

Parliamentary questions & answers regarding NXP Semiconductors

Questions by MP Gesthuizen (SP) to the Minister of Foreign Trade and Development Cooperation about the involvement of the business concern NXP Semiconductors (NXP) in conflicts with workers' unions in Thailand and the Philippines (sent in on 16 June 2015). Response by Minister Ploumen (Foreign Trade and Development Cooperation) (received on 7 July 2015).

Question 1

Can you provide a reaction to the article “NXP intimideert vakbonden in Thailand en Filipijnen”?¹

Answer 1

Yes.

Question 2

The non-profit Centre for Research on Multinational Corporations (SOMO) has found that NXP is intimidating workers' unions, has fired negotiators of collective bargaining agreements, and has forced employees to work on national holidays and do overtime work. Can you indicate how you judge these practices?

Answer 2

The conclusions in the research “Unable to Connect” by SOMO, cited by the national newspaper NRC Handelsblad («NXP in conflict met lokale vakbonden in Thailand en Filipijnen», 2 July 2015)² are alarming, and call for further investigation. The Dutch embassies in Bangkok and Manila will contact local unions in connection with that report. NXP is bound to complying with the OECD Guidelines for Multinational Companies throughout its entire supply chain. Respect for freedom of association and decent working hours are essential in this sense. At the same time, we know that common practices regarding working conditions in countries such as Thailand and the Philippines are often inadequate. Still, NXP and other multinational companies have a responsibility to monitor the conditions in their production chain closely.

Question 3

Both the Thai and the Philippine law prescribe a 48-hour working week, in accordance with ILO standards. However, both countries allow considerable room for overtime work, and according to SOMO, NXP in Thailand has put a 12-hour shift in place. Can you indicate whether you attach any value to Dutch companies' respect of ILO standards abroad, even if they are more stringent than local regulations?

¹ Translator's note: “NXP intimidates workers' unions in Thailand and the Philippines”, <http://www.nrcq.nl/2015/06/02/nxp-dwingt-werknemers-te-lang-te-werken>

² Translator's note: “NXP in conflict with with local unions in Thailand and the Philippines”.

Answer 3

I see great value in this. The international corporate social responsibility (IMVO) covenants are based, among others, on the UN Guiding Principles on Business and Human Rights, which include fundamental ILO conventions. In the absence of regulations or compliance with them in production countries, it is the international guidelines that set the standards for multinationals, and they are expected to live up to these standards with regard to their employees. Unions can legitimately hold NXP to these requirements, and may inform workers on the international standards that regulate working times and freedom of association.

Question 4

NXP have expressed their will to engage in a dialogue with the Thai union.³ As for the Philippine union, whose collective-bargaining agreement negotiators were fired by NXP, the company has not yet made any commitments. Are you prepared to take up with NXP their attitude towards the rights of their workers and their relation with workers' unions?

Answer 4

I take up the issue of compliance with OECD guidelines with all businesses, including NXP. It is good that NXP enters a dialogue with the Thai union. The Dutch embassy in Bangkok has been in contact with NXP Thailand for some time now. Following the publication of the SOMO report, the embassy talked to the company. NXP has since invited SOMO for a company visit and a meeting about the report. The embassy will be following these events closely. In the Philippines there hasn't been, to our knowledge, any communication between NXP and SOMO regarding follow-up steps. The Dutch embassy will contact the Philippine department of NXP. The embassies in Manila and Bangkok will involve local unions as needed in the possible steps that NXP takes in response to the SOMO report. Should these adjustments prove insufficient, the different parties would have to ponder and discuss effective follow-up steps.

Question 5

Is NXP involved in drafting the covenant for the metal and electronics sector? If not, are you prepared to bring the company into the negotiations for this covenant?

Answer 5

Yes. NXP is involved through the FME, the business association for the technology industry. The process leading to ICSR covenants includes representative organisations such as branch associations. The intention is to ensure that the agreements reached have a maximum of social support. The scope offered by widely supported ICSR covenants allows companies to increase their leverage so that they can address the risk of pernicious effects derived from their activities. FME has announced it will be rolling out initiatives regarding these issues in the second half of 2015.

³ <http://www.engineersonline.nl/nieuws/id25350-nxp-na-conflicten-in-gesprek-metthaise-vakbond.html>



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