ON

Energy Efficient Innovations

Corporate Social Responsibility Report

ON Semiconductor

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A Letter from Our President and CEO — Keith Jackson
[G4: 102-14]

In the past year, ON Semiconductor was named as one of the World's Most Ethical Companies® for the fourth year in a row, joined Forbes Fortune 500 as well as Fortune's 100 Fastest Growing Companies list, invested in new segments and placed significant emphasis on reviewing how our beliefs, assumptions, values and behaviors align with our goals of future growth and a thriving work environment for our employees.

We remain steadfast in our belief that as the technology industries around us become more competitive, we will continue to place corporate social responsibility at the forefront of how we conduct our business. With continued growth in scale, technology and talent, we have prioritized our commitment to engineering a better tomorrow through our actions today. Being a member of the Responsible Business Alliance (RBA) and signatory of the United Nations Global Compact, we have pledged to adhere to an industry code (RBA Code of Conduct) and international principles that promote labor and human rights, ethics, and environmental, health and safety standards. As corporate social responsibility further embeds itself into our culture, we will continue to encourage our employees to practice good corporate citizenship and set exceptionally high standards for ourselves, our products and our partners. As a testament of our commitment to transparency, we have published our 2018 Corporate Social Responsibility Report in accordance with the comprehensive version of the Global Reporting Initiative (GRI).

As part of our dedication to corporate social responsibility, our organization prioritizes assisting communities in areas of disaster relief, health services and science, technology, arts, engineering and mathematics (STEAM) education. Through our community initiatives, we aim to create a relationship of mutual trust and respect between the company and the local communities in which we operate. The results of our community outreach programs have led to a more engaged workforce, greener communities, swift disaster relief efforts as well as increased and more equitable access to education, health care services and basic human necessities. By working closely with associations, industry standards organizations and government entities such as ENERGY STAR®, the China National Institute of Standardization, and the European Energy Using Products (EuP) Directive, we continue to demonstrate our commitment to the development of innovative, energy efficient solutions to support a variety of end-markets. We are dedicated to adhering to the increasing number of laws and regulations such as RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation and Authorization of Chemicals) within our own manufacturing process as well as those of our suppliers'.

Tied to this, we have an in-house team dedicated to sustainability excellence that continually invests in engineering and administrative controls to prevent unnecessary environmental pollution. Within our efforts, we are actively reducing our Scope 1 and 2 emissions, minimizing our consumption of energy, saving water and reducing chemical usage and waste generation. Our company also encourages employees to consider various commuting options such as vanpooling, carpooling, bus or rail travel and bicycle use. Many of our global sites offer employee trip reduction plans and monthly subsidies depending on location and local regulatory trip reduction requirements. Additional sustainability achievements include the following:

- Since 2016, we have seen a company-wide reduction in normalized energy consumption by 16.8 percent at our wafer fabrication operations and 9.7 percent at our assembly and test operations
- Our Phoenix, Arizona office has prevented roughly 9 tons of pollution annually through our vanpool program
- Our manufacturing site in Cebu, Philippines has conserved 35,000 kilowatt hours of energy through their compressor and vacuum systems; this has equated to approximately $77,000 USD in savings

- Since 2016, our normalized water consumption has decreased by 17.3 percent at our wafer fabrication operations and 10.5 percent at our assembly and test operations
- In 2018, the amount of total waste, hazardous and non-hazardous material from manufacturing and non-manufacturing sites that we reused and recycled globally through our operations was 14,284,368 kilograms, while waste directed to landfill was 5,875,919 kilograms

In conjunction with reducing our waste, we have integrated the process of climate change into our business operations and strategy. 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 through products such as solar inverters, efficient motors for fans, electric vehicles, power conservation and the movement from coal to electricity. Our enterprise risk management and business continuity programs also consider certain risks associated with climate change such as natural disasters and the associated impacts to our organization, the communities where we do business, our operations, employees and stakeholders, and strategic business objectives.

And finally, but most importantly, our people. We have long remained committed to diversity and inclusion, recognizing that our company is at its strongest when we effectively draw upon the wide variety of experiences, knowledge, culture, customs and backgrounds that all of our 36,000 employees possess. We believe our company's vision, values and culture afford opportunities for everyone to make a difference in building a successful global business. Our corporate social responsibility programs have grown from our core values and continue their climb as we create an innovative organization committed to positively impacting the places where we live and work, while competing in and contributing to the exciting growth of the semiconductor industry.

Regards,
Keith Jackson
President and CEO

REPORT OVERVIEW

[G4: 102-46, G4: 102-54, G4: 102-56]

Our 2018 Corporate Social Responsibility (CSR) Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: comprehensive option. The report further expands upon and provides updates to several topics covered in our previous report, which was published in June 2018. Some of the topics included are our business profile, responsible sourcing, governance and ethics, diversity and inclusion, learning and development, environmental sustainability and community involvement. The scope of the report includes our worldwide subsidiaries and joint ventures for which we have management control. Environmental data covers leased and owned internal manufacturing sites, which account for a majority of our environmental footprint worldwide. Data presented in this report covers the 2018 calendar year, while certain milestones highlighted have occurred in early 2019. Although we have not sought external assurance for the content of our 2018 CSR report, certain data included is subject to external review and all information provided is reviewed internally.

More information about our operations and financial statements is available in our **2018 Securities and Exchange Commission (SEC) Form 10-K and 2019 10-Q**.

ENGINEERING A BETTER TOMORROW

[G4: 102-16, G4: 102-18, G4: 205-1, G4: 412-1]

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

As a full member of the Responsible Business Alliance (RBA) and signatory of the United Nations (UN) Global Compact, we adhere to an industry code (RBA Code of Conduct) and international principles that promote labor and human rights, ethics and environmental, health and safety (EHS) standards. We recently formalized and launched a global human rights policy to reflect our commitment to preserving and protecting the rights of others as enshrined under the ten principles of the UN Global Compact as well as other international conventions and frameworks. Per our responsibilities as a RBA member, each of our manufacturing sites completes a RBA self-assessment questionnaire (SAQ) and undergoes either an internal RBA audit or RBA validated audit process (VAP) audit each year. The target SAQ score for each of our facilities is 85 percent or greater, indicating no-to-low risk. In 2018, 100 percent of our facilities met this target.

Corporate Social Responsibility

Supplier Engagement | CSR Audits | Conflict Minerals | Sustainability
RBA Initiatives and Compliance | Employee Volunteerism | Corporate Philanthropy | CSR Reporting and Assessments

2008 — Drafted first corporate social responsibility (CSR) statement of commitment

2009 — Joined the Responsible Business Alliance (RBA) as an Applicant Member and participated in the RBA validated audit process (VAP) workgroup

2010 —
- Became a full member of the RBA
- Documented CSR management systems
- Deployed supplier engagement program

2012 — Published first CSR report

2013 — Joined the RBA's Responsible Minerals Initiative (RMI)

2015 —
- Published first Global Reporting Initiative (GRI) report
- Formalized Anti-Human Trafficking Policy
- Deployed mandatory CSR training for all employees and Board of Directors

2016 — Launched Global Corporate Giving (GCG) Program

2017 —
- Launched paid Employee Volunteer Program (EVP) in North America

2018 —
- Launched Dollars-for-Doers program in North America
- Listed on Barron's 100 Most Sustainable Companies for the first time

2019 —
- Formalized Global Human Rights Policy
- Joined UN Global Compact
- Founding member of CSR Board
- Addition to Dow Jones Sustainability Index (North America) Index

Corporate Social Responsibility

Governance Structure

| President/CEO | Board of Directors, Corporate Governance & Nominating Committee |

CSR Organization

CSR Site Champions and Subject Matter Experts

CSR Steering Committee Composition

| Legal | Human Resources | Environmental Health and Safety | Global Supply Chain Operations |

Other Integral Departments and Groups

| Corporate Compliance and Ethics Program | Security |

Management Approach

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

Key Accomplishments

Supplier Due Diligence
As of December 31, 2018, 100% of the smelters we source from for 3TG were Responsible Minerals Assurance Process (RMAP) conformant.

RBA Initiatives and Compliance
In 2018, our facility in Nampa, Idaho received a full score and platinum level recognition in their initial RBA validated audit process (VAP) audit. We were invited by the RBA to share best practices at their annual conference related to RBA VAP audits due to our audit performance.

Social and Sustainability Investment Assessments
In 2018, we were added to the North America Dow Jones Sustainability Index and included on Barron's 100 Most Sustainable Companies list. We achieved the highest score of "1" under the ESG pillars of the Institutional Shareholder Services Assessment.

Corporate Philanthropy and Employee Volunteerism
We introduced a dollars-for-doers program for our employees in North America in 2018.

Leadership
We were one of the founding members of CSR Board, an organization dedicated to being good corporate citizens through making an impact globally with their sustainability and corporate social responsibility programs.

Human Rights
We formalized a global human rights policy and joined the UN Global Compact as a signatory.
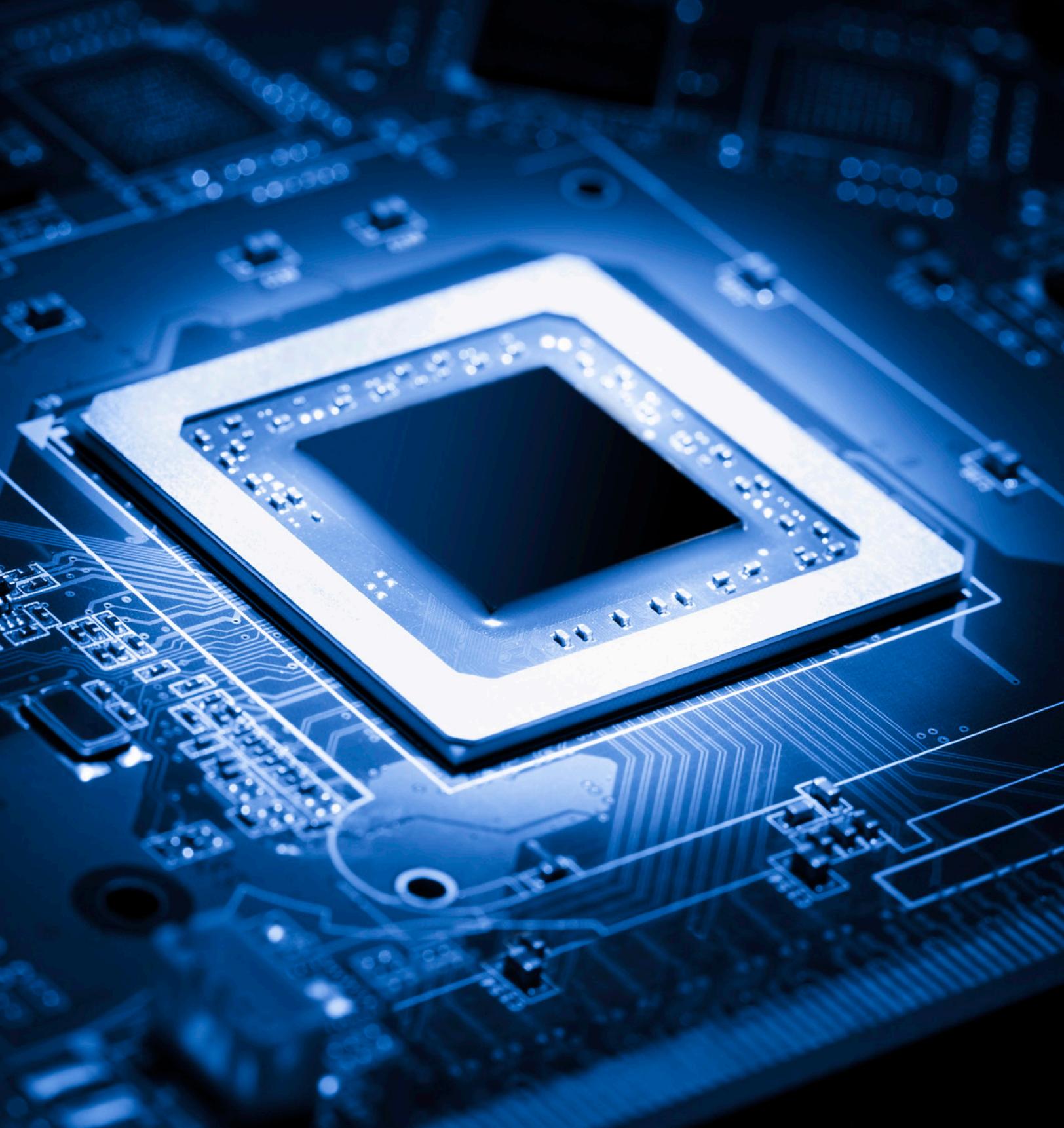
OUR BUSINESS

Our Business

Overview

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

To learn more about our ownership structure and legal proceedings, see our **2018 Securities and Exchange Commission (SEC) Form 10-K and 2019 10-Q**.

Mission, Vision and Culture

[G4: 102-16]

Mission

ON Semiconductor delivers high quality, energy efficient solutions to solve its customer's electronics design challenges with a world-class supply chain and ethical culture committed to global corporate social responsibility.

Vision

ON Semiconductor will be the trusted supplier of choice for energy efficient innovations.

Core Values

[G4: 102-16]

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

Respect

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

Integrity

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

Initiative

We value people who demonstrate a positive, "can-do" attitude, while collaborating to win. We work intelligently, with a sense of urgency, while always maintaining our commitment to comply with applicable laws, regulations and standards. If a problem exists, we see it through to rapid resolution while acting in an ethical manner. Each of us is expected to demonstrate these core values in our roles at ON Semiconductor. These values apply equally to us all – employees and directors alike.

**ourculture. ourpeople.
ourfuture.**

Our Culture

[G4: 102-16]

We recognize the importance and need to intentionally and continually evolve our culture to support our company's strategy and employees. As such, through our culture alignment work, we are actively reviewing whether our beliefs, assumptions, values and behaviors give us the competitive advantage needed for future growth. Tied to this review, we are working toward how to better foster an inclusive environment in which our employees can thrive and contribute their best. To determine the most effective plan, employees are participating and engaging in a variety of ways as we move through the culture alignment work. We are optimistic that this journey will only enhance the workplace experience for all employees and continue to strengthen our company.

Core Values and Corporate Social Responsibility Map

ON Semiconductor Core Values, Principles, and Programs

ON Semiconductor's operations are deeply rooted in the company's core values of respect, integrity and initiative as well as our guiding principle of being an excellent corporate citizen. See how our standards, programs and policies are connected to our core values and principles.

☐ ON Semiconductor Areas of Focus, Standards, Policies and Programs
- - - Interrelated areas

Respect
We treat each other with dignity and respect. We share information and encourage divergent viewpoints 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 by placing the success of the company above individual interests.

Integrity
We say what we mean and are accountable for delivering our commitments on time. We address issues in an objective, fact-based and constructive fashion without fear of reprisal. When a decision has been made, we all execute to support it. We comply with all legal requirements and hold ourselves to the highest standards of ethical conduct.

Initiative
We take informed risks while making data-based decisions. If a problem exists, we are individually responsible to see it through to rapid resolution. We value people who demonstrate a positive, "can-do" attitude, while collaborating to win. We work smart and with a sense of urgency.

Corporate Citizenship
At ON Semiconductor, we believe that being an effective and well-respected corporation means being a responsible corporate citizen.

Governance
Code of Business Conduct
Corporate Compliance and Ethics Program
Monitoring and oversight
Board independence
Ethics hotline
Investor relations
Anti-corruption
Data privacy
Customer privacy
Legal compliance

Environmental Stewardship
Environmental reporting
Carbon emissions
Electricity consumption
Waste management
Reclaim and recycle
Water management
Chemical consumption and disposal
Grievance mechanisms
RoHS
REACH
ISO 14001

Financial strength
Tax management strategy
Cash management
Financial reporting

Employee well-being
Anti-discrimination/Anti-harassment
Health, wellness and safety
Compensation and benefits
Training and development
Leadership and Diversity Council
Freely chosen labor
Working hour standards
Employee Activity Committees
Freedom of association
Employee engagement
Performance review
OHSAS 18001

Product Solutions
Innovation
Solving design challenges
Energy efficient products
Quality and reliability: Road to Zero Defects
Customer satisfaction
Branding and marketing

Public Policy
Advocacy
Organization memberships
Trade policy

Strategic Planning
Enterprise Risk Management
Business Continuity, Crisis Management & Disaster Recovery
Product Line Business Plans
Executive strategy session
Reliable supply chain

Corporate Social Responsibility
Corporate Social Responsibility management system
RBA Code of Conduct
Responsible sourcing
Sustainability reporting
Conflict minerals and rare earth minerals policy
Supplier self-assessment questionnaires, training, audits and corrective action plans
Anti-trafficking policy
No child labor

Community Outreach
Volunteerism
Global Corporate Giving
Education
Disaster relief
Health
Human services
Environment

Stakeholders
Employees
Suppliers
Customers
Government
NGOs
Investors
Communities
Non-Profits

Mergers and Acquisitions

In our highly competitive industry, we remain agile and strategic in order to meet business and market needs. Since our spin off from Motorola in 1999, we have proudly incorporated best practices and leaders from all of our acquisitions. Since announcing our agreement with Fujitsu Semiconductor Limited in October 2017, we have purchased 60 percent ownership of the Fujitsu 8-inch wafer fab in Aizu-Wakamatsu. In 2018, we also announced the acquisition of SensL Technologies Ltd. (SensL), a technology leader specializing in Silicon Photomultipliers (SiPM), Single Photon Avalanche Diode (SPAD) and LiDAR sensing products for automotive, medical, industrial and consumer markets. In 2019, we entered into definitive agreements to acquire **Quantenna Communications, Inc.** and a **300mm GlobalFoundries fab located in East Fishkill, New York**.

