



Corporate Social Responsibility Report 2019



ON Semiconductor®



Energy efficient semiconductors
that help make the world
greener, safer, inclusive and connected.

onsemi.com

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A Letter from Our President and CEO — Keith Jackson

[GRI: 102-14]

Reflecting on this past year, the organization hit many milestones including its recognition as one of the World's Most Ethical Companies® for the fifth time as well as advancing our position in the rankings on Fortune's Fastest-Growing Companies list. We remained a leader of energy efficient semiconductors that help make the world greener, safer and connected, and continued making sustainable investments to improve our competitive position in our strategic end-markets.

As our company grows, we not only continue our investment in our infrastructure, scale, technology and talent, but also in our Corporate Social Responsibility (CSR) efforts. We are proud of our award-winning CSR initiatives and remain committed to driving our diversity, social and human rights, ethics, and sustainability programs to new levels. Being recognized as one of Barron's Most Sustainable Companies and as Newsweek's America's Most Responsible Companies, amongst many other industry awards, is a further testament to the work of our employees in upholding our commitment to CSR, sustainability, ethics and compliance.

Our CSR efforts are deeply rooted in our core values of respect, integrity and initiative, and focus on continually improving how we operate, whether it be related to our business, our governance and ethics, our people, our environment or our communities. As a full member of the Responsible Business Alliance (RBA) and signatory of the United Nations (UN) Global Compact, we adhere to an industry code of conduct (RBA Code of Conduct) and international principles, which promote environmentally responsible and ethical conduct. It is important to our organization that we do our part as individuals to enhance our global community and engineer a better tomorrow through the actions we take today.

In 2019, we took our corporate giving and employee volunteer programs to the next level with the launch of the ON Semiconductor Foundation, which functions as a 501(c)(3) nonprofit organization. The Foundation aligns with our company's purpose, brand and culture, and focuses on extending the impact of our giving programs in the communities where employees work and where we do business. Since inception of the global corporate giving program in 2016, almost \$5 million USD have been funded through the program in grants, employee matching/non-matching donations, and dollars-for-doers in the areas of STEAM (Science, Technology, Engineering, Arts and Mathematics) education, health, disaster relief, environment and human services.

Without our planet, none of our efforts would mean anything, which is why ON Semiconductor is committed to a greener world by keeping sustainability at the forefront of our operations. We have achieved marked success within our many conservation programs, all of which are vital to the success of our semiconductor device manufacturing business. We continually invest in engineering and administrative controls to prevent environmental pollution in the form of waste disposal, air emissions and industrial wastewater emissions.

Energy Efficient Semiconductors

Some of our most notable sustainability achievements in 2019 include:

9,341

metric tons of CO₂ emissions reduced through 35 projects in 4 countries



14,958,208 kg

of recycled hazardous and non-hazardous waste from our manufacturing and non-manufacturing sites globally



8 tons

of pollution in Phoenix, Arizona alone by employees using alternate modes of transportation



910,000 kg

of scrap materials and 1,376 kg of precious metals processed, sorted and sold from our worldwide manufacturing facilities, recouping more than \$22 M/USD



\$10.8 M/USD

in sustainability projects focusing on energy conservation, water conservation, chemical waste reduction, material optimization and recycling at our global manufacturing sites



In 2020, we faced an unprecedented global situation with the COVID-19 pandemic. As a global company, we encountered many challenges and as we progress through the remainder of the year and into next, we will continue to work through the recovery process and aftermath of the situation. As we overcome this pandemic together, we especially realize the importance of our core values during this time that have remained engrained in everything we do and keep us all connected. Despite the challenges and unknowns associated with this circumstance, we are committed to keeping our teams safe and healthy, giving back to the communities in which we live and work, and operating with a culture of ethics at the forefront.

Lastly, we strive toward a more diverse workplace, which benefits our company and enables us to successfully meet the needs of our global stakeholders – customers, suppliers, employees and shareholders. Our employees are our biggest asset and we believe that recognizing diversity of thought, backgrounds, experience, culture and knowledge are key strengths and enable our organization to reach its full potential. The company's vision, values and culture afford opportunities for everyone to make a difference in building a leading global business. All of our 35,000 employees are committed to supporting our company's ethical framework and helping drive business excellence through operational efficiencies. We are excited for our company's growth acceleration within the semiconductor industry for years to come, while remaining committed to operating a responsible company.

Regards,
Keith Jackson
President and CEO

ABOUT THIS REPORT

[GRI: 102-46] [GRI: 102-54] [GRI: 102-56]

Report Overview

This report was created with the intention of transparently communicating our efforts in social responsibility with our stakeholders. Topics in this report include our business profile, responsible sourcing, governance, ethics and compliance, diversity and inclusion, learning and development, environmental sustainability, and community involvement. This year marks our seventh Corporate Social Responsibility (CSR) Report, which we publish on an annual basis. We did not seek independent external assurance for content in this report, but all information is reviewed internally.

Reporting Standards

Our 2019 CSR report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: comprehensive option. The GRI content index can be found in the back of this report, as well as a standalone PDF [here](#).

Reporting Period

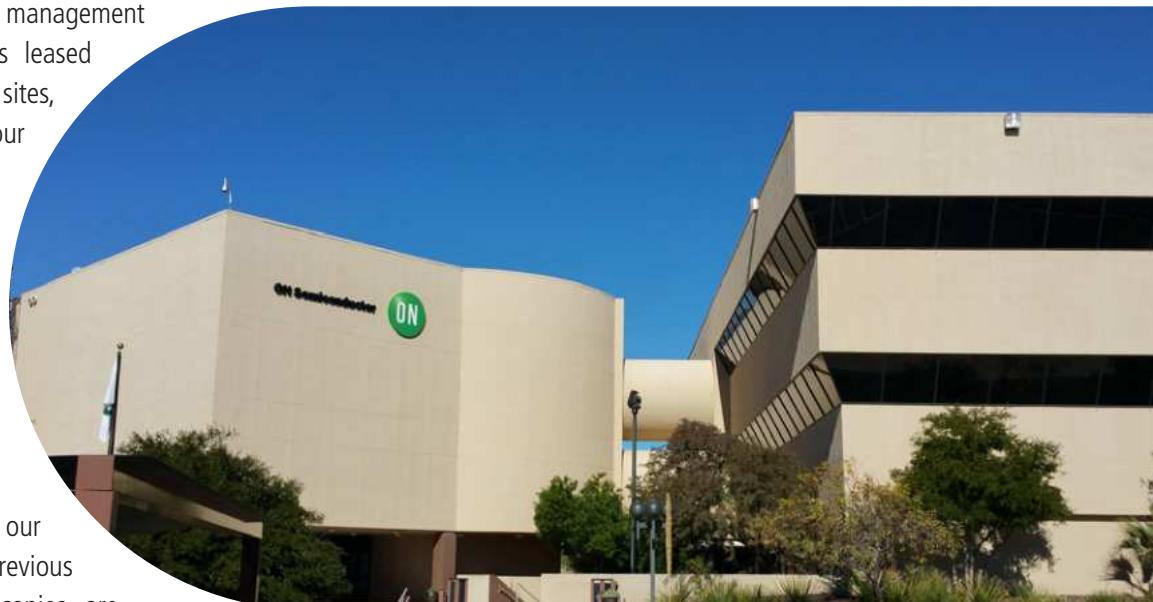
Data presented in this report covers the 2019 calendar/fiscal year (Jan. 1 – Dec. 31, 2019) and significant milestones highlighted which occurred in early 2020. As for quantitative performance, this report includes year-over-year data to allow for identification of the trends.

Scope of Report

The scope of this report includes our worldwide subsidiaries and joint ventures for which we have management control. Environmental data covers leased and owned internal manufacturing sites, which account for a majority of our environmental footprint worldwide.

We value feedback on our activities and performance from all of our stakeholders. If you would like to share your opinions, please contact ON Semiconductor's CSR team at social.responsibility@onsemi.com.

This report is available as a PDF on our website, along with reports from previous years. Please note that printed copies are available upon request.



Special Thanks

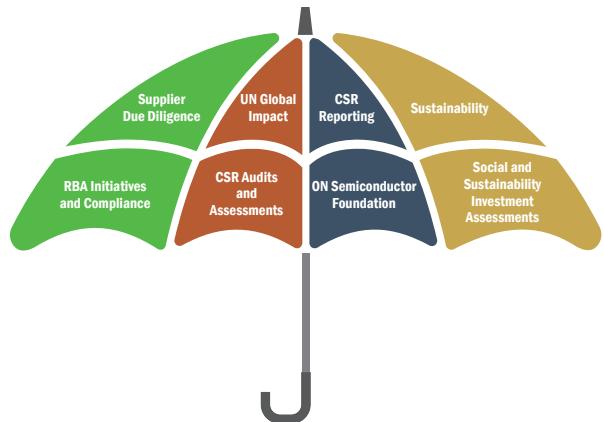
We would like to thank all the departments that helped the CSR team create our annual CSR report, including members from our marketing and communications, ethics, environmental health and safety, finance, global supply chain, human resources, legal, business units and quality departments.

ENGINEERING A BETTER TOMORROW

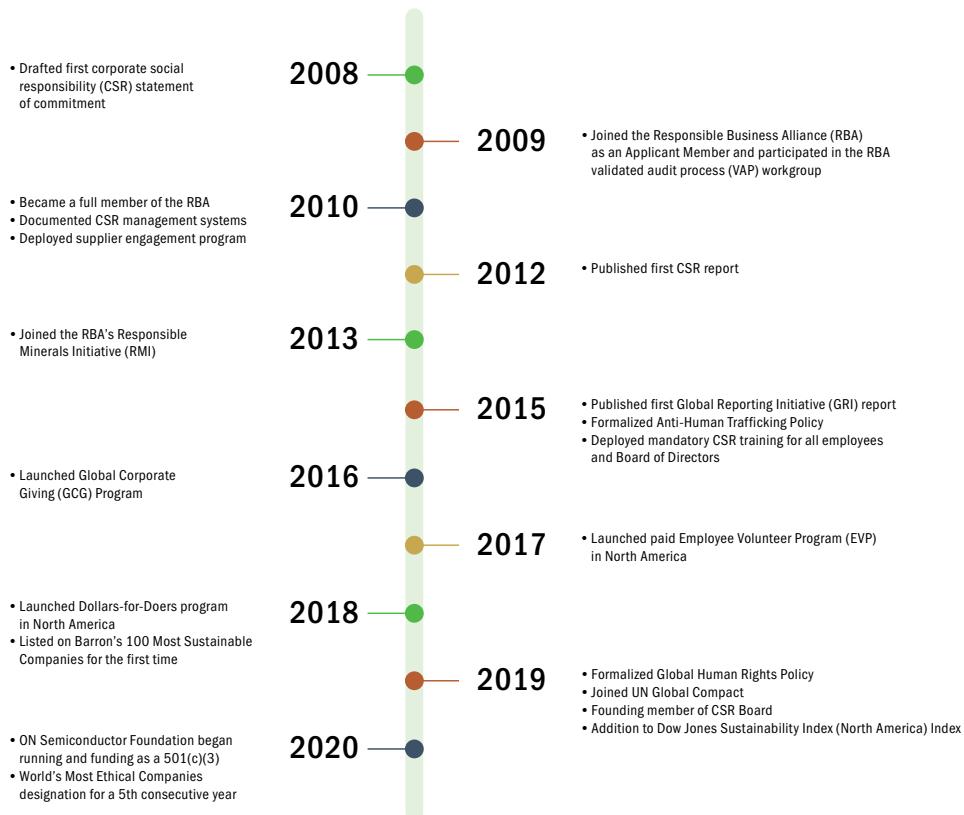
[GRI: 102-16] [GRI: 102-18] [GRI: 205-1] [GRI: 412-1]

At ON Semiconductor, we are committed to engineering a better tomorrow through the actions we take every day. Corporate Social Responsibility (CSR) is deeply rooted in our core values of respect, integrity and initiative. We provide our customers around the globe with a broad portfolio of innovative, energy efficient and environmentally friendly semiconductor solutions addressing virtually all market segments. Our CSR efforts focus on continually improving how we operate, whether it be related to our business, our governance and ethics, our people, our environment and/or our communities.

As a full member of the Responsible Business Alliance (RBA) and signatory of the United Nations (UN) Global Compact, we adhere to an industry code of conduct ([RBA Code of Conduct](#)) and international principles, which promote environmentally responsible and ethical conduct. These principles are specifically focused around labor, health and safety, the environment, ethics and management systems standards. Our global [Human Rights Policy](#) reflects our commitment to preserving and protecting the rights of others as enshrined under the ten principles of the UN Global Compact as well as other international conventions and frameworks. Per our commitment as an RBA full member, each of our manufacturing sites must complete an RBA self-assessment questionnaire (SAQ) annually, and undergo either an internal RBA audit or an external RBA validated assessment program (VAP) audit on alternating years. The target score for each of our facilities is 85% or greater, indicating no-to-low risk in the focus areas previously mentioned. In 2019, 100% of our facilities met this target.



Corporate Social Responsibility



Management Approach

Having a strong CSR program requires a coordinated effort among various departments and sites globally. Each of our manufacturing sites has a CSR working team led by CSR site champions and regional subject matter experts. The corporate CSR organization works closely with a steering committee comprising of individuals from many departments and ultimately reports up to our CEO and board of directors.

Corporate Social Responsibility

Governance Structure

President/CEO

Board of Directors, Corporate Governance & Nominating Committee

CSR Organization

CSR Site Champions and Subject Matter Experts

CSR Steering Committee Composition

Legal

Human Resources

Environmental Health and Safety

Global Supply Chain Operations

Integral Partners

Compliance

Ethics

Security

Key Accomplishments



Supplier Due Diligence

As of December 31, 2019, 100% of the smelters we source from for 3TG were Responsible Minerals Assurance Process (RMAP) conformant.



RBA Initiatives and Compliance

In 2019, seven of our manufacturing sites achieved a full score (200) and platinum level recognition during their initial RBA validated assessment program (VAP).



Social and Sustainability Investment Assessments

In 2019, we were included in the Dow Jones Sustainability Index (North America) for a second year and included on Barron's 100 Most Sustainable US Companies list for a third year. We were recognized as "Prime" status by ISS-oekom's Corporate Rating.



Corporate Philanthropy and Employee Volunteerism

The ON Semiconductor Foundation began running and funding as a 501(c)(3) in January 2020.



Leadership

In early 2020, our CSR team merged with Ethics and now report to a Vice President that reports directly to our CEO.



Human Rights

We submitted our first Communication on Progress (COP) as a signatory to the UN Global Compact.



Communication

Through our partnership with 3BL Media, we published 47 FMRs (blogs, press releases, articles, etc.) which received 964,828 page impressions and 231,185 page views; consistently above the site-wide average.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), set by the UN, in 2015 highlight the world's biggest social and environmental issues and are a call to action for governments, businesses, civil society, and other organizations to achieve a better and more sustainable future for all by 2030. As a global company, we believe we have a responsibility to help achieve these goals.

ON Semiconductor mapped the 17 SDGs to our [material topics and business strategy](#), all of which support our business objectives through our products, programs and initiatives. Although we believe that all of the SDGs are vital, we prioritized five goals that are the most relevant to our sustainability strategy to make the largest global impact. View our [2019 Communication on Progress \(COP\)](#) submitted to the UN Global Compact, that outlines our alignment with their ten principles and the UN SDGs.

The SDG icons throughout our CSR report highlight the work we are doing across ON Semiconductor to address these goals.

6 CLEAN WATER AND SANITATION



Ensure access to water and sanitation for all

- All of our wastewater is treated before it is discharged into the environment
- We are committed to reducing our water consumption and recycling more water

8 DECENT WORK AND ECONOMIC GROWTH



Promote inclusive and sustainable economic growth, employment and decent work for all

- We have zero tolerance for forced labor
- We assess and mitigate social risks within our supply chain
- We strive for equal pay for equal work
- We focus on providing a safe workplace with zero injuries and occupational diseases

10 REDUCED INEQUALITIES



Reduce inequality within and among countries

- We promote equal opportunities for all
- Our ambition is to be a leader of diversity and inclusion in the semiconductor industry

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

- We reduce consumption of chemicals and eliminate hazardous materials
- We strive for zero waste in the landfill from our finished goods in our manufacturing sites

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

- We deploy programs to reduce greenhouse gas (GHG) emissions
- We actively participate in advocacy for action on climate change

How Our Products Make a Difference in the Community

As a global company with more than 75 sites worldwide and over 32,000 products, we are proud to showcase our accomplishments in enhancing our global community. We have components in medical devices, fitness trackers and smartwatches, autonomous and electric vehicles, charging stations and solar inverters. We have produced enough solar inverter modules to replace at least 70 coal-fire power plants – an accomplishment of which we can all be proud!

Our company divides our products into three main groups: power solutions, advanced solutions and intelligent sensing, thus allowing our products to be well diversified and balanced. It is likely you have used one of our products without even realizing it. If you have talked on a phone, been in an electric vehicle, have solar panels on your roof, used Bluetooth for music, or are reading this report from a digital device, you have likely crossed paths with an ON Semiconductor product. As the internet of things (IoT) and cloud computing continue to grow, so will our presence in making our community more connected.



OUR BUSINESS



OUR BUSINESS

Overview

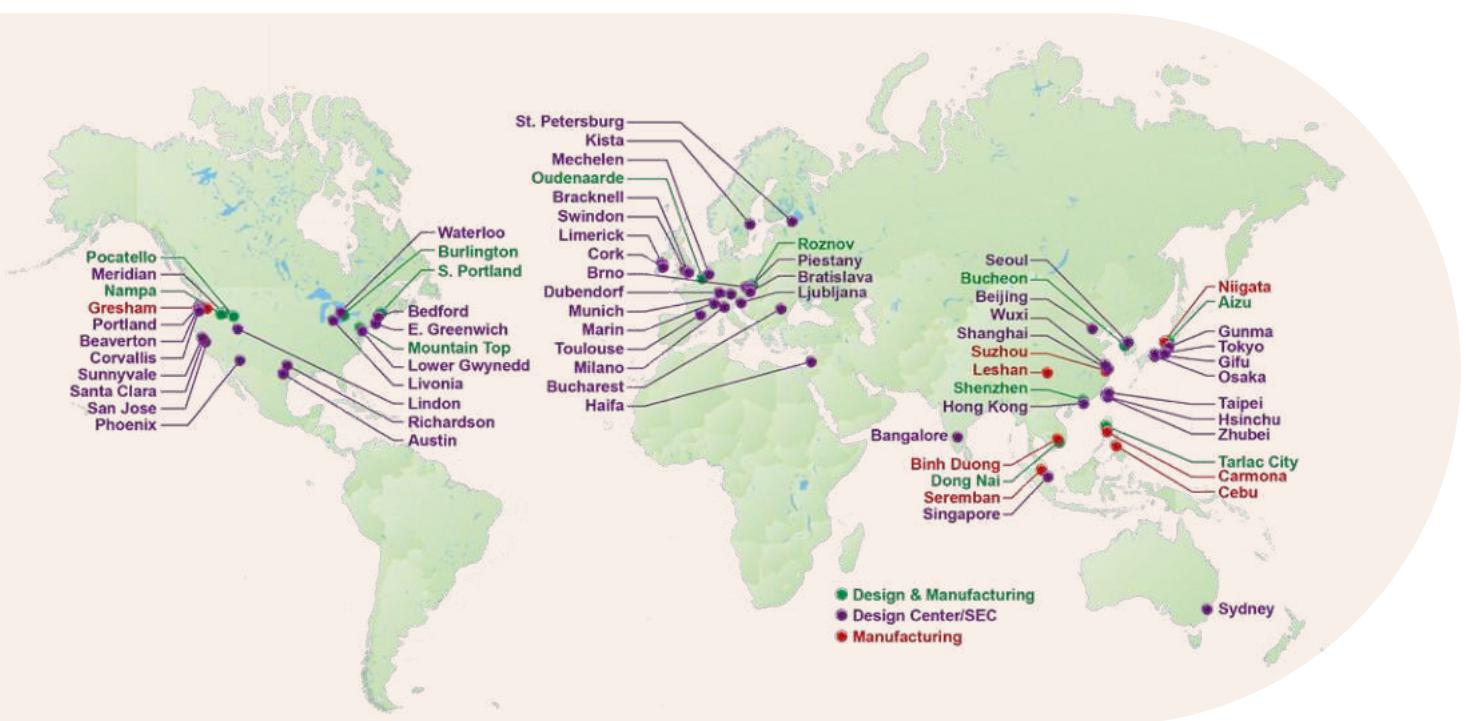
[GRI: 102-1] [GRI: 102-2] [GRI: 102-3] [GRI: 102-5]

ON Semiconductor (NASDAQ: ON) is a publicly traded global semiconductor company headquartered in Phoenix, Arizona. We drive energy efficient innovations, empowering customers to reduce global energy use. Our company is a leading supplier of semiconductor-based solutions, offering a comprehensive portfolio of energy efficient power management, analog, sensors, logic, timing, connectivity, discrete, systems on chip (SoC) and custom devices. Our products help engineers solve unique design challenges in automotive, communications, computing, consumer, industrial, medical, aerospace and defense applications. ON Semiconductor operates responsive, reliable, and world-class supply chain and quality programs, robust compliance and ethics programs, a network of manufacturing facilities, sales offices and design centers in key markets throughout North America, Europe and the Asia Pacific regions.

To learn more about our ownership structure and legal proceedings, see our [2019 Securities and Exchange Commission \(SEC\) Form 10-K](#) and [2020 10-Q](#).

Worldwide Locations

[GRI: 102-4]



Manufacturing Locations: Belgium, Canada, Czechia, Greater China, Japan, Korea, Malaysia, Philippines, United States and Vietnam

Design Center Locations: Australia, Belgium, Canada, Czechia, France, Germany, Great Britain, Greater China, India, Ireland, Israel, Italy, Japan, Korea, Philippines, Romania, Russia, Slovak Republic, Sweden, Switzerland, United States and Vietnam

Solution Engineering Center Locations: Australia, Czechia, France, Germany, Great Britain, Greater China, India, Ireland, Israel, Italy, Japan, Korea, Romania, Russia, Slovak Republic, Sweden, Switzerland and United States

Financial Strength

[GRI: 102-6] [GRI: 102-7] [GRI: 201-1]

We demonstrate financial strength and efficiency through strong cash flows, stable revenue streams and appropriate geographic and end-market exposure. We believe that our company's strong financial performance and innovative product portfolio will continue to provide opportunities for future growth.

