Business Resilience & Crisis Management

October 2025

Overview

Policy

Vision

Governance and Implementation

Examples of Management Systems

Business Resilience & Crisis Management

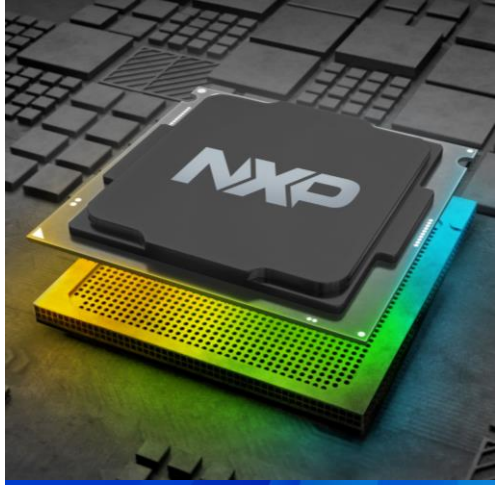
Policy

- NXP operates a **Business Resilience & Crisis Management System** modeled after the guidelines of ISO 22301, ISO 22316, ISO 31000 and IATF 16949 section 6.1.2.3.

- **Boards, teams and plans** are established at the local, global and functional levels to anticipate opportunities and risks, continuously improve our business performance, respond to critical incidents and comply with applicable requirements.

- We take proactive actions **for the benefit of our customers, investors, team members and communities**.

Information outside of this overview can be obtained by writing to bcm@nxp.com.



NXP Business Resilience & Crisis Management Office

Vision: Customers, investors, team members & communities trust NXP as the most reliable semiconductor company

Provides unified view & approach across NXP to maximize opportunities & minimize risks

Cultivates culture of resilience through proactive, standardized best practices

Spearheads aligned collaboration, communication & information

Leads response to immediate incidents & crises

Governance

- **Board of Directors**
- **MT Steering Committee (CEO & EVPs)**
- **Business, country & site leaders**
- **Boards & management systems**
- **Resilience & crisis teams**

Implementation

- **Resilience**
  - Business & impact analyses (positive & negative)
  - Priority assessments (life safety, image & reputation, financial)
  - Resilience teams & plans for highest scored opportunities & risks
- **Incidents & crises**
  - Incident Command System
  - Simulation exercises
  - Crisis teams & plans for in-progress or emerging critical risks

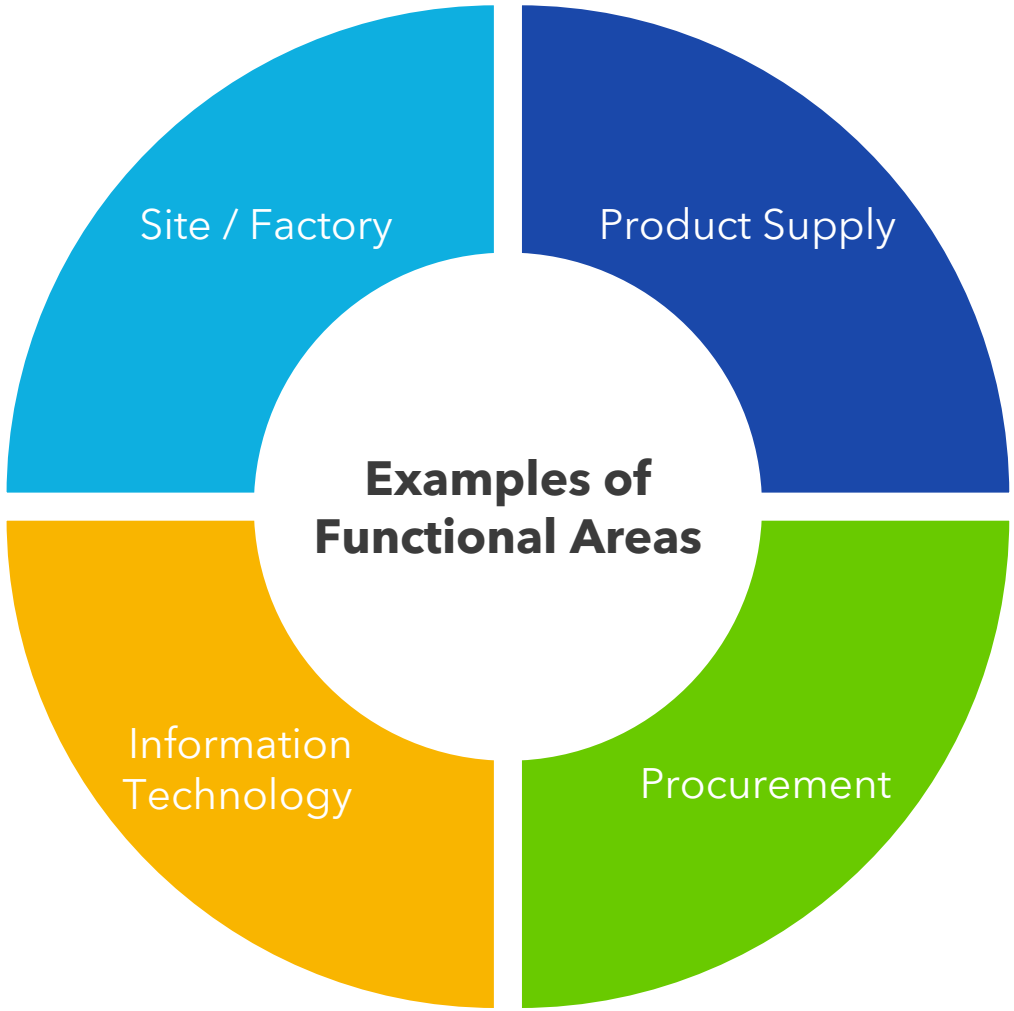
Principal approaches

Integrate & optimize
Simple core concepts that adjust for complex / technical

5A model: anticipate, arrange, act, achieve, assess
Software platform for information management

