

2021 Sustainability Report Executive Summary

Creating a better
tomorrow. **Today.**





About onsemi

Founded in

1999



Headquartered in
Phoenix, Arizona

ON

Publicly traded
(Nasdaq: ON)



Hassane El-Khoury
President and CEO

\$6.7B

revenue in 2021



\$5.011B

sustainable product revenue

33,690

employees



20%

female board of directors

45%

female

25.7%

minority workforce (U.S. only)

25%

female executive leadership

80,000

different parts



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

61%

of our 2021 revenue was
from auto and industrial



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



Executive Summary

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

About onsemi

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

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

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

Power Solutions Group (PSG)

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

Advanced Solutions Group (ASG)

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

Intelligent Sensing Group (ISG)

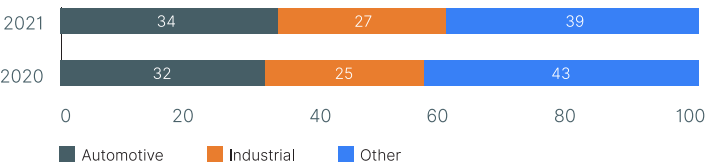
ISG designs and develops complementary metaloxide semiconductor (CMOS) image sensors, image signal processors, single photon detectors, including silicon photomultiplier (SiPM) and single photon avalanche diodes (SPAD) arrays, as well as actuator drivers for autofocus and image stabilization for a broad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

2021 Financial Performance

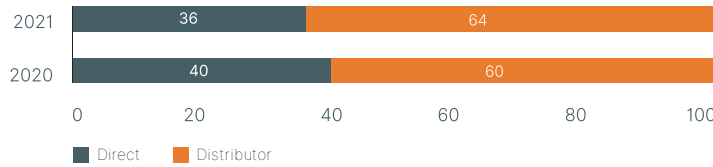
Our disciplined execution of transformation initiatives in 2021 resulted in record financial performance. Revenue for 2021 grew 28.3%. Operating income and free cash flow increased six times faster than revenue as we focused our portfolio on secular megatrends of electric vehicles,

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

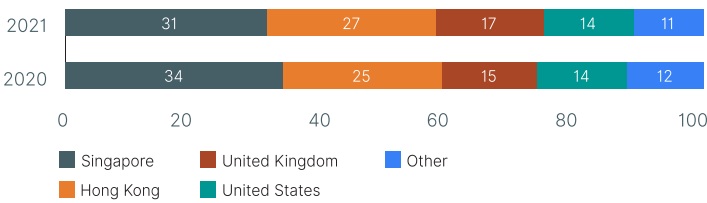
Revenue by Market (percentage)



Revenue Type by Channel (percentage)

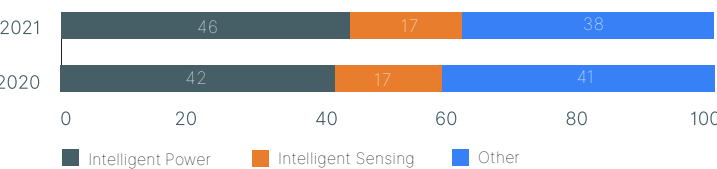


Revenue by Region¹ (percentage)



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

Revenue by Technology (percentage)



