1. PURPOSE & SCOPE

1.1. Purpose

This procedure sets the framework for deploying ST’s labor and human rights practices throughout STMicroelectronics NV and its affiliated companies (together ‘ST’ or the ‘Company’).

1.2. Scope

It covers labor and human rights in ST operations and supply chain.

2. ORGANIZATIONAL UNITS AFFECTED

This procedure is applicable to all ST entities, employees and workers, including temporary, migrant, student, dispatch, outsourced, contract and any other type of worker.

In addition, all ST entities must ensure that their management of suppliers and subcontractors includes the supply chain elements detailed in this procedure.

3. POLICY STATEMENT

Each ST organization, each ST employee and each on-site worker is required, without exception, in their personal behavior, and in the manner they conduct business, to:

• Respect and promote the principles described in ST’s Code of Conduct
• Comply with all applicable national and local laws
• Respect and promote labor and human rights described in this procedure, which are based on accepted international laws and practices, such as the United Nations Global Compact, the Responsible Business Alliance (RBA) standards and the International Labor Organization (ILO) conventions

In addition, all ST employees must ensure they respect labor and human rights in all business relationships, including dealings with suppliers, subcontractors, customers and other partners.

4. GENERAL PRINCIPLES

The following principles are covered by this procedure:

• Freely chosen employment
• Prevention of underage labor and protection of young workers
• Organization of working time
• Fair wages and benefits
• Fair treatment and anti-harassment
• Non-discrimination
• Freedom of association
• Working conditions and employee well-being
• Privacy of personal information

A Glossary explaining the terms used is provided at the end of the document.
References

- ST Code of Conduct
- ST Human Resource Policy (P 71)
- ST Social Responsibility Policy (P 72)
- ST Privacy Policy (P163)
- ST Speak Up Policy (P221)
- ST Supply Chain Responsibility procedure (SOP 7211)
- ST Customer Requirements Review, Approval and Implementation (SOP 274)
- ST Customer Audit/visit (SOP 278)
- ST Corporate Policies and Operating Procedures (P 21)
- International Bill of Human Rights
- United Nations Declaration on Human Rights (1948)
- Core conventions of the International Labor Organization (ILO)
- Responsible Business Alliance’s code of conduct

5. PRACTICE

5.1. Principles

5.1.1. Freely chosen employment

Forced labor must not be used, including bonded, trafficked or slave labor, or involuntary or exploitative prison labor. Working for ST is voluntary, and employees are free to leave ST upon their contractual or statutory notice period.

Employment contract

As part of the hiring process, workers must be provided with a written employment agreement that contains a description of terms and conditions of employment in a language they can understand. For migrant workers, the written agreement must be in the native language and be provided prior to the worker departing from their country of origin. There must not be any substitution or change(s) in the employment agreement between departure and arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

At a minimum, a written employment agreement must contain:

- all legally required employment terms
- worker’s full name
- the nature of the work and place where it will be performed
- the term of the contract, and terms and conditions for contract renewal (if applicable)
- expected regular working time
- base wages for regular working time
- for foreign and local migrant workers: allowances or costs (if any) for meals and accommodation living conditions if housing is managed by ST or a labor agency

In addition, the following information must be included either in the written employment contract or in a collective bargaining agreement that is referenced in the contract and a copy must be made available to the employee on signature:
• overtime hours, frequency minimum number of rest days per week and of annual holidays, structured and scheduled overtime hours if applicable
• overtime and holiday wage rates, including maximum allowable overtime hours
• individual benefits and applicable bonuses and allowances
• contract termination/resignation terms

Probation

A probationary period must be set in accordance with national and local laws, and in the absence of local law must not exceed 3 months. In the case of operators, the probationary period must never exceed 3 months.

Identity documents

Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment, unless the law requires the holding of work permits. ST and any labor agencies used to recruit employees must 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.

Recruitment fees

ST is responsible for payment of all fees associated with joining the Company that would have the effect of bonding the worker. All fees should be paid directly by ST to labor agencies. If a case is discovered where the employee has paid fees, the employee must be reimbursed either directly in full or as repayment installments within a maximum of 30 days of discovery. The fees must be recorded in employee personal files.

