



# Environment, Social and Governance (ESG)



## NXP'S 2020 JOURNEY

### GOALS

- Increase ESG transparency
- Ensure ESG scores better reflect NXP's ESG achievements

### STRATEGY

- Strengthen ESG oversight
- Report industry comparative information

### OBJECTIVE

- Publish ESG report prior to our Proxy
- Proactively engage with stakeholders with current information

## 2020 PROGRESS

### STRENGTHENED OVERSIGHT

Established an ESG Management Board

- Co-Chaired by NXP's CFO and General Counsel
- Participants from Sustainability, Legal, Human Resources and Investor Relations

Enhanced direct and bidirectional communication with the Board's Nominating and Governance committee and the Board's designated ESG oversight committee

### DIRECT SHAREHOLDER ENGAGEMENT

Direct meetings with the governance teams of several major active shareholders with:

- Chairman of the Board
- Compensation Committee Chair
- Nominating and Governance Committee Chair

### ESG STRATEGIC FOCUS

Enlisted an ESG advisory service:

- Interviewed our shareholders
- Analyzed ESG scores
- Analyzed our peers

Identified eight strategic focus areas

### ESG REPORTING PLATFORM

Onboarded an ESG reporting platform

Enables enhanced publication of ESG information:

- Multiple frameworks
- Various standards
- Ad hoc requests

## 2020 ACCOMPLISHMENTS



### ESG RATING SCORE IMPROVEMENTS

**19.2 (low risk)** Sustainalytics improvement

**B- and Prime ISS ESG** ranking improvement

**Outperformer title** from State Street Global Advisors



### HUMAN RIGHTS BENCHMARK RANKINGS AMONG ICT SECTOR

**#5 (out of 44):** Corporate Human Rights Benchmark (CHRB)

**#8 (out of 49):** Know the Chain (KTC)



### SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Published our first **SASB report**