

Onward: for People and Planet

2022 Executive Summary

onsemi.



About onsemi

Founded in
1999



Headquartered in
Scottsdale, Arizona on
**Salt River Pima-Maricopa
Indian Community** land

ON

Publicly traded
(NASDAQ: ON)



Hassane El-Khoury is
president and CEO

\$8.326

billion revenue in 2022
(23.5% increase YOY)



\$6,454

million in triple bottom line revenue¹

32,366

employees²



46%

female²

22%

female Board of Directors³

25.8%

minority workforce (U.S. only)²

31%

female **executive leadership**²

10s of billions

of units produced per year



20 manufacturing
sites worldwide

40%

of our 2022 revenue was
from the auto industry



Leading provider of intelligent
power and sensing technologies
in the Automotive, Industrial, and
Cloud Power markets



Executive Summary

This executive summary serves as a condensed impact report of our environmental, social and governance initiatives at onsemi. To view our full report, please see our [2022 Sustainability Report](#).

Company Profile

onsemi provides industry-leading intelligent power and sensing solutions to help our customers solve challenging problems with cutting-edge products. Our intelligent power technologies enable the electrification of the automotive industry allowing for lighter and longer-range electric vehicles (EVs). By empowering efficient fast-charging systems, our solutions propel sustainable energy for the highest efficiency solar strings, industrial power and storage systems. Our intelligent power solutions for automotive allow our customers to exceed range targets with lower weight and reduce system costs through efficiency. Our intelligent sensing technologies support the next-generation industry allowing for smarter factories and buildings while enhancing the automotive mobility experience with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible. The evolution of the automotive industry, with advancements in autonomous driving,

advanced driver-assist systems (ADAS), EVs and the increase in electronic content for vehicle platforms, is reshaping the boundaries of transportation through safety and sustainability.

Together with our intelligent sensing technologies, our intelligent power solutions achieve superior efficiencies compared to our peers. This integration allows lower temperature operation and reduced cooling requirements while saving costs and minimizing weight. In addition, our power solutions deliver power with fewer dies per module achieving a higher range for a given battery capacity.

We serve a broad base of end-user markets, which include communications, computing and consumer in addition to our focus markets of automotive and industrial.



¹Please see page 21 in [the full Sustainability Report](#) for more information on triple bottom line revenue.

²As of December 31, 2022

³As of May 2023

Business Groups

onsemi generates revenue from the sale of semiconductor products to distributors and direct customers. We also generate revenue, to a much lesser extent, from product development agreements and manufacturing services provided to customers. Our ability to offer a broad range of products, combined with our global manufacturing and logistics network, provides our customers with single-source purchasing.

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

Power Solutions Group (PSG)

PSG offers a wide array of analog, discrete, module and integrated semiconductor products that perform multiple application functions, including power switching, power conversion, signal conditioning, circuit protection, signal amplification and voltage regulation functions. The trends driving growth within our end-user markets are primarily higher power efficiency and power density in power applications and the demand for greater functionality and faster data transmission rates in all communications. The advancement of existing volt electrical infrastructure, electrification of power train in the form of EV/hybrid electric vehicles (HEVs), higher trench density enabling lower losses in power-efficient packages and lower capacitance and integrated signal conditioning products to support faster data transmission rates significantly increase the use of high-power semiconductor solutions. The recent increase in the use of wide-bandgap (WBG)

metal-oxide-semiconductor field-effect transistors (MOSFETs) and diodes, including silicon carbide (SiC) and insulated-gate bipolar transistors (IGBT), is further expanding the use of semiconductor products.

Advanced Solutions Group (ASG)

ASG designs and develops analog, mixed-signal, advanced logic, application-specific standard product (ASSPs) and application-specific integrated circuit (ASICs), radio frequency (RF) and integrated power solutions for a broad base of end-users in different end markets. Our product solutions enable industry-leading active mode and standby mode efficiency now demanded by regulatory agencies around the world. Additionally, ASG offers trusted foundry and design services for our government customers, which leverages our broad range of manufacturing, integrated circuit (IC) design, packaging and silicon technology offerings to provide turnkey solutions for our customers.

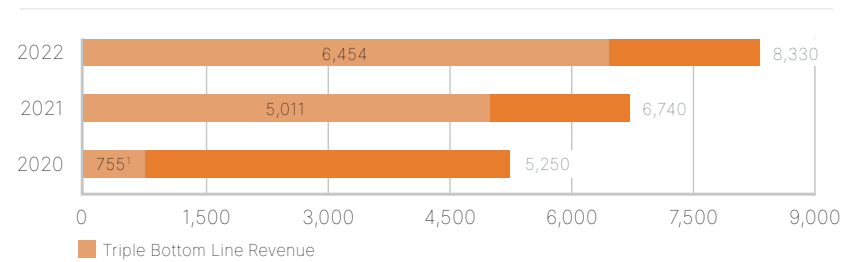
Intelligent Sensing Group (ISG)

ISG designs and develops complementary metal-oxide-semiconductor (CMOS) image sensors, image signal processors and single-photon detectors, including silicon photomultipliers (SiPM) and single-photon avalanche diode (SPAD) arrays, as well as actuator drivers for autofocus and image stabilization for a broad base of end-users in the different end markets. Our broad range of product offerings delivers excellent pixel performance, sensor functionality and camera systems capabilities. High-quality visual imagery is becoming increasingly important to our customers and their end-users, particularly in automotive and factory automation and in applications powered by AI.

2022 Financial Performance

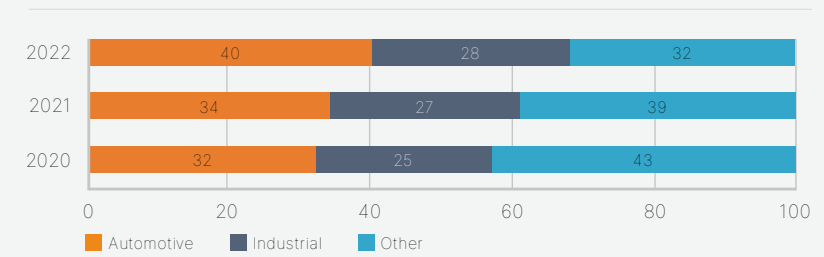
We delivered outstanding results in 2022 as we continued our transformation. Revenue for 2022 grew by 24 percent and non-GAAP gross margin expanded by 880 basis points. Our non-GAAP operating income grew four times faster than revenue driven by our focus on the secular megatrends of EV, ADAS, alternative energy and industrial automation. We remain focused on our key priorities such as ramping up SiC in support of our long-term supply agreements.

Revenue (Dollars, millions)

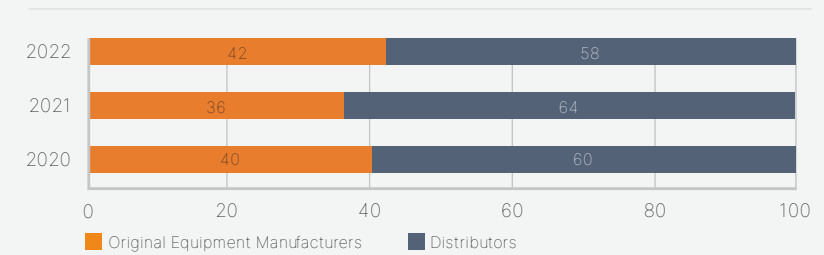


¹Due to a change in calculation methodology, there is an increase in triple bottom line revenue in 2021. Please see page 21 in the full Sustainability Report for more information on triple bottom line revenue.

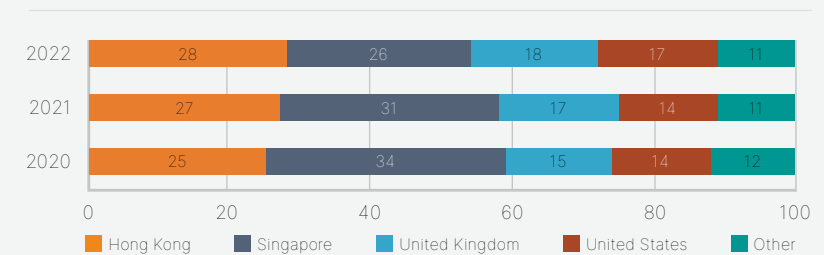
Revenue by Market (Percentage)



Revenue Type by Channel (Percentage)

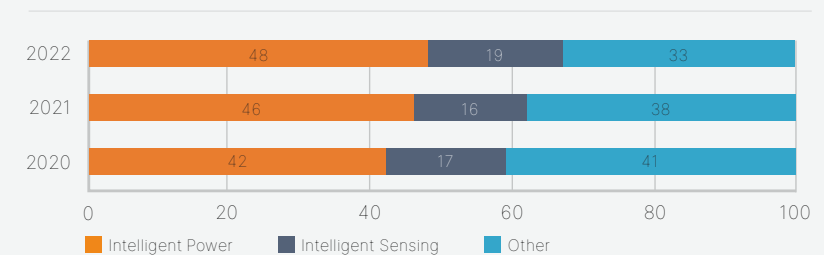


Revenue by Region² (Percentage)



²Represents sales billed from the respective country or region.

