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1.0 Objectives / Purpose

This NXP Standard (“Standard”) supplements the NXP Code of Conduct and the NXP Supplier Code of Conduct (the “Code”) by providing clarity regarding requirements on social responsibility.

2.0 Scope

This Standard applies to all NXP Semiconductors facilities, locations, and organizations. It applies equally to all NXP suppliers, contractors, and external manufacturers.

This document is applicable to the following organisation(s): Sustainability and EHS

3.0 Roles, Responsibilities, Risks

3.1 Roles and Responsibilities

The NXP Sustainability Office is responsible for the maintenance of the auditable standards on social responsibility and ensures that they reflect the latest insights, remain at industry benchmark level, and include accepted customer requirements.
The Social Responsibility Board approves the standards.

3.2 Rules

None.

3.3 Risks

None.

4.0 Flowchart(s)

None.

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5.0 Auditable Standards

This section is divided into the following categories:

- GEN Auditable Standards for NXP Codes*
- L&H Auditable Standards for Labor and Human Rights*
- H&S Auditable Standards for Health & Safety*
- ENV Auditable Standards for Environment*
- ETH Auditable Standards for Business Ethics*
- MAN Auditable Standards for Management System*

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5.1 GEN. AUDITABLE STANDARDS FOR NXP CODES

GEN.1. Understanding and Deployment of NXP Codes

The NXP Code of Conduct and the NXP Supplier Code of Conduct establish standards to ensure that working conditions in NXP's supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. Auditees shall demonstrate understanding and deployment of NXP Codes.

AUDITABLE STANDARDS

GEN.1.1

Auditee's management shall demonstrate a good understanding of and commitment to the NXP Code of Conduct (for NXP facilities) or the NXP Supplier Code of Conduct (for Suppliers, external manufacturers, contractors, etc.). The applicable Code shall be integrated into Auditee's codes and procedures, and shall be communicated effectively to all levels of workers.

Minimum requirements

- Management is aware of the applicable NXP Code.
- For Suppliers: Auditee is either using the NXP Supplier Code of Conduct or a comparable (own) Code that aligns with the key elements from the NXP Supplier Code of Conduct.
- Management understands the applicable Code and has adjusted their management system to align with the Code.
- Training is delivered on the applicable Code, at least for all new hires and on a regular basis, to all workers.

Rating

Core violation: Not applicable.

Major non-conformance: Management does not understand the applicable NXP Code and has not implemented the Code by integrating the Code provisions into its own existing own codes, procedures, and/or training.

Minor non-conformance: Management understands the applicable NXP Code and has implemented the Code provisions into its existing procedures, but has not trained workers on a regular basis.

Not applicable: Not applicable.

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5.2 L&H. AUDITABLE STANDARDS FOR LABOR AND HUMAN RIGHTS

L&H.1. Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in a language understood by the worker that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment without any penalty if reasonable notice is given. Employers and agents may not hold or otherwise destroy, conceal, 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 both direct and contract workers. If any such fees are found to have been paid by workers, Auditee shall be responsible that such fees shall be repaid to the worker.

AUDITABLE STANDARDS

L&H.1.1. Auditee shall not use any type of forced, involuntary or exploitative prison, indentured, or bonded (including debt bondage) labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. The presence of these incidences shall be considered a core violation.

Minimum requirements

- No evidence of involuntary or exploitative prison or bonded labor.
- No confirmed case of human trafficking or slavery.

Rating

Core violation: Any form of forced, prison, indentured, or bonded (including debt bondage) labor or any evidence of human trafficking is confirmed at the Auditee or was confirmed within the last six months.

Major non-conformance: Not applicable.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

L&H.1.2. Auditee shall have adequate and effective written employment policies and procedures to prevent forced labor, slavery and human trafficking, in all of its operations and in its supply chain, ensuring that any form of forced, bonded, indentured, or involuntary or exploitative prison labor is not used or obtained through means of human trafficking.

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Minimum requirements

- There is a written commitment to the protection of workers in all phases of Auditee's operations, including the recruitment and management of migrant, local, foreign, and temporary workers.
- Auditee conducts a risk assessment of its supply chain to identify and manage forced labor, human trafficking, and slavery risks.
- There is a structure, an accountable officer, and clear procedures to ensure that all policies comply with relevant national legislation and guidelines as well as relevant international standards. The system is supported by an institutional structure and written procedures for enforcement, monitoring, and reporting. In particular, the system shall ensure that the policy is communicated to all workers, partners, clients, suppliers, and contractors, including labor contractors, and external stakeholders (documentation of this communication is kept on file)
- Auditee requires its suppliers and contractors to comply with the laws addressing human trafficking and slavery of the country or countries where they do business.
- The policies provide for corrective actions for noncompliance, establish sanctions where appropriate, and adopt standards and timelines for continuous improvement to bring contractors into complete compliance.

Rating

Core violation: Not applicable.

Major non-conformance: No policies and procedures in place for own organization, supply chain, or labor agents covering all components (commitment, risk assessment, implementation with training or communication, monitoring, and correction). There are no systems in place to verify compliance with these requirements.

Minor non-conformance: Documented policies and procedures are in place for own organization, supply chain, and labor agents, but there are gaps in the process of actively verifying compliance with these requirements, or one or more implementation components are missing (commitment, risk assessment, implementation with training or communication, monitoring, and correction)

Not applicable: Not applicable.

L&H.1.3. Legal compliance: Auditee shall take measures to ensure compliance with laws on recruitment of workers in sending and receiving countries.

Minimum requirements

- All workers hired are legally able to work in the country of employment.
- All foreign workers have documentation allowing them to work in the country of employment, including valid visas and work permits that are renewed as often as necessary.
- Recruitment and employment agencies or partners working on the Auditee's behalf in the recruitment of workers have appropriate and current licenses and permits in countries where they operate, and \ requires recruitment and employment agencies in those countries working on its behalf to be similarly licensed.
- Any undocumented foreign workers (once found directly or indirectly employed in its facility) receive due process and protection under the receiving country's law. The Auditee takes affirmative steps to:
 - legalize the status of a worker in countries where sponsorship arrangements are allowed;

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- o arrange in countries where undocumented worker is subject to immediate deportation, for humane repatriation (Auditee covers all costs) and assumes payment for all penalties/fines.

Rating

Core violation: Any evidence of workers having been hired illegally or of missing licenses and permits of parties involved in recruitment processes without proper correction. This includes delays in securing or renewing legal work permits for any foreign workers hired.

Major non-conformance: No documented policies and procedures in place to ensure and actively monitor compliance to these requirements.

Minor non-conformance: Documented policies and procedures in place to ensure compliance to the requirements but no effective process in place to monitor compliance.

Not applicable: Not applicable.

L&H.1.4. Auditee shall ensure that workers are not required to pay fees, deposits, or debt repayments for their recruitment or employment.

Minimum requirements

- Neither the Auditee or its partner employment agencies or sub-agents charge fees or costs to jobseekers for job placement services. For full description of fees, please refer to Annex B.
- Fees and expenses related to the recruitment of workers should be clearly stated in the contracts between recruitment agencies and auditee to ensure compliance to the no recruitment fees policy of this standard
- Auditee has a clear policy against charging fees to job seekers, clearly informs workers and recruitment agencies about this policy at the point of recruitment, and conducts due diligence with employment and recruitment agencies and sub-agents in relevant countries of operation to ensure compliance.
- Auditee, its partner employment and recruitment agencies, and sub-agents do not require job-seekers or workers to post a bond or deposit. Legally required deposits are borne by the employer.
- Auditee has a mechanism for workers and other stakeholders to confidentially report any violations of this policy by employment and recruitment agencies, and sub-agents, consistent with the grievance, investigation, and remediation procedures described in Auditee's company policy. The mechanism is communicated to all potential users, is easily accessible, has an effective escalation process, documents all reports of violations, has a quick response system, and is monitored for effectiveness,
- Auditee fully discloses to job candidates authorized charges or deductions for room and board, where permitted or required by law. Auditee verifies that these payments are consistent with market rates, are not excessive, and do not to serve to recover employer recruitment fees at the worker's expense.
- Auditee details all deductions from workers, and how each relates to services incurred or legal requirements, on workers' pay-slips.
- There are contingency procedures in place in case workers are found to have paid fees to a third-party to gain employment, which include :
 - o Reimbursement to workers of any verified recruitment fee overcharges and other unauthorized deductions within 30 days of discovery or reporting.
 - o As a minimum, reimbursement to cover all workers hired after January 1, 2013.

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- To mitigate the risk of non-compliance to the no recruitment fees requirement, direct hiring of foreign workers is preferred, where possible

Rating

Core violation: Workers are paying placement fees and or expenses over and above the direct costs as defined in this standard (directly to the employer or to labor agents in sending and/or receiving countries, regardless of the amount).

Major non-conformance: Auditee has no written and clear policy against charging fees to job seekers. Workers are charged a deposit, regardless of what the deposit is for. There is no system in place to effectively verify fees charged to workers; there is no system in place for workers to report confidentially any violations on the fees policy.

Minor non-conformance: The systems are in place but Auditor identified gaps in these systems (e.g., gaps in the communication process on the fees policy or gaps in the system to verify fees charged to worker).

Not applicable: Not applicable.

L&H.1.5. Auditee shall provide the worker, prior to departure or hiring, with accurate written employment contract with details of working conditions in the host country, including nature of work, wages, benefits, and duration of contract at the time of recruitment.

Minimum requirements

- Workers are informed in writing and in a language that they understand prior to employment (in case of migrant workers, before they leave their home country/region) of the key employment terms and conditions via employment letter/agreement/contract as required by law.
- In the case of foreign workers, there must not be any employment contract substitution. Details of employment terms and conditions described in the contract at the sending country must not be amended upon arrival in the receiving country. . If any amendments are required to be made to contracts after arrival, the terms in the contract must provide equal or better terms of employment as the original contract signed in the sending country. Any such amendments must be explained to workers in language they understand and signed with their full and free consent
- Details of working conditions described at the point of recruitment are consistent with the details of employment contract at time of hiring or, if changes occur, are clearly disclosed prior to signing and in no way violate relevant laws or place a worker at risk.
- Details in the employment contract at the time of hiring are consistent with the actual details of on-the-job conditions and responsibilities to the extent required by law.
- Workers are provided with a copy of the original employment contract, and any amendments, in a language they understand.
- Neither the recruitment and employment agency nor the employer has made changes to the employment contract and to working conditions without the knowledge and consent of the worker. (Consent must be obtained voluntarily and without threat of+ penalty). No changes occur that diminish the worker's originally anticipated wages, benefits, or other conditions of work in such a way as to place the worker in a position of physical or mental risk or peril, or other form of disadvantage or vulnerability.
- The written employment contract is written in a language that the worker understands and includes, either in the contract or in other related documents, as a minimum, the following information:

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(Foreign) worker identification information

- (Foreign) worker's full name.
- Date of birth.
- Passport number or equivalent identification.
- Emergency contact information.
- Terms and conditions regarding worker self safekeeping and possession of identity documents during the contract term.

Duration and working conditions

- Contract duration.
- Terms and conditions for termination and renewal, if any.
- A period for reasonable notice for employment contract termination by the (foreign) worker, not to exceed one month or as per applicable laws and regulations. There shall be no penalty for resignation.
- Nature of work and place where it will be performed.
- Detailed summary of living conditions, including costs (if any) for meals and accommodation.
- No terms that deny a (foreign) worker the right to organize or engage in collective bargaining.

Pay, hours, and benefits

- Expected regular working hours, overtime hours, frequency of rest days, and holidays.
- Clearly defined regular, overtime and holiday wage rates, including maximum allowable overtime hours.
- Wages, benefits, and hours shall be in accordance with applicable laws and regulations and NXP's Auditable Standards.
- Any applicable bonuses and allowances.
- Quantitative estimates and descriptions of each line item to be deducted from wages.
- Estimated range of net pay the worker is to receive each month.
- Maximum net pay shall be based on maximum of 60 hours of work per week or less, depending on local laws and regulations.
- Description of non-monetary compensation and work-related benefits, including medical and social insurance benefits, and sick, emergency, and annual leave
- Pre-departure education and training: In the case of foreign workers, systems are implemented to ensure that foreign workers understand the terms of their employment contracts, legal rights, and protections under the Auditee's ethical policies prior to signing employment contracts in the sending country.

Rating

Core violation: Contract substitution or contract changes are made, with or without the worker's knowledge, between the time the worker signed the contract and end of their contract period, that diminish workers' conditions of work or increases workers' vulnerability. No employment contract or conditions communicated prior to employment.

Major non-conformance: No information about employment terms or conditions is communicated to workers (directly or via labor agents/contractors) or no contracts are in place with labor agents/contractors. Workers are not provided a written contract, or provided with a signed copy thereof, or contracts are not in a language that the worker understands.

Minor non-conformance: Employment terms and conditions are communicated and contracts are in place with labor agents/contractors but are incomplete. Written contracts in a language that the worker understands are in place and the worker has received a copy, but one or several of the required elements are missing.

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Not applicable: Not applicable.

L&H.1.6. Auditee shall not require workers to surrender original identity documents (such as passports or travel/residency permits). Auditee shall ensure the same with its employment agencies.

Minimum requirements

- There is a policy in place stating that workers are not required to surrender, to Auditee or one of its agents, government-issued identification or personal documents.
- In case of auditee and/or employment agency provided dormitories or housing, there are personal facilities for the safekeeping of identity documents for the safekeeping of their own government-issued identification or personal documents. . These storage facilities shall be lockable, secured and placed in a safe location with no access to the storage but only to the assigned worker.
 -
- NXP facilities shall ensure that all workers assigned to work in its facilities, including workers hired through partner employment agencies, keep their original identity documents and NXP shall provide personal facilities for safekeeping

Rating

Core violation: Workers do not keep their own original identity documents.

Major non-conformance: Personal documents are kept by employer but workers have access to the documents only after a certain period of time;

Minor non-conformance: Wrokers keep their own documents but no policy and/or procedures in place; no secure facilities for workers to store their documents.

Not applicable: Not applicable.

L&H.1.7. Auditee shall ensure that workers are free to leave their employment upon giving reasonable notice, with no penalty.

Minimum requirements

- Employment contracts expressly provide for reasonable notice for workers to pre-terminate the contract. Notice is at least one month or as per applicable law and regulations.
- Penalties are not imposed on contract workers who give reasonable notice for early termination of contract. Any penalties or consequences for a worker who pre-terminates a contract without reasonable notice shall not exceed 50% of worker’s current net wages for one month, where permitted by law. For foreign workers, cost of return transportation may be part of the penalty, provided that the latter does not exceed the worker’s one-month’s net wages.
- If worker is terminated with good cause or reason (e.g., repeated disciplinary issues), the cost of return transportation to sending country can be deducted from the worker’s net wages up to, but not exceeding, the total amount of remaining wages due [for the remainder of the last month of employment].

Rating

Core violation: Workers are not allowed to voluntarily terminate their employment.

Major non-conformance: No policy on “no penalty voluntary employment worker” termination; policy does comply with local law; workers are penalized for voluntary leave above the amounts set in the minimum requirements.

Minor non-conformance: Not applicable.



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Not applicable: Not applicable.

L&H.1.8. Auditee shall not place unreasonable restrictions on movement of workers and their access to basic liberties.

Minimum requirements

- There are no undue restrictions on a worker’s freedom of movement beyond working hours. Any legal limitations on the movement of foreign workers are indicated in the employment contract.
- Workers are guaranteed unrestricted access to toilets and drinking water. There should be no systems for restriction in place such as toilet passes.
- Workers are never physically barred from leaving the factory, dormitories, or factory grounds.
- Workers are granted permission to leave the factory without penalty under reasonable circumstances.
- Restrictions on dormitory residents’ movement, curfews, and monitoring of their movement (sign-out sheets) are voluntary and/or are deemed by workers to be reasonable. Reasonableness of restrictions shall be in the context of legitimate concerns for personal safety and dormitory security.

Rating

Core violation: Workers are physically barred from leaving the factory, dormitories, or factory grounds.

Major non-conformance: Workers are restricted from movement through threat or penalty, even if a policy is in place. Workers are restricted from using the toilets during working hours.

Minor non-conformance: No policy or procedures are in place on freedom of movement but there are no restrictions on movement and no coercive restrictions systems/procedures are used.

Not applicable: Not applicable.

L&H.1.9. Auditee shall not require workers to participate in any form of forced savings or loan program where repayment terms are indicative of debt bondage or forced labor.

Minimum requirements

- Neither the Auditee nor its recruitment and employment agencies and contractors engage in making personal loans to workers or jobseekers under circumstances where repayment terms are indicative of debt bondage or forced labor.
- Job candidates and workers are not required to participate in any forced savings scheme.
- In cases of a voluntary savings program, the following criteria are met:
 - The program is supported by worker's documented or written consent.
 - Savings are placed in individual worker’s savings accounts and workers have possession and control of the savings account.
 - Workers are able to monitor these accounts and have access to them at any time.
- Auditee or the worker's employment agency has no direct control of, or access to, foreign worker’s bank accounts other than to make direct deposit of wages and other compensation.

Rating

Core violation: Workers are forced to participate in saving schemes and/or workers have no possession or control of the savings account.

Major non-conformance: Workers confirm that they participate in a voluntary savings program but documentation (i.e. written workers’ consent) is not available

Minor non-conformance: Not applicable.



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Not applicable: Not applicable.

L&H.1.10. Auditee shall take affirmative steps to protect the rights of foreign workers who become pregnant.

Minimum requirements

- In cases where the law of the host country requires that pregnant foreign contract workers return to their home country to give birth, the Auditee shall take steps to 1) provide the option that the worker, if she so chooses, return to work after giving birth to finish her contract at the same rate of pay, 2) provide maternity benefits prescribed by the laws of either the worker’s country of origin or the worker’s country of employment, or governing international norms and standards, whichever is highest, 3) maintain procedures to ensure that the worker’s repatriation and redeployment are handled with due care for and attention to the safety and health of the worker and her fetus.

Rating

Core violation: Not applicable.

Major non-conformance: Employment contracts of foreign contract workers in host countries require pregnant foreign contract workers to return to their home country to give birth or do not include any of the three provisions listed above.

Minor non-conformance: Employment contract covers one or more of the provisions but not all three.

Not applicable: Auditee has no foreign contract labor or the host country does not require foreign contract workers to return home to give birth.

L&H.1.11. Auditee shall clearly communicate the NXP’s Supplier Code of Conduct, Auditable Standards (or comparable), and requirements pertaining to recruitment of workers to its recruitment and employment contractors and shall regularly evaluate these contractors’ conformance and performance against these requirements.

Minimum requirements

- There are a pre-selection and due diligence processes for agencies and contractors involved in the recruitment and hiring of workers that include regular audits and/or assessments to ensure compliance with applicable laws and regulations, the NXP’s Supplier Code of Conduct, and Auditable Standards.
- Auditee clearly communicates the NXP’s Supplier Code of Conduct, and Auditable Standards (or comparable) and requirements pertaining to recruitment of workers to its recruitment and employment contractors.

Rating

Core violation: Auditee is using recruitment and/or employment contractors that are found to have recurring violations of standards L&H.1.1 through L&H.1.10 of this document and has not taken appropriate action.

Major non-conformance: No labor agent/contractor requirements process/communication in place or verification mechanism in place to verify conformance to the standards.

Minor non-conformance: Labor agent/contractor requirement process/communication in place and verification mechanism in place to verify conformance to Standards, but requirements are not complete or corrective actions are not implemented or completed.

Not applicable: No labor agent/contractor used.



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L&H.1.12. Auditee shall disclose recruitment practices and performance to customers and other relevant parties either publicly or upon request.

Minimum requirements

- Auditee shall keep on file information (for at least the last 12 months) on:
 - Demographics of workforce.
 - List of recruitment and employment agencies and contractors, with corresponding number or percentage of workforce supplied to the Auditee.
 - Contract prices (cost to employer and cost to workers).

Rating

Core violation: Not applicable.

Major non-conformance: No information is available for review.

Minor non-conformance: Information is available but incomplete.

Not applicable: Not applicable.

L&H.2. Child Labor Avoidance and Young Workers

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. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including nightshift and overtime. Auditee shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable law and regulations. Auditee shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

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L&H.2.1. Auditee shall have an adequate and effective policy and process that is established to ensure that workers below the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greater, are not hired, either directly or via labor agencies/contractors.

Minimum requirements

- There is a comprehensive policy for child labor policy that clearly states the minimum age for workers and that complies with this standard, applicable laws, and regulations.
- A strong age-verification process for recruiting workers is embedded in the recruitment and selection process of the company.
 - The Auditee uses at least the minimum requirements for age verification documentation for employment as required by applicable local law and regulations (i.e., government recognized photo ID). Where the law does not dictate the official documentation required, Auditee inspects and verifies the validity of at least two of the



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following: birth certificate, government-issued personal identification card, driver's license, voting registration card, "official stamped" copy of a school certificate, affidavit from local government representative, or foreign national work permit. Auditee immediately returns original identity documents to workers and only maintains a copy for personnel records.

- Auditee uses robust age-verification measures, including, at a minimum, matching photo ID to worker's face, verification through third-party resources where available (e.g., Internet resources or local government offices), and periodic visual inspection of facility for potential underage workers.
- Auditee ensures comprehensive personnel record systems are in place that include, for each worker, biographical and employment-related information, a copy of valid and appropriate age verification documentation, and a means of visual identification.
- No worker under the NXP age limit or legal age limit, whichever is greater, is found in the facility, whether hired directly or via labor agencies/ contractors.
- Management is aware of and can state the details of minimum age requirement and the age-verification process.
- Workers can state that they either meet the minimum age requirement or are over the age requirement and that they know of no one working within the facility who is under the legal age limit.
- All workers involved in recruitment and hiring have attended a training on child labor avoidance policy and program.
- An effective communication campaign to all workers is in place to ensure consistency of policy with actual work practices within the facility.
- Auditee performs pre-selection due diligence and ongoing verification of Private Employment Agency ("PEA") and Qualified Educational Program ("QEP") recruitment and management practices to ensure compliance with applicable laws and regulations, the NXP Supplier Code of Conduct, and Auditable Standards (or comparable).
- Auditee notifies NXP if any violations by a PEA or QEP are detected and immediately seeks to correct the violations and prevent future violations. If a PEA or QEP is unwilling to correct the violation, Auditee terminates, as soon as is reasonably practicable, the relationship with the PEA or QEP.
- If any active underage worker, terminated underage worker or historical underage worker is found, either through an external audit or self review, the Auditee notifies NXP immediately and implements a remediation program as directed by NXP.

Rating

Core violation: There is verified evidence that workers 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, are currently working at the facility or have done so in the last six months.

Major non-conformance: The facility does not have a formal policy in place and/or does not have an effective age-verification procedure in place; no documentation on proof of age is kept. The facility does not have oversight mechanisms into the recruitment and hiring procedures (specifically age verification procedures), of its labor agencies and contractors.

Minor non-conformance: Policy is in place but there are gaps in the process to ensure that child labor is not hired, either directly or via labor agencies; not all files reviewed contain age documentation.

Not applicable: Not applicable.

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L&H.2.2. Auditee shall have a policy and procedure to respond to situations where workers are discovered to be below the legal age limit. The policy should include the employer's responsibility to protect the young worker from reprisal and provide for the completion of the young worker's compulsory education.

Minimum requirements

- The Child Labor Avoidance policy includes clear procedures to address discovery of workers below the legal age limit.
- An appropriate and comprehensive program to protect young workers is in place and includes, among other things, a process for a family member to assume the post of the young worker who, upon discovery, must return to complete a compulsory education provided by the facility.
- Management can state the policy and procedures in place.
- Workers can state how to report discovery of a worker below the legal age limit.
- An anonymous process for reporting is in place.

Rating

Core violation: Not applicable.

Major non-conformance: No clear procedures to address discover of workers below the legal age limit.

Minor non-conformance: Written policy in place but there are gaps in the procedures that would affect the effectiveness of implementation.

Not applicable: Not applicable.

L&H.2.3. An Auditee that employs workers who are older than the applicable legal minimum age for employment but younger than 18 years of age, shall ensure that these juvenile workers do not perform tasks or are assigned to jobs that will likely jeopardize their health, safety, or morals. Juvenile workers shall also not be required to perform work on night shift and overtime.

