

Slavery and Human Trafficking Policy Statement

March 13, 2024

The California Transparency in Supply Chain Act of 2010 (SB657) and the U.K. Modern Slavery Act 2015 (the “Acts”) require certain companies to state their efforts and actions taken during the fiscal year to ensure modern slavery and human trafficking are not taking place in their operations and supply chains. Similarly, the revised Federal Acquisition Regulation (FAR) 52.222-50 (entitled “Combating Trafficking in Persons”) and new FAR provision 52.222-56 (Certification Regarding Trafficking in Persons Compliance Plan) are aimed at removing slavery and human trafficking from the U.S. Federal Government contracting supply chain.

Likewise, several forced labor regulations, such as the Uyghur Forced Labor Prevention Act (in the U.S.), the Supply Chain Due Diligence Act (in Germany), the Norwegian Transparency Act, the New Zealand Modern Slavery Act and the Australia Modern Slavery Act, require companies to set up processes to identify, assess, prevent and remedy human rights and environmental risks and impacts in their supply chains and in their own operations. To comply, such companies must also ensure they provide ways for employees of indirect suppliers to file complaints alerting the company to any potential human rights or environmental violations.

onsemi recognizes that slavery and human trafficking can occur in many forms, such as forced labor, child labor, domestic and indentured servitude, sex trafficking, and workplace abuse.

onsemi states that we have taken steps during the last fiscal year to identify the risk of slavery and human trafficking taking place in any of our supply chains and our business.

As a full 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, as such, we are expected to actively pursue conformance to the Code through all of our internal operations, as well as our supply chain. The latest Code states:

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. 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 including, if applicable, workers’ dormitories or living quarters. As part

of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement 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 shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Participants shall maintain documentation on all leaving workers. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-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, associate freely, voluntarily join, or not join in labor unions and worker councils and bargain collectively if they choose.

Based on its due diligence process, **onsemi** has taken multiple actions to verify the prohibition 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 suppliers are required to agree and comply with the Code and **onsemi's** social compliance (formerly 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 Assessment Program (VAP).
 - a. The Supplier SAQ is a self-evaluation of the supplier's facility demographics and existing policies which address and assess all sections of the Code.
 - b. The VAP audits conducted 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.

- We ask our major suppliers that provide external manufacturing services, materials or parts that are in our final products to re-sign the statement of conformance to the [onsemi Code of Business Conduct](#), social compliance tenets and the RBA Code of Conduct whenever the RBA Code and/or **onsemi** Code of Business Conduct has a major change or additional elements are added to the Codes. Major suppliers that are in the top 80% of the company's spend must also complete an SAQ. All site-level suppliers are required to comply with the RBA Code of Conduct, whereas SAQs are optional (but highly encouraged).
- On January 1, 2024, version 8.0 of the RBA Code of Conduct was released. As part of the supplier engagement program, we have updated our statement of conformance and ask our top 80% spend major suppliers to acknowledge the changes to version 8.0 of the Code.

The RBA also convenes regular teleconferences, webinars and other meetings that make **onsemi** 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 audits.
3. **Certification:** Section E12 of the RBA Code of Conduct 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 countries 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 every two years. Once selected, the company or a third party audits the labor agencies for continued compliance.

As **onsemi** is a member of the Responsible Minerals Initiative (RMI), suppliers in our supply chain must certify that they are not supplying us materials from conflict-affected and high-risk areas.

4. **Internal Accountability:** Non-compliance with the RBA Code of Conduct on slavery and trafficking is taken 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 Code and requirements. These audits are announced and conducted by a third-party firm certified to conduct RBA audits. Any deficiencies in the management system, internal and external audits and appropriate actions are logged in our corrective action management system.

Our RBA internal auditors, some of whom are also certified by the RBA, perform internal RBA audits against the Code at **onsemi** manufacturing sites every two years. 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 2023, 10 out of 18 **onsemi** manufacturing facilities were subject to internal audits and 12 manufacturing sites participated in initial or closing RBA VAP audits. Five of our sites also participated in customer audits or shared RBA Validated Audit Reports (VAR) with customers.

5. **Capacity-Building/Training:** RBA's eLearning 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 eLearning 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 eLearning Academy. The RBA offers in-person training sessions on a variety of topics as well.

In addition, **onsemi** offers the following to its employees and suppliers:

- We ensure training is conducted on the RBA Code of Conduct through participation in Code interpretation, RBA Labor and Ethics Lead Auditor Training, RBA worker communication classes and/or internally developed training classes. These are available for all employee levels throughout the organization.
- Select suppliers and on-site service providers received training on RBA Code Standards: Labor, Ethics and Management Systems. In doing so,

onsemi aims to mitigate risk by creating dialogue and encouraging capacity building.

- Through our annual training of the **onsemi** Code of Business Conduct, employees and contractors are further provided with training and education relating to the RBA to promote social and environmental compliance and responsibility in the workplace and the communities we serve.

This disclosure includes the efforts **onsemi** 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 regarding our social compliance program, visit the “Social Responsibility” section of our website at [Social Responsibility at onsemi](#).



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