

COMMUNICATION  
ON PROGRESS



JANUARY TO DECEMBER 2021



SECURE CONNECTIONS  
FOR A SMARTER WORLD

PUBLIC

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## A LETTER FROM OUR CEO



**KURT SIEVERS**  
President and CEO,  
NXP Semiconductors

Looking back at 2021, we faced many external challenges – from the ongoing COVID-19 pandemic, to the surge in semiconductor demand and associated supply shortage, to the historic snowstorm in Texas that forced us to idle our Austin wafer fabs under extreme conditions in an unprecedented manner.

Throughout this truly unparalleled time, the resilience, passion, and winning spirit of the NXP team ensured the consistency and continuity of the company. I am extremely proud of the actions taken across all our locations to protect our team members, meet customer commitments, and give back to the communities in which we live and work as we continue to advance our world.

We remain steadfast in our commitment to sustainability and making measurable year-on-year progress. I am deeply proud of what our team members achieved in the past 12 months.

### 2021 ACCOMPLISHMENTS

#### PRODUCTS

At NXP, we recognize we can be a powerful change agent as we continue to deliver innovative solutions that advance a more sustainable future.



**AUTOMOTIVE** Achieved a number of important successes in automotive electrification, part of our strategic priority to create leading solutions for clean, sustainable, power-efficient electric vehicles (EVs) and EV infrastructure like charging stations. Our battery-management solutions are now used by two of the three largest EV makers in their high-voltage systems, and now power large eBus fleets in China, electric bikes in India, and energy-storage projects in the United States.

Provided solutions that save energy in vehicles by improving the onboard networks that manage power. We reduce the switching losses of electric motors and make it possible to turn off electronic units when not in use. What's more, our CAN, LIN, FlexRay, and Ethernet solutions reduce the amount of wiring needed for the control network, thereby creating lighter, more energy-efficient vehicles.



**GREEN INNOVATION BOND** In May 2021, to help finance our development of ever-smarter chips that reduce energy consumption and emissions, we launched our second Green Innovation Bond. We expect the proceeds from this USD \$1 billion bond will be fully allocated at the end of 2022 and invested in projects such as increasing the energy efficiency of power adapters, extending smart mobility, preventing emissions through automated and connected traffic solutions, and reducing the amount of power consumed by smart buildings, the edge processors of cloud services, and 5G cellular networks.



**SMART TECHNOLOGY** Launched our high-performance i.MX applications processor with dedicated hardware to accelerate machine learning applications in vision, voice and audio; in addition to launching the industry's first-ever crossover microcontroller to run at 1Gigahertz. This enables smart devices to lower their energy footprint by analyzing the data at the edge, right where it is generated. Processing data at the edge reduces reliance on energy-consuming cloud communication, while also increasing data privacy. To complement our devices, NXP also released eIQ®, an easy-to-use machine learning software development toolkit for manufacturers to easily add intelligence to smart home and industrial devices for enabling energy efficient productivity enhancement.

Introduced our innovative crossover microcontroller that enables fully charged wearables and smartwatches to last as long as 21 days in some cases - three times longer than previously possible. Longer-lasting battery in wearables and smartwatches is not only a matter of convenience to users, but it is also a giant leap in reducing carbon footprint, especially with fast-growing use of wearables and smart watches.

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# A LETTER FROM OUR CEO

## 2021 ACCOMPLISHMENTS *continued*

### DIVERSITY, EQUALITY AND INCLUSION

In 2021, our overall employee population grew by nearly 8% compared to 2020. We hired ~8,000 employees, of which ~3,300 were women. Hence, the number of women at NXP grew by 1% to 37%, thanks to our focus in 2021 on workforce diversity. We also achieved a 1% increase in the number of women in R&D.

### HEALTH AND SAFETY

Employee health and safety remains a top priority for NXP, and we continue to maintain stringent protocols across our sites to protect our team members in response to the COVID-19 pandemic. Additionally, we maintained our lowest-ever injury rate of 0.08 (per 100 employees/working hours) for the second year in a row, keeping us well below the semiconductor industry average.

### CARBON FOOTPRINT

In 2021, we continued our efforts to limit the emission of greenhouse gases (GHGs) and succeeded in reducing our normalized carbon footprint (Scope 1 & 2) by 11% compared to 2020.

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### LOOKING FORWARD

We're living in a transformational time, where the significance of our industry is undeniable. The current supply/demand situation only underscores how vital semiconductors are for our lives, critical infrastructure, industries, and the sustainable future of our planet.

I'm inspired by our team's collective innovation and passion, which combined with our expertise and ongoing collaboration with customers, partners, and industry colleagues, will enable us to create the future we all envision.



# Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses

## Policies & Implementation

- [NXP Code of Conduct](#)
- [Supplier Code of Conduct](#) (multiple languages)
- [Responsible Business Alliance Code of Conduct](#)
- [NXP Commitment to Labor & Human Rights](#)
- [NXP Sustainability Policy](#)
- [NXP Responsibly Sourced Minerals Policy](#)

## Outcomes

- [NXP Sustainability and ESG Webpage](#)
- [NXP Labor and Human Rights Webpage](#)
- [NXP 2021 Modern Slavery and Human Trafficking Statement](#)
- [NXP Human-Rights Due Diligence](#)
- [NXP Responsible Minerals Sourcing Webpage](#)
- [NXP Social Responsibility Auditable Standards](#)
- [NXP Report on the UN SDGs](#)



# Labour

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
**Principle 4:** The elimination of all forms of forced and compulsory labor;  
**Principle 5:** The effective abolition of child labor; and  
**Principle 6:** The elimination of discrimination in respect of employment and occupation.

## Policies & Implementation

- [NXP Code of Conduct](#)
- [NXP Supplier Code of Conduct](#) (multiple languages)
- [Responsible Business Alliance Code of Conduct](#)
- [NXP Commitment to Labor & Human Rights](#)
- [NXP Sustainability Policy](#)
- [NXP Responsibly Sourced Minerals Policy](#)
- [NXP Diversity, Equality and Inclusion Policy](#)

## Outcomes

- [NXP Sustainability and ESG Webpage](#)
- [Labor and Human Rights Website](#)
- [NXP 2020 Modern Slavery and Human Trafficking Statement](#)
- [NXP Social Responsibility Auditable Standards](#)
- [NXP Report on the UN SDGs](#)
- [NXP Diversity Equity and Inclusion webpage](#)



# Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

## Policies & Implementation

- [NXP Code of Conduct](#)
- [NXP Supplier Code of Conduct](#) (multiple languages)
- [Responsible Business Alliance Code of Conduct](#)
- [NXP Sustainability Policy](#)

## Outcomes

- [NXP Environment Webpage](#)  
[Goals](#) [Emissions](#) [Energy](#) [Water](#) [Waste](#)
- [Interactive Environmental Performance Charts](#)
- [NXP Environmental Compliance Webpage](#)
- [NXP ISO 14001 Certification](#)
- [NXP Social Responsibility Auditable Standards](#)
- [NXP Report on the UN SDGs](#)



# Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## Policies & Implementation

- [NXP Code of Conduct](#)
- [NXP Supplier Code of Conduct](#) (multiple languages)
- [Responsible Business Alliance Code of Conduct](#)
- [NXP Sustainability Policy](#)

## Outcomes

- [NXP Ethics Webpage](#)
- [NXP Social Responsibility Auditable Standards](#)



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