Minimum requirements

- A clear young worker policy is in place and tracking system to identify workers who qualify as juveniles.
- Control mechanisms are in place to restrict juveniles from performing prohibited jobs/activities. Juvenile workers do not engage in night shift and overtime work and in hazardous work and Auditee follows applicable laws and regulations related to juvenile workers but, where the law is silent, juvenile workers shall not engage in work involving any of the following:
 - Exposure to hazardous environments, substances, agents or processes potentially damaging to their health including but not limited to: environments/conditions likely to cause heat or cold, stress or injury; environments requiring ear protection due to noise; explosives or articles containing explosive components; radioactive substances including any exposure to radium, self-luminous compounds, thorium salts, or ionizing radiation in excess of 0.5 rem per year; operations in inherently dangerous locations, including under ground, under water, heights in excess of two meters, and hazardous confined spaces
 - Work with or near chemical processes above the applicable legal limits for juvenile workers. If no such legal limits or industry regulations exist, juvenile workers shall be exposed to no more than 50% of the applicable exposure limit for adults (e.g., if the applicable adult standard limits exposure to 100 ppm per eight hours, the juvenile standard shall be 50 ppm per eight hours).



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- Operations of the following equipment: power-driven hoisting apparatuses, any mobile powered driven apparatus without legal license, stamping, cutting, and laser equipment, or any equipment with pinch points.
- Other hazards determined to be unsafe for juveniles by the facility's Environment Health and Safety department or a qualified health professional.
- Other restrictions required by applicable law and regulations including, but not limited to, environmental and transportation laws and regulations.
- The facility has defined specific jobs/activities that may be performed by juvenile workers. These work restrictions are incorporated in written job descriptions.
- Apprentices, on-the-job trainees and interns who are under the age of 18 are not allowed to perform any task that is deemed hazardous to health or a safety risk to young workers.
- Upon introduction of a new process or hazard, a qualified safety professional reviews all operations and positions to determine and prevent the risks to juvenile workers.
- Juvenile workers are informed of work restrictions and channels to raise concerns or complaints including ways to protect anonymity.

Rating

Core violation: Juvenile workers are found to be working in hazardous conditions, night shift and overtime.

Major non-conformance: No control mechanisms to restrict juveniles from performing prohibited jobs/activities.

Minor non-conformance: Written policies not in place but practices are consistent with NXP Standards.

Not applicable: Auditee does not employ juvenile workers.

L&H.2.4. When applicable, the Auditee shall have in place apprenticeship, on-the-job trainee or internship employment policies and practices. These policies must meet or exceed the minimum local legal requirements.

Minimum requirements

- The facility has an apprenticeship policy that covers interns, on-the-job trainees, and any student worker who is working in the facility as an apprentice or as required by an education institution.
- There is written agreement between the factory and the student (and parents if needed) stating the start and end date of the apprenticeship and, where applicable, such agreements are registered with the appropriate authorities and apprentice is provided a copy.
- Management can state the details of the employment policies and practices.
- Workers, including apprentices, can state in general terms the facility's employment policy and practices.
- A support communication campaign is actively pursued by the facility to ensure consistency of policy with day-to-day employment practice.
- The enrolment and recruitment of student workers can only be done through approved educational/vocational institutions, and not through labor agents.

Rating

Core violation: Not applicable.

Major non-conformance: The facility does not have a written policy in place.

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Minor non-conformance: Written policy in place but there are gaps in the procedures that would affect the effectiveness of implementation.

Not applicable: The facility does not hire apprentices, on-the-job trainees, or interns.

L&H.2.5. Auditee shall provide access to basic educational needs and facility-initiated development program for workers who are in an apprenticeship, internship, or on-the-job program.

Minimum requirements

- A comprehensive apprenticeship program is in place that includes strict conformance to local laws and school requirements such as the number of working hours (time spent for theoretical instructions counts as work hours), duration of the training period (not to exceed the period set by local law), remuneration, working conditions, and accommodation.
- The work schedule reflects limited work hours that allow young workers access to educational needs and ample time to prepare for whatever education requirements the school may ask of its students.
- There is an apprentice development program that is aligned with the school requirements.
- No apprentice is found working during school hours.
- Management can explain in detail the company's apprenticeship program.
- Immediate superiors of apprentice can explain the development and evaluation program of apprentice under his/her care.
- There is a competency-based evaluation program that is aligned to the apprenticeship requirements.
- The apprenticeship program is only be applicable to jobs that require skill.
- There is a clear list of deployments and work locations where apprentices, interns, or on-the-job trainees are not allowed to work or perform any task.
- Management can state measures the facility undertakes to ensure apprentices, interns, or on-the-job trainees are protected from being deployed in hazardous or safety-risk work conditions.
- Workers are aware that no apprentice, intern, or on-the-job-trainee should perform any task that is deemed hazardous to health or a safety risk.
- The total number of apprentices does not exceed 10% of the direct labor population.
- Student worker: Auditee ensures that all juvenile and student workers are assigned work that does not negatively impact their participation in school as regulated by applicable laws and regulations. To preserve the rights of juvenile workers to attend school, Auditee does the following:
 - Ensures juvenile workers have the right to enrol in and attend Qualified Educational Programs (QEP). If enrolled in a QEP, juvenile workers are classified as student workers.
 - Complies with all restrictions and requirements in accordance with applicable laws and regulations.
 - Ensures working hours do not conflict with the student worker's attendance at a QEP.
- Student worker contracts: Auditee has a written agreement with the QEP, student worker (or his/her guardian), and where applicable, the private employment agency (PEA) (where use of a PEA is allowed by law). This written agreement adheres to applicable laws and regulations and stipulates, at a minimum, work dates, wages and benefits, working hours, contract term limits, and duration of contract. In the absence of local law or legal requirements allowing for student workers to be paid a stipend/allowance, the wage rate for student workers and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

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- Student worker resignation: Student workers are allowed to resign their employment without financial or scholastic penalty, provided the Auditee has received reasonable notice prior to such resignation. Auditee may require a student worker to pay back a pro-rated amount of educational fees paid by the Auditee on behalf of the student worker only as specified in the original written agreement between the QEP, student worker (or his/her guardian), Auditee, and where applicable, the private employment agency (PEA) (where use of a PEA is allowed by law).
- QEP compliance: Auditee ensures that any QEPs it recruits from comply with applicable laws and regulations, the NXP Supplier Code of Conduct, and Auditable Standards (or comparable). Auditee notifies NXP if Auditee detects or is made aware of any violations and immediately seeks to correct the violations, prevent future violations, and/or terminate the relationship with the QEP.
- PEA compliance: Auditees conduct pre-selection due diligence and ongoing audits of PEAs (where use of PEA is allowed by law), to ensure they comply with applicable laws and regulations, the NXP Supplier Code of Conduct, and Auditable Standards. Auditee notifies NXP if Auditee detects or is made aware of any violations and immediately seeks to correct the violations, prevent future violations, and/or terminate the relationship with the PEA.
- Data tracking: The Auditee's management systems include a tracking mechanism to track juvenile workers and student workers to ensure compliance to this Standard and applicable laws and regulations.

Rating

Core violation: Not applicable.

Major non-conformance: Apprenticeship/internship program does not meet the legal requirements; laws have been circumvented.

Minor non-conformance: Apprenticeship program is in place and meets legal and NXP requirements, but there are gaps in the procedures.

Not applicable: The facility does not hire apprentices, on-the-job trainees, or interns.

L&H.2.6. Auditee shall ensure due diligence is conducted with its own next-tier suppliers producing part or parts of NXP products to ensure compliance to the child labor avoidance requirements in NXP's Auditable Standards

Minimum requirements

- An updated attendance record of next-tier suppliers to Auditee's briefing of NXP Code of Conduct is available.
- A robust selection and review process of next-tier suppliers is in place.
- There is a regular education program for key process owners in next-tier suppliers.
- Management is able to state in detail the facility's due-diligence program

Rating

Core violation: Not applicable.

Major non-conformance: No formal communication, due diligence conducted, or education program in place for next-tier suppliers.

Minor non-conformance: Due diligence and communication are conducted but do not cover all key suppliers.

Not applicable: Not applicable.

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L&H.3. Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. 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.

AUDITABLE STANDARDS

L&H.3.1. Auditee shall ensure that workweeks do not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime except in emergency or unusual situations. All overtime work should be voluntary. Regular workweek shall not exceed 48 hours.

Minimum requirements

-
- Auditee shall limit the actual hours worked by each worker to no more than 60 hours per workweek or the legal limit (whichever is stricter). Regular workweek shall not exceed 48 hours.
- The daily work schedule is consistent with and follows the limits set by local law and, if applicable, government-issued waivers/permits. Shift schedules (including compressed workweek schedules) should still meet the requirements of the law (including payment of overtime premiums and obtaining necessary permits if applicable), as well as the 60 hour per work week limit. In this situation, the daily work schedule should not exceed 12 hours a day or 16 hours including voluntary overtime.
- Workers are not made to sign or agree to a daily shift schedule that goes beyond 12 hours a day (subject to requirements of the law on hours, overtime premium, permits).
- Workers may exceed the 60-hour workweek during emergency or unusual situations. Auditee documents that the emergency or unusual situation criteria have been met and makes these documents available to NXP upon request. Once the emergency or unusual situation ends, the Auditee immediately returns to compliance with the 60-hour requirements.

Rating

	1 to 5% of workers (total or specific area or job function**)	5 to 40% of workers (total or specific area or job function)	More than 40% of workers (total or specific area or job function)
More than 84 hours a week	Core violation		
More than 72 hours and less than or equal to 84 hours a week	Major non-conformance	Core violation	Core violation
Between 60* and 72 hours a week	Minor non-conformance	Major non-conformance	Core violation

**Use the lower of 60 hours per week or local law -- companies comply with local law or code, whichever is more stringent.*

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*** A tolerance of 1% of the population is allowed, i.e., if less than 1% of the population is detected to work more than the limit, then there is no finding of non-conformance.*

L&H.3.2. Workers receive at least one day off per every seven days and not work more than six consecutive days.

Minimum requirements

- Except in emergency or unusual situations, workers shall have a day of rest at least once every seven days and not work more than six consecutive days.
- Workers may exceed the requirement of one day of rest per seven days during emergency or unusual situations. Auditee documents that the emergency or unusual situation criteria have been met and makes these documents available to NXP upon request. Once the emergency or unusual situation ceases to exist, the Auditee immediately returns to compliance with the day of rest requirements. At the end of the emergency or unusual situation, the Auditee immediately provides workers with a day of rest if the day of rest requirement was not met during the emergency or unusual situation.
- .

Rating

	Minor non-conformance	Major non-conformance	Core violation
No one day of rest in any seven days	>1% to ≤5% of workers	>5% to ≤40% of workers	≥40% of workers

L&H.3.3. Adequate and effective policy and systems/procedures are established to determine, record, manage, and control working hours, including overtime.

Minimum requirements

- Policy: Auditee has a written policy to manage working hours in a manner that satisfies the requirements of applicable laws and regulations, NXP’s Supplier Code of Conduct, and Auditable Standards.
- Procedures and implementation: Auditee has written procedures and systems to implement its working hours policy that identifies the individual(s) responsible for administering the policy, a means to communicate the policy to workers and job applicants in a language they understand, and methods for workers to file anonymous grievances for violations of the policy.
- Mechanisms are in place to determine record, manage, and control working hours, including overtime and days off.
- Excessive hours control: The official working hours record system is capable of identifying workers who are scheduled to exceed the 60 hour and days of rest requirements, as well as track the total work hours per week and Days of rest for each worker. The system provides summary reports and warnings to management prior to exceeding these requirements.
- Production planning: Auditee plans production schedules to meet the 60 hours per work week and one day of rest per seven days requirements.



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- The system includes monitoring of actual performance and ensures conformance with requirements.
- If non-conformance is detected, corrective action is implemented and documented, and progress against the corrective action is documented.
- The policy includes a provision for equal opportunity for overtime for all types of workers.
- Workers are trained on the work hours policy and implementation mechanisms.

Rating

Core violation: Not applicable.

Major non-conformance: The Auditee does not have a policy to limit work hours to 60 hours per week and has no mechanisms in place to monitor and track hours to ensure compliance to the NXP policy.

Minor non-conformance: The Auditee has a policy in place to limit work hours to 60 hours per week but auditors noted gaps in the processes of tracking and monitoring, and in the processes of implementation and corrective action (if applicable).

Not applicable: Not applicable.

L&H.3.4. Workers are allowed the legally mandated breaks, holidays, and vacation days to which they are legally entitled.

Minimum requirements

- Workers are provided with legally mandated meal and rest breaks, leave periods, holidays, and vacation days per local law requirement, which are detailed in the worker contract, work rules, employee handbook, or other form of worker communication.
- If the law is silent, workers are provided at least 20 minutes break every four hours, as well as a defined meal break. The need for additional breaks will be dependent on ergonomic risk assessment and such an assessment and its outcome shall be clearly documented. See also clause H&S.5.2.
- The actual leaves and holidays are recorded in leave records, kept in a secure place, and are accurate.
- Workers are aware of their legally mandated leave periods, holidays, and vacation days. Workers are aware of how to avail themselves of these benefits.
- Workers are able to avail themselves of leaves, holidays, and vacation days without unreasonable restrictions.

Rating

Core violation: Not applicable.

Major non-conformance: No policy in place and mandatory breaks/holidays are not provided or guaranteed. Leave records are not kept or are inaccurate.

Minor non-conformance: Holidays and mandatory breaks are provided as per legal requirements, but there is no policy in place, or the policy is not communicated to workers

Not applicable: Not applicable.

L&H.3.5. Legal regular and overtime working hours and facility working hours are communicated to all workers.

Minimum requirements

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- Specified hours of work are indicated in the written employment agreements of all types of workers (local workers, local and foreign migrant contract workers, temporary workers, apprentices, trainees, probationary workers, etc.); including 60-hour limit, days of rest, and voluntary overtime requirements.
- All workers are aware of company policies related to hours and overtime:
 - Upon hiring, all workers are oriented on the company's policy on work hours.
 - Policies on work hours are communicated to all workers by posting them in prominent locations and/or including them in the employee handbook that is distributed to workers.
 - Communication/training materials that clearly explain working hours and overtime policy and requirements are available. The details of these materials are aligned with Auditee policy and /or legal requirements.
 - Worker statements regarding what communication they have received on working hours and overtime is consistent with policy and/or legal requirements.

Rating

Core violation: Not applicable.

Major non-conformance: Not applicable.

Minor non-conformance: No or inaccurate communication or training on working hours.

Not applicable: Not applicable.

L&H.3.6. Auditee keeps reliable time records of workers' regular and overtime working hours on a daily, weekly and monthly basis are the records are available.

Minimum requirements

- Official working hours record system: Auditee has an official working hours record system to track working hours and days of rest for each worker. The official working hours record system ensures the facility has reliable systems in place to measure actual hours of work. (e.g., use an electronic or mechanically-generated personalized timecard system that is connected to wage calculation system).
- Time records include regular working time and overtime. Time records are detailed to allow for daily, weekly, and monthly working time and overtime analysis.
- Auditee includes the following activities in preparing official working hour records: Time on the production line, regardless of whether the line is running ("production time") or not ("down time"), mandatory meetings and trainings, mandatory administrative processes (including the following cumulating in greater than 15 minutes total: excessive waiting in line to punch out, excessive waiting in line to clear security into/out of the production line or facility, waiting for supervisor approval (e.g., time-card approval), and any other process managed by the Auditee that requires workers to be present at the factory or perform any production-related work regardless of location).
- Time recording devices are present and are all in working order.
- Auditee's practices ensure that workers personally record their work hours (supervisors and security guards should not be recording workers' hours).
- The payroll register and pay slips accurately reflect regular and overtime hours worked.
- Dispute mechanism: Workers have access to an effective mechanism to understand, dispute, and correct the actual hours worked as recorded in the official working hour records.

Rating

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COMPANY INTERNAL

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Core violation: Evidence of double-booking and falsified records of work hours. Facilities keep two sets of timecards, records of work hours, regardless of the reason for doing so.

Major non-conformance: No time recording devices present, time recording devices not accurate or not in good working order, time records do not match other relevant Auditee records (for more than 5% of population). Time records are not accurately adjusted after worker complaints, or are not adjusted in reasonable time.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

L&H.3.7. Voluntary overtime (OT): Auditee shall ensure that all workers have the right to refuse to work overtime hours.

Minimum requirements

- No punitive measures, such as salary deductions, are taken against workers for refusing overtime.
- There is a clear and written policy that states that all overtime work is voluntary unless there is prior formal agreement on required overtime work with unions or workers council, e.g., in a collective bargaining agreement.
- All workers are educated on the policy and are committed, by way of performance objectives, to its enforcement.
- Worker notification: Workers are notified at least 12 hours prior to work cancellations or reschedules from planned shift schedules.

Rating

Core violation: There are physical restrictions in the facility that force workers to perform overtime (e.g., locked exit doors), or there is clear evidence workers are threatened, or the facility makes use of punitive penalties like salary deductions to force workers into overtime.

Major non-conformance: There is no clear policy on voluntary overtime and there are no established mechanisms for guaranteeing that OT is always voluntary. More than 20% of the workers interviewed reported that that OT is not voluntary at all times.

Minor non-conformance: Policy on voluntary overtime is not adequately communicated to workers or supervisor's managers. Less than 20% of workers report that overtime is not voluntary at all times

Not applicable: Not applicable.

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L&H.4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. Auditee shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. Auditee shall pay workers in a timely manner. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law

AUDITABLE STANDARDS

L&H.4.1. Minimum wage: Auditee shall pay all workers no less than the legal minimum wage for all regular hours worked.

Minimum requirements

- No worker is paid less than the legal minimum wage. In case the country does not have a legally set minimum wage then the industry prevailing wage will apply as the standard. Where there is no national or local minimum wage and no verifiable industry wage, the contracted wage serves as the base wage and is the basis of other wage calculations.
- The pay structure does not require workers to work more than the legally mandated regular hours (whether calculated on an hourly, daily, weekly, or monthly basis) to earn the base wage.
- Any piece-rate workers are guaranteed at least the legal minimum wage.
- Workers are paid for all hours worked at legal rates, regardless of whether or not they have reached their production quotas.
- Workers are paid for all compulsory work-related activities, in or outside of working hours, such as for production meetings, training, cleaning of production areas, or any preparatory work.
- For purposes of pay and benefits, working hour calculations shall be rounded to at least the nearest 10-minute interval.
- Minimum-wage waivers: If Auditee obtains a waiver from a government agency, Auditee must be able to ensure that the issuing agency has the legal authority to grant such a waiver.
- There is a system in place that ensures that workers are paid back any amounts due them, with interest, for any wage underpayment for regular or overtime hours worked.

Rating

Core violation: There is evidence that a worker or workers are paid below minimum wage. The wage underpayment is deliberate and/or systemic.

Major non-conformance: There are miscalculations in wages that resulted in underpayment but such miscalculations are determined to be an error rather than deliberate underpayment of minimum wage.

Minor non-conformance: No policy in place but calculations and payments conform to legal requirements, contract, or NXP requirements

Not applicable: Not applicable.

L&H. 4.2. Overtime pay: All overtime hours must be paid at the appropriate overtime rate applied to appropriate base wage as required by applicable laws and regulations or employment contract, whichever is higher.

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Minimum requirements

- Workers shall be paid for all hours worked at legal rates, regardless of whether or not they have reached their production quotas.
- Where the law is silent, the premium shall be paid at least an additional 50% per hour of the base wage for piece rate and hourly work or an additional 50% per hour of the average earnings.

Rating

Core violation: There is evidence of deliberate or systemic underpayment of overtime premium. Major non-conformance: There are miscalculations in overtime wages that resulted in underpayment but such miscalculations must be determined to be an error rather than deliberate underpayment of overtime wage.

Minor non-conformance: No policy in place but calculations and payments conform to legal requirements, contract, or NXP requirements

Not applicable: Not applicable.

L&H.4.3. Auditee shall ensure that wages and benefits of apprentices, trainees, and workers on probationary status in legitimate apprenticeship/training or probationary programs are consistent with the national law of the country.

Minimum requirements

- There are employment policies and practices for apprentices/trainees/workers on probationary status that strictly meet or exceed the local legal requirements.
- There is an established and clear competency-based evaluation program of apprentice/trainees/workers on probationary status.
- Apprentices/trainees/workers on probationary status in legitimate apprenticeship/training or probationary programs may be paid less than the legal minimum wage only if the law explicitly permits. No workers shall work more than 3 months cumulatively in either a apprenticeship/training or probationary status unless the apprenticeship program requires a longer duration in order to complete an educational curriculum, or to meet technical requirements to perform a specific vocation. If a probation period should exceed 3 months, all benefits shall be consistent with that of a regular worker after a 3 month period..
- Refer to minimum requirements for apprentices under Child Labor Avoidance L&H.2.4. and L&H.2.5.

Rating

Core violation: Not applicable.

Major non-conformance: Wages and benefits of apprentices/trainees/probationary workers are not consistent with or Auditee's implementation circumvents national laws.

Minor non-conformance: No written policies and procedures in place but practice is consistent with legal requirements

Not applicable: There are no apprentices/trainees or there is no probationary period for new hires.

L&H.4.4. Auditee shall afford full protection to contract, contingent, or temporary workers and shall adopt and adhere to rules and conditions of employment that, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

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Minimum requirements

- Contract/contingent/temporary workers are hired only if such hiring is consistent with the national law of the country.
- There are written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary workers.
- Contract/contingent/ temporary workers are not discriminated against in terms of compensation and benefits. They receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority.
- Contingent/contract or workers on a temporary status shall be upgraded to regular status within the period specified by law or, where the law is silent, after nine months of continuous work
- For any contract/contingent/temporary worker who becomes a permanent employee, seniority and other fringe benefits eligibility is dated from the first date as contract/contingent/temporary a worker and not from the first day of permanent employment.

Rating

Core violation: Not applicable.

Major non-conformance: Hiring of contract/contingent/temporary workers circumvents national laws regulating the employment of these types of workers. Hiring of contingent/contract/temporary workers is used to infringe on legally guaranteed rights to security of tenure, freedom of association, and right to collective bargaining. These workers are paid subminimum wages and benefits

Minor non-conformance: No written policies and procedures in place but practice is consistent with legal requirements

Not applicable: No contract/contingent/temporary workers.

L&H.4.5. Auditee shall provide workers with all legally mandated benefits.

Minimum requirements

- Workers shall be provided with social security insurance, including, but not limited to, pension scheme, medical care, work-place injury, unemployment, and maternity benefits, whenever applicable by law. Student workers on internship program must have appropriate insurance as required by the law.
- Workers shall be provided with the holidays and leaves to which they are legally entitled, such as national or public holidays, annual leave, marriage leave, maternity leave, sick leave, bereavement leave, and other leaves.
- Benefits shall be provided upon hire or within the time period prescribed by law.
- Legally mandated benefits are paid in full and in a timely manner.
- Auditee shall make timely contributions to the provident fund/social insurance/ medical insurance/unemployment insurance/work injury insurance/maternity insurance/pension schemes or other funds as required by law, taking into account both the employer and worker contributions where applicable. Payment records for these contributions shall be made available for at least 12 months.
- For benefits that require worker's contributions to be deducted from workers' wages, a clear and established basis and formula are set for providing benefits to all types of workers.
- If workers are legally required to contribute to social security benefits, the amount of contribution, how to calculate such contribution, and mode of payment shall be clearly explained to workers;
- At least 80% of the workers interviewed are aware of benefits to which they are entitled.

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- A clear set of criteria that determines which workers are eligible for which benefit, and when (for mandated benefits, criteria and time period within which benefits shall be provided shall follow local law) are clearly communicated to workers;
- Auditee shall keep proper records of payments of social security contributions and other legally mandated contributions to the authorities, with details of each worker's contributions.

Rating

Core violation: There is evidence of deliberate or systemic non-payment of legally mandated benefits. This includes delays in remittance of employers' contributions on legally mandated benefits that result in workers not being able to avail themselves of benefits due to them.

Major non-conformance: Workers reported inaccurate provisions of benefits but facility has a system to make adjustments to reported inaccuracies.

