimum wage, the industry prevailing wage must apply as the standard. For each pay period, employees must be provided with an understandable wage statement that includes sufficient information to verify accurate compensation for work performed and in which deductions for room and board have consent of the worker.

Workers must not be forced or required to participate in a forced savings or loan scheme where repayment terms are indicative of debt bondage or forced labor. Deductions required by applicable law and regulations, such as taxes and social insurance, must be understood by the worker.

## NXP in Action

In 2024, NXP used the data from The Fair Wage Network to conduct a gap analysis to determine if a living wage is being paid to all NXP employees, globally. The results of this internal assessment revealed that 99.9% of regular employees globally, who were working full time, were paid at or above the living wage of the region/city thresholds where NXP operates, as defined by Fair Wage Network. NXP is remediating cases where salaries are below the living-wage benchmark. NXP will continue to evaluate the living-wage review as part of our annual market-pricing analysis.



# Labor and Human-Rights Commitment

## Humane Treatment

Harsh or inhumane treatment of workers, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse is not tolerated. Nor is there to be the threat of any such treatment.

Free and easily accessible channels for workers to anonymously report violations of policy on fair treatment must be available. In addition, there must be a non-retaliation policy for reporting incidences of unfair treatment that is clearly communicated to workers.

## Non-Discrimination

Workers must be free of harassment and unlawful discrimination. Workers or potential workers may not be subjected to medical tests or physical exams that could be used in a discriminatory way. Workers must be provided with reasonable accommodation for religious practices.

Discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices, such as wages, promotions, rewards and access to training, is prohibited.

## Freedom of Association and Collective Bargaining

The rights of workers to associate freely, join or not join labor unions, seek representation or join workers' councils in accordance with local laws must be respected. Workers or their representatives must be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, discrimination, intimidation or harassment.

Within the framework of applicable laws, regulations and prevailing labor relations and employment practices, workers have the right to be represented by labor unions or other worker organizations and to engage in collective bargaining.



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

**Labor and Human-Rights Commitment**

Human-Rights Due Diligence

Looking Forward

Conclusion



# Human-Rights Due Diligence



# Human-Rights Due Diligence

## Overview

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.

In 2024, to gauge NXP's preparedness and readiness to comply with the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), a comprehensive mapping and gap analysis was performed against NXP's relevant policies, codes of conduct, human-rights due-diligence management system, and associated standards and procedures. This mapping exercise was completed in collaboration and consultation with internal subject-matter experts and stakeholders. The outcome of the mapping and gap analysis enables NXP to identify areas where we can strengthen and enhance our existing human-rights due-diligence framework and practices.

One of the key actions was the revision of the NXP Auditable Standards on Social Responsibility. The standards set out the minimum requirements and expectations for NXP operations and our supply chain to comply with the NXP Human Rights Policy, Code of Conduct and the Supplier Code of Conduct. The main purpose of the revision was not only to align with the CSDDD but also to align with the Responsible Business Alliance (RBA) Code of Conduct version 8.0 as well as new customer and other stakeholder expectations. NXP also consulted our partner, the non-governmental organization (NGO) Dignity In Work For All, in the revision.

NXP's due diligence is based on the UN Guiding Principles (UNGPs) on Business and Human Rights. Our model includes the four elements defined by the UN for the due-diligence process:

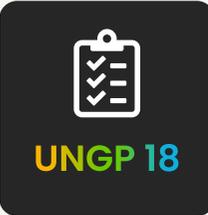
1. Assessing actual and potential human-rights impacts (Guiding Principle 18)
2. Integrating and acting upon the findings (Guiding Principle 19)
3. Tracking responses (Guiding Principle 20)
4. Communicating how impacts are addressed (Guiding Principle 21)



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
  - Identify and Assess
  - Integrate and Act
  - Track
  - Communicate
- Looking Forward
- Conclusion

# Human-Rights Due Diligence

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion

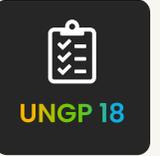
Elements of Due-Diligence Process		NXP's Approach Actions
 <p><b>UNGP 18</b></p>	<p><b>Identify and Assess</b></p>	<p>We evaluate actual and potential human-rights impacts.</p> <ul style="list-style-type: none"> <li>• Supplier risk assessment</li> <li>• Self-assessment questionnaire</li> <li>• Audit</li> <li>• Collaboration and engagement with stakeholders and human-rights experts</li> <li>• Review and assessment of previous due-diligence results</li> </ul>
 <p><b>UNGP 19</b></p>	<p><b>Integrate and Act</b></p>	<p>We use assessment findings to guide our growth.</p> <ul style="list-style-type: none"> <li>• Policies, standards and tools</li> <li>• Sustainability Management Board</li> <li>• Capacity-building</li> <li>• Collaboration with Purchasing Team</li> <li>• Monthly post-audit follow-up calls</li> </ul>
 <p><b>UNGP 20</b></p>	<p><b>Track</b></p>	<p>We gauge progress by monitoring our actions and responses.</p> <ul style="list-style-type: none"> <li>• 30/60/90-day post-audit follow-up calls</li> <li>• Verification audits</li> <li>• Monthly key performance indicators (KPIs)</li> <li>• Survey</li> <li>• Private worker interviews</li> </ul>
 <p><b>UNGP 21</b></p>	<p><b>Communicate</b></p>	<p>We share how we are addressing our impacts.</p> <ul style="list-style-type: none"> <li>• SpeakUp hotline</li> <li>• Worker-management dialogues and focus-group discussions</li> <li>• Internal and supplier grievance mechanisms</li> <li>• Annual reporting</li> </ul>

For each element of the due-diligence process, we gather important information from many sources, including relevant stakeholders, about the topics involved. We then use the strategies, processes and tools we develop to address and analyze the input. We use our output as part of a feedback loop that creates an ongoing due-diligence approach with built-in mechanisms for continuous improvement.





# Human-Rights Due Diligence



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

## Human-Rights Due Diligence

Identify and Assess

Integrate and Act

Track

Communicate

Looking Forward

Conclusion

## Overview of Human-Rights Due-Diligence Program

### Identify and Assess

Inputs	Strategy, Processes and Tools	Outputs
<ul style="list-style-type: none"> <li>Gauge supplier risk by regularly updating our active supplier list, which includes direct and indirect suppliers, as well as onsite contractors.</li> <li>Every two to three years, each manufacturing site undergoes a third-party audit. The audit is either conducted by a third-party firm, using the NXP Auditable Standards on Social Responsibility, or by a designated audit firm that uses the Validated Assessment Program (VAP) of the RBA, which is based on the RBA Code of Conduct.</li> <li>Engage with external entities to assess our human-rights performance, using benchmarks and data from third-party and supply-chain audits.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct annual supplier risk assessments, based on the Maplecroft Index on Country Risks, the Verité Cumulus Forced Labor Screen risk analysis of labor supply-chain due diligence, as well as data analytics on historical results of human-rights due diligence in the supply chain.</li> <li>Deploy NXP's annual self-assessment questionnaires and the RBA VAP self-assessment questionnaire.</li> <li>Maintain an audit program for NXP and our supply chain, based on the NXP Auditable Standards on Social Responsibility, the NXP Audit Checklist, and the RBA Code of Conduct version 8.0 (for RBA VAP audits).</li> <li>Engage externally and gain insights from our peers by participating in peer-learning forums, such as those provided by the Global Business Initiative (GBI) on Human Rights.</li> </ul>	<ul style="list-style-type: none"> <li>Supplier risk assessments have been effective in identifying high-priority suppliers, resulting in due diligence that identified new and repeated human-rights risks and challenges at some of our suppliers. The process needs further enhancement to ensure that all indirect suppliers are included in the process.</li> <li>Adjusted and revised the NXP Supplier Code of Conduct and the NXP Auditable Standards on Social Responsibility. Both the Supplier Code of Conduct and the auditable standards were revised to align with updates to the RBA Code of Conduct, and to address growing stakeholder expectations.</li> <li>NXP's audit program and tools are consistently recognized by third-party auditors as more progressive and comprehensive than the industry equivalent.</li> <li>Audit results have demonstrated the effectiveness of the NXP Auditable Standards on Social Responsibility and are effective in driving improvement both internally and in the supply chain. The goal is to ensure continued relevance and progressiveness of the audit program to drive further impact.</li> <li>Peer review and expert engagement have identified key areas where NXP's Corporate Social Responsibility and Human Rights Program can further develop. One area for development is preparation for regulations on mandatory human-rights due diligence.</li> <li>The presence of child labor, and how young workers are managed in our operations and in the supply chain, continues to be a key area of our due diligence. We have found no instances or risks of child labor in our operations and in the supply chain. We will continue to ensure that policies and processes are in place to mitigate the risk and ensure that, if any child labor is found, there is a remediation plan in place to protect the rights of the child. NXP was ranked 37 out of 1,802 global companies in the Global Child Forum Benchmark in 2024.</li> </ul>



# Human-Rights Due Diligence



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

Track

Communicate

Looking Forward

Conclusion

## Integrate and Act

### Inputs

- Review the results of our assessments and human-rights due diligence, focusing on results generated by internal and third-party audits of our manufacturing sites and suppliers.
- Actively seek peer reviews and feedback from human-rights experts.
- Monitor developments in the regulatory landscape for human rights and the work of industry groups and associations.
- Engage with team members and supply-chain workers to generate feedback.
- Regularly interact with other stakeholders, including investors, customers, suppliers, peers, experts, non-governmental organizations (NGOs), and civil society organizations (CSOs).

### Strategy, Processes and Tools

- Regularly review our policies, procedures, and tools, including our Sustainability Policy, Human Rights Policy, Human Rights Due Diligence Management System, Code of Conduct, Supplier Code of Conduct, Auditable Standard on Social Responsibility, Audit Checklist and Supplier Risk Assessment.
- Consult about and manage oversight of the requirements of our Corporate Social Responsibility and Human Rights Program, by working with NXP sites on the impact and practicality of changing or revising the NXP Auditable Standards on Social Responsibility, and gaining Sustainability Management Board approval of changes and revisions.
- Engage with external stakeholders and human-rights experts, and seek peer review.

### Outputs

- We adjusted our NXP Supplier Code of Conduct and NXP Auditable Standards on Social Responsibility to align with stakeholder requirements, such as the revision to the RBA's Code of Conduct from version 7.0 to 8.0 (effective January 1, 2024). The scoring criteria for Supplier Risk Assessment was also reviewed and updated to reflect a changing human-rights landscape and evolving challenges, especially forced labor in certain geographies where our supply-chain partners are located.
- The Nominating, Governance and Sustainability Committee of the Board of Directors approved NXP's Corporate Sustainability Report and this Modern Slavery Report.
- All the audits of NXP's Corporate Social Responsibility and Human Rights Audit Program are 100% onsite audits.



# Human-Rights Due Diligence



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

Track

Communicate

Looking Forward

Conclusion

## Track

### Inputs

- Use our assessments and human-rights due diligence to measure progress and monitor closure rates for audit nonconformances, based on internal, supply-chain and customer audits.
- In 2023, with the further opening of international borders, all our due-diligence assessments have been onsite audits. NXP continues to maintain our remote assessment capability in the case of future pandemic or geopolitical challenges.
- Encourage team-member and worker communication and gather feedback using various methods, including grievance mechanisms, employee focus groups, and independent and private worker interviews during audits.
- Actively solicit feedback from external stakeholders, including investors, customers, suppliers, peers, experts, NGOs and CSOs.

### Strategy, Processes and Tools

- Review due-diligence outcomes and follow-ups, using verification audits to confirm closure of corrective actions.
- Consolidate and monitor results of due-diligence activities, issuing a monthly KPI report to selected internal stakeholders and holding a monthly supply-chain progress meeting with the Purchasing Team, as well as holding quarterly meetings of the NXP Human Rights Working Group to review progress and to prepare NXP to meet new regulatory and/or external stakeholder requirements.
- Collaborate with relevant NXP functions to review, address, and remedy team-member and worker feedback, including working with Human Resources for internal NXP team-member feedback and grievances, Investor Relations for shareholder feedback and benchmarking, Purchasing for feedback and grievances from supply-chain workers and NGOs/CSOs for sensitive grievances from workers who will require identity protection.

### Outputs

- Since 2018, we have been tracking our nonconformance closure rate in a standardized method. The closure rate for 2024 was 85%. 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 we do not yet have a closure rate of 100% for 2023 and 2024, we will continue to work towards achieving that goal.
- We conducted audits of selected suppliers based on our Supply Chain Risk Assessment outcome and reviews of past due-diligence audits.
- Our KPIs have continued to show progress in human-rights due diligence since we started the program in 2013. The improved process, which uses an innovative data-analysis tool we developed, proved to be a success in helping us analyze the impact and effectiveness of our program. We shared the process and tool with our peers and received positive feedback on its use.
- Workers are aware of the grievance mechanisms and are using it to express their concerns and give feedback on the impact of their workplaces. NXP tracks worker feedback and grievances closely and collaborates with internal teams and local CSOs to render necessary support and remediation. This is a clear indication that having a robust access to remedy is critical.



# Human-Rights Due Diligence



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

Track

Communicate

Looking Forward

Conclusion

## Communicate

### Inputs

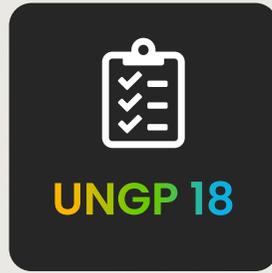
- Regularly communicate with all our stakeholders – from management, team members, and supply-chain workers to supply partners, customers, investors, NGOs, and CSOs and local communities – and encourage them to engage with our Corporate Social Responsibility and Human Rights Program.

### Strategy, Processes and Tools

- Encourage and support internal NXP dialogue, using various grievance mechanisms, including the externally-managed NXP SpeakUp hotline for anonymous reporting of grievances, focus groups, our Winning Culture Survey, and team-member town-hall and dialogue sessions, as well as private and independent team-member interviews during audits.
- Engage with supplier workforces by providing access to the externally managed NXP SpeakUp hotline for anonymous reporting of grievances, along with private and independent worker interviews during audits.
- Report annually on NXP's Corporate Social Responsibility and Human Rights Program, through our Corporate Sustainability Report, this Modern Slavery Report, and our Sustainability website.
- Engage with NGOs/CSOs and other experts to discuss NXP's Corporate Social Responsibility and Human Rights Program and possible areas of improvement.