2019 Revenue

\$5,517M
USD

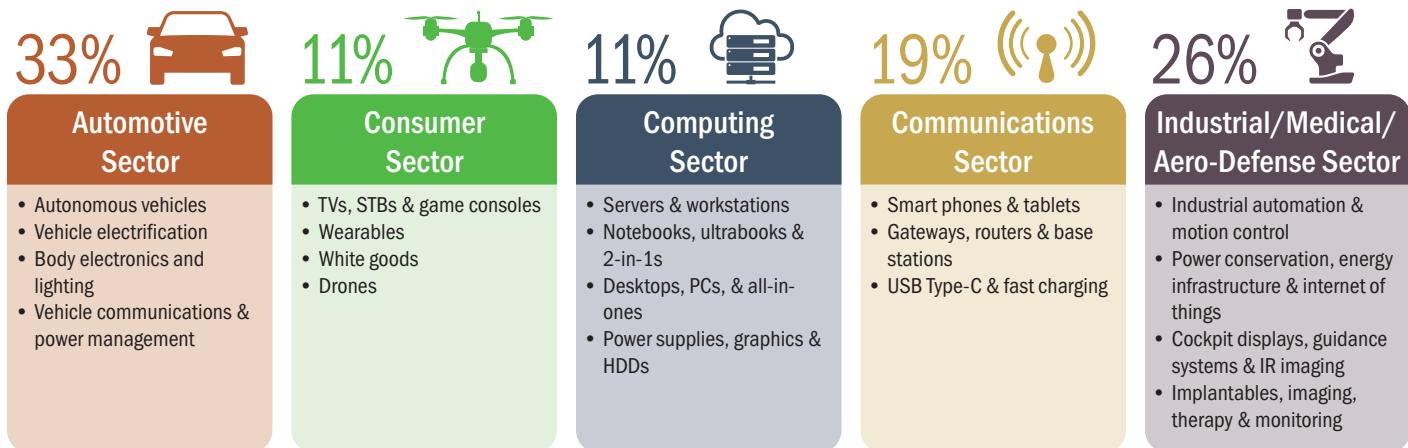


2019 Sustainable Product Revenue

~\$460M
USD

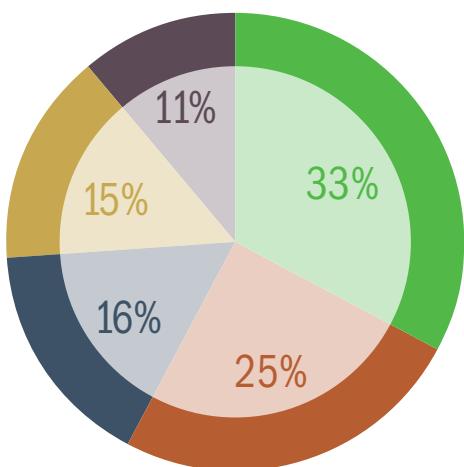


Revenue by Market



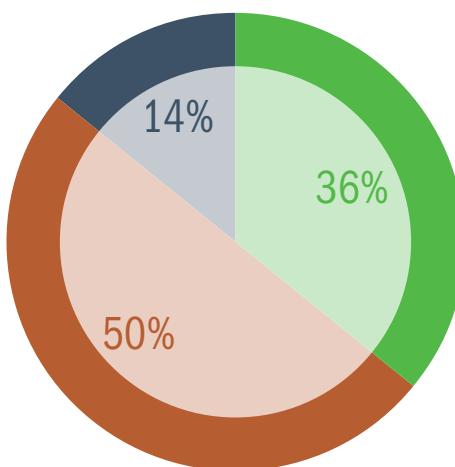
Data presented is as of December 31, 2019.

Revenue by Region



- Singapore
- Hong Kong
- United Kingdom
- United States
- Other

Revenue by Group



- Advanced Solutions Group
- Power Solutions Group
- Intelligent Sensing Group

Brand

[GRI: 102-7]

Empowering Design Engineers to Reduce Global Energy Use

We have established ourselves as a market leader in high efficiency power solutions for automotive, high performance power conversion, industrial, wired and wireless communications and computing applications.

By working closely with associations, industry standard organizations and government entities such as ENERGY STAR®, the China National Institute of Standardization and the European Energy Using Products (EuP) Directive, we continue to demonstrate our commitment to the development of innovative energy efficient solutions to support a variety of end-markets. To help reduce new product development costs, speed up time-to-market for our customers, and support the design of energy efficient electronics, we provide online Power Supply WebDesigner™ tools for a range of applications that meet or exceed global energy efficiency standards.

We offer innovative products that enable more efficient power supplies through improved power, enhanced active-mode efficiency and reduced standby-mode power consumption.



Helping Customers Solve their Unique Design Challenges

We work closely and collaboratively with our customers to solve their unique design challenges using innovative technologies, robust designs, and energy efficient products and solutions. We operate a global network of solutions engineering centers (SECs), on-site customer design facilities, and applications-focused design and test labs, all supported by global teams of field applications engineers working to meet the needs of our expanding customer base.

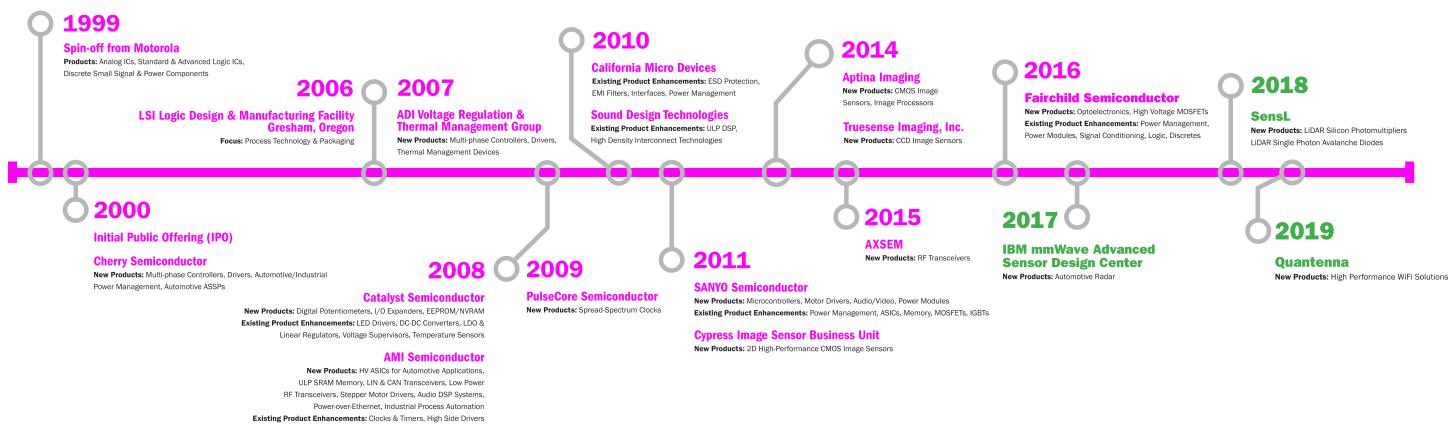
Operating a World-Class Supply Chain and Quality Program

We operate a flexible, reliable and responsive supply chain, which supports complex manufacturing networks and dynamic global market conditions. This includes multiple manufacturing and logistics sites located near our customers to ensure supply continuity. During 2019, the company shipped more than 66.3 billion units through our global logistics network. Our company's approximately 35,000 employees around the world collaborate with customers, distribution partners, and vendors, to develop not only more efficient silicon solutions, but also more efficient ways of doing business.



Mergers and Acquisitions

In our highly competitive industry, we remain agile and strategic in order to meet business and market needs. Since our spin-off from Motorola in 1999 and becoming a public company in 2000, we have proudly incorporated best practices and leaders from all of our acquisitions. Our most recent acquisition of Quantenna in 2019 is paving the way for future developments in autonomous vehicles, such as allowing vehicles to communicate with one another. Additionally, we are a premier supplier of high performance silicon solutions for energy efficient electronics. Our broad portfolio of power and signal management, logic, discrete, and custom devices help customers efficiently solve their design challenges in automotive, communications, computing, consumer, industrial, LED lighting, medical, military/aerospace and power applications. This tremendous growth has provided us the depth and scope of over 32,000 products, enabled us to build our extensive intellectual property portfolio, and given us a global presence allowing us to be agile and competitive in an ever-changing market.

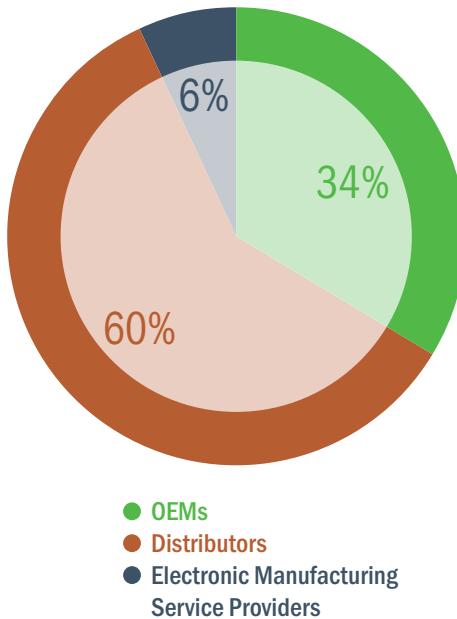


Customers

[GRI: 102-6]

Our customers are categorized into original equipment manufacturers (OEMs), distributors and electronic manufacturing service providers. We focus on three types of OEMs: multi-nationals, selected regional accounts and target market customers. Large multi-nationals and selected regional accounts, which are significant in specific markets, are our core OEMs. Distributors accounted for approximately 60% of our revenues in 2019 and typically resell to mid-sized and smaller OEMs, electronic manufacturing service providers and other companies. These customers typically provide manufacturing services to OEMs.

Revenue by Type of Customer



Mission and Vision

[GRI: 102-16]

Mission

ON Semiconductor creates energy efficient semiconductors to help make the world greener, safer, inclusive and connected.

Vision

ON Semiconductor will be the trusted supplier of choice for power, analog, sensor and connectivity solutions that enable energy efficient electronics innovations.

Core Values

[GRI: 102-16]

Our core values, first developed in 2004 and reviewed periodically, define who we are as individuals and as representatives of ON Semiconductor. We are a performance-based company committed to profitable growth, world-class operating results, quality, and delivering superior customer and shareholder value. By putting our core values of respect, integrity and initiative into action, we each do our part in making our company a great place to work. Each year, our board of directors and global employees receive training on our core values through the [Code of Business Conduct](#), which is available in the languages that represent our worldwide workforce.

Each of us is expected to demonstrate these core values in our roles at ON Semiconductor. These values apply equally to us all – employees, global leadership team, executive staff and board of directors alike.



Respect

We treat each other with dignity and respect. We share information and encourage different views in an open and honest environment. We draw out the best in each other, recognizing that diversity of backgrounds and experience are key strengths. We all win when we support each other.



Integrity

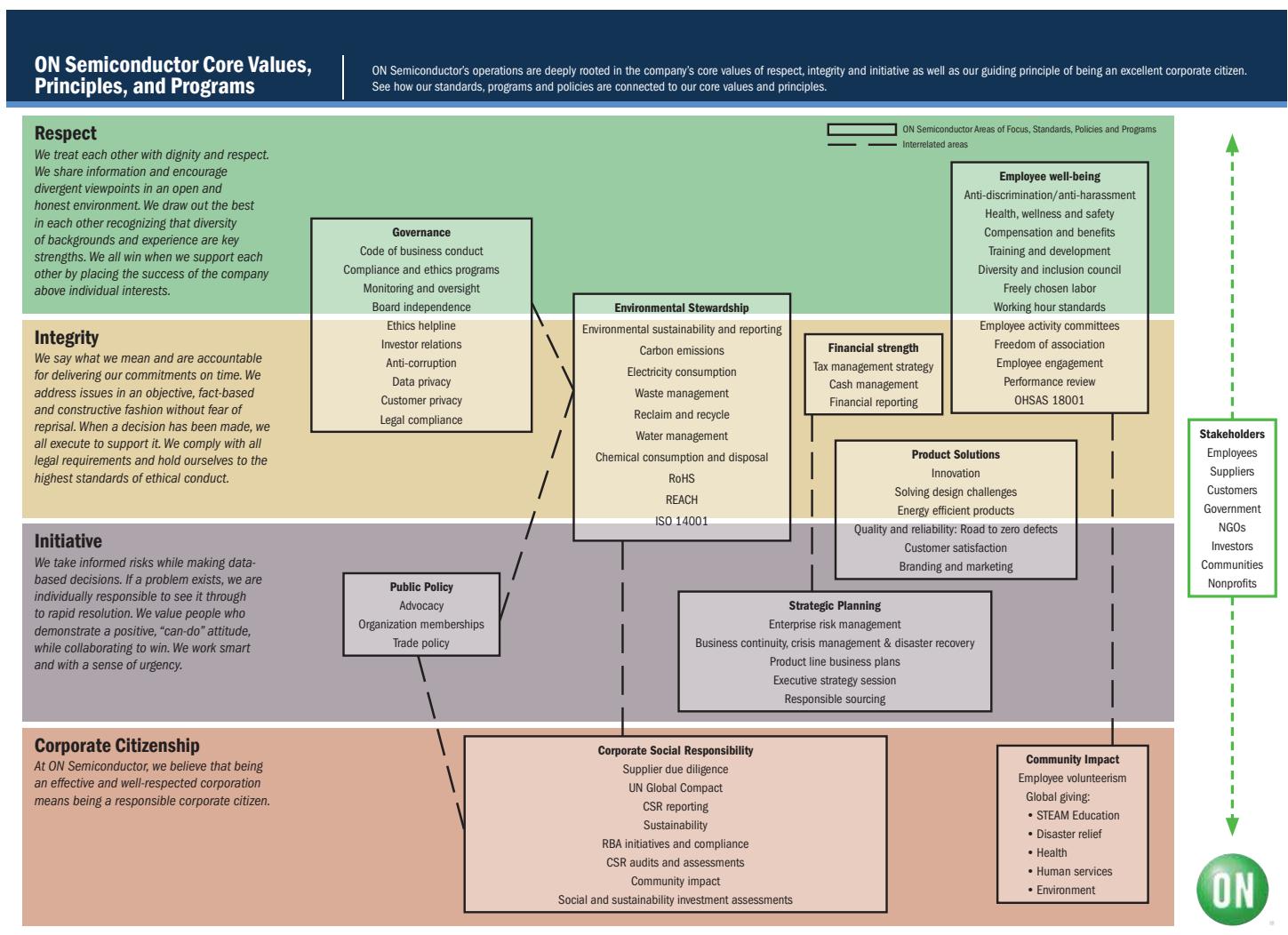
We mean what we say and say what we mean. Our company has set high standards for our products and individual conduct. Our reputation depends on the highest standards of ethical behavior. We are accountable for delivering our commitments on time with highest quality. We address issues objectively, using facts and constructive feedback in a work atmosphere where we do not fear open discussion or questions. When a decision has been made, we work to support it. We comply with all legal requirements and hold ourselves to the highest standards of ethical conduct.



Initiative

We value people who demonstrate a positive, "can-do" attitude, while collaborating to win. We work intelligently, with a sense of urgency, while always maintaining our commitment to comply with applicable laws, regulations and standards. If a problem exists, we see it through to rapid resolution while acting in an ethical manner.

Core Values and Corporate Social Responsibility Map



Our Culture

[GRI: 102-16]

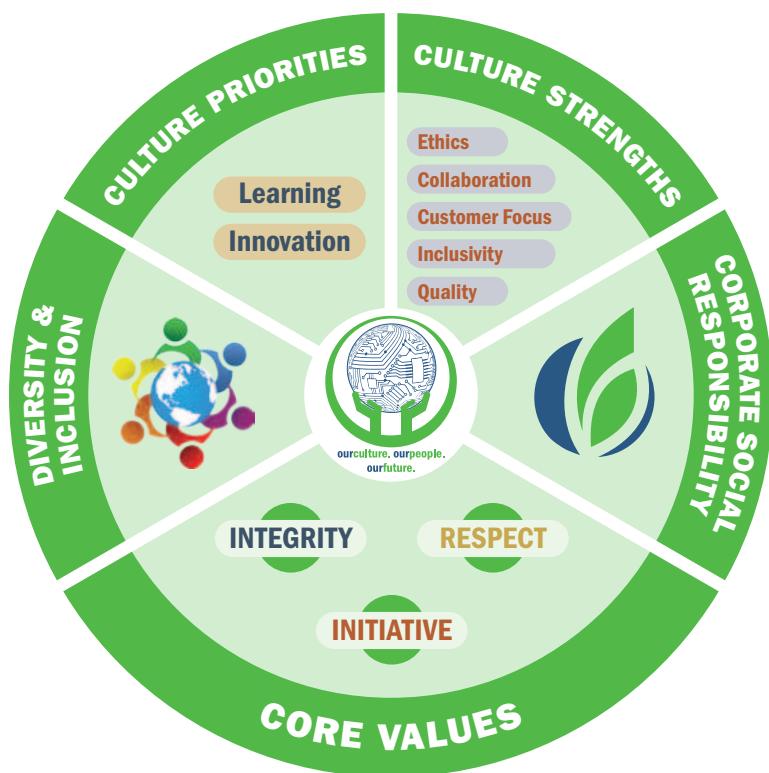
With a growing diverse and inclusive workforce and in parallel, our commitment to grow our business, last year, ON Semiconductor set out to learn how its culture could play a critical role in supporting the business strategy.

In the first half of 2019, we focused our efforts on assessing the company's current culture. We utilized a listening strategy that allowed us to understand the state of culture through the lens of our employees via interviews, online surveys, as well as focus groups. As a result, our cultural strengths of ethics, collaboration, customer focus, inclusivity and quality were reinforced. Additionally, we identified learning and innovation as our culture priorities to drive us towards achieving our company strategy:

- Learning will help empower our employees through opportunities to learn more about the business as well as improve their skills and abilities to grow in their careers.
- Innovation will help create a mindset in which employees explore ways to see and do things (products, processes, serving customers, etc.) differently. Doing so will allow us to build upon our great history of technical and product innovation and expand to all aspects of our business.

With these priorities in mind, we developed a culture roadmap in the second half of the year. It has helped us learn how to leverage our vast company expertise – whether it be product-related, business-related or function-related – to create goals and objectives that will enable our business to succeed.

Ultimately, we believe over the next few years, emphasis on our priorities of learning and innovation will help us realize opportunities such as retaining knowledge, shortening ramp-up times, reducing reassignment delays, providing highly desirable growth opportunities and generating innovative ideas which not only drive business success but also align with our CSR pledge of making a positive impact in sustainability of all kinds.



Enterprise Risk Management

[GRI: 102-11] [GRI: 102-30]

Overview

The mission of our enterprise risk management (ERM) program is to drive strategic capabilities that preserve and create value for our company by embedding a risk-aware decision-making culture across all functions. To that end, we have developed a framework to systematically, consistently and effectively identify, evaluate, prioritize, and manage key risks and opportunities across different time horizons that can impact our company's ability to achieve strategic goals and objectives. Through our ERM discipline, over 20 functional groups within the company assess risks and opportunities across the following groupings:

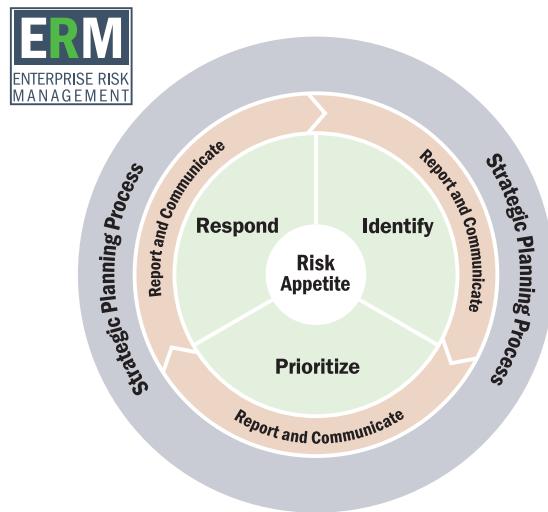


- Business and Strategic
- Emerging
- Financial
- Operational
- Technology/New Product Development
- Legal and Regulatory
- Compliance
- Ethics
- Human Capital
- Reputational

All functional groups including those that have the greatest impact on, or are most impacted by, our environment, people and ethical conduct manage risks on an ongoing basis and report to the board of directors each quarter using the ERM framework. These groups include, but are not limited to legal compliance, ethics, corporate social responsibility, environmental health and safety (EHS), and human resources.

Management Approach

Our ERM program is led by our chief risk officer, and overseen by our CEO and board of directors. The board of directors review top risks and associated mitigation measures with executive management on a quarterly basis. The overall ERM program is reviewed annually to assess the program's development and effectiveness in identifying and managing risks and opportunities. Supporting the day-to-day administration of the program is the ERM program staff and a comprehensive network of risk champions from all functional groups within our company. Risk champions are trained to be ERM subject matter experts within their organizations and lend credibility to the direction of the program through their expertise, actions and guidance.



Enterprise Risk Management

Governance Structure

President/CEO

Board of Directors, Corporate Governance & Nominating Committee

Enterprise Risk Management Organization

Risk Champions

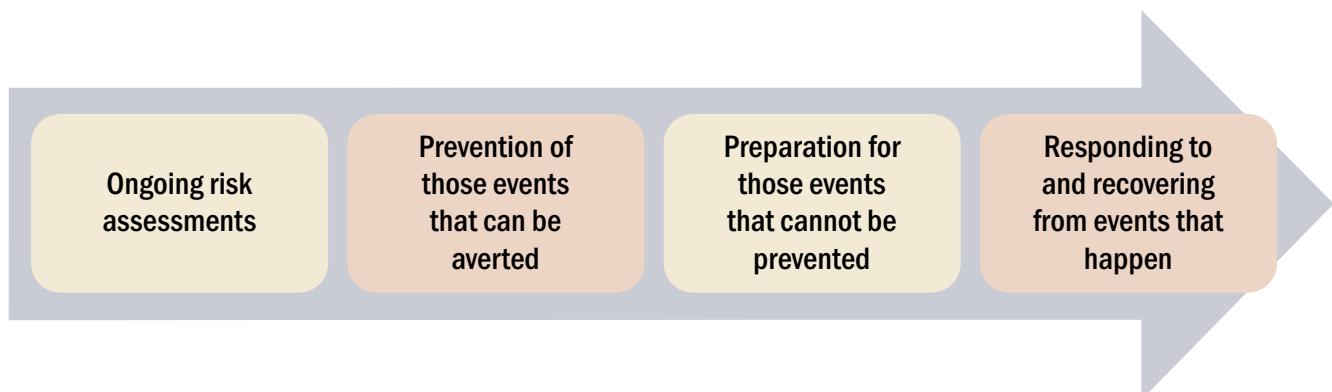
Risk Owners

Business Continuity

ON Semiconductor understands the importance of business continuity and having systems of prevention and recovery in place to assist with the disruption of business functions and processes that could affect our customers, partners and other stakeholders. Our business continuity program derives from our holistic ERM model, which systematically, consistently and effectively identifies, evaluates priorities and manages key risks and opportunities affecting the company.

We engage with internal and external industry experts to conduct risk assessments at our facilities and suppliers to identify key risks. The types of risks we face include: 1) key equipment failures; 2) interruption from externally provided products, processes and services; 3) reoccurring natural disasters (such as earthquakes, floods, volcanic eruptions); 4) fires; 5) utility interruptions, such as power outages; 6) cyber-attacks on information systems; 7) labor shortages; and 8) infrastructure disruptions, such as breakdown of transportation, water or sewage. Additionally, we mitigate certain risks proactively through the qualification of certain products to a secondary production source.

We maintain a vigorous process in which we are consistently analyzing risks and working to reduce the likelihood and impact of negative events, while identifying how to capitalize on the opportunities provided by the dynamic market and supply chain in which we operate. We recognize that no amount of mitigation and prevention can stop all negative impact events from occurring. We engage in a robust process of planning for the response and recovery operations required to minimize impact to our customers, partners and stakeholders.



Current Practice

In January 2020, the Taal Volcano in Batangas, Philippines erupted, causing an Alert Level 4 by the Philippine Institute of Volcanology and Seismology. ON Semiconductor has assembly and test operations manufacturing sites located in three cities in the Philippines – Carmona, Cebu and Tarlac.

Carmona is approximately 40 miles north of the Taal Volcano. The business continuity team quickly responded to this emergency by coordinating key tasks that included providing personal protective equipment (PPE) in the form of masks, eyewear, portable eyewash, etc., offering temporary lodging to evacuated employees, quickly notifying customers of the impact and working with our corporate social responsibility, customer service and communications teams to create messaging surrounding employee donations.



Quality and Reliability

At ON Semiconductor, we are committed to operating according to stringent, internationally recognized requirements for reliability and quality. We demonstrate our commitment by continuing our Road to Zero Defects initiative, which was implemented several years ago. This initiative focuses on eliminating quality excursions, improving 8D responsiveness, lowering our parts per billion (ppb) defect rate and enhancing our quality standards. We recognize that incorporating these objectives into our service offerings, processes and products will enable us to use our quality and reliability as fuel for growth of our corporation. Ultimately, we are committed to maintaining a distinctive, world-class quality system that transcends international quality standards and aims to exceed customer expectations.