2021 Financial Performance (percentage)

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

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



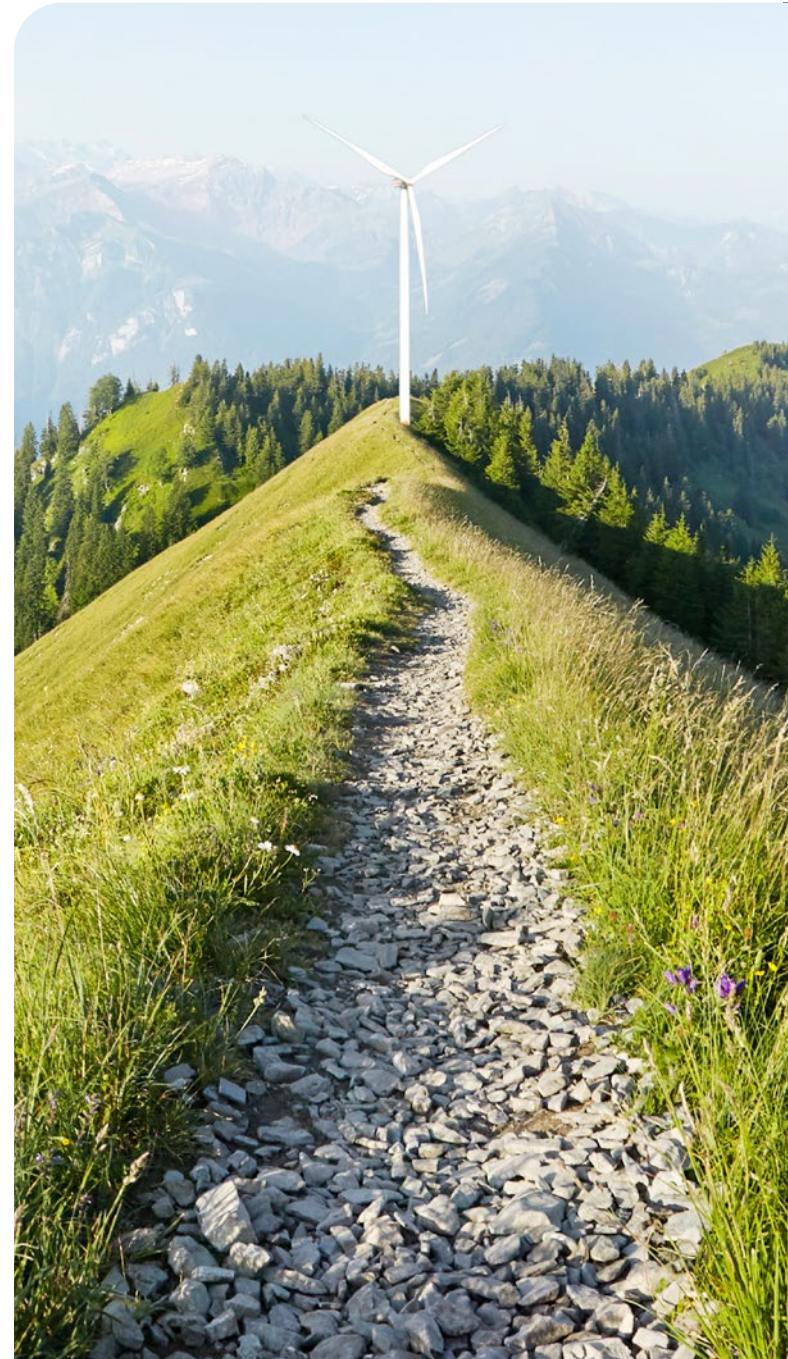
Net-Zero Commitment

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

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



Net-Zero
by 2040



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

Capitalize on Efficiencies



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

Transition to Renewable Energy



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

Purchase Offsets and Influence



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

Emissions and Energy Consumption

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

Our comprehensive portfolio of intelligent power and sensing technologies is designed to minimize power consumption and improve energy efficiency. Examples of these products include solar inverters, efficient motors for fans, HVAC units, power tools, power conversion (as a part of the shift toward renewable energy), electric cars and products that assist with the transition from coal to renewables.

At **onsemi**, we take climate change seriously. For years, we have taken steps to reduce GHG emissions and energy consumption throughout the company's operational footprint. We measure and report Scope 1 and 2 emissions at our manufacturing sites along with select categories of Scope 3 emissions. To keep our carbon accounting cohesive across all operational activities, **onsemi** reports all emissions on a carbon dioxide equivalent basis (CO₂e).