Minor non-conformance: No policy in place but benefits conform to legal requirements, contract, or NXP requirements; less than 80% of workers interviewed are aware of legal benefits to which they are entitled.

Not applicable: Not applicable.

L&H.4.6. Auditee shall communicate to all workers, in writing and in a language they understand, the method by which wages, benefits, and deductions are calculated.

Minimum requirements

- Workers receive pay slips or similar documentation.
- Pay slips or clear statements detail, in a language understood by the workers, regular and overtime hours worked, regular and overtime rates, regular and overtime wages, bonuses, any applicable benefits, and deductions.
- Workers are provided training on how their wages are calculated and an estimate of their wages.
- At least 80% of the workers understand how their wages are calculated.

Rating

Core violation: Not applicable.

Major non-conformance: Wages, benefits, and deductions are not communicated to workers in the form of pay slips or similar; no training or explanation of wage calculation is provided to workers.

Minor non-conformance: Communication and training is provided, but more than 5% of the workers do not understand how wages are calculated.

Not applicable: Not applicable.

L&H.4.7. Auditee shall not delay or withhold payments to workers and shall maintain proof of wage payments.

Minimum requirements

- Wages are paid directly to workers (or as legally designated to a third party) with no unauthorized deductions. Wages of foreign workers are paid directly by the facility or organization where the work is performed unless if the workers are not directly hired by the facility.
- Workers are paid within the deadline defined by applicable law and regulations. In the absence of regulatory guidance, the payment is made within 14 days after the end of the working period and this requirement shall be clearly stated in employment contracts

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- For severance pay, payment must be made in compliance with local law or not later than one month after final day on the job.
- Payroll records are archived or kept on site for at least 12 months or the period required under local law.

Rating

Core Violations: Payments have been delayed for more than one month.

Major non-conformance: Payments are delayed for less than a month for more than 5% of the workers (based upon sample taken).

Minor non-conformance: Payments have been delayed for less than a month and less than 5% of the workers (based upon sample taken).

Not applicable: Not applicable.

L&H.4.8. Auditee or its agents shall not deduct Workers' earnings, except where required by applicable law and regulations (e.g., taxes, social insurance), or where Auditee or its agent is providing a service. If deductions are made as part of a service provided to workers, workers shall have the choice to opt out of any such service. Auditee shall pay all employer-paid taxes and other payments, on time, to relevant government agencies in accordance with applicable laws and regulations.

Minimum requirements

- Deductions or withholdings are calculated correctly and submitted to the appropriate government agency within the timeframe specified in the applicable local labor law.
- Deductions for dormitories, water, meals, and other services are reasonable and do not exceed market rates.
- Auditee does not charge workers for required personal protective equipment and uniforms, except when unreturned.
- The aggregate amount for deductions, with the exception of social insurance and similar funds and taxes, shall not be more than 25% of the minimum or contracted basic wage, or the legal limit, whichever results in a higher net wage for the worker.
- There is a system in place that ensures workers are paid back any amounts due them, with interest, for deductions taken from their pay that are 1) not mandatory deductions and taken without the workers' knowledge, request or permission, or 2) used to pay punitive fines.

Rating

Core violation: Payments of government or regulatory deductions have not been made or paid on time for at least three months; more than 20% of the workers (based on sample) do not have correct legally required employer contributions paid.

Major non-conformance: Payments of government or regulatory deductions are not calculated correctly or are not paid on time, between 5% and 20% of the workers (based on sample) do not have correct legally required employer contributions paid, workers are charged for personal protective equipment, or the aggregated amount of deductions for more than 20% of the workers (based on sample) exceeds 25%.

Minor non-conformance: Payment of government or regulatory deductions are calculated correctly but errors are found in the application on a limited number of statistical sample (less than 5%), 5% or less of the workers (based on sample) do not have correct legally required employer contributions paid, or the aggregated amount of deductions for less than 20% of the workers (based on sample) exceeds 25%.

Not applicable: No withholdings or deductions.

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L&H.4.9. Auditee shall not deduct monetary penalties from wages. Deductions in mandatory benefits as a disciplinary measure are prohibited.

Minimum requirements

- Deductions for tardiness or time missed do not exceed the actual time missed.
- Production quotas are not punitive. Fines, forced overtime, non-payment of overtime rates, uncompensated work, or harassment for not reaching production quotas are unacceptable.
- Monetary penalties for damages to or loss of company equipment/property as disciplinary measure are prohibited.
- A payment that applies equally to all workers (e.g., an “annual bonus”) is considered as part of a wage, not a bonus, and therefore the deduction of any monetary penalties from this part of the wage is prohibited.
- Reduction in paid leave days (vacation or sick days) is not applied as a disciplinary measure.

Rating

Core violation: Not applicable.

Major non-conformance: Wage deductions are employed by the Auditee as a standard disciplinary measure.

Minor non-conformance: Wage deductions are not employed by the Auditee, but no clear policy statement on this is in place.

Not applicable: Not applicable.

L&H.4.10. Third parties: Auditee shall ensure that any third party used in recruitment, processing, placement, employment, or management of contract workers adheres to the requirements of the wages and benefits standard and shall regularly evaluate these contractors’ conformance and performance against these requirements.

Minimum requirements

- There is a pre-selection and due-diligence process for agencies and contractors involved in the recruitment and hiring of workers that includes regular audits to ensure compliance with applicable laws and regulations, the NXP’s Supplier Code of Conduct, and Auditable Standards.
- A written set of guidelines is established and communicated to all subcontractors, including recruitment and employment contractors and partners, regarding NXP’s Code of Conduct and Auditable Standards.
- There is a documented process to correct violations to the Code requirements, including a timeline. Planning for corrective action provides for continuous improvement to bring agencies and contractors to full compliance and help prevent future violations.
- Appropriate sanctions for violations by subcontractors, including recruitment and employment contractors and partners, are defined and implemented. Sanctions include termination of a business relationship if violations are not corrected and preventive measures to ensure recurrence. Measures are taken to ensure that workers are not negatively impacted by these sanctions.
- Audit reports and corrective actions are available for review.



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Rating

Core violation: Not applicable.

Major non-conformance: No labor agent/contractor requirements process/communication in place or verification mechanism in place to verify conformance to the standards.

Minor non-conformance: Labor agent/contractor requirement process/communication in place and verification mechanism in place to verify conformance to Standards, but requirements are incomplete or corrective actions are not implemented or completed.

Not applicable: No labor agent/contractor used.

L&H.4.11. Dispute mechanism: Workers shall have a formal mechanism by which to dispute wage- and benefit-related payments.

Minimum requirements

- There are mechanisms for workers to report any complaints regarding wages and benefits and to respond to worker feedback and complaints.
- There is proof of adjustments to wages and benefits when errors in wages and benefits calculations were found.

Rating

Core violation: Not applicable.

Major non-conformance: Errors in wages and benefits are reported but not acted upon.

Minor non-conformance: Errors in wages and benefits are corrected and acted upon but there is no formal mechanism to report complaints.

Not applicable: Not applicable.



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L&H.5. Humane Treatment

There is to be no harsh or inhumane treatment of workers, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

AUDITABLE STANDARDS

L&H.5.1. There is no evidence of sexual harassment or abuse, corporal punishment, mental or physical coercion, verbal abuse, or intimidation.

Minimum requirements

- Workplace is free from incidents of any form of harassment or degrading treatment.
- There is a documented process for investigating incidents of harassment or any form of abuse that is considered by workers and auditors to be fair and safe.
- There are confidential communication channels for workers to report incidents of harassment and inhumane treatment that workers trust and use.
- There is a process for corrective actions, within a timetable and adequately documented.
- All cases of disciplinary actions are clearly documented.
- Supervisors and managers are educated on the policy and are adequately trained to handle reported cases, if any.
- Workers are informed of the policy on humane treatment and the processes that support implementation of such policy.
- Management can cite the company's policy on prohibition of inhumane treatment and adequately explain its implementation, including actions to be taken on any instances reported or found.

Rating

Core violation: One or more cases of inhumane treatment are reported through any channel (internal/external) without action taken.

Major non-conformance: Fewer than two inhumane treatment cases are reported with actions still in progress.

Minor non-conformance: Fewer than two inhumane treatment cases were reported with actions completed but no preventive actions on an ongoing basis

Not applicable: Not applicable.

L&H.5.2. Auditee shall not restrict workers' access to basic physical comforts such as toilets, bathrooms, drinking water, or medical facilities, and will provide meal breaks and rest days, as required by law. There shall be free exit and entry of facility or dormitories, and Auditee shall not limit access to such basic liberties to specific times of the day (such as the scheduled meal breaks and rest days).

Minimum requirements

- Workers can use toilets and lavatories or go to a drinking water station any time or as needed. Likewise, workers can go to medical facilities when needed. No permission or complicated notification process is required.
- There are no restrictions in the form of threat or penalty.

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- Workers enjoy restriction-free meal breaks and rest days.
- If workers reside in dormitories provided by the Auditee, gates or access to the dormitory, including its comfort rooms and water stations, is free from restrictions.
- The policy on humane treatment includes procedures on freedom of movement.
- Management can cite policy and state how workers can have access to basic physical comforts and are free to leave Auditee's location or dormitory when not engaged in work.

Rating

Core violation: Not applicable.

Major non-conformance: Workers are restricted from movement through threat or penalty, even if a policy is in place.

Minor non-conformance: No policy or procedures are in place on freedom of movement but there are no restrictions on movement and no coercive restrictions systems/procedures are used. There are delays in granting workers the permission to leave the factory/dormitory.

Not applicable: Not applicable.

L&H.5.3. Auditee shall establish adequate and effective policies and procedures on decent and humane working conditions for workers. Such policies are communicated to all workers.

Minimum requirements

- There are policies in place in place that prohibit inhumane treatment. Policies at least cover sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, as well as withdrawal of basic physical comforts provided.
- There are effective procedures for reporting, investigating, and addressing complaints/grievances regarding inhumane treatment, including appropriate disciplinary actions. Auditee keeps documentation of those procedures and reported incidences.
- These policies are clearly communicated to workers in worker training, handbooks, notice board postings, or other communication channels that are accessible to workers.
- Management and workers can describe how disciplinary actions are taken, recorded, and appealed.

Rating

Core violation: Not applicable.

Major non-conformance: Policy and/or procedures are not available or incomplete; disciplinary action records missing or incomplete.

Minor non-conformance: Policy, procedures, and disciplinary action records are available but communication and/or training are not effective (more than 5% of workers cannot explain the disciplinary action procedure or are unaware of policies and/or procedures).

Not applicable: Not applicable.

L&H.5.4. Auditee shall establish a policy that ensures fair treatment of workers. Such policy shall be clearly communicated to workers. Also, workers shall not be given unreasonably demanding work and job responsibilities, or exceedingly high performance targets designed to let workers fail. Workers shall not be forced to resign.

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Minimum requirements

- Workers are informed of their right to fair treatment, the company's policy on fair treatment, and processes and procedures that support such policy.
- Workers are provided with skill-building programs to be able to effectively carry out job responsibilities, meet performance targets, and perform expected tasks.
- Workers are provided with skills training on how to treat fairly their co-workers, supervisors and managers.
- There is a performance appraisal policy and system that is fair.
- Supervisors and managers are trained to conduct performance appraisals.
- Workers who do not meet job expectations undergo a performance improvement process that is objective and constructive.
- Supervisors' and managers' performance on fair and humane treatment is a part of their performance review process.

Rating

Core violation: Not applicable.

Major non-conformance: No policy on fair treatment in place; over 20% of the workers (based on the sample) are not informed of their right to fair treatment or the company's policy on fair treatment or the processes and procedures that support such policy.

Minor non-conformance: Policy and procedures in place and communicated but some elements from the minimum requirements are not fully implemented.

Not applicable: Not applicable.

L&H.5.5. Auditee shall provide communication channels for workers to report anonymously violations of policy on fair treatment. Such channels shall be free and easily accessible. Auditee shall also establish a non-retaliation policy for reporting incidences of unfair treatment. Such policy shall be clearly communicated to workers.

Minimum requirements

- Workers are trained upon hire and in a language they understand of the grievance policy.
- Training materials and records are maintained and readily available.
- Workers are provided with a handbook that includes the company's grievance policy and process.
- There are no reports of reprisals from workers.
- If there are cases of reported reprisals, disciplinary actions and corrective/preventive actions are taken and clearly documented.
- There are records showing grievances filed in the last 12 months and accompanying actions taken to resolve reported issues.
- There is a fair appeals process that is part of the disciplinary proceedings.
- At least one working and effective grievance channel for anonymous complaints is available to workers.

Rating

Core violation: Confirmed case of worker retaliation in the last six months

Major non-conformance: No documented grievance channel in place; grievance channels do not protect workers or are not trusted by them.

Minor non-conformance: Documented grievance channel(s) in place but with some minor deficiencies.

Not applicable: Not applicable.

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L&H.5.6. Auditee shall record disciplinary actions and review such actions to ensure they are consistent with the procedures.

Minimum requirements

- Documents showing disciplinary records, with worker’s signature or confirmation, are maintained.
- A formal and documented process is in place for recording and investigating disciplinary cases. The process conforms to legal requirements and does not contain inhumane practices.
- Management and workers can adequately describe company’s disciplinary policy, including the appeals process.

Rating

Core violation: Not applicable.

Major non-conformance: Disciplinary action records are not available.

Minor non-conformance: Disciplinary action records are available but workers do not confirm or sign the records.

Not applicable: Not applicable.

L&H.5.7. Auditee shall adequately train managers and supervisors on its policy and procedures on enforcing discipline.

Minimum requirements

- Auditee maintains and makes readily available up-to-date training records.
- Auditee reviews performance of supervisors and managers in regards to documented fair and humane treatment indicators and expectations and, if necessary, provides adequate training on positive management techniques.
- Managers and supervisors can clearly state when they were last trained and explain consistently the detail of the disciplinary action procedure.
- There are no complaints from workers about how they are treated during an investigation process and disciplinary action.

Rating

Core violation: Not applicable.

Major non-conformance: Managers and supervisors do not receive training on disciplinary action procedure(s).

Minor non-conformance: Managers and supervisors receive training on disciplinary action procedure(s), but do not have refresher program.

Not applicable: Not applicable.

L&H.5.8. Auditee shall have security practices that prevent any harassment or abuse to workers.

Minimum requirements

- Security personnel shall receive training on harassment and abuse prevention and their roles and responsibilities. All training shall be documented.
- All security practices shall be gender appropriate and nonintrusive.



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Rating

Core violation: Confirmed cases of abuse and harassment by security personnel

Major non-conformance: Security personnel do not receive training on harassment and abuse prevention

Minor non-conformance: Security personnel received training but it is not documented or there is no refresher training.

Not applicable: Not applicable.

L&H.5.9. Workers are permitted time off when ill or in maternity.

Minimum requirements

- Workers receive legally allowed time off for sickness or maternity without job loss, financial penalty, or non-performance-related assessment in one's performance appraisal when supported with a medical certificate.
- Pregnant workers that lose their job due to reasons other than acts or omissions by the pregnant employee herself, will at least remain employed by NXP until their maternity leave.
- Auditee provides formal policies and procedures for sick leave and maternity leave. These policies and procedures are communicated to workers and are indicated in employee handbook, written work rules, and other forms of worker communication.
- Information on leave records is consistent with the medical certificates. Payroll records for these absences show that there was no financial penalty for maternity or sick leave.
- There is no evidence in the performance appraisal system or records of biases due to illness and/or maternity.
- Management can clearly state the medical and maternity leave policy details consistent with the written policy and local legal requirements.
- Workers can describe the medical leave policy and confirm that the implementation is in conformance to the company's policy.

Rating

Core violation: Workers are not allowed time off for illness or maternity with valid medical certificate.

Major non-conformance: Workers are not allowed to take full time off as per legal requirements with a valid medical certificate.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

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L&H.6. Nondiscrimination

Auditees should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. . In addition, workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.

AUDITABLE STANDARDS

L&H.6.1. No evidence of discrimination based on grounds of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status exists.

Minimum requirements

- Decisions related to hiring, employing, terminating or promoting workers, including foreign workers, are based solely on the candidate's ability to perform job requirements.
- The Auditee is able to show evidence that it uses competency-based evaluation procedures in its recruitment, selection and hiring, promotion and merit systems.
- There is no discrimination in job postings or job advertisements.
- Foreign workers shall receive the same wages as local workers performing the same job/task
- There are established procedures to ensure that discipline and termination procedures screen out discrimination.
- There are established confidential communication channels for workers to report incidents of discrimination.
- Workers' reports of discriminatory treatment are effectively acted upon.
- Processes for corrective actions, within a timetable, are adequately documented.

Rating

Core violation: Evidence of systemic discrimination.

Major non-conformance: There are no systems in place to ensure that discrimination does not happen in any of these systems: recruitment, selection, hiring, training, promotion, and merit increases, or bonuses. No effective action was taken on reported cases of discrimination. The facility does not have a credible channel for workers to report incidents of discrimination.

Minor non-conformance: The systems are in place but there are gaps in the process that could potentially lead to discrimination, but there is no evidence that discrimination happened or was reported but not acted upon.

Not applicable: Not applicable.

L&H6.2. Auditee shall have adequate and effective policy and procedures in place that prohibit discrimination and harassment.

Minimum requirements

- Policies are in place that prohibit discrimination.

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- Non-discrimination policies and procedures are communicated to workers, supervisors, and managers.
- There is initial training on non-discrimination and annual refresher training for supervisors and managers.
- Auditee has a system in place that verifies, on a regular basis, reasons why potential job applicants are not hired and why workers are terminated or not promoted to ensure that said reasons are non-discriminatory.
- Hiring agents and supplier management are trained in non-discrimination and applicable non-discrimination laws

Rating

Core violation: Not applicable.

Major non-conformance: No policies in place that prohibit discrimination; policies are in place but more than 20% of workers (based on sample) are not aware of policies.

Minor non-conformance: Policies that prohibit discrimination are in place and have been communicated to workers, supervisors, and managers, but there is no refresher training for supervisors and managers.

Not applicable: Not applicable.

L&H.6.3. Auditee shall ensure that medical tests are not used for discriminatory purposes.

Auditee shall not require pregnancy test or status of a nursing mother, either as a pre-employment requirement for hiring or as a requirement for continued employment. No job candidate shall be refused employment for a non-hazardous position, and no worker shall be terminated, based on her pregnancy status.

Minimum requirements

- In countries where the law expressly provides for a medical test, or where it has been determined by a qualified health professional to be necessary for workplace safety, Auditee shall provide the worker and qualified medical professional with the skill requirements and hazards of the position/s in question.
- Hepatitis-B or HIV testing is not a requirement for hiring or continued employment, unless required by an applicable law or regulation or for reasons of workplace safety. NXP does not consider casual contact as reasonable grounds for an Auditee to determine that Hepatitis B and HIV testing are prudent for workplace safety.
- Safety restrictions and procedures for workers infected with a contagious disease are incorporated into employee handbooks or similar. Such safety restrictions shall be based on determinations made by a qualified health professional.
- Positions or work hazardous to pregnant women and nursing mothers have been identified.
- Workers who are identified as pregnant and nursing mothers do not perform work deemed, by a qualified health professional, to be hazardous to pregnant women and nursing mothers. In such case, Auditee accommodates or transfers existing pregnant workers and nursing mothers to non-hazardous positions, without diminution of salary and benefits, during the pregnancy or nursing period.
- Safety restrictions for pregnant women and nursing mothers are being incorporated into written job descriptions. Such safety restrictions are determined by a qualified health professional.
- There is a qualified health professional that identifies and reviews on a regular basis all operations and positions to determine any risks to a mother and/or unborn child.

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- Auditee does not discriminate against new workers who are eligible for other positions where a pregnancy test is not required.
- Auditee shall not prohibit female workers from becoming pregnant nor threaten female workers with adverse employment consequences, including dismissal, loss of seniority, or deduction of wages, in order to discourage them from becoming pregnant.
- For mandatory medical tests, results are not shared with Auditee unless legally required or, if legally required, are shared only with health professional(s). The Auditee only receives the qualified medical professional's opinion of the worker's fitness for the job and any limitations on the type of work that the worker may perform.
- An existing worker who declines to take a required medical test shall be moved, if possible, to an alternate position that does not mandate such required medical test. If not possible, the Auditee may take any legally permitted action.
- For optional medical tests, results are shared with the Auditee only with workers' written consent.
- The confidentiality of pregnancy test results and medical records is observed whether or not such confidentiality is protected by applicable law or regulations
- Auditee informs all supervisors, managers, and female workers of all hazardous positions from which pregnant women are restricted, including a) hazards to the mother or unborn child of performing such work, b) information on how workers can obtain a voluntary pregnancy test if they believe that they may be pregnant, c) company's policy on non-discrimination against pregnant workers, d) responsibility to accommodate pregnant workers by offering them non-hazardous positions, and e) the option for female workers to take a pregnancy test prior to performing hazardous work or be re-assigned to areas without the hazards if they refuse to take the test.
- Workers returning from maternity leave shall be given their former job back at the same rate of pay and without diminution of benefits.

Rating

Core violation: One or more confirmed cases of worker termination, or refusal of hiring, in the last 12 months that are found to be discriminatory in nature on the basis of pregnancy status or medical reasons.

Major non-conformance: Management uses medical testing in a structural way to discriminate against workers. Medical discrimination cases have been reported with actions still ongoing. Pregnancy tests are conducted on applicants and workers during their employment.

Minor non-conformance: Medical discrimination cases have been reported and actions have been taken but no preventive actions on an ongoing basis.

Not applicable: Not applicable.

L&H.6.4. Reasonable accommodation for religious practices is provided

Minimum Requirements

- Auditee is expected to take reasonable measures to ensure every worker is not discriminated against based on established religion
- Where there is significant number of followers of a religion require special accommodation to perform their religious obligations, the auditee should take necessary extra steps to provide space, time, and flexibility to allow these individuals to meet their religious obligations.

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- Adequate and effective procedures in place to reasonably accommodate for religious practices and adjustments to the work environment and schedule to comply with their religious beliefs while at work.
- Workers and supervisors are trained and made aware of these procedures and a refresher is in place as and when needed to ensure awareness to the procedure.

Rating

Core violation: Reasonable religious accommodation requests are refused without justification by management

Major non-conformance: No policy or adequate reasonable religious accommodation in place. Prayer/religious areas are provided but not safe, clean or adequate. Reasonable religious accommodation requests are made but not evaluated or decisions are not communicated to requestor/workers

Minor non-conformance: Reasonable religious accommodation records (application and responses) are not kept

Not applicable: Not applicable

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L&H.7. Freedom of Association and Collective Bargaining

In conformance with local laws, Auditee 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 rights of workers to refrain from such activities. Workers shall be able to openly communicate and share ideas, concerns, and grievances with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment.

Auditee shall respect – within the framework of laws, regulations, and prevailing labor relations and employment practices – the right of its workers to be represented by labor unions and other worker organizations. Auditee will engage in negotiations, either on its' own behalf or through employers' associations, with a view to reaching agreement on employment conditions.

AUDITABLE STANDARDS

L&H.7.1. Auditee shall have a policy expressly recognizing and respecting the right of workers to associate freely and engage in collective bargaining. Such policy shall be in compliance with international and national laws, regulations, and procedures. The policy shall state that the Auditee shall neither interfere with nor control by any means any worker's organization or union, nor finance, directly or indirectly or through benefit in kind, the formation of any workers' organization or union. Workers can engage in a non-disruptive social interaction and are allowed to interact with each other in the workplace, and to speak freely. No evidence of unequal treatment between unionized or worker representatives and non-unionized workers exists.

Minimum requirements

- No evidence of unequal treatment between unionized or worker representatives and non-unionized workers exist.
- No evidence present of association "boycotting".
- Worker representatives are democratically elected or chosen.
- Free, non-disruptive social interactions in the workplace are allowed and workers can speak with each other freely.
- The country's freedom of association and collective bargaining laws and how the Auditee complies with them is described in the policy.

Rating

Core violation: Freedom of association or collective bargaining is structurally boycotted, grievances related to freedom of association and collective bargaining is not acted upon.