For more information, please see our [Quality and Reliability Handbook](#).



Culture of Quality

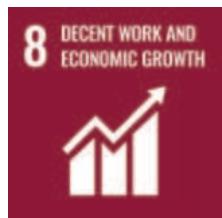
The key drivers embedded in our company's focus on quality include employee ownership, leadership emphasis, message credibility and peer involvement. Every other year we administer a survey through Gartner® to measure employee understanding of our quality initiatives and gain insights on employee perception of our quality program. In 2018, our ranking placed us in the middle of the first quintile with approximately 80% of our employees responding to the survey. The results reflect our employees' perception of our quality performance due to our increased focus on reinforcing our quality culture and the positive results of our road to zero defects projects.

In 2020, we began recognizing employees in our company's monthly newsletter, The Circuit. These articles, referred to as 'Quality Influencers' highlight employees who have contributed to quality improvements and customer satisfaction. The next culture of quality survey will be administered in summer 2020.

Responsible Sourcing

[GRI: 102-9] [GRI: 102-10] [GRI: 204-1] [GRI: 308-2] [GRI: 414-2]

We are committed to ensuring the highest standards of social responsibility in all regions at which our company is located. We insist that our suppliers provide safe working conditions, treat workers with dignity and respect, prohibit human trafficking and slavery (including the procurement of commercial sex acts and the use of forced or child labor), promote ethical behavior, and use environmentally responsible manufacturing processes and follow principles similar to those in our Code of Business Conduct. As outlined in our [Supplier Handbook](#), the supplier must conform to all environmental laws, all applicable laws and regulations, behave ethically, conform to all social responsibility and conflict mineral requirements that are required by [ON Semiconductor's CSR Statement of Commitment](#), and provide any requested certifications and cascade all applicable requirements through their supply chain.



Global Supply Chain Operations

Governance Structure

COO/President/CEO

Board of Directors

GSCO Composition

Planning

Procurement

Logistics

System & Integrations

Integral Partners

Business Units

Sales/CS Marketing

Internal & External Manufacturing

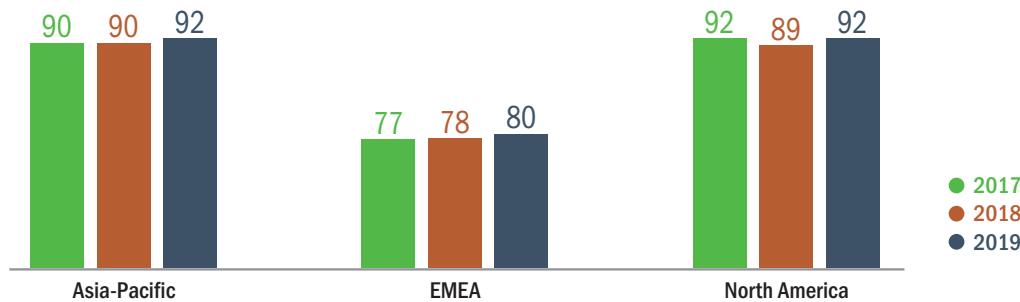
Management Approach

Our global supply chain operations (GSCO) organization is led by our senior vice president of global supply chain and overseen by the COO, CEO and board of directors. We operate a flexible, reliable and responsive supply chain that is compliant with IATF-16949 and ISO 90001 requirements as defined in our internal policies. We continually develop business partnerships with selected key suppliers and ensure that all purchased materials used in product manufacturing satisfy current governmental, environmental and safety criteria applicable to the country of manufacture and sale. Our transportation packaging meets electrostatic discharge (ESD) requirements, and appropriate use of packing is used to prevent physical damage. We require our internal and external manufacturing facilities to complete specific tests, evaluations and calibrations to receive qualification and acceptance by customers in order to perform. Through our sales and operations planning process, we work directly with our business units and sales teams to align capacity and demand to support customer requirements.

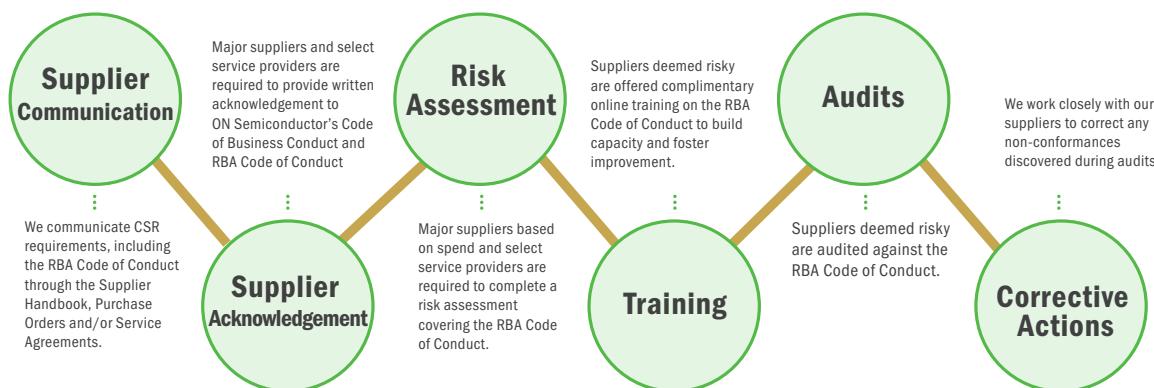
Our Supply Chain

Our supply chain has a multifaceted supply structure of direct materials suppliers, foundry and subcontractor providers, indirect material suppliers and professional service providers deployed across a global sourcing and procurement organization. In 2019, we worked with over 10,000 suppliers and service providers in North America, Asia Pacific, Europe and the Middle East, and of those suppliers, approximately 7,200 were production-related. The following graphic shows the percentage of our manufacturing sites' 2019 procurement budgets which were spent on suppliers local to the site's region.

ON Semiconductor's Spend on Local Suppliers by Region (%)



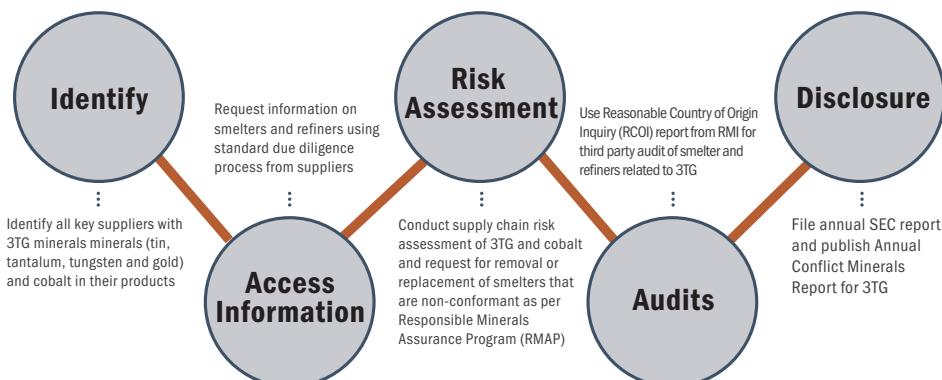
We expect our suppliers and on-site service providers to follow the same CSR tenets that we have set for our own operations through our Code of Business Conduct and the RBA Code of Conduct. We engage our suppliers in regular cycles by clearly communicating our expectations, deploying risk assessments, providing training opportunities for capacity building, conducting verification audits and addressing any non-conformance. Our last supplier engagement cycle was in 2017, during which major suppliers signed a statement of conformance agreements to our Code of Business Conduct and the RBA Code of Conduct. In 2018, our major suppliers were notified of changes to the RBA Code of Conduct, version 6.0. In 2019, major suppliers were notified of the RBA VAP Operation Manual 6.01 update. The next supplier engagement cycle will occur in 2021 to reflect changes to the RBA Code of Conduct, version 7.0 and the ON Semiconductor Code of Business Conduct.



Human Rights Due Diligence in Our Supply Chain

As a purchaser of products containing the metals that include tin, tantalum, tungsten or gold (conflict minerals) from suppliers for use in our manufacturing process, we continue to be concerned about the reports of violence and human rights violations resulting from the sourcing of such metals from the Democratic Republic of the Congo (DRC) and adjoining countries. Although we do not desire to eliminate metals originating from the DRC and adjoining countries, we are committed to ensuring the conflict free sourcing of minerals. By collaborating with our suppliers and the RBA through the Responsible Minerals Initiative (RMI), we are best able to fulfill this commitment.

By using the [Organisation for Economic Co-operation and Development](#) (OECD) framework, and participating in responsibility initiatives, we established a conflict minerals policy and related due diligence process to ensure that minerals are not sourced from entities supporting armed conflict within the DRC and adjoining countries. In 2018, the OECD Guidance Annex II expanded conflict minerals to include cobalt, graphite and mica, which are related to child labor or abuse of women issues. With the addition of these minerals to the OECD Guidance Annex II, cobalt is now present in our supply chain. Although it is low impact at this time, we are monitoring our suppliers just as we do for the conflict minerals.



In 2015, we achieved our road to zero by identifying all utilized smelters. This means we are aware of and can trace the origin of metals throughout our supply chain. We hold our suppliers responsible and align responsibility and transparency with our customers' requests. Each year, we target 100% responsible minerals assurance process (RMAP) conformant smelters and we achieved this target in 2019. However, supplier conformance and the incorporation of new requirements are an on-going process and require continued review and updates to our records. If we become aware that our supply chain includes uncertified minerals sourced from a conflict region, we act promptly to review the circumstances and remedy the situation as appropriate. Members of our conflict minerals team also actively participate in RMI subcommittees, such as the China smelter engagement team, smelter engagement team, cobalt workgroup, minerals due diligence practice and minerals reporting template.

Please see our latest [SEC Form SD](#), as well as our [Conflict Minerals Sourcing Policy](#) for more information.



Current Practice

In April 2019, ON Semiconductor hosted its Global Sourcing and Procurement Summit in Vietnam. The event brought together over 50 attendees, which included a mix of manufacturing, sourcing, corporate services and capex managers and buyers. There was also an awards dinner to recognize key supplier for their outstanding performance and excellent quality.



Environmental, Social and Governance (ESG) Recognition



DJSI North America Sustainability Index: Two Consecutive Years

In 2019, we were one of four semiconductor companies included in the North America component.



World's Most Ethical Companies: Five Consecutive Years

In 2019, we were one of four semiconductor companies included in the electronics and semiconductor industry.



EcoVadis Gold Level Recognition

In 2019, we scored 85/100 from EcoVadis, a leading platform for environmental, social and ethics performance ratings for global supply chains. Overall, we scored in the top 1% of companies assessed by EcoVadis in the "Manufacture of electronic components and boards industry."



MSCI ESG Ratings

In November 2019, ON Semiconductor moved from the ESG Rating of BBB to A. This change in our rating is in large part to our practices surrounding Controversial Sourcing. Currently, we are one of the Top 5 Industry Leaders.



ON Semiconductor Holds the Prime Rating for CSR with ISS-oekom

In 2019, we were recognized as "Prime" by ISS-oekom, one of the world's leading rating agencies for sustainable investments. Companies receive grades from A+ (best) to D-; we obtained a C+ and rated as a prime company. With that result, we ranked in the top 25% of the 49 companies in the semiconductor industry.



ON Semiconductor's Sustainalytics ESG Risk Rating Score is 25.3

As of February 2020, ON Semiconductor received an overall ESG risk rating score of 25.3/100 points (the lower the score, the better) and is considered by Sustainalytics, a global ESG research and ratings firm, to be at medium risk of experiencing material financial impacts from ESG factors.



Platinum RBA VAP Recognition Award for Receiving a Perfect Score of 200 for Initial Recipient Sites

ISMF, Seremban, Malaysia; South Portland, Maine; Mountain Top, Pennsylvania; OSV, Bien Hoa, Vietnam; Carmona, Philippines; Suzhou, China; Oudenaarde, Belgium



Most Sustainable Company: First Year

ON Semiconductor was awarded the Most Sustainable Company in 2020 in the Semiconductor Industry.

To view a complete list of our awards and recognitions, please refer to the Appendix on page [70](#).

OUR GOVERNANCE, ETHICS AND COMPLIANCE



OUR GOVERNANCE, ETHICS AND COMPLIANCE

Governance Overview

[GRI: 102-18] [GRI: 405-1]

All business conducted at our company by employees, managers and officers is under the direction of the CEO and the oversight of the board of directors. The board has at least four scheduled meetings annually where they and the various committees review and discuss reports by management and the performance of the company. Our corporate governance principles further set forth certain requirements under which the board and management operate.

Board of Directors Summary

This summary represents the members of the company's board of directors and committee representation, effective immediately following re-election at the Annual Meeting in May 2020.

Governance Practices

Total Board Size	Seven
Independent Directors	Six
Women on the Board	One
Age Limit	75 years old
Board Breakdown by Age and Gender	Gender: Female – One; Male – Six. Ages 54, 58, 62, 64, 64, 66
Number of Board Meetings Annually	
• Audit Committee	Quarterly at minimum; in 2019 the committee met 11 times
• Compensation Committee	Twice per year at minimum; in 2019 the committee met 7 times
• Corporate Governance and Nominating Committee	Twice per year at minimum; in 2019 the committee met 5 times
• Executive Committee	As deemed appropriate; in 2019 the committee met 7 times
• Science and Technology Committee	Twice per year at minimum; in 2019 the committee met 4 times
Taxes Paid to the Government	See 2019 SEC Form 10-K

Board Member	Committees	Qualifications
Atsushi Abe	Audit, Science and Technology	Semiconductor, finance, mergers and acquisitions, international
Alan Campbell	Audit, Corporate Governance and Nominating, Executive (chair)	Semiconductor, public company management, finance, mergers and acquisitions, international
Gilles Delfassy	Compensation, Science and Technology (chair), Executive	Semiconductor, manufacturing, marketing, public company management, international
Emmanuel T. Hernandez	Audit (chair), Corporate Governance and Nominating, Executive	Semiconductor, public company management, finance, mergers and acquisitions, international, compliance
Keith D. Jackson	Executive	Semiconductor, manufacturing, marketing, public company management, mergers and acquisitions, international, compliance
Paul A. Mascarenas	Compensation, Corporate Governance and Nominating (chair), Executive	Manufacturing, public company management, international
Christine Y. Yan	Compensation (chair), Science and Technology, Executive	Manufacturing, marketing, public company management, mergers and acquisitions, international

Compliance and Ethics Programs

[GRI: 102-16] [GRI: 102-17]

Our compliance and ethics programs are designed to assist us in preventing, detecting and responding to unethical or illegal conduct, and promote an ethical and legally compliant business culture. To do this, compliance and ethics are integrated into every level of our company from the board of directors and CEO, to each individual employee.

Our [Code of Business Conduct](#) (code) outlines the broad principles of legal and ethical conduct embraced by our company and our core values of respect, integrity and initiative guide every business decision. Paired with this is the responsibility of each employee to comply with those laws and regulations, embrace our core values and exemplify our commitment to operating ethically.

These programs provide a procedural framework for enhancing and monitoring our compliance with the code, the policies referenced in the code, and other rules or regulations governing our worldwide operations. Additionally, the programs are structured to comply with, among other laws and regulations, the requirements of the [Sarbanes-Oxley Act of 2002](#), the [Foreign Corrupt Practices Act of 1977](#), the [Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010](#) and the Listing Rules of NASDAQ Stock Market Inc.



Compliance

Governance Structure



Integral Partners



Compliance Program

We always strive to comply with the law, and in certain areas, we have adopted policies and practices that go beyond what the law requires in order to foster a culture of integrity and accountability. Our chief compliance officer and general counsel is responsible for administering and executing legal compliance programs designed to prevent and detect violations of the law, the code or related standards of conduct by employees or third parties, with oversight from the audit committee of the board of directors. The law department's programs for anti-corruption, trade compliance and data privacy are designed to include all of the essential elements for effective compliance, including risk assessments, policies and procedures, training, and monitoring and auditing thorough investigation and remediation of misconduct. These legal compliance programs are dynamic and continually evolving as our company grows and the business landscape changes.

Ethics Program

In parallel with our legal compliance program, we aim to implement ethical principles into everyday business operations by providing relevant training and guidance, targeted communications and dedicated resources. We aspire to be a global leader in demonstrating the power of aligning business objectives with doing the right thing. Our vice president of ethics and corporate social responsibility, who reports directly to the CEO, is responsible for administering and executing the ethics program. She and her team manage the code, related training and education and oversee the intake and triage of complaints and questions that come into our company's helpline or other reporting channels. Working closely with the law department, human resources and any other relevant departments, the ethics program ensures that all concerns are promptly and thoroughly investigated without retaliation. Our employees are empowered and encouraged to report potential ethics violations, and taught to recognize extraordinary commitments to our core values.

What it Means to be a Business Ethics Liaison

Our network of 52 Business Ethics Liaisons (BELs) across the globe serve a critical role in promoting and institutionalizing an ethical culture throughout our global operations. Ethics is a top-down and bottom-up process at our company, and every employee is encouraged to talk about ethics, raise concerns and share their experiences. Our CEO sets the tone at the top by communicating our expectations and holding our managers accountable for delivering on those expectations. BELs further amplify these expectations at the local and site levels, serving as a trusted resource for employees seeking guidance or wishing to raise a concern.

The BEL network, which is comprised of employees of all job functions and grade levels, is essential to the continual strengthening of our company's ethical foundation and culture of integrity. Through quarterly calls, BELs get the chance to review case studies, share best practices, receive trainings and discuss trends in the compliance and ethics fields. In addition, the compliance, ethics and CSR programs host an annual conference where all contributors to these programs come together to gain new skills, enhance their compliance and ethics acumen and discuss ways to improve the programs. These events help keep the programs focused and assures consistency across the globe and throughout the many layers of our company.

The availability of BELs gives employees access to a peer with whom they can raise potential concerns outside of human resources and their management chain. The accessibility of this additional reporting channel helps our company integrate compliance and ethics into our culture by building trust at the local level. We consider the fact that employees choose to raise concerns to BELs more than any other reporting channel to be a reflection of the strength of the compliance and ethics programs. Of course, employees also have the option of using the ethics helpline, which is available online, and toll-free by phone, 24-hours a day, seven days a week, with translators available in all languages in which we do business. Further, unless restricted by local law, employees may make reports to the ethics helpline anonymously.

Ethics

Governance Structure

President/CEO

Board of Directors, Corporate Governance & Nominating Committee

Vice President, Ethics & Corporate Social Responsibility

Ethics Committee

Ethics Program

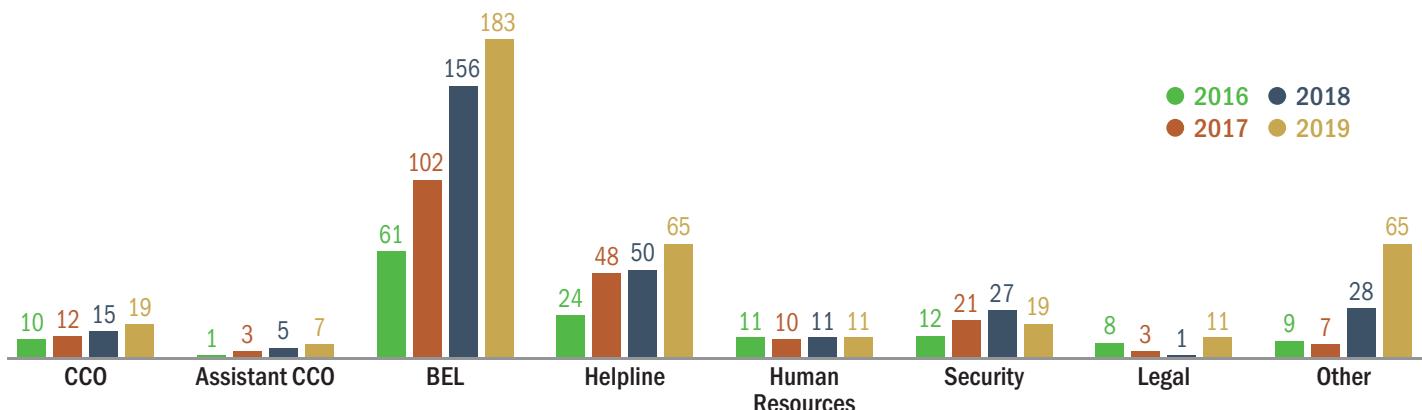
Business Ethics Liaisons



BELs

52
at our sites
globally

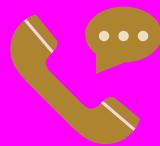
Number of Incident Reports and Requests for Advice by Reporting Channel



Ethics Helpline

U.S.: 1-844-935-0213

All other locations: Click on the link below for country-specific instructions.
Online: helpline.onsemi.com



Program Trust and Awareness

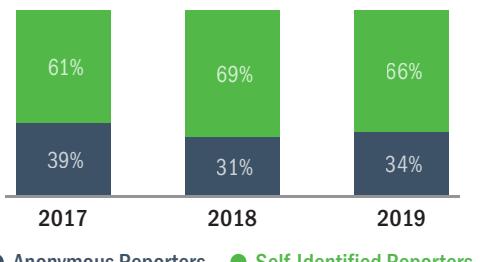
We believe employees' trust and awareness of the ethics and compliance programs is attributed to our organizations' continuous training and education on our Code of Business Conduct.

In the spirit of driving continuous improvement, we conduct a biennial survey dedicated to measuring employees' perception of ethics at our company. In 2019, this survey was made available to all employees worldwide, with a 70% participant rate. The 2019 results of this survey revealed that within two years since the previous survey was distributed, awareness of our code, ethical responsibilities and the effectiveness of our compliance and ethics trainings raised an average of 5.72%.

Even more telling, 90.7% of respondents stated that they believe their manager is committed to ethical business conduct at all times, and 88.1% replied they would feel comfortable approaching their manager with issues or questions related to ethical business conduct.

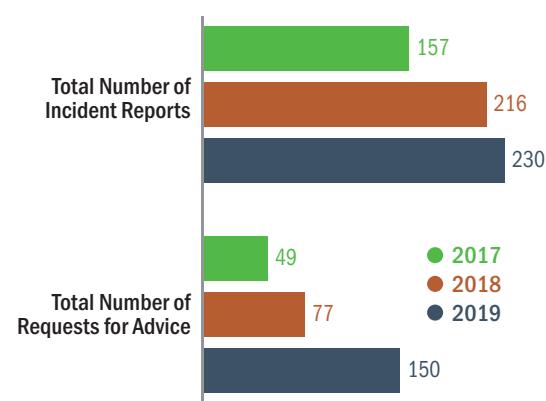
Another indicator of trust is the utilization of our reporting channels. Employees have access to a number of reporting channels including the following: ethics helpline, a network of 52 BELs, members of the ethics and compliance programs, and direct access to the chief compliance officer and vice president of ethics and CSR. In the same survey, 85.5% of respondents stated that they feel comfortable

Reporter Anonymity Rate



● Anonymous Reporters ● Self-Identified Reporters

Total Number of Reports and Requests for Advice



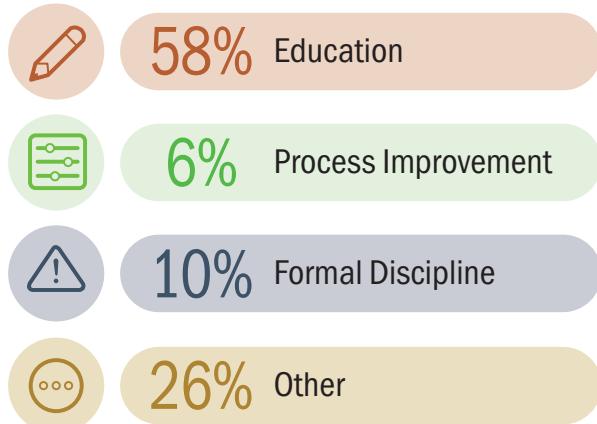
approaching their BEL with issues or questions related to ethical business conduct. An overwhelming majority of all incident reports (48%) sent to the ethics and compliance programs are transmitted via a local BEL. While survey results and reporting numbers are encouraging, it is our goal to continually improve the ethics program by refining existing policies, clarifying processes and delivering customized and effective training.

