



# SASB DISCLOSURE

## APPENDIX B – 2021 SASB DISCLOSURE

2021 NXP Semiconductor SASB Disclosure (Semiconductors)							
Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
<b>Greenhouse Gas Emissions</b>							
TC0201-01.01-.02	Identify direct Greenhouse Gas (GHG) emissions (Scope 1), including the six Kyoto gases	Tons CO <sub>2</sub> -e	602,191	594,499	458,866	327,370	<b>387,446</b>
TC0201-01.03	Identify the amount of PFCs in total GHG emissions.	Tons CO <sub>2</sub> -e	429,493	440,506	288,566	195,181	<b>240,370</b>
TC0201-02.04	Discuss scope of reduction targets and what activities and investments are required to achieve plans, as well as any limiting factors that might affect achievement of the targets.		Our stated goal for 2027 is to reduce our Scope 1 & 2 by 35% from a baseline year of 2021. Our reduction strategies differ according to the emission source, as each comes with its own unique opportunities for reduction. Limiting factors include an increase of our production space, product changes, the increase emissions that we, as a supplier, are required to adopt, or if demand changes and our emissions are directly related to an increase in volume produced.				
TC0201-02.05	Identify percentage of emissions within the scope of the reduction plan and the percentage reduction from base year. Identify absolute/intensity based. Identify activities that were completed during fiscal year and those that are ongoing. Discuss source of mechanism for achieving the target.		Over the past decade, (baseline 2011), our normalized Scope 1 emissions decreased by 43%. PFCs are the largest contributor to our Scope 1 emissions and, since 2011, our normalized total PFC emissions have decreased by 61%, even though many of our products have become more complex, requiring additional processing steps and hence more PFCs. To achieve these results, we reduced consumption of PFC gasses, converted to lower global-warming potential gasses, and installed tools to reduce emissions.				
TC0201-02.06	Disclose if emissions have been recalculated or the target base year has been reset.		Our new goals for 2027 have a target base year of 2021. Our calculation methods have remained the same following the methodology of the Intergovernmental Panel on Climate Change (IPCC).				
<b>Energy Management in Manufacturing</b>							
TC0201-03.09	Disclose total energy purchased from sources external to the organization or self-generated.	GJ	5,494,235	5,573,326	5,539,224	5,498,557	<b>5,765,736</b>
TC0201-03.10	Calculate energy consumption by using High Heat Value (HHV) from Intergovernmental Panel on Climate Change (IPCC).		We refer to market-based energy-conversion factors if provided by the supplier. If market base is not provided, we use International Energy Agency (IEA) information.				
TC0201-03.11	Identify self-generated consumption to prevent double counting.		N/A				
TC0201-03.12	Identify percentage of total energy consumption that is grid generated.	%	100% purchased grid electricity.				

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TC0201-03.13	Identify percentage of total energy consumption that is renewable energy.	%	100% purchased grid electricity with renewable energy representing 31% of total energy consumption.				
TC0201-03.14	Identify sources of renewable energy, such as geothermal, wind, solar, hydroelectric, and biomass.		100% purchased grid electricity with renewable energy from wind, solar, and hydroelectric sources.				
TC0201-03.15	Disclose the application of conversion factors such as HHVs for fuel usage and kilowatt hours (kWh) to gigajoules (GJ).		Our internal Environment, Health & Safety (EHS) data-management system uses conversion factors for total energy consumption.				
Water & Waste Management in Manufacturing							
TC0201-04.16	Disclose amount of water withdrawn from freshwater sources.	m <sup>3</sup>	10,936,125	10,927,872	10,732,132	10,619,711	<b>11,598,982</b>
TC0201-04.17	Identify percentage of water recycled as the volume recycled divided by the volume of water withdrawn.	%	43%	39%	41%	47%	<b>45%</b>
TC0201-04.18	Analyze operations for water risks and identify locations with high or extremely high baseline water stress, indicating percentage of total water withdrawn.	%	According to the World Resources Institute's (WRI) Water Risk Atlas tool, only one facility is in scope, representing 6.8% of water withdrawn.				
TC0201-05.19	Disclose amount of hazardous waste.	Metric tons	1,955	2,400	2,440	2,792	<b>3,372</b>
TC0201-05.20	Identify percentage of hazardous waste recycled by dividing the total of what is reused, recycled, remanufactured, or sent externally for further recycling by the total weight of hazardous material.	%	We recycle hazardous waste, but regional variations in the designation of hazardous materials and how hazardous waste is classified make it difficult to quantify this activity.				
TC0201-05.21	Disclose if e-waste is recycled or transferred to entities with third-party certification.		We send our e-waste to third parties who obtain all necessary environmental permits required by local governments.				