Revenue by Technology (Percentage)



Prioritization Assessment

Prioritization Assessment

onsemi's transformation journey is underway with a focus on our business strategy and positioning in the semiconductor industry. Our leaders and employees are dedicated to ensuring our processes, policies, systems and operations are aligned with our corporate goals. With a massive transformation comes refocusing on what is important and prioritized within our company, predicated on the need to refresh our prioritization assessment process and outcomes.

onsemi updated its prioritization assessment within the past year with assistance from an external advisory firm. Our new assessment considers the importance of environmental, social and governance (ESG) issues from the perspective of impact on stakeholders and impact on **onsemi**. The results of this assessment provide a foundation for best practice ESG strategy and reporting. The assessment outcomes direct our strategic focus to our most important sustainability-related financial risks, strategic opportunities and stakeholder impacts. It also helps us deliver a reporting suite that meets the information needs of investors, as well as others interested in how we support wider sustainable development objectives.

onsemi's Priority Issues

The following table outlines **onsemi's** identified priority issues and where reporting on these issues can be found:

PRIORITY ISSUES	DEFINITION	REPORTING AND DISCLOSURE
Decarbonizing onsemi's operations and supply chain	Decarbonizing onsemi's operations (through energy efficiency, switching to renewable energy and strategic swaps of high global warming potential process gases, among other strategies), and engaging onsemi suppliers to understand their carbon emissions and collaborate to decarbonize supplier operations.	<p>Net Zero Commitment, pg. 8</p> <p>SASB:</p> <ul style="list-style-type: none"> • TC-SC-110a.1 - Greenhouse Gas Emissions, pg. 90 in full report¹ • TC-SC-110a.2 - Greenhouse Gas Emissions, pg. 90 in full report • TC-SC-130a.1 - Energy Management in Manufacturing, pg. 90 in full report • TC-SC-410a.1 - Product Lifecycle Management, pg. 91 in full report <p>GRI:</p> <ul style="list-style-type: none"> • 302-1 Energy consumption within the organization, pg. 104 in full report • 302-2 Energy consumption outside of the organization, pg. 104 in full report • 302-3 Energy intensity, pg. 104 in full report • 302-4 Reduction of energy consumption, pg. 104 in full report • 302-5 Reductions in energy requirements of products and services, pg. 104 in full report • 305-1 Direct (Scope 1) GHG emissions, pg. 105 in full report • 305-2 Energy indirect (Scope 2) GHG emissions, pg. 105 in full report • 305-3 Other indirect (Scope 3) GHG emissions, pg. 105 in full report • 305-4 GHG emissions intensity, pg. 105 in full report • 305-5 Reduction of GHG emissions, pg. 105 in full report • 308-1 New suppliers that were screened using environmental criteria, pg. 105 in full report • 308-2 Negative environmental impacts in the supply chain and actions taken, pg. 105 in full report <p>TCFD (transition risk), pg. 92 in full report</p> <p>UN SDGs:</p> <ul style="list-style-type: none"> • 13 Climate Action, pg. 82 in full report

¹Please see the referenced page number in **the full Sustainability Report** for more information on our priority issues.

Prioritization Assessment Process

To frame our assessment, we first conducted a megatrend analysis to consider how wider environmental and social changes may impact **onsemi's** strategy and operating environment. Once relevant megatrends were identified, we interviewed key internal and external stakeholders to understand the viewpoints of a range of stakeholder groups regarding **onsemi's** positioning against the megatrends. Interview participants included members of **onsemi's** executive leadership team, key value chain partners and industry association representatives.

After incorporating feedback from the stakeholder interviews, refining the list of relevant megatrends and reviewing relevant company strategy papers, policies and reporting, we identified a list of potential priority issues. We assessed potential priority issues for their financial and stakeholder impacts, with the most significant impacts shortlisted as **onsemi's** priority issues. This shortlist of priority issues was then reviewed by our executive leadership team for confirmation.

PRIORITY ISSUES	DEFINITION	REPORTING AND DISCLOSURE
Expanding onsemi's triple bottom line revenue	Continuing to develop internal innovation capabilities to advance onsemi's triple bottom line revenue in pursuit of decarbonization and human safety and wellbeing.	<p>Product Stewardship, pg. 9</p> <p>SASB:</p> <ul style="list-style-type: none"> • TC-SC-410a.2 - Product Lifecycle Management, pg. 91 in full report¹ <p>GRI:</p> <ul style="list-style-type: none"> • 201-1 Direct economic value generated and distributed, pg. 102 in full report • 201-2 Financial implications and other risks and opportunities due to climate change, pg. 102 in full report • 203-1 Infrastructure investments and services supported, pg. 102 in full report • 203-2 Significant indirect economic impacts, pg. 102 in full report • 305-3 Other indirect (Scope 3) GHG emissions, pg. 105 in full report • 416-1 Assessment of health and safety impacts of product and service categories, pg. 108 in full report • 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services, pg. 108 in full report
Decreasing total water demand and increasing water recycling in onsemi manufacturing	Increasing the rate of water recycling (including water reuse) in the manufacturing process while minimizing consumption.	<p>Water and Waste Management, pg. 14</p> <p>SASB:</p> <ul style="list-style-type: none"> • TC-SC-140a.1 - Water Management, pg. 90 in full report <p>GRI:</p> <ul style="list-style-type: none"> • 303-3 Water withdrawal, pg. 104 in full report • 303-4 Water discharge, pg. 104 in full report • 303-5 Water consumption, pg. 104 in full report
Enhancing onsemi's talent attraction and retention	Attracting and retaining talent through employee engagement, performance management and professional development – supporting onsemi's competitiveness and resilience given labor/skills shortages that persist in the semiconductor industry.	<p>Our Employees, pg. 39 in full report</p> <p>SASB</p> <ul style="list-style-type: none"> • TC-SC-320a.1 - Human Health Hazard, pg. 90 in full report • TC-SC-320a.2 - Employee Health and Safety Violations, pg. 91 in full report • TC-SC-330a.1 - Recruiting & Managing a Global & Skilled Workforce, pg. 91 in full report

¹Please see the referenced page number in **the full Sustainability Report** for more information on our priority issues.



PRIORITY ISSUES	DEFINITION	REPORTING AND DISCLOSURE
Integrating sustainability-related risks, opportunities and impacts into onsemi corporate governance	Ensuring that board mandates, management committee mandates, roles, responsibilities, policies, procedures, incentive structures and other corporate governance factors support the integration of sustainability-related risks, opportunities and impacts into onsemi's corporate strategy and risk management.	<p>Climate Scenario Analysis and Risk Disclosure, pg. 23</p> <p>TCFD (for climate-related issues), pg. 92 in full report¹</p> <p>GRI:</p> <ul style="list-style-type: none"> • Management approach disclosures, pg. 99 in full report
Building operational resilience through policies, procedures and infrastructure enhancements	Designing resilience into operations to ensure company's infrastructure can sustain in instances of extreme weather. For a global manufacturing company like onsemi, failure to act may mean increased costs of repair and recovery, lost production time and physical danger to staff.	<p>Climate Scenario Analysis and Risk Disclosure, pg. 23</p> <p>TCFD (physical risk), pg. 92 in full report</p>
Ensuring a diverse workforce and an inclusive culture at onsemi	Enhancing the diversity of onsemi's workforce at all levels and maintaining an inclusive culture through targeted initiatives and inclusive policies around recruiting, training, promotions and benefits.	<p>Diversity, Equity and Inclusion (DEI), pg. 17</p> <p>GRI:</p> <ul style="list-style-type: none"> • 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage, pg. 102 in full report • 202-2 Proportion of senior management hired from the local community, pg. 102 in full report • 405-1 Diversity of governance bodies and employees, pg. 107 in full report • 405-2 Ratio of basic salary and remuneration of women to men, pg. 107 in full report • 406-1 Incidents of discrimination and corrective actions taken, pg. 107 in full report
Upholding human rights in onsemi's supply chain	Ensuring onsemi's supplier selection, due diligence and engagement mechanisms consider human rights risk and remediate any human rights risks/ violations that occur.	<p>Fair Treatment, pg. 24</p> <p>GRI:</p> <ul style="list-style-type: none"> • 408-1 Operations and suppliers at significant risk for incidents of child labor, pg. 107 in full report • 414-1 New suppliers that were screened using social criteria, pg. 108 in full report • 414-2 Negative social impacts in the supply chain and actions taken, pg. 108 in full report
Increasing hazardous and non-hazardous waste recycling	Continuing to innovate and improve performance regarding waste recycling, decrease waste directed to disposal and decrease effluent discharge.	<p>Water and Waste Management, pg. 14</p> <p>SASB:</p> <ul style="list-style-type: none"> • TC-SC-150a.1 - Waste Management, pg. 90 in full report <p>GRI:</p> <ul style="list-style-type: none"> • 306-1 Waste generation and significant waste-related impacts, pg. 105 in full report • 306-2 Management of significant waste-related impacts, pg. 105 in full report • 306-3 Waste generated, pg. 105 in full report • 306-4 Waste diverted from disposal, pg. 105 in full report • 306-5 Waste directed to disposal, pg. 105 in full report

¹Please see the referenced page number in [the full Sustainability Report](#) for more information on our priority issues.

Net Zero Commitment

At our Analyst Day in 2021, we announced our goal to achieve net zero emissions by 2040 (Net Zero 2040) across Scope 1, 2 and 3 along with a commitment to use 50 percent renewable energy by 2030 and 100 percent renewable energy by 2040. This commitment will guide how we operate our business over the coming years and is essential to ensure we operate in a socially thoughtful and environmentally responsible manner. Scope 1 and 2 emissions cover direct and indirect emissions under **onsemi's** operational control, while Scope 3 emissions are indirect emissions that occur in the value chain of the company, including both upstream and downstream emissions.

Baseline Emissions Inventory

2022 will serve as our baseline year for greenhouse gas (GHG) emissions across Scope 1, 2 and 3 for our net zero target setting efforts.

As a reflection of our commitment to continually improve, **onsemi's** 2022 emissions inventory is more comprehensive than the year prior. Scope 1 emissions are calculated based on discharged emissions, in line with the **Intergovernmental Panel on Climate Change (IPCC) Tier 2c guidance**. Scope 2 emissions inventory now includes both manufacturing and non-manufacturing operations, whereas the previous emissions inventory included only manufacturing operations. Scope 3 emissions are also calculated more comprehensively than previously. In 2021, onsemi tracked Scope 3 emissions related to our business travel. This year, **onsemi's** baseline Scope 3 emissions include 10 applicable categories out of a total of 15 potential categories, as defined by the **GHG Protocol**. A total emission of 2,143,211 metric tons of carbon dioxide equivalent (MTCO₂e) was calculated for Scope 3 alone, which accounts for 60 percent of our total GHG emissions. All emissions from Scope 1, 2 and 3 were calculated based on the **GHG Protocol**.