Our company's code is central to our organization, embodying our expectations around legal and ethical business conduct in employees' day-to-day activities. It is available for employees to review in 14 languages, making it easily accessible to employees in all regions where we do business.

Substantiation Rate



2019 Top Corrective Actions

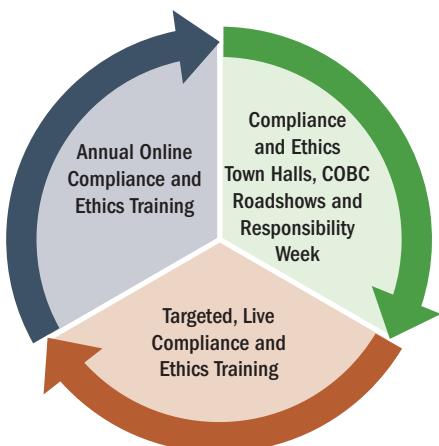


The ethics program staff reviews the code annually. Every year, the board of directors and all employees are required to read and acknowledge their understanding of it by taking an online training course.

We also require managers and other select individuals to complete additional compliance-related training courses related to topics such as anti-corruption and privacy.

Global Responsibility Week

Every year we celebrate Global Compliance and Ethics Week, which coincides with The Society of Corporate Compliance and Ethics (SCCE) and the Health Care Compliance Association (HCCA) Corporate Compliance and Ethics Weeks. The observance week is an opportunity to highlight the importance of ethics and compliance in the workplace and build awareness in ways that reinforces not just specific rules and regulations, but an overall culture of ethics and compliance. In 2019, we renamed the event to be referred to as "Responsibility Week," and focused on raising the awareness of not only the compliance, ethics and CSR programs, but other departments as well. These departments included environmental health and safety, along with diversity and inclusion. The week provides awareness, recognition and reinforcement of our corporate initiatives, as well as location-specific learning activities and celebrations.





Current Practice

In June 2019, the former Corporate Compliance and Ethics, and CSR programs held a joint biennial conference in Seoul, South Korea. Over a hundred global attendees participated in the weeklong event, reviewed regulatory and legal developments relevant to ON Semiconductor, and discussed trends and innovations in the areas of compliance, CSR, diversity and inclusion and exchanging best practices.

At the closing of the 2019 conference, in spirit of our core values of respect, integrity and initiative, attendees volunteered through the Korea Federation of Volunteer Center by making kimchi. During this event, 200 boxes were donated to multi-cultural families, single parent families and seniors living alone.



Current Practice

During Responsibility Week (Nov. 3 – 8), the CSR team encouraged employees to take a CSR pledge to help the environment and/or better their local community. All submitted entries were placed in a special drawing and 10 winners were selected at random. Winners were from China, the Philippines, Slovakia and the U.S. ON Semiconductor donated \$1,000 USD to each of the winners' selected charities.

At the Phoenix, Arizona headquarters, employees were given succulents to remind them to take the CSR pledge as small actions can add up to make a big difference in our homes and communities.



Public Policy and Activities

We support public policies that encourage the innovation, investment and open markets necessary to advance our vision of driving energy efficient innovations that empower customers to reduce global energy use. Our public policy program reflects our profile as a global company headquartered in the United States, which interacts regularly with government agencies around the world. Much of our public policy advocacy is performed through the U.S. Semiconductor Industry Association (SIA), although our company is also a member of local associations in the regions in which we operate. Our CEO, Keith Jackson currently is the 2020 SIA Chair.

We are an active participant in the World Semiconductor Council (WSC), an organization composed of the world's leading semiconductor industry associations from China, Chinese Taipei, Europe, Japan, Korea and the United States. The organization meets annually at the CEO level to make recommendations to governments and authorities on issues such as expanding the global market for information technology products by promoting fair competition, sound environmental and health and safety practices, intellectual property rights and open markets.

Among the public policies we supported in 2019 are the following:

Public Policies Supported – 2019

Open Markets and Fair Competition	We actively worked to promote policies that open markets and fair competition. Working through our trade associations, we opposed tariffs on semiconductors, including the 25% tariffs that the U.S. imposed in 2018 on imports of discrete semiconductors and integrated circuits imported from China. We worked through the WSC to promote transparency on government subsidies, which depending on size, scope and discriminatory application have the potential to distort fair competition in global semiconductor markets. We also recommended that when the U.S. government imposes export controls, it do so under two conditions: 1) only to the extent necessary to protect national security; and 2) only if the controlled U.S. items cannot be easily substituted with foreign sourced items.
Pro-Innovation, Pro-Growth Business Environment	We worked with the SIA to support U.S. government policies that promote innovation and growth. This includes assisting increased federal support for semiconductor related research and development at universities and national laboratories, encouraging the protection of intellectual property including trade secrets and commenting on proposed treasury regulations to implement the 2017 Tax Act's international provisions.
Stopping Counterfeit Semiconductors	Counterfeit semiconductors are unreliable and can fail at any time. The semiconductor industry has found counterfeits in air bags, train-braking systems and other applications where a failure can have serious health or safety consequences. In 2019, we assisted law enforcement to identify and seize counterfeit goods and remove them from the marketplace.
Energy Efficiency, Fuel Economy and Automotive Safety	We are an ally member of American Council for an Energy-Efficient Economy (ACEEE), a thought leader on energy efficiency policies and programs. These policies often relate to "plug loads" such as LED lighting, variable speed motors in heating/ventilation/air-conditioning (HVAC) and smart buildings. "Energy efficiency" also includes transportation efficiency including fuel economy standards. Additionally, we are a member of Motor & Equipment Manufacturing Association (MEMA) that advocates for legislation and regulations related to fuel economy and automotive safety such as advanced driver assistance systems (ADAS) including automatic emergency braking and policies to facilitate the introduction of autonomous vehicles.

Political Contributions

[GRI: 415-1]

Participating in political activities is a very sensitive and complex area, and strict laws govern our political activities as a company. For this reason, ON Semiconductor does not make political contributions to individual candidates. In the U.S., companies and other organizations may organize political action committees (PACs) to support political candidates with funds voluntarily contributed by qualified employees. We chose not to have a PAC and did not make any political contributions in our company's name in 2019.

Privacy

In 2019, we prepared for the arrival of the California Consumer Privacy Act (CCPA), which took effect on Jan. 1, 2020. The CCPA mirrors, in many respects, the General Data Protection Regulation (GDPR) in the European Union, which came into effect in May 2018.



We also continued to refine our internal and external privacy policies and expanded our training efforts to focus on functional teams most directly impacted by the regulatory changes in this area, including information technology, finance, human resources, procurement and legal. In addition, BELs attended a live training session dedicated to the GDPR and the CCPA privacy regimes. For more information, please visit our [Privacy Policy](#).

OUR PEOPLE



OUR PEOPLE

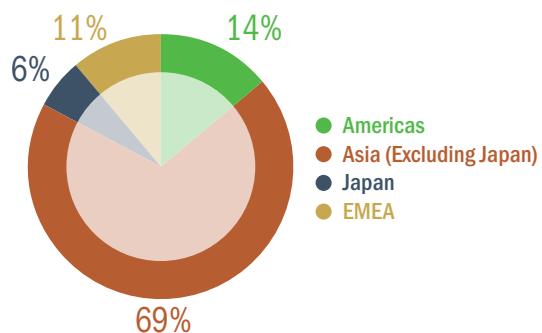
Overview

[GRI: 102-7] [GRI: 405-1]

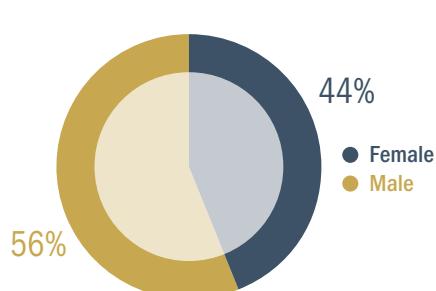
We believe our company's mission, vision, values and culture afford opportunities for everyone to make a difference in building a successful global business. We are constantly striving toward a more diverse workforce that benefits our company and enables us to meet the needs of our customers, suppliers, employees and shareholders worldwide.

Our community of employees are located around the world with major facilities in the U.S., Belgium, Canada, France, Ireland, Slovak Republic, Czech Republic, Japan, Korea, China, Malaysia, Vietnam and the Philippines. As of December 2019, we had approximately 35,000 employees operating globally.

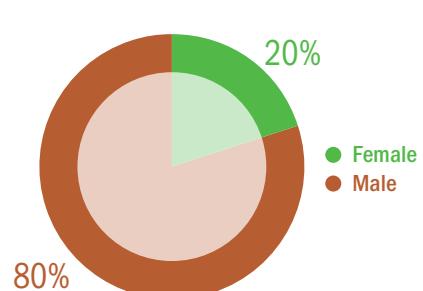
Worldwide Workforce by Region



Workforce by Gender



Management by Gender



U.S. Workforce by Ethnicity



Commitment to Diversity and Inclusion

Overview

We have long remained committed to diversity and inclusion (D&I), recognizing that our company is at its strongest when we effectively draw upon the wide variety of experiences, knowledge, culture, customs and backgrounds that all of our employees and leaders possess. As a company, we celebrate differences and promote an inclusive environment by valuing the contributions of our employees and the knowledge of diversity that goes beyond race, ethnicity and gender. Diversity is about understanding and embracing the unique differences, talents and perspectives of employees, customers and suppliers. Diversity of thinking helps us continue to encourage the creativity and innovation necessary for us to maintain a competitive advantage in the global marketplace.



In 2019, our company continued with the diversity metrics established in 2018 as part of our corporate bonus performance plan in which we met or beat the target for each metric. We launched a new D&I training course as part of our learning and development leadership pathways model, Inclusive Leadership. We celebrated D&I week for the first time internationally with over 60 events across more than 30 of our global locations. We also participated in a SEMI Foundation and Deloitte study where we ranked #1 Fortune 500 high tech/semiconductor company for gender diversity. Members of our corporate social responsibility team also actively participate in RBA's diversity and gender task force.

Diversity and Inclusion Framework, Vision and Mission

The D&I program at our company operates with the vision and mission of cultivating a culture where diversity and inclusion is embedded in everything we do. Our framework focuses on workplace inclusion, workforce diversity and community partnerships, all of which we hope expand our positive impact on the greater communities surrounding the places we work.

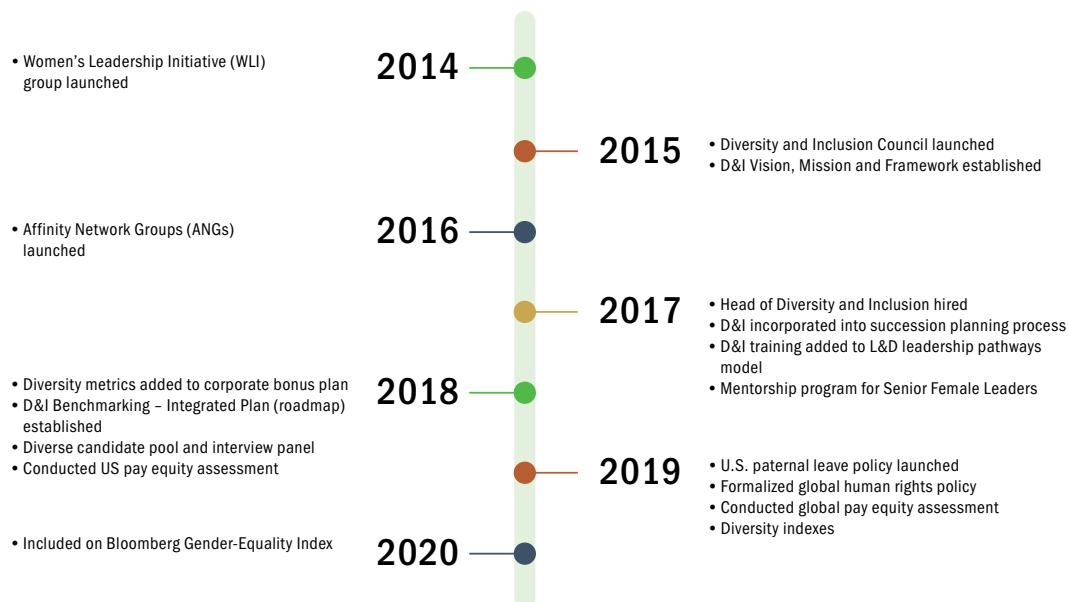


In 2018, we outlined our strategy around diversity and inclusion by establishing our integrated plan that is made up of five pillars: 1) policies and practices; 2) development and training; 3) fill the talent and succession pipeline; 4) communication and awareness; and 5) measure success. With this initiative, global strategies and programs have incorporated diversity and inclusion into our recruitment, engagement, development and succession planning processes.

In 2019, we made great strides in the work we are doing around our policies and practices. We launched a U.S. paternal leave policy and global human rights policy. We expanded our pay equity review from a U.S.-only assessment in 2018 to a global assessment in 2019. In addition, to drive our strategy for 2020 and beyond, we submitted our company data for diversity indexes to benchmark our performance in comparison to other companies across industry. This led to being included on the Bloomberg Gender-Equality Index.

Management Approach

The Senior Leaders' Diversity and Inclusion Council is a governing body that provides leadership, direction and support to make us a more diverse and inclusive company. The D&I council chairperson is the head of diversity and inclusion and the members include human resources, executives, chairs of our affinity network groups (ANGs) and regional representatives located at our global sites. Our ANGs play an integral part in the work we do around D&I and include the following groups: Black Employee Network (B.E.N.), Cultivate, Employee Activity Committee, STEM UP (science, technology, engineering and math for under-represented populations), Women's Leadership Initiative and newly formed in 2020, Continua and Veteran and Military Employees (VME). These groups help facilitate networking, mentoring, cultural awareness, recruitment, employee development and retention, along with increased collaboration and innovation, and service learning. Charters for the ANGs align seamlessly with our core values and diversity and inclusion framework.



Diversity and Inclusion

Governance Structure



B.E.N. (Black Employee Network), Continua, Cultivate, Employee Activity Committee, STEM UP, VME (Veteran and Military Employees), Women's Leadership Initiative

Affinity Network Group Key Highlights

	Mission	2019 Key Accomplishments
	Empower and support women to succeed through professional development in business, strategic and financial acumen.	<ul style="list-style-type: none"> Hosted quarterly financial earnings call for expanded employee audience Produced, sponsored and funded multiple strategic and financial acumen events across globe Created educational content regarding the power of language Created best practices toolkit and new chapters of WLI
	Develop and retain a diverse workforce that will positively affect our company's outcome with regard to innovation and performance. Our programs will be focused on retaining employees at ON Semiconductor and developing new talent in the local area for the under-represented population. Our key focus areas are recruitment, retention and service leadership.	<ul style="list-style-type: none"> Attended diverse recruitment conferences through National Society of Black Engineers, National Society of Hispanic Professionals, Society of Women Engineers and Recruit Military Paired 86% of eligible new hires at our Phoenix location with company ambassadors to ensure a smooth integration to the ON Semiconductor workplace and culture Partnered with local schools, universities and nonprofits in Arizona, Idaho and New York to increase interest and engagement in STEM education and career paths Fully funded scholarships for 18 high school students to participate in the AI4ALL program in Phoenix, Arizona
	Unite a group of diverse generations who are committed to engaging in the workforce and enhancing our collaborative company culture. We are committed to understanding all generations in the workplace and connecting ON Semiconductor with the developing workforce community.	<ul style="list-style-type: none"> Opened The Park, our Phoenix office's first collaborative workspace Created and launched our Working on a Multi-generational Team training across North America Hosted Kristen Hadeed, founder of Student Maid and author of Permission to Speak Up, for a keynote speaking engagement and workshops Collaborated with local charities to pack and donate WeekEND Hunger Backpacks and hygiene kits
	Facilitate community service and employee engagement activities.	<ul style="list-style-type: none"> Obtained 272 employees and their family members to volunteer at St. Mary's Food Bank Sponsored the Academia Del Pueblo holiday program and recruited 126 volunteers to make the event a success
	Foster an environment that is conducive to the recruitment, retention and career advancement of Black employees. ON Semiconductor is committed to promoting our brand and emerging market penetration in the black community.	<ul style="list-style-type: none"> Launched in July 2019 Doubled membership by August 2019 Collaborated with two black-owned media channels to advertise ON Semiconductor in the community Celebrated and brought awareness to multiple American black heroes and holidays
	Cultivate an inclusive workplace where all employees are free and encouraged to be themselves. We also advocate for those who are - and who support - LGBTQ+ (lesbian, gay, bisexual, transgender, queer or questioning (the plus encompasses a list of other identities that fall under the queer umbrella)) people in our company, in our families and in our communities.	<ul style="list-style-type: none"> Approved by Diversity and Inclusion Council, December 2019 Formal launch in January 2020
	Recruit veterans and military members, and provide these employees transitional assistance into the civilian workforce at ON Semiconductor, develop and retain these employees and increase networking through community outreach.	<ul style="list-style-type: none"> Approved by Diversity and Inclusion Council December 2019 Formal launch in February 2020



Current Practice

In 2019, as part of our diversity and inclusion initiative, a Global Diversity Roadshow was held at three of our sites – Phoenix, Arizona, Leshan, China and Suzhou, China – with our newest member to the board of directors, Christine Yan.

During the Phoenix visit, our affinity network group, STEM UP, hosted an interactive conversation with her. Christine shared her unique background and experience succeeding in the engineering field, what sparked her passion for science and the importance of diversity and inclusion for a seamless integration following mergers and acquisitions.

While in China, she toured our Leshan site's back-end manufacturing location and participated in a women's leadership session. She also met with employees in Suzhou as well.



Current Practice

In April 2019, over 30 of our international sites hosted Diversity and Inclusion Week celebrations with more than 60 events for over 35,000 employees and contractors. The events included panel discussions, training workshops, cultural talent shows, community service projects and discussions with site leadership. ON Semiconductor is proud of our diverse workplace community and is committed to supporting all of the remarkable individuals that contribute to our company's success.



Equal Opportunity Employment

We are an equal opportunity employer. Our company maintains policies and practices that are designed to prevent discrimination against any qualified applicant or employee to the extent prohibited by federal, state and local laws and regulations. By way of example, discrimination on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, disability, medical condition, genetic information and status as a Vietnam-era or special disabled veteran, political affiliation, union membership, gender orientation or expression is prohibited.

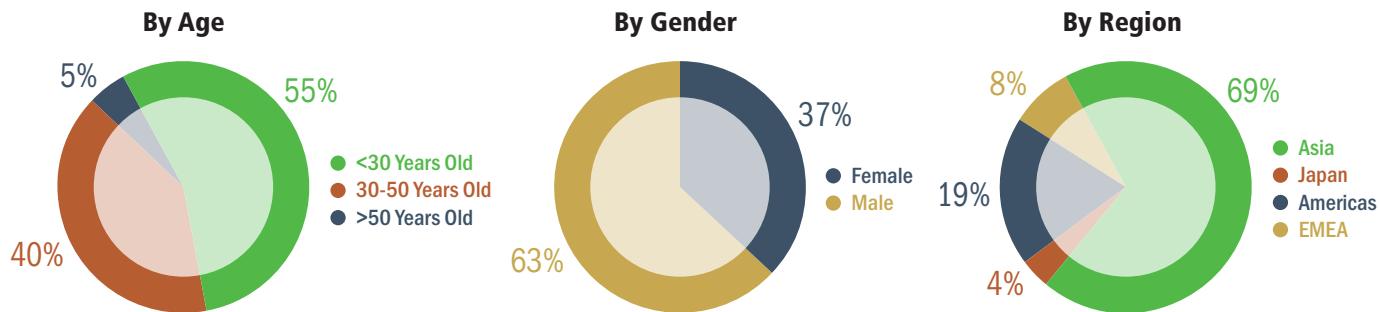
Our policy of non-discrimination applies to all employment practices, including hiring, placement, promotion, compensation, benefits, training and termination. Equal opportunity can only be achieved through leadership, commitment and implementation of our diversity and affirmative action programs.

Recruitment and Retention

[GRI: 401-1]

We proactively seek new candidates to add to our innovative and customer-oriented organization. We look for talented candidates who desire challenging, empowering and engaging careers. To diversify our workforce, we recruit university graduates and candidates from under-represented groups who bring various perspectives and diverse knowledge to our company.

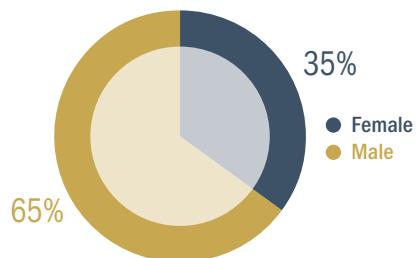
Rate of New Hires



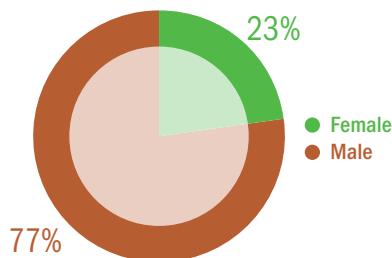
Internal Transfers and Promotions

In addition to our external recruiting efforts, we look within our company for new ways that current employees can contribute to our operations. We support transfers and promotions to allow our employees to gain experience while taking on a new role or responsibility locally or globally.

Promotions Globally by Gender



Transfers Globally by Gender





Current Practice

ON Semiconductor has officially partnered with Fairygodboss, the largest career community for women that supports female professionals to connect with companies that care about gender diversity, read and write anonymous company reviews, as well as discover employer benefits and company culture. As a company, we are always looking for ways to support our female workforce. This partnership helps grow our pipeline of top female talent while emphasizing our commitment to gender diversity.



Current Practice

In February 2019, ON Semiconductor launched the Vietnam Cadetship Engineering Program for local operations. The program allows new graduates the opportunity of a one-year contract as a cadet engineer. The selected candidates acquire necessary knowledge, develop the relevant skills and participate in at least two assigned projects to ensure their success in their roles as official engineers in the future that would be valuable resources for current talent war. The program has been incredibly successful. Over half of the cadets were selected to fill vacant, full-time positions within our operations group.



Network of Champions

At ON Semiconductor, we have several employees who go beyond their everyday functions to educate, train and act as an ambassador in areas related to ethics, corporate social responsibility, culture, philanthropy and risk.