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<b>Recruiting &amp; Managing a Global Skilled Workforce</b>							
TC0201-06.22	Identify percentage of employees who are foreign nationals and require a visa to work in the country in which they are employed.	%					At the end of 2021, 2% of employees were foreign nationals.
TC0201-06.23	Identify percentage of employees who are located offshore from the registrant's country of domicile, by region.	%					At the end of 2021, the percentage of employees who are located offshore from NXP's country of domicile is 18% of our workforce in the Americas, 14% in EMEA, and 61% in APAC.  NXP is a global company with operations in over 30 locations. Although headquartered in the Netherlands, NXP's business model is to have significant presence in the US, Europe, and Asia. This requires access to talent in those areas, but also allows us to be responsive and close to our customers in those markets. We view this as a strength and not a risk.
TC0201-06.24	Discuss risks, from recruiting foreign nationals or offshore employees, which may arise from immigration, naturalization, or visa regulations, loss of control, threats to intellectual property, or cultural or political sensitivities.						At NXP, we value diversity, equality and inclusion, and respect the unique experiences, backgrounds, diverse cultures and ideas of our fellow employees, business partners, and customers around the world. We understand that each employee brings something unique to the company – different viewpoints, histories, experiences, and paths of discovery. We invite every NXP employee to bring their whole self to work, without exception. NXP does not tolerate discrimination of any kind, including when making employment-related decisions. We uphold a code of business conduct and ethics and would not violate these commitments by rejecting a candidate based on citizenship or nationality. When recruiting foreign nationals in any jurisdiction, the greatest risks we face involve the uncertainties outside NXP's control. This includes the inability or significant delay to secure export licenses from the US government; inability or significant delay to secure work authorization documents, including valid work permit and immigration status; increasing or unpredictable challenges and costs associated with obtaining necessary licenses, work authorizations, or visas; and unpredictable and shifting political positions affecting each stage in the recruitment, hiring, and retention of foreign nationals. However, these risks do not outweigh the value provided by NXP's foreign-national employees.
TC0201-06.25	Discuss Management's approach to addressing the identified risks of recruiting foreign nationals, including efforts such as local talent pools, political lobbying for immigration reform, outsourcing of operations, or joining/forming industry partnerships.						To address the risks identified in the above response, NXP does several things. We ensure that job postings include an overview of the position, including requirements and application instructions, to ensure applicants understand the position for which they are applying and the job requirements against which they will be assessed. We manage expectations around the hiring process when it comes to delays with securing work-authorization documents (such as visas). We provide, to the best of our ability, up-to-date information regarding the immigration landscape and the costs and potential risks for delays and loss of work authorization. In some countries, we also engage providers of immigration status to track initial needs for work permits, visas, and potential future renewals, and monitor for potential risk trends/developments that need to be accounted for. We engage internal and external resources to evaluate and prepare contingency plans in the event there are challenges or delays securing or maintaining work authorizations. From time to time, we participate in a variety of different initiatives and organizations, such as the Semiconductor Industry Association (SIA), to educate and advocate for sound policies in employment of foreign nationals and to safeguard our interests in this space.