ST is responsible for the payment of all repatriation fees for migrant workers upon completion of the contract, including when the notice period is not respected, or on termination of the contract due to illness, incapacity or violation of workers’ rights. This requirement does not apply if the migrant worker resigns to work for another company in the country. If the contract was terminated for misconduct, and a deduction of repatriation fees is authorized by law, the deduction must not exceed the legal limit or be greater than 1 month’s net wage, whichever is stricter.

Deposits

No deposit or charge for specific material or equipment provided for the job duty (such as protective equipment, uniforms, etc.) shall be required to any employee.

Loans

If ST accords personal financial loans to operators and non-exempts employees for exceptional expenses such as medical costs or the purchase of a car, no interest can be charged. Monthly repayments must not exceed 10% of the employee’s monthly gross base wage and the duration must not exceed six months.

If ST accords educational loans, no interest is permitted, the loan must not exceed 10% of one year of gross base wage and the duration must not exceed one year.

Training fees
It is forbidden to request any employee to repay training fees directly related to internal or on-the-job training, on departure from the Company. External training or studies may be financed by ST in exchange of a retention period only if all the following conditions are met.

- The employee is an exempt.
- A clear separate training contract defining the conditions is signed with the employee.
- The employee is paid for the entire duration of the training/study.
- The training/studies are voluntarily and requested by the employee.
- The training/studies are related to personal development and not on-the-job training/studies.
- The total number of training days is above 15 working days.

The retention period should be proportional to the duration of the training/studies. In any case, the maximum retention period is 12 months. If an employee leaves ST before the end of the retention period, the employee may be requested to reimburse ST the amount equivalent to the retention period not worked, calculated on a pro-rata basis. In any case, the maximum reimbursement cannot exceed the legal limit or be greater than 10% of one year’s salary or the price of the training whichever is lowest.

No reimbursement can be requested if:

- The Company terminates the employee’s employment during the retention period.
- The employee moves to another post inside ST.
- The employee fails to successfully complete the training, qualification or diploma.

**Freedom of movement**

In the context of their duties and working time, workers must not be unreasonably restricted in their movement within Company facilities, including residences provided by ST, except for safety, security or confidentiality reasons.

**5.1.2. Prevention of underage labor and protection of young workers**

ST does not employ people under the age of 16 years. Young workers between the ages of 16 and 18, must not work in potentially hazardous areas, or work overtime or nightshift. In addition, before starting the mission, the job must be subject to a risk evaluation to verify that there is no harm for the young workers health and safety. ST must not conclude business agreements with suppliers or subcontractors employing anyone under the age of 16.

**Tracking mechanism and assistance**

Each site must implement an appropriate mechanism to verify the age of workers through at least two types of official ID. If an underage worker (below 16 years old) is discovered working on a site, either as a direct employee or a subcontracted worker, the contract must be terminated immediately. In addition, the site must have a process and take action to remediate any negative consequence of the underage work or contract termination, such as medical and social assistance; completion of compulsory schooling; when acceptable by law, moving underage workers into proper apprenticeship positions; maintaining the child's income until legally eligible to work and encourage a job application at ST when eligible.

**Students**

The use of legitimate workplace apprenticeship learning programs, which comply with all laws and regulations, is supported.
ST sites must ensure proper management of students (interns, apprentices, student workers, PhD students or any other student status) as described in our corporate procedure: *Company Standards for Managing Students*.

### 5.1.3. Organization of working time

#### Weekly working time and days off

Working hours are limited to a maximum of 60 hours per week including overtime, except in emergency or extraordinary situations. A working week is not to exceed the maximum set by local law.

Workers must have at least one day off every seven days, which is 24 consecutive hours off in the same calendar day after six consecutive days of work.

#### Overtime hours

Overtime is on a voluntary basis and must be in compliance with local legislation and collective bargaining agreements, including daily and monthly overtime limits.