### Outputs

- Workers in our supply chain may use our grievance mechanism to express their concerns and provide feedback. For example, in situations where workers are affected by unethical recruitment practices. When such cases are brought to our attention, we will initiate a remediation process with the well-being and safety of the affected workers as a priority, and will follow through to ensure the remediation process is completed.
- NXP tracks all feedback closely and collaborates with internal teams and local CSOs to render necessary support and remediation. This is a clear indication that having a robust Access to Remedy is critical.
- Through peer review and engagement with human-rights experts, we identified key areas where NXP's Corporate Social Responsibility and Human Rights Program can further develop, such as strengthening our due-diligence approach to prepare for new mandatory regulations and improving Access to Remedy for NXP team members and workers in our supply chain.



# Identify and Assess

We evaluate actual and potential human-rights impacts

## Engagements

Stakeholder feedback is an important part of our Labor and Human Rights strategy. It helps us evolve our own processes and culture, while also helping us guide our supply chain in practicing continuous improvement.

When making business decisions, we endeavor to consider the views of our stakeholders, by acknowledging their viewpoints and demonstrating respect for our shared priorities. We believe this approach reflects our commitment to transparency and accountability and ultimately contributes to long-term value. Throughout the year, we engage formally and informally with our stakeholders to explore labor and human-rights issues, along with trends and developments relevant to our industry.



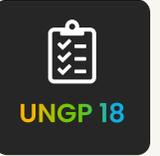
# Human-Rights Due Diligence: Identify and Assess



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- **Identify and Assess**
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion

Stakeholder Engagement Process				
	Stakeholder Group	Engagement Style	Purpose of Engagement	How Outcomes are Accounted For
External Stakeholders	<b>Civil Society Organizations / Non-Governmental Organizations</b>	Dialogue, multi-stakeholder projects and conferences.	Align business and civil society's expectations on sustainability and environmental due diligence and collaborate to support affected stakeholders.	Update our policies and actions to include best practices that serve affected stakeholders.
	<b>Customers</b>	Conferences, customer product launches, trade shows and dedicated sustainability- or business-review meetings. Customer-satisfaction survey and review of customer sustainability 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.
	<b>Governments / Public Sector</b>	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 processes and disclosures and reporting processes to comply with regulatory requirements.
	<b>Industry Associations</b>	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.
	<b>Shareholders / Investors</b>	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 and updated disclosures are needed.
	<b>Suppliers</b>	NXP conducts supplier due-diligence audits, surveys and 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	<b>NXP Team Members</b>	Engage with team members through a variety of tools, including quarterly Pulse meetings, surveys, Employee Resources Groups (ERGs), town hall-style meetings, Innovation Summit and World Tour.	Highlight and celebrate innovation within NXP, gain insights into the priorities, concerns and suggestions of our NXP team members in order 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. Implement improvements based on identified needs and priorities.
	<b>NXP Sustainability Subject Matter Experts (SMEs)</b>	Regular meetings, working groups, surveys and projects.	Utilize the expertise of sustainability practitioners within NXP to improve our overall Sustainability Program.	Incorporate suggestions and proposals from sustainability SMEs as feasible and escalate to Sustainability Management Board as needed.

# Human-Rights Due Diligence: Identify and Assess



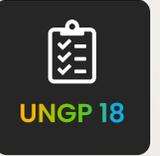
The list below gives examples of some of the industry associations and other external stakeholder organizations we engaged with in 2024

Organization	Engagement Status
<b>European Partnership for Responsible Minerals (EPRM)</b>	Active membership participation
<b>European Semiconductor Industry Association (ESIA)</b>	Active membership and governance participation
<b>Global Business Initiative (GBI) on Human Rights</b>	Active membership participation
<b>Organisation for Economic Co-operation and Development (OECD)</b>	Active participation in the Responsible Business Conduct Group and participant in the Responsible Minerals Implementation Programme Multi-Stakeholder Group
<b>Responsible Business Alliance (RBA)</b>	Active membership and governance participation
<b>Responsible Labor Initiative (RLI)</b>	Active membership and governance participation
<b>Responsible Mineral Initiative (RMI)</b>	Active membership and governance participation
<b>Semiconductor Industry Association (SIA)</b>	Active member of several working groups
<b>Semiconductor PFAS Consortium</b>	Active member of several working groups
<b>International Labour Organization (ILO)</b>	Business consultation partner
<b>International Organization for Migration (IOM)</b>	Business consultation partner
<b>SEMI Semiconductor Climate Consortium (SEMI SCC)</b>	Active engagement and founding member
<b>UN Global Compact (UNGC)</b>	Active member participation
<b>Dignity in Work for All (Previously Verité Southeast Asia)</b>	Conducted third-party audits on social responsibility, supported by consultation and collaboration, to review NXP's Social Responsibility program
<b>World Semiconductor Council (WSC)</b>	Active membership and governance participation

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- **Identify and Assess**
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion



# Human-Rights Due Diligence: Identify and Assess



## 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 implement practices that will ensure compliance with our policies and standards.

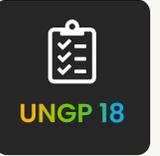
The Social Responsibility and Procurement Teams identify salient human-rights risks using our own risk analysis, our collaboration and engagement with key stakeholders – including industry associations, expert groups and NGOs – and the results from our supplier assessments and audits. The following are the matters within NXP and our supply chain we determined are most critical to labor and human rights.



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence**
- Identify and Assess**
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion



# Human-Rights Due Diligence: Identify and Assess



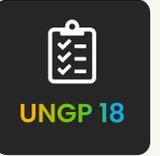
We minimize human-rights risks by making continuous improvements to our policies, strategies, collaborative capacity-building, self-assessments and audits, within NXP and our supply chain. We make these improvements based on our own experiences from our due-diligence work, shared industry best practices and emerging issues, trends and developments.

 <p><b>No Fees</b></p>	<ul style="list-style-type: none"> <li>• A clear policy prohibits charging fees to workers and ensures compliance.</li> <li>• If workers are found to have paid fees to gain employment, reimbursement to workers must be completed within 30 days of discovery.</li> <li>• A grievance mechanism is in place to confidentially report policy violations.</li> </ul>
 <p><b>Retention of Documents</b></p>	<ul style="list-style-type: none"> <li>• A clear policy states workers are not required to surrender personal documents.</li> <li>• Personal, lockable, secured storage units are available in facilities and/or dormitories/housing.</li> <li>• A grievance mechanism is in place to confidentially report policy violations.</li> </ul>
 <p><b>Fair Treatment of Vulnerable Workers</b></p>	<ul style="list-style-type: none"> <li>• The well-being and health and safety of workers must be ensured during a pandemic and post-pandemic conditions.</li> <li>• Workers must not be discriminated against, regardless of pandemic circumstances.</li> <li>• Workers must continue to be given adequate protection from exposure to hazards, including the pandemic illness.</li> <li>• A grievance mechanism is in place to confidentially report unfair treatment of workers.</li> </ul>
 <p><b>Working Hours and Rest Days</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Record systems and mechanisms are in place to identify and administer the policy.</li> <li>• The regular work week cannot exceed 48 hours and the daily scheduled work cannot exceed 12 hours a day.</li> <li>• Workers receive at least one day off per every six days worked.</li> <li>• Workers are allowed at least a 20-minute rest break every four hours worked as well as a defined meal break.</li> <li>• Workers are provided with legally mandated holidays and vacation days.</li> <li>• A grievance mechanism is in place to confidentially report policy violations.</li> </ul>

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- **Identify and Assess**
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion



# Human-Rights Due Diligence: Identify and Assess



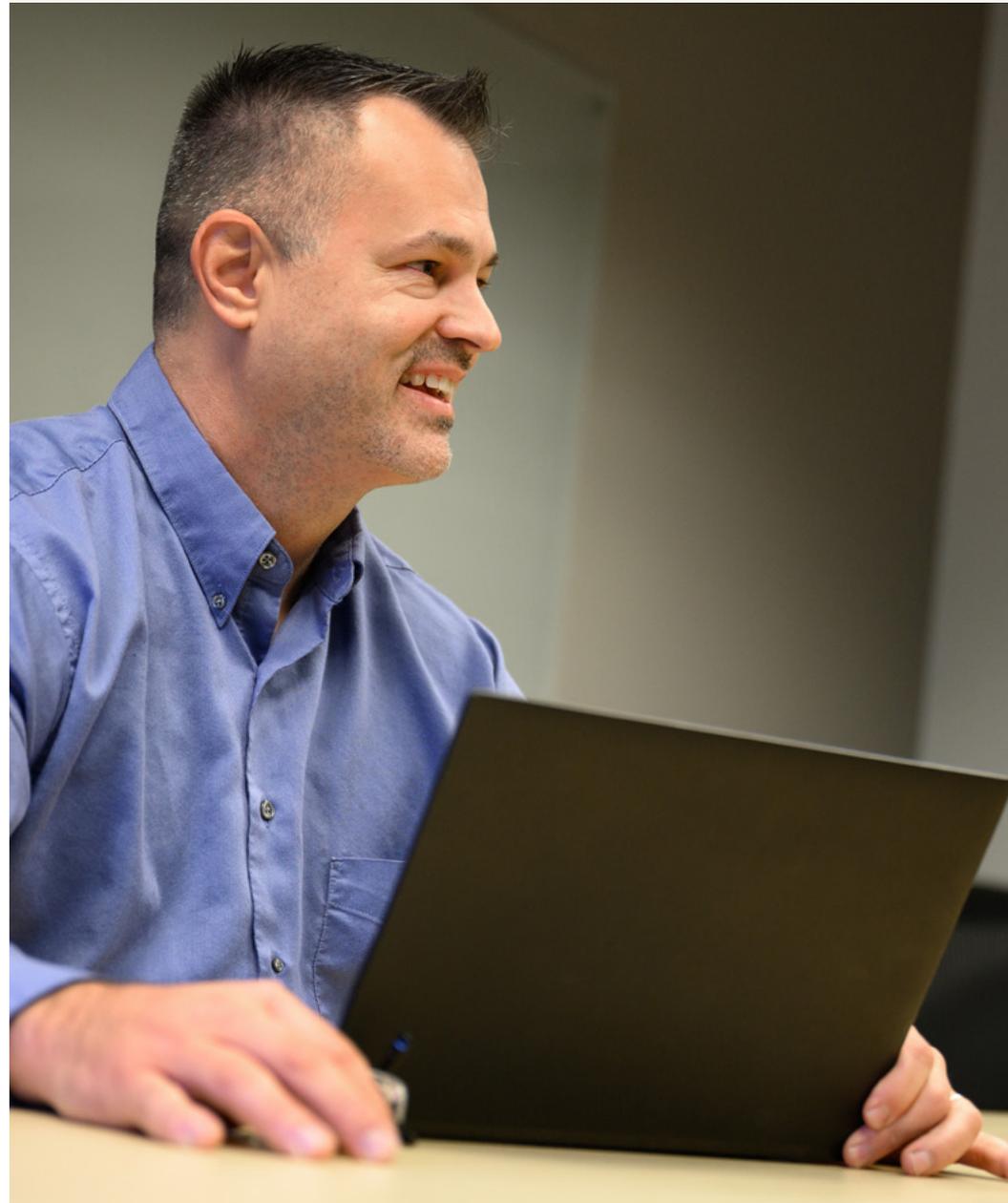
- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- **Identify and Assess**
- Integrate and Act
- Track
- Communicate
- Looking Forward
- Conclusion

 <p><b>Young Workers</b></p>	<ul style="list-style-type: none"> <li>• The term “child” refers to any person under the age 18 or under the minimum age for employment in the country, whichever is greater.</li> <li>• A comprehensive policy for child labor clearly states the minimum age for workers.</li> <li>• 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.</li> <li>• An age-verification process is in place with inspection of validity of at least two identity documents, to be returned to worker.</li> <li>• Personal-record systems are in place as a means of identification and verification.</li> <li>• If workers are discovered to be below the legal age limit, workers will be protected and provided the opportunity for completion of education.</li> <li>• A grievance mechanism is in place to confidentially report policy violations.</li> </ul>
 <p><b>Accurate Contracts</b></p>	<ul style="list-style-type: none"> <li>• Contracts may not violate relevant laws or place a worker at risk.</li> <li>• 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.</li> <li>• 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.</li> <li>• Contracts ensure workers are free to leave their employment, upon giving reasonable notice, without penalty per applicable law and regulations.</li> <li>• A grievance mechanism is in place to confidentially report contract-related information.</li> </ul>
 <p><b>Fair Wages</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Workers have wage slips in a language they understand, with clear details regarding regular and overtime hours worked and rates.</li> <li>• Wages are paid within 14 days after the end of the working period.</li> <li>• Deductions as a disciplinary measure are prohibited.</li> <li>• There is a grievance mechanism to confidentially dispute wage and benefit-related payments.</li> </ul>

# Human-Rights Due Diligence: Identify and Assess



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
  - **Identify and Assess**
  - Integrate and Act
  - Track
  - Communicate
- Looking Forward
- Conclusion



Salient Human-Rights Issues: 2024 Results		
	Our Operations	Our Supply Chain
<b>No Fees</b>	Workers did not pay fees.	67% 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.
<b>Retention of Documents</b>	Personal documents are retained by workers.	Of 12 suppliers audited, two suppliers were found lacking in policies and procedures that prevent the retention of workers' personal documents. One supplier has resolved this finding. We are working to attain full remediation.
<b>Fair Treatment of Vulnerable Workers</b>	NXP continued to comply with our Employer Pays policy, which ensures these workers are treated with respect and dignity during recruitment and hiring.	Worker engagement is a critical area of focus during an onsite supplier audit. No major issues were reported. Workers were provided with the NXP anonymous phone line to report any concerns or impacts to their rights.
<b>Working Hours and Rest Days</b>	All workers worked in compliance with the 60-hour-per-week work schedule. There were some challenges meeting one rest day after six days of work.	67% 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.
<b>Young Workers</b>	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.
<b>Accurate Contracts</b>	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.
<b>Fair Wages</b>	No discrepancies in wages or benefits.	42% of audited suppliers had discrepancies in wages and benefits. All suppliers have closed this nonconformance.