Business Resilience & Crisis Management

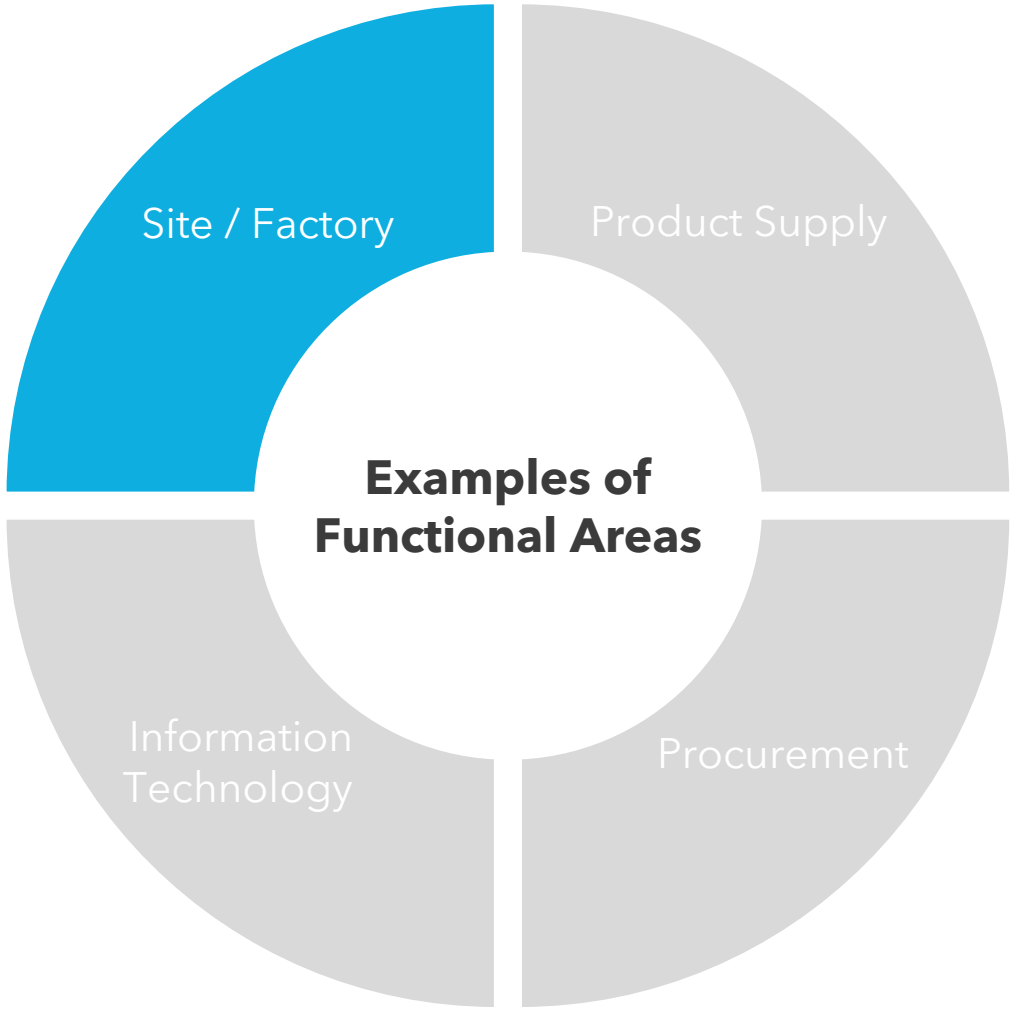
Management Systems



- Coordinated through the Business Resilience & Crisis Management Boards at the global and local levels
- Each functional area focuses on a specific operational aspect
- During a crisis, all areas interact with and complement each other through the applicable Crisis Management Team
- Conduct annual reviews and exercises

Business Resilience & Crisis Management

Management Systems



Site / Factory

Assures Operation of Site Assets

- Impact Analyses and Priority/Risk Assessments focus on areas of likelihood and severity for various event scenarios (considering recovery time from an incident)
- Mitigation actions are defined and tracked, with corporate oversight, to reduce likelihood and/or severity of risks
- Teams receive specialized training and conduct regular exercises
- Certified: ISO14001, ISO27001, ISO45001, ISO9001, IATF16949, CTPAT, AEO

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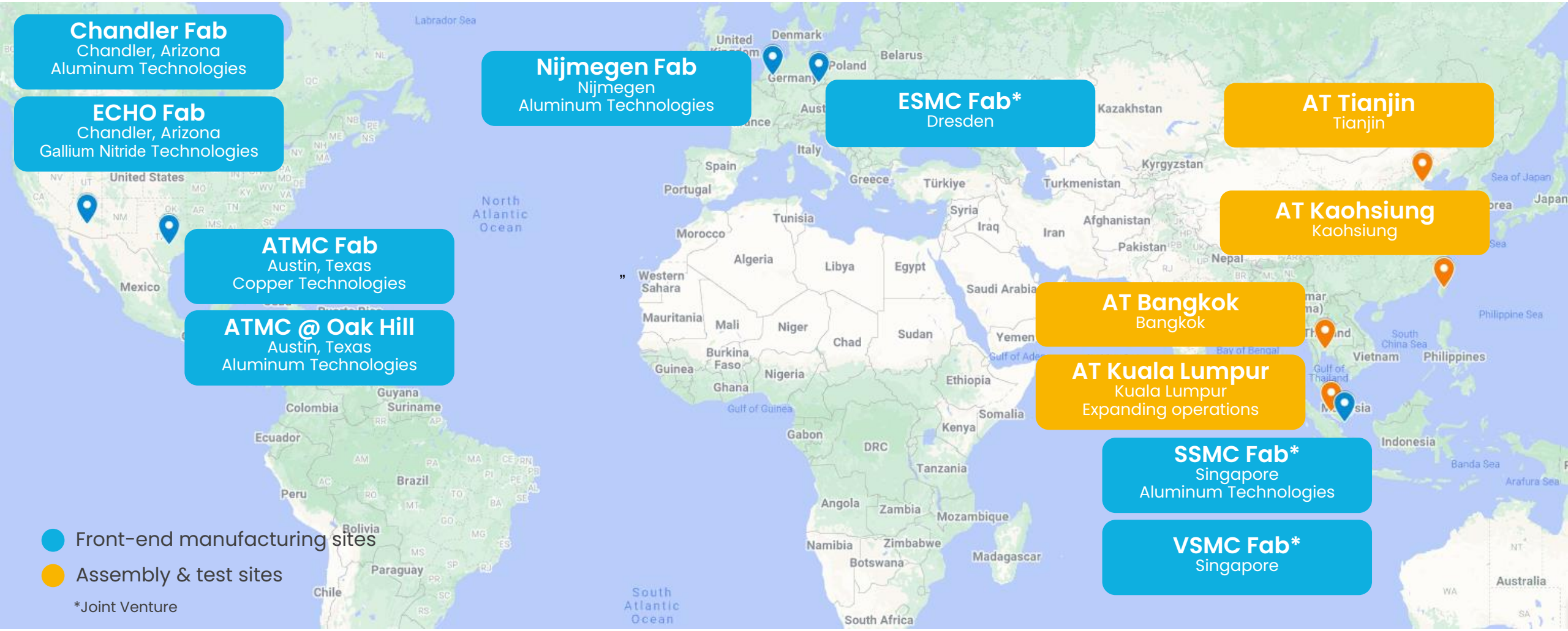
NXP front-end manufacturing and assembly & test sites