Structured and scheduled overtime are considered as regular voluntary overtime hours. The overtime must be in line with the local working time limit and covered by a valid Company or national/local agreement specifying the conditions, which has been communicated to the workers or specified in the employment contract.

Non-scheduled overtime (not specified in a collective or individual agreement), in line with the local working time limit, can be requested by:

- Workers. All requests must be formalized, agreed and recorded.
- Management, however a written consent from the worker is required and must be recorded.

Workers have the right to refuse to work non-scheduled overtime hours without any penalty or retaliation.

#### Monitoring

All major sites must have a system to monitor working time (including overtime) and days off, including at least summary reports and warnings to management prior to exceeding these requirements. If a non-conformance is detected, corrective action must be taken and progress documented.

#### Work activities

From site entrance to clock-in, and clock-out to site exit, the time to complete mandatory administrative tasks, security processes, and waiting in line must not exceed 15 minutes.

#### Breaks

Breaks must comply with local laws. In the absence of local laws, sites must conduct an ergonomic assessment to define suitable break periods.

### 5.1.4. Fair wages and benefits

ST seeks to offer a competitive compensation and benefits package based on industry survey results in the regions where we operate. At a minimum, ST complies with all
applicable wage laws and collective bargaining agreements, including minimum wages, holidays, vacation, personal leave, and legally mandated benefits.

All employees have the right to equal pay for work of equal value regardless of their race, color, ethnic or social background, national origin, age, gender, physical characteristics, disability, political opinion or affiliation, religion, gender identity and expression, sexual orientation, marital or maternity status, union affiliation, or any other non-job-related personal characteristic.

All time worked must be paid. Workers must be paid in a timely manner and in accordance with local laws including in the case of resignation. All workers must receive an itemized pay slip for every pay period, showing the basis on which they are paid.

**Overtime pay**

Operators and non-exempt employees are compensated for overtime and work on public holidays at pay rates of at least 125 percent of regular hourly rates.

**Termination**

When a contract is terminated, all wages due up until the last day of work must be fully paid.

**Deductions**

Wage deductions are only permitted for the following situations.

- **Mandatory taxes and social charges**, in line with the applicable laws and regulations.
- **Deductions for services** provided, such as the canteen, dormitory facilities or loan repayments (see section 5.1.1) under the condition that the service is optional.
- **Late arrival or work suspension** due to disciplinary measures; the wage deduction must be proportional to the reduction of working time.
- **Termination with a notice period not respected** – the wage deduction is proportional to the reduction of working time. For operators and technicians working in manufacturing functions, no further financial penalty or deductions can be made, unless mandatory by law. For all other employee categories, if authorized by the law, a financial penalty can be applied in line with the employment contract. The sum can be deducted directly from the wages, up to a maximum of 60% of the monthly wage.

All wage deductions must be clearly itemized on the wage slip. Further deductions from wages are not permitted.

**Pay increase during parental leave**

Employees on maternity leave or primary caregiver parental leave must receive at least the average salary increase given to employees on the site or country that year.

5.1.5. **Fair treatment and anti-harassment**

All workers must be treated fairly. In line with ST’s Code of Conduct, ST does not tolerate any mistreatment of a worker by another worker, employee and/or manager, which may include violence; coercion; verbal, psychological, sexual or physical bullying and harassment; public shaming; or any behavior which disrupts or interferes with another’s work performance or that creates an intimidating, offensive or hostile work environment.

All sites must have a disciplinary procedure that clearly defines and specifies how disciplinary actions are taken, recorded, appealed, and communicated to workers. The
disciplinary process must be applied in a fair and non-discriminatory manner and include a management review by an objective party senior to the manager who imposed the disciplinary action. The procedure must be communicated to all workers and disciplinary actions are recorded for at least one year, if compatible with applicable laws. Workers are requested but not compelled to sign all written records of disciplinary action against them.

5.1.6. Non-discrimination

In accordance with ST’s Code of Conduct, we maintain a culture free of discrimination and harassment, where individuals are treated with respect and dignity, regardless of their race, color, ethnic or social background, national origin, age, gender, physical characteristics, disability, political opinion or affiliation, religion, gender identity and expression, sexual orientation, marital or maternity status, union affiliation, or any other non-job-related personal characteristic.

