Short introduction NXP Supply Chain

Jean Schreurs
Executive Director NXP Semiconductors Netherlands

Jos Bakker
Senior Director Trade Compliance

14 November 2022

NXP SEMICONDUCTORs WORLDWIDE

Together with our valued customers, we're not just advancing technology, we're advancing society.

AUTOMOTIVE

Enabling carmakers to develop smarter solutions for complex autonomy, connectivity, and electrification challenges

Accelerating the shift to greater mobility

INDUSTRIAL

Reducing wasted time, money, and effort by helping business run more efficiently.

Enabling more efficient data processing

MOBILE

Giving wearable and mobile devices easier access to the services that make modern life more convenient without compromising security and safety.

Transforming how people and devices connect

SMART HOME

Solutions that listen, learn, and adapt into the places we call home for more comfort, affordability, safety, and convenience.

Powering the intelligence behind the technologies

SMART CITY

Simplifying how people access and interact with local services to achieve new standards of sustainability, efficiency, mobility, and economic growth.

Anticipating the demands of tomorrow

COMMUNICATION INFRASTRUCTURE

Powering insights and inspiring performance with hardware solutions for handling 5G connectivity across the emerging communications spectrum.

Delivering real-time responsiveness at the speed of 5G

65 years of combined experience and expertise

$11.06B 2021 annual revenue

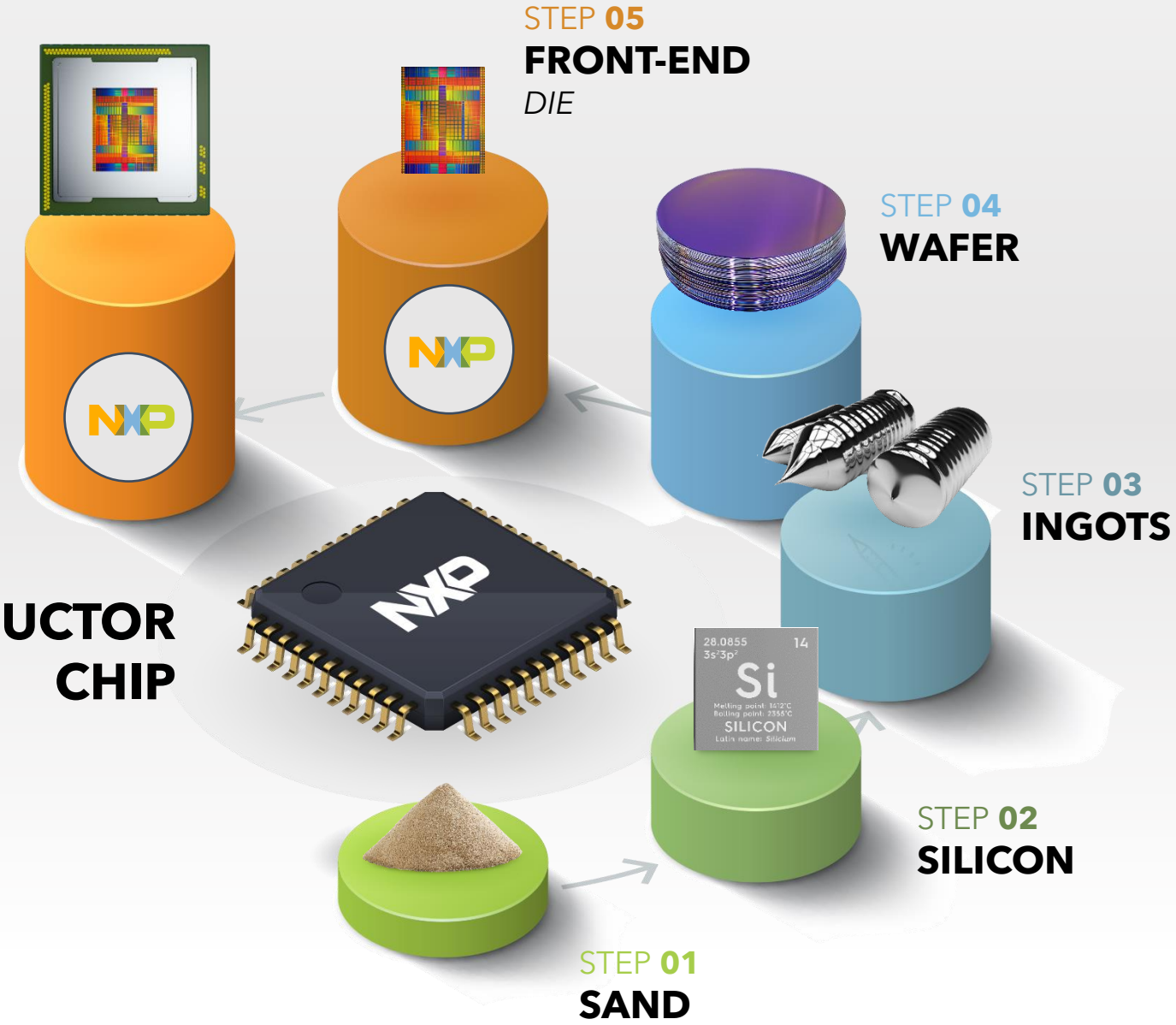
Operations in more than **30 countries** worldwide

