SLAVERY AND HUMAN TRAFFICKING POLICY STATEMENT

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

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

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers’ freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers’ or agents’ recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

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

ON Semiconductor has taken multiple actions to verify the absence of forced labor, slavery and human trafficking in our supply chain, including the following:
1. **Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the Code. All major supplies are required to agree and comply with the Code and ON Semiconductor’s corporate social responsibility and environmental requirements. We pursue conformance by using statement of conformance agreements with our suppliers, the RBA’s Supplier Self-Assessment Questionnaires (SAQ), and the Validated Audit Program (VAP).

   a. The Supplier Self-Assessment Questionnaire is a self-evaluation that inquires about demographics and existing policies at the facility level against all sections of the Code.

   b. The VAP audits carried out on RBA member facilities and their suppliers' facilities are completed by independent, third-party auditors specially trained in social and environmental auditing and the VAP audit protocol. This helps to set consistent, industry-wide expectations.

We conduct these activities regularly and extensively.

- Every three years at a minimum we ask our major suppliers that provide external manufacturing services, materials or parts that are in ON Semiconductor’s final products to sign the statement of conformance to the ON Semiconductor Code of Business Conduct, Corporate Social Responsibility (CSR) tenets and the RBA Code. Major suppliers that are in the top 80 percent of the company’s spend must also complete a SAQ. All site-level suppliers are required to comply with the RBA Code of Conduct, whereas SAQs are optional (but highly encouraged).

- During our last supplier engagement cycle in 2017, major suppliers signed their statement of conformance agreements to ON Semiconductor and the RBA Code of Conduct. In 2018, major suppliers were notified of changes in RBA Code, version 6.0. We anticipate the number of suppliers included in our supplier engagement program to fluctuate periodically as a result of acquisitions, consolidation of suppliers and changes in RBA requirements.

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

2. **Supplier Audits:** We audit suppliers that we identify as having “higher risk” in our supply chain. The risk evaluation includes feedback from our supplier assessments and company contacts. These audits are announced and conducted by a third party firm certified to conduct RBA or CSR audits.

3. **Certification:** Section E 12 of the RBA Code includes a clause stating that companies should have a management system that contains “a process to communicate the Code requirements and to monitor supplier compliance to the Code.” Our manufacturing sites with foreign workers have a rigorous selection process to ensure the labor agencies at both sending and receiving country are following the law and our Code requirements.
The labor agencies supplying domestic and foreign workers are required to sign service agreements to adhere to the Code, which we ask them to re-sign biennially. Once selected, the company or a third party, audits the labor agencies for continued compliance.

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

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

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

In 2018, 12 out of ON Semiconductor’s 23 manufacturing facilities were subject to internal audits and 12 manufacturing sites participated in initial or closing RBA Validated Audit Process (VAP) audits. Fourteen of our sites also participated in customer audits or shared RBA Validated Audit Reports (VAR) with customers.

5. **Capacity-Building/Training:** RBA’s Learning Academy contains online learning modules that cover the RBA Code of Conduct, as well as modules specifically related to the California Transparency in Supply Chains Act. In addition, there are modules on hiring and related topics that are particularly relevant to these issues. Modules can be assigned to both internal staff and suppliers, and learning can be tracked. Members can also upload their own resources to the Learning Academy for their teams. The RBA encourages members to share any resources they may have on these topics with the RBA for sharing in the Learning Academy. The RBA also offers in-person training sessions on a variety of topics.

We conduct training regularly and extensively.

- We ensure training is conducted on the RBA Code of Conduct through participation in RBA code interpretation, RBA Labor and Ethics Lead Auditor Training, RBA worker communication classes and/or internally developed training classes which are available for all employee levels of the organization.
• In November 2016, ON Semiconductor launched a mandatory CSR training covering the RBA Code for all employees. In total, 35,878 employees completed the training in 2018.

• In 2018, select suppliers and on-site service providers received training on RBA Code Standards: Labor, Ethics, and Management Systems and on RBA Course 2: Industry Standards. In doing so, ON Semiconductor aims to mitigate risk by creating dialogue and encouraging capacity building.

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

For complete information concerning our corporate social responsibility program see our ON Semiconductor Corporate Social Responsibility page: Corporate Social Responsibility.

Keith D. Jackson
President and Chief Executive Officer