Major non-conformance: Freedom and collective bargaining is discouraged in Auditee's communications and documents, worker representatives are not democratically elected, policies are absent or incomplete.

Minor non-conformance: Freedom of association is respected but free non-disruptive interaction in the workplace is not allowed, workers are elected but formal election governance procedures are missing or are not communicated to workers prior to election.

Not applicable: Not applicable.

L&H.7.2. Auditee provides adequate and effective communication with and training of workers on their legal rights relating to freedom of association and collective bargaining.

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Minimum requirements

- Workers are informed of their legal rights related to freedom of association as evidenced in worker training, handbooks, notice board postings, or other communication channels that are accessible to workers.
- Workers are informed, when employed, if they are automatically enrolled in a union or other forms of workers' associations.
- Training materials aligned with policy and legal requirements are in place.
- Training records reflect that workers, supervisors, and managers are properly trained.
- At least 80% of workers understand their legal rights relating to freedom of association and collective bargaining.

Rating

Core violation: Not applicable.

Major non-conformance: No policy or effective training program in place for freedom of association and/or collective bargaining. Workers are not informed of enrollment and mandatory membership, wage deduction, or union/committee contribution.

Minor non-conformance: Training program and policy in place but less than 5% of workers (based on sample taken) have not been properly trained. Workers are informed about union/committee contribution but not informed of enrollment. Less than 80% of workers understand their legal rights related to freedom of association and collective bargaining.

Not applicable: Not applicable.

L&H.7.3. Auditee shall have a system in place that effectively allows workers to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment. Such communication system shall provide protection of worker's privacy whenever necessary, and protect worker against possible retribution. Auditee shall provide for a documented system of management follow-up of an issue or grievance and prompt response or remedial action if the grievance is valid.

Minimum requirements

- A worker-management communication system (suggestion box, web-based, SMS text based, phone-based, direct communication with HR department, etc), and grievance mechanism is established. The grievance mechanisms are accessible to workers, including to student workers, such that they can receive and give information in a language they understand.
- There are clear procedures for handling grievances which detail how information is received and handled.
- The grievance mechanism protects anonymity, provides for management follow-up, response, and worker communication of management action and response.
- Workers are generally aware of, trust, and actively use the system.
- The grievance and communication systems cover foreign workers as well, if applicable.
- There is an effective mechanism for workers to report grievances anonymously, in accordance with local laws and regulations, that workers trust.
- Workers are informed of the procedure and channels available to relay grievances. The procedures provide a means for workers to report a grievance against a supervisor to someone other than that supervisor.

Rating

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Author: Tony Khaw

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Core violation: There is confirmed evidence of retaliation from management for grievances raised by workers.

Major non-conformance: No worker-management communication system or grievance mechanism in place, grievance mechanisms do not protect workers, grievances are systematically not followed-up or acted upon.

Minor non-conformance: Worker-management communication systems and grievance mechanisms are in place but with some minor deficiencies.

Not applicable: Not applicable.

L&H.7.4. No evidence of control or attempt to control of labor organizations by any means (incentives or intimidation) exists.

Minimum requirements

- Written policies and procedures addressing freedom of association include non-interference by management whether directly, indirectly, or by the offer of monetary benefits or benefits in kind to any worker, organization, or trade union.
- As a sign of responsible behavior, management may provide meeting space, meeting materials (such as note taking materials), provided that the amount is less than a nominal value per year.

Rating

Core violation: Not applicable.

Major non-conformance: Union/committee members are paid directly in wages or in kind for activities. No non-interference policy is in place. There are documents that reflect, or verified worker reports of, management's efforts to interfere with, intervene in or obstruct any union-related activities.

Minor non-conformance: Policy is in place but Auditee contributes to committee/union an amount larger than nominal value per year.

No applicable: No labor organization in the Auditee's facility.

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L&H.8. Diversity

NXP is committed to diversity in its workforce because we are a global organization, born of a global community, diverse in professional discipline, nationality, gender, race, culture, ethnicity, language, age, religion, and sexual orientation. We seek those differences and seize the opportunities that our great diversity offers in achieving our goals. Auditee (agents or search companies) engaged by NXP in recruiting employees for NXP shall therefore make every effort to present a diverse list of candidates for each position, without regard to race, gender, age, or other factors unrelated to their ability to perform in the position. The Auditee will document their efforts and provide evidence to NXP upon NXP's request.

AUDITABLE STANDARDS

L&H.8.1. Auditee (agent or search companies) shall have a documented statement in place that expressly states their commitment to and respect for diversity in providing recruitment services to NXP. Such statement shall be supported by implementing structures. Auditee shall ensure that their approach to recruitment and employment for NXP encourages equality of opportunity, fairness and respect for diversity.

Minimum requirements

- Auditee has a written, documented statement that expresses management's commitment to uphold standard on diversity when recruiting employees for NXP.
- There is a designated person responsible for implementing the NXP requirements.
- Job descriptions for NXP clearly identify job duties and responsibilities, accompanied by specifications on educational qualifications, skills, work experience, and personal attributes necessary for satisfactory performance of the job.
- In the case of NXP jobs, application procedures and forms shall indicate or request information only relevant to the job. Such information shall be consistent with information in job descriptions.
- Auditee provides guidance, whenever possible, on outcomes of generalized assumptions and prejudices about race, color, nationality, ethnic or national origins, sex, marital status, age, disability, family circumstances, sexual orientation, and religious or political beliefs on selection decisions.
- In the case of NXP jobs, Auditee reviews, on a regular basis, its statement, procedures, and practices on diversity to ensure that only information relevant to the job (as determined by the job description, person specification, and work permit requirements) is sought.
- Auditee maintains a record of the number of women, men, members of racial or ethnic minorities and people with disabilities who apply for posts and those hired for NXP jobs, to determine patterns or trends of employment.

Rating

Core violation: Not applicable.

Major non-conformance: NXP diversity requirement is not adequately deployed within the Auditee organization.

Minor non-conformance: Application procedures and forms require information that is not relevant to the job.

Not applicable: Auditee not involved in recruitment services for NXP.

L&H.9. Worker Grievance System

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It is important for Workers' Voice to be effectively received and responded to. Auditee shall have in place a system for all workers to raise grievances, in accordance to local laws and regulations (where applicable), and suggestions relating to improvement to the workplace and working conditions. Such grievances may include but not limited to instances of harassment and abuse, discrimination, retaliation, non-payment of wages, dormitory conditions (if applicable), environmental, health and safety concerns. Workers must be able to provide grievances without fear of reprisal or retaliation.

AUDITABLE STANDARDS

L&H.9.1. Auditee shall have an effective mechanism in place for all workers to report grievances. Such mechanism shall facilitate open worker-management communication and engagement.

Minimum requirements

- Auditee shall have in place a written policy that addresses the grievance system and mechanism, and this shall include clear non-retaliation requirements. The policy shall be clearly communicated to all workers and in language(s) workers understand.
- Auditee shall have in place a grievance mechanism and process that is accessible to all workers. Grievance processes shall be documented and at a minimum, comprise of:
 - Multiple channels for workers to raise concerns and provide input to management, including ability to raise concerns confidentially and anonymously without fear of retaliation (see also Clause ETH.9. Whistleblower Protection and Anonymous Complaints)
 - Step-by-step processes by which all grievances are reported, processed, investigated and responded to the workers who raised the concerns
 - Identification, development, and implementation of plans to respond to broader/systemic issues raised by workers through the grievance process.
 - Formal evaluation of effectiveness of improvements undertaken.
 - A grievance record and tracking system to ensure that all grievances are tracked. Such records include, but not limited to:
 - Channels through which grievances are reported
 - Investigation reports (names and titles of persons involved in investigation)
 - Associated resolutions
 - Improvements undertaken
 - Feedback and responses to workers regarding resolutions
 - Time taken to resolve grievances
 - Worker satisfaction with resolutions
- Auditee shall have a process to train and communicate the grievance system requirements to workers, supervisors and management.

Rating

Core violation: Evidence of retaliation against workers for raising grievances.

Major non-conformance: No procedure or formal system in place for workers to raise grievances. No procedure to safeguard against retaliation.

Minor non-conformance: Procedures and grievance system are in place but not complete, i.e., not all grievances are recorded, tracked and resolved

Not applicable: Not applicable.

H&S. AUDITABLE STANDARDS FOR HEALTH & SAFETY



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H&S.1. Occupational Safety

Worker exposure to potential safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, and controlled through proper design, engineering and administrative controls, preventative maintenance, safe work procedures (including lockout/tag-out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.. Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions, without fear of reprisal, until management adequately addresses their concerns.

AUDITABLE STANDARDS

H&S.1.1. The Auditee shall have in place all required permits, licenses, and test reports related to occupational safety. The Auditee shall have an implemented process to ensure required permits and licenses are kept up to date and all relevant personnel are informed of changes to any permit requirements.

Minimum requirements

- All applicable legal safety permits and licenses are in place, up to date, and available for review upon request.
- Auditee has all relevant occupational safety test reports in place. These reports meet the conditions of the site permits and licenses.
- Auditee ensures that the frequency of all relevant testing is done in accordance with the stipulations in the permits and licenses.
- Auditee has a documented process to keep all permits and licenses current and track the expiration of the permits/licenses.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses, or testing reports are missing or expired, and there is no process in place to manage the permits/licenses.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to manage them.

Not applicable: No permits or licenses required for the Auditee's operations. No testing reports required.

H&S.1.2. Auditee shall ensure that any worker exposure to potential safety hazards is controlled through proper design, engineering, and administrative controls, and safe work procedures

Minimum requirements

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- Auditee has a documented procedure and/or process to identify areas where there are significant occupational safety risks (including those from routine and non-routine activities) at all functional areas within the site.
- The procedure or process is able to rate the significance of risks.
- Auditee ensures precautions and engineering and/or administrative controls are in place for areas that are identified with significant hazards and risks, and such controls are maintained according to a defined schedule.
- Where engineering controls are not feasible or do not completely control the hazard, safe work practices are established and documented.
- Significant risk areas are properly identified by appropriate warning signs, placards, and labels, in languages that are understood by workers.
- There are mechanisms to periodically review and update the hazards, perform risk evaluation, and provide necessary training for affected workers.
- Auditee has in place a training program with adequate refresher training to train workers on the proper precautions in areas of significant risk.
- Workers have an avenue or process to raise their concerns over safety to management, without fear of reprisal.
- Auditee maintains records of workers who may have been exposed to potential safety risks.

Rating

Core violation: Imminent risk of life, permanent disability, or loss of facility.

Major non-conformance: One or more occupational safety hazards do not have control measures to limit worker exposure.

Minor non-conformance: Controls that limit worker exposure to occupational safety hazards are in place but not regularly monitored or reviewed.

Not applicable: Not applicable.

H&S.1.3. Auditee shall ensure that proper Personal Protective Equipment (PPE) is provided and that it is consistently and correctly used where required to control safety hazards and worker exposure.

Minimum requirements

- Workers working in areas where PPE is required are assigned the PPE, appropriate to the nature of work and safety hazards
- Each piece of PPE is adequate and regularly maintained to ensure it is in good working order.
- Each piece of PPE issued is the right fit for the worker and is in a condition that the functionality of the PPE is not compromised.
- Workers receive initial training on the proper use of their PPE and there is regular communication, inspection, and review to ensure workers are wearing their PPE correctly.
- The Auditee has in place all relevant training records.

Rating

Core violation: PPE is not made available to workers in areas where PPEs are required..

Major non-conformance: PPE is available but is not worn in required areas; no training is available to workers.

Minor non-conformance: PPE is worn in required areas but no inspection or review program on its proper use.

Not applicable: The activities at the Auditee's facility do not require the use of PPE.

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H&S.1.4. Auditee shall take reasonable steps to remove pregnant women/nursing mothers from working conditions with high hazards, minimize any workplace health and safety risks to pregnant women and provide reasonable accommodations for nursing mothers

Minimum requirements

- Auditee shall have effective policies and procedures in place to minimize the Health and Safety impact on pregnant woman and nursing mothers.
- A risk assessment process is in place to determine potential hazards to new and expectant mothers. A job risk assessment shall be carried out upon notification of pregnancy and all reasonable effort must be made to minimize the risk identified. All records must be kept and made available for risk assessments
- Provide reasonable accommodation for nursing mothers such as
 - Providing reasonable break time for a nursing mother to express breast milk for her nursing child for one year after the child's birth'
 - Providing a place, other than a toilet/bathroom, that has adequate privacy which may be used to express breast milk.

Rating

Core violation: Pregnant workers are found working in hazardous jobs with immediate risk to worker and unborn child.

Major non-conformance: No policy available to protect pregnant workers. No risk assessment for pregnant workers and nursing mothers. No reasonable accommodation provided for nursing mothers.

Minor non-conformance: A policy is available but not complete or implemented. Incomplete risk assessment for pregnant workers and nursing mothers.

Not applicable: Not applicable (or if it is an all male facility)



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H&S.2. Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized, by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

AUDITABLE STANDARDS

H&S.2.1. Auditee must have in place all required permits, licenses, and testing reports for fire safety response equipment (including fire suppression equipment) and emergency preparedness and a process to ensure permits and licenses are up to date at all times.

Minimum requirements

- Auditee has all legally required fire safety and emergency preparedness permits and licenses in place, valid, and available for review.
- The site emergency preparedness testing reports are in place, available for review, and are in accordance with permits, licenses, or legal requirements
- Testing is done at either the required frequency or does not exceed a period of two years.
- Auditee has a documented process to ensure permits are renewed before current permits expire. Permit tracking is documented.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits and licenses or testing reports are missing and there is no process in place.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to ensure timely renewal.

Not applicable: Auditee's facility does not require permits or licenses. No testing reports required.

H&S.2.2. The Auditee shall have in place adequate and effective fire-detection, alarm, and suppression systems (heat and smoke detection, fire sprinklers, portable fire extinguishers, alarm and notification system) appropriate to the nature of their operations.

Minimum requirements

- The fire-detection and suppression systems have received inspection and approval from the local fire and/or emergency authority.
- Auditee has a documented process to conduct regular inspection and maintenance of fire-detection and suppression systems including portable fire extinguishers. The results of the inspections are properly documented. The frequency of inspections meets the requirements of the law, insurance companies, customers, or common practice.

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Rating

Core violation: No fire fighting equipment, no heat and smoke detection, no alarm or notification system is in place.

Major non-conformance: Fire fighting equipment is in place, and systems for heat and smoke detection, alarm, and notification are in place, but they are not inspected regularly in accordance with legal requirements or the site procedure.

Minor non-conformance: Systems are in place and the inspection procedure is documented and implemented, but results are not recorded.

Not applicable: Not applicable.

H&S.2.3. The Auditee shall have a effective set of written emergency response plans and procedures that define how to identify the likely types of emergencies that could affect workers, assets, and the environment

Minimum requirements

- Auditee has adequate emergency signage with appropriate emergency numbers, emergency response information, and evacuation routes.
- Auditee has a process to adequately identify emergency risks and the likely type(s) of emergency situations for their operations. Response programs to address the identified risks are documented, available for review, and appropriate.
- Auditee's procedures and plans are regularly reviewed and updated at least every three years or whenever there are changes to the operations.
- Auditee has an emergency reporting procedure.
- Auditee has in place a business resumption plan in place covering the likely types of emergencies identified.
- Auditee shall have a process to investigate and determine root cause(s) of any emergencies and these root cause(s) of emergency situations are to be maintained and informed to workers in order to avoid similar incidents in the future.
- Auditee shall also provide post-emergency medical surveillance to workers as per applicable legal requirements and the costs of any medical treatment and worker rehabilitation (if required) are covered by the auditee.
- Auditee shall ensure that environmental control installations such as wastewater treatment plant and air emission control system(s) are prepared for emergency situations to prevent impact to the environment in case of emergency.

Rating

Core violation: No risk assessment, no emergency response and recovery plan in place.

Major non-conformance: Emergency response plan is in place, but does not cover all minimum requirements or there are missing items in the risk assessment. No updating of emergency plans at least every two years or when changes occur.

Minor non-conformance: Risk assessment and emergency response plans are up to date and complete, but there is no reporting procedure or business continuity plan in place.

Not applicable: Not applicable.

H&S.2.4. The emergency exit access, exits, exit discharge, aisles, and stairways at Auditee facilities must be adequate in number, properly located, readily accessible, and properly maintained.

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Minimum requirements

- In each area, the facility has an adequate number of exit points, separated from one another by a distance, and an adequate exit path.
- All exit paths are clear and unobstructed.
- All exit doors are unlocked. If locked (due to security reasons) the exit doors must be equipped with easy-open hardware, such as crash bars.
- All exit signs are clearly visible from every point within the facility.
- Emergency lighting provided and installed to illuminate means of egress in the event of power failure. Lighting shall provide adequate, functional lighting in stairs, aisles, corridors, ramps, and passageways leading to exits, and in other areas as required by applicable laws.
- Auditee can produce inspection records in accordance with local legal requirements and/or insurance requirements.
- Auditee shall ensure that signs are posted, in relevant local language(s), to prevent the use of elevators during emergencies unless the elevator is designed for firefighting or other emergency use.
- If there are hazardous production equipment in use, the auditee shall install manual or automatic shut down devices on such equipment, in the case of emergencies.

Rating

Core violation: Two or more emergency exits or pathways are blocked. Other emergency support facilities are not present or in good operating condition.

Major non-conformance: One emergency exit blocked, or pathways are accessible but not fully cleared of obstructions. Emergency support facilities are generally in working condition but not inspected according to legal requirements. Not all exit signs are visible. No signs to prevent use of elevators during emergencies. No shut down devices for hazardous production equipment.

Minor non-conformance: All emergency support facilities are appropriate, in good condition, and inspected, but inspection records are not maintained or are incomplete.

Not applicable: Not applicable.

H&S.2.5. The Auditee shall ensure that all workers are provided with appropriate training and communication on fire and other emergencies, along with their corresponding preparedness and response plans/procedures.

Minimum requirements

- Auditee has a documented training program in place with records of training conducted for initial training and subsequent refreshers.
- Workers are trained and know what to do in case of an emergency, including how to report the emergency.
- Workers are aware of the evacuation process, including the escape routes, the assembly location outside the building, and the meaning of specific alarms.
- Workers, supervisors, and management are trained in all relevant aspects of the procedure.

Ratings:

Core violation: Not applicable.

Major non-conformance: Management, supervisor, or workers are not trained on emergency preparedness and response, or training is incomplete/

Minor non-conformance: Training is adequate but there are no adequate refresher training courses.

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Not applicable: Not applicable.

H&S.2.6. The Auditee shall conduct adequate and effective fire and other emergency evacuation and response drills for all workers, and records for the drills shall be maintained.

Minimum requirements

- Auditee maintains records to demonstrate adequate drills for all workers, in every area and work shifts, are conducted on at least an annual basis (or more if legal requirements state so).
- If worker turnover is more than 20 percent since last drill, a new drill is required.
- Auditee has a documented procedure for emergency drills that includes requirements for lessons learned from previous drills, and a corrective action plan to improve the emergency drill performance. Corrective action plans are on track.
- Auditee has records for the last three years of corrective action plans and their status, and makes them available for review.

Ratings:

Core violation: No emergency evacuation drill held in last two or more years.

Major non-conformance: No emergency drill held last year or drill was held but not for all areas and all shifts. Drill was held for all areas and all shifts but no corrective actions were determined or documented.

Minor non-conformance: Corrective actions from last drill are not effective or have not been fully implemented.

Not applicable: Not applicable.

H&S.2.7. The Auditee must ensure that designated emergency-response personnel are provided with adequate and effective training and Personal Protective Equipment (PPE) on a regular basis. It is expected that the facility will have a designated emergency response team (ERT), and this team will have the appropriate PPE for their emergency response duties.

Minimum requirements

- Proper and proportional emergency response PPEs are available, adequate, and regularly maintained to ensure they are in good working order. They must be visible and easily accessible.
- Emergency-responder training meets legal requirements and covers the relevant risks as identified by the Auditee. Training should include chemical hazards, spill containment and clean up, fire hazards and appropriate response, proper handling and disposal of chemicals, selection and use of PPEs, and other information as required by local regulations.
- The Auditee maintains the training records of emergency responders.

Rating

Core violation: PPE for response personnel is not available, is not in good condition or working order, or is not sufficient, visible or easily acceptable.

Major non-conformance: No or incomplete training for emergency responders.

Minor non-conformance: Training is appropriate but adequate refresher training is missing or training records are incomplete.

Not applicable: Not applicable.



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H&S.3. Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track, and report occupational injury and illness, including provisions to encourage workers to report, classify, and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of workers to work.

AUDITABLE STANDARDS

H&S.3.1. All required permits, licenses, and testing reports for occupational injury and illness are in place and a process is implemented to ensure permits and licenses are up to date at all times.

Minimum requirements

- All legally required occupational injury and illness permits are in place, available for review, and valid.
- All occupational safety licenses are in place and available for review.
- Occupational injury and illness testing reports are in place, available for review, and are in accordance with permits, licenses, or legal requirements.
- Testing is done at a frequency stated by permits, licenses, or by customers, and does not exceed a period of two years.
- A document process is in place to ensure permits are renewed before current permits expire.
- Permit tracking is documented.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses, or testing reports are missing and there is no process in place.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to guarantee timely renewal.

Not applicable: No permits or licenses required. No testing reports required.

H&S.3.2. The Auditee shall have a formal process to report any occupational injury or illness that arises from the operations in accordance with local legal requirements.

Minimum requirements

- Auditee has all records in place for any occupational injury (including near misses) or illness. Records are readily available for review.
- Any testing requirements, as a result of past illnesses or injuries, are available. This may include requirements to maintain permits and licenses for the operation of any equipment that may pose a hazard of potential occupational illness.
- Workers must be trained and be aware of the process to report any injury or illness, including near misses.

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Rating

Core violation: Not applicable.

Major non-conformance: Records of past occupational injuries and illnesses are incomplete.

Minor non-conformance: Records are in place but not all workers are trained and aware, or records do not take into consideration near misses.

Not applicable: Not applicable.

H&S.3.3. The Auditee shall have a documented process to investigate to determine root cause(s) and implement corrective/preventive actions for work-related injuries/illnesses.

Minimum requirements

- Auditee has the injury and illness statistics for the last three years.
- Auditee conducts an analysis of the statistics on a regular basis, showing corrective and preventive actions were made, implemented and documented, communicated to affected workers, and tracked to closure.
- Documented procedures for accident investigations and analysis are available and adequate.
- All reportable and non-reportable accidents are tracked, recorded, and investigated to minimize the potential for future occurrence.

Rating

Core violation: Not applicable.

Major non-conformance: No accidents, injuries, or illnesses are tracked or incomplete for the last three years. Accidents are tracked but no analysis, investigation, or corrective actions are made.

Minor non-conformance: Accidents, injuries, and illnesses are tracked and analyzed, but corrective actions are not effective or off track.

Not applicable: Auditee has no injuries, accidents or illnesses in the past three years.

H&S.3.4. The Auditee shall have an effective process and adequate first-aid personnel to provide initial medical treatment for injured or ill workers.

Minimum requirements

- Auditee ensures that onsite medical treatment is provided by either an occupational health professional or externally trained and qualified first aide personnel. Valid certificates are available for review. If these resources are not available, the Auditee engages the support of external medical agencies and the effectiveness and adequacy of such agencies is evaluated for reliability. If initial treatment is given by first-aid personnel, workers are then sent to off-site medical facilities for further treatment, if so required, or if the condition of the worker cannot be fully assessed.
- If nurses or doctors are employed or doctor/nurse services are used, a copy of their certificate is available.
- Auditee maintains the training records of first-aid personnel and personnel are sent for refresher training.
- Auditee has a documented process for operation of any onsite emergency or medical facility (if applicable). The operations log of the medical facility is available and up to date. The onsite medical facility also has the necessary and valid certification, permit or license from the local authority. Copies of qualifications of personnel working within the onsite medical treatment facility are available and up to date.

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- A documented response procedure is in place indicating severity of medical emergency and response (first aid, infirmary, local external hospital).

Rating

Core violation: The site has no medical emergency personnel or procedures.

Major non-conformance: First aid, onsite medical facility, or medical response procedures are inadequate; infirmary inadequate.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

H&S.3.5. The Auditee shall maintain adequate first-aid kits to provide medical treatment for injured or ill workers at the site. The kits have adequate supplies and are inspected on a monthly basis.