Certified For: ISO14001, ISO27001, ISO45001, ISO9001, IATF16949, CTPAT, AEO

Business Resilience & Crisis Management

Site / Factory: Prevention – Management Foundation

- Each NXP factory has identified potential risks that could have an impact on **product supply to end customers**. These include:
  - Assets and factory equipment
  - Facilities systems and utility infrastructure (electricity, water, etc.)
  - Regional risks (natural hazards)
  - Supply risks (wafers, chemicals, gases)
  - Other risks (HR, IT, Legal, External)
- Each NXP factory regularly updates Impact Analyses and Priority/Risk Assessments to **identify preventive actions and reduce risk to us and our customers**
  - Failure Modes & Effects Analyses (FMEAs)
  - Utility & Infrastructure Assessments
  - Business Impact Analyses (at time intervals – e.g., immediate, day, week, month, year)
- Each risk and opportunity is evaluated for the **likelihood of occurring** and the severity of each of three **impact types**, resulting in **thousands of aspects assessed**
  - Life Safety
  - Image & Reputation
  - Financial

Score		
Opportunity	Very High Positive	+15 to +25
	High Positive	+10 to +14
	Medium Positive	+6 to +9
	Low Positive	+4 to +5
	Very Low Positive	+1 to +3
Risk	Very Low Negative	-1 to -3
	Low Negative	-4 to -5
	Medium Negative	-6 to -9
	High Negative	-10 to -14
	Very High Negative	-15 to -25

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Site / Factory: Geo & Environmental Hazard Evaluation

- Within the impact analysis and risk assessment, we incorporate likelihood ratings of natural hazards
- The scores are sub-national (local) and presented on a scale of 0 – 10 (almost certain – very unlikely)

Name	SSMC	Chandler	Oak Hill	ATMC	ICN8	ATKL	ATTJ	ATBK	ATKH
Flood Hazard Index	10	10	10	10	10	10	8	10	8
Seismic Hazard Index	9	9	10	10	9	8	8	9	3
Tropical Storm and Cyclone Hazard Index	10	10	10	10	10	10	10	10	2
Tsunami Hazard Index	4	10	10	10	10	10	10	10	8
Wildfire Hazard Index	10	5	7	7	8	10	7	8	8
Severe Storm Index	2	7	4	4	8	1	5	2	4

Maplecroft Scores and Definition	
0-2	Almost Certain
3-4	Likely
5-6	Possible
7-8	Unlikely
9-10	Very Unlikely

Source: Verisk Maplecroft

Country	City	Site Code	Address	Latitude	Longitude
China	Tianjin	ATTJ	No. 15 Xing Hua Ave, Xiqing Economic Develop Area, XiQing, Tianjin 300385, China	39.129498	117.251038
Malaysia	Kuala Lumpur	ATKL	No. 2 Jalan SS 8/2 FIZ Sungai Way, Selangor Petaling Jaya, Selangor 47300, Malaysia	3.0857352	101.612458
Netherlands	Nijmegen	ICN8	Gerstweg 2, 6534 AE Nijmegen, Netherlands	51.8244369	5.819836
Singapore	Singapore	SSMC	70 Pasir Ris Industrial Drive 1, Singapore 519527	1.382669	103.934870
Taiwan	Kaohsiung	ATKH	10, Jing 5th Road, NEPZ Kaohsiung, Taiwan 81170	22.4307	120.181100
Thailand	Bangkok	ATBK	303 Moo 3 Chaeng Watthana Rd, Talat Bang Khen, Lak Si, Bangkok 10210, Thailand	13.8813611	100.586623
USA	Chandler	Chandler	1300 North Alma School Rd, Chandler, AZ 85224, USA	33.3254525	-111.863586
USA	Austin	ATMC	3501 Ed Bluestein Blvd, Austin, TX 78721, USA	30.2696225	-97.665188
USA	Austin	Oak Hill	6501 William Cannon Drive West, Austin, TX 78735, USA	30.237199	-97.8694565

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Site / Factory: Facility System Reliability

- Continuous uptime, without fail, is required for factory operation
- Significant measures are taken to ensure **high reliability**, including:

Life Safety Systems

- Continuous toxic gas monitoring and high-sensitivity smoke detection

Prevention

- **Facility Equipment**
  - **Designed redundancy**
  - **FMEA/Risk assessment**
  - Comprehensive preventive maintenance and monitoring, including predictive
  - Onsite inventory of critical spare parts
  - **Standard work instructions** and extensive OTJ training
- **Structured Problem Solving**
  - Incident & Near Miss **5-Why / 8D / Root Cause analyses**
  - OCAP - Off-hours on-call program to ensure quick response
- Plans for effective containment and to prevent further impact