To baseline emissions for Net Zero 2040, we have excluded facility divestitures that occurred in 2022. **onsemi** divested four manufacturing sites (various dates throughout 2022) located in Oudenaarde (Belgium), South Portland, Maine (USA), Pocatello, Idaho (USA) and Niigata (Japan).

onsemi acquired our East Fishkill (EFK), New York Fab on December 31, 2022. Due to this acquisition closing at the end of 2022, emissions from the site have not been included in this baseline calculation. We will work to include EFK emissions in our 2022 baseline calculation over the next year and will report on its impact in our 2023 Sustainability Report. For annual reporting, emissions from divested facilities are calculated through the date of divestiture and emissions from EFK will be included as part of 2023 emissions. Annual reporting of our GHG emissions can be found in the **Energy Consumption and Emissions** section of this report, pg. 10.

DISCLOSURE	UNITS	EMISSIONS
2022 Baseline Emissions¹		
Scope 1	MTCO ₂ e	769,179
Scope 2		686,475
Scope 3 Total		2,143,211

¹Our 2022 baseline emissions do not yet account for emissions from EFK. We anticipate that our baseline emissions will increase when we incorporate EFK emissions in our 2023 reporting cycle. These baseline emissions differ from our fiscal year 2022 emissions disclosed in the Energy Consumption and Emissions section as our baseline emissions do not include emissions from sites divested in 2022.

DISCLOSURE	UNITS	SCOPE 3 SUBTOTAL BY CATEGORY
GHG Protocol Scope 3 Category		
1	Purchased Goods and Services (PG&S)	1,414,941
2	Capital Goods	102,663
3	Fuel- and Energy-related Activities (FERA)	203,238
4	Upstream Transportation and Distribution	294,171
5	Waste Generated in Operations	46,705
6	Business Travel	5,556
7	Employee Commuting	17,452
8	Upstream Leased Assets	9
10	Processing of Sold Products	13,992
12	End-of-Life Treatment of Sold Products	44,484

Science Based Target Initiative Alignment

In December 2022, we submitted a commitment letter signed by our President and CEO Hassane El-Khoury to set near-term science-based emission reduction targets in line with the **Science Based Target Initiative (SBTi)**.

Science Based Targets (SBTs) provide a clearly defined pathway for companies to reduce GHG emissions, focusing on deep decarbonization of current business processes and decoupling business and revenue growth from increased emissions in the future. SBTi ensures our targets align with the latest science to limit global warming to 1.5 degrees Celsius, as defined by the **Paris Climate Agreement**.

By December 2024, we will develop, validate and publish near-term SBTs aligned with and approved by SBTi. These milestones are important because they present an additional level of transparency toward our Net Zero 2040 goal.

Climate Transition Plan

We are working to create a climate transition plan to meet our Net Zero 2040 goal. We're exploring the use of available levers for reducing emissions across Scope 1 and 2 internally at our facilities, along with pathways for engaging suppliers and other reduction strategies in the value chain for Scope 3 emissions reductions outside **onsemi's** direct control. We're determining the appropriate milestone tasks, metrics and key performance indicators to use for our climate transition plan, allowing us to track our progress over time.



Triple Bottom Line Revenue

In 2022, **onsemi** had over \$6,454 million in triple bottom line revenue, representing 78 percent of total revenue. **onsemi's** focus on intelligent power and sensing technologies and newly implemented corporate strategy resulted in a redefinition of our triple bottom line product offering in 2021. As a result, we saw a significant increase in triple bottom line revenue from 2020 to 2021.

Our definition of “triple bottom line” is revenue from products that fall under the intelligent power and sensing umbrella and products that contribute to the triple bottom line – People, Planet, Profit. The “People” category refers to any product that helps improve human health or saves lives. For example, our image sensors go into ADAS and automation systems leading to increased levels of safety in automotive applications.

The “Planet” category refers to any product that helps reduce negative environmental impact throughout its use phase. Examples include applications that reduce carbon emissions, aid in the transition to renewable energy or enable resource conservation such as through the reduction of waste and scrap in manufacturing processes. Our SiC technologies are designed to meet the demands of higher power and density, and direct current (DC) fast charging in the EV charging application. The “Profit” category refers to any product that contributes to an organization’s ability to provide economic benefit to society by enabling more efficient and productive operations. For example, our image sensors provide high-quality, global shutter imaging for factory automation applications including robotics and inspection systems.

We consider these products a key part of our triple bottom line product offering, which includes the following categories:

 EV Charging	 Factory Automation	 ADAS Lidar
 Vehicle Electrification	 Medical	 Machine Vision
 Energy Infrastructure	 Advanced Safety	 Automotive Lighting

DISCLOSURE	UNITS	2022	2021	2020
Triple Bottom Line Revenue				
People	\$ (Millions)	1,462	NR ¹	NR
Planet		4,646	NR	NR
Profit		346	NR	NR
Total		6,454	5,011	755
Percentage of Total Revenue				
Percentage of Total Revenue	Percentage	78	74	14

¹Not Reported

Product Stewardship

onsemi is focused on innovation to create intelligent power and sensing technologies that solve the most challenging customer problems. We have components in medical devices, fitness trackers and smartwatches, autonomous and EVs, charging stations, solar inverters and more. We innovate to deliver disruptive technologies to empower a strong triple bottom line product offering.

Our product development efforts are directed towards:

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

- Enhancing the automotive mobility experience with our intelligent sensing technologies with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible.
- Enabling automation and data exchange (Industry 4.0) with our intelligent sensing technologies for smarter factories and buildings.

While our new product development efforts continue to focus on building solutions in areas that appeal to customers in focused market segments and across high-growth applications, we regularly re-evaluate our research and development spending, to assess the deployment of resources and to review the funding of high-growth technologies. We deploy people and capital to maximize the return from our research and development investments by targeting innovative products and solutions for high-growth applications that position us to outperform the industry.

Energy Consumption and Emissions

We are dedicated to reducing our greenhouse gas (GHG) emissions, energy consumption and overall carbon footprint in alignment with our net zero by 2040 goal (Net Zero 2040). All emissions from Scope 1, 2 and 3 were calculated based on the **GHG Protocol**, an internationally recognized standard for quantifying and reporting GHG emissions. **onsemi** divested four manufacturing sites (various dates throughout 2022) located in Oudenaarde (Belgium), South Portland, Maine (USA), Pocatello, Idaho (USA) and Niigata (Japan). For annual reporting, energy usage and emissions from divested facilities are calculated through the date of divestiture.

Energy

The use of energy across the organization consists predominantly of purchased electricity and to a lesser extent natural gas, diesel fuel, town gas, heavy oil and liquified petroleum gas (LPG). Electricity emissions are considered Scope 2 emissions, while the other energy sources in this list are direct emissions and are considered Scope 1. Efficient use of energy across our operations is central to our success.

Our total energy use in 2022 was 1,752,282 megawatt hours (MWh) out of which 1,487,074 MWh was attributed to purchased electricity. This represents a two percent change in total energy and a 29,403 MWh reduction from our 2021 levels demonstrating our continued efforts for improvement in reducing our overall energy use. Our facilities reduced over 5,000 MWh of purchased electricity and 100,000 therms of natural gas (annualized estimate) through the implementation of customized energy conservation and energy efficiency measures at our existing manufacturing sites. These projects represent a total of roughly 3,150 metric tons of carbon dioxide equivalent (MTCO₂e) saved with an estimated investment cost of over \$1,200,000 spent across our enterprise. These include, but are not limited to:

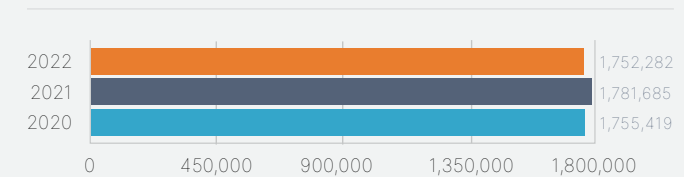
- Energy conservation measures associated with:
 - Reducing chiller operational hours by sequencing chiller operations based on outside ambient temperature, which resulted in an annual energy savings of approximately 750,000 kilowatt hours (kWh) and \$88,500 in annual cost savings at our Carmona (Philippines) and Seremban (Malaysia) sites.
 - Reducing cooling tower operational hours by replacing inefficient fillers

to help increase heat rejection efficiency. This measure resulted in an annual energy savings of approximately 180,000 kWh and \$20,000 in annual cost savings at our Carmona and Seremban sites.

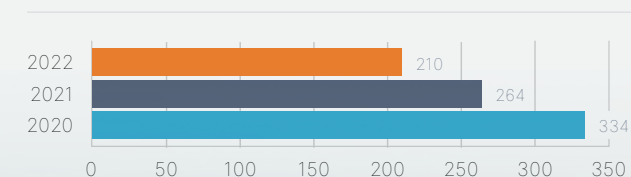
- Consolidation of vacuum pipelines across different facility regions to enable the shutdown of two inefficient vacuum pumps in the line, resulting in an annual energy savings of approximately 258,000 kWh and \$36,000 in annual cost savings at our Carmona site.
- Isolation of compressed dry air pressure lines for specific process equipment needing higher pressure than the common line pressure. This measure resulted in an annual energy savings of approximately 168,000 kWh and \$17,000 in annual costs savings at our ISMF (Malaysia) site.
- Energy efficiency measures such as:
 - Building Management System (BMS) upgrades with chilled water system controls to implement static pressure resets, supply air temperature reset and economizer optimizations within the air handler units at our Gresham, Oregon (U.S.) site. These energy efficiency measures resulted in annual energy and natural gas savings of approximately 347,000 kWh and 15,000 therms respectively translating to a total of about \$28,000 in annual cost savings.
 - Pre-heating of the deionized (DI) water loop using condenser heat recovered from the chillers in one of the buildings of our Roznov (Czech Republic) facility. This measure resulted in waste heat captured of around 4,000 gigajoules (GJ) per year which translates to approximately 36,000 therms of avoided natural gas use and an annual cost savings of \$34,000.
 - Replacement of 350 existing linear fluorescent bulb fixtures with light-emitting diode (LED) kits within specific areas of our buildings at our Roznov and ISMF facilities. These projects resulted in annual energy savings of approximately 100,000 kWh translating to \$20,000 in annual cost savings.
 - Installation of waste heat recuperators to recover heat from process equipment at our Bucheon (South Korea) facility, which resulted in an annual avoided gas savings of approximately 65,000 therms and \$65,000 in annual cost savings.