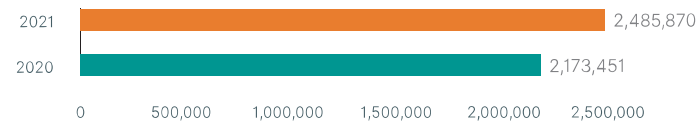
Scope 1 Emissions

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

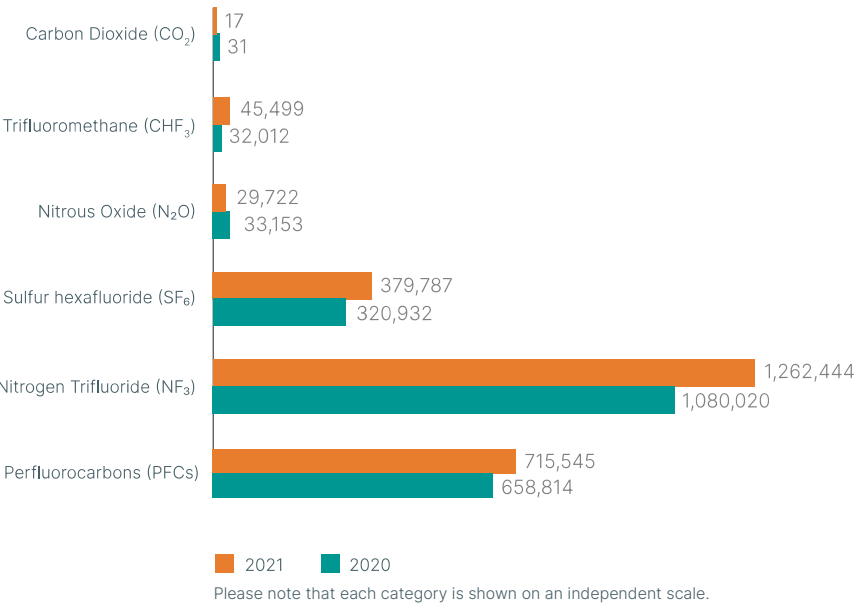
onsemi directly emits GHG emissions from fabrication and assembly and test locations. We work to eliminate Scope 1 emissions by:

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

Total Scope 1 GHG Emissions (metric tons of CO₂e)



Scope 1 Process Gases by Type (metric tons of CO₂e)

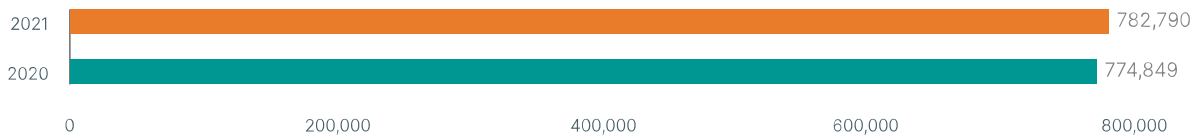


Scope 2 Emissions

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

- We work to reduce Scope 2 emissions by:**
- Increasing energy efficiency in our manufacturing processes, buildings and operations.
 - Exploring investments in renewable energy projects around the globe.

Total Scope 2 GHG Emissions (metric tons of CO₂e)



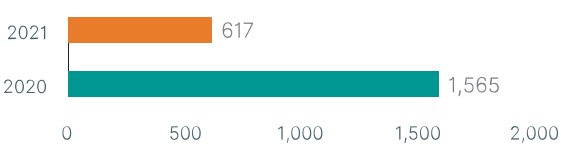
Scope 3 Emissions

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

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

- We will work to reduce our Scope 3 emissions by:**
- Collaborating with suppliers to assist them in tracking and managing their own Scope 1 and 2 emissions.

Total Scope 3 GHG Emissions (Business Travel) (metric tons of CO₂e)



Energy Consumption

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

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

Total Energy Consumption (megawatt hours)



Energy Consumption by Source (megawatt hours)