ON Semiconductor Through the Years

Corporate Social Responsibility Report
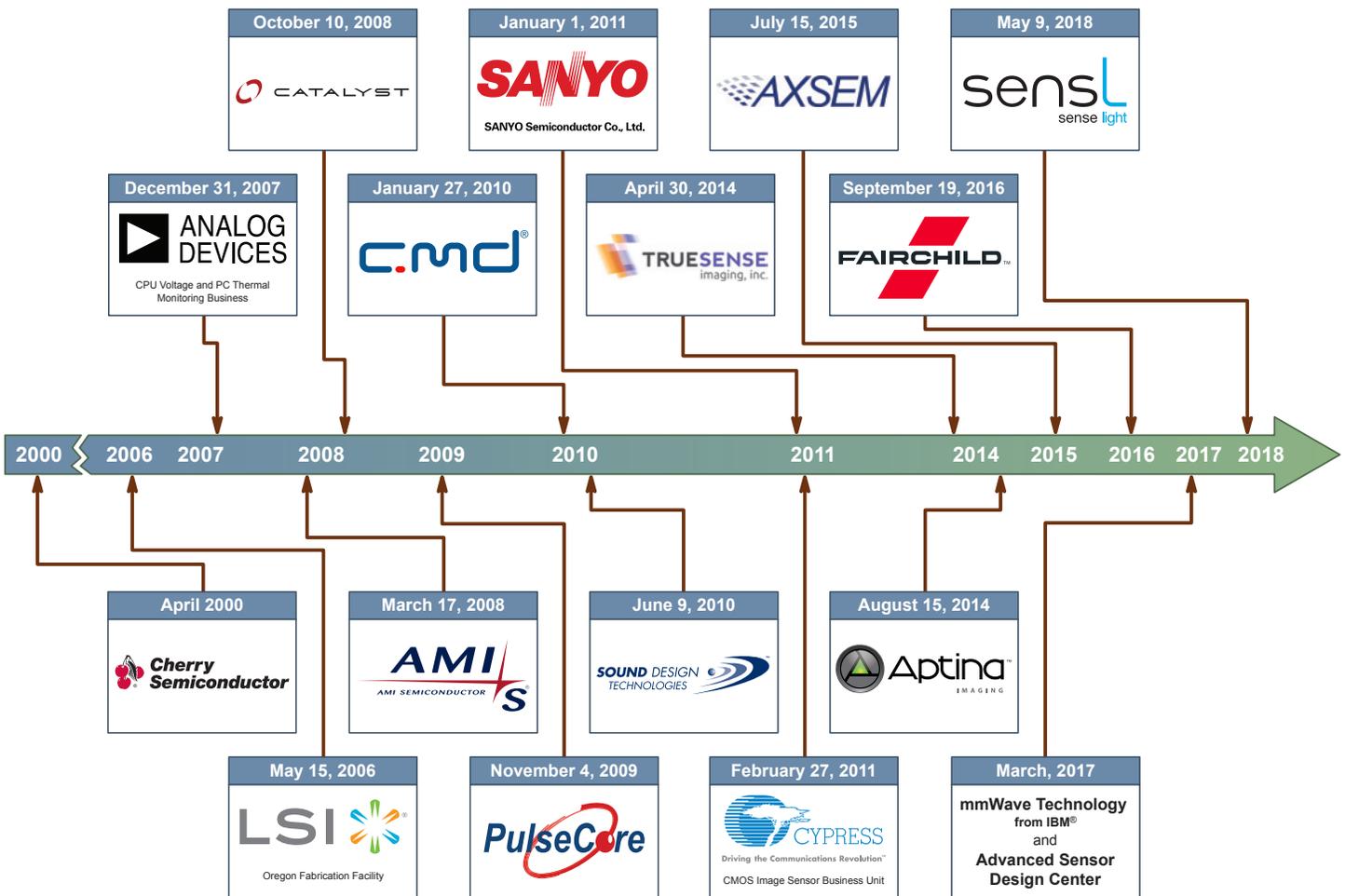
Worldwide Locations

Manufacturing Locations:

Belgium, Canada, China, Czech Republic, Japan, Malaysia, Philippines, South Korea, the United States, and Vietnam

Design Center Locations:

Belgium, Canada, Czech Republic, France, Germany, Great Britain, India, Ireland, Israel, Japan, South Korea, Philippines, Romania, Slovak Republic, Sweden, Switzerland, Taiwan, and the United States

Solution Engineering Center Locations:

China, Germany, Japan, South Korea, Taiwan, and the United States

Brand

[G4: 102-7]

Empowering Design Engineers to Reduce Global Energy Use

We have established ourselves as a market leader in high efficiency power solutions for automotive, high performance power conversion, industrial, wired and wireless communications and computing applications. By working closely with associations, industry standards organizations, and government entities such as ENERGY STAR®, the China National Institute of Standardization and the European Energy Using Products (EuP) Directive, we continue to demonstrate our commitment to the development of innovative energy efficient solutions to support a variety of end-markets. To help reduce new product development costs, speed up time-to-market for our customers and support the design of energy efficient electronics, we provide online Power Supply WebDesigner™ tools and GreenPoint® reference designs for a range of applications that meet or exceed global energy efficiency standards. We offer innovative products that enable more efficient power supplies through improved power factor, enhanced active-mode efficiency and reduced standby-mode power consumption.

Helping Customers Solve their Unique Design Challenges

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

Operating a World-Class Supply Chain and Quality Program

We operate a flexible, reliable, responsive supply chain that supports complex manufacturing networks and dynamic global market conditions. This includes multiple manufacturing and logistics sites located near our customers to ensure supply continuity. During 2018, the company shipped more than 75.7 billion units through our global logistics network,compared to 72.8 billion units in 2017. Our company's approximately 36,000 employees around the world are collaborating with customers, distribution partners and vendors to develop not only more efficient silicon solutions, but also more efficient ways of doing business.

Customers

[G4: 102-6]

Our customers can be categorized into original equipment manufacturers (OEMs), distributors and electronic manufacturing service providers. We focus on three types of OEMs: multi-nationals, selected regional accounts, and target market customers. Large multi-nationals and selected regional accounts, which are significant in specific markets, are our core OEMs. Distributors account for approximately 60 percent of our revenues in 2018 and typically resell to mid-sized and smaller OEMs and to electronic manufacturing service providers and other companies. These customers typically provide manufacturing services to OEMs.

Revenue by Type of Customers

6%
34%
60%

- OEMs
- Distributors
- Electronic Manufacturing Service Providers

2018 Revenue: $5,878 Million
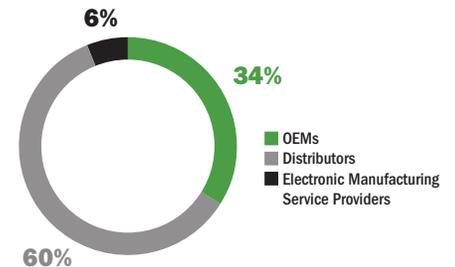
Financial Strength

[G4: 102-6 – G4: 102-7, G4: 201-1]

We demonstrate financial strength and efficiency through strong cash flow, a stable revenue stream and balanced geographic and end-market exposure. We believe that our company's strong financial performance and effective use of resources will continue to provide opportunities for future growth.

Revenue by Market

Automotive	Consumer	Computing	Communications & Networking	Industrial, Aerospace & Defense, Medical
• Autonomous vehicles • Vehicle electrification • Body electronics and lighting • Vehicle communication & power management	• Drones and sports cameras • Flat screen TVs, STBs & game consoles • Wearables • White goods • USB Type-C	• Notebooks, ultrabooks & 2-in-1s • Desktops, PCs, & All-in-ones • Servers, workstations & cloud • Power supplies, graphics & HDDs • USB Type-C	• Smart phones & tablets • Switches, routers & base stations • Wireless & fast charging	• Internet of things, smart building & smart cities • Monitoring, surveillance and security systems • Cockpit displays, guidance systems, and IR imaging • Hearing, imaging, diagnostics, therapy & monitoring systems
31%	**13%**	**11%**	**18%**	**27%**

Data presented is as of December 31, 2018.

Revenue by Region

10.6%
16.1%
14.7%
33.3%
25.3%

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

Revenue by Group

13.1%
35.2%
51.7%
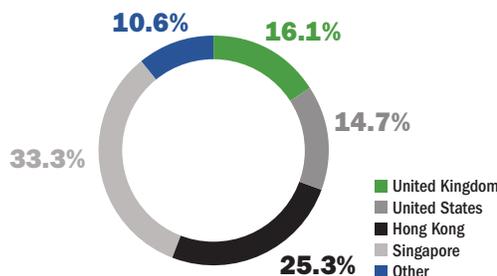
- Analog Solutions Group
- Power Solutions Group
- Intelligent Sensing Group
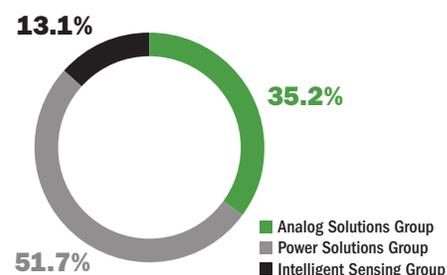
How Our Products Make a Difference in the Community

As a global company with approximately 70 sites worldwide and over 29,000 products, we are proud to showcase our accomplishments in enhancing our global community. We have components in medical devices, fitness trackers and smartwatches, autonomous vehicles, electric vehicles, charging stations, and solar inverters, some of which are capable of replacing 70 coal-fired power plants – an accomplishment for which we can all be proud!
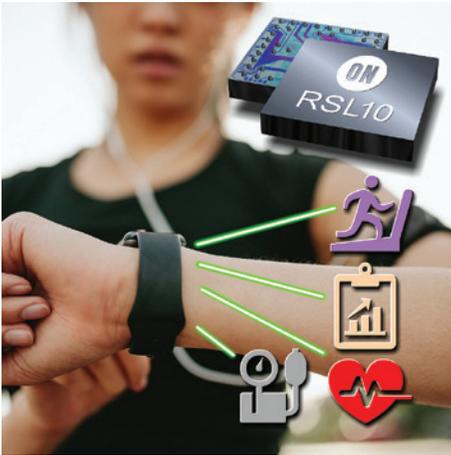
Our company divides our products into three main groups: power solutions, analog solutions and intelligent sensing, allowing our products to be well diversified and balanced. It is likely you have used one of our products today without even realizing it. If you have talked on a phone, driven an electric vehicle, have solar panels on you roof, used Bluetooth for music or are reading this report from a digital device, you have likely crossed paths with an ON Semiconductor product. As the Internet of Things (IoT) and cloud computing continue to grow, so will our presence in making our community more connected.
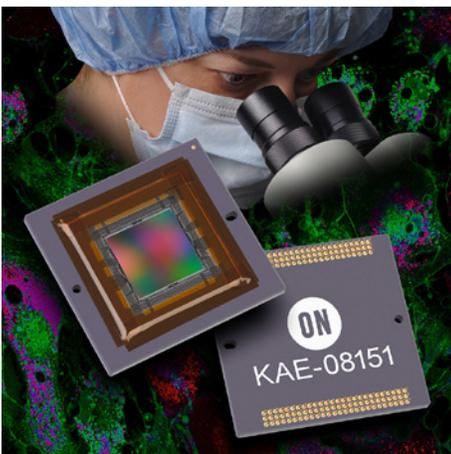
Quality and Reliability

We have demonstrated our commitment to live by stringent, internationally-accepted requirements for reliability and quality. Showing our commitment to do this, we launched our Road to Zero Defects initiative several years ago to eliminate quality excursions, improve 8D responsiveness, lower our parts per billion (ppb) defect rate and enhance our quality standards. We recognize that incorporating these objectives in our service offerings, processes and products will enable us to use our quality and reliability as the fuel for growth of the corporation. Ultimately, we are committed to maintaining a distinctive, world-class quality system, which transcends international quality standards and aims to exceed customer expectations. For more information, please see our **Quality and Reliability Handbook**.

Culture of Quality

The key drivers embedded in our company's focus on quality include employee ownership, leadership emphasis, message credibility and peer involvement. Every other year, we administer a survey through Gartner® to measure employee understanding of our quality initiatives and gain insights on employee perception of our quality program. The culture of quality survey results in 2016 placed us at the top of the second quintile as measured against other companies. In 2018, we improved our culture of quality index ranking to the middle of the first quintile with approximately 80% of our employees responding to the survey. These results reflect improvement in employees' perception of our quality performance over the last year due to our increased focus on reinforcing our quality culture and the positive results of our Road to Zero Defects projects.

Enterprise Risk Management
[G4: 102-11, G4: 102-30]

Overview

The goal of our Enterprise Risk Management (ERM) program is to systematically, consistently and effectively identify, evaluate, prioritize and manage key opportunities and risks affecting our company. Our ERM program strives to develop a risk-aware culture across our company and drive effective efforts to mitigate top priority risks, thereby enhancing the likelihood of achieving strategic objectives while increasing the protection of our assets. The program includes distinct efforts to address both nearer-term existing risks, as well as longer-term emerging risks.

Through our ERM discipline, we categorize and assess risks across the following groupings:

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

Management Approach

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

Responsible Sourcing

[G4: 102-9 – G4: 102-10, G4: 204-1, G4: 308-2, G4: 414-2]

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 2018, we worked with over 10,000 suppliers and service providers in North America, Asia Pacific, Europe and the Middle East; of those suppliers, approximately 7,000 were production-related. The following graphic shows what percentage of our manufacturing sites' 2018 procurement budgets were spent on suppliers local to the site's region.

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

| Region	2016	2017	2018
Asia-Pacific	91	90	90
EMEA	82	77	78
North America	94	92	89
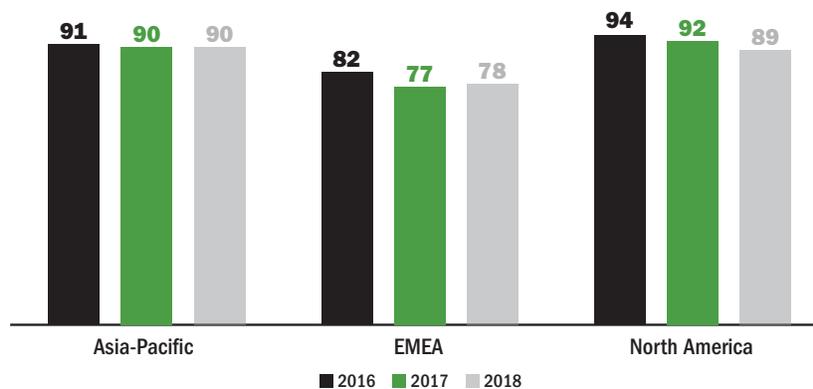
We expect our suppliers and on-site service providers to follow the same CSR tenets that we have set for our own operations through our Code of Business Conduct and the RBA Code of Conduct. We engage our suppliers in regular cycles by clearly communicating our expectations, deploying risk assessments, providing training opportunities for capacity building, conducting verification audits and addressing any non-conformance. During our last supplier engagement cycle in 2017, major suppliers signed their statement of conformance agreements to our Code of Business Conduct and the RBA Code of Conduct. In 2018, our major suppliers were notified of changes to the RBA Code, version 6.0.

Supplier Communication

Major suppliers and select service providers are required to provide written acknowledgement to ON Semiconductor's Code of Business Conduct and RBA Code of Conduct

We communicate CSR requirements, including the RBA Code of Conduct through the Supplier Handbook, Purchase Orders and/or Service Agreements.

Supplier Acknowledgement

Risk Assessment

Suppliers deemed risky are offered complimentary online training on the RBA Code of Conduct to build capacity and foster improvement.

Major suppliers based on spend and select service providers are required to complete a risk assessment covering the RBA Code of Conduct.

Training

Audits

We work closely with our suppliers to correct any non-conformances discovered during audits.

Suppliers deemed risky are audited against the RBA Code of Conduct.

