



PURPOSE AND SCOPE

The purpose of the ST Corporate Policy is to:

- Set the framework for ST Human Resource Practices at ST, ensuring they are aligned with key international standards relevant to business;
- Affirm that personal integrity is required from every ST employee, in the form of respect and compliance with all applicable national and international laws;
- By extension every ST entity must, under the leadership of its local and organizational management, establish procedures and practices in alignment with this policy and with any additional guidance documents;
- Communicate ST's Human Resource policy to all company employees; and
- Clarify the means by which compliance with this policy can be ensured.

ORGANIZATIONAL UNITS AFFECTED

This Policy is applicable to all ST entities and employees.

No local policies or Standard Operating Procedure are valid if they contradict this Policy.

The Chief Executive Officer, Chief Administration Officer, the heads of Corporate Human Resources, and Corporate Internal Audit, have a specific responsibility for compliance with the items pertaining to Human Resources management described in this Policy.

POLICY STATEMENT

ST entities and employees, regardless of their location and role, are required to:

- Comply with national and international laws, rules and regulations applicable to their professional activities,
- Behave honestly and ethically with colleagues, customers, suppliers, employees and public officials.
- Ensure proper use, protection and conservation of ST assets and resources, which include business, technical, financial and trade data, and personal information, for ST's sole best interests and not for personal benefit,
- Communicate to management and where possible avoid any conflict of interests between personal and professional relationships, when dealing with suppliers, customers, and all organizations or individuals doing or seeking to do business with ST.
- Be aware of ST's commitments to respect human rights referred to in this Policy, ST's Principles for Sustainable Excellence and the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and reported on in ST's annual Sustainability Report.

ST cares how the results of any given activity are obtained. Results achieved by violating laws, through unscrupulous dealings, misreporting of information, or unfair treatment of ST employees will not be tolerated. Allowing and concealing of any such situations or actions will not be tolerated either.

GENERAL PRINCIPLES

ST strives to be an employer of choice by fostering a workplace that encourages people to perform to their potential, by providing training and development opportunities, building a stimulating work environment and recognizing performance.

ST values and respects the different cultures and lifestyles of its employees and firmly believes that the integration of diverse perspectives and the understanding of diverse local needs make the company more innovative and competitive in the global marketplace. In turn, ST requires its employees to know and respect company policies and processes.

The Human Resources function is managed on the basis of a comprehensive, global “People Management Key Process”. ST HR communities are requested to comply with the Key Process and are audited in that respect.

This Human Resource Policy comes on top of the People Management Key Process and is meant to be the internal rule for all entities administering personnel. It cannot be dissociated from ST’s “Principles for Sustainable Excellence”, from “Business Conduct and Ethics”, from “Corporate Health and Safety” and “Conflict of interests” and must be distributed to all employees upon signature of their work contract or equivalent document.

All Human Resources policies, procedures and practices must serve to respect the human rights of all ST employees, and in turn, ST employees’ behavior and action must reflect this commitment on behalf of the company in their dealings with ST colleagues. In addition, all ST employees will strive to ensure that the company fulfils its responsibility to respect human rights in all business relationships, including dealings with suppliers, subcontractors, customers etc. More detailed Human Resource regulations at ST are country-specific to comply with local laws and legislation.

PRACTICE

Human Rights

Freedom of association

ST respects the right of all workers to associate freely, to form and join trade unions of their own choosing and to bargain collectively, in accordance with ILO Conventions 87 and 98. Workers and their representatives shall be able to communicate openly with each other and with management regarding working conditions without fear of reprisal, intimidation, discrimination or harassment.

Avoidance of forced labor and child labor

Forced, bonded, trafficked or indentured labor or involuntary prison labor shall not be used. All work will be voluntary, and workers shall be free to leave ST upon their contractual or statutory notice period. Workers shall not be required to hand over government-issued identification, passports or work permits and where workers are required to pay a fee in connection with obtaining employment, ST shall be responsible for payment of all significant fees and expenses associated with joining the company that would have the effect of bonding the employee, and payment will be made by ST either directly in full or as repayment installments within a maximum of 18 months. Under no circumstances shall employees advance more than 5 months' salary as agency fees when joining ST. Any contractual requirements for ST employees to repay training fees to ST on departure from the Company shall also be limited in time and compatible with national labor law. Within the context of the duties and working hours required by their work contract, to which they freely consent, and for their own safety, workers shall be free to leave the workplace at all times, and the freedom of movement of those who live in residences provided by ST shall not be restricted.

ST does not employ workers under 16 years of age. Workers under the age of 18 shall not perform work that is likely to jeopardize their health or safety. The Chapter "Health, Safety, well-being and security" of this Policy is applies to them and to the entire workforce.

Working hours and fair wages and benefits

ST acknowledges that excessive working hours result in reduced productivity, increased turnover and higher injury and illness rates and sets work hours in compliance with all appropriate laws, regulations and collective bargaining agreements. A work week is not to exceed the maximum set by local law and shall never exceed 60 hours including overtime, except in emergency or extraordinary situations. (Such unpredictable events requiring overtime in excess of legal or EICC limits cannot be planned or foreseen and shall be documented and recorded. Peak season production, ramp-up or public holidays cannot be considered as emergency or unusual situations). Overtime will always be on a voluntary basis and workers shall be allowed at least one day off (24 consecutive hours) after each consecutive six days of work.