BUSINESS ETHICS LIAISONS (BEL)

How Many Are There:	52
What Regions Do They Support:	All major sites in North America, EMEA and Asia
Primary Responsibility:	<ul style="list-style-type: none"> Education and training on ethics initiatives, policies and procedures Serve as a main contact for the ethics program to all employees at their site and act as a resource for employees to ask questions or raise concerns Promote an ethical culture across the company

CORPORATE SOCIAL RESPONSIBILITY (CSR) SITE CHAMPIONS

How Many Are There:	21
What Regions Do They Support:	All of our manufacturing sites in North America, EMEA and Asia
Primary Responsibility:	<ul style="list-style-type: none"> Support internal/external audits Ensure site labor, ethics, environmental health and safety practices, policies, procedures and CSR management systems fully comply to RBA Code of Conduct, key customers' requirements and applicable national and local legal requirements Leads CSR activities at the site level (e.g. communications, training, etc.) and encourage sharing of best practices

CULTURE CHAMPIONS

How Many Are There:	90
What Regions Do They Support:	One champion each representing our human resources and business units at all major sites in North America, EMEA and Asia
Primary Responsibility:	<ul style="list-style-type: none"> Implement culture roadmap at sites to meet the needs of colleagues and the broader ON Semiconductor community Coordinate and communicate culture activities and programs at sites in effort of creating a positive culture Build strong interpersonal relationships, drive innovation and engage in collaboration/information sharing

GRANT ADVISORS

How Many Are There:	30
What Regions Do They Support:	All major sites in North America, EMEA and Asia
Primary Responsibility:	<ul style="list-style-type: none"> Educate employees about ON Semiconductor giving program and the company Foundation Review philanthropic requests (employee donations, grant applications, etc.) to ensure they align with our giving principles Communicate with employees and organizations on the final decision of request, as well as report quarterly on designated region's philanthropic activities

RISK CHAMPIONS

How Many Are There:	22
What Regions Do They Support:	22 functional groups across the company
Primary Responsibility:	<ul style="list-style-type: none"> Serve as risk management subject matter experts and lead risk management activities for their functional groups Prepare enterprise risk management (ERM) reports for the board of directors, CEO and executive management Promote ERM and instill a culture of risk awareness and discipline throughout the company

Grace Wan | Business Ethics Liaison, Singapore

"It is of great honor to be personally selected by the Company's Ethics Committee to be a Business Ethics Liaison (BEL) serving our regions in Singapore and Australia. A role that is not trained by scripts and is open to anyone irrespective of their ranks within the Company.



Chosen for the special 'something' that each BEL uniquely has, that when the time in need arises, one will go the extra mile to represent the voice of the employee and to bring the issue to the right level of authority for action."

Shaun Harry | CSR Site Champion, Nampa, Idaho

"Being directly involved in the company's social responsibility program. I am continually encouraged to find ways to improve and expand our CSR standards. I ensure our local team has the necessary information to collaborate and utilize the tools needed to be successful. Discussing strategies with our other locations allows me to share my experiences and learn new methods for CSR implementation. I am proud to see the positive impact of our commitment and our team's hard work to make our communities better."

**Pascal Vercruyse** | Culture Champion, Oudenaarde, Belgium

"The beauty of the culture alignment program is that it focuses on a number of universal human desires. We all want to learn and develop, and each of us have the ability to teach something to someone else; I am confident that we all have ideas to improve our business. As a



Culture Champion, it is truly exciting for me to watch people pursue their passion for teaching, discover new things, and to see people's ideas illuminated through workplace collaboration. I am optimistic this will lead to a stronger, more cooperative global model."



Learning and Development

[GRI: 205-2] [GRI: 404-2] [GRI: 412-2]

Mission

Drive the skill development and effectiveness of our global workforce, through innovative learning solutions.

ON Semiconductor is committed to providing career advancement and development opportunities. Our employees are crucial to the success of our company and it is important for us to provide global programs that recognize, develop and enable our employees to grow. Our career development philosophy is that employees own their careers by leveraging the programs, tools and resources available to them. Employees are encouraged to collaborate with their manager to craft a personal development plan that aligns with their career goals.

Leadership Pathways Model

To help support the mission of our learning and development program, and to assist in one of our culture priorities of learning, ON Semiconductor implemented our Leadership Pathways Model, which focuses on five pillars: 1) Leadership; 2) Change Readiness; 3) Communication; 4) Diversity and Inclusion; and 5) Business Strategy. Whether an individual or a senior leader, all individuals at our global sites have access to courses under each of the pillars. The graphic should be viewed from left to right to view.

Percipio

In addition to our variety of instructor-led trainings, we switched our e-learning platform from Skillsoft to Percipio, an intelligent learning platform. Percipio empowers employees to take ownership of their development by offering a full range of videos, books and audiobooks at their fingertips.



Percipio offers:

- Curated channels: Learners can access more than 50,000 pieces of content, which have been organized into 450 curated channels or learning paths, making it easy for users to follow a clear and progressive learning process.
- Personalized homepage: Each user will have their own personalized homepage, giving them the ability to create playlists and pick up where they left off, and receive assignments.
- Micro-learning videos: There are a myriad of short (3-5 minutes) learning videos that provide targeted and focused learning for specific tasks.

Compliance Training

Compliance training is required for new hires when they first join the company and for existing employees on an annual basis. Mandatory courses cover topics including the Code of Business Conduct, corporate social responsibility, information security awareness, anti-discrimination and harassment, and non-retaliation. We also launched a set of targeted trainings to certain populations of employees, including data privacy and compliance with U.S. export controls.

Compliance Training

Course	Completion Rate
Code of Business Conduct	99.6% (Asia: 23,264; Japan: 2,034; North America: 4,648; EMEA: 3,849)
Corporate Social Responsibility	99.6% (Asia: 23,202; Japan: 2,034; North America: 4,649; EMEA: 3,852)
Information Security Awareness	99.6% (Asia: 23,190; Japan: 2,033; North America: 4,650; EMEA: 3,850)
Anti-Discrimination and Harassment	99.6% (Asia: 23,643; Japan: 2,070; North America: 4,755; EMEA: 3,892)
Non-Retaliation	99.6% (Asia: 23,643; Japan: 2,070; North America: 4,755; EMEA: 3,892)

Education Reimbursement

Our Global Educational Opportunities (GEO) program provides monetary assistance to qualified employees who choose to pursue college or university diplomas and degrees. We offer this program to encourage employees to increase their technical competencies and deliver value-added contributions toward company objectives. Employees can receive assistance for courses, certification programs and degrees for furthering their formal education.

Executive Roundtable Program

The Executive Roundtable program was developed from the 2015 employee engagement survey feedback and is designed to support the corporate initiatives around communicating strategy and strengthening career development. This program recognizes and supports high performing employees by creating learning opportunities and providing them with exposure to the executive team. In 2019, we held three roundtable sessions in Japan, Philippines and at our corporate headquarters in Phoenix, Arizona.

Lean Six Sigma

Our Lean Six Sigma (LSS) program uses a structured methodology to improve business processes by combining two approaches: Lean and Six Sigma. In 2019, our company shifted focus to include more concepts from Lean – a continuous improvement philosophy that aligns people and processes to enhance value to the customer while creating a culture of shared thinking, and engaging all employees within an organization. To add a greater focus on Lean, our company developed and conducted new Lean training courses, conducted kaizen events (rapid improvement projects) and created an intranet site to document Lean projects and kaizen events. By shifting a greater focus onto Lean, we will be able to maximize customer value while minimizing waste.



- 110 employees trained in Lean
- 278 employees trained in LSS
- 98 LSS projects completed
- \$5.1 million USD in financial benefits
- 73 LSS Belts certified

EMPLOYEE Engagement

Employee Engagement

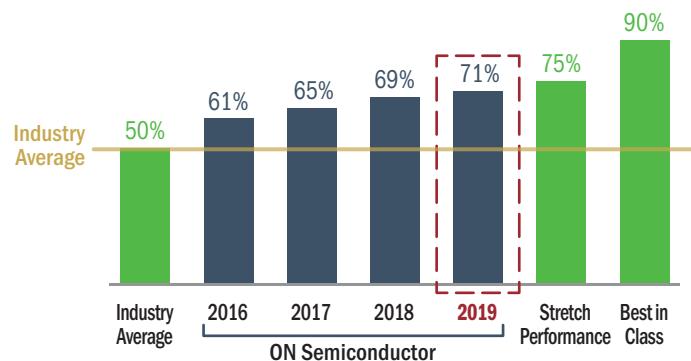
Since 2013, we have collaborated with National Business Research Institute (NBRI) on a biennial basis to conduct a company-wide employee engagement survey to ensure valid data gathering, analysis processing and survey results that truly represent the feelings of our employees.

With this established cadence of deploying a full-census engagement survey, we sought to build on our data gathering effectiveness. To ensure we remained focused on critical employee feedback and input from the 2017 full-census engagement survey, we introduced an abbreviated 'pulse' survey in 2018 inviting 5,000 employees to participate. In 2019, we expanded our pulse survey to be company-wide (approximately 32,000 employees invited) and are proud to have realized a 10-point increase in our overall score in the last four years. We also had a 79% participation rate. Additionally, we measured employee sentiment on diversity and inclusion and our culture priority items.

This year, we have established a relationship with a new engagement partner, Willis Towers Watson (WTW). WTW offers impressive thought leadership in the area of employee engagement. Additionally, they provide a robust survey model and platform that is a strong enhancement to our employee listening strategy. All ON Semiconductor employees will have the opportunity to offer their feedback via an enriched model when the 2020 full-census engagement survey is launched this fall.



Overall Engagement Performance



Performance Management and Employee Recognition

[GRI: 404-3]

We strongly believe that setting clear performance expectations and goals lead to an overall improvement in business performance. We encourage our managers to use a fair performance management process by setting clear expectations, delivering regular feedback, identifying career paths and development opportunities, properly evaluating performance, and clearly linking it to compensation and recognizing and rewarding top performers. In 2019, all of our employees received a performance appraisal.

In order to recognize individuals and groups who make clear differences to our company and stakeholders, we offer our employees a variety of reward and performance recognition programs. These programs include competitive base salaries, performance based cash and equity awards, an employee stock purchase plan (subject to location), comprehensive health-care plans and company contributions to retirement plans, which ensure our employees have the means to adequately prepare for life after ON Semiconductor.



Current Practice

Our Employee of the Year program, dating back to 2015, focuses on identifying and rewarding top performers within our global organization. By continuously enhancing our culture of recognition, we are driving employee engagement, motivation, satisfaction and retention – all of which lead to the continued growth and success of the company.

In 2019, over 100 employees were nominated and 12 winners from North America, EMEA and Asia were announced in early 2020. Winners received a bonus, trophy, certificate and an Alaskan cruise for them and one guest. Runners-up received a bonus and a certificate.

Employee Benefits

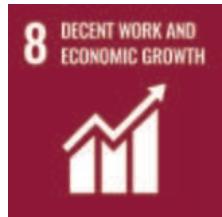
[GRI: 201-3]

The Paid Parental Leave of Absence Policy offers eligible employees up to eight weeks of time off at 100% of their regular base pay to welcome a new child (whether by birth or adoption), and is available to eligible employees in the U.S. This policy runs concurrently with the Family Medical Leave Act and any state or other leave laws, which provide job protection to new parents. To learn more about benefits offered by our company (such as paid time off, savings programs and healthcare options) to our employees globally, see our [regional benefits summaries](#) online and [2019 SEC Form 10-K](#).

Human Rights

Overview

Our formalized [Human Rights Policy](#) demonstrates our commitment to preserving, protecting and promoting the fundamental rights of others as reflected in the Responsible Business Alliance (RBA) Code of Conduct, Universal Declaration of Human Rights, United Nations (UN) Guiding Principles on Business and Human Rights and UN Global Compact to which we are a signatory. Our commitment to international human rights standards and local laws are rooted in our core values and reinforced through our [Code of Business Conduct](#) and other company policies.



Prevention of Slavery and Human Trafficking

To prevent slavery and human trafficking, we implemented our [Slavery and Human Trafficking Policy Statement](#), which ensures we are aware of and have a zero tolerance toward human rights violations. We have implemented policies, procedures and management systems to ensure that all work at our company is voluntary and that workers are legally entitled to leave the company without penalty. Our company also ensures that workers are not required to hand-over government issued identification and original work permits to our company or any of our labor agents. We train our human resources staff and labor agents on the company's practices related to anti-human trafficking and conduct on-site verification to ensure compliance. Incidents of slavery and human trafficking are also verified in our supply chain using risk assessments and site visits.

Our employees and other stakeholders are encouraged to report any concerns they may have on human trafficking through our ethics helpline, the global trafficking hotline at 1-844-888-FREE or emailing help@befree.org.

Prevention of Child Labor

Our practice on the use of child and young labor is based upon our global minimum employment age policy. The purpose of this policy is to define and ensure that sufficient measures and controls are in place to verify the minimum age of individuals working at our company. As a rule, we only employ individuals who are at least 18 years of age by the first day of employment. The only exception to this rule is in China, where the minimum age for employment is 16 years old. To confirm candidates for employment meet the minimum age requirement, members of our human resources department perform due diligence to make sure we are complying with federal, state, regional and local requirements. The global minimum age policy also describes the process to be followed and protection afforded to discovered child laborers.

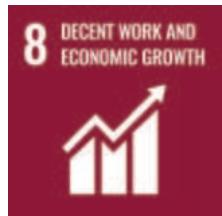
We apply the same minimum age requirement for employment at our supplier companies and labor agencies. We work to ensure that our suppliers have the necessary policies, procedures, measures and controls in place through risk assessments and on-site verification to avoid incidents of child labor within our supply chain.

Health and Safety

[GRI: 403-1] [GRI: 403-7] [GRI: 403-8]

Overview

Our health and safety programs are based on our company's [Environmental, Occupational Health and Safety \(EOHS\) Policy](#) and are a priority at each of our sites. Establishing a healthy and safe environment allows our employees to come to work each day without fear of injury or illness, and is vital to the quality of life of our employees and the success of our business.



Management Approach

Our environmental health and safety (EHS) management system ensures that EHS issues are identified, corrected and communicated to management and corrected in both manufacturing and non-manufacturing situations. Our non-manufacturing sites follow our internal procedures and local regulations related to health and safety, while our manufacturing sites conform to OHSAS 18001 specifications. In 2014, we implemented an external audit and certification to OHSAS 18001 and self-declaration of conformance by corporate audits and quarterly reviews. Approximately 82% of our workforce are covered by the OHSAS 18001 management system, which is audited both internally and externally for third-party certification. For a list of all our manufacturing sites with OHSAS 18001 certification, visit our [certifications and qualified sites chart](#). Beginning in 2020, our sites will transition to the ISO 45001 workplace health and safety standard.

Safety Standards and Programs

Our safety standards are applicable to all global facilities and allow us to continuously maintain and improve health and safety work areas. Procedures regarding emergency preparedness, hazardous materials, industrial hygiene and health resources and safety are standardized throughout our company. To promote a transparent and reliable culture, information is shared with all sites to further mitigate health and safety risks. Upon hire, all employees receive safety training and many receive additional safety training depending on their area of responsibility and associated risks.

To protect our employees, we have a hierarchy of control-based risk analyses conducted by members of our EHS team members. Health and safety risks are identified and addressed while considering factors such as processes and tasks, equipment and machinery, environment, location and trends. Once risk exposures have been assessed and assigned a risk rating, a risk control plan is developed with key priority areas for action and tested for effectiveness.

In 2015, we launched our safety culture transformational program and have since seen improvements in our performance. Through this program, daily workplace safety inspections are performed by employees in their areas to ensure there are no unsafe conditions present. Employees are also encouraged and trained to stop their work or the work of others, if an unsafe condition and/or act is observed. Managers of departments discuss safety matters with their staff weekly and senior site managers are required to do so monthly. Employees are encouraged to indicate safety issues or positive observations during these meetings. Additionally, we implemented a peer-to-peer job safety review program in all of our factories so that employees can provide effective feedback to each other regarding unsafe habits, acts or conditions.



Current Practice

ON Semiconductor's Burlington, Canada site hit an incredible safety milestone on July 4, 2019: 2,000 days without a lost workday accident or incident. This is equivalent to over five years without a workplace reportable injury. This is a testament to our commitment to the motto "safety first and quality always." It was an outstanding achievement and a celebratory lunch was held for the site employees.



Energy Efficient Semiconductors

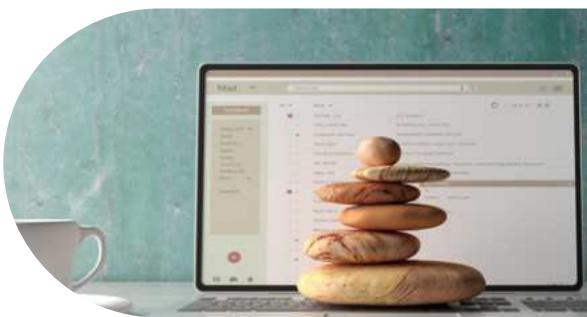
Within our safety culture program, there are five levels of safety that a manufacturing site can reach, one being the lowest and five the highest. Each level has criteria that must be met in order to progress from one level to the next. In 2015, each of our manufacturing sites started at level one. At the end of 2019, all sites confirmed that they were able to close out all of the improvement actions that were identified during the companywide safety culture audits that were performed in 2018. In 2020, empowerment of front-line leaders as safety champions will be our main point of focus in our safety culture program.

To embed a strong safety culture within our organization, employees are encouraged and incentivized to report unsafe acts or conditions to their management, EHS department or our anonymous ethics helpline.

Health and Wellness

[GRI: 403-3] [GRI: 403-6]

As a company, we are committed to creating a culture of wellness and nurturing a healthy, productive workforce. For us, wellness includes many dimensions of physical and emotional health, social support, spiritual wellness and financial success. Although there is a clear advantage to having a healthy and focused workforce, we also believe that leading a healthy lifestyle outside of work is just as important.



Health Programs

Physical Health

We offer programs focused on nutrition, weight loss, physical fitness and the avoidance of unhealthy habits like smoking, drinking and drug use. Several of our sites globally offer subsidized gym membership plans, access to fitness classes and/or on-site gym facilities.

Medical Health

Some of our sites employ occupational health resource specialists while others have in-house clinics. We also contract doctors in certain locations who provide services for employees. We offer comprehensive health insurance plans and many of our sites organize annual physicals and preventative health screenings. We abide by the European Union General Data Protection Regulation (GDPR) to protect the privacy of all employees.

Emotional/Mental Health

Our company has implemented employee assistance programs at many of our sites globally. These programs allow individuals to consult with specialists as a first-line of support for mental well-being matters. Some of our sites also offer 'relax areas,' which provide a rest and relaxation space to help prevent issues caused by sedentary work and stress.



Relax room in Roznov, Czech Republic



On-Site Dental Clinic in Carmona, Philippines



On-Site Gymnasium in Pocatello, Idaho, USA



OUR PLANET

OUR PLANET

Overview

We are committed to a greener world by keeping sustainability at the forefront of our operations. We work to reduce Scope 1 and 2 emissions, minimize the consumption of energy, save water and reduce chemical usage and waste generation. With an in-house team dedicated to sustainability excellence, we have achieved marked successes within our many conservation programs, all of which are vital to the success of our semiconductor device manufacturing business. We continually invest in engineering and administrative controls to prevent environmental pollution in the form of waste disposal, air emissions and industrial wastewater emissions; our company meets or exceeds legal requirements for environmental protection. Air emissions and industrial wastewater effluent are treated using effective technology and employees are trained to follow procedures, which prevent unnecessary damage to the environment.

As a sign of our commitment to sustainability, we adhere to an increasing number of laws and regulations including [Restriction of Hazardous Substances \(RoHS\)](#) and [Registration, Evaluation and Authorization of Chemicals \(REACH\)](#) within our own manufacturing process as well as those of our suppliers. We continuously work with our suppliers to certify that our products are free from any restricted materials and to ensure that all metals utilized in our products are sourced from conflict-free mines.

Management Approach

Our approach to environmental sustainability is guided by our company's [Environmental, Occupational Health and Safety \(EOHS\) Policy](#), which forms the basis from which our company implements, maintains and improves our environmental management system. Procedures for our environmental management system conform to the International Organization for Standardization (ISO) 14001 certification. Compliance with and certification to ISO 14001 provides us with a competitive advantage as we use our flexible manufacturing network to meet the needs of customers around the world. As part of ISO 14001, we evaluate our environmental aspects including changes, planned or new developments and activities in support of our operations and products. Our global EHS support group and manufacturing locations, which supply to customers, are also ISO 14001 certified. For a list of all our manufacturing sites with ISO 14001 certification, visit our [certifications and qualified sites chart](#).

Global Environmental, Health and Safety

Governance Structure

President/CEO

Board of Directors, Corporate Governance & Nominating Committee

Global Environmental, Health & Safety Program Office

Regional Environmental, Health & Safety
(North America, EMEA, Asia)



5%* Chemical Consumption

*5% absolute facility chemistry, 3% normalized manufacturing chemistry



5% Energy Consumption



5% Water Consumption

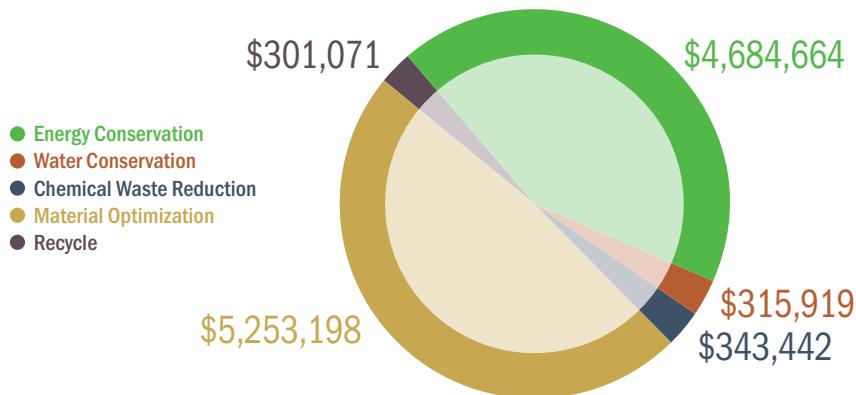


5% Carbon Emissions



We implemented five-year targets on our environmental conservation performance for our wafer fabrication facilities (fabs), and assembly and test operation sites; for each of these goals, we use our 2015 performance as our baseline. We are working to develop appropriate science based targets for our next environmental goal cycle.

2019 Sustainability Project Savings in \$U.S.



Examples of Projects

Energy Conservation	Reducing electricity or fuels (i.e. natural gas, diesel fuel, propane)
Water Conservation	Reducing water usage or recycling water
Chemical Waste Reduction	Reducing the amount of process and facility chemicals in production of our products or performance of our facilities
Material Optimization	Reducing the amount of material needed in the processing of our products (i.e. using packaging more efficiently)
Recycle	Diverting waste from landfill/incinerator to a more sustainable waste stream

Climate Change

[GRI: 201-2]

We are aware of potential opportunities and risks associated with climate change and have integrated the process of climate change into our business operations and strategy in a number of ways. Through our environmental conservation programs, we focus on reducing our carbon footprint and improving the electrical and fuel energy efficiency of our company's operations. Our products help contribute to climate-related reductions through our power management and energy efficient products. We also encourage our customers to include them in their designs. We educate and encourage our employees to live sustainably in their personal lives. We advocate that even small actions can make a difference. Our enterprise risk management (ERM) and business continuity programs work in tandem. Identification and assessment of long-term climate-related risks through the ERM program and implementation of continuity plans help mitigate short-term risks to our organization, affected communities, operations, employees, stakeholders and strategic business objectives from climate change and/or natural disaster incidents.



In addition, increasing energy demands and greenhouse gas emissions are driving a global mandate for energy efficiency and reduced emissions, including the replacement of fossil fuels by clean alternative energy sources. Government regulations for improved energy efficiency in countries such as the U.S., United Kingdom, France and China are further enforcing this mandate. Fortunately, our comprehensive portfolio of power, analog and intelligent sensors and connectivity products is designed to minimize power consumption and improve energy efficiency. Examples of these products include solar inverters, efficient motors for fans, HVAC units, power tools, power conversion (as a part of the shift toward renewable energy), electric cars and the general movement from coal to renewables.

Scope 1 and 2 Emissions

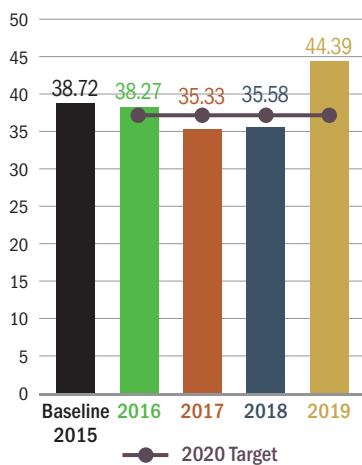
[GRI: 305-5]

We are dedicated to reducing our energy consumption and overall carbon footprint by 5% from 2016 to 2020. We have reduced emissions by 9,341 metric tons of CO₂ equivalent through 35 projects in four countries in 2019. We saw a rise in Scope 1 and 2 emissions normalized units (photo-moves for wafer fab operations, kWbonds for assembly and test operations) in 2019 due to a decrease in these volumes, which negatively affected our performance.



