



ON Semiconductor®

**To: Our Valued Customers, Sales Representatives and Distributors**

**Date: April 7, 2020**

**Subject: ON Semiconductor Readiness Processes**

Dear valued customer,

We understand that many of our customers continue to operate or are looking to reopen operations as part of the “critical infrastructure” designation by the U.S. Department of Homeland Security. Many other governments have also deemed ON Semiconductor as an “essential business” which means we continue to operate in compliance with applicable government restrictions.

We developed a comprehensive list of potential vulnerabilities as it relates to continuity of supply from global pandemics. At a high level, our key concerns are the safety of our employees and our ability to provide reliable supply to our customers. We have aggregated the best practices we have observed from customers, suppliers, and even competitors. Based on these benchmarks, we’ve prepared our operations and continue to strengthen processes and protocols in advance of pandemics like COVID-19. Below is a transparent assessment of all we have done to date to protect our employees and maintain continuity of supply so that you can entrust your business with ON Semiconductor.

As such, we wanted to proactively assure you of the processes we have in place to support you in your orders:

- Health of Employees
- Facility Readiness
- Customer Planning
- Manufacturing Readiness
- People Availability
- Supplier Readiness and Planning
- Logistics Planning
- Inventory Planning
- Government Relations
- Contingency Planning

By having the above mentioned procedures in place wanted to grant you reassurance that we are doing all we can to address your supply concerns while maintaining a world-class quality system, exceeding international quality standards and customer expectations, even during this difficult period.

Please remain in contact with your customer service representative to receive up-to-date information about ON Semiconductor business operations as well as your current orders. You may also contact us through [continuity@onsemi.com](mailto:continuity@onsemi.com). The team is able to access and provide the most current situation update at any time.

Thank you for your continued support and partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Rolls".

Paul Rolls  
Executive Vice President, Sales and Marketing  
ON Semiconductor

# ON Semiconductor Business Continuity Team (BCT) Safety & Reliability of Supply Protocol

## Objective

1. Ability to secure a healthy workforce 2. Ability to secure operations 3. Ability to secure supply chain

#	Major Elements	Key Criteria to check	Fully in Place
1	Health of Employees	1.1 Company preparedness level is defined (Red, Green, Yellow) for the site and is confirmed to be in place	X
		1.2 Country Level PPE availability is confirmed	X
		1.3 Site has access to minimum weeks coverage of specified masks per preparedness level above	X
		1.4 Return to work controls defined and executed (health checks, key worker restrictions)	X
		1.5 Sufficient temperature check equipment is available & protocol in place to safely measure on entry	X
		1.6 Quarantine protocol defined if suspected infected employee identified at work	X
		1.7 Site is complying with local/country legal restrictions per Corporate Pandemic Business Continuity Instruction	X
2	Facility Readiness	2.1 Industrial Hygiene plan defined per local requirements	X
		2.2 Cleaning routines established, executed and checked at specific frequency	X
		2.3 Rules around breaks established, executed and checked at specific frequency	X
		2.4 Social distancing & gatherings rules communicated and enforced	X
		2.5 Water supply and food (vending) start up checks completed	X
		2.6 Emergency response teams communicated & in place by department	X
		2.7 All sites has Emergency Response Team (ERT) including emergency services confirmed available to support site operations (fire, police, medical)	X
3	Customer Planning	3.1 Production Control and Logistics in place monitoring operations. Ability to provide weekly output updates reflecting real time impact on Customer orders.	X
		3.2 Establish Finished Goods plan during ramp up plan to secure supply	X
		3.3 Customer ship to locations shutdown plan documented & maintained	X
		3.4 Process established to ensure normal payments terms are applied to shipments	X
4	Manufacturing Readiness	4.1 Equipment deep cleaning activities are complete (in particular with user interface)	X
		4.2 Equipment readiness activities/checks are completed	X
		4.3 Standard quality start up procedures followed (first off samples)	X
		4.4 Utility services are available as normal with no constraints	X
		4.5 Service providers have confirmed ability to support required activities	X
5	People Availability	5.1 Establish daily communication channels to all employees	X
		5.2 Plan defined on how to prioritize who to bring back first (salaried, hourly)	X
		5.3 Staffing plan prepared during skeleton crew operations	X
		5.4 Transportation for employees is in place & health controls during transit	X
		5.5 Pre-return to work health checks (declaration of exposure/self-isolation)	X
6	Supplier Readiness & Planning	6.1 Supplier facility & workforce planning per Company guidance translated to available capacity	X
		6.2 On hand/current coverage of components - clear to build available	X
		6.3 In transit is clearly defined inventory	X
		6.4 Lead time and ramp up plan with long lead suppliers	X
		6.5 Supplier capacity check with supplier factory	X
7	Logistics Planning	7.1 Transport restrictions linked to in country or cross border goods movement are understood	X
		7.2 Alternate providers / routes have been defined with support of corporate logistics teams	X
		7.3 Required warehousing operations to support factory ramp up are in place	X
8	Inventory Planning	8.1 Component inventory status/coverage is understood and targets defined	X
		8.2 Projection on Finished Goods in place. Inventories continuously updated based on factory calendars & capacities	X
9	Government Relations	9.1 Local and country restrictions understood and check to ensure we meet these requirements	X
		9.2 Required approvals to maintain/restart certain activities is obtained	X
		9.3 Potential exemptions to local requirements understood & approved	X
		9.4 Support available from government to help protect employees is implemented	X
10	Contingency Planning	10.1 Contingency plan established and confirmed to be up to date	X
		10.2 Risk of site shutdown due to health risk is assessed and updated in the contingency plan	X