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TC0201-06.26	Discuss Management's approach to addressing any additional risks associated with conducting offshore business activities, including efforts such as implementing safeguards for data security, piracy, and IP protection, and diversifying the locations of offshore operations.							NXP is a global company with manufacturing, R&D, and sales offices in over 30 countries. Our global footprint and experience, bolstered by our corporate policies and procedures and IT resources, protect and safeguard our risks to the extent possible.
Employee Health & Safety								
TC0201-07.27	Discuss efforts to assess, monitor, and reduce exposure of employees to human health hazards.							NXP assesses, monitors, and reduces exposure of our employees to human health hazards in our controls and procedures. These controls and procedures are detailed in our management system, which is certified to the ISO 45001 standard. As part of this management system, we reduce risk by conducting risk assessments. Each risk assessment we conduct generates a list of controls to limit risk. For example, Personal Protective Equipment (PPE) and extensive training for our employees is provided to effectively control risks identified through the risk assessment. Continuous monitoring of the documented controls is ongoing, to verify that the controls are indeed working appropriately and that the risk to employees is minimized.
TC0201-07.28	Discuss management approach in the context of short- and long-term risks.							The management system described above, combined with our continuous monitoring of each in-place control, serves to minimize both the short- and long-term risks identified by our risk assessments.
TC0201-07.29	Discuss risk assessments, participation in long-term health studies, ambient-air monitoring in clean rooms, implementation of technology to control worker exposure, worker use of personal protective equipment, automation of processes, and phasing out, substituting, or using alternative materials.							We monitor the ambient air in clean rooms and have safety professionals, including an onsite industrial hygienist, at all our manufacturing sites. We provide PPE for our employees and continuously invest in automation processes to reduce risks to our employees.
TC0201-07.30	Discuss Health & Safety measures in general and, in particular, measures taken to protect clean-room workers in fabrication plants.							We emphasize Health & Safety in all areas of the company, including a focus on work/life balance and proper ergonomic tools and training.
TC0201-08.31	Disclose the amount of all fines/settlements associated with Health & Safety violations.							In 2021, NXP was not assessed a fine for any Health & Safety violations.
TC0201-08.32	Disclose civil actions and criminal actions taken by any entity.							In 2021, no civil actions were taken by any entity.

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TC0201-08.33	Describe the nature and context of fines and settlements.			N/A			
TC0201-08.34	Describe any corrective actions as a result of each incident.			N/A			
Product Lifecycle Management							
TC0201-09.35	List percentage of products by revenue that contain IEC 62474-declarable substances.	%	In 2021, ~62% of our finished product portfolio contained IEC 62474-declarable substances.				
			<p>The IEC 62474 list of declarable substances is mainly based on EU legislation (EU RoHS, EU REACH Annex XVII, EU REACH, Candidate list, and EU POP). NXP meets or exceeds all of these legislated guidelines.</p> <p>The requirements for substance management are outlined in the ECO-Products Substance Control for Products and Packaging (NXPOMS-1719007347-1991) document. <a href="https://www.nxp.com/docs/en/supporting-information/ECO-Products-Substance-Control-Products-Packaging.pdf">https://www.nxp.com/docs/en/supporting-information/ECO-Products-Substance-Control-Products-Packaging.pdf</a>.</p> <p>We require our suppliers to provide a full Material Content Declaration (“MCD”, in IPC-1752A format) for each component. Our internal system checks each supplier MCD and then calculates the compliance status of the components and products to the legal, industry, and NXP requirements described in the NXPOMS-1719007347-1991 document.</p>				
TC0201-09.38	Discuss approach to managing the use of any substances listed as declarable substance groups or declarable substances in IEC 62474, including specific operational processes which take these substances into account.		<p>Nickel (a declarable IEC 62474 substance and skin sensitizer) is a common substance in lead frames and plating, which are items integrated into our products and not intended for direct skin contact.</p> <p>Our products and materials are clearly identifiable by a unique, 12-digit numerical code (12NC) and managed via the NXP data-management system. This system segregates and prevents mixing of RoHS-compliant and non-compliant materials according to their usage in the final product. Traceability of non-compliant materials and parts is guaranteed via the NXPOMS-1719007347-2601 Traceability Requirement. The storage of materials is regulated by local organization. Specific information related to these materials, including the supplier, is maintained in the NXP Master Data Management system. In the SAP-BW system, NXP maintains the connection between the 12NC of the material and its supplier.</p> <p>Lines are clearly marked as RoHS (lead-free) or leaded terminations. Products are certified as RoHS (lead-free) or leaded terminations. GENESIS Production flow papers also indicate which segregated line to follow and the components allowed for the build.</p>				