Corrective Actions

Human Rights Due Diligence in Our Supply Chain

As a purchaser of products containing the metals tin, tantalum, tungsten or gold (conflict minerals) from suppliers for use in our manufacturing process, we continue to be concerned about the reports of violence and human rights violations resulting from the sourcing of such metals from the Democratic Republic of the Congo (DRC) and adjoining countries. We do not desire to eliminate those originating in the DRC and adjoining countries; however, we are committed to ensuring the conflict free sourcing of minerals from our supply chain through collaboration with our suppliers and the RBA through the Responsible Minerals Initiative (RMI) (formerly known as the Conflict Free Sourcing Initiative – CFSI). By using the Organisation for Economic Co-operation and Development (OECD) framework and participating in responsibility initiatives, we have established a conflict minerals policy and related due diligence process to ensure that minerals are not sourced from entities supporting armed conflict within the DRC and adjoining countries. In 2018, the OECD Guidance Annex II expanded conflict minerals to include minerals with child labor or women abuse issues as well. Of the three new additions of cobalt, graphite and mica, only cobalt is in our supply chain. Although it is low impact at this time, we are monitoring our suppliers just as we do for the conflict minerals.

Identify

Request information on smelters and refiners using standard due diligence process from suppliers

Identify all key suppliers with 3TG minerals minerals (tin, tantalum, tungsten and gold) and cobalt in their products

Access Information

Risk Assessment

Use Reasonable Country of Origin Inquiry (RCOI) report from RMI for third party audit of smelter and refiners related to 3TG

Conduct supply chain risk assessment of 3TG and cobalt and request for removal or replacement of smelters that are non-conformant as per Responsible Minerals Assurance Program (RMAP)

Audits

Disclosure

File annual SEC report and publish Annual Conflict Minerals Report for 3TG

In 2015, we achieved our road to zero unknown smelters. This means we are aware of and can trace the origin of the metals throughout our supply chain. We hold our smelters 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. However, supplier conformance and the incorporation of new requirements are an on-going process and such require continued review and updates within our records. If we become aware that our supply chain includes uncertified minerals sourced from a conflict region, we act promptly to review the circumstances and remedy the situation as appropriate.

Please see our latest **SEC form SD** for more information.

Recognition

Our Company

Fortune: Rank #492

Fortune 500: America's Biggest Companies

Fortune: Rank #13

Forbes Digital 100 — 2018

Fortune: Rank #63

100 Fastest Growing Companies

WME: 4 Consecutive Years

**Dow Jones North America Sustainability Index: 1st Year**

Our Products

Editor's Choice Award

China Electronic Market Magazine
LC717A3OUJ Proximity Sensor

Editor's Choice Award

Consumer Electronics Show (CES) 2018
AR0430 complementary metal-oxide
semiconductor (CMOS digital image sensor)
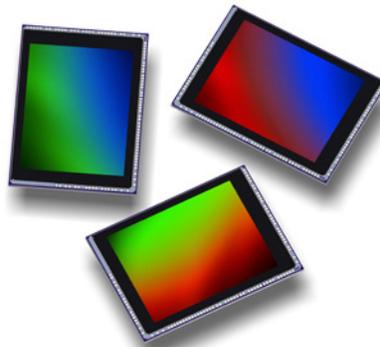
Top 10 Power Product

Electronic Products China & 21ic.com
NCP1568 Active Clamp Flyback Controller

OUR PRINCIPLES

Our Governance and Ethics

Governance Overview

[G4: 102-18, G4: 405-1]

All business conducted at our company by employees, managers and officers is under the direction of the CEO and the oversight of the board of directors. The board has at least four scheduled meetings annually at which 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

Governance Practices	
Total board size	10
Independent directors	Nine
Women on the board	Two
Age limit	75 years old
Board breakdown by age and gender	Gender: Female – 2; Male – 8 Age: 53, 56, 57, 61, 63, 63, 63, 65, 70, 71
Number of board meetings annually	
• Audit committee	Quarterly at minimum and additional meetings as deemed appropriate
• Compensation committee	Twice per year at minimum and additional meetings as deemed appropriate
• Corporate governance and nominating committee	Twice per year at minimum and additional meetings as deemed appropriate
• Executive committee	As deemed appropriate
• Integration oversight committee	As deemed appropriate
• Science and technology committee	Twice per year at minimum and additional meetings as deemed appropriate
Taxes paid to government	See 2018 SEC Form 10-K

Corporate Compliance and Ethics Program

[G4: 102-16 – G4: 102-17]

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

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

The CCEP provides 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 program is structured to comply with, among other laws and regulations, the requirements of the **Sarbanes-Oxley Act of 2002**, the F**oreign 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.

Program Mission

The CCEP strives to go beyond meeting the legal and regulatory standards in the countries where we operate and instead aims to implement ethics principles into everyday business operations by providing relevant training, 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.

Management Approach

The chief compliance and ethics officer (CCEO) is responsible for administering and executing the CCEP, including the Code and related policies and procedures, risk assessments, monitoring and auditing, investigations into potential business misconduct, employee education and awareness and continual program improvements.

The CCEO is supported by a cross-organizational CCEP Committee, a CCEP office comprising three full-time employees, six assistant compliance and ethics officers, and a growing network of compliance and ethics liaisons (CELs) located throughout our worldwide locations.

The audit committee of the board oversees and regularly reviews the company's CCEP activities and trends. The CCEO and his team provide a quarterly update to the audit committee, and as necessary the full board of directors, on individual incidents and the overall operation of the program.

Ethics is a top-down and a 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 compliance and ethics expectations and holding our managers accountable for delivering on those expectations. Our team members are empowered and encouraged to report potential concerns and to recognize extraordinary commitments to our core values.

Compliance and Ethics
Governance Structure

President/CEO	Board of Directors, Audit Committee

Chief Compliance and Ethics Officer

Corporate Compliance and Ethics Program Committee

Corporate Compliance and Ethics Program Office	Assistant Compliance and Ethics Officers

Global Compliance and Ethics Liaison Network

Other Integral Resources and Departments

Global Security	Enterprise Risk Management	Internal Audit

Human Resources	Corporate Social Responsibility

What it Means to be a Compliance and Ethics Liaison (CEL)

In 2018, we added new CELs across the world, coinciding with our continued growth as a company and reflecting the CCEP's commitment to assuring an ethical culture throughout our global operations.

CELs are employees of all job functions and grade levels in the company who serve as ambassadors of the CCEP. In their role, CELs provide assistance by:

- Helping strengthen our company's ethical foundation
- Inspiring trust in the CCEP and motivating others to speak up
- Promoting a culture of integrity by serving as trusted advisors to their peers

We have 45 CELs at our sites globally

Through quarterly calls, CELs get the chance to review case studies, share best practices, receive training and discuss trends in the compliance and ethics field. In addition, the CCEP office holds an annual conference where all contributors to the CCEP function, including CCEP committee members and CELs, come together to gain new skills, enhance their compliance and ethics acumen and discuss ways to improve the program. These events help keep the program focused and help assure program consistency across the globe and throughout the layers of our company.

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

Number of Incident Reports and Requests for Advice by Reporting Channel

	CCEO	Assistant CCEO	CEL	Hotline	Human resources	Security	Legal	Other
2016	10	1	61	24	11	12	8	9
2017	12	3	102	48	10	21	3	7
2018	15	5	156	50	11	27	1	28
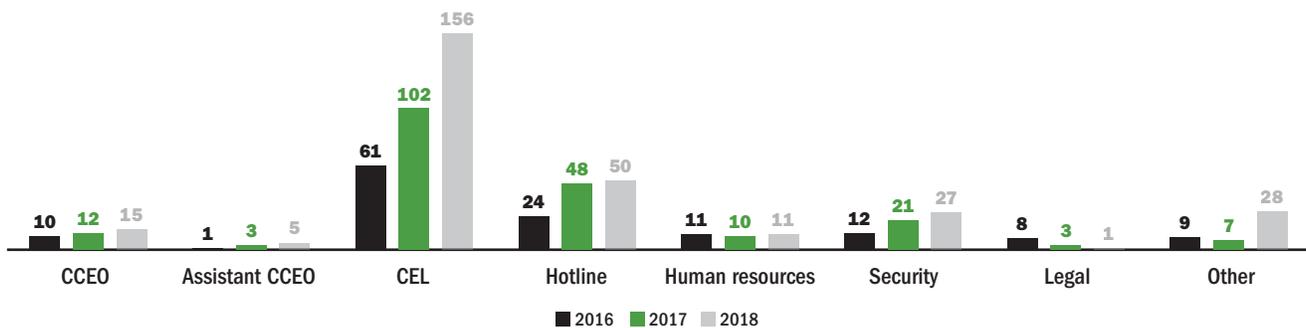
Ethics Hotline
U.S.: 1-844-211-7380
All other locations: Click on the link below for country-specific instructions
Online: hotline.onsemi.com

Program Trust

We believe employees' trust in the CCEP is best measured by their trust in our Non-Retaliation Policy. Employees who trust that reporting concerns will not affect them or their careers are more likely to speak up. We consider our maintenance of a speak-up culture a key performance indicator (KPI) for the success of the CCEP.

We published our Non-Retaliation Policy in 2015, formalizing our belief that it is to everyone's benefit to have an open and honest environment where employees are not afraid of voicing their concerns. The goal of this policy is to encourage and protect those who, in good faith, report an issue, seek guidance or participate in an investigation.

Total Number of Reports and Requests for Advice

	2016	2017	2018
Total Number of Incident Reports	101	157	216
Total Number of Requests for Advice	36	49	77
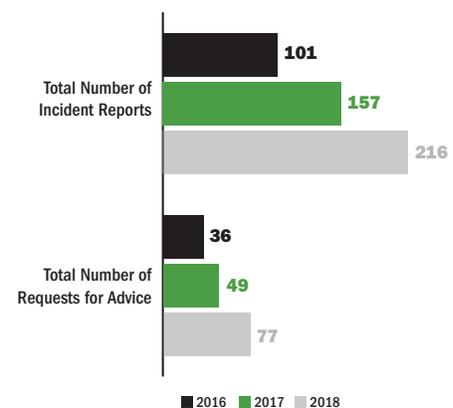
In the spirit of driving continuous improvement, the CCEP conducts a biennial survey dedicated to measuring employees' perception of ethics at our company. The 2017 results of this survey revealed that, within two years since the policy's launch, more than 87 percent of employees believe we follow and support our policy of non-retaliation against those who report actual or suspected misconduct in good faith.

Even more telling, over 84 percent of our employees believe their manager follows and supports our Non-Retaliation Policy.

Another indicator of trust is the utilization of the CCEP reporting channels. Employees have access to a number of reporting channels, including the ethics hotline, a network of 45 CELs and members of the CCEP office, and direct access to assistant compliance and ethics officers and the CCEO. An overwhelming majority of all inquiries (72 percent) sent to the CCEP are transmitted via a local CEL.

While survey results and reporting numbers are encouraging, it is our goal to continually improve the CCEP by refining existing policies, clarifying processes and delivering customized, effective training.

Reporter Anonymity Rate

	2016	2017	2018
Self-Identified Reporters	62%	61%	69%
Anonymous Reporters	38%	39%	31%
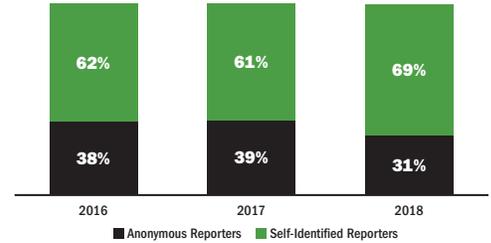
Substantiation Rate

	2016	2017	2018
Substantiated Reports	52%	65%	62%
Non-substantiated Reports	48%	35%	38%

Program Awareness

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

The CCEP office reviews the Code annually and every year we require the board of directors and all employees to read and acknowledge their understanding of the Code 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.

**2018
Top Corrective Actions**

✏️	**55%**	Education
🎛️	**20%**	Process Improvement
⚠️	**15%**	Formal Discipline
⚙️	**10%**	Other

Global Compliance, Ethics and CSR Week

Every year, we celebrate Global Compliance and Ethics Week, which coincides with The Society of Corporate Compliance and Ethics (SCCE) and the Health Care Compliance Association (HCCA) Corporate Compliance and Ethics Week. The event is an opportunity to highlight the importance of ethics and compliance in the workplace and build awareness in ways that reinforce not just specific rules and regulations, but an overall culture of compliance. In 2018, Global Compliance and Ethics Week focused on raising the awareness of personal relationships and conflicts of interest in the workplace. Additionally, we included topics related to CSR to highlight the advancements of both programs and reinforce what employees learn during the annual Code and CSR training. The week provides awareness, recognition and reinforcement of our corporate compliance and ethics and CSR programs, as well as location-specific learning activities and celebrations.

Privacy

In May 2018, the General Data Protection Regulation (GDPR) in the European Union took effect. To align our global processes with this new regulation, we appointed a chief privacy officer and undertook a thorough review of corporate policies and practices to assure compliance to the standard. Targeted privacy trainings were deployed globally to functional teams most directly impacted by the GDPR, including information technology, finance, human resources, procurement and legal. Additionally, all employees receive privacy awareness training to increase individual sensitivity to the importance of protecting private data. For more information on our privacy policy, please visit our **external website**.

Public Policy and Activities

We support public policies that encourage the innovation, investment and open markets necessary to advance our vision of driving energy efficient innovations that empower customers to reduce global energy use. Our public policy program reflects our profile as a global company headquartered in the United States, interacting 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, Chinese Taipei, Europe, Japan, Korea and the United States. The organization meets annually at the CEO level to make recommendations to governments and authorities on issues such as expanding the global market for information technology products by promoting fair competition, sound environmental and health and safety practices, intellectual property rights and open markets.

Among the public policies that we supported in 2018 were the following:

Open markets	In the spring of 2018, President Trump initiated a process that led to the imposition of 25 percent tariffs on $50 billion of imports from China including tariffs on discrete semiconductors in July and on integrated circuits in August. Throughout the process, we worked with our trade association to oppose the imposition of tariffs and, in the fall of 2018, partook in the process established by the U.S. Trade Representative and filed six applications to exempt certain semiconductors from these tariffs. Three of the applications submitted were rejected and three remain pending.
Workforce development	We worked with the SIA to support a U.S. government roundtable discussion on the need to develop a competitive workforce of talented individuals, including factory production workers, scientists, engineers and business managers who can work in a global, culturally diverse organization to design, manufacture and sell the most complex devices on the planet. The workshop explored the challenges of developing such a workforce and the federal policies that can help industry address the challenges.
Stopping counterfeit semiconductors	Counterfeit semiconductors are unreliable and can fail at any time. The semiconductor industry has found counterfeits in air bags, train braking systems and other applications where a failure can have serious health or safety consequences. In 2018, we assisted law enforcement to identify and seize counterfeit goods, and remove them from the marketplace.
Energy efficiency, fuel economy and automotive safety	We work as an ally member of American Council for an Energy-Efficient Economy (ACEEE), a thought leader on energy efficiency policies and programs. These policies are often related to "plug loads" such as LED lighting, variable speed motors in Heating/Ventilation/Air-Conditioning (HVAC), and smart buildings. "Energy efficiency" also includes transportation efficiency including fuel economy standards. Additionally, we are a member of Motor & Equipment Manufacturing Association (MEMA) which advocates for legislation and regulations related to fuel economy and automotive safety such as Advanced Driver Assistance Systems (ADAS) including automatic emergency braking, as well as policies to facilitate the introduction of autonomous vehicles.

Political Contributions

[G4: 415-1]

In the U.S., companies and other organizations may organize political action committees (PACs) to support political candidates with funds voluntarily contributed by qualified employees. We chose not to have a PAC and did not make any political contributions in our company's name in 2018.

OUR PEOPLE

Our People

Overview

[G4: 102-7, G4: 405-1]

Our global community of employees are based in locations around the world with major facilities in the U.S., Belgium, Canada, France, Ireland, Slovak Republic, Czech Republic, Japan, Korea, China, Malaysia, Vietnam and the Philippines. As of December 2018, we had approximately 36,000 employees operating globally.