Minimum requirements

- All first-aid kits and boxes are adequately stocked. There is an inventory list of items in the box/kit.
- Auditee shall conduct inspection and restocking process of the first-aid kits at least once a month and a process for restocking the contents is in place..Contents in the first-aid kits have not expired.
- An inspection tracking document is available and up to date.
- First-aid boxes are not locked and are easily accessible.
- Workers know where to find the nearest first-aid box.

Rating

Core violation: Not applicable.

Major non-conformance: First-aid boxes are inadequate or their contents are missing or expired.

Minor non-conformance: First-aid boxes are adequate and stocked, but contents inventory is missing or there are no inspection tracking records.

Not applicable: Not applicable.

H&S.3.6. The Auditee must ensure that workers are trained and made aware of what to do in the event they or their co-workers are injured or become ill on the job.

Minimum requirements

- Auditee has a formal training or communication program to train workers on how to report incidents (including near misses) and accidents.
- Workers know how to contact the first-aid personnel in their work area and know where the onsite medical facility is.
- A documented response procedure is in place indicating the severity of medical emergency and response (first aid, infirmary, local external hospital).

Rating

Core violation: Not applicable.

Major non-conformance: More than 20% of workers do not know what to do in the event of injury or illness, or they have not been trained.

Minor non-conformance: Training on response to injury/illness is in place, but less than 20% of workers unclear about what to do.

Not applicable: Not applicable.

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H&S.4. Industrial Hygiene

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Potential hazards are to be eliminated or controlled through proper design, engineering and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.

AUDITABLE STANDARDS

H&S.4.1. The Auditee shall have in place all required permits, licenses and testing reports for industrial hygiene that are applicable to the operations, and shall implement a documented process to ensure permits and licenses kept up to date at all times.

Minimum requirements

- All legally required industrial hygiene permits and licenses are in place, valid, and available for review upon request.
- All mandated industrial hygiene tests and monitoring reports are in place, carried out in accordance with requirements of permits/licenses, and available for review.
- All testing and monitoring is carried out at a frequency stated in permits and licenses.
- Auditee has a documented process in place to ensure permits are reviewed and kept up to date, and there is a process to track all permits at the site. Permit tracking is documented.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses, or testing reports are missing and there is no process in place to manage industrial hygiene permits, licenses, or test reports.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to guarantee timely renewal.

Not applicable: The Auditee's facility does not require any permits, licenses, or testing.

H&S.4.2. The Auditee must implement appropriate controls for worker exposures to chemical, biological, and physical agents, including combustible dust (if applicable)..

Minimum requirements

- Auditee has a documented procedure to identify potential health hazards as a result of worker exposure to chemical, biological, radioactive, and /or other physical agents during the activities of operations.
- There are effective controls to reduce or eliminate worker exposure to chemical, biological and physical agents. Engineering controls are designed to reduce worker exposure to chemical, biological, and physical agents, and administrative controls are also designed to reduce worker exposure and ensure proper marking of all chemical, biological, and physical agents.
- Auditee performs qualitative and quantitative evaluations of exposure levels and communicates results to affected workers.
- Auditee has a process to ensure that the health of workers who perform work in areas where they are exposed to chemical, biological, or physical agents is monitored on a regular basis, through epidemiology tests, in order to validate that their health is not impacted. Worker

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medical surveillance records shall be maintained for 30years plus the duration of the employment, or such other period specified by applicable regulatory requirements, whichever is longer.

Rating

Core violation: No risk assessment or control measures are in place. Worker over-exposures are evident.

Major non-conformance: Over-exposures have been identified and risk assessment is in place, but controls are inadequate.

Minor non-conformance: Over-exposures are controlled and minimized, and industrial hygiene monitoring program is adequate, but documentation and records are incomplete

Not applicable: No industrial hygiene test/monitoring is required.

H&S.4.3. The auditee shall have in place appropriate controls to eliminate the physical and process safety hazards of combustible dust, if any are present as a result of the manufacturing operations and activities.

Minimum requirements

- Auditee has a process to identify the potential risk of combustible dust hazard that may be a result of the manufacturing process or other supporting activities.
- The auditee shall have a process to determine the hazard(s) of the combustible dust and implement appropriate engineering controls to mitigate the hazard and risk. Where appropriate engineering controls are not adequate, Auditee shall establish appropriate administrative controls such as monitoring, safe work procedures, and proper maintenance and housekeeping practices.
- Auditee shall provide workers with appropriate personal protective equipment and appropriate workplace health and safety information and training.

Rating

Core violation: No risk assessment or control measures are in place. Combustible dust present on site

Major non-conformance: Combustible dust present and Risk assessment is in place, but controls are inadequate.

Minor non-conformance: Combustible dust present, control measures in place and monitoring program is adequate, but documentation and records are incomplete

Not applicable: No combustible dust present at the facility.

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H&S.5. Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks -- including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks -- is to be identified, evaluated, and controlled.

AUDITABLE STANDARDS

H&S.5.1. All required permits, licenses, and testing reports for equipment and tools supporting physically demanding work (hoist, crane, etc.) are in place and a process is implemented to ensure permits and licenses are up to date at all times.

Minimum requirements

- All legally required permits are in place, available for review, and valid. All licenses are in place and available for review.
- Testing reports are in place, available for review, and meet the conditions of permits, licenses, or legal requirements.
- Testing is done at a frequency stated by permits, licenses, or customers, and does not exceed a period of two years.
- A document process is in place to ensure permits are renewed before current permits expire. Permit tracking is documented.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses or testing reports are missing and there is no process in place

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to guarantee timely renewal.

Not applicable: No permits or license required. No testing reports required.

H&S.5.2. Worker exposure to the hazards of physically demanding work is identified, assessed, communicated, and controlled adequately and effectively.

Minimum requirements

- Auditee has the risk-assessment records in place and they reflect current operating situation and conditions. The risk assessment shall include ergonomic risk assessment to determine how workstations can be better designed to reduce the impact to workers or the need to schedule additional breaks, if necessary, for workers to rest in addition to the regular rest and meal breaks.
- The frequency of assessments is adequate, documented, and meets legal requirements.
- Controls to reduce or eliminate physically demanding work are in place and effective. Engineering and administrative controls are designed to reduce physically demanding work.
- A training program is in place and adequate to ensure workers are trained on proper work procedures of physically demanding work.
- The implementation of engineering, procedural, and administrative controls is adequate to reduce the hazards and risks.

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- Auditee identifies jobs and tasks that cannot be performed by pregnant workers or young workers. Auditee has proper controls in place to ensure that such jobs are indeed not performed by these workers.
- Pregnant women are provided appropriate seating to avoid long periods of standing.
- Auditee uses a consultation process to obtain feedback from workers on the effectiveness of the program.
- Please see Annex section for more guidance to good practices for workplace Ergonomic protection

Rating

Core violation: No risk assessment or control measures are in place where there is evidence of highly physically demanding work.

Major non-conformance: Physically demanding work has been identified and a risk-assessment program is in place, but controls are inadequate.

Minor non-conformance: Physically demanding work is controlled and minimized and the monitoring program for physically demanding work is adequate, but documentation and records are incomplete.

Not applicable: No physically demanding work at the Auditee's facility.

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H&S.6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

AUDITABLE STANDARDS

H&S.6.1. The Auditee shall ensure that all required permits, licenses, certificates, and testing reports for machinery are in place and a process is implemented to ensure permits and licenses are maintained and up to date.

Minimum requirements

- All legally required machine safety permits, certificates, and licenses are in place, available for review, and valid.
- All mandated machine safety testing reports are in place and available for review, and the tests and their frequency are in accordance with stipulations of permits and licenses.
- The Auditee has a documented process in place to manage machinery safety and to ensure permits/licenses are maintained, up to date, and available for review. Auditee also includes a tracking process of all applicable machinery.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses., or testing reports missing and there is no process in place.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to ensure they are properly maintained.

Not applicable: No permits or license required at the Auditee's facility.

H&S.6.2. An adequate and effective machine-safeguarding program is implemented to ensure workers operate machines safely.

Minimum requirements

- Machines have adequate safeguarding in good working condition and adequate emergency stops.
- Auditee has a documented procedure for a machine-safeguarding program, including a machine risk assessment program (pre-purchase/pre-installation hazard review of all machinery and appropriate safeguarding is installed as needed to control the identified hazards), a method to identify equipment needing safeguards, installation of safeguards, regular inspection and maintenance of machine and its safeguards, and emergency stops.
- Records for machine and safeguard inspection and preventive maintenance are available, adequate, and up to date.
- Workers are trained on machine safety and the use of safeguards and emergency stops. Training materials and training records are available, adequate, and up to date. Regular review of training-needs is done and refresher training on machine safety is held as specified.

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Rating

Core violation: Machines have clear hazards; no machine-safeguarding program is in place.

Major non-conformance: Machine safeguarding program does not exist or is incomplete.

Minor non-conformance: Machine safeguarding program is in place but there is no regular review of training-needs.

Not applicable: No machine hazards.

H&S.6.3. Workers operate machinery safely, with proper use of machine safeguards and emergency stop switches.

Minimum requirements

- All machines have adequate safeguards and emergency stops, and operators operate machines safely.
- Work instructions (if necessary or required) are available, in a language understandable worker, at the machine.

Rating

Core violation: Workers operate machines with immediate risk of life or permanent disability.

Major non-conformance: Workers operate machines unsafely (e.g., by bypassing machine safeguards).

Minor non-conformance: Workers operate machines safely but work instructions (if required) are not present or are not in a language that the worker understands.

Not applicable: No machine hazards.



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H&S.7. Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities. Worker dormitories, provided by the Auditee or a labor agent, are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space as well as reasonable entry and exit privileges.

AUDITABLE STANDARDS

H&S.7.1. The Auditee must have in place all required health and safety licenses, permits, registrations, and certificates related to food, sanitation, and housing. There must be an adequate and effective process in place to ensure permits and licenses are maintained and up to date.

Minimum requirements

- All legally required food sanitation and housing permits and licenses are in place, valid, and available for review upon request.
- All legally required testing reports are in place and testing is done at legally mandated frequencies and does not exceed a period of two years.
- The Auditee has a documented process in place to ensure that all permits are maintained and renewed. Permit tracking is documented.
- Canteen/kitchen workers have valid health certificates. If local regulations require food worker health inspections or other tests or certificates, these are available and valid.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, licenses, or testing reports missing and no process in place; canteen/kitchen worker certificates are missing or expired.

Minor non-conformance: Legally required permits, licenses, or testing reports are in place, but there is no process in place to ensure they are kept up to date.

Not applicable: The Auditee's facility does not require permits, licenses, or testing reports.

H&S.7.2. The Auditee shall ensure that workers have access to cold and hot water, clean drinking water, and clean and sanitized toilets and washing areas.

Minimum requirements

- Clean drinking water is available and easily accessible.
- Cold and hot water is available and easily accessible at all times.
- There are clean and sanitized toilet and washing areas. Toilet facilities are situated near all work area, taking into account the limitations of the operation.
- Unless required by law to test drinking water, Auditee shall conduct risk assessment on the need to conduct testing on drinking water. The result of this risk assessment shall be clearly documented and recorded.

Rating

Core violation: Clean drinking water not readily available.

Major non-conformance: Cold and/or hot water not available. Toilets or other sanitary installations pose a health risk.

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Minor non-conformance: Not applicable.

Not applicable: Not applicable.

H&S.7.3. Dormitories meet humane housing standards and are clean, safe, and well maintained.

Minimum requirements

Dormitories:

- Dormitory facilities meet all applicable laws and regulations and have all relevant official permits related to health, safety, and security, including fire protection, sanitation, electrical, mechanical, and structural safety.
- Converted shophouses or shoplots cannot be used as dormitory facilities for workers
- Dormitory sleeping rooms use double-deck or single beds only. Triple-deck bunk beds are prohibited. Sharing beds is prohibited except within individual family accommodations.
- Dormitory sleeping rooms offer not less than 3.0 square meters per occupant. NXP recommends, but does not require, that accommodations offer more than 3.4 square meters per occupant.
- The minimum space between bunk beds should be 1.2 meters. The width of the passage between two bunk beds parallel to each other shall be no less than 0.7 meters
- Separate sleeping accommodations are provided for each sex. If sleeping accommodations for men and women are in the same building, they shall be separated by a solid wall from floor to ceiling.
- Auditee ensures that no more than 8 individuals occupy one dormitory sleeping room. NXP recommends, but does not require, no more than eight occupants per sleeping room.
- Dormitory sleeping rooms have adequate and private arrangements for storing clothing (e.g., personal closets or bins) as well as secure storage for storing valuable personal effects and documents (e.g., individual locker or safe deposit box).
- Dormitory sleeping rooms have adequate heat and ventilation.
- Dormitory sleeping rooms (not including partitioned areas) have at least one window or skylight opening directly to the outdoors.
- A comfortable bed, cot, or bunk is provided for each dormitory resident.
- Auditee provides access to potable water, in accordance with applicable law, in sufficient quantity for all dormitory residents and available within 60 meters of each dormitory sleeping room.
- Dormitory residents are free to enter or exit their dormitory sleeping room and dormitory building at any time. Any sign in/sign out system shall not require the dormitory resident to receive permission to enter or exit.

Dormitory Toilets and Showers:

- Toilets are constructed, located, and maintained so as to prevent any nuisance or hazard to public health.
- Toilets or privy seats for each gender number not less than one per eight residents, with a minimum of one such unit for each gender in common-use toilet facilities.
- Except within individual family units, separate toilet facilities for men and women are provided.
- If toilet facilities for men and women are in the same building, they are separated by a solid wall from floor to ceiling.
- Toilet facilities are visually marked with “men” and “women” and/or in a language understandable to the persons expected to access the toilet facilities.
- Common-use toilet facilities are well lighted, ventilated, clean and sanitary. These toilet facilities are located within 60 meters of each dormitory.

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- Auditee provides both hot and cold pressurized water showers for the use of all occupants. These shower facilities are clean and sanitary and located within 60 meters of each dormitory.
- There is a minimum of one showerhead per eight persons.
- Showerheads are separated by at least one meter.
- Shower floors are constructed of nonslip, non-absorbent materials and sloped to properly constructed floor drains.
- Separate shower facilities are provided for each sex, and are designated “men” or “women” in a language understandable to the persons expected to occupy the facilities.
- If shower facilities for both sexes are in the same building, they are separated by a solid wall from the floor to ceiling.
- Adequate, dry dressing space is provided in common-use shower facilities.

Dormitory Safety and Egress

- First-aid kits are provided and readily accessible for use by residents at all times and contain adequate supplies.
- Each dormitory sleeping room, all common-use rooms, and areas such as hallways and stairways are fixed with adequate ceiling or wall-type lights.
- All wiring and lighting fixtures are installed and maintained in a safe condition.
- Adequate lighting is provided for the yard area and hallways to common-use rooms. The lighting level meets with applicable local laws, regulations, or international standards (400 Lux).
- Each dormitory sleeping room and all common areas have proper smoke detectors. These detectors may be centrally-wired or standalone, battery-operated detectors. The detectors are maintained at least annually to ensure continued proper operation.
- Proper fire-fighting equipment is provided in a readily accessible place located not more than 25 meters from each dormitory sleeping room and common assembly rooms.
- All central dining facilities and (larger) common-use rooms shall have at least two doors remotely separated so as to provide separate means of escape to the outside or to an interior hallway.
- All dormitory sleeping rooms open to common areas that provide at least two clearly marked exits which remain clear, free of obstructions, and available for emergency use at all times. Exception: If a residential property (house, apartment, etc.) is being used as a dormitory, only one exit needs to be provided.
- There are at least two clearly marked exits on each floor, and emergency lighting is installed in hallways, stairways, and above each exit. Exception: If a residential property (house, apartment, etc.) is being used as a dormitory, only one exit needs to be provided.
- Hallways and exits are free of obstructions to ensure a safe and rapid evacuation in case of fire or other emergencies. Exit doors are outward-opening and are not locked so as to prevent egress. Exit routes are maintained during construction, repairs, or building alterations. Exception: If a residential property is being used as a dormitory, the exit door may be inward or outward opening.
- Auditee posts signs (either with “visual signs” and/or in a language understandable to the residents) showing the correct evacuation direction(s) in all dormitory sleeping rooms and common-use areas to ensure a safe and rapid evacuation in case of fire or other emergencies. Fire drills are conducted at least on a semi-annual basis and involve workers from all shifts. In the case where a small dormitory is used to house less than twelve (12) occupants, an annual fire drill is adequate but any new occupants must be provided with proper training and awareness of emergency procedures.

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- No flammable or volatile liquids or materials are stored in or adjacent to rooms used for living purposes, except for those needed for current household use.
- Agricultural pesticides and toxic chemicals are not be stored in the dormitory facility area.
- Pest control measures are effective - durable, fly-proof, rodent-proof, clean containers in good condition are provided adjacent to each housing unit for the storage of garbage and other refuse.
- Any cooking facilities in the dormitory are separated from sleeping areas and are properly laid-out, safe, and equipped with appropriate fire-safety equipment and detection. Residents have received proper training on use of cooking facilities and fire safety equipment.
- For fire safety reasons, no personal high-voltage electrical equipment (exceeding 36V) is allowed. The limitation of the appliance wattage is per local regulation.

Rating

Core violation: Dormitory is unsafe with immediate risk to life or facility. Converted shophouses/shoplots used as dormitory to house workers

Major non-conformance: Dormitory and sanitary facility are unclean or do not meet minimum NXP requirements.

Minor non-conformance: Dormitory and sanitary facility are safe, clean, and adequate but procedures on maintenance, upkeep and/or records are missing or incomplete.

Not applicable: Auditee does not have any dormitory or housing facilities for workers.

H&S.7.4. Auditee must ensure canteens (cafeterias) are clean, well maintained, and managed in compliance with local health regulations.

Minimum requirements

- Auditee ensures that canteen and kitchen areas are clean and well maintained and offers a comfortable eating place for workers.
- All food storage and preparation areas are clean; food is stored properly – not on the floor, with proper refrigeration (if necessary), raw and uncooked food stored separately.
- There are adequate emergency exits for the number of workers using the facility.
- Food service workers wear hairnets, masks, and gloves, as necessary, to prevent food contamination.
- Food is used or disposed of before the market expiration date.
- Canteens are provided with proper hand-washing facilities.
- Fire detection and suppression system is in place that is suitable for the nature of the operations.
- The Auditee maintains proper records of canteen and kitchen cleaning, disinfecting actions, and/or pest control.
- The Auditee maintains all mandatory health certificates or inspection records as required by local health authorities.
- Safe food handling procedures and hygiene standards (in refrigeration, storage, and preparation areas) are in place and followed.
- Pest control measures are effective for the canteen.

Rating

Core violation: Canteen and kitchen conditions pose immediate health and safety risks.

Major non-conformance: Canteen and kitchen are unclean or do not meet minimum requirements, with the exception of documentation.

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Minor non-conformance: Canteen and kitchen are safe, clean, and adequate, but procedures or records are missing or incomplete.

Not applicable: No canteen or food services in the Auditee's facility.

H&S.7.5. Food service workers must undergo food safety training.

Minimum requirements

- There is a food safety training program in place and training records are available for all food service workers. There is regular and adequate refresher training.
- Food service workers have proper health certificates as mandated by the local regulatory requirements.

Rating

Core violation: Not applicable.

Major non-conformance: Training is missing or incomplete.

Minor non-conformance: Refresher training is not performed.

Not applicable: No cafeteria or food services at the Auditee's facility.



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H&S.8. Health and Safety Communication

Auditees shall provide workers with appropriate workplace health and safety information and training, in the language of the worker or in a language the worker can understand, for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information and warnings in the language of the worker or in a language the worker can understand shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

AUDITABLE STANDARDS

H&S.8.1. Auditee has effective and proportional workplace health and safety information and training in place.

Minimum requirements

- The Auditee conducts regular health and safety consultation and feedback sessions with workers to obtain feedback on health and safety concerns and recommendations for improvement from workers.
- The Auditee documents and maintains records of such consultation process.
- Auditee shall ensure that relevant workers are trained and communicated on chemical hazards on site in a language workers can understand. Chemical Hazard Communication shall be done in accordance to the Globally Harmonized System for Classification and Labeling of Chemicals or any prevailing local laws and requirements. For NXP suppliers, they may either adopt the Globally Harmonized System for Classification and Labeling of Chemicals or The National Fire Protection Association (NFPA) Hazardous Identification System, or any prevailing local laws.

Rating

Core violation: Not applicable.

Major non-conformance: No health and safety communication carried out; safety instructions not written in languages understood by all workers.

Minor non-conformance: Communications are done but consultation and feedback channels are lacking.

Not applicable: Not applicable.

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H&S.9. Worker Health and Safety Committees

Auditees are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input regarding health and safety issues in the workplace.

AUDITABLE STANDARDS

H&S.9.1. Auditee shall have worker health and safety committee(s) in place and Auditee's management shall hold regular consultation meetings with the committee.

Minimum requirements

- The health and safety committee has a good representation of workers from all the functions in the operations.
- The management holds regular consultation meetings with the committee to obtain inputs and feedback on health and safety matters.

Rating

Core violation: Not applicable.

Major non-conformance: There is no worker health and safety committee at the Auditee's facility.

Minor non-conformance: There is a committee but representatives do not cover all the critical functions in the operations or there are incomplete records of committee meetings and outcomes of meetings.

Not applicable: Not applicable.

ENV. AUDITABLE STANDARDS FOR ENVIRONMENT

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ENV.1. Environmental Permits and Reporting

All required environmental permits, approvals, and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed.

AUDITABLE STANDARDS

ENV.1.1. The Auditee must obtain all legally required environmental permits, approvals, licenses, and registrations that are applicable to the nature of the operations

Minimum requirements

- The Auditee must have records of all applicable permits, approvals, and registrations available for review upon request.
- The Auditee must have a documented process to ensure all applicable permits are tracked and maintained and renewed before the current ones have expired and.

Rating

Core violation: Not applicable.

Major non-conformance: Legally required permits, approvals, registrations, and licenses missing and no process in place to ensure permits are maintained and renewed in a timely manner.

Minor non-conformance: Legally required permits are in place but there is no process to ensure timely renewal.

Not applicable: No permits, licenses, approvals required at the Auditee's facility

ENV.1.2. Any required reporting to environmental authorities is carried out and performed in a timely fashion.

Minimum requirements

- The Auditee has a documented process in place to ensure any required environmental reports are submitted to the proper authorities in a timely manner. The Auditee tracks all reports that they have to submit.
- The Auditee ensures that all legally required environmental reports for the last three years are available for review.

Rating

Core violation: Mandatory government reporting is late for more than three (3) months

Major non-conformance: Legally required reports are missing or incomplete, or there is no process in place to manage the submission of reports.

Minor non-conformance: Legally required reports are in place and there is a process for managing the submission of reports, but reports are submitted after they are due.

Not applicable: No environmental reports required for the Auditee's facility.

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ENV.2. Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals and virgin forest products, is to be conserved or by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

AUDITABLE STANDARDS

ENV.2.1. The Auditee shall have adequate and effective programs, including targets, to A) eliminate, reduce or control pollution (emissions, discharges, waste generation), and B) conserve resources (energy, water, materials) in place.

Minimum requirements

- The Auditee has within its company policies a commitment for pollution prevention and resource reduction/conservation that is, at a minimum, in accordance with applicable laws and regulations.
- The Auditee has a documented environmental program that addresses pollution prevention and resource conservation with clear achievable objectives and targets, assigned responsibilities, action plans, monitoring and tracking of progress, and reporting mechanisms.
- The Auditee demonstrates visible activities of recycling and reuse programs at their facility.
- Emission and discharge points have proper (as required by law or common industry practice) control equipment in place (e.g., filters, scrubber, wastewater treatment, etc.)

Rating

Core violation: No control or improvement programs in place and environmental emissions are evident to cause imminent negative impact on the environment and surrounding community and ecosystems.

Major non-conformance: No control equipment or improvement plans in place, but no imminent environmental hazard.

Minor non-conformance: Control programs in place and improvement plans in place, but progress is off track or there is no corrective action in place to ensure target is met.

