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President: Berthold Huber General Secretary: Jyrki Raina

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NXP Semiconductors labour abuses in Philippines

Dear Ms. McMullan & Mr. Bloomer,

This letter is a response to the 11 August <u>letter you received from NXP Seminconductors</u> in which the company attempts to justify its egregious labour abuses and union busting in the Philippines. NXP's letter is both highly misleading and highly revealing about the company's disdain for workers and their fundamental rights.

I write this in the name of <u>IndustriALL Global Union</u>, representing more than fifty million workers throughout the whole manufacturing supply chain, including in the electronics sector, in 141 countries worldwide.

The bottom line is that NXP sacked all 24 members of the elected union executive committee for not working on a series of public holidays. While NXP states in its letter that it is a "caring employer", it justifies its behavior by saying it is "standard industry practice by major manufacturers" to require workers to work on holidays. Whether or not that is true, requiring workers to work against their will on holidays is not the mark of a "caring employer". Nor is responding to workers that do not report to work on holidays by terminating them.

NXP's termination of workers for not reporting to work on public holidays is not just a sign of the company's disdain for workers. Hundreds of workers did not report to work on the holidays in question, but NXP only terminated the union leaders among them. What clearer sign could there be of NXP's anti-union hostility than its use of public holidays to isolate and terminate the union leadership?

NXP claims to have a "strong and mutually beneficial partnership" with its employees, but the facts tell otherwise. NXP has recently provoked disputes with unions in Taiwan, Thailand, the Netherlands and now the Philippines.

It was not always like this. The union at NXP in the Philippines, MWAP, has for decades enjoyed constructive relations with NXP and settled a number of collective bargaining agreements without dispute. However a new plant manager and human resources director were recently installed at NXP in the Philippines, and they have made clear that they will not respect the workers or their union. For instance, for many years NXP sought employees' consent to work on holidays through a process involving direct dialogue between employees and their production supervisors. However this year, NXP violated its own long and established practice and unilaterally demanded that workers work on public holidays without seeking their input or consent.

Adopting this change in approach to holiday staffing at the same time as challenging collective bargaining negotiations were taking place does not seem a coincidence at all. Rather it seems like a bold and malicious attempt to provoke MWAP into taking action that

the company could then use in a drive to weaken the union. That's exactly the course of action NXP is trying to take.

While NXP is now using its high-priced attorneys and political connections in the Philippines in an attempt to force through a ruling that its immoral actions were legal, the facts speak for themselves. Spending time with family on a holiday is not a crime; there was no justification for NXP to radically alter good working relations between the company and the union; there is no excuse for selectively targeting union leadership for reprisal.

IndustriALL is not alone in recognizing these facts. NXP's blatant and egregious violation of workers' rights has in fact resulted in the formation of a <u>broad coalition of organizations</u> that is calling on the company to reinstate the 24 trade union leaders. However, while the company has stated that it is intervening and seeking a resolution, the reality at the plant is that management is stepping up its effort to bust the union. The latest aggressive anti-union intimidation at the plant includes: filing "unruly behaviour" and "loitering" charges against remaining members who are actively protesting the mass sacking of their elected representatives; security guards taking photos and video of remaining union members, including while they eat their lunch; surveillance cameras installed throughout the plant; and bans on wearing t-shirts or posting messages on social media with slogans supporting the sacked 24.

NXP says it is looking forward to reaching a fair agreement in this matter soon. But without any company offer to reinstate the sacked trade union representatives, NXP's only hope of solution is to cynically divide the union membership from the union leadership. The union however remains strong and well supported, and the union members at NXP are committed to achieving reinstatement for their elected representatives.

NXP's customers such as Apple must take responsibility for this fundamental human rights abuse in their supply chain. We were disappointed to hear that Apple did not respond to Business & Human Rights Resource Center's request for an explanation of their inaction.

I fully support MWAP's message to NXP, that this union is proud of its 33 year history of partnership and collaboration with management at NXP Semiconductors. The 24 union leaders, including MWAP president Reden Alcantara, are ever-ready to return to their NXP employment and collective bargaining negotiations. I know that harmonious and mature industrial relations can be restored at NXP Semiconductors. IndustriALL Global Union, and I personally, will support this process, however it must begin with the reinstatement of the 24.

Sincerely,

Jyrki Raina

General Secretary