



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

March 2, 2023

Scott Lesmes  
Morrison & Foerster LLP

Re: ON Semiconductor Corporation (the "Company")  
Incoming letter dated March 1, 2023

Dear Scott Lesmes:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Green Century Funds (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 17, 2023 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Andrea Ranger  
Green Century Capital Management, Inc.

Writer's Direct Contact  
+1 (202) 887-1585  
SLesmes@mofo.com

**1934 Act/Rule 14a-8**

January 17, 2023

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: ON Semiconductor Corporation  
Stockholder Proposal of Green Century Funds

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client ON Semiconductor Corporation, a Delaware corporation (the "**Company**"), which requests confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the enclosed stockholder proposal (the "**Proposal**") and supporting statement (the "**Supporting Statement**") submitted by Green Century Capital Management, Inc. as representative of the Green Century Funds (the "**Proponents**") from the Company's proxy materials for its 2023 Annual Meeting of Stockholders (the "**2023 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2023 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

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Copies of the Proposal and Supporting Statement, the Proponents' cover letters submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

We ask that the Staff provide its response to this request to Scott Lesmes on behalf of the Company, via email at [slesmes@mof.com](mailto:slesmes@mof.com), and to the Proponents' shareholder advocate, Andrea Ranger, via email at [aranger@greencentury.com](mailto:aranger@greencentury.com).

**I. THE PROPOSAL**

On or about December 5, 2022, the Company received correspondence from the Proponents containing the Proposal for inclusion in the Company's 2023 Proxy Materials. The Proposal reads as follows:

*Whereas: Intergovernmental Panel on Climate Change evaluated the goals of the Paris Agreement and advised that net carbon emissions must reach net-zero by 2050 to limit warming to 1.5 degrees Celsius and avoid the worst effects of climate change. Under current emissions trajectories. Up to 10 percent of total global economic value may be lost by 2050.<sup>1</sup>*

*In its 2021 10-K, ON Semiconductor (onsemi) acknowledges that climate change poses material risk that could disrupt the manufacturing and shipping of its products, thereby impacting its financial position.*

*Recognizing this risk, onsemi announced an ambitious goal to mitigate its greenhouse gas (GHG) emissions by achieving net-zero emissions by 2040 across its entire value chain. If approved by the Science Based Targets initiative, onsemi's target would be considered aligned with global efforts to limit warming to 1.5 degrees Celsius.*

*In 2021, the University of Oxford issued a report indicating that companies with net-zero commitments represented sales of nearly \$14 trillion or 33 percent of sales of top 2,000 public companies.<sup>2</sup> However, many corporate commitments are now under scrutiny because they lack credible strategies, metrics, and*

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<sup>1</sup> <https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf>.

<sup>2</sup> [https://cal-eci.edcdn.com/reports/ECIU-Oxford\\_Taking\\_Stock.pdf?v=1616461369](https://cal-eci.edcdn.com/reports/ECIU-Oxford_Taking_Stock.pdf?v=1616461369)

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*milestones for achieving their net-zero GHG emissions reduction goals. Many are being accused of greenwashing.*<sup>3,4</sup>

*The Secretary General of the United Nations has stated that there must be “zero tolerance for net-zero greenwashing” and that net-zero pledges must be accompanied by transition plans. Failure to publish and implement climate transition action plans poses reputational and legal risks to the Company. Currently, nine suits are before European, Australia, and United States’ courts filed against companies for making unsupported net-zero claims.*<sup>5</sup>

*To address these risks, proponents believe that onsemi has a responsibility to provide a climate transition action plan that clearly articulates, both qualitatively and quantitatively, its approach to mitigating its GHG emissions.*

**RESOLVED:** *Shareholders request onsemi issue a climate transition action plan describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius. The transition plan should describe the Company’s GHG emissions reduction strategies and any deviations from a science-based GHG emissions reduction pathway aligned with limiting a 1.5 degrees Celsius temperature rise for onsemi’s scopes 1 - 3 GHG emissions.*

*The plan should be prepared, at reasonable expense and excluding confidential information, within a year and updated annually thereafter.*

**SUPPORTING STATEMENT:** *In developing the transition plan, we recommend, at the board and management’s discretion:*

- *Providing strategies, metrics, and milestones for the achieving the Company’s GHG emissions reduction targets;*
- *Disclosing use or planned use of carbon removals or offset;*
- *Taking into consideration climate transition plan criteria issued by advisory groups such as Task Force on Climate Related Financial Disclosures, Climate Action 100+, and the United Nations’ High Level Expert Group on the Net Zero Emissions Commitments of Non State Entities.*<sup>6</sup>

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<sup>3</sup> TIAA: <https://www.ai-cio.com/news/tiaa-nuveen-accused-of-greenwashing-violating-un-climate-pledges/>

<sup>4</sup> UN: <https://news.un.org/en/story/2022/11/1130317>

<sup>5</sup> <https://www.cleanenergywire.org/factsheets/company-climate-claims-court-pending-cases-will-shape-future-net-zero-pledges>

<sup>6</sup> [https://www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf)

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## **II. EXCLUSION OF THE PROPOSAL**

The Company believes it may properly omit the Proposal from its 2023 Proxy Materials in reliance on Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the exclusion is “designed to avoid the possibility of stockholders having to consider matters which already have been favorably acted upon by the management.” *Exchange Act Release No. 12598* (Jul. 7, 1976) (discussing Rule 14a-8(c)(10), the predecessor to Rule 14a-8(i)(10)). As set forth in the 1998 Release, a proposal need not be “fully effected” by the company to meet the substantially implemented standard under Rule 14a-8(i)(10). In *Masco Corporation* (Mar. 29, 1999), the Staff noted that under the “substantially implemented” standard, a company may exclude a shareholder proposal when the company’s actions address the shareholder proposal’s underlying concerns, even if the company does not implement every aspect of the shareholder proposal. *See also WD-40 Co.* (Sept. 27, 2016) (concurring in the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company adopt a proxy access bylaw provision and identifying certain “essential elements for substantial implementation” because the company represented that “the board has adopted a proxy access bylaw that addresses the proposal’s essential objective,” even though a number of the company’s provisions differed from the proposal’s terms).

Differences between a company’s actions and a stockholder proposal are permitted if the company’s actions satisfactorily address the proposal’s essential objectives. For example, in *The Boeing Co.* (Feb. 17, 2011), in which the company had already adopted human rights policies and provided an annual report on corporate citizenship, the Staff concurred with exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company “review its policies related to human rights” and report its findings. *See also The Dow Chemical Co.* (Mar. 18, 2014), *reconsid. denied* (Mar. 25, 2014) (concurring in the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s evaluation of a particular issue, where the proponents disputed statements made in the company’s report); *Entergy Corp.* (Feb. 14, 2014) (concurring in the exclusion under Rule 14a-8(i)(10) of a proposal calling for a report “on policies the company could adopt to take additional near-term actions to reduce its greenhouse gas emissions” when the company had already provided environmental sustainability disclosures on its website and in a separate report); *Exelon Corp.* (Feb. 26, 2010) (concurring in the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on different aspects of the company’s political contributions when the company had already

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adopted corporate political contribution guidelines and issued a political contributions report that, together, provided “an up- to-date view of the [c]ompany’s policies and procedures with regard to political contributions”); and *IDACORP, Inc.* (April 1, 2022) (concurring in the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report “disclosing the company’s short, medium, and long term greenhouse gas targets” when the company had already provided such targets on its website and in other public disclosures).

The Proposal requests that the Company issue a climate transition action plan (the “*Transition Plan*”) “describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius.” The Company publishes an Annual Sustainability Report (the “*Sustainability Report*”), which discloses the progress of the Company’s ongoing environmental, social and governance initiatives, including the Company’s goal to be net-zero by 2040.<sup>7</sup> As described further in the Sustainability Report, the Company’s net-zero goal is ten years in advance of the goal set by the Paris Agreement, which calls for limiting global temperature increases to 1.5 degrees Celsius by reducing emissions by 45% by 2030 and reaching net-zero by 2050.<sup>8</sup> The Proposal sets forth specific criteria for the Transition Plan, all of which have been substantially implemented in the Sustainability Report. Set forth below is a chart indicating each aspect of the Proponents’ requests in the Proposal and the manner in which the Sustainability Report addresses such requests.

	<b>Transition Report Proposal</b>	<b>Sustainability Report Response</b>	<b>Page Number(s) and/or URL(s)</b>
1.	The Company should issue a climate transition action plan (“ <i>Transition Plan</i> ”) describing how the Company intends to align its operations and full value chain emissions with the ambition of limiting	The Sustainability Report outlines the Company’s goal and strategies to be net-zero by 2040. <sup>9</sup>	Pages 5-7 of Executive Summary <sup>10</sup>  Pages 5 and 12-15 of Sustainability Report

<sup>7</sup> The Company’s most recent Sustainability Report is available at <https://www.onsemi.com/download/collateral-brochure/pdf/brd8084.pdf> and a copy is attached as Exhibit B.

<sup>8</sup> The Paris Agreement is available at <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

<sup>9</sup> In order to meet the 1.5 degree Celsius goal of the Paris Agreement, it is generally acknowledged that the standard for achieving the goal is to achieve "net zero" carbon emissions by 2050. As such, the Company’s net-zero goal addresses the Paris Agreement goal described in the Proposal.

<sup>10</sup> The Executive Summary of the Sustainability Report is available at <https://www.onsemi.com/company/environmental-social-and-governance/annual-sustainability-report> and a copy is attached as Exhibit C.

	global temperature increase to 1.5 degrees Celsius.		
2.	The Transition Plan should describe the Company's GHG emissions reduction strategies and any deviations from a science-based GHG emissions reduction pathway aligned with limiting a 1.5 degrees Celsius temperature rise for the Company's scopes 1 - 3 GHG emissions.	<p>The Sustainability Report describes the Company's strategies to reduce Scope 1 emissions, Scope 2 emissions and Scope 3 emissions, respectively, as well as the Company's annual progress with respect to reductions in each category.</p> <p>In addition, the most recent Sustainability Report indicated the Company's intent to commit to the Science Based Target Initiative ("SBTi") to ensure the Company's goals are based on the latest climate science. Since the date of the Sustainability Report, the Company has committed with SBTi to set science-based targets within the next 24 months and this commitment has been publicly disclosed on SBTi's website.</p>	<p>Pages 6-7 of Executive Summary</p> <p>Pages 5 and 12-15 of Sustainability Report</p> <p>SBTi website:  <a href="https://sciencebasedtargets.org/companies-taking-action#dashboard">https://sciencebasedtargets.org/companies-taking-action#dashboard</a></p>
3.	Prepare the Transition Plan within a year and update it annually thereafter.	The Company's Sustainability Report describes the Company's Transition Plan. The Company publishes the Sustainability Report annually.	N/A
4.	The Transition Plan should provide	The Sustainability Report describes the Company's	Pages 5-7 of Executive Summary

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	strategies, metrics, and milestones for achieving the Company's GHG emissions reduction targets.	goal of being net-zero by 2040, as well as specific strategies to reduce Scope 1 emissions, Scope 2 emissions and Scope 3 emissions, respectively.	Pages 5 and 12-15 of Sustainability Report
5.	The Transition Plan should disclose use or planned use of carbon removals or offsets.	The Sustainability Report describes the Company's goals with respect to the purchase of offsets. In particular, the Executive Summary states that, over the long-term, the Company will purchase certified offsets equal to the amount of any non-electricity emissions that cannot be eliminated, focusing on Green-e and Gold Standard certified offsets. Page 12 of the Sustainability Report contains similar information.	Page 5 of Executive Summary  Page 12 of Sustainability Report
6.	The Transition Plan should take into consideration criteria issued by advisory groups such as Task Force on Climate Related Financial Disclosures, Climate Action 100+, and the United Nations' High Level Expert Group on the Net Zero Emissions Commitments of Non State Entities.	The Appendices to the Sustainability Report contain detailed analyses of the Company's compliance with various guidelines issued by advisory groups, including the Task Force on Climate-related Financial Disclosures (TCFD) Framework, the Sustainability Accounting Standards Board (SASB) Framework, the Global Reporting Initiative (GRI) Index and the United Nations Sustainable Development Goals.	Appendices to Sustainability Report  Page 5 of Sustainability Report Page 5 of Executive Summary  Trucost Assurance Statement at Appendix to Sustainability Report and Executive Summary  SBTi website: <a href="https://sciencebasedtargets.org/companies-taking-action#dashboard">https://sciencebasedtargets.org/companies-taking-action#dashboard</a>



		<p>In addition, the Sustainability Report explains that the Company worked with BSR, a global nonprofit that works with companies to develop sustainable business strategies and solutions, to develop this goal and build the Company’s net-zero strategy.</p> <p>Further, the Sustainability Report notes that Company’s emissions data is verified by a third-party company, Trucost, a subsidiary of S&amp;P Global and a leader in carbon and environmental data and risk analysis.</p> <p>Lastly, as noted above, the Company has committed with SBTi to set science-based targets within the next 24 months and this commitment has been publicly disclosed on SBTi’s website.</p>	
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As described in the above table, the Company has satisfied the essential objectives of the Proposal – the Executive Summary and Sustainability Report clearly describe “how the Company intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius”, albeit with a focus on achieving net zero emissions by 2040, which is fundamental to the 1.5 degree Celsius goal set forth in

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the Paris Agreement.<sup>11</sup> For example, on pages 14 and 15 of the Sustainability Report, the Company provides bullet points on the actions it is taking to reduce Scope 1, 2 and 3 emissions as well as further actions it is exploring for the future. Although not part of the Proposal itself, the Supporting Statement contains certain recommendations, all of which are currently addressed in the Executive Summary and Sustainability Report. For example, see pages 71-72 (strategies), 73-74 (metrics), 12 (planned use of offsets) and 61-87 (Appendices to the Sustainability Report which contain detailed analyses of the Company's compliance with various guidelines issued by advisory groups, including the Task Force on Climate-related Financial Disclosures (TCFD) Framework, the Sustainability Accounting Standards Board (SASB) Framework, the Global Reporting Initiative (GRI) Index and the United Nations Sustainable Development Goals). These examples, together with other disclosures noted above, clearly satisfactorily address the Proposal's essential objectives.

Accordingly, as the Proposal has already been substantially implemented through the Company's Sustainability Report, including the Executive Summary thereof, the Company is of the view that it may properly omit the Proposal and Supporting Statement from the 2023 Proxy Materials pursuant to Rule 14a-8(i)(10).

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<sup>11</sup> In the first whereas clause to the Proposal, the Proponents acknowledge that the "Intergovernmental Panel on Climate Change evaluated the goals of the Paris Agreement and advised that **net carbon emissions must reach net-zero by 2050** to limit warming to 1.5 degrees Celsius and avoid the worst effects of climate change" (emphasis added).

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**III. CONCLUSION**

For the reasons discussed above, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2023 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2023 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 887-1585.

Sincerely,



Scott Lesmes  
of Morrison & Foerster LLP

**Attachments**

cc: Andrea Ranger, Shareholder Advocate, Green Century Capital Management  
Pamela Tondreau, Executive Vice President, Chief Legal Officer, ON  
Semiconductor Corporation  
Paul Dutton, Senior Vice President and Deputy General Counsel, ON  
Semiconductor Corporation

**Exhibit A**



December 5, 2022

Via Federal Express

Attn: Pamela Tondreau  
Executive Vice President, Chief Legal Officer, Chief Compliance  
ON Semiconductor Corporation  
5005 East McDowell Road  
Phoenix, Arizona 85008

Re: Shareholder Proposal for 2023 Annual Shareholder Meeting

Green Century Capital Management, Inc. (“Green Century”) is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century is filing the enclosed shareholder proposal (the “Proposal”) on behalf of the Green Century Equity Fund to be included in the proxy statement of the ON Semiconductor Corporation (ON) (the “Company”) for its 2023 annual meeting of shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Green Century Equity Fund is the beneficial owner of at least \$25,000 worth of ON Semiconductor Corporation’s stock. We have held the requisite number of shares for over one year, and we will continue to hold sufficient shares in the Company through the date of the Company’s 2023 annual shareholders’ meeting. Verification of ownership from a DTC participating bank is enclosed.

Green Century Capital Management, Inc. is available to meet with the Company on December 30 between 1 p.m. and 2 p.m. and January 6 between 10 a.m. and 11 a.m. Mountain Standard Time. Please let us know within 10 days if the Company would like to meet at one of these times. After 10 days we may no longer be able to hold these dates and times.

We will send a representative to the stockholders’ meeting to move the shareholder proposal as required by the SEC rules.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholders’ meeting.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives. Please direct all correspondence to Andrea Ranger, Shareholder Advocate, at Green Century Capital Management, Inc. She may be reached at [aranger@greencentury.com](mailto:aranger@greencentury.com) or 617-482-0800.

We would appreciate confirmation of receipt of this letter via email.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Leslie Samuelrich". The signature is written in a cursive style with a long horizontal flourish at the end.

Leslie Samuelrich  
President  
The Green Century Funds  
Green Century Capital Management, Inc.



December 5, 2022

Pamela Tondreau  
Executive Vice President, Chief Legal Officer, Chief Compliance  
ON Semiconductor Corporation  
5005 East McDowell Road  
Phoenix, Arizona 85008

Re: Shareholder proposal submitted by the Green Century Equity Fund

Dear Ms. Tondreau,

I write concerning a shareholder proposal (the "Proposal") submitted to ON Semiconductor Corporation (the "Company") by the Green Century Equity Fund.

As of December 5, 2022, the Green Century Equity Fund beneficially owned, and had beneficially owned continuously for at least one year, shares of the Company's common stock worth at least \$25,000 (the "Shares").

UMB Bank N.A. has acted as record holder of the Shares and is a DTC participant. If you require any additional information, please do not hesitate to contact my representative, Larry McCarty, at 816-860-7619 or [larry.mccarty@umb.com](mailto:larry.mccarty@umb.com)

Very truly yours,

Melissa Clingan  
Assistant Vice President,  
Institutional Custody UMB Bank, NA

**UMB Bank, n.a.**

928 Grand Boulevard  
Kansas City, Missouri 64106

[umb.com](http://umb.com)

Member FDIC

**Whereas:** Intergovernmental Panel on Climate Change evaluated the goals of the Paris Agreement and advised that net carbon emissions must reach net-zero by 2050 to limit warming to 1.5 degrees Celsius and avoid the worst effects of climate change. Under current emissions trajectories. Up to 10 percent of total global economic value may be lost by 2050.<sup>1</sup>

In its 2021 10-K, ON Semiconductor (onsemi) acknowledges that climate change poses material risk that could disrupt the manufacturing and shipping of its products, thereby impacting its financial position.

Recognizing this risk, onsemi announced an ambitious goal to mitigate its greenhouse gas (GHG) emissions by achieving net-zero emissions by 2040 across its entire value chain. If approved by the Science Based Targets initiative, onsemi's target would be considered aligned with global efforts to limit warming to 1.5 degrees Celsius.

In 2021, the University of Oxford issued a report indicating that companies with net-zero commitments represented sales of nearly \$14 trillion or 33 percent of sales of top 2,000 public companies.<sup>2</sup> However, many corporate commitments are now under scrutiny because they lack credible strategies, metrics, and milestones for achieving their net-zero GHG emissions reduction goals. Many are being accused of greenwashing.<sup>3,4</sup>

The Secretary General of the United Nations has stated that there must be “zero tolerance for net-zero greenwashing” and that net-zero pledges must be accompanied by transition plans. Failure to publish and implement climate transition action plans poses reputational and legal risks to the Company. Currently, nine suits are before European, Australia, and United States' courts filed against companies for making unsupported net-zero claims.<sup>5</sup>

To address these risks, proponents believe that onsemi has a responsibility to provide a climate transition action plan that clearly articulates, both qualitatively and quantitatively, its approach to mitigating its GHG emissions.

**RESOLVED:** Shareholders request onsemi issue a climate transition action plan describing how it intends to align its operations and full value chain emissions with the ambition of limiting global temperature increase to 1.5 degrees Celsius. The transition plan should describe the Company's GHG emissions reduction strategies and any deviations from a science-based GHG emissions reduction pathway aligned with limiting a 1.5 degrees Celsius temperature rise for onsemi's scopes 1 - 3 GHG emissions.

The plan should be prepared, at reasonable expense and excluding confidential information, within a year and updated annually thereafter.

**SUPPORTING STATEMENT:** In developing the transition plan, we recommend, at the board and management's discretion:

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<sup>1</sup> <https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf>

<sup>2</sup> [https://ca1-eci.edcdn.com/reports/ECIU-Oxford\\_Taking\\_Stock.pdf?v=1616461369](https://ca1-eci.edcdn.com/reports/ECIU-Oxford_Taking_Stock.pdf?v=1616461369)

<sup>3</sup> TIAA: <https://www.ai-cio.com/news/tiaa-nuveen-accused-of-greenwashing-violating-un-climate-pledges/>

<sup>4</sup> UN: <https://news.un.org/en/story/2022/11/1130317>

<sup>5</sup> <https://www.cleanenergywire.org/factsheets/company-climate-claims-court-pending-cases-will-shape-future-net-zero-pledges>



- Providing strategies, metrics, and milestones for the achieving the Company's GHG emissions reduction targets;
- Disclosing use or planned use of carbon removals or offsets;
- Taking into consideration climate transition plan criteria issued by advisory groups such as Task Force on Climate Related Financial Disclosures, Climate Action 100+, and the United Nations' High Level Expert Group on the Net Zero Emissions Commitments of Non State Entities.<sup>6</sup>

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<sup>6</sup> [https://www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf)

January 10, 2023

Via Email

The Green Century Funds  
Green Century Capital Management, Inc.  
Attention: Andrea Ranger ([aranger@greencentury.com](mailto:aranger@greencentury.com))  
Attention: Leslie Samuelrich

**Re: Shareholder Proposal for 2023 Annual Shareholder Meeting**

This letter is being sent on behalf of ON Semiconductor Corporation (“onsemi” or “we”) in response to the letter, dated December 5, 2022 that onsemi received from Green Century Funds (“Green Century”) regarding onsemi’s 2023 Annual Shareholder Meeting (the “Annual Meeting”), and in furtherance of a telephonic meeting that the parties held on January 6, 2023.

We value the input of all investors and appreciated the opportunity to discuss our current ESG and greenhouse gas reduction initiatives with Green Century. In regard to current ESG initiatives that onsemi is pursuing, we would like to highlight the following:

- Public commitment to achieve Net Zero by 2040 across Scope 1, 2, and 3;
- Public commitment to source 50% renewable energy by 2030;
- Committed to the Science Based Targets Initiative (“SBTi”);
- Baselineing of Scope 1, 2, and 3 emissions in our 2022 Sustainability Report (to be published around June 2023);
- Publishing full Scope 3 categories applicable to onsemi in our 2022 Sustainability Report (to be published around June 2023); and
- Completion of Task Force on Climate-related Financial Disclosures (“TCFD”) aligned Climate Scenario Analysis results including risk and opportunity identification and adaptation and mitigation strategies, to be published in our 2022 Sustainability Report (to be published around June 2023).

In regard to other near-term ESG initiatives that onsemi is pursuing, we would like to highlight the following:

- TCFD Transition Plan strategies anticipated to be published in 2024 and to include:
  - Anticipated total Scope 1 emission reduction over time, such as from process gas optimization and management, process gas swaps, etc.;
  - Anticipated total Scope 2 emission reduction over time, such as from energy conservation, energy efficiency projects, etc.; and
  - Anticipated procurement of renewable energy focusing on additionality, such as from renewable energy credits, power purchase agreements, green tariffs, etc.
- Milestones, metrics and key performance indicators tied to transition plan strategies to be published in 2024; and
- Near-term, SBTi-aligned targets to be approved by SBTi (around December 2024).

Furthermore, we would also like to point out the following:

- We publish an annual sustainability report, with the most recent version available on our website here: <https://www.onsemi.com/company/environmental-social-and-governance/annual-sustainability-report>;
- The Governance and Sustainability Committee of our Board of Directors has oversight responsibility for ESG matters and receives updates – at least quarterly, and sometimes more frequently – on ESG matters and our greenhouse gas reduction initiatives. The charter of the Governance and Sustainability Committee includes the following express delegation of authority under Section III, 11: *“To oversee the Company’s environmental, social and governance (ESG) framework, including in respect of (i) climate-related and sustainability-related initiatives and other Company actions associated with the environment, and (ii) assisting the Board in providing guidance and oversight in respect of strategy, risk management, opportunities, major capital expenditures and investments in connection with such matters, in each case, subject to any specific matter connected to ESG initiatives that may have been expressly allocated to another committee of the Board.”*
- In 2022, we signed our SBTi commitment letter and we are now included as a ‘Committed’ company on the SBTi website.

As you can see, we believe the aforementioned initiatives, documents and governance protocols demonstrate our commitment to being a leader amongst semiconductor companies in the ESG space, and to developing near-term and long-term plans (with specific metrics) to guide the company on our Net Zero 2040 journey. In light of our telephonic conversation, and the items referenced in this letter, we respectfully ask Green Century to consider withdrawing its Shareholder Proposal referenced in the December 5, 2022 letter sent to onsemi. In that regard, and if helpful, please see the included acknowledgment signature block below (on page 3 of this letter).

Kim Luu and I are available to answer any questions you may have, and we are also available for a follow-up conference call if helpful. It was very nice speaking with you last week. Thank you for your interest in onsemi.

Sincerely,



Paul Dutton  
Senior Vice President & Deputy General Counsel  
onsemi



January \_\_\_\_, 2023

Via Email

onsemi

Attention: Paul Dutton ([paul.dutton@onsemi.com](mailto:paul.dutton@onsemi.com))

Attention: Pamela Tondreau ([pam.tondreau@onsemi.com](mailto:pam.tondreau@onsemi.com))

**Re: Shareholder Proposal for 2023 Annual Shareholder Meeting**

We acknowledge receipt of onsemi's letter dated January 10, 2023 and hereby withdraw the Green Century Shareholder Proposal set forth in the Green Century letter sent to onsemi and dated December 5, 2022.

Sincerely,

Andrea Ranger  
Shareholder Advocate  
The Green Century Funds  
Green Century Capital Management, Inc.

Hi Paul,

Thank you for sending the proposed agreement language over for our review. I believe it forms a solid basis from which to work. However, I do believe there are additional criteria that, if added, would more thoroughly address the requests of the proposal.

The resolved clause of the proposal asks that onsemi, in its transition plan, describe any deviations of its GHG emissions reduction strategies from a science-based GHG emissions reduction pathway aligned with limiting a 1.5 degrees Celsius temperature rise for its scopes 1 - 3 GHG emissions. That is, what is the delta between the what the company is doing and planning versus a 1.5 deg C pathway inclusive of its scope 3 emissions? A target set with SBTi will require onsemi to address its scope 3 emissions and investors will want to understand how and when scope 3 emissions will be addressed, and importantly, challenges and opportunities to reduce them. Given the variety of equipment that uses onsemi products, it's going to be a significant challenge to reduce product-related emissions, and I know what we're looking for is a reasonable effort to continue your current progress on this path.

Your commitment to provide strategies, metrics, and milestones for the achieving onsemi's GHG emissions reduction targets squarely addresses that bullet in our proposal, and we appreciate that.

In our view, a fleshed-out transition plan would also include the following elements as per the TCFD's Guidance on Metrics, Targets, and Transition Plans:

- Plan Assumptions: Describe the organization's assumptions, particularly around transition pathway uncertainties and implementation challenges. Assumptions should be consistent with those used by the organization in its financial accounts, capital expenditures, and investment decisions.
- Action plans: Outline short-term and medium-term tactical and operational plans and describe how related actions address material sources of GHG emissions. The plan includes current and planned initiatives to reduce climate-related risks and increase climate-related opportunities.
- Financial plans: Describe the supporting financial plans, budgets, and related financial targets (e.g., amount of capital and other expenditures supporting decarbonization strategy).
- Plan challenges and uncertainties: Describe the assumptions, uncertainties, and challenges the organization faces in successfully executing its transition plan

I know that onsemi's climate scenario analysis is in progress, and we view this analysis as a critical component to identifying climate risk and further applaud onsemi for proactively taking on this important task.

The TCFD guidance asks for the following in relation to a climate scenario analysis:

- Scenario analysis: Test the achievability of the transition plan and associated targets using multiple climate-related scenarios.

Finally, the proposal requests that onsemi include in its transition plan:

- Carbon removals or offsets: Disclosure of use or planned use of carbon removals or offsets.

To that end, companies are increasingly providing detailed information on the types of removals or offsets they are using, such as the project name, type, volume, location, certification, durability and supplier of carbon credits purchased and retired each year. I mention this because investors are starting to request this specificity, and I know of at least two shareholder proposals that have been filed this year that request this information.

**Exhibit B**

2021 Sustainability Report

# Creating a better tomorrow. **Today.**







## About this Report

### Report Overview

Previously known as the Corporate Social Responsibility (CSR) Report, the 2021 Sustainability Report is the ninth iteration of our voluntary non-financial public disclosure of topics concerning environmental, social and governance (ESG) initiatives at **onsemi**. This report was created to transparently communicate our efforts in ESG with our investors, customers, stakeholders and employees. These reports have become an important tool for managing sustainability efforts, disclosing sustainability strategies and measures, and sharing achievements.

### Report Scope

Data presented in this report covers the 2021 fiscal year, January 1, 2021 - December 31, 2021. To demonstrate quantitative performance, this report includes year-over-year data to allow for trend identification. This report contains information about **onsemi** worldwide subsidiaries and joint ventures for which we have management control. Environmental data covers leased and owned internal manufacturing sites, which account for most of our environmental footprint worldwide.

### Reporting Principles

Our 2021 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) standards.

### Date of Issuance

**onsemi** publishes this Report annually. An electronic version is available on the [onsemi website](#).

Current issue: 2021, published in June 2022

Date of previous publication: June 2021

Date of publication for the next issue: June 2023

### Feedback

We welcome feedback on our activities and performance outlined in this report. Please contact us if you have any suggestions or questions regarding this report.

### onsemi

Investor Relations and Corporate Development  
5005 E McDowell Rd  
Phoenix, Arizona 85008  
[investor@onsemi.com](mailto:investor@onsemi.com)  
[www.onsemi.com](http://www.onsemi.com)

### Reporting Assurance

Information contained in this report has been assured by S&P TruCost Limited in accordance with AA 1000 assurance standard. Our full assurance statement can be found in the appendix of this report.





### A Letter from our President and CEO – Hassane El-Khoury

The challenges of the last two years have certainly been daunting; yet despite the ongoing battle against the pandemic, volatile geopolitical events and the unpredictable supply chain constraints, I am encouraged by so many companies, including **onsemi**, that are diligently solving the biggest challenges and transforming industries while continuing to emphasize the commitment to create a better world for tomorrow.

**onsemi** is committed to developing strategies and programs to address global climate change – including introducing methods to reduce our greenhouse gas emissions and our impact on air, water and waste. In addition, **onsemi** is developing technology and semiconductor products that enable our customers to achieve their own sustainability goals. Our strategy delivers intelligent power and sensing solutions for the sustainable ecosystem including electric vehicles, energy infrastructure, factory automation and advanced safety applications.

To address our carbon footprint, we have pledged to achieve net-zero emissions by 2040. Net-zero emissions require an ambitious 1.5°C target aligned with climate science for emission reductions across a company's full value chain, and further, ensures direct emissions will not contribute to a global temperature rise exceeding 1.5°C above pre-industrial times.

We have set one of the most ambitious goals in our industry and with this commitment we will surpass the Paris Agreement's goal by a full decade. While it's aggressive, we know that it's the right thing to do for us, for our customers and for generations to come.

Since celebrating my first-year anniversary with **onsemi**, I have taken time to reflect upon our accomplishments – and while there is a lot to be proud of, I keep coming back to the same conclusion: **onsemi** is made up of the smartest and brightest minds from all around the world. Our employees, and the ongoing contributions from each one, are our greatest asset – and together, we will continue to create innovative technologies and positively change the world as we know it.

I am proud to share that **onsemi** was awarded eight accolades for 2021 including being listed on Dow Jones Sustainability Index North America for the fourth consecutive year. In 2022 – for the seventh consecutive year, we were named one of the World's Most Ethical Companies by Ethisphere; for the fifth consecutive year, we were named part of Barron's 100 Most Sustainable Companies; and for the third consecutive year, one of Newsweek's America's Most Responsible Companies – to name a few. While I am incredibly humbled by these accomplishments; we are not done.

Through 2022 and beyond, we will continue to focus on sustainable manufacturing – concentrating on emissions reduction, energy and water conservation, material optimization and recycling. We will also continue to focus on sustainable products as we innovate and introduce technologies that enable reduced global energy use while supporting our customers to meet and exceed global energy efficiency standards. And we will continue to drive sustainable practices to challenge and enable employees to embody our values and act sustainably in both work and personal aspects as we believe that every action counts in contributing to the greater good.

At **onsemi**, we are one team working together with our customers and partners for a better tomorrow. Together, we are solving the world's greatest challenges through technical innovation and delivering leadership products for sustainable outcomes. We understand that even the smallest actions can make a positive and meaningful difference. I believe deeply in this company's future and our employees who are passionately committed to doing what's right – today, tomorrow and for decades to come.

Hassane El-Khoury  
President and CEO, **onsemi**



**Q&A with Paul Mascarenas – Board Member and Chair of the Governance and Sustainability Committee**

To explain the importance of our ESG strategy here at **onsemi**, we sat down with Paul Mascarenas, member of **onsemi's** Board of Directors and chair of the Governance and Sustainability Committee. Paul shares his insights regarding recent efforts and initiatives driving the company's ESG strategy forward to achieve its climate goal. Paul has a passion for sustainability and has pushed **onsemi** to be more innovative in its approach to ESG. He played a critical role in re-aligning the former Governance and Nominating Committee of our board to be more focused on sustainability and was integral in its transition to becoming the Governance and Sustainability Committee.

**2021 was an exciting year for onsemi. The company went through a massive transformation and started to focus on a winning strategy relative to its business operations. In addition, onsemi committed to be net-zero by 2040. Why did onsemi choose this goal?**

For years, **onsemi** has had a dedicated CSR team guiding our practices around the triple bottom line – people, planet and profit. The company has won many accolades over the years for our continued commitment to ESG initiatives. However, we know that addressing global climate change is the challenge of our time. As average temperatures rise, climate science finds that acute hazards such as heatwaves and floods are growing in frequency and severity, and chronic hazards, such as drought and rising sea levels continue to increase at alarming rates. These acute and chronic hazards have a significant impact on human development and economic productivity, including supply chain disruptions, damage to owned operations and endangerment, death or injury to people in impacted communities. At **onsemi**, we're creating a future we want to live in. We understand that the contributions we make today can have an impact on the world tomorrow. We knew we needed to address climate change more directly and strategically, thus our net zero goal was born.

**How does this goal support the fight against climate change? How is this goal different than some of the other commitments in the semiconductor industry?**

**onsemi's** net zero by 2040 goal demonstrates leadership in addressing climate change by focusing on how we can make a difference. Our goal aligns with the Paris Agreement and ensures direct emissions will not contribute to a global temperature rise exceeding 1.5°C above pre-industrial times. Climate scientists have determined that

warming above 1.5°C can have profound impacts on our planet, including loss of biodiversity, ocean acidification and impacts on agriculture yields. Our net-zero goal differs from some of the other commitments in the semiconductor industry by prioritizing deep decarbonization in our operations and investment in renewable energy before purchasing carbon offsets. Most companies have a commitment to be carbon neutral which allows them to continue to emit as much as they would like, as long as they purchase carbon offsets equal to the amount they emit. At **onsemi**, we feel it's important to address the root cause. We don't want to use a Band-Aid on a bullet hole and instead define a concrete plan that ensures our actions are solving the problem at hand.