# Integrate and Act

We use assessment findings to guide our growth

## Policies and Standards

NXP commits to the eight fundamental ILO Conventions:

1. Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
2. Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labor Convention, 1930 (No. 29) and its 2014 Protocol
4. Abolition of Forced Labor Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labor Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Additionally, NXP is committed to the guidelines and principles set out in the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights (UDHR), the OECD Guidelines for Multinational Enterprises and the UN Global Compact. NXP policies and standards are either fully aligned with or more stringent than regulatory, industry-group and customer requirements. We collaborate with external stakeholders, including industry associations, customers, NGOs and government agencies, to support important social-responsibility issues such as labor and human rights.

## 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](http://www.nxp.com), while versions in other languages are available via the NXP intranet.





# Human-Rights Due Diligence: Integrate and Act



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

**Integrate and Act**

Track

Communicate

Looking Forward

Conclusion

## Supplier Code of Conduct

NXP places strict requirements on our supply chain. This is reflected in the [NXP Supplier Code of Conduct](#), which is posted on the NXP website and available in seven languages. The Supplier Code of Conduct is reviewed annually. In 2024, the document underwent a comprehensive internal stakeholder consultation and was revised and republished.

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.

## Human Rights Policy

NXP collaborates closely with our business partners and relevant stakeholders 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 Sustainability Office, under the supervision of the Sustainability Management Board and approved by the Nominating, Governance and Sustainability Committee of NXP's Board of Directors. The policy is reviewed annually, or as and when necessary, to ensure that it continues to be relevant in the changing human-rights landscape.

In 2024, NXP conducted a Living Wage gap analysis using an industry recognized and accepted living-wage benchmark. The goal of this gap analysis exercise was to do the following:

- Further enhance NXP's commitment to labor and human rights by ensuring decent work for team members amid economic growth in the countries where we operate, and mitigating inequalities in our workplace
- Incorporate living-wage review and benchmark as an integral part of our annual merit and market-pricing processes

## Auditable Standards on Social Responsibility

NXP's [Auditable Standards on Social Responsibility](#) are approved by the Sustainability Management Board and specify minimum expectations for compliance with the NXP Code of Conduct and the Supplier Code of Conduct. The NXP Auditable Standards on Social Responsibility apply to NXP and all suppliers, contractors, onsite service providers, labor agents and external manufacturers.

Our Auditable Standards on Social Responsibility and accompanying tools are developed with consultation and input from external and internal stakeholders and are updated on a regular basis to reflect the latest recommendations and regulations on responsible business conduct. The Auditable Standards were reviewed and updated in 2024.

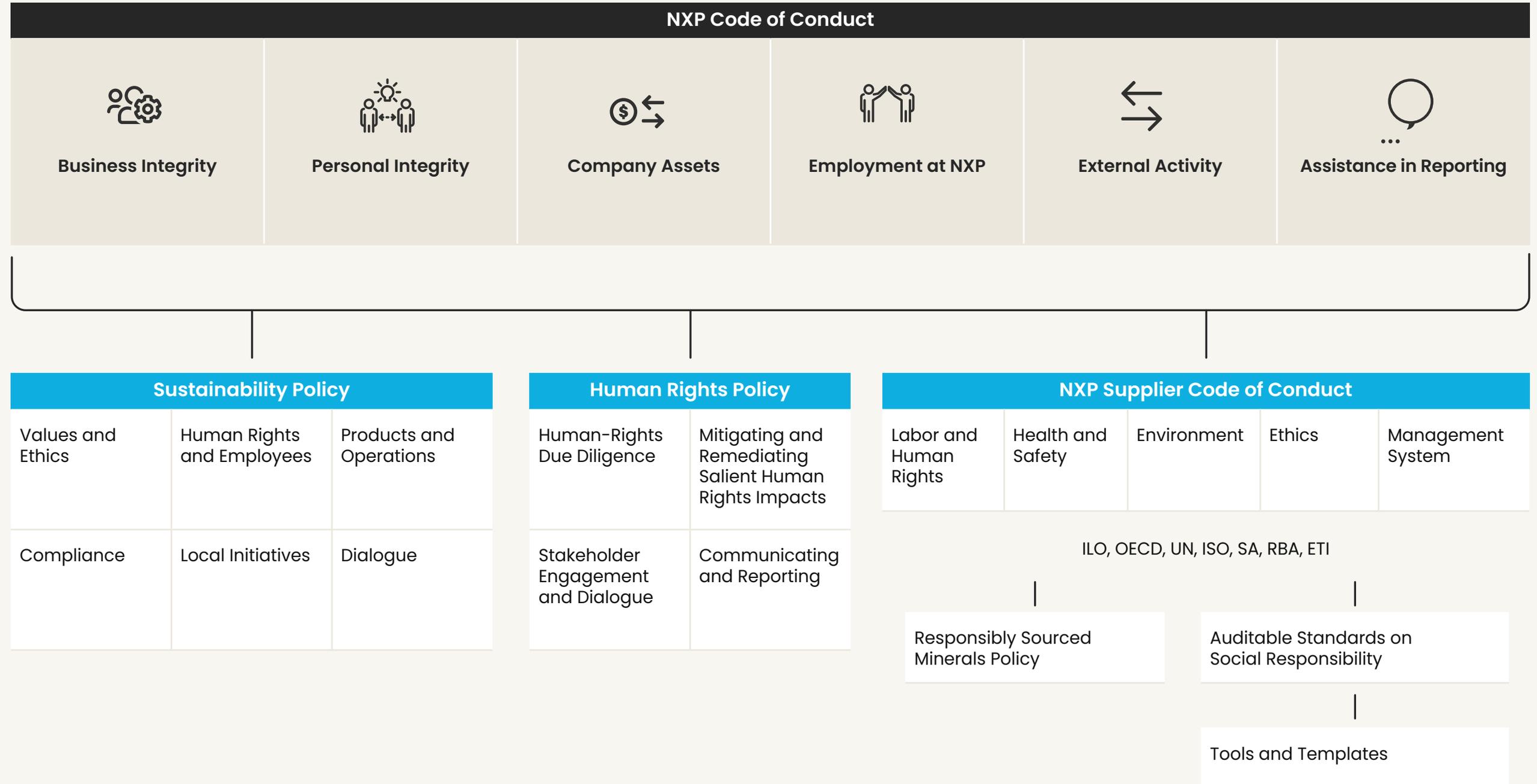
## Responsibly Sourced Minerals Policy

The trade of minerals in conflict and high-risk areas is often associated with increased violence and human-rights abuses. We are dedicated to ensuring that the minerals contained in our products are obtained, produced and used in a socially responsible manner.

Our [Responsibly Sourced Minerals Policy](#) aims to ethically obtain minerals from responsible suppliers to ensure that NXP's supply chain does not contribute to human-rights abuses. Our program for responsibly sourcing minerals is designed in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and our suppliers must exercise due diligence according to OECD Guidance or a standard of similar caliber.

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## Interrelationship of Policies, Standards and Principles



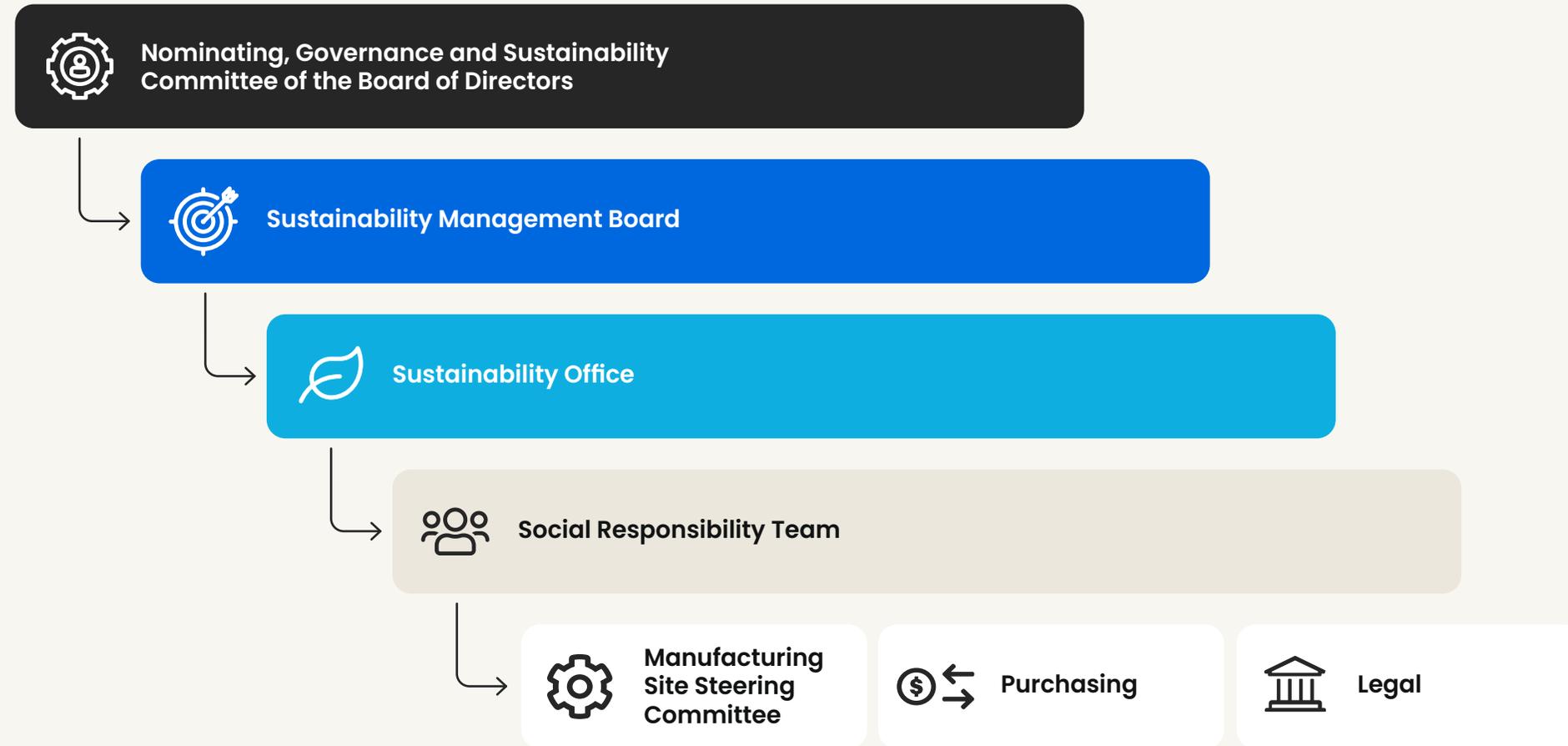
# Human-Rights Due Diligence: Integrate and Act



## Governance

Integrating a governance structure and accountability for NXP and our supply chain keeps us accountable and focused on continuous improvement.

### NXP Social-Responsibility Governance Structure



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence**
  - Identify and Assess
  - Integrate and Act**
  - Track
  - Communicate
- Looking Forward
- Conclusion



# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

Governance Responsibilities	
 <b>Nominating, Governance and Sustainability Committee</b>	<p>Oversee policies and practices related to sustainability initiatives. Review sustainability initiatives and goals including progress toward achieving those goals. Review and approve the annual sustainability reporting requiring Board-level oversight. Review stakeholder feedback related to sustainability on an annual basis. The Nominating, Governance and Sustainability Committee receives quarterly updates from representatives of the Sustainability Management Board and, in turn, reports on these efforts in plenary meetings of NXP’s Board of Directors.</p>
 <b>Sustainability Management Board</b>	<p>NXP’s Sustainability 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 Sustainability 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 People Officer and Chief Operations and Manufacturing Officer. The Sustainability Management Board meets regularly to ensure our sustainability performance is in line with our strategy and aspirations.</p>
 <b>Sustainability Office</b>	<p>Set strategies, develop policies and goals while monitoring metrics and, if needed, escalate issues to the Sustainability Management Board.</p>
 <b>Human-Rights Working Group</b>	<p>Provide strategic plan for how NXP will address the evolving regulatory landscape for human rights and stakeholder expectations. Review NXP preparedness to meet these expectations and provide inputs to NXP policies and standards.</p>

# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

Governance Responsibilities		
<p><b>Social Responsibility and Human Rights Team</b></p>	Oversee strategies, policies and goals and report on various metrics, including input from the Manufacturing Site Steering Committee and purchasing managers and report monthly to the Sustainability Office.	
	<p><b>NXP Operations</b> 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.</p>	<p><b>Supply Chain</b> Set targets, ensure supplier commitment to the Supplier Code of Conduct, conduct annual supplier risk assessments, supplier self-assessments and audits, ensure timely closure of corrective action plans and conduct supplier training.</p>
<p><b>Manufacturing Site Steering Committee</b></p>	Implement, measure and validate policies, drive continuous onsite improvement and report progress to site management and the Social Responsibility Team.	
<p><b>Purchasing</b></p>	Oversee the annual supplier risk assessment for social responsibility, meet monthly with the Social Responsibility Team to receive supplier performance data for input into quarterly supplier business reviews and include the Material Sourcing Board when supplier escalations are needed.	
<p><b>Legal</b></p>	Review and provide legislative guidance, assist in the review of alleged violations of the Code and review publicly reported documents such as the Supplier Code of Conduct, the NXP Auditable Standards on Social Responsibility and this Report.	



# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## 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 with the Ethics Committee and raised to the Sustainability 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.

## Accountability

The Chief Human Rights Officer Director of the NXP Sustainability Office and the Social Responsibility Team are tasked with the delivery of the Corporate Social Responsibility and Human Rights Program across the business and in the global supply chain. This work is defined by clear targets and is part of a performance-appraisal system that links pay to performance and execution of the labor and human-rights commitments specified in our Code and Social Responsibility standards.

