Slavery and Human Trafficking Policy Statement – April 30, 2015

The California Transparency in Supply Chains Act of 2010 (SB 657) requires large retailers and manufacturers who do business in the state of California, and have gross worldwide sales of over $100 Million Dollars; to be transparent about their efforts to eradicate Slavery and Human Trafficking in their supply chain.

As a member of Electronic Industry Citizenship Coalition (EICC) we have shown our commitment to environmental and social responsibility. Our membership means we are committed to the EICC Code of Conduct through all of our internal operations, as well as our supply chain. The 2014 EICC Code of Conduct states:

*Forced, bonded (including debt bondage) or indentured labor, involuntary 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. 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 employees’ identity or immigration documents, such as government-issued identification, passports or work permits, unless the holding of work permits is required by law. Workers shall not be required to pay employers or agents recruitment fees or other aggregate fees in excess of one month’s salary. All fees charged to workers must be disclosed and fees in excess of one month’s salary must be returned to the worker.*

We audit our suppliers to this code and take seriously all forms of non-conformance. The EICC also has a Freely Chosen Employment task force designed to help identify opportunities to share best practices among members, improve the code of conduct, and make recommendations on available tools and training. Information about these initiatives is available at the following link: [EICC Trafficking and Forced Labor](#).

In addition to the EICC ON Semiconductor has internal policies and practices including a corporate Code of Business Conduct that notes our expectation of EICC code compliance. Our key suppliers are required to sign that they conform to ON Semiconductor’s corporate social responsibility and environmental requirements. 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. We have internal accountability standards and procedures for employees and contractors who fail to meet our expectations regarding our Code of Business Conduct and on the EICC Code of Conduct.
The focus on slavery and human trafficking is part of a larger effort of supply chain transparency and accountability. ON Semiconductor has taken multiple actions to verify the absence of forced labor, slavery and human trafficking in our supply chain, including the following:

**Verification, Audits and Certification of Supply Chain**

- Every two years we ask over one hundred of our key suppliers to sign a letter of commitment to the ON Semiconductor Code of Business Conduct as well as the Electronic Industry Citizenship Coalition (EICC) Code of Conduct. We audit suppliers identified as high risk in our Supply Chain based on their adherence to the EICC Code of Conduct. 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 EICC or corporate social responsibility (CSR) audits. Annually we audit 25% of our high risk suppliers, approximately a half a dozen.

- The company’s manufacturing sites with foreign workers have a rigorous selection process to ensure the personnel agencies are following the law and our Code requirements. The agencies are required to sign service agreements to adhere to the Codes. Once selected, the company, not a third party, audits the labor agencies for continued compliance.

- As a member of the Conflict Free Sourcing Initiative (CFSI) suppliers and smelters in our supply chain must certify that they are not supplying us materials from conflict regions.

**Internal Accountability**

- The company’s internal manufacturing sites are audited every two years to the EICC Code and requirements. These audits are announced and conducted by a third party firm certified to conduct EICC or corporate social responsibility (CSR) audits.

**Training**

- Annually the company conducts mandatory Code of Business Conduct and EICC Code training for all employees.

- In preparation for the internal EICC audits, site management extensively reviews the requirements of the Code and it’s applicability to their operations.

- EICC representatives and regional subject matter experts, approximately 20 people located at the company’s largest sites, have both third party and internal training on the EICC Code. Their responsibility is to provide that expertise for their sites.

For complete information concerning our corporate social responsibility program see our ON Semiconductor Corporate Social Responsibility page: [Corporate Social Responsibility](#)