1,781,685

2021 Total Energy Consumption (MWh)

Water and Waste Management

Water Management

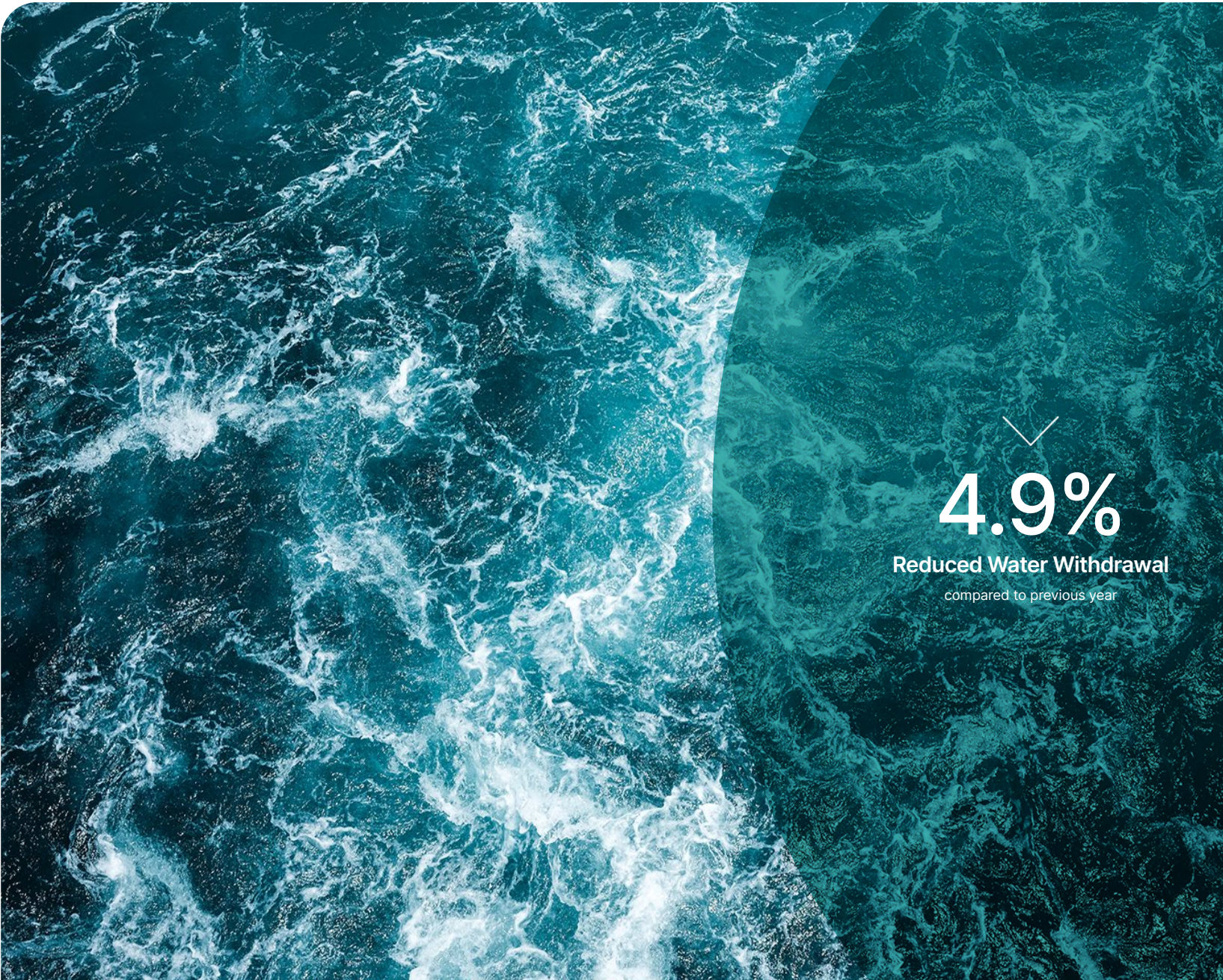
Our organization strives for transparency with stakeholders, displaying deliberate stewardship of water as the important resource it is. Following this, we firmly believe that reduction in water usage enables the shared usage of water resources and reduces cost within process methods; therefore, we continue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

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

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

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

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



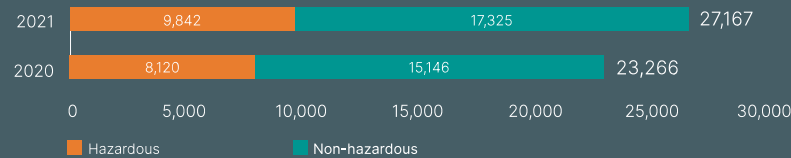


Waste Management

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

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

Total Waste Generated (metric tons)

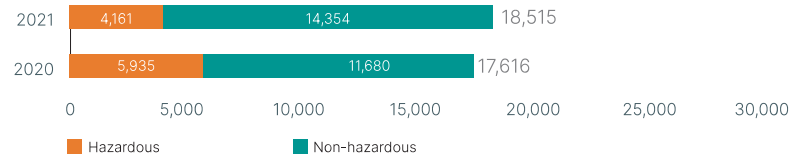


Total Waste Directed to Disposal (metric tons)

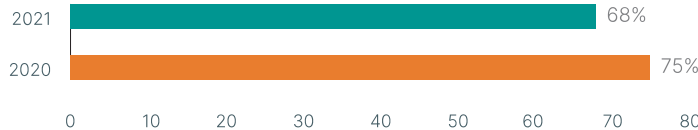


1. Due to a redefinition of waste categorization, the amount of hazardous waste directed to disposal increased from 2020 to 2021.