ENERGY CONSUMPTION BY SOURCE	UNITS	2022	2021	2020
Electricity	MWh	1,487,074	1,548,009	1,529,279
Renewable Electricity		0	0	0
Natural Gas		172,028	173,332	166,646
Diesel Fuel		3,170	4,536	8,957
Town Gas		57,883	25,422	24,304
Heavy Oil		30,121	28,734	24,993
LPG		2,006	1,652	1,240

Total Energy Consumption (MWh)



Energy Intensity (MWh per \$ Million Revenue USD)



20%
reduction in
energy intensity
compared to previous year

Scope 1 Emissions

Scope 1 emissions are direct emissions from company-owned and -controlled resources. The largest source of Scope 1 emissions is from fluorinated process gases used in manufacturing, with other examples of sources that include: fuels used in heating or furnaces and heat transfer fluids.

onsemi Scope 1 emissions are managed jointly by our corporate ESG and manufacturing site teams across the globe. Our manufacturing site team members are responsible for updating quarterly usage data from our purchasing and consumption activities for fuels and fluorinated GHGs. At the corporate level, we monitor the data submitted by our teams to check for quality and completeness.

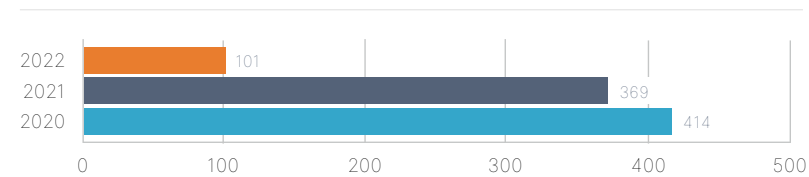
onsemi uses an industry best practice calculation methodology consistent with **IPCC Tier 2c** guidance to calculate our process gas emissions; the methodology is thorough and accounts for the destruction of fluorinated

gases within the semiconductor manufacturing process. 2022 is the first year **onsemi** is using this improved calculation methodology for our public emissions reporting, so there is a significant change in our reported Scope 1 emissions compared to the previous year.

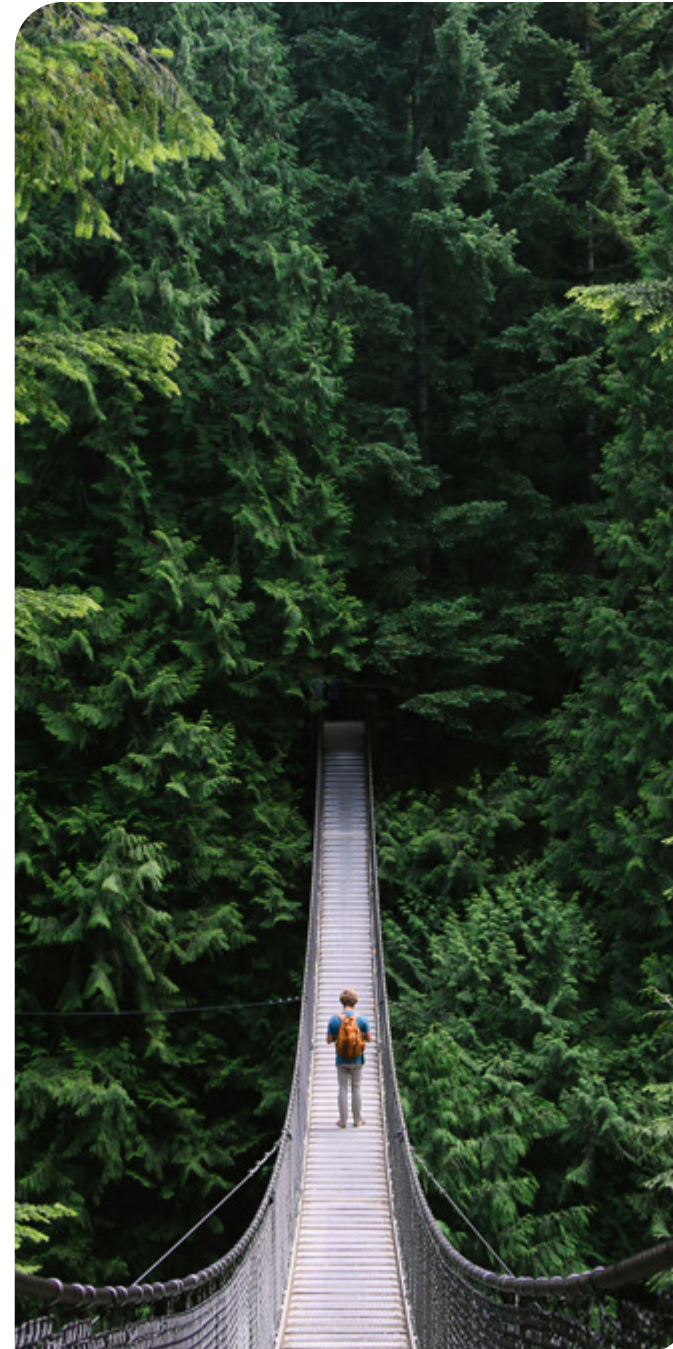
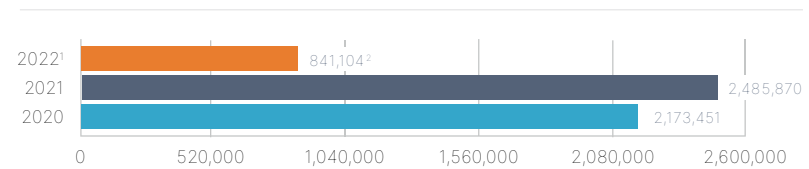
onsemi directly emits GHG emissions (Scope 1 emissions) from fabrication and assembly and test locations. We work to reduce Scope 1 emissions from process gases by:

- Instating efficient manufacturing technologies and optimizing processes to reduce process gas usage.
- Substituting gases that are utilized more effectively in processes or have lower global warming potential (GWP), resulting in lower emissions of unused and byproduct GHGs.
- Installing point-of-use (POU) abatement devices that treat the exhaust of gases used in semiconductor manufacturing.

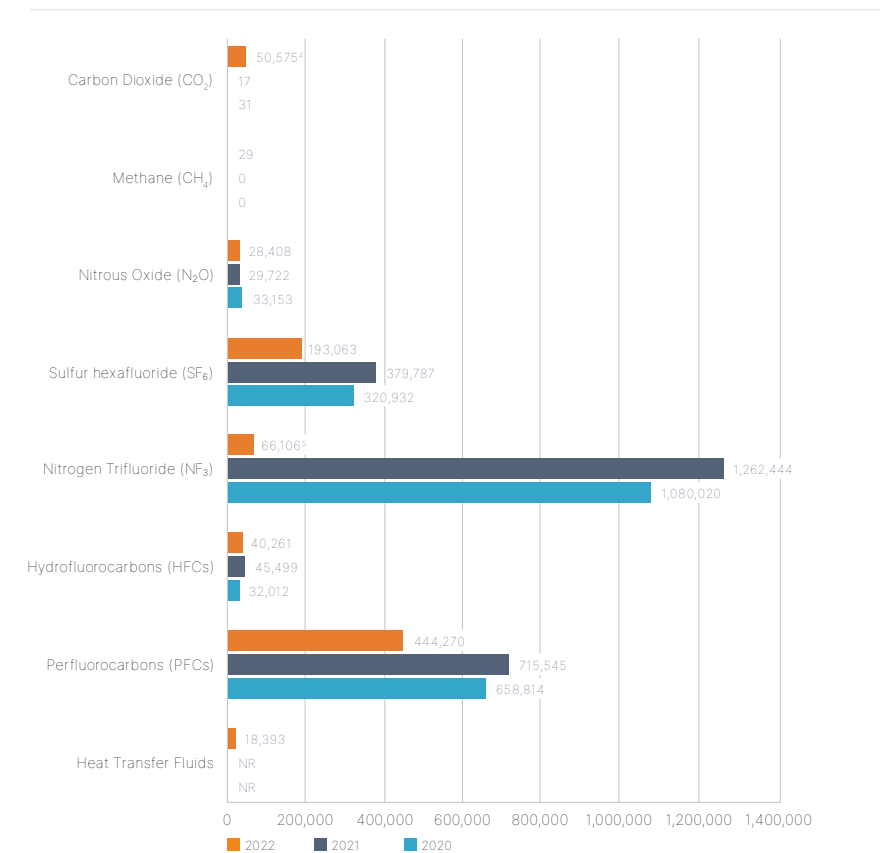
Scope 1 Emissions Intensity (MTCO₂e per \$ Million Revenue)



Total Scope 1 GHG Emissions (Metric tons of CO₂e)



Scope 1 Emissions by Gas Type³ (Metric tons of CO₂e)



¹Starting in 2022, Scope 1 emissions are calculated based on discharged emissions, in line with the IPCC Tier 2c guidance. Per this guidance, we have claimed destruction of certain GHGs within our manufacturing process which leads to the large change in reported Scope 1 emissions compared to 2021 and 2020 emissions.

²Scope 1 emissions for fiscal year 2022 include emissions from our divested facilities up to the date of divestiture. Our Net Zero baseline for 2022 does not include these emissions.

³Prior to 2022, **onsemi** reported Scope 1 emissions by gas type for its process gas usage only. Starting in 2022, this breakdown also includes the Scope 1 emissions from fuel usage and heat transfer fluids, aligning with the Greenhouse Gas Protocol methodology for reporting emissions.

⁴Includes CO₂ emissions from fuel combustion which was not included in our CO₂ emissions breakdown in previous years.