**We understand the big picture goal – net-zero by 2040 – but can you tell us how onsemi plans to get there? What are some of your short-term goals?**

We realize this is a big commitment and we are taking the time to build a solid roadmap to ensure we achieve this goal. We acknowledge we still have a lot of work to do – Rome was not built in a day! In 2021, we focused on vetting the correct goal and strategy for our business. We worked with **BSR**, a global nonprofit that works with companies to develop sustainable business strategies and solutions, to develop this goal and build our strategy. Additionally, we took time to educate our internal teams and ensure they understand how this goal will impact them – whether they are in global supply chain, finance or product development. We also needed to ensure we had the correct team in place to lead this strategy. Now that we have built this strong foundation, we are mapping out our roadmap to 2040

and determining what annual targets are needed to meet our goal. Additionally, we are preparing to commit to the **Science Based Target initiative (SBTi)** and plan to do so by the end of 2022. Our SBTi commitment ensures our goals are based on the latest climate science and will prevent the worst effects of climate change.

We also acknowledge that this goal is hyper-focused on emissions and the environmental side of ESG. We are working with our internal teams to develop more granular goals around topics like diversity, equity and inclusion, supplier selection, employee learning and development, data security, anti-corruption, water and waste management and global giving to ensure we are incorporating the social and governance sides of ESG within our strategy.

**onsemi has many products that support a more sustainable future. Can you tell us about a technology you're excited about?**

At **onsemi**, we provide intelligent sensing and power solutions to help our customers solve the most challenging problems and create cutting-edge products for a better future. Our intelligent power technologies accelerate automation and enable efficient power production, distribution and consumption in the automotive and industrial sectors. Silicon carbide (SiC) is a key component of next-generation semiconductors that provides sustainable technical benefits and improves system efficiency in many applications, including electric vehicles (EVs), EV charging and energy infrastructure. SiC supports the electrification of the automotive industry and allows for lighter and longer-range electric vehicles.

In 2021, we completed our acquisition of GT Advanced Technologies Inc. (GTAT), a producer of SiC. **onsemi** customers will benefit from GTAT's extensive experience in crystalline growth as well as its impressive technical capabilities and expertise in the development of wafering ready SiC. We intend to scale and accelerate GTAT's development of SiC to assure customers' supply of critical components and further commercialize intelligent power technologies.

**What's next?**

We have a long journey ahead, but we have a great group of leaders and employees that are passionate and able to help us meet our goals. Whether it's investing in infrastructure to help us reduce our emissions at the facility level, designing cutting edge technologies to help our customers improve sustainable efficiencies in their products or ensuring our internal workforce consists of diverse talent, we strive to keep ESG top of mind in everything we do at **onsemi**. Our annual sustainability report will give an in-depth look at our achievements thus far and highlights the key performance indicators we are tracking to ensure we are achieving our goals. We are looking forward to what's to come and invite you to follow along on this journey – we know it will be one exciting ride! To learn more, please visit [onsemi.com/tomorrowtoday](https://onsemi.com/tomorrowtoday).

“ At onsemi, we understand that we cannot solve tomorrow’s problems with yesterday’s thinking. We employ innovative thinking that delivers cutting-edge technology to solve the world’s most challenging problems. Our products and technologies enable our customers to deliver on the promise of a more sustainable future. Moreover, we take fundamental responsibility for our actions and seek to ensure our business operations leave a positive impact on our planet, communities, employees and stakeholders. Through our products, we deliver solutions to reduce energy usage and emissions, minimizing the impacts on our planet and environment. Through our policies, we ensure we operate responsibly and protect human rights throughout our supply chain. Through our internal programs, we develop and support our employees, placing an intrinsic value on diversity, equity and inclusion. And finally through our giving efforts, we inspire tomorrow’s leaders through Science, Technology, Engineering, Arts and Mathematics (STEAM) education and donate where our help is needed most. We are building a better future today for the generations of tomorrow. ”



**Alan Campbell**  
Chairman of the Board

### 2021 Highlights



**Barron's 100 Most Sustainable Companies; Five Consecutive Years**

In 2022, **onsemi** ranked #41 on Barron's 100 Most Sustainable Companies. Companies are scored on five key areas: shareholders, employees, customers, community and planet.



**Bloomberg Gender Equality Index; Three Consecutive Years**

In 2022, **onsemi** was named to the Bloomberg Gender Equality Index for our transparent disclosure practices and overall performance across the framework's five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women branding.

**Corporate Knights' Clean200 global list member for 2022**

In 2022, **onsemi** ranked #175 on *Corporate Knights'* and As You Sow's Clean200 global list. The Clean200 are the largest 200 public companies ranked by green energy revenues. To be eligible, a company must earn more than 10% of total revenues from clean sources.

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

**Dow Jones Sustainability Index (DJSI) North America, Four Consecutive Years**

In 2021, **onsemi** was one of seven semiconductor companies included in the DJSI North America component. Companies are chosen for excellent sustainability through the assessment of multiple criteria including corporate governance, customer relations, environmental policy, working conditions and social initiatives.



**EcoVadis Platinum Level Recognition; Two Consecutive Years**

In 2022, **onsemi** received a 79/100 score from EcoVadis, a leading platform for environmental, social and ethics performance ratings for global supply chains. Overall, our company scored in the top 1% of the 912 companies assessed by EcoVadis within the "manufacture of electronics components and boards" industry.



**International Shareholder Services (ISS) ESG Prime Corporate Rating; Three Consecutive Years**

In 2022, **onsemi** maintained a "Prime" rating by ISS ESG, one of the world's leading rating agencies for sustainable investments. Our company ranked in the top 30% of the 89 companies rated within the semiconductor industry.

**Investor's Business Daily 100 Best ESG Companies of 2021**

In 2021, **onsemi** ranked #49 on IBD's 100 Best ESG Companies for 2021. Companies are ranked based on profitability along with their efforts in ethical and social responsibility.



**Newsweek's America's Most Responsible Companies; Three Consecutive Years**

In 2022, **onsemi** ranked #53 on *Newsweek's* America's Most Responsible Companies. The list ranks 499 U.S.-based companies across 14 industries.

**Platinum Responsible Business Alliance (RBA) Validated Assessment Program (VAP) Recognition for Receiving a Perfect Score of 200 for Initial Recipient Sites**

The **onsemi** manufacturing sites in Bucheon, South Korea received this recognition. **onsemi** had five sites with a perfect score of 200 points on their remote initial audit resulting in RBA Recognition. These five sites are Mountain Top, Pennsylvania, United States; South Portland, Maine, United States; Carmona, Philippines; Cebu, Philippines; and Tarlac, Philippines. Due to these being remote audits, our sites did not receive official "Platinum" status but were still recognized by RBA for achieving a perfect score.



**MSCI ESG "A" Rating; Three Consecutive Years**

In 2021, **onsemi** maintained its ESG "A" rating from MSCI. We are among the top five industry leaders for our ethical practices related to sourcing raw materials from areas associated with human rights and labor abuses.



**World Finance Sustainability Award, Two Consecutive Years**

**onsemi** won the 2021 World Finance Sustainability Award and was named the most sustainable company in the semiconductor industry. This is the second consecutive year that **onsemi** has won this award.



**World's Most Ethical Companies; Seven Consecutive Years**

In 2022, **onsemi** was one of four companies in the semiconductor industry to receive this recognition. Companies are evaluated based on their culture, environmental and social practices, ethics and compliance program, corporate governance and diversity and inclusion initiatives to support a strong value chain.

Our Business

# Delivering a Sustainable Future



About onsemi

Founded in  
**1999**



Headquartered in  
Phoenix, Arizona

**ON**

Publicly traded  
(Nasdaq: ON)



Hassane El-Khoury is  
president and CEO

**\$6.7**

billion revenue in 2021



**\$5.011**

billion in sustainable product revenue

**33,690**

employees



**20%**

female board of directors

**45%**

female

**25%**

female executive leadership

**25.7%**

minority workforce (U.S. Only)

**80,000**

different parts



**22 manufacturing sites worldwide,**  
producing tens of billions of units  
per year ~80,000 different parts

**61%**

of our 2021 revenue was  
from auto and industrial



The automotive and industrial end  
markets are growing **~2x faster**  
than other end markets and make  
up ~61% of our 2021 revenue.



Company Profile

**onsemi** is driving disruptive innovations to help build a better future. With a focus on automotive and industrial end-markets, the company is accelerating change in megatrends such as vehicle electrification and safety, sustainable energy grids, industrial automation and 5G and cloud power. With a highly differentiated and innovative product portfolio, **onsemi** creates intelligent power and sensing technologies that solve the world's most complex challenges and leads the way in creating a safer, cleaner and smarter world.

Our intelligent power technologies enable energy efficient solutions across all applications by providing improved power factor, enhanced active-mode efficiency and reduced standby-mode power consumptions. Our intelligent power technologies allow our customers to exceed range targets with lower weight and reduce system cost through efficiency. With our sensing integration, we believe **onsemi's** intelligent power solutions achieve higher efficiencies compared to our peers and allow lower temperature operation, reducing cooling requirements, saving costs and minimizing weight while delivering the required power with less die per module and achieving a higher range for a given battery capacity.

Our intelligent sensing technologies support the next generation of industry allowing for smarter factories and buildings while also enhancing the automotive mobility experience with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible. **onsemi's** intelligent sensing solutions offer proprietary features in smaller packages that support customers' use cases. We believe our intelligent sensing technologies offer advanced features to achieve optimal results and our product integration drives improved efficiency. This performance is delivered in a smaller footprint while reducing system latency to increase safety and throughput by providing a proprietary feature set to solve different use cases.

Together, our industry leading intelligent power and sensing technologies help our customers solve the most challenging problems and create cutting edge products for a better future.

We serve a broad base of end-user markets, including automotive, industrial and others which include communications, computing and consumer. We believe the evolution of automotive with advancements in autonomous driving, advanced driver-assistance systems (ADAS), vehicle electrification and the increase in electronics content for vehicle platforms is reshaping the boundaries of transportation.

Within the industrial space, **onsemi** helps Original Equipment Manufacturers (OEMs) develop innovative products and navigate the ongoing transformation across energy infrastructure, industrial automation, smart buildings and power conversion. From wide-bandgap technologies, such as SiC and gallium nitride (GaN), power metal-oxide-semiconductor field-effect transistors (MOSFETs), insulated-gate bipolar transistors (IGBTs) and gate drivers to state-of-the-art imaging, depth sensing and connectivity devices, our versatile portfolio helps OEMs tailor their designs to fulfill the needs of every application.

Cloud and 5G applications demand large-scale power management solutions with the utmost efficiency, quality and reliability. The comprehensive power portfolio by **onsemi** services high performance computers and servers with solutions including totem pole power factor correction (PFC) controllers for AC/DC power conversion, single or multiphase controllers for DC/DC power conversions, gate drivers, smart power stages, point-of-load DC/DC converters and hotswap protection devices. The power conversion technologies from **onsemi** offer industry leading efficiency reducing energy consumption by cloud data centers and 5G telecom infrastructures.

With decades of experience in power conversion and management, motion and a variety of sensing and connectivity solutions, **onsemi** brings the expertise and technologies necessary to address present and future environmental challenges and to support the opportunities of e-mobility and the fourth industrial revolution.

## Worldwide Locations

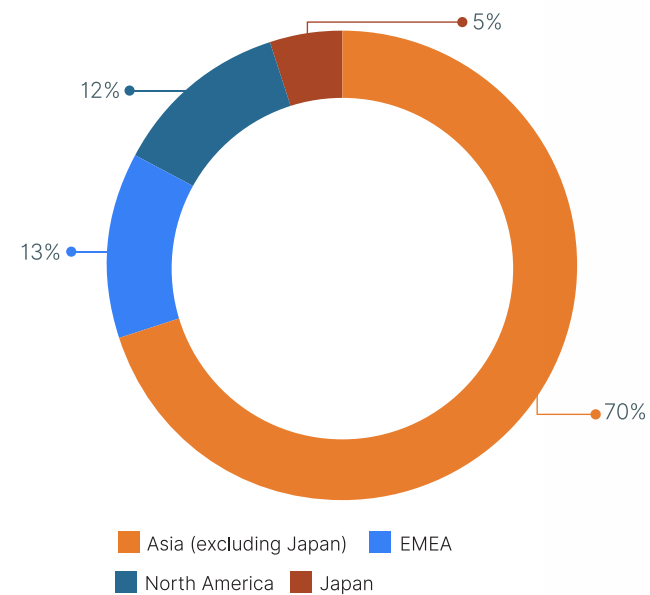
**Manufacturing Locations:**  
Belgium, Canada, Czech Republic, China, Japan, Malaysia, Philippines, South Korea, United States and Vietnam

**Design Center Locations:**  
Australia, Belgium, Canada, China, Czech Republic, France, Germany, India, Ireland, Israel, Italy, Japan, Romania, Russia, Singapore, Slovakia, Slovenia, South Korea, Sweden, Switzerland, Taiwan, United Kingdom and United States

**Solution Engineering Center Locations:**  
China, Germany, Japan, Slovakia and United States



Worldwide Workforce by Region





### Business Areas

As a leading semiconductor manufacturer for more than 80,000 different parts and a global supply chain, **onsemi** serves tens of thousands of customers across multiple markets. Some of our key markets include automotive solutions, industrial solutions, 5G and cloud power, Internet of Things (IoT), medical solutions and aerospace and defense.

We are organized into three operating and reportable segments: Power Solutions Group (PSG), Advanced Solutions Group (ASG) and Intelligent Sensing Group (ISG).

#### Power Solutions Group (PSG)

PSG offers a wide array of analog, discrete, module and integrated semiconductor products that perform multiple application functions, including power switching, power conversion, signal conditioning, circuit protection, signal amplification and voltage regulation functions. If you drive an electric vehicle, **onsemi** components from PSG can help you go many more miles on a single charge.

#### Advanced Solutions Group (ASG)

ASG designs and develops analog, mixed-signal, advanced logic, application-specific standard products (ASSP) and application-specific integrated circuits (ASIC), radio frequency (RF) and integrated power solutions for a broad base of end-users in different end-markets. If you store data in the cloud, **onsemi** components from ASG ensure the data center housing your information is running efficiently and effectively, allowing you access to your information from anywhere at any time with a click of a button.

#### Intelligent Sensing Group (ISG)

ISG designs and develops complementary metal-oxide semiconductor (CMOS) image sensors, image signal processors, single photon detectors, including silicon photomultiplier (SiPM) and single photon avalanche diodes (SPAD) arrays, as well as actuator drivers for autofocus and image stabilization for a broad base of end-users in the different end-markets. **onsemi** components from ISG provide improved manufacturing efficiency by using cameras in quality inspections to detect defective parts early in the process, ensuring end-product quality and reliability.

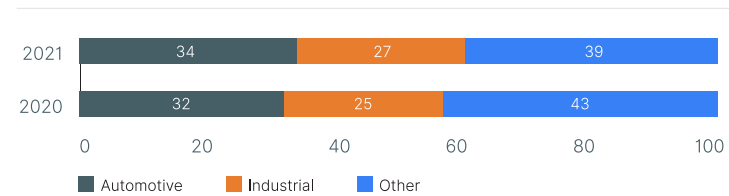


### 2021 Financial Performance

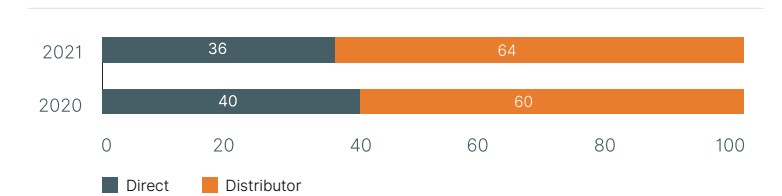
Our disciplined execution of transformation initiatives in 2021 resulted in record financial performance. Revenue for 2021 grew 28.3%. Operating income and free cash flow increased six times faster than revenue as we focused our portfolio on secular megatrends of electric vehicles, advanced

driver-assistance system (ADAS), alternative energy and industrial automation. We continue to expand gross margins as we shift our mix into these high-value strategic markets while ramping new products, rationalizing our manufacturing footprint and improving our overall cost structure.

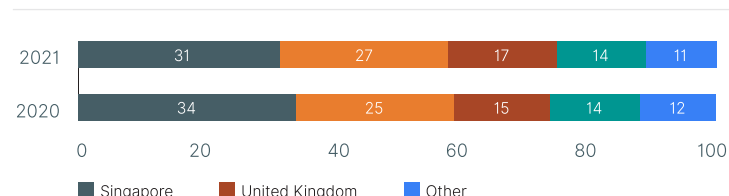
Revenue by Market (percentage)



Revenue Type by Channel (percentage)

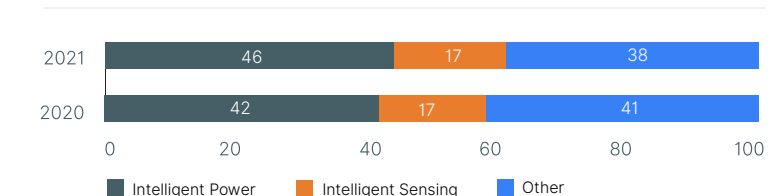


Revenue by Region<sup>1</sup> (percentage)



<sup>1</sup> Represents sales billed from the respective country or region.

Revenue by Technology (percentage)



FINANCIAL STRENGTH	UNITS	2021	2020	2019
Revenue	Dollars (billions)	\$6.7	\$5.3	\$5.5
Sustainable Product Revenue <sup>1</sup>	Dollars (millions)	\$5,011	\$755	\$460
Recouped Scrap Materials/Precious Metals	Dollars (millions)	\$26	\$23	\$22

<sup>1</sup> Due to a change in calculation methodology, there is an increase in sustainable product revenue in 2021. To learn more, see the Product Stewardship section of the report (page 20).

## Our Values

### Mission

We push innovation to create intelligent power and sensing technologies that solve the most challenging customer problems. Our employees are inspired to go above and beyond to increase stakeholder value through high quality and high value products and services.

### Vision

Drive technology breakthroughs that deliver on the promise of a sustainable future.

### Core Values

Our core values, reviewed annually, define who we are as employees and as representatives of **onsemi**. 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 integrity, respect 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 employees receive training about 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 **onsemi**. These values apply equally to us all — employees, global leadership teams, executive staff and board of directors alike.

### Integrity

We mean what we say, and we 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 the 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.

### 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.

### 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.

## Tomorrow, today

In 2021, the corporate social responsibility team (CSR) began evaluating how to bring the company’s multiple environmental, social and governance activities together under one cohesive message. The decision was to develop a campaign that would bring all these activities together under one unifying message and hence in early 2022, the *Tomorrow, today* campaign was launched.

### Our ‘Tomorrow, today’ Campaign Message

The work and giving we do today are essential for a better future and together at **onsemi**, we are creating a future we

want to live in. At **onsemi**, we have a mission to propel the world forward with intelligent technology and a goal to achieve net-zero emissions by 2040. We understand how we work, how we impact our planet, the environment and how we give back makes a difference to the customers we serve and the communities we live in. We have a passion to drive change and make the world a better place. And, while we have our eyes on tomorrow, it is our contributions no matter the size, that can make an impact today for a better future.

### The *Tomorrow, today* campaign is categorized into four pillars:

- |  |   |   |   |
|--|---|---|---|
| <p><b>1 Impacting Our Community through Giving</b></p> <ul style="list-style-type: none"> <li>• Giving Now Program Including Matching Employee Giving</li> <li>• Science, Technology, Engineering, Arts and Mathematics (STEAM) Education</li> <li>• Disaster Relief and Responding when Crises Arise</li> </ul> | <p><b>2 Protecting our Planet and Environment</b></p> <ul style="list-style-type: none"> <li>• Product Stewardship</li> <li>• Energy and Emissions</li> <li>• Water and Waste Management</li> <li>• Environmental Compliance</li> </ul> | <p><b>3 Ensuring Social Responsibility</b></p> <ul style="list-style-type: none"> <li>• Diversity, Equity and Inclusion</li> <li>• Learning and Development</li> <li>• Employee Hiring</li> <li>• Employee Health and Safety</li> </ul> | <p><b>4 Committing to a Responsible Business</b></p> <ul style="list-style-type: none"> <li>• Ethics and Compliance</li> <li>• Supply Chain Management</li> <li>• Fair Treatment</li> <li>• Information Protection</li> </ul> |
|--|---|---|---|

### Net-Zero Commitment

In 2021, **onsemi** announced our goal to be net-zero by 2040. This commitment will guide how we operate our business over the coming years and is essential to ensuring we operate in a socially thoughtful and environmentally responsible manner. This goal reaffirms our commitment to our planet and requires that we take fundamental responsibility for its well-being. Our actions today can have a lasting impact on our planet and people for generations to come. We want that impact to be positive and plan to achieve this by being a net zero company.

Our net-zero goal is one of the most ambitious goals among our competitors within the semiconductor industry with \$5-10B annual revenue. This net-zero commitment will surpass the **Paris Agreement's** goal by a full decade. We will be using 2022 as our baseline year and will base all reduction targets off our total emissions in this year.

Our emissions data is verified by a third-party company, **Trucost**. Trucost, a subsidiary of S&P Global, is a leader in carbon and environmental data and risk analysis. Our full assurance statement can be found in the appendix of this report.

In addition, our corporate social responsibility team works closely with our environmental health and safety (EHS) and facilities teams to ensure processes and frameworks are in place to measure our progress against our net-zero goal. Our annual Sustainability Report will be a key resource for tracking our progress.



We are implementing an aggressive strategy to reach this goal. Our strategy is categorized into three pillars:

#### Capitalize on Efficiencies



- Further investments in facilities, processes and equipment to increase energy efficiency
- Explore opportunities to mitigate process gas usage
- Identify areas where improved efficiencies can reduce raw material, fuel and resource usage

#### Transition to Renewable Energy



- Transition to an emissions-free renewable energy portfolio
- Commit to 50% renewable energy by 2030 and 100% renewable energy by 2040
- Join the **Clean Energy Buyers Alliance** to support the rapid transition to a cleaner energy future

#### Purchase Offsets and Influence



- For non-electricity emissions that cannot be eliminated, over the long-term, onsemi will purchase certified offsets equal to the amount of such emissions
- **Green-E** and **Gold Standard** certified offsets are most credible and will be prioritized
- Leverage our **Responsible Business Alliance (RBA)** membership to engage supply chain stakeholders on emissions reductions

Protecting our Planet and Environment

# Our promise for a brighter tomorrow



## Emissions and Energy Consumption

We are dedicated to reducing our energy consumption and overall carbon footprint in alignment with our net-zero by 2040 goal. As stated in the **Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report**, it is unequivocal that human activities related to greenhouse gas (GHG) emissions have warmed the atmosphere, ocean and land. This warming has created widespread and rapid changes around the world that include rising sea levels, melting glaciers and more frequent extreme weather events. Climate change is undeniable, and the main driver of climate change is human-based activities.

Increasing energy demands and GHG 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 intelligent power and sensing technologies 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 products that assist with the transition from coal to renewables.

At **onsemi**, we take climate change seriously. For years, we have taken steps to reduce GHG emissions and energy consumption throughout the company's operational footprint. We measure and report Scope 1 and 2 emissions at our manufacturing sites along with select categories of Scope 3 emissions. We know that what gets measured is managed. Our Environmental Health and Safety (EHS) management team has implemented policies and procedures to ensure our manufacturing sites are reporting accurate and complete data on a quarterly basis as it relates to emissions and energy consumption. To keep our carbon accounting cohesive across all operational activities, **onsemi** reports all emissions on a carbon dioxide equivalent basis (CO<sub>2</sub>e).



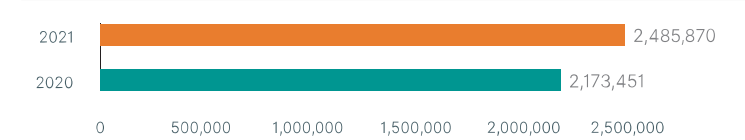
## Scope 1 Emissions

Scope 1 emissions are direct emissions from company-owned and controlled resources. Some examples of Scope 1 emissions include emissions from fuels used in heating or furnaces and process emissions from process chemicals used in industrial processes.

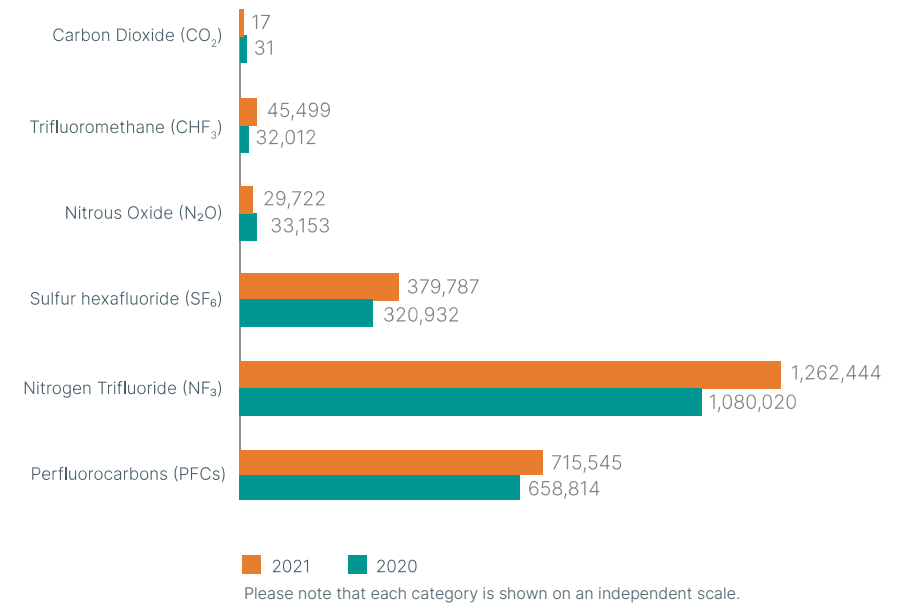
**onsemi** directly emits GHG emissions from fabrication and assembly and test locations. We work to eliminate Scope 1 emissions by:

- Installing efficient manufacturing technologies.
- Exploring eliminating nonessential fluorinated gases and using alternative gases.
- Exploring the installation abatement devices that treat the exhaust of gases used in semiconductor manufacturing.

Total Scope 1 GHG Emissions (metric tons of CO<sub>2</sub>e)



Scope 1 Process Gases by Type (metric tons of CO<sub>2</sub>e)



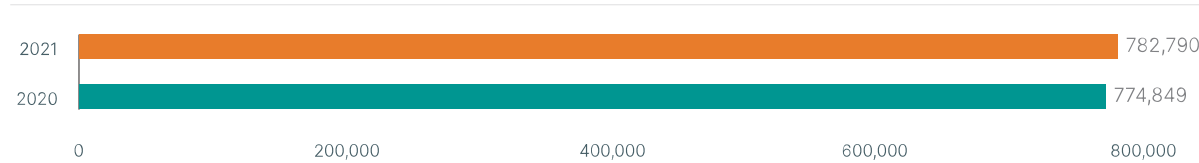
### Scope 2 Emissions

Scope 2 emissions are indirect emissions from the generation of purchased energy. For our purposes, this means our purchased electricity. onsemi indirectly emits GHG emissions from electricity purchased for manufacturing.

**We work to reduce Scope 2 emissions by:**

- Increasing energy efficiency in our manufacturing processes, buildings and operations.
- Exploring investments in renewable energy projects around the globe.

**Total Scope 2 GHG Emissions** (metric tons of CO<sub>2</sub>e)



### Scope 3 Emissions

Scope 3 emissions are indirect emissions that occur in the value chain of the company, including both upstream and downstream emissions. Some examples of Scope 3 emissions include business travel, emissions our suppliers create making the products we purchase, employees commuting and emissions from the transportation of our products to the end-user.

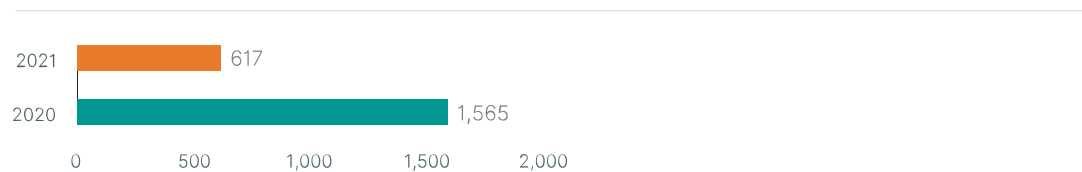
we have seen a significant reduction in our business travel-related emissions over the past two years. As the world continues to open up, we expect that figure to increase. Additionally, we expect to have a full Scope 3 inventory completed in 2022.

**We will work to reduce our Scope 3 emissions by:**

- Collaborating with suppliers to assist them in tracking and managing their own Scope 1 and 2 emissions.

Currently, onsemi only tracks Scope 3 emissions related to our business travel. Due to the COVID-19 pandemic,

**Total Scope 3 GHG Emissions (Business Travel)** (metric tons of CO<sub>2</sub>e)



### Energy

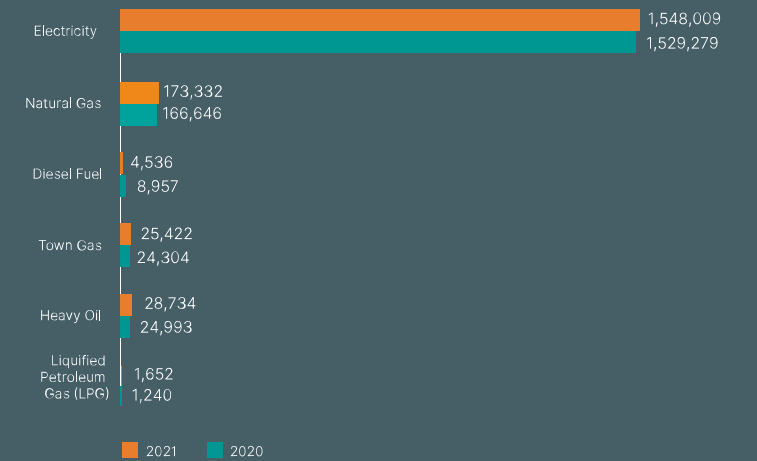
Energy efficiency is central to the success of our products and operations. Along with our products, which help to reduce energy consumption, we regularly implement energy conservation and consolidation projects. Our total energy consumption in 2021 was 1,781,685 megawatt hours (MWh).

As part of our strategy to achieve net-zero by 2040, we will investigate and invest in renewable and clean energy options in the future. We are exploring options to help us transition to 50% renewables by 2030 and 100% renewables by 2040.

**Total Energy Consumption** (megawatt hours)



**Energy Consumption by Source** (megawatt hours)



1,781,685\*

2021 Total Energy Consumption  
\* MWh

## Water and Waste Management

### Water Management

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 the process is 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 water withdrawal from groundwater or surface water.

To identify and avoid negative water-related impacts, there are many tools and methodologies used 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 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.

All of our wastewater is treated before it is discharged, and our effluent discharge meets or exceeds local regulations. In 2021, 1,398 megaliters of water were withdrawn from high or extremely high water-stressed regions, out of the total 13,599 megaliters of water withdrawn. We are committed to recycling water and reducing our water consumption. As part of our commitment to water-use efficiency, 5,779 megaliters of water were recycled in 2021. That water recycled is the equivalent of approximately 2,300 Olympic-sized swimming pools. In 2021, we reduced water withdrawal by 4.9% compared to the previous year.



WATER USAGE (MEGALITERS)	2021	2020
<b>Total Water Withdrawal</b>	<b>13,599</b>	<b>14,332</b>
Surface Water	0	0
Groundwater	885	1,031
Seawater	0	0
Third Party Water	12,714	13,301
<b>Total Water Recycled</b>	<b>5,779</b>	<b>6,374</b>
Total Water Recycled (%)	42%	44%
<b>Water Withdrawal in Water-Stressed Regions</b>		
Extremely High <sup>1</sup>	271	275
High <sup>2</sup>	1,127	1,081

<sup>1</sup> According to the **World Resource Institute's Aqueduct Water Risk Atlas**, extremely high water-stressed regions include Oudenaarde, Belgium.

<sup>2</sup> According to the **World Resource Institute's Aqueduct Water Risk Atlas**, high water-stressed regions include Pocatello, Idaho, U.S.; Suzhou, China; and Tarlac, Philippines.

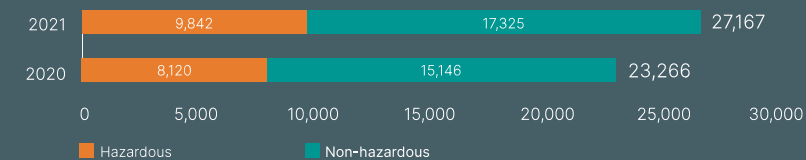


### Waste Management

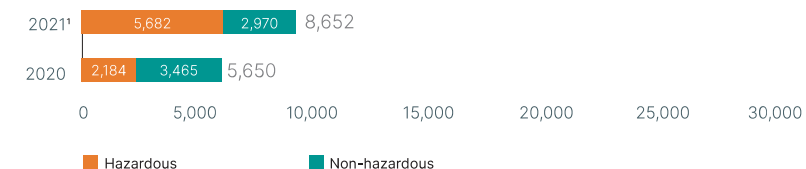
Each of our manufacturing sites have projects that contribute to a reduction in waste. Some of these projects led to a reduction in chemical consumption or increase in recycling waste. For example, our sites have implemented projects that expand the lifetime of cleaning baths, modified processes to reduce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

In 2021, the total amount of hazardous and non-hazardous waste that we recycled from our manufacturing and non-manufacturing sites globally was 18,515 metric tons, while waste directed to disposal was 8,652 metric tons. Our total hazardous waste generated was 9,842 metric tons; this includes both solid and liquid waste, but does not include gaseous emissions, wastewater discharge or any waste associated with on-site wastewater treatment.

### Total Waste Generated (metric tons)

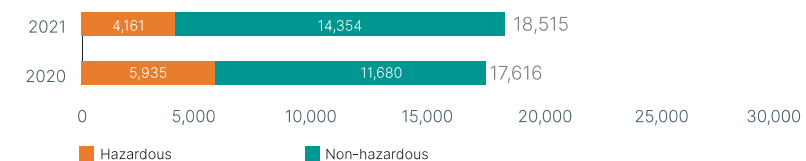


### Total Waste Directed to Disposal (metric tons)

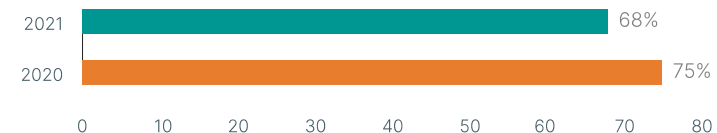


<sup>1</sup> Due to a redefinition of waste categorization, the amount of hazardous waste directed to disposal increased from 2020 to 2021.

### Total Waste Diverted (metric tons)



### Waste Diversion Rate (percentage)





## Reclamation and Recycling

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 metal bearing material.

Our **Take-back and Recycle Program** provides our customers with an environmentally responsible solution for the return, recycling and disposal of products, including our printed circuit evaluation boards. This program is designed to ensure compliance with the current and forthcoming regional regulations involving producer responsibility for recycling and proper disposal of electronic waste products.

In 2021, approximately 614,000 kilograms of scrap materials and 810 kilograms of precious metals from our worldwide manufacturing facilities, equivalent to the weight of approximately 55 school buses, were processed, sorted and sold for reuse. The reclamation of these materials recouped more than \$26 million USD.

 **614,000 | 810**

In 2021, approximately **614,000 kilograms** of scrap materials and **810 kilograms** of precious metals from our worldwide manufacturing facilities were processed, sorted and sold for reuse.



## Environmental Compliance

As a sign of our commitment to protecting our environment, we adhere to an increasing number of laws and regulations, including the **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. We provide our customers with products and services that are compliant with all applicable electronic product related environmental directives and regulations around the globe and industry environmental best practices.

In December 2019, the Environmental Protection Agency (EPA) completed a Resource Conservation and Recovery Act (RCRA) Compliance Evaluation Inspection (the “inspection”) of our Gresham, Oregon wafer manufacturing facility. As a result of the inspection, the EPA identified and issued citations with respect to eight violations of the RCRA, including failure to mark, monitor, inspect and keep adequate records with respect to certain waste storage tanks. The notice of violation was completed on April 20, 2021. As a result of these violations, **onsemi** entered into a consent agreement with a final order date of September 17, 2021. We agreed to pay a civil penalty of \$143,000. We paid this sum on October 8, 2021. In addition, we have fully remediated all violations identified during the inspection.