## Supply-Chain Compliance

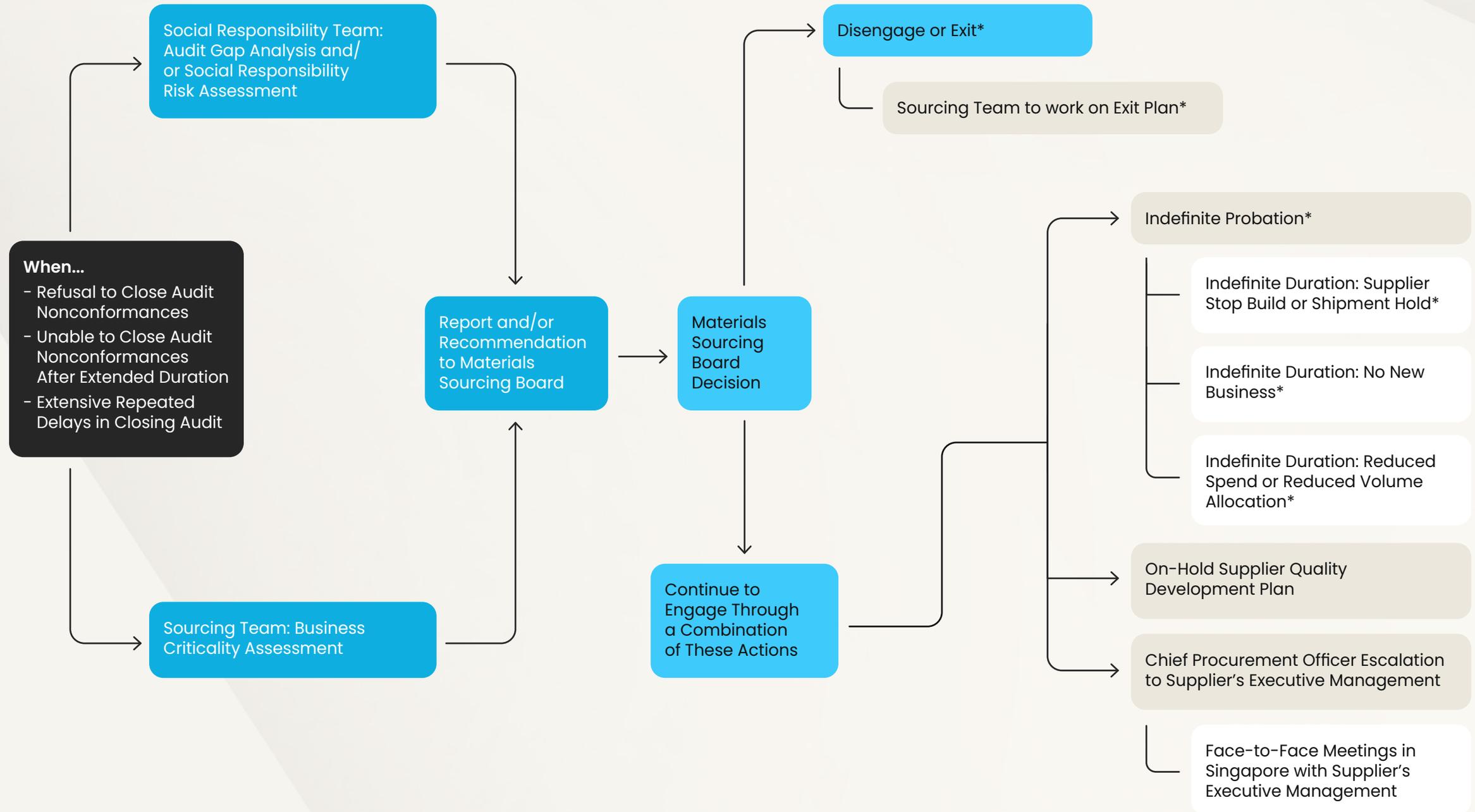
NXP’s suppliers are required to comply with the NXP Supplier Code of Conduct and the associated NXP Auditable Standards on Social Responsibility and the laws of the country or countries where they conduct business. In 2015, we included language in our supplier contracts that requires suppliers to abide by the NXP Supplier Code of Conduct. If there is no contract in place, or because the contract was executed before 2015, NXP requires a signed conformance statement, abiding by the NXP Supplier Code of Conduct. NXP’s Legal and Purchasing Teams are trained on the policies and practices of the Supplier Code of Conduct.

Our aim is to collaborate with our suppliers and to make a positive impact on our supply chain. In the rare instance that a supplier is unable or unwilling to meet our requirements and work on a corrective action plan, we escalate the issue, according to consequence management processes, to determine the status of our relationship with the supplier, and may terminate the business relationship.



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## Consequent Management Process



\*Where Feasible



# Human-Rights Due Diligence: Integrate and Act



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

**Integrate and Act**

Track

Communicate

Looking Forward

Conclusion

## Responsible Procurement

Our master purchase agreements, as well as the terms and conditions of our purchase orders, require suppliers to certify their compliance with our policies. As an added incentive, our purchasing scorecards for major suppliers include measurements for social responsibility and tie performance on this issue to purchasing decisions.

## Responsible Recruitment Practices

NXP suppliers must have adequate and effective written recruitment and employment policies and procedures to ensure compliance with laws in sending and receiving countries. Responsible recruitment practices include the following:

- Suppliers must ensure workers are not required to pay any form of recruitment fees, deposits or have debt repayments (as a result of taking a loan to repay for recruitment-related fees) for their recruitment or employment
- Suppliers must not require workers to participate in any form of forced savings or loan program where repayment terms are indicative of debt bondage or forced labor
- Suppliers must provide workers, prior to their departure or hiring, with accurate written details, in the language understood by workers, about working conditions in the host country, including nature of work, wages, benefits and duration of contract
- Suppliers must not require workers to surrender personal documents and must ensure the same requirements are in place with their employment agencies
- Suppliers must ensure that workers are free to leave their employment upon giving reasonable notice, without penalty
- Suppliers must not place unreasonable restrictions on movement of workers and their access to basic liberties
- Suppliers must clearly communicate to their employees the NXP Supplier Code of Conduct or comparable requirements pertaining to the recruitment of workers and, if applicable, must regularly evaluate the employment agencies on their performance and conformance against these requirements

Of the thousands of people who work at NXP, a small percentage are foreign migrant workers. NXP is aware that using recruitment and labor agencies to hire foreign migrant workers increases the risk of forced labor. As a result, we have taken the decision to conduct direct hiring of foreign migrant workers. We encourage our suppliers to take the direct-hiring route, too, if possible.

All labor agents acting on behalf of NXP must have a clear policy that adheres to the NXP Supplier Code of Conduct and must inform employees and their recruitment agencies about NXP's policy at the point of recruitment and in their native language. To ensure compliance with NXP's Supplier Code of Conduct, labor agents acting on behalf of NXP must conduct due diligence with employment agencies, recruitment agencies and sub-agents in their relevant countries of operation.

To ensure suppliers follow ethical guidelines when recruiting workers, NXP has adopted an Employer Pays policy. This policy is a clear contractual agreement with our supply chain, requiring that the supplier is responsible for payment of all recruitment fees and expenses. Such fees and expenses include, but are not limited to, expenses associated with recruitment, processing or placement of workers.

The fight against modern slavery is also focused on positively impacting the lives of foreign migrant workers through our policies, standards and recruiting practices. The positive impact of our Corporate Social Responsibility and Human Rights Program for NXP's foreign migrant workers in Malaysia is highlighted in this [documentary](#). Additional details on NXP's efforts to investigate ethical recruitment practices are available in this [documentary](#) on ethical recruitment.

## Assessments

We use due-diligence assessments to stay focused on continuous improvement, both internally and within our supply chain.

## NXP Assessments

The Social Responsibility and Human Rights Team conducts operational reviews with relevant internal stakeholders, including Human Resources, Legal, Procurement, Corporate Trade Compliance and Environment, Health and Safety, to identify potential adverse human-rights impacts arising from our policies and business practices. At manufacturing sites, any issues identified by assessments are addressed in our operational-review process. The manufacturing site identifies the corrective action and remediation plans and engages with the responsible departments to address the corrective and preventative actions.



# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

When we established our Corporate Social Responsibility and Human Rights Program in 2013, we identified areas relating to human rights that offered opportunities for improvement. These included improving the recruitment, hiring and management of foreign migrant workers at some of our manufacturing sites, improving the living conditions of worker dormitories by setting up clear dormitory standards and enhancing worker-management dialogue and engagements.

Since then, as our Program has matured, we have evolved our processes and practices and made progress in these areas. This does not mean that the effort is complete. Our work is ongoing, so we can identify areas where we can further strengthen our practices and performance. We continue to assess our manufacturing sites, using team-member engagement and management feedback to track our work and identify new issues, as they arise.

Annual country risk assessments include a review of salient human-rights issues and incorporate local stakeholder feedback as well as published information from government and non-government sources. These salient topics are incorporated into the due-diligence process. The monitoring process seeks to uphold our policies, guidelines and Auditable Standards on Social Responsibility, which are built around international standards and norms for labor and human rights.

Our Code(s) of Conduct, policies and standards serve to document the internal processes we use to protect labor and human rights. Consultation and engagement with external stakeholders allow NXP to understand various third-party information and expectations on where to apply more in-depth assessments, such as self-assessments and third-party audits.

## Supply-Chain Assessments

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. This includes use of Verité's Cumulus Force Labor Screen risk-management system. In 2024, NXP continued our subscription to Sayari, a service that provides intelligence on commercial risk, to help us map and screen for forced-labor risks in our value chain.

### Advisory Firms

#### Verisk Maplecroft

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

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.



# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## 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.

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

## 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 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.

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

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%



# Human-Rights Due Diligence: Integrate and Act



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

**Integrate and Act**

Track

Communicate

Looking Forward

Conclusion

## 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
<b>Category 1</b>	<b>7</b>
Direct Material Suppliers	
Warehousing	
Logistics	
HR-Related Services (Recruitment Agencies)	
Construction and Renovation Services	
<b>Category 2</b>	<b>3</b>
Capital Goods (Plant and Machinery)	
Maintenance Repair and Operations	
<b>Category 3</b>	<b>1</b>
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).

## Results

Suppliers undergo an annual supplier risk assessment. In 2024, 220 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.

# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## Audits

We use audits as one of our key due-diligence strategies to monitor compliance with our Corporate Social Responsibility requirements.

Overall, management must demonstrate a good understanding and commitment to the NXP Code of Conduct (NXP manufacturing sites), the Supplier Code of Conduct (NXP manufacturing sites and our supply chain) and the NXP Auditable Standards on Social Responsibility. NXP requirements for ourselves and our supply chain must be integrated into policies and procedures and must be communicated effectively to all team members and workers.

Nonconformances for internal and supplier audits are divided into three categories:

Priority Violation	Major Nonconformance	Minor Nonconformance
Confirmed evidence of human-rights abuses or unacceptable practices as defined by the NXP Auditable Standards on Social Responsibility. Examples include the presence of forced/bonded labor, child labor, serious instances of worker harassment, immediate risk to the life of workers and/or negative impact to the environment.	A significant failure in the management system for social responsibility which affects the ability to produce the desired results. It may also be caused by failure to implement an established process/procedure, or by the fact that the process/procedure is ineffective or not suited for the nature of the operation.	A failure that, by itself, does not indicate a systemic failure with the management system for social responsibility. It is typically an isolated or random incident.

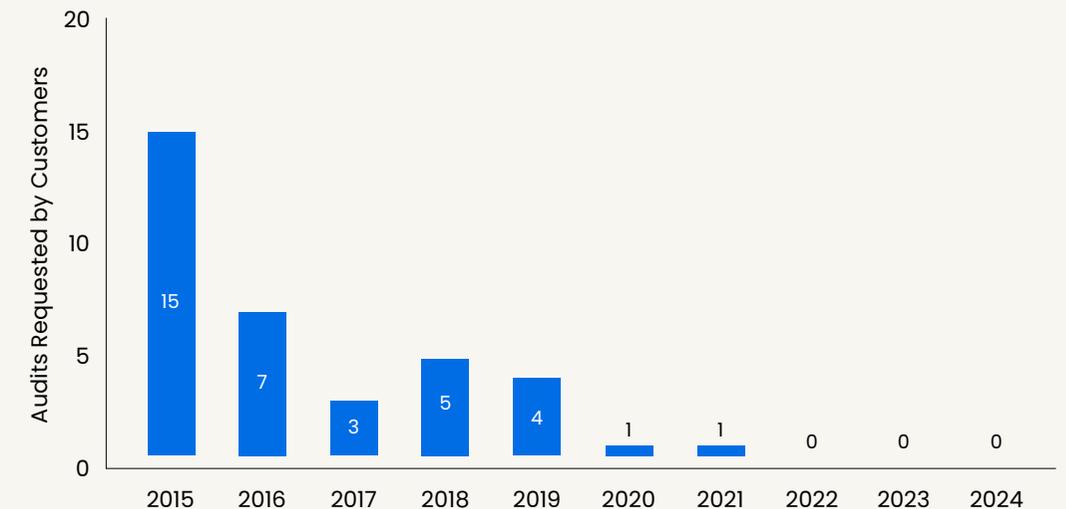
## NXP Manufacturing-Site Audits

Every two to three years, each manufacturing site undergoes a third-party audit. The audit is either conducted by Dignity in Work for All, using the NXP Auditable Standards on Social Responsibility or by a designated audit firm that uses the RBA VAP, which is based on the RBA Code of Conduct. Each audit firm is specially trained, and in the case of the RBA VAP audit, accredited by the RBA, in labor and human rights, and performs onsite inspections (including any dormitories), reviews documents and conducts private interviews with management and randomly selected team members. A formal report is issued and any corrective actions are tracked until successfully closed.

## Results

When we developed our Corporate Social Responsibility and Human Rights Program, we engaged in many customer audits. Now that our Program has matured and we have our own internal evidence and historical data from customer audits, we can demonstrate that we are a low-risk supplier and, as a result, customers request fewer annual audits of our sites.