Process Monitoring and Control

- Continuously staffed control rooms with **real-time alarms**
- Data trending & storage of critical parameters with **performance KPIs**

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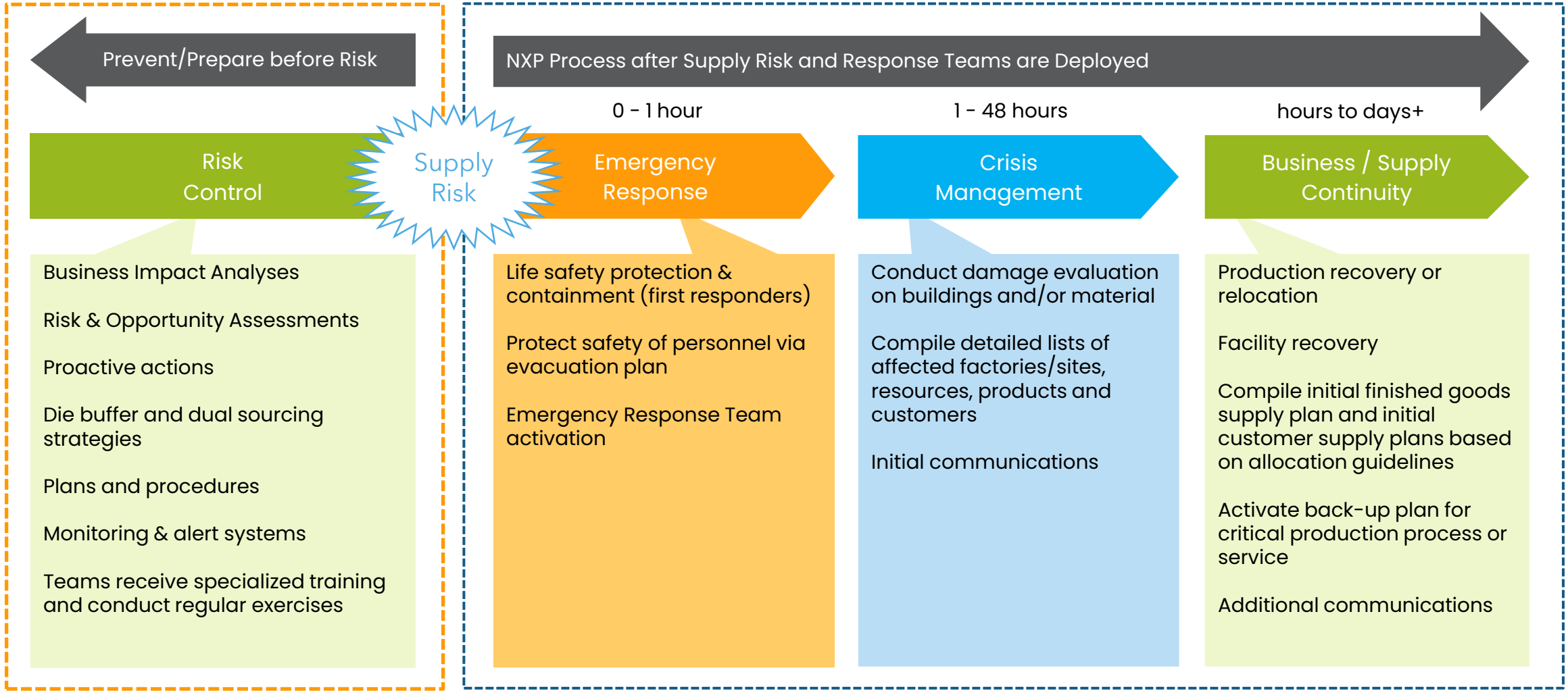
Site / Factory: Management Timeline



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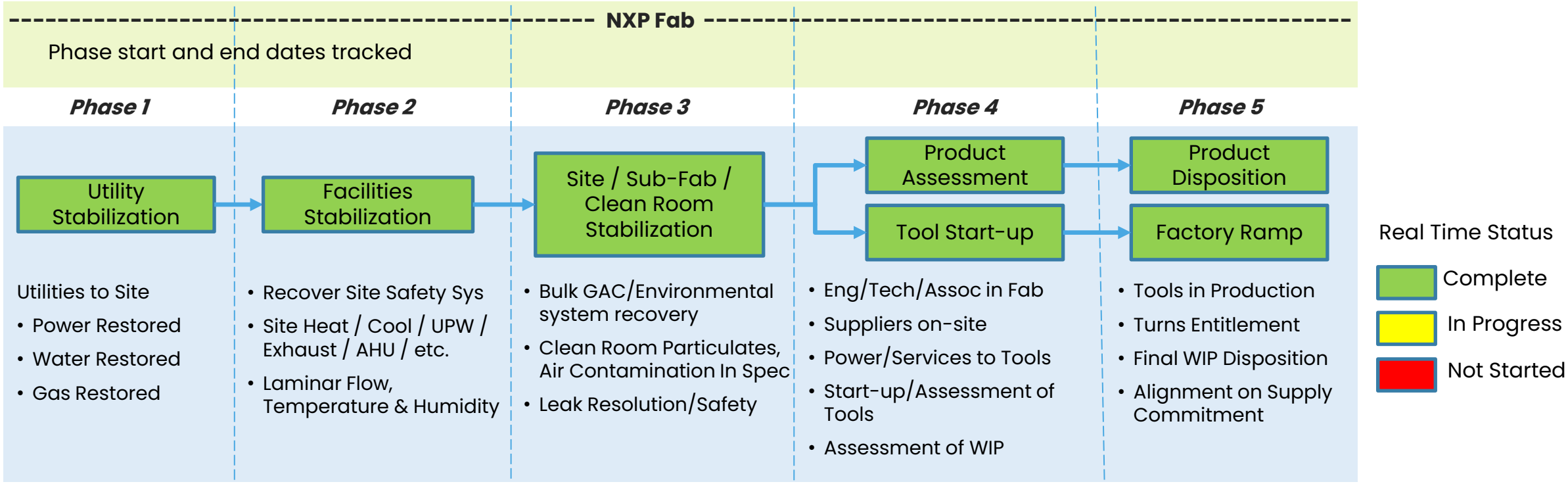
Site / Factory: Recovery From A Factory Down Situation