### Product Stewardship

onsemi is focused on innovation to create intelligent power and sensing technologies that solve the most challenging customer problems.

**Our product development efforts are directed towards the following:**

- Powering the electrification of the automotive industry with our intelligent power technologies that allow for lighter and longer-range electric vehicles and enable efficient fast-charging systems.
- Propelling the sustainable energy evolution with our intelligent power technologies for the highest efficiency solar strings, industrial power and storage systems.
- Enhancing the automotive mobility experience with our intelligent sensing technologies with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible.
- Enabling automation and data exchange (Industry 4.0) with our intelligent sensing technologies for smarter factories and buildings.
- Delivering high efficiency intelligent power solutions to optimize power consumption in the cloud and telecom infrastructure.

As a global company with more than 100+ sites including manufacturing facilities, design centers and offices worldwide producing more than 80,000 parts, 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 innovate and deliver disruptive technologies to empower a strong sustainable ecosystem.



# 100+ sites

including manufacturing facilities,  
design centers and offices worldwide  
producing more than 80,000 parts

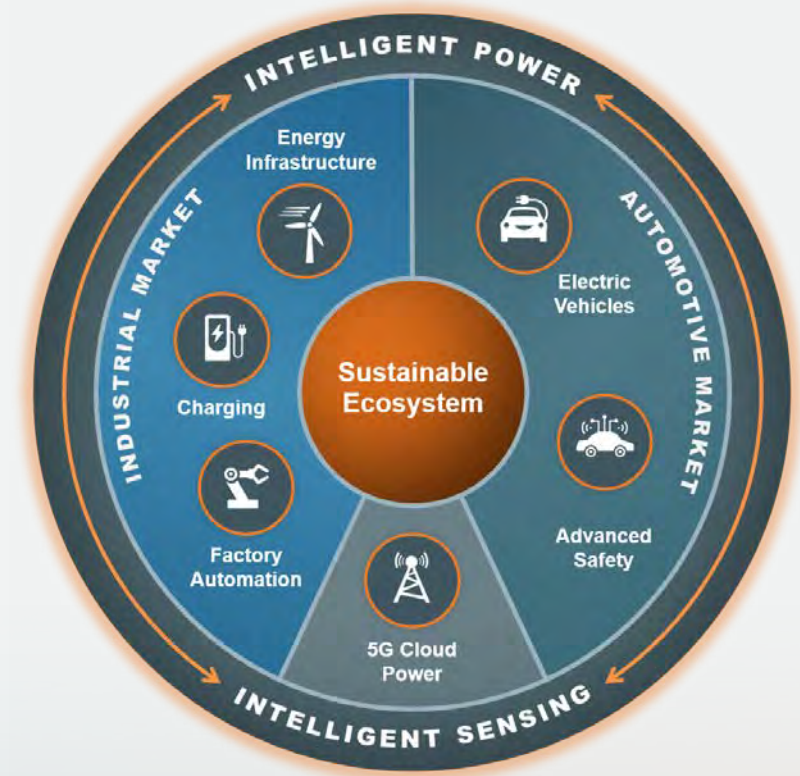
### Sustainable Products

In 2021, onsemi had over \$5.011 billion in sustainable product revenue. onsemi's focus on intelligent power and sensing technologies and newly implemented corporate strategy resulted in a redefinition of our sustainable product offering. Our definition of "sustainable product revenue" is revenue from products that fall under the intelligent power and sensing umbrella and products that contribute to the triple bottom line – People, Planet, Profit. The "People" category refers to any product that improves lives such as our products in medical devices or products that improve car safety. The "Planet" category refers to any product that helps to reduce

emissions, aids in the transition to renewable power such as our products in solar inverters or EV charging stations or enables reduction of waste and scrap in manufacturing. The "Profit" category refers to any product that helps a company add to its economic benefit in society, such as by reducing supply chain risks or improving process efficiency from products that make factories smarter. As a result of this redefinition and shift in focus, we saw a significant increase in sustainable product revenue from 2020 to 2021. We consider these products a key part of our sustainable ecosystem which includes the following categories:



The following graphic illustrates onsemi's marketecture, a comprehensive diagram that illustrates our company's portfolio in a single view that is easy to understand and explain. At the core of onsemi's marketecture is the sustainable ecosystem that drives growth in the industrial, automotive and 5G and cloud power markets; driving innovation with intelligent power and sensing technologies to solve the most challenging customer problems in key applications that extend from charging, energy infrastructure, factory automation through to advanced vehicle safety and electric vehicles.



## Sustainable Products

Our products deliver cutting-edge technologies that enable our customers to create a sustainable future.

Some of our key technologies include:



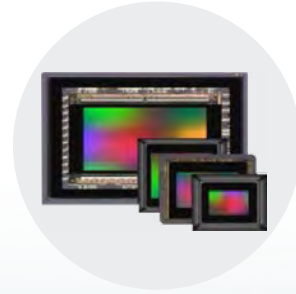
**NCP1681:** Our latest mixed-signal controller dedicated to bridgeless totem-pole power factor corrections (TP PFC) topology. The NCP1681 targets ultra-high density offline power supplies. The bridgeless totem-pole PFC is a power factor correction architecture that consists of a fast-switching leg driven at the pulse width modification (PWM) switching frequency and a second leg that operates at the alternating current (AC) line frequency. This topology eliminates the diode bridge present at the input of a conventional PFC circuit, allowing significant improvement in the power stage efficiency.



**AR0820AT:** 8 Mp pixel image sensor used for automotive applications with primary use in advanced driver-assistance system (ADAS) and automated driving. The most common ADAS systems provide Automatic Emergency Braking (AEB) to prevent and/or mitigate rear-end collisions.



**Ezairo8300:** An advanced audio processor with six programmable or semi-programmable processing cores, providing a high degree of parallelism and flexibility. Its high-fidelity operation at ultra-low power consumption, along with its multiple interfaces, flexibility to maximize performance against power consumption, and support for Bluetooth® Low Energy connectivity makes Ezairo 8300 an excellent choice for high-end wireless-enabled audio applications. You can find Ezairo 8300 hard at work in wireless-enabled hearing aids and hearables.



**XGS 32000:** A 32.5 Mp (6580 × 4935) complementary metal oxide semiconductor (CMOS) image sensor in Super 35 mm optical format, supporting up to 53 frame per second readout with 12-bit output at full resolution, and up to 80 fps with 6K (6144 × 3160) ROI output. These sensors help make manufacturing lines better by providing cameras for quality inspection and improving manufacturing efficiency and end-product quality by detecting defective parts early in the process.



**Silicon Carbide (SiC)** – SiC is a key component of next-generation semiconductors that provide technical benefits and improve system efficiency in many applications, including electric vehicles (EVs), EV charging and energy infrastructure. onsemi's acquisition of GT Advanced Technologies (GTAT) enhances our ability to secure and grow supply of SiC.



Ensuring Social Responsibility

# Contributing to the Greater Good



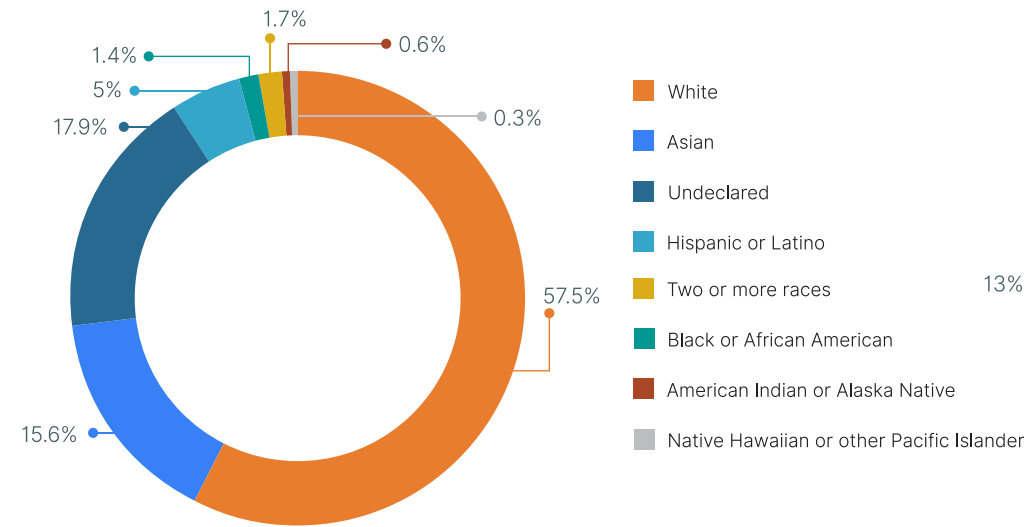
### Our Employees

We believe our company's vision, mission, values and culture afford opportunities for everyone to make a difference in building a successful global business. Core to our philosophy is embracing diversity, implementing equitable processes and practices and building a culture of inclusion across the organization. Diversity of thinking encourages the creativity and innovation necessary for us to maintain a competitive advantage in the global marketplace.

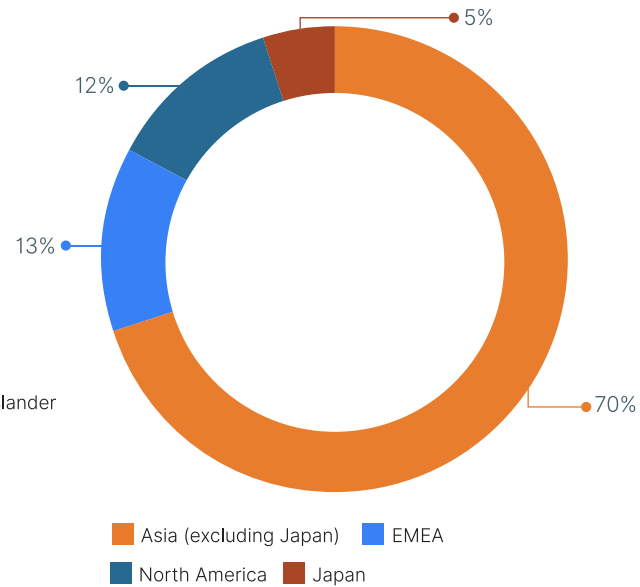
Our community of employees are located around the world with major facilities in the U.S., Belgium, Canada, Germany, Ireland, Slovakia, Czech Republic, Japan, South Korea, China, Malaysia, Vietnam, Philippines, Taiwan and India. As of December 2021, we had approximately 33,690 employees operating globally.



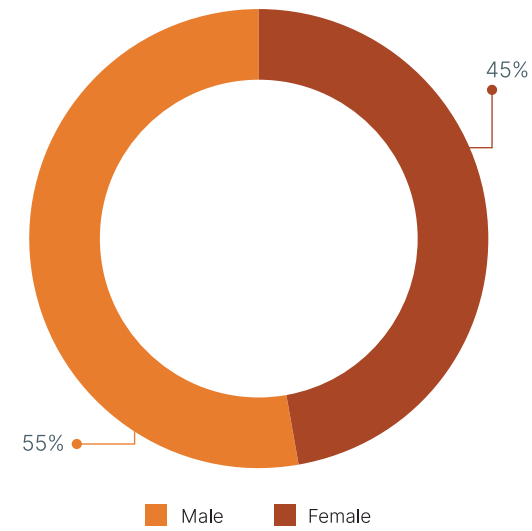
U.S. Workforce by Ethnicity



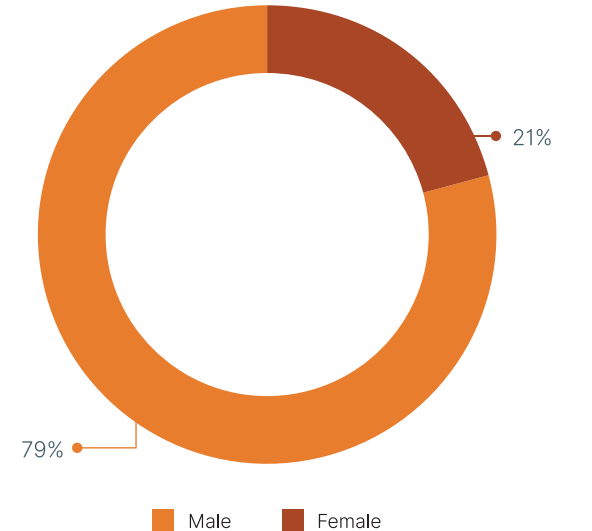
Worldwide Workforce by Region



Worldwide Workforce by Gender

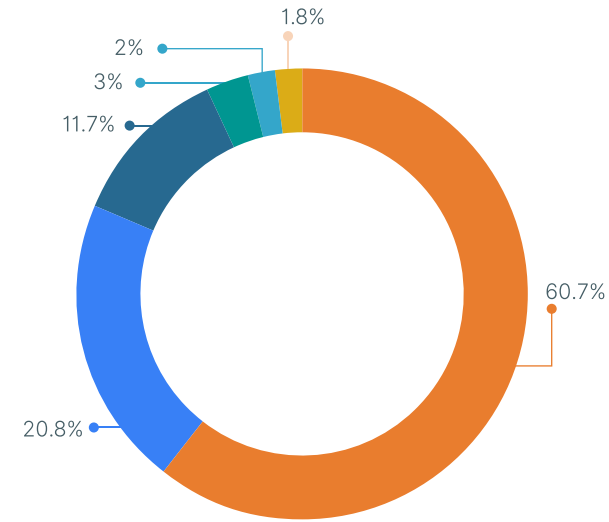


Worldwide Management by Gender

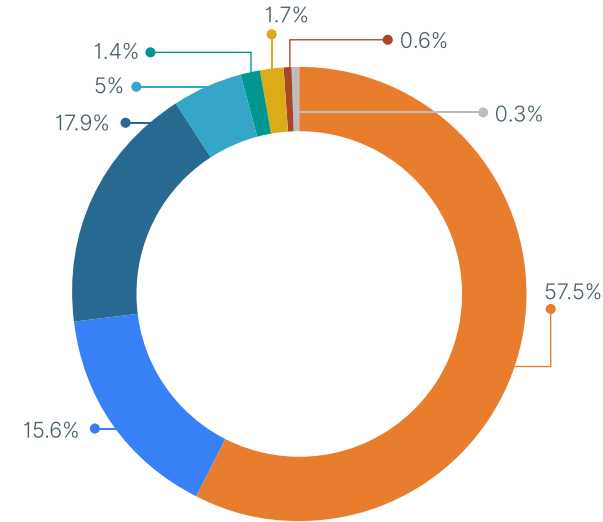


U.S. Workforce by Race

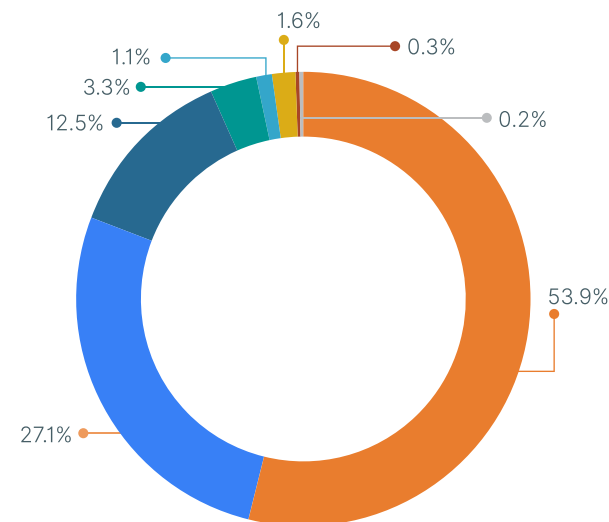
People Manager



Individual Contributor



Technical Role

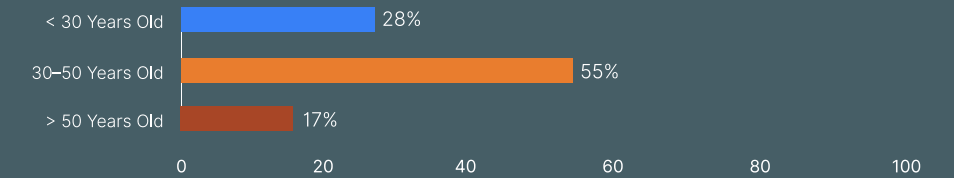


100%  
of our senior managers  
were hired from local  
communities

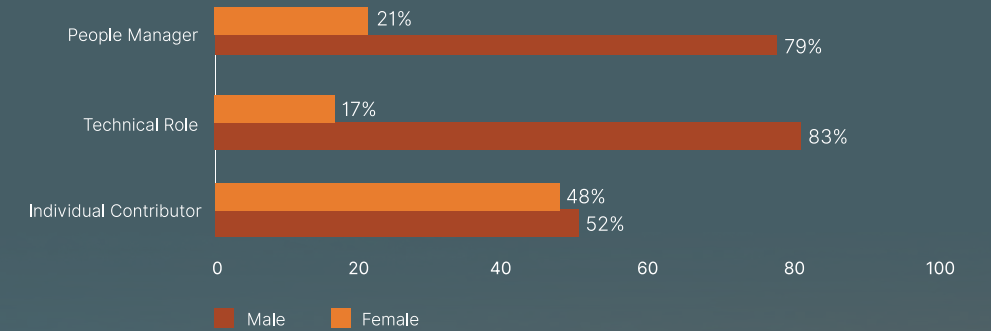
Senior Management hired from local community

In 2021, 100% of our senior managers hired were recruited from the local communities in which we operate.

Full Time Employees by Age



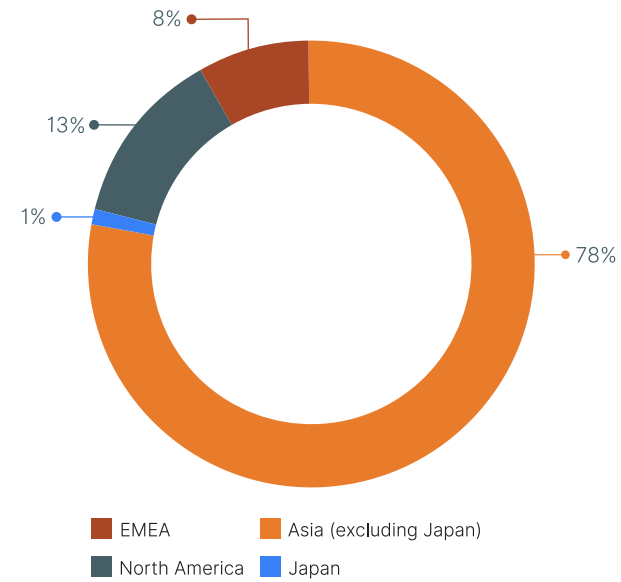
Role by Gender



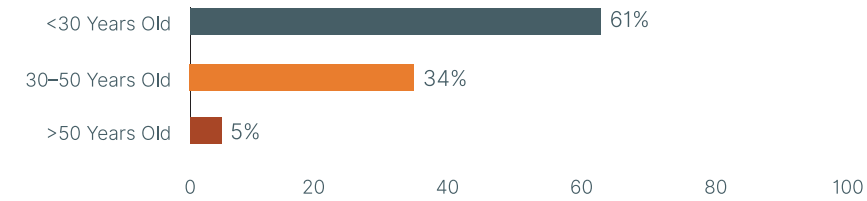
### Recruitment and Retention

We proactively seek new candidates to add to our innovative and customer focused organization. We look for talented individuals who desire challenging, empowering and engaging careers. To diversify our workforce and balance our company culture, we recruit university graduates and candidates from diverse backgrounds and various perspectives. We consider recent graduates to be individuals who have been hired by onsemi within two years of graduating from college.

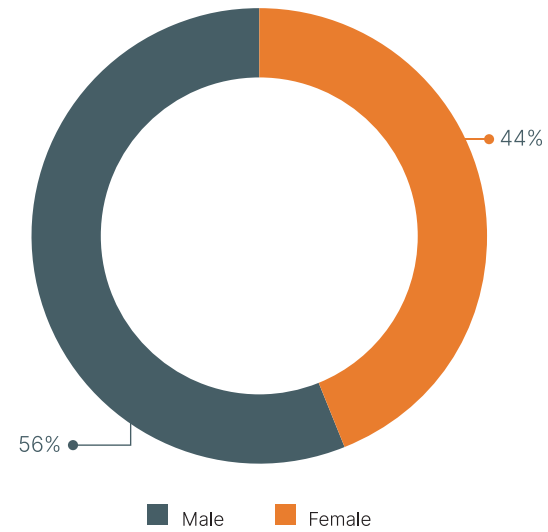
New Hires by Region



New Hires by Age

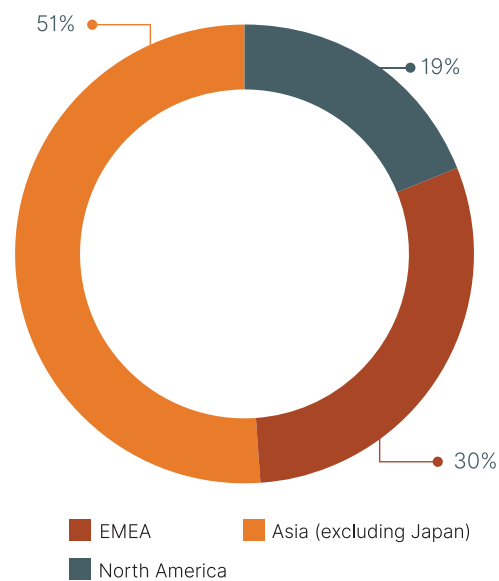


New Hires by Gender



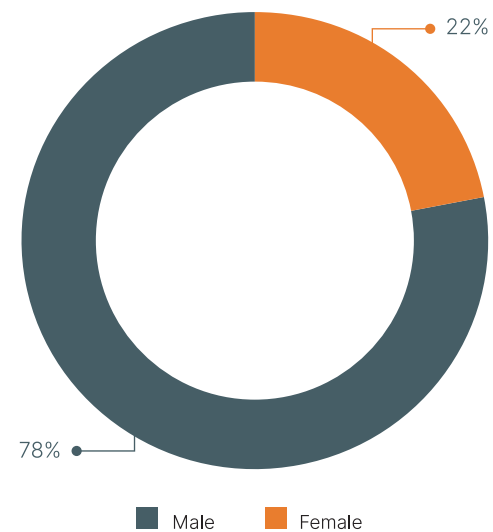


Interns by Region<sup>1</sup>

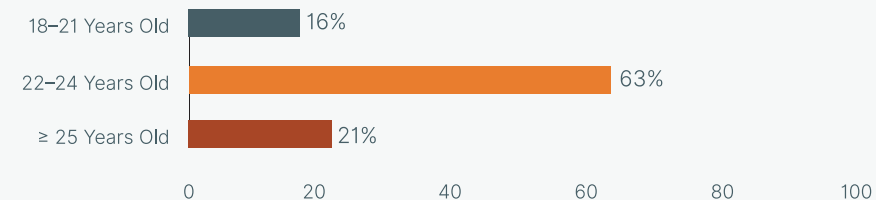


<sup>1</sup> In 2021, there were no interns or recent college graduate hires in Japan

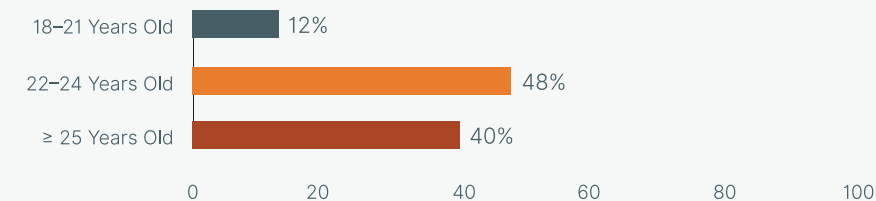
Interns by Gender



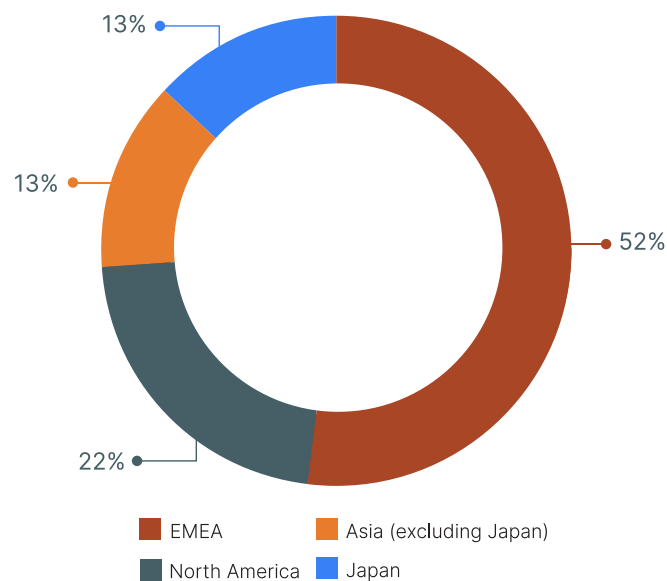
Interns by Age



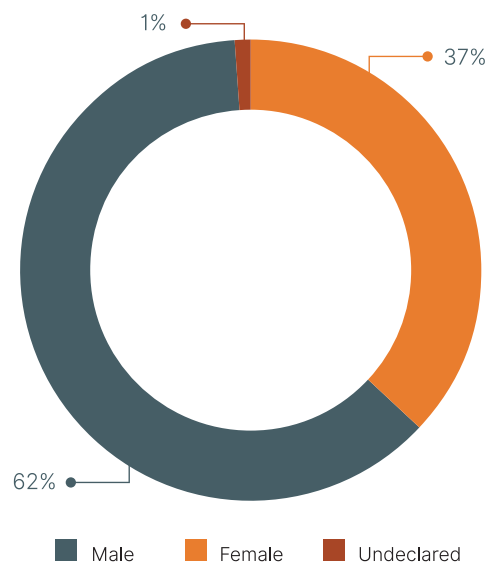
Recent College Graduate Hires by Age



Recent College Graduate Hires by Region



Recent College Graduate Hires by Gender





### Internal Transfers and Promotions

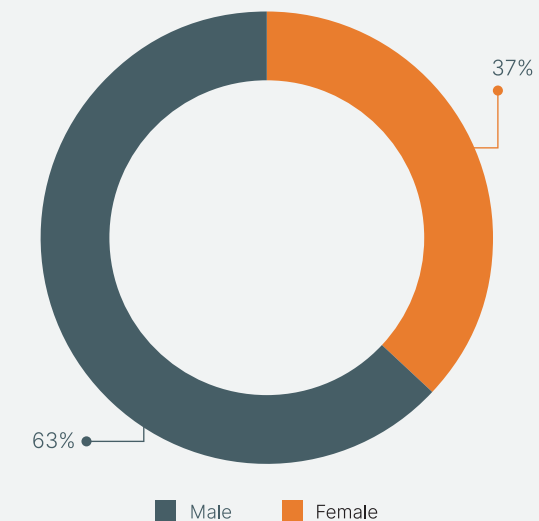
In addition to our external recruiting efforts, we look within our company for new ways in which our current employees can contribute to our operations. We support internal transfers and promotions to allow our employees the opportunity to gain experience taking on a new role or responsibility in their local area or at one of our global sites.

### Equal Opportunity Employment

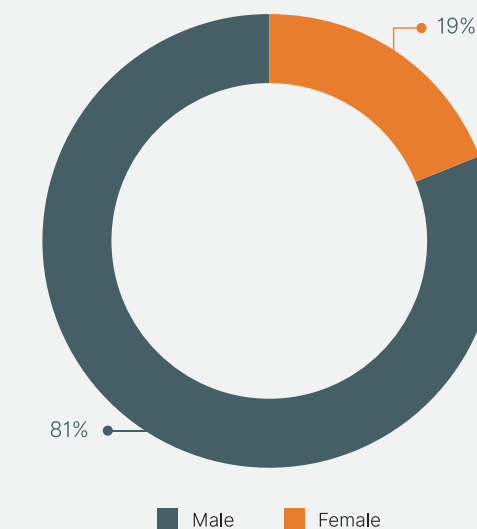
We are an equal opportunity employer. Our company maintains policies and practices that are designed to prevent discrimination against any qualified applicant or employee to the extent prohibited by federal, state and local laws and regulations. Discrimination based on race, color, religion, ancestry, 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, equity and inclusion (DEI) and affirmative action programs.

Promotions Globally by Gender




Transfers Globally by Gender



### Diversity, Equity and Inclusion

onsemi has long remained committed to DEI. We are strongest when drawing on the diverse experiences, knowledge, culture and backgrounds from all employees. We celebrate differences, promote equity and maintain an inclusive workplace for our employees. DEI helps us continue to encourage the creativity and innovation necessary to maintain a competitive advantage in the global marketplace.

We constantly strive towards a more diverse, equitable and inclusive workplace, which benefits our company and enables us to successfully meet the needs of our customers, suppliers, employees and shareholders worldwide.

**Strongest**  
when drawing on the diverse experiences,  
knowledge, culture and backgrounds  
from all employees

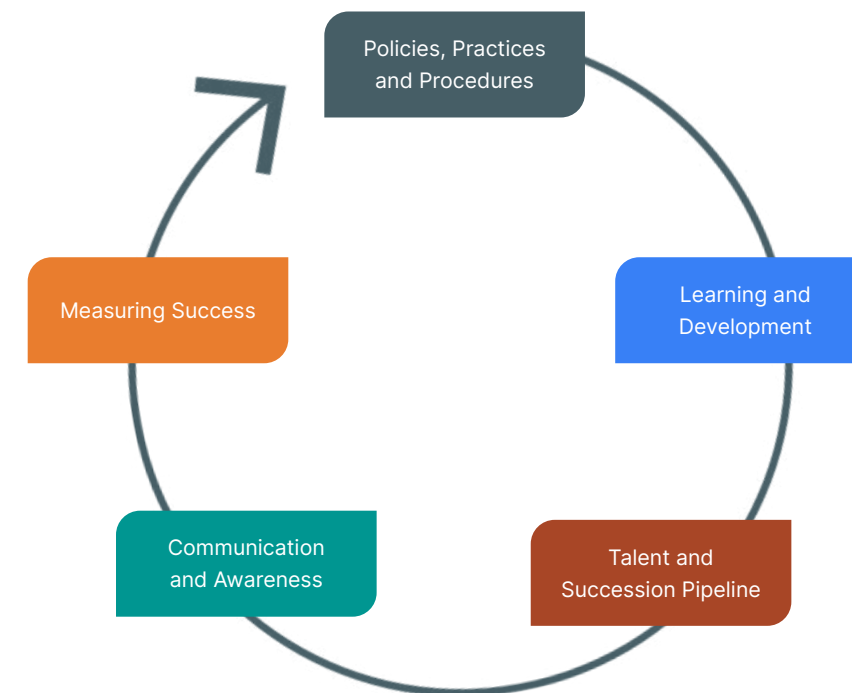
#### DEI Mission

To build a DEI culture across the organization through focused efforts across workforce diversity, workflow equity, workplace inclusion and community partnerships.

#### DEI Vision

To have a culture where diversity, equity and inclusion are embedded in everything we do.

Our strategy around diversity, equity and inclusion includes an integrated plan consisting of five pillars:



### Workforce Diversity

onsemi strives to build a diverse talent pipeline. We understand this means more than just attracting a diverse workforce but also developing all employees. We train leadership on how to best mitigate unconscious bias during the interview and hiring process as well as providing general unconscious bias and DEI learning for all employees around the globe.

#### Science, Technology, Engineering and Mathematics (STEM) Organizations

We participate in multiple diversity conferences and career fairs across North America throughout the year including (but not limited to) National Society of Black Engineers, Society of Hispanic Professional Engineers, and Institute of Electrical and Electronic Engineers (IEEE) Women in Engineering (WiE). We also partner with organizations in Asia including Women in Science, Engineering and Technology (WASET) foundation.

#### Succession Management

Succession management aligns with the company's business priorities and future growth strategy. It is an integrated process designed to identify and develop employees for growth into key roles within the company.

#### Diverse Hiring Practices

We engage with multiple organizations to attract a more diverse workforce. Some of our partner organizations include:

- *Historically Black Colleges and Universities (HBCUs)* to provide scholarships and internship opportunities.
- *SkillBridge*, a Department of Defense program for servicemembers transitioning into the civilian workforce.
- *Year Up*, a program to ensure equitable access for young adults taking a nontraditional higher education path to gain work experience.
- *EMEA, Embedded partnerships* with local universities: onsemi consults local universities on curriculums to prepare graduates for the semiconductor industry.
- *India, onsemi Alumni connections*: Current onsemi employees partner with their alma mater to organize pre-placement talks and showcase onsemi technologies to attract top engineering school talent.



onsemi strives to build a diverse talent pipeline.

#### Employee Resource Groups

At onsemi, our employee resource groups (ERGs) help facilitate equity in the workplace. They evolve through organic formation and are business-facing groups that support our recruitment, retention and advancement objectives.

#### Women's Empowerment (WE)

WE, established in 2014, focuses on empowering and supporting women to succeed through professional development in business, strategic and financial acumen.

#### Science, Technology, Engineering and Mathematics for Underrepresented Populations (STEM UP)

STEM UP, established in 2015, strives to develop and retain a diverse workforce, which will positively impact our company's innovation and performance. This group's programs are focused on retaining employees and developing new talent in the local area for the underrepresented population.

#### Cultivate

Cultivate, established in 2018, works to unite a group of diverse generations who are committed to engaging the workforce and enhancing our collaborative company culture. This group is devoted

to understanding all generations in the workplace and connecting the company with the evolving employee community.

#### Black Employee Network (BEN)

BEN, established in 2019, fosters an environment that is conducive to the recruitment, retention and career advancement of Black employees. This group is committed to promoting the company brand and emerging market penetration in the Black community.

#### Continua

Continua, established in 2020, works to cultivate an inclusive workplace where all employees are free and encouraged to be themselves. This group advocates for those who are - and who support - Lesbian, Gay, Bisexual, Transgender and Queer or Questioning (LGBTQ+) people in our company, in our families and in our communities.

#### Veteran and Military Employees (VME)

VME, established in 2020, helps recruit veterans and military members, provides transitional assistance into the civilian workforce, develops and retains these employees and increases networking through community outreach.



#### Workforce Equity

onsemi understands that it is imperative to infuse equity as the integrator for seeking a diverse and inclusive workplace. Equity is not equality. Instead, it is creating access for all to have the same opportunities to develop skills consistent with our business objectives and core values. This is made possible by tailoring processes and practices to employee needs and redesigning talent systems.



**Workforce Inclusion**

As a global employer with approximately 33,690 individuals in roles from corporate designers and support functions to manufacturing line workers in North America, Europe, Asia and Japan, it is vital that we engage and address the local needs for all our employees.

Please visit our [corporate news center](#) to see all of our [press releases](#), [blogs](#) and [press coverage](#).



**37%**

of onsemi's global promotions are female

**DEI Recognitions**

onsemi participates in multiple industry recognized diversity surveys annually to ensure we are aligned with providing an equitable workforce for all by measuring our performance to internal initiatives and other companies.

**Military Friendly® Company**

In 2022, onsemi was recognized as a Military Friendly® Company for the third consecutive year. Military Friendly® is the standard that measures an organization's commitment, effort and success in creating sustainable and meaningful benefits for the military community.



**48%**

of onsemi's individual contributors roles are female

**Forbes Women Top Female Friendly Company**

Forbes recognized onsemi as being on the list of the 2021 World's Top Female Friendly Companies.

**Bloomberg Gender-Equality Index (Bloomberg-GEI)**

For the third consecutive year, onsemi was named to the 2022 Bloomberg-GEI which tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation and transparency.



**45%**

of onsemi's workforce is female

**McKinsey Women in the Workplace**

In 2021, onsemi was recognized by McKinsey Women in the Workplace which provides an overview of HR policies and programs—including HR leaders' sentiment on the most effective DEI practices—and explores the intersectional experiences of different groups of women at work.

**Human Rights Campaign Participation (HRC-CEI)**

onsemi was one of 1,277 companies that participated in the 2022 HRC-CEI. The HRC-CEI is a national benchmarking index on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees.

## Learning and Development

onsemi is committed to providing career advancement and development opportunities to our global employees. Our employees are crucial to the success of our company - 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 partner with their manager to craft a personal development plan that aligns with their career goals.

