

**Company Name** NXP Semiconductors  
**Industry** ICT (Own operations and Supply Chain)  
**UNGP Core Score (\*)** 14.5 out of 26

Score	Out of	For indicators
<b>Governance and Policy Commitments</b>		
1	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
1	2	A.1.5 Commitment to remedy
<b>Embedding respect and Human Rights Due Diligence</b>		
Embedding respect		
2	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
1.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
1	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
2	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
<b>Remedies and Grievance Mechanisms</b>		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1.5	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
1	2	C.7 Remedying adverse impacts and incorporating lessons learned
<b>14.5</b>	<b>26</b>	

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: General HRs commitment: The Company indicates that “The importance we place on maintaining high ethical and corporate social responsibility is reflected in our commitment to the labor and human rights of our employees” [Labor and Human Rights, N/A: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: UNGC principles 1 &amp; 2: The Company indicates that it is 'signatory of the United Nations Global Compact'. [CSR Report 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs: Although the Company indicates that supports the aim of the UN Guiding principles to arrive at universally accepted labour standards. No specific commitment to respect or uphold the UN Guiding Principles. [Labor and Human Rights, N/A: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Not met: OECD</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 3-6: The Company is signatory to the UN Global Compact. The CEO states in the corporate responsibility report that 'NXP is proud to be a signatory of the United Nations Global Compact and work towards meeting the goals of the 10 principles on human rights, labor, environment and anticorruption'. [CSR Report 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Not met: Explicitly list ALL four ILO for ICT suppliers: The Company indicates in the supplier Code of Conduct that the standards issued by the ILO have been used as references to prepare this code and explicitly mentions each of the ILO Core Labour Standards. 'Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used [...]'; 'Child labor is not allowed in any stage of manufacturing. 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 greater. [...]'; 'Suppliers shall be committed to a workforce free of harassment and unlawful discrimination [...]'; 'In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. [...]'. However, it is not clear whether the Company requires to respect those rights in all contexts, as it indicates 'in conformance with local law'. In these cases (companies referring to local laws in freedom of association and collective bargaining), companies are expected to require alternative mechanisms or equivalent workers bodies where the right to freedom of association and collective bargaining is restricted under law. [NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a> &amp; NXP Auditable Standards on Social Responsibility, 26/06/2018: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: The Company commits to each of Discrimination, child labour, forced labour and freedom of association. Although the Company also commits to respect the right to collective bargaining and this is integrated within its auditable standards, it is not clear the approach where these rights are restricted under local law: It states that 'NXP respects the right to be represented by trade unions and other employee organizations. NXP will, whenever applicable, engage in the negotiation process either on its on behalf or through employers' associations. Local rights and co-determination will be fully respected with a view to reaching agreement on the terms and conditions presented by employees'. The wording 'whenever applicable' does not make clear the circumstances, or whether it would provide alternatives on those places where it is restricted by law. In addition, in its document 'NXP Auditable Standards on</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Social Responsibility' the Company states: 'The rights of workers to associate freely, join or not join labor unions, seek representation, or join workers' councils in accordance with local laws shall be respected', as well as respecting the 'country's freedom of association and collective bargaining laws'. However, it is not clear whether it is committed to respect these rights in all contexts, as it is committed to respect them 'in accordance with local laws' (i.e. alternative mechanisms or equivalent worker bodies in those countries where there are legal restrictions to the exercise of these rights). [Code of Conduct NXP., 2015: <a href="http://investors.nxp.com">investors.nxp.com</a> &amp; NXP Auditable Standards on Social Responsibility, 26/06/2018: <a href="http://nxp.com">nxp.