⁵Due to the claimed destruction values of NF₃ within the semiconductor manufacturing process per IPCC Tier 2c guidance, there is a large decrease in NF₃ emission year-over-year.

Scope 2 Emissions

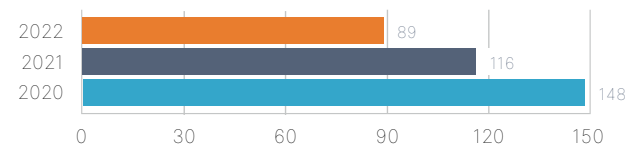
Scope 2 emissions are indirect emissions resulting from the generation of purchased energy. For our purposes, this means our purchased electricity. **onsemi** indirectly emits GHG emissions from electricity purchased for the operations of our manufacturing and non-manufacturing sites. Our global Scope 2 emissions intensity, normalized by revenue for 2022, has reduced compared to our 2021 levels. This has largely been made possible due to the implementation of energy conservation and energy efficiency/optimization practices at our sites (as mentioned in the Energy Section of this report). In addition to these practices, we also implemented the following strategic initiatives in 2022 to further reduce our overall Scope 2 emissions:

- Planned divestitures and downsizing of our manufacturing and non-manufacturing facilities:
 - We divested from four of our existing manufacturing sites located in Oudenaarde (Belgium), South Portland, Maine (USA), Pocatello, Idaho (USA) and Niigata (Japan). These fab facilities

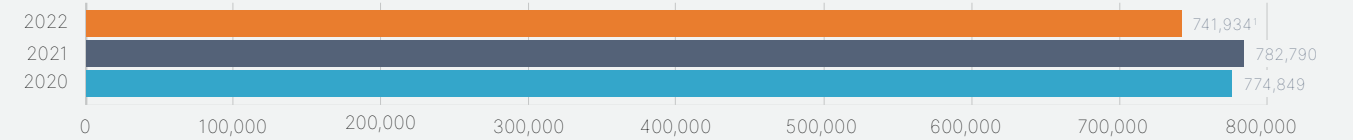
consumed over 239,000 megawatt hours (MWh) in 2021 contributing to over 85,000 MTCO₂e in **onsemi** Scope 2 emissions.

- Downsizing and consolidation of over 25,000 square feet of non-manufacturing spaces comprised of offices and design centers throughout the world. These downsizing activities are estimated to result in approximately 150 MWh of avoided energy translating to a reduction of about 51 MTCO₂e from our 2021 levels.
- Installation of energy-efficient equipment within newly acquired sites and site expansions:
 - These include but are not limited to interior and exterior LED lighting systems; high efficiency packaged/split heating, ventilation and air conditioning (HVAC) systems; heat reclaim chillers; and dry cooling towers.

Scope 2 Emissions Intensity (MTCO₂e per \$ Million Revenue)



Total Scope 2 GHG Emissions (Metric tons of CO₂e)



¹Scope 2 emissions for fiscal year 2022 include emissions from our divested facilities up to the date of divestiture. Our Net Zero baseline for 2022 does not include these emissions.



Scope 3 Emissions

Scope 3 emissions are indirect emissions that occur in the value chain of the company, including both upstream and downstream emissions. In 2021, **onsemi** tracked Scope 3 emissions related to our business travel. This year, **onsemi's** baseline Scope 3 emissions are more comprehensive and include 10 out of the 15 categories outlined in the **GHG Protocol**. Through our baselining process, five Scope 3 categories were concluded to be inapplicable to **onsemi** operations.

For 2022, a total emission of 2,143,211 MTCO₂e was calculated for Scope 3 alone, which accounts for 58 percent of our total GHG footprint. Since Purchased Goods and Services (Category 1 of Scope 3 emissions per GHG Protocol) account for a significant percentage of the total

Scope 3 inventory, we anticipate reducing Scope 3 emissions by engaging with our supply chain partners and encouraging them to disclose their own greenhouse gas emissions and set their own science-based reduction targets, per **Science Based Targets Initiative (SBTi)** guidance. We are in the process of setting science-based targets for Scope 3 and will disclose more information, including pathways for Scope 3 emissions reduction, after the process.



58%

of our total GHG footprint was calculated to be from Scope 3 emissions

GHG PROTOCOL CATEGORY	SCOPE 3 EMISSIONS CATEGORY ¹ (MTCO ₂ e)	2022	2021	2020
1	Purchased Goods and Services (PG&S)	1,414,941	NR ²	NR
2	Capital Goods	102,663	NR	NR
3	Fuel- and Energy-related Activities (FERA)	203,238	NR	NR
4	Upstream Transportation and Distribution	294,171	NR	NR
5	Waste Generated in Operations	46,705	NR	NR
6	Business Travel	5,556	617	1,565
7	Employee Commuting	17,452	NR	NR
8	Upstream Leased Assets	9	NR	NR
10	Processing of Sold Products	13,992	NR	NR
12	End-of-Life Treatment of Sold Products	44,484	NR	NR
	Total	2,143,211	617	1,565

¹Applicable Scope 3 emission categories in line with GHG accounting standards from the GHG Protocol

²Not Reported

Water and Waste Management

Water Stewardship

We're committed to ensuring our operations have a positive impact on the communities where we operate. We actively seek to avoid negative water-related impacts and strive for transparency with stakeholders, displaying deliberate stewardship of water as the important resource it is. We firmly believe that our reduction in water usage protects the shared commons of water resources, while also reducing the cost of processing. We continue to seek out opportunities to reduce, reuse and recycle water.

At **onsemi**, these opportunities include our ultrapure water (UPW) treatment process, mechanical cooling systems and recycling of treated water from wastewater plants (retreatment of process reject water, reverse osmosis reject water to flush facility toilets and retreatment of water after it's used in manufacturing processes).

onsemi tracks water withdrawals at our manufacturing sites, which account for approximately 20 percent of our total facilities by count. Due to the massive amount of water used in our manufacturing processes, we estimate that our manufacturing facilities account for 85 percent or more of our total water use. We are exploring tracking our water use at our non-manufacturing sites to ensure we have the full scope of our water usage at **onsemi**.

In 2022, 515 megaliters of water were withdrawn from high water-stressed regions, out of the total 13,692 megaliters of water withdrawn (3.8% of total water withdrawn). As part of our commitment to water-use efficiency, 5,776 megaliters of water

were recycled in 2022 (42% recycling rate).

At this time, **onsemi** assumes that all water withdrawn is discharged. Since we do not have granular data on water discharge, it is difficult to calculate water consumption. We plan to include the tracking of our water discharge and consumption in our future exploration of implementing water-related targets and goals for the company.

Water Usage

UPW is a crucial ingredient in the semiconductor manufacturing process and is defined as having one to two parts of contaminating molecules per one million water molecules. **onsemi** treats water received from our municipal suppliers and other water sources to ensure that water used in relevant manufacturing processes meets this threshold. In 2022, **onsemi** produced around 6,000 megaliters of UPW.

onsemi also uses non-UPW in our facilities for operations outside of our manufacturing processes, such as facility cooling and heat transfer, drinking water, onsite kitchens and running our sanitary plumbing.



Wastewater Treatment

All wastewater produced in our manufacturing facilities is treated using advanced onsite wastewater treatment techniques before it is discharged to a municipality or other discharge point. Our wastewater treatment systems are complex, as the chemicals used in semiconductor manufacturing must be precipitated, removed and neutralized before the wastewater is discharged. The treatment process can include physical-chemical treatment, pH neutralization, carbon absorption treatment, biological treatment and tertiary treatment including ion exchange treatment and membrane treatment.

The level of treatment is stringent and meets the local government requirements in the areas we operate. **onsemi** monitors various metrics associated with our wastewater discharge to ensure compliance with pH, temperature, chemical oxygen demand (COD), color, heavy metals, fluorine and other regulated discharge parameters. In addition to our discharge monitoring systems, we perform laboratory analysis on our water discharge under local regulations. The laboratory analysis can occur on a weekly, monthly or quarterly basis depending on the region; however, some regions require real-time monitoring of wastewater discharge. **onsemi** is compliant with all applicable local regulations and requirements.

WATER USAGE	UNITS	2022	2021	2020
Water Withdrawal				
Total Water Withdrawal	Megaliters	13,692	13,599	14,332
Surface Water		0	0	0
Groundwater (renewable)		1,129	885	1,031
Seawater		0	0	0
Third Party Water		12,563	12,714	13,301
Water Withdrawal Intensity				
Revenue	Dollars (Billions)	8.33	6.74	5.25
Water Withdrawal Intensity	Megaliter per \$ Million Revenue	1.64	2.02	2.73
Water Withdrawal in Water-Stressed Regions				
Extremely High ¹	Megaliters	0	271	275
High ²		515	1,127	1,081

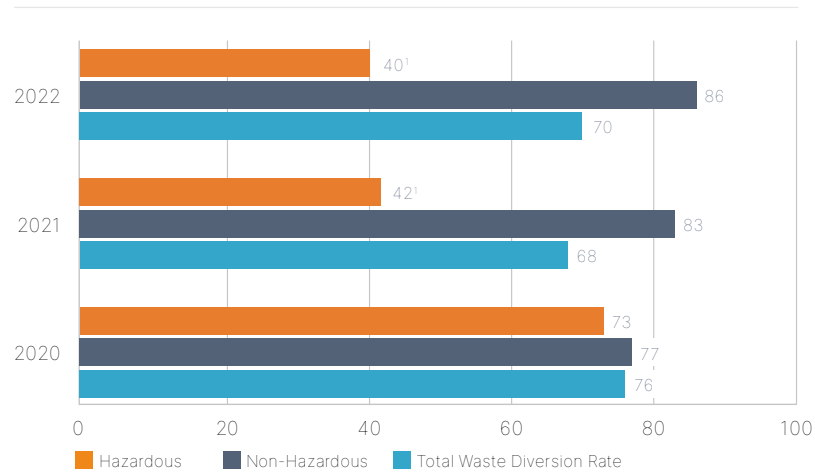
¹Extremely high water-stressed regions include Oudenaarde (Belgium). **onsemi** divested from this site in 2022.