Not applicable: Not applicable.

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ENV.3. Hazardous Substances

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labelled and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

AUDITABLE STANDARDS

ENV.3.1. The Auditee shall ensure hazardous materials (including waste) are properly categorized, labelled, handled, stored, transported, and disposed using government-approved/licensed vendors as per local laws.

Minimum requirements

- Hazardous materials are categorized, handled, stored, and transported within the Auditee’s facility adequately (e.g., segregation, secondary contained, ventilation, fire protection, appropriate storage materials, hazard signs and information [labels and MSDS], limited access, etc.)
- Auditee has all relevant licenses in place for the storage and disposal of hazardous substances. Hazardous waste shall not be stored on-site for more than the period as required by applicable local regulations
- Copies of hazardous materials inventory, manifests, and shipping papers are maintained on file for last three years or the time period stipulated by local laws or legal requirements (if longer than three years).
- Inspection records of hazardous materials and their points of storage and use are maintained and complete. Inspection and maintenance records shall be maintained for 5 years
- The Auditee has a documented procedure to control and manage hazardous substances, including waste, in order to ensure proper storage, handling, and disposal of these substances so as to minimize and/or eliminate any impact on the environment and to workers’ health and safety. The procedure does the following:
 - Incorporates the requirements for proper classification and labelling of the substances.
 - Includes instructions on safe handling, storage, and transportation of these substances.
 - Ensures that workers are trained on and informed of the risks, and that they have full understanding on the control and management of these substances.
 - Includes a complete inventory of all chemicals and hazardous substances used, and this inventory is maintained and regularly reviewed and updated.
 - Includes the requirements to review and approve new chemicals and hazardous substances introduced to the operations.
- The Auditee ensures that the Material Safety Data Sheets of all chemicals and other hazardous substances are made available at the point of use and in languages understood by all workers.
- If any area of improvement is noted, a corrective action plan is in place, monitored, and completed. If the corrective action plan is off track, actions are taken to complete it within the assigned due date.
- There are documents proving Auditee uses only vendors approved and licensed by the local regulatory authorities for transporting and disposing of hazardous waste. Copies of all hazardous-waste vendor licenses/approvals are on file. There is a process to ensure the licenses are periodically reviewed and are current. Copies of hazardous-waste manifests/shipping papers are maintained on file for all waste shipments. The records are maintained for the time period stipulated by local laws.



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Rating

Core violation: Hazardous materials (including waste) are used, handled, stored, or disposed of in a way that could result in imminent impact on life or could create severe health concerns or loss of facility.

Major non-conformance: Two or more of the minimum requirements are not adequately implemented

Minor non-conformance: Hazardous materials (including waste) are used, handled, stored, or disposed of in a systematic way but documentation is incomplete.

Not applicable: No hazardous materials (including waste) used or stored onsite.

ENV.3.2. Workers who deal with hazardous substances are provided with adequate and effective training.

Minimum requirements

- Training materials and training records are available, adequate, and up to date.
- The Auditee has a documented process to identify workers who are required to attend training.
- Workers responsible for storage, clean-up, or disposal of chemical releases receive specialized training.
- Employee training records for the previous 5 years or such other period specified by applicable regulatory requirements, whichever is longer, shall be retained.

Rating

Core violation: Not applicable.

Major non-conformance: No training provided on the use, handling, storage, and disposal of hazardous chemicals (including waste).

Minor non-conformance: Adequate training is provided but documentation is incomplete or specialized refresher material is inadequate.

Not applicable: Not applicable.

ENV.3.3. The Auditee shall have a process to manage and control waste vendors that includes the audit of the vendors to verify that wastes are handled, stored, and disposed of in accordance to local regulations, permit conditions, and contractual requirements.

Minimum requirements

- There are assessments, visit minutes, or audit reports, with possible areas for improvement, available for each hazardous waste vendor used by the Auditee. The reports should not be more than two years old.
- If corrective or improvement actions are identified, then these are tracked for implementation and are completed or on track. If corrective actions are off-track then additional actions are identified to ensure corrective actions are completed by their due date.
- The periodic audit evaluates whether the vendor (hazardous waste handler and transporter) is complying with contract terms and conditions, and with local legal requirements.
- The audit should include an onsite visit by the Auditee to verify compliance.

Rating

Core violation: Not applicable.

Major non-conformance: No onsite audit/assessment of hazardous waste transporter and handlers is performed.

Minor non-conformance: Onsite audit/assessment is performed but documentation is incomplete or corrective actions are missing or off track

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Not applicable: No hazardous waste generated by the Auditee's facility.

ENV.4. Solid Waste

Auditee shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

AUDITABLE STANDARDS

ENV.4.1. Solid waste at the Auditee facility is identified, managed, minimized, and responsibly disposed of in accordance with applicable legal requirements

Minimum requirements

- Waste is categorized, handled, stored, and transported within the Auditee's facility adequately: segregation, secondary contained, ventilation, fire protection, appropriate storage materials, hazard signs and information (labels and MSDS), limited access, .
- Inspection records of waste and their points of storage are maintained and complete. If any area of improvement is noted, a corrective action plan is in place, monitored, and completed. If the corrective action plan is off track, actions are taken to complete it within the assigned due date.
- Waste information (including proper labels) is available at the points of storage in a language understandable to the worker.
- There is a documented procedure to ensure that all solid waste (or non-hazardous waste) generated at the Auditee's facilities is
 - Classified as general waste (including food waste) or recyclable such as carton, wood, plastics, etc.
 - Kept separated from any hazardous chemical and waste that may contaminate it.
 - If great amounts of carton and wood are generated, these must be temporarily stored in such a ways as the materials do not represent a fire hazard.
- Auditees or contractors used to dispose non-hazardous waste are properly evaluated to ensure they are licensed to operate by local authorities.
- Auditee have a systematic approach to minimize, responsibly dispose of, or recycle its non-hazardous waste. Facility has a recycling policy or program in place.
- Copies of licenses are kept at the site at all times, if applicable. There is a process to ensure the licenses are current and periodically reviewed. Copies of waste manifests/shipping papers are maintained on file for all waste shipments. The records are maintained for the time period stipulated by local laws legal requirements.

Rating

Core violation: Waste is stored in conditions that may have imminent risk to facility and/or worker life or health.

Major non-conformance: Two or more minimum requirements are not adequately implemented.

Minor non-conformance: Waste is stored and disposed of in a systemic, appropriate, and legal way, but documentation is incomplete

Not applicable: No solid waste generated at the Auditee's facility.

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ENV. 5 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations are to be characterized, monitored, controlled, and treated as required by applicable laws and regulations prior to discharge. Auditee shall conduct routine monitoring of the performance of its air emission control systems.

AUDITABLE STANDARDS

ENV.5.1. Air emission from the Auditee's facility have been identified, characterized, routinely monitored, treated prior to discharge, and must meet the discharge limits for regulated constituents. Air emission control systems are routinely monitored for performance.

Minimum requirements

- There are monitoring and reporting records for the past 36 months. Test results must show legal compliance and frequency must meet legal requirements.
- If non-conformances have been noted in the past, a root cause analysis and corrective action to address the non-conformance are in place.
- There is a documented procedure to manage air emissions to ensure the following:
 - All relevant points of air emissions across the site are identified and classified as direct emissions (through an exhaust or ventilation) or fugitive emissions.
 - All required emissions permits are in place and in compliance with all permit requirements and local environmental standards. Results are tabulated and regularly reported.
 - Appropriate exhaust ventilation systems, designed to capture emissions, and pollution treatment systems (i.e., scrubbers, catalytic removal, thermal oxidation, etc.) are installed to reduce emissions to an acceptable level (as required by local laws and regulations) before discharging.
 - Air emissions control equipment is included in a routine preventive maintenance program.
 - Workers responsible for operating and maintaining air emissions control equipment have received all necessary training and retain training records for the previous 5 years

Rating

Core violation: Untreated air emissions are released which can cause imminent risk to the environment and community.

Major non-conformance: Air emissions are untreated, or do not comply with legal discharge limits. Workers responsible for operating and maintaining air emission treatment systems are untrained.

Monitoring is not carried out on a regular basis as required by law

Minor non-conformance: Air emissions in compliance with legal requirements, but testing is not done on a regular basis

Not applicable: No air emissions that are regulated at the Auditee's facility

ENV.5.2. The environmental noise level emitted from Auditee facility are within regulatory limits

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Minimum requirements

- No excessive boundary noise is observed
- There are monitoring and reporting records of perimeter noise for the past 36 months. Records are in line with legal requirements and complete.
- If non-conformances have been noted in the past, a root cause analysis corrective action to address the non-conformance are in place.
- There is a documented process to manage and control perimeter noise (if applicable) and to ensure that noise level is within the legal limits

Rating

Core violation: Not applicable.

Major non-conformance: Environmental noise does not comply with legal requirement

Minor non-conformance: Environmental noise complies with legal limits, but testing is not done on a regular basis or documentation is incomplete

Not applicable: Site does not generate environmental noise or this requirement is not regulated.

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ENV.6. Materials Restrictions

Auditees shall comply with all applicable laws or regulations prohibiting or restricting the use or handling of specific substances in products and manufacturing, including labelling for recycling and disposal. To ensure safe handling, movement, storage, recycling, reuse, and disposal, Auditees shall identify and manage substances that pose a hazard if released to the environment and shall comply with applicable labelling laws and regulations for recycling.

Additionally, Auditees engaged in the manufacturing of materials that will be part of NXP's end products and Auditees engaged in the manufacturing of NXP branded-products shall comply with the most recent version of NXP's List of Hazardous Substances in Products and Packaging. Upon NXP's request, the Auditee shall provide NXP with full material content information using the NXP Material Declaration Form and/or Material Safety Data Sheets.

NXP requires suppliers of product-related materials to provide evidence of compliance with the European Union's Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) at least once a year. Evidence is required in the form of test reports. These tests shall be executed according to the IEC62321 standard and performed by a third-party laboratory certified to ISO/IEC 17025. For selected material groups, additional evidence may be required, such as halogen content to show compliance with the NXP "Dark Green" requirements or the EU packaging and packaging waste directive.

AUDITABLE STANDARDS

ENV.6.1. Auditee shall comply with any applicable law, regulation, or NXP requirement prohibiting or restricting the use or handling of specific substances.

Minimum requirements

- The Auditee is aware of legal and NXP requirements for product handling.
- Legal and NXP product content requirements are managed through a formal program including how materials, packaging, and components are procured.
- Adequate testing procedures required for purchased materials and components to verify that they conform to NXP and legal requirements are effectively implemented, monitored, and tracked.
- Regular audits and assessments of the procedures are performed to verify conformance.
- There is a formal process to address discovery of non-compliant materials or components, and corrective actions are tracked, implemented, and on track, or additional actions are taken to ensure completion at due date. The formal program needs to include a documented review process for comparing NXP to Auditee's own specifications and procedures to ensure they conform with NXP requirements.
- If non-conformances have been noted in the past, a root cause analysis and corrective action to address the non-conformance are in place and NXP has been properly notified.
- The Auditee has submitted the required test reports (RoHS and/or halogen), Material Data Forms (MDFs) and/or Material Safety Data Sheets (MSDS) to NXP, and reporting meets requirement.
- Test reports submitted to NXP are no more than one year old and are updated annually.
- Testing methods comply with applicable codes, regulations, and NXP requirements.

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- Monitoring & reporting records from the past 36 months, pertaining to product content conformance to legislation, regulation, and NXP requirements, are complete and available.
- All reports and documents related to NXP product content restrictions are kept on file for a period of at least ten years

Rating

Core violation: No program is in place and Auditee has been subject to NXP or regulatory action.

Major non-conformance: No program is in place or there is a formal program in place with two or more of the minimum requirements missing

Minor non-conformance: A formal program is in place but it is incomplete or documentation is incomplete/outdated.

Not applicable: Site does not have any legal requirements or NXP demands on this issue.

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ENV.7. Water Management

Auditee shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Auditee shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. When material, Auditee are to develop a water withdrawal reduction goal and demonstrate progress toward that goal. Upon NXP's request, Auditee shall participate in the CDP Water Disclosure and/or the RBA Environmental Reporting.

AUDITABLE STANDARDS

ENV7.1.. Effluent discharges (industrial/process wastewater and sewage) must meet the discharge limits for regulated constituents and wastewater treatment systems are routinely monitored for performance.

Minimum requirements

- Wastewater is adequately transported, stored, treated (if required), and disposed of.
- Auditee treats industrial and/or sanitary wastewater onsite in accordance with local laws and permit requirements.
- Wastewater is discharged to a municipal treatment system or to surface water (if allowed by local laws and regulations)
- The Auditee maintains monitoring and reporting records from the past 36 months. Records are in line with legal requirements and are complete.
- Wastewater treatment equipment is included in a routine preventive maintenance program, and adequate documentation on program and tracking records are available.
- If non-conformances have been noted in the past, a root cause analysis and corrective action to address the non-conformance are in place.
- The Auditee has a documented procedure to manage and control wastewater generated from its operations. The procedure ensures the following:
 - Wastewater is fully characterized as sanitary and industrial wastewater and storm water (type, generation point, nature, quantity, etc.);
 - All required legal compliance activities are defined, such as discharge parameter, permits, and reporting requirements.
 - All wastewater discharges to city sewer, rivers, lakes, ground (as irrigation), and so on comply with the minimum legal requirements applicable and are monitored on a regular basis to demonstrate compliance.
 - Action plans are addressed in the case that wastewater discharges are out of parameters.
- Auditee shall have a wastewater reduction program in place, with strategies to minimize wastewater generation.
- Training materials and training records for workers responsible for operating and maintaining wastewater treatment systems are available, adequate, and up to date.
- The Auditee shall retain training records for personnel assigned to the operation, inspection, and maintenance of the wastewater treatment plant for the previous 5 years, or as per applicable laws and regulations, whichever is longer.

Rating

Core violation: Untreated wastewater is released which can cause imminent risk to the environment and the community.

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Major non-conformance: Wastewater is untreated, or does not comply with legal discharge requirements. Workers responsible for operating and maintaining wastewater treatment systems are untrained. Monitoring is not carried out on a regular basis.

Minor non-conformance: Wastewater is in compliance with legal requirements, but testing is not done on a regular basis. There is no program in place to reduce/minimize wastewater generation.

Not applicable: No wastewater generated from the Auditee's facility and site does not have legal requirements for storm water.

ENV.7.2. Auditee shall have adequate and effective procedures in place to prevent storm water contamination and prevent discharges and spills from entering storm drains

Minimum requirements

- Auditee shall identify pollutant sources that might affect storm water runoff.
- Auditee shall have effective controls (structural and non-structural) to prevent storm water pollution
- Conduct periodic monitoring of storm water discharges to evaluate the effectiveness of control measures and to determine compliance to applicable local laws.

Rating

Core violation: No storm water program in place AND clear potential for storm water contamination that can potentially cause significant impact to the environment and community.

Major non-conformance: A program in place but with 2 or more minimum requirements missing

Minor non-conformance: A program in place but documentation and records are incomplete

Not applicable: Not applicable

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ENV.8. Energy Consumption and Greenhouse Gas Emissions

Energy consumption and all relevant Scope 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Auditees are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions. . Upon NXP's request, Auditee shall participate in the CDP Supply Chain Disclosure and/or the RBA Environmental Reporting.

AUDITABLE STANDARDS

ENV.8.1. Energy consumption and Greenhouse gas emissions are tracked and documented.

Minimum requirements

- The facility are expected to track and report on any significant on-site generation, purchased electricity, fuel consumption, and renewable energy that is produced or consumed on-site.
- The facility conducts periodic reviews, including management reviews, of the energy consumption and greenhouse gas emissions situation and status.

Rating

Core violation: Not applicable

Major non-conformance: Energy and fuel consumption data is not tracked, or significantly incomplete.

No Greenhouse Gas emissions data available for the facility or company

Minor non-conformance: Facility and company have energy consumption data but do not calculate their GHG emissions

Not applicable: Facility does not directly pay for fuel or electricity (energy consumption is paid for and managed by building owner, and not reported to the company, e.g., company is a tenant in a fully serviced leased building)

ENV.8.2. Auditee has in place cost effective methods to improve energy efficiency and to minimize energy consumption and greenhouse gas emissions

Minimum requirements

- Adequate and effective program to improve energy efficiency and greenhouse gas (GHG) emissions is in place, including tracked and documented energy reductions as a result of these actions
- Procedures to effectively manage energy consumption are implemented
- Regular reviews are conducted to identify improvement opportunities and to review effectiveness of program

Rating

Core violation: Not applicable

Major non-conformance: Auditee has made no discernible effort to identify opportunities to minimize energy consumption and GHG emissions

Minor non-conformance: Auditee has made some plans to improve energy efficiency and GHG emissions, but has not documented these reductions

Not applicable: Auditee does not pay for fuel or energy consumed on site

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ENV.9. Certification

Auditees engaged in the manufacture of NXP branded products or materials that will be part of NXP's end products shall have ISO14001 certification (or comparable), or a plan to become certified. Alternatively, Auditee must provide documented objective evidence of an operational environmental management system and demonstrate equivalency.

AUDITABLE STANDARDS

ENV.9.1. Auditee shall have a certified environmental management system.

Minimum requirements

- Auditee has received ISO14001 certification (or comparable).
- Alternatively, Auditee must provide documented objective evidence of an operational environmental management system and demonstrate equivalency.

Rating

Core violation: Not applicable.

Major non-conformance: No certification is in place and there is no plan to become certified

Minor non-conformance: No certification is in place but adequate plans have been made to become certified within two years

Not applicable: Auditee is not engaged in the manufacture of materials that will be part of NXP's end products or Auditee is not engaged in the manufacture of NXP-branded products.

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5.3 ETH. AUDITABLE STANDARDS FOR BUSINESS ETHICS

ETH.1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Auditees shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion, or embezzlement.

AUDITABLE STANDARDS

ETH.1.1. Auditee has an adequate and effective code of business or ethical conduct that serves as a standing guide for conducting business situations in an honest and professional manner. The code expressly disapproves wrongdoing and promotes honest and ethical conduct.

Minimum requirements

- At minimum, the code covers honesty, integrity, intellectual property protection, bribery, corruption, fraud, embezzlement, and extortion, as well as legal, ethical, fair business/marketing practices, reporting violations and non-retaliation, whistleblower protection, kickback, bribes, embezzlement, unlawful payments, IP and privacy rights, insider trading, and ethical sourcing.
- The code includes procedures to investigate allegations of ethics misconduct and specific consequences for violations of the policy.
- Ethic business policies are incorporated into contracts (or similar) with suppliers and onsite contractors
- The code is endorsed by senior management.
- The code is communicated to all workers.
- Auditee has procedures in place for ensuring insider information is not disclosed to unauthorized personnel or anyone outside the company, except in the conduct of official company business. If a worker has material insider information about the company, then he or she shall not be allowed to trade in company stock until the information becomes public. Auditee shall have a written policy prohibiting its workers from acting for their own benefit or from “tipping” other persons to act on yet undisclosed insider information.
- Auditee prohibits its workers from offering or accepting bribes, kickbacks, or any form of unlawful payments or favors. Bribes, kickbacks, and unlawful payments/favors may not be offered either directly or through a third party for the purpose of obligating the recipient to return the payment or favor. Auditee has procedures in place to ensure that reimbursable expenses or advances of funds for the purpose of conducting management-approved business travel, entertainment, and like expenses are reasonable, ordinary, and necessary to conduct business. Auditee holds concerned workers responsible for the accuracy and completeness of claims, including appropriate backup documentation.
- Auditee requires, through policy and/or memoranda, all its workers to comply with all laws and regulations applicable to their business responsibilities and to fulfill their duties in accordance with these laws and regulations.

Rating

Core violation: Not applicable.

Major non-conformance: No policy or standard is established, there is no implementation, or more than 20% of workers (based on sample) are unaware that there is a code.

Minor non-conformance: Standards are established but are incomplete complete or not fully implemented, or less than 20% of the workers are not aware that there is a code.

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Not applicable: Not applicable.

ETH.1.2. Auditee shall ensure that all required licenses, permits and reports for conducting business are in place and a process is implemented to ensure permits and licenses are up to date and regulatory reports are submitted on a timely basis.

Minimum requirements

- All required licenses, permits, and reports for conducting business are in place.
- A process is implemented to ensure permits and licenses are up to date and regulatory reports are submitted on a timely basis.

Rating

Core violation: Not applicable.

Major non-conformance: Not all required licenses, permits, and reports for conducting business are in place.

Minor non-conformance: All required licenses, permits, and reports for conducting business are in place, but no process has been established to ensure that permits and licenses are up to date.

Not applicable: Not applicable.

ETH.1.3. Auditee shall not allow retaliation of any kind against workers who refuse to participate in bribery or any form of wrongdoing even if such refusal results into the Auditee losing business.

Minimum requirements

- There is a formal procedure in place to protect workers from refusing to do anything in non-conformance with the ethics policy and lets workers communicate/volunteer their decision.
- There are no validated reports of retaliation against workers who refused to violate the ethics code.

Rating

Core violation: Workers are forced to violate the ethics policy under threat of negative consequences.

Major non-conformance: No policy or procedure is in place that protects workers from refusing to do anything that does not conform with the ethics policy and lets workers communicate/volunteer their decision.

Minor non-conformance: There is a policy that protects workers from refusing to do anything that does not conform with the ethics policy and lets workers communicate/volunteer their decision, but documentation cannot demonstrate implementation.

Not applicable: Not applicable.

ETH.1.4. Auditee shall have a policy and procedures in place prohibiting its workers from engaging in any activity that is, or has the appearance of, being hostile or adverse to its business relationships, or that interferes with the proper performance of their duties and responsibilities or their loyalty to the company. Workers in particularly sensitive positions shall be required to complete a conflict of interest form each year; subject workers must properly notify management of any changes to their information as they arise.

Minimum requirements

- There is a formal procedure that promotes workers to declare conflicts of interest, and states how these declarations are recorded and how workers are protected from retribution.



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- Records of workers declaring any personal interest are available, complete, and regularly updated.

Rating

Core violation: Conflict of interest is used to promote business interests.

Major non-conformance: No policy or procedure is in place that promotes workers to declare conflicts of interest and that states how these declarations are recorded and how workers are protected from retribution.

Minor non-conformance: Policy and/or procedures are in place that promote workers to declare conflicts of interest and state how these declarations are recorded and how workers are protected from retribution, but documentation cannot demonstrate implementation.

Not applicable: Not applicable.



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ETH.2. No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

AUDITABLE STANDARDS

ETH.2.1. Auditee shall have an effective and written policy that it will abide by the US Foreign Corrupt Practices Act and international anti-corruption conventions, and applicable anti-corruption laws and regulations in the country where it operates. Auditee shall have an effective and written policy that any form of a gift or entertainment that creates an obligation on the recipient is a bribe and shall be forbidden, regardless of its value. Care should be taken to avoid giving or receiving gifts or entertainment that are intended to be innocent as they may be construed as a bribe.

Minimum requirements

- There is a formal procedure that ensures gifts to or from suppliers and customers is not excessive in cost and frequency and includes a regularly monitoring of its business to ensure it workers or agents do not make or accept improper offers of payments or gifts.
- Training material for management, supervisors, and workers and training records are available, adequate, and up to date. Annual refresher training is held for all managers, supervisors and workers.
- A sample from a supplier or customer is company property and is not be for personal use or profit.
- Entertainment is not be accepted in any circumstance from current or potential suppliers unless it is authorized by higher management and held in a professional environment that does not, or appear to, violate ethical rules.
- Favors of any kind (e.g., services, travel) from current or potential suppliers are not solicited or accepted. Working meals are allowed if offered in a supplier or proximate third-party facility and pass the common-sense test for reasonable behavior in a business environment.
- Supplier prizes that are part of official programs with fair, openly-published rules for competing companies may be allowed.
- Promotional items with company logos may be accepted if their value is nominal. Where an item's proximate value is unclear, the item should be returned or turned over to the company. The Auditee keeps a log of all gift items turned over.
- Equivalent rules apply to the giving of gifts and entertainment.
- In some countries, where the exchange of gifts is customary under certain circumstances, the highest- ranking manager may decide to accept gifts on an exception but should document the decision explaining the manager's understanding of the country's customs and the proposed rules for gift giving and receiving, including the circumstances on which such gifts may be exchanged including the monetary value permitted. In any circumstance, the manager must make known such rules to affected workers on an exception basis.
- If labor agents are used, then these procedures need to be implemented at labor agent level.
- Indirect workers know Auditee and labor agent procedures on gifts.
- Workers can state when they were last trained and the content of the policy

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Core violation: Not applicable.