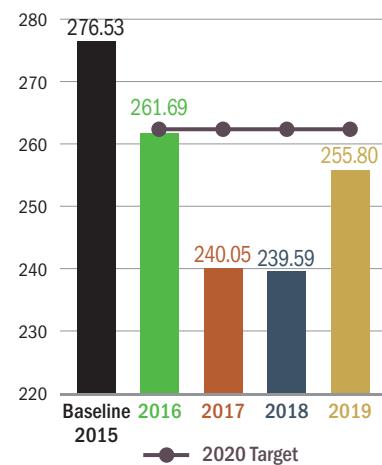
Scope 1 & 2 Emissions at Wafer Fab Operations

[g CE/Unit] – Normalized Values



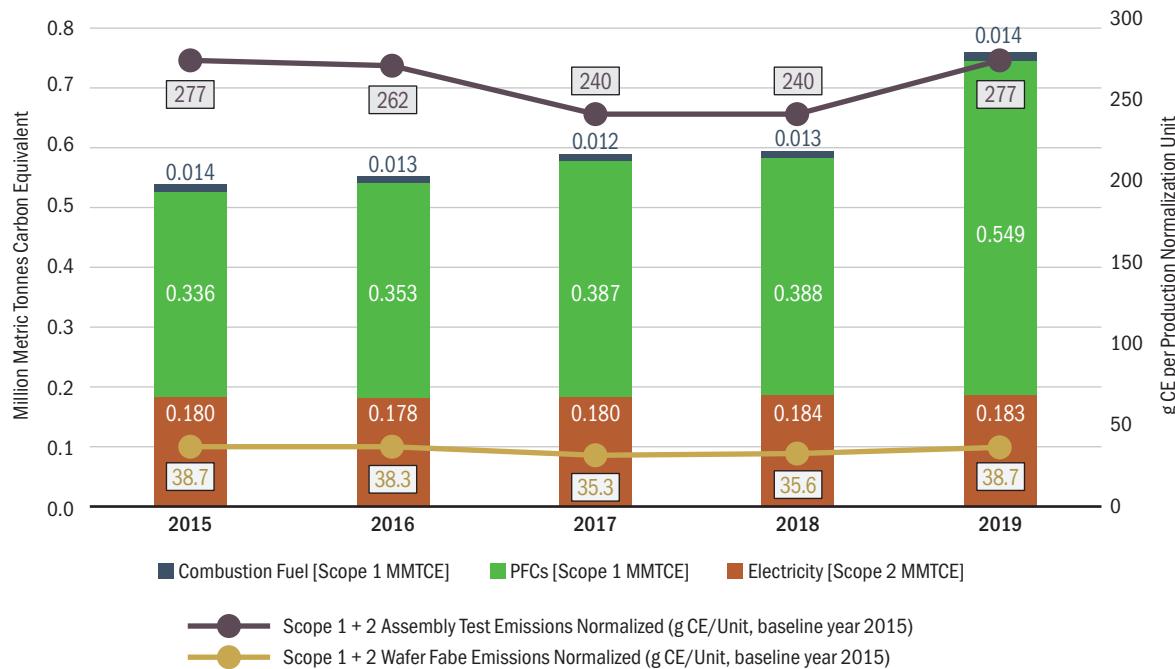
Scope 1 & 2 Emissions at Assembly and Test Operations

[g CE/Unit] – Normalized Values



Our company also encourages employees to consider the impact of everyday activities on the environment. We recognize that commuting can be costly, and therefore try to reward employees who take advantage of various commuting options such as vanpooling, carpooling, bus or rail travel and bicycle use. Many of our global sites offer various employee trip reduction plans and monthly subsidies depending on location and local regulatory trip reduction requirements. In 2019, our employees in Phoenix, Arizona prevented eight tons of pollution by using alternate modes of transportation. We also offer electric vehicle charging stations for those who have electric vehicles.

Scope 1 & 2 Greenhouse Gases (GHGs) by Source



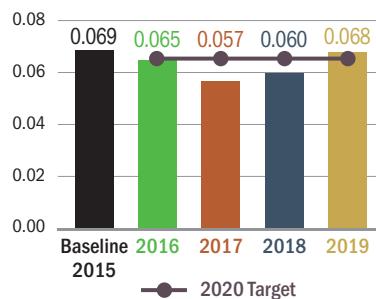
Energy Consumption

[GRI: 302-1] [GRI: 302-4]

Energy efficiency is central to the success of our products and operations. Along with our products, which help to reduce energy consumption, we regularly implement energy conservation and consolidation projects. Our total energy consumption was 1,747,719,766 (kWh), with electrical and fuel consumption (from non-renewable resources) being 846,912 gigajoules. We saw a rise in electricity consumption normalized units (photo-moves for wafer fab operations, kWbonds for assembly and test operations) in 2019 due to a decrease in these volumes, which negatively affected our performance.

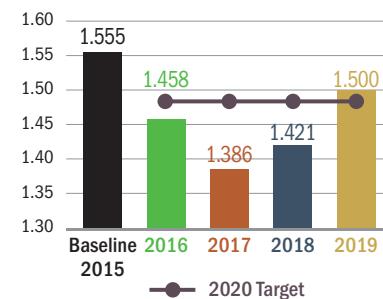
Electricity Consumption at Wafer Fab Operations

[kWh/Unit] – Normalized Values



Electricity Consumption at Assembly and Test Operations

[g CE/Unit] – Normalized Values



Current Practice

Our manufacturing site in Suzhou, China focused on an energy conservation project in 2019. Suzhou reduced energy demand through operations focusing on actual terminal demand and seasonal temperature. Energy reduction through actual terminal demand was achieved by powering off idle machines, adjusting running quantity, loading rates and optimizing the parameter. The total annual savings for this project is over \$185,000, more than 32% of their original goal.



Water Management

[GRI: 303-1 – 3]

High purity water is a necessity for semiconductor manufacturing as it is used in delivering chemicals, washing wafers and many other operations within the fabrication process such as scrubbing the exhaust of our systems to reduce pollution. When complete, the water used in these processes is discharged to waste treatment facilities as non-hazardous industrial waste; most water is supplied to our facilities by third-party resources who report to withdraw from groundwater or surface water.

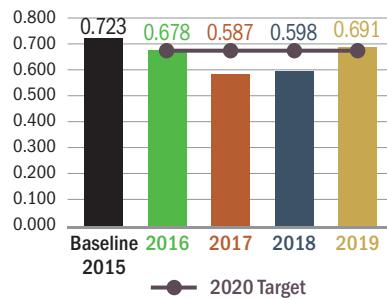


In an effort to identify and avoid negative water-related impacts, there are many tools and methodologies in use throughout our facilities including laboratory analysis of both incoming and outgoing water from a facility. This analysis allows for the continued production of high purity water and ensures against potential negative impacts regarding water waste discharge.

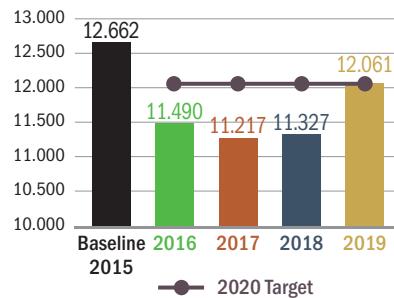
Another assessment used in identifying potential impacts is comparing our organization to common industry practices and standards. Researching these practices and standards allows us to continue to modernize and develop our methodologies to increase efficiency and decrease negative impacts on our water resources. We continuously work with process and facilities engineers to determine process needs, understand the waste that is produced and effectively utilize our resources to focus on conservation, reduction of chemical usage and effective treatment of water waste. We regularly interface with local regulatory agencies to ensure that usage of water resource and water waste discharge is lawful and does not damage the environment.

We actively seek to avoid negative water-related impacts. Our organization strives for transparency with stakeholders, displaying deliberate stewardship of water as the important resource it is. Following this, we firmly believe that reduction in water usage enables the shared usage of water resources and reduces cost within process methods; therefore, we continue to seek out water recycling, reuse and reduce options. Over the last several years, we have drastically decreased the amount of water consumed within our processes, and in 2019 we were able to recycle 6,504 megaliters of water of the withdrawn 14,301 megaliters. That water recycled is the equivalent of approximately 2,500 olympic-sized swimming pools.

**Water Usage at
Wafer Fab Operations**
[liter/Unit] – Normalized Values



**Water Usage at
Assembly and Test Operations**
[liter/Unit] – Normalized Values



Waste Management

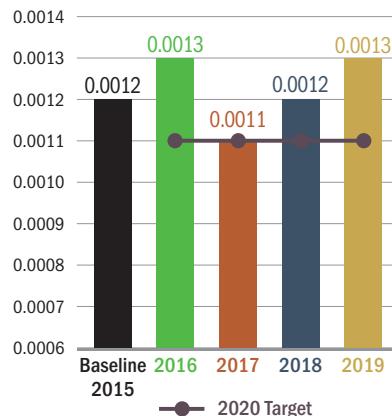
[GRI: 306-2] [GRI: 306-4]

Each of our manufacturing sites have projects that contribute to a reduction in waste. Some of these projects led to a reduction in chemical consumption or increase in recycling waste. For example, our sites have implemented projects that expand the lifetime of cleaning baths, modified processes to reduce the volume of chemicals per wafer, or installed mini pumps for optimal application of chemicals.



In 2019, the total amount of hazardous and non-hazardous waste that we recycled from our manufacturing and non-manufacturing sites globally was 14,958,208 kilograms, while waste directed to landfill was 5,875,919 kilograms. Our total hazardous waste transported was 6,474,809 kilograms; this includes both solid and liquid waste, but does not include gaseous emissions, wastewater discharge or any waste associated with on-site wastewater treatment.

Process Chemicals Usage at Wafer Fab Operations
[kg/Unit] – Normalized Values



Process Chemicals Usage at Assembly and Test Operations
[kg/Unit] – Normalized Values



Current Practice

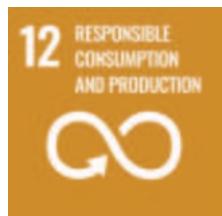
At our Bucheon, Korea manufacturing site, the equipment engineering team is utilizing an additional 20% of LC-3200 bottles, saving 230 liters per year, approximately 68 bottles. This is an example of a project focused on material optimization and chemical waste reduction.



Reclaim and Recycle

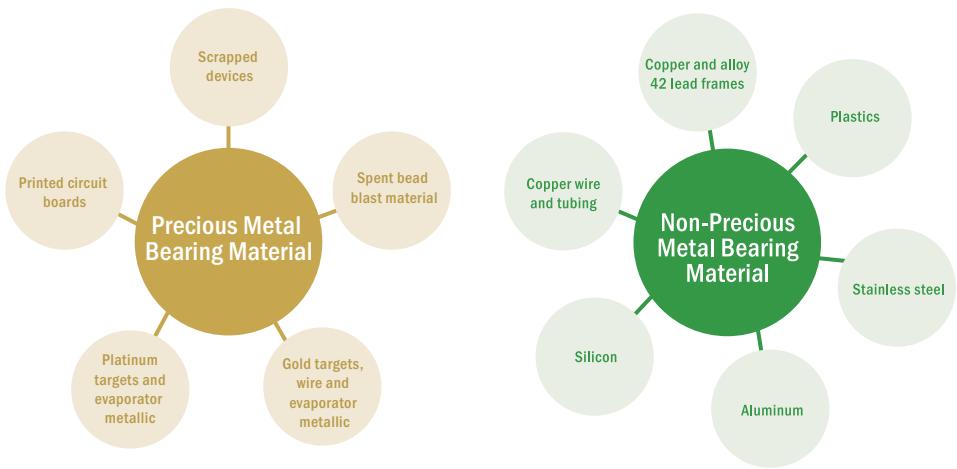
[GRI: 301-1]

Our global reclaim objectives reflect our commitment to environmental sustainability and resource conservation while optimizing our network, protecting our intellectual property, and maximizing and re-capturing profits. Our main reclaim center is located at our headquarters in Phoenix, Arizona, but some of our manufacturing sites also reclaim and recycle their own materials. The manufacturing scrap, which is processed, can be broken down into two categories: precious metal bearing material and non-precious bearing material.



Our [take-back and recycle program](#) provides our customers with an environmentally responsible solution for the return, recycling and disposal of their products, including printed circuit evaluation boards. This program also helps ensure compliance with the current and forthcoming regional regulations involving producer responsibility for the recycling and proper disposal of electronic waste products.

In 2019, approximately 910,000 kilograms of scrap materials and 1,376 kilograms of precious metals from our worldwide manufacturing facilities, equivalent to the weight of approximately 167 African elephants, were processed, sorted and sold for reuse. The reclamation of these materials recouped more than \$22 million USD.



Current Practice

In October 2019, the Arizona Recycling Coalition recognized their 2019 Grant, Scholarship and Award recipients at their annual awards luncheon. The celebration took place during the Solid Waste Association of North America (SWANA)'s WASTECON conference at the Phoenix Convention Center (SWANA is an organization of public and private sector professionals committed to advancing solid waste management to resource management through their shared emphasis on education, advocacy and research). At the event, ON Semiconductor was honored with Recycler of the Year, Large Business Award for our recycling efforts at our ON Semiconductor Reclamation Center.





Current Practice

ON Semiconductor was awarded the Award of Distinction by Arizona Forward, an organization devoted to sustainability progress for Arizona, for their outstanding contributions toward sustainability. Arizona Forward celebrated its 50th anniversary with the community during an awards gala in September 2019, which drew over 650 social influencers and innovators representing public and social interests. Award categories included: the governor's award for Arizona's future; buildings and structures; site development and landscape; healthy communities; technology innovation; art in public places; sustainability champion; and waste reduction.

This was the first year that ON Semiconductor applied for an Environmental Excellence Award. There were 12 nominees highlighting the private and public sectors of Arizona in the sustainability champion category. ON Semiconductor's Award of Distinction in this category is a spotlight on the ON Semiconductor Reclamation Center and the fascinating ways they sort and dispose 2.5 million pounds of scrap materials annually.



OUR COMMUNITY



OUR COMMUNITY

Overview

At ON Semiconductor, we strive to make a positive impact in the communities where our employees work and live. Our financial contributions and employee volunteer efforts target community needs in the areas of science, technology, engineering, arts and mathematics (STEAM) education, health, disaster relief, environment and human services. Through our community initiatives, we aim to create a relationship of mutual trust and respect between our company and the local communities in which we operate. The results of our community outreach programs have led to a more engaged workforce, greener communities and swift disaster relief efforts as well as increased and more equitable access to education, health care services and basic human necessities.

ON Semiconductor establishes long-term partnerships in the communities in which we operate. One example is our continued partnership with the Starkey Hearing Foundation, which began in 2008 and has been featured in previous CSR reports. The Starkey Hearing Foundation has a mission to improve the lives of individuals, families and communities throughout the world with the provision of hearing aids. Also, ON Semiconductor recognizes the need for a skilled and talented workforce, and began a partnership in 2017 with Arizona State University, the nation's leading university for innovation, to ensure a pipeline of engineering and business professionals and technological development continues to remain strong. Partnerships like these with the Starkey Hearing Foundation and Arizona State University are an integral component to our business strategy and ensure we are making a positive impact in the communities in which we operate and around the world.

ON Semiconductor Foundation

In February 2019, we established the ON Semiconductor Foundation, a nonprofit organization formed under the laws of the State of Arizona. In January 2020, the ON Semiconductor Foundation began running and funding as a 501(c)(3) nonprofit organization. It is overseen by an employee-based board of directors who manage its daily operations and approve recommendations made by our global grant advisors. The creation of our Foundation converted the global corporate giving (GCG) program and employee volunteer program (EVP) to strategically leverage our resources, talent and efforts to support nonprofits and educational institutions around the world. In 2019, we invested over \$2 million USD to support our communities worldwide.

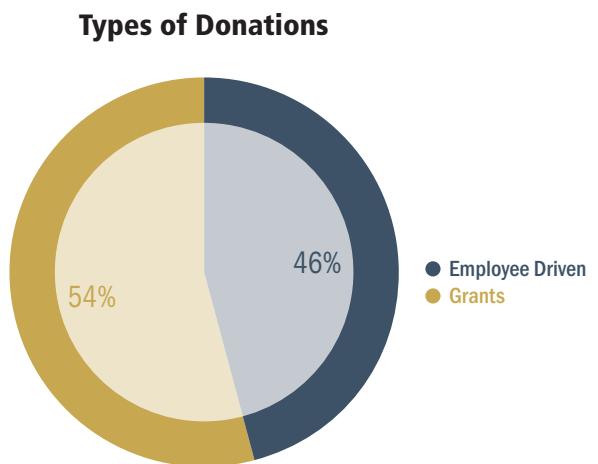
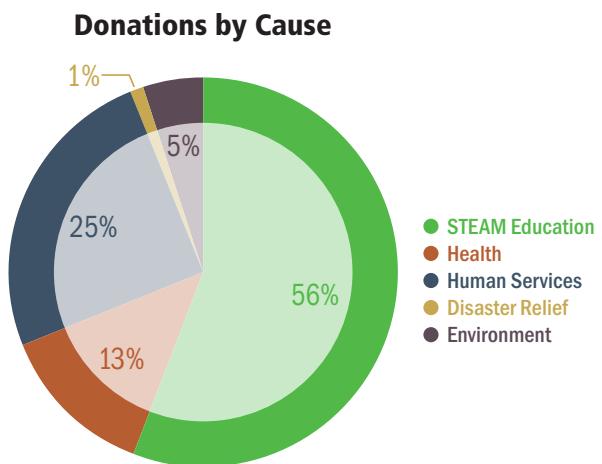


ON Semiconductor
F o u n d a t i o n

Energy Efficient Semiconductors

Since 2016, our company has funded more than \$5 million USD in grants, employee matching and in-kind donations, as well as sponsorships and dollars-for-doers for employee volunteerism. Through our diverse network of grant advisors, we are able to carefully select our community partners based on need, while also taking into account cultural, institutional and operational differences across regions. In order to achieve long-lasting economic value and social good, we rely on other stakeholder groups including executive leadership, the company's board of directors, our employees, educational institutions and nonprofits. We engage these stakeholders on an on-going basis to best understand how we can build stronger communities together.

For more information, visit our [ON Semiconductor Foundation page](#).



Brigitte Scheldewaert | Grant Advisor and Foundation Board Member, Oudenaarde, Belgium

"I actively support the corporate social responsibility program, in addition to my daily job functions in the automotive business unit, because it is my honest belief that this program is, and will continue to be, an inseparable component of the overall service and product offering of our company. When I became part of the global corporate giving team some years ago at the start up, I was not sure what to be expected. After a few years, I feel so proud to be part of this team, it gave me the opportunity here in Belgium to pave the way for better partnerships between business and civil society. Thanks to funding, we have been able to create partnerships with schools in our region, introduce STEM projects in our primary schools with help of our own engineers and support many local environmental and social projects. It is my personal belief that we all have a responsibility to make this world a better place for the future and for our children and our company is giving us all the opportunities to act as such."



Employee Volunteerism

We understand the importance of having our company and employees not only do well, but also do good. To encourage our employees to volunteer their time, talent, energy and effort in the community, we introduced a paid employee volunteer program (EVP) in North America in 2017. Through the EVP, employees may volunteer with organizations of their liking during company time for up to one day, traditionally 8–12 hours per year, while receiving their typical pay for the time spent. Additionally, employees are encouraged to participate in volunteer events organized by our company. In 2019, many of our sites hosted days of service to offer both manufacturing and non-manufacturing employees the ability to volunteer their time conveniently and in a meaningful way. To incentivize goodness, we also match our employees' volunteer efforts through a dollars-for-doers program, currently offered only in North America.



Current Practice

For the past 10 years, ON Semiconductor and its compassionate employees have sponsored the Academia Del Pueblo Elementary School in Phoenix, Arizona during the holiday season by providing a gift to each student and their teachers. Academia Del Pueblo is funded and operated by Friendly House, a local education and human services nonprofit organization that relies heavily on charitable donations.

Employees sponsored pre-k to fifth grade students by purchasing gifts, valued at \$25 each, and some even dressed up as Santa to deliver the presents to their classrooms! Students in grades six through eight celebrated the holiday season with a morning full of fun and bowling, courtesy of ON Semiconductor. Employees also sponsored these students with purchasing gift cards valued at \$25 each.

In total, over 420 children benefitted from this local community outreach program and we had more than 35 employee volunteers assist with both activities in December 2019.



Community Impact – Asia Region

Orbis International – Health/Human Services

ON Semiconductor helped support Orbis, a leading non-governmental organization whose mission is to eliminate avoidable blindness in developing countries and to enhance their "Good Sight Good Life" project. This project is helping to develop a vision center at Dong Nai General Hospital, addressing visual impairments due to uncorrected refractive errors, with a special focus in children. Orbis facilitates the delivery of skills, knowledge and resources necessary to provide quality eye care. Orbis also provides hands-on ophthalmology training, assists in strengthening healthcare infrastructures and advocates for eye care. Quality eye care and treatment allows children to return to school and caregivers to return to work.



Singapore Institute of Technology – STEAM Education

ON Semiconductor partnered with the Singapore Institute of Technology (SIT), founded in 2009, to provide scholarships to academically talented students pursuing degree programs in engineering and information technology. SIT integrates learning, industry and community. The funding from ON Semiconductor provided partial scholarships to six honors engineering students.



Lapu-Lapu Fire Aid – Disaster Relief

A massive fire broke out in Lapu-Lapu City, Philippines in July 2019, leaving over 600 families homeless. In September, employees at our site in Cebu partnered with the mayor of Lapu-Lapu City and two barangay captains to give out relief donations such as hygiene kits and five kilos of rice to the families affected by the tragedy.



Cebu Mangrove Planting – Environment

In April 2019, 80 volunteers from our Cebu, Philippines site planted 4,000 mangrove propagules in honor of Earth Day. This yearly activity was led by an environmental health and safety manager, and was aimed at reviving the country's coastlines, which is key in preserving and protecting the environment. Cebu is committed to reducing the effects of global warming and helping the environment. Planting the propagules helps prevent future environmental damage and build resiliency against global warming.

Community Impact – Europe Region

Het Ventiel – Health/Human Services

ON Semiconductor partnered with Het Ventiel, a nonprofit organization in Belgium that is dedicated to helping those with early on-set dementia, by donating two duo-bikes for participants of the program to utilize. Duo-bikes enable early dementia patients to continue cycling even when it becomes too difficult or unsafe for them to do so on their own. The bikes, which cost approximately \$10,000 USD each, allow two people to ride tandem, each at their own pace. The bikes also have the ability to be used electrically. Research has shown the multiple benefits of exercise for those with dementia and ON Semiconductor is honored to help those suffering with this disease continue their active lifestyles.



STEM project De BroeBELschool – STEAM Education

ON Semiconductor helped fund a new STEAM program and project materials for the BroeBELschool STEM Academy in Belgium. At the BroeBELschool, they focus on the total development of the children. Through experiential learning, students discover their talents and learn how to use them optimally. Their small, enthusiastic team works with students to convey the material in a creative way. Through daily circle discussions, forum, working in the vegetable garden and BroeBEL parliament, they work on active citizenship on a daily basis. Dialogue, participation, respect and well-being are essential soft skills of the program.