²High water-stressed regions for 2021 and 2020 include Pocatello, Idaho (USA); Suzhou (China); and Tarlac (Philippines). For 2022, Tarlac (Philippines) was considered a medium-high water-stressed region, a change from 2021 during which it was reported as a high-water stressed region.

Waste Management

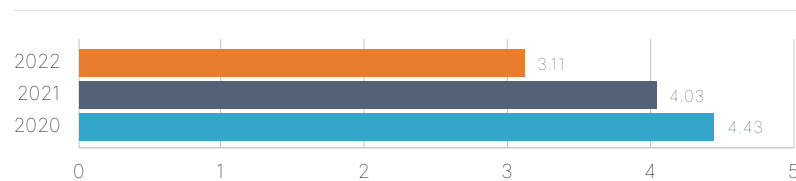
Semiconductor manufacturing generates both hazardous and non-hazardous waste, as classified under local government regulations. **onsemi** is committed to compliance with all legal and other requirements related to our waste management practices. We ensure there are processes and controls in place to effectively manage our waste streams and we strive to reduce the amount of waste directed to disposal through waste reduction and diversion. Our manufacturing sites provide waste diverted from disposal and waste directed to disposal data for both internal analysis and external reporting.

Waste Diversion Rate (Percentage)



¹Due to a redefinition of waste categorization, the amount of hazardous waste directed to disposal increased from 2020 to 2021. This lowered our hazardous waste diversion rate.

Waste Generation Intensity (Metric tons per \$ Million Revenue USD)



Waste Diverted from Disposal

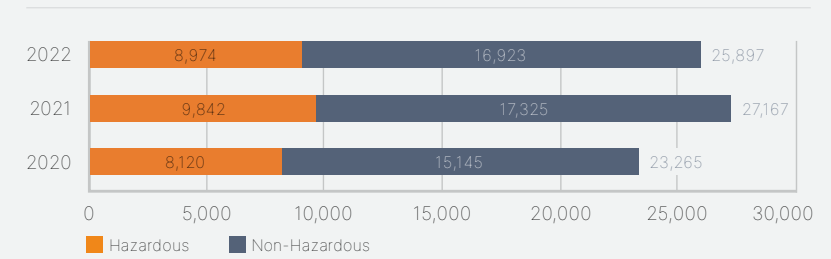
We strive to maximize waste diverted from disposal through the reduction of waste in manufacturing processes, reuse, recycling and other recovery operations. **onsemi** categorizes our waste diverted from disposal as shown below:



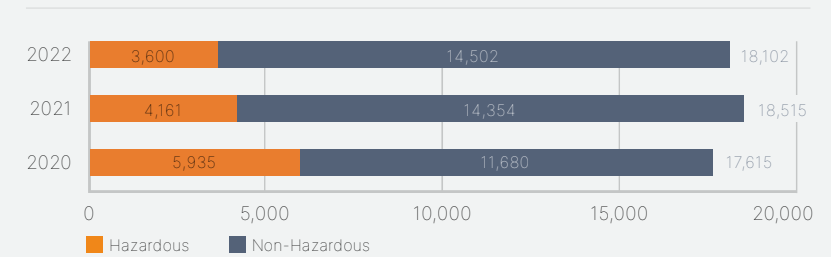
Waste Directed to Disposal

Due to local regulations or limited opportunities for waste diversion, we must often direct the waste generated by our operations to disposal or incineration. We look for ways to reduce the amount of waste directed to disposal/incineration, as these solutions tend to reduce our waste management costs, as well as avoid negative impacts on human and environmental health, making waste reduction an overall good business strategy.

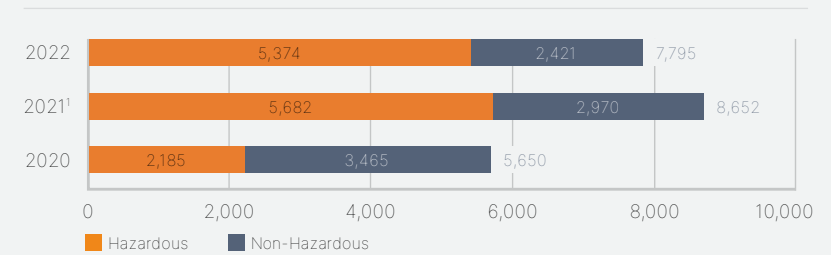
Total Waste Generated (Metric tons)



Total Waste Diverted from Disposal (Metric tons)



Total Waste Directed to Disposal (Metric tons)



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

Environmental Health and Safety

The **onsemi** Environmental, Health and Safety (EHS) team is committed to protecting people and ensuring compliance through our EHS Policy and Statement.

EHS Policy

onsemi protects people and minimizes our environmental impact through efforts to prevent injury, illness and pollution.

EHS Statement

onsemi consults with workers and encourages participants to identify hazards and reduce health and safety risks. We are committed to compliance with all legal and other requirements wherever we operate. We set EHS objectives and strive for continuous improvement. The **EHS Policy and Statement** is available on the **onsemi** website.

The **onsemi** EHS Management System is audited and certified by a third party to **ISO 14001 Environmental Management System** and **ISO 45001 Health and Safety Management System** standards.

- 95 percent of **onsemi** manufacturing sites are certified to ISO 14001 (26,277 employees).
- 90 percent of **onsemi** manufacturing sites are certified to ISO 45001 (26,089 employees).

EHS Compliance

All **onsemi** sites are committed to EHS compliance and sites with regulated emissions and effluents are required to follow local regulations. These legal and other requirements include:

- Permits
- Monitoring and Measuring
- Preventative Maintenance
- Inspections
- Regulatory Reporting

The **onsemi** Compliance Assurance program ensures that our sites comply with local regulations. This program is maintained at sites and with regional and global accountability.

In February 2022, **onsemi** received a notice of violation (for one of its US facilities) for a one-time exceedance of its daily maximum limit for ammonia discharge that occurred on December 7, 2021. **onsemi** paid a \$125 administrative penalty fee on March 14, 2022. The underlying issue was identified and addressed. This is not anticipated to present an issue in the future.



EHS Data

We track and report various environmental health and safety metrics to understand the success and trends of our program over time.

DISCLOSURE	RATE	CALCULATION
2022 Rate Calculations¹		
Lost time incident rate (LTIR)	0.05	$\frac{\text{(Number of lost time injuries in the reporting period} \times 200,000)}{\text{Total hours worked in the reporting period}}$
Lost time incident severity rate	0.009	$\frac{\text{(Number of days lost due to injuries} \times 1,000)}{\text{Total hours worked in the reporting period}}$
Total recordable incident rate (TRIR), employees	0.108	$\frac{\text{(Number of incidents} \times 200,000)}{\text{Total hours worked in the reporting period}}$
Total recordable incident rate (TRIR), non-employees	0.005	$\frac{\text{(Number of incidents} \times 200,000)}{\text{Total hours worked in the reporting period}}$

¹Based on 74,084,225 hours worked in 2022.

DISCLOSURE	UNITS	2022	2021	2020
Injury Disclosures				
Fatalities, employees	Incidents	0	0	0
Fatalities, non-employees		0	0	0
High-consequence work-related injuries, employees		0	2	NR
High-consequence work-related injuries, non-employees		0	0	NR
Recordable ² work-related injuries, employees		40	43	NR
Recordable ² work-related injuries, non-employees		2	3	NR

²Recordable injury or illness as defined by the Occupational Safety and Health Administration

Diversity, Equity and Inclusion (DEI)

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

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

DEI Mission

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

DEI Vision

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



Workforce Diversity

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

STEM Organizations

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

Succession Management

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

Diverse Hiring Programs

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

- *Historically Black Colleges and Universities (HBCUs)* to provide scholarships and internship opportunities.
- *EMEA, Embedded partnerships* with local universities: onsemi consults local universities on curriculums to prepare graduates for the semiconductor industry.
- *India, onsemi alumni connections:* Current onsemi employees partner with their alma mater to organize pre-placement talks and showcase onsemi technologies to attract top engineering school talent.

Employee Resource Groups

Our Employee Resource Groups (ERGs) help facilitate equity in the workplace. They evolve through organic formation and are business-facing groups that support our recruitment, retention, development and advancement objectives.

WE

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

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

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

Cultivate

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

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

Black Employee Network (BEN)

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

Continua

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

Veteran and Military Employees (VME)

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



Community Partnerships

The onsemi Giving Now program enables strong alliances with external organizations to better understand the needs of our community members. We partner with leading organizations to expand our positive impact and advance DEI initiatives within our local communities.

SEMI Workforce Development and DEI Council

We are members of this council that guides strategy, prioritization, scope and desired outcomes to support pathways for both future and current

talent to find their career and purpose in the microelectronics industry. Workforce and talent pipeline development ensures faster time-to-better business results for the semiconductor industry.

The Global Diversity, Equity and Inclusion Benchmarks (GDEIB)

As a sponsor, we use GDEIB as a resource for research and education to improve our diversity, equity and inclusion practices around the globe.



DEI Benchmarking

onsemi participates in multiple industry-recognized diversity surveys annually to ensure we are accurately measuring our performance to internal initiatives and external benchmarking.

Index, which tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation and transparency.

Military Friendly® Company

In 2023, onsemi was recognized as a Military Friendly® Company for the fourth consecutive year. Military Friendly® measures an organization's commitment, effort and success in creating sustainable and meaningful benefits for the military community.

McKinsey Women in the Workplace

In 2022, onsemi participated in the McKinsey Women in the Workplace study which provides an overview of HR policies and programs, including HR leaders' sentiment on the most effective DEI practices and explores the intersectional experiences of different groups of women at work. Our participation helped inform the 2022 Report and findings within the Technology - Hardware industry.