Worldwide Workforce by Region

11% 13% 6% 70%

■ Americas ■ Asia (excluding Japan) ■ Japan ■ EMEA

Workforce by Gender

55% 45%

■ Female ■ Male
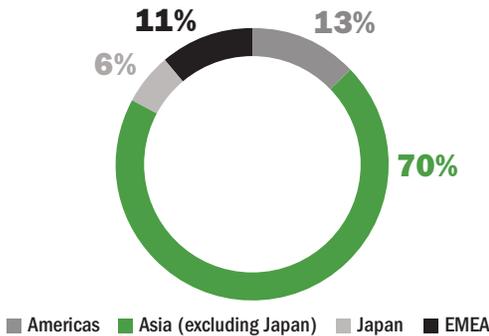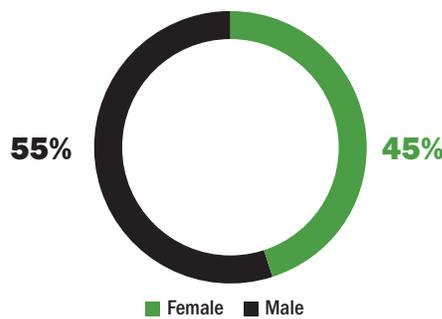
Management by Gender

20% 80%

■ Female ■ Male
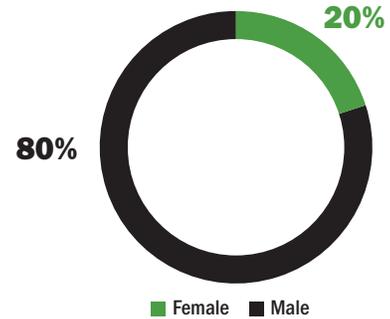
U.S. Workforce by Ethnicity

American Indian or Alaska Native	0.3%
Asian	17.2%
Black or African American	1.6%
Hispanic or Latino	4.6%
Native Hawaiian or other Pacific Islander	0.2%
Two or more races	1.9%
White	64.1%
Undeclared	10%

Commitment to Diversity and Inclusion

Overview

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

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

In 2018, our organization took a huge step in setting the tone and prioritizing diversity and inclusion with the addition of diversity metrics to our corporate bonus plan. We continued the process of benchmarking our internal perceptions of diversity and inclusion practices against other industry leaders and also partnered with National Business Research Institute (NBRI) on our first-ever pulse survey, which was taken by a sample of employees around the globe. We also participated as a presenter at the Association to Advance Collegiate Schools of Business (AACSB) D&I Summit on the topic, "Diversity and Inclusion at ON Semiconductor - Best Practices from a Fortune 500 Company".

### Diversity and Inclusion Framework, Vision and Mission

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

	Policies and Practices
	Development and Training
	Communication and Awareness
	Fill the Talent & Succession Pipeline
	Measure Success

In 2018, we outlined our strategy around diversity and inclusion by establishing our integrated plan in which no part of our company operates separately. The diversity and inclusion integrated plan is made up of five pillars: (1) policies and practices, (2) development and training, (3) fill the talent and succession pipeline, (4) communication and awareness and (5) measure success. To further our efforts, we resourced a full-time team to focus on fostering efforts on diversity and inclusion. With this initiative, global strategies and programs began incorporating diversity and inclusion into their succession planning process, and implementing criteria for diverse candidate pools and interview panels as part of our candidate recruitment process.

After initial piloting in 2017, we delivered the breakthrough leadership program in 2018, which focuses on advancing women at our company globally. We have also added diversity inclusion modules to our learning and development (L&D) offerings, along with online unconscious bias courses.

In 2018, we hosted meetings in Asia with site leadership on diversity and inclusion strategy, and workshops for emerging female leaders. In 2019, we plan to rollout similar meetings to Japan and EMEA regions.

Women's Leadership Initiative (WLI) group launched — **2014**

2015
• Diversity and Inclusion Council launched
• D&I Vision, Mission and Framework established

Affinity Network Groups (ANGs) launched — **2016**

2017
• Sr. Manager of Diversity & Inclusion hired
• D&I incorporated into succession planning process
• D&I training added to L&D leadership development model
• Mentorship program for Sr. Female Leaders

• Diversity metrics added to corporate bonus plan
• D&I Benchmarking –
   Integrated Plan (roadmap) established
• Diverse candidate pool and interview panel
• US pay equity assessment — **2018**

2019
• US paternal leave policy launched
• Formalized global human rights policy
• Conducted global pay equity assessment
• Diversity indexes

Management Approach

The Senior Leaders Diversity and Inclusion Council is a governing body that provides leadership, direction and support to make us a more diverse and inclusive company. Through the council, we continue to support our affinity network groups: Cultivate, Employee Activity Committee, STEM UP (science, technology, engineering and math for underrepresented populations) and Women's Leadership Initiative. These groups help facilitate networking, mentoring, cultural awareness, recruitment, employee development and retention, along with increased collaboration and innovation. Charters for all of the affinity network groups align seamlessly with our core values and diversity and inclusion framework.

Diversity and Inclusion
Governance Structure

President/CEO	Board of Directors
Diversity & Inclusion Organization	Diversity & Inclusion Council

Affinity Network Groups
Employee Activity Committee, Cultivate, STEM UP, Women's Leadership Initiative

Affinity Network Groups Key Highlights

	Mission	Key 2018 Highlights
Women's Leadership Initiative	Empower and support women to succeed through professional development in business, strategic and financial acumen.	• Hosted an event with a panel of female executives in operations and manufacturing from ON Semiconductor, Medtronic and NXP. • Launched quarterly financial acumen sessions with senior female leaders and held 17 women's leadership workshops in nine countries.
STEM UP	Develop and retain a diverse workforce that will positively affect our company's outcome with regard to innovation and performance. Our programs will be focused on retaining employees at ON Semiconductor and developing new talent in the local area for the underrepresented population. Our key focus areas are recruitment, retention and service leadership.	• Attended two regional conferences for the National Society of Black Engineers and national conferences for the Society of Hispanic Professional Engineers, IEEE Women in Engineering and Society of Women Engineers. • Increased the number of ambassadors to help new hires acclimate to our company by 83 percent. • Worked with local schools and nonprofits to serve and inspire children from under-represented populations including AZ Sci-Tech Council, Finger Lakes STEM HUB, SEMI Foundation, Future Stars, Inc. and Centennial Elementary School in Nampa, Idaho.
Cultivate	Unite a group of diverse generations who are committed to engaging in the workforce and enhancing our collaborative company culture. We are committed to understanding all generations in the workplace and connecting ON Semiconductor with the developing workforce community.	• Hosted several lunch and learns with topics such as "Managing a Multigenerational Team". • Held a community service project for Weekend Hunger Backpacks.
Employee Activity	Facilitate community service and employee engagement activities.	• Held several volunteer activities, an open house for families, Veterans Day celebration, holiday celebrations and several other events to strengthen employee engagement and morale.

Equal Opportunity Employment

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

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

Recruitment and Retention

[G4: 401-1]

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

Rate of New Hires

By Age

7%
35%
58%

■ <30 Years Old   ■ 30 – 50 Years Old   ■ Over 50 Years Old

By Gender

53%
47%

■ Female   ■ Male

By Region

10%
11%
11%
68%

■ Asia   ■ Japan   ■ Americas   ■ EMEA
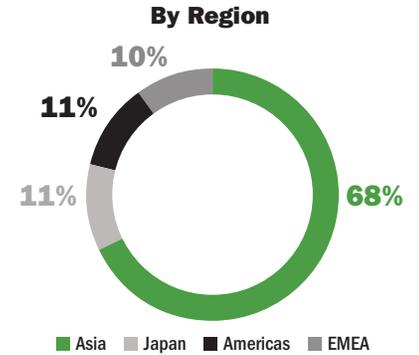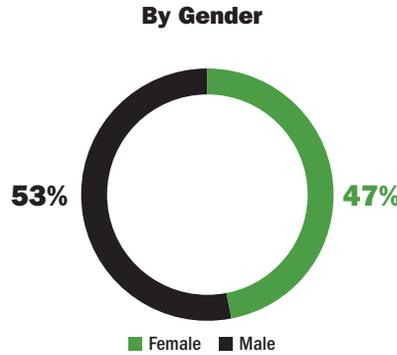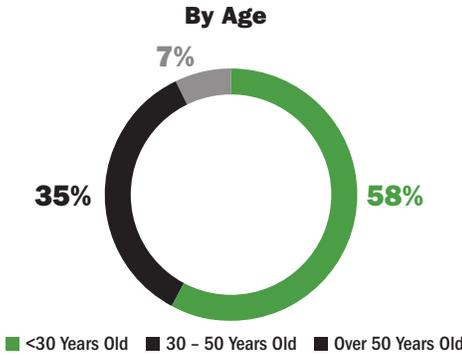
Internal Transfers and Promotions

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

Promotions Globally by Gender

64%
36%

■ Female   ■ Male
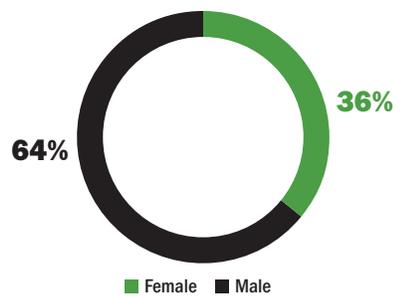
Transfers Globally by Gender

32%
68%

■ Female   ■ Male
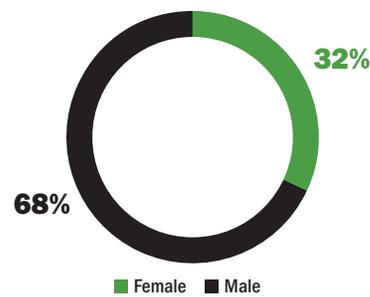
Learning and Development

[G4: 205-1, G4: 404-2, G4: 412-2]

Overview

As a company, we are committed to providing career advancement and development opportunities to our employees. Our learning and development (L&D) group's mission is to drive skill development and effectiveness of our global workforce through innovative learning solutions. The four focus areas of L&D at our company include career ladder, learning opportunities, employee skill building and compliance training. Corporate L&D oversees the learning function within our company from a strategic standpoint by supporting business units, departments and international partners in specialized content creation, oversight and vendor recommendations.

In an effort to provide a wider scope of leadership development opportunities, we have modernized our leadership development model. The new model framework features an array of courses specifically curated for leads, people managers and senior leaders. In addition to our variety of instructor-led training offerings, we have an array of online learning courses through Skillsoft Leadership Advantage, a program comprised of eight leadership topics including leading strategic ability, management, self-management, talent management, working with others, analytical skills and business acumen. In 2018, over 1,700 employees attended trainings in their local sites and office.

In 2018, we also issued a global rollout of SABA, a learning management system that allows our employees to stay current with training needs, including our compliance modules.

Compliance Training

Compliance training is required for new hires when they first join the company and for existing employees on an annual basis. The mandatory courses include code of business conduct, corporate social responsibility, information security awareness and prevention of discrimination and harassment. Every other year, we also require managers and other select individuals to complete additional compliance-related training courses such as anti-corruption. Our employees completed the anti-corruption stand-alone module during our 2017 annual compliance training campaign.

Course	Completion Rate
Code of Business Conduct	100 percent (Asia: 23,557; North America: 4,479; EMEA: 3,785)
Corporate Social Responsibility	100 percent (Asia: 23,547; North America: 4,479; EMEA: 3,782)
Information Security Awareness	100 percent (Asia: 23,540; North America: 4,480; EMEA: 3,784)
Prevention of Discrimination and Harassment	99 percent (Asia:24,456; North America: 4,255; EMEA: 3,727)

Education Reimbursement

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

Executive Roundtable Program

The Executive Roundtable Program was developed from the 2015 employee engagement survey feedback and is designed to support the corporate initiatives around communicating strategy and strengthening career development. This program recognizes and supports high performing employees by creating learning opportunities for employees and providing them with exposure to the executive team. In 2018, a mix of eight senior vice presidents and executives, including our chief operating officer, chief finance officer and chief information officer, met with 73 employees in eight different locations around the world as part of this program.

Lean Six Sigma

Our Lean Six Sigma (LSS) program uses a structured methodology to improve business processes by combining two approaches: Lean and Six Sigma. The program includes a five-step roadmap called DMAIC (define, measure, analyze, improve and control). When applied correctly, LSS improves quality, reduces cycle time, decreases cost and increases customer satisfaction. We deployed LSS companywide in early 2015 and have made significant system improvements compared to previous deployments. Improvements include:

67 Black Belts & 486 Green Belts have been certified globally and completed more than 300 projects

- Online tracking of LSS projects, project approval, candidates and certified belts
- Online exams
- Comprehensive training curriculum for all employees including manufacturing associates, indirect employees, managers and senior leaders
- Financial benefit tracking

Employee Engagement

On a biennial basis, our company conducts an employee engagement survey to measure our employees' perceptions of their jobs, the company and extent to which they feel supported. Understanding this information allows the company to have insight into our employees' perspectives, which are used to address potential improvement opportunities.

Overall Employee Engagement Perfomance by Year/Percentile

ON Semiconductor 2015	ON Semiconductor 2015	ON Semiconductor 2015	Industry Average 2018	Stretch Performance 2018	Best-in-Class 2018
63	66	69	50	75	90
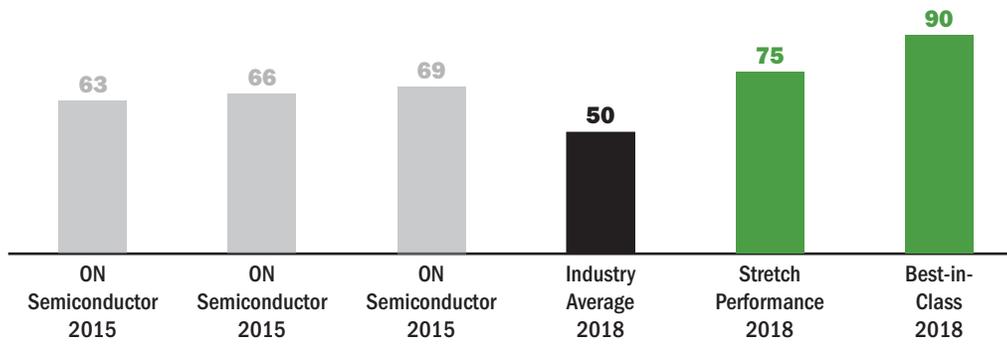
In addition to the biennial survey, we deployed our first pulse survey through the National Business Research Institute (NBRI) in October 2018. The pulse survey is an abbreviated engagement survey designed to measure progress and ensure we remain focused on critical employee feedback and input from the extended biennial 2017 engagement survey. Five-thousand employees from across the company were selected randomly and invited to complete the survey; of those invited, 3,150 (63 percent) employees participated. Additionally, we achieved an overall engagement score of 69 percent, exceeding our 2017 biennial score of 65 percent. Since the pulse survey is intended to be a check-in event, the results were reviewed to ensure alignment with the 2017 action plan progress. As such, formal and in depth post-action activities are reserved for the biennial survey.

Performance Management and Employee Recognition
[G4: 404-3]

We strongly believe that setting clear performance expectations and goals lead to an overall improvement in business performance. We encourage our managers to use a fair performance management process by setting clear expectations, delivering regular feedback, identifying career paths and development opportunities, properly evaluating performance and linking it to compensation clearly, and recognizing and rewarding top performers. In 2018, all of our employees received a performance appraisal.

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

Employee Benefits
[G4: 201-3]

We recently introduced a paid parental leave of absence to eligible employees in the U.S. The Paid Parental Leave of Absence Policy offers eligible employees up to four weeks of time off at 100 percent of their regular base pay. This policy runs concurrently with the Family Medical Leave Act and any state or other leave laws providing job protection to new parents. To learn more about benefits offered by our company to our employees globally, see our **regional benefits summaries** online and **2018 SEC Form 10-K**.

Human Rights

We recently formalized our commitment to preserving, protecting and promoting the fundamental rights of others as reflected in the **Responsible Business Alliance (RBA) Code of Conduct**, **Universal Declaration of Human Rights**, **United Nations (UN) Guiding Principles on Business and Human Rights**, and **UN Global Compact** to which we are a signatory. Our commitment to international human rights standards and local laws are rooted in our core values and reinforced through our **Code of Business Conduct** and other company policies. For more details on our human rights policy, please visit our **external website**.

Health and Safety

[G4: 403-1 – G4: 403-5, G4: 403-7 – G4: 403-8]

Overview

Our health and safety programs are based on our company's **environmental, occupational health and safety policy** and are a priority at each of our sites. Establishing a healthy and safe environment allows our employees to come to work each day without fear of injury or illness and is vital to the quality of life of our employees and the success of our business.

Management Approach

Our environmental, health and safety (EHS) management system ensures that EHS issues are identified, corrected and communicated to management and corrected in both manufacturing and non-manufacturing situations. Our non-manufacturing sites follow our internal procedures and local regulations related to health and safety, while our manufacturing sites conform to Occupational Health and Safety Assessment Series (OHSAS) 18001 specifications. In 2014, we implemented an external audit and certification to OHSAS 18001 and self-declaration of conformance by corporate audits and quarterly reviews. In total, approximately 83 percent of our workforce is covered by the OHSAS management system, which has been verified through internal audits. Approximately 80 percent of our workforce is covered by the same management system and has also undergone external certification.

Safety Standards and Programs

Our safety standards are applicable to all facilities globally and allow us to continuously maintain and improve health and safety work areas. Procedures regarding emergency preparedness, hazardous materials, industrial hygiene and health resources, and safety are standardized throughout our company and information is shared with all sites to promote a transparent and reliable culture that further mitigates health and safety risk. All employees receive new hire safety training and many receive special safety training depending on his or her area of responsibility and associated risks.