Salberghaus – Human Services

ON Semiconductor employees were able to donate over €2,800 (approximately \$3,147 USD) to the Salberghaus children's home in Putzbrunn, Germany. The collection was part of their annual holiday charity drive. The giving program expanded on this donation with an additional \$3,000 USD contribution. The children's home applied the donation toward a special play area for children with severe respiratory conditions.



ZeroWaste Switzerland – Environment

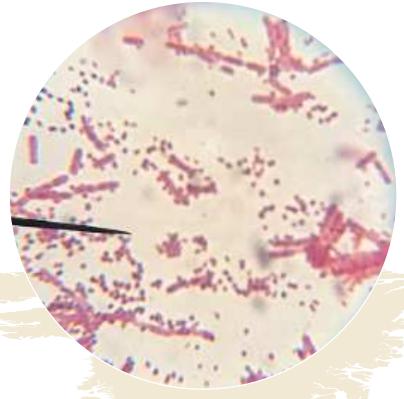
ZeroWaste Switzerland is a nonprofit association recognized by the Swiss government as being vital for public interests. Through its activities and members, it inspires and supports the population, businesses and public institutions in Switzerland to reduce waste at the source. ON Semiconductor provided a grant in Q4 2019 to help them develop and test educational kits for use by children in classrooms to introduce them to zero-waste concepts. The educational kits included discovery sheets on subjects linked to waste and resources management, creative workshops sheets linked to the subjects and recreational games to learn by doing. Kits were initially launched in the canton of Geneva in late 2019 and continue to be tested in classrooms today.



Community Impact – North America Region

Pocatello High School – STEAM Education

ON Semiconductor proudly funded microbiology research at Pocatello High School, located in southeast Idaho. As part of a global initiative, Pocatello High School was one of only two high schools internationally who, alongside 21 university institutions, were selected to participate in a program in which students conduct research on antibiotic resistance. The ON Semiconductor grant provided bacti-cinerators to sterilize reusable inoculating loops to reduce disposable waste, a minus 80 degree freezer for bacteria preservation and infinite duplication, lab glassware and all the variety of agars the students were using to elicit growth of certain types of bacteria from soil. These funds also assisted with the purchase of protective gear for the students and faculty, new lab equipment (including microscopes and slides) and lab furniture, including chemical resistant tables and fume hoods. The donation from ON Semiconductor helped transform an under-utilized science space into a biosafety level two lab.



Human Solutions – Human Services

Human Solutions is a charitable organization based in East Portland/East Multnomah County, Oregon, that collaborates with people and communities affected by poverty by providing affordable housing and community assets to neighborhoods in the area. With the assistance of a grant from our global giving program, the Parkside 106 project was able to break ground on the building of 75 new rental properties, providing housing to low-income individuals and families struggling with housing security and poverty. The building also plans to house a service center and anchor office providing community services and administrative support. Human Solutions projects that approximately

8,000 people will take part in the housing and income security programs provided through this development project when completed in June 2021.

Gulf of Maine Research Institute: LabVenture Program – STEAM Education/Environment

The Gulf of Maine Research Institute (GMRI) LabVenture Experience team transports fifth and sixth grade students from across the state of Maine to their research facility, and allows them to conduct hands-on research in GMRI's state of the art learning laboratory, the Cohen Center for Interactive Learning. Each year, GMRI brings approximately 10,000 students, to the facility and provides a comprehensive half-day field trip that includes transportation, free of charge. The LabVenture program has relied solely on corporate and community funding since its inception in 2005. ON Semiconductor has been a supporter of the program since 2009 and most recently awarded LabVenture a grant in Q2 2019. The funding allowed GMRI to renovate the lab space and revamp the entire program and experience with refreshed content.





Misericordia University – STEAM Education/Environment

Misericordia University, located in Dallas, Pennsylvania is a private, liberal arts institution, with a focus area in science, technology, education and math (STEM) education. They partnered with Lehman Sanctuary, a 17-acre property that engages and educates students and the community with nature. The grant from ON Semiconductor helped Misericordia purchase the water monitoring equipment, which is being used for research with the students. With this, the students use sophisticated equipment to gather at local rivers, lakes and streams to increase awareness on the importance of water quality. This contribution also helped them purchase three microscopes, which were donated to a local STEM academy. Misericordia University anticipates offering four high school students from the academy the opportunity to participate in a one-week research internship experience during summer 2021 following facility renovations.



Appendix

List of Acronyms

3TG	Tantalum, tin, tungsten and gold	NBRI	National Business Research Institute
8D	"8 disciplines" of problem solving	OHSAS	Occupational Health and Safety Assessment Series (OHSAS 18001)
ACEEE	American Council for an Energy-Efficient Economy	OECD	Organisation for Economic Co-operation and Development
ADAS	Adaptive Driver Assistance Systems	ONSC	Manufacturing site located in Shenzhen, China
APAC	Asia-Pacific	ONSZ	Manufacturing site located in Suzhou, China
Back-End, assembly test or subcon (BE)	Manufacturing facility that produces finished product in the package and testing services	OSPI	Manufacturing site located in Cebu, Philippines
BEL	Business Ethics Liaison	OSV	Manufacturing site located in Bien Hoa, Vietnam
CEO	Chief Executive Officer	PAC	Political Action Committee
CFSI	Conflict Free Sourcing Initiative	Ppb	Parts Per Billion
CSR	Corporate Social Responsibility	PFCs	Perfluorinated Compounds
COO	Chief Operating Officer	R&D	Research and Development
D&I	Diversity and Inclusion	RBA	Responsible Business Alliance
DJSI	Dow Jones Sustainability Indices	REACH	Registration, Evaluation and Authorization of Chemicals
DMAIC	Define, Measure, Analyze, Improve and Control	RMAP	Responsible Minerals Assurance Process
DRC	Democratic Republic of the Congo	RMI	Responsible Minerals Initiative
EHS	Environmental Health and Safety	RoHS	Restriction of Hazardous Substances
EMEA	Europe, Middle East and Africa	SAQ	Self-Assessment Questionnaire
ERM	Enterprise Risk Management	SCCE	Society of Corporate Compliance and Ethics
EuP	European Energy Using Products	SDGs	Sustainable Development Goals
EVP	Employee Volunteer Program	SEC	Securities and Exchange Commission
Front-End (FE), fab or foundry	Refers to anything that is processing on a full wafer	SECs	Solutions Engineering Centers
GCG	Global Corporate Giving	SIA	Semiconductor Industry Association
GDPR	General Data Protection Regulation	SiPM	Silicon Photomultipliers
GEO	Global Educational Opportunities	SoC	Systems on Chip
GHG	Greenhouse Gases	SPAD	Single Photon Avalanche Diode
GRI	Global Reporting Initiative	STEAM	Science, Technology, Engineering, Arts, Mathematics
HCCA	Health Care Compliance Association	STEM UP	Science, Technology, Engineering and Mathematics for Under-represented Populations
IoT	Internet of Things	UN	United Nations
ISMF	Manufacturing site located in Seremban, Malaysia	UNGC	United Nations Global Compact
ISO	International Organization for Standardization	VAP	Validated Assessment Program
KPI	Key Performance Indicator	WME	World's Most Ethical Company
L&D	Learning and Development	WSC	World Semiconductor Council
LSS	Lean Six Sigma		
MTCE	Metric tons of carbon equivalent		

Memberships and External Initiatives

[GRI: 102-12] [GRI: 102-13]

Externally developed economic, environmental and social charters, principles, or other initiatives to which we subscribe or endorse:

- Association of Corporate Citizenship Professionals
- Arizona Environmental Strategic Alliance
- Arizona Forward
- Arizona Recycling Coalition
- Arizona Tax Research Association
- Boston College Center for Corporate Citizenship
- Carbon Disclosure Project
- Chief Executives for Corporate Purpose (CECP)
- China Power Supply Society
- Conference Board – Philanthropy and Engagement Council
- Corporate Secretaries and Governance Professionals
- Corporate Volunteer Council of Central Arizona
- Council on Foundations
- The East Valley STEM Alliance
- Electronic Components Industry Association
- Ethisphere's Business Ethics Leadership Alliance (BELA)
- Europe's Energy for Green Society ENIAC JU Project
- Greater Phoenix Chamber of Commerce
- Greater Providence Chamber of Commerce
- Global Energy Research Initiative
- Global Semiconductor Alliance
- Hearing Industries Association
- Mactan Export Processing Zone Chamber of Exporters and Manufacturers (MEPZCEM)
- Malaysian Institute of Integrity and Corporate Integrity Pledge
- Manufacturer Alliance for Productivity and Innovation
- Microelectronic Industry Design Association (MIDAS) Ireland
- Motor Equipment Manufacturers Association/ Original Equipment Suppliers Association (MEMA/OESA)
- National Association of Corporate Directors
- Pocatello Chamber of Commerce
- Power Sources Manufactures Association (PSMA)
- Responsible Business Alliance (RBA) and their Environmental Sustainability and Conflict Minerals groups
- Responsible Minerals Initiative (RMI)
- SEMI
- Semiconductor Electronic Industries in Philippines Inc. (SEIPI)
- Semiconductor Industry Association (SIA)
- Society of Corporate Compliance and Ethics
- Sustainability Reporting Group, American Council for an Energy-Efficient Economy (ACEEE)
- United Nations Global Compact
- United States Information Technology Office
- World Semiconductor Council (WSC)

Memberships with position on governance body:

- China International Semiconductor Executive Summit (CISES), Mark Goranson, advisory board member
- Electronic Components Industry Association (ECIA), Jeff Thomson, member of board of directors
- Fab Owners Association, John Spicer, member of board of directors
- Global Semiconductor Alliance, Bill Schromm, member of board of directors
- JEDEC, Mark Wasilewski, member of board of directors
- Mactan Export Processing Zone Chamber of Exporters and Manufacturers (MEPZCEM), Lilith Montayre, member of board of directors
- Semiconductor Industry Association (SIA), Keith Jackson, 2020 SIA Chair
- Semiconductor Industry Association Communications Committee, Kris Puglsey, chair
- Semiconductor Industry Association Public Policy Committee, Daryl Hatano, chair
- World Semiconductor Council, Daryl Hatano, co-chair U.S. delegation to joint steering committee

Organizations for which we are a founding member:

- CEB Compliance & Ethics Leadership Council
- CSR Board

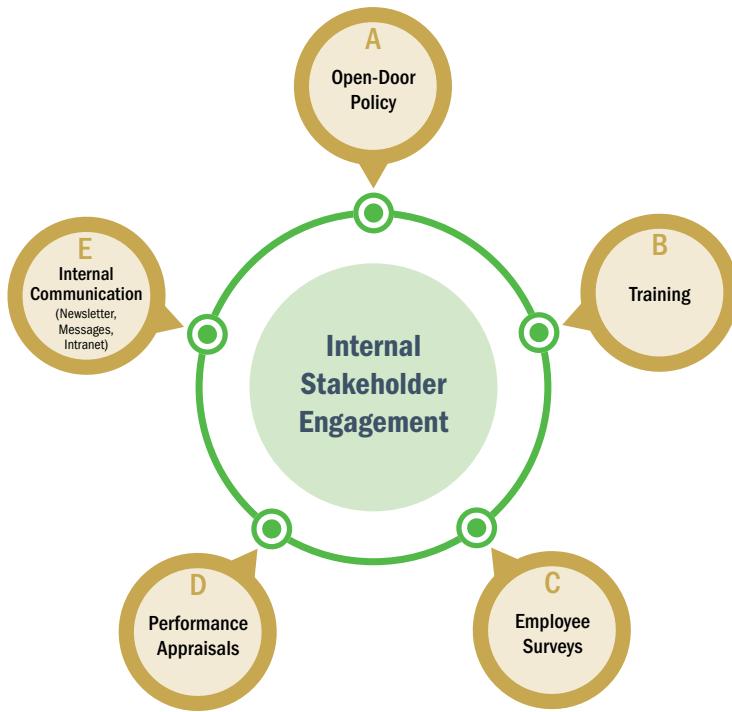
Awards and Recognition:

- 2019 Electron D'Or Award "Connected Objects/Intelligent Building"
- 2019 Forbes 100 Fastest-Growing Companies, ranked #40
- 2019 Forbes Fortune 500, ranked #485
- 2019 IoT Global Award (shortlist)
- 2019 IoT World Best-in>Show Award
- 2019 Gold Stevie Winner for Great Employers
- Arizona Forward: 2019 Award of Distinction
- Arizona Recycling Coalition: 2019 Recycler of the Year
- Barron's 100 Most Sustainable Companies, ranked #15
- Best Employer Brand Awards by Advisory Board and Jury Team of the Employer Branding Institute of India and the World HRD Congress
- Bucheon's Best Employer
- Corporate Knight's Carbon Clean200, ranked #198
- Dow Jones Sustainability Indices – North America Index
- EcoVadis Gold Level CSR Rating
- FMM Excellence Award
- FMM Negeri Sembilan S.H.E. Excellence Award
- International Association of Business Communications (IABC) Silver Quill Award
- Internet-of-Things Product Innovation Award (shortlist)
- IoT Breakthrough: IoT Sensor Company of the Year
- IoT Star Award: Most Influential IoT Sensor Company of 2019
- Just Capital, ranked #144
- LEAP Award
- Malaysia AMCHAM CARES Award
- MarCom Award (two platinum, three gold, two honorable mentions)
- MOSHPA (Malaysian Occupational Safety and Health Practitioners' Association) Award
- Newsweek's America's Most Responsible Companies, ranked #32
- Outstanding CSR Award by Municipality of Carmona (Philippines)
- Philippines Best Companies to Work for in Asia by Business Media Incorporated
- Phoenix Business Journal - #20 Largest Phoenix-area Corporate Philanthropists
- Phoenix Business Journal - #21 Largest Phoenix-area Corporate Volunteer Programs
- Selezione di Elettronica Innovation Award
- Semiconductor Product of the Year – Analogue (shortlist)
- SPDEI Award (French Council For Distribution of Electronique)
- VOKA: Flanders' Chambers of Commerce and Industry: Charter Sustainable Entrepreneurship
- World Finance: 2020 Most Sustainable Company in the Semiconductor Industry
- World's Most Ethical Companies

Stakeholder Engagement

[GRI: 102-40] [GRI: 102-42 – 102-43] [GRI: 102-44]

We believe that the views of our stakeholders are important in making operational and strategic decisions. We identify stakeholders that either have a significant impact on or are significantly impacted by our operations; the method and frequency of engagement varies by stakeholder type.



- A. We maintain an open-door policy, allowing employees to communicate and engage with management staff and human resources.
- B. Our employees globally are trained in our Code of Business Conduct, policies and programs including corporate social responsibility, prevention of discrimination and harassment, anti-corruption and information security awareness.
- C. We conduct anonymous employee engagement and pulse surveys to seek employees' opinions on topics such as work environment, work relationships, job responsibilities, etc. We also administer other surveys on our compliance and ethics program, diversity and inclusion and quality.
- D. We have an objective and fair performance management process, which all employees are a part of on an annual basis.
- E. We communicate with our employees through various mediums including town halls, all hands meetings, use of our intranet, internal communication messages, social media, blog posts and monthly newsletters.



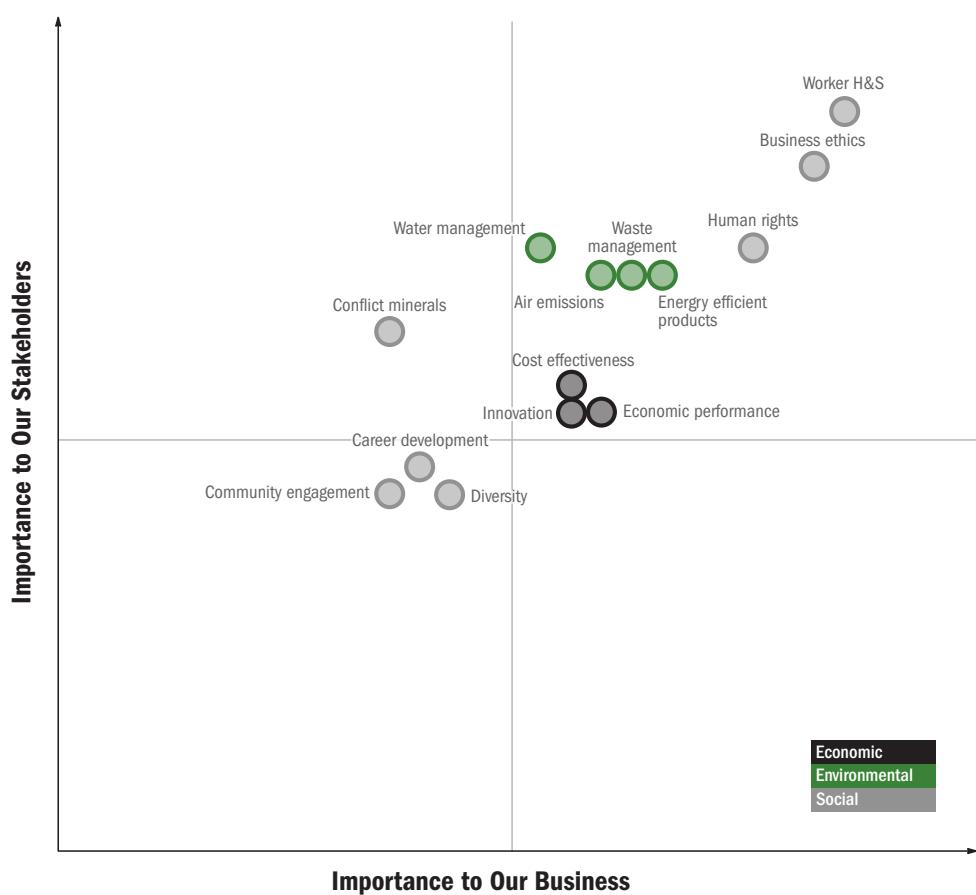
- A. The use of customer scorecards is an ongoing process and provides results that allow us to analyze trends in overall performance for each key attribute included in the scorecard.
- B. We engage our customers on a quarterly basis to discuss results from customer scorecards and customer site visits to our facilities.
- C. Customer satisfaction surveys are distributed on a regular basis in order to obtain insights and improve our performance on issues important to our customers such as sales support, price of products, lead-time and quality.
- D. Customers may post questions about our company and products through our external website to gain expert opinions. The questions are routed through our technical support center, which takes ownership of providing timely and accurate responses.
- E. We participate in a variety of conferences with our customers, suppliers and peers including the Responsible Business Alliance (RBA) conference on an annual basis. We participate in many different trade shows throughout the year to engage existing and new customers and distributors.
- F. We engage our suppliers to communicate and assess risk against our Code of Business Conduct, the RBA Code of Conduct and RMI compliance. We also offer capacity-building opportunities to our suppliers to strengthen their compliance to these standards.
- G. We actively engage with associations that make recommendations to governments and authorities on policy issues related to the semiconductor industry.
- H. We support and strengthen local communities through nonprofit organizations and educational institutions with financial investments and employee volunteerism on an ongoing basis.
- I. We host quarterly earning calls with our shareholders.
- J. We publish annual reports and file with the Security and Exchange Commission on a quarterly basis.

Material Topics

[GRI: 102-47] [GRI: 103-1]

We engaged executive staff, employees, customers and suppliers to determine the materiality of economic, environmental and social issues. The issues presented in our materiality matrix were narrowed down based on our knowledge of the industry, as well as sustainability trends. While all fourteen issues are ultimately considered to be of high importance to our stakeholders and business operations, certain issues are more significant than others are. We address the fifteen high-priority issues rated by our stakeholders in this report and will continue to focus on these important topics through our business operations.

ON Semiconductor's Materiality Matrix



Aspect Boundaries

[GRI: 102-46] [GRI: 103-1]

Report Overview	Category	GRI Material Aspect	Boundaries		Entities Impacted
			Internal	External	
Acquisitions	Economic	No corresponding GRI material aspect	X	X	All sites, customers and suppliers
Scope 1 and 2 Emissions	Environmental	Emissions	X	X	Manufacturing sites and local environment
Business Ethics	Economic	No corresponding GRI material aspect	X	X	Employees, customers, suppliers and communities
Learning and Development	Social	Training and education	X		Employees
Community Engagement	Social	Local communities	X	X	Employees and communities
Conflict Minerals and Cobalt	Social	Human rights assessment	X	X	Customers, suppliers and communities
Cost Effectiveness	—	No corresponding GRI material aspect	X	X	Manufacturing operations and customers
Diversity	Social	Diversity and equal opportunity	X		Employees
Economic Performance	Economic	Economic performance	X		Employees
Energy Efficient Products	Environmental	Energy	X	X	Design and manufacturing operations, customers and the environment
Human Rights	Social	Human rights assessment	X	X	Employees, customers, suppliers and communities
Innovation	—	No corresponding GRI material aspect	X	X	Design and manufacturing operations and customers
Waste Management	Environmental	Effluents and waste	X	X	Manufacturing operations, community and environment
Water Management	Environmental	Water	X	X	Manufacturing sites, community and environment
Worker Health and Safety	Environmental	Occupational health and safety	X		Employees

People, Planet, Profit Report

People	2019	2018	2017
Women in Our Global Workforce	44%	45%	47%
Women in Our Global Management	20%	20%	20%
Women Promoted in Our Global Workforce	35%	25%	35%
Women on Our Board	20%	20%	11%
Ethnic Diversity in Our Workforce (U.S. only)			
• American Indian or Alaskan Native	0.3%	0.3%	0.3%
• Asian	19.4%	17.2%	15.4%
• Black or African American	1.7%	1.6%	1.4%
• Hispanic or Latino	4.6%	4.6%	4.2%
• Native Hawaiian or Other Pacific Islander	0.2%	0.2%	0.4%
• Two or More Races	2.1%	1.9%	0.7%
• White	61.8%	64.1%	64.1%
• Undeclared	9.9%	10%	13.7%
Safety - injury Rate/Lost Work Days (per 100 employees)	0.77/1.30	1.03/2.2	0.99/2.29
Work-Related Fatalities	0	0	0
Sourcing From Smelters That are RMAP Conformant/Human Rights Compliant	100%	100%	99.6%
Planet	2019	2018	2017
Waste Reused/Recycled (kg-millions)	14.96	10.53	13.52
Waste Directed to Landfill (kg-millions)	2.08	3.29	4.86
Hazardous Waste Transported (kg-millions)	8.34	6.34	6.35
Reclaimed Scrap Metals (metric tons)	910	1,150	1,147
Reclaimed Precious Metals (kg)	1,376	822	609
Water Withdrawn (liters-billions)	14.3	12.5	12.7
Water Recycled/Reused (liters-billions)	6.50	5.46	5.33
Total Energy Consumption (kWh-billions)	1.74	1.54	1.46
Electrical Consumption (from non-renewable resources) (kWh-billions)	1.51	1.34	1.28
Fuel Consumption (from non-renewable resources) (GJ-thousands)	846	715	648
Direct Emissions (Scope 1) (MTCO ₂)	2,067,983	1,412,218	1,416,622
Indirect Emissions (Scope 2) (MTCO ₂)	671,922	676,060	649,589
Profit	2019	2018	2017
Revenue (\$ billions)	\$5.50	\$5.90	\$5.50
Earnings per share	\$0.52	\$1.48	\$1.92
Sustainability savings (\$ millions)	\$10.80	\$7.30	\$10.10
Total new hires (job growth)	3,829	5,342	7,620
Reclaimed scrap materials/precious metals (\$ millions)	\$22	\$29	\$26.60

Additional Data

2019 Workforce Statistics

[GRI: 102-7] [GRI: 102-8] [GRI: 401-1] [GRI: 405-1]

	Total	Gender		Age Group			Region			
		M	F	<30 Years	30-50 Years	50+ Years	Asia (Excluding Japan)	Japan	Americas	EMEA
Contractors and Interns	3,812	1,817 48%	1,995 52%	1,462 38%	2,216 58%	134 4%	3,321 87%	240 6%	119 3%	132 4%
Regular Employees	31,395	17,942 57%	13,453 43%	8,881 28%	17,421 56%	5,093 16%	20,959 67%	1,848 6%	4,703 15%	3,885 12%
Full Time Employees	34,951	19,607 56%	15,344 44%	10,214 29%	19,569 56%	5,168 15%	24,230 69%	2,068 6%	4,791 14%	3,844 11%
Part Time Employees	256	152 59%	104 41%	129 50%	68 27%	59 23%	50 19%	2 1%	31 12%	173 68%
Total New Hire	3,829	2,405 63%	1,424 37%	2,088 55%	1,518 40%	223 5%	2,656 69%	140 4%	722 19%	311 8%
Total Turnover	4,220	2,173 51%	2,047 49%	2,069 49%	1,679 40%	472 11%	3,065 73%	90 2%	707 17%	358 8%

2019 Health & Safety Statistics

[GRI: 403-2]

Type of Injury	Rate (%)
Abrasions	15.7%
Contusion	17.1%
Cumulative Stress Disorder	2.8%
Cut	6.0%
Inflammation	3.2%
Irritation	9.7%
Laceration	9.3%
Respiratory Disorder	2.8%
Sprain	13.0%
Strain or "torn muscle"	11.6%

2019 GRI Content Index

[GRI: 102-55]

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 102: General Disclosures 2016*			
102-1	Name of organization	Our Business: Overview – page 11	
102-2	Activities, brands, products and services	Our Business: Overview – page 11	
102-3	Location of headquarters	Our Business: Overview – page 11	
102-4	Location of operations	Our Business: Worldwide Locations – page 11	
102-5	Ownership and legal form	Our Business: Overview – page 11	
102-6	Markets served	Our Business: Financial Strength – page 12	
		Our Business: Customers – page 14	
102-7	Scale of organization	Our People: Overview – page 35	
	(a) Total number of employees	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
	(b) Total number of operations	51	Number of operations equals solution engineering, design, manufacturing and support sites with 50+ employees
	(c) Net revenue	Our Business: Financial Strength – page 12	
	(d) Total capitalization in terms of debt and equity	Total liabilities: \$5,101.4 million USD Total equity: \$3,324.1 million USD	
	(e) Quantity of products provided	Our Business: Brand – page 13	
102-8	Information on employees and other workers	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
	(a) Total number of employees by employment contract and gender	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
	(b) Total number of employees by employment contract and region	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
	(c) Total number of permanent employees by employment type and gender	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
	(d) Whether a substantial portion of the organization's workforce is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees by contractors	No	
	(e) Report any significant variations in employee numbers	N/A	
102-9	Description of supply chain	Our Business: Responsible Sourcing – page 21	
102-10	Significant changes to organization and supply chain	Our Business: Responsible Sourcing – page 21	
102-11	Precautionary principle approach	Our Business: Enterprise Risk Management – page 18	
102-12	External initiatives	Appendix: Memberships and External Initiatives – page 69	
102-13	Membership of associations	Appendix: Memberships and External Initiatives – page 69	
102-14	Statement from senior decision-maker	A Letter from Our President and CEO – page 3	
102-15	Key Impacts, risks and opportunities	For details on key impacts, risks and opportunities see our 2019 SEC Form 10-K .	