### Leadership Pathway Model

The Leadership Pathways Model is intended for use by all employees. Whether an individual contributor or a senior leader – we believe every employee “can lead from any seat.” We promote a variety of “learning journeys” in broad categories – for Individual Contributors and for Managers.

**Learning Pathways** (each available in versions for Individual Contributors and Managers):

- Change Readiness
- Continuous Improvement
- Customer Focus
- Diversity, Equity and Inclusion
- Effective Communication Skills
- Foundational Principles of Leadership
- Problem-Solving and Decision-Making
- Relationship Building



Our career development philosophy is that employees own their careers by leveraging the programs, tools and resources available to them.



### Live Training

Throughout 2021, onsemi continued offering our employees live professional development training sessions, even when health and safety restrictions due to COVID-19 strictly limited in-person interaction. By leveraging virtual live training and collaboration platforms, employees across the globe can participate in live, instructor-led and interactive training sessions, led by professional, internally certified instructors.

#### These live courses include:

- Seven Habits for Highly Effective People
- Crucial Conversations
- Management Essentials
- Presentation Skills
- Project Management for the Unofficial Project Manager
- Developing and Delivering Knowledge Sharing Sessions
- The Four Essential Roles of Leadership



### On-Demand Learning

All employees have access to Percipio, our global online learning platform. Percipio empowers employees to take ownership of their development by offering a full range of video lessons, digital books, audio courses and curated “learning journeys,” available 24/7 on any computer or mobile device.

#### In 2021 (Percipio):

- 8,788 employees took Percipio on-demand courses
- 59,364 hours total course time
- 3,128 unique course titles
- 59,887 courses completed

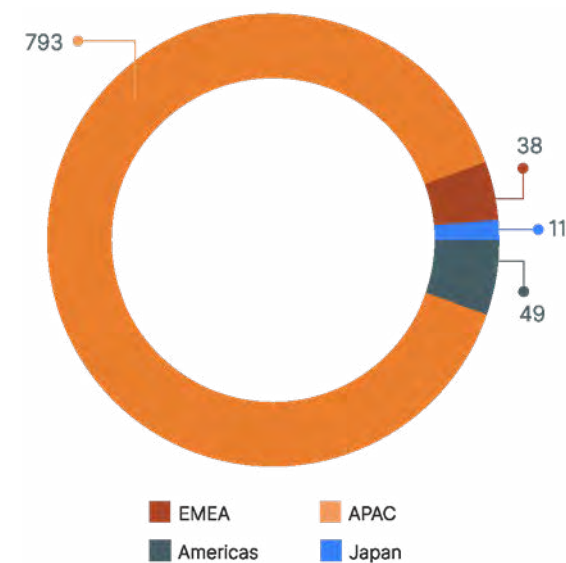
Percipio courses cover a wide array of professional development, leadership, management, business acumen and technology training subjects. Global Human Resources regularly promotes featured “learning journeys” on the internal SharePoint site, and regional HR leadership recommends relevant Percipio courses to local employee groups.

### LEAD Program

Key talent and new people managers at **onsemi** may be nominated to participate in our flagship leadership training program, LEAD. This longitudinal, cohort-based program takes new managers through four instructor-led classes and ten self-directed courses, over 9-12 months. Additionally, to address the wide variety of leaders at **onsemi**, two additional curriculums were created for Line Operations in manufacturing and for those leaders who manage technical professionals in Tech Ladder. During 2021, 891 employees participated in the LEAD program, across these four regions:

#### 2021 LEAD Program Participation by Region

(number of employees)



### Global Compliance and Mandatory Training

Learning & Development coordinates production and delivery of Compliance and Ethics training content across the company.

New employees at **onsemi** are automatically assigned a package of e-learning modules upon hire, which must be completed within 45 days:

- Workplace Harassment Prevention
- Code of Business Conduct
- Corporate Social Responsibility
- Information Security Awareness



During February and March of 2021, we transitioned from an “all at once” compliance training season to a continuous, quarterly-release cycle. Our newly hired and onboarding employees continue to receive automatic new hire compliance assignments.



### Employee Compensation and Benefits


Our employees are the true heartbeat of **onsemi**. Our accomplishments and success are the result of the dedication, courage and accountability of every employee. At **onsemi**, we're always looking for champions ready to drive meaningful progress. We seek people who are bigger and smarter than ourselves. That's how we create a company of high-performance innovators that advance intelligent technology for a better future - for the planet, for our communities and for our people. Happy, motivated people are key to the success of our business. Through our competitive compensation and benefits program, we ensure our employees feel valued for the work they contribute at **onsemi**.

### Employee Compensation and Awards

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 **onsemi**.

### Employee Benefits and Programs

**onsemi** strives to offer a competitive benefits package that meets the needs of our diverse workforce. To ensure we are strategic on our offerings, benefits are handled at a regional level. This allows us to cater our packages to employee values and culture, no matter where they are in the world. Our human resources team keeps a pulse on benefit trends to ensure we are offering a well-rounded and competitive benefit package. All regions offer healthcare, time off and savings benefit programs. Employees who work a minimum of 20 hours per week as a regular employee are eligible for our benefit programs. Most benefit programs are effective on their first day of employment.



Employees who work a minimum of  
**20 hours**  
 per week as a regular employee are eligible for our benefit programs.



### United States Benefit Program Highlights:

#### Back-up Care

A company-subsidized backup child daycare/ adult in-home care program is available to U.S. employees. Anytime there is a snag in childcare plans, think of backup care like insurance; it fills in the gaps when there is a disruption in regular childcare coverage so that employees can come to work. This service may be used up to ten times per year.

#### Environmental, Social and Governance (ESG) Fund

**onsemi** offers an ESG fund as an option to the 401(k) plan's investment lineup. The Calvert U.S. Large Core Responsible Index Fund excludes investments in industries such as tobacco, alcohol, nuclear power, weapons and gambling. It also excludes companies that have issues with child labor, human rights violations, animal abuse and poor ethical practices.

#### Gympass

**onsemi** has partnered with Gympass to provide U.S. employees with flexible daily access to a large network of fitness and wellness facilities including gyms, yoga and martial arts studios, boot camps, cycling classes, dance classes and more. Both the employee and the company share in the cost of membership.

#### Milk Stork

**onsemi** offers Milk Stork as a benefit to our breastfeeding U.S. employees who need to travel for business purposes. Milk Stork is the first-of-its-kind breast milk delivery service for business traveling breastfeeding moms who need a simple solution for getting breast milk to their babies back home. This benefit is paid for by **onsemi** and there is no cost to employees who use this while traveling on company business.

#### Wellness Program

A strong company cannot exist without healthy employees. The everyday choices we make can help us live healthier, happier and more fulfilling lives—both at work and at home. The company offers a comprehensive Wellness Program designed to improve our employees' overall health and well-being. The Wellness Program consists of several elements, including a robust on-line platform that allows you to earn up to \$175 in cash incentives and other rewards for engaging in healthy behaviors such as reaching step goals, competing in company contests, getting a biometric screening and more.



**APAC Benefit Program Highlights:**

**Badminton Club, Shenzhen China**

The onsemi Shenzhen labor union has partnered with a local badminton club to provide employees with free access to the venue every Tuesday. This benefit is paid by the Shenzhen labor union with no cost to employees. This benefit supports employee wellness by incentivizing physical activity and gives employees an opportunity to explore a new sport.

**Integrated Wellness Program, Hong Kong**

onsemi Hong Kong provides an integrated health wellness program to promote employee health, work performance and quality of life. We work with Group Medical Service Vendor to organize on site health and wellness activities aimed at managing disease, health risk and physical fitness. The program includes health checks with lifestyle analysis, health education to increase employee's awareness for prevailing disease at workplace and wellness exercises to improve employee's physical and mental health.

**Benefit Station, Japan**

onsemi Japan has partnered with Benefit One Inc to provide Japan employees with welfare services. Employees can purchase several items including online courses, gym memberships and attend professional sporting events at a lower price by applying through Benefit Station. onsemi pays for this membership fee.

**Flexi Benefits Subsidy, Singapore**

onsemi Singapore supports the health and wellness of employees and their family by reimbursing dental, optical, regular health screening and sports and wellness wear/equipment/accessories expenses subject to an annual limit of S\$1500. To further support healthcare needs, employees who have depleted their Outpatient Medical Benefits quantum may also request to utilize their Flexi Benefits quantum to cover additional outpatient medical expenses.

**EMEA Benefit Program Highlights:**

**Luncheon Vouchers, Germany**

All employees not working from a home office receive one luncheon voucher per day worked in the office (6,40€), up to 15 vouchers per month. onsemi contributes 3,10€ per voucher.

**Bike to Work, Ireland**

This benefit is aimed at promoting alternative work commutes and reducing environmental pollution. Employees can purchase a bicycle and/or related safety equipment from their gross salary and benefit from reduced tax, Pay Related Social Insurance (PRSI) and income levies as part of a salary deduction.

**Child Recreation, Czech Republic**

Employees receive an annual contribution for child recreation with a max of 1000 CZK per child per year. The employee becomes eligible after the probation period.

**Vacation Vouchers, Slovakia**

Employees can receive vacation vouchers up to 275€ per year once they have been with the company for 24 months.

**Eco Voucher, Belgium**

Employees receive a 250€ eco voucher annually which can be used to purchase "ecological products." Examples of items that fall within this "ecological products" definition include electric bikes, rechargeable batteries, gardening supplies and even solar panels for their homes. This benefit is free from tax and social security contributions. The Belgium government has introduced these vouchers to motivate employers to provide them and employees to use them with the end goal to reduce the country's carbon footprint.



**Performance Management**

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. We hold a pay-for-performance philosophy and we do this by properly evaluating performance, clearly linking it to compensation, recognizing and rewarding top performers.

In 2021, all eligible employees received a performance appraisal. Beginning in 2022, we introduced a formal goal setting process. This process further defines business priorities and helps employees understand how their contributions impact overall company success.

## Employee Engagement

Employees are the company's number one asset and a key differentiator for the future. Employee feedback informs what we are doing well and where we need to improve. **onsemi** has developed a listening strategy to gather employee feedback from different channels (e.g., pulse surveys, focus groups, HR mailboxes) throughout the year. One key channel is the employee engagement survey. The company has followed a cadence of conducting a global full census engagement survey once every two years and conducting a total company pulse survey in the off-year to monitor progress on key initiatives and focus areas.

### Pulse Survey Highlights

In 2021 a total company pulse survey was completed by 81% of our employees representing all company locations across the globe. Respondents completed the survey in a variety of ways including online via direct email, mobile device and Beekeeper App (a notification system with the survey link pushed to an employee's mobile device). The different options helped maximize participation particularly from the employees without regular access to a computer and email.

The pulse survey consisted of 11 categories including sustainable engagement, communication, inclusion and learning and development. There were 30 questions designed to provide valuable feedback regarding key company strategies and initiatives. Results were analyzed and two key strategic areas scored lower than in the previous engagement survey.

These two focus areas are:

- There are no substantial obstacles to doing my job well (Action: Mitigate Obstacles)
- There is effective sharing of information across business units (Action: Improve cross organization communication)

Company-wide improvement actions for these two focus areas were identified and will be deployed throughout the year. The improvement actions have been communicated to the company by the CEO in a video and through multiple other employee communication channels. Employees will have an opportunity to provide additional feedback on employee engagement progress through the following company communication channels:

- CEO live chats
- Executive skip-levels
- Employee engagement SharePoint page
- HR mailboxes
- Quarterly pulse surveys
- Company-wide forums (quarterly all-hands meeting)

Improvement targets for the two focus areas have been identified and will be measured in the next engagement survey scheduled in the fall of 2022.

According to our employee engagement survey provider, Willis Towers Watson, **onsemi** is consistently assessed to have a high-performance engagement score when compared to other companies across all industries, putting the company in the high-performance norm distinction.



PULSE SURVEY FOCUS	
Topic	Score/Percentage
Participation/response rate	81%
Overall Engagement score	88% favorable
I feel welcome here (inclusion)	88% favorable



### Employee Health and Safety

Our health and safety programs are based on our company's **Environmental Health and Safety (EHS) Policy** and are valued at each of our sites. We protect people and minimize our environmental impact through efforts to prevent injury, illness and pollution. 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.

Our EHS management system ensures that EHS issues are identified, corrected and communicated to management in both manufacturing and non-manufacturing situations. We are

committed to compliance with all legal requirements where we operate. Our non-manufacturing sites follow our internal procedures and local regulations related to health and safety. Additionally our manufacturing sites conform to **ISO 14001** and **ISO 45001** specifications. 100% of our manufacturing sites, about 28,130 employees, are covered by ISO 14001 and 95% of our manufacturing sites, about 27,981 employees, are covered by ISO 45001. For a list of all our manufacturing sites with ISO 14001 and ISO 45001 visit our **Quality and Reliability** website.

EMPLOYEE HEALTH AND SAFETY		2021	2020
Workforce Covered by OHSAS 45001/18001	Percentage	95%	81%
Injury Rate (per 100 employees)	Number	0.64	0.75
Lost Days (per 100 employees)	Number	2.3	1.54
Work-Related Fatalities	Number	0	0

### Safety Standards and Expectations

Procedures regarding emergency preparedness, hazardous materials, industrial hygiene and health resources and safety are standardized throughout our company. We consult with our employees and encourage participation to identify hazards and reduce health and safety risks. Employees are encouraged and incentivized to report unsafe acts or conditions to their management, EHS department or our anonymous ethics helpline. 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. If an incident is to occur, we use 8D protocol and Why-Why analysis to resolve incidents.

Based on our safety culture program, all employees are involved in the discussions and activities concerning safety. There are daily workplace safety inspections performed by employees at their respective areas to ensure there are no unsafe conditions present. If our employees observe unsafe conditions, their duty is to enter them into the system. Supervisors perform the same inspection daily. Managers of the departments discuss safety matters with their staff weekly and site top managers are required to do so monthly. Employees are encouraged to indicate safety issues or positive observations during these meetings. Lastly, we implemented a peer-to-peer job safety review program in all factories so employees can provide effective feedback to each other regarding unsafe habits, acts or conditions.



### Continuous Improvement

We set environmental, health and safety objectives and strive for continuous improvement. Our EHS management teams are committed to developing, leading and promoting a culture that supports the EHS management system by protecting employees from reprisal when reporting incidents, hazards, risk and opportunities, ensuring a process for employee consultation and participation and supporting EHS committees.



Peer-to-peer job safety  
**review program**  
 implemented in all factories.

## Impacting Our Community through Giving

Today's world requires a new mindset and approach to address and support the ongoing challenges facing people and communities every day. This new mindset required us to embark on a bold new approach that would transform our giving program and ignite a positive change to drive an even deeper impact in the future. As a result, we rebranded our global giving program under our new Tomorrow, today campaign. This rebranding initiative required us to place a short pause on our global giving efforts in 2021 so that the enhanced program could be unveiled in early 2022 offering exciting opportunities and new ways of giving. As part of the redesign, the corporate social responsibility (CSR) team looked at the best ways to make effective contributions globally while further engaging employees. Additionally, throughout the redesign process, the company strategically reserved \$3M in 2021 to support future giving activities.



**\$3M**

reserved in 2021 to support future giving activities.

### Introducing the new onsemi Giving Now program

With the unveiling of our new global giving program, called "Giving Now," we enabled a renewed focus at onsemi on the positive social impacts of our giving efforts guided by the passion of our employees and onsemi's commitment to promoting Science, Technology, Engineering, Art and Mathematics (STEAM) education, amplifying employees' time and donations and responding to natural disasters and humanitarian crises.

The Giving Now program will drive positivity forward by creating meaningful change for our planet and every community that we live and work in around the globe. The Giving Now program prioritizes giving in three simple ways:

- 1 **Give to Donate**  
Match employee giving and support volunteerism for causes they care about most.
- 2 **Give to Educate**  
STEAM education grants to help students in underserved communities achieve their dreams.
- 3 **Give to Help**  
Provide local disaster relief and revitalize communities based on local needs.

At onsemi, we believe that how we work and how we give back makes a meaningful difference and while we work together for a better tomorrow, it is the giving efforts of the new onsemi Giving Now program that will make an impact today!



## 2021 Global Giving Program Highlights



**\$187,000\***

donated by employees through the Benevity Spark portal to almost 450 causes worldwide.

Employees donated **\$187K USD** through the Benevity Spark portal, which also provided an additional \$150K USD in company matching to almost 450 causes worldwide.



Hosted over 25 global virtual volunteerism events, in partnership with Visit.org, which saw increased levels of employee engagement around the world focused on STEAM education activities and sustainability awareness.

Developed specific giving campaigns to support the COVID crisis in India and disaster relief efforts tied to a tornado in the Czech Republic where we activated employee matching and made direct donations as follows:

- American India Foundation tied to the COVID-19 Crisis in India (\$5K USD) – to help the health infrastructure shortages in India.

- Diecézní charita Brno (\$5K USD) tied to the tornado in Czech Republic which helped families to reconstruct their homes and lives.

In addition, onsemi contributed donations to other disaster relief efforts that included the U.S. Texas winter storms; floods in Western Europe; a typhoon in the Philippines and flooding off the eastern coast of Malaysia.



**\$25,000\***

in scholarships was donated to each of the four Historically Black Colleges and Universities selected.

onsemi made enhanced changes to employee giving benefits by increasing thresholds for employee matching (minimum donation to be matched was \$25 USD and was reduced to \$1 USD as well as annual cap was \$500 USD per year, per employee, which was increased to \$1,000 USD per year, per employee) and volunteerism in North America (three-hour minimum requirement was eliminated and a new dollars-for-doers match of \$1,000 USD per year, per employee was initiated).



Launched Benevity Mobile App for all employees to connect to the Spark portal making it easier for employees across the world to make donations.

As a global company we committed to help achieve the Sustainable Development Goals (SDGs), set by the United Nations in 2015. Although we believe that all SDGs are vital, the one most relevant to our employee giving program (51%) was tied to SDG #11, Sustainable Cities and Communities – helping to make cities and human settlements inclusive, safe, resilient and sustainable.

We utilized 3BL Media's network to amplify CSR-related content and onsemi earned more than 1,870,000 impressions and 517,000 page views for these articles with a majority being focused on giving efforts: <https://www.3blmedia.com/profiles/onsemi>. 3BL Media delivers purpose-driven communications as an editorial platform for the world's leading companies to inspire and support global sustainable business.



**\$39,673\***

donated to Treasures 4 Teachers to help students get access to materials to expand learning.

onsemi underwrote a special project at \$35K USD in Oudenaarde, Belgium through the East Flanders Regional Fund which is a combined effort of the Streekmotor23 and the East Flanders Support Council, located near our facilities. This donation supported five local projects that improves the well-being of inhabitants and the environment including boosting the self-image and self-confidence of young people, running an organic farm where people with burnout are welcome as well as making green space accessible to all.

onsemi made a commitment to four Historically Black Colleges and Universities with the support of the company's Black Employee Network in which we provided \$25K USD in scholarships (\$100K USD in total). Each of these institutions have engineering and business programs, which complement well with hiring efforts at the company:

- Prairie View A&M University School of Engineering
- North Carolina A&T University School of Engineering
- Howard University School of Business
- Hampton University School of Business



Donated old company branding items from our company merchandise store to a Phoenix-based charity called Treasures 4 Teachers. A total of 6,925 items at fair market value of 40K USD was donated to help students get access to a wide selection of materials to help expand their learning process.

\*Amount reported above is in USD.

Committing to a Responsible Business

# Acting in the Interest of Humanity



## Stakeholder Engagement and Material Topics

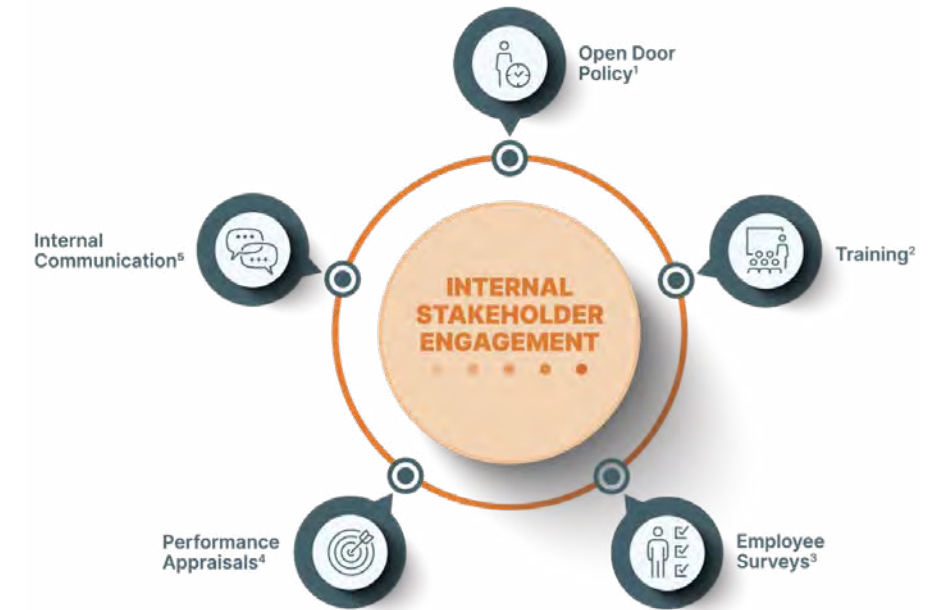
### Internal Stakeholder Engagement

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.



## Pulse surveys

are conducted anonymously to seek employees' opinions on topics such as work environment, work relationships and job responsibilities.



1 We maintain an open-door policy, allowing employees to communicate and engage with management staff and human resources.

employees' opinions on topics such as work environment, work relationships, job responsibilities, etc.

2 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.

4 We have an objective and fair performance management process, which all employees are a part of on an annual basis.

3 We conduct anonymous employee engagement and pulse surveys to seek

5 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.





**External Stakeholder Engagement**

<sup>1</sup> 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.

<sup>2</sup> We engage our customers on a quarterly basis to discuss results from customer scorecards and customer site visits to our facilities.

<sup>3</sup> Customer satisfaction surveys are distributed on a regular basis to obtain insights and improve our performance on issues important to our customers such as sales support, price of products, lead-time and quality.

<sup>4</sup> 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.

<sup>5</sup> We participate in a variety of conferences with our customers, suppliers and peers including the Responsible Business Alliance (RBA) conference on an annual basis. While the COVID-19 pandemic put a halt to in-person

trade shows in 2020 and 2021, we typically participate in many different trade shows throughout the year to engage existing and new customers and distributors.

<sup>6</sup> We engage our suppliers to communicate and assess risk against our Code of Business Conduct, the RBA Code of Conduct and Responsible Minerals Initiative (RMI) compliance. We also offer capacity-building opportunities to our suppliers to strengthen their compliance with these standards.

<sup>7</sup> We actively engage with associations that make recommendations to governments and authorities on policy issues related to the semiconductor industry.

<sup>8</sup> We support and strengthen local communities through nonprofit organizations and educational institutions with financial investments and employee volunteerism on an ongoing basis.

<sup>9</sup> We host quarterly earning calls with our shareholders.

<sup>10</sup> We publish annual reports and file with the Securities and Exchange Commission on a quarterly basis.



**Customer satisfaction surveys** are distributed on a regular basis to obtain insights and improve our performance.



### Material Topics

In 2021, **onsemi** underwent significant transformation related to our overall strategy and focus as an organization. We have a refreshed group of leaders dedicated to ensuring our processes, policies, systems and operations are aligned with our corporate goals. With a massive transformation comes refocusing on what's important and material to our company. We are implementing calculated changes to the ways we are engaging our employees, focusing on career development, giving back to our communities, driving diversity, equity and inclusion and protecting our planet and environment. Once implemented, these changes will mold the foundation of our company

ensuring all employees, leaders and stakeholders know the material themes that steer the work we do at **onsemi**.

Throughout this transformational year, we decided to put a hold on our materiality assessment so we could focus on getting the key elements in place to drive our new strategy forward. We are currently in the process of developing an approach for our materiality assessment going forward and will report on it in our next annual sustainability report.

### Corporate Governance

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 onsemi's Board of Directors and committee representation, effective immediately following the Annual Meeting in May 2022. All directors are independent directors except Hassane El-Khoury, who also serves as the president and chief executive officer of onsemi. We have a board member age limit of 75 years old.



BOARD MEMBER	GENDER	AGE	TENURE	COMMITTEES	QUALIFICATIONS
Atsushi Abe	Male	68	11	Audit	
Alan Campbell	Male	64	7	Executive (Chair), Audit, Governance and Sustainability	
Susan K. Carter	Female	63	2	Audit (Chair), Governance and Sustainability	
Thomas L. Deitrich	Male	55	2	Governance and Sustainability	
Gilles Delfassy	Male	66	7	Human Capital and Compensation	
Hassane El-Khoury	Male	42	2	Executive	
Bruce E. Kiddoo	Male	61	2	Audit	
Paul A. Mascarenas	Male	60	8	Governance and Sustainability (Chair), Executive, Human Capital and Compensation	
Gregory L. Waters	Male	61	2	Executive, Human Capital and Compensation	
Christine Y. Yan	Female	56	4	Human Capital and Compensation (Chair)	

Qualifications Key:

- Semiconductor
- ESG
- Compliance
- Government Relations
- Public Company Management
- Manufacturing
- Mergers and Acquisition
- Sustainability/Climate
- International
- Finance
- Marketing
- Information Security

### Committee Details


Our board of directors has established four standing committees:

1. Audit Committee
2. Governance and Sustainability (GS) Committee
3. Human Capital and Compensation (HCC) Committee
4. Executive Committee

Each committee is tasked with overseeing various aspects of our company and carrying out the responsibilities specified in its charter.

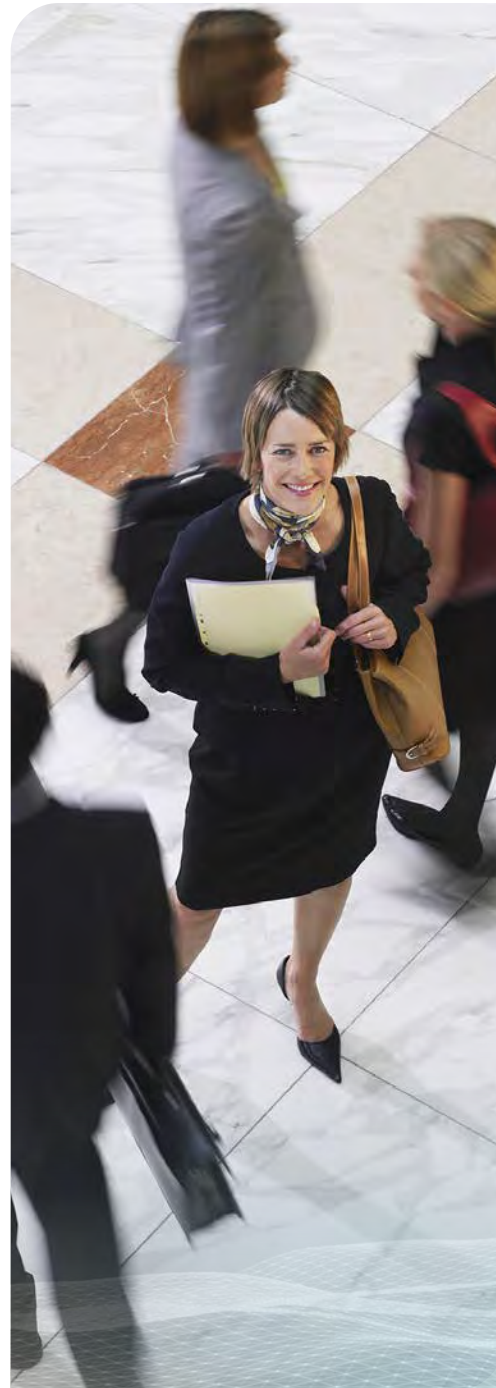
To see a copy of the formal written charter pertaining to each standing committee, please visit the [Investor Relations](#) section of our website.

COMMITTEE MEETINGS	CHARTER REQUIRED MIN.	IN 2021
Audit	quarterly meetings	10
Executive	meet as needed	1
Governance and Sustainability	quarterly meetings	5
Human Capital and Compensation	quarterly meetings	6



## Director peer evaluations

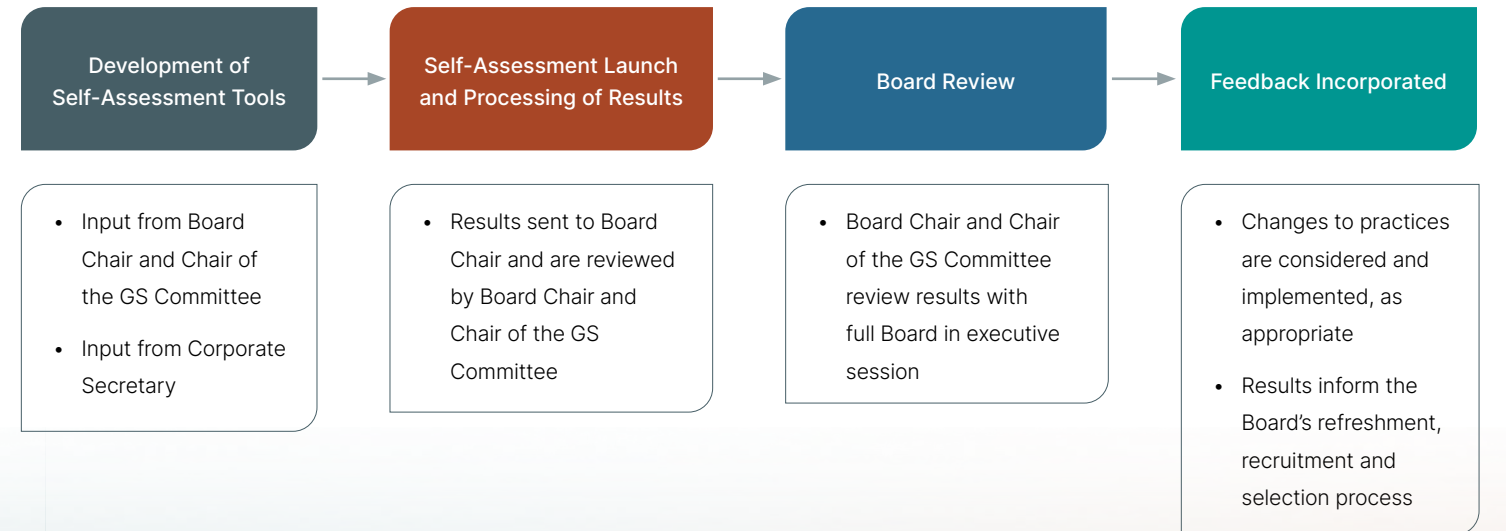
are critical tools that promote more authentic board collaboration.



### Board Evaluation

We believe that each of our directors can and does benefit from candid feedback received from other board members about his or her individual performance. Accordingly, we conduct annual peer evaluations to obtain information about each director's individual performance, contributions and effectiveness. These director peer evaluations are critical tools that promote more authentic board collaboration, improve the skills and perspectives of our directors and allows them to receive guidance from esteemed colleagues.

The board believes that having good governance principles and practices improves the effectiveness of the board and correlates to the creation of stockholder value. To measure its own operation against such principles and practices and to identify and act on areas for improvement, each member of the board and its committees performs an annual self-evaluation. The GS Committee is charged with overseeing the self-evaluations, and in 2021, the GS Committee used the following process to conduct the board's self-evaluation:



**Changes to Committee in 2021**

In August 2021, the board, in consultation with the GS Committee, determined that there was overlap in the roles served by certain committees of the board and, accordingly, dissolved the Science and Technology Committee as part of an effort to streamline the company's governance processes.

During 2021, the board, in conjunction with the members of the GS Committee, took on a more active role in the oversight of the company's climate and sustainability-related initiatives, recognizing the increasing importance of environmental, social and governance (ESG) oversight and of the threat presented by climate change. As a reflection of the board's enhanced focus on ESG matters, the "Corporate Governance and Nominating Committee" was renamed as the "Governance and Sustainability Committee" in 2021.

Additionally, the board, in conjunction with the members of the HCC Committee, expanded the formal oversight in managing the company's approach to human capital management, recognizing the vital role that the company's workforce plays in generating its financial and operational success. In turn, the former "Compensation Committee" was expressly tasked with oversight of the company's policies and strategies with respect to human capital and was renamed as the "Human Capital and Compensation Committee."



As a reflection of the board's commitment to

**ESG matters**

the committee was renamed as the "Governance and Sustainability Committee" in 2021.



**Board Oversight of ESG**

The GS Committee has the responsibility of overseeing matters related to ESG, unless there is a specific matter connected to ESG initiatives that is assigned to another committee of the Board. For example, the HCC Committee has the responsibility of overseeing the company's policies and strategies in respect of human capital, which include those regarding diversity, equity and inclusion. Both the GS Committee and the HCC Committee play a role in the company's management and oversight of diversity, equity and inclusion.

The HCC Committee considers diversity, equity and inclusion in its broader review of pay equity within the company. In turn, the HCC Committee designed certain of the goals tied to the 2021 short-term incentive compensation program to align with organizational improvements to the company's diversity and inclusion initiative and, in 2020 and certain prior years, elected to use the achievement of a specified level of diversity within the company's workforce as a performance measure for the compensation of the company's named executive officers under the company's short-term incentive compensation program.



## Enterprise Risk Management

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 process and framework to effectively identify, evaluate, prioritize, manage and report key risks that can impact our company's ability to achieve strategic goals and objectives. We identify critical risks by interviewing key stakeholders within the company and

reviewing external research on the risk landscape. The risks identified and prioritized for action are closely tied with the company's operating and strategic plan. Risk response actions and commitments are tracked for completion on a regular basis. Ultimately, ERM is not considered a separate stand-alone activity, but is rather integrated into the fabric of how we operate and included within the activities and functions we engage in to run our business and successfully achieve our goals and objectives.

### Management Approach

Our ERM program is overseen by a Risk Committee (comprised of the CEO, CLO, CFO and EVP of global operations and manufacturing). To maintain accountability at the highest functional level, Executive Staff members are appointed as Risk Sponsors for individual risks and work with Risk Owners who manage the risk on a day-to-day basis. The board of directors have oversight responsibility as they ensure appropriate risk management systems are in place and that risk-awareness is incorporated in the business strategy and decision-making.











### Business Continuity

onsemi 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 are listed below. 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.

#### Types of risks we face include:

-  Key Equipment Failures
-  Interruption from externally provided products, processes and services
-  Labor shortages
-  Reoccurring natural disasters
-  Fires
-  Infrastructure disruptions
-  Utility interruptions
-  Cyber-attacks on information systems
-  Pandemic



#### Current Practice (Super Typhoon Odette)

In December 2021, storm warnings were issued by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) - specifically to Visayas and Mindanao islands. This storm soon escalated into a category 4 typhoon as it entered the Philippine Area of Responsibility and was named Odette by PAGASA. Super typhoon Odette caused major damage as it traversed the Visayas and Mindanao islands. One of three onsemi assembly and test operations manufacturing sites located in the Philippines is in this region on the island of Cebu. As early warnings were received, the onsemi Cebu business continuity team began holding meetings and preparing for the impact of the storm. Some of the critical tasks were adjusting work schedules, planning factory shutdown, trimming tree branches, emplacing safety nets by windows among other mitigating measures.

Following the storm, a state of calamity was declared in the province of Cebu largely in part because of power, water, communications outages (cellular, Internet etc.) and impassable roads throughout the island. Also of impact, onsemi Cebu was constrained by externally provided products and services such as nitrogen, gas and diesel. onsemi Cebu resumed operations on December 17, 2021, but was forced to shut down on December 19, 2021, due to scarcity of water, nitrogen and diesel supply. The business continuity team along with local team support helped to seamlessly transition to the recovery phase of the event. The team solicited support from the local government and vendors who prioritized onsemi Cebu throughout the city's recovery operations efforts. Critical supplies and services were swiftly reestablished, so the facility was able to restart by December 22, 2021, which resulted in minimal impact to customers.



## Ethics and Compliance

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

### Ethics and Compliance Program



Provide Oversight and Accountability



Develop Policies, Procedures and Tools



Assess Risk



Communicate and Train



Continue to Improve



Engage, Investigate and Report



### Code of Business Conduct

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 to 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.