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

In 2015, we launched our safety culture transformational program and have since seen improvements in our performance. Daily workplace safety inspections are performed by employees at their areas to make sure that there is no unsafe condition present. Our employees report unsafe conditions and acts in order to prevent near misses or more serious incidents. Employees are also encouraged and trained to stop their work or work of others if an unsafe condition and/or act is observed. Managers of 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. Additionally, we have also implemented a peer to peer job safety review program in all of our factories so that employees can provide effective feedback to one another unsafe habits, acts or conditions.

Within our safety culture program, there are five levels with one being the lowest and five the highest. Each level has criteria that is required to be met in order to progress from one level to the next. In 2015, each of our manufacturing sites started at level one. In 2018, most of our sites achieved a verified level two or three performance, with a few sites achieving level four; opportunities for improvement continue to be identified to improve our safety culture in 2019.

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

Health and Wellness
[G4: 403-3, G4: 403-6]

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

Physical health	We offer programs focused on nutrition, weight loss, physical fitness and the avoidance of unhealthy habits like smoking, drinking and drug use. Several of our sites offer subsidized gym membership plans, access to fitness classes and/or on-site gym facilities.
Medical health	Some of our sites have employed occupational health resource specialists while others have in-house clinics. We also contract doctors in certain locations who provide services for employees. We offer comprehensive health insurance plans and many of our sites also organize annual physicals and preventative health screenings. We abide by the European Union General Data Protection Regulation (GDPR) to protect privacy of all employees.
Emotional/Mental	Employees at many of our sites globally have implemented employee assistance programs where individuals can consult with specialists as a first line of support for mental wellbeing issues.

On-Site Basketball Court in Cebu, Philippines

On-Site Dental Clinic in Carmona, Philippines
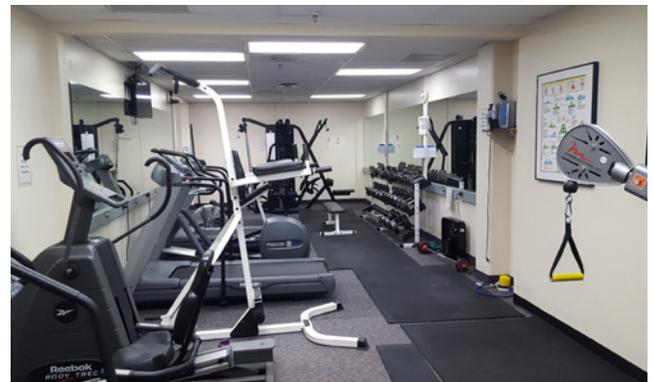
On-Site Gymnasium in Pacatello, Idaho, USA

OUR PLANET

Our Planet

Overview

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

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

Management Approach

Our approach to environmental sustainability is guided by our company's **environmental, occupational health and safety policy**. The policy forms the basis from which our company implements, maintains and improves our environmental management system. Procedures for our environmental management system conform to the International Organization for Standardization (ISO) 14001 certification. Compliance with and certification to ISO 14001 provides us with a competitive advantage as we use our flexible manufacturing network to meet the needs of customers around the world. External environmental aspects such as communications and third-party verification are emphasized under ISO 14001.

Global Environmental, Health and Safety
Governance Structure

| President/CEO | Board of Directors, Corporate Governance & Nominating Committee |

Global Environmental, Health & Safety Organization

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

2018 Sustainability Project Savings in $USD

$513,315

- ■ Recycle
- ■ Energy Conservation
- ■ Water Conservation
- ■ Chemical Waste Reduction
- ■ Material Optimization

$3,855,800

$2,246,094

$322,130

$377,791
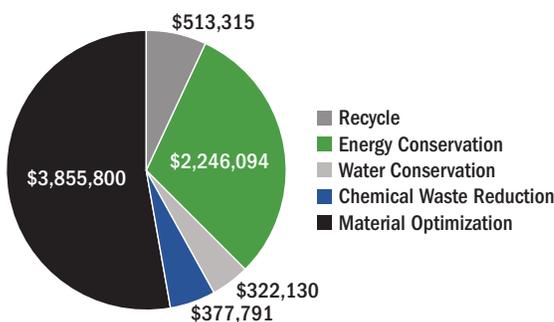
We set five-year targets on our environmental conservation performance for our wafer fabs and assembly and test operations. We have targeted a 5 percent normalized reduction in water usage, electricity consumption, and Scope 1 and 2 emissions combined. Additionally, for chemical usage, we have targeted a 5 percent reduction in absolute facility chemistry and 3 percent normalized reduction in manufacturing chemistry. Each of our factories is also engaged in multiple sustainability projects aimed at recycling, material optimization, reducing chemical usage and conserving water, electricity and fuel. For each of these goals, we use our 2015 performance as our baseline year.

Climate Change
[G4: 201-1]

We are aware of the potential opportunities and risks associated with climate change and have integrated the process of climate change into our business operations and strategy in a number of ways. Through our environmental conservation programs, we focus on reducing our carbon footprint and improving the electrical and fuel energy efficiency of our company's operations. Our enterprise risk management and business continuity programs also consider certain risks associated with climate change such as natural disasters and the associated impacts to our organization, affected cities, operations, employees, stakeholders and strategic business objectives.

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

Scope 1 and 2 Emissions
[G4: 305-5]

We are dedicated to reducing our energy consumption and overall carbon footprint by 5 percent from 2016 to 2020. Normalized Scope 1 and 2 emissions combined have reduced by 8 percent at wafer fabrication operations and 13.4 percent at our assembly and test operations since 2016. We have reduced emissions by 16,124 metric tons of CO_2 equivalent through 58 projects in nine countries in 2018.

Scope 1 and 2 Emissions at Wafer Fab Operations
[kg CE/Unit]

2015 (Baseline)	2016	2017	2018
38.72	38.27	35.33	35.58

—●— 2020 Target
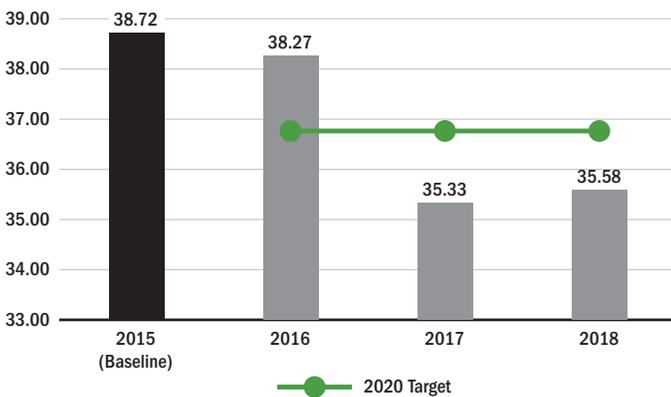
Scope 1 and 2 Emissions at Assembly and Test Operations [kg CE/Unit]

2015 (Baseline)	2016	2017	2018
276.53	261.69	240.05	239.59

—●— 2020 Target
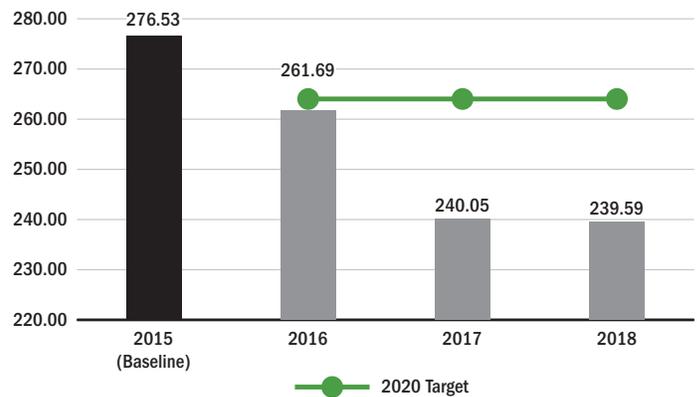
Scope 1 and 2 Greenhouse Gases by Source

Chart legend:
- Combustion Fuel [Scope 1 MMTCE]
- PFCs [Scope 1 MMTCE]
- Electricity [Scope 2 MMTCE]
- Scope 1 + 2 Assembly Test Emissions Normalized (kg CE/Unit, baseline year 2015)
- Scope 1 + 2 Wafer Fabe Emissions Normalized (kg CE/Unit, baseline year 2015)
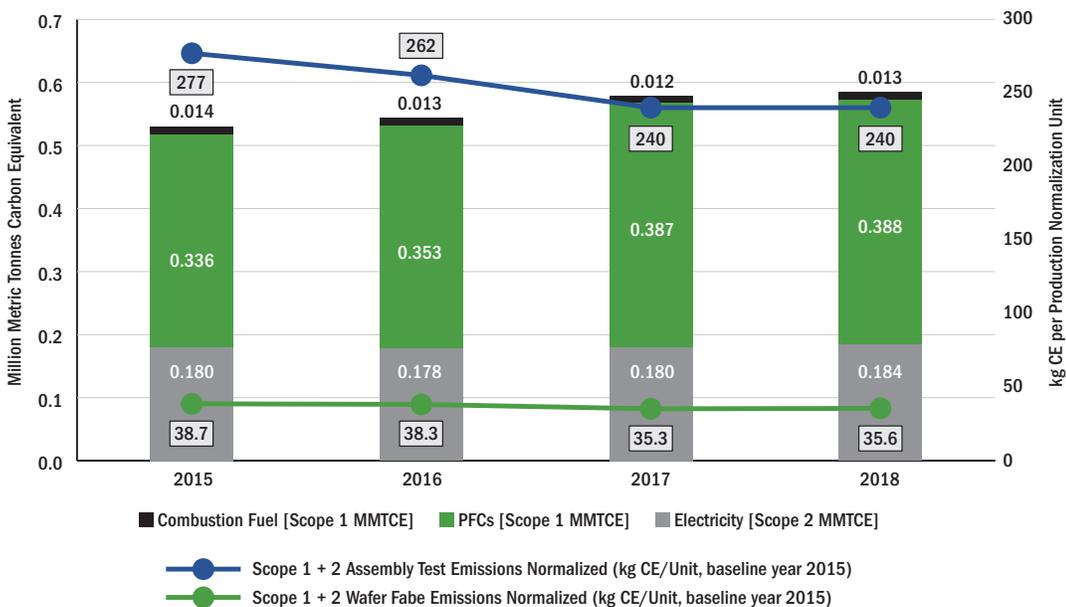
Our company also encourages employees to consider the impact of everyday activities on the environment. We recognize that commuting can be costly and try to reward employees who take advantage of various commuting options such as vanpooling, carpooling, bus or rail travel and bicycle use. Many of our global sites offer various employee trip reduction plans and monthly subsidies depending on location and local regulatory trip reduction requirements. At our Phoenix, Arizona office, we prevent 9 tons of pollution annually through our vanpool program and offer electric vehicle charging stations for those who have electric vehicles.

Energy Consumption
[G4: 302-1, G4: 302-4]

Energy efficiency is central to the success of our products as well as our operations. Along with our products reducing energy consumption, we implement energy conservation and consolidation projects. Our company's total energy consumption was 1,344,643 (mWh), with electrical and fuel consumption (from non-renewable resources) being 714,912 gigajoules. Since 2016, we have seen a reduction in normalized energy consumption by 16.8 percent at our wafer fabrication operations and 9.7 percent at our assembly and test operations.

Electricity Consumption at Wafer Fab Operations [kWh/Unit]
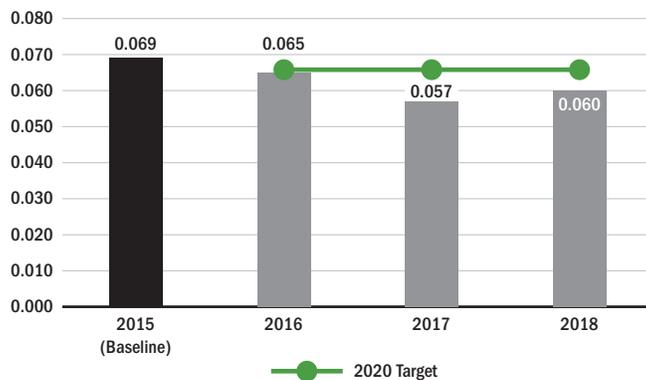
Electricity Consumption at Assembly and Test Operations [kWh/Unit]
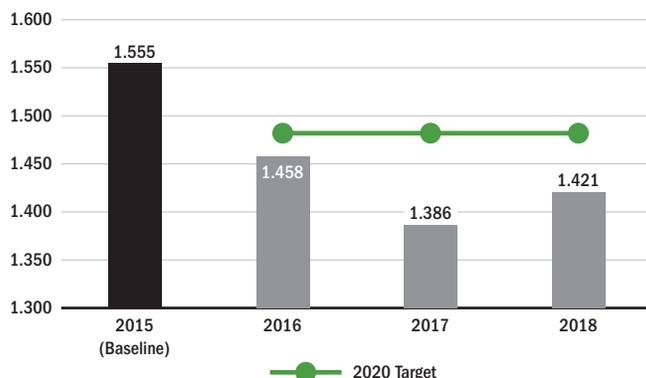
Our manufacturing site located in Cebu, Philippines reduced energy consumption through compressor and vacuum systems. This site aimed to improve efficiencies in the system by eliminating pressure drops and choke points, which resulted in energy use reduction in the main motor. Regular, preventative maintenance of our heat exchanges have also prioritized without waiting for manufacturing shutdown. Overall, this conservation effort has resulted in 35,000 kilowatt hours of savings equivalent to approximately $77,000 USD.

Water Management
[G4: 303-1 – 3]

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

In an effort to identify and avoid negative water-related impacts, there are many tools and methodologies currently in use throughout our facilities, these include 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.

Water Usage at Wafer Fab Operations
[liter/Unit]

Year	Value
2015 (Baseline)	0.723
2016	0.678
2017	0.587
2018	0.598

2020 Target

Water Usage at Assembly and Test Operations
[liter/Unit]

Year	Value
2015 (Baseline)	12.662
2016	11.490
2017	11.217
2018	11.327

2020 Target

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. There is also continuous work with process and facilities engineers to determine process needs, understand waste produced and effectively utilize our resources focusing 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.

While we have no facilities in areas with water stress, we actively seek to avoid negative water-related impacts. The 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 both 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. There is an ongoing effort to reduce water usage per normalized unit (photo-moves for front-end facilities, kWbonds for back-end units) by 5 percent by 2020 at all of our facilities. Since 2016, our normalized water consumption has decreased by 17.3 percent at our wafer fabrication operations and 10.5 percent at our assembly and test operations. Over the last several years, we have drastically decreased the amount of water consumed within our processes and in 2018 were able to recycle 5,458.9 megaliters of water of the consumed 12,450.6 megaliters. The water recycled is the equivalent of approximately 2,000 Olympic-sized swimming pools.
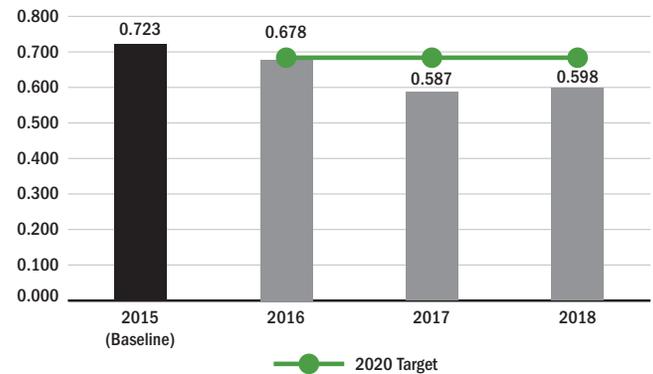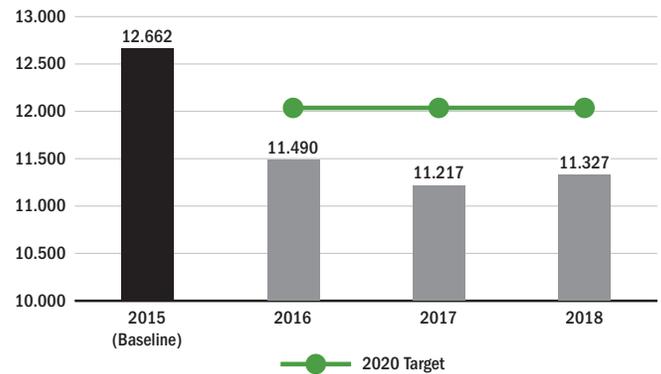
Waste Management

[G4: 306-2, G4: 306-4]

Each of our manufacturing sites have projects contributing 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. Similarly, sites have adopted measures to reduce waste directed to landfill; our facility in Gresham, Oregon recycled over 4,000 kilograms of nitrile gloves in 2018.

In 2018, the total amount of hazardous and non-hazardous waste that we recycle from our manufacturing and non-manufacturing sites globally was 14,284,368 kilograms, while waste directed to landfill was 5,875,919 kilograms. Our total hazardous waste transported was 6,345,210 kilograms; this includes both solid and liquid waste, but does not include gaseous emissions, wastewater discharges or any wastes associated with on-site wastewater treatment.