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Respect H&amp;S of workers: The Company indicates that 'NXP is committed to providing safe and healthy working conditions in order to keep us from harm and promoting our health. Health and safety programs, rules, and regulations apply at all sites, and we are all responsible for maintaining a safe workplace by following these health and safety programs, rules and regulations'. [Code of Conduct NXP., 2015: <a href="http://investors.nxp.com">investors.nxp.com</a>]</li> <li>• Met: H&amp;S applies to ICT suppliers: The Company recognizes in the Supplier Code of Conduct the importance of a healthy and safe work environment and has a specific policy for suppliers with health and safety standards that includes occupational safety, emergency preparedness, sanitation, industrial hygiene among others. [NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: working hours for workers: The Company indicates in its Code of Conduct 'Our work weeks shall not exceed the maximum set by local law and shall, in any event, not be more than 60 hours, including overtime, except during emergencies or exceptional circumstances to meet short-term business demand. We will be entitled to have at least one day off per seven-day period. Overtime work is voluntary, unless agreed upon by a collective labor agreement or union contract or, during emergencies or exceptional circumstances, to meet short-term business demand.' In addition, in its supplement to the Code of Conduct, the NXP Auditable Standards on Social Responsibility, the Company also states 'Regular workweek shall not exceed 48 hours.' [Code of Conduct NXP., 2015: <a href="http://investors.nxp.com">investors.nxp.com</a> &amp; NXP Auditable Standards on Social Responsibility, 26/06/2018: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: Working hours for ICT suppliers: The Company indicates in the Supplier Code of Conduct that 'Working hours are not to exceed the maximum set by local law. Further, a work week shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall have at least one scheduled day off every seven days and not work more than six consecutive days. All overtime shall be voluntary'. In addition, in its supplement to the Supplier Code of Conduct, the NXP Auditable Standards on Social Responsibility, the Company also states 'Regular workweek shall not exceed 48 hours'. [NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a> &amp; NXP Auditable Standards on Social Responsibility, 26/06/2018: <a href="http://nxp.com">nxp.com</a>]</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company indicates that 'We made stakeholder dialogue a part of our management processes and our Sustainability Policy. We address the interests of each group through various methods and make regular assessments of our effectiveness. We continue to strengthen our approach, creating an additional structure where needed and improving the overall quality of each interaction'. Furthermore, the company discloses a chart where it indicates the different groups of stakeholders they deal with and a description of the interaction they maintain. [Stakeholder Engagement, N/A: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: Regular stakeholder engagement: The Company indicates that 'Consistent and open communication with a diverse range of stakeholders leads to continuous improvement as we work to bring respect for human rights across NXP and our supply chain. [...] Our approach to stakeholder engagement is a continuous dialogue that enables us to identify and address potential issues proactively and collaboratively'. The Company reports employee-management engagement 'openly practiced at all sites, such as coffee talks, dialog sessions or programs where workers can raise concerns directly to the site general manager'. In addition, in its latest MSA Statement, the Company lists its engagement activities during the year. [MSA 2017, 2018: <a href="http://nxp.com">nxp.com</a> &amp; MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material.</li> <li>• Not met: Regular stakeholder design engagement: The Company indicates that 'Consistent and open communication with a diverse range of stakeholders leads to continuous improvement as we work to bring respect for human rights across NXP</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			and our supply chain. [...] Our approach to stakeholder engagement is a continuous dialogue that enables us to identify and address potential issues proactively and collaboratively.' However, no evidence found of specific engagement on human rights approach with affected stakeholders in the last two years. No new relevant evidence found in latest reports. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [MSA 2017, 2018: <a href="http://nxp.com">nxp.com</a> ]
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to remedy: The Company states in its CSR 2018: 'We are committed to engage with potential or actual affected stakeholders who might be, or are, impacted by the company's activities and find solutions to remedy any adverse impacts.' [CSR Report 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with ICT suppliers to remedy impacts: The Company indicates that 'NXP is committed to work with our suppliers and their workers to remedy any adverse impacts through collaboration'. In addition, in its MSA 2018, the Company reports: 'In 2017, during a supplier audit, workers whom were interviewed were provided with NXP business cards that contained the NXP's grievance mechanism. A representative for the foreign workers contacted our email address and reported issues in which NXP escalated to the supplier's management team. Throughout 2018, NXP continued to work with the supplier to make positive steps to resolve the workers grievance.' Although, the Company states that it works with suppliers to resolve grievances, no details found describing how the Company is actually working with its suppliers to remedy using suppliers' own mechanisms. [Supplier Engagement, N/A: <a href="http://nxp.com">nxp.com</a> &amp; MSA 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> </ul>

## Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to the UN Global Compact.</li> <li>• Met: Senior responsibility for HR: The Company indicates that the 'social responsibility board is represented by the Chief Human Resources Officer (chair), and representatives from the following functions: Legal, Operations, Finance, Sales, Quality, Purchasing, Business Groups and the Sustainability Office. The NXP social responsibility board establishes strategy and sets targets, while the social responsibility team, under the direction of Senior Director of Sustainability and EHS, performs operational functions. The social responsibility board meets annually to discuss and review the social responsibility program and provide resources to maintain and advance the NXP's social responsibility standards, supplier code of conduct as well as NXP and our suppliers' performance related to labor and human rights'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Day-to-day responsibility: The Company indicates: 'The social responsibility team is tasked to: NXP Operations: Set targets; Annual self-assessment; 3rd party audits; Timely closure of corrective action plans; Monitor &amp; control working hours/rest days; Monitor/control labor agents; Internal training. Supply Chain: Set targets; Supplier commitment to Supplier CoC; Annual supplier risk assessment; Supplier self-assessment; 3rd party audits; Timely closure of corrective action plans; Supplier training'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: Day-to-day responsibility for ICT in supply chain: As indicated above: 'The social responsibility team is tasked to: Supply Chain: Set targets; Supplier commitment to Supplier CoC; Annual supplier risk assessment; Supplier self-assessment; 3rd party audits; Timely closure of corrective action plans; Supplier training'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: The Company states in its MSA: 'We involve all relevant functions and businesses across NXP and engage with external stakeholders to identify practices that may lead to a greater risk of non-compliance with our policies and standards. The NXP social responsibility and purchasing teams identify salient human rights risks through our own risk analysis and through the collaboration between key stakeholders such as industry associations, expert groups, NGOs and results from the supplier assessments and audits'. [MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> <li>• Met: Identifying risks in ICT suppliers: On its website Supplier Engagement, under the tab Risk Assessments and Audits, the Company states: 'All suppliers, approximately 10,000, are included in our annual risk assessment analysis. The risk assessment identifies suppliers that are at risk of having human rights issues such as forced/bonded labor, migrant worker index, decent wages, humane treatment, child labor risks and health and safety. As part of our annual risk assessment, NXP engages with Versik Maplecroft and Verité Cumulus to identify forced labor and human trafficking risks in our supply chains. Versik Maplecroft provides NXP with a screen of our supply chain for inherent risk and predictive models in areas such as forced labor, child labor and working conditions. Verité Cumulus provides NXP online technology to identify forced labor and human trafficking risks with our labor agents. Cumulus maps and assesses our labor agents in both the receiving and sending countries and their recruitment practices. Three risk criteria are considered when assessing a supplier: geographical risk, product risk and business criticality'. [Supplier Engagement, N/A: <a href="#">nxp.com</a> &amp; Social Responsibility, N/A: <a href="#">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: As indicted above, the Company's social responsibility and purchasing teams identify salient human rights risks both in its own operations and its supply chain. Annual process. [MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> <li>• Not met: In consultation with stakeholders: The Company indicates that its 'social responsibility and purchasing teams identify salient human rights risks through our own risk analysis and through the collaboration between key stakeholders such as industry associations, expert groups, NGOs [...]'. However, it is not clear if it engages with affected (or potentially affected) stakeholders as part of the human rights risk identification/assessment process. [MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> <li>• Met: In consultation with HR experts: With respect its supply chain risk assessment process, the company states: 'As part of our annual risk assessment, NXP engages with Versik Maplecroft and Verité Cumulus to identify forced labor and human trafficking risks in our supply chains.' In addition, in its MSA, the Company indicates: 'The NXP social responsibility and purchasing teams identify salient human rights risks through our own risk analysis and through the collaboration between key stakeholders such as industry associations, expert groups, NGOs [...]'