Together, 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.



## Our core values

of respect, integrity and initiative  
guide every business decision.



### Ethics 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 senior director, ethics and compliance, who reports directly to the chief legal officer, 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 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.

### Helpline

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

All other locations: Click on the link below for country-specific instructions.

Online: [helpline.onsemi.com](https://helpline.onsemi.com)



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.

### What it means to be a Business Ethics Liaison

Our network of 44 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 ethics and compliance fields.

The availability of BELs gives employees access to a peer with whom they may raise potential concerns outside human resources and their management chain. The accessibility of this additional reporting channel helps our company integrate ethics and compliance into our culture by building trust at the local level. We consider the fact employees choose to raise concerns to BELs, more than any other reporting channel, to reflect the strength of the ethics and compliance programs. Employees also have the option of using the 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 Helpline anonymously.



**onsemi** has a network of 44 Business Ethics Liaisons (BELs) across the globe



**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.

An indicator of trust is the utilization of our reporting channels. Employees have access to several reporting channels including the following: The Helpline, a network of 44 global BELs, members of the ethics and compliance programs, and direct access to the chief compliance officer and senior director, ethics and compliance.

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.

The ethics and compliance group reviews the Code regularly. 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.



**Compliance Program**

In parallel with our ethics 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 to foster a culture of integrity and accountability. Our chief compliance and legal officer is responsible for administering and executing the legal compliance program which is designed to prevent and detect violations of the law, the Code or related standards of conduct by employees 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 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.

**Governance Structure**



We maintain an **open-door policy**, allowing employees to communicate and engage with management staff and human resources.

### Fair Treatment

At onsemi, we are committed to preserving and promoting the fundamental rights of others and ensuring everyone is awarded fair treatment. Our company **Code of Business Conduct** as well as the **Responsible Business Alliance** code covers human rights in several areas, ensuring we have a comprehensive stance on human rights and fair treatment that applies to all onsemi employees, joint ventures, major suppliers, select service providers and contractors, and products and services. We have several sites with collective bargaining agreements, and we respect our workers freedom of association with these groups. To ensure our approaches are regularly updated, we engage all relevant groups including, but not limited to, corporate social responsibility, environmental, health and safety, human resources, legal, global security and supply chain in our review and due diligence process. Every individual and department at our company is responsible for understanding and implementing the fundamental rights of others.

### RBA Membership

The **Responsible Business Alliance** is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. onsemi has been a member since 2009. RBA members commit and

are held accountable to a common Code of Conduct and utilize a range of RBA training and assessment tools to support continual improvement in the social, environmental and ethical responsibility of their supply chains. In addition to setting and holding members accountable to core standards and providing training and assessment tools, the RBA regularly engages in dialogue and collaborations with workers, governments, civil society, investors and academia to gather the necessary range of perspectives and expertise to support and drive its members toward achieving the RBA mission and values of a responsible global electronics supply chain. At onsemi, we value our RBA membership and affirm our commitment to the alliance on an annual basis. In 2021, the **RBA Code of Conduct** was updated to Version 7.0 and was released on January 1, 2021.

### RBA Workgroups

Many onsemi employees are active participants in various RBA workgroups offered by the alliance. We have employees that participate in the VAP workgroup, the Environmental Sustainability workgroup, the RMI workgroup and the Diversity and Gender workgroup.



5 sites received a perfect score of **200 points** resulting in RBA Recognition when audited in 2021.

### Validated Assessment Program (VAP)

One of the most fundamental RBA programs is the **Validated Assessment Program** (VAP). It is the leading standard for onsite compliance verification and effective, shareable audits. The primary value of an onsite compliance audit is the correction of identified issues. The RBA recognizes factories that show a commitment to corporate responsibility through verified closure of the issues identified in a VAP audit.

About half of our manufacturing facilities are scheduled for VAP audits through RBA on an annual basis. At onsemi, we conduct internal RBA audits on an annual basis to ensure those facilities not slated for an official RBA VAP audit are remaining compliant to RBA Code standards. In 2021, six out of 18 onsemi

manufacturing facilities were subject to internal audits and 14 manufacturing sites participated in initial or closing RBA VAP audits. Nine of our sites also participated in customer audits or shared Validated Audit Reports (VAR) with customers.

In 2021, five sites were audited remotely. These five sites received a perfect score of 200 points resulting in RBA Recognition. These five sites are Mountain Top, Pennsylvania, United States; South Portland, Maine, United States; Carmona, Philippines; Cebu, Philippines; and Tarlac, Philippines. We also had two sites that were audited onsite. These two sites, Bucheon, South Korea and Suzhou, China, received Platinum and Gold recognition respectively for their audit scores.

### Human Rights

Our formalized **Human Rights Policy** demonstrates our commitment to preserving, protecting and promoting the fundamental rights of others as reflected in the **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 the global trafficking hotline at 1-844-888-FREE or by emailing [help@befree.org](mailto: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.



**1-844-888-FREE** is our global trafficking hotline where employees and other stakeholders are encouraged to report any concerns.

## Supply Chain

At **onsemi**, 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 like 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 **onsemi's Corporate Social Responsibility (CSR) Statement of Commitment**, and provide any requested certifications and cascade all applicable requirements through their supply chain.

### Management Approach

Our global supply chain operations (GSCO) and global sourcing and procurement (GSP) organizations is led by our EVP, global manufacturing and operations who reports to our CEO and board of directors. We operate a flexible, reliable and responsive supply chain that is compliant with **IATF-16949** and **ISO 9001** requirements as defined in our internal policies. We continually develop business partnerships with selected key suppliers and strive to 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 Suppliers

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 2021, we worked with 9,500 suppliers and service providers in North America, Asia Pacific, Europe and the Middle East. Of those suppliers, approximately 7,000 were production-related.

There are a total of 96 suppliers that constitutes 85% of our direct materials spend in 2021. We are currently in the process of further classifying these critical suppliers as high or low risk considering various factors such as procurement amount, product criticality, single or dual source, and business relationships with **onsemi** from both Supplier Risk Management and Supplier Relationship Management perspective.

When possible, we try to keep our sourcing efforts local by prioritizing purchasing from local suppliers.

Procurement from Local Suppliers (Percentage)

REGION	2021	2020	2019	2018
Asia	90.5%	91.9%	92.3%	89.83%
EMEA	83.7%	82.9%	80.2%	77.8%
North America	90.3%	91.2%	91.7%	89%
<b>onsemi total % spend on local suppliers</b>	<b>88.2%</b>	<b>88.7%</b>	<b>88.1%</b>	<b>85.5%</b>

### Managing Risk in the Supply Chain

We understand that supply chain risks have the potential to cause disruptions to our manufacturing process, alter our ability to deliver our products to our customers and create a ripple effect impacting all stakeholders. Our procurement team currently uses several models to manage risk in our supply chain. From new supplier selection, we consider the financial strength, quality track record, geography, CSR compliance and technology of our suppliers. Once selected, we expect them to adhere to the **onsemi** Supplier Code of Conduct outlined in our **Supplier Handbook**. We conduct bi-annual RBA conformance certification and engage with our suppliers in regular cycles by clearly communicating our expectations, deploying risk assessments, conducting business reviews, launching verification audits and addressing any non-conformance.

### Conflict Minerals

As a purchaser of products containing conflict minerals that include tantalum, tin, tungsten, gold and cobalt from suppliers for use in our manufacturing process and products, 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. As active member the **Responsible Minerals Initiative (RMI)**, we engage in reasonable and responsible due diligence with our suppliers and other third parties in our supply chain in a manner consistent with the **Organisation for Economic Co-operation and Development (OECD)** Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).



We require our suppliers to engage in due diligence to analyze their sources and to complete the RMI Conflict Minerals Reporting Template (CMRT). 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 2018 to 2019 and continue to sustain the goal of 100% smelter conformance. 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. This resulted in satisfied customers that continue to request company or product-level CMRTs without non-conformant smelters or refiners. onsemi responds and completes more than 1,000 customer CMRT inquiries annually. For reporting year 2021, we achieved 98% conformance of our smelters. Both tantalum and tungsten smelters were

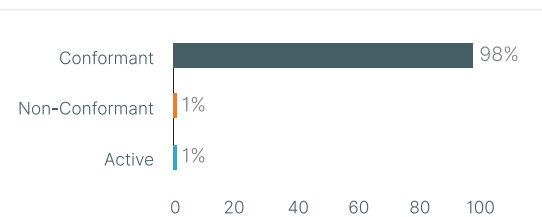
100% conformant while gold refiners and tin smelters were 98% and 96% conformant, respectively.

After submitting reporting year 2020 annual conflict minerals report, **Sentry** (an investigative and policy team that follows the dirty money connected to African war criminals and transnational war profiteers), evaluated 50 of the largest electronics companies in the U.S., 15 of the largest jewelry retailers and 24 of the largest automakers. They named 13 out of more than 1,000 major electronics, jewelry and automotive companies as "Good." "Good" companies are defined as companies who report that 99 to 100% of their supply chains are made up of conflict free smelters and refiners including onsemi. See snapshot from news article in **Sentry**:

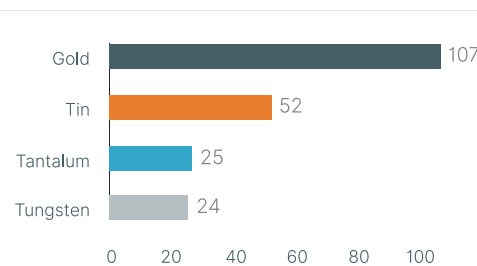
**“ The Good**

The number of companies sourcing only from conflict-free refiners and smelters has increased, which is encouraging, although they are still a small minority. 13 major electronics, jewelry and automotive companies report that 99% to 100% of their supply chains are made up of conflict-free smelters and refiners that are conformant with credible, independent audits and that require their suppliers to source from conflict-free smelters. The companies were Apple, Google, Intel, Microsoft, IBM, Macy's, Micron Technology, Nvidia, Signet Jewelers, Skyworks, Target, Tiffany & Co. and onsemi, and they deserve praise for these efforts. That is a significant achievement, as it is up from just a small handful in previous years. ”

Overall % RMAP Conformant (percentage)



Total Smelters (number)



REPORTING YEAR	CONFORMANT	ACTIVE	NON-CONFORMANT	NOT ELIGIBLE	TOTAL
2021	98%	1.0%	1%	0%	100%
2020	99.6%	0.4%	0%	0%	100%
2019	100%	0%	0%	0%	100%
2018	100%	0%	0%	0%	100%

2021 REPORTING YEAR	CONFORMANT	ACTIVE	NON-CONFORMANT	NOT ELIGIBLE	TOTAL SMELTER	% CONFORMANT
Gold	105	0	2	0	107	98%
Tantalum	25	0	0	0	25	100%
Tin	50	2	0	0	52	96%
Tungsten	24	0	0	0	24	100%
Total	204	2	2	0	208	98%
Overall % Conformant	98%	1%	1%	0		

Members of our conflict minerals team continue to actively participate in RMI workgroups including due diligence practice team and minerals reporting team. Please see our latest **SEC Form SD, Conflict Minerals Sourcing Policy** as well as **latest company-level CMRT** for more information. For any other conflict minerals inquiry, please send to [continuity@onsemi.com](mailto:continuity@onsemi.com).

**Hazardous Substances Commitment**

onsemi is committed to providing our customers with products that are compliant with industry environmental best practices, now and in the future. We meet all applicable **Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)** requirements and all products manufactured by onsemi comply with the amended **Restriction of Hazardous Substances (RoHS)** directive. To support this commitment, we have environmental requirements for our suppliers related to the

hazardous materials in their products. All purchased materials, services and products used in part manufacturing shall satisfy current governmental, statutory and regulatory requirement, and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. All purchased materials, services and products must conform to onsemi's environmental requirements described in our **Product Chemical Content Brochure**. Suppliers must be prepared to provide supporting evidence of conformance.

**Expectations of Our Suppliers**

We are committed to ensuring our suppliers have a clear understanding of our expectations, and have the information required to successfully meet our needs. We expect our suppliers to conform and adhere to onsemi Supplier Code of Conduct outlined in our **Supplier Handbook**. Our general expectations for all suppliers can be found on pages 4-6 of our handbook.

## Information Protection

At **onsemi**, we work around the clock to protect our company, technology and intellectual property from potential cybersecurity threats and vulnerabilities. We take privacy and cybersecurity seriously and strive to identify and eliminate potential threats to our IT infrastructure, proprietary technologies and confidential information.

### Privacy

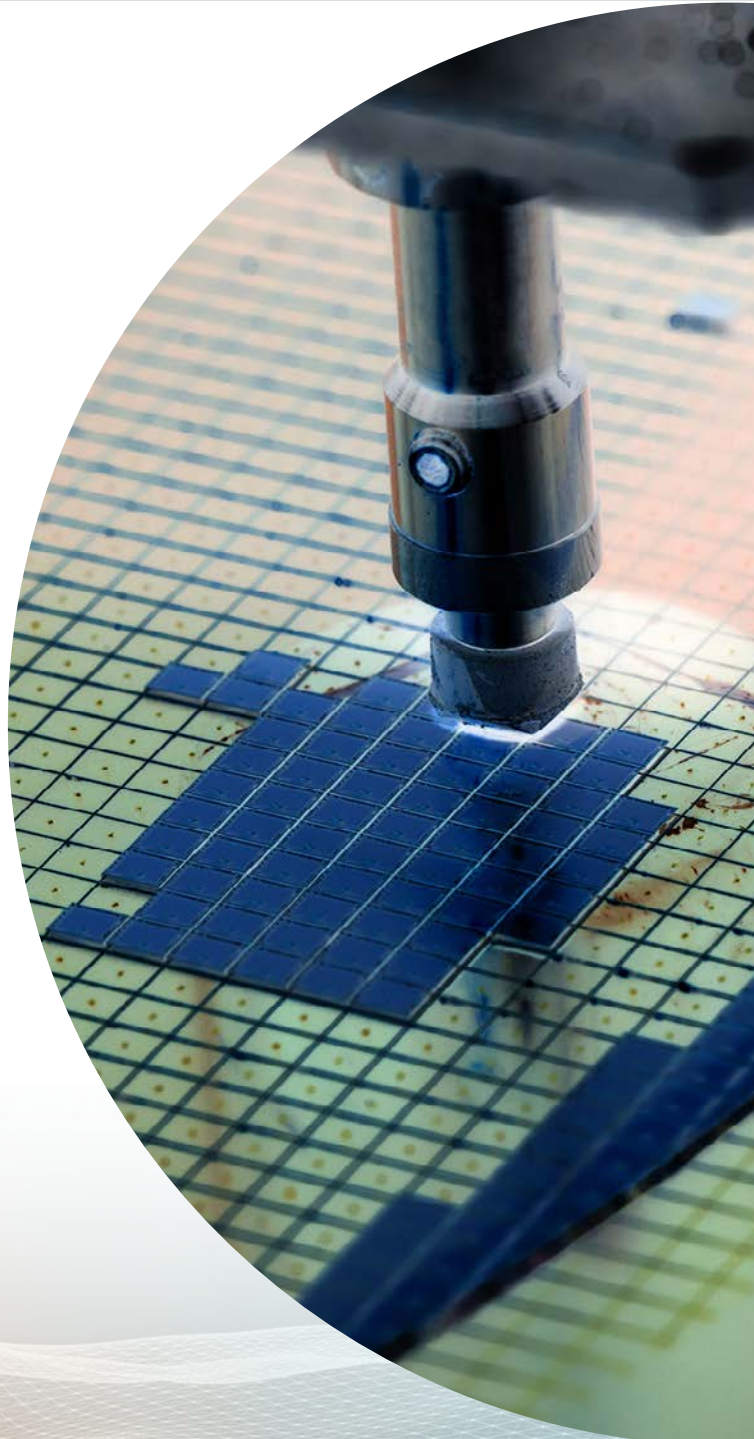
We have developed a global data privacy program designed to comply with applicable laws around the world and protect the personal information of **onsemi** employees, customers and others who have entrusted us with their personal data.

We also have a Data Privacy Committee that provides strategic guidance and oversight to support our data privacy program. In addition, our chief privacy officer has appointed employees of various roles and grade levels throughout the company as “Data Privacy Champions” who advocate the importance of our data privacy program, maintain awareness of key data privacy laws and help reinforce best practices around data privacy matters. For more information, please visit our [Privacy Policy](#).

### Information Security and Risk

The Information Security and Risk (ISR) team is composed of several support teams that address all aspects of cyber risk: Risk, Security Architecture and Engineering, Identity and Access Management and Security Operations.

**onsemi** adopted the **National Institute of Standards and Technology (NIST) Cybersecurity Framework** in 2014 as the foundation of the ISR program. This comprehensive framework provides an intuitive and comprehensive set of control objectives that align with several other standard frameworks such as **ISO 27001:2013** and **COBIT 5**. The ISR team adapted and implemented the framework to suit the executive risk appetite and business objectives of the company.



### Management Approach

At **onsemi**, the ISR team is led by our chief information security officer (CISO). The team oversees compliance with the Information Technology General Controls (ITGC) framework, coordinates the Information Security program and facilitates risk management activities within Information Technology (IT).

### ISR Team Responsibilities and Activities

The below represents some of the activities that are performed and/or overseen by the ISR team:

- IT established a hierarchy of policies, processes and standards that all IT departments follow, and the Information Security program adheres to that hierarchy. Additionally, the ISR team developed more than 50 policies, processes and standards that were reviewed, approved and published. An ongoing periodic review of these policies is completed to ensure accuracy and completeness. IT projects are built with security controls and executed according to the project delivery lifecycle.
- Each year, IT is subject to several internal and external audits globally. The CISO collaborates with the auditors, regulators and customers to coordinate and oversee the audit and assessment activity.
- ISR periodically engages with an independent consultant to perform an information security benchmark against the NIST Cybersecurity Framework. The benchmark assesses progress toward the company’s desired target maturity state. Recommendations from the assessment are reviewed and implemented within the IT roadmap to ensure ongoing maturity and continuous improvement of the program.
- The ISR program governs the IT risk process on behalf of the chief information officer (CIO). ISR manages a cyber risk register which is updated on an ongoing basis. Risks are managed via a remediation plan and reported accordingly.
- The ISR team is responsible for the security awareness program at **onsemi**. Throughout the year, the team regularly trains personnel on phishing and provides follow up training where needed. Security awareness communications are published on a regular basis and the team hosts an annual Cyber Awareness Month each October.
- ISR team provides identity assurance via secure access to **onsemi** systems and applications. The team validates on a regular basis that the right people have access to right data.
- In the event of a serious or material data breach, the Information Security Program has chartered a Cyber Incident Response team (CIRT) to act. The CIRT is comprised of subject matter experts from the global IT team. In addition, the Information Security team has contracted with eSentire Digital Forensic & Incident Response Team and IBM’s X Force IRIS (Incident Response and Intelligence Services) on a rapid retainer basis. In the event of a serious or material data breach, these rapid response services provide security and forensic expertise immediately via phone and onsite within 24 hours. Also, the ISR team collaborated with **onsemi**’s Treasury Department to obtain cybersecurity insurance. This type of insurance reimburses the company for costs incurred in responding to and recovering from a data breach.
- ISR applies a risk-based approach to vulnerability management, with emphasis on critical, high-risk assets and focus on highest risk findings to quickly reduce exposure and close critical gaps.
- The ISR team monitors **onsemi** systems, identifying and tracking any threats that arise. The team works closely with outside agencies and receives threat intelligence information regularly.
- The CISO has accountability for Key Performance Indicators (KPI) for the information security program. The CISO reports KPIs and status of key IT risks to Executive Management and the Board of Directors on regular schedules.



### Public Policy

At **onsemi**, we support public policies that encourage innovation, investment and open markets and enable us to create the intelligent power and sensing technologies to solve the world's most complex challenges leading the way to a safer, cleaner and smarter world. Our public policy program reflects our profile as a global company headquartered in the U.S., 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. We are an active participant in the World Semiconductor Council (WSC), an organization composed of the world's leading semiconductor industry associations from China, Taiwan, Europe, Japan, South Korea and the U.S. 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.

#### PUBLIC POLICIES SUPPORTED – 2021

<p>Pro-Innovation, Pro-Growth Business Environment</p>	<p>We work with the SIA and our other associations to support U.S. government policies that promote innovation and growth. This includes federal incentives for semiconductor manufacturing in the U.S. to increase the share of global wafer fabrication capacity located in the U.S. from its current level of only 12%, increased federal support for semiconductor-related research and development at universities and national laboratories, and government actions to ensure a well-educated semiconductor workforce. In June 2021, the U.S. Senate voted to support \$52 billion to fund the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act and the House passed similar legislation in January 2022. The House and Senate must next resolve differences between the two bills as well as larger differences in the legislative packages in which the bills reside.</p>
<p>COVID-19 Policies</p>	<p>The semiconductor industry faced ongoing challenges from the outbreak of COVID-19. Our policy advocacy centers around a 2020 statement by ten semiconductor industries from around the world on the industries' efforts to keep their employees and communities safe. The statement also urged governments to recognize that restrictions in any one region disrupted the global supply chain of chips used in the automotive, industrial and IT industries that drive the world economy and the life-saving medical devices that are never needed more so than during the pandemic.</p>
<p>Open Markets and Fair Competition</p>	<p>We actively work to promote policies that support open markets and fair competition. Working through our trade associations, we oppose 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 work through the World Semiconductor Council 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 recommend 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.</p>
<p>Stopping Counterfeit Semiconductors</p>	<p>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 2021, we assisted law enforcement to identify and seize counterfeit goods and remove them from the marketplace.</p>
<p>Energy Efficiency, Fuel Economy and Automotive Safety</p>	<p>We are an ally member of American Council for an Energy-Efficient Economy (ACEEE), a thought leader on energy efficiency policies such as deployment of Electric Vehicles. Additionally, we are a member of Motor &amp; 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.</p>





### Statement on Political Contributions

Participating in political activities is a very sensitive and complex area, and strict laws govern our political activities as a company. For this reason, **onsemi** 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 political contributions in our company's name in 2021.

### External Initiatives and Industry Associations

**onsemi** belongs to many associations which we work with on various policy objectives. We also collaborate with other outside groups and coalitions, such as the RBA and Semiconductor Industry Association, to advance policies that drive growth; promote competitiveness; and support our shareholders, customers, employees and the communities in which we operate.

### External Initiatives

- American Council for an Energy-Efficient Economy (ACEEE), Leader tier
- Association of Climate Change Officers (ACCO)
- Association for Corporate Citizenship Professionals (ACCP)
- Arizona Forward
- Arizona Grantmakers Forum
- Arizona Tax Research Association
- Boston College Center for Corporate Citizenship
- Business for Social Responsibility (BSR)
- Carbon Disclosure Project
- CEB Compliance and Ethics Leadership Council (founding member)
- Chief Executives for Corporate Purpose (CECP)
- Clean Energy Buyers Alliance (CEBA)
- Conference Board – Philanthropy and Engagement Council
- Corporate Volunteer Council of Central Arizona
- CSR Board (founding member)
- Electronic Components Industry Association (ECIA)
- Ethisphere's Business Ethics Leadership Alliance (BELA)
- Greater Phoenix Chamber of Commerce
- Hearing Industries Association
- Joint Electron Device Engineering Council (JEDEC)
- Mactan Export Processing Zone Chamber of Exporters and Manufacturers (MEPZCEM)

- Microelectronic Industry Design Association (MIDAS) Ireland
- Motor Equipment Manufacturers Association/ Original Equipment Suppliers Association (MEMA/OESA)
- Pocatello Chubbuck Chamber of Commerce
- Responsible Business Alliance (RBA)
- Responsible Minerals Initiative (RMI)
- Semiconductor Electronic Industries in Philippines Inc. (SEIPI)
- Semiconductor Equipment and Materials International (SEMI)
- Semiconductor Industry Association (SIA)
- United Nations Global Compact
- United States Information Technology Office (USITO)
- World Semiconductor Council (WSC)

### Membership of Associations

- ECIA, **Jeff Thomson**, board of directors
- JEDEC, **Peter Turlo**, board of directors
- MEPZCEM, **Benjie Gandionco**, board of directors
- SEIPI, **Mark Knoch**, board of directors
- SIA, **Hassane El-Khoury**, board of directors
- SIA International Trades Committee, **Daryl Hatano**, co-chair
- WSC, **Daryl Hatano**, co-chair U.S. delegation to joint steering committee

## Quality and Customer Satisfaction

At **onsemi**, we are committed to operating according to stringent, internationally recognized requirements for reliability and quality. **onsemi** is **certified** to ISO 9001, IATF 16949, AS9100, ISO 14001, ISO 45001, ANSI/ESD20:20, military standards, and ISO 13485 for our medical products. 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 eight disciplines problem solving (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

To successfully navigate higher-quality expectations, **onsemi** pursues activities that have a significant and positive impact on creating a culture of quality, ensuring employees live and breathe 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. **onsemi's** Culture of Quality Index score improved year after year. In the last survey of 2020, **onsemi** was ranked 6th among 147 participating companies with 85% of our employees worldwide participating. 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. The next culture of quality survey will be administered later in 2022.

### Customer Satisfaction

**onsemi** is engaged in a very competitive global marketplace. We cannot grow if we continue to focus only on our heritage and our past accomplishments. We continually strive to put customers at the center of what we do by understanding and anticipating our customer's needs for service and support as expressed in our Quality Policy: "We will exceed customer expectations with superior products and services."

The feedback we receive on the quality of our products and services is a key driver. We strive to understand this to anticipate solutions to product and service needs that our customers have yet to recognize. We listen to our customers' ideas about how we can better serve them from a holistic customer experience perspective – from idea introduction to the successful delivery of product or service.

**onsemi** is measuring customer feedback through customer score cards, customer rewards, sales feedback, complaints, etc. Every other year, we conduct a satisfaction survey with our customers that measures our performance in the areas of service, quality, delivery, pricing and environmental sustainability.

The last survey was administered in 2020 and ended with very positive results. A positive trend of 10% was observed over the past six years of respondents who "strongly agreed" with the key indicator question in the survey, "It is likely that you would recommend **onsemi** to a peer or colleague."

### Customer Experience

**onsemi** is engaged in a diverse competitive global marketplace. We continually strive to put customers at the center of what we do by understanding and anticipating our customer's needs for service and support. We realize our customers expect us to grow with them and that means we must deliver value not only through innovative quality products and designs but also through every customer interaction. In 2022, we established a dedicated global Customer Experience function to accelerate our ability to anticipate customer needs and provide transparency on critical information impacting customer outcomes. We will accomplish this by upgrading our data models, internal processes as well as expanding our analytics capabilities to listen and take action on customer feedback. Customers can expect improved digital experiences, making it easier to do business with **onsemi**.



Appendix

# Transparency in Action





## United Nations Sustainable Development Goals

The **Sustainable Development Goals (SDGs)**, set by the United Nations (UN) in 2015, highlight the world's biggest social and environmental issues. The SDGs 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 and corporate citizen, we believe we have a responsibility to help achieve the goals by adhering to the goals most relevant to our business.

While we believe all the SDGs are vital, we prioritized five goals that are the most relevant to our sustainability strategy and will help make the largest global impact. In 2019, **onsemi** became a signatory to the UN Global Compact. Our most recent **Communication on Progress (COP)** submitted to the UN Global Compact outlines our alignment with its ten principles, focused on human rights, labor, environment and anti-corruption, and our alignment with the SDGs.



### Ensure access to water and sanitation for all

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



### Reduce inequality within and among countries

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



### Take urgent action to combat climate change and its impacts

- We have committed to net-zero by 2040 focusing on internal operation efficiency, use of renewable energy and value chain and industry partnership as well as purchase of carbon offsets
- We actively participate in advocacy for action on climate change



### 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



### Ensure sustainable consumption and production patterns

- We strive for zero waste in the landfill from our finished goods in our manufacturing sites
- We integrate our sustainable practices into our public reporting

## Triple Bottom Line Performance Summary

This triple bottom line performance summary which focuses on people, planet and profit, was created with the intention of transparently communicating our environmental, social and governance (ESG) efforts with our stakeholders. We organized the summary to cover the topics most relevant to our mission, our business and our partners.

### Our Business

DISCLOSURE	UNITS	2021	2020	2019
<b>Financial Strength</b>				
Revenue	Dollars (billions)	\$6.7	\$5.3	\$5.5
Sustainable Product Revenue	Dollars (millions)	\$5,011	\$755	\$460
Recouped Scrap Materials/Precious Metals		\$26	\$23	\$22
<b>Revenue by Market</b>				
Automotive	Percentage	34%	32%	33%
Industrial		27%	25%	26%
Other		39%	43%	41%
<b>Revenue by Region<sup>1</sup></b>				
Singapore	Percentage	31%	34%	33%
Hong Kong		27%	25%	25%
United Kingdom		17%	15%	16%
United States		14%	14%	15%
Other		11%	12%	11%
<b>Revenue by Group</b>				
Advanced Solutions Group	Percentage	36%	36%	36%
Power Solutions Group		51%	50%	50%
Intelligent Sensing Group		13%	14%	14%
<b>Revenue Type by Channel</b>				
Direct	Percentage	36%	40%	43%
Distributor		64%	60%	57%

<sup>1</sup>Represents sales billed from the respective country or region.

DISCLOSURE	UNITS	2021	2020	2019
<b>Operations Footprint</b>				
<b>Countries</b>				
Manufacturing	Number	10	10	10
Design Center		23	21	21
Solution Engineering Center		5	5	5
<b>Supply Chain</b>				
Units shipped through Global Logistics Network	Number (billions)	70	64.3	66.3
<b>Spend on Local Supplier by Region</b>				
Asia-Pacific (APAC)	Percentage	90.5%	92%	92%
Europe, Middle East and Africa (EMEA)		83.7%	83%	80%
North America		90.3%	91%	92%
Total Company		88.2%	88.7%	85.5%
Total Global Suppliers and Service Providers	Number	9,500	9,700	10,000
Production-Related Supplier		7,000	7,100	7,200
RMAP Conformant Smelters	Percentage	98%	99.6%	100%
Suppliers that Completed a Self-Assessment Questionnaire (SAQ)		100%	99%	85%
Suppliers Rated as Low-Risk on Their SAQ		93.42%	96%	83%
RBA Audit Completed	Number	14	5	10

Our Governance

DISCLOSURE	UNITS	2021	2020	2019
<b>Board of Directors ("Board") Composition and Independence</b>				
Total Members	Number	10	11	7
Board Average Age		60	59	62
Board Average Tenure		5	5	9
Number of Independent Directors		9	10	6
<b>Board Diversity</b>				
Women on Board	Number	2	2	1
	Percentage	20%	18%	14%
<b>Board and Committee Meetings</b>				
Board and Committee Meetings Held During the Calendar Year	Number	23	30	34
Directors Attending Less than 75% of Meetings During the Calendar Year		0	0	0
<b>Policies, Statement and Commitments</b>				
Anti-Corruption Policy	Yes/No	Yes	Yes	Yes
Code of Business Conduct		Yes	Yes	Yes
Non-Retaliation Policy		Yes	Yes	Yes
Privacy Policy		Yes	Yes	Yes
<b>Compliance and Ethics Program</b>				
Number of Business Ethics Liaisons (BELs)	Number	44	51	52
<b>Number of Reports and Requests for Advice by Intake Channel</b>				
BEL Reporting	Number	69	100	183
Other <sup>1</sup>		125	134	197

DISCLOSURE	UNITS	2021	2020	2019
<b>Reporter Anonymity Rate</b>				
Anonymous Reporters	Percentage	31%	50%	34%
<b>Total Number of Reports</b>				
Concerns and Incidents	Number	161	182	230
Requests for Advice		33	52	150
<b>Substantiation Rate</b>				
Substantiated Reports	Percentage	55%	37%	57%
<b>Top Corrective Actions</b>				
No Action Necessary	Rank	1st	2nd	N/A
Remedial Measure <sup>2</sup>		2nd	1st	N/A
Other		3rd	3rd	N/A

<sup>1</sup> In 2021, we adjusted the way we track the intake of our reports from intake method (email, web and phone) to channel (BEL, IT or senior management). This will be reflected in subsequent reports.

<sup>2</sup> Coaching, counseling or training.