**NXP Audits Requested by Customers**

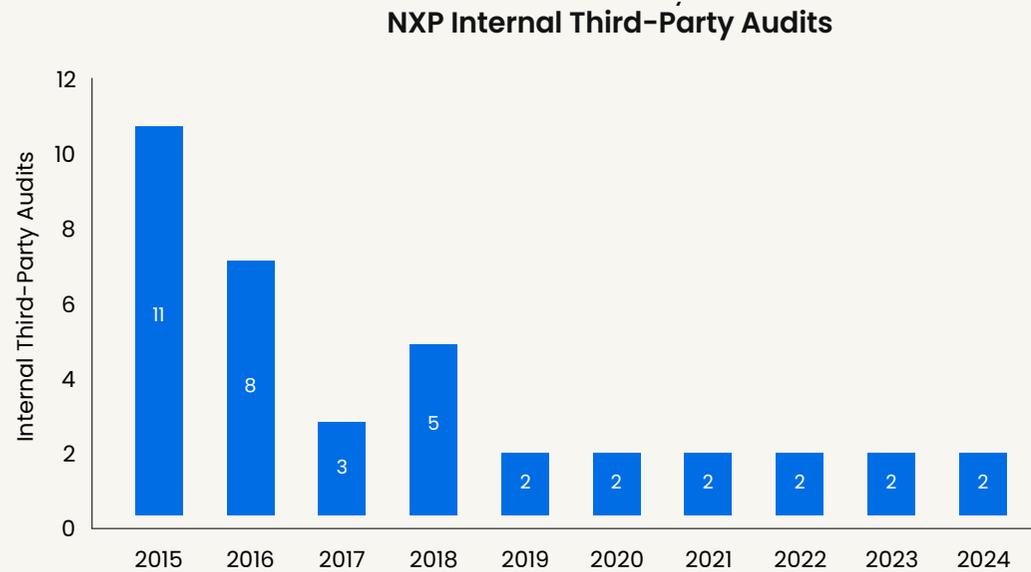


# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

Similarly, we initiated more third-party audits in the early years of our Corporate Social Responsibility and Human Rights Program, but the number has remained relatively steady since 2017, with the exception of 2018, when we merged with Freescale Semiconductor and applied our standards to their manufacturing sites.

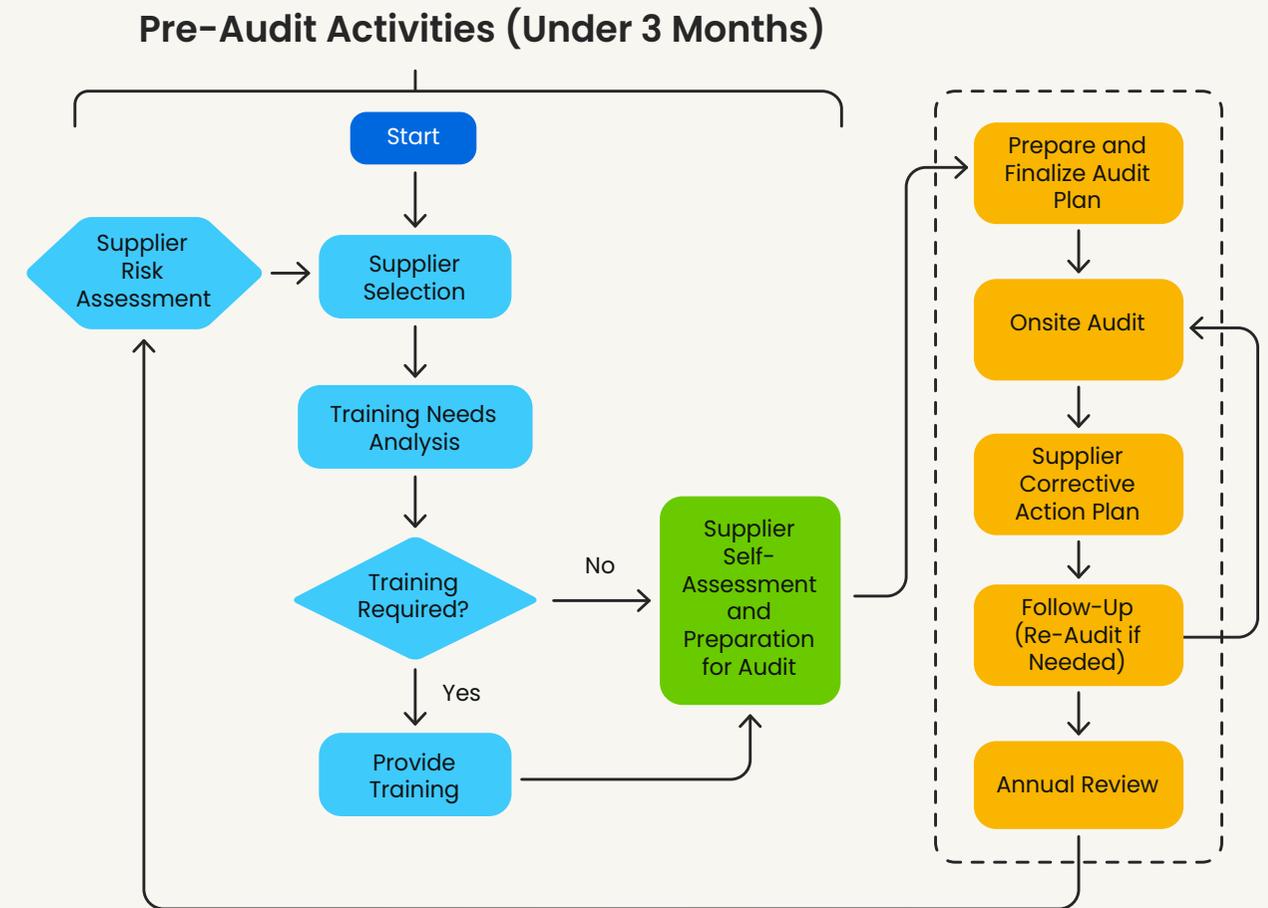


## Supply-Chain Audits

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.



# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- **Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## 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 as follows:

- 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 access to the RBA's e-learning academy are also part of our supplier trainings.

## 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.

## RBA 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 2024, 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 suppliers that have demonstrated maturity in their compliance performance. More details of the RBA VAP protocols can be found [here](#).

The goal of the VAP is to help streamline a process that has frequently resulted in audit fatigue for suppliers subjected to multiple, similar audits by industry members. A VAP audit may be initiated by any RBA member and audit results are available to any other member company working with that supplier. Report sharing is predicated on a Trading Relationship, between the member company and the audited supplier, in the RBA-Online system<sup>1</sup>. It is the responsibility of the member company initiating the VAP audit to review, approve and verify corrective actions from the audit.

## Results

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 2024 supplier audits and four labor-agent audits. From our supplier audits, we identified a total of 337 nonconformances. Of those nonconformances, We closed 207 of those nonconformances, yielding a closure rate of 85%. 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.

To read more about our 2024 audit findings, see the [Track](#) section of the Human-Rights Due Diligence chapter of this Report.



<sup>1</sup> 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.



# Human-Rights Due Diligence: Integrate and Act

A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

**Integrate and Act**

Track

Communicate

Looking Forward

Conclusion

## Stakeholder Engagement

Due-diligence audits continue to be an effective method for driving improvement and compliance in our supply chain, but because auditors spend limited amounts of time onsite, their observations only provide part of the picture. To gain a fuller understanding of conditions in the supply chain, we are evolving our approach and have started engaging with critical stakeholders and individual rights holders, including workers in our own operations and in the supply chain. We have found that effective and confidential engagement with these groups gives us a more balanced view of worker well-being and their workplace challenges, and will improve the effectiveness of any remediation plans we need to implement.

## Capacity-Building and Training

Everyday decisions can have a negative impact on human rights and that means every team member at NXP or worker in our supply chain has a role to play in ensuring we maintain a positive impact. We understand the importance of team-member awareness and use capacity-building and training to help identify issues early and find better ways to drive changes in practice and culture. We also use capacity-building to strengthen our internal organization and increase internal knowledge, to ensure smooth implementation and maintenance of our Corporate Social Responsibility and Human Rights Program. We use training in our supply chain to increase awareness of the Program and help suppliers understand and comply with our expectations.

## NXP Capacity-Building

The purpose of our detailed capacity-building program is to make sure our manufacturing sites can recognize the signs of modern-day slavery for early intervention and a quick response. We educate our team members so they are aware of labor and human-rights issues. We particularly focus on team members whose job functions include purchasing, to understand compliance with applicable laws and standards.

Since 2013, NXP has trained close to 1,200 key team members on labor and human-rights topics, and 142 team members have been certified as RBA-VAP lead auditors or undergone similar lead-auditor training program. Each lead auditor plays an important role in the deployment and implementation of the Corporate Social Responsibility and Human Rights Program at their respective manufacturing site. Our Corporate Social Responsibility and Human Rights Program capacity-building addresses the four groups shown below.

## Human-Rights Capacity-Building

Group	Training Received
Executive Management Team	Requirements of NXP policies, codes and standards with the expectation that they will support the Program by approving/providing the resources necessary for its success
Manufacturing Management Team	Requirements for facilitating and implementing the standards at a manufacturing site and how they can provide the necessary resources to sustain continuous improvement
Manufacturing Site Social Responsibility Team	In-depth specifics for implementing the Program and standards at their manufacturing site and how, as individuals, they can support the effort in their respective functional area
Manufacturing Subject Matter Experts (SMEs)	RBA lead-auditor training, or similar, and certification, emphasizing labor and ethics, so they can guide the site's Social Responsibility Team

The capacity-building program is updated whenever there is a revision to the Auditable Standards on Social Responsibility. The Auditable Standards on Social Responsibility are reviewed on an annual basis to identify any need for revisions based on changes in the regulatory landscape, industry best practices or customer requirements and expectations. In 2021, the Auditable Standards on Social Responsibility went through a thorough revision to align with the requirements of the revised RBA Code of Conduct version 7.0. The standards are revised and published in 2024 to align with revision to the RBA Code of Conduct from version 7.0 to 8.0, and to prepare for other developments in the regulatory landscape and other stakeholder expectations.

All NXP team members and interns are required to complete NXP's Code of Conduct training, which provides guidance and processes that team members and third parties can use to report potential violations of our Code, including anonymous reporting via a third-party hotline.

# Human-Rights Due Diligence: Integrate and Act



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act**
- Track
- Communicate
- Looking Forward
- Conclusion

## Training Foreign Migrant Workers

We randomly interview and engage with foreign migrant workers before they leave their home country to ensure they were recruited ethically and in compliance with NXP policies. The recruitment process must meet NXP's stringent requirements, meaning workers must be informed of grievance mechanisms, and the grievance process must reflect NXP's zero-tolerance policy against retaliation.

Upon arrival at NXP, all workers (foreign migrant workers and team members) go through an onboarding process that includes training on NXP's policies and programs for labor and human rights, with topics such as workers' rights and responsibilities, contract terms, the no-fee policy, control of personal identification documents, appropriate working conditions, how to read and understand details of a pay slip, working hours, housing conditions (if applicable), how to report illegal practices and abuse as well as protections for workers who report potential violations.

## Supply-Chain Training

We train our suppliers so they know what to expect during an NXP audit. Training is conducted by the NXP Social Responsibility and Human Rights Team, with support from Dignity in Work for All. NXP provides tools and resources to support our suppliers in building and/or improving their social-responsibility programs to explicitly commit to the ILO Core Labor Standards. Training addresses our suppliers and labor agents in sending and receiving countries, as well as onsite service providers.

Training covers the entire NXP Supplier Code of Conduct, with special attention paid to labor and human rights. NXP provides guidance, consultation and best practices to suppliers implementing the standards. Training is conducted either in a classroom or using a webinar session and we provide access to the RBA's e-learning academy. Supplier training can be done before a supplier's upcoming NXP social responsibility audit, during the closure timeline of a supplier's corrective action plan or whenever a supplier requests it. NXP also invites our suppliers to attend RBA training and webinar sessions on topics such as Forced Labor and Responsible Recruitment, the RBA Code of Conduct and How to Prepare for an RBA VAP Audit.

To address nonconformances from our supplier audits, NXP conducts consultation sessions with our auditees and holds 30-, 60- and 90-day follow-up meetings to discuss corrective action plans and provide additional training on our standards. We are committed to remedying any adverse impacts on workers and to working with our supply chain to successfully address nonconformances.





A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

**Track**

Communicate

Looking Forward

Conclusion



# Track

We gauge progress by monitoring our actions and responses

The Social Responsibility Team tracks internal and supplier audits to verify that the outcome and results are aligned with NXP's Code(s) of Conduct and standards. We use internal and supplier audits to track nonconformances and verify that our requirements are integrated into codes and procedures and communicated effectively to all levels of workers.

## NXP

NXP Social-Responsibility Performance	
Goals	2024 Results
No Priority or Major Nonconformances from Internal/Customer Audits	We completed RBA VAP audits at our Tianjin, Mainland China, Kaohsiung, Taiwan and Nijmegen, Netherlands manufacturing sites. Tianjin had a perfect audit VAP audit score with no findings while all corrective and preventative actions from the initial RBA VAP audit for Kaohsiung have been verified as closed in an RBA closure audit. We are working to close other findings identified in our Nijmegen, Netherlands manufacturing site.
Work Week of No More Than 60 Hours, Including Overtime Work, and One Rest Day per Six Days Worked	All workers worked in compliance with the 60-hour-per-week work schedule. There were some challenges meeting one rest day after six days of work.

Using data from successive years of auditing, we can track performance for internal operations and within our supply chain and thereby measure the progress of our efforts in human-rights due diligence.