Major non-conformance: No procedures established or implemented or training

Minor non-conformance: Procedures established and implemented, and training has been delivered, but there has been no annual refresher training.

Not applicable: Not applicable.

ETH.2.2. Auditee shall have written procedures for addressing and investigating cases of bribery or violations of the provisions of this standard and shall ensure that appropriate disciplinary sanctions are imposed on offenders. Cases shall be kept on file and made available for review, with due consideration to privacy laws.

Minimum requirements

- There is a formal procedure for investigating and addressing allegations of improper business conduct by workers, managers, or person's/Auditee's agents.
- Records of such cases are available and clearly show investigation methods, objective data, and testimony. Decisions and actions are in line with disciplinary procedure if individual has not followed ethics policy and for Auditee in preventive action.

Rating

Core violation: Not applicable.

Major non-conformance: No investigation procedure for allegation of bribery is in place, or procedure is in place but does not align with appropriate consequences (disciplinary procedure).

Minor non-conformance: Investigation procedure for allegation of bribery is in place but actions are incomplete for Auditee or person/agent.

Not applicable: Not applicable.

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ETH.3. Disclosure of Information

All business dealings should be transparently performed and accurately reflected on Supplier's business books and records. Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation, or performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

AUDITABLE STANDARDS

ETH.3.1. Auditee shall vest on the highest ranking officer of the organization/facility, including on its senior financial officers or persons performing similar functions, the direct and primary responsibility to ensure full, fair, accurate, timely, and understandable disclosure in Auditee's filings, financial statements and public disclosure of financial information. The information filed and/or disclosed must not omit any material fact required to make the information disclosed not misleading.

Minimum requirements

- Reporting responsibilities and authorities are adequately and effectively defined and assigned.
- Responsibilities include assurance to full, fair, accurate, timely, and understandable disclosure in Auditee's filings, financial statements, and public disclosure of financial information.
- Financial statements and all legally required filings and disclosures have been filed with the authorities.

Rating

Core violation: Confirmed evidence that information disclosed is purposefully misleading or missing material facts.

Major non-conformance: Reporting responsibilities have not been properly assigned.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

ETH.3.2. Auditee shall hold its workers responsible for recording transactions accurately, completely, and in a timely manner. Personnel involved in recording information shall not enter false or artificial entries in any company records and must report to management or through its whistleblower system transactions they feel are questionable.

Minimum requirements

- An inspection/assessment/audit procedure is in place to ensure records are accurate and not falsified. Unintentional errors are out of scope for this question.
- Procedures exist to prevent and investigate misrepresentation by workers, managers, and their agents.
- Management can state which safeguards they have in place to ensure the prevention of misrepresentation by workers, managers, and their agents, what inspection/verification is, and how to ensure records are accurate and not falsified.
- There is no falsification of records or misrepresentation of conditions or practices in the supply chain.

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Core violation: Evidence of misrepresentation or falsification of records is confirmed; Auditee does not acknowledge or is unwilling to take action.

Major non-conformance: Evidence of misrepresentation or falsification of records is confirmed, Auditee is willing to take action

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

ETH.3.3. Auditee's financial statements must fairly and accurately present the financial condition of its business. Auditee's books and records shall be prepared in accordance with generally accepted finance and accounting practices and procedures, and shall be audited by independent accountants on a yearly basis or as often as may be required by law.

Minimum requirements

- Good accounting policies, procedures, and record keeping, verified through an annual periodic third-party financial audit, confirm that accounts are in order.
- There is a system of internal controls to ensure the accuracy of information.
- Government reporting as per legal requirements is done in a timely fashion and reports are complete.
- Financial and annual reports about Auditee's business operations, kept in accordance with applicable legal requirements and good industry practice, are available.

Rating

Core violation: Not applicable.

Major non-conformance: No systems in place to verify accuracy of information, no annual third-party financial report, or no required government reporting.

Minor non-conformance: System is in place but incomplete, annual financial audit report is not prepared by independent and qualified third-party, or government reporting late.

Not applicable: Not applicable.

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ETH.4. Intellectual Property

Intellectual property rights are to be respected, and the transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and, NXP's information is to be safeguarded..

AUDITABLE STANDARDS

ETH.4.1. Auditee shall respect and safeguard intellectual property (IP) of its customers and business partners and shall ensure that each worker understands his/her responsibility to adhere to IP security policies, practices, and controls.

Minimum requirements

- There are formal procedures to ensure non-disclosure and protection of information about Auditee's customers, channel partners, suppliers, workers, and other business partners and they are in accordance with applicable laws and regulations.
- There is a program and/or procedures in place for reviewing intellectual property ownership and ensuring protection of intellectual property.
- Training material and training records on intellectual property and its protection are available, adequate, and up to date. Managers receive (annual) refresher training on Intellectual property and its protection

Rating

Core violation: Not applicable.

Major non-conformance: No procedure, agreements, or training on intellectual property protection

Minor non-conformance: Procedures, agreements, and training are in place but there is no refresher training.

Not applicable: Not applicable.

ETH.4.2. Auditee shall ensure that appropriate confidentiality and non-disclosure agreements are in place, on file, and available for review.

Minimum requirements

- Confidentiality and nondisclosure agreements are in place, on file, and available for review.

Rating

Core violation: Not applicable.

Major non-conformance: No filing system for confidentiality and nondisclosure agreements in place

Minor non-conformance: Agreements are in place but agreements are incomplete

Not applicable: Not applicable.

ETH.4.3. Auditee shall ensure that its process for receiving, storing, using, and transferring technology and know-how is in a manner that protects intellectual property rights.

Minimum requirements

- There is a documented process for protecting IP rights during receipt, storage, use, and transfer of technology and know-how.

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- Records of validation of process integrity are on file.
- Internal audits of process compliance are conducted on a regular basis.

Rating

Core violation: Not applicable.

Major non-conformance: No process for receiving, storing, using, and transferring technology and know-how in place.

Minor non-conformance: A process is in place but does not adequately protect intellectual property rights or has not been validated or audited on a regular basis.

Not applicable: Not applicable.

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ETH.5. Fair Business, Advertising, and Competition

Standards of fair business, advertising, and competition are to be upheld

AUDITABLE STANDARDS

ETH.5.1. Auditee shall not enter into any agreement, understanding, or arrangement in restraint of trade or commerce. Auditee shall have a written policy compelling workers to not engage in activities prohibited by antitrust laws and to avoid even the appearance of engaging in the restraint of trade.

Minimum requirements

- Safeguards are in place to prevent collusion with other companies on product pricing or other factors that could reduce competition.
- There is a formal policy prohibiting collusion that also includes the consequences for managers, workers and business partners or any of their agents.
- There is a formal investigation procedure for any allegations of collusion and it includes monitoring procedures related to fair competition.
- Training on collusion is provided to workers/ , and business partners and managers receive an annual refresher training.
- Training material and training records are available, adequate, and up to date.
- Management can state when they were trained on prohibition of collusion/fair business and can accurately detail the content of the prohibition of collusion/fair business policy as well as how and when workers, and business partners are trained on this policy.

Rating

Core violation: Court has confirmed collusion and Auditee has not taken any further internal action.

Major non-conformance: Policy or procedures or training is not in place or is incomplete.

Minor non-conformance: Policy and procedures are in place and complete but regular refresher training for management has not occurred.

Not applicable: Not applicable.

ETH.5.2. Auditee shall ensure its advertisements do not make misleading, false, or deceptive claims and that its marketing activities comply with law. Auditee shall observe rules and compliance guides for its specific industry, where they exist.

Minimum requirements

- Auditee applies this standard to all kinds of advertising and company communications (job, product, company/facility promotion (booklet/flyer), commercial advertising, website, etc.)
- Job advertisements and other postings are accurate.
- Public information does not make false or misleading statements about the Auditee's products, services, opportunities, position, etc.
- Company information meets legal requirements.
- There is a formal program to ensure Auditee's public statements are not false or misleading and they meet legal requirements for fair business and advertising.
- Management can state what procedures and checks are in place to ensure public information is accurate and not misleading

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Core violation: Advertising is confirmed to be misleading and Auditee does not want to retract advertising.

Major non-conformance: Advertising is confirmed misleading and Auditee will retract advertising, or no procedures in place to ensure advertising is not misleading.

Minor non-conformance: Procedures are in place but not well understood by those involved, or procedures are incomplete.

Not applicable: Not applicable.

ETH.5.3. Auditee shall not discuss or communicate with any competitor any matter relating to customers, pricing, credit terms, costs, market shares and geographies, or other matters that may affect or restrain free competition. A written procedure for protecting proprietary customer information should be in place.

Minimum requirements

- A formal policy and program is in place to protect the information the Auditee receives from its customers as part of the contracting process. Such information includes names and contact information for key customer personnel, contract pricing and volumes, names of sub-contractors and materials/components suppliers, and requires, at a minimum, a Non-Disclosure Agreement (NDA), separate or part of employment contract, for workers.
- Managers and supervisors are trained on the information protection procedures.
- Training material and training records are available, adequate, and up to date.
- Management can state which measures are in place to protect customer information and how these measures are communicated/trained within the organization.

Rating

Core violation: Not applicable.

Major non-conformance: No NDA language for workers, no customer information protection procedures.

Minor non-conformance: NDA and customer information protection procedures are in place, but they are incomplete or training is not provided.

Not applicable: Not applicable.



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ETH.6. Protection of Identity and Non-Retaliation

Auditee shall create programs to ensure the protection of supplier and worker whistleblower confidentiality and shall prohibit retaliation against workers who participate in such programs in good faith or refuse an order that is in violation of the NXP Supplier Code of Conduct. Auditee shall provide an anonymous complaint mechanism for workers to report workplace grievances in accordance with local laws and regulations. Supplier shall have a formal communication program to ensure that every employee is fully informed of and understands the policy of non-retaliation.

AUDITABLE STANDARDS

ETH.6.1. Auditee expressly states in a policy that it shall not retaliate and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an allegation of misconduct or wrongdoing, or provides assistance to management or any other person or group (including any governmental, regulatory, or law-enforcement body) investigating an allegation.

Minimum requirements

- Confidential reporting channels are clearly communicated and visible (grievance box, hotline, hotmail, third-party line, etc.)
- Communications channels are clear and workers at Auditee operations are comfortable reporting violations or issues of concern, and reporting is encouraged.
- There is an established process for workers to anonymously report suspected violations of business conduct standards in order to prevent possible retaliation.
- Detailed procedures are in place to protect whistleblower identity as part of the investigation process for allegations.
- Training material and training records are available, adequate, and up to date. Annual refresher training is provided to all.
- Workers are provided with written information on how to report ethical or legal concerns.
- Workers can state how they can confidentially and anonymously report ethical misconduct and how management has assured them of non-retaliation.
- There is a documented non-retaliation policy signed by the highest official of the facility/company.

Rating

Core violation: Confirmed whistleblower has been retaliated against, or Auditee actively investigated anonymous whistleblower.

Major non-conformance: No confidential and anonymous reporting mechanisms, no procedure to safeguard against whistleblower retaliation, or no training in place.

Minor non-conformance: Procedures are in place but are incomplete. Confidential and anonymous reporting mechanisms are in place, and training is in place, but there is no annual refresher.

Not applicable: Not applicable.

ETH.6.2. Auditee shall have a system that ensures allegations are promptly investigated and remedial actions are taken where the claim is valid. The system shall include procedures for reporting progress to the reporter/whistleblower. Management shall be free in its discretion to engage outside experts or counsel or to assist in the investigation and in implementing remedial action.

Minimum requirements

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- Documented procedures for reporting, investigating, reporting of progress, and resolution of allegations.
- Documented remedial action taken for valid allegations.

Rating

Core violation: Not applicable.

Major non-conformance: Allegations are not investigated. No remedial actions are taken on valid claims.

Minor non-conformance: There are no documented or formal procedures established but practice is consistent with the requirements. There are documented procedures for investigation and remedial actions, but auditors noted gaps in the process.

Not applicable: Not applicable.

ETH.6.3. Auditee shall not reveal the identity of any person who makes an allegation in good faith and who asks that his or her identity as the accuser remain confidential. Management shall not make any effort, or tolerate any effort made by any other person or group, to identify any person who makes a good-faith allegation anonymously. Auditee shall also protect the identity of the alleged offender(s).

Minimum requirements

- There is a documented procedure for protecting the identity of accusers who request anonymity.
- There is a documented procedure for protecting the identity of the accused or offender(s).
- If an allegation is made in good faith but is not confirmed by an investigation, no action is taken against the complainant. If, however, the individual is proven to have made a malicious allegation or has acted in bad faith, action may be considered against that individual.

Rating

Core violation: Not applicable.

Major non-conformance: There is no process in place to guarantee that identity of the accuser/offender remains anonymous. There is no process in place to guarantee that no action is taken against complainants who report complaints in good faith.

Minor non-conformance: Not applicable.

Not applicable: Not applicable.

ETH.6.4. Auditee shall have a system that allows workers of its suppliers to report good-faith allegations involving unlawful or unethical business transactions between the Auditee and its supplier-companies and subcontractors. A program shall be in place to ensure that workers of its suppliers are adequately informed of how to use the system.

Minimum requirements

- Clear communications channels have been established so that workers at suppliers are comfortable reporting violations or issues of concern and so that reporting is encouraged.
- There is an established process for workers at suppliers to anonymously report suspected violations of business conduct standards in order to prevent possible retaliation.
- Detailed procedures are in place to protect whistleblower identity as part of the investigation process for allegations.
- Communications to suppliers are available, adequate, and up to date.

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Rating

Core violation: A confirmed whistleblower has been retaliated against, or Auditee actively investigated anonymous whistleblower.

Major non-conformance: No confidential and anonymous reporting mechanisms, no procedure to safeguard against whistleblower retaliation, no communication in place, and no supplier implementation verification.

Minor non-conformance: Procedures and communication are in place but are incomplete.

Not applicable: Not applicable.



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ETH.7. Responsible Sourcing of Minerals

Auditees shall have a policy to reasonably assure that the tantalum, tin, tungsten, and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or an adjoining country. Auditees shall exercise due diligence on the source and chain of custody of these minerals and shall make their due-diligence measures available to NXP upon NXP's request.

AUDITABLE STANDARDS

ETH.7.1. Auditee shall have a policy to reasonably assure that the purchase of 3TG minerals does not directly or indirectly finance armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or surrounding countries, shall have effective procedures to establish and monitor responsible sourcing of minerals, and shall be capable of making the due-diligence measures available upon request from NXP.

Minimum requirements

- There is a clear policy or procedure to avoid knowingly purchasing 3TG minerals that directly or indirectly finance armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or surrounding countries.
- A management system exists to support the policy/procedures and is capable of demonstrating procurement practices in line with the NXP (Supplier) Code of Conduct's expectation on responsible sourcing of minerals.
- The Auditee has a documented process to actively verify compliance with these requirements.

Rating

Core violation: Confirmed purchasing of minerals from conflict sources in the Democratic Republic of Congo or surrounding countries and no documented action taken by Auditee to address the issue.

Major non-conformance: No clear policy or procedure is in place to avoid knowingly purchasing 3TG minerals that directly or indirectly finance armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or surrounding countries.

Minor non-conformance: Clear documented policy or procedure is in place to avoid knowingly purchasing 3TG minerals that directly or indirectly finance armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or surrounding countries, but there is no process to actively verify compliance with these requirements or no evidence exists that the management system used to establish and monitor responsible sourcing of minerals is capable of making the due-diligence measures available upon request from customers.

Not applicable: Auditee has no 3TG mineral material or containing components.

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ETH.8. Privacy

Auditees are committed to protecting the reasonable privacy expectations for personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Auditees are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

AUDITABLE STANDARDS

ETH.8.1. Auditee shall have a policy to protect privacy. Auditee shall have a program in place to protect the personal information of persons and entities it does business with, including customers, suppliers, and workers. The privacy protection program complies with privacy and information security laws of countries where it operates, and its process for collection, storage, transmittal, and sharing of personal information complies with regulatory requirements.

Minimum requirements

- There is a formal policy and program in place that protects the personal information of everyone the Auditee does business with, including suppliers, customers, consumers and workers.
- The program complies with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.
- Workers are trained on the information protection procedures. Training material and training records are available, adequate, and up to date.
- Workers can state that they understand how their personal information is protected and when they last received training.

Rating

Core violation: Legal or customer-identified privacy requirements were identified and notified to Auditee, but Auditee did not take corrective action.

Major non-conformance: No privacy protection procedures are in place, there is no training, or protection procedures do not comply with legal and customer requirements.

Minor non-conformance: Privacy protection procedures are in place but incomplete, training is not provided, or workers do not clearly understand how their information is protected.

Not applicable: Not applicable.

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AUDITABLE STANDARDS

5.4 MAN. AUDITABLE STANDARDS FOR MANAGEMENT SYSTEM

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MAN.1. Company Commitment

Auditee shall have a corporate social and environmental responsibility policy statements, affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language or language(s) understood by all employees..

AUDITABLE STANDARDS

MAN.1.1. Auditee shall have adequate and effective policies/codes that are endorsed by executive management, covering: A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - Statement signed/endorsed by the highest level manager at the Auditee's facility or company with a stated commitment to regulatory compliance and other requirements and commitment to continuous improvement. Note executive endorsement can be silent when policy is publicly displayed (e.g., intra or internet site)
 - The policy statement is appropriate for the nature and scope of the Auditee's facility's operations.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; does not contain commitment to continuous improvement and legal compliance.

Minor non-conformance: No endorsement of senior management; one component is missing.

Not applicable: Not applicable.

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MAN.2. Management Accountability and Responsibility

Auditees shall clearly identify senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

AUDITABLE STANDARDS

MAN.2.1. Responsibilities and authorities are adequately and effectively defined and assigned for all Auditee's workers for implementation of management systems, and for compliance with laws, regulations, and codes pertaining to A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - At least one management representative has been assigned responsibility for implementing programs to ensure compliance with laws and regulations and the requirements of the NXP (Supplier) Code of Conduct.
 - At least one management representative has been assigned responsibility for implementing programs, procedures, and corrective actions as needed for regulatory compliance and the NXP (Supplier) Code of Conduct conformance.
 - The responsibilities and authority of the management representative(s) are documented in position plans, job descriptions, and/or the Auditee's facility's management system documentation.
 - There are documented procedures for responsibility assignment in normal and emergency situations at all levels of the organization, and training materials and training records on responsibilities are available, adequate, and up to date.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; no identified management representative authorized to implement the management system of a component.

Minor non-conformance: One component is missing.

Not applicable: Not applicable

MAN.2.2. There is an adequate and effective management review and continuous improvement process for A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics performance and management systems.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.

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- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - There is a document describing the management system review process, including the agenda and review frequency.
 - Minutes, presentation materials, or other records of management review meetings are available and clearly state the date, who was present (including senior manager), and progress towards meeting objectives. These records also include the results of audits, completion of corrective actions, risks/issues, company policy, and other information needed to determine the effectiveness of the management system and identify improvement opportunities, which result in a formal improvement action plan. Frequency is at least annual.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; senior management does not assess annually.

Minor non-conformance: One component is missing.

Not applicable: Not applicable

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MAN.3. Legal and NXP Requirements

Auditees shall have a process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the requirements of this Standards.

AUDITABLE STANDARDS

MAN.3.1. There is an adequate and effective compliance process to monitor, identify, understand, and ensure compliance with applicable laws and regulations and NXP requirements pertaining to A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - A formal procedure to identify, track, assess, integrate, implement, and maintain a current understanding of applicable legal and NXP requirements.
 - This includes, at a minimum, the review of new laws/regulations on at least a quarterly basis, maintenance of a document (updated at least quarterly) summarizing the applicable laws and regulations and the NXP requirements that impact operations, and review of new/changed operations for applicable regulatory and customer requirements prior to start-up.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing

Minor non-conformance: One component is missing.

Not applicable: Not applicable.

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MAN.4. Risk Assessment and Risk Management

Auditees shall have a process to identify the environmental, health and safety and labor practice and ethics risks associated with Auditee's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

AUDITABLE STANDARDS

MAN.4.1. There is an adequate and effective risk management process to identify, assess, and minimize/mitigate/control risks in the areas of A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - Control measures are in place for identified risks.
 - A formal risk assessment process is in place to identify the most significant risks.
 - Any identified risk has an action plan to minimize such risk and procedural controls and/or improvement objectives.
 - The risk assessment covers every site operation/process and physical location.
 - Procedural controls are documented and managers and workers with responsibility for implementing the procedures have been appropriately trained.
 - Where controls are not yet in place, the Auditee's facility has established an implementation plan with owners and due dates to implement the necessary controls.
 - The effectiveness of controls is evaluated on a regular basis and corrective action is taken where improvement is needed.
 - Training materials and training records are available, adequate, and up to date.
 - A risk assessment is carried out on an annual basis.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; no risk process adequate for the scope and nature of the operations, and no controls in place.

Minor non-conformance: One component is missing; risk process adequate for the scope and nature of the operations, and risk assessment performed but no adequate controls in place.

Not applicable: Not applicable.

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MAN.5. Improvement Objectives

Auditees shall have written performance objectives, targets, and implementation plans to improve the Auditee's social and environmental performance, including a periodic assessment of Auditee's performance in achieving those objectives.

AUDITABLE STANDARDS

MAN.5.1. There is an adequate and effective performance management process for A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics, including setting performance (improvement) objectives and targets, developing and implementing improvement plans, regularly reviewing progress toward achieving targets, and making appropriate adjustments.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - There is a formal process for setting objectives with indicators/objectives/targets including consideration of risk assessment results, legal and regulatory requirements, NXP requirements, and company standards/requirements.
 - The process includes a specific frequency for objective setting (e.g., annually;; assignment of owners, implementation plans, completion dates, and communication of objectives to workers (as appropriate).
 - The process indicates how frequently the progress in meeting objectives is reviewed.
 - The objectives and targets are clearly designed to achieve continual improvement.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; no targets established or no review takes place on progress.

Minor non-conformance: One component is missing; targets are established but no review takes place and/or no corrective actions taken if progress is off track.

Not applicable: Not applicable.

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MAN.6. Training and Competencies

Auditees shall have programs for training managers and workers to implement Auditee's policies, procedures, and improvement objectives, and to meet applicable legal and regulatory requirements.

AUDITABLE STANDARDS

MAN.6.1. An adequate and effective training process is established for all workers on all policy/procedures/job related aspects and performance targets related to A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - A formal training program for all workers is in place on policy, procedures, and job-related aspects and performance targets.
 - Managers are retrained at least annually.
 - An analysis of training needs for each functional area is available.
 - Training materials and training records are available, complete, adequate, and up to date, and training includes a test of material learned.
 - Test results are available for all training for the statistical sample of population.
 - Training programs meet local legal requirements.
 - Continual assessments and review in place to ensure training is effective in building competencies
 - A training calendar for each worker group is available and communicated. Attendance records, including names and signatures of attendees (for classroom training; on-line training will have electronic records).

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing; major deficiency in executing the training plan.

Minor non-conformance: One component is missing; training plan is off track but action taken.

Not applicable: Not applicable.

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MAN.7. Communication

Auditees shall have a process for communicating clear and accurate information about Auditee's policies, practices, expectations, and performance to workers, suppliers, and customers.

AUDITABLE STANDARDS

MAN.7.1. There is an adequate and effective worker, supplier and customer communication/reporting process about A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics policies, practices, and performance.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - A formal communication program on policy, performance, practice, and expectations is in place which includes the following:
 - Correspondence to supplier/customer management.
 - Contract terms and conditions requiring suppliers to conform to the NXP requirements and comply with all applicable EHS regulatory requirements.
 - Presentations and communications to workers.
 - Supplier training and information on the company extranet.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing and/or two or more focus areas are missing in the communications (policy, performance, practice, and expectations)

Minor non-conformance: One component is missing and/or one focus area are missing in the communications (policy, performance, practice, expectations).