* Applies to the 2016 or 2108 version of the GRI Standards. "2016" or "2018" refers to the standards issue date, not the information presented in this table/report.

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-16	Description of organization's values, principles, standards and norms of behavior	Engineering a Better Tomorrow – page 6 Our Business: Mission and Vision – page 15 Our Business: Core Values – page 15 Our Business: Our Culture – page 17 Our Governance, Ethics and Compliance: Compliance and Ethics Programs – page 27	
102-17	Mechanisms for advice and concerns about ethics	Our Governance, Ethics and Compliance: Compliance and Ethics Programs – page 27	
102-18	Governance structure	Engineering a Better Tomorrow – page 6 Our Governance, Ethics and Compliance: Overview – page 26 Please see our 2020 Proxy Statement for additional details	
102-19	Delegating authority	For delegating authority, please see management approaches described throughout this report.	
102-20	Executive-level responsibility for economic, environmental and social topics	Chief operating officer and chief finance officer	
102-21	Consulting stakeholders on economic, environmental and social topics	Appendix: Stakeholder Engagement – page 71	
102-22	Composition of the highest governance body and its committees	Our Governance, Ethics and Compliance: Overview – page 26 Please see our 2020 Proxy Statement for additional details	
102-23	Chair of the highest governance body	Alan Campbell, chairman of the board of directors	
102-24	Nominating and selecting the highest governance body	Please see the roles and responsibilities of our Corporate Governance and Nominating (CGN) Committee in our 2020 Proxy Statement .	
102-25	Conflicts of interest	We have a written policy on related party transactions to which all employees are required to adhere. We disclose conflict of interest with stakeholders including cross-board membership.	
102-26	Role of the highest governance body's and senior executives' roles in setting purpose, values and strategy	To understand the roles of our senior executives and oversight of our board of directors with relation to purpose, values and strategy please see the management approach sections of this report.	
102-27	Collective knowledge of highest governance body	The CGN Committee has the specific responsibility to encourage and facilitate Directors' continued education. See our 2020 Proxy Statement for additional details.	
102-28	Evaluating the highest governance body's performance	See page 26 of our 2020 Proxy Statement for information on board of directors self-evaluation. In 2019, the board continued an annual peer-to-peer evaluation to obtain information about each director's performance, contributions and effectiveness during the previous year.	
102-29	Identifying and managing economic, environmental and social impacts	For details on the role of our board of directors in having oversight of our environmental, social and economic impacts please see management approach sections of this report and our 2020 Proxy Statement .	
102-30	Effectiveness of risk management processes	Our Business: Enterprise Risk Management – page 18	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-31	Review of economic, environmental and social topics	Each group within our company reports up to the board of directors and cover economic, environmental and social topics relevant to their respective functions.	
102-32	Highest governance body's role in sustainability reporting	While our board of directors do not have responsibility over our sustainability reporting, the various groups contributing to and represented in this report, report to the company's board of directors.	
102-33	Communicating critical concerns	Critical concerns are communicated during regular (quarterly) and special (interim) meetings with the board of directors. We allow special meetings for our stockholders as outlined in our 2020 Proxy Statement .	
102-34	Nature and total number of critical concerns	See page 31 of our 2020 Proxy Statement .	
102-35	Remuneration policies	For details on our compensation objectives and policies please see page 40 of our 2020 Proxy Statement .	
102-36	Process for determining remuneration	Internal compensation staff and hiring manager determine appropriate base pay using the market median (or P50), our established salary ranges and internal comparisons.	
102-37	Stakeholders' involvement in remuneration	N/A	
102-38	Annual total compensation ratio	Belgium: 5:1 China: 33:1 Czech Republic: 10:1 Hong Kong: 4:1 India: 5:1 Japan: 6:1 Korea: 9:1 Malaysia: 42:1 Philippines: 66:1 Singapore: 6:1 Taiwan: 4:1 Thailand: 3:1 U.S. 11:1 Vietnam: 38:1	
102-39	Percentage increase in annual total compensation ratio	Belgium: 1:1 China: 0.7:1 Czech Republic: 0.9:1 Hong Kong: 0.9:1 India: 0:1 Japan: 1.4:1 Korea: 0.7:1 Malaysia: 0.5:1 Philippines: 0.9:1 Singapore: 1.06:1 Taiwan: 0.5:1 Thailand: 1.1:1 U.S.: 1:1 Vietnam: 1:1	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-40	List of key stakeholder groups	Appendix: Stakeholder Engagement – page 71	
102-41	Percentage of total employees covered by collective bargaining agreements	Belgium: 100% China: 100% (manufacturing only) Czech Republic: 100% France: 100% Japan: 77% U.S.: 40% (Mountain Top, PA manufacturing) Vietnam: 99.89%	
102-42 – 102-43	Identifying and selecting stakeholders; Approach to stakeholder engagement	Appendix: Stakeholder Engagement – page 71	
102-44	Key topics and concerns raised	Appendix: Stakeholder Engagement – page 71	
102-45	Entities included in the consolidated financial statements	See Reporting Segments and Manufacturing Sites and Principles of Consolidation in our 2019 SEC Form 10-K .	
102-46	Defining report content and topic boundaries	About This Report – page 5 Appendix: Aspect Boundaries – page 74	
102-47	List of material topics	Appendix: Material Topics – page 73	
102-48	Restatements of information	Appendix: People, Planet, Profit Report – page 75	
102-49	Changes in reporting	None	
102-50	Reporting period	2019 calendar year	
102-51	Date of most recent report	Jun-19	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions	Appendix: Contact Us – page 87	
102-54	Claims of reporting in accordance with the GRI Standards	About This Report – page 5	
102-55	GRI Content Index	Appendix: 2019 GRI Content Index – page 80	
102-56	External assurance	About This Report – page 5	
GRI 103: Management Approach 2016*			
103-1	Explanation of material topics and boundaries	Appendix: Material Topics – page 73 Appendix: Aspect Boundaries – page 74	
103-2	Management approach for material topics	Our management approach to material topics can be found in each section of this report.	
103-3	Evaluation of management approach	Our evaluation of management approach to material topics can be found in each section of this report.	
GRI 201: Economic Performance 2016*			
201-1	Direct economic value generated and distributed (EVG&D)	Our Business: Financial Strength – page 12	
	(a) Direct economic value generated	Proceeds from sale of property, plant and equipment \$1.9 million USD	
	(b) Economic value distributed	Cost of revenue: \$3,544.3 million USD Operating cost: \$1,540.9 million USD Cash paid for interest: \$97.2 million USD Cash paid for taxes: \$62.9 million USD	
	(c) Economic value retained	Net Income: \$195.3 million USD	
	(d) EVG&D by country, regional, or market levels	See Revenue and Segment Information and Results of Operations in 2019 SEC Form 10-K	
201-2	Financial implications and other risks and opportunities due to climate change	Our Planet: Climate Change – page 53	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
201-3	Defined benefit obligation plans and other retirement plans	Our People: Employee Benefits – page 47 For additional details, see our Regional Benefits Summaries and 2019 SEC Form 10-K .	
201-4	Financial assistance received from government	Net operating loss and tax credit carryforwards: \$612.9 million USD	
GRI 202: Market Presence 2016*			
202-1	(a) Ratio of standard entry level wage by gender compared to local minimum wage (b) When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above minimum wage. (c) Definition used for "significant locations of operation"	All ON Semiconductor employees are compensated at or above minimum wage. Minimum wage in all listed regions is gender neutral. "Other workers" in this case pertain to employees of our suppliers or on-site service providers (e.g. janitorial staff, cafeteria workers, security, etc.). We conduct risk assessments and/or on-site verification of suppliers and on-site service providers to ensure that RBA standards and legal requirements are being met, including those related to minimum wage. Manufacturing locations	
202-2	(a) Proportion of senior management hired from the local community (b) Definition used for "significant locations of operation".	Belgium: 100% Canada: 100% China: 57% Czech Republic: 100% Japan: 100% Korea: 100% Malaysia: 89% Philippines: 80% United States: 95% Vietnam: 75% Asia/Japan/EMEA: Manufacturing locations North America: Locations that include design centers, solution engineering centers, and manufacturing facilities	
GRI 203: Indirect economic Impact 2016*			
203-1 – 203-2	Infrastructure investments and services supported; significant indirect economic impacts	N/A	
GRI 204: Procurement Practices 2016*			
204-1	Proportion of spending on local suppliers	Our Business: Responsible Sourcing – page 21	
GRI 205: Anti-corruption 2018*			
205-1	Operations assessed for risks related to corruption	All factories are assessed for risks related to corruption through the RBA self-assessment questionnaires (SAQ), RBA internal audits or RBA validated assessment program (VAP) audits. In addition to our responsibilities as a RBA member, we also conduct internal anti-corruption risk assessments, which factor in our global operations, geographic footprint, customers and business partners. Certain teams, sites and business partners have heightened levels of risk based on location, functional role and extent of interaction with government parties.	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
205-2	Communication and training about anti-corruption policies and procedures	Our People: Learning and Development – page 44	Annual Code of Business Conduct training includes the topic of anti-corruption in 2019. The 10 members reflect the board of director count in 2019.
		All 10 members (100%) of the board of directors have received materials communicating the company's anti-corruption policy. Members are located in Asia, North America and Europe.	
205-3	Confirmed incidents of corruption and actions taken	Specific legal prohibition	Attorney client privileged information
GRI 206: Anti-Competitive Behavior 2016*			
206-1	Legal actions for anti-competitive behavior, anti-trust or monopoly practices	None	
GRI 301: Material 2016*			
301-1	Materials used by weight or volume; percentage of recycle input materials used for manufacturing; reclaimed products and their packaging material	Our Planet: Reclaim and Recycle – page 58	We spend over \$1 billion USD on various parts and raw materials as we manufacture both at internal and external sites. We do not track or estimate the raw material used in key manufacturing locations.
GRI 302: Energy 2016*			
302-1	Energy consumption within the organization	Our Planet: Energy Consumption – page 55	Total fuel consumption from non-renewable sources are tracked for manufacturing facilities and includes natural gas and diesel.
302-2	Energy consumption outside the organization	N/A	Not evaluated
302-3	Energy intensity ratio for organization	Wafer fab energy (electricity) normalization = 0.083 kWh per unit	Denominator used: wafer fab normalization unit based on photo move volume; assembly and test normalization unit based on wire bond volume.
		Assembly and test energy (electricity) normalization = 1.547 kWh per KWbonds.	
302-4	Reduction in energy consumption	Our Planet: Energy Consumption – page 55	
302-5	Reductions in energy requirements of product and services	N/A	
GRI 303: Water 2018*			
303-1 – 3	Water stress and how the organization works with stakeholders	Our Planet: Water Management – page 57	
GRI 304: Biodiversity 2016*			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; significant impacts of activities, products and services on biodiversity; Habitats protected or restored	None	
GRI 305: Emissions 2016*			
305-1 – 2	Direct (Scope 1), energy indirect (Scope 2) and other indirect (Scope 3) GHG emissions	Scope 1: 2,067,983 MTCO2	We do not regularly measure the environmental impact of scope 3 emissions. A study was conducted several years ago to measure the change in our carbon footprint as it related to changes we made in our logistics network. It was found that as we optimized our network to cut transportation cost there was a correlation to improving our carbon footprint.
		Scope 2: 671,922 MTCO2	
		Scope 3: N/A	
305-4	GHG emissions intensity	Wafer fab GHG emissions (electricity, fuel, PFCs) normalization = 44.362 grams carbon equivalent per unit	Intensity ratio calculated separately for wafer fabs and for assembly and test operations. Wafer fab normalization unit based on photo move volume. Assembly and test normalization unit based on wire bond volume.
		Assembly and test energy (electricity, fuel, PFCs) normalization = 255.775 grams carbon equivalent per kWbonds	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
305-5	Reduction of GHG emissions	Our Planet: Scope 1 and Scope 2 Emissions – page 54	
305-6	Emissions of ozone-depleting substances (ODS)	Zero	
305-7	Nitrogen oxides, sulfur oxides and other significant air emissions	Air emissions do not exceed local regulation air emission permit limits. Emission concentrations are tracked at local facilities, data is not calculated globally.	
GRI 306: Effluents and Waste 2016*			
306-1	Water discharge by quality and destination	All water is discharged to sanitary systems. Effluent discharge meets or exceeds local regulations.	
306-2	Waste by type and disposal method	Our Planet: Waste Management – page 57	
306-3	Significant spills	No significant spills in 2019	
306-4	Transport of hazardous waste	Our Planet: Waste Management – page 57	
306-5	Water bodies affected by water discharges and/or runoff	All water discharge/effluent/runoff meets or exceeds local regulations.	
GRI 307: Environmental Compliance 2016*			
307-1	Non-compliance with environmental laws and regulations	2019 reporting year noticed no significant fines, non-monetary sanctions or cases brought through dispute resolution mechanisms.	
GRI 308: Supplier Environmental Assessment 2016*			
308-1	New suppliers that were screened using environmental criteria	New suppliers are not pre-screened using environmental criteria. However, all suppliers are provided with our Corporate Social Responsibility Statement of Commitment through our Supplier Handbook . Furthermore, our top expenditure suppliers are required to sign our Corporate Social Responsibility Statement of Conformance and complete a risk assessment with environmental criteria every other year.	
308-2	Negative environmental impacts in the supply chain and actions taken	Our Business: Responsible Sourcing – page 21	
GRI 401: Employment 2016*			
401-1	New employee hires by age group, gender and region	Our People: Recruitment and Retention – page 40	
	Employee turnover by age group, gender and region	Appendix: Additional Data – 2019 Workforce Statistics – page 76	
401-2	Benefits provided to full-time employees that are not provided to temporary employees	See our website for Regional Benefits Summaries and 2019 SEC Form 10-K .	
401-3	Parental leave	See our website for Regional Benefits Summaries and 2019 SEC Form 10-K .	
GRI 402: Labor/Management Relations 2016*			
402-1	(a) Minimum notice periods regarding operational changes	We provide advance notice or makes changes to the contract mid-term by mutual consent in accordance with collective bargaining agreements entered and local requirements in the different countries where we operate.	
	(b) Whether the notice period and provisions for consultation and negotiation are specified in collective agreements	Belgium: as per legal provisions	
		Czech: as per legal provisions	
		China: yes (manufacturing only)	
		Japan: yes	
		Korea: n/a	
		U.S.: yes	
		Vietnam: no	
		Taiwan: no	
		France: as per legal provisions	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 403: Occupational Health and Safety 2018*			
403-1	Occupational health and safety management system and scope of system	Our People: Health and Safety – page 48	
403-2	Hazard identification, risk assessment and incident investigation; process for workers to report work-related hazards and remove themselves from work situations leading to injury or ill health	Our People: Health and Safety – page 48	
	Processes used to investigate work-related incidents, identify hazards, assess risks and determine corrective actions	We use the 8D protocol and Why-Why analysis to resolve incidents.	
403-3	Occupational health services	Our People: Health and Wellness – page 50	
403-4	Worker participation and consultation and communication on occupational health and safety	Our People: Health and Safety – page 48	Manufacturing employees are represented by safety committees and all are aware of who their safety representative is. Safety committees meet on weekly basis or as needed.
403-5	Worker training on occupational health and safety	Our People: Health and Safety – page 48	
403-6	Promotion of worker health	Our People: Health and Wellness – page 50	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationship	We follow strict standards to provide safe workplaces for employees around the world. Engineering controls like adequate exhaust/ventilation, fire protection systems, interlocks, machine guarding, etc. are preferred based on present hazards. In addition to that, personal protective equipment (PPE) is provided based on a risk analyses.	
403-8	Workers covered by an occupational health and safety management system	Our People: Health and Safety – page 48	Contractors are responsible for meeting ON Semiconductor requirements including our EOHS Policy and applicable legal requirements but not necessarily the OHSAS management system.
403-9	Work-related injuries	Zero	
	Number of hours worked	86,377,546	
403-10	Work-related ill health	Zero	
GRI 404: Training and Education 2016*			
404-1	Average hours of training per year per employee (a) By gender	19.75	
	(b) By employee category	19.75	
404-2	Training programs for: (a) upgrading employee skills	Our People: Learning and Development – page 44	
	(b) transition assistance programs	For transition assistance, we offer career coaching, resume development, job search training, skill building, networking training, cover letters writing and interviewing practice. For employees who are retiring, we offer retirement and financial planning, counselling and legal services.	
404-3	Percentage of employees receiving regular performance and career development reviews	Our People: Performance Management and Employee Recognition – page 47	
GRI 405: Diversity and Equal Opportunity 2016*			
405-1	Diversity of governance body and employees	Our Governance, Ethics and Compliance: Overview – page 26	
		Our People: Overview – page 36	
		Appendix: Additional Data – 2019 Workforce Statistics – page 76	
405-2	Ratio of basic salary and remuneration of women to men	N/A	We do not publicly disclose this information.

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 406: Non-Discrimination 2016*			
406-1	Incidents of discrimination and corrective actions taken	Specific legal prohibition	Attorney client privileged information
GRI 407 – 409: Freedom of Association and Collective Bargaining, Child Labor and Forced or Compulsory Labor 2016*			
407-1 – 409-1	Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk; operations and suppliers at significant risk of incidents of child labor; operations and suppliers at significant risk of incidents of forced labor	We work with suppliers in countries where the risk of violating labor and human standards is recognized as being higher. To actively address this, we require suppliers to complete self-assessment questionnaires, provides training and also conducts on-site verification. In the event that any risk of violating the right to freedom of association, existence of child labor or forced labor is identified, we work closely and diligently with our suppliers through corrective action plans. If the nonconformance is not adequately addressed by the supplier in a timely fashion, we may choose to terminate our contract with the supplier. For more information, please see our Human Rights Policy .	
GRI 410: Security Practices 2016*			
410-1	Security personnel trained in human rights policies or procedures	We use both in-house and third party organizations for security personnel. Approximately 90% of security personnel are trained in our human rights policies.	
GRI 411: Rights of Indigenous Peoples 2016*			
411-1	Incidents of violations involving rights of indigenous peoples	To the best of our knowledge, there have been no identified incidents of violations involving the rights of indigenous peoples during the reporting period.	
GRI 412: Human Rights Assessments 2018*			
412-1	Operations subject to human rights reviews or impact assessments	Engineering a Better Tomorrow – page 6	
412-2	Employee training on human rights policies and procedures	Our People: Learning and Development – page 44	Human rights topics are covered in our annual corporate social responsibility compliance training.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Contracts with suppliers contain terms and conditions related to human rights, such as forced and indentured labor and equal employment opportunity. Our master service agreements also contain terms and conditions related to the RBA Code of Conduct.	
GRI 413: Local Communities 2016*			
413-1	Operations with local community engagement, impact assessments and development programs	All of our sites globally are involved with community engagement and development programs through our workplace giving program and employee volunteerism. To learn more about our community engagement efforts, please see the Our Community section of this report.	
413-2	Operations with significant actual and potential negative impacts on local communities	None	

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GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 414: Supplier Social Assessment 2016*			
414-1	New suppliers that were screened using social criteria	New suppliers are not pre-screened against social criteria. However, all suppliers are provided with our Supplier Handbook , which references our Corporate Social Responsibility Statement of Commitment . Furthermore top suppliers by spend are required to sign our Corporate Social Responsibility Statement of Conformance and complete a risk assessment with social criteria every other year.	
414-2	Negative social impacts in the supply chain and actions taken	Our Business: Responsible Sourcing – page 21	
GRI 415: Public Policy 2016*			
415-1	Political contributions	None	
GRI 416: Customer Health and Safety 2016*			
416-1	Assessment of health and safety impacts of product and service categories	Over 95% of our products are available in lead-free (Pb-free) packaging. We also support the aim of REACH in improving the protection of human health and the environment through better and earlier identification of the intrinsic property of chemical substances. We meet REACH requirements and are committed to providing customers with information about substances in their products according to REACH requirements.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We are not aware of any non-compliance concerning the health and safety impacts of their products and services.	
GRI 417: Marketing and Labeling 2016*			
417-1	Requirements for product and service information and labeling	See our Packaging and Labeling Reference Manual	
417-2	Incidents of non-compliance concerning product and service information and labeling	To the best of our knowledge, we have not received fines for non-compliance concerning product and service information and labeling.	
417-3	Incidents of non-compliance concerning marketing communications	We are not aware of any non-compliance concerning marketing communication.	
GRI 418: Customer Privacy 2016*			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	
GRI 419: Socioeconomic Compliance 2016*			
419-1	Non-compliance with laws and regulations in the social and economic area	To the best of our knowledge, we have not received significant fines or non-monetary sanctions for non-compliance with laws or regulations in the social or economic areas.	

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