## Supply Chain

Supplier Social-Responsibility Performance	
Goals	2024 Results
100% of Key Suppliers Sign Supplier Code of Conduct Conformity Statement	100% of Key Suppliers Signed the NXP Supplier Code of Conduct Conformity Statement
85% Closure Rate for Corrective Action Plans	85% Closure Rate on Corrective Action Plans for Supplier Audits Past 90-Day Maturity
100% Certified Mineral Smelters	100% Certified Conflict-Free 3TG Smelters <sup>2</sup>
Supply-Chain Due Diligence, Engagement and Collaboration	Completed revisions to the NXP Supplier Code of Conduct and the NXP Auditable Standards on Social Responsibility

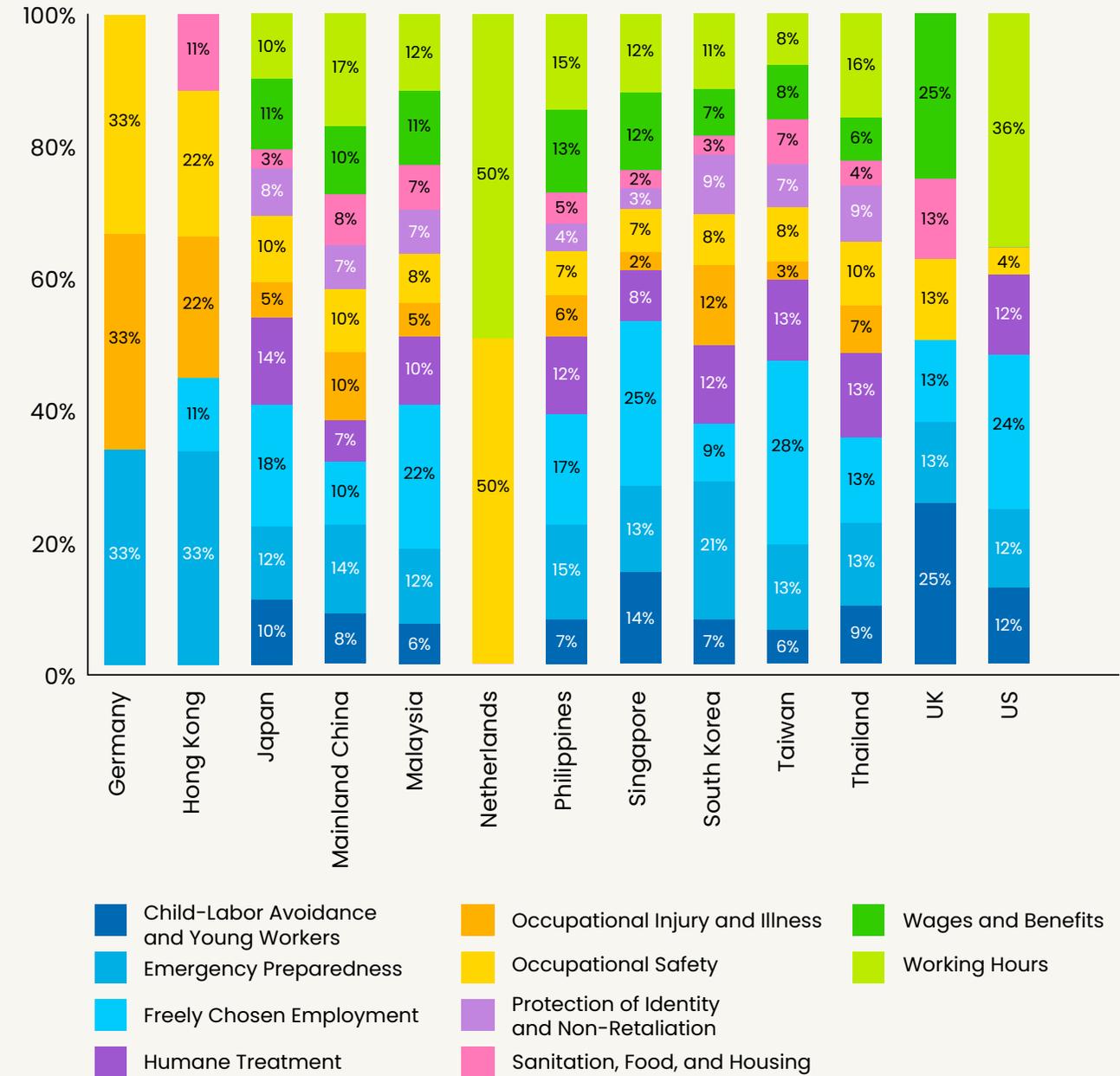
<sup>2</sup> This data point is reported annually and primarily reflects the 2023 calendar-year data. However, unlike most of the data in this Report, it does not align with the 2024 calendar year (January 1 to December 31), but aligns instead with our Conflict Minerals Specialized Disclosure Form (Form SD) and Conflict Minerals Reporting Template (CMRT) filing.

# Human-Rights Due Diligence: Track

Since 2013, NXP has conducted social-responsibility audits in our supply chain. Each year's data is integrated into our assessments and helps us fine-tune our due-diligence process by highlighting salient human-rights risks per country and region. Each country/region has a Top 10 category associated with it so we can determine where to focus our human-rights due-diligence efforts in the coming year. The data also supplements each country/region's human-rights risk criteria in our supply-chain risk assessment.



Top 10 Findings by Country and Region 2013-2024



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence**
  - Identify and Assess
  - Integrate and Act
  - Track**
  - Communicate
  - Looking Forward
  - Conclusion

# Human-Rights Due Diligence: Track



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- **Track**
- Communicate
- Looking Forward
- Conclusion

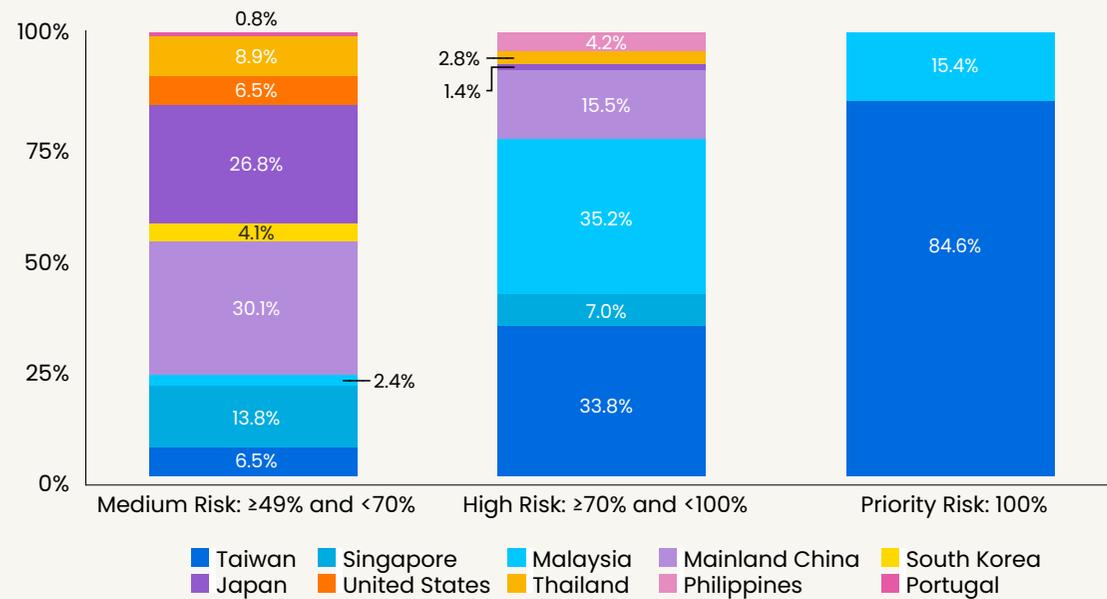
## Step One – Identify High-Risk Suppliers

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 ( $\geq 49\%$  and  $< 70\%$ ), high risk ( $\geq 70\%$  and  $< 100\%$ ) or priority risk (100%). In 2024, we assessed 6,619 supplier locations and identified 123 medium-risk, 71 high-risk and 26 priority-risk supplier locations. The 2024 supplier risk assessment identified priority-risk supplier locations in Malaysia and Taiwan.

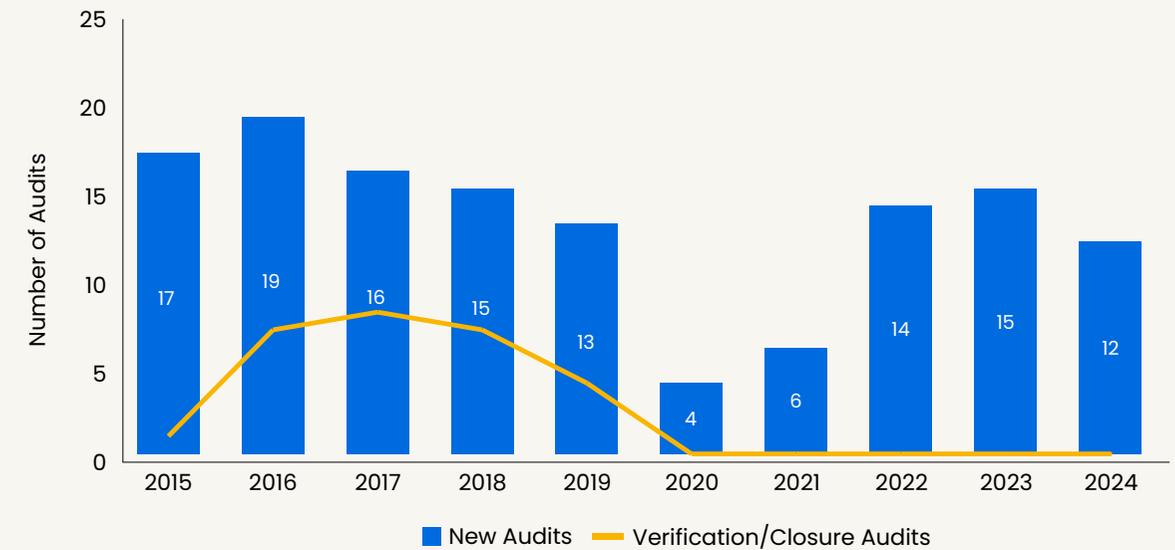
## Step Two – Conduct a Supplier Audit

Since 2013, when we began our Corporate Social Responsibility and Human Rights Audit Program, we have conducted 242 supplier audits. That includes labor-agent audits as well as verification audits, which began in 2014.

**2024 Medium-, High- and Priority-Risk Scores for Supplier Locations by Country and Region from Annual Risk Assessment**



**New Supplier Audits and Verification/Closure Audits**



# Human-Rights Due Diligence: Track



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- **Track**
- Communicate
- Looking Forward
- Conclusion

In 2024, we completed 12 supplier audits and four labor-agent audits located in Japan, Mainland China, Malaysia, Thailand and Taiwan.

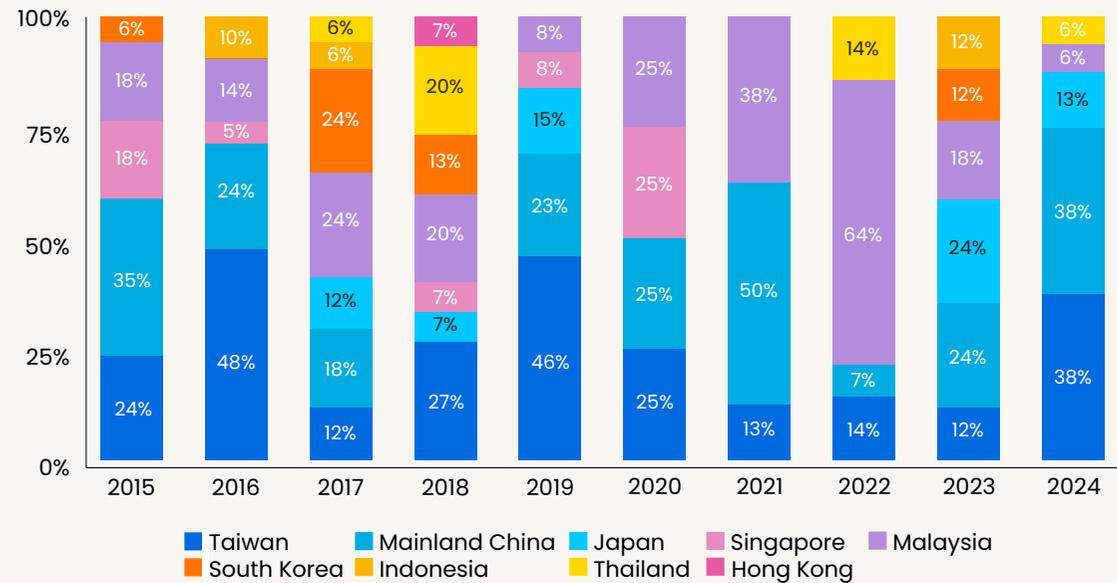
As part of our membership in the RBA, in addition to the 16 total audits we conducted ourselves, we also reviewed and monitored 23 RBA VAP audits initiated by other RBA members with the same supply base. It is RBA policy that the initiating member work to close any corrective actions resulting from an audit but, if the initiating member fails to do so, the RBA may ask another member with the same supply base to intervene. In 2024, NXP was approached by the RBA to help close corrective actions identified in one supplier audit initiated by other members.

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 2024, 475 random worker interviews were conducted, involving 53% men and 47% women with varying lengths of service and age range.

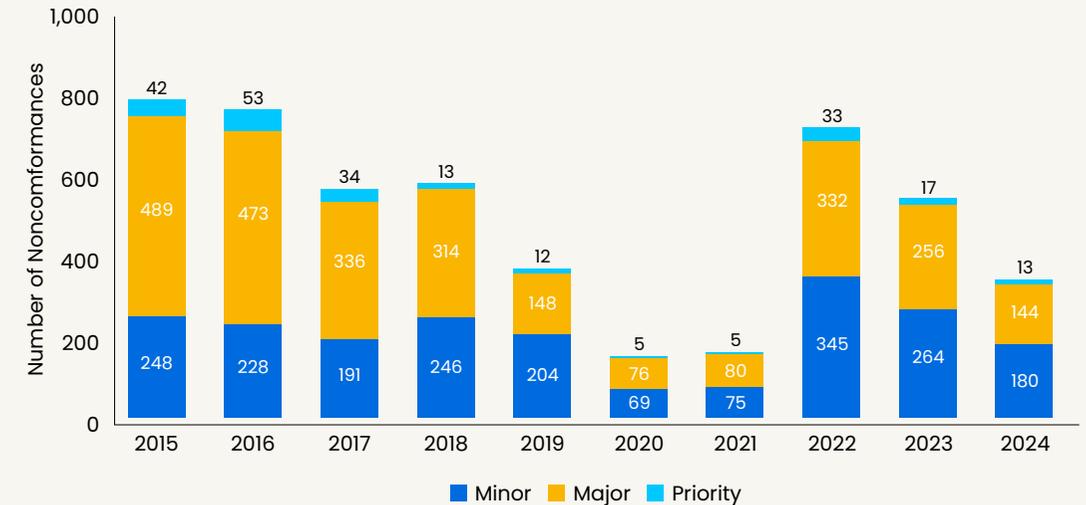
## Step Three – Analyze Results of Supplier Audit

Audits conducted in 2024 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 all 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.