Approximately **34,000 employees**

Headquarters in The Netherlands – **Eindhoven**

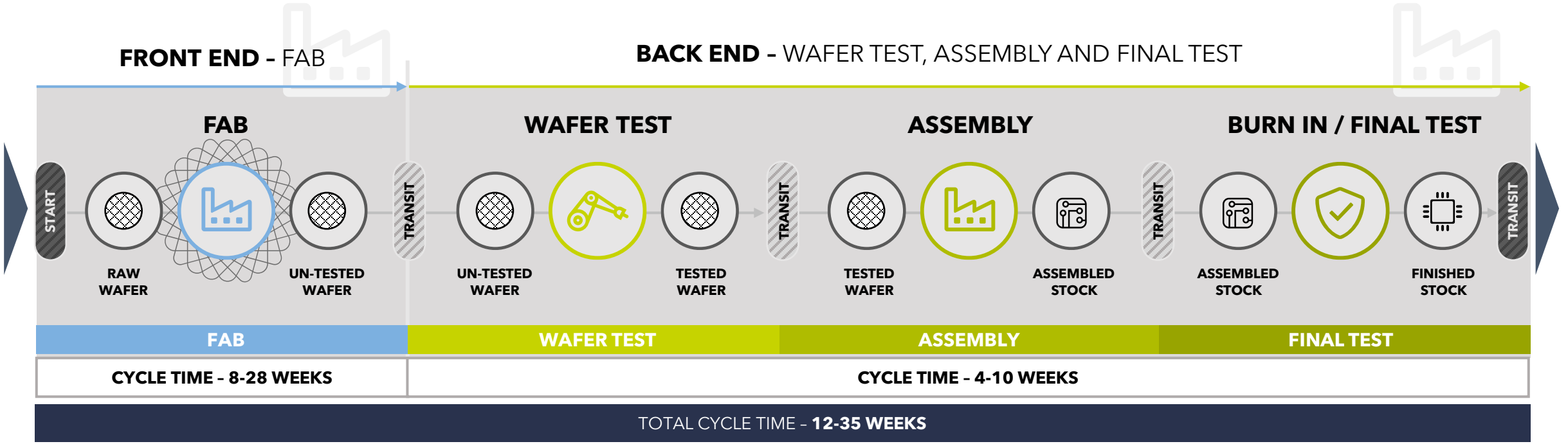
How does the semiconductor supply chain look like

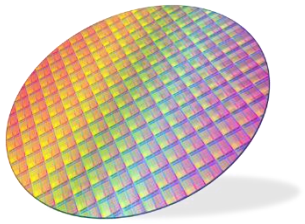
HOW IS A SEMICONDUCTOR MADE?



© 2021 NXP. All rights reserved

SEMICONDUCTOR MANUFACTURING PHASES – TYPICAL FLOW





Products made in our Front-End fabs are "semi-finished" products (wafers) and are shipped for further processing to our Back-End fabs. The semi-finished products are not suited to be used by customers