Total Waste Diverted (metric tons)



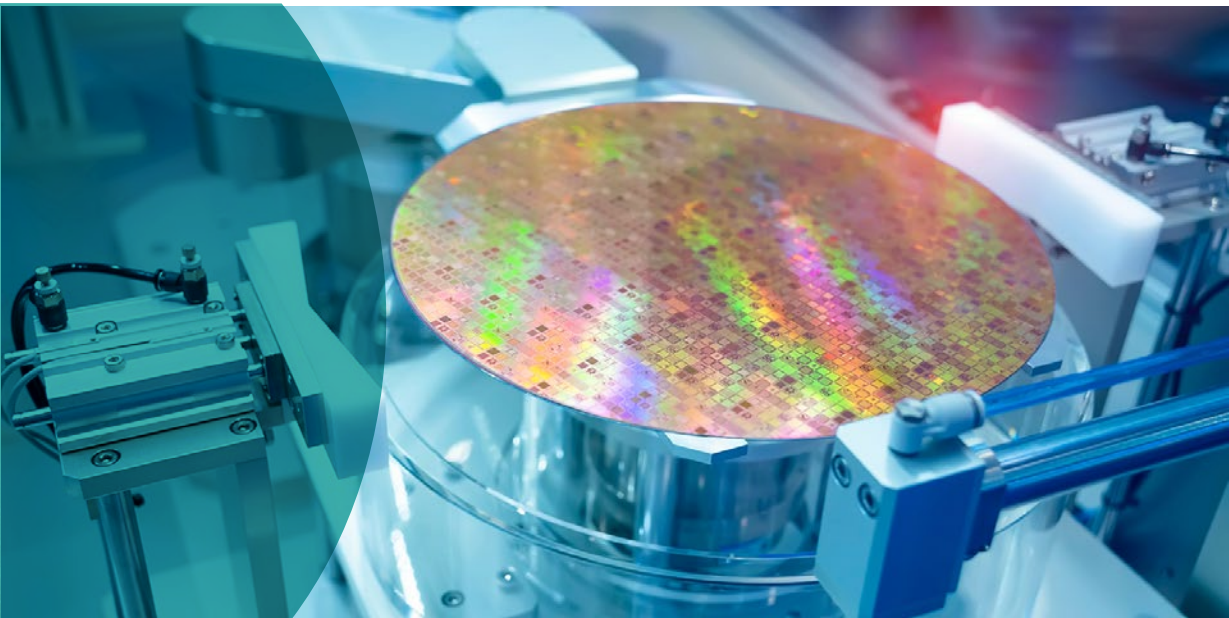
Waste Diversion Rate (percentage)