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. ST employees shall be compensated for overtime and work on public holidays at pay rates of at least 125 percent of regular hourly rates. Deductions from wages as a disciplinary measure are not permitted. ST communicates to its employees the basis on which they are paid for every pay period through itemized pay slips.

Exceptions to any of these rules are only valid where formal collective bargaining agreements allow for alternative solutions.

Fair treatment, non discrimination and respect for the individual

ST is committed to ensure the fair treatment of its employees. ST does not tolerate any mistreatment of an employee by another employee, and this includes verbal, psychological, sexual or physical bullying and harassment, or any behavior which disrupts or interferes with another's work performance or that creates an intimidating, offensive or hostile environment.

We will maintain a culture free of discrimination, where individuals are treated with respect and dignity, regardless of their race, color, ethnic background or national origin, age, political opinion or affiliation, religion, gender, disability, sexual orientation, marital or maternity status or union-affiliation, or any other non job-related personal characteristic.

ST is committed to attract, develop and retain 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, opportunity for training and development and transfer or promotion will be based on a fair assessment of an individual's qualifications, skills and ability, as well as past and current performance. In addition, workers or potential workers shall not be subjected to medical tests (including pregnancy tests) that could be used in a discriminatory way.

All employees at all times must show appropriate consideration and respect for their colleagues, and ST organizations will enforce a zero-tolerance approach to incidents of unfair treatment, discrimination or harassment of any kind. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

Whenever the obligation to optimize our organization forces us to redistribute our internal resources, to close sites or to reduce our workforce, ST procedures and practices must show respect for the affected employees and focus on ensuring their human dignity. Reasonable efforts - at a minimum respecting local legislation - will be made to reduce the social impact of any restructuring within the national and cultural context where the required action takes place, including referring to ST good practices on this topic.

Health, safety, well-being and security

ST is committed to provide a safe and healthy work environment conducive to employee well-being by meeting and exceeding local and international legal requirements, as well as international standards for health and safety management systems (Many ST sites are certified to OHSAS 18001).

ST's duty to provide a safe and secure working environment and to ensure the general physical and psychological well-being of its employees also extends to all on-site contractors and visitors to our premises. ST entities must follow all relevant procedures, taking action to eliminate known existing and potential causes of any workplace incidents (accidents, injuries, emergency situations etc.). Every employee is expected to contribute to a safe working environment through his/her actions, including ensuring that their activities are not influenced in any way by alcohol or drugs, reporting any potentially unsafe situations to local site management or suggesting ways in which workplace health and safety can be improved. "Corporate Occupational H&S Manual" and "Corporate H&S Policy" are the reference documents in this area.

Office spaces range from private office to open space, and the type of office assigned is based on availability, need for confidentiality and job grade. Local policies regulate this matter. In their absence, national regulations on minimum office space apply.

ST provides a safe and clean environment for employees who live in residences provided by the company, as described in the ST Corporate procedure: Processes and standards for workers dormitory.

ST operations worldwide have the responsibility to protect our human, physical and intellectual assets through the appropriate response to emergencies and incidents, and with relevant security measures that in turn respect the rights of ST employees, subcontractors, communities and any other affected stakeholders.

Supply Chain Management

ST entities have to ensure that their management of suppliers and subcontractors includes the human rights elements listed above through the appropriate local deployment of the Electronic Industry Citizenship Coalition (EICC) Code of Conduct in line with the company's corporate framework for EICC implementation.

Privacy of personal information

ST respects and protects the confidentiality of personal employee information against unauthorized use or disclosure. We comply with relevant privacy and data protection laws in locations where we operate and we obtain personal information legally. Individuals are provided with reasonable access to their personal information and are given the opportunity to review and correct it where appropriate. Sharing of personal information is limited to those situations where ST has a legal obligation to do so, or where the employee has authorized ST to share the information, or on a need to know basis with authorized parties.

Information relating to employees or to business partners must be acquired ethically and lawfully; it must be used solely for the purpose to which the parties concerned have consented. ST entities must take the necessary steps to protect the confidentiality of such information. All employees are required to maintain the confidentiality of protected or sensitive information acquired in the course of their work, except when such disclosure is either duly authorized in compliance with ST policies or legally required. "Use of company electronic communications equipment and data" is the reference in this subject area.

Employee empowerment and development

We will maintain an environment where employees feel proud to belong to ST and are valued for their contribution. We will develop individuals and teams through empowerment and continuous learning so that our employees have the opportunity to fulfill their potential and improve their competences and qualification. ST entities will value and encourage teamwork and empower employees to contribute to ST's overall performance, maintaining an environment where employees are able to participate in decision-making and take action on matters affecting their work. The freedom of decision-making that empowerment brings must be accompanied by adequate levels of accountability for behavior, action and results.