Supplier and Labor-Agent Audits by Country and Region



Number of Nonconformances by Rating



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.

# Human-Rights Due Diligence: Track

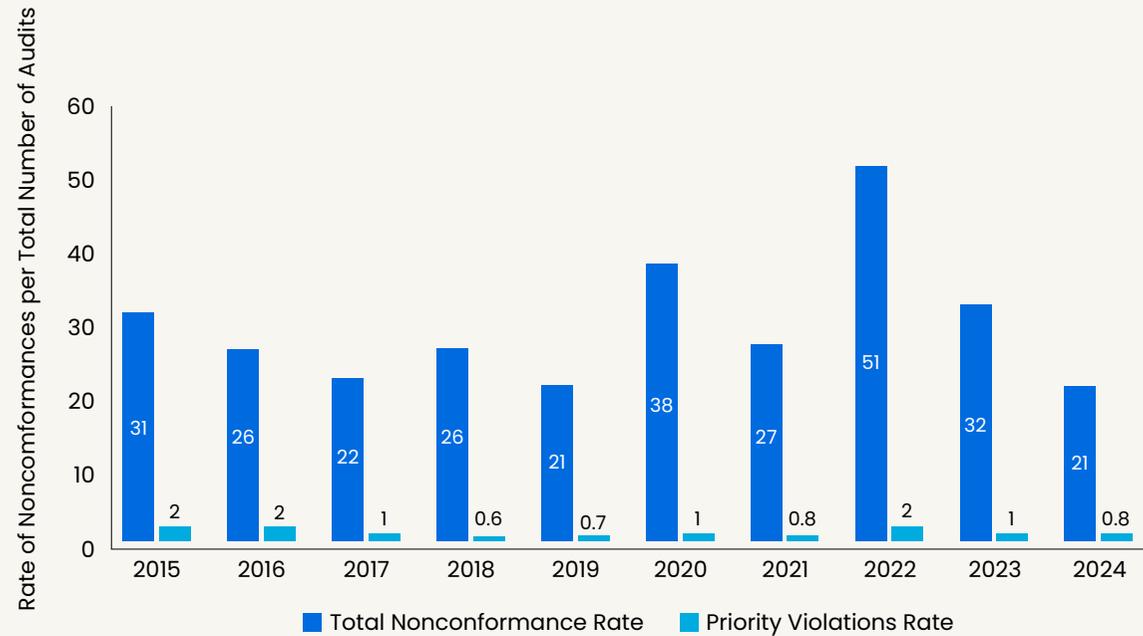


As part of our annual supply-chain due-diligence audits, we compare the number of audit nonconformances to the total number of audits conducted and use the resulting average to measure performance. In the three years following the COVID-19 pandemic, the average number of nonconformances has gone steadily down. This points to the maturity of our supply chain and our ability to sustain and maintain a good level of supply-chain conformance.

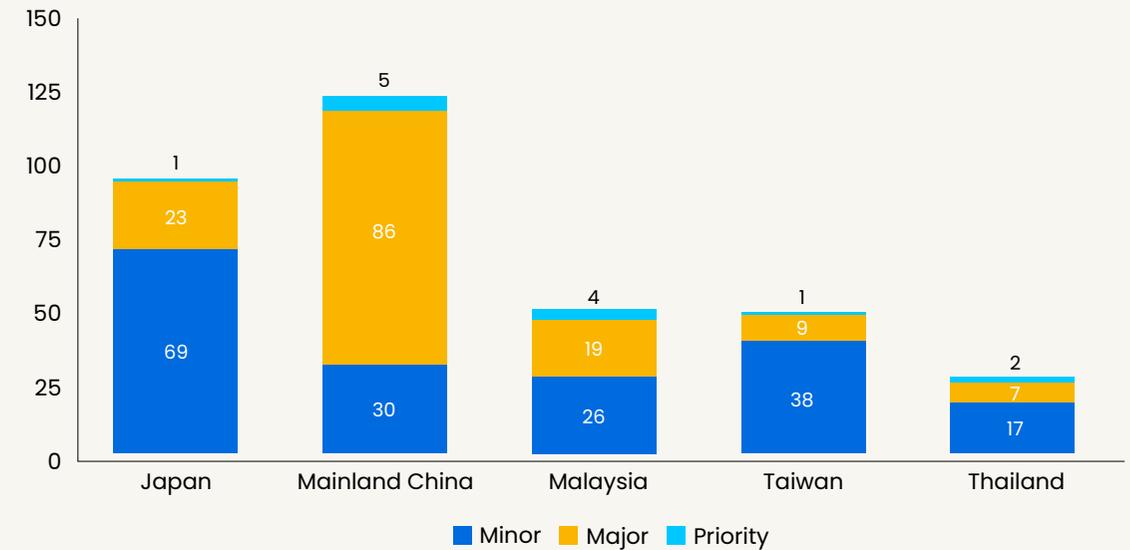
Identifying the total number of nonconformances per country/region helps the Audit Team determine country risks, complete the annual assessment of supplier risk and strategize the priorities of future audit planning.

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- **Track**
- Communicate
- Looking Forward
- Conclusion

Average Number of Nonconformances per Audit



2024 Nonconformances by Country and Region



# Human-Rights Due Diligence: Track

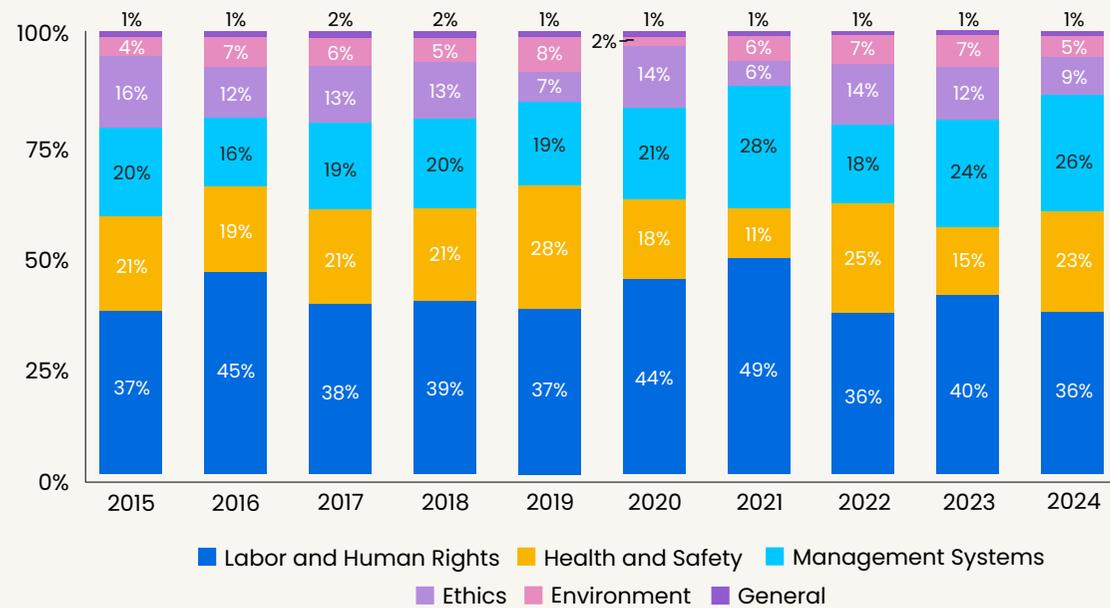


Calculating nonconformances using our five categories of standards helps us to identify trends, provide a strategic focus and adjust our engagement plan to continue improving our supply chain. Three categories – Labor and Human Rights, Health and Safety and Management Systems – continue to reoccur in our findings.

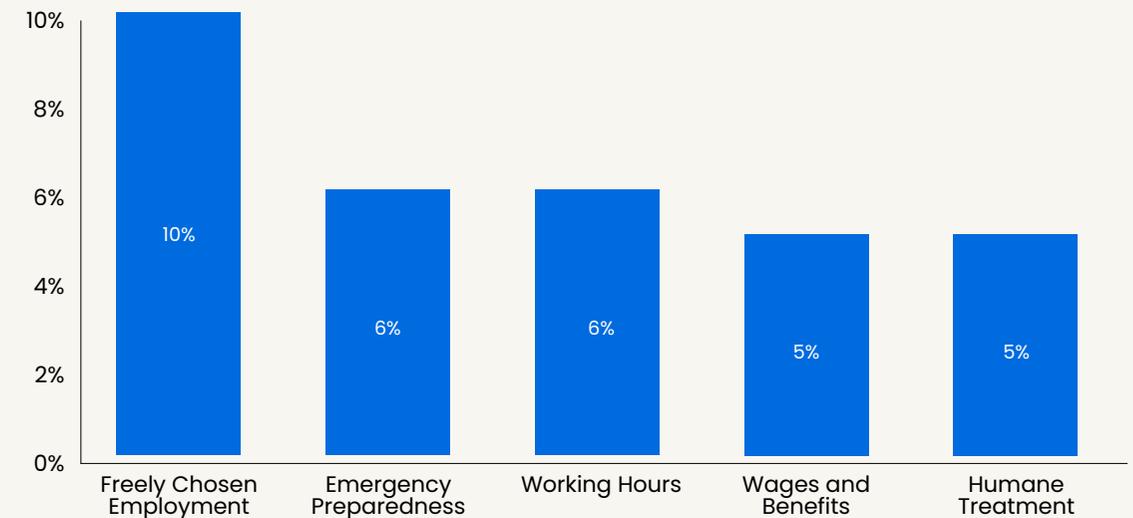
After twelve years of auditing our supply chain and identifying more than 6,000 nonconformances, we target the top five subcategories as illustrated below. Freely Chosen Employment is still the most frequently reoccurring nonconformance.

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- **Track**
- Communicate
- Looking Forward
- Conclusion

Nonconformances by Category



Top Five Nonconformances by Subcategory 2013-2024



# Human-Rights Due Diligence: Track



The 16 audits, including labor-agent audits, conducted in 2024 uncovered 13 priority violations.

Category	Number of 2024 Priority Violations	Details
<b>Environment</b>	0	No priority violations were found in this audit category.
<b>Ethics</b>	0	No priority violations were found in this audit category.
<b>Health and Safety</b>	3	Two of the findings were for blocked emergency exits at suppliers in China and Taiwan. The other Priority finding is an issue discovered in a worker dormitory in Malaysia. The dormitories were converted from shop lots which is illegal in Malaysia and does not meet NXP requirements. All three priority findings have been remediated and closed.
<b>Labor and Human Rights</b>	10	Four of the findings were due to recruitment fees and legal-documents retention at suppliers in Malaysia and Japan. Six were working-hours findings that include excessive work hours and no rest days at suppliers in China and Thailand. Four of the working-hours and rest-day findings are still open and two recruitment-fees findings are pending remediation.
<b>Management Systems</b>	0	No priority violations were found in this audit category.



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
  - Identify and Assess
  - Integrate and Act
  - **Track**
  - Communicate
- Looking Forward
- Conclusion



# Human-Rights Due Diligence: Track



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

**Track**

Communicate

Looking Forward

Conclusion

## Audit Closure Rate

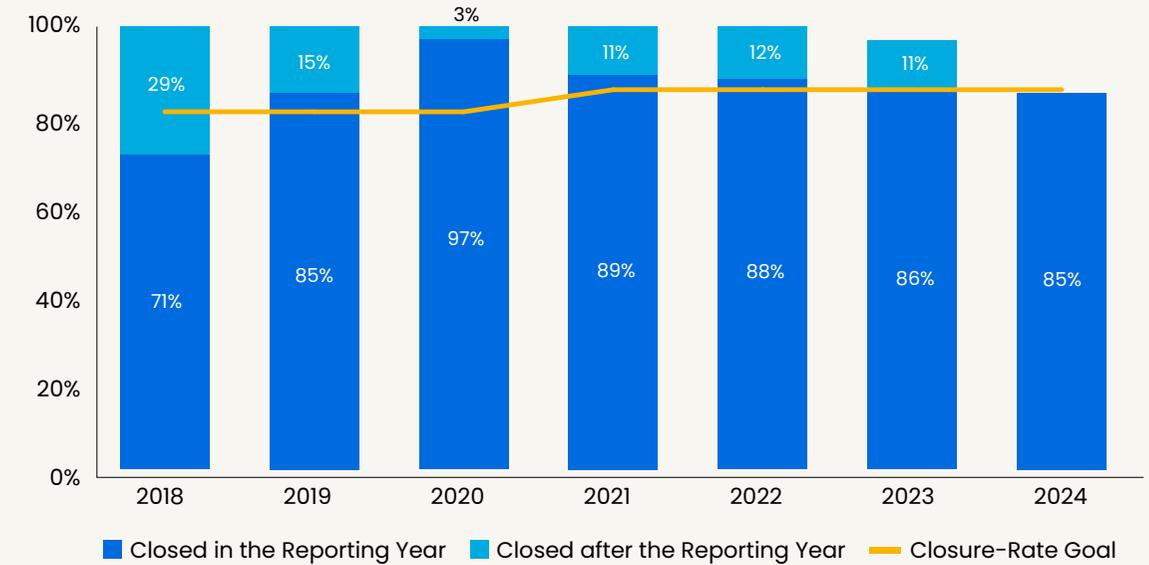
Our goal is to achieve an 85% closure rate. We continue to provide a 15% threshold since we understand that some corrective actions often require more than 90 days to close, with the final goal to drive for 100% closure in all audit findings.

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 2024 was 85%. 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.



**Audit Closure Rate**



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 audits in 2022 and before, and are close to achieving 100% closure for audits conducted in 2023.