ST is committed to attracting, developing and retaining its workforce respecting diversity and providing equal opportunities to all employees based on their behavior, skill and abilities. Decisions concerning recruitment and selection, job assignment, remuneration and benefits, rewards, opportunity for training and development, transfer or promotion, termination and discipline, must be based on a fair assessment of an individual’s qualifications, skills and ability, as well as past and current performance. Sites must have a process to periodically review the practices applied at each step to ensure there is no discrimination.

Medical tests

Job applicants must not be subjected to pre-employment medical tests (including pregnancy or virginity tests) except if required by applicable laws. Workers must not be subjected to medical tests (including pregnancy or virginity tests) or physical exams that could be used in a discriminatory way. Medical test results must be kept confidential, accessible only by medical staff, and be maintained by third party medical services.

Security practices

All security practices must be subject to applicable laws and regulations, gender appropriate, non-intrusive and equally applied across all employees.

Religious accommodation

If a significant number of religious followers request to accommodate religious practices in the workplace, and if permitted by local law and culture, the site may put reasonable measures in place to allow workers to meet their religious obligations. Requests may be refused for safety or security concerns, or impact on: business operations, operating costs or other stakeholders. In the case where the request cannot be met, the site will provide a documented answer in a timely manner.

5.1.7. Freedom of association

Workers are free to choose whether or not to organize and join lawful associations including trade unions. ST does not, restrict or interfere with workers’ efforts to join a lawful association of their choice, and this includes any behavior that involves threatening, interrogating, spying on, penalizing or discriminating workers. In addition, ST does not interfere with or finance (directly, indirectly or though in-kind gifts or benefits) any employee representative, organization or trade union, except if required by law.
ST respects the right of all workers to associate freely, to form and join trade unions of their own choice, to bargain collectively and to engage in peaceful assembly, in accordance with ILO Conventions. Workers and their representatives must be able to communicate openly with each other and with management regarding working conditions without fear of reprisal, intimidation, discrimination or harassment.

5.1.8 Working conditions and employee well-being

Worker protection

ST is committed to providing a safe and healthy work environment conducive to worker well-being by meeting international standards for health and safety management systems on top of local and international legal requirements. ST encourages proactive attentive and safe behavior in the workplace and encourages worker suggestions to eliminate the potential causes of accidents or injury.

ST sites must identify positions deemed hazardous for pregnant workers, nursing mothers, and workers with a medical condition. Sites must take reasonable measures to ensure the safety and health of such workers, including the elimination of their workplace health and safety risks or move such workers to a position adapted to their condition.

For pregnant workers it includes a worker-specific pre-natal risk assessment of the worker’s job to assess risk to worker and fetus once pregnancy is reported. Once the worker returns to work a worker-specific post-natal risk assessment of the worker’s job must be conducted to assess risk to worker and possible impacts on the baby through breastfeeding.

The site must provide a nursing room and reasonable break time to express breast milk for nursing mothers and make reasonable arrangements to accommodate pregnant women.

For workers with disabilities or a medical condition, ST sites must provide a work environment adapted to their needs.

Maternity and parental leave

At a minimum, women are offered 14 weeks of fully paid maternity leave, including at least 6 weeks of compulsory postnatal leave. Parental leave for the father or second parent is at least 2 calendar weeks fully paid.

In the case of adoption, parents are offered at least 2 calendar weeks of fully paid parental leave. If the adopted child is under the age of five, it is recommended to offer 10 weeks of fully paid parental leave to the primary caregiver.

In the case of surrogacy, the primary caregiver is offered 10 weeks of fully paid leave and the secondary caregiver 2 weeks of fully paid leave, regardless of gender.

In addition, sites must define and implement local caring benefits for parents and people with caring responsibilities such as special leaves of absence, flexible working arrangements, etc.