Our People

DISCLOSURE	UNITS	2021	2020	2019
<b>Global Workforce</b>				
Total Workforce	Number	33,690	34,500	36,000
<b>Workforce by Region</b>				
APAC (excluding Japan)	Percentage	70%	69%	69%
Japan		5%	6%	6%
EMEA		13%	12%	11%
North America		12%	13%	14%
<b>Workforce by Gender</b>				
Female	Percentage	45%	44%	44%
Male		55%	56%	56%
<b>Management by Gender</b>				
Female	Percentage	21%	20%	20%
Male		79%	80%	80%
<b>Internal Promotions by Gender</b>				
Female	Percentage	37%	38%	35%
Male		63%	62%	65%
<b>Workforce by Contract Type</b>				
Regular	Percentage	90%	90%	89%
Temporary (contractors/interns)		10%	10%	11%
<b>Workforce by Work Schedule</b>				
Full-time	Percentage	99.3%	99.4%	99.3%
Part-time		0.7%	0.6%	0.7%

DISCLOSURE	UNITS	2021	2020	2019
<b>Contractors and Interns, by Age, Gender and Region</b>				
< 30 Years Old	Percentage	42%	30%	38%
30 – 50 Years Old		31%	61%	58%
> 50 Years Old		27%	9%	4%
Female	Percentage	29%	47%	52%
Male		71%	53%	48%
APAC (excluding Japan)	Percentage	37%	85%	87%
Japan		20%	5%	6%
EMEA		25%	5%	4%
North America		18%	5%	3%
<b>Full-time Employees by Age, Gender and Region</b>				
< 30 Years Old	Percentage	28%	29%	29%
30 – 50 Years Old		55%	55%	56%
> 50 Years Old		17%	16%	15%
Female	Percentage	44%	44%	44%
Male		56%	56%	56%
APAC (excluding Japan)	Percentage	69%	70%	69%
Japan		5%	5%	6%
EMEA		13%	12%	14%
North America		13%	13%	11%

Our People

DISCLOSURE	UNITS	2021	2020	2019
<b>Part-time Employees by Age, Gender and Region</b>				
< 30 Years Old	Percentage	11%	42%	50%
30 – 50 Years Old		54%	35%	27%
> 50 Years Old		35%	23%	23%
Female	Percentage	52%	45%	41%
Male		48%	55%	59%
APAC (excluding Japan)	Percentage	0%	2%	19%
Japan		0%	0%	1%
EMEA		88%	89%	68%
North America		12%	9%	12%
<b>New Hires by Age, Gender and Region</b>				
< 30 Years Old	Percentage	61%	58%	55%
30 – 50 Years Old		34%	38%	40%
> 50 Years Old		5%	4%	5%
Female	Percentage	44%	55%	37%
Male		56%	45%	63%
APAC (excluding Japan)	Percentage	78%	77%	69%
Japan		1%	3%	4%
EMEA		8%	8%	8%
North America		13%	12%	19%

DISCLOSURE	UNITS	2021	2020	2019
<b>Employee Turnover by Age, Gender and Region</b>				
< 30 Years Old	Percentage	37%	50%	49%
30 – 50 Years Old		46%	34%	40%
> 50 Years Old		17%	16%	11%
Female	Percentage	41%	56%	49%
Male		59%	44%	51%
APAC (excluding Japan)	Percentage	68%	67%	73%
Japan		5%	5%	2%
EMEA		8%	9%	8%
North America		19%	19%	17%
<b>U.S. Workforce by Race and Ethnicity</b>				
American Indian or Alaskan Native	Percentage	0.5%	0.45%	0.30%
Asian		17%	18.78%	19.40%
Black or African American		1.5%	1.48%	1.70%
Hispanic or Latino		4.7%	4.48%	4.60%
Native American or other Pacific Islander		0.2%	0.26%	0.20%
Two or more races		1.8%	2.09%	2.10%
White		60%	59.40%	61.80%
Undeclared		14.3%	12.70%	9.90%



Our People

DISCLOSURE	UNITS	2021	2020	2019
<b>Employee Resource Groups</b>				
Black Employee Network (BEN)	Yes/No	Yes	Yes	Yes
Continua		Yes	Yes	No
Cultivate		Yes	Yes	Yes
Science, Technology, Engineering and Mathematics for Under-represented Populations (STEM UP)		Yes	Yes	Yes
Veteran and Military Employees (VME)		Yes	Yes	No
Women Empowerment (WE)		Yes	Yes	Yes
<b>Employee Engagement Survey Completion Rate</b>				
Employee Engagement Survey	Percentage	81%	85%	79%
<b>Policies, Statements and Commitments</b>				
<b>Corporate Social Responsibility (CSR) Commitment</b>	Yes/No	Yes	Yes	Yes
<b>Environmental Health and Safety Policy</b>		Yes	Yes	Yes
Equal Employment Opportunity		Yes	Yes	Yes
<b>Human Rights Policy</b>		Yes	Yes	Yes
<b>Responsible Business Alliance (RBA) Full Member</b>		Yes	Yes	Yes
<b>Responsible Minerals Sourcing Policy</b>		Yes	Yes	Yes
<b>Slavery and Human Trafficking Policy Statement</b>		Yes	Yes	Yes
<b>UN Global Compact Signatory</b>		Yes	Yes	Yes
<b>Employee Health and Safety</b>				
Workforce Covered by OHSAS 45001/18001	Percentage	95%	81%	82%
Injury Rate (per 100 employees)	Number	0.64	0.75	0.77
Lost Days (per 100 employees)		2.3	1.54	1.3
Work-Related Fatalities		0	0	0

## Our Planet

DISCLOSURE	UNITS	2021	2020	2019
<b>Emissions</b>				
Scope 1	Metric Tons Carbon Dioxide Equivalent (CO <sub>2</sub> e)	2,485,870	2,173,451	2,074,679
Scope 2		782,790	774,849	671,656
Scope 3 (Business Travel)		617	1,565	12,638
<b>Energy</b>				
Total Consumption (Natural Gas, Diesel Fuel and Electricity)	Megawatt-Hours (MWh)	1,781,685	1,770,483	1,746,390
<b>Water</b>				
Withdrawal	Megaliters	13,599	14,332	14,335
Recycled	Megaliters	5,779	6,374	6,506
Withdrawal from High or Extremely High Stress Regions	Percentage	10%	6%	N/A
Manufacturing sites in Low-Stressed Regions	Number	8	9	N/A
Manufacturing sites in Low- to Medium-Stressed Regions		7	7	N/A
Manufacturing sites in Medium- to High-Stressed Regions		2	3	N/A
Manufacturing sites in High-Stressed Regions		3	2	N/A
Manufacturing sites in Extremely High-Stressed Regions		1	1	N/A
<b>Waste</b>				
Hazardous Waste Generated	Metric Tons	9,842	8,123	8,336
Hazardous Waste Recycled	Percentage	75%	73%	75%
Non-Hazardous Waste Generated	Metric Tons	17,325	15,146	15,393
Non-Hazardous Waste Recycled	Percentage	83%	77%	57%
Reclaimed Scrap Materials Collected	Metric Tons	614	634	910
Reclaimed Precious Metals Collected	Kilogram (kg)	810	870	1,376

DISCLOSURE	UNITS	2021	2020	2019
<b>Policies, Statements and Commitments</b>				
<b>Climate Change Policy</b>	Yes/No	Yes	Yes	No
<b>CSR Commitment</b>		Yes	Yes	Yes
<b>Environmental Health and Safety (EHS) Policy</b>		Yes	Yes	Yes
<b>Rare Earth Elements Use Statement</b>		Yes	Yes	Yes
<b>Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH) Statement</b>		Yes	Yes	Yes
<b>Restriction of Hazardous Substances (RoHS) Statement</b>		Yes	Yes	Yes

Sustainability Accounting Standards Board (SASB) Framework

Reporting Period: January 1 – December 31, 2021

CODE	METRIC	ONSEMI DISCLOSURE
<b>Greenhouse Gas Emissions</b>		
TC-SC-110a.1	(1) Gross global Scope 1 emissions (2) amount of total emissions from perfluorinated compounds	(1) 2,485,870 MTCO <sub>2</sub> e (2) 715,545 MTCO <sub>2</sub> e See <b>Emissions and Energy Consumption</b> section of our 2021 Sustainability Report, pg 14
TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See <b>Net Zero Commitment</b> section of our 2021 Sustainability Report, pg 12
<b>Energy Management in Manufacturing</b>		
TC-SC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	(1) 6,414,066 GJ (2) 100% (3) 0% See <b>Emissions and Energy Consumption</b> section of our 2021 Sustainability Report, pg 14

CODE	METRIC	ONSEMI DISCLOSURE
<b>Water Management</b>		
TC-SC-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 13,599 thousand of m <sup>3</sup> (2) onsemi is developing better strategies for tracking water discharge and consequently water consumption across its operational footprint. We aim to have better metrics in the years to come. In 2021, onsemi withdrew 271 thousand m <sup>3</sup> of water from areas with extremely high water stress and 1,127 thousand m <sup>3</sup> or water from areas with high water stress. ~10% of our water withdrawal is from regions with high or extremely high water stress.  Extremely high water stress regions - Oudenaarde, Belgium High water stress regions - Pocatello, Idaho, USA; Suzhou, China; and Tarlac, Philippines  See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
<b>Waste Management</b>		
TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	(1) 9,842 t (2) 2.83% recycled, 75% diverted from landfill See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
<b>Human Health Hazard</b>		
TC-SC-320a.1	Description of efforts to assess, monitor and reduce exposure of employees to human health hazards	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36

## Sustainability Accounting Standards Board (SASB) Framework

CODE	METRIC	ONSEMI DISCLOSURE
<b>Monetary Losses – Employee Health and Safety Violations</b>		
TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations (USD)	In 2021, onsemi did not incur monetary losses as a result of legal proceedings associated with employee health and safety violations.
<b>Recruiting and Managing a Global and Skilled Workforce</b>		
TC-SC-330a.1	Percentage of employees that are: (1) foreign nationals and (2) located offshore	(1) 2.56% (2) United States (country of domicile) – 11% All other North America – 1% Asia Pacific – 75% EMEA – 13%
<b>Product Lifecycle Management</b>		
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances (%)	In 2021, approximately 21.31% of onsemi’s portfolio contained IEC 62474 declarable substances, representing ~31% of revenue. <b>RoHS Statement</b> <b>Compliance with REACH</b> <b>Product Chemical Content Brochure</b> <b>Materials Composition Program</b>
<b>Product Lifecycle Management</b>		
TC-SC-410a.2	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	Not applicable for onsemi operations

CODE	METRIC	ONSEMI DISCLOSURE
<b>Critical Materials Management</b>		
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	onsemi discloses management approach to our responsible minerals sourcing. We are aware of the potential supply shortage of rare earth elements and their use in the production of electronic components. onsemi does not deliberately add any rare earth elements to any of our products. There are some trace of rare earths in certain ceramic packaging, gold wirebond and wafer fab operations, but we do not manufacture any of these materials nor are they added intentionally. Through our Enterprise Risk Management (ERM) framework, tools and processes, we identify the loss of critical supplies as a risk that is managed, mitigated and is tracked within the supply chain planning, sourcing and procurement groups and reported on a quarterly basis. <b>SEC Form SD Conflict Minerals Report</b> <b>Rare Earth Minerals Statement</b> See <b>Supply Chain</b> section of our 2021 Sustainability Report, pg 54
<b>Anti-Competitive Behavior Litigation</b>		
TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations (USD)	In FY21, onsemi did not incur monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations. See onsemi <b>2022 SEC Form 10-K</b> , pg 92

Task Force on Climate-Related Financial Disclosures (TCFD) Framework

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Governance</b>		
Disclose the organization's governance around climate-related risks and opportunities.		
a) Describe the board's oversight of climate-related risks and opportunities.	CDP Climate Change, C1.1, C1.1a, C1.1b	Formal responsibility and oversight of matters related to environmental, health and safety (EHS), ethics and corporate social responsibility (CSR) issues at onsemi, including climate-related sustainability and climate change risk, lies with the board Governance and Sustainability (GS) Committee as stated in the GS committee charter. The GS committee oversees issues related to corporate governance, enterprise risk management including risk arising from the company's environmental, social and governance practices, as well as corporate social responsibility, sustainability initiatives, and ethics performance. The GS Committee holds at least two regular meetings per year and is comprised of three or more members of the board. Additionally, the entire board of directors' reviews progress of energy and water consumption as well as emissions reduction at least once a year. Progress of the company's sustainability projects is reviewed by the board on a quarterly basis and is communicated to the board by the chief marketing officer. In August of 2020, the GS committee was supportive of the company working towards the creation of a climate strategy to guide the company's activities for the next 6-10 years.

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Governance</b>		
b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Change, Questions C1.2, C1.2a, C1.3, C1.3a	<p>At onsemi, climate-related issues and risks are managed at the highest level of the organization. We believe that having sustainability and climate-related initiatives integrated at every level of the company ensures success of our programs and gives us the ability to act nimbly at any level when needed.</p> <p>Our CEO is at the top of our organizational structure and takes an active role in managing the company's strategy. Our CEO has primary responsibility for the operational leadership and strategic direction of onsemi, including our climate-related strategies and initiatives. The CEO oversees and reviews the completion of set goals and progress of sustainability projects as it relates to our corporate social responsibility program.</p> <p>Our EVP of global operations and manufacturing is responsible for managing our operations including activities relating to our climate-related initiatives. With direct oversight over our progression towards set consumption and emission reduction goals, our EVP of Operations and Manufacturing can effectively manage our operations in an environmentally responsible manner. Our EVP of Operations and Manufacturing works closely with our CMO as well as our Environmental, Health and Safety team to ensure progress is being made towards outlined goals and interventions are taking place where they are needed.</p> <p>Our CFO is responsible for managing the financial health of the organizations including our investments in climate-related initiatives. Our CSR team meets with our CFO on a quarterly basis to communicate developments in areas such as SASB and GRI reporting measures.</p>

Task Force on Climate-Related Financial Disclosures (TCFD) Framework

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Governance</b>		
b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Change, Questions C1.2, C1.2a, C1.3, C1.3a	<p>Our CMO leads our CSR team who works on the day-to-day tasks associated with our environmental, social and governance initiatives. The CMO is responsible for making recommendations to the board around climate-related issues including trending CSR topics and how onsemi should be responding to these trends. Additionally, our CMO is directly responsible for the success of our ESG programs including annual reporting, Global Giving, and our CSR targets.</p> <p>Our Risk Committee (comprised of the CEO, CLO, CFO and EVP of gloabl operations and manufacturing) is responsible for the identification, management, and mitigation of risks faced by onsemi. Our Enterprise Risk Management (ERM) program has identified climate-related risks that the company will face over the coming years. ERM findings are communicated to the Risk Committee on a quarterly basis to ensure that this information is communicated to the other C-Suite team and to our board of directors.</p>

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	CDP Climate Change, Questions C2.3, C2.3a, C2.4, C2.4a	<p>At onsemi, we have identified climate-related risks that have the potential to affect our business continuity, strategy, and financial planning. We have also identified climate-related opportunities. One of the key risks we have identified is the increasing frequency and magnitude of climate-driven natural disasters and extreme weather events. This risk is driven by the change in physical climate parameters of climate change and is a specific (yet real) example. Using this climate risk, we can produce an estimate of related financial impact of climate change risk at one of our manufacturing facilities, before taking any action.</p> <p>We see an opportunity in the shift in consumer preferences towards sustainable technology. The business of power electronics is fundamentally tied to energy and efficiency, so the tracking of opportunities related to climate change is infused in every part of our planning and operations. Any regulation or event which makes energy more expensive will increase demand for energy-efficient solutions. Just a few of the markets directly tied to climate change are energy infrastructure, including solar boost &amp; inverters systems and battery/grid interfaces, electric vehicles (EV) and EV charging and cloud computing. We produce long-term products to enable every one of those products and markets, but also support energy efficiency in consumer electronics, appliances, telecommunication networks and industrial systems. We consider these products part of our sustainable product ecosystem.</p>

Task Force on Climate-Related Financial Disclosures (TCFD) Framework

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Strategy</b>		
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP Climate Change, Questions C3.1, C3.1a, C3.3	<p>We estimate that one natural disaster/extreme weather event affecting a single manufacturing facility will have an acute physical risk on our direct operations and have the potential to cause over \$5 million in financial impact on our business. In this scenario, the climate-change related impact assumes a 100% production outage, for 3 months, at one manufacturing site. onsemi has over 20 manufacturing sites worldwide.</p> <p>We shipped approximately 70 billion units through our global logistics network in 2021 and approximately 64.3 billion units in 2020, resulting in a period-over-period increase of approximately 9%. In 2021, revenue from our sustainable products ecosystem amounted to \$5.011 billion. We anticipate that majority of our products sold will fall into this sustainable product ecosystem as demand for energy-efficient solutions and energy infrastructure increases. We feel that \$900 million is a fair estimate for the financial impact this demand will have on the company.</p>

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Strategy</b>		
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	CDP Climate Change, Questions C3.2, C3.2b	<p>onsemi has conducted an internal exercise similar to climate-related scenario analysis which involved thinking through what possible futures exist and identifying the potential risks, opportunities, and impacts that these potential future states could have on the company. Additionally, the ERM group at onsemi hosts an annual, off-site emerging risk scenario planning session with a cross-functional group of individuals to evaluate specific emerging risk scenarios that are considered new, ambiguous, unforeseen or slow to develop. These practices are informative and have assisted in framing some of the future scenarios that could come to be, however they are not as comprehensive as a true climate-related scenario analysis. We understand the importance of conducting such scenario analysis and will be completing an analysis like this in the next twelve months.</p>

Task Force on Climate-Related Financial Disclosures (TCFD) Framework

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Risk Management</b>		
Disclose how the organization identifies, assesses, and manages climate-related risks.		
a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP Climate Change, Questions C1.2, C1.2a, C2.1, C2.1a, C2.1b, C2.2, C2.2a	We have developed a framework to 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 systematically, consistently and effectively. We seek to identify critical risks by interviewing key stakeholders within the company and conducting research via external sources. The risks identified and prioritized for action are embedded within the company's operating plan.
b) Describe the organization's processes for managing climate-related risks.	CDP Climate Change, Questions C2.2, C2.2a, C2.3, C2.3a	Risk response actions and commitments are tracked for completion on a periodic basis. The board of directors' reviews top risks and associated mitigation measures with executive management on a quarterly basis.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP Climate Change, Question C2.2, C2.2a	The process of identifying, assessing, and managing climate-related risks falls within the ERM and CSR Program. 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. Ultimately, ERM is not considered a separate stand-alone activity but is rather integrated into the fabric of how we operate and included within the activities and functions we engage in to run our business and successfully achieve our goals and objectives.

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP Climate Change, Sections C5, C6, C7, C8  <b>2021 onsemi Sustainability Report</b>	Our public climate-related metrics include greenhouse gas (GHG) emissions, energy usage, waste production and water usage.
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	CDP Climate Change, Sections C5, C6, C7, C8  <b>2021 onsemi Sustainability Report</b>	In FY 2021, our GHG emissions were as follows: Scope 1 – 2,485,870 MTCO <sub>2</sub> e Scope 2 – 782,790 MTCO <sub>2</sub> e Scope 3 – 617 MTCO <sub>2</sub> e (Business Travel only)  As average temperatures rise, climate science finds that acute hazards such as heatwaves and floods are growing in frequency and severity and chronic hazards, such as drought and rising sea levels continue to increase at alarming rates. These acute and chronic hazards have a significant impact on human development and economic productivity, including supply chain disruptions, damage to owned operations and endangerment, death or injury to people in impacted communities. Our GHG emissions contribute to average temperature rise and can have an impact on the frequency of these acute and chronic hazards.



Task Force on Climate-Related Financial Disclosures (TCFD) Framework

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
<b>Metrics and Targets</b>		
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP Climate Change, Questions C4.1, C4.1b, C4.2, C4.2b, C4.3, C4.3a, C4.3b, C4.3c  onsemi blog, <b>2040 Emissions Goal for onsemi</b>	In 2021, onsemi committed to achieving net-zero emissions by 2040. With this commitment, we have set the most ambitious goal among our competitors and will surpass the Paris Agreement’s goal by a full decade. Our strategy is broken down into three pillars: <ul style="list-style-type: none"> <li>• <b>Capitalize on efficiency</b> - Every ton of carbon dioxide (CO<sub>2</sub>) avoided is a ton we do not need to eliminate or offset. Investments in facilities, processes, and equipment to increase energy efficiency can reduce our greenhouse gas footprint by as much as 15% by 2040. We will also be focusing on our process gas usage as there is substantial opportunity for efficiency in this area.</li> <li>• <b>Renewable energy</b> - To achieve net zero, companies need to invest in renewable energy equal to the emissions associated with their energy consumption. Offsets cannot be used for electricity-related emission in a net-zero model. We will transition to an emissions-free renewable energy portfolio to achieve this goal. We plan to use 50% renewable energy by 2030 and 100% by 2040. We will engage with energy providers to identify power purchase agreements (PPAs) in locations where it is feasible to recoup investment costs in long-term agreements. To assist in our shift to renewable energy, we joined the Renewable Energy Buyers Alliance to ensure a rapid transition to a cleaner zero-carbon energy future.</li> </ul>

TCFD RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE	BRIEF DESCRIPTION
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP Climate Change, Questions C4.1, C4.1b, C4.2, C4.2b, C4.3, C4.3a, C4.3b, C4.3c  onsemi blog, <b>2040 Emissions Goal for onsemi</b>	<ul style="list-style-type: none"> <li>• <b>Offsets and influence</b> - For nonelectricity emissions that cannot be eliminated, we will purchase certified carbon offsets equal to their amount. Green-E and Gold Standard certified offsets are the most credible and will be prioritized in our strategy. Science-based targets also require goals for reducing emissions in the supply chain. We will leverage our Responsible Business Alliance membership to engage suppliers on emissions reduction.</li> </ul> <p>Our corporate social responsibility team works closely with our environmental health and safety (EHS) and facilities teams to ensure processes and frameworks are in place to measure our progress against our net zero goal. Our annual Sustainability Report will be a key resource for tracking our progress.</p>

## Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 2: General Disclosures 2021</b>		
<b>1. The organization and its reporting practices</b>		
2-1	Organizational Details	
	(a) Legal name	Our company name is ON Semiconductor Corporation (NASDAQ: ON). The company operates under the onsemi brand.
	(b) Nature of ownership and legal form	onsemi is a publicly traded company incorporated under the laws of the state of Delaware in 1992.
	(c) Location of headquarters	onsemi headquarters are located at 5005 East McDowell Road, Phoenix, Arizona
	(d) Countries of operation	See our <a href="#">global locations</a> on our website.
2-2	Entities included in the organization's sustainability reporting	Sustainability reporting includes information about onsemi worldwide subsidiaries and joint ventures for which we have management control. There is no difference between the entities included in financial reporting and sustainability reporting.
2-3	Reporting period, frequency and contact point	Our sustainability reporting is completed on an annual basis. This report covers 1 January 2021 to 31 December 2021. Our financial reporting is completed on a quarterly and annual bases. This report was published on June 15, 2022. For questions about this report, please contact the onsemi CSR team at <a href="mailto:social.responsibility@onsemi.com">social.responsibility@onsemi.com</a> .
2-4	Restatements of information	onsemi has not made any restatement in the reporting year.
2-5	External assurance	Information contained in the 2021 Sustainability report has been assured by S&P TruCost Limited in accordance with AA 1000 assurance standard. Our external assurance statement can be found in the appendix of the 2021 sustainability report. Scope 1, scope 2 and scope 3 greenhouse gas emissions have been externally assured for the 2021 fiscal year (1 January 2021 to 31 December 2021).

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>2. Activities and Workers</b>		
2-6	Activities, value chain and other business relationships	
	(a) Sector	Semiconductor
	(b) Value chain	See Revenue-Generating Activities in our <a href="#">2022 SEC Form 10-K</a> , pg 6-10
	(c) Relevant business relationships	See Completed and Pending Acquisitions and Divestitures in our <a href="#">2022 SEC Form 10-K</a> , pg 6
2-7	(d) Significant Changes	See Completed and Pending Acquisitions and Divestitures in our <a href="#">2022 SEC Form 10-K</a> , pg 6
	Employees	See Our Employees section of our 2021 Sustainability Report, pg 23
2-8	Workers who are not Employees	Total number of workers who are not employees: 850. Majority of contract workers are working in factories as operators (people processing and moving product) or technicians (people working on the processing equipment). Temporary workers are used to support short term increases in production output.
<b>3. Governance</b>		
2-9	Governance structure and composition	See Committees of the Board in our <a href="#">2022 Proxy Statement</a> , pg 16.
2-10	Nomination and selection of the highest governance body	See <a href="#">Charter of the Governance and Sustainability Committee</a> and <a href="#">2022 Proxy Statement</a> , pg 13-14
2-11	Chair of the highest governance body	Alan Campbell is a non-employee director and serves as Chair of the Board.
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">See Amended and Restated On Semiconductor Corporation Corporate Governance Principles.</a>

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
2-13	Delegation of responsibility for managing impacts	<p>The Board delegates responsibility for managing the Company's impacts on the economy, environment and people largely to the Governance and Sustainability Committee, which has been explicitly tasked with oversight of the Company's climate- and sustainability related initiatives, and the Human Capital and Compensation Committee, which has been explicitly tasked with oversight of the Company's human capital management. The Board receives updates on such aspects of the Company at each of its quarterly meetings, and the Company's internal CSR/ESG department team handles the day-to-day oversight and management of the ESG-type impacts of the Company's operations.</p> <p>The CMO attends meetings with the Governance and Sustainability Committee and provides reports to the Board on ESG- and CSR-related initiatives. The CMO works directly with the CSR/ESG department team on climate- and sustainability related initiatives through their supervisors. Today, the CEO, CFO, CMO and other members of management report on the Company's impacts on the economy, environment and people to the Board at its meetings and in between meetings, as needed.</p>
2-14	Role of the highest governance body in sustainability reporting	The Board was not responsible for the review and approval of the reported information in previous years. However, in 2022, the Board will be reviewing and approving the Company's Sustainability Report. <b>Corporate Governance</b> section of our 2021 Sustainability Report, pg 44
2-15	Conflicts of interest	Since January 1, 2021, there have been no related party transactions that are required to be reported as such under SEC rules. See <b>Charter of the Audit Committee</b> and Related Party Transactions in our <b>2022 Proxy Statement</b> , pg 72.

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
2-16	Communication of critical concerns	<p>The Board of Directors and management of the Company, and the Chief Legal Officer in particular, keep an open line of communication for the smooth transmission of issues and ideas related to the Company.</p> <p>Through its standing committees, the Board receives not only information regarding critical concerns that impact the Company but also informed, reasoned ways with which to handle such concerns. Members of management are also present at Board and committee meetings, and are capable of offering their input and/or insight regarding the Company as needed. When critical issues arise, management makes sure to keep members of the Board abreast of important developments.</p> <p>For example, pursuant to the Securities Exchange Act of 1934, as amended, one of the responsibilities of the Human Capital and Compensation Committee (as stated in its charter) is to establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.</p>
2-17	Collective knowledge of the highest governance body	The Governance and Sustainability Committee of the Board is tasked with encouraging and facilitating directors' continuing education, including coordinating training sessions and informative presentations for external parties for the directors on various topics and aspects related to corporate governance and other aspects of Board service. The company allows and encourages directors to select continuing director education offerings to attend, so directors are empowered to further develop their skillsets and attend offerings that will serve to complement their existing knowledge bases.

## Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
2-18	Evaluation of the performance of this highest governance body	See <b>Corporate Governance</b> section of our 2021 Sustainability Report, pg 44
2-19	Remuneration policies	See Compensation Discussion and Analysis in our <b>2022 Proxy Statement</b> , pg 30-48.
2-20	Process to determine remuneration	See Processes and Procedures for Considering and Determining Executive Compensation in our <b>2022 Proxy Statement</b> , pg 33-36.
2-21	Annual total compensation ratio	
	(a) Annual total compensation ratio	912:1 for all employees 86:1 for U.S.-based non-manufacturing employees See our <b>2022 Proxy Statement</b> , pg 67
	(b) Change in the annual total compensation ratio	0:1
<b>4. Strategy, Policies and Practices</b>		
2-22	Statement on sustainable development strategy	See <b>United Nations Sustainable Development Goals</b> section of our 2021 Sustainability Report, pg 61
2-23	Policy commitments	See our <b>Code of Business Conduct</b> and our <b>Human Rights Policy</b> . More information can be found in the <b>Ethics and Compliance and Fair Treatment</b> sections of our 2021 Sustainability Report, pg 49 and 52
2-24	Embedding policy commitments	See our <b>Code of Business Conduct</b> , sections Responsibility and Accountability and Additional Responsibilities of Managers and Supervisors, pg 3 and 4
2-25	Processes to remediate negative impacts	See <b>Ethics and Compliance</b> webpage on our external website.
2-26	Mechanisms for seeking advice and raising concerns	See <b>Ethics and Compliance Program</b> section of our 2021 Sustainability report, pg 49 Visit the <b>onsemi helpline</b> for more information.

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
2-27	Compliance with laws and regulations	To the best of our knowledge, we have not received significant fines or non-monetary sanctions for non-compliance with laws or regulations.
2-28	Membership associations	See <b>Public Policy</b> section of our 2021 Sustainability Report, pg 57
<b>5. Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	See <b>Stakeholder Engagement and Material Topics</b> section of our 2021 Sustainability Report, pg 41
2-30	Collective bargaining agreements	Belgium: 100% (270) China Manufacturing: 99.8% (MFG) (2,413) China Non-manufacturing: 100% (246) Czech Republic: 100% (2,372) France: 100% (80) Japan: 83% (1,310) United States: 40.46% (Mt Top) (111) Vietnam: 98% (2,037) Overall: 26.24% (8,839)
<b>GRI 201: Economic Performance</b>		
201-1	Direct economic value generated and distributed	See our <b>2022 SEC Form 10-K</b> : Profit and Loss, pg 58 Results of Operations, pg 32-34 Revenue and Segment Information, pg Supplemental Disclosures, pg 100

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
201-2	Financial implications and other risks and opportunities	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 several 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 113 products help contribute to climate-related reductions through our power management and energy-efficient products. We also encourage our customers to include these products 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 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.
201-3	Defined benefit plan obligations and other retirement plans	To ensure we are strategic on our offerings, benefits are handled at a regional level. See our website for <a href="#">regional benefits summaries</a> and <a href="#">2022 SEC Form 10-K</a> , pg 36 and 65
201-4	Financial assistance received from government	See our <a href="#">2022 SEC Form 10-K</a> : U.S. federal R&D credit, pg 96 NOL and tax credit carryforwards, pg 98

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 202: Market Presence</b>		
202-1	Ratio of standard entry level wage by gender compared to local minimum wage	<p>These ratios are based on our manufacturing locations. These ratios apply to the total workforce at these locations, regardless of gender.</p> <p>United States: Minimum wage used – 7.25 USD Ratio – 2.21:1</p> <p>Shenzhen, China: Minimum wage used – 28,600 RMB Ratio – 1:1</p> <p>Suzhou, China: Minimum wage used – 29,640 RMB Ratio - 0.96:1</p> <p>Czech Republic: Minimum wage used – 118,800 CZK Ratio – 1.27:1</p> <p>Japan: Minimum wage used – 1,722,240 JPY Ratio – 1.53:1</p> <p>South Korea: Minimum wage used – 21,869,760 KRW Ratio – 1:1</p> <p>Malaysia: Minimum wage used – 16,200 MYR Ratio – 1:1</p> <p>Philippines: Minimum wage used – 131,342 PHP Ratio – 1:1</p> <p>Vietnam: Minimum wage used – 62,428,080 VND Ratio – 1.07:1</p>

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 202: Market Presence</b>		
202-2	Proportion of senior management hired from the local community	See <b>Our Employees</b> section of the 2021 Sustainability Report, pg 23
<b>GRI 203: Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	See our <b>2022 SEC Form 10-K</b> Purchase Obligations, pg 89
203-2	Significant indirect economic impacts	See our <b>2022 SEC Form 10-K</b> Purchase Obligations, pg 89
<b>GRI 204: Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	See <b>Supply Chain</b> section of our 2021 Sustainability Report, pg 54
<b>GRI 205: Anti-Corruption</b>		
205-1	Operations assessed for risks related to corruption	All factories are assessed for risks related to corruption through the RBA self-assessment questionnaire (SAQ), RBA internal audits or RBA VAP audits. In addition to our responsibilities as a full member of the RBA, we also conduct internal anticorruption 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.
	Communication and training about anti-corruption policies and procedures	
	(a) Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	All 10 members (100%) of the board of directors received materials communicating the company's anti-corruption policy. Annual Code of Business Conduct training includes the topic of anticorruption in 2020.

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
	(b) Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to	The company's anti-corruption policy has been communicated to all employees globally (North America, EMEA, APAC) through the annual Code of Business Conduct rollout and accompanying training. Our training completion rate in 2021 was 100%.
	(c) Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	Select suppliers, customers, and other business partners receive notice of our anticorruption policy through anti-corruption due diligence questionnaires and surveys.
	(d) Total number and percentage of governance body members that have received training on anticorruption	All 10 members (100%) of the board of directors completed our Code of Business Conduct annual training, which includes a module on anticorruption.
	(e) Total number and percentage of employees that have received training on anticorruption	All employees globally (North America, EMEA, APAC) have received an annual Code of Business Conduct training which includes a module on anticorruption. Our training completion rate in 2020 was 100%.
205-3	Confirmed incidents of corruption and actions taken	onsemi cannot disclose this information at this time due to specific legal prohibition as this is attorney-client privileged information.

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 206: Anti-Competitive Behavior</b>		
206-1	Legal actions for anticompetitive behavior, anti-trust and monopoly practices	In 2021, there were no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust and monopoly legislation.
207-1	Approach to tax	See <b>2021 Global Tax Strategy</b> , sections 1.1, 2.3, 2.3.1, and 3.1
207-2	Tax governance, control and risk management	See <b>2021 Global Tax Strategy</b> , sections 2.3, 2.3.1 and 3.1. For a copy of the report that contains the opinions on the financial statements and internal control over financial reporting please refer to Page 68 in our <b>2020 SEC Form 10-K</b> .
207-3	Stakeholder engagement and management of concerns related to tax.	See <b>2021 Global Tax Strategy</b> , sections 2.3.3 and 3.1. In addition, we also collect information from external stakeholders through our investor relations group at investor@onsemi.com or through our CSR group at social.responsibility@onsemi.com.
207-4	Country by country reporting	We do not publicly disclose this information.
<b>GRI 301: Materials</b>		
301-1	Materials used by weight or volume	onsemi spends over \$1 billion USD on various parts and raw materials as we manufacture at both internal and external sites. We do not track or estimate the raw material used in key manufacturing locations.
301-2	Recycled input materials used	onsemi does not use recycled input materials in our manufacturing process.
301-3	Reclaimed products and their packaging materials	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
<b>GRI 302: Energy</b>		
302-1	Energy consumption within the organization	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
302-2	Energy consumption outside the organization	onsemi does not track energy usage outside the organization.

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
302-3	Energy intensity	Our energy intensity is based on our output earned. In 2021, we had an energy intensity of 0.68 MWh per USD output earned.
302-4	Reduction of energy consumptions	onsemi did not track energy reductions in 2021. The company focused on ensuring it had the right metrics in place for its net zero commitment.
302-5	Reductions in energy requirements of products and services	Our products offer significant energy savings to our customers. While we do not currently track the reductions of energy requirements of our products, we hope to develop metrics to track this information in the coming years. See <b>Product Stewardship</b> section of our 2021 Sustainability Report, pg 19
<b>GRI 303: Water and Effluents</b>		
303-1	Interaction with water as a shared resource	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
303-2	Management of water discharge-related impacts	Effluent discharge meets or exceeds local regulations.
303-3	Water withdrawal	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
303-4	Water discharge	onsemi is developing better strategies for tracking water discharge across its operational footprint. We aim to have better metrics in the years to come.
303-5	Water consumption	Water consumption data currently is not captured, onsemi is looking into a database for water consumption.

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 304: Biodiversity</b>		
304-1	Operated sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	onsemi does not have any operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
304-2	Significant impact of activities, products and services on biodiversity	None, onsemi sites are located in industrial zones or urban settings with minimal direct or indirect impacts on biodiversity.
304-3	Habitats protected or restored	onsemi has not participated in habitat protection or restoration. This practice may become part of our carbon offsetting activities in the future, but at this time we have nothing to report.
304-4	IUCN red list species and national conservation list species with habitats in areas affected by operations	To the best of our knowledge, there are no IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization.
<b>GRI 305: Emissions</b>		
305-1	Direct (scope 1) GHG emissions	See <b>Emissions and Energy Consumptions</b> section of our 2021 Sustainability Report, pg 14
305-2	Energy indirect (scope 2) GHG emissions	See <b>Emissions and Energy Consumptions</b> section of our 2021 Sustainability Report, pg 14
305-3	Other indirect (scope 3) GHG emissions	See <b>Emissions and Energy Consumptions</b> section of our 2021 Sustainability Report, pg 14
305-4	GHG emissions intensity	Our GHG emissions intensity is based on output earned and includes our scope 1 and 2 emissions. We emit 1.25 MTCO <sub>2</sub> e per USD output earned.
305-5	Reduction of GHG emissions	See <b>Net-Zero Commitment</b> section of our 2021 Sustainability Report, pg 12
305-6	Emissions of ozone-depleting substances	onsemi does not emit ozone-depleting substances.

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
305-7	Nitrogen oxide, sulfur oxides and other significant air emissions	Air emissions do not exceed local regulation air emission permit limits. Emissions concentrations are tracked at local facilities, data is not calculated globally.
<b>GRI 306: Waste</b>		
306-1	Waste generation and significant waste-related impacts	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
306-2	Management of significant waste-related impacts	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
306-3	Waste generated	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
306-4	Waste diverted from disposal	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
306-5	Waste directed to disposal	See <b>Water and Waste Management</b> section of our 2021 Sustainability Report, pg 16
<b>GRI 308: Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	New suppliers are not pre-screened using environmental criteria. However, all suppliers are provided our <b>CSR Commitment</b> through the <b>Supplier Handbook</b> . Furthermore, our top expenditure suppliers are required to sign our Corporate Social Responsibility Statement of Conformance and complete a risk assessment with environmental criteria on a biennial basis.
308-2	Negative environmental impacts in the supply chain and actions taken	We are not aware of any negative environmental impacts in the supply chain for 2021.



Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 402: Labor/Management Relations</b>		
402-1	Minimum notice period regarding operational changes	<p>We provide advance notice or make changes to the contract mid-term by mutual consent in accordance with collective bargaining agreements entered in and local requirements in the different countries where we operate.</p> <p>Belgium: as per legal provisions                      Czech Republic: as per legal provisions                      China: yes (manufacturing only)                      Japan: yes                      South Korea: n/a                      U.S.: yes                      Vietnam: no                      Taiwan: no                      France: as per legal provisions</p>
<b>GRI 403: Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36
403-2	Hazard identification, risk assessment and incident investigation	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36
403-3	Occupational health services	Some of our sites have employed occupational health resource specialists while others have inhouse clinics. We also contract doctors in certain locations who provide service to employees. We use the European Union General Data Protection Regulation (GDRP) to protect privacy of all employees.
403-4	Worker participation, consultation and communication on occupational health and safety	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36
403-5	Worker training on occupational health and safety	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
403-6	Promotion of worker health	We offer programs focused on nutrition, weight loss, physical fitness and the avoidance of unhealthy habits including smoking, drinking and using drugs. Several of our sites offer subsidized gym membership plans, access to fitness classes and/or an on-site gym facility. See <b>Employee Compensation and Benefits</b> section of our 2021 Sustainability Report, pg 33
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relations	We follow strict standards to provide safe workplaces for employees around the world. Engineering controls such as adequate exhaust/ventilation, fire protection systems, interlocks, machine guarding, etc. are preferred based on present hazards. Additionally, personal protection equipment (PPE) is provided based on a risk analysis.
403-8	Workers covered by occupational health and safety management system	See <b>Employee Health and Safety</b> section of our 2021 Sustainability Report, pg 36
403-9	Work-related injuries	In 2021, onsemi had two high-consequence work-related injuries and 43 recordable work-related injuries for employees. We had three recordable work-related injuries for non-employees. For high-risk contractor work, a dedicated safety supervisor must be present at all times. This safety supervisor must have line of sight to all high-risk jobs. The safety supervisor serves as a safety advocate and helps ensure that all safety rules are being followed.
403-10	Work-related ill health	In 2021, onsemi recorded zero occurrences of work-related ill health.