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

- Identify and Assess
- Integrate and Act
- Track

**Communicate**

Looking Forward

Conclusion



# Communicate

We share how we address the human-rights impacts of our operations

With respect to labor and human rights, we communicate our policies, standards, strategies, targets, procedures and progress. Our commitments for labor and human rights are shared in multiple ways, across different audiences. Any NXP team member, as well as any supplier, supplier worker, NGO or other external stakeholder, can report an incident to NXP. Even workers in the supply chain are provided with NXP's grievance email and a local phone number.

## NXP

We communicate with our team members in a variety of ways (in their local language, if required), including, town-hall meetings, coffee chats with management teams, focus-group workshops, training sessions, one-on-one meetings, internal articles, newsletters, emails and blogs. All team members have access to global and local policies and standards, as well as our NXP and Supplier Codes of Conduct, through our external website, the internal intranet site, team-member handbooks and/or briefings.

## Supply Chain

Communications with our supply chain take the form of trainings, consultations, collaboration and discussions held before, during and after our audits.

We also communicate our Supplier Code of Conduct and our Auditable Standards on Social Responsibility to our supply-chain partners. Our suppliers are bound, either contractually or through their conformance signature, to our Supplier Code of Conduct, which states that they will uphold standards for labor and human rights. We require our suppliers to communicate our policy, standards and expectations to their own suppliers, including external service providers, and require them to audit and monitor their upstream suppliers.





# Human-Rights Due Diligence: Communicate



A Message From Kurt Sievers, CEO

2024 Highlights

Introduction

Labor and Human-Rights Commitment

**Human-Rights Due Diligence**

Identify and Assess

Integrate and Act

Track

**Communicate**

Looking Forward

Conclusion

## Grievance Mechanism and Access to Remedy

We are committed to promoting a culture of integrity and encourage our team members, as well as external business partners and third parties, to express any concerns they have related to potential violations of the Code, NXP policies or the law.

Concerns and grievances can be confidentially lodged using various reporting channels, such as management, ethics liaisons or the NXP Ethics Committee. There are dedicated ethics liaisons regionally and in each country. Concerns and grievances can also be submitted using the phone or web option of [SpeakUp](#), 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 2024, our reporting levels were actively used throughout the organization, indicating that our reporting channels are effective.

## Management and Resolution of Grievance Investigations

### Allegations, Approach and Management

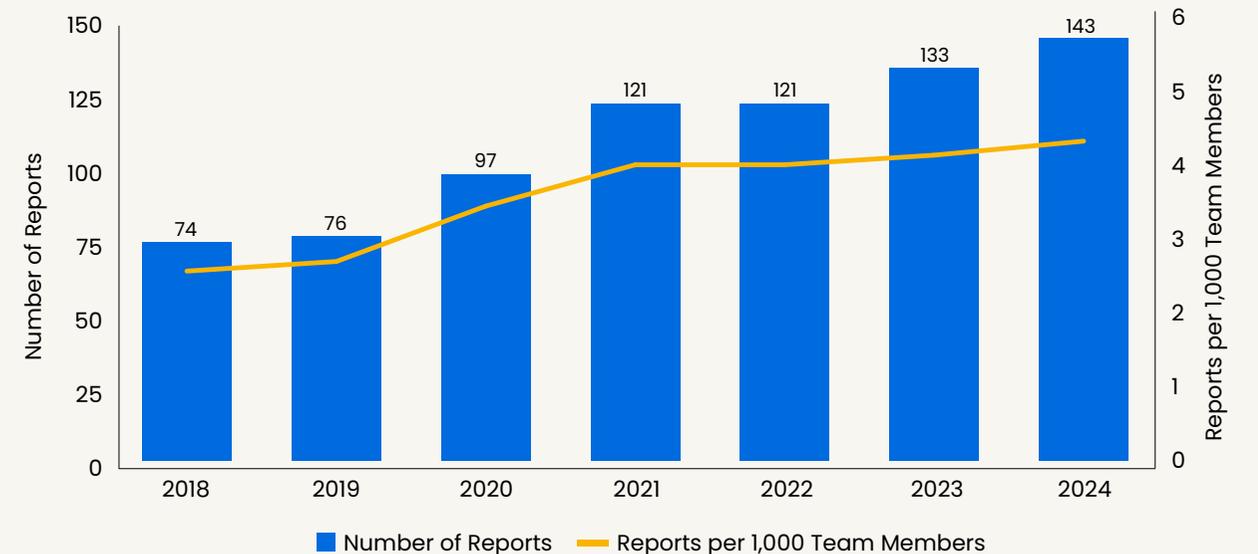
We follow up on all reports and concerns relating to the Code of Conduct. All NXP team members are welcome to submit a report or share concerns via one of the reporting channels, which include the NXP Ethics Committee, a local Ethics Liaison or, if anonymity is desired, the Speak Up system administered 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, equipped 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.

### 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 People 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



# Human-Rights Due Diligence: Communicate



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- **Human-Rights Due Diligence**
- Identify and Assess
- Integrate and Act
- Track
- **Communicate**
- Looking Forward
- Conclusion

## NXP

We make use of communication programs to ensure that every team member is informed and can report grievances by talking to their manager, through our open-door policy, or by speaking to the local ethics liaison, the Ethics Committee and/or the third-party-administered SpeakUp line. Information about the reporting channels is easily accessible and visible, via the external [website](#), our intranet, posters, internal social media and email.

### Open-Door Management Policies

Team-member engagement with management is openly practiced at all sites, with such events as quarterly calls, dialogue sessions and programs that let workers raise concerns directly to the site general manager. We are committed to having open dialogue with potentially and affected team members and foreign migrant workers. This allows us to monitor and develop our approach to human rights.

During an audit, when private interviews are conducted with team members, they receive a business card that has the local grievance phone number and the email address to be used if they have additional information, concerns or need to report retaliation.

### Supply Chain

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,

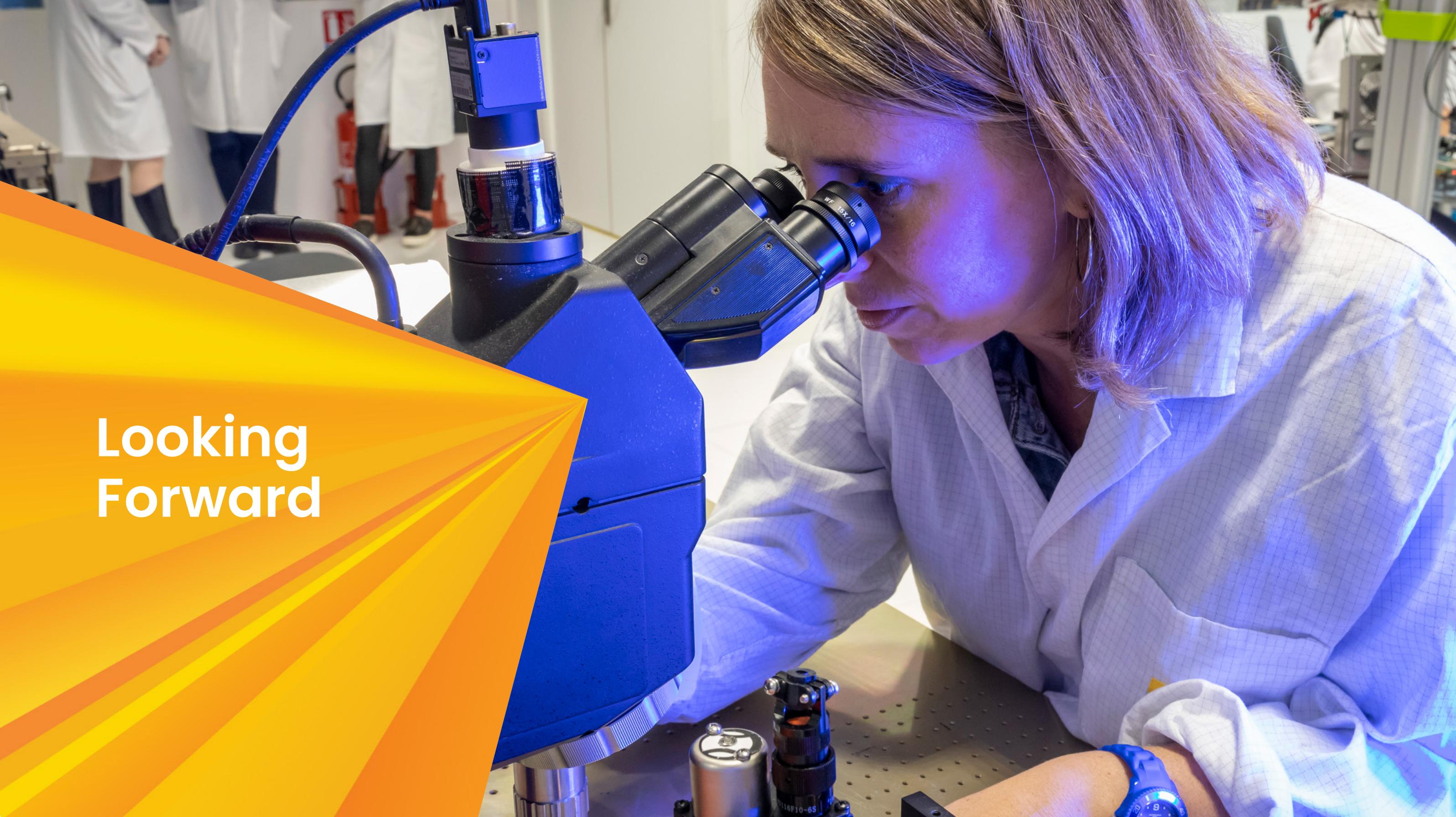
the auditor provides the worker with the NXP third-party grievance card, which they can use at any time and for any reason to make an anonymous report in the local language.

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 2024.





Looking  
Forward

# Looking Forward



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- **Looking Forward**
- Conclusion

Our commitment to the elimination of modern-day slavery and abuses of labor and human rights is ongoing.

We regularly adopt emerging best practices and enhance our approach based on real-world experience. To support long-term improvements, demonstrate our dedication to being an ethical and transparent company and enhance our protection of the people we work with, we conduct yearly evaluations of our approach, our programs and our processes – and will continue to do so.

Our annual reviews have already led to plans for new initiatives, including the introduction of more interactive tools for accountability and more ways to engage with workers and incorporate their feedback. Our focus, in implementing these plans, will be on issues relating to collaboration, integration, and supply-chain engagement.

## Collaboration

 <b>Experts</b>	Continue our work with expert organizations, non-governmental organizations (NGOs), civil society organizations (CSOs) and academia, stay current on relevant issues and monitor best practices as they evolve.
 <b>Industry</b>	Increase our engagement and collaboration at the industry level to identify and remediate actual and potential cases of labor and human-rights abuses.
 <b>Customers</b>	Continue to work with customers to address human-rights issues and challenges throughout the supply chain and drive implementation to our lower-tier suppliers.



# Looking Forward

## Integration

 <b>Governance</b>	<p>Integrate additional labor and human-rights risks through the Sustainability Management Board, which reports to the Nominating, Governance and Sustainability Committee of NXP's Board of Directors.</p>
 <b>Codes and Standards</b>	<p>Update the Supplier Code of Conduct and the Auditable Standards on Social Responsibility.</p>
 <b>Human Rights Policy</b>	<p>Reinforce the evolving importance of human rights and ensure a consistent approach, with support for all international norms and expectations, by extending our core NXP Social Responsibility efforts with our dedicated policy on human rights.</p>
 <b>NXP Human-Rights Due-Diligence Management System</b>	<p>Strengthen NXP's efforts to conduct due diligence across our value chain, capture all salient human-rights risks and take appropriate measures to mitigate risk.</p>
 <b>Worker Voice</b>	<p>Deploy a worker voice app to complement our ethics hotline for labor and human rights across our manufacturing sites and create a labor and human-rights remediation committee to respond to worker grievances effectively and efficiently.</p>

## Supply-Chain Engagement

 <b>New-Supplier Assessments and Audits</b>	<p>Conduct self-assessments and, if necessary, a third-party audit of suppliers prior to onboarding.</p>
 <b>Audits</b>	<p>Continue to audit our suppliers, with the goal of decreasing the number of audit nonconformances and, more importantly, the number of priority violations.</p>
 <b>Going Beyond an Audit</b>	<p>Design a model to assess mature suppliers on their human-rights programs.</p>
 <b>Training</b>	<p>Continue raising awareness, through webinars and targeted training, to help our suppliers develop a best-in-class program.</p>
 <b>Vendor Portal and Supplier Data-Management System</b>	<p>Continue developing an online supply-chain portal, which enables us to effectively communicate with our global supply chain, represents another step in strengthening our collaborative and consultative engagement and helps build the capacity of requirements and metrics within our supply chain.</p>

- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- **Looking Forward**
- Conclusion



# Conclusion





# Conclusion

This Report serves to highlight our commitment to people and helps share our expertise with our peers and our supply-chain partners.

Across our entire organization – which employs tens of thousands of people in dozens of countries across the world, all working within a complex, multi-layered supply chain that spans the globe – NXP is dedicated to providing a safe and healthy working environment and to treating everyone with respect and dignity.

Our commitment to people also includes the recognition that there are rights, inherent to us all, that need to be preserved. In that spirit, we emphasize human rights at our own manufacturing sites and in our supply chain.

We work hard to exceed stakeholder expectations and strive to exceed existing standards, while acknowledging that the preservation of human rights is a process that builds on continuous improvement. This past year saw a number of activities, from our own internal reviews to participation in events with outside agencies, that showcased our dedication to ongoing improvement.

We will continue to work closely with our suppliers, giving special attention to those who have had audit nonconformances or priority violations, so we can be certain that they fully comprehend our standards and have the knowledge and skills to avoid recurrence.

Engagement with our high-priority suppliers will also be a priority, so we can continue to develop standards and policies that accurately reflect the challenges they face in their businesses and their operations.

To learn more about our approach to worker safety, human rights and managing a complex supply chain, please email NXP's Sustainability Team at [csr@nxp.com](mailto:csr@nxp.com).

**Eric-Paul Schat**

Senior Director Sustainability and Human Rights  
NXP Semiconductors  
June 2025



- A Message From Kurt Sievers, CEO
- 2024 Highlights
- Introduction
- Labor and Human-Rights Commitment
- Human-Rights Due Diligence
- Looking Forward
- **Conclusion**





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](http://www.nxp.com).