Product Stewardship

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

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



Sustainable Products

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

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

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



Diversity, Equity and Inclusion

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

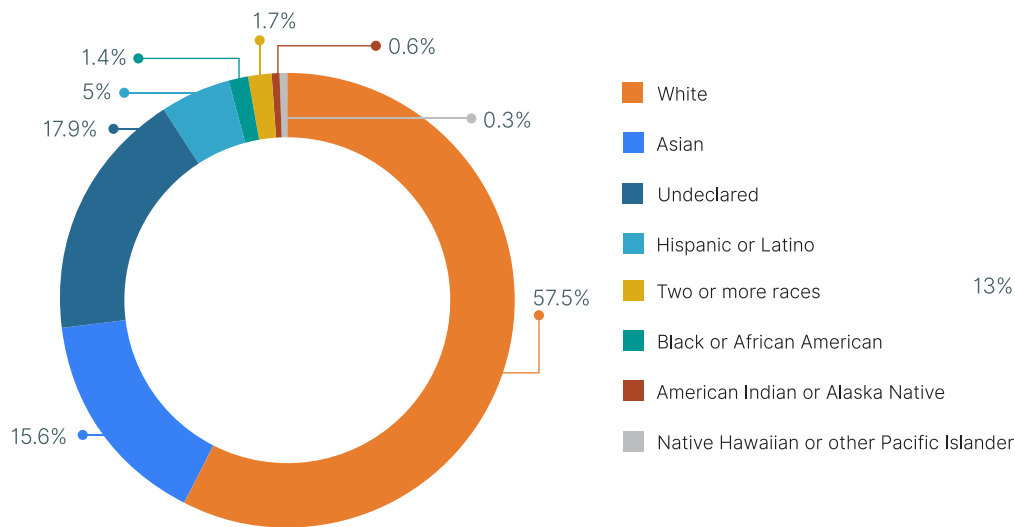
Our community of employees are located around the world with major facilities in the U.S., Belgium, Canada, Germany, Ireland, Slovakia, Czech Republic, Japan, South Korea, China, Malaysia, Vietnam, Philippines, Taiwan and India. As of December 2021, we had approximately 33,690 employees operating globally.

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

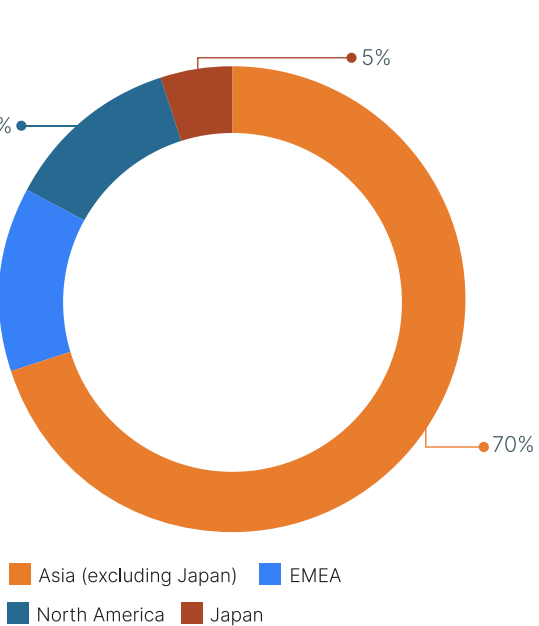
onsemi strives to build a diverse talent pipeline. We understand this means more than just attracting a diverse workforce but also developing all employees. We train leadership on how to best mitigate unconscious bias during the interview and hiring process, as well as provide general unconscious bias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