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 404: Training and Education</b>		
404-1	Average hours of training per year per employee	In 2021, our average hours of training per employee was about 3.5 hours of training per employee
404-2	Programs for upgrading employee skills and transition assistance	See <b>Learning and Development</b> section of our 2021 Sustainability Report, pg 31
404-3	Percentage of employees receiving regular performance and career development reviews	In 2021, all of our eligible employees received a performance appraisal
<b>GRI 405: Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	See <b>Our Employees</b> and <b>Corporate Governance</b> sections of our 2021 sustainability Report, pg 23 & 44
405-2	Ratio of basic salary and remuneration or women to men	onsemi does not publicly disclose this information.
<b>GRI 406: Non-Discrimination</b>		
406-1	Incidents of discrimination and actions taken	onsemi cannot disclose this information at this time due to specific legal prohibition as this is attorney-client privileged information.
<b>GRI 407: Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	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, provide training and conduct onsite verification. If 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 the 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, see our <b>Human Rights Policy</b> .

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 408: Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child 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, provide training and conduct onsite verification. If 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 the 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, see our <b>Human Rights Policy</b> .
<b>GRI 409: Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory 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, provide training and conduct onsite verification. If 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 the 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, see our <b>Human Rights Policy</b> .
<b>GRI 410: Security Practices</b>		
410-1	Security personnel trained in human rights policies or procedures	We use both in-house and third-party organizations for security personnel. In 2021, approximately 96% of our security personnel received training on our human rights policies.

## Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 411: Rights of Indigenous Peoples</b>		
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.
<b>GRI 413: Local Communities</b>		
413-1	Operations with local community engagement, impact assessments and development programs	All of our global sites are involved with community engagement and development programs through our workplace giving program and employee volunteerism. To learn more about our community engagement efforts, see our <a href="#">Giving Now</a> webpage.
413-2	Operations with significant actual and potential negative impacts on local communities	We do not have operations with significant actual and potential negative impacts on local communities.
<b>GRI 414: Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	New suppliers are not pre-screened against social criteria. However, all suppliers are provided our <a href="#">Supplier Handbook</a> which references our <a href="#">CSR Commitment</a> . Top suppliers by spend are required to sign our Corporate Social Responsibility Statement of Conformance and complete a risk assessment with social criteria on a biennial basis.
414-2	Negative social impacts in the supply chain and actions taken	We work closely and diligently with our suppliers to ensure there are no negative social impacts from our supply chain. If negative social impacts are identified within our supply chain, we work with our suppliers to address those issues through corrective action plans.
<b>GRI 415: Public Policy</b>		
415-1	Political contributions	See <a href="#">Public Policy</a> section of our 2021 Sustainability Report, pg 57

GRI STANDARD	DISCLOSURE	CROSS REFERENCE OR ANSWER
<b>GRI 416: Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	100% of our products are covered by and assessed for compliance with company procedures for assessing product/service health and safety impacts.  We have several special products which are out of this declaration. They are used for military and air force applications.
416-2	Incidents of noncompliance concerning health and safety impacts of products and services	We are not aware of any non-compliance concerning the health and safety impacts of our products and services.
<b>GRI 417: Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	Per labeling requirements of JEDEC standard JESD97, all shipping labels show whether the products are under restriction on hazardous substances (RoHS) compliant/Pb-free. Our labeling also indicates information regarding hazardous material to comply with the China RoHS directive.
417-2	Incidents of noncompliance 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 noncompliance concerning marketing communications	To the best of our knowledge, we are not aware of any non-compliance concerning marketing communications.
<b>GRI 418: Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	To the best of our knowledge, we are not aware of any substantiated complaints of breaches of customer privacy or losses of customer data

Third Party Assurance Statement



S&P Global Sustainable1 Assurance  
onsemi assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, "Sustainable1") was engaged by onsemi to provide assurance of the environmental data held within its 2022 CDP Response and 2021 Sustainability Report.

**Intended users**  
The intended users of this assurance statement are the management and stakeholders of onsemi.

**Responsibilities of onsemi and assurance provider**

The management of onsemi has sole responsibility for the preparation and content of the Sustainability Report and CDP Climate Change Response (hereafter, "CDP"). Sustainable1's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

**Assurance standard**  
Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions)

Sustainable1 used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate onsemi's performance information and adherence to the Principles.

**Scope and limitations**  
Sustainable1 was engaged to assure the data and claims in onsemi's 2021 external reporting, encompassing the period of 1 January 2021 – 31 December 2021. Sustainable1 was asked to assure reporting for Scope 1, Scope 2 and Scope 3 category 6, business travel. onsemi took an operational control approach.

Minor discrepancies were noticed during the verification process. For some sites, actual invoice values were missing for a couple of months. Sustainable1 reviewed the estimated value calculations and recommended onsemi to use actual invoice values going forward. onsemi is working on setting up a portal and tracking system for better accountability of its GHG inventory.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Fuel and Process Emissions	Metric tonnes CO <sub>2</sub> e	2,485,869.89
GHG Scope 2	Electricity	Metric tonnes CO <sub>2</sub> e	782,789.62
GHG Scope 3	Business Travel	Metric tonnes CO <sub>2</sub> e	617.00

Sustainable1 verified the environmental impacts, as calculated by onsemi, within the above table.

**Methodology**  
Sustainable1's assurance activities included the following:

- Review of the processes by which onsemi defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which onsemi's sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.
- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations.



PRINCIPLE	COMMENTS
Inclusivity: participation of stakeholders in developing and achieving accountable and strategic responses to sustainability	<p>onsemi adopts a comprehensive approach to ensuring the active engagement of all relevant internal and external stakeholders in achieving its sustainability milestones. The company identifies both internal and external stakeholders, such as employees, investors, customers, suppliers, and communities. It collects feedback in a variety of ways including surveys, direct email questions, and employee questions, and has dedicated teams to respond to different types of inquiries. onsemi is setting up a framework for internal stakeholders to enable engagement with on-site operations teams to identify initiatives that improve the company's environmental footprint.</p> <p>As for external stakeholders, onsemi is constantly interacting with suppliers, customers and investors to integrate their feedback into their sustainability strategies. onsemi has been working closely with a customer to integrate its feedback into their renewable energy strategy and transition to renewable energy for manufacturing products.</p> <p>The company has a Corporate Responsibility Manager to address questions related to their sustainability strategy. Additionally, in response to the feedback received from multiple customers, the company is exploring energy advisor(s) to help improve data collection and identify ways in which it can reduce energy consumption and transition to renewable energy.</p>
Materiality: determining relevance and significance of an issue to an organization and its stakeholders	<p>onsemi appointed a new CEO in December FY2020 and is in the process of an organizational change, and therefore has not conducted a materiality assessment since FY2019. The company is focusing on intelligent power and sensing technologies that enable a more sustainable future. Even though a formal materiality assessment was not conducted in FY2021, GHG emissions, renewable energy and stakeholder management were identified as material issues impacting the company. onsemi is in the process of developing a systematic approach for its materiality assessments going forward and will report on it in its next annual sustainability report.</p> <p>Since the new Senior Director of Sustainability and ESG came on board, the company has intensified its focus on energy demand management, reducing energy load, and managing power usage intensity to effectively manage Scope 2 emissions.</p>
Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance, which is realized through decisions, actions, and performance, as well as interaction with stakeholders	<p>onsemi conducts quarterly business reviews and team meetings with its executive team to discuss important issues raised by stakeholders. It reports sustainability progress quarterly to senior executives via the quarterly business reviews. It also reports sustainability progress to the Governance and Sustainability committee of the Board on a quarterly basis. onsemi has a standard response it sends out to customer inquiries, which outlines its strategies on topics such as emissions, net zero goal, human rights, conflict minerals, RBA membership, diversity, equity and inclusion, etc.</p> <p>onsemi has a separate process to manage any data related concerns raised by customers for their Scope 3 reporting purposes. Most of the responses are through email and the company also has a system to manage such requests. The investors relations team also helps respond with inquiries raised by onsemi's investor community. onsemi is in the process of developing and implementing its customer relationship management software, which will help run reports from the platform and send them to individual customers.</p> <p>In the future, the company aims to hold effective dialogue with suppliers in order to manage Scope 3 emissions. In FY2021, onsemi sent out an email to Tier 1 suppliers to inform them about its sustainability goals. In response, the company received feedback from suppliers regarding their own goals and strategies and how they can fit into onsemi's sustainability goals.</p>

Third Party Assurance Statement



**Impact:** organizations should monitor, measure and be accountable for how their actions impact broader ecosystems

onsemi periodically monitors its progress vis-à-vis goals and targets for its climate-related issues. Currently, it is working on the baseline and aims to commit to SBTi by the end of 2022. In August 2021, the company announced its intention to achieve net-zero emissions across all scopes, and transition completely to renewable energy consumption by 2040. It also set an interim target of achieving 50% renewable energy consumption by 2030.

To manage Scope 1 emissions, the company engages with third parties to design greenhouse gas (GHG) surveys at the process chamber levels for tools to identify initiatives to reduce emissions. Additionally, to reduce Scope 2 emissions, onsemi is building a roadmap for transitioning to renewable energy: looking into efficiency projects and an enterprise approach to demand reduction and energy/ operational efficiency. Previously, for Scope 3, the company collected data only for business travel; however, currently it is working with a vendor to identify and calculate other applicable Scope 3 emissions. With the help of the vendor, onsemi will be able to identify the largest contributors to their Scope 3 emissions and the sources of such emissions, and work with suppliers to reduce upstream and downstream emissions. onsemi is also looking at the impact of its sustainable products and how they enable a transition to a sustainable world. It is also looking into breakthrough technology such as silicon carbide and its role in the transition to clean energy.

Throughout 2021, the company had a central reclamation and recycling centre in Phoenix and any scrap that was collected from the manufacturing process was sent to Phoenix. This helped to reduce waste generated during the manufacturing process and, in 2021 alone, approximately 614,000 kg of scrap materials and 810 kg of precious metals were processed, sorted and sold for reuse.

Findings, conclusions and recommendations

The Principles:

Nothing came to Sustainable1’s attention to suggest that onsemi’s CDP Response does not adhere to the AA1000 Principles.

Data reliability:

onsemi has implemented rigorous processes to collect and aggregate global energy consumption and GHG emissions. Upon evaluating this system, Sustainable1 found that data was accurate overall, and any minor corrections were made as necessary.

Assurance provider

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1’s research team has the relevant professional and technical competencies

and experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global’s policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

S&P Global Sustainable1, a business of S&P Global Inc.  
London, May 2022

Steven Bullock  
Managing Director, Global Head  
of ESG Innovation and Solutions



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Report Revision History

VERSION	DESCRIPTION OF REVISION AND REASON	EFFECTIVE DATE
O	2021 Sustainability Report Document Initial Release	15 June 2022
A	Revised size of document to optimize user experience	16 June 2022
B	Revised 2020 Scope 1 emission numbers to reflect previously reported figures. Adjusting from 2,171,110 MTCO <sub>2</sub> e to 2,173,451 MTCO <sub>2</sub> e (pages 14 and 67).	28 June 2022



## 2021 Sustainability Report

onsemi

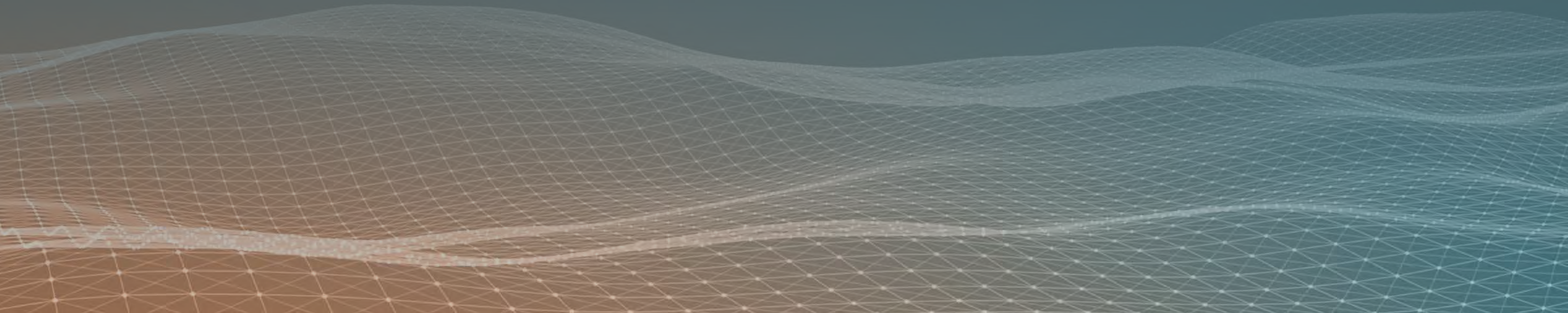
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[www.onsemi.com](http://www.onsemi.com)



**Exhibit C**



2021 Sustainability Report Executive Summary

# Creating a better tomorrow. **Today.**





About onsemi

Founded in  
**1999**



Headquartered in  
Phoenix, Arizona

**ON**

Publicly traded  
(Nasdaq: ON)



Hassane El-Khoury  
President and CEO

**\$6.7B**  
revenue in 2021



**\$5.011B**  
sustainable product revenue

**33,690**  
employees



**45%**  
female

**20%**  
female board of directors

**25.7%**  
minority workforce (U.S. only)

**25%**  
female executive leadership

**80,000**  
different parts



**22 manufacturing sites worldwide**,  
producing tens of billions of units  
per year, ~80,000 different parts

**61%**  
of our 2021 revenue was  
from auto and industrial



The automotive and industrial end  
markets are growing **~2x faster**  
than other end markets and make  
up ~61% of our 2021 revenue



Executive Summary

This executive summary serves as a condensed impact report of our environmental, social and governance initiatives at **onsemi**. To view our full report, please see our **2021 Sustainability Report**.

About onsemi

**onsemi** is driving disruptive innovations to help build a better future. With a focus on automotive and industrial end-markets, the company is accelerating change in megatrends such as vehicle electrification and safety, sustainable energy grids, industrial automation and 5G and cloud power. With a highly differentiated and innovative product portfolio, **onsemi** creates intelligent power and sensing technologies that solve the world's most complex challenges and leads the way in creating a safer, cleaner, and smarter world.

As a leading semiconductor manufacturer for more than 80,000 different parts and a global supply chain, **onsemi** serves tens of thousands of customers across multiple markets. Some of our key markets include automotive solutions, industrial solutions, 5G and cloud power, Internet of Things (IoT), medical solutions and aerospace and defense.

We are organized into three operating and reportable segments: Power Solutions Group (PSG), Advanced Solutions Group (ASG) and Intelligent Sensing Group (ISG).

**Power Solutions Group (PSG)**

PSG offers a wide array of analog, discrete, module and integrated semiconductor products that perform multiple application functions, including power switching, power conversion, signal conditioning, circuit protection, signal amplification and voltage regulation functions. If you drive an electric vehicle, **onsemi** components from PSG can help you go many more miles on a single charge.

**Advanced Solutions Group (ASG)**

ASG designs and develops analog, mixed-signal, advanced logic, application-specific standard products (ASSP) and application-specific integrated circuits (ASIC), radio frequency (RF) and integrated power solutions for a broad base of end-users in different end-markets. If you store data in the cloud, **onsemi** components from ASG ensure the data center housing your information is running efficiently and effectively, allowing you access to your information from anywhere at any time with a click of a button.

**Intelligent Sensing Group (ISG)**

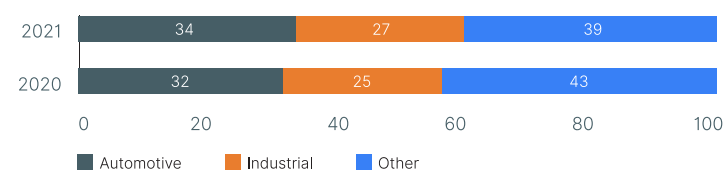
ISG designs and develops complementary metaloxide semiconductor (CMOS) image sensors, image signal processors, single photon detectors, including silicon photomultiplier (SiPM) and single photon avalanche diodes (SPAD) arrays, as well as actuator drivers for autofocus and image stabilization for a broad base of end-users in the different end-markets. **onsemi** components from ISG provide improved manufacturing efficiency by using cameras in quality inspections to detect defective parts early in the process, ensuring end-product quality and reliability.

## 2021 Financial Performance

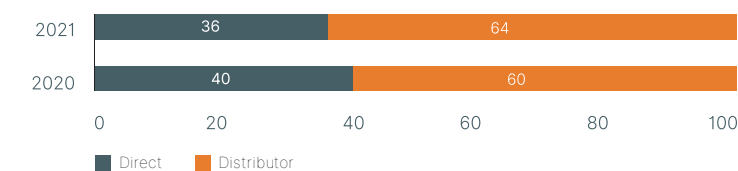
Our disciplined execution of transformation initiatives in 2021 resulted in record financial performance. Revenue for 2021 grew 28.3%. Operating income and free cash flow increased six times faster than revenue as we focused our portfolio on secular megatrends of electric vehicles,

advanced driver-assistance system (ADAS), alternative energy and industrial automation. We continue to expand gross margins as we shift our mix into these high-value strategic markets while ramping new products, rationalizing our manufacturing footprint and improving our overall cost structure.

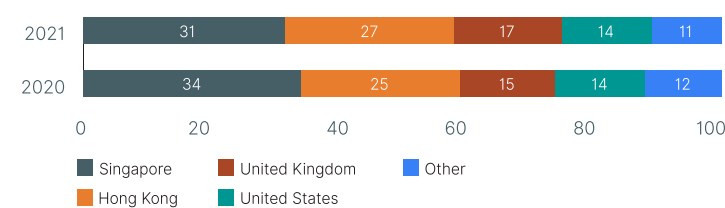
Revenue by Market (percentage)



Revenue Type by Channel (percentage)

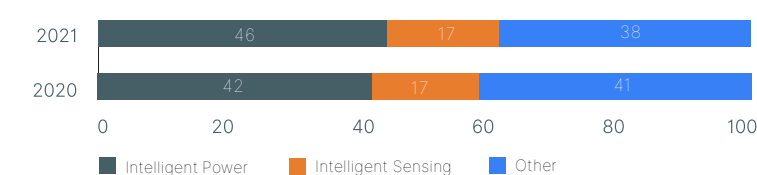


Revenue by Region<sup>1</sup> (percentage)



1. Represents sales billed from the respective country or region.

Revenue by Technology (percentage)



2021 Financial Performance (percentage)

FINANCIAL STRENGTH	UNITS	2021	2020	2019
Revenue	Dollars (billions)	\$6.7	\$5.3	\$5.5
Sustainable Product Revenue <sup>1</sup>	Dollars (millions)	\$5,011	\$755	\$460
Recouped Scrap Materials/Precious Metals	Dollars (millions)	\$26	\$23	\$22

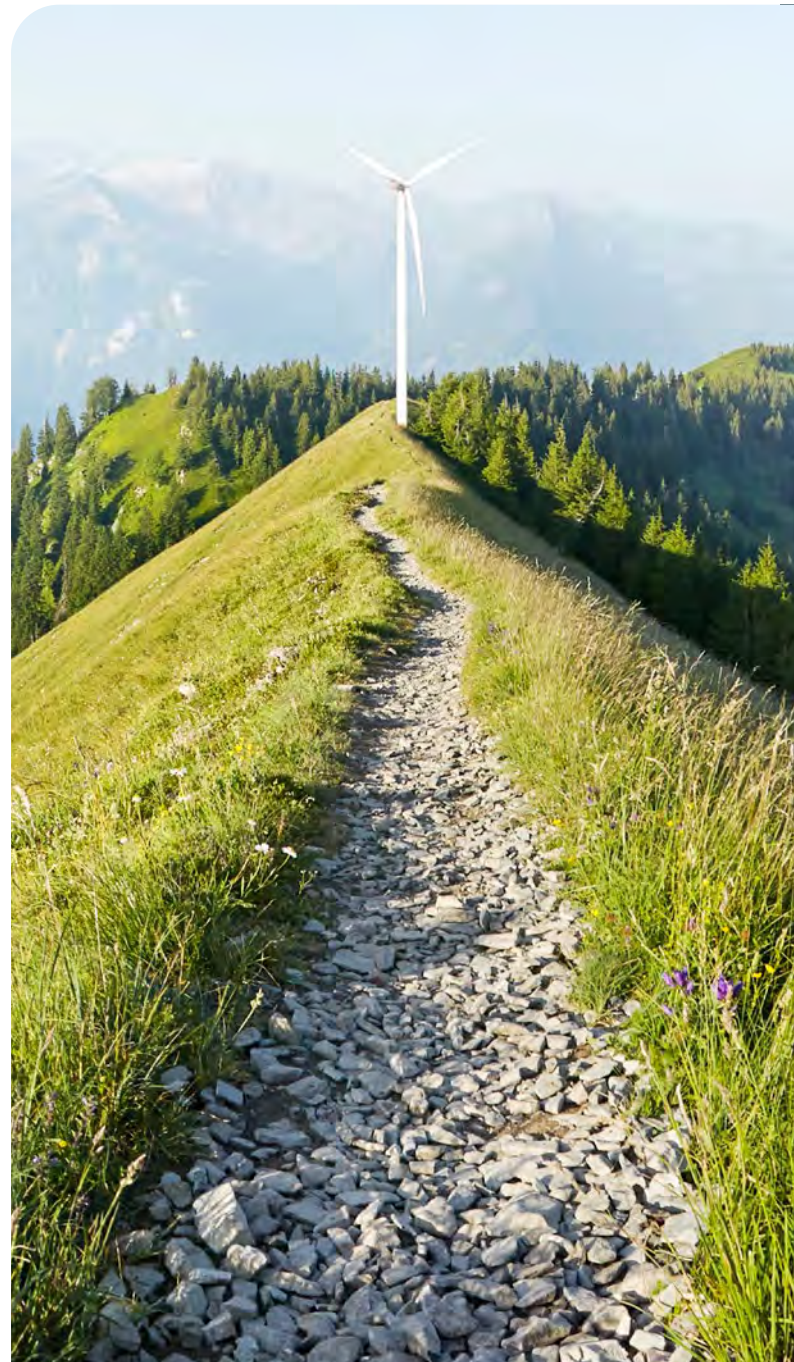
1. Due to a change in calculation methodology, there is an increase in sustainable product revenue in 2021. To learn more, see the Product Stewardship section of the report (page 10).



### Net-Zero Commitment

In 2021, **onsemi** announced our goal to be net-zero by 2040. This commitment will guide how we operate our business over the coming years and is essential to ensuring we operate in a socially thoughtful and environmentally responsible manner. Our net-zero commitment will surpass the **Paris Agreement's** goal by a full decade. We will be using 2022 as our baseline year and will base all reduction targets off our total emissions in this year.

Our emissions data is verified by a third-party company, **Trucost**. Trucost, a subsidiary of S&P Global, is a leader in carbon and environmental data and risk analysis. Our full assurance statement can be found in the appendix of this report.



**Net-Zero**  
by 2040

We are implementing an aggressive strategy to reach this goal. Our strategy is categorized into three pillars:

#### Capitalize on Efficiencies



- Further investments in facilities, processes and equipment to increase energy efficiency
- Explore opportunities to mitigate process gas usage
- Identify areas where improved efficiencies can reduce raw material, fuel and resource usage

#### Transition to Renewable Energy



- Transition to an emissions-free renewable energy portfolio
- Commit to 50% renewable energy by 2030 and 100% renewable energy by 2040
- Join the **Clean Energy Buyers Alliance** to support the rapid transition to a cleaner energy future

#### Purchase Offsets and Influence



- For non-electricity emissions that cannot be eliminated, over the long-term, **onsemi** will purchase certified offsets equal to the amount of such emissions
- **Green-e** and **Gold Standard** certified offsets are most credible and will be prioritized
- Leverage our **Responsible Business Alliance (RBA)** membership to engage supply chain stakeholders on emissions reductions

## Emissions and Energy Consumption

We are dedicated to reducing our energy consumption and overall carbon footprint in alignment with our net-zero by 2040 goal. Climate change is undeniable, and the main driver of climate change is human-based activities. Increasing energy demands and greenhouse gas (GHG) emissions are driving a global mandate for energy efficiency and reduced emissions, including the replacement of fossil fuels by clean alternative energy sources.

Our comprehensive portfolio of intelligent power and sensing technologies 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 products that assist with the transition from coal to renewables.

At **onsemi**, we take climate change seriously. For years, we have taken steps to reduce GHG emissions and energy consumption throughout the company's operational footprint. We measure and report Scope 1 and 2 emissions at our manufacturing sites along with select categories of Scope 3 emissions. To keep our carbon accounting cohesive across all operational activities, **onsemi** reports all emissions on a carbon dioxide equivalent basis (CO<sub>2</sub>e).



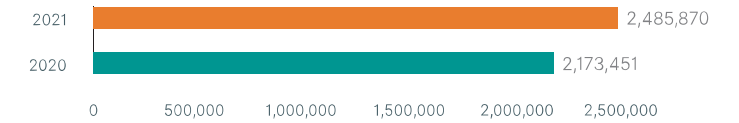
## Scope 1 Emissions

Scope 1 emissions are direct emissions from company-owned and controlled resources. Some examples of Scope 1 emissions include emissions from fuels used in heating or furnaces and process emissions from chemicals used in industrial processes.

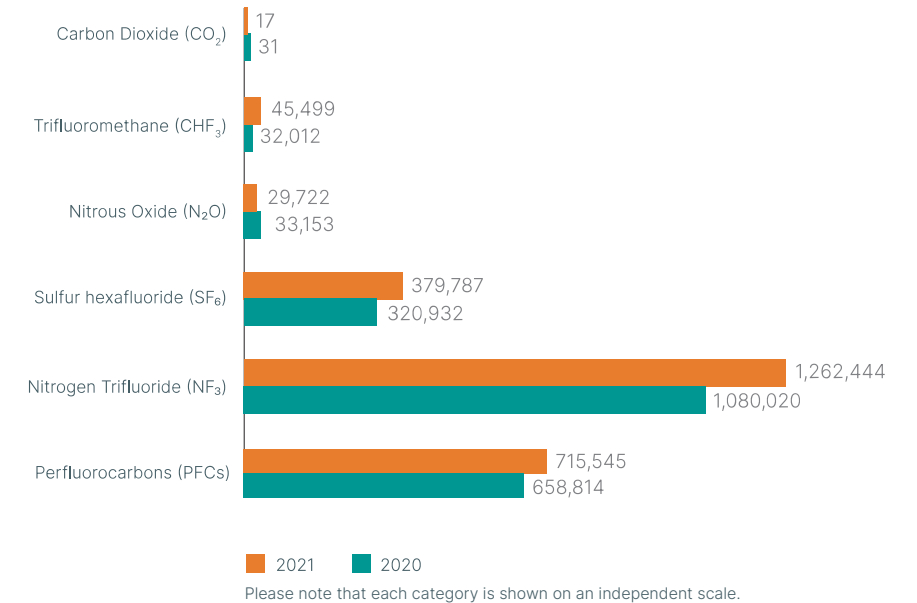
**onsemi** directly emits GHG emissions from fabrication and assembly and test locations. We work to eliminate Scope 1 emissions by:

- Installing efficient manufacturing technologies.
- Exploring eliminating nonessential fluorinated gases and using alternative gases.
- Exploring the installation abatement devices that treat the exhaust of gases used in semiconductor manufacturing.

**Total Scope 1 GHG Emissions** (metric tons of CO<sub>2</sub>e)



**Scope 1 Process Gases by Type** (metric tons of CO<sub>2</sub>e)



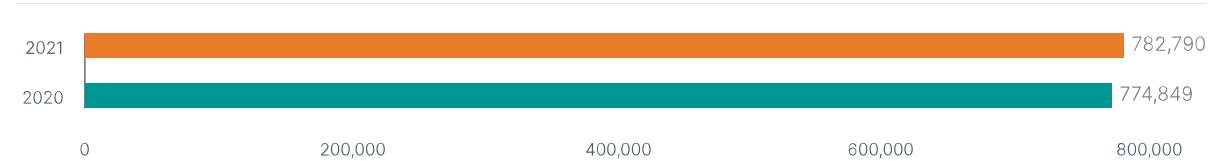
### Scope 2 Emissions

Scope 2 emissions are indirect emissions from the generation of purchased energy. For our purposes, this means our purchased electricity. onsemi indirectly emits GHG emissions from electricity purchased for manufacturing.

**We work to reduce Scope 2 emissions by:**

- Increasing energy efficiency in our manufacturing processes, buildings and operations.
- Exploring investments in renewable energy projects around the globe.

**Total Scope 2 GHG Emissions** (metric tons of CO<sub>2</sub>e)



### Scope 3 Emissions

Scope 3 emissions are indirect emissions that occur in the value chain of the company, including both upstream and downstream emissions. Some examples of Scope 3 emissions include business travel, emissions our suppliers create making the products we purchase, employees commuting and emissions from the transportation of our products to the end-user.

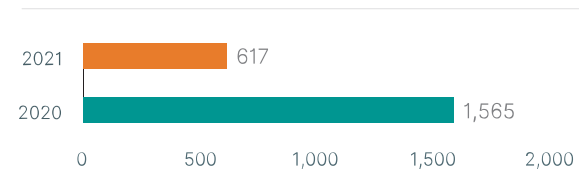
we have seen a significant reduction in our business travel-related emissions over the past two years. As the world continues to open up, we expect that figure to increase. Additionally, we expect to have a full Scope 3 inventory completed in 2022.

**We will work to reduce our Scope 3 emissions by:**

- Collaborating with suppliers to assist them in tracking and managing their own Scope 1 and 2 emissions.

Currently, onsemi only tracks Scope 3 emissions related to our business travel. Due to the COVID-19 pandemic,

**Total Scope 3 GHG Emissions (Business Travel)** (metric tons of CO<sub>2</sub>e)



### Energy Consumption

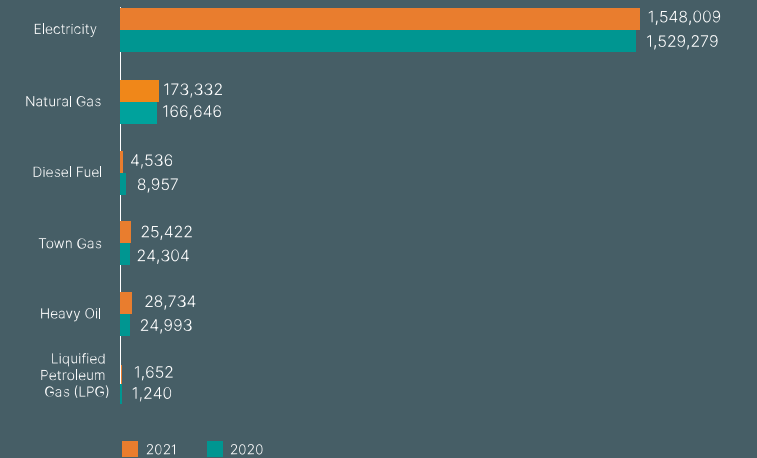
Energy efficiency is central to the success of our products and operations. Along with our products, which help to reduce energy consumption, we regularly implement energy conservation and consolidation projects. Our total energy consumption in 2021 was 1,781,685 megawatt hours (MWh).

As part of our strategy to achieve net-zero by 2040, we will investigate and invest in renewable and clean energy options in the future. We are exploring options to help us transition to 50% renewables by 2030 and 100% renewables by 2040.

**Total Energy Consumption** (megawatt hours)



**Energy Consumption by Source** (megawatt hours)



**1,781,685**

2021 Total Energy Consumption (MWh)

## Water and Waste Management

### Water Management

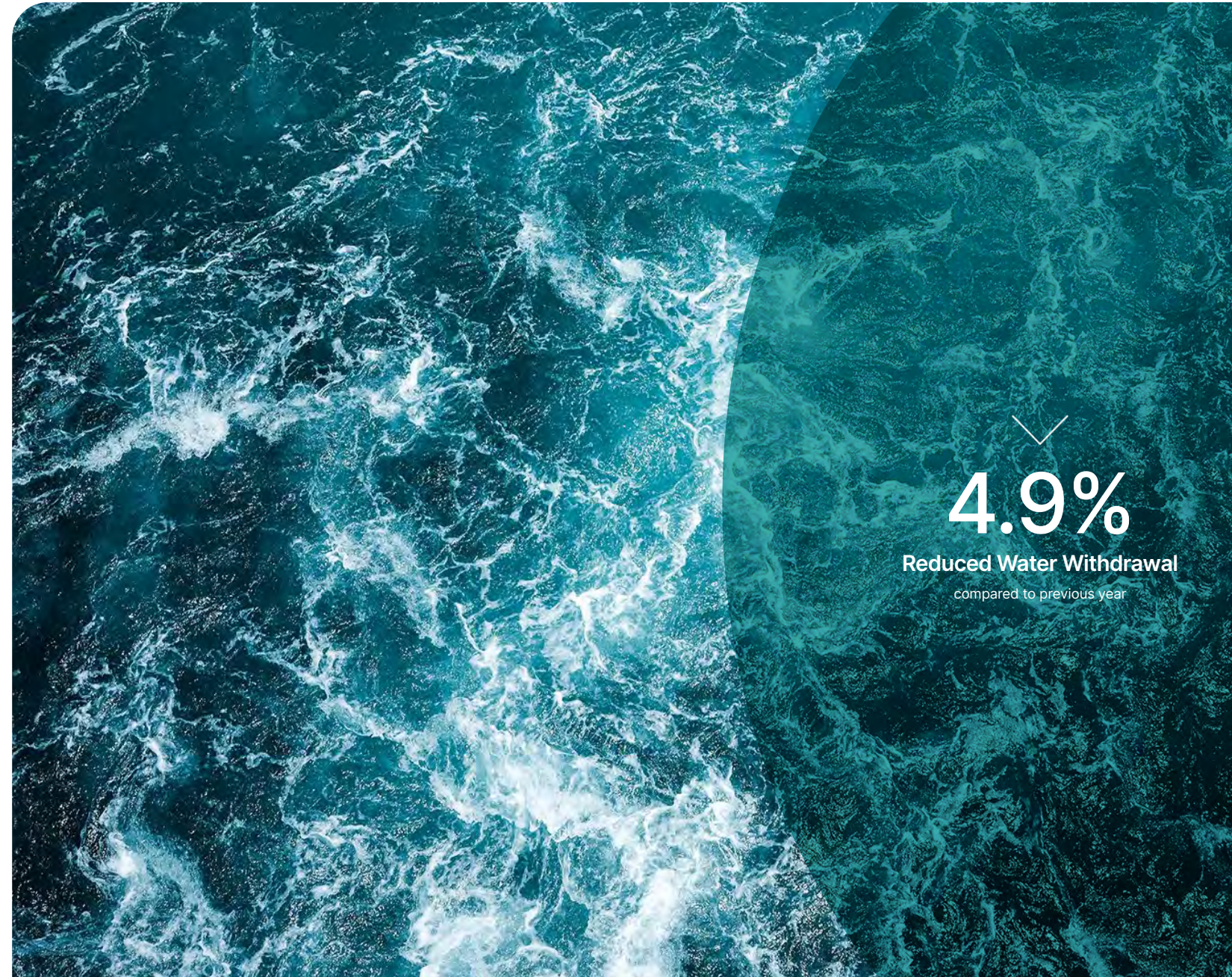
Our organization strives for transparency with stakeholders, displaying deliberate stewardship of water as the important resource it is. Following this, we firmly believe that reduction in water usage enables the shared usage of water resources and reduces cost within process methods; therefore, we continue to seek out water recycling, reuse and reduce options. All of our wastewater is treated before it is discharged, and our effluent discharge meets or exceeds local regulations.