The company recognizes that suggestions from individual or team workers represent an essential tool to develop employee empowerment, enhance productivity and quality, reduce costs and improve communication. Suggestion schemes are implemented locally in ST with different collection, evaluation and recognition methods. Recruitment, remuneration and opportunities for development and promotion must always be based entirely on a fair assessment of ability and performance at every level. ST organizations are also expected to seek opportunities to enable disadvantaged individuals to achieve excellence in their roles.

Employment of relatives

The Company permits the hiring of a qualified relative of a current employee. However, such employee should not have any direct working relationship with a relative. If for any reason, including but not limited to marriage, business reorganization or acquisitions employees find themselves in working relationships contrary to the intent of this policy, such employees, and their managers are responsible for promptly informing the local Human Resources department, in order to define the appropriate means to move towards policy compliance within a reasonable timeframe.

Reporting of non-compliance

ST is committed to ensure that its employees are aware of the channels available to them to report any cases of potential non-compliance with this Human Resources Policy.

Employees are encouraged to find solutions to any challenge they may encounter in the course of their work with their direct manager and/or their local Human Resources department. It is the role of local HR to work with individual employees and their management to define an action plan to address the issue appropriately. All cases of potential non-compliance with this HR Policy must be documented. The reporting of issues to Corporate HR must strictly follow the process as described in ST Standard Operating Procedure.

Where an issue cannot be resolved at local level, the employee can either bring the case to the attention of the Corporate Human Resources Vice President or use the following dedicated e-mail address: pse@st.com. This e-mail address is managed by the Corporate Compliance Office and supported by the authority of the Corporate Ethics Committee.

An external reporting channel is also available to employees: The whistle blowing hotline, which is designed to give employees a secure and confidential medium to report non-compliance (in particular fraud, corruption, insider trading and tone at the top) is managed by an external ombudsman and Corporate Compliance.

Employees are encouraged to know and understand the reporting channels by consulting, "Business Conduct and Ethics", lists all available contact details in Exhibits A and B of the policy, including the company's confidential internal ethics line, pse.contact@st.com.

Any stakeholders of ST, including business partners, may use these channels to communicate a potential case of non-compliance with this policy of which they may be aware.

Any cases communicated will be treated with the appropriate confidentiality measures and there must be no adverse consequences for an employee bringing an issue to the attention of ST management provided that he/she has acted in good faith. Employees who misuse the communication channel will be subject to disciplinary measures.

Local responsibility

Each Regional/local HR organization is required to ensure the alignment of Local Operating Procedures (LOPs). This Policy and related LOPs must be appropriately communicated to management and employees to ensure their effective implementation.

Any discrepancy between international law and legislations referred to in this policy and local laws and legislations must be communicated to Corporate Human Resources.

A specific Local Operating Procedure (LOP) reflecting the content of this Policy must define the reporting line process that employees can follow at local level to report potential violations of this Policy, or related concerns. The LOP must also define the process to be followed by local management for resolution at the local level wherever possible, but including Corporate HR involvement if required.

In addition, this LOP must:

- be specific concerning the personal consequence for non-compliance (e.g. disciplinary measures), including any abuse of the reporting line itself (e.g. false accusations);
- contain explicit reference to local contacts accountable for handling issues;
- be communicated to all employees through relevant local communication channels and training programs; and
- be communicated to all new hires during their initial orientation to ST, and be handed to them together with their work contact.

Social Management System

In order to ensure the implementation of this policy, reach defined performance goals and drive continuous improvement, ST entities shall adopt the appropriate organizational structure, define necessary responsibilities and establish requirements for their operation in order to:

- Address the social aspects of their operations, identify and mitigate their risks
- Manage compliance with regulatory and social customer requirements
- Control their performance against their goals and audit their compliance to this policy
- Periodically review the status of their social management system

The management system should contain the following elements:

- 1) Entity's Commitment to compliance and continuous improvement relating to this policy, endorsed by executive management.

- 2) Management Accountability and Responsibility: The entity shall clearly identify representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.
- 3) Legal and Customer Requirements: Identification, monitoring and understanding of applicable laws, regulations and customer requirements.
- 4) Risk Assessment and Risk Management: Process to identify labor practice and ethics risks associated with operations. Determination of the relative significance of each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.
- 5) Improvement Objectives: Written performance objectives, targets and implementation plans to improve the entity's social performance, including a periodic assessment of the entity's performance in achieving those objectives.
- 6) Training: Programs for training managers and employees to implement this policy, its associated local procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- 7) Communication: Process for communicating clear and accurate information about the entity's social policies, practices, expectations and performance to workers, suppliers and customers.
- 8) Worker Feedback and Participation: Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this policy and to foster continuous improvement.
- 9) Self Assessments and Audits: Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of this policy and customer contractual requirements related to social responsibility. ST audits its entities according to the principles of the Electronic Industry Code of Conduct (EICC) and specific compliance with this Policy is audited internally on the basis of the ST Audit Key Process.
- 10) Corrective Action Process: Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
- 11) Documentation and Records: Creation and maintenance of documents and records to ensure regulatory compliance and conformity to requirements of this policy.