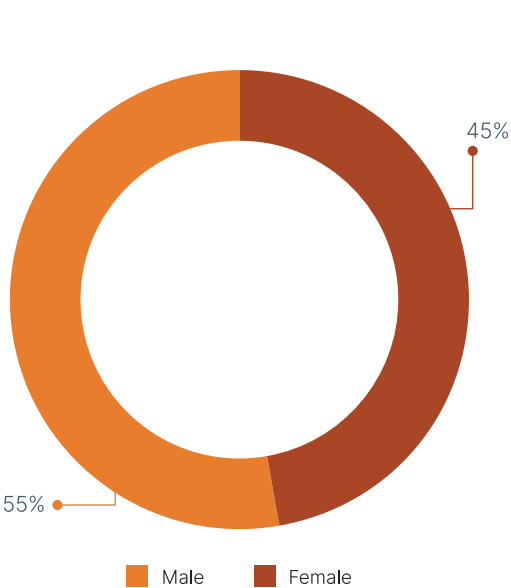
U.S. Workforce by Ethnicity



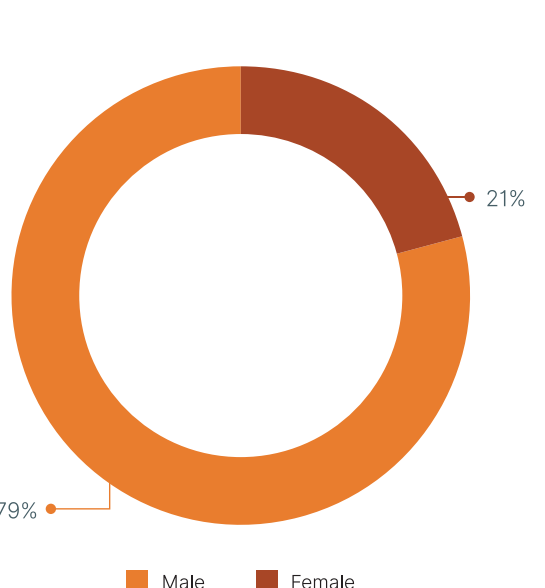
Worldwide Workforce by Region



Worldwide Workforce by Gender



Worldwide Management by Gender





Diverse Hiring Practices

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

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

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

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

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

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

Workforce Equity

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

Workforce Inclusion

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

Employee Health and Safety

Our health and safety programs are based on our company's **Environmental Health and Safety (EHS) Policy** and are valued at each of our sites. We protect people and minimize our environmental impact through efforts to prevent injury, illness and pollution. Establishing a healthy and safe environment allows our employees to come to work each day without fear of injury or illness and is vital to the quality of life of our employees and the success of our business.

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

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





Impacting Our Community through Giving

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

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

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

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



\$3M

reserved in 2021 to support
future giving activities

















































Corporate Governance

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

Board of Directors Summary

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



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

Qualifications Key:



Semiconductor



ESG



Compliance



Government Relations



Public Company Management



Manufacturing



Mergers and Acquisition



Sustainability/Climate



International



Finance



Marketing



Information Security

Committee Details

Our board of directors has established four standing committees:

- Audit Committee
- Governance and Sustainability (GS) Committee
- Human Capital and Compensation (HCC) Committee
- Executive Committee

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



Board Oversight of ESG

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

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



As a reflection of the board's commitment to

ESG matters

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

Fair Treatment

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

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

Human Rights

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

Prevention of Slavery and Human Trafficking

To prevent slavery and human trafficking, we implemented our **Slavery and Human Trafficking Policy Statement**, which ensures we are aware of and have a zero tolerance toward human rights violations. We have implemented policies, procedures and management systems to ensure that all work at our company is voluntary and that workers are legally entitled to leave the company without penalty. Our company also ensures that workers are not required to hand-over government issued identification and original work permits to our company or any of our labor agents.

We train our human resources staff and labor agents on the company's practices related to anti-human trafficking and conduct on-site verification to ensure compliance. Incidents of slavery and human trafficking are also verified in our supply chain using risk assessments and site visits. Our employees and other stakeholders are encouraged to report any concerns they may have on human trafficking through the global trafficking hotline at 1-844-888-FREE or by emailing help@befree.org.



1-844-888-FREE

is our global trafficking hotline where employees and other stakeholders are encouraged to report any concerns.