Bloomberg Gender-Equality Index (Bloomberg-GEI)

For the third consecutive year, onsemi was named to the 2022 Bloomberg Gender-Equality

DEI Data

DISCLOSURE	UNITS	2022	2021	2020
General DEI Disclosures				
Employees with a disability	Percentage	0.39	0.28	NR
Women in Leadership and STEM				
Women in Executive Role	Number	4	NR	NR
	Percentage	29	NR	NR
Women in SVP Role (not already included in Executive) ¹	Number	0	NR	NR
	Percentage	0	NR	NR
Women in VP Role (not already included in Executive)	Number	13	NR	NR
	Percentage	20	NR	NR
Women in Senior Manager Role	Number	155	NR	NR
	Percentage	14	NR	NR
Women in Manager Role	Number	807	NR	NR
	Percentage	21	NR	NR
Women in all management positions in revenue-generation functions	Number	605	NR	NR
	Percentage	24	NR	NR
Women in STEM-related position	Number	903	NR	NR
	Percentage	17	NR	NR

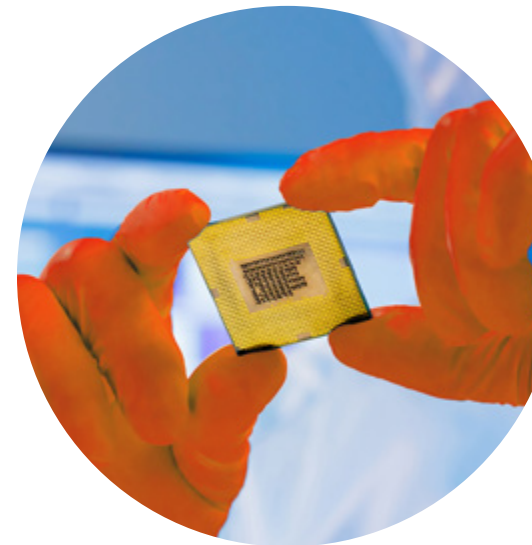
¹All female employees at onsemi in the SVP role report to the CEO and are therefore categorized as members of the Executive team.

Workforce Equity

onsemi knows that it is imperative to infuse equity as the integrator for seeking a diverse workforce and inclusive workplace. Equity is creating access for our employees to have the same opportunities to develop skills consistent with our business objectives and core values.

Workforce Inclusion

As a global employer, we must engage and address the local needs of all employees regardless of their role or location.





\$363,000

donated by employees through the Giving Now platform, which also provided an additional \$235,000 in company matching to more than 850 causes worldwide.



\$1.66 million

in charitable donations to the global community in 2022.



128%

increase in employee volunteer hours over 2021 (because of employee volunteer program expansion in 2022).

Giving Now Program, Community Investments and Commercial Initiatives

Combined with our mission to propel the world forward with intelligent technology and a goal to achieve net zero emissions by 2040, we understand that how we work, impact the environment and give back makes a difference to the customers we serve and the communities in which we live. **onsemi** invests in our communities in three broad ways: through our corporate philanthropic Giving Now Program, Community Investments and Commercial Initiatives.

The Giving Now program was launched in early 2022 as part of our **Tomorrow, today** campaign. This campaign includes championing social responsibility, protecting our planet and the environment, adhering to responsible business practices and serving our communities through the investment of resources.




Since 2016, **onsemi** has funded more than \$9 million in grants, disaster relief efforts, employee matching and dollars-for-doers for employee volunteerism, etc. Through our diverse network of grant advisors, we can carefully select our community partners based on need, while also considering cultural, institutional and operational differences across regions.

onsemi



The Giving Now program drives positivity forward by creating meaningful change for our planet and the global communities where we have a presence. The Giving Now program prioritizes giving in three simple ways:

- 1 Give to Donate**
Match employee giving and support volunteerism for causes they care about most.
- 2 Give to Educate**
STEAM (Science, Technology, Engineering, Art and Math) Education grants to help students in underserved communities achieve their dreams.
- 3 Give to Help**
Provide local disaster relief and revitalize communities after emergencies.

2022 GIVING, COMMUNITY INVESTMENTS AND COMMERCIAL INITIATIVES SUMMARY						
Category	Amount	Percentage of Total	Giving Priority			
			Give to Donate	Give to Educate	Give to Help	
 Charitable donations ^{1,4}	\$733,000	33%	\$733,000	\$0	\$0	
 Community investments ^{2,4}	\$933,000	41%	\$0	\$738,000	\$195,000	
 Commercial initiatives ^{3,4}	\$585,000	26%	Not Applicable	Not Applicable	Not Applicable	
Totals	\$2.251 Million		\$1.6 Million - tied to Giving Now program initiatives			

¹Charitable donations: One-off or occasional support to good causes in response to the needs and appeals of charitable and community organizations, requests from employees, etc., and includes matching employee donations.

²Community investments: Long-term involvement and partnership with community organizations to address social issues including grants.

³Commercial initiatives: Business-related activities in the community that promote the company and its brand, in partnership with charities and community-based organizations, such as support for universities as well as research and development.

⁴Adapted from guidance tied to the London Benchmarking Group model for documenting types of philanthropic activities at companies.

Corporate Governance

All business conducted by employees, managers and officers at **onsemi** is under the direction of the chief executive officer (CEO) and the oversight of the company's Board of Directors. The board and its standing committees have at least four scheduled meetings annually to review and discuss reports by management, as well as the performance of the company. Our corporate governance principles set forth certain requirements under which the board and management operate.

Board of Directors Summary

This summary represents the members of **onsemi's** Board of Directors and committee representation, effective immediately following the Annual Meeting in May 2023. All directors are independent, apart from Hassane El-Khoury, who also serves as the president and chief executive officer of **onsemi**. We have a board member age limit of 75 years of age.

BOARD MEMBER	GENDER	AGE	TENURE	COMMITTEES	QUALIFICATIONS
Atsushi Abe	Male	69	12	Audit	
Alan Campbell	Male	65	8	Executive (Chair), Audit, Governance and Sustainability	
Susan K. Carter	Female	64	3	Audit (Chair), Governance and Sustainability	
Thomas L. Deitrich	Male	56	3	Governance and Sustainability	
Hassane El-Khoury	Male	43	3	Executive	
Bruce E. Kiddoo	Male	62	3	Audit	
Paul A. Mascarenas	Male	61	9	Governance and Sustainability (Chair), Executive, Human Capital and Compensation	
Gregory Waters	Male	62	3	Executive, Human Capital and Compensation	
Christine Y. Yan	Female	57	5	Human Capital and Compensation (Chair)	

Qualifications Key:

Semiconductor/Technology	Environmental Social Governance (ESG)	Compliance	Government Relations	Enterprise Risk Management (ERM)
Public Company Management	Manufacturing	Mergers and Acquisition	Sustainability/Climate	
International	Finance	Marketing	Information Security	



Committee Details

onsemi's Board of Directors has established four standing committees:

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

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

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

COMMITTEE MEETINGS	CHARTER REQUIRED MIN.	IN 2022
Audit	quarterly meetings	9
Executive	meet as needed	2
Governance and Sustainability	quarterly meetings	5
Human Capital and Compensation	quarterly meetings	6



Board Oversight of ESG

The GS Committee has the responsibility of overseeing environmental, social and governance (ESG), matters unless there is a specific matter connected to ESG initiatives that is assigned to another committee of the board.

For example, the HCC committee has the responsibility of overseeing the company's policies and strategies with respect to human capital, which includes diversity, equity and inclusion (DEI). The HCC committee considers DEI in its broader review of pay equity within the company; however, both the GS committee and the HCC committee play a role in the management and oversight of DEI. Meanwhile the GS Committee has also been tasked with oversight of climate- and sustainability-related initiatives and our other actions associated with the environment. In turn, the GS Committee will assist the board in providing guidance and oversight in respect of strategy, risk management, capital expenditures, opportunities and investments in the context of climate change. One way the board and the HCC committee sought to oversee ESG and ensure such initiatives were a priority in 2022 was by tying aspects of onsemi's 2022 compensation program to Scope 1, 2 and 3 emissions. Our 2022 long-term incentive compensation program was designed so that part of the payout for performance-based restricted stock units for our executive team related to the establishment of baseline Scope 1, 2 and 3 emissions in connection with our roadmap to achieving net zero emissions by 2040.

Climate Scenario Analysis and Risk Disclosure

Climate-related risks and opportunities impact business units (BUs) and functional departments across the organization in unique and nuanced ways. At **onsemi**, climate-related risks and opportunities are assessed, managed and realized at the highest level of the organization; we believe that the responsibility of operationalizing mitigation and adaptation strategies in response to climate-related risks and opportunities must be integrated at every level of the company, ensuring the success of our risk management program and giving us the ability to act nimbly at all levels when needed.

Climate Scenario Analysis

onsemi uses scenario analysis to understand the impacts of climate change on our business operations, corporate strategy and value chain. By understanding the presumed operational context of different

decarbonization trajectories, we can identify potential climate-related physical and transitional risks that could conceivably pose a material impact. These scenarios are not intended to predict the future, but instead, help us understand our potential risk exposure and build resilience through activities to enhance our preparedness.

Using three plausible, distinctive, consistent, relevant and challenging climate scenarios, **onsemi** executive leadership, various functional owners and the ESG team participated in a climate scenario analysis. Led by an external advisory firm, this analysis informed the development of a climate adaptation and resilience plan for implementation at the company. Scenarios used assume various degrees of warming by 2100 and include social, technological, economic and political developments considered plausible under each warming trajectory.

The three scenarios used to inform the development of a climate action plan for **onsemi** include:

- 1 Failure to Decarbonize:** Runaway climate change resulting in warming above 3°C by 2100, international cooperation breakdowns and increased potential for irreversible effects of climate change.
- 2 Orderly Decarbonization:** Orderly decarbonization resulting in warming limited to 1.5°C by 2100, advancement development, adoption of sustainable technology and global policies for decarbonization, including carbon pricing.
- 3 Disorderly Decarbonization:** Disorderly decarbonization resulting in warming around 2°C by 2100, the abrupt and uneven introduction of climate policies and increased financial consequences of climate change.