In 2021, 1,398 megaliters of water were withdrawn from high or extremely high water-stressed regions, out of the total 13,599 megaliters of water withdrawn. We are committed to recycling water and reducing our water consumption. As part of our commitment to water-use efficiency, 5,779 megaliters of water were recycled in 2021. That water recycled is the equivalent of approximately 2,300 Olympic-size swimming pools. In 2021, we reduced water withdrawal by 4.9% compared to the previous year.

WATER USAGE (MEGALITERS)	2021	2020
<b>Total Water Withdrawal</b>	<b>13,599</b>	<b>14,332</b>
Surface Water	0	0
Groundwater	885	1,031
Seawater	0	0
Third Party Water	12,714	13,301
<b>Total Water Recycled</b>	<b>5,779</b>	<b>6,374</b>
Total Water Recycled (%)	42%	44%
<b>Water Withdrawal in Water-Stressed Regions</b>		
Extremely High <sup>1</sup>	271	275
High <sup>2</sup>	1,127	1,081

1. According to the **World Resource Institute's Aqueduct Water Risk Atlas**, extremely high water-stressed regions include Oudenaarde, Belgium.

2. According to the **World Resource Institute's Aqueduct Water Risk Atlas**, high water-stressed regions include Pocatello, Idaho, U.S.; Suzhou, China; and Tarlac, Philippines.





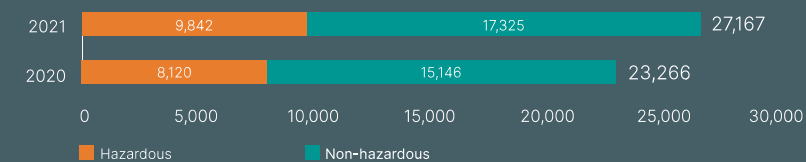


### Waste Management

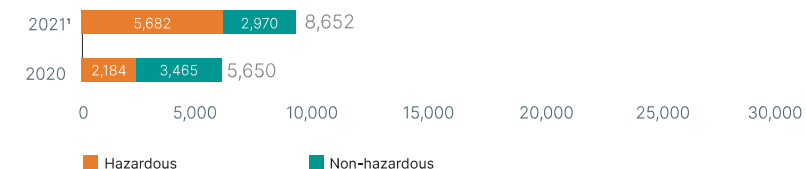
Each of our manufacturing sites have projects that contribute to a reduction in waste. Some of these projects led to a reduction in chemical consumption or increase in recycling waste. For example, our sites have implemented projects that expand the lifetime of cleaning baths, modified processes to reduce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

In 2021, the total amount of hazardous and non-hazardous waste that we recycled from our manufacturing and non-manufacturing sites globally was 18,515 metric tons, while waste directed to disposal was 8,652 metric tons. Our total hazardous waste generated was 9,842 metric tons; this includes both solid and liquid waste, but does not include gaseous emissions, wastewater discharge or any waste associated with on-site wastewater treatment.

### Total Waste Generated (metric tons)

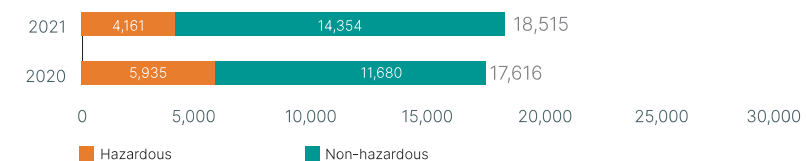


### Total Waste Directed to Disposal (metric tons)

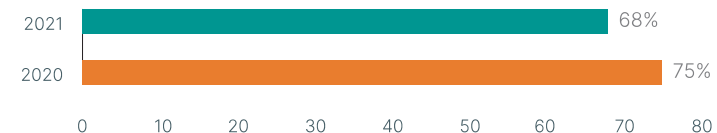


1. Due to a redefinition of waste categorization, the amount of hazardous waste directed to disposal increased from 2020 to 2021.

### Total Waste Diverted (metric tons)



### Waste Diversion Rate (percentage)



### Product Stewardship

onsemi is focused on innovation to create intelligent power and sensing technologies that solve the most challenging customer problems. Our product development efforts are directed towards the following:

- Powering the electrification of the automotive industry with our intelligent power technologies that allow for lighter and longer-range electric vehicles and enable efficient fast-charging systems.
- Propelling the sustainable energy evolution with our intelligent power technologies for the highest efficiency solar strings, industrial power and storage systems.

- Enhancing the automotive mobility experience with our intelligent sensing technologies with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible.
- Enabling automation and data exchange (Industry 4.0) with our intelligent sensing technologies for smarter factories and buildings.
- Delivering high efficiency intelligent power solutions to optimize power consumption in the cloud and telecom infrastructure.

### Sustainable Products

In 2021, onsemi had over \$5.011 billion in sustainable product revenue. onsemi's focus on intelligent power and sensing technologies and newly implemented corporate strategy resulted in a redefinition of our sustainable product offering. Our definition of "sustainable product revenue" is revenue from products that fall under the intelligent power and sensing umbrella and products that contribute to the triple bottom line – People, Planet, Profit. The "People" category refers to any product that improves lives, such as our products in medical devices or products that improve car safety. The "Planet" category refers to any product that helps to reduce emissions or aids in the

transition to renewable power, such as our products in solar inverters or EV charging stations, or enables reduction of waste and scrap in manufacturing. The "Profit" category refers to any product that helps a company add to its economic benefit in society, such as by reducing supply chain risks or improving process efficiency from products that make factories smarter.

As a result of this redefinition and shift in focus, we saw a significant increase in sustainable product revenue from 2020 to 2021. We consider these products a key part of our sustainable ecosystem which includes the following categories:



## Diversity, Equity and Inclusion

We believe our company's vision, mission, values and culture afford opportunities for everyone to make a difference in building a successful global business. Core to our philosophy is embracing diversity, implementing equitable processes and practices and building a culture of inclusion across the organization. Diversity of thinking encourages the creativity and innovation necessary for us to maintain a competitive advantage in the global marketplace.

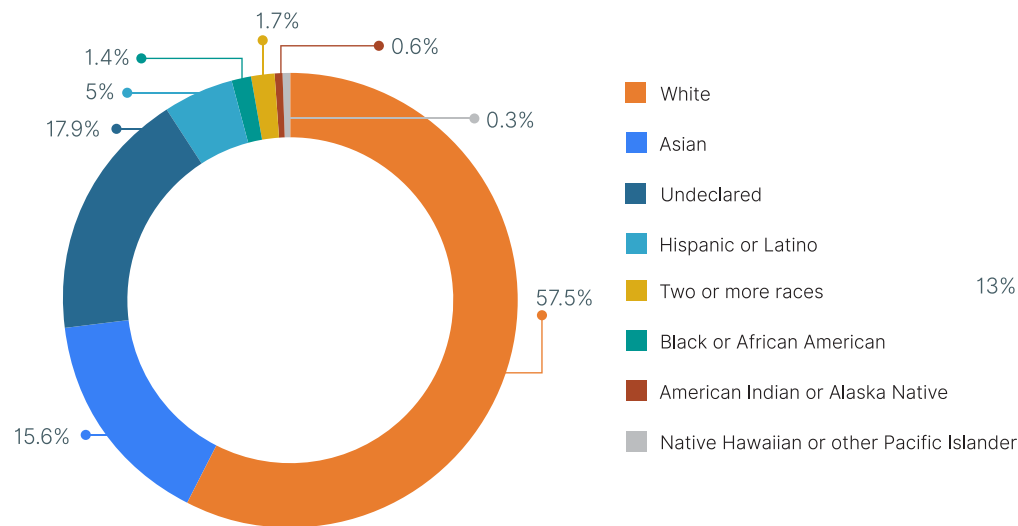
Our community of employees are located around the world with major facilities in the U.S., Belgium, Canada, Germany, Ireland, Slovakia, Czech Republic, Japan, South Korea, China, Malaysia, Vietnam, Philippines, Taiwan and India. As of December 2021, we had approximately 33,690 employees operating globally.

onsemi has long remained committed to diversity, equity and inclusion (DEI). We are strongest when drawing on the diverse experiences, knowledge, culture and backgrounds from all employees. We celebrate differences, promote equity and maintain an inclusive workplace for our employees. DEI helps us continue to encourage the creativity and innovation necessary to maintain a competitive advantage in the global marketplace.

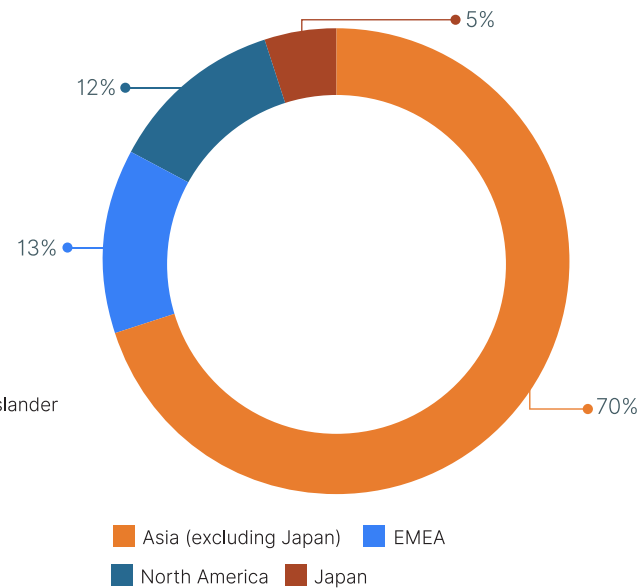
onsemi strives to build a diverse talent pipeline. We understand this means more than just attracting a diverse workforce but also developing all employees. We train leadership on how to best mitigate unconscious bias during the interview and hiring process, as well as provide general unconscious bias and DEI learning for all employees around the globe.



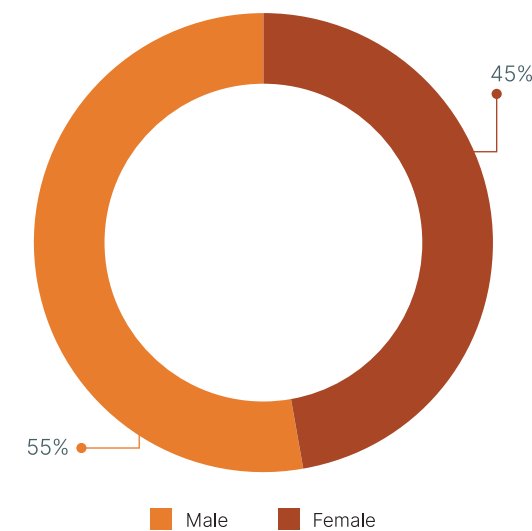
U.S. Workforce by Ethnicity



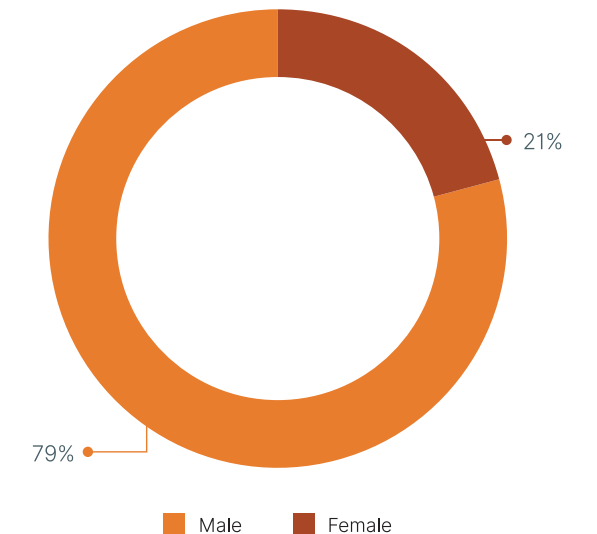
Worldwide Workforce by Region



Worldwide Workforce by Gender



Worldwide Management by Gender





### Diverse Hiring Practices

We engage with multiple organizations to attract a more diverse workforce. Some of our partner organizations include:

*Historically Black Colleges and Universities (HBCUs)* to provide scholarships and internship opportunities.

*SkillBridge*, a Department of Defense program for servicemembers transitioning into the civilian workforce.

*Year Up*, a program to ensure equitable access for young adults taking a nontraditional higher education path to gain work experience.

*EMEA, Embedded partnerships with local universities:* onsemi consults local universities on curriculums to prepare graduates for the semiconductor industry.

*India, onsemi Alumni connections:* Current onsemi employees partner with their alma mater to organize pre-placement talks and showcase onsemi technologies to attract top engineering school talent.

### Workforce Equity

onsemi understands that it is imperative to infuse equity as the integrator for seeking a diverse and inclusive workplace. Equity is not equality. Instead, it is creating access for all to have the same opportunities to develop skills consistent with our business objectives and core values. This is made possible by tailoring processes and practices to employee needs and redesigning talent systems.

### Workforce Inclusion

As a global employer with approximately 33,690 individuals in roles from corporate designers and support functions to manufacturing line workers in North America, Europe, Asia and Japan, it is vital that we engage and address the local needs for all our employees.

### Employee Health and Safety

Our health and safety programs are based on our company's **Environmental Health and Safety (EHS) Policy** and are valued at each of our sites. We protect people and minimize our environmental impact through efforts to prevent injury, illness and pollution. 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.

Our non-manufacturing sites follow our internal procedures and local regulations related to health and safety. Additionally, our manufacturing sites conform to **ISO 14001** and **ISO 45001** specifications. 100% of our manufacturing sites, about 28,130 employees, are covered by ISO 14001 and 95% of our manufacturing sites, about 27,981 employees, are covered by ISO 45001. For a list of all our manufacturing sites with ISO 14001 and ISO 45001 visit our **Quality and Reliability** website.

EMPLOYEE HEALTH AND SAFETY		2021	2020
Workforce Covered by OHSAS 45001/18001	Percentage	95%	81%
Injury Rate (per 100 employees)	Number	0.64	0.75
Lost Days (per 100 employees)	Number	2.3	1.54
Work-Related Fatalities	Number	0	0





### Impacting Our Community through Giving

Today's world requires a new mindset and approach to address and support the ongoing challenges facing people and communities every day. With the unveiling of our new global giving program, called "Giving Now," we enabled a renewed focus at **onsemi** on the positive social impacts of our giving efforts guided by the passion of our employees and **onsemi's** commitment to promoting Science, Technology, Engineering, Art and Mathematics (STEAM) education, amplifying employees' time and donations and responding to natural disasters and humanitarian crises.

The Giving Now program will drive positivity forward by creating meaningful change for our planet and every community that we live and work in around the globe. The Giving Now program prioritizes giving in three simple ways:

- 1 **Give to Donate**  
Match employee giving and support volunteerism for causes they care about most.
- 2 **Give to Educate**  
STEAM education grants to help students in underserved communities achieve their dreams.
- 3 **Give to Help**  
Provide local disaster relief and revitalize communities based on local needs.

The company strategically reserved \$3M in 2021 to support future giving opportunities. At **onsemi**, we believe that how we work and how we give back makes a meaningful difference and while we work together for a better tomorrow, it is the giving efforts of the new **onsemi** Giving Now program that will make an impact today!



**\$3M**

reserved in 2021 to support future giving activities

### Corporate Governance

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 **onsemi's** Board of Directors and committee representation, effective immediately following the Annual Meeting in May 2022. All directors are independent directors except Hassane El-Khoury, who also serves as the president and chief executive officer of **onsemi**. We have a board member age limit of 75 years old.



BOARD MEMBER	GENDER	AGE	TENURE	COMMITTEES	QUALIFICATIONS
Atsushi Abe	Male	68	11	Audit	
Alan Campbell	Male	64	7	Executive (Chair), Audit, Governance and Sustainability	
Susan K. Carter	Female	63	2	Audit (Chair), Governance and Sustainability	
Thomas L. Deitrich	Male	55	2	Governance and Sustainability	
Gilles Delfassy	Male	66	7	Human Capital and Compensation	
Hassane El-Khoury	Male	42	2	Executive	
Bruce E. Kiddoo	Male	61	2	Audit	
Paul A. Mascarenas	Male	60	8	Governance and Sustainability (Chair), Executive, Human Capital and Compensation	
Gregory L. Waters	Male	61	2	Executive, Human Capital and Compensation	
Christine Y. Yan	Female	56	4	Human Capital and Compensation (Chair)	

#### Qualifications Key:

- Semiconductor
- ESG
- Compliance
- Government Relations
- Public Company Management
- Manufacturing
- Mergers and Acquisition
- Sustainability/Climate
- International
- Finance
- Marketing
- Information Security

### Committee Details

Our board of directors has established four standing committees:

Audit Committee

Governance and Sustainability (GS) Committee

Human Capital and Compensation (HCC) Committee

Executive Committee

Each committee is tasked with overseeing various aspects of our company and carrying out the responsibilities specified in its charter. To see a copy of the formal written charter pertaining to each standing committee, please visit the [Investor Relations](#) section of our website.



### Board Oversight of ESG

The GS Committee has the responsibility of overseeing matters related to ESG, unless there is a specific matter connected to ESG initiatives that is assigned to another committee of the Board. For example, the HCC Committee has the responsibility of overseeing the company's policies and strategies in respect of human capital, which include those regarding diversity, equity and inclusion. Both the GS Committee and the HCC Committee play a role in the company's management and oversight of diversity, equity and inclusion.

COMMITTEE MEETINGS	CHARTER REQUIRED MIN.	IN 2021
Audit	quarterly meetings	10
Executive	meet as needed	1
Governance and Sustainability	quarterly meetings	5
Human Capital and Compensation	quarterly meetings	6



As a reflection of the board's commitment to  
**ESG matters**  
 the committee was renamed as the "Governance and Sustainability Committee" in 2021.



### Fair Treatment

At onsemi, we are committed to preserving and promoting the fundamental rights of others and ensuring everyone is awarded fair treatment. Our company **Code of Business Conduct** as well as the **Responsible Business Alliance** code covers human rights in several areas, ensuring we have a comprehensive stance on human rights and fair treatment that applies to all onsemi employees, joint ventures, major suppliers, select service providers and contractors, and products and services.

We have several sites with collective bargaining agreements, and we respect our workers freedom of association with these groups. To ensure our approaches are regularly updated, we engage all relevant groups including, but not limited to, corporate social responsibility, environmental, health and safety, human resources, legal, global security and supply chain in our review and due diligence process. Every individual and department at our company is responsible for understanding and implementing the fundamental rights of others.

### Human Rights

Our formalized **Human Rights Policy** demonstrates our commitment to preserving, protecting and promoting the fundamental rights of others as reflected in the **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 the global trafficking hotline at 1-844-888-FREE or by emailing [help@befree.org](mailto: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.

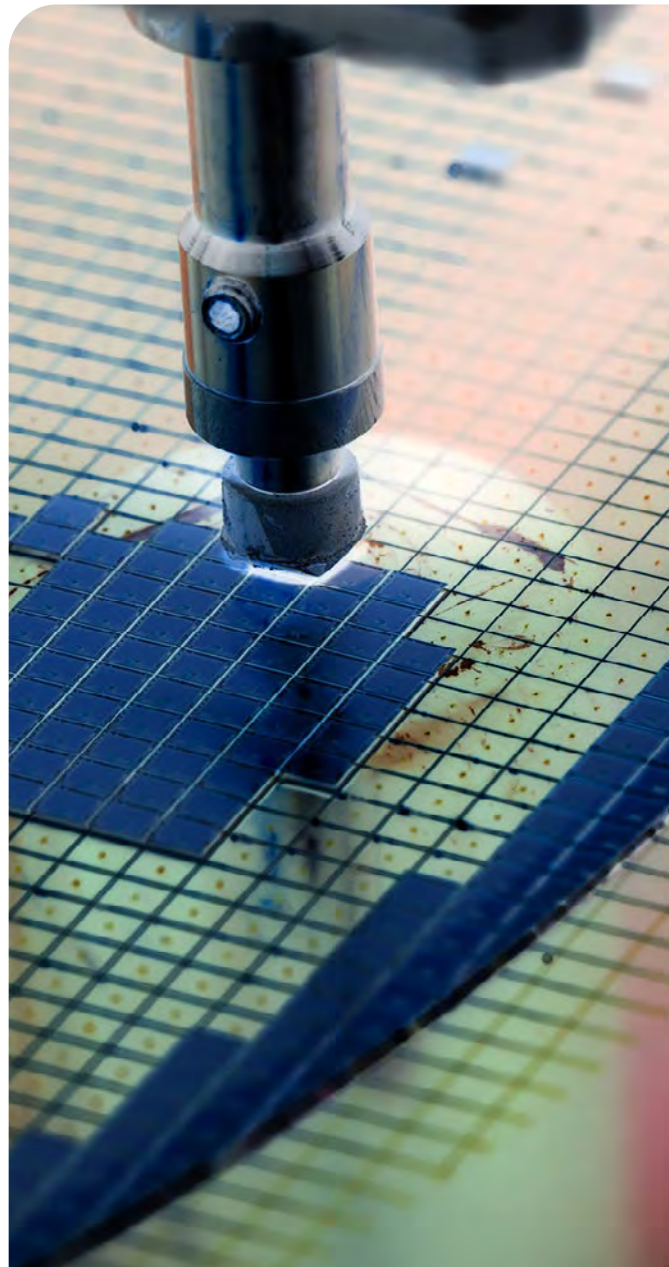
The only exception to this rule is in China, where the minimum age for employment is 16 years old. To confirm candidates for employment meet the minimum age requirement, members of our human resources department perform due diligence to make sure we are complying with federal, state, regional and local 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.



 **1-844-888-FREE** is our global trafficking hotline where employees and other stakeholders are encouraged to report any concerns.

## Supply Chain

At onsemi, we are committed to ensuring the highest standards of social responsibility in all regions in 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 like 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 **onsemi's Corporate Social Responsibility (CSR) Statement of Commitment**, and provide any requested certifications and cascade all applicable requirements through their supply chain.



At onsemi, we are committed to ensuring the **highest standards of social responsibility** in all regions in which our company is located.

## Our Suppliers

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 2021, we worked with 9,500 suppliers and service providers in North America, Asia Pacific, Europe and the Middle East. Of those suppliers, approximately 7,000 were production-related.

There are a total of 96 suppliers that constitutes 85% of our direct materials spend in 2021. We are currently in the process of further classifying these critical suppliers as high or low risk, considering various factors such as procurement amount, product criticality, single or dual source, and business relationships with onsemi from both Supplier Risk Management and Supplier Relationship Management perspective. When possible, we try to keep our sourcing efforts local by prioritizing purchasing from local suppliers.

## Conflict Minerals

As a purchaser of products containing conflict minerals that include tantalum, tin, tungsten, gold and cobalt from suppliers for use in our manufacturing process and products, 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.

As an active member of the **Responsible Minerals Initiative (RMI)**, we engage in reasonable and responsible due diligence with our suppliers and other third parties in our supply chain in a manner consistent with the **Organisation for Economic Co-operation and Development (OECD)** Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).





We require our suppliers to engage in due diligence to analyze their sources and to complete the RMI Conflict Minerals Reporting Template (CMRT). In 2015, we achieved our road to zero by identifying all utilized smelters. Each year, we target 100% responsible minerals assurance process (RMAP) conformant smelters, and we achieved this target in 2018 to 2019 and continue to sustain the goal of 100% smelter conformance. 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. onsemi responds and completes more than 1,000 customer CMRT inquiries annually. For reporting year 2021, we achieved 98% conformance of our smelters. Both tantalum and tungsten smelters were 100% conformant, while gold refiners and tin smelters were 98% and 96% conformant, respectively.

Members of our conflict minerals team continue to actively participate in RMI workgroups, including due diligence practice team and minerals reporting team. Please see our latest [SEC Form SD, Conflict Minerals Sourcing Policy](#), as well as [latest company-level CMRT](#) for more information. For any other conflict minerals inquiry, please send to [continuity@onsemi.com](mailto:continuity@onsemi.com).

REPORTING YEAR	CONFORMANT	ACTIVE	NON-CONFORMANT	NOT ELIGIBLE	TOTAL
2021	98%	1.0%	1%	0%	100%
2020	99.6%	0.4%	0%	0%	100%
2019	100%	0%	0%	0%	100%
2018	100%	0%	0%	0%	100%

2021 REPORTING YEAR	CONFORMANT	ACTIVE	NON-CONFORMANT	NOT ELIGIBLE	TOTAL SMELTER	% CONFORMANT
Gold	105	0	2	0	107	98%
Tantalum	25	0	0	0	25	100%
Tin	50	2	0	0	52	96%
Tungsten	24	0	0	0	24	100%
Total	204	2	2	0	208	98%
Overall % Conformant	98%	1%	1%	0		

Third Party Assurance Statement



S&P Global Sustainable1 Assurance  
onsemi assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, "Sustainable1") was engaged by onsemi to provide assurance of the environmental data held within its 2022 CDP Response and 2021 Sustainability Report.

**Intended users**  
The intended users of this assurance statement are the management and stakeholders of onsemi.

**Responsibilities of onsemi and assurance provider**

The management of onsemi has sole responsibility for the preparation and content of the Sustainability Report and CDP Climate Change Response (hereafter, "CDP"). Sustainable1's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

**Assurance standard**  
Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions)

Sustainable1 used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate onsemi's performance information and adherence to the Principles.

**Scope and limitations**  
Sustainable1 was engaged to assure the data and claims in onsemi's 2021 external reporting, encompassing the period of 1 January 2021 – 31 December 2021. Sustainable1 was asked to assure reporting for Scope 1, Scope 2 and Scope 3 category 6, business travel. onsemi took an operational control approach.

Minor discrepancies were noticed during the verification process. For some sites, actual invoice values were missing for a couple of months. Sustainable1 reviewed the estimated value calculations and recommended onsemi to use actual invoice values going forward. onsemi is working on setting up a portal and tracking system for better accountability of its GHG inventory.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Fuel and Process Emissions	Metric tonnes CO <sub>2</sub> e	2,485,869.89
GHG Scope 2	Electricity	Metric tonnes CO <sub>2</sub> e	782,789.62
GHG Scope 3	Business Travel	Metric tonnes CO <sub>2</sub> e	617.00

Sustainable1 verified the environmental impacts, as calculated by onsemi, within the above table.

**Methodology**  
Sustainable1's assurance activities included the following:

- Review of the processes by which onsemi defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which onsemi's sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.
- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations.



PRINCIPLE	COMMENTS
Inclusivity: participation of stakeholders in developing and achieving accountable and strategic responses to sustainability	<p>onsemi adopts a comprehensive approach to ensuring the active engagement of all relevant internal and external stakeholders in achieving its sustainability milestones. The company identifies both internal and external stakeholders, such as employees, investors, customers, suppliers, and communities. It collects feedback in a variety of ways including surveys, direct email questions, and employee questions, and has dedicated teams to respond to different types of inquiries. onsemi is setting up a framework for internal stakeholders to enable engagement with on-site operations teams to identify initiatives that improve the company's environmental footprint.</p> <p>As for external stakeholders, onsemi is constantly interacting with suppliers, customers and investors to integrate their feedback into their sustainability strategies. onsemi has been working closely with a customer to integrate its feedback into their renewable energy strategy and transition to renewable energy for manufacturing products.</p> <p>The company has a Corporate Responsibility Manager to address questions related to their sustainability strategy. Additionally, in response to the feedback received from multiple customers, the company is exploring energy advisor(s) to help improve data collection and identify ways in which it can reduce energy consumption and transition to renewable energy.</p>
Materiality: determining relevance and significance of an issue to an organization and its stakeholders	<p>onsemi appointed a new CEO in December FY2020 and is in the process of an organizational change, and therefore has not conducted a materiality assessment since FY2019. The company is focusing on intelligent power and sensing technologies that enable a more sustainable future. Even though a formal materiality assessment was not conducted in FY2021, GHG emissions, renewable energy and stakeholder management were identified as material issues impacting the company. onsemi is in the process of developing a systematic approach for its materiality assessments going forward and will report on it in its next annual sustainability report.</p> <p>Since the new Senior Director of Sustainability and ESG came on board, the company has intensified its focus on energy demand management, reducing energy load, and managing power usage intensity to effectively manage Scope 2 emissions.</p>
Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance, which is realized through decisions, actions, and performance, as well as interaction with stakeholders	<p>onsemi conducts quarterly business reviews and team meetings with its executive team to discuss important issues raised by stakeholders. It reports sustainability progress quarterly to senior executives via the quarterly business reviews. It also reports sustainability progress to the Governance and Sustainability committee of the Board on a quarterly basis. onsemi has a standard response it sends out to customer inquiries, which outlines its strategies on topics such as emissions, net zero goal, human rights, conflict minerals, RBA membership, diversity, equity and inclusion, etc.</p> <p>onsemi has a separate process to manage any data related concerns raised by customers for their Scope 3 reporting purposes. Most of the responses are through email and the company also has a system to manage such requests. The investors relations team also helps respond with inquiries raised by onsemi's investor community. onsemi is in the process of developing and implementing its customer relationship management software, which will help run reports from the platform and send them to individual customers.</p> <p>In the future, the company aims to hold effective dialogue with suppliers in order to manage Scope 3 emissions. In FY2021, onsemi sent out an email to Tier 1 suppliers to inform them about its sustainability goals. In response, the company received feedback from suppliers regarding their own goals and strategies and how they can fit into onsemi's sustainability goals.</p>

Third Party Assurance Statement



**Impact:** organizations should monitor, measure and be accountable for how their actions impact broader ecosystems

onsemi periodically monitors its progress vis-à-vis goals and targets for its climate-related issues. Currently, it is working on the baseline and aims to commit to SBTi by the end of 2022. In August 2021, the company announced its intention to achieve net-zero emissions across all scopes, and transition completely to renewable energy consumption by 2040. It also set an interim target of achieving 50% renewable energy consumption by 2030.

To manage Scope 1 emissions, the company engages with third parties to design greenhouse gas (GHG) surveys at the process chamber levels for tools to identify initiatives to reduce emissions. Additionally, to reduce Scope 2 emissions, onsemi is building a roadmap for transitioning to renewable energy: looking into efficiency projects and an enterprise approach to demand reduction and energy/ operational efficiency. Previously, for Scope 3, the company collected data only for business travel; however, currently it is working with a vendor to identify and calculate other applicable Scope 3 emissions. With the help of the vendor, onsemi will be able to identify the largest contributors to their Scope 3 emissions and the sources of such emissions, and work with suppliers to reduce upstream and downstream emissions. onsemi is also looking at the impact of its sustainable products and how they enable a transition to a sustainable world. It is also looking into breakthrough technology such as silicon carbide and its role in the transition to clean energy.

Throughout 2021, the company had a central reclamation and recycling centre in Phoenix and any scrap that was collected from the manufacturing process was sent to Phoenix. This helped to reduce waste generated during the manufacturing process and, in 2021 alone, approximately 614,000 kg of scrap materials and 810 kg of precious metals were processed, sorted and sold for reuse.

Findings, conclusions and recommendations

The Principles:

Nothing came to Sustainable1's attention to suggest that onsemi's CDP Response does not adhere to the AA1000 Principles.

Data reliability:

onsemi has implemented rigorous processes to collect and aggregate global energy consumption and GHG emissions. Upon evaluating this system, Sustainable1 found that data was accurate overall, and any minor corrections were made as necessary.

Assurance provider

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1's research team has the relevant professional and technical competencies

and experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

S&P Global Sustainable1, a business of S&P Global Inc.  
London, May 2022

Steven Bullock  
Managing Director, Global Head  
of ESG Innovation and Solutions



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## 2021 Sustainability Report Executive Summary

onsemi

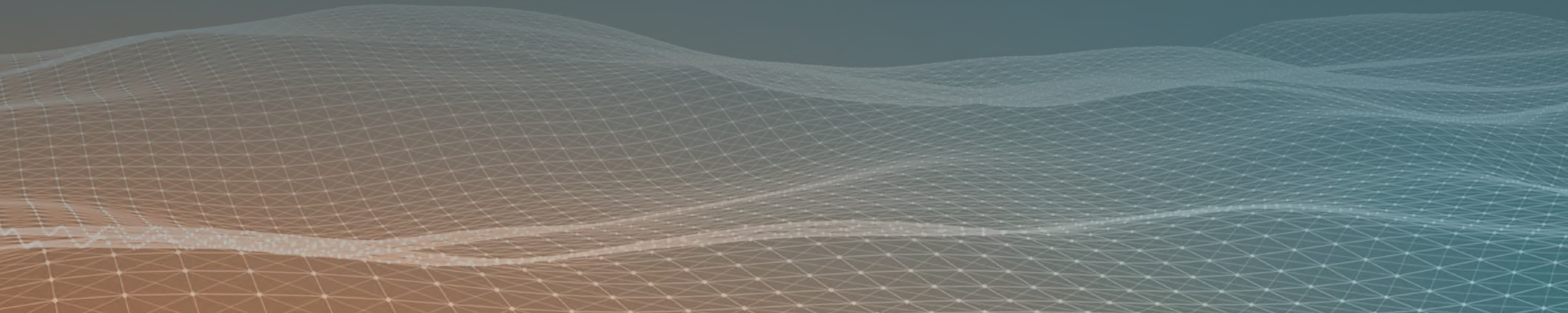
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SAN FRANCISCO, SHANGHAI, SINGAPORE,  
TOKYO, WASHINGTON, D.C.

March 1, 2023

Writer's Direct Contact  
+1 (202) 887-1585  
[SLesmes@mofo.com](mailto:SLesmes@mofo.com)

**1934 Act/Rule 14a-8**

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: ON Semiconductor Corporation  
Shareholder Proposal of Green Century Funds

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client ON Semiconductor Corporation, a Delaware corporation (the "**Company**"), to notify the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") that the Company hereby withdraws the no-action request submitted by the Company to the Staff on January 17, 2023 (the "**No-Action Request**"). The No-Action Request sought confirmation that the Staff would not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934, the Company excluded from its proxy materials for its 2023 Annual Meeting of Stockholders a stockholder proposal and supporting statement (the "**Proposal**") submitted by Green Century Capital Management, Inc. as representative of the Green Century Funds (the "**Proponent**"). The Company is withdrawing the No-Action Request because the Proponent has withdrawn the Proposal via correspondence dated February 17, 2023. A copy of the correspondence from the Proponent indicating the withdrawal of the Proposal is attached hereto as Exhibit A.

# MORRISON FOERSTER

Securities Office of Chief Counsel  
March 1, 2023  
Page Two

If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 887-1585.

Sincerely,



Scott Lesmes  
Morrison & Foerster LLP

## Attachments

cc: Andrea Ranger, Shareholder Advocate, Green Century Capital Management  
Pamela Tondreau, Executive Vice President, Chief Legal Officer, ON Semiconductor Corporation  
Paul Dutton, Senior Vice President and Deputy General Counsel, ON Semiconductor Corporation




## Lesmes, Scott

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**From:** Andrea Ranger <aranger@greencentury.com>  
**Sent:** Friday, February 17, 2023 2:58 PM  
**To:** ShareholderProposals  
**Cc:** Lesmes, Scott; Beers, Emily K.; Paul Dutton; McGrath, Victoria  
**Subject:** RE: ON Semiconductor Corporation Rule 14a-8 No Action Letter  
**Attachments:** ON Semiconductor\_Green Century\_Proposal\_FINAL.pdf

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- You've never replied to this person.

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TO: SEC Rule 14a-8 Team

I am contacting you to let you know that Green Century Capital Management, Inc., on behalf of the Green Century Equity Fund, is withdrawing its shareholder proposal from consideration at ON Semiconductor Corporation's 2023 annual general meeting of shareholders.

I appreciate your attention to this matter. Thank you.

With best regards,

**Andrea Ranger**  
*she/her/hers*  
Shareholder Advocate  
Green Century Capital Management, Inc.  
Green Century Funds  
114 State Street, Suite 200, Boston, MA 02109  
781-349-2813 (cell)  
617-482-0800 (office)  
[aranger@greencentury.com](mailto:aranger@greencentury.com)  
[www.greencentury.com](http://www.greencentury.com)

For updates on Green Century, please [register](#) for our newsletter or follow us on [Twitter](#) and [LinkedIn](#).

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