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TC0201-09.41	Describe the degree of overlap with IEC 62474 with the management and assessment of known or potentially toxic substances with reference to other regulations, industry norms, or accepted chemical lists.						NXP satisfies the reporting requirements of IEC 62474 and meets or exceeds the regulatory requirements found in EU RoHS, EU ELV, EU 94, EU REACH, and EU POP. NXP's prohibited and restricted substances are listed in Sections 6.2 and 6.3 of the NXPOMS-1719007347-1991 document.
TC0201-10	Describe processor energy efficiency at a system level for servers, desktops, and laptops.						N/A
Supply Chain Management & Materials Sourcing							
TC0201-11.50	Identify products by revenue that contain critical materials	%					~92% of our finished products contain tin, tantalum, tungsten, and gold.
TC0201-12.53	Identify those 3T&G smelters within the supply chain verified as conflict-free.	%					As of our last SEC filing, 100% of the suppliers identified were compliant with an audit program conducted by a third party. For additional information, please visit our website: <a href="https://www.nxp.com/company/about-nxp/sustainability/responsible-minerals-sourcing:CONFLICT-MINERALS">https://www.nxp.com/company/about-nxp/sustainability/responsible-minerals-sourcing:CONFLICT-MINERALS</a>
TC0201-12.54	Define how we determine our suppliers and any third-party smelters to be conflict-free.						We conform with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High-Risk Areas, and we expect our suppliers to adhere to these same requirements. Suppliers must also adhere to NXP's Supplier Code of Conduct and provide, upon request, the source and chain of custody of minerals as well as their due-diligence policies and measures. To verify compliance with these commitments, NXP conducts third-party audits. <a href="https://www.nxp.com/pip/CONFLICT-MINERALS">https://www.nxp.com/pip/CONFLICT-MINERALS</a>  NXP is a member of the Responsible Mineral Initiative (RMI). We validate supplier information against the list of "conflict-free" smelters, as designated by the Responsible Minerals Assurance Process (RMAP). The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, Regulation (EU) 2017/821 of the European Parliament, and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. We encourage our suppliers to direct their smelters to participate in the RMAP. We monitor information from the RMI, which records changes in smelter status and identifies those smelters who refuse to participate in audits, so we can take appropriate action.