Pregnant women are protected from dismissal during their maternity leave. In addition, once they have declared their pregnancy and for 10 weeks following the end of their maternity leave, dismissal is only possible in the event of serious misconduct or if the site is unable to maintain the employment contract for a reason unrelated to the maternity.

ST sites must provide parents with the right to return to work in the same or equivalent position paid at least at the same rate after returning from paid or unpaid parental leave.
All employees are entitled to these rights as soon as they join ST.

**Social protection**

Regardless of the type and duration of their employment relationship, sites must provide adequate social protection such as health insurance, employment benefits, retirement.

**Worker information**

Health and safety related information must be clearly posted in the facility and workers must be provided with an appropriate workplace health and safety training in a language they can understand.

**Dormitory facilities**

ST provides a safe and clean environment for employees who live in residences provided by the Company, as described in our corporate procedure: *Processes and Standards for Workers’ Housing*.

**5.1.9. Privacy**

ST is committed to safeguarding the privacy of the personal data we gather concerning prospective, current, former employees, as well as temporary workers, contract workers, independent contractors, and consultants. It is ST’s policy to comply with the privacy and information security legislation within each jurisdiction in which ST operates. The management of personal data is described in the ST Privacy Policy, P 163.

**5.2. Reporting violations and non-retaliation**

ST promotes a ‘speak up’ culture, allowing everyone to express, without fear of retaliation, any concern they might have of a potential violation of ST’s Code of Conduct, applicable laws, the Company’s policies or values.

All workers and employees (including new hires as soon as they join ST) must be made aware of the Company’s reporting channels and hotline which are available to them. No one who speaks up in good faith shall suffer any acts of retaliation such as intimidation, harassment, adverse employment or career consequences.

The management of concerns brought to the attention of the Company is described in P221 *Speak Up Policy*.

**5.3. Management System**

A management system is defined at corporate level and deployed on all ST sites to mitigate risks and ensure compliance with applicable laws and regulations and ST’s Code of Conduct.

When required to comply with more stringent local regulations, as applicable, ST sites also have the obligation to define and maintain associated local procedures and to communicate them to their workers and other affected employees, in line with Policy P 21 Corporate Policies and Operating Procedures.

**5.3.1. Roles and responsibilities**

Site Management is accountable for local compliance with this procedure and the Human Resources Director is responsible for supporting its deployment.
5.3.2. **Risk management**

Major ST sites\(^6\) must conduct regular risk assessments to identify the labor and human rights risks associated with local operations and supply chain. The risk assessment must be updated when a significant change occurs. The risk assessment must include psychological risks such as stress and burnout. Identified risks must be assessed according to their likelihood and impact, and the appropriate corrective actions and controls put in place.

5.3.3. **Self-assessment**

Major ST sites\(^6\) are also required to annually complete a specific self-assessment questionnaire (SAQ\(^{11}\)) based on the RBA's standards. The site’s Sustainability Champion is responsible for managing the self-assessment and completing the SAQ.

Each site has an obligation to analyze its annual SAQ score, identify weaknesses and propose and implement actions for improvement.

5.3.4. **Audit program**

All manufacturing sites are also required to conduct specific third-party RBA audits to monitor and control their level of social performance. The site’s Sustainability Champion is responsible for coordinating the third-party RBA audits and the resulting Corrective Action Plan (CAP)\(^2\). Each corrective action must be agreed and committed by management with a timeline and auditable outcome.

Any customer request to conduct a second-party audit on an ST site, must be submitted to the Corporate Social Responsibility group, in line with SOP 278 Customer Audit/Visit, prior to any site agreement. ST’s position is to share our RBA third-party audit results rather than accept a customer audit request.

5.3.5. **Legal and customer requirements**

Sites must have a process in place to identify, monitor and ensure compliance with all applicable labor laws and regulations, and this procedure.

Customer requirements and requests must be analyzed and managed in accordance with SOP 274 Customer Requirements Review and Approval and Sustainability Customer Request Management procedure.

Sites have no obligation to comply directly with customer specifications or requirements which have not been formally accepted by ST as per SOP 274.