Reclaim and Recycle

[G4: 301-1]

Our global reclaim objectives reflect our commitment to environmental sustainability and resource conversation while optimizing our network, protecting our intellectual property and maximizing and re-capturing profits. Our main reclaim center is located at our company's headquarters in Phoenix, Arizona, while some of our manufacturing sites also reclaim and recycle their own materials. The manufacturing scrap 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 their products, including printed circuit evaluation boards. This program helps ensure compliance with the current and forthcoming regional regulations involving producer responsibility for the recycling and proper disposal of electronic waste products.

In 2018, approximately 1,150,000 kilograms of scrap materials and 822 kilograms of precious metals from our company's worldwide manufacturing facilities was processed, sorted and sold for reuse. The reclamation of these materials recouped more than $29 million USD.
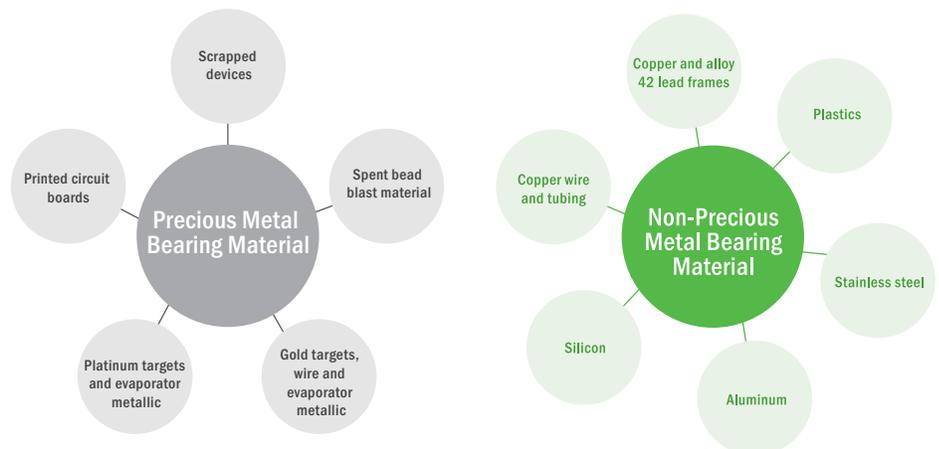
Process Chemicals Usage at Wafer Fab Operations [kg/Unit]
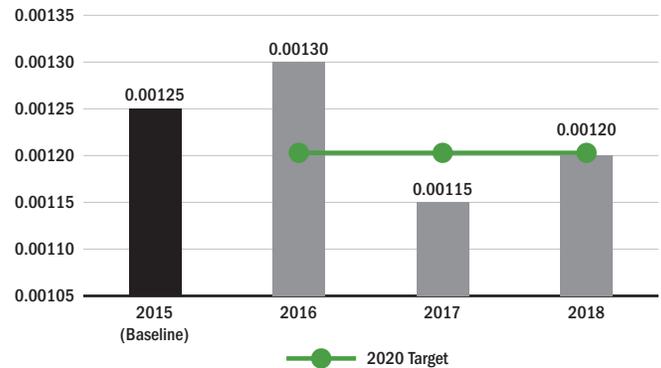
Process Chemicals at Assembly and Test Operations [kg/Unit]
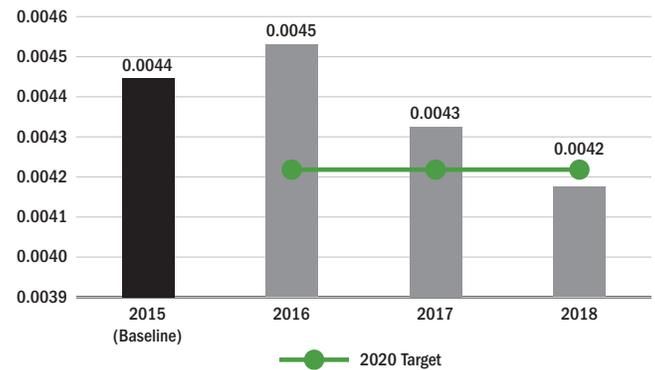
Precious Metal Bearing Material: Scrapped devices, Printed circuit boards, Spent bead blast material, Platinum targets and evaporator metallic, Gold targets, wire and evaporator metallic

Non-Precious Metal Bearing Material: Copper and alloy 42 lead frames, Plastics, Copper wire and tubing, Stainless steel, Silicon, Aluminum

OUR COMMUNITY

Our Community

Overview

At ON Semiconductor, we strive to make a positive impact in the communities where our employees work and live. Our financial contributions and employee volunteer efforts target community needs in the areas of disaster relief, environment, health, human services, and science, technology, arts and engineering and mathematics (STEAM) education. Through our community initiatives, we aim to create a relationship of mutual trust and respect between the company and the local communities in which we operate. The results of our community outreach programs have led to a more engaged workforce, greener communities, swift disaster relief efforts as well as increased and more equitable access to education, health care services and basic human necessities. One example is our continued partnership with the Starkey Hearing Foundation, which began in 2008. The Starkey Hearing Foundation has a mission to improve the lives of individuals, families and communities throughout the world with the provision of hearing aids. Partnerships like those with Starkey Hearing Foundation are an integral component to our business strategy that ensure we are making a positive impact in the communities in which we operate.

Global Corporate Giving Program

Launched in 2016, our Global Corporate Giving (GCG) Program strategically leverages our resources, talent and efforts to support nonprofits and educational institutions. Each year, we fund projects and programs in order to create social value and maximize our impact on communities through workplace giving and community grants. In 2018, we invested over $2 million USD to support our communities worldwide.

Our GCG program is maintained by a network of committee members who represent each of our sites and serve as ambassadors for the program. Through our diverse network of committee members, we are able to carefully select our community partners based on need and create meaningful impact while also taking into account cultural, intuitional and operational differences across regions. In order to achieve long-lasting economic value and social good, we rely on other various stakeholder groups including executive leadership, the company's board of directors, our employees, educational institutions and nonprofits. We engage these stakeholders at an on-going basis to best understand how we can build stronger communities together.

For more information about our Global Corporate Giving Program, please visit our **global corporate giving page**.

Donations by Cause

- 52% STEAM Education
- 15% Disaster Relief
- 30% Human Services
- 1% Health
- 2% Environment

Types of Donations

- 40% Employee Driven
- 60% Grants
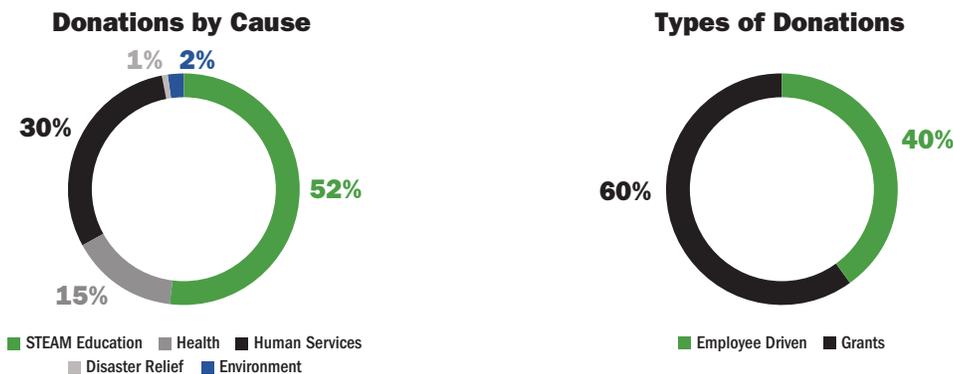
Employee Volunteerism

We understand the importance of having our company and employees not only do well but also do good. To encourage our employees to volunteer their time, talent, energy and effort in the community, we introduced a paid employee volunteer program (EVP) in North America in 2017. Through the EVP, employees may volunteer with organizations of their liking during company time for up to one day, traditionally 8–12 hours, per year while receiving their typical pay for the time spent. Additionally, employees are encouraged to participate in volunteer events organized by our company. In 2018, many of our sites hosted days of service to offer both manufacturing and non-manufacturing employees the ability to volunteer their time conveniently and in a meaningful way. To incentivize "goodness" we also match our employees' volunteer efforts through a dollars-for-doers program.

Community Impact
Asia Region

University of Malaya

A University of Malaya physics professor and the university's deputy vice-chancellor for research and innovation received a grant from our Global Corporate Giving Program. The grant was used to start a physics program and educate high school students, teachers and undergraduate students on the research and development of science, technology, engineering and math (STEM). In total, 120 students and eight teachers participated in a program named Learn-X Physieta and heard from a guest scientist who gave a lecture and demonstration on how to conduct simple physics experiments. Students and staff from the university also visited one of our manufacturing sites in Seremban, Malaysia to enhance their practical knowledge of STEM as it applies to the semiconductor industry.

Leshan Puren Township Nursing Home

Keenan Evans, senior vice president of corporate social responsibility, traveled to Leshan and visited the Leshan Puren Township Nursing Home. We have assisted the Leshan Puren Township Nursing Home since 2016 and in 2018 provided various goods including water heaters and down jackets for the winter.

Tree Planting

During Arbor Day in Bucheon, Korea, our employees and their families participated in a tree planting activity to aid the environment and support sustainability. Participants planted approximately 200 azalea seedlings in an effort to decrease our footprint on the environment and restore previous growth.

Philippines Red Cross

In the aftermath of 2018 Typhoon Ompong, or Typhoon Mangkhut, which struck the northern part of the Philippines and resulted in flash floods, storm surges and landslides, we donated to the Philippines Red Cross. The funds donated helped in providing rehabilitative services to those affected by the typhoon.
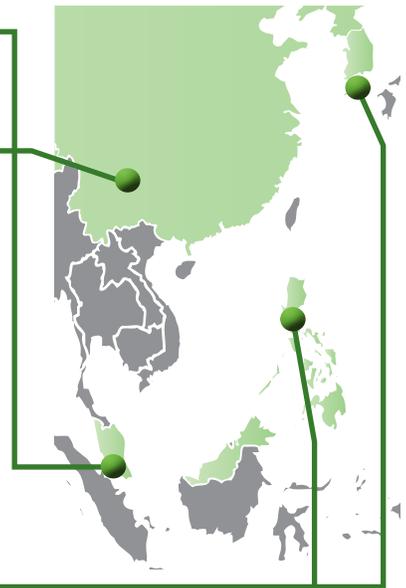
Europe Region

Goal

In Limerick, Ireland, our employees participated in Goal Jersey Day. Any one of our employees who donated to Goal, an international aid charity, could wear a jersey to work. With funds raised by the employees and contributions matched by the Global Corporate Giving Program, Goal was able to assist in humanitarian and development programs that involved emergency response, health and child protection.

Gymnazium Roznov

Gymnazium Roznov is a grammar school serving students ages 11 to 18. With an already long-standing relationship with our Roznov site, our company was able to further contribute by providing funding to re-design the school's physics laboratory with up-to-date equipment. Making these updates was especially important for the school and students as physics is a key subject for those continuing to study at technical universities.
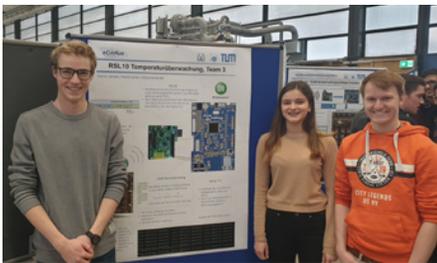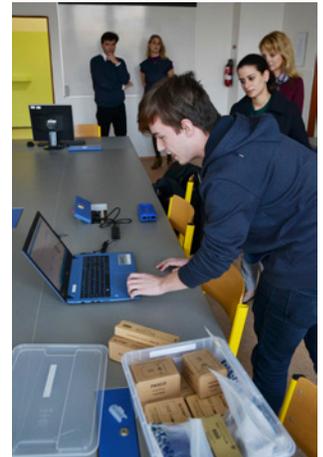
Technical University of Munich

The Technical University of Munich's eCARus provides more than 40 students the opportunity to experience the world of engineering by exploring e-mobility in city conditions. Students build two electric cars and develop new concepts, testing the components on a test bench while finally integrating their solutions in the cars. The students were supported through our employee mentoring, company products and Global Corporate Giving Program funding.

Au Coeur des Grottes

In 2018, we supported Au Coeur des Grottes, a nonprofit organization based in Switzerland that cares for over 40 women in situations such as domestic violence and human trafficking. The funds helped support emergency needs, children and mother activities, transitions from shelters to stable housing and other daily essential items.

North America

Adelante Mujeres

Adelante Mujeres (Women Rise Up) has a mission to provide education and empowerment opportunities to low-income Latina women and their families to ensure full participation and active leadership in the community. Their Nourish the Community Initiative teaches nutrition to low-income Latino communities and provides incentives for purchasing healthy foods. Through a grant from our Global Corporate Giving Program, Adelante Mujeres has impacted 20 schools with nutritional programming and nutrition incentives redeemed at local Forest Grove Farmers Market.

Natural Restorations

In late November 2018, Natural Restorations received permission from the Tonto National Forest – Mesa Ranger District and the Tonto National Forest Archeologist to begin a graffiti and trash removal project. We issued a grant to Natural Restorations to remove 374 square meters of graffiti and 1,642 kilograms of trash from outdoor recreation and wilderness areas.

Semi High Tech University

One of our affinity network groups, STEM UP, partnered with the SEMI Foundation and Gateway Community College to sponsor a unique three-day career exposure program called Semi High Tech University (Semi HTU) at our site in Phoenix, Arizona. Over the course of three days, a diverse group of students from three high schools participated in hands-on science, technology, engineering and math (STEM) activities related to real world career applications. During the event, employee volunteers taught courses on topics such as quality control, microchips, chemistry, etc., and discussed topics related to social media use, resume preparation and interviewing.
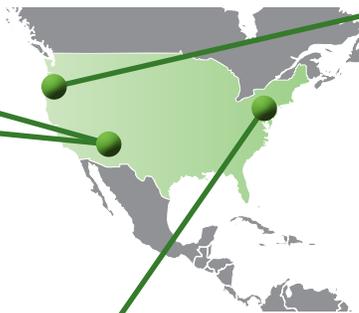
Weinberg Food Bank

A grant issued to the Commission on Economic Opportunity directly supported the Weinberg Food Bank, an organization that distributes food products to other charitable organizations and feeding those in need throughout northeast Pennsylvania. These include food pantries, homeless shelters, soup kitchens, group homes for the disabled, day care centers, children's camps and senior citizen programs. Through the funding provided, over 25,000 kilograms of food was given to those in food-insecure homes.

Appendix

List of Acronyms

3TG:	tin, tantalum, tungsten and gold	**LSS:**	Lean Six Sigma
8D:	"8 disciplines" of problem solving	**NBRI:**	National Business Research Institute
ACEEE:	American Council for an Energy-Efficient Economy	**ODS:**	Ozone-depleting substances
ADAS:	Adaptive Driver Assistance Systems	**OHSAS:**	Occupational Health and Safety Assessment Series
CCEO:	Chief Compliance and Ethics Officer	**OECD:**	Organisation for Economic Co-operation and Development
CCEP:	Corporate Compliance and Ethics Program	**OEM:**	Original Equipment Manufacturers
CEL:	Compliance and Ethics Liaison	**PAC:**	Political Action Committee
CFSI:	Conflict Free Sourcing Initiative	**Ppb:**	Parts Per Billion
CGN:	Corporate Governance and Nominating	**RBA:**	Responsible Business Alliance
CSR:	Corporate Social Responsibility	**REACH:**	Registration, Evaluation and Authorization of Chemicals
D&I:	Diversity and Inclusion	**RMAP:**	Responsible Minerals Assurance Process
DMAIC:	Define, Measure, Analyze, Improve and Control	**RMI:**	Responsible Minerals Initiative
DRC:	Democratic Republic of the Congo	**RoHS:**	Restriction of Hazardous Substances
EHS:	Environmental Health and Safety	**SAQ:**	Self-Assessment Questionnaire
EMEA:	Europe, Middle East, and Africa	**SCCE:**	Society of Corporate Compliance and Ethics
ERM:	Enterprise Risk Management	**SEC:**	Securities and Exchange Commission
ESG:	Environment, social, governance	**SECs:**	Solutions Engineering Centers
EuP:	European Energy Using Products	**SIA:**	Semiconductor Industry Association
EVP:	Employee Volunteer Program	**SiPM:**	Silicon Photomultipliers
GCG:	Global Corporate Giving	**SoC:**	Systems on Chip
GDPR:	General Data Protection Regulation	**SPAD:**	Single Photon Avalanche Diode
GEO:	Global Educational Opportunities	**STEM UP:**	Science, Technology, Engineering and Math for Underrepresented Populations
GRI:	Global Reporting Initiative	**UN:**	United Nations
HCCA:	Health Care Compliance Association	**VAP:**	Validated Audit Process
IoT:	Internet of Things	**WME:**	World's Most Ethical®
ISO:	International Organization for Standardization	**WSC:**	World Semiconductor Council
KPI:	Key Performance Indicator		
L&D:	Learning and Development		

Memberships and External Initiatives

[G4: 102-12 – G4: 102-13]

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

- Boston College Center for Corporate Citizenship
- Carbon Disclosure Project
- China Power Supply Society
- Corporate Secretaries and Governance Professionals
- Electronic Components Industry Association
- Ethisphere's Business Ethics Leadership Alliance
- Europe's Energy for Green Society ENIAC JU Project
- Global Energy Research Initiative
- Global Semiconductor Alliance
- Greater Providence Chamber of Commerce
- Hearing Industries Association
- Malaysian Institute of Integrity and Corporate Integrity Pledge
- Microelectronic Industry Design Association (MIDAS) Ireland
- Motor Equipment Manufacturers Association/ Original Equipment Suppliers Association (MEMA/OESA)
- National Association of Corporate Directors
- Pocatello Chamber of Commerce
- Power Sources Manufactures Association (PSMA)
- Responsible Business Alliance (RBA) and their Environmental Sustainability and Conflict Minerals groups
- Responsible Minerals Initiative (RMI)
- SEMI
- Semiconductor Electronic Industries in Philippines Inc. (SEIPI)
- Semiconductor Industry Association (SIA)
- Society of Corporate Compliance and Ethics
- Sustainability Reporting Group, American Council for an Energy-Efficient Economy (ACEEE)
- United State Information Technology Office
- World Semiconductor Council (WSC)

Memberships with position on governance body:

- Arizona State University, Jeffrey Wincel, member of board of trustees
- Association of Corporate Counsel, Arizona Chapter, Mark Rogers, president
- CEB Compliance & Ethics Leadership Council, founding member
- The CSR Board, founding member
- Electronic Components Industry Association, Jeff Thompson, member of board of directors
- Juvenile Diabetes Research Foundation, Desert Southwest Chapter, Kris Pugsley, member of board of directors
- Semiconductor Industry Association (SIA), Keith Jackson, member of board of directors

Stakeholder Engagement

[G4: 102-40, G4: 102-42 – 102-43, G4: 102-44]

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

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

A. The use of customer scorecards is an ongoing process and provides results that allow us to analyze trends in overall performance for each key attribute included in the scorecard.