- In this unlikely event, NXP utilizes a five phased recovery process
- Each phase is closely monitored for estimated and actual start & end dates
- Daily briefings / updates held with working and executive teams to expedite each phase and optimize recovery time
- The overall recovery period will vary with the degree of utilities and systems impacted



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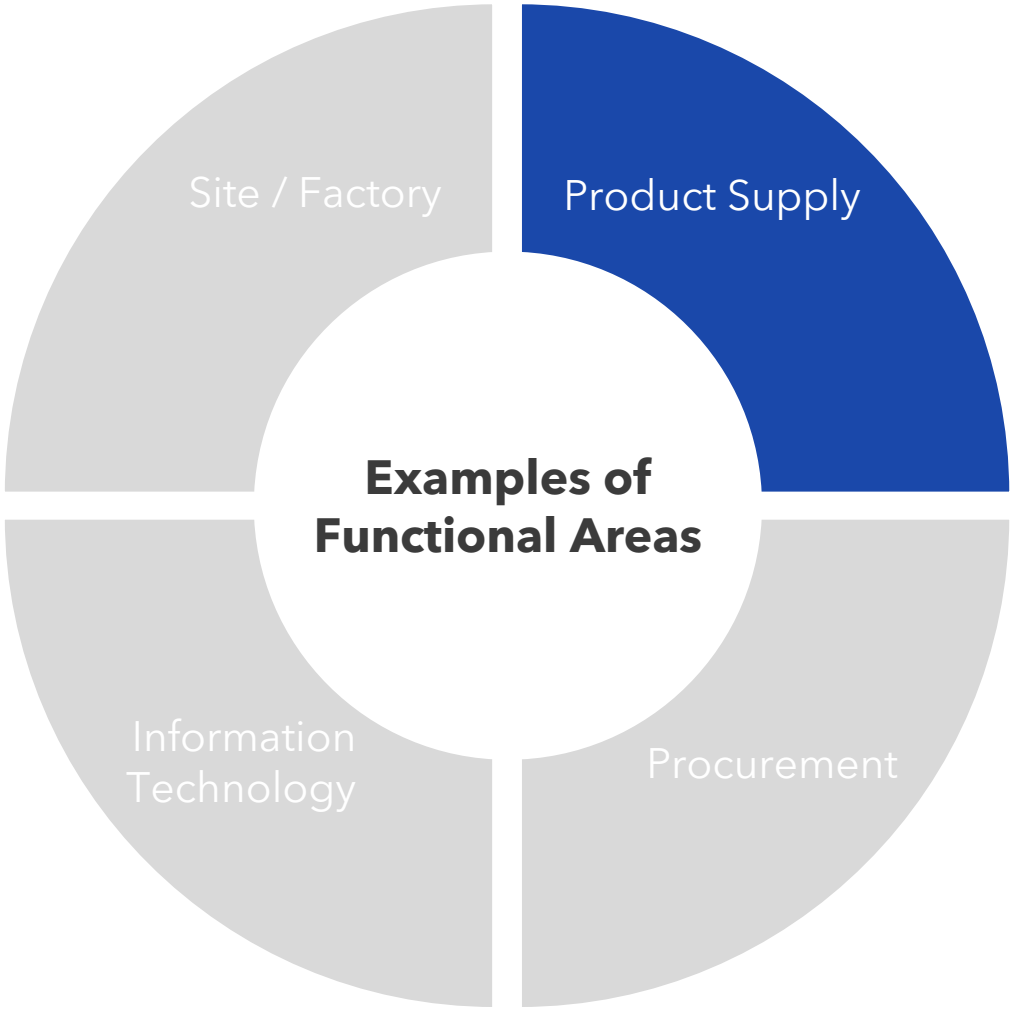
Management Systems



Product Supply

Assures Product Delivery to Customers

- Assessment and response team initiation for product supply
- Information gathering hub
- Product allocation / Decision-making hub
- Communication protocols for internal and external
- Die buffer, dual source and capacity strategies