Prevention of Child Labor

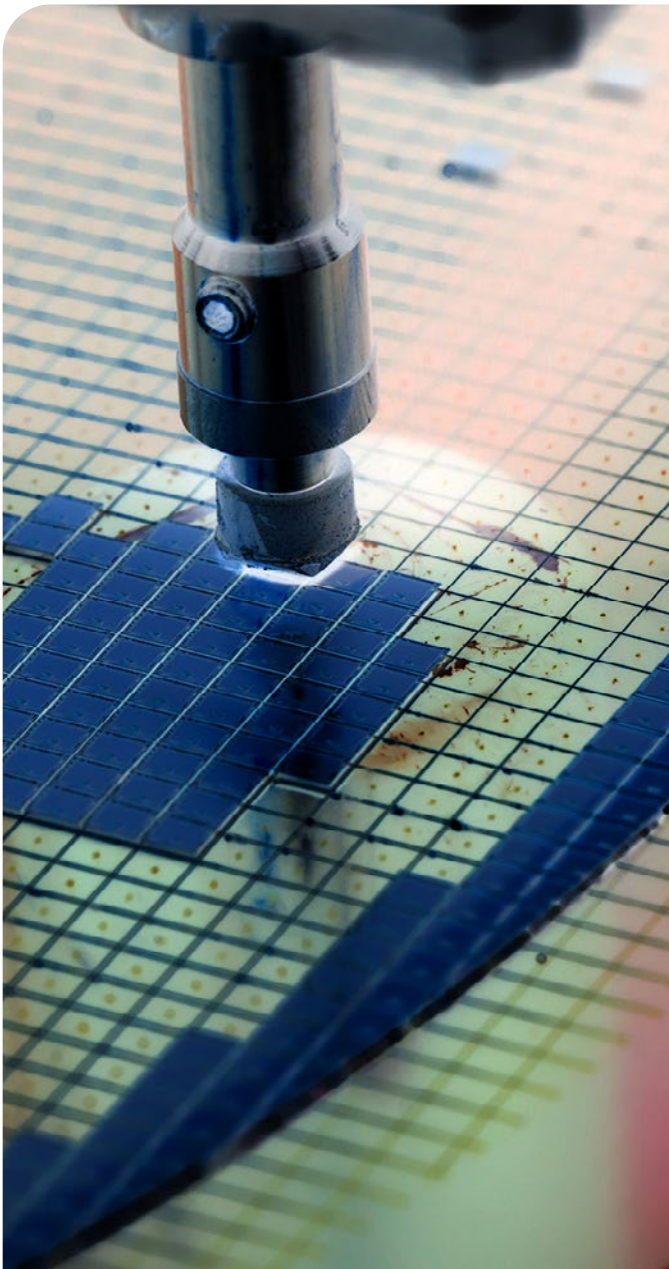
Our practice on the use of child and young labor is based upon our global minimum employment age policy. The purpose of this policy is to define and ensure that sufficient measures and controls are in place to verify the minimum age of individuals working at our company. As a rule, we only employ individuals who are at least 18 years of age by the first day of employment.

The only exception to this rule is in China, where the minimum age for employment is 16 years old. To confirm candidates for employment meet the minimum age requirement, members of our human resources department perform due diligence to make sure we are complying with federal, state, regional and local requirements. The global minimum age policy also describes the process to be followed and protection afforded to discovered child laborers. We apply the same minimum age requirement for employment at our supplier companies and labor agencies. We work to ensure that our suppliers have the necessary policies, procedures, measures and controls in place through risk assessments and on-site verification to avoid incidents of child labor within our supply chain.



Supply Chain

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



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

Our Suppliers

Our supply chain has a multifaceted supply structure of direct materials suppliers, foundry and subcontractor providers, indirect material suppliers and professional service providers deployed across a global sourcing and procurement organization. In 2021, we worked with 9,500 suppliers and service providers in North America, Asia Pacific, Europe and the Middle East. Of those suppliers, approximately 7,000 were production-related.

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

Conflict Minerals

As a purchaser of products containing conflict minerals that include tantalum, tin, tungsten, gold and cobalt from suppliers for use in our manufacturing process and products, we continue to be concerned about the reports of violence and human rights violations resulting from the sourcing of such metals from the Democratic Republic of the Congo (DRC) and adjoining countries.

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






We require our suppliers to engage in due diligence to analyze their sources and to complete the RMI Conflict Minerals Reporting Template (CMRT). In 2015, we achieved our road to zero by identifying all utilized smelters. Each year, we target 100% responsible minerals assurance process (RMAP) conformant smelters, and we achieved this target in 2018 to 2019 and continue to sustain the goal of 100% smelter conformance. If we become aware that our supply chain includes uncertified minerals sourced from a conflict region, we act promptly to review the circumstances and remedy the situation as appropriate. onsemi responds and completes more than 1,000 customer CMRT inquiries annually. For reporting year 2021, we achieved 98% conformance of our smelters. Both tantalum and tungsten smelters were 100% conformant, while gold refiners and tin smelters were 98% and 96% conformant, respectively.

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

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

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

Third Party Assurance Statement



S&P Global Sustainable1 Assurance

onsemi assurance statement: AA1000AS v3

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

Intended users

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

Responsibilities of onsemi and assurance provider

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

Assurance standard

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

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

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

Scope and limitations

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

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


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

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

Methodology

Sustainable1’s assurance activities included the following:

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



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

Third Party Assurance Statement

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

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

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

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

Findings, conclusions and recommendations

The Principles:

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

Data reliability:

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

Assurance provider

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

and experience to conduct an assurance to the AA1000 standard.

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

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



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



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2021 Sustainability Report Executive Summary

onsemi

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