



Slavery and Human Trafficking Policy Statement

November 4, 2021

Pursuant to Section 3 of the California Transparency in Supply Chains Act of 2010 and the United Kingdom (UK) Modern Slavery Act 2015, Chapter 30, Part 6, Provision 54, onsemi states that we have taken steps during the financial year to identify the risk of slavery and human trafficking taking place in any of our supply chains and in any part of our business.

As a full member of the Responsible Business Alliance (RBA) – a nonprofit coalition of companies committed to supporting the rights and well-being of workers and communities engaged in the global electronics supply chain – we publicly demonstrate our commitment to environmental and social responsibility. RBA members commit to the [RBA Code of Conduct](#) (Code) and are expected to actively pursue conformance to the Code through all of our internal operations, as well as our supply chain. The latest Code states:

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. 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 including if applicable, workers dormitories or living quarters. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the 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 penalty if reasonable notice is given as per worker's contract. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

The focus on slavery and human trafficking is part of a larger effort of supply chain transparency and accountability. We partner with our supply chain to create an environment where workers have the right to freely choose employment, the right to associate freely, voluntarily join or not join in labor unions and worker councils, and the right to bargain collectively if they choose.

onsemi has taken multiple actions to verify the absence of forced labor, slavery and human trafficking in our supply chain, including the following:

1. **Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the Code. All major suppliers are required to agree and comply with the Code and onsemi corporate social responsibility (CSR) and environmental requirements. We pursue conformance by using statement of conformance agreements with our suppliers, the RBA's Supplier Self-Assessment Questionnaires (SAQ) and the Validated Assessment Program (VAP).
 - a. The Supplier SAQ is a self-evaluation that inquires about demographics and existing policies at the facility level against all sections of the Code.
 - b. The VAP audit carried out on RBA member facilities and their suppliers' facilities are completed by independent, third-party auditors specially trained in social and environmental auditing and the VAP audit protocol. This helps to set consistent, industry-wide expectations.

We conduct these activities regularly and extensively.

- We ask our major suppliers that provide external manufacturing services, materials or parts that are in our final products to re-sign the statement of conformance to the [onsemi Code of Business Conduct](#), CSR tenets and the RBA Code of Conduct whenever RBA Code and/or onsemi Code of Business Conduct has a major change or additional elements are added to the Codes. Major suppliers that are in the top 80% of the company's spend must also complete a SAQ. All site-level suppliers are required to comply with the RBA Code of Conduct, whereas SAQs are optional (but highly encouraged).
- Jan. 1, 2021, version 7.0 of the RBA Code of Conduct was released. As part of the supplier engagement program, we have updated our statement of conformance and ask our top 80% spend major suppliers to acknowledge the changes to version 7.0 of the Code.

The RBA also convenes regular teleconferences, webinars and other meetings that make us better able to understand and monitor risk associated with labor recruitment practices.

2. **Supplier Audits:** We audit suppliers that we identify as having "higher risk" in our

supply chain. The risk evaluation includes feedback from our supplier assessments and company contacts. These audits are announced and conducted by a third-party firm certified to conduct RBA or CSR audits.

3. **Certification**: Section E 12 of the RBA Code of Conduct includes a clause stating that companies should have a management system that contains "a process to communicate the Code requirements and to monitor supplier compliance to the Code." Our manufacturing sites with foreign workers have a rigorous selection process to ensure the labor agencies at both sending and receiving country are following the law and our Code requirements.

The labor agencies supplying domestic and foreign workers are required to sign service agreements to adhere to the Code, which we ask them to re-sign biennially. Once selected, the company or a third-party, audits the labor agencies for continued compliance.

As a member of the Responsible Minerals Initiative (RMI), suppliers and smelters in our supply chain must certify that they are not supplying us materials from conflict regions.

4. **Internal Accountability**: Noncompliance with the RBA Code of Conduct on slavery and trafficking is taken very seriously. It is considered one of the most severe types of nonconformance and corrective action plans to remedy any identified instances of nonconformance are expected to be implemented at the shortest possible timeline. The company's internal manufacturing sites are audited every two years to the Code and requirements. These audits are announced and conducted by a third-party firm certified to conduct RBA or CSR audits. Any deficiencies in the management system, internal and external audits and appropriate actions are logged in our corrective action management system.

Our internal auditors, some of whom are certified by the RBA, perform internal audits against the Code at onsemi manufacturing sites biennially. The audit criteria cover five main areas based on RBA audit protocol including labor, ethics, health and safety, environment and management systems and include corrective actions.

In 2020, four out of 22 onsemi manufacturing facilities were subject to internal audits and 12 manufacturing sites participated in initial or closing RBA VAP audits. 14 of our sites also participated in customer audits or shared RBA Validated Audit Reports (VAR) with customers.

5. **Capacity-Building/Training**: RBA's eLearning Academy contains online learning modules that cover the RBA Code of Conduct, as well as modules specifically related to the California Transparency in Supply Chains Act. In addition, there are modules on hiring and related topics that are particularly relevant to these issues.

Modules can be assigned to both internal staff and suppliers, and learning can be tracked. Members can also upload their own resources to the eLearning Academy for their teams. The RBA encourages members to share any resources they may have on these topics with the RBA for sharing in the Learning Academy. The RBA offers in-person training sessions on a variety of topics.

We conduct training regularly and extensively.

- We ensure training is conducted on the RBA Code of Conduct through participation in Code interpretation, RBA Labor and Ethics Lead Auditor Training, RBA worker communication classes and/or internally developed training classes which are available for all employee levels of the organization.
- In Nov. 2020, onsemi launched a mandatory CSR training covering the Code for all employees.
- In 2020, select suppliers and on-site service providers received training on RBA Code Standards: Labor, Ethics, and Management Systems and on RBA Course 2: Industry Standards. In doing so, onsemi aims to mitigate risk by creating dialogue and encouraging capacity building.

This disclosure includes the efforts onsemi has taken in our own business, as well as our suppliers, to eradicate slavery and human trafficking from our supply chain and our own business. These efforts, as well as this disclosure, are reviewed by our board of directors annually and updated publicly.

For complete information regarding our corporate responsibility program, visit our [onsemi Corporate Social Responsibility webpage](#).



Hassane El-Khoury
President and Chief Executive Officer
onsemi

Revision History

Revision	Description of Revision and Reason	Effective Date
O	Initial release ON Semiconductor's slavery and Human Trafficking Statement to comply with EICC membership requirements (Quality Systems & CSR)	February 1, 2012
A	Initial release ON Semiconductor's Slavery and Human Trafficking Statement to comply with California Law (Quality Systems & CSR)	August 14, 2013
B	Review and update RBA data to ON Semiconductor's Slavery and Human Trafficking Statement to comply with California Law (Quality Systems & CSR)	April 30, 2015
C	Review and update RBA data to ON Semiconductor's Slavery and Human Trafficking Statement to comply with California Law (Quality Systems & CSR)	June 6, 2016
D	Review and update RBA data to ON Semiconductor's Slavery and Human Trafficking Statement to comply with California Law (Quality Systems & CSR)	February 15, 2018
E	Review and update RBA data to ON Semiconductor's Slavery and Human Trafficking Statement to comply with California Law (Quality Systems & CSR)	February 15, 2019
F	Review and update RBA data to ON Semiconductor's Slavery and Human Trafficking Statement (Ethics & CSR)	March 8, 2020
G	Review and update RBA data and change CEO signature to ON Semiconductor's Slavery and Human Trafficking Statement (Ethics & CSR)	March 17, 2021
H	Updated to reflect name change of ON Semiconductor to onsemi (Ethics and CSR)	November 4, 2021