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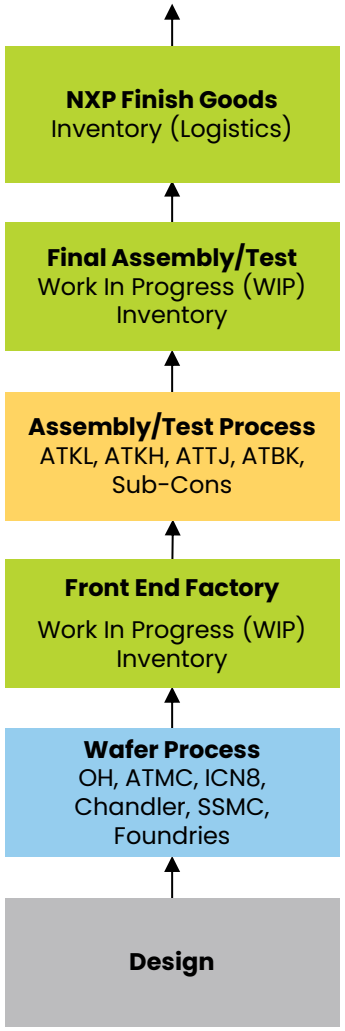
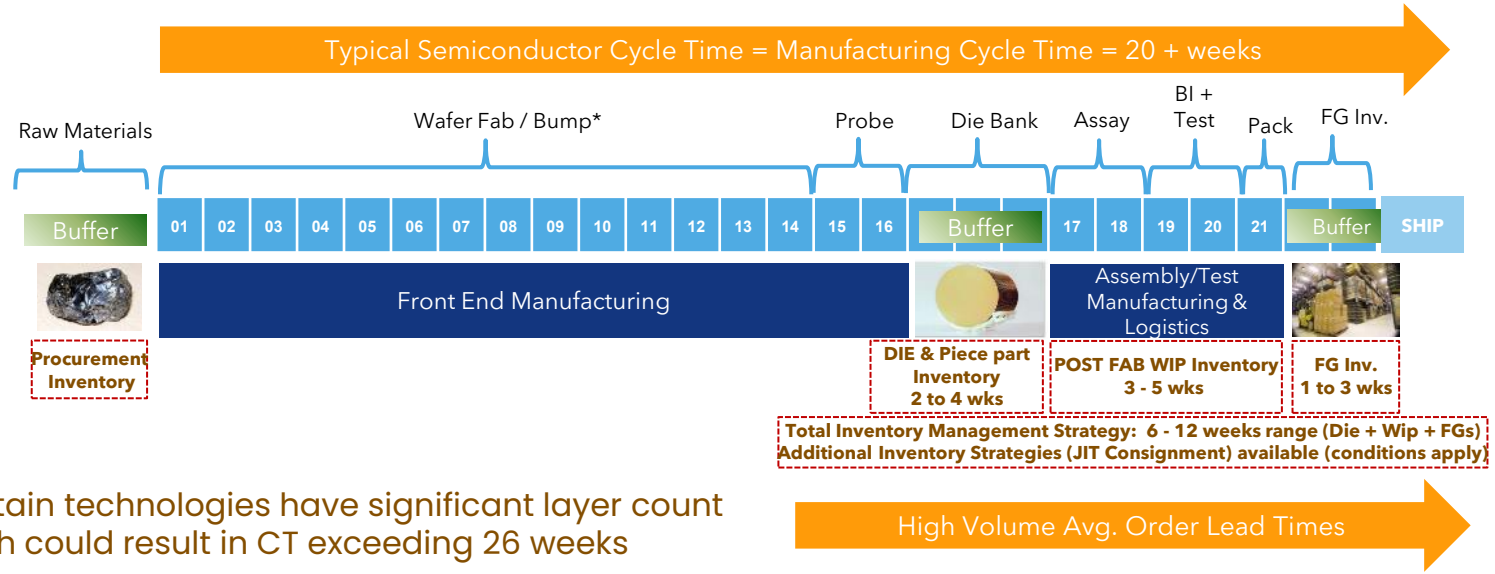
Product Supply: Die Buffer Strategy



- Typical semiconductor manufacturing cycle time from wafer start to finished good test out could be 20 - 26 weeks
- Die and finished goods buffers established based on forecasted run rates can help reduce customer order lead times to more manageable levels
- Forecasts and order coverage (actual orders placed ≥ LT) are extremely important to help keep lead times lower
- Unexpected / un-forecasted increases can quickly diminish buffer levels, resulting in extended lead times



*Certain technologies have significant layer count which could result in CT exceeding 26 weeks

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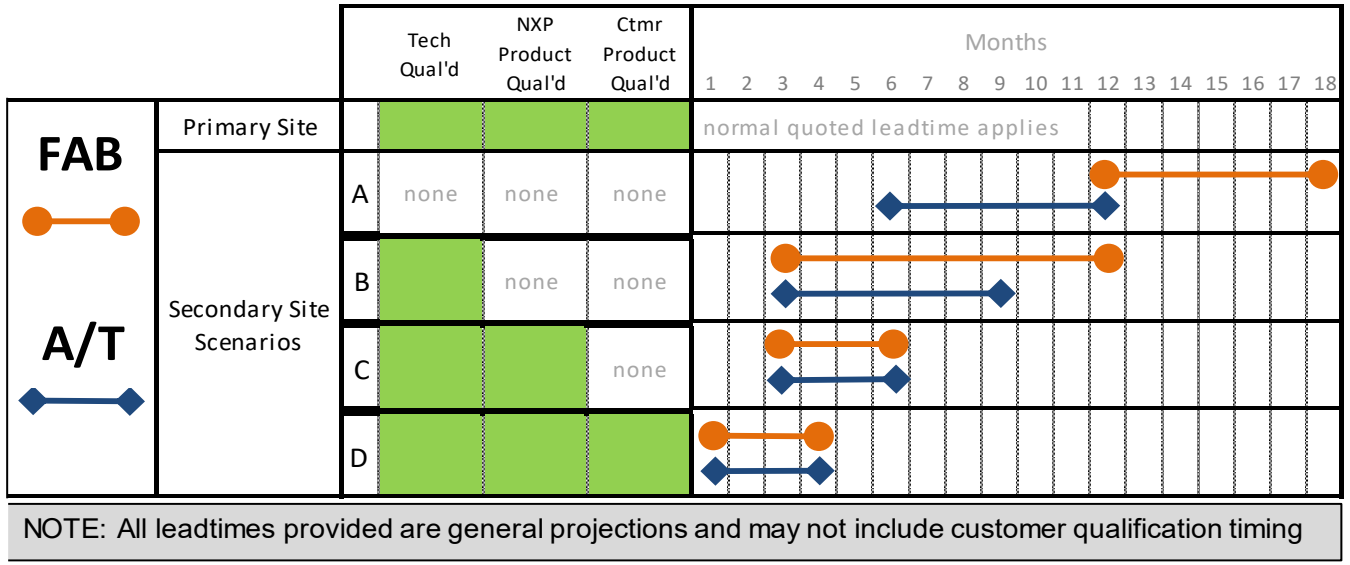
Product Supply: Dual Sourcing Strategy



Scenario A: NXP has a single site qualified & in use, no existing secondary source & no plans for secondary source (FAB: 12-18 Mo, A/T: 6-12 Mo)

Scenario B: NXP has primary site qualified & has secondary site qualified on technology only (FAB: 3-12 Mo, A/T: 3-9 Mo)

Scenario C: NXP has primary site qualified & has secondary site qualified on technology & product (FAB & A/T: 3-6 Mo)