Through this exercise, relevant climate-related risks and opportunities were identified and socialized for inclusion in our overall business strategy.

Risk & Opportunity Disclosure

At **onsemi**, we have identified potential climate-related risks and opportunities, which could impact our business continuity, strategy and financial planning. Risks identified include transitional and physical risks with the capacity to impact our own operations and value chain including our financials, supply chain, workforce, company disclosures and reputation. Climate-related opportunities identified include transitional and physical opportunities related to increasing demand for **onsemi** products and an increase in tangible and intangible asset values. Our identified climate-related risks and opportunities can impact **onsemi** over the near, medium and long term depending on the risk or opportunity development and maturity.

For a full list of **onsemi's** climate-related risks and opportunities see the Risk and Opportunity Disclosure tables within our [Task Force on Climate-Related Financial Disclosure](#).

Management Response to Risk and Opportunities

Through our scenario analysis, we have identified various action planning and trigger monitoring activities to build resilience to potential climate-related risks. We're exploring the development of internal controls and procedures, adaptation and mitigation plans, identification of trigger events to inform future action and no-regret actions to be taken in response

to the outcomes of our climate scenario analysis. Owners will be assigned to monitor and manage relevant climate-related risks to ensure actions are being taken when appropriate to ensure the resilience of business operations and strategies. Our scenario analysis detailed important metrics to help us assess and monitor climate-related risks and opportunities in line with our strategy and risk management process.

onsemi will explore monitoring the following metrics:

- Product energy, water and emissions intensity
- R&D expenditures for low-carbon products
- Percentage of expenditure on energy efficiency
- Total energy consumption included percentage from renewables
- Total greenhouse gas emissions
- Investment in climate adaptation measures
- R&D expenditure on products that support customer decarbonization

By identifying and monitoring our climate-related risks and opportunities, we can work to set further targets used to build resilience and reduce potential negative impacts from identified risks and realize potential positive impacts from identified opportunities.

Fair Treatment

onsemi is committed to preserving and promoting the fundamental rights of others and ensuring everyone is awarded fair treatment. Our company Code of Business Conduct, as well as the **Responsible Business Alliance** (RBA) code covers human rights in several areas, ensuring we have a comprehensive stance on human rights and fair treatment that applies to all onsemi employees, joint ventures, major suppliers, select service providers, contractors and products and services. We have several sites with collective bargaining agreements and we respect our employees freedom of association with these groups.

To ensure our approaches are regularly updated, we engage all relevant groups including, but not limited to, ethics and compliance, environmental, health and safety, HR, legal, global security and supply chain in our review and due diligence process. Every individual and department are responsible for understanding and upholding the fundamental rights of others.



Human Rights

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

Prevention of Slavery and Human Trafficking

To prevent slavery and human trafficking, we implemented our **Slavery and Human Trafficking Policy Statement**, which ensures we are aware of and have zero tolerance toward human rights violations. We have implemented policies, procedures and management systems to ensure that all work at our company is voluntary and that workers are legally entitled to leave the company without penalty. onsemi also ensures that workers' government-issued identification, original work permits and original personal documentation are not withheld or otherwise destroyed, concealed or confiscated by our company or its labor agents. We train our HR staff and labor agents on the company's practices related to anti-human trafficking and conduct onsite verification to ensure compliance. Incidents of slavery and human trafficking are also verified in our supply chain using risk assessments and site visits.

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

Prevention of Child Labor

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

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

Supply Chain

We are committed to ensuring the highest standards of social responsibility where we live and work. We require that our suppliers provide safe working conditions, treat workers with dignity and respect, prohibit human trafficking and slavery (including the procurement of commercial sex acts and the use of forced or child labor), promote ethical behavior, as well as use environmentally responsible manufacturing processes and follow principles like those in our **Code of Business Conduct**. As outlined in our **Supplier Handbook**, the supplier must conform to all environmental and other applicable laws and regulations, behave ethically, comply with all social responsibility and conflict mineral requirements that are required by **onsemi's CSR Statement of Commitment** and provide any requested certifications and cascade all applicable requirements through their supply chain.

Supplier Diversity

When possible, we prioritize purchasing from local suppliers. The following graphic shows the percentage of our 2022 procurement budgets which were spent on suppliers local to the site's region. In 2021 and 2020, we tracked this information only at the manufacturing level. Moving forward, this data will represent total company procurement.

Additionally, in the United States, we track suppliers that are owned by minority populations. During our supplier onboarding process, suppliers are asked to disclose whether they belong to a minority group as defined in the Spend by Minority Group table. We then track our annual spend towards these suppliers against the total U.S. spend.

SPEND BY MINORITY GROUP ¹	2022	2021	2020
Small Business	4.05%	4.32%	4.86%
Woman Owned	0.15%	0.17%	0.23%
Minority Owned	0.05%	0.04%	0.03%
Small Disadvantaged	0.02%	0.04%	0.03%
onsemi total U.S. spend on minority owned businesses	4.27%	4.57%	5.15%

SPEND ON LOCAL SUPPLIERS	2022	2021	2020
Asia	87.9%	90.5%	91.9%
EMEA	76.3%	83.7%	82.9%
North America	86.9%	90.3%	91.2%
onsemi total	83.7%	88.2%	88.7%

¹In the U.S.

Responsible Minerals Sourcing

Responsible minerals sourcing has progressed beyond tantalum, tin, tungsten and gold (3TG) to address global human rights violations especially with the emerging focus on forced labor. As an active member of the RBA and Responsible Minerals Initiative (RMI), **onsemi** continually engages in reasonable and responsible due diligence with its key suppliers, consistent with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).

onsemi has included cobalt in the **Responsible Minerals Sourcing Policy** posted on our website. We required our key suppliers to engage in due diligence by completing the RMI's Conflict Extended Minerals Reporting Template (EMRT) for cobalt. Using RMI's Conflict Minerals Reporting Template (CMRT) for 3TG due diligence, **onsemi** sets the target of using 100 percent conformant smelters and refiners from the Responsible Minerals Assurance Process (RMAP) assessment. We achieved this target in 2019 and again in 2022, which included the removal of sanctioned gold smelters from Russia.



REPORTING YEAR	CONFORMANT	ACTIVE	NON-CONFORMANT	NOT ELIGIBLE	TOTAL
2022	100%	0.0%	0%	0%	100%
2021	98%	1.0%	1%	0%	100%
2020	99.6%	0.4%	0%	0%	100%
2019	100%	0%	0%	0%	100%

Links to Disclosures Under Reporting Frameworks

[Sustainability Accounting Standards Board \(SASB\) Framework](#)

[Task Force on Climate-Related Financial Disclosures \(TCFD\) Framework](#)

[Global Reporting Initiative \(GRI\) Index](#)

Third Party Assurance Statement



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Semiconductor Components Industries, LLC (SCI d/b/a "onsemi") for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of onsemi. onsemi is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG statement based on the verification. Verification activities applied in a limited level of verification are less extensive in nature, timing and extent than in a reasonable level of verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide
- Exclusions:
 - Emissions associated with refrigerant losses

Types of GHGs: CO₂, N₂O, CH₄, NF₃, SF₆, HFCs, PFCs

GHG Emissions Statement:

- **Scope 1 FY2022:** 841,104 metric tons of CO₂ equivalent
- **Scope 1 Baseline¹ FY2022:** 769,179 metric tons of CO₂ equivalent
- **Scope 2 (Location-Based) FY2022:** 741,934 metric tons of CO₂ equivalent
- **Scope 2 (Location-Based) Baseline² FY2022:** 686,475 metric tons of CO₂ equivalent
- **Scope 3 FY2022 and Baseline:**
 - Category 1 – Purchased Goods and Services: 1,414,941 metric tons of CO₂ equivalent
 - Category 2 – Capital Goods: 102,663 metric tons of CO₂ equivalent
 - Category 3 – Fuel and Energy Related Activities: 203,238 metric tons of CO₂ equivalent
 - Category 4 – Upstream Transportation and Distribution: 294,171 metric tons of CO₂ equivalent
 - Category 5 – Waste Generated in Operations: 46,705 metric tons of CO₂ equivalent
 - Category 6 – Business Travel: 5,556 metric tons of CO₂ equivalent
 - Category 7 – Employee Commute (includes work from home): 17,452 metric tons of CO₂ equivalent
 - Category 8 – Upstream Leased Assets: 9 metric tons of CO₂ equivalent
 - Category 10 – Processing of Sold Products: 13,992 metric tons of CO₂ equivalent

¹ Scope 1 Baseline excludes FY2022 GHG emissions from the Niigata, Oudenaarde, Pocatello and South Portland manufacturing sites. onsemi has divested from those sites.

² Scope 2 (Location-Based) Baseline excludes FY2022 GHG emissions from the Niigata, Oudenaarde, Pocatello and South Portland manufacturing sites. onsemi has divested from those sites.

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Third Party Assurance Statement



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- o Category 12 – End-of-Life Treatment of Sold Products: 44,484 metric tons of CO₂ equivalent

Data and information supporting the Scope 1, Scope 2 and Scope 3 GHG emissions statement were in most cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2022 to December 31, 2022

Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

Reference Standard:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of **onsemi**;
- Review of documentary evidence produced by **onsemi**;
- Review of **onsemi** data and information systems and methodology for collection, aggregation, analysis, and review of information used to determine GHG emissions; and
- Audit of sample of data used by **onsemi** to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions opinion declaration shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2) and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that **onsemi** has established appropriate systems for the collection, aggregation, and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.



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Statement of independence, impartiality, and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with **onsemi**, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Megan O'Neil, Lead Verifier
Program Manager
Apex Companies, LLC
Atlanta, Georgia

John A. Rohde, Technical Reviewer
ESG Principal
Apex Companies, LLC
Lakewood, Colorado

June 19, 2023

*This verification opinion declaration including the opinion expressed herein, is provided to **onsemi** and is solely for the benefit of **onsemi** in accordance with the terms of our agreement. We consent to the release of this declaration by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.*



2022 Executive Summary

onsemi

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