B. We engage our customers on a quarterly basis to discuss results from customer scorecards and customer site visits to our facilities.

C. Customer satisfaction surveys are disseminated on a regular basis in order to obtain insights and improve our performance on issues important to our customers such as sales support, price of products, lead time and quality.

D. Customers may post questions on our company and products through our external website to gain expert opinions. The questions are routed through the Technical Support Center, which takes ownership of finding accurate and providing timely responses.

E. We participate in a variety of conferences with our customers, suppliers and peers including the Responsible Business Alliance (RBA) conference on an annual basis. We participate in many different trade shows throughout the year to engage existing and new customers and distributors.

F. We engage our suppliers to communicate and assess risk against our code of business conduct, the RBA code of conduct and RMI compliance. We also offer capacity building opportunities to our suppliers to strengthen their compliance to these standards.

G. We actively engage with associations that make recommendations to governments and authorities on policy issues related to the semiconductor industry.

H. We support and strengthen local communities through nonprofit organizations and educational institutions with financial investments and employee volunteerism on an ongoing basis.

I. We host quarterly earning calls with our shareholders,

J. We publish annual reports and file with the Security and Exchange Commission on a quarterly basis.

Material Topics

[G4: 102-47, G4: 103-1]

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

ON Semiconductor's Materiality Matrix
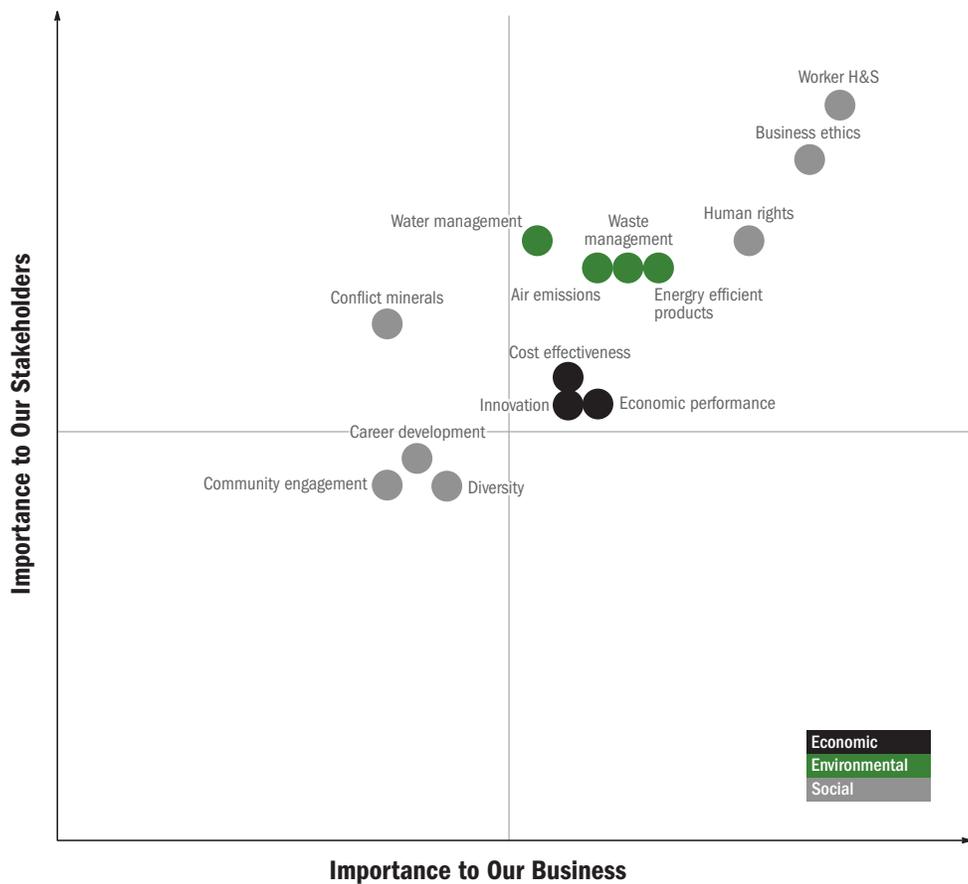
Aspect Boundaries

[G4: 102-46, G4: 103-1]

Report Overview	Category	G4 Material Aspect	Boundaries		Entities Impacted
			Internal	External	
Acquisitions	Economic	No corresponding G4 material aspect	x	x	All sites, customers and suppliers
Scope 1 and 2 emissions	Environmental	Emissions	x	x	Manufacturing sites and local environment
Business ethics	Economic	No corresponding G4 material aspect	x	x	Employees, customers, suppliers and communities
Learning and development	Social	Training and education	x		Employees
Community engagement	Social	Local communities	x	x	Employees and communities
Conflict minerals and cobalt	Social	Human rights assessment	x	x	Customers, suppliers and communities
Cost effectiveness	-	No corresponding G4 material aspect	x	x	Manufacturing operations and customers
Diversity	Social	Diversity and equal opportunity	x		Employees
Economic performance	Economic	Economic performance	x		Employees
Energy efficient products	Environmental	Energy	x	x	Design and manufacturing operations, customers and the environment
Human rights	Social	Human rights assessment	x	x	Employees, customers, suppliers, and communities
Innovation	-	No corresponding G4 material aspect	x	x	Design and manufacturing operations and customers
Waste management	Environmental	Effluents and waste	x	x	Manufacturing operations, community and environment
Water management	Environmental	Water	x	x	Manufacturing sites, community and environment
Worker health and safety	Environmental	Occupational health and safety	x		Employees

People, Planet, Profit Report

People	2018	2017	2016
Women in our global workforce	45%	47%	46%
Women in our global management	20%	20%	NL
Women promoted in our global workforce	25%	35%	30%
*Women on our board	20%	11%	10%
Ethnic diversity in our workforce (U.S. only)			
• White	64.10%	64.10%	70%
• Hispanic or Latino	4.60%	4.20%	4.50%
• Black or African American	1.60%	1.40%	1.50%
• Asian	17.20%	15.40%	16.50%
• American Indian or Alaskan Native	0.30%	0.30%	0.30%
• Native Hawaiian or Other Pacific Islander	0.20%	0.40%	0.40%
• Two or More Races	1.90%	0.70%	0.60%
• Undeclared	10%	13.70%	6.20%
Safety - injury rate/lost work days (per 100 employees)	1.03 /2.12	0.99/2.29	0.99/2.42
Sourcing from smelters that are RMAP conformant/human rights compliant	100%	99.60%	98%
Planet	**2018**	****2017**	**2016**
Waste reused/recycled (kg-millions)	10.53	13.52	12.99
Waste directed to landfill (kg-millions)	3.29	4.86	4.71
Hazardous waste transported (kg-millions)	6.34	6.35	5.46
Reclaimed scrap metals (metric tons)	1,150	1,147	1,072
Reclaimed precious metals (kg)	822	609	877
Water withdrawn (liters-billions)	6.99	12.17	11.82
Water recycled/reused (liters-billions)	5.46	5.33	5.45
Total energy consumption (kWh-billions)	1.54	1.46	1.45
Electrical consumption from non-renewable resources (kWh-billions)	1.34	1.28	1.25
Fuel consumption (from non-renewable resources) (GJ-thousands)	715	648	720
Direct emissions (scope 1) (MTCO2)	1,412,218	1,416,622	1,291,202
Energy indirect emissions (scope 2) (MTCO2)	676,060	649,589	642,657
Profit	**2018**	**2017**	**2016**
Revenue ($ billions)	$5.90	$5.50	$3.90
Earnings per share	$1.48	$1.92	$0.44
Sustainability savings ($ millions)	$7.30	$10.10	$7.80
Total new hires (job growth)	5,342	7,620	4,525
Reclaimed scrap materials/precious metals ($ millions)	$29	$26.60	$28

NL = not listed; NA = not applicable
* We had 9 board members in 2017 and 10 board members in 2016 and 2018
** Calculations in the previous year's report have been updated in this 2018 CSR Report. Older versions may not reflect what is currently published or printed in this 2018 CSR Report. This is the most up-to-date version for our calculations.

Additional Data

Workforce Statistics

[G4: 102-7 – G4: 102-8, G4: 401-1, G4: 405-1]

	Total	Gender		Age Group			Region			
		M	F	<30 Years	30-50 Years	50+ Years	Asia*	Japan	Americas	EMEA
Contractors and Interns	4,434	2,304 52%	2,130 48%	1,954 46%	2,145 51%	112 3%	3,606 81%	423 10%	186 4%	219 5%
Regular Employees	31,822	17,642 55%	14,180 45%	9,906 31%	16,967 53%	4,949 16%	21,392 67%	1,804 6%	4,699 15%	3,927 12%
Full Time Employees	35,918	19,597 55%	16,321 45%	11,651 33%	19,048 53%	4,997 14%	24,939 69%	2,227 6%	4,846 13%	3,906 11%
Part Time Employees	338	175 52%	163 48%	209 62%	64 19%	64 19%	59 17%	0 0%	39 12%	240 71%
Total New Hire	5,342	2,854 53%	2,488 47%	3,092 58%	1,850 35%	400 7%	3,621 68%	578 11%	578 11%	565 10%
Total Turnover	4,573	2,269 50%	2,304 50%	2,224 49%	1,516 33%	323 8%	3,543 77%	49 1%	572 13%	409 9%

* Excluding Japan

Health & Safety Statistics

[G4: 403-2]

Type of Injury	Rate (%)
Abrasion	7.9
Avulsion	.3
Burn	2.4
Concussion	0
Contusion	13.1
Crushing	.7
Cumulative stress disorder	8.3
Cut	8.3
Fracture – closed	2.4
Inflammation	2.4
Irritation	14.1
Laceration	10.7
Puncture	1.4

2018 GRI Content Index

[G4: 102-55]