Scenario D: NXP has two sources qualified with NXP & Customer Product Qualified (FAB & A/T: Normal Leadtime 3-4 Mo)

Front End Operations

- NXP works to have a 2nd source for flexibility and continuity of supply
- When the complexity or cost doesn't permit, NXP will use inventory strategies to support

Assembly/Test Operations

- The majority of NXP packages are dual qualified with an internal and an external source
- NXP will start with one source and trigger the 2nd source once the volume warrants it
- Large volume products are cross qualified and in the case of an unexpected event, additional products could be qualified

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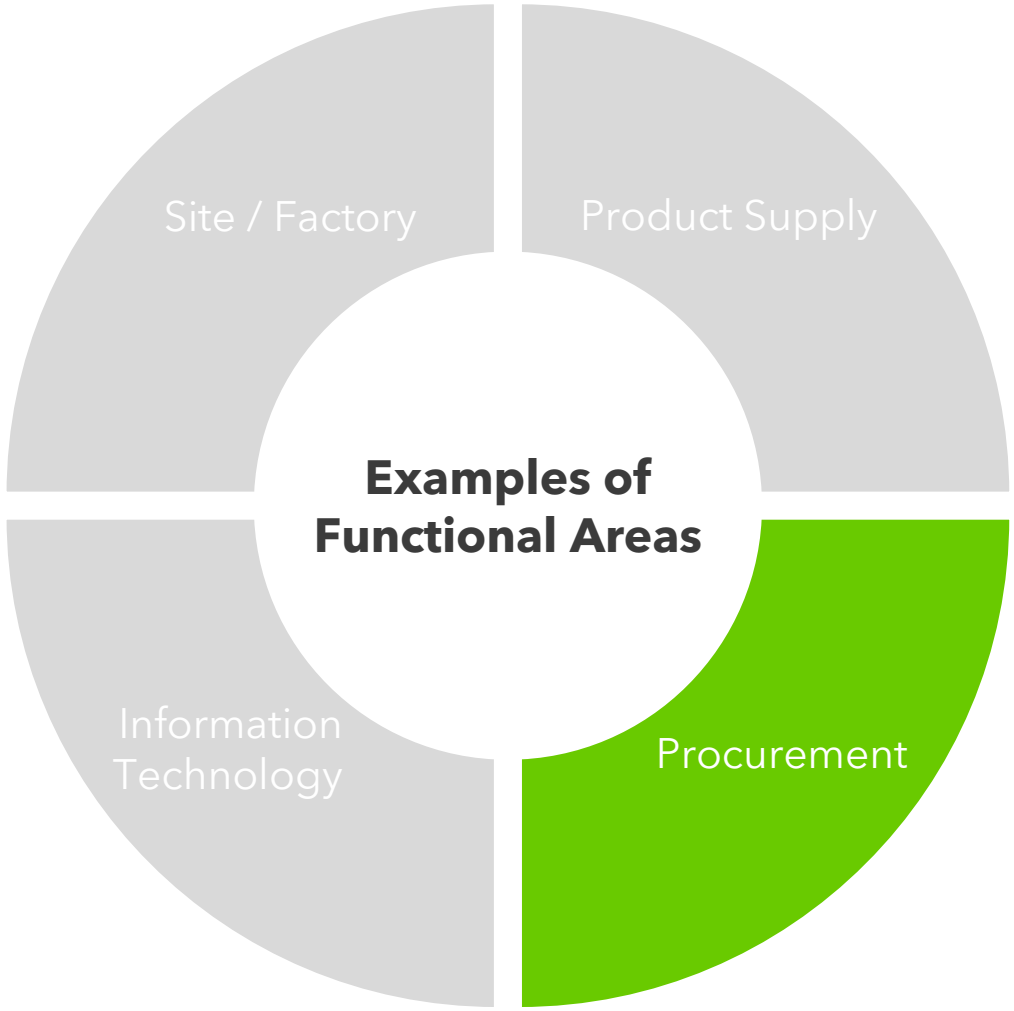
Management Systems



Procurement

Assures Procurement of Resources

- Supplier Level Risk Assessments
  - Financial, Geo/Environmental hazards, Cyber Security
- Supplier Management
  - Assess supplier's business continuity maturity and rate this during supplier performance management cycles
- Supplier Crisis Management
  - Timely assessment of supply continuity and potential impact following disaster event

Supply Resilience Risk Management

NXP has set business resilience plan expectations for its key suppliers through various aspects of supplier management.

Supplier Tiering: Completed annually, material suppliers categorized as Key and Strategic are required to submit a BCP. Select suppliers in other tiers are requested to provide a BCP as needed.

Supplier Business Resilience: Supplier is asked to provide their BCP to demonstrate contingency plans for supply. Our Supplier Quality team conduct GSA audits on material suppliers, in which business resilience is a subject.

Supplier Rating System (SRS): All top-tier material suppliers are rated on their BCP maturity by stakeholders as part of the supplier management process.

- These material suppliers are sent a self assessment on BCP maturity and trends are tracked annually.
- These material suppliers are required to submit a BCP.

Enables us to analyze suppliers' business resilience maturity, and to push for suppliers' continuous improvement, in order to reduce the sub-tier risk for supply disruptions.

Procurement third-party risk management program (Supplier Risk)

Cyber Security

Assessing, reviewing, improving and monitoring the supplier's cyber security controls and their ability to remediate vulnerabilities.

Supplier Financial Health

Monitor financial health of suppliers during the supplier selection process and on an on-going basis for selection of suppliers as an early warning for insolvency.

Business Resilience Management

Work with suppliers and partners to prepare for unexpected events by minimizing any downstream impact to our customers.

Part Level Risk Management

Supply Base Crisis Management: Timely impact assessment following disaster events. Proactively address supply resilience and potential impact.

Sourcing and Production Location Risk: Monitor sourcing strategy of supplier and supplier's production locations (sole/single/multi) and identify actions to mitigate or eliminate risk.