. [Supplier Engagement, N/A: <a href="#">nxp.com</a> &amp; MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): The Company states in its MSA: 'The NXP social responsibility and purchasing teams identify salient human rights risks through our own risk analysis and through the collaboration between key stakeholders such as industry associations, expert groups, NGOs and results from the supplier assessments and audits. The issues that we have determined to be most critical, specifically related to labor and human rights within NXP and in our supply chain, are: Accurate contract, Child labour, Working Hours &amp; Rest Days, Forced and Bonded Labour, Fair wages, No fees, and Retention of Documents.' However, no further details found, including how relevant factors are taken into account, such as economic, social, geographical or others. [MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> <li>• Met: Public disclosure of salient risks: The Company states in its MSA: 'The issues that we have determined to be most critical, specifically related to labor and human rights within NXP and in our supply chain, are: Accurate contract, Child labour, Working Hours &amp; Rest Days, Forced and Bonded Labour, Fair wages, No fees, and Retention of Documents'. [MSA 2019, 06/2020: <a href="#">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Action Plans to mitigate risks: The Company discloses information about its actions to 'mitigate these risks through improvements to our policies, strategies, collaborative capacity building, self-assessments and audits within NXP and our supply chain.' For instance, with respect 'Retention of documents', the Company indicates: 'Clear policy in place that workers are not required to surrender personal documents; Personal, lockable, secured storage units are available in facilities, dormitories/housing or both; Grievance mechanism is in place to confidentially report any violations of this policy.' It also presents its actions planned for the next years: 'From 2020 thru 2022, we will continue to work with expert organizations, NGOs, CSOs and Academia to advance our program and standards. We will increase our efforts at an industry level to identify and remediate actual and potential cases of labor and human rights abuses. We will integrate labor and human rights risks through the Environment, Social and Governance (ESG) board which will report to the Nominating and Governance Committee of NXP's Board of Directors. We will deploy a worker voice app for labor and human rights across our manufacturing facilities and create a labor and human rights remediation committee to effectively and efficiently respond to any worker grievance. We will deploy a labor and human rights survey and identify strengths and weaknesses of our program from the workers voice by engaging with external stakeholders like Verité to review our social responsibility program. We will update the Supplier Code of Conduct and create a supply chain portal to enhance engagement and communication with supplier and to manage our supply chain requirements and metrics. In the supply chain, our goal is to continue raising awareness through webinars and targeted training to help our suppliers develop a best in class program'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: Including in ICT supply chain: See above. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Met: Example of Actions decided: The Company provides a video where the Company describes the problem of modern slavery in Indonesia and how it ensures that practices are adequate, policy, audits, etc. The video mentions also training, making people aware of their rights, provision of passports for free, and visits to schools to address concerns and explaining processes and steps until joining the Company's factory. The process refers to recruitment young people in Indonesia for working in Company's facilities in Malaysia. [The Fight Against Modern Slavery - Youtube video, n/a: <a href="http://youtube.com">youtube.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. Evidence focuses in compliance tracking. This indicator looks for a global system to check if risk-based action plans to mitigate risks are being effective or have not produced the desired results. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Comms plan re identifying risks: See indicator B.2.1. The Company carries out a global risk identification and assessment process that includes both its own operations and business partners, and describes at least some features of the process.</li> <li>• Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2</li> <li>• Met: Comms plan re action plans for risks: See indicator B.2.3</li> <li>• Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4.</li> <li>• Met: Including ICT suppliers</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Responding to affected stakeholders concerns: The Company reports: 'In 2019 we received two notifications from our grievance mechanism of labor and human rights abuses from a supplier and 2nd tier supplier. In both cases, we launched an investigation, followed by an on-site audit revealing various forms of forced labor. All affected workers were remediated, such as reimbursement from recruitment fees and the return of their personal documents'. However, this indicator looks for evidence of how the Company respond to specific concerns raised by stakeholders in terms of communication of actions with affected people. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> <li>Not met: Ensuring affected stakeholders can access communications</li> </ul>

## Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Channel accessible to all workers: The Company indicates: 'At NXP we make use of communication programs to ensure that every employee is informed on their worker voice rights. Employees can report to their manager through the open-door policy, the country ethics compliance liaison, ethics committee and or the 3rd party Grievance line (anonymous reporting is available). Information about the whistleblower and complaint channels are easily accessible and visible (external website, intranet, grievance box, 3rd party grievance lines, posters, etc.)'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Number grievances filed, addressed or resolved: The Company indicates that 'In 2018, 51% of the allegations were substantiated, and disciplinary measures were taken according to the severity of the breach: an official warning, suspension or dismissal. Investigations and reporting includes grievances from NXP workers, NXP suppliers or our suppliers' workers. The reports received did not relate to modern slavery or human trafficking in 2018.' However, no evidence found about the number of grievances filed and addressed/resolved related to human rights, including the complaints collected during audits in workers' interviews. No new evidence found in latest revision. [MSA 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> <li>Met: Channel is available in all appropriate languages: The Company indicates on its website and in its CSR 2018 that: 'The grievance mechanism is available in most languages. [...] Information about the various complaint channels are clearly communicated, free, easily accessible, and visible (grievance box, whistleblower service - such as our SpeakUp line, external website, posters with the ability to report anonymously). Workers are trained, upon hire in a language they understand. At our sites, we make use of communication programs to ensure that every employee is fully informed and understands the policy of non-retaliation'. [CSR Report 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> <li>Met: Opens own system to ICT supplier workers: According to its Human Trafficking Statement: 'All employees within NXP and outside stakeholders, a supplier, a supplier's employee or NGO for example, can report incidents to NXP. Even workers in the supply chain are provided NXP's grievance email and local phone number'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Grievance mechanism for community: The Company indicates that 'All employees within NXP and outside stakeholders, a supplier, a supplier's employee or NGO for example, can report incidents to NXP. Even workers in the supply chain are provided NXP's grievance email and local phone number'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Describes accessibility and local languages: The Company indicates on its website and in its CSR 2018 that: 'The grievance mechanism is available in most languages. [...] Information about the various complaint channels are clearly communicated, free, easily accessible, and visible (grievance box, whistleblower service - such as our SpeakUp line, external website, posters with the ability to report anonymously). Workers are trained, upon hire in a language they understand. At our sites, we make use of communication programs to ensure that every employee is fully informed and understands the policy of non-retaliation'. However, no evidence of grievance mechanisms that are accessible to all potentially affected stakeholders including in local languages (evidence on accessibility seems to refer to employees). [CSR Report 2018, 2019: <a href="http://nxp.com">nxp.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>Met: ICT supplier communities use global system: As indicated above, the Company states that 'All employees within NXP and outside stakeholders, a supplier, a supplier's employee or NGO for example, can report incidents to NXP. Even workers in the supply chain are provided NXP's grievance email and local phone number. 'In its Supplier Code of Conduct the Company states: 'Supplier shall have ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a> &amp; NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a>]</li> </ul>
C.7	Remediating adverse impacts and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Describes how remedy has been provided: The Company reports in its MSA: 'In 2019 we received two notifications from our grievance mechanism of labor and human rights abuses from a supplier and 2nd tier supplier. In both cases, we launched an investigation, followed by an on-site audit revealing various forms of forced labor. All affected workers were remediated, such as reimbursement from recruitment fees and the return of their personal documents'. [MSA 2019, 06/2020: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Changes introduced to stop repetition</li> <li>Not met: Approach to learning from incident to prevent future impacts</li> <li>Not met: Evaluation of the channel/mechanism</li> </ul>

### Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>Headline: NXP &amp; other electronics companies' suppliers accused of forced labour on migrant workers in Malaysia</li> <li>Area: Forced labour, working hours, right to security</li> <li>Story: On June 28, 2019, Danwatch, a Danish investigative media and research centre, published an investigation report detailing alleged fundamental human and labour rights violations against Nepalese and Indonesian migrant employees working at Malaysian factories producing components for major electronics companies, including NXP.</li> </ul> <p>The report is based on interviews with workers employed by labour agency JS Global, which supplies workers to manufacturing companies, including German industrial group Possehl, which supplies products to Infineon, ST Microelectronics, NXP, Texas Instruments, Vishay and Diodes Inc.</p> <p>Employees reported several allegations constituting some form of forced labour</p> <ul style="list-style-type: none"> <li>- excessive recruitment fees (exceeding amounts required by Malaysian government-approved agencies for the legalisation of workers' status)</li> <li>- arbitrary reductions of wages</li> <li>- violent threats when employees complained about wage reduction or non-payment</li> <li>- passport confiscation</li> <li>- excessive overtime work</li> </ul> <ul style="list-style-type: none"> <li>Sources: [Danwatch — 28/06/2019: <a href="http://danwatch.dk">danwatch.dk</a>] [ ] [ ] [ ]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Public response available: The Company, 'once becoming aware of alleged labor issues at this particular sub-tier supplier – has been working closely together with Possehl, industry associations and other ICT companies to remedy the position of the affected workers'. [NXP statement related to the article "Forced labour behind your screen" by Danwatch, 07/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Response goes into detail</li> </ul>
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Company policies address the general issues raised: The Company has policies about forced labour and working hours as part of its Code of Conduct. [Code of Conduct NXP., 2015: <a href="http://investors.nxp.com">investors.nxp.com</a>]</li> <li>Met: Policies apply to the type of business relationships involved: The Supplier Code of Conduct includes standards for freely chosen employment and working hours. [NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Policies address the specific rights in question: The Supplier Code states specifically that 'Suppliers and agents may not hold or otherwise destroy, conceal,</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports or work permits, unless the holding of work permits is required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. Such fees and expenses include, but are not limited to expenses associated with recruitment, processing, or placement of workers. If any such fees are found to have been paid by workers, Supplier shall be responsible that such fees shall be repaid to the worker.' The Code also includes policies relating to maximum working hours and minimum breaks, and the Auditable Standards on Social Responsibility states that a regular work week must not exceed 48 hours, matching international standards. [NXP Supplier Code of Conduct, 11/2018: <a href="http://nxp.com">nxp.com</a> & NXP Auditable Standards on Social Responsibility, 26/06/2018: <a href="http://nxp.com">nxp.com</a> ]
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders: The Company states it 'has been working closely together with Possehl, industry associations and other ICT companies to remedy the position of the affected workers with the priority on the repayment of fees and back-wages and making sure that workers will be treated with respect, dignity and be able to be repatriated to their home country if requested or required.' No evidence found of the Company working directly with the affected workers or their representatives. [NXP statement related to the article "Forced labour behind your screen" by Danwatch, 07/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Provides remedies to affected stakeholders: The Company states it 'has been working closely together with Possehl, industry associations and other ICT companies to remedy the position of the affected workers with the priority on the repayment of fees and back-wages and making sure that workers will be treated with respect, dignity and be able to be repatriated to their home country if requested or required.' No evidence found of the Company working actually providing remedy. [NXP statement related to the article "Forced labour behind your screen" by Danwatch, 07/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Has reviewed management systems to prevent recurrence</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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