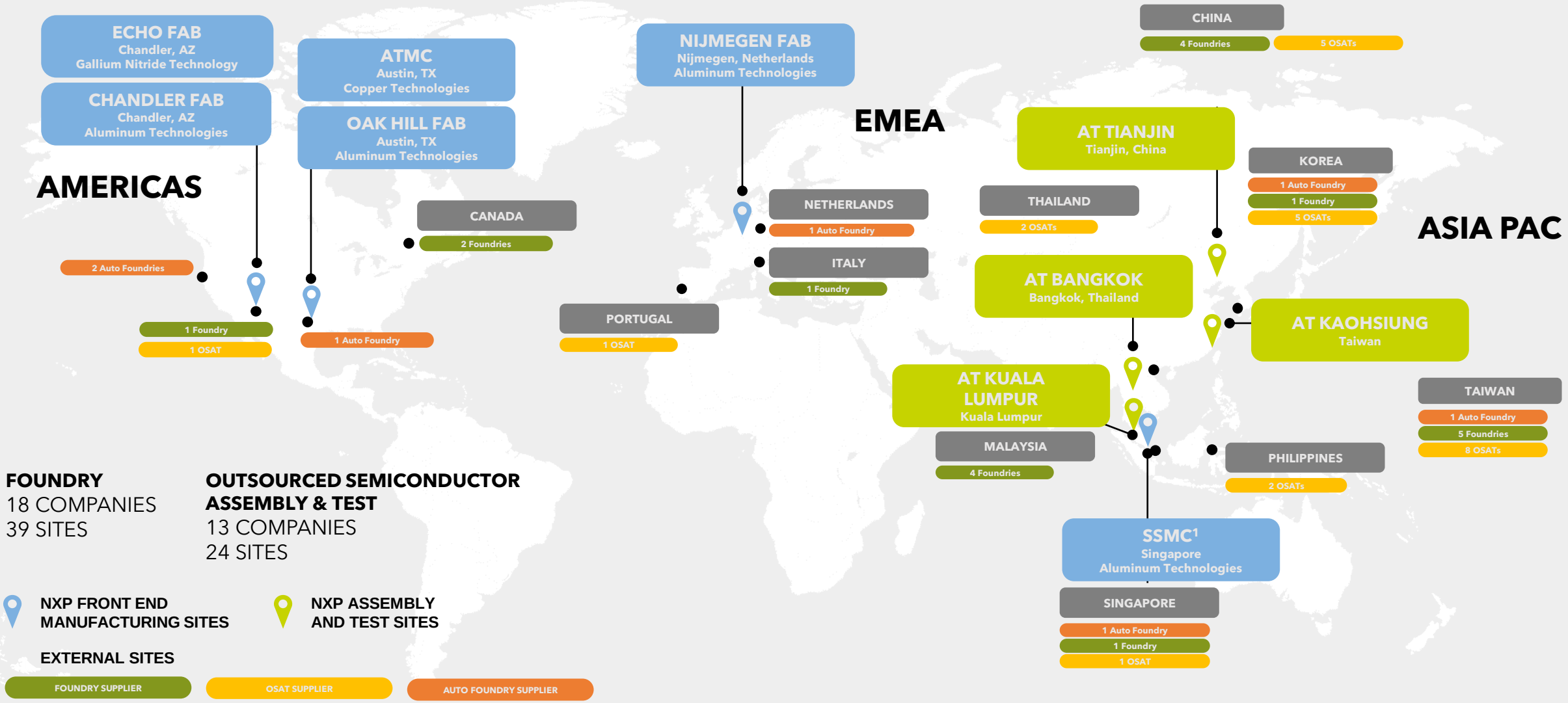
After procesing in our Back-End fabs (sawing, mouting, etc.), the products are "finished" products, ready for sale to customers

For our customers our finished products are assemblies to be used/mounted onto their products, like a screw used by a customer into their product (see example)

© 2021 NXP. All rights reserved

* NXP utilizes 133 distinct fab technology processes

PRODUCTS TRAVEL THROUGH MULTIPLE LOCATIONS



FOUNDRY
18 COMPANIES
39 SITES

OUTSOURCED SEMICONDUCTOR ASSEMBLY & TEST
13 COMPANIES
24 SITES

NXP FRONT END MANUFACTURING SITES

NXP ASSEMBLY AND TEST SITES

EXTERNAL SITES

FOUNDRY SUPPLIER | OSAT SUPPLIER | AUTO FOUNDRY SUPPLIER

© 2021 NXP. All rights reserved

1. SSMC – JV with NXP

NXP compliance in changing situations

Challenges for NXP due to global developments

But… what if the world changes? *Or* What is adding complexity into our supply chain?

- Semiconductors are in the eye of the storm
- Measures are taken to restrict specific exports
- Export controls and Sanctions have become the instrument to regulate international trade

But… what is the challenge? *Or* What does this mean?

- Trade restrictions impact our supply chain (not easy to switch overnight)
- Trade restrictions hamper some customer relations
- Trade restrictions impact NXP's market strategy (continuous adaptations to our strategy)

COMPLIANCE is key

- All internal mechanisms ensure compliance, including strong MT commitment and support
- NXP maintains good relationships with governments and agencies

SECURE CONNECTIONS
FOR A SMARTER WORLD