Procurement third-party risk management program (Supplier Compliance)

Supplier Due Diligence

Anti-Bribery & Anti-Corruption: Assessing the risks related to doing business with third parties, subsequently conduct the appropriate due diligence and monitor / manage third parties acting on its behalf.

Supplier Verification: Screening suppliers by checking company details to reduce the risk of onboarding fraudulent suppliers.

Corporate Trade Compliance

Supplier Supply Chain Security: The framework acts as a deterrent to international terrorism but also to secure revenue collections and to promote trade facilitation worldwide.

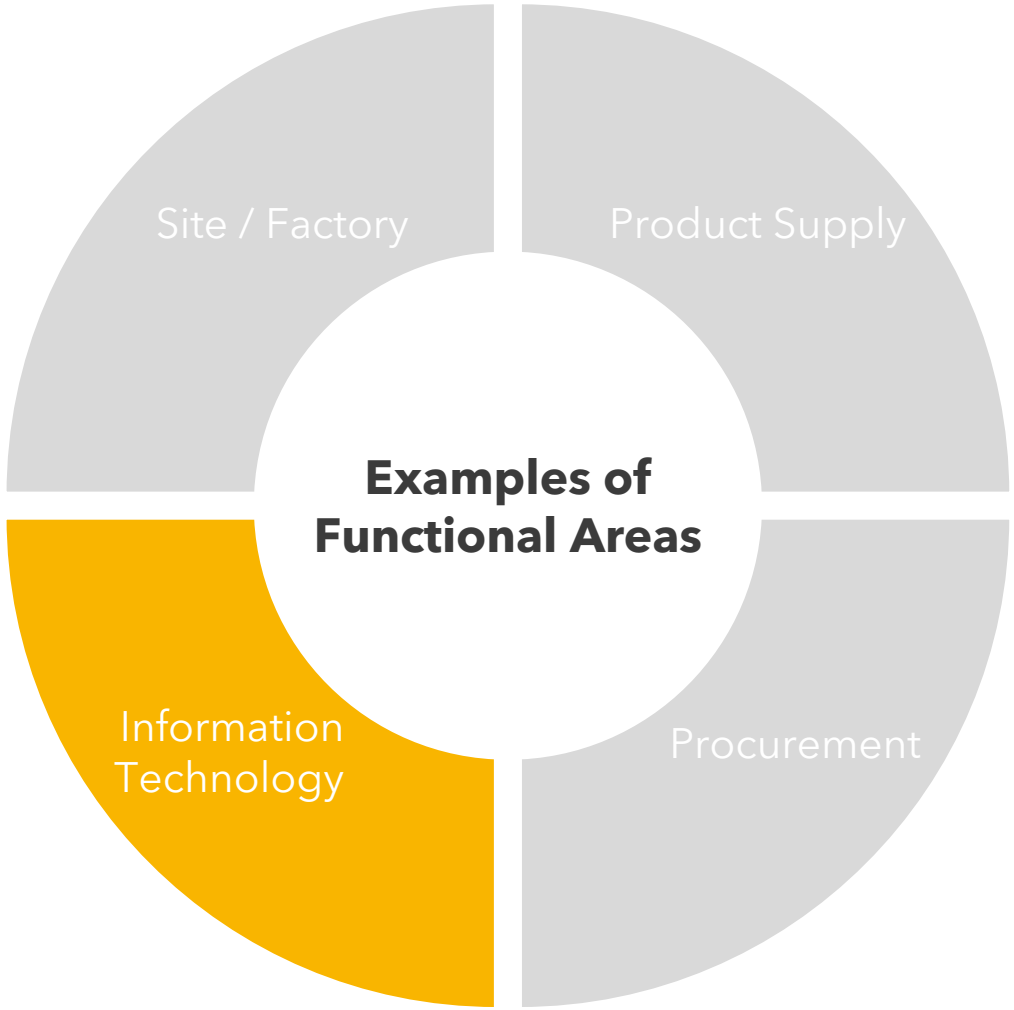
Supplier Sustainability

Supplier Code of Conduct: Assess supplier performance against NXP's expectations for labor, health and safety, environment, ethics and management systems.

Responsible Minerals Sourcing: Set strategy for due diligence and address responsible sourcing risks the supply chain.

Business Resilience & Crisis Management

Management Systems



Information Technology

Assures Operation & Restoration of IT Systems

- Business impact analyses resulting in defined Recovery Point Objectives (RPOs) and Recovery Time Objectives (RTOs)
- Documented procedures for incident management and disaster recovery
- Criticality-based backup and recovery strategy
- Cyber security
- Regular exercises

IT Business Resilience

PRINCIPLES

Integrated in normal IT work – special processing avoided as much as possible.

Continuous risk-based improvement of resilience.

Improvements driven by creation of business value and part of normal IT funding.

Keep-it-simple model ensuring real operational resilience.

WORK ELEMENTS

- IT issue handling is built upon **well-embedded ITIL® 4 Incident Management and Problem Management processes** using standardized tools and procedures for efficient logging and monitoring of the analysis, resolution and recovery of incidents and problems.
  Critical incidents follow a fast-track, high-attention, **Critical Service Restoration process**.
- Improvement **projects** are defined to address high-level risks and limitations.
- Business value / criticality and dependencies of the IT service or solution are assessed by the IT solution and business owners through **business impact analyses** resulting in **Recovery Point Objectives (RPOs)** and **Recovery Time Objectives (RTOs)**, all documented with the IT service or solution records in the central IT asset database.
  The RPOs and RTOs drive:
  - the creation of **disaster recovery plans** building upon well-suited **backup solutions** to support the RPOs and RTOs.
  - the execution of **disaster recovery drills** targeted to validate the RPOs and RTOs can be met.

  Actual status and age of impact analyses, recovery solutions and drills are **monitored and prioritized based on assessed risks**.
- **Crisis simulation tabletop exercises** are carried out to prepare for crisis scenarios and find improvement opportunities.
- Overall IT business resilience targets are established in a **policy** and managed in a **program**.

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