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TC0201-13.56	Summarize our strategic approach to managing risks associated with the use of critical materials and conflict minerals in our products, including availability, access, price, and reputational risks.							Our procurement organization has implemented escalation procedures for suppliers who (i) provide products that incorporate Covered Minerals from smelters or refiners who do not comply with a third-party audit program or (ii) have not provided details on the sourcing of Covered Minerals in their supply chain. Under these procedures, our procurement organization develops a list of corrective actions, including a timeline for compliance and a decision to continue or temporarily suspend trade with the supplier during the period of corrective action. Suppliers who do not make satisfactory progress addressing the identified corrective actions are reported to NXP's Chief Procurement Officer. NXP's due-diligence measures, with respect to identified smelters and refiners, are primarily based on multi-industry due-diligence initiatives. These measures evaluate the procurement practices of the smelters and refiners that process and provide Covered Minerals to our supply chain.
TC0201-13.57	Identify which materials and minerals present a risk to our operations, the type of risk they represent, and the strategies used to mitigate that risk.							NXP's supply chain is complex. In most cases, there are a number of third parties in the supply chain between NXP's ultimate manufacture of the Covered Products and the original sources of Covered Minerals. We require our suppliers to identify the smelters and refiners of Covered Minerals in their supply chain. In most cases, our suppliers report this information using the broadly adopted Conflict Minerals Reporting Template (CMRT) developed by Responsible Minerals Initiative (RMI), a multi-industry initiative consisting of over 400 companies and industry associations. Due to the complexity of our supply chain, we rely on our suppliers for the accuracy and completeness of this information. In most cases, our suppliers submit a consolidated Smelter & Refiner report for all of their products and materials, not just those provided to NXP.
TC0201-13.58	Discuss relevant strategies, including diversification of suppliers, stockpiling of materials, expenditures in R&D for alternative and substitute materials, and investments in recycling technology for critical materials.							Procurement's risk-mitigation strategy is to have multiple suppliers qualified for one part whenever possible. That way, if we permanently or temporarily suspend trade with a supplier, we can switch to an alternate source. In cases where this is not possible, we compensate for this with buffer inventory and other methods of stock management. In the case of onboarding new direct materials, suppliers must submit a Conflict Minerals Reporting Template (CMRT). If the supplier uses a nonconformant smelter, we do not qualify the supplier until the issue is resolved. This process is reviewed and monitored by the Material Sourcing Board.

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Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
TC0201-13.59	Discuss due-diligence practices, supply-chain auditing, supply-chain engagement, and partnerships with industry groups or non-governmental development organizations.						

We believe that engagement and active cooperation with other industry members with whom we share suppliers can help us identify risks in our supply chain. In particular, it helps us identify smelters and refiners and assess their due-diligence practices.

In 2014, NXP joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC). Among other important social-responsibility initiatives, the RBA promotes responsible sourcing of minerals. NXP currently holds a position on the RBA's Board of Directors.

NXP is also a member of the Responsible Minerals Initiative (RMI), so NXP representatives regularly collaborate with other industry members on complementary programs and initiatives. Over the years, NXP has been an active member of the RMI's working groups and Steering Committee.

In 2016, NXP joined the European Partnership for Responsible Minerals (EPRM) as a strategic partner. The EPRM is a multi-stakeholder partnership in which governments, Non-Governmental Organizations (NGOs), and the private sector work together to create better social and economic conditions for mine workers and local mining communities, by increasing the number of mines that adopt responsible mining practices in Conflict-Affected and High-Risk Areas (CAHRA). Participation provides tools to map the minerals and verify that smelters and refiners source minerals ethically. Our engagement with EPRM not only includes due-diligence platforms and tools, but also provides support for "on the ground" projects at small-scale mining sites that have been identified as CAHRAs.

Since 2013, NXP has chaired the Conflict Minerals Team of the World Semiconductor Council (WSC).

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Code	Accounting Metric	Unit of Measure	2017	2018	2019	2020	2021
<b>Intellectual Property Protection &amp; Competitive Behavior</b>							
TC0201-14.60	Disclose the number of patent litigation cases we were involved in, either as the patent holder or the patent challenger.	Count	1	6	7	7	4
TC0201-14.61	Disclose the number of successful cases.	Count	1	6	4	0	0
TC0201-14.62	Disclose the number of cases in which we were the patent holder.	Count	0	0	1	1	0
TC0201-15.63	Disclose the amount of all fines/settlements associated with anti-competitive behavior, such as those related to enforcement of US laws and regulations on price-fixing, anti-trust behavior, patent misuse, or network effects, and bundling of services and products to limit competition.	Count	0	0	0	0	0
TC0201-15.64	Disclose civil actions and criminal actions taken by any entity.	Count	0	0	0	0	0
TC0201-15.65	Describe nature and context of fines and settlements.	Count	N/A	N/A	N/A	N/A	N/A
TC0201-15.66	Describe corrective actions we have implemented as a result of each incident.	Count	N/A	N/A	N/A	N/A	N/A



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