5.3.6. **Supply chain management**

ST entities must ensure that their suppliers and subcontractors are managed according to SOP 7211 Supply Chain Responsibility. For temporary\(^4\), dispatch and outsourced workers employed through labor agencies, ST sites must ensure alignment with this procedure and conduct appropriate due diligence with labor agencies.

**Labor agency due diligence**

ST must communicate applicable requirements of ST Code of Conduct and RBA standard to local labor agencies\(^5\), including in contractual requirements,

Sites must verify their compliance on a yearly basis and conduct:
• Pre-selection due diligence to ensure labor agency compliance with applicable laws and regulations, and the applicable requirements of ST Code of Conduct and RBA standard.

• Recruitment due diligence, including but not limited to onboarding interviews or surveys with workers recruited or hired through labor agencies to ensure that: workers were provided accurate details of the nature and place of work, living conditions (if applicable), the term of the employment contract (if applicable), working time, base wages for regular working time, rates for overtime and holiday wages, and applicable deductions and benefits.

In addition, these standards must be communicated to labor agency workers working on ST sites, and their contracts and relevant employment documents (included but not limited to personal files, pay slips and timesheet) must be available for review during social responsibility audits.

5.3.7. Training and communication

All sites have the obligation to provide an annual refresher on ST’s Code of Conduct to all employees, in line with guidelines provided by the Corporate Compliance & Ethics department, and communicate clearly with workers in their native language. Local training can be based on the Company’s Code of Conduct e-learning or other learning aids developed and made available by the Corporate Compliance & Ethics group.

All manufacturing sites have the additional obligation to train managers and employees on the labor and human rights subjects covered by this procedure during the onboarding process and thereafter on a regular basis.

The effectiveness of the trainings and communications must be verified on a regular basis (not exceeding 3 years) or sooner if there is a significant change.

Communication with customers on the subject of labor and human rights must involve the appropriate Sales contact and corporate function, such as Corporate Social Responsibility, Compliance and Ethics, Legal or Internal Audit.

5.3.8. Performance

Sites set their objectives in accordance with the Company’s policy deployment framework (annual priorities, top page and sustainability strategy) and their performance is monitored through specific KPIs and reporting tools (for example working time and day of rest reports). They also have the obligation to close any corrective actions identified during audits.

These objectives are cascaded in the personal objectives of the site Sustainability Champion and relevant Human Resources team members.

5.3.9. Feedback and participation

To foster continuous improvement, each manufacturing site must have an ongoing process to assess employees’ understanding of, and obtain feedback on, the practices and conditions covered by this procedure.
### APPENDIX: GLOSSARY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>RBA</strong></td>
</tr>
<tr>
<td>2</td>
<td><strong>CAP</strong></td>
</tr>
<tr>
<td>3</td>
<td><strong>Emergency or extraordinary situations</strong></td>
</tr>
<tr>
<td>4</td>
<td><strong>Fees</strong></td>
</tr>
<tr>
<td>5</td>
<td><strong>Labor agencies</strong></td>
</tr>
<tr>
<td>6</td>
<td><strong>Major site</strong></td>
</tr>
<tr>
<td>7</td>
<td><strong>Migrant worker</strong></td>
</tr>
<tr>
<td>8</td>
<td><strong>Native language</strong></td>
</tr>
<tr>
<td>9</td>
<td><strong>Nightshift</strong></td>
</tr>
<tr>
<td>10</td>
<td><strong>Primary caregiver</strong></td>
</tr>
<tr>
<td>11</td>
<td><strong>SAQ</strong></td>
</tr>
<tr>
<td>12</td>
<td><strong>Secondary caregiver</strong></td>
</tr>
<tr>
<td>13</td>
<td><strong>Student</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td><strong>Temporary, dispatched, outsourced workers</strong></td>
</tr>
<tr>
<td>15</td>
<td><strong>Gross wage</strong></td>
</tr>
<tr>
<td>16</td>
<td><strong>Workers</strong></td>
</tr>
<tr>
<td>17</td>
<td><strong>Young worker</strong></td>
</tr>
</tbody>
</table>