Not applicable: Not applicable.

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MAN.8. Worker Feedback, Participation, and Grievance

Auditees shall have ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on practices and conditions covered by the NXP Supplier Code of Conduct and to foster continuous improvement.

AUDITABLE STANDARDS

MAN.8.1. There is an adequate and effective worker grievance/complaint process whereby workers can confidentially communicate work related grievances or complaints without fear of reprisal or intimidation.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - Grievance and complaint channels are clearly communicated and visible (grievance box, hotline, hotmail, third-party line, etc.)
 - There is an established process for workers to anonymously report grievances and complaints without fear of reprisal.
 - Detailed protection procedures are in place.
 - Training material and training records are available, adequate, and up to date.
 - Annual refresher training is provided to all.
 - Workers are provided with written information on how to report grievances and complaints.
 - Workers can state what grievance and complaint mechanisms are available to them and understand they can use these mechanisms without fear of reprisal.

Rating

Core violation: Evidence of retaliation and intimidation.

Major non-conformance: Two or more components are missing.

Minor non-conformance: One component is missing.

Not applicable: Not applicable.

MAN.8.2. There is an adequate and effective worker consultation/participation process whereby management solicits and encourages worker feedback and participation for improvement via various channels.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:

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- Feedback channels are clearly communicated and visible (suggestion box, hotline, email, third-party line, etc.)
- There is a formal program to obtain worker feedback, such as worker surveys, suggestions boxes, worker focus groups, joint worker-management committees, worker/union representatives, complaint procedures, and process improvement teams.
- Feedback is analyzed and actions are taken to improve the situation. Action plans are available, implemented, or on track.
- Workers can clearly state how management seeks feedback and when the last feedback session was.

Rating

Core violation: Not applicable.

Major non-conformance: No feedback mechanism(s) in place for one or more components.

Minor non-conformance: Feedback mechanism is in place but feedback is not properly followed up.

Not applicable: No applicable



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MAN.9. Audits and Assessments

Auditees shall perform periodic self-evaluations to ensure conformity to legal and regulatory requirements and the content of the NXP Supplier Code of Conduct, and customer contractual requirements relating to social and environmental responsibility.

AUDITABLE STANDARDS

MAN.9.1. An adequate and effective audit and/or assessment process to periodically assess conformance with the NXP (Supplier) Code of Conduct including compliance with applicable laws and regulations pertaining to A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - A formal audit and/or assessment program is in place which includes regular self-audits or assessments (at least annually) in order to assess conformance to applicable regulatory requirements and NXP contractual requirements, their own policies, standards, and management system, and other requirements to which the Auditee's facility subscribes.
 - The program covers all areas of the Auditee's facility, observation of processes, physical conditions and work practices, review of documents and records, and interviews with individuals responsible for Social Responsibility.
 - Findings are reviewed by senior management.

Rating

Core violation: Not applicable.

Major non-conformance: No audits or self-assessments carried out; two or more components are missing; scope does not include regulatory compliance.

Minor non-conformance: One component missing; scope includes regulatory compliance but not customer requirements.

Not applicable: Not applicable.

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MAN.10. Corrective Action Process

Auditees shall have a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

AUDITABLE STANDARDS

MAN.10.1. Auditees shall have an adequate and effective process for corrective and preventive actions to rectify and close non-conformances, including legal non-conformances, with the NXP (Supplier) Code of Conduct, identified via internal or external audits, assessments, inspections, investigations, and reviews, covering A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - A formal program and process for corrective and preventive actions is in place which contains the following: corrective action and preventive action reports/plans and tracking mechanisms, including specific corrective actions, owners, and due dates established to address all Audit issues.
 - When a corrective or preventive action is off track, the response includes additional actions to get the item back on schedule and a root-cause analysis of the finding to ensure the system gap is addressed. Completion of action items is verified by the management representative, and there is a demonstrated link between the CAPA plan and the performance management objectives and targets.

Rating

Core violation: Not applicable.

Major non-conformance: Two or more components are missing, no adequate corrective and preventive action program in place

Minor non-conformance: One component is missing., adequate corrective and preventive action in place but actions are off track

Not applicable: Not applicable.

MAN.10.2. Identified root cause, corrective and preventive action to address a non-conformance or Violations are on track or completed for A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- For each component:
 - Copies of any regulatory citations/violation notices received in the past three years, including any communications with the agencies, are available for review.

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- If a citation was received, documentation to verify that the issues have been addressed/closed is available for review and corrective and preventive actions have been made for all similar situations throughout the Auditee's facility.
- If closure was not verified by an independent third party or the original government agency, Auditor must verify closure.
- Search of general public record is performed by Auditor to learn if the regulatory authorities have imposed corrective action or penalties in last three years for each component.

Rating

Core violation: One or more unaddressed regulatory actions or penalties.

Major non-conformance: Regulatory actions or penalties are addressed but are off track and no corrective actions are taken to get them back on track.

Minor non-conformance: Not applicable.

Not applicable: Has not been subject to any labor regulatory actions in the past three years.

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MAN.11. Documentation and Records

Auditees shall have and maintain documents and records to ensure regulatory compliance with and conformity to its requirements along with appropriate confidentiality to protect privacy.

AUDITABLE STANDARDS

MAN.11.1. Adequate and effective documentation and records for A) Labor & Human Rights, B) Health & Safety, C) Environment, and D) Ethics management systems are maintained and appropriate levels of access are implemented to ensure privacy.

Minimum requirements

- All components (Labor & Human Rights, Health & Safety, Environmental, and Ethics) are covered.
- If a component has a valid certification then this is considered conformance for that component on this question (e.g., if a valid third-party ISO 14001 certificate is in place the Auditor will not verify the Environmental Management System).
- For each component:
 - Documents are securely stored with authorized access only.
 - A documentation system which satisfies both regulatory (including record retention laws) and NXP requirements and includes a documentation and recordkeeping procedure for at a minimum the following documents and records: records of wages paid and hours worked, verification of worker age, financial audit reports, nondisclosure agreements, contract terms and conditions, self-audit/assessment reports, regulatory compliance evaluations, risk assessments, work practices and procedures, performance in meeting objectives and targets, reports of inspections by regulatory agencies, incident investigations, worker complaints, training records, management system review minutes, and action items and corrective action records.
 - A listing/table of documents and records required by local regulations and NXP requirements is available, adequate, and up to date.

Rating

Core violation: Documents and/or records are fraudulent.

Major non-conformance: Two or more components are missing; does not meet regulatory requirements.

Minor non-conformance: One component is missing; meets regulatory requirement but not customer requirements.

Not applicable: Not applicable.

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MAN.12. Supplier Responsibility

Auditees shall have a process to communicate the NXP Supplier Code of Conduct, or comparable, requirements to their own, next-tier suppliers and to monitor supplier compliance to the requirements.

AUDITABLE STANDARDS

MAN.12.1. The NXP Supplier Code of Conduct (or comparable) requirements have been communicated to next-tier suppliers.

Minimum requirements

- Documented procedure for implementation of NXP Supplier Code of Conduct (or comparable) for next-tier suppliers, with the Code and its requirements formally communicated to next-tier suppliers or inserted as part of their contract. This includes the following:
 - Supplier program (identification of major suppliers, with definition of "major")
 - Communications program to major suppliers (meetings, emails, etc.)
 - Enforcement language: contract, purchase order, etc.
- If the next-tier supplier's workers are onsite, workers can explain the content of the Code.

Rating

Core violation: Not applicable.

Major non-conformance: There are no implementation procedures for communicating the NXP Supplier Code of Conduct (or comparable) to next-tier suppliers and there are no documented communication vehicles with next-tier suppliers

Minor non-conformance: Implementation procedures for next-tier suppliers exist but 20% or more of the key suppliers have not been informed

Not applicable: No suppliers to Auditee

MAN.12.2. An effective process to ensure that next-tier suppliers implement the NXP Supplier Code of Conduct (or comparable).

Minimum requirements

- NXP Supplier Code of Conduct (or comparable) implementation questionnaires, audits, or visit reports are available.
- Plans are in place with next-tier suppliers to improve actions related to the NXP Supplier Code of Conduct (or comparable) and its provisions.

Rating

Core violation: Not applicable.

Major non-conformance: No process in place.

Minor non-conformance: Process in place but less than 50% of key suppliers covered.

Not applicable: No suppliers to Auditee.

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6.0 Annexes

6.1 Physically Demanding Work – Ergonomic Hazard Protections

Foundational Control

The following represent a basic listing of good practices and controls to minimize ergonomic hazards. Auditee shall install, implement, and use the controls in this section to reduce and eliminate workplace ergonomic hazards. Ergonomic risk analyses for new or modified production lines, equipment, tools, or workstations may detect ergonomic hazards that require additional controls above and beyond those below to sufficiently reduce the ergonomic hazard risk to workers:

Workstations

Workstations shall be adjustable such that the **workpiece** may be positioned at an appropriate height relative to each individual worker by way of height-adjustable chairs, height-adjustable work surfaces, height-adjustable fixtures, inserts, and/or other designs. Supplier shall install workstations such that:

- Each worker's upper arms are not raised above the heart.
- Each worker's shoulders are not elevated and upper arms are not abducted (with the elbow raised outward from the sides of the body).
- Each worker's back and neck are inclined at less than 20 percent forward from vertical while working.
- Workers are not required to twist or turn their backs sideways and there is minimal turning of the neck.
- Workpieces for precision and inspection tasks are located 5 cm to 15 cm above each worker's elbow height.
- Workpieces for light work tasks are located 0 cm to 15 cm above each worker's elbow height.
- Workpieces for tasks that require more than 2.2 kg of force or lifting more than 15 kg are located 5 cm to 20 cm below each worker's elbow height.

Seated Workstations

- **Rotation** All seated workstations in which the work conducted spans an arc of more than a 30 degrees (+/- 15 degrees measured from the midline of the worker's body) shall be provided chairs that rotate.
- **Leg Clearance** All seated workstations shall be designed with a minimum of 38 cm of open space below the work surface measured horizontally from the front edge of the work surface. Adequate vertical clearance shall be provided under the work surface for the worker's thighs. If a rotating chair is used, these clearances shall be ensured throughout the entire range of each worker's rotational motion.
- **Back Support** All seated workstations shall use seats that provide lumbar support at no more than 10 degrees from the vertical.
- **Foot Supports** Workers' feet shall be supported (not hanging) on the floor or footrest or by a support bar on the workstation while conducting work

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Standing Workstations

Fatigue Reduction To reduce stress on the feet, legs, and lower back caused by prolonged standing, standing workstations shall be provided with a height-adjustable stool (to allow choice of sitting or standing) or ergonomic (anti-fatigue) mats or ergonomic footwear.

- **Foot Clearance** All standing workstations shall be designed with a minimum of 12.7 cm of open space measured horizontally from the front edge of the work surface.
- **Foot Support** To allow a worker to change the distribution of their weight in an effort to reduce stress on the feet and legs, all standing workstations shall incorporate a foot-rail at a height of approximately 15 cm.

Work Surfaces and Width

- Where workers rest their arms, wrists, or hands on the work surface to perform their jobs, the edges of the work surface shall be rounded and both the edge and work surface itself shall be padded to minimize contact stresses. These considerations shall also be considered in the design of fixtures and test equipment.
- Work surfaces shall be non-reflective.
- A minimum of 70 cm of width shall be provided for each worker at each workstation to allow the worker to move his or her arms freely.

Hand Tools

- Workers shall be provided with ergonomically designed hand tools to minimize stresses and vibrations on the fingers, palms, wrists, and arms.

Placement

- **Parts and Tools** Parts and tools shall be located in front of the worker in a manner that allows for easy pickup and minimizes twisting and bending. Workers should not need to reach above shoulder level.
- **Visual Displays** Workstations that require the use of screens shall be designed such that the display is positioned in front of and perpendicular to each worker's eyes. The top of the display should be at or slightly below the worker's eye level. Any displayed text shall be easily legible.

Lighting

- Workstations that conduct fine work shall be provided a minimum of 500 lux of illumination at the point where work is conducted; localized task lighting is recommended.
- In the case of extraordinarily fine precision and inspection tasks or difficult-to-view operations, lighted magnifiers or video inspection systems shall be used to eliminate excessive bending of the neck and back.

Storage Racks

- Shelves on fixed and rolling racks should be situated between knee and chest height to minimize bending and reaching.

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Manual Handling Tasks

Tasks shall not require lifting, pushing, pulling, or carrying materials that involve:

- Holding of loads away from the worker's trunk
- Twisting, stooping, or reaching upward
- Large vertical movements
- Long carrying distances
- Strenuous pushing or pulling
- Insufficient rest or recovery

Heavy, bulky, unwieldy, difficult to grasp, unstable, unpredictable, or intrinsically harmful (such as sharp or hot) loads

6.2 Definition of Fees for L&H.1.4. Auditee shall ensure that workers are not required to pay fees, deposits, or debt repayments for their recruitment or employment

- a) Auditee is required to pay the following recruitment and service fees for **ALL** workers including temporary, migrant, student, contract, direct employees, and any other type of worker.
 - Application, recruiting, hiring, placement, and processing fees, of any kind at any stage including agent, sub-agent or employer operating, administrative and overhead costs associated with the recruitment, selection, hiring and placement of those workers
- b) Auditee is also required to pay the following recruitment and service related costs for foreign migrant workers who have moved from one country to another country for their employment:
 - Pre-departure fees and costs
 - Skills tests
 - Certifications
 - Medical exams/screening
 - Pre-departure training or orientation
 - Any other requirements to access the job opportunity
 - Documentation / Permits and associated costs of obtaining such documents and/or permits
 - Passport /identity documents
 - Visas (including renewals)
 - Work or residence permits (including renewals)
 - Police clearance fee
 - Birth Certification fee
 - Transportation and lodging costs (including all taxes and fees)
 - Transportation and lodging costs after the employment offer has been made,

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including, in sending country to and from worker's home to recruitment site, or if worker is required to remain near recruitment site while waiting to be sent to work site

- Transportation from sending country to receiving country port of entry
- Transportation from receiving country port of entry to supplier's facility or provided accommodations
- Border crossing fees
- Return transportation to employee's home country at the end of employment
- Contract
- Arrival / On-boarding
 - New-hire training or orientation
 - Medical exams/screening
- Other legal requirements
 - Levies
 - Deposits and/or bonds

c) These costs can be paid by worker if noted in their contract and a receipt or record of payment is provided. They must be without markup:

- Passport renewal or replacement cost due to employee loss or fault
- Dormitory and meals (must be fair market value and meet international health & safety standards)

d) All other and ongoing employment expenses and fees shall be borne by the Auditee including uniforms, badges, PPE, etc.

e) Termination and Early Leave:

- If the worker has provided full notice period – no fees should be charged
- If the worker has not provided full notice period:
 - Worker can pay at most 60% of 1 month of gross base wages
 - Worker can pay at most 1 month of gross base wages if the worker has run away/absconds resulting in a legal penalty to the Employer or employer's agent (any deduction in wages may be no greater than that penalty)
 - Worker cannot pay any fees if the worker had to leave without full notice period because of abuse or threat to safety

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7.0 Document Information

7.1 Records

None.

7.2 References

Item	Description
NX1-00025	NXP SEMICONDUCTORS CODE OF CONDUCT
NX3-00123	NXP SUPPLIER CODE OF CONDUCT
NX3-00119	NXP LIST OF HAZARDOUS SUBSTANCES IN PRODUCTS AND PACKAGING
NX3-00642	NXP SOCIAL RESPONSIBILITY AUDIT OPERATIONS MANUAL

7.3 Terms/Acronyms and Definitions

3TG minerals: Tantalum, tin, tungsten, and gold.

Active underage worker: A worker who meets the definition of underage worker and is working at the facility at the time of the audit.

Applicable laws and regulations: Governing laws and regulations and, in connection with foreign workers, the authorized agency guidance in both the sending and receiving country.

Auditable standards: The requirements set forth in this standard, the NXP Code of Conduct, the NXP Supplier Code of Conduct, and the standards referred to in these documents.

Committed lead-time: Auditee's committed time period from receipt of product order, to the shipment of the product.

Committed production capacity: The capacity committed to NXP/customer in weekly or daily allotments. If no capacity is committed to NXP/customer, then the forecast commitment at lead-time is used as the capacity commitment for the week.

Corporal punishment: A type of punishment that results not only in physical harm inflicted but also on psychological and emotional effects such as fear, shame and guilt. **Confined space:** A space large enough that a worker can enter to perform assigned work, with limited or restricted means for entry or exit that is not designed for continuous worker occupancy.

Contract worker: Any person who is not directly employed by Auditee but works on behalf of Auditee.

Core violation: A situation that NXP considers unacceptable. Auditees are given the opportunity to improve performance, but the Auditee's response to, and adequate resolution of a core violation is non-negotiable. As described in the NXP Audit Manual, in the case of immediate risk of life, the Auditee is given 24 hours to complete containment actions. In other cases, the Auditee is allowed seven days for submission of action plans and 30 days for completion of plans. Sanctions for unresolved core violations can result in withdrawal/termination of business.

Corrective action and preventive action (CAPA, also called corrective action / preventive action): Improvements made to Auditee's processes to eliminate causes of non-conformities or other undesirable situations. CAPA focuses on the systematic investigation of the root causes of non-

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conformities in an attempt to prevent their recurrence (for corrective action) or to prevent occurrence (for preventive action).

Corrective Action Plan (CAP): Improvements made to the Auditee's processes to eliminate causes of non-conformities or other undesirable situations. CAP focuses on the systematic investigation of the root causes of non-conformities in an attempt to prevent their recurrence.

Day(s) of rest, rest day(s): Period of 24 consecutive hours during which workers do not work.

Direct worker: A worker that is directly employed by Auditee.

Dormitory (or Dormitories): A building (or buildings) or part of a building that provides sleeping and residential quarters for workers and includes shared toilet facilities and sleeping rooms.

Emergency or unusual situation: A situation that drives the Auditee to exceed the committed production capacity inside of the Auditee's committed lead-time.

Employee: Any person, regardless of nationality or country of origin, who is employed directly by Auditee. Employees include non-executives as well as executives. In the context of this Standard all employees are considered workers.

First aid: The provision of initial care for an illness or injury. It is usually performed by non-expert (but trained and certified) personnel to a sick or injured person until definitive medical treatment can be accessed.

Foreign worker: Workers with a nationality/country of origin different from the country in which Auditee's facility is located.

Grievance: Grievances may include, and not limited to workers experiencing instances of harassment and abuse, discrimination at work, retaliation, non-payment of wages, or other workplace concerns.

Guardian: A parent or other adult responsible for the care and support of a (student or juvenile) worker.

Hazardous: A situation or condition having the potential to cause injury or death.

Hazardous confined space: A confined space that 1) contains or has the potential to contain a hazardous atmosphere, environment, or substances, 2) contains a material that has the potential to engulf an entrant, 3) has walls that converge inward or floors that slope downward and taper into a smaller area which could trap or asphyxiate an entrant, or 4) contains any other recognized safety or health hazard, such as unguarded machinery, exposed live wires, or extreme temperatures.

Historical underage worker: A worker who is above legal minimum age and started work when he/she was under the minimum age.

Juvenile worker: A worker older than the applicable legal minimum age for employment or 15 years of age, whichever is greater, but younger than 18 years of age.

Major non-conformance: A significant failure in the social responsibility management system – one that affects the ability of the system to produce the desired results. It may also be caused by failure to implement an established process or procedure or, by the fact that the process or procedure is

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ineffective or not suited for the nature of the operations. NXP requires the Auditee to complete the corrective action plans for all major non-conformances within 60 days.

Material Safety Data Sheet (MSDS): A document intended to provide workers and emergency personnel with procedures for handling or working with a substance in a safe manner. It includes information such as physical data, toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill-handling procedures.

Medical test: A medical procedure performed to detect, diagnose, or evaluate disease, disease processes, disease susceptibility, and/or determine a course of treatment.

Medical status: Past or current medical condition of a worker.

Minor non-conformance: A failure that, by itself, does not indicate a systemic problem with the management system. It is typically an isolated or random incident. NXP requires the Auditee to complete the corrective action plans for minor non-conformances within 90 days.

Monthly net wages: The amount equivalent to one month's expected wages for the worker including anticipated overtime hours. This monthly amount shall not exceed the amount of wages based on a 60-hour work week, including regular and overtime hours after government-required deductions. Bonuses may only be included in the calculation where bonuses are guaranteed in original contract terms.

Night Shift: Night shift is any work performed between 10:00pm and 5:00am

Official working hour's records system: The system that most accurately reflects workers' actual hours of work. It may consist of multiple records including but not limited to time cards, overtime approval/confirmation records, shift schedule, and production records.

Preventive action plan: Improvements made to Auditee's processes to eliminate causes of non-conformities or other undesirable situations. It focuses on the systematic investigation of the root causes of non-conformities in an attempt to prevent their occurrence or reoccurrence.

Private Employment Agency (PEA): A service enterprise under private law carrying out, under contract and in exchange for financial compensation, operations on behalf of individuals or enterprises, whose aim is to facilitate or expedite access to employment or career progression.

Prudent for workplace safety: Necessary to protect the worker's health, safety, or ability to perform his/her job, or necessary for the protection of other workers at the facility.

Qualified Educational Program (QEP): a course of instruction that is at least one academic term in length and leads to a certification, a degree or a diploma in a career field.

Qualified health professional: Licensed or certified individual (located on or off the Auditee's site) with the knowledge, training, and experience necessary to review and assess a factory's production environment and any associated risks to workers.

Qualified medical professional: Licensed doctor or nurse (located on or off the Auditee's site) who conducts worker health tests, assesses worker health, and offers medical consultation to the worker.

Qualified safety professional: Licensed or certified individual (located on or off the factory site) with the knowledge, training, and experience necessary to review and assess a factory's production environment and any associated risks to workers.

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Reasonable notice: Notice provided at least one month before the event or action.

Receiving country: The country in which Auditee's facility is located and in which the worker will be employed.

Responsible individual: An individual designated by Auditee with responsibility for specific management issues.

Required medical test: A medical test that is required by law, or determined by a qualified health professional in writing to be prudent for workplace safety.

Self-Assessment Questionnaire (SAQ): A standardized list of questions used to determine a company's potential social responsibility risk. It serves to assess practices for labor, ethics, health, safety and the environment, raises awareness about the importance of these areas, clarifies expectations, supports assessment of the Auditee's characteristics and potential risks, and enables Auditees to evaluate, improve, and communicate their performance.

Sending country: The country of origin of a foreign worker.

Student worker: A worker, regardless of age, who is enrolled in a Qualified Educational Program and engaged in work for a period of time as defined in an employment contract between the student, the vocational school and the company, or as regulated by law.

Terminated underage worker: A worker who meets the definition of active or historical underage worker and is no longer working at the facility at the time of the audit.

Underage worker: A worker who is under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is higher.

Whistleblower: Any person who makes a disclosure about improper conduct by a worker of a company or by a public official or official body.

Worker: Any person, regardless of nationality or country of origin, who is employed, directly or via a third party, to work at Auditee's facility.


Work week: The period from Sunday 12:01 a.m. to Saturday midnight as the default, except when the Auditee has chosen a different start and end day.

Working hours: Normal hours allowed for work as determined by applicable laws and regulations or, in the absence of such laws, as defined by contractual agreement between the Auditee or its agent(s) and the workers or their representatives.

Young worker: A worker older than the applicable legal minimum age for employment or 15 years of age, whichever is greater, but younger than 18 years of age.

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7.4 Revision History

Document Author	Date	Description of Change	Document Owner
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Eric-Paul Schat	25 May 2014	Document Revision	Eric-Paul Schat
Tony Khaw	30-Apr-2015	Document Revision	Eric-Paul Schat
Tony Khaw	22-Nov-2016	First Release in NXP OMS: No Content Change	Eric-Paul Schat
Tony Khaw	10 May 2017	Document Revision	Eric-Paul Schat
Tony Khaw	27 June 2018	Revision Change Log in embedded file  NXP Auditable Standards Revision 1	Eric-Paul Schat
In case of questions or change proposals please contact the latest document author or owner.			