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 102: General Disclosures 2018			
102-1	Name of organization	Our Business: Overview – page 9	
102-2	Activities, brands, products and services	Our Business: Overview – page 9	
102-3	Location of headquarters	Our Business: Overview – page 9	
102-4	Location of operations	Our Business: Worldwide Locations – page 13	
102-5	Ownership and legal form	Our Business: Overview – page 9	
102-6	Markets served	Our Business: Financial Strength – page 15	
		Our Business: Customers – page 15	
102-7	Scale of organization	Our People: Overview – page 30	
	(a) Total Number of Employees	Appendix: Additional Data – page 59	
	(b) Total Number of Operations	49	Number of operations equals solution engineering, design, manufacturing and support sites with 50+ employees
	(c) Net revenue	Our Business: Financial Strength – page 15	
	(d) Total Capitalization in terms of debt and equity	Total liabilities: $4,393.5 million	
		Total equity: $7,585.6 million	
	(e) Quantity of Products Provided	Our Business: Brand – page 14	
102-8	Information on employees and other workers	Appendix: Additional Data – Workforce Statistics – page 59	
	(a) Total number of employees by employment contract and gender		
	(b) Total number of employees by employment contract and region	Appendix: Additional Data – Workforce Statistics – page 59	
	(c) Total number of permanent employees by employment type and gender	Appendix: Additional Data – Workforce Statistics – page 59	
	(d) Whether a substantial portion of the organization's workforce is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees by contractors.	No	
	(e) Report any significant variations in employee numbers	N/A	
102-9	Description of supply chain	Our Business: Responsible Sourcing – page 18	
102-10	Significant changes to organization and supply chain	Our Business: Responsible Sourcing – page 18	
102-11	Precautionary principle approach	Our Business: Enterprise Risk Management – page 17	
102-12	External initiatives	Appendix: Memberships and External Initiatives – page 53	
102-13	Membership of associations	Appendix: Memberships and External Initiatives – page 53	
102-14	Statement from senior decision-maker	A Letter for Our President and CEO – page 3	
102-15	Key Impacts, risks, and opportunities	For details on impacts, risks and opportunities, please see our **2018 SEC Form 10-K**.	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-16	Description of organization's values, principles, standards, and norms of behavior	Engineering a Better Tomorrow – page 6	
		Our Business: Mission, Vision and Culture – page 9	
		Our Business: Core Values – page 9	
		Our Business: Our Culture – page 10	
		Our Governance and Ethics: Corporate Compliance and Ethics Program – page 23	
102-17	Mechanisms for advice and concerns about ethics	Our Governance and Ethics: Corporate Compliance and Ethics Program – page 23	
102-18	Governance structure	Engineering a Better Tomorrow – page 6	
		Our Governance And Ethics: Overview – page 23	
		Please see our **2019 Proxy Statement** for additional details	
102-19	Delegating Authority	For delegating authority, please see management approaches described throughout this report.	
102-20	Executive-level responsibility for economic, environmental, and social topics	Chief operating officer and chief financial officer	
102-21	Consulting stakeholders on economic, environmental, and social topics	For details see the Stakeholder Engagement section of this report.	
102-22	Composition of the highest governance body and its committees	Our Governance And Ethics: Overview – page 23	
		2019 Proxy Statement	
102-23	Chair of the highest governance body	Alan Campbell, chair of the board of directors	
102-24	Nominating and selecting the highest governance body	Please see the roles and responsibilities of our Corporate Governance and Nominating (CGN) Committee in our **2019 Proxy Statement**.	
102-25	Conflicts of interest	We have a written policy on related party transactions to which all employees are required to adhere. We disclose conflicts of interest with stakeholders including cross-board membership.	
102-26	Role of the highest governance body's and senior executives' roles in setting purpose, values, and strategy	To understand the roles of our senior executives and oversight of our board of directors with relation to purpose, values and strategy please see the Management Approach sections of this report.	
102-27	Collective knowledge of highest governance body	The CGN Committee has the specific responsibility to encourage and facilitate Directors' continued education. See our **2019 Proxy Statement** for additional details.	
102-28	Evaluating the highest governance body's performance	See page 26 of our **2019 Proxy Statement** for information on board of directors Self-Evaluation. During 2018, the board implemented an annual peer-to-peer evaluation to obtain information about each director's performance, contributions, and effectiveness during the previous year.	
102-29	Identifying and managing economic, environmental, and social impacts	For details on the role of our board of directors in having oversight of our environmental, social, and economic impacts please see management approach sections of this report and our **2019 Proxy Statement**.	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-30	Effectiveness of risk management processes	Our Business: Enterprise Risk Management – page 17	
102-31	Review of economic, environmental, and social topics	Each group within our company reports up to the board of directors and cover economic, environmental and social topics relevant to their respective functions.	
102-32	Highest governance body's role in sustainability reporting	While our board of directors do not have responsibility over our sustainability reporting, the various groups contributing to and represented in our 2018 Corporate Social Responsibility Report report to the company's board of directors.	
102-33	Communicating critical concerns	Critical concerns are communicated during regular (quarterly) and special (interim) meetings with the board of directors. We allow special meetings for our stockholders as outlined in our **2019 Proxy Statement**.	
102-34	Nature and total number of critical concerns	See page 31 of our **2019 Proxy Statement**.	
102-35	Remuneration policies	For details on our compensation objectives and policies please see page 38 of our **2019 Proxy Statement**.	
102-36	Process for determining remuneration	Internal compensation staff and hiring manager determine appropriate base pay using the market median (or P50), our established salary ranges, and internal comparisons.	
102-37	Stakeholders' involvement in remuneration	N/A	
102-38	Annual total compensation ratio	Belgium: 6:1	
		China: 37:1	
		Hong Kong: 5:1	
		India: 5:1	
		Japan: 8:1	
		Korea: 10:1	
		Malaysia: 46:1	
		Philippines: 72:1	
		Singapore: 7:1	
		Taiwan: 4:1	
		Thailand: 3:1	
		Czech Republic: 10:1	
		US 12:1	
		Vietnam: 38:1	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
102-39	Percentage increase in annual total compensation ratio	Belgium: 2.9:1	The population changed significantly in some countries and the movement of employees in and out of the organization at all levels can have a major impact on the median salary. This is why you see some negative numbers above. These are in fact a result of the movement of employees.
		China: 0.4:1	
		Czech Republic: 0:1	
		Hong Kong: 1.2:1	
		India: 1.8:1	
		Japan: -0.3:1	
		Korea: 6:1	
		Malaysia: 0:1	
		Philippines: 0:1	
		Singapore: 0.9:1	
		Taiwan: 0.2:1	
		Thailand: 1.3:1	
		US: -1.5:1	
		Vietnam: 1.4:1	
102-40	List of key stakeholder groups	Appendix: Stakeholder Engagement – page 54	
102-41	Total number of employees covered by collective bargaining agreements	Belgium: 795	
		China: 2,424	
		Czech Republic: 2,146	
		France: 92	
		Japan: 1,398	
		US: 116	
		Vietnam: 2,767	
102-42 – 102-43	Identifying and selecting stakeholders; Approach to stakeholder engagement	Appendix: Stakeholder Engagement – page 54	
102-44	Key topics and concerns raised	Appendix: Stakeholder Engagement – page 54	
102-45	Entities included in the consolidated financial statements	See Reporting Segments and Manufacturing Sites and Principles of Consolidation in our **2018 SEC Form 10-K**.	
102-46	Defining report content and topic boundaries	Report Overview – page 9	
		Appendix: Aspect Boundaries – page 57	
102-47	List of material topics	Appendix: Material Topics – page 56	
102-48	Restatements of information	Appendix: People, Planet, Profit Report – page 58	
102-49	Changes in reporting	None	
102-50	Reporting period	2018 calendar year	
102-51	Date of most recent report	Jun-18	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions	Appendix: Contact Us – page 71	
102-54	Claims of reporting in accordance with the GRI Standards	Report Overview – page 9	
102-55	GRI Content Index	Appendix: 2018 GRI Content Index – page 60	
102-56	External assurance	Report Overview – page 9	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 103: Management Approach 2018			
103-1	Explanation of material topics and boundaries	Appendix: Material Topics – page 56	
		Appendix: Aspect Boundaries – page 57	
103-2	Management approach for material topics	Our management approach to material topics can be found in each section of this report.	
103-3	Evaluation of management approach	Our evaluation of management approach to material topics can be found in each section of this report.	
GRI 201: Economic Performance 2018			
201-1	Direct economic value generated and distributed (EVG&D)	Our Business: Financial Strength – page 15	
	(a) Direct economic value generated	Proceeds from sale of property, plant, and equipment $36.5 million	
	(b) Economic value distributed	Cost of revenue: $$3,639.6 million	
		Operating cost: $1,391.5 million	
		Cash paid for interest: $80 million	
		Cash paid for taxes: $53.2 million	
	(c) Economic value retained	Net Income: $630.1 million	
	(d) EVG&D by country, regional, or market levels	See Revenue & Segment Information and Results of Operations in our **2018 SEC Form 10-K**	
201-2	Financial implications and other risks and opportunities due to climate change	Our Planet: Climate Change – page 42	
201-3	Defined benefit obligation plans and other retirement plans	Our People: Employee Benefits – page 37	
		For additional details, see our **Regional Benefits Summaries** and **2018 SEC Form 10-K**.	
201-4	Financial assistance received from government	Net operating loss and tax credit carryforwards: $584.9 million	
GRI 202: Market Presence 2018			
202-1	(a) Ratio of standard entry level wage by gender compared to local minimum wage	All of our employees are compensated at or above minimum wage. Minimum wage in all listed regions is gender neutral.	
	(b) When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above minimum wage.	"Other workers" in this case pertain to employees of our suppliers or on-site service providers (e.g. janitorial staff, cafeteria workers, security, etc.). We conduct risk assessments and/or on-site verification of suppliers and on-site service providers to ensure that RBA standards and legal requirements are being met, including those related to minimum wage.	
	(c) Definition used for "significant locations of operation"	Manufacturing locations	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
202-2	(a) Proportion of senior management hired from the local community	Belgium: 100 percent	
		Canada: 100 percent	
		China: 57 percent	
		Czech Republic: 100 percent	
		Japan: 100 percent	
		Korea: 100 percent	
		Malaysia: 90 percent	
		Philippines: 67 percent	
		United States: 66 percent	
		Vietnam: 0 percent	
	(b) Definition used for "significant locations of operation".	Manufacturing locations	
GRI 203: Indirect economic Impact 2018			
203-1 -2	Infrastructure investments and services supported; significant indirect economic impacts	N/A	
GRI 204: Procurement Practices 2018			
204-1	Proportion of spending on local suppliers	Our Business: Responsible Sourcing – page 18	
GRI 205: Anti-corruption 2018			
205-1	Operations assessed for risks related to corruption	Outside of our responsibilities as a RBA member, we assess other risks related to our own operations. All manufacturing locations were initially considered when risk was assessed and continue to be assessed at an ongoing basis. Since we sell our products around the world, the risk assessment is based on location and types of customers.	
		While there are no significant risks that were identified, some areas presented a greater risk than other areas. In assessing the risks related to corruption, a major factor is the ranking of the country in which our factory is located according to the Transparency International Corruption Perceptions Index. For the 10 countries in which we have factories, two countries were in the lower half of the 2018 country rankings – the Philippines (ranked 99) and Vietnam (ranked 117). Additionally, we have a greater risk with customers in China (ranked 87) because a number of electronics manufacturers are state owned enterprises and their employees are considered government officials under the U.S. Foreign Corrupt Practices Act.	
		For details on other due diligence measures related to anti-corruption, see Engineering a Better Tomorrow section of this report.	
205-2	Communication and training about anti-corruption policies and procedures	Our People: Learning and Development – page 35	Annual Code of Business Conduct training includes the topic of anti-corruption in 2018.
		All (100 percent) board members, all of whom are in the United States, Europe or Asia Pacific received communication and training on our anti-corruption policy.	
205-3	Confirmed incidents of corruption and actions taken	We do not have knowledge of any confirmed incidents of corruption.	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 206: Anti-Competitive Behavior 2018			
206-1	Legal actions for anti-competitive behavior, anti-trust or monopoly practices	Zero	
GRI 301: Material 2018			
301-1	Materials used by weight or volume; percentage of recycle input materials used for manufacturing; reclaimed products and their packaging material	Our Planet: Reclaim and Recycle – page 45	We spend over $1 billion 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.
GRI 302: Energy 2018			
302-1	Energy consumption within the organization	Our Planet: Energy Consumption – page 43	Total fuel consumption from non-renewable sources are tracked for manufacturing facilities and includes natural gas and diesel.
302-2	Energy consumption outside the organization	N/A	Not evaluated
302-3	Energy intensity ratio for organization	Wafer fab energy (electricity) normalization = 0.060 kWh per unit	Denominator used: wafer fab normalization united based on photo move volume; assembly & test normalization unit based on wire bond volume.
		Assembly and test energy (electricity) normalization = 1.414 kWh per KWBonds.	
302-4	Reduction in energy consumption	Our Planet: Energy Consumption – page 43	
302-5	Reductions in energy requirements of product and services	N/A	
GRI 303: Water 2018			
303-1 – 3	Water stress and how the organization works with stakeholders.	Our Planet: Water Management – page 44	
GRI 304: Biodiversity 2018			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; significant impacts of activities, products and services on biodiversity; Habitats protected or restored	None	
GRI 305: Emissions 2018			
305-1	Direct (scope 1), energy indirect (scope 2), and other indirect (scope 3) GHG emissions	Scope 1: 1,421,218 MTCO2	We do not regularly measure the environmental impact of scope 3 emissions. A study was conducted several years ago to measure the change in our carbon footprint as it related to changes we made in our logistics network. It was found that as we optimized our network to cut transportation cost there was a correlation to improving our carbon footprint.
		Scope 2: 676,060 MTCO2	
		Scope 3: N/A	
305-4	GHG emissions intensity	Wafer fab GHG emissions (electricity, fuel, PFCs) normalization = 35.584 grams carbon equivalent per unit	Intensity ratio calculated separately for wafer fabs and for assembly & test operations. Wafer fab normalization unit based on photo move volume. Assembly and test normalization unit based on wire bond volume.
		Assembly and test energy (electricity, fuel, PFCs) normalization = 239.591 grams carbon equivalent per kWBonds	
305-5	Reduction of GHG emissions	Our Planet: Scope 1 and 2 Emissions – page 42	
305-6	Emissions of ozone-depleting substances (ODS)	Zero	
305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	Air emissions do not exceed local regulation air emission permit limits. Emission concentrations are tracked at local facilities, data is not calculated globally.	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 306: Effluents and Waste 2018			
306-1	Water discharge by quality and destination	All water is discharged to sanitary systems. Effluent discharge meets or exceeds local regulations.	
306-2	Waste by type and disposal method	Our Planet: Waste Management – page 45	
306-3	Significant spills	None	
306-4	Transport of hazardous waste	Our Planet: Waste Management – page 45	
306-5	Water bodies affected by water discharges and/or runoff	None	
GRI 307: Environmental Compliance 2018			
307-1	Non-compliance with environmental laws and regulations	None known	
GRI 308: Supplier Environmental Assessment 2018			
308-1	New suppliers that were screened using environmental criteria	None	
308-2	Negative environmental impacts in the supply chain and actions taken	Our Business: Responsible Sourcing – page 18	
GRI 401: Employment 2018			
401-1	New employee hires by age group, gender and region	Our People: Recruitment and Retention – page 34	
	Employee turnover by age group, gender and region	Appendix: Additional Data – Workforce Statistics – page 59	
401-2	Benefits provided to full-time employees that are not provided to temporary employees	N/A	We do not publicly disclose this information.
401-3	Parental leave	N/A	We do not publicly disclose this information.
GRI 402: Labor/Management Relations 2018			
402-1	(a) Minimum notice periods regarding operational changes (b) Whether the notice period and provisions for consultation and negotiation are specified in collective agreements	We provide advance notice or make changes to the contract mid-term by mutual consent in accordance with collective bargaining agreements entered and local requirements in the different countries where we operate.	
		Belgium: as per legal provisions	
		Czech: as per legal provisions	
		China: yes (manufacturing only)	
		Japan: yes	
		Korea: no	
		USA: yes	
		Vietnam: no	
		Taiwan: no	
		France: as per legal provisions	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system and scope of system	Our People: Health and Safety – page 38	
403-2	Hazard identification, risk assessment and incident investigation; process for workers to report work-related hazards and remove themselves from work situations leading to injury or ill health	Our People: Health and Safety – page 38	
	Processes used to investigate work-related incidents, identify hazards, assess risks and determine corrective actions	We use the 8D protocol and Why-Why analysis to resolve incidents.	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
403-3	Occupational health services	Our People: Health and Wellness – page 39	
403-4	Worker participation and consultation and communication on occupational health and safety	Our People: Health and Safety – page 38 Appendix: Additional Data – Health & Safety Statistics – page 59	Manufacturing employees are represented by safety committees and all are aware of who their safety representative is. Safety committees meet on weekly basis or as needed.
403-5	Worker training on occupational health and safety	Our People: Health and Safety – page 38	
403-6	Promotion of worker health	Our People: Health and Wellness – page 39	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationship	We follow strict standards to provide safe workplaces for employees around the world. Engineering controls like adequate exhaust/ventilation, fire protection systems, interlocks, machine guarding, etc. are preferred based on present hazards. In addition to that PPE is provided based on a risk analyses.	
403-8	Workers covered by an occupational health and safety management system	N/A	
403-9	Work-related injuries	0	
	Number of hours worked	60,632,000	
403-10	Work-related ill health	0	
GRI 404: Training and Education 2018			
404-1	Average hours of training per year per employee		
	(a) By gender	12	
	(b) By employee category	12	
404-2	Training programs for:		
	(a) upgrading employee skills	Our People: Learning and Development – page 35	
	(b) transition assistance programs	For transition assistance, we offer career coaching, resume development, job search training, skill building, networking training, cover letters writing and interviewing practice. For employees who are retiring, we offer retirement and financial planning, counselling and legal services.	
404-3	Percentage of employees receiving regular performance and career development reviews	Our People: Performance Management and Employee Recognition – page 37	
GRI 405: Diversity and Equal Opportunity 2018			
405-1	Diversity of governance body and employees	Our Governance and Ethics: Overview – page 23	
		Our People: Overview – page 30	
		Appendix: Additional Data – Workforce Statistics – page 59	
405-2	Ratio of basic salary and remuneration of women to men	N/A	We do not publicly disclose this information.
GRI 406: Non-Discrimination 2018			
406-1	Incidents of discrimination and corrective actions taken	None known	Attorney client privileged information

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 407 – 409: Freedom of Association and Collective Bargaining, Child Labor and Forced or Compulsory Labor 2018			
407-1 – 409-1	Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk; operations and suppliers at significant risk of incidents of child labor; operations and suppliers at significant risk of incidents of forced labor.	We work with suppliers in countries where the risk of violating labor and human standards is recognized as being higher. To actively address this, we require suppliers to complete self-assessment questionnaires, provide training and also conduct on-site verification. In the event that any risk of violating the right to freedom of association, existence of child labor or forced labor is identified, we work closely and diligently with our suppliers through corrective action plans. If the nonconformance is not adequately addressed by the supplier in a timely fashion, we may choose to terminate our contract with the supplier. For more information please see our **human rights policy**.	
GRI 410: Security Practices 2018			
410-1	Security personnel trained in human rights policies or procedures	We use both in-house and third party organizations for security personnel. Approximately 90 percent of security personnel are trained in our human rights policies.	
GRI 411: Rights of Indigenous Peoples 2018			
411-1	Incidents of violations involving rights of indigenous peoples	To the best of our knowledge there have been no identified incidents of violations involving the rights of indigenous peoples during the reporting period.	
GRI 412: Human Rights Assessments 2018			
412-1	Operations subject to human rights reviews or impact assessments	Engineering a Better Tomorrow – page 6	
412-2	Employee training on human rights policies and procedures	Our People: Learning and Development – page 35	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Please see our **human rights policy**.	
GRI 413: Local Communities 2018			
413-1	Operations with local community engagement, impact assessments, and development programs	All of our sites globally are involved with community engagement and development programs through our workplace giving program and employee volunteerism. To learn more about our community engagement efforts, please see the Our Community section of this report.	
413-2	Operations with significant actual and potential negative impacts on local communities	None	
GRI 414: Supplier Social Assessment 2018			
414-1	New suppliers that were screened using social criteria	None	
414-2	Negative social impacts in the supply chain and actions taken	Our Business: Responsible Sourcing – page 18	
GRI 415: Public Policy 2018			
415-1	Political contributions	None	

GRI Standard	Disclosure	Cross reference or Answer	Additional Notes
GRI 416: Customer Health and Safety 2018			
416-1	Assessment of health and safety impacts of product and service categories	Over 95 percent of our products are available in lead-free (Pb-free) packaging. We also support the aim of REACH in improving the protection of human health and the environment through better and earlier identification of the intrinsic property of chemical substances. We meet REACH requirements and are committed to providing customers with information about substances in their products according to REACH requirements.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	
GRI 417: Marketing and Labeling 2018			
417-1	Requirements for product and service information and labeling	See our **Packaging and Labeling Guidelines**	
417-2	Incidents of non-compliance concerning product and service information and labeling	To the best of our knowledge we have not received fines for non-compliance concerning product and service information and labeling.	
417-3	Incidents of non-compliance concerning marketing communications	We are not aware of any non-compliance concerning marketing communication.	
GRI 418: Customer Privacy 2018			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	
GRI 419: Socioeconomic Compliance 2018			
419-1	Non-compliance with laws and regulations in the social and economic area	To the best of our knowledge we have not received significant fines or non-monetary sanctions for non-compliance with laws or regulations in the social or economic areas.	

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